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Congressional Record

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PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Friday, August 4, 1995*

The House met at 8 a.m. and was called to order by the Speaker pro tempore [Mr. BUNN of Oregon].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BUNN of Oregon) laid before the House the following communication from the Speaker:

WASHINGTON, DC,
August 4, 1995.

I hereby designate the Honorable JIM BUNN to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplian, Rev. James David Ford, D.D., offered the following prayer:

Your word, O God, proclaims the message of faith and hope and love and we long to experience that joy and peace. Yet often we wonder where that word of grace is amid the cluttered affairs of the world and the untidy arrangements of each day. Our prayer, gracious God, is that we will hear Your still small voice in spite of the clamor and noise of life and that we will experience the power of Your spirit in the depths of our own hearts. With gratefulness, O God, we believe that Your presence is greater than the din of the world and we are thankful that underneath are Your everlasting arms. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore (Mr. BUNN of Oregon). The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Texas [Mr. BRYANT] come forward and lead the House in the Pledge of Allegiance.

Mr. BRYANT of Texas led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

COMMUNICATIONS ACT OF 1995

The SPEAKER pro tempore (Mr. BUNN). Pursuant to House Resolution 207 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 1555.

□ 0802

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 1555) to promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies, with Mr. KOLBE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN (Mr. KOLBE). When the Committee of the Whole House rose on Wednesday, August 2, 1995, all time for general debate had expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill is considered as an original bill for the purpose of amendment and is considered read.

NOTICE

Issues of the Congressional Record during the August District Work Period will be published each day the Senate is in session in order to permit Members to revise and extend their remarks.

All material for insertion must be signed by the Member and delivered to the respective offices of the Official Reporters of Debates (Room HT–60 of the Capitol), Monday through Friday, between the hours of 10:00 a.m. and 2:00 p.m.

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By order of the Joint Committee on Printing.

WILLIAM M. THOMAS, *Chairman.*

The text of the committee amendment in the nature of a substitute is as follows:

H.R. 1555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Communications Act of 1995".

□ **This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.**

Matter set in this typeface **indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.**

(b) REFERENCES.—References in this Act to "the Act" are references to the Communications Act of 1934.

(c) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—DEVELOPMENT OF COMPETITIVE TELECOMMUNICATIONS MARKETS

Sec. 101. Establishment of part II of title II.

"PART II—DEVELOPMENT OF COMPETITIVE MARKETS

"Sec. 241. Interconnection.
"Sec. 242. Equal access and interconnection to the local loop for competing providers.
"Sec. 243. Preemption.
"Sec. 244. Statements of terms and conditions for access and interconnection.
"Sec. 245. Bell operating company entry into interLATA services.
"Sec. 246. Competitive safeguards.
"Sec. 247. Universal service.
"Sec. 248. Pricing flexibility and abolition of rate-of-return regulation.
"Sec. 249. Network functionality and accessibility.
"Sec. 250. Market entry barriers.
"Sec. 251. Illegal changes in subscriber carrier selections.
"Sec. 252. Study.
"Sec. 253. Territorial exemption.".
Sec. 102. Competition in manufacturing, information services, alarm services, and pay phone services.

"PART III—SPECIAL AND TEMPORARY PROVISIONS

"Sec. 271. Manufacturing by Bell operating companies.
"Sec. 272. Electronic publishing by Bell operating companies.
"Sec. 273. Alarm monitoring and telemessaging services by Bell operating companies.
"Sec. 274. Provision of payphone service.".
Sec. 103. Forbearance from regulation.
"Sec. 230. Forbearance from regulation.".
Sec. 104. Privacy of customer information.
"Sec. 222. Privacy of customer proprietary network information.".
Sec. 105. Pole attachments.
Sec. 106. Preemption of franchising authority regulation of telecommunications services.
Sec. 107. Facilities siting; radio frequency emission standards.
Sec. 108. Mobile service access to long distance carriers.
Sec. 109. Freedom from toll fraud.
Sec. 110. Report on means of restricting access to unwanted material in interactive telecommunications systems.
Sec. 111. Authorization of appropriations.

TITLE II—CABLE COMMUNICATIONS COMPETITIVENESS

Sec. 201. Cable service provided by telephone companies.

"PART V—VIDEO PROGRAMMING SERVICES PROVIDED BY TELEPHONE COMPANIES

"Sec. 651. Definitions.
"Sec. 652. Separate video programming affiliate.
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"Sec. 654. Authority to prohibit cross-subsidization.
"Sec. 655. Prohibition on buy outs.
"Sec. 656. Applicability of parts I through IV.
"Sec. 657. Rural area exemption.".
Sec. 202. Competition from cable systems.
Sec. 203. Competitive availability of navigation devices.
"Sec. 713. Competitive availability of navigation devices.".
Sec. 204. Video programming accessibility.
Sec. 205. Technical amendments.

TITLE III—BROADCAST COMMUNICATIONS COMPETITIVENESS

Sec. 301. Broadcaster spectrum flexibility.
"Sec. 336. Broadcast spectrum flexibility.".
Sec. 302. Broadcast ownership.
"Sec. 337. Broadcast ownership.".
Sec. 303. Foreign investment and ownership.
Sec. 304. Term of licenses.
Sec. 305. Broadcast license renewal procedures.
Sec. 306. Exclusive Federal jurisdiction over direct broadcast satellite service.
Sec. 307. Automated ship distress and safety systems.
Sec. 308. Restrictions on over-the-air reception devices.
Sec. 309. DBS signal security.

TITLE IV—EFFECT ON OTHER LAWS

Sec. 401. Relationship to other laws.
Sec. 402. Preemption of local taxation with respect to DBS services.

TITLE V—DEFINITIONS

Sec. 501. Definitions.

TITLE VI—SMALL BUSINESS COMPLAINT PROCEDURE

Sec. 601. Complaint procedure.

TITLE I—DEVELOPMENT OF COMPETITIVE TELECOMMUNICATIONS MARKETS

SEC. 101. ESTABLISHMENT OF PART II OF TITLE II.

(a) AMENDMENT.—Title II of the Act is amended by inserting after section 229 (47 U.S.C. 229) the following new part:

"PART II—DEVELOPMENT OF COMPETITIVE MARKETS

"SEC. 241. INTERCONNECTION.

"The duty of a common carrier under section 201(a) includes the duty to interconnect with the facilities and equipment of other providers of telecommunications services and information services.

"SEC. 242. EQUAL ACCESS AND INTERCONNECTION TO THE LOCAL LOOP FOR COMPETING PROVIDERS.

"(a) OPENNESS AND ACCESSIBILITY OBLIGATIONS.—The duty under section 201(a) of a local exchange carrier includes the following duties:

"(1) INTERCONNECTION.—The duty to provide, in accordance with subsection (b), equal access to and interconnection with the facilities of the carrier's networks to any other carrier or person offering (or seeking to offer) telecommunications services or information services reasonably requesting such equal access and interconnection, so that such networks are fully interoperable with such telecommunications services and information services. For purposes of this paragraph, a request is not reasonable unless it contains a proposed plan, including a reasonable schedule, for the implementation of the requested access or interconnection.

"(2) UNBUNDLING OF NETWORK ELEMENTS.—The duty to offer unbundled services, elements, features, functions, and capabilities whenever technically feasible, at just, reasonable, and nondiscriminatory prices and in accordance with subsection (b)(4).

"(3) RESALE.—The duty to offer services, elements, features, functions, and capabilities for resale at economically feasible rates to the reseller, recognizing pricing structures for telephone exchange service in the State, and the duty not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale, on a bundled or unbundled basis, of services, elements, features, functions, and capabilities in conjunction with the furnishing of a telecommunications service or an information service.

"(4) NUMBER PORTABILITY.—The duty to provide, to the extent technically feasible, number portability in accordance with requirements prescribed by the Commission.

"(5) DIALING PARITY.—The duty to provide, in accordance with subsection (c), dialing parity to competing providers of telephone exchange service and telephone toll service.

"(6) ACCESS TO RIGHTS-OF-WAY.—The duty to afford access to the poles, ducts, conduits, and rights-of-way of such carrier to competing providers of telecommunications services in accordance with section 224(d).

"(7) NETWORK FUNCTIONALITY AND ACCESSIBILITY.—The duty not to install network features, functions, or capabilities that do not comply with any standards established pursuant to section 249.

"(8) GOOD FAITH NEGOTIATION.—The duty to negotiate in good faith, under the supervision of State commissions, the particular terms and conditions of agreements to fulfill the duties described in paragraphs (1) through (7). The other carrier or person requesting interconnection shall also be obligated to negotiate in good faith the particular terms and conditions of agreements to fulfill the duties described in paragraphs (1) through (7).

"(b) INTERCONNECTION, COMPENSATION, AND EQUAL ACCESS.—

"(1) INTERCONNECTION.—A local exchange carrier shall provide access to and interconnection with the facilities of the carrier's network at any technically feasible point within the carrier's network on just and reasonable terms and conditions, to any other carrier or person offering (or seeking to offer) telecommunications services or information services requesting such access.

"(2) INTERCARRIER COMPENSATION BETWEEN FACILITIES-BASED CARRIERS.—

"(A) IN GENERAL.—For the purposes of paragraph (1), the terms and conditions for interconnection of the network facilities of a competing provider of telephone exchange service shall not be considered to be just and reasonable unless—

"(i) such terms and conditions provide for the mutual and reciprocal recovery by each carrier of costs associated with the termination on such carrier's network facilities of calls that originate on the network facilities of the other carrier;

"(ii) such terms and conditions determine such costs on the basis of a reasonable approximation of the additional costs of terminating such calls; and

"(iii) the recovery of costs permitted by such terms and conditions are reasonable in relation to the prices for termination of calls that would prevail in a competitive market.

"(B) RULES OF CONSTRUCTION.—This paragraph shall not be construed—

"(i) to preclude arrangements that afford such mutual recovery of costs through the offsetting of reciprocal obligations, including arrangements that waive mutual recovery (such as bill-and-keep arrangements); or

"(ii) to authorize the Commission or any State commission to engage in any rate regulation proceeding to establish with particularity the additional costs of terminating calls, or to require carriers to maintain records with respect to the additional costs of terminating calls.

"(3) EQUAL ACCESS.—A local exchange carrier shall afford, to any other carrier or person offering (or seeking to offer) a telecommunications service or an information service, reasonable and nondiscriminatory access on an unbundled basis—

"(A) to databases, signaling systems, billing and collection services, poles, ducts, conduits, and rights-of-way owned or controlled by a *local exchange carrier, or other facilities, functions, or information (including subscriber numbers) integral to the efficient transmission, routing, or other provision of telephone exchange services or exchange access;*

"(B) that is equal in type and quality to the access which the carrier affords to itself or to any other person, and is available at nondiscriminatory prices; and

"(C) that is sufficient to ensure the full interoperability of the equipment and facilities of the carrier and of the person seeking such access.

"(4) COMMISSION ACTION REQUIRED.—

"(A) IN GENERAL.—Within 15 months after the date of enactment of this part, the Commission shall complete all actions necessary (including any reconsideration) to establish regulations to implement the requirements of this section. The Commission shall establish such regulations after consultation with the Joint Board established pursuant to section 247.

"(B) COLLOCATION.—Such regulations shall provide for actual collocation of equipment necessary for interconnection for telecommunications services at the premises of a local exchange carrier, except that the regulations shall provide for virtual collocation where the local exchange carrier demonstrates that actual collocation is not practical for technical reasons or because of space limitations.

"(C) USER PAYMENT OF COSTS.—Such regulations shall require that the costs that a carrier incurs in offering access, interconnection, number portability, or unbundled services, elements, features, functions, and capabilities shall be borne by the users of such access, interconnection, number portability, or services, elements, features, functions, and capabilities.

"(D) IMPUTED CHARGES TO CARRIER.—Such regulations shall require the carrier, to the extent it provides a telecommunications service or an information service that requires access or interconnection to its network facilities, to impute such access and interconnection charges to itself.

"(c) NUMBER PORTABILITY AND DIALING PARITY.—

"(1) AVAILABILITY.—A local exchange carrier shall ensure that—

"(A) number portability shall be available on request in accordance with subsection (a)(4); and

"(B) dialing parity shall be available upon request, except that, in the case of a Bell operating company, such company shall ensure that dialing parity for intraLATA telephone toll service shall be available not later than the date such company is authorized to provide interLATA services.

"(2) NUMBER ADMINISTRATION.—The Commission shall designate one or more impartial entities to administer telecommunications numbering and to make such numbers available on an equitable basis. The Commission shall have exclusive jurisdiction over those portions of the North American Numbering Plan that pertain to the United States. Nothing in this paragraph shall preclude the Commission from delegating to State commissions or other entities any portion of such jurisdiction.

"(d) JOINT MARKETING OF RESOLD ELEMENTS.—

"(1) RESTRICTION.—Except as provided in paragraph (2), no service, element, feature, function, or capability that is made available for resale in any State by a Bell operating company may be jointly marketed directly or indirectly with any interLATA telephone toll service until such Bell operating company is authorized pursuant to section 245(d) to provide interLATA services in such State.

"(2) EXISTING PROVIDERS.—Paragraph (1) shall not prohibit joint marketing of services, elements, features, functions, or capabilities acquired from a Bell operating company by another provider if that provider jointly markets services, elements, features, functions, and capabilities acquired from a Bell operating company anywhere in the telephone service territory of such Bell operating company, or in the telephone service territory of any affiliate of such Bell operating company that provides telephone exchange service, pursuant to any agreement, tariff, or other arrangement entered into or in effect before the date of enactment of this part.

"(e) MODIFICATIONS AND WAIVERS.—The Commission may modify or waive the requirements of this section for any local exchange carrier (or class or category of such carriers) that has, in the aggregate nationwide, fewer than 500,000 access lines installed, to the extent that the Commission determines that compliance with such requirements (without such modification) would be unduly economically burdensome, technologically infeasible, or otherwise not in the public interest.

"(f) WAIVER FOR RURAL TELEPHONE COMPANIES.—A State commission may waive the requirements of this section with respect to any rural telephone company.

"(g) EXEMPTION FOR CERTAIN RURAL TELEPHONE COMPANIES.—Subsections (a) through (d) of this section shall not apply to a carrier that has fewer than 50,000 access lines in a local exchange study area, if such carrier does not provide video programming services over its telephone exchange facilities in such study area, except that a State commission may terminate the exemption under this subsection if the State commission determines that the termination of such exemption is consistent with the public interest, convenience, and necessity.

"(h) AVOIDANCE OF REDUNDANT REGULATIONS.—Nothing in this section shall be construed to prohibit the Commission or any State commission from enforcing regulations prescribed prior to the date of enactment of this part in fulfilling the requirements of this section, to the extent that such regulations are consistent with the provisions of this section.

"SEC. 243. PREEMPTION.

"(a) REMOVAL OF BARRIERS TO ENTRY.—Except as provided in subsection (b) of this section, no State or local statute, regulation, or other legal requirement shall—

"(1) effectively prohibit any carrier or other person from entering the business of providing interstate or intrastate telecommunications services or information services; or

"(2) effectively prohibit any carrier or other person providing (or seeking to provide) interstate or intrastate telecommunications services or information services from exercising the access and interconnection rights provided under this part.

"(b) STATE AND LOCAL AUTHORITY.—Nothing in this section shall affect the ability of State or local officials to impose, on a nondiscriminatory basis, requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, ensure that a provider's business practices are consistent with consumer protection laws and regulations, and ensure just and reasonable rates, provided that such requirements do not effectively prohibit any carrier or person from providing interstate or intrastate telecommunications services or information services.

"(c) CONSTRUCTION PERMITS.—Subsection (a) shall not be construed to prohibit a local government from requiring a person or carrier to obtain ordinary and usual construction or similar permits for its operations if—

"(1) such permit is required without regard to the nature of the business; and

"(2) requiring such permit does not effectively prohibit any person or carrier from providing any interstate or intrastate telecommunications service or information service.

"(d) EXCEPTION.—In the case of commercial mobile services, the provisions of section 332(c)(3) shall apply in lieu of the provisions of this section.

"(e) PARITY OF FRANCHISE AND OTHER CHARGES.—Notwithstanding section 2(b), no local government may impose or collect any franchise, license, permit, or right-of-way fee or any assessment, rental, or any other charge or equivalent thereof as a condition for operating in the locality or for obtaining access to, occupying, or crossing public rights-of-way from any provider of telecommunications services that distinguishes between or among providers of telecommunications services, including the local exchange carrier. For purposes of this subsection, a franchise, license, permit, or right-of-way fee or an assessment, rental, or any other charge or equivalent thereof does not include any imposition of general applicability which does not distinguish between or among providers of telecommunications services, or any tax.

"SEC. 244. STATEMENTS OF TERMS AND CONDITIONS FOR ACCESS AND INTERCONNECTION.

"(a) IN GENERAL.—Within 18 months after the date of enactment of this part, and from time to time thereafter, a local exchange carrier shall prepare and file with a State commission statements of the terms and conditions that such carrier generally offers within that State with respect to the services, elements, features, functions, or capabilities provided to comply with the requirements of section 242 and the regulations thereunder. Any such statement pertaining to the charges for interstate services, elements, features, functions, or capabilities shall be filed with the Commission.

"(b) REVIEW.—

"(1) STATE COMMISSION REVIEW.—A State commission to which a statement is submitted under subsection (a) shall review such statement in accordance with State law. A State commission may not approve such statement unless such statement complies with section 242 and the regulations thereunder. Except as provided in section 243, nothing in this section shall prohibit a State commission from establishing or enforcing other requirements of State law in its review of such statement, including requiring compliance with intrastate telecommunications service quality standards or requirements.

"(2) FCC REVIEW.—The Commission shall review such statements to ensure that—

"(A) the charges for interstate services, elements, features, functions, or capabilities are just, reasonable, and nondiscriminatory; and

"(B) the terms and conditions for such interstate services or elements unbundle any separable services, elements, features, functions, or capabilities in accordance with section 242(a)(2) and any regulations thereunder.

"(c) TIME FOR REVIEW.—

"(1) SCHEDULE FOR REVIEW.—The Commission and the State commission to which a statement is submitted shall, not later than 60 days after the date of such submission—

"(A) complete the review of such statement under subsection (b) (including any reconsideration thereof), unless the submitting carrier agrees to an extension of the period for such review; or

"(B) permit such statement to take effect.

"(2) AUTHORITY TO CONTINUE REVIEW.—Paragraph (1) shall not preclude the Commission or a State commission from continuing to review a statement that has been permitted to take effect under subparagraph (B) of such paragraph.

"(d) EFFECT OF AGREEMENTS.—Nothing in this section shall prohibit a carrier from filing an agreement to provide services, elements, features, functions, or capabilities affording access

and interconnection as a statement of terms and conditions that the carrier generally offers for purposes of this section. An agreement affording access and interconnection shall not be approved under this section unless the agreement contains a plan, including a reasonable schedule, for the implementation of the requested access or interconnection. The approval of a statement under this section shall not operate to prohibit a carrier from entering into subsequent agreements that contain terms and conditions that differ from those contained in a statement that has been reviewed and approved under this section, but—

"(1) each such subsequent agreement shall be filed under this section; and

"(2) such carrier shall be obligated to offer access to such services, elements, features, functions, or capabilities to other carriers and persons (including carriers and persons covered by previously approved statements) requesting such access on terms and conditions that, in relation to the terms and conditions in such subsequent agreements, are not discriminatory.

"(e) SUNSET.—The provisions of this section shall cease to apply in any local exchange market, defined by geographic area and class or category of service, that the Commission and the State determines has become subject to full and open competition.

"SEC. 245. BELL OPERATING COMPANY ENTRY INTO INTERLATA SERVICES.

"(a) VERIFICATION OF ACCESS AND INTERCONNECTION COMPLIANCE.—At any time after 18 months after the date of enactment of this part, a Bell operating company may provide to the Commission verification by such company with respect to one or more States that such company is in compliance with the requirements of this part. Such verification shall contain the following:

"(1) CERTIFICATION.—A certification by each State commission of such State or States that such carrier has fully implemented the conditions described in subsection (b), except as provided in subsection (d)(2).

"(2) AGREEMENT OR STATEMENT.—For each such State, either of the following:

"(A) PRESENCE OF A FACILITIES-BASED COMPETITOR.—An agreement that has been approved under section 244 specifying the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities in accordance with section 242 for an unaffiliated competing provider of telephone exchange service that is comparable in price, features, and scope and that is provided over the competitor's own network facilities to residential and business subscribers.

"(B) FAILURE TO REQUEST ACCESS.—If no such provider has requested such access and interconnection before the date which is 3 months before the date the company makes its submission under this subsection, a statement of the terms and conditions that the carrier generally offers to provide such access and interconnection that has been approved or permitted to take effect by the State commission under section 243.

For purposes of subparagraph (B), a Bell operating company shall be considered not to have received any request for access or interconnection if the State commission of such State or States certifies that the only provider or providers making such request have (i) failed to bargain in good faith under the supervision of such State commission pursuant to section 242(a)(8), or (ii) have violated the terms of their agreement by failure to comply, within a reasonable period of time, with the implementation schedule contained in such agreement.

"(b) CERTIFICATION OF COMPLIANCE WITH PART II.—For the purposes of subsection (a)(1), a Bell operating company shall submit to the Commission a certification by a State commission of compliance with each of the following conditions in any area where such company provides local exchange service or exchange access in such State:

"(1) INTERCONNECTION.—The Bell operating company provides access and interconnection in accordance with subsections (a)(1) and (b) of section 242 to any other carrier or person offering telecommunications services requesting such access and interconnection, and complies with the Commission regulations pursuant to such section concerning such access and interconnection.

"(2) UNBUNDLING OF NETWORK ELEMENTS.—The Bell operating company provides unbundled services, elements, features, functions, and capabilities in accordance with subsection (a)(2) of section 242 and the regulations prescribed by the Commission pursuant to such section.

"(3) RESALE.—The Bell operating company offers services, elements, features, functions, and capabilities for resale in accordance with section 242(a)(3), and neither the Bell operating company, nor any unit of State or local government within the State, imposes any restrictions on resale or sharing of telephone exchange service (or unbundled services, elements, features, or functions of telephone exchange service) in violation of section 242(a)(3).

"(4) NUMBER PORTABILITY.—The Bell operating company provides number portability in compliance with the Commission's regulations pursuant to subsections (a)(4) and (c) of section 242.

"(5) DIALING PARITY.—The Bell operating company provides dialing parity in accordance with subsections (a)(5) and (c) of section 242, and will, not later than the effective date of its authority to commence providing interLATA services, take such actions as are necessary to provide dialing parity for intraLATA telephone toll service in accordance with such subsections.

"(6) ACCESS TO CONDUITS AND RIGHTS OF WAY.—The poles, ducts, conduits, and rights of way of such Bell operating company are available to competing providers of telecommunications services in accordance with the requirements of sections 242(a)(6) and 224(d).

"(7) ELIMINATION OF FRANCHISE LIMITATIONS.—No unit of the State or local government in such State or States enforces any prohibition or limitation in violation of section 243.

"(8) NETWORK FUNCTIONALITY AND ACCESSIBILITY.—The Bell operating company will not install network features, functions, or capabilities that do not comply with the standards established pursuant to section 249.

"(9) NEGOTIATION OF TERMS AND CONDITIONS.—The Bell operating company has negotiated in good faith, under the supervision of the State commission, in accordance with the requirements of section 242(a)(8) with any other carrier or person requesting access or interconnection.

"(c) APPLICATION FOR INTERIM INTERLATA AUTHORITY.—

"(1) APPLICATION SUBMISSION AND CONTENTS.—At any time after the date of enactment of this part, and prior to the completion by the Commission of all actions necessary to establish regulations under section 242, a Bell operating company may apply to the Commission for interim authority to provide interLATA services. Such application shall specify the LATA or LATAs for which the company is requesting authority to provide interim interLATA services. Such application shall contain, with respect to each LATA within a State for which authorization is requested, the following:

"(A) PRESENCE OF A FACILITIES-BASED COMPETITOR.—An agreement that the State commission has determined complies with section 242 (without regard to any regulations thereunder) and that specifies the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities for an unaffiliated competing provider of telephone exchange service that is comparable in price, features, and scope and that is provided over the competitor's own network facilities to residential and business subscribers.

"(B) CERTIFICATION.—A certification by the State commission of the State within which such LATA is located that such company is in compliance with State laws, rules, and regulations providing for the implementation of the standards described in subsection (b) as of the date of certification, including certification that such company is offering services, elements, features, functions, and capabilities for resale at economically feasible rates to the reseller, recognizing pricing structures for telephone exchange service in such State.

"(2) STATE TO PARTICIPATE.—The company shall serve a copy of the application on the relevant State commission within 5 days of filing its application. The State shall file comments to the Commission on the company's application within 40 days of receiving a copy of the company's application.

"(3) DEADLINES FOR COMMISSION ACTION.—The Commission shall make a determination on such application not more than 90 days after such application is filed.

"(4) EXPIRATION OF INTERIM AUTHORITY.—Any interim authority granted pursuant to this subsection shall cease to be effective 180 days after the completion by the Commission of all actions necessary to establish regulations under section 242.

"(d) COMMISSION REVIEW.—

"(1) REVIEW OF STATE DECISIONS AND CERTIFICATIONS.—The Commission shall review any verification submitted by a Bell operating company pursuant to subsection (a). The Commission may require such company to submit such additional information as is necessary to validate any of the items of such verification.

"(2) DE NOVO REVIEW.—If—

"(A) a State commission does not have the jurisdiction or authority to make the certification required by subsection (b);

"(B) the State commission has failed to act within 90 days after the date a request for such certification is filed with such State commission; or

"(C) the State commission has sought to impose a term or condition in violation of section 243;

the local exchange carrier may request the Commission to certify the carrier's compliance with the conditions specified in subsection (b).

"(3) TIME FOR DECISION; PUBLIC COMMENT.—Unless such Bell operating company consents to a longer period of time, the Commission shall approve, disapprove, or approve with conditions such verification within 90 days after the date of its submission. During such 90 days, the Commission shall afford interested persons an opportunity to present information and evidence concerning such verification.

"(4) STANDARD FOR DECISION.—The Commission shall not approve such verification unless the Commission determines that—

"(A) the Bell operating company meets each of the conditions required to be certified under subsection (b); and

"(B) the agreement or statement submitted under subsection (a)(2) complies with the requirements of section 242 and the regulations thereunder.

"(e) ENFORCEMENT OF CONDITIONS.—

"(1) COMMISSION AUTHORITY.—If at any time after the approval of a verification under subsection (d), the Commission determines that a Bell operating company has ceased to meet any of the conditions required to be certified under subsection (b), the Commission may, after notice and opportunity for a hearing—

"(A) issue an order to such company to correct the deficiency;

"(B) impose a penalty on such company pursuant to title V; or

"(C) suspend or revoke such approval.

"(2) RECEIPT AND REVIEW OF COMPLAINTS.—The Commission shall establish procedures for the review of complaints concerning failures by Bell operating companies to meet conditions required to be certified under subsection (b). Unless the parties otherwise agree, the Commission shall act on such complaint within 90 days.

"(3) STATE AUTHORITY.—The authority of the Commission under this subsection shall not be construed to preempt any State commission from taking actions to enforce the conditions required to be certified under subsection (b).

"(f) AUTHORITY TO PROVIDE INTERLATA SERVICES.—

"(1) PROHIBITION.—Except as provided in paragraph (2) and subsections (g) and (h), a Bell operating company or affiliate thereof may not provide interLATA services.

"(2) AUTHORITY SUBJECT TO CERTIFICATION.—A Bell operating company or affiliate thereof may, in any States to which its verification under subsection (a) applies, provide interLATA services—

"(A) during any period after the effective date of the Commission's approval of such verification pursuant to subsection (d), and

"(B) until the approval of such verification is suspended or revoked by the Commission pursuant to subsection (d).

"(g) EXCEPTION FOR PREVIOUSLY AUTHORIZED ACTIVITIES.—Subsection (f) shall not prohibit a Bell operating company or affiliate from engaging, at any time after the date of the enactment of this part, in any activity as authorized by an order entered by the United States District Court for the District of Columbia pursuant to section VII or VIII(C) of the Modification of Final Judgment, if—

"(1) such order was entered on or before the date of the enactment of this part, or

"(2) a request for such authorization was pending before such court on the date of the enactment of this part.

"(h) EXCEPTIONS FOR INCIDENTAL SERVICES.—Subsection (f) shall not prohibit a Bell operating company or affiliate thereof, at any time after the date of the enactment of this part, from providing interLATA services for the purpose of—

"(1)(A) providing audio programming, video programming, or other programming services to subscribers to such services of such company;

"(B) providing the capability for interaction by such subscribers to select or respond to such audio programming, video programming, or other programming services; or

"(C) providing to distributors audio programming or video programming that such company owns or controls, or is licensed by the copyright owner of such programming (or by an assignee of such owner) to distribute;

"(2) providing a telecommunications service, using the transmission facilities of a cable system that is an affiliate of such company, between local access and transport areas within a cable system franchise area in which such company is not, on the date of the enactment of this part, a provider of wireline telephone exchange service;

"(3) providing commercial mobile services in accordance with section 332(c) of this Act and with the regulations prescribed by the Commission pursuant to paragraph (8) of such section;

"(4) providing a service that permits a customer that is located in one local access and transport area to retrieve stored information from, or file information for storage in, information storage facilities of such company that are located in another local access and transport area;

"(5) providing signaling information used in connection with the provision of telephone exchange services to a local exchange carrier that, together with any affiliated local exchange carriers, has aggregate annual revenues of less than $100,000,000; or

"(6) providing network control signaling information to, and receiving such signaling information from, common carriers offering interLATA services at any location within the area in which such Bell operating company provides telephone exchange services or exchange access.

"(i) INTRALATA TOLL DIALING PARITY.—Neither the Commission nor any State may order any Bell operating company to provide dialing parity for intraLATA telephone toll service in any State before the date such company is authorized to provide interLATA services in such State pursuant to this section.

"(j) FORBEARANCE.—The Commission may not, pursuant to section 230, forbear from applying any provision of this section or any regulation thereunder until at least 5 years after the date of enactment of this part.

"(k) SUNSET.—The provisions of this section shall cease to apply in any local exchange market, defined by geographic area and class or category of service, that the Commission and the State determines has become subject to full and open competition.

"(l) DEFINITIONS.—As used in this section—

"(1) AUDIO PROGRAMMING.—The term 'audio programming' means programming provided by, or generally considered comparable to programming provided by, a radio broadcast station.

"(2) VIDEO PROGRAMMING.—The term 'video programming' has the meaning provided in section 602.

"(3) OTHER PROGRAMMING SERVICES.—The term 'other programming services' means information (other than audio programming or video programming) that the person who offers a video programming service makes available to all subscribers generally. For purposes of the preceding sentence, the terms 'information' and 'makes available to all subscribers generally' have the same meaning such terms have under section 602(13) of this Act.

"SEC. 246. COMPETITIVE SAFEGUARDS.

"(a) IN GENERAL.—In accordance with the requirements of this section and the regulations adopted thereunder, a Bell operating company or any affiliate thereof providing any interLATA telecommunications or information service, shall do so through a subsidiary that is separate from the Bell operating company or any affiliate thereof that provides telephone exchange service.

"(b) TRANSACTION REQUIREMENTS.—Any transaction between such a subsidiary and a Bell operating company and any other affiliate of such company shall be conducted on an arm's-length basis, in the same manner as the Bell operating company conducts business with unaffiliated persons, and shall not be based upon any preference or discrimination in favor of the subsidiary arising out of the subsidiary's affiliation with such company.

"(c) SEPARATE OPERATION AND PROPERTY.—A subsidiary required by this section shall—

"(1) operate independently from the Bell operating company or any affiliate thereof,

"(2) have separate officers, directors, and employees who may not also serve as officers, directors, or employees of the Bell operating company or any affiliate thereof,

"(3) not enter into any joint venture activities or partnership with a Bell operating company or any affiliate thereof,

"(4) not own any telecommunications transmission or switching facilities in common with the Bell operating company or any affiliate thereof, and

"(5) not jointly own or share the use of any other property with the Bell operating company or any affiliate thereof.

"(d) BOOKS, RECORDS, AND ACCOUNTS.—Any subsidiary required by this section shall maintain books, records, and accounts in a manner prescribed by the Commission which shall be separate from the books, records, and accounts maintained by a Bell operating company or any affiliate thereof.

"(e) PROVISION OF SERVICES AND INFORMATION.—A Bell operating company or any affiliate thereof may not discriminate between a subsidiary required by this section and any other person in the provision or procurement of goods, services, facilities, or information, or in the establishment of standards, and shall not provide any goods, services, facilities or information to a subsidiary required by this section unless such goods, services, facilities or information are made available to others on reasonable, nondiscriminatory terms and conditions.

"(f) PREVENTION OF CROSS-SUBSIDIES.—A Bell operating company or any affiliate thereof required to maintain a subsidiary under this section shall establish and administer, in accordance with the requirements of this section and the regulations prescribed thereunder, a cost allocation system that prohibits any cost of providing interLATA telecommunications or information services from being subsidized by revenue from telephone exchange services and telephone exchange access services. The cost allocation system shall employ a formula that ensures that—

"(1) the rates for telephone exchange services and exchange access are no greater than they would have been in the absence of such investment in interLATA telecommunications or information services (taking into account any decline in the real costs of providing such telephone exchange services and exchange access); and

"(2) such interLATA telecommunications or information services bear a reasonable share of the joint and common costs of facilities used to provide telephone exchange, exchange access, and competitive services.

"(g) ASSETS.—The Commission shall, by regulation, ensure that the economic risks associated with the provision of interLATA telecommunications or information services by a Bell operating company or any affiliate thereof (including any increases in such company's cost of capital that occur as a result of the provision of such services) are not borne by customers of telephone exchange services and exchange access in the event of a business loss or failure. Investments or other expenditures assigned to interLATA telecommunications or information services shall not be reassigned to telephone exchange service or exchange access.

"(h) DEBT.—A subsidiary required by this section shall not obtain credit under any arrangement that would—

"(1) permit a creditor, upon default, to have resource to the assets of a Bell operating company; or

"(2) induce a creditor to rely on the tangible or intangible assets of a Bell operating company in extending credit.

"(i) FULFILLMENT OF CERTAIN REQUESTS.—A Bell operating company or an affiliate thereof shall—

"(1) fulfill any requests from an unaffiliated entity for telephone exchange service and exchange access within a period no longer than the period in which it provides such telephone exchange service and exchange access to itself or to its affiliates;

"(2) fulfill any such requests with telephone exchange service and exchange access of a quality that meets or exceeds the quality of telephone exchange services and exchange access provided by the Bell operating company or its affiliates to itself or its affiliates; and

"(3) provide telephone exchange service and exchange access to all providers of intraLATA or interLATA telephone toll services and interLATA information services at cost-based rates that are not unreasonably discriminatory.

"(j) Charges for Access Services.—A Bell operating company or an affiliate thereof shall charge the subsidiary required by this section an amount for telephone exchange services, exchange access, and other necessary associated inputs no less than the rate charged to any unaffiliated entity for such access and inputs.

"(k) Sunset.—The provisions of this section shall cease to apply in any local exchange market 3 years after the date of enactment of this part.

"SEC. 247. UNIVERSAL SERVICE.

"(a) Joint Board To Preserve Universal Service.—Within 30 days after the date of enactment of this part, the Commission shall convene a Federal-State Joint Board under section 410(c) for the purpose of recommending actions to the Commission and State commissions for the preservation of universal service in furtherance of the purposes set forth in section 1 of this Act. In addition to the members required under section 410(c), one member of the Joint Board shall be a State-appointed utility consumer advocate nominated by a national organization of State utility consumer advocates.

"(b) Principles.—The Joint Board shall base policies for the preservation of universal service on the following principles:

"(1) Just and reasonable rates.—A plan adopted by the Commission and the States should ensure the continued viability of universal service by maintaining quality services at just and reasonable rates.

"(2) Definitions of included services; comparability in urban and rural areas.—Such plan should recommend a definition of the nature and extent of the services encompassed within carriers' universal service obligations. Such plan should seek to promote access to advanced telecommunications services and capabilities, and to promote reasonably comparable services for the general public in urban and rural areas, while maintaining just and reasonable rates.

"(3) Adequate and sustainable support mechanisms.—Such plan should recommend specific and predictable mechanisms to provide adequate and sustainable support for universal service.

"(4) Equitable and nondiscriminatory contributions.—All providers of telecommunications services should make an equitable and nondiscriminatory contribution to the preservation of universal service.

"(5) Educational access to advanced telecommunications services.—To the extent that a common carrier establishes advanced telecommunications services, such plan should include recommendations to ensure access to advanced telecommunications services for students in elementary and secondary schools.

"(6) Additional principles.—Such other principles as the Board determines are necessary and appropriate for the protection of the public interest, convenience, and necessity and consistent with the purposes of this Act.

"(c) Definition of Universal Service.—In recommending a definition of the nature and extent of the services encompassed within carriers' universal service obligations under subsection (b)(2), the Joint Board shall consider the extent to which—

"(1) a telecommunications service has, through the operation of market choices by customers, been subscribed to by a substantial majority of residential customers;

"(2) such service or capability is essential to public health, public safety, or the public interest;

"(3) such service has been deployed in the public switched telecommunications network; and

"(4) inclusion of such service within carriers' universal service obligations is otherwise consistent with the public interest, convenience, and necessity.

The Joint Board may, from time to time, recommend to the Commission modifications in the definition proposed under subsection (b).

"(d) Report; Commission Response.—The Joint Board convened pursuant to subsection (a) shall report its recommendations within 270 days after the date of enactment of this part. The Commission shall complete any proceeding to act upon such recommendations and to comply with the principles set forth in subsection (b) within one year after such date of enactment.

"(e) State Authority.—Nothing in this section shall be construed to restrict the authority of any State to adopt regulations imposing universal service obligations on the provision of intrastate telecommunications services.

"(f) Sunset.—The Joint Board established by this section shall cease to exist 5 years after the date of enactment of this part.

"SEC. 248. PRICING FLEXIBILITY AND ABOLITION OF RATE-OF-RETURN REGULATION.

"(a) Pricing Flexibility.—

"(1) Commission criteria.—Within 270 days after the date of enactment of this part, the Commission shall complete all actions necessary (including any reconsideration) to establish—

"(A) criteria for determining whether a telecommunications service or provider of such service has become, or is substantially certain to become, subject to competition, either within a geographic area or within a class or category of service; and

"(B) appropriate flexible pricing procedures that afford a regulated provider of a service described in subparagraph (A) the opportunity to respond fairly to such competition and that are consistent with the protection of subscribers and the public interest, convenience, and necessity.

"(2) State selection.—A State commission may utilize the flexible pricing procedures or procedures (established under paragraph (1)(B)) that are appropriate in light of the criteria established under paragraph (1)(A).

"(3) Determinations.—The Commission, with respect to rates for interstate or foreign communications, and State commissions, with respect to rates for intrastate communications, shall, upon application—

"(A) render determinations in accordance with the criteria established under paragraph (1)(A) concerning the services or providers that are the subject of such application; and

"(B) upon a proper showing, implement appropriate flexible pricing procedures consistent with paragraphs (1)(B) and (2) with respect to such services or providers.

The Commission and such State commission shall approve or reject any such application within 180 days after the date of its submission.

"(b) Abolition of Rate-of-Return Regulation.—Notwithstanding any other provision of law, to the extent that a carrier has complied with sections 242 and 244 of this part, the Commission, with respect to rates for interstate or foreign communications, and State commissions, with respect to rates for intrastate communications, shall not require rate-of-return regulation.

"(c) Termination of Price and Other Regulation.—Notwithstanding any other provision of law, to the extent that a carrier has complied with sections 242 and 244 of this part, the Commission, with respect to interstate or foreign communications, and State commissions, with respect to intrastate communications, shall not, for any service that is determined, in accordance with the criteria established under subsection (a)(1)(A), to be subject to competition that effectively prevents prices for such service that are unjust or unreasonable or unjustly or unreasonably discriminatory—

"(1) regulate the prices for such service;

"(2) require the filing of a schedule of charges for such service;

"(3) require the filing of any cost or revenue projections for such service;

"(4) regulate the depreciation charges for facilities used to provide such service; or

"(5) require prior approval for the construction or extension of lines or other equipment for the provision of such service.

"(d) Ability To Continue Affordable Voice-Grade Service.—Notwithstanding subsections (a), (b), and (c), each State commission shall, for a period of not more than 3 years, permit residential subscribers to continue to receive only basic voice-grade local telephone service equivalent to the service generally available to residential subscribers on the date of enactment of this part, at just, reasonable, and affordable rates. Determinations concerning the affordability of rates for such services shall take into account the rates generally available to residential subscribers on such date of enactment and the pricing rules established by the States. Any increases in the rates for such services for residential subscribers that are not attributable to changes in consumer prices generally shall be permitted in any proceeding commenced after the date of enactment of this section upon a showing that such increase is necessary to ensure the continued availability of universal service, prevent economic disadvantages for one or more service providers, and is in the public interest. Such increase in rates shall be minimized to the greatest extent practical and shall be implemented over a time period of not more than 3 years after the the date of enactment of this section. The requirements of this subsection shall not apply to any rural telephone company if the rates for basic voice-grade local telephone service of that company are not subject to regulation by a State commission on the date of enactment of this part.

"(e) Interstate Interexchange Service.—The rates charged by providers of interstate interexchange telecommunications service to customers in rural and high cost areas shall be maintained at levels no higher than those charged by each such provider to its customers in urban areas.

"(f) Exception.—In the case of commercial mobile services, the provisions of section 332(c)(1) shall apply in lieu of the provisions of this section.

"(g) Avoidance of Redundant Regulations.—Nothing in this section shall be construed to prohibit the Commission or a State commission from enforcing regulations prescribed prior to the date of enactment of this part in fulfilling the requirements of this section, to the extent that such regulations are consistent with the provisions of this section.

"SEC. 249. NETWORK FUNCTIONALITY AND ACCESSIBILITY.

"(a) Functionality and Accessibility.—The duty of a common carrier under section 201(a) to furnish communications service includes the duty to furnish that service in accordance with any standards established pursuant to this section.

"(b) Coordination for Interconnectivity.—The Commission—

"(1) shall establish procedures for Commission oversight of coordinated network planning by common carriers and other providers of telecommunications services for the effective and efficient interconnection of public switched networks; and

"(2) may participate, in a manner consistent with its authority and practice prior to the date

of enactment of this section, in the development by appropriate industry standards-setting organizations of interconnection standards that promote access to—

"(A) network capabilities and services by individuals with disabilities; and

"(B) information services by subscribers to telephone exchange service furnished by a rural telephone company.

"(c) ACCESSIBILITY FOR INDIVIDUALS WITH DISABILITIES.—

"(1) ACCESSIBILITY.—Within 1 year after the date of enactment of this section, the Commission shall prescribe such regulations as are necessary to ensure that, if readily achievable, advances in network services deployed by common carriers, and telecommunications equipment and customer premises equipment manufactured for use in conjunction with network services, shall be accessible and usable by individuals with disabilities, including individuals with functional limitations of hearing, vision, movement, manipulation, speech, and interpretation of information. Such regulations shall permit the use of both standard and special equipment, and seek to minimize the need of individuals to acquire additional devices beyond those used by the general public to obtain such access. Throughout the process of developing such regulations, the Commission shall coordinate and consult with representatives of individuals with disabilities and interested equipment and service providers to ensure their concerns and interests are given full consideration in such process.

"(2) COMPATIBILITY.—Such regulations shall require that whenever an undue burden or adverse competitive impact would result from the requirements in paragraph (1), the local exchange carrier that deploys the network service shall ensure that the network service in question is compatible with existing peripheral devices or specialized customer premises equipment commonly used by persons with disabilities to achieve access, unless doing so would result in an undue burden or adverse competitive impact.

"(3) UNDUE BURDEN.—The term 'undue burden' means significant difficulty or expense. In determining whether the activity necessary to comply with the requirements of this subsection would result in an undue burden, the factors to be considered include the following:

"(A) The nature and cost of the activity.

"(B) The impact on the operation of the facility involved in the deployment of the network service.

"(C) The financial resources of the local exchange carrier.

"(D) The type of operations of the local exchange carrier.

"(4) ADVERSE COMPETITIVE IMPACT.—In determining whether the activity necessary to comply with the requirements of this subsection would result in ádverse competitive impact, the following factors shall be considered:

"(A) Whether such activity would raise the cost of the network service in question beyond the level at which there would be sufficient consumer demand by the general population to make the network service profitable.

"(B) Whether such activity would, with respect to the network service in question, put the local exchange carrier at a competitive disadvantage. This factor may be considered so long as competing network service providers are not held to the same obligation with respect to access by persons with disabilities.

"(5) EFFECTIVE DATE.—The regulations required by this subsection shall become effective 18 months after the date of enactment of this part.

"(d) PRIVATE RIGHTS OF ACTIONS PROHIBITED.—Nothing in this section shall be construed to authorize any private right of action to enforce any requirement of this section or any regulation thereunder. The Commission shall have exclusive jurisdiction with respect to any complaint under this section.

"SEC. 250. MARKET ENTRY BARRIERS.

"(a) ELIMINATION OF BARRIERS.—Within 15 months after the date of enactment of this part, the Commission shall complete a proceeding for the purpose of identifying and eliminating, by regulations pursuant to its authority under this Act (other than this section), market entry barriers for entrepreneurs and other small businesses in the provision and ownership of telecommunications services and information services, or in the provision of parts or services to providers of telecommunications services and information services.

"(b) NATIONAL POLICY.—In carrying out subsection (a), the Commission shall seek to promote the policies and purposes of this Act favoring diversity of points of view, vigorous economic competition, technological advancement, and promotion of the public interest, convenience, and necessity.

"(c) PERIODIC REVIEW.—Every 3 years following the completion of the proceeding required by subsection (a), the Commission shall review and report to Congress on—

"(1) any regulations prescribed to eliminate barriers within its jurisdiction that are identified under subsection (a) and that can be prescribed consistent with the public interest, convenience, and necessity; and

"(2) the statutory barriers identified under subsection (a) that the Commission recommends be eliminated, consistent with the public interest, convenience, and necessity.

"SEC. 251. ILLEGAL CHANGES IN SUBSCRIBER CARRIER SELECTIONS.

"No common carrier shall submit or execute a change in a subscriber's selection of a provider of telephone exchange service or telephone toll service except in accordance with such verification procedures as the Commission shall prescribe. Nothing in this section shall preclude any State commission from enforcing such procedures with respect to intrastate services.

"SEC. 252. STUDY.

"At least once every three years, the Commission shall conduct a study that—

"(1) reviews the definition of, and the adequacy of support for, universal service, and evaluates the extent to which universal service has been protected and access to advanced services has been facilitated pursuant to this part and the plans and regulations thereunder;

"(2) evaluates the extent to which access to advanced telecommunications services for students in elementary and secondary school classrooms has been attained pursuant to section 247(b)(5); and

"(3) determines whether the regulations established under section 249(c) have ensured that advances in network services by providers of telecommunications services and information services are accessible and usable by individuals with disabilities.

"SEC. 253. TERRITORIAL EXEMPTION.

"Until 5 years after the date of enactment of this part, the provisions of this part shall not apply to any local exchange carrier in any territory of the United States if (1) the local exchange carrier is owned by the government of such territory, and (2) on the date of enactment of this part, the number of households in such territory subscribing to telephone service is less than 85 percent of the total households located in such territory.".

(b) CONSOLIDATED RULEMAKING PROCEEDING.—The Commission shall conduct a single consolidated rulemaking proceeding to prescribe or amend regulations necessary to implement the requirements of—

(1) part II of title II of the Act as added by subsection (a) of this section;

(2) section 222 as amended by section 104 of this Act; and

(3) section 224 as amended by section 105 of this Act.

(c) DESIGNATION OF PART I.—Title II of the Act is further amended by inserting before the heading of section 201 the following new heading:

"PART I—REGULATION OF DOMINANT COMMON CARRIERS".

(d) SYLISTIC CONSISTENCY.—The Act is amended so that—

(1) the designation and heading of each title of the Act shall be in the form and typeface of the designation and heading of this title of this Act; and

(2) the designation and heading of each part of each title of the Act shall be in the form and typeface of the designation and heading of part I of title II of the Act, as amended by subsection (c).

(e) CONFORMING AMENDMENTS.—

(1) FEDERAL-STATE JURISDICTION.—Section 2(b) of the Act (47 U.S.C. 152(b)) is amended by inserting "part II of title II," after "227, inclusive,".

(2) FORFEITURES.—Sections 503(b)(1) and 504(b) of such Act (47 U.S.C. 503(b)) are each amended by inserting "part I of" before "title II".

SEC. 102. COMPETITION IN MANUFACTURING, INFORMATION SERVICES, ALARM SERVICES, AND PAY-PHONE SERVICES.

(a) COMPETITION IN MANUFACTURING, INFORMATION SERVICES, AND ALARM SERVICES.—Title II of the Act is amended by adding at the end of part II (as added by section 101) the following new part:

"PART III—SPECIAL AND TEMPORARY PROVISIONS

"SEC. 271. MANUFACTURING BY BELL OPERATING COMPANIES.

"(a) ACCESS AND INTERCONNECTION.—It shall be unlawful for a Bell operating company, directly or through an affiliate, to manufacture telecommunications equipment or customer premises equipment, until the Commission has approved under section 245(c) verifications that such Bell operating company, and each Bell operating company with which it is affiliated, are in compliance with the access and interconnection requirements of part II of this title.

"(b) COLLABORATION.—Subsection (a) shall not prohibit a Bell operating company from engaging in close collaboration with any manufacturer of customer premises equipment or telecommunications equipment during the design and development of hardware, software, or combinations thereof related to such equipment.

"(c) INFORMATION REQUIREMENTS.—

"(1) INFORMATION ON PROTOCOLS AND TECHNICAL REQUIREMENTS.—Each Bell operating company shall, in accordance with regulations prescribed by the Commission, maintain and file with the Commission full and complete information with respect to the protocols and technical requirements for connection with and use of its telephone exchange service facilities. Each such company shall report promptly to the Commission any material changes or planned changes to such protocols and requirements, and the schedule for implementation of such changes or planned changes.

"(2) DISCLOSURE OF INFORMATION.—A Bell operating company shall not disclose any information required to be filed under paragraph (1) unless that information has been filed promptly, as required by regulation by the Commission.

"(3) ACCESS BY COMPETITORS TO INFORMATION.—The Commission may prescribe such additional regulations under this subsection as may be necessary to ensure that manufacturers have access to the information with respect to

the protocols and technical requirements for connection with and use of telephone exchange service facilities that a Bell operating company makes available to any manufacturing affiliate or any unaffiliated manufacturer.

"(4) PLANNING INFORMATION.—Each Bell operating company shall provide, to contiguous common carriers providing telephone exchange service, timely information on the planned deployment of telecommunications equipment.

"(d) MANUFACTURING LIMITATIONS FOR STANDARD-SETTING ORGANIZATIONS.—

"(1) BELL COMMUNICATIONS RESEARCH.—The Bell Communications Research Corporation, or any successor entity, shall not engage in manufacturing telecommunications equipment or customer premises equipment so long as—

"(A) such Corporation or entity is owned, in whole or in part, by one or more Bell operating companies; or

"(B) such Corporation or entity engages in establishing standards for telecommunications equipment, customer premises equipment, or telecommunications services, or any product certification activities with respect to telecommunications equipment or customer premises equipment.

"(2) PARTICIPATION IN STANDARD SETTING; PROTECTION OF PROPRIETARY INFORMATION.—Any entity (including such Corporation) that engages in establishing standards for—

"(A) telecommunications equipment, customer premises equipment, or telecommunications services, or

"(B) any product certification activities with respect to telecommunications equipment or customer premises equipment,

for one or more Bell operating companies shall allow any other person to participate fully in such activities on a nondiscriminatory basis. Any such entity shall protect proprietary information submitted for review in the standards-setting and certification processes from release not specifically authorized by the owner of such information, even after such entity ceases to be so engaged.

"(e) BELL OPERATING COMPANY EQUIPMENT PROCUREMENT AND SALES.—

"(1) OBJECTIVE BASIS.—Each Bell operating company and any entity acting on behalf of a Bell operating company shall make procurement decisions and award all supply contracts for equipment, services, and software on the basis of an objective assessment of price, quality, delivery, and other commercial factors.

"(2) SALES RESTRICTIONS.—A Bell operating company engaged in manufacturing may not restrict sales to any local exchange carrier of telecommunications equipment, including software integral to the operation of such equipment and related upgrades.

"(3) PROTECTION OF PROPRIETARY INFORMATION.—A Bell operating company and any entity it owns or otherwise controls shall protect the proprietary information submitted for procurement decisions from release not specifically authorized by the owner of such information.

"(f) ADMINISTRATION AND ENFORCEMENT AUTHORITY.—For the purposes of administering and enforcing the provisions of this section and the regulations prescribed thereunder, the Commission shall have the same authority, power, and functions with respect to any Bell operating company or any affiliate thereof as the Commission has in administering and enforcing the provisions of this title with respect to any common carrier subject to this Act.

"(g) EXCEPTION FOR PREVIOUSLY AUTHORIZED ACTIVITIES.—Nothing in this section shall prohibit a Bell operating company or affiliate from engaging, at any time after the date of the enactment of this part, in any activity as authorized by an order entered by the United States District Court for the District of Columbia pursuant to section VII or VIII(C) of the Modification of Final Judgment, if—

"(1) such order was entered on or before the date of the enactment of this part, or

"(2) a request for such authorization was pending before such court on the date of the enactment of this part.

"(h) ANTITRUST LAWS.—Nothing in this section shall be construed to modify, impair, or supersede the applicability of any of the antitrust laws.

"(i) DEFINITION.—As used in this section, the term 'manufacturing' has the same meaning as such term has under the Modification of Final Judgment.

"SEC. 272. ELECTRONIC PUBLISHING BY BELL OPERATING COMPANIES.

"(a) LIMITATIONS.—No Bell operating company or any affiliate may engage in the provision of electronic publishing that is disseminated by means of such Bell operating company's or any of its affiliates' basic telephone service, except that nothing in this section shall prohibit a separated affiliate or electronic publishing joint venture operated in accordance with this section from engaging in the provision of electronic publishing.

"(b) SEPARATED AFFILIATE OR ELECTRONIC PUBLISHING JOINT VENTURE REQUIREMENTS.—A separated affiliate or electronic publishing joint venture shall be operated independently from the Bell operating company. Such separated affiliate or joint venture and the Bell operating company with which it is affiliated shall—

"(1) maintain separate books, records, and accounts and prepare separate financial statements;

"(2) not incur debt in a manner that would permit a creditor of the separated affiliate or joint venture upon default to have recourse to the assets of the Bell operating company;

"(3) carry out transactions (A) in a manner consistent with such independence, (B) pursuant to written contracts or tariffs that are filed with the Commission and made publicly available, and (C) in a manner that is auditable in accordance with generally accepted auditing standards;

"(4) value any assets that are transferred directly or indirectly from the Bell operating company to a separated affiliate or joint venture, and record any transactions by which such assets are transferred, in accordance with such regulations as may be prescribed by the Commission or a State commission to prevent improper cross subsidies;

"(5) between a separated affiliate and a Bell operating company—

"(A) have no officers, directors, and employees in common after the effective date of this section; and

"(B) own no property in common;

"(6) not use for the marketing of any product or service of the separated affiliate or joint venture, the name, trademarks, or service marks of an existing Bell operating company except for names, trademarks, or service marks that are or were used in common with the entity that owns or controls the Bell operating company;

"(7) not permit the Bell operating company—

"(A) to perform hiring or training of personnel on behalf of a separated affiliate;

"(B) to perform the purchasing, installation, or maintenance of equipment on behalf of a separated affiliate, except for telephone service that it provides under tariff or contract subject to the provisions of this section; or

"(C) to perform research and development on behalf of a separated affiliate;

"(8) each have performed annually a compliance review—

"(A) that is conducted by an independent entity for the purpose of determining compliance during the preceding calendar year with any provision of this section; and

"(B) the results of which are maintained by the separated affiliate or joint venture and the Bell operating company for a period of 5 years subject to review by any lawful authority;

"(9) within 90 days of receiving a review described in paragraph (8), file a report of any exceptions and corrective action with the Commission and allow any person to inspect and copy such report subject to reasonable safeguards to protect any proprietary information contained in such report from being used for purposes other than to enforce or pursue remedies under this section.

"(c) JOINT MARKETING.—

"(1) IN GENERAL.—Except as provided in paragraph (2)—

"(A) a Bell operating company shall not carry out any promotion, marketing, sales, or advertising for or in conjunction with a separated affiliate; and

"(B) a Bell operating company shall not carry out any promotion, marketing, sales, or advertising for or in conjunction with an affiliate that is related to the provision of electronic publishing.

"(2) PERMISSIBLE JOINT ACTIVITIES.—

"(A) JOINT TELEMARKETING.—A Bell operating company may provide inbound telemarketing or referral services related to the provision of electronic publishing for a separated affiliate, electronic publishing joint venture, affiliate, or unaffiliated electronic publisher, provided that if such services are provided to a separated affiliate, electronic publishing joint venture, or affiliate, such services shall be made available to all electronic publishers on request, on nondiscriminatory terms.

"(B) TEAMING ARRANGEMENTS.—A Bell operating company may engage in nondiscriminatory teaming or business arrangements to engage in electronic publishing with any separated affiliate or with any other electronic publisher if (i) the Bell operating company only provides facilities, services, and basic telephone service information as authorized by this section, and (ii) the Bell operating company does not own such teaming or business arrangement.

"(C) ELECTRONIC PUBLISHING JOINT VENTURES.—A Bell operating company or affiliate may participate on a nonexclusive basis in electronic publishing joint ventures with entities that are not any Bell operating company, affiliate, or separated affiliate to provide electronic publishing services, if the Bell operating company or affiliate has not more than a 50 percent direct or indirect equity interest (or the equivalent thereof) or the right to more than 50 percent of the gross revenues under a revenue sharing or royalty agreement in any electronic publishing joint venture. Officers and employees of a Bell operating company or affiliate participating in an electronic publishing joint venture may not have more than 50 percent of the voting control over the electronic publishing joint venture. In the case of joint ventures with small, local electronic publishers, the Commission for good cause shown may authorize the Bell operating company or affiliate to have a larger equity interest, revenue share, or voting control but not to exceed 80 percent. A Bell operating company participating in an electronic publishing joint venture may provide promotion, marketing, sales, or advertising personnel and services to such joint venture.

"(d) PRIVATE RIGHT OF ACTION.—

"(1) DAMAGES.—Any person claiming that any act or practice of any Bell operating company, affiliate, or separated affiliate constitutes a violation of this section may file a complaint with the Commission or bring suit as provided in section 207 of this Act, and such Bell operating company, affiliate, or separated affiliate shall be liable as provided in section 206 of this Act; except that damages may not be awarded for a

violation that is discovered by a compliance review as required by subsection (b)(7) of this section and corrected within 90 days.

"(2) CEASE AND DESIST ORDERS.—In addition to the provisions of paragraph (1), any person claiming that any act or practice of any Bell operating company, affiliate, or separated affiliate constitutes a violation of this section may make application to the Commission for an order to cease and desist such violation or may make application in any district court of the United States of competent jurisdiction for an order enjoining such acts or practices or for an order compelling compliance with such requirement.

"(e) SEPARATED AFFILIATE REPORTING REQUIREMENT.—Any separated affiliate under this section shall file with the Commission annual reports in a form substantially equivalent to the Form 10-K required by regulations of the Securities and Exchange Commission.

"(f) EFFECTIVE DATES.—

"(1) TRANSITION.—Any electronic publishing service being offered to the public by a Bell operating company or affiliate on the date of enactment of this section shall have one year from such date of enactment to comply with the requirements of this section.

"(2) SUNSET.—The provisions of this section shall not apply to conduct occurring after June 30, 2000.

"(g) DEFINITION OF ELECTRONIC PUBLISHING.—

"(1) IN GENERAL.—The term 'electronic publishing' means the dissemination, provision, publication, or sale to an unaffiliated entity or person, of any one or more of the following: news (including sports); entertainment (other than interactive games); business, financial, legal, consumer, or credit materials; editorials, columns, or features; advertising; photos or images; archival or research material; legal notices or public records; scientific, educational, instructional, technical, professional, trade, or other literary materials; or other like or similar information.

"(2) EXCEPTIONS.—The term 'electronic publishing' shall not include the following services:

"(A) Information access, as that term is defined by the Modification of Final Judgment.

"(B) The transmission of information as a common carrier.

"(C) The transmission of information as part of a gateway to an information service that does not involve the generation or alteration of the content of information, including data transmission, address translation, protocol conversion, billing management, introductory information content, and navigational systems that enable users to access electronic publishing services, which do not affect the presentation of such electronic publishing services to users.

"(D) Voice storage and retrieval services, including voice messaging and electronic mail services.

"(E) Data processing or transaction processing services that do not involve the generation or alteration of the content of information.

"(F) Electronic billing or advertising of a Bell operating company's regulated telecommunications services.

"(G) Language translation or data format conversion.

"(H) The provision of information necessary for the management, control, or operation of a telephone company telecommunications system.

"(I) The provision of directory assistance that provides names, addresses, and telephone numbers and does not include advertising.

"(J) Caller identification services.

"(K) Repair and provisioning databases and credit card and billing validation for telephone company operations.

"(L) 911-E and other emergency assistance databases.

"(M) Any other network service of a type that is like or similar to these network services and that does not involve the generation or alteration of the content of information.

"(N) Any upgrades to these network services that do not involve the generation or alteration of the content of information.

"(O) Video programming or full motion video entertainment on demand.

"(h) ADDITIONAL DEFINITIONS.—As used in this section—

"(1) The term 'affiliate' means any entity that, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or control with, a Bell operating company. Such term shall not include a separated affiliate.

"(2) The term 'basic telephone service' means wireline telephone exchange service provided by a Bell operating company in a telephone exchange area, except that such term does not include—

"(A) a competitive wireline telephone exchange service provided in a telephone exchange area where another entity provides a wireline telephone exchange service that was provided on January 1, 1984, and

"(B) a commercial mobile service.

"(3) The term 'basic telephone service information' means network and customer information of a Bell operating company and other information acquired by a Bell operating company as a result of its engaging in the provision of basic telephone service.

"(4) The term 'control' has the meaning that it has in 17 C.F.R. 240.12b-2, the regulations promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.) or any successor provision to such section.

"(5) The term 'electronic publishing joint venture' means a joint venture owned by a Bell operating company or affiliate that engages in the provision of electronic publishing which is disseminated by means of such Bell operating company's or any of its affiliates' basic telephone service.

"(6) The term 'entity' means any organization, and includes corporations, partnerships, sole proprietorships, associations, and joint ventures.

"(7) The term 'inbound telemarketing' means the marketing of property, goods, or services by telephone to a customer or potential customer who initiated the call.

"(8) The term 'own' with respect to an entity means to have a direct or indirect equity interest (or the equivalent thereof) of more than 10 percent of an entity, or the right to more than 10 percent of the gross revenues of an entity under a revenue sharing or royalty agreement.

"(9) The term 'separated affiliate' means a corporation under common ownership or control with a Bell operating company that does not own or control a Bell operating company and is not owned or controlled by a Bell operating company and that engages in the provision of electronic publishing which is disseminated by means of such Bell operating company's or any of its affiliates' basic telephone service.

"(10) The term 'Bell operating company' has the meaning provided in section 3, except that such term includes any entity or corporation that is owned or controlled by such a company (as so defined) but does not include an electronic publishing joint venture owned by such an entity or corporation.

"SEC. 273. ALARM MONITORING AND TELEMESSAGING SERVICES BY BELL OPERATING COMPANIES.

"(a) DELAYED ENTRY INTO ALARM MONITORING.—

"(1) PROHIBITION.—No Bell operating company or affiliate thereof shall engage in the provision of alarm monitoring services before the date which is 6 years after the date of enactment of this part.

"(2) EXISTING ACTIVITIES.—Paragraph (1) shall not apply to any provision of alarm monitoring services in which a Bell operating company or affiliate is lawfully engaged as of January 1, 1995, except that such Bell operating company or any affiliate may not acquire or otherwise obtain control of additional entities providing alarm monitoring services after such date.

"(b) NONDISCRIMINATION.—A common carrier engaged in the provision of alarm monitoring services or telemessaging services shall—

"(1) provide nonaffiliated entities, upon reasonable request, with the network services it provides to its own alarm monitoring or telemessaging operations, on nondiscriminatory terms and conditions; and

"(2) not subsidize its alarm monitoring services or its telemessaging services either directly or indirectly from telephone exchange service operations.

"(c) EXPEDITED CONSIDERATION OF COMPLAINTS.—The Commission shall establish procedures for the receipt and review of complaints concerning violations of subsection (b) or the regulations thereunder that result in material financial harm to a provider of alarm monitoring service or telemessaging service. Such procedures shall ensure that the Commission will make a final determination with respect to any such complaint within 120 days after receipt of the complaint. If the complaint contains an appropriate showing that the alleged violation occurred, as determined by the Commission in accordance with such regulations, the Commission shall, within 60 days after receipt of the complaint, order the common carrier and its affiliates to cease engaging in such violation pending such final determination.

"(d) DEFINITIONS.—As used in this section:

"(1) ALARM MONITORING SERVICE.—The term 'alarm monitoring service' means a service that uses a device located at a residence, place of business, or other fixed premises—

"(A) to receive signals from other devices located at or about such premises regarding a possible threat at such premises to life, safety, or property, from burglary, fire, vandalism, bodily injury, or other emergency, and

"(B) to transmit a signal regarding such threat by means of transmission facilities of a Bell operating company or one of its affiliates to a remote monitoring center to alert a person at such center of the need to inform the customer or another person or police, fire, rescue, security, or public safety personnel of such threat,

but does not include a service that uses a medical monitoring device attached to an individual for the automatic surveillance of an ongoing medical condition.

"(2) TELEMESSAGING SERVICES.—The term 'telemessaging services' means voice mail and voice storage and retrieval services provided over telephone lines for telemessaging customers and any live operator services used to answer, record, transcribe, and relay messages (other than telecommunications relay services) from incoming telephone calls on behalf of the telemessaging customers (other than any service incidental to directory assistance).

"SEC. 274. PROVISION OF PAYPHONE SERVICE.

"(a) NONDISCRIMINATION SAFEGUARDS.—After the effective date of the rules prescribed pursuant to subsection (b), any Bell operating company that provides payphone service—

"(1) shall not subsidize its payphone service directly or indirectly with revenue from its telephone exchange service or its exchange access service; and

"(2) shall not prefer or discriminate in favor of it payphone service.

"(b) REGULATIONS.—

"(1) CONTENTS OF REGULATIONS.—In order to promote competition among payphone service providers and promote the widespread deployment of payphone services to the benefit of the general public, within 9 months after the date of enactment of this section, the Commission shall take all actions necessary (including any reconsideration) to prescribe regulations that—

"(A) establish a per call compensation plan to ensure that all payphone services providers are fairly compensated for each and every completed intrastate and interstate call using their payphone, except that emergency calls and telecommunications relay service calls for hearing disabled individuals shall not be subject to such compensation;

"(B) discontinue the intrastate and interstate carrier access charge payphone service elements and payments in effect on the date of enactment of this section, and all intrastate and interstate payphone subsidies from basic exchange and exchange access revenues, in favor of a compensation plan as specified in subparagraph (A);

"(C) prescribe a set of nonstructural safeguards for Bell operating company payphone service to implement the provisions of paragraphs (1) and (2) of subsection (a), which safeguards shall, at a minimum, include the nonstructural safeguards equal to those adopted in the Computer Inquiry-III CC Docket No. 90–623 proceeding; and

"(D) provide for Bell operating company payphone service providers to have the same right that independent payphone providers have to negotiate with the location provider on selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with the carriers that carry interLATA calls from their payphones, and provide for all payphone service providers to have the right to negotiate with the location provider on selecting and contracting with, and, subject to the terms of any agreement with the location provider, to select and contract with the carriers that carry intraLATA calls from their payphones.

"(2) PUBLIC INTEREST TELEPHONES.—In the rulemaking conducted pursuant to paragraph (1), the Commission shall determine whether public interest payphones, which are provided in the interest of public health, safety, and welfare, in locations where there would otherwise not be a payphone, should be maintained, and if so, ensure that such public interest payphones are supported fairly and equitably.

"(3) EXISTING CONTRACTS.—Nothing in this section shall affect any existing contracts between location providers and payphone service providers or interLATA or intraLATA carriers that are in force and effect as of the date of the enactment of this Act.

"(c) STATE PREEMPTION.—To the extent that any State requirements are inconsistent with the Commission's regulations, the Commission's regulations on such matters shall preempt State requirements.

"(d) DEFINITION.—As used in this section, the term 'payphone service' means the provision of public or semi-public pay telephones, the provision of inmate telephone service in correctional institutions, and any ancillary services.".

SEC. 103. FORBEARANCE FROM REGULATION.

Part I of title II of the Act (as redesignated by section 101(c) of this Act) is amended by inserting after section 229 (47 U.S.C. 229) the following new section:

"SEC. 230. FORBEARANCE FROM REGULATION.

"(a) AUTHORITY TO FORBEAR.—The Commission shall forbear from applying any provision of this part or part II (other than sections 201, 202, 208, 243, and 248), or any regulation thereunder, to a common carrier or service, or class of carriers or services, in any or some of its or their geographic markets, if the Commission determines that—

"(1) enforcement of such provision or regulation is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that carrier or service are just and reasonable and are not unjustly or unreasonably discriminatory;

"(2) enforcement of such regulation or provision is not necessary for the protection of consumers; and

"(3) forbearance from applying such provision or regulation is consistent with the public interest.

"(b) COMPETITIVE EFFECT TO BE WEIGHED.—In making the determination under subsection (a)(3), the Commission shall consider whether forbearance from enforcing the provision or regulation will promote competitive market conditions, including the extent to which such forbearance will enhance competition among providers of telecommunications services. If the Commission determines that such forbearance will promote competition among providers of telecommunications services, that determination may be the basis for a Commission finding that forbearance is in the public interest.".

SEC. 104. PRIVACY OF CUSTOMER INFORMATION.

(a) PRIVACY OF CUSTOMER PROPRIETARY NETWORK INFORMATION.—Title II of the Act is amended by inserting after section 221 (47 U.S.C. 221) the following new section:

"SEC. 222. PRIVACY OF CUSTOMER PROPRIETARY NETWORK INFORMATION.

"(a) SUBSCRIBER LIST INFORMATION.—Notwithstanding subsections (b), (c), and (d), a carrier that provides local exchange service shall provide subscriber list information gathered in its capacity as a provider of such service on a timely and unbundled basis, under nondiscriminatory and reasonable rates, terms, and conditions, to any person upon request for the purpose of publishing directories in any format.

"(b) PRIVACY REQUIREMENTS FOR COMMON CARRIERS.—A carrier—

"(1) shall not, except as required by law or with the approval of the customer to which the information relates—

"(A) use customer proprietary network information in the provision of any service except to the extent necessary (i) in the provision of common carrier services, (ii) in the provision of a service necessary to or used in the provision of common carrier services, including the publishing of directories, or (iii) to continue to provide a particular information service that the carrier provided as of May 1, 1995, to persons who were customers of such service on that date;

"(B) use customer proprietary network information in the identification or solicitation of potential customers for any service other than the telephone exchange service or telephone toll service from which such information is derived;

"(C) use customer proprietary network information in the provision of customer premises equipment; or

"(D) disclose customer proprietary network information to any person except to the extent necessary to permit such person to provide services or products that are used in and necessary to the provision by such carrier of the services described in subparagraph (A);

"(2) shall disclose customer proprietary network information, upon affirmative written request by the customer, to any person designated by the customer;

"(3) shall, whenever such carrier provides any aggregate information, notify the Commission of the availability of such aggregate information and shall provide such aggregate information on reasonable terms and conditions to any other service or equipment provider upon reasonable request therefor; and

"(4) except for disclosures permitted by paragraph (1)(D), shall not unreasonably discriminate between affiliated and unaffiliated service or equipment providers in providing access to, or in the use and disclosure of, individual and aggregate information made available consistent with this subsection.

"(c) RULE OF CONSTRUCTION.—This section shall not be construed to prohibit the use or disclosure of customer proprietary network information as necessary—

"(1) to render, bill, and collect for the services identified in subsection (b)(1)(A);

"(2) to render, bill, and collect for any other service that the customer has requested;

"(3) to protect the rights or property of the carrier;

"(4) to protect users of any of those services and other carriers from fraudulent, abusive, or unlawful use of or subscription to such service; or

"(5) to provide any inbound telemarketing, referral, or administrative services to the customer for the duration of the call if such call was initiated by the customer and the customer approves of the use of such information to provide such service.

"(d) EXEMPTION PERMITTED.—The Commission may, by rule, exempt from the requirements of subsection (b) carriers that have, together with any affiliated carriers, in the aggregate nationwide, fewer than 500,000 access lines installed if the Commission determines that such exemption is in the public interest or if compliance with the requirements would impose an undue economic burden on the carrier.

"(e) DEFINITIONS.—As used in this section:

"(1) CUSTOMER PROPRIETARY NETWORK INFORMATION.—The term 'customer proprietary network information' means—

"(A) information which relates to the quantity, technical configuration, type, destination, and amount of use of telephone exchange service or telephone toll service subscribed to by any customer of a carrier, and is made available to the carrier by the customer solely by virtue of the carrier-customer relationship;

"(B) information contained in the bills pertaining to telephone exchange service or telephone toll service received by a customer of a carrier; and

"(C) such other information concerning the customer as is available to the local exchange carrier by virtue of the customer's use of the carrier's telephone exchange service or telephone toll services, and specified as within the definition of such term by such rules as the Commission shall prescribe consistent with the public interest;

except that such term does not include subscriber list information.

"(2) SUBSCRIBER LIST INFORMATION.—The term 'subscriber list information' means any information—

"(A) identifying the listed names of subscribers of a carrier and such subscribers' telephone numbers, addresses, or primary advertising classifications (as such classifications are assigned at the time of the establishment of such service), or any combination of such listed names, numbers, addresses, or classifications; and

"(B) that the carrier or an affiliate has published, caused to be published, or accepted for publication in any directory format.

"(3) AGGREGATE INFORMATION.—The term 'aggregate information' means collective data that relates to a group or category of services or customers, from which individual customer identities and characteristics have been removed.".

(b) CONVERGING COMMUNICATIONS TECHNOLOGIES AND CONSUMER PRIVACY.—

(1) COMMISSION EXAMINATION.—Within one year after the date of enactment of this Act, the Commission shall commence a proceeding—

(A) to examine the impact of the integration into interconnected communications networks of wireless telephone, cable, satellite, and other

technologies on the privacy rights and remedies of the consumers of those technologies;

(B) to examine the impact that the globalization of such integrated communications networks has on the international dissemination of consumer information and the privacy rights and remedies to protect consumers;

(C) to propose changes in the Commission's regulations to ensure that the effect on consumer privacy rights is considered in the introduction of new telecommunications services and that the protection of such privacy rights is incorporated as necessary in the design of such services or the rules regulating such services;

(D) to propose changes in the Commission's regulations as necessary to correct any defects identified pursuant to subparagraph (A) in such rights and remedies; and

(E) to prepare recommendations to the Congress for any legislative changes required to correct such defects.

(2) SUBJECTS FOR EXAMINATION.—In conducting the examination required by paragraph (1), the Commission shall determine whether consumers are able, and, if not, the methods by which consumers may be enabled—

(A) to have knowledge that consumer information is being collected about them through their utilization of various communications technologies;

(B) to have notice that such information could be used, or is intended to be used, by the entity collecting the data for reasons unrelated to the original communications, or that such information could be sold (or is intended to be sold) to other companies or entities; and

(C) to stop the reuse or sale of that information.

(3) SCHEDULE FOR COMMISSION RESPONSES.—The Commission shall, within 18 months after the date of enactment of this Act—

(A) complete any rulemaking required to revise Commission regulations to correct defects in such regulations identified pursuant to paragraph (1); and

(B) submit to the Congress a report containing the recommendations required by paragraph (1)(C).

SEC. 105. POLE ATTACHMENTS.

Section 224 of the Act (47 U.S.C. 224) is amended—

(1) in subsection (a)(4)—

(A) by inserting after "system" the following: "or a provider of telecommunications service"; and

(B) by inserting after "utility" the following: ", which attachment may be used by such entities to provide cable service or any telecommunications service";

(2) in subsection (c)(2)(B), by striking "cable television services" and inserting "the services offered via such attachments";

(3) by redesignating subsection (d)(2) as subsection (d)(4); and

(4) by striking subsection (d)(1) and inserting the following:

"(d)(1) For purposes of subsection (b) of this section, the Commission shall, no later than 1 year after the date of enactment of the Communications Act of 1995, prescribe regulations for ensuring that utilities charge just and reasonable and nondiscriminatory rates for pole attachments provided to all providers of telecommunications services, including such attachments used by cable television systems to provide telecommunications services (as defined in section 3 of this Act). Such regulations shall—

"(A) recognize that the entire pole, duct, conduit, or right-of-way other than the usable space is of equal benefit all entities attaching to the pole and therefore apportion the cost of the space other than the usable space equally among all such attachments;

"(B) recognize that the usable space is of proportional benefit to all entities attaching to the pole, duct, conduit or right-of-way and therefore apportion the cost of the usable space according to the percentage of usable space required for each entity; and

"(C) allow for reasonable terms and conditions relating to health, safety, and the provision of reliable utility service.

"(2) The final regulations prescribed by the Commission pursuant to paragraph (1) shall not apply to a cable television system that solely provides cable service as defined in section 602(6) of this Act; instead, the pole attachment rate for such systems shall assure a utility the recovery of not less than the additional costs of providing pole attachments, nor more than an amount determined by multiplying the percentage of the total usable space, or the percentage of the total duct or conduit capacity, which is occupied by the pole attachment by the sum of the operating expenses and actual capital costs of the utility attributable to the entire pole, duct, conduit, or right-of-way.

"(3) Whenever the owner of a conduit or right-of-way intends to modify or alter such conduit or right-of-way, the owner shall provide written notification of such action to any entity that has obtained an attachment to such conduit or right-of-way so that such entity may have a reasonable opportunity to add to or modify its existing attachment. Any entity that adds to or modifies its existing attachment after receiving such notification shall bear a proportionate share of the costs incurred by the owner in making such conduit or right-of-way accessible.".

SEC. 106. PREEMPTION OF FRANCHISING AUTHORITY REGULATION OF TELECOMMUNICATIONS SERVICES.

(a) TELECOMMUNICATIONS SERVICES.—Section 621(b) of the Act (47 U.S.C. 541(c)) is amended by adding at the end thereof the following new paragraph:

"(3)(A) To the extent that a cable operator or affiliate thereof is engaged in the provision of telecommunications services—

"(i) such cable operator or affiliate shall not be required to obtain a franchise under this title; and

"(ii) the provisions of this title shall not apply to such cable operator or affiliate.

"(B) A franchising authority may not impose any requirement that has the purpose or effect of prohibiting, limiting, restricting, or conditioning the provision of a telecommunications service by a cable operator or an affiliate thereof.

"(C) A franchising authority may not order a cable operator or affiliate thereof—

"(i) to discontinue the provision of a telecommunications service, or

"(ii) to discontinue the operation of a cable system, to the extent such cable system is used for the provision of a telecommunications service, by reason of the failure of such cable operator or affiliate thereof to obtain a franchise or franchise renewal under this title with respect to the provision of such telecommunications service.

"(D) A franchising authority may not require a cable operator to provide any telecommunications service or facilities as a condition of the initial grant of a franchise or a franchise renewal.".

(b) FRANCHISE FEES.—Section 622(b) of the Act (47 U.S.C. 542(b)) is amended by inserting "to provide cable services" immediately before the period at the end of the first sentence thereof.

SEC. 107. FACILITIES SITING; RADIO FREQUENCY EMISSION STANDARDS.

(a) NATIONAL WIRELESS TELECOMMUNICATIONS SITING POLICY.—Section 332(c) of the Act (47 U.S.C. 332(c)) is amended by adding at the end the following new paragraph:

"(7) FACILITIES SITING POLICIES.—(A) Within 180 days after enactment of this paragraph, the Commission shall prescribe and make effective a policy regarding State and local regulation of the placement, construction, modification, or operation of facilities for the provision of commercial mobile services.

"(B) Pursuant to subchapter III of chapter 5, title 5, United States Code, the Commission shall establish a negotiated rulemaking committee to negotiate and develop a proposed policy to comply with the requirements of this paragraph. Such committee shall include representatives from State and local governments, affected industries, and public safety agencies. In negotiating and developing such a policy, the committee shall take into account—

"(i) the desirability of enhancing the coverage and quality of commercial mobile services and fostering competition in the provision of such services;

"(ii) the legitimate interests of State and local governments in matters of exclusively local concern;

"(iii) the effect of State and local regulation of facilities siting on interstate commerce; and

"(iv) the administrative costs to State and local governments of reviewing requests for authorization to locate facilities for the provision of commercial mobile services.

"(C) The policy prescribed pursuant to this paragraph shall ensure that—

"(i) regulation of the placement, construction, and modification of facilities for the provision of commercial mobile services by any State or local government or instrumentality thereof—

"(I) is reasonable, nondiscriminatory, and limited to the minimum necessary to accomplish the State or local government's legitimate purposes; and

"(II) does not prohibit or have the effect of precluding any commercial mobile service; and

"(ii) a State or local government or instrumentality thereof shall act on any request for authorization to locate, construct, modify, or operate facilities for the provision of commercial mobile services within a reasonable period of time after the request is fully filed with such government or instrumentality; and

"(iii) any decision by a State or local government or instrumentality thereof to deny a request for authorization to locate, construct, modify, or operate facilities for the provision of commercial mobile services shall be in writing and shall be supported by substantial evidence contained in a written record.

"(D) The policy prescribed pursuant to this paragraph shall provide that no State or local government or any instrumentality thereof may regulate the placement, construction, modification, or operation of such facilities on the basis of the environmental effects of radio frequency emissions, to the extent that such facilities comply with the Commission's regulations concerning such emissions.

"(E) In accordance with subchapter III of chapter 5, title 5, United States Code, the Commission shall periodically establish a negotiated rulemaking committee to review the policy prescribed by the Commission under this paragraph and to recommend revisions to such policy.".

(b) RADIO FREQUENCY EMISSIONS.—Within 180 days after the enactment of this Act, the Commission shall complete action in ET Docket 93–62 to prescribe and make effective rules regarding the environmental effects of radio frequency emissions.

(c) AVAILABILITY OF PROPERTY.—Within 180 days of the enactment of this Act, the Commission shall prescribe procedures by which Federal departments and agencies may make available on a fair, reasonable, and nondiscriminatory basis, property, rights-of-way, and easements under their control for the placement of new telecommunications facilities by duly licensed providers of telecommunications services that

are dependent, in whole or in part, upon the utilization of Federal spectrum rights for the transmission or reception of such services. These procedures may establish a presumption that requests for the use of property, rights-of-way, and easements by duly authorized providers should be granted absent unavoidable direct conflict with the department or agency's mission, or the current or planned use of the property, rights-of-way, and easements in question. Reasonable cost-based fees may be charged to providers of such telecommunications services for use of property, rights-of-way, and easements. The Commission shall provide technical support to States to encourage them to make property, rights-of-way, and easements under their jurisdiction available for such purposes.

SEC. 108. MOBILE SERVICE ACCESS TO LONG DISTANCE CARRIERS.

(a) AMENDMENT.—Section 332(c) of the Act (47 U.S.C. 332(c)) is amended by adding at the end the following new paragraph:

"(8) MOBILE SERVICES ACCESS.—(A) The Commission shall prescribe regulations to afford subscribers of two-way switched voice commercial mobile radio services access to a provider of telephone toll service of the subscriber's choice, except to the extent that the commercial mobile radio service is provided by satellite. The Commission may exempt carriers or classes of carriers from the requirements of such regulations to the extent the Commission determines such exemption is consistent with the public interest, convenience, and necessity. For purposes of this paragraph, 'access' shall mean access to a provider of telephone toll service through the use of carrier identification codes assigned to each such provider.

"(B) The regulations prescribed by the Commission pursuant to subparagraph (A) shall supersede any inconsistent requirements imposed by the Modification of Final Judgment or any order in United States v. AT&T Corp. and McCaw Cellular Communications, Inc., Civil Action No. 94-01555 (United States District Court, District of Columbia).".

(b) EFFECTIVE DATE CONFORMING AMENDMENT.—Section 6002(c)(2)(B) of the Omnibus Budget Reconciliation Act of 1993 is amended by striking "section 332(c)(6)" and inserting "paragraphs (6) and (8) of section 332(c)".

SEC. 109. FREEDOM FROM TOLL FRAUD.

(a) AMENDMENT.—Section 228(c) of the Act (47 U.S.C. 228(c)) is amended—

(1) by striking subparagraph (C) of paragraph (7) and inserting the following:

"(C) the calling party being charged for information conveyed during the call unless—

"(i) the calling party has a written subscription agreement with the information provider that meets the requirements of paragraph (8); or

"(ii) the calling party is charged in accordance with paragraph (9); or"; and

(2) by adding at the end the following new paragraphs:

"(8) SUBSCRIPTION AGREEMENTS FOR BILLING FOR INFORMATION PROVIDED VIA TOLL-FREE CALLS.—

"(A) IN GENERAL.—For purposes of paragraph (7)(C)(i), a written subscription agreement shall specify the terms and conditions under which the information is offered and include—

"(i) the rate at which charges are assessed for the information;

"(ii) the information provider's name;

"(iii) the information provider's business address;

"(iv) the information provider's regular business telephone number;

"(v) the information provider's agreement to notify the subscriber at least 30 days in advance of all future changes in the rates charged for the information;

"(vi) the signature of a legally competent subscriber agreeing to the terms of the agreement; and

"(vii) the subscriber's choice of payment method, which may be by phone bill or credit, prepaid, or calling card.

"(B) BILLING ARRANGEMENTS.—If a subscriber elects, pursuant to subparagraph (A)(vii), to pay by means of a phone bill—

"(i) the agreement shall clearly explain that the subscriber will be assessed for calls made to the information service from the subscriber's phone line;

"(ii) the phone bill shall include, in prominent type, the following disclaimer:

'Common carriers may not disconnect local or long distance telephone service for failure to pay disputed charges for information services.'; and

"(iii) the phone bill shall clearly list the 800 number dialed.

"(C) USE OF PIN'S TO PREVENT UNAUTHORIZED USE.—A written agreement does not meet the requirements of this paragraph unless it provides the subscriber a personal identification number to obtain access to the information provided, and includes instructions on its use.

"(D) EXCEPTIONS.—Notwithstanding paragraph (7)(C), a written agreement that meets the requirements of this paragraph is not required—

"(i) for services provided pursuant to a tariff that has been approved or permitted to take effect by the Commission or a State commission; or

"(ii) for any purchase of goods or of services that are not information services.

"(E) TERMINATION OF SERVICE.—On complaint by any person, a carrier may terminate the provision of service to an information provider unless the provider supplies evidence of a written agreement that meets the requirements of this section. The remedies provided in this paragraph are in addition to any other remedies that are available under title V of this Act.

"(9) CHARGES BY CREDIT, PREPAID, OR CALLING CARD IN ABSENCE OF AGREEMENT.—For purposes of paragraph (7)(C)(ii), a calling party is not charged in accordance with this paragraph unless the calling party is charged by means of a credit, prepaid, or calling card and the information service provider includes in response to each call an introductory disclosure message that—

"(A) clearly states that there is a charge for the call;

"(B) clearly states the service's total cost per minute and any other fees for the service or for any service to which the caller may be transferred;

"(C) explains that the charges must be billed on either a credit, prepaid, or calling card;

"(D) asks the caller for the credit or calling card number;

"(E) clearly states that charges for the call begin at the end of the introductory message; and

"(F) clearly states that the caller can hang up at or before the end of the introductory message without incurring any charge whatsoever.

"(10) DEFINITION OF CALLING CARD.—As used in this subsection, the term 'calling card' means an identifying number or code unique to the individual, that is issued to the individual by a common carrier and enables the individual to be charged by means of a phone bill for charges incurred independent of where the call originates.".

(b) REGULATIONS.—The Federal Communications Commission shall revise its regulations to comply with the amendment made by subsection (a) of this section within 180 days after the date of enactment of this Act.

SEC. 110. REPORT ON MEANS OF RESTRICTING ACCESS TO UNWANTED MATERIAL IN INTERACTIVE TELECOMMUNICATIONS SYSTEMS.

(a) REPORT.—Not later than 150 days after the date of the enactment of this Act, the Attorney General shall submit to the Committees on the Judiciary and Commerce, Science, and Transportation of the Senate and the Committees on the Judiciary and Commerce of the House of Representatives a report containing—

(1) an evaluation of the enforceability with respect to interactive media of current criminal laws governing the distribution of obscenity over computer networks and the creation and distribution of child pornography by means of computers;

(2) an assessment of the Federal, State, and local law enforcement resources that are currently available to enforce such laws;

(3) an evaluation of the technical means available—

(A) to enable parents to exercise control over the information that their children receive by interactive telecommunications systems so that children may avoid violent, sexually explicit, harassing, offensive, and other unwanted material on such systems;

(B) to enable other users of such systems to exercise control over the commercial and noncommercial information that they receive by such systems so that such users may avoid violent, sexually explicit, harassing, offensive, and other unwanted material on such systems; and

(C) to promote the free flow of information, consistent with the values expressed in the Constitution, in interactive media; and

(4) recommendations on means of encouraging the development and deployment of technology, including computer hardware and software, to enable parents and other users of interactive telecommunications systems to exercise the control described in subparagraphs (A) and (B) of paragraph (3).

(b) CONSULTATION.—In preparing the report under subsection (a), the Attorney General shall consult with the Assistant Secretary of Commerce for Communications and Information.

SEC. 111. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In addition to any other sums authorized by law, there are authorized to be appropriated to the Federal Communications Commission such sums as may be necessary to carry out this Act and the amendments made by this Act.

(b) EFFECT ON FEES.—For the purposes of section 9(b)(2) of the Act (47 U.S.C. 159(b)(2)), additional amounts appropriated pursuant to subsection (a) shall be construed to be changes in the amounts appropriated for the performance of activities described in section 9(a) of such Act.

TITLE II—CABLE COMMUNICATIONS COMPETITIVENESS

SEC. 201. CABLE SERVICE PROVIDED BY TELEPHONE COMPANIES.

(a) GENERAL REQUIREMENT.—

(1) AMENDMENT.—Section 613(b) of the Act (47 U.S.C. 533(b)) is amended to read as follows:

"(b)(1) Subject to the requirements of part V and the other provisions of this title, any common carrier subject in whole or in part to title II of this Act may, either through its own facilities or through an affiliate, provide video programming directly to subscribers in its telephone service area.

"(2) Subject to the requirements of part V and the other provisions of this title, any common carrier subject in whole or in part to title II of this Act may provide channels of communications or pole, line, or conduit space, or other rental arrangements, to any entity which is directly or indirectly owned, operated, or controlled by, or under common control with, such common carrier, if such facilities or arrangements are to be used for, or in connection with, the provision of video programming directly to subscribers in its telephone service area.

"(3)(A) Notwithstanding paragraphs (1) and (2), an affiliate described in subparagraph (B) shall not be subject to the requirements of part V, but—

"(i) if providing video programming as a cable service using a cable system, shall be subject to the requirements of this part and parts III and IV; and

"(ii) if providing such video programming by means of radio communication, shall be subject to the requirements of title III.

"(B) For purposes of subparagraph (A), an affiliate is described in this subparagraph if such affiliate—

"(i) is, consistently with section 655, owned, operated, or controlled by, or under common control with, a common carrier subject in whole or in part to title II of this Act;

"(ii) provides video programming to subscribers in the telephone service area of such carrier; and

"(iii) does not utilize the local exchange facilities or services of any affiliated common carrier in distributing such programming.".

(2) CONFORMING AMENDMENT.—Section 602 of the Act (47 U.S.C. 531) is amended—

(A) by redesignating paragraphs (18) and (19) as paragraphs (19) and (20) respectively; and

(B) by inserting after paragraph (17) the following new paragraph:

"(18) the term 'telephone service area' when used in connection with a common carrier subject in whole or in part to title II of this Act means the area within which such carrier provides telephone exchange service as of January 1, 1993, but if any common carrier after such date transfers its exchange service facilities to another common carrier, the area to which such facilities provide telephone exchange service shall be treated as part of the telephone service area of the acquiring common carrier and not of the selling common carrier;".

(b) PROVISIONS FOR REGULATION OF CABLE SERVICE PROVIDED BY TELEPHONE COMPANIES.—Title VI of the Act (47 U.S.C. 521 et seq.) is amended by adding at the end the following new part:

"PART V—VIDEO PROGRAMMING SERVICES PROVIDED BY TELEPHONE COMPANIES

"SEC. 651. DEFINITIONS.

"For purposes of this part—

"(1) the term 'control' means—

"(A) an ownership interest in which an entity has the right to vote more than 50 percent of the outstanding common stock or other ownership interest; or

"(B) if no single entity directly or indirectly has the right to vote more than 50 percent of the outstanding common stock or other ownership interest, actual working control, in whatever manner exercised, as defined by the Commission by regulation on the basis of relevant factors and circumstances, which shall include partnership and direct ownership interests, voting stock interests, the interests of officers and directors, and the aggregation of voting interests; and

"(2) the term 'rural area' means a geographic area that does not include either—

"(A) any incorporated or unincorporated place of 10,000 inhabitants or more, or any part thereof; or

"(B) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census.

"SEC. 652. SEPARATE VIDEO PROGRAMMING AFFILIATE.

"(a) IN GENERAL.—Except as provided in subsection (d) of this section and section 613(b)(3), a common carrier subject to title II of this Act shall not provide video programming directly to subscribers in its telephone service area unless such video programming is provided through a video programming affiliate that is separate from such carrier.

"(b) BOOKS AND MARKETING.—

"(1) IN GENERAL.—A video programming affiliate of a common carrier shall—

"(A) maintain books, records, and accounts separate from such carrier which identify all transactions with such carrier;

"(B) carry out directly (or through any nonaffiliated person) its own promotion, except that institutional advertising carried out by such carrier shall be permitted so long as each party bears its pro rata share of the costs; and

"(C) not own real or personal property in common with such carrier.

"(2) INBOUND TELEMARKETING AND REFERRAL.—Notwithstanding paragraph (1)(B), a common carrier may provide telemarketing or referral services in response to the call of a customer or potential customer related to the provision of video programming by a video programming affiliate of such carrier. If such services are provided to a video programming affiliate, such services shall be made available to any video programmer or cable operator on request, on nondiscriminatory terms, at just and reasonable prices.

"(3) JOINT MARKETING.—Notwithstanding paragraph (1)(B) or section 613(b)(3), a common carrier may market video programming directly upon a showing to the Commission that a cable operator or other entity directly or indirectly provides telecommunications services within the telephone service area of the common carrier, and markets such telecommunications services jointly with video programming services. The common carrier shall specify the geographic region covered by the showing. The Commission shall approve or disapprove such showing within 60 days after the date of its submission.

"(c) BUSINESS TRANSACTIONS WITH CARRIER.—Any contract, agreement, arrangement, or other manner of conducting business, between a common carrier and its video programming affiliate, providing for—

"(1) the sale, exchange, or leasing of property between such affiliate and such carrier,

"(2) the furnishing of goods or services between such affiliate and such carrier, or

"(3) the transfer to or use by such affiliate for its benefit of any asset or resource of such carrier,

shall be on a fully compensatory and auditable basis, shall be without cost to the telephone service ratepayers of the carrier, and shall be in compliance with regulations established by the Commission that will enable the Commission to assess the compliance of any transaction.

"(d) WAIVER.—

"(1) CRITERIA FOR WAIVER.—The Commission may waive any of the requirements of this section for small telephone companies or telephone companies serving rural areas, if the Commission determines, after notice and comment, that—

"(A) such waiver will not affect the ability of the Commission to ensure that all video programming activity is carried out without any support from telephone ratepayers;

"(B) the interests of telephone ratepayers and cable subscribers will not be harmed if such waiver is granted;

"(C) such waiver will not adversely affect the ability of persons to obtain access to the video platform of such carrier; and

"(D) such waiver otherwise is in the public interest.

"(2) DEADLINE FOR ACTION.—The Commission shall act to approve or disapprove a waiver application within 180 days after the date it is filed.

"(3) CONTINUED APPLICABILITY OF SECTION 656.—In the case of a common carrier that obtains a waiver under this subsection, any requirement that section 656 applies to a video programming affiliate shall instead apply to such carrier.

"(e) SUNSET OF REQUIREMENTS.—The provisions of this section shall cease to be effective on July 1, 2000.

"SEC. 653. ESTABLISHMENT OF VIDEO PLATFORM.

"(a) VIDEO PLATFORM.—

"(1) IN GENERAL.—Except as provided in section 613(b)(3), any common carrier subject to title II of this Act, and that provides video programming directly to subscribers in its telephone service area, shall establish a video platform. This paragraph shall not apply to any carrier to the extent that it provides video programming directly to subscribers in its telephone service area solely through a cable system acquired in accordance with section 655(b).

"(2) IDENTIFICATION OF DEMAND FOR CARRIAGE.—Any common carrier subject to the requirements of paragraph (1) shall, prior to establishing a video platform, submit a notice to the Commission of its intention to establish channel capacity for the provision of video programming to meet the bona fide demand for such capacity. Such notice shall—

"(A) be in such form and contain information concerning the geographic area intended to be served and such information as the Commission may require by regulations pursuant to subsection (b);

"(B) specify the methods by which any entity seeking to use such channel capacity should submit to such carrier a specification of its channel capacity requirements; and

"(C) specify the procedures by which such carrier will determine (in accordance with the Commission's regulations under subsection (b)(1)(B)) whether such requests for capacity are bona fide.

The Commission shall submit any such notice for publication in the Federal Register within 5 working days.

"(3) RESPONSE TO REQUEST FOR CARRIAGE.—After receiving and reviewing the requests for capacity submitted pursuant to such notice, such common carrier shall establish channel capacity that is sufficient to provide carriage for—

"(A) all bona fide requests submitted pursuant to such notice,

"(B) any additional channels required pursuant to section 656, and

"(C) any additional channels required by the Commission's regulations under subsection (b)(1)(C).

"(4) RESPONSES TO CHANGES IN DEMAND FOR CAPACITY.—Any common carrier that establishes a video platform under this section shall—

"(A) immediately notify the Commission and each video programming provider of any delay in or denial of channel capacity or service, and the reasons therefor;

"(B) continue to receive and grant, to the extent of available capacity, carriage in response to bona fide requests for carriage from existing or additional video programming providers;

"(C) if at any time the number of channels required for bona fide requests for carriage may reasonably be expected soon to exceed the existing capacity of such video platform, immediately notify the Commission of such expectation and of the manner and date by which such carrier will provide sufficient capacity to meet such excess demand; and

"(D) construct such additional capacity as may be necessary to meet such excess demand.

"(5) DISPUTE RESOLUTION.—The Commission shall have the authority to resolve disputes under this section and the regulations prescribed thereunder. Any such dispute shall be resolved within 180 days after notice of such dispute is submitted to the Commission. At that time or subsequently in a separate damages proceeding, the Commission may award damages sustained in consequence of any violation of this section to any person denied carriage, or require carriage, or both. Any aggrieved party may seek any other remedy available under this Act.

"(b) COMMISSION ACTIONS.—

"(1) IN GENERAL.—Within 15 months after the date of the enactment of this section, the Commission shall complete all actions necessary (including any reconsideration) to prescribe regulations that—

"(A) consistent with the requirements of section 656, prohibit a common carrier from discriminating among video programming providers with regard to carriage on its video platform, and ensure that the rates, terms, and conditions for such carriage are just, reasonable, and nondiscriminatory;

"(B) prescribe definitions and criteria for the purposes of determining whether a request shall be considered a bona fide request for purposes of this section;

"(C) permit a common carrier to carry on only one channel any video programming service that is offered by more than one video programming provider (including the common carrier's video programming affiliate), provided that subscribers have ready and immediate access to any such video programming service;

"(D) extend to the distribution of video programming over video platforms the Commission's regulations concerning network nonduplication (47 C.F.R. 76.92 et seq.) and syndicated exclusivity (47 C.F.R. 76.151 et seq.);

"(E) require the video platform to provide service, transmission, and interconnection for unaffiliated or independent video programming providers that is equivalent to that provided to the common carrier's video programming affiliate, except that the video platform shall not discriminate between analog and digital video programming offered by such unaffiliated or independent video programming providers;

"(F)(i) prohibit a common carrier from unreasonably discriminating in favor of its video programming affiliate with regard to material or information provided by the common carrier to subscribers for the purposes of selecting programming on the video platform, or in the way such material or information is presented to subscribers;

"(ii) require a common carrier to ensure that video programming providers or copyright holders (or both) are able suitably and uniquely to identify their programming services to subscribers; and

"(iii) if such identification is transmitted as part of the programming signal, require the carrier to transmit such identification without change or alteration; and

"(G) prohibit a common carrier from excluding areas from its video platform service area on the basis of the ethnicity, race, or income of the residents of that area, and provide for public comments on the adequacy of the proposed service area on the basis of the standards set forth under this subparagraph.

Nothing in this section prohibits a common carrier or its affiliate from negotiating mutually agreeable terms and conditions with over-the-air broadcast stations and other unaffiliated video programming providers to allow consumer access to their signals on any level or screen of any gateway, menu, or other program guide, whether provided by the carrier or its affiliate.

"(2) APPLICABILITY TO OTHER HIGH CAPACITY SYSTEMS.—The Commission shall apply the requirements of this section, in lieu of the requirements of section 612, to any cable operator of a cable system that has installed a switched, broadband video programming delivery system, except that the Commission shall not apply the requirements of the regulations prescribed pursuant to subsection (b)(1)(D) or any other requirement that the Commission determines is inappropriate.

"(c) REGULATORY STREAMLINING.—With respect to the establishment and operation of a video platform, the requirements of this section shall apply in lieu of, and not in addition to, the requirements of title II.

"(d) COMMISSION INQUIRY.—The Commission shall conduct a study of whether it is in the public interest to extend the requirements of subsection (a) to any other cable operators in lieu of the requirements of section 612. The Commission shall submit to the Congress a report on the results of such study not later than 2 years after the date of enactment of this section.

"SEC. 654. AUTHORITY TO PROHIBIT CROSS-SUBSIDIZATION.

"Nothing in this part shall prohibit a State commission that regulates the rates for telephone exchange service or exchange access based on the cost of providing such service or access from—

"(1) prescribing regulations to prohibit a common carrier from engaging in any practice that results in the inclusion in rates for telephone exchange service or exchange access of any operating expenses, costs, depreciation charges, capital investments, or other expenses directly associated with the provision of competing video programming services by the common carrier or affiliate; or

"(2) ensuring such competing video programming services bear a reasonable share of the joint and common costs of facilities used to provide telephone exchange service or exchange access and competing video programming services.

"SEC. 655. PROHIBITION ON BUY OUTS.

"(a) GENERAL PROHIBITION.—No common carrier that provides telephone exchange service, and no entity owned by or under common ownership or control with such carrier, may purchase or otherwise obtain control over any cable system that is located within its telephone service area and is owned by an unaffiliated person.

"(b) EXCEPTIONS.—Notwithstanding subsection (a), a common carrier may—

"(1) obtain a controlling interest in, or form a joint venture or other partnership with, a cable system that serves a rural area;

"(2) obtain, in addition to any interest, joint venture, or partnership obtained or formed pursuant to paragraph (1), a controlling interest in, or form a joint venture or other partnership with, any cable system or systems if—

"(A) such systems in the aggregate serve less than 10 percent of the households in the telephone service area of such carrier; and

"(B) no such system serves a franchise area with more than 35,000 inhabitants, except that a common carrier may obtain such interest or form such joint venture or other partnership with a cable system that serves a franchise area with more than 35,000 but not more than 50,000 inhabitants if such system is not affiliated with any other system whose franchise area is contiguous to the franchise area of the acquired system;

"(3) obtain, with the concurrence of the cable operator on the rates, terms, and conditions, the use of that part of the transmission facilities of such a cable system extending from the last multi-user terminal to the premises of the end user, if such use is reasonably limited in scope and duration, as determined by the Commission; or

"(4) obtain a controlling interest in, or form a joint venture or other partnership with, or provide financing to, a cable system (hereinafter in this paragraph referred to as 'the subject cable system'), if—

"(A) the subject cable system operates in a television market that is not in the top 25 markets, and that has more than 1 cable system operator, and the subject cable system is not the largest cable system in such television market;

"(B) the subject cable system and the largest cable system in such television market held on May 1, 1995, cable television franchises from the largest municipality in the television market and the boundaries of such franchises were identical on such date;

"(C) the subject cable system is not owned by or under common ownership or control of any one of the 50 largest cable system operators as existed on May 1, 1995; and

"(D) the largest system in the television market is owned by or under common ownership or control of any one of the 10 largest cable system operators as existed on May 1, 1995.

"(c) WAIVER.—

"(1) CRITERIA FOR WAIVER.—The Commission may waive the restrictions in subsection (a) of this section only upon a showing by the applicant that—

"(A) because of the nature of the market served by the cable system concerned—

"(i) the incumbent cable operator would be subjected to undue economic distress by the enforcement of such subsection; or

"(ii) the cable system would not be economically viable if such subsection were enforced; and

"(B) the local franchising authority approves of such waiver.

"(2) DEADLINE FOR ACTION.—The Commission shall act to approve or disapprove a waiver application within 180 days after the date it is filed.

"SEC. 656. APPLICABILITY OF PARTS I THROUGH IV.

"(a) IN GENERAL.—Any provision that applies to a cable operator under—

"(1) sections 613 (other than subsection (a)(2) thereof), 616, 617, 628, 631, 632, and 634 of this title, shall apply,

"(2) sections 611, 612, 614, and 615 of this title, and section 325 of title III, shall apply in accordance with the regulations prescribed under subsection (b), and

"(3) parts III and IV (other than sections 628, 631, 632, and 634) of this title shall not apply,

to any video programming affiliate established by a common carrier in accordance with the requirements of this part.

"(b) IMPLEMENTATION.—

"(1) COMMISSION ACTION.—The Commission shall prescribe regulations to ensure that a common carrier in the operation of its video platform shall provide (A) capacity, services, facilities, and equipment for public, educational, and governmental use, (B) capacity for commercial use, (C) carriage of commercial and non-commercial broadcast television stations, and (D) an opportunity for commercial broadcast stations to choose between mandatory carriage and reimbursement for retransmission of the signal of such station. In prescribing such regulations, the Commission shall, to the extent possible, impose obligations that are no greater or lesser than the obligations contained in the provisions described in subsection (a)(2) of this section.

"(2) FEES.—A video programming affiliate of any common carrier that establishes a video platform under this part, and any multichannel video programming distributor offering a competing service using such video platform (as determined in accordance with regulations of the Commission), shall be subject to the payment of fees imposed by a local franchising authority, in lieu of the fees required under section 622. The rate at which such fees are imposed shall not exceed the rate at which franchise fees are imposed on any cable operator transmitting video programming in the same service area.

"SEC. 657. RURAL AREA EXEMPTION.

"The provisions of sections 652, 653, and 655 shall not apply to video programming provided in a rural area by a common carrier that provides telephone exchange service in the same area.".

SEC. 202. COMPETITION FROM CABLE SYSTEMS.

(a) DEFINITION OF CABLE SERVICE.—Section 602(6)(B) of the Act (47 U.S.C. 522(6)(B)) is amended by inserting "or use" after "the selection".

(b) CLUSTERING.—Section 613 of the Act (47 U.S.C. 533) is amended by adding at the end the following new subsection:

"(i) ACQUISITION OF CABLE SYSTEMS.—Except as provided in section 655, the Commission may not require divestiture of, or restrict or prevent the acquisition of, an ownership interest in a cable system by any person based in whole or in part on the geographic location of such cable system.".

(c) EQUIPMENT.—Section 623(a) of the Act (47 U.S.C. 543(a)) is amended—

(1) in paragraph (6)—

(A) by striking "paragraph (4)" and inserting "paragraph (5)";

(B) by striking "paragraph (5)" and inserting "paragraph (6)"; and

(C) by striking "paragraph (3)" and inserting "paragraph (4)";

(2) by redesignating paragraphs (3) through (6) as paragraphs (4) through (7), respectively; and

(3) by inserting after paragraph (2) the following new paragraph:

"(3) EQUIPMENT.—If the Commission finds that a cable system is subject to effective competition under subparagraph (D) of subsection (l)(1), the rates for equipment, installations, and connections for additional television receivers (other than equipment, installations, and connections furnished by such system to subscribers who receive only a rate regulated basic service tier) shall not be subject to regulation by the Commission or by a State or franchising authority. If the Commission finds that a cable system is subject to effective competition under subparagraph (A), (B), or (C) of subsection (l)(1), the rates for any equipment, installations, and connections furnished by such system to any subscriber shall not be subject to regulation by the Commission, or by a State or franchising authority. No Federal agency, State, or franchising authority may establish the price or rate for the installation, sale, or lease of any equipment furnished to any subscriber by a cable system solely in connection with video programming offered on a per channel or per program basis.".

(d) LIMITATION ON BASIC TIER RATE INCREASES; SCOPE OF REVIEW.—Section 623(a) of the Act (47 U.S.C. 543(a)) is further amended by adding at the end the following new paragraph:

"(8) LIMITATION ON BASIC TIER RATE INCREASES; SCOPE OF REVIEW.—A cable operator may not increase its basic service tier rate more than once every 6 months. Such increase may be implemented, using any reasonable billing or proration method, 30 days after providing notice to subscribers and the appropriate regulatory authority. The rate resulting from such increase shall be deemed reasonable and shall not be subject to reduction or refund if the franchising authority or the Commission, as appropriate, does not complete its review and issue a final order within 90 days after implementation of such increase. The review by the franchising authority or the Commission of any future increase in such rate shall be limited to the incremental change in such rate effected by such increase.".

(e) NATIONAL INFORMATION INFRASTRUCTURE DEVELOPMENT.—Section 623(a) of the Act (47 U.S.C. 543) is further amended by adding at the end the following new paragraph:

"(9) NATIONAL INFORMATION INFRASTRUCTURE.—

"(A) PURPOSE.—It is the purpose of this paragraph to—

"(i) promote the development of the National Information Infrastructure;

"(ii) enhance the competitiveness of the National Information Infrastructure by ensuring that cable operators have incentives comparable to other industries to develop such infrastructure; and

"(iii) encourage the rapid deployment of digital technology necessary to the development of the National Information Infrastructure.

"(B) AGGREGATION OF EQUIPMENT COSTS.—The Commission shall allow cable operators, pursuant to any rules promulgated under subsection (b)(3), to aggregate, on a franchise, system, regional, or company level, their equipment costs into broad categories, such as converter boxes, regardless of the varying levels of functionality of the equipment within each such broad category. Such aggregation shall not be permitted with respect to equipment used by subscribers who receive only a rate regulated basic service tier.

"(C) REVISION TO COMMISSION RULES; FORMS.—Within 120 days of the date of enactment of this paragraph, the Commission shall issue revisions to the appropriate rules and forms necessary to implement subparagraph (B).".

(f) COMPLAINT THRESHOLD; SCOPE OF COMMISSION REVIEW.—Section 623(c) of the Act (47 U.S.C. 543(c)) is amended—

(1) by striking paragraph (3) and inserting the following:

"(3) REVIEW OF COMPLAINTS.—

"(A) COMPLAINT THRESHOLD.—The Commission shall have the authority to review any increase in the rates for cable programming services implemented after the date of enactment of the Communications Act of 1995 only if, within 90 days after such increase becomes effective, at least 10 subscribers to such services or 5 percent of the subscribers to such services, whichever is greater, file separate, individual complaints against such increase with the Commission in accordance with the requirements established under paragraph (1)(B).

"(B) TIME PERIOD FOR COMMISSION REVIEW.—The Commission shall complete its review of any such increase and issue a final order within 90 days after it receives the number of complaints required by subparagraph (A).

"(4) TREATMENT OF PENDING CABLE PROGRAMMING SERVICES COMPLAINTS.—Upon enactment of the Communications Act of 1995, the Commission shall suspend the processing of all pending cable programming services rate complaints. These pending complaints shall be counted by the Commission toward the complaint threshold specified in paragraph (3)(A). Parties shall have an additional 90 days from the date of enactment of such Act to file complaints about prior increases in cable programming services rates if such rate increases were already subject to a valid, pending complaint on such date of enactment. At the expiration of such 90-day period, the Commission shall dismiss all pending cable programming services rate cases for which the complaint threshold has not been met, and may resume its review of those pending cable programming services rate cases for which the complaint threshold has been met, which review shall be completed within 180 days after the date of enactment of the Communications Act of 1995.

"(5) SCOPE OF COMMISSION REVIEW.—A cable programming services rate shall be deemed not unreasonable and shall not be subject to reduction or refund if—

"(A) such rate was not the subject of a pending complaint at the time of enactment of the Communications Act of 1995;

"(B) such rate was the subject of a complaint that was dismissed pursuant to paragraph (4);

"(C) such rate resulted from an increase for which the complaint threshold specified in paragraph (3)(A) has not been met;

"(D) the Commission does not complete its review and issue a final order in the time period specified in paragraph (3)(B) or (4); or

"(E) the Commission issues an order finding such rate to be not unreasonable.

The review by the Commission of any future increase in such rate shall be limited to the incremental change in such rate effected by such increase.";

(2) in paragraph (1)(B) by striking "obtain Commission consideration and resolution of whether the rate in question is unreasonable" and inserting "be counted toward the complaint threshold specified in paragraph (3)(A)"; and

(3) in paragraph (1)(C) by striking "such complaint" and inserting in lieu thereof "the first complaint".

(g) UNIFORM RATE STRUCTURE.—Section 623(d) of the Act (47 U.S.C. 543(d)) is amended to read as follows:

"(d) UNIFORM RATE STRUCTURE.—A cable operator shall have a uniform rate structure throughout its franchise area for the provision of cable services that are regulated by the Commission or the franchising authority. Bulk discounts to multiple dwelling units shall not be subject to this requirement.".

(h) EFFECTIVE COMPETITION.—Section 623(l)(1) of the Act (47 U.S.C. 543(l)(1)) is amended—

(1) in subparagraph (B)(ii)—

(A) by inserting "all" before "multichannel video programming distributors"; and

(B) by striking "or" at the end thereof;

(2) by striking the period at the end of subparagraph (C) and inserting "; or"; and

(3) by adding at the end the following:

"(D) with respect to cable programming services and subscriber equipment, installations, and connections for additional television receivers (other than equipment, installations, and connections furnished to subscribers who receive only a rate regulated basic service tier)—

"(i) a common carrier has been authorized by the Commission to construct facilities to provide video dialtone service in the cable operator's franchise area;

"(ii) a common carrier has been authorized by the Commission or pursuant to a franchise to provide video programming directly to subscribers in the franchise area; or

"(iii) the Commission has completed all actions necessary (including any reconsideration) to prescribe regulations pursuant to section 653(b)(1) relating to video platforms.".

(i) RELIEF FOR SMALL CABLE OPERATORS.—Section 623 of the Act (47 U.S.C. 543) is amended by adding at the end the following new subsection:

"(m) SMALL CABLE OPERATORS.—

"(1) SMALL CABLE OPERATOR RELIEF.—A small cable operator shall not be subject to subsections (a), (b), (c), or (d) in any franchise area with respect to the provision of cable programming services, or a basic service tier where such tier was the only tier offered in such area on December 31, 1994.

"(2) DEFINITION OF SMALL CABLE OPERATOR.—For purposes of this subsection, 'small cable operator' means a cable operator that—

"(A) directly or through an affiliate, serves in the aggregate fewer than 1 percent of all cable subscribers in the United States; and

"(B) is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed $250,000,000.".

(j) TECHNICAL STANDARDS.—Section 624(e) of the Act (47 U.S.C. 544(e)) is amended by striking the last two sentences and inserting the following: "No State or franchising authority may prohibit, condition, or restrict a cable system's use of any type of subscriber equipment or any transmission technology.".

(k) CABLE SECURITY SYSTEMS.—Section 624A(b)(2) of the Act (47 U.S.C. 544a(b)(2)) is amended to read as follows:

"(2) CABLE SECURITY SYSTEMS.—No Federal agency, State, or franchising authority may prohibit a cable operator's use of any security system (including scrambling, encryption, traps, and interdiction), except that the Commission may prohibit the use of any such system solely with respect to the delivery of a basic service

tier that, as of January 1, 1995, contained only the signals and programming specified in section 623(b)(7)(A), unless the use of such system is necessary to prevent the unauthorized reception of such tier.".

(l) CABLE EQUIPMENT COMPATIBILITY.—Section 624A of the Act (47 U.S.C. 544A), is amended—

(1) in subsection (a) by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting "; and"; and by adding at the end the following new paragraph:

"(4) compatibility among televisions, video cassette recorders, and cable systems can be assured with narrow technical standards that mandate a minimum degree of common design and operation, leaving all features, functions, protocols, and other product and service options for selection through open competition in the market.";

(2) in subsection (c)(1)—

(A) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(B) by inserting before such redesignated subparagraph (B) the following new subparagraph:

"(A) the need to maximize open competition in the market for all features, functions, protocols, and other product and service options of converter boxes and other cable converters unrelated to the descrambling or decryption of cable television signals;"; and

(3) in subsection (c)(2)—

(A) by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively; and

(B) by inserting after subparagraph (C) the following new subparagraph:

"(D) to ensure that any standards or regulations developed under the authority of this section to ensure compatibility between televisions, video cassette recorders, and cable systems do not affect features, functions, protocols, and other product and service options other than those specified in paragraph (1)(B), including telecommunications interface equipment, home automation communications, and computer network services;".

(m) RETIERING OF BASIC TIER SERVICES.—Section 625(d) of the Act (47 U.S.C. 543(d)) is amended by adding at the end the following new sentence: "Any signals or services carried on the basic service tier but not required under section 623(b)(7)(A) may be moved from the basic service tier at the operator's sole discretion, provided that the removal of such a signal or service from the basic service tier is permitted by contract. The movement of such signals or services to an unregulated package of services shall not subject such package to regulation.".

(n) SUBSCRIBER NOTICE.—Section 632 of the Act (47 U.S.C. 552) is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c) SUBSCRIBER NOTICE.—A cable operator may provide notice of service and rate changes to subscribers using any reasonable written means at its sole discretion. Notwithstanding section 623(b)(6) or any other provision of this Act, a cable operator shall not be required to provide prior notice of any rate change that is the result of a regulatory fee, franchise fee, or any other fee, tax, assessment, or charge of any kind imposed by any Federal agency, State, or franchising authority on the transaction between the operator and the subscriber.".

(o) TREATMENT OF PRIOR YEAR LOSSES.—

(1) AMENDMENT.—Section 623 (48 U.S.C. 543) is amended by adding at the end thereof the following:

"(n) TREATMENT OF PRIOR YEAR LOSSES.—Notwithstanding any other provision of this section or of section 612, losses (including losses associated with the acquisitions of such franchise) that were incurred prior to September 4, 1992, with respect to a cable system that is owned and operated by the original franchisee of such system shall not be disallowed, in whole or in part, in the determination of whether the rates for any tier of service or any type of equipment that is subject to regulation under this section are lawful.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of enactment of this Act and shall be applicable to any rate proposal filed on or after September 4, 1993.

SEC. 203. COMPETITIVE AVAILABILITY OF NAVIGATION DEVICES.

Title VII of the Act is amended by adding at the end the following new section:

"SEC. 713. COMPETITIVE AVAILABILITY OF NAVIGATION DEVICES.

"(a) DEFINITIONS.—As used in this section:

"(1) The term 'telecommunications subscription service' means the provision directly to subscribers of video, voice, or data services for which a subscriber charge is made.

"(2) The term 'telecommunications system' or a 'telecommunications system operator' means a provider of telecommunications subscription service.

"(b) COMPETITIVE CONSUMER AVAILABILITY OF CUSTOMER PREMISES EQUIPMENT.—The Commission shall adopt regulations to assure competitive availability, to consumers of telecommunications subscription services, of converter boxes, interactive communications devices, and other customer premises equipment from manufacturers, retailers, and other vendors not affiliated with any telecommunications system operator. Such regulations shall take into account the needs of owners and distributors of video programming and information services to ensure system and signal security and prevent theft of service. Such regulations shall not prohibit any telecommunications system operator from also offering devices and customer premises equipment to consumers, provided that the system operator's charges to consumers for such devices and equipment are separately stated and not bundled with or subsidized by charges for any telecommunications subscription service.

"(c) WAIVER FOR NEW NETWORK SERVICES.—The Commission may waive a regulation adopted pursuant to subsection (b) for a limited time upon an appropriate showing by a telecommunications system operator that such waiver is necessary to the introduction of a new telecommunications subscription service.

"(d) SUNSET.—The regulations adopted pursuant to this section shall cease to apply to any market for the acquisition of converter boxes, interactive communications devices, or other customer premises equipment when the Commission determines that such market is competitive.".

SEC. 204. VIDEO PROGRAMMING ACCESSIBILITY.

(a) COMMISSION INQUIRY.—Within 180 days after the date of enactment of this section, the Federal Communications Commission shall complete an inquiry to ascertain the level at which video programming is closed captioned. Such inquiry shall examine the extent to which existing or previously published programming is closed captioned, the size of the video programming provider or programming owner providing closed captioning, the size of the market served, the relative audience shares achieved, or any other related factors. The Commission shall submit to the Congress a report on the results of such inquiry.

(b) ACCOUNTABILITY CRITERIA.—Within 18 months after the date of enactment, the Commission shall prescribe such regulations as are necessary to implement this section. Such regulations shall ensure that—

(1) video programming first published or exhibited after the effective date of such regulations is fully accessible through the provision of closed captions, except as provided in subsection (d); and

(2) video programming providers or owners maximize the accessibility of video programming first published or exhibited prior to the effective date of such regulations through the provision of closed captions, except as provided in subsection (d).

(c) DEADLINES FOR CAPTIONING.—Such regulations shall include an appropriate schedule of deadlines for the provision of closed captioning of video programming.

(d) EXEMPTIONS.—Notwithstanding subsection (b)—

(1) the Commission may exempt by regulation programs, classes of programs, or services for which the Commission has determined that the provision of closed captioning would be economically burdensome to the provider or owner of such programming;

(2) a provider of video programming or the owner of any program carried by the provider shall not be obligated to supply closed captions if such action would be inconsistent with contracts in effect on the date of enactment of this Act, except that nothing in this section shall be construed to relieve a video programming provider of its obligations to provide services required by Federal law; and

(3) a provider of video programming or program owner may petition the Commission for an exemption from the requirements of this section, and the Commission may grant such petition upon a showing that the requirements contained in this section would result in an undue burden.

(e) UNDUE BURDEN.—The term "undue burden" means significant difficulty or expense. In determining whether the closed captions necessary to comply with the requirements of this paragraph would result in an undue economic burden, the factors to be considered include—

(1) the nature and cost of the closed captions for the programming;

(2) the impact on the operation of the provider or program owner;

(3) the financial resources of the provider or program owner; and

(4) the type of operations of the provider or program owner.

(f) VIDEO DESCRIPTIONS INQUIRY.—Within 6 months after the date of enactment of this Act, the Commission shall commence an inquiry to examine the use of video descriptions on video programming in order to ensure the accessibility of video programming to persons with visual impairments, and report to Congress on its findings. The Commission's report shall assess appropriate methods and schedules for phasing video descriptions into the marketplace, technical and quality standards for video descriptions, a definition of programming for which video descriptions would apply, and other technical and legal issues that the Commission deems appropriate. Following the completion of such inquiry, the Commission may adopt regulation it deems necessary to promote the accessibility of video programming to persons with visual impairments.

(g) VIDEO DESCRIPTION.—For purposes of this section, "video description" means the insertion of audio narrated descriptions of a television program's key visual elements into natural pauses between the program's dialogue.

(h) PRIVATE RIGHTS OF ACTIONS PROHIBITED.—Nothing in this section shall be construed to authorize any private right of action to enforce any requirement of this section or any regulation thereunder. The Commission shall have exclusive jurisdiction with respect to any complaint under this section.

SEC. 205. TECHNICAL AMENDMENTS.

(a) Retransmission.—Section 325(b)(2)(D) of the Act (47 U.S.C. 325(b)(2)(D)) is amended to read as follows:

"(D) retransmission by a cable operator or other multichannel video programming distributor of the signal of a superstation if (i) the customers served by the cable operator or other multichannel video programming distributor reside outside the originating station's television market, as defined by the Commission for purposes of section 614(h)(1)(C); (ii) such signal was obtained from a satellite carrier or terrestrial microwave common carrier; and (iii) and the origination station was a superstation on May 1, 1991.".

(b) Market Determinations.—Section 614(h)(1)(C)(i) of the Act (47 U.S.C. 534(h)(1)(C)(i)) is amended by striking out "in the manner provided in section 73.3555(d)(3)(i) of title 47, Code of Federal Regulations, as in effect on May 1, 1991," and inserting "by the Commission by regulation or order using, where available, commercial publications which delineate television markets based on viewing patterns,".

(c) Time for Decision.—Section 614(h)(1)(C)(iv) of such Act is amended to read as follows:

"(iv) Within 120 days after the date a request is filed under this subparagraph, the Commission shall grant or deny the request.".

(d) Processing of Pending Complaints.—The Commission shall, unless otherwise informed by the person making the request, assume that any person making a request to include or exclude additional communities under section 614(h)(1)(C) of such Act (as in effect prior to the date of enactment of this Act) continues to request such inclusion or exclusion under such section as amended under subsection (b).

TITLE III—BROADCAST COMMUNICATIONS COMPETITIVENESS

SEC. 301. BROADCASTER SPECTRUM FLEXIBILITY.

Title III of the Act is amended by inserting after section 335 (47 U.S.C. 335) the following new section:

"SEC. 336. BROADCAST SPECTRUM FLEXIBILITY.

"(a) Commission Action.—If the Commission determines to issue additional licenses for advanced television services, the Commission shall—

"(1) limit the initial eligibility for such licenses to persons that, as of the date of such issuance, are licensed to operate a television broadcast station or hold a permit to construct such a station (or both); and

"(2) adopt regulations that allow such licensees or permittees to offer such ancillary or supplementary services on designated frequencies as may be consistent with the public interest, convenience, and necessity.

"(b) Contents of Regulations.—In prescribing the regulations required by subsection (a), the Commission shall—

"(1) only permit such licensee or permittee to offer ancillary or supplementary services if the use of a designated frequency for such services is consistent with the technology or method designated by the Commission for the provision of advanced television services;

"(2) limit the broadcasting of ancillary or supplementary services on designated frequencies so as to avoid derogation of any advanced television services, including high definition television broadcasts, that the Commission may require using such frequencies;

"(3) apply to any other ancillary or supplementary service such of the Commission's regulations as are applicable to the offering of analogous services by any other person, except that no ancillary or supplementary service shall have any rights to carriage under section 614 or 615 or be deemed a multichannel video programming distributor for purposes of section 628;

"(4) adopt such technical and other requirements as may be necessary or appropriate to assure the quality of the signal used to provide advanced television services, and may adopt regulations that stipulate the minimum number of hours per day that such signal must be transmitted; and

"(5) prescribe such other regulations as may be necessary for the protection of the public interest, convenience, and necessity.

"(c) Recovery of License.—

"(1) Conditions Required.—If the Commission grants a license for advanced television services to a person that, as of the date of such issuance, is licensed to operate a television broadcast station or holds a permit to construct such a station (or both), the Commission shall, as a condition of such license, require that, upon a determination by the Commission pursuant to the regulations prescribed under paragraph (2), either the additional license or the original license held by the licensee be surrendered to the Commission in accordance with such regulations for reallocation or reassignment (or both) pursuant to Commission regulation.

"(2) Criteria.—The Commission shall prescribe criteria for rendering determinations concerning license surrender pursuant to license conditions required by paragraph (1). Such criteria shall—

"(A) require such determinations to be based, on a market-by-market basis, on whether the substantial majority of the public have obtained television receivers that are capable of receiving advanced television services; and

"(B) not require the cessation of the broadcasting under either the original or additional license if such cessation would render the television receivers of a substantial portion of the public useless, or otherwise cause undue burdens on the owners of such television receivers.

"(3) Auction of Returned Spectrum.—Any license surrendered under the requirements of this subsection shall be subject to assignment by use of competitive bidding pursuant to section 309(j), notwithstanding any limitations contained in paragraph (2) of such section.

"(d) Fees.—

"(1) Services to Which Fees Apply.—If the regulations prescribed pursuant to subsection (a) permit a licensee to offer ancillary or supplementary services on a designated frequency—

"(A) for which the payment of a subscription fee is required in order to receive such services, or

"(B) for which the licensee directly or indirectly receives compensation from a third party in return for transmitting material furnished by such third party (other than commercial advertisements used to support broadcasting for which a subscription fee is not required),

the Commission shall establish a program to assess and collect from the licensee for such designated frequency an annual fee or other schedule or method of payment that promotes the objectives described in subparagraphs (A) and (B) of paragraph (2).

"(2) Collection of Fees.—The program required by paragraph (1) shall—

"(A) be designed (i) to recover for the public a portion of the value of the public spectrum resource made available for such commercial use, and (ii) to avoid unjust enrichment through the method employed to permit such uses of that resource;

"(B) recover for the public an amount that, to the extent feasible, equals but does not exceed (over the term of the license) the amount that would have been recovered had such services been licensed pursuant to the provisions of section 309(j) of this Act and the Commission's regulations thereunder; and

"(C) be adjusted by the Commission from time to time in order to continue to comply with the requirements of this paragraph.

"(3) Treatment of Revenues.—

"(A) General Rule.—Except as provided in subparagraph (B), all proceeds obtained pursuant to the regulations required by this subsection shall be deposited in the Treasury in accordance with chapter 33 of title 31, United States Code.

"(B) Retention of Revenues.—Notwithstanding subparagraph (A), the salaries and expenses account of the Commission shall retain as an offsetting collection such sums as may be necessary from such proceeds for the costs of developing and implementing the program required by this section and regulating and supervising advanced television services. Such offsetting collections shall be available for obligation subject to the terms and conditions of the receiving appropriations account, and shall be deposited in such accounts on a quarterly basis.

"(4) Report.—Within 5 years after the date of the enactment of this section, the Commission shall report to the Congress on the implementation of the program required by this subsection, and shall annually thereafter advise the Congress on the amounts collected pursuant to such program.

"(e) Evaluation.—Within 10 years after the date the Commission first issues additional licenses for advanced television services, the Commission shall conduct an evaluation of the advanced television services program. Such evaluation shall include—

"(1) an assessment of the willingness of consumers to purchase the television receivers necessary to receive broadcasts of advanced television services;

"(2) an assessment of alternative uses, including public safety use, of the frequencies used for such broadcasts; and

"(3) the extent to which the Commission has been or will be able to reduce the amount of spectrum assigned to licensees.

"(f) Definitions.—As used in this section:

"(1) Advanced Television Services.—The term 'advanced television services' means television services provided using digital or other advanced technology as further defined in the opinion, report, and order of the Commission entitled 'Advanced Television Systems and Their Impact Upon the Existing Television Broadcast Service', MM Docket 87-268, adopted September 17, 1992, and successor proceedings.

"(2) Designated Frequencies.—The term 'designated frequency' means each of the frequencies designated by the Commission for licenses for advanced television services.

"(3) High Definition Television.—The term 'high definition television' refers to systems that offer approximately twice the vertical and horizontal resolution of receivers generally available on the date of enactment of this section, as further defined in the proceedings described in paragraph (1) of this subsection.".

SEC. 302. BROADCAST OWNERSHIP.

(a) Amendment.—Title III of the Act is amended by inserting after section 336 (as added by section 301) the following new section:

"SEC. 337. BROADCAST OWNERSHIP.

"(a) Limitations on Commission Rulemaking Authority.—Except as expressly permitted in this section, the Commission shall not prescribe or enforce any regulation—

"(1) prohibiting or limiting, either nationally or within any particular area, a person or entity from holding any form of ownership or other interest in two or more broadcasting stations or in a broadcasting station and any other medium of mass communication; or

"(2) prohibiting a person or entity from owning, operating, or controlling two or more networks of broadcasting stations or from owning,

operating, or controlling a network of broadcasting stations and any other medium of mass communications.

"(b) TELEVISION OWNERSHIP LIMITATIONS.—

"(1) NATIONAL AUDIENCE REACH LIMITATIONS.—The Commission shall prohibit a person or entity from obtaining any license if such license would result in such person or entity directly or indirectly owning, operating, or controlling, or having a cognizable interest in, television stations which have an aggregate national audience reach exceeding—

"(A) 35 percent, for any determination made under this paragraph before one year after the date of enactment of this section; or

"(B) 50 percent, for any determination made under this paragraph on or after one year after such date of enactment.

Within 3 years after such date of enactment, the Commission shall conduct a study on the operation of this paragraph and submit a report to the Congress on the development of competition in the television marketplace and the need for any revisions to or elimination of this paragraph.

"(2) MULTIPLE LICENSES IN A MARKET.—

"(A) IN GENERAL.—The Commission shall prohibit a person or entity from obtaining any license if such license would result in such person or entity directly or indirectly owning, operating, or controlling, or having a cognizable interest in, two or more television stations within the same television market.

"(B) EXCEPTION FOR MULTIPLE UHF STATIONS AND FOR UHF-VHF COMBINATIONS.—Notwithstanding subparagraph (A), the Commission shall not prohibit a person or entity from directly or indirectly owning, operating, or controlling, or having a cognizable interest in, two television stations within the same television market if at least one of such stations is a UHF television, unless the Commission determines that permitting such ownership, operation, or control will harm competition or will harm the preservation of a diversity of media voices in the local television market.

"(C) EXCEPTION FOR VHF-VHF COMBINATIONS.—Notwithstanding subparagraph (A), the Commission may permit a person or entity to directly or indirectly own, operate, or control, or have a cognizable interest in, two VHF television stations within the same television market, if the Commission determines that permitting such ownership, operation, or control will not harm competition and will not harm the preservation of a diversity of media voices in the local television market.

"(c) LOCAL CROSS-MEDIA OWNERSHIP LIMITS.—In a proceeding to grant, renew, or authorize the assignment of any station license under this title, the Commission may deny the application if the Commission determines that the combination of such station and more than one other nonbroadcast media of mass communication would result in an undue concentration of media voices in the respective local market. In considering any such combination, the Commission shall not grant the application if all the media of mass communication in such local market would be owned, operated, or controlled by two or fewer persons or entities. This subsection shall not constitute authority for the Commission to prescribe regulations containing local cross-media ownership limitations. The Commission may not, under the authority of this subsection, require any person or entity to divest itself of any portion of any combination of stations and other media of mass communications that such person or entity owns, operates, or controls on the date of enactment of this section unless such person or entity acquires another station or other media of mass communications after such date in such local market.

"(d) TRANSITION PROVISIONS.—Any provision of any regulation prescribed before the date of enactment of this section that is inconsistent with the requirements of this section shall cease to be effective on such date of enactment. The Commission shall complete all actions (including any reconsideration) necessary to amend its regulations to conform to the requirements of this section not later than 6 months after such date of enactment. Nothing in this section shall be construed to prohibit the continuation or renewal of any television local marketing agreement that is in effect on such date of enactment and that is in compliance with Commission regulations on such date.".

(b) CONFORMING AMENDMENT.—Section 613(a) of the Act (47 U.S.C. 533(a)) is repealed.

SEC. 303. FOREIGN INVESTMENT AND OWNERSHIP.

(a) STATION LICENSES.—Section 310(a) (47 U.S.C. 310(a)) is amended to read as follows:

"(a) GRANT TO OR HOLDING BY FOREIGN GOVERNMENT OR REPRESENTATIVE.—No station license required under title III of this Act shall be granted to or held by any foreign government or any representative thereof. This subsection shall not apply to licenses issued under such terms and conditions as the Commission may prescribe to mobile earth stations engaged in occasional or short-term transmissions via satellite of audio or television program material and auxilliary signals if such transmissions are not intended for direct reception by the general public in the United States.".

(b) TERMINATION OF FOREIGN OWNERSHIP RESTRICTIONS.—Section 310 (47 U.S.C. 310) is amended by adding at the end thereof the following new subsection:

"(f) TERMINATION OF FOREIGN OWNERSHIP RESTRICTIONS.—

"(1) RESTRICTION NOT TO APPLY.—Subsection (b) shall not apply to any common carrier license granted, or for which application is made, after the date of enactment of this subsection with respect to any alien (or representative thereof), corporation, or foreign government (or representative thereof) if—

"(A) the President determines that the foreign country of which such alien is a citizen, in which such corporation is organized, or in which the foreign government is in control is party to an international agreement which requires the United States to provide national or most-favored-nation treatment in the grant of common carrier licenses; or

"(B) the Commission determines that not applying subsection (b) would serve the public interest.

"(2) COMMISSION CONSIDERATIONS.—In making its determination, under paragraph (1)(B), the Commission may consider, among other public interest factors, whether effective competitive opportunities are available to United States nationals or corporations in the applicant's home market. In evaluating the public interest, the Commission shall exercise great deference to the President with respect to United States national security, law enforcement requirements, foreign policy, the interpretation of international agreements, and trade policy (as well as direct investment as it relates to international trade policy). Upon receipt of an application that requires a finding under this paragraph, the Commission shall cause notice thereof to be given to the President or any agencies designated by the President to receive such notification.

"(3) FURTHER COMMISSION REVIEW.—Except as otherwise provided in this paragraph, the Commission may determine that any foreign country with respect to which it has made a determination under paragraph (1) has ceased to meet the requirements for that determination. In making this determination, the Commission shall exercise great deference to the President with respect to United States national security, law enforcement requirements, foreign policy, the interpretation of international agreements, and trade policy (as well as direct investment as it relates to international trade policy). If a determination under this paragraph is made then—

"(A) subsection (b) shall apply with respect to such aliens, corporation, and government (or their representatives) on the date that the Commission publishes notice of its determination under this paragraph; and

"(B) any license held, or application filed, which could not be held or granted under subsection (b) shall be reviewed by the Commission under the provisions of paragraphs (1)(B) and (2).

"(4) OBSERVANCE OF INTERNATIONAL OBLIGATIONS.—Paragraph (3) shall not apply to the extent the President determines that it is inconsistent with any international agreement to which the United States is a party.

"(5) NOTIFICATIONS TO CONGRESS.—The President and the Commission shall notify the appropriate committees of the Congress of any determinations made under paragraph (1), (2), or (3).".

SEC. 304. TERM OF LICENSES.

Section 307(c) of the Act (47 U.S.C. 307(c)) is amended to read as follows:

"(c) TERMS OF LICENSES.—

"(1) INITIAL AND RENEWAL LICENSES.—Each license granted for the operation of a broadcasting station shall be for a term of not to exceed seven years. Upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed seven years from the date of expiration of the preceding license, if the Commission finds that public interest, convenience, and necessity would be served thereby. Consistent with the foregoing provisions of this subsection, the Commission may by rule prescribe the period or periods for which licenses shall be granted and renewed for particular classes of stations, but the Commission may not adopt or follow any rule which would preclude it, in any case involving a station of a particular class, from granting or renewing a license for a shorter period than that prescribed for stations of such class if, in its judgment, public interest, convenience, or necessity would be served by such action.

"(2) MATERIALS IN APPLICATION.—In order to expedite action on applications for renewal of broadcasting station licenses and in order to avoid needless expense to applicants for such renewals, the Commission shall not require any such applicant to file any information which previously has been furnished to the Commission or which is not directly material to the considerations that affect the granting or denial of such application, but the Commission may require any new or additional facts it deems necessary to make its findings.

"(3) CONTINUATION PENDING DECISION.—Pending any hearing and final decision on such an application and the disposition of any petition for rehearing pursuant to section 405, the Commission shall continue such license in effect.".

SEC. 305. BROADCAST LICENSE RENEWAL PROCEDURES.

(a) AMENDMENT.—Section 309 of the Act (47 U.S.C. 309) is amended by adding at the end thereof the following new subsection:

"(k) BROADCAST STATION RENEWAL PROCEDURES.—

"(1) STANDARDS FOR RENEWAL.—If the licensee of a broadcast station submits an application to the Commission for renewal of such license, the Commission shall grant the application if it finds, with respect to that station, during the preceding term of its license—

"(A) the station has served the public interest, convenience, and necessity;

"(B) there have been no serious violations by the licensee of this Act or the rules and regulations of the Commission; and

"(C) there have been no other violations by the licensee of this Act or the rules and regulations of the Commission which, taken together, would constitute a pattern of abuse.

"(2) CONSEQUENCE OF FAILURE TO MEET STANDARD.—If any licensee of a broadcast station fails to meet the requirements of this subsection, the Commission may deny the application for renewal in accordance with paragraph (3), or grant such application on terms and conditions as are appropriate, including renewal for a term less than the maximum otherwise permitted.

"(3) STANDARDS FOR DENIAL.—If the Commission determines, after notice and opportunity for a hearing as provided in subsection (e), that a licensee has failed to meet the requirements specified in paragraph (1) and that no mitigating factors justify the imposition of lesser sanctions, the Commission shall—

"(A) issue an order denying the renewal application filed by such licensee under section 308; and

"(B) only thereafter accept and consider such applications for a construction permit as may be filed under section 308 specifying the channel or broadcasting facilities of the former licensee.

"(4) COMPETITOR CONSIDERATION PROHIBITED.—In making the determinations specified in paragraph (1) or (2), the Commission shall not consider whether the public interest, convenience, and necessity might be served by the grant of a license to a person other than the renewal applicant.".

(b) CONFORMING AMENDMENT.—Section 309(d) of the Act (47 U.S.C. 309(d)) is amended by inserting after "with subsection (a)" each place such term appears the following: "(or subsection (k) in the case of renewal of any broadcast station license)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any application for renewal filed on or after May 31, 1995.

SEC. 306. EXCLUSIVE FEDERAL JURISDICTION OVER DIRECT BROADCAST SATELLITE SERVICE.

Section 303 of the Act (47 U.S.C. 303) is amended by adding at the end thereof the following new subsection:

"(v) Have exclusive jurisdiction over the regulation of the direct broadcast satellite service.".

SEC. 307. AUTOMATED SHIP DISTRESS AND SAFETY SYSTEMS.

Notwithstanding any provision of the Act, a ship documented under the laws of the United States operating in accordance with the Global Maritime Distress and Safety System provisions of the Safety of Life at Sea Convention shall not be required to be equipped with a radio telegraphy station operated by one or more radio officers or operators.

SEC. 308. RESTRICTIONS ON OVER-THE-AIR RECEPTION DEVICES.

Within 180 days after the enactment of this Act, the Commission shall, pursuant to section 303, promulgate regulations to prohibit restrictions that inhibit a viewer's ability to receive video programming services through signal receiving devices designed for off-the-air reception of television broadcast signals or direct broadcast satellite services.

SEC. 309. DBS SIGNAL SECURITY.

Section 705(e)(4) of the Act (47 U.S.C. 605(e)) is amended by inserting after "satellite cable programming" the following: "or programming of a licensee in the direct broadcast satellite service".

TITLE IV—EFFECT ON OTHER LAWS

SEC. 401. RELATIONSHIP TO OTHER LAWS.

(a) MODIFICATION OF FINAL JUDGMENT.—Parts II and III of title II of the Communications Act of 1934 (as added by this Act) shall supersede the Modification of Final Judgment, except that such part shall not affect—

(1) section I of the Modification of Final Judgment, relating to AT&T reorganization,

(2) section II(A) (including appendix B) and II(B) of the Modification of Final Judgment, relating to equal access and nondiscrimination,

(3) section IV(F) and IV(I) of the Modification of Final Judgment, with respect to the requirements included in the definitions of "exchange access" and "information access",

(4) section VIII(B) of the Modification of Final Judgment, relating to printed advertising directories,

(5) section VIII(E) of the Modification of Final Judgment, relating to notice to customers of AT&T,

(6) section VIII(F) of the Modification of Final Judgment, relating to less than equal exchange access,

(7) section VIII(G) of the Modification of Final Judgment, relating to transfer of AT&T assets, including all exceptions granted thereunder before the date of the enactment of this Act, and

(8) with respect to the parts of the Modification of Final Judgment described in paragraphs (1) through (7)—

(A) section III of the Modification of Final Judgment, relating to applicability and effect,

(B) section IV of the Modification of Final Judgment, relating to definitions,

(C) section V of the Modification of Final Judgment, relating to compliance,

(D) section VI of the Modification of Final Judgment, relating to visitorial provisions,

(E) section VII of the Modification of Final Judgment, relating to retention of jurisdiction, and

(F) section VIII(I) of the Modification of Final Judgment, relating to the court's sua sponte authority.

(b) ANTITRUST LAWS.—Nothing in this Act shall be construed to modify, impair, or supersede the applicability of any of the antitrust laws.

(c) FEDERAL, STATE, AND LOCAL LAW.—(1) Except as provided in paragraph (2), parts II and III of title II of the Communications Act of 1934 shall not be construed to modify, impair, or supersede Federal, State, or local law unless expressly so provided in such part.

(2) Parts II and III of title II of the Communications Act of 1934 shall supersede State and local law to the extent that such law would impair or prevent the operation of such part.

(d) TERMINATION.—The provisions of the GTE consent decree shall cease to be effective on the date of enactment of this Act. For purposes of this subsection, the term "GTE consent decree" means the order entered on December 21, 1984 (as restated on January 11, 1985), in United States v. GTE Corporation, Civil Action No. 83–1298, in the United States District Court for the District of Columbia, and includes any judgment or order with respect to such action entered on or after December 21, 1984.

(e) INAPPLICABILITY OF FINAL JUDGMENT TO WIRELESS SUCCESSORS.—No person shall be subject to the provisions of the Modification of Final Judgment by reason of having acquired wireless exchange assets or operations previously owned by a Bell operating company or an affiliate of a Bell operating company.

(f) ANTITRUST LAWS.—As used in this section, the term "antitrust laws" has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes the Act of June 19, 1936 (49 Stat. 1526; 15 U.S.C. 13 et seq.), commonly known as the Robinson Patman Act, and section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent that such section 5 applies to unfair methods of competition.

SEC. 402. PREEMPTION OF LOCAL TAXATION WITH RESPECT TO DBS SERVICES.

(a) PREEMPTION.—A provider of direct-to-home satellite service, or its agent or representative for the sale or distribution of direct-to-home satellite services, shall be exempt from the collection or remittance, or both, of any tax or fee, as defined by subsection (b)(4), imposed by any local taxing jurisdiction with respect to the provision of direct-to-home satellite services. Nothing in this section shall be construed to exempt from collection or remittance any tax or fee on the sale of equipment.

(b) DEFINITIONS.—For the purposes of this section—

(1) DIRECT-TO-HOME SATELLITE SERVICE.—The term "direct-to-home satellite service" means the transmission or broadcasting by satellite of programming directly to the subscribers' premises without the use of ground receiving or distribution equipment, except at the subscribers' premises or in the uplink process to the satellite.

(2) DIRECT-TO-HOME SATELLITE SERVICE PROVIDER.—For purposes of this section, a "provider of direct-to-home satellite service" means a person who transmits or broadcasts direct-to-home satellite services.

(3) LOCAL TAXING JURISDICTION.—The term "local taxing jurisdiction" means any municipality, city, county, township, parish, transportation district, or assessment jurisdiction, or any other local jurisdiction with the authority to impose a tax or fee.

(4) TAX OR FEE.—The terms "tax" and "fee" mean any local sales tax, local use tax, local intangible tax, local income tax, business license tax, utility tax, privilege tax, gross receipts tax, excise tax, franchise fees, local telecommunications tax, or any other tax, license, or fee that is imposed for the privilege of doing business, regulating, or raising revenue for a local taxing jurisdiction.

(c) EFFECTIVE DATE.—This section shall be effective as of June 1, 1994.

TITLE V—DEFINITIONS

SEC. 501. DEFINITIONS.

(a) ADDITIONAL DEFINITIONS.—Section 3 of the Act (47 U.S.C. 153) is amended—

(1) in subsection (r)—

(A) by inserting "(A)" after "means"; and

(B) by inserting before the period at the end the following: ", or (B) service provided through a system of switches, transmission equipment, or other facilities (or combination thereof) by which a subscriber can originate and terminate a telecommunications service within a State but which does not result in the subscriber incurring a telephone toll charge"; and

(2) by adding at the end thereof the following:

"(35) AFFILIATE.—The term 'affiliate', when used in relation to any person or entity, means another person or entity who owns or controls, is owned or controlled by, or is under common ownership or control with, such person or entity.

"(36) BELL OPERATING COMPANY.—The term 'Bell operating company' means—

"(A) Bell Telephone Company of Nevada, Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, New England Telephone and Telegraph Company, New Jersey Bell Telephone Company, New York Telephone Company, U S West Communications Company, South Central Bell Telephone Company, Southern Bell Telephone and Telegraph Company, Southwestern Bell Telephone Company, The Bell Telephone Company of Pennsylvania, The Chesapeake and Potomac Telephone Company, The Chesapeake and Potomac Telephone Company of Maryland, The Chesapeake and Potomac Telephone Company of Virginia, The Chesapeake and Potomac Telephone Company of West Virginia, The Diamond State Telephone Company, The Ohio Bell Telephone Company, The Pacific Telephone and Telegraph Company, or Wisconsin Telephone Company;

"(B) any successor or assign of any such company that provides telephone exchange service.

"(37) CABLE SYSTEM.—The term 'cable system' has the meaning given such term in section 602(7) of this Act.

"(38) CUSTOMER PREMISES EQUIPMENT.—The term 'customer premises equipment' means equipment employed on the premises of a person (other than a carrier) to originate, route, or terminate telecommunications.

"(39) DIALING PARITY.—The term 'dialing parity' means that a person that is not an affiliated enterprise of a local exchange carrier is able to provide telecommunications services in such a manner that customers have the ability to route automatically, without the use of any access code, their telecommunications to the telecommunications services provider of the customer's designation from among 2 or more telecommunications services providers (including such local exchange carrier).

"(40) EXCHANGE ACCESS.—The term 'exchange access' means the offering of telephone exchange services or facilities for the purpose of the origination or termination of interLATA services.

"(41) INFORMATION SERVICE.—The term 'information service' means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.

"(42) INTERLATA SERVICE.—The term 'interLATA service' means telecommunications between a point located in a local access and transport area and a point located outside such area.

"(43) LOCAL ACCESS AND TRANSPORT AREA.—The term 'local access and transport area' or 'LATA' means a contiguous geographic area—

"(A) established by a Bell operating company such that no exchange area includes points within more than 1 metropolitan statistical area, consolidated metropolitan statistical area, or State, except as expressly permitted under the Modification of Final Judgment before the date of the enactment of this paragraph; or

"(B) established or modified by a Bell operating company after the date of enactment of this paragraph and approved by the Commission.

"(44) LOCAL EXCHANGE CARRIER.—The term 'local exchange carrier' means any person that is engaged in the provision of telephone exchange service or exchange access. Such term does not include a person insofar as such person is engaged in the provision of a commercial mobile service under section 332(c), except to the extent that the Commission finds that such service as provided by such person in a State is a replacement for a substantial portion of the wireline telephone exchange service within such State.

"(45) MODIFICATION OF FINAL JUDGMENT.—The term 'Modification of Final Judgment' means the order entered August 24, 1982, in the antitrust action styled United States v. Western Electric, Civil Action No. 82–0192, in the United States District Court for the District of Columbia, and includes any judgment or order with respect to such action entered on or after August 24, 1982.

"(46) NUMBER PORTABILITY.—The term 'number portability' means the ability of users of telecommunications services to retain existing telecommunications numbers without impairment of quality, reliability, or convenience when changing from one provider of telecommunications services to another, as long as such user continues to be located within the area served by the same central office of the carrier from which the user is changing.

"(47) RURAL TELEPHONE COMPANY.—The term 'rural telephone company' means a local exchange carrier operating entity to the extent that such entity—

"(A) provides common carrier service to any local exchange carrier study area that does not include either—

"(i) any incorporated place of 10,000 inhabitants or more, or any part thereof, based on the most recent available population statistics of the Bureau of the Census; or

"(ii) any territory, incorporated or unincorporated, included in an urbanized area, as defined by the Bureau of the Census as of August 10, 1993;

"(B) provides telephone exchange service, including telephone exchange access service, to fewer than 50,000 access lines;

"(C) provides telephone exchange service to any local exchange carrier study area with fewer than 100,000 access lines; or

"(D) has less than 15 percent of its access lines in communities of more than 50,000 on the date of enactment of this paragraph.

"(48) TELECOMMUNICATIONS.—The term 'telecommunications' means the transmission, between or among points specified by the subscriber, of information of the subscriber's choosing, without change in the form or content of the information as sent and received, by means of an electromagnetic transmission medium, including all instrumentalities, facilities, apparatus, and services (including the collection, storage, forwarding, switching, and delivery of such information) essential to such transmission.

"(49) TELECOMMUNICATIONS EQUIPMENT.—The term 'telecommunications equipment' means equipment, other than customer premises equipment, used by a carrier to provide telecommunications services, and includes software integral to such equipment (including upgrades).

"(50) TELECOMMUNICATIONS SERVICE.—The term 'telecommunications service' means the offering, on a common carrier basis, of telecommunications facilities, or of telecommunications by means of such facilities. Such term does not include an information service.".

(b) STYLISTIC CONSISTENCY.—Section 3 of the Act (47 U.S.C. 153) is amended—

(1) in subsections (e) and (n), by redesignating clauses (1), (2) and (3), as clauses (A), (B), and (C), respectively;

(2) in subsection (w), by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively;

(3) in subsections (y) and (z), by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(4) by redesignating subsections (a) through (ff) as paragraphs (1) through (32);

(5) by indenting such paragraphs 2 em spaces;

(6) by inserting after the designation of each such paragraph—

(A) a heading, in a form consistent with the form of the heading of this subsection, consisting of the term defined by such paragraph, or the first term so defined if such paragraph defines more than one term; and

(B) the words "The term";

(7) by changing the first letter of each defined term in such paragraphs from a capital to a lower case letter (except for "United States", "State", "State commission", and "Great Lakes Agreement"); and

(8) by reordering such paragraphs and the additional paragraphs added by subsection (a) in alphabetical order based on the headings of such paragraphs and renumbering such paragraphs as so reordered.

(c) CONFORMING AMENDMENTS.—The Act is amended—

(1) in section 225(a)(1), by striking "section 3(h)" and inserting "section 3";

(2) in section 332(d), by striking "section 3(n)" each place it appears and inserting "section 3"; and

(3) in sections 621(d)(3), 636(d), and 637(a)(2), by striking "section 3(v)" and inserting "section 3".

TITLE VI—SMALL BUSINESS COMPLAINT PROCEDURE

SEC. 601. COMPLAINT PROCEDURE.

(a) PROCEDURE REQUIRED.—The Federal Communications Commission shall establish procedures for the receipt and review of complaints concerning violations of the Communications Act of 1934, and the rules and regulations thereunder, that are likely to result, or have resulted, as a result of the violation, in material financial harm to a provider of telemessaging service, or other small business engaged in providing an information service or other telecommunications service. Such procedures shall be established within 120 days after the date of enactment of this Act.

(b) DEADLINES FOR PROCEDURES; SANCTIONS.—The procedures under this section shall ensure that the Commission will make a final determination with respect to any such complaint within 120 days after receipt of the complaint. If the complaint contains an appropriate showing that the alleged violation occurred, as determined by the Commission in accordance with such regulations, the Commission shall, within 60 days after receipt of the complaint, order the common carrier and its affiliates to cease engaging in such violation pending such final determination. In addition, the Commission may exercise its authority to impose other penalties or sanctions, to the extent otherwise provided by law.

(c) DEFINITION.—For purposes of this section, a small business shall be any business entity that, along with any affiliate or subsidiary, has fewer than 300 employees.

The CHAIRMAN. Before consideration of any other amendment, it shall be in order to consider the amendment printed in part 1 of House Report 104–223, which may be offered only by a Member designated in the report, shall be considered read, shall be debatable for 30 minutes, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

If that amendment is adopted, the bill, as amended, shall be considered as the original bill for the purpose of further amendment.

No further amendment shall be in order except the amendments printed in part 2 of the report, which may be considered in the order printed in the report, may be offered only by a Member designated in the report, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, except as specified in the report, and shall not be subject to a demand for division of the question.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening

business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

Pursuant to the order of the House of the legislative day of Thursday, August 3, 1995, consideration in the Committee of the Whole shall proceed without intervening motion except for the amendments printed in the report and one motion to rise, if offered by the gentleman from Virginia [Mr. BLILEY].

The gentleman from Michigan [Mr. CONYERS] shall have permission to modify the amendment numbered 2-2 printed in the report.

It is now in order to consider the amendment numbered 1-1 printed in part 1 of House Reports 104-223.

AMENDMENT NO. 1-1 OFFERED BY MR. BLILEY

Mr. BLILEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 1-1 offered by Mr. BLILEY:

[1. Resale]

Page 5, beginning on line 19, strike paragraph (3) and insert the following:

"(3) RESALE.—The duty—

"(A) to offer services, elements, features, functions, and capabilities for resale at wholesale rates, and

"(B) not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale of such services, elements, features, functions, and capabilities, on a bundled or unbundled basis, except that a carrier may prohibit a reseller that obtains at wholesale rates a service, element, feature, function, or capability that is available at retail only to a category of subscribers from offering such service, element, feature, function, or capability to a different category of subscribers.

For the purposes of this paragraph, wholesale rates shall be determined on the basis of retail rates for the service, element, feature, function, or capability provided, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that are avoided by the local exchange carrier.

[2. Entry Schedule]

Page 10, line 1, strike "15 months" and insert "6 months".

Page 12, line 13, strike "245(d)" and insert "245(c)".

Page 19, line 19, strike "18 months" and insert "6 months".

Page 20, line 5, strike "(d)(2)" and insert "(c)(2)".

Page 24, beginning on line 1, strike subsection (c) through page 26, line 5, (and redesignate the succeeding subsections accordingly).

Page 27, line 25, strike "(d)" and insert "(c)".

Page 28, line 25, strike "(g) and (h)" and insert "(f), (g), and (h)".

Page 29, lines 9 and 12, strike "subsection (d)" and insert "subsection (c)".

Page 29, line 14, strike "subsection (f)" and insert "subsection (e)".

Page 30, line 2, strike "(f)" and insert "(e)".

Page 40, line 20, strike "270 days" and insert "6 months".

[3. State/Federal Coordination]

Page 10, after line 8, insert the following new subparagraph (and redesignate the succeeding subparagraphs accordingly):

"(B) ACCOMMODATION OF STATE ACCESS REGULATIONS.—In prescribing and enforcing regulations to implement the requirements of this section, the Commission shall not preclude the enforcement of any regulation, order, or policy of a State commission that—

"(i) establishes access and interconnection obligations of local exchange carriers;

"(ii) is consistent with the requirements of this section; and

"(iii) does not substantially prevent the Commission from fulfilling the requirements of this section and the purposes of this part.

Page 14, strike lines 1 through 7 and insert the following:

"(h) AVOIDANCE OF REDUNDANT REGULATIONS.—

"(1) COMMISSION REGULATIONS.—Nothing in this section shall be construed to prohibit the Commission from enforcing regulations prescribed prior to the date of enactment of this part in fulfilling the requirements of this section, to the extent that such regulations are consistent with the provisions of this section.

"(2) STATE REGULATIONS.—Nothing in this section shall be construed to prohibit any State commission from enforcing regulations prescribed prior to the date of enactment of this part, or from prescribing regulations after such date of enactment, in fulfilling the requirements of this section, if (A) such regulations are consistent with the provisions of this section, and (B) the enforcement of such regulations has not been precluded under subsection (b)(4)(B).

Page 42, after line 2, insert the following new sentence:

In establishing criteria and procedures pursuant to this paragraph, the Commission shall take into account and accommodate, to the extent reasonable and consistent with the purposes of this section, the criteria and procedures established for such purposes by State commissions prior to the effective date of the Commission's criteria and procedures under this section.

Page 45, strike lines 12 through 18 and insert the following:

"(g) AVOIDANCE OF REDUNDANT REGULATIONS.—

"(1) COMMISSION REGULATIONS.—Nothing in this section shall be construed to prohibit the Commission from enforcing regulations prescribed prior to the date of enactment of this part in fulfilling the requirements of this section, to the extent that such regulations are consistent with the provisions of this section.

"(2) STATE REGULATIONS.—Nothing in this section shall be construed to prohibit any State commission from enforcing regulations prescribed prior to the effective date of the Commission's criteria and procedures under this section in fulfilling the requirements of this section, or from prescribing regulations after such date, to the extent such regulations are consistent—

"(A) with the provisions of this section; and

"(B) after such effective date, with such criteria and procedures.

Page 77, line 18, insert "of the Commission" after "any regulation".

[4. Joint Marketing]

Page 12, beginning on line 15, strike paragraph (2) through page 13, line 2, and insert the following:

"(2) COMPETING PROVIDERS.—Paragraph (1) shall not prohibit joint marketing of services, elements, features, functions, or capabilities acquired from a Bell operating company by an unaffiliated provider that, together with its affiliates, has in the aggregate less than 2 percent of the access lines installed nationwide.

[5. Rural Telephone Exemption]

Page 13, beginning on line 10, strike ", technologically infeasible" and all that follows through line 11 and insert "or technologically infeasible.".

Page 13, beginning on line 12, strike subsections (f) and (g) through line 24 and insert the following:

(f) EXEMPTION FOR CERTAIN RURAL TELEPHONE COMPANIES.—Subsections (a) through (d) of this section shall not apply to a rural telephone company, until such company has received a bona fide request for services, elements, features or capabilities described in subsections (a) through (d). Following a bona fide request to the carrier and notice of the request to the State commission, the State commission shall determine within 120 days whether the request would be unduly economically burdensome, be technologically infeasible, and be consistent with subsections (b)(1) through (b)(5), (c)(1), and (c)(3) of section 247. The exemption provided by this subsection shall not apply if such carrier provides video programming services over its telephone exchange facilities in its telephone service area.

(g) TIME AND MANNER OF COMPLIANCE.—The State shall establish, after determining pursuant to subsection (f) that a bona fide request is not economically burdensome, is technologically feasible, and is consistent with subsections (b)(1) through (b)(5), (c)(1), and (c)(3) of section 247, an implementation schedule for compliance with such approved bona fide request that is consistent in time and manner with Commission rules.

Page 45, line 3, strike "INTERSTATE", and on line 4, strike "interstate".

[6. Management of Rights-of-Way]

Page 14, line 21, strike "Nothing in this" and insert the following:

"(1) IN GENERAL.—Nothing in this

Page 14, line 22, strike "or local".

Page 15, after line 6, insert the following new paragraph:

"(2) MANAGEMENT OF RIGHTS-OF-WAY.—Nothing in subsection (a) of this section shall affect the authority of a local government to manage the public rights-of-way or to require fair and reasonable compensation from telecommunications providers, on a competitively neutral and nondiscriminatory basis, for use of public rights-of-way on a nondiscriminatory basis, if the compensation required is publicly disclosed by such government.".

[7. Facilities-Based Competitor]

Page 20, beginning on line 8, strike subparagraph (A) through line 18 and insert the following:

"(A) PRESENCE OF A FACILITIES-BASED COMPETITOR.—An agreement that has been approved under section 244 specifying the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities in accordance with section 242 for the network facilities of an unaffiliated competing provider of telephone exchange service (as defined in section 3(44)(A), but excluding exchange access service) to residential and business subscribers. For the purpose of this subparagraph, such telephone exchange service may be offered by such competing provider either exclusively over its own telephone exchange service facilities or predominantly over its own telephone exchange service facilities in combination with the resale of the services of another carrier. For the purpose of this subparagraph, services provided pursuant to subpart K of part 22 of the Commission's regulations (47 C.F.R. 22.901 et seq.) shall not be considered to be telephone exchange services.

Page 21, line 2, strike "243" and insert "244".

[8. Entry Consultations with the Attorney General]

Page 27, after line 3, insert the following new paragraph:

"(3) CONSULTATION WITH THE ATTORNEY GENERAL.—The Commission shall notify the Attorney General promptly of any verification submitted for approval under this subsection, and shall identify any verification that, if approved, would relieve the Bell operating company and its affiliates of the prohibition concerning manufacturing contained in section 271(a). Before making any determination under this subsection, the Commission shall consult with the Attorney General, and if the Attorney General submits any comments in writing, such comments shall be included in the record of the Commission's decision. In consulting with and submitting comments to the Commission under this paragraph, the Attorney General shall provide to the Commission an evaluation of whether there is a dangerous probability that the Bell operating company or its affiliates would successfully use market power to substantially impede competition in the market such company seeks to enter. In consulting with and submitting comments to the Commission under this paragraph with respect to a verification that, if approved, would relieve the Bell operating company and its affiliates of the prohibition concerning manufacturing contained in section 271(a), the Attorney General shall also provide to the Commission an evaluation of whether there is a dangerous probability that the Bell operating company or its affiliates would successfully use market power to substantially impede competition in manufacturing.

Page 27, lines 4 and 12, redesignate paragraphs (3) and (4) as paragraphs (4) and (5), respectively.

[9. Out-of-Region Services]

Page 31, after line 21, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(h) OUT-OF-REGION SERVICES.—When a Bell operating company and its affiliates have obtained Commission approval under subsection (c) for each State in which such Bell operating company and its affiliates provide telephone exchange service on the date of enactment of this part, such Bell operating company and any affiliate thereof may, notwithstanding subsection (e), provide interLATA services—

"(1) for calls originating in, and billed to a customer in, a State in which neither such company nor any affiliate provided telephone exchange service on such date of enactment; or

"(2) for calls originating outside the United States.

Page 30, beginning on line 20, strike "between local access and transport areas within a cable system franchise area" and insert "and that is located within a State".

[10. Separate Subsidiary]

At each of the following locations insert "interLATA" before "information": Page 33, line 8; page 35, lines 9, 16, and 20; and page 36, lines 3 and 10.

Page 33, line 11, after the period insert the following: "The requirements of this section shall not apply with respect to (1) activities in which a Bell operating company or affiliate may engage pursuant to section 245(f), or (2) incidental services in which a Bell operating company or affiliate may engage pursuant to section 245(g), other than services described in paragraph (4) of such section.".

Page 37, beginning on line 20, strike subsection (k) and insert the following:

"(k) SUNSET.—The provisions of this section shall cease to apply to any Bell operating company in any State 18 months after the date such Bell operating company is authorized pursuant to section 245(c) to provide interLATA telecommunications services in such State.

[11. Pricing Flexibility: Prohibition on Cross Subsidies]

Page 42, after line 22, insert the following new paragraph:

"(4) RESPONSE TO COMPETITION.—Pricing flexibility implemented pursuant to this subsection shall permit regulated telecommunications providers to respond fairly to competition by repricing services subject to competition, but shall not have the effect of changing prices for noncompetitive services or using noncompetitive services to subsidize competitive services.

[12. Accessibility]

Page 47, beginning on line 17, strike "whenever an undue burden" and all that follows through "paragraph (1)," on line 19 and insert the following: "whenever the requirements of paragraph (1) are not readily achievable,".

Page 47, beginning on line 24, strike "would result in" and all that follows through line 25 and insert the following: "is not readily achievable.".

Page 48, beginning on line 1, strike paragraphs (3) and (4) through page 49, line 7, and insert the following:

"(3) READILY ACHIEVABLE.—The term 'readily achievable' has the meaning given it by section 301(g) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102(g)).

Page 49, line 8, redesignate paragraph (5) as paragraph (4).

[13. Media Voices]

Page 50, line 5, strike "points of view" and insert "media voices".

[14. Slamming]

Page 50, line 23, insert "(a) PROHIBITION.—" before "No common carrier", and on page 51, after line 4, insert the following new subsection:

"(b) LIABILITY FOR CHARGES.—Any common carrier that violates the verification procedures described in subsection (a) and that collects charges for telephone exchange service or telephone toll service from a subscriber shall be liable ,to the carrier previously selected by the subscriber in an amount equal to all charges paid by such subscriber after such violation, in accordance with such procedures as the Commission may prescribe. The remedies provided by this subsection are in addition to any other remedies available by law.

[15. Study Frequency]

Page 51, line 6, strike "At least once every three years," and insert "Within 3 years after the date of enactment of this part,".

[16. Territorial Exemption]

Page 51, beginning on line 23, strike section 253 through page 52, line 6, and conform the table of contents accordingly.

Page 51, insert close quotation marks and a period at the end of line 22.

[17. Manufacturing Separate Subsidiary]

Page 54, beginning on line 5, strike subsections (a) and (b) and insert the following:

"(a) LIMITATIONS ON MANUFACTURING.—

"(1) ACCESS AND INTERCONNECTION REQUIRED.—It shall be unlawful for a Bell operating company, directly or through an affiliate, to manufacture telecommunications equipment or customer premises equipment, until the Commission has approved under section 245(c) verifications that such Bell operating company, and each Bell operating company with which it is affiliated, are in compliance with the access and interconnection requirements of part II of this title.

"(2) SEPARATE SUBSIDIARY REQUIRED.—During the first 18 months after the expiration of the limitation contained in paragraph (1), a Bell operating company may engage in manufacturing telecommunications equipment or customer premises equipment only through a separate subsidiary established and operated in accordance with section 246.

"(b) COLLABORATION; RESEARCH AND ROYALTY AGREEMENTS.—

"(1) COLLABORATION.—Subsection (a) shall not prohibit a Bell operating company from engaging in close collaboration with any manufacturer of customer premises equipment or telecommunications equipment during the design and development of hardware, software, or combinations thereof related to such equipment.

"(2) RESEARCH; ROYALTY AGREEMENTS.—Subsection (a) shall not prohibit a Bell operating company, directly or through an subsidiary, from—

"(A) engaging in any research activities related to manufacturing, and

"(B) entering into royalty agreements with manufacturers of telecommunications equipment.

[18. Manufacturing by Standard-Setting Organizations]

Page 56, beginning on line 1, strike subsection (d) through page 57, line 11, and insert the following:

"(d) MANUFACTURING LIMITATIONS FOR STANDARD-SETTING ORGANIZATIONS.—

"(1) APPLICATION TO BELL COMMUNICATIONS RESEARCH OR MANUFACTURERS.—Bell Communications Research, Inc., or any successor entity or affiliate—

"(A) shall not be considered a Bell operating company or a successor or assign of a Bell operating company at such time as it is no longer an affiliate of any Bell operating company; and

"(B) notwithstanding paragraph (3), shall not engage in manufacturing telecommunications equipment or customer premises equipment as long as it is an affiliate of more than 1 otherwise unaffiliated Bell operating company or successor or assign of any such company.

Nothing in this subsection prohibits Bell Communications Research, Inc., or any successor entity, from engaging in any activity in which it is lawfully engaged on the date of enactment of this subsection. Nothing provided in this subsection shall render Bell Communications Research, Inc., or any successor entity, a common carrier under title II of this Act. Nothing in this section restricts any manufacturer from engaging in any activity in which it is lawfully engaged on the date of enactment of this section.

"(2) PROPRIETARY INFORMATION.—Any entity which establishes standards for telecommunications equipment or customer premises equipment, or generic network requirements for such equipment, or certifies telecommunications equipment, or customer premises equipment, shall be prohibited from releasing or otherwise using any proprietary information, designated as such by its owner, in its possession as a result of such activity, for any purpose other than purposes authorized in writing by the owner of such information, even after such entity ceases to be so engaged.

"(3) MANUFACTURING SAFEGUARDS.—(A) Except as prohibited in paragraph (1), and subject to paragraph (6), any entity which certifies telecommunications equipment or customer premises equipment manufactured by an unaffiliated entity shall only manufacture a particular class of telecommunications equipment or customer premises equipment for which it is undertaking or has undertaken, during the previous 18 months, certification activity for such class of equipment through a separate affiliate.

"(B) Such separate affiliate shall—

"(i) maintain books, records, and accounts separate from those of the entity that certifies such equipment, consistent with generally acceptable accounting principles;

"(ii) not engage in any joint manufacturing activities with such entity; and

"(iii) have segregated facilities and separate employees with such entity.

"(C) Such entity that certifies such equipment shall—

"(i) not discriminate in favor of its manufacturing affiliate in the establishment of standards, generic requirements, or product certification;

"(ii) not disclose to the manufacturing affiliate any proprietary information that has been received at any time from an unaffiliated manufacturer, unless authorized in writing by the owner of the information; and

"(iii) not permit any employee engaged in product certification for telecommunications equipment or customer premises equipment to engage jointly in sales or marketing of any such equipment with the affiliated manufacturer.

"(4) STANDARD-SETTING ENTITIES.—Any entity which is not an accredited standards development organization and which establishes industry-wide standards for telecommunications equipment or customer premises equipment, or industry-wide generic network requirements for such equipment, or which certifies telecommunications equipment or customer premises equipment manufactured by an unaffiliated entity, shall—

"(A) establish and publish any industry-wide standard for, industry-wide generic requirement for, or any substantial modification of an existing industry-wide standard or industry-wide generic requirement for, telecommunications equipment or customer premises equipment only in compliance with the following procedure:

"(i) such entity shall issue a public notice of its consideration of a proposed industry-wide standard or industry-wide generic requirement;

"(ii) such entity shall issue a public invitation to interested industry parties to fund and participate in such efforts on a reasonable and nondiscriminatory basis, administered in such a manner as not to unreasonably exclude any interested industry party;

"(iii) such entity shall publish a text for comment by such parties as have agreed to participate in the process pursuant to clause (ii), provide such parties a full opportunity to submit comments, and respond to comments from such parties;

"(iv) such entity shall publish a final text of the industry-wide standard or industry-wide generic requirement, including the comments in their entirety, of any funding party which requests to have its comments so published;

"(v) such entity shall attempt, prior to publishing a text for comment, to agree with the funding parties as a group on a mutually satisfactory dispute resolution process which such parties shall utilize as their sole recourse in the event of a dispute on technical issues as to which there is disagreement between any funding party and the entity conducting such activities, except that if no dispute resolution process is agreed to by all the parties, a funding party may utilize the dispute resolution procedures established pursuant to paragraph (5) of this subsection;

"(B) engage in product certification for telecommunications equipment or customer premises equipment manufactured by unaffiliated entities only if—

"(i) such activity is performed pursuant to published criteria;

"(ii) such activity is performed pursuant to auditable criteria; and

"(iii) such activity is performed pursuant to available industry-accepted testing methods and standards, where applicable, unless otherwise agreed upon by the parties funding and performing such activity;

"(C) not undertake any actions to monopolize or attempt to monopolize the market for such services; and

"(D) not preferentially treat its own telecommunications equipment or customer premises equipment, or that of its affiliate, over that of any other entity in establishing and publishing industry-wide standards or industry-wide generic requirements for, and in certification of, telecommunications equipment and customer premises equipment.

"(5) ALTERNATE DISPUTE RESOLUTION.—Within 90 days after the date of enactment of this section, the Commission shall prescribe a dispute resolution process to be utilized in the event that a dispute resolution process is not agreed upon by all the parties when establishing and publishing any industry-wide standard or industry-wide generic requirement for telecommunications equipment or customer premises equipment, pursuant to paragraph (4)(A)(v). The Commission shall not establish itself as a party to the dispute resolution process. Such dispute resolution process shall permit any funding party to resolve a dispute with the entity conducting the activity that significantly affects such funding party's interests, in an open, nondiscriminatory, and unbiased fashion, within 30 days after the filing of such dispute. Such disputes may be filed within 15 days after the date the funding party receives a response to its comments from the entity conducting the activity. The Commission shall establish penalties to be assessed for delays caused by referral of frivolous disputes to the dispute resolution process. The overall intent of establishing this dispute resolution provision is to enable all interested funding parties an equal opportunity to influence the final resolution of the dispute without significantly impairing the efficiency, timeliness, and technical quality of the activity.

"(6) SUNSET.—The requirements of paragraphs (3) and (4) shall terminate for the particular relevant activity when the Commission determines that there are alternative sources of industry-wide standards, industry-wide generic requirements, or product certification for a particular class of telecommunications equipment or customer premises equipment available in the United States. Alternative sources shall be deemed to exist when such sources provide commercially viable alternatives that are providing such services to customers. The Commission shall act on any application for such a determination within 90 days after receipt of such application, and shall receive public comment on such application.

"(7) ADMINISTRATION AND ENFORCEMENT AUTHORITY.—For the purposes of administering this subsection and the regulations prescribed thereunder, the Commission shall have the same remedial authority as the Commission has in administering and enforcing the provisions of this title with respect to any common carrier subject to this Act.

"(8) DEFINITIONS.—For purposes of this subsection:

"(A) The term 'affiliate' shall have the same meaning as in section 3 of this Act, except that, for purposes of paragraph (1)(B)—

"(i) an aggregate voting equity interest in Bell Communications Research, Inc., of at least 5 percent of its total voting equity, owned directly or indirectly by more than 1 otherwise unaffiliated Bell operating company, shall constitute an affiliate relationship; and

"(ii) a voting equity interest in Bell Communications Research, Inc., by any otherwise unaffiliated Bell operating company of less than 1 percent of Bell Communications Research's total voting equity shall not be considered to be an equity interest under this paragraph.

"(B) The term 'generic requirement' means a description of acceptable product attributes for use by local exchange carriers in establishing product specifications for the purchase of telecommunications equipment, customer premises equipment, and software integral thereto.

"(C) The term 'industry-wide' means activities funded by or performed on behalf of local exchange carriers for use in providing wireline local exchange service whose combined total of deployed access lines in the United States constitutes at least 30 percent of all access lines deployed by telecommunications carriers in the United States as of the date of enactment.

"(D) The term 'certification' means any technical process whereby a party determines whether a product, for use by more than one local exchange carrier, conforms with the specified requirements pertaining to such product.

"(E) The term 'accredited standards development organization' means an entity composed of industry members which has been accredited by an institution vested with the responsibility for standards accreditation by the industry.

[19. Electronic Publishing]

Page 64, after line 21, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(d) BELL OPERATING COMPANY REQUIREMENT.—A Bell operating company under common ownership or control with a separated affiliate or electronic publishing joint venture shall provide network access and interconnections for basic telephone service to electronic publishers at just and reasonable rates that are tariffed (so long as rates for such services are subject to regulation) and that are not higher on a per-unit basis than those charged for such services to any other electronic publisher or any separated affiliate engaged in electronic publishing.

Page 69, line 4, strike "wireline telephone exchange service" and insert "any wireline telephone exchange service, or wireline telephone exchange service facility,".

[20. Alarm Monitoring]

Page 71, beginning on line 17, strike "1995, except that" and all that follows through line 21 and insert "1995.".

[21. CMRS Joint Marketing]

Page 78, line 17, strike the close quotation marks and following period and after line 17, insert the following new subsection:

"(c) COMMERCIAL MOBILE SERVICE JOINT MARKETING.—Notwithstanding section 22.903 of the Commission's regulations (47 C.F.R. 22.903) or any other Commission regulation, or any judicial decree or proposed judicial decree, a Bell operating company or any other company may, except as provided in sections 242(d) and 246 as they relate to wireline service, jointly market and sell commercial mobile services in conjunction with telephone exchange service, exchange access, intraLATA telecommunications service, interLATA telecommunications service, and information services.".

[22. Online Family Empowerment]

Page 78, before line 18, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 104. ONLINE FAMILY EMPOWERMENT.

Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by inserting after section 230 (as added by section 103 of this Act) the following new section:

"SEC. 231. PROTECTION FOR PRIVATE BLOCKING AND SCREENING OF OFFENSIVE MATERIAL; FCC CONTENT AND ECONOMIC REGULATION OF COMPUTER SERVICES PROHIBITED.

"(a) FINDINGS.—The Congress finds the following:

"(1) The rapidly developing array of Internet and other interactive computer services available to individual Americans represent an extraordinary advance in the availability of educational and informational resources to our citizens.

"(2) These services offer users a great degree of control over the information that they receive, as well as the potential for even greater control in the future as technology develops.

"(3) The Internet and other interactive computer services offer a forum for a true diversity of political discourse, unique opportunities for cultural development, and myriad avenues for intellectual activity.

"(4) The Internet and other interactive computer services have flourished, to the benefit of all Americans, with a minimum of government regulation.

"(5) Increasingly Americans are relying on interactive media for a variety of political, educational, cultural, and entertainment services.

"(b) POLICY.—It is the policy of the United States to—

"(1) promote the continued development of the Internet and other interactive computer services and other interactive media;

"(2) preserve the vibrant and competitive free market that presently exists for the Internet and other interactive computer services, unfettered by State or Federal regulation;

"(3) encourage the development of technologies which maximize user control over the information received by individuals, families, and schools who use the Internet and other interactive computer services;

"(4) remove disincentives for the development and utilization of blocking and filtering technologies that empower parents to restrict their children's access to objectionable or inappropriate online material; and

"(5) ensure vigorous enforcement of criminal laws to deter and punish trafficking in obscenity, stalking, and harassment by means of computer.

"(c) PROTECTION FOR 'GOOD SAMARITAN' BLOCKING AND SCREENING OF OFFENSIVE MATERIAL.—No provider or user of interactive computer services shall be treated as the publisher or speaker of any information provided by an information content provider. No provider or user of interactive computer services shall be held liable on account of—

"(1) any action voluntarily taken in good faith to restrict access to material that the provider or user considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, whether or not such material is constitutionally protected; or

"(2) any action taken to make available to information content providers or others the technical means to restrict access to material described in paragraph (1).

"(d) FCC REGULATION OF THE INTERNET AND OTHER INTERACTIVE COMPUTER SERVICES PROHIBITED.—Nothing in this Act shall be construed to grant any jurisdiction or authority to the Commission with respect to content or other regulation of the Internet or other interactive computer services.

"(e) EFFECT ON OTHER LAWS.—

"(1) NO EFFECT ON CRIMINAL LAW.—Nothing in this section shall be construed to impair the enforcement of section 223 of this Act, chapter 71 (relating to obscenity) or 110 (relating to sexual exploitation of children) of title 18, United States Code, or any other Federal criminal statute.

"(2) NO EFFECT ON INTELLECTUAL PROPERTY LAW.—Nothing in this section shall be construed to limit or expand any law pertaining to intellectual property.

"(3) IN GENERAL.—Nothing in this section shall be construed to prevent any State from enforcing any State law that is consistent with this section.

"(f) DEFINITIONS.—As used in this section:

"(1) INTERNET.—The term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

"(2) INTERACTIVE COMPUTER SERVICE.—The term 'interactive computer service' means any information service that provides computer access to multiple users via modem to a remote computer server, including specifically a service that provides access to the Internet.

"(3) INFORMATION CONTENT PROVIDER.—The term 'information content provider' means any person or entity that is responsible, in whole or in part, for the creation or development of information provided by the Internet or any other interactive computer service, including any person or entity that creates or develops blocking or screening software or other techniques to permit user control over offensive material.".

[23. Forbearance]

Page 77, line 20, strike "if the Commission" and insert "unless the Commission".

Page 77, line 23, and page 78, line 4, strike "is not necessary" and insert "is necessary".

Page 78, line 4, strike "and" and insert "or".

Page 78, line 6, strike "is consistent" and insert "is inconsistent".

[24. Pole Attachments]

Page 87, line 1, after "ensuring that" insert the following: , when the parties fail to negotiate a mutually agreeable rate,".

Page 87, line 9, insert "to" after "benefit", and on line 11, strike "attachments" and insert "attaching entities".

Page 87, line 16, strike "and"; on line 17, redesignate subparagraph (C) as subparagraph (D); and after line 16 insert the following new subparagraph:

"(C) recognize that the pole, duct, conduit, or right-of-way has a value that exceeds costs and that value shall be reflected in any rate; and

[25. Required Telecommunications Services]

Page 89, line 21, strike "A franchising" and insert "Except as otherwise permitted by sections 611 and 612, a franchising".

Page 89, line 23, before "as a condition" insert the following: ", other than intragovernmental telecommunications services,".

[26. Facilities Siting]

Page 90, beginning on line 11, strike paragraph (7) through line 6 on page 93 and insert the following:

"(7) FACILITIES SITING POLICIES.—(A) Within 180 days after enactment of this paragraph, the Commission shall prescribe and make effective a policy to reconcile State and local regulation of the siting of facilities for the provision of commercial mobile services or unlicensed services with the public interest in fostering competition through the rapid, efficient, and nationwide deployment of commercial mobile services or unlicensed services.

"(B) Pursuant to subchapter III of chapter 5, title 5, United States Code, the Commission shall establish a negotiated rulemaking committee to negotiate and develop a proposed policy to comply with the requirements of this paragraph. Such committee shall include representatives from State and local governments, affected industries, and public safety agencies.

"(C) The policy prescribed pursuant to this subparagraph shall take into account—

"(i) the need to enhance the coverage and quality of commercial mobile services and unlicensed services and foster competition in the provision of commercial mobile services and unlicensed services on a timely basis;

"(ii) the legitimate interests of State and local governments in matters of exclusively local concern, and the need to provide State and local government with maximum flexibility to address such local concerns, while ensuring that such interests do not prohibit or have the effect of precluding any commercial mobile service or unlicensed service;

"(iii) the effect of State and local regulation of facilities siting on interstate commerce;

"(iv) the administrative costs to State and local governments of reviewing requests for authorization to locate facilities for the provision of commercial mobile services or unlicensed services; and

"(v) the need to provide due process in making any decision by a State or local government or instrumentality thereof to grant or deny a request for authorization to locate, construct, modify, or operate facilities for the provision of commercial mobile services or unlicensed services.

"(D) The policy prescribed pursuant to this paragraph shall provide that no State or local government or any instrumentality thereof may regulate the placement, construction, modification, or operation of such facilities on the basis of the environmental effects of radio frequency emissions, to the extent that such facilities comply with the Commission's regulations concerning such emissions.

"(E) The proceeding to prescribe such policy pursuant to this paragraph shall supercede any proceeding pending on the date of enactment of this paragraph relating to preemption of State and local regulation of tower siting for commercial mobile services, unlicensed services, and providers thereof. In accordance with subchapter III of chapter 5, title 5, United States Code, the Commission shall periodically establish a negotiated rulemaking committee to review the policy prescribed by the Commission under this paragraph and to recommend revisions to such policy.

"(F) For purposes of this paragraph, the term 'unlicensed service' means the offering of telecommunications using duly authorized devices which do not require individual licenses.".

Page 94, line 2, strike "cost-based".

[27. Telecommunications Development Fund]

Page 101, after line 23, insert the following new section (and redesignate the succeeding section and conform the table of contents accordingly):

SEC. 111. TELECOMMUNICATIONS DEVELOPMENT FUND.

(a) Deposit and Use of Auction Escrow Accounts.—Section 309(j)(8) of the Act (47 U.S.C. 309(j)(8)) is amended by adding at the end the following new subparagraph:

"(C) Deposit and use of auction escrow accounts.—Any deposits the Commission may require for the qualification of any person to bid in a system of competitive bidding pursuant to this subsection shall be deposited in an interest bearing account at a financial institution designated for purposes of this subsection by the Commission (after consultation with the Secretary of the Treasury). Within 45 days following the conclusion of the competitive bidding—

"(i) the deposits of successful bidders shall be paid to the Treasury;

"(ii) the deposits of unsuccessful bidders shall be returned to such bidders; and

"(iii) the interest accrued to the account shall be transferred to the Telecommunications Development Fund established pursuant to section 10 of this Act.".

(b) Establishment and Operation of Fund.—Title I of the Act is amended by adding at the end the following new section:

"SEC. 10. TELECOMMUNICATIONS DEVELOPMENT FUND.

"(a) Purpose of Section.—It is the purpose of this section—

"(1) to promote access to capital for small businesses in order to enhance competition in the telecommunications industry;

"(2) to stimulate new technology development, and promote employment and training; and

"(3) to support universal service and promote delivery of telecommunications services to underserved rural and urban areas.

"(b) Establishment of Fund.—There is hereby established a body corporate to be known as the Telecommunications Development Fund, which shall have succession until dissolved. The Fund shall maintain its principal office in the District of Columbia and shall be deemed, for purposes of venue and jurisdiction in civil actions, to be a resident and citizen thereof.

"(c) Board of Directors.—

"(1) Composition of board; chairman.—The Fund shall have a Board of Directors which shall consist of 7 persons appointed by the Chairman of the Commission. Four of such directors shall be representative of the private sector and three of such directors shall be representative of the Commission, the Small Business Administration, and the Department of the Treasury, respectively. The Chairman of the Commission shall appoint one of the representatives of the private sector to serve as chairman of the Fund within 30 days after the date of enactment of this section, in order to facilitate rapid creation and implementation of the Fund. The directors shall include members with experience in a number of the following areas: finance, investment banking, government banking, communications law and administrative practice, and public policy.

"(2) Terms of appointed and elected members.—The directors shall be eligible to serve for terms of 5 years, except of the initial members, as designated at the time of their appointment—

"(A) 1 shall be eligible to service for a term of 1 year;

"(B) 1 shall be eligible to service for a term of 2 years;

"(C) 1 shall be eligible to service for a term of 3 years;

"(D) 2 shall be eligible to service for a term of 4 years; and

"(E) 2 shall be eligible to service for a term of 5 years (1 of whom shall be the Chairman).

Directors may continue to serve until their successors have been appointed and have qualified.

"(3) Meetings and functions of the board.—The Board of Directors shall meet at the call of its Chairman, but at least quarterly. The Board shall determine the general policies which shall govern the operations of the Fund. The Chairman of the Board shall, with the approval of the Board, select, appoint, and compensate qualified persons to fill the offices as may be provided for in the bylaws, with such functions, powers, and duties as may be prescribed by the bylaws or by the Board of Directors, and such persons shall be the officers of the Fund and shall discharge all such functions, powers, and duties.

"(d) Accounts of the Fund.—The Fund shall maintain its accounts at a financial institution designated for purposes of this section by the Chairman of the Board (after consultation with the Commission and the Secretary of the Treasury). The accounts of the Fund shall consist of—

"(1) interest transferred pursuant to section 309(j)(8)(C) of this Act;

"(2) such sums as may be appropriated to the Commission for advances to the Fund;

"(3) any contributions or donations to the Fund that are accepted by the Fund; and

"(4) any repayment of, or other payment made with respect to, loans, equity, or other extensions of credit made from the Fund.

"(e) Use of the Fund.—All moneys deposited into the accounts of the Fund shall be used solely for—

"(1) the making of loans, investments, or other extensions of credits to eligible small businesses in accordance with subsection (f);

"(2) the provision of financial advise to eligible small businesses;

"(3) expenses for the administration and management of the Fund;

"(4) preparation of research, studies, or financial analyses; and

"(5) other services consistent with the purposes of this section.

"(f) Lending and Credit Operations.—Loans or other extensions of credit from the Fund shall be made available to eligible small business on the basis of—

"(1) the analysis of the business plan of the eligible small business;

"(2) the reasonable availability of collateral to secure the loan or credit extension;

"(3) the extent to which the loan or credit extension promotes the purposes of this section; and

"(4) other lending policies as defined by the Board.

"(g) Return of Advances.—Any advances appropriated pursuant to subsection (b)(2) shall be upon such terms and conditions (including conditions relating to the time or times of repayment) as the Board determines will best carry out the purposes of this section, in light of the maturity and solvency of the Fund.

"(h) General Corporate Powers.—The Fund shall have power—

"(1) to sue and be sued, complain and defend, in its corporate name and through its own counsel;

"(2) to adopt, alter, and use the corporate seal, which shall be judicially noticed;

"(3) to adopt, amend, and repeal by its Board of Directors, bylaws, rules, and regulations as may be necessary for the conduct of its business;

"(4) to conduct its business, carry on its operations, and have officers and exercise the power granted by this section in any State without regard to any qualification or similar statute in any State;

"(5) to lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in and with any property, real, personal, or mixed, or any interest therein, wherever situated;

"(6) to accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of the purposes of the Fund;

"(7) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets;

"(8) to appoint such officers, attorneys, employees, and agents as may be required, to determine their qualifications, to define their duties, to fix their salaries, require bonds for them, and fix the penalty thereof; and

"(9) to enter into contracts, to execute instruments, to incur liabilities, to make loans and equity investment, and to do all things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

"(i) Accounting, Auditing, and Reporting.—The accounts of the Fund shall be audited annually. Such audits shall be conducted in accordance with generally accepted auditing standards by independent certified public accountants. A report of each such audit shall be furnished to the Secretary of the Treasury and the Commission. The representatives of the Secretary and the Commission shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the Fund and necessary to facilitate the audit.

"(j) Report on Audits by Treasury.—A report of each such audit for a fiscal year shall be made by the Secretary of the Treasury to the President and to the Congress not later than 6 months following the close of such fiscal year. The report shall set forth the scope of the audit and shall include a statement of assets and liabilities, capital and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the President and the Congress informed of the operations and financial condition of the Fund, together with such recommendations with respect thereto as the Secretary may deem advisable.

"(k) Definitions.—As used in this section:

"(1) Eligible small business.—The term 'eligible small business' means business enterprises engaged in the telecommunications industry that have $50,000,000 or less in annual revenues, on average over the past 3 years prior to submitting the application under this section.

"(2) FUND.—The term 'Fund' means the Telecommunications Development Fund established pursuant to this section.

"(3) TELECOMMUNICATIONS INDUSTRY.—The term 'telecommunications industry' means communications businesses using regulated or unregulated facilities or services and includes the broadcasting, telephony, cable, computer, data transmission, software, programming, advanced messaging, and electronics businesses.".

[28. Telemedicine Report]

Page 101, after line 23, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 112. REPORT ON THE USE OF ADVANCED TELECOMMUNICATIONS SERVICES FOR MEDICAL PURPOSES.

The Assistant Secretary of Commerce for Communications and Information, in consultation with the Secretary of Health and Human Services and other appropriate departments and agencies, shall submit a report to the Committee on Commerce of the House of Representatives and the Committee on Commerce, Science and Transportation of the Senate concerning the activities of the Joint Working Group on Telemedicine, together with any findings reached in the studies and demonstrations on telemedicine funded by the Public Health Service or other Federal agencies. The report shall examine questions related to patient safety, the efficacy and quality of the services provided, and other legal, medical, and economic issues related to the utilization of advanced telecommunications services for medical purposes. The report shall be submitted to the respective Committees annually, by January 31, beginning in 1996.

Page 101, after line 23, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 113. TELECOMMUTING PUBLIC INFORMATION PROGRAM.

(a) TELECOMMUTING RESEARCH PROGRAMS AND PUBLIC INFORMATION DISSEMINATION.—The Assistant Secretary of Commerce for Communications and Information, in consultation with the Secretary of Transportation, the Secretary of Labor, and the Administrator of the Environmental Protection Agency, shall, within three months of the date of enactment of this Act, carry out research to identify successful telecommuting programs in the public and private sectors and provide for the dissemination to the public of information regarding—

(1) the establishment of successful telecommuting programs; and

(2) the benefits and costs of telecommuting.

(b) REPORT.—Within one year of the date of enactment of this Act, the Assistant Secretary of Commerce for Communications and Information shall report to Congress the findings, conclusions, and recommendations regarding telecommuting developed under this section.

[29. Video Platform]

Page 103, line 13, insert "(other than section 652)" after "part V".

Page 104, strike lines 3 through 5 and insert the following:

"(iii) has not established a video platform in accordance with section 653.".

Page 109, line 24, strike "shall" and insert "may".

Page 113, line 1, strike "15 months" and insert "6 months".

Page 113, line 25, after "concerning" insert the following: "sports exclusivity (47 C.F.R. 76.67),", and on page 114, line 1, after the close parenthesis insert a comma.

Page 115, beginning on line 20, strike paragraph (2) through page 116, line 4, and on page 116, line 5, redesignate subsection (c) as paragraph (2).

Page 116, beginning on line 9, strike subsection (d) through line 15.

Page 130, line 22, before "the Commission" insert "270 days have elapsed since".

[30. Cable Complaint Threshold]

Page 127, line 4, strike "5 percent" and insert "3 percent".

[31. Navigation Devices]

Page 136, beginning on line 24, strike "Such regulations" and all that follows through the period on page 137, line 2.

Page 137, line 7, strike "bundled with or".

Page 137, after line 8, insert the following new subsection (and redesignate the succeeding subsections accordingly):

"(c) PROTECTION OF SYSTEM SECURITY.—The Commission shall not prescribe regulations pursuant to subsection (b) which would jeopardize the security of a telecommunications system or impede the legal rights of a provider of such service to prevent theft of service.

Page 137, line 10, strike "may" and insert "shall".

Page 137, line 13, strike "the introduction of a new" and insert "assist the development or introduction of a new or improved".

Page 137, line 14, insert "or technology" after "service".

Page 137, after line 14, insert the following new subsection (and redesignate the succeeding subsection accordingly):

"(e) AVOIDANCE OF REDUNDANT REGULATIONS.—

"(1) MARKET COMPETITIVENESS DETERMINATIONS.—Determinations made or regulations prescribed by the Commission with respect to market competitiveness of customer premises equipment prior to the date of enactment of this section shall fulfill the requirements of this section.

"(2) REGULATIONS.—Nothing in this section affects the Commission's regulations governing the interconnection and competitive provision of customer premises equipment used in connection with basic telephone service.

[32. Cable/Broadcast/MMDS Cross Ownership]

Page 154, lines 9 and 10, strike subsection (b) and insert the following:

(b) CONFORMING AMENDMENTS.—Section 613(a) of the Act (47 U.S.C. 533(a)) is amended—

(1) by striking paragraph (1);

(2) by redesignating paragraph (2) as subsection (a);

(3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively;

(4) by striking "and" at the end of paragraph (1) (as so redesignated);

(5) by striking the period at the end of paragraph (2) (as so redesignated) and inserting "; and"; and

(6) by adding at the end the following new paragraph:

"(3) shall not apply the requirements of this paragraph in any area in which there are two or more unaffiliated wireline providers of video programming services."

[33. Foreign Ownership]

Page 155, line 8, insert "held," after "granted,".

Page 155, beginning on line 12, strike subparagraph (A) through line 19 and insert the following:

"(A) the President determines—

"(i) that the foreign country of which such alien is a citizen, in which such corporation is organized, or in which the foreign government is in control is party to an international agreement which requires the United States to provide national or most-favored-nation treatment in the grant of common carrier licenses; and

"(ii) that not applying subsection (b) would be consistent with national security and effective law enforcement; or

Page 155, beginning on line 23, strike paragraphs (2) through (5) through page 157, line 21, and insert the following:

"(2) COMMISSION CONSIDERATIONS.—In making its determination under paragraph (1), the Commission shall abide by any decision of the President whether application of section (b) is in the public interest due to national security, law enforcement, foreign policy or trade (including direct investment as it relates to international trade policy) concerns, or due to the interpretation of international agreements. In the absence of a decision by the President, the Commission may consider, among other public interest factors, whether effective competitive opportunities are available to United States nationals or corporations in the applicant's home market. Upon receipt of an application that requires a determination under this paragraph, the Commission shall cause notice of the application to be given to the President or any agencies designated by the President to receive such notification. The Commission shall not make a determination under paragraph (1)(B) earlier than 30 days after the end of the pleading cycle or later than 180 days after the end of the pleading cycle.

"(3) FURTHER COMMISSION REVIEW.—The Commission may determine that, due to changed circumstances relating to United States national security or law enforcement, a prior determination under paragraph (1) ought to be reversed or altered. In making this determination, the Commission shall accord great deference to any recommendation of the President with respect to United States national security or law enforcement. If a determination under this paragraph is made then—

"(A) subsection (b) shall apply with respect to such aliens, corporation, and government (or their representatives) on the date that the Commission publishes notice of its determination under this paragraph; and

"(B) any license held, or application filed, which could not be held or granted under subsection (b) shall be reviewed by the Commission under the provisions of paragraphs (1)(B) and (2).

"(4) NOTIFICATION TO CONGRESS.—The President and the Commission shall notify the appropriate committees of the Congress of any determinations made under paragraph (1), (2), or (3).

"(5) MISCELLANEOUS.—Any Presidential decisions made under the provisions of this subsection shall not be subject to judicial review.".

(c) EFFECTIVE DATES.—The amendments made by this section shall not apply to any proceeding commenced before the date of enactment of this Act.

[34. License Renewal]

Page 161, beginning on line 18, strike "filed on or after May 31, 1995" and insert "pending or filed on or after the date of enactment of this Act".

[35. Ship Distress and Safety Systems]

Page 162, beginning on line 1, strike section 307 through line 8 and insert the following:

SEC. 307. AUTOMATED SHIP DISTRESS AND SAFETY SYSTEMS.

Notwithstanding any provision of the Communications Act of 1934 or any other provision of law or regulation, a ship documented under the laws of the United States operating in accordance with the Global Maritime Distress and Safety System provisions of the Safety of Life at Sea Convention shall not be required to be equipped with a radio telegraphy station operated by one or more radio officers or operators. This section shall take effect for each vessel upon a determination by the United States Coast Guard that such vessel has the equipment required to implement the Global Maritime Distress and Safety System installed and operating in good working condition.

[36. Certification and Testing of Equipment]

Page 162, after line 22, insert the following new section (and conform the table of contents accordingly):

SEC. 310. DELEGATION OF EQUIPMENT TESTING AND CERTIFICATION TO PRIVATE LABORATORIES.

Section 302 of the Act (47 U.S.C. 302) is amended by adding at the end the following:

"(e) USE OF PRIVATE ORGANIZATIONS FOR TESTING AND CERTIFICATION.—The Commission may—

"(1) authorize the use of private organizations for testing and certifying the compliance of devices or home electronic equipment and systems with regulations promulgated under this section;

"(2) accept as prima facie evidence of such compliance the certification by any such organization; and

"(3) establish such qualifications and standards as it deems appropriate for such private organizations, testing, and certification.".

[37. Supersession]

Page 163, beginning on line 4, strike subsection (a) through page 164, line 19, and insert the following:

(a) MODIFICATION OF FINAL JUDGMENT.—This Act and the amendments made by title I of this Act shall supersede only the following sections of the Modification of Final Judgment:

(1) Section II(C) of the Modification of Final Judgment, relating to deadline for procedures for equal access compliance.

(2) Section II(D) of the Modification of Final Judgment, relating to line of business restrictions.

(3) Section VIII(A) of the Modification of Final Judgment, relating to manufacturing restrictions.

(4) Section VIII(C) of the Modification of Final Judgment, relating to standard for entry into the interexchange market.

(5) Section VIII(D) of the Modification of Final Judgment, relating to prohibition on entry into electronic publishing.

(6) Section VIII(H) of the Modification of Final Judgment, relating to debt ratios at the time of transfer.

(7) Section VIII(J) of the Modification of Final Judgment, relating to prohibition on implementation of the plan of reorganization before court approval.

Page 164, line 20, insert "or in the amendments made by this Act" after "this Act".

Page 164, beginning on line 23, strike "Except as provided in paragraph (2), parts" and insert "Parts".

Page 165, beginning on line 3, strike paragraph (2) through line 6 and insert the following:

"(2) STATE TAX SAVINGS PROVISION.—Notwithstanding paragraph (1), nothing in this Act or the amendments made by this Act shall be construed to modify, impair, or supersede, or authorize the modification, impairment, or supersession of, any State or local law pertaining to taxation, except as provided in sections 243(e) and 622 of the Communications Act of 1934 and section 402 of this Act.".

Page 166, after line 5, insert the following new subsection:

(g) ADDITIONAL DEFINITIONS.—As used in this section, the terms "Modification of Final Judgment" and "Bell operating company" have the same meanings provided such terms in section 3 of the Communications Act of 1934.

[38. 1984 Consent Decree]

Page 165, beginning on line 7, strike subsection (d) through line 15 and insert the following:

(d) APPLICATION TO OTHER ACTION.—This Act shall supersede the final judgment entered December 21, 1984 and as restated January 11, 1985, in the action styled United States v. GTE Corp., Civil Action No. 83-1298, in the United States District Court for the District of Columbia, and any judgment or order with respect to such action entered on or after December 21, 1984, and such final judgment shall not be enforced with respect to conduct occurring after the date of the enactment of this Act.

[39. Wireless Successors]

Page 165, beginning on line 17, strike "subject to the provisions" and insert "considered to be an affiliate, a successor, or an assign of a Bell operating company under section III".

[40. DBS Taxation]

Beginning on page 166, strike line 6 and all that follows through line 20 of page 167, and insert the following:

SEC. 402. PREEMPTION OF LOCAL TAXATION WITH RESPECT TO DBS SERVICE.

(a) PREEMPTION.—A provider of direct-to-home satellite service shall be exempt from the collection or remittance, or both, of any tax or fee imposed by any local taxing jurisdiction with respect to the provision of direct-to-home satellite service. Nothing in this section shall be construed to exempt from collection or remittance any tax or fee on the sale of equipment.

(b) DEFINITIONS.—For the purposes of this section—

(1) DIRECT-TO-HOME SATELLITE SERVICE.—The term "direct-to-home satellite service" means the transmission or broadcasting by satellite of programming directly to the subscribers' premises without the use of ground receiving or distribution equipment, except at the subscribers' premises or in the uplink process to the satellite.

(2) PROVIDER OF DIRECT-TO-HOME SATELLITE SERVICE.—For purposes of this section, a "provider of direct-to-home satellite service" means a person who transmits, broadcasts, sells, or distributes direct-to-home satellite service.

(3) LOCAL TAXING JURISDICTION.—The term "local taxing jurisdiction" means any municipality, city, county, township, parish, transportation district, or assessment jurisdiction, or any other local jurisdiction in the territorial jurisdiction of the United States with the authority to impose a tax or fee, but does not include a State.

(4) STATE.—The term "State" means any of the several States, the District of Columbia, or any territory or possession of the United States.

(5) TAX OR FEE.—The terms "tax" and "fee" mean any local sales tax, local use tax, local intangible tax, local income tax, business license tax, utility tax, privilege tax, gross receipts tax, excise tax, franchise fees, local telecommunications tax, or any other tax, license, or fee that is imposed for the privilege of doing business, regulating, or raising revenue for a local taxing jurisdiction.

(c) PRESERVATION OF STATE AUTHORITY.—This section shall not be construed to prevent taxation of a provider of direct-to-home satellite service by a State or to prevent a local taxing jurisdiction from receiving revenue derived from a tax or fee imposed and collected by a State.

[41. Protection of Minors]

Page 167, after line 20, insert the following new section (and conform the table of contents accordingly):

SEC. 403. PROTECTION OF MINORS AND CLARIFICATION OF CURRENT LAWS REGARDING COMMUNICATION OF OBSCENE AND INDECENT MATERIALS THROUGH THE USE OF COMPUTERS.

(a) PROTECTION OF MINORS.—

(1) GENERALLY.—Section 1465 of title 18, United States Code, is amended by adding at the end the following:

"Whoever intentionally communicates by computer, in or affecting interstate or foreign commerce, to any person the communicator believes has not attained the age of 18 years, any material that, in context, depicts or describes, in terms patently offensive as measured by contemporary community standards, sexual or excretory activities or organs, or attempts to do so, shall be fined under this title or imprisoned not more than five years, or both.".

(2) CONFORMING AMENDMENTS RELATING TO FORFEITURE.—

(A) Section 1467(a)(1) of title 18, United States Code, is amended by inserting "communicated," after "transported,".

(B) Section 1467 of title 18, United States Code, is amended in subsection (a)(1), by striking "obscene".

(C) Section 1469 of title 18, United States Code, is amended by inserting "communicated," after "transported," each place it appears.

(b) CLARIFICATION OF CURRENT LAWS REGARDING COMMUNICATION OF OBSCENE MATERIALS THROUGH THE USE OF COMPUTERS.—

(1) IMPORTATION OR TRANSPORTATION.—Section 1462 of title 18, United States Code, is amended—

(A) in the first undesignated paragraph, by inserting "(including by computer) after "thereof"; and

(B) in the second undesignated paragraph—

(i) by inserting "or receives," after "takes";

(ii) by inserting ", or by computer," after "common carrier"; and

(iii) by inserting "or importation" after "carriage".

(2) TRANSPORTATION FOR PURPOSES OF SALE OR DISTRIBUTION.—The first undesignated paragraph of section 1465 of title 18, United States Code, is amended—

(A) by striking "transports in" and inserting "transports or travels in, or uses a facility or means of,";

(B) by inserting "(including a computer in or affecting such commerce)" after "foreign commerce" the first place it appears; and

(C) by striking ", or knowingly travels in" and all that follows through "obscene material in interstate or foreign commerce," and inserting "of".

[42. Cable Access]

Page 170, line 21, after the period insert the following: "For purposes of section 242, such term shall not include the provision of video programming directly to subscribers.".

The CHAIRMAN. Pursuant to the rule, the gentleman from Virginia [Mr. BLILEY] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

Does the gentleman from Texas [Mr. BRYANT] seek the time in opposition?

Mr. BRYANT of Texas. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas will be recognized for 15 minutes in opposition.

The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Chairman, I yield 7 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. BLILEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of the manager's amendment to H.R. 1555. I am joined in support for that amendment by the distinguished ranking Democrat member of the Commerce Committee, Mr. DINGELL, and the distinguished chairman of the Judiciary Committee, Mr. HYDE.

The manager's amendment makes numerous changes to H.R. 1555, as the bill was reported from the Commerce Committee. Many of these changes reflect the compromise struck between the Commerce and Judiciary Committees on issues over which both committees have jurisdiction. As you know, the Judiciary Committee reported H.R. 1528, which also addresses the AT&T consent decree. The two committees have worked hard to reconcile the different approaches, and I again want to commend Chairman HYDE for his diligence and effort to come to this agreement.

Some of the important issues addressed in that agreement include: The role of the Justice Department relevant to decision on Bell Co. entry into long distance and manufacturing; Bell Co. provision of electronic publishing and alarm monitoring; supersession of the modification of final judgment [MFJ] of the AT&T consent decree; treatment of Bell Co. successors; the GTE consent decree; State and local taxation of direct broadcast satellite systems; and civil and criminal on-line pornography. I believe that we have produced an amendment that satisfies both committees' concerns on these important issues, and I commend these provisions to the Members and urge their support for them.

Additionally, we have addressed the issue of foreign ownership or equity interest in domestic telecommunications companies. This new language reflects the hard work of Messrs. DINGELL and OXLEY, who sponsored the proposal in committee, the administration and myself. I must observe, Mr. Chairman, that the foreign ownership issue is the only matter on which the administration offered specific language to the Commerce Committee, and I believe the administration's concerns have been largely resolved. Conversely, the concerns stated in the President's recent statement on H.R. 1555 have never been accompanied by specific legislative proposals. I think the committee's willingness to work to accommodate specific concerns and proposals speaks for itself.

The amendment also includes several changes to the provision governing Bell Co. entry into long distance and manufacturing. These changes enjoy the strong support of the ranking Democrat, Mr. DINGELL, the chairman of the Telecommunications Subcommittee, Mr. FIELDS, and the chairman of the Committee on the Judiciary, Mr. HYDE.

I will not claim to the Members of the House that these provisions, or this issue generally, is without controversy. This issue has been clouded with controversy virtually since the AT&T divestiture took effect on January 1, 1984. Since that time, the issue of loosening the restrictions on AT&T's divested progeny, the so-called Baby Bells, has been before Congress during each term. And each time, Congress has failed to act. Consequently, Judge Harold Greene has been left de facto, to fashion telecommunications policy. I personally believe he has done a good job, but it is time for Congress to retake the field.

I believe the changes incorporated in the manager's amendment reflect the committee's effort to craft a very careful balance. It has not been easy to draft language that is satisfactory to both sides in this debate. This difficult task will continue in the conference. This is our best effort, and it is broadly supported by Members both on and off the committee. I urge my colleagues to support this approach.

Finally, the amendment includes numerous other technical and substantive revisions to H.R. 1555. Most notably, the revisions include clarifications on municipalities' ability to manage rights-of-way, limitations on the rural telephone exemption, manufacturing by Bellcore, facilities siting for wireless services, a telecommunications development fund for small entrepreneurial telecommunications businesses, changes to the video platform to make it permissive, and provision for the ultimate repeal of the cable-MMDS cross-ownership restriction.

More importantly, the manager's amendment complements the vision and goals of the underlining bill. The key to H.R. 1555 is the creation of an incentive for the current monopolies to open their markets to competition. The whole bill is based on the theory that once competition is introduced, the dynamic possibilities established by this bill can become reality. Ultimately, this whole process will be for the common good of the American consumer.

I urge strong support for the manager's amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Texas [Mr. BRYANT] is recognized for 15 minutes.

Mr. BRYANT of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, there are so many things to be said this morning in the amount of time available that cannot all be said, but let me first say this. The process by which we have arrived at this early hour, after having quit so late last night, is not one that, in my view, reflects well upon this institution.

I am disappointed both in the leadership of the Republican Party and the Democrats for allowing this to take place. The fact of the matter is, the full committee, after months of work, months and months of work, reported a bill out that was designed to ensure that as we begin to see competition in areas that had never before seen competition, we would see the strongest gorilla on the block, the Bell competitors, enter into competition on the basis of a checklist that would make sure that they did not enter into it in such a way that they squeezed out the tremendously beneficial value to the consumer of the long distance competitive industry that has developed over the last 10 or 11 years since the AT&T monopoly broke up in the beginning.

Mr. Chairman, after the committee met and did our work, suddenly out of nowhere comes this amendment that has been created out of public view, been created in the back rooms, been created without organized public input, and led by the chairman of the committee and with the complicity of the chairman of the subcommittee and leaders on our side as well.

Mr. Chairman, it is not the proper way to go about this. What has it done? It has, in effect, taken away the most critical parts of this bill with regard to ensuring that competition will succeed for the benefit of the American consumer rather than be stamped out.

For example, the committee bill, which we worked on in committee and which was voted out by a large margin, conditions Bell entry into long distance upon two things: First implementing a competitive checklist, a list of items that have to occur if local telephone markets are to be open to competition, number one; and second, upon a showing that they faced effective facilities-based local competition.

The managers' amendment, again, put together in a room some place without the input of the public, without the input of most of the members of the committee, takes that away. In fact, a key part of the actual competition test that requires that a new entrant's local service be "comparable in price, features and scope" would be dropped.

Mr. Chairman, the impact is that the Bell companies could enter long distance without facing real local competition. This is complicated, arcane, it is tedious, but it is the work of this committee and, unfortunately, the work of this committee has been thrown out as we saw the work, in my view, of lobbyists in the back room be substituted for the work of this House in the light of day.

Mr. Chairman, what else have they changed in this amendment? They have changed 42 things. We are going to hear people say, "We passed the bill out of the committee and then we discovered all of these problems that we had created and we had to get them fixed."

The fact of the matter is, they apparently had to fix 42 different things, because there are 42 different changes in this managers' amendment. It is a shameful process. It is an embarrassment to the House. I think it is, frankly, an embarrassment to the Members who have brought it before us, because I do not think they believe in their hearts that this has been the proper process.

Mr. Chairman, I mentioned one big major change; let me mention another one. Before, under the committee-approved bill, the Bell companies would have had to apply for entry into long distance 18 months after we enacted the bill. Why? To give the FCC and the States enough time to make sure that there was full implementation of the competitive checklist.

What does the managers' amendment do? It changes that drastically by saying they can apply for entry after only 6 months. I do not have to tell Members that serve in this House, and that have served in State and local government and have served in Federal Government for a long time that 6 months is not enough time to let these agencies get in a position to make sure that they do not drive the competitors out of business, but that is what we have in the managers' amendment.

Resale: Under the committee's bill, the Bell companies are going to be required to make their local services available for resale by new local competitors in a way that makes it economically feasible for the reseller.

What does the managers' amendment do? It changes that entirely. The economically feasible condition would be eliminated. The fact of the matter is that we would not be able to guarantee that the Bell companies would have adequate competition in the local market before they entered the long distance market.

Mr. Chairman, I think what we see here is a big lobbying war. They lost it when it was fought in public, but they won it when it was fought in the back rooms, and so we have an amendment here today that tries to change the whole course of the process. I think it is unprecedented. Maybe there is a precedent. If there was a precedent for it, it should be condemned.

Mr. Chairman, the managers' amendment is a bad deal for the American people, and I urge every Member to vote against it.

Mr. Chairman, I reserve the balance of my time.

Mr. DINGELL. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, I want to first express my gratitude and respect to my friend and colleague, the gentleman from Virginia [Mr. BLILEY], for the fine fashion in which he has worked with us, and also to my good friend, the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee. The work of the gentlemen on this matter, as well as the work of the other members of the Committee on Commerce, has helped bring us successfully to a point where we can consider this major piece of telecommunications legislation.

Mr. Chairman, the first item of business, of course, is the managers' amendment. For the benefit of some of my colleagues around here who should remember, but do not, I am going to point out that this is a traditional practice of this body. That is, to assemble an amendment in agreement between the two committees which have worked on the legislation, which can then be placed on the floor and voted on.

Mr. Chairman, this is done in an entirely open and proper fashion. It is an amendment which, on both substance and procedure and practice, is correct, proper and good and consistent with the traditions of the House.

The House can vote openly and discuss openly the matters associated with the managers' amendment and we can then proceed to carry out the will of the House, which is the way these matters should be done.

Mr. Chairman, there were a number of defects and differences in both bills. Amongst those provisions was one which required local telephone companies to subsidize the long distance competitors by setting rates for resale that were economically reasonable to the reseller.

Mr. Chairman, that would have caused local rates to skyrocket for the household user. It would have required service which cost $25 to be sold to AT&T for $6; something which would have caused the necessity of subsidizing, then, AT&T at the expense of small business and the local phone user, an outrageous situation.

The gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] worked with me to correct this serious abuse and this failure in the legislation.

The committee bill also contained a provision that would preclude the Bell companies from offering network-based information service. That would have prevented these companies from offering a number of services in the market, and denied the customer and the consumer an opportunity to have the best kind of competitive service from all participants.

The gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] and I worked out a compromise which permits these services to continue to be offered. That is included in the managers' amendment.

The long distance industry has, in a very curious fashion, charged that these changes, and others that are included in the amendment, unfairly benefit the Bell companies. That is absolute and patent nonsense. All that this amendment does is to remove or modify provisions that unfairly protect the long distance industry from fair competition by the Bells, a matter which I will discuss at a later time.

Frankly, Mr. Chairman, I would note that in many ways it does not go far enough. There is no justification, whatsoever, for the out-of-region restriction. The compromise leaves that in place until each Bell company has received permission to originate long distance service in each State in its region. That is not an unfair arrangement, but it is the least favorable from the standpoint of the Baby Bells that is in any way defensible.

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Mr. Chairman, I also want to remind my colleagues of the scandalous and outrageous behavior of the long-distance lobby. I want to remind them that each Member has been deluged with mail and telegrams, many of which were never sent by the person who appears as signatory. This is a matter which I will also pursue in another forum.

Mr. Chairman, this was a deliberate attempt to lie to and to deceive the Congress. It was a deliberate attempt by the long-distance operators to steal the government of the country from the people and from the consumers by putting in place a fraudulent system to make the Congress believe that the people had one set of feelings when, in fact, they did not and had quite a different set of feelings.

I would hope that those who will be speaking on behalf of the long-distance industry today will seek to defend that outrageous behavior, instead of attacking a proper piece of legislation.

Mr. BLILEY. Mr. Chairman, I reserve the balance of my time.

Mr. BRYANT of Texas. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. WATTS].

Mr. WATTS of Oklahoma. Mr. Chairman, I rise in opposition to the manager's amendment.

Yesterday, my office heard from public utility commissioners all over the country, Alabama, Arizona, California, Kansas, New Hampshire, Nebraska, Nevada, my home State of Oklahoma, Oregon, Utah, and Wisconsin, all public utility commissioners who called and vigorously agreed with my position. We also heard from the National Association of State Utility Commissioners, who support my position.

Let me read from one of the letters from a commissioner in New Hampshire: "As a State telecommunications regulator, I believe the so-called manager's amendment to H.R. 1555 will not adequately protect the interests of the consumer in insuring the existence of meaningful telecommunications competition."

Mr. Chairman, this was just one of the letters. I have many more. If my colleagues would like to take a look at them, they are more than welcome to do that.

Before we vote on this manager's amendment, I encourage the Members of this House to call their State public utility or public service commissioners and see what they think about the manager's amendment. I have talked to Members of the House over the last 48 hours and said, "We do not understand this legislation. If you don't understand this legislation, call your public service or public utility commissioner."

Mr. Chairman, we are placing the public utility commissioners in an untenable situation to not put in some sort of tangible measurement for competition. We must make sure that there is fair and open competition for our constituents, the ratepayers, who will bear the burden of this amendment.

I am not concerned about the RBOC's or the long-distance carriers. My special interest in this situation are the ratepayers. I served for 4 years as a public utility commissioner. I dealt with these long-distance issues. I dealt with these situations for 4 years.

Mr. CHAIRMAN, this is not fair and open competition. I oppose the manager's amendment. I strongly urge a "no" vote to the manager's amendment, and I ask for fair and open competition.

Mr. Chairman, I submit for the RECORD the following letters.

STATE OF NEW HAMPSHIRE,
PUBLIC UTILITIES COMMISSION,
Concord, NH, August 3, 1995.
Congressman J.C. WATTS,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN WATTS: This is written to support the original version of H.R. 1555. As a state telecommunications regulator, I believe the so-called Manager's Amendment to H.R. 1555 will not adequately protect the interests of the consumer in insuring the existence of meaningful telecommunications competition.

Sincerely,

SUSAN S. GEIGER,
Commissioner.

NEBRASKA PUBLIC SERVICE COMMISSION,
Lincoln, NE, August 3, 1995.
Hon. J.C. WATTS, Jr.,
U.S. House of Representatives, Longworth Office Building, Washington, DC.

DEAR CONGRESSMAN WATTS: As a member of the Nebraska Public Service Commission, I support federal legislation which preserves the states' role in shaping this country's future competitive communications industry.

In Nebraska, we are particularly proud of the quality of telecommunications service our customers enjoy. Any federal legislation should continue to provide a state role in regulating quality standards and establishing criteria for BOC entry in the interLATA market.

The needs of Nebraska's customers are varied; therefore, we must continue to play an active role during the transition to fully competitive communications markets.

Sincerely,

Lowell C. Johnson.

STATE OF NEVADA, ATTORNEY GENERAL'S OFFICE OF ADVOCATE FOR CUSTOMERS OF PUBLIC UTILITIES,
Carson City, NV, August 3, 1995.
Ms. CATHY BESSER, c/o Rep Vucanovich's Office.

DEAR MS. BESSER, We strongly urge Representative Vucanovich to OPPOSE H.R. 1555, Communications Act of 1995, in its present form. Several Anticonsumer and anticompetitive sections of the bill will hurt Nevada's consumers by thwarting local competition and drastically redoing regulatory oversight. Please do not allow Rep. Vucanovich to support HR 1555 in its present form; It will hurt Nevada in the pocketbook.

Best Regards

MIKE G.

ARIZONA CORPORATION COMMISSION,
Pheonix, AZ, August 3, 1995.
Hon. JOHN SHADEGG,
House of Representatives, Cannon House Office Bldg., Washington, DC.

DEAR REPRESENTATIVE SHADEGG: I am writing to urge you to vote against the Manager's amendment to H.R. 1555. The Communications Act of 1995.

As you may be aware, the Arizona Corporation Commission, on June 21, 1995, approved far-reaching rules to open local telecommunications markets in Arizona to competitors. Our June 21st action came after nearly two years of detailed analysis of the issues and countless hours of meetings with all stakeholder groups in arriving at a thoughtful, detailed process for opening local markets to competition. Arizona's rules, moreover, make our state one of the 15 most progressive states in the nation in telecommunications regulatory reform. Our efforts would be totally negated with the adoption of the Manager's amendment.

The Manager's amendment would preempt Arizona and other states from proceeding with plans to open telecommunication markets to competition, and thereby, put the brakes on the benefits that customers would receive from competition. Please vote against the Manager's amendment, and allow competition to proceed in Arizona.

Very truly yours,

MARCIA G. WEEKS,
Commissioner.

PUBLIC SERVICE
COMMISSION OF WISCONSIN,
Madison, WI, August 3, 1995.
Hon. J.C. WATTS,
House of Representatives, Longworth House Office Building, Washington, DC.
Re: H.R. 1555

DEAR REPRESENTATIVE WATTS: I agree that the original bill did a much better job of balancing the power between competitors, and because of that, it did a better job of promoting competition. My concern about the original bill is that it gave too much power to the Federal Communications Commission (FCC) and preempted the states.

H.R. 1555 as originally drafted takes away current state authority and gives back only very specific and limited authority, while expanding the authority of the FCC. The bill allows the FCC to preempt the states on many key issues. This provides an incentive for the current monopoly provider to challenge every state decision. Rather than lessening regulation, this will add an additional layer. The regulatory lag created by the dual level of regulation will also advantage the dominant provider to the detriment of competitors, customers and the country. If all authority is given to the FCC, state progress, and thus competition, will come to a halt. Although the managers amendment does not give us everything we had asked for, it certainly does a better job of balancing federal and state jurisdiction.

To the extent that your efforts would give the states a stronger chance to gain some ground on the jurisdictional issues in conference committee, I would tend to support your efforts.

Sincerely,

CHERLY L. PARRINO,
Chairman.

STATE OF ALABAMA,
ALABAMA PUBLIC SERVICE COMMISSION,
Montgomery, AL, August 3, 1995.
Hon. SPENCER BACHUS,
House of Representatives, Washington, DC.

DEAR REPRESENTATIVE BACHUS: We would like to register our agreement with Congressman Watts over the status of H.R. 1555. The bill that came out of committee was a carefully drafted document that did have some level of support from industry and regulatory representatives.

The National Association of Regulatory Utility Commissioners (NARUC) Telecommunications Committee, of which Commissioner Martin is a member, participated in the crafting of this bill and was supportive of it as it passed the House Committee. In addition, Commissioner Sullivan, a member of the NARUC Executive Committee, does not favor the provisions in the Manager's Amendment. We feel that the Manager's Amendment will make the job of ensuring fair competition very difficult. We urge you to vote against the Manager's Amendment and go back to the original bill the Committee members drafted and passed.

Sincerely,

JIM SULLIVAN,
President.
CHARLES B. MARTIN,
Commissioner.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Chairman, I rise in strong opposition to the Bliley-Fields amendment.

This is a body hell bent against tax increases, but let's be clear about what

this bill is. It's a tax increase. People will see increases in their telephone bills, their cable bills, their internet bills, and bills for any service that connects them to any communications wire.

Each and every day, we hear about and see rapid developments in communications that keep our country on the cutting edge. Now is not the time to pass a law that could harness this energy. We should be unleashing, and reaping the benefits of this exciting new technology.

The Bliley-Fields amendment is a harness that maintains old monopolies, and stifles real competition.

H.R. 1555 is also a bad deal for consumers. It is estimated that since we passed the Cable Act in the 102d Congress, consumers have saved more than $3 billion. This bill would gut those provisions and deregulate an industry where no real competition exists.

I urge you to think about your constituents as they answer their phones, sign on to their computers, turn on their televisions, and open their cable bills. If we rush pass H.R. 1555, our constituents may start thinking negatively about us when they do these things. Vote no on this tax increase, vote "no" on Bliley-Fields.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. HYDE], the distinguished chairman of the Committee on the Judiciary.

Mr. HYDE. Mr. Chairman, I commented more extensively on the manager's amendment in the debate in chief on the general debate, so I will not repeat that now, except to say I do support the manager's amendment. I think it has tied up a lot of loose ends and makes the entire telecommunications field more competitive.

The purpose of the entire legislation was really to enhance competition, because that certainly helps the consumer, facilitates development of all these various industries, and benefits the country and the economy at large. Given the complexity of this legislation, this manager's amendment goes a long way toward resolving that.

The Committee on the Judiciary met with the staff of the gentleman from Virginia [Mr. BLILEY] and resolved many controversies, so I am pleased to support the manager's amendment.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. BUNN].

Mr. BUNN of Oregon. Mr. Chairman, this bill has a lot of good things in it, but one it does not have is increased competition.

In a real effort to provide more competition, I offered an amendment that simply said that a Bell Co. has to have at least the availability of 10 percent of the customers going to a competitor, not that 10 percent have to be signed up for competition, but that 10 percent have to be able to sign up for competition. That was ruled out of order to protect the manager's amendment.

Mr. Chairman, the manager's amendment goes a long way to shut down realistic competition. If the manager's amendment passes, consumers lose. We need to reject the manager's amendment, go back to the language that came out of the committee or ensure that we put in language that would allow real competition, ensuring that at least 10 percent of the customers have the ability to ask for service from a competitor.

Mr. Chairman, I do not think 10 percent is unreasonable. However, I think the manager's amendment is very unreasonable, and I would urge a "no" vote.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. FORBES].

Mr. FORBES. Mr. Chairman, I thank my colleague from Texas [Mr. BRYANT], and rise in reluctant opposition to the manager's amendment.

The process that brought this manager's amendment to the House floor today has been sorely compromised and will result in a bill that, I believe, will raise more questions than answers. My key concern with process rests in the manager's amendment that is before us.

As we all know, the Commerce Committee reported out H.R. 1555 by a consensus-demonstrating vote of 38 to 5. Before that, the Subcommittee on Telecommunications and Finance reported the legislation after lengthy debate, and previously in this Congress, after many hearings, and in Congresses before, other numerous hearings related to the telecommunications reform measures before us today.

While no one was completely pleased with the bill that was reported out originally by the committee, the committee did produce a balanced bill. That is what happens when you hold public hearings and public markups. It is the way the process is supposed to work in this House.

But what we have before us today, Mr. Chairman, is a manager's amendment that is 60 pages long, with 42 different changes from what the committee reported out.

Mr. Chairman, we are being asked to vote on this amendment and adopt it practically sight unseen. If the changes made in this 60-page manager's amendment are so important, why was not this amendment returned to the Commerce Committee and to the Committee on the Judiciary for their approval before going to the floor?

Mr. Chairman, I vote a "no" vote on the manager's amendment.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. BOUCHER] for an enlightened discourse on this matter, and I have been looking forward very much to hearing from the friends of the long-distance operators and I am somewhat distressed that I am not going to do so at this time.

Mr. BOUCHER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the manager's amendment and in support of H.R. 1555 and would like to take this time to engage in a colloquy with the gentleman from Illinois [Mr. HASTERT] with respect to legislation we have crafted concerning the application of the interconnection requirements with respect to small telephone companies, and at this time, I would yield to the gentleman from Illinois [Mr. HASTERT] for that colloquy.

Mr. HASTERT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as you know, the gentleman from Virginia [Mr. BOUCHER] and I have been working on language to refine an amendment that the gentleman offered at full committee. I would like to ask the gentleman to take a moment to outline the purpose of his original amendment.

Mr. BOUCHER. Mr. Chairman, reclaiming my time, the amendment that I offered at full committee and which was approved on a voice vote was meant to assure that the more than 1,000 smaller rural telephone companies in our Nation would not have to comply immediately with the competitive checklist contained in section 242 of H.R. 1555.

Rural telephone companies were exempted because the interconnection requirements of the checklist would impose stringent technical and economic burdens on rural companies, whose markets are in the near term unlikely to attract competitors.

It was never our intention, however, to shield these companies from competition, and it is in that context that the language the gentleman and I have agreed to is pertinent, and I would yield back to him to explain the amendment we have crafted.

Mr. HASTERT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, a refinement of the Boucher amendment assures that rural telephone companies defined in H.R. 1555 will be exempted from complying with the competitive checklist until a competitor makes a bona fide request. Once a bona fide request is made, a State is given 120 days to determine whether to terminate the exemption.

States must terminate the exemption if the expanded interconnection request is technically feasible, not unduly economically burdensome, is consistent with certain principles for the preservation of universal service.

Mr. BLILEY. Mr. Chairman, I yield 30 seconds to the gentleman from Illinois [Mr. HASTERT].

Mr. HASTERT. Mr. Chairman, of critical importance here is an understanding shared by the gentleman from Virginia [Mr. BOUCHER] and me that the economic burdens of complying with the competitive checklist fall on the party requesting the interconnection. However, to the extent the rural telephone company economically benefits from the interconnection, the States should offset the costs imposed by the party requesting interconnection.

Furthermore, we want to make clear that while H.R. 1555 provides that the user of the interconnection pay the cost of interconnection, the user in this context is the corporate entity requesting interconnection with a local exchange company.

It would be a perversion of the intent if the cost of complying with the competitive checklist would require the incumbent rural telephone company to increase its basic local telephone rates to fund the competitor's service offering.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the question this morning is, what is the hurry? After 61 years, we spent time in committee and in subcommittee and we developed H.R. 1555. I did not support the bill but at least I was part of the process.

Now it is whether you believe the Washington Post and the Wall Street Journal who say that people like Rupert Murdoch and Ameritech and others have gotten special favors from this manager's mark. In other words, after the committee had worked its will, large corporations continued to lobby the Republican leadership to change the bill and they agreed to do it.

Mr. Chairman, this amendment is a top down, your vote does not count. The only important input is from the Speaker of the House amendment. This is not the kind of representative government that our constituents deserve. Nearly every provision that is in this manager's mark should be voted on separately. It is not going to happen. We will not have that opportunity. This is a bad process. It is bad governance, and I urge my colleagues to oppose the manager's amendment.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in opposition to the manager's amendment.

Mr. Chairman, we all favor increased competition in all markets. And that is what I thought this bill stood for. But the fact is that local carriers are in a unique position because all long-distance calls must pass through their facilities.

This control lets the local carriers discriminate against their competitors in the delivery of long-distance service. If not a single other entity can offer this service with their own equipment, the locals will continue to stifle competition.

That is precisely why we need the facilities based competition provided in the original bill. The 66 page manager's amendment—takes this entry test out of the bill, and that is simply unfair.

Mr. Chairman, if there is only one drawbridge over a river, the person who lifts that bridge is a monopoly. Likewise, if all long-distance calls have to go through one company's switches, we still have a monopoly. Oppose this amendment and support the original bill.

Mr. BRYANT of Texas. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, we have two choices in this bill. The whole notion of an open architecture cyberspace-based competition is undermined by what has happened between the full committee and the manager's amendment.

What we had determined at the full committee was that if, in fact, the telephone company used common carrier facilities in order to build their cable network, that it would have to have an open architecture, so that any provider of information, any 18-year-old kid, any producer, would be able to use this common carrier network in order to get their ideas into every home.

Mr. Chairman, that was in contrast to the old cable model where if the telephone company built another cable system, but under design of the cable companies of the past, then they would be regulated like a cable company, get a franchise.

This bill takes that open architecture concept, throws it out the window. We must go back to that if we are going to enjoy the full benefits of this information revolution.

What is most troubling to me about the manager's amendment is that it takes the open access, common carrier model for telephone company delivery of video and makes that optional.

The information superhighway had always been heralded as an opportunity for consumers to get 500 channels of television, and for independent, unaffiliated producers of information to use the network and reach the public.

The bill had set up an appropriate balance I believe. It told the phone companies that when they got into the cable business they had a choice. They could build separate facilities, and overbuild cable systems to provide video services. If they did that they would be regulated as a cable company is regulated—under title 6 of the Communications Act—and they would have to go out and obtain a franchise just as cable companies do.

The second option—if they wanted to use their phone network facilities and construct a system using a common carrier, equal access network to send video services to consumers—the legislation provided a video platform model. This video platform model ensured that unaffiliated, independent programmers, software engineers, the kid in the garage—could obtain access to the phone company's network and provide video, interactive, multimedia services to consumers too.

After all, every consumer ratepayer had helped pay for the phone network, shouldn't everyone have a right to use the information superhighway.

These openness rules were provisions establishing rules also under title 6 of the Communications Act. The bill specifically said that there would be no burdensome title 2 traditional phone company, utility type regulation. The bill already dealt with that and did it well.

The managers amendment, on the other hand, would allow a phone company to build a closed, proprietary cable system on a common carrier phone network architecture. No other independent film producer, unaffiliated programmer, video game maker can claim a right to carriage. Only the phone company.

This isn't the open road people have in mind when they think of cyberspace. In fact, the very notion of cyberspace in antithetical to closed, proprietary systems where only one provider of information is allowed to rule the road.

One of the principles of common carriage for 60 years has been that any service you make available to one entity, you have to make available to all comers. This managers amendment lets the phone company—on a common carrier facility—make access available to itself and no one else.

I think that is a giant step backward and for that reason I oppose the managers amendment. It is bad for small, independent, unaffiliated providers of information, for entrepreneurs and inventors.

I believe that if phone companies are going to use the phone network—a communications network that all ratepayers have paid for—that access for video services should not be the sole domain of the phone company, but rather an open superhighway for other creative geniuses as well.

Mr. DINGELL. Mr. Chairman, I yield myself 1 minute.

I have heard a lot of irresponsible talk about how secret agreements were made between the two committees. Well, nothing of the kind occurred. There was open discussion between the chairman of the Committee on the Judiciary and the chairman of the Committee on Commerce, and from that came the managers' amendment, and there is no secrecy involved here.

As a matter of fact, for the benefit of those who do not know, the manager's amendments return this legislation to something very close to what passed this House last year 423 to 5. That is what the members' amendment does. The process is open. Members are having an opportunity to discuss this on the House Floor under a rule, and to say otherwise is either to deceive yourself or to deceive the Members of this body.

That is what the facts are, and I would urge my colleagues to not listen to this kind of nonsense, but rather, to respect the institution, the Members who have brought forward this amendment, to understand that it is a fair amendment, it is in the public interest, and it is balanced, and it is not founded upon a lot of sleazy lobbying of the kind we have seen and the mail we have been getting from the long-distance industry.

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Mr. BRYANT of Texas. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Texas is recognized for 1 minute.

Mr. BRYANT of Texas. Mr. Chairman, I say to my colleagues, had I been a party to this, I would stand up on the floor, and I would wave my arms and speak loudly as well. The fact of the matter is you voted for the bill that came out of committee, and the gentleman from Virginia [Mr. BLILEY] voted for the bill that came out of committee. I voted against it. But now the two of you come to the floor with a totally different bill. Mr. Chairman, this is not the bill that passed the House by 400 and something to nothing last year. This is a totally different approach. The fact of the matter is it was written in the darkness. The committee did not have any input into this. The Members did not have any input into this. My colleagues wrote it behind closed doors. The Bell companies came and said, "Hey, we decided we don't like what happened in the committee. Rewrite the bill and help us out."

Mr. Chairman, that is what my colleagues have done here. The fact of the matter is this process is an outrage, and Members stand on the floor, and wave their arms and say somebody is trying to deceive the American people, they should have written the bill in public, not behind closed doors. It is an outrage.

I would urge Members, if for no other reason, and I will not yield to the gentleman.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BRYANT] has expired.

Mr. BLILEY. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. BURR].

Mr. BURR. Mr. Chairman, I rise in support of the manager's amendment.

During the Commerce Committee's consideration of H.R. 1555, I offered an amendment designed to permit Bell operating telephone companies to resell the cellular services of their cellular affiliates. Currently, Bell operating companies, alone among local telephone companies, are prevented from providing or even reselling cellular services with their local services. Larger companies, like GTE—the largest local exchange carrier in the United States—are not restricted from marketing cellular services with their long distance or local services.

Several of my colleagues were concerned that they had not had an ample opportunity to consider the amendment. With the understanding that it could be included in the manager's amendment if these members, upon further study, were not troubled by the substance of the amendment, I withdrew it. Having satisfied the members' concerns with new language, I want to thank the managers of this bill for agreeing to include that language in their amendment.

As with my original amendment, the primary goal of the new language is to provide the Bell operating telephone companies with sufficient relief from existing FCC rules to permit them to offer one-stop shopping of local exchange services and cellular services. Currently, FCC rules not only prohibit those operating companies from physically providing cellular services—that is, from owning the towers, transmitters, and switches that make up cellular services—but also from marketing cellular services—that is, selling cellular services.

This amendment does not lift the FCC's prohibition against the Bell operating telephone companies providing the cellular services; it merely permits them to jointly market or resell their cellular affiliate's cellular services along with their local exchange services. Under existing FCC polices, cellular providers must permit resale of their cellular services. Thus, virtually everyone but the Bell operating telephone companies can resell the cellular services of their cellular affiliates.

Thus, together with other provisions in the bill, this amendment will help to put the Bell operating telephone companies on par with their competitors by allowing them to resell cellular services—including the provision of interLATA cellular services—in conjunctions with local exchange services and other wireless services—that is, PCS services—that they are already permitted to provide.

AT&T has voluntarily entered into a proposed consent decree with the Department of Justice. This would obviate certain potential violations of section 7 of the Clayton Act arising out of its acquisition of McCaw Cellular. To overcome the Department's opposition to the acquisition, AT&T agreed to certain restrictions regarding its provisions and marketing of McCaw's cellular services.

In order to ensure that all carriers can offer similar service packages, language has been included in the amendment to supersede language in that pending decree. As a result, AT&T and others will be able to sell cellular services on the same terms as the Bell companies. Specifically, all carriers would be able to sell cellular services, including interLATA cellular services, along with local landline exchange offerings.

However, the Bell operating companies will not be able to offer landline interLATA services in conjunction with such local telephone—even in conjunction with a cellular/cellular interLATA service offering—until they have met the conditions for interLATA relief.

Accordingly, the amendment makes it clear that it does not alter the effect of subsection 242(d) on AT&T or any other company. As a result, AT&T and other competitors subject to that provision will not be able to offer or market landline interLATA services with a local landline exchange offering—even in conjunction with a cellular/cellular interLATA package—until the Bell companies are authorized to do so.

Mr. BLILEY. Mr. Chairman, to close debate, I yield the balance of my time to the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee.

The CHAIRMAN. The gentleman from Texas [Mr. FIELDS] is recognized for 2 minutes.

Mr. FIELDS of Texas. Mr. Chairman, let me just say very briefly, and then I am going to yield to the gentleman from Michigan, this is a fair and balanced approach that we are now bringing to this floor for a vote. This is a delicate process, it is a complex process. On a piece of legislation like this we expect a manager's amendment. No one has talked about other things that are in this manager's amendment, local siting, under the right-of-way, the telecommunication development fund sponsored by the gentleman from New York [Mr. TOWNS], a lot of good things in this particular amendment. But I want to identify myself with the remarks made by the gentleman from Michigan. In my career I have never seen a more disingenuous lobbying effort by any segment of an industry.

The long-distance industry, I say shame on them.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. FIELDS of Texas. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I want to reiterate to my colleagues the process under which we are considering this legislation is no different than we have ever done wherever we have had differences between two committees, and the process of working out an amendment between those who supported the bill is an entirely sensible one. Had the gentleman from Texas desired to be a participant in that, he could have, * * * and the result of that is that he did not participate.

Mr. BRYANT of Texas. Mr. Chairman, I ask that the gentleman's words be taken down.

The CHAIRMAN. The gentleman from Michigan will suspend.

Does the gentleman ask unanimous consent to withdraw his reference?

Mr. DINGELL. Mr. Chairman, I ask unanimous consent to withdraw the words referred to.

Mr. BRYANT of Texas. Reserving the right to object, Mr. Chairman, I do not intend to go along with this unanimous-consent request unless there is an apology and an explanation that what he said was inaccurate, totally inaccurate, because I have had absolutely no involvement with the chairman with regard to the development of this amendment whatsoever, and so what he said was inaccurate.

Mr. Chairman, if the gentleman will acknowledge it was inaccurate, at that time I will be happy to go along with his unanimous-consent request.

The CHAIRMAN. Does the gentleman from Texas [Mr. BRYANT] yield under his reservation of objection to the gentleman from Michigan [Mr. DINGELL]?

Mr. BRYANT of Texas. I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I am not quite sure what the Chair is telling me.

The CHAIRMAN. The gentleman from Texas reserves the right to object, and under his reservation he has said that he would insist on having the gentleman's words taken down.

Mr. DINGELL. Mr. Chairman, if I said anything which offends the gentleman, I apologize.

The CHAIRMAN. The gentleman from Texas?

Mr. BRYANT of Texas. Further reserving the right to object, Mr. Chairman, I will not go along with the unanimous-consent request after the words that were spoken were so evasive as that. The fact of the matter is the gentleman made a factual allegation with regard to my role in this bill which was totally inaccurate. I want him to apologize, and I want him to state that it was not correct what he said because he knows it was not correct. Otherwise I would insist that the gentleman's words be taken down.

The CHAIRMAN. The gentleman from Texas [Mr. BRYANT] insists that the words of the gentleman from Michigan [Mr. DINGELL] be taken down.

Mr. DINGELL. Mr. Chairman, I would ask unanimous consent to withdraw the word "sulk."

The CHAIRMAN. Without objection, that word is withdrawn.

Mr. BRYANT of Texas. Further reserving the right to object, Mr. Chairman, I have made it very clear that the gentleman from Michigan [Mr. DINGELL] made an allegation about me that was incorrect, and I want him to state that it was not correct, and he knows it was not correct, and then I want him to apologize for it. Otherwise there is not going to be any withdrawal of my objection.

The CHAIRMAN. The gentleman from Texas [Mr. BRYANT] continues to reserve the right to object.

Mr. BRYANT of Texas. I would just point out once again I have had no dealings with the gentleman on this matter. He has no basis on which to make that statement whatsoever, nor have I had any dealings in any fashion interpretable in the way that the gentleman spoke to the other side, and, if he is going to persist in that allegation, then I am going to insist that his words be taken down.

The CHAIRMAN. Does the gentleman from Michigan care to respond?

Mr. DINGELL. Mr. Chairman, I am not quite sure to what I am supposed to respond.

The CHAIRMAN. A unanimous-consent request has been made to withdraw the words. The gentleman from Texas has reserved the right to object to that unanimous-consent request stating, as he has stated, that he desires an apology and an understanding that it was factually incorrect.

Mr. DINGELL. Mr. Chairman, I have asked unanimous consent to withdraw the words. I have said that if I have said something to which the gentleman is offended, then I apologize. I am not quite sure how much further I can go in this matter.

Mr. BRYANT of Texas. Reserving the right to object, Mr. Chairman, I will tell the gentleman how much further he can go in this matter.

Mr. Chairman, I have had no visits with the gentleman about this manager's amendment except to express my general opposition to the whole process. The gentleman stated that I behaved in a particular way when in fact I have had no opportunity to behave either this way or any other way with the gentleman, and, if what the gentleman said is simply an outburst of temper, I think, I have been guilty of the same thing, and I want the gentleman to make it plain to the House that there has been no opportunity for there to have been any type of behavior whatsoever.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. BRYANT of Texas. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I will be pleased to make the observation that the gentleman chose not to be a participant in moving the bill forward. If I said that he has sulked, that was in error. I apologize to the gentleman.

The CHAIRMAN. Without objection, the words are withdrawn.

There was no objection.

Mr. BRYANT of Texas. Mr. Chairman, I withdraw my reservation of objection.

Mr. FIELDS of Texas. Mr. Chairman, how much time do I have remaining?

The CHAIRMAN. The gentleman from Texas has 30 seconds remaining.

Mr. FIELDS of Texas. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the gentleman from Michigan has made it clear to Democrat Members this is a fair process, it is a good process. I want to say to Republican Members we have worked for 2½ years on opening the local loop to competition. If my colleagues want fair competition, if they want the loop open with a level playing field, vote for this manager's amendment. It is time to move this process forward, time to move the telecommunication industry into the 21st century.

Mr. TAUZIN. Mr. Chairman to enforce the long-distance restriction on the seven Bell companies, the district court approved the establishment of the so-called local access transport area or LATA system. The drawing of the LATA system is extraordinarily complex and confusing. There are 202 LATA's nationwide; four of them are in Louisiana and they bear no relationship to markets or customers. Yet it is the LATA system that is used to regulate markets and limit customer choices. LATA boundaries routinely split counties and communities of interest. LATA boundaries can even extend across State lines to incorporate small areas of a neighboring State into a given LATA. Louisiana does not have any of these so-called bastard LATA's but our neighboring State to the east, Mississippi, does. Towns and communities in the northwest corner of Mississippi, such as Hernando, are actually part of the Memphis LATA. That's Memphis, TN, not Mississippi.

The enforcement of the long-distance restriction on the seven Bell companies and the establishment of the LATA system effectively preempted State jurisdiction over entry and pricing of telecommunications service. In the process, State authority over intrastate inter-LATA telecommunications have been impeded. For example, in Louisiana the Public Service Commission instituted a rate plan that provided K–12 schools with specially discounted rates for high speed data transmission services. With the availability of the education discount, it was contemplated that school districts could upgrade their educational systems, establish computer hookups, and tie into their central school board locations to improve and facilitate administrative services. The public school system in Louisiana is aggressively implementing communications technology to improve access to educational resources and streamline administrative processes.

There are 64 parishes in Louisiana. Each parish has its own school district. Thirteen of the sixty-four parishes are traversed by a LATA boundary, meaning the school district locations in each parish are divided by the LATA system. Consequently, K–12 schools in the Allen, Assumption, Evangeline, Iberia, Iberville, Livingston, Sabine, St. Charles, St. Helena, St. James, St. John the Baptist, St. Landry, St. Martin, St. Mary, Tangipahoa, Vernon, and West Feliciana Parishes are unable to take advantage of the education discount program as intended by the Louisiana Public Service Commission. The LATA boundary effectively prevents the schools in these 13 parishes from linking to the Louisiana Education Network and the Internet as well. These failures are attributable to the fact that the inter-LATA restriction dictates alternative, circuitous routing requirements to link the schools—making the service unaffordable. The chart to my right depicting the scenario of the Vernon Parish School District is just one example of this routing problem. The inability of these 13 school districts to network K–12 schools is denying the students, teachers, and administrators throughout these parishes the opportunity to utilize new tools for learning and teaching.

The LATA system arbitrarily segments the telecommunications market. Many business, public, and institutional customers, such as the 13 parish school districts in Louisiana, have locations in different LATA's which makes serving them difficult, costly, and inefficient. In Louisiana, BellSouth has filed tariffs with the Public Service Commission, is authorized to provide the high-speed data transmission services, and would be in a position to offer the services to the 13 school districts at specially discounted rates were it not for the inter-LATA long-distance restriction. In the alternative to BellSouth, to receive the desired service any one of the 13 school districts must resort to the arrangement by which the service is provisioned over the facilities of a long-distance carrier. Typically, this would involve routing the service from one customer location in one LATA to the long-distance carrier's point of presence in that LATA then across the LATA boundary to the carrier's point of presence in the other LATA and then finally to the other customer location to complete the circuit. As the explanation sounds, this alternative route utilizing the long-distance carrier's facilities is less direct, more circuitous, and more costly to the customer than a direct connection between the two customer locations. Of the 13 affected school districts in Louisiana, I have chosen the example of the Vernon Parish schools to show the cost penalizing effect of the inter-LATA restriction.

Most of the schools in Vernon Parish are in the Lafayette LATA and are connected by a network based in Leesville. Unfortunately, two schools in the Hornbeck area are across a LATA boundary and linking them to Leesville is so expensive that Vernon parish has not been able to include them in the network.

Hornbeck is only 16 miles from Leesville but it is in a different LATA. BellSouth could provide a direct and economical connection between the Hornbeck schools and Leesville but it is prevented from doing so because of the inter-LATA restriction.

Instead, the connection between Hornbeck and Leesville would have to be made through an indirect routing arrangement involving a long-distance carrier, AT&T. In this scenario, the route would run from Hornbeck to Shreveport, then 185 miles across the LATA boundary to Lafayette, before finally reaching Leesville, a total distance of 367 miles.

The inter-LATA restriction forces Vernon Parish to use a longer and more expensive route to connect all the schools within its district. If BellSouth was allowed to provide the direct connection between Hornbeck and Leesville, the cost to connect the Hornbeck schools would be almost $48,000 less each year, a savings that could enable the parish to include them in the network.

The inter-LATA restriction is imposing a tremendous cost penalty on users of telecommunications and is preventing telecommunications from being used in cost effective and efficient ways. The manager's amendment would make it possible for customers like the Vernon Parish School District to take advantage of the benefits of telecommunications technology by giving them greater choices in service providers. For this reason, the manager's amendment is worthy of your support.

The relationship between section 245(a)(2)(A) and 245(a)(2)(B) is extremely important because they are, along with the competitive checklist in section 245(d), the keys to determine whether or not a Bell operating company is authorized to provide interLATA telecommunications services, that are not incidental or grandfathered services. As such, several examples will illustrate how these sections function together.

Example No. 1: If an unaffiliated competing provider of telephone exchange service with its own facilities or predominantly its own facilities has requested and the RBOC is providing this carrier with access and interconnection—section 245(a)(2)(A) is complied with.

Example No. 2: If no competing provider of telephone exchange services has requested access or interconnection—the criteria in section 245(a)(2)(B) has been met.

Example No. 3: If no competing provider of telephone exchange service with its own facilities or predominately its own has requested access and interconnection—the criteria in section 245(a)(2)(B) has been met.

Example No. 4: If a competing provider of telephone exchange with some facilities which are not predominant has either requested access and interconnection or the RBOC is providing such competitor with access and interconnection—the criteria in section 245(a)(2)(B) has been met because no request has been received from an exclusively or predominantly facilities based competing provider of telephone exchange service. Subparagraph (b) uses the words "such provider" to refer back to the exclusively or predominately facilities based provider described in subparagraph (A).

Example No. 5: If a competing provider of telephone exchange with exclusively or predominantly its own facilities, for example, cable operator, requests access and interconnection, but either has an implementation schedule that albeit reasonable is very long or does not offer the competing service either because of bad faith or a violation of the implementation schedule. Under the circumstances, the criteria 245(a)(2)(B) has been met because the interconnection and access described in subparagraph (B) must be similar to the contemporaneous access and interconnection described in subparagraph (A)—if it is not, (B) applies. If the competing provider has negotiated in bad faith or violated its implementation schedule, a State must certify that this bad faith or violation has occurred before 245(a)(2)(B) is available. The bill does not require the State to complete this certification within a specified period of time because this was believed to be unnecessary, because the agreement, about which the certification is required, has been negotiated under State supervision—the State commission will be totally familiar with all aspects of the agreement. Thus, the State will be able to provide the required certifications promptly.

Example No. 6: If a competing provider of telephone exchange service requests access to serve only business customers—the criteria in section 245(a)(2)(B) has been met because no request has come from a competing provider to both residences and businesses.

Example No. 7: If a competing provider has none of its own facilities and uses the facilities of a cable company exclusively—the criteria in section 245(a)(2)(B) has been met because there has been no request from a competing provider with its own facilities.

Mr. BUNNING. Mr. Chairman, I rise today in strong opposition to H.R. 1555, the Communications Act of 1995 and the manager's amendment.

My primary objection to this bill is process. We have waited 60 years to reform our communications laws. It needs to be done. We need deregulation.

But, I believe that if we waited 60 years to do it, we could wait another month, do it right, and work out some of the problems in this bill instead of ramming it through during the middle of the night.

If we would have gone a little more slowly, I believe that we could have come to an agreement that the regional Bells and the long distance companies could agree with. Instead we are passing a bill that I believe favors the regional Bells a little too much.

This bill makes it too easy for the regional Bells to get into long distance service and too difficult for cable and long distance companies to get into local service.

We should not allow the regional Bells into the long distance market until there is real competition in the local business and residential markets.

It is not AT&T, MCI, or Sprint that I am worried about. They are big enough to take care of themselves. I am concerned about the affect this bill will have on the small long distance companies who have carved themselves out a nice little niche in the long distance market.

This bill will put a lot of the over 400 small long distance companies out of business.

I agree that the bill that was originally reported out of committee probably did give an unfair edge to the long distance companies, but the pendulum has swung way too far in favor of the regional Bells. If we wait instead of passing this bill tonight we may be able to find a solution that is fair to everyone.

My second reason for opposing this bill is the fact that the little guys—many of the independent phone companies—got lost in the shuffle. This bill has been a battle of the titans. The baby Bells against AT&T and MCI.

But the big boys aren't the only players in telecommunications. There are plenty of smaller companies like Cincinnati Bell which services the center of my district in northern Kentucky.

This bill is not a deregulatory bill for Cincinnati Bell. It is a regulations bill. Although Cincinnati Bell has never been considered a major monopolistic threat to commerce, this bill throws it in with the big boys and requires them to live with the same regulations as the RBOC's—one size fits all.

For Cincinnati Bell and over 1,200 independent phone companies around the country this bill is a step in the wrong direction. It's more regulation rather than deregulation.

I also believe that this bill deregulates the cable industry much too quickly. We should not lift the regulations until there is a viable competitor to the cable companies.

The underlying principles in this bill are right on target. We need to deregulate telecommunications and increase competition. That will benefit everyone.

For that reason, I dislike having to vote against H.R. 1555.

But I firmly believe that even though this bill is on the right track, it is just running at the wrong speed. Let's slow down the train and do it right.

Mr. OXLEY. Mr. Chairman, I rise to express my firm support for the Communications Act of 1995 and the floor manager's amendment to it. The amendment improves the bill in a variety of areas, including some important refinements regarding foreign ownership.

The amendment clarifies section 303 of the bill giving the Federal Communications Commission authority to review licenses with 25 percent or greater foreign ownership, after the initial grant of a license, due to changed circumstances pertaining to national security or law enforcement. The Commission is to defer to the recommendations of the President in such instances.

In addition, I wish to clarify the committee report language on section 303 concerning how the Commission should determine the home market of an applicant. It is the committee's intention that in determining the home market of any applicant, the Commission should use the citizenship of the applicant—if the applicant is an individual or partnership—or the country under whose laws a corporate applicant is organized. Furthermore, it is our intent that in order to prevent abuse, if a corporation is controlled by entities—including individuals, other corporations or governments—in another country, the Commission may look beyond where it is organized to such other country.

These clarifications are intended to protect U.S. interests, enhance the global competitiveness of American telecommunications firms, promote free trade, and benefit consumer everywhere. They have the support of the administration and the ranking members of the Committee on Commerce, and I ask all members for their support.

On separate matter, I am aware that some of my colleagues who are from rural area, as I am, have concerns regarding the universal service provisions of H.R. 1555. I want them to know that I will work with them in conference to assure that rural consumers continue to receive the telephone service there have traditionally known. I am interested in working with my colleagues on perfecting the universal service language.

Mr. BOUCHER. Mr. Chairman, I rise in support of the manger's amendment and passage of the bill.

The bill is important because it will promote competition in all telecommunications markets, with attendant benefits for consumers and for the Nation's economy. The cable television market will be made fully competitive as telephone companies are given the right to offer cable television services. The local telephone market will be made fully competitive as cable companies and others are given the right to offer local telephone service. The long distance and telecommunications equipment markets will be made more competitive as the seven Bell operating companies are free to enter these markets.

Increased competition in all telecommunications markets will provide long-term consumer benefits. Consumers will see many new services, lower prices, and greater choices.

The bill will also encourage new investments by telecommunications companies, building for our Nation the much heralded National Information Infrastructure. As telephone companies seek to offer cable television service, they will need to install broadband facilities—fiber optic or coaxial lines—between their central offices and the premises of their users. Likewise, if cable companies desire to offer local telephone and data services, they will need to install switches to make their current broadband architecture interactive and two-way in nature. Both industries would then have the capabilities to deliver simultaneously telephone service, cable TV service, data services, and many other telecommunications services across their networks. The bill, therefore, will provide the business reasons for the major investments which are necessary to complete the National Information Infrastructure.

The manager's amendment is equally important for promoting competition in telecommunications markets. It establishes fair terms and conditions that will assure that the Bell companies open their local telephone networks before they are permitted to enter into the long distance and equipment markets. The manger's amendment creates a careful balance between the competing interests of the local telephone companies and long distance companies that was lacking in the bill reported from the Commerce Committee.

I strongly urge adoption of the manager's amendment and passage of the bill, and I yield to the gentleman from Illinois, Mr. HASTERT, for a colloquy regarding the language he and I have crafted which is contained in the manager's amendment and which governs the application of H.R. 1555's interconnection requirements to rural telephone companies.

Mr. HALL of Texas. Mr. Chairman, I am pleased to join my colleagues today in debating this important piece of legislation. The Communications Act of 1995 could easily be the most important legislation considered in this Congress. A lot of hard work and many long hours have been spent providing a delicate balance to all the competing interest in the communication's field. With this legislation, we need to be certain that we create true competition, without which the results could be disastrous not only for new market entrants, but for consumers as well.

There are many fine, small long-distance companies in my district. These good people are true entrepreneurs and hard workers. As the manager's amendment stands, I feel that these small businessmen will be threatened, all they want to do is compete. How are they to compete against a company that has the advantage of massive resources and a historical hold on the local market? After much discussion and compromise, not all sides had everything they wanted, but each side seemed pleased with what they had.

This is an important step in the modernization of a 60 year old Communications Act. The time is now, but it must be done in a carefully balanced approach. I feel the manager's amendment threatens the balance that was achieved in the bill that was overwhelmingly supported by the Commerce Committee and that is why I rise in opposition to this amendment.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on amendment 1-1 offered by the gentleman from Virginia [Mr. BLILEY].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BLILEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 256, noes 149, not voting 29, as follows:

[Roll No. 627]

AYES—256

Ackerman
Archer
Armey
Bachus
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bentsen
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehner
Bonilla
Bonior
Bono
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Burr
Burton
Buyer
Callahan
Camp
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clinger
Clyburn
Coburn
Coleman
Combest
Cox
Cramer
Crane
Crapo
Cubin
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Dunn
Durbin
Ehlers
Ehrlich
Emerson
Eshoo
Farr
Fazio
Fields (TX)
Flake
Flanagan
Foley
Ford
Fox
Frank (MA)
Franks (CT)
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefner
Hilliard
Hobson
Hoekstra
Hoke
Hostettler
Hoyer
Hunter
Hutchinson
Hyde
Jackson-Lee
Jacobs
Johnson (CT)
Johnson, E.B.
Jones
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kleczka
Klug
Knollenberg
LaHood
LaTourette
Laughlin
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Longley
Lowey
Manzullo
Martini
McCrery
McHugh
McInnis
McKeon
McKinney
Meek
Menendez
Metcalf
Mfume
Mica
Miller (CA)
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Myers
Myrick
Nadler
Neal
Nethercutt
Ney
Norwood
Nussle
Olver
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Portman
Quinn
Radanovich
Rahall
Ramstad
Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Roybal-Allard
Royce
Rush
Salmon
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Schumer
Scott
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (WA)
Solomon
Souder
Stearns
Stockman
Studds
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornberry
Thornton
Tiahrt
Torres
Torricelli
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Ward
Watt (NC)
Weldon (FL)
Weldon (PA)

Weller
White
Whitfield
Wicker
Wise
Woolsey
Wynn

NOES—149

Abercrombie
Allard
Baesler
Baker (CA)
Baldacci
Bass
Becerra
Beilenson
Bereuter
Boehlert
Borski
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Calvert
Canady
Chapman
Clement
Coble
Collins (GA)
Collins (IL)
Conyers
Costello
Coyne
Cremeans
Cunningham
Danner
Davis
DeFazio
DeLauro
Dellums
Doggett
Doyle
Duncan
Edwards
Engel
English
Ensign
Evans
Everett
Ewing
Fattah
Fawell
Fields (LA)
Foglietta
Forbes
Fowler
Franks (NJ)
Frelinghuysen
Furse
Gejdenson
Gibbons
Gilman
Gonzalez
Gordon
Green
Hall (TX)
Hancock
Harman
Hefley
Heineman
Hilleary
Hinchey
Holden
Horn
Houghton
Inglis
Istook
Jefferson
Johnson (SD)
Johnson, Sam
Johnston
Kanjorski
Kasich
Kingston
Klink
Kolbe
LaFalce
Lantos
Largent
Latham
Lazio
Leach
Lipinski
Lofgren
Lucas
Luther
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McCollum
McDermott
McHale
McNulty
Meehan
Meyers
Mineta
Minge
Mink
Moran
Morella
Murtha
Neumann
Oberstar
Obey
Pallone
Petri
Poshard
Pryce
Quillen
Reed
Regula
Rivers
Roth
Sabo
Sanders
Sanford
Seastrand
Sensenbrenner
Skaggs
Skelton
Slaughter
Smith (TX)
Spence
Stark
Stenholm
Stokes
Stupak
Tanner
Thomas
Torkildsen
Velazquez
Vento
Visclosky
Volkmer
Wamp
Waters
Watts (OK)
Wolf
Wyden
Yates
Zeliff
Zimmer

NOT VOTING—29

Andrews
Bateman
Collins (MI)
Condit
Cooley
de la Garza
Filner
Hayes
Herger
Kaptur
Maloney
McDade
McIntosh
Moakley
Ortiz
Owens
Rangel
Reynolds
Rose
Scarborough
Spratt
Thurman
Towns
Tucker
Waxman
Williams
Wilson
Young (AK)
Young (FL)

□ 0910

The Clerk announced the following pair:

On this vote:

Mr. Scarborough for, with Mr. Filner against.

Mr. GILMAN, Mr. STOKES, and Ms. FURSE changed their vote from "aye" to "no."

Messrs. JONES, KIM, MFUME, BARCIA, HEFNER, and JEFFERSON, Ms. WOOLSEY, Mrs. KELLY, and Ms. McKINNEY changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mrs. MALONEY. Mr. Speaker, I inadvertently missed rollcall vote 627. Had I been present, I would have voted "yes."

The CHAIRMAN. It is now in order to consider amendment No. 2–1 printed in part 2 of House Report 104–223.

AMENDMENT NO. 2–1 OFFERED BY MR. STUPAK

Mr. STUPAK. Mr. Chairman, I offer an amendment, numbered 2–1.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2–1 offered by Mr. STUPAK: Page 14, beginning on line 8, strike section 243 through page 16, line 9, and insert the following (and conform the table of contents accordingly):

SEC. 243. REMOVAL OF BARRIERS TO ENTRY.

(a) IN GENERAL.—No State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide interstate or intrastate telecommunications services.

(b) STATE AND LOCAL AUTHORITY.—Nothing in this section shall affect the ability of a State or local government to impose, on a competitively neutral basis and consistent with section 247 (relating to universal service), requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers.

(c) LOCAL GOVERNMENT AUTHORITY.—Nothing in this Act affects the authority of a local government to manage the public rights-of-way or to require fair and reasonable compensation from telecommunications providers, on a competitively neutral and nondiscriminatory basis, for use of the rights-of-way on a nondiscriminatory basis, if the compensation required is publicly disclosed by such government.

(d) EXCEPTION.—In the case of commercial mobile services, the provisions of section 332(c)(3) shall apply in lieu of the provisions of this section.

The CHAIRMAN. Pursuant to the rule, the gentleman from Michigan [Mr. STUPAK] will be recognized for 5 minutes, and a Member opposed will be recognized for 5 minutes.

Does the gentleman from Virginia rise to claim the time?

Mr. BLILEY. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] will be recognized for 5 minutes.

The Chair recognizes the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I am offering this amendment with the gentleman from Texas [Mr. BARTON] to protect the authority of local governments to control public rights-of-way and to be fairly compensated for the use of public property. I have a chart here which shows the investment that our cities have made in our rights-of-way.

□ 0915

Mr. Chairman, as this chart shows, the city spent about $100 billion a year on rights-of-way, and get back only about 3 percent, or $3 billion, from the users of the right-of-way, the gas companies, the electric company, the private water companies, the telephone companies, and the cable companies.

You heard that the manager's amendment takes care of local government and local control. Well, it does not. Local governments must be able to distinguish between different telecommunication providers. The way the manager's amendment is right now, they cannot make that distinction.

For example, if a company plans to run 100 miles of trenching in our streets and wires to all parts of the cities, it imposes a different burden on the right-of-way than a company that just wants to string a wire across two streets to a couple of buildings.

The manager's amendment states that local governments would have to charge the same fee to every company, regardless of how much or how little they use the right-of-way or rip up our streets. Because the contracts have been in place for many years, some as long as 100 years, if our amendment is not adopted, if the Stupak-Barton amendment is not adopted, you will have companies in many areas securing free access to public property. Taxpayers paid for this property, taxpayers paid to maintain this property, and it simply is not fair to ask the taxpayers to continue to subsidize telecommunication companies.

In our free market society, the companies should have to pay a fair and reasonable rate to use public property. It is ironic that one of the first bills we passed in this House was to end unfunded Federal mandates. But this bill, with the management's amendment, mandates that local units of government make public property available to whoever wants it without a fair and reasonable compensation.

The manager's amendment is a $100 billion mandate, an unfunded Federal mandate. Our amendment is supported by the National League of Cities, the U.S. Conference of Mayors, the National Association of Counties, the National Conference of State Legislatures and the National Governors Association. The Senator from Texas on the Senate side has placed our language exactly as written in the Senate bill.

Say no to unfunded mandates, say no to the idea that Washington knows best. Support the Stupak-Barton amendment.

Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. BARTON], the coauthor of this amendment.

Mr. BARTON of Texas. Mr. Chairman, first I want to thank the gentleman from Virginia [Mr. BLILEY], the gentleman from Texas [Mr. FIELDS], and the gentleman from Colorado [Mr. SCHAEFER], for trying to work out an agreement on this amendment. We have been in negotiations right up until this morning, and were very close to an agreement, but we have not quite been able to get there.

I thank the gentleman from Michigan [Mr. STUPAK] for his leadership on this. This is something that the cities want desperately. As Republicans, we should be with our local city mayors, our local city councils, because we are for decentralizing, we are for true Federalism, we are for returning power as close to the people as possible, and that is what the Stupak-Barton amendment does.

It explicitly guarantees that cities and local governments have the right to not only control access within their city limits, but also to set the compensation level for the use of that right-of-way.

It does not let the city governments prohibit entry of telecommunications service providers for pass through or for providing service to their community. This has been strongly endorsed by the League of Cities, the Council of Mayors, the National Association of Counties. In the Senate it has been put into the bill by the junior Republican Senator from Texas [KAY BAILEY HUTCHISON].

The Chairman's amendment has tried to address this problem. It goes part of the way, but not the entire way. The Federal Government has absolutely no business telling State and local government how to price access to their local right-of-way. We should vote for localism and vote against any kind of Federal price controls. We should vote for the Stupak-Barton amendment.

Mr. BLILEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, I rise in strong opposition to this Stupak amendment because it is going to allow the local governments to slow down and even derail the movement to real competition in the local telephone market. The Stupak amendment strikes a critical section of the legislation that was offered to prevent local governments from continuing their longstanding practice of discriminating against new competitors in favor of telephone monopolies.

The bill philosophy on this issue is simple: Cities may charge as much or as little as they wanted in franchise fees. As long as they charge all competitors equal, the amendment eliminates that yet critical requirement.

If the consumers are going to certainly be looked at under this, they are going to suffer, because the cities are going to say to the competitors that come in, we will charge you anything that we wish to.

The manager's amendment already takes care of the legitimate needs of the cities and manages the rights-of-way and the control of these. Therefore, the Stupak amendment is at best redundant. In fact, however, it goes far beyond the legitimate needs of the cities.

Last night, just last night, we had talked about this in the author's amendment and we thought we worked out a deal, and we tried to work out a deal. All of a sudden I find that the gentleman, the author of the amendment, reneged on that particular deal, and now all of a sudden is saying well, we want 8 percent of the gross, the gross, of the people who are coming in. This is a ridiculous amendment. It should not be allowed, and we should vote against it.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee.

Mr. FIELDS of Texas. Mr. Chairman, thanks to an amendment offered last year by the gentleman from Colorado [Mr. SCHAEFER], and adopted by the committee, the bill today requires local governments that choose to impose franchise fees to do so in a fair and equal way to tell all communication providers. We did this in response to mayors and other local officials.

The so-called Schaefer amendment, which the Stupak amendment seeks to change, does not affect the authority of local governments to manage public rights-of-way or collect fees for such usage. The Schaefer amendment is necessary to overcome historically based discrimination against new providers.

In many cities, the incumbent telephone company pays nothing, only because they hold a century-old charter, one which may even predate the incorporation of the city itself. In many cases, cities have made no effort to correct this unfairness.

If local governments continue to discriminate in the imposition of franchise fees, they threaten to Balkanize the development of our national telecommunication infrastructure.

For example, in one city, new competitors are assessed up to 11 percent of gross revenues as a condition for doing business there. When a percentage of revenue fee is imposed by a city on a telecommunication provider for use of rights-of-way, that fee becomes a cost of doing business for that provider, and, if you will, the cost of a ticket to enter the market. That is anticompetitive.

The cities argue that control of their rights-of-way are at stake, but what does control of right-of-way have to do with assessing a fee of 11 percent of gross revenue? Absolutely nothing.

Such large gross revenue assessments bear no relation to the cost of using a right-of-way and clearly are arbitrary. It seems clear that the cities are really looking for new sources of revenue, and not merely compensation for right-of-way.

We should follow the example of States like Texas that have already moved ahead and now require cities like Dallas to treat all local telecommunications equally. We must defeat the Barton-Stupak amendment.

Mr. STUPAK. Mr. Chairman, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I rise in strong support of the Stupak-Barton amendment, which is a vote for local control over zoning in our communities.

Mr. STUPAK. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I rise in support of Stupak-Barton, that would ensure cities and counties obtain appropriate authority to manage local right-of-way.

Mr. STUPAK. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I congratulate my colleague from Michigan [Mr. STUPAK] on this very important amendment.

Mr. STUPAK. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we have heard a lot from the other side about gross revenues. You are right. The other side is trying to tell us what is best for our local units of government. Let local units of government decide this issue. Washington does not know everything. You have always said Washington should keep their nose out of it. You have been for control. This is a local control amendment, supported by mayors, State legislatures, counties, Governors. Vote yes on the Stupak-Barton amendment.

Mr. BLILEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, first of all, let me say that I was a former mayor and a city councilman. I served as president of the Virginia Municipal League, and I served on the board of directors of the National League of Cities. I know you have all heard from your mayors, you have heard from your councils, and they want this. But I want you to know what you are doing.

If you vote for this, you are voting for a tax increase on your cable users, because that is exactly what it is. I commend the gentleman from Texas [Mr. BARTON], I commend the gentleman from Michigan [Mr. STUPAK] who worked tirelessly to try to negotiate an agreement.

The cities came back and said 10 percent gross receipts tax. Finally they made a big concession, 8 percent gross receipts tax. What we say is charge what you will, but do not discriminate. If you charge the cable company 8 percent, charge the phone company 8 percent, but do not discriminate. That is what they do here, and that is wrong.

I would hope that Members would defeat the amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. STUPAK].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. BLILEY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Michigan [Mr. STUPAK] will be postponed until after the vote on amendment 2-4 to be offered by the gentleman from Massachusetts [Mr. MARKEY].

It is now in order to consider amendment No. 2-2 offered by the gentleman from Michigan [Mr. CONYERS].

PARLIAMENTARY INQUIRY

Mr. NADLER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. NADLER. Mr. Chairman, can the Chair simply state if it plans to roll other votes? Some of us were waiting around for this vote.

The CHAIRMAN. It is the intention of the Chair to roll the next two votes on the next two amendments, 2-2 and 2-3, until after a vote on 2-4. We will debate the first Markey amendment.

Mr. NADLER. Could the Chair use names, please?

The CHAIRMAN. We will roll the next two amendments, the Conyers and Cox-Wyden amendments, until after the vote on the first Markey amendment.

AMENDMENT 2-2 AS MODIFIED OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Chairman, I offer a modified amendment.

The Clerk read as follows:

Amendment as modified offered by Mr. CONYERS: Page 26, strike line 6 and insert the following:

"(c) COMMISSION AND ATTORNEY GENERAL REVIEW.—

Page 26, lines 8 and 10, page 27, lines 6 and 9, strike "Commission" and insert "Commission and Attorney General".

Page 27, lines 4 and 12, insert "COMMISSION" before "DECISION".

Page 27, after line 21, insert the following new paragraph:

"(5) ATTORNEY GENERAL DECISION.—

"(A) PUBLICATION.—Not later than 10 days after receiving a verification under this section, the Attorney General shall publish the verification in the Federal Register.

"(B) AVAILABILITY OF INFORMATION.—The Attorney General shall make available to the public all information (excluding trade secrets and privileged or confidential commercial or financial information) submitted by the Bell operating company in connection with the verification.

"(C) COMMENT PERIOD.—Not later than 45 days after a verification is published under subparagraph (A), interested persons may submit written comments to the Attorney General, regarding the verification. Submitted comments shall be available to the public.

"(D) DETERMINATION.—After the time for comment under subparagraph (C) has expired, but not later than 90 days after receiving a verification under this subsection, the Attorney General shall issue a written determination, with respect to approving the verification with respect to the authorization for which the Bell operating company has applied. If the Attorney General fails to issue such determination in the 90-day period beginning on the date the Attorney General receives such verification, the Attorney General shall be deemed to have issued a determination approving such verification on the last day of such period.

"(E) STANDARD FOR DECISION.—The Attorney General shall approve such verification unless the Attorney General finds there is a dangerous probability that such company or its affiliates would successfully use market power to substantially impede competition in the market such company seeks to enter.

"(F) PUBLICATION.—Not later than 10 days after issuing a determination under subparagraph (E), the Attorney General shall publish a brief description of the determination in the Federal Register.

"(G) FINALITY.—A determination made under subparagraph (E) shall be final unless a petition with respect to such determination is timely filed under subparagraph (H).

"(H) JUDICIAL REVIEW.—

"(i) FILING OF PETITION.—Not later than 30 days after a determination by the Attorney General is published under subparagraph (F), the Bell operating company that submitted the verification, or any person who would be injured in its business or property as a result of the determination regarding such company's engaging in provision of interLATA services, may file a petition for judicial review of the determination in the United States Court of Appeals for the District of Columbia Circuit. The United States Court of Appeals for the District of Columbia shall have exclusive jurisdiction to review determinations made under this paragraph.

"(ii) CERTIFICATION OF RECORD.—As part of the answer to the petition, the Attorney General shall file in such court a certified copy of the record upon which the determination is based.

"(iii) CONSOLIDATION OF PETITIONS.—The court shall consolidate for judicial review all petitions filed under this subparagraph with respect to the verification.

"(iv) JUDGMENT.—The court shall enter a judgment after reviewing the determination in accordance with section 706 of title 5 of the United States Code. The determination required by subparagraph (E) shall be affirmed by the court only if the court finds that the record certified pursuant to clause (ii) provides substantial evidence for that determination."

Page 29, line 8, insert "and the Attorney General's" after "the Commission's".

Mr. CONYERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

□ 0930

The CHAIRMAN. Under the rule, the gentleman from Michigan [Mr. CONYERS] will be recognized for 15 minutes, and a Member in opposition to the amendment is recognized for 15 minutes.

Mr. BLILEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I began this discussion on an amendment to reinstate the Department of Justice's traditional review role when considering Bell entry into new lines of business by congratulating the chairman of the full committee, the gentleman from Illinois [Mr. HYDE]. In the committee bill that the Committee on the Judiciary reported, we were able to come together and bring forward an amendment exactly like the one that is now being brought forward.

I appreciate the chairman's role in this matter.

The amendment is identical to the test approved by the Committee on the Judiciary, as I have said earlier this year, on a bipartisan basis. Everyone on the committee, with the exception of one vote, supported our amendment. It was named the Hyde-Conyers amendment. It received wide support, and I hope we continue to do that.

It provides simply that the Justice Department disapprove any Bell request to enter long-distance business as long as there is a dangerous probability that such entry will substantially impede competition.

Point No. 1: This amendment on the Department of Justice role is more modest than the same provision for a Department of Justice role in the Brooks-Dingell bill that passed the House on suspension by 430 to 5 last year. So, my colleagues, we are not starting new ground. This is not anything different. It has received wide scrutiny and wide support. It is a matter that should not be in contention and should never have been omitted from either bill and certainly not the manager's amendment.

The Justice Department is the principal Government agency responsible for antitrust enforcement. Please understand that the 1984 consent decree has given the Department of Justice decades of expertise in telecommunications issues. By contrast, the FCC has no antitrust background whatsoever.

Remember, we are taking the court completely out of the picture. So what we have is no more court reviews or waivers. We have a total deregulation of the business. Unless we put this amendment in, we will not have a modest antitrust responsibility in this huge, complex circumstance.

Given this state of facts, it makes unquestionable sense to allow the antitrust division to continue to safeguard competition and preserve jobs. For the last 10 years the Justice Department has done an excellent job in keeping local prices, which have gone up, and long-distance rates, which have gone down.

The amendment I'm offering will reinstate the Department of Justice's traditional review role when considering Bell entry into new lines of business. The amendment is identical to the test approved by the Judiciary Committee earlier this year on a bipartisan 29 to 1 basis. It provides that the Justice Department must disapprove a Bell request to enter the long-distance business so long as there is a dangerous probability that such entry will substantially impede competition.

This should not even be a point of contention. The Justice Department is the principal Government agency responsible for antitrust enforcement. Its role in the 1984 AT&T consent decree has given it decades of expertise in telecommunications issues. The FCC by contrast has no antitrust background whatsoever. Many in this body have slated the FCC for extinction or significant downsizing.

Given this state of facts it makes unquestionable sense to allow the Antitrust Division to continue to safeguard competition and preserve jobs. For the last 10 years the Justice Department has been given an independent role in reviewing Bell entry into new lines of business, and the result has been a 70-percent reduction in long-distance prices and an explosion in innovation.

At a time when the Bells continue to control 99 percent of the local exchange market, I, for one, think we should have the Antitrust Division continue in this role. Don't be fooled by the FCC checklist—the Bells could meet every single item on that list and still maintain monopoly control of the local exchange market.

Last Congress this body approved—by an overwhelming 430 to 5 vote—a bill which provided the Justice Department with a far stronger review than my amendment does. It's no secret that I would have preferred to see this same review role given to the Justice Department this Congress. However, in the spirit of bipartisan compromise I agreed to a more lenient review role with Chairman HYDE when the Judiciary Committee considered telecommunications legislation. I was shocked when this very reasonable compromise test was completely ignored when the two committees sought to reconcile their legislation.

Finally, I would note that the amendment has been revised to clarify that any determinations made by the Attorney General are fully subject to judicial review. It was never my intent to deny the Bells or any other party the right to appeal any adverse determination, so to accomplish this purpose I have borrowed the precise language from the Judiciary bill.

I urge the Members to vote for this amendment which gives a real role to the Justice Department and goes a long way toward safeguarding a truly competitive telecommunications marketplace. In an industry that represents 15 percent of our economy, we owe it to our constituents to do everything possible to make sure we do not return to the days of monopoly abuses.

Mr. Chairman, I reserve the balance of my time.

Mr. BLILEY. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I rise in strong opposition to the amendment offered by the gentleman from Michigan [Mr. CONYERS].

The core principle behind H.R. 1555 is that Congress and not the Federal court judge should set telecommunications policy. This is one of the few issues that seems to have universal agreement, that Congress should reassert its proper role in setting national communications policy.

My colleagues, last November the citizens of this country said, loud and clear, we want less Government, less regulation. Getting a decision out of two Federal agencies is certainly a lot harder than getting it out of one. For that reason alone, this amendment ought to be defeated.

Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. BRYANT], a member of the committee.

Mr. BRYANT of Texas. Mr. Chairman, the gentleman from Michigan [Mr. CONYERS] made a very important point a moment ago when he pointed out that last year when we passed the bill by an enormous margin, we had a stronger Justice Department provision in the bill than we do, than even the Conyers amendment today would be.

The House has adopted the manager's amendment over our strong objections, but for goodness sakes consider the fact that, while the gentleman from Virginia [Mr. BLILEY] makes the point that we have decided that Congress shall make the decision with regard to communications law rather than the courts, Congress cannot make the decisions with regard to every single case out there.

As is the case throughout antitrust law, all we are saying with the Conyers amendment is that the Justice Department ought to be able to render a judgment on whether or not entry into this line of business by one of the Bell companies is going to impede competition rather than advance it.

Now, what motive would the Justice Department have to do anything other than their best in this matter? They have done a fine job in this area now for many, many years. The Conyers amendment would just come along and say, we are going to continue to have them exercise some judgment.

What we had in the bill before was that when there is no dangerous probability that a company who is trying to enter one of these lines of business or its affiliates would successfully use its market power and the Bell companies have enormous market power, to substantially impede competition, and the Attorney General finds that to be the case, there will be no problem with going forward.

When they find otherwise, there will be a problem with going forward, and we want there to be a problem with going forward. For goodness sakes, we know that the developments with regard to competition in the last 12 years are a result of a court, a sanction agreement, supervised by a judge. I do not know that that is the best process, but the fact of the matter is we allowed competition where it did not exist before.

Why would we now come along and take steps that would move us in the direction of impeding competition or essentially impeding competition? Give the Justice Department the right to look at it as they look at so many other antitrust matters. The President has asked for it. I think clearly we asked for it a year ago.

Let us keep with that principle.

Mr. BLILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, there are three things wrong with this amendment. The first is the agency which will be administering it, the Justice Department. The Justice Department is in good part responsible for the unfair situation which this country confronts in telecommunications. The Justice Department and a gaggle of AT&T lawyers have been administering pricing and all other matters relative to telecommunications by both the Baby Bells and by AT&T. So if there are things that are wrong now, it is Justice which has presided.

The second reason is that if we add the Justice Department to a sound and sensible regulatory system, it will create a set of circumstances under which it will become totally impossible to have expeditious and speedy decisions of matters of importance and concern to the American people.

The decisions that need to be made to move our telecommunications policy forward can simply not be made where you have a two-headed hydra trying to address the telecommunications problems of this country.

Now, the third reason: I want Members to take a careful look at the graph I have before me. It has been said that a B-52 is a group of airplane parts flying in very close formation. The amendment now before us would set up a B-52 of regulation. If Members look, they will find that those in the most limited income bracket will face a rate structure which is accurately represented here. It shows how long-distance prices have moved for people who are not able to qualify for some of the special goody-goody plans, not the people in the more upper income brackets who qualify for receiving special treatment.

This shows how AT&T, Sprint and MCI rates have flown together. They have flown as closely together as do the parts of a B-52. Note when AT&T goes down, Sprint and MCI go down. When MCI or AT&T go up, the other companies all go up. They fly so closely together that you cannot discern any difference.

This will tell anyone who studies rates and competition that there is no competition in the long distance market. What is causing the vast objection from AT&T, MCI and Sprint is the fact that they want to continue this cozy undertaking without any competition from the Baby Bells or from anybody else.

If Members want competition, the way to get it is to vote against the Conyers amendment. If you do not want it and you want this kind of outrage continuing, then I urge you to vote for the amendment offered by the gentleman from Michigan [Mr. CONYERS] who is my good friend.

Mr. CONYERS. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, I say to my very dear colleague and the dean of the Michigan delegation, that ain't what he said when the Brooks-Dingell bill came up only last year, and he had a tougher provision with the Department of Justice handling this important matter.

Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BERMAN], a very able member of the Committee on the Judiciary.

Mr. BERMAN. Mr. Chairman, I thank the gentleman for yielding time to me.

Everything that my friend from Michigan [Mr. DINGELL] said about the question of competition can be assumed to be true, and none of it would cause Members to vote against the Conyers amendment. Because I do not think we should put artificial restrictions on the ability of the Bell companies to go into long distance. I supported the manager's amendment because it got rid of a test that made it virtually impossible for them to ever enter that competition.

Now the only question is whether the Justice Department, that had the foresight starting under Gerald Ford, finishing under Ronald Reagan, to break up the Bell monopolies, should be allowed to have a meaningful role, a role defined by a test which is so restrictive that it says, unless, unless the burden supports, the assumption is with the Bell companies. It says unless the Attorney General finds that there is a dangerous probability that such company or its affiliates would successfully use market power to substantially impede competition in the market such company seeks to enter, it is an extremely rigorous test that must be met to stop them from entering the market. But it gives the division that has been historically empowered to decide whether there is anticompetitive practices a role in deciding whether or not that entry will impede competition.

This place voted last year by an overwhelming vote for a test that was far more rigorous, a test that said that they could not enter unless we found there was no substantial possibility that they could use monopoly power to impede competition. Do not overreach, the proponents of Bell entry into long distance, do not overreach. Do not shut the Justice Department out from an historic role that they have had, that they should have, to look at whether or not there is a high probability that they will cause, they will exercise monopoly power.

Support the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. HYDE], the chairman of the Committee on the Judiciary.

Mr. HYDE. Mr. Chairman, I want to congratulate the gentleman from Michigan for reviving the judiciary bill which did pass our committee 29 to 1, because it does go a long way toward establishing or reestablishing a principle that I believe in; namely, that antitrust laws should be reviewed and administered by that department of government specifically designed to do that, and that is the Department of Justice.

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When a Baby Bell enters into manufacturing or into long distance, antitrust questions are brought into play. The Department of Justice, it seems to me, is the appropriate agency to oversee that transition and analyze the competitive implications.

Once the bills are in these new lines of business and operating, it becomes a regulatory proposition and then oversight by the Federal Communications Commission is appropriate.

Mr. Chairman, what the gentleman from Michigan [Mr. CONYERS] has done is to propose a more meaningful role for the Department of Justice, which is what the Judiciary Committee wanted to do. But the problem is, that DOJ comes in at the tail end of the regulatory process. It becomes a double hurdle for a Baby Bell trying to get into manufacturing or long distance. It is not the same quick, clean expedited process that we had in our legislation (H.R. 1528).

So, it adds additional hurdles for a company, a Bell company seeking to get into manufacturing or long distance. It will add considerably to the amount of time that is consumed. A Bell company can make all of the right moves and do everything it wants, and then at the end of the process be shot down by the Department of Justice.

Mr. Chairman, I had proposed and preferred a dual-track, dual-agency situation where options could be chosen by the Bells to get into these new businesses, but that is not to be.

Having said what I have just said, I do approve and appreciate the fact that a more expansive role is proposed to the Department of Justice in dealing with these important antitrust issues. After all, it is an antitrust decree that we are modifying, the modified final judgment.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER], ranking minority member of the Committee on the Judiciary.

Mrs. SCHROEDER. Mr. Chairman, I rise in strong support of the amendment of the gentleman from Michigan [Mr. CONYERS]. What we are doing here is we are getting ready to unleash these huge, huge economic forces. They are huge.

The Justice Department, I wish it were much stronger, to be perfectly honest. Last year, the bill that people voted for had this type of language in it. It is an independent agency. It is not the FCC.

Mr. Chairman, it seems to me that if we are getting ready to unleash these huge forces on the American consumer, we ought to want some watchdog, some watchdog out there someplace.

Granted, we want competition, but what we may end up with is one guy owning everything. If my colleagues want the Justice Department for heaven's sakes, vote "yes."

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS of Texas. Mr. Chairman, the most difficult issue in this bill has been how the local loop is opened to competition. No question, that is where the focus of the controversy has been. It is a delicate question.

Mr. Chairman, what we have attempted to do is to open this in a sensible and fair way to all competitors. Consequently, we created a checklist on how that loop is opened. We have the involvement of the State public utility commissions in every State in that particular question. We have reviews by the Federal Communications Commission that the loop is open. Consequently, there is no need to give the Department of Justice a role in the opening of that loop.

We have worked with our good friends on the Committee on the Judiciary coming up with a consultative role for the Justice Department. It was never envisioned by Judge Greene in the modified final judgment that Justice would have a permanent role and this is the time we made the break. This is the time we move this telecommunications industry into the 21st century.

Mr. Chairman, a sixth of our economy is involved in this particular industry. Central to opening up telecommunications to competition is to open the loop correctly and as quickly as possible, because in opening the loop and creating competition, we have more services, we have newer technologies, and we have these at lower costs to the consumer. That is a desired result and that is something that we have worked for this particular bill.

Mr. Chairman, that is why we have spent so much time on how this loop is opened and there is no need for Justice to have an expanded role.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. SCHIFF], a member of the Committee on the Judiciary from the other side of the aisle.

Mr. SCHIFF. Mr. Chairman, I want to make it clear, first, that I agree completely with the direction of the bill. I voted in favor of the manager's amendment of the gentleman from Virginia [Mr. BLILEY], because I think we want to go from the courts, the Congress, and ultimately get Congress out of this and let companies compete.

Mr. Chairman, I think the future is one of companies that compete in different areas simultaneously. Each company will offer telephone services, entertainment services, and so forth. But we must remember that this whole matter has arisen from an antitrust situation. Even though we want all companies, including the regional Bells, to participate in all aspects of business enterprise, the fact of the matter is that there is still basically a control of the local telephone market.

For that reason, Mr. Chairman, for a period of time, the Department of Justice should have a specific identifiable role in this bill. That is why I urge my fellow Members of the House to support the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. HASTINGS].

Mr. HASTINGS of Florida. Mr. Chairman, I am not a member of the Committee on the Judiciary, but I am interested in its findings.

Mr. Chairman, H.R. 1555 assigns to the FCC the regulatory functions to ensure that the Bell companies have complied with all of the conditions that we have imposed on their entry into long distance. This bill requires the Bell companies to interconnect with their competitors and to provide them the features, functions and capabilities of the Bell companies' networks that the new entrants need to compete.

The bill also contains other checks and balances to ensure that competition occurs in local and long distance growth. The Justice Department still has the role that was granted to it under the Sherman and Clayton Acts, and other antitrust laws. Their role is to enforce the antitrust laws and ensure that all companies comply with the requirements of the bill.

The Department of Justice enforces the antitrust laws of this country. It is a role that they have performed well. The Department of Justice is not, and should not be, a regulating agency. It is an enforcement agency.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BECERRA], a very able member of the Committee on the Judiciary.

Mr. BECERRA. Mr. Chairman, let us not forget that the Ma Bell operating company, AT&T was broken up because the company used its control of local telephone companies to frustrate long-distance competition. It was the Justice Department that pursued the case against AT&T, through Republican and Democratic administrations, to stop those abuses.

Mr. Chairman, the standard that is in the Conyers amendment, which is the standard adopted and passed by the Committee on the Judiciary, Republican and Democrats, except for 1 member voting for it, is the standard that we are trying to get included now. It is a standard that is softer than the standard that was passed by 430 to 5 last year by this same House.

It is a standard that is softened for the regional operating companies to be able to pursue and it is a very rigorous standard that the Justice Department must meet in order to be able to stop a local company from coming in.

Mr. Chairman, let us not forget that the Republican Congress is trying to eliminate the FCC, and now they are asking the FCC to be the watchdog for consumers in this area. We should have a safety net for consumers and ratepayers.

Vote for the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Roanoke, VA [Mr. GOODLATTE], a member of the Committee on the Judiciary.

Mr. GOODLATTE. Mr. Chairman, I rise in strong opposition to the Conyers amendment.

Mr. Chairman, when Congress acts to end the current judicial consent decree management of the telecommunications industry, the Department of Justice should not simply take over. H.R. 1555 preserves all of the Department of Justice's antitrust powers. I agree with the chairman of my committee that when there are antitrust violations, the Department of Justice should step in.

Mr. Chairman, the Conyers amendment would dramatically increase the Department's statutory authority to regulate the telecommunications industry, a role for which the Department of Justice was never intended.

Currently, the Federal Communications Commission and the public service commissions in all 50 States and the District of Columbia regulate the telecommunications industry to protect consumers.

This combination of Federal and State regulatory oversight is effective and will continue unabated under both the House and the Senate legislation. There is no reason why two Federal entities, the Federal Communications Commission and the Department of Justice, should have independent authority in this area once Congress has set a clear policy.

The Department of Justice seeks to assume for itself the role currently performed by Judge Greene. The Department, in effect, wants to keep on doing things the way they are, but they are going to replace Judge Greene with themselves.

Mr. Chairman, I voted for the separate standard for the Department of Justice in the Committee on the Judiciary, but that was presuming, as the chairman of the committee informed us, it would be the sole separate standard. Now, they are seeking to impose that standard on top of the authority provided to the Federal Communications Commission in the bill.

All of the tests, one after the other, that the FCC will require, will have to be met and then a dual review will be imposed where the Department of Justice will step in at the end.

Mr. Chairman, I urge opposition to the amendment and support for the bill.

Mr. Chairman, I include the following for the RECORD.

STATEMENT OF REPRESENTATIVE GOODLATTE ON H.R. 1555, AUGUST 2, 1995

Mr. Chairman, I rise in support of H.R. 1555.

Mr. Chairman, I want to thank Chairmen HYDE, BLILEY and FIELDS for their able leadership in bringing this important legislation to the House floor. The American people will benefit from the increased availability of communications services, increased number of jobs, and a strengthened global competitiveness from this bill.

Throughout the debate on this legislation, I have aimed at bringing these benefits to Americans as soon as possible. I continue to believe that this goal can best be achieved by lifting all government-imposed entry restrictions in all telecommunications markets at the same time. Whether they are State laws that prevent cable companies or long distance companies from competing in the local exchange or the AT&T consent decree that prevents the Bell companies from competing in the long distance market, these artificial government-imposed restraints all inhibit the development of real competition.

Under this legislation, State laws that today prevent local competition will be lifted. Upon enactment, the local telephone exchange will be legally opened for any competitor to enter.

But the bill does not stop here and merely trust to fate. It goes further. It requires the Bell companies and other local exchange carriers such as GTE and Sprint-United to unbundle their networks and to resell to competitors the unbundled elements, features, functions, and capabilities that those new entrants need to compete in the local market. It also requires State commissions and the FCC to verify that the local carriers meet these obligations.

It gives new entrants the incentive to build their own local facilities-based networks, rather than simply repackaging and reselling the local services of the local telephone company. This is important if the information superhighway is to be truly competitive.

The bill also contains cross checks to ensure either that facilities-based competition is present in the local exchange or that the Bell companies have done all that the bill requires of them before they will be permitted to offer interLATA services and to manufacture. This is a strong incentive for them to comply with the requirements of this legislation.

It will take time for the Bell companies to satisfy all of the conditions in the bill. This built-in delay will provide the long distance and cable companies a head start into the local exchange.

The bill recognizes that there are several significant problems with such a government-mandated head start. And, it deals with those issues. While the bill does not create the simultaneity of entry that the Bell companies have requested, it also does not impose the artificial delay sought by the long distance companies.

This bill achieves a sound public policy. First, it gets the conditions right. Second, it requires verification that the conditions have been met. Third, it assures that they have begun to work. Then, fourth, it lets full competition flourish by lifting the remaining restrictions on the Bell companies.

You don't have to take my word on the soundness of this approach. None other than the Department of Justice advocated it 8 years ago.

As a member of the Judiciary Committee, I have been following this particular matter for several years. In 1987 the Department filed its first and only Triennial Review with the Decree Court. It recommended that if a Bell company shows that an area in its region is free of regulatory barriers to competition, then the interLATA restrictions should be lifted, even if—the Department noted—a residual core of local exchange services remains a natural monopoly at that time. That is, when there are no restrictions on either facilities-based intraLATA competition or on resale of Bell company services, interLATA relief should be granted.

The Department acknowledged that, with the removal of entry barriers and the requirement for resale of local exchange services, a majority of customers would likely stay with local exchange carriers and some areas of local exchange might remain natural monopolies. Nevertheless, it believed that the potential for discrimination would be significantly reduced because of (1) increased alternatives, especially for higher volume customers, and (2) increased need for Bell companies to interconnect with private networks.

Bell companies, according to the Department, immediately would be subject to substantial competitive pressures. The threat or possibility of competition would be sufficient that the residual risk posed by the Bell companies could be contained effectively through regulatory controls, according to the DOJ.

Noting that competition will reduce intraLATA toll and private line rates, the Department correctly concluded that only basic local exchange service and residential exchange access would remain as services capable of being inflated to cover misallocated costs of competitive activities. Indeed, intraLATA toll competition has been and is allowed in virtually every state and has already significantly eroded the Bell companies' market share of these services. Moreover, competition in the exchange access market also has grown significantly as the successes of companies like Teleport and MFS attest.

And, some very powerful and well-financed companies have targeted the local telephone market for competition. Companies like MCI are investing in local networks. So are cable companies that already have strong local presences. Significantly, AT&T has spent billions to move back into local telephony through its acquisition of McCraw Cellular and its success in bidding on PCS licenses.

As the Department prognosticated, this leaves only local services as a potential source of subsidy. However, as it also correctly recognized, basic local exchange and residential services are a very unlikely source of subsidy.

Those rates have been and are currently subsidized by other rates (i.e., residential rates are below costs and therefore cannot subsidize other services). And, they are beyond the unilateral power of the Bell companies to raise.

State regulators have clearly demonstrated over the years that they are unwilling to let basic residential charge rise. It is important to note that this bill preserves the State's ability to prevent the Bell companies from raising local exchange rates.

The bill also prevents interconnection rates from being the source of subsidy as it requires those rates to be just and reasonable before the Bell companies get intraLATA relief. It eliminates the Bell companies' ability to use their local exchange networks in a discriminatory fashion to impede their competitors.

This legislation achieves the conditions that DOJ set forth eight years ago, and in my view goes even further by requiring regulatory verifications before the Bell companies are actually relieved of the intraLATA restriction. First, upon enactment, it lifts all state and local laws that have previously barred cable and long distance companies from competing in the local exchange services market. In other words, it will ensure that there are no legal barriers to facilities-based competition.

Second, it not only requires the Bell companies to resell their local services, but it also identifies the elements, features, functions and capabilities that the Bell companies and other local exchange carriers will have to unbundle for their competitors. Although AT&T was required to resell its long distance services to its competitors in order to spur long distance competition, it was not required to make new services for its competitors through unbundling. Moreover, the bill's requirements on unbundling and resale are far more detailed and precise and therefore more enforceable by the commission, courts and competitors than the Department's general resale condition.

In the final analysis, Mr. Chairman, I support this bill because it strikes a balance that will bring competition in cable and telephony to the American people. It may not come as soon as some want or, indeed, as soon as I want, but it won't be delayed as long as others desire.

I am comforted as well that I do not have to take all of this on blind faith. I believe that the FCC and the State commissions will make sure the competition rolls out quickly and fairly and that local rate payers will not foot the bill. I am also sure that the Department of Justice is fully capable under this legislation of not only monitoring these developments but of playing an active role in the continued enforcement of the antitrust laws to shape the most robustly competitive telecommunications market in the world.

The American people deserve nothing less. We should not disappoint them. We should delay no further.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California [Ms. LOFGREN], a member of the Committee on the Judiciary.

Ms. LOFGREN. Mr. Chairman, like many of my colleagues, I have heard from Baby Bells, long-distance carriers, until I am really tired of hearing from them. What I have done is call Silicon Valley, who basically does not care about the Bells or the long-distance carriers. They do care about competition.

Mr. Chairman, the advice I have gotten is that there should be a little role for the Department of Justice. I realize that there are some on the Democratic side of the aisle, including the White House, who feel that this measure is way too weak; that we should have a much bigger role. Honestly I disagree with them.

Mr. Chairman, I think the gentleman from Illinois [Mr. HYDE] and the gentleman from Michigan [Mr. CONYERS] got it exactly right. A very high threshold, a 180-day turnaround, and a break in case things do not turn out the way we hope.

Mr. Chairman, I urge support of the amendment.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Louisiana [Mr. TAUZIN], a member of the Committee on Commerce.

Mr. TAUZIN. Mr. Chairman, I have with me a small chart that shows the result of judge-made law when it comes to telecommunications. What we just debated on the manager's amendment was to end the system of the LATA lines, the lines on the map drawn by the judge regulating communications policy in America.

Mr. Chairman, this is one of those LATA lines, a line of restriction of competition. This line runs through Louisiana, through one of my parishes in Louisiana, separating the town of Hornbeck and Leesville.

Mr. Chairman, they are in the same parish. The school board in that parish, in order to communicate from one office to the other, has to buy a line that runs from Shreveport to Lafayette back to Leesville at a cost per year of $43,000 more than they would have to pay if they could simply call 16 miles across these two communities.

Mr. Chairman, the court-ordered line has cost that school board $43,000. This is the kind of court-made law we avoid in this bill. Let us not give it back to the Justice Department. Let us write communications law in this Chamber.

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Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I would really like to thank the gentleman from Illinois [Mr. HYDE] and the gentleman from Michigan [Mr. CONYERS] for their leadership and for their bipartisan approach to this amendment. I think that we should not be looking at the long-distance providers on one side and the regional Bells on the other side.

Really, what the input of the Committee on the Judiciary in this amendment is, is to simply go right down the middle in dealing with competition, by enhancing the opportunity for competition. In fact, unlike my colleagues who have opposed it, this is not a override. This equates to the Department of Justice and the FCC working together and complementing each other.

Mr. Chairman, what it says is, there will not be a limitation, there will not be a prohibition of the Antitrust Division of the DOJ from reviewing for acts that impede competition. The FCC and DOJ will work together, and the dual responsibility will not hinder the other. The DOJ will not delay the regional Bell's entry into other markets, for there is a time frame in which they must respond; and the courts are not there to inhibit, but are there to give the opportunity for any judicial review that either party to access. This is a fair amendment.

I believe that we must get away from who said what in this debate, and focus on competition for the consumers. Let us make this a better bill and support this amendment, Mr. Chairman.

I must rise in support of a strong role of the Justice Department to help ensure that the telecommunications industry is truly competitive. The telecommunications industry is a critically important industry as we enter the 21st century. The Conyers amendment provides a reasonable role for the Justice Department to determine whether competition exists in the telecommunications markets. The Justice Department, through its Anti-trust Division, has considerable experience in carrying out this important function. The Justice Department needs and deserves more than a consultative role that is envisioned in the manager's amendment to H.R. 1555.

The standard of review proposed in this amendment is a medium standard that allows the Justice Department to prohibit local telephone companies from entering long-distance services or manufacturing equipment if "there is a dangerous probability that the Bell company or its affiliates would successfully use market power to substantially impede competition" in the market. The amendment also provides the right to judicial review. This standard was overwhelmingly approved in the House Judiciary Committee by a vote of 29 to 1. Let us ensure competition by supporting this amendment. The Conyers amendment will help the regional Bells, the long-distance providers, and most of all, our consuming public.

Mr. BLILEY. Mr. Chairman, I reserve the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. WATERS], who has followed this matter with great interest.

Ms. WATERS. Mr. Chairman, I rise in support of the Conyers amendment. Just once this year, we should do something that protects consumers; this amendment would accomplish that purpose.

Mr. Chairman, we are entering a brave new world in telecommunications law. In theory, the deregulatory provisions contained in this legislation will unleash a new era of competition between local and long-distance carriers, as well as between the telecommunications and cable industries.

However, free market competition is predicated on nonmonopolistic power relationships between competing firms. The Conyers amendment would ensure that local telephone companies would not impede competition through monopoly behavior.

The Conyers compromise language would perfect language currently in the bill. It would preserve the Justice Department's traditional role as the primary enforcer of antitrust statutes. It would do so alongside, not in conflict with, the regulatory responsibilities of the FCC.

Mr. Chairman, this bill is an experiment. No one knows for sure what the outcome will be as we enter the 21st century telecommunications world. I ask for an "aye" vote.

Mr. CONYERS. Mr. Chairman, I yield 45 seconds to the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Chairman, I thank the gentleman and rise in support of the Conyers amendment.

This amendment will protect consumers of the long-distance market from potential anticompetitive conduct by Bell companies which currently monopolize local telephone service, but without the consuming bureaucratic requirements unfairly tying up the Bell companies. An active Department of Justice role will not delay a Bell entry into the market because the Justice Department would be required to reach its decision within 3 months.

Because the Conyers amendment is a balanced amendment designed to protect America's consumers from the dangers of anticompetitive conduct, Mr. Chairman, I urge my colleagues to vote "yes" on the Conyers amendment. It is in the best interest of the consumer.

Mr. CONYERS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Ohio [Ms. KAPTUR].

Ms. KAPTUR. Mr. Chairman, I rise in strong support of the Conyers amendment to referee the gigantic money interests who have their hands in the pockets of the American people.

There has been enough money spent on lobbying this bill to sink a battleship.

I wish to insert in the RECORD a partial list of what over $40 million in lobbying contributions has bought. I leave it to the American people to make their own judgments. This bill is living proof of what unlimited money can do to buy influence and the Congress of the United States.

POLITICAL CONTRIBUTIONS BY REGIONAL BELL OPERATING COMPANIES [RBOC] HARD MONEY PAC CONTRIBUTIONS TO MEMBERS OF CONGRESS YEAR TO DATE 1995[1]

	Democrats	Republicans
Ameritech	38,950	113,588
Bell Atlantic	2,100	12,466
Pacific Telesis	10,500	27,949
Southwestern Bell	29,600	48,200
Partial total YTD	78,150	202,203

[1] Several of the RBOC's have chosen to report their contributions less frequently than once a month, as the law allows. Figures are not available for Bellsouth, NYNEX, or U.S. West.

POLITICAL CONTRIBUTIONS BY REGIONAL BELL OPERATING COMPANIES [RBOC] SOFT MONEY FIRST QUARTER 1995

Name	Democratic	Republican
Ameritech	250	0
Bell Atlantic	3,000	25,000
BellSouth	0	15,000
Nynex	20,000	25,000
Southwestern Bell	0	0
Pacific Telesis	250	22,000
US West	0	15,000
Total	23,500	122,000

[Excerpts from Common Cause newsletter, June 5, 1995]

"ROBBER BARONS OF THE '90s"

Telecommunications industries, which stand to gain billions of dollars from the congressional overhaul of telecommunications policy, have used $39,557,588 in political contributions during the past decade to aid their fight for less regulation and greater profits, according to a Common Cause study released today.

The four major telecommunications industries involved in this legislative battle—local telephone services, long distance service providers, broadcasters and cable interests—contributed $30.9 million in political action committee (PAC) funds to congressional candidates, and $8.6 million in soft money to Democratic and Republican national party committees, during the period January 1985 through December 1994, the Common Cause study found.

Top telecommunications industry PAC and soft money contributors, 1985–1994

AT&T	$6,523,445
BellSouth Corp	2,928,673
GTE Corp	2,899,056
Natl Cable Television Assn	2,211,214
Ameritech Corp	1,936,899
Pacific Telesis	1,742,512
US West	1,666,920
Natl Assn Of Broadcasters	1,629,988
Bell Atlantic	1,559,011
Sprint	1,531,596

"A strong case can be made that the war over telecommunications reform has done more to line the pockets of lobbyist and lawmakers than any other issue in the past decade."—Kirk Victor, National Journal

Among the key findings of the Common Cause study:

Local telephone services made $17.3 million in political contributions during the past decade. Long distance providers gave $9.5 million in political contributions; cable television interests gave $8 million; and broadcasters gave $4.7 million.

The biggest single telecommunications industry donation came from Tele-Communications Inc, the country's biggest cable company. The company gave a $200,000 soft money contribution to the Republican National Committee five days before the last November's elections.

Telecommunication PACs were especially generous to members of two key committees that recently passed bills to rewrite telecommunication regulations. House Commerce Committee members received, on average, more than $65,000 each from telecommunications PACs; Senate Commerce Committee members received, on average, more than $107,000 each.

Two-thirds of House freshmen received PAC contributions from telecommunications interests immediately following their November election wins. Between November 9 and December 31, 1994, telecommunications PACs gave new Representatives-elect a total $115,500.

In January, top executives of telecommunications companies that gave a total $23.5 million in political contributions during the past decade were invited to closed-door meetings with Republican members of the House Commerce Committee. Consumer and rate-payer groups—who were not major political donors—were not invited to the special meetings.

Lobbyists for the telecommunications industry represent a wide array of Washington insiders. For example, former Reagan and Bush Administration officials represent long distance providers, while a former Clinton official represents local telephone interests. Lobbying on behalf of broadcast interests are former aids to both Republican and Democratic Members of Congress.

In addition to their political contributions during the past decade, telecommunications interests contributed $221,000 in soft money to the Republican National Committee during the first three months of 1995. (Democratic National Committee soft money information for the first six months of 1995 will be available in July.)

HOUSE COMMERCE COMMITTEE MEMBERS RECEIVE ON AVERAGE $65,000 EACH FROM TELECOM PACS—DOUBLE THE HOUSE AVERAGE

Telecommunications industry lobbyists "have seldom met more receptive lawmakers," than the members of the House Commerce Committee.—The New York Times

Telecommunications industry Pacs gave a total $6,676,147 in contributions to current Senators during the past decade, an average $66,761 per Senator, according to the Common Cause study.

SENATE COMMERCE COMMITTEE MEMBERS RECEIVE ON AVERAGE $107,000 EACH FROM TELECOM PACS

The Common Cause study found that members of the Senate Commerce, Science and Transportation Committee received nearly twice as much PAC money on average from telecommunications interests during the past decade as other Senators—an average of $107,730 compared to $57,152 received by Senators not on the committee.

"ROBBER BARONS OF THE '90S"

"By and large, the public is not represented by the lawyers and the lobbyists in Washington. The few public advocates are overwhelmed financially. It's all very fine to say that you are in favor of competition. I am. The Administration is. Congress is. But competition won't give you everything the country needs from communications companies. We've got to be able to stand up to business on certain occasions and say, 'It's not just about competition, it's about the public interest.'"—Reed Hundt, Federal Communications Commission Chair as quoted in The New Yorker

Mr. CONYERS. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Michigan [Miss COLLINS].

Miss COLLINS of Michigan. Mr. Chairman, I rise in strong support of the Conyers amendment and urge my colleagues to adopt it.

Many have argued during this debate that we must deregulate the telecommunications industry, and by eliminating any role for the Department of Justice in determining Regional Bell operating company entry into long distance, we are working toward and goal. Well I think you are making a terrible mistake if you confuse forbidding the proper anti-trust role of the Department of Justice with deregulation.

The Republicans in this body should recall it was under the Reagan administration that the Department of Justice broke up the Bell system over a decade ago. That decision has been an undisputed success. Without the role played by the Department of Justice, consumers would still be renting large rotary black phones and paying too much for long distance services. The Department of Justice actions promoted competition, not regulation.

Without the Department of Justice role, we can expect those communication's attorneys to be in court, fighting endless anti-trust battles. The role we give the Department of Justice in this amendment will make it less likely that we will end up back in court, and the Department will ensure that anti-trust violations would be minimal, prior to the decision granting a Bell operating company the ability to offer long distance service.

Calling this amendment regulatory, is doing a disservice to the potential for true deregulation—which is full competition in all markets. The structure provided by the Department of Justice ensures that the markets will develop quickly, and with less litigation.

Mr. Chairman, I urge my colleagues to support this amendment. I yield back the balance of my time.

Mr. CONYERS. Mr. Chairman, I yield 30 seconds to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, this bill has been described as a clash between the super rich and the super wealthy. That Is unquestionably true, but in the clash of these titans, the question is, who stands for the American public?

The answer to that question is, without the Conyers amendment, no one. The American people stand naked before the potential excesses of these giants unless we have some protection from them offered by the Justice Department.

There is an incredibly high standard in this bill, Mr. Chairman. There must be a dangerous probability of substantially impeding justice before the Justice Department comes in. Let us pass the Conyers amendment and protect the American people.

Mr. CONYERS. Mr. Chairman, I yield 30 seconds to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Chairman, I thank the gentleman from Michigan [Mr. CONYERS] for yielding the time.

The FCC is essentially the agency that would be able to consult with the Department of Justice under the manager's mark that we passed this morning. But when we talk about going from a monopoly industry, which telecom was after 1934, to a competition-based industry, the competition agency, those who keep the rule, those who decide if there is a dangerous probability, if those gigantic billionaires players are being fair, is the Department of Justice.

Mr. Chairman, I simply say that the Conyers amendment makes sure that fairness is done, that the referee is in place. I urge my colleagues to support the Conyers amendment.

Mr. BLILEY. Mr. Chairman, I yield 2½ minutes to the gentleman from Ohio [Mr. OXLEY] for purposes of closing the debate on our side.

Mr. OXLEY. Mr. Chairman, I rise in opposition to the Conyers amendment. This bill in all of its forms does not repeal the Sherman Act. We have had the Sherman Act for over 100 years.

It does not repeal the Clayton Act passed in 1914. Anticompetitive behavior will be reviewed by the Justice Department, whether it is the telecommunications industry or whether it is the trucking industry or any other kind of industry that we are talking about. The Justice Department is not going away.

What we are trying to do, Mr. Chairman, or what the Conyers amendment seeks to do, is basically replace one court with another, except a different standard.

This amendment guts the underlying concept of this bill, which is pure competition, and the idea to get Congress back into the decisionmaking process. How long do we have to have telecommunications policy made by an unelected Federal judge who has no accountability to anyone; when are we going to get back to providing the kind of responsible decisionmaking that we are elected to do?

Mr. Chairman, I suggest to my colleagues that the underlying bill provides that kind of ability and accountability for the duly elected representatives of the people.

This amendment creates needless bureaucracy by having not one, but two Federal agencies review the issue of Bell Co. entry into long distance. The purpose of this legislation is to create conditions for a competitive market and get the heavy hand of Government regulation out of the way. This Conyers amendment is inconsistent with that purpose.

Mr. Chairman, this is a huge opportunity to provide competitive forces in the marketplace away from Government. If we believe that competition and not bureaucracy is the answer to modernizing our telecommunications policy, to providing more choice in the marketplace, to providing lower prices, to making America the most competitive telecommunications industry in the entire world, we will vote against the Conyers amendment and support the underlying bill.

Mr. Chairman, I ask my colleagues to join me in opposition to the Conyers amendment.

The CHAIRMAN. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. CONYERS], as modified.

The question was taken; and the chairman announced that the ayes appeared to have it.

Mr. BLILEY. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Michigan [Mr. CONYERS], as modified, will be postponed until after the vote on amendment 2-4 to be offered by the gentleman from Massachusetts [Mr. MARKEY].

It is now in order to consider the amendment, No. 2-3, printed in part 2 of House Report 104-223.

AMENDMENT OFFERED BY MR. COX OF CALIFORNIA

Mr. COX of California. Mr. Chairman, I offer an amendment numbered 2-3.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment number 2-3 offered by Mr. COX of California:'

Page 78, before line 18, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 104. ONLINE FAMILY EMPOWERMENT.

Title II of the Communications Act of 1934 (47 U.S.C. 201 et seq.) is amended by adding at the end the following new section:

"SEC. PROTECTION FOR PRIVATE BLOCKING AND SCREENING OF OFFENSIVE MATERIAL; FCC REGULATION OF COMPUTER SERVICES PROHIBITED.

"(a) FINDINGS.—The Congress finds the following:

"(1) The rapidly developing array of Internet and other interactive computer services available to individual Americans represent an extraordinary advance in the availability of educational and informational resources to our citizens.

"(2) These services offer users a great degree of control over the information that they receive, as well as the potential for even greater control in the future as technology develops.

"(3) The Internet and other interactive computer services offer a forum for a true diversity of political discourse, unique opportunities for cultural development, and myriad avenues for intellectual activity.

"(4) The Internet and other interactive computer services have flourished, to the benefit of all Americans, with a minimum of government regulation.

"(5) Increasingly Americans are relying on interactive media for a variety of political, educational, cultural, and entertainment services.

"(b) POLICY.—It is the policy of the United States to—

"(1) promote the continued development of the Internet and other interactive computer services and other interactive media;

"(2) preserve the vibrant and competitive free market that presently exists for the Internet and other interactive computer services, unfettered by State or Federal regulation;

"(3) encourage the development of technologies which maximize user control over the information received by individuals, families, and schools who use the Internet and other interactive computer services;

"(4) remove disincentives for the development and utilization of blocking and filtering technologies that empower parents to restrict their children's access to objectionable or inappropriate online material; and

"(5) ensure vigorous enforcement of criminal laws to deter and punish trafficking in obscenity, stalking, and harassment by means of computer.

"(c) PROTECTION FOR 'GOOD SAMARITAN' BLOCKING AND SCREENING OF OFFENSIVE MATERIAL.—No provider or user of interactive computer services shall be treated as the publisher or speaker of any information provided by an information content provider. No provider or user of interactive computer services shall be held liable on account of—

"(1) any action voluntarily taken in good faith to restrict access to material that the provider or user considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, or otherwise objectionable, whether or not such material is constitutionally protected; or

"(2) any action taken to make available to information content providers or others the technical means to restrict access to material described in paragraph (1).

"(d) FCC REGULATION OF THE INTERNET AND OTHER INTERACTIVE COMPUTER SERVICES PROHIBITED.—Nothing in this Act shall be construed to grant any jurisdiction or authority to the Commission with respect to content or any other regulation of the Internet or other interactive computer services.

"(e) EFFECT ON OTHER LAWS.—

"(1) NO EFFECT ON CRIMINAL LAW.—Nothing in this section shall be construed to impair the enforcement of section 223 of this Act, chapter 71 (relating to obscenity) or 110 (relating to sexual exploitation of children) of title 18, United States Code, or any other Federal criminal statute.

"(2) NO EFFECT ON INTELLECTUAL PROPERTY LAW.—Nothing in this section shall be construed to limit or expand any law pertaining to intellectual property.

"(3) IN GENERAL.—Nothing in this section shall be construed to prevent any State from enforcing any State law that is consistent with this section.

"(f) DEFINITIONS.—As used in this section:

"(1) INTERNET.—The term 'Internet' means the international computer network of both Federal and non-Federal interoperable packet switched data networks.

"(2) INTERACTIVE COMPUTER SERVICE.—The term 'interactive computer service' means any information service that provides computer access to multiple users via modem to a remote computer server, including specifically a service that provides access to the Internet.

"(3) INFORMATION CONTENT PROVIDER.—The term 'information content provider' means any person or entity that is responsible, in whole or in part, for the creation or development of information provided by the Internet or any other interactive computer service, including any person or entity that creates or develops blocking or screening software or other techniques to permit user control over offensive material.

"(4) INFORMATION SERVICE.—The term 'information service' means the offering of a capability for generating, acquiring, storing, transforming, processing, retrieving, utilizing, or making available information via telecommunications, and includes electronic publishing, but does not include any use of any such capability for the management, control, or operation of a telecommunications system or the management of a telecommunications service.".

The CHAIRMAN. Pursuant to the rule, the gentleman from California [Mr. COX] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes. Who seeks time in opposition?

PARLIAMENTARY INQUIRY

Mr. COX of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COX of California. Mr. Chairman, given that no Member has risen in opposition, would the Chair entertain a unanimous-consent request?

The CHAIRMAN. If no Member seeks time in opposition, by unanimous consent another Member may be recognized for the other 10 minutes, or the gentleman may have the other 10 minutes.

Let me put the question again: Is there any Member in the Chamber who wishes to claim the time in opposition?

If not, is there a unanimous-consent request for the other 10 minutes?

Mr. WYDEN. There is, Mr. Chairman. Although I am not in opposition to this amendment, I would ask unanimous consent to have the extra time because of the many Members who would like to speak on it.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. COX] will be recognized for 10 minutes, and the gentleman from Oregon [Mr. WYDEN] will be recognized for 10 minutes.

The Chair recognizes the gentleman from California [Mr. COX].

Mr. COX of California. Mr. Chairman, I wish to begin by thanking my colleague, the gentleman from Oregon [Mr. WYDEN], who has worked so hard and so diligently on this effort with all of our colleagues.

We are talking about the Internet now, not about telephones, not about television or radios, not about cable TV, not about broadcasting, but in technological terms and historical terms, an absolutely brand-new technology.

The Internet is a fascinating place and many of us have recently become acquainted with all that it holds for us in terms of education and political discourse.

We want to make sure that everyone in America has an open invitation and feels welcome to participate in the Internet. But as you know, there is some reason for people to be wary because, as a Time Magazine cover story recently highlighted, there is in this vast world of computer information, a literal computer library, some offensive material, some things in the bookstore, if you will, that our children ought not to see.

As the parent of two, I want to make sure that my children have access to this future and that I do not have to worry about what they might be running into on line. I would like to keep that out of my house and off of my computer. How should we do this?

Some have suggested, Mr. Chairman, that we take the Federal Communications Commission and turn it into the Federal Computer Commission, that we hire even more bureaucrats and more regulators who will attempt, either civilly or criminally, to punish people by catching them in the act of putting something into cyberspace.

Frankly, there is just too much going on on the Internet for that to be effective. No matter how big the army of bureaucrats, it is not going to protect my kids because I do not think the Federal Government will get there in time. Certainly, criminal enforcement of our obscenity laws as an adjunct is a useful way of punishing the truly guilty.

Mr. Chairman, what we want are results. We want to make sure we do something that actually works. Ironically, the existing legal system provides a massive disincentive for the people who might best help us control the Internet to do so.

I will give you two quick examples: A Federal court in New York, in a case involving CompuServe, one of our online service providers, held that CompuServe would not be liable in a defamation case because it was not the publisher or editor of the material. It just let everything come onto your computer without, in any way, trying to screen it or control it.

But another New York court, the New York Supreme Court, held that Prodigy, CompuServe's competitor, could be held liable in a $200 million defamation case because someone had posted on one of their bulletin boards, a financial bulletin board, some remarks that apparently were untrue about an investment bank, that the investment bank would go out of business and was run by crooks.

Prodigy said, "No, no; just like CompuServe, we did not control or edit that information, nor could we, frankly. We have over 60,000 of these messages each day, we have over 2 million subscribers, and so you cannot proceed with this kind of a case against us."

The court said, "No, no, no, no, you are different; you are different than CompuServe because you are a family-friendly network. You advertise yourself as such. You employ screening and blocking software that keeps obscenity off of your network. You have people who are hired to exercise an emergency delete function to keep that kind of material away from your subscribers. You don't permit nudity on your system. You have content guidelines. You, therefore, are going to face higher, stricker liability because you tried to exercise some control over offensive material."

□ 1015

Mr. Chairman, that is backward. We want to encourage people like Prodigy, like CompuServe, like America Online, like the new Microsoft network, to do everything possible for us, the customer, to help us control, at the portals of our computer, at the front door of our house, what comes in and what our children see. This technology is very quickly becoming available, and in fact every one of us will be able to tailor what we see to our own tastes.

We can go much further, Mr. Chairman, than blocking obscenity or indecency, whatever that means in its loose interpretations. We can keep away from our children things not only prohibited by law, but prohibited by parents. That is where we should be headed, and that is what the gentleman from Oregon [Mr. WYDEN] and I are doing.

Mr. Chairman, our amendment will do two basic things: First, it will protect computer Good Samaritans, online service providers, anyone who provides a front end to the Internet, let us say, who takes steps to screen indecency and offensive material for their customers. It will protect them from taking on liability such as occurred in the Prodigy case in New York that they should not face for helping us and for helping us solve this problem. Second, it will establish as the policy of the United States that we do not wish to have content regulation by the Federal Government of what is on the Internet, that we do not wish to have a Federal Computer Commission with an army of bureaucrats regulating the Internet because frankly the Internet has grown up to be what it is without that kind of help from the Government. In this fashion we can encourage what is right now the most energetic technological revolution that any of us has ever witnessed. We can make it better. We can make sure that it operates more quickly to solve our problem of keeping pornography away from our kids, keeping offensive material away from our kids, and I am very excited about it.

There are other ways to address this problem, some of which run head-on into our approach. About those let me simply say that there is a well-known road paved with good intentions. We all know where it leads. The message today should be from this Congress we embrace this new technology, we welcome the opportunity for education and political discourse that it offers for all of us. We want to help it along this time by saying Government is going to get out of the way and let parents and individuals control it rather than Government doing that job for us.

Mr. Chairman, I reserve the balance of my time.

Mr. WYDEN. Mr. Chairman, I rise to speak on behalf of the Cox-Wyden amendment. In beginning, I want to thank the gentleman from California [Mr. COX] for the chance to work with him. I think we all come here because we are most interested in policy issues, and the opportunity I have had to work with the gentleman from California has really been a special pleasure, and I want to thank him for it. I also want to thank the gentleman from Michigan [Mr. DINGELL], our ranking minority member, for the many courtesies he has shown, along with the gentleman from Massachusetts [Mr. MARKEY], and, as always, the gentleman from Virginia [Mr. BLILEY] and the gentleman from Texas [Mr. FIELDS] have been very helpful and cooperative on this effort.

Mr. Chairman and colleagues, the Internet is the shining star of the information age, and Government censors must not be allowed to spoil its promise. We are all against smut and pornography, and, as the parents of two small computer-literate children, my wife and I have seen our kids find their way into these chat rooms that make their middle-aged parents cringe. So let us all stipulate right at the outset the importance of protecting our kids and going to the issue of the best way to do it.

The gentleman from California [Mr. COX] and I are here to say that we believe that parents and families are better suited to guard the portals of cyberspace and protect our children than our Government bureaucrats. Parents can get relief now from the smut on the Internet by making a quick trip to the neighborhood computer store where they can purchase reasonably priced software that blocks out the pornography on the Internet. I brought some of this technology to the floor, a couple of the products that are reasonably priced and available, simply to make clear to our colleagues that it is possible for our parents now to child-proof the family computer with these products available in the private sector.

Now what the gentleman from California [Mr. COX] and I have proposed does stand in sharp contrast to the work of the other body. They seek there to try to put in place the Government rather than the private sector about this task of trying to define indecent communications and protecting our kids. In my view that approach, the approach of the other body, will essentially involve the Federal Government spending vast sums of money trying to define elusive terms that are going to lead to a flood of legal challenges while our kids are unprotected. The fact of the matter is that the

Internet operates worldwide, and not even a Federal Internet censorship army would give our Government the power to keep offensive material out of the hands of children who use the new interactive media, and I would say to my colleagues that, if there is this kind of Federal Internet censorship army that somehow the other body seems to favor, it is going to make the Keystone Cops look like crackerjack crime-fighter.

Mr. Chairman, the new media is simply different. We have the opportunity to build a 21st century policy for the Internet employing the technologies and the creativity designed by the private sector.

I hope my colleagues will support the amendment offered by gentleman from California [Mr. Cox] and myself, and I reserve the balance of my time.

Mr. COX of California. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. Barton].

Mr. BARTON of Texas. Mr. Chairman, Members of the House, this is a very good amendment. There is no question that we are having an explosion of information on the emerging superhighway. Unfortunately part of that information is of a nature that we do not think would be suitable for our children to see on our PC screens in our homes.

Mr. Chairman, the gentleman from Oregon [Mr. Wyden] and the gentleman from California [Mr. Cox] have worked hard to put together a reasonable way to provide those providers of the information to help them self-regulate themselves without penalty of law. I think it is a much better approach than the approach that has been taken in the Senate by the Exon amendment. I would hope that we would support this version in our bill in the House and then try to get the House-Senate conference to adopt the Cox-Wyden language.

So, Mr. Chairman, it is a good piece of legislation, a good amendment, and I hope we can pass it unanimously in the body.

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentlewoman from Missouri [Ms. Danner] who has also worked hard in this area.

Ms. DANNER. Mr. Chairman, I wish to engage the gentleman from Oregon [Mr. Wyden] in a brief colloquy.

Mr. Chairman, I strongly support the gentleman's efforts, as well as those of the gentleman from California [Mr. Cox], to address the problem of children having untraceable access through on-line computer services to inappropriate and obscene pornographic materials available on the Internet.

Telephone companies must inform us as to whom our long distance calls are made. I believe that if computer online services were to include itemized billing, it would be a practical solution which would inform parents as to what materials their children are accessing on the Internet.

It is my hope and understanding that we can work together in pursuing technology based solutions to the problems we face in dealing with controlling the transfer of obscene materials in cyberspace.

Mr. WYDEN. Mr. Chairman, will the gentlewoman yield?

Ms. DANNER. I yield to the gentleman from Oregon.

Mr. WYDEN. Mr. Chairman, I thank my colleague for her comments, and we will certainly take this up with some of the private-sector firms that are working in this area.

Mr. COX of California. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. White].

Mr. WHITE. Mr. Chairman, I would like to point out to the House that, as my colleagues know, this is a very important issue for me, not only because of our district, but because I have got four small children at home. I got them from age 3 to 11, and I can tell my colleagues I get E-mails on a regular basis from my 11-year-old, and my 9-year-old spends a lot of time surfing the Internet on America Online. This is an important issue to me. I want to be sure we can protect them from the wrong influences on the Internet.

But I have got to tell my colleagues, Mr. Chairman, the last person I want making that decision is the Federal Government. In my district right now there are people developing technology that will allow a parent to sit down and program the Internet to provide just the kind of materials that they want their child to see. That is where this responsibility should be, in the hands of the parent.

That is why I was proud to cosponsor this bill, that is what this bill does, and I urge my colleagues to pass it.

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Ms. Lofgren].

Ms. LOFGREN. Mr. Chairman, I will bet that there are not very many parts of the country where Senator Exon's amendment has been on the front page of the newspaper practically every day, but that is the case in Silicon Valley. I think that is because so many of us got on the Internet early and really understand the technology, and I surf the Net with my 10-year-old and 13-year-old, and I am also concerned about pornography. In fact, earlier this year I offered a life sentence for the creators of child pornography, but Senator Exon's approach is not the right way. Really it is like saying that the mailman is going to be liable when he delivers a plain brown envelope for what is inside it. It will not work. It is a misunderstanding of the technology. The private sector is out giving parents the tools that they have. I am so excited that there is more coming on. I very much endorse the Cox-Wyden amendment, and I would urge its approval so that we preserve the first amendment and open systems on the Net.

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentleman from Virginia [Mr. Goodlatte].

Mr. GOODLATTE. Mr. Chairman, I thank the gentleman from Oregon [Mr. Wyden] for yielding this time to me, and I rise in strong support of the Cox-Wyden amendment. This will help to solve a very serious problem as we enter into the Internet age. We have the opportunity for every household in America, every family in America, soon to be able to have access to places like the Library of Congress, to have access to other major libraries of the world, universities, major publishers of information, news sources. There is no way that any of those entities, like Prodigy, can take the responsibility to edit out information that is going to be coming in to them from all manner of sources onto their bulletin board. We are talking about something that is far larger than our daily newspaper. We are talking about something that is going to be thousands of pages of information every day, and to have that imposition imposed on them is wrong. This will cure that problem, and I urge the Members to support the amendment.

□ 1030

Mr. WYDEN. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. Markey], the ranking member of the subcommittee.

Mr. MARKEY. Mr. Chairman, I want to congratulate the gentleman from Oregon and the gentleman from California for their amendment. It is a significant improvement over the approach of the Senator from Nebraska, Senator Exon.

This deals with the reality that the Internet is international, it is computer-based, it has a completely different history and future than anything that we have known thus far, and I support the language. It deals with the content concerns which the gentlemen from Oregon and California have raised.

Mr. Chairman, the only reservation which I would have is that they add in not only content but also any other type of registration. I think in an era of convergence of technologies where telephone and cable may converge with the Internet at some point and some ways it is important for us to ensure that we will have an opportunity down the line to look at those issues, and my hope is that in the conference committee we will be able to sort those out.

Mr. WYDEN. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. Fields].

Mr. FIELDS of Texas. Mr. Chairman, I just want to take the time to thank him and also the gentleman from California for this fine work. This is a very sensitive area, very complex area, but it is a very important area for the American public, and I just wanted to congratulate him and the gentleman from California on how they worked together in a bipartisan fashion.

Mr. WYDEN. Mr. Chairman, I yield myself such time as I may consume. I thank the gentleman for his kindness.

Mr. Chairman, in conclusion, let me say that the reason that this approach rather than the Senate approach is important is our plan allows us to help American families today.

Under our approach and the speed at which these technologies are advancing, the marketplace is going to give parents the tools they need while the Federal Communications Commission is out there cranking out rules about proposed rulemaking programs. Their approach is going to set back the effort to help our families. Our approach allows us to help American families today.

Mr. COX of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to respond briefly to the important point in this bill that prohibits the FCC from regulating the Internet. Price regulation is at one with usage of the Internet.

We want to make sure that the complicated way that the Internet sends a document to your computer, splitting it up into packets, sending it through myriad computers around the world before it reaches your desk is eventually grasped by technology so that we can price it, and we can price ration usage on the Internet so more and more people can use it without overcrowding it.

If we regulate the Internet at the FCC, that will freeze or at least slow down technology. It will threaten the future of the Internet. That is why it is so important that we not have a Federal computer commission do that.

Mr. GOODLATTE. Mr. Chairman, Congress has a responsibility to help encourage the private sector to protect our children from being exposed to obscene and indecent material on the Internet. Most parents aren't around all day to monitor what their kids are pulling up on the net, and in fact, parents have a hard time keeping up with their kids' abilities to surf cyberspace. Parents need some help and the Cox-Wyden amendment provides it.

The Cox-Wyden amendment is a thoughtful approach to keep smut off the net without government censorship.

We have been told it is technologically impossible for interactive service providers to guarantee that no subscriber posts indecent material on their bulletin board services. But that doesn't mean that providers should not be given incentives to police the use of their systems. And software and other measures are available to help screen out this material.

Currently, however, there is a tremendous disincentive for online service providers to create family friendly services by detecting and removing objectionable content. These providers face the risk of increased liability where they take reasonable steps to police their systems. A New York judge recently sent the online services the message to stop policing by ruling that Prodigy was subject to a $200 million libel suit simply because it did exercise some control over profanity and indecent material.

The Cox-Wyden amendment removes the liability of providers such as Prodigy who currently make a good faith effort to edit the smut from their systems. It also encourages the online services industry to develop new technology, such as blocking software, to empower parents to monitor and control the information their kids can access. And, it is important to note that under this amendment existing laws prohibiting the transmission of child pornography and obscenity will continue to be enforced.

The Cox-Wyden amendment empowers parents without Federal regulation. It allows parents to make the important decisions with regard to what their children can access, not the government. It doesn't violate free speech or the right of adults to communicate with each other. That's the right approach and I urge my colleagues to support this amendment.

The CHAIRMAN. All time on this amendment has expired.

The question is on the amendment offered by the gentleman from California [Mr. COX].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. COX of California. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from California [Mr. COX] will be postponed until after the vote on amendment 2–4 to be offered by the gentleman from Massachusetts [Mr. MARKEY].

It is now in order to consider amendment No. 2–4 printed in part 2 of House Report 104–223.

AMENDMENT NO. 2–4 OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment, numbered 2–4.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MARKEY of Massachusetts: page 126, after line 16, insert the following new subsection (and redesignate the succeeding subsections and accordingly):

(f) STANDARD FOR UNREASONABLE RATES FOR CABLE PROGRAMMING SERVICES.—Section 623(c)(2) of the Act (47 U.S.C. 543(c)) is amended to read as follows:

"(2) STANDARD FOR UNREASONABLE RATES.—The Commission may only consider a rate for cable programming services to be unreasonable if such rate has increased since June 1, 1995, determined on a per-channel basis, by a percentage that exceeds the percentage increase in the Consumer Price Index for All Urban Consumers (as determined by the Department of Labor) since such date.".

Page 127, line 4, strike "or 5 percent" and all that follows through "greater," on line 6.

Page 129, strike lines 16 through 21 and insert the following:

"(d) UNIFORM RATE STRUCTURE.—A cable operator shall have a uniform rate structure throughout its franchise area for the provision of cable services.".

Page 130, line 16, insert "and" after the semicolon, and strike line 20 and all that follows through line 2 on page 131 and insert the following:

"directly to subscribers in the franchise area and such franchise area is also served by an unaffiliated cable system.".

Page 131, strike line 6 and all that follows through line 21, and insert the following:

"(m) SMALL CABLE SYSTEMS.—

"(1) SMALL CABLE SYSTEM RELIEF.—A small cable system shall not be subject to subsections (a), (b), (c), or (d) in any franchise area with respect to the provision of cable programming services, or a basic service tier where such tier was the only tier offered in such area on December 31, 1994.

"(2) DEFINITION OF SMALL CABLE SYSTEM.—For purposes of this subsection, 'small cable system' means a cable system that—

"(A) directly or through an affiliate, serves in the aggregate fewer than 250,000 cable subscribers in the United States; and

"(B) directly serves fewer than 10,000 cable subscribers in its franchise area.".

The CHAIRMAN. Pursuant to the rule, the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

Does the gentleman from Virginia [Mr. BLILEY] seek the time in opposition?

Mr. BLILEY. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] will be recognized for 15 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I yield myself at this point 3 minutes.

Mr. Chairman, the consumers of America should be placed upon red alert. We now reach an issue which I think every person in America can understand who has even held a remote control clicker in their hands.

The bill that we are now considering deregulates all cable rates over the next 15 months. But for rural America, rural America, the 30 percent of America that considers itself to the rural, their rates are deregulated upon enactment of this bill.

Now, the proponents are going to tell you, do not worry, there is going to be plenty of competition in cable. That will keep rates down. For those of you in rural America, ask yourself this question: In two months do you think there will be a second cable company in your town? Because if there is not a second cable company in your town, your rates are going up because your cable company, as a monopoly, will be able to go back to the same practices which they engaged in up to 1992 when finally we began to put controls on this rapid increase two and three and four times the rate of inflation of cable rates across this country.

The gentleman from Connecticut [Mr. SHAYS] and I have an amendment that is being considered right now on the floor of Congress which will give you your one shot at protecting our cable ratepayers against rate shock this year and next across this country, whether you be rural or urban or suburban.

We received a missive today from the Governor of New Jersey, Christine Whitman. She wants an aye vote on the Markey-Shays bill. Christine Whitman. She does not want her cable rates to go up because she knows, and she says it right here, there is no competition on the horizon for most of America.

So this amendment is the most important consumer protection vote which you will be taking in this bill and one of the two or three most important this year in the U.S. Congress.

Make no mistake about it. There will be no competition for most of America. There will be no control on rates going up, and you will have to explain why, as part of a telecommunications bill that was supposed to reduce rates, you allowed for monopolies, monopolies in 97 percent of the communities in America to once again go back to their old practices.

Mr. BLILEY. Mr. Chairman, I yield myself 1 minute.

The Markey amendment, Mr. Chairman, tracks the disastrous course of the 1992 cable law by requiring the cable companies to jump through regulatory hoops to escape the burdensome rules imposed on them after the law was enacted.

The Markey amendment fails to take into account the changing competitive video marketplace that has evolved in the last 2 years. Direct broadcast satellite has taken off, particularly in rural areas, and there will be nearly 5-million subscribers by the end of the year. With the equipment costs now being folded into the monthly charge for this service, this competitive technology will explode in the next few years.

The telephone industry will be permitted to offer cable on the date of enactment and will provide formidable competition immediately. There are numerous market and technical trials going on now to ramp up to that competition.

The Markey amendment turns back the clock. It seeks to continue the government regulation and micromanagement that has unfairly burdened the industry over the past several years.

Vote "no" on Markey and duplicate the Senate, they overwhelmingly voted it down over there.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Chairman, it's Christmas in August in Washington. On the surface, the Communications Act of 1995 looks like a Christmas gift to the people and the communications industries. You've heard the buzz words: competition, lower rates, and more choices. But a closer look reveals another story.

While the cable provisions in the bill will give a sweet gift to the cable industry, the American consumer, and especially those in rural America, will wake up on Christmas morning to nothing more than less competition, higher cable rates, and less choice.

The bill as it stands immediately deregulates rate controls on small cable systems—those which serve an average of almost 30 percent of cable subscribers in America and account for at least 70 percent of all cable systems. This bill discourages competition in these markets because it deregulates these cable companies regardless of whether they face substantial competition in the marketplace.

In some cases, the bill immediately removes cable rate controls for systems serving over 50 percent of subscribers. In my home State of Tennessee, cable systems reaching more than 30 percent of subscribers, or 348,027 subscribers, would see immediate deregulation, and these subscribers would see nothing but higher rates and no choice.

That's the reason I am proud to support the Markey-Shays cable amendment to the Communications Act of 1995. This amendment would protect consumers from cable price-gouging by keeping rate regulations on small cable companies until effective cable competition in the marketplace offers consumers a choice.

I urge my colleagues to support this amendment. Otherwise, Congress will give their constituents a Christmas gift they will not forget.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Chairman, I rise in strong opposition to this amendment. When we reregulated cable 3 years ago, I was absolutely opposed to that. I voted against it in subcommittee, I voted against it in full committee, and I voted against it on the floor, and I voted to sustain the President's veto when he tried to veto the legislation.

We do not need to be regulating cable rates. Cable is not a necessity. The Federal Government has absolutely no right to be setting prices for cable television. The amendment that is before us would do that.

We have wisely in the legislation deregulated 90 percent of the cable industry. We should keep the bill as it is, we should vote against the Markey amendment.

I would vote against it two times, three times, four times if I had the constitutional authority to do so, but I am going to vote against it once.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Chairman, I want to thank the gentleman from Massachusetts [Mr. MARKEY] for the good work that he has done on behalf of the consumers of America.

Mr. Chairman, I rise in support of the Markey-Shays amendment for the simple reason that I do not want to return to the days when the cable companies of this country were increasing their prices at three times the rate of inflation while dramatically reducing their services.

Since the passage of the 1992 Cable Act, the American consumer has finally seen relief in the form of significantly reduced cable rates. In my district alone, millions of dollars have been saved by cable subscribers. But the bill we are debating here this morning would severely threaten the consumer protection that was established by the 1992 act.

In its current form, H.R. 1555 would abolish FCC regulation of cable systems thereby allowing cable companies to once again raise rates arbitrarily. It would open a window of opportunity for cable owners to cash in one last time at the expense of the American consumer. We cannot allow this to happen.

The Markey-Shays amendment would continue FCC regulation of cable systems until effective competition is established. It is a proconsumer amendment that would protect millions of Americans from an unnecessary rate hike and I strongly urge its passage.

□ 1045

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. NORWOOD].

Mr. NORWOOD. Mr. Chairman, I thank the distinguished chairman for yielding me this time.

Mr. Chairman, the Markey cable amendment embodies all that is wrong with Government regulation. It sets prices for a private industry, cable television. It lowers the threshold for price controls to systems with 10,000 or fewer subscribers. It lowers the complaint threshold from 5 percent of subscribers to 10—yes 10, individual subscribers—to which the FCC can respond with a rate review. Mr. Chairman, I have seen the amount of paperwork a cable operator can be asked to provide the FCC in response to a complaint. It is absolutely unbelievable. And this amendment would make it more likely that cable operators would have to fill out these massive forms for the FCC. H.R. 1555 promotes deregulation and competition in all telecommunications industries, including cable. Mr. Chairman, I strongly urge my colleagues to reject this effort at price control and regulation of the cable industry.

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise in strong support of the Markey-Shays amendment to protect Americans from unaffordable cable rate increases.

Cable rates hit home with consumers in Connecticut and across the country. That is why the only bill Congress passed over President Bush's veto was the 1992 Cable Act to keep TV rates down. Now is not the time to backtrack on that progress.

We would all like to see competition pushing cable rates down, but the telecommunications bill before us will remove protections against price increases before there is any guarantee of competition. Under this bill, every time you hit the clicker, it might as well sound like a cash register recording the higher costs viewers will face. Consumer groups estimate that this bill will raise rates for popular channels such as CNN and ESPN by an average of $5 per month.

The Markey-Shays amendment will protect television viewers from unreasonable rate increases until there truly is competition in the cable TV market. The amendment will also retain important safeguard that protect the right of consumers to protest unreasonable rate hikes.

I urge my colleagues to support the Markey-Shays amendment so that hard-working Americans will not be priced out of the growing information age.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. TAUZIN], a member of the committee.

Mr. TAUZIN. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in opposition to the Markey amendment. In 1992 we fought a royal battle on the floor of this House, a battle designed clearly to begin the process of creating competition in the cable programming marketplace. The problem in 1992 was not the lack of Government regulation, although that contributed to the problem in 1992. The problem was that because cable monopoly companies vertically integrated, controlled by the programming and the distribution of cable programming, cable companies could decide not to let competition happen. They could refuse to sell to direct broadcast satellite, they could refuse to sell to microwave systems, they could refuse to sell to alternative cable systems. The result was competition was stifled. The demand rose in this House for reregulation.

The good news is that in 1992, despite a veto by the President, this House and the other body overrode that veto, adopted the Tauzin program access provision to the cable bill, and created, for the first time in this marketplace, real competition.

Mr. Chairman, are you not excited by those direct broadcast television ads you see on television, where you see a direct satellite now beaming to a dish no bigger than this to homes 150 channels with incredible programming? Are you not excited in rural America that you have an alternative to the cable, or, where you do not have a cable, you now have program access? Are you not excited when microwave systems are announced in your community and when you hear the telephone company will soon be in the cable business?

That is competition. Competition regulates the marketplace much better than the schemes of mice and men here in Washington, DC.

Consumers choosing between competitive offerings, consumers choosing the same products offered by different suppliers, in different stores, in the same town. Keep prices down, keep service up. Competition, yes; reregulation, no.

Mr. MARKEY. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SHAYS], the cosponsor of the amendment.

Mr. SHAYS. Mr. Chairman, competition, yes. Competition, yes. But now we do not have competition. Ninety-seven percent of all systems do not have competition. And this bill, unamended, allows for those companies, most of them, nearly 50 percent of them, to be deregulated.

We say yes, we are going to allow the small companies to be deregulated, the small ones, under 600,000 subscribers. Six hundred thousand subscribers is small? That system is worth $1.2 billion.

We do not have competition now. Deregulate when you have competition. There are 97 percent of the systems that do not have competition. The whole point here is to make sure that companies that are not competing, that have a monopoly, are not allowed to set monopolistic prices.

One of the reasons why we overrode the President's veto, 70 of us on the Republican side, we recognized that consumers were paying monopolistic prices. Deregulate when you have competition. The bill in 1992 said when you had competition, there would not be regulation. The reason why we have regulation is these are monopolies.

I know Members have not had a lot of sleep, but I hope the staff that is listening will tell their Members that we are going to deregulate these companies and they are going to set monopolistic prices, and they are going to come to their Congressman and say, "Why did you vote to deregulate a monopoly?"

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. MANTON], a member of the committee.

Mr. MANTON. Mr. Chairman, I rise in opposition to the Markey amendment.

I thank the gentleman for yielding me this time and would like to take this opportunity to commend him for his fine work on this legislation.

Mr. Chairman, the cable television industry is poised to compete with local telephone companies in offering consumers advanced communications services. Yet to make that happen, we must relax burdensome and unwarranted regulations that are choking the ability of the cable industry to invest in the new technology and services that will allow them to compete.

The proponents of the Markey amendment said in 1992 that rate regulation was a placeholder until competition arrived in the video marketplace.

Well, that competition is here. Today, cable television is being challenged by an aggressive and burgeoning direct broadcast satellite industry and other wireless video services. And with the enactment of H.R. 1555, the Nation's telephone companies, will be permitted to offer video services directly to the consumer.

Mr. Chairman, it is also important for my colleagues to understand what H.R. 1555 does not do. It does not repeal the 1992 Cable Act. Cities will retain the authority to regulate rates for basic cable services and to impose stringent customer service standards. H.R. 1555 does not alter the program access, must carry or retransmission consent provisions of the 1992 Cable Act.

Quite modestly, H.R. 1555 will end rate regulation of expanded basic cable entertainment programming 15 months after the enactment of the legislation, plenty of time for the telcos to get into the video business.

Mr. Chairman, cable programming is an enormously popular and valuable service in the world of video entertainment. But just because it's good and people like it, doesn't mean the Federal Government should regulate it.

I urge my colleagues to reject the Markey amendment.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. DEUTSCH], a member of the committee.

Mr. DEUTSCH. Mr. Chairman, I would like to thank the chairman of the committee for yielding me this time.

Mr. Chairman, the crux of this issue is, is there competition in this industry at this time on the issues of this amendment? I think the answer to that is that there is.

Let us be very specific about what the amendment does. The amendment would keep regulation on nonbasic services. Basic service would continue regulation beyond the 15-month period. For nonbasic service, for HBO, Cinemax, and things like that.

There is competition today in just about any place in this country, and I know for a fact in my community you can buy a minisatellite dish. You can go to Blockbuster Video and rent a video. Many people choose that. Cable passes 97 percent of the homes in this country, yet only 60 percent of those homes choose to purchase cable systems.

What this bill does is it gives an opportunity for this country to enter a new age, an age for competition throughout our telecommunications. The major opportunity is there for the phone systems for competition through the cable system.

Again, in my own area of south Florida, cable systems are actively marketing competition in commercial lines, today, against phone systems. That is something they want to do in the short term, tomorrow.

If this bill has any chance of creating this synergism, the new technologies, the things that will be available that are beyond our imagination, the opportunity of cable systems to be part of that competition is a necessary component.

If we can think back 15 years ago when none of us could have imagined the change in the technologies that have evolved, this is a case of hope versus fear.

Mr. Chairman, I urge the defeat of the Markey amendment.

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I thank the gentleman very much for yielding me time.

Mr. Chairman, I rise with great excitement about the technology that is offered through this cable miracle. I only hope that the consumers can be excited as well. I stand here before you as a former chairperson of a local municipality's cable-TV committee, and I realize that basic rates have been regulated. But maybe the reason why so many do not opt in for cable TV is because of the rates on the other services.

So I think the Markey-Shays amendment is right on the mark. It acknowledges the technology, but it also comes squarely down for competition, and it responds to the needs of consumers in keeping the lid on what is a privilege held by the cable companies. It is a privilege to be in the cable TV business. It is big business. It is going to be more big business in the 21st century, and I encourage that. But at the same time, I think it is very important to have a system that provides for the regulation of rates so that we can have greater access to cable by our schools, for our public institutions, and, yes, for our citizens in urban and rural America. The rates are already too high!

Mr. Chairman, this amendment also allows the subscriber to more easily make complaints to the FCC. The real issue is to come down on the side of the consumer and to come down on the side of viable competition. Support the Markey-Shays amendment.

Mr. Chairman, I rise in support of the Markey-Shays amendment to H.R. 1555 because it provides reasonable and structured plan for deregulating cable rates for an existing cable system until a telephone company is providing competing services in the area.

This amendment is critically important because in many areas of the country, one cable company already has a monopoly on cable services. I am sure that many of my colleagues can attest to the complaints by constituents with respect to high rates and inadequate service when no competition exists in the local cable market.

This amendment is also necessary because it would eliminate rate regulation for many small cable systems with less than 10,000 subscribers in a franchise area and less than 250,000 subscribers nationwide.

Finally, this amendment provides an opportunity for consumers to petition the FCC to review rates if 10 subscribers complain as opposed to the bill's requirement that 5 percent of the subscribers must complain in order to trigger a review by the FCC.

I urge my colleagues to support true competition in the cable market by voting in favor of the Markey-Shays amendment.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, while I applaud the leadership of the gentleman from Massachusetts [Mr. MARKEY], incredible leadership on telecommunications issues, I must oppose this amendment, because Federal regulation of cable which began in 1993 has not worked. Regulation has resulted in the decline of cable television programming and hurt the industry's ability to invest in technology that is going to improve information services to all Americans.

□ 1100

Because cable companies have information lines in home, cable has the potential to offer our constituents a choice in how to receive information. Cable systems pass over 96 percent of American homes with cables that carry up to 900 times as much information as the local phone company's wires.

Extensive regulations prevent the cable industry from raising the capital needed to make the billion dollar investments needed to upgrade their systems. Cable's high capacity systems can ultimately deliver virtually every type of communications service conceivable, allow consumers to choose between competing providers, voice, video, and data services.

I urge a "no" vote on this amendment.

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. DINGELL], the ranking member of the Committee on Commerce.

Mr. DINGELL. Mr. Chairman, I rise in support of the amendment.

While many of us differ about parts of the bill, one thing is clear. H.R. 1555 deregulates cable before consumers have a competitive authorization alternative. The provisions of the bill very simply see to it, first of all, that so-called small systems are deregulated immediately and define a small system as one which has 600,000 subscribers. That is a market the size of the city of Las Vegas. So there is nothing small about those who will be deregulated immediately.

Beyond this, the provision will deregulate cable rates for more than 16 million households, nearly 30 percent of the total cable households in America, and it will do so at the end of the time it takes the President to sign this.

The bill will deregulate all cable rates in Alaska immediately, and more than 61 percent of rates in Georgia, and the rates of better than half of the subscribers in Arkansas, Maine, North Dakota, South Dakota, Minnesota, Nevada, and other States.

But there is more. This bill will deregulate by the calendar. What happens is that at the end of 15 months, whether there is competition in place or not, deregulation occurs. At that point, what protection will exist for the consumers of cable services in this country who do not have competition?

This amendment returns us to the rather sensible approach which we had when we passed the Cable Regulation Act some 2 years ago. It provides protection for the consumers. I urge my colleagues to support the amendment.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. OXLEY], a member of the committee.

Mr. OXLEY. Mr. Chairman, since the passage of the 1992 Cable Act, the PCC staff has increased some 30 percent, making it one of the largest growing Federal bureaucracies in Washington. Most of the growth is due to the creation of the Cable Services Bureau.

Listen to this: When established, the Cable Service Bureau has a staff of 59. Since the passage of the Cable Act of 1992, it has increased and has quadrupled in size. The 1995 cable services budget stands at $186 million, a 35-percent increase from the Cable Act.

We do not need more bureaucrats telling the American public what they can and cannot pay for MTV and other cable services. It seems to me that the potential is clearly there for more and more competition. If we get bureaucracy in the way of competition, the bureaucracy always wins. It is important to understand the negative effects of the Cable Act of 1992. This amendment would exacerbate the terrible things that have happened since 1992.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, we gave away cable franchises in the early 1970s and made millionaires out of cable franchise owners. In 1984, we deregulated and made billionaires out of these organizations.

The argument that since deregulation bad things have happened to cable is simply not true. Their revenues have grown from 17 billion in 1990 to 25 billion in 1995. Their subscribers have grown from 54 million to 61 million during that same time period. Cable companies are making money. They are presently without competition. We should deregulate when we have competition, not before. That is the crux of this argument.

Mr. BLILEY. Mr. Chairman, I yield 3½ minutes to the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, I rise in opposition to this amendment and in support of H.R. 1555.

In 1992, I voted against the cable act because it was unjustified and would slow the growth of a dynamic industry. In fact, the 1992 act stifled the cable industry's ability to upgrade its plants, deploy new technology and add new channels. It also put several program networks out of business and delayed the launch of many other networks in this country.

Without some changes to the cable act, Congress will delay the introduction of new technologies and services to the consumer and will jeopardize the growth of competition in the telecommunications industry.

The Markey-Shays amendment should be rejected for two reasons: First, it looks to the past; second, it is bad policy.

H.R. 1555 is looking to the future. It will establish new competition between multiple service providers offering consumers greater choices, better quality and fairer prices.

The Markey-Shays amendment is based on outdated market conditions from the 1980's, and it seeks to shackle an industry that promises to deliver every conceivable information age service as well as local phone service.

The proposed amendment represents a last ditch effort to keep in place a failed system of regulation that has no place in the marketplace today.

The gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Connecticut [Mr. SHAYS] have argued that without their amendment cable prices would jump significantly and without justification. This simply is not true.

First, for most cable systems, the vast majority of cable subscribers rate regulations will remain in place for 15 months after 1,555 is enacted. This will provide ample time for more competition to develop. Competition, not extensive Federal regulation, is the best way to constrain prices that we have today.

Second, the sponsors of the pending cable rate amendment have overstated the history of cable prices after deregulation. For example, Mr. MARKEY has repeatedly cited a GAO statistic which suggests that cable rates tripled between deregulation in the mid 1980s and reregulation in 1992. What he ignores is that the number of channels offered by the cable system has also tripled.

As this chart very well explains it, back in the deregulation era, here we had between 1986, 58 cents per channel. And as you go to 11/91, 58 cents per channel. No changes.

The chart demonstrates the average cost of cable television. It remained constant over the particular time. And I would just say, by tying future cable rates to CPI, as the gentleman from Massachusetts [Mr. MARKEY] and the gentleman from Connecticut [Mr. SHAYS] are proposing, Congress will choke off the explosion of services and programs to our consumers. The time for total deregulation is there; 13 hundred pages of FCC regulations and 220 bureaucrats are running this system, the cable bureau in this country under FCC. It is harming consumers by delaying introduction of new technology and services. Such regulations will also impede the cable industry's ability to offer other consumer advantages in this market.

I would just say that if we really want cable to be a part of this whole information highway, defeat the Markey-Shays amendment.

Mr. MARKEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we are now 3 minutes from casting the one vote that every consumer in America is going to understand. They may appreciate that you are going to give them the ability to have one more long distance company out there, but they have already, in fact, enjoy dozens of long distance companies in America. But every cable consumer in America knows that in their hometown there is only one cable company, and the telephone company is not coming to town soon.

Under Shays-Markey, when the telephone company comes to town, no more regulation. What the bill says right now is, even if the telephone company does not come to town, the cable companies can tip you upside down and shake your money out of your pockets.

So you answer this question: When cable rates go from $25 a month to $35 a month, every month, are you going to be able to explain that there is competition arriving in 3 or 4 years?

Keep rate controls until the telephone company shows up in town, then complete deregulation. That is what this bill is all about, competition. When the telephone company begins to compete, if it ever does, no rate control. But until they get there, every community in America for all intents and purposes is a cable monopoly. They are going right back to the same practices once you pass this bill.

Support the Shays-Markey amendment. Protect cable consumers until competition arrives.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] has 1 half minute to close.

Mr. BLILEY. Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. FIELDS].

Mr. FIELDS of Texas. Mr. Chairman, this is a reregulatory dinosaur. Basic cable rates continue to be regulated under this bill.

We deregulate expanded basic in 15 months, when telephone will be competing with cable. But very importantly, in terms of competition with telephone companies, the only competitor in the residential marketplace will be the cable company. If you place regulations on cable, they will not be able to roll out the services so they can truly compete with telephone, which is what we want. It is a desired consumer benefit.

Mr. Chairman, I rise in opposition to the Markey cable re-regulation amendment. Today, we will hear from my friend from Massachusetts that there is not enough competition in the cable services arena and, therefore cable should not be deregulated. So one might ask, why would we want to limit one industry and place regulations which will prohibit cable from competing with the others?

The checklist in title 1 envisions a facilities-based competitor which will provide the consumer with an alternative in local phone service. The cable companies are ready to be that competitor; however, they cannot fully participate in the deployment of an alternative system if they must operate under the burdensome regulations imposed by the 1992 cable act. The truth is that cable companies are facing true competition. With the deployment of direct broadcast satellite systems and telephone entry into cable, the competitors have come.

H.R. 1555 takes a moderate approach toward deregulating cable. The basic tier remains regulated because that has become a lifeline service. The upper tiers, which are purely entertainment, are reregulated because consumers have a choice in that area.

We should not be picking favorites by keeping some sectors of the industry under regulations. It is time to allow everyone to compete fairly and without Government interference. I strongly urge my colleagues to oppose this amendment.

STATEMENT ON MUST CARRY/ADVANCED SPECTRUM

Section 336(b)(3) of the Communications Act, added by section 301 of the bill, makes clear that ancillary and supplemental services offered on designated frequencies are not entitled to must carry. It is not the intent of this provision to confer must carry status on advanced television or other video services offered on designated frequencies. Under the 1992 Cable Act, that issue is to be the subject of a Commission proceeding under section 614(b)(4)(B).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARKEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MARKEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Pursuant to the rule, the Chair announces that it will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device will be taken on each amendment on which the Chair has postponed further proceedings. This is a 15-minute vote.

The vote was taken by electronic device, and there were—ayes 148, noes 275, not voting 11, as follows:

[Roll No. 628]

AYES—148

Abercrombie
Baesler
Barcia
Barrett (WI)
Becerra
Beilenson
Bereuter
Bishop
Boehlert
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bunning
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
DeFazio
DeLauro
Dellums
Dingell
Doyle
Duncan
Durbin
Engel
Evans
Farr
Fattah
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Franks (NJ)
Furse
Gejdenson
Gilman
Gonzalez
Gordon
Green
Gutierrez
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Horn
Hyde
Jackson-Lee
Jacobs
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Leach
Levin
Lewis (GA)
Lipinski
Lowey
Luther
Maloney
Markey
Mascara
McCarthy
McDermott
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Minge
Mink
Mollohan
Moran
Morella
Murtha
Nadler
Neal
Nussle
Oberstar
Obey
Olver
Owens
Pallone
Payne (NJ)
Pomeroy
Porter
Poshard
Rahall
Reed
Regula
Rivers
Roemer
Rogers
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schumer
Scott
Serrano
Shays
Skelton
Slaughter
Stark
Stokes
Studds
Stupak
Tanner
Thompson
Torres
Torricelli
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Weldon (PA)
Wise
Woolsey
Wyden
Wynn
Yates

NOES—275

Ackerman
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bentsen
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bonior
Bono
Brewster
Browder
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Fawell
Fazio
Fields (TX)
Flake
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hoyer
Hunter
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Lofgren
Longley
Lucas
Manton
Manzullo
Martinez
Martini
Matsui
McCollum
McCrery
McDade
McHale
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Mineta
Molinari
Montgomery
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Rangel
Richardson
Riggs
Roberts
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Schaefer
Schiff
Schroeder
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Towns
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (FL)
Zeliff
Zimmer

NOT VOTING—11

Andrews
Bateman
Coburn
Hutchinson
Moakley
Ortiz
Reynolds
Scarborough
Thurman
Williams
Young (AK)

☐ 1133

Messrs. MONTGOMERY, MARTINEZ, PAYNE of New Jersey, and BEVILL changed their vote from "aye" to "no."

Mrs. MEEK of Florida and Mr. HASTINGS of Florida changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to the rule, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 2-1 offered by the gentleman from Michigan [Mr. STUPAK], Amendment No. 2-2 as modified, offered by the gentleman from Michigan [Mr. CONYERS], and Amendment No. 2-3 offered by the gentleman from California [Mr. COX].

AMENDMENT NO. 2-1 OFFERED BY MR. STUPAK

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Michigan [Mr. STUPAK] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 338, noes 86, not voting 10, as follows:

[Roll No. 629]

AYES—338

Abercrombie
Ackerman
Armey
Baesler
Baker (LA)
Baldacci
Barcia
Barr
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilirakis
Bishop
Blute
Boehlert
Bonilla
Bonior
Borski
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Burton
Calvert
Camp
Canady
Cardin
Chambliss
Chapman
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooley
Costello
Coyne
Cramer
Crane
Cubin
Cunningham
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Frank (MA)
Frelinghuysen
Frost
Funderburk
Furse
Gallegly
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hoyer
Hunter
Hyde
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
Kingston
Kleczka
Klink
Klug
Knollenberg
LaFalce
LaHood
Lantos

LaTourette
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Lofgren
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McDade
McDermott
McHale
McHugh
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Nussle
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornton
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Volkmer
Waldholtz
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zeliff

NOES—86

Allard
Archer
Bachus
Baker (CA)
Ballenger
Barrett (NE)
Bilbray
Bliley
Boehner
Bono
Boucher
Bunn
Bunning
Burr
Buyer
Callahan
Castle
Chabot
Chenoweth
Christensen
Coleman
Combest
Cox
Crapo
Cremeans
Deal
DeLay
Deutsch
Dickey
Ewing
Fields (TX)
Fox
Franks (CT)
Franks (NJ)
Frisa
Ganske
Gillmor
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hefley
Herger
Hostettler
Houghton
Inglis
King
Kolbe
Largent
Latham
Laughlin
Lazio
Leach
Lewis (CA)
Livingston
LoBiondo
Longley
McCrery
McInnis
Metcalf
Mica
Norwood
Oxley
Packard
Parker
Paxon
Rogers
Rohrabacher
Royce
Schaefer
Shadegg
Skeen
Souder
Stump
Talent
Tate
Thornberry
Vucanovich
Walker
Weller
White
Whitfield
Wicker
Zimmer

NOT VOTING—10

Andrews
Bateman
Hutchinson
Moakley
Ortiz
Reynolds
Scarborough
Thurman
Williams
Young (AK)

□ 1142

Mr. FOX of Pennsylvania and Mr. SHADEGG changed their vote from "aye" to "no."

Messrs. ROBERTS, QUINN, and BILIRAKIS, and Mrs. SMITH of Washington changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT NO. 2–2, AS MODIFIED, OFFERED BY MR. CONYERS

The CHAIRMAN. The pending business is the demand for a recorded vote on amendment 2–2. as modified, offered by the gentleman from Michigan [Mr. CONYERS] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 151, noes 271, not voting 12, as follows:

[Roll No. 630]

AYES—151

Abercrombie
Ackerman
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bono
Borski
Brown (CA)
Bryant (TX)
Bunn
Canady
Cardin
Chabot
Chapman
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cooley
Costello
Coyne
Cremeans
Cunningham
Danner
DeFazio
DeLauro
Dellums
Dixon
Doggett
Durbin
Edwards
Evans
Farr
Fawell
Fazio
Filner
Flake
Foglietta
Ford
Frost
Furse
Gejdenson
Gekas
Gephardt
Gibbons
Gonzalez
Goss
Green
Gutierrez
Hall (OH)
Heineman
Hinchey
Hobson
Holden
Hostettler
Hoyer
Hyde
Jackson-Lee
Jacobs
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kasich
Kildee
Kleczka
Klink
Knollenberg
LaFalce
Lantos
LaTourette
Leach
Levin
Lewis (KY)
Lipinski
Lofgren
Luther
Martinez
Matsui
McCarthy
McCollum
McDermott
McHale
Meyers
Mfume
Miller (CA)
Mineta
Mink
Myers
Nadler
Neumann
Norwood
Oberstar
Obey
Olver
Orton
Owens
Pastor
Payne (NJ)
Pomeroy
Poshard
Quillen
Ramstad
Rangel
Reed
Richardson
Rivers
Rogers
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Skelton
Slaughter
Smith (MI)
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Thomas
Thornton
Torres
Torricelli
Traficant
Tucker
Velazquez
Vento
Volkmer
Waters
Watt (NC)
Waxman
Whitfield
Woolsey
Wyden
Yates

NOES—271

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Boucher
Brewster
Browder
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Castle
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cox
Cramer
Crane
Crapo
Cubin
Davis
de la Garza
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Everett
Ewing
Fattah
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Herger
Hilleary
Hilliard
Hoekstra
Hoke
Horn
Houghton
Hunter
Inglis
Istook
Jefferson
Johnson (CT)
Johnson, Sam
Jones
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kim
King
Kingston
Klug
Kolbe
LaHood
Largent
Latham
Laughlin
Lazio
Lewis (CA)
Lewis (GA)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Longley
Lowey
Lucas
Maloney
Manton
Manzullo
Markey
Martini
Mascara
McCrery
McDade
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Mica
Miller (FL)
Minge
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myrick
Neal
Nethercutt
Ney
Nussle
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quinn
Radanovich
Rahall
Regula
Riggs
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Schaefer
Seastrand
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornberry
Tiahrt
Torkildsen
Towns
Upton
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Wicker
Wilson
Wise
Wolf
Wynn
Young (FL)
Zeliff
Zimmer

NOT VOTING—12

Andrews
Bateman
Bishop
Hutchinson
McHugh
Moakley
Ortiz
Reynolds
Scarborough
Thurman
Williams
Young (AK)

☐ 1150

So the amendment, as modified, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. COX OF CALIFORNIA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from California [Mr. COX] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 420, noes 4, not voting 10, as follows:

[Roll No. 631]

AYES—420

Abercrombie
Ackerman
Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Woolsey
Wyden
Wynn
Yates
Young (FL)
Zeliff
Zimmer

NOES—4

Hunter
Smith (NJ)
Souder
Wolf

NOT VOTING—10

Andrews
Bateman
Moakley
Nethercutt
Ortiz
Reynolds
Scarborough
Thurman
Williams
Young (AK)

☐ 1156

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. NETHERCUTT. Mr. Chairman, I was not recorded on rollcall vote No. 631. The RECORD should reflect that I would have voted "aye."

AMENDMENT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MARKEY: Page 150, beginning on line 24, strike paragraph (1) through line 17 on page 151 and insert the following:

"(1) NATIONAL AUDIENCE REACH LIMITATIONS.—The Commission shall prohibit a person or entity from obtaining any license if such license would result in such person or entity directly or indirectly owning, operating, controlling, or having a cognizable interest in, television stations which have an aggregate national audience reach exceeding 35 percent. Within 3 years after such date of enactment, the Commission shall conduct a study on the operation of this paragraph and submit a report to the Congress on the development of competition in the television marketplace and the need for any revisions to or elimination of this paragraph."

Page 150, line 4, strike "(a) AMENDMENT.—".

Page 150, line 9, after "section," insert "and consistent with section 613(a) of this Act,".

Page 154, strike lines 9 and 10.

The CHAIRMAN. Under the rule, the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 15 minutes, and a Member in opposition will be recognized for 15 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment which we are now considering addresses one of the most fundamental changes which has ever been contemplated in the history of our country. The bill, as it is presented to the floor, repeals for all intents and purposes all the cross-ownership rules, all of the ownership limitation rules, which have existed since the 1970's, the 1960's, to protect against single companies being able to control all of the media in individual communities and across the country.

☐ 1200

In this bill it is made permissible for one company in your hometown to own the only newspaper, to own the cable system, to own every AM station, to own every FM station, to own the biggest television station and to own the biggest independent station, all in one community. That is too much media concentration for any one company to have in any city in the United States.

This amendment deals with a slice of that. The amendment to deal with all of it was not put in order by the Committee on Rules when it was requested as an amendment, but it does deal with a part of it. It would put a limitation on how many television stations, CBS, ABC, NBC, and Fox could own across our country, how many local TV stations, and whether or not in partnership with cable companies individual TV stations being owned by cable companies at the local level could partner to create absolutely impossible obstacles for the other local television broadcasters to overcome.

Who do we have supporting our amendment? We have just about every local CBS, ABC, and NBC affiliate in the United States that supports this amendment. We do not have ABC, CBS, and NBC in New York because they want to gobble up all the rest of America. This would be unhealthy, it would run contrary to American traditons of localism and diversity that have many voices, especially those at the local level that can serve as well as a national voice but with a balance.

Vote for the Markey amendment to keep limits on whether or not the national networks can gobble up the whole rest of the country and whether or not in individual cities and towns cable companies can purchase the biggest TV station or the biggest TV station can purchase the cable company and create an absolute block on other stations having the same access to viewers, having the same ability to get their point of view out as does that cable broadcasting combination in your hometown.

Mr. Chairman, I reserve the balance of my time.

Mr. BLILEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise in opposition to the amendment of the gentleman from Massachusetts [Mr. MARKEY] restricting the national ownership limitations on television stations to 35 percent of an aggregate national audience reach.

The gentleman's amendment would limit the ability of broadcast stations to compete effectively in a multichannel environment. Indeed, the Federal Communications Commission on this issue in its further notice of proposed rulemaking issued this year, the FCC noted that group ownership does not, I repeat does not result in a decrease in viewpoint diversity. According to the FCC the evidence suggests the opposite.

Mr. Chairman, I ask the Members to look at their own broadcast situation. Who owns your local ABC, NBC, CBS affiliate? Is it local? I venture to say that 90 percent of us the answer is no, they are owned by somebody else out of town. So it is a nonissue.

As to what the gentleman says about cross ownership and saturation, I invite the Members to read page 153 of the bill. The commission may deny the application if the commission determines that the combination of such station and more than one other nonbroadcast media of mass communication and would result in a undue concentration of media voices in the respective local market. This amendment is not needed. Vote it down.

Mr. Chairman, I rise in opposition to Mr. MARKEY'S amendment restricting the national ownership limitations on telephone stations to 35 percent of an aggregate national audience reach. Mr. MARKEY'S amendment would limit the ability of broadcast stations to compete effectively in a multichannel environment. Mr. MARKKEY'S amendment would limit the ability of broadcast stations to compete effectively in the multichannel environment. Mr. MARKEY defends the retention of an arbitrary limitation in the name of localism and diversity. The evidence, however, does not support his claim.

I would simply refer Mr. MARKEY to the findings of the Federal Communications Commission on this issue in its further notice of proposed rulemaking issued this year. The FCC noted that group ownership does not result in a decrease in viewpoint diversity. According to the FCC, the evidence suggests the opposite, that group television station owners generally allow local managers to make editorial and reporting decisions autonomously. Contrary to Mr. MARKEY'S suggestion that relaxation of these limits are anticompetitive, the FCC has found that in today's markets, common ownership of larger numbers of broadcast stations nationwide, or of more than one station in the market, will permit exploitation of economies of scale and reduce costs and permit improved service.

Finally, I would note that in its notice of proposed rulemaking, the FCC questioned whether an increase in concentration nationally has any effect on diversity or the local market. Most local stations are not local at all, but are run from headquarters found outside the State in which the TV station is located. Moreover, many local stations are affiliated with networks. As a result, even though these stations are not commonly owned, they air the identical programming for a large portion of the broadcast day irrespective of the national ownership limits.

For these reasons, the amendment proposed by Mr. MARKEY is anticompetitive and I strongly urge my colleagues to oppose his amendment.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, it goes without saying that media is a major force in our society. Some people even blame our crime problems, our moral decay on the media. Now, I am not willing to go that far, but I am concerned about putting the control of our ideas and messages in the hands of fewer and fewer people in this country.

Right now the national audience capture is 25 percent. That seems appropriate to me in light of the fact that there is no network that reaches 25 percent, but certainly 35 percent is a reasonable compromise. There is no reason to double the concentration to 50 percent. I think 35 percent is certainly appropriate.

We talk about small business. Mr. Chairman, this bill goes in the exact opposite direction. Even big businesses may not be able to get into the market if we pass this legislation. It is clearly a barrier to market interests. In fact, 10 years ago if this bill had been in place Fox television probably could not have gotten started. It represents a threat to local broadcast decisions. Please vote with the Markey amendment.

Mr. FIELDS of Texas. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Chairman, I rise in strong opposition to the Markey amendment.

The rules regulating broadcasters were written in the 1950's. but the world for which those broadcast provisions were necessary doesn't exist anymore. It's gone. Most of us have recognized that fact and bidden it a fond farewell.

But not the supporters of this amendment. They would take the U.S. broadcasting industry back to the days of the 1950's. This amendment would ensure that while every other industry in America surges ahead, U.S. broadcasters remain mired in rules written when the slide rule was still state-of-the-art technology.

We should be thankful that we didn't impose the same regulations on the computer industry as we have on the broadcast industry. If we had, we'd all still be using mechanical typewriters.

The Markey amendment is the equivalent of trying to stuff a full-grown man into boys clothes—they simply won't fit anymore. The broadcast industry has outgrown the rules written for it when it was still a child.

If I could direct your attention to the graph, you will see that to reach that 50 percent limit, one would have to buy a station in more than each of the top 25 markets out of the 211 television markets. That in itself is no small feat. But keep in mind the result: Broadcasters would own a mere 30 stations out of the 1,500 TV stations nationwide. Who has this money, the financing, for that would be mind boggling.

On the question of localism—it isn't lost. Networks and group-owned stations typically air more local coverage. Covering local news simply makes good business sense—give viewers what they want or go out of business. Business succeed by making people satisfied.

Opponents will also tell you we will lose diversity in the local market with this bill. That is simply not true. Just keep in mind the following:

The FCC can deny any combination if it will harm the preservation of diversity in the local market; and under no circumstance will the FCC allow less than three voices in a market.

We must reject this backward-looking amendment. We must reject the advice of the Rip Van Winkles of broadcasting who went to sleep in the 1950's and think we are still there.

If the supporters of this amendment had their way, smoke signals would still be cutting-edge technology.

The dire predictions about the harm of lifting broadcast restrictions remind me of Chicken Little's warning that the sky is falling. Ladies and gentlemen, the sky is not falling. Freeing broadcasters from outdated ownership rules will do us no harm. If I can steal from Shakespeare, the Markey amendment is "full of sound and fury, signifying nothing."

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Pittsburgh, PA [Mr. KLINK].

Mr. KLINK. Mr. Chairman, the Markey amendment is really very important to this bill. I will tell you that for us to have a free Nation, for people who are going to elect those of us who are their representatives in Government, they have to have different points of views.

I have had some experience in the broadcast industry for 24 years, and in fact I worked for Westinghouse, which is one of the companies who just this last week made national history in buying CBS, ABC is being bought by Disney.

I am talking to my colleagues in the business. They said, look, we are already merging news rooms. You have four or five different entities, radio and TV owned by Westinghouse and by CBS, we are merging news rooms, so before as a Member of Congress or as any public servant you may have three or four different people there gathering points of view you now have one.

So this is not a divergence of viewpoints. We are bringing all the viewpoints in there. We are creating information czars. We are creating a situation where a handful of people will in fact be able to control the opinions across this Nation, and what we are saying is, no, we do not want that, we want free broadcast, we want the broadcast signals which are owned by the people of this Nation, which are licensed by the FCC for these large corporations to broadcast on to continue.

I urge you to support the Markey amendment.

Mr. FIELDS of Texas. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. PAXON].

Mr. PAXON. Mr. Chairman, one of the major fallacies of Mr. MARKEY's arguments is that the broadcast ownership reform provisions will harm local ownership of broadcast stations.

There is an unfounded fear that networks or broadcasting groups will buy up local stations and drop local programming in favor of network programs or a bland, national fare—and that is just plain wrong.

First, under today's restrictive broadcast ownership provisions, 75 percent of television stations are owned by broadcast corporations, and of those companies, 90 percent are headquartered in States other than where their individual stations are located.

Second, networks cannot currently force an affiliate to air any specific network program. Local stations today enjoy the "right of refusal" which means they can air a local program instead of a network program. Nothing in H.R. 1555 will change this right of refusal.

Finally, and perhaps most important to broadcasters, is the fact that local programming is profitable. Good business sense dictates that broadcasters address the needs of the local community.

There will always be demand for local programming, especially local news, weather forecasts and traffic reports, since this is something that the networks just can't match.

In conclusion, we must also remember that H.R. 1555 does nothing to weaken existing antitrust laws regarding undue media concentration.

Mr. Chairman, I urge all of my colleagues to oppose the amendment by Mr. Markey.

The CHAIRMAN. The Committee will rise informally to receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. WALKER) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

□ 1213

COMMUNICATIONS ACT OF 1995

The Committee resumed its sitting.

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

□ 1215

Mr. MONTGOMERY. Mr. Chairman, I rise in support of the Markey-Klink-Montgomery amendment. This amendment blocks national networks from owning local TV stations to control 50 percent of all the viewing audience. This would be a terrible thing, Mr. Chairman, to let ABC, Disney, NBC, CBS, Fox, own more local TV stations.

The ABC affiliate in my hometown is privately owned. When violent programs are produced, the manager of this station will not show those violent programs. If this was a network-owned station, those programs would be shown.

Let us face it, Mr. Chairman: Companies like ABC, they have no respect for Members of Congress. Now, if you want the big networks in New York City to own your local station and beat up on Members of Congress, then you ought to vote against us. But if you want TV stations to stay in private ownership, then we ask for an "aye" vote on the Markey-Klink-Montgomery amendment.

Mr. FIELDS of Texas. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. FRISA].

Mr. FRISA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in strong opposition to this amendment, because, curiously, and we have not heard this yet, there is a special carve-out for those wonderful, warm, local hometown newspapers such as the Washington Post. The sponsor of the amendment did not tell us there is a special provision allowing the Washington Post to have cross-ownership. Also that other wonderful local hometown newspaper, that warm and fuzzy New York Times, gets a special carve-out in this amendment. We did not hear that from the sponsor of this measure as well.

This amendment is disingenuous. Localism will be dictated by the marketplace. A business entity will not be successful unless it appeals to each local market, to the folks next door. This amendment should be defeated because it does not tell it like it is, and I think it is high time the Government got out of the business of shackling the hands of competition.

Mr. MARKEY. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in strong support of the Markey amendment which would preserve cross-ownership restrictions on cable and broadcast television in local markets, as well as limit the percentage of viewers to which one media company could have access nationwide.

There's a single phrase that defines the unique character of American society and democracy. It's a phrase that we learn as children and carry with us every day, yet seldom pause to reflect upon: "E Pluribus Unum," or "Out of Many, One."

This phrase helps explain why the Markey amendment is so important.

It reminds us that America is not monolithic. We are a nation that draws its strength from diversity, that prides itself on pluralism, that relishes the free flow of ideas.

From the earliest days of the days of this country's existence, America has been a calliope of different voices, opinions, and convictions. We've revelled in our pluralism, encouraged robust debate, and fostered an aggressive national press to facilitate free speech.

Public debate is not necessarily convenient for governing, but it's essential for democracy. It allows us to consider all sides of an issue, make sound decisions, and move ahead as one nation with firmness and resolve.

"E Pluribus Unum." It's a promise that all points of view will be aired—a sign that democracy is alive and well in the United States.

The Markey amendment will ensure that many voices will continue to be heard in this Nation, that no one will be granted a monopoly on espousing ideas in our communities, that we will continue our proud tradition of vigorous public debate.

In short, the Markey amendment will help preserve the diversity of opinion that is so vital to American democracy.

Mr. Chairman, I urge my colleagues to support this legislation.

Mr. FIELDS of Texas. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. MANTON].

Mr. MANTON. Mr. Chairman, I thank the gentleman for yielding me time.

Mr. Chairman, I rise in opposition to the Markey amendment.

Mr. Chairman, the proponents of the Markey amendment continue to claim that the broadcast provisions of H.R. 1555 threaten diversity and localism, and will lead to an undue concentration of media power in the hands of a few corporations. These charges are simply untrue and unfounded.

H.R. 1555 simply allows one entity to compete in markets that reach up to 50 percent of all the viewers in the country. And in those markets they will be competing with other network-owned or affiliated stations, several independent television stations, up to 100 cable networks, direct broadcast satellites, and the telephone company's video platform.

That sounds like competition and diversity to me.

The contention that H.R. 1555 will harm localism is even more egregious. If that were true, localism would be at risk today. Seventy-five percent of the stations in the country are group owned. And more than 90 percent of those are owned by groups headquarted in cities other than where their stations are located.

Station managers provide local news and information programming because it affects their bottom line. The four major networks own and operate stations in New York City. Yet they are fiercely competitive in the area of local news, information and sports programming. The same is true across the country—no matter who owns the station. Because if they want to keep owning the station, they must provide quality local programming. Why? Because that is what the viewer demands.

Finally, despite the rhetoric you have heard today H.R. 1555 will not set the stage for one giant conglomerate to control all of the mass media outlets in a single market. The bill specifically bars the FCC from approving any acquisition that would result in fewer than three independent media voices in a market. I urge my colleagues to reject the Markey amendment.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. BRYANT].

Mr. BRYANT of Texas. Mr. Chairman, this is one area in which we do not need to argue about what would happen if we did not adopt the Markey amendment and left the bill as it is, because there was a time only about 25 years ago when that was the situation in America. What happened? There were not any rules, and we saw these enormous conglomerations of ownership of media arise all over the country.

The rules that the bill is trying to change were rules that came out of the early 1970's, under the Nixon-Ford administration. These were not some wild-eyed liberal scheme. They were designed to deal with the fact, and particularly the fact that in Atlanta, GA, one company owned every single type of news media.

I think it is astonishing that we Democrats complain about the way in which the national media ownership fosters violence on television, and you Republicans talk about how the liberal media is nothing but trouble, yet all at the same time both sides are busy trying to give the same guys that own all of these stations more and more power to own more and more and control more and more.

For goodness' sake, either we are both being hypocrites with our complaints, or else we should not be in favor of this bill unless it is amended. Vote for the Markey amendment and stick up for localism.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Chairman, I have to tell you that I think my colleague from Massachusetts has got half of this amendment right, and that if you look, we understood as a country there was a problem when oil companies controlled the oil fields and the refineries and the gas stations. That created a monopoly situation.

You have the same kind of potential, frankly, under the language under the bill itself, if you own TV production facilities, the network to distribute it, and, finally, the stations to broadcast it. I think the gentleman from Massachusetts [Mr. MARKEY] is correct, and we would be much better off with a provision in the bill that says 25 percent, not 50 percent, when it comes to station ownership.

But I have to tell you I think my colleagues has gone off the deep end in this bizarre firewall between cable TV stations and broadcast facilities. You can own a newspaper and a TV station presently, as the Milwaukee Journal and the Washington Post do; you can own a magazine and a TV station, as Post-Newsweek does; or you can own a radio station. In fact, you can own several radio stations in the same community and a television station. You can own a billboard company, a shopping magazine. You can own anything in the world except a cable television operation.

Cable is not evil. We should allow cable to compete. I urge the rejection of the Markey amendment.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. BURR].

Mr. BURR. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, for 7 months now, I have tried to be guided in this House by my belief that to complete the transition in this country that we needed to go through, we needed to strengthen the community. That we needed to rely on communities to step up and to become individually responsible for some of the problems that we have in this country.

In fact, as this bill is currently written, I believe that we threaten community values, that it undermines localism and the diversity in the local television markets. In fact, we do need to change the 25-percent law that currently stands on the book for ownership of network TV. But in fact, as it stands in this bill, Mr. Chairman, it will significantly reduce the availability of local programming in my district.

In my district alone, things that might be affected would include the Billy Graham Special, where networks may not see that as a replacement for their prime time viewers; or maybe the tribute to the late Jim Valvano, the great basketball coach from North Carolina State; and a tradition in the South, Christmas parades, local parades, not the Macy's Parade in New York; telethons, that have become a tremendous impetus behind the fundraisers for the United Negro College Fund; or started in Raleigh, NC, a program called Coats for Kids a telethon which raised $60,000 its first year; and the greatest love in the south, ACC basketball. Heaven forbid that would be banned because the national networks said you cannot preempt our programming.

While my colleagues on the other side of the aisle and I disagree, and we may argue about network ownership, the fact is we have to provide local programming. Vote to increase local ownership, but do not kill network programming. Vote for the Markey amendment.

Mr. MARKEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, I rise in support of the Markey amendment.

Mr. Chairman, I rise in support of the Markey-Shays amendment to retain regulation of cable rates until cable systems face actual competition.

Following defeat of the Conyers amendment to ward off concentration of competition-stifling economic power in the marketplace, the point we have reached in consideration of this legislation is very similar to where we were with airline deregulation in 1978. In the rush to deregulate aviation, Congress and the administration kept the Justice Department on the sidelines, in an advisory capacity to the Department of Transportation on antitrust and monopoly issues arising out of proposed airline mergers and acquisitions.

The result of this bifurcation of authority—the Justice Department making recommendations, but the DOT making the final decisions on antitrust matters—was that virtually no antitrust action was taken by either Department to sustain competition by preventing monopoly-producing mergers and acquisitions. Within 5 years of passage of the Airline Deregulation Act, there were 22 new entrants into air carrier competition; but, within 10 years, only 1 of those new competitors remained—all the others were either swallowed up by the major carriers, driven into bankruptcy, or reduced to a minor regional carrier status.

In the consideration of legislation to chart the future of the multibillion dollar telecommunications sector, we should learn the lessons of the past. We should not allow in this legislation the same opportunities for concentration of cable TV market power, rate gouging, and the potential for control of all news media in selected markets as we allowed for the airline industry to swallow up competition and create fortress hubs with such great economic power that they can deny market entry to any new potential competitor.

The Communications Act of 1934 clearly has been surpassed by both events and technology and needs to be updated. While technology has changed with astonishing rapidity, human nature has not changed. The 1934 act was more about constraining human avarice and the tendency of power to corrupt than it was about regulating technology.

We need to keep America on the cutting edge of technology; we need to assure that all regions of this country, small, rural communities, as well as major urban centers, can be connected to the entire world through fiber optic cable—the whole paraphernalia of cyberspace—so that anyone can set up business in a community as small as my hometown of Chisholm, MN, and have full access to the worldwide communications network.

The key to realizing that goal is to assure access for all people at affordable prices—and that means protection against the evils of monopolistic control of economic power in the marketplace, the central principle of the 1934 Communications Act.

The underlying principle of communications law has always been to assure universal access, diversity of technology, and local options. This bill, absent the Conyers amendment and the Markey-Shays amendment, will not have enough regulatory power to prevent either the long-distance companies, or the regional Bells from dominating markets in both the broadcast and cable media. This bill opens the way to rapid and massive media market domination by a few economic powerhouses who will quickly gain control of cross-media mergers.

I have great fear that, just as commercial aviation in the deregulation era has bypassed small communities, denying them even essential air service, the same small communities will be bypassed in the communications field, denied adequate universal service, or have to pay exorbitant fees for such service and, in fact, be isolated. Although the bill does include some exemptions for small phone and cable companies from competitive requirements. They are hardly sufficient to protect small rural communities from monopolistic practices. I have heard the appeals of small radio and cable TV stations, expressing the fear that they'll either be bought out or swamped by the competition and I concur with them.

Telecommunications technology is becoming one of the cornerstones of freedom of speech in our society. The information and access to the marketplace of ideas provided by telecommunications and the ability through it to conduct business, to enjoy entertainment anywhere, however remote in this country, is so crucial to a free society that, if we are going to tinker with the Communications Act, then we ought to do it right, rather than live to see monopolies dominate the marketplace of communication and regret today's legislative action.

My conclusion, Mr. Chairman, is that, absent the protections of the Conyers and Markey amendments, the effect of this bill will be monopolistic consolidation of economic power and technological control of the future of telecommunications, producing the very antithesis of a free and open society.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Chairman, I rise in strong support of the Markey amendment. In this bill, we have to be very, very careful, that while we open up competition on one hand, we do not shut down voices on the other hand. We all know that in America the people are supposed to be the ones who own the airwaves. But the faster we rush into this telecommunication age, the more we increase the chances that a few wealthy people will control everything that we read, that we hear, that we see, and that indeed is dangerous.

We have laws in this country that say no one person or company can own media outlets that reach more than 25 percent of the American public. We passed that law to promote the free exchange of ideas so no one person could monopolize the airwaves.

But the telecommunication bill as it is currently written changes all that. This bill would literally allow one person to own media outlets that reach 50 percent of the American households. Under this bill, one media mogul could control TV news stories, newspaper headlines, radio ads, cable systems, TV shows, and the information that reaches half of the American households. That is dangerous and it contradicts the very democratic principles that this Nation is based on. The gentleman from Massachusetts [Mr. MARKEY] has proposed an amendment that would set that ownership limit at 35 percent. It is a good amendment. I wish it would have gone farther, but this is the best that we could possibly get in this debate, and I hope it is successful.

I would have liked to have seen it address broader questions, who controls our radios, newspapers, networks, and the who controls the information that controls the lives of American citizens. But this is an important amendment. It improves the bill, it improves access to the American public, and I encourage my colleagues to vote for the Markey amendment.

Mr. MARKEY. Mr. Chairman, I yield my remaining 1 minute to the gentleman from Michigan [Mr. DINGELL], the ranking member of the Committee on Commerce.

Mr. DINGELL. Mr. Chairman, I want to commend the distinguished gentleman from Florida for the cooperation and the concessions which he extended to me and express my good wishes to him. Those changes are good, because they deal with concentration at the local level.

That problem, however, is not addressed in the bill itself now with regard to the national level. The question here is are we are going to have real diversity of expression on air waves that are owned by the public and whose operation is licensed in the public interest by the FCC? With the Markey amendment, that will happen. Without the Markey amendment, that will not happen.

It is important that we see to it that the marketplace of ideas in this country is as broad and diverse as we can make it, and that all persons have access to it. Without that principle being applied, our government is weakened and hurt, and the public debate on great national issues and discussion of matters of concern to this people are hurt.

I would urge my colleagues to vote for the Markey amendment. I would say that that is the best way that we can keep in place the diversity of view which is so important in consideration of important national issues.

Mr. BLILEY. Mr. Chairman, to close debate, I yield the balance of my time to the gentleman from Texas [Mr. FIELDS], the chairman of the subcommittee.

The CHAIRMAN. The gentleman from Texas is recognized for 6½ minutes.

Mr. FIELDS of Texas. Mr. Chairman, I was given the charge by our Speaker and the chairman of the full committee to move our country relative to telecommunication policy into the 21st century, not to crawl back into the 1950's. These rules were written when I was 2 years old, when President Eisenhower was President, and many Americans did not even own a television set.

□ 1230

ABC, NBC, CBS were the only viewing options. There was no CNN, no HBO, no ESPN. Individual American citizens were not even allowed to own satellite dishes without government authorization.

That was real media concentration. Today's media world is fiercely competitive. Viewers have never had more choices with 100 cable networks, direct broadcast satellites, a fourth network and the beginnings of a fifth and a sixth network. H.R. 1555 unleashes the local telephone companies with combined revenues exceeding $100 billion annually to compete in the television video business.

The rules that were appropriate when black and white television sets were the state-of-the-art technology are not appropriate today. The Committee on Commerce dusted off the 40-year-old broadcast ownership rules. We reviewed them. We revised them to fit today's highly competitive telecommunications world. With the few minutes that I have, I want to debunk some of the myths that have been brought to this floor today.

Myth No. 1, that H.R. 1555 will allow only one entity to own every media outlet in a community. The fact is antitrust laws prohibit concentration of ownership in any business sector, including telecommunications. In fact, our bill goes further. H.R. 1555 flatly prohibits acquisitions which result in fewer than three independent media voices in a market.

You should not be fooled by this particular amendment. This amendment does not address radio cross-ownership, newspaper ownership, or ownership of multiple local television stations in one market. This amendment does prohibit, under any circumstances, the ownership of a cable system and a TV station in the same market. That is it, plain and simple. H.R. 1555 prevents concentration or loss of diversity while this amendment addresses only one particular ownership combination.

Myth No. 2: H.R. 1555 would allow one entity to buy 50 percent of the television stations in the United States.

There are approximately 1,500 television stations in our country. Under our bill, a broadcaster would reach the station ownership cap upon buying only one station in each of the top 30 television markets. That is 30 television stations out of 1,500 nationwide.And there is a difference between audience reach and actual market share. You can, under our amendment, touch 50 percent of the population, but you do not necessarily have 50 percent of that audience share.

Myth No. 3: H.R. 1555 will harm localism.

Let me use my own personal example. In Houston, TX, the NBC affiliate is owned by Post-Newsweek, who by the way is supporting the Markey amendment, a small mom and pop operation. The ABC affiliate is owned by Cap Cities; the CBS, by the Belo Corp. out of Dallas. We have a Fox station and we have a Viacom station.

Our localism has gone up because you have those broadcasters competing for viewers to protect their investment. The only way they can protect their investment and attract advertisers is to have audience share. They get that by having good localism. So to think localism is not enhanced when you have openness and have free markets is absolutely wrong.

Broadcasters have the ability to provide local news and other local programming as a major advantage over national delivered cable and satellite services.

This particular amendment is a sweetheart deal. When you really bear down and you look at what is happening, you have got people who want to limit the participants in the acquisition market. When you look at who is sending around these letters, McGraw-Hill, a small mom and pop operation, AFLAC Broadcast Group, that major insurance conglomerate out of Georgia, Post-Newsweek, Pulitzer Broadcasting.

What is this amendment really all about? It is about limiting the participants in the acquisition market. It is not about localism. By the way, there is a benefit to the Washington Post, the New York Times, the Boston Globe, the Atlanta Constitution, because under the Markey amendment those newspapers can continue to add to their media ownership, their broadcast station ownership. That is not addressed in this particular amendment.

Do not be fooled into thinking that this amendment helps struggling mom and pop operations. It does not. The Speaker has given us the charge to push the deregulatory envelope, to move this country into the 21st century, not crawl back into the 1950's. We need to recognize that technology has changed. There are new combinations. There is a need for economy of scale. This amendment needs to be defeated.

Mr. HALL of Texas. Mr. Chairman, I rise in strong support of the broadcast amendment offered by my colleague, Mr. MARKEY of Massachusetts. A lot of hard work and many long hours have been spend providing a delicate balance to all the competing interests in the communication's field. This has not been an easy task. With legislation as encompassing as this, it would be next to impossible to totally please everyone involved. I commend Chairman BLILEY, Chairman FIELDS, ranking members DINGELL and MARKEY on fashioning a bill that guarantees that the American telecommunications industry remains the most open, competitive, and innovative in the world.

Increasing the national ownership cap to 35 percent, which I support, is a 10-percent increase in what is currently allowed under the law. The bill that we are considering would begin with the 35 percent cap, but then would expand this cap to 50 percent in the second year. I fear that this increase would be detrimental to our local stations and the idea of local control.

If local stations do not have the freedom to select programs other than those provided by their network owners, this could result in too much concentration on network control of the distribution system, which I fear would result in network bullying of small affiliates. Additionally, it would be difficult for new networks—or new national competitors—to develop. We must preserve the right of our local television stations to choose their programming, and I urge my colleagues to support this amendment.

Mr. DINGELL. Mr. Chairman, I rise in support of the Markey amendment. As I noted earlier in this debate, this amendment is necessary to correct a deficiency in this bill.

The Markey amendment amends the Stearns' amendment that was adopted by the committee. While Mr. STEARNS was unwilling to compromise on the language of his amendment that repealed the national ownership and cross ownership limitations, we did reach an agreement on the issue of local concentration. That agreement, which is now incorporated in the bill before us, guarantees that there will never be fewer than two independent media voices in even the smallest markets in the country. It further permits the FCC to deny license assignments, transfers or renewals if the Commission determines that the granting of the assignment, transfer or renewal would in combination with a non-broadcast media, result in an undue concentration of media voices in the local market. This is good law, and I would like to commend the gentleman from Florida for his willingness to work with me on this.

But while there are safeguards at the local level, H.R. 1555 goes overboard with respect to national limits and cross-media restrictions. The Markey amendment will permit the type of expansion that I think we all agree the networks need. But is does so in a manner that will preserve the local decision-making about programming decisions that has served our Nation well.

The Markey amendment also retains the broadcast/cable cross ownership prohibition. This provision is necessary because it ensures that if the "Must Carry" provisions of the 1992 Cable Act are struck down by the courts, cable operators aren't in a position to purchase local broadcast stations and then deny carriage to the other broadcasters in a community. It is a provision that is important to our local broadcasters, and important to preserve the public's access to diverse sources of information.

Mr. Speaker, I know there are many Members who want to speak in a limited period of time. I urge the adoption of the amendment and yield back the balance of my time.

Mr. MFUME. Mr. Chairman, I rise in support of the Markey amendment. I thank the distinguished gentleman from Massachusetts for offering this amendment which would correct the provision within H.R. 1555 that increases TV broadcast ownership.

As you know, this amendment would limit to 35 percent the percentage of households nationwide that may be reached by TV stations owned by a single network. It also restores the cross-ownership limit which prohibits owners of local TV stations from owning a cable system in the same local market.

However, I still have concerns about the problems facing radio ownership limits. H.R. 1555 would eliminate current FCC rules that limit national ownership of radio stations to 40 stations (20 AM and 20 FM) and which limits local ownership of radio stations to four (2 AM and 2 FM).

All broadcast ownership limitations were instituted to ensure that the public does not receive its news and editorial programming from a select group that controls the Nation's airwaves.

Rather, the present allocation scheme has allowed a diverse set of broadcast owners in each market and has fostered an assortment of news, public affairs and editorial programming.

I fear that the elimination and relaxing of local ownership limits has the potential of deterring future minority participation.

Currently, African-Americans own only 178 of the approximately 10,000 commercial radio stations operating in the country.

The overall effect of this bill is to squeeze minorities, who usually own only one or two small stations, out of the industry.

Repeal of ownership limitations will certainly make it more difficult for small and medium sized firms to grow.

Consolidation will make it very difficult for prospective owners, particularly African-Americans, Hispanics, and Asians, to enter the industry.

This bill unfairly benefits the large broadcast owners at the expense of the smaller companies.

H.R. 1555 will allow media to consolidate in the hands of a few large companies creating an unhealthy concentration of power.

While many argue that deregulation is the best means to bring forth competition, in this case, deregulation would actually decrease competition.

While I would like to have seen current radio broadcast ownership limitations reinstated, I do, however, lend full support to the Markey amendment which would restore some of the limitations eliminated by this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARKEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. MARKEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 228, noes 195, not voting 11, as follows:

[Roll No. 632]

AYES—228

Abercrombie
Baesler
Baldacci
Ballenger
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bishop
Blute
Boehlert
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brownback
Bryant (TX)
Bunn
Burr
Camp
Chambliss
Chapman
Chenoweth
Clay
Clayton
Clement
Clyburn
Coble
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Crapo
Cunningham
Davis
de la Garza
DeFazio
DeLauro
Dellums
Dingell
Dixon
Doggett
Doyle
Duncan
Durbin
Edwards
Ehlers
Ensign
Eshoo
Evans
Everett
Farr
Fattah
Fields (LA)
Filner
Flake
Foglietta
Ford
Fowler
Frank (MA)
Franks (NJ)
Funderburk
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Graham
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hastings (FL)
Hayworth
Hefner
Heineman
Hilliard
Hinchey
Hobson
Hoke
Holden
Horn
Hostettler
Inglis
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnston
Jones
Kanjorski
Kaptur
Kennedy (MA)
Kennelly
Kildee
Kingston
Kleczka
Klink
LaFalce
Lantos
Leach
Levin
Lewis (GA)
Lewis (KY)
Lincoln
Lipinski
Lofgren
Longley
Luther
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Mollohan
Montgomery
Moran
Morella
Myers
Myrick
Neal
Norwood
Oberstar
Obey
Olver
Orton
Owens
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pomeroy
Quillen
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Rivers
Roberts
Roemer
Rogers
Rose
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sawyer
Schiff
Schroeder
Scott
Shaw
Sisisky
Skaggs
Skelton
Slaughter
Smith (NJ)
Solomon
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Torkildsen
Torres
Torricelli
Traficant
Tucker
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Whitfield
Wicker
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates

NOES—195

Ackerman
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Brown (OH)
Bryant (TN)
Bunning
Burton
Buyer
Callahan
Calvert
Canady
Cardin
Castle
Chabot
Christensen
Chrysler
Clinger
Coburn
Combest
Condit
Cooley
Cox
Crane
Cremeans
Cubin
Danner
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Dornan
Dreier
Dunn
Ehrlich
Emerson
Engel
English
Ewing
Fawell
Fazio
Fields (TX)
Flanagan
Foley
Forbes
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Gallegly
Ganske
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hefley
Herger
Hilleary
Hoekstra
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Istook
Johnson, E. B.
Johnson, Sam
Kasich
Kelly
Kennedy (RI)
Kim
King
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lightfoot
Linder
Livingston
LoBiondo
Lowey
Lucas
Maloney
Manton
Manzullo
McCollum
McCrery
McDade
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moorhead
Murtha
Nadler
Nethercutt
Neumann
Ney
Nussle
Oxley
Packard
Pallone
Paxon
Pombo
Porter
Portman
Poshard
Pryce
Quinn
Radanovich
Riggs
Rohrabacher
Ros-Lehtinen
Roth
Royce
Sanford
Saxton
Schaefer
Schumer
Seastrand
Sensenbrenner
Serrano
Shadegg
Shays
Shuster
Skeen
Smith (MI)
Smith (TX)
Smith (WA)
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Towns
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Young (FL)
Zeliff
Zimmer

NOT VOTING—11

Andrews
Bateman
Gekas
Moakley
Ortiz
Reynolds
Scarborough
Thurman
Volkmer
Williams
Young (AK)

□ 1256

The Clerk announced the following pair:

On this vote:

Mr. Andrews for, with Mr. Scarborough against.

Ms. DANNER changed her vote from "aye" to "no."

Messrs. DAVIS, FOGLIETTA, and PARKER changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. VOLKMER. Mr. Chairman, earlier today during consideration of H.R. 1555, Communications Act of 1995, I missed rollcall vote No. 632. Had I been present, I would have voted "aye."

AMENDMENT NO. 2-6 OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MARKEY: Page 157, after line 21, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 304. PARENTAL CHOICE IN TELEVISION PROGRAMMING.

(a) FINDINGS.—The Congress makes the following findings:

(1) Television influences children's perception of the values and behavior that are common and acceptable in society.

(2) Television station operators, cable television system operators, and video programmers should follow practices in connection with video programming that take into consideration that television broadcast and cable programming has established a uniquely pervasive presence in the lives of American children.

(3) The average American child is exposed to 25 hours of television each week and some children are exposed to as much as 11 hours of television a day.

(4) Studies have shown that children exposed to violent video programming at a young age have a higher tendency for violent and aggressive behavior later in life than children not so exposed, and that children exposed to violent video programming are prone to assume that acts of violence are acceptable behavior.

(5) Children in the United States are, on average, exposed to an estimated 8,000 murders and 100,000 acts of violence on television by the time the child completes elementary school.

(6) Studies indicate that children are affected by the pervasiveness and casual treatment of sexual material on television, eroding the ability of parents to develop responsible attitudes and behavior in their children.

(7) Parents express grave concern over violent and sexual video programming and strongly support technology that would give them greater control to block video programming in the home that they consider harmful to their children.

(8) There is a compelling governmental interest in empowering parents to limit the negative influences of video programming that is harmful to children.

(9) Providing parents with timely information about the nature of upcoming video programming and with the technological tools that allow them easily to block violent, sexual, or other programming that they believe harmful to their children is the least restrictive and most narrowly tailored means of achieving that compelling governmental interest.

(b) ESTABLISHMENT OF TELEVISION RATING CODE.—Section 303 of the Act (47 U.S.C. 303) is amended by adding at the end the following:

"(v) Prescribe—

"(1) on the basis of recommendations from an advisory committee established by the Commission that is composed of parents, television broadcasters, television programming producers, cable operators, appropriate public interest groups, and other interested individuals from the private sector and that is fairly balanced in terms of political affiliation, the points of view represented, and the functions to be performed by the committee, guidelines and recommended procedures for the identification and rating of video programming that contains sexual, violent, or other indecent material about which parents should be informed before it is displayed to children, provided that nothing in this paragraph shall be construed to authorize any rating of video programming on the basis of its political or religious content; and

"(2) with respect to any video programming that has been rated (whether or not in accordance with the guidelines and recommendations prescribed under paragraph (1)), rules requiring distributors of such video programming to transmit such rating to permit parents to block the display of video programming that they have determined is inappropriate for their children.".

(c) REQUIREMENT FOR MANUFACTURE OF TELEVISIONS THAT BLOCK PROGRAMS.—Section 303 of the Act, as amended by subsection (a), is further amended by adding at the end the following:

"(w) Require, in the case of apparatus designed to receive television signals that are manufactured in the United States or imported for use in the United States and that have a picture screen 13 inches or greater in size (measured diagonally), that such apparatus be equipped with circuitry designed to enable viewers to block display of all programs with a common rating, except as otherwise permitted by regulations pursuant to section 330(c)(4).".

(d) SHIPPING OR IMPORTING OF TELEVISIONS THAT BLOCK PROGRAMS.—

(1) REGULATIONS.—Section 330 of the Communications Act of 1934 (47 U.S.C. 330) is amended—

(A) by redesignating subsection (c) as subsection (d); and

(B) by adding after subsection (b) the following new subsection (c):

"(c)(1) Except as provided in paragraph (2), no person shall ship in interstate commerce, manufacture, assemble, or import from any foreign country into the United States any apparatus described in section 303(w) of this Act except in accordance with rules prescribed by the Commission pursuant to the authority granted by that section.

"(2) This subsection shall not apply to carriers transporting apparatus referred to in paragraph (1) without trading it.

"(3) The rules prescribed by the Commission under this subsection shall provide for the oversight by the Commission of the adoption of standards by industry for blocking technology. Such rules shall require that all such apparatus be able to receive the rating signals which have been transmitted by way of line 21 of the vertical blanking interval and which conform to the signal and blocking specifications established by industry under the supervision of the Commission.

"(4) As new video technology is developed, the Commission shall take such action as the Commission determines appropriate to ensure that blocking service continues to be available to consumers. If the Commission determines that an alternative blocking technology exists that—

"(A) enables parents to block programming based on identifying programs without ratings,

"(B) is available to consumers at a cost which is comparable to the cost of technology that allows parents to block programming based on common ratings, and

"(C) will allow parents to block a broad range of programs on a multichannel system as effectively and as easily as technology that allows parents to block programming based on common ratings,

the Commission shall amend the rules prescribed pursuant to section 303(w) to require that the apparatus described in such section be equipped with either the blocking technology described in such section or the alternative blocking technology described in this paragraph.".

(2) CONFORMING AMENDMENT.—Section 330(d) of such Act, as redesignated by subsection (a)(1), is amended by striking "section 303(s), and section 303(u)" and inserting in lieu thereof "and sections 303(s), 303(u), and 303(w)".

(e) APPLICABILITY AND EFFECTIVE DATES.—

(1) APPLICABILITY OF RATING PROVISION.—The amendment made by subsection (b) of this section shall take effect 1 year after the date of enactment of this Act, but only if the Commission determines, in consultation with appropriate public interest groups and interested individuals from the private sector, that distributors of video programming have not, by such date—

(A) established voluntary rules for rating video programming that contains sexual, violent, or other indecent material about which parents should be informed before it is displayed to children, and such rules are acceptable to the Commission; and

(B) agreed voluntarily to broadcast signals that contain ratings of such programming.

(2) EFFECTIVE DATE OF MANUFACTURING PROVISION.—In prescribing regulations to implement the amendment made by subsection (c), the Federal Communications Commission shall, after consultation with the television manufacturing industry, specify the effective date for the applicability of the requirement to the apparatus covered by such amendment, which date shall not be less than one year after the date of the enactment of this Act.

The CHAIRMAN. Pursuant to the rule, the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 15 minutes, and a Member in opposition will be recognized for 15 minutes.

Does the gentleman from Virginia [Mr. BLILEY] rise in opposition?

Mr. BLILEY. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Virginia [Mr. BLILEY] will be recognized for 15 minutes in opposition.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I yield myself 2 minutes.

□ 1300

Mr. Chairman, this is not a debate over how many more hundreds of thousands of miles of fiberoptic may be laid or how many gigabits of additional computer power may be established. All that is fine and well, but you cannot measure a nation, you cannot measure a people, by how many gigabits or feet of fiberoptic they have as a country.

You measure a country by its values. You measure a country by who those people are, and that is what this debate is going to be all about, and why the gentleman from Virginia [Mr. MORAN], the gentleman from Indiana [Mr. BURTON], the gentleman from South Carolina [Mr. SPRATT], and I and many others have been working so hard on this issue over the last month.

Mr. Chairman, this amendment will give every parent in the United States a violence chip in their television set, so that they will be able to block out excessively violent and sexually explicit programming that they believe is inappropriate for their 2-year-old, 3-year-old, 4-year-old, 6-year-old, 8-year-old and adolescent children.

All of the ratings will be done voluntarily by the broadcasters. There is no mandate. There is no enforcement mechanism. There is absolutely no connective tissue between this bill and any first amendment violation. The only objective we have is to give power to parents in their own living rooms, not "big brother" in New York City, programming hundreds of television programs a week, but "big mother" and "big father" in every living room, protecting their own children every day of the week.

Mr. Chairman, I reserve the balance of my time.

Mr. BLILEY. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. PAXON], a member of the committee.

Mr. PAXON. Mr. Chairman, I rise in strong opposition to the Markey mandate amendment and in support of the Coburn-Tauzin substitute. If adopted, the Markey amendment would quickly become known as the Full Employment Act for Government Bureaucrats. If the Markey mandate prevails—a huge new Government Office of Television Ratings may soon be established—because a mandated V-chip just doesn't work without a rating system.

It would require thousands of bureaucrats, costing hundreds of millions of dollars, to view and rate the 10,000 individual shows on 2,000 stations, encompassing 150,000 hours of local and national broadcast programming. Of course, the ratings would be subjective. What is rated as offensive would be decided by Government censors based on their personal interpretation.

The end result, giving the Federal Government unprecedented power to establish standards of morality and decency in the media, unbridled power to the very government many Americans believe has already contributed greatly to the breakdown of values in our land.

My colleagues, I'm certain we are all in agreement, the televised violence and sexual content that daily bombards our homes is harmful to children and society. However, tonight's discussion is not about agreeing on the problem but agreeing on the methods for solving it.

The sound-bite solution suggested by the President—the mandated V-chip—sounds innocuous enough. But, on inspection, it is simply another big-government band-aid that does nothing to address the underlying problem.

First, as we discussed, the Markey chip mandate cannot work without a bureaucratically driven, Government-mandated rating system.

Second, the V-chip will only be installed on new TV's, meaning widespread usage won't be in place until well into the 21st century. So much for fast action to combat televised violence and sexual explicitness.

Third, approval of a V-chip means Congress has chosen one narrow piece of technology over all other parental blocking options. That means the scores of other technologically driven, parental controlled blocking devices now under development may fall by the wayside, further limiting choice and immediate use by families.

There is good news, however, for parents who want help today to control television, and who don't want a more intrusive, big-government involvement in their families. Here's a list of 160 of the 220 currently available TV models, each with parental control features.

In addition there are scores of blocking units under development, many ready to go into production within months, that will economically allow parents to blank out channels, time slots, or individual programs.

It is anticipated that very shortly, these units will move to the next generation using card or diskette readers so families can subscribe to ratings services and easily censor their kids programming.

Then every non-government group that desires can issue their own ratings, maybe the Christian Coalition, or United We Stand, or the ACLU—whomever.

All this well before the Markey mandated V-chip makes its way into a single living room. And, in the case you want an even faster, easier and cheaper way to control kids access to TV, here it is, a $19.95 lockout device. All of these products are relatively new to the marketplace developed in response to growing demands from parents.

Unfortunately, many of these private sector solutions are jeopardized by the one-size-fit-all, Markey mandate. There is another choice. The Coburn-Tauzin substitute would not pick a technology winner but would be the quickest way to get better, more parent friendly blocking devices to market.

Our approach would call on the industry to: First, establish a fund to allow entrepreneurs to develop units to let parents block inappropriate programming, and second, report to the public on the status of these technologies and new improvements.

On the first front, that fund has recently been established and already totals over $2 million. These funds will be used for production, advertising and market research to get blocking products into parents hands.

Third, our substitute requires the GAO to report to Congress on new technologies for blocking, whether they are parent friendly, and the relative availability to the public, and fourth, finally, our substitute strikes the mandate and bureaucracy features of Markey.

My colleagues, tonight the choice is clear. It's Coburn-Tauzin to keep decisions in the hands of parents not government. Or, it's the Markey Mandate Bill which gives a huge new government bureaucracy more power than ever to inflict their Beltway values on the rest of America.

Vote "yes" on Coburn-Tauzin and "no" on the Markey Mandate.

PARLIAMENTARY INQUIRY

Mr. MARKEY. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARKEY. Mr. Chairman, I would like to know if, under the rules, it is permissible for me to yield 7½ minutes to the gentleman from Indiana [Mr. BURTON] and then allow him to disburse that time as he sees fit.

The CHAIRMAN. The gentleman may yield the time by unanimous consent and the gentleman from Indiana may yield from that time.

Mr. MARKEY. Then, Mr. Chairman, I ask unanimous consent that the gentleman from Indiana be yielded 7½ minutes, and that he be given control of that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Indiana [Mr. BURTON] is recognized for 7½ minutes.

Mr. BURTON of Indiana. I yield myself 2¼ minutes.

Mr. Chairman, let me just say that this amendment is not just the Markey amendment. It is the Markey-Burton-Wolf-Hunter amendment and a lot of other Republican's amendments. It crosses party lines.

Mr. Chairman, the reason I asked that this be left up here is because what my predecessor at this microphone just said is true, these models will allow parents to block out a channel, but we are in a technology explosion. Almost everybody that has cable or a satellite can receive at least 50 channels and there are going to be 300, 400, 500 channels before long. Can my colleagues imagine a parent blocking out one channel and going to work and thinking their child is going to be safe from pornography and violence on TV? Of course not.

So we need a system where a parent can block out a whole category of violence and sexually explicit programs if they want to, so that a two-parent working family can go to work and know their children, even when they channel surf, while their parents are gone, are not going to see two women, two men, a whole bunch of people having sexual experiences, or see horrible violence in the home.

All we are saying, Mr. Chairman, is give the parents, not government, but the parent the control over what their children see. Ninety percent of the people in the country want that. This does not cut it. This does not cut it because it will only handle one program, one time slot at one time; and it will not protect any child from that kind of violent or sexually explicit material.

Mr. Chairman, in addition to that, there is no bureaucracy that is going to be created, no huge bureaucracy. This is a voluntary rating system that is submitted, if the networks do not come up with one on their own, a voluntary rating system that is recommended. We hope that the parents of this Nation will put pressure on the networks to have them adopt a system, but regardless of what the system happens to be, the total control is in the hands of the parents.

I say to all my colleagues, "The total control is in the hands of parents in their own home." If they do not want certain programs to come in, they block out that category; if they want them to come in, they leave them there. They have got a little pick system in there like a bank money machine.

Mr. Chairman, this is something that is vital for the moral well-being of the Nation.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Chairman, I had an interesting experience about a week and a half ago. I was on the phone in the kitchen and suddenly heard frantic activity in the den just outside and heard a lot of hollering and shouting and things falling off the table and could not figure out what was going on. I went into the room and discovered, there was my 3½ year old, Colin, obviously concerned and upset because as he was watching TV, one cartoon he was watching ended and on came Ren and Stimpy.

My son knows, under orders from mom and dad, that it is off limits for him; and Beavis and Butthead is off limits for his brothers, and NYPD is not appropriate.

Mr. Chairman, I walked into the den and used a marvelous technology so he couldn't watch that show, and it is called the off button. Every television set in America comes with one, and if you do not want your children to watch something, you get off the couch and you turn it off.

Mr. Chairman, for my Republican colleagues, I thought part of last November's election was about personal responsibility, and I as a parent have the responsibility to tell my children what programming is responsible and what programming is not responsible.

If we want to buy this, we can buy it; and if we want to buy the V-chip and it is available on a voluntary basis, absolutely. But it seems to me, again, we are sending the wrong signal, because the signal is, parents are not capable of making these decisions; technology is going to solve it for them. They cannot control what their children watch; the government has got to do it for them.

If we do not like what is on TV, and we want to make sure that our children are protected, we do not need new technology. We need technology as old as the television set itself. We need only get up off the couch, walk 15 feet across the room, and just turn it off.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Markey-Moran-Burton-Spratt V-chip amendment. Many of the issues that we deal with in Congress are propagated right here inside the beltway and then they are exported back home where one group or another stirs up support for them.

Concern about this issue, trouble about this issue, constant indiscriminate violence on our television airwaves, has grown from the grassroots up. If my colleagues do not believe it, they should go home and listen to their constituents and read just about any poll that has been taken on this subject.

Mr. Chairman, vast majorities of the American people and the overwhelming number of our citizens say, it is time we do something to curb the violence on television. According to the American Psychological Association, children see over 8,000 killings on television by the time they reach the seventh grade. The American people quite simply want us to stop this outrage.

They do not want us to stop it completely. If they want to watch it, if they want their children to watch it, then this bill says they can continue to watch it. But these parents, and particularly parents who work and children who are coming home in the afternoon or are there by themselves, they want devices for parents to control the entertainment in their own households, to control the violence and vulgarity that comes in over their televisions sets.

Mr. Chairman, this bill is about parental empowerment, about controlling the conduct of their own children in their homes. These ratings and this V-chip is not going to purge violence or sex from television. They are not even intended to do that. But they will give parents more power over the television set and the type of viewing that comes into their own homes.

Many parents, frankly, may choose not to exercise it. This does not make them use the V-chip. Nonetheless, those who do will send a message to the broadcasters and the producers. It will have an inhibiting effect, I think, on the kind of scripting that they do today; and they will think twice about putting some extra indiscriminate, wanton violence and vulgarity in.

I think it will have a salutary effect. Mr. Chairman, I urge my colleagues to vote against the Coburn substitute.

Mr. BLILEY. Mr. Chairman, I yield 4 minutes to the gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, I thank the gentleman for yielding, and I yield 1 minute to the gentleman from California [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Coburn amendment, and I rise in respect also of the Markey amendment, understanding that the intentions of that amendment are well intended.

I think what we have here, Mr. Chairman, is an issue where we are trying to clean up America and clean up the values in America. That is not the question. The question is, how do we do it, and I think what we have is a device called the V-chip. It is a one-size-fits-all-type device.

It is not going to work for everybody. An adult, for example, who does not have any children, would be mandated to go out and get, if they wanted to get a 13- or 19-inch television set, a set with a V-chip. It could cost them up to $79 extra to get that. But for those of us who have children and who want to see the programming cleaned up, there are alternatives.

Mr. Chairman, just yesterday, the four major networks came out and said that they have an alternative plan. What the Coburn-Tauzin amendment is saying is, we want to come up with the best technology to do that.

□ 1315

We will come up with that technology in the next year, and we will evaluate it and set out the standards and procedures necessary. The GAO will come back with a report no later than 18 months.

Mr. Chairman, with a V-chip my colleagues can have one TV in their house that is V-chip mandated, and the kid can go upstairs into the next room and watch the TV without the V-chip. So the V-chip in and of itself does not solve the entire problem, but what we have is a mandate here by this Coburn amendment that will empower the country and empower the parents to come up with the best technology to solve the problem.

Mr. TAUZIN. Mr. Chairman, with the balance of my time let me reiterate a point. Ninety percent of Americans in the USA polls say they are concerned about violence. I think 100 percent of us in this Chamber certainly ought to be concerned about the violence on television, but there are technologies for parents to use right now. Here is one, the Telecommander, and there are others where parents can buy equipment to put on all the televisions, the old ones and the new ones, not just the new ones that are going to be sold, and, if my colleagues do not plan to handcuff their kids to the new television when they leave the house, the V-chip is not going to do them any good.

There are other technologies on the market. The networks are prepared to help these inventors, these patenters, to bring to us products like this where we can program our set, where the Government is not setting a program for us, but where parents are doing it, and, when we come right down to it, the choice between the Markey amendment and the Coburn-Tauzin amendment and the Molinari amendment is whether or not my colleagues believe parents ought to be making the choice about what their children see or whether my colleagues believe the Government ought to be doing that with a V-chip installed in every new set that will not work anyhow unless somebody is willing to chain their children to the old set.

Mr. Chairman, kids are pretty smart. As my colleagues know, most know how to program these things better than we do, but, more importantly, they are smart enough to know, if only the new set has that control on it, they can just go into the second room and watch the old set.

The truth is the technology is there for parents to control all the sets in their house. Parents have that responsibility today. The technology is being developed over 17 years for this patent alone. The technology is on the market, will be more available on the market in the years to come, and, if my colleagues believe that parents ought to make those choices, that Government ought not be involved in censorship and deciding what kind of programming is going to be available for children, then, my colleagues, vote with the Coburn-Tauzin-Molinari amendment. If my colleagues believe Government has that role, if my colleagues trust Government to decide what is offensive to our families, then vote with the Markey amendment. It is that simple. If my colleagues want something that really works, go with the new technologies, go with the programs that allow parents to control all the sets in their house, not just the one set that the Markey amendment will impose the Government standard on.

Mr. Chairman, it is that simple a choice. Vote for parents' control rather than Government control. Vote for the Coburn-Tauzin-Molinari amendment.

Mr. BURTON of Indiana. Mr. Chairman, before I yield to the gentleman from Virginia, I yield myself 10 seconds. In the 10 seconds I want to say that it does not cost $78. It costs between 7 and 20 cents to add to already technology that is in the sets now for closed caption for the hearing impaired. This is a bogus argument. It is not $78. It is 28 cents to bring this technology forth.

Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. GOODLATTE].

Mr. GOODLATTE. Mr. Chairman, 20 cents to empower the parents of this country to do what every one of them does with their children today when they ask if they can go to a movie theater, give them a limited number of choices to help them make decisions that they cannot be in that movie theater when their child asks them to go with another friend to see a movie: G, PG, PG–13, R, and C–17, X, and not rated. The V-chip will give them a similar opportunity to do something with television that they cannot possibly do just by reading the newspaper ads.

Mr. Chairman, we have 50 channels on the cable system in Roanoke today. It is going to grow to 100 to 200 in cities across this country. Today the only way parents can exercise that same rating opportunity is to have a technological way to do it built into the television set. The V-chip will give them the opportunity to do that. It is not Government censorship. There is nothing in this bill that empowers the Federal Government in any way to impose these ratings on any of the networks.

But do my colleagues know what is going to happen? Public pressure is going to bring that about because, as soon as one or two of the cable channels, Nickelodeon, or the Disney Channel, or the Family Channel, decides that they are going to put this signal out on their cable channel, and a parent who wants to leave their children alone during the day while they are working will be able to say, "Only allow those channels to come through on my kid's set that have a rating. Screen out all the ones that are not rated." Once we do that, that forces the other networks that are resisting their responsibility. It is their responsibility, not the Government's, and all we are doing is aiding them in the process.

Support the Burton-Markey V-chip amendment. Empower the parents of this country to do what is right, and let us bring about real reform in the television communications industry of this country.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Chairman, we are facing a crisis in our society. The violence that we see on television each day is part of an overall trend of desensitization toward the violence that exists on our streets. This violence has transformed American society into a place where violence rules our communities, and law-abiding citizens are afraid to be outside their homes.

Clearly, violence on television is not solely responsible for this breakdown in American society; but it does contribute to it. Our children are assaulted by a barrage of violent, sexually explicit, and otherwise obscene images each night on television. This constant stream of morally reprehensible acts being committed by their favorite characters on their favorite shows has a very real and a very frightening effect on them. Our children are becoming numb to real acts of violence through such constant exposure to "fantasy" violence on television. It is time that we take real steps to stop this trend. It is time for the V-chip.

I can tell you, Mr. Chairman, that as a mother of three and a former PTA president, I wish I had a V-chip in my TV when my kids were growing up. The V-chip will help to stem this dangerous tide by allowing parents to stop their children from viewing violent programs on TV. But make no mistake, the V-chip is not about censorship, and it is not about legislating morality. It is about parental responsibility. And it is about giving parents the choice to protect their children from the harmful effects of violent television programming.

There are very few people left who dispute the notion that violence on television is hurting our children. For 25 years, we have been hearing about the negative consequences of broadcast violence, and today we have the chance to take a real and important step toward solving this problem. The V-chip puts responsibility in the hands of parents to determine what their children should and shouldn't see on TV. It lets parents decide whether they want their children to be exposed to violence. And it will finally tell broadcasters, in very real terms, that violence and pornography and obscenity are not what we want to see on television.

I urge my colleagues to support the Markey amendment.

Mr. BLILEY. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Chairman, I rise with a heavy heart against the violence chip. I am still thinking it through.

Mr. Chairman, my conservative colleagues who support the V-chip amendment should be reminded of a bit of recent history. Many of you who have served here a spell will remember our good friend Bill Dannemeyer. I doubt a more principled Member of Congress has ever served. I used to call him the "last honest man in Congress."

If Bill were here today he would respectfully oppose this amendment. I know this because I remember a time when Bill, clearly with tongue in cheek, offered an amendment to the clean air amendments being debated in the full Commerce Committee. Dannemeyer was tired of Mr. WAXMAN's regulatory morass and the punitive penalties he would put on any business daring to fall out of compliance with Mr. WAXMAN's world view, so our friend Bill Dannemeyer thought he would give his colleague a taste of his own medicine.

Bill drafted a "clean airwaves amendment" to the Commerce bill to rid television of the perverted sex and buckets of blood violence which pollute the minds of latchkey kids and finally offend our public sensibilities. The Dannemeyer amendment had high penalties for noncompliance, created a government-sponsored monitoring board to determine what is excessive sex and violence, and even promised to cancel the licenses of habitual lawbreakers.

Mr. Chairman, my point in mentioning this episode is that what our friend Bill Dannemeyer did as a joke, proponents of the V-chip are doing as a serious amendment. I can't support any proposal that gives any portion of respectability to the idea that the Federal Government can frame or force a rating system. And as for Hollywood—Oh Lordy—they will use this to descend further into the pit, shrieking at families "If you don't like our immoral product then get a V-chip!"

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. TOWNS].

Mr. TOWNS. Mr. Chairman, I rise in support of the Coburn substitute. I understand what the gentleman from Massachusetts [Mr. MARKEY] is trying to do, and of course it points out probably the frustration that has gone on as a result of the amount of violence that we have seen on television. But let me say to him and to those that support it, Mr. Chairman, it is the wrong thing to do at this time.

Mr. Chairman, I think that what we need to do is empower parents, and the way we empower parents would be to make it possible for them to control the situation. This is a great moment and a great opportunity. This is an issue that I have been involved in for quite some time, saying that there has been too much violence on television and that our children go to bed seeing killings, and they wake up in the morning seeing people killed, wake up seeing people destroyed, and sometimes I think they get confused in terms of reality because they see a person getting killed on one episode, and the next week he is starring on another episode. I think they are confused about this whole situation.

So, Mr. Chairman, I am convinced that, yes, we must do something, but I am not sure that what is being proposed by the gentleman from Massachusetts [Mr. MARKEY], that that is what we should do. There is affordable and practical technology available for parents that does not require the Federal Government to mandate the use of a V-chip. I strongly believe that broadcasters should decrease violence on the programs, but, as consumers, we can exercise choice in this matter of what our children watch.

Mr. Chairman, that is why I strongly support the Coburn amendment. It provides consumer choice and programming control. If we do not support this provision, it would leave us with no other alternative but to rush down the path of censorship, and I want to caution my colleagues as they rush down the path of censorship. I encourage my colleagues to support this amendment. This is a way to protect our children and to empower our parents, and I think we should seize this moment by voting for Coburn and rejecting the Markey amendment.

Mr. BURTON of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. JONES].

Mr. JONES. Mr. Chairman, I rise in support of the Markey-Burton amendment.

Mr. Chairman, during my campaign for the U.S. Congress many parents shared their concerns and disgust with the high level of sex and violence on TV. These parents are frustrated because producers of TV shows do not seem to care about what our children watch.

Last fall, when the new TV shows were announced, a town in my district held a church parent ralley because of the sex and violence in the fall shows. Five hundred men and women marched that day. I ask my colleagues, "Don't you think it is time that we give parents the authority they need to say what and when their children watch TV and what type of programs?"

The Markey-Burton amendment meets all the constitutional questions, and, most important, it is pro-family. Let us give the choice to the parents.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Chairman, I rise in strong support of the Markey amendment. This is the last chance that we are going to have for a long, long while to give the parents a little bit of help to what their people watch on television, what their kids watch on television, and I am surprised at some of these former broadcasters that got up and made the statements they made.

Mr. Chairman, I used to be a broadcaster. I spent about 12 years on television. I know a little bit about broadcasting. And guess who is going to have a big part in this so-called study under this substitute? The big three, the ones that gave us the situation where they planted a truck and put dynamite in it, and blew it up for credibility, went to North Carolina and did some planning with false employees. This almost destroyed a food chain down there that had worked so hard.

Mr. Chairman, these are the kind of people that are going to be having input into this substitute that absolutely does nothing but another study, and in the meantime this is something that gives the parents one tool to help a little bit in this fight against pornography and degradation on television.

Vote against the substitute and for the Markey bill.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BERMAN].

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Mr. BERMAN. Mr. Chairman, I rise in opposition to the Markey amendment.

It is not the notion of requiring TVs to be equipped with a particular device which concerns me. After all, I strongly supported the Decoder Circuitry Act of 1990, which requires circuitry for closed captioning for the hearing impaired.

What troubles me is how this device works. I cannot support mandating technology which hinges on the Government assessing the content of communications protected by the first amendment. Yet that is what the V-chip does.

Consider the task of rating "Schindler's List." Is there violence in "Schindler's List?" You bet. But surely no government bureaucrat is going to say "Schindler's List" should be blocked by the V-chip, because that great film has socially redeeming value in its depiction of the horrors of the Holocaust. But stop and think about this: Do we really want, and does the first amendment countenance, the Government deciding what constitutes socially redeeming value which takes programming out of the "V" category? I certainly do not.

I am concerned about what our children watch on television. But I want to empower parents, not a government commission, to decide what is and is not appropriate for our children to view.

I am aware that technology is emerging, hopefully hastened by the Viewer Discretion Technology Fund announced this week by the broadcasting industry, which will give parents the opportunity to choose from among many rating alternatives, from the National Education Association, to the Christian Coalition, to the parents' own individually developed assessment, and to block programming accordingly.

I would not hesitate to mandate this type of technology, although the indications are good that the industry is moving toward it voluntarily.

Parents, and not a government commission, should be responsible for what their children watch. And I want to give parents the ability to exercise that responsibility. The Markey amendment fails to do so. I urge its defeat.

Mr. BURTON. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I speak today not really as a Member of Congress in the well; I speak as a parent of a 3-year-old and of a 7-year-old. You bet I want to control what they watch. One of my colleagues earlier today said well, just use the off button.

Mr. Chairman, because of this family-friendly schedule, I have been getting home most nights around midnight for the last month, and that will be again the case tonight when I return to Michigan.

Tomorrow morning is Saturday, and like most parents of little kids, my 3-year-old and my 7-year-old are going to wake each other up about 7, maybe 6:30, and they are going to go down those stairs and they are going to have that TV on when I wake up a little bit later. I have a feeling that I will not be up and I will not be able to block out what they may or may not watch.

The argument that the Markey amendment is going to set up thousands of bureaucrats is wrong. It is false.

Mr. Chairman, I have a story that ran in my local paper last week that I am going to read excerpts of and I will include the entire article in the RECORD, but it is headlined this way, "Violence, Sex Fill The Airways."

I am a 14-year-old junior high Afro-American female from Benton Harbor. I cannot help noticing the endless amount of times people blame the media for boisterous behavior in teens and young adults. I feel that everyone plays a role in influencing children.

As a teenager I can tell you a lot, that the TV is responsible for much of this. But I have good parents and I am a good kid. You see there are no bad kids, just misguided. Parents needs to band together, stop talking about the problem, and do something about it.

That is what the Markey-Burton amendment does. Let us stop talking about this and oppose a simple study. We know studies are not going to solve this. The evidence is in.

Do what the kids tell us as well as the parents, support the Markey-Burton substitute.

The article referred to follows:

[From the Herald-Palladium, July 30, 1995]

VIOLENCE, SEX FILL AIRWAVES

(By Debbie Allen)

I am a 14-year-old junior high Afro-American female from Benton Harbor. I cannot help noticing the endless amount of times people blame the media for boisterous behavior in teens and young adults. I feel that everyone plays a role in influencing children.

As a teen-ager, I can tell you a lot of influences and causes, including the media. For example, gangsta rap. Now here you have so-called music that calls women "bitches" and "hoes," and that not being the worse part. It also tells young boys that it's OK to kill someone.

A prime example is Snoop Doggy Dogg. But you have to think where did it get him? In prison. Need I say more?

But it's only one factor. It's not the only factor. Any video that calls a woman a bitch, especially the black queen, then I don't want to watch it and I definitely don't buy it. They give black people a bad name making it seem like all black people do is sit up smoke blunts (marijuana) and drink beer. Well, my family doesn't.

Like Da Brat says, "I love to get high, I mean way." I bet her parents are proud. Movies also depict sex and violence. They have young kids on there having sexual intercourse, making it seem like everybody's doing it and everybody's not.

All through these movies the women are having sex, most of the time with a different man each time, and you never see them use contraceptives.

Then you have violence on the other hand. If you like violence just watch any movie with Arnold Swarzenegger, Steven Seagal, Jean Claude Van Damme or Bruce Willis. For profanity, watch movies or turn to HBO for Deff Comedy Jam or just pop in a Snoop Dogg or Dr. Dre tape.

But television is also to blame. You turn on the soap operas you see teens having sex, or shall I say rolling around the bed? You see adults doing the same thing. I like soap operas, but I also have to turn because that sickens me. Another example: Beavis and Butthead.

Even talk shows. Just two weeks ago I was watching Charles Perez and the topic was strippers who can't get a date. I saw all these male and female strippers on there dancing and stripping for the audience and the audience putting money in their underwear and their putting their butts in their faces. I mean, come on. My 4-year-old nephew and 3-year-old niece were getting a kick out of this.

But worst of all, Mighty Morphin Power Rangers. The whole half hour they're fighting. They're kids' idols.

"Cosby," "Family Matters," "Different World," "Under One Roof" and "On Our Own" are all fabulous shows. They teach morals."Family Matters" is still hanging strong, thank God, but I'm sorry I cannot say the same for the others. Those were all taken off. Why? Only God knows.

Don't get me wrong, there are also good white shows, like "Full House" and "My So-Called Life." But you see rock videos also promote constant violence and sex, not to mention if you listen to them too long you get a headache.

But those are just a few causes. Kids need more role models like Martin Lawrence, Usher Raymond, Michael Jackson, Brandy and Willie Norwood and Monica Arnold. Parents need to take control of their children and be good role models, but they need the help of other parents, police officers and especially the media, rappers and stars.

But I have good parents and I'm a good kid. You see there are no bad kids, just misguided.

Parents need to band together. Stop talking about the problem and do something about it.

Debbie will be a ninth-grade student this fall at Coloma Junior High School. She lives in Benton Harbor with her parents, Albert and Labralla Allen.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I know that many people are well meaning. I know the gentleman from Indiana may be well meaning, but I think there is a lot of fraud being played in the House.

I tell you I heard the gentleman talk about a 3- and 7-year-old. I have got a 9-year-old. The 9-year-old is curious and bright, and I can tell you that it is not 6:30 in the morning, it may be 8:00 at night, and 8:00 at night you do not know what you might be seeing.

This is not something that is compulsory; it allows the parents to choose. But what it does say, it takes away the fraud of suggesting we are going to study it, and it helps the broadcasters.

The broadcasters have a year to get together and talk about the various rating systems. We want them involved, we expect their expertise. Only if they do not do the job does the FCC get involved. I want my bright 9-year-old to be able to sit there and learn and understand and see the world, but I tell you, there are some things that come on that I am sure that you would not want anyone to see.

Mr. Chairman, I want to protect the children. What about you? Stand up for the Markey amendment.

Vote the other one down.

Mr. MARKEY. Mr. Chairman, I yield the remaining 30 seconds to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Chairman, I do not get it. How does giving more power to parents mean less responsibility on their part? Does a remote control mean less responsibility? More stations only increases the need to equip parents.

I am fed up with TV violence. Support the Markey-Burton amendment.

Mr. BLILEY. Mr. Chairman, to close debate on our side, I yield 1 minute to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Chairman, from the home office of the Family Empowerment Coalition, the top 10 unintended consequences of the Markey V-chip mandate:

No. 10, bureaucrats will be able to pick the shows your kids watch, but will not read them a bedtime story.

No. 9, rating tens of thousands of hours of shows each year is fun, easy, and fat free, but it will not be cheap.

No. 8, the viewer is upset that V-chip is not as good as the original show with that Ponch guy.

No. 7, Oh, I am sorry, No. 7 has been blocked out by Government censors.

No. 6, Angela Lansbury now stars in "Jaywalking, She Wrote."

No. 5, provides jobs for unemployed Federal bureaucrats.

No. 4, will not work on that old out-of-date TV you bought last week.

No. 3, brings back all the intrusive Big Government attitude that we all miss.

No. 2, C-SPAN's annual NEA debate blocked out for sexual content.

And the No. 1 unintended consequence of the Markey V-chip: blocks Regis, spares Kathie Lee.

No on Markey, yes on Coburn.

Ms. JACKSON-LEE. Mr. Chairman, I rise in support of the Markey-Burton amendment to H.R. 1555 because I believe that there is too much violence on today's television programs. V-chip technology will give parents greater control over the type of programming that their children can watch.

This amendment is important to the parents of America because most parents work long hours and are unable to monitor the type of programming that their children are watching.

This amendment helps promote freedom—freedom of what you choose to look at.

The FCC is the appropriate agency to recommend guidelines and standards for violent and indecent material so that parents can make an intelligent and informed decision. It is critical for the Government to assume this role when the television industry shows little effort to get involved.

I admit that this amendment will not solely resolve the issue of violence on television but it is an important step in the right direction. I urge my colleagues to support the Markey-Burton amendment and help contribute to a better television viewing environment for our young people.

Mr. RICHARDSON. Mr. Chairman, I rise in opposition to the Markey V-chip amendment. While well-intentioned, we don't want the Government involved in ratings. This is exactly what the Markey amendment does, and as such it runs afoul of the first amendment.

I think we all agree that parents should be able to control what their children see on television. With more and more channels, this responsibility is more and more challenging. No matter how challenging, however, we should never give up our first amendment rights.

But the V-chip would do just that. It would force the broadcasters to produce programs that are acceptable only to society as a whole. And if broadcasters choose not to rate the tens of thousands of programs they produce each year, the V-chip legislation allows the Federal Commuunications Commission to withhold their license renewals. Let me remind you this is the provision the V-chip supporters are referring to as "voluntary."

We need a solution to television violence. There are technologies available to parents—they can go to their local electronics store and purchase them if they wish. There are no first amendment problems with that.

But there are first amendment problems with the V-chip. We can, and should, encourage the electronics industry to continue to provide solutions to assist parents in guiding their children's viewing. And we can, and should, encourage broadcasters to be responsible in their programming. But we should never pass legislation which restricts freedom of speech. This is why I oppose the Markey V-chip, and I hope my colleagues will do the same.

The CHAIRMAN. It is now in order to consider substitute amendment No. 2-7 printed in part 2 of House Report 104-223.

AMENDMENT NO. 2-7 OFFERED BY MR. COBURN AS A SUBSTITUTE FOR AMENDMENT NO. 2-6 OFFERED BY MR. MARKEY

Mr. COBURN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The CHAIRMAN. The Clerk will designate the amendment offered as a substitute for the amendment.

The text of the amendment offered as a substitute for the amendment is as follows:

Amendment offered by Mr. COBURN as a substitute for the amendment offered by Mr. MARKEY: Page 157, after line 21, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 304. FAMILY VIEWING EMPOWERMENT.

(a) FINDINGS.—The Congress makes the following findings:

(1) Television is pervasive in daily life and exerts a powerful influence over the perceptions of viewers, especially children, concerning the society in which we live.

(2) Children completing elementary school have been exposed to 25 or more hours of television per week and as many as 11 hours per day.

(3) Children completing elementary school have been exposed to an estimated average of 8,000 murders and 100,000 acts of violence on television.

(4) Studies indicate that the exposure of young children to such levels of violent programming correlates to an increased tendency toward and tolerance of violent and aggressive behavior in later years.

(5) Studies also suggest that the depiction of other material such as sexual conduct in a cavalier and amoral context may undermine the ability of parents to instill in their children responsible attitudes regarding such activities.

(6) A significant relationship exists between exposure to television violence and antisocial acts, including serious, violent criminal offenses.

(7) Parents and other viewers are increasingly demanding that they be empowered to make and implement viewing choices for themselves and their families.

(8) The public is becoming increasingly aware of and concerned about objectionable video programming content.

(9) The broadcast television industry and other video programmers have a responsibility to assess the impact of their work and to understand the damage that comes from the incessant, repetitive, mindless violence and irresponsible content.

(10) The broadcast television industry and other video programming distributors should be committed to facilitating viewers' access to the information and capabilities required to prevent the exposure of their children to excessively violent and otherwise objectionable and harmful video programming.

(11) The technology for implementing individual viewing choices is rapidly advancing and numerous options for viewer control are or soon will be available in the marketplace at affordable prices.

(12) There is a compelling national interest in ensuring that parents are provided with the information and capabilities required to prevent the exposure of their children to excessively violent and otherwise objectionable and harmful video programming.

(b) POLICY.—It is the policy of the United States to—

(1) encourage broadcast television, cable, satellite, syndication, other video programming distributors, and relevant related industries (in consultation with appropriate public interest groups and interested individuals from the private sector) to—

(A) establish a technology fund to encourage television and electronics equipment manufacturers to facilitate the development of technology which would empower parents to block programming they deem inappropriate for their children;

(B) report to the viewing public on the status of the development of affordable, easy to use blocking technology; and

(C) establish and promote effective procedures, standards, systems, advisories, or other mechanisms for ensuring that users have easy and complete access to the information necessary to effectively utilize blocking technology; and

(2) evaluate whether, not later than 1 year after the date of enactment of this Act, industry-wide procedures, standards, systems advisories, or other mechanisms established by the broadcast television, cable satellite, syndication, other video programming distribution, and relevant related industries—

(A) are informing viewers regarding their options to utilize blocking technology; and

(B) encouraging the development of blocking technologies.

(c) GAO AUDIT.—

(1) AUDIT REQUIRED.—No later than 18 months after the date of the enactment of this Act, the Comptroller General shall submit to Congress an evaluation of—

(A) the proliferation of new and existing blocking technology;

(B) the accessibility of information to empower viewing choices; and

(C) the consumer satisfaction with information and technological solutions.

(2) CONTENTS OF EVALUATION.—The evaluation shall—

(A) describe the blocking technology available to viewers including the costs thereof; and

(B) assess the extent of consumer knowledge and attitudes toward available blocking technologies;

(3) describe steps taken by broadcast, cable, satellite, syndication, and other video programming distribution services to inform the public and promote the availability of viewer empowerment technologies, devices, and techniques;

(4) evaluate the degree to which viewer empowerment technology is being utilized;

(5) assess consumer satisfaction with technological options; and

(6) evaluate consumer demand for information and technological solutions.

The CHAIRMAN. Pursuant to the rule, the gentleman from Oklahoma [Mr. COBURN] will be recognized for 15 minutes, and a Member opposed will be recognized for 15 minutes.

Does the gentleman from Massachusetts [Mr. MARKEY] seek recognition in opposition?

Mr. MARKEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Massachusetts will be recognized for 15 minutes.

Mr. MARKEY. Mr. Chairman, I ask unanimous consent to yield 7½ minutes to the gentleman from Indiana. [Mr. BURTON], and that he be allowed to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. COBURN].

Mr. COBURN. Mr. Chairman, I yield myself 4¼ minutes.

Mr. Chairman, this is another one of the debates in the House where everybody wants to accomplish the same purpose. The discussion, Mr. Chairman, is about how we go about doing that, and whether or not we violate principles that have dealt us well since we have been a Nation.

This amendment is a worthwhile alternative to the V-chip. It puts parents, not the Federal Government, in the driver's seat on the subject of television program viewing choices.

The amendment of the gentleman from Massachusetts [Mr. MARKEY] assumes only that a congressionally mandated board will know best. The Markey amendment calls on Government to choose one technology over another, not the marketplace. I thought that was what this was all about, the marketplace deciding how we make these decisions.

His amendment calls on the Government to mandate a single technology and develop rating systems and require the transmission of those ratings. Whether it is a Government agency or a Government-mandated board, it is still the same. My amendment says that the market knows best.

With dozens of devices already on the market and dozens more in the development stage, the Federal Government should not be in the business of forcing a single solution on consumers. A statutory mandate will develop much more advanced, better technologies that will empower parents better and further.

There is no question that television is a powerful influence in our society. That is one of the very important reasons why it sould be parents' decision, not the Government. The parents should be making the decisions based on individual family values, not a politically balanced advisory committee.

Broadcasters, too, have a responsibility to assess the impact of their work, and understand the damage that it causes to our youth and our society. This industry must continue to take actual tangible steps towards addressing violence and sexual illicitness.

This amendment, this substitute amendment, will drive that change to empower parents with the latest technology, with the broadest technology to exclude what they decide is inappropriate.

The provisions in my amendment are real, they are tangible steps that will allow the industry and the families through free enterprise and competition to decide what is best for their children.

My amendment would call on the broadcast television cable satellite syndication and other video programming distributors and related industries to, one, establish a technology that empowers parents, not the Government to block programming they deem inappropriate; to establish and promote effective procedures for informing the viewing public as to the affordability and the development of blocking technology; and to evaluate no later than 1 year after date of enactment of this act industry-wide procedures, standards, and advisories or other mechnanisms to inform the viewers regarding available blocking devices.

I am pleased to announce that this fund has been developed and that we will see in the very near future and we do have now technology available to do this on any old or on any new TV, any old or any new TV. Every TV in the home, not just the new one.

Let me be clear. I am not opposed to providing parents with the ability to block programs that they deem inappropriate. Everyone that knows me knows that that is true. I think they should have the responsibility, but it should be the parents' responsibility, not a Government agency, not a Government mandate.

I urge Members to support the Coburn-Tauzin amendment.

Mr. BURTON. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I agree with my colleague who just spoke. The parents should be the ones who make the decision, but they need the tools with which to implement that decision, and they do not have it right now.

With 50 or 100 channels, there is no way they can block out the objectionable material that is coming across the airwaves. They can block out one channel, one station, one period of time, but they cannot block out the myriad of channels and the myriad of time slots and the myriad of pornography and violence that is coming across the airwaves unless they have this V-chip in their set.

All we are saying is that for 15 or 20 or 30 cents it can be put in a set because that technology is already there. It is in there with the closed captions for the hearing impaired. This Congress demanded that several years ago. So the technology is there.

Now, let me just tell you about the networks. The networks came around to see me, and they said, we will put $2 million. Do you want more? We will put $5 million into a fund to study this, to study this.

Why do they want to study it? Because they know when the ratings start going down on a show because the parents will block it out, the money goes down, and when the money goes down, then the advertisers do not buy the advertising, and when that happens, Mr. Chairman, you send a message to Hollywood really clearly: You clean up your act, and you stop this violence and sex that is coming into the homes, or you will not get the money for it.

That is where we are going to hit them. There have been boycotts in the past that have not worked. This is the greatest boycott in the world because the parents in the home controls what is coming into their homes, what their children are seeing, and if they block that out, then by gosh we are going to see some changes in this country.

The violence we see in our streets, the sex we see, the sex crimes are directly related to what our kids are consuming on television, and here is a chance not for Government but for the parents to control it.

For God's sake, we have been talking about this for years. It is time we gave the parents the tools, and this study he is talking about, the Coburn study, 3 years we will be talking about this. The Coburn study will not do a darn thing. Vote down the Coburn amendment.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I rise in strong opposition to the Coburn amendment.

Mr. Chairman, we do not need any more studies in this area. No longer can we question that violence and sex that is on TV harms our children and weakens the moral strength of this Nation. Our kids are just not prepared for what is on the airwaves these days.

□ 1345

We have all heard the refrain, "Don't control what is on my TV. Let parents decide what their children can watch." That is exactly what the V-chip will do, allow parents to decide. Parents have got to be in the position to direct their children, to reinforce the right values, and the V-chip promotes family values, and it does it without infringing and impinging on first amendment rights.

The sweeping telecommunications bill before us touches nearly every single aspect of our communications landscape, but will fail to address parents' number 1 concern, and that is protecting their children from harmful programming. Give the power and strength back to parents. Vote down the Coburn amendment and vote for the Markey-Burton amendment.

Mr. COBURN. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I think one of the most important points is to recognize that this technology is available today, it is being encouraged. But here is the technology that is not going to be available if in fact we have the Markey V-chip. We are not going to have interactive television listings. We are not going to use other devices and technologies. We are not going to have set top technology. We are not going to allow the marketplace to come and bring a better method than a government-designed method.

Mr. BURTON of Indiana. Mr. Chairman, I yield 1 minute to my colleague, the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, there is a lot of conservatives on both sides of this question, and I have a lot of respect for the gentleman from Oklahoma, Mr. COBURN, as well as my great friend, the gentleman from Indiana, DAN BURTON. But I think we are talking about here not a government mandate. It is no more a mandate for parents to be able to have a tool to use to decide what their kids are going to see than to have a PG rating or an R rating. That is put out by at least a quasi-governmental board, and yet it is something that is available in the absence of anything else.

The best thing in the world is for a parent to have seen a show and say that show is okay for my kids. That is how we do with the movies generally. But you cannot do that now with this giant menu of shows that are available. There is no working parent in the country who can go through 300 television shows before they leave for work and say I think these are good for the kids. So in the absence of that, with the mom or the dad running out the door to make their second job, they at least, if they want to, can click this V-chip in and perhaps restrain some of the violence.

Mr. Chairman, I think it makes sense. Vote for the Burton amendment and vote against the Coburn amendment.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, delay it; study it; review it: How many times has Congress dragged its heel and sidetracked legislation that the people of this country want, but well-placed inside lobbyists are desperately trying to stop?

That is what the Coburn amendment represents, because the people of this country want more control over what is coming into their living rooms, but the Hollywood lobbyists are desperately trying to sidetrack the Markey amendment.

The Coburn amendment is a diversion, political cover for those who otherwise would not have any good reason to tell the parents that they represent here in Congress why they voted against giving them the tool to keep pornography, to keep violence, to keep sex, off of the TV and the television programming coming into their living room.

I have a little girl. There is so much I will not be able to protect her about, bad drivers, getting taunted in school. I can protect with the V-chip the television programming in my living room. Vote down the Coburn amendment, vote for the Markey amendment.

Mr. COBURN. Mr. Chairman, I yield 1½ minutes to the gentleman from New York [Mr. FRISA].

Mr. FRISA. Mr. Chairman, American families are being asked to buy a bag of goods, and what they are being asked to buy is called the censor chip. Now, it might look good, and it might even smell good, but if you really think about it, censorship is a bad idea.

Let us keep the feds out of the family room, and let us stop and prevent a government-issue TV guide, because, after all, mom and dad know better than any Washington censor.

Mr. Chairman, I urge a yes vote for the Coburn amendment because the censor chip crumbles when you read the fine print.

Mr. COBURN. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Chairman, I rise in strong support of the Coburn substitute. It promotes core Republican principles of smaller government, less intrusive regulation, and private sector solutions. It puts parental responsibility where it belongs—in the hands of parents.

This substitute will do more to protect children from objectionable programming than the Markey amendment. The Markey amendment is unfair. While two-thirds of American households do not have children under 18, the Markey amendment requires all TV purchasers to pay for the mandated V-chip.

The Markey amendment is flawed because it still does not protect children as intended. Since most houses have more than one TV set, children will still have access to TV sets not containing the V-chip.

The Markey amendment is also punishes consumers. Approximately 20 million TV sets are sold in the United States annually. Since the V-chip is estimated to add between $5 and $40 to the cost of every TV, American consumers could have to pay an additional $800 million for a feature that two-thirds do not need.

Legislative proposals to curb objectionable TV content, no matter how well intentioned, mean government control on what Americans see and hear. By contrast, the Coburn amendment recognizes that parental responsibility coupled with private industry cooperation is the only viable solution.

The broadcasting industry recognizes that its impact is vast, influencing our lives socially, economically, and politically. That is why it is willing to do more and fully endorses the Coburn amendment.

The broadcasting industry has been working to find solutions. In 1992, the networks adopted joint standards for the depiction of violence. In 1993, the four networks agreed to increase the use of violence advisories. In 1993, ABC launched a 1-800 hotline to inform parents of upcoming programs carrying advisories. In 1994, the four networks also agreed to an analysis of network programming.

I urge all my colleagues to support this amendment that leaves TV content control where it belongs, in the hands of parents—and more importantly—keeps it out of the hands of government.

Mr. MARKEY. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Chairman, encourage it, study it, review it, delay it. America needs to move on this issue, and I rise in strong opposition to the Coburn amendment.

Mr. Chairman, I think all of us recognize that there is too much sex and there is too much violence on television today. I think we all agree that parents should have more control over the garbage that is flowing into their living rooms. But the question is, What are we going to do about it?

All over America parents are taking responsibility. They are coming home and turning the TV set off. But we all know they cannot be there all the time, and they need help, and the V-chip will give them that help.

This is not about censorship. This is not about big government. This is about giving parents the tools they need to stop the garbage from flowing into their living rooms and polluting the minds of their children.

The V-chip is based on a very simple principle, that it is parents who raise children, not government, not advertisers, not network executives, and parents should have a more powerful voice in the marketplace.

That is what the Markey amendment does. I do not come to this floor today and advocate the Coburn amendment, because the Coburn amendment does not do that. We all know it is a fig leaf. It does nothing to give parents control and it does nothing to stop sex and violence. It does nothing to force the industry to change. All it does is kill the V-chip, which is an idea supported by over 90 percent of the American public.

So if you want to endorse the status quo, vote for the Coburn amendment. But if you think parents should have more control, if you think it is values of the family we should be promoting, I urge Members to support the Markey-Burton amendment.

Mr. BURTON of Indiana. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, this legislation in a tougher form, in a tougher form, passed the Senate with 73 Members of that body voting for it. Members who were here before, conservatives, liberals, moderates, they are not for Government censorship. They would not vote for it. People you guys and I respect.

This is not Government censorship; this is very, very simply a tool that we are going to give parents to protect their kids from the filth that is coming across the airwaves.

Mr. COBURN. Mr. Chairman, I yield 1½ minutes to the gentleman from Virginia [Mr. BLILEY], the chairman of the committee.

Mr. BLILEY. Mr. Chairman, I rise in support of the amendment offered by Mr. COBURN. This amendment replaces the simplistic Government-sanctioned solution of mass blocking of television choices with one that relies on individual responsibility.

More importantly, the Markey amendment sets a dangerous precedent of rating the content of programming by a Government appointed board. One can only imagine where such a precedent might lead.

Mr. Chairman, last year the Subcommittee on Telecommunications and Finance held no fewer than eight hearings on the issue of violence in television. What became increasingly clear during these hearings was that the V-chip solution was unnecessary because inexpensive software and set-up technology is available now or will be shortly in the marketplace and second the V-chip only focused on only one segment of the industry—broadcast and cable—and did not address other technologies such as satellite-delivered programming. Finally, the V-chip, combined with a ratings system, raise serious constitutional questions.

The Coburn amendment takes a more reasonable approach by encouraging the deployment of inexpensive technology to enable parents to block any programming they deem unacceptable.

I urge my colleagues to reject the Markey approach and endorse the Coburn amendment.

Mr. MARKEY. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, read this substitute. Coburn huffs and puffs for three long pages, and then, and then it blows out of steam. It does not even decree a report. In a long convoluted sentence, what it does is say it is the policy of the United States to encourage the industry to establish a fund to explore the problem further.

This would be laughable if it were not so serious. What this is, this Coburn substitute, is another in a long line of red herrings. It is another attempt to derail and sidetrack a solution to this problem. We have a solution before us, but we will not have an opportunity to vote upon it unless we defeat Coburn first, because Coburn is a substitute and everyone should understand it. It, too, is a V-chip which will block our opportunity to have an opportunity to vote upon the V-chip amendment that many Members of this House on both sides of the aisle support and parents in this country desperately want.

□ 1400

Mr. COBURN. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I think it is important that the gentleman from Indiana referred to the Senate because here is what the Senate bill does. It establishes five commission members appointed by the President at salaries of $115,000 a year. It will be an executive branch commission. It may hire staff without regard to Civil Service laws. The salaries are not to exceed $108,000 a year. They can appoint additional personnel as may be necessary to do the 105,000 television shows per year.

Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. NORWOOD].

Mr. NORWOOD. Mr. Chairman, I rise in strong opposition to the Markey V-chip amendment.

I realize the authors of this amendment are well-meaning. They see the importance of providing family viewing for American children. My gosh, we all would agree with that. We all share in that goal. That is the one vote that could get 435 votes for that. We do not want any more violence on television.

The debate is about the solution. I disagree with the solution of the gentleman from Massachusetts [Mr. MARKEY]. A censorship commission run by Federal bureaucrats is a horrendous idea. The V-chip will only block programs rated as violent or indecent by the rating commission.

Read the Senate language. We will replace parental choice with a Federal bureaucrat, and I do not trust a bureaucrat in this town to make a sensible decision where ratings are concerned.

I urge my colleagues to vote against the Markey V-chip amendment and vote for the Coburn amendment.

Mr. MARKEY. Mr. Chairman, I yield myself one-half minute.

Mr. Chairman, the gentleman from Oklahoma just made reference to the Senate bill and knows that that is not the House bill. The House bill does not have any Government censorship. At no time are broadcasters mandated to do any ratings. We mandate that a violence chip be built into television sets, but at no time do broadcasters in fact have to rate their own shows. If they do not do it, they do not do it. But we give them the V-chip.

The Coburn amendment is nothing more than the Hollywood and New York producers wish, that there be no protection for children. Vote no on the Coburn amendment or else the V-chip dies.

Mr. COBURN. Mr. Chairman, I yield 1 minute to the gentleman from Washington [Mr. WHITE].

Mr. WHITE. Mr. Chairman, let us make it perfectly clear. There are two good reasons why the V-chip is a bad idea. The first one is the same old problem we are dealing with in this bill all across the board. The Government picks the technology to solve this problem. When are we going to learn this lesson? We do not need a V-chip. We need a C-chip to keep Congress from choosing the technology that is going to solve all these problems.

Second, let us face it; ultimately the reason there is some coercion in this bill is because the Government is involved. I have got four young children. I spend a lot of time negotiating with my wife over what our children should watch on television. We do not always agree, but I do not mind negotiating with my wife. I do mind negotiating with a bureaucrat in Washington, DC.

Defeat the Markey V-chip amendment. Vote for the Coburn substitute.

The CHAIRMAN. The Chair advises that each side has one remaining speaker. The order will be the gentleman from Indiana [Mr. BURTON] first, who has 4 minutes remaining.

Mr. BURTON of Indiana. Mr. Chairman, I yield the balance of my time to the gentleman from Virginia [Mr. WOLF], one of the most respected Members of the House.

Mr. WOLF. Mr. Chairman, I rise in strong opposition to Coburn because it will do nothing—everyone knows that—and for the Markey-Burton amendment.

The eye is the gate to the mind. It says it in the Bible. It says it in many other places. Garbage in, garbage out. Good things in, good things out. When I go see the Chariots of Fire, I leave the movies feeling good. But if you go see the Texas Chain Saw Massacre, you go out of the movies feeling not very good.

The working parents are not around all the time. Ozzie and Harriet do not live in America all the time in every house, and they are not around. But many times no one is around, and it has been said that more young women become pregnant in their own house between the hours of 3 and 5 because no one is home. So face the reality. I wish it were different, but it is not that way.

Second, if you try to block out, what show would you block out? Would you block out Married with Children? Would you block out Melrose Place? What about Beverly Hills 90210 or Beavis and Butt-head, that stupid show? Or would you block out the afternoons? What afternoon show would you do? Geraldo? We do not know how to get Geraldo, but how about Jenny Jones? Well, Jenny Jones; is that the show that the guy killed the other person on? What about Ricki Lake? It goes on, and it goes on.

Lastly, to the conservatives on this side, back in 1985, I came with the idea to create a national commission on pornography, and it worked. Let me tell you who served on one of those national commissions that the gentleman from Washington [Mr. WHITE] just ridiculed, Dr. James Dobson. And we set up a standard to bring about prosecution because, under the first term of the Reagan administration, there were no prosecutions of pornographers. But, for that national commission, we changed it around.

Somebody says this is censorship. Who were the Senators, Senator DAN COATS, we all know DAN COATS. He was one of the finest Members that ever served in this Congress. Very conservative. He supported this over in the Senate.

THAD COCHRAN, real flaming liberal over there from Mississippi. He is conservative. MIKE DEWINE, nobody was tougher on crime than MIKE DEWINE.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The gentleman should be advised not to make references to individual Members of the other body.

Mr. WOLF. These were Members who voted when they had an opportunity to do it and voted the other way.

I want to look at a quote. This is what it says: "Unless and until there is unmistakable proof to the contrary, the presumption must be that television is and will be a main factor in influencing the values and moral standards of our society. Television does not, and cannot, merely reflect the moral standards of our society. It must affect them, either by changing or by reinforcing them."

If we miss this opportunity, it will never come back. The moms and the dads of our districts did not have any lobbyists hanging outside for the last week. They were so busy working, trying to do it, a single parent has the toughest job in the world. This is a good opportunity. If it can be perfect when we go to conference, let us perfect it.

I strongly urge, on behalf of all the kids that are going to come home and watch this garbage, a "no" vote on Coburn and an "aye" vote for Burton.

Mr. MARKEY. Mr. Chairman, I yield the balance of my time to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Chairman, this is not a contest between liberals and conservatives or Republicans and Democrats. Frankly, this is a contest between parental control and corporate PAC's.

There is no parent PAC to protect their interests. Ninety percent of parents in this country support what the V-chip amendment does. But they do not have the means to buy influence over us. They have to rely upon us to do the right thing for them and for our own families.

We enable parents to get the kind of information they need so they do not feed toxic foods into the bodies of their children. Should we not enable them to control the poison that is being pumped into the minds of our Nation's children every single day? That is all this amendment does.

What does the Coburn corporate amendment do that is not currently being done? It mandates an 18-month Government study and then encourages the broadcast industry. That is the extent of it.

Our amendment does not control what parents see or anyone can see. All it does is enable parents to control what their children see.

What we do is to ask the broadcast industry to rate their own programs. Government does not rate their programs. In fact, if a new technology that is as affordable as the V-chip and is as easy to use by parents as the V-chip comes along, fine, it authorizes that as well. Government does not block any programs. It does not even rate them.

My colleagues, we have to vote against the Coburn amendment in order to be able to vote for parents by voting for the V-chip amendment.

Mr. COBURN. Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. ARMEY], the majority leader.

The CHAIRMAN. The gentleman from Texas [Mr. ARMEY] is recognized for 2¾ minutes.

Mr. ARMEY. Mr. Chairman, let us start at the beginning. I love children and I hate smut. I love parents that love their children. I think good parents exercise direction over their children. That is the way it is.

When I was a boy, it was Playboy magazines. We did not have TV. My parents did not need the Government to say whether Playboy should be rated this way or that way. My dad looked at one. He said: Son, you will not buy that anymore. He says: If you buy that anymore, you will not have any money to buy anything with anymore. If you buy it a second time, if you buy it a second time, you will not be able to buy one for a while, and you will not be able to sit down.

My dad was very clear. He told me what was right. He told me what was acceptable. He said: Do not do it; you do it again you are going to be in trouble with your dad because your dad loves you and does not want you reading stuff.

I grew up. I raised five kids. We had a VCR. It has a little clock on it. Nobody could set the clock except the kids. The gentleman from Massachusetts [Mr. MARKEY] says I am going to get something called a V-chip for my grandchildren. And the Government is going to tell me what is good and what is not bad, what is smut and what is not smut. Thank God for that because I never figured it out.

The Government has a system. They will tell me what it is. Now I have to take the time to read the Government report, find what is smut, what is not smut. Then I have got to deal with some new modern electronics. I cannot even use my TV. I do not know how to make the clicker work. But now I am going to find the wonders of the V-chip, and I am going to be smart enough to program it, and so smart that my kids cannot?

Do you think there is a parent alive today that will understand the V-chip better than their kids? I promise you right now, in 60 percent of the homes today it will be only the kids that will be able to program it. But we will all have the great privilege of buying it. The Government will have the power of pretending it is protecting our kids.

There is no way you get to this point, my colleagues, if you accept the responsibility and the privilege, the honor and the joy of having children, you accept the fact that you will determine what it is they watch and what they do not watch. You will give the supervision.

You say both parents work out of the house. My mom and my dad worked out of the house every day of my life. I came home every night after school. I went and I listened to Spiderman on the radio, and I did not read Playboy. My mom and my dad would not tolerate it. They never depended upon any Government-mandated technology or any Government advisory forum. You cannot get away from it.

The parents and only the parents can protect the children. You can make everybody buy the technology. You can put the Government panel out there to make the decisions what is or what is not smut. Lord knows, they have done it, a heck of a job with the NEA. I mean, we have reliable indications that the Government's judgment is dependable. And then we can read the Government reports, and then we can read the manuals and then we can program the set. We can go off to work. I will guarantee you those kids will have used the V-chip to hack into the Pentagon's computer before midnight.

Do not kid yourselves about that. Kids will be kids. They will be unruly unless parents are parents. The Government cannot do it.

You can buy into that old line that my momma taught me to avoid: Trust me; I am from the Government. Do what I mandate of you, and your children will be safe. And take your chances with that at more cost, more expense, more confusion and more Government control through more big Government.

Or you can just simply say: I am your mom. I am your dad. You are the kid. I am the parent. You will do what I tell you to do, as parents have done for years.

☐ 1515

Frankly, most of the kids have worked out pretty well without the Government.

It is a very simple thing. It is about control by the Government, mandate by the Government, or freedom and responsibility for loving parents.

Mr. Chairman, I say vote "no" on the Markey amendment; vote "yes" on the Coburn amendment. Dare to try a public policy that bets on the goodness of the American people, rather than the guile of the Federal Government.

Mr. WAXMAN. Mr. Chairman, there is wide agreement in this country that violent and sexually explicit programming desensitizes children and can influence their behavior and emotional development. But changes in society and technology have made it more difficult for parents to monitor their children's exposure to television programming. The challenge we have today is to provide parents with new and better tools without involving the Government in the determination and distribution of content.

If we give the Federal Government the authority to establish a ratings committee, to determine its members, and to assess the adequacy of the ratings that are established, we will be in violation of the first amendment. Such a process will inevitably become politicized by Members of Congress dissatisfied with the ratings that are established and they will want to impose their own judgment on content regulation. This approach will result in years of litigation and ultimate rejection by the Federal courts.

As much as the American people resent unwanted exposure to offensive programming, they have a strong belief in protection against Government censorship. I urge my colleagues to oppose a mandatory system that would undermine the first amendment and instead work to craft a policy that balances our desire to help parents protect their children with the fundamental right of free speech.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Oklahoma [Mr. COBURN] as a substitute for the amendment offered by the gentleman from Massachusetts [Mr. MARKEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BLILEY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. The Chair announced that in the event a recorded vote is ordered on the underlying Markey substitute, that vote will be reduced to 5 minutes.

This is a 15-minute vote.

The vote was taken by electronic device, and there were—ayes 222, noes 201, not voting 11, as follows:

[Roll No. 633]

AYES—222

Ackerman
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Barton
Bass
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehner
Bonilla
Bono
Boucher
Brewster
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
DeLay
Dickey
Dicks
Doolittle
Doyle
Dreier
Duncan
Dunn
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Gallegly
Ganske
Gekas
Geren
Gilchrest
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Hostettler
Houghton
Hutchinson
Inglis
Istook
Johnson, Sam
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Martini
Matsui
McCollum
McCrery
McDade
McHale
McHugh
McIntosh
Metcalf
Mica
Miller (FL)
Molinari
Moorhead
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Packard
Parker
Paxon
Peterson (MN)
Pombo
Porter
Portman
Pryce
Radanovich
Ramstad
Regula
Richardson
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Royce
Salmon
Sanford
Saxton
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shays
Smith (MI)
Smith (TX)
Smith (WA)
Spence
Stearns
Stenholm
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Towns
Traficant
Tucker
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Waters
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Zeliff
Zimmer

NOES—201

Abercrombie
Baesler
Baldacci
Barrett (WI)
Bartlett
Becerra
Beilenson
Bentsen
Bereuter
Bishop
Boehlert
Bonior
Borski
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Burton
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dingell
Dixon
Doggett
Dooley
Dornan
Durbin
Edwards
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Funderburk
Furse
Gejdenson
Gephardt
Gibbons
Gillmor
Gilman
Gonzalez
Goodlatte
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Hastings (FL)
Hayes
Hefley
Hefner
Hilliard
Hinchey
Horn
Hoyer
Hunter
Hyde
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kennedy (MA)
Kennelly
Kildee
Klink
LaFalce
Lantos
Leach
Levin
Lewis (CA)
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Mascara
McCarthy
McDermott
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Mollohan
Montgomery
Moran
Morella
Murtha
Myers
Oberstar
Obey
Olver
Owens
Oxley
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Petri
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Rivers
Roemer
Roth
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Solomon
Souder
Spratt
Stark
Stockman
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Torres
Torricelli
Upton
Velazquez
Vento
Visclosky
Volkmer
Ward
Watt (NC)
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)

NOT VOTING—11

Andrews
Bateman
Moakley
Ortiz
Quillen
Quinn
Reynolds
Scarborough
Thurman
Williams
Young (AK)

□ 1436

Mr. MINGE and Mr. DORNAN changed their vote from "aye" to "no."

Messrs. METCALF, MCHALE, GREENWOOD, HOUGHTON, LEWIS of Kentucky, MATSUI, HOLDEN, CHAPMAN, and Mrs. VUCANOVICH changed their vote from "no" to "aye."

So the amendment offered as a substitute for the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. MARKEY], as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mrs. MINK of Hawaii. Mr. Chairman, today I rise in strong opposition to H.R. 1555. The initial aim of this legislation was just to deregulate the communications industry, create completion, lower prices and improve telecommunications services. What we have before us today is actually the opposite. It stifles competition and is anti-consumer and creates monopolies.

H.R. 1555, with its manager's amendment, promotes monopolies at the expense of competition through mergers and concentrations of power.

H.R. 1555 allows local exchange carriers that compete in the long-distance market to discriminate against long-distance competitors by giving preferential treatment to its own long-distance operations in pricing and providing access services. In the overwhelming majority of markets today, local exchange carriers maintain control over the essential facilities that are needed to complete telephone services. The inability of other service providers to gain access to the local phone carrier's equipment will inhibit fair competition.

When you allow an excessive number of in-region buyouts between telephone companies and cable operators and permit the acquisition of an unlimited number of radio stations and newspapers, you stifle competition and suppress the diversity of content and viewpoints. Instead of generating competition, H.R. 1555 would let cable and phone companies merge in communities of less than 50,000. As a result, nearly 40 percent of the Nation's homes could end up being served by cable and phone monopolies. This will limit access and stifle diversity of content and orchestrate conformity of viewpoint. Allowing one individual to own up to 50 percent of an industry destroys competition and filters the amount of information that citizens receive. This is contrary to our sacred rights of freedom and cripples diversity.

In 1984, Congress enacted omnibus cable legislation which, in essence, deregulated the cable industry. While this deregulation encouraged further expansion of the industry, it also gave many cable operators the opportunity to exploit their monopoly status and raise rates on subscribers. In response to consumer complaints, Congress passed the 1992 Cable Act to restrain monopoly price hikes and encourage the development of competition by making access to cable programming available to competitors. As a result of the 1992 act, cable rates stabilized and costs to consumers for equipment and installation dropped in many locations. But now, passage of H.R. 1555 threatens the affordability and quality of basic service for all cable subscribers. Do we really want to return to those days when cable companies charged consumers exorbitant rates?

Perhaps the most detrimental effect of this bill is eliminating the authority of the Justice Department to review anti-trust practices. Not allowing the Department of Justice to evaluate a request to enter the long distance market increases the probability that a phone company, like the Bell operating company or its affiliates, could use market power to substantially impede competition in the manufacturing or long-distance market. We need the Justice Department to be involved in this process to ensure adequate competition and protect the rights of consumers.

H.R. 1555 needs to deal with the issue of harmful, violent, pornographic, obscene programming our children are exposed to. I favor including V-chips on TV sets because parents, not the Government should decide what to block. Under this plan, cable programmers decide what ratings will be attached to a particular show and parents then can choose if the material is suitable for their children through the use of the V-chip. This is not censorship; this is the right to protect our children.

This bill makes sweeping changes to current telecommunications laws. Instead of creating more choices for consumers, this bill creates monopolies and stifles competition. We must not allow this kind of concentration of telecommunications. Instead we should be finding ways to provide universal service in all aspects of telecommunications. What we should be doing is promoting competition so there will be choices; so that the consumers will have the ability to pick and choose. This bill harms consumers and I urge my colleagues to vote against H.R. 1555.

Mr. SANDERS. Mr. Chairman, this telecommunications bill cripples consumer protections and should be soundly rejected. It is being touted as pro consumer when, in reality, it will cause inflated rates and will limit consumer choice. It is touted as pro-competition when it actually promotes mergers and the concentration of power.

It ignores the success of the 1992 cable regulations which provided some $3 billion in savings to cable consumers. It deregulates cable rates within 15 months and immediately deregulates cable companies that serve about 47 percent of Vermont's cable subscribers. In rural areas there just aren't enough customers to sustain more than one or two local cable companies. Without sensible regulation, these companies would be able to raise rates on their captive consumers.

Furthermore, if this bill becomes law, the FCC would no longer be allowed to review rate increases when it receives a customer complaint. The greater of 10 subscribers or 5 percent of the subscribers must complain before the FCC can review a rate hike.

This bill also substantially weakens laws that prevent media monopolies and removes the law that prohibits one owner from controlling the major newspapers, networks, and cable stations that serve a community. It makes it easy for a handful of media moguls to buy up every source of news, especially in rural areas. This would lead to less diversity of opinion, more prepackaged programming, and less local programming.

This bill has been widely criticized by virtually all consumer advocacy groups, President Clinton has threatened a veto, and I strongly urge a "no" vote.

Mr. COSTELLO. Mr. Chairman, I rise today to offer my comments on H.R. 1555, the Communications Act of 1995.

I support reforming our telecommunications industry so that it can move into the future and help all American consumers. I consider this legislation one of the most important bills we will vote on this year, perhaps this entire session, since it will impact every single American consumer.

From the beginning of this session, the intent of this legislation was to free up competition in local markets, to allow long-distance companies to begin competing with local Bell companies for local service, and allow the Bells to enter the long-distance market. That was the thrust of the legislation which was passed several weeks ago by the Commerce Committee.

However, early this week, Speaker GINGRICH directed the chairman of the Commerce Committee to alter the bill, in an amendment approved today. It makes drastic changes to the telecommunications legislation, changes which saw no hearing and upset the careful balance achieved by the committee bill.

This legislation now repeals the regulations on cable companies which are intended to keep rates low, meaning we could see a return to the late 1980's and early 1990's when cable rates skyrocketed. In addition, it removes any role of the Justice Department, which should have a hand in ensuring that monopolies are not created by this bill.

My intent is to pass legislation which enhances technology access and provides the consumer with a wider range of telecommunications opportunities at a reduced cost. However, this bill as written is weighted too heavily against balanced competition, which is essential to benefit the consumer, the Bell companies and the long-distance telephone companies.

Mr. Speaker, I want telecommunications reform. However, I will vote against final passage of this bill in its current form.

Mr. BONILLA. Mr. Chairman, I rise today in support of H.R. 1555, The Communications Act of 1995. This legislation benefits all Americans including those living in rural America. Those living on the ranches, farms and small towns of south and west Texas will benefit along with those living in San Antonio and other big cities. It is essential that our rural residents continue to have equal and affordable phone service.

This bill protects universal service while promoting technological advances—rural Americans should share in the benefits of these technologies. I believe that this bill gives proper consideration to providing protection for rural communities where our consumers are spread thinner and the cost for providing services can be much higher. I'm pleased that this bill recognizes that our rural communities operate under unique service conditions which must be addressed.

This bill broadly deregulates and opens markets to fair competition, while providing protections to rural local telephone companies. Low cost and availability of service have always been the concerns of rural telecommunications customers in communities like Alpine and Del City, TX. H.R. 1555 contains important protection for these communities including universal service principles that provide for comparable rural/urban rates and service, as well as a contribution to the support of universal service by all providers of telecommunications services.

This bill establishes a Federal-State joint board to recommend actions that the Federal Communications Commission and States should take to preserve universal service. This joint board will evaluate universal service as our telecommunications market changes from one characterized by monopoly to one of competition. The board will base its policies for preservation of universal service on the concept that any plan adopted must maintain just and reasonable rates. It will work with a broad recommendation to define the nature and extent of services which comprise universal service. The board will also plan to provide adequate and sustainable support mechanisms and require equitable and non-discriminatory contributions from all providers to support the plan. The plan seeks to promote access for rural areas to receive advanced telecommunications services and reasonably comparable services. The board will also base its policies on recommendations to ensure access to advanced telecommunications services for students in elementary and secondary schools in our rural areas.

The purpose of H.R. 1555 is to promote competition and reduce burdensome regulations in order to secure lower prices and higher quality services for all American consumers, including those that live in rural areas. Without the policy and direction provided in this bill, the transition for our rural communities into the information age would be restricted.

The residents of all rural areas of our country, including the 23d District of Texas deserve nothing less than the chance to participate in the new technologies, services and market conditions that will affect us well into the next century. This bill gives them that opportunity. Let's not deny our rural residents this chance. I respectively urge you join me and vote for H.R. 1555, The Communications Act of 1995.

Mr. BARTON of Texas. Mr. Chairman, independent directory publishers currently rely on local telephone companies, who hold over 96 percent of the telephone directory market and have total control over access to subscriber list information. Section 222(a) of H.R. 1555 requires carriers providing local exchange phone service to provide this information on a timely and unbundled basis, under nondiscriminatory and reasonable rates, terms, and conditions, to any person upon request.

Independent publishers have pioneered many of the innovations in the directory industry, including coupons and zip code listings. Yet, because of problems in accessing subscriber listing information at reasonable rates, many independent publishers now find it extremely difficult to compete. In many States, independent publishers are forced to wait until the local carrier's directories are published before they can obtain the subscriber list information necessary to publish their own directories.

Even when subscriber lists are available, independent publishers often encounter significant competitive obstacles. As the Commerce Committee report on this provision indicates, over the past decade, some local exchange carriers have charged excessive and discriminatory prices for subscriber listings. In one case in my area of the country, a jury awarded $15 million in damages when it found that a telephone company had raised listing prices by 200 percent in an effort to drive an independent publisher out of business.

The Commerce Committee report makes it clear that (r)easonable terms and conditions include, but are not limited to, the ability to purchase listings and updates on a periodic basis at reasonable prices, by zip code or area code, and in electronic format. The report further indicates that section 222(a) should ensure that telephone companies will be fairly compensated. In order to avoid future excessive pricing, this statement incorporates the concept that prices be based on the incremental cost of providing the information to the independent publishers.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I support many of the improvements to telecommunications law which are contained in H.R. 1555, and I have worked long and hard to ensure open competition in the telecommunications marketplace. Nevertheless, I found it necessary to oppose H.R. 1555 on final passage.

My rationale for opposing the bill stems primarily from my concern for small minority businesses in the industry. Often, a complete deregulation results in the larger, more well-established companies consuming those small businesses that have created a niche for themselves in an industry. H.R. 1555, in its current form, offers little protection for small minority businesses in the telecommunications industry. Minority ownership of telecommunications companies, most notably radio and television station ownership, is threatened by the bill, and out of respect for the minority media industry, I opposed the bill. Mr. Chairman, I hope that as we proceed to conference with the Senate on this legislation, we can focus more closely on the needs of minorities in the ownership of media organizations.

Finally, I wish to stress that my vote today was not an objection to the inexorable progress of technology in the telecommunications industry. I realize that this progress is coming, and will be a part of our society in the future. I welcome this new technology, and hope that all Americans can be included in the promise this progress holds.

Mr. STARK. Mr. Chairman, I am very disappointed that the cable television industry will be deregulated as a result of the Telecommunications Act of 1995. Many of the consumer safeguards that resulted from the 1992 Cable Act are being swept away as a result of this legislation. The 1992 Cable Act helped keep the cable operators honest and was effective in saving consumers approximately $3 billion. True competition is still a few years away and without the necessary protections, cable operators will very likely raise their rates and overcharge their costumers for service.

From 1986–1992, when the cable industry was last deregulated, cable prices rose at three times the rate of inflation. Only when the Congress passed legislation in 1992 did the cable operators become more responsible. If cable regulations are removed, the consumers of this country will suffer.

Mr. ORTON. Mr. Chairman, H.R. 1555, the "Communications Act of 1995" makes major changes in our telecommunications industry. These changes will have a profound effect on consumers, on businesses, and on our society.

While much of the focus of this bill has been on industry giants fighting for market share, a number of us in the House have been very concerned about the effect of these changes on the availability and affordability of access for all Americans to emerging technologies, through the Information Superhighway.

As this bill made its way to the floor, it became apparent that the legislation simply did not contain adequate provisions to promote and ensure affordable access to this Information Superhighway for our Nation's elementary and secondary schools, public libraries, and rural hospitals.

Therefore, I joined my colleagues CONNIE MORELLA of Maryland, ZOE LOFGREN of California, and BOB NEY of Ohio in offering an amendment to the bill to address this important issue.

We were of course disappointed that the Rules Committee failed to make our amendment in order. However, we were most heartened last night to hear the distinguished chairman of the House Commerce Committee acknowledge that such a provision is included in the Senate bill, and give his assurance that he will work to see this preserved, so that the intent our amendment will be carried out in the final legislation.

I certainly understand how time constraints may have prevented the consideration of our amendment, as well as many other important amendments. However, I believe that our proposal has strong bipartisan support, and that it would have passed, if we had an opportunity to vote on this amendment.

Therefore, the chairman's comments on the floor last night are most appreciated. They serve to clarify that the failure to have an affordable access provision in H.R. 1555 does not indicate a lack of support in the House for such a provision. And, combined with the provisions in the Senate bill, they give us strong hope that such provisions will be included in any conference bill we send to the President.

Let me explain why this provision is so important. Almost everyone understands that the telecommunications revolution is changing our life, providing exciting new opportunities. Distance learning can provide tremendous opportunities to schools with limited resources. Access to the Internet can dramatically expand the resources of libraries. And the emergence of telemedicine holds hope for cost-efficient advances in health care, especially for rural patients and hospitals.

Yet, as our society increasingly takes advantage of the Information Superhighway, with its myriad applications, we face a very real danger that millions of Americans living in rural areas or of modest means may be left off. For example, today only 12 percent of the Nation's classrooms even have a telephone line, and just 3 percent are connected to the Internet. The danger is that we may create a society of information haves and have-nots.

The Senate recognized the importance of this issue by approving the Snowe-Rockefeller-Exon-Kerry amendment to the Senate telecommunications bill, S. 652. Under the Senate bill, providers of advanced telecommunications services are required, upon a bona fide request, to provide such services to elementary and secondary schools and libraries at discounted and affordable rates. In addition, such services shall be provided to rural health care facilities and hospitals at "rates that are reasonably comparable to rates charged for similar services in urban areas."

In contrast, the House bill does not contain language which effectively addresses the issue of affordable access. Instead, there is only a weak reference to this issue in section 247, the section of the bill which provides for the preservation of universal service.

Under this section, a joint Federal/State board is required to make recommendations to the FCC and State public utility commissions for the preservation of universal service. Subsection (b) goes on to identify principles that this joint board should base its recommendations on. Subsection 5 addresses the issue of access to advanced telecommunications services. Specifically, subsection 5 says this plan should include recommendations to "ensure access to advanced telecommunications services for students in elementary and secondary schools."

In simple terms, advanced telecommunications services are the means of access to the Internet, the emerging Information Superhighway. As such, this language is clearly inadequate. By itself, ensuring access is an empty and meaningless proposition. Access to anything is generally available, at a certain price. To be meaningful, such access must be affordable.

By way of illustration, 30 years ago, every American had access to college. That is, anyone could file an application, and probably pay the $20 or so application fee. However, without student loans and other financial assistance, such access was meaningless for millions of Americans. Only if access is affordable is it meaningful.

Therefore, the Morella-Orton-Ney-Lofgren amendment would have addressed this issue by adding the word affordable to the access requirement in section 247(b)(5). Second, our amendment would have expanded the range of those institutions eligible for affordable access to the Information Superhighway to include public libraries and rural hospitals engaging in telemedicine.

In offering this amendment, we had strong support from numerous organizations active in this area. At the end of my statement, I would like to include a letter of support from 33 organizations, including the National Association of State Boards of Education, the National Education Association, the American Library Association, the International Telecomputing Consortium, and many others.

To quote from this letter:

> without a national commitment to ensuring affordable access to emerging telecommunications, the United States will fall short in preparing all of its citizens to compete in the new global, information-based economy. . . . Unfortunately, H.R. 1555 lacks strong language which makes that necessary commitment. . . . We encourage you to adopt language in H.R. 1555 which ensures elementary and secondary schools and pubic libraries affordable access to the telecommunications and information technologies which are the future of American prosperity.

As we move to conference, I know I am joined by many others in the House who care deeply about the preservation of an affordable access provision. I am pleased to see strong provisions in the Senate bill, and heartened to hear the House Commerce Committee chairman's commitment to this issue in the House. Inclusion of this provision in a telecommunications conference bill which becomes law will be a critical step in making the technological advances of the 21st century available and affordable for all Americans.

SUPPORT AFFORDABLE TELECOMMUNICATIONS ACCESS FOR OUR NATION'S SCHOOLS AND LIBRARIES

July 26, 1995.

Member, U.S. House of Representatives, Washington, DC.

DEAR REPRESENTATIVE: The following organizations are writing to ask for your support of the Orton/Morella amendment providing for affordable access to the Information Superhighway for schools, public libraries, and rural telemedicine. This amendment is expected to be offered to H.R. 1555, the Communications Act of 1995.

We cannot expect to increase the productivity of our schools and increase the learning at the rates that are needed without affordable access to technology. The Orton/Morella amendment includes provisions that will ensure that all of our Nation's elementary and secondary schools and public libraries have universal and affordable access to telecommunications and information services.

The National Information Infrastructure (NII) promoted by H.R. 1555, and a technologically literate public, together form the foundation of America's future competitiveness and economic growth. However, without a national commitment to ensuring affordable access to emerging telecommunications, the United States will fall short in preparing all of its citizens to compete in the new global, information-based economy. And it is clear that commitment has not yet been made. For example, less than three percent of American classrooms and only 21 percent of our public libraries (13 percent in rural areas) have access to advanced telecommunications services infrastructure for instructional purposes.

Unfortunately, H.R. 1555 lacks strong language which makes that necessary commitment. First, the measure fails to recognize the critical role of public libraries in providing information services to the communities they serve. Perhaps more importantly, though, it fails to recognize that unless schools and libraries and the people they serve are able to access the NII affordably, the tremendous resources available on the Information Superhighway will not be utilized to their fullest potential.

We encourage you to adopt language in H.R. 1555 which ensures elementary and secondary schools and public libraries affordable access to the telecommunications and information technologies which are the future of American prosperity.

Specfically, we are requesting that the House Rules Committee make the Orton/Morella amendment in order or that the provisions of this amendment be included in a managers amendment to H.R. 1555.

Sincerely,

American Association of Community Colleges (AACC), American Association of School Administrators (AASA), American Federation of Teachers (AFT), American Library Association (ALA), American Psychological Association (APA), Association for the Advancement of Technology in Education (AATE), Association for Educational Communications and Technology (AECT), Association for Supervision & Curriculum Development (ASCD), Coalition of Adult Education Organizations (CAEO), California DC Education Alliance: California Teachers Association, Association of California School Administrators, Urban School Districts in California, California Department of Education, Center for Media Education (CME), Computer Using Educators (CUE), Council for American Private Education (CAPE), Coucil of Chief State School Officers (CCSSO), Council for Educational Development and Research (CEDAR), Council of Great City Schools (CGCS), Consortium for School Networking (CoSN), Educational Testing Service (ETS), Far West Laboratory (FWL), Federation of Behavioral Psychological and Cognitive Sciences (FBPCS), The Global Village Institute, Instructional Telecommunications Council (ITC), International Telecomputing Consortium, National Association of State Boards of Education (NASBE), National Association of Elementary School Principals (NAESP), National Association of Secondary School Principals (NASSP), National Education Association (NEA), National School Boards Association (NSBA), Organizations Concerned about Rural Education (OCRE), Public Broadcasting Service (PBS), Triangle Coalition for Science and Technology Education (Triangle), U.S. Distance Learning Association (USDLA), Western Cooperative for Educational Telecommunications.

Mr. LEWIS of Kentucky. Mr. Chairman, I rise today to speak on H.R. 1555, the Communications Act of 1995.

I am going to support H.R. 1555—but with reservations.

I am concerned, for instance, over the very complicated relationship between long-distance carriers and the local companies.

Over the past few weeks, after this bill was reported out of committee, this complex measure has been revised considerably.

I have no doubt the extra work was necessary to some extent in order to level the playing field. H.R. 1555 is an exceedingly complex bill that will impact every American.

It is always difficult to substantially change the landscape of entire industries—as H.R. 1555 does.

My preference is that we take the time to continue to address what I see are problems with this legislation. If it takes a few extra weeks or months, so be it.

The legislative process, however, is about compromise. And so in the end, I voted for final passage of H.R. 1555. It does promote additional competition, and opens up many barriers between telephone and cable services, and indeed, the entire telecommunications industry.

It also corrects many of the problems with the Cable Act of 1993.

Mr. Chairman, I voted for this measure because, though I don't agree with all of its provisions, it accomplishes a great deal.

We have moved forward with this bill. On balance, I believe it will be good for the American people.

Mr. PORTMAN. Mr. Chairman, I rise in support of this carefully crafted legislation because I think it will be good for the consumer. However, I do have some concerns about the impact of this bill on my constituents, who for more than a century have been provided with excellent telecommunications service by Cincinnati Bell. Notwithstanding its name, Cincinnati Bell is an independent—not a regional Bell—company. It has installed in our area one of the most modern and technologically sophisticated local networks. This benefits consumers in our area. In fact, because of Cincinnati Bell's strong commitment to serving the Greater Cincinnati area, we also have among the highest rate of universal service in the country.

Mr. Chairman, I support the pending legislation. But, the Senate bill in some ways better recognizes the circumstances of a company like Cincinnati Bell, and the consumers they serve, than the legislation before us. That is why I rise today to encourage my colleagues to join me in urging our conferees to pay particular attention to the needs of the people served by independent companies like Cincinnati Bell when this legislation is considered in conference.

Mr. FAZIO. Mr. Chairman, although we are well into the Information Age, our Government's response to the need to revamp our national telecommunications policy lags behind. Technological advances make possible the formation of new and hybrid services that do not fit into traditional categories, creating for the first time the possibility of true competition in many telecommunication fields. Today we have the opportunity to make our national telecommunications policies respond to the dynamic age in which we live.

I support final passage of this legislation because I believe it is critical for telecommunications policy in this country to move forward.

If we proceed with the status quo, consumers will continue to be denied state-of-the-art services and products. U.S. competitiveness in telecommunications will continue to be in jeopardy due to antiquated restrictions on involvement in new technology. Industry and investors will not be able to effectively plan for the future. After years of debating this bill, it is time for Congress to step up to the plate.

H.R. 1555 would lift the current restrictions that prevent the telephone, cable television, broadcast television and other companies from competing in each others markets. This legislation will pave the way for a new climate where competition would replace monopoly regulation in the communication sector. H.R. 1555 will allow our country to take an important leap forward in the information age, gradually allowing telecommunications companies into other communications technologies, while guaranteeing ample consumer protections. This new competition will provide long-term consumer benefits in terms of more competitive pricing and increased choice in service.

However, it is with some reservation that I come to support final passage. I regret that some of the more contentious provisions of this bill were not resolved through the more traditional committee process. I think it is important to note that just 1 year ago, this body passed a similar plan to revamp telecommunication law which gathered much broader support. I believe that this bill struck a more balanced approach, evidenced by the overwhelming vote of 430 to 3 in the House of Representatives.

Nevertheless, the overall need for telecommunications reform demands that Congress act on H.R. 1555. As the millennium approaches, we must ensure that our Nation is equipped for the global challenges of the new information age. We must ensure our children have access to the information infrastructure that is rapidly developing. Passage of a comprehensive telecommunications reform measure is needed now.

Mr. ROSE. Mr. Chairman, I rise to express serious concerns over H.R. 1555, the big telecommunications bill. Like a lot of the legislation that is considered by this body, this legislation has its good points and its bad points. After hearing from many of my friends on all sides of this issue and studying the ramifications of passing this legislation, I am convinced that H.R. 1555 needs to be sent back to committee for some reconstructive surgery. I understand that this legislation passed the Commerce Committee with a strong bipartisan vote. But that did not last. It appears that the manager's amendment is about to change the looks of H.R. 1555 a bit, in fact, quite a bit. In the process, it has all but ignored H.R. 1528, which the Judiciary Committee voted out 29 to 1 to give the Justice Department an active role.

I have great respect for the Speaker of this House because of our shared interest in information technology and its utilization to guarantee the free flow of information. But I have greater respect for the process that we use to conduct business in this House of Representatives and I believe that the process that allowed H.R. 1555 to come before us tonight has been flawed. This House can and should do better. Even some of my friends on the other side of the aisle have some real problems with being forced to vote on this bill at this time.

Mr. Speaker, we have such an opportunity here to pass legislation that can really benefit the American people and be fair to all those concerned. I submit to you that Congress should not be in the business of picking winners and losers in the private sector, but that is exactly what we are doing if we do not spend more time fine tuning H.R. 1555. If Congress gets it right we will have done a great deed for the American people—get it wrong and we have done them a great injustice.

For those of us like myself who really want to see the passage of comprehensive telecommunications legislation we have only one real choice. Send this legislation back to the committee and let's get it right. Mark Twain said it years ago better than I: "The difference between right and almost right is like the difference between a lightning bug and lightning". This legislation is far too important to rush through in the middle of the night. Too many amendments were denied consideration on the floor, in an effort to adjourn by Friday. Let's send H.R. 1555 back to committee and craft a piece of legislation that can be ungrudgingly supported by all Members of this House.

Mr. NORWOOD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks. I am pleased today to support H.R. 1555, the Communications Act of 1995. I know this has been a long, tedious process with a wide range of industries taking keen interest in every jot and title of this bill.

But, Mr. Chairman, as the Titans of industry have waged their battle over this piece of legislation, it is important to note that the primary beneficiary will be and ought to be the American consumer of telephone, cable, and all communications services. As the markets open up in these areas and real competition is realized, just as we've seen in the video and computer industry, we will have better technology at lower prices.

Mr. Chairman, I can't let this moment pass without commenting on the battle between the Bells and long distance that is raging still. As the gentlemen from Texas and Virginia have done, I had representatives from both interests in my office at the same time to talk with each other and try to resolve their differences. Perhaps at the end of this process we will finally see an agreeable solution. I realize that one party wants free access to all markets—which eventually I believe will happen—and the other is asking for a reasonable transition period of regulation so their markets are not taken away by the companies that own the phone lines. This bill, however imperfectly, does establish this balance.

As my friend from Washington, Mr. WHITE, has graciously reminded me throughout the process—I thank him for his advice and help—the Congress is the one entity that is trying to strike the most fair balance. The other parties own huge interests in getting their way, or at least getting a "fair advantage," to borrow a phrase from the chairman from Virginia.

I would also like to thank Mr. BLILEY and Mr. FIELDS for their hard work on this bill and many long hours and still more frequent meetings and hearings that made this legislation possible. I appreciate their concern for the smaller rural phone companies that could have been severely hurt by much bigger companies during the transition period to deregulation.

The chairmen also know my concern about the Federal Communications Commission's regulatory underbrush that still exists for common carriers. I appreciate the adoption of Mr. BOUCHER'S amendment in the Commerce Committee that did lighten the load by removing regulations created for another era. Perhaps we can work on further regulatory relief in the future that would unburden common carriers even more. I am particularly concerned about the smaller carriers that may not have the resources or the legal staff to push the amount of paper that the FCC demands.

Mr. Chairman, I support this bill. A bill this large cannot be perfect. But it does get us way down the road to competition, free markets, better technology, and lower prices for the consumer. I urge its passage.

Mr. KLUG. Mr. Chairman, I would like to respond to the statements made on August 1, 1995 by my colleague, the gentlewoman from California [Ms. ESHOO] concerning H.R. 1555, the Communications Act.

In her remarks about cable compatibility, she would have us believe that it is a classic disagreement between the evil, foreign television manufacturers and the good, domestic technology firms. I do not believe the 30,000 Americans, employed in the manufacturing of 14 million television receivers annually for domestic and foreign sales, would agree with her characterization. The percentage of imported computers, is nearly identical to that of imported TV's, about 30 percent.

The gentlewoman would also like us to believe that her amendment would protect future technology. While it would protect the interest of proprietary technology, especially that of a home automation company in her home State, it would harm retailers, consumers, and that of television manufacturers. A wide variety of groups including the National Association of Retail Dealers and the National Consumers League have opposed the Eshoo amendment. I think it is especially significant when both retailers and consumers are on the same side of an issue as they are in this case.

Cable compatibility is a very technical issue, and one which the industry has been considering for over 2 years. The gentlewoman's amendment, which has not had a hearing, would actually thwart market competition and stifle advancing technology.

I would urge my colleagues who are conferees on this bill to take a closer look at what the Eshoo language does. I think you will find that real world technology is exactly the opposite of what Ms. ESHOO would have us believe.

Mr. HASTINGS of Florida. Mr. Speaker, I rise in support of H.R. 1555. This vital legislation makes long overdue changes to current communications laws by eliminating the legal barriers that prevent true competition.

I am particularly pleased that H.R. 1555 will break down barriers to telecommunications for people with disabilities by requiring that carriers and manufacturers of telecommunications equipment make their network services and equipment accessible to and usable by people with disabilities. The time is past for all persons to have access to telecommunications services.

H.R. 1555 assigns to the FCC the regulatory functions of ensuring that the Bell companies have complied with all of the conditions that we have imposed on their entry into long distance. This bill requires the Bell companies to interconnect with their competitors and to provide to them the features, functions, and capabilities of the Bell companies' networks that the new entrants need to compete. It also contains other checks and balances to ensure that competition in local and long distance grows.

The Justice Department still has the role that was granted to it under the Sherman and Clayton Acts and other antitrust laws. Their role is to enforce the antitrust laws and ensure that all companies comply with the requirements of the bill.

The Department of Justice enforces the antitrust laws of this country. It is a role that they have performed well. The Department of Justice is not and should not be a regulating agency: It is an enforcement agency.

Mr. Speaker, it is time to open our telecommunications market to true competition. This legislation is long overdue. I encourage my colleagues to support H.R. 1555.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in opposition to this legislation, disappointed that such an important and necessary bill has fallen victim to the Republican leadership's knee-jerk acquiescence to the profit-driven whims of corporate America at the expense of average America.

I support comprehensive reform of our Nation's outdated communications laws. During the 103d Congress I voted in favor of legislation which passed this House 423 to 4 and would have gone a long way toward opening all telecommunications markets under equitable rules, promoting competition and protecting consumers. Believe me, H.R. 1555 is a far cry from the sensible approach this body took last year on this issue.

To begin with, H.R. 1555 guts the 1992 Cable Act, which has saved consumers $3 billion in inflated monopoly fee hikes. Despite the fact that 67 percent of consumers support rate regulation and 65 percent of cable customers still believe their bills are too high, H.R. 1555 lifts cable rate regulation on the most popular cable programming immediately for smaller cable operators and 15 months after enactment of this bill for the largest operators, regardless of the competitive nature of their markets. It is estimated that this bill will increase cable bills an average of $5 monthly per individual.

Where is the sense Mr. Chairman? According to the General Accounting Office, deregulation of the cable industry prior to effective competition in 1984 resulted in a monumental rise in cable rates at three times the rate of inflation. Given the fact that effective competition exists in less than one-half of 1 percent of all cable systems nationwide and affordable cable TV alternatives for 99.5 percent of consumers from phone companies or satellite providers is not yet fully feasible, swiftly opening up these markets can only spur price gouging.

Ironically, on top of this, H.R. 1555 also raises the complaint threshold that it takes to trigger an FCC investigation of price gouging by a cable operator to a standard that has to date rarely been met by any community seeking such relief from the FCC. Talk about a bill that targets consumers in its crosshairs.

But there's more. H.R. 1555's provisions on mass media ownership virtually guarantee that power will be concentrated among a select few communications megacorporations, sacrificing the key tenets of communications policy—community control and variety of viewpoints. This legislation repeals all ownership limits on radio stations, allows one network to control programming reaching 50 percent of all households nationwide, gives one major communications entity the ability to own newspapers, cable systems, and television stations in a single town. This type of excessive media control is not a healthy prescription for competition.

All one has to do is read the recent newspaper headlines to realize that the industry Goliaths are making deals left and right, salivating in anticipation of this legislation's passage and the huge windfall it will bring them. Luckily, President Clinton has cited the unprecedented media concentration promoted by this legislation as a major stumbling block that would bring his veto.

Over the last few weeks hundreds of my constituents have contacted my office to express their opposition to the aforementioned anticonsumer provisions of this legislation. I come to this floor today to represent their views by voting against H.R. 1555.

However, I should note for the record that there are a few provisions beneficial to our Nation's small telecommunications providers included in this legislation that I do support and am glad the committee saw fit to advance.

While we should all look forward to the opportunities presented by new, emerging technologies, we cannot disregard the lessons of the past and the hurdles we still face in making certain that everyone in America benefits equally from our country's maiden voyage into cyberspace. I refer to the well-documented fact that, in particular, minority- and women-owned small businesses continue to be extremely underrepresented in the telecommunications field.

In the cellular industry, which generates in excess of $10 billion a year, there are a mere 11 minority firms offering services in this market. Overall, barely 1 percent of all telecommunications companies are minority-owned. Of women-owned firms in the United States, only 1.9 percent fall within the communications category.

Some of the provisions included in this bill can make a first step in eradicating these inequities.

I am very pleased to see that Representative RUSH successfully offered an amendment in subcommittee markup similar to a provision I included in last year's telecommunications legislation that will help to advance diversity of ownership in the telecommunications marketplace. It requires the Federal Communications Commission to identify and work to eliminate barriers to market entry that continue to constrain all small businesses, including minority- and women-owned firms, in their attempts to take part in all telecommunications industries. Underlying this amendment is the obvious fact that diversity of ownership remains a key to the competitiveness of the U.S. telecommunications marketplace. Given the distorted mass media ownership provisions I previously discussed, Representative RUSH's takes on heightened importance.

In addition, I fully support the telecommunications development fund language included in Chairman BLILEY's manager's amendment. This language ensures that deposits the FCC receives through auctions be placed in an interest-bearing account and the interest from such deposits be used to increase access capital for small telecommunications firms. This fund seeks to increase competition in the telecommunications industry by making loans, investments or other similar extensions of credit to eligible entrepreneurs.

Finally, antiredlining provisions that prohibit carriers from discriminating against communities comprised of low-income and minority individuals address a genuine concern of mine that the information superhighway must not be allowed to bypass those communities most in need of its benefits.

Nevertheless, Mr. Chairman, taken as a whole, the bad in this bill greatly outweighs the good and, despite what those on the other side of the aisle might say, the majority of our constituents know it. Therefore, I urge my colleagues to vote no on H.R. 1555.

Mr. KLECZKA. Mr. Chairman, I would like to discuss several important issues surrounding H.R. 1555, the Communications Act of 1995. Today, the House is acting on a comprehensive telecommunications reform bill that some say is the most far-reaching legislation debated in recent memory. This bill would phaseout controls that inhibit open competition in the broadcast, local telephone, long-distance, cable, and cellular industries.

The telecommunications industry is currently hampered by outdated restrictions and regulations that do not allow these innovative companies to enter each other's lines of business. Thus, consumers cannot benefit from increased competition and the companies are not fully able to develop new technologies that will benefit us all.

This legislation is designed to allow companies to evolve while ensuring that consumers are not trampled in the process. Encouraging open and fair competition should be one of our highest priorities, and it is the best route to bringing the information superhighway up to speed.

While I support the general direction of this bill and will vote for it on final passage, there are some important additions that will make this bill better. One such change is an amendment to protect consumers from cable rate increases by continuing regulation of existing cable systems until there is adequate competition. We must continue to protect consumers in this manner until true competition in the cable industry arrives.

I also support an amendment that limits to 35 percent the percentage of households that may be reached by TV stations directly owned by a single network or ownership group. We must ensure that consumers will be able to receive a diversity of viewpoints from the media.

The bill as currently written could threaten the independence of many local television stations across the country. In addition, I support an amendment to preserve the authority of local governments to be compensated for use of public rights-of-way by telecommunications providers.

These changes to H.R. 1555 are of critical importance, and I sincerely hope that fair consideration will be given to them during floor debate of this bill. One of my Republican colleagues has been quoted as saying "this bill is not perfect, but close enough for government work." I disagree, and believe that, with the changes I have suggested, this bill will usher in a new modern age in telecommunications. However, failure to adequately address my concerns, either during House consideration or in conference, might require me to vote to sustain a Presidential veto of this bill.

Mr. KIM. Mr. Chairman, I rise to urge my colleagues to support the overhaul of our national telecommunications policy. This legislation will unleash vast economic and technological forces that will transform our Nation's communications network into the most advanced and competitive system in the world.

The Communications Act of 1995 is a landmark regulatory reform bill that offers countless benefits to American consumers. By busting monopolies, opening all telecommunications markets to competition, and eliminating layers of burdensome Federal regulations, H.R. 1555 will give Americans access to a whole new range of new communications services at lower prices.

This bill offers local, long distance, and cable providers the opportunity to offer complete video and communications services anywhere in the United States.

Just as important, this bill prevents monopolistic activity and guarantees true competition in the local, long distance, and cable industries. I intend to support amendments which open these markets as quickly as possible without sacrificing competition. We must ensure that local and long distance providers compete on a fair and level playing field.

By reforming our telecommunications system we will create 3.4 million jobs over the next 10 years. True competition will give hardworking families and individuals over $550 billion in savings in local, long distance, cellular, and cable prices over the next 10 years. In addition, competition will speed up the introduction of new, innovative technologies and services, such as telemedicine in rural areas and distance learning to improve education and on the-job-training.

In conclusion, Mr. Chairman, I urge my colleagues to pass a bill that will create the most technologically advanced—and lowest priced—communications system in the world.

Mr. LEVIN. Mr. Chairman, I have grave concerns about the bill before us. Both on substance and on process, this is the wrong way to go about overhauling our Nation's communications laws.

Let me be clear that I support comprehensive reform of our Nation's telecommunications laws. I support deregulation. I support increased competition. I personally feel the time has come to free the regional Bell companies to enter the long-distance, manufacturing, and video markets.

However, this legislation is seriously flawed. How can you go home to your district and explain to your constituents that you voted for this bill?

How are you going to explain that you voted for a bill that gives cable companies the green light to raise rates through the roof without first requiring them to give up their monopolies? Fifteen months after this bill becomes law, cable rates are going up. How are you going to explain it?

How are you going to explain that you voted for a bill that fails to empower parents to control the amount of sex and violence their children watch on television? In the very near future, the number of channels available to every home in America will jump from a few dozen to as many as 500 channels. I'm fed up with TV violence. We must give parents a tool to block objectionable programs they don't want their children to see. For a modest cost, a computer chip can be added to new televisions that empowers parents to do this.

How are you going to explain that you voted for a bill that's a blueprint for unprecedented media concentration? Under this bill, a single company or individual can buy up most of your town's mass media, including an unlimited number of radio stations, two TV stations, and even the town newspaper.

The process under which the House is considering this legislation is also flawed. Large portions of this bill were developed in secret, behind closed doors. This bill will profoundly affect the shape of telecommunications in this country for years to come. It will impact every person in the country who owns a telephone, watches TV, or listens to radio.

We shouldn't debate such a far-reaching piece of legislation in a few short hours, under a closed rule, without adequate time for debate or amendment. Surely, this is no way to legislate.

Mr. COYNE. Mr. Chairman, I rise in strong support of efforts to address the concerns of consumers about the telecommunications bill now before the House.

Let me say that I believe there is strong support in the House for free and open competition among the various elements of the telecommunications industry. I also support providing free and open competition to the American consumer who should be able to choose freely between providers of telephone, cable and other telecommunications services.

The question is not over the merits of free and open competition as a goal. There are, however, real questions about how we provide sufficient protection for consumers during a transition period to free and open competition. A key test is whether adequate time is provided to ensure that true competition is present before current regulatory protections are eliminated. Failure to provide such protections would provide unacceptable opportunities for the abuse of consumers by firms which enjoy a monopoly or quasi-monopoly position in their individual sectors of the telecommunications industry.

That is why I oppose in particular the provisions of H.R. 1555 which would repeal prematurely the cable rate regulations enacted by Congress as part of the Cable Television Consumer Protection Act of 1992. H.R. 1555 would drop overnight all cable rate provisions for most cable markets in the Nation and would allow only 15 months before cable rate protections are dropped for larger markets, including the City of Pittsburgh which I represent.

I believe that the rush to drop all cable rate regulations is completely unacceptable because the timeframe provided by H.R. 1555 is insufficient to provide a realistic opportunity for the emergence of true competition. Current service providers have had years to enjoy the benefits of monopoly control over local cable services. It was only with the Cable Television Consumer Protection Act of 1992 that local consumers were offered some protections from the unjustified rate increases and poor service that had been all too common in many parts of the Nation. Now, those protections would be eliminated practically overnight even though real competition has not been given a decent chance to emerge.

The rush to deregulate opens the floodgates for companies which already enjoy a monopoly position in one market to expand their dominance to other segments of the telecommunications industry. Along the way, ratepayers would be paying for this expansion through higher rates because a real alternative to their local monoploy provider is not yet in place.

A clear example of the lack of protection against the power of monopoly providers is demonstrated by a provision of H.R. 1555 which permits buy-outs of local cable companies by telephone companies, with limited exceptions. This provision is contrary to the very principle of encouraging competition which is supposed to be the reason for passing telecommunications legislation. Why in the world would two monopolies compete against each other for their customer base when it would be so much easier to simply buy the competition. The result would be one super-monopoly taking the place two companies well positioned to compete head on. This buy-out provision makes a farce out of the very idea of promoting true competition.

I also oppose provisions of H.R. 1555 which would preempt State regulatory authority to ensure that consumers are protected from abusive pricing practices. States must be able to play the role of consumer advocates in cases where monopolies or quasi-monopolies would otherwise possess unregulated opportunities to impose unjustified price increases on local ratepayers. The lack of State oversight along with the rush to repeal existing regulatory protections make H.R. 1555 a virtual road map for how to raise rates for telecommunications services.

Mr. Speaker, I must oppose H.R. 1555 as long as these anti-consumer provisions remain part of this legislation. Free and open competition must not be taken for granted. It can only emerge over time when adequate protections are provided to American families who are being put at risk by this rush to deregulate.

Mr. TAUZIN. Mr. Chairman, as a strong supporter of and coauthor of several provisions in the manager's amendment offered by the chairman of the Commerce Committee, Mr. BLILEY, I would like to describe intent with respect to some of its provisions.

As the author of a similar amendment on resale in full committee, I would like to clarify the meaning of the resale provision in section 242(a)(3), as amended by the manager's amendment. As drafted, local exchange carriers, including the Bell companies, must offer services, elements, features, functions, and capabilities for resale at wholesale rates. Subsection (b) then permits the carrier to prohibit a reseller from offering a service, element, feature, function, or capability obtained at a wholesale rate to a different category of subscribers to which the wholesale rate applies. This provision is intended to permit carriers to continue, at the wholesale level, their tradition of classifying their retail customer services—for example, residential services versus business services and even of subclassifying within such service categories, for example, general residential and lifeline services. By referring only to the resale of services offered at wholesale rates, this provision would not prevent a local exchange carrier from including in its retail residential services tariffs that prohibit a reseller from reselling the retail residential rate to business customers. Many local exchange carriers have such conditions in their tariffs, and many State commissions use such conditions as a way of preserving universal residential services. The commissions require the local companies to offer subsidized residential services to promote universal service. However, the subsidized services are not offered to business customers, who generally are expected to cover the costs of their own services and to defray the shortfall from the subsidized residential customers. If resellers were allowed to resell these subsidized residential retail services for business purposes, the burden on others of universal service would increase. Indeed, the whole system of universal service would be jeopardized.

Furthermore, section 242(b)(4)(C) requires that the rates at which the services, elements, features, functions, and capabilities are offered at wholesale pursuant to section 242(a)(3) are to cover the costs of items, including any cost incurred by the local exchange carrier in unbundling those items.

Second, in section 245(a)(2)(A), as amended by the manager's amendment, the word "predominately" describes the extent that local telephone services are offered by a competing provider over its own telephone exchange service facilities. Included here is a short statement of intent with regard to this provision and specifically how the word "predominately" should be construed for legislative history.

Third, under section 242(d)(2), the intent of the subparagraph, as amended by the manager's amendment, is to exempt from the joint marketing prohibition all carriers which have in the aggregate less than 2 percent of the presubscribed access lines installed nationwide; that is, competitive access providers such as Teleport and MFS, among others. The word presubscribed is important to identify those carriers exempted from the joint marketing provisions of the bill.

Fourth, in section 245(d)(4) of the bill, I would like to clarify the meaning of the "Standard for Decision" provision. The subsection provides that the Commission cannot approve a Bell company's application for interLATA or manufacturing relief unless it determines that the company has satisfied certain conditions and that the company's interconnection agreements comply with the act. The Commission is simply required to determine whether the conditions for relief set forth in the law have been met by the particular Bell company. If they have been met, then the Commission must grant the applications. It is not free to require the Bell company to meet other requirements or to withhold approval to achieve some other public policy goal that the Commission might consider important. In effect, we are telling the Commission that if it concludes that the Bell company has complied with the detailed requirements that we set forth in the law, then it must grant the application. It may not apply any public interest test or requirement on its own.

Fifth, I want to clarify our position with respect to telephone company entry into video markets. First and foremost, we are interested in competition—increasing consumer choice in programming, providers, services, and rates. I am confident that telephone companies will enter video markets with consumer choice uppermost in their minds. H.R. 1555 encourages video competition and telephone company entry in a number of ways:

First, it gives all telephone companies the choice between entering video markets as title II common carriers or as title VI cable operators. We do not intend to impose title II regulation and title VI regulation on telephone companies that enter video markets.

Second, whether telephone companies choose the title II option or the title VI option, the bill allows them to provide voice and video services over integrated facilities.

Third, if a telephone company chooses to enter the video market as a title II common carrier, and its affiliate provides programming on the telephone company's VDT platform, the bill clarifies that neither the telephone company nor its affiliate will be required to apply for a title VI franchise. Again, this is because we do not intend to impose title II and title VI regulation on telephone companies.

Finally, Mr. Chairman, I am submitting an article from the July 2 Washington Post describing my concerns about the lack of competition in long distance rates, something I outlined during floor debate on H.R. 1555.

"PREDOMINATELY"

Section 245, as added by the bill, provides the method by which a Bell company may request authority from the FCC to offer interLATA service on a State-by-State basis. Section 245(a)(2)(A) sets forth an additional requirement to verify that the local exchange is open to competition. There must be at least one competing provider that offers telephone exchange service to business and residence subscribers, either exclusively over its own telephone exchange service facilities or predominantly over its own telephone exchange service facilities in combination with the resale of the services of other carriers.

The phrase "predominantly over its own telephone exchange service facilities" is intended to ensure that the competing provider is doing more than repackaging and reselling the services of the Bell company. The Commission will establish guidelines for determining whether the "predominantly" requirement of section 245(a)(2)(A) has been satisfied. It is my understanding that in setting forth these guidelines the Commission will consider only the local loop and switching facilities used by the competing provider to provide telephone exchange service. It is also my understanding that the competing provider will be deemed to be providing service "predominantly" over its facilities if more than 50% of the local loop and switching facilities used by the competing provider to provide telephone exchange service is owned by the competing provider, or owned by entities not affiliated with the Bell company that is applying for interLATA authority. For example, if the competing provider uses a combination of facilities, 25% of such facilities being owned by the competing provider, 26% of such facilities being resold facilities owned by entities not affiliated with the local Bell company, and 49% of such facilities being resold facilities of the local Bell company, then the "predominantly" requirement of section 245(a)(2)(A) would be satisfied. If the competing provider uses a combination of facilities, 50% or more of such facilities being resold facilities of the local Bell company and the remainder being owned by the competing provider or obtained from entities not affiliated with the local Bell company, the "predominantly" requirement is not satisfied.

[From the Washington Post, July 2, 1995]

LONG-DISTANCE CARRIERS IN A QUANDARY

ON DISCOUNT PLANS, THERE'S NO ANSWER FROM MANY CUSTOMERS

(By Mike Mills)

Night and day, AT&T Corp., MCI Communications Corp. and Spring Corp. pummel each other with often vicious advertising campaigns touting their own discount calling plans as better than the rest. From the look of it, long-distance rates are heading nowhere but down.

But more than 60 percent of the nation's 97 million households don't subscribe to a long-distance discount plan, according to industry estimates—and their rates have been going up.

The non-discounted "basic" rates that they pay have risen nearly 20 percent since 1991, in part to help finance the discount plans that they're ignoring.

This fact is central to a debate over a broad telecommunications bill now before Congress. The country's seven Bell telephone companies, barred from the long-distance business by court order, argue that five times since 1991 the Big Three long-distance carriers have raised "in lock step" the basic rates that most Americans pay. The long-distance industry isn't really competitive, they say, and would benefit from the immediate entry of the Bell companies.

Long-distance companies counter by saying that's the wrong way to look at it: Most of the country's long-distance calls are made by people on discount plans, they say. Those who aren't on the plans hardly call long distance at all.

The Senate last month passed a bill giving the Bells rights to gradually enter the long-distance business.

The House is scheduled to take up its version of the bill later this month.

In the past 10 years, discount programs have emerged as the chief tool of competition between AT&T, MCI and Spring, which account for about 95 percent of the $75 billion-a-year long-distance industry, according to the Yankee Group research firm. But to belong to such a plan, you have to sign up.

"If you're not on a plan, get on one," said Brian Adamik, director of consumer communications at the Yankee Group.

The right plan depends on your calling habits, according to the Washington-based consumer group Telecommunications Research & Action Center.

The True Savings plan of market leader AT&T, for instance, offers 25 percent to 30 percent off most domestic long-distance calls, as long as you make at least $10 in calls a month.

MCI's New Friends and Family matches that, then tosses in 50 percent discounts to customers who call within a "calling circle" of relations or pals who also subscribe to MCI.

Sprint tries to make things simpler with a flat rate of 10 cents a minute. Time-of-day restrictions often apply.

The first question most consumers ask when they see those promises of long-distance discounts is "based on what?" The answer is, basic rates, which often rise even as the discounted prices fall.

Long-distance carriers say the Bells are focusing on basic rates unfairly, and point to their discount plans as evidence that their industry is competitive.

Long-distance rates overall have declined about 70 percent since the AT&T breakup, they said, adding that the Bells should not be allowed into their market until the Bells first show they couldn't use their control of local phone networks, through which most long-distance calls pass, to favor their long-distance services.

The question then becomes: How many people pay basic rates—and how many calls do they make?

Surveys by AT&T, PNR Associates of Philadelphia and the Yankee Group all arrive at the conclusion that about 60 million households don't belong to a plan.

For about half of them, it's hardly worth the bother of signing up: About 30 million spend less than $10 a month on long-distance calls, according to the Yankee Group, and wouldn't benefit from the discount plans, which generally don't provide discounts unless the customer spends at least $10 a month.

That leaves about 30 million households that would benefit from joining a plan.

But, for a variety of reasons, they don't.

"The typical individual thinks there's something attached," said Deanna Weaver of Burke, who recently joined her first discount program. "There isn't any risk, but some people find it hard to believe."

Many people also may simply be tuning out the ads.

Of 1,000 people surveyed in a recent poll by the public relations company Creamer Dickson Basford, 78 percent said they are tired of ads promising that one calling rate is cheaper than another.

To long-distance companies, customers who spend next to nothing every month are the equivalent of people who hog tables at a restaurant and order only soft drinks. In many cases, carriers lose money serving them. AT&T estimates it costs $3 to $5 a month to service a single customer, which includes the cost of billing and payments into various federal telephone funds.

People who hardly call at all typically are basic-rate customers. Long-distance companies argue that it's not unfair to edge their rates up, so as to lower the numbers who are money-losing propositions.

Mr. MICA. Mr. Chairman, as we move forward on telecommunications, I want to ensure that we do not enact any provision that could result in existing radio users being deprived of the ability to operate, expand, and modify as necessary their radio systems. This would be especially true of noncommercial internal use radio systems, operated by safety providers like AAA. These systems are important in protecting the safety and security of the American public. Last year, for example, AAA responded to over 22 million calls for emergency assistance relying heavily on its radio dispatch system. I would therefore urge the House and Senate conferees on the telecommunications bill to reject any provision which would put at risk this public safety service.

Mr. PAXON. Mr. Chairman, I'm pleased to see the provision in this legislation that will allow for greater competition in the directory publishing business. Section 222(a) requires carriers providing local phone service to provide subscriber list information "on a timely and unbundled basis, under nondiscriminatory and reasonable rates, terms and conditions, to any person upon request."

Independent directory publishers currently operate in an environment where local telephone companies have control over subscriber list information. In many States, independent publishers have been forced to wait until the local carrier's directors are published before they can get the subscriber list information needed to publish their own directories. Section 222(a) would ensure access to these listings on a timely basis.

It's equally important to protect independent publishers from excessive charges for these listings. The committee report indicates that phone companies are to be fairly compensated for supplying listing information to independent publishes. I am of the opinion that this incorporates the concept that prices will be based on the incremental cost of providing the information.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. SHAYS), having assumed the chair, Mr. KOLBE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1555), to promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies, pursuant to House Resolution 207, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Under the order of the House of the legislative day of August 3, 1995, the amendment reported from the Committee of the Whole is adopted. No separate vote is in order.

The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. MARKEY. I am opposed to the bill, Mr. Speaker.

The SPEAKER pro tempore. The clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MARKEY moves to recommit the bill H.R. 1555 to the Committee on Commerce with instructions to report the same back to the House forthwith with the following amendments:

Page 157, after line 21, insert the following new section (and redesignate the succeeding sections and conform the table of contents accordingly):

SEC. 304. PARENTAL CHOICE IN TELEVISION PROGRAMMING.

(a) FINDINGS.—The Congress makes the following findings:

(1) Television influences children's perception of the values and behavior that are common and acceptable in society.

(2) Television station operators, cable television system operators, and video programmers should follow practices in connection with video programming that take into consideration that television broadcast and cable programming has established a uniquely pervasive presence in the lives of American children.

(3) The average American child is exposed to 25 hours of television each week and some children are exposed to as much as 11 hours of television a day.

(4) Studies have shown that children exposed to violent video programming at a young age have a higher tendency for violent and aggressive behavior later in life that children not so exposed, and that children exposed to violent video programming are prone to assume that acts of violence are acceptable behavior.

(5) Children in the United States are, on average, exposed to an estimated 8,000 murders and 100,000 acts of violence on television by the time the child completes elementary school.

(6) Studies indicate that children are affected by the pervasiveness and casual treatment of sexual material on television, eroding the ability of parents to develop responsible attitudes and behavior in their children.

(7) Parents express grave concern over violent and sexual video programming and strongly support technology that would give them greater control to block video programming in the home that they consider harmful to their children.

(8) There is a compelling governmental interest in empowering parents to limit the negative influences of video programming that is harmful to children.

(9) Providing parents with timely information about the nature of upcoming video programming and with the technological tools that allow them easily to block violent, sexual, or other programming that they believe harmful to their children is the least restrictive and most narrowly tailored means of achieving that compelling governmental interest.

(b) ESTABLISHMENT OF TELEVISION RATING CODE.—Section 303 of the Act (47 U.S.C. 303) is amended by adding at the end the following:

"(v) Prescribe—

"(1) on the basis of recommendations from an advisory committee established by the Commission that is composed of parents, television broadcasters, television programming producers, cable operators, appropriate public interest groups, and other interested individuals from the private sector and that is fairly balanced in terms of political affiliation, the points of view represented, and the functions to be performed by the committee, guidelines and recommended procedures for the identification and rating of video programming that contains sexual, violent, or other indecent material about which parents should be informed before it is displayed to children, provided that nothing in this paragraph shall be construed to authorize any rating of video programming on the basis of its political or religious content; and

"(2) with respect to any video programming that has been rated (whether or not in accordance with the guidelines and recommendations prescribed under paragraph (1)), rules requiring distributors of such video programming to transmit such rating to permit parents to block the display of video programming that they have determined is inappropriate for their children.".

(c) REQUIREMENT FOR MANUFACTURE OF TELEVISIONS THAT BLOCK PROGRAMS.—Section 303 of the Act, as amended by subsection (a), is further amended by adding at the end the following:

"(w) Require, in the case of apparatus designed to receive television signals that are manufactured in the United States or imported for use in the United States and that have a picture screen 13 inches or greater in size (measured diagonally), that such apparatus be equipped with circuitry designed to enable viewers to block display of all programs with a common rating, except as otherwise permitted by regulations pursuant to section 330(c)(4).".

(d) SHIPPING OR IMPORTING OF TELEVISIONS THAT BLOCK PROGRAMS.—

(1) REGULATIONS.—Section 330 of the Communications Act of 1934 (47 U.S.C. 330) is amended—

(A) by redesignating subsection (c) as subsection (d); and

(B) by adding after subsection (b) the following new subsection (c):

"(c)(1) Except as provided in paragraph (2), no person shall ship in interstate commerce, manufacture, assemble, or import from any foreign country into the United States any apparatus described in section 303(w) of this Act except in accordance with rules prescribed by the Commission pursuant to the authority granted by that section.

"(2) This subsection shall not apply to carriers transporting apparatus referred to in paragraph (1) without trading it.

"(3) The rules prescribed by the Commission under this subsection shall provide for the oversight by the Commission of the adoption of standards by industry for blocking technology. Such rules shall require that all such apparatus be able to receive the rating signals which have been transmitted by way of line 21 of the vertical blanking interval and which conform to the signal and blocking specifications established by industry under the supervision of the Commission.

"(4) As new video technology is developed, the Commission shall take such action as the Commission determines appropriate to ensure that blocking service continues to be available to consumers. If the Commission determines that an alternative blocking technology exists that—

"(A) enables parents to block programming based on identifying programs without ratings,

"(B) is available to consumers at a cost which is comparable to the cost of technology that allows parents to block programming based on common ratings, and

"(C) will allow parents to block a broad range of programs on a multichannel system as effectively and as easily as technology that allows parents to block programming based on common ratings,

The Commission shall amend the rules prescribed pursuant to section 303(w) to require that the apparatus described in such section be equipped with either the blocking technology described in such section or the alternative blocking technology described in this paragraph.".

"(2) CONFORMING AMENDMENT.—Section 330(d) of such Act, as redesignated by subsection (a)(1), is amended by striking 'section 303(s), and section 303(u)' and inserting in lieu thereof 'and sections 303(s), 303(u), and 303(w)'.

"(e) APPLICABILITY AND EFFECTIVE DATES.—

"(1) APPLICABILITY OF RATING PROVISION.—The amendment made by subsection (b) of this section shall take effect 1 year after the date of enactment of this Act, but only if the Commission determines, in consultation with appropriate public interest groups and interested individuals from the private sector, that distributors of video programming have not, by such date—

"(A) established voluntary rules for rating video programming that contains sexual, violent, or other indecent material about which parents should be informed before it is displayed to children, and such rules are acceptable to the Commission; and

"(B) agreed voluntarily to broadcast signals that contain ratings of such programming.

"(2) EFFECTIVE DATE OF MANUFACTURE PROVISION.—In prescribing regulations to implement the amendment made by subsection (c), the Federal Communications Commission shall, after consultation with the television manufacturing industry, specify the effective date for the applicability of the requirement to the apparatus covered by such amendment, which date shall not be less than one year after the date of enactment of this Act.

Mr. MARKEY (during the reading). Mr. Speaker, I ask that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MARKEY] is recognized for 5 minutes.

Mr. MARKEY. Mr. Speaker, the point that I am going to make right now is that you have had a nice vote. You have now voted to have the 2000 study of whether or not violence and sexual programming on television has an impact on adolescent children. The conclusion to that study is not in question.

The only question now, Mr. Speaker, is going to be whether or not, as we in our recommittal motion let the Coburn study stay in place, we add in now the Markey V-chip amendment as the recommittal. That is it. The Coburn study stays in place, and we add on the V-chip as the recommittal motion. That is all there is to it; it is no more complicated.

Mr. Speaker, we ask that Members who care about parents in this country please vote for this recommittal motion so that both Coburn and the V-chip can be given to them as weapons against the excessive sexual and violent programming on television in our country.

Mr. Speaker, I yield to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, this has been a very hard fight, and for some of us, it is kind of emotional because we have seen what happens when violence occurs in the home. I used to see that violence on a regular basis when I was a kid, and as I grew up, I started watching that same kind of violence on television, and then I say society become more and more violent.

I saw kids start killing other kids. I saw 12-year-old kids raping other 10- and 11-year-old children, and we say, "why is this happening?"

Mr. Speaker, I submit that, in large part, it is due to what FRANK WOLF of Virginia said a while ago, "Garbage in, garbage out." The kids are seeing a steady diet of violence and sex, and there is no way for parents who are working day and night to keep their kids safe from it. There is no way. This is the only technology that is available that will do it.

Mr. Speaker, I love all my colleagues. I know we have differences of opinion. I respect all of them, but I am really disappointed today because we have not given the people of this country, the parents, the ability to help protect their kids.

Mr. MARKEY. Mr. Speaker, I yield to the gentleman from Michigan [Mr. BONIOR], the minority whip.

Mr. BONIOR. Mr. Speaker, first of all, I want to commend my friend from Indiana, Mr. BURTON, for his courageous fight on this amendment, as well as my friend, the gentleman from Massachusetts [Mr. MARKEY].

Mr. Speaker, the V-chip is based upon a very simple principle that it is the parents who should raise the children, not the Government, not the corporate executives, not the advertisers, not the network executives. It is the parents who are the people responsible for what their children see. It is the parents who should have a more powerful voice in the marketplace.

□ 1445

Now this is about the pictures and the images that shape our children's minds. This is about giving parents the tools they need to stop the garbage from flowing into our living rooms. By the time a child gets out of grade school, he will, she will, have seen 8,000 murders, over 100,000 acts of violence. This bill will help parents let Sesame Street in and keep the Texas Chain Saw Massacre out, and that is why over 90 percent of the American public support the idea of the V-chip.

Now this motion to recommit will allow a straight up-or-down vote on the

Markey-Burton amendment on the V-chip, and that motion was denied by the passage of the Coburn amendment, and I know why the Coburn amendment passed, because it contained a lot of language that people support.

This is a graft on top of Coburn. It goes further, and it gives parents the control they need.

Mr. Speaker, I urge my colleagues to vote to give parental control over what goes into the minds and the hearts of our children.

Mr. MARKEY. Mr. Speaker, I yield to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, the cost of the chip is as little as 18 cents. For 18 cents on a television set we can give the parent back the control of some of the filth, and some of the smut, and some of the violence that is coming into the living room.

I urge my colleagues to support the motion.

Mr. MARKEY. I reclaim the balance of my time, Mr. Speaker, to make this final point:

We sell 25 million television sets a year in the United States. In 2 years there will be 25 million homes with a V-chip that costs 18 cents that every parent can use to protect their children. That is what a yes vote on recommittal means. My colleagues will still have the Coburn study, if they want it, but parents will have something out of this as well, the protection when they are not in the home, when they are not in the same room, to be able to block out the violence and sexual programming that their 3-, and 4-, and 5-, and 6-year-old little boys and girls should not be having access to, should not be in their minds.

Please vote "yes" on recommittal so that we can build the V-chip into this very important piece of legislation.

Mr. BLILEY. Mr. Speaker, this has been a good debate on this bill over 2 days. Before yielding to the gentleman from New York [Mr. PAXON] I would just like to take a few moments to thank our respective staffs for their hard work and tireless dedication. I would especially like to thank Catherine Reid, Michael Regan, Harold Furchgott-Roth and Mike O'Reilly of the majority; David Leach with Mr. DINGELL's staff; and Steve Cope of the Office of Legislative Counsel. The House should applaud their fine efforts in bringing this legislation forward.

Mr. Speaker, I yield to the gentleman from New York [Mr. PAXON] in opposition to this motion to recommit.

Mr. PAXON. Mr. Speaker, first, on behalf of the committee, I think both Republicans and Democrats, I would like to say a thank you, to the Members for their patience, for their good humor, for frankly staying awake during these final hours of this very long week. I have just three brief points to make:

No. 1, this House should be very proud. Today we have made history. For the first time in 61 years we are preparing to pass a telecommunication reform bill that is historic. My colleagues should be proud of this effort. It is, therefore, ludicrous to talk about recommitting a piece of history that we have just worked so hard to craft, and I know this House would not do this afternoon, recommit this important and historic piece of legislation, because it would mean there is no bill.

No. 2, there has been a lot of talk about this legislation. I just counted in the Markey amendment; it refers to the word "ratings" 12 different times. That point has been lost lately in this discussion. Ratings are contained in that measure 12 different times; that is contained in the motion to recommit.

My third point, my colleagues: It is time to go home.

Please vote "no" on the motion to recommit.

PARLIAMENTARY INQUIRIES

Mr. BURTON of Indiana. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. SHAYS). The gentleman will state his parliamentary inquiry.

Mr. BURTON of Indiana. If the recommittal motion is approved, does that kill the bill?

The SPEAKER pro tempore. The question of passage would still be reached.

Mr. DINGELL. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. DINGELL. My purpose in making a parliamentary inquiry is to ask the Chair this question:

If the motion to recommit with instructions occurs, is it not a fact that the matter is immediately reported back to the House, at which time the vote then occurs on the legislation as amended by the motion to recommit with instructions?

The SPEAKER pro tempore. The appearance of the word "forthwith" in the instruction makes it so.

Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. MARKEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 224, noes 199, not voting 11, as follows:

[Roll No. 634]

AYES—224

Abercrombie
Ackerman
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bereuter
Bevill
Bishop
Blute
Boehlert
Bonior
Borski
Boucher
Browder
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Burton
Cardin
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cubin
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Duncan
Durbin
Edwards
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Frost
Funderburk
Furse
Ganske
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Gonzalez
Goodlatte
Gordon
Green
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hayes
Hefley
Hefner
Hilliard
Hinchey
Holden
Horn
Hoyer
Hunter
Hyde
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kennedy (MA)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Leach
Levin
Lewis (CA)
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
McCarthy
McDade
McDermott
McHale
McIntosh
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Mfume
Miller (CA)
Mineta
Minge
Mink
Mollohan
Montgomery
Moran
Morella
Murtha
Neal
Oberstar
Obey
Olver
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Petri
Pickett
Pomeroy
Portman
Poshard
Rahall
Rangel
Reed
Rivers
Roemer
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shuster
Sisisky
Skaggs
Skelton
Slaughter
Smith (NJ)
Souder
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Torres
Torricelli
Tucker
Upton
Velazquez
Vento
Visclosky
Volkmer
Ward
Watt (NC)
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (FL)

NOES—199

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Berman
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Bono
Brewster
Brown (CA)
Brownback
Bryant (TN)
Bunning
Burr
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo

Cremeans
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Dunn
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Foley
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Gallegly
Gekas
Gilchrest
Goodling
Goss
Graham
Greenwood
Gunderson
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hutchinson
Inglis
Istook
Johnson, Sam
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Matsui
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moorhead
Myers
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Peterson (MN)
Pombo
Porter
Pryce
Radanovich
Ramstad
Regula
Richardson
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Salmon
Sanford
Schaefer
Schiff
Seastrand
Shadegg
Shaw
Shays
Skeen
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Towns
Traficant
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Waters
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Zeliff
Zimmer

NOT VOTING—11

Andrews
Bateman
Moakley
Ortiz
Quillen
Quinn
Reynolds
Scarborough
Thurman
Williams
Young (AK)

☐ 1509

The Clerk announced the following pair:

On this vote:

Mr. Quinn for, with Mr. Quillen against.

Mr. FLANAGAN changed his vote from "nay" to "aye."

So the motion to recommit was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. (Mr. SHAYS). The Chair recognizes the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, pursuant to the instructions of the House, I report the bill, H.R. 1555, back to the House with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment: On page 57 after line 21 insert the following new section:

SEC. 304. PARENTAL CHOICE IN TELEVISION PROGRAMMING.

(a) FINDINGS.—The Congress makes the following findings:

(1) Television influences children's perception of the values and behavior that are common and acceptable in society.

(2) Television station operators, cable television system operators, and video programmers should following practices in connection with video programming that take into consideration that television broadcast and cable programming has established a uniquely pervasive presence in the lives of American children.

(3) The average American child is exposed to 25 hours of television each week and some children are exposed to as much as 11 hours of television a day.

(4) Studies have shown that children exposed to violent video programming at a young age have a higher tendency for violent and aggressive behavior later in life that children not so exposed, and that children exposed to violent video programming are prone to assume that acts of violence are acceptable behavior.

(5) Children in the United States are, on average, exposed to an estimated 8,000 murders and 100,000 acts of violence on television by the time the child completes elementary school.

(6) Studies indicate that children are affected by the pervasiveness and casual treatment of sexual material on television, eroding the ability of parents to develop responsible attitudes and behavior in their children.

(7) Parents express grave concern over violent and sexual video programming and strongly support technology that would give them greater control to block video programming in the home that they consider harmful to their children.

(8) There is a compelling governmental interest in empowering parents to limit the negative influences of video programming that is harmful to children.

(9) Providing parents with timely information about the nature of upcoming video programming and with the technological tools that allow them easily to block violent, sexual, or other programming that they believe harmful to their children is the least restrictive and most narrowly tailored means of achieving that compelling governmental interest.

(b) ESTABLISHMENT OF TELEVISION RATING CODE.—Section 303 of the Act (47 U.S.C. 303) is amended by adding at the end the following:

"(v) PRESCRIBE.—

"(1) on the basis of recommendations from an advisory committee established by the Commission that is composed of parents, television broadcasters, television programming producers, cable operators, appropriate public interest groups, and other interested individuals from the private sector and that is fairly balanced in terms of political affiliation, the points of view represented, and the functions to be performed by the committee, guidelines and recommended procedures for the identification and rating of video programming that contains sexual, violent, or other indecent material about which parents should be informed before it is displayed to children, provided that nothing in this paragraph shall be construed to authorize any rating of video programming on the basis of its political or religious content; and

"(2) with respect to any video programming that has been rated (whether or not in accordance with the guidelines and recommendations prescribed under paragraph (1)), rules requiring distributors of such video programming to transmit such rating to permit parents to block the display of video programming that they have determined is inappropriate for their children.".

(c) REQUIREMENT FOR MANUFACTURE OF TELEVISIONS THAT BLOCK PROGRAMS.—Section 303 of the Act, as amended by subsection (a), is further amended by adding at the end the following:

"(w) Require, in the case of apparatus designed to receive television signals that are manufactured in the United States or imported for use in the United States and that have a picture screen 13 inches or greater in size (measured diagonally), that such apparatus be equipped with circuitry designed to enable viewers to block display of all programs with a common rating, except as otherwise permitted by regulations pursuant to section 330(c)(4).".

(d) SHIPPING OR IMPORTING OF TELEVISIONS THAT BLOCK PROGRAMS.—

(1) REGULATIONS.—Section 330 of the Communications Act of 1934 (47 U.S.C. 330) is amended—

(A) by redesignating subsection (c) as subsection (d); and

(B) by adding after subsection (b) the following new subsection (c):

"(c)(1) except as provided in paragraph (2), no person shall ship in interstate commerce, manufacture, assemble, or import from any foreign country into the United States any apparatus described in section 303(w) of this Act except in accordance with rules prescribed by the Commission pursuant to the authority granted by that section.

"(2) This subsection shall not apply to carriers transporting apparatus referred to in paragraph (1) without trading it.

"(3) The rules prescribed by the Commission under this subsection shall provide for the oversight by the Commission of the adoption of standards by industry for blocking technology. Such rules shall require that all such apparatus be able to receive the rating signals which have been transmitted by way of line 21 of the vertical blanking interval and which conform to the signal and blocking specifications established by industry under the supervision of the Commission.

"(4) As new video technology is developed, the Commission shall take such action as the Commission determines appropriate to ensure that blocking service continues to be available to consumers. If the Commission determines that an alternative blocking technology exists that—

"(A) enables parents to block programming based on identifying programs without ratings,

"(B) is available to consumers at a cost which is comparable to the cost of technology that allows parents to block programming based on common ratings, and

"(C) will allow parents to block a broad range of programs on a multichannel system as effectively and as easily as technology that allows parents to block programming based on common ratings, the Commission shall amend the rules prescribed pursuant to section 303(w) to require that the apparatus described in such section be equipped with either the blocking technology described in such section or the alternative blocking technology described in this paragraph.".

(2) CONFORMING AMENDMENT.—Section 330(d) of such Act, as redesignated by subsection (a)(1), is amended by striking "section 303(s), and section 303(u)" and inserting in lieu thereof "and sections 303(s), 303(u), and 303(w)".

(e) APPLICABILITY AND EFFECTIVE DATES.—

(1) APPLICABILITY OF RATING PROVISION.—The amendment made by subsection (b) of this section shall take effect 1 year after the date of enactment of this Act, but only if the Commission determines, in consultation with appropriate public interest groups and interested individuals from the private sector, that distributors of video programming have not, by such date—

(A) established voluntary rules for rating video programming that contains sexual, violent, or other indecent material about which parents should be informed before it is displayed to children, and such rules are acceptable to the Commission; and

(B) agreed voluntarily to broadcast signals that contain ratings of such programming.

(2) EFFECTIVE DATE OF MANUFACTURING PROVISION.—In prescribing regulations to implement the amendment made by subsection (c), the Federal Communications Commission shall, after consultation with the television manufacturing industry, specify the effective date for the applicability of the requirement to the apparatus covered by such amendment, which date shall not be less than one year after the date of the enactment of this Act.

Mr. BLILEY (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. BLILEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 305, noes 117, not voting 12, as follows:

[Roll No. 635]

AYES—305

Ackerman
Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bentsen
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Boucher
Brewster
Browder
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clement
Clinger
Clyburn
Coburn
Coleman
Collins (GA)
Combest
Condit
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Dooley
Doolittle
Dornan
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Everett
Ewing
Fazio
Fields (TX)
Flake
Flanagan
Foley
Forbes
Fox
Franks (CT)
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Manton
Manzullo
Martini
McCollum
McCrery
McDade
McDermott
McHugh
McInnis
McIntosh
McKeon
McKinney
Meehan
Meek
Menendez
Metcalf
Mica
Miller (FL)
Mineta
Molinari
Mollohan
Montgomery
Moorhead
Morella
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Olver
Orton
Owens
Oxley
Packard
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Pryce
Radanovich
Rahall
Ramstad
Rangel
Reed
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Rush
Salmon
Sanford
Sawyer
Saxton
Schaefer
Schiff
Schumer
Seastrand
Serrano
Shadegg
Shaw
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Tiahrt
Torkildsen
Torricelli
Towns
Traficant
Tucker
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Wyden
Wynn
Young (FL)
Zeliff

NOES—117

Abercrombie
Baesler
Baldacci
Barcia
Becerra
Beilenson
Bereuter
Berman
Borski
Brown (CA)
Bryant (TX)
Bunn
Bunning
Clayton
Coble
Collins (IL)
Collins (MI)
Conyers
Cooley
Costello
Coyne
DeFazio
DeLauro
Dellums
Dixon
Doyle
Duncan
Durbin
Engel
Evans
Farr
Fattah
Fawell
Fields (LA)
Filner
Foglietta
Ford
Fowler
Frank (MA)
Franks (NJ)
Frelinghuysen
Gejdenson
Gibbons
Gonzalez
Gutierrez
Hefley
Hilliard
Hinchey
Holden
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennelly
Kildee
Klink
LaFalce
Lantos
Leach
Levin
Lipinski
Luther
Maloney
Markey
Martinez
Mascara
Matsui
McCarthy
McHale
McNulty
Meyers
Mfume
Miller (CA)
Minge
Mink
Moran
Murtha
Myers
Nadler
Oberstar
Obey
Pallone
Pelosi
Pomeroy
Poshard
Regula
Richardson
Rivers
Rose
Roybal-Allard
Sabo
Sanders
Schroeder
Scott
Sensenbrenner
Shays
Skaggs
Skelton
Slaughter
Stark
Stokes
Studds
Stupak
Thornton
Torres
Velazquez
Vento
Visclosky
Volkmer
Waters
Waxman
Wise
Woolsey
Yates
Zimmer

NOT VOTING—12

Andrews
Bateman
Deutsch
Moakley
Ortiz
Quillen
Quinn
Reynolds
Scarborough
Thurman
Williams
Young (AK)

□ 1527

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 92. Concurrent Resolution providing for an adjournment of the two Houses.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 402. An act to amend the Alaska Native Claims Settlement Act, and for other purposes.

FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

AUTHORIZING CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 1555, COMMUNICATIONS ACT OF 1995

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill H.R. 1555 the Clerk be authorized to make technical corrections and conforming changes to the bill, and to delete duplicative material.

The SPEAKER pro tempore. (Mr. SHAYS). Is there objection to the request of the gentleman from Virginia?

There was no objection.

GENERAL LEAVE

Mr. BLILEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1555.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1853

Ms. McKINNEY. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1853.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Georgia.

There was no objection.

□ 1530

SUBMISSION OF COMMITTEE ORDER FROM COMMITTEE ON HOUSE OVERSIGHT

(Mr. THOMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, I submit a committee order from the Committee on House Oversight.

At the direction of the Committee on House Oversight, in accordance with the authority granted to the committee as reflected in 2 U.S.C. 57, the committee issued Committee Order No. 41 on August 3, 1995, which will become effective on September 1, 1995. Members will receive information describing this change through a dear colleague.

I include at this point in the RECORD the text of Committee Order No. 41.

Resolved, That (a) effective September 1, 1995, and subject to subsection (b), the Clerk Hire Allowance, the Official Expenses Allowance, and the Official Mail Allowance shall cease to exist and the functions formerly carried out under such allowances shall be carried out under a single allowance, to be known as the "Members' Representational Allowance".

(b) Under the Members' Representational Allowance, the amount that shall be available to a Member for franked mail with respect to a session of Congress shall be the amount allocated for that purpose by the Committee on House Oversight under paragraphs (1)(A) and (2)(B) of subsection (e) of section 311 of the Legislative Branch Appropriations Act, 1991, plus an amount equal to the amount permitted to be transferred to the former Official Mail Allowance under paragraph (3) of that subsection.

SEC. 2. The Committee on House Oversight shall have authority to prescribe regulations to carry out this resolution.

PERMISSION FOR COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES HAVE UNTIL FRIDAY, SEPTEMBER 1, 1995 TO FILE REPORT ON H.R. 1594, PLACING RESTRICTIONS ON DEPARTMENT OF LABOR INVESTMENTS WITH EMPLOYEE BENEFIT PLANS

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that the Committee on Economic and Educational Opportunities may have until noon on Friday, September 1, 1995, to file a report on H.R. 1594, a bill to place restrictions on the promotion by the Department of Labor of economically targeted investments in connection with employee benefit plans.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REREFERRAL TO COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT OF H.R. 2077, GEORGE J. MITCHELL POST OFFICE BUILDING

Mr. McHUGH. Mr. Speaker, I ask unanimous consent that the bill, H.R. 2077, be rereferred from the Committee on Transportation and Infrastructure to the Committee on Government Reform and Oversight.

I am informed, Mr. Speaker, there are no objections from the minority of the Committee to this referral.

The SPEAKER pro tempore (Mr. SHAYS). Is there objection to the request of gentleman from New York?

There was no objection.

GEORGE J. MITCHELL POST OFFICE BUILDING

Mr. McHUGH. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform and Oversight be discharged from consideration of (H.R. 2077) to designate the U.S. Post Office building located at 33 College Avenue in Waterville, ME, as the "George J. Mitchell Post Office Building," and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Miss COLLINS of Michigan. Mr. Speaker, reserving the right to object, and I will not object, I yield to the gentleman from New York [Mr. McHUGH], chairman of the Subcommittee on Postal Service, for the purpose of explaining the bill.

Mr. McHUGH. Mr. Speaker, I would note that the bill is to designate the U.S. Post Office building located at 33 College Avenue in Waterville, ME as the George J. Mitchell Post Office Building.

Miss COLLINS of Michigan. Mr. Speaker, continuing my reservation of objection, I yield to the gentleman from Maine [Mr. LONGLEY], the sponsor of H.R. 2077.

Mr. LONGLEY. Mr. Speaker, it is my pleasure to inform the House that the citizens of Waterville, ME have decided to name the post office in honor of former Senator George J. Mitchell of Maine. Senator Mitchell was elected to the Senate, appointed to the Senate in 1980, was elected in 1982 and, in 1988, was elected with the largest majority in the history of Maine's elections to the Senate.

But most importantly, he served as a distinguished Member of the other body and was well respected as majority leader, respected by Members and leadership of both parties. And it is my pleasure to speak in support of this and also to call attention to the fact that I believe my colleague, the gentleman from Maine [Mr. BALDACCI], a member of the other party, will also be addressing this House in a unique bipartisan support for this great measure in honor of the service of George Mitchell to the citizens of Maine and the United States.

Miss COLLINS of Michigan. Mr. Speaker, continuing my reservation of objection, I yield to the gentleman from Maine [Mr. BALDACCI] the cosponsor of H.R. 2077.

Mr. BALDACCI. Mr. Speaker, I am pleased to rise in support of this legislation which will properly recognize one of Maine's, and indeed the Nation's most distinguished public servants.

Senator George Mitchell has dedicated the better part of his adult life to public service. From serving in the Army, to being a Federal judge, to representing the people of Maine in the U.S. Senate. In every position, he was known for being fair, thoughtful and articulate.

George Mitchell has been a mentor to me. We can all learn from the way he conducted himself. I am pleased that we are taking action today to name the post office in his home town of Waterville the George J. Mitchell Federal Building. It is a fitting tribute to a man who is the source of tremendous pride for the people of Waterville, of Maine and of the Nation.

Ms. PELOSI. Mr. Speaker, I rise in support of the motion to name the post office in Waterville, ME in honor of former Majority Leader George Mitchell.

Senator Mitchell's legacy is an outstanding one, marked by his great intellect and strong principles. Future generations will benefit from his distinguished service to our country. It is fitting that the citizens of his hometown have a daily reminder of his greatness.

He has always spoken with pride of Waterville, ME, and now the Congress recognizes that strong tie. By honoring George Mitchell, this Congress honors one of its greatest leaders.

Miss COLLINS of Michigan. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2077

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF GEORGE J. MITCHELL POST OFFICE BUILDING.

The United States Post Office building located at 33 College Avenue in Waterville, Maine, shall be known and designated as the "George J. Mitchell Post Office Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States Post Office building referred to in section 1 shall be deemed to be a reference to the "George J. Mitchell Post Office Building".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. McHUGH. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days to revise and extend their remarks and include extraneous material on the bill, H.R. 2077.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

TRIBUTES TO LENNY DONNELLY AND KEITH JEWELL

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, I rise on behalf of myself, the gentleman from Missouri [Mr. GEPHARDT], the majority leader, the gentleman from Michigan [Mr. BONIOR], the minority whip, the gentleman from California [Mr. FAZIO], the Chairman of the Democratic Caucus and the gentlewoman from Connecticut [Mrs. KENNELLY], the vice chair of the Democratic Caucus, and all the leadership and members of the Democratic Caucus to note that today will be the last day of service for one of the beloved individuals of this House.

I ask my colleagues this day to join me in bidding farewell to a woman who has been a fixture on the floor of this House and who has helped over 2,000 young people mature into active participants in the democratic process of this great Nation.

Mr. Speaker, today is the last day on Capitol Hill for Lenore Donnelly who has served as the Chief of Democratic Pages since 1985. She sits right behind me on the floor.

Mr. Speaker, Lenny first came to Washington to work for Senator John F. Kennedy's Presidential campaign in 1959. She later became a member of his White House staff and remained at the White House during the administration of President Johnson at President Johnson's request.

She worked for Senator Robert Kennedy as well. Lenny later became the Deputy Chief of the U.S. Capitol Guide Service and was appointed to Chief of the Democratic Pages by one of our most famous and beloved Speakers, Thomas P. "Tip" O'Neill.

All of us who have worked with Lenny know her to be a woman of uncommon grace, uncommon grace under pressure, and uncommon grace in the best of times. She is a person who truly loves this institution and reflects that in her actions and in her words.

She has passed on that commitment to her Nation and to the House of Representatives, and, probably more importantly, to the thousands of Pages who have come here and under her guidance have flourished for the past 10 years.

I know that one day, Mr. Speaker, a future Member of this House will serve here who was a page under Lenny Donnelly and, yes, maybe far more than one. The House and indeed the Nation will be a better place because that Member will carry with him the inspiration and the knowledge and the wisdom and the love of this institution imparted to him or to her by Lenny Donnelly.

Mr. Speaker, I yield to the gentleman from Michigan [Mr. BONIOR] my friend, the Democratic whip.

Mr. BONIOR. Mr. Speaker, I thank the gentleman for giving me the opportunity to express my best wishes to some very wonderful people.

Mr. Speaker, we have come to the end of a long and exhausting 7-month schedule.

I think all of us are looking forward to going back home and spending some time with our family and friends.

But before we go, I wanted to rise today to pay tribute to the people you don't see in front of the C-SPAN cameras. I want to pay tribute to the men and women who work hard in this House every day.

Over the past 8 months, we've debated a lot of different bills on this floor.

Time and again, we've heard speaker after speaker remind us that government isn't just about programs or policy. It's about people.

Well, the same goes for this House.

In the 20 years I have been privileged to serve in this body, I have had the great pleasure of knowing some of the best, most decent people you'd ever want to meet.

These people who believe in this institution, who care about this House, and who work hard day in and day out to serve the American people.

Many of them spend long hours away from their families. Many of them are forced to order too many late-night pizzas.

And I regret to say—many of them have not gotten the respect they deserve in recent days.

But to the pages and the staff and the clerical workers and carpenters and everybody else who makes this House run—and especially to my staff—I want to say thank you.

The work you're doing is making a difference, for this House and for this Nation. And never let anybody convince you otherwise.

Mr. Speaker, there are hundreds of people I could mention by name—and I wish I had the time to do it here today. But I want to take a moment to mention just two of them, two people who are saying goodbye to this House after many years of dedicated service.

Mr. Speaker, in all my time in this House, I have not met a nicer, kinder, friendlier person than Lenny Donnelly.

For the past 10 years, Lenny has been a fixture in this Chamber. Since 1985, she's run the Democratic page program here in the House.

She'll proudly tell you that before she ever came to the House she worked for the Kennedy White House.

But if you've ever wondered how a group of 15- and 16-year-old pages can travel hundreds of miles from their families, and away from their friends, to a strange city, and be made to feel like they're right at home: Lenny Donnelly is the reason.

She doesn't have any special secrets. She just treats the pages like people.

She takes an interest in their lives; she listens to their problems; she makes them proud of their accomplishments; and by believing in them, she helps them believe in themselves.

Mr. Speaker, the pages who are lucky enough to serve in this body will remember a lot of things about Washington. But when people ask them what they'll remember the most—my guess is that they'll say "Lenny Donnelly."

Lenny, the young people you have taught—and the lessons you have taught them—will survive long after you're gone from this Chamber. And that's something to be proud of.

Mr. Speaker, another good friend leaving us this week after years of dedicated service is one of the hardest working people on Capitol Hill, a sweet and decent man named Keith Jewell.

For the past 30 years, Keith has seen and heard it all on Capitol Hill.

As the House photographer his eye has been the eye of the Nation.

During his tenure, Keith has served under six Speakers. He was the first photographer to capture a still image of a joint session of Congress.

He photographed seven American Presidents. And as director of the Office of photography, he has coordinated more than 19,000 appointments each year—from the Queen of England right down to children on their first visit to the Nation's Capitol.

And through it all he's remained the same patient, friendly man he's always been.

Keith, you've made a lot of us look good over the years—even on the most hectic days.

We're all going to miss the sight of you racing around this building carrying four or five cameras, with straps hanging around your neck, and that camera bag at your side.

But someday, when there is nobody left to remember the sound of the voices in this Chamber today, America will still look back on the images you have captured with your camera and they're going to remember—as will we all.

Mr. Speaker, this is a sad week for all of us.

All of us are proud to have worked with Lenny and Keith—and proud to call them friends.

And even though we're all going to miss them. I promise you this: We're never going to forget them.

Mr. HOYER. Mr. Speaker, I would add, before a final statement for Lenny, Keith Jewell is one of the finest people with whom of us have had the opportunity to work. It is a shame he is leaving. I am not going to discuss further the fact of why he has decided to leave, but I want to say that this House will be a lesser place for his loss.

He and Lenny Donnelly have brought a true commitment to this institution, not just to us as individuals, not just to the pages and the Members, but to all of the people who have come in contact with this institution.

The page system, I think, Mr. Speaker, is a uniquely important part of this institution. It allows young people to come from throughout the United States, spend some time not just in the Capital of their Nation but in the people's House, seeing day to day the operations of democracy, seeing, frankly, firsthand that the Members here on both sides of the aisle, liberals, conservatives, moderates, independent, work hard and care about their country, care about their oath of office.

□ 1545

Mr. Speaker, I think they carry back with them a special insight that they then impart to their peers who, I think, have a little better respect for their democracy, for the education that they recevied from our pages.

Lenny Donnelly, Peggy, others who on a day-to-day basis deal with our pages, perform a great service for this institution, but, in a broader sense, a great service for our democracy.

Lenny, we will miss you. We know that you and Ray are about, in a few short days, to travel to Ireland. Now, I do not know that a Donnelly will be very excited about going to Ireland, but I have a suspicion that that is probably the case and I am sure they will welcome you there.

We look forward to your swift and safe return as we welcome you with open arms and deep gratitude every time you return. Good luck and Godspeed.

Mr. SPEAKER pro tempore (Mr. SHAYS). I thank the gentleman and thank all people who work for this wonderful Chamber.

DISTRICT OF COLUMBIA CONVENTION CENTER AND SPORTS ARENA AUTHORIZATION ACT OF 1995

Mr. DAVIS. Mr. Speaker, I ask unanimous consent to call up the bill (H.R. 2108), to permit the Washington Convention Center Authority to expend revenues for the operation and maintenance of the existing Washington Convention Center and for preconstruction activities relating to a new convention center in the District of Columbia, to permit a designated authority of the District of Columbia to borrow funds for the preconstruction activities relating to a sports arena in the District of Columbia and to permit certain revenues to be pledged as security for the borrowing of such funds, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

Ms. NORTON. Mr. Speaker, reserving the right to object, under my reservation, I ask the chairman of the Subcommittee on the District of Columbia to explain the bill.

Mr. DAVIS. Mr. Speaker, if the gentlewoman will yield, H.R. 2108 is a straightforward bill which allows the District of Columbia to move forward on two very important economic development projects—the MCI arena at Gallery Place and a new convention center.

These projects will provide thousands of jobs of the type most needed in the District of Columbia and hundreds of millions of dollars in economic activity and tax revenues for our Nation's Capital.

This bill is very narrowly crafted and specifically directs each item for which expenditures may be made. Also, the independent nature of both the Washington Convention Center Authority and the Redevelopment Land Agency, which is the lead agency on the arena project, mean that the power and influence of the Mayor and the Council are sharply curtailed and less than would have been the case if these projects had proceeded without this legislation. I want Members to know that the entities directing these projects are independent of the Mayor and have both the legal and fiduciary responsibility for their actions.

This legislation does not create or raise taxes in the District of Columbia. The funds authorized to be expended by this legislation are already being collected and deposited in an escrow account. Last year the Council passed dedicated tax sources for these economic development projects and directed the funds into escrow accounts. The moneys involved are not part of the District's general fund, could not be spent for any other purpose, and this spending will not increase the District's deficit.

Under the narrow focus of this legislation and considering the economic benefits for the District of Columbia and the entire National Capital region from these projects, I ask Members to support H.R. 2108.

Ms. NORTON. Mr. Speaker, I thank the gentleman from Virginia [Mr. DAVIS] for his explanation.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Minnesota [Mr. GUTKNECHT].

Mr. GUTKNECHT. Mr. Speaker, I would like to say a special thank you and tribute to both the gentleman from Virginia [Mr. DAVIS] and the gentlewoman from the District of Columbia [Ms. NORTON] because they have worked very hard on this legislation.

Mr. Speaker, I was one of the few Members of the Congress who got a chance, 2 weeks ago, to take a tour of the areas where these two facilities are going to be built. I also want to say a special tribute to the business community, because I think they have all pulled together on this, and particularly to the Pollin family.

Mr. Speaker, I would say to my fellow Members, and particularly any of those on this side of the aisle, this city essentially has two industries. One is Government, the other is tourism and the hospitality industry. I did not know, until I took that tour, that actually the hospitality industry is the largest employer here in the District of Columbia.

While those of us on this side of the aisle are doing our best to reduce the size of the Federal Government, I think we have some responsibility to do what we can to increase the size of that other industry. So, Mr. Speaker, I strongly support this legislation.

Mr. Speaker, I again congratulate the gentlewoman from the District of Columbia [Ms. NORTON], the gentleman from Virginia [Mr. DAVIS], and the business community for working together. I think these are going to be projects that will be a tremendous attraction for the people of Washington, DC, and for people all over the United States of America. I think they are going to be a giant step forward in terms of rebuilding the economic infrastructure here in the District.

Mr. Speaker, I hope everyone joins me in supporting H.R. 2108.

Ms. NORTON. Mr. Speaker, I thank the gentleman for his strong support and his work in the committee on this and other bills for the District.

Mr. Speaker, further reserving the right to object, we are bringing to this House a bipartisan bill that has the unanimous support of the Subcommittee on the District of Columbia and that will significantly increase the revenue of the District entirely from private resources.

H.R. 2108, the District of Columbia Convention Center and Sports Arena Authorization Act of 1995, allows for the release of dedicated tax funds that are not part of the District's general fund revenues for preliminary work for a new convention center, and the lands acquisition and site cleanup for a new sports arena.

This bill is here today only because the projects themselves will be financed largely by private parties and businesses. If the financial crisis of the District of Columbia is to be cured, and not merely temporarily stayed, it will take financial ventures such as these to grow the city's economy and create new opportunities for residents and businesses.

Mr. Speaker, I want to once again express my thanks to the gentleman from Virginia [Mr. DAVIS], chairman of the Subcommittee on the District of Columbia, for his collegial and expeditious consideration of my bill and to the gentleman from Pennsylvania [Mr. CLINGER], chairman of the Committee on Government Reform and Oversight for the same. Their efforts show how much can be accomplished when Members reach out in genuine bipartisan resolve to solve problems. Thank you very much.

Mrs. COLLINS of Illinois. Mr. Speaker, I am delighted that the D.C. Subcommittee's ranking member, ELEANOR HOLMES NORTON, and the subcommittee's chairman, TOM DAVIS have worked together in a bipartisan manner to develop H.R. 2108, a bill which would enable District government to spend its own locally raised revenues for the preconstruction work essential to move the District of Columbia's proposed new sports arena and convention center projects forward.

The arena and convention center are indispensable to the economic revitalization of the Nation's Capital. Together they hold the potential to create hundreds of jobs and bring millions of dollars of badly needed revenue to this city. They will also generate many spinoff business opportunities that will also contribute to the District's recovery.

Particularly noteworthy about these two projects is the public/private partnership which brought them about. In each case, the local business community gave its support to the imposition of special taxes which its members will pay to fund land acquisition and preconstruction activities. It is also significant that the new sports arena will be built entirely with private funds by the owner of the District's professional basketball and hockey teams.

Investments such as these, made during a period when the District is experiencing severe financial distress, are strong indications that this city does have a promising future.

Mr. Speaker, I urge the approval of this legislation.

Mr. Speaker, I withdraw my reservation of objection, and ask all Members to support H.R. 2108.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2108

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "District of Columbia Convention Center and Sports Arena Authorization Act of 1995".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CONVENTION CENTER

Sec. 101. Permitting Washington Convention Center Authority to spend revenues for convention center activities.

TITLE II—SPORTS ARENA

Sec. 201. Permitting designated authority to borrow funds for preconstruction activities relating to Gallery Place sports arena.

Sec. 202. Permitting certain District revenues to be pledged as security for borrowing.

Sec. 203. No appropriation necessary for arena preconstruction activities.

Sec. 204. Arena preconstruction activities described.

TITLE III—WAIVER OF CONGRESSIONAL REVIEW

Sec. 301. Waiver of Congressional review of Arena Tax Payment and Use Amendment Act of 1995.

TITLE I—CONVENTION CENTER

SEC. 101. PERMITTING WASHINGTON CONVENTION CENTER AUTHORITY TO EXPAND REVENUES FOR CONVENTION CENTER ACTIVITIES.

(a) PERMITTING EXPENDITURE WITHOUT APPROPRIATION.—The fourth sentence of section 446 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-304, D.C. Code) shall not apply with respect to any revenues of the District of Columbia which are attributable to the enactment of title III of the Washington Convention Center Authority Act of 1994 (D.C. Law 10-188) and which are obligated or expended for the activities described in subsection (b).

(b) ACTIVITIES DESCRIBED.—The activities described in this paragraph are—

(1) the operation and maintenance of the existing Washington Convention Center; and

(2) preconstruction activities with respect to a new convention center in the District of Columbia, including land acquisition and the conducting of environmental impact studies, architecture and design studies, surveys, and site acquisition.

TITLE II—SPORTS ARENA

SEC. 201. PERMITTING DESIGNATED AUTHORITY TO BORROW FUNDS FOR PRECONSTRUCTION ACTIVITIES RELATING TO GALLERY PLACE SPORTS ARENA.

(a) PERMITTING BORROWING.—

(1) IN GENERAL.—The designated authority may borrow funds through the issuance of revenue bonds, notes, or other obligations which are secured by revenues pledged in accordance with paragraph (2) to finance, refinance, or reimburse the costs of arena preconstruction activities described in section 204 if the designated authority is granted the authority to borrow funds for such purposes by the District of Columbia government.

(2) REVENUE REQUIRED TO SECURE BORROWING.—The designated authority may borrow funds under paragraph (1) to finance, refinance, or reimburse the costs of arena preconstruction activities described in section 204 only if such borrowing is secured (in whole or in part) by the pledge of revenues of the District of Columbia which are attributable to the sports arena tax imposed as a result of the enactment of D.C. Law 10-128 (as amended by the Arena Tax Amendment Act of 1994 (D.C. Act 10-315)) and which are transferred by the Mayor of the District of Columbia to the designated authority pursuant to section 302(a-1)(3) of the Omnibus Budget Support Act of 1994 (sec. 47-2752(a-1)(3), D.C. Code) (as amended by section 2(b) of the Arena Tax Payment and Use Amendment Act of 1995).

(b) TREATMENT OF DEBT CREATED.—Any debt created pursuant to subsection (a) shall not—

(1) be considered general obligation debt of the District of Columbia for any purpose, including the limitation on the annual aggregate limit on debt of the District of Columbia under section 603(b) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-313(b), D.C. Code);

(2) constitute the lending of the public credit for private undertakings for purposes of section 602(a)(2) of such Act (sec. 1-233(a)(2), D.C. Code); or

(3) be a pledge of or involve the full faith and credit of the District of Columbia.

(c) DESIGNATED AUTHORITY DEFINED.—The term "designated authority" means the Redevelopment Land Agency or such other District of Columbia government agency or instrumentality designated by the Mayor of the District of Columbia for purposes of carrying out any arena preconstruction activities.

SEC. 202. PERMITTING CERTAIN DISTRICT REVENUES TO BE PLEDGED AS SECURITY FOR BORROWING.

(a) IN GENERAL.—The District of Columbia (including the designated authority described in section 201(c)) may pledge as security for any borrowing undertaken pursuant to section 201(a) any revenues of the District of Columbia which are attributable to the sports arena tax imposed as a result of the enactment of D.C. Act 10-128 (as amended by the Arena Tax Amendment Act of 1994 (D.C. Law 10-315)), upon the transfer of such revenues by the Mayor of the District of Columbia to the designated authority pursuant to section 302(a-1)(3) of the Omnibus Budget Support Act of 1994 (sec. 47-2752(a-1)(3), D.C. Code) (as amended by section 2(b) of the Arena Tax Payment and Use Amendment Act of 1995).

(b) EXCLUSION OF PLEDGED REVENUES FROM CALCULATION OF ANNUAL AGGREGATE LIMIT OF DEBT.—Any revenues pledged as security by the District of Columbia pursuant to subsection (a) shall be excluded from the determination of the dollar amount equivalent to 14 percent of District revenues under section 603(b)(3)(A) of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-313(b)(3)(A), D.C. Code).

SEC. 203. NO APPROPRIATION NECESSARY FOR ARENA PRECONSTRUCTION ACTIVITIES.

The fourth sentence of section 446 of the District of Columbia Self-Government and Governmental Reorganization Act (sec. 47-304, D.C. Code) shall not apply with respect to any of the following obligations or expenditures:

(1) Borrowing conducted pursuant to section 201(a).

(2) The pledging of revenues as security for such borrowing pursuant to section 202(a).

(3) The payment of principal, interest, premium, debt servicing, contributions to reserves, or other costs associated with such borrowing.

(4) Other obligations or expenditures made to carry out any arena preconstruction activity described in section 204.

SEC. 204. ARENA PRECONSTRUCTION ACTIVITIES DESCRIBED.

The arena preconstruction activities described in this section are as follows:

(1) The acquisition of real property (or rights in real property) to serve as the site of the sports arena and related facilities.

(2) The clearance, preparation, grading, and development of the site of the sports arena and related facilities, including the demolition of existing buildings.

(3) The provision of sewer, water, and other utility facilities and infrastructure related to the sports arena.

(4) The financing of a Metrorail connection to the site and other Metrorail modifications related to the sports arena.

(5) The relocation of employees and facilities of the District of Columbia government displaced by the construction of the sports arena and related facilities.

(6) The use of environmental, legal, and consulting services (including services to obtain regulatory approvals) for the construction of the sports arena.

(7) The financing of administrative and transaction costs incurred in borrowing funds pursuant to section 201(a), including costs incurred in connection with the issuance, sale, and delivery of bonds, notes, or other obligations.

(8) The financing of other activities of the District of Columbia government associated with the development and construction of the sports arena, including the reimbursement of the District of Columbia government or others for costs incurred prior to the date of the enactment of this Act which were related to the sports arena, so long as the designated authority determines that such costs are adequately documented and that the incurring of such costs was reasonable.

TITLE III—WAIVER OF CONGRESSIONAL REVIEW

SEC. 301. WAIVER OF CONGRESSIONAL REVIEW OF ARENA TAX PAYMENT AND USE AMENDMENT ACT OF 1995.

Notwithstanding section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, the Arena Tax Payment and Use Amendment Act of 1995 (D.C. Act 11-115) shall take effect on the date of the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and the motion to reconsider was laid on the table

GENERAL LEAVE

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material thereon on H.R. 2108.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

AUTHORIZING SPEAKER AND MINORITY LEADER TO ACCEPT RESIGNATIONS AND MAKE APPOINTMENTS, NOTWITHSTANDING ADJOURNMENT

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Wednesday, September 6, 1995, the Speaker and the minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, SEPTEMBER 6, 1995

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that business in order under the Calendar Wednesday rule be dispensed with on Wednesday, September 6, 1995.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

GRANTING MEMBERS OF THE HOUSE PRIVILEGE TO EXTEND AND REVISE REMARKS IN CONGRESSIONAL RECORD THROUGH FRIDAY, AUGUST 4, 1995

Mr. DAVIS. Mr. Speaker, I ask unanimous consent that for the legislative days of Wednesday, August 2, Thursday, August 3, and Friday, August 4, 1995, all Members be permitted to extend their remarks and to include extraneous material in that section of the RECORD entitled "Extension of Remarks."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

DESIGNATION OF HON. THOMAS M. DAVIS TO ACT AS SPEAKER PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS THROUGH SEPTEMBER 6, 1995

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
August 4, 1995.

I hereby designate the Honorable THOMAS M. DAVIS to act as Speaker pro tempore to sign enrolled bills and joint resolutions through September 6, 1995.

NEWT GINGRICH,
Speaker of the House of Representatives.

The SPEAKER pro tempore. Without objection, the designation is agreed to.

There was no objection.

PROPOSED AGREEMENT BETWEEN GOVERNMENT OF THE UNITED STATES AND GOVERNMENT OF REPUBLIC OF BULGARIA FOR COOPERATION IN PEACEFUL USES OF NUCLEAR ENERGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104-108)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on International Relations and ordered to be printed.

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b), (d)), the text of a proposed Agreement Between the Government of the United States of America and the Government of the Republic of Bulgaria for Cooperation in the Field of Peaceful Uses of Nuclear Energy with accompanying annex and agreed minute. I am also pleased to transmit my written approval, authorization, and determination concerning the agreement, and the memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretary of State and the Secretary of Energy, which includes a summary of the provisions of the agreement and various other attachments, including agency views, is also enclosed.

The proposed agreement with the Republic of Bulgaria has been negotiated in accordance with the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978 and as otherwise amended. In my judgment, the proposed agreement meets all statutory requirements and will advance the non-proliferation and other foreign policy interests of the United States. It provides a comprehensive framework for peaceful nuclear cooperation between the United States and Bulgaria under appropriate conditions and controls reflecting our strong common commitment to nuclear non-proliferation goals.

Bulgaria has consistently supported international efforts to prevent the spread of nuclear weapons. It was an original signatory of the Non-Proliferation Treaty (NPT) and has strongly supported the Treaty. As a subscriber to the Nuclear Supplier Group

(NSG) Guidelines, it is committed to implementing a responsible nuclear export policy. It played a constructive role in the NSG effort to develop additional guidelines for the export of nuclear-related dual-use commodities. In 1990 it initiated a policy of requiring full-scope International Atomic Energy Agency (IAEA) safeguards as a condition of significant new nuclear supply to other nonnuclear weapon states.

I believe that peaceful nuclear cooperation with Bulgaria under the proposed agreement will be fully consistent with, and supportive of, our policy of responding positively and constructively to the process of democratization and economic reform in Eastern Europe. Cooperation under the agreement will also provide opportunities for U.S. business on terms that fully protect vital U.S. national security interests.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution and urge that the Congress give it favorable consideration.

Because this agreement meets all applicable requirements of the Atomic Energy Act, as amended, for agreements for peaceful nuclear cooperation, I am transmitting it to the Congress without exempting it from any requirement contained in section 123 a. of that Act. This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. The Administration is prepared to begin immediately the consultations with the Senate Foreign Relations and House Foreign Affairs Committees as provided in section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session period provided for in section 123 d. shall commence.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 4, 1995.*

REPORT ON NATION'S ENERGY POLICY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Commerce.

To the Congress of the United States:

Throughout this century, energy has played a prominent role in American progress. The rise of the great industrial enterprises, the ascendance of the automobile, the emergence of environmental awareness, and the advent of the truly global economy all relate to the way that society produces and uses energy. As we face the opportunities and challenges of the next century, energy will continue to exert a powerful influence on our Nation's prosperity, security, and environment.

Energy policies that promote efficiency, domestic energy production, scientific and technological advances, and American exports help sustain a strong domestic economy. The need to protect the environment motivates our continual search for more innovative, economic, and clean ways to produce and use energy. And although oil crises have receded into memory, their potential for harming our economy and national security remains.

Our Administration has actively pursued a national energy policy since January 1993. We have engaged in an active dialogue with thousands of individuals, companies, and organizations. Informed by that dialogue, we have committed the resources of the Department of Energy and other agencies to ensure that our policy benefits energy consumers, producers, the environment, and the average citizen.

This report to the Congress, required by section 801 of the Department of Energy Organization Act, highlights our Nation's energy policy. The report underscores our commitment to implement a sustainable energy strategy—one that meets the needs of today while expanding the opportunities for America's future. By implementing a sustainable strategy, our energy policy will provide clean and secure energy for a competitive economy into the 21st century.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 4, 1995.*

DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE BUDGET, 1996—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Government Reform and Oversight.

To the Congress of the United States:

In accordance with section 106(a) of the District of Columbia Financial Responsibility and Management Assistance Authority Act of 1995, I am transmitting the District of Columbia Financial Responsibility and Management Assistance Authority's operating budget for FY 1996.

The Authority's request for its FY 1996 operating budget is $3.5 million. This budget was developed based on an estimated staffing level of 35 full-time employees. After reviewing the budgets and staffing levels of other control boards, the Authority believes this staffing level is the minimum necessary to carry out its wide range of fiscal, management, and legal responsibilities.

This transmittal does not represent an endorsement of the budget's contents.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 4, 1995.*

WOMEN'S SUFFRAGE AMENDMENT

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, as one of the seven new Republican women elected to this House as part of the "Year of the Republican Woman," I come to the floor today to tell the untold story about women's rights.

This month marks the 75th anniversary of women's suffrage. August 26, 1920, was the date that American women first obtained the right to vote in our country. And it took a Republican Congress to pass the Equal Suffrage amendment. After being killed four times in a Democratic-controlled Congress, the Republicans passed the amendment and sent it to be ratified by 36 States.

The Republican party was the first major party to advocate equal rights for women and the principle of equal pay for equal work. This party supported the suffrage amendment throughout its long and ultimately successful campaign.

The Republican party is committed to equal opportunity and we are committed to women's rights. Mr. Speaker, this party is pro-woman.

MEDICARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, the Republican Congress has put forward a budget blueprint to cut Medicare by $270 billion, but have yet to illustrate how they are going to slash this program.

Many constituents have written me expressing grave concern about the largest cuts in Medicare history and have asked how they will affect them. Unfortunately, I do not have definite answers to my constituents' concerns.

My fear is that the Republicans are going to rush Medicare changes through the House of Representatives in September within a matter of days and attempt to force a vote on this issue before the American public has an opportunity to examine how these cuts will impact them.

This is not the proper way to run government or be honest with the American public.

If the Republicans truly wanted to improve Medicare, then they wouldn't start by just cutting money from the program.

They are making their cuts on the backs of senior citizens and threatening the Medicare Contract With America's Seniors.

Mr. Speaker, I also want to express my concern over the House action earlier this week to reverse the Stokes-Boehlert amendment to the VA, HUD, and Independent Agencies appropriations bill.

The supporters of this amendment were trying to prevent a package of measures limiting the EPA's ability to improve, implement, and enforce environmental regulations.

These curbs on the EPA's ability to enforce air and water quality standards are now unfortunately back in the bill which passed the House on Monday. They limit EPA's ability to spend funds on activities related to the Clean Water Act, the Clean Air Act, RCRA, and Superfund—they even prevent the EPA from establishing drinking water standards for radon and arsenic—both known carcinogens.

These provisions are terrible in terms of the effects they will have on the environment.

One provision in particular prohibits EPA from using funds to assess any penalty where the state gives the polluter immunity from prosecution because the polluter voluntarily conducts an environmental audit.

I think most people in America would agree that no corporation should be able to pollute without paying the price.

Yet, the language that is included in this bill prevents EPA from assessing a penalty whether or not a state takes any action against a violator. In essence, the polluter is immune from an EPA assessed penalty whether they correct their violation or not.

The self-audit privilege in this bill does nothing to help the good guys—those businesses and individuals that are trying to comply with the law—while it can easily serve as a shield to hide behind for conscious yet continuing violators.

The result will be that those who are working to be in compliance with the law now will still work toward that end, while those who choose to violate the law will have an out from penalization.

The bill already cuts EPA's enforcement budget in half. This and other provisions only serve to tie the agency's hands further by compromising its ability to enforce environmental regulations.

It is the enforcement of these regulations that have increased the quality of the water we drink and fish and swim in and the quality of the air we breathe. Without enforcement, the statutes we have on the books become hollow.

If it wasn't offensive enough that these provisions were in the bill to begin with, it is even more offensive that after the environmental victory of voting them out, this body voted to put them back into the bill again.

REPUBLICAN MEDICARE SPENDING REDUCTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii [Mrs. MINK] is recognized for 5 minutes.

Mrs. MINK of Hawaii. Mr. Speaker, I rise to express deep concern about proposed Republican Medicare spending cuts.

All the evidence—an increasing Medicare-aged population, extended life expectancies, and inflation—points to Medicare costs rising 7.7 percent per year. Yet, the Republicans are budgeting for only a 5.8 percent per year Medicare growth rate. Holding the Medicare growth rate to 5.8 percent ignores the fact that the percentage of older and less healthy Medicare recipients is increasing. Since 1966, the percentage of Medicare recipients in the various age groups has undergone the following changes:

[In percent]

Age group	1965	Present
85 and older	7	11
80–84	10	13
75–79	20	20
70–74	28	26
65–69	34	30

The resulting gap between Medicare funding and Medicare costs will reduce the scope and quality of medical care provided. There is no other way.

The Republican budget does little to contain rising medical costs. Instead, it simply cuts the amount the Federal Government will have to pay to cover these costs. By ensuring that Medicare beneficiaries will have fewer benefits, the Republicans will undo much of what Medicare has accomplished over the past 30 years. These accomplishments are astounding, and include:

(A) Dropping the poverty rate among seniors from 30 percent to just 12 percent;

(B) Increasing the rate of health care coverage for seniors from 50 percent to 97 percent;

(C) Extending health care coverage to seniors most in need as evidenced by the fact that 83 percent of Medicare recipients earn less than $25,000;

(D) Increasing access to health care for minorities by ending the pre-Medicare practice of certain hospitals and nursing homes of denying treatment to minorities;

(E) Reducing the rate of heart- and stroke-related deaths by 40 percent and 63 percent, respectively, between 1960 and 1991; and

(F) Extending life expectancies for women who live to 65 from 16 to 19 years and for men who live to 65 from 13 years to 16 years since 1965.

Republicans argue that they are saving—not dismantling—Medicare. They say Medicare spending must be reduced drastically. They cite the recent Medicare trustees, report which indicates that the Medicare trust fund may be broke in 2002. What the Republicans don't say is that every Medicare trustees report has predicted the trust fund's impending insolvency. The 1970 report predicted insolvency in 1972, the 1972 report picked 1976, the 1982 report said 1987, an so on. Congress acted to avoid the impending insolvency following the release of those reports. And, each time Congress acted, it did not have to cut back on Medicare benefits to the elderly. Furthermore, the recent trustees' report advises that the financial standing of the Medicare trust fund could cover a wider span of years. In other words, the trustees' report states that the trust fund could become insolvent in 2002—in 7 years—or in the year 2006—in 11 years—or 2009—in 14 years. Given that the recent Medicare trustees' report predicts trust fund's insolvency in different years and the fact that the dire consequences of insolvency predicted in earlier trustees, reports have not occurred, I believe the Republican use of the recent Medicare trustees' report is both exploitative and unjustified. The report has been used by Republicans who had to find some way to pay for their tax cuts that will, in large part, benefit mainly the Nation's top 1 percent of income earners. There is little doubt that the Republicans are slashing Medicare spending by $270 billion solely to pay for their $245 billion tax cut. If the Republicans' objective was to improve Medicare's financial condition, they would be proposing much smaller Medicare spending reductions, and recommending instead cost containment proposals.

I respectfully submit that if the Republicans are truly serious about saving Medicare, their budget plan would seek to contain rising medical costs rather than just hold down what the Federal Government will pay for such costs. The proposed Republican Medicare spending reductions of $270 billion is difficult to comprehend and impossible to justify.

The American public must not be fooled into thinking that these cuts are necessary to save Medicare from insolvency. These monstrous cuts are solely to pay for the Republican tax cuts.

It must not be allowed to happen.

QUESTIONS REGARDING THE SECRETARY OF ENERGY'S TRAVEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Mr. HOKE] is recognized for 5 minutes.

Mr. HOKE. Mr. Speaker, I think that you are aware that as the Chairman of the Committee on the Budget Working Group on National Security, I have spent a great deal of time with respect to the Department of Energy and examining the needs and missions of the Department of Energy and making a full investigation into what is going on there.

As a result of that, it has been called to my attention, and I have found out a great deal about certain travel habits of the Secretary of Energy from the perspective of the moneys that have been transferred from the accounts in the programs that safeguard nuclear energy and nuclear weapons, away from those programs and into the travel accounts.

I wanted, today, to talk about a different problem that has been brought to my attention with respect to the travel. The Secretary has justified these trips, among other reasons, for the benefit that they have brought to American companies that have been able to generate a great deal of commercial transactions as a result.

In fact, the Secretary has made claims of about $20 billion with respect to the amount of transactions that have been entered into as a result of her travels.

□ 1600

In fact, it has not been brought to my attention that there have been any more than about $400,000 or $500,000 of actual committed contracts; and what I wanted to talk about today was the cancellation of the Enron contract, which I believe can be tied directly to the Secretary's involvement.

In other words, what I am saying is that not only has the Secretary of Energy not been able to catalyze these contracts, but in this case, has actually damaged the relationship between the United States and India to the extent that the Enron contract has been canceled.

Mr. Speaker, today there was a Washington Times article about the cancellation of what is nearly a $2.8 billion power plant project at Dabhoi in Maharashtra, India. That is the state of which Bombay is the capital. This is where the Enron deal has been taking place.

They are building a nuclear plant there. It involves the Enron Corp., the U.S. corporation, General Electric, and Bechtel. This is a deal that had a great deal of support from OPIC and from the Export-Import Bank, and it has been the target of intense criticism by nationalists in India.

Nonetheless, President Clinton felt that it was necessary to sanction two trade missions to India, led by Secretary O'Leary, in July 1994 and then in February 1995, trips that served to raise the profile of the already controversial Enron deal.

In the wake of the February trade mission, the Maharashtra state government was defeated by a nationalist coalition that ran on its distinctly anti-American platform with particular venom reserved for the Enron deal.

Nevertheless, the new state government and Maharashtra did not immediately terminate the Enron deal. That came only very, very recently, in the last 3 days, after Secretary O'Leary very unwisely threatened the Indian Government, without Clinton administration approval, by stating that, "The failure to honor the agreements between the project partners and the various Indian governments will jeopardize not only the Dabhoi project, but also the other private power projects that are being proposed for international financing."

It has been widely reported in the Indian press that as a result of that, this blatant intimidation tactic on the part of Secretary O'Leary inflamed the national sentiments in this state of India during what was already a very, very tough and sensitive process in terms of trying to save this deal. Then the governments of Dabhoi and Maharashtra canceled this.

I want to share with my colleagues just two thoughts about this, because I think it is important to understand that the conducting of this trade mission has not only been an expensive boondoggle serving the Secretary's wanderlust, but in this case, the intimidating and blatant threats have actually killed the deal.

I want to show my colleagues that this is something that the Secretary sent to all of the people that were on the trade mission in February. It says, "A Mission to India." It is an alternative view by Carl Stoiber. Carl Stoiber is the director of international programs for the Nuclear Regulatory Commission. This was produced and distributed out of Secretary O'Leary's office.

As can be seen, there is one cartoon, she says, "Yes, the Air Force runs a really great flying cocktail lounge." Here is another one, "Let's make sure we stop in Shannon on the return flight." They did, in fact, stop in Shannon.

The last one I want to show, and we can understand how perhaps the Indian Government might take some offense, there is a can of milk; it says, "not concentrated milk." It says, "simmered milk," and then it has a picture of a cow and it says "with cow dung patties."

This was distributed by the Secretary of Energy and sent out from her office. I think it is time that we had a full-scale investigation of the travel office and the travels of the Secretary of Energy.

KOREAN WAR MEMORIAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN. Mr. Speaker, with all the rush of events, before we take a long 5-week break, I wanted to mention what will be one of my greatest memories serving in Washington, and that was the dedication a few days ago of the Korean War Memorial.

It was absolutely an inspiring day. Veterans of the Korean conflict came from all over the country, some from around the world, to be part of this memorial ceremony. Most of them were a bit hurt that it was not a Ronald Reagan or someone like that to officiate as the Commander in Chief.

They felt the speech that Mr. Clinton delivered could have been the very same speech with the word "Vietnam" transposed instead of the word "Korea." They are both small Asian countries, almost the same identical population, both divided as a fallout of World War II and the end of colonialism, whether it was French colonialism or Japanese imperial warlord colonialism.

One had a DMZ on either side of the 30th parallel; the other had a DMZ on either side of the 17th parallel. As we look across the reflecting ponds from this uplifting Korean War Memorial, we think how sad the struggle was, the birth pangs of the Vietnam Memorial which came chronologically, in a strange way ahead of the Korean Memorial. One can see that, by design, the Korean Memorial was to elicit not a feeling of inspiration, which turned out to be true the minute the first hero's name was etched into the black marble, but somehow or another was supposedly to evoke shame, a black gash in the ground the way it was described by its 21-year-old young architect.

No American flag was ever to be on top, in front of or at either end of that memorial.

I was in pilot training when the Korean war mercifully came to an end after 2 years and thousands of deaths while they argued over a negotiating table, the same way the Vietnam war dragged on for 2 or 3 years from 1968, 1969, 1970, 1971, 1972, 1973, all over arguments, in the same city, Paris basically, P'anmunjom, Paris, the same type of Communist negotiators, never negotiating in good faith. It was tragic.

Those of us who were veterans, in the House fought to get a flag at the Vietnam Memorial, and they made us take it off the top, put it down in front in the grassy courtyard area where the gash was to be cut into the earth, the depression. Then we fought for a statue of three Americans, a Hispanic-American, an African-American, a heritage soldier, a soldier representing all of the other various heritages.

Now, I can totally understand why native Americans who fought in every one of our wars and on both sides of the so-called plains wars would like some sort of recognition with a memorial, and I promised the native American Indian vets that I would fight for that.

Mr. Speaker, we finally got the statue approved. It is beautiful and inspirational. When we left the room, a source told me later, they pushed the flag and the three beautiful soldiers into the woods where they are today, around the flag. It has a great memorial plaque. It says, These men fought wonderfully.

There are eight women's names on the Vietnam Wall, and it says, Under very difficult circumstances. This is Vietnam.

Yes, the same type of difficult circumstances with no win nor strategy for victory in Korea, but at least, in

Korea, half a victory. Korea is now the 14th most vibrant economic nation in the world. There was a half a victory there, half the country is free.

But we walked out on our allies in Vietnam. The end result was the killing fields, 68,000 of our friends executed, in concentration camps, killing fields in Laos, 750,000 dead. In the South China Sea, pirates, rape, murder, sharks, drowning, all of that dismissed by Mr. Clinton when he tries to normalize with the communist congress in Hanoi.

Well, Mr. Speaker, yesterday in the Wall Street Journal, Thursday, August 3, there was an article, "How North Vietnam Won the War." I ask unanimous consent to put this in the RECORD. When we come back in, I will take a special order and read it word for word slowly.

I am not being humorous, Mr. Speaker. Every single question a young scholar would want to know about Vietnam is in this Wall Street Journal article. It will go in today's RECORD.

[From the Wall Street Journal, Aug. 3, 1995]

How North Vietnam Won the War

What did the North Vietnamese leadership think of the American antiwar movement? What was the purpose of the Tet Offensive? How could the U.S. have been more successful in fighting the Vietnam War? Bui Tin, a former colonel in the North Vietnamese army, answers these questions in the following excerpts from an interview conducted by Stephen Young, a Minnesota attorney and human-rights activist. Bui Tin, who served on the general staff of North Vietnam's army, received the unconditional surrender of South Vietnam on April 30, 1975. He later became editor of the official newspaper of Vietnam, he now lives in Paris, where he immigrated after becoming disillusioned with the fruits of Vietnamese communism.

Question: How did Hanoi intend to defeat the Americans?

Answer: By fighting a long war which would break their will to help South Vietnam. Ho Chi Minh said.

Question: How did Hanoi intend to defeat the Americans?

Q. Was the American antiwar movement important to Hanoi's victory?

A: It was essential to our strategy. Support for the war from our rear was completely secure while the American rear was vulnerable. Every day our leadership would listen to world news over the radio at 9 a.m. to follow the growth of the American antiwar movement. Visits to Hanoi by people like Jane Fonda and former Attorney General Ramsey Clark and ministers gave us confidence that we should hold on in the face of battlefield reverses. We were elated when Jane Fonda, wearing a red Vietnamese dress, said at a press conference that she was ashamed of American actions in the war and that she would struggle along with us.

Q: Did the Politburo pay attention to these visits?

A: Keenly.

Q: Why?

A: Those people represented the conscience of America. The conscience of America was part of its war-making capability, and we were turning that power in our favor. America lost because of its democracy; through dissent and protest it lost the ability to mobilize a will to win.

Q: How could the Americans have won the war?

A: Cut the Ho Chi Minh trail inside Laos. If Johnson had granted [Gen. William] Westmoreland's requests to enter Laos and block the Ho Chi Minh trail, Hanoi could not have won the war.

Q: Anything else?

A: Train South Vietnam's generals. The junior South Vietnamese officers were good, competent and courageous, but the commanding general officers were inept.

Q. Did Hanoi expect that the National Liberation Front would win power in South Vietnam?

A: No. Gen. [Vo Nguyen] Giap [commander of the North Vietnamese army] believed that guerilla warfare was important but not sufficient for victory. Regular military divisions with artillery and armor would be needed. The Chinese believed in fighting only with guerrillas, but we had a different approach. The Chinese were reluctant to help us. Le Duan [secretary general of the Vietamese Communist Party] once told Mao Tse-tung that if you help us, we are sure to win; if you don't, we will still win, but we will have to sacrifice one, or two million more soldiers to do so.

Q: Was the National Liberation Front an independent political movement of South Vietnamese?

A: No. It was set up by our Communist Party to implement a decision of the Third Party Congress of September 1960. We always said there was only one party, only one army in the war to liberate the South and unify the nation. At all times there was only one party commissar in command of the South.

Q: Why was the Ho Chi Minh trail so important?

A: It was the only way to bring sufficient military power to bear on the fighting in the South. Building and maintaining the trail was a huge effort, involving tens of thousands of soldiers, drivers, repair teams, medical stations, communication units.

A: Not very effective. Our operations were never compromised by attacks on the trail. At times, accurate B–52 strikes would cause real damage, but we put so much in at the top of the trail that enough men and weapons to prolong the war always came out the bottom. Bombing by smaller planes rarely hit significant targets.

Q: What of American bombing of North Vietnam?

A: If all the bombing has been concentrated at one time, it would have hurt our efforts. But the bombing was expanded in slow stages under Johnson and it didn't worry us. We had plenty of time to prepare alternative routes and facilities. We always had stockpiles of rice ready to feed the people for months if a harvest were damaged. The Soviets bought rice from Thailand for us.

Q: What was the purpose of the 1968 Tet Offensive?

A: To relieve the pressure Gen. Westmoreland was putting on us in late 1966 and 1967 and to weaken American resolve during a presidential election year.

Q: What about Gen. Westmoreland's strategy and tactics caused you concern?

A: Our senior commander in the South, Gen. Nguyen Chi Thanh, knew that we were losing base areas, control of the rural population and that his main forces were being pushed out to the borders of South Vietnam. He also worried that Westmoreland might receive permission to enter Laos and cut the Ho Chi Minh Trail.

In January 1967, after discussions with Le Duan, Gen. Thanh proposed the Tet Offensive. Thanh was the senior member of the Politburo in South Vietnam. He supervised the entire war effort. Thanh's struggle philosophy was that "America is wealthy but not resolute," and "squeeze tight to the American chest and attack." He was invited up to Hanoi for further discussions, He went on commercial flights with a false passport from Cambodia to Hong Kong and then to Hanoi. Only in July was his plan adopted by the leadership. Then Johnson had rejected Westmoreland's request for 200,000 more troops. We realized that America had made its maximum military commitment to the war. Vietnam was not sufficiently important for the United States to call up its reserves. We had stretched American power to a breaking point. When more frustration set in, all the Americans could do would be to withdraw; they had no more troops to send over.

Tet was designed to influence American public opinion. We would attack poorly defended parts of South Vietnam cities during a holiday and a truce when few South Vietnamese troops would be on duty. Before the main attack, we would entice American units to advance close to the borders, away from the cities. By attacking all South Vietnam's major cities, we would spread out our forces and neutralize the impact of American firepower. Attacking on a broad front, we would lose some battles but win others. We used local forces nearby each target to frustrate discovery of our plans. Small teams like the one which attacked the U.S. Embassy in Saigon, would be sufficient. It was a guerrilla strategy of hit-and-run raids.

Q: What about the results?

A: Our losses were staggering and a complete surprise, Giap later told me that Tet had been a military defeat, though we had gained the planned political advantages when Johnson agreed to negotiate and did not run for re-election. The second and third waves in May and September were, in retrospect, mistakes. Our forces in the South were nearly wiped out by all the fighting in 1968. It took us until 1971 to re-establish our presence, but we had to use North Vietnamese troops as local guerrillas. If the American forces had not begun to withdraw under Nixon in 1969, they could have punished us severely. We suffered badly in 1969 and 1970 as it was.

Q: What of Nixon?

A: Well, when Nixon stepped down because of Watergate we knew we would win. Pham Van Dong [prime minister of North Vietnam] said of Gerald Ford, the new president, "he's the weakest president in U.S. history; the people didn't elect him; even if you gave him candy, he doesn't dare to intervene in Vietnam again." We tested Ford's resolve by attacking Phuoc Long in January 1995. When Ford kept American B–52's in their hangers our leadership decided on a big offensive against South Vietnam.

Q: What else?

A: We had the impression that American commanders had their hands tied by political factors. Your generals could never deploy a maximum force for greatest military effect.

PERMISSION FOR MEMBERS TO REVISE AND EXTEND THEIR REMARKS IN THE RECORD UNTIL SEPTEMBER 6, 1995, NOTWITHSTANDING ADJOURNMENT

Mr. WISE. Mr. Speaker, before I begin, I ask unanimous consent that, notwithstanding the adjournment of the House until Wednesday, September 6, 1995, all Members of the House shall have the privilege to extend and revise their own remarks in the CONGRESSIONAL RECORD on more than one subject, if they so desire, and may also include therein such short quotations as may be necessary to explain or complete such extensions of remarks; but this order shall not apply to any subject matter which may have occurred or to any speech delivered subsequent to the said adjournment.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

FRAUDULENT CORRESPONDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, I want to talk about the telecommunications bill, but I also want to say that communication from my constituents is very important to me because that is one of many ways that one deals with issues and shapes views.

But unfortunately, during this debate, that very communications has been compromised for the first time in the time that I have had the privilege of serving in the House. I hold up, Mr. Speaker, generated communications, letters with names and addresses of constituents ranging from Martinsburg to Harpers Ferry, to Weston, to Charleston, to Ravenswood, to Ripley, all across the State of West Virginia.

Mr. Speaker, I hold up 550 letters. This was the amount of mail coming in in the last few days on the telecommunications bill, all expressing one point of view.

We decided to do a survey to find out whether people and genuinely been behind these letters. What I found, Mr. Speaker, was that in contacting 15 people, we found 8 people of the 15 who were unaware that their names were on one of these letters. We found out, Mr. Speaker, that of the 15, 3 were deceased and he had been dead for 6 to 7 years.

We found out that 4 people were aware. What that means, Mr. Speaker, is about two-thirds of the people listed here may not have actually communicated with my office, but their names were used to represent it.

This is an outrage, Mr. Speaker. I encourage my constituents, as all my colleagues do, Mr. Speaker, to write, to express their opinions. For the first time, the credibility of their written opinions has been put at risk. I hope that something will be done about this.

I encourage constituents to write directly or to call; that way, we know what their opinions are.

Mr. Speakers, I am voting against this telecommunications bill, mainly because of the cable provisions. I fought too hard in this Congress for several years to try and get some regulation of cable rates, and yet, with the passage of this legislation, rural cable rates can be deregulated immediately. What that means is that in West Virginia, 40 percent of the cable could become deregulated upon enactment. That is very significant.

Mr. Speaker, despite what some may say, before regulation in 1992, before we were able to get some control over rates, cable rates had gone up 61 percent, or 3 times the rate of inflation. Following regulation and the ability to monitor some of the rates, the rates went down, in some cases as much as 17 percent, and consumers were saved $3 billion. That is all now put at risk by the passage of this bill.

Mr. Speaker, I did not come here to vote for an immediate rate increase for cable users. I think that that is something that has to be dealt with to clean this bill up, so that by Christmas, our cable users are not seeing a $5 to $7 increase.

I want competition in the cable industry like everyone else, but unfortunately, the cable rates can be raised before there is effective competition, and that does not benefit anyone.

Finally, Mr. Speaker, I think it is important that in this legislation, the V-chip passed. I am holding up a V-chip, Mr. Speaker, very thin, very inexpensive, but what it does is give parents control over the TV sets that their children are watching. All of us, as parents, want to know that we have some input into what our children learn and what they see and what they watch on television.

This V-chip is not censorship. It is parental control, and all it does is say that parents may, with this V-chip in the TV set, will now be able to program out that which is rated as violent. Some say that is censorship; perhaps those in Hollywood think it is censorship.

Mr. Speaker, nothing stops what comes across the television screen, but what can stop the material from being seen by a child whose parent does not want it seen is this V-chip. So we are going to fight hard to make sure this V-chip stays inside the television set.

With this V-chip, Mr. Speaker, you can take a very, very big bite out of the violence that your children see.

□ 1615

So I think it is important that this stay in this telecommunications legislation. My hope is that eventually there will be a bill that we can support, but this bill today, particularly what it does to rural cable users, is not the bill to be supporting.

A TRIBUTE TO LORRAINE MILLER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, I rise today to recognize an exceptional young woman whom I deeply admire, Lorraine C. Miller, who is a Deputy Assistant to the President for Legislative Affairs. Lorraine is leaving that position to become Director of Congressional Relations at the Federal Trade Commission after 14 years of distinguished service here in the House of Representatives.

Mr. Speaker, Lorraine is a proud native of northwestern Texas who, prior to joining the White House staff, served this body in the office of Speaker Tom Foley, in the office of Speaker Jim Wright, and as floor assistant for the gentleman from Georgia [Mr. LEWIS]. During her tenure here with the Office of Legislative Affairs, Lorraine has served the President and her country very well. Working extremely long hours and under stressful time-crunch conditions, Lorraine served us, and she calls us her constituents, in ways many may not be aware of. She has fought tirelessly on issues we care about and made sure our concerns were her priority. Her willingness to go beyond the duty to both inform and assist is well-known to Member of this body.

Lorraine's legislative expertise covered a broad spectrum in urban issues to rural concerns, from the environment to NAFTA and GATT, from regulatory reform to space programs and so on. Her pleasant demeanor and her political savvy in helping to move important legislative issues through the House has become legendary.

Lorraine is going to be missed as he embarks upon her new career, and so to her I would say, "Lorraine, you have been an invaluable asset to the Democratic Members of Congress, and we are pleased that we have had a person of your esteem, and your grace, and character to work along with us." I am sure that you will all join me in saying thanks to Lorraine for a job exceptionally well done.

VIACOM REVISITED: REPEAL OF THE TAX CERTIFICATION PROGRAM

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. DIXON] is recognized for 60 minutes as the designee of the minority leader.

Mr. DIXON. Mr. Speaker, before we leave for the recess, I wanted to take the opportunity to revisit our actions on February 21. On that day the House passed H.R. 831. The legislation ended a very successful minority tax certificate program and scuttled Viacom Inc.'s plans to sell its cable systems to a minority broadcasting company.

This was done under the guise of paying for a 25 percent health insurance tax deduction for the self-employed. Proponents of the move claimed that $1.3 billion would be saved by ending the minority tax certificate program.

I strongly support legislation to ensure the deductibility of health insurance costs. However, I voted against H.R. 831 because the bill eliminated a program that provided minorities with the opportunity to own broadcast properties.

As a result of the elimination of the minority tax certificate program, Viacom has structured a new deal. Last week it was reported that Viacom has moved to rid itself of its cable systems, this time without selling to a minority entrepreneur. And guess what? There will be no addition of capital gains taxes to the Treasury.

My question is: What have we accomplished by repealing the tax certificate program, other than preventing a minority from owning Viacom's cable systems and reducing opportunities that future minority companies have to own broadcast properties?

For my colleagues who do not remember, let me recap the events. In January Viacom announced that it would sell its cable television systems to a partnership that was led by an African-American communications entrepreneur. That deal was ended by those who opposed a capital gains tax benefit that Viacom would have received for selling to a minority.

Representative BUNNING of the Ways and Means Committee explained the Republican's reason for ending the tax benefit when he said "to pay for the 25 percent deduction, the bill repeals section 1701 of the Tax Code, that allows the FCC to issue tax certificates to companies that sell telecommunications properties to businesses with minority interests."

The tax benefit sought by Viacom was part of the Federal Communication Commission's tax certificate policy program. Created in 1943, it has been used for a variety of reasons. In 1978 the FCC began using the program to promote the sale of radio and television stations to minorities.

This program has been successful. From 1978 to 1995, the program resulted in increasing minority ownership of all broadcast properties from only 0.5 percent to 2.9 percent.

If the January Viacom deal had gone through, the FCC would have issued a tax certificate to Viacom. Viacom would have sent the tax certificate to the Internal Revenue Service and would have deferred paying capital gains taxes on the deal. The new Viacom deal will have essentially the same effect on the Treasury as the original deal—a deferral of tax revenue.

Although Republicans wanted to use the revenue to pay for the health insurance deduction, all the program's repeal has done is hinder minority access to capital and to broadcasting.

During debate on H.R. 831, Ways and Means Committee Chairman BILL ARCHER said that "the cost of the deduction's permanent extension is fully funded by several provisions which will greatly improve our Nation's tax laws." I do not see how ending the minority tax certificate program improves our tax laws when doing so only serves to impede minority access to ownership of broadcasting operations.

The Joint Committee on Taxation calculated that extending the 25 percent health insurance deduction for the self-employed would cost $2.9 billion between 1995 and 2000. The committee also calculated the repeal of the minority tax certificate program at $1.3 billion over five years, nearly half the revenue needed for the health deduction. If other deals are made to avoid paying capital gains taxes, where does that revenue come from?

While you may need an expert tax attorney to grasp the intricacies of the new Viacom deal, the results are easily explained. Viacom achieves its goal of paying no capital gains taxes and eliminates a large portion of its debt. TCI benefits by expanding its portion of the cable television market.

There is no benefit to the Treasury; no payment for the self-employed tax deduction; and no chance to expand minority ownership in broadcasting.

Let me be clear, there is nothing unusual about a company structuring a deal to avoid paying taxes. It happens all the time, and certainly proponents of ending the tax certificate program know that.

I believe that it was disingenuous for the Republicans to use the repeal of the section 1071 program to "pay" for the health insurance deduction. There was no basis for acting on that assumption. Witnesses at hearings on the tax certificate program alerted them to the problems with that assumption.

Raul Alarcon, Jr., the president of the Spanish Broadcasting System had it right when he told the Ways and Means Committee:

> It cannot be assumed that, but for the tax certificate program, each and every sale to a minority owner would have generated tax revenues in the year of the sale. Many owners would not sell their properties at all if they couldn't defer the taxes—or they would search for other tax-favored ways to sell their properties.

Beyond paying for H.R. 831, Republicans also argued that the minority tax certificate program should be repealed because it is unfair. This is certainly not true. Mr. William Kennard, general counsel for the FCC, pointed out that the tax certificate program is not a quota. It is not even a set aside. As he said, "It is a minimally intrusive, market-based incentive which has worked." The program has helped minorities overcome, in Mr. Kennard's words, the "greatest obstacle to ownership—attracting the necessary capital."

During the February 21 debate on the measure, Chairman ARCHER said that tax benefits should not be conditioned on classifications such as race or ethnicity. "Our tax laws should be, as I am, color blind."

The color blindness of the tax code is not the point. The point is that the tax code is used for a variety of public policy goals, such as savings and investment. It was good public policy to use the tax code to enhance minorities' access to capital and to encourage minority entrepreneurship.

In response to the concerns raised about tax certificate abuse, Ways and Means ranking member SAM GIBBONS and Representative JIM MCDERMOTT offered a substitute to H.R. 831 which preserved health insurance deductions for the self-employed and reformed the tax certificate program.

The substitute would have capped the amount of capital gains taxes that could be deferred under the tax certificate program at $50 million and made significant reforms.

The Republicans opposed this alternative. An alternative which address concerns about abuse of the program—without completely dismantling the certificate program.

So what did the bill do? It eliminated a program which helped minority companies gain a foothold in broadcasting. It did not fund the health insurance tax deduction TCI, the Nation's largest cable systems operator, becomes even larger.

With the new Viacom deal in the works, where is the Republican opposition to another huge deferral of capital gains taxes? Where are the calls for hearings on whether Viacom has unfairly prevented the government from collecting tax revenue? I don't expect to hear them.

I guess it is okay for nonminorities to avoid paying capital gains taxes, as long as they don't help minority entrepreneurs along the way.

Mr. Speaker, I would be pleased to yield to the gentleman from South Carolina [Mr. CLYBURN].

☐ 1630

Mr. CLYBURN. I thank the gentleman for yielding. Mr. Speaker, I rise to express my outrage with congressional actions which discourage minority ownership of telecommunications businesses, while at the same time letting stand tax laws which encourage ownership among white owned entities.

In February, this body voted to kill a Federal program that provided tax breaks to companies that sell broadcast stations and cable TV systems to minorities. These actions were spurred by Viacom Inc.'s proposed $2.3 billion sale of its cable TV systems to a group led by an African-American entrepreneur. The Federal Communications Commission minority tax certificate program allowed companies that sold to minority buyers to defer capital gains taxes on sales of radio and TV stations and cable systems. The program was designed to encourage such sales and to broaden minority ownership in an industry that is overwhelmingly dominated by whites.

The tax certificate program was established in 1978 and had been supported through four administrations, both Democratic and Republican. It was responsible for a fivefold increase in the minority ownership of broadcast properties. Even with that success, however, minorities represent only 3 percent of the industry's ownership today.

In this deal, Viacom would have been entitled to defer paying more than $400 million in taxes under the program. While the program involved tax deferment, Viacom still would have been liable for the $400 million in taxes at a later date. It would have had to reduce the amount by which it could write off other assets in the future. The U.S. Treasury would have eventually received these moneys and a single African-American would have become a small player in the telecommunications arena. By repealing the minority tax certificate program, the Congress sent a strong message that it has no interest in increasing minority ownership in the cable and TV industry.

Mr. Speaker, most interestingly, Viacom did eventually sell its cable division to a company known as Tele-Communications Inc. Under obscure tax provisions, this deal enables Viacom to avoid capital-gains taxes. This new deal means that Viacom will escape capital-gains taxes altogether. Its an even better deal than the sale to the minority buyer.

The message this scenario sends to the American people is that it is okay for sellers such as Viacom to benefit from the Tax Code when the buyers are white, but not OK when the buyers are African-American or other minorities. True, Congress closed what has commonly been called the minority tax certificate "loophole." However, after these latest transactions, neither Viacom nor Tele-Communications has suffered. In fact, they both have benefitted by the shrewd use of the Tax Code. Minorities, on the other hand, are discouraged, and to some degree even prohibited, from seeking ownership of telecommunications entities. Shame on this Congress. There is much work to do.

Mr. DIXON. I thank the gentleman for his excellent comment on this issue and would yield to the gentleman from North Carolina for whatever time he may consume.

Mr. WATT of North Carolina. I thank the gentleman for yielding time to me, and I thank him for bringing this important issue to the attention of the Members of this body and to the American people.

Mr. Speaker, listen. What is that sound I hear? I think it is the deafening sound of silence that we always hear when we detect a double standard, and nobody, nobody wants to own up to it.

There is this deafening sound of silence about this Viacom deal because we knew there was an opportunity, we know there was an opportunity, and we know that an opportunity has been missed, and we know that a double standard has been set, and we know there is no justification for it except something is going on in our country that says anything that has any race notion to it, any equalization, any preference notion to it, any opportunity to equalize the playing field is going to get some kind of special scrutiny.

Well, we remember the Viacom deal last February. It was a deal that fell through because Republicans in this House rallied to repeal the minority tax certificate program.

That program permitted owners of broadcast and cable facilities to avoid capital gains taxes on the sale of broadcast or cable facilities to minorities. Had this program not been repealed an African-American business person would have become a serious player in the telecommunications industry. The program was designed to help minorities get some minimal foothold in the telecommunications industry.

We remember the deal, and we remember how outraged the Republicans were that a multimillion dollar corporation was going to get a tax break, a multimillion dollar majority corporation was going to get a tax break, they were outraged because they were going to get that tax break by selling a communications interest to a minority.

We remember how Americans were whipped into a frenzy over this issue because they were told that a huge corporation would avoid paying taxes for selling its holdings just because it was selling those holdings to a minority member who didn't need affirmative action anyway.

Well, if we had just done away with that program and gone on and forgotten about it, maybe the American people would understand and be satisfied, but that is not what happened. What goes around tends to come back around, and so it did.

Viacom never gave up on the notion, the majority company never gave up on the notion of tax avoidance, and they went out and they struck another deal with what happened to be another majority communications company called TCI. That deal avoids all taxation just like the other deal that was so objectionable.

And what do we hear? What have we heard from our Republican colleagues in this very body? Where are you? We hear the deafening sound of silence. Not a word.

Well, what are we to make of this? Is this a double standard? It's OK to avoid taxation. Viacom can avoid taxation as long as it is selling its communications interests to another majority company, but it is not OK to avoid taxation if it is selling its interest to a minority communications interest.

What's the deal? What is it that we are saying? Is it OK for TCI and Viacom to avoid taxation through complex business deals? Is that OK? Is that affirmative action of some kind for those majority companies?

It is certainly an advantage that our Government has delivered to them to facilitate this deal and allow it to happen.

It is affirmative action when we provide a special consideration to our veterans because they have served our country? Is that an acceptable affirmative action?

Is it affirmative action when we say to major corporations that we will provide a tax credit for you to encourage you to do something good for our communities, to keep our air clean?

Well, I am not sure I understand the distinction between those kind of tax credits and savings and affirmative actions that benefit the majority community and the affirmative actions that you say are unacceptable when they benefit the minority community.

This entire Viacom episode really demonstrates once again as clearly as it can be demonstrated that we have gotten way out of whack when it comes to dealing with minority preferences and things that benefits minorities in this country. We cannot sit still for that to happen.

But what happens when the same kind of scenario plays out and benefits those who already have advantages? I submit to you, Mr. Speaker, it is a double standard, and we know what happens when there is a double standard and there is no, no, no justification for it.

We know what happens in this body, and we see it time after time after time after time. We hear it time after time after time. We hear that deafening sound of silence from our colleagues.

We have got to stand up and expose these things when they are inequities, and I commend my colleague from California for bringing this opportunity for us to make the statement in the interest of fairness because we will come back here after the break in this body, and I am sure we will not hear that deafening sound of silence from our colleagues come time to talk about affirmative action and things that may have some benefit to the minority community, but we certainly hear that deafening sound today.

I yield back to the gentleman from California and thank him again for sponsoring this special order today.

□ 1645

Mr. DIXON. I thank the gentleman from North Carolina for his contribution.

Mr. Speaker, just let me summarize what has occurred here over the past few months. I have served in this House for 18 years. I have not served on the Committee on Ways and Means, but I have served on the Committee on Appropriations. I have an idea of the conversations that went on.

This House wanted to participate in a program to allow people who were self-employed to deduct up to 25 percent of their medical insurance. We also at the same time had to find offsets for that money. It was going to cost $2.3 billion. Somebody ran in the room with an article from a newspaper and said, "Did you know that an African-American is going to participate in a deal, and the taxes on that deal to Viacom, the selling company, are going to be deferred?"

Someone else said, "What is wrong with that?"

"Well, there are abuses in the program."

"Well, let's address the abuses."

The gentleman from Washington [Mr. MCDERMOTT] and the gentleman from Florida [Mr. GIBBONS] presented an amendment on this floor to address those abuses. But there were other voices in the room that said, "But we need the money to offset the loss of revenue to the Treasury for the $2.3 billion." So we called in witnesses. Mr. Kinard from the FCC said, "This is not a set-aside. It is not a quota. It is something that we have done because of good public policy, and we have been using this certificate for other things since about 1948."

"But we need to offset. We need to find the money."

Someone else came forward and said, "do not anticipate this kind of revenue, because, yes, the tax certificate is used, but people will either not sell or find some other tax structure to avoid it."

"But we need the revenue."

This bill comes to this floor, and the representation is made that we have got to kill this Viacom deal. The policy is wrong, it is abused, let us correct it. No.

Well, then, let us move forward, because when we kill this program, you see, it is going to produce $1.3 billion.

Wrong again. Mr. Speaker, 831 did three things: It eliminated what I believe in my heart was a good program, that encouraged entrepreneurship in broadcast industries; it provided no tax revenue to the Treasury; and TCI, the largest cable company in the country, just got a little bit bigger.

So there is no doubt, Mr. Speaker, that this is not a colorblind society. There is no doubt in my mind that it is not a colorblind society. But when you look at the totality, you cannot expect minorities and women to understand why it is good for the majority in this country to take advantage of a tax deferral, but not good for a minority.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1289 AND H.R. 2062

Mr. MFUME. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 1289 and H.R. 2062.

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Is there objection to the request of the gentleman from Maryland?

There was no objection.

WHERE WE ARE IN THE PROCESS OF THE REMAKING OF AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, we have just concluded the debate and the vote on the appropriations bill for the Education, Labor, and Human Services portion of the budget. We have almost concluded the entire appropriations process. The big one left, of course, is the Department of Defense. This process moves us a little further along the road toward the remaking of America.

Speaker GINGRICH and the Republican majority have said they intend to remake America. Speaker GINGRICH also says that politics is war without blood. So we have concluded the first phase of the war. The Contract With America with just a warm-up. The budget and appropriations process really opened the blitzkrieg. The first phase of the blitzkrieg is about to come to an end.

I think it is important to take this time to note that it has been devastating indeed. The people of America, the caring majority, the majority of the people in America, have been the victims of the beginning of this scorched Earth policy. Tremendous cuts have been made already, and this is just the first year in the effort to balance the budget in a 7-year period. This is the easiest one.

These cuts will escalate greatly over the next few years. So whatever has begun today, as horrible as it may be, is only the beginning. It is very important that the American people understand that this is only the beginning, and $9 billion was cut from the Health and Human Services and Education and Labor budget, $9 billion for the budget year that begins October 1 1995 and goes to September 30, 1996.

If $9 billion was cut in this first round, you can imagine how much more will have to be cut and will be cut in the second round, the next budget year, because the budget for this year still leaves the Republicans, who are controlling the process now, with a deficit of $170 billion, the House-Senate budget that concluded, under which we are laboring with respect to the appropriations now. That budget still left us with a deficit in 1996 of $170 billion. Over the next 7 years, that deficit will go down from $170 billion to a surplus of $.614 billion in the year 2002.

In order to get that deficit down and end up with a surplus in the year 2002, drastic additional cuts have to be made. So it is important to understand where we are in the process of the remaking of America, in the process of this war without blood.

Speaker GINGRICH says that politics is war without blood, but he did not say it was without pain and he did not say it was without suffering. And there is a lot of blood, too. I think it is very important to note that in the process of making budget cuts in the appropriations process, the Committee on Appropriations went far beyond its jurisdiction, and they did a lot of legislating, against the rules; they violated the rules. This majority violates the rules whenever they see fit, and they have the same kind of contempt for rules that dictators and tyrants have. Rules are just to be played with the bourgeoisie and the folks who believe in little words on pieces of paper. They violate them when they get ready.

So a massive violation of the rules occurred in this appropriations process with respect to the Labor, Education, and Human Services appropriation. They had a large number of legislative matters introduced into the process. One of those matters related to the enforcement of health and safety standards on jobs by OSHA, the Occupational Health and Safety Administration.

One of those legislated items cut the effectiveness of OSHA by one-third. By cutting the budget by one-third and specifically saying that the cuts have to apply to the enforcement process, OSHA's enforcement administration, enforcement process, the people in charge of enforcing the rules and regulations on health and safety, they could not spend but two-thirds of their last year's budget. They are cut by one-third.

That is going to cause not just pain and suffering, but there will be some bleeding and dying, because last year in America 10,000 workers bled and died on the job. Another 46,000 died as a result of diseases contracted or as a result of health conditions contracted on the job. They died elsewhere, but right on the job 10,000 died.

So in this process of making budget cuts, they have also legislated a less safe environment for all the workers in America. They have declared war on workers, and that war has casualties. That war has a body count. The body count and the casualties will go on.

There were many other areas within this appropriations process where the Committee on Appropriations usurped the powers of the authorizing committees and legislated. They changed the National Labor Relations Board's ability to operate by cutting them by 30 percent. They are going after the workers. A major target in this war are working people. They say unions. They have a vendetta against the unions. They want to get revenge on the unions. But working people out there, most of them in America do not even belong to unions. In the process of getting revenge on he unions, they are destroying conditions for working people in general.

The NLRB affects other people other than unions. OSHA affects other people. It is the workers of America, and everybody out there, who is not a big wage earner, not an executive or on a big salary. Sooner or later they fall into a category where they need to have some bargaining power or leverage. Most of us are workers. In the final analysis we are workers, and our working conditions are being steadily made more dangerous as a result of activities undertaken in an appropriations bill.

The Committee on Appropriations exceeded its authority. It is just the beginning of a process which probably will go on for a long time to come. They have always exceeded their authority. I have always taken the position we do not need a Committee on Appropriations. The Committee on Appropriations makes the Congress sort of an inept dinosaur.

We have a huge Committee on Appropriations with a huge budget, a huge staff, and they make the most important decisions about where money is going to be spent. But in the final analysis, the Committee on Appropriations has the least amount of information, because there are authorizing committees that spend all of their time on different segments of the governmental functions, of the policies that govern our country. The authorizing committees have the knowledge. The authorizing committees conduct the hearings. The authorizing committees accumulate the experience over time. But the power lies with the Committee on Appropriations.

The appropriation committees, of course, were created as old-fashioned, primitive methods of centralizing power. You centralize the real power in a body that is supposed to be a democratic, deliberative body, so it is easier to control by the Speaker and the leadership. That is why appropriation committees exist. But they used to pretend that they had limitations, and it was only going to deal with the actual appropriation of the funds.

They are not pretending anymore. The appropriations committees have taken over and they have proceeded to legislate whenever they feel like it, which means that if we were to be honest with the American people we would close down part of the Congress. We could send all the Members home who do not serve on the Committee on Appropriations or the Committee on Rules or the Committee on Ways and Means. That is about one-third of the Members of Congress on those three committees.

The rest of us really should not be drawing salaries, because we are not allowed to make decisions. We are not allowed to make important decisions. We play around at the edges. We have hearings, we pretend we have legislation. But in the final analysis, the clout lies with the Committee on Appropriations that is going to appropriate the money, and the Committee on Ways and Means is going to develop the revenue.

Whenever the Committee on Ways and Means brings a bill to the floor, it does not even pretend to have a democratic process. In the 13 years I have been here, I have never seen a Committee on Ways and Means bill come to the floor which was an open rule, where the Members of Congress who do not serve on the Committee on Ways and Means had a possibility of having some kind of input, making some kind of decision. So the Committee on Ways and Means is totally in control of the revenue producing activities within this country.

☐ 1700

The rest of us either say yes or no or vote present, but we do not have any input. We have a very inept dinosaur, a very inefficient dinosaur and you have, after all, in the House of Representatives, 435 Members who are among the brightest and most energetic people in the country, who understand government, who understand human nature. They would not be here if they were not tremendously capable individuals. But they come here and they are immediately made irrelevant. They become obsolete if they do not get a place on the Committee on Appropriations or the Committee on Rules or the Committee on Ways and Means.

And the Committee on Appropriations used to pretend that they had some use for the rest of us but in this last operation, certainly the Health and Human Services and Labor and Education budget, they made no pretense. Open legislation takes place throughout the bill and every effort to vote down that legislation, authorizing legislation, within the appropriations process, the majority beat it down with their numbers. They have the numbers and they can, of course, violate the rules and render us all ineffective.

Nevertheless, we have to make do for the time being. Hopefully in the next Congress we can do something about the dinosaur and get rid of the overwhelming power of the Committee on Appropriations. Democrats were never that interested in doing that before, but maybe they can understand the evils now.

What I wanted to do today is to let everybody understand that this process has just begun. First of all, the implications of the process over a 7-year period are devastating. I want you to understand that if the cuts are great this year, they have to be greater next year and greater the year after that, until we get down to the point where we have no more deficit. So that is one thing that has to be understood.

The other thing to understand is that, and it is hard to understand. Until I became a legislator, although I thought I was pretty intelligent and pretty well educated, I could not understand all the machinations that take place here in Washington. We have passed it on the House of Representatives. We passed the Labor, Health and Human Services and Education budget. And we passed most of the other appropriations bills.

They still have to go to a conference with the Senate and the Senate has not passed most of their appropriations bills. The Senate can move very fast when it wants to. So the likelihood is that in the month of September all of this is going to be completed by the Senate and the House, and the Senate operate from the same set of overall budget figures that the House operates from. There is an agreement between Senate and House, and we are proceeding on the basis of one set of budget cuts. So the Senate budget will cut Education, Health and Human Services as much as the House budget will cut it, as much as House appropriations cut it. The difference is where they will cut.

The Senate may choose to not assassinate OSHA, not to try to destroy the health and safety standards of the workers of America. They may choose to instead take more money out of the Pell grants. They may choose instead to impose more of a burden on student loans. But overall, it is going to be just as bad because they have to stay within those budget figures.

That is the other trick that we have to deal with. We have to understand that the Committee on the Budget has already set certain levels, and the Committee on the Budget has determined that you cannot cross lines. One of the charades that took place with respect to the Health and Human Services and Education budget was that if you wanted to restore the cut for Head Start—and these high technology barbarians have done something nobody else has done in the course of history of the Congress. President Bush did not cut Head Start. President Reagan increased Head Start. Head Start has never been cut by any President. But they cut Head Start. If you wanted to restore Head Start cuts, you had to take it from somewhere else, but there is a bigger cut in title I.

So if you wanted to restore Head Start, you could cut title I some more. If you want to restore title I, a billion dollars is a large amount of money because title I is the largest program of assistance to elementary and secondary education that takes place through the channels of the Federal Government. Everybody likes to think it is Federal money. The Federal Government gives back a portion of the budget, a portion of the people's money, because all taxes are local. All revenue derives from individuals and families and it is sent to Washington so it is getting our money back. We get back a very tiny amount of our money for education.

The Federal Government only is involved in about 7 percent of the total expenditure for education, but its involvement comes through the title I program for elementary and secondary education. They are cutting that by more than a billion dollars. We could not restore any of that without cutting some other part of this same function 500.

Yes, we could cut the NLRB, the National Labor Relations Board, and give a few million maybe back to Head Start, or we could cut OSHA or we could cut MSHA, the Mine Safety and Health Administration. You could have cannibalism, cannibalism among worthwhile programs. That choice you have. Let the programs eat each other. Because the trick is, you cannot go outside of the function of Health, Human Services and Education to get any money from the places where the real waste occurs.

We cannot go back, we cannot go and take it from defense. You cannot, everybody knows where the waste is, but you cannot even propose it on the floor at the time of the deliberations on the Health and Human Services and Education bill.

We know there is waste in the defense weapons systems. We know the B-2 bomber is the most wasteful weapons system that we ever confronted. We know that because there is agreement at the Pentagon. They say it is wasteful. They do not need it. The Secretary of Defense says he does not need the B-2 bomber. The President says he does not need it. Everybody agrees except the Members of Congress, the Members of the House, that we do not need a B-2 bomber. So we put back $500 million in the annual budget and over the life of the B-2 bomber program, we are talking about $30-some billion. So if we wanted to take care of Head Start and wanted to take care of title I, Pell grants, OSHA, MHSA, all the worthwhile human services programs, you can easily do it if you are allowed to reach into the defense budget and get the waste out of there to take care of it. Because the defense numbers are tremendous numbers. Just take the B-2 bomber. You have a great solution to the problem over the last 7 years. By cutting out the B-2 bomber, we could refund these programs at the level that they existed before and even give them increases.

So where are we in the process? I want to get back to that so that every American citizen listening will know that this complicated process is not so complicated after all.

The appropriations process is about to come to an end in the House. The House Committee on Appropriations will consult with the Senate. They will come out with a joint conference report of what they both agree on. It will go to the President for the President's signature. Each one of these appropriations bills goes to the President separately. So the President will probably sign the defense appropriations. Unfortunately, there is not very much disagreement between the White House and the Congress on defense. When they should have been cutting this, they were not cutting either. So I suspect that the defense appropriations bill will probably be signed. It is the last one we do, but it may be the first one signed by the President. I suspect that the last thing the President will sign, if he ever signs it, would be the Education, Health and Human Services budget. In fact the President has already said he is likely to veto the appropriations bill if it comes to him in the form that passed the House of Representatives yesterday.

If it comes that way, we know it will be vetoed. What happens when the President vetoes? Each one of the appropriations bills, the President has the option of signing it, it becomes law, and that will guide our expenditures for the next year. Or he can veto it and it comes back to the House of Representatives.

If it comes back to the House, we can override it, if we have two-thirds of the Members of the House vote to override. In the health and human services bill, there is no chance that there will be a two-thirds vote to override. In the housing, VA, veterans and housing bill, I do not think there is any chance that they will get an override.

In a number of the key appropriations bills, there will not be a congressional vote great enough in the House of Representatives to override the veto. You should follow this. Every citizen should follow this, because what it means is that as we approach the deadline date of September 30, which is the end of the Federal fiscal year, these programs that do not have an appropriations bill, which is now law, the appropriations bill has not been turned into law, they have no way to continue operating. They run out of money.

They have run out of money and a crisis is created. A crisis is created. The probability is that, given the games that the Republican majority is playing and given the extreme and mean positions that they have taken here on these vital programs, they will not agree to the continuing resolution. The way you continue programs when the money runs out is you have to vote for a continuing resolution, which covers all programs for which there has been no appropriations bill signed.

The likelihood is that the same people who refused to vote decent amounts of funding for these programs to begin with are not going to accept a continuing resolution which continues them at the same level as last year. In fact, some of these same programs have already been cut this year in a rescission bill, which was promulgated by the Republican majority. And that rescission bill cut $16 billion out of this year's budget to make it impossible for some of these programs to continue because they have already been cut, regardless of what a continuing resolution says, they would have to receive a cut this year and then pick up on the continuing resolution, and it cannot be accomplished. So we are headed for a crisis, and every American should understand the nature of the crisis.

In my district last week, in discussing the problem with some constituents, there was one elderly lady who said to me: Well, if the Government is out of money and we just do not have no more money, then I will make my sacrifice. I do not mind sacrificing just like everybody else. I do not mind the Medicare cuts. I do not mind making my share of the effort. I do not mind suffering if our Government is in trouble and they just do not have any more money.

Well, that is a noble sentiment. I suspect that the majority of Americans feel the same way. When the suffering is necessary, they are willing to do it. In World War II, massive amounts of people were willing to suffer and endure. So it is nothing new. Americans are willing to suffer. But it is important that you understand that the suffering and the pain that is being inflicted is unnecessary.

It is unnecessary for elderly people to worry about their Medicare payments. It is unnecessary to worry about whether you are going to be able to get into a nursing home or not. When your money runs out and you cannot afford Medicare anymore, you cannot afford to pay for your own health care, as thousands of elderly people spend down, they get very sick, the medical costs, despite the fact that they have Medicare, there is a portion they have to pay. They run out of money and they become poor as a result of bad health, as a result of operations, as a result of time in the hospital. And they can only be put in a nursing home if they are convalescing after an operation if they declare themselves poor and go onto Medicaid, the other part of the health care program that was created by Democrats.

Remember, we are celebrating the 30th anniversary of Medicare. Medicare was created by Lyndon Johnson, a Democrat. Medicaid was created by Lyndon Johnson, a Democrat, just as Social Security was created by Franklin Roosevelt, a Democrat.

We are celebrating Medicare's 30th anniversary, and it is important to understand that there is no need for this in the richest country in the history of the world. The United States of America is the richest country that ever existed in the history of the world. They said, well, you might say there are some Arab countries that people per capita are richer than we are. There may be four or five countries in the world where per capita at a given moment they have higher incomes. But if you look at the assets and resources of these nations, you will find that it is all very much illusionary.

Overnight something can happen to the oil prices in the world, and in Saudi Arabia the standard of living goes down drastically. In Kuwait, the standard of living is going down because they are not getting as much for their oil products as before. Nigeria, which has some of the finest-grade oil in the world, faces a crisis because there is a glut on the market, and oil prices still go down. So we are not in America dependent on any one set of natural resources.

☐ 1515

We are not dependent on any one set of minerals or any one set of climatic conditions. There are well-established institutions. Our country, from the Atlantic Ocean to the Pacific Ocean, has produced an abundant supply of rich, natural resources and rich farm lands and growing seasons that allow us to maximize the amount of foodstuffs grown here. We could feed the whole world if we wanted to.

All of that together adds up to riches that no other nation has. And you put it all together, there are riches that no other nation can begin to dream of.

Add to that the law and order, the well-established legal system, an institutional government which stabilizes things so that you are not, even in the worst of times, and we may be going through some of those worst of times in terms of the democratic process, but even in the worst of times there are not cataclysmic shifts that overnight render our resources less potent and our economy cannot be brought down by any one turn of events.

We are the richest Nation that ever existed in the history of the world. We should not be contemplating forcing suffering and pain upon the elderly. We should not be contemplating forcing children to go without decent lunches. They cannot get a decent meal anywhere else, even the school; with the help of the Federal Government, they should be able to get a decent lunch, because those same children will become the soldiers of tomorrow. They will become the workers of tomorrow. They will become the Congressmen and the leaders of tomorrow. Those same children.

We are rich enough. We have the resources. The problem is that every American must understand, the problem is the attitude and the vision of the people who have the power now.

When you have this train wreck, when there is a crisis created between the President and the Congress, the President vetoes the bills, they go back to the Congress, they cannot override. The Congress refuses to pass spending, a continuing resolution. When that happens, we should all be ready to join fully into the debate and understand what is happening.

The new America is being shaped. If the people, if the great majority of Americans stand up and say: No, we will not accept anybody or any argument which tells us we are too poor to be able to take care of all the sick; we are too poor to be able to take care of the elderly; we are too poor to provide school lunches; we are too poor to provide a decent education for the generation of Americans who will have to work to keep the Social Security system going, to keep the Medicare system going. There are some people worried about Medicare becoming bankrupt, and it certainly will be bankrupt if our workers are not working and adding to the fund.

Social Security will be bankrupt if our workers are not working and adding to the fund. If all of the jobs are shipped overseas or to Mexico and the workers are not contributing to the Social Security fund, the rich may still get rich by using the labor of people overseas, but the workers overseas do not pay into the Social Security fund. The workers overseas are not contributing to the future of America.

You can get cheaper labor and use high-tech instruments and you can bring in from India some very well-educated computer programmers. But those Indian computer programmers are not paying into the Social Security. They have no stake in our society.

We have to understand what all this means when they are trying to remake America by wiping out the working conditions for the workers of America; by lowering the wages of the workers of America; by creating conditions which make it very difficult to educate the vast population of America. We have to understand what is happening. The remaking of America may mean the destruction of America. We have to get involved.

Nobody should accept the argument that we are too poor as a country, and I want to make my sacrifice. Do not rush to make a sacrifice for this particular agenda.

Everybody should be in favor of cutting waste in government, and we certainly are. We do not want to spend a single dime that we do not have to spend. But do not rush into believing that the problem we face is because all of our education programs are wasteful or all of our health care programs are wasteful. That is not the problem.

The problem is that there was a tremendous waste in government and the people in power do not want to confront that waste. The waste is in the B–2 bombers. The waste is in the *Seawolf* submarines. The waste is in the agricultural subsidies.

We had an amendment on the floor which said, look, we do not want to cut subsidies for people who need subsidies, but for all of these people who are gentleman farmers and they only farm part time, if they have an income outside of their farming activities of $100,000 or more, then they should not be receiving subsidies. That is all we said; a simple, commonsense proposal was on the floor. Let us not give taxpayers' money to people who are farmers who have other incomes of $100,000 or more.

That was voted down. That was massive waste confronted. The opportunity was there to curb that waste, but it was voted down.

There were other examples, also. An amendment said, let us not subsidize tobacco. There is a great debate about tobacco and whether it is healthy to us and whether it is contributing to the destruction of the health care budget, because it creates a lot of very complicated illnesses which are very costly; whether it is destroying the morality of our youth.

I am not going to get into that, but the question was, Should we subsidize it, should taxpayers continue to pay subsidies for promotion of tobacco products? That was voted down.

So, before you accept the argument that massive cuts have to be made, and great amount of suffering has to take place in the Health and Human Services and Education budget, look carefully at the rest of the budget of the Federal Government. We have a whole series of things that we need to deal with in terms of cutting waste before we get there.

We are talking about people who have a vision of America which includes B–2 bombers over school lunches. *Seawolf* submarines over nursing home care, home care for the elderly. That is their vision of America.

What we have to understand is that in 1995, we have to deal with the long-range vision of America. The vision thing that President Bush had trouble dealing with; the Speaker of the House has no trouble dealing with that. There is a clear agenda and there is a clear sense of direction that has been set forth, whether you agree with it or not. At least you should applaud that there is a clear agenda.

The agenda says that America should be only for the over-class. Only an elite group. We are going to have public policies, government policies, which take care of and even pamper the over-class. Pamper the people who have computers. Everybody who owns a computer is in the over-class automatically. You have to have a certain level of salary, send your kids to school and pay for it, if necessary, because the agenda is to let the public school system collapse.

They do not care whether public schools exist or not. They know that States are cutting back on education budgets. They know that cities are hard pressed and they are cutting education budgets. They know that the Federal Government gets all of its tax moneys from cities and towns and villages. We cannot say that Federal money is Federal money; therefore, it should never be used for education. People have a right to ask for some of the money back for education. Education is as legitimate an activity and function as any other if it is needed.

So the vision of the elite, the majority Republicans here, have an elite vision, a vision to take care of the elite. The over-class will be taken care of. The over-class will be pampered and enhanced. The over-class will be enriched. The over-class will receive a tax cut. We will give them money while we are cutting programs, vitally needed programs from everybody else.

That is their vision of America. Take care of the elite. Take care of the small group that went out to vote in 1994, November 1994. They came out and they voted and they always come out to vote. There is correlation between wealth and voting.

The richest vote 100 percent of the time and the middle-class vote 75 percent of the time. It is at the bottom, the people who are the poorest and need the help from the Government the most, the social contract benefits the most, who do not understand the relationship between their vote and public policies.

The present majority has an agenda which says we will take care of those that we know vote. Their votes are guaranteed. If we take care of them in abundant ways and guarantee that all of the nuisances of a few extra taxes here and tax regulations there, if everything that in any way is a cobweb in their lives is removed, then we shall prevail. They will support us and we shall prevail because, after all, they are the big contributors.

It is assumed that this process can go forward and they can continue to make these gigantic budget cuts, like the one that has just been made in the Health and Human Services and Education and Labor budget, and that no one will intervene; that all of us citizens can only sit back and watch, because if they have the majority, they can pass the bills.

We can only wait to 1996, and they are hoping that we believe that is all we can do and, therefore, we will wait until 1996. The great majority of Americans who are affected by these cuts will be demoralized and think that there is no hope or they will believe, like the lady who says, "I am ready to make my sacrifice, the Government is out of money and, therefore, I will suffer gladly for my country."

They believe they can prevail by sowing these kinds of lines of confusion out there, but they are not correct in assuming. Americans, the caring majority out there, the great majority who will be impacted by these cuts, my appeal is that you get up and start acting right now. My appeal is that you start understanding what is at stake right now.

Public opinion is a very real force in our deliberations here. Every Member of Congress, Republican or Democrat, is watching public opinion. Every Member of Congress who wants to come back here cannot afford to ignore public opinion, and it is not generated out of thin air. People act. You have to tell your neighbors to wake up. There is a vision of America that is a dangerous one for us, and there is a vision of America which will destroy America for the majority of Americans.

There is a vision of America which is really un-American, because it is geared toward an elite group, and over-class, an oligarchy. It is totally contradictory in respect to what this country is about.

There is a vision of America that says we do not need public school education because we can educate our children or we can have privatization of education and accomplish more that way. Those of us that have some money and can afford to pay some portion of the cost can participate in the privatization process. We will educate our children.

That vision of America is totally wrong because they are assuming that this country can exist with just an educated elite, with just a portion of the population educated. They have missed the point of America. They have missed the point that we are different from Europe and this country was built into a powerful Nation over a relatively short period of time because it reached out and provided opportunities for everybody. It reached out and made an attempt to provide education for everybody.

In a modern society, a very complex modern society, the geniuses or the technicians and the scientists cannot be effective unless the people under them, the mechanics, the literacy level, the scientific literacy, the computer literacy of the total population contributes to what the elite over-class is able to accomplish.

They will not prevail and they will not succeed, but they do not know this. They are going to try to take a short-cut and pamper, humor, take care of just the over-class and assume that they can build a nation on that.

It is a vision that is a flawed vision. It is a vision that is the wrong vision and we need to offer another vision. That is why we did the Congressional Black Caucus budget, which had no chance of passing. We went through the motions and put it on the floor because we wanted to offer a different vision of America. We wanted to offer a vision of America which ran counter to the elitist vision. We wanted to show that you can have a great American Nation that is not elite.

You can even balance the budget. You can balance the budget by eliminating the real waste. The real waste in defense, so the Congressional Black Caucus cut it by $350 billion over a 7-year period, a $350 billion cut. You can balance the budget if you do one other thing, which has to be part of the discussion.

The old lady who believes that America is bankrupt and broke should know that over the last few decades the amount of money being contributed to help balance the budget by corporations, the revenue stream, revenue from corporations, has gone down since 1943 from a high point of 40 percent. The tax burden was borne by corporations by about 40 percent in 1943.

□ 1730

Forty percent of our overall tax burden was borne by corporations, 27 percent was borne by individuals and families. Over the last few decades, it has dropped from 40 percent to as low as 8 percent in 1980. The corporate burden, the corporate share of revenue, dropped as low as 8 percent in 1980 and it is now at 11 percent.

So of the money we raise from taxes, through taxes, taxation, revenue that is needed to run the Government, only 11 percent of that is contributed from corporate income.

At the same time, individual taxes rose from 27 percent of the overall tax burden to 44 percent. We are paying 44 percent of the tax burden in 1995. In 1943, we were paying about 27 percent.

So if people are angry about the fact that they as an individual and their family, they are paying too many taxes, their tax bill is too high, I agree with them. They are right.

In order to relieve the tax burden, what we need to do is to return to some kind of fairness with respect to the corporate portion of the tax burden.

In our Congressional Black Caucus budget, the major way we balanced the budget was to raise the corporate tax burden up to the level of 15 percent. From 11 to 15 percent is not a great jump, but as you move it up, you create the possibility of balancing the budget without having to make cuts in Medicare, cuts in Medicaid. We even increased the budget for education by 25 percent. Education and job training budget was increased by 25 percent.

So in this rich Nation of ours, we do not need to sacrifice the elderly. We do not need to sacrifice the health care of the elderly. We do not need to sacrifice school lunches. What we do need to do is have our own vision of America projected.

The vision should include fairness in the tax burden. The bearing of the tax burden should be fair. When people fill out their income tax in April, the corporations should lessen their burden by shouldering more of the burden themselves.

I am in favor of a tax cut. The majority of Republicans are not alone in the proposal for a tax cut. We are in favor of a tax cut. In our Congressional Black Caucus budget, we propose a tax cut for the poorest Americans and we were able to give the tax cut at the same time we kept Medicare at the same level. We kept Medicaid at the same level. We were still able to give a tax cut to the people who need it most.

I am in favor of more tax cuts for individuals and families, but that can be done only if we raise the tax burden for the corporations who have gotten away with buying out the Committee on Ways and Means over the last few decades. That Committee on Ways and Means that I said was so powerful before, their collusion with the corporations of America took the tax burden for corporations down from 40 to 8 percent in 1980, and now it is just 11 percent.

Those are the people who want to bring us a new approach to taxes. They are talking about a flat tax. There are proposals for new taxes. In our discussion of what the vision of America should look like, we should not forget the revenue side. Liberals, progressives, Democrats, do not talk much about taxes in terms of revenue that has to be produced to keep our Nation going at the quality level that we think is necessary. We do not deal much with tax proposals. Only in reaction to Republicans do you define progressives, Democrats, and liberals.

These are terrible names out of the mouths of some, but these are the people who have made America great. Franklin Roosevelt was a liberal. Lyndon Johnson was a liberal. Harry Truman was a liberal. The people who have made America great have not talked enough about taxes, and the organizations now which focus on the budget and appropriations process do not talk enough about the need to deal with creative taxation, creative revenue enhancement.

How do we get more revenue with less pain? How do we relieve the American families and individuals of the burden of more taxes while we get the taxes that are necessary to run the Government? That is a question that is not discussed enough.

It has to be discussed at every level. State governments are crying they have no more revenue sources. They want to give tax cuts to individuals and businesses in many cases, and everybody sits around mentioning the fact that we have to make these draconian cuts because there is just no more money.

There are plenty of resources in the richest country that ever existed in the face of the history of the Earth. There were resources that were given by God still out there in our minerals. In the Midwest we give away gold mines, we give away uranium mines. We let people take these Government lands and mine minerals and we do not ask for a royalty. We ask for a minimum payment for land that belongs to the citizens. We can get more money into our revenue stream if we were to take a different approach and not give away our resources, our land resources out there in the West, Midwest, and Far West.

There is a great controversy about grazing land. Public grazing land is used by private ranchers. They pay one-tenth of the cost of the grazing land that they would pay if it was private land, one-tenth of the cost, and then they complain about that. They are complaining about Government intruding. They want to take it all. They do not want to pay anything. They do not want Government officials around watching them as they take advantage of the resources that belong to all Americans and then they complain about Government being on their back.

In the plan that was proposed by the Congressional Black Caucus, and I served as the chairman of the Congressional Black Caucus Alternative Budget Task Force. A plan was proposed by both the Congressional Black Caucus and the Progressive Caucus in the revenue area to give tax relief to working Americans.

We wanted to reduce the taxes of working Americans by $112 billion over this 7-year period. We proposed to enact a tax credit equal to 20 percent of an individual's FICA contribution, up to $200 per person annually. That means that everybody would get—take advantage of that, but we would go no higher than the $200 per person annually.

It would be a small tax cut, but it would be symbolic, and it would be just a beginning. We would be proposing additional tax cuts for individuals and families because there is an imbalance. Individuals and families are paying too much of the tax burden. Corporations are paying too little.

A vision of America and the future, a vision of America which is able to provide education for all who need education, a vision of America that can provide nursing home care for the elderly, Medicare, Medicaid, a vision of America that can provide decent housing for all Americans, that vision must include a revenue stream that will pay for all of that and we should not leave it to the Republicans to determine what that revenue stream is going to be. We have to work it out also.

In our proposal, the body of our budget proposal, we propose that there should be established a commission on creative revenues. Just as we have a base closing commission after decades of trying to do it through the political channels and running into partisan politics, the only way we have made headway in closing bases, military bases, is by appointing a commission to make the recommendations.

Congress has the final vote. Congress has the final vote. But the commission deliberates and looks at things in a rational way and proposes which bases should be closed. We need a commission to look at revenue possibilities, look at tax laws and the possible revisions of tax laws.

Give that commission time to operate, time to deliberate. Give them whatever they need. Let them bring back recommendations to the Congress instead of it coming out of the Committee on Ways and Means, which is corrupted.

The Committee on Ways and Means is a major part of the problem, never a part of the solution because they have allowed corporations to take over the committee. How else would you explain a drop in the share of the revenue burden by the corporations?

The corporations were paying only 8 percent of the tax burden in 1980 and 11 percent in 1995, whereas they were paying 40 percent in 1943. They control the Committee on Ways and Means. They got the laws enacted which allowed them to pay less and less taxes all the time.

Do not go to the Committee on Ways and Means if you want justice in taxation. If you want justice in terms of the tax burden or the way it is borne in this country, leave out the Committee on Ways and Means. Have a tax commission, a specially appointed commission bring to the total Congress recommendations about where America should go in the next 7 to 10 years.

The majority of the House and Senate have proposed a 7-year balancing the budget. The President has proposed a budget balancing process that will go over 10 years. I agree with the President. Why have the extra pain and suffering that is caused by trying to do it in a 7-year period?

There is no great pressing emergency. We are not at war. There are no reasons why we cannot, if we want to balance the budget, do it over a 10-year period, rather than 7-year period.

Either way you do it, we should look more at the revenue problem. It is not just a matter of expenditure. As I said before, in our revenue section of the Congressional Black Caucus budget, the carrying majority budget for the Congressional Caucus was well as the Congressional Black Caucus, we proposed tax relief for working Americans over the 7-year period which would be a $112 billion tax cut. It is not as much as the 320-some-billion-dollar cut that is being proposed by the Republicans.

The Republican majority is proposing a 320-plus-billion-dollar tax cut over a 7-year period for the richest Americans, for the richest people in the country. They would benefit the most. That kind of tax cut will not help the situation. It will only make it more difficult.

We also supported tax provisions in President Clinton's budget. We supported an effort to enhance tax compliance. We supported eliminating loopholes for multinational corporations. One of the ways that corporations get away with paying so little a portion of the revenue burden is that they have these loopholes like the following: If you change the foreign tax credit that is given to multinational corporations, if you change the tax credit to a tax deduction, just that change would increase the amount of revenue gained over a 7-year period to $71 billion. We would get an additional $71 billion.

Reform taxation of the income of multinational corporations, get another $86 billion. Capital gains reform would produce $67 billion. Corporate income tax reform, by eliminating the accelerated depreciation tricks, we could eliminate $162 billion over a 7-year period and on and on it goes.

If you look at the revenue side and you look at how corporations continue to evade their fair share of burden, you would find that there are great things that could be done. There are also other creative processes that could be undertaken to generate revenue.

We have just passed a telecommunications bill on the floor of the House. Telecommunications is an industry which 50 years ago was a very tiny industry compared to steel, compared to transportation, but telecommunications is the industry of the future. Telecommunications makes something almost out of nothing. They do not have the burden of having to have a source of natural resources, iron, ore or coal, good weather.

It is all a matter of imagination and the way you manipulate the resources. You have to use technology to provide entertainment, to provide information. Technology has made the communications industry the technology industry, the telecommunications industry the industry of today and the industry of the future. Millions, billions of dollars are being made by people who are merely creative, clever, smart.

Now, I have no problem with that. Making money is part of what the capitalist system is all about, but the capitalism of today and the capitalism of tomorrow should understand that taxation is the duty, the proper tax policies, tax policies which are fair and tax policies which go after those who are making the resources, making the money. They have the resources; they should be taxed.

Telecommunications depends on the airwaves. The airwaves belong to all Americans. Broadcasting is regulated by the FCC because we do not have enough for everybody to have one as they see fit. It has to be regulated. It is a scarce resource. Because it is a scarce resource, it belongs to the American people.

□ 1745

The American people have a right to demand that they get more revenue from those resources. We also now are selling off spectrums up there above us, spectrums for a different kind of communication, not just broadband broadcasting. We have gotten commitments of $9 billion already.

That should have a special taxation. We are selling it and the Government will reap a one time benefit of $9 billion for the contracts that are already under way. Why not have it permanently taxed so that future generations, as long as the Nation exists and the airwaves are above our heads, can benefit from that because it belongs to everybody.

There was a motion on the floor, an amendment to require any drug companies that benefit from Federal research to pay a portion of that back in terms of lower drug prices. I say we should go further.

Any company, whether it is a drug company or a telecommunications company, any company that benefits from Federal research have the Government as a permanent partner. There should be royalties on the products forever.

We have numerous products that would not exist had it not been for military research—radar, computerization, all kinds of components of this big telecommunications revolution, and the great technological revolution, all of those components were developed through military research paid for by the American people.

Why not have a royalty so that the American people every time a product is sold will benefit from the research that they paid for? On and on it goes.

I want to close out by just saying that what I am trying to talk about is the fact that we have reached a landmark, a milestone, a major milestone in the process of remaking America.

I take Speaker GINGRICH and the majority Republicans very seriously when they say they are going to remake America, I believe that they are really going to try to do that, and they are smart enough to do what they say they are going to do if we do not stop them.

I am all for remaking America, thinking as we go into the 21st century a vision of a new America is a proper vision. But what shall that vision be? I see a vision of an America that is the richest Nation on the face of the earth, the richest Nation that ever existed, and its resources are used in a way which benefits every American, resources are used in ways that benefit all Americans for education, for health care.

The question is, Is the United States of America a Nation for the rich and powerful only? Shall the great majority of the population remain immobile while it is reduced to a status of urban serfs or suburban peasants?

Shall the resources of the richest Nation that has ever existed in the history of the world be used primarily for the benefit of an oppressive elite minority or shall it be used for the benefit of all the people and shall a caring majority rise up and let it be known that they are going to determine what America looks like in the 21st century and it is going to be an America for everybody, an America that is fair, an America that is living up to the hope of the Constitution.

Our job is to promote the general welfare, that is the welfare for everybody, not to cut school lunches, not to cut medicare, not to make life painful for the elderly and the weak. Our job is an America which has compassion.

MY ADVICE TO THE PRIVILEGED ORDERS

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that I may claim the remaining time to address the House.

The SPEAKER pro tempore (Mr. FOX of Pennsylvnia). Without objection, the balance of the time allocated to the minority leader is allocated to the gentleman from Texas [Mr. GONZALEZ].

There was no objection.

Mr. GONZALEZ. Mr. Speaker, 75 years ago, on August 18, 1920, the nineteenth amendment to the Constitution was ratified, giving women the right to vote after a long, bitter struggle. It is hard to imagine today a world in which women could not even vote and yet, that right has been established for a mere 75 years.

And we are on the eve of a somber anniversary: the beginning of the age of nuclear terror, and the end of the gigantic slaughter that was World War II. For 50 years, we have lived under the shadow of nuclear obliteration; and while we now have reason to hope that the future of the world does not depend on terror, we do not truly know whether 50 years from today, the world will celebrate a century free of nuclear war. We can only hope that this past 50 years will lead to another, and that the world will at last be free from the terror of mass war.

There is another anniversary to celebrate: the 30th birthday of Medicare—the liberation of this Nation's elderly from the oppression of unaffordable, inaccessible medical care. Today there are 37 million Americans with the right to Medicare benefits. Not only has this liberated people from the fear of financial catastrophe because illness, it has made a huge difference in the quality and vitality of our senior citizens. Imagine this: in just 25 years the life expectancy of Americans jumped by a full 10 percent, from 70 to 76. Thanks to Social Security and Medicare, poverty and fear are no longer the universal fear of elderly Americans; they are not banished by any means, but there can be no doubt whatever that Medicare was the greatest emancipator of senior citizens in our history.

The central struggle of human existence is against fear: what Franklin Roosevelt decried as "blind, unreasoning fear." And he defined very well what should be the enduring goal of every government and every citizen: We look forward to a world founded upon four essential freedoms.

The first is freedom of speech and expression—everywhere in the world.

The second is freedom of every person to worship God in his own way—everywhere in the world.

The third is freedom from want.

The fourth is freedom from fear.

As much as anything, those brief lines sum up the struggles of history, and especially the struggles of our time. For all the struggle and slaughter of this century, all the scientific progress, all the fantastic accumulation of goods, has been a more or less determined struggle to liberate human oppression and from the fear of those terrible threats. It is not a new struggle, but in this century, perhaps more than any other in history, we have the sense that it can be won; that humanity can be freed of these old and awful terrors.

Of course the struggle does not take place in a smooth and predictable way; the miracle of antibiotics has ended the terror of some diseases, but new plagues appear; and the miracles of computers give us powers to process unimaginable amounts of information, but we lose individual privacy; and while revolutionary advances occur almost routinely, we live in growing fear of crime and violence. This uneven, unpredictable progress of humanity was very well described by Matthew Arnold, more than 100 years ago:

> And we are here as on a darkling plain,
> Swept with confused alarms of struggle and flight,
> Where ignorant armies clash by night.

In other words, we struggle on, sometimes blindly and in confusion, in the belief and hope that we can prevail, that there will be a better day, and that humanity can improve itself. If we can establish the four freedoms, if we can banish those elemental fears of poverty and oppression—then all the struggles of this century, and all the others before it, will at long last secure us the comfort that while life lasts, it can be lived in freedom, real freedom.

For if we abandon the struggle, we will surrender to the kind of cynicism that Sir Walter Scott long ago described in his skillful dissection of the Government of England. This comment is in the form of a last will and testament supposedly written by the mythical John Bull, the equivalent of our own Uncle Sam. This fictional last will said:

> I leave to my said children a great chest full of broken promises and cracked oaths, likewise a vast cargo of ropes made of sand.

If our Government breaks faith with us, that is the kind of legacy we will inherit.

And so on this 75th anniversary of women's right to vote, and on this 50th anniversary of the nuclear age, and on this 30th anniversary of Medicare, we must renew our faith. Each one of these anniversaries is a revolutionary change; each one came after a long struggle; and each one must be jealously protected. The freedom to vote and have a voice is a new and precious, priceless thing; the nuclear bomb will either establish sanity among the nations or destroy them; and the promise of Medicare must be nurtured and guarded, lest it turn into "great chest of broken promises and cracked oaths."

The problem of every generation is to keep from sliding backward. Today's generation is facing a harder struggle than some: for during the past 15 years the average American worker has seen real wages decline steadily. There is a real decline in all kinds of indices of personal economic security: wealth is increasingly concentrated in fewer hands; ordinary workers for a while stayed even by adding part time jobs, or by having a working spouse, but last year the number of families with two earners actually declined—meaning that adding a second income has just about reached its limit, and more and more families are seeing a growing gap between what they earn and what they need. In addition, the number of people in this country who are working strictly as temporaries is growing by leaps and bounds: these are folks who have little or no health insurance, and little or no retirement plan, and little or no hope of breaking out of temporary work and into a real career. These are not just kids working for the summer; and these are not clerks and laborers: increasingly, they are professionals including accountants, managers and lawyers. In other words, we are living in a time when personal economic security for a growing number of millions of people is evaporating, and for them, the future looks more fearful than promising, and more like a treadmill that runs faster and faster, rather than a road that rises to a brighter tomorrow.

This new insecurity and the fear that it gives birth to, is a very large component of what is often called the politics of resentment—which is politics that exploits the fear that someone else is gaining ground that ought to belong to you. It is politics built on the notion that your problems are the fault of somebody else. It is politics built on creating divisions and exploiting the fears that arise from those divisions.

And how different this is from Lincoln's vision, delivered in his message to Congress, July 4, 1861, describing the government that the Civil War would soon be fought to preserve in these words:

". . . government whose leading object is to elevate the condition of men—to lift artificial weights from all shoulders; to clear the paths of laudable pursuit for all; to afford all an unfettered start, and a fair chance in the race of life."

Those are words that could have been spoken by a Franklin Roosevelt, a John F. Kennedy or a Harry Truman—but can you imagine Phil Gramm saying words like those? Lincoln would be embarrassed by his party's retreat from his commitment to human decency and a Government dedicated to a new birth of freedom.

It saddens me to see that the rulers of today's Congress want to slash and burn programs that are intended to—and have—lifted artificial weights from the shoulders of men by improving schools and making education affordable to all; and killing programs that create the dignity of productive work; by killing health research; by cutting Medicare itself; by killing virtually all opportunities to develop affordable housing; and even by prohibiting the issuance of regulations that establish safe limits for arsenic in drinking water, or regulations that make meat inspection far more effective and efficient; and by actions that altogether are intended to give the rich and powerful even greater advantages than they already enjoy, while throwing bars and locks on the courthouse doors, so that ordinary people can't even sue to correct wrongs. Far from a government that would lift artificial weights from all shoulders or one that works to clear the paths of laudable pursuit for all the new masters of Congress are throwing new weight on the backs of the poor, building new obstacles for women and placing fetters around the legs of everyone who starts life from a poor position.

What a tragedy, that the Republican party should fall into the hands of its wildest, most unrestrained ideologues, whose actions daily become more oppressive and even irrational.

But the politics of fear on which they depend cannot forever be exploited. There comes a time when people demand more than the entertaining diversions of Willie Horton ads, or of showboat investigative hearings; there comes a time when people want to know how the Government will help them win greater control over the forces that no individual can overcome alone. How are we going to endure that senior citizens continue to live in dignity, decency and security? How are we going to ensure that we are not going to have a newly impoverished generation? How are we going to ensure that the people of this country who have historically been denied a decent chance, actually do get that chance?

Those are the real issues of our time.

Through all our history, the sole purpose of Government in this country has been, as the Pilgrims wrote in the Mayflower Compact, to . . . combine ourselves together into a civil Body Politick, for our better Ordering and Preservation . . . And . . . do enact, constitute, and frame, such just and equal Laws, Ordinances, Acts, Constitutions, and offices, from time to time, as shall be thought most meet and convenient for the General Good of the Colony . . .

And so as I said, we are here to celebrate the unity of generations.

On this anniversary of Medicare, let us resolve never again to abandon whole generations to the daily threat of bankruptcy, in order to get decent medical care.

Let us honor the tens of millions slaughtered in the wars of this century, by promising that we will do everything possible to end nuclear terror and mass war; because we can in no other way keep faith with the generations who made those sacrifices, and those new generations whose lives hang in the balance.

And let us guard jealously our right to speak and be heard, our right to vote and our duty to be good, active and involved citizens.

Above all, let us hold accountable those who today seek to dishonor the commitment this country has had from its very beginning, . . . to enact . . . just and equal laws. The course of our progress has been too difficult, the struggle for protection of minorities, protection of our environment—and even the dignity, decency and freedom of Medicare; these things are too precious, too hard-won, and too vital for us to abandon. Let us keep faith with all generations, and with each other. Let us remember and honor and affirm the goal of the Lincolns, who struggled for a . . . government whose leading object is to elevate the condition of men—to lift artificial weights from all shoulders . . . to afford all an unfettered start, and a fair chance in the race of life.

And let us at the same time hold accountable those who today seek to drive us backward. Such reactionaries have always plagued humanity, but if we are true to ourselves and to the generations that came before and go after us, we will never allow our government to bequeath us broken promises and cracked oaths and we will not see voting rights reduced nor Medicare's strong net reduced into ropes of sand.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ORTIZ (at the request of GEPHARDT), for today, on account of personal business.

Mr. SCARBOROUGH (at the request of Mr. ARMEY), for today on account of inspecting damage by Hurricane Erin.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WISE) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Mrs. COLLINS of Illinois, for 5 minutes, today.

(The following Members (at the request of Mr. HOKE) to revise and extend their remarks and include extraneous material:)

Mr. HOKE, for 5 minutes, today.

Mr. DORNAN, for 5 minutes, today.

Mr. HORN, for 5 minutes each day on September 6, 7, 8, and 12.

Mrs. SEASTRAND, for 5 minutes, today.

ADJOURNMENT TO WEDNESDAY, SEPTEMBER 6, 1995

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. (Mr. FOX of Pennsylvania).

Pursuant to the provisions of House Concurrent Resolution 92 of the 104th Congress, the House stands adjourned until 12 noon on Wednesday, September 6, 1995.

Thereupon (at 6 o'clock and 17 minutes p.m.), pursuant to House Concurrent Resolution 92, the House adjourned until Wednesday, September 6, 1995, at 12 noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized by various committees of the House of Representatives during the second quarter of 1995 in connection with official foreign travel, as well as a consolidated report of foreign currencies and U.S. dollars utilized for official foreign travel authorized by the Speaker of the House of Representatives during the second quarter of 1995, pursuant to Public Law 95–384, are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1995

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Scott D. McCoy	4/17	4/23	Hong Kong		2,184.00						2,184.00
Commercial airfare							2,732.15				2,732.15
Andrew W. Baker	4/18	4/21	Hong Kong		1,456.00						1,456.00
Commercial airfare							2,636.95				2,636.95
Committee total					3,640.00		5,369.10				9,009.10

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

PAT ROBERTS,
Chairman, July 26, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING AND FINANCIAL SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. J.C. Watts, Jr	5/29	6/01	Nigeria		966.00		4,405.15				5,371.15

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES A. LEACH,
Chairman, July 28, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON COMMERCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Susan D. Sheridan	3/27	4/1	Germany		1,524.00		3,197.85				4,721.85
Catherine G. Van Way	3/31	4/8	Germany		2,286.00		3,197.85				5,483.85
Hon. Bart Gordon	4/9	4/13	Romania		1,193.00		3,542.25		[5] 86.99		4,822.24
Hon. Henry Waxman	4/9	4/16	Israel		[3] 280.00		(4)				280.00
Committee total					5,283.00		9,937.95		86.99		15,307.94

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Official business conducted 4/9/95 to 4/11/95. Other time was personal.

[4] Congressman purchased airline ticket with frequent flyer miles accumulated.

[5] Driver services for 4/10/95 and 4/13/95.

TOM BLILEY,
Chairman, July 27, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON HOUSE OVERSIGHT, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. William Thomas	4/19	4/20	Ireland		279.00		(3)				279.00
	4/20	4/24	Italy		1,226.00		(3)				1,226.00
	4/24	4/27	Israel		879.00		(3)				879.00
	4/27	4/29	Belgium		729.00		(3)				729.00
Committee total					3,113.00						3,113.00

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

BILL THOMAS,
Chairman, July 25, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Gary Ackerman	4/19	4/10	Ireland		279.00		(3)				279.00
	4/20	4/24	Italy		1,226.00		(3)				1,226.00
	4/24	4/27	Israel		879.00		(3)				879.00
Commercial airfare							3,127.95				3,127.95
Hon. Cass Ballenger	4/25	4/28	Guatemala		[4] 38.33						38.33
Commercial airfare							927.95				927.95
Paul Behrends	4/8	4/9	Italy		0.00						0.00
	4/10	4/11	Pakistan		0.00						0.00
	4/12	4/15	Thailand/Vietnam		1,295.99						1,295.99
	4/15	4/18	Singapore/Malaysia		422.00						422.00
	4/18	4/21	Cambodia/Thailand		0.00						0.00
	4/22	4/25	Philippines		0.00						0.00
Commercial airfare							6,358.43				6,358.43
Representation									255.00		255.00
FSN									561.30		561.30
Transportation									25.88		25.88
	5/27	6/2	Thailand/Laos		[4] 1,003.45						1,003.45
Commercial airfare							3,947.95				3,947.95
Hon. Doug Bereuter	4/27	4/29	Belgium		729.00						729.00
Commercial airfare							1,547.00				1,547.00
Paul Berkowitz	4/10	4/13	Hong Kong		639.05						639.05
	4/13	4/15	H.K.		628.00						628.00
	4/16	4/20	Australia		876.00						876.00
Commercial airfare							6,600.95				6,600.95
	5/26	5/29	Lithuania		500.00						500.00
Commercial airfare							3,351.75				3,351.75
Debi Bodlander	4/21	4/23	Egypt		405.00						405.00
	4/23	4/28	Israel		1,525.00						1,525.00
Commercial airfare							2,222.05				2,222.05
Richard Bush	4/11	4/12	Hong Kong		[4] 528.00						528.00
	4/12	4/14	Singapore		406.00						406.00
	4/14	4/18	Vietnam		1,550.00						1,550.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1995—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	4/19	4/22	Philippines		[4]570.00						570.00
Commercial airfare							4,219.45				4,219.45
Laura Byrne	4/19	4/20	Ireland		279.00		(3)				279.00
	4/20	4/24	Italy		1,226.00		(3)				1,226.00
	4/24	4/27	Israel		879.00		(3)				879.00
	4/27	4/29	Belgium		729.00		(3)				729.00
Richard Cronin	4/11	4/12	Hong Kong		[4]528.00						528.00
	4/12	4/14	Singapore		406.00						406.00
	4/14	4/18	Vietnam		1,550.00						1,550.00
	4/19	4/22	Philippines		760.00						760.00
Commercial airfare							4,219.45				4,219.45
Elizabeth Daoust	4/19	4/20	Ireland		279.00		(3)				279.00
	4/20	4/24	Italy		1,226.00		(3)				1,226.00
	4/24	4/27	Israel		879.00		(3)				879.00
	4/27	4/29	Belgium		729.00		(3)				729.00
Mike Ennis	4/27	4/29	Belgium		644.00						644.00
Commercial airfare							1,547.00				1,547.00
Hon. Eni Faleomavaega	4/8	4/9	Italy		141.00						141.00
	4/10	4/11	Pakistan		0.00						0.00
	4/12	4/12	Thailand		0.00						0.00
Commercial airfare							6,244.35				6,244.35
David Feltman	4/10	4/12	Angola		0.00						0.00
	4/13	4/18	South Africa		[4]1,573.00						1,573.00
	4/19	4/19	Mozambique		280.00						280.00
	4/20	4/21	South Africa		0.00						0.00
Commercial airfare							6,415.15				6,415.15
Beth Ford	4/7	4/12	Peru		1,305.00						1,305.00
Commercial airfare							1,687.95				1,687.95
Mark Gage	5/28	6/3	Ukraine		[4]1,328.00						1,328.00
	6/3	6/4	Netherlands		210.00						210.00
Commercial airfare							3,444.85				3,444.85
Richard Garon	6/23	6/26	Haiti		658.00						658.00
Commercial airfare							648.95				648.95
	4/19	4/20	Ireland		279.00		(3)				279.00
	4/20	4/24	Italy		1,226.00		(3)				1,226.00
	4/24	4/27	Israel		879.00		(3)				879.00
Commercial airfare							971.95				971.95
Hon. Sam Gejdenson	5/13	5/14	Egypt		406.00						406.00
Commercial airfare							4,406.25				4,406.25
Hon. Benjamin Gilman	4/19	4/20	Ireland		279.00		(3)				279.00
	4/20	4/24	Italy		1,226.00		(3)				1,226.00
	4/24	4/27	Israel		879.00		(3)				879.00
	4/27	4/29	Belgium		729.00		(3)				729.00.
David Jung	4/19	4/20	Ireland		279.00		(3)				279.00
	4/20	4/24	Italy		1,226.00		(3)				1,226.00
	4/24	4/27	Israel		879.00		(3)				879.00
	4/27	4/29	Belgium		729.00		(3)				729.00
Gil Kapen	4/16	4/20	Mexico		843.00						843.00
	4/20	4/23	Nicaragua		729.00						729.00
Commercial airfare							1,316.75				1,316.75
Peter King	4/19	4/20	Ireland		279.00		(3)				279.00
	4/20	4/24	Italy		1,226.00		(3)				1,226.00
	4/24	4/27	Israel		879.00		(3)				879.00
	4/27	4/29	Belgium		729.00		(3)				729.00
John Mackey	4/7	4/12	Peru		1,305.00						1,305.00
Commercial airfare							1,687.95				1,687.95
	4/16	4/23	Ireland		1,674.00						1,674.00
Commercial airfare							2,308.25				2,308.25
Dan Martz	4/11	4/12	Hong Kong		[4]558.00						558.00
	4/12	4/14	Singapore		[4]406.00						406.00
	4/14	4/18	Vietnam		[4]1,550.00						1,550.00
	4/19	4/22	Philippines		[4]520.00						520.00
Commercial airfare							4,219,45				4,219.45
Lester Munson	4/10	4/12	Angola		0.00						0.00
	4/13	4/18	South Africa		[4]1,573.00						1,573.00
	4/19	4/19	Mozambique		280.00						280.00
	4/20	4/24	South Africa		0.00						0.00
Commercial airfare							6,415.15				6,415.15
Roger Noriega	4/7	4/12	Peru		1,305.00						1,305.00
Commercial airfare							1,687.95				1687.95
	4/16	4/19	Mexico		843.00						843.00
	4/20	4/23	Nicaragua		729.00						729.00
Commercial airfare							1,274.98				1,274.98
	6/23	6/26	Haiti		658.00						658.00
Commercial airfare							648.95				648.95
Steve Rademaker	6/23	6/26	Haiti		658.00						658.00
Commercial airfare							648.95				648.95
John Mackey	4/11	4/12	Hong Kong		[4]4364.00						364.00
	4/12	4/14	Sinapore		406.00						406.00
	4/14	4/18	Vietnam		1,550.00						1,550.00
	4/19	4/22	Philippines		[4]570.00						570.00
Commercial airfare							4,219.45				4,219.45
Grover Rees	4/10	4/13	Thailand		[4]541.98						541.98
	4/13	4/17	Hong Kong		1,256,00						1,256.00
Commercial airfare							2,778.95				2,778.95
Dan Restrepo	4/16	4/19	Mexico		843.00						843.00
	4/20	4/23	Nicaragua		729.00						729.00
Commercial airfare							1,205.95				1,205.95
	6/23	6/26	Haiti		658.00						658.00
Commercial airfare							648.95				648.95
Ed Rice	4/9	4/13	South Korea		1,263,32						1,263.32
Commercial airfare							1,110.95				1,110.95
Hon. Dana Rohrabacher	4/8	4/9	Italy		0.00						0.00
	4/10	4/11	Pakistan		0.00						0.00
	4/12	4/15	Thailand/Vietnam		1,295.99						1,295.99
	4/15	4/18	Singapore/Malaysia		422.00						422.00
	4/18	4/21	Cambodia/Thailand		0.00						0.00
	4/22	4/25	Philippines		0.00						0.00
Commercial airfare							6,358.43				6,358.43
	5/27	6/2	Thailand/Laos		1,583.00						1,583.00
Commercial airfare							4,291.08				4,291.08

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1995—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Toby Roth	4/9	4/13	South Korea		1,263.32						1,263.32
Commercial airfare							1,110.95				1,110.95
Mara Rudman	6/23	6/26	Haiti		[4] 430.00						430.00
Commercial airfare							648.95				648.95
Marc Sievers	4/24	4/26	Israel		[4] 590.00						590.00
Commercial airfare							1,522.25				1,522.25
Linda Solomon	4/19	4/20	Ireland		279.00		(3)				279.00
	4/20	4/24	Italy		1,226.00		(3)				1,226.00
	4/24	4/27	Israel		879.00		(3)				879.00
	4/27	4/29	Belgium		729.00		(3)				729.00
Mauricio Tamargo	4/10	4/12	Angola		316.59						316.59
	4/13	4/18	South Africa		182.00						182.00
	4/19	4/19	Mozambique		0.00		5,698.25				5,698.25
	4/20	4/21	South Africa		0.00						0.00
Commercial airfare							5,698.25				5,698.25
Scott Wilson	4/16	4/19	Mexico								0.00
	4/20	4/23	Nicaragua								0.00
Commercial airfare							1,205.95				1,205.95
Mike Van Dusen	4/21	4/23	Egypt		408.00						408.00
	4/23	4/27	Israel		1,202.00						1,202.00
Commercial airfare							2,222.05				2,222.05
Committee total					73,857.02		120,818.17		842.18		195,517.37

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military air transportation.

[4] Represents refund of unused per diem.

BEN GILMAN,
Chairman, July 31, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON NATIONAL SECURITY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APRIL 1 AND JUNE 30, 1995

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency [2]	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Visit to Hong Kong, Thailand, Singapore, Abu Dhabi, Bahrain, Kuwait and Turkey, April 11–24, 1995:											
Hon. Floyd D. Spence	4/10	4/12	Hong Kong		728.00						728.00
	4/12	4/15	Thailand		612.51						612.51
	4/15	4/18	Singapore		759.00						759.00
	4/18	4/19	Abu Dhabi		141.00						141.00
	4/19	4/20	Bahrain		150.00						150.00
	4/20	4/21	Kuwait		0.00						0.00
	4/21	4/24	Turkey		629.00						629.00
Hon. Solomon P. Ortiz	4/10	4/12	Hong Kong		728.00						728.00
	4/12	4/15	Thailand		612.51						612.51
Hon. Tillie Fowler	4/10	4/12	Hong Kong		728.00						728.00
	4/12	4/15	Thailand		612.51						612.51
	4/15	4/18	Singapore		759.00						759.00
	4/18	4/19	Abu Dhabi		141.00						141.00
	4/19	4/20	Bahrain		150.00						150.00
	4/20	4/21	Kuwait		0.00						0.00
	4/21	4/24	Turkey		629.00						629.00
Hon. Owen Pickett	4/10	4/12	Hong Kong		728.00						728.00
	4/12	4/15	Thailand		612.51						612.51
	4/15	4/18	Singapore		759.00						759.00
	4/18	4/19	Abu Dhabi		141.00						141.00
	4/19	4/20	Bahrain		150.00						150.00
	4/20	4/21	Kuwait		0.00						0.00
	4/21	4/24	Turkey		629.00						629.00
Hon. Howard McKeon	4/10	4/12	Hong Kong		728.00						728.00
	4/12	4/15	Thailand		612.51						612.51
	4/15	4/18	Singapore		759.00						759.00
	4/18	4/19	Abu Dhabi		141.00						141.00
	4/19	4/20	Bahrain		150.00						150.00
	4/20	4/21	Kuwait		0.00						0.00
	4/21	4/24	Turkey		629.00						629.00
Dr. Andrew K. Ellis	4/10	4/12	Hong Kong		728.00						728.00
	4/12	4/15	Thailand		612.51						612.51
	4/15	4/18	Singapore		759.00						759.00
Transportation							1,491.95				1,491.95
Marilyn A. Elrod	4/10	4/12	Hong Kong		728.00						728.00
	4/12	4/15	Thailand		612.51						612.51
Transportation							1,184.54				1,184.54
Peter M. Steffes	4/10	4/12	Hong Kong		728.00						728.00
	4/12	4/15	Thailand		612.51						612.51
	4/15	4/18	Singapore		759.00						759.00
	4/18	4/19	Abu Dhabi		141.00						141.00
	4/19	4/20	Behrain		150.00						150.00
	4/20	4/21	Kuwait		0.00						0.00
	4/21	4/24	Turkey		629.00						629.00
Delegation expenses	4/12	4/15	Thailand				217.87		3,296.76		3,514.63
	4/18	4/19	Abu Dhabi						166.00		166.00
Visit to Italy, April 23–25, 1995:											
Hon. James B. Longley, Jr	4/23	4/25	Italy		365.00						365.00
Transportation							572.65				572.65
Visit to Cuba, Panama, and Costa Rica, April 26–May 1, 1995:											
Hon. Herbert H. Bateman	4/26	4/26	Cuba		0.00						0.00
	4/26	4/28	Panama		378.00						378.00
	4/28	5/1	Costa Rica		609.00						609.00
Hon. Norman Sisisky	4/26	4/26	Cuba		0.00						0.00
	4/26	4/28	Panama		378.00						378.00
	4/28	5/1	Costa Rica		609.00						609.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON NATIONAL SECURITY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APRIL 1 AND JUNE 30, 1995—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency[2]	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Gene Taylor	4/26	4/26	Cuba		0.00						0.00
	4/26	4/28	Panama		378.00						378.00
Transportation							336.95				336.95
Hon. James B. Longley, Jr	4/26	4/26	Cuba		0.00						0.00
	4/26	4/28	Panama		378.00						378.00
	4/28	5/1	Costa Rica		609.00						609.00
Jeffrey M. Schwartz	4/26	4/26	Cuba		0.00						0.00
Transportation	4/26	4/27	Panama		189.00				331.95		189.00
											331.95
Hugh N. Johnston, Jr.	4/26	4/26	Cuba		0.00						0.00
	4/26	4/28	Panama		378.00						378.00
	4/28	4/29	Costa Rica		202.55						202.55
Transportation							321.45				321.45
Hon. Robert K. Dornan	6/24	6/25	Italy		330.00						30.00
Transportation							0.00				0.00
Committee total					24,381.63		4,457.36		3,462.76		32,301.75

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

FLOYD SPENCE,
Chairman, July 26, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Amo Houghton	6/23	6/24	Switzerland		(4)				[4] 212.00		212.00
Commercial airfare							3,938.55				3,938.55
Hon. Sander Levin	6/23	6/25	Switzerland		[5] 590.00						590.00
Commercial airfare							2,423.55				2,423.55
Hon. Mac Collins	4/22	4/25	Belgium		981.00		(3)				981.00
	4/25	4/28	Italy		870.00		(3)				870.00
	4/28	4/30	England		592.00		(3)				592.00
Hon. Charles B. Rangel	4/19	4/20	Ireland		279.00		(3)				279.00
	4/20	4/24	Italy		1,226.00		(3)				1,226.00
	4/24	4/27	Israel		879.00		(3)				879.00
	4/27	4/29	Belgium		729.00		(3)				729.00
Committee total					6,146.00		6,362.10		212.00		12,720.10

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.
[4] Hotel accommodation for one night, no per diem received, paid for by Mr. Houghton.
[5] Applied for/not yet received.

BILL ARCHER,
Chairman, July 30, 1995

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO LATIN AMERICA, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 30 AND JUNE 5, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Jim Kolbe	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Hon. Thomas Cass Ballenger	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Hon. Henry Bonilla	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Hon. Mike Castle	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Hon. Jennifer Dunn	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Hon. James Greenwood	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Hon. Marshall Sanford	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Hon. Matt Salmon	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Hon. Eliot Engel	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Hon. John Tanner	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Michael Boyd	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Martha Morrison	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO LATIN AMERICA, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 30 AND JUNE 5, 1995—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
	6/3	6/5	Chile		510.00		(3)				510.00
Meredith Broadbunt	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Roger Noriega	5/30	5/31	Brazil		594.75		(3)				594.75
	6/1	6/2	Argentina		584.00		(3)				584.00
	6/3	6/5	Chile		510.00		(3)				510.00
Committee total					23,642.50						23,642.50

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

JIM KOLBE, III
July 21, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. KENT SYLER, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 9 AND APR. 13, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Kent Syler	4/9	4/13	Romania,		1,193.00		3,856.35				5,049.35

[1] Per diem constitutes loding and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

T. KENT SYLER.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. GARDNER G. PECKHAM, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 9 AND APR. 15, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Gardner G. Peckham	4/9	4/11	Austria	3,941.28	408.00		2,882.15				
	4/11	4/15	United Kingdom	618.02	984.00					618.02	984.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

GARDNER G. PECKHAM,
April 30, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. GREG LAUGHLIN, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 14 AND APR. 25, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Greg Laughlin		4/14	United States		None						0.00
	4/15	4/17	Kazahkstan		558.00						558.00
	4/17	4/18	Turkmenistan		257.00						257.00
	4/18	4/19	Azerbaijan		228.00						228.00
	4/19	4/20	Georgia		197.00						197.00
	4/20	4/20	Armenia		None						0.00
	4/20	4/20	Turkey		177.00						177.00
	4/21	4/22	Turkey		226.00						226.00
	4/22	4/25	Russia		1,008.00						1,008.00
	4/25		United States		None						0.00
Charter flight w/in central Asian countries	4/14	4/25					4,072.00				4,072.00
Roundtrip airfare U.S./Russia (Delta)	4/14	4/25					3,017.95				3,017.95
Committee total					2,651.00		7,089.95		0.00		9,740.95

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

GREG LAUGHLIN,
July 26, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. KEITH JEWELL, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 19 AND APR. 29, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Keith Jewell	4/19	4/20	Ireland		279		(3)				279
	4/20	4/24	Italy		1,226		(3)				1,226
	4/24	4/27	Israel		879		(3)				879
	4/27	4/29	Belgium		729		(3)				729
Committee total					$3,113.00						$3,113.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

KEITH JEWELL.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. CHARLES E. WHITE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN MAY 28 AND JUNE 2, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Charles E. White	5/29	5/31	Russia		639.50		[3]3,229.55		111.36		3,980.41
	5/31	6/1	Ingushetia/Chechnya				[4]350				350
	6/1	6/2	Russia		320.00						320
Committee total					959.50		3,579.55		111.36		4,650.41

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Prepurchased tickets, Dulles to Moscow to Dulles.

[4] Cash payment for air passage from Ingushetia to Moscow.

CHARLES E. WHITE,
June 20, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. MEL HANCOCK, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JUNE 9 AND JUNE 12, 1995

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Mel Hancock	6/9	6/12	France	4,211.04	849.00		651.29	200.45	40.41		1,540.70

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

MEL HANCOCK,
June 28, 1995.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1304. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning a cooperative project with Canada, France, and Norway (Transmittal No. 09-95), pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

1305. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of Presidential Determination No. 95-33, authorizing the furnishing of military assistance to the United Nations for purposes of supporting the rapid reaction force in Bosnia, pursuant to 22 U.S.C. 2601(c)(3); to the Committee on International Relations.

1306. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of aviation security management training of Haiti, China, Mexico and Romania, pursuant to 22 U.S.C. 2349aa-3(a)(1); to the Committee on International Relations.

1307. A letter from the Vice President for Human Resources, Farm Credit Bank of Texas, transmitting the annual report for the farm credit banks of Texas pension plan for 1994, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Reform and Oversight.

1308. A letter from the Director, National Science Foundation, transmitting a copy of the 1995 report of the Foundation's Committee on Equal Opportunities in Science and Engineering, pursuant to 42 U.S.C. 1885c(f); to the Committee on Science.

1309. A letter from the Comptroller, General Accounting Office, transmitting a copy of the report on GAO employees detailed to congressional committees; jointly, to the Committees on Government Reform and Oversight and Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CANADY: Committee on the Judiciary. H.R. 782. A bill to amend title 18 of the United States Code to allow members of employee associations to represent their views before the U.S. Government; with an amendment (Rept. 104-230). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALKER: Committee on Science. H.R. 1852. A bill to authorize appropriations for the National Science Foundations, and for other purposes; with an amendment (Rept. 104-231). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALKER: Committee on Science. H.R. 1870. A bill to authorize appropriations for the activities of the Under Secretary of Commerce for Technology, and for scientific and technical research services and construction of research facilities activities of the National Institute of Standards and Technology, for fiscal year 1996, and for other purposes; with an amendment (Rept. 104-232). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALKER: Committee on Science. H.R. 2043. A bill to authorize appropriations to the National Aeronautics and Space Administration for human space flight, science, aeronautics, and technology, mission support, and Inspector General, and for other purposes; with an amendment (Rept. 104-233). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1296. A bill to provide for the administration of certain Presidio properties at minimal cost to the Federal taxpayer; with an amendment (Rept. 104-234). Referred to the Committee of the Whole House on the State of the Union.

Mr. WALKER: Committee on Science. H.R. 1851. A bill to authorize appropriations for carrying out the Federal Fire Prevention and Control Act of 1974 for fiscal years 1996 and 1997; with an amendment (Rept. 104-235). Referred to the Committee of the Whole House on the State of the Union.

REPORTED BILLS SEQUENTIALLY REFERRED

Under clause 5 of rule X, bills and reports were delivered to the Clerk for printing, and bills referred as follows:

Mr. WALKER: Committee on Science. H.R. 1816. A bill to authorize appropriations for civilian research, development, demonstration, and commercial application activities of the Department of Energy for fiscal year 1996, and for other purposes, with an amendment; referred to the Committee on Commerce for a period ending not later than September 22, 1995, for consideration of such provisions in the bill and amendment as fall within the jurisdiction of that committee pursuant to clause 1(e), rule X (Rept. 104-236, Pt. 1). Ordered to be printed.

SUBSEQUENT ACTION ON A REPORTED BILL

Under clause 5 of rule X, the following action was taken by the Speaker:

H.R. 927. The Committees on Banking and Financial Services, the Judiciary and Ways and Means discharged. H.R. 927 referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KLECZKA (for himself and Mr. HERGER):

H.R. 2193. A bill to amend the Internal Revenue Code of 1986 with respect to the eligibility of veterans for mortgage revenue bond financing, and for other purposes; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 2194. A bill to provide for cost savings in the Medicare Program through cost-effective coverage of positron emission tomography [PET]; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ROBERTS (for himself, Mr. BARRETT of Nebraska, Mr. BOEHNER, Mr. HOSTETTLER, and Mr. SMITH of Michigan):

H.R. 2195. A bill to establish limits on Commodity Credit Corporation farm and export expenditures for the 1996 through 2002 crop years, to authorize the use of market transition contracts to support farming certainty and flexibility and ensure continued compliance with farm conservation compliance plans and wetland protection, to make marketing assistance loans available for certain crops, to establish a commission to examine the future of production agriculture, and for other purposes; to the Committee on Agriculture.

By Mrs. MORELLA (for herself, Mr. WALKER, Mr. BROWN of California, and Mr. TANNER):

H.R. 2196. A bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes; to the Committee on Science.

By Mr. ALLARD (for himself, Mr. KNOLLENBERG, and Mr. ENSIGN):

H.R. 2197. A bill to amend the Congressional Budget Act of 1974 to establish a point of order against certain continuing resolutions; to the Committee on Rules.

By Mr. BROWNBACK (for himself, Mrs. MYRICK, Mr. GUTKNECHT, Mr. LARGENT, Mr. ARMEY, Mr. DELAY, Mr. BOEHNER, Mr. ROBERTS, Mr. WALKER, Mr. KASICH, Mr. BLILEY, Mr. SOLOMON, Mr. SAXTON, Mr. DREIER, Mr. DORNAN, Mr. ROHRABACHER, Mr. MILLER of Florida, Mr. HOEKSTRA, Mr. SHADEGG, Mr. SCARBOROUGH, Mr. FOLEY, Mr. SOUDER, Mr. TIAHRT, Mr. CHRYSLER, Mr. CHRISTENSEN, Mr. COOLEY, Mrs. SMITH of Washington, Mr. TATE, Mr. SMITH of Michigan, Mr. HEFLEY, Mr. HASTINGS of Washington, Mr NUSSLE, Mr. INGLIS of South Carolina, Mr. NORWOOD, Mr. STOCKMAN, Mrs. SEASTRAND, Mr. TALENT, Mr. SANFORD, Mr. SALMON, Mr. BONO, Mrs. CHENOWETH, Mr. MCINTOSH, Mr. HOSTETTLER, Mr. FUNDERBURK, Mr. COBURN, Mr. GRAHAM, Mr. HILLEARY, Mr. HUTCHINSON, Mr. BASS, Mr. CUNNINGHAM, Mr. RADANOVICH, Mr. PARKER, Mr. DOOLITTLE, Mr. HERGER, Mr. KOLBE, Mr. WHITE, and Mr. HAYWORTH):

H.R. 2198. A bill to abolish the Department of Housing and Urban Development and provide for reducing Federal spending for housing and community development activities by consolidating and eliminating programs, and for other purposes; to the Committee on Banking and Financial Services, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BUNNING of Kentucky (for himself, Mr. BAESLER, Mr. WARD, Mr. ROGERS, and Mr. LEWIS of Kentucky:)

H.R. 2199. A bill to amend the Internal Revenue Code of 1986 to modify the application of the passive loss limitations to equine activities; to the Committee on Ways and Means.

By Mr. UPTON (for himself and Mr. BROWN of Ohio):

H.R. 2200. A bill to provide for a reduction in regulatory costs by maintaining Federal average fuel economy standards applicable to automobiles in effect at current levels until changed by law; to the Committee on Commerce.

By Mr. CARDIN (for himself, Ms. DUNN of Washington, Mr. HERGER, Mr. CAMP, Mr. BUNNING of Kentucky, and Mr. ENGLISH of Pennsylvania):

H.R. 2201. A bill to amend the Internal Revenue Code of 1986 to clarify the treatment of foreign-source income of United States-owned multinational insurance agents and brokers; to the Committee on Ways and Means.

By Mr. SMITH of Texas (for himself, Mr. BRYANT of Texas, Mr. GALLEGLY, Mr. MOORHEAD, Mr. MCCOLLUM, Mr. BRYANT of Tennessee, Mr. BONO, Mr. HEINEMAN, Mr. SENSENBRENNER, Mr. GEKAS, Mr. COBLE, Mr. CANADY, Mr. INGLIS of South Carolina, Mr. GOODLATTE, Mr. BARR, Mr. BOUCHER, Mr. BAKER of California, Mr. BALLENGER, Mr. BEILENSON, Mr. BILBRAY, Mr. BONILLA, Mr. BREWSTER, Mr. CALVERT, Mr. CONDIT, Mr. CUNNINGHAM, Mr. DEAL of Georgia, Mr. DREIER, Mr. DUNCAN, Mr. FOLEY, Mr. HAYES, Mr. HERGER, Mr. HUNTER, Mr. SAM JOHNSON, Mrs. MEYERS of Kansas, Mr. PACKARD, Mr. ROHRABACHER, Mrs. ROUKEMA, Mr. SHAYS, Mr. STENHOLM, Mr. TAUZIN, Mrs. VUCANOVICH, Mr. MCKEON, Mr. BARTON of Texas, Mr. HUTCHINSON, Mr. THORNBERRY, Mr. LAUGHLIN, Mr. TRAFICANT, Mr. KASICH, Mrs. SEASTRAND, Mr. PETE GEREN of Texas, Mr. WILSON, Mr. STOCKMAN, Mr. HASTINGS of Washington, Mr. BEREUTER, Mr. COMBEST, Mr. BARTLETT of Maryland, Mr. BARRETT of Nebraska, Mr. SHAW, Mr. PICKETT, Mr. SKEEN, Mr. GUTKNECHT, Mr. KINGSTON, Mr. TAYLOR of North Carolina, Mr. ROGERS, Mr. SOLOMON, Mr. ROBERTS, Mr. EVERETT, Mr. DOOLITTLE, Mr. HEFLEY, Mr. SCHAEFER, Mr. GOSS, Mr. BUNNING of Kentucky, Mr. PARKER, Mr. TAYLOR of Mississippi, Mr. EMERSON, Mr. SHUSTER, Mr. FIELDS of Texas, Mr. QUILLEN, Mr. HALL of Texas, Mr. HOEKSTRA, Mr. MCCRERY, Mr. STEARNS, Mr. BURTON of Indiana, Mr. LEWIS of Kentucky, Mr. BAKER of Louisiana, Mr. BACHUS, Mr. LIGHTFOOT, Mr. COLLINS of Georgia, Mr. HANSEN, Mr. HORN, Mr. PAXON, Ms. MOLINARI, Mr. LINDER, Mr. HASTERT, Mr. ROYCE, Mr. KIM, Mr. CAMP, Mr. HANCOCK, Mr. SPENCE, Mr. JONES, Mr. LIVINGSTON, Mr. REGULA, Mr. EWING, Mr. SALMON, Ms. HARMAN, Mr. ZELIFF, Mr. SHADEGG, Mr. POMBO, Mr. DORNAN, and Mr. RADANOVICH):

H.R. 2202. A bill to amend the Immigration and Nationality Act to improve deterrence of illegal immigration to the United States by increasing border patrol and investigative personnel, by increasing penalties for alien smuggling and for document fraud, by reforming exclusion and deportation law and procedures, by improving the verification system for eligibility for employment, and through other measures, to reform the legal immigration system and facilitate legal entries into the United States, and for other purposes; to the Committee on the Judiciary, and in addition to the Committees on National Security, Government Reform and Oversight, Ways and Means, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CASTLE (for himself (by request), Mr. GONZALEZ, and Mr. FLAKE):

H.R. 2203. A bill to reauthorize the tied aid credit program of the Export-Import Bank of the United States, and to allow the Export-Import Bank to conduct a demonstration project; to the Committee on Banking and Financial Services.

By Mr. CASTLE (for himself, and Mr. LEACH (both by request), Mr. GONZALEZ, and Mr. FLAKE):

H.R. 2204. A bill to extend and reauthorize the Defense Production Act of 1950, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. CLEMENT (for himself, Mr. BACHUS, Mr. LIPINSKI, Mr. BOEHLERT, Mr. RAHALL, Mr. OBERSTAR, Mr. HEFNER, Mr. BARRETT of Nebraska, Ms. KAPTUR, Mr. HOUGHTON, Mr. MONTGOMERY, and Mr. GORDON):

H.R. 2205. A bill to assist the preservation of rail infrastructure, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. DINGELL (for himself and Mr. WAXMAN):

H.R. 2206. A bill to provide for the consolidation and simplification of health center programs, and for other purposes; to the Committee on Commerce.

By Mr. DINGELL (for himself and Mr. WAXMAN (both by request):

H.R. 2207. A bill to provide for substance abuse and mental health performance partnerships, and for other purposes; to the Committee on Commerce.

By Mr. EHLERS:

H.R. 2208. A bill to amend the Internal Revenue Code of 1986 to provide that the percentage of completion method of accounting shall not be required to be used with respect to contracts for the manufacture of property if no payments are required to be made before completion of the manufacture of such property; to the Committee on Ways and Means.

By Mr. EHRLICH:

H.R. 2209. A bill to establish a National Foundation on Physical Fitness and Sports to carry out activities to support and supplement the mission of the President's Council on Physical Fitness and Sports; to the Committee on Economic and Educational Opportunities.

By Mr. EMERSON:

H.R. 2210. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify liability for certain recycling transactions; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RICHARDSON (for himself, Mr. TOWNS, and Mr. HINCHEY):

H.R. 2211. A bill to establish certain requirements with respect to solid waste and hazardous waste incinerators, and for other purposes; to the Committee on Commerce.

By Mr. RICHARDSON:

H.R. 2212. A bill to establish the Professional Boxing Corporation, and for other purposes; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGEL:

H.R. 2213. A bill to amend section 223 of the Communications Act of 1934 (47 U.S.C. 223) to assure that the prohibitions of that section also apply to faxes and electronic mail transmitted over telephone lines; to the Committee on Commerce.

By Mr. FILNER:

H.R. 2214. A bill to amend title 10, United States Code, to repeal the Social Security offset applicable to certain annuities for surviving spouses paid under the survivor benefit plan for retired members of the Armed Forces to the extent that such offset is due to the integration with Social Security benefits when the surviving spouse reaches 62 years of age; to the Committee on National Security.

By Mr. FORBES:

H.R. 2215. A bill to provide veterans benefits to individuals who serve in the U.S. merchant marine during a period of war; to the Committee on Veterans' Affairs.

By Mr. FRANKS of New Jersey (for himself, Mr. MARTINI, Mr. STOCKMAN, Mr. ZIMMER, Mr. FRELINGHUYSEN, and Mr. LOBIONDO):

H.R. 2216. A bill to abolish the Local Rail Freight Assistance Program; to the Committee on Transportation and Infrastructure.

By Mr. PETE GEREN of Texas (for himself, Mr. BREWSTER, Mr. LAUGHLIN, Mr. EMERSON, and Mr. WATTS of Oklahoma):

H.R. 2217. A bill to amend the Endangered Species Act of 1973 with commonsense amendments to strengthen the act, enhance wildlife conservation and management, augment funding, and protect fishing, hunting, and trapping; to the Committee on Resources.

By Mr. GILCHREST:

H.R. 2218. A bill to amend the Internal Revenue Code of 1986 to provide an election to exclude from the gross estate of a decedent the value of certain land subject to a qualified conservation easement, and to make technical changes to alternative valuation rules; to the Committee on Ways and Means.

By Mr. HUTCHINSON (for himself, Mr. EDWARDS, Mr. STUMP, Mr. MONTGOMERY, Mr. SMITH of New Jersey, Mr. QUINN, Mr. DOYLE, and Mr. BILIRAKIS):

H.R. 2219. A bill to amend title 38, United States Code, to extend certain expiring authorities of the Department of Veterans Affairs, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. JACOBS (for himself, Mr. LIPINSKI, and Mr. INGLIS of South Carolina):

H.R. 2220. A bill to provide for portability of health insurance, guaranteed renewability, high risk pools, medical care savings accounts, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Commerce, and Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By MR. JEFFERSON:

H.R. 2221. A bill to amend the Internal Revenue Code of 1986 to permit the tax-free rollover of certain payments made by employers to separated employees; to the Committee on Ways and Means.

By Mr. WARD (for himself, Mr. HAMILTON, Mr. FAZIO of California, and Mr. MATSUI):

H.R. 2222. A bill to provide for continued retirement and leave benefits for certain former employees of the Department of Defense; to the Committee on Government Reform and Oversight.

By Ms. ROS-LEHTINEN (for herself, Mr. PORTER, Mr. TORRICELLI, Mr. BILIRAKIS, and Mr. ENGEL):

H.R. 2223. A bill to establish and implement efforts to eliminate restrictions on the enclaved people of Cyprus; to the Committee on International Relations.

By Mr. JOHNSTON of Florida (for himself, Mr. FILNER, Mrs. MEEK of Florida, Mr. OWENS, Mr. ACKERMAN, Mrs. MORELLA, Mr. MORAN, Mr. LATOURETTE, Mr. GENE GREEN of Texas, Mr. HASTINGS of Florida, Mr. UNDERWOOD, and Mr. MASCARA):

H.R. 2224. A bill to exempt disability and survivor annuities from the provision delaying the cost-of-living adjustment in Federal employee retirement benefits during fiscal year 1996, to the Committee on Government Reform and Oversight.

By Mr. KNOLLENBERG (for himself, Mr. KOLBE, Mr. BAKER of California, Mr. BAKER of Louisiana, Mr. BARCIA, Mr. BARTLETT of Maryland, Mr. BOEHNER, Mr. CALVERT, Mr. CHRYSLER, Mr. EHLERS, Mr. EWING, Mr. GUTKNECHT, Mr. HOEKSTRA, Mr. INGLIS of South Carolina, Mr. ISTOOK, Mr. SAM JOHNSON, Mr. LIVINGSTON, Mr. MCKEON, Ms. MOLINARI, Mr. MYERS of Indiana, Mr. NORWOOD, Ms. ROYCE, Mr. SKEEN, Mr. SMITH of Texas, Mr. STOCKMAN, Mr. TALENT, Mr. UPTON, and Mr. ZIMMER):

H.R. 2225. A bill to amend the Internal Revenue Code of 1986 to provide a credit for charitable contributions to fight poverty; to the Committee on Ways and Means.

By Mrs. MALONEY (for herself, Mr. OWENS, Mr. ENGEL, Mr. SERRANO, Ms. VELÁZQUEZ, and Mr. NADLER):

H.R. 2226. A bill to amend title XIX of the Social Security Act to improve the Federal medical assistance percentage used under the Medicaid Program, and for other purposes; to the Committee on Commerce.

By Mrs. MALONEY:

H.R. 2227. A bill to prohibit defense contractors from being reimbursed by the Federal Government for certain environmental response costs; to the Committee on National Security.

By Mr. MILLER of California (for himself, Mr. BALLENGER, Mr. BISHOP, Mr. BONIOR, Mr. BONO, Mr. BUNN of Oregon, Mr. BREWSTER, Mrs. CHENOWETH, Mr. COLEMAN, Mr. CONYERS, Mr. COOLEY, Ms. DELAURO, Mr. DELLUMS, Mr. DIXON, Mr. DORNAN, Mr. EHRLICH, Mr. ENGEL, Mr. FATTAH, Mr. FILNER, Mr. FLAKE, Mr. FOX, Mr. FRANK of Massachusetts, Mr. FRAZER, Mr. FROST, Mr. GUTKNECHT, Ms. JACKSON-LEE, Mr. JEFFERSON, Mr. JOHNSON of South Dakota, Mr. HASTINGS of Florida, Mr. KILDEE, Mr. LANTOS, Mr. LEACH, Mr. LEWIS of Georgia, Mr. LIPINSKI, Ms. LOFGREN, Ms. MCCARTHY, Mr. MCDERMOTT, Ms. MCKINNEY, Mr. MCNULTY, Mr. MEEHAN, Mrs. MEEK of Florida, Ms. NORTON, Mr. OLVER, Mr. OWENS, Mr. PASTOR, Ms. PELOSI, Mr. RANGEL, Mr. REYNOLDS, Ms. RIVERS, Mr. SANDERS, Mr. SERRANO, Mr. SCOTT, Mrs. SCHROEDER, Mr. SHAYS, Mr. STEARNS, Mr. TORRES, Mr. TUCKER, Mr. THOMPSON, Mr. UNDERWOOD, Mr. VENTO, Ms. VELÁZQUEZ, Ms. WATERS, Mr. WATT of North Carolina, and Mr. WATTS of Oklahoma):

H.R. 2228. A bill to waive the time limitations applicable to awarding the Medal of Honor posthumously to Ruben Rivers; to the Committe on National Security.

By Mr. MILLER of California:

H.R. 2229. A bill to authorize the Secretary of the Interior to enter into agreements for the use of facilities associated with the Solano Project, CA, and for other purposes; to the Committee on Resources.

By Mr. MILLER of Florida (for himself, Mr. DELAY, Mr. FAZIO of California, Mr. ARCHER, Mr. BURR, Mr. CANADY, Mr. CONDIT, Mr. HERGER, Mr. OXLEY, Mr. ROSE, Mr. STENHOLM, Mr. THOMAS, and Mr. DOOLEY):

H.R. 2230. A bill to make a regulatory correction concerning methyl bromide to meet the obligations of the Montreal Protocol without placing the farmers of the United States at a competitive disadvantage versus foreign growers; to the Committee on Commerce, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MINETA:

H.R. 2231. A bill to amend the Export Administration Act of 1979 to require reviews of the commodity control lists; to the Committee on International Relations.

By Mr. MINGE (for himself, Mr. LATHAM, Ms. DANNER, Mr. GUTKNECHT, Mr. POMEROY, Mr. OBERSTAR, Mr. PETERSON of Minnesota, and Mr. JOHNSON of South Dakota):

H.R. 2232. A bill to amend the Internal Revenue Code of 1986 to allow the small ethanol producer credit to be allocated to patrons of a cooperative in certain cases; to the Committee on Ways and Means.

By Ms. MOLINARI (by request):

H.R. 2233. A bill to amend the Railroad Retirement Act, the Railroad Unemployment Insurance Act, and related statutes to ease administration of the railroad retirement and railroad unemployment insurance programs, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HORN (for himself, Mrs. MALONEY, Mrs. MORELLA, Mr. HUTCHINSON, Mr. FRANK of Massachusetts, Mr. JACOBS, Mr. FROST, Mr. KASICH, Mr. KLUG, and Ms. NORTON):

H.R. 2234. A bill to reduce delinquencies and to improve debt-collection activities Government-wide, and for other purposes; to the Committee on Government Reform and Oversight, and in addition to the Committees on the Judiciary, Ways and Means, and House Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MOORHEAD (for himself and Mrs. SCHROEDER):

H.R. 2235. A bill to amend title 35, United States Code, to afford a personal defense to infringement based on the commercialization of an invention in the United States prior to the filing date of a patent claiming the same invention; to the Committee on the Judiciary.

By Mr. NADLER (for himself and Mrs. LOWEY):

H.R. 2236. A bill to amend the Internal Revenue Code of 1986 to provide for regional cost of living adjustments; to the Committee on Ways and Means.

By Mr. OBERSTAR (for himself, Mr. SMITH of New Jersey, Mr. BARRETT of Wisconsin, Mr. BURTON of Indiana, Mr. FRANK of Massachusetts, Ms. PELOSI, Mr. JACOBS, Mr. FORST, Mrs. MEEK of Florida, and Mr. UNDERWOOD):

H.R. 2237. A bill to provide equal leave benefits for parents who adopt a child or provide foster care for a child; to the Committee on Economic and Educational Opportunities.

By Mr. OBERSTAR:

H.R. 2238. A bill to validate a conveyance of certain lands located in Carlton County, MN, and for other purposes; to the Committee on Resources.

By Mr. ORTON:

H.R. 2239. A bill to amend section 17 of the act of August 27, 1954 (25 U.S.C. 677p), relating to the distribution and taxation of assets and earnings, to clarify that distributions of rents and royalties derived from assets held in continued trust by the Government, and paid to the mixed-blood members of the Ute Indian tribe, their Ute Indian heirs, or Ute Indian legatees, are not subjected to Federal or State taxation at the time of distribution, and for other purposes; to the Committee on Resources, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. PORTER (for himself, Mr. FALEOMAVAEGA, Mr. RICHARDSON, Mr. BEILENSON, Mr. EHLERS, Mr. OBERSTAR, Mr. YATES, Mr. KASICH, Mr. TALENT, Mrs. MALONEY, Mr. FARR, Mr. GEJDENSON, Ms. RIVERS, and Mr. JACOBS):

H.R. 2240. A bill to require the Secretary of the Interior to prohibit the import, export, sale, purchase, and possession of bear viscera or products that contain or claim to contain bear viscera, and for other purposes; to the Committee on Resources, and in addition to the Committees on International Relations, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RIGGS (for himself, Mr. ZIMMER, Mr. KLUG, Mr. CUNNINGHAM, Mr. FILNER, Mr. PACKARD, Mr. JONES, Mr. BILBRAY, Ms. HARMAN, Mr. COX, Mr. TORRES, Mrs. SEASTRAND, Mr. HUNTER, Ms. ROYBAL-ALLARD, Ms. NORTON, Mr. EHLERS, Mr. BERMAN, Mr. FARR, Mr. JOHNSTON of Florida, Mr. HORN, and Ms. LOFGREN):

H.R. 2241. A bill to make permanent the President's Outer Continental Shelf moratorium statement of June 26, 1990; to the Committee on Resources.

By Mr. RIGGS (for himself, Mr. ZIMMER, Mr. KLUG, Mr. CUNNINGHAM, Mr. FILNER, Mr. PALLONE, Mr. PACKARD, Mr. JONES, Mr. BILBRAY, Ms. HARMAN, Mr. TORRES, Mrs. SEASTRAND, Mr. HUNTER, Mr. MCDERMOTT, Ms. ROYBAL-ALLARD, Ms. NORTON, Mr. EHLERS, Mr. BERMAN, Mr. FARR, Mr. LOBIONDO, Mr. JOHNSTON of Florida, Mr. HORN, Mr. FORBES, and Ms. LOFGREN):

H.R. 2242. A bill to prohibit the Secretary of the Interior from issuing oil and gas leases on certain portions of the Outer Continental Shelf; to the Committee on Resources.

By Mr. RIGGS (for himself and Mr. HERGER):

H.R. 2243. A bill to amend the Trinity River Basin Fish and Wildlife Management Act of 1984, to extend for 3 years the availability of moneys for the restoration of fish and wildlife in the Trinity River, and for other purposes; to the Committee on Resources.

By Mr. RIGGS (for himself, Mr. TAYLOR of North Carolina, Mr. CANADY, Mr. BROWNBACK, Mr. GOSS, Ms. RIVERS, Mr. KLUG, Mr. DOOLITTLE, Mr. LOBIONDO, and Mr. SOUDER):

H.R. 2244. A bill to amend title 5, United States Code, to provide for the forfeiture of retirement benefits in the case of any Member or employee of Congress who is convicted of an offense relating to the official duties of that individual; to the Committee on House Oversight, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SANDERS (for himself and Mr. ROGERS):

H.R. 2245. A bill to establish a national program of trained community health advisors to assist the States in attaining the Healthy People 2000 objectives; to the Committee on Commerce.

By Mr. SERRANO:

H.R. 2246. A bill to amend the Internal Revenue Code of 1986 to provide for designation of overpayments and contributions to the U.S. library trust fund, and for other purposes; to the Committee on Ways and Means.

H.R. 2247. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of the Medicare Program of medical nutrition therapy services of registered dietitians and nutrition professionals; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SHAW (for himself, Mr. GILMAN, and Ms. KAPTUR):

H.R. 2248. A bill to authorize the imposition of trade sanctions on countries which threaten the health and safety of U.S. citizens by failing to cooperate fully with U.S. policy regarding the reduction and interdiction of illicit drugs; to the Committee on Ways and Means.

By Mr. SHAW:

H.R. 2249. A bill to amend the Social Security Act to require health maintenance organizations under the Medicare Program to disclose to enrollees and potential enrollees certain information on the credentials of physicians providing services by or through the organization, the financial status of the organization, and the compensation paid to officers and executives of the organization; to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STOCKMAN:

H.R. 2250. A bill to provide for the return of economic resources for the imposition of certain customs fees and duties to the community in which the customs fees and duties are collected; to the Committee on Ways and Means.

By Mr. STUMP (for himself, Mr. KOLBE, Mr. PASTOR, Mr. HAYWORTH, Mr. SALMON, and Mr. SHADEGG):

H.R. 2251. A bill to direct the Secretary of the Interior to make certain modifications with respect to a water contract with the city of Kingman, AZ, and for other purposes; to the Committee on Resources.

By Mr. TORRICELLI (for himself, Mr. HASTINGS, of Florida, Mr. LIPINSKI, Ms. RIVERS, Mr. FRAZER, and Mr. SERRANO):

H.R. 2252. A bill to provide demonstration grants to secondary schools for the purpose of extending the length of the academic year at such school; to the Committee on Economic and Educational Opportunities.

By Mr. UNDERWOOD:

H.R. 2253. A bill to amend the Endangered Species Act of 1973 to create a mechanism by which information may flow between local communities and governments and the Federal Government regarding the designation of critical habitat and the establishment of National Wildlife Refuges under that act; to the Committee on Resources.

By Mr. UNDERWOOD (for himself, Mr. FRAZER and Mr. FALEOMAVAEGA):

H.R. 2254. A bill to repeal the requirement that the Delegates to the Congress from Guam, the Virgin Islands, and American Samoa be elected by a separate ballot; to the Committee on Resources.

By Mr. ZELIFF:

H.R. 2255. A bill to amend the Wild and Scenic Rivers Act to designate certain segments of the Lamprey River in New Hampshire as components of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Resources.

H.R. 2256. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to make comprehensive improvements in provisions relating to liability and funding; to the Committee on Commerce, and in addition to the Committees on Transportation and Infrastructure, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. ENGEL:

H. Con. Res. 93. Concurrent resolution concerning democracy and human rights situation in Cameroon; to the Committee on International Relations.

By Mr. LANTOS:

H. Con. Res. 94. Concurrent resolution authorizing the use of the rotunda of the Capitol for a dedication ceremony incident to the placement of a bust of Raoul Wallenberg in the Capitol; to the Committee on House Oversight.

By Mr. LANTOS (for himself and Mr. GILMAN):

H. Con. Res. 95. Concurrent resolution expressing the sense of Congress concerning freedom of the press in Russia; to the Committee on International Relations.

By Ms. MCKINNEY (for herself, Mr. ABERCROMBIE, Mr. BARCIA of Michigan, Ms. EDDIE BERNICE JOHNSON of

Texas, Mr. BISHOP, Ms. BROWN of Florida, Mr. BROWN of Ohio, Mr. CLAY, Mrs. CLAYTON, Mr. CLYBURN, Mr. COLEMAN, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DEFAZIO, Mr. DELLUMS, Mr. DIXON, Mr. DOGGETT, Mr. DOYLE, Mr. DURBIN, Mr. EDWARDS, Mr. ENGEL, Ms. ESHOO, Mr. EVANS, Mr. FARR, Mr. FATTAH, Mr. FAZIO of California, Mr. FIELDS of Louisiana, Mr. FILNER, Mr. FLAKE, Mr. FOGLIETTA, Mr. FORD, Mr. FRANK of Massachusetts, Ms. FURSE, Mr. GONZALEZ, Mr. GORDON, Mr. HALL of Ohio, Mr. HASTINGS of Florida, Mr. HEFNER, Mr. HILLIARD, Mr. HINCHEY, Mr. HOLDEN, Ms. NORTON, Ms. JACKSON-LEE, Mr. JACOBS, Mr. JEFFERSON, Mr. JOHNSTON of Florida, Mr. KANJORSKI, Mr. KENNEDY of Rhode Island, Mr. KLECZKA, Mr. KLINK, Mr. LANTOS, Mr. LEWIS of Georgia, Mr. LUTHER, Mr. MASCARA, Mr. MCDERMOTT, Mr. MCHALE, Mr. MCNULTY, Mrs. MEEK of Florida, Mr. MFUME, Mr. MILLER of California, Mrs. MINK of Hawaii, Mr. MORAN, Mr. MURTHA, Mr. NADLER, Mr. OBERSTAR, Mr. OWENS, Mr. PASTOR, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. RANGEL, Mr. RICHARDSON, Ms. RIVERS, Mr. ROSE, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SABO, Mr. SANDERS, Mrs. SCHROEDER, Mr. SCOTT, Mr. SERRANO, Mr. SKAGGS, Ms. SLAUGHTER, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. STUPAK, Mr. THOMPSON, Mrs. THURMAN, Mr. TORRICELLI, Mr. TOWNS, Mr. TUCKER, Ms. VELAZQUEZ, Mr. VOLKMER, Ms. WATERS, Mr. WATT of North Carolina, Mr. WILSON, Ms. WOOLSEY, and Mr. WYNN):

H. Con. Res. 96. Concurrent resolution expressing the sense of the Congress in affirmation of the National Voter Registration Act of 1993, commonly known as the Motor-Voter Act; to the Committee on House Oversight.

By Mr. PALLONE (for himself, Mr. ACKERMAN, Mr. MCDERMOTT, Mr. ANDREWS, Mr. BROWN of Ohio, Mr. LEVIN, Mr. MEEHAN, Mr. NEY, Mr. LOBIONDO, and Mr. NETHERCUTT):

H. Con. Res. 97. Concurrent resolution expressing the sense of the Congress relating to the abduction and detainment of Donald Hutchings of the State of Washington and four Western Europeans in Jammu and Kashmir, India; to the Committee on International Relations.

By Mr. SERRANO:

H. Con. Res. 98. Concurrent resolution expressing the sense of Congress that equitable mental health care benefits must be included in any health care reform legislation passed by Congress; to the Committee on Commerce.

By Mr. NADLER:

H. Res. 211. Resolution to amend the Rules of the House of Representatives to require a bill or joint resolution which amends a law to show the change in the law made by the amendment, and for other purposes; to the Committee on Rules.

By Mr. ORTON (for himself, Mr. SPRATT, Mr. CONDIT, Mr. ROSE, Mr. HALL of Texas, Mr. MINGE, Mr. CRAMER, Mr. PETERSON of Minnesota, Mr. PETE GEREN of Texas, Mr. BROWDER, Ms. DANNER, Mr. BAESLER, Mr. MCHALE, Mr. GORDON, Mr. MEEHAN, Mr. SCHUMER, Mr. LUTHER, Mr. PAYNE of Virginia, Mr. GENE GREEN of Texas, Mr. HOLDEN, Mr. JOHNSON of South Dakota, Mr. WARD, Mr. DEUTSCH, Mr. PARKER, Mr. WYNN, Mr. MONTGOMERY, Mr. GUTIERREZ, Mr. CHAPMAN, Ms. RIVERS, Mr. BROWN of Ohio, Mr. STENHOLM, Mr. DEFAZIO, Mr. ROEMER, Mr. BALDACCI, Mr. BROWN of California, Mr. VOLKMER, Mr. MASCARA, Mr. TAUZIN, Mr. RICHARDSON, Mr. WILSON, Mr. WYDEN, Mrs. LINCOLN, Mr. KLECZKA, Mr. STUPAK, Mr. DOYLE, Ms. ESHOO, Mr. MENENDEZ, Mr. COSTELLO, Mr. HAYES, Mr. BARRETT of Wisconsin, Mr. MANTON, Mr. POMEROY, Mr. PALLONE, Mr. KENNEDY of Rhode Island, Mr. EDWARDS, Mr. GIBBONS, Mr. LANTOS, Mr. DOGGETT, Ms. MCCARTHY, Mr. DOOLEY, Mr. CARDIN, Mr. MCNULTY, Mr. POSHARD, Ms. HARMAN, Mr. CLEMENT, Mr. FORD, and Mr. BARCIA of Michigan):

H. Res. 212. Resolution to express the sense of the House of Representatives that the provisions of S. 4 (the Line Item Veto Act), as passed by the House, should apply to all fiscal year 1996 appropriation bills and to the reconciliation bill required by H. Con. Res. 67; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

149. By the SPEAKER: Memorial of the Senate of the State of Texas, relative to the Food Stamp Program; to the Committee on Agriculture.

150. Also, memorial of the Senate of the State of Texas, relative to chronic fatigue and immune dysfunction syndrome; to the Committee on Commerce.

151. Also, memorial of the Senate of the State of Texas, relative to the Bureau of Reclamation; to the Committee on Resources.

152. Also, memorial of the House of Representatives of the State of Texas, relative to the Red River Boundry Commission; to the Committee on the Judiciary.

153. Also, memorial of the House of Representatives of the State of Texas, relative to the 65-mile-per-hour speed limit; to the Committee on Transportation and Infrastructure.

154. Also, memorial of the House of Representatives of the State of Texas, relative to noncorporate farmers; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GILCHREST:

H.R. 2257. A bill to clear certain impediments to the licensing of a vessel for employment in the coastwise trade and fisheries of the United States; to the Committee on Transportation and Infrastructure.

By Mr. ZELIFF:

H.R. 2258. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Raffles Light*; to the Committee on Transportation and Infrastructure.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 94: Mr. TRAFICANT, Mr. CHRISTENSEN, Mr. BARRETT of Nebraska, Mr. PETRI, and Mr. MARTINI.

H.R. 104: Mr. MARTINI.

H.R. 109: Ms. FURSE and Mr. STUPAK.

H.R. 218: Mrs. CHENOWETH and Mr. MARTINI.

H.R. 359: Mr. MCCOLLUM and Mr. ZELIFF.

H.R. 367: Mr. RUSH.

H.R. 427: Mr. KNOLLENBERG.

H.R. 436: Mr. NUSSLE, Mr. MONTGOMERY, Mrs. THURMAN, and Mr. WELLER.

H.R. 500: Mr. ZIMMER.

H.R. 534: Mr. CANADY, Mr. HASTERT, Mr. GENE GREEN of Texas, Mr. PASTOR, and Mr. UNDERWOOD.

H.R. 598: Mr. COLEMAN, Mr. HASTERT, Mr. GIBBONS, Mrs. MYRICK, Mr. CRAPO, Mr. LEWIS of Georgia, Mr. TATE, Mr. ARCHER, Mr. GILCHREST, Mr. ROEMER, and Mr. MINETA.

H.R. 659: Mr. TANNER, Mr. COMBEST, Mr. EMERSON, and Mr. DUNCAN.

H.R. 670: Mr. SERRANO.

H.R. 739: Mr. HILLEARY and Mr. WAMP.

H.R. 743: Mrs. CHENOWETH.

H.R. 752: Mr. SENSENBRENNER, Mr. KING, Mr. GUTIERREZ, Mrs. LOWEY, Mrs. MALONEY, and Mr. MATSUI.

H.R. 783: Mr. FUNDERBURK.

H.R. 791: Mr. ZIMMER.

H.R. 804: Mr. WHITE.

H.R. 820: Mr. STUMP and Mr. GILCHREST.

H.R. 895: Mr. LOBIONDO, Mr. VENTO, Mr. FLAKE, Mr. SKELTON, and Mr. PACKARD.

H.R. 899: Mr. CREMEANS and Mr. FRELINGHUYSEN.

H.R. 922: Mr. NADLER and Mr. MINETA.

H.R. 940: Mr. FOGLIETTA, Mr. MFUME, Mr. STARK, Mr. GIBBONS, Mr. JACOBS, Mr. JEFFERSON, and Mr. NADLER.

H.R. 945: Mr. GUNDERSON, Mr. REGULA, Mr. LARGENT, Mr. DOYLE, Mr. MARTINI, and Mr. FRELINGHUYSEN.

H.R. 966: Mr. ACKERMAN, Mr. COYNE, Mr. DEFAZIO, Mr. GEJDENSON, Mr. HASTINGS of Florida, Ms. JACKSON-LEE, Mr. KENNEDY of Rhode Island, Mr. NADLER, Mr. OLVER, Mr. PETERSON of Minnesota, Mrs. SCHROEDER, Mr. SPRATT, Mr. STARK, and Ms. VELAZQUEZ.

H.R. 997: Ms. DELAURO, Mr. MANZULLO, and Mr. THORNTON.

H.R. 1000: Mr. ENGEL and Mr. MCHALE.

H.R. 1005: Mr. WAMP.

H.R. 1020: Mr. LATHAM, Mr. SAM JOHNSON, and Mr. ROYCE.

H.R. 1050: Mr. MARTINEZ.

H.R. 1073: Mr. BRYANT of Texas, Mr. JONES, Mrs. SMITH of Washington, and Ms. DELAURO.

H.R. 1074: Mr. BRYANT of Texas, Mrs. SMITH of Washington, and Ms. DELAURO.

H.R. 1090: Mr. STUPAK.

H.R. 1114: Mr. GILCHREST, Mr. BONO, and Mr. MCCRERY.

H.R. 1143: Mr. MARTINI.

H.R. 1144: Mr. MARTINI.

H.R. 1145: Mr. MARTINI.

H.R. 1161: Mr. BOEHNER.

H.R. 1202: Mr. DIAZ-BALART and Mr. BERMAN.

H.R. 1203: Mr. MINGE, Mr. LIGHTFOOT, and Mr. LUTHER.

H.R. 1204: Mr. STENHOLM.

H.R. 1226; Mr. BLILEY.

H.R. 1251: Mr. SERRANO.

H.R. 1352: Mr. STUPAK.

H.R. 1386: Mr. BROWDER, Mr. JONES, Mr. DUNCAN, and Mr. SHAW.

H.R. 1406: Mrs. MEEK of Florida, Mr. FOX, Mr. GEKAS, Mr. MORAN, Mr. DAVIS, Mr. WOLF, Mr. SISISKY, Mr. PICKETT, Mr. BLILEY, Mr. BOUCHER, Mr. SMITH of Texas, and Mr. FRANKS of New Jersey.

H.R. 1452: Mr. TORRICELLI, Mr. FROST, Mr. EVANS, Ms. KAPTUR, Mr. CLYBURN, and Mrs. THURMAN.

H.R. 1462: Mr. Moran, Mr. Rahall, Mr. Matsui, Mr. Murtha, Mr. Torricelli, Mr. English of Pennsylvania, and Mr. Lantos.

H.R. 1488: Mr. Cramer, Mr. Chabot, Mr. Bevill, Mr. Gordon, Mr. Funderburk, Mr. Whitfield, Mr. Stenholm, and Mr. Riggs.

H.R. 1493: Mr. Rahall.

H.R. 1496: Mr. Davis and Mr. Stupak.

H.R. 1498: Mr. Frank of Massachusetts, Mr. Visclosky, Mr. Miller of California, and Ms. Kaptur.

H.R. 1499: Mr. Moorhead.

H.R. 1500: Mr. Engel, Mr. Gilchrest, Mr. Matsui, and Mr. Richardson.

H.R. 1506: Mr. LaHood.

H.R. 1552: Mr. Bono, Mrs. Thurman, Mrs. Kelly, Mr. Dixon, and Mr. Hoyer.

H.R. 1580: Mr. Nethercutt.

H.R. 1627: Mr. Brewster, Mr. Weller, Mr. McInnis, Mrs. Myrick, Mr. Hilleary, Mrs. Cubin, Mr. Gilchrest, Mr. Nussle, Mr. Williams, Mr. Knollenberg, Mr. Largent, Mr. Engel, and Mr. Livingston.

H.R. 1651: Mr. Pallone.

H.R. 1656: Mr. Serrano, Mr. Engel, Mr. Weller, Mr. Hayes, Ms. McKinney, Mr. Bonior, and Ms. Velazquez.

H.R. 1661: Mr. Weldon of Florida, Mr. Allard, Mr. Bachus, Mr. Parker, Mr. Johnson of South Dakota, Mr. Molinari, Mr. Moorhead, Mr. Bass, and Mr. Bateman.

H.R. 1668: Mr. Pallone.

H.R. 1709: Mr. Franks of New Jersey, Mr. Sanders, and Ms. Slaughter.

H.R. 1736: Mr. Williams, Mr. Engel, Mr. DeFazio, Mr. Bentsen, Mr. Brown of Ohio, Mr. Moran, Ms. Eshoo, Mr. Durbin, Mr. Mineta, Mr. Owens, and Mr. Lewis of Georgia.

H.R. 1747: Mr. Gutierrez.

H.R. 1753: Mr. Dicks, Mr. Gilman, Ms. Norton, Mrs. Meek of Florida, Mr. Tucker, Mr. Clay, Mr. Volkmer, Ms. McCarthy, Mr. Scott, Mr. Fields of Louisiana, Mr. Payne of New Jersey, Mr. Pastor, Mrs. Collins of Illinois, Mr. Richardson, Mrs. Mink of Hawaii, Mr. Barrett of Nebraska, Mr. Gutierrez, Mr. de la Garza, Mr. Skeen, Mr. Nadler, Mr. Coleman, Mr. Clement, Mr. Rush, and Mr. LaTourette.

H.R. 1756: Mr. Zimmer.

H.R. 1757: Mr. Evans and Ms. Velazquez.

H.R. 1758: Mr. Lipinski, Mrs. Clayton, and Ms. Velazquez.

H.R. 1762: Mr. Martini and Mr. Skeen.

H.R. 1765: Mr. Riggs.

H.R. 1802: Mr. Dickey.

H.R. 1818: Mr. Boehner and Mr. Zeliff.

H.R. 1821: Mr. Underwood and Mr. Gillmor.

H.R. 1833: Mr. Bereuter and Mr. Stockman.

H.R. 1834: Mr. Bilirakis, Mr. Allard, Mr. Combest, Mr. Kolbe, Mr. Roberts, and Mr. Rohrabacher.

H.R. 1853: Mr. Ackerman.

H.R. 1856: Mrs. Smith of Washington, Mrs. Waldholtz, Mr. Hansen, Mr. Miller of California, Mr. Beilenson, Ms. Roybal-Allard, Mr. Doyle, Mr. Torres, Mr. Ehrlich, Mr. Tate, Mr. Cooley, and Mr. Bryant of Texas.

H.R. 1872: Mr. Engel, Mrs. Mink of Hawaii, and Mr. Vento.

H.R. 1889: Mr. Ehlers, Mr. Luther, Ms. Pelosi, Mr. Evans, Mr. Stark, and Mr. Lipinski.

H.R. 1893: Mr. Hostettler and Mr. Owens.

H.R. 1920: Mrs. Kelly and Mr. Ackerman.

H.R. 1930: Mr. McCollum.

H.R. 1933: Mr. Olver, Mr. Neal of Massachusetts, and Mr. Frelinghuysen.

H.R. 1947: Mr. McDermott.

H.R. 1951: Mr. Frost and Mr. Bilbray.

H.R. 1952: Mr. Studds, Mr. Lewis of Georgia, Mr. Fattah, Mr. Engel, Mr. Durbin, Mr. Pastor, Mr. Gutierrez, Mr. Owens, Mr. Wyden, Mr. Frost, Mrs. Meek of Florida, Ms. Eshoo, Mr. Brown of California, and Mr. Dooley.

H.R. 1967: Mr. Ramstad, Mr. Bunning of Kentucky, and Mr. Laughlin.

H.R. 1973: Mr. Chrysler, Ms. Danner, Mrs. Lowey, Mr. Johnston of Florida, Mr. Sanders, Mr. Serrano, Mr. Stupak, and Mr. Yates.

H.R. 1982: Mr. Frank of Massachusetts.

H.R. 1995: Mr. Heineman, Mr. Solomon, and Mr. Martini.

H.R. 2011: Ms. Velazquez, Mr. Evans, Mr. Menendez, and Mr. Frank of Massachusetts.

H.R. 2013: Mr. Martini, Mr. Bilirakis, and Mr. Allard.

H.R. 2024: Mr. Burr.

H.R. 2026: Mr. Frelinghuysen.

H.R. 2027: Ms. Rivers, Ms. McKinney, and Mr. Ackerman.

H.R. 2029: Mr. Holden, Mr. Baldacci, Mrs. Chenoweth, Mr. Pomeroy, Mr. Ewing, Mr. Minge, Mr. Cooley, Mr. LaHood, Mr. Bliley, Mr. Stenholm, Mr. Lucas, and Mr. Crapo.

H.R. 2039: Mr. Johnston of Florida.

H.R. 2071: Mr. Cramer.

H.R. 2072: Mr. Duncan.

H.R. 2078: Mrs. Chenoweth.

H.R. 2128: Mr. Archer, Mr. Cooley, Mrs. Chenoweth, Mr. Knollenberg, Mr. Shaw, Mr. Hilleary, and Mr. Zeliff.

H.R. 2132: Mr. Ackerman, Ms. McKinney, and Mr. Underwood.

H.R. 2137: Mr. Fox.

H.R. 2147: Mr. Brownback, Mr. Baker of Louisiana, and Mr. Lewis of Kentucky.

H.R. 2151: Mr. Skeen.

H.R. 2182: Mr. Martini.

H.R. 2190: Mr. Camp, Mr. Hastert, Mr. Houghton, and Mr. Hayworth.

H.J. Res. 97: Mr. Frank of Massachusetts.

H. Con. Res. 10: Mr. Farr, Mr. Camp, Ms. Lofgren, and Mr. Bentsen.

H. Con. Res. 42: Mr. Burr.

H. Con. Res. 47: Ms. Lofgren, Mr. Watt of North Carolina, Mr. Tucker, Mr. Smith of New Jersey, and Mrs. Chenoweth.

H. Con. Res. 63: Mr. LoBiondo, Mr. King, and Mr. Chabot.

H. Con. Res. 80: Mr. Gilman, Mr. Gejdenson, Mr. Engel, and Mr. Brown of Ohio.

H. Res. 123: Mr. McKeon.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1289: Mr. Mfume.

H.R. 1853: Ms. McKinney.

H.R. 2062: Mr. Mfume.

PETITIONS, ETC.

Under clause 1 of rule XXII,

34. The SPEAKER presented a petition of the mayor of the city of Gonzales, LA, relative to relative to Federal support programs for sugar; which was referred to the Committee on Agriculture.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitions:

Petition 4 by Mr. BRYANT on House Resolution 127: Zoe Lofgren.

SENATE—*Friday, August 4, 1995*

(Legislative day of Monday, July 10, 1995)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilve, offered the following prayer:

Let us pray:

Almighty God, Holy Father, You created us for Yourself and our hearts are restless until they rest in You. We confess our ambivalence. We want You to be Lord of our lives and yet, sometimes, we are filled with reservations. We need Your love, and yet fear the implications of loving others as You love us. We want Your direction in our lives, but are troubled about losing our own control. We pray for America to be a great nation under Your sovereign reign, but there are times when we are reluctant to ask You to begin a vital spiritual awakening in our own hearts.

But Lord, we are willing to be made willing. Help us to see what our lives could be if we loved You with all our hearts, and if our self-erected obstacles to trusting You completely were removed and You had Your way with us.

And so, today we open our minds to think inspired by the wisdom of Your spirit; we commit our wills to seek the guidance of Your spirit; and we face the challenges of this day with the power of Your spirit. In Your holy name. Amen.

RESERVATION OF LEADER TIME

THE PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 1026, the Department of Defense bill, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER (Mr. THOMAS). Under the previous order, the Senator from South Carolina [Mr. THURMOND] is recognized.

Mr. THURMOND. Mr. President, we are ready to proceed now on this bill, and I believe the distinguished Senator from Nebraska desires at this time to take up the amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2111

(Purpose: To propose a substitute to title XXXI)

Mr. THURMOND. Mr. President, I send to the desk the Thurmond-Domenici amendment and ask it be reported immediately.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND], for himself, Mr. DOMENICI, Mr. LOTT, Mrs. HUTCHISON, Mr. BOND, Mr. THOMPSON, Mr. FRIST, and Mr. BINGAMAN, proposes an amendment numbered 2111.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. EXON. I thank my friend and colleague, the distinguished chairman of the Armed Services Committee.

AMENDMENT NO. 2112 TO AMENDMENT NO. 2111

(Purpose: To strike section 3135 of S. 1026 authorizing a program for hydronuclear experiments)

Mr. EXON. As per our previous agreement, I send an amendment in the second degree to the desk at this time and ask that it be read in its entirety, and I also ask that the cosponsors of the amendment be identified as part of the reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself, Mr. HATFIELD, Mr. DASCHLE, Mr. LEVIN, Mr. BINGAMAN, Mr. GLENN, Mr. HARKIN, Mr. SIMON, Mr. KERREY, Mr. KENNEDY, Mr. WELLSTONE, and Mr. BUMPERS, proposes an amendment numbered 2112 to amendment No. 2111.

On page 33 of the underlying amendment, strike out section 3135, lines 11 through 19.

The PRESIDING OFFICER. Under the previous order, the Senator from South Carolina will have 70 minutes under control in this debate and the Senator from Nebraska will have 90 minutes. The Senator may proceed.

Mr. DOMENICI. Will the Senator yield?

Mr. EXON. I am happy to yield to the Senator.

Mr. DOMENICI. Mr. President, pursuant to the unanimous-consent request, I thought we said we could speak about the bill first, and then it would go to Senator EXON for the debate.

Did I misunderstand? If I misunderstood, it is all right.

The PRESIDING OFFICER. Under the order, immediately after the reading of the amendment, the Senator from Nebraska was to be recognized to offer a second-degree amendment to the Thurmond amendment; there would be 70 minutes debate under the control of the Senator from South Carolina and 90 minutes under the control of the Senator from Nebraska.

Mr. DOMENICI. I did not need the time. Just so I know when we would be speaking.

Mr. BINGAMAN. Mr. President, it is my understanding, and I ask the Senator from Nebraska and the Senator from South Carolina if they agree with this, that during this period that has just been identified, we would be able to speak on the underlying amendment or on the Exon amendment or on both, and the statement I intend to give would be a statement on both, starting, of course, with a description of the Thurmond amendment and my reason for sponsoring it, and also discussing my reason for supporting the amendment of the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, if I might respond and clear up any misunderstanding, the time agreement that was entered into and was specifically agreed to last night was 90 minutes under the control of the Senator from Nebraska, and 70 minutes under the control of the Senator from South Carolina. That time agreement is for debate on both the amendment offered by the Senator from South Carolina and the second degree, and the time can be allotted. Any Senator can debate either the underlying amendment or the amendment in the second degree.

The PRESIDING OFFICER. The Senator from Nevada.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Mr. REID. Mr. President, if I may ask the Senator from Nebraska, it is my understanding, though, it would be used off of either the time—let me state this. I worked, the Senator from Nebraska knows, on the time agreement. The 70 minutes was to be used in opposition to the amendment of the Senator from Nebraska. We have arranged time to speak against the amendment of the Senator, and that was certainly my understanding.

Mr. EXON. The time to speak against the second-degree amendment would be under the control of the Senator from South Carolina.

Mr. REID. That is right. While the Senator is debating, I will talk to the chairman of the committee.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I am certainly pleased to join my good friend from Oregon, Senator HATFIELD, and others, including the distinguished junior Senator from the State of New Mexico, and many other cosponsors, to correct one of the most objectionable provisions in the defense authorization bill that is now before the Senate. The Exon-Hatfield, et al., amendment is a very simple and a very straightforward one. It would delete—eliminate—section 3135 of the bill in its entirety, and remove the $50 million authorization for hydronuclear testing. Our amendment makes no adjustment to the funding for either the stockpiled storage program or the overall energy department budget. Our amendment is funding neutral. It simply removes the authorization in the bill for the use of $50 million to resume nuclear weapons testing.

With that brief opening statement—and I will be expanding on this further—I now yield 10 minutes to my colleague, the junior Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. If I may ask the Senator from Nebraska, I hoped to have about 15 minutes before the end of the debate. May I take all that time at this point?

Mr. EXON. Yes, I will yield 15 minutes.

Mr. THURMOND. I thought I had to make my opening statement.

Mr. EXON. If the Senator from South Carolina wishes to make an opening statement preceding the 15-minute remarks by the Senator from New Mexico, I am certain that will be agreeable.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I yield myself such time as may be necessary.

The proposed amendment is the result of the diligent efforts of interested parties that have endeavored to resolve concerns raised by the original provisions of title XXXI. I would like to thank the distinguished Senator PETE DOMENICI of New Mexico, Chairman of the Subcommittee on Energy and Water Development. Without the efforts of Senator DOMENICI and his staff the agreement underlying this amendment could not have been reached. It has been a privilege to work with him and his staff, I say to Senator DOMENICI.

I would also like to thank the other Senators that have cosponsored this amendment, and contributed to the substance of the amendment. I want to specifically recognize the superb efforts of Senator LOTT, the Chairman of the Strategic Forces Subcommittee in arriving at this agreement. Finally, I wish to thank Senator KEMPTHORNE whose excellent work raised key issues in hearings on the Department of Energy.

Through this amendment we have achieved what we and our cosponsors believe is a prudent balance between the need to focus the Department of Energy on the near-term manufacturing capabilities required for the nuclear weapons stockpile and the need to invest in long-term science-based stockpile stewardship. With this compromise we also restore the necessary resources to meet the Department of Energy's request for nonproliferation, verification, and arms control research and development.

This bill sends the message that the Senate will support the necessary investment in this crucial element of strategic nuclear deterrence. Working together, we will continue to do what is necessary to maintain the safety and reliability of the nuclear stockpile. Maintaining the Nation's smaller nuclear stockpile in a safe and reliable condition to meet the requirements of the Department of Defense is the first priority mission of the national security programs of the Department of Energy. The Department of Energy and the administration must not lose sight of this fact as they work to fund a variety of other important programs, such as the Environmental Restoration and Waste Management Program, which this amendment also supports.

I yield the floor.

Mr. DOMENICI. Will Senator THURMOND yield me 5 minutes to speak on the amendment?

Mr. THURMOND. Mr. President, I yield the able Senator from New Mexico 5 minutes.

Mr. DOMENICI. I thank the Senator.

Mr. President, first, let me thank Senator THURMOND for the kind remarks. Obviously, for those who know of my interest in the defense laboratories that are operated by the Department of Energy, in particular the three major nuclear deterrent laboratories of Los Alamos, Sandia-Albuquerque, and Lawrence Livermore, this is a very good amendment from the standpoint of recognizing their capability and their prowess in terms of maintaining the nuclear deterrent in a safe and reliable fashion.

We are engaged, now, in a great transition between where we were going and what we were defending against, in terms of the development of nuclear weapons. Essentially, this bill says let us go a little bit slow before we jump to conclusions as to how we are going to replace and replenish the nuclear stockpile over time. Because, it says, we are moving now in the direction of a stewardship program that is built around the nuclear laboratories and in conjunction with the complex that does much of the fabricating and manufacturing. But it says we are not going to move rapidly into a "let us build up and let us make sure we have all the manufacturing capabilities," but, rather, let us rely upon the institutions within the Defense Department and the DOE to tell us precisely how we ought to handle the stockpile we are going to have to maintain.

I am very pleased that we struck a good balance here in that the Department of Energy and the Department of Defense wanted us to move toward a science-based stewardship program built around the three national laboratories, and we are in the process of developing that.

While we are doing that, we do not want to let the other complexes that were part of keeping us strong—we do not want to have them disappear. So there is money in here to keep them going, have them in a good state of repair, and make necessary investments.

In the meantime, the institutions within the DOD and Department of Energy will be advising the Congress on precisely how we ought to, over a long period of time, maintain the requisite number of nuclear warheads and weapons.

We do not have that kind of recommendation yet, and the bill, if not amended, would have drawn some conclusions in that regard that the Senator from New Mexico thought were premature. So that is why this amendment was offered. That is why we all worked very hard to put it together.

It clearly says the powerful laboratories, including three or four that are helping with it, including the one in the State of Idaho, Argonne, and others—that all of these are part of maintaining our nuclear stockpile in one way or another and are also part of making sure we do the cleanup work and we maintain the capability for storage of the fuel that we need that is coming out of the defense side.

So, Mr. President, this amendment increases the stockpile stewardship by $239 million. It maintains the nuclear posture review as the means of determining the size of the United States nuclear weapons stockpile. It lifts the prohibition on lab-directed research and development, and allows the Secretary to choose between a reactor and accelerator to produce tritium but it locates that in South Carolina, and provides additional stockpile management funding to upgrade the DOE production complex to meet manufacturing requirements.

So I believe when you look at that it is a rather comprehensive amendment, and it is a substitute for a very major part of the bill.

I want to thank Senators on our side who worked together, and it was my privilege—not being on the committee—to work with them in putting this amendment into the form that I believe the Senate ought to adopt without a dissenting vote.

I want to acknowledge Senator BINGAMAN's actions with reference to this. Obviously in the committee he expressed some doubts about this. He will express those himself today. And clearly working together with Democrats and Republicans, and Senators like Senator BINGAMAN and Senator NUNN, and others, I think this amendment is going to come out to be a very forward step in maintaining our nuclear weapon deterrent and maintaining the stockpile in an appropriate manner for the next 20, 30 or even 40 years. I thank Senator THURMOND for yielding.

I yield the floor.

Mr. EXON. Mr. President, I certainly want to associate myself with the remarks previously made in this regard by the Senator from South Carolina and the Senator from New Mexico with regard to the measure before us, the underlying amendment that was offered the first thing this morning by the chairman of the Armed Services Committee.

I wholeheartedly support this amendment that was worked out after a lot of hard work and a lot of thought. I think it is a very, very sound amendment. It has the wholehearted support of this Senator.

It is a good time though for me to emphasize—with all the work that has been done by all of the parties that have been partially named thus far this morning that I support—that I think the amendment now before us, the underlying amendment introduced by the Senator from South Carolina, is a great improvement over what came out of the committee, and I believe it is nearly unanimously supported. I thank all of those who played a key role in working this out.

It is a good time for me to emphasize though that the second-degree Exon amendment goes after one part of this bill which I will be talking about in greater detail as will many other Senators. That is the part of the bill which allows hydronuclear testing which we think is an important step in the wrong direction, and, if the Exon second-degree amendment is approved today, I think there will be unanimous support for the bill as introduced by the Senator from South Carolina—if the Exon-Hatfield, et al., amendment is accepted.

With that statement, I reserve the remainder of my time.

I yield 15 minutes—with my thanks for all the work he has done on this in company with Senator DOMENICI and others—to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I appreciate the statement by the Senator from Nebraska, and also the statement by my colleague from New Mexico.

Mr. President, I rise as a cosponsor of the Thurmond amendment and of the Exon second-degree amendment to it. I would first like to explain to my colleagues why the Thurmond amendment is an enormous improvement over the DOE provisions currently in the bill. There are three exceptions and they are being dealt with in the second-degree amendments being proposed by Senators EXON, REID, and MCCAIN. I will support all of those amendments as well.

When we debated this bill in committee, I raised numerous objections to the DOE provisions. I expressed the view that these provisions took a series of extreme positions for which there was no support in the hearing record of the committee. My objections were summarized in the dissenting views I filed in the committee's report. I am pleased to report to my colleagues that the Thurmond substitute amendment has now corrected most of the numerous problems I identified and several that were subsequently identified by the executive branch.

Let me highlight the most significant changes:

I had criticized the tritium production and plutonium disposition provisions because they would have prejudged ongoing programmatic environmental impact statements by favoring a multipurpose reactor approach—the least likely approach to come out of these studies. The Thurmond amendment is now neutral on the technical choice. It appropriately funds work on tritium targets, work that DOE under Secretary Curtis told us in the Strategic Forces Subcommittee hearing on May 16 would be required under all options.

Unfortunately, while backing off from making a technical choice on tritium production, the Thurmond amendment now contains a provision mandating that any new tritium production facility be sited at Savannah River. It is that provision which Senator REID is seeking to strike because it obviously disadvantages the Nevada test site in the ongoing environmental impact statement process.

The tritium language also makes $10 million available to a university consortium for plutonium research. Senator MCCAIN will seek to ensure that any money spent for university research in this area is competitively awarded. This is a long-standing policy of the Armed Services Committee at least since Senator TOWER was chairman.

The second area that was problematic in the original bill was a series of provisions—sections 3134, 3163, and 3166—and a $344 million funding add-on aimed at sizing a nuclear weapons manufacturing complex at cold war levels when far more cost-effective alternatives are being developed in the stockpile stewardship and management programmatic environmental impact statement process. Those provisions are entirely reworked in the Thurmond amendment and the funding for stockpile management has been reduced $215 million. There is now no mandate to rebuild production capacity to cold war levels. What is left in the bill is consistent with the ongoing programmatic environmental impact statement process on stockpile stewardship and management.

The third problem in the original bill had to do with laboratory management and funding. Senator DOMENICI referred to this. The original bill contained a provision, section 3139, barring the laboratories from using defense program funds for laboratory-directed basic research, the lifeblood of the laboratories, and for science education. The bill also cut requested funding for dual-use technology partnerships with industry by $249 million. The Thurmond amendment deletes the prohibition on use of defense funds for lab-directed basic research and science education, restores $239 million for the stockpile stewardship technology partnership and education programs and includes a provision that all of these programs must support national security requirements.

The fourth problem in the original bill involved a severe cut in requested funding for nonproliferation and arms control verification program—a total of $78 million. This would have very seriously damaged the national laboratories' programs in critical areas and slowed the effort to bring Russian nuclear weapons facilities under better security and safeguards. The Thurmond amendment restores all of that funding.

The fifth problem in the original bill involved provisions, sections 3137 and 3138, which would have put the Department of Energy's defense facilities outside the purview of the National Environmental Policy Act and raised a constitutional separation of powers issue according to the Secretary of Energy, who opposed them. The Thurmond amendment deletes those provisions.

Finally, the original bill included a provision, section 3167, that, according to the statement of administration policy on this bill, would have prohibited international inspections of DOE facilities under the terms of the treaty between the United States and the International Atomic Energy Agency. The Thurmond amendment deletes this provision, which I know Senator PELL was very concerned about.

This rewrite of the DOE provisions marks a significant improvement in this bill as a whole. It brings this bill into alignment with the energy and water appropriations bill passed on Tuesday evening and with the administration's request with only modest changes. I commend my senior colleague from New Mexico, Senator DOMENICI, for his central role in helping to bring about this result. He did yeoman work on convincing the members of the Armed Services Committee on his side to accept these changes. I also commend him for producing in his role as chairman of the subcommittee the excellent defense section of the energy and water appropriations bill passed on Tuesday.

Mr. President, there are still, however three problems with the Thurmond amendment. I have already mentioned the Reid and McCain amendments. Let me now turn to the amendment being offered by Senator EXON.

Senator EXON is seeking to strike a provision in the Thurmond amendment, which was also in the underlying bill. The provision sets aside $50 million to prepare for hydronuclear testing. The administration did not request funds to carry out hydronuclear tests in fiscal year 1996. These are tests with a low yield, usually measured in pounds of TNT, which provide information about the ignition of the primary of a nuclear weapon. These are expensive tests to conduct, approximately the same as for a nuclear weapons test—on the order of $10 to $20 million per test.

The administration's policy in the ongoing Comprehensive Test Ban negotiations is to limit such tests to a yield of four pounds of TNT. The administration is not opposed in principle to such testing, but the technical experts have not found tests which are worth doing. A 1994 summer study by a JASON task force, chaired by Sid Drell of Stanford University, has recommended against hydronuclear testing. The JASON's are a group of the Nation's foremost scientists who under the aegis of the Mitre Corp. advise DOD and DOE on technical matters. They wrote:

> The very limited added value of hydronuclear tests that provide for a brief glimpse into the very early stages of criticality have to be weighed against costs, and against the impact of continuing an underground testing program at the Nevada Test Site on U.S. nonproliferation goals. On balance we oppose hydronuclear testing.

Mr. President, this is frankly a highly complex matter. The bottom line for me is that the nuclear weapon stewards in the Department are not crying out for hydronuclear tests within their limited budgets. The best minds in the scientific community on balance do not support them. If a specific problem arises that would require a hydronuclear test to resolve, I believe that the administration would request the funds and the test would be conducted within the 4 pound limit the President has set. But the bill before us and the Thurmond amendment insist on spending $50 million to prepare for hydronuclear tests with no specific purpose in mind.

I attended the May 16 Strategic Forces Subcommittee hearings on the weapons program and I can recall no witness from the laboratories or DOE or the Pentagon demanding such test preparations.

Mr. President, we can not afford to spend money unwisely when we are fighting to bring our deficit under control. I urge my colleagues to support Senator EXON's amendment.

To summarize, Mr. President, I am cosponsoring the Thurmond amendment because it is an enormous improvement in six different areas over the existing bill language. I also support all three efforts to further improve the language in the Thurmond amendment.

Mr. DOMENICI. Will the Senator yield?

Mr. BINGAMAN. Yes, I am glad to yield to my colleague from New Mexico.

Mr. DOMENICI. Mr. President, I just wanted to correct one item the Senator would not have known about because it was changed last night. Senator MCCAIN's request for competitiveness with reference to that $10 million university project, is in the amendment as offered.

I am not speaking for Senator MCCAIN, but I am not sure there will be an amendment on that effort because he already prevailed and it is in the amendment that was sent to the desk.

Mr. BINGAMAN. Mr. President, I appreciate that updated information. I think that is one additional improvement in the Thurmond amendment and I, as I say, commend my colleague and others who have worked hard to put this amendment together. I hope we can pass it with an overwhelming vote.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I would like to speak on the Exon amendment, the Exon-Hatfield amendment, and I yield myself 10 minutes.

Mr. EXON. I yield 10 minutes or whatever time he needs to the Senator from Oregon.

Mr. HATFIELD. I thank the Senator.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. I wonder if the Senator from Nevada will yield for a question.

Mr. REID. I will be happy to, as long as it is on Senator EXON's time.

Mr. HATFIELD. I would like to ask if this would be a convenient time for me to speak.

Mr. REID. Very convenient.

Mr. HATFIELD. I am trying to get ahead of the game at 10 o'clock.

Mr. REID. I know the Senator has a full committee markup.

Mr. HATFIELD. I thank the Senator and I thank Senator EXON.

Mr. President, it is a pleasure to join with Senator EXON this morning. The Senator from Nebraska is perhaps one of the Senate's most knowledgeable persons on the issues involving the nuclear weapons stockpile. He has certainly demonstrated leadership in protecting the integrity of the stockpile, as well as the efforts to end nuclear proliferation. So I do not believe this is an either/or situation. I think it is a very wise approach that the Senator from Nebraska has created for us to consider.

I think every Senator should be aware that the bill as reported by the Armed Services Committee contains an extremely provocative, unnecessary, and expensive provision which would allow for the preparation of hydronuclear experiments which would yield expulsions up to 20 tons.

Mr. President, we got out of that nuclear explosive testing business 3 years ago by the actions of this body. Three years ago, the Congress adopted a moratorium on underground nuclear testing, and this moratorium was put in place as an acknowledgment after hundreds—hundreds—of underground tests of our nuclear stockpile. It was in our national interest not to test.

The Armed Services Committee in its report justifies this provision and the authorization for $50 million to prepare for these tests with a statement that it is concerned about the readiness of the Nevada test site. This is the wrong reason to test. In fact, this is not a reason at all. It is no reason. I will be interested to learn the source of concerns about the test site's readiness capabilities—who dreamed this up, and why the preparation for a hydronuclear test is the preferred option for maintaining that readiness. I think we deserve to have that kind of information and the source of it.

As most Senators know, the Exon-Hatfield-Mitchell law, which initiated our testing moratorium 3 years ago, acknowledged the possibility that a resumption of testing could be necessary to ensure the safety and reliability of the stockpile. Following an initial 9-month moratorium on testing, the Exon-Hatfield-Mitchell law allows for a 3-year program of limited testing and no more than five tests per year. So there is a flexibility factor already in the law. To date, the President of the United States has not certified that any weapon in the arsenal has a safety or reliability problem that would require explosive testing.

So certainly the President, who has a role to play in this, and especially through the Department of Defense, has no request for this. This is pure and simple a resurrection of the cold war mentality that has dominated this Congress for too long, especially under the military industrial complex that exists all over this country that former President Eisenhower warned this country against.

Yet the Armed Services Committee is recommending that the full Senate approve $50 million to prepare for the commencement of a series of tests at the Nevada test site. Why? There is no justification for these funds. There is no request for these funds—not from the Department of Defense, not from the President of the United States, not from the National Security Council, not from any body of authority that represents the major responsibility for protecting this country.

The provision included in the bill must be removed. It is dangerous and provocative and threatens the goal clearly stated by a Congress when it adopted the Exon-Hatfield-Mitchell law. That goal is the successful negotiation of a comprehensive test ban treaty.

Let me say that again. The goal is a comprehensive test ban treaty, not the renewal of testing to challenge the rest of the nations of the world.

Mr. President, current CTB negotiations led by the United States contain a discussion about thermal nuclear tests, but the official position of the United States is that the comprehensive test ban should prohibit all nuclear tests exceeding 4 pounds. Four pounds, Mr. President, not 40,000 pounds as the Armed Services Committee is proposing.

I believe that the provision in this bill and its accompanying report are fatally flawed. Let me read to my colleagues a passage from page 367 of the Armed Services report:

> The Committee recognizes that the administration is currently negotiating a Comprehensive Test Ban Treaty in an effort to preclude or make more difficult the spread of nuclear weapons. However, the committee notes that sub-kiloton hydronuclear experiments are not particularly suitable for bomb development or giving foreign military planners confidence in a nuclear weapons design.

I am stunned by this passage. It is factually incorrect. Independent nuclear weapons experts have made it clear that hydronuclear tests are useful to proliferant states attempting to develop nuclear weapons capabilities. That is the very reason the United States comprehensive test ban negotiation position bars such tests over a few pounds of yield. This bill ignores these facts and argues that the United States should prepare for tests anyway.

It is clear to me and should be to all of my colleagues that the provision included in the bill is at the very best a very unfortunate mistake. The President has not requested these tests. The independent group of nuclear weapons experts known as the JASON group concurs that testing because no safety or reliability problem exists.

If this mistake is left unrepaired, it will result in grave consequences. American public opinion is solidly behind the effort to achieve a comprehensive test ban treaty and expect our leadership in the negotiations. If this bill is adopted with the current provision intact, we will irreparably harm our ability to negotiate a comprehensive test ban. I fully expect the American public and people around the world to react with the same astonishment and anger that it vented when France announced its decision to resume testing.

The Exon-Hatfield proposed amendment must be adopted if we are to avoid a return to the Dark Ages of a nuclear arms race. Three years ago we were able to end the cycle of vague justifications for underground nuclear testing and replace them with concrete requirements which must be met before testing resumes. The provision included in this bill breaks current law and will likely lead to irreparable harm to the comprehensive test ban negotiations.

Mr. President, as the chairman of the Senate Appropriations Committee, I would make one final note. The Senate has already completed action on the energy and water appropriations bill, which contains funding for weapons activities. That bill does not include funds for hydronuclear testing. Voting for this amendment would be consistent—that is, voting for our proposed amendment, Senator EXON's and mine—with current law as well as appropriations for the coming fiscal year. And I can assure the Armed Services Committee I will do all within my power as the chairman of the Appropriations Committee to block any funding for this kind of foolishness if it should prevail in this final bill.

Now, Mr. President, I would add one final note. For the last few days I have been asked to interview on my experience in Hiroshima a month after the bomb had been dropped, following World War II. It has only been the last few years that I would even like to talk about that kind of experience. But how—how absolutely immoral, how insensitive to begin to act for this kind of provision on the 50th anniversary of that horrible devastation that was wreaked upon Hiroshima and the people of Japan. What a monster we let loose in that situation.

It saved my life. I can attest to that because we were stationed for the invasion of Japan at the time. And having been in that occupation of September 2, 1945, and seen the following MacArthur order to put a white sheet before each of the gun emplacements at the very area we were to invade it was like sailing through inland seas of checkerboards. It would have been a murderous crossfire upon which probably who knows, a million people would have lost their lives. But nevertheless—nevertheless—not trying to judge in hindsight the wisdom of that bomb, the fact is, how insensitive on the 50th anniversary of that bomb to propose something of returning to the Dark Age mentality of testing again for increasing the capacity to kill and to destroy life as this would lead us to.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I yield myself such time as I may need from our allotted time.

I just want to compliment my very dear friend and colleague from Oregon for the excellent remarks that he has just made. It puts in perspective so dramatically and so honestly and in such a straightforward manner the heart and soul of the Exon-Hatfield amendment, which is to follow on the Exon-Hatfield amendment of 3 years ago that we were joined in by the then-majority leader, George Mitchell. I think maybe we were somewhat surprised when we won that vote. But I think it was a giant leap forward in facing up to the realities of the situation that confront us.

So I thank my friend and colleague, a man of great wisdom and experience, for outlining in a very articulate fashion his views as to why the Exon-Hatfield amendment should be adopted, and also backing that up with his vast experience. When he was talking about those dark days of World War II when important decisions were being made, I was at Clark Field in the Philippines, which had just been taken during that particular period of time. And I know also—not to the extent that I believe my friend from Oregon did—but we knew full well what was being planned. We knew the sacrifices that were going to have to be made. And when the Senator from Oregon said his life was probably saved by that action, I think that is very much on point.

Having said that, I would like to come to the defense for a moment of former Senator Harry Truman, then President Harry Truman, who had the courage to make that devastating decision that I believe very likely left its mark on the great President Harry Truman.

I am convinced he did the right thing, but it was a horrible thing. The Senator from Oregon has brought that very dramatically to the attention of the Senate.

Therefore, while I have been known as a hawk, and continue to be a hawk, I happen to feel that humanity has to recognize that if we keep maintaining as a major part of our national security the threat of another Hiroshima, then we are in dire circumstances, as far as humanity is concerned.

I ask my friend, though, about one part of his remarks, if I understood them correctly—I suspect there was somewhat an unintended understatement, if I heard my friend correctly—I believe he said that if the Exon-Hatfield amendment is not adopted, it will irreparably harm the chances for a nuclear test ban treaty. I believe those were the well-chosen words the Senator from Oregon used.

I happen to think that is a very minimal statement. I simply say if the Exon-Hatfield amendment does not prevail, it will not harm our effort for a comprehensive test ban treaty, it will destroy it.

I wonder if the Senator from Oregon feels that I am justified in making that statement a little more stronger than he did in his well-chosen remarks?

Mr. HATFIELD. I would not want to debate that issue with the Senator, because I know that he made that with care, understanding, with great feeling. I do feel, based upon the kind of outpouring of criticism that was leveled by all parts of the world against France for its announced intention to resume testing, that it would be escalated by about a hundredfold against the United States because of our superb leadership role we play in making those policies that affect the whole world, far more than France. But nevertheless, even with France, it is a setback. I think it would be even a greater setback and perhaps lead to total impossibility of success if you resume testing.

(Mr. SHELBY assumed the chair.)

Mr. EXON. I could not agree more and thank my friend for his remarks.

Mr. President, the Exon-Hatfield amendment then, if I can repeat that again, is a very simple and straightforward one. It will delete section 3135 of the bill in its entirety and remove the $50 million authorization for hydronuclear testing that the Senator from Oregon has addressed in a very eloquent fashion.

Our amendment makes no adjustment to the funding for either the stockpile stewardship program or the overall Energy Department budget. Our amendment is funding neutral. It simply removes the authorization in the bill to use $50 million to resume nuclear weapons testing, and the reasons for removing that and not doing it have been adequately addressed already by my colleague from Oregon and the junior Senator from New Mexico.

Three years ago, as was alluded to by Senator HATFIELD, a strong bipartisan coalition in both Houses of Congress twice approved a plan to phase out nuclear weapons testing and give the moribund comprehensive test ban negotiations a shot in the arm. Successful negotiation of a global comprehensive test ban treaty would significantly advance the cause of nuclear weapons proliferation by denying those nations tempted to develop nuclear capability the means to prove out their weapons. Getting that done, in the view of this Senator, is absolutely essential.

The Senator from Oregon, Mr. President, raised some rather interesting questions in his riveting remarks to the Senate this morning. He said, why is this included in the defense authorization bill? It was not requested by the administration. How did it creep back in? I suggest the answer to the question is that, despite all of our efforts to the contrary, there are people embedded in the Pentagon today that want to resume nuclear testing on a full-scale basis. This is a step in that direction, a very important and a very ill-timed one, in the opinion of this Senator.

Those people deep inside the Pentagon, and associated with it, have tried to influence the President of the United States to lift his objections, which he has stated over and over and over again to not begin nuclear testing by the United States of America, who is far ahead of any real, imagined or invented future enemies that might be a nuclear threat. If we begin testing today, it will be viewed by the rest of the world as they are currently reviewing and showing their distress of the French and their distress of the Chinese for the testing in this area that they are about as of now.

We must not join. The attack that will be launched against China and France and the United States of America, the leader in this field, is a terrible step in the wrong direction.

Mr. President, I feel so strongly about this issue. I talked a great deal yesterday, along with others, about the ballistic missile defense system. And on a close vote, the Senate validated the actions of our Armed Services Committee in that regard. I think that was a terrible mistake, but it has been done. But if we do not adopt the Exon-Hatfield amendment and go ahead with this program that is an open invitation, much more than a camel's nose under the tent, to start the nuclear race all over again, we will have essentially no one but ourselves to blame.

A comprehensive test ban would also freeze in place the inherent advantage of the United States, as it has at the present time, because we possess the most tested and proven nuclear stockpile ever. After 1,148 nuclear weapons tests over 50 years, the United States possesses the safest and most reliable nuclear weapons in the world. No one can argue with that.

The resulting law that we talked about earlier, called the Hatfield-Exon-Mitchell law, enacted an initial 9 months testing moratorium period, followed by 3 years of limited weapons testing, if necessary. And the Senator from Oregon referenced that in his remarks this morning.

During this 3-year period, no more than 5 safety and reliability tests could be conducted each year, for a total of 15 tests. Approval for the tests are to be sought from Congress through an annual testing report outlining the justification for such testing.

To date, no authority to conduct any weapons tests have been sought by the administration, and along with Russia, which, of course, are watching us in this area, we have not tested. Now comes France, and we all observe as to what they have done recently with regard to tests.

Likewise, I will mention once again the concern I have with the Chinese action. But during the time following enactment of the Hatfield-Exon-Mitchell law, those nations, led by the United States, have been working hard to reach agreement in Geneva on a comprehensive test ban treaty.

If we want to flush that down the drain, then defeat the Exon-Hatfield, et al., amendment.

I must confess, Mr. President, that I have had some rather angry words with certain administration officials on this particular matter. While the President has been steadfast, there are some close to him who are wishy-washy on this issue. I hope the President will listen to those of us who have done a great deal of study and have a great deal of concern about this. And I think the President will, notwithstanding the fact that some of those closest to him are wishy-washy on the issue, and I have told that to them to their face.

After 2 years of negotiations, we are hopeful that we are entering maybe some kind of an end-game with regard to a comprehensive test ban treaty. The nuclear and nonnuclear nations of the world are on track to reach an agreement, possibly, by 1996—a goal expressly endorsed by not only the United States, but China, Russia, and France. No one should ignore the fact that the permanent extension of the nuclear nonproliferation treaty was obtained this spring with the assurance provided by the nuclear powers that a comprehensive test ban treaty would soon follow. The world is in agreement: It is time to close the nuclear Pandora's box, and a comprehensive test ban treaty is a significant step toward that end. Let us not kill the possibility.

I recount the history of this issue so as to provide a context for better understanding the real reason why the Armed Services Committee provided $50 million for hydronuclear testing. Let no Senator misunderstand the true intent behind this provision of the bill. Its purpose is to bust out of the nuclear testing moratorium we have been observing for the past 3 years as a result of the Hatfield-Exon-Mitchell bill that has been referenced on several occasions this morning. It wants the United

States to renege on our commitment made during the NPT conference. It hopes to scuttle the comprehensive test ban treaty negotiations now underway.

The cumulative effect of these consequences will be to undermine our efforts to halt the spread of nuclear weapons around the world. As a result, our national security will be weakened, not enhanced, by the resumption of nuclear weapons testing and a new nuclear race will be in full swing. Our standing as a world leader will be irreparably harmed on the issue of nonproliferation. For proof of these things to come, simply look at the world condemnation over the recent French decision to resume testing. The world is astonished, but the French, in their way, go ahead as they always do. Let us not follow their course.

Some may ask, what is a hydronuclear test exactly? The simple definition is that it is a very low yield detonation—usually measured at a few pounds of explosive yield—to assess primary performance and safety of warheads. While a high-explosive explosion generates sufficient energy to melt the core of the weapon, the nuclear energy release is insufficient to cause the bomb to reach full criticality and with the possibility that it would explode with full power. It is true that the U.S. negotiation position in Geneva would allow for such experiments not to exceed 4 pounds of yield under a comprehensive test ban treaty. However, a treaty agreement has not been reached, and it is the present administration policy not to conduct such tests outside the treaty. I hope the President and the administration maintain that position.

Moreover, the authorization bill seems to use the term "hydronuclear experiments" rather loosely. As section 3165 of the bill notes, the tests to be performed may be measured not in terms of pounds of TNT yield, but rather in tons. That was stated in somewhat different form by the Senator from Oregon in his remarks to the Senate this morning. The type of nuclear tests the committee majority has in mind are not—I emphasize "not," Mr. President—traditional hydronuclear tests. They are looking at detonation with yields up to 40,000 pounds— that is a whole lot more than 4 pounds—or 20 tons of explosive power.

The $50 million authorization provided in the bill for these nuclear weapons tests is a particularly mischievous add-on to the President's budget request. The mandate is in violation of existing law, which states that all proposed nuclear tests be included in the annual administration report on our Nation's nuclear weapons stockpile and the need, if any, to conduct tests. Specifically, the bill violates the provision of the Hatfield-Exon-Mitchell law that states, "Only the numbers and types of tests specified in the report * * * may be tested."

In short, the bill totally negates the process already in existence for proposing and approving, with congressional concurrence, new nuclear weapons tests.

More central to the point is whether these new tests are really needed. No safety or reliability problem is known to exist with any of our Nation's nuclear weapons to justify a resumption of weapons testing. On this most important point, there is no disagreement. Administration officials, from the laboratories to the Secretaries of Defense and Energy, all the way up to the President, are unanimous in this opinion. Even the JASON group—also referenced by the Senator from Oregon in his remarks this morning—an assembly of outside nuclear weapons experts, concurs with the finding that no safety or reliability problem exists, and that the restart of nuclear testing is not necessary.

Mr. President, there is no explanation in the committee bill as to which warheads are to be tested, or which weapons, why they are to be tested—though, in a very vague fashion, almost a carte blanche authority—and they do not even say how many tests are allowed. There is no limit.

Absent a known safety or reliability problem, the primary purpose for the resumption of testing is unknown. If it is to maintain worker expertise at the Nevada test site, it should be made clear that the committee has received no testimony to suggest that the testing expertise is eroding, or if it was, the proposed authorization to use $50 million to resume testing would stem this.

There is not any question but that this Senator has stood at the forefront—because we live in an uncertain world, and we have no way of knowing what the next move in the world, especially in nuclear testing is going to be—I have been at the forefront in maintaining a facility, with the people at the Nevada test site to be there, to do the testing, if an emergency arises.

I suggest that the true reason for the committee action is the basic belief that the United States should test for the sake of testing. It is a good thing to do, some seem to feel, even if it means undermining our Nation's efforts to close Pandora's box and halt the spread of nuclear weapons around the globe.

American leadership in the world community is strongest when we lead by example. We should continue to do that—lead by example. There is never more the case than in the area of nuclear weapons testing. We must continue to lead, and we must be responsible.

Contrary to the committee direction, there is no reason, Mr. President, to restart nuclear weapons testing. American public opinion has been solid against such a proposition for quite some time. Our country is poised to join the world community in taking a historic step toward limiting the number of nuclear states in the future.

Seriously endangering these efforts, as the committee testing provision would do, we will be working against the very national security interests that we profess to support in other areas of the bill, such as ballistic missile defense funding and, of course, the Nunn-Lugar program.

Mr. President, I urge my colleagues to support the Exon-Hatfield, et al., amendment and turn back this misguided attempt to fire up the cold war rhetoric of the past.

After 1,100 nuclear detonations, our stockpile is safe. It is reliable. It is time to concern ourselves with whether other nations are going to start and deploy their own nuclear arsenals.

The resumption of U.S. nuclear weapons testing will doom—will doom—the comprehensive test ban negotiations, and in the process, give the green light to the world leaders, hoping to find superpower status in the form of even a nuclear bomb or two.

Our amendment is a choice between priorities. A vote for the Exon-Hatfield, et al., amendment is a vote against the spread of nuclear weapons. A vote against our amendment is a vote for more testing and an abdication of responsible U.S. leadership.

We would be no different from the French, in their decision to test—an object of worldwide ridicule and derision.

Mr. President, I urge my colleagues to carefully think and then cast their vote, which I think and hope will be overwhelming, for the cause of halting the spread of nuclear weapons, and support the Exon-Hatfield, et al., amendment.

Mr. President, I reserve the balance of my time.

The PRESIDING OFFICER. The Senator from Nebraska has 31 minutes remaining, and the Senator from South Carolina has 61 minutes remaining.

Mr. THURMOND. Mr. President, I yield 20 minutes to the Senator from Nevada.

Mr. REID. Mr. President, I extend my appreciation to the chairman of the committee, the manager of this bill, and extend my congratulations to him, also, for the amendment that he has offered.

This amendment removes the triple play reactor for tritium production, appropriately shifts more funds to stockpile stewardship, restores stewardship funding for industrial partnerships that are critical to the new technology development for stockpile stewardship, and restores verification funding critical to fighting nuclear proliferation

I am also very pleased to see that the amendment endorses test readiness and hydronuclear tests.

There is only one problem I have with the amendment, and under the unanimous-consent request I will offer an amendment at a subsequent time about that.

Mr. President, I say to my colleagues in the Senate that I have the deepest respect for the senior Senator from Nebraska and the senior Senator from Oregon. I say to my friend from Nebraska that he could not be more wrong. He keeps talking about nuclear testing. This has nothing to do with nuclear testing. That is the whole point of the experiments we are talking about. They are not nuclear tests.

Mr. President, there has been reference by the Senator from Nebraska and the Senator from Oregon about the JASON report. We will talk about the JASON report.

In July of this year, July 25, a couple of weeks ago, the new JASON report, the one that we should be talking about, says:

> Underground testing of nuclear weapons at any yield level below that required to initiate boosting is of limited value to the United States. However, experiments involving high explosive and fissionable materials that do not reach criticality are useful in our understanding of the behavior of weapon materials under relevant physical conditions. They should be included among treaty consistent activities . . .

The report cited by the Senator from Oregon and the Senator from New Mexico—they should have read the more recent version, because it supports what the Senator from South Carolina is doing with this amendment.

With all due respect, they should not be throwing around the JASON report, because quoting from the JASON report arrives at the opposite conclusion.

Now, we will also talk about this as it relates to Nevada. Mr. President, this is not some kind of a pork issue for Nevada. The bill provides funds for a program of hydronuclear experiments at the nuclear weapons design laboratories at the Nevada test site.

I assure Members that it was written to assure that the majority of funds would go to the weapons laboratories which are not in Nevada. They are in New Mexico and one in California. The funds will go to the labs, regardless of how the vote on this amendment turns out.

Very little, if any, of the funds will go to the Nevada test site. My concern is not dollars to Nevada, but, rather, making it clear that these experiments are important and should be allowed to commence.

I also caution the stewardship supporters that support the Exon amendment could be interpreted as a prohibition of experiments the labs are currently contemplating at the labs and at the test site. I think people should be very careful about the intent of this amendment, and what the final result would be if the amendment is adopted.

There is no accepted definition of hydronuclear experiments. Mischief can and will be done if this amendment is passed. If the amendment is defeated, the decision on hydronuclear experiments will revert to the President, where it belongs.

I am forever amazed, Mr. President, that we are elected to the legislative branch of Government. But it seems we have 535 Secretaries of State. We have people who seem to think that they know better than the executive branch.

The Exon amendment is to limit stewardship, it is to limit readiness, and, of course, hydronuclear experiments. For 3 years we have let our nuclear weapons competence deteriorate. It is now time to end that deterioration. Not to return to the cold war—no one wants to do that—but to maintain and protect our nuclear deterrence and our nuclear expertise.

The Senator who offered the amendment has stated on a number of occasions that there have been a lot of tests conducted. Sure there have been a lot of tests conducted. Carl Lewis has been running and broad jumping and doing all the other things he does for 12 or 15 years. If he stops, he loses that touch. You must continue to work on something you are good at—recognizing that we led the world in safety and reliability of nuclear weapons. Of course we did. Why? Because we continually worked at it and we should not just give up on that.

Stockpile stewardship is critical to maintaining a safe, secure, reliable nuclear stockpile. Stockpile stewardship is also underfunded, but that is not the debate here today. As long as we own nuclear weapons—there is no doubt we will own them for the foreseeable future—we have an obligation to ourselves and to the world to keep them safe, secure and reliable.

My friend who has offered this amendment has attempted to make this a nuclear testing issue. The problem in the world today is not because of nuclear testing. We are not going to do nuclear testing. Even if this amendment is defeated, we are not going to do nuclear testing. The problem in the world today is nuclear weapons, and these experiments will do nothing to harm the negotiations that are taking place for the comprehensive test ban, which I support. I repeat, as long as we own nuclear weapons—and there is no doubt we will own them for the foreseeable future—we have an obligation to ourselves and the rest of the world to keep them safe.

The Senator from Oregon stated we have had hundreds of tests. Of course we have had hundreds of tests. But those tests, the majority of them, were for new weapons development. You cannot have this huge nuclear arsenal we are going to have for the foreseeable future and just let it sit. So long as we choose to own nuclear weapons, without the benefit of full-scale nuclear testing—and we are not talking about doing full-scale nuclear testing—we must support a fully funded stockpile stewardship program. This bill recognizes we must support the ability to resume testing, which is referred to as "readiness."

I appreciate the complimentary statement of the author of this amendment regarding readiness. But, until we have proven that the alternative, the stockpile stewardship and management program, will work, we must retain the ability to test in an emergency.

Furthermore, this bill, the underlying bill, recognizes that readiness can only be achieved cost effectively as a byproduct of ongoing experimental programs. The experimental program at the test site has been put on hold for a long time. We have acknowledged that. There was a legitimate break in the test and experimental program, as the laboratories reassessed what needed to be done. I have heard the senior Senator from New Mexico talk for hours about the ability of the labs to do what is important, scientifically, for this country. I accept that and I agree with that. We have had these labs, the best in the world, the best the world has ever known—we have had these labs reassess what needs to be done in a world without nuclear testing. Because, no matter what the Senator from Oregon says, no matter what the Senator from Nebraska says, we are not talking about nuclear testing. Our laboratories have said: We have reassessed this in light of the fact we do not believe there is going to be further nuclear testing. They say to give us confidence in our nuclear weapons, a transition must be made.

That is what we are talking about and that is why I support the amendment offered by the Senator from South Carolina.

There was some added delay that came in deference to politics—not good science; politics—to the extension of the Nuclear Nonproliferation Treaty. That treaty has been extended. I supported that. We are now engaged in comprehensive test ban negotiations, but the experiments the labs have proposed for 1996, and the President would approve, are clearly well within the scope of any potential comprehensive test ban. They are also well outside the scope of the Hatfield-Exon-Mitchell testing limitation.

If there is any problem in the bill because of report language or some vague, abstract thought process that people may have, I have acknowledged to the Senator from Nebraska we will put specific language—I should say more specific language—in the bill saying the tests are limited to no more than 4 pounds. I made that offer. But people do not want to accept that. They want to fight on nuclear testing, and there is no nuclear testing. We cannot fight about something that does not exist.

I repeat, we will offer to say there can be no experiment—not a test—no experiment over 4 pounds; not tons, not kilotons, not megatons—4 pounds. How big is 4 pounds?

My dad was a miner. I used to go down, as a boy, with him in the mines. He would drill the holes and he would load the holes, tamp that powder in—sticks of dynamite. He would put in 4 pounds, and 4 pounds is not very much, Mr. President. We acknowledge that. We agree to that. Because that is what the amendment of the Senator from South Carolina talks about, is those experiments of 4 pounds or less.

But no one has agreed to accept that. Why? Because they want to debate here on nuclear testing. This is not what the debate is about. This is not nuclear testing.

So, I urge my colleagues to vote against this Exon amendment. What does this amendment mean for U.S. policy? The United States is trying to negotiate a comprehensive test ban by the end of this year. Our goal is to end nuclear testing. Our goal is also to preserve the right to do treaty-compliant experiments, and that is what we are talking about here today. Hydronuclear experiments would be included in this.

We passed a resolution earlier this session of Congress to continue to hold firm in seeking these goals. I supported that. That was the right way to go. Recently, 24 Senators wrote the President to request that he not change his strategy. That strategy includes the experiments we are talking about in this amendment—not big tests; but experiments of less than 4 pounds. Are we now telling the President to change his strategy, to no longer seek to assure the right to do these important experiments? I hope the answer is no, and that the record will show that the answer is no, because otherwise this amendment is much more dangerous than it appears on the surface.

What is a hydronuclear experiment?

Could I ask the Chair how much time of the 20 minutes does the Senator from Nevada have left?

The PRESIDING OFFICER. The Senator from Nevada currently has approximately 8 minutes remaining.

Mr. REID. What is a hydronuclear experiment? I am quoting:

> Nuclear materials, either plutonium or uranium are configured with high explosives in a geometry very similar to a nuclear explosion. The amount of material and/or the geometry are chosen so that no—

I underline or underscore "no."

> nuclear chain reaction will occur when the explosion is detonated. Nuclear reactions occur and radiation is emitted in tiny quantities. By historic convention, in the United States the yield of an experiment is less than 4 pounds of TNT equivalent.

This is a millionth of a kiloton. This is 4 pounds.

The vast majority of informed experts that have studied the issue of the safety and reliability of nuclear weapons, including the JASON group—including the JASON group—who have studied the issue of the safety and reliability of nuclear weapons, recognize the importance of doing the experiments we are talking about today.

The only substantial debate is over the value or the size or the yield of these various experiments. That debate is going on in the Government now. But remember, we have agreed to clearly indicate, in this amendment, that it would be no more than 4 pounds.

So that is what the bill seeks to support. That is why we need hydronuclear experiments. And that is why we should support this bill and defeat the Exon amendment.

This is not, I repeat, a fight over nuclear testing. We should not let this become a fight over nuclear testing. Nothing in this bill will lead us to break any treaty, to break any existing law, or to end our testing moratorium.

To compare 4-pound experiments to what the French or Chinese are doing is stretching one's imagination beyond my ability to comprehend. The French are setting off kilotons in the middle of the ocean. In the Chinese deserts, they are setting off kilotons, thousands of tons of TNT.

So to try to compare that to these tiny little experiments in which you could carry the dynamite around in your pockets, 4 pounds, is absolutely absurd.

We know that the President will only approve treaty compliance experiments. We know the President's position on a comprehensive test ban. He has made it very clear. This bill will not change the President's position on that. The issue is whether you can conduct these experiments. The only experiments being proposed by the labs or the Department of Energy are treaty compliance, and well within the scope of any plausible test ban treaty.

The experimental preparations called for in this bill are long overdue. We are talking about experimental preparations that will be done in laboratories.

Senator EXON and others are concerned about this bill leading to an undermining of U.S. efforts to conclude a comprehensive test ban. There is no basis for that concern. First of all, the President must approve all nuclear tests or hydronuclear experiments. And we all know that he will not approve any experiment that is not consistent with our negotiating position.

Second, the hydronuclear experiments that would be considered by the nuclear weapons laboratories and the Department of Energy will not have yield that would be considered a nuclear tests under U.S. law or under international conventions. What this bill will do is get our Nation moving on fully developing our stockpile stewardship program.

Is there anything wrong with wanting to make sure that these weapons that we have are safe and reliable? No one is talking about building new weapons or new weapons systems. Should we not have a stockpile, no matter how large or how small, that is safe and reliable? I hope the answer cries out as yes.

An essential element of a program like this is a program of experiments that uses both nuclear materials and high explosives, a program of hydrodynamic experiments and hydronuclear experiments. This bill says that we have delayed these experiments long enough, and it is time to move with an experimental program and do it soon.

This program is critical to stockpile stewardship. This program is critical to readiness. And let me add that readiness to testing is critical until we have fully established that we can maintain the safety and reliability of our nuclear stockpile without nuclear testing. This is not an attempt to start testing. This is an attempt to find an alternative to testing and at the same time preserve our capability to resume testing if our national security demands it.

We must be concerned about the dangers of an accidental explosion. We must be concerned that we have a safe and reliable stockpile.

I again refer to the professional group that was talked about by the Senator from Nebraska and the Senator from Oregon, giving great credence to the JASON report. I again read from their own sources. Their own sources say, however, that experiments involving high explosives and fissionable material that do not reach criticality are useful in improving our understanding of the behavior of weapons materials under relevant physical conditions. They should be included among the treaty's consistent activities.

I suggest that if you are going to use something as a source, you should use the latest source. And the latest source is July 25, 1995, where the JASON group supports what the committee has agreed to in this bill. Based upon the JASON report of good common sense, logic, and the safety and reliability of our weapons, this amendment should be defeated.

Mr. EXON. Mr. President, I was hoping we could move back and forth on time. There are 31 minutes left on our side.

I would like to have a better balance on time. But if there is no speaker ready to go over here, I yield 20 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. I thank my friend from Nebraska.

Mr. President, this discussion is taking place on the anniversary of the end of World War II and the use of atomic weapons, as we all are aware from the news reports of the last few days. It was the first time we really had weapons of mass destruction used like this, and we saw what nuclear weapons could do. My view in that area, as an aside, is that we really saved lives, both Japanese and American, by what happened out there. But out of World War II we came into the cold war, where bomb and missile development became very major programs and became survival for this country.

At the same time, though, that we were proceeding along those lines, we kept our concerns about the spread of nuclear weapons and nuclear material, and hoped all along that someday we could get control of our nuclear stockpiles as well as those of our major adversary for all of those years, the Soviet Union. Then, in the meantime, we hoped that others could be persuaded not to go the nuclear route. We had hopes that someday we might get control of some of these matters. Until that day, we wanted to prevent the spread of nuclear weapons. We did not want to see nuclear information, nuclear weapons, be spread to smaller and smaller nations where maybe their use would be common in border wars and things that the rest of the world would not deem that important. And we would see new levels of terror around the world that would make Hiroshima and Nagasaki look like tiny firecrackers compared to the potential of what might happen.

So what did we do? Well, in the hope that we might be able to make some advances in this area, we formed the Nonproliferation Treaty, and we have just gone through the 25th anniversary. The purpose of NPT was to tell nations foursquare with the nuclear weapons route, if you will, that we will cooperate with you on peaceful uses of nuclear material for medicines or whatever purposes. Meanwhile, we will try to get control of this nuclear stockpile on both sides, Soviet and American, try to get it under control.

We passed legislation here in 1978 just a couple of years or 3 years after I came into the Senate called the Nuclear Nonproliferation Act. The Pressler amendment came much later. Other laws have been put on the books through the years, all with the objective of keeping control of nuclear weapons around the world.

We finally at last, in our day and time, are seeing a reduction in these stockpiles of weapons. We still hope that we can get to a comprehensive test ban sometime, one that is verifiable and justifies the faith that these other nations have placed in the United States. So here we are, in 1995, having really moved down the road a long, long way. We have made a lot of progress.

So, Mr. President, I rise to speak as a cosponsor of the amendment offered by my colleague from Nebraska, Mr. EXON, to strike what I view as an ill-advised provision in the bill pertaining to low-yield testing of nuclear weapons.

On May 12, 178 parties to the Nuclear Nonproliferation Treaty agreed to make that treaty permanent. That was a big fight. They agreed to make that treaty permanent, not a 5-year review as we have been going through, but to make it permanent. And America's success in achieving this outcome was substantially encouraged by promises made by the nuclear weapons states to conclude, to do everything we could to conclude a comprehensive nuclear test ban treaty by 1996.

Shortly after the celebration died down, after that NPT extension, China set off a nuclear device, and said more would follow. France then declared it, too, would fire off a few before halting next year. China continues to support the right to conduct so-called PNE's, peaceful nuclear explosions. These steps by China and France do not help at all to advance the cause of nuclear nonproliferation of either variety—horizontal nonproliferation which seeks to prevent the geographical spread of the bomb in more countries, or vertical proliferation which seeks to prevent the increased growth and sophistication of weapons already in the stockpiles of the nuclear weapons states.

Yet, instead of expressing its opposition to the actions of France and China and proceeding along the lines that we have developed through all of these years, the hoped-for area where we really could get nuclear stockpiles under control, the Armed Services Committee voted on June 29 to require the President to make "preparations to commence low-yield hydronuclear experiments," a policy that would substitute low-test for no test.

It was stated here that these have nothing to do with nuclear explosions, but they do. The title of them is hydronuclear—small amounts, very small amounts, but they are nuclear experiments. They are low-test nuclear experiments. That is the definition of them. That is the reason they are called hydronuclear experiments.

These experiments are basically an attempt to say that we will look at the hydro characteristics of a low-yield explosion—in other words, the wave patterns, the way the motion occurs internally, combine that with computer techniques that can tell us something about safety. That is true. But it could also be used by a nation that could develop sophisticated computer techniques to give them a lot of clues how to go ahead and do their own weapons development.

So the question comes down to, do we want a comprehensive test ban or does this undermine a comprehensive test ban?

In the dreams of its supporters, this action could well pave the way for nuclear test explosions with yields ranging from 4 pounds to several hundred tons of TNT equivalent—even within something called a Comprehensive Test Ban Treaty. And recall, 100 tons is 200,000 pounds equivalent of TNT—100 tons, 200,000 pounds of TNT.

By comparison, the blasts at Oklahoma City and the World Trade Center were equivalent to the explosive yield of between 1,000 and 2,000 pounds of TNT. The FBI has not released its official estimate figure yet, but it is in the ballpark because on August 3, 1995, the Bureau of Alcohol, Tobacco and Firearms informed my staff that their own explosives experts estimate the yield of the Oklahoma City bomb at about 2,100 pounds of TNT equivalent.

More explosive than these detonations, however, will be the punch that will come from angry members of the global nonproliferation regime if the United States and the other nuclear weapons States start to play games over their commitment not to engage in any further nuclear tests, which was a key item during deliberations over whether we were going to extend the NPT. Many of these countries have already sent a blizzard of demarches, aide memoirs, nonpapers, and other such diplomatic missives to remind the United States and the other nuclear weapons States about that basic arms control and nonproliferation goal, perhaps best summarized in the preamble of the NPT itself of seeking to achieve the discontinuance of all test explosives of nuclear weapons for all time.

Any resumption by the United States of such tests, or even active preparations to resume such testing, would jeopardize this hard-won consensus on the permanent extension of the NPT.

Essentially, if we heed the nuclear testing policy dictated in this bill, we will only invite the following type of collective declaration by the non-nuclear weapons States: Halt all testing or we leave the treaty. I think some nations might well do that. If we are having trouble today affording a limited missile defense and curbing the proliferation of nuclear weapons within the NPT and ABM Treaties, just imagine how worse these conditions would be if these treaties collapsed. I do not think we can afford to take such a risk.

The testing policy dictated in this bill is all the more mystifying given that even veteran bomb designers do not believe that low-yield nuclear test explosions are vital to ensure either the safety or reliability of our nuclear stockpile.

Former Livermore Director Herbert York does not believe such tests are necessary. We have conflicting testimony here about the JASONs. And the JASONs, I might add, are an advisory group to the Department of Defense. They are academics and defense experts, think-tank experts. They are one of the most top-level scientific groups that advises the Department of Defense, so their expertise in this area is without question.

Now, the JASONs in the past have said they see some advantages to this type of testing but the disadvantages far outweigh the advantages in the dangers to nonproliferation, to the NPT, and so on—outweigh this—and that has been their view in the past. Another view was expressed on the floor this morning. We are asking for some clarification of that. And I hope we can get that before our debate here is concluded this morning.

In November 1994, just last fall, the JASONs specifically cited the effect of renewed underground nuclear testing upon U.S. nonproliferation goals as grounds for their conclusion that they oppose it. After considering NPT and considering the advantages, and some of which there were, they say, "On balance, we oppose hydronuclear testing."

That was last November. Even our nuclear weapon labs have come around to the view that such testing is not necessary to maintain the nuclear arsenal.

Dr. Frank Von Hippel, until recently the Assistant Director for National Security in the White House Office of Science and Technology Policy, goes so far as to say that a resumption of nuclear testing—and this would be just low-level nuclear testing, hydronuclear testing

> . . . would be seen as a fraud by virtually all of the 170 nonnuclear states that agreed this spring to an indefinite extension of the Nonproliferation Treaty after receiving a commitment that a Comprehensive Test Ban Treaty would be signed next year . . . Based on U.S. experience, the objective value of "reliability" tests is negligible in comparison with the costs of reneging on the deal with the nonweapons States, which promises that we will all work together against the spread and to reduce the numbers of these terrible devices.

That was published in the Los Angeles Times on July 26 of this year.

We have all sorts of definitions of "comprehensive," I guess. I think comprehensive is pretty clear myself, but comprehensive to me means these lower-level tests also. So we need obviously a bit more predictability when we attempt to forge a national policy or craft a permanent international treaty. But we cannot go on unilaterally contriving new definitions of our international treaty commitments, a lesson that unfortunately has yet to be learned by supporters of provisions in the current bill addressing the ABM Treaty.

Mr. President, a basic nuclear fission explosion is caused when a chemical explosion forces a sudden release of energy from the nucleus of atoms, typically plutonium or highly enriched uranium. In testing a nuclear explosive device, there is no nuclear explosion if the total energy released from a detonation is equal to the yield from the detonation of just the chemical explosives in that test device. If, however, you get some energy release greater than the energy that is released from the chemical explosive, then you have a nuclear explosion. A device that produces such explosions is what we call a nuclear explosive device.

Under current nuclear proliferation sanctions legislation, our country imposes tough sanctions if nuclear nonweapons states detonate a device that produces a nuclear yield of only 1 pound, 1 pound of TNT equivalent.

The source for that is section 834 of the Nuclear Proliferation Prevention Act of 1994, Public Law 103-236. This was a standard used by the United States during a nuclear test moratorium between 1958 and 1961. It was used at that time to define what was called a hydronuclear experiment.

Section 3135 of the current bill makes available $50 million for, "Preparation for the commencement of a program of hydronuclear experiments." Later on, in section 3165 of the bill, the bill makes it clear that this bill intends to include detonations with nuclear yields on the order of 20 tons of TNT to fall within the category of "hydronuclear tests"—that is in the bill—although the series of tests during the old moratorium had nuclear yield of far less than a pound of TNT.

The bill is therefore not only an extreme diversion from historic U.S. practice but in establishing a 4-pound testing level, it adopts a standard that is four times higher than the standard we now apply to other countries in implementing our nuclear proliferation laws. I think it opens up a Pandora's box for arms control professionals and intelligence professionals who are responsible for verifying compliance with a comprehensive test ban. Verifying such a ban is difficult enough, but I think it is far easier to verify that there have been no nuclear explosions whatsoever, than it is to determine whether a given nuclear explosion at an unknown location had a yield of 1, 3, 4, 5 pounds, or whatever.

Moreover, our current 1-pound definition for sanctions, which is still the law, has nothing to do with restraints on nuclear testing. As I clearly stated on the floor in my remarks a couple years ago, on May 27, 1993, this definition:

> . . . is not intended to foreclose any other definition that may be adopted in the course of the negotiation of any future international agreement limiting the testing of nuclear explosive devices, including a Comprehensive Test Ban Treaty.

I would today go further and say, no test ban treaty that deserves the word "comprehensive" in its title can allow nuclear explosions of any size, period. That is what comprehensive means, no nuclear explosions.

Explosive tests at even 1 pound and below can give a proliferant country some potential benefits, no doubt about that, especially in the areas of weapons safety, though there is no indication that any proliferant country has chosen that route to acquire the bomb. When you go to 4 pounds, then 40 pounds, then 400 pounds, and beyond, then you obviously run into more and more proliferation risks. We drew the line at 1 pound for sanctions purposes many years ago, not to legitimize tests below that level but simply to guarantee that no proliferant country could escape from the force of U.S. sanctions by undertaking exactly the type of so-called hydronuclear experiments described in the current bill.

In short, America should not be encouraging the world community to engage in low-yield nuclear testing. A comprehensive test ban must eliminate all nuclear explosions. As I said on this floor last March 16, it is essential that we proceed with several measures to strengthen controls against the global spread of nuclear weapons, including:

> Negotiation at the earliest possible date of a verifiable—underline verifiable—permanent comprehensive ban on the testing of nuclear explosive devices, with emphasis on those words "verifiable," "permanent," "comprehensive" and "ban."

Mr. President, we in the past have seen Taiwan have a program for nuclear weapons. We were able to bring them around to turn that program off. South Korea had a similar program at one time. We turned that off. Iran is in the process, we believe, now of heading for nuclear weapons. We are trying to turn that off. Pakistan has already gone that route against our very serious objections. India went that route in 1974.

Are we now to come into this debate today and say that we are going to perform little bitty nuclear explosions, but you people cannot do the same things? It just does not make sense if what we are trying to go to is a comprehensive test ban.

The debate today is ironic given that we just do not need to perform hydronuclear experiments to maintain the reliability of our nuclear arsenal. In fact, our Government is now investing billions in special facilities that will enable our country to ensure the safety and reliability of the stockpile without nuclear explosive testing. And that includes hydronuclear testing. This is what is known as the stockpile stewardship program.

Are there advantages to hydronuclear testing? Of course there are. I agree with that. But the dangers to the NPT and the worldwide spread of nuclear weapons as other countries see us testing and decide to do the same thing is far greater. The danger is far greater than any advantage we get out of the hydronuclear test.

If the hundreds upon hundreds of nuclear tests that we have undertaken over the last half century have still not given us a reliable arsenal, then this dubious record surely offers sufficient cause for us to question whether testing is truly as efficient a method for establishing a method of safety and liability as its proponents claim it is. The truth is, of course, that we already have a safe and reliable arsenal. And a good way to keep it that way without testing is to leave the designs alone.

Supporters of the nuclear testing section of the bill appear to want it both ways, twice. They want both to resume nuclear testing and fund big-ticket nonnuclear test facilities. They also want both to expand current nuclear and missile defense capabilities and to propagate the view that our potential adversaries will do nothing in response that will adversely affect our national security. I am opposed to such reasoning, and I am sure I am not alone in challenging these totally incompatible goals.

I applaud the leadership of my friend from Nebraska. Over the years he has fought for restraints on nuclear testing. I am proud to be included as a cosponsor of his amendment today. I hope our colleagues have been following the debate here on the floor today. And I hope we have an overwhelming vote in support of the Senator from Nebraska.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. I yield 10 minutes to the able Senator from Arizona.

Mr. KYL. I thank the chairman for yielding me the time.

Mr. President, I rise in very strong opposition to the Exon amendment and in support of the committee's position.

Let us begin with a redefinition here of what we are talking about. What is a hydronuclear test? All that the committee has done is to provide $50 million to enable us to have the capability to conduct such tests, should the administration decide to go forward with that decision.

A hydronuclear experiment is one in which the conventional high explosive yield is greater than the nuclear yield.

So we are, by definition, talking about something that does not have a high nuclear yield. As a matter of fact, the kind of tests that have been contemplated in the past are tests with approximately 4 pounds—4 pounds—of material, between 1 and 4 pounds. All these experiments provide is an experimental calculation of the safety of the stockpile. That is what we are talking about here.

Now, what about the CTB, the comprehensive test ban? Would conducting such tests run afoul of the test ban? Well, we can quote no better authority than one of our colleagues here in the U.S. Senate who was here during the debate on the Hatfield amendment. And I refer to the Senator from Massachusetts, Senator KENNEDY, who suggested that such low-yield tests would be perfectly acceptable within the Comprehensive Test Ban Treaty. On September 18, 1992, Senator KENNEDY said:

> The first of these concerns—accidental detonation—can be resolved with safety tests with an explosive power equivalent to a few pounds or less of TNT. Such test need not be limited under a comprehensive test ban.

That is on page S13965 of the CONGRESSIONAL RECORD.

Now, the reason, of course, why, such tests should be allowed under the CTB is because they are not verifiable. As the Senator from Ohio pointed out, the CTB only works at levels where you can verify that the nations that are adhering to the treaty are, in fact, adhering to the treaty. These low yields are not verifiable. They are so small you cannot detect them. That is why they could not be included under a CTB. That is why this has nothing to do with the CTB. So let us get that off the table right now.

The next point is: Why test? Lawrence Livermore Laboratory estimates that:

> One-third of all of the weapon designs placed in the U.S. stockpile between 1958 and 1987 required and received post-deployment nuclear tests to resolve problems.

In other words, after we had put the warheads on top of the missiles, or put them in the bombs in the planes, one-third of all of those weapons required and received postdeployment tests to resolve problems that they had developed.

"In three-quarters of these cases the problems were identified as a result of nuclear testing." In each case the weapon was thought to be reliable and adequately tested when it entered the stockpile.

In other words, Mr. President, we test in order to find out whether they are still going to work, whether they will be reliable, and whether they will remain safe. These are the most complex weapons in our entire inventory, and yet they receive the least testing once they have been deployed. We shoot the guns. We fly the airplanes. We sail the ships. This is called readiness.

But some of our friends on the other side do not want to know whether the most complex weapons in our inventory are reliable, whether they will work, and whether they are safe. And how can they possibly constitute an effective deterrent if those against whom they might be used understand that they have not been tested maybe for 30 years? We are talking about weapons, warheads that will be in our inventory for 30 years or more, never having been tested. Lawrence Livermore notes that in three-fourths of the cases where testing was done, problems were identified as a result of that testing.

These weapons were thought to be reliable. Let me be very specific.

Of the 16 Lawrence Livermore developed warhead designs that entered the stockpile between 1958 and 1987, several were found to have problems. For six of these, the WXX, the W84, the W79, the W68, the W47, and the W45, the resolution of these problems involved nuclear tests.

Further, of the 25 Los Alamos weapon designs that were deployed between 1958 and 1987, one-third have required postdeployment nuclear testing. That is what we are talking about here.

Let us go to the element of safety, because, obviously, we want our weapons to be safe, and technology has improved, has enhanced our capability of making these weapons safe.

The 1990 Drell panel, which was constituted to consider this issue, concluded that "there is still room for substantive improvement in nuclear weapons safety."

One manner to improve the safety of the warheads is to replace warheads—the ones that have high explosives—to ones with insensitive high explosives, the so-called IHE. High explosives can be detonated in abnormal thermal pressure or shock environments.

That can be a danger in a crash situation or a fire situation.

As the Drell panel noted, "In certain violent accidents, such as airplane fires or crashes, HE has a high probability of detonating, in contrast to IHE." The Drell panel concluded that:

> . . . replacing warheads with HE with new systems with IHE is a very effective way—perhaps the most important step—for improving safety of the weapons stockpile from scattering plutonium.

IHE was first introduced in 1979 in the stockpile. As of early 1990, only 25 percent of the stockpile was equipped with IHE. Incorporating IHE in the stockpile could require design changes and, thus, the requirement to retest the weapon to ensure its ability to accomplish its military requirement.

So, Mr. President, both for reliability reasons and for safety reasons, some limited testing is necessary.

There has been a lot of quotation here of the so-called—I should not say "so-called"—of the experts on the subject, because experts will differ in their opinions and the JASONs are all experts and so are the directors of the laboratories.

I quoted the statistics from the Lawrence Livermore Laboratory and the Los Alamos Laboratory. One of my colleagues said the lab directors are against this. The lab directors are for it. Ask Sig Hecker, who is the director today of the Los Alamos Laboratory. Some of the quotations were for previous directors. This is the current director of Los Alamos, and he says we ought to have testing.

You can find whatever you want to in the JASON report, but what my colleague from Nevada is quoting from is the most recent report. It is the draft July 1995 report. That is the most recent report.

Of course, they point out the fact that there are some advantages and some disadvantages, but one of their conclusions is that experiments involving—actually let me read the first sentence, because it will support the position of the Senator from Nebraska. I do not want to quote selectively, I am going to quote the whole thing:

> Underground testing of nuclear weapons at any yield level below that required to initiate boosting is of limited value to the United States.

They are talking about these very low yield kind of tests.

But they go on:

> However, experiments involving high explosives and fissionable material that do not reach critical—

The ones we are talking about—

> are useful in improving our understanding of the behavior of weapons materials under relevant physical conditions. They should be included among treaty consistent activities.

That is the most recent JASON report. Obviously, they discussed all of the pros and cons, and there are pros and cons of this kind of testing.

Let me just conclude with two points, Mr. President. The Senator from Nebraska, in his opening remarks, talked about the wishy-washy advisers of the President. I think who he had in mind—he can correct me if I am wrong—is the Secretary of Defense William Perry, perhaps among others. If the Senator would like to correct me right now.

Mr. EXON. The Senator is wrong, but he has a right to be wrong.

Mr. KYL. Will the Senator tell me who he meant when he referred to the wishy-washy advisers to the President?

Mr. EXON. There are a whole group of wishy-washy advisers to the President. I talked about people inside the Pentagon. The Secretary of Defense supports my position. I hope you are not saying the Secretary of Defense supports your——

Mr. KYL. Yes, I am going to say that.

Mr. EXON. You are wrong. You have a right to be wrong.

Mr. KYL. Because the Secretary of Defense and the Defense Department in May of this year had suggested to the administration the desirability of these kinds of tests. When the issue went to the National Security Council and the highest counsels, including the President, the Defense Department recommendations were shelved, they were overruled.

As a result, we are not going to go forward with these tests, although the most recent Defense Department document in July of this year, which I can quote to you, does refer to the continuing open issue as to whether we should go forward.

But in any event, I find it interesting that this is the same Secretary of Defense who was so relied upon yesterday in the debate on missile defense and find it ironic that some people on the floor were suggesting that the reason we did not need missile defenses is because we could rely upon our triad, our nuclear triad. You cannot have it both ways. If you are not going to test reliability and safety of the triad, then you should be supporting missile defense. If you are not going to support missile defense, then you ought to be supporting the effectiveness of our nuclear triad.

Mr. President, I want to conclude at this point. The whole phrase, the whole concept of stockpile stewardship implies a responsibility. That is what stewardship means. And these are the most complex weapons in our inventory. As I said, we test guns and planes and ships regularly. It is called readiness. I cannot believe that we are arguing here about a 1-to-4 pound test that does not reach criticality, where, by definition, the conventional yield is greater than the nuclear yield, and it seems to me, therefore——

The PRESIDING OFFICER (Mr. INHOFE). The Senator's time has expired.

Mr. KYL. The Senate ought to support the committee position and reject the position of the Senator from Nebraska.

Mr. THURMOND. I yield 3 more minutes to the able Senator.

Mr. KYL. I thank the chairman for yielding. I will take 30 seconds of that time.

Let me say this. We all wish the nuclear genie had not been let out of the bottle, but it was. I noted with interest, Senator HATFIELD, Senator EXON, and others commented about their experience in World War II and glad that President Truman made the decision he did, which probably brought that horrible war to a conclusion much faster than it would have been, and thank God the weapon he chose to use worked.

All we are saying is, in the future, 30 years from now we better know that the weapons we rely on in our stockpile will work. To do that, we need to be prepared to conduct the very limited tests, and that is going to require the limited money included in the bill for this purpose. That is why we need to reject the Exon amendment.

The PRESIDING OFFICER. Who yields time? The Senator from South Carolina.

Mr. THURMOND. I yield 12 minutes to the able Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. BRYAN. I thank the Chair, and I thank the distinguished chairman of the Senate Armed Services Committee.

Mr. President, I rise in strong opposition to the amendment offered by my good friend, the senior Senator from Nebraska. During the course of the debate this morning, references have been made to the 50th anniversary of the end of World War II and the use of nuclear weapons at Hiroshima and later Nagasaki. Let me say, I think those references have absolutely nothing to do with what we are talking about today.

We are not debating whether we should resume underground testing, as it has been historically known at the Nevada test site. That is not the issue before us today. We are not debating about the prospect of developing new nuclear weapons. The issue, I think, that was framed so artfully by the distinguished junior Senator from Arizona, the question today is the safety and reliability of the nuclear arsenal.

No scenario that I am familiar with contemplates a future in terms of our armed service deterrent that does not include our nuclear arsenal. So safety and reliability is essential and critical.

As a member of the Armed Services Committee, I have joined my colleagues on a number of occasions questioning the Department of Energy and the Department of Defense officials regarding our plans to maintain the safety and reliability of our nuclear weapons stockpile in the absence of nuclear testing.

In hearing after hearing, the answer came back that we simply do not know. Mr. President, no one in this body can state with categorical certainty that our nuclear weapons arsenal has suddenly become safe and reliable for the foreseeable future, and that there is no need to continue to ascertain the safety and reliability of that nuclear stockpile.

Nuclear weapons, by their very nature, are extraordinarily complex systems. We simply do not understand the effects of aging on many components that make up each nuclear device. Those who designed the nuclear weapons planned for our enduring stockpile did not contemplate the maintenance of these systems past their designed life. Our national labs, which are ultimately responsible for certifying the safety and effectiveness of our nuclear weapons systems, have initiated a science-based stockpile stewardship program, which aims to give us the information we need to know about the nuclear stockpile without nuclear testing.

Many of my colleagues are familiar with these new strategies, including the National Ignition Facility, the ATLAS, the DAHRT, and many others. Once these facilities are up and running, the labs anticipate the ability to obtain much of the data previously gathered through nuclear testing without performing nuclear tests. But science-based stockpile stewardship has never been considered as a complete substitute for all types of nuclear tests or experiments for a number of reasons.

Even when the science-based stockpile stewardship program is fully implemented, there will still be gaps in the type of knowledge our labs need to gather. It is a common misperception that the new simulator technology, anticipated to become available soon, will, in effect, simply simulate nuclear tests and allow us to gather all of the same data that a nuclear test may provide. Mr. President, nothing could be further from the truth. Each of the components of the science-based stockpile management program will provide some of the data, which are issues of concern, such as certifying the safety and effectiveness of our weapons system. None will provide all the data, and even the combination of all of the new technologies currently being considered will not eliminate the need for certain types of actual testing with nuclear materials.

Given the high level of uncertainty that remains regarding science-based stockpile stewardship, the Senate Armed Services Committee has taken a very reasonable and responsible approach in the legislation currently before the Senate. The committee directs preparations to conduct nuclear testing should this type of testing become necessary. The bill does not direct hydronuclear testing, and hydronuclear tests would still have to be approved by the President of the United States under current law.

It is, in my judgment, reckless for our Nation to hold thousands of the most powerful and dangerous weapons known to mankind and not have the knowledge or understanding of how to maintain them.

Another concern regarding this amendment is its affect on the Nevada test site and the unique capabilities this complex brings to the U.S. national security effort. The DOE stated its intention to allow the readiness of the Nevada test site to slip from 6 months up to 3 years. The Nevada testing facility is a unique resource, and the Nation's investment in it must be protected. Personnel at the Nevada test site are a small community of highly specialized workers with expertise found nowhere else in the world. This capability is irreplaceable and must not be risked. The combination of an aging stockpile and the decaying nuclear weapons expertise at the Nevada test site and at the labs pose a direct threat to the safety and reliability of our stockpile.

It is important to note that hydronuclear testing would not lead the United States on a path to violate the Comprehensive Test Ban Treaty, as has been suggested by some of our colleagues.

While negotiation positions are generally regarded as classified, it has been reported in the media that the United States favors a limit under the CTB of hydronuclear tests with less than 4 pounds of nuclear yield. Other nations apparently want a much higher yield.

It has been reported in the press that Great Britain wants up to 100 pounds, Russia wants tests up to 10 tons, and France wants tests allowed up to 100 to 200 tons.

At this point, there is simply no way to predict how the final CTB may be negotiated. Even with the hydronuclear testing program, the United States can remain in full compliance with all current international agreements and the likely future provisions of any CTB.

In fact, the Armed Services Committee report language specifies "treaty complaint" hydronuclear tests.

We must remember that even if START II is ratified, the United States will continue to maintain a stockpile of thousands of nuclear weapons.

The reliability of these weapons forms the basis of their existence as a strategic deterrence. As our stockpile of nuclear weapons is reduced, the reliability of each nuclear weapon becomes even more critical to an effective deterrence.

It is possible that only through hydronuclear testing at the Nevada test site can we have adequate assurance that our nuclear weapons will function as expected if a time should ever be needed to use them in a crisis.

Almost one-half of the nuclear weapons systems developed since 1970 have needed nuclear testing to correct or evaluate defects. Clearly, this amendment could seriously hamper our confidence in our nuclear weapons stockpile.

Mr. President, I am afraid this amendment may, in some part, be motivated by a misunderstanding of what the committee hoped to accomplish by adding funding to the stockpile stewardship account for hydronuclear testing.

While the terminology may be confusing, the committee does not envision a resumption of the type of nuclear tests that we have become familiar with over the years. These are not full-scale tests of nuclear weapons, nor are they intended to test for new weapon designs.

Very small hydronuclear tests may, for example, test whether dropping a weapon would result in a nuclear detonation—a test that, I suggest, should hardly raise nonproliferation concerns.

Such tests are not designed to improve our ability to use nuclear weapons against any future enemy. They are designed to protect those in the Armed Forces or the general public who may be put at risk by an unsafe or deteriorated weapon.

Other experiments, slightly larger, but still nowhere near the level of a full-scale test, and still completely consistent with our treaty obligations, could test the so-called "boost" provided by the tritium components of a weapon.

Some have argued that such tests are largely irrelevant; the claim is made that it makes little difference if the yield of the nuclear weapon deteriorates only slightly over the period of time. The answer to that, Mr. President, is that we simply have no assurance, however, that an old weapon will experience only a slight reduction in yield.

While everyone hopes and assumes that we will never use a nuclear weapon again, it is simply unconscionable not to provide our military planners the confidence they need in the anticipated yields of our nuclear weapon systems.

Again, I urge my colleagues to vote against the amendment offered by the senior Senator from Nebraska.

I yield the floor and the remainder of my time to the able chairman of the Senate Armed Services Committee.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield Senator KEMPTHORNE 10 minutes.

Mr. KEMPTHORNE. Mr. President, I thank the chairman of the Armed Services Committee. With regard to this debate, there is a reality, and the reality is that we have a nuclear arsenal. It exists. Now, perhaps through START Treaties we are going to see a reduction of the nuclear warheads. I think we all want to see that continue. But the reality is, we have a nuclear arsenal. And the reality is, Mr. President, it is the oldest stockpile in our history. Yet, we want to make sure that we maintain the safety and the reliability of that stockpile.

Talk about scenarios of disaster, what happens if you have an unreliable situation occur with a nuclear stockpile? Right now, we have a high level of confidence. As we continue each year, the confidence level goes down.

It is analogous to having an automobile that is working well today; does that mean we should then shut down all garages and diagnostic centers? No, because the automobile is a machine, and it will need to have monitoring and repair, just as this machine that we have of the nuclear arsenal will need.

These hydronuclear tests with a yield of about 4 pounds—and I agree with the Senator from Nevada, I support, if there is need for clarification, that it is not more than 4 pounds— these 4-pound tests should more accurately be called experiments. These are safety experiments. These experiments give detailed data about how a weapon is aging. This data is then used to draw decisions about the safety and reliability of the weapon.

These experiments are compatible with the ongoing negotiations for a comprehensive test ban. Indeed, during a recent discussion with the DOD Under Secretary Curtis, he pointed out that hydronuclear experiments will be compatible with a comprehensive test ban.

Moreover, during the previous moratorium, an underground test from 1958 to 1961, the United States conducted hydronuclear tests at the Los Alamos National Laboratory. In testimony this year, Dick Reis, the Department of Energy official in charge of defense programs, acknowledged that there is no guarantee that the proposed Science-Based Stockpile Stewardship Program will work.

What does that mean—the Science-Based Stockpile Stewardship Program? This is a program that has to come up with computer modeling, physics machines, to understand the aging of weapons. It will take about 10 years to put this science-based stockpile reliability program in place. And then perhaps another 10 years to determine its accuracy. Ten years before we will have it in place, and another 10 years to determine its accuracy. That is a total of 20 years, Mr. President.

The design life of our nuclear stockpile is 20 years, roughly. Unfortunately, that clock is not just starting.

As I said, we have the oldest stockpile in our history. So in 4 years, 5 years, when we hit the year 2000, many of the elements to that arsenal will have reached their design life capacity.

That does not mean they will no longer be of value to us, but again the confidence level goes down.

Dick Reis informed the Armed Services Committee on May 16, "The history of the stockpile has shown that the continuous surveillance, repair and replacement of components and subsystems is commonplace."

We are spending billions of dollars on Trident submarines, on D-5 missiles, upgrades to the Minuteman missile, but without a safe and reliable nuclear stockpile, all of this investment could be for naught.

The bill now on the floor authorizes almost $200 million to maintain the Nevada test site in a state of readiness. The current administration policy says we must be able to conduct an underground test at the test site within 3 years of a decision to test. The investment to maintain the test site requested by the President allows us to leverage that investment and conduct these experiments at minimum cost.

On May 16, the Director of the Los Alamos Laboratory, Dr. Hecker, testified before the Armed Services Committee. As part of his written testimony, Dr. Hecker provided the committee with a document entitled "Nuclear Weapons Stewardship: Los Alamos National Laboratory."

Page 18 of this document states:

> Hydronuclear experiments include some fissile material but no nuclear explosion. Only small amounts of energy are released. They are used to assess primary performance and safety. These experiments are important for two reasons: They can be used, (1) to directly address the nuclear detonation safety of the stockpile weapon; and, (2) to provide important benchmark performance measures. Our plan is to gather baseline, hydrodynamic and hydronuclear data on all stockpiled weapons systems.

In other words, hydronuclear tests are an important component of the new Science-Based Stockpile Stewardship Program.

Mr. President, will we continue to oppose hydronuclear experiments after a comprehensive test ban treaty is signed? In other words, are we going to exclude these experiments from all future stockpile stewardship activities?

I do not believe that is the position of the Clinton administration. I do not believe it is the position of the Armed Services Committee. Given the uncertainties in the Science-Based Stockpile Stewardship Program and the time lag before this program provides meaningful data, the Armed Services Committee took what it believes to be the prudent step of providing funds to prepare for hydronuclear experiments that are compatible with the comprehensive test ban treaty, to stem the inevitable decline in the confidence of our nuclear stockpile.

There has been a great deal of reference as to what is the amount that we are going to be testing—400 pounds, 4,000 pounds, 40,000 pounds. Again, it is 4 pounds. I will reference in the bill itself, page 383, section 3165, Report on Hydronuclear Testing:

> The committee directs that the Secretary of Energy is to move forward with the "preparation of a comprehensive report" by the directors of the two nuclear weapons design laboratories on the relative costs and benefits of alternative limits on the permitted levels of hydronuclear testing to include 4 pounds, 400 pounds, 4,000 pounds, 40,000 pounds of yield.

But it is a report. It is a report on the cost and benefit analysis.

Then it goes on to say:

> The committee requests the preparation of a single report with additional and/or dissenting views by each director as they deem appropriate. The report should be delivered to the congressional defense committees, the Secretaries of Defense and Energy and the Commander in Chief of the U.S. Strategic Command for their comments.

That is what is in here. Again, Mr. President, in summary, we have nuclear stockpile. It is the oldest in our history. We better ensure the safety and the stability of that stockpile. The way they are proposing they will do that is to now come up with a computer model program that is 10 years away from now.

We are simply saying that one component that will help us is the hydronuclear experiments of not more than 4 pounds. If that is not a very realistic and responsible approach, I do not know what is.

I yield the balance of my time back to the chairman of the Armed Services Committee.

Mr. THURMOND. I yield 7 minutes to the able Senator from Texas.

Mrs. HUTCHISON. Thank you, Mr. President. I thank the Senator from South Carolina.

Mr. President, I rise to speak about the importance of maintaining a safe and reliable U.S. nuclear deterrent, and in opposition to the amendment offered by my friend, the senior Senator from Nebraska.

Mr. President, the issue is not testing of new weapons. It is assuring a credible U.S. nuclear deterrent. If the United States is to maintain a nuclear weapons capability, we must be able to assure the safety and reliability of our existing stockpile.

Unless we have the capability to continue experiments and testing, we cannot ensure either. We must continue to make needed investments in nuclear weapons stockpile maintenance.

Nothing in the bill that is pending before us will violate any treaty or obligation, nor will it violate self-imposed moratorium on nuclear testing. Hydronuclear testing will not violate any existing U.S. treaty commitments, nor would it violate the Comprehensive Nuclear Test Ban Treaty that we are trying to negotiate. But such testing does provides the essential margin of safety we need—short of the resumption of full-scale nuclear testing. I would add that the President has reserved the right to resume testing, if deemed to be vital to our national security interests and maintenance of our nuclear deterrent.

The amendment that has been proposed will nullify our ability to assure to stockpile safety and reliability. We will not get to the goal of a comprehensive nuclear test ban treaty if we unilaterally preclude ourselves from conducting essential stockpile maintenance and reliability, including hydronuclear testing.

One critical component of U.S. nuclear stockpile management is the Pantex Nuclear Weapons Plant, a Department of Energy [DOE] facility located in Amarillo, TX. The Pantex plant, along with Savannah River, Y-12 and the Kansas City plant, is one of the few remaining production sites with existing infrastructure and capabilities that, if upgraded in place, can cost-effectively and meet the needs of nuclear weapons stockpile management and missile material disposition requirements identified in the Defense Department's Nuclear Posture Review.

However, Mr. President, I remain very concerned that the Department of Energy's published 5-year budget plan calls for cuts in weapons activities of up to 40 percent in fiscal year 1997 and beyond. The DOE portion of the Defense authorization bill should be used for its intended purpose—to meet the nuclear deterrent capability our national security needs require.

Our nuclear weapons complex is undergoing a crucial reconfiguration. I am concerned that decisions could be made which would both compromise the integrity of our nuclear deterrent and needlessly waste billions of dollars of taxpayer money. The current and future existence and full utilization of our be preformed/tes, working with the national labs, is critical to maintaining an effective and efficient nuclear deterrent.

Pantex, as the sole site in the United States for assembly, disassembly, and maintenance of nuclear warheads, as well as the primary site for interim storage of plutonium components removed from these weapons, is key to a cost-effective, competent nuclear deterrent in a scaled-back complex. Some proposals in DOE would suggest that Pantex and the other production sites be phased out, with the Nevada test site becoming the sole production site for the complex.

This course, however, would not only deprive our country of the ability to remanufacture and deal with significant weapons production if the need ever arose, but would also result in the needless recreation of a multibillion-dollar infrastructure at Nevada which already exists at the existing production sites. By retaining and upgrading Pantex as the primary stockpile stewardship and management facility, we would also realize other cost savings, in the form of avoided transport cost and duplicative environmental, security, and safety expenditures.

We must ensure an orderly and safe transition to civilian stewardship of nuclear materials decommissioned from military use. I believe that one of the most critical national security issues facing our country today is the safe, environmentally sound, and secure storage and disposition of these materials. An example of this transition would be purification and fabrication of weapons components. Such capacity could complement a reactor for the dedicated source of tritium production, by fabricating mixed oxide fuel from plutonium components for disposition in such a reactor.

One key element to implementation of this transition for the entire complex is the National Resource Center for Plutonium, which is operated by a consortium of Texas universities. The center was funded at $9 million in fiscal year 1995, and the administration and the House-passed version of the Defense authorization bill recommended authority for $10 million in fiscal year 1996, with recommendations for continuing support in fiscal year 1997. This center enjoys a symbiotic relationship with the national labs, in its work with fissile material disposition supplements.

I would like to personally thank Chairman THURMOND and Senators LOTT and KEMPTHORNE for the outstanding work done by the Senate Armed Services Committee in bringing needed attention to nuclear stockpile management and the maintenance of our nuclear deterrent capabilities, which addresses, head-on, the concerns raised in the Defense Department's Nuclear Posture Review.

Mr. President, the position outlined in the Senate Armed Services Committee Defense authorization bill provides the Department of Energy with clear guidance to maintain and enhance our nuclear deterrent capabilities. At the same time, the bill provides direction to DOE to make the necessary decisions to clean up nuclear waste sites; to address the issue of plutonium and highly enriched uranium disposition; to consider new reactor options for disposition of fissile materials and the disposition of fissile materials—plutonium—through fabrication of mox fuel and the burning up of mox fuel in a reactor; and finally to make a rational choice, in the very near term, for a dedicated source of tritium production.

Mr. President, nuclear weapons stockpile management is a critical element in putting us on the right course to meet our critical national security requirements and this legislation sets us on the right course and gives needed direction and support to the Department of Energy. I am proud to be part of and supportive of the efforts of the Senate Armed Services Committee to address in a meaningful and realistic manner our Nation's critical national security and defense needs.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I will yield myself 3 minutes.

First, I would like to introduce letters from the Secretary of Defense and the Secretary of Energy, since their names have been mentioned, in full support of the Hatfield-Exon amendment.

I would simply also advise the Senate that, following the references made by some Senators with regard to the new JASON report, the Secretary of Energy initiated a call to me. She was very upset about the slant that was being placed on this. She has furnished me a full copy of the JASON report of August 3. I submit that at this time to be made part of the RECORD.

I ask unanimous consent the letters and the report be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, DC, July 31, 1995.

Hon. JAMES EXON,
U.S. Senate,
Washington, DC.

DEAR SENATOR EXON: Thank you for sending me a copy of your June 20 letter to President Clinton providing your views on the nuclear testing moratorium and the Comprehensive Test Ban (CTB) Treaty. I want to assure you that U.S. policy on the nuclear testing moratorium has not changed, and there are no plans to change it. Based on the assumption that a treaty will be signed before September 30, 1996, and subject to the same understandings that govern our current moratorium, the President extended the moratorium until the CTB enters into force. As you may know, the President has stated that he considers the maintenance of a safe and reliable nuclear stockpile to be a supreme national interest of the United States. We are currently reviewing how best to ensure that this mandate can be carried out, both now and in the future. Your letter provides an important perspective for our deliberations.

Sincerely,

WILLIAM J. PERRY.

THE SECRETARY OF ENERGY,
Washington, DC, August 3, 1995.

Hon. JAMES EXON,
Ranking Minority Member, Subcommittee on Strategic Forces, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR SENATOR EXON: As the Senate considers provisions relating to hydronuclear experiments in S. 1026, the "National Defense Authorization Act for Fiscal Year 1996," as reported by the Senate Armed Services Committee, I wanted to reiterate that the President's Fiscal Year 1996 budget request included no funds to conduct hydronuclear experiments. The Administration stands behind its budget request.

Sincerely,

HAZEL R. O'LEARY.

NUCLEAR TESTING

(Prepared by JASON, the MITRE Corp; Sidney Drell, Chair, John Cornwall, Freeman Dyson, Douglas Eardley, Richard Garwin, David Hammer, John Kammerdiener, Robert LeLevier, Robert Peurifoy, John Richter, Marshall Rosenbluth, Seymour Sack, Jeremiah Sullivan, and Fredrik Zachariason; Aug. 3, 1995)

1 (U) SUMMARY AND CONCLUSIONS

(U) We have examined the experimental and analytic bases for understanding the performance of each of the weapon types that are currently planned to remain in the U.S. enduring nuclear stockpile. We have also examined whether continued underground tests at various nuclear yield thresholds would add significantly to our confidence in this stockpile in the years ahead.

(U) Our starting point for this examination was a detailed review of past experience in developing and testing modern nuclear weapons, their certification and recertification processes, their performance margins,[1] and evidence of aging or other trends over time for each weapon type in the enduring stockpile.

CONCLUSION 1

(U) The United States can, today, have high confidence in the safety, reliability, and performance margins of the nuclear weapons that are designated to remain in the enduring stockpile. This confidence is based on understanding gained from 50 years of experience and analysis of more than 1000 nuclear tests, including the results of approximately 150 nuclear tests of modern weapon types in the past 20 years.

(U) Looking to future prospects of achieving a Comprehensive Test Ban Treaty (CTBT), a stated goal of the United States Government, we have studied a range of activities that could be of importance to extending our present confidence in the stockpile into the future. We include among these activities underground experiments producing sub-kiloton levels of nuclear yield that might be permitted among the treaty-consistent activities under a CTBT.

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[1] Footnotes at end of article.

(U) Three key assumptions underlie our study:

1. (U) The U.S. intends to maintain a credible nuclear deterrent.
2. (U) The U.S. remains committed to the support of world-wide nonproliferation efforts.
3. (U) The U.S. will not encounter new military or political circumstances in the future that cause it to abandon the current policy—first announced by President Bush in 1992—of not developing any new nuclear weapon designs.

CONCLUSION 2:

(U) In order to maintain high confidence in the safety, reliability, and performance of the individual types of weapons in the enduring stockpile for several decades under a CTBT, whether or not sub-kiloton tests are permitted, the United States must provide continuing and steady support for a focused, multifaceted program to increase understanding of the enduring stockpile; to detect, anticipate and evaluate potential aging problems; and to plan for refurbishment and remanufacture, as required. In addition the U.S. must maintain a significant industrial infrastructure in the nuclear program to do the required replenishing, refurbishing, or remanufacturing of age-affected components, and to evaluate the resulting product; for example, the high explosive, the boost gas system, the tritium loading, etc. Important activities in a stockpile stewardship program that will sustain a strong scientific and technical base, including an experienced cadŕe of capable scientists and engineers, are described in the body of this study.

(U) The proposed program will generate a large body of technically valuable new data and challenging opportunities capable of attracting and retaining experienced nuclear weapons scientists and engineers in the program. This is the intent of DOE's currently planned stockpile stewardship program.[2] For the success of this program, the management of the three weapons laboratories (LANL, LLNL, SNL) must motivate, support, and reward effort in an area that has lost some of its glamor and excitement in the absence of new nuclear design and test opportunities.

(U) Nevertheless, over the longer term, we may face concerns about whether accumulated changes in age-affected weapons components, whose replacements might have to be manufactured by changed processes, could lead to inadequate performance margins and reduced confidence in the stockpile.

(U) Enhancements of performance margins will add substantially to long-term stockpile confidence with or without underground tests. To cite one example, we can adjust the boost gas fill or shorten the time interval between fills. (This is discussed more fully in the classified text.)

CONCLUSION 3:

(U) The individual weapon types in the enduring stockpile have a range of performance margins, all of which we judge to be adequate at this time. In each case we have identified opportunities for further enhancing their performance margins by means that are straightforward and can be incorporated with deliberate speed during scheduled maintenance or remanufacturing activities. However greatest care in the form of self-discipline will be required to avoid system modifications, even if aimed at "improvements", which may compromise reliability.

(U) This brings us to the issue of the usefulness, importance, or necessity of reduced-yield (less than 1 kiloton) underground tests for maintaining confidence in the weapon types in the U.S. stockpile over a long period of time.

(U) For the U.S. stockpile, testing under a 500 ton yield limit would allow studies of boost gas ignition and initial burn, which is a critical step in achieving full primary design yield. The primary argument that we heard in support of the importance of such testing by the U.S. is the following: the evidence in several cases and theoretical analyses indicate that results of a sub-kiloton (~ 500 tons) test of a given primary that achieves boost gas ignition and initial burn can be extrapolated to give some confidence in the yield of an identical primary with full boosting. Therefore, if a modified or remanufactured primary is introduced into the stockpile in the future to correct some aging problem, such tests on the modified system would add to confidence that the performance of the new primary is still adequate.

(U) It follows from this argument that the utility to the U.S. of testing at yields of up to approximately 500 tons depends on such tests being performed on a continuing basis and yielding reproducible results. If they are permitted only for a few years, such tests could add to the theoretical understanding of the boosting process and the reliability of the computer-codes that attempt to describe it, but would not contribute directly to the reliability of the weapon in the enduring stockpile in view of the possible manufacturing changes made at a later date. To gain evidence as to whether long-term changes in age-affected weapons components have any impact on boost-performance the tests would have to be made with the remanufactured weapons themselves.

CONCLUSION 4:

(U) In order to contribute to long term confidence in the U.S. stockpile, testing of nuclear weapons under a 500 ton yield limit would have to be done on a continuing basis, which is tantamount to remaking a CTBT into a threshold test ban treaty. While such ongoing testing can add to long term stockpile confidence, it does not have the same priority as the essential stockpile stewardship program endorsed in Conclusion 2, nor does it merit the same priority as the measures to enhance performance margins in Conclusion 3. In the last analysis the technical contribution of such a testing program must be weighed against its costs and its political impact on the non-proliferation goals of the United States.

CONCLUSION 5:

(U) Underground testing of nuclear weapons at any yield level below that required to initiate boosting is of limited value to the United States. However experiments involving high explosives and fissionable material that do not reach criticality are useful in improving our understanding of the behavior of weapons materials under relevant physical conditions. They should be included among treaty consistent activities that are discussed more fully in the text.

(U) This conclusion is based on the following two observations.

(U) [(a)] So-called hydronuclear tests, defined a limited to a nuclear yield of less than 4 lbs TNT equivalent, can be performed only after making changes that drastically alter the primary implosion. A persuasive case has not been made for the utility of hydronuclear tests for detecting small changes in the performance margins for current U.S. weapons. At best, such tests could confirm the safety of a device against producing detectable nuclear yield if its high explosive is detonated accidentally at one point. We find that the U.S. arsenal has neither a present nor anticipated need for such re-confirmation. The existing large nuclear test data base can serve to validate two- and three-dimensional computational techniques for evaluating any new one-point safety scenarios, and it should be fully exploited for this purpose.

(U) [(b)] Testing with nominal yields up to a 100-ton limit permits examination of aspects of the pre-boost fission process. However, this is at best a partial and possibly misleading performance indicator.

(U) An agreement to limit testing to very low yields raises the issue of monitoring compliance. We have not made a detailed study of this issue, but not the following: Cooperative, on-site monitoring would be necessary, and relevant measurements, including for example neutron yields, could be made without compromising classified information on bomb designs.

(U) We have reviewed the device problems which occurred in the past and which either relied on, or required, nuclear yield tests to resolve.

CONCLUSION 6:

(U) For the weapon types planned to remain in the enduring stockpile we find that the device problems which occurred in the past, and which either relied on, or required, nuclear yield tests to resolve, were primarily the result of incomplete or inadequate design activities. In part, these were due to the more limited knowledge and computational capabilities of a decade, or more, ago. We are persuaded that those problems have been corrected and that the weapon types in the enduring stockpile are safe and reliable in the context of explicit military requirements.

(U) Should the U.S., in future, encounter problems in an existing stockpile design (which we do not anticipate at present) that are so serious as to lead to unacceptable loss of confidence in the safety, effectiveness, or reliability of a weapons type, it is possible that testing of the primary at full yield, and ignition of the secondary, would be required to certify a specified fix. Useful tests to address such problems generate nuclear yields in excess of approximately 10 kT. DOE's currently planned enhanced surveillance and maintenance program is intended to alert us to any such need that may arise. A "supreme national interest" withdrawal clause that is standard in any treaty to which this nation is a signatory would permit the U.S. to respond appropriately should such a need arise.

CONCLUSION 7:

(U) The above findings, as summarized in Conclusions 1 through 6, are consistent with U.S. agreement to enter into a Comprehensive Test Ban Treaty (CTBT) of unending duration, that includes a standard "supreme national interest" clause. Recognizing that the challenge of maintaining an effective nuclear stockpile for an indefinite period without benefit of underground tests is an important and also a new one, the U.S. should affirm its readiness to invoke the supreme national interest clause should the need arise as a result of unanticipated technical problems in the enduring stockpile.

FOOTNOTES

[1] Defined as the difference between the minimum expected and the minimum needed yields of the primary.

[2] See the 1994 JASON Report JSR-94-345 on "Science Based Stockpile Stewardship".

Mr. EXON. I just want to summarize what the situation is with regard to this report. Senator REID, Senator KYL, and probably others have confused the just-completed JASON report. But they did not reveal the full story. They are simply wrong, and they are comparing oranges with lemons. The entire quotation in the JASON report just put out, on hydronuclear testing, is as follows:

> A persuasive case has not been made for the utility of hydronuclear tests for detecting small changes in the performance margin for current U.S. weapons.

So the newest JASON report does not endorse nuclear tests. Also, the particular quotation used by the Senator lacks accuracy. When they quote the JASON report as saying, "However, experiments involving high explosives and fissionable material that do not reach criticality are useful in improving our understanding of * * * weapons materials," the Senator fails to mention the most important point, that the experiments that do not reach criticality are not hydronuclear tests. They are not hydronuclear tests.

I simply point out that the portion of the report that the Senator quotes deals with experiments that are not hydronuclear in any way. Again, the JASON report is very clear. I quote from it.

> A persuasive case has not been made for the utility of hydronuclear tests . . .

I hope this begins to set the record straight. I yield 5 minutes to my colleague from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, first let me thank the Senator from Nebraska for yielding but also, most important, for the legislative initiatives which he and Senator HATFIELD and others have taken over the years to try to stop the proliferation of nuclear weapons through a comprehensive ban on nuclear testing. And they are related. And that is the whole issue.

We recently were able to obtain the continuation of the Nuclear Nonproliferation Treaty. We fought really hard for that and we got other nations to go along with it. We did so based on our commitment to a comprehensive test ban treaty. We are in no position to tell other nations that they cannot have nuclear weapons, even though we do, if we are going to ignore our commitments to them to obtain a comprehensive test ban—emphasis on the word "comprehensive"—when that commitment to them and that representation to them was part and parcel of our getting a nonproliferation treaty. That is the issue. It is the proliferation of nuclear weapons.

That is why the statement that was made by the DOD and DOE scientific advisory group—called JASON—relative to hydronuclear tests, is so important. I am going to read that again because this, to me, is really the heart of the issue. We are talking about hydronuclear tests. This is what they said just last November:

> The very limited added value of hydronuclear tests have to be weighed against costs and against the impact of continuing an underground testing program at the Nevada test site on U.S. nonproliferation goals.

That is what they say. This is the JASON group which has been referred to so many times this morning. These are the scientists that advise the DOE and DOD, and this is the weighing process, the limited added value, of which there is some. Everyone concedes that tests have value. The question is, Do the benefits outweigh the costs? We have done a lot of that in regulatory reform lately talking about cost-benefit analysis.

So what our DOD and DOE scientists did last November was weigh the benefits, the limited added value of hydronuclear tests against the costs. That is, in their words, the impact of continuing that program, an underground testing program at the Nevada test site on U.S. nonproliferation goals.

What is their conclusion? Now I am quoting JASON:

> On balance, we oppose hydronuclear testing.

Why? These are their words:

> Since hydronuclear tests would be potentially more valuable to proliferants, it would be in our national interest to forego them.

That, for me, is the bottom line. We have spent a lot of time here trying to figure out how we can defend against nuclear weapons, either in the theater system, short-range missiles delivering them, or in long-range missiles delivering them.

This body I think is darned near unanimous on how we are going to try to defend against theater missiles. We are very much divided as to the best way to defend against the long-range missiles. But proliferation is the greatest threat in the future to this country—proliferation of nuclear weapons.

Our best scientists say hydronuclear tests are potentially more valuable to proliferants—the bad guys—than they are to us and, therefore, it would be in our national interest to forego them.

What the current JASON report says in this is the one that was quoted by our good friend from Nevada. He quoted the section that relates to tests which have no nuclear yield, tests which do not reach criticality. That is not the issue before us. Those are hydrodynamic tests. Those are not hydronuclear tests. Those have zero nuclear yield. There is no criticality. And he read a section of the report that was just released last night which said, "Experiments involving high explosives and fissionable material that do not reach criticality are useful in improving our understanding in behavior of weapons."

That is true. But there is no downside on that. That is not a nuclear test. That is not a nuclear experiment. That does not reach criticality. There is no nuclear yield.

The next page of this same most recent report is the one that Senator EXON has just quoted from reasserting the conclusion of the JASON group against hydronuclear testing.

I thank the Chair. I thank my friend from Nebraska.

The PRESIDING OFFICER. Who yields time?

Mr. PELL addressed the Chair.

Mr. EXON. I yield 1 minute to the Senator from Massachusetts, and following that, 1 minute to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I support the Exon amendment to delete the section on nuclear testing. For the second time in 2 days we are addressing provisions of the committee bill that go against the tide of history, and would send us back to the days of the cold war and the nuclear arms policies of that period.

In April, the United States reached a new milestone with the permanent extension of the Nuclear Non-Proliferation Treaty. This treaty, first signed in 1968, is a solemn agreement by 178 nations to halt the spread of nuclear weapons.

Achieving this goal was not a foregone conclusion when the treaty extension conference commenced. The five nuclear weapons states agreed to work in good faith for a comprehensive test ban in 1996. It was understood by all the nations at the conference that a test ban will be the single most important step we can take to ensure that the non-proliferation treaty will be observed and maintained.

The bill and the Thurmond amendment calling for the administration to prepare for nuclear tests runs directly contrary to the principle we accepted at the non-proliferation conference. Some argue that test in question—called a hydronuclear test—is not a real nuclear test. That is not true in terms of physics, and it is not true in terms of public policy.

In physics, a hydronuclear test is a very low yield explosion, but it is a nuclear explosion nonetheless. Moreover, it is a type of explosion that the United States does not need to maintain the safety and reliability of our nuclear arsenal. This view has been stated and reaffirmed by Energy Secretary Hazel O'Leary, and by many technical experts, including the JASON panel. We can use alternative methods, such as advanced simulations and other nonnuclear technical means, to ensure the safety and reliability of our stockpile.

In terms of public policy, a hydronuclear test is clearly regarded as a nuclear explosion by many of the signatories to the NPT. They have made it clear that they will not accept a Comprehensive Test Ban Treaty that allows for hydronuclear tests.

That is the reality. Some may wish it was otherwise. In the past, I have suggested that such tests, if small enough, might be acceptable under a comprehensive test ban. But clearly other nations disagree, and the goal of a comprehensive test ban is too important to lose.

The Exon amendment will enable us to take the next important step in the post-cold war era— the achievement of a comprehensive test ban that will serve as the cornerstone in that all important battle to prevent the proliferation of nuclear weapons. I urge the adoption of the amendment.

This is a sound, sensible amendment. I hope that it will be agreed to.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I support the amendment being offered by the Senator from Nebraska [Mr. EXON], and am pleased to be a cosponsor. This amendment would remove from the Armed Services Committee bill the requirement that $50 million be spent in preparation for hydronuclear testing.

In one respect, I believe the committee bill would set our Nation on an unfortunate course. It in effect would place the United States in a position of moving toward a new nuclear testing program. This would deflect us from the current strong administration effort to achieve a comprehensive test ban and it would send an unmistakable signal to other nations of the world that the United States is not serious and purposeful in its quest of a test ban.

Those who joined with us in the decision this spring to extend the Non-Proliferation Treaty could come to no other conclusion than that the United States had acted in bad faith in order to secure approval of extension of the treaty. This would be an unfortunate effect of any such decision to go forward with a testing program that simply is not needed to safeguard our national security.

Mr. President, I believe that this amendment will leave the way open to the successful completion of test ban negotiations in Geneva. That negotiation is in process now with the goal of achieving a comprehensive test ban next year.

I would hope that such a ban can be in place by October 1, 1996, as envisaged in legislation over the last several years. Until that time, I would hope that the United States would continue to adhere to the present moratorium on nuclear testing. I believe that the President should be commended strongly for his steadfastness in this regard.

Some years ago President John F. Kennedy reached a breakthrough agreement with the Soviet leadership that brought the first agreed limit on nuclear testing. That agreement, the Limited Test Ban Treaty of 1963, forbade nuclear testing in the atmosphere, in outer space, and under water. It allowed testing only underground and required that testing be done in such a way that the world be spared from radioactive poisoning from the debris of nuclear tests.

Moving beyond that Limited Test Ban Treaty has been difficult and tortuous. President Nixon accomplished the Threshold Test Ban Treaty in 1974 and his successor, President Ford, negotiated the Peaceful Nuclear Explosions Treaty. It took more than 10 years to get these treaties ratified and in place.

Currently, the five nuclear powers are following different courses. We and the British, who must use our testing site, are adhering to a moratorium. The Russians are also adhering to a moratorium. The Chinese are following a nuclear testing program in anticipation that a test ban may be achieved. The French have just unleased a political firestorm in the Far East by announcing a series of tests in the South Pacific.

Earlier this year the President of the United States made the very wise decision to abandon U.S. efforts to negotiate a treaty with a provision allowing an easy exit from the treaty at the 10-year mark. This provision could accommodate those who would like a comprehensive test ban to be effective and in force for only 10 years. Nonetheless it worried those nations who fear that the nuclear superpowers do not, in fact, intend to end nuclear testing for all time. The President understood these concerns and decided to negotiate a treaty without an easy exit. As is the case with most treaties, nations will be able to get out of the treaty if they find their supreme national interests are jeopardized.

Unfortunately, there have been protracted discussions on whether to allow exceptions under the treaty and what kind of exceptions they should be. Some of the parties would like to see a reduced threshold for nuclear testing rather than elimination of testing. Some would like to see so-called peaceful nuclear explosions revived. Still others would like to see safety and reliability testing permitted. In our own country, these discussions have led from the suggestion that detonations with explosive power of several pounds be permitted. This has led still further to advocacy by some in the defense community of flexibility in the treaty that would allow hydronuclear explosions of several tons, or even hundreds of tons of explosive power.

Mr. President, we would delude ourselves if we believe that the nations of the world, having agreed to the permanent extension of the Non-Proliferation Treaty this spring at our behest, would now agree to allow continued nuclear testing under any guise. We are committed to these nations to bring nuclear testing to a halt. We should not be dissuaded from pursuing that course.

The authorization bill as written would require hydronuclear testing and essentially deflect us from our goal of a complete end to nuclear testing. The Exon amendment would get rid of this provision and allow the President to pursue the present course. I hope the Senate would have the wisdom to agree to the amendment.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I have 2 minutes left.

The PRESIDING OFFICER. Two minutes, fifty-one seconds.

Mr. THURMOND. Mr. President, I rise to support the prudent and reasonable attempt to plan for the resumption of treaty compliant hydronuclear testing, as contained in the Thurmond-Domenici amendments.

Every weapons system, indeed every machine in our technological society, requires testing. Hydronuclear testing is the only tool left to assess our confidence in the safety and reliability of the shrinking U.S. nuclear stockpile.

DOE testimony to the House states that the potential alternative to testing, science-based stewardship, is not guaranteed to work. If it does work, it will take 15 to 20 years to perfect. Given this risk, it is imprudent to give the sole remaining tool which can perform a reality check on the primary of a nuclear weapon in a dynamic environment.

No other nation should feel threatened that we feel the need to keep our weapons safe and reliable. I urge the defeat of the Exon-Hatfield amendment and demonstrate a strong support for our Nation's nuclear deterrence.

Mr. President, I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I will use 1 minute out of my leader time.

Mr. President, I ask unanimous consent that following the first of the consecutive votes, there be 4 minutes of debate equally divided between Senator THURMOND and the sponsor of each amendment before each of the remaining votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. I ask unanimous consent that the following amendments be the only first-degree amendments in order to S. 1206, and that they be limited to relevant second-degree amendments.

I will submit the list, since there are 185 amendments; 105 Democratic amendments and 80 on the Republican side.

This has been approved by both sides. At least it gets us to a limit.

I do not know how we can finish this bill. Senator THURMOND is prepared to stay all night tonight. He has a plane at 5:30 in the morning.

So we can go at least until 5:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I ask unanimous consent that the list be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

POSSIBLE AMENDMENTS—MAJORITY

Abraham: Burdensharing, manufacturing technology.

Brown: Fitzsimmons, Pakistan, Pakistan, Pueblo, Pueblo, Taiwan.

Campbell: Fitzsimmons Army Hospital.

Cohen: Information technology relevant.

D'Amato: Land conveyance, transfer of real property, waste water treatments.

Dole: JPATS.

Domenici: Energy, USMER ranchers, DNA microwave, Army ground radar, Army EAC, Flirs for customs, AF laser, spouse abuse.

Faircloth: Subtitle D.

Gramm: Relevant.

Grassley: DOD executive aircraft, reduce funding level, defense modernization account, sale of aircraft.

Helms: Battle of Midway, Fort Bragg, relevant.

Inhofe: PFNA, CATT Program.

Kempthorne: Relevant.

Kyl: Nunn-Lugar funding, Coop threat reduction.

Lott: ABM review sec. 237, relevant, relevant, relevant, hydra 70.

McCain: Land conveyance, Wyoming, Olympics, land conveyance, Montana, BRAC improvement, U.N. peacekeeping.

McCain/Campbell/Brown: __________.

Murkowski: North Korea, military housing.

Nickles-Inhofe: Ft. Sill Milcon.

Pressler: Jr ROTC, Indian reservations, relevant.

Shelby: Battlefield Integration Center, BMD Technology Center, DSETS.

Smith: DAGGR, BRAC leases, relevant.

Specter: Bosnia war crimes.

Stevens: Rules for acquisition/subcont, cargo preference.

Thurmond: Air Force Reserve, relevant, awards, report requirements, relevant (personnel), Defense Cooperative relation, relevant, relevant, relevant, relevant, relevant, relevant.

Warner: Relevant fissile materials, relevant, relevant, relevant, relevant.

Warner/Kempthorne: Nuclear spent fuel.

POSSIBLE AMENDMENTS—MINORITY

Akaka: SoS French nuclear test.

Bingaman: Funds ongoing ops., Funds TRP, Pentagon renovation, relevant, relevant, relevant.

Boxer: Military convicts, Land conveyance, Executive compensation, relevant.

Breaux: Cargo preference.

Bradley: Budget cap, F22, Comanche.

Bumpers: Relevant, relevant, relevant, Ft. Chafee.

Byrd: Relevant, relevant, relevant.

Conrad: Relevant.

Daschle: Health care, relevant, relevant.

Dorgan: Land conveyance, relevant.

Exon: Nuclear testing report, Navy nuc. fuel storage, ASAT funding.

Feinstein: Jordan draw down, repeal sec. 382, land conveyance, military const. auth. ext., defense conversion, relevant, base reuse.

Ford: ROTC.

Glenn: Service academy requirements, humanitarian assistance, defense modernization, IRIS, relevant, relevant.

Harkin: Burdensharing, civil air patrol, relevant, relevant, relevant.

Heflin: Start 1, advance technologies, test equipment.

Johnston: Relevant.

Kennedy: Relevant, relevant.

Kohl: Authorization levels, Env. advisory board.

Lautenberg: Relevant, relevant.

Leahy: Land mine moratorium, land mine clearance.

Levin: Relevant, relevant, relevant, relevant, relevant, relevant, relevant.

Mikulski: Relevant, relevant Holskid BRAC Disposal.

Nunn: J ROTC, civil military cooperative, civil military cooperative, civil military cooperative, relevant, relevant, relevant, Missile Defense, relevant, relevant.

Pell: Relevant, relevant.

Pryor: Leasing provision on closed bases, SoS director oper. test. & eval., testing of TMD, report arms export control, relevant, relevant.

Reid: Relevant, relevant.

Robb: Relevant, relevant, pilots rescue radio, reserve authorization, commercial ship research, privatization of military air.

Sarbanes: Anechoic Chamber, Pax River Ready Reserve Fleet.

Simon: IMET provision, peacekeeping funding, contingency force peace operations, land exchange.

Wellstone: Relevant.

ADJOURNMENT OF THE TWO HOUSES

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 92 just received from the House. I ask that it be read so that all Members will know what it is.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:.

A concurrent resolution (H. Con. Res. 92) providing for an adjournment of the two Houses.

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on the legislative day of Friday, August 4, 1995, pursuant to a motion made by the Majority Leader, or his designee, it stand adjourned until noon on Wednesday, September 6, 1995, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this resolution, whichever occurs first; and that when the Senate recesses or adjourns on any day beginning on Saturday, August 5, 1995, through Saturday, August 19, 1995, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand recessed or adjourned until noon on Tuesday, September 5, 1995, or until such time on that day as may be specified by the Majority Leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall, notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. DOLE. Mr. President, I ask unanimous consent that the concurrent resolution be considered and agreed to, and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So, the concurrent resolution (H. Con. Res. 92) was agreed to.

Mr. DOLE. I thank my colleague. If that took more than 1 minute, take it out of my leader's time.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The Senate continued with the consideration of the bill.

Mr. EXON. Mr. President, I ask for the yeas and nays on the Exon amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Can we get the yeas and nays on all the amendments?

Mr. EXON. I will be glad to incorporate that. I ask for the yeas and nays on all of the amendments with reference to the matter that we have been debating.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. So there will be the yeas and nays on four amendments.

Mr. THURMOND. Mr. President, I yield back any time remaining, and I am going to move to table the Exon amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. EXON. I make an inquiry of the Chair. I thought that the yeas and nays on the Exon amendment had been ordered.

Is that not correct?

The PRESIDING OFFICER. That is correct.

Mr. EXON. Then a tabling motion would not be in order at this time, would it?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that a tabling motion would be in order.

Is there a sufficient second on the tabling motion?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the Exon amendment is set aside. The Senator from Nevada [Mr. REID] is recognized to offer an amendment, on which Senator REID will control 40 minutes and Senator THURMOND will control 20 minutes.

The Senator from Nevada.

AMENDMENT NO. 2113 TO AMENDMENT NO. 2111

(Purpose: To strike the provision designating the location of the new tritium production facility of the Department of Energy)

Mr. REID. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for himself and Mr. BRYAN, proposes an amendment numbered 2113 to amendment No. 2111:

On page 29 of the amendment, strike lines 18 through 21.

Mr. REID. The record should read as on the amendment that this is offered on behalf of both Senators from Nevada.

Mr. President, I object to the section of this amendment that directs the Department of Energy to site its new tritium production facility at Savannah River.

For Members of the Senate, let me explain briefly what we are talking about. Tritium is an element that is critical to all modern nuclear weapons. However, it is radioactive and decays. Our weapons will cease to work if we do not periodically replace the tritium. We do not now in the United States have the ability, the capability to produce tritium. We must develop a new tritium source.

We are, in this amendment, striking from this Thurmond amendment the specification that this new producer of tritium shall be in Savannah River. This is not an appropriate action and certainly it is not an appropriate issue for legislative action.

Decisions like this belong with the administrative branch of our Government. Decisions like this must be based on a complete analysis of many complex technical and economic decisions. A fair and impartial assessment of alternatives for different techniques and sites is what is called for. To think that we, as a Senate, can step in without hearings, without any procedures at all to indicate what would be the proper site for this production facility would be absolutely wrong.

It is clear the reason that this is in the bill is because of the chairman of the committee being from South Carolina. There is no other reason. The fact is there are a number of sites that the Department of Energy and this administration generally are looking at to determine where would be the best place to put it. One of the sites, of course, is at the Nevada test site.

If there were a vote taken today with the people in the Department of Defense, people in the Department of Energy who are making the decision, Nevada would probably win, but that is not how these decisions are made. It is not by a vote. It is by people who are administrators, who listen to the experts who work under them and for them and with them to determine where would be the best place to site this production facility. It certainly should not be done in a site specific amendment as we are now asked to consider.

Why does South Carolina feel that they must legislate the outcome of this issue? Why should not South Carolina and the Members of this Senate be willing to take their chances that their site is the best site?

The junior Senator from New Mexico earlier today in his remarks on the underlying Thurmond amendment indicated that he would not approve of the site specific section of the bill. He said that he would support the Reid amendment, and I think that is the way it should be.

This is not some small project that you can put any place you want. This is a multibillion-dollar project. This is not a project that costs a few million dollars, a few hundred million dollars. This is a project that costs a few billion, and it is simply wrong to site it as has been done by the committee in this bill. This is a multibillion-dollar project upon which our nuclear deterrent critically depends.

As we all know, funds for all Federal projects are limited. We should not be taking such a large and significant project and turning it into a local jobs project.

I have already stated that Nevada is one of the places that is being considered for this project, and I say "considered" because I do not know what ultimately, when all the merits are added up, where this project would go. Nevada has a shot at it, of course. But we certainly cannot eliminate good science and good administration and in this bill simply say it is going to South Carolina. It is wrong. This is one of the types of things that gives Congress the name it has now. If there were ever an example of congressional pork, this certainly would be a good example. I also realize that Nevada's chances are eliminated if we do not pass this amendment that is now before the body. So, Mr. President, this is not a parochial issue, it is an issue of good Government. We all agree that we have to balance the budget. We have a different method of doing that. We have priorities that seem to be bantered around here which would be the best way to go to balance the budget. We all agree it should be balanced. But one of the things we have to stop doing is legislating as we are doing in this manner. We simply cannot put a multibillion dollar project in a certain State or district because the chairman of the committee is from that State or district. That is wrong.

This is an issue for all of us who care about spending our limited dollars wisely. This is not an appropriate way to spend our money. The amendment that I have offered to preclude the earmarking of the site for this new tritium project is an amendment for good Government and saving the Government money. I ask all Senators to join me in defeating this attempt to bypass the ongoing process to choose a technology and a site for our Nation's future tritium production.

The language from the bill, that is from the Thurmond amendment, says, "* * * shall locate the new tritium production facility of the Department of Energy at the Savannah River site, South Carolina," before we know the technology, before we know the cost, before we know the suitability of the Savannah River site for the project. It is regardless of NEPA reviews; that is, the environmental impact that it would have on that part of the country. It is regardless of the cost of alternatives. What if we find an alternative that will save 10 percent? That is hundreds of millions of dollars. What if we find an alternative that will save us 5 or 3 or 20 percent? Should we not be given the latitude, should our administration not be given the latitude of looking at what would be best environmentally, what would be best from a cost basis? What about the ability of the facility to start producing tritium? What if one site, that is, the one in South Carolina, would take 8 or 9 years to develop this production capability? And let us assume another one would take 2 years. Should the administration not look at which would come on line the quickest? Of course.

But what we are doing, we are citing it in this amendment, regardless of the environmental impact, regardless of the cost, and regardless of when it will be able to come on board, when we will be able to start producing tritium. Does this mean we are forgoing the option of using a commercial reactor for tritium production? It appears that way.

Mr. President, we have no tritium production today. Any production facility will therefore be a new facility. It seems that we have just precluded the commercial reactor option; that is, are we going to use some of the commercial reactors that are now available for tritium, and we would buy it from the commercial producer? That is an alternative. Should we not be able to take a look at that to see if that is most appropriate way to get our tritium for our nuclear weapons? Why are we forcing a decision now?

Mr. President, the question is the answer. We all know why the decision is now being forced. We are needlessly constraining the decision process for what? Again, the question assumes the answer. It is very obvious.

Mr. President, I reserve the balance of my time.

The PRESIDING OFFICER (Mr. KYL). Who yields time?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. I move to table the amendment.

The PRESIDING OFFICER. On the motion to table the amendment, is there a sufficient second?

Mr. REID. Mr. President, there is a unanimous consent request that has been——

Mr. THURMOND. After we vote on the Exon amendment, not now.

The PRESIDING OFFICER. The motion would not be in order until after all the time is expired or yielded back.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. I will make it after the time expires.

I rise to oppose the Reid amendment and point out to my colleagues that the Savannah River site has had the tritium production mission for over 40 years. Why change? The U.S. Government has invested heavily in a unique infrastructure at the site for handling that naturally decaying radioactive gas and for recycling tritium throughout the U.S. nuclear weapons stockpile.

For this reason, it would not be cost effective for the new tritium source to be placed at any other location regardless of the technology used for production. The taxpayer, who is frequently mentioned here on the floor, would have to duplicate the recycling infrastructure required to handle the radioactive tritium and the gas bottles which contain it in our nuclear weapons. Additionally, transporting this radioactive gas across the land from separated production and recycling sites does not make sense either.

The colocation of tritium recycling facilities and the new tritium production facility is the only solution that makes economic sense for the American taxpayer.

I wish to point out to the Senate that the Savannah River site is located on the border between the States of Georgia and South Carolina. The people of both States have, after the land was condemned for this facility, supported this mission of the site for the past 45 years and cooperated fully with the Government in every way possible in its important mission to sustain the nuclear stockpile.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I say to my friend from South Carolina, if all these arguments are valid, then why should we have this in the bill? If all his arguments are valid, then the people who are making the decision, the Department of Energy and the Department of Defense, I am sure, will take all those facts into consideration. If he is right, South Carolina would wind up getting it.

I will yield whatever time the Senator from Nevada may consume.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. BRYAN. I thank the Chair, and I thank my senior colleague for his leadership in providing this amendment, which I strongly support.

Mr. President, as Senator REID has indicated, he and I clearly have a vested interest in the outcome of this amendment. The Nevada test site is also being considered as the location for a new tritium source. Frankly, our view is it is far superior to any other location that is being considered. But I hope, Mr. President, my colleagues will understand that this is not just a battle between two States that seek to acquire a new major project which Senator REID has indicated is of the magnitude of several billions of dollars.

The Department of Energy's efforts to build a new tritium supply is probably one of the most important current programs to ensure our continued confidence in our nuclear stockpile. The tritium supply program is absolutely essential to our national security program. Senator REID alluded to it, but I would like to embellish on it a little bit. Tritium is a radioactive gas and tritium is used in almost all of our nuclear weapons to achieve a so-called booster effect; that is, to magnify or to amplify the full impact of the nuclear yields. And our national defense planners, strategists, have come to rely upon those projections. So the premise undergirding our national defense strategic deterrence is predicated upon yields that can be achieved only with the use of tritium.

Tritium, however, has a relatively short half life, a little over 12 years, which means that it decays at a rate of about 5 percent a year and needs to be replenished on a regular basis.

Recent reductions in our nuclear weapons stockpile have allowed us during this interim period of time to recycle tritium from retired weapons and has reduced the pressure to build a new tritium supply somewhat. But the need in terms of a long-range supply is still quite critical.

Even if we take advantage of the tritium made available by retiring weapons, if we do not have a new tritium supply on line by the year 2011—that is just 16 years away—we will need to start to dip into our tritium reserve.

By 2016, even using the reserve, it will not be adequate to meet our needs.

Mr. President, since I think most everybody acknowledges it will take about 15 years or more to get a tritium supply facility up and operational, we need to act now to make sure we will have a viable nuclear deterrent capability after the year 2011.

There are two ways, as I understand it, that you can produce tritium. There is the traditional way that we have produced it in the past with a nuclear reactor, and there is a new way which offers considerable hope and promise. It is a linear accelerator. Scientists tell us that either way is feasible, and the Department of Energy is in the process of evaluating these two options, including an evaluation of numerous options within the nuclear reactor category.

A decision on which technology will provide us the most confidence and will be the most fiscally responsible is to be announced soon by the Department of Energy.

In addition to evaluating the technology options, the Department is going to decide where to site this new tritium facility. Several sites are considered including one in Idaho, Savannah River, Oak Ridge, Pantex, and the Nevada test site. This will be primarily research oriented. I do not consider the naming of the site at this time an urgent matter.

Nevertheless, the Secretary of Energy is committed to the announcing of a preferred site for the tritium supply technology in the near future.

The Department recognizes the seriousness of this decision and has devoted a considerable amount of time and a great many resources to ensuring that the final decision will result in a viable cost-effective tritium supply program.

Mr. President, this is not the time for Congress to meddle in what is essentially a technical and scientific decision process. I realize that some of my colleagues may be frustrated with what they perceive to be delays in moving forward with the tritium supply decision, and given the Department's track record in a number of programs, it is all too easy to place the blame for delays in a program on the Department of Energy.

In this instance, however, I simply do not believe the criticism is justified. Since 1988, when the New Production Reactor Office was established to develop a new supply for tritium, there have been incredible changes in the environment in which the Department is acting: The Soviet Union has imploded. The cold war is over, and President Bush's three announcements during 1991 and 1992 of significant reductions in the nuclear weapons stockpile program has dramatically changed the picture with regard to a new tritium supply.

When the Bush administration, under Secretary of Energy Watkins, decided not to pursue the new production reactor, an entire new plan had to be developed for the production of a tritium resource.

The Secretary of Energy was required under the fiscal year 1994 Defense Authorization Act to issue a programmatic environmental impact statement by March 1, 1995. This draft PEIS for tritium supply and recycling issued by the Department last February complied with the requirement and is the latest product of a 7-year process to develop a rational, cost-effective, scientifically based program to ensure the capability of our nuclear weapons well into the next century.

No preferred site or technology was identified by the February 1995 document, nor is one required under the NEPA process. At that point, the Secretary of Energy committed to executing a record of decision by November of this year.

By Government standards, that is a reasonably quick turnaround. The Secretary also made it clear that a decision on the preferred technology or site may be announced prior to the November record of decision.

That is where we stand today, Mr. President. The PEIS is on the street and the Secretary is committed to a decision by November of this year. The Secretary, clearly feeling she did not have sufficient basis to make a decision on site or technology prior to March 1, is currently evaluating the technical and scientific evidence gathered through the NEPA process. That is as it should be.

To give you some indication of the magnitude of the PEIS, this indicates the voluminous nature of the information that is being compiled, that is currently being reviewed and analyzed by the Department. These are two volumes entitled "The Draft Programmatic Environmental Impact Statement for Tritium Supply and Recycling."

It is my view that the Secretary ought to be permitted to move forward in that evaluating process. It is hard to understand how Congress, on a matter of such importance to our national defense, could even consider substituting its judgment on a parochial basis for the scientific and technical expertise that is being considered by the Department of Energy.

I realize that the language our amendment seeks to strike only specifies the site for the new tritium source. The language presumes to leave the technology choice to the Secretary of Energy and only identifies the site for the new facility.

Unfortunately, Mr. President, it is not quite that simple. In order to obtain the most reliable and cost-effective results, the Department of Energy must maintain the flexibility it needs to determine both the site and the technology for the new tritium resource.

As the draft PEIS makes abundantly clear, each of the sites being considered for the new tritium source has its own advantages and disadvantages. Should the DOE decide to build a new reactor, whether it is a so-called triple-play reactor, advocated by the senior Senator from South Carolina, or any other type of reactor, Savannah River appears to be the most likely site. The Nevada test site is less suitable and, parenthetically, I would oppose building a reactor anywhere in Nevada. On the other hand, given the freedom to make the most rational decision, the Nevada test site would be the preferred alternate, if the chosen technology turns out to be an accelerator. Others would disagree, and I acknowledge this is a debatable proposition, but at this point, the best course we in Congress can pursue is simply let the NEPA process run its course.

In supporting the Reid-Bryan amendment, that is what the Senate is pursuing: To allow the course which the Congress set in motion in 1994 by directing that a programmatic EIS be developed to make the determination as to site and technology for the new tritium supply. That is what we allow to occur.

By leaving the language in the bill as it currently is, we preempt that process, and in the interest of a parochial decisionmaking process, foreclose the Department from making a determination both, in my view, on technology as well as site.

Mr. President, I yield my time back to the distinguished senior Senator from Nevada.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I will make brief remarks on this amendment. I support the Senator from South Carolina and his position. Savannah River has been the tritium production complex since the dawn of the nuclear age. It has the infrastructure, it has the trained work force, it has the experience, it is a logical place for the new tritium facility, whatever technology is being chosen.

We do not have in this bill now, as I understand this amendment—I have not been a part of working on this amendment—but as I understand it, there is nothing in the bill now, after this amendment is adopted, that would tell the Secretary of Energy what kind of reactor to have. She still has that choice—the light-water reactor, the gas reactor, the multipurpose reactor, heavy water or even the accelerator. All of those technologies are available.

The Secretary of Energy said she is going to make this decision sometime in late summer or early fall. That means that this bill is bound to be in conference in September, and if the Secretary of Energy makes any other decision, other than Savannah River, then certainly we will have a time to study that carefully and to react to that in conference.

So I support the Senator from South Carolina on this. I urge the defeat of the second-degree amendment.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. I yield the able junior Senator from Georgia such time as he may require.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, as my good colleague from Georgia noted, the Savannah River site has been the site for weapons tritium production for nearly half a century—specifically 40 years. Obviously, given the importance of the production of that plant in terms of our nuclear policy, a very large capital investment has already been made by the taxpayers of the United States on the Savannah River site's unique, extensive tritium handling, tritium bottle recycling and production infrastructure—a huge capital investment.

If the new tritium production facility which DOE was planning were to be located at another site other than Savannah River, the large tritium bottle recycling facilities and the tritium production handling facilities would have to be replicated, rebuilt at a new site. This would be very expensive, cost-ineffective, and not wise.

Another alternative, I guess, would be to transport radioactive tritium to the Savannah River site bottle recycling from a distant new production site. This would require expensive, unique transportation, and would be perceived as a potential negative public health risk in the States transversed. On this basis, it is both logical and cost-effective for the Congress to designate this longstanding facility, a facility uniquely prepared to deal with this production as the location for the tritium production facility.

The bottom line here is, if you are talking about a change, you are talking about spending millions and millions of dollars, and you are talking about breaking the continuity chain of preparedness that the Savannah River site represents.

Mr. President, I yield back my time to the Senator from South Carolina.

Mr. THURMOND. Mr. President, how much time is left on each side?

The PRESIDING OFFICER. There are 13 minutes remaining for the Senator from South Carolina, and the Senator from Nevada has 19½ minutes remaining.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, my friend, the ranking member, the former chairman of the committee, said the only question is what kind of facility. Well, that really is not the only question.

But, in fact, if that were the only question, why in the world would you want to site in South Carolina, no matter what kind of facility, a reactor accelerator?

If the Secretary of Energy is going to make this decision late summer/early fall, why would Congress want to meddle with what is already in the process of being decided? If there were ever an example of congressional meddling, this certainly would be it.

Mr. President, this is a big project. I am reading from one newspaper:

> The new tritium production facility would be the Nation's first since the 1960's. Cost estimates range as high as $10 billion, and the project could create more than 2,000 jobs.

In the other body, something like this was tried and, again, I read from the Energy Daily of June 1995, where over there it was referred to as "radioactive pork."

Well, thank goodness the House in its wisdom got rid of that radioactive pork, and that was deleted from their legislation.

If the Savannah River site is so good, why do they not let it compete on its merits? If the threat that I heard—namely, if the Department of Energy sites it someplace else, we will take a look at it in conference. This is a threat to the Secretary to site it on the Savannah River, or we will take care of it in conference. That is wrong.

My amendment lets the system of Government work the way it should, not with "radioactive pork." It would be with the orderly process of Government. Let me repeat, Mr. President, the language in the underlying amendment of the Senator from South Carolina that I and Senator BRYAN are attempting to delete States, "shall locate the new tritium production facility * * * at the Savannah River Site, South Carolina."

We are subverting, standing on its head, making a mockery of the system of Government that we have, where the Director of the Department of Energy—the Secretary—will make a determination after due consultation with the Department of Defense, with the people that work for and with her, as to where it should go.

But in this Thurmond amendment, we are going to site it in South Carolina before we know the technology that will be used, the cost, or the suitability of the Savannah River site for the project. There may be technology that should only go to Savannah River that the Secretary will decide on. Or she may find that that is technology that they want to use and should not go to Savannah River for many reasons. Maybe the cost of the Savannah River, because of all the pollution from the failed reactor, for over 45 years, makes that site so expensive, so unreliable, that it should go someplace else.

This language sites it in South Carolina, regardless of the environmental concerns, regardless of the need for reviews, regardless of the cost alternatives, and, of course, as I have mentioned before, regardless of the impact on the schedule to produce tritium. What if we need to get tritium produced quickly. Does this mean that we are foregoing the option of using an existing commercial reactor for tritium production? Yes, it does. That may be the decision the Secretary will make, saving the taxpayers of this country billions of dollars.

We have no tritium production today. Any production facility will therefore be a new facility. It seems that we have just precluded the commercial reactor option. That is wrong, and that is not what we should want or what this Congress should be up to. We have certain budget constraints that we have all been working under. This flies in the face of that. Why are we forcing a decision now when we know, as indicated by the senior Senator from Georgia, that the Secretary is going to make this decision in late summer? Late summer is upon us. This decision could come within a matter of weeks.

We are needlessly constraining the decision process. For what? We are doing it for "radioactive pork," and that is wrong.

Mr. THURMOND. Mr. President, I want to take a minute or two more. I want to just recall that in 1946, when I was Governor of South Carolina, the project was announced to build this plant in Aiken, SC, on the Savannah River between Georgia and South Carolina. I moved to Aiken to practice law. I guess I represented over 90 percent of the landowners down there. They had the land condemned and taken away, whether they wanted to or not. The Government said, "We need this land for this plant." The Government needed it. They sacrificed a lot. They underwent many hardships. The plant was built.

Why now do we want to take away the opportunity for those people who sacrificed like they did to help the Government to build this plant for the good of our country? We are not asking that they use any particular kind of technology. They can use the accelerator or they can use the reactor, or whatever they want to.

We are merely saying it should not be taken away from these people who sacrificed so much in their lifetime for this plant and for the Government.

We feel it should not be moved, regardless of what the technology is. It ought to remain at this site. It has been there for 45 years. Why take it away? They have done a good job. They have the infrastructure. They have the workers. They have everything to make a success.

I do hope that this amendment will be defeated.

Mr. REID. Mr. President, the proponents of sight infrastructure costs as their main argument, but this facility will produce training for 50 years.

I say, what is the lowest life cycle cost of 50 years? Do we care? We should care, Mr. President.

I yield to my colleague from Nevada whatever time he desires.

Mr. BRYAN. I thank the Chair. I thank my colleague.

It seems to me, Mr. President, that we have heard what essentially are three arguments by the distinguished chairman of the Senate Armed Services Committee. One is that it has been there for 45 years, and therefore it should continue in perpetuity for 45 years.

Mr. President, I think the answer to that question is self-evident. We are considering prospectively what is the best location for the tritium production facility in the future. That is the entire purpose of the problematic environmental impact statement.

Indeed, they may make and come to the same conclusion that our friend, the senior Senator from South Carolina made. But that is not an analytical or rational argument for a policy that has always been there, always been that way, and therefore we should continue that way forever in the future.

The second argument that my friend made was to suggest that somehow the recycling operation has been at Savannah River and that by colocating the new production facility, somehow we would ease or eliminate the transportation of tritium.

Mr. President, that is simply not true. As my colleagues, I am sure, know, we do not move nuclear bombs around the country, to have the tritium components of them added in second. When we are talking about retrofitting or adding the tritium component, you are talking about doing that at a facility that has the capability of doing that.

That is, first and foremost, the facility at Pantex. No one should have the impression that by having a recycling and production facility in South Carolina that we eliminate the necessity of transporting that new tritium product to either Pantex, or there is a facility at the Nevada test site that could handle the disassembly.

My friend makes the argument of sacrifice. While I am sure he recites the history, nobody quarrels with the senior Senator from South Carolina when he describes the history of the state that he has represented so long and so ably, and which I know he has great personal affection.

If we are talking about sacrifice, he is talking about the few thousand acres at Savannah River. Nevada is the mother of all sacrifices—the mother of all sacrifices. The Nevada test site alone is larger than the entire State of Rhode Island. Just the Nevada test site. If you want to talk about Federal sacrifice, 87 percent of the entire land mass of the State of Nevada is under the jurisdiction of the Federal Government, either the Department of Energy, the Department of Defense, the Bureau of Land Management, or the Forest Service.

I must say that I do not think any of those three arguments are compelling.

Finally, I return very briefly to, I think, the argument that my senior colleague makes so ably. That is, we started the process in 1994. We said, "Let's look, see how we should handle future tritium production. Let's have a problematic EIS." Added into that mix is the fact there is a new technology we want to take a look at, the linear accelerator technology.

There are different types of reactor technologies that we want to consider, as well, some four technologies within the rubric of the reactor option, which is the other option other than the accelerator. All of those ought to be considered rationally as part of an evaluation process and ought not to be the subject of micromanagement by the Congress.

Let this process work its course. We in Nevada have a vested interest. We would like to see it in Nevada. I would like to see the linear accelerator, but I am willing to take my chance. I think that is the best policy.

I urge the Congress and this Senate to allow that course to work its way, as well, and let the experts make the decision. I yield the floor.

AMENDMENT NO. 2114 TO AMENDMENT NO. 2111

Mr. THURMOND. Mr. President, I ask unanimous consent that I be allowed to make certain technical amendments to the Thurmond-Domenici amendment. These have been agreed to by both sides. I send them to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND] proposes an amendment numbered 2114 to amendment No. 2111.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Page 8, line 17 strike out "$2,341,596,000 and substitute in lieu thereof $2,386,596,000".

Page 8, line 20 strike out "$2,121,226,000 and substitute in lieu thereof "$2,151,266,000".

Page 9, line 1 strike out "$220,330,000" and substitute in lieu thereof "$235,330,000".

Page 9, line 25 strike out "$26,000,000" and substitute in lieu thereof "$41,000,000".

Page 13, line 6 strike out "$550,510,000" and substitute in lieu thereof "$505,510,000".

The PRESIDING OFFICER. Is all time yielded back?

Mr. REID. I yield back.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2114) was agreed to.

AMENDMENT NO. 2113

Mr. THURMOND. I move to table the Reid amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, parliamentary inquiry.

Could the Presiding Officer indicate what the parliamentary status is now.

The PRESIDING OFFICER. The first vote will occur in relation to the motion to table the Exon amendment.

Mr. THURMOND. I am informed Senator MCCAIN is not going to offer an amendment.

The PRESIDING OFFICER. The vote on the motion to table the Exon amendment can occur now.

Mr. REID. Immediately following that will be the Reid-Bryan amendment.

Mr. BRYAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the motion to table.

Mr. EXON. Yes. If I understand the agreement right, the Senator from Nebraska has 2 minutes, as does the Senator from South Carolina.

I ask unanimous consent, as previously agreed to, that immediately preceding the vote on the Exon amendment, 2 minutes be allocated to the Senator from Nebraska and 2 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2112

Mr. EXON. Mr. President, there can be no question that we are about to cast a critically important vote. We will send a signal that will resonate around the world and have far-reaching implications on mankind's chances of moving further away from a reliance on nuclear weapons and a possible nuclear holocaust, or we can reverse course, abruptly and shamefully. As the world's leading nuclear superpower, we can send a signal loud and clear that, notwithstanding our protestations about the spread of nuclear devices, notwithstanding our supposed commitment to a nuclear test ban treaty, we are going to reverse course.

The Exon-Hatfield amendment assures a constructive policy of gradual and very deliberate thought processes, and offers the nuclear olive branch, if you will, to potential friend and potential foe alike, that the United States of America offers a hand of nuclear understanding.

If we vote down, if we table the Exon-Hatfield amendment, it is going to be a significant step backward for which we will not forgive ourselves, I suggest, for centuries to come. It is the time we reemphasize our restraint, our vigilance, and agree to the Exon-Hatfield amendment as we have explained in great detail during debate this morning.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I just want to say that every weapons system, indeed every machine in our technological society, requires testing. The hydronuclear testing is the only tool left to assess our confidence in the safety and reliability of the shrinking nuclear stockpile.

Mr. President, we need to do this. We are living in a dangerous world. It is important that we be informed as to the reliability and safety of our weapons. They may have to be used. I do not need to cite the situations that could be dangerous in various parts of the world. We know about North Korea. We do not know what Russia is going to do, what China is going to do. We do not know what certain nations like Iran or Iraq and Libya will do, the terrorist nations. We must be prepared. And to be prepared we have to know what our weapons will do. We have to know they will be safe and reliable, and that is the purpose of this amendment.

The PRESIDING OFFICER. The question occurs on the motion to table the Exon amendment.

The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER (Mr. GRAMS). Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 56, nays 44, as follows:

[Rollcall Vote No. 359 Leg.]

YEAS—56

Abraham
Ashcroft
Bennett
Bond
Breaux
Brown
Bryan
Burns
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Johnston
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Nickles
Packwood
Pressler
Reid
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—44

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Bumpers
Byrd
Campbell
Chafee
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatfield
Inouye
Jeffords

Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Robb
Rockefeller
Sarbanes
Simon
Wellstone

So, the motion to lay on the table the amendment (No. 2112) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 2113

The PRESIDING OFFICER. The next order of business is amendment No. 2113, and under the previous order there are now 4 minutes of debate equally divided between the Senator from South Carolina [Mr. THURMOND]——

Mr. REID. Mr. President, the Senator from South Carolina and I have agreed to yield back our time.

Mr. THURMOND. Mr. President, I agree to yield back the time.

The PRESIDING OFFICER. Is all time yielded back?

All time is yielded back.

The question is now on agreeing to the motion to table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The result was announced—yeas 57, nays 43, as follows:

[Rollcall Vote No. 360 Leg.]

YEAS—57

Abraham
Ashcroft
Bennett
Biden
Bond
Breaux
Brown
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Johnston
Kassebaum
Kyl
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—43

Akaka
Baucus
Bingaman
Boxer
Bradley
Bryan
Bumpers
Burns
Conrad
Craig
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Harkin
Inouye
Jeffords
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

So the motion to table the amendment (No. 2113) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The next order of business is the vote on amendment No. 2111.

Mr. THURMOND. Mr. President, I ask unanimous consent that the yeas and nays be vitiated on amendment No. 2111.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Do all Senators yield back their time?

Mr. THURMOND. I ask for a voice vote on that amendment.

Mr. NUNN. Mr. President, is all time yielded back?

Mr. THURMOND. We yield back all time.

VOTE ON AMENDMENT NO. 2111

The PRESIDING OFFICER. With all time yielded back, the question is on agreeing to amendment No. 2111.

The amendment (No. 2111) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COHEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The next order of business is an amendment to be offered by the Senator from Arkansas [Mr. BUMPERS], dealing with defense firewalls, with 1 hour of debate equally divided.

Who yields time?

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I hope the time will not start running until we have order in the Senate.

The PRESIDING OFFICER. The Senator from Arkansas directs that the time not begin until the Senate is in order. The Senate will be in order, please.

The Senator from Arkansas is recognized to offer his amendment.

AMENDMENT NO. 2115

(Purpose: To restore a common sense approach to the appropriations process by repealing the defense firewalls established in the FY96 Budget Resolution)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. SIMON, Mr. WELLSTONE, and Ms. MOSELEY-BRAUN, proposes an amendment numbered 2115.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

SEC. REPEAL OF DEFENSE FIREWALL.

(A) Strike Section 201(a) through 201(b)(1)(B) of H. Con. Res. 67, as passed by both Houses of Congress and insert in lieu thereof the following:

SEC. 201. DISCRETIONARY SPENDING LIMITS.

(a) DEFINITION.—As used in this section and for the purposes of allocations made pursuant to section 302(a) or 602(a) of the Congressional Budget Act of 1974, for the discretionary category, the term 'discretionary spending limit' means—

(1) with respect to fiscal year 1996, for the discretionary category $485,074,000,000 in new budget authority and $531,768,000,000 in outlays;

(2) with respect to fiscal year 1997, for the discretionary category $482,430,000,000 in new budget authority and $520,295,000,000 in outlays;

(3) with respect to fiscal year 1998, for the discretionary category $490,692,000,000 in new budget authority and $512,632,000,000 in outlays;

(4) with respect to fiscal year 1999, for the discretionary category $482,207,000,000 in new budget authority and $510,482,000,000 in outlays;

(5) with respect to fiscal year 2000, for the discretionary category $489,379,000,000 in new budget authority and $514,234,000,000 in outlays;

(6) with respect to fiscal year 2001, for the discretionary category $496,601,000,000 in new budget authority and $516,403,000,000 in outlays;

(7) with respect to fiscal year 2002, for the discretionary category $498,837,000,000 in new budget authority and $515,075,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—EXCEPT AS PROVIDED IN PARAGRAPH (2), IT SHALL NOT BE IN ORDER IN THE SENATE TO CONSIDER—

(A) any concurrent resolution on the budget for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, or 2002 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the discretionary spending limit for such fiscal year; or

(B) Within 30 days of the date of enactment of this Act, the House and Senate Appropriations Committees shall meet to consider the reallocation of the fiscal year 1996 suballocations made pursuant to section 602(b) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I know this psychologically is a terrible way to open a debate, but I have no delusions about the possibility of winning on this amendment. Given the makeup of the Senate right now, it is going to be several years before an amendment like this will take root, but it will take root when the American people focus not only on their misery but what caused it.

Everybody here is aware of the fact that we treat defense as not only the highest priority but everything else is secondary to it.

Not to be trite, but the truth of the matter is that we, like so many civilizations, from the Israelites on, may very well find that the strength of this Nation is not all in planes, tanks, and guns. How we treat our people, the kind of health care they get, the kind of education they get, the kind of environment they live in, those things determine what a powerful nation is, too. It usually takes me about an hour or two after I read the Washington Post in the morning to get enthused sufficiently enough to come to work. This morning it was especially depressing.

Here were three front page stories: House votes to prohibit States from paying for an abortion in cases of rape or incest. Mr. President, to me, that is a form of barbarism, to say that a child who may be pregnant by her father, or the most innocent housewife who is raped, if she has the money, no problem. If she is poor, she will birth that child. You remember the beatitude, "Blessed are those who are persecuted." If that is not a form of persecution, I do not know what is.

The second story was: Senate votes to abrogate antiballistic missile treaty. That is not entirely true, but figuratively and, down the road, literally it is true. We will decide the interpretation of the treaty; we will decide whether it is abrogated or not, and if the Russians happen to disagree, so be it. The language of the bill itself said the Senate, not the President, will decide whether the ABM Treaty is in our interest or not. We will decide whether we want to live by it or not. And that solemn document that we put our names on in 1972 will be for naught. Who else wants to sign a treaty with us knowing that that is the way we treat our treaties? We simply cannot give up on the cold war. We just love it too much. Dr. Strangelove. Another beatitude is, "Blessed are the peacemakers." Not too many people are blessed in this body.

The third story was: House cuts $9 billion in education, health care, and food for the poor. "Blessed are the poor," unless one of them happens to get pregnant at the age of 17. What do we do in the Senate? We add $7 billion more than the Secretary of Defense and our chiefs of staff want. Can you imagine that? We are adding $7 billion more than our defense authorization asked for.

It was depressing. And as I read those three stories, I pondered on what else. Medicare? No firewalls around Medicare, health care for the elderly; there are no firewalls there. We are going to cut $270 billion over the next 7 years. We are going to give the States block grants on Medicaid and AFDC, not necessarily because we think it is more efficient, but because we are going to cut back on Medicaid. All that is health care for the poorest of the poor.

We are going to cut PBS, which is one of the few things that provide a little enrichment for our children. "Sesame Street" and Big Bird, adios. "All Things Considered," which every Member of the Senate listens to going to and from work on NPR, adios. No commercials. We need to privatize this so we can get some commercials on PBS and NPR. I want to see, right in the middle of the Civil War series, a bunch of youngsters running down the beach with a Budweiser in their hands. That is what I call cultural enrichment.

And the arts—how I wish that guy Mapplethorpe had never received a grant. You see, he does not have anything to do with the repertory theater in my State. But we will be lucky to make it in my State with our symphony without some help from the National Endowment.

Food stamps. We did not develop food stamp programs willy-nilly. We did it because we made a conscious decision that we did not want anybody in this country to go hungry. Everybody acts as though it was some sort of a Communist conspiracy that should have never been put in place. We are going to cut that. If you do not happen to have a PAC or a $1,000 check, you are not getting anything out of this crowd.

Eliminate affirmative action. I have heard so many anecdotes on affirmative action that make my blood boil, and some of them are true. It has been an abused program. But do not say that the time has come when we have a level playing field when 14 percent of the black males in this country are unemployed, and 40 percent of the black teenagers are unemployed, compared to about 5 percent white.

You know, if we were to eliminate this famous tax cut I hear so much about—that is what the Medicare cut is, $270 billion; and $250 billion of that—virtually all—is for a tax cut, 70 percent of which goes to people who make over $100,000 a year. When I was a young practicing lawyer, I yearned for the day when I would make $100,000 a year. So now I am going to get a nice healthy tax cut. Every Senator gets $133,000 or $135,000 a year, a big fat pension, a health care plan second to none, and we are going to get a tax cut when 50 percent of the people in this country over 65 cannot sleep at night because they are in abject terror of getting sick and not being able to pay their bills.

If we just cut Medicare by half that amount and eliminate the tax cut and spend the other $135 billion on education and things that make us a great nation, we can still balance the budget in the year 2002 and do what we know we ought to do.

No, we are going to reward those who have already been richly blessed. And we are going to further abuse those at the bottom of the ladder. Indeed, we will step on their hands if they happen to be reaching for the first rung. We have become so cynical and indifferent. So we have to put firewalls around defense to make sure none of it ever gets out of the Pentagon into the hands of some poor soul who might need it for an education.

Senator KOHL is going to offer an amendment later today which would cut the $7 billion which was added on to this bill. Even if he were to prevail, which he will not even come close to doing, you could not take that money and use it for any other purpose.

Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator has 18 minutes and 50 seconds remaining.

Mr. BUMPERS. Will you kindly notify me when I have used a total of 20 minutes.

Mr. President, here is a chart which shows what is going to happen from 1995 to the year 2002, in defense. We go from $264 billion in 1995 to $280 billion in 2002.

What do we do with everything else—what is known as domestic discretionary spending—education, health care, you name it, medical research, law enforcement? What happens to that? It goes from $241 to $218 billion over 7 years.

Of the spending cuts that are projected to be made over the next 7 years to reduce the deficit and pay for the Republican tax cut for the wealthy, domestic spending, the things that make us great will absorb 43 percent of all the cuts. What in the name of God are we thinking about? We will spend $400 billion more for defense spending than domestic programs over the next 7 years. Mr. President, $400 billion less to take care of the real needs of the people of this country, that we are going to spend on defense.

How much are we spending on defense? Are we looking for two wars, as the Bottom-Up Review said?

Mr. INHOFE. Will the Senator yield?

Mr. BUMPERS. Not until I finish this statement.

This chart demonstrates what we spend for defense in comparison to our eight or nine most likely adversaries, Russia, China, North Korea, Iraq, Iran, Libya, Syria, Cuba—name somebody else. I do not care who you name. Our defense budget is twice as big as all nine of them put together. If you add NATO, twice as much as the rest of the world.

What are the proponents of the bill we are considering today proposing? That we add $7 billion to the defense budget.

We get so hairy chested around here when defense comes up. Everybody favors a strong defense. Nobody wants to ever be vulnerable. This is what you call piling on. You just cannot pile on enough money. Even the Pentagon is trying to shovel it back to us, and we will not take it.

I appreciate the Defense Department. When we have a crisis, I am glad we have aircraft carriers. I am glad we have all the sophisticated weaponry.

All I am saying is, there ought to be some kind of balance, because it is not going to make any difference how much we spend on defense if we are not careful about what we are doing back home.

Mr. President, I saw a poll of high school seniors about 5 years ago. Who are your heroes? About the only one I can remember is Tom Cruise. I think Mr. T was on the list. It was a list of rock stars. Michael Jackson was high on the list. That is who the high school seniors revere in this country. Mother Theresa did not make it. The Pope did not make it. Poor old George Bush did not make it. Not even mom and pop.

Senators, can you imagine somebody asking you that question when you were in high school, who were your heroes? I would have popped out my father so fast it would make your head swim. You talk about a hero. I worshipped the ground he walked on. Mom and pop did not make this list. If we keep going the way we have gone this year in the U.S. Congress, Tim McVeigh and David Koresh will be on the list next year.

I am not trying to take the money away from the Pentagon with this amendment. I am simply saying the people of this body ought to be more thoughtful about where the real strengths of the Nation are. We ought to be more thoughtful about people who have not had the luck we have had.

I know a woman who is very wealthy and she is always saying, "Can't everybody be rich and beautiful like me?" The truth of the matter is, most people who have made it, and especially if you come from a town during the Depression with a population of 851, have had a lot of help. I did not become a Senator just because I am such a great person. I tell you why I did it. I did it because this same Congress, back when they were a little more sensitive about things like this, gave me a free education.

That is right. My brother went to Harvard. I went to Northwestern. My father was a poor man. He could no more have afforded that than he could fly to the Moon. I was fortunate and received a little Government help after World War II, and had a teacher who taught me to speak and read well, did something for my self-esteem. The main thing I did, and what most people that make it did, is choose my parents well.

Mr. President, I just want to say I am not trying to move money out of the Defense Department into any of these other programs. I am saying as a psychological thing we ought not to be sitting here and saying you cannot touch defense for anything, no matter how critical it may be.

If we continue the way we have started this year, and especially that Contract With America, this country is in for a terrible shock. That is not what the people were voting for, they wanted change, but this is not the change they were voting for, I do not think.

When they begin to feel the pain, they are going to begin to wonder what they voted for. I am telling you, if we keep going the way we are going now, trying to tinker with the Constitution, spending every extra dime we can get our hands on on defense, that age of know-nothingism back in the middle of the 19th century will be known as the age of enlightenment.

As you know I have such a reverence for the freedom of religion in this country, but there is a great quote of Isaiah, admonishing the Israelites when they got sort of cynical about all their people.

He said to them:

> Learn to do well; seek judgment, relieve the oppressed, judge the fatherless, plead for the widow.

Maybe that is just good for the Senate prayer breakfast or on Sunday morning. It does not seem to be terribly relevant here.

I yield the floor and reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from New Mexico.

Mr. DOMENICI. I wonder if the Senator will yield 6 minutes?

Mr. THURMOND. I yield 6 minutes to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time do we have in opposition?

The PRESIDING OFFICER. The Senator has 30 minutes.

Mr. DOMENICI. Mr. President, first let me suggest to my good friend, Senator BUMPERS, he has given a very great speech about what he thinks we ought to be doing in the United States. But I must tell those who are listening, very little of it has to do with the amendment he is talking about.

The amendment he is talking about is very, very simple. In 1990 I was privileged to have an idea—that I had been thinking about and worrying about—become the law. In that year, 1990, and 3 years thereafter, we decided that once the Congress of the United States voted in an amount of money that they wanted spent on the defense of the United States, that during that year they only had two options regarding defense: First, if they did not want to spend all of the defense money, they applied what was saved on the deficit; and, second, if they want to spend defense money on anything else, they had to get 60 votes to do it.

That is a pretty reasonable approach, when you consider the propensity of legislators to want more and more for programs that they love, or that they need, or that they want for their constituents. And you put it up against a big defense budget and everybody can say, "Oh, take a little bit away for this. Take a little bit away for that." Frankly, if we had not seen that happen in the processes around here, we would not have been concerned about it. But whenever the pressure is tough on nondefense spending, the nest egg of defense is looked to as the savior for every other program you want.

Mr. President, I believe this year we did the right thing. We decided that once we voted on a budget resolution, which was indeed a compromise—between the House that wanted more, and the Senate that wanted less—once you compromised on that, you can only spend defense money if you get 60 votes in the U.S. Senate, a supermajority.

I believe that is very good law for the United States. It is practical. And if there is a real emergency and you want to move money from defense, you can get 60 votes. But otherwise you leave defense for defense.

These arguments about how much do we spend versus the rest of the world—let me remind Americans right off the bat, we decided on an All-Volunteer Army, and we pay our military well. So the first thing you have to do, to all the other militaries in the world, is adjust what they are spending to what we are spending because we pay our men and women good wages. In fact, we are hopefully moving toward the marketplace. And few other countries do that. So we are proud to pay our people who serve in the military a living wage and give them benefits and other things, because we are depending upon them and their high quality.

My last point will be on Medicare and Medicaid. If it was relevant, I would suggest that a comparison of the next 7 years compared to a 1995 freeze will tell you that defense will go down $13 billion, Medicaid will go up $149 billion, Medicare will go up $349 billion. That is the reality of the current budget.

Having said that, the truth of the matter is if you took the firewall down—which is what this amendment would do—you could not spend any of that money on Medicare or Medicaid in any event. These are entitlements. That money would be controlled by the appropriators and spent on a myriad of domestic programs which feel pinched and which Members of Congress might decide in an appropriations process they want to take from defense to spend.

My last point, and it is quick. First of all, the Senator should know the Bumpers amendment is subject to a point of order, and I will make that when we are finished with our debate. That means it will take 60 votes to agree to that amendment. I think that is fair, too, because it is consistent with the firewall.

But I just did some quick numbers on domestic spending versus military spending, and I will just quickly share them with you all. In 1990, nondefense discretionary was $202 billion. In 1995 it will be $274 billion. That is a 36 percent nominal change upward. Defense was $300 billion. It went to $270 billion, which is minus $30 billion, which is minus 10 percent during the same period of time. In fact, the only part of the discretionary budget that went down is defense. Nondefense went up.

I am willing to admit, as one who is familiar with the budget, that the next 6 years will be tougher on nondefense. But I submit that it is not right for us, during a calendar year when we have said this is what we need for defense, to leave it vulnerable to an appropriations process which will take from it whenever and wherever it is deemed necessary, not because of defense needs but because of other program needs. I submit, in closing, the more pressure there is on domestic spending, nondefense, the more you ought to keep the walls if you are satisfied that what you need is represented within the defense number for defense.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. NUNN. Mr. President, will the Senator yield me 3 minutes?

Mr. THURMOND. Mr. President, I yield 3 minutes to the able Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 3 minutes.

Mr. NUNN. Mr. President, this issue has already been raised and voted on just 2 months ago on the budget resolution, as the Senator from New Mexico said. That was the appropriate place to debate this.

These firewalls are part of an overall Senate and House budget agreement. I think just to pick out one part of it and say we are going to pull it apart, either from the defense point of view or overall point of view—contrary to what the Senator from Arkansas may be assuming, these firewalls also protect domestic spending for the next 3 years. There are many Members of this body in the House and the Senate who feel that defense spending should be higher and are willing to take it out of domestic spending. We saw the House vote last night to cut $9 billion out of the domestic budget. Believe me, if we take down the firewalls, within a year or so you may find just the reverse, I say to my friend from Arkansas, than what you assumed. Because what the Senator from Arkansas assumes is if you take down the firewalls, you are going to take money out of defense and put it in domestic. Not necessarily so. That has been the indication in the past. I am not sure that is the case now.

I think, Mr. President, though, the main point I want to make is the firewalls do keep a separate account between defense and domestic. But there is nothing in the firewall provision of the Budget Act that in any way prevents defense from being cut. Anyone who wants to cut defense can come on the floor, propose an amendment to cut defense, either on this bill or the appropriations bill, and defense will be cut if a majority approve that amendment. What the firewalls do, and I think this is very important, they say if you cut defense it goes to deficit reduction, it does not get shifted to another spending account. That is what the firewalls do. I think they are very important. I think they preserve both defense and domestic spending, as the Congress decides on the budget resolution.

It is not as if we do not make decisions here. We make decisions on the budget resolution. We decide what goes within those firewalls. We do it every year. So that is the key place to make these changes.

I urge the Bumpers amendment not be agreed to.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from South Carolina.

Mr. THURMOND. Mr. President, I yield myself such time as may be required.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I oppose the amendment offered today by the distinguished Senator from Arkansas.

I am concerned about defense spending levels. I have argued for years that defense was underfunded. Even this year's budget resolution recommends defense budget levels lower than those I have advocated. As the search for precious dollars intensifies, I anticipate more and more attempts to divert defense funds to nondefense programs. We have seen attempt to fund nondefense programs in the last 2 days.

The Department of Defense has done more than its share in the budget reduction efforts. Defense has contributed more to achieving the deficit reductions outlined in the 1990 budget agreement than any other executive branch agency.

Establishing the caps will not prevent reductions in defense spending. It will, however, discourage raids on the defense budget by those seeking to fund domestic programs at the expense of our Nations' security.

With the caps on defense and nondefense spending levels, any reductions in these categories would have to go directly to reduce the deficit. This was the case when the Budget Enforcement Act of 1990 was passed. In fiscal year 1994, the cap on separate categories was eliminated allowing funds to be transferred between defense and domestic programs. As a result, we saw transfers out of defense to pay for some domestic programs from the Defense authorization and appropriations bill last year.

Since 1990, the defense budget has been reduced more than any other. We have asked thousands of service men and women to end their careers earlier than they had planned. DOD drastically scaled back procurement as well as research and development. The Joint Chiefs have testified that we are on the brink of return to the hollow force of the 1970's and early 1980's. At the same time, we are increasing the number and type of missions assigned to our forces. The Armed Services Committee worked very hard this year, within the defense levels in the concurrent resolution on the budget, to reverse these trends. In order to maintain these initiatives, I support the efforts of Senator DOMENICI and the Budget Committee to establish firewalls or caps on domestic and defense discretionary spending.

Mr. President, the Bumpers amendment would remove the protections we have worked hard to achieve. I urge my colleagues to oppose the amendment.

Thank you Mr. President. I yield the floor.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER (Mr. CRAIG). Who yields time?

Mr. THURMOND. I yield such time as he may require to the distinguished Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I thank the Senator from South Carolina.

Mr. President, I rise in opposition to the amendment offered by the Senator from Arkansas for the reasons that have been previously stated relative to the contribution of defense spending to reducing our deficit over the past decade, the limitations on commitment to defense spending for the next 7 years as opposed to the significant increases in spending that will go to a number of programs but particularly to Medicare and Medicaid, and for the reasons stated by Senator from Georgia, and the Senator from South Carolina. However, what I would like to do is to discuss this proposal to allow further reductions in defense spending in a broader context.

There are some on the left who view every defense dollar as a dollar that is taken from social spending. And in all candor there are some on the right who view every defense dollar as a dollar taken from deficit reduction.

I submit, Mr. President, that neither can understand why we are asking for more money in this legislation than the President requested, albeit a very small amount more, $7 billion. Both I think the left and the right are missing the big picture of history by focusing on the small print of the budget.

There is a great deal at stake in this debate. Defense spending must be placed in a broader context. That context is outlined with exceptional clarity by historian Donald Kagan in his new book "On the Origins of War". In case after case, he argues, war has been

"The product of the failure of the victors * * * to construct a solid basis for peace."

He goes on to say, "A persistent and repeated error through the ages has been the failure to understand that the preservation of peace requires active effort, planning, the expenditure of resources, and sacrifice, just as war does."

This historical fact should sober us. Great, victorious powers have a special burden, and are especially prone to misjudgment. They have a tendency, Kagan says, to be either too hard or too soft, or both in succession. They can be motivated by the highest ideals, but still lack the will to secure them. In this way, leaders who desire peace can encourage war. Sustaining the peace is always an act of will and design—based on diplomatic and military strength.

The history of America has become the central feature of the history of the world. We did not seek that position through imperial ambition—but we have been selected, nonetheless, for great responsibilities. This should focus our minds, and focus this debate.

I'm looking at this we are not left without guidance from the past. Every generation imagines itself exempt from the laws of history, and every generation is forced to follow them. Those laws can be respected or resented, but not changed or ignored. It is a useful exercise to clarify and repeat them, as Donald Kagan and others have done.

Listen to his rules.

The first rule is that peace is not a natural condition. The New World Order is destined to disorder. Moments of international calm have never prevented future conflict. Every prediction of perpetual peace has been disappointed. The reason is rooted in human character. British military historian Michael Howard comments, "We have not improved as people, however much we have improved as technologists." That should be obvious from the 50 conflicts that rage in the world at this moment.

The second rule is that war is always a surprise. Strategies that depend on long warning periods or time for preparation, are bound to fail. Deterrence with current power is the only adequate insurance against the unknown. During the cold war, the experts said that the likely warning time of a Warsaw Pact attack on NATO was somewhere between 3 days and 3 months. After German reunification, we discovered that Warsaw Pact readiness would have allowed for an attack in 3 hours.

Paul Wolfowitz of Johns Hopkins draws this lesson from our experience in Korea in 1950. Just 5 years after the height of American power in World War II, he says, "A third-rate power almost kicked the U.S. off the peninsula." It was not until 4 months later that General MacArthur was able to launch the Inchon landing that started a 3-year fight back to Korea's original borders.

In a regional conflict, an enemy does not judge America's potential power, but our actual force. "The bottom line," says Wolfowitz, "is that people are judging your will, your capability to deliver."

The third rule is that war is prevented by creating a prohibitive cost for disturbing the status quo, and exacting that cost cannot be done by international institutions. The United Nations is sometimes useful, but it is not an alternative to American power.

In September of 1993, President Clinton declared that "U.N. peacekeeping holds the promise to resolve many of this era's conflicts." Six days later a company of U.S. Rangers under U.N. command was decimated in Mogadishu.

In the last few years, we have had a short but decisive experiment with what Madeleine Albright called "aggressive multilateralism." That experiment has failed miserably and millions of people have been subjected to war and humanitarian failure.

Fourth, Kagan says the ability to take swift, firm, early action against aggressors is the best way to prevent large, protracted, painful action in the future. He argues that tentativeness among great powers is one of the principal causes of war. He analyzed a series of avoidable conflicts and concluded:

> Unwilling to commit themselves clearly and firmly to the price of defending the peace that they so badly wanted to maintain, they had to pay the price of a long, bloody, costly, devastating, and almost fatal war.

The history of this century bears out the truth of that statement. Unable, unwilling to commit ourselves clearly and firmly to the price of defending peace, millions in this world in this century have been subjected to long, bloody, costly, devastating, almost fatal wars.

Defending that peace depends, ironically, on not a defensive but an offensive military capability. A defensive posture, no matter how strong, is not sufficient.

At the beginning of World War II, neither France nor Britain deployed a credible offensive force because the Western leaders and many of their people, again quoting Kagan:

> . . . did not examine their situation objectively and realistically but emotionally and hopefully. They were moved by the horror of war, the fear of its reappearance, and the blind hope that a refusal to contemplate war and prepare for it would somehow keep the peace.

Our concept of cost effectiveness must be deeper and more serious than it often is today. Our choice, our real choice is not between the B-2, for example, and Head Start. Our real decision is between a cutting edge military capable of offensive operations and an unthinkable, immeasurable future cost in American lives and American resources.

Kagan's fifth rule is that democracies are not particularly good at making and keeping these commitments. Kagan comments that they are motivated by "an ethical system that is commercial, individualistic, and libertarian." Their governments are under continual demand to "satisfy domestic demands at the expense of the requirements of defense."

That is what we are seeing in the amendment of the Senator from Arkansas and what we have seen year after year in amendment after amendment.

It can lead us to a dangerous situation, because democracies can be handicapped in the maintenance and use of power. They invite challenges, and when those challenges come they are often not fully prepared.

Kagan's final rule is that politicians have always had the tendency to interpret history to fit their budgets, not the other way around. They have a vested interest in the assumption of peace because the assumption of peace matches domestic fiscal need.

These facts of history, of course, are not a strategy by themselves, but they should inform our strategic approach. And I would suggest it is time we had a strategic approach.

Some of the delay in creating a vision for America's role in the world is understandable. We are still emerging from the conceptual grip of the cold war for four decades that consumed our attention and consumed our creativity, but now the absence of a self-confident American self-image is beginning to create risks. It does not take much imagination to imagine what our threats are. Eighty percent of North Korea's forces are within 100 kilometers of the DMZ. Tensions between India and Pakistan are high. Iran is more assertive. Iraq is unpredictable. Algeria is on the edge of Islamic revolution, threatening Egypt as well. Will there be conflict in Macedonia? Will we face a bad outcome in Russia?

Some of the categories of threats against international stability ought to be evident to all of us: The proliferation of conventional weapons; the disintegration of political order; the proliferation of biological, chemical, and nuclear weapons. All of these threats can be controlled with decisive, aggressive action, but if they are allowed to run their course the consequences would be hard to contain and the costs could be terribly high.

I suggest, Mr. President, that containing the crises that face us in the post-cold-war era depends on two things. First, it depends on American superiority in new weapons, something that is costly to maintain. America, for example, has held the lead in Stealth technology. The price was high—$65 billion over 20 years. No one can now argue that this investment was wasted.

Second, early decisive, decisive American involvement depends on a commitment to act, not just react. We need to aggressively shape the security environments of the gulf area, Asia and Europe, not just respond to crisis after crisis, emergency after emergency. This is the best way to minimize our future commitment.

This presents a challenge. America's lead in military power and technology can easily result, if we are not careful, in complacency. Historically, the United States has made the error of excessive downsizing again and again. Each time has resulted in tragedy, and I fear that we may be starting down that path once more. Never in the history of this country have we successfully downsized after a victorious conflict—never. Each time, we have paid a significant price in terms of the loss of American lives, the commitment of resources that otherwise would not have had to have been committed, the lack of preparedness that had led to the subsequent conflict.

Next year, as has been pointed out, will be the 11th consecutive year of real decline in defense spending. When President Clinton took office, he doubled his projected defense cuts to get deficit reduction without a net increase in domestic spending. We have reduced military personnel by 23 percent. We are headed for a 33-percent cut by 1999. Our military is a third smaller than it was just 10 years ago.

To suggest that the Defense Department has not done its share in addressing the budget deficit or freeing up funds for domestic discretionary spending is factually totally inaccurate. As was pointed out by the Senator from New Mexico earlier, since 1990, defense discretionary spending has decreased 10 percent and all other nondefense discretionary spending has increased 36 percent. In the next 7 years, while defense will decrease $13 billion in real spending, Medicaid will increase $149 billion and Medicare $349 billion. How can we begin to suggest that after 11 years of reductions, after reducing our Air Force and Navy and Marines and Army by a third, defense has not done its share? I ask the Senator from Arkansas to name one program, one Federal program that has cut anything, that has even begun to match what the Department of Defense has done. I doubt that he can.

In October of last year, Anthony Lake from the administration argued, "The Cassandras attacking our readiness are wrong." But just a few weeks later an audit revealed that one-fourth of the Army's active combat divisions were less than combat ready and that one armored brigade and one mechanized brigade, both quick-reaction units, could not carry out their missions on short notice. With projected levels of spending, America could soon be short of the resources to fight on two fronts by 3 army divisions, 6 tactical air wings, 4 carriers, and 40,000 marines.

Meanwhile, the Pentagon is spending less on new weapons and equipment than at any time in the last 50 years.

Let me repeat that. The Pentagon is spending less on new weapons and equipment than at any time in the last 50 years.

To suggest there is some kind of spending binge going on over at the Pentagon is factually and totally inaccurate. In 1996, the Navy will purchase just three new ships. The Army will not even order one new tank. All four services combined will buy only 20 replacement jet fighters compared to 458 they bought in 1980.

Now, the theory behind this pattern is clear. We are living off the procurement of the Reagan years, weapons that were designed in the 1970's and procured in the 1980's. We are depending on military technology that is already in the pipeline. We are not even spending enough to replace existing equipment before it wears out. We are often preserving force structure by gutting procurement and research and development funds. All this has left us in the early stages of a predictable decline. American forces have more commitments than ever before, but those commitments are not matched by sufficient resources. Our soldiers, sailors, and airmen are asked to patrol more broadly, with decreasing force, while trying to keep acceptable personnel rotations and operations tempo in attempting to prolong the life of older equipment. It is a challenge they meet, but with great sacrifice, and a challenge they cannot meet forever.

The price. The price, as usual, is paid by the men and women who serve their country—a particular concern of mine. Deep cuts have reduced training, put pressure on military pay, forced longer deployments. This has encouraged many able people to leave and has weakened the spirit of those who remain.

In Armed Services hearings before our committee, and in discussions with personnel around this country and the world, I have heard a number of disturbing reports—snapshots of the military on the verge of a serious problem. Last year, in order to stretch its forces, the Navy started gapping its presence in the Mediterranean, the Persian Gulf and the Western Pacific. For a third of each year, two of those theaters will have no aircraft carrier.

Since Navy officials were short last year of $300 million in operations funds——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COATS. I ask unanimous consent for 3 additional minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. COATS. Since Navy officials were short last year of $300 million in operations funds due to increased tempo of operations, they reduced flying hours for squadrons aboard carriers. Marines getting home from a 6-month deployment to Somalia aboard the USS Inchon were sent to Haiti 12 days after they reached home.

One general reports, "Strategic lift in this country is broken right now." He warns that most U.S. military capability would not begin to arrive at a regional conflict for 3 months after it began. Yet the administration pretends the charade that it has a military capability to respond to two major regional crises at nearly the same time.

The Marine Corps is using 50-year-old canvas tents and wearing boots from the Korean war era. These instances are isolated, but they are not uncommon. They represent an emerging trend. The inspector general of the Marine Corps commented to me, "At some point in the near future, the current funding strategy will ultimately undermine the corps' ability to meet warfighting and peacetime presence requirements." It is the same story in every branch.

Mr. President, in conclusion, the reason that we must be concerned is simple. We cannot afford as a nation to repeat the patterns of the past, a pattern of American withdrawal followed by major costly commitments. We need the ability to consistently shape our strategic future, not just to respond when it falls in disorder. And that requires both readiness and continued technological advances.

There is no simple formula for avoiding war, but some things clearly do not work. Again, Donald Kagan observed, "Good will, unilateral disarmament, avoidance of alliances, teaching and preaching the evils of war are of no avail." Denying our leadership and power will not keep the peace. The peace is kept by "active effort, planning, the expenditure of resources, and sacrifice." It is reinforced by the possession of superior force and the will to use it skillfully.

It was World War I poet Siegfried Sassoon who said 76 years ago, "Look down, and swear by the slain of war that you'll never forget." We best preserve that memory by recalling how war is prevented. It is not a task for the weak. It rests on a large vision of our Nation's role. And it involves the inescapable necessity of American leadership.

We can save money by shirking from this duty. Yes, we can. But we will not in the long run save the peace or save American lives. Kagan concludes in his "On The Origins of War," with a warning:

> The United States and its allies, the states with the greatest interest in peace and the greatest power to preserve it, appear to be

> faltering in their willingness to pay the price in money and the risk of lives. Nothing could be more natural in a liberal republic, yet nothing could be more threatening to the peace they have recently achieved.

This is worth remembering in this debate.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COATS. There will be no excuse.

Mr. President, I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Let me say, the Senator from Indiana has said, name one program that suffered with the cuts that defense has taken. I am sorry I did not prepare for that particular question. But let me tell you why I am up here today. Right here on this chart—and figures do not lie; liars can figure—defense goes from $264 billion this year, goes up every year, to $280 billion in the year 2002.

Where are they suffering in all these big budget cuts?

Mr. COATS. Will the Senator yield on that point?

Mr. BUMPERS. I will be happy to yield.

Mr. COATS. If the Senator had incorporated figures from 1985 to the present, you would see an entirely different picture. By drawing the line at what might happen in the next 5 years, you are ignoring what happened in the last 10 years. There has been a dramatic decrease in real dollars in defense spending for the last 10 straight years. But that is not on the Senator's chart.

Mr. BUMPERS. In the next 7 years, they will more than make up. You said "Name one program." I will name them.

Mr. COATS. Taking cuts in defense.

Mr. BUMPERS. Nondefense discretionary spending. Of all the spending cuts over the next 7 years, poor little old nondefense, domestic discretionary spending—education, health care, law enforcement, you name it—takes 43 percent, 43 percent of the total spending cuts over the next 7 years.

The Senator said this is not about B-2 versus Head Start. That is precisely what it is about. I supported the B-2 much longer than I should have. For years I voted faithfully for it. I voted for the Trident submarine, the F-15's, the F-16's, the F-18's, the F-111's, the F-B-111's, the F-117's, you name it. I voted for all of them. And I tried to cut a few, too.

I have stood at this desk for 20 years saying, for example, that we ought not to bring 40 rust-bucket battleships out of mothballs. Boy, the herd of instincts flew through here. The "evil empire" was about to come up the Potomac and get us. We even bring battleships out of mothballs, the ones the Japanese surrendered 50 years ago on, and we spent almost $2 billion on them. What do you think happened? They floated the high seas for 2 years and we put them back in mothballs. But our $2 billion is gone. You could not say anything here without being considered a dove.

Senator DOMENICI told you a moment ago what all would go up. He did not tell you what would go down. What will go down is $250 billion a year in taxes—$250 billion over the next 7-year period for people who make over $100,000 a year. They get 75 percent of it. Is that where this country's values are? We are going to cut Medicare for the elderly $270 billion and cut taxes by $250 billion.

He told you about nondefense discretionary spending. I just got through telling you that will take—that nondefense discretionary spending is going to absorb 43 percent of all the cuts. And in the year 2002, nondefense domestic discretionary spending will fall to 2.4 percent of our economy, the lowest since 1954.

The Senator from Georgia said this same amendment was brought up on the budget resolution. And it was. But it was one of those amendments that could not be debated. You just had to throw it out and let people vote on it. And on that same budget resolution, incidentally, that came out of the Senate and went to conference, you know what happened to it in conference? It came back with $33 billion tacked onto it from the time it left the U.S. Senate.

We gave in to the House on everything and added $33 billion to the budget resolution after it left the Senate.

Year after year, as I stood here and said, "Don't bring those old battleships out of mothballs," and a host of other things, I always got run over like a Mack truck. And here I am again. I always come back hoping that somebody across America might be paying attention, might even be listening.

But the argument always was, "The Secretary of Defense wants this," "The President wants it," "The Joint Chiefs want it." And this year I say the Secretary does not want it, the President does not want it, and the Joint Chiefs do not want it. And the argument on the other side is, "Well, what do they know?" It does not make any difference what you do, whether you want it or do not want it, you get it.

Mr. President, this ought to be compelling. It ought to be absolutely compelling. The figures are stark. They are staggering. I told the Senator from Georgia awhile ago, I do not have anything to lose. I know how many votes we are going to get on this and how we are going to come out on it. It is going to be years before this U.S. Senate is going to listen to this kind of argument. I only pray that it will not be too late.

So, Mr. President, let me just close—and I am prepared to yield back my time and let the Senator make his point of order.

Mr. DOMENICI. Might I ask Senator BUMPERS a question?

Mr. BUMPERS. Yes.

Mr. DOMENICI. How much time does the Senator have remaining?

The PRESIDING OFFICER. The Senator has 1½ minutes remaining.

Mr. DOMENICI. We are out of time. I wonder if the Senator will object to my taking 30 seconds at this point, and then I will make the point of order.

Mr. BUMPERS. I yield the Senator 30 seconds of my time.

The PRESIDING OFFICER. The Senator yields to the Senator from New Mexico 30 seconds.

Mr. DOMENICI. Mr. President, I think with reference to the years 1995 to 2002, the Senate should know that in 1995, we will spend $270 billion on defense, and in 2002, we will spend $271 billion—$1 billion higher 7 years later, almost 8 years later.

The numbers the Senator is using have to do with ups and downs in between. The truth of the matter is, we entered this budget period at $270 billion; we leave it at $271 billion.

I thank the Senator for the 30 seconds.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, my chief cosponsor on this amendment is Senator SIMON, who happily has laryngitis, so I get to do all the talking. My cosponsors are Senators WELLSTONE, MOSELEY-BRAUN, KOHL, and FEINGOLD. I am prepared to yield back such time as I have remaining.

The PRESIDING OFFICER. The Senator yields back his time.

Mr. DOMENICI. Mr. President, the pending amendment contains matters within the jurisdiction of the Senate Budget Committee. Pursuant to section 306 of the Congressional Budget Act, I raise a point of order against the pending amendment.

MOTION TO WAIVE THE BUDGET ACT

Mr. BUMPERS. Mr. President, I move to waive the Budget Act for purposes of the Senate's consideration of this amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive section 306 of the Budget Act. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

(Disturbance in the galleries.)

The PRESIDING OFFICER. The Sergeant at Arms will restore order in the gallery. The clerk will resume calling the roll.

The legislative clerk resumed the call of the roll.

The result was announced—yeas 37, nays 63, as follows:

[Rollcall Vote No. 361 Leg.]

YEAS—37

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Feingold
Harkin
Hatfield
Hollings
Jeffords
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Specter
Wellstone

NAYS—63

Abraham
Ashcroft
Bennett
Bond
Brown
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Exon
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Kassebaum
Kempthorne
Kerrey
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

The PRESIDING OFFICER. On this vote, the yeas are 37 and the nays are 63. Three-fifths of the Senators present and voting having voted in the negative, the motion to waive the Budget Act is rejected.

The pending amendment No. 2115 contains matter within the jurisdiction of the Committee on the Budget, and therefore violates section 306 of the Congressional Budget Act. The point of order is sustained. The amendment falls.

Mr. THURMOND. I move to reconsider the vote.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. As I understand, the Senator from Arizona, Senator MCCAIN, is prepared to accept the 20 minutes equally divided time agreement; so I ask unanimous consent that Senator MCCAIN be recognized to offer his amendment regarding the Olympics, and there be 20 minutes equally divided prior to a motion to table, and that no second-degree amendments be in order prior to the vote on the motion to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. After that, as I understand it, the Senator from Vermont is prepared; if not, the Senator from Wisconsin is prepared to proceed.

Mr. LEAHY. I am prepared to proceed under a time agreement. I believe it is similar to the one—I must admit, I was distracted on the one you gave about the Senator from Arizona, but it sounds about the same.

Mr. DOLE. We will do the amendment of the Senator from Wisconsin first, then.

Following disposition of the McCain amendment, Senator KOHL be recognized to offer his amendment; that he have 1 hour and 15 minutes, and 15 minutes on this side.

Mrs. BOXER. Reserving the right to object——

Mr. DOLE. No second-degree amendments will be in order.

Mrs. BOXER. Reserving the right to object, I will not object. I just had a question for the majority leader.

I have an amendment that has been cleared on both sides. I only need 5 minutes on my side to describe it. If we could work that in sometime soon, I would be very grateful to the Senator.

Mr. DOLE. Will there be a rollcall vote?

Mrs. BOXER. I would like a rollcall, but it could be stacked at any time that managers feel is a good time to stack.

Mr. NUNN. We need to take a look at that amendment. I believe it is probably cleared on both sides. We can get to them quicker if there is not a rollcall vote.

Does the Senator from California have to have a rollcall vote?

Mrs. BOXER. Yes; I have been working on it for a year and a half.

Mr. NUNN. We will look at it.

Mr. LEAHY. Mr. President, reserving the right to object, I shall not object, but if I may have the attention of the majority leader.

The question was asked earlier by the majority leader, and I am willing to go forward on my amendment, following the Senator from Arizona, under the same time agreement. I just had a chance to read the agreement made with the Senator from Arizona. I advise the distinguished majority leader that I am happy to follow him with a similar agreement.

The PRESIDING OFFICER. Is there objection to the request on the Kohl amendment by the majority leader?

Without objection, it is so ordered.

Mr. NUNN. Mr. President, I believe the amendment of the Senator from California has been cleared on both sides. I believe she wants 5 minutes of discussion. I do not think we will need over 1 minute, so we could get a unanimous-consent to have that in order, with about 6 minutes on it, and have a rollcall vote. We could do that, and perhaps even have a 10-minute rollcall vote after, following either the Kohl rollcall or the McCain rollcall.

Mr. DOLE. We will work that out if we can.

What is your time agreement?

Mr. LEAHY. Mr. President, the request for 20 minutes evenly divided in the usual order. I would accept that, to follow after the Senator from Arizona and the Senator from California.

Mr. DOLE. There may be a second-degree amendment to yours. Is that a problem?

Mr. LEAHY. My understanding is that there be no second-degree in order prior to a motion to table. Obviously, if the motion to table is lost, they reserve their rights.

Mr. DOLE. Can I get back to the Senator from Vermont?

Mr. LEAHY. I am just trying to be helpful.

Mr. DOLE. So, following the debate on the Kohl amendment, but prior to the vote, we will take up the amendment of the Senator from California, Senator BOXER; 10 minutes equally divided. Then we will have back-to-back rollcall votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Indiana.

Mr. COATS. Mr. President, as someone who has been engaged in attempting to move this bill forward, I would hope Members will accept reasonable time agreements. We have been working long days and long nights for a lot of weeks now. Most of us have not been home with our families for meals for weeks, and the Senate is going to be in session tomorrow. We take up the welfare debate next week, which will be a long week.

If there is a way we can avoid the time it takes to have rollcall votes on amendments that are already accepted, or if there is a way that Members can reduce the amount of time they speak on issues that have been debated over and over and over, time after time after time, and everybody knows how they are going to vote, I think everybody would appreciate that.

My experience is that no matter how articulate and eloquent my speeches might be—and they are not all that articulate and eloquent—it does not change any votes. So to the extent any of us can summarize our arguments, realizing that no matter how passionate or eloquent they might be, it is probably not going to do anything except make us more tired and irritable and probably produce more votes against us than when we started speaking. I hope everybody, in the interests of those of us who have families at home and would like to see them once in a while, could take those situations into their consideration.

To the extent we can move along with these bills and people can summarize their statements in the interests of providing some comity for their colleagues, I would certainly appreciate that and I am sure others would also.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. For the information of all Senators, I think it would be helpful if the President might give us the sequence, now, as was just agreed to in the unanimous consent. Is it my understanding the McCain amendment will be followed by the Boxer amendment to be followed by the Kohl amendment?

The PRESIDING OFFICER. McCain, Kohl, Boxer.

Mr. DASCHLE. And the McCain amendment has 20 minutes with a rollcall and then the Kohl amendment is an hour with a rollcall and then the Boxer amendment is 6 minutes with a rollcall after that?

The PRESIDING OFFICER. The Kohl amendment has a total of an hour and a half for debate.

Mr. DASCHLE. So there will be a rollcall in 20 minutes, is that correct?

Mr. NUNN. Mr. President, if I could say to the leader, I believe the order provided the McCain amendment would be disposed of, then the Kohl amendment would be taken up and debated. Before the Kohl vote, the Boxer amendment would be taken up and debated, and then we would vote on Kohl and Boxer after that.

So as I understand it, we will dispose of the McCain amendment first. Then we will have debate on the Kohl amendment and then we will have the debate on the Boxer amendment and we will vote on those two amendments after that. That is my understanding.

Mr. STEVENS. Will the Senator yield?

The PRESIDING OFFICER. That is the understanding of the Chair.

The Senator from Alaska.

Mr. STEVENS. Mr. President, if I might make a suggestion, if we could take Boxer after McCain, we could have a vote here on those two amendments in about 1 hour and then have another vote in an hour and a half, after the others? I only say that because I know there are a substantial number of us who are going to be leaving here very soon.

Mr. NUNN. I have no objection to that. The majority leader entered into the agreement. I think it probably needs to be cleared with him.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. I suggest we could save more time if we went ahead with the unanimous-consent agreement, which I believe is my amendment. Keeping in mind the admonition of my dearest friend, Senator COATS of Indiana, I will try to be very brief, because it is a very simple issue. Since we have just 10 minutes on each side, I will be very brief.

AMENDMENT NO. 2116

(Purpose: To mandate the money made available to the Department of Defense and used for civilian sporting events be reimbursed to the Department of Defense)

Mr. McCAIN. I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arizona [Mr. McCAIN], proposes an amendment numbered 2116.

Mr. McCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the Act, add the following new section:

SEC. . CIVILIAN SPORTING EVENTS.

(a) No funds made available to the Department of Defense may be expended either directly or indirectly to support civilian sporting events, including but not limited to the World Cup Soccer Games, the Goodwill Games, and the Olympics, until the Secretary of Defense enters into an agreement with the appropriate entity or affiliated entity or entities and certifies that such funds will be reimbursed to the extent available to the Department under terms and conditions established by the Secretary of Defense, and that such terms shall—

(1) not mandate any reimbursement until after the event is complete and all event-related contractual obligations have been met by the entity; and

(2) such reimbursement shall not exceed surplus funds available.

(b) For the purposes of this Section, paragraph (a) shall be null and void and of no effect if the entity or entities with which the agreement was made have no surplus funds after all other contractual obligations have been met.

(c) SURPLUS FUNDS DEFINED.—For the purpose of this section, the term "surplus funds", with respect to an organization sponsoring a sporting event, means the amount equal to the excess of—

(1) the total amount of the funds received by the organization for the event other than revenues derived for any tax, over

(2) the total amount expended by the organization for payment of all of the costs under the organization's contractual obligations (other than an agreement entered into with the Secretary of Defense under this section) that relate to the event.

Mr. McCAIN. Mr. President, this amendment is extremely simple. We have been through it before. It is something that I find very difficult to understand, why that would not make sense to most Members of this body. It is simply that any money—not just on the Olympics in Atlanta—any money that is spent by the Department of Defense for a civilian sporting event be reimbursed to the Department if the event makes a profit.

I want to emphasize that about five times, if I might. The reimbursement to the Department of Defense for money that is spent out of the Department of Defense would only be reimbursed if the event made a profit.

I do not understand the argument that the Olympics are a wonderful thing, because they are; and that they need security, because they do. One thing I still have been unable to figure out is that I am told by the opponents of this legislation, primarily, and understandably the two Senators from the State of Georgia, they do not know, they are not going to be able to tell whether they make a profit or not. If they cannot figure out whether they make a profit or not, they sure as heck should not have gotten the Olympic games. I have done a little research. Every other Olympic games have, at the end of it, been able to figure out whether they had a profit or loss. And why Atlanta seems incapable of doing so staggers the imagination.

The Los Angeles Olympics made $222 million; ABC has agreed to pay $225 million in serving as host broadcasters. They did at the Los Angeles Olympics. There is a U.S. Mint coin program that has made $147 million.

I have a great quote from "Making It Happen," the story of the Los Angeles Olympics.

> There was always concern that someone could stand up in Congress and demand that the committee reimburse the Federal Government its security and other expenditures on the games. This ran at least $30 million for security alone and could have been estimated as high as $68 million overall. I believed then as I do now that there are many important programs much more deserving of Government support than a sports event.

"Made in America," by Peter Ueberroth.

Mr. President, what this is all about simply is that this Olympics, if it does not make a profit, will not be required to reimburse the taxpayers of America. This does not have anything to do with any reluctance to provide the security that is necessary for these Olympics. We do not have to hear again about the tragedy of Munich. We are all aware of that. And I believe that the taxpayers of America deserve to be reimbursed if the games make a profit. If not, I certainly will not seek that.

Mr. President, I reserve the remainder of my time.

Mr. President, I ask that notwithstanding the previous consent, the Boxer amendment be in order following the McCain debate and the votes then occur back-to-back—courtesy of the Senator from Alaska.

The PRESIDING OFFICER. Is there objection?

Mr. COHEN. Reserving the right to object, I inquire whether or not, between the votes, after the vote on the McCain amendment, I be allowed to offer an amendment that has been agreed to?

Mr. McCAIN. Does the Senator from California seek a rollcall vote on her amendment?

Mrs. BOXER. The Senator from California does, in fact, seek a rollcall vote.

Mr. McCAIN. I repeat my unanimous consent request, Mr. President. I ask, notwithstanding the previous consent agreement, the Boxer amendment be in order following the McCain debate, debate on the McCain amendment, and the votes then occur back to back.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Virginia has control of the time.

Mr. WARNER. Mr. President, it is my understanding that the distinguished Senator from Arizona will control the time on this.

Mr. McCAIN. I only have 10 minutes. I spoke for about 5. Now I believe it is the other side's turn to speak.

Mr. WARNER. For purposes of control in favor of the amendment, you control the time.

Mr. McCAIN. I am speaking for the amendment.

Mr. WARNER. I understand that.

Mr. McCAIN. Mr. President, I ask unanimous consent that the Senator from Georgia control the time on the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Georgia.

Mr. COVERDELL. Mr. President, I rise in opposition to the amendment. As my good colleague from Arizona noted when he began his remarks, we dealt with this before and, therefore, he would be brief. He is correct. We dealt with this last year, and his amendment was defeated 77 to 21. It was defeated for several reasons.

One, there is an understanding that there are facilities and capacity that the Department of Defense must provide for the security of the U.S. Centennial Olympics, which will occur in Atlanta, GA, in less than a year. It was defeated because it was interloping on 4 years of contract and arrangement. And it was thought at that time, which was 2 years before the Olympics, that it was too late to intervene and contravene and disrupt the very intricate process of DOD security as provided to our guests—12,000 athletes, 196 countries, with venues occurring in five separate States and 31 villages. It was defeated for that reason.

Here we are a year later, less than 1 year before the flame is lit in Atlanta, GA, and we have the same amendment back. It was not acceptable a year ago; it certainly is not acceptable today.

The amendment deals with more than reimbursement. The first section of the amendment says no funds may be expended to the various events, including the Olympics, until the Secretary of Defense has entered into an agreement with the various entities involved. That means that no funds could be expended, no security and preparation of this international event of this magnitude until the Department of Defense has entered into an agreement with 43 separate jurisdictions—States, counties, municipalities, et cetera.

If this amendment is adopted, it would bring the security apparatus envisioned—and which all of us know needs to be in place—to a standstill. We all know the process that would be underway in terms of trying to deal with this and the agreements that would have to be sought and concluded and the morass that would surround it.

Mr. President, in addition, the amendment removes the accounting procedure. Vast expenditures would be called upon by the Olympics—employee wages, upkeep of the facilities, maintenance, electric bills, which would fall outside what would be in the accounting process.

The point is, in sum and short, the Department of Defense is the only facility and capacity that can provide the very special security requirements. This will disrupt that process and it should be an effort that is entirely proactive. It would bring the security process to its knees.

Mr. President, I yield the remainder of my time to my distinguished colleague from Georgia.

Mr. NUNN. I thank my colleague from Georgia.

Mr. President, I would just say very briefly, and reserve the remainder of my time, that there are three problems with this amendment. It does look like a simple amendment. I know the Senator from Arizona is sincere in his efforts to try to save money for the Federal Government.

One of the problems with this amendment—and there are three main problems. First of all, it will not work. It is an accounting nightmare. We would have to basically call off the security for a period of weeks or perhaps months while a team of lawyers and accountants went down and negotiated not only with the Olympic committee but with many different jurisdictions, as my colleague from Georgia pointed out.

So the first problem is it is not workable with an entity like the Olympics that is operating in five States in many different local jurisdictions, that is not intending to make a profit, that is putting up a huge number of buildings and structures that would have to have an amortization table set up because they are going to be turned over to local entities afterwards. How can you determine a property in those circumstances?

The second problem is it is not going to save the Government any money. They do not intend to make a profit. If they see they are going to have a surplus toward the end of the games, they are going to try to put it back into the games. I have been told that over and over and over.

The third problem with it is it will probably cost the Government money. How would it cost the Government money if we adopt this and it became law? It would cost the Government money because this amendment says very clearly that no reimbursement would take place until the event is complete. Right now the agreement that has been worked out with DOD is that anything that is not related to the security is reimbursed immediately.

So DOD does some things that are not security related that get reimbursed. They have already reimbursed the Government something like $55,000. It will probably be something in the neighborhood of $1¼ million to $1 million before it is over. So this amendment, intending to save money, will end up, in my view, costing money because there will be no excess.

The other problems—the big problem is what State and local governments do. Our States are putting at least $35 million or $40 million in. There will be events in Tennessee. Tennessee is going to be spending money. Once we adopt this, each State is going to say, "We want to get reimbursed for our costs before the Federal Government." I do not know how that will play in this amendment. Perhaps someone could explain it.

So this amendment is simply not workable. It will not save the Federal Government any money. It would reverse the precedent we have had over and over again.

Mr. President, this is what is at stake here. We have 195 countries, 100 heads of state, 15,000 athletes and officials, 15,000 media representatives, 25,000 Olympic family and VIP's, 12 million tickets, 350,000 visitors per day, 3,000 hours of TV coverage, 3 billion viewers around the world. That is what is at stake.

How much would Germany have paid for the security to prevent the slaughter that took place by terrorists at Munich in 1972? Do we want to nickel and dime security and have the ACOG committee, knowing they may be called on for some kind of cost accounting nightmare reimbursement and then negotiate with our military to see what we need in terms of chemical warfare specialists, what we need in terms of people who know about biological warfare, what we need it terms of communications?

Mr. President, we do not want that for the Olympics. We do not want a black eye for the Olympics. We do not want to cut security to the bone and then end up with some tragedy or some great embarrassment.

So I urge the rejection of the amendment and reserve the remainder of the time.

Mr. McCAIN. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Arizona has 5 minutes 42 seconds, and the Senator from Georgia has 2 minutes 22 seconds.

Mr. McCAIN. Mr. President, I yield myself 3 minutes.

Mr. President, I had hoped that 1972 would not come up again in this debate. No one, no one, no one believes that 1972 should ever come up again. And to relate the tragedy of 1972 and what happened in Munich when the terrorist attack took place on a request which I think is reasonable—and reasonable people can disagree; if the Olympics make a profit, they reimburse, of course—it is just hard for me to understand.

The senior Senator from Georgia said it would be an accounting nightmare. I believe that the people of America who invest sizable amounts of money—not just in defense—they have the right to know whether this Olympics makes a profit or a loss.

As I said, I have done research of every single Olympic game that has been held in the United States. They come out with a profit or a loss as any other enterprise would. I am shocked to hear that it is impossible for the Olympic games to figure out whether or not they make a profit or a loss. I am shocked.

With the appropriate legislation, if there are Federal funds involved with the Olympics, I am going to propose some kind of amendment that the American people have an accounting. I do not think that is unreasonable.

I would like to congratulate the two Senators from Georgia. They are for the Olympic games for the first time for which there is no accounting.

The second thing is they do not intend to make a profit. If they do not intend to make a profit, then we should adopt this amendment by unanimous consent agreement by voice vote because then they do not have a problem. If the senior Senator from Georgia is convinced that they are not going to make a profit, then he does not have to worry about this amendment.

Why is he debating against it? In his words, they do not intend to make a profit. That is their option. But the American people deserve an accounting.

As far as the cost to the Government to be reimbursed immediately, all I can say is that if we are talking about as much as $20 million to be spent, $10 million last year and $10 million this year, I think the American people deserve to be reimbursed if this enterprise makes a profit.

Obviously, it has nothing to do with the 1972 tragedy in Munich, and I do not believe that cost considerations would drive any organization to reduce the security required to make sure, to make every effort possible so that the Olympic games would be made safe and secure.

I reserve the remainder of my time.

Mr. COVERDELL. I yield 1 minute to the distinguish Senator from Utah.

Mr. BENNETT. I thank the Chair.

In concept, I have no problem at all with the amendment offered by the Senator from Arizona. Having been in business, however, I have discovered that there are profits and there are profits. I remember in the Los Angeles Olympics, I was living in Los Angeles at the time. There were divergences of as much as $100 million as to the amount of profit made by that Olympic games, depending on who was doing the accounting.

His amendment does not specify how that is going to work or where we are going to determine the profit or what is going to be charged or what is not. All of that is going to have to be worked out.

Second, the same issue applies to the question of costs, the costs to the Department of Defense. Again, having been a businessman, I know there are differences between costs and costs. I am told by the Defense Department that they look forward to this opportunity because it gives them a training opportunity for troops that will train in a real-life situation.

Where would the money be spent if it was not spent while they were at the Olympics? I was interested in an amendment that says incremental costs only that spells out the kind of problems. The amendment of the Senator from Arizona, in my opinion, is flawed.

The PRESIDING OFFICER. Who yields time?

Mr. McCAIN. Mr. President, I yield myself 1 minute.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I would like to help out the Senator from Utah. The exact amount of money in profit from the Los Angeles games, according to all, including the head of the Olympic games, Mr. Ubeberroth, was $22,716,000. No one questions that.

As far as the training opportunity, putting up fences is not exactly the training opportunity that we want for most of our men and women in the military. Regularly, when costs are incurred by the Department of Defense, they send bills to entities and organizations.

And finally, I would like to congratulate the Senator from Utah for the selection of the city of Salt Lake for the Olympics.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. COVERDELL. Mr. President, how much time remains for the opponents?

The PRESIDING OFFICER. One minute of time for the Senator from Georgia and 2 minutes and 16 seconds for the Senator from Arizona.

Mr. COVERDELL. I yield myself the remainder of the time.

Mr. President, we are not talking about building fences. We are talking about physical security for athletic villages, an entire communications grid that only DOD can put in place, a command coordination, providing site surveys, aerial visitations. It goes on and on.

Mr. President, I wish to repeat, we are less than 1 year from the lighting of the flame. There are 43 separate jurisdictions. This amendment shuts it all down with less than 1 year to go while we would enter into 43 separate negotiations on contracts. If this amendment were to prevail, it will literally shut down the planning for security for one of the world's greatest events, for which there will be an assembly like none has ever occurred and it will be in the United States of America.

The PRESIDING OFFICER. The time has expired.

Mr. McCAIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Arizona has 2 minutes 15 seconds.

Mr. McCAIN. Mr. President, I believe that the Atlanta Olympic Committee has made agreements with a lot of different organizations for services that are provided for the Atlanta Olympics. For example, I am sure they have made an agreement with the post office for mail delivery. I am sure they have made an agreement with many other commercial organizations. I am convinced that they could do the same thing with the Department of Defense; that after there is a final accounting, upon the completion of the Olympics, the American people deserve to know what the profit and loss was, that we could then consider reimbursing the Department of Defense.

If the two Senators from Georgia are convinced there is not going to be a profit, then they should not have a problem at all with this amendment. If they think they might make a profit, I can assure them that only after there would be a final accounting would a profit be divided up. I would even be willing to have a certain percentage of the profits go back to reimburse the Department of Defense, if not all.

The reason why I do this, Mr. President, finally, is because time after time after time we find ways to spend taxpayers' dollars that are earmarked for defense on issues and areas and programs that have nothing to do with defense. This is just one of hundreds of examples. This really does not have anything to do with national defense. It has to do with providing security for the Olympic games, which are fine. But it has nothing to do with defending this Nation's vital national security interests. That is why, as I say, only if there were a profit should we reimburse the taxpayers of America.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I move to lay the McCain amendment on the table.

Mr. NUNN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will be taken after debate on the Boxer amendment. The amendment is temporarily laid aside.

The Senator from California is recognized.

AMENDMENT NO. 2117

(Purpose: To provide a substitute for section 526, which amends a provision of the Uniform Code of Military Justice relating to forfeiture of pay and allowances and reduction in grade)

Mrs. BOXER. I thank the Chair.

This will be a very brief debate because I think there is very broad agreement on this issue. However, I thought it was important to take just a few moments. I think the Senate will be very proud to vote for this amendment because we are going to put an end to a most outrageous policy that has gone on really without the knowledge of many of us. It is one of those issues that has gotten buried over the years.

Late last year, I learned from a series of articles in the Dayton Daily News that military personnel convicted of heinous crimes continue to be paid while they appeal their convictions through the military court system, a process that often can take many years.

According to data, the Department of Defense spends about $1 million each and every month, $1 million a month, on the salaries of more than 600 convicts. In 1 month, the Pentagon payroll included 58 incarcerated rapists, 164 child molesters, and 7 murderers.

The individual stories of military criminals continuing to receive full pay are shocking. In California, a marine lance corporal who beat his 13-month-old daughter to death almost 2 years ago receives $1,105 every month—more than $25,000 since his conviction. He spends his days in the brig at Camp Pendleton and refuses to pay a dime of child support.

I spoke with the murdered child's grandmother who now has custody of the surviving 4-year-old grandson. She is a resident of northern California and was justifiably outraged to learn that the murderer of her grandchild still receives full pay, and that is what this amendment is going to end.

Mr. President, I can stand here for hours, and you know that I will not do so, but, rather, in the next couple of minutes will share a couple other cases.

The lieutenant colonel who raped young girls in a church basement has been paid more than $150,000 since his conviction. I can tell you about the Air Force sergeant who tried to kill his wife with a kitchen knife and is still paid $1,100 a month. From inside his prison cell, he reads the Wall Street Journal and watches his taxpayer-funded nest egg grow. He told the Dayton Daily News, "I follow the stock market, and I buy EE bonds."

When I first learned that hundreds of violent criminals remained on the Pentagon payroll, I immediately wrote to Secretary Perry to demand an end to this outrageous practice. The Secretary quickly notified me of the support for changing the policy. He established a working group to propose the necessary legal changes.

I introduced legislation to prohibit pay for military convicts on March 16, and my bill quickly attracted 19 bipartisan cosponsors. I am very grateful for their support. The ranking member of the committee, Senator NUNN, offered a number of helpful suggestions to improve my proposal, as did the chairman of the Personnel Subcommittee, Senator COATS.

I wish to thank each of them for their good work and constructive advice on this issue. I would say that the Armed Services Committee on both sides of the aisle was very supportive. They held a hearing. We all rolled up our sleeves, and we got to work. The bill addresses this issue. The only difference with the Boxer amendment is we end the pay in a quicker timeframe.

This amendment has been cleared on both sides. Again, I want to say to my friends on both sides of the aisle, thank you very much. I think we will be proud today that we end this unconscionable practice.

I yield the floor.

Mr. COATS. Will the Senator from California yield?

Mrs. BOXER. I will be happy to yield whatever time.

The PRESIDING OFFICER. Will the Senator from California send the amendment to the desk?

Mrs. BOXER. I believe the Senator's amendment is at the desk already.

Mr. President, I will ask for the yeas and nays. Then I will be glad to yield.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from California [Mrs. BOXER], for herself, Mr. HARKIN, and Mr. BRADLEY, proposes an amendment numbered 2117.

Mrs. BOXER. I ask that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 189, strike out line 5 and all that follows through page 191, line 21, and insert in lieu thereof the following:

SEC. 526. FORFEITURE OF PAY AND ALLOWANCES AND REDUCTION IN GRADE.

(a) EFFECTIVE DATE OF PUNISHMENTS.—Section 857(a) (article 57(a)) is amended to read as follows:

"(a)(1) Any forfeiture of pay, forfeiture of allowances, or reduction in grade included in a sentence of a court-martial takes effect on the earlier of—

"(A) the date that is 14 days after the date on which the sentence is adjudged; or

"(B) the date on which the sentence is approved by the convening authority.

"(2) On application by an accused, the convening authority may defer any forfeiture of pay, forfeiture of allowances, or reduction in grade that would otherwise become effective under paragraph (1)(A) until the date on which the sentence is approved by the convening authority. The deferment may be rescinded at any time by the convening authority.

"(3) A forfeiture of pay or allowances shall be collected from pay accruing on and after the date on which the sentence takes effect under paragraph (1). Periods during which a sentence to forfeiture of pay or forfeiture of allowances is suspended or deferred shall be excluded in computing the duration of the forfeiture.

"(4) In this subsection, the term 'convening authority', with respect to a sentence of a court-martial, means any person authorized to act on the sentence under section 860 of this title (article 60).".

(b) EFFECT OF PUNITIVE SEPARATION OR CONFINEMENT FOR ONE YEAR OR MORE.—(1) Subchapter VIII is amended by inserting after section 858a (article 58a) the following new section (article):

"§ 858b. Art. 58b. Sentences: forfeiture of pay and allowances.

"(a) A sentence adjudged by a court-martial that includes confinement for one year or more, death, dishonorable discharge, bad-conduct discharge, or dismissal shall result in the forfeiture of all pay and allowances due that member during any period of confinement or parole. The forfeiture required by this section shall take effect on the date determined under section 857(a) of this title (article 57(a)) and may be deferred in accordance with that section.

"(b) In a case involving an accused who has dependents, the convening authority or other person acting under section 860 of this title (article 60) may waive any or all of the forfeitures of pay and allowances required by subsection (a) for a period not to exceed six months. Any amount of pay or allowances that, except for a waiver under this subsection, would be forfeited shall be paid, as the convening authority or other person taking action directs, to the dependents of the accused.

"(c) If the sentence of a member who forfeits pay and allowances under subsection (a) is set aside or disapproved or, as finally approved, does not provide for a punishment referred to in subsection (a), the member shall be paid the pay and allowances which the member would have been paid, except for the forfeiture, for the period during which the forfeiture was in effect.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter VIII of such chapter is amended by adding at the end the following new item:

"858b. 58b. Sentences: forfeiture of pay and allowances.".

(c) APPLICABILITY.—The amendments made by this section shall apply to a case in which a sentence is adjudged by a court-martial on or after the first day of the first month that begins at least 30 days after the date of the enactment of this Act.

The PRESIDING OFFICER. Does the Senator request the yeas and nays?

Mrs. BOXER. Yes, I did.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from California has 1 minute 10 seconds.

Mrs. BOXER. I will be pleased to yield to my friend, Senator COATS.

Mr. COATS. I thank the Senator. I will just take 30 seconds.

Senator BOXER worked carefully with the committee on this proposal. While the committee language was slightly different from what the Senator's amendment proposes here today, it simply accelerates the time in which the Department has to effect the change. It is acceptable to the committee. We appreciate the Senator working with us on this, and we support this amendment.

I thank the Senator.

Mrs. BOXER. I thank my friend.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I urge the adoption of the amendment by the Senator from California. I congratulate her on her leadership in bringing this to the attention of the Department of Defense Armed Services Committee. This reaffirms a provision that the bill now has in it precluding pay for military prisoners who are sentenced to extended confinement. I believe that term is defined as "over 1 year." I also believe it changes the appeal time before the actual compensation is cut off. The bill has 21 days. This has 14 days after conviction.

This is an abuse that has gone on too long. It was not brought to the attention of our committee or the Department of Defense.

I congratulate the Senator for his leadership.

I urge its approval.

The PRESIDING OFFICER. Who yields time?

Mrs. BOXER. I yield my time back, Mr. President.

The PRESIDING OFFICER. Does the Senator from Georgia yield back his time?

Mr. NUNN. Has the Senator from Indiana used all the time he needs?

Mr. COATS. Yes. We yield back our time.

Mr. NUNN. I yield back the time.

VOTE ON MOTION TO TABLE AMENDMENT NO. 2116

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the motion to table the MCCAIN amendment No. 2116.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 80, nays 20, as follows:

[Rollcall Vote No. 362 Leg.]

YEAS—80

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feinstein
Ford
Frist
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Heflin
Helms
Hollings
Hutchison
Inouye
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Leahy
Levin
Lieberman
Lott
Mack
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Snowe
Stevens
Thompson
Thurmond
Warner
Wellstone

NAYS—20

Abraham
Ashcroft
Brown
Coats
Feingold
Glenn
Grams
Gregg
Hatfield
Inhofe
Jeffords
Kohl
Kyl
Lautenberg
Lugar
McCain
Nickles
Smith
Specter
Thomas

So, the motion to table the amendment (No. 2116) was agreed to.

Mr. McCAIN. Mr. President, this last vote is ample testimony that we will never stop spending the taxpayers' dollars that are earmarked for defense on anything but pork and wasteful spending.

The very concept that if an organization makes a profit that uses defense dollars, we cannot pay that back, then, Mr. President, I have no confidence whatsoever that we will ever be able to do what the taxpayers asked us to do—that is, to use the tax dollars earmarked for defense for purposes of national security.

VOTE ON AMENDMENT NO. 2117

The PRESIDING OFFICER. Under the previous order, the question is on amendment No. 2117 offered by the Senator from California.

Mr. NUNN. Mr. President, is this a 15-minute vote?

The PRESIDING OFFICER. It is a 15-minute rollcall vote.

Mr. NUNN. I will suggest a 10-minute rollcall vote, unless there is objection. I ask unanimous consent that the vote be 10 minutes in length.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2117 of the Senator from California.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 3, as follows:

[Rollcall Vote No. 363 Leg.]

YEAS—97

Abraham
Akaka
Ashcroft
Baucus
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Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
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Ford
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Grams
Grassley
Gregg
Harkin
Hatfield
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Helms
Hollings
Hutchison
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Jeffords
Johnston
Kassebaum
Kempthorne
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Lautenberg
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Levin
Lieberman
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McConnell
Mikulski
Moseley-Braun
Moynihan
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Nickles
Nunn
Packwood
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Pressler
Pryor
Reid
Robb
Rockefeller
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Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thurmond
Warner
Wellstone

NAYS—3

Faircloth
Hatch
Thompson

So the amendment (No. 2117) was agreed to.

Mr. COHEN. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KOHL addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. COHEN. Will the Senator yield?

Mr. KOHL. I yield to the Senator from Maine, Senator COHEN.

AMENDMENT NO. 2118

(Purpose: To reform the management and procurement of information technology for the Government)

Mr. COHEN. Mr. President, I have an amendment I am sending to the desk, cosponsored by Senators LEVIN, ROTH, GLENN, and BINGAMAN. It has been cleared on both sides. It deals with the acquisition of computer technology.

I urge its adoption.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Maine [Mr. COHEN], for himself, Mr. LEVIN, Mr. ROTH, Mr. GLENN, and Mr. BINGAMAN, proposes an amendment numbered 2118.

Mr. COHEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. COHEN. Mr. President, the amendment I am offering today lays the foundation for real information management reform not only at the Department of Defense but at all Government agencies.

The amendment is based on S. 946, the Federal Information Management

Reform Act of 1995, which Senator LEVIN and I introduced earlier this year.

Before discussing the details of the amendment, I want to both commend and express my appreciation to Senator ROTH, chairman of the Governmental Affairs Committee, and Senator GLENN, the ranking member. Both have been leaders on issues relating to information technology, and their contribution to crafting this amendment has been invaluable.

I would also like to thank my friend and colleague Senator LEVIN who I have worked closely with for over 15 years on the Oversight Subcommittee. I very much appreciate his counsel, cooperation, and support on this issue.

Finally, I want to also mention the members of these Senators' staff whose valuable assistance is appreciated. Specifically, Peter Levine, Mark Forman, David Plocher, and Debbie Cohen.

The amendment which would reform the Federal Government's approach to using and buying information technology, is cosponsored by Senators LEVIN, ROTH, GLENN, and BINGAMAN. Together, we have been able to fashion an amendment that will address many critical issues of information technology management within Federal agencies.

The amendment would accomplish meaningful reform, in part, by emphasizing upfront planning and the establishment of clear performance goals designed to improve agency operations. Once the upfront planning is complete and the performance goals are established, other reforms would make it simpler and faster for agencies to purchase information technology.

The need to reform how the Federal Government approaches and purchases information technology is well documented. The amendment reflects recommendations contained in literally hundreds of General Accounting Office and inspector general reports. The Defense Science Board's and numerous other formal Government studies have also outlined a number of problems in the current system and have made many recommendations for improvement. Now is the time to act on these recommendations, many of which are included in this amendment.

The current situation is abysmal. Last October, I issued a report entitled "Computer Chaos," which stressed two key problems affecting the $27 billion we spend each year on information technology.

First, much of this money is wasted buying new systems that agencies have not adequately planned or managed. Consequently new systems, especially high dollars systems, rarely work as intended and do little to improve agency performance.

Second, a large portion of the $200 billion spent on information technology over the last decade has been thrown away maintaining old technology that no longer performs as needed. In other words, we are throwing billions of dollars away every year on technological bandaids, and we cannot, by virtue of the existing procurement and management system, effectively buy replacement systems.

Nowhere is this situation more evident than with our Nation's air traffic control system. In recent months, air traffic control system failures have become all too common. Passing this amendment will help to ensure that follow-on systems can be adequately planned and implemented to replace our Nation's aging air traffic control system before we have a tragedy.

The Government's failure to purchase effective computer systems has had significant implications for the Defense Department. The lack of effective information systems at the Pentagon has contributed to the mismanagement of billions of defense dollars. The payment of phantom employees, excessive inventories, and payments that weren't matched to invoices are the result of the Pentagon's inability to adequately and appropriately plan for and buy needed information systems.

In addition, defense agencies have spent billions of dollars each year to keep old, inefficient computer systems running, and they continue to buy new computer systems that are poorly planned and, once operational, do not meet the needs of the defense agencies which use them.

For example, 3 years ago I held hearings on the Defense Commissary Agency's failure to make timely and accurate payments to vendors. The Agency's computerized bill payment system was inadequate. Consequently, the vendors that delivered goods to commissaries, ranging from Kraft to Quahog Lobster Co. in my State of Maine, were not getting paid on time, if they were getting paid at all, while other vendors were getting paid repeatedly for the same invoices.

We do not know how much money the Defense Commissary Agency wasted through erroneous payments and added administrative expenses in an often futile attempt to sort out who was owed what. Although it has taken the Agency and some of its vendors years to recover from this experience, the whole episode could have been avoided had the Defense Commissary Agency invested in adequate technology.

Effective modernization at the Department of Defense has the potential to save taxpayers billions of dollars through increased efficiencies. In April, the Oversight Subcommittee held a hearing examining how the Pentagon manages its system from processing employee travel vouchers. We discovered that 30 percent of the Pentagon's travel budget—some $1 billion—was being spent just to process the $3 billion in annual DOD travel.

Private sector organizations spend on average about 10 percent of their travel budgets on processing vouchers and the best private sector organizations spend 6 percent. By adopting travel processing systems that are similar to private sector models and automating these processes, we determined that the Pentagon could save as much as $4 billion over the next 5 years.

As you can see, it is critical that we encourage not only the Pentagon but all Federal agencies to look at the way they do business, make changes to these business processes, and automate. I believe we can achieve a 5-percent annual reduction in Government overhead by adopting this strategy and, as a result, save the American taxpayer as much as $175 billion over the next 5 years. In this time of austere budgets, we cannot afford not to adopt the reforms contained in this amendment.

The bottom line is that the Government's current approach to buying computers is outdated and takes little account of the competitive and fast changing nature of the global computer industry. Markets and prices change daily, yet Government often gets locked into paying today's prices for yesterday's technology.

When the Brooks Act which governs how the Government buys computers was written in 1965, the Federal Government was the dominant computer buyer in the world and purchased over 60 percent of the industry's entire output. Today, the Federal market comprises only 3 percent of industry sales. While Government is still the largest single buyer, it no longer moves the market.

Over the last three decades, the Brooks Act has produced a process that has become too bureaucratic and cumbersome. It has spawned hundreds of pages of regulations and caused agencies to be primarily concerned with conformity to a paperwork process. What the process fails to address are the results—more efficient and less expensive Government—and fairness to the taxpayers.

In addition, an adversarial culture has developed between Government and business. Many companies believe they won't get a fair shake. Federal employees are suspicious of companies because of a fear of being second guessed and having the procurement protested.

In short, it is a culture of little trust, less communication, and no incentives to use information technology to improve the way Government does business and achieve the savings that we so desperately need.

It is time to move the Government's use of information technology into the 21st century. That is why I am introducing this amendment today so that we can significantly alter how the Government approaches and acquires information technology.

The legislation would repeal the Brooks Act and establish a framework that will respond more efficiently to the information technology needs of the Federal Government now and in the foreseeable future. The amendment would also eliminate the delegation of procurement authority at GSA, establish guidance and specific budgetary review authority at OMB, and establish Chief Information Officers at the major Federal agencies. Through the guidance and review process, OMB and the agencies will be required to emphasize up-front planning, monitor risk management, and work with contractors to achieve workable solutions to the Government's information needs.

The amendment will also discourage the so-called megasystem buys. Following the private sector model, agencies will be encouraged to take an incremental approach to buying information technology that is more manageable and less risky.

By replacing the current system with one that is less bureaucratic and process driven, the bill is designed to enable agencies to buy technology faster and for less money. More importantly, the bill is designed to make sure that before investing a dollar in information technology, Government agencies will have carefully planned and justified their expenditures.

Similar to managing an investment portfolio, decisions on whether to invest in information technology will be made based on potential return. Decisions to terminate or make additional investments will be based on performance. Much like an investment broker, agency management and contractor performance will be measured and rewarded based on managing risk and achieving results.

I should note that the amendment is different from S. 946 in a number of significant ways. For example, S. 946 called for the establishment of a National Chief Information Officer at the Office of Management and Budget. Concerns were raised by the administration and Senators ROTH, GLENN, and LEVIN, that this has the potential to become a bureaucratic hurdle. Similar concerns were also raised at a hearing I conducted on this legislation in July. Consequently, the provision requiring a national CIO has been dropped.

In addition, a number of changes have been made to the procurement provisions. Specifically, a number of procurement reforms in the original legislation have been deleted from the amendment. These reform issues are currently under discussion by a Governmental Affairs/Armed Services/Small Business Committee working group and will be dealt with on a Governmentwide basis in procurement legislation later this year.

The amendment will fundamentally shift the Government's focus on information technology from a technical issue to a management issue. Information technology procurements under the current system have focused on features like the speed of the computer or the type of processor. Rarely, if ever, have they focused on whether the system was going to enhance the agency's mission by, for example, reducing benefit processing time or realize savings by reducing overhead expenditures.

Failure to recognize information technology as a management issue has cost taxpayers billions of dollars in inefficiency and waste. By passing this amendment, we can help transform the way the Government does business. If Government is going to regain the confidence of taxpayers, it must successfully modernize. And, as we all know, we cannot successfully modernize unless we can buy the tools which will enable us to automate.

Mr. President, my amendment is needed not only by the Department of Defense but throughout Government. Passing this amendment will go a long way toward bringing our Government into the 21st century. Reform is clearly the key to creating a Federal Government that, as the Vice President has put it, "works better and costs less." I urge my colleagues to support this amendment.

Mr. LEVIN. Mr. President, as an original cosponsor of S. 946, the Cohen-Levin information technology bill, I find myself in an unusual position with regard to this amendment. I had expected to work closely with Senator COHEN and other members of the Governmental Affairs Committee and our subcommittee to revise and perfect this bill. Instead, I find myself addressing this issue on the Senate floor before hearings on the bill have been completed and before the bill could be marked up and amended through the committee process.

There are serious problems with our Federal Government systems for purchasing and managing information technology. I believe that problems as far-reaching as these deserve serious consideration at the committee level. The changes proposed in the Cohen-Levin bill deserve a full airing in public hearings and an opportunity for input from the executive branch, the public, and all members of the committee of jurisdiction. For this reason, I initially intended to oppose this amendment.

I shall not do so, however. While I continue to have major concerns about the process through which this amendment has been considered, Senator COHEN and his staff have made major modifications to the bill to address concerns raised by the administration and by other members of the committee. They have also agreed to delete a number of provisions addressing issues that we expect to address on a more comprehensive basis in the context of a later procurement bill. As a result, the amendment before us would take a number of significant steps to address problems with the procurement and management of computer systems without raising the concerns that the earlier bill did.

Mr. President, I continue to believe, as I did when I joined Senator COHEN in introducing S. 946, that it is very much time for us to reexamine our systems for the acquisition of computer equipment from the ground up. I continue to believe that is appropriate for us to ask why procurement and bid protest procedures and standards that have met our needs for products ranging from toasters to fighter aircraft cannot also meet our needs in the area of computer procurement. I continue to believe that it is appropriate for us to ask why we still need the centralized approach of the Brooks Act, under which the General Services Administration is responsible for approving computer purchases by other Federal agencies.

The amendment that Senator COHEN and I are offering today would dramatically revise Federal procedures for the procurement and management of information technology products and services by:

Repealing the Brooks Act of 1965;

Eliminating the requirement for a delegation of procurement authority by General Services Administration;

Ending the unique role of the General Services Board of Contract Appeals in information technology bid protests;

Clarifying the role of the Office of Management and Budget and the Office of Information and Regulatory Affairs in coordinating and improving Federal procurement and management of information technology;

Creating a new position in Federal agencies, known as the chief information officer or CIO, dedicated to the management of information technology resources;

Establishing a governmentwide CIO council to provide guidance to agencies on information technology management issues;

Establishing a preference for incremental purchases of information technology over a period of years, instead of unworkable megapurchases of huge amounts of products and services through a single contract; and

Establishing a pilot program to test the innovative Canadian system for procuring complex computer systems.

The Cohen amendment also contains the provisions of S. 675, my bill to reduce paperwork in the acquisition of off-the-shelf products by providing governmentwide, on-line access to GSA's multiple award schedules. The implementation of these provisions should bring effective competition to the multiple award schedules and make it possible to reduce or even eliminate the need for lengthy negotiations and burdensome paperwork requirements placed on vendors to ensure fair pricing. Accordingly, we would also establish a pilot program, under which direct competition at the user level would substitute for lengthy and paper-intensive price negotiations with vendors. I am pleased that these important provisions will be included in the Cohen amendment.

This amendment would not contain a number of provisions that I and others found problematic in the original Cohen bill. Unlike the original Cohen bill, this amendment would not create a new chief information officer or [CIO] in the Office of Management and Budget; it would not establish a new congressional committee; it would not overturn the prohibition on organizational conflicts of interest in acquisitions of information technology; and it would not provide for automatic termination of contracts and solicitations, or automatic pay adjustments for Federal employees, based on artificial formulas.

Because Senator COHEN and his staff have worked hard in the last few days to address substantive concerns with the earlier bill and because they have agreed to include the important streamlining provisions from my bill in his amendment, I ask to be included as an original cosponsor of the amendment. While I continue to be troubled that we are moving an amendment of this significance without the benefits of committee deliberation, I support the amendment.

Mr. GLENN. Mr. President, I am glad to be a cosponsor of the Cohen amendment and urge my colleagues to support it, as well. This amendment contains two sets of provisions regarding information technology [IT] management and procurement reform. Both are important, and both deserve support.

While I am cosponsoring the amendment because of its substantive merit, I must add that as a matter of process, I believe the amendment should have been considered more fully by the Committee on Governmental Affairs. The amendment differs significantly from the original legislation, S. 946. The one subcommittee hearing held to consider that bill does not suffice for a thorough review of the issues presented in either that bill or the revised language before us today. In my view, I would have preferred for a bill as significant and important as this one to go through the committee process so that we would have a report to turn to in the years ahead to know why we did what we are about to do. But, given my work on these issues, I am now comfortable with the amendment.

This amendment is needed because of the state of Federal Government information activities. Recent press stories about repeated failures of FAA air traffic computers alone should convince people of the need to substantially improve the way the Government buys, uses, and manages information technology.

This year Congress already took a major step toward addressing this issue when it passed the Paperwork Reduction Act of 1995. This law not only tackles the problem of public paperwork burdens, but also sets in place new requirements for broader improvements in information resources management [IRM].

The first set of provisions in the amendment before us today establishes detailed guidelines for implementation of the information technology management provisions of the 1995 Paperwork Reduction Act. The administration has been moving vigorously to implement the new act and has found that additional requirements would be useful to press agencies to improve their information technology investment planning and control processes and to provide greater accountability for information technology acquisition and management decisions. The administration supports these elements of the Cohen amendment and I commend those in the administration who are showing their commitment to making significant improvements in the management of Government information resources.

The second set of provisions in the amendment, also supported by the administration, provides related reforms in the area of procurement of information technology. These provisions are key to our buying of IT. They include such provisions as modular acquisitions and pilot projects which will give us the flexibility we need to procure information technology at a pace that is consistent with its rapid development. After all, that's what this amendment is all about.

I would also add that the bill as originally written contained many more procurement provisions than those included in this amendment. I am pleased that Senator COHEN deferred on these provisions—which are just as significant to IT as they are to other procurements—so that they will be considered by the acquisition reform working group. This bipartisan group will produce another piece of governmentwide acquisition reform legislation in the next couple of months to follow up on last year's success of the passage of the Federal Acquisition Streamlining Act.

Mr. President, I am pleased to cosponsor Senator COHEN's amendment and appreciate his work on this issue. I urge my colleagues to support the amendment.

Mr. FORD. Mr. President, I want to thank my distinguished colleagues, Senator COHEN and Mr. LEVIN, the authors of this amendment, Senator GLENN, and others, for their assistance in including my language in their amendment. Although this compromise language is not all that I had hoped, I believe that it takes an important step toward ensuring that the public who fund the creation of government information will be able to access it.

The amendment by my distinguished colleagues is a version of legislation currently before the Committee on Governmental Affairs, S. 946. I have serious concerns about that legislation and the impact it has on issues within the jurisdiction of the Committee on Rules and Administration, on which I serve as the ranking member.

The Rules Committee has worked hard over the last several years to ensure that Government information that is disseminated electronically, rather than through printed documents, is readily found and obtained by the public who pays to produce it. As technology allows us to move from the printed page to electronic databases, the Rules Committee has the same historic interest in ensuring that the public has access to that information in the least costly, most efficient form. At some point, most information that is available electronically is reduced to a printed form, and it is imperative that the protection of title 44 with regard to ensuring public access to such information be preserved no matter how much technology changes.

Currently, we achieve that through a combination of the depository library system and provisions of title 44 which created the Government Printing Office electronic access system, enacted 2 years ago. This system maintains a directory of Federal electronic information which can be readily located and accessed by the general public through the depository library system.

The depository library system, including over 1,400 libraries located in every congressional district across this country, provides an essential link for individual and communities to their government. The depository library system ensures that all government printed information, and now electronic information through the GPO access system also, is available to anyone, regardless of whether they have a computer in his or her home or office.

It is a system that is working and working well. It simply makes no sense in these times of fiscal restraint to reinvent the wheel when it comes to a system by which the public will locate and access government information. That is not to say that this should be the sole method of disseminating public information. But it should be the plain, vanilla method by which anyone, no matter how geographically isolated or computer illiterate, goes about obtaining government information.

The language I sought to have added to this measure provides that if an agency determines that its information technology system will be used to disseminate information to the public, then that information must be provided to the Government Printing Office, pursuant to section 4101 of title 44, United States Code. The GPO directory is currently being used by depository libraries across this country to provide the public with a usable reference system for government information.

Under this provision, an executive agency will continue to determine when it will make information available to the public. But once that decision is made, regardless of whether the information is reduced to printed form or posted on an electronic database, the public will be able to find it through the GPO access system. The public is entitled to that information and should not have to own a computer with a link to the specific agency, or any other data base, to find it. My language ensures that they will not. A simple trip to their library to access the GPO system is all that is required.

This provision is necessary to ensure that the taxpayers of America who fund the creation of information technology systems which will be used to disseminate information will be able to access that information. This is an important link between government and the public and will increase the accountability of government to the public it serves.

I appreciate the considerable assistance of my distinguished colleagues, and their staff, in developing this compromise. I look forward to continuing efforts to ensure that no matter how much technology changes, the American public still gets their dollars worth.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2118) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote.

Mr. COHEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COHEN. I thank my colleague from Wisconsin for yielding.

AMENDMENT NO. 2119

(Purpose: To limit to $257,700,000,000 the total amount authorized to be appropriated)

Mr. KOHL. Mr. President, I send an amendment to the desk on behalf of myself and Senator GRASSLEY and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment of the Senator from Wisconsin.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. KOHL], for himself, Mr. GRASSLEY, Mr. BINGAMAN, Mr. BROWN, Mr. FEINGOLD, Mr. BUMPERS, Mr. BRADLEY, Mr. HARKIN, and Mrs. BOXER, proposes an amendment numbered 2119.

On page 16, between lines 8 and 9, insert the following:

SEC. 4. GENERAL LIMITATION.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for fiscal year 1996 under the provisions of this Act is $257,700,000,000.

Mr. KOHL. addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. Mr. President, my amendment is very simple. It limits the spending in the bill before us to the level in the Senate's version of the budget resolution: $257.7 billion. On May 23, 1995, in a strong bipartisan vote, the Senate defeated an amendment to the budget resolution which would have increased defense spending above the level requested by the administration. Sixty Senators voted against that amendment to increase defense spending. Unless they have changed their minds, the same 60 Senators should support this amendment. It offers another chance for the Senate to support the defense spending level laid out in the Senate's budget resolution and to save $7 billion in defense spending.

I also want to remind my colleagues that the defense spending number supported by opponents of this amendment represents an increase in defense spending over last year's spending level.

We are spending far too much on defense. We are not at war. We are coming off the defense buildup of the 1980's. The United States defense budget is larger than the combined military expenditures in the next nine largest military budgets, and our defense budget is 3.5 times larger than that of the next biggest spender, Russia. How can we possibly justify these exorbitant spending levels to the American people? How do we explain to them this hemorrhaging of taxpayer dollars? At a time when we are cutting programs for the poor, for students, for seniors—how can we justify giving the military money it has not asked for. This is not a question of national security; there is no major power threatening America. This is not a question of readiness, because most of the increase in spending is not to train troops, it is to pay defense contractors for more military hardware. The question is, do we need an extra $7 billion in this bill that the Defense Department says it does not want or does not need?

The President increased the defense budget by $6.9 billion before he sent up his fiscal year 1996 budget request to respond to some perceived shortfalls in readiness, and, perhaps, to head off defense spending increases ahead. Yet, in a move unprecedented in the last 14 years, the fiscal year 1996 defense authorization bill increases defense spending even more, $7 billion above the administration's request. And, I should note, none of the $7 billion went to pay for ongoing military operations in and around Iraq, Cuba, and Bosnia even though Secretary Perry had made an urgent request for funds to cover these contingency operations. The decision not to fund these operations puts even more pressure on the operations and maintenance accounts and raises the question of how serious the Armed Services Committee is in addressing the readiness issue.

Again, I want to emphasize: A majority of this body—60 Senators—has already gone on record supporting $257.7 billion for Defense. And that is what this amendment would do. Let me lay out some of the reasons why we should support this amendment.

First, this defense bill, with its huge spending levels, is reminiscent of the cold war. Our defense infrastructure looks remarkably similar to what was created to stand up to the Soviet Union and its Eastern Bloc allies. Even though we all agree that they no longer pose the same threat to our national security, we have not found a way to reduce the tremendous burden defense spending places on our country. While the Soviet Union constituted the main security threat to the United States throughout the cold war, present-day Russia is a shadow of its former military might. Look at the Russian military's recent performance in Chechnya. The breakup of the Soviet Union has deprived the Russians of military forces and defense production capacity. Even if an authoritarian regime took over, readiness has eroded so much as a result of deep budget cuts that it would take decades to recreate that threat.

The greatest threats we face today are less likely to be resolved with military force, and more likely to be resolved through political or diplomatic intervention. To be sure, we need a strong defense. We need to develop a strategy, and maintain a force structure, to protect and advance our interests in the new global environment. The difficulty is recognizing that our present infrastructure may not be relevant to the challenges ahead. If we could start over again, and create a new force structure from scratch, I am confident that we would have a leaner, more mobile and more efficient force at far less cost. Even working with our present defense budget, CBO and others have identified options to cut defense spending which could bring spending down as low as $150 billion by the year 2000. But this amendment is not about making deep cuts in defense spending. This amendment would make a very modest cut of $7 billion from the $264.7 billion authorization bill before us, and bring us back to the spending level that 60 Senators supported just 3 months ago.

Mr. President, there are many weapons systems in this bill that are obsolete. Although much lip service has been paid to the need for a new approach to national defense, little has changed in the last decade. Many of the weapons systems in the pipeline today were conceived during the defense build up of the 1980's, and will do little to address the threats of the post-cold-war world. There are countless big-ticket programs, with dubious rationales for their continued existence, that refuse to die. It is time for the Senate to recognize that we must stop buying weapons systems we no longer need and can no longer afford.

I believe that when it comes to defense, we are not making the tough decisions to reduce the budget deficit. If we truly intend to reduce the deficit, no area of the budget should be held harmless. The defense budget is no exception. We have not made exceptions for other areas of the budget that contribute as much to the long term security and well being of this Nation as does defense. In this era of deep and painful budget cuts, hitting many Americans hard, the bill before us today increases defense spending above what the Pentagon has indicated it needs and above last year's spending levels. Let me repeat, we are increasing defense spending this year at a time when everything else is being cut: education, health care, environmental protection, Medicare, Medicaid, low-income energy assistance, job training, childcare and child nutrition, highway funding, cancer research, elderly housing assistance, farm programs—everything else, but not defense.

Now there are those who will argue that there are defense budget cuts planned for later years. However, I do not believe we will make those cuts because many of the proposed increases we have before us today are devoted to new procurement, and new research and development projects, which lay the groundwork for increased spending down the road.

If we do not stop this spending now, we will have unleashed even more projects that will refuse to die.

The Armed Services Committee report acknowledges this: let me read from page 3:

> The committee remains concerned about the adequacy of funding levels for national defense programs in the coming years. Despite the recommended fiscal year 1996 funding increase of $7.0 billion above the adminstration request, budget levels proposed for future years do not adequately fund even the level of forces required for the Bottom-Up Review Force. These levels cannot meet modernization needs and do not cover inflation. This shortfall will seriously impair the ability of the Department of Defense to field the ready, modern forces essential to our national security. The limited progress reflected in this bill cannot be maintained unless future funding is increased.

Mr. President, there it is in black and white; the Armed Services Committee wants to spend more for defense. We cannot sustain the spending levels and the increased procurement in this budget unless we spend more for defense down the road. Experts on all ends of the spectrum agree on this point. Thus, a vote for increased spending this year is also a vote to increase spending next year, and the year after, and so on.

Mr. President, let me be clear, our amendment is not about any specific weapon system or any particular defense program. I know that there are colleagues who would like an amendment to target specific programs. But that is not the point of this amendment. Our amendment is about how much we should be spending on defense overall. This Senate agreed to spend $257.7 billion on defense just 3 months ago. In affirming that number today, this amendment is not an attack on defense spending. This amendment is about the amount of defense spending the Senate agreed was an acceptable level, which the present defense authorization bill increases by $7 billion.

And so I urge my colleagues to vote for this amendment, and for a more responsible level of defense spending.

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I rise today in strong support of the amendment offered by the distinguished Senator from Wisconsin and the distinguished Senator from Iowa. I am pleased to be a cosponsor because I think this is a true "walk the walk" amendment.

We have spent countless hours in the 104th Congress "talking the talk" about fiscal responsibility. Now with this amendment we have a chance to back up our words by "walking the walk."

Mr. President, I considered offering a series of amendments to this bill to cut unnecessary spending. But I finally decided that doing so would not be the best way to make what is my basic point. That basic point is that we spend too much on defense because we spend it the wrong way.

Our defense budgets are still structured to fight the cold war. Although it is easy to come to the Senate floor and talk about the so-called post-cold-war world, it is a little more difficult to analyze exactly what that means for America's security needs. We have already had two reviews that were supposed to do that, one by the Bush administration, the so-called Base Force Study, and one by the Clinton administration, the Bottom-Up Review. And both of those studies really only tinkered at the margin of clearly looking at what we need in a post-cold-war world to defend the interests of this country.

Rather than rethinking the threats to America's security—which I think includes runaway deficits and the erosion of civil society as well as North Korea's nuclear program—these reviews have in fact been elaborate exercises in fighting the last war. Instead of taking a realistic look at the world as it is out there today, these reviews have trimmed a little here and trimmed a little there. But the result was to conform to what I call a cold war lite approach to the world. That is what this budget is, a cold war lite. It does not make any fundamental decisions about direction or what we need to do to defend this country in the so-called post-cold-war world. It simply does a little less here, a little less there. It is cold war lite.

Mr. President, $257.7 billion would be left in this budget after this amendment passed, if it did pass—$257 billion. That is a lot of money, more than enough to fund our defense needs, but only if we eliminate programs that we no longer need and spend the money on what we need.

Mr. President, I must say that looking at the debate and the budget, I see supporters of expensive but unnecessary weapons programs have seized upon the business-as-usual approach to defense budgeting, have seized upon the failure of both the Bush and the Clinton administrations to analyze what we need in a post-cold-war world to simply keep this program alive.

The Comanche, for example—I mean this thing just will not die. Having been pruned back to $199 million and two prototypes—that is how far we got this thing down at one point—it has crept back up to $373 million and eight aircraft. It is simply not needed. The Bush administration tried for 4 years to kill the Osprey, for 4 years, and yet here it is—$762 million strong right there in the budget. It cannot be justified on defense needs.

Mr. President, too big a part of this $265 million defense budget is nothing more than a jobs program. Take this bill, $7 billion over the budget resolution featuring $4.7 billion of unrequested add-ons; $7 billion above the defense resolution; $4.7 billion that was not even requested by the Defense Department or by the Clinton administration.

Last night the Senate voted to keep $1.5 billion in this bill to sustain a submarine industrial base by building a *Seawolf* submarine, a submarine we do not need to secure our national defense.

My constituents in the State of New Jersey will thus continue by the taxes they pay to come to Washington, that then go to the defense contractors to produce weapons systems that we do not need to defend our country. And my constituents in New Jersey are fed up with this kind of approach to our national defense.

Given the magnitude of the problem, it makes no sense to nickel and dime this bill, this little amendment here, this little amendment there. I know it is being done. It probably will be done.

But it is much better to take the approach of this amendment offered by the Senator from Iowa and the Senator from Wisconsin and cut a big piece of pork with one slice. This is the way the Senate can send a signal to the administration and frankly to the Congress that the old way of thinking no longer works.

Mr. President, this, then, will be, when we vote on this amendment, a vote to shatter the old way of thinking, and start the difficult and overdue process of rethinking our defense needs and priorities in this world. Cut $7 billion now, and pave the way for a better defense in the years to come.

I yield the floor.

Mr. KOHL. I thank the Senator from New Jersey.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield 7 minutes to the distinguished Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I thank Senator THURMOND for yielding this time. I realize we have 15 minutes as opposed to 75 minutes on the other side.

Mr. President, no decade in this century began more auspiciously than the 1990's. That gross impediment to human liberty—the Berlin Wall—was breached by the stronger forces of human yearning. The central security problem of our time—the possible clash of East and West on the plains of Germany—was resolved by the dissolution of the Warsaw Pact, the reunification of Germany, and the collapse of the Soviet Union.

The euphoria that accompanied these events anticipated the imminent arrival of a new world order of independent democracies engaged only in peaceful commercial competition with one another.

But the resurrection of ancient conflicts and hideous barbarism in the Balkans; the reappearance of other incidents of irrational nationalism that had been sublimated by the cold war; the haunting familiarity of Zhirinovksy's odious appeal to a perverse patriotism; the accelerating proliferation of weapons of mass destruction; and the waging of over 50 conflicts around the world have dimmed our hopes for a more just and tranquil world, and reminded us that we have interests and values that are still at risk in this promising, but uncertain world.

The world is still a very dangerous place. American vigilance and struggle are required now more than ever. There are numerous potential threats to our national security in the world today. North Korea, one of the world's remaining communist dictatorships, seeks to acquire nuclear weapons, and this administration has failed to exercise the decisive leadership necessary to halt once and for all the threat of nuclear warfare on the Korean Peninsula.

In Asia, China has laid claim to the entire South China Sea and has enhanced its claim with a massive buildup of its armed forces, including the acquisition of new submarines, marine forces and aircraft carriers.

In the Middle East, Iran poses a serious threat to the security of the region with their own efforts to acquire nuclear weapons, their longstanding support of terrorist movements, and their aggressive military buildup in the Straits of Hormuz. Iraq remains a potential trouble spot, and Saddam Hussein maintains a stranglehold on political and economic power in that state. Russia's involvement in its near abroad, the ongoing horrible conflict in Chechnya and its advocacy of change in stable arms agreements causes serious concerns. Ethnic conflicts continue to range from Sri Lanka to Rwanda, and in Bosnia, United States military personnel may soon be sent in harm's way to assist in extracting international forces from the failed U.N. peacekeeping effort in that state.

These and other examples of instability in the world today make it imperative that we support an adequate national defense posture in this Nation.

I share the frustration and anger of many Americans as we spend millions and sometimes billions on weapons systems that are unnecessary and pork barrel projects that frankly have no relevance to the post-cold-war era. But I would remind you, Mr. President, the defense budget declined 35 percent in real terms between 1985 and 1994. President Clinton promised in his State of the Union Address in January 1994, "We must not cut defense further." Yet, his fiscal year 1996 defense budget submission would cut defense for 4 more years totaling another 10 percent decline by 1999.

This rapid shrinking of resources available for national defense first damaged the readiness of our forces, damage which has now nearly been repaired as a result of warnings from our Joint Chiefs and Congress over the past few years. Operations, training and maintenance funding has been restored to needed levels in most instances.

Unfortunately, however, the continuing deficit in defense accounts will in the future impair the ability of our military forces to be ready to perform on the battlefield in the future. The fact is that with the Clinton defense budget levels we would be unable to maintain near-term readiness and also fund future force modernization.

Testimony from our highest ranking military officers, the four service chiefs, before the Readiness Subcommittee on April 27 of this year, illustrated the Hobson's choice in the Pentagon today. The chiefs testified that they have halted virtually all major modernization programs because of the need to devote their scarce resources to restoring and maintaining near-term readiness. They also testified that at a consistent level of defense spending much higher than the Clinton administration's defense budget, about $272 billion per year, they would barely be able to fund their modernization efforts. And they stated unequivocally that if additional funding were available for defense, their highest priority would be modernization, by the way, not military construction. Procurement of new weapons systems has nearly stopped.

Four of our highest ranking retired military officers prepared a report entitled, "A Report on Military Capabilities and Readiness." In this report, they illustrated the sharp decline in procurement of fighter and attack aircraft, tanks and combat vehicles, missiles and ships. In all of these categories, procurement of new weapons systems is lower than at any time in the past 20 years.

This year's budget request funds only three new combat ships, 16 fixed-wing combat aircraft, and 60 new helicopters. It contains no funding for new tanks and inadequate funding for improving existing tanks. Average age of equipment will continue to rise as will the cost of maintaining aging forces. Safety margins will narrow.

Under the Clinton administration budget, the technological edge of our military forces, which was responsible in large part for the victory in the Persian Gulf war, will disappear. Without force modernization, military forces in the year 2001, at the end of the current future years' defense program, will not have the technological superiority necessary to fight and win on the modern battlefield. This legislation restores some of the funding required to continue with the development and procurement of modern high technological weapons systems which will provide the battlefield edge in the future.

The level of defense spending in this bill is necessary to ensure our Nation's position in the world and the future security of our people. That will provide the defense funding that is absolutely necessary to accomplish these goals.

The bill is consistent with the budget resolution and funds high-priority defense spending in order to maintain a viable American military force into the next century.

Mr. President, the bill's level of defense spending is minimally adequate to ensure near-term readiness as well as force modernization in the future. National security remains our highest budgetary priority. I urge my colleagues to support our national security and vote against this amendment.

Mr. President, I yield back to Senator THURMOND the remainder of my time.

Mr. KOHL. Mr. President, how much time does this side have?

The PRESIDING OFFICER. The Senator from Wisconsin has 57 minutes 24 seconds.

Mr. KOHL. I yield 5 minutes to the Senator from Minnesota [Mr. WELLSTONE].

Mr. WELLSTONE. Mr. President, first of all, I ask unanimous consent to be an original cosponsor of this amendment of the Senator from Wisconsin and the Senator from Iowa.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, what this amendment does is simple and straightforward, as the Senator from Wisconsin has so stated, and it deals with one of the craziest things that I have seen happen since I have served in the Senate. What we have here is a defense spending bill that asks for $7 billion more than requested by the President and requested by the Secretary of Defense and requested by the Chairman of the Joint Chiefs of Staff. This is just crazy. In a time when we have enormous debt, in a time when we keep talking about the need to reduce budget deficits, now we have a spending bill that asks for $7 billion more than the Pentagon says it wants. It is nothing short of an effort by the Congress to jam down the throats of the Pentagon more spending than the Pentagon says it needs for our national defense.

This is almost unprecedented. I think it is crazy for two other reasons: first, overall global context, and then, second, the here and now of what is happening in this Congress at this moment in our country.

Overall global context: All of our potential enemies—broad definition—potential enemies, total expenditure $121 billion. Looking at our outlays, $271 billion. We spend more money in our budget than all of our potential enemies combined for defense. If you were to add NATO and other allies, then altogether the United States and its allies spend $522 billion compared to our total potential enemies of $121 billion. And now we have an effort to add $7 billion more on to this spending bill than the Pentagon says it needs, in a time when we are supposed to be saving money, in a time in which we are supposed to be fiscally responsible.

Then finally, Mr. President, let me juxtapose this amendment—critical amendment by the Senators from Wisconsin and Iowa—with the front page story in the Washington Post. "House Votes Major Cuts in Domestic Programs." Mr. President, $9 billion. They eliminated the low-income energy assistance program. That is a key issue in a cold weather State like Minnesota for the most vulnerable citizens, and job training programs and education programs.

This represents distorted priorities. On the one hand we have a budget before us—we have a spending bill before us that asks for $7 billion more than the Pentagon needs. It fits conveniently with a lot of Members that sit on the Appropriations Committee or Armed Services Committee—a lot of add-on projects. On the other hand, we cut into programs that are so key to opportunity and the future of our own country.

Mr. President, I will conclude this way. I said it the other day on the floor. I think I am just going to start shouting it from the mountaintop on the floor of the U.S. Senate. I am for a strong defense. But there comes a point in time when we need to understand that part of the real definition of our real national security is the security of our local communities where there are jobs, where there is health care, where people feel safe in their homes, where people feel safe in their neighborhoods, and when there is a commitment to education second to none. So that every boy—and for that matter every girl—can grow up dreaming to be President of the United States. If we do not start understanding that that is a part of our national security, and we do not get our priorities straight, Mr. President, I fear for the future of our country.

So I support this amendment on the grounds of some rigor, and some good fiscal conservatism and cutting where we ought to cut and not being spendthrifts when we should not be. And I also support this amendment on the basis of what I think are the sound priorities it reflects.

I yield the floor.

Mr. KOHL. I thank the Senator from Minnesota. I would like to ask my coauthor and colleague of this amendment, Senator GRASSLEY from Iowa, how many minutes he would like to take initially, 8 or 10?

Mr. GRASSLEY. Ten minutes.

Mr. KOHL. I yield 10 minutes to the Senator from Iowa [Mr. GRASSLEY].

Mr. GRASSLEY. Mr. President, first of all, I do not think Senator BROWN was listed as a cosponsor. I ask unanimous consent that he be listed as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Mr. President, in some ways I wish we were having the debate after Labor Day. I have been in Congress a lot of times in the month of August when we take our traditional recess where after that recess there is a whole different environment than there is before we go on that recess. It seems that we observe, because we are close to the grassroots during that summer break, that there is some change of opinion in Congress that takes place during that period of time.

I believe that when we are home this August and we hear the refrain about cutting too much from Medicare, and too big of a tax cut, and particularly as the Democrats might lambaste us Republicans for giving a tax cut to wealthy, then people start realizing everything is going to be cut, cut, cut, but not the defense budget, that it is going to be increased $33 billion above even what the President suggested for the next few years, we may come back here and decide—think again, do we really need to increase the defense budget by $33 billion?

But the debate is today before the August recess. So we are going to have the benefit of that and a reflection on that. But maybe sometime when there is an impasse between the White House and the Congress on arriving at reconciliation, there may be an opportunity to rethink whether or not defense ought to get a big increase when everything else is being cut.

So we may get another look at this, I say to my friend from Wisconsin. And I hope we do. And maybe we are setting a record for us to do that. Because I do not think the side that wants to spend more money has really made a justification for it because it seems like all the add-ons above what the President wants spent are generally decisions made by Congress to spend more money here or there. That is pretty piecemeal. It is not how you make a studied, responsible decision for our national security.

Now, I would feel much better in a debate talking about more money for defense if I could ever hear the other side say how much is enough. When is enough, enough? I never hear that. I never heard that it was enough when the President of the United States on his own volition said, "We need to spend $23 billion more than we're spending this year." But when the Commander in Chief said that, I did not argue with it. Nobody on the other side that is supporting the Kohl amendment argued with it. We accepted the Commander in Chief's judgment. But the Commander in Chief has not said he needs another $33 billion. But here we are tossing in $33 billion of which the $7 billion in the Kohl amendment is the first installment of that $33 billion. So, how much is enough? I never hear that. I do not think ever enough is enough.

Well, we rejected on May 23, 1995, a proposal to pump up the defense budget. And of course that was on the 1996 budget resolution, 60 to 40. And 17 of those 60 were Republican votes. If they stick with us, we will win again. Sixty Senators said, "Enough is enough." What the Commander in Chief said. Sixty Senators voted to hold the defense spending at that requested by the President. This Senator from Iowa voted for those lower defense numbers.

Well, when the budget resolution went to conference in the House, the extra money for the Pentagon that we are trying to subtract today was approved. The extra money is in the bill before us. I opposed it on May 23. I opposed it in conference. And I oppose it now.

One of the Republican leaders in the other body said to me privately during those conferences, "CHUCK, you know, I have got a request from our friends in the House for another $6 billion. We just have got to have more money to satisfy the people on our side of the aisle."

Is that not a nice way of deciding how much we ought to spend on defense, because a mass of humanity from the floor of the other body goes to one of the leaders and says, "We have got to have $6 billion more"?

That is why I am supporting my colleague from Wisconsin to subtract the $7 billion. Our amendment will bring the defense budget back down to the amount approved by the Senate on May 23.

My amendment would eliminate waste at the Pentagon. Continuing waste at the Pentagon undermines the credibility of the higher defense numbers in this bill. Waste at the Pentagon has been a concern of mine from the beginning of my Senate career. More than anything else, those spare parts horror stories of the early 1980's, the $750 pair of pliers, the $7,000 coffee pots, caught my attention, crystallized my thinking on defense. Those spare part horror stories were a turning point, I think not for me, but for so many people. Uncontrolled waste offends American people. It offends me. The spare parts horror stories convinced me that President Reagan's plan during the 1980's to pump up the defense budget was a colossal taxpayers' ripoff. The spare parts horror stories undermine the credibility of the Reagan defense buildup.

They turned me into a reformer and drove me to watchdogging the defense, digging into fraud, waste, and abuse. I do not happen to sit on the Armed Services Committee. I am not on the Defense Appropriations Subcommittee. I have to admit, I never served in the military. So as a conservative Republican, it is not easy for me to tangle with the Pentagon. But common sense tells me this waste is not right, so I speak out, and you must keep digging.

That is what brings me to the floor today. For unexplained and unknown reasons, my Republican colleagues and some Democrats seem bound and determined to pump up the defense budget once again without ever telling us when enough is enough.

Their plan is to pump up the defense budget, and it does not seem to make sense. It defies understanding and defies reason. They want to start back up the slippery slope we did in the eighties. It is a prescription for more Pentagon waste and mismanagement. It is like a scheme to extort money from the taxpayers.

The principal threat to our national security, as we knew it, is gone. The Soviet military threat has evaporated. My good friend from Arizona just spoke about the worries around the world that we have to consider, yes, but he mentioned the former Soviet Union. Russia could not even win in Chechnya. If that does not prove the cold war is over, what does?

Once again, I want to remind my colleagues what happened 10 years ago. Back on May 2, 1985, the Senate rejected President Reagan's plan to rapidly escalate defense spending, which justification was the cold war.

President Reagan and his Secretary of Defense, Cap Weinberger, wanted to push the defense budget numbers from $255 billion in 1985 to $300 billion in 1986, to $400 billion in 1987 to $500 billion in 1990. Remember, that was at the height of the cold war, the height of the Soviet military power. But regardless, a Republican Senate in 1985 and a Republican President put the brakes on. The Senate threw cold water on that plan to go up to double the defense budget in the 5-year plan. The Soviet threat was a main drive then behind those big budget numbers. It is gone now. So the defense numbers should be coming down, not going up.

True, in real terms, the numbers have dropped slightly from the cold war average. Maybe by 10 percent. But that is just a drop in the bucket compared to the dramatic decrease in the threat. So why are my Republican colleagues trying to force the numbers to move in the wrong direction? As we learned back in the eighties, higher defense budgets in peacetime brings higher costs, brings more overhead and more waste, not more defense.

So long as the defense leadership remains asleep at the switch, more money for more defense when there is no real threat, no real need is waste by definition. The Senate is in the process of blessing waste, the mindless and careless expenditure of money.

The Senate is about to give the Pentagon bureaucrats huge sums of extra money to spend for no known purpose, for no known return and no known reason. The bureaucrats at the Pentagon are licking their chops at the prospects. The extra money will be used to buy weapons we do not need, like the *Seawolf* submarine, the F-22 fighter, the B-2 bombers and Comanche helicopters, all designed to defeat a threat that no longer exists.

To make matters worse, these cold war relics are all underpriced and underfunded. They are underpriced and underfunded because their outrageous price tags cannot be justified in the absence of Soviet military threat. So what we are really doing is shoveling money at the contractors to pay for the hidden costs. All this extra money will not buy more weapons and equipment; it is going to buy more costs. It is that simple. History teaches us that the cost of the future years' defense program almost always exceeds the money in the budget. That is called, over program.

DOD budget managers like to underestimate costs and overestimate the amount of money Congress appropriates. Their appetite is always much bigger than their budgets. This kind of mismanagement causes the plan's reality mismatch. The General Accounting Office's ongoing historical review of the 5-year defense procurement program shows that DOD consistently pays more but gets less. On an average, 130 percent is paid by the defense for 80 percent of the program, and that is what the data shows.

The PRESIDING OFFICER (Mr. DEWINE). The Senator's time has expired.

Mr. GRASSLEY. I yield the floor.

Mr. KOHL. Mr. President, I thank the Senator from Iowa who has always been one of the strongest watchdogs on defense spending. I appreciate his work with me on this amendment.

At this time, I yield 6 minutes to the Senator from New Mexico [Mr. BINGAMAN].

Mr. BINGAMAN. Mr. President, I rise to support the Kohl-Grassley amendment to cut $7 billion from this bill and bring it back to the level that was requested by the President. I opposed this bill when it was before the Armed Services Committee, in part because I did not support this additional funding. I did not feel that the committee had used the additional funds wisely, even if we decided to go ahead and add the funds.

Taxpayers are demanding, as Senator GRASSLEY just said, and others have said over many months in the Senate, that Congress reduce the Federal deficit. This has been the first priority in Washington since this Congress convened.

Mr. President, the current bonanza of weapons system add-ons that is reflected in this bill cannot be sustained in future year budgets. The committee report admits that. Senator KOHL quoted the committee report in its entirety on this issue in his statement. Let me just repeat one sentence from that report. It says:

> The limited progress reflected in this bill cannot be maintained unless future funding is increased.

Sixty Senators earlier this year voted not to increase defense spending above the President's budget during the next 7 years. A majority of the Armed Services Committee voted for the increase, and the committee is now straightforwardly telling the Senate that they have constructed a bill inconsistent with the budget resolution's funding levels in future years. They will be back for more funding in order to sustain the add-ons for various weapons systems and procurement initiatives in this bill.

Mr. President, when they come back for that additional money, I strongly doubt that the Congress is going to add funding in future years for defense. Instead, we are going to face a choice between force structure and new weapons systems. We cannot have both within the budget resolution's outyear defense totals. The committee agrees that we cannot have both.

Adequately paying and housing and training 1.45 million active duty service members in future years will require greater expenditures for personnel, military construction and operations and maintenance and will further squeeze the amount we have to pay for these weapons systems that we are starting to buy in this bill.

Defense experts from both parties have pointed to the train wreck in defense budgets that we are going to face before the end of this decade. Let me just point out we had a very good hearing in the committee where we talked about this excess force structure. Two experts there, Dan Goure of the Center for Strategic and International Studies, and Andrew Krepinevich of the Defense Budget Project, both made the point that we had to reduce the force structure by somewhere between 200,000 and 400,000 personnel.

Richard Perle, who many people in this body know as a fairly strong supporter of our defense effort, has recently stated:

> We are spending too much on a force structure that is far larger than we need.

Mr. President, I am tempted to offer an amendment directing the Secretary of Defense to prepare for an additional drawdown in the size of our force structure in light of the priority that is being accorded to weapons systems modernization in this bill, and also the fact that it is very unlikely that future defense budgets will have enough in it for both.

I am not sure how I would vote on such an amendment, but I would be very interested in seeing how those who put this bill together would come down on that fundamental choice.

George Wilson, who has long studied the defense issues in this country, wrote a very good article in Navy Times on August 7. Let me read a little bit from that article.

In talking about the present activities in the defense budget, he says:

> It is going to end badly. The budget balancers in Congress and the executive branch, sooner or later, will conclude that the hawks on the House National Security and Senate Arms Services Committees and elsewhere in Congress have made themselves irrelevant.
>
> No later than 1997, the budget balancers will slash military programs right and left because, if for no other reason, this will be the easiest place to cut, barring a big war.
>
> Before the chaos from that budget train wreck sets in, there is the even more worrisome prospect that congressional hawks will succeed in their current efforts to put the country into a U-turn back toward the Cold War.

Mr. President, yesterday, we dealt with the "U-turn back toward the cold war" and, by two votes, decided to make that U-turn back toward the cold war. Today, Senator KOHL and Senator GRASSLEY are giving us a chance to ensure that the 1997 train wreck is not made worse by our spending binge this year.

I hope the Senate will support the position it took back in May that additional funding is not needed. I hope we will not see headlines in tomorrow's Washington Post like we saw today: "House Votes Major Cuts in Domestic Programs" and "Senate Backs Missile Defense Network."

When we are slashing Medicare, slashing Head Start and education programs, slashing Medicaid for the poor and disabled, slashing environmental protection programs, I, for one, cannot justify the extra $7 billion in this bill for defense.

I urge the Senate to support the Grassley-Kohl amendment.

I yield the floor.

Mr. KOHL. Mr. President, I thank the Senator from New Mexico for his thoughtful and balanced comments. It is not unusual because that has been the hallmark of his service in the Senate for several years.

How much time is left on our side?

The PRESIDING OFFICER. The Senator from Wisconsin has 33 minutes, 12 seconds.

Mr. KOHL. I yield 13 minutes to the Senator from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. President, I thank the distinguished Senator from Wisconsin, Mr. KOHL. He has offered a challenging amendment. It is one which I fully support. It is a post-cold-war wake-up call, a reality check amendment.

This amendment, cosponsored by Mr. KOHL and Mr. GRASSLEY, challenges the Senate to make a choice between significant and substantial deficit reduction, or supporting, on the other hand, a bow wave of unsustainable and unnecessary bloated defense spending—unnecessary, bloated defense spending. This amendment would cut the $7 billion added to the President's request for the Department of Defense in fiscal year 1996.

How much is $7 billion? I was talking to JOHN GLENN this morning. I said, "You went around the world on February 20, 1962, in 89 minutes." He said, "Another way of saying that is, we were traveling at the rate of 5 miles per second." That makes it pretty clear. How much is $7 billion? How long would it take to count $7 billion at the rate of $1 every minute? It would take 14,000 years. Seven billion dollars is a lot of money!

The Senate has voted resoundingly for the President's level of spending already in this session. By a 60–40 vote, this Senate endorsed this level of spending when we took up the Senate-reported budget resolution.

I believe that the overall level of expenditures contained within the bill, although within the limit established by the conference report on the budget resolution—which I did not vote for—is higher than needed for an adequate defense posture. Additionally, the spending priorities established by the committee and numerous provisions of the bill put the country on a militaristic path reminiscent of the Reagan era, despite the greatly reduced threat now faced by the United States.

I was here during the Reagan era. I voted for the increased military spending that was recommended by Mr. Reagan. I voted for all of his exotic weapons. So I come with, I think, pretty good credentials, having been a supporter of the military.

This spending level, though, looks in the wrong direction. It looks to the past, not to the present and to the future.

This bill doubles the funding for national missile defense systems, the core of the Reagan "Star Wars" program. It adds funds to anti-satellite programs. The Congress rejected programs for new, expensive ASAT (anti-satellite) systems during the cold war. It turns logic and spending on its head to support such questionable programs now that the Russian threat has collapsed. This just indulges in waste!

This bill also adds funds to increase or expand the purchases of aircraft and ships that were not requested by the Department of Defense. These are in excess of what is necessary to support current military posture and strategy.

One of the great unsaid truths of the recent defense budgets that are written by Congress is that they are, in large measure, jobs programs in disguise. Funds are provided to buy ships, to buy aircraft and missiles that support hundreds of thousands of jobs throughout the United States. These ships and planes and missiles may not be necessary to support a rational and reasonable defense strategy, but they keep production lines open and paychecks going home.

These programs are supported by Republicans and Democrats alike. Like caged mice on an exercise wheel, we go around and around and around, buying weapons we do not need so that hard-working people are not laid off their jobs. No one would argue that these jobs are not important or not necessary to a strong economy. Yet, this Nation cannot seem to find a way off this wheel, so we go around and around and around. We continue to support big defense budgets and questionable weapons procurement plans. And in the process, we allow waste and abuse of the taxpayer's dollar. We also risk crafting a defense budget that neglects our real defense needs. We focused instead on keeping jobs in various States, not on creating the kind of defense strategy that the Nation really needs.

This bill contains funds for ships that are not needed now, according to the

Department of Defense. We could do much better to spend that money on becoming the strong, prosperous, and well-educated Nation that other nations seek to emulate and trade with, but not to go to war with.

Yet, funds that would provide a transition—a way to move off the wheel of large defense budgets—were cut in this bill. Technology reinvestment program funds that were intended to move defense technologies into the civilian economy, where they could be maintained without big defense spending, have been cut. Programs to transition military personnel into education and law enforcement are under fire. Small programs that encourage military personnel to help their local communities and to help troubled youth have been cut. Funds to support arms control verification, to help both make the United States and its former enemies feel more confidence about peace, security, and stability in the future, have been cut, cut, cut.

These beginning efforts were the first steps in moving the United States away from the role of the world's only remaining military superpower and into a nobler role as a world economic and education superpower. I am sorry to see us slip back, to move from away from Athens and towards Sparta, away from the education of the mind, to the molding and shaping of weapons.

This amendment shares the deficit reduction pain that is already being felt in the shrinking accounts for energy, agriculture, education, and law enforcement programs—in all of the programs funded in the domestic discretionary accounts that directly and daily benefit every American citizen. Boy and girl, man and woman, black and white, all over this country.

This disparity between defense and nondefense spending over the next 7 years is eye opening. Now, the people out there beyond the beltway hear about it, they hear about these cuts that are being made in domestic programs. They read about the cuts that are being made in domestic programs. On television they see reports of the cuts that are being made. But they have not yet felt the cuts. Wait until they feel the pain. It is coming. It is coming.

Mr. President, I think of Croesus, the King of Lydia, who was defeated by Cyrus at the battle of Thymbra, in the year 546 B.C. This was Cyrus II, Cyrus the Great. In 559 B.C., he became king of Ashan. He ruled all of Persia from 550 to 529 B.C.

Cyrus desired to add the kingdoms that were ruled by the Sythians, in southern Russia, to his vast territory. So he launched a great invasion against the Massagatae, whose ruler was a queen named Tomyris. Before crossing into the territory of the Sythians, he called his generals and advisors about him and asked their advice. He had kept Croesus on at his court as an advisor, this great king who had been one of the richest kings in history. Cyrus asked Croesus for his advise, and Croesus said this: "There is a wheel on which the affairs of men revolve, and its movement forbids the same man to be always fortunate."

Mr. President, that same wheel turns for us. That wheel is going to turn in this country, and when the people begin to feel these cuts and see the nation's infrastructure falling apart, the bridges falling down, the railroads deteriorating, and the highways filling with potholes, when the people begin to feel the cuts in health and education, the worm is going to turn. Mark my word, the wheel will turn!

The Department of Defense should not be growing fat on $70 billion in the unneeded calories of defense pork—beginning with $7 billion this year—while education, law enforcement, transportation, and all other domestic discretionary accounts are starved by $183 billion. I hope that my colleagues will stand up to the challenge posed by the distinguished Senator from Wisconsin, and vote to cut the fat from this bill in favor of cutting the deficit.

Piling another $7 billion on top of the defense budget, for an array of non-essential, nice-to-have new weapons makes a mockery of our rhetoric to balance the budget.

While raising defense spending, we are cutting nondefense discretionary to the bone—to the bone. I know. I meet in the appropriations subcommittee hearings, and in the subcommittees as they mark up the bills, and I sit in the full Committee on Appropriations with Senator HATFIELD, and you should hear the groans there among the Members. As Senator HATFIELD said today in markup, "Just wait. If you think it is bad now, wait until 1997."

So just wait, Senators. You are going to hear from the people back home. The worm is going to turn. And it is going to bite you! When it bites, you will feel the pain.

If Senators really mean it on deficit reduction, the most compelling evidence of how serious they are will be an aye vote on the Kohl amendment. Start here. Start now.

We hear that advertisement on TV, "Do it here; do it now." Well, Senators, now is the time. Do it here; do it now!

I take a back seat to no one when it comes to adequately preparing for our national defense. That is our first priority in this country. It ought to be.

As I have said, I voted for all the weapons during the Reagan era. You name them, I voted for them. That time has passed. It has come and gone.

What we are seeing here is the coming of a shadow—a shadow—of the nondefense discretionary budget, in order to pay for more military weaponry that we do not need, and in order to pay for a $250 billion tax cut that is utter folly! Folly!

Yes, the worm will turn. I respect Senators who do not agree with me; I respect their viewpoint. But the American people are going to wake up one morning and find that it ain't just like they have said it would be. It is going to be different. When that worm turns, Senators are going to see a turning of the viewpoint in this Senate.

Mr. President, I thank the distinguished Senator from Wisconsin and the distinguished Senator from Iowa for their leadership. I hope that the Senate will support their amendment. I intend to vote for it, and I hope the amendment will prevail.

Mr. President, I ask unanimous consent that a table showing budget cuts over the 7 years of the budget resolution be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

BUDGET RESOLUTION VERSUS 1995 FREEZE

[Budget authority; dollars in billions]

	1996	1997	1998	1999	2000	2001	2002	7-year total
Budget resolution:								
050–Military	$265	$268	$270	$272	$275	$278	$281	$1,909
Nondefense discretionary	224	219	227	216	221	219	218	1,544
Total	489	487	496	489	496	497	499	3,453
Assume 1995 BA freeze:								
050–Military	263	263	263	263	263	263	263	1,839
Nondefense discretionary	247	247	247	247	247	247	247	1,726
Total	509	509	509	509	509	509	509	3,566
Difference (resolution less 1995 BA freeze):								
050–Military	3	5	7	10	12	15	18	70
Nondefense discretionary	−23	−27	−20	−30	−26	−28	−29	−183
Total	−20	−22	−13	−21	−14	−13	−11	−113

Mr. KOHL. I thank the Senator from West Virginia for his powerful statement, which lends tremendous credibility and impetus to this amendment. I appreciate his coming to the floor and appreciate his speaking in its behalf.

The PRESIDING OFFICER. The Senator from Wisconsin has 15 minutes remaining.

Mr. KOHL. Mr. President, I would like to yield 5 minutes to the Senator from North Dakota, Senator DORGAN.

Mr. DORGAN. Mr. President, let me compliment the Senators from Wisconsin and Iowa and others who have spoken so eloquently in support of this amendment.

If we were to skip ahead 100 years from today, we would not be able to tell very much about what we were about except historians could look back at this group of Americans and evaluate what we felt was important and our values, by what we decided to spend our resources on. They could, in fact, look at the Federal budget and decide what we thought was important for the future of this country.

It is sad to say that the priorities these days are priorities not to invest in the human potential of the American people that will produce big rewards and big dividends in the years ahead. I refer to priorities like educating our children, like helping people up and out of poverty, like providing the kind of health care that senior citizens need, and other things. Instead, as we find all too often, it is building things we do not need with money we do not have. Never is that more evident than in this bill.

I support a strong defense. I think it is important to our country's security. But I am disturbed when I see legislation brought to this floor in which $7 billion is added on and $4.7 billion just written in for new procurement—most of it, I am sure, with inadequate hearings or virtually no discussion. Instead, somebody just writes it in and says, "We know you are not asking us to buy this, Mr. or Mrs. Pentagon, but we insist we do."

Take page 125 of the report, $60 million is written in here, $60 million for blimps—blimps. It does not say blimps. It talks about lighter-than-air air ships. These folks are talking about writing in $60 million for the Hindenburg to defend against cruise missiles, I guess. Blimps.

I just got stuck on the subway, a little subway that runs 2 blocks between the Capitol and the Senate office building. I sat in that subway because the subway would not go anymore, the doors would not open. That is high tech. It is a brand new subway, as a matter of fact.

The weapons program acquisition in this bill, includes $4.7 billion of add-ons. I could go down the whole list of high-tech weapons. We have a subway that does not work. All these things, I guess, are going to work even without full hearings. We are going to write them in and say, "We are going to build them, just have confidence." Among the weapons is a blimp.

I do not know, maybe if we hear Saddam Hussein has started a cavalry, then perhaps we would go out and start buying horses. I just do not understand what people are thinking about. I do not have the foggiest notion what they are thinking about. They say we should add $7 billion extra for defense which the Secretary of Defense says is unneeded?

And then every single day in every way they come to this floor and say, "We cannot afford to give a poor kid an entitlement to a hot lunch in the middle of the day at school. We just do not have the money. We can afford blimps. We cannot afford medical care for the elderly. We are sorry. Tighten your belt, Grandma and Grandpa. We apologize. We do not have the money." But we can buy blimps, I guess.

We say to the middle-income families, "We are sorry we are going to make it more expensive to send your kids to school because we just cannot afford it." But we can go resurrect Star Wars. Star Schools are not important. Star Wars is important.

I do not have the foggiest notion what is going through the heads of people who think that this represents America's priorities. Kids are our future. Investment in human potential is our future.

Yes, defend our country. But how on earth can you say to the Secretary of Defense, when he says, "Here is what is necessary to defend our country," you do not know? And therefore you say instead, "By the way, take this $7 billion. We do not care whether you want it or not. It is jobs in our States. It represents weapons programs we insist you build. It is ships and submarines, it is fighter planes that you say you do not need, you do not want, but we insist you build them."

What on earth are people thinking of? Someone once said that 100 years from now it will not matter much how big your house was or how much income you made. But the world might be a different place because you were important in the life of a child.

I would like to hope that one of these days we get our priorities sufficiently straightened out so we can be important in the lives of children in this country. I hope we can stop saying to children and others, "We cannot afford the things you need," but then come to the floor with a bill full of blimps, Star Wars and other nonsense, and shove down the throat of the Pentagon $7 billion they did not ask for to build things we do not need. This in a country where we are up to our neck in debt.

This sort of thing has to stop. This is the place to stop it. Right here, right now, today, with this amendment.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. I thank Senator DORGAN. It was an eloquent statement he made. As usual, he is right on target.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of how those Senators voted in May when we fixed defense spending at $257 billion.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Sixty senators who voted to maintain defense spending at $257.7 billion on May 23, 1995.

NAYS (60)

Democrats (43 or 93%):

Akaka, Baucus, Biden, Bingaman, Boxer, Bradley, Breaux, Bryan, Bumpers, Byrd, Conrad, Daschle, Dodd, Dorgan, Exon, Feingold, Feinstein, Ford, Glenn, Graham, Harkin, Hollings, Inouye, Johnston, Kennedy, Kerrey, Kerry, Kohl, Lautenberg, Leahy, Levin, Mikulski, Moseley-Braun, Moynihan, Murray, Pell, Pryor, Reid, Robb, Rockefeller, Sarbanes, Simon, and Wellstone.

Republicans (17 or 31%):

Bond, Brown, D'Amato, DeWine, Domenici, Gorton, Grassley, Gregg, Hatfield, Jeffords, Kassebaum, Lugar, Packwood, Pressler, Roth, Simpson, and Specter.

Mr. KOHL. I will yield some time to the other side if they wish to speak. How much time do we have left?

The PRESIDING OFFICER. The Senator from Wisconsin has 9 minutes remaining. The Senator from South Carolina has 7 minutes and 56 seconds.

Mr. KOHL. Would the Senator like to use a few minutes on his side?

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I yield 2 minutes to the able Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I was not intending to come down and speak on this, but after listening to the last couple of speeches, I decided I had to speak up and comment.

I heard the Senator from North Dakota, back in my office, say that what we are doing here is neglecting to invest in human potential. If there is anything we are doing here with the defense bill—and by protecting our country—we are, in fact, doing just that. Look at all of the wars we fought and the people who have died and suffered and the country that has suffered so much through our wars. What human potential has been lost on the battlefield? You talk about human potential, look at the young men and women who have died. Look at that potential. That is gone. Educated, hardworking, bright people, trained, who gave up their lives because, in many cases, we were not ready. We did not invest in our armed services to do the fundamental mission that this Government was created for, to protect and defend this country.

Do not talk to me about wasting human potential. This prevents the waste of human potential more than any single thing we can do. To suggest otherwise, that through some feel-good Government program, if we push out more money to people to invest in their potential it is going to change the world, somehow refresh America—you know, that some new Government social welfare program is going to save money, which is what the other side would have you believe we should invest in, is not the answer.

The answer is, by creating peace and prosperity you will loose the human spirit and potential of every American and give them the opportunity, in a peaceful world, to reach their dreams. If you want human potential invested in, then you give a peaceful environment where people do not have to worry about going to war but worry about going to work.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KOHL. I would like to make a comment or observe that when Senator BYRD talked about $7 billion, he talked about what an enormous sum of money that is. I do not know if he said it or not, but it is true that here in Washington we spend $7 billion as if, sometimes, it were $7,000 or $700. That is because we are used to dealing with such large sums of money, so it is not acceptable but it is understandable. But it is not acceptable.

Mr. President, $7 billion—I come from the city of Milwaukee, State of Wisconsin, but I live in the city of Milwaukee. Milwaukee is a middle-size city in our country which has a host of problems which are characteristic of the problems in our country today: crime problems, drug problems, problems with our educational systems, problems with our infrastructure, problems with our inability to train people for jobs that are availables. All the problems that exist in our society—to the degree we are not satisfied with the conditions of life in America—exist in Milwaukee.

Mr. President, for $1 billion—not $7 billion—for $1 billion, which is an imaginative sum for the city I come from, but for $1 billion we could change the face of Milwaukee for 50 years in all the areas I just discussed: The areas of crime, drugs, welfare, job training, education, infrastructure, with just $1 billion out of the $7 billion that we are going to be spending on defense unnecessarily in this next year if we do not defeat that proposal. And $264 billion is on the table. For $1 billion we could change the face of Milwaukee for the next 50 years.

So we are talking about a lot of money that could be used to improve the quality of life throughout our country without in any way taking away from the level of necessary defense which all of us support.

Mr. DORGAN. If the Senator will yield for a minute, Mr. President, I noted the Senator from Pennsylvania referred to my discussion.

I would observe for the benefit of the Senator from Pennsylvania that the list of $4.7 billion in unrequested add-ons for weapons procurement in this bill includes the following: $650 million for 2 destroyers, $564 million for Navy fighters, $216 million for Navy EA-6 aircraft, $125 million for helicopters, and for the Senator's home State, a $33.9 million procurement add-on for Army improved recovery vehicles.

It occurs to me that, at least with procurement, especially of weapons programs, it hardly protects this country's security to buy something that the Secretary of Defense has indicated he does not need. With respect to feel-good programs, I suspect that the add-ons in this defense bill might make some feel good. But, frankly, when we are purchasing what the Secretary of Defense is not asking for, it does not in my judgment make the taxpayers feel good.

We can have a longer debate about what improves or what does not improve this country's social programs or defense programs. I, too, believe we ought to have a strong defense. The point I was simply making is that purchasing what the Defense Department indicates it does not need for America's military hardly improves this country's security. But it certainly does add to the Federal budget deficit. We are up to our neck in debt, and we have a budget deficit problem. And it seems to me that all of us ought to be concerned about that when we talk about what we purchase from whom and where and when.

Mr. KOHL. I thank the Senator from North Dakota.

I would like to yield 4 minutes to the fine Senator from Colorado, Senator BROWN.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. I thank the Senator from Wisconsin.

Mr. President, I rise in support of this amendment for one very simple straightforward reason.

Mr. THURMOND. I yield him 1 minute to express himself.

Mr. BROWN. I thank the Senator from South Carolina.

Mr. President, as I read the numbers from our budget, rather than reduce the deficit for next year, we are in danger of increasing it. Hopefully that is not the case. Hopefully my estimate is wrong. But it is quite clear that rather than showing significant deficit reduction next year that the overall budget stands perilously close to showing an increase. I think that is a more important factor that Members ought to weigh because part of the dropping interest rates in the international market and part of the confidence that is so important in retaining the value of the dollar and part of the momentum of our moving forward is based on the belief that Congress is addressing this situation and it is addressing the problem.

I have great praise for the distinguished chairman of the committee and the distinguished ranking member who have worked hard to bring this bill to the floor, and to make sure the money is spent wisely.

Do we all agree with everything that has been done? Of course not. But the overall important thing is I think for us to ask this question: Will the deficit drop next year? Will the American people be convinced we are doing our part to bring it into line? And do we have at last credibility?

Mr. President, I am convinced that our credibility and our ability to control the deficit depends on us passing this amendment.

Mr. President, I know time is tight. There are other Members who wish to speak.

I yield whatever time remains.

Mr. KOHL. I thank the Senator from Colorado for coming down to speak in behalf of this amendment. His words are appreciated.

Mr. THURMOND. Mr. President, I was under the impression the distinguished Senator from Colorado was on our side. I ask unanimous consent that what he said be charged to the other side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FEINGOLD. Mr. President, I congratulate my colleague from Wisconsin, and thank him for offering this amendment today. He has been a consistent vote for deficit reduction, and I compliment him for his leadership on this issue today.

If any one amendment can highlight the absolute absurdity of the defense budget represented in this bill, this is it.

Just 3 months ago, during consideration of the budget resolution in this Chamber, 60 of our colleagues—Democrats and Republicans together—voted against an amendment to increase spending above the President's request for $257 billion. The vote spoke to the overwhelming sentiment in this body that defense spending should not be increased at precisely the time several arms control treaties are coming into force, and we are drastically cutting valued and needed domestic programs.

Nevertheless, the conference committee on the budget increased the allocation for defense spending by $7 billion. Does that mean that we are bound to spend the full $264.7 billion? Absolutely not. In fact, if we are to be consistent with what we voted in May, and if we are going to be consistent with all the rhetoric about deficit reduction, we should be authorizing, at most, the $257 billion we accepted just 3 months ago.

This amendment forces us to be faithful to the principles we voted for earlier in the name of fiscal restraint. It would indeed be hypocritical to have supported that ceiling before, but now oppose the Kohl amendment.

This $7 billion increase in this bill is especially distressing given where this money seems to be going. In December 1994, the President announced that he would propose an additional $25 billion for the defense budget over the next 5 years to cover the so-called readiness gap.

Indeed, the committee report expresses deep concern for the shortfall readiness inherent in the administration's request, but then itself doesn't fund it. In effect, it continues the same irresponsible budgeting pattern it criticizes the administration for. So, we see that the excess budget isn't helping what some were crying wolf about last year.

Instead, it seems to be going largely to homestate projects. This bill authorizes over $5 billion in unrequested weapons programs. According to an analysis by Council for A Livable World, a staggering 81 percent—or $4.1 billion—of that $5 billion plus goes to States whose Members serve on either the Subcommittee on Defense Appropriations or the Armed Services Committee.

For instance, the Pentagon's request for F–18 jets was fully doubled by the committee, as was the request for *Aegis* destroyers. In one case, the committee authorized a $1.3 billion ship for no strategic reason other than that it serves the hometown needs of its local representatives.

These add-ons, in most cases, amount to robbery of the Federal Treasury. While I hardly endorse a philosophy that Congress should simply rubber-stamp the Pentagon's budget request, I find it hard to fathom that the Pentagon underestimated its requirements by a whopping $5 billion. In my opinion, it didn't. Instead, the committee plussed up the budget in order to please Senators who wanted to deliver money—any money—to their hometowns.

If we are going to balance the Federal budget, Mr. President, we are all going to have to sacrifice. That is what we all committed ourselves to during the balanced budget amendment debate. But when it comes to actually resisting the excesses, I see little self-restraint.

That is how we get a defense bill that is $7 billion above the level we approved 3 months ago. With the Kohl amendment we have the opportunity to correct that problem, and recommit ourselves to deficit reduction.

I urge my colleagues to support the Kohl amendment.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Our time is tight here. I yield 2 minutes to the Senator.

Mr. COATS. Mr. President, I thank the Senator from South Carolina.

Mr. President, one of the myths that we are dealing with here in the debate on this defense bill is the fact that we are asking for more than what the Pentagon requested. That is technically true. The $7 billion is over and above the budget request. But member after member of the Joint Chiefs and others who testified before our committee indicated that they are complying with the number that was given to them by the administration.

The Defense Department and the spokesmen for the Defense Department have said time after time after time that there is more they need to meet the requirements for defense and to meet the strategy but they are constrained by budget numbers. Therefore, they are good soldiers, salute, and provide us with a budget that comes within the top line of the administration's budget level. But there has been testimony from everyone from the Joint Chiefs of Staff on down that we are on the razor's edge of readiness, that we are in need of research and development into new technologies, that our modernization program is in deep jeopardy, that we will not have the equipment necessary to meet the threats of the next century.

General Shalikashvili has been quoted as saying so, the head of the Marine Corps has been quoted as saying so, and the Secretary of Defense has intimated as such, and on and on it goes.

So this mantra that we are hearing from the other side that this is some kind of a wasted expenditure that the Department of Defense has not requested this, and does not need this, simply belies the truth, belies the facts of what is necessary to provide an adequate defense for this country and what the Department of Defense really needs. They are just simply taking orders from the boss upstairs.

Mr. President, I gave a long dissertation on this very subject earlier. I will just simply say ditto to what I said earlier in the interest of time, and yield back the time.

Mr. THURMOND. Mr. President, I yield myself such time as may be required.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I oppose the amendment offered today by the distinguished Senator from Wisconsin.

Early today you heard my statement relating to defense spending levels. I have continually stated the need to ensure our national security and that defense was underfunded. The budget resolution recommends defense levels lower than I believe are necessary to maintain the readiness of our forces. The Department of Defense has done more than its share in the budget reduction efforts.

The proposed amendment reduces defense spending below the levels necessary to maintain our forces. Defense spending as a percentage of GDP is at 1940 levels. Procurement accounts have been reduced 71 percent since 1985. Continually, the Joint Chiefs have testified that we are on the brink of returning to the readiness levels of the 1970's and early 1980's.

Mr. President, our forces continue to have to deal with higher operating levels, while force structure continues to be reduced.

The Armed Services Committee worked very hard this year, within the defense levels of the budget resolution, to reverse these negative trends.

Mr. President, I just want to say that I was here when President Reagan was President. President Carter had let our defenses go down. He was a good man, but that is what happened. When President Reagan came in, he asked the Congress to increase defense. He said we needed it to protect this country. Congress responded favorably and increased defense.

Then the Soviets felt they had to increase theirs to compete with us, and in doing so, though, they could not increase their defense and also take care of the local economy, and that is the reason the Soviet Union went down the drain. It was President Reagan's action to increase our defense which the Soviets could not meet, and the Soviet Union went down the drain.

We must keep a strong defense. We are living in a dangerous age. We should not think about cutting this $7 billion. We need it. Our soldiers need this. They need better quarters. They need more training. We need more ships and more planes, and we need more tanks. How are we going to get those? How are we going to defend the American people?

After all, the primary purpose of Government is to protect its citizens. How can we better protect our citizens and keep a strong defense? Under our Constitution, our people have more freedom, more justice, more opportunity and more hope than any people in all of history. How are we going to keep that if we go cutting defense down below what it ought to be?

I say to the people who do not favor, who do not understand defense, you better study. You better study history. Why did we lose people in World War I, World War II, the Korean war, the Vietnam war? Simply because we were not prepared. If we had been prepared, we would not have lost so many thousands of people. We must keep this country prepared.

I say to those in the Senate here today, the most important thing we can do is to keep this country prepared.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Wisconsin.

Mr. KOHL. I yield 2 minutes to the Senator from New Jersey, [Mr. LAUTENBERG].

Mr. LAUTENBERG. I thank the Senator from Wisconsin.

Mr. President, just very briefly, because we are out of time, but the time that remains is the time during which we ought to think very carefully about what we are doing.

When most people talk about budget cuts, they talk about the cuts contained in programs, frankly, that are going to hurt middle- and lower-income Americans, cuts in taxes which will benefit the richest among us. But while most areas of spending have been cut, one has been increased, and that is, of course, the defense bill, the defense bill designed to be $7 billion over that which was originally requested, $25 billion more over the period of time, $25 billion that could go to fix Medicare or fund education or protect the environment or build needed housing—$25 billion, a lot of money.

But apparently it was not enough. The House version of the budget resolution boosted defense spending by another $7 billion in fiscal 1996, and this was such an overreaching case that even the Republicans in the Senate repudiated it when we considered our budget resolution. The Senate rejected an amendment that raised defense spending to the House level, and yet during the conference the House number survived—no compromise by splitting the difference, just a total victory for the House position.

The amendment by Senators KOHL and GRASSLEY would take us back to a sensible level.

Mr. President, I hope that we will do that and reduce this bill by $7 billion. The one thing that we do know is that if we are going to build strength, strength that survives, strength that endures, you have to build it internally. No matter how much you build externally, you will never be a safe, strong country unless you invest in the society domestically.

I thank the Chair.

Mr. KOHL. I thank Senator LAUTENBERG for his outstanding comments. We appreciate them very much.

I would like to yield 1 minute to a senior member of the Armed Services Committee, the Senator from Nebraska, [Mr. EXON].

Mr. EXON. I thank my colleague from Wisconsin. I will be supporting the amendment that he has offered.

This is the same debate as with the amendment that was offered by myself and my colleague, Senator GRASSLEY, last year on a very similar matter. There has been a lot of heated rhetoric today. As a hawk, I stand here and tell you that this Defense authorization bill is a fat turkey. But we have not really talked about the real fat. The $7 billion is a drop in the bucket. If you will look at what is inaugurated in this bill, it is billions if not trillions in the future. I am fearful that unless the people who are supporting this agree to raise taxes, of all things, you are going do see a decline in the quality of people who serve in the Armed Forces.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. EXON. It is going to defense contractors and not where it belongs.

The PRESIDING OFFICER. The Senator from Wisconsin has 1 minute remaining.

Mr. KOHL. I thank the Senator from Nebraska. We appreciate very deeply his comments.

Before I speak, does the Senator from Iowa wish to wrap up for a minute?

Mr. GRASSLEY. We have heard, Mr. President, about the needs being so great and that people in the Pentagon, regardless of what the President says is our level of expenditure, regardless of what the Commander in Chief says should be our level of expenditure, say we can always use more. It reminds me of the days in the State legislature; the president of the university would come in and say the needs are so great——

Mr. INHOFE. Will the Senator yield?

Mr. GRASSLEY. And from that day I never heard anybody say when enough is enough.

Mr. INHOFE. Will the Senator yield?

Mr. GRASSLEY. And I never heard anybody say in this debate when enough is enough. We have reached the point where we have to start putting priorities first.

Mr. INHOFE. Will the Senator yield?

Mr. GRASSLEY. And our priorities ought to be where we get to a balanced budget, meet the basic defense needs of our country and balance the budget.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. KOHL. Mr. President, I ask unanimous consent for 1 additional minute.

The PRESIDING OFFICER. Is there objection?

Mr. COATS. Mr. President, reserving the right to object, if the Senator——

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Has the Senator from Wisconsin asked unanimous consent for an additional minute above the time that was allocated?

The PRESIDING OFFICER. That is correct.

Mr. COATS. And is it not correct the Senator has already had 1 hour 15 minutes and this side has had 15 minutes? Is that the correct allocation?

The PRESIDING OFFICER. That is correct.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. Is there objection?

Mr. THURMOND. I certainly want to accommodate anybody I can, but we gave the opposition 1½ hours. We only took 15 minutes. I object to any further extension of time.

The PRESIDING OFFICER. Objection is heard. The question is now on agreeing to the amendment.

Mr. THURMOND. I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Alaska [Mr. STEVENS] is necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 51, nays 46, as follows:

[Rollcall Vote No. 364 Leg.]

YEAS—51

Abraham
Ashcroft
Bennett
Bond
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Santorum
Shelby
Smith
Snowe
Specter
Thomas
Thompson
Thurmond
Warner

NAYS—46

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Brown
Bryan
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Grassley
Gregg
Harkin
Hatfield
Hollings
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Reid
Rockefeller
Roth
Sarbanes
Simon
Simpson
Wellstone

NOT VOTING—3

Bumpers
Pryor
Stevens

So the motion to table the amendment (No. 2119) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOLE. Mr. President, we are going to get time agreements on three amendments here so that some of our colleagues who have obligations off the Hill for the next hour and a half can do that and come back and have the votes stacked at that time.

First, I ask unanimous consent that the amendment of the Senator from Iowa, [Mr. HARKIN], concerning burden sharing be considered under the following time limits: 35 minutes; 25 minutes to Senator HARKIN and 10 minutes to Senator THURMOND; and further, that no second-degree amendments be in order prior to a motion to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. The Levin amendment on the Guard-Reserve package I ask unanimous consent be considered under the following time limitation: 30 minutes; 20 minutes to the Senator from Michigan, Senator LEVIN, and 10 minutes to Senator THURMOND; and that no second-degree amendment be in order prior to a motion to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. And Senator GLENN from Ohio wanted an hour, so I ask unanimous consent the amendment of the Senator from Ohio, Senator GLENN, concerning service academies be considered under the following time limitation: 40 minutes, divided between Senator GLENN, who has 30 minutes, and then Senator THURMOND has 10 minutes; and no second-degree amendments be in order prior to a motion to table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. That would mean 1 hour 45 minutes, if all time is used. Most of it is apparently used around here. Members can plan their return if they are leaving.

Mr. THURMOND. Mr. President, I just want to say that we plan to finish this bill tonight. We have a lot of amendments yet, and as short a time as we can take on each, we will get through quickly. We do plan to finish this bill tonight.

AMENDMENT NO. 2121

(Purpose: To provide for reduction of U.S. military forces in Europe in relationship to any deficiency in allied defense burdensharing)

Mr. HARKIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] for himself, Mr. ABRAHAM, and Ms. SNOWE, proposes an amendment numbered 2121.

Mr. HARKIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 371, after line 21, insert the following:

SEC. 1062. REDUCTION OF UNITED STATES MILITARY FORCES IN EUROPE.

(a) END STRENGTH REDUCTIONS FOR MILITARY PERSONNEL IN EUROPE.—Notwithstanding section 1002(c)(1) of the National Defense Authorization Act, 1985 (22 U.S.C. 1928 note), but subject to subsection (d), for each of fiscal years 1997 and 1998, the Secretary of Defense shall reduce the end strength level of members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of the North Atlantic Treaty Organization (NATO) in accordance with subsection (b).

(b) REDUCTION FORMULA.—

(1) APPLICATION OF FORMULA.—For each percentage point by which, as of the end of a fiscal year, the allied contribution level determined under paragraph (2) is less than the allied contribution goal specified in subsection (c), the Secretary of Defense shall reduce the end strength level of members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of NATO by 1,000 for the next fiscal year. The reduction shall be made from the end strength level in effect, pursuant to section 1002(c)(1) of the National Defense Authorization Act, 1985 (22 U.S.C. 1928 note), and subsection (a) of this section (if applicable), for the fiscal year in which the allied contribution level is less than the goal specified in subsection (c).

(2) DETERMINATION OF ALLIED CONTRIBUTION LEVEL.—To determine the allied contribution level with respect to a fiscal year, the Secretary of Defense shall calculate the aggregate amount of the incremental costs to the United States of permanently stationing United States forces ashore in European member nations of NATO, and the foreign labor compensation costs of United States military installations in European member nations of NATO, that are assumed during that fiscal year by such nations, except that the Secretary may consider only those cash and in-kind contributions by such nations that replace expenditures that would otherwise be made by the Secretary using funds appropriated or otherwise made available in defense appropriations Acts.

(c) ANNUAL ALLIED CONTRIBUTION GOALS.—

(1) GOALS.—In continuing efforts to enter into revised host-nation agreements as described in the provisions of law specified in paragraph (2), the President is urged to seek to have European member nations of NATO assume an increased share of the incremental costs to the United States of permanently stationing United States forces ashore in European member nations of NATO and the foreign labor compensation costs of United States military installations in those nations in accordance with the following timetable:

(A) By September 30, 1996, 37.5 percent of such costs should be assumed by those nations.

(B) By September 30, 1997, 75.0 percent of such costs should be assumed by those nations.

(2) SPECIFIED LAWS.—The provisions of law referred to in paragraph (1) are—

(A) section 1301(e) of National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484; 106 Stat. 2545);

(B) section 1401(c) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 107 Stat. 1824); and

(C) section 1304 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2890).

(d) EXCEPTIONS.—

(1) MINIMUM END STRENGTH AUTHORITY.—Notwithstanding reductions required pursuant to subsection (a), the Secretary of Defense may maintain an end strength of at least 25,000 members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of NATO.

(2) WAIVER AUTHORITY.—The President may waive operation of this section if the President declares an emergency. The President shall immediately inform Congress of any such waiver and the reasons for the waiver.

(e) ALLOCATION OF FORCE REDUCTIONS.—To the extent that there is a reduction in end strength level for any of the Armed Forces in European member nations of NATO in a fiscal year pursuant to subsection (a), the reduction shall be used to make a corresponding increase in the end strength levels of members of each of the Armed Forces of the United States assigned to permanent duty ashore in the United States or in other nations (other than European member nations of NATO). The Secretary of Defense shall allocate the increases in end strength levels under this section.

(f) INCREMENTAL COSTS DEFINED.—For purposes of this section, the term "incremental costs", with respect to permanent stationing ashore of United States forces in foreign nations, has the meaning given such term in section 1313(f) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2895).

Mr. HARKIN. Might I inquire as to the time? I understand we have 25 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. HARKIN. Mr. President, this bipartisan amendment is about burdensharing, but more importantly, it is about fairness. It calls on our allies in Europe to share more of the financial burden of their own defense.

This year, American taxpayers are being asked to pay $6.1 billion for nonpersonnel costs associated with keeping our troops in Europe. At a time when we face large budget deficits, when we are considering large reductions in investments in our own people's education, health, housing, transportation, everything else, we clearly can no longer afford to bear such a large part of the costs of our well-to-do allies' defense.

Therefore, our amendment would require that our NATO allies pay for 75 percent of the incremental costs. That is, the extra cost of our basing our forces in Europe, and 75 percent of the cost of foreign employees of U.S. forces based in Europe.

Mr. President, this is a very moderate amendment, a bipartisan compromise. We are not demanding that they pay 100 percent of the costs. We are not even asking them to bear 75 percent of all of the costs as the other body did by a wide margin last month.

As I said, we are not demanding they pay 100 percent of the cost, or even 75 percent of all of the cost. That is what the other body did last month. In an honest bipartisan effort to begin to make the distribution of costs fairer, our amendment requires a two step increase to 75 percent in payments by our allies of the added cost to U.S. taxpayers of keeping our troops overseas and paying foreign nationals who work on our bases overseas.

Under this amendment, our allies' share of these costs would rise to 37.5 percent in 1997, 75 percent in 1998 and thereafter. Today, they pay much less.

If our allies then do not cover the incremental costs, we would withdraw 1,000 of our troops for every percentage point less than their required share, but leaving a minimum of 25,000 troops in Europe.

Mr. President, payments by European nations would come to about $6 billion over the 4-year period from 1997 to the year 2000. If they met none of their increased requirements and we had to bring our forces home under this amendment, the American taxpayers would still save $1.45 billion over the same 4 years because it costs less to base them in the United States.

This is truly a modest amendment. As I said before, the House DOD authorization bill includes a much broader provision. That passed by 117 votes in the House, 273–156.

Now, the House version requires they pay 75 percent of the entire nonsalary costs of our troops. The House version also called for a reduction of U.S. forces equal to half of those soldiers who might return to the United States because of a failure of the Europeans to pay a fair share of the costs.

Mr. President, if this was a pure business deal and the United States was a police agency providing security for a client, then we would be clearly justified in charging our allies for all of the security operation and not just 75 percent of the incremental cost.

Mr. President, we are all justifiably proud of the role we played in Europe, both during World War II and after World War II. The Marshall plan stands as a monument to American generosity and the concern for our fellow citizens around the world.

Now our European allies are doing much better—their standard of living is equal to ours, in many cases better than ours. But we have continued to ask the American taxpayer to bear a disproportionately large part of the cost of Europe's defense. Europeans, frankly, and simply, are not paying their fair share.

We Senators have different priorities but we agree on two things. We agree we must move toward a balanced budget, and we know it is going to be a painful process with many programs being cut.

I know we will hear arguments about our need to maintain our forces in Europe. Those same arguments were made when we put strong requirements on Japan. Japan is now paying close to a fair share because we took a strong position. Japan can afford it. So can the Europeans.

Right now, in cash payments for United States forces, Germany paid a mere $61 million in 1995. Mr. President, $44 million of that was to pay for the labor costs of their own nationals working on our bases.

They are really not paying much. The United Kingdom, Italy—the United Kingdom paid $40 million, Italy only paid $6 million respectively, and again most of that went for the employment of their own people on our bases.

Let us compare that to what we did with Japan. After it became clear that our troops might be withdrawn from Japan, Japan came across. Right now, they are paying $918 million a year cash for the cost of their people employed on our bases, and paying over $3 billion a year in other costs.

If we did not make them do it they would not do it, of course not.

Those ongoing payments is money the Armed Services Committee does not have to authorize. It is money the Defense Subcommittee, on which I serve, does not have to appropriate. And, most important, it is money the American taxpayers do not have to come up with.

As we move to reduce our expenditures and balance our budget, as we ask college students to take cuts, our elderly, our children, is it not time we ask our European friends to pay a little bit more for the burden of their own defense?

It is a very modest amendment, a very modest one. It will make it a little bit fairer.

Again, I summarize, Mr. President. Here is what this amendment does. If it costs $1 to station a troop in the United States and it cost $1.20 to station that same troop in Europe, then our European allies would only have to pay 75 percent of the 20 cents. They would only have to pay 15 cents of that incremental cost. Plus they would have to pay 75 percent of the costs that we incur to employ their own people working on our bases.

There are two parts of this. They would have to pay 75 percent of the incremental costs and they would have to pay 75 percent of what it costs to employ their own people on our bases.

If they do not meet this requirement by October 1, 1996, they have to pick up 37.5 percent; by October 1, 1997 they would have to pick up 75 percent. If they do not meet those two goals, then we would bring back 1,000 troops for every percentage point under that—either under the 37.5 percent, beginning next year, or the 75 percent beginning in 1997.

But we would leave a bottom line level of 25,000 troops in Europe.

If that happens, if Europe pays under this very modest provision, if Europe pays, our taxpayers will receive $6 billion over those 4 years.

Mr. President, again I ask to have printed at this point in the RECORD a letter from a Mr. Stephen Daggett, Specialist in National Defense, from the Congressional Research Service.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC, August 3, 1995.

To: Hon. Tom Harkin, Attention: Richard Bender

From: Stephen Daggett, Specialist in National Defense, Foreign Affairs and National Defense Division.

Subject: Potential savings from increased allied host nation support contributions.

This is in response to your request for an estimate of potential savings to the United States if European allies agree to provide increased host nation support contributions. Specifically you asked how much would be expected if the allies were to pay increasing shares of (1) incremental costs of U.S. forces deployed in Europe and (2) costs of foreign national labor at U.S. facilities in Europe. Allied shares would be 37.5% in FY 1997 and 75% each year thereafter.

It is possible to provide only a very rough estimate of incremental costs of U.S. forces deployed in Europe. According to testimony in the past by senior U.S. military officials, the U.S. European Command has estimated that it is 10 to 20 percent more expensive to deploy U.S. troops in Europe than in the continental United States. The most recent Defense Department report on funding of U.S. forces overseas projects direct costs of troops in Europe of $9.8 billion in FY1997, including costs of military personnel, operation and maintenance, family housing, and military construction. (For a discussion of incremental costs and sources of data, see "Defense Budget: Alternative Measures of Costs of Military Commitments Abroad," CRS Report 95–726 F, which is attached.) These costs should remain stable in the future, since the U.S. troop level in Europe will, under current plans, stabilize at 100,000 from FY1997 on. If incremental costs are assumed to be 15% of the total, then they would amount to roughly $1.5 billion per year. Annual host nation support contributions, therefore would be as follows:

[Dollars in millions]

	Percent	Cost
Fiscal year:		
1997	37.5	$563
1998	75.0	1,125
1999	75.0	1,125
2000	75.0	1,125

Potential increased host nation payments for the costs of foreign national labor compensation can be estimated more precisely. The attached table shows estimated year by year figures for Germany, Italy, and Spain, the only European allies for which DOD has provided data on foreign national labor costs.

POTENTIAL AMOUNTS OF INCREASED HOST NATION CONTRIBUTIONS FOR FOREIGN NATIONAL LABOR COMPENSATION

[Current year dollars in millions]

Fiscal year	Total foreign national labor compensation	Increased host nation percentage share	Host nation foreign national labor compensation if allies increase share
Germany:			
1996	653	0.00	0
1997	642	37.50	241
1998 [1]	661	75.00	496
1999 [1]	681	75.00	511
2000 [1]	702	75.00	526
Italy:			
1996	30	0.00	0
1997	30	37.50	11
1998 [1]	31	75.00	23
1999 [1]	32	75.00	24
2000 [1]	33	75.00	25
Spain:			
1996	30	0.00	0
1997	30	37.50	11
1998 [1]	31	75.00	23
1999 [1]	32	75.00	24
2000 [1]	33	75.00	25
Three country total:			
1996	713	0.00	0
1997	702	37.50	263
1998 [1]	723	75.00	542
1999 [1]	745	75.00	559
2000 [1]	767	75.00	575
Five-year total:			1,940

Source.—CRS calculations based on data from Department of Defense, "Host Nation Support: FY 1996/97 Budget Estimates," May 1995.

[1] FY 1998–2000 figures assume 3 percent per cost growth starting from the FY 1997 level.

Mr. HARKIN. I yield the floor and I yield whatever time the Senator from Maine would require.

Ms. SNOWE. I thank the Senator for yielding.

Mr. President, I am pleased to join in cosponsorship with Senator HARKIN and Senator ABRAHAM, from Michigan, on this very important amendment. I think Senator HARKIN certainly explained the framework of this amendment and the reason for having such an important amendment to this defense authorization.

It is a very simple, straightforward amendment. The question is why can our allies not pay more for their own defense?

In response it has been argued in the past and rightfully so that the threat against NATO was compelling and that our allies were spending their fair share by what they invested in their own forces. Moreover, we recognized the ominous threat the allies were facing from the Warsaw Pact nations as well as the threat from the Soviet Union. So, obviously it was not an appropriate time to discuss that we will fairly apportion the cost of our troops in Europe. Certainly it was in our mutual security interests. It certainly was not a time that we should say we are going to withdraw our forces from Europe unless they pay more for the support. That certainly could have, potentially, split the alliance at the time when unity was needed to face down the Soviets.

NATO has been a very successful alliance, the most successful military alliance in the history of the Western World. It was designed with a single purpose, to confront and deter the Soviet military threat to Western Europe. We all recognize now that level of threat has been dramatically diminished with the collapse of the Soviet empire and the collapse of the Berlin wall. We now have to decide, and NATO is deciding, its future mission. But in the meantime we have a right to expect more from our allies, in terms of providing for the support of our troops in Europe.

What we are talking about in this amendment is the aggregate of the incremental costs in the foreign labor costs associated with having American troops in Europe. The total cost is estimated, in 1997 to be $9.8 billion. If, as has been estimated, the incremental costs are to be anywhere from 10 to 20 percent we are talking about $1.5 billion.

We are asking our allies by the year 1998 to pay 75 percent of those incremental costs. So that is about $1.1 billion for each year thereafter.

Then of course the foreign labor costs. There are tremendous disparities in terms of how much Japan pays for the costs of our troops to be stationed in that country, compared to our European allies. In 1990, we reached an agreement with Japan that they now pay 77 percent of the costs of our troops there. They have stepped up their contributions dramatically. They are assuming the burden. We had the same arguments then that we are going to, I am sure, have now with respect to opposition to this amendment. But Japan currently pays 77 percent, approximately $4.2 billion of the United States military nonpersonnel costs incurred by the stationing of our troops in Japan.

In contrast our European allies collectively contribute 24 percent of the military costs. To put it another way, Japan pays the Department of Defense in direct contributions, $3.466 billion for 45,938 American personnel stationed in Japan, or an average of $75,450 per American soldier.

On the other hand, Europe pays the Department of Defense only $60 million direct contributions for the 116,190 American military personnel stationed in European NATO nations, an average of just $516 per soldier.

So now we are asking the allies to assume a greater share of the cost, 37.5 percent by fiscal year 1997 and 75 percent for every year thereafter.

I think it is an important issue in a year in which we passed a budget resolution that establishes a framework for a balanced budget by the year 2002. It becomes all the more important to achieve those savings, and in a year in which we are going to be considering a Base Closing Commission's report in which many communities will be seriously impacted by the closure of bases all across this country, in which these savings could help to ease that economic impact, in a year in which we are bringing down the cost of our own defense, we think it is important to be able to even provide some of these savings towards the operation and maintenance accounts of our Armed Forces.

There are many uses that we could provide with the savings that would be offered by this requirement if our allies were to have more of our fair share. Frankly, I think this amendment would give strength to the negotiations between the United States and our allies with respect to increasing their contribution to the support of our troops abroad.

I think this is only in the interest of the American taxpayer. The end of the cold war certainly should really result in savings for us as we have drawn down and will continue. But it does provide for a threshold of troops abroad. It also provides a waiver authority for the President in the event of an emergency.

But the fact of the matter is, I think we are talking about responsibility. This amendment is not about isolationism. It is not about withdrawing our troops from Europe. What it is about is shared responsibility. And, frankly, I think our European allies have been avoiding that responsibility.

So at a time when we are supposed to be tightening our belt because of the cuts we will have to make, in a time when community and local and State governments are going to face reduced contributions from the Federal Government, I think is only fair and reasonable to ask our European allies to do the same.

So, Mr. President, I urge all of my colleagues to support this amendment.

Mr. ABRAHAM. Mr. President, I rise today to join my colleague from Iowa in offering this amendment linking U.S. force levels in Europe to the effort our European allies make in sharing the costs of NATO defense. For too long we have applied a cold war rationale for the United States to carry the European burden, when the underlying, U.S. national security interests no longer apply.

It costs us 10 to 20 percent more to station a soldier, sailor, marine, or airman in Europe than it does to keep him in the United States. Furthermore, we hire thousands of civilian foreign nationals to work for the U.S. military forces in Europe, civilians who pay taxes to the host government, spend their money in the host country, and never will spend a cent in the United States. This amendment addresses this inequity by requiring our European allies to pay for a portion of the defense we provide them.

I know the House recently passed a measure similar to this, but included all nonpersonnel costs incurred by U.S. forces in European NATO countries as the basis for their burdensharing calculations. My fellow sponsors and I do not believe this is fair, as it requires the Europeans to incur obligations for costs we would incur if these same troops were stationed in the United States. We have therefore changed that language accordingly to incremental costs. But even then, significant revenues can be derived.

The Congressional Research Service has calculated U.S. incremental cost in Europe as roughly $1.5 billion per year. This would provide approximately $1.125 billion in host-nation support contributions per year under this amendment's formula. Furthermore, having the Europeans contribute 75 percent to the foreign national labor compensation costs incurred by the United States would yield an additional $575 million per year by the year 2000, for a total of host nation support contribution of $1.7 billion per year.

This is not an unreasonable demand. We, for too long, have sought negotiated settlement and passed sense-of-the-Congress resolutions that the Europeans should pay more for the costs we incur in defending their lands. Last year's Defense Authorization Act called for the Europeans to "assume an increased share of the nonpersonnel costs so that by September 30, 1996, those nations have assumed 37.5 percent of such costs."

This goal is far onerous than that provided by this amendment. It is not fair to expect our European allies to absorb a portion of all our troop costs, but it is fair to expect them to absorb a portion of those costs unique to operating in their countries, that is, incremental costs. This amendment does just that, but also introduces another critical source of host nation support.

In fiscal year 1995, Germany provides only 6 percent of the foreign national labor compensation costs incurred by the United States in Germany, while the United Kingdom provides 9 percent and Italy provides 16 percent. Japan, on the other hand, contributes 94 percent of the United States foreign national labor compensation costs.

When the United States agrees to keep 100,000 troops in Europe to provide the Europeans with that added sense of security, it is preposterous to expect the United States to pick up over $725 million in wages. This is not another U.S. jobs program, and the Europeans should not expect the United States to pick up this tab.

Now I know the administration is opposed to this measure because the Europeans are supposedly suffering from particularly acute economic problems, that they contribute to other programs such as the NATO Infrastructure Program, and that previous host nation support requirement proposals would fall disproportionately on Germany and the United Kingdom.

I disagree strongly with this rationale. I challenge any of my colleagues to stand up and claim the United States should bear the brunt of a modern industrial economic state's economic well-being given today's strategic environment. Can anyone honestly state that it is our responsibility to cover European defense costs because they suffer from high unemployment? That, Mr. President, is simply international welfare.

But even if we accept that responsibility, we already are bearing disproportionate costs of European defense. While the United States spends over 20 percent of its Federal budget on national defense, the Europeans pay only 6.2 percent. Furthermore, while the United States expends 4.4 percent of our gross domestic product on national defense, the Europeans spend only 2.5 percent on national defense. This translates to the United States spending over 250 percent more per capita on defense than the Europeans. I could understand the objections to this proposal if the Europeans were closer to matching us on defense spending. But the fact of the matter is, they aren't even close, and that is just not fair.

What makes this amendment unique to previous requests for greater European host nation support is its enforcement mechanism. This is not a proposal aimed at further reducing our presence in Europe. Rather, it recognizes the value the Europeans place upon the presence of U.S. troops, and utilizes them to compel European burdensharing. There is no reason the Europeans cannot share in those costs unique to our troops living and operating in their countries. This presence directly and materially contributes to the national security of our European allies outside of any NATO context. Considering the markedly lower level the Europeans pay for their national defense, it would appear they need our troops to provide a measure of their security. Therefore, European cost sharing can most efficiently be compelled by the threat of troop pullouts.

We have passed sense-of-the-Senate resolutions over the last 15 years requesting the administration seek greater European defense spending and host nation support, yet we still find ourselves bearing the lion's share of NATO spending, even when accounting for relative size and national security interests. I believe the Europeans have come to depend on the United States to provide for their common defense, even when they are fully capable of providing at least a greater portion of that defense themselves. It is not fair to the American taxpayer to force their taxes to go to Europe in what is essentially international welfare to strong, democratic, industrially advanced countries.

It is because of the savings provided by this amendment to the taxpayer that Citizens Against Government Waste supports this amendment. They understand this issue: it is not fair to the American taxpayer to allow the Europeans a free ride on something as critical as national defense, when they are fully capable of paying their fair share. Furthermore, the only instrument that will work in forcing European support is the threat of U.S. troop pullouts. Finally, the requirements this amendment places on European support are fair, reasonable, and easily attainable. Therefore, Mr. President, I call on all my colleagues to stop this coddling of our European allies and tell them to pay their fair share. Vote for the Harkin-Abraham-Snowe amendment to rectify this inequity.

Mr. President, I yield the floor.

Mr. WARNER. Mr. President, I rise in opposition to this amendment. This amendment has the potential of possibly reducing our current 100,000 troops in the European theater by as much as 50 percent.

Mr. President, let us go immediately to what that impact would be in many areas of that region.

United States troops are stationed in Europe not simply because of the interests of NATO. But they are there in the need of other areas of the world. That is often lost. They are there primarily with our allies in NATO for such missions as may be assigned to NATO, an example being, of course, that in the Bosnian region today. But they are there at the direction of the President of the United States and with the concurrence of the North American Council to operate in other areas of that region when it is in the strategic interest of the United States. They not only contribute to the stability of Europe but also allow us to more rapidly respond to contingencies in this region.

For example, in the recent past United States troops stationed in Europe have responded on a moment's notice to the Iraqi invasion of Kuwait, the humanitarian crisis in Somalia and Rwanda, and a variety of operations in the former Yugoslavia. Currently, United States European-stationed troops are involved in Operation Provide Comfort to assist the Kurds in northern Iraq, Operation Southern Watch to monitor Iraq activities in southern Iraq, Operation Deny Flight to enforce the no-fly zone over Bosnia, Operation Able Sentry in Macedonia, and Operation Sharp Guard in the Adriatic.

Mr. President, this amendment, while it may have some fiscal attractions on its face, would devastate absolutely, unequivocally, the ability of this President and any future President to respond very quickly to many contingencies in that region. And, therefore, I vigorously oppose the amendment.

I would like to yield such time as my distinguished colleague from Georgia may require.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I would like to ask the Senator from Iowa a couple of questions about the amendment and make sure I understand it.

As I understand the amendment, the Senator is setting up a formula tied to the incremental cost of stationing U.S. forces in NATO. Is that right? Is it confined to NATO countries?

Mr. HARKIN. Yes. It is confined just to NATO countries.

Mr. NUNN. The incremental costs—how would the Senator from Iowa define incremental costs?

Mr. HARKIN. Over and above what it costs to base them here in the United States.

Mr. NUNN. Do we have that kind of base cost anywhere? Has anybody computed incremental cost so that we know what that incremental cost is or how they compute the incremental cost?

Mr. HARKIN. I am told it was defined in last year's DOD authorization, that it would have to be computed by the Department of Defense.

Mr. NUNN. Would the Secretary of Defense decide the incremental cost would be based on what it would cost to station those troops at Fort Stewart, GA, or would he pick out Fort Lewis, WA, or would he pick out what it would cost to station them right outside New York City?

There is a variation in the cost all over the United States. If you stationed United States troops in Hawaii near an impacted area, or San Diego, the costs are much higher than someplace else in the United States—I suspect higher than in Europe.

Does the Secretary of Defense have total discretion to determine under this amendment what is an incremental cost and then determine where these troops would be stationed as a comparative basis in the United States?

Mr. HARKIN. I just respond that when I asked the CRS to do some studies on this—I will read from it, and I will put it in the RECORD. I thank the Senator for yielding to me on this.

> It is possible to provide a rough estimate of incremental costs of U.S. forces in Europe. According to the testimony in the past by senior U.S. military officials, the U.S.-European command has estimated that it is 10 percent to 20 percent more expensive to employ U.S. troops in Europe than in the continental United States.

I can only assume they did this on some kind of weighted average depending upon what the average was based on in the United States, and add it all, take an average, then take a look at Europe and add it up. Some places in Europe are more expensive than others; add it up, add the average, and add the average here, and that is the incremental cost.

Mr. NUNN. It would be based on the average cost and add the differential cost, and the baseline year would be what year?

Mr. HARKIN. I am sorry. I believe that the baseline year would be 1996.

Mr. NUNN. The first year of application would be what year?

Mr. HARKIN. 1997, October 1.

Mr. NUNN. Would that be a fiscal year calculation or calendar?

Mr. HARKIN. Fiscal year.

Mr. NUNN. The other question I would ask my friend from Iowa is, who is the responsible party to pay for this? Is this an alliance requirement? Is this the whole NATO alliance that would be required to pay this, or is this country by country?

Mr. HARKIN. It would be paid by countries. But the assessment is shared.

I might add for my friend from Georgia that we did the same thing in Japan. So we can model it basically after what we have done in Japan. We have experience in this.

Mr. NUNN. Would, for instance, the Germans pay for all the incremental costs if you have United States forces stationed on the ground in Germany?

Mr. HARKIN. Germany would pay. That is my understanding.

Mr. NUNN. I do not read the amendment that way. That is the reason I am asking. I read it as an alliance obligation.

Mr. HARKIN. I am sorry, what was that question?

Mr. NUNN. I am trying to see whether this is an obligation of the alliance. For instance, we do not have any forces in Norway. We have very few forces in the southern flank of Turkey. We now have forces in Italy related to Bosnia.

Let us just take that, for example. We have a number of Air Force personnel in Italy related to the Bosnian situation. That is an alliance obligation. Italy allows units to use bases there for the purpose of flying those protective Bosnian flights, Deny Flight. Would Italy be responsible for reimbursing the United States for those incremental costs or would the whole NATO alliance be responsible?

Mr. HARKIN. I think that is something that could be worked out between Italy and the other member countries in that case. If in fact other countries were basing their planes there, if it was a NATO requirement that they use a base in Italy to fly out of, then I would think that all countries in NATO would be responsible for that. This can be, and would be negotiated.

Mr. NUNN. I say to my friend from Iowa, that is the way all the forces that we have in Europe are viewed by the NATO alliance. They are viewed as military personnel that really are there for an overall NATO mission.

So, for instance, the Germans would, I would imagine, be rather resentful at this stage of us saying that those troops that we have in Germany are all there to protect Germany.

There is no longer a threat to Germany as we have had in the past. Our forces are in Europe primarily, as the Senator from Virginia said, because we feel that having forward-based forces in Europe allows us to play a worldwide role, not just a NATO role. For instance, the forces in Europe that we had there were forces that deployed to the Middle East in Operation Desert Storm. Would we expect Israel to pay part of the cost of forces in Europe or would we expect Saudi Arabia to pay part of the cost of forces in Europe because those forces are likely to go there in the event of conflict, or do we want Germany to pay the cost of those forces when they are not primarily at this stage to defend Germany; they are there basically for a much broader purpose?

That is the problem with this amendment, I say to my friend.

Mr. HARKIN. If I could——

Mr. NUNN. We have shifted considerable in the mission of U.S. forces in Europe. It used to be they were there specifically to protect invasion from the Warsaw Pact. Now they are there, about a third the number; we have drawn down from 300,000 to 100,000. So we have now supposedly leveled off.

The amendment, as I understand it, could conceivably, if nobody was willing to pay this cost, take our forces down to 25,000. Is that right?

Mr. WARNER. Mr. President, if I could——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WARNER. I ask unanimous consent that the time within the control of the Senator from Virginia be increased by 3 minutes, with a corresponding increase for the Senator from Iowa.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HARKIN. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Iowa has 9 minutes and 29 seconds.

Mr. NUNN. Mr. President, I will just close out.

That is the last question. The 25,000 would be the level below which the Senator would not go even if there was a total failure of them to pay the burden share?

Mr. HARKIN. Precisely.

Mr. NUNN. Mr. President, if I could just close, I understand where the Senators are coming from on this, and I agree with their overall thrust. I would like to see our allies pay more. But this amendment is a cold war amendment that is based on the concept that we are defending every country where our troops are stationed and that they should therefore pay their part, when these countries are not going to view it that way.

That may be the way the authors of this amendment view it, but that is not going to be the way the Germans view it or anyone else. If you ask someone in Poland, for instance, what they think about the United States drawing down our forces to 25,000, they will tell you in a minute that that is going to be destabilizing. But Poland is not going to be expected to pay any part of this. If you ask someone in Czechoslovakia should we draw down our forces, not from 300,000 to 100,000, but on down to 25,000, they will tell you in a minute we do not want you to draw down your forces. We feel they are needed there in a critical way now for stability purposes. If you ask someone in Hungary the same question, they will tell you the same answer.

So this is a much broader application. We are not there simply to protect Germany. We are there because we are a world leader. We play a big role in the world. If we want to see things destabilize, then we can bring all our forces home and then watch the chaos take place as we watch what is happening in Bosnia today.

Mr. President, I understand the motive of this amendment, but I urge its defeat. I think it needs to be thought through a lot more carefully than is apparently the case at this point in time.

Mr. WARNER. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Virginia has 1 minute and 10 seconds.

Mr. WARNER. Mr. President I would like to pose a question to our colleagues to be joined by my distinguished partner here, the Senator from Georgia.

As we look at this amendment, this is an alliance-wide type of amendment, is that correct?

Now, there are 16 nations in NATO of which we are one. So with the other 15, let us take, for example, that 10 or 12 of the other 15 reach the requirements in the Senator's amendment but there were one or two that failed. The way we read the amendment, it does not make any difference if 14 of them met their requirements and one failed; the amendment is triggered.

So I ask the question to my colleague, am I not correct in that analysis?

Mr. HARKIN. If I might respond——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARKIN. I will ask unanimous consent——

Mr. WARNER. Mr. President, I say to my colleague, the Senator has 9 minutes.

Mr. HARKIN. I will answer on my time, Mr. President.

The PRESIDING OFFICER. The Senator has 12 minutes and 5 seconds.

Mr. HARKIN. The Senator asks a legitimate question. To a certain extent he is partially right. Let us say they came up with 60 percent, and they were only 15 percent short. Then other countries could come in and pay that 15 percent. It would be legitimate.

Now, again, the amendment envisions that in the case of what the Senator from Georgia said, where you had, let us say, Poland might be a little disturbed or some other country that was not perhaps in NATO or something, well, this allows room for negotiation.

Ms. SNOWE. Will the Senator yield?

Mr. HARKIN. I yield to the Senator.

Ms. SNOWE. The amendment is designed to allow other countries to participate in payment of those costs, for example to assist Germany. There is nothing complicated about this amendment. The Department of Defense issues a report on host nation support. I bet they could figure it out. It is not that complicated. We are asking them to pay a fair share. They know what they pay; we know what they pay; and it is not enough. We are asking them just to pay more. It costs us $9.8 billion. The U.S.-European Command determines that incremental costs are 10 to 20 percent higher. We are saying we want you to pay eventually 75 percent of that 10 to 20 percent incremental cost. And it can be determined. It was laid out in last year's DOD bill.

I think there are tremendous disparities. We are looking at Japan that pays 77 percent. Korea pays 62 percent. We cannot ask our allies because somehow it becomes a complicated formula to pay more than 24 percent collectively?

Yes, it is for the alliance, but they have an obligation to contribute to the alliance as well. That is what this is all about.

Mr. HARKIN. I thank the Senator. She makes a good point. We heard these same arguments on Japan—heard the very same arguments. We heard it on Korea, too. It is not just for Japan; it is our interests all over Asia—China, North Korea. We heard the same arguments, that we cannot ask Japan to pay more. We did. They are paying more. They are paying more. And what is different?

Why, if that is the case with Japan, I might just ask rhetorically, why not ask the Philippines to pay? Why not ask Thailand, Malaysia? Why not ask other of our friends in that area? Why do they not help Japan pay the costs of our troops? Because obviously our troops there provide stability in that region, too.

Ms. SNOWE. If the Senator will further yield.

Mr. HARKIN. I yield.

Ms. SNOWE. Look at the foreign national labor costs that are also included in this amendment, the aggregate and incremental amount of foreign national labor costs: Germany 6 percent; Great Britain 9 percent, and Japan pays 94 percent toward those additional costs.

It is obvious we have been able to figure it out with Japan and Korea for that matter. But we are now saying in this amendment—it is very clear—the Secretary of Defense would calculate the aggregate amount of the incremental costs to the United States of permanently stationing U.S. forces ashore in European member nations of NATO, and the foreign labor costs also attributed to those forces.

I think it is only fair, and I just want to congratulate the Senator for offering this amendment because I do think it is important and I think, frankly, it is a post-cold-war amendment.

Mr. HARKIN. I thank the Senator from Maine for the support and for bringing out these points and clearing it up.

You can ask this question or that question and make it seem like it is unworkable. But as I said, these are the same arguments made on Japan, same thing. You heard the same arguments. But when we came forth and got tough, as the Senator from Maine pointed out, they are paying 94 percent of their national costs. We are not asking Europe to do the same thing. We are not asking our allies to do the same thing in Europe.

What is the difference? Why have one standard for Japan and South Korea and another standard for Germany?

Mr. NUNN. Could I answer that question?

Mr. HARKIN. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator from Iowa has 8 minutes, 20 seconds.

Mr. HARKIN. Yes.

Mr. NUNN. Very briefly, the main reason is because the Japanese do not have military forces. Our NATO allies do. The Japanese have a very small percentage of their budget. That ends up being a lot higher percentage of their money because of the GNP, but they did not spend more than 1 percent. They did not have much of a security role anywhere else in the world.

Our allies like Britain, France, and even now Germany, they are moving and helping in Bosnia and are contributing military forces. So it has always been thought that the Japanese ought to do more in the offset area since they are doing less in the military area relative to their GNP.

Mr. HARKIN. Does the same hold true for South Korea? South Korea has a big defense force. They put a lot of their money in defense forces. Yet they pay more for our troops stationed there than Germany pays for our troops in Germany.

Mr. NUNN. This is what the post-cold-war environment is all about. During the cold war I sponsored burden-sharing amendments. At the same time we were protecting Germany, which was divided, there was a large Warsaw Pact force.

Germany had a threat. The Koreans have that kind of threat. They have 9,000 artillery tubes looking down their throats in Seoul. So we are directly protecting our national security.

What I am saying to you is that our forces in Germany today are not there directly and primarily to protect Germany. They are there for stability in all of Europe and the Middle East. So it has shifted fundamentally.

I think there may be a way to get at this, but I do not think this amendment does it.

Mr. HARKIN. I would grant, the Senator is right. I think we are all right on this issue. I do not argue with the need for our stability.

What I would say is, does anyone really believe that if we only asked them to pay 75 percent of the incremental costs or to pay 75 percent for their own people that we employ on their bases, that somehow they are going to kick us out of the country? Give me a break. They love having our troops there. We have all been to those bases in Germany and Italy and Great Britain. They love having those troops there.

It provides employment and it provides stability. It provides all the things that the Senator said. All we are saying, the Senator from Maine and I are saying, is it is time for them to pick up a little bit more of the cost of basing those. I might point out the House of Representatives passed by a margin of 117 votes something a lot stronger than this, a lot stronger. And that was done bipartisan; Republicans and Democrats voted for it.

I thought we ought to be a little more modest and only have the incremental portion, whatever it costs to base them overseas, have them pick that up rather than the full cost, which is what they did in the House. So, again, this is a very modest amendment.

Again, I want to respond on the Saudi Arabia thing. If Saudi Arabia needs our troops to come in there, then it seems to me that our NATO allies should go to Saudi Arabia and say, "Look, you are using the U.S. troops. You ought to help us pay a little bit for keeping our troops in Italy and places like that."

Hey, come on. We are all friends. We do negotiate. These things are negotiable. It seems to me Germany or Italy or Great Britain could negotiate with Saudi Arabia and say, "Look, we are sending troops down there or planes down there based in Italy. You ought to help us pay a little bit." You could negotiate that out. I do not think this is rocket science, to tell you the truth. I think it is very simple and very straightforward.

Mr. President, might I ask how much more time I have remaining?

The PRESIDING OFFICER. Four minutes, 48 seconds.

Ms. SNOWE. Would the Senator yield?

Mr. HARKIN. I would yield to the Senator from Maine whatever time she needs.

Ms. SNOWE. I would like to make another point with respect to who spends what on defense. Former Secretary of State Henry Kissinger testified before the Foreign Relations Committee recently and happened to indicate that Japan has the third largest defense budget—Japan. They certainly have made a great effort toward spending on defense.

Our European allies spent 2.5 percent of GDP whereas the United States spent 4.4 percent of GDP. So they are not making as great an effort, obviously. We make 2½ to 3 times greater effort toward defense than our European allies do collectively.

So I do not think that there is any excuse in this regard. We are only talking, if you just analyze what we are talking about—as a result, the bottom line of this amendment is $1.1 billion per year, depending on those incremental costs. If you assume 15 percent as an average—$9.8 billion—you are talking about $1.1 billion a year. That is not asking too much, given what we are asking everybody else in America to do with respect the Federal cutbacks.

Mr. HARKIN. I thank the Senator from Maine.

Again, I just, in closing on our side, want to say, Mr. President, this is a very modest amendment. It is not complicated. It is straightforward. I believe it could be worked out.

I again would say with emphasis, we heard the same arguments for Japan and South Korea. We have interests around the world. I believe our European allies, with the standard of living and income they have, ought to pay a little bit more. That is all we are asking for.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from Nebraska.

Mr. EXON. The Senator from Nebraska asks if he might be allowed, under a unanimous-consent request, 1 minute to oppose the amendment offered by the Senator from Iowa.

Mr. HARKIN. Madam President, he is such a great friend of mine, if I have any time remaining I will yield the time to him off my own time.

The PRESIDING OFFICER. The Senator will get 1 minute from Senator HARKIN's time.

Mr. EXON. I thank my friend from Iowa.

Ordinarily I would be in strong support of the amendment offered by the Senator from Iowa and by the Senator from Maine. But this is not an ordinary time. I wonder what is going through the minds of our European allies today when they hear what is going on day after day after day on the floor of the U.S. Senate. We zapped them good on a bipartisan vote that I thought was a horrible mistake on Bosnia. Now, as we zap them again at this particular time, after zapping them and leaving them adrift on a vote that we took a few moments ago with regard to nuclear testing, they might give up.

I simply say at another time this might be a good amendment. I urge a vote against this because I think we have hit our allies all we dare hit them at this particular juncture.

Mr. HARKIN. I might remind my friend that I supported his amendment on nuclear testing.

Mr. EXON. You did not on Bosnia.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HARKIN. It is a very modest amendment, very modest indeed.

The PRESIDING OFFICER. All time having been expired——

Mr. HARKIN. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. WARNER. Madam President, it is my understanding that under the time agreement, this vote will be stacked with other votes at a subsequent time this evening.

The PRESIDING OFFICER. That is correct.

Mr. WARNER. Therefore, Madam President, the time agreement, as I understand it, now turns to the amendment from the Senator from Michigan Mr. [LEVIN]. And that will be under the control of the distinguished chairman of the committee, Mr. THURMOND.

Parliamentary inquiry.

Is a motion to table in order for the Harkin amendment?

The PRESIDING OFFICER. A motion will be in order at the time of the vote.

Mr. WARNER. At the time of the vote.

Mr. DOLE. Madam President, I wonder if I might, without taking any time from anybody—I will take it out of my leader time—propound a unanimous-consent request that has been cleared on each side.

The PRESIDING OFFICER. The majority leader is recognized for that purpose.

UNANIMOUS-CONSENT AGREEMENT—H.R. 2020

Mr. DOLE. Madam President, I ask unanimous consent that at 9 a.m. on Saturday, the Senate begin consideration of H.R. 2020, Treasury, Postal Service appropriations bill, and at that time the pending business be the committee amendment on page 76, line 10 through page 76 line 17, and that it be limited to the following: 3 hours to be equally divided between Senators NICKLES and MIKULSKI, or their designees; and that following the conclusion or yielding back of time, the Senate proceed to vote on or relation to the committee amendment, and that no amendments be in order during the pendency of the committee amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

AMENDMENT NO. 2122

(Purpose: To authorize funds for procurement of equipment for the reserve components according to their highest modernization priorities)

Mr. LEVIN. Madam President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 2122.

At the end of section 105, insert the following:

The reserve components shall choose the equipment to be procured with the funds authorized herein according to their highest modernization priorities."

Mr. LEVIN. Madam President, the amendment which is now pending is aimed at allowing the Guard to make some choices in terms of their modernization equipment according to their highest modernization priorities.

This has been the effort in the committee for the last 3 years. It has been a struggle, and we might as well acknowledge openly just how difficult a struggle this is.

But for the last 3 years, starting in the 1993, 1994, and 1995 budgets, we have not divided the Guard and Reserve modernization funds, which we have been able to find, into specific line items in our report.

We had totals for each of the forces and allowed them to allocate according to their highest modernization needs.

The reason we do it this way is because we avoid the obvious desire of each of us to fight for our own home States, giving serious advantage to the members of the committee over nonmembers of the committee.

When we get a budget in February, we have a number of months to look at the line items in that budget. We have about 4 months to look at each of the items that is proposed that we buy when it comes to the active duty forces.

But then near the end of the process, near the end of our deliberation, when it comes to the Guard and Reserve package, as we call it, when we try to find some funds for modernization for the Guard and Reserve, we face an issue every year: Do we specify by line specific items, which each of us might want for our own home State Guards, or do we allow the Guard and the Reserves to use some discretion as to what their highest modernization needs are.

Year after year for the last 3 years, we have fought in the Armed Services Committee to keep this generic, to avoid some of the back-home stresses and strains, but to keep it generic when it comes to the Guard and Reserve, because we have not had the time to make the kind of decisions relative to line-by-line items as we do for the active duty forces. That is the difference. For active duty forces, we have 4 months to look at the budget request, and we make decisions line by line.

When it comes to the Guard and Reserve, I do not know that we had more than 4 hours this year to look at a proposed allocation that the majority delivered to us of $770 million. That is not the way to budget. It is wrong for the country, it is wrong for the security of this Nation to be making line-by-line decisions for the Guard based on less than 1 day's consideration. I think literally it was about 16 hours before a package of $700 million line by line was presented to the full committee and the time that the decision was made on it. It is just not the way to budget. It is wrong.

A number of years ago, we did it this way. But for the last 3 years, we have resisted this temptation. For the last 3 years, we have been generic in the Senate, and we have gone to conference. At conference, we always face the House which always does it line by line, and we fight it out in conference.

The good Government way to do this is to do it generically, because we do not have the adequate time to do it line by line and do it right and to try to avoid some of the back-home temptations, which we all have, to provide the specific items for our own back-home units in the Guard and Reserve.

Merit-based review is what the budget process should be all about, as much merit as we possibly can build into a budget process. We ought to insist upon it. When it comes to this Guard package, because it is done at the last minute, we do not know how much money we are going to have, and we have not gone over the line-by-line, specific items. It is simply not in the Nation's security interest to divide it up the way this committee report does.

We see those line by line on page 92 and 93 of the committee report. I am sure there is a good case to be made for every one of them. The Guard and Reserve, as a matter of fact, give us about $12 billion in funding requirements each year. So I am sure a case can be made for every one of these. But that is not the way that process worked. The case was not made for any of these. No opportunity existed in any real sense for the committee to take a look at these line by line, go over them the way we did all the other lines for 4 months and decide what is the highest priority for this Nation, what is the highest priority for these Reserve and Guard units.

The Appropriations Committee did it generically, and I want to pay them the compliment because they did do it generically. We ought to do the same thing in the authorization bill as closely as we can come. And this language which I have sent to the desk in this amendment is aimed at making the point in a straightforward way and not a technical way.

During the consideration of this bill, Senator COATS sponsored an amendment which had a lot of merit and is in this bill. It is section 1007 of the bill, and it says the Secretary of Defense in next year's bill should focus on and separately identify funding for Guard and Reserve equipment.

So what we are doing for next year's bill is telling the Secretary of Defense we want the Secretary to focus on specific items for Guard and Reserve and to separately identify funding for us so we can consider that as part of our budget deliberation. But that is next year. The question we face is whether to do it this year, and we should do it.

Next year, the Department of Defense as a whole is going to be able to focus more closely on requirements and the relative urgency for filling those requirements. If we allow them some leeway and keep this generic, they will be able to do it this year.

Under the Coats language, which applies to next year, there is going to be an opportunity for the Department of Defense to exercise some judgment in sending us some recommendations unless we keep this generic this year. If we do this line by line, specifically, they are not going to have that opportunity which is so essential this year relative to the application of $777 million.

So I think just good Government requires us to give some discretion to the Department of Defense to allow them to apply some judgment—not to specify line items, but to keep this generic, as the Appropriations Committee has done, to allow the Department of Defense to apply some talent and some priorities to this money. That has been the pattern in the last 3 years.

Again, it is not easy to hold this. We had a very close vote in committee on this. I think the first vote we had on it was lost by a tie vote. The second vote, I think, we won by one vote. The third vote we lost by, I believe, one vote. So this was a very close vote in committee.

I hope that the full Senate will do what the Appropriations Committee did and what the Armed Services Committee did in the last 3 years, which is to keep this as generic as possible, so that the Department of Defense and the Guard and Reserve can apply their best talent to giving us the highest modernization priorities which may include many of these, but not necessarily, and instead will reflect more the needs of the Guard and Reserve and less the back-home wish list of each of our Guard and Reserve units.

Madam President, I do not know if I have any time remaining.

The PRESIDING OFFICER. The Senator has 10 minutes 7 seconds remaining.

Mr. LEVIN. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Madam President, I yield myself such time as may be required.

Madam President, the Senator from Michigan offered this same amendment during our committee markup. It was opposed by all Republican members of our committee and defeated. The proponents of this amendment suggest it would be more appropriate to provide a sum of money to the Department of Defense and let them decide how to spend the money.

Madam President, I disagree. It is the job of the Congress to decide how these funds should be used. The Senate will make decisions on this defense authorization bill affecting the spending of $265 billion. I do not know why we should treat the funds we added for the National Guard and Reserve equipment differently from the rest of the bill.

Madam President, the Senator from Michigan has indicated that we should let the National Guard and Reserve components decide how to spend this money. He knows full well that if we simply turn a sum of money over to the Department of Defense, then the bureaucrats in the Department of Defense will decide how the money will be spent.

It is interesting to note, Madam President, that those who now want the Pentagon to decide these matters began to adopt this position about the same time they gained control of the administration in 1993.

Madam President, it is our responsibility and our duty to make the hard decisions on how we should spend defense dollars, including those dollars we add to the budget for specific purposes. The funds we added for the National Guard and Reserve equipment package certainly fit this category. I strongly urge all my colleagues to support this package for the National Guard and Reserve components and vote to sustain the position of the Armed Services Committee.

Madam President, I yield the floor.

Mr. WARNER. Madam President, I wish to join with the distinguished chairman of the committee, Senator THURMOND, in opposing this amendment. I bring to the floor the text of our colleague's letter just received from the National Guard Association. The first paragraph says:

> Dear Senator THURMOND, the National Guard Association urges your support for the equipment designated for the Army and Air National Guard in the Armed Services Committee report, S. 1026, the National Defense Act for Fiscal 1994.

This is a critical part.

> We believe it is essential for the Congress to specifically identify equipment for the modernization of the National Guard. Such action has been very effective in the past and has allowed the National Guard to remain a full partner in the total defense forces of our Nation.

As the chairman said, what is the distinction between the active and the Guard and Reserve? It is a total force concept to be utilized and employed that way. National Guard forces, particularly the Air Reserve Guard forces, are on duty all over the world flying missions, many of them into Bosnia during the course of this debate. Therefore, I strongly urge that we resist this amendment.

I would like to ask my distinguished colleague a question. Given the limited time, I hope he will answer it on his time. I would pass to my colleague last year's report—it is for fiscal year 1993. If the Senator looks at the highlights, the yellow markings, there are a number of items. At the time, my distinguished colleague was in the majority, and a number of items were specifically cited. I point out the C–20 and the 130. Does the Senator see those highlighted, especially for his benefit?

Mr. LEVIN. I think we receded to the House on that.

Mr. WARNER. Whatever. The package was put together such that those items were put in there with great specificity.

Mr. LEVIN. I answer the question by saying that, in 1993, the Senate Armed Services Committee did this generically before the election of Bill Clinton, may I say. In 1994, we did this generically before the election of Bill Clinton, may I say.

So the chairman's reference to the Democratic President is not appropriate. We have done this now for 3 years generically. The first 2 years were prior to the Democratic administration. We did it generically in the Armed Services Committee. Yes, in conference there was give and take. It was not our choice. It was the House's choice.

Mr. FORD. Would somebody give me 60 seconds?

Mr. WARNER. Yes. I yield to the Senator from Kentucky.

Mr. FORD. Madam President, as Cochairman of the National Guard Association, I would like to make one point. Last year, we had $25 million in there for upgrade of the helicopters in the National Guard. It all went into one pot.

Did we get to the upgrade of the helicopters? Of course not. They tried to use it some other way. And we were crying for help to make our helicopters better and bring them up to speed for training. The 123d in Louisville, KY, is all over the world, with C–130H's. We had to fight to get them and make them specific in the budget. And now they have a top grade in the whole United States.

That is the National Guard for you. That is the support and the teeth and tail that we talk about in the military. So let us not cut the National Guard. There are 66 Senators in this Chamber that are members of the National Guard caucus. I just hope they listen and vote to support the National Guard.

Mr. WARNER. If I could pose a question to my colleague. From his many years of experience, has it not been the case that the National Guard package has been left to the Congress, year after year, to decide?

Mr. COATS. Exactly.

Mr. WARNER. And it has been up to the Congress to ensure that be done.

I yield the floor.

Mr. COATS. Madam President, how much time is available on this side?

The PRESIDING OFFICER. Senator THURMOND has 3 minutes 48 seconds; Senator LEVIN has 9 minutes 22 seconds.

Mr. COATS. I appreciate the Senator from Virginia reading the letter and the comments of the Senator from Kentucky relative to the National Guard Association and their interests.

The Senator from Virginia commented on paragraph 1 of that letter. Let me add to that by reading a little bit of paragraph 2:

> We are opposed to efforts which would merely identify a lump sum dollar amount for equipment which would then be referred to the Department of Defense for distribution. In almost every instance the work of the members of the committee and the committee staff has resulted in identification of the highest priority unfunded equipment requirements for the National Guard.

Now, we are sensitive to the question raised by the Senator from Michigan. That is why we have incorporated in the bill a request by the committee that the Department furnish us with a report indicating that they will begin to make determinations, as they submit to us on requests for the regular appropriations for the active Army and military, that they will begin to do this for the National Guard.

For years, the practice has been to defer this decision to Congress. We will have that report before the Senate. We can evaluate that next year. We ask for it to be submitted with the budget, so we will do it concurrently with the budget and evaluate it at that time.

Do not forfeit now the practice that has been undertaken by the Congress on the request of the Guard and in support by the Guard, allowing DOD to defer that decision to us. We have made that decision for this year, and we will evaluate the report next year and be back with a recommendation.

Mr. WARNER. Madam President, I must say that my dear colleague from Indiana is a little modest, because that was the provision that the Senator fashioned and submitted for the Armed Services Committee. We accepted it at the very time we debated this issue and decided, as a majority of the committee, we would take the action which is incorporated in this bill.

I yield the floor.

Mr. LEVIN. I yield 2 minutes to the Senator from Georgia.

Mr. NUNN. Madam President, I think the Guard and Reserve are among our highest priorities. I am pleased we have a package here for the Guard and Reserve.

As I understand the Levin amendment—and I want the Senator to clarify this if I am wrong—I note the letter from the National Guard Association says, "We are opposed to efforts which would merely identify a lump sum dollar amount for equipment which would be referred to the Department of Defense for distribution." That is the letter I believe the Senator from Virginia read from.

It is my understanding the Levin amendment does not do what that letter was opposed to. The Levin amendment leaves it up to the Reserve and Guard components to make that choice individually—Army National Guard, Air National Guard, Army Reserve, Navy Reserve, Air Force Reserve, and Marine Corps Reserve.

This amendment leaves it to the Department of Defense to make the choice, and if they want the items we have selected here, they could select every one of those.

Mr. LEVIN. The Senator is exactly right. The language of the amendment is very clear. The Reserve component shall make that choice. And they can, of course, choose the exact items that are in the committee report, should they choose.

There is no reduction in funds for the Government Reserve.

Mr. NUNN. My position is I support the package in the bill, but I believe the Levin amendment is a better way to go about it because, we do not go over these line items as we do in the regular budget.

The regular budget comes over, the Department of Defense has scrubbed it, the Office of Management and Budget has looked at it closely, each of the military services has basically come up with their request. It is gone over and over and over. The Guard and Reserve package is needed, in my view, but it is an add-on package. We do not have the kind of attention paid to these items that we do in the regular budget, because they are add-on items.

I think in 1993, 1994, and 1995 that this is what we did. It would be better to leave this up to the Reserve components for their priority. I believe the Levin amendment makes sense. No one should misunderstand this amendment. It does not cut the Guard and Reserve. It leaves it up to them to make that determination.

Mr. WARNER. How much time is left?

The PRESIDING OFFICER. One minute 37 seconds on your side; 6 minutes 47 seconds on the side of Senator LEVIN.

Mr. WARNER. I ask if my colleague from Michigan would answer, on his time, the following question. This amendment reads as follows: The Reserve component shall choose the equipment to be procured with the funds authorized here, and according to the highest modernization priorities.

That means some Reserve officer will make the decision. The Secretary of Defense has no input. The Secretary of the Army has no input. The Congress, then, is denied any specific input other than the allocation of funds.

Mr. LEVIN. The amendment says that the Army National Guard shall make that allocation, the Air National Guard shall make the allocation, the Army Reserve shall make the allocation. The head of each of those components has a commander. And so forth. We do not cut the money. We do not change the money. What we do is take the amount of money which is allocated in section 105. We leave it exactly as it is. Army National Guard, $209,400,000, Air National Guard, $137,000,000. We do not touch any of that money.

What the committee has done for the first time in 4 years, in its committee report, is to allocate line by line within each of those items.

The problem is exactly as the Senator from Georgia said. We had less than 1 day to even see what the allocation of the majority was here. We have avoided that temptation for the last 3 years. We ought to resist that temptation here.

The Senator from Kentucky is right. The Guard is a critically needed function. This money is essential for the Guard. I have asked General Baca, the Chief of the National Guard, point blank, whether or not he supports leaving this generic, or whether or not he wants the specific line-by-line item in this committee report. He said he wants it generic. I asked him in my office.

Mr. WARNER. Madam President, I suggest the absence of a quorum.

Mr. LEVIN. How much time is remaining?

The PRESIDING OFFICER. Four minutes 38 seconds on your side; 1 minute 37 seconds on the side of the Senator from Virginia.

Mr. WARNER. Madam President, I ask unanimous consent that the time of the quorum not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The assistant legislative clerk proceeded to call the roll.

Mr. EXON. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time to the Senator from Nebraska?

Mr. EXON. Are we under controlled time?

The PRESIDING OFFICER. That is correct.

Mr. WARNER. Parliamentary inquiry: What is the order before the Senate at the moment?

The PRESIDING OFFICER. The Levin amendment No. 2122 is the order.

Mr. WARNER. My understanding is that there is about a minute left under Senator THURMOND and 3 minutes under the Senator from Michigan. Is that correct?

The PRESIDING OFFICER. Approximately.

Mr. CONRAD. Madam President, will the manager yield for a question?

We have colleagues who are anticipating a vote at 8:10, and understandably that schedule slipped somewhat. In order to advise colleagues what they might anticipate, is there any up-to-date estimate on when the three votes might be held?

Mr. WARNER. Madam President, we will proceed with the next amendment in a matter of just a few minutes. Then three votes would be stacked.

Mr. DOLE. How much time do you have on the Glenn amendment?

I guess about 8:40.

Mr. CONRAD. At 8:40 the votes would start.

I thank the leader. I thank the managers.

Mr. EXON. Will the Senator yield for a question?

I thank my friend from North Dakota. That is exactly what I was trying to find out. Now we have moved from 8:10 to 8:40. It has been a very convenient arrangement that the Senate has been going through trying to meet accommodations. I will try to be back at about 8:40.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Madam President, I yield back the time on this side.

Mr. LEVIN. Madam President, we yield back the remainder on our side.

Mr. WARNER. Madam President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. WARNER. At this point in time it is the intention of the manager on this side to have a motion to table at the appropriate time, which I understand would be at the time of the vote.

The PRESIDING OFFICER. That is correct.

Mr. WARNER. Under the unanimous-consent request, we now proceed to the next amendment. Am I correct?

The PRESIDING OFFICER. That is correct.

Mr. WARNER. So the Chair will lay aside this pending amendment.

The PRESIDING OFFICER. The yeas and nays have been ordered on the Levin amendment, and the motion to table will be in order at a later time.

Mr. LEVIN. I ask unanimous consent that Senator BINGAMAN be added as a cosponsor of my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Levin amendment is set aside so that Senator GLENN may offer an amendment.

AMENDMENT NO. 2123

Mr. GLENN. Madam President, I rise today to offer this amendment because I am concerned about the provision in this year's bill that would reduce the active duty service obligations for service academy graduates from 6 to 5 years.

To do this reduction from 6 to 5 years without waiting for the study that is required in this legislation, we are asking for information but we are taking action before we even get the information to know what the impact would be from the experts at the Pentagon and at the service academies.

In other words, it is sort of like ready, fire, aim, instead of the other way around.

The current policy, which requires graduates to serve 6 years, has been in effect since 1991 and it ensures that American taxpayers receive a high return on investment for the other three-quarters of a billion dollars.

Mr. DOLE. Madam President, will the Senator yield?

Mr. GLENN. Without losing the floor.

Mr. DOLE. The time has not started running until you offer the amendment.

The PRESIDING OFFICER. The Senator from Ohio has not sent his amendment to the desk.

Mr. DOLE. The time starts to run for 30 minutes.

Mr. GLENN. That is fine.

AMENDMENT NO. 2123

(Purpose: To strike out the reduction in the period of obligated active duty service of graduates of the service academies)

Mr. GLENN. Madam President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 2123.

Mr. GLENN. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 154, strike out line 4 and all that follows through page 155, line 20, and insert in lieu thereof the following:

SEC. 502. REVIEW OF PERIOD OF OBLIGATION ACTIVE DUTY SERVICE FOR GRADUATES OF SERVICE ACADEMIES.

Not later than April 1, 1996, the Secretary of Defense shall—

(1) review the effects that each of various periods of obligated active duty service for graduates of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy would have on the number and quality of the eligible and qualified applicants seeking appointment to such academies; and

(2) submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the Secretary's findings together with any recommended legislation regarding the minimum periods of obligated active duty service for graduates of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy.

Mr. GLENN. Madam President, as I say, I rise because of concern about reducing the active duty service obligation for service academy graduates from 6 to 5 years without even waiting for the required study which asks for information on which we could make a good judgment on whether this is a wise move or not.

The current policy, which requires graduates to serve 6 years, has been in effect since 1991, and it ensures that American taxpayers receive a high return on investment for the over three-quarters of $1 billion that we spend each year on our service academies. The actual figure is about $754 million. It also ensures that the candidates we select to attend the academies are committed to at least considering a career as a military professional.

The change in this year's defense authorization bill is particularly troubling in two areas. First, it changes successful legislation that has still attracted top-notch students to the academies. At the same time, it directs the Department of Defense to submit a report that provides the information needed to make such a change. In essence, what we are doing, as I said, is shooting first and asking questions later. We are making the change. Then we are seeing if we can get the data to back it up, and that is the wrong way to make intelligent decisions.

I received a letter the other day requesting my support of the 5-year obligation. One of the sentences in this letter said, and I quote, "My guess is that with a 5-year obligation the Navy can attract more candidates from which to select." The key word here, Madam President, is "guess." We should not change legislation because we guess it will do something.

My amendment corrects that. All it does is say that we want the information, that we will continue the present policy until we get the study next year. It provides us with the time and information we need to make an educated decision. It provides us with the opportunity to make this decision without guessing.

A second problem I have with the language in this bill is that this change will open up the possibility of attacks from groups that would like to see us totally shut down the service academies. I am not the only one who shares this concern. A former State Department official who recently stepped down from the Naval Academy's Board of Visitors said in a December 1994 Baltimore Sun article that he was also against lowering the service requirement because that move, he said, would raise the possibility of budget cuts at the Academy by those who believe we do not need academies, he said that ROTC, OCS, et cetera, can just as well provide our officer corps. In other words, if we get less use of the product, that is, newly commissioned officers, then why go to all the expense of spending all this money, a quarter of a million that we spend on each Academy graduate.

Madam President, I have long been a supporter of the academies. I am not an Academy graduate myself, but I am a big supporter of it. I think they are necessary for our military. Although we allocate a great deal of money to run these institutions, I think it is worth it. We spend up to $272,000 per student. But I still believe this money is wisely spent.

Some of our very greatest military leaders, including Eisenhower, MacArthur, Marshall, Patton, Bradley, Halsey, Nimitz, and Vandegrift are academy graduates. And if I believed for one moment there was a problem attracting qualified candidates to these schools, I would be the very first in line to make the changes necessary to keep the seats at the service academies filled.

The fact is we have not had a problem finding qualified applicants to fill these seats. We have highly qualified applicants, more than we can possibly take care of. Over 30,000 young people in our country, as I understand it, apply to the academies each year, and we do not have any problem getting good people to fill the seats at the academies.

In fact, an article in the September 16, 1994 edition of the RECORD addresses the kind of students applying to the academies, and it says the academies "offer high-quality education as well as demanding training in military skills and discipline." A further quote, "The big problem is getting in with so many well-qualified students applying."

Madam President, there has been a decline in applications. I repeat that. There has been a decline in the number of applications to the service academies. But that decline has not impacted the quality of young people attending these schools. There are quite a lot of other reasons why the numbers have gone down, and I will address that. But we have not in any way changed the high standards required to qualify for admittance to these fine institutions, institutions that rank with the best schools in our country, indeed, the best schools in the world.

Also, the decline in the number of high school students seeking an academy education started dropping in 1988, 3 years before the 6-year obligation was put into effect. I repeat that. The decline in the number of high school students seeking an academy education started dropping in 1988, 3 years before the 6-year obligation was put into effect.

Now, I think there are a lot of reasons why we have experienced a drop in applicants but none of them have anything to do with service obligation, or very, very little. I think a headline from an article about the Air Force Academy points to one of the real problems on why we are having problems attracting young people to the Academies. It says, "Applications to Academy Plummet 50 Percent. Job security blamed for big decline since record high in 1988."

No doubt about it, there has been a decline in interest in the youth of America in serving in the military. And over the last few years we have dramatically reduced enlisted and officer positions in the military, and a lot of young people are getting very concerned about job security in a military career. Indeed, I would point out they have a right to be concerned because during an Armed Services hearing this year, witnesses told us that we should continue our reduction in military force structure.

We started at a peak of about 2.1 million active duty military personnel in this country. We are down below 1.6, around 1.5 million right now, and we will go down to the current goal of 1.425 million, or they are proposing even going down to 1.2 or 1.1 million.

Taking this into account, who on Earth would want to start a career in an organization that is laying off people after only 6 or 8 years of service? In fact, a West Point spokesman, Maj. Jay Ebbeson, said in a December 1994 article, "Kids may want to have a stable employer. We just don't think the 6 years is the reason."

A major reason the Air Force Academy is having problems is that there has been a decline in opportunities to go to flight school. We have fewer cockpits to fill. Most of the applicants to the Air Force Academy want to fly airplanes, and when they hear that only 25 percent of the graduates will go on to flight training, it is not surprising they decline in favor of attending a civilian institution.

Another reason for declining applicants is that academy graduates are no longer guaranteed active duty commissions. After graduation, they receive a Reserve commission and then they are forced to compete for a limited number of active duty positions with other officers coming out of the OCS and the ROTC programs.

Madam President, the argument that bothers me the most on why we should reduce service obligations is the one that says this policy is having a severe impact on the academies' ability to recruit high-quality applicants, the kind that are required if our academies are to be successful in division 1A football and basketball.

Lest we think this is just a spurious thing I am tossing in here, back in 1990 when we were thinking about passing this legislation, I had visits from alumnae associations of the academies, and 2 out of 3 of those academies made a major point of this, that what I was doing was interfering with the ability to recruit high-quality athletes for the academies when I was advocating putting the required service up to 6 years.

Well, I do not think there is any question that the 6-year obligation has had a severe impact on the competitiveness of our academy teams in this conference. As the excerpts from the New York Times and the Baltimore Sun on a chart that I have in the office—that I was going to bring over and did not bring—point out, the 6-year obligation has been a major factor for football players who may have aspirations for turning pro, or basketball players.

(Mr. GORTON assumed the chair.)

Mr. GLENN. Recruiting quality athletes has been a problem, been such a problem that even some groups are saying, "We should waive the immediate military service obligation for academy athletes, should they be good enough to play pro football following graduation."

Well, I do not buy those arguments. We have a purpose for the academy. We know what that purpose is. It is not to be a minor league for the professional sports. Maybe it is time we take another look at having the academies compete in NCAA Division I-AA. I am not proposing that. But I think when something like the professional sports thing and how we have a problem getting people in because they are not willing to come in if they have to make a commitment after they get this education and over a quarter of a million dollars spent for their education, they will not come because it will interfere with their pro career, maybe we have to look at a different direction. However, Mr. President, I do not think you will find a lot of support out there for going to Division I-AA because college football is a big money business.

In a June 1994 report from the Defense Advisory Committee On Service Academy Athletic Programs, the committee advised the academies not to move to a lower division so as to not lose income from big time football.

There is no wonder there are organizations out there pushing for a reduction in active duty obligation. Mr. President, although I believe collegiate sports play an important part in development of our country's future leaders, I have to agree with Adm. Charles Larson, Superintendent at the Naval Academy, who said in a Washington Post interview:

> Having a winning football program is something which all of us here at the Naval Academy would like to see. However, it is important to stress that our primary mission is not to produce professional athletes. Our mission is to produce future Navy and Marine Corps officers with character, men and women who are prepared to lead and show the highest standards of honesty, integrity, and professional performance.

In other words, what we are looking for, Mr. President, are those young men and women that have stars in their eyes, men and women of all races and religions who are ready to make a sacrifice for their country, young, hard-charging individuals who really do not make the fact whether it is 6 or 8 or 10 years the major factor in their service to this country. They are people that want to lead, people that want to command aircraft squadrons, infantry battalions, people that want to follow in the footsteps of some of our country's greatest leaders.

We do not want those who are looking just for a free meal ticket, those who are looking for a way to beat the system, those who basically are asking, what can my country do for me? We need people who want to do something for their country. These people, Mr. President, are not so completely focused on service requirements that the 5 or 6 makes a difference. Yet we get much more for the taxpayers' money with that extra requirement that is the law now.

I get over 1,300 applications each year from high school students in Ohio who would give their eyeteeth to attend one of the service academies. I can tell you these are not average students. They are cream of the crop. Most of them, if not selected for an academy seat, still end up attending some of the very finest civilian schools in our country.

Mr. President, I want to read an editorial from the January 10, 1995, edition of the Baltimore Sun, titled "An Honor and a Bargain," that so accurately reflects my feelings on this issue.

> We fail to understand the hand-wringing at the U.S. Naval Academy over the drop in admission applications.
>
> According to a recent Sun article by reporter Tom Bowman, the academy's advisory Board of Visitors is asking President Clinton to reconsider a new requirement that increases the time academy graduates must serve in the military. The board says that by increasing the graduates's service obligation

> from five years to six, some of the nation's top students have been discouraged from applying to the academy.
>
> "These kids don't think past a burger Saturday night," the dean of admissions said. And they're saying, "That's 10 years of my life."
>
> Maybe some students are turned off by the six-year requirement, but we believe it should remain.
>
> It costs $250,000 to educate a young person in a service academy. The additional year was added to a graduate's military service to give taxpayers more for their money. In today's political climate, it would be unreasonable to demand less.
>
> But there are other reasons to leave it intact. The decline in applications to the academy is no tragedy because it comes at a time when the institution is under orders to pare the size of the brigade anyway. Academy enrollment, which reached a high of 4,500 midshipmen in 1990, must be reduced to 4,000 by next September. Currently, a little more than 4,100 midshipmen attend the academy.
>
> Understandably, U.S. Naval Academy officials want to attract this country's best and brightest young people, but an applicant's dedication to a military career ought to be considered as well as scholastic performance.
>
> Maybe some young people cannot look beyond the next weekend, but they are not the kind of people we want to be training as military officers. For a young person aspiring to a military career, a service academy education is a tremendous bargain as well as an honor.
>
> A midshipman at Annapolis receives one of the best educations in the country—for free. Even more important, a graduate from the Naval Academy is guaranteed a good job as a military officer. That is more than many young people can expect upon graduation from traditional college and universities these days.
>
> We don't think it is too much to ask that Naval Academy graduates serve their country for six years in return.

Mr. President, I am sure that a few of my fellow Senators will argue that the length of obligated service for academy graduates should be reduced from 6 to 5 years. However, I believe there is more than enough evidence that justifies why we should not change our current policy.

No matter how you feel about this issue, I strongly believe we would be making a terrible mistake to change this legislation before we receive the analytical data required to make an informed decision on this matter.

The informative data that we are asking for, the analytical data, is required to be reported to us by next April by the legislation that we are working on here now. So it is not a matter of whether we are going to do it or not. They are going to make that analytical data available to us after having studied this matter as to what the impact would be. Yet we are proposing here to go ahead and make a change before we get the information. So delaying a change in this policy until we receive this report makes sense and is the right thing to do.

That is all we require with this amendment, is just say the present 6-year requirement will not be changed back until we get the information. And then next year, depending on what that information says, I may be leading the charge next year to reduce this requirement myself. But I want to make that recommendation only on the basis of the best information. If the study recommends that length of active duty service should be 6 years, which I believe it will, then next year we would be forced to revisit the issue and reverse our position for the third time in 6 years. And that makes no sense.

It seems to me that while we reinvent Government and ask Government personnel to do more with less, we cannot tell the military academies to do less with more. So I hope all our colleagues will support this amendment to maintain the current active duty obligation that has attracted top-notch candidates to our service academies.

Now, Mr. President, I know that one of things we brought up will be in a letter from the Assistant Secretary of Defense for Force Management Policy. I sent a letter over there asking their response—I requested their views on this matter of section 502 of S. 1026. And they wrote back and responded that—it is in response to my letter. They say:

> Enactment of this section would reduce the active duty obligation . . . of service academy graduates from six to five years."

They said:

> As you are aware, the current six year [active duty service obligation] was mandated by the National Defense Authorization Act . . . for Fiscal Year 1990, and will be effective for graduates of the academies beginning in 1996.
>
> Neither this mandate—

This is a key section.

> Neither this mandate nor section 502 of S. 1206 were requested by DOD.

Very correct.

And then the next paragraph says:

> A review of the history of the mandate to change the ADSO—

The active duty service obligation.

> reveals that the Department appealed the Senate provision during the Senate-House conference.

In other words, they had doubts about it at the time, and during the conference between the House and the Senate they asked that not go in. Then to quote again from their letter:

> Despite that appeal, the Senate's provision to change the ADSO from 5 to 6 years was sustained.

In other words, their request lost.

> Further, the underlying rationale for the decision was apparently based on the significant defense investment in service academy graduates.

Absolutely correct. That is correct.

Then there last sentence:

> The Department maintains its original position on this matter.

I am sure that will be taken to mean the Defense Department opposes this, but that is not the case. They do not say that the new system has not worked well. They do not say that we are getting a lesser qualified academy applicant. They do not say they have even studied this matter. They do not give any data whatsoever, yes or no on this. They do not say whether it is a better deal for taxpayers or not which, as they correctly said in here, was based on the significant defense investment in service academy graduates.

What I am saying is, they have not addressed the problem yet and they do not say they have addressed the problem yet. So what I say is we are asking them in this legislation to address the problem, do a study, report back to us by next April 1.

I will say, if they cannot say when they do that for us, they will study and let us know what the best way to go is next year, that is the time to be reducing or increasing or remaining the same on the ADSO, the active duty service obligation, of academy graduates.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes and 27 seconds.

Mr. GLENN. I thank the Chair.

Mr. President, I ask unanimous consent that this letter from the Assistant Secretary of Defense be printed in the RECORD at the end of my comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Mr. President, I think there has been a misperception on a lot of these things, why recruiting is getting harder. There was a study done, called the "Enlistment Propensity." There has been a misconception that the youth of the military are no longer hiring because the military is a declining industry and a lot of other events recently: Drawdown, personnel cuts, base closure, press reports of unfavorable events, such as Tailhook and so on, reduced importance of military life, domestic issues, crime, health care, economy, jobs, decline in defense-related industries in the communities, and so on.

There are many reasons why some people are not applying to the academies. But we do not have any study, other than some anecdotal evidence, that shows we have a real decline in the quality of people we are getting. In fact, quite the opposite.

I will state out of one of the studies we do have on this subject, the class of 1997 at the military academy, as far as scholastic aptitude tests go, on SAT scores, had an average for the class of 1997 of SAT scores higher than the classes of 1989 through 1992 and 1995. They were only 2 points below the classes of 1993 and 1994. So in regard to scholastic aptitude, education and intelligence, we do not have a problem recruiting highly qualified applicants.

Grade point average for the Air Force, to use another example. The grade point average for the class of 1998 at the end of the freshman spring semester was higher than the classes of 1992 through 1994 and equal to the class of 1995. The grade point average for the class in 1997, at the end of both the sophomore fall and spring semesters, was the highest in the last 6 years. The grade point average for the class of 1996 at the end of the junior fall semester was the highest in the last 5 years.

Mr. President, there is absolutely no information whatsoever, except a few anecdotal stories, that indicate that the 6-year requirement has adversely affected the type people we are getting at the academies.

I think it is incumbent upon us to say keep it at 6, do the study this year and then we will know what we are doing when we get that study next year. And if it is required that we put it down to 5 to get the kind of people we need, fine, but we will have data, we will have the study by the Pentagon of all the academies, not just one—not just Navy, not just West Point, not just the Air Force. We will have studies from all the academies, and then we can make an informed decision of what to do.

All this amendment does, I repeat once more, is say that we will await the study that is required before we make our decision to reduce the active duty service obligation. That to me is so common sense that I hope we can almost adopt this by unanimous consent. I know that is not going to be the case.

I reserve the remainder of my time.

EXHIBIT 1

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, August 3, 1995.

Hon. JOHN GLENN,
U.S. Senate, Washington, DC.

DEAR SENATOR GLENN: This is in response to your request for the Department's views on Section 502 of S. 1026.

Enactment of this section would reduce the active duty service obligation (ADSO) of Service academy graduates from six to five years.

As you are aware, the current six year ADSO was mandated by the National Defense Authorization Act (NDAA) for Fiscal Year 1990, and will be effective for graduates of the academies beginning in 1996. Neither this mandate, nor Section 502 of S. 1026, were requested by the DoD.

A review of the history of the mandate to change the ADSO reveals that the Department appealed this Senate provision during the Senate/House Conference. Despite that appeal, the Senate's provision to change the ADSO from five to six years was sustained. The underlying rationale for the decision was apparently based on the significant Defense investment in Service academy graduates.

The Department maintains its original position on this matter.

Sincerely,

FRANCIS M. RUSH, JR.,
Acting Assistant Secretary.

The PRESIDING OFFICER. Who yields time?

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. I yield myself 5 minutes.

Mr. President, the chairman of the appropriate committee is on the floor, and I will yield to him or just take a brief couple of minutes here and then let him discuss this amendment.

Let me just say that we discussed this in great detail in committee and in examining it, and as chairman of the Personnel Subcommittee, I concluded that moving the time obligation from 6 years to 5 years after graduation from the academies was a desirable thing to do.

I base that decision primarily upon information that I received from each of the Superintendents of the academies. I have with me copies of letters from the Superintendents of the academies. I ask unanimous consent that they be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

OFFICE OF THE SUPERINTENDENT,
UNITED STATES MILITARY ACADEMY,
West Point, NY, August 2, 1995.

Hon. DAN COATS,
U.S. Senate, Chairman, Subcommittee on Personnel, Committee on the Armed Services, Washington, DC.

DEAR SENATOR COATS: When legislation to extend the Active Duty Service Obligation (ADSO) for Academy graduates was proposed in the FY 1990 Defense Authorization Bill, all the Services opposed the change. We believed the extension was unnecessary.

Retention rates for Academy graduates were historically well above the Service objectives. In addition, the 5-year ADSO coincided with the probationary period for Regular officers and the promotion "up or out" point to Captain (Lieutenant in the US Navy). Finally, we were concerned that the longer obligation would harm recruiting of high school students who had many other college and career options (especially minority applicants).

To date we have not observed significant adverse consequences in the recruiting arena which can be directly attributed to the extended ADSO. However, for all the reasons cited above, we still believe the 5-year obligation is a better requirement. It helps the recruiting effort and it supports sound officer management policy.

On this basis we support the proposal to restore the 5-year ADSO. Thank you for the opportunity to contribute our perspective to your deliberations on this issue.

Sincerely,

HOWARD D. GRAVES,
Lieutenant General, U.S. Army,
Superintendent.

UNITED STATES NAVAL ACADEMY,
Annapolis, MD, August 2, 1995.

Hon. DANIEL R. COATS,
U.S. Senate, Senate Russell Office Building, Washington, DC.

DEAR SENATOR COATS: I wanted to take this opportunity to express my position as Superintendent on the Active Duty Service Obligation for service academy graduates. As you know the SASC mark of the FY-96 Authorization Bill contains legislation to reduce the current six year obligation to one of five years for all service academies. Our admissions statistics indicate that the FY-90 extension of the Active Duty Service Obligation has had a negative impact on the total number of applicants and on the number of young men and women seeking congressional appointments. Since 1989, the number of applicants decreased from 14,014 to 10,422, a 25 percent decrease. During the same time frame the number of congressional nominations, a strong indicator of interest in attending a service academy, has decreased 22 percent from 6,148 to 4,756. A recent survey of those applicants who declined an offered appointment to the Naval Academy indicated that twenty-three percent did so because of the six-year service obligation.

I strongly believe, as these statistics indicate, that the Active Duty Service Obligation issue is one of recruiting, and not retention. The Naval Academy Class of 1989 had a five year obligation, yet our records show that 75% of them are still on active duty at the six year point. We are losing good applicants by legislation that targets the 25% who get out before reaching the six year point, a false economy. If we can get the best people admitted, the challenge is to motivate a large percentage to stay 10 or 20 years, which we have done with great success over the years. A five year obligation will help in this effort.

Thank you for your continued support of the Service Academies and especially for your support for the return of the five year active duty service obligation.

Sincerely,

C.R. LARSON,
Admiral, U.S. Navy,
Superintendent.

U.S. AIR FORCE ACADEMY,
USAF Academy, Colorado, August 2, 1995.

Hon. DAN COATS,
Chairman, Personnel Subcommittee,
Committee on Armed Services, Washington, DC.

DEAR SENATOR COATS: We understand the Senate Armed Services Committee is recommending to restore the Active Duty Service Obligation for Service Academy graduates from 6 to 5 years. We support that position.

The propensity for young people to serve in the Armed Forces has declined significantly in the post-cold war era. For example, our applications in the past 7 years are down nearly 50 percent. We believe the increased service commitment to 6 years has contributed to this trend. Over the past 3 years, in telephone interviews with those who declined appointments to the Academy, over 20 percent stated that the 6-year military obligation was a major factor in their decision.

We believe returning to the 5-year service obligation will enhance our efforts to recruit quality students.

Sincerely,

PAUL E. STEIN,
Lieutenant General, USAF,
Superintendent.

Mr. COATS. Mr. President, I have letters from the Superintendent of the West Point U.S. Military Academy, from the Air Force Academy and from the Naval Academy. Let me just quote from those letters:

> Dear Senator COATS: When legislation to extend the Active Duty Service Obligation for academy graduates was proposed for the FY 1990 defense authorization bill, all the services opposed the change. We believed the extension was unnecessary.

Now they have had some experience with this and, as a result of that, they write to us and say that there are concerns that the longer obligation would harm the recruiting of high school students who have many other college and career options, especially minority applicants. They were concerned at the time when this was put in that this would adversely affect them.

The Superintendent of the military academy goes on to say that "we * * * believe the 5-year obligation is a better requirement. It helps the recruiting effort and it supports sound officer management policy."

General Stein, Superintendent of the Air Force Academy, says:

> The propensity for young people to serve in the Armed Forces has declined significantly in the post-cold-war era. For example, our applications in the past 7 years are down nearly 50 percent. We believe the increased service commitment to 6 years has contributed to this trend. Over the past 3 years, in telephone interviews with those who declined appointments to the academy, over 20 percent stated that the 6-year military obligation was a major factor in their decision.

Finally, Admiral Larson, Superintendent of the Naval Academy says:

> Our admissions statistics indicate that the FY 90 extension of the Active Duty Service Obligation has had a negative impact on the total number of applicants and on the number of young men and women seeking congressional appointments . . . A recent survey of those applicants who declined an offered appointment to the Naval Academy indicated that 23 percent did so because of the 6-year service obligation.

Mr. President, I believe we need to listen to the people who run the academies. They are the ones who are in charge of the recruiting of top-flight high school graduates to attend the academies. Each of them has specified to us that the 6-year obligation is not only unnecessary but it hurts their recruiting.

As they call and interview, those who they have selected to be at the Academy, and ask them, "Why did you turn down a free education," we are finding that one-fifth or more of those who rejected the appointment have said the 6-year obligation was simply too long.

There are a lot of opportunities for bright, young people today. The people that are applying for the Academies are top-flight people that have other options, not only in terms of their educational and academic options, but in terms of employment opportunities when they leave. Those individuals are saying, "I am not prepared at this point to commit to 6 years."

Now, the logical response to that is, well, then that means they would not stay on as officers in the respective services. If they are concerned about a 6-year obligation, why should the taxpayer pay for their education only to have them leave 5, 6 years later? But just the opposite is true. Those individuals who do accept and graduate from the Academy, a vast proportion, and very high percentage of those graduates choose a career of service in the military.

The difference is that when you are an 18-year-old making a decision, 6 years seems like an eternity. But once you have received the education, gone through the academy and graduated, begun to serve in the service, the decision is to stay in the service. So that is not a deterrent.

Mr. President, I yield 5 minutes to the Senator from Arizona who initiated this proposal and was instrumental in urging the committee to adopt it.

Mr. MCCAIN. How much time do the proponents have?

The PRESIDING OFFICER. The opponents have 4 minutes, 36 seconds. The proponents have 2 minutes, 56 seconds.

Mr. MCCAIN. Mr. President, I thank my friend and colleague from Indiana for the outstanding work he has done as chairman of the Subcommittee on Personnel, especially the personal interest he has taken in the service academies. I know of no one who has taken more time and effort to be involved in the issues surrounding the service academies than the Senator from Indiana.

Mr. President, in case the Senator from Ohio did not hear about it, I received information concerning candidates for the Naval Academy. In 1994, applicants for that class, in a comparison between the 94 and 99 applicants from the State of Ohio for the Naval Academy, dropped 21.5 percent. Candidates—those selected and then asked to be members at the Naval Academy—dropped 22.5 percent.

I am not sure where the Senator from Ohio is getting any figures. But we have received information which I will make part of the RECORD from all three service academies that both applicants and candidacies have dropped. It is a fact of life.

Mr. President, also, in the letter that the Senator from Ohio made a part of the RECORD from the Assistant Secretary of Defense, it clearly states, in a rather weaselish way, that the Department of Defense did not approve of the increase when it was enacted, and they stand by their original position on this matter. I think it is clear that they did not approve of it then and they do now.

Let me tell you what this is all about, Mr. President, and I will get right down to it. We are in an all-volunteer force. Today, a majority of the men and women in the services who are enlisted are minorities. Today, Mr. President, the overwhelming majority of the members of the officer corps are white individuals. There is a significant and dramatic imbalance between the makeup of the enlisted corps and the officer corps in the military today.

The service academies have worked night and day to try to correct that imbalance by attracting minority individuals into the service academies. It is entirely appropriate that there be some reasonable balance between the numbers of minorities, percentages of minorities in the officer corps and in the enlisted corps. I do not have to explain to Members the kinds of contradictions that evolve from that.

What the service academies are finding is that if a minority person is qualified to enter a service academy, that same person is qualified to get a scholarship to Harvard, Yale, Princeton, Berkeley, Stanford, or any other major college or university.

We are having significant problems, Mr. President—when I say "we," I mean the service academies. They are having significant difficulties in recruiting members of minorities into the service academies. They are not able to reach their goals. In fact, there was a steady increase for a while, and that has now leveled off and even declined.

Now, Mr. President, I do not disrespect the view of the Senator from Ohio. But I have to tell the Senator from Ohio that I respect the view of the people who are running the admissions programs in these service academies more than I do his. Why the Senator from Ohio is hung up on this issue is not clear to me, because we are dear friends.

But I would ask the Senator from Ohio, who pretends to be an expert on this issue—which he is not—to listen to the people that are the experts on this issue and then this issue would be quickly resolved.

Mr. President, the Senate Armed Services Committee approved a provision in the Defense authorization bill that would restore to 5 years from 6 the minimum active duty service obligation for Service Academy graduates. We believe that this position will go a long way to help reverse the alarming decline in the number of applicants for the Service Academies.

Opposition to lowering the active duty service obligation comes from a mistaken belief that a longer service obligation will absolutely result in more officers making the military a career. Historical data shows, however, that there is no direct correlation between the length of the service obligation and the decision to make the military a career. In fact, in the past when there was no service obligation or a considerably shorter obligation, the military was very successful in motivating a large percentage of Service Academy graduates to remain for 20 years.

The real objective of restoring the service obligation to 5 years is to enhance recruiting efforts at the Service Academies. With the current 6-year service obligation, we are losing many good applicants. A 5-year service obligation will focus instead on getting the best people admitted. As a clear indication that a 5-year obligation is not detrimental to efforts to keep officers in the military, it is significant that 77 percent of graduates from the U.S. Naval Academy Class of 1989, which had a 5-year obligation, are still on active duty at the 6-year point.

The real issue here is recruiting, not retention, of officers from the Service Academies.

Mr. President, it may be useful to explain to this body some of the history of Senator GLENN's amendment on the 6-year active duty obligation. During the 1991 legislative session, Congress increased the active duty obligation of Service Academy graduates from 5 to 6 years.

Mr. President, my amendment steals an old argument from 1991, when the Congress recommended a provision that would require all commissioned officers to be initially appointed as reserve officers. The Congress felt that regardless of commissioning source, that all officers should compete for regular commissions on the basis of their demonstrated performance and potential. Additionally, those that argued on the side of debate for reserve commissions stated that competition is healthy and consistent with equal opportunity which allows the best officers to enter the regular component. Although, this provision was considered to be leveling the playing field with respect to reserve commissions; legislation also was included with respect to an academies' length of obligated service in the Armed Forces which would require a graduate to serve on active duty for at least 6 years immediately after commission. In comparison, an ROTC graduate's length of obligated service in the Armed Forces is only 4 years immediately after their commission.

Mr. President, the country receives an adequate return on its investment with the 5-year obligation. However, the delicate balance between accession and attrition in the military manpower world may soon tilt for the worse when the academy classes of 1996 graduate and they incur a 6-year active duty service obligation. Because of the pyramidal shape of the officer corps, for example the progressively smaller number of officers in each rank as rank increases, we only need to keep 55 percent of our academy graduates beyond the 5-year point. History shows us that when there was little or no obligation, all the services were exceeding this 55 percent retention requirement. If too many officers are retained beyond the 5-year point, then the desired shape of the officer corps pyramid becomes distorted, there aren't enough meaningful jobs for junior officers, there is a demoralizing increased promotion passover rate, personnel management flexibility is reduced, and there are morale problems because of disgruntled officers who feel they are being kept on active duty beyond a reasonable pay back period for education.

Mr. President, the Services' own study of the 6-year active duty obligation shows that the increase in active duty obligation at the academies reduces the number and quality of young persons applying to the academies. This is because top-notch youngsters at age 17 or 18 are simply not sure what career they wish to devote their lives to and they are not willing to obligate their lives to one field, military or non-military, for a long period of time. This naive uncertainty is only exacerbated by the changing face of the military as it goes through excruciating cutbacks and is buffeted by the shifting winds of what may be called the leadership theory of the day. These teenagers want to keep their options open.

Mr. President, many fine young people will enter the Service Academies out of a spirit of patriotism and are proud to serve on active duty for 5 years with the expectation that they may make the service a career. But obligations in excess of that amount will drive them away from Service Academies to civilian colleges, who eagerly desire these quality youth and require no obligation after graduation, even after public funding. Many businesses are offering highly qualified young people free college educations today with work pay back commitments considerably below the Service Academy 6-year obligation. The adverse impact of the increased active duty obligation will become more pronounced as the 18-year-old age population in our country continues to decline beyond 1994.

Our challenge in the military is to attract the best youth we can to the service academies and then through good leadership and career satisfaction inspire them to stay in the service, rather than require them to stay in.

More importantly, Mr. President, the increase obligation has an even greater impact on minority and women applications. Minorities and women are well aware that the services were once white, male bastions and although they are patriotic and wish to serve the country, they are skeptical about a military career. A long obligation deters minorities, as well, from applying to the academies out of a concern that they would be irrevocably committed to something they may not like for a long period of time.

Mr. President, qualified minorities and women are highly sought after by many colleges in the country. With a 6-year obligation the service academies will not be competitive in minority recruiting. The military urgently needs to increase the number of minority officers. For example, today the U.S. military has 20 percent of African-Americans in the enlisted force and only 7 percent of African-Americans in the officer corps. Even more disturbing, the U.S. Navy has only 3 percent of African-Americans in the officer corps. Mr. President, service academies with their own preparatory schools to assist minorities, who require additional academic preparation, are the best way to increase minority officer representation. I firmly believe this. Many of you in the Senate know me to be a strong supporter of the service academy preparatory schools. In fact, that is because over 50 percent of the African-American students at the academy enter the academy through the preparatory schools. If a minority graduates from the service academy preparatory school, goes through the academy in 4 to 5 years, and has a 6-year service obligated commitment on top of his education, then that equals 12 years of military service. This is a near lifetime for a 17-year-old prospective candidate.

The different active duty obligation of service academies and ROTC programs, 6 versus 4 years, will create difficulties. First, high quality young people who would otherwise apply for the service academies will now seek entry into the ROTC or may not seek a career in the military. Second, having officers from the services' two prime commissioning sources, with different obligations, serving side-by-side in their various assignments, causes difficult morale and career management problems. Next, a longer obligation for service academy graduates than ROTC graduates conveys to ROTC officers that the military wants academy graduates more than them, causing them to become demoralized and possibly decide against making the service a career. A viable officer corps requires that the services attract career officers from all the commissioning sources. We must carefully avoid the perception that one source is favored over the others.

In summary, the 6-year obligation provides no advantages. It is a detriment in every respect. The service academies had little or no active duty obligations for over 100 years, and their graduates served the country well.

I hope my colleagues will vote for this amendment to return the academy active duty service obligation to 5 years.

Mr. President, I reserve the remainder of my time for Senator COATS.

Mr. GLENN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 3 minutes, 56 seconds. There are 31 seconds on the other side.

Mr. GLENN. Mr. President, the idea of minorities being influenced more by going from 6 to 5 years or 5 to 6 years, and making that particularly applicable to minorities, is a bit disingenuous, I submit. We have talked to the people at the Pentagon, who have indicated to us verbally—and I am sorry I did not get a letter—that there has not been any decline in minority applicants. The percentages remain about the same.

As far as being experts, that brings up the key point of this amendment. This amendment says to do the study, get the experts, do not go with anecdotal evidence, like a single letter from the head of an academy, but do an honest-to-goodness study that breaks it down into minorities and SAT scores, and all the other things needed to get good academy applicants. We will know what we are doing.

Next year I may join my friend to reduce it to 4 years to get the type people we need. But now we are saying "ready, fire, aim." We are saying, "OK, we are going to take it upon ourselves to say we will go from 6 back to 5." In this bill, it says we will do the study, and it is due in next April, and we are making the decision now even though the real study that gives us all the information will come later.

That just, to me, does not make any sense. What I would much prefer to do is do a study. It will let us know definitively what the problem is, if there is a problem, if we are having a problem recruiting minorities, or anybody else, and then next year, we can make a very informed decision as to whether we reduce the required time or not.

I was very disappointed in the letter that the Senator from Arizona referred to that came over from the Pentagon, because it certainly did not express what I had been told verbally from the Pentagon before as to what the situation was. It was my understanding that there was general support over there for the 6 years. Maybe I misread some of that. But let them do a study and it will be better information for the Pentagon as well as for us, also. Until we know what we are doing, let us not decide before we have the study done. That makes no sense whatsoever.

I reserve the remainder of my time.

Mr. COATS. Mr. President, the Senator from Arizona made a mistake. He said the Senator from Indiana has worked the hardest on this. That is not true. The Senator from Arizona has been passionately interested in maintaining top quality at the academies. Nobody cares more about attracting the kind of people we need to lead our armed services than him. That is why he is concerned, because we are not getting those people. The people who run the academies are saying one of the primary reasons we are losing people is the 6-year obligation. We are trying to defer to the wishes of those who run the academies and admit the students, and they are telling us, drop it from 6 to 5.

The PRESIDING OFFICER. The Senator's time on the amendment has expired.

Mr. GLENN. Mr. President, I do not take second place to anybody on this. The academies deserve to get the best students. It is not athletics, it is combat we are preparing people for. So our military deserves the very finest leadership possible.

This amendment does not say keep it at 6. It says to do the study, then decide next year. And a study is already required in this legislation. I do not have to put that in.

All I am saying with this legislation is, take the commonsense approach of getting the information before we make the decision, and do not rely just on anecdotal data. I believe all time has run out. I yield back the remainder of my time.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LOTT. Mr. President, I ask unanimous consent that following the first vote in the voting sequence there be 4 minutes for debate, to be equally divided in the usual form between each succeeding vote, and that succeeding votes also be limited to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 2121

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Iowa [Mr. HARKIN].

Mr. WARNER. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Harkin amendment. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Hampshire [Mr. GREGG] and the Senator from Alaska [Mr. STEVENS], are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Arkansas [Mr. PRYOR], are necessarily absent.

The PRESIDING OFFICER (Mr. FRIST). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 70, nays 26, as follows:

[Rollcall Vote No. 365 Leg.]

YEAS—70

Ashcroft
Bennett
Biden
Bingaman
Bond
Bradley
Breaux
Brown
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Dodd
Dole
Domenici
Exon
Faircloth
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grassley
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Robb
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Specter
Thompson
Thurmond
Warner

NAYS—26

Abraham
Akaka
Baucus
Boxer
Bryan
Campbell
Conrad
Daschle
DeWine
Dorgan
Feingold
Feinstein
Grams
Harkin
Hatfield
Hollings
Lautenberg
Mikulski
Moseley-Braun
Pell
Pressler
Reid
Rockefeller
Snowe
Thomas
Wellstone

NOT VOTING—4

Bumpers
Gregg
Pryor
Stevens

So the motion to lay on the table the amendment (No. 2121) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, let me indicate there are two more votes in this series. Under the order, there will be 4 minutes, if necessary. Most of us were here and heard the debate. I do not see why it is necessary to have 4 minutes. Maybe somebody wants to take the 4 minutes and have 2 minutes on each side to review the amendment before the vote.

We will move to table the Levin amendment. But before we do that, I wanted to indicate that there have been a number of us here through the evening trying to determine how many more amendments will be offered by Members on this side of the aisle and on that side of the aisle so we can put together a finite list. We started off with 185 this morning. We have worked through a number of those. There are 26, I think, now in the process of being cleared, and 16 have been cleared, and there are 10 in the process. There may be additional amendments that can be cleared.

We are trying to determine whether we want to stay all night and finish this, if it is possible to finish it if we stay until 5 or 6 o'clock, or whether we can work out some agreement here and get some smaller list, stack some votes and have those votes following disposition of the Treasury-Postal appropriations bill tomorrow. There are a lot of people—probably 50, 60, or 75 relevant amendments—Republicans and Democrats who have put "relevant." We do not know what the amendments are or whether they intend to be offered. We learned from one Senator who has six, he is going to offer all six. I hope he wins the prize so somebody else will not try to be 100 percent.

But, in any event, during these next two votes, if people have amendments they are going to offer, I wish they would tell Senator NUNN or Senator THURMOND so we can make some announcement following the last vote.

AMENDMENT NO. 2122

Mr. DOLE. I move to table the Levin amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Did the Senator yield back the time?

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. May we hear an explanation of the amendment?

Mr. LEVIN. Mr. President, there are about $770 million in a Guard and Reserve package. Literally in the last few hours of the deliberations in the committee, an earmarking of this $770 million was presented to the committee dividing it all up for particular projects. In the last 3 years the Armed Services Committee has been generic. We have done this generically so that the Guard and Reserve could do the most important modernization work. We did not divide it up line by line in the Senate Armed Services Committee. The House tries to do that each year. We have resisted that for the last 3 years.

So this really is a good amendment so that all of our States will have an opportunity to weigh in for this money.

Mr. BYRD. Mr. President, may we have order in the Senate?

There should be order so we can hear the Senator explain the amendment.

The PRESIDING OFFICER. The Senate will be in order.

Mr. LEVIN. My amendment is supported by Senator NUNN and others. It is very close to what the Appropriations Committee did in this area, trying to leave this generic so that all of our State Guard and Reserve units will have an opportunity to provide all of these components—the Army, Navy, and so forth—as to what the highest priorities are.

Mr. BYRD. Mr. President, I thank the Senator.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, I will use 2 minutes.

Mr. President, the Senate Armed Services Committee reviewed this policy very, very carefully by a majority of votes and decided it would be the Senate of the United States that made the decision of how these funds should be expended, not simply some two-star Reserve or Guard commander. It is as simple as that. We are not about to relinquish that decision to a two-star general. There it is.

We strongly urge that the Members of the Senate back the Senate Armed Services Committee, a majority of the members of that committee, and move to table this amendment.

The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to the motion of the Senator from Kansas to lay on the table the amendment of the Senator from Michigan. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the senator from New Hampshire [Mr. GREGG] and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Arizona [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 53, nays 43, as follows:

[Rollcall Vote No. 366 Leg.]

YEAS—53

Abraham
Ashcroft
Baucus
Bennett
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
Daschle
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Thomas
Thompson
Thurmond
Warner

NAYS—43

Akaka
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bryan
Byrd
Conrad
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—4

Bumpers
Gregg
Pryor
Stevens

So, the motion to lay on the table was agreed to.

Mr. WARNER. I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2123

The PRESIDING OFFICER. The question occurs on the amendment of the Senator from Ohio. There are 4 minutes of debate, evenly divided.

Who yields time?

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. Four minutes to the Senator from Ohio.

Mr. GLENN. I yield myself such time as may I require.

Mr. President, this is a very simple amendment. In 1990, we required academy graduates to do active duty service beyond their academy years. We moved that requirement from 5 years up to 6. The bill this year requires the study of that, whether it has worked well, whether we are still getting good people or not, what the status is. And my idea was that we wait until we get the study before we go ahead and make that decision, so we will know what we are doing. We just have anecdotal information unless we do that.

What was put into the bill was that the bill reduces from 6 back to 5 without getting the study. And, to me, that is like ready, fire, aim. It puts the cart before the horse, or any other cliche you want to have in there.

I think we should have the best study we can. There is anecdotal information that varies all over the lot. Basically, the information I have is that the SAT scores for academy students across the average of all three academies for 1996, 1997, 1998 is 323 points higher than the national average. The class at the military academy had scores higher than previous classes. Some of the falloff in the number of applicants started in 1988 because of some of the downsizing of the military. We have the Air Force Academy in particular; their scores have remained very, very high. The grade point average at the end of the freshman spring semester was higher than the class of 1992–1994.

All I am proposing is that since we are not under duress in this area, since all the SAT scores appear to be back—I may lead the charge next year to reduce it to 5 or 4, if there is a problem. But let us do a definitive study and then decide. Let us not decide now to reduce the number and then get the study next spring. That is keeping things in the wrong order.

All I say is, get the study. We will decide next year. It is that simple.

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, the evidence is in. We do not need another study. It was originally raised from 5 to 6 years by the Senator from Ohio without a study. But the superintendents of the three academies of West Point, Annapolis, and the Air Force Academy in Colorado have all said—they are the ones who are in charge of bringing the applicants to the academy and making sure that we have the top-flight people—they have written to us. And each have said that they support the reduction from 6 to 5.

The reason they do so is they are losing top-flight academy applicants. When they follow up with interviews of those who are accepted to the academies, the ones that do not come, and ask those individuals, "Why didn't you come?" More than 20 percent in two different surveys and studies conducted by the academies have said, "The 6-year requirement is too much."

Now, the logical question is, well, if they do not want to commit to 6 years, and we are paying for their education, they will not stay and be career officers. Just the opposite is true. To an 18-year-old trying to make a decision, a 6-year commitment on top of a 4-year academy experience seems like a long, long time. But once they go through the academy, and once they serve in the services, the vast majority of those, nearly 80 percent or more, become career soldiers, sailors, and airmen.

So I think we should listen to the superintendents. They are the ones that are in charge of getting the quality people to the academy. They are the ones that are saying, "We need this help to recruit the top-flight candidates. Please drop this from 6 to 5."

The committee supported that position. I hope the Senators will do that.

Mr. THURMOND. I move to table the amendment.

Mr. DOLE. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. GLENN. Time has not run out yet. Will you withhold the tabling motion?

The PRESIDING OFFICER. The time on both sides has expired.

Mr. THURMOND. I understood the time had expired.

Mr. DOLE. I ask for the yeas and nays.

If the Senator would want to make a point, he can do that.

Mr. GLENN. One additional minute for each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. The point I want to make is we spent a quarter of a million dollars on the people in the academy for the 4 years. This is not a small expenditure.

We require time for doctors who are going through training. We require additional years, I think it is 8 years or something like that, for flight training now. This is normal. This is not something unusual. If we make this big investment, we are expecting the academies to be the leaders of our military in the future. If they are not willing to make a commitment going in, I think we are shortchanging.

We do not have any information that indicates we are getting a lesser quality academy applicant these days than we were in the past. I think it is a good deal for the taxpayers. We stay at 6, not go back to 5, unless we have a study that shows otherwise.

Mr. THURMOND. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 2123. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Hampshire [Mr. GREGG] and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 52, nays 44, as follows:

[Rollcall Vote No. 367 Leg.]

YEAS—52

Abraham
Ashcroft
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Feinstein
Frist
Gorton
Gramm
Grams
Grassley
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Murkowski
Nickles
Packwood
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Thomas
Thompson
Thurmond
Warner

NAYS—44

Akaka
Baucus
Bennett
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Ford
Glenn
Graham
Harkin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Moynihan
Murray
Nunn
Pell
Pressler
Reid
Robb
Rockefeller
Roth
Simon
Wellstone

NOT VOTING—4

Bumpers
Gregg
Pryor
Stevens

So the motion to lay on the table the amendment (No. 2123) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE. Mr. President, as I understand, I have been told by the minority leader there will not be any more time agreements—which I think is unfortunate—on any amendments. It will just take us longer. I assume that we can finally reach a point where we will be able to finish this.

If we can put together a list of the real amendments—we thought we had a list, and we were told it was not an accurate list. I do not know how many additional amendments have been added. Maybe we can make a reasonable judgment. Otherwise, I do not know what alternative the leader has. We are trying to complete action, and we are not given any assurance there is ever going to be any end to it—how many amendments and no time agreements.

How much time will the Senator from Pennsylvania need?

Mr. SPECTER. Mr. President, if I may respond, I am advised that this will be accepted. I will speak for not more than 6, 7 minutes.

Mr. DOLE. I understand the Senator from New Mexico may be prepared to offer amendments. Is he prepared to offer amendments?

Mr. DASCHLE. Mr. President, let me respond to the original comment made by the majority leader. We have polled our Members, and based upon conversations I have had in the last 10, 15 minutes, I would say we have somewhere between 45 and 60 amendments. Most of our members, at this point, are unwilling to agree to time agreements. The next amendment offered by the distinguished Senator from New Mexico is an amendment that deals with tobacco. I do not know how long that will take. We cannot agree to a 30-minute time agreement on our side. A lot of Members will want to be heard on that issue.

For that reason, I guess I am not able to provide any understanding at this point beyond what I have already shared with the majority leader about how long it will take to finish.

Mr. DOLE. We will just proceed.

AMENDMENT NO. 2081

(Purpose: To provide authority for the surrender of fugitives and the provision of judicial assistance to the international tribunals for Yugoslavia and Rwanda, in accordance with the obligations of the United States under certain resolutions of the United Nations Security Council)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 2081.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 403, between lines 16 and 17, insert the following:

SEC. 1095. JUDICIAL ASSISTANCE TO THE INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA AND TO THE INTERNATIONAL TRIBUNAL FOR RWANDA.

(a) SURRENDER OF PERSONS.—

(1) APPLICATION OF UNITED STATES EXTRADITION LAWS.—Except as provided in paragraphs (2) and (3), the provisions of chapter 209 of title 18, United States Code, relating to the extradition of persons to a foreign country pursuant to a treaty or convention for extradition between the United States and a foreign government, shall apply in the same manner and extent to the surrender of persons, including United States citizens, to—

(A) the International Tribunal for Yugoslavia, pursuant to the Agreement Between the United States and the International Tribunal for Yugoslavia; and

(B) the International Tribunal for Rwanda, pursuant to the Agreement Between the United States and the International Tribunal for Rwanda.

(2) EVIDENCE ON HEARINGS.—For purposes of applying section 3190 of title 18, United States Code, in accordance with paragraph (1), the certification referred to in the section may be made by the principal diplomatic or consular officer of the United States resident in such foreign countries where the International Tribunal for Yugoslavia or the International Tribunal for Rwanda may be permanently or temporarily situated.

(3) PAYMENT OF FEES AND COSTS.—(A) The provisions of the Agreement Between the United States and the International Tribunal for Yugoslavia and of the Agreement Between the United States and the International Tribunal for Rwanda shall apply in lieu of the provisions of section 3195 of title 18, United States Code, with respect to the payment of expenses arising from the surrender by the United States of a person to the International Tribunal for Yugoslavia or the International Tribunal for Rwanda, respectively, or from any proceedings in the United States relating to such surrender.

(B) The authority of subparagraph (A) may be exercised only to the extent and in the amounts provided in advance in appropriations Act.

(4) NONAPPLICABILITY OF THE FEDERAL RULES.—The Federal Rules of Evidence and the Federal Rules of Criminal Procedure do not apply to proceedings for the surrender of persons to the International Tribunal for Yugoslavia or the International Tribunal for Rwanda.

(b) ASSISTANCE TO FOREIGN AND INTERNATIONAL TRIBUNALS AND TO LITIGANTS BEFORE SUCH TRIBUNALS.— Section 1782(a) of title 28, United States Code, is amended by inserting in the first sentence after "foreign or international tribunal" the following: ", including criminal investigations conducted prior to formal accusation".

(c) DEFINITIONS.—As used in this section:

(1) INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA.—The term "International Tribunal for Yugoslavia" means the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law in the Territory of the Former Yugoslavia, as established by United Nations Security Council Resolution 827 of May 25, 1993.

(2) INTERNATIONAL TRIBUNAL FOR RWANDA.—The term "International Tribunal for Rwanda" means the International Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighboring States, as established by United Nations Security Council Resolution 955 of November 8, 1994.

(3) AGREEMENT BETWEEN THE UNITED STATES AND THE INTERNATIONAL TRIBUNAL FOR YUGOSLAVIA.—The term "Agreement Between the United States and the International Tribunal for Yugoslavia" means the Agreement on Surrender of Persons Between the Government of the United States and the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Law in the Territory of the Former Yugoslavia, signed at The Hague, October 5, 1994.

(4) AGREEMENT BETWEEN THE UNITED STATES AND THE INTERNATIONAL TRIBUNAL FOR RWANDA.—The term "Agreement between the United States and the International Tribunal for Rwanda" means the Agreement on Surrender of Persons Between the Government of the United States and the International Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighboring States, signed at The Hague, January 24, 1995.

Mr. SPECTER. Mr. President, as I had stated a few moments ago, it is my understanding that this amendment has been cleared on both sides. It is an important amendment. It is to provide authority for the surrender of fugitives and the provision of judicial assistance to the International Tribunals for Yugoslavia and Rwanda, in accordance with the obligations of the United States under certain resolutions of the United Nations Security Council.

Mr. President, as it is well known, there has been considerable debate in this Chamber and in the House of Representatives on the atrocities in Bosnia, and the actions there leading this body and the House to call for the unilateral lifting of the arms embargo. And while there is some substantial controversy as to what ought to be done on that subject, with the disagreement with the President and prospective veto and possible override effort, there is unanimity that the action of the International Criminal Tribunals for Yugoslavia, and also by implication for Rwanda, is something which really ought to be carried out in an efficient and rigorous and really tough manner.

Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. SPECTER. Mr. President, we have seen extraordinary atrocities in Bosnia, with the ethnic cleansing, the summary executions, the tortures, massive and systematic rape, attacks on medical and relief personnel, and the estimates show that some 200,000 people, mostly Bosnian Moslems, have been killed or are missing; 2.2 million are refugees, and another 1.8 million have been displaced in Bosnia.

We have seen the photographs of young women in their teens and early twenties hanging themselves by the trees in the Bosnian forest because they prefer suicide to facing the Bosnian Serbs. We have heard reports verified about the Bosnian Serbs entering the U.N. safe havens and taking 11-year-old boys, slicing their throats and leaving them in large mounds on the streets in an effort to stop the next generation of Bosnian Moslems looking ahead. It is just an extraordinary and horrible situation.

I personally have pushed, in the course of the past decade, resolutions to establish a general International Criminal Court which I think ought to be done. It ought to be done on international drug trafficking and on terrorism, where we have situations where nations will not extradite to the United States. Colombia is an example. If we had an international criminal court, we could have extradition.

This is a subject that I have worked on for many years as District Attorney of Philadelphia on a microcosm as to what I submit ought to be done internationally. But we have had the United Nations resolutions which have provided for International Criminal Tribunals for Yugoslavia and Rwanda.

With respect to the atrocities in Rwanda, this amendment would provide authority for fugitives to be surrendered, because we have no current extradition treaties with the International Court, and would provide authority for the United States to turn over evidence to the International Criminal Court.

The circumstances here are really extraordinary, Mr. President. Our colleague, Senator KOHL, recently repeated a saying that the loss of a single life is a tragedy, while the loss of 1,000 lives is a statistic. Regrettably, we are treating the atrocities in Bosnia and Rwanda as statistics, without really focusing on the individual tragedies.

There will be a hearing next Wednesday jointly by the Foreign Relations Committee and by the Senate Intelligence Committee to shed some additional light on the atrocities in Bosnia.

I submit this is a very important amendment, Mr. President. We need to get it enacted so we will have the authority to extradite these fugitives to the International Criminal Court and turn over the important evidence.

I yield the floor.

Mr. THURMOND. On this side of the aisle we are willing to accept the amendment.

Mr. NUNN. We are willing to accept the amendment on this side. If the Senator from Pennsylvania could enlighten us, I understand this is similar to the administration's legislation they have been seeking.

Mr. SPECTER. This is legislation which the administration is seeking, if I may respond.

Mr. NUNN. I thank the Senator from Pennsylvania. I recommend this be accepted.

The PRESIDING OFFICER. If there is no further question, the question is on agreeing to the amendment.

The amendment (No. 2081) was agreed to.

Mr. SPECTER. I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. If I could have the attention of the managers, I understand it is in order for me to submit my landmine amendment with a 10-minute time agreement equally divided.

Mr. WARNER. Mr. President, the Senator is correct, but I wish to note that I will vigorously oppose the amendment.

AMENDMENT NO. 2124

(Purpose: To support proposals to implement the United States' goal of eventually eliminating antipersonnel landmines; to impose a moratorium on use of antipersonnel landmines except in limited circumstances; and to urge imposition of certain sanctions against foreign governments that export antipersonnel landmines)

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of myself, Senators LUGAR, GRAHAM of Florida, KASSEBAUM, SIMON, INOUYE, JEFFORDS, REID, HATFIELD, FORD, HARKIN, SARBANES, FEINGOLD, KOHL, LAUTENBERG, DODD, KERRY, BRADLEY, MOSELEY-BRAUN, BUMPERS, KENNEDY, BOXER, PELL, CHAFEE, DORGAN, MIKULSKI, WELLSTONE, DASCHLE, MURRAY, SIMPSON, BRYAN, MOYNIHAN, KERREY, FEINSTEIN, AKAKA, CONRAD, JOHNSTON, PRYOR, BREAUX, EXON, CAMPBELL, ROBB, ROCKEFELLER, LIEBERMAN, LEVIN, BYRD, GORTON, SPECTER, MCCONNELL, BINGAMAN, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] for himself, Mr. LUGAR, Mr. GRAHAM, Mrs. KASSEBAUM, Mr. SIMON, Mr. INOUYE, Mr. JEFFORDS, Mr. REID, Mr. HATFIELD, Mr. FORD, Mr. HARKIN, Mr. SARBANES, Mr. FEINGOLD, Mr. KOHL, Mr. LAUTENBERG, Mr. DODD, Mr. KERRY, Mr. BRADLEY, Ms. MOSLEY-BRAUN, Mr. BUMPERS, Mr. KENNEDY, Mrs. BOXER, Mr. PELL, Mr. CHAFEE, Mr. DORGAN, Ms. MIKULSKI, Mr. DASCHLE, Mrs. MURRAY, Mr. SIMPSON, Mr. BRYAN, Mr. MOYNIHAN, Mr. KERREY, Mrs. FEINSTEIN, Mr. AKAKA, Mr. CONRAD, Mr. JOHNSTON, Mr. PRYOR, Mr. BREAUX, Mr. EXON, Mr. CAMPBELL, Mr. ROBB, Mr. ROCKEFELLER, Mr. LIEBERMAN, Mr. LEVIN, Mr. BYRD, Mr. GORTON, Mr. SPECTER, Mr. MCCONNELL, and Mr. BINGAMAN propose an amendment numbered 2124.

Mr. LEAHY. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . LANDMINE USE MORATORIUM.

(a) FINDINGS.—The Congress makes the following findings:

(1) On September 26, 1994, the President declared that it is a goal of the United States to eventually eliminate antipersonnel landmines.

(2) On December 15, 1994, the United Nations General Assembly adopted a resolution sponsored by the United States which called for international efforts to eliminate antipersonnel landmines.

(3) According to the Department of State, there are an estimated 80,000,000 to 110,000,000 unexploded landmines in 62 countries.

(4) Antipersonnel landmines are routinely used against civilian populations and kill and maim an estimated 70 people each day, or 26,000 people each year.

(5) The Secretary of State has noted that landmines are "slow-motion weapons of mass destruction".

(6) There are hundreds of varieties of antipersonnel landmines, from a simple type available at a cost of only two dollars to the more complex self-destructing type, and all landmines of whatever variety kill and maim civilians, as well as combatants, indiscriminately.

(b) CONVENTIONAL WEAPONS CONVENTION REVIEW.—It is the sense of Congress that, at the United Nations conference to review the 1980 Conventional Weapons Convention, including Protocol II on landmines, that is to be held from September 25 to October 13, 1995, the President should actively support proposals to modify Protocol II that would implement as rapidly as possible the United States goal of eventually eliminating antipersonnel landmines.

(c) MORATORIUM ON USE OF ANTIPERSONNEL LANDMINES.—

(1) UNITED STATES MORATORIUM.—(A) For a period of one year beginning three years after the date of the enactment of this Act, the United States shall not use antipersonnel landmines except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military personnel and protected by adequate means to ensure the exclusion of civilians.

(B) If the President determines, before the end of the period of the United States moratorium under subparagraph (A), that the governments of other nations are implementing moratoria on use of antipersonnel landmines similar to the United States moratorium, the President may extend the period of the United States moratorium for such additional period as the President considers appropriate.

(2) OTHER NATIONS.—It is the sense of Congress that the President should actively encourage the governments of other nations to join the United States in solving the global landmine crisis by implementing moratoria on use of antipersonnel landmines similar to the United States moratorium as a step toward the elimination of antipersonnel landmines.

(d) ANTIPERSONNEL LANDMINE EXPORTS.—It is the sense of Congress that, consistent with the United States moratorium on exports of antipersonnel landmines and in order to further discourage the global proliferation of antipersonnel landmines, the United States Government should not sell, license for export, or otherwise transfer defense articles and services to any foreign government which, as determined by the President, sells, exports, or otherwise transfers antipersonnel landmines.

(e) DEFINITIONS.—

For purposes of this Act:

(1) ANTIPERSONNEL LANDMINE.—The term "antipersonnel landmine" means any munition placed under, on, or near the ground or other surface area, delivered by artillery, rocket, mortar, or similar means, or dropped from an aircraft and which is designed, constructed, or adapted to be detonated or exploded by the presence, proximity, or contact of a person.

(2) 1980 CONVENTIONAL WEAPONS CONVENTION.—The term "1980 Conventional Weapons Convention" means the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed To Be Excessively Injurious or To Have Indiscriminate Effects, together with the protocols relating thereto, done at Geneva on October 10, 1980.

Mr. LEAHY. I understand there are 5 minutes to a side with no second-degree amendments.

The PRESIDING OFFICER. That is correct.

Mr. LEAHY. Mr. President, there are few issues that I have ever felt more strongly about than the cruel devastation of whole societies by landmines. They are the worst of human depravity, a coward's weapon. At $2 or $3 dollars each, landmines like this one I am holding are sold by the hundreds of thousands and even millions.

There are 100 million unexploded landmines in over 60 countries. Armies leave, tanks withdraw, guns are unloaded, cannons are destroyed, the fighting ends, people even forget what the fighting was about, but the landmines stay, sometimes for decades.

In one country, they describe clearing the landmines an arm and a leg at a time. The children are often the innocent civilians. Every 22 minutes, somebody is horribly maimed or killed.

Mr. President, I hope this amendment is adopted overwhelmingly by this body to send a message to the world, so the United States can take the moral leadership as we did 3 years ago, as we did in the United Nations this past fall.

My opponents will say my amendment will endanger our troops—the same argument that was made against the chemical weapons ban.

Mr. President, our troops and civilians everywhere have far more to gain by what we do here.

Landmines are a weapon of choice in the very countries where our troops are likely to be sent in the future. A $2 mine can blow the legs off an American soldier as easily as it can pulverize a child.

Mr. President, let me repeat. This is not a prohibition, it is a moratorium that does not begin for 3 years. It does not cover Claymore mines. It does not cover antitank mines. Our troops have every weapon that shoots or explodes. We have far better ways of tracking the enemy than ever before. We have the most accurate weapons.

We are dealing with a global catastrophe. People everywhere are demanding an end to this madness. The U.S. Senate has led the way. We should continue to lead. This is not a weapon we need for our national security. It is a terrorist weapon used most often against the innocent.

I ask unanimous consent that several documents related to this matter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF SOCIAL
DEVELOPMENT AND WORLD PEACE,
Washington, DC, August 3, 1995.

DEAR SENATOR: We understand that the landmine issue will soon be before the Senate. As you know, at our General Meeting in June, the Catholic Bishops of the United States approved unanimously a pastoral reflection entitled Sowing Weapons of War: A Pastoral Reflection on the Arms Trade and Landmines. In it, the U.S. Bishops joined Pope John Paul II and bishops from around the world in calling for an end to the manufacture and use of anti-personnel landmines.

Two months ago, the Holy Father stated, "I should once again like to make a vigorous appeal for the definitive cessation of the manufacture and use of * * * 'anti-personnel mines'." The 100 million landmines that are strewn around the world kill an estimated 500 people per week, most of whom are civilians. Landmines cannot differeniate between civilian and soldier or between periods of peace and war. From Cambodia to Angola, they render large areas uninhabitable, prevent refugees from returning home, inhibit post-war reconstruction and development, and remain a long-term threat to innocent life.

The bishops welcome the current U.S. moratorium on exports of anti-personnel landmines and urge the United States to take steps "to further retrict its own use of landmines, while it pursues with urgency and persistence international agreements to restrict use globally." The Landmine Use Moratorium Act (S. 940) would contribute to this goal by prohibiting U.S. military exports to countries that continue to export landmines and by imposing a one-year moratorium on use by the United States of anti-personnel landmines, except along international borders in monitored minefields. These measures are a reasonable response to a serious problem that affects millions of lives around the world.

We urge you to support Sen. Leahy's measure and to oppose any amendments or substitutes that would weaken it.

Sincerely,

Most Reverend DANIEL P. REILLY,
Bishop of Worcester,
Chairman, Committee on International Policy.

LAND-MINE BAN WOES

In 1994, about 100,000 land mines were removed from former war zones at a cost of $70 million. At the same time, another 2 million mines were deployed elsewhere.

These and other sobering, frustrating statistics came out of a three-day international conference in Geneva last week on mine-clearing.

The daunting prospect of new mines being sown at a rate 20 times faster than they can be removed is matched by the apparently futile attempts to ban the sale and manufacture of these inexpensive weapons.

There is some momentum to enact an international ban, with 25 nations adopting moratoriums on mine exports and three—Mexico, Sweden and Belgium—calling for comprehensive bans on their sale and manufacture. But in Geneva, it was concluded that banning land mines must be a long-term goal.

Despite the clear evidence that these weapons often can serve as everlasting and deadly vestiges of wars long resolved, some countries demand the right to keep them in their inventories.

The nations that want to have land mines in their inventories typically are not the same 64 countries where collectively 100 million land mines kill or maim 500 persons each week. If they were, perhaps a comprehensive ban would not be so elusive.

SANITY MAY TAKE ROOT IN LAND MINE DEBATE

Far too many of us still see the hurt and disbelief in the eyes of someone who has just been hit by a land mine. The eyes that still bore into my mind are those of a little Vietnamese girl who set off a mine while washing clothes on the bank of the Perfume River in Hue in 1990—a full 15 years after the war was supposed to be over for her and everyone else.

The girl lay in a hospital bed in Hue with bandages over most of her body. Her mother was attending her because of the shortage of nurses. The mother looked up from her bedside chair and asked me through a translator why the "booms" were still going off. Her daughter just stared at me in searing silence.

I had no answer then, but have something hopeful to say now. The U.S. Senate, perhaps this week but certainly this summer, will confront the scourge that maims or kills somebody in the world every 22 minutes. As many as half of the victims are children like the one I saw in Hue.

Soldiers know how to detect and disarm mines. Children don't. Sowing mines is like poisoning village wells: The soldiers on both sides realize the danger, drink from their canteens and move on. Not so with the villagers.

Sen. Patrick J. Leahy, D-Vt., and more than 40 Senate co-sponsors have drafted legislation that would declare a one-year moratorium on sowing mines on battlefields, starting three years from now. Claymore mines, which infantrymen spread around their positions at night and use in ambushes, would be excluded from the experimental, one-year ban. So would anti-tank mines. Also, international borders, like the demilitarized zone between North and South Korea, could still be sown with mines.

The Leahy proposal is but a short step toward the goal of inspiring an international agreement to ban land mines the way the nations managed to ban the use of poison gas and dum-dum bullets. But it is a symbolic step. It will at least force the Congress, the military and the public to confront this uncontrolled sowing of poison seeds.

In the Senate, Leahy plans to tack the moratorium legislation onto another bill on the floor, perhaps the defense authorization bill.

In the House, Rep. Lane Evans, D-Ill., a Marine grunt from 1969 to 1971, is pushing a similar measure but has not decided when to push for a vote. The hawkier House—which seems determined to give the military almost anything it wants—almost certainly will reject the amendment until the Joint Chiefs of Staff say they favor it.

This hasn't happened despite expert testimony that it would do the U.S. military more good than harm if land mines were banned. No less a soldier than Gen. Alfred Gray, Jr., former Marine Corps commandant, has said:

"We kill more Americans with our mines than we do anybody else. We never killed many enemy with mines—. . . What the hell is the use of sowing all this [airborne scatterable mines] if you're going to move through it next week or next month . . . I'm not aware of any operational advantage from broad deployment of mines."

Leahy warns that "vast areas of many countries have become deathtraps" because 62 countries have sown between 80 million and 110 million land mines on their land. "Every day 70 people are maimed or killed by land mines. Most of them are not combatants. They are civilians going about their daily lives."

Yet mines are so cheap—costing as little as $2—that small armies all over the world are turning to them as the poor man's equalizer. American forces increasingly are being sent to these developing areas and would be safer if land mines were banned.

"The $2 or $3 anti-personnel mine hidden under a layer of sand or dust can blow the leg off the best-trained, best-equipped American soldier," Leahy notes.

At the United Nations last year, President Clinton called on the world to stop using land mines. He could weigh in heavily on the side of the one-year moratorium and push the chiefs in that direction. But don't count on it. He seems determined during his reelection drive not to offend the military and its conservative champions.

Belgium and Norway this year forbade the production, export or use of land mines. Leahy and Evans hope the upcoming debate will create a climate for a similar stand by the United States. Lest you conclude the land mine moratorium is being pushed by peacenik lawmakers, note that among the senators supporting it are decorated war veterans Daniel K. Inouye, D-Hawaii, J. Robert Kerrey, D-Neb., John F. Kerry, D-Mass., and Charles S. Robb, D-Va.

The case for the Leahy-Evans moratorium is overwhelming. Even so, Congress probably will lose its nerve and refuse to enact the moratorium this year. But I think I could tell that little girl in Hue, if she lived through her maiming, that reason is beginning to assert itself. Man is beginning to see the folly of fouling his own nest with mines. There is at least a dim light at the end of the tunnel.

Mr. SIMON. Mr. President, I lend my strong support to Senator LEAHY's amendment to push for the eventual elimination of antipersonnel landmines. Senator LEAHY has been a longtime champion of this cause, and I admire his perseverance and hard work.

Landmines, which have been used in warfare for more than 200 years, are cheap, insidious, silent predators that continue to kill long after the cessation of conflict. Worldwide, 26,000 people are killed annually by landmines.

Landmines hold hostage the people, the land, and the economies of those countries in which they are used. At the end of conflicts, often the most immediate need is to return and reintegrate refugee populations. Landmines inhibit the travel of refugee populations. They inhibit the travel of relief and assistance organizations. They reduce the amount of land available to be inhabited by returning refugees. They kill and maim that population upon their return. Upon resettlement, landmines will inhibit the population from earning a living for many years to come.

As Americans, we believe that the cost of transitioning from conflict to peace is greater than the cost of continued conflict. Landmines multiply the cost of the transition from conflict to peace, straining the limited resources of both the country in question and the international donor communities. Moreover, uncleared landmines jeopardize new, always fragile, peace agreements by extending the causes of conflict—poverty, hunger, and despair.

The proliferation of landmines are an obstacle to economic development and political stability. Landmines prevent farmers from tilling the land—they undermine food security and create famine. They destroy the agricultural industry of a country.

Landmines undermine the national infrastructure and impede national development. They isolate transportation networks, powerlines, bridges, and waterways from reconstruction, repair, and maintenance. The quality of national infrastructure either supports or impedes economic activity and development. When railways and roadways are disrupted, the end result is heavy inflationary pressure on the currency because the cost of transporting goods and services always rises. It only takes a few landmines to render a roadway impassable. People will not choose to travel a road that is known to be mined.

Landmines create health care and other costs that strain the national budgets of developing countries. The maimed victims of landmines require medical treatment, physical rehabilitation, artificial limbs and prosthetics, and vocational training. Reduced worker productivity, additional expenditures for mine awareness training and demining activities are all financial burdens on countries attempting to recover from the ravages of war.

The sheer cost of removing landmines can be an insurmountable obstacle to economic growth. In Cambodia, the United Nations estimates that the aggregate cost of landmine clearance is from $200 to $1,000 per mine. Cambodia's annual per capita GDP is $200. To demine Cambodia would consume every penny produced in that economy for 1 to 5 years.

As you know, the continent of Africa presents some of the greatest challenges for sustainable development on the globe. Africa, a continent that has seen far too much of its share of disasters, must contend with the disasters of landmines every day:

Angola: With a population of 13 million, Angola has between 9 and 15 million landmines—about one for every man, woman and child in the country. There are between 150 and 200 landmine victims every week. Angola has more amputees per capita than any other country in the world.

Mozambique: The United Nations reports that all 28 major road systems in the country are blocked by uncleared landmines. Mozambique has about 1 million uncleared landmines.

Ethiopia: Has about 500,000 landmines and even more pieces of unexploded ordnance.

Liberia: After 5 years of civil war, Liberia is estimated to have 1,000 mines.

Rwanda: Has about 50,000 landmines that were implanted during their civil war.

Sudan: Has about 1 million landmines as of 1993. That number is expected to have grown and to continue to grow as the conflict continues.

Zimbabwe: Though the civil war in Zimbabwe ended over a decade ago, there remain areas that are not authorized for settlement due to the presence of uncleared landmines.

In addition to the social and developmental consequences of landmines I have mentioned, the basic fact about landmines is that they kill—easily and indiscriminately. I urge support for the Leahy landmine amendment.

Mr. LEAHY. I withhold the balance of my time.

Mr. THURMOND. I yield such time as the Senator from Virginia may require.

Mr. WARNER. Mr. President, there is no Senator that would not like to see this weapon removed. But where do you start in the series of weapons? Where do you start and where do you end?

Military history shows that whenever we move into an area—and mind you, in most instances, our troops must deploy forward, often into unknown country, against an adversary who is in place—if we were to agree to an international conference such as this, the enemy would know exactly where the mines would go, and we would lose an advantage.

Furthermore, when we deploy into an area, we, in number are less in many instances than the adversary who is in place. We need to have an advantage. We need to seal off what is known in military parlance as "avenues of approach" and do it very quickly, if necessary, by air, to drop landmines and other ordinances to seal off an avenue of reproach.

This would stop that. We are tying our hands. Therefore, we simply can not, with due respect to my distinguished colleague, agree to this amendment.

Mr. LEAHY. Mr. President, the last thing I want to do in war is tie our hands, but that is not the issue. We are the most powerful nation history has ever known. This amendment allows us to use antitank mines. It allows us to use claymore mines, to use mines along borders and in demilitarized zones. It simply says let us take a step so we and other countries can get rid of these hidden killers.

The fact of the matter is, Mr. President, the people who are a danger are the agronomists from the University of Virginia or the doctors from the University of Vermont or the missionaries from Tennessee or any other State who try to go to these 60 countries that are infested with mines. They are the ones, they are the ones in danger.

It is usually the civilians who suffer. Face it, is somebody going to march across the Canadian border against the United States or across the Mexican border? It is the child walking down the jungle path who loses a leg. They are who clear landmines an arm and a leg at a time. It is the people in Chechnya who die from them. It is the Afghans, a million and a half of whom are on the border of Pakistan, because they cannot go back to their own country. It is the 100 million landmines that make it impossible for countries to develop. It is the landmines that the president of the International Red Cross speaks about.

It is the landmines that the Pope and the American bishops and so many others are opposed to. What I am asking is that we take a small step, a small step.

I reserve the balance of my time.

Mr. WARNER. Mr. President, the landmines currently employed by the U.S. forces have a self-destruct mechanism, which means after a period of time, which can be fixed, they self-destruct and are no longer harmful to anyone.

That is as far as we can go, I say to my good friend from Vermont. That is as far as we can go.

I yield such time as the Senator desires.

Mr. NUNN. Mr. President, how much time remains? I would like to ask a couple of questions, if I could.

The PRESIDING OFFICER. The Senator has 2 minutes and 45 seconds.

Mr. NUNN. Mr. President, could I ask my friend from Vermont, I think all of us agree with the purpose and motive, what he is trying to do here. But I have two or three questions.

Do we already have a prohibition on export that is in the law that the Senator from Vermont sponsored? Do we not have that in the law so the United States does not export any?

Mr. LEAHY. Not a prohibition, we have a moratorium, as do over 20 other countries.

Mr. NUNN. If I could just ask, we do have a moratorium on export?

Mr. LEAHY. Yes.

Mr. NUNN. The Leahy amendment, once it goes into effect, would it preclude the allied forces, United States and Korean forces, having any mines in the DMZ in Korea?

Mr. LEAHY. No, in fact it specifically permits the use of mines in demilitarized zones.

Mr. NUNN. Because of the international border?

Mr. LEAHY. It refers to demilitarized zones.

Mr. NUNN. Now, what if we were in Somalia? At night we used mines around the bases in Somalia to protect our troops. Would that be barred?

Mr. LEAHY. Claymore mines would be used for that, and they are permitted. There is an exception for them by definition.

Mr. NUNN. Claymore mines are excepted. We have mines around Guantanamo Bay, would that be excepted?

Mr. LEAHY. That would be excepted. It is also in a border area that is marked and guarded.

Mr. NUNN. My counsel says those are not exceptions. Your counsel says they are.

I hope this legislative record will help clarify that.

The Senator is saying the DMZ would be excepted, and Guantanamo Bay would be excepted?

Mr. LEAHY. Claymores and antitank mines would be excepted under any circumstances, anywhere, whether on such a border or not.

Mr. NUNN. When we were in the Persian Gulf war and we had an exposed right flank, we laid down a considerable number of mines to prevent the Iraqis from hitting our exposed right flank. Would that be precluded under the Leahy amendment?

Mr. LEAHY. Antitank mines are excepted.

Mr. NUNN. What about antipersonnel?

Mr. LEAHY. Antipersonnel mines would not be.

Mr. NUNN. Antitank mines are excepted but antipersonnel mines are not?

Mr. LEAHY. That is correct.

Mr. NUNN. Could the Senator tell us the difference between a claymore mine and any other?

Mr. LEAHY. A claymore mine is one where you make the determination whether it goes off. You trigger it with a triggering device.

Mr. NUNN. My counsel says that is not excepted in this amendment.

Mr. LEAHY. By the definition, I am told by counsel, by the definition it is excepted.

Mr. NUNN. Mr. President, there is considerable confusion about this amendment. Whatever happens on this vote, I think we are going to have to do some work on it in conference, if it passes.

The PRESIDING OFFICER. Time has expired.

Mr. WARNER. Mr. President, I ask unanimous consent for an additional 3 minutes to be given to each side for purposes of debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, let me read to the Senate exactly what our distinguished colleague has in his amendment.

> The United States moratorium. For a period of one year, beginning three years after the date of enactment of this Act, the United States shall not use antipersonnel landmines except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military personnel and protected by adequate means to ensure the exclusion of civilians.

Mr. President, with no disrespect for my colleague, it is simply impossible to go to war under these rules. We are asking our young men and women to take risks which are just not fair to them as individuals. It says nothing about the other forces, be it the enemy or such allies as we may have working with us.

I say to my distinguished colleague, I do not think this amendment has been well thought through. We all recognize and join in our desire to stop this type of weaponry throughout the world, but this simply will not do it.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, this is indeed a well thought out amendment. It is an issue we have spent years working on. There have been debates here. There have been debates at the United Nations. The President of the United States has called for the eventual elimination of antipersonnel landmines. The United States has joined with other nations, virtually all other nations, in calling for that.

We cannot pass laws and tell other countries what to do, but we can say that we will start to limit our use of antipersonnel landmines, to challenge other countries to do the same.

It is not a question of putting our young people at risk in war. It is a question of trying to protect our young people today. Today we have far more of our people in danger of being killed or maimed by the proliferation of landmines in parts of the world where we send peacekeepers, where we send medical personnel, where we send USAID people. Can anybody imagine what it is going to be like in the former Yugoslavia, if the fighting ever stops and we have to go in and help clean up well over a million landmines?

Even with the millions that were strewn in the Persian Gulf war, that was not what won that war. Most were Iraqi mines. But in the aftermath we saw Kuwait, a wealthy country, spend $1 billion to try to clear a portion of the landmines there, and 85 people died doing it—after the fighting. Not during it, but after the fighting, from clearing landmines.

As one who testified before the Senate, a relief worker from Colorado, said, when a landmine went off under his Jeep he sat there with his foot in his hand, trying to put it back on.

Those are the people damaged. This amendment permits 3 years, as we told the Pentagon to do, to develop alternatives to landmines.

Mr. NUNN. Will the Senator yield for a brief question? I think it is important. I think the Senator will agree the mines he was talking about that the Kuwaitis cleared were not the United States mines, they were the ones laid by the Iraqis. Is that not correct?

Mr. LEAHY. That is correct.

Mr. NUNN. The U.S. mines were the ones that self-destructed.

Mr. LEAHY. No, there were mines of ours, too.

Mr. NUNN. But those mines did not cause the Kuwaitis any problem because they self-destructed.

Mr. LEAHY. I am told by the Pentagon, and you would have access to, at least, the same numbers, at least 1,700 of the self-destruct mines never detonated. We can put down 100,000 self-destruct mines and have at least 90 percent of them work and you still have about 10,000 that do not.

We have exceptions for some mines. We have 3 years to develop alternatives, as the Pentagon says it is doing. During those 3 years, if they are unable to, I will be happy to join with my colleagues, I will be here during those 3 years, to talk about other methods.

The fact of the matter is, one of the reasons why virtually every editorial writer from the left to the right, why virtually every human rights group, every church group, every medical group, veterans and others, have called for passage of this, is because they know the threat exists, not during the battle, the threat exists for decades afterwards.

Mr. President, how much time is left?

The PRESIDING OFFICER. The Senator from Vermont has 57 seconds. The Senator from South Carolina, 1½ minutes.

Mr. LEAHY. Let us go ahead and vote.

Mr. WARNER. I yield back the time.

Mr. LEAHY. I yield back the time.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

THE PRESIDING OFFICER. There being no further debate, the question is on agreeing to the amendment, No. 2124.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Colorado [Mr. CAMPBELL], the Senator from New Hampshire, [Mr. GREGG], the Senator from Indiana, [Mr. LUGAR], and the Senator from Alaska, [Mr. STEVENS] are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Arkansas [Mr. PRYOR], are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 67, nays 27, as follows:

[Rollcall Vote No. 368 Leg.]

YEAS—67

Abraham
Akaka
Baucus
Bennett
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Burns
Byrd
Chafee
Coats
Cohen
Conrad
Coverdell
D'Amato
Daschle
Dodd
Dole
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Grassley
Harkin
Hatch
Hatfield
Inouye
Jeffords
Johnston
Kassebaum
Kennedy

Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
McConnell
Mikulski
Moseley-Braun
Moynihan
Murray
Nickles
Packwood
Pell
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Snowe
Specter
Thompson
Wellstone

NAYS—27

Ashcroft
Bond
Brown
Cochran
Craig
DeWine
Faircloth
Frist
Gramm
Grams
Heflin
Helms
Hollings
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Mack
McCain
Murkowski
Nunn
Pressler
Smith
Thomas
Thurmond
Warner

NOT VOTING—6

Bumpers
Campbell
Gregg
Lugar
Pryor
Stevens

So, the Amendment (No. 2124) was agreed to.

Mr. LEAHY. I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

USUHS

Mr. FEINGOLD. Mr. President, there is an issue relating to the Uniformed Services University of the Health Sciences which I would like to raise with the senior Senator from Georgia [Mr. NUNN].

As the Senator knows, I have advocated closing down the Uniformed Services University of the Health Sciences because I feel there are more cost-effective means of supplying our military with physicians. I have introduced legislation to close the school both in the 103rd Congress and in the 104th Congress.

This Administration, and previous administrations, have advocated closing USUHS and legislation has passed in the other body to accomplish this purpose.

During last year's consideration of the fiscal year 1995 Defense Authorization bill, I was prepared to offer an amendment, based on the legislation I have introduced, that would have phased-down USUHS. However, as the Senator from Georgia recalls, pursuant to an agreement with the distinguished Senator, as well as the Senator from Hawaii [Mr. INOUYE] and the Senator from Maryland [Mr. SARBANES], I instead agreed to a provision directing the General Accounting Office to review certain aspects of USUHS, and to report back by June 1, 1995, in time for this coming fiscal year's cycle of Defense authorization and appropriation bills.

As the Senator knows, the GAO did not complete its work by the statutory deadline, and the resulting delay means that the USUHS study will not be finished in time for floor consideration of the fiscal year 1996 Defense Authorization bill.

Even though I am satisfied that there are more cost-effective alternatives to USUHS for our military's physicians, given the agreement we made last year, and the subsequent delay in the GAO's work, I am withholding offering an amendment with respect to the medical school at this time.

However, I want to make it very clear that I believe it is critical that this issue be confronted by the Congress in the very near future. Given the pressure to achieve a balanced budget, programs like USUHS are increasingly difficult to justify. Year after year, USUHS appears on target lists for elimination for this very reason.

In light of the fact that the GAO report is expected to be presented next month, there will be additional opportunities to revisit this issue before the end of the session. I hope the committee will joint me in pressing GAO to make sure there is no further delay in completion of its assignment.

Mr. NUNN. I thank the Senator from Wisconsin for his comments on this matter. I know he has had concerns about the cost-effectiveness of the Uniformed Services University of the Health Sciences, and I understand his frustration with the delay in the GAO's review of the school.

I also want to thank the Senator for approaching this issue in a straightforward and thorough manner. I think it is appropriate for this body to have the benefit of the GAO's work before acting on the school, and I appreciate the Senator from Wisconsin's willingness to wait for that anaylsis.

I assure the Senator that I fully support his resolve to have GAO complete its report at the earliest possible time so that the Congress can have the benefit of its input during this session, as contemplated in the agreement relating to the Senator from Wisconsin's amendment regarding USUHS.

NEED FOR A CONGRESSIONAL DEBATE ON NATIONAL SECURITY REQUIREMENTS IN THE 21ST CENTURY

Mr. MCCAIN. Mr. President, I would like to take a few minutes to talk about my view of the role of Congress in shaping the debate on our future national security.

The Congress is accustomed to dealing with national defense policy and funding in the context of annual authorization and appropriations bills, and in the process, we often lose sight of the framework in which our deliberations play such an important part. Today, because of the great volatility and complexity of relations among nations, it is imperative that we broaden our focus to reassess the role of the United States and its military forces in the world in the next century.

After the collapse of the Soviet Union in 1991, it was clear that a reassessment of U.S. national security strategy and military forces was needed. The Bush Administration undertook a preliminary reassessment of our strategy and proposed the first wave of reductions in military force levels, termed the new base force. Then, in 1993, Secretary of Defense Les Aspin attempted to initiate and innovative and much-needed analysis of our military force structure in light of the changes brought about by the end of the cold war.

The concept of the Bottom Up Review [BUR] was excellent; unfortunately, the result was not as innovative as many had hoped. What was advertised as a critical review and reshaping of a new military force instead became just another top down review, unduly limited by fiscal constraints and bureaucratic inertia. It became largely an exercise in defending existing force levels and composition within established levels for future defense budgets, rather than a new approach to military strategy and requirements in a changed world. To complicate matters further, independent assessments of the cost of the BUR force show that it exceeds the funding levels in the Future Years Defense Program [FYDP] by $42 to $488 billion.

What is needed today is another attempt at conducting a bottom up review, but this time, we must not artificially and arbitrarily limit the scope of the study. We certainly cannot ignore the fiscal realities of our debt-ridden Federal Government, but we would be foolish to predetermine the defense budgets of the future in conducting this analysis. Instead, we should follow a logical thought process, starting with an analysis of potential threats, formulation of a strategy to deal with those threats, and a determination of force structure requirements, which should then drive resource allocation decisions.

I should note the significant work already undertaken in this area by the Center for Strategic and International Studies (CSIS). Earlier this year, CSIS published a document entitled "Defense in the Late 1990s: Avoiding the Train Wreck", which concluded as follows:

> . . . there is a profound crisis in security planning and the near certainty of a defense "train wreck" should the U.S. defense program continue on its present course, that is, inadequate funding of a force too large for the limited objectives for which the administration seeks to employ military power.

The report states that insufficient defense budget levels combined with a flawed foreign policy approach have isolated the United States from its allies and friends.

As a nation, we face the challenge of defining the role of the United States in a world of continually shifting alliances and relationships. We face the challenge of moving beyond tactics and philosophies developed painstakingly to counter the apocalyptic threats of cold war adversaries. We face the challenge of planning for future threats in a world where the only constant is uncertainty. Finally, we face the challenge of sustaining or, in the view of some, regaining the courage to lead.

The Congress has an important oversight role in this process, well beyond the familiar but narrow choices between funding one program or another with the limited resources available for defense. We should begin to think about these "big picture" issues—identifying potential future threats, developing a national security strategy to address them, and building the right mix of forces to implement that strategy.

Mr. President, I would like to take a few minutes to outline very briefly some important points to consider as we study the issue of our national security posture in the 21st century.

The threats of the future fall into four general categories: the proliferation of weapons of mass destruction and the means to deliver them, the rise of radical Islamic fundamentalism, and the increase in regional and ethnic conflicts. Another area of concern is electronic and information warfare, where the potential for disrupting global communications and world trade could rest in the hands of one individual.

Clearly, these potential threats are more diverse, less deterrable through conventional means, and less easily defeated. Our potential adversaries are less easily identified, as are our allies. We have seen over the past decade that the adversary of today may become the ally of tomorrow. This uncertainty requires a national strategy that broadly encompasses our national interests and goals, yet is quickly adaptable to changes in the threats to facilitate early and effective action to defuse any potential crisis.

Finally, our military must be designed as a "cache of capabilities" from which an appropriate response to any threat to our security can be formulated. An appropriate response is one designed to affect the outcome of a situation in a manner favorable to our national interests and objectives. An appropriate response need not always entail the deployment of U.S. military personnel. Instead, an appropriate response might be as simple as redirecting overhead reconnaissance assets, providing precision-guided munitions and targeting data, selected intelligence-sharing, or providing military planning assistance.

Selectively and correctly utilizing our unique capabilities and talents may allow us to leverage the outcome of a conflict, without requiring the commitment of American lives and capital in an ongoing crisis. Acquiring the specialized capabilties—the tools—that would permit this type of selective response will allow our leaders to create and deploy a trained and equipped force, when necessary, or to tailor a lesser commitment of U.S. technological expertise to effectively defend against any threat scenario and to respond to any potential type of crisis.

To this end, I suggest a series of questions which must be answered if we are to plan properly the force of the future.

Two Major Regional Contingencies (MRCs) versus New World Disorder. Is the BUR force too rigidly structured for the two-MRC scenario? Can the BUR force respond to the potential threats of the future? Does the two-MRC strategy deal effectively with the financial and readiness drain of Operations Other Than War (OOTW), as well as the political difficulties of abandoning OOTW to respond to two MRCs? Is the two—MRC planning concept broad enough to cover the wide variety of challenges that today's world is likely to generate?

Airpower. What role do we expect tactical air forces to play in future conflicts? How should we conduct battle management and optimize the use of these resources? Which munitions should be procured? What type and mix of aircraft platforms are most likely to be required in the future?

Naval Forces. What type of Naval force will be required to counter future threats? What will be the lead ship of tomorrow's Naval Battle Group? How should we distribute emphasis among ship platforms?

Army Modernization. How long can the Army maintain its readiness with only upgrades and modifications of existing equipment? What is planned and scheduled for procurement in the future?

Expeditionary Forces. Will the expeditionary force truly become a "911" force? What equipment will expeditionary forces require? Will we find ourselves facing more deployment requirements than we have forces available? How will expeditionary forces adapt to joint operations, and how will other services adapt themselves to support these forces?

Reserve Forces. What is the appropriate role of the reserve components? Should we cease funding units that have proven to be undeployable in times of crisis? Should we restructure the missions assigned to the reserves to focus on activities that are directly related to civilian occupations, such as airlift, medical support, public affairs and information services? Should we move noncombat support functions into the reserve, maintaining only combat and combat support missions for active duty personnel.

Recapitalization versus Readiness. What are we doing to balance near-term readiness requirements against our need for future modernization? What is our R&D strategy? Are we correctly differentiating between modification and modernization of existing systems, and next generation systems?

Missile Defenses. What emphasis needs to be placed into funding this category and with what priority? What threat will be posed to the United States and our allies and friends by ballistic missiles in the future and how will we respond? Will defense of allies from ballistic missiles require us to maintain Aegis upper tier ships on station in the same manner as we now maintain carrier forces abroad?

Nonproliferation and Counter Proliferation. Are our non-proliferation policies and programs effective? What improvements should be undertaken? Will we emphasize unilateral or multilateral efforts to control proliferation? What programs are required to protect against the failure of nonproliferation policies?

Nuclear Weapons. What role will nuclear weapons have in the near-term? The far-term? What is the most effective means of eliminating the need for nuclear weapons, and of monitoring other nation's nuclear forces? How should we plan for their eventual elimination? How should we plan to maintain safe and reliable nuclear weapons until they are no longer necessary?

Industrial Base. What goods or services are unique to military readiness that cannot be supplied by the private sector, immediately or relatively quickly? What can not be provided for by a freemarket?

BASE CLOSURE

When should we mandate another round of base closings? Do we need to see the shape of the future military before proceeding with further closures? Do we really understand how to close bases and achieve savings? How can we improve the current process to respond better to the needs of both the military and the local communities?

With these questions in mind, we must now step up to the task of answering them, and the many other important issues that I have not mentioned. In its oversight role, the Congress shares in the responsibility of providing adequate forces, properly trained and equipped to deal with whatever consequences a changing world portends for the United States. We have an opportunity to chart a new course for national security, and we cannot afford inaction when offered a chance to abandon "business as usual".

Starting this fall, I plan to undertake a series of hearings in the Readiness Subcommittee to explore the questions discussed above. The objective of the hearings would be to formulate recommendations for a national security strategy and military force structure for the 21st century.

This year, the Readiness Subcommittee held several broad-based hearings entitled "Readiness 2001" which were designed to assess the readiness of our current force to meeting the projected threats of the future. The results of those hearings were not encouraging. We must recognize, as we approach the watershed of the next century, that our military forces cannot remain static in a changing world. The hearings I am proposing for this fall will attempt to divine an appropriate force structure for the future at an affordable price.

I believe the subcommittee should solicit testimony from a wide variety of national security experts, like the CSIS, as well as Administration officials, to ensure all viewpoints are considered. While I have not yet had an opportunity to discuss this matter with Chairman Thurmond, I look forward to working with him and with the other subcommittee chairmen with expertise in many of these areas.

As we undertake this effort to develop a new national security vision, we must recognize that we will fail the American public if we continue to ignore the reality of decreasing defense funding. Because of the need to balance the federal budget and reduce our nation's massive federal debt, the debate in the future will focus ever more narrowly on "guns versus butter". I believe that, when the subcommittee's review is complete, we may well find that less money is needed to maintain a smaller, smarter military force that can adapt to the changing threats to our security in the future.

We cannot continue to fund every new program with a unique or interesting capability. Instead, we must thoroughly assess the threats facing our nation, determine our national security interests, and then carefully select only those programs which are directly relevant to protecting those interests and which are affordable in the future.

If we do not make the hard choices in entering into commitments with our allies and friends, and if we then fail to prioritize among weapons systems to enable us to support those commitments, we will fail in our most basic responsibility—protecting the security of the American people.

ELK HILLS

Mr. JOHNSTON. Mr. President, S. 1026, in compliance with the Budget Resolution, requires selling the Naval Petroleum Reserve Numbered 1 (Elk Hills) no later than the end of fiscal year 1996. The Administration recommended that the sale take place over at least two years to ensure enough time to finalize the equity shares, conduct an outside evaluation of the quantity of hydrocarbons in the reserve and the value to the taxpayers, and carry out a competitive bidding process. I commend Senator BINGAMAN for his efforts in the amendment he cosponsored with Senators MCCAIN AND CAMPBELL to title XXXIII of the bill to ensure that the Government will receive full value for the assets when sold. The Elk Hills property currently generates net revenues to the Treasury in excess of $400 million a year. I hope the Armed Services Committee and the Senate as a whole will take a hard look during the reconciliation process at how this extremely valuable national asset is sold in order to meet near term budget goals.

AMENDMENT NO. 2112

Mr. SIMON. Mr. President, I am in strong support of the Exon-Hatfield amendment to strike the $50 million authorization for hydronuclear testing. This provision is a waste of money and is not necessary, and could potentially damage our ability to achieve a truly Comprehensive Test Ban Treaty.

Many of my colleagues have cited the report released yesterday by the JASONs—the country's top nuclear experts—who find that "a persuasive case has not been made for the utility of hydronuclear tests for detecting small changes in the performance margins for current U.S. weapons." After 1,000 tests over 50 years, we have sufficient experience from which to assess the safety and reliability of our nuclear stockpile.

As I read the study, the conclusion is clear—we do not need hydronuclear testing. Any benefits that could be derived from further testing are resoundingly dwarfed by the benefits to our security achieved through a comprehensive test ban. The arguments for hydronuclear testing relate to technical measurements and scientific curiosity. The arguments against it relate to nonproliferation and the long-term security of the United States and the world. There simply is no reason for this program.

Mr. President, I urge support for the Exon-Hatfield amendment, and for a true comprehensive test ban.

MILITARY EXCHANGE STORES

Mr. FAIRCLOTH. Mr. President, section 372 of Senate Bill 1026 proposes to eliminate certain restrictions on the purchases and sale of items in military exchange stores. In particular, the bill prohibits any restriction on cost, prices, categories, or size of items offered for sale. I strongly oppose this provision, as does the National Federation of Independent Businesses which represents small business owners nationwide.

While I initially intended to offer an amendment to strike this section of the bill, I have since spoken with Senator COATS who is chairman of the Personnel Subcommittee of the Armed Services Committee. I am confidant that the chairman understands my concerns and that they will be addressed in conference. In the interest of making progress in completing action on this bill, I will not offer my amendment. I would, however, like to briefly express my concerns about section 372 of this bill.

If enacted as currently written, this bill would permit a military exchange to sell virtually any product. As it stands, a military exchange does not have to pay rent, pay taxes on revenue, or obtain local licenses. Without these requirements typically faced by private store owners, a military exchange enjoys an unfair competitive advantage. In addition, because a military exchange does not collect State sales tax, local businesses are further disadvantaged.

As a consequence of this preferential treatment, private businesses cannot afford to offer the same low prices as a military exchange. If—as this bill would allow—a military exchange is permitted to sell a virtually unlimited variety of products at prices which are lower than those available at comparable private sector stores, then the consequences for small business owners will be devastating.

I believe that the existing regulations—while not perfect—do impose some restrictions to protect local private sector vendors against unfair competition from military exchanges. At the same time, existing regulations also ensure that military personnel have access to necessary goods at reasonable prices. I am grateful to my friend and colleague Senator COATS for working with me to address my concerns.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I wonder if the managers might be in the position to indicate now if they have any opportunity to find out how many amendments are remaining and if we can reach some agreement on the number of amendments.

As I understand, there are no amendments on this side. Well, I think two exceptions—one, I think, may be part of the managers' amendment; one may be offered by the Senator from Colorado. He has been negotiating with the other side. So, I would say at most there are maybe two or three amendments on this side of the aisle.

I do want to commend the managers. We wasted 5 hours yesterday on this bill. Then we had 7 hours—was that yesterday?—so long ago, the day before, I guess. We had 7 hours on one amendment. So I think if you take out those 12 hours, we made a lot of progress on this bill. But I get the strange feeling that there are a number of people on the other side who do not want the bill to ever pass. If that is the case, they might as well be up front about it, and we can take the next step.

So we are down to about at least two or three amendments on this side.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I do not know, I guess I would have to go back and look and see how many amendments are offered every year on this bill normally. I would guess it is somewhere between 80 and 100.

I have been able to poll most of our colleagues. Two or three are not here and had specifically listed a number of amendments. But we have been able to tabulate the number. It is at least 41. And to my knowledge, except for Senator BINGAMAN, there are no Senators on our side who are prepared tonight to enter into a time agreement.

So, this bill will be debated for some time to come, if each of these Senators can be accommodated. But that is where we are right now.

Mr. DOLE. I would say, as far as absent Senators, if we are going to start accommodating absent Senators, we will never get anything done around here. We accommodated Senator BUMPERS because of the special circumstance. I understand Senator PRYOR has an amendment on the bill tomorrow. We are trying to accommodate him because of an illness in the family. I am not suggesting that.

But if absent Senators are going to determine what the rest of us do who stay here, then we will never finish any bill. But it is pretty clear from the leader there is no intention to let us pass this bill. That follows the pattern we have had all year long, to slow down every time you get close. "Wait a minute. Let's don't pass this. We don't like the ABM vote. We don't like some of the other votes." It makes it very difficult for the majority leader, whether it happens to be a Democrat or Republican, when there is no cooperation.

And we do not have much leverage except for nominations and other things that we can hold up. And we will do that. We will do that. But I would rather work something out where we do precisely—can we get a list of the 41 amendments? That would be fewer than the 105 amendments we had earlier. Can you identify the 41 amendments?

Mr. DASCHLE. I think we would be prepared to list them. In fact, they are listed.

Mr. DOLE. It says "relevant."

Mr. DASCHLE. That is as good as we can do. We cannot list the specific issues in some cases because the Senators have not been prepared to list them tonight. No one told them tonight they had to list exactly what the topic is or the time agreement of which they would have to debate the amendment. All they were required to do is list the fact that they were relevant. They have done that. We are prepared to give that list to the majority leader and go from there.

Mr. DOLE. Will somebody hand it to me? Who has it?

Mr. DASCHLE. We are going to have to work through the longer list that we had. We have been able to get to the point where I think we have a list of 41.

Mr. DOLE. We ought to vote tonight. Are there any amendments on this side that we can get a time agreement on? Does the Senator from Arizona have an amendment? We will work on this side of the aisle, if they do not want to work on that side of the aisle.

The Senator can offer his amendment.

Mr. NUNN. I can say to the majority leader one little note of at least slight encouragement. There has been a crosswalk between the ones that we have both been working on to clear and the 41 listed. We have 16 that we know we cleared on both sides. We can handle those tonight. And we have 10 more that we are working on to clear. That is 26 total amendments. The last 10 have not all been cleared. Some of them—we think that most of them will be cleared. So that is 26 amendments. We have a correlation between that list and the 41 amendments listed here. That can be done. When it is done you can have a different picture. You can have, instead of 41 amendments, you could conceivably have half that number. And that gets within reach.

Mr. DOLE. There were about 18 cleared last night. It is not that we have not taken care of a lot of amendments for, I guess, Members on both sides of the aisle. I think the managers are prepared to look at others, if they can be negotiated; is that correct?

Mr. NUNN. Right.

Mr. DOLE. I do not know what the correlation is. Are there amendments on this side of the aisle?

Mr. BROWN. Yes, I am prepared to offer one.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 2125

(Purpose: To clarify restrictions on assistance to Pakistan and other purposes)

Mr. BROWN. Mr. President, I rise to offer an amendment. I send it to the desk and ask for its immediate consideration.

Mr. DOLE. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 2125.

Mr. BROWN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section—

SEC. . CLARIFICATION OF RESTRICTIONS.

Subsection (e) of section 620E of the Foreign Assistance Act of 1961 (P.L. 87–195) is amended:

(1) by striking the words "No assistance" and inserting the words "No military assistance";

(2) by striking the words "in which assistance is to be furnished or military equipment or technology" and inserting the words "in which military assistance is to be furnished or military equipment or technology"; and

(3) by striking the words "the proposed United States assistance" and inserting the words "the proposed United States military assistance".

(4) by adding the following new paragraph:

(2) The prohibitions in this section do not apply to any assistance or transfer provided for the purposes of:

(A) International narcotics control (including Chapter 8 of Part I of this Act) or any provision of law available for providing assistance for counternarcotics purposes;

(B) Facilitating military-to-military contact, training (including Chapter 5 of Part II of this Act) and humanitarian and civic assistance projects;

(C) Peacekeeping and other multilateral operations (including Chapter 6 of Part II of this Act relating to peacekeeping) or any provision of law available for providing assistance for peacekeeping purposes, except that lethal military equipment shall be provided on a lease or loan basis only and shall be returned upon completion of the operation for which it was provided;

(D) Antiterrorism assistance (including Chapter 8 of Part II of this Act relating to antiterrorism assistance) or any provision of law available for antiterrorism assistance purposes;

(5) by adding the following new subsections at the end—

(f) STORAGE COSTS.—The President may release the Government of Pakistan of its contractual obligation to pay the United States Government for the storage costs of items purchased prior to October 1, 1990, but not delivered by the United States Government pursuant to subsection (e) and may reimburse the Government of Pakistan for any such amounts paid, on such terms and conditions as the President may prescribe, provided that such payments have no budgetary impact.

(g) RETURN OF MILITARY EQUIPMENT.—The President may return to the Government of Pakistan military equipment paid for and delivered to Pakistan and subsequently transferred for repair or upgrade to the United States but not returned to Pakistan pursuant to subsection (e). Such equipment or its equivalent may be returned to the Government of Pakistan provided that the President determines and so certifies to the appropriate congressional committees that such equipment or equivalent neither constitutes nor has received any significant qualitative upgrade since being transferred to the United States.

Mr. BROWN. Mr. President, this is not the amendment I hoped to offer early this evening. I hoped to offer a comprehensive settlement of the outstanding question we have with Pakistan, and that results over a $1.4 billion paid to us for military hardware which has not been delivered because of restrictions and sanctions under our current law.

They are in the circumstance of—one of our best allies and most faithful friends—having paid their money, $1.4 billion, but not delivered the equipment that they paid for. I am sure every Member is uncomfortable with treating a friend that way.

There is, indeed, a reason for those sanctions. They relate to our firm commitment as a country to nonproliferation. I do not rise to express concern about that. But that aspect of our settlement with Pakistan is in dispute.

There are Members who feel very strongly that any compromise on the shipment of military hardware is inappropriate. So I have not chosen to offer that aspect.

All that is offered in this amendment is the exact language that came out of the Foreign Relations Committee. It passed 16 to 2. We have been assured by the interested parties, at least most of them, that they do not object to it. What it includes is an authorization for cooperation with Pakistan for the suppression of the narcotics trade.

Mr. SANTORUM. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BROWN. Mr. President, that effort of suppressing the——

Mr. DOLE. The Senate is still not in order. Will Senators take their seats?

The PRESIDING OFFICER. The Senate will be in order. Senators will take their seats. Please take conversations off the floor.

Mr. BROWN. Mr. President, that effort of suppressing the narcotics trade is very much in our country's interest. It talks about allowing us to proceed in dealing with them in terms of suppressing terrorism. That effort is very much in our country's interest.

Two things I think are worth emphasizing. This amendment does not in any way deliver the disputed arms that are subject to debate and which I hope to offer at a different time. It does not in any way repeal the Pressler amendment, and its restrictions on military sales continue on. But it does in the economic area try and allow discourse between the countries that we think is important.

OPIC is allowed to operate, suppression of narcotics is allowed to operate in our cooperative programs, efforts to suppress terrorism are allowed to operate with those programs. This was considered in depth by the Foreign Relations Committee. It was passed out on a vote I believe of 16 to 2.

Mr. President, I want to simply add one other thing. We have a dispute with Pakistan. It is based on very sincere and important grounds. But it is also important that we have a way of continuing relations with that country. They are a country that has stood by the United States through thick and thin. They were there when it counted for us.

Some may remember when Francis Gary Powers flew his observation missions over the Soviet Union. It was from Pakistan that his plane took off.

Some may remember that the United States, when it sought to build SEATO, found one of its first members in Pakistan at a time when other countries in the region were lucky to align themselves with the United States.

Some may remember the pivotal war in Afghanistan that preceded the fall of the Soviet Empire. Pakistan put themselves and their country on the line for us when that came about.

Time after time after time, when the United States has sought help from Pakistan, they have been there to work with us.

When we asked for troops to cooperate in Somalia, it was Pakistan who came forward and sent their troops and, incidentally, suffered large casualties. When we talked about troops in Bosnia, they came forward. When we talked about troops in Haiti where there were not a lot of volunteers, Pakistan came forward.

I mention all these things, Mr. President, because while there is a dispute and a legitimate dispute about whether or not those arms should be delivered, there should not be a dispute that is to our advantage to have some discourse with Pakistan. There should not be a dispute that they have been good friends through difficult times.

All Members may remember the threats that the leaders of the Soviet Union issued against Pakistan, and yet they stood firm by this country throughout the cold war.

So, Mr. President, this is a very small step. It only deals with economic matters, basically, but it is important, I think, as a step of moving toward developing a continuing relationship with one of America's oldest and dearest friends.

I might mention at this point the words of President Clinton as he shared them with the Prime Minister of Pakistan. President Clinton said:

> I don't think what happened was fair to Pakistan in terms of money . . . I don't think it is right for us to keep the money and the equipment. That is not right. And I am going to try to find a resolution to it. I don't like it.

The President is referring to the payment of $1.4 billion and not getting the equipment and not getting their money back. That is now resolved by this amendment. But to let this moment pass without any effort to extend our hand in friendship to Pakistan, without any effort to recognize that this is a relationship that we should not throw away, I think, would be a mistake.

Mr. President, I yield the floor.

Ms. MOSELEY-BRAUN. Mr. President, I support this proposal to make whole our obligations to Pakistan, a country which is an ally of the United States.

The Pressler amendment halted the transfer of F–16 planes and other military equipment for which the Government of Pakistan has paid in full. I believe we have an obligation to equitably resolve this outstanding transaction.

Mr. President, I want the United States to be seen as a country that keeps its word. We entered into a contract with Pakistan to sell military equipment, and we accepted more than $1 billion for that equipment. Likewise, the United States has made it quite clear that we will not do business with countries that proliferate. We all understand that the transfer of the F–16's cannot be completed because Pakistan has chosen not to work with the United States on proliferation issues. However, the United States cannot continue to retain both the planes and the money.

Since the sale cannot be completed, I believe we have an obligation to come to an agreement to reimburse the government people of Pakistan. The President has offered a thoughtful proposal, which is being offered by the distinguished Senator from Colorado. I support this proposal to provide recompense the people of Pakistan.

This proposal does not send the F–16 planes to Pakistan. The administration will seek an alternate buyer for the planes, and only after the sale is completed will the proceeds be forwarded to Pakistan. This proposal also transfers to Pakistan the $370 million in other military equipment, which, I am told, will not alter the balance of power in the region.

Mr. President, I believe this proposal is fair. It is certainly just. I will vote in favor of the Brown amendment.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I reluctantly must rise in opposition to this amendment. Let me say that in 1985, when we adopted the Pressler amendment, it was supported by Pakistan. Frankly, it was the Reagan administration's amendment to settle the dispute. At the time, Pakistan said they had no nuclear program, and the Foreign Relations Committee was considering the Cranston amendment to shut off aid. My colleagues will recall the Carter administration had previously shut off aid. Our former colleague from California had sought a complete cut-off. This amendment, which conditioned aid on an annual certification, was a compromise put forth by the Reagan administration. George Bush was very much involved in it, and Pakistan supported the original so-called Pressler amendment.

At that point, they began buying planes and other military equipment knowing that they, at the same time, were developing nuclear weapons. But they were telling George Bush in his trips over there just the opposite. George Bush was very disturbed about this matter.

When he became President in 1990, the United States CIA had certified that Pakistan, in fact, had been lying and had a nuclear weapon. I know Pakistan has done a lot of things for us. I have been in there many times and want to be friends with the Pakistanis. But the fact of the matter is we acted in good faith. We adopted an amendment they asked us to adopt, and it was Reagan administration policy.

Then at that point in time, in 1990, we could no longer deliver a previous order of military equipment under an agreement that they sought with us. And that is how the now infamous fleet of F–16's came to be parked on the tarmac. Those planes were part of a $1.4 billion contract of military equipment that was made prior to the Pressler amendment, but could not be delivered after Pressler was invoked.

Recently, I proposed a plan so that the Pakistanis could be paid back their money. I proposed that the President of the United States could offer for sale these planes to Taiwan or to the Philippines or to another third party, and the President has done this. That is a positive step. That is moving forward. The rationale for not seeking their delivery is obvious: F–16's are nuclear delivery vehicles. We would be more than waiving the Pressler amendment if the F–16's were delivered. We would be striking at the very heart of our Nation's nonproliferation policy.

I have been critical of both India and Pakistan in the nuclear area. In recent weeks, we have received more disturbing news: The New York Times and Defense News reported last month that Pakistan received from Communist China key components that could be used in M–11 ballistic missiles.

Without question, a nuclear war between India and Pakistan would be cataclysmic. The names of the perpetrators and their accessories would be cursed for a millennium. To its credit, Mr. President, the U.S. Senate has taken the initiative to promote peace and stability in South Asia, and the core of that is the Senate Foreign Relations Committee.

A decade ago, under the chairmanship of the Senator from Indiana [Senator LUGAR], we voted to adopt an amendment that allowed United States aid to Pakistan to continue as long as the President can certify that Pakistan was not in possession of a nuclear device. That is how this came about. Why did the committee, and ultimately the Congress, take this action? Pakistan was the third-largest recipient of United States foreign assistance, receiving as much as $600 million annually. Pakistan was, and is today, an ally of the United States. The brave people of Pakistan were instrumental in channeling resources to Afghan refugees and rebels as they sought to repel Soviet invaders. United States officials rightly were concerned that the Government in Islamabad was interested in developing a nuclear weapon, a course of action not in our national interest.

Therefore, given the vast amounts of United States aid made available to Pakistan, we believe that the threat could be used to further two policy goals: First, to give Pakistan an incentive to ensure that the nuclear program serves a peaceful purpose, or the American people will stop subsidizing Pakistan. In short, the so-called Pressler amendment was designed to send one message: Nuclear proliferation has a price.

In addition, I urge my colleagues to look at some of the recent intelligence reports. I might say that there is available a transcript in this building of a recent briefing for Senators on Pakistan by the CIA. Obviously, I cannot state what that said. But I will say what the New York Times and Defense News reported last month—that Pakistan has been receiving from Communist China key components that can be used in making M–11 ballistic missiles.

To conclude my argument, it is this. This was an amendment that Pakistan asked for in good faith. George Bush went over and met with them when he was Vice President. He was very involved in this amendment. This was a Reagan-Bush amendment. And the truth has not been told and is still not being told today. That is the problem we have here.

I wish it were otherwise because I want to have good relations with both Pakistan and India. I have traveled to Pakistan and India several times. This problem will go on and on until the Pakistanis are willing to be honest with us in our dealings and to say what our intelligence people say and has been published in the New York Times and Defense News, and so I must very reluctantly oppose this amendment.

Mr. BROWN. Will the Senator yield for a question?

Mr. PRESSLER. Yes.

Mr. BROWN. I appreciate the Senator's leadership on this issue and his speaking out. My hope is to at least identify where the concerns are. Subparagraph (A) makes it clear that the prohibitions in the law described in the Pressler amendment do not apply to international narcotics control. This would allow us to cooperate with them in controlling international narcotics.

Mr. PRESSLER. I have no problem with that, but the larger problem is that we are not seeking any concessions from Pakistan on the nonproliferation front.

Mr. BROWN. That is one of the primary functions. The second one—I think, the second most important—is making it clear that the Pressler amendment would not prohibit peacekeeping and other multilateral operations. Paragraph (B)——

Mr. PRESSLER. Facilitating military-to-military contact, training—including chapter 5 of par II of this act—and humanitarian and civic assistance projects.

I think that has to go into Senator MITCH MCCONNELL's appropriations Subcommittee on Foreign Ooperations. I believe if we have the time to study this and the other proposal we discussed in private, we could resolve this issue.

Mr. BROWN. Part B, as I read it, facilitating military-to-military contact, training, and humanitarian and civic assistance projects.

Would the Senator have concerns about allowing military-to-military contact for the purposes of civic assistance projects?

Mr. PRESSLER. It depends on what the training means. If it is limited to humanitarian and civic assistance projects, I personally would not have a problem.

Mr. BROWN. That is the intent. Under (C) it says, "Peacekeeping and other multilateral operations—or any provisions of law available for providing assistance for peacekeeping purposes."

Does the Senator object to us being allowed to cooperate with the Pakistanis for the purpose of peacekeeping purposes?

Mr. PRESSLER. No, of course not. Once again, we are getting no concessions from Pakistan in the area of nuclear non-proliferation. I am basically opposed to this because it is unconditional. We are getting no concessions on nonproliferation. Indeed, according to what is happening, we are getting less cooperation lately. You can go through each of the lines, but the larger, fundamental problem remains.

Mr. BROWN. I mention that because this is not military, does not involve a package of military equipment.

Mr. PRESSLER. It says, "The President may return to the Government of Pakistan military equipment paid for and delivered to Pakistan and subsequently transferred for repair or upgrade." So we are getting into a whole host of things here.

Mr. BROWN. Well, if I——

Mr. PRESSLER. I think we can get a solution if we sought the assistance of the Senator from Kentucky, MITCH MCCONNELL, and his Subcommittee on Foreign Operations. I believe we can work on this through him. Again, I am opposed to it because it is unconditional. We are getting no concessions.

Mr. BROWN. Would the Senator allow me to clarify the point he raised?

Mr. PRESSLER. Well, there is another question.

Mr. SARBANES. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

Mr. PRESSLER. I will yield to the Senator for a question.

Mr. SARBANES. Mr. President, I would like to get recognition in my own right.

The PRESIDING OFFICER. The Senator from Maryland [Mr. SARBANES] is recognized.

Mr. SARBANES. Mr. President, I would like to speak in a broader context with respect to this issue, because

I think there is a failure to understand the Pressler amendment and what it did.

The Pressler amendment, at its time, was a special exception for Pakistan. The Pressler amendment, at its time—the consequence of it was to enable the United States Government to send aid to Pakistan, which otherwise would have been prohibited since the nonproliferation law said that there was no United States aid to any country that delivers or receives nuclear materials or technology, except under IAEA supervision and safeguards.

Now, what the Pressler amendment allowed was a special exception just for Pakistan that allowed the President to waive the law if he certified that Pakistan did not possess a nuclear explosive device, and that United States aid would reduce the risk that Pakistan would get one. No other country received this special waiver.

Subsequently, through the 1980's, there were other special waivers for Pakistan from the nonproliferation laws. I say to the distinguished Senator from Colorado that maybe the American taxpayers should get back the money they gave to Pakistan during this period, on the premise that Pakistan would not go nuclear. That was the premise. And the Pressler amendment allowed this aid to flow from 1985, when the Pressler amendment went into effect, through 1990, when President Bush concluded he could no longer make this certification that Pakistan did not possess a nuclear explosive device. The Pressler amendment allowed $3.3 billion in direct U.S. aid to flow to Pakistan, even though Pakistan had violated our nonproliferation laws. Over $2 billion of that aid from 1985 to 1990 went to buy weapons. And the express purpose of making that money available to buy weapons for Pakistan was so that it would not need or seek nuclear weapons. In other words, the deal was that we do not want you to go nuclear. We know you are acquiring nuclear materials and technology, not conforming to the nonproliferation laws, but we are going to provide this military aid in order to keep you from going nuclear. That was the deal.

Now, the Pressler amendment was clearly explained, it was fully publicized. Pakistan knew the consequences if it decided to pursue nuclear weapons, despite our aid and our warnings. Yet, what they did is they took the money—almost $3.5 billion over this 5-year period, and more than $2 billion in military aid—and, at the same time, went nuclear.

This has to be understood because it is portrayed as though some terrible unfairness were done and he even quoted the President to that effect. But the fact of the matter is, is that the Pressler amendment, at its time, gave Pakistan an exception to the nonproliferation law.

The premise was we will provide them very significant economic and military assistance, seek to strengthen them, greatly enhance their conventional defensive posture as part of a deal that they not go nuclear.

As long as the President could continue to certify that they did not have a nuclear explosive device, they would continue to receive assistance.

Now, what happened is in 1990 President Bush finally said, "I can't certify this any longer. I can't certify it." They have gone to a nuclear device, contrary to the deal that was contained in the Pressler amendment. I invite the Senator from South Dakota, if I am misstating the situation, to correct it.

As a consequence, what Pakistan did, they accepted this aid and they continued their nuclear program anyhow. That was not part of the deal. They, in effect, flouted our laws, took our money, and then complained when we finally said "enough is enough," when President Bush said, "I cannot certify this any longer," and we cut off the aid.

Now, people say this was a terrible unfairness to Pakistan. The unfairness, if I may say so, was to the American taxpayers who provided $3.5 billion on the premise that Pakistan would not move to acquire a nuclear explosive device. They took the money. They went ahead and acquired the nuclear explosive device anyhow, and now they say, "We were treated unfairly."

Mr. PRESSLER. If my friend would yield for a question, he is stating it exactly correctly.

I might say, with some sense of humor, when this was working in the 1980's, it was known as the Reagan-Bush amendment; it was only when it became controversial that they started calling it the Pressler amendment, I point out.

Mr. BROWN. Mr. President, I think the discussion we have had has been very helpful in giving background.

Let me emphasize a couple of things. What is offered here is not the compromise proposal that the President had asked to resolve the situation over, $1.4 billion military equipment. That is controversial. I understand there are strong feelings on both sides. I have not offered that.

I would like to offer it at a future point, but I have not offered it in deference to getting things resolved on this bill quickly tonight. What is offered is solely the portion that was worked out with the administration and with the Foreign Relations Committee. It passed 16 to 2 out of committee, and what we literally did was try and eliminate anything that was controversial.

What this does is try and go through the Pressler amendment and clarify areas where it may not apply.

Let me emphasize something. It does not repeal the Pressler amendment. It does not deliver military equipment.

Specifically, Members should know there are six things this amendment does. No. 1, it allows us to participate with Pakistan in international narcotics control. I cannot believe there is a single Member of the Senate that would object to that.

No. 2, it allows military-to-military contacts for the purposes of humanitarian and civic assistance. I have a difficult time believing anyone here would object to that.

No. 3, it allows peacekeeping and multilateral operations.

Now, Mr. President, we have gone to Pakistan and asked them as a favor to us to participate in these operations. When volunteers went to Haiti, they were not in abundance, Pakistan responded to our request. When people were losing their lives in Somalia, Pakistan responded with the largest group. When people were asked to go to Bosnia, which is not a pleasure scene, Pakistan responded.

The third thing that it does is allow peacekeeping operations. They have been at our request.

No. 4, it allows us to cooperate with antiterrorism activity. That is in our interest. That is desperately in our interest. They have returned terrorists to us and they have worked with us.

The language of the Pressler amendment does not make it clear that they can cooperate and we can cooperate with them in those areas. That is why this amendment is necessary. It is necessary because the existing language does not clearly state that these activities can still be carried on.

There are two other items this amendment does. It allows the President—and it is may, not mandatory language—to pay for the storage costs. It simply gives him that authorization, something the President asked for, for the items of military equipment that they have paid for but not received.

Appreciate what has happened, Mr. President. We not only have contracted with them for the equipment and had it built and gotten their money for it and refused to deliver it, but we now charge them storage on the equipment that we refuse to deliver to them.

Last, Mr. President, it allows the return of other military equipment that the administration was comfortable with returning that was not involved in the sale, that was owned by Pakistan, that was returned to the United States for repairs, and it was caught in the breach. That is, returning equipment they have always had title to and was simply here to be repaired. I do not believe that is a major controversial item either with the administration or with India.

We have talked with the Indian Ambassador about this package specifically. The Indian Ambassador, I understand, has expressed less than full endorsement of the package to Senator PRESSLER. In my discussions with the

Indian Ambassador, he indicated his concern was about the sale of the planes which are not included in this, and not with regard to the package.

Mr. President, I want to make it clear to Members, the items that are in this, I believe sincerely, are noncontroversial and to our advantage. They are meant to make it clear that the Pressler amendment does not prohibit us from cooperating with the Pakistanis in these areas.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Arizona.

Mr. McCAIN. Would the Senator yield for a question?

Mr. BROWN. I am happy to yield to the Senator.

Mr. McCAIN. Is it accurate to say that this passed 16 to 2 through committee?

Mr. BROWN. Yes, it voted out 16 to 2.

Mr. McCAIN. Exact same package?

Mr. BROWN. Exact same language. Nothing has been added to what the Foreign Relations Committee worked on.

Mr. McCAIN. Would the Senator be ready to enter into a time agreement on this?

Mr. BROWN. I am happy to enter into any agreement that those concerned about the amendment would wish.

Mr. McCAIN. I ask if the distinguished minority leader would be prepared to propound a time agreement.

Mr. DOLE. We are making an inquiry.

Mr. LEVIN. I would like to ask before I respond whether the Senator from Colorado would tell us whether or not the question of the delivery of M–11's to Pakistan is a question he has resolved in his own mind, No. 1. If so, whether he would tell the Senator from Michigan whether or not such a delivery would violate the missile technology control regime. And if so, whether or not sanctions should then be applied to Pakistan rather than a resolution such as this.

The answer to those questions are very relevant in terms of the time agreement, if I can say so to the leader, because we recently had a briefing on this issue up in 407 and that document is very, very clear on this subject. It is very important, that if, in fact, my questions are answered a certain way by this Senator or other Senators, then that briefing and the thrust of that briefing be made available to this Senate in executive session.

Mr. BROWN. Let me respond to the Senator by quoting to those who are in a much better position to know than I. This was a July 28 statement by Secretary of State Warren Christopher. He said, "At the present time, although there is a fairly large body of evidence, we do not think that there is the evidence that would justify the imposition of sanctions."

Now, let me say to the Senator, he raised an important question, and I think he is rightly concerned about the missiles. Let me emphasize something: This amendment does not bar in any way sanctions or interfere with sanctions in any way. If they are justified under the Pressler amendment, they go ahead.

This will not restrict or shortchange that at all. But it does say, when we are trying to stop terrorist activity, that we are at least allowed to cooperate with the Pakistani Government to stop narcotics, to stop terrorism, to allow them to participate in peaceful forces.

So I know the Senator has legitimate concerns, and I do not mean to shortchange them at all. I do quote the Secretary of State because I think he studied this and has looked at it and is in a better position than I. But let me emphasize, this amendment does not in any way inhibit sanctions, should they be justified under existing statutes.

Mr. LEVIN. I thank the Senator. But the evidence that was presented—and I am not free in this setting to disclose what that evidence is—in S–407 is very relevant to that issue. And it is very critical that Members of this Senate, I believe in executive session, read what the briefing was on this issue. And I cannot say much more than that. But we hear of a resolution in front of us, which is presented suddenly to us tonight—I am not on Foreign Relations, and we were talking out in the hallway about a different formula of a resolution, and I thought there was going to be a different resolution presented to a group of six of us—suddenly this resolution is on the floor.

But the question of the delivery of M–11 missiles from China to Pakistan is the most fundamental question of missile proliferation. We are worried about missiles. We all are. That was what the debate was all about yesterday.

My question to the Senator from Colorado is this. If, in fact, we are satisfied that M–11's have been delivered to Pakistan, whether or not that would trigger sanctions under the Missile Technology Control Regime? That is my question to the Senator from Colorado.

Mr. BROWN. The MTCR, Missile Technology Control Regime, does provide for sanctions for violation. Let me assure the Senator, that has nothing to do with this amendment. Those would take place if they are justified, and not take place if they are not justified. This amendment in no way interferes with those sanctions at all.

I would simply also add to the Senator, I think he is to be commended for his urgings to the Members. I think that briefing he suggested is valuable and worth going to.

Second, I think he is right to be concerned about the issue. I would not come to this body and urge that we ignore the Missile Technology Control Regime.

Mr. LEVIN. My specific question however is this. If the M–11 were in fact delivered by China to Pakistan, if that were true, would sanctions then be triggered under the MTCR?

My question is not a general one, whether MTCR provides for sanctions. My question is, if we are satisfied that the M–11 were delivered by China to Pakistan, would sanctions then be appropriate under MTCR? That is my question.

Mr. BROWN. Under our statutes, the President is charged with the enforcement of the MTCR. I read a quote from the Secretary of State. But let me assure my colleague that, at least in my understanding, is in the hands of the President. I assume it would be properly enforced if he feels there is a violation.

Mr. LEVIN. It seems to me——

Mr. COHEN. Will the Senator yield?

Mr. BROWN. I yield to the Senator from Maine.

Mr. COHEN. I am just going to ask a question of the Senator from Michigan. If we were satisfied that the missiles were in fact delivered, the question I would have for the Senator from Michigan, would he conclude that the law requires us to apply sanctions against China? I mean, there are many violations. I know the Senator has been attacked—or accused; not attacked—criticized for bringing this amendment up because it flies in the face of what we were seeking to do, namely to dissuade the Pakistanis from acquiring nuclear weapons. I think most of us voted for that, along with Senator GLENN.

But the notion that somehow the Pakistanis have deceived us does not put them in a unique category. I think we can talk about the Indians, for example, who for years said, "We are conducting peaceful nuclear explosions," only to find out years later that they were, in fact, developing a nuclear capability.

We now have the Russians, with whom we have relations, who are also conducting, I believe, experiments in a field that should be of concern to this body, in the field of chemical weapons and biological weapons. The same thing with respect to China.

I think the Senator from Colorado raises a valid point this evening. He is not seeking in any way to repeal or modify the Pressler amendment. What he is seeking to achieve is maintain the kind of relations, as I understand it, with Pakistan, that they have maintained with us. He did not mention, by way of specificity, at least, the name Yusef. Here we had a major international terrorist, as such, who was involved in the terrorist bombing in New York. It was Pakistan who helped us get him back.

I think what he is trying to achieve, namely, to maintain a relationship with Pakistan that does not contradict or undermine the Pressler amendment, is something that is very worthy of our consideration this evening, tomorrow, however long it takes.

But I think, if we are talking about whether we are going to trigger the Missile Technology Control Act, we have to look at those who are selling it as well. That would involve China and perhaps even other nations.

Mr. BROWN. Let me say this to the Senator from Maine, if I could, by way of clarification. In discussions with the administration, they indicated to us that there were real questions with the Pressler amendment as to whether or not they were allowed to participate in narcotics control operations with Pakistan, real questions about participation in humanitarian assistance, real questions about allowing them to participate with them in peacekeeping, real questions about allowing them to cooperate with them in antiterrorism activity.

It was my belief that there was value in clarifying the Pressler amendment in these specific areas.

Mr. SARBANES. What about the other areas?

Mr. BROWN. I think the Members would feel comfortable that these are things that are to our advantage, and ones that I would think—at least my own view is they probably are not ones the Senator from South Dakota meant to outlaw. But, obviously, he would be a far better spokesman on that.

Mr. SARBANES. Will the Senator yield for a question?

Mr. BROWN. I will be glad to yield.

Mr. SARBANES. Does the Senator also think there are real questions with respect to the application of the Pressler amendment with respect to the storage costs and the application of the Pressler amendment to the other arms he was talking about providing under his amendment, as I understand it?

Mr. BROWN. Yes. I think the Senator is right to point those out because they are slightly different.

The return of military equipment is a question with nothing to do with the purchase of the military equipment, as I am advised by the administration. What it involves is military equipment which Pakistan owned and which needed repairs, and they sent parts or whole pieces of equipment back to the United States, as, of course, this country would like to have done, to be repaired and sent back. So these were things caught in the transition. I think that fairly falls in an area of clarification. But I think the Senator could well question that.

The question of storage costs, though, I think the Senator is absolutely accurate. It is a different thing. It was something requested by the administration. But I must tell the Senator I do not—if there are Members who object to our trying to work out something on the storage cost for equipment they paid for that we did not deliver to them, obviously, I hope they will speak forth on this issue. But I think the Senator is right, the storage cost question is different.

Mr. SARBANES. If the Senator will yield, they got $2.5 billion—over $2 billion from us to buy military equipment. We gave them that $2 billion under a special exception to the nonproliferation law, the Pressler amendment, or, as the Senator from South Dakota pointed out earlier, called the Reagan-Bush amendment. I think the Senator was accurate in doing that. We gave them this money in order to buy weaponry, not to go nuclear. And the premise upon which the money was given was that they would not go nuclear.

They took the money and went nuclear anyhow. That is the problem, and that is why President Bush finally, in 1990 said:

> I cannot do this certification anymore, in terms of waiving the law, because I cannot waive the law because I cannot certify that Pakistan does not possess a nuclear explosive device.

So they took their money and they went nuclear anyhow.

I would like to raise a question, why does Pakistan not give us back the money which they took on the premise that they would not go nuclear, since they have since gone nuclear?

Mr. BROWN. I want to assure the Senator, if he is successful in this, he has a lot of other countries we want him to talk to in that area, and could well balance the budget if we move in that area.

Let me respond to the Senator's first question because I think he raises—the Senator is an expert in this area and I think all of us value his counsel. Specifically, he is pointing out as to why assistance may have been offered to Pakistan through the 1980's. My view is a bit different. And by stating that, I do not mean to compare my expertise to that of the Senator. But let me, at least, share what my view is of the primary motivation of why the United States offered military equipment during that period.

Members may remember that the Soviet Union and the cold war had reached an intense point. At that period of time, which the Senator described, the Soviet Union had invaded Afghanistan. As all Members know, they are neighbors next to Pakistan. Pakistan played a critical role in helping the Afghans resist the invasion and turn back the Soviet tide. They did so for their own interest in protecting their country. But they also did so at great peril to their nation, and several Soviet leaders specifically contacted the Pakistani leadership and threatened their very existence as a country if they continued to provide that. They never flinched. They never backed down.

When we needed them, when we really needed them, they were there for us. I do not dispute in any way the suggestions that there are problems and that their government at the time was not truthful in some regards.

But, Mr. President, I think we would be remiss to think that the aid that we gave them during that period was solely to urge them not to have a nuclear program. I think the aid we gave to them was preliminarily related to our own survival and our own interest and our own hope that the Soviet expansionism could be stopped, and they stood up for it. They put their neck on the line. And when you are half a world away from the United States and right next to the Soviet Union, that takes guts.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. DEWINE). The majority leader.

Mr. DOLE. Mr. President, I had risen earlier to see if there was any chance of getting a time agreement on this amendment. There are a number of Senators apparently who want to speak.

Mr. GLENN. Will the majority leader yield?

Mr. DOLE. Yes.

Mr. GLENN. We thought we were making some progress a little while ago, as the Senator from Michigan said a little while ago out in the lobby. And I understood that we were going to have some language drawn up, and we had all agreed to determine if we could have an agreement on. The next thing I know this was going on with the Senator from Colorado on the floor presenting it.

I think just from what has happened here so far, we see this is a very, very complex issue. There was a report out of the Washington Post yesterday morning that because of MTCR violations, we should put more sanctions on Pakistan. He is right here if we want to have an executive session. I am not saying it is true. I think I would recommend that we go with the tone set by the Senator from Michigan a few moments ago. This claims that the MTCR has been violated. There is no doubt about it. This is only one item.

I have a whole file full of things that I was going to talk about on the floor if this came up. The Senator is not guaranteed that we will bring up the arms matter later on. This is just dealing with the economic matters here. But I think in the context of this particular bill that we are on here, the defense authorization bill, this is an extremely complex matter, and I could not personally agree to any time agreement on it or even give an estimate of the number of hours we would have to talk about it. This is extremely complex.

I am happy to have this brought up at a separate time and go into executive session and go into all of these things and get the same intelligence reports that some of us have been into, as I know other Members have at the agency, or whatever. But this is not something that is going to be solved I think on this.

I would have to object to any time agreement. I hate to do that. I do not like to delay. But this is a very serious matter.

Let me just add one other thing, if I might. The Senator from Maryland talked about waivers. He did not even get into them. I have nine specific waivers where we went into things for Pakistan. Each one of those should be the subject of thorough discussion here on the floor. I would be glad to go into them tonight, if you want to. But I do not think we can make any agreement for time on this at all.

Mr. DOLE. I would be happy to yield. It seems rather obvious to me that we are not going to get a time agreement. It is a very serious matter. I am not suggesting there should be. I am trying to find out if it is possible. If not, then I would hope we could have some other disposition.

Is the Senator from Iowa a supporter of the amendment?

Mr. HARKIN. This Senator is supportive of the BROWN amendment. I would like to speak on it. I feel very strongly about it.

Mr. SARBANES. Will the majority leader yield so I can put one quote in the RECORD, because I think it is very important to get the context of this correct.

The Senator from Colorado suggested that the purpose of the aid was not to dissuade them from acquiring a nuclear explosive device. I simply want to quote from letters to the Congress from President Reagan and President Bush who said:

> The proposed United States assistance program for Pakistan remains extremely important in reducing the risk that Pakistan will develop and possess such a device. I am convinced that our security relationship and assistance program are the most effective means available for us to dissuade Pakistan from acquiring nuclear explosive devices. Our assistance program is designed to help Pakistan address its substantial legitimate security needs, thereby both reducing incentives and creating disincentives for Pakistani acquisition of nuclear explosives.

So that was clearly the rationale. The nonproliferation laws would have banned any aid to Pakistan. The Pressler amendment provided an exception to that. The rationale for doing that was to try to dissuade Pakistan from going nuclear, and they took almost $3.5 billion as part of that deal and went nuclear anyhow.

So, finally, in 1990, President Bush says, "I cannot do this waiver anymore. I cannot make this certification." And that is when the assistance stopped.

I have a number of other quotes from high officials in both the Reagan and the Bush Administrations during this period making exactly this point in terms of the rationale for this.

I thank the majority leader.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I wonder if I might suggest that we set aside this amendment, and the discussion that was going on beforehand might be continued either tonight or tomorrow. There apparently is some progress being made with all the people involved. If that is satisfactory with the principal sponsor of the amendment, I would suggest we set this amendment aside and that perhaps there could be a further discussion. If they cannot agree, it would be back before us.

Would that be satisfactory?

Mr. BROWN. Yes.

Mr. DOLE. I ask unanimous consent that amendment be set aside.

Mr. HARKIN. Will the majority leader tell us when we are going to get back to this? I have not had the chance to talk about this amendment. I feel very strongly about it. It seems like the other side wants to bash Pakistan. They have had their chance.

Mr. DOLE. There are a number of people who support the amendment. But I think just in the interest of trying to move along here, it is 11:30 p.m., and we need to decide what to do with the other 61 amendments that are directly related to the Defense Department authorization bill. This is not directly related, and I assume the others here, for the most part, are.

So I would have no objection if we are going to be here for some time—the Senator, even if it is set aside, could still speak to the amendment.

So if there is no objection, I ask unanimous consent that the amendment be temporarily laid aside.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I am glad it is going to be set aside. I question whether this amendment is appropriate on this bill. This bill is a defense authorization bill. This amendment appears to be one that would be pertinent to the foreign operations bill; in other words, the foreign affairs bill. It seems to me that, if we are going to bring up all kinds of amendments that do not concern this defense bill, we could be here days and days. I think the amendment ought to be withdrawn and brought up later on an appropriate bill, and that would be a foreign affairs bill.

Mr. DOLE. Mr. President, I thank the chairman. I think probably it is more appropriate, in the long run, on the State Department authorization bill. But if we are unable to get that, it will be on the foreign operations bill later on.

But I think that Senator BROWN has agreed to set it aside, and have further discussion with those who are directly involved. And I know it is very, very controversial and very, very complicated. I have learned a lot just listening to the debate on the floor.

I hope we can maybe have an opportunity to discuss that tomorrow and see whether it will be resolved.

Mr. President, I have been handed by the Democratic leader a revised list of the amendments on that side. As I understand, the total number is 61, and I think 5 of the 61 have already been cleared, others are in the clearance process as I understand it. I do not know how many more might be in the process, but maybe another 5 or 10.

Mr. NUNN. My guess is of the 61 there are probably around 15 or more that have been cleared or are in the process of being cleared. And I also would say that there are a number of those 61 that I do not believe will require a vote. I think a number of those will disappear. So I really think we are talking about a list that is much shorter than 61.

Mr. DOLE. I think what I need to determine, because we have to decide what course of action to follow—if it is the intent not to let us pass the bill, then there is not much reason in trying to even take up the 61 or any of the 61 amendments.

But it would seem to me, if we are serious about this bill, if we intend to pass this bill and we come back to it tomorrow after disposition of the Postal, Treasury bill, then I would be prepared to recess and take up Postal, Treasury, come in at 8:30 and have opening statements. Then at 9 o'clock we will have the first amendment offered under a 3-hour time agreement.

But I might ask the distinguished Democratic leader, is there a possibility we can finish this bill tomorrow?

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I can say in all sincerity, it is not my wish to make the job, which is extremely difficult for the majority leader, any more difficult than it already is. He has been fair, and I respect his desire to want to finish this bill.

Let me be as candid and as frank as I can. We have had debate on some very consequential amendments in the last couple of days. On the basis of the outcome of those amendments, frankly, a lot of Members on this side believe there ought to be more discussion, more debate. We have been in consultation with the White House, and I have just received a letter from the assistant to the President for National Security Affairs, Anthony Lake. I only read the last sentence:

> Unless the unacceptable missile defense provisions are deleted or revised and other changes are made to the bill bringing it more in line with the administration policy, the President's advisers will recommend that he veto the bill.

I know that for a lot of Members who would like to see a conclusion to this bill, perhaps there are other ways and other opportunities to debate this issue but for many of our Members this is a very, very critical issue. There are other amendments. We are $7 billion over budget, and a lot of our Senators would like the opportunity to see if we can bring that cost down. They are concerned about the fact that this is $7 billion more than the administration requested. And while I am somewhat apologetic for the fact that we are having a debate here at 11:30 at night, just in the last 20 minutes I have asked my staff to share with me what has happened in past years.

In 1989, we spent 7 days and 105 amendments on this bill; in 1990, it was 105 amendments; in 1992, we spent 5 days with 87 amendments; in 1993, 5 days and 105 amendments; last year we spent 5 days on this bill with 123 amendments. We have been on this bill for a couple half days, and then yesterday virtually for the whole day, and today.

And so, Mr. President, again let me reiterate it is not my desire to complicate the life of the majority leader, but I must say in all honesty that we have some real serious problems with this bill. There are a lot of Senators who believe that we ought to debate it a lot longer—I am not suggesting necessarily a filibuster, but they believe there are some very significant issues that still have not been addressed to our satisfaction.

So we are not inclined at this point, frankly, to want to accommodate the majority leader, as much as I would like to personally, because of the concerns that people have for the legislation. And that is as frank an answer as I can give the majority leader.

Mr. DOLE. I appreciate that. I know that—at least I suspected there were a couple of amendments here that troubled the administration and troubled some Members on the other side. But, of course, the bill has to go to conference. Obviously, the President has great leverage in conference—the administration—because there are not enough votes to override a veto. The ABM vote was 51 to 48, 49. The other vote was five or six votes apart.

So it would seem to me what we ought to do is go through the process, go to conference, and then the President can decide when it comes out of conference to veto the bill. But to tell us at half the way, unless they get everything they want, they are going to veto the bill, in my view is not the wise course to follow.

There are a number of Members on both sides of the aisle who have spent weeks and weeks and months and months on this legislation, and they have been in good faith. We were going along at a pretty good pace, thought we would see the finish line, and then someone moved it. And I do not suggest that that has not happened before. We had 190-some amendments this morning. Now we are down to 61. So it would appear either they have disappeared or we have disposed of 130 of them, and many of these are in the process of being disposed of.

Even though all of these are disposed of, if we agreed right now that the two managers, which I would not object to, get up and say, "We accept all these amendments," then could we go to third reading?

Mr. DASCHLE. We would not be prepared to go to third reading.

Mr. DOLE. I think that answers my question. There is no desire to pass this bill. And I do not fault the Democratic leader. I have probably stood on this floor in the same position, saying, "We do not want to pass this bill." But I would like to pass some bill.

I know there are a lot of frustrations about August, and I put in the adjournment resolution as honestly as I could that we would like to be out of here by August 19. I would like to be out of here before August 19, like next weekend. But I do not believe that the majority leader has any choice, if we cannot complete our work by next Friday—and that would be this bill, the Treasury, Postal bill, DOD appropriations bill, and some disposition of welfare, and the Interior Appropriations bill—than to say we will be here the week after next. I may be the only one here, but we will be here, because it seems to me that this is very important business.

I hope the President will let us at least go through the legislative process, have the conference and then make a decision. But apparently that will not happen. So I think the only—this is sort of a finite list of 61 amendments? There will not be any, cannot be any additions, I guess.

Mr. DASCHLE. Under the unanimous consent agreement, as I understand it, there would not be any additional, but that is a finite list.

Mr. DOLE. So could I send this to the desk and say this is the new—do we have any amendments on this side? Are there any amendments to add to this?

Mr. DASCHLE. Mr. President, if I could just clarify, that is as finite a list—I do not think we would be prepared to enter into a unanimous consent agreement because, frankly, we cannot even reach a couple Senators whose other amendments may or may not be added to that list. But I wanted to accommodate the majority leader as best as I could and to give him the most accurate information.

Having had the consultations I have had with virtually all of the Members of our caucus—there were some we could not talk to, could not reach—61 is my best estimate. But I would want to protect Members that I have not had the opportunity to talk with, so I would not be prepared tonight to enter into any agreement that would preclude others from, who were originally protected from being protected after this list had been submitted. Mr. President, I made reference to the letter from Mr. Lake. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, August 4, 1995.

Hon. THOMAS A. DASCHLE,
Democratic Leader, United States Senate, Washington, DC.

DEAR MR. LEADER: On July 31, the White House issued a Statement of Administration Policy (SAP) on S. 1026, the National Defense Authorization Act for Fiscal Year 1996. In that SAP, the Administration warned that S. 1026 raises serious constitutional, national security, budget and management concerns, and that the President will not support the bill unless those concerns are addressed.

As I made clear in my remarks to the Democratic Senators policy lunch on Tuesday, first and foremost among our concerns about the bill are the unacceptable provisions relating to the ABM Treaty and National Missile Defense (NMD). In our view, these provisions, if enacted into law, would effectively abrogate the ABM Treaty by mandating development for deployment by 2003 of a non-compliant, multi-site NMD and unilaterally imposing a solution to the ongoing negotiations with Russia on establishing a demarcation under the Treaty between ABMs and theater missile defenses (TMDs). The effect of such actions would in all likelihood be to prompt Russia to terminate implementation of the START I Treaty and shelve ratification of START II, thereby leaving thousands of warheads in place that otherwise would be removed from deployment under these two treaties. For this reason, Secretary Christopher, Secretary Perry and General Shalikashvili have made their objections to these provisions clear in separate letters to the Senate.

On Thursday, the Senate voted on an amendment offered by Senator Levin and cosponsored by Senator Nunn and many other Democrats that would have struck the ABM and NMD provisions in the bill that are the most objectionable. On behalf of the President, I would like to commend Senator Levin, Senator Nunn, and all the other Democratic and Republican Senators who made such cogent speeches in support of the amendment. Regrettably, it was defeated 51–49.

I understand that debate on S. 1026 will continue today and perhaps into next week and that other amendments relating to ABM and NMD may be offered. I hope that our serious concerns about these issues as well as others outlined in the Statement of Administration Position may yet be addressed. But let me be clear: unless the unacceptable missile defense provisions are deleted or revised and other changes are made to the bill bringing it more in line with administration policy, the President's advisors will recommend that he veto the bill.

Sincerely,

ANTHONY LAKE,
Assistant to the President for National Security Affairs.

CLOTURE MOTION

Mr. DOLE. Mr. President, I do not know of any other alternative than to file cloture, which probably the Democrats have made a decision they do not want this bill to pass and that we cannot obtain cloture, but I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 1026, the Department of Defense authorization bill:

Bob Dole, Strom Thurmond, John Warner, Bob Smith, R.F. Bennett, Spencer Abraham, D. Nickles, C.S. Bond, Trent Lott, Jon Kyl, Craig Thomas, Larry E. Craig, Connie Mack, Dan Coats, Bill Cohen, John McCain.

ORDER OF PROCEDURE

Mr. DOLE. So, Mr. President, I do not see any reason to keep my colleagues here any longer. But it is fairly clear to this Senator that for reasons stated by the Democratic leader, we will not complete action on this bill tonight. But it will be the intention of the majority leader that after, hopefully, disposition of the Treasury, Postal bill we will go back to this bill tomorrow afternoon.

There will be votes tomorrow. There will be a lot of votes tomorrow. I do not want anybody to leave town thinking, "Oh, well, we have got that taken care of." But, again, let me say to my colleagues, I would hope that we could cooperate here in the next 4 or 5 days and try to get out of here for at least part of the August recess. And I know everybody has plans or would like to have plans. Everybody asks, "Why can't we say now we can leave next Friday?" This is a good reason why we cannot say we can leave next Friday. We could have finished this bill by this morning or tomorrow afternoon, but we are told that is not possible. If we took all these amendments we could not go to final passage.

It is pretty obvious that there may be enough Members on the other side to prevent us from obtaining cloture. And even if cloture is obtained, you have 30 hours. That would take some time.

So there will be no more votes this evening. And we will do our best to proceed tomorrow on the Treasury, Postal bill.

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

LOOKING TO THE FUTURE OF VERMONT'S ENVIRONMENT

Mr. LEAHY. Mr. President, one of the most important aspects of the quality of life in my native State of Vermont is the quality of our environment. We can swim in our lakes, fish in our streams, camp on public lands, hike through the woods, and breathe fresh air without risking our health. The quality of Vermont's environment is recognized nationally and drives much of the economy for us in Vermont.

Vermont's environmental quality depends on Federal environmental laws to set standards and fund cleanups—this is an undisputed fact. The Clean Air Act has reduced air lead levels by 99 percent, carbon dioxide emissions by 50 percent, sulfur dioxide by 40 percent, and acid rain chemicals by 27 percent. However, many cities have experienced ozone levels this summer that are twice the maximum healthy limit. Some Americans simply cannot take an afternoon walk without experiencing breathing troubles. Polluters do not have the right to deprive people of an afternoon walk, and as a Senator from a State downwind of one of the country's biggest ozone generators in the country, New York City, I am concerned. Clearly, we have more work to do.

In 1970, 60 percent of Vermont's communities discharged raw sewage into the State's waterways and bacteria consumed so much oxygen that many of the State's streams could not support fish. Through the Clean Water Act and other efforts, we have provided at least secondary waste treatment facilities for all communities and reduced point-source phosphorus pollution by 80 percent. With the Department of Agriculture's help, more than 400 Vermont farmers have contributed a total of $5.8 million to match $13.4 million of Federal funding to reduce the phosphorus runoff from farms. On the other hand, 1,500 hazardous waste sites in Vermont threaten the groundwater for some of the 120,500 public and private wells, and the State recently had to issue a mercury warning for Vermont fish. We still have work to do to protect our children and our communities from water pollution.

Vermont's fish and wildlife populations are relatively healthy because of international wildlife treaties and domestic efforts to protect habitat in Vermont. Where we once had abandoned farms and woodlots during the Depression, we now have the Green Mountain National Forest—350,000 acres of habitat for black bears, songbirds, and even Atlantic salmon. In 1985 Vermont had its first nesting pair of peregrine falcons since the 1950's; last year 11 pairs fledged 31 peregrine chicks. Still, nine species of native mussels are threatened by the zebra mussel, and heavy metals such as cadmium have been found in moose and deer liver. Without constant vigilance, certain fish and wildlife populations may slip into decline as they have in other parts of the country.

I am proud to share these successes, and hope that others will join me in enjoying the fruits of our efforts to protect the environment. The results of our hard work have made Vermont a better place to live for families. Vermont's quality environment provides activities like swimming, snowmobiling, boating, fishing, hunting, hiking, and camping that keep us refreshed and entertained all year long. Many of these activities are Vermont traditions which have been passed from generation to generation. I do not want to give these up.

I also want to make people aware, however, of an effort to turn back the clock on these successes. There is a new four-part strategy in Congress to dismantle environmental protections in our great country. The antienvironment lobbyists and some Members of Congress are using indirect, backdoor efforts to gut the statutes that have helped us clean up and protect our environment. I want people to understand what the new majority is doing so that we can turn back these attacks.

The first step in this strategy is to cut the funding of environmental and natural resource agencies. This year alone, the House of Representatives cut the Fish and Wildlife Service by almost 25 percent, the National Biological Service by 30 percent, and the Environmental Protection Agency's [EPA] enforcement budget by 50 percent. Without officially repealing the Endangered Species Act, the Clean Water Act, or the Clean Air Act, the new majority has made it nearly impossible for the Government to carry out these goals.

Their second step is to create regulatory gridlock. The so-called Regulatory Reform Act forces agencies to do study after study, each one subject to lawsuits from well-financed corporate industries. The EPA estimates that the studies will require hundreds of new staff and delay new environmental rules by several years, if not indefinitely. By cutting the budget but increasing the workload, it is clear that some people want to tie the hands of the EPA so it is powerless to protect the environment. They are saying, "Go ahead and pollute because we don't give a hoot."

The third part of the attack on the environment is the unfunded mandates law that the 104th Congress has already passed. This bill says that the Federal Government cannot ask State governments to enforce environmental laws unless the Federal Government provides the funding necessary to implement and enforce them. While the bill does not affect current laws, we would not have our Safe Drinking Water Act, Clean Water Act, or Clean Air Act if this law had been in place 25 years ago.

The final piece of the four-part attack is the so-called takings legislation. This legislation is based on the premise that anybody can do anything they want on their land, regardless of what the impact is on their neighbors, their community, and their country. Senator DOLE's takings bill forces the Government to pay cash to landowners who are asked to do something to protect the environment, such as putting a filter on a smokestack or not cutting trees within 50 feet of a river. Essentially, the bill forces the Government to pay a landowner not to pollute, not to harm endangered species, and not to fill in wetlands. Since our Government has a deficit already, it is clear that the proponents of takings legislation believe that the bill will force the Government to allow polluting since we cannot afford to pay people to stop.

This is only the tip of the iceberg. There are other bills to open hundreds of thousands of acres of wilderness to mining and oil drilling, perpetuate the golden giveaways in the 1872 mining law, turn over more public land to subsidized ranchers, and suspend environmental laws that regulate national forest logging. I am afraid that we face a difficult challenge protecting the environment in the 104th Congress. But I know that the environment is important to the American people. And I believe people will not tolerate these attacks. Everyone who shares even a remote concern for the environment and the world our children will inherit needs to be aware of the efforts underfoot. There are many ways that Americans can come together to stop the antienvironment effort. The people of this country did not ask this Congress to turn back the clock. They should not try and we should not let them.

STUDENTS ACROSS THE COUNTRY EMPHASIZE THE IMPORTANCE OF FEDERAL COLLEGE AID

Mr. KENNEDY. Mr. President, as we continue to navigate the budget process and make difficult decisions about spending cuts, we must look harder at our priorities and make sure that our choices are sensible.

It is easy to fall into the trap of looking at budget numbers in an abstract way and forget about the very real consequences that cuts in student aid will have on young men and women in this country.

The most compelling arguments for the preservation of student aid are made by the recipients of that aid whose lives have been changed for the better by the education they have received. My office has received over 1,500 statements from students or former students responding to the proposed cuts of that aid. Almost to a person, they say that aid is crucial. I ask unanimous consent that a sample of these statements may be printed in the RECORD. The States where these students live or attend college are listed, but other identifying information has been removed.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ALASKA

When my oldest sister went to college grants were offered to lower income students. Today, loans are the only offers in abundance. Education for America's future is not a priority. It should be.

ALABAMA

(1) After having gone bankrupt and losing a lot of my material goods in 1993, college did not appear to be in any way even close to an option. At that time I was not familiar that someone of my age could even apply for financial aid. I did apply. I was awarded with financial aid. I have been on the president's honor roll now for three out of five quarters at the University of Alabama-Birmingham. My major is Social Work with an emphasis in working with people with disabilities. I am also learning sign language. With the internalized experiences that I now have—in putting my life back together—I have too much to offer the field not to go in that direction. I hope one day to open a vocational training center in wood working and welding for the deaf. I will succeed.

I can certainly empathize with congressional constituents in attempting to cut the budget. It cannot be an easy task I know. But the last place that I would think that you would want to cut would be education.

ARIZONA

(1) I am now a Junior at the University of Arizona, and I am studying Material Science and Engineering. I come from a single parent household, and at the age of 18, I left home because my mother could not afford to keep up the rent on the home we lived in. Without the financial aid I get, I would have to work about 30 hours a week instead of the 12–15 hours that I do work now in order to support myself. Living with my mother's boyfriend is not an option because we do not see eye to eye on many things, and living there would put too much undo strain on all parties involved.

I am a first generation American of Mexican descent, therefore my mother didn't attend college and from what I have heard, my father didn't graduate from high school. I have an opportunity to be the first member of my entire extended family to attend a university and earn a degree. Financial aid is vital to my survival here.

I know there are more out there with my story, so please don't cut financial aid, it will hurt those of use who really need it. I can't afford to work many hours and go to school at the same time; not when I am working for an Engineering degree.

(2) My story is quite simple, really. I would not have gone to school without student aid. It is just that simple.

I graduated in 1993 from the University of Tulsa with a BS in Economics. I graduated Magna Cum Laude and Phi Beta Kappa. Currently, I am employed as a market analyst with WilTel, the fourth largest telecommunications company in the US.

None of these opportunities would have been possible without the SEOG and Pell Grants I received. My father was working class and only had an income of $16,000/yr while I was in college. I worked 30 hours a week at various jobs, including a pawn shop and a financial planning firm, to cover my living expenses through school. Without the grants, however, my only option for paying tuition would have been loans. Mind you, I took $8,000 in loans to cover tuition that was not paid by my grants, so I did not get a free ride. But borrowing much more than that would have made college costs prohibitive.

I am a pretty pragmatic person. Considering today's job market for college graduates, I could not have justified borrowing $15,000 or $20,000 to go to school as my earning potential would not have been enough to cover my loan payments upon graduation. Furthermore, there was no guarantee of a job upon graduation. Borrowing that amount of money would have been a poor risk. Without federal support, my life would not have succeeded as it has. Please support continued funding for student loans.

CALIFORNIA

(1) I grew up in rural California in a town called Laytonville. My high school consisted of 180 students. I graduated with 35 other individuals, about 10 of whom have gone on to postsecondary education. Of those people, I don't know of one who would be able to continue their education without federal financial aid. Due to unsustainable logging practices, the Laytonville economy (which used to be based on logging) is almost non-existent. The few legal jobs available are in education or in catering to the needs of wealthy tourists or the marijuana farmers that support most of the town. By continuing my Stanford education, I hope to be able to make meaningful contribution to society. I hope to work to improve the logging practices that destroyed the economy of my hometown.

My father commutes three hours a day to work as a paralegal and my mother makes under $15,000 a year as a clerk in a clothing store. They cannot afford to pay for my education. Without federal support I would have to return home and choose between dodging police helicopters to make a decent living growing marijuana or barely subsisting on the wages of a gas station attendant. I have worked hard to reach Stanford. I would hate to have to spend the rest of my life knowing that my government was more interested in making missiles to sell overseas than in helping me to make a meaningful contribution to my country.

(2) I cannot even begin to express my gratitude to the programs that have allowed me to have the financial ability to pursue my education. Everyday I feel so fortunate to be able to have this opportunity, I always knew that I would go to college, but I never really thought about what a financial burden it could be.

My mother depends on her meager income and assistance from our immediate family to keep us financially stable. She came to this country from the political oppression of Vietnam in search of a better future. But, as her daughter, I wonder if it is any better for her as she endures 12-hour days, six days a week, as a manicurist, with no vacation, no health insurance, and no pension. My mother waits by the mailbox everyday to see if my financial aid will be as helpful next year as it has been this year. She has given up on her future and knows that she must work to survive. But, for me, she hopes not just for survival, but possibilities. When I was a child, she would grab my hand and feel them to see if they were calloused like hers. Her one wish is that the hands of her children will be free of those callouses and they will be able to use their minds, rather than be condemned to a life of hard labor.

That is what it comes down to. You are talking about more than just monetary amounts; you are talking about possibilities. With the price tag of around $13,000 to go to a University of California school, those with meager incomes are alienated from the institutions of higher learning. This is not right.

Why should children try if there will be no one to recognize the pure merit of a desire to learn? Take something else away, but do not take away the opportunity for people to better themselves.

COLORADO

My husband and I have an adopted 17 year old son, just beginning his senior year of high school. He wants very much to attend college. My husband is a blind customer-service representative for a large company. Just before Christmas, my husband's company told him and some other employees that if they wanted to keep their jobs they would have to take a rather large pay cut. From the beginning, we did not feel that the public schools in this area could give our son the basics in education that he needed. We elected to spend our money on his tuition and thought that he would be able to apply for aid when he got ready to consider college. We struggled to put our son through private school, from kindergarten through high school, because we feel that a good education is a worthwhile expenditure. It is all we can do to handle our bills, especially now with the pay cut. I just do not see how our son can manage to attend college if aid is not available.

I am certain that there are other families who feel that education is a vital part of the future of our country. How can we have leaders if our children can't get the education they need to prepare them? Please do not cut aid to students.

GEORGIA

1) In 1994, I made the decision to quit my job, leave home, and borrow $10,000 to finance my first year of education as a returning graduate student. My situation is not unusual. Because of the demands of graduate study most students are required—either by department regulations or by the demands of their workload—to abandon their sources of income.

Before arriving at my decision—to abandon my home and income—I had to be sure that my debt would be manageable both during and after my graduate education. Had the current structure not been in place, I would not have been able to seek my degree. America would have had one less instructor to help our students be competitive and one more bartender to mix drinks and pour beer.

As a teacher, I will not be making the doctor's salary quoted by Rep. Goodling. To me, a $100 to $400 increase in loan payments is not "pennies a month." My situation is not the exception, but the rule. Please leave the loan system intact. Do not prevent those of us who need it most the chance to improve ourselves and, through our work, improve the nation.

2) My name is David Lamar Brand, Jr., and I am a second year student at Mercer University School of Medicine in Macon, GA. If it were not for federal subsidized student loans, I would not have been able to attend college. My parents, who themselves never attended college, were not able to finance my education. With the help of need-based student aid including scholarships, grants, work-study, PLUS loans, and federal subsidized student loans, I attained a Bachelor of Science in Engineering degree from Tulane University in 1989. Without the help of the student loans I would have been just another high school graduate looking for a mediocre job.

Currently in medical school, I am still depending on student loans for my survival. This year alone I borrowed nearly $36,000 to finance my tuition, books, equipment, and personal expenses. At the end of my medical education I will owe approximately $250,000 including my loans from college and the accrual of interest on my current unsubsidized loans.

I leave you with two thoughts. The first being that the interest subsidized by the federal government will be repaid later in the form of tax dollars that I as a doctor will pay for the rest of my life compared to the tax dollars from the high school graduate with a mediocre job that I would have been if it were not for these loans. Please do not deny others the same opportunities that I had.

Second, we must remember that education is the gateway to a better life for disadvantaged youths and adults. If we do not provide help to those seeking an education, we will end up paying for it with some other type of government assistance. Do not deny an affordable education to those who need this assistance. This country would lose many great minds and achievers if that were to happen.

IDAHO

1) I'm a veterinarian who is completing a second degree (Ph.D) so that I can teach veterinary medicine and conduct research in reproductive physiology.

Vet school required taking out very large loans. Although I worked at regular and work-study jobs throughout four years of college, I graduated $26,000 in debt and very tired. I have been working 80–100 hours weekly for 4 years trying to get my PhD. I am now looking at entry-level teaching jobs that pay $25,000 yearly, and post-doctoral positions that pay even less.

I consider myself very fortunate to be able to do what I have done with my life and I would never complain about a system that allows me the freedom to do this. It's been great—but I know that paying back my loans will be a struggle for me, and for many like me. I think we should encourage education and not make financial aid more limited than it is now. I urge Congress to take responsible action to continue federal funding of student aid.

ILLINOIS

I come from an underprivileged background: I grew up on welfare in an atmosphere of drugs and severe domestic violence. I never received any incentive or support (financial or emotional) from my family to attend college. I financed my education myself, and worked very hard as a college student. I graduated from the University of California at Berkeley as the valedictorian of my department (summa cum laude with a 4.0 GPA). I decided to pursue a Ph.D. so that I could become a teacher and inspire students to improve their lives and the world around them as my college professors had inspired me.

The University of Chicago, whose tuition and living expenses total more than $30,000 per year (more than my parents' income combined), is only affordable due to assistance from the Javits Fellowship. If this fellowship is eliminated, I WILL HAVE TO QUIT GRADUATE SCHOOL!

Elimination of the Jacob Javits Fellowship will force many of the best, most talented humanities graduate students in this country out of school and prevent us from achieving our goal of improving society through education. Please, do not let this happen.

INDIANA

1) I'm writing to protest the proposed financial aid cuts for higher education.

I am a single parent who struggled from 1986 through 1990 to earn my BA in sociology, and I have a son who will be applying to college next year.

During my undergraduate career I worked 10–30 hours per week in a factory in addition to taking a full course load. I am also the sole parental role model for my two sons, now aged 21 and 16. At that point there had already been substantial cuts in federal financial aid. I am now strapped with a sizable student loan debt!

With the planned cuts, I am worried that my sons futures may be jeopardized by lack of financial aid. Please remind Congress that student aid is the key that unlocks the financial door to education.

2) As a mother of five with husband on disability/retirement income, I can only work enough hours to provide food, shoes, and haircuts. The kids are all above average students and I expect them to earn scholarships as well as handle part-time jobs, but this will not cover the total costs of college.

My oldest daughter attends Loyola U. of Chicago which costs $19,900 a year. A $4,000 a year scholarship was needed to allow her to attend. Next year our second daughter is going to Ball State . . . once again only possible because of financial aid.

Without financial aid both daughters would be working at McDonald's without much of a future in sight. Help keep my family's dreams alive.

IOWA

1) I live in Iowa City, and I grew up in rural western Illinois. My parents were poor and I did not know anything about financial aid when I graduated from high school in 1968. Because I thought I would not be able to afford college, I went to junior college for a year and then decided to get involved in the changes going on around me.

I got involved with my community and homeless people. I worked and lived with homeless people as a Catholic worker in the midwest. When I was 35 years old I decided I really needed to have an education.

I went to a junior college for a year on financial aid and worked at night as a switchboard operator. Then I went to Marycrest College in Davenport, Iowa and got a degree in Social Work. I continued to work nights at the hospital as a switchboard operator and continued to go to school. I would not have made it through school if it had not been for the financial aid I received.

2) I was born and raised on a small dairy farm in Iowa—the same quarter section farm on which my father was born and raised and still lives; the same farm which my great-grandparents purchased when they emigrated from Germany in the 1870's. As the eldest of five children, I worked alongside my parents on the farm from an early age. My parents went to work full-time when they graduated from 8th grade—my father as

a farmer and my mother as a domestic worker. As most loving parents do, they wanted their children to have a better life than they had, so they were supportive of our educations. Even with all the farm work there was to be done, we still had time to study.

When I was a high school student and began to speak of attending college, my parents sadly and gently informed me that college was an impossible dream. The University was too far away (this was Iowa State University in Ames, Iowa, just 180 miles from where we lived), it was too expensive, and "people like us" just didn't go to college.

I was a National Merit Scholar, a member of the National Honor Society, and I graduated from high school with a 4.0 gpa.

I did win several scholarships, but without the other student aid I received—including grants, work-study, and guaranteed student loans—I would never have been able to attend even an inexpensive state university. My parents were only able to contribute less than $1,000 to my education.

I graduated with honors and distinction from Iowa State in 1985. I earned a National Science Foundation Fellowship and received a Ph.D. at the Massachusetts Institute of Technology in 1991.

Cutting financial aid for undergraduate and graduate education will make it much harder, and in some instances, impossible, for people from working class and working poor backgrounds to receive formal educations and to "move up the socio-economic ladder" in this society.

KANSAS

Although I was a class salutatorian, a Kansas state scholar, and a National Merit semifinalist, I could not have attended college without financial aid. I worked from twenty to forty hours a week, attended classes, and valiantly tried to participate in extracurricular activities. Without financial aid, I would not have made it. Even with some aid I struggled quite a bit: not with classwork, but with finances.

I went to the University of Kansas. I remember wishing so hard that I could audition for plays there, or play my clarinet in the band—but I had to work, and work every day. It took me five years to obtain my undergraduate degree, even though I'd started my undergraduate years as an Honors student and a Watkins-Berger scholar.

I hope that you will enhance student financial aid and not reduce it at all. I met some students from working class families at the university level, but most students came from more privileged backgrounds. Lucky people who have not known hunger sometimes do not understand what it's like to have very little in a land of plenty, and they overlook the needs that they have not known. I worry that lawmakers may choose to remain ignorant and ignore the needs of intelligent people who lack money. I think that self-supporting students deserve governmental support as they strive to create opportunities beyond birthright.

KENTUCKY

I am originally from Knox County, Kentucky. Knox county is a very poor county in the southeastern part of the state. I suppose that in most people's mind Knox County would be their vision of "Appalachia." Although most of my extended family graduated from high school, no one had attended college before.

Because of my disability, I believed that if I were to succeed in fulfilling my dreams, I needed to go to college. We did not have any money to pay college tuition, books, room and board or any of the other expenses typically incurred by college students. Like most other folks in Knox County, we worried about food and housing from month to month.

Thanks to student aid programs (and the support of many people), I work every day and continue to pay back those student loans. I'm very thankful for that opportunity. Without the student aid support I would not have attended college at all. I can only speculate on my fate if I had not been able to take advantage of federal student aid programs. Because of my disability, socioeconomic status, and other social factors, I would suspect that I would still be in southeastern Kentucky dreaming my dreams—without any means to fulfill them.

MARYLAND

1) I am a 26 year old single black male who is the first in my family to come this far in education. Most of the funding for my undergraduate education came from federal financial aid. Any money saved, earned, or given from my family went to supplement the federal aid.

My funding for medical school is solely dependent upon financial aid, without which school would be an impossible goal for me. Even when financial aid is given it is usually just to cover school costs, i.e. tuition and fees, etc. So covering costs for basic needs such as food, shelter and clothing becomes a hardship. I am not selfish in thinking that I am the only one who have these difficulties in trying to better themselves. If financial aid is cut the government will be doing all of us a dis-service.

2) I'm a native of Baltimore and come from a blue-collar background (proudly, I might add); my father has been a barber for most of his life; my mother stayed at home to care for me and my brother when we were in school. I got a great deal out of my early education; I grew not only intellectually, but also as an individual. I decided to continue my education and go to college.

I was a first generation college student. I qualified for almost every form of federal student aid and after graduation I owed approximately $5,000. I went to graduate school so that I could "give back" to a community which gave me so much. After I received my degree I had a total of $32,000 in debt.

Now it's 1995, and I've done what I set out to do. I currently work at the Catholic University of America in Washington, DC in the Career Services Office. My salary, unfortunately, has not eased the financial burden of my debt. Consider this: I've been paying my student loans, on time, for almost 5½ years; I still owe approximately $27,000 dollars. I've paid, to date, over $18,000 in student loans on a balance of $32,000, and I still owe $27,000! There is something wrong with this! If the Republicans get their way, I'll be considered a lucky one. There's got to be a better way. Imagine what my payments would be if the interest had begun accruing on the receipt of the loans.

Many of the people in my generation are probably not going to be able to afford to send their children to college. A college education will be something for the elite few, not the majority of the people. Someone like myself, who had the desire to attend college and the obstacles to prevent that from happening, won't be able to go. If we want to remain a country of opportunity, then we must make opportunities not only available, but available to everyone.

3) I am currently a senior majoring in theater who will have $20,000 in debt when I graduate. If Stafford Loans are eliminated, or if there are any cuts in my student aid, my future education plans will be impacted. My future education plans are to work after graduation so that I can pay off my loans and then return to school for an Masters in Fine Arts. I would like to teach another generation of theater professionals.

Senator Kennedy, when you talk on Capitol Hill to other members of the Senate, please tell them that cuts in student aid will cause me to have to drop out of school because the aid, especially the loans, make it possible for me to continue my education without having to do without some of the other essentials like food.

MASSACHUSETTS

1) Two years ago I discovered that I had a tumor on my spinal cord. My life as a shipbuilder ended that day and my life as a student began again. I applied for Federal financial aid and received a Pell Grant and a $700 scholarship. In January of 1994 I started my first semester towards an Associate's Degree in Civil Engineering. I have been attending school on a fulltime basis (as my impairment allows) ever since. I have re-applied for another grant for the next fall semester. I have also applied for a grant in my son's name, who with any luck, will be my classmate next semester.

My illness has wiped out my family's savings and the income from my job. To make a long story short, it hasn't been a very productive or pleasant two years since the first operation. If it hadn't been for the Pell Grant and the scholarship I received, the devastating effects of my illness would have been compounded. Because of them my life has a new direction, and my children have a chance at furthering their education as well. To lose these benefits now would be like sentencing my kids to prison. They have suffered enough because of my misfortune. The Pell Grant and other grants and scholarships won't put them through Harvard, but they will at least afford my children the opportunities they richly deserve.

2) My mother always taught me that education was the key to advancement. She also made an example of this by returning to night school to receive her college degree as a single parent with three children. I am sure that financial aid had a significant part to play in helping her achieve her goal. My childhood was spent in subsidized housing and the food in my house was bought with food stamps. Though I never discussed money with her in my childhood, I have gleaned from later conversations with her friends that the four of us lived well below the poverty line. It is very clear to me that one of my mother's strongest motivations for pursuing her degree was to escape the welfare system, and I am positive that she could not have done that without government aid.

I, like my mother, believe that education is the key to advancement. Without the support of government aid, I would not have the opportunities to prove my theory. My mother died when I was thirteen and I have not spoken with my abusive father since I was four. Although I have legal guardians, they are not responsible for financing my own education. Since I am solely responsible for financing my own education, any deduction in grant monies or loans made available to students has far reaching repercussions for my future.

My dreams have brought me to where I am, and my hard work has kept me here. I urge you to do all that is in your power to help me and others like myself to continue to reach our goals. We are America's future, but without learning the proper tools in the present the future will be able to build will not be an improvement on today's world. Please don't stop us before we have begun. Please don't allow federal student aid to be cut.

3) It is difficult growing up when one's parents are separated, but my brother and I managed to do reasonably well despite financial limitations. We worked hard to save money for our college costs, delivering papers and mowing lawns. We worked at a beef packing plant during the summer before our junior years.

During my first year in college, I worked cleaning other students' rooms to help supplement the scholarships and minimal financial aid I received. At the beginnning of my sophomore year a majority of these scholarships disappeared, as is the nature of most grants earned in high school competitions. I began working three simultaneous jobs on campus so that I could remain in college. The only advantage of this circumstance is that I certainly learned frugality, though I think I'd learned that in my first 18 years. If there were more financial aid, I might have been able to work only two jobs, and dedicated more time to my studies. With less financial aid, there is no way I would have been able to obtain my degree.

MICHIGAN

1) I am a law student at Syracuse University. I graduated from the University of Michigan undergraduate program. I am a 24 year old African American male. I was born and raised in Flint, Michigan (one of the worst places for a young minority to grow up). My father and sister are incarcerated, my other sister is a recovering crack addict and my mother is currently taking care of 6 grandchildren.

Over the years, I have tried to do all that I could for my family and am the first in my family to attend college. Without financial aid, this would not have been possible, and without continued financial aid I will not be able to pursue my dream of becoming an attorney. Where I am from role models carry guns, flash money, and kill over a pair of sneakers. There are many youngsters ready to fill the shoes of those "role models." I want those who choose to fill my shoes to have every opportunity and help to do so. Do not cut financial aid! If anything, increase it.

2) I was a migrant farmworker in the early 1970's in Texas. I traveled to Michigan, and in 1978 was accepted to the University of Michigan, Ann Arbor. Because of the poverty of my family, I've had to work very hard for every nickel that I've ever earned. I was also motivated and inspired by my teachers to look at education as my primary goal.

I have done this. I am a successful professional working at Grand Valley State University as an advocate for other students coming up the pipeline. In all cases financial aid is the bottom line issue on which decisions are to go to college.

Today, however, government tries to make education a commodity which only the rich can attain. Even in the 1970's I had to work 25–30 hours a week to support my education and continue to contribute to my family.

I knew that financial aid was the factor that made college possible for me. With the rising costs of tuition, every student must face this issue. The cost of a college education continues to rise much more quickly than the inflation rate. Students therefore must work to supplement their loans, and often stay many more than 4 years.

The burden of the costs weigh on students long after graduation. They must pay off expensive loans for years.

Let's not make financial aid a political issue. It should not become a political tool that helps to perpetuate poverty and create a permanent underclass.

An education not only help individuals become productive citizens, but also helps maintain America's high quality of life. As financial aid becomes more difficult to access, it is more difficult for me to convince young people that education is a worthwhile investment.

MINNESOTA

I am currently a freshman at the Massachusetts Institute of Technology. It has been a dream come true to be able to attend this university. I am from a rural town in Minnesota, and no one in my high school usually goes farther than the Minnesota/North Dakota area for college. After being accepted here last year, I still thought that school at MIT was a dream that would not come true, because of the $28,000 a year price tag.

After filling out every scholarship application I could find, I received awards of $6,900 for this year, but that still left a big gap in finances. My parents make approximately $45,000 a year, and I also have two younger siblings, so my parents told me they could not help me for school other than transportation to and from school. After receiving my financial aid package, MIT assessed that my parents could pay approximately $5,000, and I could pay approximately $1,400, as well as $2,500 in work study, and $5,500 in government subsidized loans. This made MIT more affordable, but I still had to pay both my parent's and my portions of the bill. So, I worked over 65 hours a week last summer, saving every penny for school.

I made it through this year with not too many loans, but if government cuts are imposed, I may not be able to afford school here, especially if my loans are not subsidized while I am in school. I would have to take out loans to make monthly payments on other loans! Mounting tuition only adds to the problem.

I urge you and other members of Congress to keep supporting higher education to your fullest capabilities. Forcing bright students to leave good schools because of mounting costs not only cheats them out of a good education, it also cheats our country. I hope you will support America's future.

MISSOURI

Here is my student aid story. I hope it helps.

I grew up in Joplin, Missouri—the eldest of three daughters in a lower-middle-class family. Neither of my parents was a college graduate, but my mother instilled in me a love of reading, which led me to pursue a B.A. in English at the University of Missouri/Columbia. Although my parents wanted me to go to college, they could not contribute very much. My first semester at U.M.C., on December 4th, my father committed suicide. I was devastated by his sudden death and considered dropping out of college. However, with the encouragement of many professors who felt that I had potential, I made it through college with government grants and loans—as well as countless part-time jobs—as a waitress, a maid, a cook, a technical writer, and a tutor. I graduated from college in three and a half years, and then earned an M.A. and a Ph.D. in English. Now I teach technical writing and literature at Kansas State University. I've paid back all of my loans.

In short, financial aid eventually allowed me to be self-sufficient, which in turn assured that my youngest sister could attend college "without" financial aid. Nobody wants to depend of government aid if funds are available elsewhere. Perhaps your children haven't needed it because your college educations ensured that you earned adequate salaries. But for those children whose parents haven't had the advantages of a college education, government aid is often essential.

MONTANA

I am the director of Student Financial Aid at the College of the Great Falls in Great Falls, Montana. I am a graduate of Rice University in Houston, Texas. And to be frank, my degree would not have been possible without the benefit of Federal Title IV Aid. More important, in the course of my undergraduate career I borrowed—and REPAID—$2750 in Federal National Direct Student Loan monies, and $5000 in Stafford Loans. In addition, I received Federal Pell Grants in each of the seven semesters that it took me to earn my B.A.

Beyond these resources I worked forty to fifty hours a week year-round to pay the remaining expenses of my college education because my parents could not afford to send me and my sisters to school at the same time.

Do I appreciate what I have received? Emphatically, yes! I know where my help came from. In return I have given the last ten years of my life to students working as a student financial aid administrator to assist others achieve their educational dreams, as you helped me from 1980 to 1984.

I believe in this system: the federal, state, and institutional financial aid delivery system. I believe that educating this generation of Americans is the key to success of this nation in the next * * *.

NEW HAMPSHIRE

I am a sophomore at Dartmouth College and am extremely concerned about the Republican's proposed cuts to financial aid. Although Dartmouth is known for its wealthy student body, about sixty percent of its students are on financial aid, and couldn't possibly do without it. I belong to this majority of students who are in need of financial aid. Not only has financial aid allowed me to get an education that challenges and fosters my intellectual growth and curiosity, but it has allowed me to go to college. Without aid, I simply wouldn't even be able to go to any college.

I graduated from a high school that boasted of many graduates who have gone on to higher education. A friend and I both graduated fifth in our class. Her family is quite wealthy, so a Harvard tuition was a feasible investment. My family, on the other hand, could not even afford a state school education for me. Financial aid and federal loans make up all of my tuition.

When I was in high school, college was a viable dream. I knew that if I could demonstrate my intellectual capacity and potential, I would be able to continue my education from financial aid. If I had known that financial aid would be reduced and that I couldn't afford to go to college no matter how intelligent I proved to be, I wouldn't have been inspired to do as well. Are America's brightest students destined to receive only a high school education and work only menial jobs for the rest of their lives simply because they can't afford higher education?

NEW JERSEY

1) I am a Junior at Princeton University. I am from Chicago and I attended a public high school located in the heart of the city.

My family has always taught me to work my hardest, regardless of the odds. I take great pride in saying that my family is very close. When it came time to apply to colleges, I wasn't even thinking of Princeton. My father then said to me, "you know, maybe you should start shooting for better schools." I thought I might as well give it a try. I applied and was accepted. It was the biggest thrill of my life. I had been recognized as someone who had worked hard enough to attend one of the best schools in the world.

The only way I could afford to attend Princeton is through financial aid, which makes up more than half of my tuition. Every day that I walk down the sidewalk to classes, I take a moment to appreciate my life. I realize that few are given this opportunity.

Reducing financial aid is the biggest mistake that Congress could make. I strongly support and trust our federal government, but reductions in federal aid would be a great injustice to that trust. Please find another place to make federal cuts because the federal financial aid program, and the student it serves, cannot afford it.

(2) I am an assistant professor of English at Princeton University and I am writing to express my dismay at the possibility that federal funding of student aid at both the graduate and undergraduate levels might be cut. I am the recipient of such aid—through student loans—at Howard University (where I earned my B.A.) and later at Stanford University (where I earned my Ph.D in English Literature). Without those loans, I could not possibly have earned my degrees, and would not now be one of the very few African-American female academics employed by an Ivy League institution.

I am one of eight children born to an African Methodist Episcopal minister and his wife. I was raised in western Pennsylvania in a small coal mining and steel mill region outside of Pittsburgh. While my father's salary was small, and my mother did housework for pay, all of my parents' children finished high school and four of the eight finished college. All of them did so with the help of some form of federally funded student aid: three of the four who finished college did so on the GI bill; I am the only nonveteran and the only one to have earned a Ph.D.

The way to that Ph.D was neither continuous nor smooth. I have worked and attended school at the same time since I was in the 10th grade—I held clerical jobs at my high school during the school year (part-time), and worked in various local firms during the summers. But while I was accustomed to having to work and go to school at the same time, I found myself in great difficulty once I started undergraduate school. I worked 32 hours a week to pay for my education and dropped out of undergraduate school in the middle of my second year because I could not continue working the long hours and keeping my grade point average up at the same time. During the next eight years I worked various jobs in Washington, D.C.: I was a waitress, a line worker at the Government Printing Office, a bookstore clerk at the Smithsonian Museum of History Book store, a receptionist, secretary, and word processor at various research firms, and a night shift work processor at various law firms in Washington, D.C.

I could have continued doing clerical work, but I really wanted to finish my college education. To that end, I enrolled at Howard University and finished my undergraduate degree in June of 1979 because, and only because, I was able to borrow a subsidized undergraduate student loan that helped me pay for my tuition and fees at Howard. I worked 40 hours a week and took care of my child because while the loan helped me with my college costs, I still had to pay rent, buy groceries, pay for child care; in short, I had to work to sustain life for my child and myself, therefore, the loans were absolutely necessary in order for me to pay for and finish my college education.

During my first year of graduate school while at Howard University, I applied to Stanford University's graduate program in English and was accepted. I received a graduate fellowship from Stanford which paid my tuition and fees, but which only supplied enough of a monthly stipend for a single person to live on very frugally: The living amount (beginning in September of 1980) was approximately $5,000 per year. While I could have half-starved my way through graduate school as many of my friends did, I could not take care of my child on that money. Once again the federal student loan program came to my rescue. I borrowed from the student loan program for six of the seven years I was in graduate school. My seventh year I won a national doctoral fellowship at Williams College and finished my dissertation there before successfully going into the job market.

When I finished my Ph.D. in August of 1987, I was considerably in debt. However, I was also immediately employed by the University of Texas at Austin where I taught three years. I have been employed by Princeton since September of 1990. And I have, without pause, continued to pay my student loans. I continue to pay them even as I write this. They were the best investment that I could have made in my future; and they represent an investment in me that my country made. Now, I am a gainfully employed, tax-paying citizen in a higher tax bracket, and my son has just completed his first year of college at the University of Maryland. I guess you (or anyone else) could say that I'm a federal student loan success story; but more than that, I am paying back interest that will help to underwrite other such successes.

Please do not allow this program to be cut. I could not have gone through school without that aid. And if we care about ensuring that inherited wealth—or even simply inherited middle class standing—are not the only roads to success, then federal funding of student aid is one of the very few ways, that ambitious and hard-working citizens, not fortunate enough to have been born in wealthy families, can make themselves part of the productive forces of this country.

3) I am writing to stress my opposition to cuts made in federal funding of student aid. I am very concerned for the future of this country, and the direction it is heading. Reducing funding for student is potentially dangerous for the future of this country, for individuals self-esteem and image, and the cycle continues.

I returned to school as a single mother, in Flint, Michigan—and without the aid of the government I would never have gotten an education, never graduated at the very top of my class-and asked to deliver the commencement address at University of Michigan last year and I would not be in graduate school right now, at Rutgers University.

As a former welfare mother, a woman who has no family support, as a committed citizen I would never have realized my potential and never discovered the importance of giving back to society if society had not first invested in me. The struggle has been long, tedious, discouraging enough given the political opinions about both welfare and single mothers. With cuts in student aid, my life as I know it, and the future possibilities for my son as I now foresee it, would be non-existent. I urge you to do everything possible to stop the cuts. In fact, I would encourage increased funding in student aid. It has made all the difference in the world for me.

NEW YORK

1) I am recent college graduate. My student loans have left me with an $18,000 debt.

Please tell the Senate that cuts in student aid will change the face of education as we know it. Very few families can afford tuition. I come from a middle class family. Because my parents' salaries were deemed higher than the typically financially disadvantaged family, I was not given much financial aid from any school. High tuition forced my parents to take out loans for themselves in addition to my loans. They also dipped into their retirement accounts. No family can afford to take out $18,000-$25,000 out of their yearly income. Without help of student loans, higher education in quality institutions would be a pipe dream for many families.

2) Thank you for your continued opposition to the Republicans' efforts to cut funding for student aid. This policy, which sacrifices long-term investment in human capital for a short-term and limited savings, is extremely misguided. Student aid provides upward social mobility for working class, poor, and immigrant people. It's not welfare, it's not a giveaway, it's an investment. But instead of giving you statistics, let me relate how the combination of student aid and guaranteed loans has helped me.

In 1981, I was 28 years old and was alternately collecting unemployment or working a dead-end job in a copy shop for $4.25 an hour. I got tired of trying to make ends meet so I decided to return to school and applied for admission to Baruch College, the business college of the City University of New York (CUNY), to study about computer information systems. I didn't know much about student aid resources at that time, and CUNY was just barely affordable. Because of my income status, I was able to receive a deep discount on my tuition (although at that time CUNY's tuition was less than $500 per semester) through Pell Grants. I was also able to make ends meet through a combination of National Defense Student Loans (which I have since paid back in full) and New York State Guaranteed Student Loans (which I will have paid back in one more year, at 9% interest, so it is not a giveaway!)

I was able to continue from Baruch's bachelor's in business administration program to its masters program, and in 1985 I graduated with a Master of Science in Computer Information Systems Degree. I most likely could not have finished these studies without the support of the government student aid programs.

I have since earned my Ph.D in Computer Science (which I was able to pay for without government student aid) and am now teaching full time at Baruch College as an assistant professor.

The point of my story is that the government's student aid programs provided me with the opportunity to change from a marginal member of society to a very productive one. I now can pay my own way in society, and contribute quite a sizeable portion of my income to society paying taxes and making charitable donations. Reliable and realistic student aid programs made this possible for me and millions like me. And in case anyone asks, I am a second-generation Irish Catholic whose father was a blue-collar worker in warehouses all his life. I do not fit the stereotype that people use to demonize recipients of student aid.

Please continue to remind your Senate colleagues, especially those from New York, that it would be extremely short sighted for the federal government to eviscerate the student aid programs. In the long run, the lost tax revenues, greater burdens on social supports, and the less trained and less competitive work force will cost the country much more than the cost of the programs. And in my case, the proposed capital gains tax cuts (which will be funded at the expense of realistic student aid programs) will not foster my investment in the economy nearly as much as did the student aid programs available to me. Those programs enabled me to earn enough money to be able to invest in the economy in the first place.

Please remind your colleagues that education is an investment, NOT a welfare program! Thanks for sticking up for the students.

3) I am a first year student at New York University. It is one of the largest and also one of the most expensive private schools in America. But, unlike the Ivy League schools with comparable tuitions, there is not an enormous endowment for scholarships. I knew that money would be a problem because my parents are divorced and my mother owns a small business which does not make much money.

I am a straight A student with an SAT score of 1490, so I felt sure that I would qualify for all of the extra money that is supposedly out there somewhere. So, I started applying for outside scholarships from private corporations and philanthropists. I applied for well over five hundred scholarships, and I was not rejected for any of them. But, I also did not get money for any of them. What I got instead was five hundred post cards informing me that none of the corporations or other private sources give scholarships any longer. It seems that because of the tough economy, private companies do not have any money to spare anymore, or perhaps education is just not considered to be a priority in this country anymore.

There is such a large difference between my family's income and the cost of attending college that I knew that I would not be able to go to NYU without some sort of financial aid. Luckily, I qualified for a federal Stafford loan. Without this loan, I honestly would not have been able to go to college. I think that it is absolutely ludicrous that our government would even consider cutting financial aid. Education is so important, and I think that something is seriously wrong with a government that does not use its resources to help people who cannot afford to go to school. There are so many people my age who have the drive, the intelligence, and the determination to make wonderful students, and it is not fair that those of us who come from poor or middle income families are not allowed access to the same education as the wealthy.

Today, you hear so much about equal opportunity, but at the same time, there is such enormous injustice in the educational system of this country. I cannot believe that anyone would ever consider cutting student aid programs. I know that the government has a very tough job in balancing the budget now that we are so far in debt, but sacrificing the future of this country is not the answer. Because we really are the future of this country, I hate to think what will happen if we all come of age without an education.

There is a great misconception that there are lots of private scholarships out there to be claimed. And we are not willing to "find a cheaper school" as I was told on many occasions. I refuse to settle for a mediocre education while students with the same or even lower grades and definitely a lower level of determination get the best education in the country simply because they come from a family that has more money. We, as the future of this country, demand equal opportunities. We demand an end to the tyranny of the rich. We demand an education. Once upon a time the government did not think that that request was such a frivolous one. It would be tragic to think that they have changed their minds. Please tell the government that this investment is the most important one that it could possibly make.

NORTH CAROLINA

I thought that Congress would be interested in stories about how student aid has changed lives. I have a story for you, and I'll try to keep it brief. I need to go to bed, because I have to work in the morning.

I used to be a welfare mom. My ex-husband used to slap the kids around, drunk or sober, and I decided that my kids and I couldn't afford to live that way any more. My two sons were becoming violent, and I didn't want my two daughters growing up as victims, so I left him.

It made him pretty angry when we walked out, so he refused to pay child support. It's obvious that four children cannot be supported on minimum wage, so I decided to use welfare and student aid and go to college.

I went to a community college for two years, and then was accepted at the University of North Carolina School of Journalism and Mass Communications. I have one class left to take before graduating in August.

What a difference education has made for me! There is no way I could have gone to Carolina without every penny of scholarship money, loans, and Pell grants I could muster. It would have been out of the question. I'd be stuck on welfare, or poorer working without it. My college career has meant more to me than I can possibly relate in a letter, and I've had some of the best professors our educational system has to offer, and learned much more than the skills I can use every day on my job. I'm not on welfare any more, but write for a weekly newspaper. It's a start, and I believe that one day I'll move on to something that pays more, and will enable me to pay more taxes!

My college education has changed my life, and the lives of my children. I think they understand the value of education now, and will be proud when their mama actually graduates. I know they're glad we're not on welfare anymore.

If I had more time, money, and childcare, I'd come and speak on the Senate floor.

2) The idea of reducing the amount of federal monies for students scares the hell out of me. You see I am a first-generation college student. I'm getting ready to start my senior year of college, and plan to go on to graduate school. My family only supports me in that they fall into one of the brackets which qualify for federal aid. My mom only went to high school and my dad didn't even finish junior high.

My Mom, who was a single parent with two kids for a long time, imbued me with a sense of personal responsibility. I have worked since I was 13 and am paying all my own bills in school. Because of federal aid I was able to attend a small liberal arts school where I have flourished and become, in my humble opinion, an educated and socially conscious member of society.

I'm involved in community service activities through a scholarship I receive that allows me to spend approximately ten hours per week during the academic year doing service. I have worked with underprivileged kids and built homes in inner-city Pittsburgh. I've coordinated the first-ever student-initiated service learning conference for college folks on HIV/AIDS issues.

Mr. Kennedy, you and your colleagues in the Senate give me hope that this country can cure its social ills. I want to help you do that, but I can't unless I receive a quality education that prepares me for the rough future ahead. I plan on getting a master's degree in either social work or community planning.

Thank you very much for listening to me, and godspeed.

OKLAHOMA

I'm writing to plead that Congress pass no legislation that would reduce or eliminate student financial aid. Although I'm no longer a student, I would never have made it past my first year of college without financial aid.

I returned to school after serving six years on active duty in the Army. Now, you may think that the Army provides substantial financial assistance for school but that's not truly the case. The only assistance the Veteran's Educational Assistance Program, which provided a mere $180 per month. This is not enough to pay rent, let alone buy food, pay bills and pay tuition and textbooks for college. I left the military because I wanted an education but was suffering because of this desire to improve myself.

To try to make ends meet, I entered the Army Reserves and worked part time. This still didn't meet my expenses. During my first year in college my car was repossessed, my phone, gas, water, and electricity disconnected (I was studying by the light of a little oil lamp) and I was sued as a result of my inability to pay my bills. I had resorted to selling my blood plasma twice a week in order to gain the money to keep myself fed. I tried to obtain assistance through welfare programs, such as the Low Income Energy Assistance Program, but was informed that, in spite of being poor enough to qualify, I was ineligible because I was a student.

Finally, Financial Aid realized that I wasn't making sufficient money to be able to go to school and survive at the same time. I was awarded loans, federal grants and student work-study. Using this financial assistance, I was able to complete my BS degree and continued on to obtain my Ph.D. Without this assistance, I would never have been able to make it past the first semester of college.

Please do whatever it takes to discourage the Congress from limiting financial aid to students. A good education is not something that should be restricted to the economic elite.

PENNSYLVANIA

1) All of us in academia are shocked at the intended proposals to cut money for higher education and the arts. A skeptic might consider this the natural reaction of just another special interest group out for its own gain. I assure you this is not the case. There are very few true academics left in this country today. Already the funding is scarce, and many qualified applicants never get to pursue the education they desire—the education they are willing to sacrifice to acquire. No

one enters academia or arts for the money. We do it because we feel driven to it, because we see something valuable in it that is worth pursuing and preserving. The sacrifices far outweigh even the social prestige that a lucky few acquire. Therefore, we are not asking a lot. We do not require the billions that go toward building high-tech airplanes and such, just a little money so that the dedicated few can preserve what are our most treasured possessions: our knowledge, our wisdom, and our culture.

When I think about how much money is spent on the average garbage TV show or movie in comparison to the ballet, the symphony, or the study of advanced subjects, I feel like crying, but all I can do is laugh because it is so ridiculous. As a result, our children's heads are filled with garbage an violence. They have no idea of even their own cultural and intellectual treasures, let alone those of their ancestors. Without a few generations, we stand to lose so much just for the sake of a few dollars. But I cannot think of any money better spent. We here at the University of Pennsylvania work six or seven days a week year round, often way into the night. Do you know how much I earn on my present Foreign Language Area Studies scholarship? $800 per month. People on welfare make more than I do. Even people working at fast food chains make more than that, and they get nights and weekends off. But you know what? I do not regret it at all. I feel so privileged to be part of such a great institution. I love my work and I love my life. I do not mind being poor because my knowledge makes me rich.

Moreover, when I graduate with my Ph.D. in Indian languages, I will have the joy of sharing that knowledge with countless students over the years. This is my life's goal, my life's work. All I want is that people like me be allowed to make those sacrifices which will enrich us all as Americans, and contribute to a better society.

2) I am a sophomore at the University of Pennsylvania here in Philadelphia. I know that I could write forever about the merits of student aid on a national scale, but I feel that I should get right to the point by showing what cuts in student aid would do to my family, my education, and my future.

I was born in a poor section of Cleveland, Ohio, where I still reside. I am the second person and the first man from either side of my family to have the opportunity to go to college. I am here because of several reasons, not the least of which is the generous financial assistance that I have received from the University, student loans, federal assistance, and private scholarships. If it were not for this type of financial help, I could not think of attending any college, much less one of the caliber of the University of Pennsylvania. Also, my mother, a graduate of Case Western Reserve University in Cleveland, has courageously decided to return to college to pursue her doctorate in Anthropology. She is currently in her first year of study at the University of Florida where she has justifiably earned a full scholarship with a small stipend. The catch in my mother's situation: she is not allowed to hold a job as a condition of her scholarship.

This means that she, with the stipend as her only source of income, cannot contribute to my education in any way. My father, who recently has found new employment, is left, along with me, to pay a significant amount of money to the University which we can barely afford now. We have trouble paying the bills as it is; it would be even more difficult (and perhaps impossible) to do it if student aid is cut.

I can barely afford school. As a young Black man growing up in an urban environment, I have faced the dangers that the streets present to us. I have seen a man die. I have buried my murdered cousin. I have been harassed and nearly beaten by police. However, when I see my young cousin who at 10 has proven to be an excellent student and a budding young botanist, I see the potential that is in so many young children that are in the urban neighborhoods of these United States.

If you truly care about the training of the future leaders of this nation, then I would urge you to remember my words. Remember them as the vote on this issue comes up. Think about the children—your children—your constituents who elected you—and what you are in Washington to do. Listen to your conscience.

3) I'm not sure if I'm addressing you properly, but I wanted to open a line of communication. I was interested to hear that there is a possibility that student aid program funding may be cut. I'm a twenty-five year old "non-traditional" student at Temple University in Philadelphia. The federal and state aid make it possible for me to maintain my status as a full-time student. I have a learning disability that requires special arrangements for both testing, and note taking. This unfortunately makes employment concurrent to schoolwork next to impossible. I have managed to volunteer a few hours of my time, when I'm able, to our Disability Resources and Services center on our campus. In addition, I've been hired by the University as a Residential Assistant in our resident halls for next year. My total income for next year, should provide me with only 33% of the money needed to attend school full-time. Because my disability was not recognized sooner than two years ago, a "traditional" college education was not possible upon graduation.

I appeal to you as a student who is trying to serve himself and his fellow students, to please consider the impact and burden that further limitations in student aid would cause to those in my position. Please don't take away the future for me.

Thank you for your time, and I trust that you will make a decision that serves those of us that rely on aid to provide a future.

TENNESSEE

1) Though I am a Republican, this is one issue about which the party and I disagree. I will be a sophomore at Boston College next fall, and my attendance is contingent upon the amount of financial aid my family receives. It has always been my dream to go to school in Boston, and so far I have been able to live out that dream; however, if I were to lose any federal aid, I would be forced to drop out of BC. My financial aid package includes everything from work study to grants and scholarships, and Stafford and Perkins loans, each at the maximum amount. I beg all of the members of the Senate to make budget cuts elsewhere. Do not take away my dream.

Don't ruin our country's future by denying financially challenged students the opportunity to learn the priceless lessons that college and graduate school can teach us. American society requires a college degree, if not a post-graduate degree. How is my generation supposed to enter the competitive job market without such degrees? If the Senate cuts federal student aid, you might as well make increases in unemployment and welfare benefits. There are too many qualified students who would be forced into poverty if they could not rely on federal student aid. Please do not do this to me, my family, my friends, my generation, and our country.

2) Federal and private financial aid have paid for the majority of my college education. I come from a very low-income (less than $3,000 per year) family in upper eastern Tennessee. We have a somewhat colloquial lifestyle—I spent years without running water and electricity (and I'm only 22 now!). We are basically a farming family. I am the first person in my family to graduate college and I would not have been able to accomplish this without aid. Contrary to popular belief, poor people do not "live off the dole" constantly, nor are we completely unable to "make a contribution to society." Yet, because the military is running out of places from which to steal money, my government is threatening to take these opportunities away from me.

Had these budget cuts been implemented during my first years in college, I would not have been able to afford to come here. My life would be very different. I would probably have been forced to find work in a factory. I urge Congress to think of the human aspect of student aid and to realize what repercussions your decisions might have.

TEXAS

1) I am a first year student at Princeton University. I attended high school in a small town just outside of Austin, Texas. My high school was not known for sending students to Ivy League schools. In fact, it struggles to send students to college at all. The drop-out rate is about 60% and the school district is one of the poorest in the state. My acceptance to Princeton was a great shock to all of my peers. I overwhelmed them that they could know someone who was attending Princeton or at least about to. To my peers, Princeton was this rich, white conservative school that only the Vanderbilts and the Kennedys of our nation attend. Never in the minds of my peers would such a school allow a poor Mexican girl from Del Valle to attend it.

Of course, I could not have attended without the help of financial aid. My father is in prison right now and my mother is recovering from a heroin addiction. During my senior year of high school (about a week after I found out about my acceptance to Princeton), my mother abandoned my younger sister and me for her drugs. My aunt gladly took us in, but being on welfare she was hardly capable of feeding two extra mouths. Money was tight while I was there but we always managed. There was no way we could have managed to pay $28,000 a year just to make my life dream possible.

If I do not continue to receive financial aid, my career here at Princeton will be short-lived and my struggle and those of others like myself will have been in vain.

2) I am a 41-year-old Hispanic male, father of 4 and preparing to take my comprehensive exams for my doctorate in January, 1996. We were field workers in Michigan and I recall asking my father why we had to work in the fields and he would tell me it was because he did not have any education. I was in the 7th grade when I told my father as we were picking cherries that I was going to get a doctorate and thus I would never have to pick in the fields. My dad encouraged me to do it. At the time, I had no idea what a doctorate was but I had looked it up in the dictionary and read that a doctorate was the highest degree obtainable. I graduated high school and went on to Central Michigan University but dropped out to take care of my mother and eight brothers and sisters after my father died in a car accident.

After working hard and not making any economical gains, I told my wife in the summer of 1987 that I was going to go back to college to get a Ph.D. At the time, I had two children, my wife worked at home due to the high cost of day care. I could barely make ends meet with my three jobs working as a pizza delivery driver, a bus driver, and a custodian. I knew that I could not afford to go to school but thank God for people like you that helped to provide financial aid that my family needed in order for me to attend school.

While attending school, I did not quit my three jobs because I still could not afford to and I needed the health insurance that the custodian position provided. I kept telling my wife how great it was going to be when I finished my education but inside I had doubts that I would be able to complete my education due to financial reasons.

However, I had overlooked one thing. As I received more education, I was able to take higher paying jobs. In 1989, I took a position at the University of North Texas Financial Aid Office. The position did not pay that much so I continued delivering pizzas on the weekends. Often I would work 34 hours from Friday to Sunday. In time, my position at the Financial Aid Office was upgraded and I was able to quit the pizza delivery job. I received my undergraduate degree in 1990 from the University of North Texas, my Master's degree in 1991, and began my doctoral work. I was recruited for a position from another department of the university. I left the financial aid office, and took the position of Research Scientist. Later, I was again recruited, this time for Assistant Dean of Students. But, when I told my supervisors of the position, they gave me another offer which is my current position as Assistant to the Dean at the School of Community Service at the University of North Texas. I am also teaching two classes in Race and Ethnic Relations per academic year at UNT. All of this has been made possible because of financial aid.

3) I am a graduating medical students at Baylor College of Medicine in Houston, Texas. Many people here are very nervous now that we hear that loan subsidies may be cut. As a student who received subsidized Stafford and Perkins loans while here in medical school, I wanted to voice my opinion that these subsidies are not only of great benefit, but an integral part of allowing us to become the physicians this country needs.

Let me state that as an undergraduate, I did not receive any federal aid because my parents had planned for my college educational needs. They saved enough to pay for four years of college which has helped me immensely. However, my parents, who I consider to be of a middle class background, did not have the finances to pay for medical school. Student loans were my means to stay in school.

People have argued that students frivolously spend this money, but I assure you that our financial aid department had a yearly budget that helped us meet our needs and we could not obtain loans beyond the monetary amount in their budget. In fact, there were crucial times in our lives that were never covered in the Baylor budget such as fees for taking the medical licensure exams, parking fees for the medical center, and residency application and interview costs.

I still had to borrow $70,000 over my four years to make ends meet. If I did not have federal loans, my bill would have increased by as much as 30%. I am astounded that Congress would consider cutting student loans. I know our country is looking for ways to increase the physician numbers in underserved areas and increase the number of generalist physicians. Yet, Congress would consider cutting college loans that help us to contain our debt load and pursue careers in areas that we love but do not pay as well. Please understand that government loans have not only allowed me to become a physician, they have allowed me to pursue my career goals to be a primary care pediatrician serving a hometown community that needs me. I hope that you are willing to allow the students that follow behind me to have the same opportunities to serve the medical community, their families, and the patients that need them.

4) I am a single parent trying to get my Bachelor's Degree at the University of Texas at Arlington. I have been in school for 7 years working full-time and going to school part-time. Each year I see tuition go up, fees go up, book costs skyrocket, and less money to go to school on.

The reason I depend on federal financial aid is to get out of poverty. At the present time, my salary is $1.00 higher than the cutoff for food stamps and any public assistance. I do not receive my child support because I cannot locate my ex-husband. I want to make a better life for my daughter and myself. My education is the answer to bettering my life. When you cut funding, you guarantee that I will not get an education.

Even though I am a Republican and have been for more than 20 years, I might just vote Democrat the next time around.

VERMONT

I attend an elite liberal arts college in Vermont, a long way from my home in Tennessee. I was raised by a single mother, who is also attending college. My financial aid award from Middlebury totaled more dollars than her salary. Still, I am walking a thin line. Without the same level of financial aid from Middlebury next year, I will not be able to return. I am not the only person in this situation. The government loan and grant programs are absolutely essential for me to continue my education here. Government loans would also be necessary for me to attend the state universities in Tennessee, and the prospect of cuts in student aid concern me very much. The GOP has become the party of greed. Please don't allow these cuts to take place.

WASHINGTON

1) Normally, I support the Republican viewpoint, but I must oppose cuts to student aid. This country appears to be sliding from the forefront of science and technology, and the only way to keep our status as world leaders in the sciences is to educate our citizens. The cost of higher education has skyrocketed. At my alma mater, Central Washington University, tuition has doubled over the past ten years. The cost of textbooks and housing has similarly risen.

I would not have been able to attend college—I received my B.S., M.S. and am now working on my Ph.D.—without financial assistance. I do not view this as a handout—most of my aid is in the form of loans that I am currently paying back. I believe that making cuts in student aid will just hurt this country in great ways.

2) I am a Junior at Western Washington University in Washington State. My ultimate goal is to go into medicine, something I have aspired to since my Freshman year of high school. I went to a small high school and received little help by the way of scholarships when I left, even though I was Senior class president and ranked 4th in my class. The money was just not there. I did not worry because I knew I could still go to school with the help of financial aid.

If it had not been for work-study programs, loans, and grants, I would not be pursuing this goal today. And now you say that this aid may be cut. Do you intend to revert back to the time when only an elite few got an education and the rest of the country worked for peanuts? What are you thinking?

Why is education becoming such a challenge to receive? This is scary to me, so scary because my life-line right now, my reason for living, is the fact that I am going to school. I am learning so much and growing so much, that I can hardly believe how narrow-minded I used to be.

My parents' contribution to my education has been zero. We are already in that bracket which states that we make too much money to receive very much aid. Their paychecks will never allow for a $10,000 which would be the effect on my aid. How can I make you understand that this is completely out of the question? You are taking from me my right to pursue happiness, which I may need to remind you is a Constitutional right. If I cannot go to school (and without aid, I cannot go to school), I will have lost the one aspect of my life that I value the most. And I know that I am not alone. For my one story there are thousands more like it. The livelihood of this country depends on its youth and that youth's ability to get educated. If you take that away from us, you will be responsible for the destruction, demise, and collapse of this country.

3) When I approached my father about going to college about ten years ago, he said, "Sure, great idea, but don't expect me to pay for it." Based on that statement, I knew I was on my own; I decided to do my best in school and try to get into West Point, or another service academy. I decided that I wanted to go to college and that I was going to get there somehow.

As a female, I knew that was a long shot. In the early 80's, when I was in high school, the first female cadets were just graduating from West Point. I applied and over the course of a year I finally got word from my Congressman that he had nominated me to attend the U.S. Military Academy at West Point, over almost 500 other candidates, a number of whom were my classmates and friends. Due to a knee injury and surgery, and the subsequent effect on my grades, West Point did not accept me, though that nomination is still one of the most important accomplishments of my life.

One of the routes to college had now closed and I had to take another look at how badly I wanted to get a degree. I worked for a few years and decided that if I really wanted to go where I wanted and do what I wanted to do, I had to go back to school. My mother (a college graduate with two degrees who returned to school in her late thirties and graduated thanks to government student loans), was, at that time working at the University of Alaska in Fairbanks and made me an offer I could not refuse. She said that I could move up to Alaska with her and she would take care of the roof over my head if I attended school full-time. The offer was great, but once again I faced the dilemma of where to get the money to pay for my tuition and book fees. I took my mom up on her offer based solely on the reassuring words of the financial aid counselor that government student loans were available.

I did go to Alaska and in the four years I was there, graduated with a degree in history and a minor in Japanese. I was the first person on my father's side of the family ever to graduate from college. I have been paying my loans back for two years now and every payment has been on time. I owe a great deal to the government's student loan program, and it goes way beyond money.

How can one base such a program on dollars alone? My mom was a welfare mom for awhile after my parents divorced in the late 1970's. But, her desire to go further, get an education, and the assistance of student loans got her off welfare and helped her to earn her degrees and make a great living. She set a great example for me in terms of how far an education can take you, and I am proud to say this is one government-supported program I am proud to be a second generation recipient.

WISCONSIN

1) Prior to enrolling in undergraduate school I was a high school drop-out and lived on the Bad River Indian Reservation in Odanah, Wisconsin. I lived off of the USDA food distribution program and relief monies. In addition to being just another impoverished Native-American Indian, I am deaf. During my undergraduate studies I was fortunate enough to have received grants from the Bureau of Indian Affairs, a Wisconsin Deaf grant, a vocational rehabilitation grant, and a Pell grant for each year that I attended Northland College.

After receiving my BS I found that I was over $10,000 in debt from student loans that I needed in spite of my many grants. Most of my graduating class weren't so lucky. Many of them had debts in excess of $50,000, making repayment a doubtful proposition without first earning a more advanced degree and further accumulation of debts. I can not over-emphasize that without the Pell program and the student loan program, I would not have been able to be where I am today. Nor would I be going in the direction that I am.

Being Indian and deaf in Ashland County, Wisconsin, spells long term poverty. Because I've gone to school and earned fellowships, I have not had to seek relief monies or participate in USDA commodity food distribution programs. I feel that it is important to ask what is the rate of return on education dollars. My own experience is one where no more relief monies are required by me. When I consider the situations of other students I know, I find the Republicans' proposed cuts amazing.

2) I understand that we need to balance the budget, yet if we don't educate the people how can we compete in the world and pay off the debt when the next generation won't have good paying jobs so we can put money back into the system. I'm very proud of my parents, and my parents are very proud of me. Every time I go back to school my Mom says, "I'm very proud of you. You have chances I only dreamed of." To have my mother say that makes me realize how far I could go. I don't want the one dream I have, of going places my mother only dreamed of going, be cut short because of money. That hurts me deeply and I only hope that you see it my way. During the summer I work at least 18 hours a day and my body aches at night. I work every chance I get and still financial aid is like a life preserver which keeps me afloat. If financial aid is cut, my dreams may drown.

WAS CONGRESS IRRESPONSIBLE? CONSIDER THE ARITHMETIC

Mr. HELMS. Mr. President, the skyrocketing Federal debt, which long ago soared into the stratosphere, is sort of like the weather—everybody talks about it but scarcely anybody had done much about it until immediately after the elections last November.

But then the new 104th Congress convened in January. The U.S. House of Representatives made haste to approve a balanced budget amendment to the U.S. Constitution. Later in the Senate all but one of the 54 Republicans supported the balanced budget amendment; only 13 Democrats supported it. Since a two-thirds vote—67 Senators—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote.—There will be another vote later this year or next year.

Mr. President, as of the close of business Thursday, August 3, the Federal debt—down to the penny—stood at exactly $4,944,455,888,709.39 or $18,769.23 for every man, woman, and child on a per capita basis.

LANE KIRKLAND: A MODEL FOR AMERICANS

Mr. HOLLINGS. Mr. President, I rise today to remember and thank Lane Kirkland, a South Carolina favorite son who fought for American workers and jobs as one of the Nation's key labor leaders.

After more than 50 years of union service, including the last 16 years as president of the AFL–CIO, Lane Kirkland retired Tuesday.

Tomorrow's generation can learn much from Lane. Instead of today's pop morality tuned to getting a soundbite on the nightly news, Lane has lived a life dedicated to the principle that working people should work together to improve their lot in life, to fight for justice, to strive for dignity and to help all.

Lane Kirkland's accomplishments as head of the AFL–CIO should serve as a model for public service.

He was one of the Nation's first leaders to recognize the financial devastation that Reaganomics would wreak on our economy when he described Reagan's economic plans as a "high-risk gamble with the lives of working people."

And when the embattled Solidarity trade union faced an uphill battle in Poland, Lane Kirkland recognized what was at stake and provided a lifeline that kept Solidarity alive. In fact, Lane's lifelong fight to promote democracy led to the fall of the Berlin Wall.

No one could put it better than editorialists who wrote in Wednesday's Detroit News:

> When the trade union Solidarity bravely emerged in the early 1980's to fight the Polish communist regime, Mr. Kirkland and other labor officials smuggled money, printing presses and even electronic equipment to keep the fledgling anti-communist movement alive. . . . When it came to confronting the greatest security threat this country has ever faced, Mr. Kirkland did not flinch. He fought communism and supported fledgling democratic movements that contributed to the demise of many totalitarian regimes. For that effort, he deserves everyone's appreciation.

Mr. President, Lane Kirkland was born and grew up in Camden, S.C. In 1942—the same year I graduated from the Citadel—he graduated from the U.S. Merchant Marine Academy. In World War II, he served as a deck officer on a merchant marine vessel that carried ammunition. After he graduated from the Georgetown University School of Foreign Service in 1948, he joined the AFL research staff. And in 1979, after moving up the ranks, he became president of the AFL-CIO.

Mr. President, Lane Kirkland's career is a striking parallel to America in this, the American century. He fought overseas to preserve our freedom. He won. He fought at home to make the American dream available to all of us. And he won. Finally, he fought to end the cold war and give others the access to the freedom that we cherish. Again, he won.

All of us as Americans have reason to be proud that Lane Kirkland is one of us. Those of us from South Carolina, however, have the privilege of claiming him as one of ours.

Mr. President, I appreciate Lane's friendship over the years and wish him and Irena all the best.

IN COMMEMORATION OF COAST GUARD DAY

Mr. PRESSLER. Mr. President, I rise to congratulate the U.S. Coast Guard on this, its 250th birthday. Since its formation on August 4, 1790, Coast Guard men and women have served our Nation proudly, professionally, and with distinction. They have served in a complex organization that has grown and evolved along with our country. From a fleet of 10 small cutters built to stop smuggling, the Coast Guard has developed into a multimissioned organization that is the world's premier maritime service.

The Active Duty, Civilian, Reserve, and Auxiliary personnel of the Coast Guard today perform many more missions than those who served in 1790. On an average daily basis, the Coast Guard: conducts 191 search and rescue cases; saves 14 lives and assists 328 people; saves nearly $2.5 million in property; seizes 209 pounds of marijuana and 170 pounds of cocaine worth $9.2 million; boards 90 large vessels for port safety checks; processes 120 seamen's documents; responds to 34 oil or hazardous chemical spills; conducts 120 law enforcement boardings, identifying 65 violations; investigates 17 marine accidents; inspects 64 commercial vessels; services 150 aids to navigation; and interdicts 176 illegal migrants.

Everyone knows the valiant and often heroic efforts of Coast Guard personnel as they perform search and rescue missions. During one such mission this past winter, a Coast Guard rescue swimmer displayed true bravery. Aviation Survivalman First Class Michael Odom jumped from a Coast Guard helicopter in the middle of the night and swam several hundred yards through turbulent seas to help rescue three men. After the third man was safely pulled aboard the helicopter, the hoist cable broke, leaving Odom stranded in the ocean hundreds of miles from shore. Fatigued, the Coast Guardsman dragged himself aboard a life raft, and awaited rescue. The 20-foot seas and 40 knot winds repeatedly swept him from his raft, and he began to experience severe seasickness. Unconscious, hypothermic, and near death, he was rescued 5 hours later by a second helicopter. This spring, Aviation Survivalman First Class Michael Odom received the Distinguished Flying Cross for his heroic actions—actions that characterize the people of this great service.

The Coast Guard also continues to be the Nation's primary Federal maritime agency. As a lead organization in the war on drugs, the Coast Guard regularly stops the flow of illegal substances bound for our cities and communities, as demonstrated by a recent interdiction in which a Coast Guard cutter stopped a vessel with over 5,000 pounds of cocaine on board.

Responding to safety problems posed by foreign vessels operating in U.S. waters, the Coast Guard implemented a Port State Control Initiative last year that has produced positive results. Coast Guard marine inspector boardings of foreign ships in general have increased 70 percent, while boardings of foreign freight ships—the vessel type most often associated with substandard characteristics—have seen a 10-fold increase from previous levels. These efforts have led to the identification of over 400 shipowners and operators and 18 flag states associated with substandard ships. As a result of this targeting, the Coast Guard has enhanced its ability to focus boarding efforts on those ships that pose the greatest risk to marine safety and environmental security.

Coast Guard personnel are often at great risk in performing their dangerous missions. This past January, while conducting a law enforcement boarding, PO Jonathan D. Scotchmer made the ultimate sacrifice when the floor beneath him collapsed. His dedication to duty and willingness to serve his country are an inspiration to us all and will not be forgotten. Petty Officer Scotchmer is a true hero.

Despite being the smallest of the U.S. Armed Forces, the Coast Guard in some manner positively affects the lives of virtually all Americans. The service's efforts to enforce fisheries laws and regulations, to prevent, and when required, respond to oil spills in our Nation's waters, and to rescue those in distress in the maritime region are just one of the many examples of the daily impact of the Coast Guard.

Mr. President, it is for these efforts and the exemplary service to our Nation that the Coast Guard was recently presented with the Department of Transportation's Gold Medal for Outstanding Achievement. Coast Guard men and women are the ultimate lifesavers and guardians of the sea. I am proud and honored to commemorate their birthday by commending them for their dedicated service to a very grateful Nation.

FEMA DISASTER RELIEF FUND

Mr. BOND. Mr. President, today I am releasing a report prepared at my request by the inspector general of the Federal Emergency Management Agency regarding the integrity of the disaster relief fund which raises some serious concerns about how disaster relief funds are being spent.

Last week, the President signed into law a supplemental appropriation of $6.55 billion for the FEMA disaster relief fund. These funds are needed for expenses related to last year's Northridge earthquake as well as other disasters in 40 States, including my own. I'm pleased that the supplemental appropriation is now law, so that eligible expenses related to these catastrophic occurrences can be reimbursed.

Ensuring that these funds are expended to meet the critical disaster-related needs of individuals and communities, so that they can rebuild their lives and neighborhoods, is vital. However, ensuring that these funds don't serve as a slush fund for FEMA is absolutely essential, and the inspector general has raised questions about whether the disaster relief fund is indeed serving as a slush fund of sorts.

Specifically, the inspector general found that charges to the fund totaling $87 million were for nonspecific disasters, some of which may be inappropriate. There are no explicit guidelines to define those activities that directly support disaster relief and are therefore legitimate charges.

The FEMA Director must address this issue immediately to give us confidence that the funds are being spent consistently with the intent of the law.

The inspector general also found that the disaster relief fund data are often unreliable, grants management is weak, disaster loan management is inadequate, and certain FEMA policies do not appear to encourage the prudent use of disaster dollars.

Mr. President, let me make clear, I believe FEMA Director James Lee Witt has done a superb job of responding to each and every disaster he has been responsible for—from the Northridge earthquake to the Oklahoma City bombing. He and the Agency should be commended.

But we must ensure that FEMA disaster relief funds—which now total about $7 billion FEMA's accounts—are spent carefully and judiciously. I intend to ask FEMA to come up with a plan for strengthening controls on disaster relief funds and issue explicit guidelines and criteria.

Mr. President, I ask unanimous consent that a brief, 6 page executive summary of the FEMA inspector general's audit of FEMA's disaster relief fund be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

AUDIT OF FEMA'S DISASTER RELIEF FUND

PREFACE

This report presents the results of our audit of FEMA's Disaster Relief Fund. It was prepared in response to a request from Senator Christopher Bond and as part of our ongoing efforts to improve FEMA operations.

The report also addresses aspect of the Disaster Relief Fund that Director Witt asked us to review. It contains recommendations for corrective action. Accordingly, it is being sent to the Director, Associate Directors, Regional Directors, and the Chief Financial Officer. Copies of the report are also being sent to Members of Congress.

The Audit Division, Officer of Inspector General, prepared this report. Questions may be addressed to Richard L. Skinner, Assistant Inspector General for Audit, at (202) 646-3911.

GEORGE J. OPFER,
Inspector General.

EXECUTIVE SUMMARY

In response to a request by Senator Christopher Bond, the Office of Inspector General undertook an audit of the Disaster Relief Fund. We concentrated our efforts on the financial management of the Fund and on issues that offered an opportunity for improving operations and reducing costs. Given the time available, we were not able to address every issue that deserved attention. We plan to continue to devote resources to the review of FEMA's use of the Fund.

It is important to consider the environment in which FEMA operated since the 1988 enactment of the Stafford Act. The number of disasters has steadily increased. There have been more average or "garden-type" disasters. In addition, the United States has been struck by two major hurricanes, Hugo and Andrew, the massive months-long Midwest floods, and the catastrophic Northridge, California earthquake. Responding to these disasters put tremendous pressure on FEMA's financial and personnel resources.

In this difficult environment, FEMA's performance in assisting disaster victims has been criticized. In response to this criticism FEMA has taken aggressive steps to improve the delivery of services while trying to contain costs. To illustrate, some of the more significant actions include:

Acquisition of a new financial management system.

Establishment of a Disaster Finance Center to process payments.

Establishment of National Processing Services Centers.

Automation of Teleregistration and damage verification inspections.

Establishment of a Disaster Resources Review Board.

Development of a new property management system.

These initiatives should go a long way in improving disaster relief operations and reducing disaster costs. However these actions are only the first steps. Much more work needs to be done. Clearly through, FEMA is on the right road and given enough time and resources the problems can be solved.

We present numerous findings and recommendations that should aid FEMA in its efforts to improve operations and reduce costs. The following summarizes those findings.

RELIABILITY OF FINANCIAL DATA

Disaster Relief Fund financial data are often unreliable. The Fund balance does not accurately reflect either cash in the Fund or amounts available to assist disaster victims. FEMA's accounting system is inadequately controlled and personnel lack the discipline necessary to ensure financial data integrity. Budget requests are flawed because they are based on unreliable financial data and projected disaster costs that are not precise. (See Chapter 1, page 9.)

APPROPRIATENESS OF EXPENDITURES

In fiscal year 1995, non-specific disaster charges are expected to total $86.8 million, about four percent of total fund expenditures. Many charges appear legitimate. Others, however, fall into a "gray" area, i.e., depending on one's interpretation of the Stafford Act and related FEMA guidelines, they may or may not be appropriate charges to the Fund. FEMA needs to develop explicit guidelines that define those activities that directly support disaster relief operations and, therefore, are legitimate charges to the Disaster Relief Fund. (See Chapter 2, page 21.)

GRANTS MANAGEMENT

FEMA has awarded Public Assistance grants totaling billions of dollars to thousands of grantees without an adequate grants management system to ensure funds are used properly. Significant improvements are needed in pre-award and post-award processes to ensure that grantees are accounting for and using funds properly. Policies and procedures for all aspects of grants management are needed. (See Chapter 3, page 31.)

MANAGEMENT OF DISASTER LOAN PROGRAMS

FEMA's Disaster Loan Program includes State Share Loans and Community Disaster Loans totaling over $179 million. FEMA has limited recourse in collecting loans if borrowers misuse funds. Loan agreements, and other contractual agreements are not regularly executed. FEMA's interest, therefore, is not protected. Better loan monitoring and tighter restrictions on borrowers' use of funds are needed. (See Chapter 4, page 47.)

ECONOMY AND EFFICIENCY OF OPERATIONS

We reviewed FEMA's management of human resources at the disaster site, use of mission assignments to task other Federal agencies for goods and services, and management of property acquired with Disaster Relief Funds. We also reviewed certain grant policies that did not appear to encourage the prudent use of disaster dollars.

After the initial response to a major disaster, FEMA can do a better job of managing resources to reduce travel related costs. We estimate that $2 million dollars might have been saved in Northridge by hiring locals in a more timely manner. FEMA has recognized the need for improved staff management and is taking steps to improve its management of human resources at disaster sites.

FEMA does not have a system to ensure that the States' cost sharing requirements are satisfied for work done through mission assignments. Also, untimely billings from other Federal agencies are tying up disaster dollars for excessive periods.

Even though FEMA has taken several steps to improve controls over property, more still needs to be done. Additional training is needed to ensure the new property management system will work effectively. Also, there is a need to establish controls over property that is purchased by other Federal agencies under mission assignments.

FEMA's policy on small public assistance projects is resulting in unnecessary costs to disasters. Small projects are those under $43,600 and are funded based on estimated cost. Under FEMA's policy, grantees are only required to certify that the project is completed; they are not required to account for project costs. As a result, funds that have not been used for disaster-related costs are not being returned to FEMA.

Grantees are not required to account for and are not spending all the funds provided for administrative costs associated with public assistance grants. There are two ways grantees can receive funds for administrative costs: (1) a statutory fee calculated as a percentage of public assistance awards; and (2) a management grant. The management grants are fulfilling much of the grantees' administrative requirements leaving much of the statutory fees unspent. FEMA needs to reexamine its policy for providing administrative fees to grantees to ensure that the funds are accounted for and actually needed for the delivery of disaster related services.

Considerable savings could be achieved by limiting the Federal cost share for public assistance projects to 75 percent of estimated project cost. Since 1989 the cost share for 22 disasters was 90 or 100 percent. We estimate that over $1.5 billion could have been saved if the cost share had been held to 75 percent.

BACKGROUND

Since passage of the Stafford Act in 1988, FEMA has obligated about $12 billion for disaster relief. FEMA officials project that an additional $8 billion could be obligated for disasters declared prior to July 1, 1995. The Federal contribution for disaster assistance has increased dramatically in the past 20 years, due in part to the greater number and magnitude of disasters.

There is growing Congressional concern over the spiraling Federal outlays associated with FEMA's disaster assistance programs and a desire to control future disaster spending, FEMA, also, has recognized the need to control disaster costs. It has several initiatives underway or planned to get a better grip on the escalating costs.

Among the major initiatives that FEMA is currently developing or planning are: (1) a new financial system to permit better identification and control of billions of dollars of disaster related costs, (2) a property management system that will allow for better accounting and control over the millions of dollars of property purchased for disasters, (3) improvements in staffing disasters to control personnel and travel related costs, (4) centralization of support services such as financial management and applicant registration, (5) automation of labor intensive processes such as damage inspections, and (6) Performance Partnership Agreements with States that will limit the amount of disaster assistance based on a per capita dollar amount. All of these initiatives are underway, and if successful, should result in better management and control over disaster dollars.

Congress, however, remains concerned with the escalating costs of disasters. On April 27, 1995, the Office of Inspector General received a request from Christopher S. "Kit" Bond, Chairman of the Appropriations Subcommittee for Veterans Administration, Housing and Urban Development, and Independent Agencies, to undertake a review of FEMA's Disaster Relief Fund to identify ways that costs can be reduced.

This audit responds to the Senator's request by examining the nature of costs charged to the Disaster Relief Fund, the feasibility of converting loan programs to grants, the economy and effectiveness of disaster operations, and implications of increased cost sharing.

AMBASSADOR ALBRIGHT'S TESTIMONY ON IRAQ

Mr. PELL. Mr. President, yesterday the Senate Foreign Relations Subcommittee on Near Eastern and South Asian Affairs held two hearings on Iraq. The hearings, chaired by the distinguished subcommittee chairman, Senator BROWN, focused on the importance of maintaining U.N. sanctions on Iraq and on the Iraqi atrocities against the Kurds.

I thought both hearings made a significant contribution to the Senate's understanding of a critical foreign policy issue, and I commend Senator BROWN for bringing the matter to the forefront of the subcommittee's agenda.

At the start of the first hearing, U.S. Ambassador to the United Nations Madeleine Albright made a compelling, irrefutable case for keeping U.N. sanctions in place against Iraq. Equally as important, her testimony underscored the superb job the United Nations is doing to dismantle Iraq's weapons of mass destruction programs, deter further Iraqi aggression, and to protect Iraq's minorities.

At a time when the Congress is considering numerous proposals to condition or reduce U.S. support of the United Nations, Ambassador Albright's testimony serves to remind us of the tremendous contributions the United Nations makes to advance vital U.S. foreign policy interests. I ask unanimous consent that the full text of Ambassador Albright's remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

STATEMENT BY AMBASSADOR MADELEINE K. ALBRIGHT

Good afternoon, Mr. Chairman, and members of the subcommittee.

I welcome this timely opportunity to discuss with you United States policy towards Iraq, with particular attention to the aspects of that policy that are carried out through the United Nations.

As members of the subcommittee know, the United States has been determined, in the aftermath of the Persian Gulf War, to prevent Iraq from once again developing weapons of mass destruction or threatening its neighbors with aggression. In this effort, the tool of economic and weapons sanctions, imposed by the U.N. Security Council, has been of singular value.

Over the past year, we have worked hard to gain and maintain support for our view that sanctions should remain in place until Iraq is in overall compliance with all relevant Council resolutions. This effort has been successful. In March, May, and again in July the sanctions were extended without controversy or change.

Iraqi officials have said publicly in recent days that, if the sanctions are not lifted in September, when they next come up for review, Iraq will cease to cooperate with the United Nations Special Commission, or UNSCOM, which is the body established to monitor Iraqi compliance. Such statements are harmful both to the interests of the Iraqi people and to the world at large.

The re-integration of Iraq into the world community is a goal we all share, but there is only one path to that objective—and that path requires full cooperation with UNSCOM and full compliance with the requirements of the Council. The regime in Baghdad must understand that it is not involved in a negotiation; it is under an obligation brought on by its own transgressions.

The United States is insisting, as is a majority of Security Council members, that before there is serious discussion of lifting sanctions, Iraq must comply not only with its obligations concerning weapons of mass destruction, but with other obligations established under council resolutions. These include the return of stolen property, accounting for those missing in action, and ending support for terrorism and repression against the Iraqi people.

In his speech on July 17, Saddam Hussein characterized the UN sanctions as "cruel, harsh and repressive" and said they were causing "great suffering" among the Iraqi people. Unfortunately, the sincerity of this statement of concern is belied by Saddam's refusal to accept the terms of Security Council Resolution 986, which would permit Iraq to sell up to $1 billion of oil every three months in order to purchase humanitarian supplies. It is belied, as well, by the "putting people last" spending priorities of the Iraqi government, by Saddam's campaign of terror against minorities in the north and south, and by the barbaric treatment given Iraqis suspected of disloyalty to the regime.

For four years, Iraqi officials have sought alternatives to full compliance with Council resolutions. They have delayed and obfuscated. They have demanded concessions in return for small steps. They have threatened and bullied UNSCOM. They have lied. Last fall, they even attempted to intimidate the Council through threatening military maneuvers directed towards Kuwait.

These tactics have not worked; and in the interests of stability and justice, they must not be allowed to work.

Last month's decision by the Iraqi government to release two American citizens who had been detained since March was welcome, but irrelevant to the sanctions issue. The two Americans should not have been jailed in the first place. We congratulate Representative Bill Richardson for his successful effort to gain their release, but his was strictly a humanitarian endeavor. There was no message of any kind from the Administration and no authorization to negotiate. The Richardson trip did not represent the opening of a new channel of communication between Iraq's government and our own, and it has not and will not influence our policy with respect to sanctions.

Let me describe now, more specifically, what that policy is and why we feel so strongly about it.

We are insisting that Iraq meet fully all obligations established by the Security Council because we remain highly distrustful of the Iraqi regime, and because that regime remains a potential threat to a region of great strategic importance to us and to the world. It was five years ago this week that Iraq invaded Kuwait. Hundreds of thousands of American soldiers put their lives at risk to halt and reverse that act of blatant aggression. We should not allow Saddam Hussein to regain in the Security Council what he forfeited through his own ambition and miscalculation on the battlefield.

It should be obvious that a premature return to business as usual with this regime would entail grave and unacceptable risks. If past is prologue, we could expect the Iraqi Government to resume the development and production of weapons of mass destruction as rapidly as possible; we could expect it to test repeatedly the limits of what could be gained through the intimidation of its neighbors; we could expect a halt to progress in resolving humanitarian and financial issues arising out of Iraq's invasion of Kuwait; and we could expect continued brutal repression of the Iraqi people.

Accordingly, we are determined to maintain sanctions until we are convinced by Iraq's behavior that it no longer constitutes a threat to peace and stability in the Persian Gulf. Iraq can demonstrate that by proving—through its compliance with the Resolutions—that it is no longer an outlaw state. Only when its peaceful intentions are proven will there be grounds for modifying the sanctions regime.

Experience tells us that Saddam Hussein's Iraq will respond constructively only to a policy of firmness and steady resolve. Last fall, when Iraqi troops once again threatened Kuwait, President Clinton responded immediately, forecefully and effectively. As a result, Baghdad not only pulled back its troops; but it agreed, at long last, to recognize formally its legal border with Kuwait.

The central question, of course, is whether Iraq is, in fact, complying with the terms of the relevant Security Council resolutions. The answer, unfortunately, is that Iraqi compliance has been grudging, slow, sporadic and insufficient.

During the next few minutes, with the help of the National Intelligence Council, I would like to review with you the facts and the evidence that supports them. Mr. Andrew Liepman of the CIA is here to assist in answering any questions you may have.

WEAPONS OF MASS DESTRUCTION (WMD)—BIOLOGICAL WARFARE

First, with respect to weapons of mass destruction.

On July 3, the Security Council was notified by UNSCOM Chairman Ekeus that Iraq had finally admitted that it had, indeed, possessed an offensive biological warfare program. The Iraqis said that the program was conceived in 1985 and that the production of biological warfare agents began at the Al Hakam facility in 1989 and continued until 1990. They claimed that the biological warfare agents produced were destroyed in October 1990 in view of the imminence of hostilities.

The Iraqis have now undertaken to draft a complete report on their biological warfare program. We understand that an initial draft has been prepared, and that it is—as we speak—being reviewed in Baghdad by UNSCOM. If past efforts by Iraq are any precedent, we can expect the process of explanation and verification to consume a considerable amount of time. In the area of chemical weapons, for example, Iraqi obfuscation, deception and sloppiness caused a delay measured not in days or months, but years. The sad fact is that no initial Iraqi weapons declaration has been truthful.

There are, moreover, ample grounds for continued skepticism.

Iraq claims—we believe falsely—that the biological warfare agents produced were never weaponized. We believe that the Iraqis began their biological warfare program much earlier than they have admitted, and that more biological agents were manufactured and many more facilities and people involved than Iraq has revealed.

Iraq has not acknowledged to the UN anywhere near the number of people normally associated with a research effort of this size. Iraq will have to cooperate with UNSCOM in showing the location of its biological warfare facilities and the equipment used in production. UNSCOM will also need a full explanation of the disposition of the more than 17 tons of biological growth media that remain unaccounted for and of the ways and means by which the produced biological agents were allegedly destroyed.

We should not forget that, until five weeks ago, Iraq denied outright the existence of an offensive biological warfare program. The story changed only after irrefutable evidence was made available to UNSCOM and members of the Security Council that such a program had existed. In other words, Iraq only admitted what we already knew. We cannot count on Iraqi officials to volunteer accurate information and, in this context, the importance of obtaining complete, accurate and verifiable data is critical.

Consider that the Iraqis have admitted to producing more than 500,000 liters of anthrax and botulinum toxin at the Al Hakam facility. Anthrax, in doses of a millionth of a gram, is fatal within five to seven days, nearly 100 percent of the time. Botulinum is 100,000 times more toxic than the chemical warfare agent sarin that was used by terrorists in the Japanese subway tragedy earlier this year. Although weather conditions and limitations on delivery capability would limit potency, it is at least theoretically true that the amount of biological warfare agents Iraq admitted producing is more than enough to kill every man, woman and child on earth.

OTHER WEAPONS OF MASS DESTRUCTION

Discrepancies between the Intelligence Community's assessments of the scale of Iraqi WMD efforts and Iraqi declarations to the UN lead us to believe that Iraq is still hiding equipment and materials belonging to its other WMD programs. For example, the U.S. Intelligence Community estimates that as many as several dozen Scud missiles remain unaccounted for.

We are concerned, moreover, that if the oil embargo is lifted unconditionally, Baghdad could well order the departure of UN inspectors. Under those circumstances, Iraq could then rebuild its weapons of mass destruction programs, a process that would take: less than a year for Iraq's biological weapons programs; two to three years for its chemical warfare (CW) program; and five to seven years, with foreign help, for a first nuclear device.

Lest there be doubt about its intentions, Iraq continues to devote money and manpower to rebuilding its infrastructure for its weapons of mass destruction and conventional weapons programs. The Al Kindi missile research and development facility, for example, supported many Iraqi weapons programs before the war. The facility was damaged heavily during Operation Desert Storm but has been largely rebuilt and even expanded since then. The facility has been under UN supervision, but if UN inspectors were forced to leave, it could easily be converted to support prohibited weapons programs.

The Habbaniyah II facility produced CW agent precursor chemicals before Desert Storm. The Iraqis have rebuilt the main production building and the chlorine plant and have added a phenol production line as well as a ferric chloride line. These production lines contain dual-use equipment that, in the absence of UNSCOM, could easily be converted to CW agent or precursor chemical production.

RETURN OF CAPTURED KUWAITI MILITARY EQUIPMENT

The Security Council has required that Iraq return to Kuwait the military equipment it stole during the invasion. Iraq's claim to have complied with this requirement is laughable.

Baghdad says that it retains only a few pieces of damaged Kuwaiti combat equipment; the truth is that Iraq has integrated a variety of this equipment into its own military.

For example, Iraq claims that it has only four of the BMP–2 infantry fighting vehicles that it stole from Kuwait; we estimate it has more than 200.

Prior to the invasion of Kuwait, Iraq only had single-carry heavy-lift transporters in its inventory. They stole about 100 Kuwaiti transporters capable of carrying two APCs each. The Iraqis even used them to move pieces of equipment—including the stolen Kuwaiti BMP–2's—that were used to threaten the emirate last October.

Much of what Iraq actually has returned is not Kuwaiti at all, but rather derelict Iranian equipment, captured during the Iran-Iraq war, complete with documents written in Farsi and painted-over pictures of the Ayatollah Khomeini.

TERRORISM

Iraq has also continued to use terror as an instrument of state policy.

We believe Iraqi security services were behind a highly suspicious auto accident last summer that resulted in the death of the son of the late spiritual leader of Iraqi Shia.

In April 1994, Iraqi intelligence officers murdered Talib al-Suhayl, an Iraqi oppositionist in Beirut. The officers were arrested and still being held by Lebanese authorities.

Iraq also remains in contact with terrorist groups such as the Abu Nidal Organization and the Palestine Liberation Front.

REPRESSION OF THE IRAQI PEOPLE

Security Council Resolution 688 requires that the Government of Iraq cease its brutal repression of the Iraqi people. Here, as elsewhere, the record of Iraqi compliance is dismal.

The Special Rapporteur of the UN Commission on Human Rights, Max van der Stoel, reports that repression continues, including political killings, mass executions and state-sponsored terrorism.

In the north, Saddam's economic blockade of the three Kurdish provinces is now in its third year, and Baghdad's shut-off of electrical power to Dahuk province is in its second year.

In the south, at least 700 hamlets have been destroyed by government forces since 1991. More have been destroyed this year. Government attacks against Shia communities have been accompanied over the past two years by the draining of the southern marshes. This has produced catastrophic results for local animal species and for the marsh Arabs whose unique and ancient culture now verges on extinction.

The Special Rapporteur has asserted that the Government of Iraq has engaged in war crimes and crimes against humanity, and may have committed violations of the 1948 Genocide Convention. The Special Rapporteur continues to call on the Government of Iraq to permit the stationing of monitors inside the country to improve the flow of information and to provide independent reporting of alleged human rights abuses. We continue to support Mr. van der Stoel's work and his call for monitors.

COPING WITH SANCTIONS—PALACES FIRST; PEOPLE LAST

In April, the Security Council approved Resolution 986, to simplify procedures for Iraq to sell a limited amount of oil to purchase humanitarian goods for its people. Iraq has rejected this resolution, demonstrating again that Saddam Hussein desires not to ease his people's suffering, but to use that suffering to gain sympathy for getting sanctions lifted.

Neither war nor sanctions nor diplomatic isolation have altered Saddam's priorities; he continues to devote considerable resources to rebuilding the Iraqi military and his own palaces.

Iraq has built 50 new palaces or luxury residences since the end of Desert Storm at a cost of over $1.5 billion. There are now 78 such palaces or residences in Iraq for use by Saddam, his family, or close supporters.

For example, the Mosul palace complex includes two areas; one with five palaces and two offices or apartment buildings; the other with three completed palaces and a fourth under construction on a newly excavated, man-made lake. The estimated postwar cost of expanding this complex is between $170–$230 million.

One of the largest and most elaborate palaces in Iraq is in the Lake Tharthar complex; its estimated size of about 300,000 square feet is about five times the size of the White House and one and one-half the size of Versailles. Other buildings on the compound, including residence and service and security facilities, add at least another 150,000 square feet to the complex. The estimated cost of this complex is $180-$240 million.

An additional $230-$310 million has been spent since the end of the war adding new wings with elaborate archways to the Baghdad Republican Palace, a building which serves as the official palace and symbol of the regime.

In addition to diverting scarce resources away from needed purchases of humanitarian goods, Saddam and his family capitalize on their official positions in Iraq for personal profit, often at the expense of their own citizens.

For example, members of Saddam's family, particularly his son Uday, control extensive business interests in Iraq. Some family members exploit the economic distortions caused by UN sanctions by importing goods into Iraq for resale at exorbitant prices. Saddam's relatives also are involved in illicit oil exports from Iraq and use the proceeds, in part, to line their own pockets. Finally, relief supplies donated by the international community also have ended up for sale in stores reserved for the elite friends of the regime.

A LOOK AHEAD

In closing, Mr. Chairman, I would like to stress several points.

First, UN sanctions against Iraq have accomplished much. Iraq's capacity to produce weapons of mass destruction has been dismantled; weapons have been destroyed; the border with Kuwait has been recognized; there are clear constraints on what Iraq can do to intimidate its neighbors. The effectiveness of sanctions is directly attributable to their multilateral nature. Here, the value of the United Nations, and the importance of international cooperation in defense of common interests, is clear.

Second, the continued effectiveness of sanctions cannot be taken for granted. We have indicated that we would use the veto, if necessary, to prevent sanctions from being lifted prematurely. But to be most effective, sanctions must be enforced, and that is much harder to do unilaterally. This is a major reason we have argued so strongly, in the context of Bosnia and elsewhere, that the integrity of UN sanctions must be respected.

Third, the value to our interests of sharing appropriate, but sensitive, information with United Nations bodies has been demonstrated clearly in this case. And those who lapse into derisive generalities about the quality and capabilities of UN organizations should recognize that UNSCOM has performed its complex tasks extremely well despite difficult and at times dangerous conditions.

America's position on Iraq sanctions has been consistent, principled and grounded in a realistic and hard-won understanding of the nature of the Iraqi regime.

Our policy will not change until and unless Iraq does everything the UN Security Council says it must. As President Clinton stated in his most recent report to Congress on this subject:

> Iraq is still a threat to regional peace and security . . . I continued to be determined to see Iraq comply fully with all its obligations under the UNSC resolutions. I will oppose any relaxation of sanctions until Iraq demonstrates its overall compliance with the relevant resolutions. Iraq should adopt democratic processes, respect human rights, treat its people equitably and adhere to basic norms of international behavior.

I should add that the Administration appreciates the strong and bipartisan support it has had from Congress with respect to our policy towards Iraq. this has been, and will remain an essential ingredient to that policy's success.

Thank you once again for the opportunity to be here today. I look forward to any questions you might have.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ENTITLED "SUSTAINABLE ENERGY STRATEGY: CLEAN AND SECURE ENERGY FOR A COMPETITIVE ECONOMY"—MESSAGE FROM THE PRESIDENT—PM 73

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources.

To the Congress of the United States:

Throughout this century, energy has played a prominent role in American progress. The rise of the great industrial enterprises, the ascendence of the automobile, the emergence of environmental awareness, and the advent of the truly global economy all relate to the way that society produces and uses energy. As we face the opportunities and challenges of the next century, energy will continue to exert a powerful influence on our Nation's prosperity, security, and environment.

Energy policies that promote efficiency, domestic energy production, scientific and technological advances, and American exports help sustain a strong domestic economy. The need to protect the environment motivates our continual search for more innovative, economic, and clean ways to produce and use energy. And although oil crises have receded into memory, their potential for harming our economy and national security remains.

Our Administration has actively pursued a national energy policy since January 1993. We have engaged in an active dialog with thousands of individuals, companies, and organizations. Informed by the dialogue, we have committed the resources of the Department of Energy and other agencies to ensure that our policy benefits energy consumers, producers, the environment, and the average citizen.

This report to the Congress, required by section 801 of the Department of Energy Organization Act, highlights our Nation's energy policy. The report underscores our commitment to implement a sustainable energy strategy—one that meets the needs of today while expanding the opportunities for America's future. By implementing a sustainable strategy, our energy policy will provide clean and secure energy for a competitive economy into the 21st century.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 4, 1995.*

REPORT OF THE DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY OPERATING BUDGET FOR FISCAL YEAR 1996—MESSAGE FROM THE PRESIDENT—PM 74

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs.

To the Congress of the United States:

In accordance with section 106(a) of the District of Columbia Financial Responsibility and Management Assistance Authority Act of 1995, I am transmitting the District of Columbia Financial Responsibility and Management Assistance Authority's operating budget for FY 1996.

The Authority's request for its FY 1996 operating budget is $3.5 million. This budget was developed based on a estimated staffing level of 35 full-time employees. After reviewing the budgets and staffing levels of other control boards, the Authority believes this staffing level is the minimum necessary to carry out its wide range of fiscal, management, and legal responsibilities.

This transmittal does not represent an endorsement of the budget's contents.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 4, 1995.*

MESSAGES FROM THE HOUSE

At 9:41 a.m., a message from the House of Representatives, delivered by one of its clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 92. Concurrent resolution providing for an adjournment of the two Houses.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HATFIELD, from the Committee on Appropriations, with amendments:

H.R. 2002. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes (Rept. No. 104–126).

By Mr. THURMOND, from the Committee on Armed Services, with an amendment:

S. 922. An original bill to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the United States Government and the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. No. 104–127).

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 227. A bill to amend title 17, United States Code, to provide an exclusive right to perform sound recordings publicly by means of digital transmissions and for other purposes (Rept. No. 104–128).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

Evan J. Wallach, of Nevada, to be a Judge of the United States Court of International Trade.

Terence T. Evans, of Wisconsin, to be United States Circuit Judge for the Seventh Circuit.

James M. Moody, of Arkansas, to be United States District Judge for the Eastern District of Arkansas.

Michael R. Murphy, of Utah, to be United States Circuit Judge for the Tenth Circuit.

Donald C. Pogue, of Connecticut, to be a Judge of the United States Court of International Trade.

Joseph H. McKinley, Jr., of Kentucky, to be United States District Judge for the Western District of Kentucky.

Ortrie D. Smith, of Missouri, to be United States District Judge for the Western District of Missouri.

William K. Sessions III, of Vermont, to be United States District Judge for the District of Vermont.

(The above nominations were reported with the recommendation that they be confirmed.)

By Mr. THURMOND, from the Committee on Armed Services:

The following named officer to be placed on the retired list in the grade indicated under the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. John P. Otjen, [redacted], United States Army.

The following named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of Title 10, United States Code, Section 1370:

To be lieutenant general

Lt. Gen. James R. Clapper, Jr., [redacted], United States Air Force.

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JEFFORDS (for himself and Mr. LEAHY):

S. 1121. A bill to amend title 23, United States Code, to improve the control of outdoor advertising in areas adjacent to the Interstate System, the National Highway System, and certain other federally assisted highways, and for other purposes; to the Committee on Environment and Public Works.

By Mr. LEAHY (for himself and Mr. FEINGOLD):

S. 1122. A bill to amend the provisions of titles 17 and 18, United States Code, to provide greater copyright protection by amending criminal copyright infringement provisions, and for other purposes; to the Committee on the Judiciary.

By Mr. BINGAMAN:

S. 1123. A bill to limit access by minors to cigarettes through prohibiting the sale of tobacco products in vending machines and the distribution of free samples of tobacco products in Federal buildings and property accessible by minors; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SIMON:

S. Con. Res. 23. A concurrent resolution expressing the sense of the Congress in affirmation of the National Voter Registration Act of 1993, commonly known as the Motor Voter Act; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JEFFORDS (for himself and Mr. LEAHY):

S. 1121. A bill to amend title 23, United States Code, to improve the control of outdoor advertising in areas adjacent to the Interstate System, the National Highway System, and certain other federally assisted highways, and for other purposes; to the Committee on Environment and Public Works.

BILLBOARD CONTROL LEGISLATION

• Mr. JEFFORDS. Mr. President, today I am introducing a bill that will strengthen the Federal law that regulates billboards on our Nation's highways and scenic byways. My bill will close the loophole in the 1965 Highway Beautification Act that permits billboards in unzoned areas, a fact that clearly violates the spirit of the 1965 act.

I have been a strong supporter of strict billboard controls even since I represented Rutland County as a Vermont State senator. During my tenure as a State senator, I served as vice chair of the special committee that wrote Vermont's law banning billboards from our Federal highways and rural routes, and as state attorney general, I successfully defended the law in the Federal courts.

New billboards are being constructed along the U.S. Federal aid interstate and primary highways at record rates. In fact, based on estimates by the Congressional Research Service, one billboard is erected every 30 minutes all year long—a total of 15,000 to 16,000 annually—along Federal aid highways.

Currently, the Highway Beautification Act allows new billboards to be constructed in zoned and unzoned commercial and industrial areas. In theory, this limits billboards to areas with substantial bona fide commercial or industrial activity. In practice, however, this means that wherever there is any industrial or commercial use—for example, a single gas station—several bill billboards may be erected. Many of these signs have messages that are not even related to the adjacent business.

Mr. President, by bill will close this legal loophole by only allowing billboards to be constructed in those areas that are zoned for commercial or industrial use.

Mr. President, my bill will also require that the Federal Highway Administration keep track of the number of billboards on our Nation's highways. In 1991, the Congressional Research Service estimated that there were between 425,000 and 450,000 billboards in existence on Federal aid roads, but admitted that no one really knew how many billboards were along these roads.

Right now States are only required to report to the Federal Government the number of illegal and nonconforming billboards on their roads. Decent public policy cannot be made in the absence of information. My bill will require that States and the Federal Highway Administration track the number of conforming billboards along Federal aid highways and scenic byways.

Finally, Mr. President, my bill will prohibit the removal of trees and other types of vegetation for the sole purpose of improving billboard visibility. The idea that publically owned trees, many planted with public beautification funds, should be destroyed to enrich billboard owners is ludicrous. What is worse is that many of these billboards are nonconforming and are required by law to be removed anyway.

Mr. President, my bill will move the 1965 Highway Beautification Act closer to its original intent of preserving the public's investment in our highways by protecting scenic areas and natural resources and giving Congress the information it needs to make well-informed public policy. I urge my colleagues to become cosponsors of this legislation.•

By Mr. LEAHY (for himself and Mr. FEINGOLD):

S. 1122. A bill to amend the provisions of titles 17 and 18, United States Code, to provide greater copyright protection by amending criminal copyright infringement provisions, and for other purposes; to the Committee on the Judiciary.

THE CRIMINAL COPYRIGHT IMPROVEMENT ACT OF 1995

• Mr. LEAHY. Mr. President, I am pleased to introduce on behalf of Senator Feingold and myself, the Criminal Copyright Improvement Act of 1995. This bill would close a significant loophole in our copyright law and encourage the continued growth of the National Information Infrastructure by insuring better protection of the creative works available online.

This bill reflects recommendations and hard work of the Department of Justice. I want to commend the Department for recognizing the need for prompt action on this important problem.

Bruce Lehman, Commissioner of Patent and Trademark and chair of the Working Group on Intellectual Property Rights of the President's Information Infrastructure Task Force, recognizes the critical role of copyright protection as we move forward with the NII. The preliminary draft of the report of the working group, explained:

> The potential of the NII will not be realized if the information and entertainment products protectable by intellectual property laws are not protected effectively when disseminated via the NII. Owners of intellectual property rights will not be willing to put their own interests at risk if appropriate systems—both in the U.S. and internationally—are not in place to permit them to set and enforce the terms and conditions under which their works are made available in the NII environment. Likewise, the public will not use the services available on the NII and generate the market necessary for its success unless access to a wise variety of works is provided under equitable and reasonable terms and conditions, and the integrity of those works is assured. All the computers, telephones, fax machines, scanners, cameras, keyboards, televisions, monitors, printers, switches, routers, wires, cables, networks and satellites in the world will not create a successful NII, if there is not content. What will drive the NII is the current moving through it.—Intellectual Property and the National Information Infrastructure, July, 1994, p. 6.

The copyright Act, which is grounded in the copyright clause of the Constitution, assures that "contributors to the store of knowledge [receive] a fair return for their labors." Harper & Row The Nation Enterprises, 471 U.S. 539, 546 (1985). I am mindful, however, that when we exercise our power to make criminal certain forms of copyright infringement, we should act with "exceeding caution" to protect the public's First Amendment interest in the dissemination of ideas. *Dowling* v. *United States*, 473 U.S. 207, 221 (1985).

For a criminal prosecution under current copyright law a defendant's willful copyright infringement must be for purposes of commercial advantage or private financial gain. Not-for-profit or noncommercial copyright infringement is not subject to criminal law enforcement, no matter how great the loss to the copyright holder. This presents an enormous loophole in criminal liability for willful infringers who can use digital technology to make exact copies of copyrighted software and other digitally encoded works, and then use computer networks for quick, inexpensive and mass distribution of pirated, infringing works. This bill would close this loophole.

United States v. *LaMacchia*, 871 F. Supp. 535 (D. Mass. 1994), is an example of the problem this criminal copyright bill would fix. In that case, an MIT student set up computer bulletin board systems on the Internet. Users posted and downloaded copyrighted software programs. This resulted in an estimated loss to the copyright holders of over one million dollars over a 6-week period. Since the student apparently did not profit from the software piracy, the Government could not prosecute him under criminal copyright law and instead charged him with wire fraud. The district court described the student's conduct "at best . . . as irresponsible, and at worst as nihilistic, self-indulgent, and lacking in any fundamental sense of values."

Nevertheless, the Court dismissed the indictment in LaMacchia because it viewed copyright law as the exclusive remedy for protecting intellectual property rights. The Court expressly invited Congress to revisit the copyright law and make any necessary adjustments, stating:

> Criminal as well as civil penalties should probably attach to willful, multiple infringements of copyrighted software even absent a commercial motive on the part of the infringer. One can envision ways that the copyright law could be modified to permit such prosecution. But, "[i]t is the legislature, not the Court which is to define a crime, and ordain its punishment."

This bill would ensure redress in the future for flagrant, willful copyright infringements in the following ways: First, serious acts of willful copyright infringement that cause significant loss to the copyright holders would be subject to criminal prosecution.

The bill would add a new offense prohibiting willful copyright infringement by reproduction or distributing copyrighted material with a total retail value of $5,000 or more. Under the new offense, it would be a misdemeanor to make even a single copy of a copyrighted work with a total retail value of between $5,000 and $10,000, and a felony if the total retail value of the infringed upon item or items was over $10,000.

These monetary thresholds, combined with the scienter requirement, would insure that criminal charges would only apply to willful infringements, not merely casual or careless conduct, that result in a significant level of harm to the copyright holder's rights. De-minimis, not-for-profit violations, including the distribution of pirated copies of works worth less than $5,000, would not be subject to criminal prosecution.

Second, the bill would increase the monetary threshold for the existing criminal copyright offense, which makes it a misdemeanor to commit any willful infringement for commercial advantage or private financial gain, and a felony if 10 or more copies of works with a retail value of over $2,500 are made during a 180-day period. The bill would increase the monetary threshold in this offense from $2,500 to $5,000 for felony liability.

Third, the bill would expressly prohibit willfully infringing a copyright by assisting others in the reproduction or distribution, including by transmission of an infringed work. This would further ensure coverage of activities such as those of alleged in LaMacchia.

Fourth, the bill would add a provision to treat more harshly recidivists who commit a second or subsequent felony criminal copyright offense. Specifically, repeat offenders would be punished by imprisonment for up to 10 years rather than 5 years for a first felony offense. Such a calibration of penalties takes an important step in ensuring adequate deterrence of repeated willful copyright infringements.

Fifth, the bill would extend the statute of limitations for criminal copyright infringement actions from 3 to 5 years, which is the norm for violations of criminal laws under Title 18, including those protecting intellectual property.

Finally, the bill would strengthen victims' rights by giving victimized copyright holders the opportunity to provide a victim impact statement to the sentencing court. In addition, the bill would direct the Sentencing Commission to set sufficiently stringent sentencing guideline ranges for defendants convicted of intellectual property offenses to deter these crimes.

Technological developments and the emergence of the National Information Infrastructure in this country and the Global Information Infrastructure worldwide hold enormous promise and present significant challenges for protecting creative works. Increasing accessibility and affordability of information and entertainment services are important goals that oftentimes require prudent balancing of public and private interests. In the area of creative rights, that balance has rested on encouraging creativity by ensuring rights that reward it while encouraging its public availability.

I look forward to continuing to work with the Department of Justice and other interested parties to make any necessary refinements to this bill to insure that we have struck the appropriate balance.

I ask unanimous consent that a summary of the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

CRIMINAL COPYRIGHT IMPROVEMENT ACT OF 1995—SUMMARY

SEC. 1. SHORT TITLE.—The Act may be cited as the "Criminal Copyright Improvement Act of 1995."

SEC. 2. CRIMINAL INFRINGEMENT OF COPYRIGHTS.—The bill adds a new definition for "financial gain" to 17 U.S.C. §101, and amends the criminal copyright infringement provisions in titles 17 and 18. The bill also ensures that victims of criminal copyright infringement have an opportunity to provide victim impact statements to the court about the impact of the offense. Finally, the bill directs the Sentencing Commission to ensure guideline ranges are sufficiently stringent to deter criminal infringement of intellectual property rights, and provide for consideration of the retail value and quantity of the legitimate, infringed-upon items.

(a) Definition of Financial Gain. Current copyright law provides criminal penalties when a copyright is willfully infringed for purposes of "commercial advantage or private financial gain." The bill would add a definition of "financial gain" to the copyright law, 17 U.S.C. §101, and clarify that this term means the "receipt of anything of value, including the receipt of other copyrighted works." This definition would make clear that "financial gain" includes bartering for, and the trading of, pirated software.

(b) Criminal Offenses. The requirement in criminal copyright infringement actions under 17 U.S.C. §506(a) that the defendant's willful copyright infringement be "for purpose of commercial advantage or private financial gain," has allowed serious incidents of copyright infringement to escape successful criminal prosecution.

For example, in *United States* v. *LaMacchia*, 871 F. Supp. 535 (D. Mass. 1994), the defendant allegedly solicited users of a computer bulletin board system on the Internet to submit copies of copyrighted software programs for posting on the system, and then encouraged users to download copies of the illegally copied programs, resulting in an estimated loss of revenue to the copyright holders of over one million dollars over a six week period. Absent evidence of "commercial advantage or private financial gain," the defendant was charged with conspiracy to violate the wire fraud statute, 18 U.S.C. §1343. The district court described the defendant's conduct as "heedlessly irresponsible, and at worst as nihilistic, self-indulgent, and lacking in any fundamental sense of values," but nevertheless dismissed the indictment on the grounds that acts of copyright infringement may not be prosecuted under the wire fraud statute.

The bill would add a new section 17 U.S.C. §506(a)(2) to prohibit willfully infringing a copyright by reproducing or distributing copyrighted material, which has a total retail value of $5,000 or more. This monetary threshold, combined with the scienter requirement, insures that merely casual or careless conduct resulting in distribution of only a few infringing copies would not be subject to criminal prosecution. Criminal charges would only apply to willful infringements resulting in a significant level of harm to the copyright holder's rights. Deminimis violations would not be covered.

By contrast to the offense in 17 U.S.C. §506(a)(1), which requires that 10 or more copies be made during a 180-day period for a felony penalty, the new proposed offense in §506(a)(2), does not contain a numerical threshold or requisite time period during which the infringement must occur. Instead, criminal sanctions would attach under §506(a)(2) if only a single copy were made of a copyrighted work with a total retail value of over $5,000. The criminal offense would be a misdemeanor if the total retail value of the infringed-upon items was between $5,000 and $10,000, and a felony if the total retail value was over $10,000.

Court decisions have indicated that intangible property, such as intellectual property rights, may not be protected under traditional theft or fraud statutes. See *Dowling* v. *United States*, 473 U.S. 207 (1985) ("bootleg" phonorecords that infringed copyrights not subject to interstate transportation of stolen property statute); *United States* v. *Brown*, 925 F.2d 1301, 1308 (10th Cir. 1991) (intangible property such as source code not protected by interstate transportation of stolen property statute); *United States* v. *LaMacchia*, 871 F. Supp. 535 (D. Mass. 1994) (violation of copyright holder's rights cannot be prosecuted under wire fraud theory). The copyright statute may be the only remedy available to protect copyrighted works, such as computer programs, from infringement by electronic copying. This is exceptionally important because a copyright attaches, automatically, when an original work is fixed in a tangible medium. Thus, any work embodying source code or any other literary work may be protected against unauthorized reproduction by uploading or downloading, if at all, by the copyright statute.

Under the bill, unauthorized reproduction or electronic "theft" (which is, essentially, a reproduction and distribution) of source code or other items worth $5,000 or more are subject to criminal penalties, and the theft of more valuable copyrighted material worth more than $10,000 is punishable at felony level. In sum, since cases reflect that intellectual property rights may not be protected by general criminal statutes, the bill would amend the copyright law to ensure such protection exists.

The offenses under §506(a)(1) and (a)(2) would overlap. For example, someone selling 10 or more copies of a copyrighted work may violate both provisions if the value of those copyrighted works is $5,000 or more. The key, however, is that the new provision in §506(a)(2) requires that the infringement involve, at a minimum, $5,000, and felony provisions do not attach until the value of the copyrighted works reaches $10,000. By contrast, any offense, regardless of value, involving private financial gain or commercial advantage constitutes at least a misdemeanor, and the crime reaches felony level under the bill once the retail value of the copyrighted material exceeds $5,000.

The bill would also expressly prohibit willfully infringing a copyright by "assisting others" in the reproduction or distribution of an infringed work. This would make clear that individuals who aid and abet a criminal copyright violation could not escape criminal liability by claiming that they were not responsible for the reproduction or distribution because they merely enabled others to engage in such conduct.

(c) Limitation on Criminal Procedures. The bill would amend 17 U.S.C. §507(a) to extend the statute of limitations for criminal copyright infringement actions from three to five years. A five year statute of limitations is the norm for violations of criminal laws under Title 18, including those that relate to protecting intellectual property. See, e.g., 18 U.S.C. §2319A (Unauthorized fixation of and Trafficking in sound recordings) and §2320 (Trafficking in counterfeiting goods or services).

(d) Criminal Infringement of a Copyright. The bill would amend the penalty provisions in 18 U.S.C. §2319 to comport with the proposed amendments to 17 U.S.C. §506(a), and would also add a new subsection providing for a victim impact statement.

First, under current law, willful copyright infringement for commercial advantage or private financial gain is a felony punishable by up to five years' imprisonment only when the offense consists of the reproduction or distribution during a 180-day period of ten or more copies with a retail value of over $2500. Willful infringements for commercial advantage, which do not satisfy the monetary threshold or quantity requirement during the statutory time period, are misdemeanor offenses. The bill would modify the felony penalty provision for willful copyright infringement for commercial advantage or private financial gain to cover reproductions or distributions "by transmission" and to cover those individuals "assisting others in such reproduction or distribution." The bill would also change the monetary threshold from $2,500 to $5,000.

Second, the bill would provide a new penalty in 18 U.S.C. §2319(c) for the new offense in 17 U.S.C. §506(a)(2) of willfully infringing a copyright by reproduction or distribution of 1 or more copies of copyright works with a total retail value of $5,000 or more. This new offense would be punishable by a fine and up to 5 years' imprisonment if the total retail value of the legitimate, infringed work exceeded $10,000. If the value of the infringed work is between $5000 and $10,000, the offense would be a misdemeanor punishable by not more than 1 year and a fine.

The penalty structure under the bill is as follows:

Infringed work values	Under $5,000	$5,000–$10,000	Over $10,000
Willful infringement for commercial advantage/financial gain [17 U.S.C. § 506(a)(1)].	Misdemeanor	Felony, if 10 or more copies within 180-day period.	Felony, if 10 or more copies within 180-day period.
Willful infringement by reproduction or distribution of works with value over $5,000 for any reason, including commercial advantage/financial gain [17 U.S.C § 506(a)(2)].	No criminal liability.	Misdemeanor	Felony.

Third, the bill would add a provision to treat more harshly recidivists who commit a second or subsequent felony offense under 18 U.S.C. 2319(a), which refers to 17 U.S.C. §506(a) Under the bill, such recidivists would be punished by up to ten years' imprisonment and a fine.

Finally, the bill would add new subsection §2319(e), requiring that victims of the offense, including producers and sellers of legitimate, infringed-upon goods or services, holders of intellectual property rights and their legal representatives, be given the opportunity to provide a victim impact statement to the probation officer preparing the presentence report. The bill directs that the statement identify the victim of the offense and the extent and scope of the injury and loss suffered, including the estimated economic impact of the offense on that victim.

(e) Unauthorized Fixation and Trafficking of Live Musical Performances. The bill would add new subsection 18 U.S.C. §2319A(d) requiring that victims of the offense, including producers and sellers of legitimate, infringed-upon goods or services, holders, of intellectual property rights and their legal representatives, be given the opportunity to provide a victim impact statement to the probation officer preparing the presentence report. The bill directs that the statement identify the victim of the offense and the extent and scope of the injury and loss suffered, including the estimated economic impact of the offense on that victim.

(f) Trafficking in Counterfeit Goods or Services. The bill would add new subsection 18 U.S.C. §2320(d) requiring that victims of the offense, including producers and sellers of legitimate, infringed-upon goods or services, holders of intellectual property rights and their legal representatives, be given the opportunity to provide a victim impact statement to the probation officer preparing the presentence report. The bill directs that the statement identify the victim of the offense and the extent and scope of the injury and loss suffered, including the estimated economic impact of the offense on that victim.

(g) Directive to Sentencing Commission. The Sentencing Commission currently takes the view that criminal copyright infringement and trademark counterfeiting are analogous to fraud-related offenses, and that appropriate sentences are to be calculated according to the retail value of the infringing items, rather than of the legitimate copyrighted items which are infringed. This may understate the harm. The bill would direct the Sentencing Commission to ensure that applicable guideline ranges for criminal copyright infringement and violations of 18 U.S.C. §§2319, 2319A and 2320 are sufficiently stringent to deter such crimes and provide for consideration of the retail value and quantity of the legitimate, infringed-upon items.●

By Mr. BINGAMAN:

S. 1123. A bill to limit access by minors to cigarettes through prohibiting the sale of tobacco products in vending machines and the distribution of free samples of tobacco products in Federal buildings and property accessible by minors; to the Committee on Environment and Public Works.

LEGISLATION BANNING TOBACCO VENDING MACHINES ON FEDERAL PROPERTY

Mr. BINGAMAN. Mr. President, 4 years ago, I introduced a bill to ban tobacco vending machines in Federal buildings and on Federal property accessible to children. Two years ago, I reintroduced the bill, and it passed the full Senate by voice vote as an amendment to the fiscal year 1994 Treasury-Postal Service appropriations bill. I rise today to reintroduce my bill for three simple reasons:

First, in 1993, after the Senate passed my amendment to ban tobacco vending machines on Federal property, the conferees failed to retain the legislative language, opting instead for the following statement in the fiscal year 1994 Treasury-Postal appropriations conference report:

> . . . [elimination of the provision] does not signal a lack of concern for the health and safety of minors. The conferees agree that locating cigarette sales vending machines in areas accessible to minors poses a serious problem as their presence increases the availability of products which otherwise may be prohibited from sale to minors. Therefore, the conferees direct the Administrator to eliminate vending machines in areas which are accessible to minors.

Despite this directive, tobacco vending machines remain on Federal property and many are fully accessible to children.

Second, more substantively, vending machines are extremely difficult to monitor. Not surprisingly, they are one of the chief sources of cigarette purchases among children and teenagers.

Third, finally, every State in the country has enacted a law to prohibit the sale or distribution of cigarettes to minors.

Mr. President, I would like to take a few moments to talk about each of the points I have listed.

As I mentioned, the congressional directive contained in the fiscal year 1994 Treasury-Postal Service appropriations bill was issued almost 2 years ago. In those 2 years, more than 2 million children and teens in this country took up smoking. One-third of them—more than 600,000 children—will later die of tobacco-related causes. Let me repeat that: more than 600,000 children will die because sometime over the past 2 years, they started to smoke. And we cannot even get a few cigarette vending machines out of some Federal buildings.

Mr. President, these statistics are not exaggerations. The facts are well known and widely acknowledged:

First, more than 420,000 people died each year from tobacco-related causes, making cigarette smoking the single most preventable cause of death and disability in the United States.

Second, every day, more than 3,000 children and teenagers start to smoke. More than two-thirds of all adult smokers had their first cigarette before the age of 14, and 90 percent began smoking by age 18.

Third, every year, minors consume 516 million packs of cigarettes, at least half of which are sold illegally to children and teens.

Five hundred sixteen million packs of cigarettes consumed by minors annually. Three thousand children starting to smoke every day. And every State in this country has a law prohibiting the sale of tobacco products to minors.

Clearly, something is not working. It is time for a new course of action. Some experts argue that the wisest, most effective course of action would be to take the tobacco industry up on its voluntary plan for reducing underage smoking and try to hold the industry to its commitment. Others argue that we should use this opportunity to give the Food and Drug Administration broader regulatory authority of tobacco products. The President is currently grappling with these tough issues, and we expect an announcement of his decision at any time.

For several years, I have sponsored legislation that would specifically give the FDA the authority to regulate nicotine-containing tobacco products. For a number of years, the Department of Health and Human Services has urged States and localities to take greater responsibility by, among other things, banning cigarette vending machines.

In recent years, other Federal officials, including President Clinton and former President Bush, have joined the Department's appeal to States and localities. In its Healthy People 2000 Report, the Public Health Service encourages Indian Tribal Councils to "similarly enforce prohibitions of tobacco sales to Indian youth living on reservations" because Indian nations are sovereign and exempted from State laws.

I agree with the Department's previous advice. I sincerely hope that over the next few days or weeks the President will take a tough stand on the issue of Federal regulation of tobacco products. I hope he will go much farther than this modest bill. At the same time, I would caution the President and my colleagues in the Senate not to forget the powerful message that leading by example can convey.

Mr. President, over that past several years, while the Federal Government has been urging every other political body in the country to ban cigarette vending machines, pack after pack are loaded into—and purchased out of—vending machines every day in Federal buildings. Those buildings include the Senate and House Office Buildings and the Old Executive Office Building, next door to the White House.

It is long past time for the vending machines to go. It is time for the Federal Government to lead by example. I believe that if we expect States, localities, Indian tribal leaders, schools, parents, and even the tobacco industry itself, to take steps to protect our children from tobacco, then we in the Federal Government should join the effort. We should lead the effort. We can begin with passage of this legislation, which I ask to be printed in the RECORD at the conclusion of my remarks. Thank you.

ADDITIONAL COSPONSORS

S. 304

At the request of Mr. SANTORUM, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 304, a bill to amend the Internal Revenue Code of 1986 to repeal the transportation fuels tax applicable to commercial aviation.

S. 413

At the request of Mr. DASCHLE, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 413, a bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under such Act, and for other purposes.

S. 428

At the request of Mr. ROTH, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 428, a bill to improve the management of land and water for fish and wildlife purposes, and for other purposes.

S. 448

At the request of Mr. GRASSLEY, the names of the Senator from Pennsylvania [Mr. SPECTER] and the Senator from Connecticut [Mr. DODD] were added as cosponsors of S. 448, a bill to amend section 118 of the Internal Revenue Code of 1986 to provide for certain exceptions from rules for determining contributions in aid of construction, and for other purposes.

S. 560

At the request of Mr. DASCHLE, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 560, a bill to amend section 6901 of title 31, United States Code, to entitle units of general local government to payments in lieu of taxes for nontaxable Indian land.

S. 833

At the request of Mr. HATCH, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 833, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

S. 851

At the request of Mr. JOHNSTON, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 851, a bill to amend the Federal Water Pollution Control Act to reform the wetlands regulatory program, and for other purposes.

S. 960

At the request of Mr. SANTORUM, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 960, a bill to amend title 18, United States Code, to exempt qualified current and former law enforcement officers from State laws prohibiting the carrying of concealed handguns, and for other purposes.

S. 1086

At the request of Mr. DOLE, the names of the Senator from New Hampshire [Mr. SMITH], the Senator from North Carolina [Mr. FAIRCLOTH], and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of S. 1086, a bill to amend the Internal Revenue Code of 1986 to allow a family-owned business exclusion from the gross estate subject to estate tax, and for other purposes.

S. 1117

At the request of Mr. DASCHLE, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1117, a bill to repeal AFDC and establish the Work First Plan, and for other purposes.

SENATE JOINT RESOLUTION 6

At the request of Mr. THURMOND, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of Senate Joint Resolution 6, a joint resolution proposing an amendment to the Constitution of the United States relating to voluntary school prayer.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of Senate Resolution 146, a resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1996, as "National Family Week," and for other purposes.

SENATE RESOLUTION 149

At the request of Mr. AKAKA, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Wyoming [Mr. THOMAS], the Senator from Nebraska [Mr. EXON], the Senator from Massachusetts [Mr. KERRY], the Senator from New Mexico [Mr. BINGAMAN], and the Senator from Washington [Mrs. MURRAY] were added as cosponsors of Senate Resolution 149, a resolution expressing the sense of the Senate regarding the recent announcement by the Republic of France that it intends to conduct a series of underground nuclear test explosions despite the current international moratorium on nuclear testing.

SENATE CONCURRENT RESOLUTION 23—RELATIVE TO THE NATIONAL VOTER REGISTRATION ACT OF 1993

Mr. SIMON submitted the following concurrent resolution; which was referred to the Committee on the Rules and Administration:

S. CON. RES. 23

Whereas section 4 of article I of the Constitution provides that the times, places, and manner of holding elections for Senators and Representatives shall be prescribed by State legislatures, subject to laws passed by the Congress;

Whereas the results of a recent study by the Congressional Budget Office indicate that the costs of implementing the National Voter Registration Act of 1993, commonly known as the Motor Voter Act, are far less than costs that would be considered unfunded mandates under the criteria of the Unfunded Mandates Reform Act of 1995; and

Whereas, States that have complied with the Motor Voter Act have, through such compliance, registered new voters in proportion to the demographics of those States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the Congress is responsible for the ultimate protection of the voting process, which responsibility is to be exercised by making the voting process available to all persons who are eligible to become voters;

(2) it is appropriate for the Congress to affirm that the National Voter Registration Act of 1993, commonly known as the Motor Voter Act, is an appropriate measure to ensure the full participation of the American electorate in voting;

(3) any failure of a State to comply with the Motor Voter Act is illegal;

(4) not later than November 5, 1995, the Governors of the States should comply with the Motor Voter Act; and

(5) the actions of the Attorney General in seeking enforcement of the Motor Voter Act have the support of the Congress.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

THURMOND (AND OTHERS) AMENDMENT NO. 2111

Mr. THURMOND (for himself, Mr. DOMENICI, Mr. LOTT, Mrs. HUTCHISON, Mr. BOND, Mr. THOMPSON, Mr. FRIST, and Mr. BINGAMAN) proposed an amendment to the bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

AMENDMENT NO. 2111

On page 515, strike out line 7 and all that follows through page 570, line 10, and insert in lieu thereof the following:

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $1,624,080,000, to be allocated as follows:

(1) For core stockpile stewardship, $1,386,613,000, to be allocated as follows:

(A) For operation and maintenance, $1,305,308,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $81,305,000, to be allocated as follows: Project 96–D–102, stockpile stewardship facilities revitalization, Phase VI, various locations, $2,520,000.

Project 96–D–103, Atlas, Los Alamos National Laboratory, Los Alamos, New Mexico, $8,400,000.

Project 96–D–104, processing and environmental technology laboratory (PETL), Sandia National Laboratories, Albuquerque, New Mexico, $1,800,000.

Project 96–D–105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $6,600,000.

Project 95–D–102, Chemical and Metallurgy Research Building upgrades, Los Alamos National Laboratory, New Mexico, $9,940,000.

Project 94–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, $12,200,000.

Project 93–D–102, Nevada support facility, North Las Vegas, Nevada, $15,650,000.

Project 90–D–102, nuclear weapons research, development, and testing facilities revitalization, Phase III, various locations, $6,200,000.

Project 88–D–106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations, $17,995,000.

(2) For inertial fusion, $230,667,000, to be allocated as follows:

(A) For operation and maintenance, $193,267,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto), $37,400,000:

Project 96–D–111, national ignition facility, location to be determined.

(3) For Marshall Islands activities and Nevada Test Site dose reconstruction, $6,800,000.

(b) STOCKPILE MANAGEMENT.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,035,483,000, to be allocated as follows:

(1) For operation and maintenance, $1,911,858,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $123,625,000, to be allocated as follows:

Project GPD–121, general plant projects, various locations, $10,000,000.

Project 96–D–122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $600,000.

Project 96–D–123, retrofit heating, ventilation, and air conditioning and chillers for ozone protection, Y–12 Plant, Oak Ridge, Tennessee, $3,100,000.

Project 96–D–125, Washington measurements operations facility, Andrews Air Force Base, Camp Springs, Maryland, $900,000.

Project 96–D–126, tritium loading line modifications, Savannah River Site, South Carolina, $12,200,000.

Project 95–D–122, sanitary sewer upgrade, Y–12 Plant, Oak Ridge, Tennessee, $6,300,000.

Project 94–D–124, hydrogen fluoride supply system, Y–12 Plant, Oak Ridge, Tennessee, $8,700,000.

Project 94–D–125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $5,500,000.

Project 94–D–127, emergency notification system, Pantex Plant, Amarillo, Texas, $2,000,000.

Project 94–D–128, environmental safety and health analytical laboratory, Pantex Plant, Amarillo, Texas, $4,000,000.

Project 93–D–122, life safety upgrades, Y–12 Plant, Oak Ridge, Tennessee, $7,200,000.

Project 93–D–123, complex-21, various locations, $41,065,000.

Project 88–D–122, facilities capability assurance program, various locations, $8,660,000.

Project 88–D–123, security enhancements, Pantex Plant, Amarillo, Texas, $13,400,000.

(c) PROGRAM DIRECTION.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for program direction in carrying out weapons activities necessary for national security programs in the amount of $118,000,000.

(d) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts authorized to be appropriated in subsections (a) through (c) reduced by the sum of—

(1) $25,000,000, for savings resulting from procurement reform; and

(2) $86,344,000, for use of prior year balances.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) CORRECTIVE ACTIVITIES.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for corrective activities in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $3,406,000, all of which shall be available for the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto):

Project 90–D–103, environment, safety and health improvements, weapons research and development complex, Los Alamos National Laboratory, Los Alamos, New Mexico.

(b) ENVIRONMENTAL RESTORATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for environmental restoration for operating expenses in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,550,926,000.

(c) WASTE MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $2,341,641,000, to be allocated as follows:

(1) For operation and maintenance, $2,121,256,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $220,330,000, to be allocated as follows:

Project GPD–171, general plant projects, various locations, $15,728,000.

Project 96–D–400, replace industrial waste piping, Kansas City Plant, Kansas City, Missouri, $200,000.

Project 96–D–401, comprehensive treatment and management plan immobilization of miscellaneous wastes, Rocky Flats Environmental Technology Site, Golden, Colorado, $1,400,000.

Project 96–D–402, comprehensive treatment and management plan building 374/774 sludge immobilization, Rocky Flats Environmental Technology Site, Golden, Colorado, $1,500,000.

Project 96–D–403, tank farm service upgrades, Savannah River, South Carolina, $3,315,000.

Project 96–D–405, T-plant secondary containment and leak detection upgrades, Richland, Washington, $2,100,000.

Project 96–D–406, K-Basin operations program, Richland, Washington, $41,000,000.

Project 96–D–409, advanced mixed waste treatment facility, Idaho National Engineering Laboratory, Idaho, $5,000,000.

Project 96–D–410, specific manufacturing characterization facility assessment and upgrade, Idaho National Engineering Laboratory, Idaho, $2,000,000.

Project 95–D–402, install permanent electrical service, Waste Isolation Pilot Plant, New Mexico, $4,314,000.

Project 95–D–405, industrial landfill V and construction/demolition landfill VII, Y-12 Plant, Oak Ridge, Tennessee, $4,600,000.

Project 95–D–406, road 5–01 reconstruction, area 5, Nevada Test Site, Nevada, $1,023,000.

Project 94–D–400, high explosive wastewater treatment system, Los Alamos National Laboratory, Los Alamos, New Mexico, $4,445,000.

Project 94–D–402, liquid waste treatment system, Nevada Test Site, Nevada, $282,000.

Project 94–D–404, Melton Valley storage tanks capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $11,000,000.

Project 94–D–407, initial tank retrieval systems, Richland, Washington, $9,400,000.

Project 94–D–411, solid waste operations complex project, Richland, Washington, $5,500,000.

Project 94–D–417, intermediate-level and low-activity waste vaults, Savannah River, South Carolina, $2,704,000.

Project 93–D–178, building 374 liquid waste treatment facility, Rocky Flats Plant, Golden, Colorado, $3,900,000.

Project 93–D–182, replacement of cross-site transfer system, Richland, Washington, $19,795,000.

Project 93–D–183, multi-tank waste storage facility, Richland, Washington, $31,000,000.

Project 93–D–187, high-level waste removal from filled waste tanks, Savannah River, South Carolina, $34,700,000.

Project 92–D–171, mixed waste receiving and storage facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,105,000.

Project 92–D–188, waste management environmental, safety and health (ES&H) and compliance activities, various locations, $1,100,000.

Project 90–D–172, aging waste transfer lines, Richland, Washington, $2,000,000.

Project 90–D–177, RWMC transuranic (TRU) waste characterization and storage facility, Idaho National Engineering Laboratory, Idaho, $1,428,000.

Project 90–D–178, TSA retrieval containment building, Idaho National Engineering Laboratory, Idaho, $2,606,000.

Project 89–D–173, tank farm ventilation upgrade, Richland, Washington, $800,000.

Project 89–D–174, replacement high-level waste evaporator, Savannah River, South Carolina, $11,500,000.

Project 86–D–103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, California, $8,885,000.

Project 83–D–148, nonradioactive hazardous waste management, Savannah River, South Carolina, $1,000,000.

(d) TECHNOLOGY DEVELOPMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $550,465,000.

(e) TRANSPORTATION MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for transportation management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $16,158,000.

(f) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,596,028,000, to be allocated as follows:

(1) For operation and maintenance, $1,463,384,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $132,644,000, to be allocated as follows:

Project GPD–171, general plant projects, various locations, $14,724,000.

Project 96–D–458, site drainage control, Mound Plant, Miamisburg, Ohio, $885,000.

Project 96–D–461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $1,539,000.

Project 96–D–462, health physics instrument laboratory, Idaho National Engineering Laboratory, Idaho, $1,126,000.

Project 96–D–463, central facilities craft shop, Idaho National Engineering Laboratory, Idaho, $724,000.

Project 96–D–464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $4,952,000.

Project 96–D–465, 200 area sanitary sewer system, Richland, Washington, $1,800,000.

Project 96–D–470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $3,500,000.

Project 96–D–471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $1,500,000.

Project 96–D–472, plant engineering and design, Savannah River Site, Aiken, South Carolina, $4,000,000.

Project 96–D–473, health physics site support facility, Savannah River Site, Aiken, South Carolina, $2,000,000.

Project 96–D–474, dry fuel storage facility, Idaho National Engineering Laboratory, Idaho, $15,000,000.

Project 96–D–475, high level waste volume reduction demonstration (pentaborane), Idaho National Engineering Laboratory, Idaho, $5,000,000.

Project 95–D–155, upgrade site road infrastructure, Savannah River, South Carolina, $2,900,000.

Project 95–D–156, radio trunking system, Savannah River, South Carolina, $10,000,000.

Project 95–D–454, 324 facility compliance/renovation, Richland, Washington, $3,500,000.

Project 95–D–456, security facilities upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $8,382,000.

Project 94–D–122, underground storage tanks, Rocky Flats, Golden, Colorado, $5,000,000.

Project 94–D–401, emergency response facility, Idaho National Engineering Laboratory, Idaho, $5,074,000.

Project 94–D–412, 300 area process sewer piping system upgrade, Richland, Washington, $1,000,000.

Project 94–D–415, medical facilities, Idaho National Engineering Laboratory, Idaho, $3,601,000.

Project 94–D–451, infrastructure replacement, Rocky Flats Plant, Golden, Colorado, $2,940,000.

Project 93–D–147, domestic water system upgrade, Phase I and II, Savannah River, South Carolina, $7,130,000.

Project 93–D–172, electrical upgrade, Idaho National Engineering Laboratory, Idaho, $124,000.

Project 92–D–123, plant fire/security alarms system replacement, Rocky Flats Plant, Golden, Colorado, $9,560,000.

Project 92–D–125, master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, Golden, Colorado, $7,000,000.

Project 92–D–181, fire and life safety improvements, Idaho National Engineering Laboratory, Idaho, $6,883,000.

Project 91–D–127, criticality alarm and production annunciation utility replacement, Rocky Flats Plant, Golden, Colorado, $2,800,000.

(g) COMPLIANCE AND PROGRAM COORDINATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for compliance and program coordination in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $81,251,000, to be allocated as follows:

(1) For operation and maintenance, $66,251,000.

(2) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto), $15,000,000:

Project 95–E–600, hazardous materials training center, Richland, Washington.

(h) ANALYSIS, EDUCATION, AND RISK MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for analysis, education, and risk management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $80,022,000.

(i) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts specified in subsections (a) through (h) reduced by the sum of—

(1) $276,942,000, for use of prior year balances; and

(2) $37,000,000 for recovery of overpayment to the Savannah River Pension Fund.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) OTHER DEFENSE ACTIVITIES.—Subject to subsection (b), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for other defense activities in carrying out programs necessary for national security in the amount of $1,408,162,000, to be allocated as follows:

(1) For verification and control technology, $430,842,000, to be allocated as follows:

(A) For nonproliferation and verification research and development, $226,142,000.

(B) For arms control, $162,364,000.

(C) For intelligence, $42,336,000.

(2) For nuclear safeguards and security, $83,395,000.

(3) For security investigations, $25,000,000.

(4) For security evaluations, $14,707,000.

(5) For the Office of Nuclear Safety, $15,050,000.

(6) For worker and community transition, $100,000,000.

(7) For fissile materials disposition, $70,000,000.

(8) For naval reactors development, $682,168,000, to be allocated as follows:

(A) For operation and infrastructure, $659,168,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $23,000,000, to be allocated as follows:

Project 95–D–200, laboratory systems and hot cell upgrades, various locations, $11,300,000.

Project 95–D–201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, $4,800,000.

Project 93–D–200, engineering services facilities, Knolls Atomic Power Laboratory, Niskayuna, New York, $3,900,000.

Project 90–N–102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $3,000,000.

(b) ADJUSTMENT.—The total amount that may be appropriated pursuant to this section is the total amount authorized to be appropriated in subsection (a) reduced by $13,000,000, for use of prior year balances.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for payment to the Nuclear Waste Fund established in section 302(c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $198,400,000.

SEC. 3105. PAYMENT OF PENALTIES ASSESSED AGAINST ROCKY FLATS SITE.

The Secretary of Energy may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507), from funds appropriated to the Department of Energy for environmental restoration and waste management activities pursuant to section 3102, stipulated civil penalties in the amount of $350,000 assessed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) against the Rocky Flats Site, Golden, Colorado.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(a) IN GENERAL.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report, the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) REPORT.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) LIMITATIONS.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) IN GENERAL.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) REPORT TO CONGRESS.—If, at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by sections 3101, 3102, and 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other Federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY; LIMITATIONS.—(1) Subject to paragraph (2), the Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(3) The authority provided by this section to transfer authorizations—

(A) may only be used to provide funds for items relating to weapons activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(B) may not be used to provide authority for an item that has been denied funds by Congress.

(c) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the

House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(a) Requirement for Conceptual Design.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $2,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) Authority for Construction Design.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING, DESIGN, AND CONSTRUCTION ACTIVITIES.

(a) Authority.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including funds authorized to be appropriated under sections 3101, 3102, and 3103 for advance planning and construction design, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to protect public health and safety, meet the needs of national defense, or to protect property.

(b) Limitation.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) Specific Authority.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

(d) Report.—The Secretary of Energy shall report to the congressional defense committees any exercise of authority under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121 of this title, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriation Act, amounts appropriated for operating expenses, plant projects, and capital equipment may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. TRITIUM PRODUCTION.

(a) Tritium Production.—Of the funds authorized to be appropriated to the Department of Energy under section 3101, not more than $50,000,000 shall be available to conduct an assessment of alternative means of ensuring that the tritium production of the Department of Energy is adequate to meet the tritium requirements of the Department of Defense. The assessment shall include an assessment of various types of reactors and an accelerator.

(b) Location of New Tritium Production Facility.—The Secretary of Energy shall locate the new tritium production facility of the Department of Energy at the Savannah River Site, South Carolina.

(c) Tritium Targets.—Of the funds authorized to be appropriated to the Department of Energy under section 3101, not more than $5,000,000 shall be available for the Idaho National Engineering Laboratory for the test and development of nuclear reactor tritium targets for the various types of reactors to be assessed by the Department under subsection (a).

SEC. 3132. FISSILE MATERIALS DISPOSITION.

Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3103(a)(7), $70,000,000 shall be available only for purposes of completing the evaluation of, and commencing implementation of, the interim- and long-term storage and disposition of fissile materials (including plutonium, highly enriched uranium, and other fissile materials) that are excess to the national security needs of the United States, of which $10,000,000 shall be available for plutonium resource assessment on a competitive basis by an appropriate university consortium.

SEC. 3133. TRITIUM RECYCLING.

(a) In General.—Except as provided in subsection (b), the following activities shall be carried out at the Savannah River Site, South Carolina:

(1) All tritium recycling for weapons, including tritium refitting.

(2) All activities regarding tritium formerly carried out at the Mound Plant, Ohio.

(b) Exception.—The following activities may be carried out at the Los Alamos National Laboratory, New Mexico:

(1) Research on tritium.

(2) Work on tritium in support of the defense inertial confinement fusion program.

(3) Provision of technical assistance to the Savannah River Site regarding the weapons surveillance program.

SEC. 3134. MANUFACTURING INFRASTRUCTURE FOR REFABRICATION AND CERTIFICATION OF ENDURING NUCLEAR WEAPONS STOCKPILE.

(a) Manufacturing Program.—The Secretary of Energy shall carry out a program for purposes of establishing within the Government a manufacturing infrastructure that has the following capabilities as specified in the Nuclear Posture Review:

(1) To develop a stockpile surveillance engineering base.

(2) To refabricate and certify weapon components and types in the enduring nuclear weapons stockpile, as necessary.

(3) To design, fabricate, and certify new nuclear warheads, as necessary.

(4) To support nuclear weapons.

(5) To supply sufficient tritium in support of nuclear weapons to ensure an upload hedge in the event circumstances require.

(b) Required Capabilities.—The manufacturing infrastructure established under the program under subsection (a) shall include the following capabilities (modernized to attain the objectives referred to in that subsection):

(1) The weapons assembly capabilities of the Pantex Plant.

(2) The weapon secondary fabrication capabilities of the Y-12 Plant, Oak Ridge, Tennessee.

(3) The tritium production and recycling capabilities of the Savannah River Site.

(4) A weapon primary pit refabrication/manufacturing and reuse facility capability at Savannah River Site (if required for national security purposes).

(5) The non-nuclear component capabilities of the Kansas City Plant.

(c) Nuclear Posture Review.—For purposes of subsection (a), the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or subsequent such reports.

(d) Funding.—Of the funds authorized to be appropriated under section 3101(b), $143,000,000 shall be available for carrying out the program required under this section, of which—

(1) $35,000,000 shall be available for activities at the Pantex Plant;

(2) $30,000,000 shall be available for activities at the Y-12 Plant, Oak Ridge, Tennessee;

(3) $35,000,000 shall be available for activities at the Savannah River Site; and

(4) $43,000,000 shall be available for activities at the Kansas City Plant.

SEC. 3135. HYDRONUCLEAR EXPERIMENTS.

Of the funds authorized to be appropriated to the Department of Energy under section 3101, $50,000,000 shall be available for preparation for the commencement of a program of hydronuclear experiments at the nuclear weapons design laboratories at the Nevada Test Site which program shall be for the purpose of maintaining confidence in the reliability and safety of the enduring nuclear weapons stockpile.

SEC. 3136. FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) In General.—The Secretary of Energy shall conduct a fellowship program for the development of skills critical to the ongoing mission of the Department of Energy nuclear weapons complex. Under the fellowship program, the Secretary shall—

(1) provide educational assistance and research assistance to eligible individuals to facilitate the development by such individuals of skills critical to maintaining the ongoing mission of the Department of Energy nuclear weapons complex;

(2) employ eligible individuals at the facilities described in subsection (c) in order to facilitate the development of such skills by these individuals; or

(3) provide eligible individuals with the assistance and the employment.

(b) Eligible Individuals.—Individuals eligible for participation in the fellowship program are the following:

(1) Students pursuing graduate degrees in fields of science or engineering that are related to nuclear weapons engineering or to the science and technology base of the Department of Energy.

(2) Individuals engaged in postdoctoral studies in such fields.

(c) COVERED FACILITIES.—The Secretary shall carry out the fellowship program at or in connection with the following facilities:

(1) The Kansas City Plant, Kansas City, Missouri.

(2) The Pantex Plant, Amarillo, Texas.

(3) The Y-12 Plant, Oak Ridge, Tennessee.

(4) The Savannah River Site, Aiken, South Carolina.

(d) ADMINISTRATION.—The Secretary shall carry out the fellowship program at a facility referred to in subsection (c) through the stockpile manager of the facility.

(e) ALLOCATION OF FUNDS.—The Secretary shall, in consultation with the Assistant Secretary of Energy for Defense Programs, allocate funds available for the fellowship program under subsection (f) among the facilities referred to in subsection (c). The Secretary shall make the allocation after evaluating an assessment by the weapons program director of each such facility of the personnel and critical skills necessary at the facility for carrying out the ongoing mission of the facility.

(f) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3101(b), $10,000,000 may be used for the purpose of carrying out the fellowship program under this section.

SEC. 3137. EDUCATION PROGRAM FOR DEVELOPMENT OF PERSONNEL CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) IN GENERAL.—The Secretary of Energy shall conduct an education program to ensure the long-term supply of personnel having skills critical to the ongoing mission of the Department of Energy nuclear weapons complex. Under the program, the Secretary shall provide—

(1) education programs designed to encourage and assist students in study in the fields of math, science, and engineering that are critical to maintaining the nuclear weapons complex;

(2) programs that enhance the teaching skills of teachers who teach students in such fields; and

(3) education programs that increase the scientific understanding of the general public in areas of importance to the nuclear weapons complex and to the Department of Energy national laboratories.

(b) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3101(a), $10,000,000 may be used for the purpose of carrying out the education program under this section.

SEC. 3138. LIMITATION ON USE OF FUNDS FOR CERTAIN RESEARCH AND DEVELOPMENT PURPOSES.

Funds appropriated or otherwise made available to the Department of Energy for fiscal year 1996 under section 3101 may be obligated and expended for activities under the Department of Energy Laboratory Directed Research and Development Program or under Department of Energy technology transfer programs only if such activities support the national security mission of the Department.

SEC. 3139. PROCESSING OF HIGH LEVEL NUCLEAR WASTE AND SPENT NUCLEAR FUEL RODS.

(a) ELECTROMETALLURGICAL PROCESSING ACTIVITIES.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, not more than $2,500,000 shall be available for electrometallurgical processing activities at the Idaho National Engineering Laboratory.

(b) PROCESSING OF SPENT NUCLEAR FUEL RODS AT SAVANNAH RIVER SITE.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, $30,000,000 shall be available for operating and maintenance activities at the Savannah River Site, which amount shall be available for the development at the canyon facilities at the site of technological methods (including plutonium processing and reprocessing) of separating, reducing, isolating, and storing the spent nuclear fuel rods that are sent to the site from other Department of Energy facilities and from foreign facilities.

(c) PROCESSING OF SPENT NUCLEAR FUEL RODS AT IDAHO NATIONAL ENGINEERING LABORATORY.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, $15,000,000 shall be available for operating and maintenance activities at the Idaho National Engineering Laboratory, which amount shall be available for the development of technological methods of processing the spent nuclear fuel rods that will be sent to the laboratory from other Department of Energy facilities.

(d) SPENT NUCLEAR FUEL DEFINED.—In this section, the term "spent nuclear fuel" has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

SEC. 3140. DEPARTMENT OF ENERGY DECLASSIFICATION PRODUCTIVITY INITIATIVE.

Of the funds authorized to be appropriated to the Department of Energy under section 3103, $3,000,000 shall be available for the Declassification Productivity Initiative of the Department of Energy.

SEC. 3141. AUTHORITY TO REPROGRAM FUNDS FOR DISPOSITION OF CERTAIN SPENT NUCLEAR FUEL.

(a) AUTHORITY TO REPROGRAM.—Notwithstanding any other provision of law and subject to subsection (b), the Secretary of Energy may reprogram funds available to the Department of Energy for fiscal year 1996 under section 3101(b) or 3102(b) to make such funds available for use for storage pool treatment and stabilization or for canning and storage in connection with the disposition of spent nuclear fuel in the Democratic People's Republic of Korea, which treatment and stabilization or canning and storage is—

(1) necessary in order to meet International Atomic Energy Agency safeguard standards with respect to the disposition of spent nuclear fuel; and

(2) conducted in fulfillment of the Nuclear Framework Agreement between the United States and the Democratic People's Republic of Korea dated October 21, 1994.

(b) LIMITATION.—The total amount that the Secretary may reprogram under the authority in subsection (a) may not exceed $5,000,000.

(c) DEFINITION.—In this section, the term "spent nuclear fuel" has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

SEC. 3142. PROTECTION OF WORKERS AT NUCLEAR WEAPONS FACILITIES.

Of the funds authorized to be appropriated to the Department of Energy under section 3102, $10,000,000 shall be available to carry out activities authorized under section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102-190; 105 Stat. 1571; 42 U.S.C. 7274d), relating to worker protection at nuclear weapons facilities.

Subtitle D—Review of Department of Energy National Security Programs

SEC. 3151. REVIEW OF DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS.

(a) REPORT.—Not later than March 15, 1996, the Secretary of Defense shall, in consultation with the Secretary of Energy, submit to the congressional defense committees a report on the national security programs of the Department of Energy.

(b) CONTENTS OF REPORT.—The report shall include an assessment of the following:

(1) The effectiveness of the Department of Energy in maintaining the safety and reliability of the enduring nuclear weapons stockpile.

(2) The management by the Department of the nuclear weapons complex, including—

(A) a comparison of the Department of Energy's implementation of applicable environmental, health, and safety requirements with the implementation of similar requirements by the Department of Defense; and

(B) a comparison of the costs and benefits of the national security research and development programs of the Department of Energy with the costs and benefits of similar programs sponsored by the Department of Defense.

(3) The fulfillment of the requirements established for the Department of Energy in the Nuclear Posture Review.

(c) DEFINITION.—In this section, the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

Subtitle E—Other Matters

SEC. 3161. RESPONSIBILITY FOR DEFENSE PROGRAMS EMERGENCY RESPONSE PROGRAM.

The Office of Military Applications under the Assistant Secretary of Energy for Defense Programs shall retain responsibility for the Defense Programs Emergency Response Program within the Department of Energy.

SEC. 3162. REQUIREMENTS FOR DEPARTMENT OF ENERGY WEAPONS ACTIVITIES BUDGETS FOR FISCAL YEARS AFTER FISCAL YEAR 1996.

(a) IN GENERAL.—The weapons activities budget of the Department of Energy shall be developed in accordance with the Nuclear Posture Review, the Post Nuclear Posture Review Stockpile Memorandum currently under development, and the programmatic and technical requirements associated with the review and memorandum.

(b) REQUIRED DETAIL.—The Secretary of Energy shall include in the materials that the Secretary submits to Congress in support of the budget for a fiscal year submitted by the President pursuant to section 1105 of title 31, United States Code, a long-term program plan, and a near-term program plan, for the certification and stewardship of the enduring nuclear weapons stockpile.

(c) DEFINITION.—In this section, the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

SEC. 3163. REPORT ON PROPOSED PURCHASES OF TRITIUM FROM FOREIGN SUPPLIERS.

(a) REQUIREMENT.—Not later than May 30, 1997, the President shall submit to the congressional defense committees a report on any plans of the President to purchase from foreign suppliers tritium to be used for purposes of the nuclear weapons stockpile of the United States.

(b) FORM OF REPORT.—The report shall be submitted in unclassified form, but may contain a classified annex.

SEC. 3164. REPORT ON HYDRONUCLEAR TESTING.

(a) REPORT.—The Secretary of Energy shall direct the joint preparation by the Lawrence Livermore National Laboratory and the Los Alamos National Laboratory of a report on the advantages and disadvantages for the safety and reliability of the enduring nuclear weapons stockpile of permitting alternative limits to the current limits on the explosive yield of hydronuclear tests. The report shall address the following explosive yield limits:

(1) 4 pounds (TNT equivalent).

(2) 400 pounds (TNT equivalent).

(3) 4,000 pounds (TNT equivalent).

(4) 40,000 pounds (TNT equivalent).

(b) FUNDING.—The Secretary shall make available funds authorized to be appropriated to the Department of Energy under section 3101 for preparation of the report required under subsection (a).

SEC. 3165. PLAN FOR THE CERTIFICATION AND STEWARDSHIP OF THE ENDURING NUCLEAR WEAPONS STOCKPILE.

(a) REQUIREMENT.—Not later than March 15, 1996, and every March 15 thereafter, the Secretary of Energy shall submit to the Secretary of Defense a plan for maintaining the enduring nuclear weapons stockpile.

(b) PLAN ELEMENTS.—Each plan under subsection (a) shall set forth the following:

(1) The numbers of weapons (including active weapons and inactive weapons) for each type of weapon in the enduring nuclear weapons stockpile.

(2) The expected design lifetime of each weapon system type, the current age of each weapon system type, and any plans (including the analytical basis for such plans) for lifetime extensions of a weapon system type.

(3) An estimate of the lifetime of the nuclear and non-nuclear components of the weapons (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile, and any plans (including the analytical basis for such plans) for lifetime extensions of such components.

(4) A schedule of the modifications, if any, required for each weapon type (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile, and the cost of such modifications.

(5) The process to be used in recertifying the safety, reliability, and performance of each weapon type (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile.

(6) The manufacturing infrastructure required to maintain the nuclear weapons stockpile stewardship management program.

EXON (AND OTHERS) AMENDMENT NO. 2112

Mr. EXON (for himself, Mr. HATFIELD, Mr. DASCHLE, Mr. LEVIN, Mr. BINGAMAN, Mr. GLENN, Mr. HARKIN, Mr. SIMON, Mr. KERREY, Mr. KENNEDY, Mr. FEINGOLD, Mr. WELLSTONE, and Mr. BUMPERS) proposed an amendment to the bill S. 1026, supra; as follows:

On page 33 of the underlying amendment, strike out Section 3135, lines 11 through 19.

REID (AND BRYAN) AMENDMENT NO. 2113

Mr. REID (for himself and Mr. BRYAN) proposed an amendment to amendment No. 2111 proposed by Mr. THURMOND to the bill S. 1026, supra; as follows:

On page 29 of the amendment, strike lines 18 through 21.

THURMOND AMENDMENT NO. 2114

Mr. THURMOND proposed an amendment to amendment No. 2111 proposed by him to the bill S. 1026, supra; as follows:

Page 8, line 17 strike out "$2,341,596,000" and substitute in lieu thereof "$2,386,596,000".

Page 8, line 20 strike out "$2,121,226,000" and substitute in lieu thereof "$2,151,266,000".

Page 9, line 1 strike out "$220,330,000" and substitute in lieu thereof "$235,330,000".

Page 9, line 25 strike out "$26,000,000" and substitute in lieu thereof "$41,000,000".

Page 13, line 6 strike out "$550,510,000" and substitute in lieu thereof "$505,510,000".

BUMPERS (AND OTHERS) AMENDMENT NO. 2115

Mr. BUMPERS (for himself, Mr. SIMON, Mr. WELLSTONE, Ms. MOSELEY-BRAUN, and Mr. FEINGOLD) proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate place in the bill, add the following new section:

SEC. . REPEAL OF DEFENSE FIREWALL.

(A) Strike Section 201(a) through 201(b)(1)(B) of H. Con. Res. 67, as passed by both houses of Congress and insert in lieu thereof the following:

SEC. 201. DISCRETIONARY SPENDING LIMITS.

(a) DEFINITION.—As used in this section and for the purposes of allocations made pursuant to section 302(a) or 602(a) of the Congressional Budget Act of 1974, for the discretionary category, the term "discretionary spending limit" means—

(1) with respect to fiscal year 1996, for the discretionary category $485,074,000,000 in new budget authority and $531,768,000,000 in outlays;

(2) with respect to fiscal year 1997, for the discretionary category $482,430,000,000 in new budget authority and $520,295,000,000 in outlays;

(3) with respect to fiscal year 1998, for the discretionary category $490,692,000,000 in new budget authority and $512,632,000,000 in outlays;

(4) with respect to fiscal year 1999, for the discretionary category $482,207,000,000, in new budget authority and $510,482,000,000 in outlays;

(5) with respect to fiscal year 2000, for the discretionary category $489,379,000,000, in new budget authority and $514,234,000,000 in outlays;

(6) with respect to fiscal year 2001, for the discretionary category $496,601,000,000 in new budget authority and $516,403,000,000 in outlays;

(7) with respect to fiscal year 2002, for the discretionary category $498,837,000,000 in new budget authority and $515,075,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

(A) any concurrent resolution on the budget for fiscal years 1996, 1997, 1998, 1999, 2000, 2001, or 2002 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the discretionary spending limit for such fiscal year; or

(B) Within 30 days of the date of enactment of this Act, the House and Senate Appropriations Committee shall meet to consider the reallocation of the fiscal year 1996 suballocations made pursuant to section 602(b) of the Congressional Budget Act of 1974.

McCAIN AMENDMENT NO. 2116

Mr. McCAIN proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate place in the Act, add the following new section:

SEC. . CIVILIAN SPORTING EVENTS.

(a) No funds made available to the Department of Defense may be expended either directly or indirectly to support civilian sporting events, including but not limited to the World Cup Soccer Games, the Goodwill Games, and the Olympics, until the Secretary of Defense enters into an agreement with the appropriate entity of affiliated entity or entities and certifies that such funds will be reimbused to the extent available to the Department under terms and conditions established by the Secretary of Defense, and that such terms shall

(1) not mandate any reimbursement until after the event is complete and all event-related contactual obligations have been met by the entity; and

(2) such reimbursement shall not exceed surplus funds available.

(b) For the purposes of this Section, paragraph (a) shall be null and void and of no effect if the entity or entities with which the agreement was made have no surplus funds after all other contractual obligations have been met.

(c) SURPLUS FUNDS DEFINED.—For the purposes of this section, the term "surplus funds", with respect to an organization sponsoring a sporting event, means the amount equal to the excess of—

(1) the total amount of the funds received by the organization for the event other than revenues derived for any tax, over

(2) the total amount expended by the organization for payment of all of the costs under the organization's contractual obligations (other than an agreement entered into with the Secretary of Defense under this section) that relate to the event.

BOXER (AND OTHERS) AMENDMENT NO. 2117

Mrs. BOXER (for herself, Mr. HARKIN, and Mr. BRADLEY) proposed an amendment to the bill S. 1026, supra; as follows:

Beginning on page 189, strike out line 5 and all that follows through page 191, line 21, and insert in lieu thereof the following:

SEC. 526. FORFEITURE OF PAY AND ALLOWANCES AND REDUCTION IN GRADE.

(a) EFFECTIVE DATE OF PUNISHMENTS.—Section 857(a) (article 57(a)) is amended to read as follows:

"(a)(1) Any forfeiture of pay, forfeiture of allowances, or reduction in grade included in a sentence of a court-martial takes effect on the earlier of—

"(A) the date that is 14 days after the date on which the sentence is adjudged; or

"(B) the date on which the sentence is approved by the convening authority.

"(2) On application by an accused, the convening authority may defer any forfeiture of pay, forfeiture of allowances, or reduction in grade that would otherwise become effective under paragraph (1)(A) until the date on which the sentence is approved by the convening authority. The deferment may be rescinded at any time by the convening authority.

"(3) A forfeiture of pay or allowances shall be collected from pay accruing on and after the date on which the sentence takes effect under paragraph (1). Periods during which a sentence to forfeiture of pay or forfeiture of allowances is suspended or deferred shall be excluded in computing the duration of the forfeiture.

"(4) In this subsection, the term 'convening authority', with respect to a sentence of a court-martial, means any person authorized to act on the sentence under section 860 of this title (article 60).".

(b) EFFECT OF PUNITIVE SEPARATION OR CONFINEMENT FOR ONE YEAR OR MORE.—(1) Subchapter VIII is amended by inserting after section 858a (article 58a) the following new section (article):

"§ 858b. Art. 58b. Sentences: forfeiture of pay and allowances

"(a) A sentence adjudged by a court-martial that includes confinement for one year or more, death, dishonorable discharge, bad-conduct discharge, or dismissal shall result in the forfeiture of all pay and allowances due that member during any period of confinement or parole. The forfeiture required by this section shall take effect on the date determined under section 857(a) of this title (article 57(a)) and may be deferred in accordance with that section.

"(b) In a case involving an accused who has dependents, the convening authority or other person acting under section 860 of this title (article 60) may waive any or all of the forfeitures of pay and allowances required by subsection (a) for a period not to exceed six months. Any amount of pay or allowances that, except for a waiver under this subsection, would be forfeited shall be paid, as the convening authority or other person taking action directs, to the dependents of the accused.".

"(c) If the sentence of a member who forfeits pay and allowances under subsection (a) is set aside or disapproved or, as finally approved, does not provide for a punishment referred to in subsection (a), the member shall be paid the pay and allowances which the member would have been paid, except for the forfeiture, for the period during which the forfeiture was in effect.".

(2) CLERICAL AMENDMENT.—The table of sections at the beginning of subchapter VIII of such chapter is amended by adding at the end the following new item:

"858b. 58b. Sentences: forfeiture of pay and allowances.".

(c) APPLICABILITY.—The amendments made by this section shall apply to a case in which a sentence is adjudged by a court-martial on or after the first day of the first month that begins at least 30 days after the date of the enactment of this Act.

COHEN (AND OTHERS) AMENDMENT NO. 2118

Mr. COHEN (for himself, Mr. LEVIN, Mr. ROTH, Mr. GLENN, and Mr. BINGAMAN) proposed an amendment to the bill S. 1026, supra; as follows:

At the end of the bill, add the following:

DIVISION D—INFORMATION TECHNOLOGY MANAGEMENT REFORM

SEC. 4001. SHORT TITLE.

This division may be cited as the "Information Technology Management Reform Act of 1995".

SEC. 4002. FINDINGS.

Congress makes the following findings:

(1) Federal information systems are critical to the lives of every American.

(2) The efficiency and effectiveness of the Federal Government is dependent upon the effective use of information.

(3) The Federal Government annually spends billions of dollars operation obsolete information systems.

(4) The use of obsolete information systems severely limits the quality of the services that the Federal Government provides, the efficiency of Federal Government operations, and the capabilities of the Federal Government to account for how taxpayer dollars are spent.

(5) The failure to modernize Federal Government information systems and the operations they support, despite efforts to do so, has resulted in the waste of billions of dollars that cannot be recovered.

(6) Despite improvements achieved through implementation of the Chief Financial Officers Act of 1990, most Federal agencies cannot track the expenditures of Federal dollars and, thus, expose the taxpayers to billions of dollars in waste, fraud, abuse, and mismanagement.

(7) Poor planning and program management and an overburdened acquisition process have resulted in the American taxpayers not getting their money's worth from the expenditure of $200,000,000,000 on information systems during the decade preceding the enactment of this Act.

(8) The Federal Government's investment control processes focus too late in the system lifecycle, lack sound capital planning, and pay inadequate attention to business process improvement, performance measurement, project milestones, or benchmarks against comparable organizations.

(9) Many Federal agencies lack adequate personnel with the basic skills necessary to effectively and efficiently use information technology and other information resources in support of agency programs and missions.

(10) Federal regulations governing information technology acquisitions are outdated, focus on paperwork and process rather than results, and prevent the Federal Government from taking timely advantage of the rapid advances taking place in the competitive and fast changing global information technology industry.

(11) Buying, leasing, or developing information systems should be a top priority for Federal agency management because the high potential for the systems to substantially improve Federal Government operations, including the delivery of services to the public.

(12) Structural changes in the federal government, including elimination of the Brooks Act (Section 111 of the Federal Property and Administrative Services Act of 1949), are necessary in order to improve Federal information management and to facilitate Federal Government acquisition of the state-of-the-art information technology that is critical for improving the efficiency and effectiveness of Federal Government operations.

SEC. 4003. PURPOSES.

The purposes of this division are as follows:

(1) To create incentives for the Federal Government to strategically use information technology in order to achieve efficient and effective operations of the Federal Government, and to provide cost effective and efficient delivery of Federal Government services to the taxpayers.

(2) To provide for the cost effective and timely acquisition, management, and use of effective information technology solutions.

(3) To transform the process-oriented procurement system of the Federal Government, as it relates to the acquisition of information technology, into a results-oriented procurement system.

(4) To increase the responsibility and authority of officials of the Office of Management and Budget and other Federal Government agencies, and the accountability of such officials to Congress and the public, in the use of information technology and other information resources in support of agency missions.

(5) To ensure that Federal Government agencies are responsible and accountable for achieving service delivery levels and project management performance comparable to the best in the private sector.

(6) To promote the development and operation of multiple-agency and Government wide, inter-operable, shared information resources to support the performance of Federal Government missions.

(7) To reduce fraud, waste, abuse, and errors resulting from a lack of, or poor implementation of, Federal Government information systems.

(8) To increase the capability of the Federal Government to restructure and improve processes before applying information technology.

(9) To increase the emphasis placed by Federal agencies managers on completing effective capital planning and process improvement before applying information technology to the execution of plans and the performance of agency missions.

(10) To coordinate, integrate, and, to the extent practicable, establish uniform Federal information resources management policies and practices in order to improve the productivity, efficiency, and effectiveness of Federal Government programs and the delivery of services to the public.

(11) To strengthen the partnership between the Federal Government and State, local, and tribal governments for achieving Federal Government missions, goals, and objectives.

(12) To provide for the development of a well-trained core of professional Federal Government information resources managers.

(13) To improve the ability of agencies to share expertise and best practices and coordinate the development of common application systems and infrastructure.

SEC. 4004. DEFINITIONS.

In this division:

(1) INFORMATION RESOURCES.—The term "information resources" means information and related resources such as personnel, equipment, funds, and information technology, but does not include information resources which support national security systems.

(2) INFORMATION RESOURCES MANAGEMENT.—The term "information resources management" means the process of managing information resources to accomplish agency missions and to improve agency performance, including through the reduction of information collection burdens on the public.

(3) INFORMATION SYSTEM.—The term "information system" means a discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

(4) INFORMATION TECHNOLOGY.—The term "information technology", with respect to an executive agency—

(A) means any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency or under a contract with the executive agency which (i) requires the use of such system or subsystem of equipment, or (ii) requires the use, to a significant extent, of such system or subsystem of equipment in the performance of a service or the furnishing of a product; and includes computers; ancillary equipment; software, firmware and similar procedures; services, including support services; and related resources;

(B) does not include any such equipment that is acquired by a Federal contractor incidental to a Federal contract; and

(C) does not include information technology contained in national security systems.

(5) EXECUTIVE DEPARTMENT.—The term "executive department" means an executive department specified in section 101 of title 5, United States Code.

(6) EXECUTIVE AGENCY.—The term "executive agency" has the meaning given the term in section 4(1) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(1)).

(7) COMMERCIAL ITEM.—The term "commercial item" has the meaning given that term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(8) NONDEVELOPMENTAL ITEM.—The term "Nondevelopmental item" has the meaning given that term in section 4(13) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(13)).

(9) INFORMATION ARCHITECTURE.—The term "information architecture", with respect to an executive agency, means a framework or plan for evolving or maintaining existing information technology, acquiring new information technology, and integrating the agency's information technology to achieve the agency's strategic goals and information resources management goals.

(10) NATIONAL SECURITY SYSTEMS.—The term "national security systems" are those telecommunications and information systems operated by the United States Government, the function, operation, or use of which: 1) involve intelligence activities; 2) involve cryptologic activities related to national security; 3) involves the command and control of military forces; 4) involves equipment that is an integral part of a weapon or weapons system; or 5) is critical to the direct fulfillment of military or intelligence missions, but does not include systems to be used for routine administrative and business applications (including payroll, finance, logistics, and personnel management applications).

(11) DIRECTOR.—The term "Director" means the Director of the Office of Management and Budget.

SEC. 4005. APPLICATIONS OF EXCLUSIONS.

IN GENERAL.—The exclusions for national security systems provided in section 4004 of the division apply only in title XLI of this division unless otherwise provided in that title.

TITLE XLI—RESPONSIBILITY FOR ACQUISITIONS OF INFORMATION TECHNOLOGY

SUBTITLE A—GENERAL AUTHORITY

SEC. 4101. AUTHORITY OF HEADS OF EXECUTIVE AGENCIES.

The heads of the executive agencies may conduct acquisitions of information technology pursuant to their respective authorities.

SEC. 4102. REPEAL OF CENTRAL AUTHORITY OF THE ADMINISTRATOR OF GENERAL SERVICES.

Section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) is repealed.

SUBTITLE B—DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

SEC. 4121. RESPONSIBILITY OF DIRECTOR.

(a) In fulfilling the responsibility to administer the functions assigned under chapter 35 of title 44, United States Code, the Director shall comply with this subtitle with respect to the specific matters covered by this subtitle.

(b) This subtitle shall sunset on September 30, 2001, after which the Director may continue to comply with this subtitle.

SEC. 4122. CAPITAL PLANNING AND INVESTMENT CONTROL.

(a) With respect to the responsibilities under section 3504(h) of title 44, United States Code, the Director shall—

(1) promote and be responsible for improving the acquisition, use and disposal of information technology by the Federal Government to improve the productivity, efficiency, and effectiveness of Federal programs, including through dissemination of public information and the reduction of information collection burdens on the public;

(2) Develop, as part of the budget process, a process for analyzing, tracking and evaluating the risk and results of all major agency capital investments or information systems over the life of the system;

(A) The process should identify opportunities for interagency cooperation, ensure the success of high risk and high return investments, but not duplicate or supplant existing agency investment development and control processes.

(B) The process should include development of explicit criteria for analyzing the projected and actual cost, benefit and risk of information systems investments. As part of the process three categories of information systems investments should be identified:

(1) HIGH RISK.—those projects that, by virtue of their size, complexity, use of innovative technology or other factors have an especially high risk of failure

(2) HIGH RETURN.—those projects that, by virtue of their total potential benefits in proportion to their costs, have particularly unique value to the public

(3) CROSSCUTTING.—those projects of individual agencies with shared benefit to or impact on other Federal agencies and State or local governments that require enforcement of operational standards or elimination of redundancies.

(C) Each annual budget submission shall include a report to Congress on the net program performance benefits achieved by major information systems investments and how these benefits support the accomplishment of agency goals.

(D) This process shall be performed with the assistance of and advice from the Chief Information Officers Council and appropriate interagency functional groups.

(E) The process shall ensure that agency information resources management plans are integrated into agency's program plans and budgets for acquisition and use of information technology to improve agency performance and the accomplishment of agency missions.

(3) in consultation with the Director of the National Institute of Standards and Technology, oversee the development and implementation of information technology standards by the Secretary of Commerce under section 4 of Public Law 100-235;

(4) designate (as the Director considers appropriate) one or more heads of executive agencies as an executive agent to contract for Government wide acquisition of information technology;

(5) encourage the executive agencies to develop and use the best practices in the acquisition of information technology by—

(A) identifying and collecting information regarding the best practices, including information on the development and implementation of the best practices by the executive agencies; and

(B) providing the executive agencies with information on the best practices and with advice and assistance regarding use of the best practices.

(6) assess, on a continuing basis, the experiences of executive agencies, State and local governments, international organizations, and the private sector in managing information technology;

(7) compare the performances of the executive agencies in using information technology and disseminate the comparisons to the executive agencies;

(8) monitor the development and implementation of training in the management of information technology for executive agency management personnel and staff;

(9) keep Congress fully informed on the extent to which the executive agencies are improving program performance and the accomplishment of agency missions through the use of the best practices in information technology;

(10) coordinate the development and review by the Office of Information and Regulatory Affairs of policy associated with Federal procurement and acquisition of information technology with the Office of Federal Procurement Policy; and

(11) seek and give due weight to the advice given by the Chief Information Officer's Council or interagency functional groups regarding the performance of any responsibility of the Director under this subsection.

(b) The heads of executive agencies shall apply the Office of Management and Budget's guidelines promulgated pursuant to this section to national security systems only to the maximum extent practicable.

SEC. 4123. PERFORMANCE-BASED AND RESULTS-BASED MANAGEMENT.

The Director shall encourage performance and results based management in fulfilling the responsibilities assigned under section 3504(h), of title 44, United States Code.

(a) EVALUATION OF AGENCY PROGRAMS AND INVESTMENTS.—

(1) REQUIREMENT.—The Director of the Office of Management and Budget shall evaluate the information resources management practices of the executive agencies with respect to the performance and results of the information technology investments of executive agencies.

(2) CONSIDERATION OF ADVICE AND RECOMMENDATIONS.—In performing the evaluation, the Director shall consider any advice and recommendations provided by the Chief Information Officers Council or any interagency functional group.

(b) GUIDANCE.—The Director shall issue clear and concise guidance to ensure that—

(1) an agency and its major subcomponents institutes effective and efficient capital planning processes to select, control and evaluate the results of all its major information systems investments;

(2) an agency determines, prior to making investments in new information systems—

(A) whether the function to be supported should be performed in the private sector rather than by an agency of the Federal Government and, if so, whether the component of the agency performing that function should be converted from a governmental organization to a private sector organization; or

(B) whether the function should be performed by the executive agency and, if so, whether the function should be performed by private sector source under a contract entered into by head of the executive agency or executive agency personnel;

(3) the agency analyzes its missions and, based on the analysis, revises its mission-related processes and administrative processes, as appropriate, before making significant investments in information technology to be used in support of agency missions;

(4) the agency's information resources management plan is current and adequate and, to the maximum extent practicable, specifically identifies how information technology to be acquired is expected to improve agency operations and otherwise benefit the agency;

(5) agency information security is adequate;

(6) the agency—

(A) provides adequately for the integration of the agency's information resources management plans, strategic plans prepared pursuant to section 306 of title 5, United States code, and performance plans prepared pursuant to section 1115 of title 31, United States Code; and

(B) budgets for the acquisition and use of information technology; and

(7) efficient and effective interagency and Governmentwide information technology investments are undertaken to improve the accomplishment of common agency missions.

(c) PERIODIC REVIEWS.—The Director shall ensure that selected information resources management activities of the executive agencies are periodically reviewed in order to ascertain the efficiency and effectiveness of information technology in improving agency performance and the accomplishments of agency missions.

(d) ENFORCEMENT OF ACCOUNTABILITY.—

(1) IN GENERAL.—The Director may take any authorized action that the Director considers appropriate, including an action involving the budgetary process or appropriations management process, to enforce accountability under this title in an Executive agency.

(2) SPECIFIC ACTIONS.—Actions taken by the Director in the case of an Executive agency may include—

(A) recommending a reduction or an increase in the amount proposed by the head of the executive agency to be included for information resources in the budget submitted to Congress under section 1105(a) of title 31, United States Code;

(B) reducing or otherwise adjusting apportionments and reapportionments of appropriations for information resources;

(C) using other authorized administrative controls over appropriations to restrict the availability of funds for information resources; and

(D) designating for the Executive agency an executive agent to contract with private sector sources for the performance of information resources management or the acquisition of information technology.

(e) The heads of executive agencies shall apply the Office of Management and Budget guidelines promulgated pursuant to this section to national security systems only to the maximum extent practicable. This subsection does not apply to subparagraphs (d)(1) or (d)(2)(A), (B), or (C).

SEC. 4124. INTEGRATION WITH INFORMATION RESOURCE MANAGEMENT RESPONSIBILITIES

In undertaking activities and issuing guidance in accordance with this subtitle, the Director shall promote the integration of information technology management with the broader information resource management processes in the agencies.

SUBTITLE C—EXECUTIVE AGENCIES

SEC. 4131. RESPONSIBILITIES.

(a) In fulfilling the responsibilities assigned under chapter 35 of title 44, United States Code, the head of each executive agency shall comply with this subtitle with respect to the specific matters covered by this subtitle.

(b) This subtitle shall sunset on September 30, 2001, after which the head of each executive agency may continue to comply with this subtitle.

(c) Guidance issued by the Director in accordance with subtitle B of this title shall sunset on September 30, 2001, unless the Director determines it should continue in effect pursuant to Sec. 4121(b) of this division, and notifies the Congress and the agencies of that intent by March 31, 2001.

SEC. 4132. CAPITAL PLANNING AND INVESTMENT CONTROL.

IN GENERAL.—(a) In fulfilling the responsibilities assigned under Section 3506(h) of title 44, U.S. Code, the head of each executive agency shall design and apply in the executive agency a process for maximizing the value and assessing and managing the risks of the information technology acquisitions of the agency.

(b) The process shall—

(1) provide for the selection, control, and evaluation of the results of information technology investments of the agency;

(2) be integrated with budget, financial, and program management decisions of the agency;

(3) include minimum criteria for considering an information systems investment—to include a quantitative assessment of projected net, risk-adjusted return on investment—as well as explicit criteria, both quantitative and qualitative, for comparing and prioritizing alternative information systems investment projects;

(4) identify information systems investments with share benefits to or impact on other federal agencies and state or local governments that require enforcement of operational standards or elimination of redundancies;

(5) provide for clearly identifying in advance of the proposed investment of quantifiable measurements for determining the net benefits and risks;

(6) provide senior management with timely information regarding the progress of information systems initiatives against measurable, independently-verifiable milestones, including cost, ability to meet specified requirements, timeliness, and quality.

(c) This section applies to national security systems except for subsection (b).

SEC. 4133. PERFORMANCE AND RESULTS-BASED MANAGEMENT.

(a) IN GENERAL.—In fulfilling the responsibilities under section 3506(h) of title 44, United States Code, the head of an executive agency shall—

(1) establish goals for improving the efficiency and effectiveness of agency operations and, as appropriate, the delivery of services to the public through the effective use of information technology;

(2) prepare an annual report, to be included in the budget submission for the executive agency, on the progress in achieving the goals;

(3) ensure that—

(A) the agency determines—

(i) whether the function should be performed in the private sector rather than by an agency of the Federal Government and, if so, whether the component of the agency performing that function should be converted from a governmental organization to a private sector organization; or

(ii) whether the function should be performed by the executive agency and, if so, whether the function should be performed by a private sector source under a contract entered into by head of the executive agency or executive agency personnel;

(B) the agency—

(i) provides adequately for the integration of the agency's information resources management plans, strategic plans prepared pursuant to section 306 of title 5, United States Code, and performance plans prepared pursuant to section 1115 of title 31, United States Code; and

(ii) budgets for the acquisition and use of information technology;

(4) ensure that performance measurements are prescribed for information technology used by or to be acquired for the executive agency and that the performance measurements measure how well the information technology supports agency programs;

(5) where comparable processes and organizations in the public or private sectors exist, quantitatively benchmark agency process performance against such processes in terms of cost, speed, productivity, and quality of outputs and outcomes;

(6) analyze its missions and, based on the analysis, revises its mission-related processes and administrative processes as appropriate before making significant investments in information technology to be used in support of agency missions;

(7) ensure that the agency's information resources management plan is current and adequate and, to the maximum extent practicable, specifically identifies how information technology to be acquired is expected to improve agency operations and otherwise expected to benefit the agency;

(8) ensure that efficient and effective interagency and Governmentwide information technology investments are undertaken to improve the accomplishment of common agency missions; and

(9) ensure that an agency's information security is adequate.

(b) This section applies to national security systems except for subparagraph (3)(A).

SEC. 4134. SPECIFIC AUTHORITY.

(a) IN GENERAL.—The authority of the head of an executive agency under section 4101 and the authorities referred to in such section includes but is not limited to the following authorities:

(1) To acquire information technology as authorized by law—

(2) To enter into a contract that provides for multi-agency acquisitions of information technology subject to the approval and guidance of the Director.

(3) If the Director, based on advice from the Chief Information Officers Council or interagency functional groups, finds that it would be advantageous for the Federal Government to do so, to enter into a multi-agency contract for procurement of commercial items that requires each agency covered by the contract, when procuring such items, either to procure the items under that contract or to justify an alternative procurement of the items.

(4) To establish and support one or more independent technical review committees, composed of diverse agency personnel (including users) and outside experts selected by the head of the executive agency, to advise the head of the executive agency about information systems programs.

(b) FTS 2000 PROGRAM.—Notwithstanding any other provision of this or any other law, the General Services Administration shall continue to manage the FTS 2000 program, and to coordinate the follow-on to that program, on behalf and with the advice of the Federal agencies.

SEC. 4135. AGENCY CHIEF INFORMATION OFFICER.

(a) DEPRESSION OF CHIEF INFORMATION OFFICERS.—Section 3506(a) of title 44, United States Code, is amended by striking out "senior official" wherever it appears and inserting in lieu thereof "Chief Information Officer; and by striking out "official" wherever it appears and inserting in lieu thereof "Officer."

(b) In General.—The chief information officer of an executive agency shall be responsible for

(1) providing advice and other assistance to the head of the executive agency and other senior management personnel of the executive agency to ensure that information technology is acquired and information resources are managed for the agency in a manner that implements the policies and procedures of this division and the priorities established by the agency head;

(2) developing, maintaining and facilitating the implementation of a sound and integrated information architecture for an agency; and

(3) promoting the effective and efficient design and operation of all major information resources management processes including work process improvements for an agency.

(c) Duties and Qualifications of chief information officers in Agencies listed in section 901(b)(1) of title 31 United States Code

(1) Information resources management duties shall be a primary duty of the chief information officer.

(2) The chief information officer shall monitor the performance of information technology programs of the executive agency, evaluate the performance on the basis of the applicable performance measurements, and advise the head of the executive agency regarding whether to continue or terminate programs and/or projects.

(3) The chief information officer shall, as part of the strategic planning process required under Government Performance and Results Act, annually

(A) perform an assessment of the agency's knowledge and skill requirements in information resources management for achieving performance goals;

(B) an analysis of the degree to which existing positions and personnel, both at the executive and management levels, meet those requirements;

(C) develop strategies and specific plans for hiring, training and professional development to narrow the gap between needed and existing capability; and

(D) report to the agency head on the progress made in improving information management capability.

(4) Agencies may establish Chief Information Officers for major subcomponents or bureaus.

(5) Agency chief information officers shall possess demonstrated ability in general management of, and knowledge of and extensive practical experience in, information and information technology management practices of business or government entities.

(6) For each chief information officer, a deputy chief information officer shall be appointed by the agency head reporting directly to the respective agency or component chief information officer. Deputy chief information offices shall have demonstrated ability and experience in general management, business process analysis, software and information systems development, design and management of information technology architectures, data and telecommunications management at government or business entities.

(d) EXECUTIVE LEVEL IV.—Section 5315 of title 5, United States Code, is amended by adding at the end the following:

"Agency Chief information officers designated under section 4135(c) of the Information Technology Management Reform Act of 1995.".

(e) This section applies to national security systems.

SEC. 4136. ACCOUNTABILITY.

(a) SYSTEM OF CONTROLS.—The head of each executive agency, in consultation with the chief information officer and the chief financial officer of that agency (or, in the case of an agency without a chief financial officer, any comparable official), shall establish policies and procedures that—

(1) ensure that the accounting, financial, and asset management systems and other information systems of the agency are designed, developed, maintained, and used effectively to provide financial or program performance data for financial statements of the agency;

(2) ensure that financial and related program performance data are provided on a reliable, consistent, and timely basis to agency financial management systems; and

(3) ensure that financial statements support—

(A) assessment and revision of mission-related processes and administrative processes of the agency; and

(B) performance measurement in the case of information system investments made by the agency.

(b) INFORMATION RESOURCES MANAGEMENT PLAN.—The information resources management plan required under Section 3506(b)(2) of title 44, United States Code shall:

(1) be consistent with the strategic plan prepared by the head of the agency pursuant to section 306 of title 5, United States Code, where applicable, and the agency head's mission analysis, and ensure that the agency information systems conform to those plans. The plan shall provide for applying information technology and other information resources in support of the performance of the missions of the agency and shall include the following:

(A) A statement of goals for improving the contribution of information resources to program productivity, efficiency, and effectiveness.

(B) Methods for measuring progress toward achieving the goals.

(C) Assignment of clear roles, responsibilities, and accountability for achieving the goals.

(D) A description of—

(i) the major existing and planned information technology components (such as information systems and telecommunication networks) of the agency and the relationship among the information technology components; and

(ii) the information architecture for the agency.

(E) A summary, for each ongoing or completed major information systems investment from the previous year, of the project's status and any changes in name, direction or scope, quantifiable results achieved and current maintenance expenditures.

(c) AGENCY INFORMATION.—The head of an executive agency shall periodically evaluate and, as necessary, improve the accuracy, security, completeness, and reliability of information maintained by or for the agency.

(d) This section applies to national security systems except for subsection (b).

SEC. 4137. SIGNIFICANT FAILURES

The agency shall include in the plan required under section 3506(b)(2) of title 44, United States Code, a justification for the continuation of any major information technology acquisition program, or phase or increment of such program, that has significantly deviated from the established cost, performance, or schedule baseline.

SEC. 4138. INTERAGENCY SUPPORT

The heads of multiple executive agencies are authorized to utilize funds appropriated for use in oversight, acquisition and procurement of information technology to support the activities of the Chief Information Officers Council established pursuant to section 4141 and to such independent review committees and interagency groups established pursuant to section 4151 in such manner and amounts as prescribed by the Director.

SUBTITLE D—CHIEF INFORMATION OFFICERS COUNCIL

SEC. 4141. ESTABLISHMENT OF CHIEF INFORMATION OFFICERS COUNCIL

(a) ESTABLISHMENT.—There is established a Chief Information Officers Council, consisting of—

(1) the Deputy Director for Management of the Office of Management and Budget, who shall act as chairperson of the council;

(2) the Administrator of the Office of Information and Regulatory Affairs of the Office of Management and Budget;

(3) the Administrator of General Services;

(4) the Administrator of the Office of Federal Procurement Policy of the Office of Management and Budget; and

(5) the Controller of the Office of Federal Financial Management of the Office of Management and Budget; and

(6) each of the Chief Information Officers from those agencies listed in section 901(b)(1) of title 31, United States Code, along with a Chief Information Officer representing other Executive agencies.

(b) FUNCTIONS.—The Chief Information Officers Council shall meet periodically to advise and coordinate the activities of the agencies of its members by:

(1) obtaining advice on information resources, information resources management, including the reduction of information collection burdens on the public, and information technology from State, local, and tribal governments and from the private sector;

(2) making recommendations to the Director of the Office of Management and Budget regarding Federal policies and practices on information resources management, including the reduction of information collection burdens on the public, to increase the efficiency and effectiveness of federal programs;

(3) providing for the Director of the Office of Management and Budget to establish temporary special advisory groups to the Chief Information Officers Council, composed of senior officials from industry, academia and the Federal Government, to review Governmentwide information technology programs, information technology acquisitions, and issues of information technology policy; and

(4) reviewing agency programs and processes, to identify opportunities for consolidation of activities or cooperation.

(c) The Chief Information Officers Council shall consider national security systems for advice or coordination only with the consent of the affected agency.

(d) The Chief Information Officers Council shall consult with the Public Printer appointed under Section 301 of Title 44, United States Codes, regarding implementation Section 4819 of this division.

SUBTITLE E—INTERAGENCY FUNCTIONAL GROUPS

SEC. 4151. ESTABLISHMENT.

(a) IN GENERAL.—The President may direct the establishment of one or more interagency groups to advise the Director and the agencies, known as "functional groups"—

(1) to examine areas including telecommunications, software engineering, common administrative and programmatic applications, computer security, and information policy, that would benefit from a Governmentwide or multi-agency perspective;

(2) to submit to the Chief Information Officers Council proposed solutions for problems in specific common operational areas;

(3) to promote cooperation among agencies on information technology matters,

(4) to review and make recommendations to the Director and the agencies concerned regarding major or high risk information technology acquisitions, and

(5) to otherwise improve the efficient of information technology to support agency missions.

(b) TEMPORARY SPECIAL ADVISORY GROUPS.—The Director of the Office of Management and Budget is authorized to establish temporary special advisory groups to the functional groups, composed of experts from industry, academia and the Federal Government, to review Governmentwide information technology programs, major or high-risk information technology acquisitions, and issues of information technology policy.

SEC. 4152. SPECIFIC FUNCTIONS.

The functions of an interagency functional group are as follows:

(1) To identify common goals and requirements for common agency programs.

(2) To develop a coordinated approach to meeting agency requirements, including coordinated budget estimates and procurement programs.

(3) To identify opportunities to share information for improving the quality of the performance of agency functions, for reducing the cost of agency programs, and for reducing burdens of agency activities on the public.

(4) To coordinate activities and the sharing of information with other functional groups.

(5) To make recommendations to the heads of executive agencies and to the Director of the Office of Management and Budget regarding the selection of protocols and other standards for information technology, including security standards.

(6) To support interoperability among information systems.

(7) To perform other functions, related to the purposes set forth in section 4151(a), that are assigned by the chief Information Officers Council.

(b) Interagency functional groups may perform these functions with respect to national security systems only with the consent of the affected agency.

SUBTITLE F—OTHER RESPONSIBILITIES

SEC. 4161. RESPONSIBILITIES UNDER THE COMPUTER SECURITY ACT OF 1987.

(a) IN GENERAL.—(1) The Secretary of Commerce shall, on the basis of standards and guidelines developed by the National Institute of Standards and technology pursuant to section 20(a) (2) and (3) of the National Bureau of Standards Act, promulgate standards and guidelines pertaining to Federal computer systems, making such standards compulsory and binding to the extent to which the Secretary determines necessary to improve the efficiency of operation or security and privacy of Federal computer systems. The President may disapprove or modify such standards and guidelines if he determines such action to be in the public interest. The President's authority to disapprove of modify such standards and guidelines may not be delegated. Notice of such disapproval or modification shall be submitted promptly to the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate and shall be published promptly in the Federal Register. Upon receiving notice of such disapproval or modification, the Secretary of Commerce shall immediately rescind or modify such standards or guidelines as directed by the President.

(2) The head of a Federal agency may employ standards for the cost effective security and privacy of sensitive information in a Federal computer system within or under the supervision of that agency that are more stringent than the standards promulgated by the Secretary of Commerce, if such standards contain, at a minimum, the provisions of those applicable standards made compulsory and binding by the Secretary of Commerce.

(3) The standards determined to be compulsory and binding may be waived by the Secretary of Commerce in writing upon a determination that compliance would adversely affect the accomplishment of the mission of an operator of a Federal computer system, or cause a major adverse financial impact on the operator which is not offset by government-wide savings. The Secretary may delegate to the head of one or more Federal agencies authority to waive such standards to the extent to which the Secretary determines such action to be necessary and desirable to allow for timely and effective implementation of Federal computer system standards. The head of such agency may redelegate such authority only to a Chief Information Officer designated pursuant to Section 3506 of title 44, United States Code. Notice of each such waiver and delegation shall be transmitted promptly to the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate and shall be published promptly in the Federal Register.

(4) As used in this section, the terms "Federal computer system" and "operator of a Federal computer system" have the meanings given in section 20(d) of the National Bureau of Standard Act.

(b) EXERCISE OF AUTHORITY.—The authority conferred upon the Secretary by this section shall be exercised subject to direction by the President and in coordination with the Director of the Office of Management and Budget to ensure fiscal and policy consistency.

(c) TECHNICAL AND CONFORMING AMENDMENT.—Subsections 3504(g) (2) and (3), and 3506(g) (2) and (3) to title 44, United States Code, are each amended by inserting the phrase "and section 161 of the Information Technology Reform Act of 1995" after the phrase "the Computer Security Act of 1987 (P.L. 100-235).

SUBTITLE G—SENSE OF CONGRESS

SEC. 4171. SENSE OF CONGRESS.

It is the sense of Congress over the next five years that executive agencies should achieve at least a real 5 percent per year decrease in the cost incurred by the agency for operating and maintaining information technology, and a real 5 percent per year increase in the efficiency of the agency operations, by reason of improvements in information resources management by the agency.

TITLE XLII—PROCESS FOR ACQUISITIONS OF INFORMATION TECHNOLOGY

SUBTITLE A—PROCEDURES

SEC. 4201. PROCUREMENT PROCEDURES.

(a) RESPONSIBILITY.—The Director of the Office of Management and Budget of the United States shall issue guidance to be used in conducting information technology acquisitions.

(b) STANDARDS FOR PROCEDURES.—The Director shall ensure that the process for acquisition of information technology is, in general a simplified, clear, and understandable process that specifically addresses the management of risk.

(c) PERFORMANCE MEASUREMENTS.—The guidance shall include performance measurements and other performance requirements that the Director determines appropriate.

(d) USE OF COMMERCIAL ITEMS.—The guidance shall mandate the use, to maximum extent practicable, of commercial items to meet the information technology requirements of the executive agency.

(e) DIFFERENTIATED PROCEDURES.—Subject to subsection (b), the Director shall consider whether and, to the extend appropriate, how to differentiate in the treatment and conduct of acquisitions of information technology on any of the following bases:

(1) The dollar value of the acquisition.

(2) The information technology to be acquired, including such consideration as whether the item is a commercial item or an item being developed or modified uniquely for use by one or more executive agencies.

(3) The complexity of the information technology acquisition, including such considerations as size and scope.

(4) The level of risk, including technical and schedule risks.

(5) The level of experience or expertise of the critical personnel in the program office, mission unit, or office of the chief information officer of the executive agency concerned.

(6) the extent to which the information technology may be used government-wide or by several agencies.

SEC. 4202. INCREMENTAL ACQUISITION OF INFORMATION TECHNOLOGY.

(a) CIVILIAN AGENCIES.—

(1) PROCEDURES AUTHORIZED.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303H the following new section:

"MODULAR CONTRACTING

"SEC. 303I. (a) IN GENERAL.—An executive agency's need for a major system of information technology should, to the maximum extent practicable, be satisfied in successive acquisitions of interoperable increments pursuant to subsections (b) and (c). Such increments shall comply with readily available standards such that they can be connected to other increments that comply with such standards.

"(b) DIVISION OF ACQUISITIONS INTO INCREMENTS.—Under the successive, incremental acquisition process, a major system of information technology may be divided into several smaller acquisition increments that

"(1) are easier to manage individually than would be one extensive acquisition;

"(2) address complex information technology problems incrementally in order to enhance the likelihood of achieving workable solutions for those problems;

"(3) provide for delivery, implementation, and testing of workable systems or solutions in discrete increments each of which comprises a system or solution that is not dependent on any subsequent increment in order to perform its principal functions; and

"(4) provide an opportunity for subsequent increments of the acquisition to take advantage of any evolution in technology or needs that occur during conduct of the earlier increments.

"(c) TIMELY ACQUISITIONS.—(1) A contract for an increment of an information technology acquisition should, to the maximum extent practicable, be awarded within 180 days after the date on which the solicitation is issued, or that increment of the acquisition should be considered for cancellation.

"(2) The information technology provided for in a contract for acquisition of information technology should be delivered within 18 months after the date on which the solicitation resulting in award of the contract was issued."

(2) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by inserting after the item relating to section 303H the following new item:

"Sec. 303I MODULAR CONTRACTING.".

(b) DEPARTMENT OF DEFENSE.—

(1) PROCEDURES AUTHORIZED.—Chapter 137 of title 10, United States Code, is amended by inserting after section 2305 the following new section:

"§ 2305a. Modular Contracting

"(a) IN GENERAL.—An executive agency's need for a major system of information technology should, to the maximum extent practicable, be satisfied in successive acquisitions of interoperable increments pursuant to subsections (b) and (c). Such increments shall comply with readily available standards such that they can be connected to other increments that comply with such standards.

"(b) DIVISION OF ACQUISITIONS INTO INCREMENTS.—Under the successive incremental acquisition process, a major system of information technology may be divided into several ties smaller acquisition increments that—

"(1) are easier to manage individually than should be one extensive acquisition;

"(2) address complex information technology problems incrementally in order to enhance the likelihood of achieving workable solutions for those problems;

"(3) provide for delivery, implementation, and testing of workable systems or solutions in discrete increments each of which comprises a system or solution that is not dependent on any subsequent increment in order to perform its principal functions; and

"(4) provide an opportunity for subsequent increments of the acquisition to take advantage of any evolution in technology or needs that occur during conduct of the earlier increments.

"(c) TIMELY ACQUISITIONS.—(1) A contract for an increment of an information technology acquisition should, to the maximum extent practicable, be awarded within 180 days after the date on which the solicitation is issued, or that increment of the acquisition should be considered for cancellation.

"(2) The information technology provided for in a contract for acquisition of information technology should be delivered within 18 months after the date on which the solicitation resulting in award of the contract was issued."

(2) Clerical amendment.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2305 the following:

"2305a. Modular Contracting.".

SEC. 4203. TASK AND DELIVERY ORDER CONTRACTS.

(a) CIVILIAN AGENCY ACQUISITIONS.—

"(1) REQUIREMENT FOR MULTIPLE AWARDS.—Section 303H(d) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253H(d)) is amended by adding at the end the following new paragraph:

"(4) In exercising the authority under this section for procurement of information technology, the head of an executive agency shall award at least two task or delivery order contracts for the same or similar information technology services or property unless the agency determines that it is not in the best interests of the United States to award two or more such contracts.".

"(2) DEFINITION.—Section 303K of such Act (41 U.S.C. 253k) is amended by adding at the end the following new paragraph:

"(3) The term 'information technology' has the meaning given that term in section 4 of the Information Technology Management Reform Act of 1995.".

(b) ARMED SERVICES ACQUISITIONS.—

(1) REQUIREMENT FOR MULTIPLE AWARDS.—Section 2304a(d) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4) In exercising the authority under this section for procurement of information technology, the head of an executive agency shall award at least two task or delivery order contracts for the same or similar information technology services or property unless the agency determines that it is not in the best interests of the United States to award two or more such contracts.".

(2) DEFINITION.—Section 2304d of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) The term 'information technology' has the meaning given that term in section 4 of the Information Technology Management Reform Act of 1995.".

SUBTITLE B—ACQUISITION MANAGEMENT

SEC. 4221. ACQUISITION MANAGEMENT TEAM.

(a) CAPABILITIES OF AGENCY PERSONNEL.—The head of each executive agency shall ensure that the agency personnel involved in an acquisition of information technology have the experience, and have demonstrated the skills and knowledge, necessary to carry out the acquisition competently.

(b) USE OF OUTSIDE ACQUISITION TEAM.—If the head of the executive agency determines that such personnel are not available for carrying out the acquisition, the head of that agency should consider designating a capable executive agent to carry out the acquisition.

SEC. 4222. OVERSIGHT OF ACQUISITIONS.

It is the sense of Congress that the Director of the Office of Management and Budget, the heads of executive agencies, and the inspectors general of executive agencies, in performing responsibilities for oversight of information technology acquisitions, should emphasize reviews of the operational justifications for the acquisitions, the results of the acquisition programs, and the performance measurements established for the information technology rather than reviews of the acquisition process.

TITLE XLIII—INFORMATION TECHNOLOGY ACQUISITION PILOT PROGRAMS

SUBTITLE A—CONDUCT OF PILOT PROGRAMS

SEC. 4301. AUTHORIZATION TO CONDUCT PILOT PROGRAMS.

(a) IN GENERAL.—

(1) PURPOSE.—The Administrator for Federal Procurement Policy (hereinafter referred to as the "Administrator"), in consultation with the Administrator for the Office of Information and Regulatory Affairs shall be authorized to conduct pilot programs in order to test alternative approaches for acquisition of information technology and other information resources by executive agencies.

(2) MULTI-AGENCY, MULTI-ACTIVITY CONDUCT OF EACH PROGRAM.—Except as otherwise provided in this title, each pilot program conducted under this title shall be carried out in not more than two procuring activities in each of two executive agencies designated by the Administrator. The head of each designated executive agency shall, with the approval of the Administrator, select the procuring activities of the agency to participate in the test and shall designate a procurement testing official who shall be responsible for the conduct and evaluation of the pilot program within the agency.

(b) LIMITATIONS.—

(1) NUMBER.—Not more than two pilot programs shall be conducted under the authority of this title, including one pilot program each pursuant to the requirements of sections 4321 and 4322.

(2) AMOUNT.—The total amount obligated for contracts entered into under the pilot programs conducted under the authority of this title may not exceed $750,000,000. The Administrator shall monitor such contracts and ensure that contracts are not entered into in violation of the limitation in the preceding sentence.

(c) INVOLVEMENT OF CHIEF INFORMATION OFFICERS COUNCIL.—The Administrator may—

(1) conduct pilot programs recommended by the Chief Information Officicers Council; and

(2) consult with the Chief Information Officers Council regarding development of pilot programs to be conducted under this section.

(d) PERIOD OF PROGRAM.—

(1) IN GENERAL.—Subject to paragraph (2), the Administrator shall conduct a pilot program for the period, not in excess of five years, that is determined by the Administrator to be sufficient to establish reliable results.

(2) CONTINUING VALIDITY OF CONTRACTS.—A contract entered into under the pilot program before the expiration of that program shall remain in effect according to the terms of the contract after the expiration of the program.

SEC. 4302. EVALUATION CRITERIA AND PLANS.

(a) MEASURABLE TEST CRITERIA.—The head of each executive agency conducting a pilot program under section 4301 shall establish, to the maximum extent practicable, measurable criteria for evaluating the effects of the procedures or techniques to be tested under the program.

(b) TEST PLAN.—Before a pilot program may be conducted under section 4301 the Administrator shall submit to the Committee on Governmental Affairs and the Committee on Small Business of the Senate and the Committee on Government Reform and Oversight and the Committee on Shall Business of the House of Representative a detailed test plan for the program, including a detailed description of the procedures to be used and a list of any regulations that are to be waived.

SEC. 4303. REPORT.

(a) REQUIREMENT.—Not later than 180 days after the completion of a pilot program conducted under this title the Administrator shall—

(1) submit to the Director of the Office of Management and Budget a report on the results and findings under the program; and

(2) provide a copy of the report to the Committee on Governmental Affairs and the Committee on Small Business of the Senate, and the Committee on Government Reform and Oversight and the Committee on Small Business of the House of Representatives.

(b) CONTENT.—The report shall include the following:

(1) A detailed description of the results of the program, as measured by the criteria established for the program.

(2) A discussion of any legislation that the Administrator recommends, or changes in regulations that the Administrator considers necessary, in order to improve overall information resources management within the Federal Government.

SEC. 4304. RECOMMENDED LEGISLATION.

If the Director of the Office of Management and Budget determines that the results and findings under a pilot program under this title indicate that legislation is necessary or desirable in order to improve the process for acquisition of information technology, the Director shall transmit the Director's recommendations for such legislation to the Committee on Governmental Affairs and the Committee on Small Business of the Senate and the Committee on Government Reform and Oversight and the Committee on Small Business of the House of Representatives.

SEC. 4305. RULE OF CONSTRUCTION.

Nothing in this title shall be construed as authorizing the appropriation or obligation of funds for the pilot programs conducted pursuant to this title.

SUBTITLE B—SPECIFIC PILOT PROGRAMS

SEC. 4321. SHARE-IN-SAVINGS PILOT PROGRAM.

(a) REQUIREMENT.—The Administrator may authorize agencies to carry out a pilot program to test the feasibility of—

(1) contracting on a competitive basis with a private sector source to provide the Federal Government with an information technology solution for improving mission-related or administrative processes of the Federal Government; and

(2) paying the private sector source an amount equal to a portion of the savings derived by the Federal Government from any improvements in mission-related processes and administrative processes that result from implementation of the solution.

(b) PROGRAM CONTRACTS.—Up to five contracts for one project each may be entered into under the pilot program.

(c) SELECTION OF PROJECTS.— The projects shall be selected by the Administrator, in consultation with the Administrator for the Office of Information and Regulatory Affairs, from among projects recommended by the Chief Information Officers Council.

SEC. 4322. SOLUTIONS-BASED CONTRACTING PILOT PROGRAM

(a) IN GENERAL.—The Administrator may authorize agencies to carry out a pilot program to test the feasibility of the use of solutions-based contracting for acquisition of information technology.

(b) SOLUTIONS-BASED CONTRACTING DEFINED.—For purposes of this section, solutions-based contracting is an acquisition method under which the Federal Government user of the technology to be acquired defines the acquisition objectives, uses a streamlined contractor selection process, and allows industry sources to provide solutions that attain the objectives effectively. the emphasis of the method is on obtaining from industry an optimal solution.

(c) PROCESS.—The Administrator shall require use of the following process for acquisitions under the pilot program:

(1) ACQUISITION PLAN EMPHASIZING DESIRED RESULT.—Preparation of an acquisition plan that defines the functional requirements of the intended users of the information technology to be acquired, identifies the operational improvement results to be achieved, and defines the performance measurements to be applied in determining whether the information technology acquired satisfies the defined requirements and attains the identified results.

(2) RESULTS-ORIENTED STATEMENT OF WORK.—Use of a statement of work that is limited to an expression of the end results or performance capabilities desired under the acquisition plan.

(3) SMALL ACQUISITION ORGANIZATION.—Assembly of small acquisition organization consisting of the following:

(A) An acquisition management team, the members of which are to be evaluated and rewarded under the pilot program for contributions toward attainment of the desired results identified in the acquisition plan.

(B) A small source selection team composed of representatives in the specific mission or administrative area to be supported by the information technology to be acquired, a contracting officer, and persons with relevant expertise.

(4) USE OF SOURCE SELECTION FACTORS EMPHASIZING SOURCE QUALIFICATIONS.—Use of source selection factors that are limited to determining the qualifications of the offeror, including such factors as personnel skills, previous experience in providing other private or public sector organizations with solutions for attaining objectives similar to the objectives to be attained in the acquisition, past contract performance, qualifications of the proposed program manager, and the proposed management plan.

(5) OPEN COMMUNICATIONS WITH CONTRACTOR COMMUNITY.—Open availability of the following information to potential offerors:

(A) The agency mission to be served by the acquisition.

(B) The functional process to be performed by use of information technology.

(C) The process improvements to be attained.

(6) SIMPLE SOLICITATION.—Use of simple solicitation that sets forth only the functional work description, source selection factors, the required terms and conditions, instructions regarding submission of offers, and the estimate of the Federal Government's budget for the desired work.

(7) SIMPLE PROPOSALS.—Submission of oral proposals and acceptance of written supplemental submissions that are limited in size and scope and contain information on the offeror's qualifications to perform the desired work together with information of past contract performance.

(8) SIMPLE EVALUATION.—Use of a simple evaluation process, to be completed within 45 days after receipt of proposals, which consists of the following:

(A) Identification of the offerors that are within the competitive range of most of the qualified offerors.

(B) Issuance of invitations for at least three and not more than five of the identified offerors to make oral presentations to, and engage in discussions with, the evaluating personnel regarding the qualifications of the offerors, including the qualifications of each offeror relate to the approaches proposed to be taken by the offeror in the acquisition.

(C) Evaluation of the qualifications of the identified offerors on the basis of submissions required under the process and any oral presentations made by, and any discussions with, the offerors.

(9) SELECTION OF MOST QUALIFIED OFFEROR.—A selection process consisting of the following:

(A) Identification of the most qualified source, and ranking of alternative sources, primarily on the basis of the oral proposals, presentations, and discussions, but taking into consideration supplemental written submissions.

(B) Conduct for 30 to 60 days of a program definition phase, funded by the Federal Government—

(i) during which the selected source, in consultation with one or more intended users, develops a conceptual system design and technical approach, defines logical phases for the project, and estimates the total cost and the cost for each phase; and

(ii) after which a contract for performance of the work may be awarded to that source on the basis of cost, the responsiveness, reasonableness, and quality of the proposed performance, and a sharing of risk and benefits between the source and the Government.

(C) Conduct of as many successive program definition phases with the alternative sources (in the order ranked) as is necessary in order to award a contract in accordance with subparagraph (B).

(10) SYSTEM IMPLEMENTATION PHASING.—System implementation to be executed in phases that are tailored to the solution, with various contract arrangements being used, as appropriate, for various phases and activities.

(11) MUTUAL AUTHORITY TO TERMINATE.—Authority for the Federal Government or the contractor to terminate the contract without penalty at the end of any phase defined for the project.

(12) TIME MANAGEMENT DISCIPLINE.—Application of a standard for awarding a contract within 60 to 90 days after issuance of the solicitation.

(d) PILOT PROGRAM DESIGN.—

(1) JOINT PUBLIC-PRIVATE WORKING GROUP.—The Administrator, in consultation with the Administrator for the Office of Information and Regulatory Affairs shall establish a joint working group of Federal Government personnel and representatives of the information technology industry to design a plan for conduct of the pilot program. The establishment and operation of this working group shall not be subject to the requirements of the Federal Advisory Committee Act, Public Law 92-463, as amended (5 U.S.C. App.)

(2) CONTENT OF PLAN.—The plan shall provide for use of solutions-based contracting in the Department of Defense and not more than two other executive agencies for a total of—

(A) Not more than 10 projects, each of which has an estimated cost of between $25,000,000 and $100,000,000; and

(B) Not more than 10 projects, each of which has an estimated cost of between $1,000,000 and $5,000,000, to be set aside for small business concerns.

(3) COMPLEXITY OF PROJECTS.—(A) Subject to subparagraph (C), each acquisition project under the pilot program shall be sufficiently complex to provide for meaningful evaluation of the use of solutions-based contracting

for acquisition of information technology for executive agencies.

(B) In order for an acquisition project to satisfy the requirement in subparagraph (A)—

(i) the solution for attainment of the executive agency's objectives under the project should not be obvious, but rather shall involve a need for some innovative development; and

(ii) the project shall incorporate all elements of system integration.

(C) An acquisition project should not be so extensive or lengthy as to result in undue delay in the evaluation of the use of solutions-based contracting.

(e) USE OF EXPERIENCED FEDERAL PERSONNEL.—Only Federal Government personnel who are experienced, and have demonstrated success, in managing or otherwise performing significant functions in complex acquisitions shall be used for evaluating offers, selecting sources, and carrying out the performance phases in an acquisition under the pilot program.

(f) MONITORING BY GAO.—

(1) REQUIREMENT.—The Comptroller General of the United States shall—

(A) monitor the conduct, and review the results, of acquisitions under the pilot program; and

(B) submit to Congress periodic reports containing the views of the Comptroller General on the activities, results, and findings under the pilot program.

(2) EXPIRATION OF REQUIREMENT.—The requirement under paragraph (1)(B) shall terminate after submission of the report that contains the final views of the Comptroller General on the last of the acquisition projects completed under the pilot program.

TITLE XLIV—OTHER INFORMATION RESOURCES MANAGEMENT REFORM

SEC. 4401. ON-LINE MULTIPLE AWARD SCHEDULE CONTRACTING.

(a) AUTOMATION OF MULTIPLE AWARD SCHEDULE CONTRACTING.—(1) In order to provide for the economic and efficient procurement of information technology, the Administrator of General Services shall establish a program for the development and implementation of a system to provide Governmentwide, on-line computer access to information on information technology products and services that are available for ordering through multiple award schedules.

(2) The system required by paragraph (1) shall, at a minimum—

(A) provide basic information on prices, features, and performance of all products and services available for ordering through the multiple award schedules;

(B) provide for updating that information to reflect changes in prices, features, and performance as soon as information on the changes becomes available;

(C) enables users to make on-line computer comparisons of the prices, features, and performance of similar products and services offered by various vendors;

(D) enable users to place, and vendors to receive, on-line computer orders for products and services available for ordering through the multiple award schedules (up to the maximum order limitation of the applicable schedule contract);

(E) enable ordering agencies to make payments to contractors by bank card, electronic funds transfer, or other automated methods in cases in which it is practicable and in the interest of the Federal Government to do so; and

(F) archive data relating to each order placed against multiple award schedule contracts using such system, including, at a minimum, data on—

(i) the agency or office placing the order;

(ii) the vendor receiving the order;

(iii) the products or services ordered; and

(iv) the total price of the order.

(3)(A) The system required by paragraph (1) shall be implemented not later than January 1, 1998.

(B) The Administrator shall certify to Congress that the system required by paragraph (1) has been implemented at such time as a system meeting the requirements of paragraph (2) is in place and accessible by at least 90 percent of the potential users in the departments and agencies of the Federal Government.

(4) Orders placed against multiple award schedule contracts through the system required by paragraph (1) may be considered for purposes of the determinations regarding implementation of the capability described under subsection (b) of section 30A of the Office of Federal Procurement Policy Act (41 U.S.C. 426a) and implementation of such capability under subsection (d) of such section.

(b) STREAMLINED PROCEDURES; PILOT PROGRAM.—(1)(A) In order to provide for compliance with provisions of law requiring the use of competitive procedures in Federal Government procurement, the procedures established by the Administrator of General Services for the program referred to in subsection (a) shall include requirements for—

(i) participation in multiple award schedule contracts to be open to all responsible and responsive sources; and

(ii) orders to be placed using a process which results in the lowest overall cost alternative to meet the needs of the Government, except in a case in which a written determination is made (in accordance with such procedures) that a different alternative would provide a substantially better overall value to the Government.

(B) The Administrator may require offerors to agree to accept orders electronically through the electronic exchange of procurement information in order to be eligible for award of a multiple award schedule contract.

(C) Regulations on the acquisition of commercial items issued pursuant to section 8002 of the Federal Acquisition Streamlining Act of 1994 (Public Law 103-355; 108 Stat. 3386; 41 U.S.C. 264 note) shall apply to multiple award schedule contracts.

(2) Within 90 days after the Administrator makes the certification referred to in subsection (a)(3)(B), the Administrator shall establish a pilot program to test streamlined procedures for the procurement of information technology products and services available for ordering through the multiple award schedules. The Administrator shall provide for the pilot program to be applicable to all multiple award schedule contracts for the purchase of information technology and to test the following procedures:

(A) A procedure under which negotiation of the terms and conditions for a covered multiple award schedule contract is limited to terms and conditions other than price.

(B) A procedure under which the vendor establishes the prices under a covered multiple award schedule contract and may adjust those prices at any time in the discretion of the vendor.

(C) A procedure under which a covered multiple award schedule contract is awarded to any responsible and responsive offeror that—

(i) has a suitable record of past performance on Federal Government contracts, including multiple award schedule contracts;

(ii) agrees to terms and conditions that the Administrator determines as being required by law or as being appropriate for the purchase of commercial items; and

(iii) agrees to establish and update prices and to accept orders electronically through the automated system established pursuant to subsection (a).

(3)(A) Not later than three years after the date on which the pilot program is established, the Comptroller General of the United States shall review the pilot program and report to the Committee on Governmental Affairs and the Committee on Small Business of the Senate and the Committee on Government Reform and Oversight and the Committee on Small Business of the House of Representatives on the results of the pilot program.

(B) The report shall include the following:

(i) An evaluation of the extent of the competition for the orders placed under the pilot program.

(ii) The effect of the pilot program on prices charged under multiple award schedule contracts.

(iii) The effect of the pilot program on paperwork requirements for multiple award schedule contracts and orders.

(iv) The impact of the pilot program on small businesses and socially and economically disadvantaged small businesses.

(4) Unless reauthorized by Congress, the authority of the Administrator to award contracts under the pilot program shall expire four years after the date on which the pilot program is established. Contracts entered into before the authority expires shall remain in effect in accordance with their terms notwithstanding the expiration of the authority to enter new contracts under the pilot program.

(c) DEFINITIONS.—In this section—

(1) The term "information technology" has the meaning given that term in section 4 of this Act.

(2) The term "commercial item" has the meaning given the term in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

(3) The term "competitive procedures" has the meaning given the term in section 309(b) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 259(b)).

SEC. 4402 DISPOSAL OF EXCESS COMPUTER EQUIPMENT.

(A) AUTHORITY TO DONATE.—The head of an executive agency may, without regard to the procedures otherwise applicable under title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.), convey without consideration all right, title, and interest of the United States in any computer equipment under the control of such official that is determined under title II of such Act as being excess property to a recipient in the following order of priority:

(1) Elementary and secondary schools under the jurisdiction of a local educational agency and schools funded by the Bureau of Indian Affairs.

(2) Public libraries.

(3) Public colleges and universities

(b) INVENTORY REQUIRED.—Upon the enactment of this Act, the head of an executive agency shall inventory all computer equipment under the control of that official and identify in accordance with title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.) the equipment, if any, that is excess property.

(c) DEFINITION.—In this section:

(1) The term "excess property" has the meaning given such term in section 3 of the

Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472).

(2) The terms "local educational agency", "elementary school", and "secondary school" have the meanings given such terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

SEC. 4403 LEASING INFORMATION TECHNOLOGY.

(A) ANALYSIS BY GAO.—The Comptroller General of the United States shall perform a comparative analysis of alternative means of financing the acquisition of information technology. The analysis should

(1) investigate the full range of alternative financing mechanisms, to include leasing, purchasing and rentals of new and used equipment; and

(2) assess the relative costs, benefits and risks of alternative financing options for the federal government.

(b) LEASING GUIDELINES.—Based on the analysis, the Comptroller General shall develop recommended guidelines for financing information technology for executive agencies.

TITLE XLV—PROCUREMENT PROTEST AUTHORITY OF THE COMPTROLLER GENERAL

SEC. 4501. PERIOD FOR PROCESSING PROTESTS.

Section 3554(a) of title 31, United States Code, is amended—

(1) in paragraph (1), by striking out "paragraph (2)" in the second sentence and inserting in lieu thereof "paragraphs (2) and (5)"; and

(2) by adding at the end the following:

"(5)(A) The requirements and restrictions set forth in this paragraph apply in the case of a protest in a procurement of information technology.

"(B) The Comptroller General shall issue a final decision concerning a protest referred to in subparagraph (A) within 45 days after the date of the protest is submitted to the Comptroller General.

"(C) The disposition under this subchapter of a protest in a procurement referred to in subparagraph (A) bars any further protest under this subchapter by the same interested party on the same procurement.".

SEC. 4502. DEFINITION.

Section 3551 of title 31, United States Code, is amended by adding at the end the following:

"(4) The term 'information technology' has the meaning given that term in section 4 of the Information Technology Management Reform Act of 1995.".

SEC. 4503. EXCLUSIVITY OF ADMINISTRATIVE REMEDIES.

Section 3556 of title 31, United States Code, is amended by striking out the first sentence and inserting in lieu thereof the following:

"Notwithstanding any other provision of law, the Comptroller General shall have the exclusive administrative authority to resolve a protest involving the solicitation, a proposal for award, or an award of a contract for information technology, to the exclusion of the boards of contract appeals or any other entity. Nothing contained in the subchapter shall affect the right of any interested party to file a protest with the contracting agency or to file an action in a district court of the United States of the United States Court of Federal Claims.".

TITLE XLVI—RELATED TERMINATIONS, CONFORMING AMENDMENTS, AND CLERICAL AMENDMENTS

SUBTITLE A—CONFORMING AMENDMENTS

SEC. 4601. AMENDMENTS TO TITLE 10, UNITED STATES CODE.

SENSITIVE DEFENSE ACTIVITIES.—For the Department of Defense Section 2315 of such title is amended by striking out from the words "Section 111" through the words "use of equipment or services if," and substituting therein the following:

"For the purpose of the Information Technology Management Reform Act of 1995, the term 'national security systems' means those telecommunications and information systems operated by the Department of Defense, the functions, operation or use of which".

SEC. 4602. AMENDMENTS TO TITLE 28, UNITED STATES CODE.

Section 612 of title 28, United States Code, is amended—

(1) in subsection (f), by striking out "section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759)" and inserting in lieu thereof "the provisions of law, policies, and regulations applicable to executive agencies under the Information Technology Management Reform Act of 1995";

(2) in subsection (g), by striking out "sections 111 and 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 and 759)" and inserting in lieu thereof "section 201 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481)";

(3) by striking out subsection (l); and

(4) by redesignating subsection (m) as subsection (l).

SEC. 4803. AMENDMENTS TO TITLE 31, UNITED STATES CODE.

(a) AVAILABILITY OF FUNDS FOLLOWING RESOLUTION OF A PROTEST.—Section 1558(b) of title 31, United States Code, is amended by striking out "or under section 111(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(f)".

(b) GAO PROCUREMENT PROTEST SYSTEM.—Section 3552 of such title is amended by striking out the second sentence.

SEC. 4804. AMENDMENTS TO TITLE 38, UNITED STATES CODE.

Section 301 of title 38, United States Code, is amended to read as follows:

"SEC. 310. CHIEF INFORMATION OFFICER.

"(a) The Secretary shall designate a chief information officer for the Department in accordance with section 4135(a) of the Information Technology Management Reform Act of 1995.

"(b) The chief information officer shall perform the duties provided for chief information officers of executive agencies under the Information Technology Management Reform Act of 1995.".

SEC. 4805. PROVISIONS OF TITLE 44, UNITED STATES CODE, RELATING TO PAPERWORK REDUCTION.

(a) DEFINITION.—Section 3502 of title 44, United States Code, is amended by striking out paragraph (9) and inserting in lieu thereof the following:

"(9) the term 'information technology' has the meaning given that term in section 4004 of the Information Technology Management Reform Act of 1995;".

(b) DEVELOPMENT OF STANDARDS AND GUIDELINES BY NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.—Section 3504(h)(1)(B) of such title is amended by striking out "section 111(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(d))" and inserting in lieu thereof "paragraphs (2) and (3) of section 20(a) of the National Institute of Standards and Technology Act (15 U.S.C. 278g-3(a))".

(c) COMPLIANCE WITH DIRECTIVES.—Section 3504(h)(2) of such title is amended by striking out "sections 110 and 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757 and 759)" and inserting in lieu thereof "the Information Technology Management Reform Act of 1995 and directives issued under section 110 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 757)".

SEC. 4806. AMENDMENT TO TITLE 49, UNITED STATES CODE.

Section 40112(a) of title 49, United States Code, is amended by striking out "or a contract to purchase property to which section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) applies".

SEC. 4818. OTHER LAWS.

(a) COMPUTER SECURITY ACT OF 1987.—(1) Section 2(b)(2) of the Computer Security Act of 1987 (Public Law 100-235; 101 Stat. 1724) is amended by striking out "by amending section 111(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759(d))"; and (2) Nothing in the Information Technology Management Reform Act shall affect the limitations on the authorities set forth in P.L. 100-235.

(b) NATIONAL ENERGY CONSERVATION POLICY ACT.—Section 801(b)(3) of the National Energy Conservation Policy Act (42 U.S.C. 8287(b)(3)) is amended by striking out the second sentence.

(c) NATIONAL SECURITY ACT OF 1947.—Section 3 of the National Security Act of 1947 (50 U.S.C. 403c) is amended by striking out subsection (e).

SEC. 4919. ACCESS OF CERTAIN INFORMATION IN INFORMATION SYSTEMS TO THE DIRECTORY AND SYSTEM OF ACCESS ESTABLISHED UNDER SECTION 4101 OF TITLE 44, UNITED STATES CODE.

Notwithstanding any other provision of this division, if in designing an information technology system pursuant to this division, the agency determines that a purpose of the system is to disseminate information to the public, then the head of such agency shall ensure that information so disseminated is included in the directory created pursuant to Section 4101 of Title 44, United States Code. Nothing in this section shall authorize the dissemination of information to the public unless otherwise authorized.

SEC. 4820. RULE OF CONSTRUCTION RELATING TO THE PROVISIONS OF TITLE 44, UNITED STATES CODE.

Nothing in this division shall be construed to amend, modify or supercede any provision of Title 44, United States Code, other than Chapter 35 of Title 44, United States Code.

SUBTITLE B—CLERICAL AMENDMENTS

SEC. 4821. AMENDMENTS TO TITLE 38, UNITED STATES CODE.

The table of sections at the beginning of chapter 3 of title 38, United States Code, is amended by striking out the item relating to section 310 and inserting in lieu thereof the following:

"310. Chief information officer.".

TITLE XLIX—SAVINGS PROVISIONS

SEC. 4901. SAVINGS PROVISION.

(a) REGULATIONS, INSTRUMENTS, RIGHTS, AND PRIVILEGES.—All rules, regulations, contracts, orders, determinations, permits, certificates, licenses, grants, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the Administrator of General Services or the General Services Administration Board of Contract Appeals, or by a court of competent jurisdiction, in connection with an acquisition activity carried out under the section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759), and

(2) which are in effect on the effective date of this title, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Director of the Office of Management and Budget, any other authorized official, by a court of competent jurisdiction, or by operation of law.

(b) PROCEEDINGS AND APPLICATIONS.—

(1) TRANSFERS OF FUNCTIONS NOT TO AFFECT PROCEEDINGS.—This Act and the amendments made by this Act shall not affect any proceeding, including any proceeding involving a claim or application, in connection with an acquisition activity carried out under section 111 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 759) that is pending before the Administrator of General Services or the General Services Administration Board of Contract Appeals on the effective date of this Act.

(2) ORDERS IN PROCEEDINGS.—Orders may be issued in any such proceeding, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this Act had not been enacted. An order issued in any such proceeding shall continue in effect until modified, terminated, superseded, or revoked by the Director of the Office of Management and Budget, or any other authorized official, by a court of competent jurisdiction, or by operation of law.

(3) DISCONTINUANCE OR MODIFICATION OF PROCEEDINGS NOT PROHIBITED.—Nothing in this subsection prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(4) REGULATIONS FOR TRANSFER OF PROCEEDINGS.—The Director of the Office of Management and Budget may prescribe regulations providing for the orderly transfer of proceedings continued under paragraph (1).

TITLE L—EFFECTIVE DATES

SEC. 5101. EFFECTIVE DATES.

This Act and the amendments made by this Act shall take effect 180 days after the date of the enactment of this Act.

KOHL (AND OTHERS) AMENDMENT NO. 2119

Mr. KOHL (for himself, Mr. GRASSLEY, Mr. BINGAMAN, Mr. BROWN, Mr. FEINGOLD, Mr. BUMPERS, Mr. BRADLEY, Mr. HARKIN, Mrs. BOXER, and Mr. WELLSTONE) proposed an amendment to the bill S. 1026, supra; as follows:

On page 16, between lines 8 and 9, insert the following:

SEC. 4. GENERAL LIMITATION.

Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for fiscal year 1996 under the provisions of this Act is $257,700,000,000.

THE LIVESTOCK GRAZING ACT

DOMENICI AMENDMENT NO. 2120

(Ordered to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill (S. 852) to provide for uniform management of livestock grazing on Federal land, and for other purposes; as follows:

Insert at the end of section 102 the following: "Nothing in this title shall limit or preclude the use of federal land for hunting, fishing, or appropriate recreational activities in accordance with applicable Federal and State laws and the principles of multiple use.".

Mr. DOMENICI. Mr. President, I submit an amendment to S. 852.

Mr. President, I submit this amendment to the Public Rangelands Management Act of 1995 in an effort to assure multiple users of public lands, such as hunters and fisherman, that the bill does not change the fundamental requirement of multiple use.

As the principal sponsor of this legislation, I never intended that the bill diminish in any way the rights and privileges currently enjoyed by hunters, fishermen, hikers, back-packers or any outdoor sportsmen and recreationalists.

When the original bill was criticized for limiting access for such purposes, and creating a so-called dominant use for grazing, it was changed.

For example, section 106(a) states that livestock grazing on Federal lands shall be managed under the principle of multiple use and sustained yield.

To further emphasize this fundamental underpinning of the bill, a new finding has been added to section 101(a) to state that: "Multiple use, as set forth in current law, has been and continues to be a guiding principle in the management of public lands and national forests."

The amendment I submit today would unequivocally state, at an appropriate place in the text of the legislation, that "nothing in this title shall limit or preclude the use of Federal land for hunting, fishing or appropriate recreational activities in accordance with applicable Federal and State laws and the principles of multiple use."

I will urge my colleagues at the proper time to add this language to the bill and I assure people across this country that their ability to use public lands for their outdoor sporting and recreational activities will be in no way diminished by this legislation.

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

HARKIN (AND OTHERS) AMENDMENT NO. 2121

Mr. HARKIN (for himself, Mr. ABRAHAM, Ms. SNOWE, and Mrs. BOXER) proposed an amendment to the bill S. 1026, supra; as follows:

On page 371, after line 21, insert the following:

SEC. 1062 REDUCTION OF UNITED STATES MILITARY FORCES IN EUROPE.

(a) END STRENGTH REDUCTIONS FOR MILITARY PERSONNEL IN EUROPE.—Notwithstanding section 1002(c)(1) of the National Defense Authorization Act, 1985 (22 U.S.C. 1928 note), but subject to subsection (d), for each of fiscal years 1997 and 1998, the Secretary of Defense shall reduce the end strength level of members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of the North Atlantic Treaty Organization (NATO) in accordance with subsection (b).

(b) REDUCTION FORMULA.—

(1) APPLICATION OF FORMULA.—For each percentage point by which, as of the end of a fiscal year, the allied contribution level determined under paragraph (2) is less than the allied contribution goal specified in subsection (c), the Secretary of Defense shall reduce the end strength level of members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of NATO by 1,000 for the next fiscal year. The reduction shall be made from the end strength level in effect, pursuant to section 1002(c)(1) of the National Defense Authorization Act, 1985 (22 U.S.C. 1928 note), and subsection (a) of this section (if applicable), for the fiscal year in which the allied contribution level is less than the goal specified in subsection (c).

(2) DETERMINATION OF ALLIED CONTRIBUTION LEVEL.—To determine the allied contribution level with respect to a fiscal year, the Secretary of Defense shall calculate the aggregate amount of the incremental costs to the United States of permanently stationing United States forces ashore in European member nations of NATO, and the foreign labor compensation costs of United States military installations in European member nations of NATO, that are assumed during that fiscal year by such nations, except that the Secretary may consider only those cash and in-kind contributions by such nations that replace expenditures that would otherwise be made by the Secretary using funds appropriated or otherwise made available in defense appropriations Acts.

(c) ANNUAL ALLIED CONTRIBUTION GOALS.—

(1) GOALS.—In continuing efforts to enter into revised host-nation agreements as described in the provisions of law specified in paragraph (2), the President is urged to seek to have European member nations of NATO assume an increased share of the incremental costs to the United States of permanently stationing United States forces ashore in European member nations of NATO and the foreign labor compensation costs of United States military installations in those nations in accordance with the following timetable:

(A) By September 30, 1996, 37.5 percent of such costs should be assumed by those nations.

(B) By September 30, 1997, 75.0 percent of such costs should be assumed by those nations.

(2) SPECIFIED LAWS.—The provisions of law referred to in paragraph (1) are—

(A) section 1301(e) of National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 106 Stat. 2545);

(B) section 1401(c) of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1824); and

(C) section 1304 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2890).

(d) EXCEPTIONS.—

(1) MINIMUM END STRENGTH AUTHORITY.—Notwithstanding reductions required pursuant to subsection (a), the Secretary of Defense may maintain an end strength of at least 25,000 members of the Armed Forces of the United States assigned to permanent duty ashore in European member nations of NATO.

(2) WAIVER AUTHORITY.—The President may waive operation of this section if the President declares an emergency. The President

shall immediately inform Congress of any such waiver and the reasons for the waiver.

(e) ALLOCATION OF FORCE REDUCTIONS.—To the extent that there is a reduction in end strength level for any of the Armed Forces in European member nations of NATO in a fiscal year pursuant to subsection (a), the reduction shall be used to make a corresponding increase in the end strength levels of members of each of the Armed Forces of the United States assigned to permanent duty ashore in the United States or in other nations (other than European member nations of NATO). The Secretary of Defense shall allocate the increases in end strength levels under this section.

(f) INCREMENTAL COSTS DEFINED.—For purposes of this section, the term "incremental costs", with respect to permanent stationing ashore of United States forces in foreign nations, has the meaning given such term in section 1313(f) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2895).

LEVIN (AND BINGAMAN) AMENDMENT NO. 2122

Mr. LEVIN (for himself and Mr. BINGAMAN) proposed an amendment to the bill S. 1026, supra; as follows:

At the end of Section 105, insert the following: "The reserve components shall choose the equipment to be procured with the Funds authorized herein according to their highest modernization priorities."

GLENN AMENDMENT NO. 2123

Mr. GLENN proposed an amendment to the bill S. 1026, supra; as follows:

Beginning on page 154, strike out line 4 and all that follows through page 155, line 20, and insert in lieu thereof the following:

SEC. 502. REVIEW OF PERIOD OF OBLIGATED ACTIVE DUTY SERVICE FOR GRADUATES OF SERVICE ACADEMIES.

Not later than April 1, 1996, the Secretary of Defense shall—

(1) review the effects that each of various periods of obligated active duty service for graduates of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy would have on the number and quality of the eligible and qualified applicants seeking appointment to such academies; and

(2) submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on the Secretary's findings together with any recommended legislation regarding the minimum periods of obligated active duty service for graduates of the United States Military Academy, the United States Naval Academy, and the United States Air Force Academy.

LEAHY (AND OTHERS) AMENDMENT NO. 2124

Mr. LEAHY (for himself), Mr. LUGAR, Mr. GRAHAM, Mrs. KASSEBAUM, Mr. SIMON, Mr. INOUYE, Mr. JEFFORDS, Mr. REID, Mr. HATFIELD, Mr. FORD, Mr. HARKIN, Mr. SARBANES, Mr. FEINGOLD, Mr. KOHL, Mr. LAUTENBERG, Mr. DODD, Mr. KERRY, Mr. BRADLEY, Ms. MOSELEY-BRAUN, Mr. BUMPERS, Mr. KENNEDY, Mrs. BOXER, Mr. PELL, Mr. CHAFEE, Mr. DORGAN, Ms. MIKULSKI, Mr. WELLSTONE, Mr. DASCHLE, Mrs. MURRAY, Mr. SIMPSON, Mr. BRYAN, Mr. MOYNIHAN, and Mr. KERREY, Mrs. FEINSTEIN, Mr. AKAKA, Mr. CONRAD, Mr. JOHNSTON, Mr. PRYOR, Mr. BREAUX, Mr. EXON, Mr. CAMPBELL, Mr. ROBB, Mr. ROCKEFELLER, Mr. LIEBERMAN, Mr. LEVIN, Mr. BYRD, Mr. GORTON, Mr. SPECTER, Mr. MCCONNELL, and Mr. BINGAMAN) proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . LANDMINE USE MORATORIUM.

(a) FINDINGS.—The Congress makes the following findings:

(1) On September 26, 1994, the President declared that it is a goal of the United States to eventually eliminate antipersonnel landmines.

(2) On December 15, 1994, the United Nations General Assembly adopted a resolution sponsored by the United States which called for international efforts to eliminate antipersonnel landmines.

(3) According to the Department of State, there are an estimated 80,000,000 to 110,000,000 unexploded landmines in 62 countries.

(4) Antipersonnel landmines are routinely used against civilian populations and kill and maim an estimated 70 people each day, or 26,000 people each year.

(5) The Secretary of State has noted that landmines are "slow-motion weapons of mass destruction".

(6) There are hundreds of varieties of antipersonnel landmines, from a simple type available at a cost of only two dollars to the more complex self-destructing type, and all landmines of whatever variety kill and maim civilians, as well as combatants, indiscriminately.

(b) CONVENTIONAL WEAPONS CONVENTION REVIEW.—It is the sense of Congress that, at the United Nations conference to review the 1980 Conventional Weapons Convention, including Protocol II on landmines, that is to be held from September 25 to October 13, 1995, the President should actively support proposals to modify Protocol II that would implement as rapidly as possible the United States goal of eventually eliminating antipersonnel landmines.

(c) MORATORIUM ON USE OF ANTIPERSONNEL LANDMINES.—

(1) UNITED STATES MORATORIUM.—(A) For a period of one year beginning three years after the date of the enactment of this Act, the United States shall not use antipersonnel landmines except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military personnel and protected by adequate means to ensure the exclusion of civilians.

(B) If the President determines, before the end of the period of the United States moratorium under subparagraph (A), that the governments of other nations are implementing moratoria on use of antipersonnel landmines similar to the United States moratorium, the President may extend the period of the United States moratorium for such additional period as the President considers appropriate.

(2) OTHER NATIONS.—It is the sense of Congress that the President should actively encourage the governments of other nations to join the United States in solving the global landmine crisis by implementing moratoria on use of antipersonnel landmines similar to the United States moratorium as a step toward the elimination of antipersonnel landmines.

(d) ANTIPERSONNEL LANDMINE EXPORTS.—It is the sense of Congress that, consistent with the United States moratorium on exports of antipersonnel landmines and in order to further discourage the global proliferations of antipersonnel landmines, the United States Government should not sell, license for export, or otherwise transfer defense articles and services to any foreign government which, as determined by the President, sells, exports, or otherwise transfers antipersonnel landmines.

(e) DEFINTIONS.—For purposes of this Act:

(1) ANTIPERSONNEL LANDMINE.—The term "antipersonnel landmine" means any munition placed under, on, or near the ground or other surface area, delivered by artillery, rocket, mortar, or similar means, or dropped from an aircraft and which is designed, constructed, or adapted to be detonated or exploded by the presence, proximity, or contact of a person.

(2) 1980 CONVENTIONAL WEAPONS CONVENTION.—The term "1980 Conventional Weapons Convention" means the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed To Be Excessively Injurious or To Have Indiscriminate Effects, together with the protocols relating thereto, done at Geneva on October 10, 1980.

BROWN AMENDMENT NO. 2125

Mr. BROWN proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate place in the bill add the following new section:

SEC. . CLARIFICATION OF RESTRICTIONS.

Subsection (e) of section 620E of the Foreign Assistance Act of 1961 (P.L. 87-195) is amended:

(1) by striking the words "No assistance" and inserting the words "No military assistance";

(2) by striking the words "in which assistance is to be furnished or military equipment or technology" and inserting the words "in which military assistance is to be furnished or military equipment or technology"; and

(3) by striking the words "the proposed United States assistance" and inserting the words "the proposed United States military assistance".

(4) by adding the following new paragraph:

(2) The prohibitions in this section do not apply to any assistance or transfer provided for the purposes of:

(A) International narcotics control (including Chapter 8 of Part I of this Act) or any provision of law available for providing assistance for counternarcotics purposes;

(B) Facilitating military-to-military contact, training (including Chapter 5 of Part II of this Act) and humanitarian and civil assistance projects;

(C) Peacekeeping and other multilateral operations (including Chapter 6 of Part II of this Act relating to peacekeeping) or any provision of law available for providing assistance for peacekeeping purposes, except that lethal military equipment shall be provided on a lease or loan basis only and shall be returned upon completion of the operation for which it was provided;

(D) Antiterrorism assistance (including Chapter 8 of Part II of this Act relating to antiterrorism assistance) or any provision of law available for antiterrorism assistance purposes;

(5) by adding the following new subsections at the end—

(f) STORAGE COSTS.—The President may release the Government of Pakistan of its contractual obligation to pay the United States

Government for the storage costs of items purchased prior to October 1, 1990, but not delivered by the United States Government pursuant to subsection (e) and may reimburse the Government of Pakistan for any such amounts paid, on such terms and conditions as the President may prescribe, provided that such payments have no budgetary impact.

(g) RETURN OF MILITARY EQUIPMENT.—The President may return to the Government of Pakistan military equipment paid for and delivered to Pakistan and subsequently transferred for repair or upgrade to the United States but not returned to Pakistan pursuant to subsection (e). Such equipment or its equivalent may be returned to the Government of Pakistan provided that the President determines and so certifies to the appropriate congressional committees that such equipment or equivalent neither constitutes nor has received any significant qualitative upgrade since being transferred to the United States.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that a field hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Monday, August 28, 1995, at 1 p.m. in the Shrine of the Ages Auditorium at Grand Canyon National Park, AZ.

The purpose of this hearing is to review the priority needs of the park and identify ways to address these needs in the context of the Grand Canyon general management plan as well as alternative plans or solutions.

The committee will invite witnesses representing a cross-section of views and organizations to testify at the hearing. Others wishing to testify may, as time permits, make a brief statement of no more than 2 minutes. Those wishing to testify should contact Senator KYL'S office in Phoenix at (602) 840–1891. The deadline for signing up to testify is Tuesday, August 22, 1995. Every attempt will be made to accommodate as many witnesses as possible, while ensuring that all views are represented.

Witnesses invited to testify are requested to bring 10 copies of their testimony with them to the hearing; it is not necessary to submit any testimony in advance. Statements may also be submitted for inclusion in the hearing record. Those wishing to submit written testimony should send two copies of their testimony to the Committee on Energy and Natural Resources, United States Senate, 364 Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact Jim O'Toole of the committee staff at (202) 224–5161.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a field hearing has been scheduled for Tuesday, August 29, 1995, at 9 a.m. and will conclude at 1 p.m. in Flagstaff, AZ, before the Committee on Energy and Natural Resources.

The purpose of the hearing is to receive testimony on forest ecosystem health and to understand the science of forest health and discuss the changes necessary to manage for long-term forest health. The hearing will be held at the Northern Arizona University at Flagstaff in Ashurst Hall.

The hearing is by invitation only. Witnesses testifying at the hearing are requested to bring 10 copies of their written statement with them on the day of the hearing. Please submit one copy in advance to the attention of Mark Rey, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. Time permitting, an open mike session will be held. If interested in giving a 2-minute statement, please contact Senator KYL'S office in Phoenix, AZ, at (602) 840–1891.

For further information, please contact Mark Rey, at (202) 224–6170.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. DOLE. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Friday, August 4, 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

OPPORTUNITY AND CHALLENGE

• Mr. CRAIG. Mr. President, I wanted to share with my colleagues a fine book authored by Dr. Fredrick Chien, Foreign Minister of the Republic of China.

"Opportunity and Challenge," published by the Arizona Historical Foundation, is a collection of Minister Fredrick Chien's speeches and writings, given between 1990 and 1994. These writings fully explain Taiwan's foreign policy; students of politics or anyone interested in the study of Taiwan will find them extremely helpful.

Of particular note is Taiwan's advocacy of "pragmatic diplomacy." Even though the Republic of China does not have formal relations with many countries, its "pragmatic diplomacy" has enabled Taiwan to have substantive relations with nearly all the countries in the world. Taiwan's relationship with the United States is a classic example of "pragmatic diplomacy" at work. Despite the lack of formal ties, Taiwan and the United States enjoy an informal working relationship which continually grows stronger. After a careful study of Chien's writings, I conclude that the Republic of China is on the right track in terms of expanding its international presence.

One of the challenges facing Minister Fredrick Chien and his government is Taiwan's bid to rejoin the United Nations. Clearly, Taiwan is qualified to be a member of the U.N. It is to be hoped that the world will soon see the injustice of keeping Taiwan out of the U.N. and will invite Taiwan to rejoin the world body.

The U.N. issue has been mentioned prominently in "Opportunity and Challenge," and so have a number of other interesting issues such as Taiwan's relationship with the Chinese Communists, the independence movement in Taiwan and the role of Taiwan in the 21st century.

"Opportunity and Challenge" is a collection of well thought-out statements on Taiwan's foreign relations by one of Taiwan's most eminent leaders: Fredrick Chien. I highly recommend this book.•

MISLEADING LOTTERY ADS

• Mr. SIMON. Mr. President, many States have been directly involved in the explosive growth of gambling across the Nation in the last two decades.

The staggering surge in State-sponsored and State-licensed gaming has largely been the result of impulsive decisions by cash-strapped State and local governments whose leaders are looking for painless new sources of revenue.

There has been scant attention, at any level of government, to the larger and often troubling public policy implications that accompany the gambling boom. I have introduced S. 704, a bill that would charter a Gambling Impact Study Commission which, after an 18-month inquiry, would release its findings in a report that would provide some guidance to the President, to the Congress, to State and local governments and to the American people as these decisions are made in the future. Senator LUGAR has joined in this effort as the chief Republican cosponsor of this legislation.

In the current issue of the Washington Monthly, Joshua Wolf Shenk offers an illuminating analysis of the ways that State lotteries often entice individuals into gambling with sales pitches that, he notes, are "the only form of advertising unburdened by State and federal truth-in-advertising standards." I call his article, "Everyone's A Loser," to the attention of my colleagues, and I ask unanimous consent that it be printed in the RECORD.

The article follows:

[From the Washington Monthly, July/Aug. 1995]

EVERYONE'S A LOSER: HOW LOTTERY ADS ENTICE THE WRONG PEOPLE TO GAMBLE

(By Joshua Wolf Shenk)

Tom had been playing the lottery for two years when God started whispering in his ear. At first, Tom (who asked that his last name be withheld) would spend just a few dollars a week. He had his regular numbers, and he'd play them when he thought of it.

But then, he says, on the days that he hadn't planned on playing, the word would come from Heaven: Your number is coming tonight. Fear would strike him like ice water on the neck: "I'd think, 'I'm not going to win it. I don't have the [money] on that number.'" So he'd rush out to play his regular number, and many more. Before long, he was spending $300 a week on tickets.

"It was 'A Dollar and a Dream'; 'Hey, You Never Know,'" he says, repeating the advertising slogans of the New York lottery. Tom pauses. "Those were good come-ons."

It's no accident that the voices inside Tom's head echoed lottery ads. They're extremely effective. And they're everywhere: on the radio and TV, in bus shelters and on billboards, even in mailings sent straight to homes. The message is simple: Play the lottery and get rich. Get rich, and all your problems will be solved. The New York lottery takes in more than $2 billion in sales each year, and it spends $30 million each year on advertising to keep the cash rolling in.

State lotteries target anyone who might cough up a dollar (or $10 or $20) for the chance to strike it rich. Conveniently silent on the odds, these ads send the message that hard work and patience is for suckers. In the process, the ads help wring billions of dollars from the most vulnerable "customers" possible—the poor and the addicted.

Criticism of state lotteries runs a wide gamut. Some say the state shouldn't even allow gambling, much less conduct it. Others argue that gambling should be left in private hands. Still others believe that the state should run lotteries for roughly the same reason many states run liquor stores: to keep the business controlled and clean, and to make money for the state.

Regardless of where you stand on these important questions, though, one thing should be clear: The advertising that entices Americans to spend tens of billions of dollars on lottery tickets each year is deceitful and corrosive. It is the only form of advertising unburdened by state and federal truth-in-advertising standards. The fact that it comes from the state—which ought to encourage people's strengths, not prey on their weaknesses—makes it all the more foul.

Today, 37 states and the District of Columbia have instituted lotteries, and that number is likely to grow. "Quite simply, states need the revenue," explains David Gale, executive director of the North American Association of State and Provincial Lotteries. "Every dollar raised by the lottery is a dollar you don't need to get from taxes." Across the country, $34 billion in lottery tickets were sold in 1994. In Texas, the lottery contributed $935 million to the state's budget. In New York, the figure was $1.01 billion. As states have become dependent on lottery revenue, the pressure to keep people playing has become relentless. "Marketing is absolutely essential," Gale says. "Lottery tickets are no different than any other product. Your market will lose interest after a while. You have to keep after them."

Like any sophisticated business, lotteries target the specific groups of people most susceptible to suggestion. The Iowa lottery's media plan, for example, contains the following statement of objective: "To target our message demographically against those that we know to be heavy users."

One such target is the poor. The charge that lotteries are regressive—that is, hitting lower-income residents the hardest—makes intuitive sense, since the pitch of wealthy fantasies clearly resonates most strongly among those who are least affluent. "There's absolutely no question about it," says Charles Clotfelter, a Duke University economist and a leading authority on lotteries. According to a study by the Heartland Institute, a conservative think tank, the poor spend more money than the non-poor on lotteries—not only as a percentage of their income, but also in absolute terms. Blacks and Hispanics also tend to play more often than whites.

I worked two summers at an Ohio convenience store that sold lottery tickets, and my experience there confirms these findings. The store drew customers from all socioeconomic backgrounds, but lottery players fell into distinct categories. On a normal day, the lottery patrons were mostly working-class blacks. When the jackpot for Super Lotto got sky-high, some wealthier folks joined the lines. But the staple customers—those who spent five, 20, or 40 dollars a day on daily numbers and scratch-off games—were the same people every day; not executives or store managers playing for kicks, but postal workers and retirees on Social Security. You'll see the same trend at almost any lottery outlet. You'll also notice that the same stores almost invariably sell liquor and cigarettes. Choose your poison.

The image of miserable working people magically transported to lives to wealth and ease is a staple of lottery ads. A billboard once placed in a slum of Chicago read simply: "Your Ticket Out of Here." An ad for the D.C. lottery shows a man "before" the lottery—with matted hair, stubble on his face, and glasses—and "after"—freshly washed and clean-shaven, wearing a tuxedo, and holding the program for a theater performance. The copy reads: Just One Ticket . . . And it Could Happen to You." And ad for the Michigan lottery shows a college kid piloting a Lear jet. Then it cuts to him daydreaming on the job at a fast food restaurant. "Thirty new Lotto millionaires were created last year," the announcer states. "Play the Lotto, and you could win the stuff dreams are made of."

Lottery ads also go after gambling addicts, using a message tuned to their weaknesses. About 5 percent of the population is susceptible to compulsive gambling, according to Dr. Valerie Lorenz, executive director of the Compulsive Gambling Center in Baltimore. In many cases, she says, lottery ads help tip these people over the edge.

Remember Tom's greatest fear, that his number would fall on a day he hadn't bet? This is one of the defining characteristic of compulsive gamblers, and it's a button that lotteries push incessantly. "Don't forget to play every day," the Pennsylvania lottery ad says. Many ads picture disheartened would-be winners whose numbers came up on a day they declined or forgot to play. One ad for Tri-State Megabucks (in New Hampshire, Maine, and Vermont), for example, shows a pathetic man grilling hamburgers on a fire escape, while scenes of wealth and granduer flash by. The theme is set to the tune of "It Had to Be You."

It could have been you.
It could have been you.
Countin' the dough.
Ready to go, on that three-month cruise.
Walkin' in style, down easy street,
Wearin' a smile, it could have been sweet.
But what can I say?
You just didn't play.
It could have been you!

The theme of magical, instant transformation also lures problem gamblers. "They live in a very painful world," says Dr. Lorenz. "They want to escape into fantasy, and they want it instantly." And, of course, the sheer regularity of the ads is a curse to addicts trying to stay on the straight-and-narrow. "I hear this all the time from lottery addicts who are in recovery," Lorenz says. "They'll cover their ears or their heads. They'll say, 'I wish I could leave the state.' But that wouldn't help. It's all over the country."

The ads never mention the losers. Tom Cummings, executive director of the Massachusetts Council on Compulsive Gambling, told me about two women he has been counseling. "One lost her house after going $40,000 in debt playing the lottery," he said. "The other gambled away money that was supposed to pay for her daughter's education. All on the lottery."

Lotteries aren't alone in suggesting that their product has magical qualities—that's the art of advertising. But lottery ads take a prize when it comes to their systematic distortion. Because the lotteries are chartered by state legislatures, they're untouchable by federal regulators and they consider state regulators their colleagues in public service. This allows lotteries to conceal the astronomical odds against winning and inflate the size of jackpots.

Consider a 1993 California radio spot profiling a lottery winner: "John Padgett went to bed on Saturday night a regular guy," the announcer says. "When he woke up, he was worth $11 million. That's because he's Super Lotto winner number 610."

Well, not quite. Padgett did win an $11.5 million jackpot. But that's not worth $11.5 million. Any prize over a million dollars is paid out over 20 years. Padgett's annual payment came to $575,000. After taxes, the actual yearly award is worth around $400,000. And the lost value—due to both inflation ($400,000 will be worth far less in 2013 than it is today) and lost interest—is significant.

It may be hard to sympathize with someone receiving a $400,000 check every year. But this ad—and nearly every state uses a similar pitch—is clearly misleading. The government would never allow similar distortions from private sector advertisers.

Finance companies, for example, are explicitly forbidden to air commercials that feature investors who have earned vast sums of money with the message, "It could be you." But lotteries do just that. "I was probably going to have to go back to work to make ends meet," Kentucky lottery winner Denise Golden says in one ad. "And now I won't have to. . . . It's a dream come true."

Lotteries are also exempt from Federal Trade Commission truth-in-advertising standards and rules that, to give just one example, require contests and sweepstakes to clearly state the odds against winning in every advertisement. Omitting the odds is a crucial element of lotteries' media strategy, since they're trying to convince people that if they play long enough, they are certain to hit the jackpot. "Sooner than later," says an ad for the West Virginia lottery, "you're gonna win!" "We won't stop until everyone's a millionaire," the New York lottery promises.

A clue as to how far lotteries exceed the bounds that constrain other advertisers is indicated by a report from the National Association of Broadcasters issued in 1975. Three tactics seemed clearly out of bounds, the NAB concluded:

1. [Indicating] what fictitious winners may do, hope to do or have done with their winnings.

2. [Using] unqualified or inaccurate language regarding potential winners' winnings. (e.g. "There's a pot of gold for those who buy lottery tickets"; "Buy a ticket and be a winner.")

3. [Utilizing] approaches which praise people who buy lottery tickets or denigrate people who do not buy tickets.

Today's lotteries hold themselves to no such standards. The only rule is to produce maximum profit. Even in Virginia and Texas, two states that forbid their lotteries to "induce" people to play, ads make gambling seem fun and glamorous. Missouri originally required all its lottery ads to include a disclaimer: "This message . . . is not intended to induce any person to participate in the lottery or purchase a lottery ticket." The disclaimer was dropped in 1988. It was thought to be hurting sales.

Lotteries defend themselves against criticism by citing the revenue they raise. They also advertise to publicize their role in funding state projects. (Not only does this approach bolster political support, it's also a shrewd ploy to hook more players. Gambling is fun—and it's also a public service!)

Each state has its own slogan: "When Colorado plays, everybody wins." "The Missouri lottery: It makes life a little richer for all of us." The premise of these ads—and a crucial element of lotteries' popularity—is that money goes to improving favorite areas of state spending, like schools or parks. But this is a mere accounting trick. Ohio claims that its lottery revenue goes toward education, for example. "But that doesn't mean that the budget for education grows by that much," David Gale explains. "What happens is, the legislature budgets this much for education. They see the lottery will contribute this much. So they take the money they would have spent on education and put it to other uses."

Most states avoid the fiction altogether and say outright that the money goes to the general fund. But that doesn't stop lotteries from claiming credit for the very best of state government. On its 20th anniversary, the Maryland lottery ran a series of "public service" ads. One pictured a nurse holding an infant, saying the baby would get better care because of the Maryland lottery. Another ad in the series gave credit to the lottery for the high school graduation of an inner-city black teenager.

It is true that lottery profits go to state treasuries. But so do taxes. Taxes are also honestly raised and reflect community decisions about how to fairly distribute burdens and responsibilities. In the current political climate, raising lottery revenue is a political virtue; raising taxes is political death. Naturally, politicians choose the easy route. New York Governor George Pataki recently announced plans for an enormous tax cut. He intends to make up the loss in revenue through the introduction of "five minute keno" in liquor stores and bars, which is expected to net the state $115 million per year.

Lotteries defend themselves by pointing out the obvious: No one is forced to buy a lottery ticket. "I get so angry when people say they should decide how [others] should spend their money," says Teresa La Fleur, who publishes books and a magazine for the lottery industry. "Unless we decide it's wrong to gamble, it's just a fact of life that people are going to make choices with their money."

But states don't merely allow, or provide, gambling. They stimulate it. In addition to running ads, some states even conduct direct-mail campaigns, sending coupons for free tickets via mail. In a typical campaign, cited in "Selling Hope: State Lotteries in America," by Clotfelter and co-author Phillip Cook, 35 to 40 percent of the coupons were redeemed for lottery tickets. One-third of those who redeemed the coupons were new players; one-third of these new players began to play regularly.

Considering the addictiveness of lotteries, these types of promotions are inexcusable. Of the nearly 40,000 calls to the Council on Compulsive Gambling in New Jersey last year, for example, 52 percent complained of addiction to lottery games. Imagine the outcry if Phillip Morris sent free packs of cigarettes through the mail.

In fact, the parallel between cigarettes and lottery tickets is uncanny. That's why both have been the subject of strict limits on advertising. Until 1974, when Congress repealed a ban on the promotion of gambling in the mass media, TV stations couldn't so much as mention winning numbers. Now, of course, TV is the most popular medium of advertising. Besides the many commercials, lottery drawings are televised and a number of states have half-hour game shows centered around the lottery.

Congressman Jim McCrery, a Republican from Louisiana, has introduced legislation requiring the Federal Trade Commission to impose truth-in-advertising standards on lotteries. That would be a start. But a more dramatic step—banning ads altogether—is in order.

Lottery ads don't just sell a product. They sell a way of life. One ad for the Washington state lottery shows a line of workers punching their time clock. "The true joys in life," the announcer says, "are not found in the empty pursuit of pleasure, but in the accomplishments realized through one's own hard labor. For nothing satisfies the soul so much as honest toil, and seeing through a job well done." Then the man at the end of the line takes his timesheet and throws it out the window. "Of course, having a whole bunch of money's not bad either."

When will public officials stop for a moment, and listen to what they're saying—that hard work and patience are for suckers, that civic virtue is a function of how much you spend on the lottery? "Even in these cynical times," says Clotfelter, "government has some moral capital. So when the government says, 'Children, stay in school'; 'Husbands, don't beat your wives'—these have some value to them. If you take that capital and use it [the way lotteries do], one has to ask, does this serve the intention of the state?"•

A TRIBUTE TO ELIZABETH NOYCE

• **Mr. COHEN.** Mr. President, I would like to take a moment to recognize one of my State's finest and most generous citizens. Maine has a long tradition of philanthropic largesse, but Elizabeth Bottomley Noyce must now rank among the most kind-hearted, generous and supportive Mainers in the State's history.

Earlier this summer, Mrs. Noyce purchased $19 million worth of property in downtown Portland. The property includes 6 acres of land, 3 office towers and some other buildings along Congress Street, in the heart of Maine's largest city. But she did not buy the property in hopes of doubling her investment and moving on. Instead, she did so in hopes of luring businesses, retailers, and shoppers back to downtown Portland.

Like so many downtowns across America, Portland's is showing some wear and tear. The trend of the last decade or two has been toward sprawling suburban malls with enormous parking lots and varied stores in one convenient, air-conditioned setting. And while malls have been, in many ways, a blessing in terms of convenience for the customer and business for the retailer, they have left a void in downtowns across the country.

The company that will manage the properties Mrs. Noyce purchased has indicated that it plans to refurbish some of the buildings and add more parking in the area in order to lure some of the cultural and economic vibrancy of southern Maine back to downtown Portland. That was Mrs. Noyce's goal in making the purchase—to make Portland's downtown as thriving and vital as possible.

Such a purchase would be a noteworthy event on its own. But what makes Elizabeth Noyce special is that the recent investment in downtown Portland is merely the latest in a long series of gifts to the people of Maine. Over the last decade, according to press reports, Mrs. Noyce had donated more than $50 million to a variety of Maine institutions and communities. Her $3.5 million donation, for instance, allowed for the construction of the Maine Maritime Museum, which attracts thousands of visitors every year to explore Maine's rich seafaring history. She has also given $5 million to the University of Maine, $1 million each to the Maine Medical Center and the Portland Museum of Art, and another $250,000 to the Eastern Maine Medical Center in Bangor—just to name a few recent gifts. And she spent $7 million in 1991 to start Maine Bank & Trust and help Maine businesses at a time when there was a full-fledged banking crisis in Maine. She helped restore financial confidence in the Maine banking industry and her bank has flourished as a result—today it has 100 employees and is approaching 10 branches.

Last year, she gave $1 million to Maine Public Broadcasting. But instead of just writing a check, she had five houses built on the Maine coast. The project generated more than just revenue—it generated jobs for Maine construction workers, builders, and designers. The money from the sale of the five homes went to Maine Public Broadcasting, but the investment was much larger than that simple donation. It is the same principle she intends to apply in downtown Portland.

None of these gifts were to garner newspaper headlines or capture statewide notoriety. Instead, they were simply gifts of a wonderful and generous spirit who believes very strongly in both the present and the future of Maine.

Elizabeth Noyce has become Maine's guardian angel—and our State is a much better place because of her.●

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

ADDENDUM.—CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1994

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Scot B. Gudes:									
Cape Verde	Escudo	16,650	204.00					16,650	204.00
Namibia	Rand	564.44	162.00					564.44	162.00
South Africa	Rand	2,698.48	758.00	5,572.96	1,565.44	383.05	107.60	8,654.49	2,431.04
Botswana	Pula	1,362.72	501.00	3,228.93	1,187.11			4,591.65	1,688.11
Morocco	Dirham	4,312.94	482.00	429.12	48.00	181.91	20.33	4,923.97	550.33
Total			2,107.00		2,800.55		127.93		5,035.48

ROBERT C. BYRD,
Chairman, Committee on Appropriations, June 9, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM APR. 1 TO JUNE 30, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John S. McCain:									
Thailand	Dollar		213.00						213.00
Vietnam	Dollar		930.00						930.00
Burma	Dollar		282.00						282.00
Cambodia	Dollar		284.00						284.00
Singapore	Dollar		506.00						506.00
Mark Salter:									
Thailand	Dollar		213.00						213.00
Vietnam	Dollar		930.00						930.00
Burma	Dollar		282.00						282.00
Cambodia	Dollar		284.00						284.00
Singapore	Dollar		253.00						253.00
Tom Moore:									
Croatia	Dollar		660.00						660.00
Serbia	Dollar		199.00						199.00
Germany	Dollar		186.00						186.00
Italy	Dollar		650.50						650.50
John Douglass:									
Croatia	Dollar		660.00						660.00
Serbia	Dollar		199.00						199.00
Germany	Dollar		186.00						186.00
Italy	Dollar		650.50						650.50
John Miller:									
Croatia	Dollar		660.00						660.00
Serbia	Dollar		199.00						199.00
Germany	Dollar		186.00						186.00
Italy	Dollar		650.50						650.50
Richard DeBobes:									
Croatia	Dollar		660.00						660.00
Serbia	Dollar		199.00						199.00
Germany	Dollar		186.00						186.00
Italy	Dollar		650.50						650.50
Total			10,959.00						10,959.00

STROM THURMOND,
Chairman, Committee on Armed Services, July 18, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION FOR TRAVEL FROM APR. 1 TO JUNE 30, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John Breaux:									
Cayman Islands	Dollar		400.00		794.95				1,194.95
Earl W. Comstock:									
Ireland	Pound	1,083.40	1,729.00					1,083.40	1,729.00
United States	Dollar				1,148.95				1,148.95
Thomas O. Melius:									
Ireland	Pound	928.63	1,482.00					928.63	1,482.00
United States	Dollar				1,273.95				1,273.95

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION FOR TRAVEL FROM APR. 1 TO JUNE 30, 1995—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Total			3,611.00		3,217.85				6,828.85

LARRY PRESSLER,
Chairman,
Committee on Commerce, Science, and Transportation, July 21, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION FOR TRAVEL FROM OCT. 1, TO DEC. 31, 1994

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ernest F. Hollings:									
Cape Verde	Escudo	16,650	204.00					16,650	204.00
Namibia	Rand	564.44	162.00					564.44	162.00
South Africa	Rand	2,698.48	758.00	5,572.96	1,565.44	383.05	107.60	8,654.49	2,431.04
Botswana	Pula	1,362.72	501.00	3,228.96	1,187.12			4,591.68	1,688.12
Morocco	Dirham	4,312.94	482.00	429.12	48.00	182	20.34	4,924.06	550.34
Ivan A. Schlager:									
Cape Verde	Escudo	16,650	204.00					16,650	204.00
Namibia	Rand	564.44	162.00					564.44	162.00
South Africa	Rand	2,698.48	758.00	5,572.96	1,565.44	383.05	107.60	8,654.49	2,431.04
Botswana	Pula	1,362.72	501.00	3,228.93	1,187.11			4,591.65	1,688.11
Morocco	Dirham	4,312.94	482.00	429.12	48.00	181.91	20.33	4,923.97	550.33
Total			4,214.00		5,601.11		255.87		10,070.98

ERNEST F. HOLLINGS,
Chairman,
Committee on Commerce, Science, and Transportation, June 7, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES FOR TRAVEL FROM APR. 1, TO JUNE 30, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Dave Garman:									
Germany	Mark	3,219.60	2,286.00					3,219.60	2,286.00
United States	Dollar				3,197.85				3,197.85
Shirley Neff:									
Germany	Mark	3,219.60	2,286.00					3,219.60	2,286.00
United States	Dollar				3,197.85				3,197.85
Total			4,572.00		6,395.70				10,967.70

FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, June 20, 1995.

ADDENDUM.—CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES FOR TRAVEL FROM JULY 1 TO SEPT. 30, 1994

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Shirley Neff:									
Switzerland	Franc	2,080.20	1,602.00		511.04			2,080.20	2,113.04
Total			1,602.00		511.04				2,113.04

J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, June 20, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS FOR TRAVEL FROM APR 1 TO JUNE 30, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Hank Brown:									
Israel	Dollar		280.00		305.00				585.00
Jordan	Dollar		200.00						200.00
Damascus	Dollar		256.00						256.00
Egypt	Pound	2,350.55	270.74					2,350.55	270.74
United States	Dollar				1,928.00				1,928.00
Poland	Dollar		325.45						325.45

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS FOR TRAVEL FROM APR 1 TO JUNE 30, 1995—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
United States	Dollar				402.00				402.00
Senator Paul Coverdell:									
Haiti	Gourde	1,759	117.00					1,759	117.00
Bonnie Coe:									
Lithuania	Dollar		327.00						327.00
United States	Dollar				1,901.75				1,901.75
Mike Dietrich:									
Haiti	Gourde	1,555	77.00					1,555	77.00
Peter Cleveland:									
South Korea	Won	115,800	150.00					115,800	150.00
Taiwan	Dollar		532.00						532.00
Burma	Dollar		141.00						141.00
Indonesia	Dollar		225.00						225.00
United States	Dollar				3,317.95				3,317.95
Edwin K. Hall:									
Croatia	Dollar		1,166.69						1,166.69
Serbia	Dollar		500.01		357.00				857.01
Italy	Dollar		333.30						333.30
United States	Dollar				2,670.65				2,670.65
Czech Republic	Koruna	18,953	740.00					18,953	740.00
United States	Dollar				3,333.15				3,333.15
Derek Schmidt:									
South Africa	Rand	2,524.40	701.22					2,524.40	701.22
United States	Dollar				6,085.25				6,085.25
Mike Haltzel:									
Germany	Dollar		850.00						850.00
Germany	Mark			199	147.41			199	147.41
Czech Republic	Koruna	14,350	560.00					14,350	560.00
Hungary	Forint	31,076	261.00					31,076	261.00
United States	Dollar				1,151.85				1,151.85
Michelle Maynard:									
Croatia	Dollar		1,266.69						1,266.69
Serbia	Dollar		700.01		357.00				1,057.01
Italy	Dollar		333.30						333.30
United States	Dollar				2,670.65				2,670.65
Senator Charles S. Robb:									
South Korea	Won	115,800	150.00					115,800	150.00
Taiwan	Dollar		532.00						532.00
Burma	Dollar		141.00						141.00
Indonesia	Dollar		225.00						225.00
United States	Dollar				5,293.58				5,293.58
Carter Pilcher:									
Israel	Dollar		280.00		305.06				585.06
Jordan	Dollar		200.00						200.00
Damascus	Dollar		256.00						256.00
Egypt	Pound	2,350.55	270.74					2,350.55	270.74
United States	Dollar				1,928.00				1,928.00
Anne V. Smith:									
Estonia	Dollar		560.00						560.00
Latvia	Dollar		465.00						465.00
Romania	Dollar		672.00						672.00
Slovakia	Dollar		473.00						473.00
Czech Republic	Dollar		630.00						630.00
United States	Dollar				2,936.55				2,936.55
Total			15,168.15		35,090.85				50,259.00

JESSE HELMS,
Chairman, Committee on Foreign Relations, July 25, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1994

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John Glenn:									
Vietnam	Dollar		300.00				103.56		403.56
Thailand	Baht	10,594	425.98			7,792.02	313.31	18,386.02	739.29
Hong Kong	Dollar	5,626.80	728.00			4,710.21	609.42	10,337.01	1,337.42
France	Dollar						65.21		65.21
China	Yuan	4,822.20	564.00			1,994.97	233.33	6,817.17	797.33
Malaysia	Dollar		500.00				470.00		970.00
United States	Dollar				3,500.30				3,500.30
Senator David Pryor:									
Vietnam	Dollar		300.00				103.56		403.56
Thailand	Baht	10,594	425.98			7,792.02	313.31	18,386.02	739.29
Hong Kong	Dollar	5,626.80	728.00			4,710.21	609.42	10,337.01	1,337.42
France	Dollar						65.21		65.21
China	Yuan	4,993.20	584.00			1,994.97	233.33	6,988.17	817.33
Malaysia	Dollar						470.00		470.00
Daniel Bob:									
Peru	Sol	1,856.80	844.00					1,856.80	844.00
United States	Dollar				966.95				966.95
Total			5,399.96		4,467.25		3,589.66		13,456.87

JOHN GLENN,
Chairman, Committee on Governmental Affairs, June 21, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON VETERANS' AFFAIRS FOR TRAVEL FROM APR. 1, TO JUNE 30, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Stephanie Sword:									
Germany	Dollar		850.00		557.65		100.00		1,507.65
Karen McCarthy:									
Germany	Dollar		750.00		547.65				1,297.65
Total			1,600.00		1,105.30		100.00		2,805.30

ALAN K. SIMPSON,
Chairman, Committee on Veterans' Affairs, June 16, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE FOR TRAVEL FROM APR. 1 TO JUNE 30, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator J. Robert Kerrey			1,829.00		4,614.25				6,443.25
Christopher Straub			1,885.00		5,281.25				7,166.25
Peter Dorn			1,450.00		3,534.55				4,984.55
Gary Reese			1,436.00		3,454.55				4,890.55
Patricia Hanback			436.00		1,418.95				1,854.95
Edward Levine			436.00		1,418.95				1,854.95
Don Mitchell			155.00		1,366.95				1,521.95
Senator Mike DeWine			137.50						137.50
Senator Arlen Specter			139.50						139.50
Senator J. Robert Kerrey			153.15						153.15
Christopher Straub			268.00						268.00
Melvin Dubee			593.00						593.00
Total			8,918.15		21,089.45				30,007.60

ARLEN SPECTER,
Chairman, Select Committee on Intelligence, July 21, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SENATE ARMS CONTROL OBSERVER GROUP FOR TRAVEL FROM MAY 28 TO JUNE 3, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Mira Baratta:									
Austria	Schilling	4,942.62	486.00					4942.62	486.00
Switzerland	Franc	694	608.00					694	608.00
United States	Dollar				2,178.85				2,178.85
John C. Roots:									
Austria	Schilling	2,786.58	274.00					2786.58	274.00
Switzerland	Franc	694	608.00					694	608.00
United States	Dollar				1,695.85				1,695.85
Total			1,976.00		3,874.70				5,850.70

ROBERT J. DOLE, Majority Leader,
THOMAS A. DASCHLE, Democratic Leader, July 20, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE DEMOCRATIC LEADER FROM APR. 1 TO JUNE 30, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Richard Bryan:									
Sweden	Kronor	4,349.66	593.00					4,349.66	593.00
France	Franc	3,578.64	744.00					3,578.64	744.00
David Corbin:									
United Kingdom	Pound	612.05	984.00					612.05	984.00
United States	Dollar				837.15				837.15
Sharon Waxman:									
Jordan	Dollar		300.00						300.00
United States	Dolalr				2,659.95				2,659.95
Total			2,621.00		3,497.10				6,118.10

THOMAS A. DASCHLE,
Democratic Leader, July 19, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE DEMOCRATIC LEADER FROM JAN. 1 TO MAR. 31, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Patrick J. Leahy:									
Ireland	Pound	348.78	542.00			258	400.93	606.78	942.93
Northern Ireland	Dollar		184.00						184.00
England	Pound	266.12	418.00					266.12	418.00
United States	Dollar				1,363.35				1,363.35
Timothy S. Rieser:									
Ireland	Pound	339.12	527.00			258	400.93	597.12	927.93
Northern Ireland	Dollar		184.00						184.00
England	Pound	218.62	343.39					218.62	343.39
United States	Dollar				1,363.35				1,363.35
Kevin McDonald:									
Ireland	Pound	342.34	532.00			258	400.93	600.34	932.93
Northern Ireland	Dollar		184.00						184.00
England	Pound	243.42	382.34					243.42	382.34
United States	Dollar				1,363.35				1,363.35
Total			3,296.73		4,090.05		1,202.79		8,589.57

THOMAS A. DASCHLE,
Democratic Leader, July 19, 1995.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER FROM APR. 1 TO JUNE 30, 1995

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Alan K. Simpson:									
Sweden	Krona	5,853.50	798.00					5,853.50	798.00
France	Franc	3,578.64	744.00					3,578.64	744.00
Senator Trent Lott:									
Sweden	Krona	5,853.50	798.00					5,853.50	798.00
France	Franc	3,578.64	744.00					3,578.64	744.00
Jan Paulk:									
Sweden	Krona	5,853.50	798.00					5,853.50	798.00
France	Franc	3,578.64	744.00					3,578.64	744.00
Total			4,626.00						4,626.00

ROBERT J. DOLE,
Majority Leader, July 24, 1995.

REMARKS OF LLOYD OMDAHL

• **Mr. DORGAN.** Mr. President, more than 30 years ago, President John F. Kennedy challenged us all to "Ask not what your country can do for you. Ask what you can do for your country." Plenty of statesmen have come and gone since, and few have approached such eloquence. But I read a column recently in which the writer, former North Dakota Lt. Gov. Lloyd Omdahl, comes pretty close, if not in style, certainly in his message. He echoes President Kennedy's challenge at a point in our history when I think we need to get reacquainted with that challenge. His words remind each and every one of us about the depth of our responsibility to preserve and nurture our birthright—our Republic. Mr. President, I think Mr. Omdahl's remarks deserve the attention of the Senate, and I ask that his column be printed in the RECORD.

The column follows:

A REPUBLIC—IF YOU CAN KEEP IT

(By Lloyd Omdahl)

The Fourth of July represents the most patriotic time of the year when we celebrate the treasonous act of declaring revolutionary intentions against the government. It was okay because we won.

Just as important in United States history was the ratification of the U.S. Constitution and the creation of a democratic republic.

Shortly after the Constitutional Convention, Delegate Ben Franklin was asked: "And what kind of government did you give us?" To this he replied: "A republic—if you can keep it!"

For over 200 years, we have kept the republic through a second war for independence, a traumatic civil war, a devastating depression and a variety of complex international conflicts. But just because the Republic has survived to this point does not give it automatic life eternal. Each generation must cope with the forces that would erode or destroy the system.

It is my thesis that the present populace is less prepared to preserve the Republic than prior generations.

Republics are citizen governments, which probably caused Franklin to express dubiousness about its future. No one really knew whether citizens could really successfully govern a large geographic republic.

As former U.S. Senator Mark Andrews once commented: "A republic is a do-it-yourself kit." The effectiveness with which it operates is dependent on whether or not citizens are willing to accept responsibility to "do it" themselves.

It seems that a number of basic prerequisites must be met to preserve a republic.

And we're losing them.

First, citizens must be well-informed. They are not. We now have an entire generation of citizens whose primary source of news has come from television—an entertainment medium designed to feed viewers entertainment and not news. This medium requires that news must be entertaining to attract and keep an audience thirsty for fun. Every TV personality claiming to offer news—from Sam Donaldson to Rush Limbaugh—is really offering entertainment disguised as news.

Second, citizens must be future-oriented. They are not. Citizens oppose fiscal responsibility and other policies that require short-term sacrifices for long-term benefits. They want present gratification. (The latest example is popular support for a 75-mile speed limit that would burn up the world's limited oil supply faster.)

Third, citizens must function primarily from a rational perspective. They do not. Reason has given way to paranoia, anger, hate and a cornucopia of psychologically-based responses. It is no longer possible to deal with serious issues on a cognitive level.

Fourth, citizens must be public-regarding, i.e. place some value on sacrifice for community and support for the organized society. They are not. Organizations and institutions are literally collapsing as people are withdrawing into their shells. In reality, we have been disassociating ourselves more and more from family, religious and community organizations. Community and civic life is dying.

The degree to which citizens are informed, future-oriented, rational and public-regarding is the degree to which the republic will function effectively. As we lose these qualities, the republic's effectiveness will decline.

Because of the growing shallowness of citizen concern with affairs of the republic, the republic becomes more vulnerable to demagoguery, deception and disorganization. Politicians with the simple, easy answers will be preferred to those insisting on difficult decisions and sacrifice.

Even though it is over 200 years old, the future of the Republic is still conditional. Ben Franklin's big "if" should hang over us as a warning that republics have fallen in the past and this one will also go if citizens aren't willing to assume the perspective and commitment it takes to make the system work.

It's our republic—if we can keep it.●

RECOGNIZING TED BONDA

Mr. LAUTENBERG. Mr. President, over a period of years, one comes to know a great many people, some of whom make an impression, some of whom fade from memory.

It was some years ago that I met Ted Bonda. He made an impression. And over a period of years, we have remained in touch. Ted has had an unusual career. World War II interrupted his education and he never graduated from college, until recently when Cleveland State University awarded him an honorary degree. My hat's off to them.

Although Ted was not a college graduate, he was a member of the Cleveland Board of Education for 5 years and president for 3 of those 5, an extremely challenging position. He also served as a member of the Ohio State Board of Regents for 9 years, 4 of which he served as its chairman, as well as 4 years as chairman of the Board of Fellows at Brandeis University, and a member of its board for more than 20 years.

But his community involvement was far greater than his educational involvement. Ted was a great lover of baseball who saved the Cleveland Indians from leaving the Cleveland community. He personally took over the leadership and the financial commitment to save the Indians who, as of today, are leading the American League Central Division by 18½ games.

His baseball exploits were recently described in the Cleveland Plain Dealer in an article by Russell Schneider called, "The Man Who Saved the Tribe." His generosity, compassion, and old-fashioned goodness have been beautifully described in the same paper by Herb Kamm, former editor of the Cleveland Press. And the warm feeling of the Ohio Board of Regents for him is aptly described in a Plain Dealer article by Lou Mio in which the Board of Regents "called upon its accomplished and learned former chairman to deliver on his longstanding promise" to provide tickets the next time the Cleveland Indians play in the World Series. Bonda told them that at a time when a World Series for the Indians looked impossible.

Ted Bonda has indeed made an impact. He is the kind of human being that every city in this country would be proud to have as a part of its leadership.

Mr. President, I ask that each of the articles be printed in the RECORD.

The articles follow:

TIME TO COLLECT—REGENTS TELL TED BONDA TO COUGH UP PROMISED TRIBE WORLD SERIES TICKETS

(By Lou Mio)

Alva "Ted" Bonda had a running joke during his nine years on the Ohio Board of Regents.

It went like this: "The next time the Cleveland Indians play in the World Series, you are all invited."

Ha, ha. Fat chance.

"He probably invited several thousand people during his nine years here," said William Napier, the board's vice chancellor. "Some people thought he was serious. Some did not."

Bonda, a former president of the Cleveland school board, had more than a hometown fan's interest in the Tribe. He owned the club in 1977 and 1978. But no matter. The Indians hadn't been close to the World Series since 1954.

Seen the American League standings lately? The regents have. That's why they unanimously adopted a resolution Thursday concerning Bonda. He had served four years as regents chairman, leaving the board in 1993.

First, they congratulated Bonda for his honorary degree from Cleveland State University and for his "irrepressible faith in his beloved city, its people and its baseball team." Then they got to the serious stuff.

"The Ohio Board of Regents hereby calls upon its accomplished and learned former chairman to deliver on his longstanding promise; and . . . expresses its deep appreciation to Professor Bonda for the tickets—and for the instructive lesson . . . that good things do indeed come to those who wait."

Napier said he has Indians home and away baseball caps. "I'm ready as soon as I hear from him."

Bonda enjoyed a hearty laugh when he learned of the resolution.

"I told them every year for nine years because it was safe," Bonda said. "But this year I told them I can't do it. This year they really are going to win."

[From the Cleveland Plain Dealer, June 12, 1995]

THE QUALITY OF THE MAN

(By Herb Kamm)

Cleveland State University has measured Ted Bonda for an academic cap and gown, but it will take more than a piece of tape to measure the man.

CSU recognized a lifetime of good deeds by awarding Bonda an honorary doctorate of humane letters at its graduation ceremonies Sunday afternoon.

Humane? Bonda has ennobled the word. He is a towering figure of generosity, compassion and old-fashioned goodness. He is truly a favorite son.

It may be trite to say so, but in honoring Ted Bonda, CSU honors itself. The recognition is long overdue, and it is to CSU's credit that it has taken upon itself to correct this omission.

Ted—they named him Alva Theodore at birth 78 years ago in the Cleveland he has loved and nurtured—has had a thing about education, possibly because his own formal schooling ended with his graduation from Glenville High School.

But it goes beyond that. Bonda sees learning almost as important to life as bread. It explains why, at a time when he could well have luxuriated in retirement, he took on the onerous duties of president of the Cleveland Board of Education; why he served on Ohio's Education 2000 Commission and the Ohio Board of Regents; why he has given so much of himself to Brandeis University as president of its National Fellows and a member of its board of trustees.

The great Depression saw to it that Bonda never went to college. But there are those who are endowed by Providence with compensating virtues: good sense, good judgment, good instincts. Ted is among them.

He of course has his critics. He brought so much passion to his role as president of the Cleveland Board of Education in the early '80s that he offended almost all his colleagues at one time or another.

Surely he has irritated others in pleading and fighting for his causes. Bonda tends to be impatient with those who are slow to see things as he sees them or to join his crusades.

And it stands to reason that he had his critics and rivals in business. A man doesn't lift himself up by his bootstraps, or make the journey from poverty to wealth, without courting controversy. But such foibles should matter little against Bonda's record of caring and doing, of his countless contributions to the civic and charitable missions of this community and some beyond it.

He has been known to step in where angels fear to tread, as when he was inspired, during his tenure as president of the Indians, to name Frank Robinson as the first black manager in major league baseball; as when he broke down another barrier and brought Fred Holliday to Cleveland as superintendent of schools.

Both deeds typified a commitment Bonda must have made early in life, because those who know him have never known him to flinch in the face of prejudice.

The citation Bonda received, as the title of doctor is conferred on him, speaks of his "outstanding accomplishments in commerce," his "unwavering support of education" and his "tireless efforts to make Cleveland a better place."

Dr. Bonda has done it all, and then some.

[From the Cleveland Plain Dealer, June 8, 1995]

THE MAN WHO SAVED THE TRIBE

(By Russell Schneider)

If you're old enough to have been a fan of the Indians in the 1970s—make that the dreadful 1970s—surely the name Alva T. "Ted" Bonda will ring a bell.

And if you're not of that vintage, you are hereby notified that had it not been for Bonda's efforts and perseverance during those frustrating seasons from 1972–77, not only would the current Indians not be doing as well as they are, they also would not be the Cleveland Indians.

By the same token, neither would we have that downtown jewel called "Jacobs Field," or even Gateway's neighboring Gund Arena.

It was Bonda who pledged his personal finances and agreed to take command of the faltering franchise as its chief operating officer in 1973 when the club was not only insolvent, but also teetering near bankruptcy under the inept Nick Mileti.

As it was reported to the 50-plus investors/partners in the ownership of the Indians at the time, the club's losses were $500,000 in 1972, $1.4 million in 1973, $500,000 in 1974, $1.1 million in 1975, $680,000 in 1976 and $1 million in 1977 for a not-so-grand total of nearly $5.2 million.

Despite the red ink that threatened to drown the franchise, it was Bonda who steadfastly refused to consider selling the club to

Donald Trump, the wealthy New York developer.

Bonda insisted that Trump and other vultures offering to buy the sick franchise sign an agreement that they would keep the Indians in Cleveland. They all declined.

Thus, Bonda was stuck with the franchise, so to speak, and made the best of it, as Art Modell, then the Indians' landlord, acknowledged in a 1978 speech:

"The man (Bonda) is a miracle worker. He was able to successfully employ his talents to keep the banks and other creditors from closing in. He was able to sell small pieces of the partnership interests to new people to keep pumping the club with an infusion of capital.

"When a franchise—any kind of a sports franchise, be it baseball, football, basketball, hockey or what have you—is in trouble as the Indians were for so long, the quickest way to cure the trouble is to move it, or sell it and allow it to be moved.

"History is full of franchises moving to greener pastures, and as long as there is a New Orleans or a Washington—any major city with an empty stadium—there's always the prospect that somebody will come along and lift your franchise, move it away.

"But Ted Bonda never let that happen. No matter how dire the straits were, and they were very dire, he was able to keep the sheriff from the door, to keep juggling all the balls until something could be done.

"Above all, Bonda did an outstanding job of keeping the Indians franchise in a condition that would allow a new group to come in and take over," and keep the team in Cleveland.

Which is what happened on Feb. 3, 1978, when native Clevelander F.J. "Steve" O'Neill purchased control of the franchise, ensuring it would remain in Cleveland.

When O'Neill died in 1983, his estate sold the club in 1986 to Richard Jacobs, under whose ownership the franchise has flourished, financially and artistically.

All of which is relevant now because, on Sunday, Cleveland State University will bestow the honorary degree of doctor of humane letters upon Alva T. "Ted" Bonda.

It is an honor well-deserved by a 78-year-old guy who was too poor to go to college, whose business career began as a clerk in a shoe store and as a parking lot attendant, and who became one of the most influential civic and political leaders in Ohio—as well as having saved the Indians for Cleveland in the '70s.

And if—when?—the Indians win the American League pennant, or even the A.L. Central Division championship, I can't think of anyone who'd be more deserving of the honor of throwing out the ceremonial first pitch than Ted Bonda.

Without his involvement 20 years ago, there probably wouldn't be major league baseball here.

P.S. In view of his recent and ongoing "no-threat" threat to sell the Browns and allow them to be moved to another city if taxpayers don't renovate the Stadium for his team, it would be prudent for Art Modell to re-read the comments he made in 1978 praising Bonda.

ORDERS FOR SATURDAY, AUGUST 5, 1995

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 8:30 a.m., August 5, 1995; that following the prayer, the Journal of proceedings be approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate proceed to the immediate consideration of H.R. 2020, the Treasury, Postal appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, for the information of all Senators, following the opening statements on the Treasury, Postal appropriations bill, at 9 a.m., the Senate will begin 3 hours of debate on a committee amendment. All Senators can expect votes on or in relation to the postal appropriations bill or the DOD authorization or the Interior appropriations bill during Saturday's session. All Senators are reminded that a cloture motion was filed on the DOD authorization bill, therefore all first-degree amendments must be filed by 1 p.m. on Saturday.

If there is no further business——

Mr. HARKIN addressed the Chair.

Mr. DOLE. Does the Senator want to speak?

Mr. HARKIN. I would just like to make a statement.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. DOLE. I have the floor. I will put it in the final unanimous-consent request.

Mr. HARKIN. Five minutes.

ORDER FOR RECESS

Mr. DOLE. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent after the Senator from Iowa is recognized for 5 minutes, that the Senate stand in recess under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa is recognized for 5 minutes.

NATIONAL DEFENSE AUTHORIZATION FOR FISCAL YEAR 1996

Mr. HARKIN. Mr. President, with all due respect to the majority leader, last year I remember standing on this floor about this time when we had one of the most important measures ever to confront the American people before the Senate on whether or not we would have a health care bill to address the real needs of people in this country. And my colleagues on the other side would not permit us to vote on it. Last year we were here trying to pass a health care bill of extreme importance to the American people, trying to hammer it out, trying to work out our differences. A lot of people here had travel plans to take their families on vacation. It got canceled.

Our colleagues on the other side of the aisle would not permit us to reach a conclusion of that health care bill. Amendment after amendment after amendment after amendment—they would not let us reach a final conclusion on the health care bill.

Oh, but now, now when the Pentagon bill is before us, when we want to abrogate the ABM Treaty, when we want to throw more lard, as my colleague from North Dakota said the other day—he said he cannot call it pork, that does a pig a disservice—putting in $7 billion more than what the Pentagon wanted.

Oh, no, now we have to reach a conclusion on this. We cannot have the time to debate our amendments in full and open debate. Rush to judgment. Close it off. And threats that somehow we are going to be here until the 19th, 20th, or whatever.

I say to the distinguished majority leader, we heard that last year when the shoe was on the other the foot.

Mr. DOLE. We were here, too.

Mr. HARKIN. And the other side would not let us vote on the health care bill. They kept rolling out those amendments one after the other. Oh, but now there is something wrong with our side if we want to legitimately debate and amend this pork barrel bill, this bill that puts up walls that says you cannot take any money out of the Pentagon to help educate our kids, to help care for the elderly, to help put a little heat in the homes of our elderly people. No, we cannot do that, we put a wall around it.

Now they tell us we cannot debate it fully and fairly? I have amendments on this bill that I want to debate, having to do with space-based lasers and Star Wars and, yes, I want to debate the amendment offered by the Senator from Colorado with whom I happen to agree. But, no, we are told we have to close it down or we are going to be held here all during August.

Well, Mr. President, this Senator canceled his vacation with his children last year because the other side kept us here and would not let us pass the health care bill. If this Senator has to cancel this August because we need to make a better bill for the defense of this country, to save our taxpayers some billions of dollars, to make sure we do not go off on some insane path of abrogating the ABM Treaty, of building more missiles, if that is the price we have to pay, then let us stay here and let us debate this bill and let us amend it and let us have a better defense bill for this country than this pile of lard that we have before us.

I yield back my time if I have any left.

RECESS UNTIL 8:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands

in recess until Saturday, August 5, 1995, at 8:30 a.m.

Thereupon, the Senate, at 11:48 p.m., recessed until Saturday, August 5, 1995, at 8:30 a.m.

NOMINATIONS

Executive nominations received by the Senate August 4, 1995:

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE.

To be admiral

ADM. WILLIAM O. STUDEMAN [redacted]

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST OF THE U.S. NAVY IN THE GRADE INDICATED UNDER SECTION 1370 OF TITLE 10, UNITED STATES CODE.

To be vice admiral

VICE ADM. NORMAN W. RAY [redacted]

EXTENSIONS OF REMARKS

U.S.S. INDIANAPOLIS MEMORIAL

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. JACOBS. Mr. Speaker, all Americans will be grateful to the Congress and to the President for adopting last year the following resolution commanding the noble service to our country rendered by the U.S.S. *Indianapolis* and its crew. The death of the *Indianapolis* and very many of its hands represents one of the more poignant tragedies of World War II inasmuch as it all happened shortly before the end of hostilities with Japan.

At long last a suitable monument has been erected in the city of Indianapolis. The monument was dedicated on the second day of August of this year. In addition to the resolution itself which follows, I insert a story from the Indianapolis News and a story from the Indianapolis Star about this touching occasion.

Special tribute should be paid to Patrick J. Finneran, Capt. James Holds, USN retired, Dr. Giles G. McCoy and Robert H. McKinney, who together with other pillars in the Indianapolis community, worked tirelessly and lovingly to bring all of this well deserved remembrance about.

THE CONGRESS OF THE UNITED STATES OF AMERICA, THE 103d CONGRESS ASSEMBLED, LAW NO. 103-337

SEC. 1052 U.S.S. *Indianapolis* (CA-35) For gallantry, sacrifice and a decisive mission to end world War II.

1. The U.S.S. *Indianapolis* served the people of the United States with valor and distinction throughout World War II in action against enemy forces in the Pacific Theater of Operations from 7 December 1941 to 29 July 1945.

2. The fast and powerful heavy cruiser with its courageous and capable crew, compiled an impressive combat record during her victorious forays across the battle-torn reaches of the Pacific, receiving in the process ten hard-earned Battle Stars from the Aleutians to Okinawa.

3. This mighty ship repeatedly proved herself a swift hard-hitting weapon of our Pacific Fleet, rendering invaluable service in anti-shipping, shore bombardments, anti-air and invasion support roles, and serving with honor and great distinction as Fifth Fleet Flagship under Admiral Raymond Spruance, USN, and Third Fleet Flagship under Admiral William F. Halsey, USN.

4. This gallant ship, owing to her superior speed and record of accomplishment, transported the world's first operational atomic bomb to the Island of Tinian, accomplishing her mission at a record average speed of 29 knots.

5. Following the accomplishment of her mission, the *Indianapolis* departed Tinian for Guam and, thereafter, embarked from Guam for the Leyte Gulf where she was to join with the fleet assembling for the invasion of Japan.

6. At 0014 hours on 30 July 1945, the U.S.S. *Indianapolis* was sunk by enemy torpedo action.

7. Of the approximately 900 members of her crew of 1,198 officers and men who survived the initial torpedo attack, only 319 were eventually rescued because, as a result of the ship's communication ability having been destroyed in the attack, the sinking of the U.S.S. *Indianapolis* was not discovered for five fateful days, during which the survivors suffered incessant shark attacks, starvation, desperate thirst, and exposure.

8. From her participation in the earliest offensive actions in the Pacific in World War II to becoming the last capital ship lost in that conflict, the U.S.S. *Indianapolis* and her crew left an indelible imprint on our nation's struggle to eventual victory.

9. This selfless and outstanding performance of duty reflects great credit upon the ship and her crew, thus upholding the very highest traditions of the United States Navy.

RECOMMENDATION AND COMMENDATION

Congress, acting on behalf of the grateful people of the United States, hereby—Recognizes the invaluable contributions of the U.S.S. *Indianapolis* to the ending of World War II; and, On the occasion of the 50th Anniversary of her tragic sinking, and the dedication of her National Memorial in Indianapolis on August 2nd, 1995, commends this gallant ship and her crew for selfless and heroic service to the United States of America.

CREWMEN APPLAUD U.S.S. "INDIANAPOLIS" MEMORIAL—107 SURVIVORS ATTEND CEREMONY DOWNTOWN

(By Welton W. Harris II)

As the sun beat down on today's dedication of the USS Indianapolis national memorial, 3,500 onlookers stood and applauded 107 crewmen who survived the sinking 50 years ago.

For those who didn't make it, like Adrian Marks of Frankfort, Dr. Giles G. McCoy, chairman of the survivors' group, said it all: "He was there when we needed him, and that was the important thing."

The ceremonies today at the headwaters of the Downtown Canal concluded a 30-year effort to raise a memorial to the ship and its crew, especially the 880 who didn't survive.

The Indianapolis was en route from Guam to Leyte on July 30, 1945, when it was torpedoed and sunk by a Japanese submarine.

Because of wartime conditions, and partly through negligence, the loss of the heavy cruiser went undetected for four days.

Survivors were left in the Pacific Ocean, where many drowned or became victims of shark attacks.

While flying patrol on Aug. 2, Lt. Wilbur C. Gwinn detected an oil slick. When he flew lower, he saw the survivors. He radioed for assistance, which came in the form of Lt. Marks and the crew of his PBY flying boat.

Gwinn, who died two years ago, was represented at today's ceremonies by his widow, Norma.

Marks, whose health prevented him from attending, picked up 56 survivors and broke radio silence with his distress signal. Five rescue ships responded.

Of the crew, only 317 survived.

Today, there are 127 living, and 107 came to see the granite and limestone memorial.

Louis P. Bitoni of Warren, Mich., was a seaman first class gunners mate 50 years ago.

Today, he brought 22 members of his family to the ceremonies, including his wife, brothers and their wives, his children and grandchildren.

After the unveiling he said: "It's great. It's everything I hoped it would be."

Dr. Lewis Haynes of Naples, Fla., the ship's doctor, and Harold Schechterle of Shelburn Falls, Mass., recounted their experience 50 years ago.

Haynes had removed the appendix of the ship's radar operator eight days before the sinking.

"It would be harder today," the doctor told his former patient, pointing at Schechterle's midsection, which Haynes said had grown over the years.

McCoy, part of the U.S. Marine detachment on the Indianapolis, brought his wife, three children and four grandchildren.

He has been chairman of the survivors association since it formed in 1960 and held it first gathering in Indianapolis.

Accepting the memorial today on behalf of the association, McCoy cut short his remarks.

"This heat reminds me of what it was like out there in that sea 50 years ago," he said.

Despite the heat and humidity, crowds lined both sides of the canal and the memorial plaza for the 50-minute ceremony, led by Marine Sgt. Maj. Mac Magana of Indianapolis.

When the canvas fell away from the memorial the crowd again stood and applauded.

Within minutes, two old warbirds, replicas of the aircraft that found the survivors—a PBY and a PV2 Harpoon—lumbered over the site as the participants again applauded.

Tuesday night, more than 2,000 people—including "lost-at-sea family members"—attended a "Banquet of Thanksgiving" at the Hyatt Regency.

McCoy's son, Craig, 43, of Abiline, Texas, said now that the survivors' numbers are dwindling, their children have formed the group "Second Watch" to carry on the tradition.

MEMORIAL TO THE U.S.S. "INDIANAPOLIS" HELPS THE SURVIVORS PUT THE TRAGEDY BEHIND THEM

(By R. Joseph Gelarden)

As the chilling echoes of taps cut through a blistering summer sun, Eleanor Sforzo stood quietly. Her son, Joe Musarra Jr., reached out his burly arm and pulled her to his side.

Both had tears in their eyes—the smallish, white-haired woman remembering a young sailor who never came home, and her son, a Cleveland police sergeant, whispering a prayer for the dad he never knew.

The two were among the thousands gathered Wednesday at the Downtown Canal to dedicate a national memorial to the USS Indianapolis, the last U.S. ship lost in World War II.

Hundreds of old sailors, their once-dark military haircuts replaced with gray, joined

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

with the wives and families of their shipmates in Downtown Indianapolis for a final salute to the fallen ship and the hundreds of crewmen who perished in the Pacific after the ship was torpedoed by a Japanese submarine.

"It's a very special day," Sforzo said.

It was a different world when Eleanor married Joe Musarra. The world was at war, and the rules seemed simple: Men went into the service, women stayed home.

Joe Musarra was assigned to the USS Indianapolis, one of the Navy's fastest and most powerful floating weapons. She was a veteran of 10 battles and served as a flagship for fleet admirals. She carried President Franklin D. Roosevelt on so many trips that he called her his "ship of state."

HELPED END THE WAR

Joe and Eleanor had only a few days together before he was ordered back to San Francisco to rejoin the Indianapolis for another mission. The ship had been ordered to speed to a tiny Pacific island to deliver a top-secret cargo, critical parts for the atomic bomb that was dropped on Hiroshima, Japan, in an act that ended the war.

"The ship was sunk in July. I was born in January," the son explained.

Eleanor remarried and had nine kids. She loved her new husband; but deep in her heart, she remembered her Joe.

"I hurt for a long time. But now the time for hurt is past. This (monument) is so nice. It is like a final memorial service," she said.

"Tell the people (the survivors) that they (the sailors that perished) are now with God and He takes special care of His own," she said.

For Charles B. McVay IV, the service was a fine tribute. But for his family, the story didn't end Wednesday. It won't be closed until the Navy wipes the court-martial off his father's record.

The sinking of the USS Indianapolis was the Navy's greatest sea disaster. About 880 of the nearly 1,200 crewmen were able to escape the sinking ship, which went down in only 12 minutes. Of the 880, only 317 were rescued days later.

For Capt. McVay, survival meant humiliation. The Navy brass, looking for a scapegoat, court-martialed him for failing to take a zig-zag course—one in which the ship might have avoided an attack.

Years later, his career ruined and still haunted by the military action, McVay committed suicide.

McVay's son, now 70, and many of the survivors who gathered for the memorial believe it's only right that the Navy admit it was wrong and take steps to erase that black mark from history. But until now, their requests have been rejected by presidents, Navy secretaries and admirals.

"Last night, at the survivor's dinner, Admiral Quast (Vice Admiral Philip M. Quast, the official Navy representative at the ceremony) and the Navy legal man (Joseph G. Lynch, assistant general counsel for the Navy Department), admitted to me that the court-martial was wrong. . . . It should never have happened," said McVay.

"It is the first time the Navy has ever admitted the truth. Maybe there is now a chance to clear his name."

SHIP'S BELL RINGS AGAIN

Mike G. Obledo, 70, Houston, was one of McVay's sailors on the Indianapolis. But he didn't know the skipper. He was just another seaman on a great ship.

Wednesday, he and the other sailors marched into the ceremony as boatswain's pipes sang out and the old ship's bell tolled. The bell was removed from the ship when she went into wartime service. It is now kept at the Hessler Naval Armory in Indianapolis.

Obledo and his shipmate, Gus Kay, now a deputy sheriff in Illinois, were self-styled "young punks" when they were dumped into the milk-warm waters of the Pacific after the incident.

"I was on a net raft. The sharks took 63 of our guys, but I don't know how I survived," said Kay.

But Obledo thinks he knows the secret.

"It was prayer. That was about the size of it. You prayed. If you didn't know how to pray, you learned real quick."

On Aug. 2, 1945, the crewmen of the Indianapolis were rescued.

Fifty years later, under a similarly searing sun, they finally were able to pay tribute to the ship, their lost shipmates and their families, and to each other.

"It's over," said retired Indianapolis firefighter Jim O'Donnell, the only local survivor.

"It's finally over."

A PROGRAM THAT WORKS

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. SPRATT. Mr. Speaker, Richard W. Riley, Secretary of the Department of Education and former Governor of my State of South Carolina, recently addressed the Council of State Administrators of Vocational Rehabilitation [CSAVR] as part of their annual meeting here in Washington. CSAVR is a national organization composed of the chief administrative officers of the State vocational rehabilitation agencies with responsibility for the administration of the Rehabilitation Act in the States and territories. They provide eligible individuals with mental or physical disabilities with the services needed for them to be placed in jobs in the competitive labor market.

In light of the recent attempts by the Economic and Educational Opportunities Committee to diminish the work of these dedicated men and women, I urge my colleagues to read Secretary Riley's remarks.

REMARKS OF RICHARD W. RILEY

Good morning, ladies and gentlemen. It is a great pleasure to have the opportunity to meet with you today. I want to thank Joe Owens and Elmer Bartels. I would like to recognize Judy Heumann, my Assistant Secretary for Special Education and Rehabilitative Services who has worked so effectively on these issues and her Deputy, Howard Moses who is here today.

A PROGRAM THAT WORKS

All of you are to be commended for the work you are doing in your states to help make the Vocational Rehabilitation program one of the shinning examples of what works in our nation—a truly successful working relationship between states and the federal government—a program that has helped more than nine million individuals with disabilities, from all walks of life, to secure gainful employment.

Each year more than 200,000 people enter or return to the competitive labor market or become self-employed—becoming fully contributing taxpaying members of our national community. You are filling a need that needs to be filled. A poll taken last year revealed that 68 percent of people of working age with disabilities are not working and need services to help them get to the next level.

It is a unique program—and one which works.

As a former governor, I understand the concerns of some seeking to limit federal involvement in some areas of our lives. I certainly am all for lowering the federal bureaucracy when it can be accomplished without loss of important services. In fact, at the Department of Education, we have proposed the elimination of 59 education programs and the consolidation of 27 others.

But I also know the cutting for the sake of cutting is not necessarily a positive thing. And the elimination of a federal role when it is necessary and legitimate is bad public policy.

There are certain important responsibilities that we must uphold at the national level in order to ensure continued high quality programs like vocational rehabilitation that are, in effect, run by the states.

We certainly do not want to micro-manage your rehabilitation programs. But we can help to facilitate these important programs and provide the financial support that will keep your vocational rehabilitation programs running effectively.

I am so pleased that in my own home state of South Carolina, I was able to play a role in the development of a strong network of facilities that provide services to mentally and physically disabled people across the state. The program is still growing and helping people from all over the state become contributing members of the economy.

I am pleased to see Charles La Rosa, the South Carolina State Director here today. Charles has continued to provide the leadership that makes this program the success that it is. All across the state, new training centers—which, as you all know, are one of the essential pieces of successful vocational rehabilitation—have been opened, some even rising out of the vacant buildings left by closed car dealerships.

Today, this network—which now has 22 facilities—can boast that no one who wants to participate in the program will have to go farther than 50 miles to get to one of these centers.

And I know that South Carolina is not alone in this success. I can cite success stories of individuals across the nation who were completely dependent upon others for support and who are now, because they have gotten the proper vocational training, entering the world of independent work and living.

Fully three-fourths of the people who have received rehabilitation training throughout the nation as the result of this program, and who are now gainfully employed, report that their own earned income is their primary source of support. This is extraordinary and speaks volumes to those who might characterize this program as just another government handout.

As most people agree—and as we certainly are hearing in the current debate over welfare reform—people do not prefer to be supported by others, whether by government entitlement or family. Most people want, more than anything, to work and be contributing members of society. This program gives millions of individuals that chance.

COMPREHENSIVE APPROACH TO JOB TRAINING

Of course, as you all know, vocational rehabilitation is more than just a job referral or search program. It is more than simple employment training. And this is a crucial distinction.

Because, while many individuals need little more than job training and a helpful boost into the job market . . . a large majority need more assistance, guidance, encouragement and specialized services before they can become independent.

At its core, the vocational rehabilitation program offers a consistent, supportive, individualized, comprehensive treatment that helps to create a productive relationship or partnership between specially trained counselors and teachers, and individuals with disabilities.

At its best, it offers "one-stop shopping"—a means for disabled individuals to get into, or return to, common activity and increased productivity.

75 YEARS OF SUCCESS

Happily, Congress has long understood the value and importance of vocational rehabilitation. Since its creation 75 years ago, this program has been continually reauthorized and expanded with bipartisan support. It has included special features that do not exist in regular job training programs. And it has created additional safeguards and encouragement to coordinate among different agencies so that individuals in need of services may be served efficiently and without delay.

As we all know, these are uncertain times which require stern budgetary measures. But these times also require thoughtfulness and consideration. This is not the time for arbitrary and shortsighted action.

Certainly, there are proposals floating around Capitol Hill these days which arouse my concern in this regard. I am worried that in the budget-cutting, big government-shrinking zeal of these times, some very valuable programs—including vocational rehabilitation—could be harmed.

While I strongly share the sentiments of some of these reformers to improve accountability and provide greater services for more people who need them. . . I do not, as I said earlier, believe in wholesale cutting or consolidating without careful thought and clear justification.

The inclusion of vocational rehabilitation in a broad-based consolidation of job-training programs could have a lasting negative impact on this program, and more importantly, could harm the very people it is intended to help.

The vocational rehabilitation program is the only job training program that includes an eligibility criterion of physical or mental disability. Adequately meeting the needs requires well-trained staff capable of offering a wide array of specialized services. Consolidation with other job training programs could well endanger this vital specialized capacity.

Moreover, coordination between this program and other job training programs does not necessarily require a merging of these programs. States are already afforded great latitude and flexibility in a number of areas. Members of my staff have recently met with some of you who have developed statewide "one-stop shopping" programs that encourage coordination between employment training and vocational rehabilitation programs.

So I hope you understand that our commitment to this program remains as strong as ever. We will, of course, continue our work to improve the program, and continue to help states in their efforts to educate employers about disabilities.

Now I may be preaching to the choir today. But I cannot say how strongly I feel about helping those who can become independent, contributing members of our society to do so. And, if we can break down a few barriers and overcome some prejudices at the same time—so much the better.

When I was Governor of South Carolina, it was one of my greatest pleasures to work, along with my wife Tunky (who was also very active in this area) to expand opportunities in employment and rehabilitation.

I was so pleased recently to learn that in South Carolina, even with a relatively high unemployment rate, individuals who have been trained in the State vocational rehabilitation centers are among the most desired employees. They understand the value of work and supervision, know how to work with their peers and colleagues, and know the value of production.

And ultimately, we can't ask for anything more.

Anthropologist Margaret Meade, wrote, "If we are to achieve a richer culture. . . we must weave one in which each diverse human gift will find a fitting place." I believe that working together, we can achieve the rich diverse culture that is the ultimate goal of the American experience.

This is the promise of America, the promise of education, and the promise of rehabilitation.

INTRODUCTION OF THE SUBSTANCE ABUSE AND MENTAL HEALTH PERFORMANCE PARTNERSHIP ACT OF 1995

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. DINGELL. Mr. Speaker, today, my colleague Mr. WAXMAN and I are introducing, at the request of the administration, the Substance Abuse and Mental Health Performance Partnership Act of 1995.

The proposal involves a consolidation of categorical grants into two partnerships, one for mental health and one for substance abuse. The performance partnership grant establishes a new framework for cooperation between the Federal Government and the States. Instead of using an application process partnership grants would be based on a negotiated multi-year agreement between States and the secretary of HHS, which would define objectives and ways to achieve specific health outcomes.

This proposal offers an alternative that avoids both the downsides of pure block grants—which were well documented in a February 1985 GAO study—and those of categorical grants, including multiple grant applications, spending restrictions and set-asides, and overlapping data requirements and reports. Grants such as those proposed in this bill could streamline or eliminate such requirements. Under this approach, States would have increased flexibility to set priorities and objectives and determine the means to address them.

The administration is making a serious attempt to propose a system that avoids the pitfalls of pure block grants while reducing undesirable and burdensome aspects of some categorical grants. The proposal deserves consideration, as one approach to a decision about the best way to reauthorize certain important programs of the Substance Abuse and Mental Health Services Administration [SAMHSA].

OPPOSITION TO FDA COMMISSIONER DAVID KESSLER'S MOVE TO REGULATE TOBACCO PRODUCTS

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. GORDON. Mr. Speaker, I rise to express my opposition to Food and Drug Administration [FDA] Commissioner David Kessler's unilateral move to regulate tobacco products. Thirteen Federal agencies already regulate the growth, manufacture, and use of tobacco.

The President has said he wants to address the underage use of tobacco. Everyone is in agreement with this goal. But the answer is not FDA regulation. Instead, the President should use the tools he already has at his disposal.

Congress has already spoken on the matter of youth access to tobacco products. The Alcohol, Drug, and Mental Health Administration Act of 1992 [ADAMHA], is the best mechanism to restrict minors' access to tobacco.

The President should direct HHS to release the final ADAMHA regulations and allow the program to work. The statute was signed into law by President Bush. Draft implementing regulations were not promulgated until August 1993. It is now August 4, 1995, and HHS has yet to release the final regulations. All 50 states have put laws on the books prohibiting the sale of tobacco products to minors and ADAMHA is the vehicle to enforce these laws and discourage youth smoking. Clearly the answer to is not FDA regulation.

Mr. Speaker, I encourage the President to take a very positive step toward restricting youth access to tobacco by releasing the final ADAMHA regulations. Congress has spoken on this issue and now it is time to implement the Federal policy set out in ADAMHA.

COMMENDING SANFORD RUBENSTEIN

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. TOWNS. Mr. Speaker, it is my pleasure to rise for the purpose of commending Sanford A. Rubenstein for his work as a delegate to the 1995 White House Conference on Small Business. This conference provided the forum to formulate a small business policy agenda for the 21st century. The conference discussed the most critical issues facing small business, including the need for access to capital, regulatory reform, and pro-growth tax policies. The recommendations of this conference will form the basis for important new legislation which will be considered by the Congress and the President. My thanks to Sanford A. Rubenstein for his dedication and hard work in making the 1995 White House Conference on Small Business the best ever.

INTRODUCTION OF THE GUAM WAR RESTITUTION ACT

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. UNDERWOOD. Mr. Speaker, I have introduced legislation on July 13 to address the mistakes that were made immediately following the occupation and liberation of Guam in World War II. My bill, the Guam War Restitution Act, H.R. 2041, would authorize the payment of claims for the people of Guam who endured the atrocities of the occupation, including death, personal injury, forced labor, forced march, and internment in concentration camps. The bill was reintroduced last month in honor of Mrs. Beatrice Flores Emsley, a great American and advocate of the Chamorro people, the indigenous people of Guam, and their struggle for recognition of their sacrifices on behalf of this great Nation during occupation of our island.

Mrs. Beatrice Flores Emsley has been a leader in this effort, and the Guam War Restitution Act was made possible to a large degree by her work over decades to see that justice is done. She is a legend on our island, and her story of courage and survival against all odds is an inspiration to our people. Mrs. Emsley miraculously survived an attempted beheading in the closing days of the Japanese occupation.

I respectfully acknowledge the work and contributions of Mrs. Beatrice Flores Emsley as I call on my colleagues to enact the Guam War Restitution Act.

This is a year of commemoration as we look back 50 years to the Allied victory in Europe and the Pacific and as we approach the 50th anniversary of the end of the war in the Pacific. This is also a year of healing for the remaining survivors and descendants of victims of wartime atrocities.

From the invasion day of December 10, 1941, to liberation day on July 21, 1944, Guam was the only American soil with American nationals occupied by an enemy; something that had not happened on American soil since the War of 1812. Throughout the occupation, the loyalty of our people to the United States would not bend.

In the months prior to the liberation, thousands of Chamorros were made to perform forced labor by building defenses and runways for the enemy or working in the rice paddies. Thousands were forced to march from their villages in northern and central Guam to internment camps in southern Guam at Maimai, Malojloj, and Manengon, where they awaited their fate—many did not live to see liberation. Once the Japanese realized the end of their occupation was close at hand, they began to commit horrendous atrocities including mass executions at Fena, Faha, and Tinta.

There have been several opportunities in the past for Guam to receive war reparations; however, all failed to include Guam or did not provide ample opportunity for the people of Guam to make their claims.

The Guam Meritorious Claims Act of 1946 contained several serious flaws that were brought to Congress's attention in 1947 by the Hopkins Commission and by Secretary of the Interior Harold Ickes. Both the Hopkins Commission and Secretary Ickes recommended that the Guam Act be amended to correct serious problems. Both also noted that Guam was a unique case and that Guam deserved special consideration due to the loyalty of the people of Guam during the occupation.

These flaws could have been rectified had Guam been included in the 1948 War Claims Act or the 1962 amendment to that act. Unfortunately for the Chamorros, Guam was not included.

The Treaty of Peace with Japan, signed on September 8, 1951, by the United States, effectively precluded the just settlement of war reparations for the people of Guam against their former occupiers. In the treaty, the United States waived all claims of reparations against Japan by United States citizens. The bitter irony then is that the loyalty of the people of Guam to the United States has resulted in Guam being left out in war reparations.

So while the United States provided over $2.0 billion to Japan and $390 million to the Philippines after the war, Guam's total war claims have amounted to $8.1 million, and the Guam War Reparations Commission has on file 3,365 cases of filed claims that were never settled.

The Guam War Restitution Act, H.R. 2041, will compensate the victims and survivors of the occupation, and it will assure them that the United States recognizes the true loyalty of the people of Guam.

Luisa Santos, a survivor of the Tinta Massacre, once told me,

> I have fought hard and suffered, and no one has ever been able to help me or my children, but justice must be done. Even if you have to go to the president of the United States, let him know that the Japanese invaded Guam not because they hated the Chamorro people. The Japanese invaded Guam because we were part of the United States, and we were proud of it.

Mrs. Santos passed away shortly after our conversation.

Mrs. Emsley, in testifying before a House subcommittee on May 27, 1993, ended her statement with the powerful plea of one who has survived and who daily bears witness to the suffering of the Chamorro people. Mrs. Emsley simply ended by saying, "All we ask Mr. Chairman, is recognize us please, we are Americans."

We cannot wait and hope that the last survivors will pass away before any action is taken. This event will never be forgotten by the people of Guam, and the Government's unwillingness to compensate victims such as Mrs. Santos and Mrs. Emsley will only serve to deepen the wounds they have already incurred, and deepen the bitterness of the Chamorro people.

I believe it is time to truly begin the healing process, and passage of the Guam War Restitution Act is the first step.

INTRODUCING THE HEALTH CENTERS CONSOLIDATION ACT OF 1995

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. DINGELL. Mr. Speaker, I am pleased today to introduce, with my colleague Mr. WAXMAN, the Health Centers Consolidation Act of 1995.

This legislation reduces administrative costs, simplifies and reduces paperwork, and lets health services programs focus more effectively on what they really are about—providing health care for the poor and medically needy, migrant farmworkers and their families, homeless people, and individuals who live in public housing. Without reducing the emphasis currently placed on any important aspects of health care, this bill allows programs that currently are authorized separately to consolidate, coordinate their efforts, and work as a real health care team to ensure better health and well-being for some of our most needy and fragile citizens. Today, health centers provide care and give hope for a better life to approximately 7.7 million of our citizens. They do this efficiently, cost effectively, and with a deep understanding and true dedication to the unique needs of the diverse and vulnerable populations they serve.

The bill consolidates into a single legislative authority, authorities for community health centers, migrant health centers, health services for the homeless, and health services for residents of public housing. It streamlines the statutory definition of basic and required health services for these centers; replaces detailed application requirements by a general requirement that applicants identify their service populations, describe the scope of services, and show how service needs will be met; and reduces the number of grant applications and awards while maintaining the level of services provided by these centers and establishing an incentive award grant program for grantees with high or greatly improved performance.

This is a good bill, and I commend it to my colleagues.

RECOGNITION OF THE PEE DEE CONFERENCE OF THE AFRICAN METHODIST EPISCOPAL ZION CHURCH

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. SPRATT. Mr. Speaker, it is my privilege today to recognize an important event in my congressional district. On October 1, 1995, the Pee Dee Conference of the African Methodist Episcopal Zion Church in South Carolina will commemorate and celebrate the Bicentennial of the African Methodist Episcopal Zion Church.

Nearly 200 years ago, a group of individuals decided to leave the John Street Methodist

Church in New York because of discrimination and denial of religious liberties. These individuals organized what was to become the African Methodist Episcopal Zion Church. Zion was added to the name in 1848 to distinguish this denomination from other African Methodist bodies. The Right Reverend George E. Battle, Jr., Bishop of the Pee Dee conference, has declared a week of celebration of this anniversary for the week of October 1–8, 1995.

I would like to recognize and congratulate the many African Methodist Episcopal Zion Churches of the Pee Dee conference as they celebrate their 200 years and to commend these congregations for the vital work they provide families within their communities. I would also like to extend to them my best wishes for their next century of faithful service.

CUBA'S WORSENING ECONOMY AND CASTRO'S BRUTAL OPPRESSION

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. DIAZ-BALART. Mr. Speaker, please submit for the RECORD the following article brought to my attention by Frank Calzon of Freedom House.

Last year, many apologists for the Castro dictatorship argued the Cuba's economy was rebounding and that the dictator had survived his latest economic crisis. The following analysis by University of Pittsburgh economist and Cuba specialist Carmelo Mesa-Lago clearly illustrates the fallacy of these optimistic predictions.

The truth is that with each passing day, Cuba's economy worsens and Castro's brutal oppression of the Cuban people inreases.

CUBA'S ECONOMIC RECOVERY, HOW GOOD ARE THOSE 1995 PREDICTIONS?

(By Carmelo Mesa-Lago)

Judging from Fidel Castro's pronouncements and recent CNN coverage, Havana's recovery is already on its way. "Trust but verify" is the old Russian proverb; and to assess the situation Freedom House sent its Latin American specialist, Douglas Payne to Cuba in late April. His appraisal appears here, together with an article by the dean of Cuban economic analysts, Professor Carmelo Mesa-Lago.

Dr. Mesa-Lago advises caution. "Statistical series were halted in 1989," he says. Adding: ". . . an economy that has declined by one-half in five years could eventually bottom out and show signs of improvement, but unless a vigorous growth rate occurs it will take decades to recover to the previous economic level." According to him, "even a modest growth rate of two percent (one percent per capita) will be difficult to achieve in 1995." His article follows.

Most Cuban and foreign economists agree that the island's national product declined by one half in 1990–1993, but there is no consensus on whether the economic deterioration was halted in 1994 and a recovery will occur in 1995. Carlos Lage, vice president of the State Council, declared to Granma January 25 that the economy had bottomed out in mid-1994. Three days later (at an international economic forum held in Switzerland) he reported to a group of potential foreign investors that the growth rate in 1994 was 0.7 percent. Furthermore, Alfonso Casanova, director of the Center of Economic Research at the University of Havana, predicted last February a two percent rate of growth for 1995.

Optimistic, but ultimately erroneous forecasts of Cuba's economic recovery have been common in recent years. For instance, early in 1993, Andrew Zimbalist (Smith College) and Pedro Monreal (CEA-Havana) predicted a growth rate of 0.4 percent that year; later in 1993 Zimbalist changes his estimate to a decline of 10 to 15 percent, while Monreal postponed the elusive recovery to 1994 or thereafter. Jose Luis Rodriguez, Cuba's minister of finance, and Raul Talarid, the vice-minister of foreign investment, assured at the end of 1994 and the beginning of 1995 that the economy had bottomed out in 1993 and that some "signs" of recovery were present in 1994. Even more cautious were Osvaldo Martinez, the minister of Economics and Planning, and Julio Carranza, the deputy director of CEA, who, respectively, foresaw either stagnation or slowdown in the rate of decline in 1994 and "modest possibilities" of recovery in 1995.

The growth forecasts have been based on the following arguments: the end of the recession in 18 out of 21 industries; cuts in the monetary hangover, state subsidies and the fiscal deficit; higher prices for sugar and nickel in the world market; greater foreign investment, and a growing number of tourists and hard-currency revenue in that industry.

And yet some of the forecasters have candidly pinpointed persisting problems and obstacles to the recovery, such as:

1) inability to increase sugar and agricultural output.

2) a significant labor surplus maintained through huge state subsidies to two-thirds of non-profitable enterprises.

3) insufficient export revenue which precluded buying imports needs to expand both domestic production and exports.

4) not enough foreign investment in spite of the acceleration reported in 1993–94.

Members of the Cuban Association of Independent Economists, located in Havana, have argued that continuous stagnation or decline is due to the slow and piece-meal implementation of timid market-oriented reforms; according to them, the reduction in the monetary hangover has not generated an increase in output.

Three notes of caution are important in the assessment of the previous forecasts of growth.

First, today it is extremely difficult to measure Cuba's national product, because the state sector is shrinking while the informal-private sector is expanding and the value of goods and service generated by the latter is unknown. (For instance, only 170,000 self-employed workers have registered, thus the value of their output can be measured, but possible 500,000 or more are working without registration and the government does not have any idea of the value of their output.)

Second, statistical series were halted in 1989 and subsequent data collection has been harmed by the virtual demise of central planning. If official growth rates were difficult to check before the crisis, the situation is worse now.

Third, an economy that has declined by one-half in five years could eventually bottom out and show signs of improvement, but unless a vigorous growth rate occurs it will take decades to recover the previous economic level.

In my opinion, even a modest growth rate of two percent (one percent per capita) will be difficult to achieve in 1995 for several reasons. The 1995 sugar harvest is officially expected at best to reach 3.5 million tons. A compensatory factor could be the increasing world market price of sugar in 1994 and early 1995, largely boosted by the sharp decline in Cuban exports since 1993; but such prices are leveling off as other sugar producing nations have increased their exports.

A more difficult problem is the 500,000 tons of the 1995 sugar harvest that Cuba has mortgaged to finance last year's imports of Russian oil. In addition, Cuba was 500,000 tons of sugar short in committed exports to China in 1994, vital for the import of rice, bicycles and other Chinese products. This will cut availability of sugar for new exports. The actual availability of sugar for export in 1995 should be from 2 to 2.5 million tons.

Minister of Agriculture Alfredo Jordan has acknowledged that the new cooperatives (UBPC) that replaced most state farms in 1993–94 are not efficient and have failed to increase both sugar and non-sugar agricultural output. He has reported a decline of 36 percent in the production of grains, fruits, vegetables and tubers in 1992–94. Tobacco leaf production decreased 57 percent in 1989–93 and torrential rains harmed the 1995 crop in Pinar del Rio province. Jordan announced an increase of cattle heads to 4.5 million in 1994, but this actually was an eight percent decline in relation to the 4.9 million head officially reported in 1989.

Nickel output reached a peak of 46,000 tons in 1989 and declined to 33,349 in 1991 due to the obsolete technology of the Soviet-made plant in Punta Gorda, problems in the old U.S.-made plants, and lack of world demand. In spite of Canadian investment, nickel output in 1994 declined, although Cuba is hoping for improvement this year. (*See Cubanews*, April 1995)

In 1994, the number of tourists reached a record of 630,000 and generated $850 million in revenue, but actual profit was only $255 million because of the high costs of imports required to cater to tourists. Even as the number of tourists increase in 1995 at the previous pace, the target of 1.5 million tourists will not be met and profits will not exceed $300 million.

Cumulative foreign investment reached $1.5 billion in 1990–94, an annual average of $300 million, equal to 5–6 percent of the $5–6 billion in annual Soviet aid received by Cuba in the 1980s.

These negative factors will affect foreign investment:

1) the Mexican crisis, which has led to the cancellation or suspension of some Mexican investment projects.

2) the withdrawal of Total, the pioneer French corporation, after two years of unsuccessful oil exploration.

3) the ranking of Cuba as the worst among 167 countries in terms of risk for foreign investment by Euromoney in 1994.

4) the potential enactment of a Republican-endorsed bill to penalize foreign investors in U.S. property confiscated by Cuba in 1959–60.

The value of Cuban exports declined from $6 billion in 1985 to $1.8 billion in 1994. Carranza and Monreal forecasted in 1993 exports for $4–5 billion for 1995, while the government prediction was even higher. But Casanova's estimate for 1995 exports is $1.5 billion and Talarid acknowledged that "only $4 billion" more were needed to finance the necessary imports. The 1995 combined hard-currency revenue from exports, tourism and investment can be estimated at $2.5 billion, 78 percent less than the corresponding figure for 1989.

All the evidence summarized above suggests that the Cuban economy will either stagnate or continue its deterioration in 1995, although at a lower rate of decline. Cuban figures showing a growth rate for 1995 will have to be backed by hard data in order to be credible.

TRIBUTE TO W. LINDSAY LLOYD

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. CUNNINGHAM. Mr. Speaker, I rise today to pay tribute to Mr. W. Lindsay Lloyd, my legislative director, who departs my staff today for a position overseas with the International Republican Institute.

Mr. Lloyd, a native of La Jolla, CA, previously worked for Representative DUNCAN HUNTER, the House Republican Research Committee, and the Jack Kemp for President campaign, before joining my staff as legislative director upon my January 1991 swearing-in. In his relations with Members, staff, constituents, and parties interested in his chief legislative area of defense, Mr. Lloyd built and cultivated a reputation for steadfast and reliable work, vigorous and dispassionate analysis, reliability, responsiveness, and integrity. At all times, he served the American people and this Member with honor.

My staff and I will miss him and his diligence on behalf of the people of San Diego County. Within the next month, he will travel to Bratislava, Slovakia, to train the citizens of that new Central European nation in the techniques and process of representative democracy. I am confident in his success.

Member often feel ambivalent about having excellent staff leave. We miss their contribution to our work. But we also enjoy watching them grow and prosper elsewhere, always in the knowledge that we knew them way back when.

Mr. Lloyd's family is very proud of him. So am I. May God bless him and guide him on his way. And may the permanent RECORD of the Congress of the United States state that Mr. Lloyd served his country with distinction as a member of the staff of the House of Representatives.

REVISING ELECTION PROCEDURES

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. UNDERWOOD. Mr. Speaker, today I am being joined by my colleagues from American Samoa and the Virgin Islands in introducing leglsiation that will revise the election procedures of delegates to Congress from the territories. The bill will repeal the requirement for a separate ballot for elections of delegates from the territories. However, this bill does not distinctly require a single ballot for every election. By amending 48 U.S.C. 1712(a) and 48 U.S.C. 1732(a), an option to either elect their Washington delegates either via single or separate ballot is granted to territorial election commissions.

The provision for Guam and the Virgin Islands was approved in 1972 and the one pertaining to Samoa passed in 1978. Roughly two decades after their respective implementations, these sections of the U.S. Code have somehow become outdated. My colleagues, Mr. FALEOMAVAEGA and Mr. FRAZER from the Virgin Islands, agree with me that taking this route would be the most feasible, logical, and timely approach for this type of situation.

According to Henry Torres, the executive director of the Guam Election Commission, the commission recently acquired access to an AIS 315 Scanner, a computerized tabulation machine that could efficiently recorded votes printed on both sides of a ballot. The utilization of a single ballot promises to save the commission thousands of dollars every election in overtime, programming, printing, postage and handline, and paper costs. The only thing stopping them is a phrase in 48 U.S.C. 1712(a) that reads, by separate ballot.

Two decades worth of technological advances have brought about means that now enable us to perform tasks with increased efficiency and lower costs. This motion to repeal the separate ballot requirement for delegate votes stands to take advantage of these advances. I ask my colleagues to support this bill that is designed to take territorial election procedures into the 21st century.

TRIBUTE TO ED NIEDERMAIER

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. BRYANT. Mr. Speaker, I call this body's attention to the anniversary of the birth of one of the truly distinguished residents of the Fifth Congressional District of Texas. July 5, marks the 100 anniversary of the birth of Mr. Ed Niedermaier, who was born during the second term of Grover Cleveland's Presidency of these United States and who has lived to see the administration of 19 of our 42 heads of state.

As remarkable as that is, it is one of the lesser feats of this man who left home as a teenage boy to serve in the Army in what was then referred to as the Great War.

Ed Niedermaier returned home a man and we in Dallas and Texas have been most fortunate that thanks to the love of a young lady, Mr. Niedermaier chose to live a large portion of his life among us.

This first-generation American was called into the Army on February 22, 1918, first as an infantryman, later transferring to the 55th Corps of Engineers while stationed at Chateauroux, 75 miles southwest of Paris.

Back home from the war to end all wars, Mr. Niedermaier moved to Oklahoma City, married and began raising a family of three children. Tragedy struck in 1939 with the death of his wife. But Ed Niedermaier persisted and raised all three.

Three fine children, he told interviewers at his home at the Buckner Baptist Village in Southeast Dallas. When World War II came along, I was obligated to take care of my children, so I didn't join the service. A 45-year-old widowed father of three wouldn't have been expected to fight for his country—for a second time in 23 years—but Ed Niedermaier would have expected that of himself, and he would have again gone to the defense of our Nation if not for being the sole provider for his family of three growing youngsters.

But his involvement in civic and patriotic projects never waned. Ed Niedermaier became commander of the Oklahoma City chapter of the Veterans of World War I and held that position until 1966.

He might still be the Oklahoma City commander today, except for a chance meeting in 1966. While attending a regional meeting in Duncan, OK, he met the widow of one of his fellow World War I soldiers. Eight months later he was married to Louise and they were sharing a home in Dallas—with one proviso:

Louise said she would marry me if, after she retired, I agreed to move to Buckner Retirement Village where she had lots of friends.

After living in their home in Dallas for 17 years, they have been together in their retirement home the last 12.

"So many older fellers just sit around and let their minds go," Mr. Niedermaier told Mike Slaughter in an interview for the Buckner Today magazine. "I don't want my mind to leave because I might not be able to find it again, so I stay active."

Ed Niedermaier has been active for a century now, all to the good of his family, friends, neighbors and country. He said, "There are three principles which I live by—faith in God, love of my country, and service to my fellow man."

I think it is safe to say that everyone in our country who knows Ed and Louise Niedermaier, or knows of their work and life together, join in wishing him a happy 100th birthday and expressing thanks for a century that has made these United States a better home for us all.

THE RAIL INFRASTRUCTURE PRESERVATION ACT

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. CLEMENT. Mr. Speaker, I rise today to introduce the Rail Infrastructure Preservation Act of 1995 a bill to reauthorize a small assistance program for short line and regional railroads that serve local and rural America. These railroads have become a critical factor in whether smaller communities and smaller shippers have access to the national rail system and the economic future that such access ensures.

The Rail Infrastructure Preservation Act will reauthorize the local rail freight assistance program at a $25 million per year level. This program provides matching fund grants, through the States, to short line and regional railroads. The funds are used primarily for rehabilitation of track and bridge structures that these smaller carriers inherited from the major railroads which sold them the properties. In most cases the grants are one-time events and represent the seed money that the small carriers need to achieve safe and efficient operating conditions.

In addition, the legislation will clarify that the local rail assistance program can be used to assist small railroads restore facilities destroyed in a major natural disaster, such as the 1993 floods in the Mississippi and Missouri River valleys. It also includes technical revisions to the section 511 loan guarantee program, that is currently authorized, in order to make these funds more accessible to small carriers. Together both programs, LRFA grants and section 511 loan guarantees, will continue to ensure a growing and efficient feeder line railroad system in all States.

I am pleased to note that the Senate Committee on Commerce, Science and Transportation, in a strong bipartisan vote—17 to 2—on July 20, reported out a bill—S. 920—to reauthorize LRFA grants and modify the loan guarantee provisions as reflected in my bill. The bipartisan support demonstrated in the Senate illustrates the widespread value of this modest program throughout the States. My own State of Tennessee has nine short line railroads operating over tracks which otherwise would have been abandoned.

I urge my colleagues to review the Rail Infrastructure Preservation Act of 1995 and consider supporting it when it is considered in the House of Representatives.

TRIBUTE TO DEPUTY FRANK TREJO

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Ms. WOOLSEY. Mr. Speaker, I rise today to pay tribute to Sonoma County Sheriff Deputy Frank Trejo, who lost his life in the line of duty. In March 1995, Sonoma County Sheriff's Deputy Frank Trejo made a supreme sacrifice while serving of the community of Sebastopol, CA, which is located within the congressional district I am privileged to represent. Deputy Trejo was far more than a deputy. He was a dedicated peace officer who deeply cared about people, and in turn was well respected by the entire community. Deputy Trejo joined the Sonoma County Sheriff's Department in 1980 and served Sebastopol area residents on the graveyard shift for the last 4 years. Deputy Trejo was a devoted family man who loved his job. His tranquil and sincere manner of performing his job was admired by all of his colleagues, and is already missed in the department. Without a doubt, the tragic loss of Deputy Trejo will resonate in the community for many years to come.

I commend the Latino Peace Officers Association of Sonoma County for establishing a memorial scholarship in his honor. The scholarship, called "Forever and a Day," will be announced and celebrated on August 19, 1995, and will continue to provide scholarships for Latino students interested in law enforcement. The Sonoma County chapter of the Latino Peace Officers Association, started only 4 years ago, is part of a national organization whose goals are to encourage Latinos to enter into law enforcement professions, to provide scholarships for these candidates, and to work with our youth to prevent crime and provide alternatives to gang association.

Mr. Speaker, Deputy Trejo was a superb example of the excellence and dedication of our Sonoma County Sheriff Deputies who are on the front line everyday fighting to help make our communities a safer place to live. It is appropriate that we offer sincere thanks to the Sonoma County Latino Peace Officers Association for their dedication and commitment to the community and for establishing this fine memorial scholarship entitled "Forever and a Day" in memory of Frank Trejo.

PRAYER FOR KEN SCHWARTZ

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. SPRATT. Mr. Speaker, the Boston Globe published an extremely moving article by a courageous young Boston attorney, Ken Schwartz, who recently contracted lung cancer. I would like to share an abridged version of this article with my colleagues. As he battles this dreadful disease, Mr. Schwartz recounts the many acts of kindness displayed by this nurses, physicians, and doctors. Mr. Schwartz explains that "these acts of kindness—have made the unbearable bearable." Reading the article, I was struck by the courage and perseverance Mr. Schwartz displays as he fights the illness. Despite the odds, Mr. Schwartz shows a tenacity and bravery I found inspiring. I was also moved by the kindness exhibited by Mr. Schwartz's caregivers and the importance of these acts in helping sustain Mr. Schwartz. Too often, we take for granted the special efforts of health professionals who give of themselves every day to save lives and cure the sick. I know that every Member of the House join me in praying for Mr. Schwartz's complete recovery.

[From the Boston Globe]

A PATIENT'S STORY

[By Kenneth B. Schwartz]

Until last fall, I had spent a considerable part of my career as a health-care lawyer, first in state government and then in the private sector. I came to know a lot about health-care policy and management, government regulations and contracts. But I knew little about the delivery of care. All that changed on November 7, 1994, when at age 40 I was diagnosed with advanced lung cancer. In the months that followed, I was subjected to chemotherapy, radiation, surgery, and news of all kinds, most of it bad. It has been a harrowing experience for me and for my family. And yet, the ordeal has been punctuated by moments of exquisite compassion. I have been the recipient of an extraordinary array of human and humane responses to my plight. These acts of kindness—the simple human touch from my caregivers—have made the unbearable bearable.

During September and October of 1994, I made several visits to the outpatient clinic of a Boston teaching hospital for treatment of a persistent cough, low-grade fever, malaise, and weakness. The nurse practitioner diagnosed me as having atypical pneumonia and prescribed an antibiotic. Despite continued abnormal blood counts, she assured me that I had a post-viral infection and didn't need an appointment with my physician until mid-November, if then. By mid-October, I felt so bad that I decided I could not wait until November 11 to be seen. Disappointed with the inaccessibility of my physician, I decided to seek care elsewhere, with the hope that a new doctor might be more responsive.

My brother, a physician who had trained at Massachusetts General Hospital, arranged for an immediate appointment with Dr. Jose Vega, an experienced internist affiliated with MGH. Dr. Vega spent an hour with me and ordered tests, including a chest X-ray. He called within hours to say he was concerned by the results, which showed a "mass" in my right lung, and he ordered a computerized tomography scan for more detail. I remember leaving my office for home, saying quickly to my secretary, Sharyn Wallace, "I think I may have a serious medical problem." Indeed, the CT scan confirmed abnormal developments in my right lung and chest nodes.

The next day, Dr. Vega, assuring me that he would continue to be available to me whenever I needed him, referred me to Dr. Thomas Lynch, a 34-year-old MGH oncologist specializing in lung cancer. Dr. Lynch, who seems driven by the ferocity of the disease he sees every day, told me that I had lung cancer, lymphoma, or some rare lung infection, although it was most likely lung cancer.

My family and I were terrified. For the next several months, my blood pressure, which used to be a normal 124 over 78, went to 150 over 100, and my heart rate, which used to be a low 48, ran around 100.

Within 72 hours of seeing Dr. Lynch, I was scheduled for a bronchoscopy and a mediastinoscopy, exploratory surgical procedures to confirm whether I indeed had lung cancer. Until this point, I had thought that I was at low risk for cancer: I was relatively young, I did not smoke (although I had smoked about a cigarette a day in college and in law school and for several years after that), I worked out every day, and I avoided fatty foods.

The day before surgery, I was scheduled to have a series of tests. The presurgery area of the hospital was mobbed, and the nurses seemed harried. Eventually, a nurse who was to conduct a presurgical interview called my name. Already apprehensive, I was breathing hard.

The nurse was cool and brusque, as if I were just another faceless patient. But once the interview began, and I told her that I had just learned that I probably had advanced lung cancer, she softened, took my hand, and asked how I was doing. We talked about my 2-year-old son, Ben, and she mentioned that her nephew was named Ben. By the end of our conversation, she was wiping tears from her eyes and saying that while she normally was not on the surgical floor, she would come see me before the surgery. Sure enough, the following day, while I was waiting to be wheeled into surgery, she came by, held my hand, and, with moist eyes, wished me luck.

This small gesture was powerful; my apprehension gave way to a much-needed moment of calm. Looking back, I realize that in a high-volume setting, the high-pressure atmosphere tends to stifle a caregiver's inherent compassion and humanity. But the briefest pause in the frenetic pace can bring out the best in a caregiver and do much for a terrified patient.

The nurse left, and my apprehension mounted. An hour later, I was wheeled to surgery for a biopsy of the chest nodes and the mass in my lung. I was greeted by a resident in anesthesiology, Dr. Debra Reich, who took my pulse and blood pressure and said gently, "You're pretty nervous, huh?" She medicated me with tranquilizers, but that did not stop me from asking about where she lived, where she had trained, and whether she was married. I jokingly asked her how come she was the only Jewish doctor I had met during my time at MGH. When it turned out that she lived down the street from me and liked the sandwiches at the same corner shop, Virginia's, I felt comforted. She squeezed my shoulder, wished me luck, and wheeled me into surgery.

When I awoke, I was told that I had adenocarcinoma in my right lung and in several chest nodes—in other words, advanced lung cancer. I don't remember a lot about those hours, but I remember Dr. Vega's face, with tears in his eyes. I also remember feeling very sad and scared.

It was clear that I would soon begin a new chapter in my illness and undergo the classic treatment for such advanced cancer: intensive chemotherapy and radiation, followed by surgery to remove the tumors, nodes, and entire lung, if necessary. Dr. Lynch told me that this option presented the real possibility of a cure. Over the next week, I had a series of additional radiologic scans to determine if the cancer had spread beyond my chest. These scans are incredibly scary: You are placed in a tube resembling a sarcophagus, with only 6 inches between you and the walls, and you may spend several hours inside, deafened by the clanging machine. And the scans always raise fears about whether more bad news is around the corner.

Dr. Vegas or Dr. Lynch always made it a point, though, to relay results within 24 hours, so my family and I didn't have to endure the anxiety of uncertainty any longer than necessary.

The scans of my body, head, liver, bones, and back were clear. I was relieved.

The doctors soon began an intensive regimen of chemotherapy and radiation, with the goal of destroying the cancer and preparing for surgery to remove my lung.

Before being admitted for my first five-day course of chemotherapy, I had a radiation-simulation session. During such sessions, therapists meticulously map their targets by marking your skin where the radiation should be directed. I was asked to lie on a table in a large, cold chamber. The radiation therapist, Julie Sullivan, offered me a blanket and, mentioning that the staff had a tape deck, asked if I had any requests: I recalled my college days and asked for James Taylor. Listening to "Sweet Baby James" and "Fire and Rain," I thought back to a time when the most serious problem I faced was being jilted by a girlfriend, and tears ran down my cheeks. As therapists came and went, Julie Sullivan held my hand and asked me if I was OK. I thanked her for her gentleness.

After having a Port-o-Cath implanted in my chest—a device that allows chemotherapy to be administered without constant needle sticks in the arm—I was admitted to MGH in mid-November. During that and other hospitalizations either my mother or sister would stay overnight, often sleeping in cramped chairs. When I awoke at night in an anxious sweat or nauseated, I would see one of them and feel reassured.

While doctors managed my medical care, my day-to-day quality of life and comfort were in the hands of two or three nurses. These nurses showed competence and pride in their work, but they also took a personal interest in me. It gave me an enormous boost, and while I do not believe that hope and comfort alone can overcome cancer, it certainly made a huge difference to me during my time in the hospital.

During the period between my two chemotherapies, when I also received high-dose radiation twice a day, I came to know a most exceptional caregiver, the outpatient oncology nurse Mimi Bartholomay. An eight-year veteran who had experienced cancer in her own family, she was smart, upbeat, and compassionate. I had to receive fluids intravenously every day at the clinic, and while there we talked regularly about life, cancer, marriage, and children. She, too, was willing to cross that professional Rubicon—to reach out and talk about my fear of dying or, even worse, my fear of not living out my life, of not biking through the hills of Concord and Weston on summer weekends with my brother, of not seeing my child grow up, of not holding my wife in my arms. And she took the risk of talking about her own father's recent bout with cancer. I cannot emphasize enough how meaningful it was to me when caregivers revealed something about themselves that made a personal connection to my plight. It made me feel much less lonely. The rule books, I'm sure, frown on such intimate engagement between caregiver and patient. But maybe it's time to rewrite them.

After my second round of chemotherapy, I was ready for the final state of what we hoped would be a cure: surgery. Before this could happen, Dr. Lynch repeated my radiologic scans, to be sure that the cancer had not spread. He assured me that the chance of any such metastasis was remote—less than 5 percent—although it would be a disaster if it occurred.

The scans were endless, scary, and lonely. While members of my family stayed with me in the waiting rooms, they could not accompany me to the scanning rooms; the experience again was harrowing. But I felt my greatest fear while awaiting the results. After a week of tests, I had one last scan of my bones. I was concerned when the technologist asked to do a special scan of my back that had not been done before.

The next day, I called Dr. Lynch's office and asked his assistant, Mary Ellen Rousell, when I could come in to find out the results. She said, "How about this afternoon?" and then added, "You might want to bring someone." My heart skipped. When my wife and I entered Dr. Lynch's office and saw his face, our hearts sank. He was ashen. He said that while all the other scans were clear, there appeared to be a metastatic tumor in my spine. He explained that this meant that lung surgery at this point would be futile, since other metastases were likely to surface.

Dr. Lynch said that he could not be 100 percent certain that this was a tumor and that, because so much was at stake, we should do a biopsy. My wife and I wept openly—in part because, looking at Dr. Lynch's face, we felt that he had lost hope.

I could not help but ask what treatment options were available, and he mentioned a drug called Taxol. Still being the lawyer, I quizzed him.

Me: What is the percentage of people who benefit from Taxol?

Dr. Lynch: Forty percent.

Me: How much do they benefit?

Dr. Lynch: They can get several years of life, although it is not a cure. And the median survival for patients on Taxol with your advanced stage of disease is nine months.

Nine months! My wife and I cringed. I ended the session by asking Dr. Lynch, "How do you do this work?" And he answered, in genuine pain, "By praying that I don't have days like today."

I desperately needed to regain hope, and I needed Dr. Lynch to regain his sense of hope.

A few days later, I had the biopsy. Dr. Lynch met with my family to report that, indeed, after considerable searching, the pathologist had found small deposits of adenocarcinoma in my vertebra. It was now confirmed that I had metastatic lung cancer. Although my brother and my father, who is also a physician, raised the possibility of radical surgery on my back and lung to remove all the tumors, Dr. Lynch and the surgeons rejected this option because further metastases were likely to appear, and the surgery would be debilitating and reduce my quality of life at a time when my life could well be substantially shortened.

The clear treatment was more chemotherapy. Dr. Lynch again recommended the use of Taxol, with the hope of slowing the cancer's spread.

It was crucial to my wife and to me that he not give up hope. I understood his surprise and disappointment at the metastasis; in fact, as one friend suggested, his distress at that event was a sign of his caring about me and his involvement with my case. But we desperately needed him to give us a realistic basis for hope—and he had.

The next day, I began a new chapter in my fight. And once again, Mimi Bartholomay was by my side, monitoring my reaction and assuring me that most people tolerated Taxol very well. I had no allergic reactions, and I felt good that the battle was under way. I had hoped that maybe this could buy me time. Time was now my best friend, since it could allow medical research to advance and doctors to find new strategies and maybe even a cure for advanced lung cancer.

During this period, with help from my father, who has had a long and distinguished career in academic medicine, I began to explore potential cutting-edge protocols that could supplement or follow Taxol.

My father arranged a meeting for my wife and me with Dr. Kurt J. Isselbacher, a distinguished researcher and director of the MGH Cancer Center. He is a small man with a large presence and piercing blue eyes, and he was surrounded by medical books, papers, and many pictures of his family. He was upbeat, telling us of protocols under way that showed promise in fighting metastatic tumors. Like several others, he told me a personal story that cut to the bone: A close family member, he said, had been diagnosed with advanced cancer, which the attending oncologist had said was "very, very bad." The family member had said to him: "Kurt, you have helped so many people in your life, can you now help me?" He personally treated the family member in that person's home with chemotherapy, and, 21 years latter, that person is thriving.

Dr. Isslbacher offered to serve as an advocate for me, to work with my father and Dr. Lynch to find the most promising protocols. I told him at the meeting that while I had no illusions, I was deeply moved by his refusal to give up and by his abiding hope; I was especially affected because such hopefulness was not coming from a faith healer but a distinguished researcher. He had strengthened our resolve to fight.

In recent months, I have had several setbacks: a bone scan that showed four to five additional tumors, and a CT scan that showed significant progression of the cancer in both lungs. The only good news was that it had not spread to my head or liver. I am pained, but not surprised, at the relentlessness of the disease, and I am straining to retain hope that one of the experimental treatments may succeed where chemotherapy has failed.

For the first time, I recently mentioned to Dr. Lynch the idea of a hospice service and wondered how I might reduce future pain as the cancer progresses. Dr. Lynch answered that we were still a long way from that discussion, that we still had many avenues to explore, and that he remained as committed as ever to doing whatever he could to extend my life in a quality way.

Around the time of the CT scan, when I was feeling particularly dejected, I had an appointment with Mimi Bartholomay for an injection. She was running late, and as she approached me in the clinic waiting room, she looked harried. But as she got closer, she could see how unhappy I was, and she put her arm around me and directed me to a private room. I began to cry , and she intuitively responded: "You know, scan days are the worst. But whatever the results, we are not going to give up on you. We're going to fight with you and for you all the way." I hugged her and thanked her for hanging in there with me.

If I have learned anything, it is that we never know when, how, or whom a serious illness will strike. If and when it does, each one of us wants not simply the best possible care for our body but for our whole being.

I still am bound upon Lear's wheel of fire, but the love and devotion of my family and friends, and the deep caring and engagement of my caregivers, have been a tonic for my soul and have helped to take some of the sting from my scalding tears.

TRIBUTE TO JIM GLASS ON THE OCCASION OF HIS RETIREMENT

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. GILLMOR. Mr. Speaker, it gives me great pleasure to rise today and pay tribute to a good friend and outstanding citizen of Ohio. This year, James Glass will retire from the Wildlife Conservation Fund of America. A political expert and former business executive, Jim founded and until 1993 was president and CEO of the fund.

Jim served in the aerospace field for 28 years as an executive with the Columbia Aircraft Division of Rockwell International. During his employment with the aerospace giant, Mr. Glass had the responsibility for coordinating Columbus Aircraft Division support for many facets of major programs with NASA and the U.S. Department of Defense. These programs included the B-1 bomber and space shuttle projects.

For over two decades, Mr. Glass has been involved in wildlife, soil, and water conservation. He formerly served as a director of the National Wildlife Federation. In recent years he has worked to defend the rights of sportsmen and the integrity of wildlife management in the face of wildlife protectionist opposition. In 1978, Mr. Glass founded the Wildlife Legislative Fund of the American and the Wildlife Conservation Fund of America in order that sportsmen's interests be represented in the Congress, the courts, and in the state legislatures.

As a former president of the State Senate of the Ohio, I depended on Jim and his organization to keep me informed on the needs of sportsmen. During that time, we worked together on many projects.

Whether looking back on his years in business or his many civic activities, Jim Glass should feel the pride that comes with great accomplishments. I wish him and his family all the best in the years ahead.

FDA IS CRITICAL TO THE HEALTH AND PROSPERITY OF OUR NATION

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. CLEMENT. Mr. Speaker, regardless of one's view of tobacco, it is clear that an efficient and effective FDA is critical to the health and prosperity of our Nation. Roughly 25 percent of every American consumer dollar spent is spent on products FDA is responsible for overseeing. Tobacco is not one of those products. FDA clearly lacks any semblance of statutory authority to regulate tobacco products as drugs, yet Dr. David Kessler seems intent on pursuing this politically correct agenda at the expense of the agency's core mission.

FDA's product approval process demands the Commissioner's attention. The backlog of pending medical device applications exceed 1,100. Drug approval times averaged 29 months in 1991, despite a statute mandated time limit of 180 days. Approximately 80 percent of the drugs approved by the FDA between 1987 and 1989 were available in other countries an average of 6 years earlier.

While FDA has been investigating and inspecting tobacco company manufacturing processes, inspections of domestic products and manufacturing plants are unacceptably low. Recent rates indicate that FDA will visit each of the 90,000 establishments subject to inspection every 6 years instead of the two required by statute.

Dr. Kessler may say the agency is improving, but the fact remains under his leadership the agency continues to fail to meet its statutory obligations. In April 1995, Dr. Charles Edwards—FDA Commissioner from 1969 to 1973—criticized the FDA for spending valuable resources investigating tobacco while it is unable to perform important functions within its authority. Dr. Edwards said:

> FDA's paternalistic tendency in recent years is, in my opinion, more than bad policy. It is bad management. It diverts limited resources from key tasks and drug and medical device approvals.

And in response to a question, Dr. Edwards directly criticized Dr. Kessler's private crusade against tobacco products. "I feel very strongly about this, that you cannot regulate human behavior. This is really an issue for the Surgeon General." He added, "I think issues like this divert the resources of the Agency—enormous resources of the Agency."

Mr. Speaker, it is time for the President to end Dr. Kessler's ill-conceived crusade against tobacco. Clearly, the Agency does not have the resources to justify it. Further, it lacks the legal authority to regulate tobacco products. It is high time the President directed Dr. Kessler to run the FDA in a manner the American people deserve and that he abandon his thinly veiled crusade to begin our inexorable march towards America's next experiment with prohibition.

PENSION SIMPLIFICATION

HON. ROB PORTMAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. PORTMAN. Mr. Speaker, I recently introduced a bill, H.R. 2037, which will make it easier for small businesses to offer pensions to their employees. This may not sound terribly exciting to most people, but it has the potential to enhance the retirement savings of millions of Americans. Currently, pension plans are so heavily regulated and so expensive to administer that only 19 percent of small employers—those with less than 25 employees—sponsored a pension plan at all. My bill will restore flexibility to our outmoded and bureaucratic pension laws and thus encourage employers, including both large and small businesses, to offer and maintain retirement plans that are vital to the retirement security of our Nation's workforce.

My bill removes many of the burdens that small businesses face when trying to provide retirement programs for their employees. It will also make it easier for small businesses to provide retirement security for millions of Americans by providing a tax credit for starting a new pension plan. In addition, it removes the complex discrimination rules for small employers and exempts small businesses from the minimum participation rules.

The response from small businesses in my district to this proposal has been overwhelmingly positive. For instance, one employer said "the present law is far too complex, and is a serious deterrent to creating an employer sponsored benefit plan." Another explained that "As small business owners, we wholeheartedly support—the Portman—effort to simplify the employee pension plans, thereby, giving the necessary relief to the many small businesses that are presently not able to participate in these plans."

A local realtor explained that:

> I concur that the current complexities, administrative burdens, contributions and distribution rules and regulations tend to discourage rather than encourage retirement savings. . . . When I was in the banking business, we found it a difficult process to properly and accurately establish and serve as an administrator on various KEOGH and self employed pension plans. Small business owners were either intimidated or frustrated with all the complicated rules, regulations, definitions and administrative "hassles" on the establishment, funding and distribution in these retirement plans.

And a retailer in Batavia, OH said, "These are overdue changes * * * we have had a married couple who work for us get snagged for 2 years in a row by the unfair family aggregation rules. Repeal of these rules * * * makes a great deal of sense."

Pension laws are complex and confusing. Since 1980, Congress has passed an average of one law per year affecting private sector pensions. As the rules and regulations governing pension plans have multiplied, defined benefit pension plans have become less and less attractive to employers. As a result, pension plan termination have consistently outpaced the growth of new plans.

At a time when our national savings rate is so low, we should be encouraging private sector retirement savings, not crippling pension plans with more and more regulation.

That is why we must simplify the process to increase retirement security and the ability to save for working Americans. And that is exactly what this bill does.

HONORING THE 50TH ANNIVERSARY OF THE 96TH CIVIL AFFAIRS BATTALION AT FORT BRAGG

HON. CHARLIE ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. ROSE. Mr. Speaker, on August 17, 1995, the 96th Civil Affairs Battalion (Airborne) at Fort Bragg will celebrate the 50th anniversary of its activation. I would like take a moment to recognize the 96th, which, incidentally, just happens to be the U.S. Army's only active duty civil affairs unit.

The battalion has had a long and distinguished history. The 96th Civil Affairs Battalion is descended from the 96th Headquarters and Headquarters Detachment, Military Government Group, which was constituted at the Presidio in Monterey, CA on August 25, 1945, and activated the following day. This unit was inactivated on January 25, 1949, in Korea. On May 10, 1967, the unit was redesignated the 96th Civil Affairs Group and allotted to the regular Army. It was activated on August 25, 1967 at Fort Lee, VA. On November 26, 1971, the group was reorganized and redesignated the 96th Civil Affairs Battalion at Fort Bragg, NC ever since. The last redesignation took place on March 1, 1986, when the battalion was placed on Airborne status and renamed the 96th Civil Affairs Battalion (Airborne).

The quiet professionals of the 96th Civil Affairs Battalion (Airborne) continue a tradition, developed over the past 50 years, of being premier ambassadors for both the U.S. Army and the United States of America. Today the soldiers of the 96th are deployed around the world in Bosnia, Croatia, Macedonia, Rowanda, Hatii, Grenada, Panama, Honduras, Wake Island, Cambodia, and Mongolia, where they serve to advise officials of foreign nations in various aspects of civil-military operations and humanitarian relief. Above all, the men and women who serve in the 96th Civil Affairs Battalion (Airborne) help build and strengthen the cause of democracy. For this, we owe them a debt of gratitude.

I would like to extend to everyone who serve and have served in the 96th my thanks and the thanks of the U.S Congress for your fine work. Congratulations on your 50th anniversary, 96th Civil Affairs Battalion (Airborne), and I encourage you to keep up the good work for another 50 more.

LIBERATING GUAM: THE UNITED STATES COMES BACK

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. UNDERWOOD. Mr. Speaker, I would like to commend and congratulate the National Park Service for spearheading the production of a laser-disc video entitled "Liberating Guam: The U.S. Comes Back" in commemoration of the 50th anniversary of the liberation of Guam. Nominated to the 28th annual WorldFest—Houston International Film and Video Festival last June, it was a finalist winner for the category of Best Documentary of 1994.

A special commendation is also in order for this project's supervising producer/director, Karine Erlebach. In addition to international acclaim, her talent and professionalism, has earned her a special place in the hearts of the people of Guam. By resenting the war through the perspective of the Chamorro people, she has focused upon an aspect of the war that has been largely neglected.

On behalf of the people of Guam, I congratulate everyone who gave a hand in the production of this award-winning documentary. The educational benefits that this documentary has to offer will surely be appreciated by all those who view it both on island and abroad. I offer my sincerest thanks for making all this possible.

MOUNT SINAI HOSPITAL'S FIGHT AGAINST SARCOIDOSIS

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mrs. MALONEY. Mr. Speaker, I rise today to bring to the attention of my colleagues the important work that is taking place at the Sarcoidosis Clinic at Mount Sinai Hospital in New York City.

Sarcoidosis is a very common disease of unknown cause. Though the disease can involve every part of the body, most patients with sarcoidosis have no complaints, or only minor ones. Symptoms include shortness of breath, pain in the joints, swollen lymph nodes, skin rash, fatigue, or fever. And while many patients require no treatment and the disease goes away after 6 months to 2 years, about 20 percent of those with the disease require substantial treatment.

Approximately 10,000 patients with sarcoidosis have been treated at Mount Sinai Hospital Sarcoidosis Clinic since its founding in 1948. Dr. Louis E. Siltzbach, one of the world's most renowned experts on sarcoidosis, originally founded the Mount Sinai Sarcoidosis Clinc, and in the 48 years since its inception, the clinic has made tremendous advancements in the battle against this perplexing disease.

Recently, Mount Sinai has gone beyond treatment with the formation of the Sarcoidosis Support Group. This patient-run group helps remove the mystery of the disease, provides general information, and hopes to generate enough interest to spurn research that will lead to more effective treatment and, ultimately, a cure. As part of this effort, the Sarcoidosis Support Group will be celebrating Sarcoidosis Awareness Month on August 11.

Mr. Speaker, I am proud to have this opportunity to honor the excellent work being done at Mount Sinai to provide treatment for support for those living with sarcoidosis. I would also ask my colleagues to join me in helping to make all of our constituents aware of this mysterious disease in the hopes that some day we might find a cure.

TRIBUTE TO LEONARD J. DESIDERIO

HON. BOB FRANKS

OF NEW JERSEY

HON. FRANK A. LoBIONDO

OF NEW JERSEY

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. FRANKS of New Jersey. Mr. Speaker, I rise today to pay tribute to Leonard J. Desiderio on his retirement as principal of Oak View Elementary School in Bloomfield, NJ.

"Mr. D," as he was known by students and faculty, retired in June bringing to a close a highly distinguished career in the field of education. Leonard J. Desiderio has dedicated the past 33 years of his life to serving the Bloomfield Public School system. He began his career in education in the Newark Public School System, teaching during the day and attending Seton Hall University at night to earn his degree. In 1962 he joined the Bloomfield Public School System as the 5th and 6th grade teacher at the Forest Glen School. After only 3 years at Forest Glen, Mr. D. became vice principal and 2 years later principal. In 1970 he accepted the position of principal at Oak View School where he remained until his retirement, making Oak View School the No. 1 school in the system in all testing and academic achievements.

Several honors were recently bestowed on Mr. Desiderio in recognition of his outstanding achievements and dedication to Oak View School. As a display of recognition for Mr. Desiderio's dedication to the students of Oak View School, the Bloomfield Board of Education named the school's gymnasium the "Leonard J. Desiderio Gymnasium" placing a bronze plaque above the entrance doors. The mayor of Bloomfield joined in the celebration by naming June 8, 1995, the date of the dedication, as Leonard J. Desiderio Day. Other honors were awarded to Mr. D. from the General Assembly of New Jersey, and the Bloomfield Board of Education. These honors reflect the enormous amount of gratitude and respect the community feels toward Mr. Desiderio for his dedication to excellence in education.

Mr. Speaker, I urge my colleagues to join me in congratulating Leonard J. Desiderio for his leadership and dedication to education. His commitment to service has fostered educational excellence and helped shape the development of thousands of children. It is difficult to know how many lives Mr. Desiderio touched during his career in education, but I am confident that his leadership and good nature will be missed, and his legacy will surely lone endure.

1995 DELAWARE WINNER OF THE VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. CASTLE. Mr. Speaker, I recommend the following essay by Janelle Jones, winner of the Voice of Democracy Scholarship Program, to my colleagues.

"MY VISION FOR AMERICA"

"Where there is no vision, the people perish."

Never has this saying from the Book of Proverbs been more true than for our country, right now. Imagine, you are traveling through time to the year 2020, but instead of the high-tech world of thriving businesses and prospering families, you see ransacked, decaying cities. The former United States, once strong and powerful, is now bankrupt both financially and morally, a mere shadow of its former self. The world leader that once generously gave to needy nations must now beg for help. How has the American dream become this nightmare? Since this is a nightmare, and not reality, I am so thankful that the vision for America is still ours to shape.

Will Durant said, "The present is the past rolled up for action, and the past is the present unrolled for understanding." In 1776, a vision for America was already unfolding. Let's sift out the gold from the rubble of history and rediscover our beloved country in the process. We can dust off the bedrock principles that guided our Founding Fathers then, and still keep us on course today. What are these principles? We must first know them, understand them, and embrace them before we can be willing to live by them and die for them.

Lives have been put on the line, fortunes risked and, sacrifices made by a long line of patriots, from the signers of our declaration, to the many brave veterans of conflicts today. The inner fire that drove all of these was fueled by belief in certain rights and principles as set forth in our Constitution and Bill of Rights. They are simple, yet profound. Among them are the right to own property, to worship as we see fit, to meet and speak freely, and to be free from any undue government interference. The dignity of human life, common decency, personal responsibility, and a free enterprise system were treasured as necessary to freedom. These have been hard-won, and hard-kept. The price of freedom is not apathy, but constant vigilance.

Seeing the brilliance of gold from the past, I can say that my vision for a strong America includes a resurgence of unashamed pride and love for all that this country stands for. We must preserve and communicate these values without compromise.

Former President Ronald Reagan said, "The family has always been the cornerstone of American society . . ." and that ". . . the strength of our families is vital to the strength of our nation."

Our family structure, where these values are taught and nurtured, must be supported by our society, laws and institutions. Children snuggled on our lap can be read the thrilling stories of all our American heroes, learning that there is a moral law, and that the truly brave live by it.

My vision for America's future includes a hard look at the present, not as hopeless hand-writing, but as calls to courageous action. It is our duty to participate as citizens, not as passive bystanders. If the government is to be of the people, by the people and for the people, then there must be involved people. It takes very little time to call a congressman, to vote, or to attend a town meeting to voice an opinion.

This vision of Future America beckons to me with great hope and anticipation. The crumbling structures of our land have been reinforced with a fresh appreciation for our tradition and heritage. Any fog of confusion about our nation's identity has been pierced with the light of truth. The shackles of helplessness have been opened with the key of principled thinking and responsible citizenship. Our foundation of freedom is once more visible, and the spirit of our forefathers recaptured. The pollution of compromise is clearing from our purpose, and now all that is right and true and lasting comes into focus once again. As Americans, we will see the bright gold of restored vision for our country, and will know that this nation, under god, indivisible, still has liberty and justice for all.

ALLOW MUNICIPAL USERS TO SHARE FEDERAL FACILITIES

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. MILLER of California. Mr. Speaker, water supplies for California cities are extremely limited. Whenever possible, cities attempt to use their water storage and conveyance systems in the most efficient ways they can.

The city of Vallejo has tried to use its water supply facilities more efficiently, but has been frustrated by a limitation in Federal law that prohibits the city from sharing space in an existing Federal water delivery canal.

The city of Vallejo simply desires to "wheel" some of its drinking water through part of the canal serving California's Solano Project, a water project built by the Bureau of Reclamation in the 1950's. Vallejo is prepared to pay any appropriate charges for the use of this facility.

Allowing Vallejo to use the Solano project should be a simple matter, but it is not. Legislation is required to allow the city to use the Federal water project for carriage of municipal and industrial water.

Congress in recent years has expanded the scope of the Warren Act to apply to other communities in California and Utah where there existed a need for more water management flexibility. The legislation I am introducing today will simply extend similar flexibility to the Solano project and to the city of Vallejo.

I very much appreciate Mayor Tony Intintoli's bringing this situation to my attention. I would hope that we would be able to deal with this matter in the Resources Committee quickly and without controversy.

REGULATION OF TOBACCO PRODUCTS

HON. JOHN S. TANNER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. TANNER. Mr. Speaker, I rise today to express my concern over recent press reports that the President is currently considering giving FDA the green light to assert regulatory jurisdiction over tobacco products. The notion of FDA asserting regulatory jurisdiction over tobacco products as drugs runs counter to statutory, regulatory, and agency precedence in this area.

For decades, Congress has expressly reserved to itself the authority to regulate tobacco products. As one congressional report made clear:

> The clear mandate of Congress [is] that the basic regulation of tobacco and tobacco products is governed by legislation dealing with the subject . . . any further regulation in this sensitive and complex area must be reserved for specific Congressional Action.

This position has long been acknowledged by none other than the FDA itself. As early as 1972, FDA Commissioner Charles Edwards testified that: "[T]he regulation of cigarettes is to be the domain of Congress." Historically, the FDA has rejected petitions calling on FDA to regulate tobacco products noting that since manufacturers do not make therapeutic claims, tobacco products should not be declared "drugs" under the Federal Food, Drug and Cosmetic Act and regulated by FDA. This is a position which has been upheld in the courts as it relates to tobacco. Further, in every meaningful case on the subject of whether a product could be regulated as a drug, the courts have found that absent the therapeutic claims by the manufacturer, they cannot.

Even Dr. Kessler has recognized that this issue raises serious public policy questions that must and should involve Congress. In February of last year, Dr. Kessler wrote antismoking groups stating:

> We recognize that the regulation of cigarettes raises societal issues of great complexity and magnitude. It is vital in this context that Congress provide clear direction to the Agency.

These statements are equally applicable to tobacco products other than cigarettes.

Congress has consistently rejected every attempt to give FDA the authority that Dr. Kessler seems to desire. Congress has considered and rejected numerous bills to give FDA regulatory authority over tobacco products. During the last Congress, a bill, H.R.

2147, would have amended the Federal Food, Drug and Cosmetic Act.

> to regulate the manufacture, labeling, sale, distribution, and advertising and promotion of tobacco and other products containing nicotine, tar, additives and other potentially harmful constituents. * * *

was introduced and rejected. In fact, on no occasion has a bill granting FDA authority to regulate tobacco products as drugs even passed out of subcommittee.

Mr. Speaker, the FDA does not have the authority to regulate tobacco products as "drugs", absent the explicit authorization of Congress. Congress should be working meaningful to reduce access to tobacco products by minors.

COMMEMORATE AUGUST 16, 1995 AS SOCIAL SECURITY DAY

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. FOGLIETTA. Mr. Speaker, I rise to commemorate August 16, 1995 as Social Security Day to be celebrated in the Philadelphia North Broad Street Social Security Office.

On August 14, 1935, President Roosevelt signed the Social Security Act to ". . . give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age." Since that historic signing, Social Security has evolved into a base of economic security for young and old alike. Although the original program provided just old-age insurance benefits, monthly Social Security benefits now keep about 12 million elderly people out of poverty.

Of the nearly 43 million people receiving monthly benefits, 12.4 million are children, spouses, widows, and widowers who receive benefits because a worker in their family became disabled or died. Benefits also are paid every month to 4 million disabled workers.

Social Security is an integral part of American life. It is an essential element of the nation's economic well-being. Social Security addresses these uncertainties well-being. Social Security addresses these uncertainties brought about by death, disability, and old age. It continues to fulfill its historic commitment to serving the American people in a caring, effective way.

The North Broad Street office of Social Security has contributed greatly to the lives of Philadelphia's seniors, and I am proud to commemorate August 16, 1995 as Social Security Day.

MATTHEW ADAMS, JR. HONORED FOR SERVICE TO COMMUNITY AND CHURCH

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mrs. MALONEY. Mr. Speaker, I rise today to honor Dr. Matthew Adams, Jr., who is celebrating 26 years in the ministry and 11 years of service as pastor of Grace United Methodist Church.

Dr. Adams began his service with the ministry in 1969, when he joined the Metropolitan Community Methodist Church. During his tenure there, he served as community developer and was also the youth minister. In 1977, Dr. Adams became pastor of St. Luke's United Methodist Church in New Rochelle, NY. His impact on the community was tremendous, as he wasted no time in starting a children's choir, a gospel choir, an inspirational choir, and a prison ministry. Under his inspirational leadership the church building was also beautifully renovated and restored.

It was in 1984 that Dr. Adams became pastor of Grace United Methodist Church in New York. When he first arrived at Grace UMC he was entering a despondent community that had just lost their church building to a tragic fire. Dr. Adams helped rebuild not only a new church, but also strengthened the ministry's faith and spirit. After sharing space with Trinity Lutheran Church, Dr. Adams and the congregation proudly entered their new church on December 22, 1991.

During the last 11 years, Dr. Adams' brand of urban ministry has helped Grace UMC reach further out into the surrounding community. Under his outreach programs, the ministry has organized a children's choir, a Christian Academy, and a program called, God's People With A Purpose, which provides assistance and food for the homeless and needy.

In recognition for his outstanding service to the community, Dr. Adams has received several awards, including the Dr. Martin Luther King, Jr. Humanitarian Award. He has also received the Ted Weiss Community Service Award in recognition of his distinguished leadership of Grace United Methodist Church for his contributions to the Upper West Side Community.

In addition to being a gifted minister and community activist, Dr. Adams is also a devoted family man. The support and love of his wife Anzetta King Adams and two wonderful children, Martin Luther and Tammi Marie give Dr. Adams the inspiration he needs to bring joy and happiness to his congregation day in and day out.

Mr. Speaker, I would like to congratulate Dr. Matthew Adams on his 26 years of faithful service in the ministry. In addition, I hope my colleagues will join me in wishing him continued success as pastor of Grace United Methodist Church.

75th ANNIVERSARY OF WOMEN'S SUFFRAGE

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Ms. WOOLSEY. Mr. Speaker, I rise today to mark the 75th anniversary of the enactment of the 19th amendment by paying tribute to some very important women's organizations that not only worked to get women the right to vote 75 years ago, but that continue to be leaders in enabling women to fully participate in the political process. There are numerous organizations in California's Marin and Sonoma Counties that deserve recognition as we celebrate this Diamond Jubilee of Women's Suffrage. Their work spans many decades of service to our community.

The League of Women Voters is one such group, leading the way for the past 75 years. In the 6th congressional district, we are fortunate to have two active and longstanding chapters—with the League of Marin County serving the community for 59 years, and the League of Sonoma for 42 years. I want to express my gratitude to these two remarkable leagues for their significant contributions to the political and cultural well-being of our local community. They truly reflect the vision of the suffrage movement and work to inform and engage women fully in the democratic process.

Even though securing the vote for women was a major breakthrough, the work of numerous individuals and groups continue the pursuit of women's rights and equality. In the congressional district that I am privileged to represent, there are two Commissions on the Status of Women, which were initiated in 1974 with the Marin County Commission, and then in 1975 when the Sonoma County Commission began. The Sonoma Commission is celebrating its 20th anniversary on August 26, 1995, which is also the 75th anniversary of women's suffrage, with a special event to signify the connection between the past and present effort for women's equality.

Mr. Speaker, this is of particular note to me because I was privileged to serve for 4 years as a commissioner during the formative stages of the Sonoma County Commission. Over these 20 years, 126 women have served as commissioners who have provided the vision and energy for numberious worthwhile projects including: creating the Women of Color Humanitatian Award, publishing the Women's Health Directory, sponsoring Domestic Violence Awareness Month, establishing a County Affirmative Action Officer, and initiating a Community Task Force on Violence Against Women. I congratulate the commission for their ongoing commitment to the women and children of Sonoma County and know that they will continue to challenge all of us to build a society that respects the rights and dignity of every person.

One of the commission's more notable projects, which eventually became a national movement, was the countywide declaration of Women's History Week in 1978, and then Women's History Month in 1979. The commissioners recognized that until women are put back into our history, and our children learn about women's contributions to society, there can be no true recognition and appreciation of women's equality. In 1981, Congress declared the week of March 8 as National Women's History Week. In 1987, Congress designated March as National Women's History Month and used the exact wording from Sonoma County's declaration 8 years earlier.

I salute the National Women's History Project, incorporated in 1980 and still located in Sonoma County, for their continued leadership across this Nation. In particular, they encourage our schools to put women back into history so our children can learn the whole story. It gives me a great sense of pride that the 6th congressional district has been leaders in our national commitment to improve the quality of life for girls and women, and thereby our entire communities.

Raising the public's consciousness of important issues, and working toward solutions for society's problems, requires the dedication of numerous women's organizations that have multiplied in recent years. The National Women's Political Caucus [NWPC], the National Organization of Women [NOW], the National Abortion Rights Action League [NARAL], the National Federation of Business and Professional Women [BPW], and the Soroptimist Club are all excellent examples of the work that women are doing all over our country to improve the lives of us all. I am extremely proud to have active affiliates and members of these organizations in the 6th congressional district.

Mr. Speaker, I would also like to give special recognition to a group of women who have been a positive force in our community long before any of the aforementioned groups. The Petaluma Women's Club formed in 1895, when this region was developing into a major agricultural region. This amazing group of women has not only been an essential support base for one another but their positive influence has been felt throughout our community for a century. I know that they will continue this legacy for years to come.

I commend all the individuals and organizations who have participated in the shaping of our country, and continue to make major contributions to this Nation. It has been an honor to work with them, and I look forward to continue working closely with them in the years ahead.

A FREE PASS IN RUSSIA—NOT YET!

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. ACKERMAN. Mr. Speaker, I have a story for any of my esteemed colleagues who think that the press in Russia is truly free.

Early this month NTV, the largest privately owned TV network in Russia aired a puppet show that took a few satirical swipes at the Russian government. Very light stuff compared to what you might see on Saturday Night Live. The prosecutor-general's office, upon learning that the honor and dignity of the Russian leadership had been made light of, swung into action, filing suit against the producers of the show and launching a full-blown criminal investigation.

Mr. Speaker, I think it's quite ironic that the Russian government, which has thus far proven incapable of catching the killers of two leading journalists, is turning its massive resources to bear on a bunch of rubber puppets. Public figures have to face up to a certain amount of lampooning, and a little political humor is no excuse for this kind of bullying by the Russian government.

TRIBUTE TO SECRETARY OF COMMERCE RONALD H. BROWN

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. DIXON. Mr. Speaker, As we prepare to return to our districts where many of us will be meeting with community and business leaders concerned about economic development opportunities in our neighborhoods, I want to use this occasion to salute the outstanding accomplishments of a gentleman who has worked tirelessly to promote the cause of business and economic opportunity throughout the United States and abroad. The Honorable Ronald H. Brown, our distinguished commerce secretary, is to be applauded and commended for the outstanding job that he has done in serving as the administration's enormously adept "Pied Piper" of economic opportunity and empowerment.

Ron Brown is the 30th United States Secretary of Commerce. In nominating him to this auspicious post, President Bill Clinton noted that "American business will know that the Department of Commerce has a strong and independent leader and a forceful advocate." Those of us who have been privileged to know Ron can attest to his outstanding leadership acumen and his tenacity and considerable powers of persuasion. His is a skillful negotiator and an indefatigable advocate on behalf of America's economic interests abroad as he seeks to expand and open markets for American made products around the globe.

Ron's career has been structured around public service and helping to make America a better place for all of her citizens. A native Washingtonian, he grew up in New York where his parents managed Harlem's famous St. Theresa's Hotel. He attended Middlebury College in Vermont and received his law degree from St. John's University. He is a member of the New York Bar, the District of Columbia Bar, and is admitted to practice before the United States Supreme Court.

A veteran of the United States Army, Ron saw tours of duty in Germany and Korea.

Secretary Brown has had an eclectic career. He spent 12 years with the National Urban League, serving as Deputy Executive Director, and General Counsel and Vice President for the organization's Washington operations. He also served as Chief Counsel for the Senate Judiciary Committee. He is a former partner in the Washington, DC law firm of Patton, Boggs, and Blow. And who among us does not remember the brilliant job that he did as the Chairman of the Democratic National Committee and 1993 Inaugural Committee.

As Secretary of Commerce, Ron has travelled extensively, promoting the administration's trade policies and forging sound private/public sector partnerships. Following the Los Angeles, Northridge earthquake in January 1994, Ron was one of the first cabinet officials on the scene, working with local, state, and federal officials to identify and earmark funding sources for businesses severely damaged and/or destroyed in the quake. He has since returned to the quake damaged areas on several occasions to survey the progress made by programs implemented under this aegis.

Ron maintains a schedule that would tire men half of his age. Yet he is always prepared to go wherever he is needed, and he always does it with aplomb and with a spirit of unyielding optimism that inspires all around him to achieve the same level of commitment.

In addition to his weighty responsibilities as Commerce Secretary, Ron serves on several presidential boards and councils. He is a member of the President's National Economic Council, the Domestic Policy Council, and the Task Force on National Health Care Reform. He serves a Co-Chair of the U.S.-China Joint Commission on Commerce and Trade, the U.S.-Russia Business Development Committee, and the U.S.-Israel Science and Technology Commission.

Secretary Brown is also a member of the Board of Trustees for Middlebury College and is chair of the Senior Advisory Committee of the Institute of Politics at the John F. Kennedy School of Government at Harvard University.

Mr. Speaker, I am proud and honored to have this opportunity to commend my good friend Secretary Ronald H. Brown on the fine job that he is doing as our Secretary of Commerce. He has led an exemplary career, and I have no doubt that he will continue to lead and inspire. Please join me in applauding him on an outstanding career, and in extending to him, his wife Alma, and their two children, attorneys Michael and Tracy, continued success in the future.

H.R. 2127, A TRAGIC SETBACK FOR THIS NATION

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mrs. LOWEY. Mr. Speaker, last night's vote on H.R. 2127, the Labor, Health and Human Services and Education appropriations bill, represents a tragic setback for this Nation and particularly for our young people. The cuts embodied in that legislation are a full-fledged assault on the prosperity of this Nation's next generation. Fortunately, the action of this House last night is far from the last skirmish in the battle for a solid commitment to educate America's young people.

Before my colleagues leave to return to their districts, I want to share with all of you a speech given this past Sunday by Louis V. Gerstner, Jr., chairman and CEO of the IBM Corp. which is headquartered in Westchester County, NY, parts of which I represent. His remarks were to the National Governors Association. They are, without a doubt, a call to arms in the pursuit to revolutionize and dramatically improve education in America.

I could not agree more with Mr. Gerstner's sense of urgency about the need for a true commitment to enhance education in America. He is right that much more clearly needs to be done. He hit the nail on the head when he said, "A true change agent puts their money where their mouth is." Unfortunately, last night's vote tells the American people that the House has made a decision not to be a partner in pursuing the changes in America's schools that we all know are needed.

Mr. Speaker, change is possible. I have seen the innovations that are occurring in schools in Westchester, the Bronx, and Queens. Over the years, I have been deeply involved in major education reform initiatives, including Goals 2000, title I reforms, and a newfound commitment to professional development and technology through the Eisenhower Professional Development Program and the Technology Learning Challenge.

Unfortunately, the bill passed last night makes precisely the wrong kinds of changes. It eliminates funding for Goals 2000, cuts funding for title I by 18 percent, and slashes the Safe and Drug-Free Schools program. This bill also undermines our commitment to preserving the American dream by cutting student financial assistance and higher education program.

As we head back to our districts, I urge my colleagues to reflect on Mr. Gerstner's message. I sincerely hope that, when we return to Washington in September, this body will do what is right for America's future and correct the serious mistakes included in the bill approved last night. When so much is at stake, this House should not abandon our bipartisan commitment to America's schools—and our children.

I ask unanimous consent that the text of Mr. Gerstner's speech be included at this point in the RECORD.

Remarks of Louis V. Gerstner, Jr., Chairman and CEO—IBM Corp. at the National Governors' Association Annual Meeting

Thank you, Governor Dean. It's good to be back in Vermont.

In 1983, the report A Nation at Risk focused the country's attention on the deficiencies in our public school system. Here's a quote from that report that has stuck with me for many years: "If an unfriendly foreign power had imposed our schools upon us, we would have regarded it as an act of war."

That was 12 years ago. What's happened since? Lots of hand wringing, lots of speeches, lots of reports. Not much change—very little improvement. It's twelve years since A Nation at Risk was published, and U.S. students still finish at, or near, the bottom on international tests of math and science.

I wonder what the national reaction would have been if in the 1984 Olympic games we had finished dead last. A national outrage, in all likelihood, that would have brought about sweeping changes in amateur athletics in this country. Believe me, by now, 11 years later, we would have seen massive improvements. But in public education? None—and no national outrage or frustration 12 years after A Nation at Risk.

Let's move from 1983 to the education summit in 1989 when, at a meeting similar to this, President Bush and the nation's governors set the wheels in motion for the Educate America Act: Goals 2000 that President Clinton helped shape and then signed in June of 1994. Let me read just a few of those goals we set for ourselves for the year 2000: All children in America will start school ready to learn; the high school graduation rate will increase to at least 90 percent; all students will leave grades four, eight and 12 having demonstrated competency in English, math, science, foreign languages, civics and government, economics, art, history and geography; every school in America will ensure that all students learn to use their minds well, so they may be prepared for responsible citizenship, further learning and productive employment in our nation's modern economy.

Six years have passed since those wonderful goals were set. More important, 1616 days remain until the year 2000 arrives. I wonder how many people in our country are committed to achieving those goals. I wonder how many people think we have a chance of achieving them. I often think how many people even know they exist.

One of the goals I just cited talks about graduation rates, and another the need for standards. I read recently that Milwaukee now has a requirement that high school seniors must demonstrate a proficiency in math before they are allowed to graduate. That is great. And we need more cities and states doing the same. But the same article I read reported that 79 percent of the junior class failed in a warm-up test this spring. That's dismal. And it's reflective of our country at large.

Now, that's not the whole story. The test consisted of complex, open-ended problems, which—for these kids—was a new approach to math. Exactly the right approach, of course. Exactly the direction we want to head in, and they'll have a full year to master it. But what happens then? What happens next year if a large percentage of the senior class fails to demonstrate the required proficiency? Will Milwaukee refuse to graduate those who fail? If they don't, so much for standards.

But it's not easy. What do we do about the students we've promoted for 13 years through the public school system without demanding high performance? How will they get the skills necessary to earn a living? And, of course, it is much worse than a single class of seniors. We have given high school diplomas in this country to a whole generation of Americans who cannot basically read those diplomas—they are functionally illiterate.

The bottom line is that if our kids are failing in the classroom, it's not just their fault. It's our fault. And that, my friends, underscores a very frightening reality. Setting goals for U.S. education is one thing. Reaching them is another. And the only way it will happen, the only way that we have even a ghost of a chance of getting there, is if we push through a fundamental, bone-jarring, full-fledged, 100 percent revolution that discards the old and replaces it with a totally new performance-driven system.

Which is what brings me to Vermont today. I'm here because of Willie Sutton. Willie robbed banks, the story goes, because he realized that's where the money is. I'm here because this is where the power is—the power to reform—no, to revolutionize—the U.S. public school system.

You are the CEOs of the organizations that fund and oversee the country's public schools. That means you are responsible for their health. They are very sick at the moment. And we are past the time for incremental change and tinkering at the margin. Fortunately, we're not past the point of no return.

I've spent a lot of time of education. So have many of you. We all have scars to prove it.

But, I've also spent a lot of time helping troubled companies get back on their feet. It's hard work. Lots of hard work, and it invariably involves massive structural change.

But here's the good news. When companies do turn around, they often go on to bigger and better things.

I'm convinced that our public schools can do just that. We can win gold medals in the education Olympics. But it will take a world-class effort and it will only happen if you, the CEO's of the system, reached out, grab it by the throat, shake it up and insist that it happen.

The turnarounds we've seen in corporate America don't come close to the complexities of the job you face in fixing our public schools, but I believe the principles of structural revolution are the same: First, it takes a personal commitment on the part of the CEO. This is not a job you can delegate; second, it takes a willingness to confront and expel the people and the organizations that are throwing up roadblocks to the changes you consider critical; third, you need to set high expectations. You can't have too many goals. One or two are best. Certainly no more than three; fourth, it's critical to measure the progress against those goals—relentlessly and continuously; and finally, there must be a willingness on the part of the change agent to hold people accountable for results.

Nothing pleases me more than to see some of you moving in this direction in your state. You are responsible for some very bright spots in an overall dismal picture. But there aren't nearly enough.

So what do we do now? In the spirit of my views on how one goes about radical restructuring of institutions, I want to suggest three, and only three, priorities for public education for the next year:

The first is setting absolutely the highest academic standards and holding all of us accountable for results. Now, Immediately. This school year. Now if we don't do that, we won't need any more goals, because we are going nowhere. Without standards and accountability, we have nothing.

But if we do have standards and accountability, I would suggest two other priorities that are critical to allow our institutions of education to reach those goals, and they are: Financing change and exploiting technology.

Let's talk very briefly about each. First, standards and accountability.

If we don't face up to the fact that we are the only major country in the world without an articulated set of education standards—and without a means of measuring how successfully we are reaching them, we're lost before we get started. Which pretty much sums up where we are today. To turn the tide, we must set standards. Immediately. And we must have a means of measuring how we are doing. Without standards, educational reform is shuffling deck chairs on the Titanic

I have to confess I find the whole thing baffling. In virtually everything else we do in the United States, we set high standards and strive to be No. 1. Why not in education? In basketball, you score when the ball goes in the hoop, not if it hits the rim. In football, you score when you cross the goal line, not when you show up in uniform. In track and field, you must jump over the bar, not go under it or around it. And who would practice baseball with the fences 150 feet from home plate?

Why can't we establish standards of excellence for our schools? Why isn't winning in the classroom important in America?

We put a man in space because we set a goal that was beyond—not within—our grasp. We need the same approach for education. And we must be relentless in its pursuit. The lessons we understand so well in every other aspect of our lives must be translated into education or else we will lose.

We cannot be side-tracked by academicians who say it will take five years just to set the standards. Nor can we be misled by misinformed people who will argue that certain Americans aren't able to reach high standards, so it's inappropriate to even set them. I find that insulting and demeaning to those people, not supportive.

It boils down to the fact that we can't just settle any more for mediocrity. We must commit to the highest levels of student achievement. And we must do it now. We can't allow our schools to simply sit back, complacently convinced that their only responsibility is to keep students at their desks until they are 18 years old.

They'll get to 18 fast enough and regardless of what we do. What they need from us are tools to help prepare them for success as they go off to college or work, raise families and join the adult community. This requires an articulated set of academic standards that recognizes the real world they'll be entering.

In many places, they don't even exist at a rudimentary level. Many states still require only two years of math and science for a high school diploma. Why? Math isn't something that students can finish in the tenth grade, and think they'll never need it again. And, if we are going to do this right, we must make sure our high school students take real math, academic math—not what the students call "dummy math." And they must take laboratory science, not general science.

We must find innovative ways to help students master these complex subjects, and we we must hold schools accountable for what students learn. It's not enough to memorize facts and figures. Whether we're dealing with the requirements in the job market or skills needed to participate in society, the bar is higher * * *.

When the Labor Department recently asked businesses what they expected our schools to teach, the answer was clear—a foundation of reading, writing and arithmetic, combined with an ability to use information to solve problems and to communicate them effectively.

These are not esoteric or complex concepts. They are, however, for every one of these children, the difference between success or failure in their lives. We must find ways to teach them, to measure whether they have been taught and to reward teachers and administrators at schools where students succeed. And we must have serious sanctions for those at schools where students are not learning.

Obviously, Milwaukee will have a difficult choice to make next year because it's out in front. But the fact remains that until we are prepared to penalize students, and administrators for lack of performance, the system will fail. We have a word for that in business. Accountability. It works. Without it, institutions atrophy and die. Let's turn quickly to the second and third priorities beyond standards.

True accountability for performance will depend on exploiting technology and financing change in the system. You've all heard about information technology. Bear with me if this sounds a bit stuffy, but information technology is the fundamental underpinning of the science of structural reengineering. It is the force that revolutionizes business, steamlines government and enables instant communication and the exchange of information among people and institutions around the world.

But information technology has not made even its barest appearance in most public schools. Look around. The most visible forms of technology remain the unintelligible public address systems, which serve largely to interrupt the business of learning, and the copier in the principal's office, which spews out the forms and regulations that are the life blood of the education bureaucracy.

Before we can get the education revolution rolling, we need to recognize that our public schools are low-tech institutions in a high-tech society. The same changes that have brought cataclysmic change to every facet of business can improve the way we teach students and teachers. And it can also improve the efficiency and effectiveness of how we run our schools.

I'd like to make you a personal offer. I'd like to invite you, the governors, and your key people to a conference that I will organize and run next year. I'll get experts from all parts of our industry—including our competitors—to participate and, together, we will show you how technology created for business and government can be used to help re-shape the public schools of America.

We'll put it all together but we'll need your help. And you'll have to be there. You'll have to invest a day—not a few hours. Because, as I said before, real change requires the participation of the CEO. It will be worth it. I think you will be excited by the innovative things that are beginning to happen in some classrooms. And some of you are already moving in that direction.

Let's think about how technology is benefiting students right here in Vermont. For example, the portfolios used to measure student development are being taken out of manila folders and put on digital discs. This allows educators to make evaluations based on a student's entire output rather than on simple multiple-choice exams. Chicago is combining the power of telecommunications and the Internet to train teachers in math and science. Schools in Charlotte, North Carolina are using video technology to reach into the home. Philadelphia schools are using voice technology to teach language skills to learning-disabled students.

And outside the classroom, technology is cutting away at the school bureaucracy and dealing with routine matters like bus routing, meal deliveries and purchasing.

Which brings me to my third priority—financing change. It is my experience in business, and especially in turnaround situations, that if you want to bring about real change, budget allocations must support the new direction. Reforms perish from lack of support. And that means resources. A true change agent puts their money where their mouth is. The educational aparatchiks fight hard to starve the reformers.

So how do we finance the revolution? How do we use our education resources to reward success and encourage performance? Let's start with the $150 billion or so that you, as the CEOs of our states, invest directly in the public school system. I've done some homework, so I know that a state's education budget is typically constructed by adding a percentage increase to the prior year's outlays. The basic formula—which many describe as arcane—is largely driven by the number of pupils in the system, supports priorities set decades before, and rarely, if ever, is linked to performance, success or change.

Here's my proposal. Let's try something new. This year, instead of following the old formula, hold back ten cents of every dollar and earmark it for strategic investments. Where would we put this $15 billion to work? It if were me, I'd invest a portion of it in moving teacher training out of the horse and buggy era. We expect doctors to get their training in teaching hospitals. We wouldn't send an NBA player on the court if his only training consisted of lectures on the theory of the jump shot, case studies of the fast break and films of games played years ago.

Why, then, do we entrust our children to teachers who have only listened to lectures, written essays on classroom management and read text books on the theory of child development? It's time teachers learned their craft in real schools side-by-side with expert teachers. It's time they got the kind of hands-on experience most other professions consider vital for certification.

If it were up to me, I'd invest some of that $15 billion in reorganizing how our kids spend their time in school. In Japan, where the school year runs 240 days a year, the average 18-year-old has spent more cumulative time in school than the average American MBA.

And while I challenge you to find a teacher anywhere in this country who truly believes that every subject—or any subject, for that matter—is best taught in exactly 45 minutes, we still ring the bell at the end of each period, as though there was a natural order to it all! A science project may take a full six hours to complete. Other subjects may be best taught in 15-minute slots over a two-week period. The school day, week and year need to re-shaped fundamentally to reflect reality.

There are hundreds of good ideas out there about how to use the $15 billion. I know about them, so do you. Some of the most promising are emerging from the New American Schools Development Corporation which is funding development of breakthrough reforms across the country. All that's lacking is the courage to shift funding from the status quo that has failed unarguably, to the agenda of reform and hope for our children.

Obviously, my three suggestions are sure to generate howls of protest from the education establishment and from others who are happy with the status quo and are unwilling to change. They will say that setting standards is not possible in education. Or that setting high standards will only raise the dropout rate. Others will attack the focus on technology, maintaining it's a self-serving business scam or a vain grasp for a silver bullet that won't work.

Still others will attack the $15 billion we're reallocating for strategic investments, saying it's just a gimmick, it won't work and it is really an approach to disguise cutting education budgets. I see it as just the opposite. Everyone in the education community talks reform and supports reform, but when push comes to shove, they back off and attribute the lack of progress to the lack of financial wherewithal.

Well, now we have it. Our $15 billion fund will provide a way to kick-start a major effort for reform. And here's the real kicker, we're only going to give $15 billion to the schools and systems that actually implement true reform.

TECHNOLOGY EXPORT REVIEW ACT

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. MINETA. Mr. Speaker, it is my pleasure to introduce The Technology Export Review Act. This legislation is based largely on H.R.

3534, The Computer Equipment and Technology Export Control Reform Act, introduced last year by my good friend, Representative Don Edwards. I am proud to carry forward Mr. Edward's work on this issue in the 104th Congress.

The Foreign Availability Act, and H.R. 3534 of last year, were both introduced to reform a Federal system that has gone amok. Currently, our Nation's interagency export control regime is overly bureaucratic, does not accurately take into account changes in technology or in the world marketplace, and puts too difficult a burden on the backs of our Nation's economically critical high technology companies.

Mr. Speaker, the U.S. electronics and information technology industries employs 2.5 million Americans in secure, high paying jobs. But it is important to know that these companies, which are vital to America's economic future, depend on foreign sales. For example, the computer industry earns more than half of its sales overseas, and that number is growing. And, the U.S. semiconductor industry has recently reclaimed a dominant world market share for the first time in more than a decade. All of this means that where federal policies unnecessarily burden and delay foreign sales, American workers suffer. It is that simple.

Under the current export control system, certain technologies can be freely exported to most of the world, while others, usually the most advanced, must be given licenses on an individual case-by-case basis. Under this process, the determination of winners and losers is haphazard. There is no regular review of technological progress. There is no questioning of the purpose and the effect of the controls. There is no seeing the forest through the trees.

Mr. Speaker, my legislation requires an annual review of export controls on dual-use technology. The annual review must consider first, the objectives of such controls—what were they designed to accomplish and why specific product performance levels were set—and the extent to which such objectives have been met; second, the extend to which the products controlled are widely available from sources outside the United States; and third, the economic impact of such controls on U.S. industries.

Based on this review, the Secretary of Commerce would be required to increase the performance level thresholds at which technologies are controlled or otherwise modify controls in accordance with the findings. The legislation includes a general default provision that requires the Secretary to propose multilateral decontrol of all dual-use goods that reach mass-market status of 100,000 units installed for end-use outside of the United States over a 12-month period.

Finally this bill would make a common sense notion into law. Under the current system, individual components may be subject to tighter restrictions than the product in which they are included. This bill stipulates that no part will face tighter restrictions than the device for which it is manufactured.

Mr. Speaker, our export control system needs direction and vision. It is my hope that the legislation I have introduced today will go a long way toward reforming this system, and end the current practice of tying the hands of America's best competitors.

FAIRNESS FOR THE WIDOWS OF OUR MILITARY RETIREES

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. FILNER. Mr. Speaker, I rise today to introduce the Military Survivors Equity Act of 1995.

I would like to tell you a story, a story with an unhappy ending. A resident of my congressional district, when he retired from his service in the Armed Forces of our country, decided to have a portion of his monthly retired pay withheld in order to pay for benefits for his wife in case he died.

Unfortunately, he died an untimely death, and his wife began to receive a monthly death benefit. The amount she received was 55 percent of her husband's retired pay.

Imagine her astonishment when she turned 62 and found that the amount of her benefit was reduced to 35 percent of her husband's retired pay. When she inquired as to the reason, she was told that because she was eligible to get Social Security, her survivor benefits were reduced.

"But my Social Security payment is based on my own work," she said. "Why is the pension that my husband paid for in any way connected to my Social Security?" The answer: because that's the law!

Well, I think it's time to change this law—a law which simply doesn't make sense. The Military Survivor Benefit Plan, called the SBP plan, is a good idea—but it is very complicated.

For some, SBP benefits are reduced or offset by the amount of the military retiree's Social Security when the survivor reaches age 62—regardless of when she actually begins to draw Social Security benefits.

For others, under the newer two-tier SBP plan, like the widow in my congressional district, the benefit is automatically reduced at age 62 to 35 percent of her husband's retired military pay—a reduction of over ⅓ from her previous benefits

I believe it is time to get rid of these offsets. It is time to live up to the expectations of our military retirees, when they choose to provide for their widows after their deaths. It is time to simplify this incredibly complicated SBP system.

My bill will provide an SBP death benefit equal to 55 percent of the military retiree pay. Period. No offsets. No reductions. That is what our military retirees expected. That is what their widows expected. That is what we should deliver.

It is time to live up to our commitment to those who have served our Nation so honorably. It is time to correct the wrongs inflicted on their widows. It is time to restore honor to the Military Survivor Benefit Plan.

TRADE REORGANIZATION ACT OF 1995

HON. JOHN L. MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. MICA. Mr. Speaker, on July 27, 1995 I was joined by seven of my colleagues in introducing the Trade Reorganization Act of 1995, HR. 2124. The purpose of this bill is to consolidate the functions of the U.S. Trade Representative's Office with the trade functions of the Commerce Department into one U.S. Trade Office. The cosponsors of the bill realize that all of these trade functions are critical to enhancing U.S. exports and creating jobs. A legislative drafting error resulted in the appearance that our bill only transferred the foreign component of the United States and Foreign Commercial Service. I want the record to reflect that it was the intent of all the sponsors of the bill to preserve the domestic offices and include those operations in the U.S. Trade Office.

ELIZABETH ADKINS AMONG VFW VOICE OF DEMOCRACY NATIONAL SCHOLARSHIP WINNERS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. HYDE. Mr. Speaker, I rise today to call attention to a remarkable member of my district, Elizabeth Adkins, the Illinois winner of the 1995 Voice of Democracy scriptwriting contest. Each year the Veterans of Foreign Wars and its Ladies Auxiliary sponsors the competition, choosing winners from over 126,000 scripts submitted by high school students around the nation. Elizabeth, a recent graduate of Wheaton North High School, received top honors in Illinois for her speech entitled "My Vision for America". I am proud to recognize this bright young author as well as the thousands of patriotic students who participated in the contest.

"MY VISION FOR AMERICA"

America has, since its conception, been the embodiment of democratic and moralistic ideals. As a nation we defend again and again the principles that we are built upon. Freedom, equality, justice, and opportunity. We struggle together over where the line is crossed between national morals and narrow-minded policies, between equality and reverse-discrimination, between personal choice and the rights of an unborn child. But only in America could these struggles strengthen a country. Only in America could citizens dare to disagree with their government. Only in America could political leaders and parties change every four or eight years and not cause a complete collapse of the nation. And so, in asking what my vision for America is, I cannot say a New America or a different America. For I do not want to abandon the America of today or forget the America of yesterday.

I do believe, however, that this nation can and will be improved. I see a need in America. And I believe that this need has been growing for the last thirty years. Each American citizen must begin to take some responsibility. Responsibility for his or her own actions, mistakes, and well-being. Responsibility for those less fortunate who do not have the ability to care for themselves. And responsibility for what this nation does. A devoted citizen would not disown their country every time it made a mistake, or didn't have enough money, or lost one battle or another. As devoted citizens, we Americans must stand behind this country, improving it when we can and fighting for it when we must.

The major problems of the Untied States would be alleviated if citizens took initiative and were willing to bear the burdens that citizens of a powerful democratic nation must bear. In the America of tomorrow, each citizen will have rediscovered their moral basis and built a motivational basis. A strong moral basis will help to alleviate the crime problem. Children who are taught simply what is right and wrong and who are challenged and encouraged to do what is right will be more equipped to lead lives void of crime. Perhaps what this country needs are a few reminders from the America of yesterday. Maybe we need to hear a few more stories where good battles evil and the good guy wins. In the America of tomorrow there is only one winner in the fight between right and wrong. Americans must begin to develop moral responsibility.

And it isn't just about doing what is right anymore. America needs to advance beyond doing what is right to doing what is best. Is it enough to simply take care of your family? What about helping your neighbors or your community? American citizens need to be responsible for fellow American citizens. My vision for America returns to neighborhood groups and local organizations that are trying to make some improvements. When citizens begin to take actions to assist their neighbors as well as themselves, vivid changes will take place. When citizens learn to give of themselves for someone else, materialism and special interests will vanish. When Americans develop a responsibility for their neighbors and their communities, they will be able to look forward as a unified nation to improving this country as a whole.

My vision of America is that each man and woman will understand the need to pull together as a nation and to pull oneself together as an individual citizen. In this America, the word duty will have the resonance that it once did. Each American has a duty, and that duty is what makes a democracy work. In order for America to maintain those freedoms and liberties which we all cherish, we must fulfill our duties and responsibilities to ourselves, our neighbors, and our nation.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1996

SPEECH OF

HON. FRED HEINEMAN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 1868) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1996, and for other purposes:

Mr. HEINEMAN. Mr. Chairman, I have listened to the debate and studies the details in this bill. The Labor-HHS-Education appropriations bill reduces spending by $9 billion from last year and reduces or eliminates many effective, wasteful or duplicative programs. This bill prioritizes spending in areas that are proven and effective.

And it is with great reservation that I must rise in opposition to the bill at this time. This was a very difficult decision, Mr. Chairman.

During my years in law enforcement I learned what really causes crime. During my campaign I promised to fight crime. I have seen first hand that crime prevention begins in two places—the home and the class room. This bill unfortunately reduces funding in some areas which are important to our children, and important in deterring crime as these youngsters become adults.

Mr. Chairman, these were programs I supported during my campaign; and I am a man of my word. In the past I have voiced my strong support for vocational education programs and other education assistance. I will not turn my back on the very people who elected me.

In addition, as a senior citizen I was also concerned about the funding level in the bill for senior citizens programs. Mr. Chairman, I this year I voted for a balanced budget amendment to the Constitution and in turn voted for the Republican budget which will balance in seven years. Those are two of the most important votes I have cast as freshman Member of Congress. Those two votes carried with them a responsibility to the American people, and to my constituents in North Carolina. That responsibility was to reduce wasteful spending, make the government smaller, and get our fiscal house in order. I take that responsibility very seriously. I would have like to support this bill but I could not.

As the House passes this bill, it will do so without my support this time. However, I want to work with our leadership and our colleagues in the Senate to find ways to make this a better bill. I am hopeful as we move forward in the budget and appropriations process that we will make this a better bill for our seniors and children—and that it can 1 day earn my support.

CONGRATULATIONS PIONEER CITY RODEO

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. POSHARD. Mr. Speaker, I rise today to congratulate the Pioneer City Rodeo of Palestine, IL, on being named the best small outdoor rodeo in America. The Pioneer City Rodeo was selected from a field of over 700 small outdoor rodeos by a distinguished panel of livestock contractors, top cowboys, and specialty rodeo acts. The chairman of the rodeo committee, Roy Shaner, is credited with the continued success of the rodeo, which is now in its 29th year.

Recently in Las Vegas, NV, The Professional Rodeo Cowboy Association awarded the Pioneer City Rodeo a commemorative flag, ceremonial belt buckle, and a check for $1,000. Continuing an annual tradition, the Pioneer City Rodeo donated their winnings to the cowboys crisis fund to help families of injured cowboys. This is a true showing of cowboy honor and while the rodeo's selection as the best in America is a grand achievement the example these fine people set is an even greater accomplishment.

Being voted the best small outdoor rodeo in America is a great achievement and I am honored to represent these award winning cowboys in Congress. Congratulations Pioneer City Rodeo, you are the best in America.

WORKING TO PRESERVE, PROTECT AND STRENGTHEN MEDICARE

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. QUINN. Mr. Speaker, I am pleased to have this opportunity to inform my constituents about the House of Representatives' plan to preserve, protect, and strengthen Medicare.

Unfortunately, some individuals and groups are misrepresenting the facts, thus causing unnecessary anguish and apprehension among our nation's seniors. In my district in Western New York, I have seen firsthand the anxiety which such statements have caused.

According to the Presidential Medicare Board of Trustees, the Medicare hospital insurance trust fund (part A) will begin running out of money as early as next year—spending $1 billion dollars more than it takes in—and will be completely bankrupt by the year 2002.

By law, Medicare is prohibited from making payments for hospital or other health services if its reserves are depleted. That means if nothing is done now to preserve Medicare, 34 million seniors will be in jeopardy of losing their vital health care coverage.

I am committed to saving the program for all Americans, that includes my mother, who currently is on the program, and my daughter, who will be on it someday. If Congress does not act to save Medicare, the consequences 7 years from now will be catastrophic for all Americans.

Preserving Medicare will not require cuts in the program. Rather, Medicare spending will continue to increase, more than private-sector health care spending increases and general inflation rate.

The reason Medicare is in such financial difficulty is that it has been growing at a rate of 10 and 11 percent a year. If we can slow the growth to between 5 and 7 percent annually we can save Medicare from bankruptcy. Right now, the Federal Government spends $4,800 per person per year in Medicare. If we do not make the changes necessary to save the program now, there will be zero dollars available in the year 2002.

The plan makes Medicare financially safe and secure both now and in the future by simplifying the system and making it easier for seniors to use and understand it. In addition, it gives seniors the same right that Members of Congress have to choose their health care plan.

In our efforts to preserve, protect and strengthen the Medicare Program, we must eliminate fraud and abuse. We are working with doctors and hospitals to make this happen.

I urge all of my constituents, and all Americans to play a part in the effort to strengthen Medicare. I welcome all comments and suggestions regarding my effort to save this important program.

TRIBUTE TO FT. ZUMWALT MIDDLE SCHOOL CHOIRS

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. TALENT. Mr. Speaker, I rise today to pay tribute to the Fort Zumwalt North Middle School seventh and eight grade concert choirs from O'Fallon, MO.

Over the past 2 years, under the skilled guidance of their director, Mr. Gregory S. LeSan, the North Middle School choirs have been honored with 20 trophies and plaques in national-level competitions. They have also been distinguished with three community proclamations, a State proclamation from Missouri Governor Mel Carnahan, and a coveted invitation to perform for the 1995 Missouri Music Educators Association State Convention.

The choirs have also been invited to compete July 9 through the 14, 1996, in the Llangollen International Musical Eisteddfod in Llangollen, Wales. This is the first time in the 50-year history of this world-renowned competition that a public middle school from the United States of America has ever been accepted to sing in this audition-selected international event. This is a rare opportunity to represent their community, the State of Missouri, and the United States of America in a competition that represents over 50 countries.

Mr. Speaker, these young people are to be commended for their continued hard work and dedication to excellence, which has brought not only their school nationwide recognition, but is also a source of great pride to the residents of O'Fallon, MO. It is with great pride that I congratulate these students and recognize the contributions they have made while at Fort Zumwalt North Middle School.

CATHERINE FILENE SHOUSE CELEBRATION

HON. FRANK R. WOLF

OF VIRGINIA

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. WOLF. Mr. Speaker, earlier this summer, at the Filene Center at Wolf Trap National Park for the Performing Arts, Mr. DAVIS and I celebrated the life of Catherine Filene Shouse.

It was a grand event for a grand lady on the 99th anniversary of her birth—June 9, 1995. On December 14, 1994, Mrs. Shouse "moved to a grander stage," as one person noted, but the vision she had for America's first national park for the performing arts lives on as her gift to America at Wolf Trap Farm Park. Her life was celebrated that evening at a gala so befitting her style, elegance, dignity, respect, wit, humor and love.

There were many remembrances of Mrs. Shouse. Her Majesty Queen Elizabeth II sent a message. Many felt that the remarks of the Honorable G. William Miller that evening eloquently captured the spirit and achievements of Mrs. Shouse. Mr. Speaker, we are honored to represent the northern Virginia area which is home to Wolf Trap and we would like to share with our colleagues the message from Queen Elizabeth and the Remembrances by Mr. Miller of an extraordinary national and international figure, Catherine Filene Shouse.

BRITISH EMBASSY
Washington, June 6, 1995.

Mrs. CAROL HARFORD,
823 South 26th Place,
Arlington, VA.

DEAR MRS. HARFORD: Her Majesty The Queen has asked me to send you her very best wishes for the concert which is being arranged at Wolf Trap on 9 June in honour of Catherine Filene Shouse. Her Majesty is sure that this will be a memorable occasion.

Yours sincerely,
ROBIN RENWICK.

CATHERINE FILENE SHOUSE CELEBRATION

FILENE CENTER, WOLF TRAP NATIONAL PARK FOR THE PERFORMING ARTS JUNE 9, 1995 THE 99TH ANNIVERSARY OF HER BIRTH

Remembrances

G. William Miller

To dream an impossible dream. It is not the dream that is impossible, but the task of putting it into words.

How does one grasp a thunderbolt, or capture a moonbeam? Describe an earthquake, or bottle a fleeting melody? Commemorate a howling gale, or reflect the rapture of a child awakened by the magic of the stage?

How does one celebrate a celebrity who is already a legend?

Carefully, lest the enthusiasm to extol create myth where there was reality, fashion ethereal portraits where there was life and vitality and flesh and blood.

Each of us has remembrances of Kay Shouse. String them all together and they form an endless chain, as infinite as humanity.

Creative, energetic, determined, resourceful, imaginative, fearless, independent, patriotic, learned.

Skillful, hopeful, optimistic, unique, steadfast, eternal.

Catherine Filene Shouse.

Kay valued Shakespeare, but there was none of his *Hamlet* in her character. There was no hesitation over "To be or not to be." For Kay, the only course was full engagement in life with all its challenges.

In *As You Like It*, Kay found a more compatible concept: "All the world's a stage And all the men and women merely players."

What a production she made of the stage that is our world: Inspiring the young to reach for the stars. Moving the successful to rise to greatness. Encouraging women to unleash all their talents, in all fields. Moving governments to stretch their visions to open new opportunities.

But Kay was not merely a player. She was the Play!

Once, at Plantation House there was a small post-performance gathering where the conversation turned at that age-old question: What is the greatest boon to mankind?

One favored the great art, capturing countless images to reflect the inner soul of humankind. Another chose the great music, with timeless melodies which comfort and inspire over the ages. A third argued for the great literature, where creative ideas are passed from generation to generation to instruct and enrich. And, of course, there was one colleague who championed the performing arts, which combines all the others to present the full range of human drama in real life form.

A guest from a distant state than intervened. "That's interesting," he remarked, "but where I come from the greatest boon to mankind is * * * the promissory note."

Without missing a beat, Kay had the last word. "Fine," she said, "we'll take one of yours * * * with six figures!"

Archimedes was so bold as to claim, "Give me a place to stand, and I shall move the world." Kay did not wait for a place to be *given*. She took her place—and she moved the world.

A visitor at a Wolf Trap performance once noted the mad trajectory of a golf cart piloted by a compelling figure in a flowing cape. He remarked to his companion, "Who does she think she is, the big pooh-bah?" When the golf cart approached and Kay introduced herself, the patron's astonished retort was, "Holy cow, she is the great pooh-bah!"

For those who experienced an outing on Chesapeake Bay abroad the *Pink Pontoon*, with Kay at the helm, know first hand that Kay could truly claim: "I am the captain of my soul, I am the master of my fate."

Kay subscribed to Abraham Lincoln's parliamentary procedures. Once at a Wolf Trap meeting she presented a bold and controversial proposal for a grand event. To others it seemed far too risky considering the financial condition of the Foundation at the time. The vote was all against, save Kay. Whereupon she announced, "Well, now that we've settled that, let's get out the invitations."

Kay never gave up, no matter how hopeless the cause, when she cared and when she believed. The great fire of '82 stirred the fire within her. Like Ulysses, until the end, she never turned back.

". . . For my purpose holds To sail beyond the sunset, and the baths of all the Western stars, until I die."

"To strive, to seek, to find, and not to yield."

As we remember Kay, we think of the words of Emily Dickinson:

"Because I could not stop for Death
He kindly stopped for me—
The Carriage held but just Ourselves
and Immortality."

Kay, we remember you in awe and admiration and love. Now that you have moved to a grander stage, where you command choirs of angels and orchestras of saints, we hope that you remember us too.

Kay, you told us always to be glad, not sad. Never to say good bye or good night, but always "Good morning".

Good morning, Kay.

MEDICARE MANAGED HEALTH CARE SUNSHINE ACT OF 1995

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. SHAW. Mr. Speaker, I rise today to introduce timely legislation that will require health maintenance organizations under the Medicare Program to disclose certain information to individuals who subscribe to an HMO, or who are a prospective subscriber to an HMO. I believe that an HMO subscriber under the Medicare Program has the right to know the medical education and professional background of the physicians who will provide health services to that subscriber. I also believe that it is important for a subscriber to know the financial structure of the corporation in which he or she is placing so much trust.

Specifically, my bill requires that, upon request by a subscriber or a prospective subscriber, an HMO shall provide descriptive information on each physician within the HMO. This information includes the medical education and training received by the physician, the physicians' history of medical practice—including foreign practice, and the position each physician currently holds.

My bill also requires that an HMO provide recent audited financial statements to subscribers and prospective subscribers. Furthermore, any promotional material—marketing and advertising brochures, et cetera—must state that the above information is available.

This information must be out in the open. In fact, I have titled this legislation the Medicare Managed Health Care Sunshine Act of 1995 to represent that it is time for these health care providers, who receive Federal dollars and ask for the trust of the Nation's seniors, to be candid about their operation.

I urge my colleagues to support this legislation and ask that this bill and these remarks be inserted into the RECORD.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicare Managed Health Care Sunshine Act of 1995".

SEC. 2. PROVIDING HMO ENROLLEES WITH CERTAIN INFORMATION ON PLANS.

Section 1875(c) of the Social Security Act (42 U.S.C. 1395mm(c)) is amended by adding at the end the following:

"(9)(A) Upon the request of a member enrolled with the organization under this section, or an individual considering enrollment with the organization under this section, the organization shall provide the enrollee or individual with the following:

"(i) Descriptive information regarding the credentials of each physician who is authorized by the organization to provide services by or through the organization to enrollees under this section, including the medical education and training received by the physician, the physician's history of medical practice (whether domestic or foreign), and the positions held by the physician at the time of the request.

"(ii) An audited financial statement of the organization for the most recently concluded fiscal year that complies with generally accepted accounting principles and includes a balance sheet, income statement, and statement of changes in financial position.

"(iii) A statement identifying the salaries, bonuses, and other remuneration paid to the 5 highest-paid officers or executives of the organization, as well as the other benefits provided to such officers or executives.

"(B) The organization shall include in any brochure, application form, or other promotional or informational material that is distributed by the organization to (or for the use of) individuals eligible to enroll with the organization under this section a statement that the information described in subparagraph (A) is available from the organization upon request.".

SECTION 3. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to contract years beginning on or after the date that is 6 months after the date of the enactment of this Act.

H.R. 2196, THE TECHNOLOGY TRANSFER IMPROVEMENTS ACT OF 1995

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mrs. MORELLA. Mr. Speaker, the economic advances of the 21st century are rooted in the research and development performed in laboratories around the world today. Our Nation's future well-being, therefore, becomes dependent upon the continuous transfer of basic science and technology from the laboratories into commercial goods and services.

Congress has long tried to encourage the transfer of technology and collaboration between the labs and industry. The 1980 Stevenson-Wydler Technology Innovation Act was the first significant measure by Congress to foster technology transfer from Federal labs to the private sector. That landmark legislation was expanded considerably in 1986 with the Federal Technology Transfer Act, and again in 1989, with the National Competitiveness Technology Transfer Act. These laws explicitly instruct the Federal labs to seek commercial opportunities for their technologies and to make technology transfer a job responsibility of every Federal scientist and engineer.

This is eminently logical since Federal laboratories are one of our Nation's greatest assets. Yet they are also a largely untapped resource of technical expertise. There are over 700 Federal laboratories throughout the United States, occupying one-fifth of the country's lab and equipment capabilities, and employing one of every six scientists in the United States.

Representing Montgomery County, Maryland, the home of a number of major Federal laboratories, I am fully aware of the high-quality work and the vital role which Federal laboratories play in our research and development. Our future economic well-being is too important to exclude the resources and abilities of our Federal scientists.

One very successful method of effectively utilizing our Federal laboratories has been through the use of Cooperative Research and Development Agreements (CRADAs). I have always been a strong supporter of CRADA development and have attempted to resolve barriers and remove impediments in its creation.

In the past two Congresses, I have joined forces with Senator JAY ROCKEFELLER of West Virginia in this effort. In this Congress, we are teaming up once again to introduce legislation which is very similar to the bill which we introduced last year. We have created a slightly updated version of our bill and, today, I am introducing that bill, H.R. 2196, the Technology Transfer Improvement Act of 1995.

I am very pleased that a number of my distinguished colleagues have cosponsored my legislation, including Science Committee Chairman BOB WALKER, Committee Ranking Minority Member, GEORGE BROWN, and Subcommittee Ranking Minority Member, JOHN TANNER. Senator ROCKEFELLER will be introducing the Senate companion bill to my legislation next week.

On June 27, the House Science Committee's Technology Subcommittee, which I chair, and the Basic Research Subcommittee held a joint hearing on technology transfer and our Federal laboratories with a focus on the Technology Transfer Improvements Act. The witnesses at the hearing testified very favorably in support of the bill. The testimony from the hearing supplemented the hearing record on the bill already established in the previous Congress.

In the 103rd Congress, hearings in the House and Senate were held on the previous version of the bill, H.R. 3590 and S. 1537. The bills received strong support from the Administration and a series of Federal agency officials, as well as a broad spectrum of academicians and industry association representatives. The hearings helped spark a very beneficial debate on the current role of our Federal laboratories in our Nation's global competitiveness.

The purpose of the Technology Transfer Improvements Act is to provide assurances to United States industry that they will be granted sufficient rights to justify prompt commercialization of resulting inventions arising from CRADAs with Federal laboratories. The bill would also provide important new incentives to Federal laboratory personnel who create new inventions.

In this way, a CRADA would be made more attractive to both American industry and Federal laboratories. The bill is important because it comes at a time when both Federal laboratories and industry need to work closer together for their mutual benefit and our national competitiveness.

The bill enhances commercialization of technology and industrial innovation in the United States by guaranteeing to a collaborating partner from industry, in a CRADA, the option to choose an exclusive license for a field of use. The collaborating party would have the right to use the technology in exchange for reasonable compensation to the laboratory.

In addition, the bill provides that the Federal Government will retain minimum statutory rights to use the technology for its own purposes. In addition, if the title holder does not commercialize the technology in any field of use or it is not manufactured in the Untied States or if there is a public necessity to the technology, the Government may exercise its "march-in rights" provided in the bill.

The bill would also seek to encourage greater cooperation between Federal labs and U.S. industry by enhancing the financial incentives and rewards given to Federal laboratory scientists for technology that results in marketable products. These incentives are paid from the income the laboratories received for commercialized technology, not from tax dollars.

Mr. Speaker, I ask unanimous consent that the text of the Technology Transfer Improvements Act of 1995 and its summary outline be printed at this point in the RECORD.

H.R. 2196, THE TECHNOLOGY TRANSFER IMPROVEMENTS ACT OF 1995—OUTLINE SUMMARY OF H.R. 2196

STATUTORY AUTHORITY

The Act amends the Stevenson-Wydler Technology Innovation Act of 1980 and the Federal Technology Transfer Act of 1986 by creating incentives to promote technology commercialization and for other purposes. The Act would impact upon technology transfer policies in both Government-owned, Government-operated laboratories (GOGOs) and Government-owned, Contractor-operated laboratories (GOCOs).

SPECIFIC BILL OBJECTIVES

(1) Provides assurances to United States industry that they will be granted sufficient rights to justify prompt commercialization of resulting inventions arising from CRADAs with Federal laboratories; (2) Provides important new incentives to Federal laboratory personnel who create new inventions; and (3) Provides several clarifying amendments to strengthen the current law.

THE TWO MAJOR SECTIONS OF THE BILL

Title to intellectual property arising from CRADAs (Section 4). Guarantees a collaborating partner from industry, in a CRADA, the option to choose an exclusive license for a field of use for any such invention created under the agreement. This is an important change because it permits industry to select which option of rights to the invention makes the most sense under the CRADA, in order for industry to commercialize promptly.

Distribution of income from intellectual property received by Federal labs—Royalties (Section 5). Responds to criticism made by the GAO and witnesses at previous Committee hearings that agencies are not sufficiently providing incentives and rewarding laboratory personnel. The change is significant because it comes at a time that both Federal laboratories and industry need to work closer together for their mutual benefit and our national competitiveness. Requires that agencies must pay Federal inventors each year the first $2,000, and thereafter at least 15% of the royalties, received by the agency for the inventions made by the employee. It also allows for rewarding other lab personnel involved in the project, permits agencies to pay for related administrative and legal costs, and provides a significant new incentive by allowing the laboratory to use royalties for related research in the laboratory.

EFFECT UPON CRADA PARTNER UNDER THE ACT

Right to choose exclusive or non-exclusive license in a field of use for resulting CRADA invention.

Assurance that privileged and confidential information will be protected when CRADA invention is used by the Government.

EFFECT UPON GOVERNMENT UNDER THE ACT

Right to use invention for legitimate governmental needs with minimum statutory rights to the invention.

March-in rights to require license to others for public health, safety, or regulatory reasons.

March-in rights to require license to others for failure to manufacture resulting technologies in the United States.

Clarifies contributions laboratories can make in a CRADA; continues current prohibition of direct Federal funds to CRADA.

Clarifies that agencies may use royalty revenue to hire temporary personnel to assist in the CRADA or in related projects.

Permits agencies to use royalty revenue for related research in the laboratory, and related administrative & legal costs.

Would return all unused royalty revenue to the Treasury after the completion of the second fiscal year.

EFFECT UPON FEDERAL SCIENTIST/INVENTOR UNDER THE ACT

Inventors would receive the first $2,000 each year and thereafter at least 15% of the described in royalties.

Restates current law permitting the Federal employee to work on the commercialization of their invention.

Clarifies that the inventor has rights to his or her invention when the Government chooses not to pursue it.

H.R. 2196

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Technology Transfer Improvements Act of 1995".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Bringing technology and industrial innovation to the marketplace is central to the economic, environmental, and social well-being of the people of the United States.

(2) The Federal Government can help United States business to speed the development of new products and processes by entering into cooperative research and development agreements which make available the assistance of Federal laboratories to the private sector, but the commercialization of technology and industrial innovation in the United States depends upon actions by business.

(3) The Commercialization of technology and industrial innovation in the United States will be enhanced if companies, in return for reasonable compensation to the Federal Government, can more easily obtain exclusive licenses to inventions which develop as a result of cooperative research with scientists employed by Federal laboratories.

SEC. 3. USE OF FEDERAL TECHNOLOGY.

Subparagraph (B) of section 11(e)(7) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(e)(7)(B)) is amended to read as follows:

"(B) A transfer shall be made by any Federal agency under subparagraph (A), for any fiscal year, only if the amount so transferred by that agency (as determined under such subparagraph) would exceed $10,000.".

SEC. 4. TITLE TO INTELLECTUAL PROPERTY ARISING FROM COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

Subsection (b) of section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(b)) is amended to read as follows:

"(b) ENUMERATED AUTHORITY.—(1) Under an agreement entered into pursuant to subsection (a)(1), the laboratory may grant, or agree to grant in advance, to a collaborating party patent licenses or assignments, or options thereto, in any invention made in whole or in part by a laboratory employee under the agreement, for reasonable compensation when appropriate. The laboratory shall ensure that the collaborating party has the option to choose an exclusive license for a field of use for any such invention under the agreement or, if there is more than one collaborating party, that the collaborating parties are offered the option to hold licensing rights that collectively encompass the rights that would be held under such an exclusive license by one party. In consideration for the Government's contribution under the agreement, grants under this paragraph shall be subject to the following explicit conditions:

"(A) A nonexclusive, nontransferable, irrevocable, paid-up license from the collaborating party to the laboratory to practice the invention or have the invention practiced throughout the world by or on behalf of the Government. In the exercise of such license, the Government shall not publicly disclose trade secrets or commercial or financial information that is privileged or confidential within the meaning of section 552(b)(4) of title 5, United States Code, or which would be considered as such if it had been obtained from a non-Federal party.

"(B) If a laboratory assigns title or grants an exclusive license to such an invention, the Government shall retain the right—

"(i) to require the collaborating party to grant to a responsible applicant a nonexclusive, partially exclusive, or exclusive license to use the invention in the applicant's licensed field of use, on terms that are reasonable under the circumstances; or

"(ii) if the collaborating party fails to grant such a license, to grant the license itself.

"(C) The Government may exercise its right retained under subparagraphs (B) (ii) and (iii) only if the Government finds that—

"(i) the action is necessary to meet health or safety needs that are not reasonably satisfied by the collaborating party;

"(ii) the action is necessary to meet requirements for public use specified by Federal regulations, and such requirements are not reasonably satisfied by the collaborating party; or

"(iii) the collaborating party has failed to comply with an agreement containing provisions described in subsection (c)(4)(B).

"(2) Under agreements entered into pursuant to subsection (a)(1), the laboratory shall ensure that a collaborating party may retain title to any invention made solely by its employee in exchange for normally granting the Government a nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention or have the invention practiced throughout the world by or on behalf of the Government for research or other Government purposes.

"(3) Under an agreement entered into pursuant to subsection (a)(1), a laboratory may—

"(A) accept, retain, and use funds, personnel, services, and property from a collaborating party and provide personnel, services, and property to a collaborating party;

"(B) use funds received from a collaborating party in accordance with subparagraph (A) to hire personnel to carry out the agreement who will not be subject to full-time-equivalent restrictions of the agency; and

"(C) to the extent consistent with any applicable agency requirements or standards of conduct, permit an employee or former employee of the laboratory to participate in an effort to commercialize an invention made by the employee or former employee while in the employment or service of the Government.

"(4) A collaborating party in an exclusive license in any invention made under an agreement entered into pursuant to subsection (a)(1) shall have the right of enforcement under chapter 29 of title 35, United States Code.

"(5) A Government-owned, contractor-operated laboratory that enters into a cooperative research and development agreement pursuant to subsection (a)(1) may use or obligate royalties or other income accruing to the laboratory under such agreement with respect to any invention only—

"(A) for payments to inventors;

"(B) for a purpose described in clauses (i), (iii), and (iv) of section 14(a)(1)(B); and

"(C) for scientific research and development consistent with the research and development missions and objectives of the laboratory.".

SEC. 5. DISTRIBUTION OF INCOME FROM INTELLECTUAL PROPERTY RECEIVED BY FEDERAL LABORATORIES.

Section 14 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710c) is amended—

(1) by amending subsection (a)(1) to read as follows:

"(1) Except as provided in paragraphs (2) and (4), any royalties or other payments received by a Federal agency from the licensing and assignment of inventions under agreements entered into by Federal laboratories under section 12, and from the licensing of inventions of Federal laboratories under section 207 of title 35, United States Code, or under any other provision of law, shall be retained by the agency whose laboratory produced the invention and shall be disposed of as follows:

"(A)(i) The head of the agency or laboratory, or such individual's designee, shall pay each year the first $2,000, and thereafter at least 15 percent, of the royalties or other payments to the inventor or coinventors.

"(ii) An agency or laboratory may provide appropriate incentives, from royalties or other payments, to employees of a laboratory who contribute substantially to the technical development of licensed or assigned inventions between the time that the intellectual property rights to such inventions are legally asserted and the time of the licensing or assigning of the inventions.

"(iii) The agency or laboratory shall retain the royalties and other payments received from an invention until the agency or laboratory makes payments to employees of a laboratory under clause (i) or (ii).

"(B) The balance of the royalties or other payments shall be transferred by the agency to its laboratories, with the majority share of the royalties or other payments from any invention going to the laboratory where the invention occurred. The royalties or other payments so transferred to any laboratory may be used or obligated by the laboratory during the fiscal year in which they are received or during the succeeding fiscal year—

"(i) to reward scientific, engineering, and technical employees of the laboratory, including developers of sensitive or classified technology, regardless of whether the technology has commercial applications;

"(ii) to further scientific exchange among the laboratories of the agency;

"(iii) for education and training of employees consistent with the research and development missions and objectives of the agency or laboratory, and for other activities that increase the potential for transfer of the technology of the laboratories of the agency;

"(iv) for payment of expenses incidental to the administration and licensing of intellectual property by the agency or laboratory with respect to inventions made at that laboratory, including the fees or other costs for the services of other agencies, persons, or organizations for intellectual property management and licensing services; or

"(v) for scientific research and development consistent with the research and development missions and objectives of the laboratory.

"(C) All royalties or other payments retained by the agency or laboratory after payments have been made pursuant to subparagraphs (A) and (B) that is unobligated and unexpended at the end of the second fiscal year succeeding the fiscal year in which the royalties and other payments were received shall be paid into the Treasury.";

(2) in subsection (a)(2)—

(A) by inserting "or other payments" after "royalties"; and

(B) by striking "for the purposes described in clauses (i) through (iv) of paragraph (1)(B) during that fiscal year or the succeeding fiscal year" and inserting in lieu thereof "under paragraph (1)(B)";

(3) in subsection (a)(3), by striking "$100,000" both places it appears and inserting "$150,000";

(4) in subsection (a)(4)—

(A) by striking "income" each place it appears and inserting in lieu thereof "payments";

(B) by striking "the payment of royalties to inventors" in the first sentence thereof and inserting in lieu thereof "payments to inventors";

(C) by striking "clause (i) of paragraph (1)(B)" and inserting in lieu thereof "clause (iv) of paragraph (1)(B)";

(D) by striking "payment of the royalties," in the second sentence thereof and inserting in lieu thereof "offsetting the payments to inventors,"; and

(E) by striking "clauses (i) through (iv) of"; and

(5) by amending paragraph (1) of subsection (b) to read as follows:

"(1) by a contractor, grantee, or participant, or an employee of a contractor, grantee, or participant, in an agreement or other arrangement with the agency, or".

SEC. 6. EMPLOYEE ACTIVITIES.

Section 15(a) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710d(a)) is amended—

(1) by striking "the right of ownership to an invention under this Act" and inserting in lieu thereof "ownership of or the right of ownership to an invention made by a Federal employee"; and

(2) by inserting "obtain or" after "the Government, to".

SEC. 7. AMENDMENT TO BAYH-DOLE ACT.

Section 210(e) of title 35, United States Code, is amended by striking ", as amended by the Federal Technology Transfer Act of 1986,".

IN MEMORY OF JACK TURNER

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. POSHARD. Mr. Speaker, I rise today to pay tribute to Mr. John H. "Jack" Turner who recently passed away. Jack was a good and dear friend who will be missed by the community he worked so hard to improve, and all who knew him.

Jack dedicated his life to helping others. He attended Southern Illinois University at Carbondale, served on the Christian County Board, worked as a Democratic Precinct Committeeman, and was a dedicated member of the Rosamond Community Presbyterian Church. Jack also served on the Pana Board of Education of 10 years, was President of the Illinois Association of County Boards, served with the Executive Board of Illinois Brotherhood of Electrical Workers 702, and was a past president and proud member of the Pana Lions Club. Through his many civic minded activities Jack was able to positively impact the lives of his friends and neighbors.

Mr. Speaker, Jack's passing is a great loss to us all, for his life was spent improving the lives of the people in his community. Mr. Speaker, Jack Turner was a fine man, and will be missed.

ACKNOWLEDGMENT OF 50TH ANNIVERSARY OF BOMBING OF HIROSHIMA

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. DELLUMS. Mr. Speaker, I rise to acknowledge the 50th anniversary of the United States dropping of the world's first and only atomic bombs; one on August 6, 1945 on Hiroshima and one 3 days later, on August 9 on Nagasaki. I take this moment to share with you the unanimous resolution of the Oakland—California—City Council in stating that they join "with Hiroshima and Nagasaki in the profound conviction that nuclear weapons must never be used again" and also calls for the achievement of a "world free of nuclear weapons."

Each August 6th and 9th provides us with the occasion to acknowledge the enormity of the decision to drop these two weapons upon populations that were overwhelmingly civilian, and who became the object lesson of our message to the world that we had a weapon of incredible power and destruction.

I am pleased to reiterate my support of the city of Oakland's passage of a statute which declared Oakland to be a Nuclear Free Zone which restricts city investments in and purchases from companies that make nuclear weapons, provides for city designation of local routes for transportation of hazardous radioactive materials and requires a permitting process for nuclear weapons work in the city.

It is my privilege to bring to the attention of my colleagues the following resolution adopted by the city of Oakland:

RESOLUTION TO OBSERVE THE 50TH ANNIVERSARY OF THE BOMBINGS OF HIROSHIMA AND NAGASAKI

WHEREAS, 1995 marks the 50th Anniversary of the bombings of Hiroshima and Nagasaki, and

WHEREAS, the atomic bombings of Hiroshima and Nagasaki, Japan on August 6 and 9, 1945, represent the first and only use of nuclear weapons against a civilian population; and

WHEREAS, the atomic bombings of these cities resulted in the immediate deaths of over 200,000 people, the complete devastation of the cities, and untold suffering for those who survived; and

WHEREAS, hundreds of thousands of people have since died or continue to suffer from the long-term effects of the bomb, including some 1,500 "Hibakusha"—atomic bomb survivors living in the United States, most of whom are Japanese American citizens; and

WHEREAS, there are 628 known HIBAKUSHA residing in California, approximately 275 in Northern California, as of 1993; and

WHEREAS, the people of Oakland have repeatedly expressed their opposition to nuclear weapons; and

WHEREAS, in 1986 the Oakland City Council voted unanimously to support a Comprehensive Nuclear Test ban; and

WHEREAS, in 1988 the residents of the City of Oakland approved an initiative ordinance known as the "Oakland Nuclear Free Zone Act" and

WHEREAS, despite the end of the Cold War, many thousands of nuclear weapons remain deployed around the world; and

WHEREAS, all humanity must strive to achieve a world free of nuclear weapons and to attain peace so that such untold suffering never occurs again;

THEREFORE, LET IT BE RESOLVED THAT:

1. August 6 and 9, 1995, be proclaimed Hiroshima and Nagasaki Remembrance Days, respectively.

2. The City of Oakland joins with Hiroshima and Nagasaki in the profound conviction that nuclear weapons must never be used again.

75TH ANNIVERSARY OF WOMEN'S SUFFRAGE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. BROWN of California. Mr. Speaker, August 26, 1995 marks the 75th anniversary of women's suffrage in the United States, a movement first begun in 1647 by Margaret Brent of Maryland, heir of Lord Calvert and Lord Baltimore, who demanded a voice in the legislature. Ultimately, of course, her request was denied.

Struggling to maintain their fight, suffragettes were actively involved in the abolition movement. Elizabeth Chandler, abolitionist writer, argued that women—as well as slaves—were in bondage to white males. Abolitionist William Lloyd Garrison also tied the plight of slave women to all women.

The temperance crusade during the 1840's also drew women into social and political movements. The Civil War and anti-slavery activities prompted women to organize in their communities and to petition Congress. As the abolitionist movement shifted from a moral to a political struggle, however, women were often excluded from the movement.

The American Equal Rights Association, founded in 1866, brought Lucretia Mott, Susan B. Anthony, and Henry Blackwell into the political process, enraged by the proposed 14th amendment that would grant the vote only to male citizens. The Federal women's suffrage amendment was first introduced in Congress in 1868, and the National Women's Suffrage Association was founded by Susan B. Anthony and Elizabeth Stanton Cady the following year to secure passage of a suffrage amendment. The amendment was again introduced in 1878, containing the same language that ultimately passed in 1919.

The 41-year struggle to pass the 19th amendment in the House and Senate was a history of parades, arrests of suffrage supporters, hunger strikes, the founding of a National Women's Party, and picketing and bonfires in front of the White House. In 1917, Jeanette Rankin of Montana became the first woman elected to Congress. The First World War raged throughout Europe, and it was only at the war's end that President Wilson argued for women's suffrage. In 1920 in Tennessee, the last State to ratify the amendment, passage was by a single vote. A 70-year struggle finally culminated in the signing of the 19th amendment into law on August 26, 1920.

I hope to celebrate this great historical event in my district on August 26, during Rialto Days. But I think it is also fitting that we mark this anniversary in Congress in the days before our recess. The past few days have seen an incredible attack on the rights of women to decide their own reproductive fates. This House has launched an assault on the dignity of women to pander to the Christian coalition voters back home. This, to me, does not seem a fitting commemoration of a milestone in American woman's political involvement.

But American women knew in 1920 that their political struggle had not ended. They recognized that the granting of suffrage did not release them from the bondage of decisions made by males. It will come as no surprise to women today that they will need to re-engage their leaders in Congress in a battle to retain their freedoms. The significant achievement of the 19th amendment is that women can exercise their vote in judging our actions here. I can only hope that they celebrate that vote in 1995, and exercise it in 1996.

TRIBUTE TO JIM JENKINS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. TRAFICANT. Mr. Speaker, effective August 31, a tradition of the House will end.

The last remaining doormen on the 3rd floor of the Capitol will become either security aides or chamber security.

James L. Jenkins, the 3rd floor chief doorman, will be sorely missed.

Jim Jenkins has served as chief doorman for 22 years, an outstanding record of service to this House.

We will miss all the 3rd floor doormen and the unfailing dedication and service they have provided to each and every Member.

Whenever the House is in session throughout the night or throughout the weekend, the doormen were right here with us.

I would like to thank Jim Jenkins and all the gallery doormen on behalf of all the Members of the House.

These fine men and women should not go unrecognized: Ray Betha, Tom Blatnik, Devon Boyce, Lou Costantino, C.C. Cross, Dave Dozier, Chris Fischer, Colin Fitzpatrick, Bob Gray, Joyce Hamlett, Dorothy Harris, Logan Harris, Cookie Henry, Jimmy Hughes, Joe Jarboe, Jim Jenkins, Kevin Kelly, Sandra Landazuri, Nathaniel Magruder, Nicarsia Mayes, Brendan McGowan, George Omas, Susan Salb, Bill Sikes, Ruby Sims, and Rick Villa.

RELIGION IN THE PUBLIC SCHOOLS; CURRENT LAW

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. BRYANT of Texas. Mr. Speaker, the National Council of Churches, the Baptist Joint Committee, the National Association of Evangelicals, the American Jewish Congress, and many other national religious groups and other organizations have prepared a thorough report on current law relating to the freedom of religion and religious expression in the public schools.

The report, "Religion In the Public Schools: A Joint Statement of Current Law," is very interesting and educational, and I commend it to my colleagues and the American people.

RELIGION IN THE PUBLIC SCHOOLS: A JOINT STATEMENT OF CURRENT LAW

The Constitution permits much private religious activity in and about the public schools. Unfortunately, this aspect of constitutional law is not as well known as it should be. Some say that the Supreme Court has declared the public schools "religion-free zones" or that the law is so murky that school officials cannot know what is legally permissible. The former claim is simply wrong. And as to the latter, while there are some difficult issues, much has been settled. It is also unfortunately true that public school officials, due to their busy schedules, may not be as fully aware of this body of law as they could be. As a result, in some school districts some of these rights are not being observed.

The organizations whose names appear below span the ideological, religious and political spectrum. They nevertheless share a commitment both to the freedom of religious practice and to the separation of church and state such freedom requires. In that spirit, we offer this statement of consensus on current law as an aid to parents, educators and students.

Many of the organizations listed below are actively involved in litigation about religion in the schools. On some of the issues discussed in this summary, some of the organizations have urged the courts to reach positions different than they did. Though there are signatories on both sides which have and will press for different constitutional treatments of some of the topics discussed below, they all agree that the following is an accurate statement of what the law currently is.

STUDENT PRAYERS

1. Students have the right to pray individually or in groups or to discuss their religious views with their peers so long as they are not disruptive. Because the Establishment Clause does not apply to purely private speech, students enjoy the right to read their Bibles or other scriptures, say grace before meals, pray before tests, and discuss religion with other willing student listeners. In the classroom students have the right to pray quietly except when required to be actively engaged in school activities (e.g., students may not decide to pray just as a teacher calls on them). In informal settings, such as the cafeteria or in the halls, students may pray either audibly or silently, subject to the same rules of order as apply to other speech in these locations. However, the right to engage in voluntary prayer does not include, for example, the right to have a captive audience listen or to compel other students to participate.

GRADUATION PRAYER AND BACCALAUREATES

2. School officials may not mandate or organize prayer at graduation, nor may they organize a religious baccalaureate ceremony. If the school generally rents out its facilities to private groups, it must rent them out on the same terms, and on a first-come first-served basis, to organizers of privately sponsored religious baccalaureate services, provided that the school does not extend preferential treatment to the baccalaureate ceremony and the school disclaims official endorsement of the program.

3. The courts have reached conflicting conclusions under the federal Constitution on student-initiated prayer at graduation. Until the issue is authoritatively resolved, schools should ask their lawyers what rules apply in their area.

OFFICIAL PARTICIPATION OR ENCOURAGEMENT OF RELIGIOUS ACTIVITY

4. Teachers and school administrators, when acting in those capacities, are representatives of the state, and, in those capacities, are themselves prohibited from encouraging or soliciting student religious or anti-religious activity. Similarly, when acting in their official capacities, teachers may not engage in religious activities with their students. However, teachers may engage in private religious activity in faculty lounges.

TEACHING ABOUT RELIGION

5. Students may be taught about religion, but public schools may not teach religion. As the U.S. Supreme Court has repeatedly said, "[i]t might well be said that one's education is not complete without a study of comparative religion, or the history of religion and its relationship to the advancement of civilization." It would be difficult to teach art, music, literature and most social studies without considering religious influences.

The history of religion, comparative religion, the Bible (or other scripture)-as-literature (either as a separate course or within some other existing course), are all permissible public school subjects. It is both permissible and desirable to teach objectively about the role of religion in the history of the United States and other countries. One can teach that the Pilgrims came to this country with a particular religious vision, that Catholics and others have been subject to persecution or that many of those participating in the abolitionist, women's suffrage and civil rights movements had religious motivations.

6. These same rules apply to the recurring controversy surrounding theories of evolution. Schools may teach about explanations of life on earth, including religious ones (such as "creationism"), in comparative religion or social studies classes. In science class, however, they may present only genuinely scientific critiques of, or evidence for, any explanation of life on earth, but not religious critiques (beliefs unverifiable by scientific methodology). Schools may not refuse to teach evolutionary theory in order to avoid giving offense to religion nor may they circumvent these rules by labeling as science an article of religious faith. Public schools must not teach as scientific fact or theory any religious doctrine, including "creationism," although any genuinely scientific evidence for or against any explanation of life may be taught. Just as they may neither advance nor inhibit any religious doctrine, teachers should not ridicule, for example, a student's religious explanation for life on earth.

STUDENT ASSIGNMENTS AND RELIGION

7. Students may express their religious beliefs in the form of reports, homework and artwork, and such expressions are constitutionally protected. Teachers may not reject or correct such submissions simply because they include a religious symbol or address religious themes. Likewise, teachers may not require students to modify, include or excise religious views in their assignments, if germane. These assignments should be judged by ordinary academic standards of substance, relevance, appearance and grammar.

8. Somewhat more problematic from a legal point of view are other public expressions of religious views in the classroom. Unfortunately for school officials, there are traps on either side of this issue, and it is possible that litigation will result no matter what course is taken. It is easier to describe the settled cases than to state clear rules of law. Schools must carefully steer between the claims of student speakers who assert a right to express themselves on religious subjects and the asserted rights of student listeners to be free of unwelcome religious persuasion in a public school classroom.

a. Religious or anti-religious remarks made in the ordinary course of classroom discussion or student presentations are permissible and constitute a protected right. If in a sex education class a student remarks that abortion should be illegal because God has prohibited it, a teacher should not silence the remark, ridicule it, rule it out of bounds or endorse it, any more than a teacher may silence a student's religiously-based comment in favor of choice.

b. If a class assignment calls for an oral presentation on a subject of the student's choosing, and, for example, the student responds by conducting a religious service, the school has the right—as well as the duty—to prevent itself from being used as a church. Other students are not voluntarily in attendance and cannot be forced to become an unwilling congregation.

c. Teachers may rule out-of-order religious remarks that are irrelevant to the subject at hand. In a discussion of Hamlet's sanity, for example, a student may not interject views on creationism.

DISTRIBUTION OF RELIGIOUS LITERATURE

9. Students have the right to distribute religious literature to their schoolmates, subject to those reasonable time, place, and manner or other constitutionally-acceptable restrictions imposed on the distribution of all non-school literature. Thus, a school may confine distribution of all literature to a particular table at particular times. It may not single out religious literature for burdensome regulation.

10. Outsiders may not be given access to the classroom to distribute religious or anti-religious literature. No court has yet considered whether, if all other community groups are permitted to distribute literature in common areas of public schools, religious groups must be allowed to do so on equal terms subject to reasonable time, place and manner restrictions.

"SEE YOU AT THE POLE"

11. Student participation in before- or after-school events, such as "see you at the pole," is permissible. School officials, acting in an official capacity, may neither discourage nor encourage participation in such an event.

RELIGIOUS PERSUASION VERSUS RELIGIOUS HARASSMENT

12. Students have the right to speak to, and attempt to persuade, their peers about religious topics just as they do with regard to political topics. But school officials should intercede to stop student religious speech if it turns into religious harassment aimed at a student or a small group of students. While it is constitutionally permissible for a student to approach another and issue an invitation to attend church, repeated invitations in the face of a request to stop constitute harassment. Where this line is to be drawn in particular cases will depend on the age of the students and other circumstances.

EQUAL ACCESS ACT

13. Student religious clubs in secondary schools must be permitted to meet and to have equal access to campus media to announce their meetings, if a school receives federal funds and permits any student non-curricular club to meet during non-instructional time. This is the command of the Equal Access Act. A non-curricular club is any club not related directly to a subject taught or soon-to-be taught in the school. Although schools have the right to ban all non-curriculum clubs, they may not dodge the law's requirement by the expedient of declaring all clubs curriculum-related. On the other hand, teachers may not actively participate in club activities and "non-school persons" may not control or regularly attend club meeting.

The Act's constitutionality has been upheld by the Supreme Court, rejecting claims that the Act violates the Establishment Clause. The Act's requirements are described in more detail in The Equal Access Act and the Public Schools: Questions and Answers on the Equal Access Act", a pamphlet published by a broad spectrum of religious and civil liberties groups.

RELIGIOUS HOLIDAYS

14. Generally, public schools may teach about religious holidays, and may celebrate the secular aspects of the holiday and objectively teach about their religious aspects. They may not observe the holidays as religious events. Schools should generally excuse students who do not wish to participate in holiday events. Those interested in further details should see Religious Holidays in the Public Schools: Questions and Answers*, a pamphlet published by a broad spectrum of religious and civil liberties groups.

EXCUSAL FROM RELIGIOUSLY-OBJECTIONABLE LESSONS

15. Schools enjoy substantial discretion to excuse individual students from lessons which are objectionable to that student or to his or her parent on the basis of religion. Schools can exercise that authority in ways which would defuse many conflicts over curriculum content. If it is proved that particular lessons substantially burden a student's free exercise of religion and if the school cannot prove a compelling interest in requiring attendance the school would be legally required to excuse the student.

TEACHING VALUES

16. Schools may teach civic virtues, including honesty, good citizenship, sportsmanship, courage, respect for the rights and freedoms of others, respect for persons and their property, civility, the dual virtues of moral conviction and tolerance and hard work. Subject to whatever rights or excusal exist (see ¶15 above) under the federal Constitution and state law, schools may teach sexual abstinence and contraception; whether and how schools teach these sensitive subjects is a matter of educational policy. However, these may not be taught as religious tenets. The mere fact that most, if not all, religions also teach these values does not make it unlawful to teach them.

STUDENT GARB

17. Religious messages on T-shirts and the like may not be singled out for suppression. Students may wear religious attire, such as yarmulkes and head scarves, and they may not be forced to wear gym clothes that they regard, on religious grounds, as immodest.

RELEASED TIME

18. Schools have the discretion to dismiss students to off-premises religious instruction, provided that schools do not encourage or discourage participation or penalize those who do not attend. Schools may not allow religious instruction by outsiders on premises during the school day.

RETIREMENT OF RICHARD BOERS

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Ms. KAPTUR. Mr. Speaker, I rise today to recognize the retirement of an extremely devoted public servant. Mr. Richard W. Boers, commissioner of Forestry and Open Space Planning for the city of Toledo, recently announced his retirement. I would like to recognize his numerous contributions to my district during his career.

Mr. Boers was the youngest commissioner in the city of Toledo when he was appointed in 1966. Since his appointment, I have witnessed the flourishing of the city of Toledo under his leadership. Mr. Boers has been responsible for several recreational parks in Toledo area, where residents have enjoyed the beautiful greenery while walking, biking, and picnicking. The arts community has also prospered with the annual Crosby Festival for the Arts at the Toledo Botanical Gardens. It is because of his involvement with the Arts Commission of Greater Toledo, that his festival has benefited the artists in the region, as well as those seeking the beauty and solitude offered by our encounters with nature. Mr. Boers has been instrumental in the Buckeye Basin project, the Urban Forestry Commission and Nature Education programs. In addition, Toledo has been classified as a Tree City USA for the past 15 years.

Because of the efforts put forth by Mr. Boers, Toledo's natural beauty has emerged for several generations to appreciate. I sincerely wish the best for Mr. Boers and his family, and wish to thank him for insight and dedication to the city of Toledo. I know my colleagues join me in wishing Mr. Boers well in his retirement and expressing my deepest gratitude on behalf of the citizens of Toledo for his exceptional efforts to bring out one of the best of Toledo's bounty of attributes.

IN HONOR OF THE DEDICATION OF THE WORLD WAR II VETERANS MEMORIAL IN MILFORD, CT

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Ms. DELAURO. Mr. Speaker, on Sunday, August 13, I have the pleasure of joining in the dedication ceremony of a monument in the town of Milford honoring all who served in World War II. This is a particularly fitting tribute as we mark the 50th anniversary of the end of World War II.

The five-figure statue depicts the selfless service of our Armed Forces exhibited while defending American interests in the Second World War. It is dedicated to the men and women who fought for our country on land, at sea, or in the air during this global conflict. The creators of this memorial have broken new ground by including a woman as one of the figures in the statue. It is recognition long overdue for the women who served our country in World War II.

I applaud the hard work over the last 3 years of many members of our community whose vision and efforts brought this World War II monument to Milford. I especially would like to thank the president of the World War II Memorial Monument Committee William Moffet, and codirectors of the World War II Monument Dedication Committee Daniel Meisenheimer and former Mayor Alan Jepson. These three spearheaded efforts to build the monument and brought the community together to raise the needed funds by holding dances, selling T-shirts, and soliciting contributions. Their exemplary efforts are recognized and appreciated by the citizens of Milford, the State of Connecticut, and all who remember the men and women who served our country a half-century ago.

This memorial dedication ceremony is timely in that it is 1 day before the 50th anniversary of the Connecticut General Assembly's declaration of the end of this terrible conflict. This month, we remember V–J Day and the end of World War II in 1945.

My father, Ted DeLauro, was an Army veteran and instilled in me the lasting knowledge that the values of freedom and democracy that shape our country are protected and preserved by American servicemen and women. These men and women answered World War II's call and I am honored to take part in such a significant display of gratitude to them. This World War II monument serves as a constant reminder that our Armed Forces have a long and proud history, and that all who served in World War II demonstrated outstanding courage, dedication, and service.

A TRIBUTE TO JOEL M. GLASTEIN

HON. DICK ZIMMER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. ZIMMER. Mr. Speaker, I rise today in order to recognize a remarkable individual, Mr. Joel M. Glastein of Asbury Park, NJ. Mr. Glastein will be honored on August 27, 1995, as the recipient of the Kesser Shem Tov, the Crown of the Good Name Award by Congregation Sons of Israel of Ocean Township, for his years of dedicated service to the community.

Mr. Glastein was born and raised in Asbury Park, NJ. His community service includes teaching business education at Matawan Regional High School and chairing its Business Department. In 1987, he was appointed School Business Administrator for the Matawan-Aberdeen Regional School District. He is a member of the New Jersey Association of School Business Officials, the New Jersey Association of School Administrators, and the American Association of School Administrators.

Mr. Glastein is a third generation member of the Congregation Sons of Israel. His late father, Mr. Isadore Glastein, held numerous offices in the congregation and his mother is still a member. His maternal grandparents were also members of the synagogue.

I would like to take this opportunity to join the congregation in celebrating 91 years of service to the Jewish community, honoring Joel for his years of dedication to the community, and wishing all the best in the future to him, his wife Sharon, and his children Dana and Ilene.

75TH ANNIVERSARY OF WWJ RADIO

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. LEVIN. Mr. Speaker, I rise today to congratulate WWJ Radio in Southfield on its 75th anniversary.

Four generations of listeners in Metropolitan Detroit know first hand that WWJ is a powerful force in Michigan. What many people don't know is that WWJ Radio has made history over and over during the course of its 75 years on the air.

WWJ was the first radio station to broadcast news—on August 31, 1920. And on the same day it became the first to broadcast election returns.

Radio sportscasts aired for the first time in the United States the following day—also on WWJ. Soon, the station pioneered play-by-play coverage of Detroit Tigers baseball, Detroit Lions football, Detroit Pistons basketball, Detroit Red Wings hockey, and dozens of college games.

Regularly scheduled religious broadcasts also got their start on radio at WWJ.

WWJ's legacy is not all serious, though. Two of America's greatest entertainers—Will Rogers and Fanny Brice—got their start in radio at WWJ.

Both were stars who had captured Americans' imagination—at least those Americans who were lucky enough to see a Ziegfeld Follies production. But it wasn't until WWJ aired Fanny Brice on the radio, in 1920, and Will Rogers, in 1922, that they reached a broad audience.

Fanny Brice was the original "Funny Girl," an outrageous redhead who made people laugh for more than four decades.

She is known for many things, but none better than Baby Snooks, the precocious brat that she invented for vaudeville and brought to radio's Ziegfeld Follies of the air.

Will Rogers "never told a story in my life," he would tell his audiences, assuring them that in his appearances—first in vaudeville shows, then on the radio, then as one of Holywood's top stars—he "just played his natchell self."

Rogers personified the wonderful collection of character traits that Americans celebrate as uniquely our own. He was a Democrat because "it's funnier to be a Democrat," he said—but no politician was spared Will Rogers' arrows. "The United States never lost a war or won a conference," he warned diplomats at the talks following World War I.

Rogers became Beverly Hills' mayor by popular acclaim—but soon gave it up for ranch life and the movies, radio, lecturing, and writing that made him the highest paid entertainer of his times.

"Cowboy philosopher" is the way Rogers' job title read—but for the millions of Americans who counted themselves his fans, he was the common sense and the contradictions that make us Americans.

Both Will Rogers and Fanny Brice were common people—and they aimed to please the common people who tuned into their shows by the millions.

And, just as WWJ gave listeners their shows, today WWJ continues to get comprehensive, reliable news to the millions of people who spend hours each week commuting to their jobs.

I don't remember a time that I didn't listen to WWJ, and I don't ever expect to hear anything else on FM 950. I commend the stations to my colleagues when they travel around Detroit.

And, to the hundreds of Michiganians who work at WWJ, now and in its long 75-year history—to the tens of thousands of Michiganians who depend on WWJ Newsradio 950 for up-to-the-minute information—I wish another 75 years of success.

CONGRESSIONAL VOTE ON DRUG LEGALIZATION

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. SOLOMON. Mr. Speaker, for the remainder of this Congressional session I intend to offer several amendments prohibiting Federal funds from being used for any study or research on the legalization of drugs. These votes will serve to put the House on record in opposition to drug legalization. The U.S. Congress, In An Overwhelmingly Vote, Going To Oppose The Legalization Of Drugs.

Those who support legalization would have us believe that we ought to decriminalize drugs because we have lost the war on drugs. We are not losing this war.

The truth is that during the Reagan-Bush years drug use dropped, from 24 million in 1979 to 11 million in 1992. Unfortunately, those hard fought gains have been wasted. Under President Clinton's watch this trend has been reversed and drug use is again increasing.

The only lasting legacy of the Clinton Presidency will be a dramatic increase in the use of illegal drugs and the consequences of escalating violence and misery associated with them.

As a country, we have never really waged an all out war on drugs. It is time we declared such a war and I am pleased the Speaker is talking about altering the rules of engagement.

He should start this campaign by pulling the tax free status from organizations which are encouraging young people to take drugs. Organizations like the Drug Policy Foundation, whole sole purpose is to lobby for the legalization of dangerous drugs operates under a tax free status.

In other words, America's parents who are struggling to make ends meet and trying their best to raise their children drug free, are required to pay extra taxes to subsidize the Drug Policy Foundation.

Listen to what the Partnership for a Drug Free America says about teenagers' views on drugs:

> Most recent trends among teens indicate a reversal in the attitudes that distinguish non-users from users—perception of risk and social disapproval—and the consequences are an increase in the use of marijuana, LSD, and cocaine.

But even this administration is now opposed to legalizing drugs. In a recent speech entitled "Why the U.S. Will Never Legalize Drugs", our Nation's Drug Czar, Lee Brown called drug legalization the moral equivalent of genocide.

Listen carefully to his words,

> When we look at the plight of many of our youth today, especially African American males, I do not think it is an exaggeration to say that legalizing drugs would be the moral equivalent of genocide.
>
> Legalizing addictive, mind altering drugs legal is an invitation to disaster for communities, that are already under siege. Making drugs more readily available would only propel more individuals into a life of crime and violence.
>
> Contrary to what the legalization proponents say, profit is not the only reason for the high rates of violence associated with the drug trade . . . drugs are illegal because they are harmful, to both body and mind.
>
> Those who can least afford further hardship in their lives would be much worse off if drugs were legalized. Without it laws that make the laws that make drug use illegal, we would easily have three times as many Americans using cocaine and crack.

According to the Drug Czar, legalization would create three times as many drug users and addicts in this country. And what does this translate to on the streets? It means hundreds of thousands of additional newborns addicted to drugs.

According to the Partnership for a Drug Free America, 1 out of ever 10 babies in the U.S. is born addicted to drugs. I guess the advocates of legalization must not think this percentage is high enough

I challenge anyone in this chamber to go down the street and tell the nurses at D.C. General, who care for these children, that we need to legalize drugs. You will end up with a black eye! And here is another shocking fact * * * today in America over 11 percent of pregnant women use an illegal drug during pregnancy, including heroin, PCP, marijuana, and most commonly, crack cocaine. A sure fire way to worsen this problem would be to legalize drugs.

According to a recent University of Michigan study of 50,000 high school students, drug use is up in all grades. Drug use is up among all students for crack, cocaine, heroin, stimulants, LSD, and marijuana.

Increased drug use also contributes to domestic violence. In fact, drug use is a factor in half of all family violence, most of it directed against women, and over 30 percent of all child abuse cases involve a parent using illegal drugs. Legalizing drugs will mean more violence against women and children.

And look at the problem with education in this country. The dropout rate in the United States is over 25 percent, and 50 percent in the major cities. A recent study of 11th graders showed that over half of the drug users dropped out—twice the rate of those drug-free. Drugs rob kids of their motivation and self-esteem, leaving them unable to concentrate and indifferent to learning. Millions of these kids end up on welfare or in prison.

Drug abuse in the workplace, crack babies, welfare, high dropout rates, escalating health care costs, crack babies * * could it get any worse? If we legalized drug it would get much worse.

These problems are all interrelated but the common denominator is drug abuse. Legalizing drugs would be to say that all of this is acceptable * * * it is not acceptable.

My amendments will send a strong and long overdue message to the young people in this country, that under no circumstances is the U.S. Congress ever going to legalize drugs.

PERSONAL COMMENT

HON. HARRY JOHNSTON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. JOHNSTON of Florida. Mr. Speaker, there is an inequity that Federal survivor and disabled annuitants face as a result of a provision in the Omnibus Budget Reconciliation Act of 1993 mandating a 4-month delay for the cost-of-living adjustment.

I do not believe that there should be a double standard among our Nation's retirees and I am introducing a bill providing an exemption for survivors and disabled retirees of the Civil Service Retirement System and the Federal Employees Retirement System from a COLA delay as is currently mandated by OBRA 1993.

The principle of fairness and equity is one that we must not compromise, especially in this time of budgetary constraints where tough choices must be made.

THE FUTURE OF AMERICA'S RESEARCH AND DEVELOPMENT INDUSTRIES

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. BOEHLERT. Mr. Speaker, I want to bring to my colleagues' attention a report issued July 24 by the Institution for the Future. Titled "The Future of America's Research-Intensive Industries," the report offers important advice on federal science and technology policy. What follows are statements from the news conference issuing the report:

This report is a much needed restatement of some principles that those of us who deal with R&D policy view as axiomatic: that R&D is the key to our nation's economic future; that innovation is more crucial than ever; that the federal government has a clear and irreplaceable role in the R&D enterprise; that R&D partnerships are the wave of the future. This report can be a critically important primer to those who are new to Congress—a blueprint for those who are inclined to support R&D; a caution signal for those who are not.

I think that so far, this Congress has generally built policy along the lines of this blueprint. Basic research has emerged from the appropriations process remarkably unscathed—thanks, in large part, to the efforts of Chairman Walker. That's not to say that university researchers won't feel like these are seven lean years. But in the context of this budget, the appropriations demonstrate a continuing commitment to basic research.

The Congress has also shown a willingness to ensure that federal policy encourages industrial research—a keystone of the American research enterprise. The tax, liability and regulatory systems are being reformed.

My concern continues to be that "regulatory reform" does not become a euphemism for backsliding. We need to ensure that regulations are more flexible, less administratively burdensome and more sensitive to cost. We do not need to repeal the basic regulatory protections that have been so effectively constructed over the past two decades.

This report also endorses what it calls "cooperative funding"—an innocuous-sounding term for an increasingly controversial policy. I count myself among the supporters of this cooperative approach. I hope the companies that have sponsored this report will follow up and do more to convince others of the value of this approach.

In short, this report makes the right points at a critical time. That they are points we have heard before makes them no less valuable.

I'm reminded of an interview years ago with Tommy Tune. The interviewer asked him to talk about the best advice he had ever received about dancing. He said the best advice was when Gene Kelly pulled him aside after a rehearsal and said, "Tommy, dance better." This report basically tells Congress to follow the steps it knows, but to do them better. It's good advice.

THE FUTURE OF AMERICA'S RESEARCH-INTENSIVE INDUSTRIES

(Summary of a presentation by Richard J. Kogan, President and Chief Operating Officer, Schering-Plough Corporation)

Members of the Administration and Congress, distinguished scientists and professors, ladies and gentlemen:

Good morning. As the Institute's researchers have noted, pharmaceuticals and biotechnology are one of this nation's "top eight" R&D-based industries examined for their ability to continue their innovation track record.

Certainly, major challenges lie ahead for our industry. With biopharmaceutical industry R&D costs rising, it's increasingly difficult to repeat our previous innovation achievements that have made America the worldwide technological leader in medicine. Just as we cannot return to yesterday's markets, we cannot replicate our former R&D expenditures. Growth in industry R&D spending today is less than half the level of the early 1980s.

Schering-Plough in the 15-year period 1979–1994 spent almost $500 million to develop our recombinant alpha interferon, plunging ahead even when it initially appeared the drug would help only a handful of cancer patients. It took nearly 14 years of work before we saw a penny of return on that investment. Today, such an effort might not be made—nor our subsequent discovery that the drug can treat 16 cancer and viral diseases.

For pharmaceutical and biotech firms, the burning issue now is not only whether we can continue bringing products to patients that treat unconquered diseases, but whether we can continue covering the expenditure for leading-edge research. Our industry is currently responsible for more than 90 percent of all new U.S. drug discoveries.

Today's diseases—Alzheimer's, AIDS, heart and kidney disease, prostate cancer and arthritis—are far more complex than those successfully treated in the past. Moreover, many of today's most prevalent diseases—primarily chronic and degenerative conditions—are at the high-cost stage in the innovation cycle. If we cut investment in medical progress today, the consequence may be irrevocable and society may rue that decision for years to come.

The annual medical costs of only seven major uncured diseases account for about half of today's health care bill. However, many of those diseases are within reach of effective pharmaceutical control or cure. As biomedical technology progresses to that point, the total cost of treating these major ailments should drop sharply. If the cycle of innovation is disrupted, we run the risk of being trapped with today's higher-cost, less-effective options.

Today's rapidly changing health care market signals the continuing sense of urgency for optimal patient care and cost containment. By the same token, we must constantly remind ourselves that medical innovation is the most viable, long-term solution for cost-effective quality care—as the findings of the Institute study attest.

In 1995, an urgent task before U.S. policymakers should be to assure that the path of innovation remains open, unobstructed and attractive to investors. And, that statement applies across the board—from our industry that has cured polio, turberculosis, measles and diphtheria to our fellow industries that have brought the world the laser, fiber optics, lightweight alloys, integrated circuits, the CAT scanner, and that have taken us into outer space.

Thank you.

THE FUTURE OF AMERICA'S RESEARCH-INTENSIVE INDUSTRIES

(Summary of a presentation by Phillip A. Griffiths, Director, Institute for Advanced Study, Princeton, NJ)

Good morning. I don't think I have to remind this audience that scientific research is fundamental to modern culture. It has helped to make our lives safer, longer, easier, and more productive. The more we invest in research and development, the more likely we are to find new non-polluting forms of energy and transportation, to simplify and enrich our lives through new electronics, to develop cures for diseases such as Alzheimer's, coronary heart disease, arthritis, and osteoporosis. Our relative standard of living depends on the health of our research-intensive industries.

Most of you also know that the climate for basic research has become less favorable in recent years. A combination of international competition and the end of the Cold War has made it more difficult for institutions to justify—especially research that is long-term and risky, that offers no certain return on investment.

For example, in industry the effort to restructure corporations and shorten product cycles is reducing the amount of basic research done by traditional corporate laboratories. In universities, too many research scientists are competing for available funds. Government agencies are asked to do more with less, delivering short-term, predictable results, and limiting inquiries not directly relevant to agency missions.

In light of these new realities, how long will long-term R&D be accomplished in the future, and who will do it?

I have said that almost all basic research has been performed in three segments of society: industry, government, and the universities. By and large, each segment has operated independently. There has been some collaboration, but it has not been sustained or comprehensive. In the new era we have entered, more and more individual institutions will find the performance of long-term basic research prohibitively expensive. One way to reduce costs, and to increase the availability of research results for those who need to use them, is through collaboration.

What is the best way to do this? Historically, there have been some earnest experiments to reach across sector boundaries and to make fruits of research more quickly available to the marketplace, but few such experiments have been successful enough to inspire imitation.

Fortunately, several models new to this country are available. One is the Fraunhofer organization of Germany, which has now set up its first American Institute in Michigan. The purpose of Fraunhofer is to promote cooperation between researchers from universities and industry. In Germany, the research costs are shared among the federal government, the universities, and the industries that want the research. Investment areas are determined by the Fraunhofer Board, independent of the government agencies. Typical programs have involved lasers, robots, environmental protection, electronics, materials, optics, and other technologies. The Fraunhofer brings together those who work on the frontiers of science and those who carry the fruits of that work to the marketplace. The driving theory is that research and development are best done in close proximity and that R&D, including R&D performed by the private sector, is best done publicly, so that new ideas are exposed to feedback.

A second interesting model is that of the NEC Research Institute in Princeton, New Jersey. This is a research outpost established by NEC, the Japanese computer company, to explore computer and communication technologies. Its purpose is to establish a new kind of parent company, such as high-level parallel programming systems, biological information systems, natural language communication, and computer vision and robotics. NEC scientists have extensive interaction with scientists at universities and at our own Institute for Advanced Study. When there is a fundamental breakthrough in the fields of interest to NEC scientists, the NEC Corporation will be well-positioned to take advantage of it.

All this isn't intended to say that the Fraunhofer or the NEC are the right models for everyone. Diverse solutions must arise to meet particular needs. But I would leave you with two points today. The first, so well documented in the report you have before you, is that it is time to rethink the ways our institutions support the longer-term research and development so vital to our national objectives. The second point is that there are good models for collaboration that can help us in this rethinking. I would like to applaud the Institute for the Future and the companies sponsoring this report for their initiative and foresight in helping us rethink the framework in which we fund and perform the R&D so vital to our nation's future.

Thank you very much.

THE FUTURE OF AMERICA'S RESEARCH-INTENSIVE INDUSTRIES

(Summary of a presentation by Leon Lederman, Director Emeritus, Fermi National Accelerator Laboratory)

Investment in research is America's investment in its future. Our times are characterized by an ever-increasing pace of change, and science-based technology is the driving engine for this change. The Cold War era of military competition superpowers is over, replaced by a competition of industries. There will be winners and losers: economic growth, job creation, standard of living, and international leadership are the spoils.

There is an estimated trillion dollars of economic activity in the list of emerging technologies that many agencies, in many nations, develop. The robustness of the science that we nurture today will determine what fraction of this we will capture over the next decades.

The need for science goes much deeper than this. It goes to the major crises facing society in the next five decades—the crisis of population and its coupling to environmental quality.

World conferences in Rio (1992) and Cairo (1994) point to the connected problems of environment and population. We do not have the fundamental knowledge in a variety of scientific disciplines to sustain a population of ten billion people (2030) without environmental catastrophe. It is the energy-environment problem. These and other global threats to the future of the nation deserve the same attention, the same priority, the same need to defend against as the military threat provided by the Cold War.

The history of basic science is a rich set of stories of curiosity-driven research activities connecting together in surprising ways to produce human advance and profit. A curiosity about the magnetic properties of atomic nuclei; the invention of more powerful particle accelerators designed for quark hunting . . . these connected, and today we have a powerful medical diagnostic, a six billion dollar-a-year industry—magnetic resonance imaging. This pays $1.5 billion dollars in taxes annually and has saved countless thousands of lives.

Einstein's analysis of the emission of light by atoms and Townes' insight into molecular coherence lead to the laser with incredible applications from surveying to metal fabrication to eye surgery to CD players—a $16 billion dollar-a-year industry that contributed four billion dollars annually to treasury receipts.

The need to replace the energy radiated by electrons in the process of building more powerful electron accelerators connected with the need for more intense x-rays to lead to the creation of synchrotron light sources (x-ray light, brighter than a million suns)—devices that serve biologists, pharmaceutical researchers, materials scientists, chemists and physicians to see viruses in action, to design molecules, to watch how chemicals react and hundreds of other applied science programs.

These stories, on and on, have been aggregated to indicate a payback of investment in research of 20 to 50 percent annually. To insure this record, science must be accorded the kind of freedom that, from long experience, is so crucial to its success.

The future of American science depends upon an understanding of what makes America a great nation. "America will be great in those areas in which it desires greatness, perceives greatness and rewards and esteems greatness." Science is the source of continuing the frontiers and of the creation of new wealth. To rescue our declining scientific greatness we must recognize the two columns upon which science rests. One column is the extension of human knowledge for no obviously discernible purpose, perhaps only for the joy of discovery. The other column represents the immediate service to society through research which has economic, medical, environmental consequences. Incidentally, social sciences appear in both columns. Both columns serve society in the longer term and support one another. This is the scientific enterprise.

Science is increasingly being squeezed into the universities and national laboratories. The stress on our scientific infrastructure has been increasing over the past decade. Progress in science is necessarily more difficult and more expensive with time as easier problems are solved. (That is why a GDP scale is necessary). This stress becomes known down to high schools, making it far more difficult to repair the dismal science education of our future scientists, engineers, and citizens. Already, Americans are not following science careers and, if it were not for foreigners, our graduate schools would be half empty.

A noted scholar made my summary easy: "In the conditions of modern life, the rule is absolute; the nation which does not value trained intelligence is doomed . . . Today we maintain ourselves. Tomorrow, science will have moved forward yet one more step; and there will be no appeal from the judgment which will be pronounced . . . on the uneducated."

THE SUPERFUND LIABILITY EQUITY AND ACCELERATION ACT

HON. WILLIAM H. ZELIFF, JR.

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. ZELIFF. Mr. Speaker, I am pleased today to introduce the "Superfund Liability Equity and Acceleration Act." This is significant legislation because it presents a map of what I believe is the best way to make superfund work in the fairest and quickest way possible. My legislation will repeal superfund's unfair, unjust, and un-American retroactive and joint and several liability system. They will be replaced with a binding proportional liability allocation system that will only hold people responsible for what they contributed to a superfund site. Most importantly, my legislation lays out a mechanism that I am convinced can pay for such a repeal and see these sites come out of the courtroom and get cleaned up now.

Before I continue, Mr. Speaker, let me be absolutely clear: I do not introduce this legislation as a means to compete with any other versions that may be introduced in the future by the authorizing committee chairmen. I introduce this legislation for the purpose of assisting in their effort, as I have been the only Member of this body who has introduced legislation like this in the past. I have significant experience with this issue of liability, and I look forward to working with my colleagues throughout the next couple of months.

I have been involved with the superfund program since I was first elected in 1990. Soon after being elected, I learned that I had 14 national priority list sites in my district—and began walking those sites.

After walking just a few sites, it became clear to me that this program was not working. Small towns were putting off building new schools or hiring new teachers, and small businesses could not find the capital to expand and create jobs.

I then assembled a task force of about 35 members to study these problems, and come up with some suggestions as to how to get the superfund program back on track. We came up with a series of recommendations which I then turned into H.R. 4161, the "Comprehensive Superfund Improvement Act," introduced in the 103d Congress.

While there were many provisions of that legislation to effectively improve the superfund program, the provision which received the most attention was the provision which eliminated both retroactive and joint and several liability under the superfund program. It is my very strong opinion that nearly every problem with the current program can be traced back to the liability standards currently under the law.

If we look briefly at the 15-year history of this program, we will see that superfund was created in 1980 with a trust of $1.6 billion to clean up what was then assumed to be a few dozen waste sites. Congress increased the financing to $10.2 billion in 1986, then to $15.2 billion in 1990. Despite these billions of dollars of taxpayers' money being spent for such a laudable cause, we now see that a mere 18 percent of superfund sites have been cleaned up in that same time period. This raises the obvious question of whether or not we are getting our money's worth. These facts, combined with a GAO report released just yesterday which says that at the most only one-third of all superfund sites pose an actual risk to human health, makes it is obvious to me that we re not getting our money's worth.

There is one group out there, however, that would argue that we are getting our money's worth. It is the armies of lawyers who spend years in court arguing every possible detail of superfund liability. So when we look carefully at why this Congress has spent billions and billions of dollars and seen a minuscule amount of action, there should be no question as to the culprit: it is the current program's un-American and un-just liability system. If you like the O.J. Simpson train, you would just love a superfund trail.

Just listen to some of the questions that have to be answered in superfund courtroom cases. Who deposited the waste? When was it deposited? What was the actual toxicity of the waste? Does toxicity have any bearing on liability? How much waste did each party deposit? What exactly were the contents of what was deposited? Was a community involved? If so, should they be held accountable? Did they actually produce the waste, or did they merely own the site? Should the community's funding priorities be taken into consideration—i.e. a new teacher or school instead of EPA—mandated study-remediation costs? Who pays the share of the bankrupt parties? How does that share get split, or does it get split at all? How about the insurance companies? Do their policies cover the activities of the insureds? If so, how much? How does the PRP interpret their insurance policies, and how do the insurance companies interpret their policies? Should banks and other lenders be exempt from liability merely for holding title to the land? The list is endless * * *

It should be clear that it is the liability system of superfund which has brought this program to its knees. We can make all the reforms and changes we want to the superfund program, but I assure my colleagues that if we do not make major changes to the liability system, we will all be back here again having the same conversations in just a few more years.

I have advocated the repeal of retroactive and joint and several liability for several years now, and in fact I offered amendments to last year's bill to repeal those liability standards. There was a large amount of support last year for my idea, but this year, we are seeing even more support. It is yet another burst of common sense that took over this Congress last November.

Allow me to share with my colleagues a paragraph from a letter signed recently by Chairmen SHUSTER, BLILEY, and OXLEY, the superfund authorizing committee chairmen:

> At the heart of the superfund "blame game" is the system of strict, joint and several, and retroactive liability. If we, the authorizing committees, are to reform this program and get superfund out of the courts and onto these sites, then we must comprehensively reform the current superfund liability, *including a repeal of retroactive liability*.

I could not agree more.

As for my legislation, I will briefly outline what is in the bill. Those of you who remember my legislation from last year, H.R. 4161, will see much that is the same: there are provisions requiring timely release of evidence to PRPs from EPA, contribution protections, certain exemptions for owners of contiguous properties, relief for lenders and fiduciaries, allowances for site redevelopment, and liability limitations for response action contractors. Finally, there are provisions that expressly state that; First, there will be NO reimbursements for parties guilty of illegally dumping, and Second, no party will lose their rights to continue liability actions in existing court actions.

The real guts of the legislation are the pre-1987 retroactive repeal, the new binding allocation system, and the new Hazardous Substance Revolving Fund. I submit descriptions of these below:

SITES WITH ALL PRE-87 WASTE

Construction complete by 1/1/95: No reimbursement for construction. Assumption of O&M costs from date of enactment until completed. No reimbursement for completed O&M.

Construction ongoing as of 1/1/95: Reimbursement for cleanup actions from date of enactment forward. No reimbursement until cleanup is completed.

Discovery after 1/1/95: Cleanup costs are fully reimbursable. No reimbursement until cleanup is completed.

SITES WITH WASTE FROM BOTH PRE- AND POST-87 (STRADDLE)

Construction complete by 1/1/95: No reimbursement for construction. Assumption of O&M costs from date of enactment until completed for the portion attributable to pre-87 waste (determined by proportional allocation). No reimbursement for completed O&M.

Construction ongoing as of 1/1/95: Reimbursement for cleanup actions from date of enactment forward for the same percentage of total costs as the percentage of waste attributable to pre-87. O&M costs are reimbursable under the same conditions. No reimbursement until cleanup completed.

Discovery after 1/1/95: Costs of cleanup are reimbursable, but only for the same percentage of total costs as the percentage of waste attributable to pre-87. O&M costs are reimbursable under the same conditions. No reimbursement until cleanup completed.

SITES WITH ALL POST-87 WASTE

These sites would go through a binding proportional liability scheme which will include allowance for an orphan share, and for de minimis/de micromis parties.

FUNDING

All superfund revenues would be deposited into a new "Hazardous Substance Revolving Fund," which would be modeled on a similar process used by the Patent and Trademark Office with the fees it collects. This is not a revolving *loan* fund.

Using the model of the Patent and Trade Office's Fee Surcharge Fund, proceeds to the revolving fund will be recorded as an "offsetting collection" to outlays within the expenditure account. Collections generally are made available automatically for obligation. The proposed revolving fund would not be classified as "offsetting receipts," which are collections credited to trust funds or the general fund which re not authorized to be credited to expenditure accounts.

This new Hazardous Substance Revolving Fund is designed to assure funds and taxes collected from private parties be used only for that purpose. This has been a common complaint of parties who see their money they thought was going to cleanup instead go to offset budget figures or to Washington bureaucrats. It also moves those revenues from the receipt side of the budget to the outlay side. It turns superfund taxes into "user fees" which are assessed against private parties identified by Congress as contributing to the need for cleanups. The proposal assures that funds collected by the new Hazardous Substance Revolving Fund go to cleanup and NOTHING ELSE.

While I believe that the liability system is the culprit for just about every problem with superfund right now, there must be significant reforms in other areas as well, especially in the remediation and State role categories. My position on these reforms remain the same as in last year's H.R. 4161, and I support all of the provisions proposed by my very good friend and colleague Senator BOB SMITH, in his proposal made a few weeks ago.

It is essential that we reform superfund this year, and that it be a comprehensive reform that includes liability, remedial, and State role reforms. Our environment and our economy are suffering. Something has to be done now. Once again, I look forward to working with Senator SMITH, Mr. SHUSTER, Mr. OXLEY, Mr. BLILEY, and Mr. BOEHLERT in achieving significant, fundamental, and comprehensive superfund reform this year. Thank you, Mr. Speaker.

CHILD WELFARE TAKES HIT IN LABOR–HHS–ED BILL

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. TOWNS. Mr. Speaker, I rise to inform my colleagues that the LABOR–HHS–ED bill cuts $2.4 million from the child welfare training programs and should restore these funds in conference committee. While it is recognized that the deficit needs to be fixed, should it be done on the backs of children? In 1994, over 3 million children in the United States were reported physically, emotionally, or sexually abused or neglected. The need for trained, skilled, and qualified child welfare protection personnel is essential. Yet, according to the National Commission on Children, only 25 percent of child welfare case workers have social work training, and 50 percent have no previous experience working with children and families.

Under section 426, title IV–B discretionary grants are awarded to public and private nonprofit institutions of higher learning to develop and improve education/training programs and resources for child welfare service providers. These grants upgrade the skills and qualifications of child welfare workers.

To ensure an available and adequate supply of professionally trained social workers who provide child protection, family preservation, family support, foster care, and adoption services, I urge you to support schools of social work in their untiring efforts to train competent and qualified child welfare protection workers. If adequate resources are not made available then we all bear the responsibility of promoting a child welfare work force that will be ill-equipped to deliver critical services to many children and families. If we provide the necessary funds, we can be assured of a well qualified, trained, and skilled child welfare work force who will make sure that all American families in special need will get quality assistance. This program without a doubt is a sound Government investment for families.

RECOGNITION OF WALLACE CLEMENTS ON RETIREMENT

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. GORDON. Mr. Speaker, I rise today to recognize the 50 year career and accomplishments of a true friend, Wallace Clements. After a long career with the International Brotherhood of Teamsters, Wallace and Audrey are finally going to enjoy their best years, in retirement at their Florida home appropriately located on Restful Lane.

Wallace is a native Tennessean from Soddy Daisey. Of the people I've met in my life, Wallace is the best example of how hard work, determination, and raw talent can take you straight to the top. Wallace developed strong friendships and a keen insight into the workings of Government at the local, State, and Federal level. Wallace had provided me sound advice and counsel during the nearly two decades I've known him.

After returning from serving in the Navy during World War II, Wallace went to work as a mechanic for a Tennessee trucking company. It was during this period that Wallace became involved in workers' rights and other civic and social causes.

Wallace is a dedicated working man who places his country, family, and Tennessee at the top of his list of priorities. Close behind these priorities is Wallace's commitment to fighting for the health, safety, and economic well-being of all working men and women.

Today we are celebrating the beginning of a new chapter in Wallace's life. On this special occasion I want to recognize Wallace's selfless toil for the working men and women of America. I know Wallace and Audrey's commitment to help a worker who is out of a job or provide support and encouragement to a family who is down on their luck will only increase in the years to come.

Please join me in wishing Wallace Clements the very best in his well-deserved retirement.

TRIBUTE TO JUSTICE ELWOOD L. THOMAS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. SKELTON. Mr. Speaker, today, I wish to pay tribute to Missouri Supreme Court Justice Elwood L. Thomas, who passed away at his home in Jefferson City, Missouri, on July 29, 1995. Justice Thomas, who was sixty-five, died of complications from Parkinson's disease.

Justice Thomas was born and raised in Iowa, the son of a Methodist minister. He was a graduate of Simpson College in Indianola, IA, and the Drake University Law School in Des Moines, IA. From 1965 to 1978 he was a law professor at the University of Missouri-Columbia. In 1978 he became a partner in the Kansas City law firm of Shook, Hardy & Bacon and continued to practice there until he was appointed to the Missouri Supreme Court in 1991, by then Gov. John Ashcroft. He served on the Missouri Supreme Court Committee on Civil Instructions from 1975–1991. During that time, he twice chaired a task force on the Missouri Bar.

Justice Thomas became known for his expertise in jury instructions during his time at the law firm of Shook, Hardy & Bacon. He often lectured to law students, lawyers, and judges on evidence and litigation procedure. He served as faculty for the National Judicial College in Reno, NV, and the National Institute for Trial Advocacy and Missouri's Judicial College.

Justice Thomas was well respected by all who knew him. He was regarded by many of his colleagues as being one of the best legal minds in the State. Justice Thomas had the unique ability to take complicated matters and explain them, so that all could understand. He was a tremendous asset to the State of Missouri, and will be greatly missed.

Justice Elwood L. Thomas is survived by his wife, Susanne, sons Mark and Steven, and daughter Sandra.

SMALL ETHANOL PRODUCERS CREDIT LEGISLATION

HON. DAVID MINGE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. MINGE. Mr. Speaker, Representatives TOM LATHAM, PAT DANNER, GIL GUTKNECHT, EARL POMEROY, JIM OBERSTAR, COLLIN PETERSON, TIM JOHNSON, and I are introducing a bipartisan bill that will make a relatively minor correction to the Federal Tax Code relating to the application of the Small Ethanol Producers Credit. This legislation will allow small ethanol cooperatives the same opportunity to utilize the Small Ethanol Producers Credit that other business entities such as trusts, S-Corporations, and partnerships currently utilize.

The Small Ethanol Producers Credit (Internal Revenue Code Section 40(b)(4)) was passed into law in 1990. The credit was created because Congress determined that tax incentives were an appropriate way to help small producers build ethanol plants. This credit is only available to those entities that produce less than 30 million gallons of ethanol annually. They are eligible for a 10-cent per gallon tax credit for the first 15 million gallons produced. Cooperatives are not eligible because the Internal Revenue Service has ruled that the Code does not permit the credit pass-through to patrons of a cooperative. Without specific inclusion in the Internal Revenue Code, thousands of farmers will be unable to benefit from this credit. This inadvertent exclusion of cooperatives is tragic and should be corrected.

Increasingly, cooperatives are the primary business organization involved in ethanol production in the Midwest. This form of operation usually passes cooperative tax attributes on to its participating patrons. The ineligibility of farmers who are patrons of small ethanol plants denies the tax benefit to those being taxed for cooperative income.

In the Second District of Minnesota alone, four small cooperatives are either currently in production or under construction. At least 18 other small ethanol cooperatives are in the planning stages in Minnesota, Iowa, Missouri, North Dakota, South Dakota, and Illinois. On average, each of these cooperatives is comprised of approximately 300 farmers. For some, the availability of the Small Ethanol Producers Credit determines their start-up viability and whether or not they can compete in the marketplace. This legislation is supported by the National Council for Farm Cooperatives, the American Farm Bureau Federation, the National Corn Growers Association, and the National Farmers Union.

For years, farmers have been encouraged to diversify their business operations. Value-added production, such as ethanol plants, holds great promise to boost rural economies. Ethanol cooperatives provide an excellent opportunity to create local jobs and local profits. I hope that Congress can make this correction to the Tax Code so that small farmers will be able to benefit from the same ethanol credits that other types of businesses presently utilize.

CELEBRATING THE CAREER OF JUDGE DAMON J. KEITH

HON. JOHN CONYERS JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. CONYERS. Mr. Speaker, I rise today to pay tribute to one of the truly great Federal jurists of our era, the Honorable Damon J. Keith, a member of the Sixth Circuit Court of Appeals for 18 years and a member of the U.S. District Court for Eastern Michigan for 10 years, who recently announced he would assume senior status. He was born and raised in Detroit and attended Northwestern High School, where he was a champion track athlete. He graduated from West Virginia State University and received his J.D. from Howard University Law School. He furthered his legal education with an advanced law degree from Wayne State University in Michigan. Not long after, he formed his own law firm, Keith, Conyers, Anderson, Brown & Wahls which included my brother, Nathan Conyers. However, it soon became clear that he was drawn as much to public service and civic activism as he was to the private practice of law. He was particularly drawn to problems of racial discrimination, so that in the end he could not escape the brightly burning flame of the civil rights movement which illuminated the path to racial justice for his generation.

In the early years of the civil rights movement in which Damon Keith's activism began, a major concern was the gross housing inequity in urban areas and uneven access to federally funded housing. Between 1940 and 1960, approximately 3 million African-Americans migrated from the South to the North. As a young attorney, Keith had seen the percentage of the black population in Detroit explode from 9 percent to 29 percent in that 20-year span. In the midst of this demographic transformation he was appointed president of the Detroit Housing Commission in 1958 to address the needs of the growing African-American population. In that same year, Michigan and two other States attempted to address widespread discrimination stimulated by the wave of urban migration with open housing bills, but all of them failed. This grim reality brought housing issues to the forefront of the civil rights movement. In 1961, Martin Luther King, Jr. wrote in The Nation magazine that the urban renewal program has, in many instances, served to accentuate, even to initiate, segregated neighborhoods. He explained that a large percentage of the people to be relocated are Negroes, [and] they are more than likely to be relocated in segregated areas.

The struggle for equal rights appeared to reach a climax in 1964 with the passage of the Civil Rights Act which forbade discrimination in public accommodations and in the workplace. But with this great victory came challenges of equal magnitude which broadened the goals of the civil rights movement. There were riots in Chicago, Rochester, Harlem, and Philadelphia after racial incidents with police, and a brave biracial group of activists formed the Freedom Democratic Party in an attempt to make the Mississippi delegates to the Democratic National Convention more representative. It was as a witness to these national milestones that Keith was to reach a milestone of his own when Gov. George Romney rewarded him for his distinguished service on the Housing Commission by appointing him to serve simultaneously as chairman of the Michigan Civil Rights Commission. He continued in both of these capacities until 1967 when President Lyndon Johnson decided this kind of activist legal approach ought to be rewarded, and appointed him to the U.S. District Court for the Eastern District of Michigan. Later, he became chief judge of that court. It was in this arena where Judge Keith eloquently resolved important cases of national consequence, and his depth and breadth as a national figure was established. In a series of decisions, Judge Keith was able to elaborate a seldom heard theme: how under the Constitution, the power of government must ultimately give way to the rights of common people. It was through these cases that Keith brought his erudition, scholarship and courage to the courtroom and made profound and enduring contributions to the law.

Judge Keith's foundation in housing rights, built upon the landscape of the civil rights movement, guided his decision in Garrett versus City of Hamtramck. Evidence in this case revealed that a combination of a lack of low-income housing and widespread prejudice was forcing Hamtramck's African-American residents to flee the city. The decision in this class-action suit stated that:

> Fifty-seven percent of the black families dislocated by the project moved out of Hamtramck while only 33 percent of the white families relocated out of the city . . . it was inevitable that substantially more blacks than whites would be removed from Hamtramck . . . the city plans presently include scheduled renewal and industrialization of two additional fringe areas . . . both of which are predominantly black; no plans for replacement housing for citizens presently residing in those areas exist. Thus it is apparent that the city is strategically working to achieve a reduction in its total population and indeed hopes to successfully accomplish such by elimination of those residential areas of the city containing black residents.

In that opinion, Judge Keith decided that the Housing Act of 1949 and by the equal protection clause of the fourteenth amendment required the city of Detroit to provide alternative housing for minorities displaced by the city's federally funded urban renewal program. The same bold sense of social responsibility displayed in Garrett versus Hamtramck was found in many other cases he heard and his intellectual rigor ensured that many of his decisions had a national impact.

One case that had a huge impact was United States versus Sinclair in 1971, in which Judge Keith declared that the defendants had a right to all transcripts and memoranda relating to illegally tapped conversations which the government intended to use in court. U.S. Attorney General John Mitchell maintained that he had acted under the authority of the president in authorizing wiretaps without a warrant since the matters at hand involved the sacrosanct concept of national security. On close examination though, Judge Keith found that the Justice Department's claim could not stand and that the attorney general was subject to the constraints of the Fourth Amendment. "The great umbrella of personal rights protected by the Fourth Amendment has unfolded slowly, but very deliberately, throughout our legal history," declared Keith. Proceeding prudently but firmly, he pointed out:

> The contention by the Government that in cases involving national security a warrantless search is not an illegal one, must be cautiously approached and analyzed. We are, after all, dealing not with the rights of one individual defendant, but, rather, we are here concerned with the possible infringement of a fundamental freedom guaranteed to all American citizens.

The Government claimed that the President should have the authority to collect information on subversive domestic organizations. Judge Keith called this position untenable. He decided broadly against arbitrary executive wiretap prerogatives, asserting:

> It is to be remembered that in our democracy all men are to receive equal justice regardless of their political beliefs or persuasions. The executive branch of our government cannot be given the power or the opportunity to investigate and prosecute criminal violations under two different standards simply because certain accused persons espouse views which are inconsistent with our present form of government.

United States versus Sinclair brought the dominant themes of Judge Keith's jurisprudence to an early maturity: to harness the power of government for social good wherever possible, and reign in unchecked authority whenever necessary. His opinion withheld scrutiny in appeals all the way up to the Supreme Court, which wrote:

> [W]e do not think a case has been made for the requested departure from Fourth Amendment standards. The circumstances described do not justify complete exemption of domestic security surveillance from prior judicial scrutiny. Official surveillance, whether its purpose be criminal investigation or ongoing intelligence gathering, risks infringement of constitutionally protected privacy of speech. Security surveillance are especially sensitive because of the inherent vagueness of the domestic security concept, the necessarily broad and continuing nature of intelligence gathering, and the temptation to utilize such surveillance to oversee political dissent. We recognize . . . the constitutional basis of the President's domestic security role, but we think it must be exercised in a manner compatible with the Fourth Amendment.

Executive branch officials had also maintained that matters pertaining to internal security are too sensitive for the courts to handle because of the risk to secrecy. But the Supreme Court refused to let the judicial branch of government be marginalized:

> We cannot accept the Government's argument that internal security matters are too subtle and complex for judicial evaluation . . . If the threat is too subtle or complex for our senior law enforcement offices to convey its significance to a court, one may question whether there is probable cause for surveillance. Nor do we believe prior judicial approval will fracture the secrecy essential to official intelligence gathering.

Judge Keith's words echoed throughout the nation that day in 1972 when the Supreme Court upheld his decision. It was only in retrospect that the nation learned the full magnitude of Sinclair: the next day President Nixon's Plumbers terminated one of their taps out of fear they might have to reveal the transcripts some day. The wisdom of Sinclair reverberated in the highest chambers of government again in May 1973, when a judge dismissed the indictment of Daniel Ellsberg for releasing the Vietnam War's Pentagon Papers because the prosecution had tapped his phone and not properly informed the court.

Sinclair remains relevant today, since the House of Representatives will soon consider the expansion of wiretap powers in so-called counter-terrorism legislation, H.R. 1710 (and its companion H.R. 1635). It would add ambiguous felonies to the list in which electronic surveillance is allowed and expand the authority to conduct roving wiretaps of multiple phone lines without specifically naming those phones and without a court order. Furthermore, in direct contradiction to Sinclair and other court decisions, it would allow the admission of evidence obtained through illegal electronic surveillance in many instances. These excessive provisions ensure that Judge Keith's words will be revisited soon, whether it's due to surveillance of the Michigan Militia or the gay rights group ACT–UP.

His reputation as a leading jurist and civic activist was not lost on President Carter, and in 1977 he appointed Judge Keith to the Sixth Circuit Court of Appeals, the position from which he now is retiring. He participated in 1200 opinions on the Court of Appeals and with the conservative shift of the Sixth Circuit he wrote countless dissents. Dissent was natural for him; he knew that righteousness was not predicated on popular impulse, but on public truths meant to survive the scrutiny of history. His article entitled "What Happens to a Dream Deferred" in the Harvard Civil Rights-Civil Liberties Law Review in 1984 eloquently elaborated his philosophy of the necessity of dissent and the relationship between the individual and the majority:

> Those who decide in favor of the unbridled freedom of the individual point to this country's long tradition of favoring and supporting personal freedom. They conveniently fail to recognize that this country has another tradition, one of slavery, segregation, bigotry and injustice. America is doomed to be forever unequal if we remain unwilling to acknowledge this tradition and make provisions for bringing black Americans into the mainstream of life . . . The belief that majoritarian control invariably guarantees the right result in these situations is blind to the teachings of history and counter to the antimajoritarian constitutional principles which form the basis of our civil rights and liberties.

Judge Keith was convinced that protection of public freedoms should not end with civil rights and his insight extended to questions of gender as well.

In 1986, Judge Keith dissented in the Appeals Court in the case of Rabidue versus Osceola Refining Co. in which the majority opinion rejected the plaintiff's complaint for injury for sexual harassment since the harassment had not caused serious psychological problems. Seven years later the Supreme Court advanced Judge Keith's view of that same issue in Harris versus Forklift Systems, stating with a hint of sarcasm that "Title VII [of the Civil Rights Act of 1964] comes into play before the harassing conduct leads to a nervous breakdown." Justice Sandra Day O'Conner, writing for the majority, continued:

> A discriminatorily abusive work environment, even one that does not seriously affect employees' psychological well-being, can and often will detract from employees' job performance, discourage employees from remaining on the job, or keep them from advancing in their careers. Moreover, even without regard to these tangible effects, the very fact that the discriminatory conduct was so severe or pervasive that it created a work environment abusive to employees because of their race, gender, religion, or national origin offends Title VII's broad rule of workplace equality.

It is one thing to do what is right with the rising tide, and it is quite another to have the courage to rise to the defense of a just cause in the face of the odds. Yet these superior qualities distinguished Judge Keith's character from other jurists, and he applied these traits in every area of the law he interpreted. He saw as inevitable the expansion of constitutional protections afforded women, and he employed his formidable knowledge of law and his acute instinct for progressive change in that effort.

Judge Keith knew when to be stalwart in the courtroom as with the Sinclair case or in his numerous dissents, but he also knew that even a committed jurist cannot achieve greatness through tenacity alone. He undertook the task of training new minority law clerks, and at the end of his tenure he had hired 44, more than any other Federal judge in history. He knew that true greatness required not just scholarship but mentorship, not only courage but also grace, and that he would have to exercise these qualities outside the courtroom. He wrote in the Detroit Free Press in 1988 in an op-ed entitled "A Responsibility to Serve Black Community," that Achievement in one's occupation or profession is one mark of success. But we are not truly successful unless we use our training, knowledge, and dollars to serve the community to which we owe so much. His commitment to social activism in his personal life was tremendous, including work with the YMCA, the Boy Scouts, the United Negro College Fund, and many other organizations. His community leadership extended to many cultural institutions including the Detroit Symphony Orchestra, the Detroit Arts Commission, and the Interlochen Arts Academy for whom he served on the Board of Trustees.

Judge Keith stands today as testimony to the power of determined hope when it refuses to fade, and strength drawn from moral effort that will not yield. He wrote in his "Dream Deferred" law article that:

> As a black man and American citizen, I have not yet given up on the American idea of equality and justice for all Americans. This nation stands before the world as perhaps the last expression of the possibility that a people can devise a social order where justice is the supreme ruler, and law but its instrument; where freedom is the dominant creed, and order but is principle; and where equality is common practice and fraternity the common human condition.

This is the dream he worked for in his career, and this is the vision which he continues to live for today. Our city and our Nation are grateful for his many years of service and leadership. I hope that life in retirement is as generous to him as he has been in fulfilling the duties of the court and the responsibilities of citizenship.

TO DIRECT THE SECRETARY OF THE INTERIOR TO MAKE CERTAIN MODIFICATIONS WITH RESPECT TO A WATER CONTRACT FOR THE CITY OF KINGMAN, AZ

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. STUMP. Mr. Speaker, on behalf of my House colleagues from Arizona, I am today introducing a bill to provide for a timely resolution to a water problem in the third congressional district which affects more than 120,000 people in Mohave County, AZ.

For some time, the city of Kingman, AZ, has worked diligently to address the present and future water needs of its citizens. The city's hard work and tenacity has brought together their neighbors in Mohave County, the Arizona Department of Water Resources, and the Department of the Interior's Bureau of Reclamation, among others, to craft a regional response to the region's continued growth and its management and conservation of Colorado River water and groundwater, all along meeting State and Federal technical and substantive concerns. Their work was based on a comprehensive needs assessment and has resulted in an innovative and responsible plan, regarded as a unique achievement for Mohave County and a major step forward in water management in Arizona, and is supported by the local governments, Mohave County, the State of Arizona, the congressional delegation and, we believed, the Bureau of Reclamation and the Department of the Interior.

Unfortunately, as the final steps were being taken to make the plan a reality and confirm years of hard work, the Bureau of Reclamation was instructed by the Department in March of this year to temporarily suspend any further discussions. After most 2 months of no explanation for the cancellation of the discussions, we learned that the Department was assessing the water needs of Mohave County and attempting to determine how much water may be needed to settle remaining Indian water claims in Arizona. The action by the Department is contrary to all previous representations and commitments regarding the Kingman water, and without a reasonable solution in sight and facing a December 31, 1995 deadline, legislation is unfortunately needed to resolve this matter.

By way of background, the city of Kingman has had a valid water contract since 1968 with the United States for the delivery of 18,500 acre feet of Colorado River water annually. Under Kingman's contract, the United States reserved the right to terminate the contract if Kingman did not "order, divert, transport and apply water for use by the city" by November 13, 1993. The water to be delivered under the contract was intended to be used directly by Kingman in providing municipal and industrial water service to its customers.

Beginning in the 1970's, the city studied various alternatives for directly delivering Colorado River water to the Kingman area. Although Kingman diligently attempted to develop a plan that would facilitate the city's direct use of its entitlement, the studies indicated that the capital expenditures required for water transportation and treatment made direct use of the water prohibitively expensive.

In May 1993, the city adopted a water adequacy study, which developed a long-term water resource management plan for Kingman. While the study confirmed that direct use of the city's Colorado River allocation was simply not feasible, it also represented several alternatives for use of the city's Colorado River entitlement. Most notably, the study recommended that the city's entitlement be exchanged for the funding of other water resource development, effluent reuse, and water conservation projects. In addition, the study included a hydrological analysis of the Hualupai basin, which is Kingman's primary groundwater source. The hydrological analysis concluded that 4.2 million acre-feet of groundwater in the basin were available to the city, an amount which exceeds the city's needs for the next century. Based on the study's findings and recommendations, Kingman officials sought the development of a plan which would enable the city to transfer its Colorado River entitlement in exchange for either water from other sources or for resources which could be used to develop available groundwater supplies, conserve water, or reuse effluent.

After the completion of the study, Kingman solicited statements of interest from various organizations in an effort to identify entities which would be interested in an exchange of the city's Colorado River entitlement. As a result of the solicitation process, seven entities expressed an interest in obtaining more than 45,000 acre-feet per year of Colorado River water.

During the time that Kingman solicited interest regarding an exchange of the city's Colorado River entitlement, the city realized that it would be unable to finalize a plan which would put its entitlement to beneficial use by the November, 1993, deadline required in its water delivery contract. In August, 1993, the entire Arizona congressional delegation worked with the city to obtain an extension of time from the Bureau of Reclamation to enable Kingman to formulate a plan to put its entitlement to beneficial use. The request was also supported by the Arizona Department of Water Resources.

In September 1993, the Bureau of Reclamation agreed that it was in the best interests of all parties for the contract to be extended. The Bureau deferred the termination date of the contract to December 31, 1994, requiring that the city submit a plan for the beneficial use of water outside Kingman on or before October 31, 1994. The Bureau further indicated that it would give any Kingman proposal full consideration, but would look to the Arizona Department of Water Resources to provide a recommendation before any final decision would be made.

Once Kingman received the necessary extension, Kingman and other Mohave County communities and organizations began serious discussions which focused on the development of a regional approach for putting Kingman's entitlement to beneficial use. The Colorado River Ad Hoc Water Users Group/Mohave Ad Hoc Committee was formed, and among other included Kingman, Bullhead City, Lake Havasu City, Golden Shores Water Conservation District, the Mohave Valley Irrigation and Drainage District, and the Mohave Water Conservation District. Through a series of public meetings and discussions, the concept of creating a county water authority was adopted.

In late January, 1994, the six Arizona legislators who represent the two State legislative districts in Mohave County introduced the county water authority bill in the Arizona Legislature. Throughout the legislative process, the prospective authority members, the Mohave Ad Hoc Committee, sought comments on the bill's technical and substantive elements from Reclamation, the Arizona Department of Water Resources, the Central Arizona Water Conservation District, the Arizona Municipal Water Users Association, and numerous other organizations. In an effort to build consensus for the formation of a county water authority, the bill was amended to meet the needs and concerns of all entities who commented on it.

The bill was signed into law by Governor Fife Symington on April 8, 1994, and the Arizona Department of Water Resources favorably recommended Kingman's plan to the Bureau of Reclamation and recommended that the Bureau initiate the process to effect the transfer of Kingman's water to the authority. To provide the time needed to review and complete the plan, the Bureau again extended the contract to December 31, 1995.

The creation of the Mohave County Water Authority reflects not only the ability of a diverse group of water users in one of the country's fastest growing areas to work together to formulate a plan to meet the water needs of a region, but it also favorably accomplishes an expressed interest of the Bureau of Reclamation that they have a single entity to work with in the coordination of the needs of water contractors in Mohave County.

We will continue to attempt to resolve this matter by signing those documents which were to have been finalized in March. However, lacking any real assurance that this matter can be resolved in a timely manner to meet the December 31, 1995, deadline and having been unsuccessful in obtaining an extension of time for meaningful negotiations, at this time we have no alternative but to seek a legislative direction to the Secretary of the Interior that the Department maintain its agreement and finalize the creation of the Mohave County Water Authority through the transfer of Kingman's water contract.

Those who have committed their time and energy to this endeavor are to be highly commended, and I urge my colleagues favorable consideration for Military History. These transcripts become key resource documents for future researchers. Additionally, LTC McCallum just recently completed a Senior Officer Oral History Interview with retired Maj. Gen. Charles M. Kiefner. This interview documents General Kiefner's 16 years as the adjutant general of Missouri and 45 years as a soldier.

This spring, LTC McCallum helped design and teach a pilot class on Critical Thinking for Senior Military Leaders. This is a new course within the War College's curriculum. Additionally, LTC McCallum served as an active member on the planning committee for the 1995 Jim Thorpe sports days. This is a 2-day athletic contest, sponsored by the U.S. Army War College, which brings teams from six of our Nation's senior service schools together for athletic competition in 12 different events. As a member of this planning committee, he also served as the chairman of the subcommittee responsible for the development of the information booklet and the advanced publicity for Jim Thorpe days.

Earlier this year, LTC McCallum was selected by the commandant to participate as one of the eight members who served on the War College's Current Affairs Panel. This panel is a special program that was established by the War College in 1969 as an academic outreach effort. As a member of this panel, LTC McCallum's regional specialty was the Middle East. During the past 6 months, this panel traveled to several universities and conducted formal presentations on topics which addressed national security and current political events.

On June 10, 1995, LTC McCallum graduated from the War College curriculum with special honors. He became the first student in the history of the Army War College to receive three writing awards. Specifically, his paper on the United Nations received the Army War College's Foundation Writing Award. His monograph on Operation Desert Shield/Desert Storm received the Army War College's Best Personal Experience Monograph Award and his Senior Officer Oral History Interview with retired General Franks, received the Bristol Oral History Award.

TRIBUTE TO COMMEMORATE THE FOURTH ANNIVERSARY OF UKRAINIAN INDEPENDENCE

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. BONIOR. Mr. Speaker, before we recess, I am pleased to rise in commemoration of the fourth anniversary of Ukrainian Independence. Three weeks from tonight, on Friday evening, August 25, 1995, members of the Ukrainian-American community in Michigan will gather to celebrate independence and share in the joy of a free Ukraine.

As a second generation Ukrainian-American I feel a special attachment to the land my grandparents once called home. Along with many Americans of Ukrainian descent, I am seriously concerned about the welfare of Ukraine. I closely monitor events there and am inspired by the on-going transition to a free and democratic society.

Small scale privatization has been carried out by local authorities in several regions and President Leonid Kuchma has vowed to move forward with economic reforms. During this time of progress, it is discouraging to see the House of Representatives vote to cut aid to Ukraine. At a time when nations are seeking to build democracy, I do not believe we should turn our backs on them.

I believe the United States should strongly support an independent Ukraine. The geographic location of this great and proud nation has contributed to its history as a country often divided by opposing powers. This heritage has led to a strong desire for freedom and national sovereignty. Now that Ukraine has achieved independence, it has pledged to adhere to the principles of the Helsinki Final Act and the Charter of Paris, which included respect for democratic values and human rights. Ukraine passed a citizenship law that does not impose language or residency restrictions and the print media expresses a wide variety of views. All of these reforms illustrate the natural affinities between our two nations.

In spite of these encouraging realities, 60 Minutes aired a deeply offensive program entitled The Ugly Face of Freedom which presented a biased mean-spirited view and absolutely false view of today's Ukraine. Interviews since the broadcast have revealed that a number of statements were severely taken out of context. However, CBS has failed to apologize or allow for a balanced program to be shown on the state of Ukrainian-Jewish relations. In a time of such democratic progress, it is disheartening to see a story so potentially damaging to the relationship between the United States and Ukraine.

Americans can and should assist Ukrainians in their quest to build a prosperous free market society. President Clinton stressed the need for trade and investment in Ukraine and has encouraged other nations and institutions to participate. Wayne State University in Detroit has developed an exchange program with the Lviv Institute of Management which I have had the privilege of supporting. Last year I was able to arrange for many of the Ukrainian students to visit several family-owned businesses in my home community of Mt. Clemens. I plan to make similar arrangements again this year. I have also been fortunate to have several Ukrainian citizens intern in both my Washington and Mount Clemens offices studying the American political system. Last fall, a most talented young woman, Ms. Luba Shara, spent several months working with my staff as part of an exchange program. I was especially pleased that she was able to see President Kuchma when he visited the United States last November. I encourage all Americans committed to Ukraine's future to participate in these types of one on one experiences. These efforts will undoubtedly have an important effect on Ukraine.

On the event of the fourth anniversary, I salute the Metropolitan Detroit Committee to Commemorate Ukrainian Independence Day for sponsoring this event. And, I urge my colleagues to join with me and Ukrainians around the world in celebration.

THANKS TO KEITH JEWELL

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. HOYER. Mr. Speaker, I rise today to join my colleagues in recognizing one of this body's most outstanding employees, the director of House photography and one of my constituents, Keith Jewell.

I have known Keith since I first came to this body in a special election in 1981. He has always been one of those people who work in the shadows, yet his outstanding photography has graced many of our office walls and made countless constituents happy.

In my capacity as chairman of Helsinki Commission, I traveled to many of the former Communist countries as they were before, during and after their transition to democracy. During some of my visits, especially to the Baltic States following their breakaway from the Soviet empire in the early 1990's, it at times became a little dangerous as we walked amongst sandbags and barricades to meet with the new leaders.

Keith Jewell was always right there with us, snapping photos while looking over his shoulder to see that we were all safe. The photos that appeared in newspapers and were sent to various organizations both here and abroad helped provide inspiration to those people throughout the world who were seeking freedom from dictators and oppression. When we talk about images that helped to end the cold war, I believe Keith Jewell was instrumental in helping to project Congress' support for freedom and democracy throughout the world.

Keith, this is one Member who wishes you well from the heart. You have been an outstanding employee and one that I am sorry to see leave this body. Best of luck in your future endeavors. The camera's eye will always be on you for your work and dedication to this body and the people it serves.

INTRODUCTION OF A BILL TO DESIGNATE CERTAIN SEGMENTS OF THE LAMPREY RIVER AS COMPONENTS OF THE NATIONAL WILD & SCENIC RIVER SYSTEM

HON. WILLIAM H. ZELIFF, JR.

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. ZELIFF. Mr. Speaker, I rise today at the request of the citizens and elected and appointed officials of the towns of Lee, Durham, and Newmarket, NH, to introduce legislation that adds the portion of the Lamprey River which flows through these towns to the Wild & Scenic Rivers system.

This is a special day for me, as the first legislation I introduced when I first took office in 1990 was the legislation authorizing the study of the Lamprey for inclusion in the Wild & Scenic program. For the last 5 years my staff and I have worked with the Lamprey River Advisory Committee consisting of local representatives, the New Hampshire Department of Environmental Services, and the National Park Service to study the Lamprey River and educate both the involved towns and river-front landowners of the effort underway and of the tremendous natural assets the river possesses.

The results of this study are that the river is eligible for inclusion in the Wild & Scenic program. However, determining that the studied portion of the Lamprey is eligible was just the first step in this process. Next came the challenge of soliciting the opinions and input of landowners, citizens, town boards, and elected officials in the development of a detailed river management plan to serve as the basis for local votes in support of, or in opposition to, Wild & Scenic designation. It has always been my policy that I will submit designating legislation for a portion of a river only if the impacted townspeople, or their local elected officials, vote in favor of seeking such designation.

The Lamprey River Advisory Committee initiated a comprehensive, and very effective and heartfelt effort to involve local elected officials and citizens in the development of the management plan, as well as to explain exactly what designation would entail and why, in the committee's opinion, it would be a good thing for the river and for river-front landowners.

The towns of Durham, Newmarket, and Lee have all expressed vigorous support for the inclusion of the river in the program. Although the portion of the Lamprey in the town of Epping was included in the study and deemed eligible for inclusion in the program, the town has opted not to vote on designation at this time but may seek designation for its portion of the river at some point in the future.

The management of the Lamprey will be based on the locally-developed river management plan. The plan emphasizes the importance of both individual responsibility to "Tread Lightly" and of local zoning laws and public education. Federal acquisition of land by condemnation is prohibited. In essence this plan will insure that local concerns and interests are the basis for the management of the river. The State of New Hampshire will continue to be involved in the management of the river, as it has since the river was included in the State's River Protection Program in 1988. Additionally, the National Park Service will continue to offer its assistance to the Lamprey River Advisory Committee as it is needed.

In closing, there has been a great deal of discussion here in Washington on the issue of what the Federal Government's role should be when it comes to the protection of our natural resources. The local, State, Federal partnership that has developed in relation to the Lamprey River is a perfect example of the direction we must head in; namely, an emphasis on local input and control, with State and Federal agencies working to assist and provide information and expertise where appropriate.

I am very proud to submit this legislation at the request of my constituents in Lee, Newmarket, and Durham, NH, as well as for the scores of people who use the Lamprey River for the recreational and educational opportunities it offers. I am also very pleased to see the circle completed, having initiated both the legislation to study the river and today's legislation to include the studied portion of the Lamprey in Lee, Newmarket, and Durham in the Wild & Scenic program. I am grateful that the citizens of New Hampshire have given me this opportunity.

THE PRIOR DOMESTIC COMMERCIAL USE ACT OF 1995

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. MOORHEAD. Mr. Speaker, I introduce the Prior Domestic Commercial Use Act of 1995. It is the product of many months of hard work and represents a compromise that I believe will be acceptable to all interested parties.

This bill is about patents. It is about inventions that have already been in commercial use and benefiting the public before another inventor comes later and applies for a patent.

Normally inventions already in use are what is called prior art and in most circumstances issuing from subsequent applications on such prior art will be found invalid. A problem arises, however, where the invention is not publicly known and where the process of commercialization did not reveal the invention itself to the public. These situations can occur, for example, when the invention is part of a manufacturing process used to make a commercial product or software used to control such a process. For such cases, there is no statutory or case law that makes clear what should happen if the holder of such a patent sues the earlier practioner for infringement. Is the patent enforceable against the earlier practitioner? Some attorneys predict the patentee will prevail because the invention was not publicly disclosed. Other predict the patent will be found unenforceable against the earlier practitioner.

At present the court's only option is a finding of either infringement or invalidation. One party must lose everything. Yet in these circumstances, each party has created some public benefit; the first by bringing the fruits of the invention to the public, the second by disclosing the invention to the public. Fairness suggests that neither party deserves to lose everything. Thus present law confronts us with a quandary. It provides only for a "winner take all" outcome and it does not make clear who the winner should be.

Earlier attempts to resolve this issue have met with opposition from those who believe that inventors have an obligation to disclose or patent every innovation. For inventors who fail to do so, these opponents presumably believe that their inventions should be taken away from them by others who come along later and file patents on the same material.

Mr. Speaker, anyone who has worked in industry or built a manufacturing business knows that there are any number of reasons why one might not secure a patent on every invention. Once issued, an American patent tells the whole world how to copy the invention. Manufacturers fear that inventions relating to internal processes are almost impossible to police and protect in many other countries. Then too, small investors may be unable to afford the costs of obtaining even a U.S.

patent on every invention, much less world wide protection. It is also true that in many cases, the inventor does not realize that what seemed like just an innovation was indeed a patentable invention. In any case, a serious problem arises when a later inventor, and that later inventor need not be an American, comes along and independently inverts the same process, tool, or software that the earlier innovator has been using. This later inventor can apply for a U.S. patent. If the earlier innovator did not publish the innovation, the Patent Office may not know of it and the later inventor might actually receive a patent on the innovation. This situation gives rise to the question of whether or not that patent is or ought to be valid and whether or not it may be enforced against the earlier innovator.

We also should not assume that all of these later inventors have been operating in good faith. In these days of growing industrial espionage, it is possible that the later inventor simply patented the product or process by means of reverse engineering or by looking through a factory window. I have seen U.S. patents issued to foreign companies who appear to have reverse engineered American products and patented the method of manufacture. The law in those companies' home countries prevents them from enforcing such patents in their own land. The bill I am introducing today will ensure that American industry has the same protection.

Opponents of earlier legislation have feared that any law recognizing unpublished earlier use would be misused and weaken legitimate patents issued to persons who are undisputed first inventors. The university community was particularly concerned that such a law might impair their opportunity to license their inventions. This bill introduced today has been carefully crafted to prevent such an outcome. As a result of its limitations, this bill will not affect the vast majority of patents. The only patents that will be affected are those patents written on internal software, processes, or tools which were already being used by others for public benefit. For those questionable patents, this bill promotes sound public policy by recognizing the public contribution made by both parties.

By providing a specific defense for this limited class of inventions, this bill will make long and expensive infringement or invalidation litigation unnecessary. Moreover, some very strict limitations must be met before the defense can be used. First, the earlier use of the invention must have been commercial and the public must have benefited from that commercial use. Simply making an invention and even reducing it to practice are insufficient grounds for the defense. Second, the commercial use and public benefit must have occurred more than one year prior to the priority date of the patent. Third, the defense will not be available where the commercial use has been terminated and abandoned. Forth, the patentee or the patentee's work must not have been the source of the user's technology. Fifth, the commercial use must have occurred on American soil. Sixth, the defense is not a license under the patent nor is it a defense against the entire patent. It is a defense only for the subject matter that can be proved to have been used commercially before the filing date. Seventh, the burden of proof falls entirely on the prior commercial user. Eighth, the defense is personal, it cannot be transferred to another. Finally, sanctions are provided to discourage a frivolous defense.

This bill will create for American manufacturers the same protection that their overseas competitors already have. It is a domestic bill that removes some of the incentives now enjoyed by offshore manufacturing. In addition, considerations of fairness, public policy, and the need to make America more competitive in the international economy all strongly support this legislation.

Mr. Speaker, I am hopeful that all concerns about this legislation have been resolved and that this bill can become enacted this year.

TIME FOR TOUGH ACTION ON TERRORISM—THE UNITED STATES MUST NEVER YIELD TO TERRORIST THREATS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. LANTOS. Mr. Speaker, earlier this week our Government barred the entry into the United States of Musa Mohammed Abu Marzuq, a senior official of the Islamic Palestinian extremist terrorist organization, Hamas. Abu Marzuq is chief of Hamas' political bureau where he is responsible for coordinating international aspects of Hamas' terrorist activities, and in particular, fund raising efforts and the training of Hamas' operatives—activities that are critical to Hamas' vicious terrorist campaign against Israel, against those who support Israel, and against Palestinians who do not follow Hamas' violent line. Hamas has viciously opposed the efforts of the PLO to work with Israel in bringing peace and ending violence.

Mr. Speaker, I welcome the action of our Department of State in barring the entry into our country of Abu Marzuq. I raised this issue earlier this week in a hearing of the International Relations Committee and repeated my concern to the Assistant Secretary of State for Near Eastern Affairs that our Government must move decisively against all those individuals who are involved in terrorist activities of any kind. We have no obligation to admit such individuals who support, encourage, and engage in terrorism. Furthermore, I urge the administration and the courts to comply with the request by the Government of Israel for the extradition to Israel of Abu Marzuq. The Israeli Government has evidence of the involvement of this Hamas leader in terrorist activities, and it would be most appropriate that he be returned to Israel to stand trial in an Israeli court of justice to determine his guilt or innocence of these heinous crimes.

Mr. Speaker, it is an absolute and unmitigated outrage that the vicious, unprincipled leaders of Hamas have threatened President Clinton and the United States if the extradition of Abu Marzuq is carried out. In a letter published in an Arab-language newspaper in Israel earlier this week, Hamas published an open letter to President Clinton with intolerable and offensive threats: "If your government decides to hand Abu Marzuq to the Israeli authorities, we would consider this a hostile act against all Arabs and Muslims. You will bear the consequences of such an act." The letter threatened that the extradition would unleash "a wave of anger and retaliation throughout the Arab and Islamic world." A leader of another militant group, Islamic Jihad, said the United States would "pay dearly" for detaining or extraditing Abu Marzuq.

The United States must never, under any circumstances, yield to such blatant, mind-boggling terrorist threats. Our foreign policy must be based on principled decisions and respect for the rule of law. Our actions at home and abroad must never be influenced by timidity or trepidation in the face of blatant threats by terrorist thugs. To yield to such treats will only encourage every other international terrorist group to issue and carry out such threats. Our policy must always be to stand up against intimidation.

Mr. Speaker, the detention of Abu Marzuq only serves to highlight the continuing danger of international terrorists. The Oklahoma City bombing a few months ago highlighted the danger we face from domestic terrorists and anti-Government militias, but we must not let that tragedy and the necessity of dealing with terrorism at home obscure the need to deal with international terrorism.

I urge my colleagues to move quickly to bring to the floor of the House the Comprehensive Antiterrorism Act, which has been developed with the cooperation and full support of the Department of Justice. If that legislation had been enacted, dealing with the detention of Abu Marzuq and extraditing him to Israel would probably be an easier task.

Mr. Speaker, there is absolutely no reason for further delay. We have dealt with all kinds of issues in the House of Representatives in recent days, but none have the urgency and immediate importance of taking action to improve the ability of our law enforcement officials to deal with international terrorism. I urge that the Comprehensive Antiterrorism Act be brought to the floor and that we move quickly to improve our ability to deal decisively with the scourge of terrorism, both within our borders and beyond.

TRIBUTE TO BILL MORGAN

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Ms. KAPTUR. Mr. Speaker, I come to the floor in sadness today to pay tribute to a good friend and a man of exceptional political insight, Bill Morgan of Baton Rouge, LA. Bill died this week at the age of 53.

Bill Morgan served the Congress as majority counsel to the Joint Economic Committee from 1977 to 1980. Subsequently, he worked as a media consultant on numerous campaigns throughout the south and midwest, including some of mine.

I knew Bill as a knowledgeable, intelligent, and wise counselor. A person whose advice could be relied upon. He began his working life as a reporter. He went on to earn a masters degree in political science and a law degree from LSU. And he transformed his varied experience into his own political media consulting firm in 1983. A Vietnam veteran, he always distinguished himself by his love of country, his deep dedication, and his infectious sense of humor.

Bill Morgan will be missed. We thank his family for sharing him with us and wish them Godspeed.

TRIBUTE TO JESSE SANCHEZ

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. FARR. Mr. Speaker, the Latino community has lost a great leader.

Jesse Sanchez, who devoted every ounce of his spirit to empowering the Latino community in the city of Salinas, in my congressional district, died on August 2, 1995, of cancer. Mr. Sanchez always spoke first when Latinos in Salinas confronted public racism—and often, he spoke alone. He had the courage and uncompromising conviction to express what many others felt, but, could not say.

Mr. Sanchez fiercely believed that Latinos belong in every room and at every table where public discourse occurs, and, he fought aggressively to dismantle artificial barriers to Latino political participation. His valiant battles inspired many Latinos to assert their God-given talents and to express their political leadership skills. As a result, the city of Salinas, the county seat in what is one of the most powerful agricultural valleys in our country, now boasts a Latino-majority city council working mightily to represent all of Salinas. And more importantly, the city's schools are now filled with young Latino students who dream of leading their city some day.

Mr. Sanchez' vitae attests to his commitment to the Latino community. The following list contains just some of Mr. Sanchez' achievements:

As a student during the late 1970's and early 1980's, Mr. Sanchez insisted that commencement ceremonies celebrate Latino culture, first at the predominantly Latino Alisal High School in Salinas, where he convinced authorities to hold the first ever bilingual commencement and then at the University of California at Davis Law School, where Mr. Sanchez became the first valedictorian to address celebrants in Spanish as well as English.

Upon finishing his studies, Mr. Sanchez returned to Salinas in 1981 and became the first Latino elected to the Alisal Union School District Board of Trustees, where for 12 years Mr. Sanchez helped transform the school district into California's leading bilingual, bicultural educational institution.

In 1988, Mr. Sanchez led a successful fight to convince the voters of the city of Salinas to adopt single-member voting districts to elect city council members, thus paving the way for the city's first ever elected Latino city councilman.

In 1992, Mr. Sanchez filed a lawsuit and obtained an order pendent lite requiring judicial elections by districts, an order which yielded the first Latina and the first African-American municipal court judges ever in Monterey County, CA.

In closing, let me make one thing clear: Mr. Sanchez' efforts, although focused on empowering Latinos, have benefited the entire Salinas community. The pool of talent which serves Salinas has now been enlarged to include people who previously could not contribute. Those newly enfranchised people now lend their talent and their commitment to the effort to make Salinas a better community.

TRIBUTE IN HONOR OF RABBI ARYEH SCHEINBERG OF CONGREGATION RODFEI SHOLOM IN SAN ANTONIO, TX

HON. FRANK TEJEDA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. TEJEDA. Mr. Speaker, I take this opportunity to honor an outstanding spiritual leader in San Antonio, TX, a man who has dedicated the past 25 years to teaching, learning and inspiration. Rabbi Aryeh Scheinberg, who this month will be honored by the community for a quarter century of service as rabbi of Congregation Rodfei Sholom, has the rabbinate in his blood: He stands in a line of seven generations of rabbis who could take pride in his accomplishments. I join in saluting Rabbi Scheinberg for his many positive contributions to our community.

Rabbi Scheinberg can be described as a man of intense knowledge, of passion for learning, of deep spirituality. He is that and more. Rabbi Scheinberg takes seriously the biblical admonition to "Love thy neighbor as thyself" in his daily life. He loves people. He recognizes the divine spark in each person and works to transform that spark into a glowing fire. Over the years, Rabbi Scheinberg and his wife Judy have selflessly opened their house to congregants and visitors alike, offering hospitality, song, study and the warmth of home to all. It is no wonder that he is so well loved.

Rabbi Scheinberg understands the need for community and the special value of the family. With a stubborn vision and hard work, Rabbi Scheinberg has built a vibrant community centered around synagogue and home, but with a window on the world. Rabbi Scheinberg has reached out beyond the walls of his own congregation and connected with the entire Jewish community in San Antonio. He has worked with colleagues of other faiths to increase understanding and build on common ground. He has led missions to Israel, which enjoys a special and unique place in his heart. He has cried with the bereaved, danced with joy on occasions of happiness, and inspired so many to open their minds and souls to ultimate truths. Above all, his personal faith, dedication and warmth have gained him the undeniable respect of clergy and laymen alike.

On August 27, San Antonio will formally honor Rabbi Scheinberg through the dedication of a new Torah, the handwritten Hebrew text of the five books of Moses. This celebration is fitting: just as Rabbi Scheinberg has written the words of tradition on the hearts of his congregants and students, the community will complete the writing of the very words of Torah he upholds.

INTRODUCTION OF A BILL TO REPEAL THE LOCAL RAIL FREIGHT ASSISTANCE PROGRAM

HON. BOB FRANKS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. FRANKS of New Jersey. Mr. Speaker, today I am introducing legislation to repeal the Local Rail Freight Assistance Program [LRFA]. As my colleagues may be aware, this small Federal program uses taxpayer dollars to subsidize privately owned freight railroads.

LRFA was established in the mid-1970's to ease the disruption resulting from the loss of rail service due to the bankruptcy of the Penn Central Railroad and five smaller carriers. LRFA was originally intended as a temporary 2-year formula grant program to assist 18 States by alleviating the economic dislocation caused by rail abandonments. Nearly two decades and over half a billion dollars later, this temporary program has been expanded to include 49 States and the District of Columbia. LRFA continues to receive funding despite the fact that it has not been included in the last 11 budgets submitted by Presidents Reagan, Bush, or Clinton.

The short line industry no longer needs this Government handout. Today, the short line railroad industry is expanding and profitable overall. Furthermore, short lines already have a $1 billion government loan guarantee program—section 511—to help finance their capital needs.

Because this program has outlived its usefulness, the Congressional Budget Resolution (H. Con. Res. 67) and the fiscal year 1996 transportation appropriations bill (H.R. 2002) did not include funding for LRFA. LRFA funding for this fiscal year is $17 million, down from its peak spending level of $80 million in 1980. My bill would remove the authorizing language and thereby end funding for the LRFA once and for all.

Some have argued that termination of this program will result in greater truck traffic. I know of no evidence, however, of increased truck traffic in the 29 States that did not receive LRFA funding this fiscal year. Supporters of LRFA also point out that economic disruption could result if the program ended. I remind my colleagues that none of my home State's short lines received any LRFA funding this fiscal year—and the industry miraculously survived.

As a member of the House Railroad Subcommittee, I support making the short line industry more competitive. For example, Congress should fund the section 511 guaranteed loan program and reform the antiquated labor laws that apply to freight railroads. These two measures alone would be a thousand times more beneficial to the short lines than continuing the LRFA.

At a time when Congress is cutting funding for publicly owned mass transit, it is perverse to give a handout to privately owned freight railroads. I urge my colleagues to join me in taking the short line railroad industry off the Federal Government's corporate welfare rolls by cosponsoring this legislation.

THE AMERICAN PROMISE

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. ENGEL. Mr. Speaker, the United States was founded on an idea—the idea of democracy. In its general sense, this concept embraces the participation of all segments of society in the shaping of our republic.

However, the American democracy is neither simply defined nor easily described. It is expressed in an infinite number of variations. In its most basic form, democracy in our society is nonrepresentational and conducted directly at the local level. I rise, today, to recommend to my colleagues a Public Broadcasting Service [PBS] television series, "The American Promise," celebrating our country's community-based democracy.

Members of Congress arrive in Washington, DC having won elections to introduce, consider, and vote on legislation. While much is accomplished in our Nation's capital, too often, congressional democracy devolves into the partisan bickering and a competition for political power.

"The American Promise" highlights another aspect of American democracy. In community after community throughout America, in ways large and small, citizens decide every day to become part of the democratic process. They do this by joining organizations, forming community groups, and helping their fellow citizens to shoulder the burdens of society.

When this happens, there are no losers. When a community development bank is opened in a depressed inner-city location or when neighbors add their combined strength to form a local safety watch program, they are exercising their rights as participants in the American democratic experiment.

In my view, there is no better antidote to doubts about our Nation's future than adjusting our sights from the latest iteration of partisan one-upsmanship to the grassroots to relieve our concern.

Mr. Speaker, the PBS special, "The American Promise," does exactly this: It reminds us all of the community-based democracy found beyond this Capitol. In doing so, it restores our faith in the idea for democracy, the possibilities for our future, and the promise of America.

I would also like to highlight a particular aspect of the series. One segment features an outstanding example of grassroots democracy in my home, the Bronx, NY. In response to the tragedy of random inner-city violence, mourning families commission graffiti artists to paint walls horning their murdered children. These memorials to the past not only honor the lives of those who have died, but represent warnings to the living about the need to work together for an end to the carnage.

Finally, I am proud to recognize the Public Broadcasting Service for making possible programming that demonstrates America at its best. In this time of cuts to the public broadcasting budget, I am proud to commend PBS for continuing to offer the finest programming available on the public airwaves.

Once again, Mr. Speaker, I urge my colleagues and viewers across the Nation to tune in to their local PBS station and watch "The American Promise." The series reminds us of what is right about America and what we must do to achieve our country's full potential.

"RECYCLE! KIDS": ENVIRONMENTAL AMBASSADORS FOR SAN DIEGO

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. FILNER. Mr. Speaker and colleagues, I rise today to congratulate "Meredythe and Recycle! Kids" for their seventh anniversary and to applaud their recent recognition as the official environmental youth ambassadors for the city of San Diego.

Meredythe and the Recycle! Kids was created in 1988 by Meredythe Dee Winter as a unique learning experience for homeless and underserved youth. Hundreds of children have participated in the program.

All children are welcome to participate in special workshops that teach them to become aware of environmental issues and enjoy a caring, artistic atmosphere. Members have contributed their skills in choreography, gymnastics, singing, and dancing.

The Recycle! Kids has achieved international recognition. Meredythe and the Recycle! Kids was the only program chosen to represent San Diego County at the 25th Anniversary National Earth Day Celebration in Washington DC.

They were also selected to participate in the United Nations Environment Programme—Global Youth Forum. In 1994, Recycle! Kids performed at the Plenary Session in front of the White House. More than 1,500 people were in the audience, including many United Nations officials. In 1993, they were honored by the Philippine Delegation at the Plenary Session in Boulder, CO.

The Recycle! Kids program is a model program for others to follow!

THE TRUE MOUNTAIN SPIRIT

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. ROGERS. Mr. Speaker, I encourage my colleagues to read this outstanding article on welfare and the fine work of the Christian Appalachian Project in my State of Kentucky.

Groups like the Christian Appalachian Project do yeoman's work to help families in need in southern and eastern Kentucky.

They truly live by their motto, "Helping people help themselves."

I hope my friends will take the time to read this article. Not only is it a shining example of the hard work and dedication of our communities and volunteers, it provides hope for our future.

[From the Mountain Spirit, May-June 1995]

WELFARE: INVESTING IN PEOPLE

(By Margaret Gabriel)

Apparently, when Jesus told his disciples they would always have poor people in their midst, he didn't necessarily mean the same people. Recent statistics from the U.S. Census told Kentuckians that the number of people living in poverty increased between 1989 to 1993, from 16.2 to 20.4 percent. There's evidence, though, that people who participate in welfare programs are not in a stagnant pool but a revolving door.

The May 1994 editorial in St. Anthony Messenger cites statistics from the Children's Defense Fund, saying: ". . . half of welfare recipients are off welfare within two years. Some occasionally return to welfare depending upon job situation, but the overwhelming majority do not live a welfare 'way of life'; they use the program to get by between jobs."

Christian Appalachian Project outreach caseworker Wanda Penman is a good illustration of exactly that use of federal entitlement programs.

In 1987, Wanda, a graduate of Kentucky State University, was a single mother of one child. She and Tonecia lived in the home where Wanda had grown up and received Aid to Families with Dependent Children and food stamps. She had been working in a manufacturing job, but was forced to quit due to child care conflicts. "It was good money; I didn't have to beg to get the bills paid. When I started on welfare, I was drawing $162 a month, plus about $115 in food stamps. I'd had a taste of what it was like not to have to struggle with the bills, and I wanted it back, if only for a little while."

Wanda had the chance to stop that struggle for a little while, when she was offered six weeks of work at CAPRICE, CAP's training program for adults with disabilities. She took the job, even though doing so meant giving up her welfare benefits, including government-paid medical insurance for Tonecia and herself. "I'm not a person to remain idle for days on end. The life of leisure suits me for about a week. It drives me crazy to be sitting around not working," Wanda said. "I really had to think about giving up that medical card, but it was worth it."

The six-week job with CAP became a six-month job, then part-time and finally a full-time position. However, she had no insurance or Medicaid while she was pregnant with her second child, and therefore had to pay for her pre-natal care. "It took me six years to pay off those bills. It's no wonder that people are afraid to risk losing that card. It's sad to say."

Until the fall of 1994 Connie Wagers managed CAP's Family Life Abuse Center, when she temporarily retired to take a position as a stay-at-home mom with her children, Lauren and Jonathan.

Connie's experience with welfare dates to here childhood in Knott County, when her mother was widowed with seven children at home and the eighth in college. Her daddy had been disabled in a mining accident, then died suddenly. "Mom had not worked outside the home and had very little education, so she had no choice but to go on welfare; there was no other way to feed her children.

It would have been far easier for her to continue in the system, getting welfare, food stamps and the medical card, but she firmly believed that any person who was able to work should work. It's okay to take help to get back on your feet, but not long term. She worked at whatever she could find, cleaning houses and working in the school lunch room one day a week to pay for our lunches. I washed dishes during recess, too."

Connie calls her mother her "greatest hero," and says that from her she learned the value of hard work and the importance of depending on herself. "Mom always encouraged all of us to get our education: she saw education as the key. At that time in that area, girls were not encouraged to go to college, especially if you weren't from a well-do-do-family. It was just assumed that you'd get married.

Connie says she ran in the other direction as soon as any boy broached the subject of marriage, and with the help of grants and loans—and the encouragement of her mother—she worked her way through Sue Bennett College in London and Eastern Kentucky University, earning a degree in social work.

She eventually married Jerry Wagers, who traveled with an oil company. When they decided to settle in Kentucky, a promised job fell through, and they had to sign up for food stamps for a couple of months, "until he could get another job," Connie said.

"It wasn't terribly dramatic, but I felt totally humiliated, going to the grocery store and having to buy groceries with food stamps. I had a college education and there I was with food stamps. No one ever said anything to me, but I've heard people make comments about people using food stamps. If you happen to be one of the lucky ones who's not having to use food stamps, you'll hear it. And you see the looks on faces."

Connie said that people who have been on welfare for extended periods of time feel the sting of public perception, too. "I've hear the ladies in the shelter talking about it. They would feel humiliated, like people were looking down on them.".

As college graduates, Wanda and Connie have the skills needed to find jobs in an area of high unemployment. Such was not the case for Pete Laney. With the help of CAP's Community Health Advocates in Magoffin County, Pete recently attained certification as an emergency medical technician. In studying for the certificate, Pete was trained to transport people in Magoffin and surrounding counties to doctors' office and hospitals throughout the region. His wife, Wanda, is studying to complete the training, attain certification, and get a similar job. CAP met Pete and Wanda when Wanda studied to obtain her high school certification through a CAP adult education program.

A native of Magoffin County and a high school graduate, Pete supported his family in the past with seasonal farming jobs; Wanda receives an AFDC payment for a child from a previous marriage.

"What we were taking in just didn't cover it," Pete said. "We paid $80 in rent, a $70 electric bill, and in the winter we were out two or three hundred a month for coal. It ain't easy. People say they've got it made on welfare; I don't see how. There are people out there who would work, but you go down to the unemployment office and they'll have a list of jobs that long, but you have to have five years of experience. Now, how are you going to get a job if nobody will let you get any experience?"

Pete, too, brings up the issue of how risky it is to leave the welfare rolls for a low-paying job that does not include medical benefits. His work as an emergency medical technical pays him by the run, and when he's busy, the money's okay, he said. "That"s the good side, but the medical card is gone, and I can't afford the medical bills if we were to have to go to the doctor."

When she was very young Rose Mary Bailey dropped out of school to get married. It was not a difficult decision for Rose; she said she hated school. "In the second grade they put me in special ed. I don't know why; I had straight A's in the first grade. They held me back in the first because I had missed some, so they told me I had to repeat. From that time on, I said I didn't like school. My grades decreased, my self-esteem decreased. I said what's the use of worrying about it, so I didn't."

Despite her lack of education, Rose had an ambition not often seen in dropouts, and she began working in the many fast food restaurants in her native Salyersville.

"Working in fast food is a way to get off welfare," Rose said. Rose has no children, so she was not eligible for AFDC. Her husband, too, worked a low-paying job so they were eligible for food stamps. "It wasn't enough income to live on, and I knew that if I was going to get out of this I had to get a better job. And I knew that if I was going to get anywhere I had to get an education. My friend told me there was a position at the bank and that it required a GED. That's one reason why I started working on it."

Rose began studying for her GED, through a program she saw on Kentucky Educational Television, a public broadcasting station. She worked on her own for about six months, then finished her studies through CAP's adult education program. In the fall of 1994, Rose applied for and got a job at a bank in Salyersville, "And I love it. I'm a phone operator, and I balance checkbooks, and I'm taking college level accounting courses at the bank."

Rose, a special education dropout and former food stamp recipient, has set an ambitious goal for herself. "I'm planning on going back to school. Right now, my goal at the bank is to become a loan officer, vice-president, and move on up. I'm working hard and studying to learn all I can right now. I try to pick up any information I can. I'm terrible for asking questions!"

Rose, Wanda and Connie have more than just experience working themselves off welfare in common. All spoke glowingly of the influence of their mothers, emphasizing the importance of family in shaping the values of young people.

Wanda said she felt awful about herself while she was on welfare. "But, Wanda has always been hard on Wanda. I have a college degree, and being an educated woman, it was hard for me to accept the fact that I was trying to survive on a welfare check.

"I wasn't raised in a family that lived on public assistance. My mother and father had 13 children, and I don't remember food stamps ever being in our home. What I can remember is big huge gardens that we all worked, and I can remember the variety of jobs my dad worked. When I grew up, we lived mostly off wild game and that garden. My mom took in laundry at home after working all day at the hospital or the school. We've always been a working class family. The thought of drawing welfare didn't set well with me."

Connie learned from her mother that "It's okay to take help when you absolutely have to have it, to help you get back on your feet. But she taught me that any honest work is noble, regardless of how little it pays. We have a responsibility to help ourselves."

Rose credits her mother for encouraging her to dream dreams and achieve her goals. "She's always told me I was smart and could do anything I wanted. That helped out a lot. When I was sitting at home doing nothing she told me I could do better, If not for her I don't think I would have tried. I didn't want to let her down."

Other boosts in Rose's self-esteem came from Holly Rivers, the CAP volunteer who tutored Rose, and from other CAP workers she met. "An organization like CAP has to be made up of people who care for people who want help. I came in here and expected, like anywhere else, to find snooty people who looked down on me. I always felt everyone was looking down on me, but everyone here treated me as an equal. They were friendly, and told me I could do it. After a while I saw that I could and knew I was as good as anyone else."

Wanda, Rose, Pete and Connie agree that the welfare system needs reform, but they all expressed concern about the elimination of benefits with the start of any work rather than withdrawing them slowly.

"Supplementation is a real key to welfare reform," Connie said. "You have to encourage people to at least try. If they're working a minimum wage job—obviously not enough to support a family—at least let them keep the medical card, something that encourages them to build up some self-esteem and some pride and not be so humiliated that they're taking handouts."

Connie said that capping welfare benefits is especially unrealistic in the rural area because of the lack of jobs. "If the jobs are not there to make a living wage, what choice do you have? We've had years and years of things the way they are that discourage people from trying. It's hard for a caring parent to give up a medical card and food for the children to go out and work minimum wage." A combination of jobs, education and better pay is crucial to meaningful reform, she said.

"I worry about people, but I know there are some people on welfare that are there just to be on welfare," Rose said. "I believe if they can work, they ought to. But it bothers me to think of people that are unable to get a job. I've got a brother on welfare that's not able to work. What's he going to do? Some people are not able to work and are on welfare to get by until they can do better; it's not right not to help them."

Wanda believes that the methods of welfare reform she's heard through the news media are unrealistic. "You're not going to be able to please everybody, and whatever you do, somebody's going to suffer. My overall view is that people should be able to use welfare as long as they need to, but let it be because you need to. Like the mother with the three kids, who knows that to go out and get a job at minimum wage is not going to do it. Fine, use the system as long as you need to, but after that let's look to doing better."

HONORING DOLORES A. KUREK

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Ms. KAPTUR. Mr. Speaker, I rise today to honor the life and memory of an educator, a mother, a wife, a devoted citizen, a woman ahead of her time, and a friend. Mrs. Dolores A. [Bodnar] Kurek. Dolores Kurek was a woman of great dedication in my community and throughout the Nation. On June 2, 1995, she passed away, much too young, at the age of 59 after a long courageous struggle with cancer. Her presence will be greatly missed by the thousands of lives she touched, and continues to touch.

Dolores Kurek was an exemplary leader in the field of science. She was the recipient of numerous awards including the engineering and math award in 1987, the exemplary women in science award, the teacher of the year award in 1991, and the Sears grant for science and engineering in 1993. However, for everyone who knew her, Dolores greatest award was not one she received, but one she gave. Her illustrious teaching career spanned over 20 years of care, commitment, and devotion to spreading her personal love for science. Her commitment to advancing women in the sciences was unmatched. She personally organized Women in the Sciences Career Day for thousands of young women in high school throughout our region.

Even to the day of her passing, her personal quest for knowledge never faltered. Dolores Kurek was working on another Ph.D., this time in physics. She was continually learning for, and from, those around her. If the quote, "Read not to contradict and confute nor believe and take for granted, but to weigh and consider" ever had any one in mind, it might just have as well been for Dolores Kurek. She was a life-long learner.

She was a devoted wife of 38 years, a loving mother of six children, nine grandchildren, and a career educator at the high school and college level. The loss of Dolores Kurek is deeply felt throughout our community. It has been a personal gift and honor to have learned from her. I and all who knew her feel great privilege to have shared in her life and we express our gratitude for her life of dedication, commitment, and love. She will be missed.

DOES THE RIGHT HAND KNOW WHAT THE FAR RIGHT HAND IS DOING?

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. FRANK of Massachusetts. Mr. Speaker, I have been puzzled recently by Speaker GINGRICH's actions in certain regards. In particular, he seems to me to have been engaged in flirtations with some of the more extreme, unreasonable conspiracy theories that rattle around the right wing these days—for example, his support of the manner in which the Waco hearings were conducted and his refusal to accept the conclusion of several independent investigators that Vince Foster was a suicide. We also have the erratic way in which the House is being run these days, with important legislation being considered in the middle of the night, with debate and votes separated, and with the general sense of discombobulation.

A recent column by Robert Novak in the Washington Post suggests some of the reasons—the Speaker, having benefited greatly from the energies of the very conservative elements that helped him take control of the Republican Party now is bothered by their insistence on his paying attention to their agenda. Since Mr. Novak has long been one of the in-house historians for the right wing in America, his discussion of the Speaker's rage at those on the right, and his frustration over his inability completely to control them explains a great deal. Because I think it is useful for people to be able to understand some of the puzzling things that have been happening in the House recently, which are otherwise inexplicable, I think it very useful that Mr. Novak's article be reprinted here.

ANGER AT THE DINNER TABLE

(By Roger D. Novak)

After spending three hours behind closed doors with the House Ethics Committee answering nuisance allegations by the Democratic leadership, Newt Gingrich last Thursday night erupted in anger at the dinner table—against his friends, not his enemies.

The speaker of the House was the guest at a dinner hosted by R. Emmett Tyrrell, editor of the American Spectator, and attended mainly by conservative journalists. The immediate cause for Gingrich's ire was my column that day suggesting that he and other Republicans were flinching on affirmative action. But his complaints were much broader.

For the first time in the 104th Congress, the speaker seemed at bay. His ill humor, his own aides said, was in no small part the product of fatigue. But beyond that, Gingrich is vexed with conservatives, inside and outside the House, who are crossing him on the highly charged issues of race and abortion. A major political leader is in grave danger when he assails his base.

Gingrich's aides, who had never seen him as out of control for so sustained a period as he was last Thursday night, attribute it to an unbelievably heavy work load. Republican colleagues in the House, at the point of exhaustion trying to enact their revolutionary program, wonder how their leader fulfills that schedule while also running a shadow campaign for president and promoting his best-selling book.

Fatigue can be cured by a little rest. Gingrich's bigger problem lies with the ideological heart of his party. His long-time supporter and sometime critic, conservative activist Paul Weyrich, worries that Gingrich is following the bad example of the Reagan White House in setting parameters of permissible conservatism.

In effect, the speaker is saying: Nobody can be to the right of me and be respectable. From the speaker's office come complaints that conservative congressmen want him to force passage of proposals that do not command a majority in the House.

At the American Spectator dinner, historian Gingrich compared the course of Republicans in Congress today to the way U.S. forces temporarily bogged down in France in 1944 after the Normandy landing. Democratic defenders of big government, he said, are fighting for their lives. This is a struggle of seven-day weeks and 16-hour days. But unlike his hero, Gen. Dwight D. Eisenhower, Gingrich feels he is facing fire from his own troops.

His voice rising, the speaker pointed to journalists at the table and said they were acting like, well, like journalists. He was "infuriated," he said, by my column on affirmative action and asserted that I was wrong in saying his book, "To Renew America," does not mention the subject. (He cited a two-page chapter on "Individual Versus Group Rights" that never mentions affirmative action or quotas or proposes a specific solution.)

Gingrich went on to repeat what Jack Kemp said: that Republicans will rue a race-based campaign for president in 1996. He angrily lamented that black Republicans feel they are losing a golden opportunity to bring African Americans into the party. He described fears of such blacks as his Georgia congressional colleague and fighter for civil rights in the '60s, Rep. John Lewis, and warned against instilling apprehension about "resegregation."

Warming to his subject, Gingrich complained about conservatives bringing the party to ruin by opposing a rape-and-incest exception to federally financed abortions (another subject he avoids confronting directly in his book). He did not say so, but word has spread that he will cast a rare vote (the speaker usually does not vote) on the rape-and-incest exception.

In less than eight months, Gingrich has established himself potentially as one of the most powerful and effective speakers in the nation's history. He is unquestionably the most visionary and charismatic figure in the Republican Party. But the strain of "renewing America" is showing.

He seems more tolerant of the 25 or so House Republican moderates who oppose key elements of the party program than of some 200 conservatives who feel deeply about reverse discrimination and abortion on demand. That is not how the Republican majority was built, and it is not how it can be maintained.

HONORING DR. LONNIE BRISTOW ON HIS ASCENSION TO PRESIDENT OF THE AMERICAN MEDICAL ASSOCIATION

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. MILLER of California. Mr. Speaker, I rise today to pay tribute to Dr. Lonnie Bristow, a concerned physician, a constituent from San Pablo, CA., and a man with a heavy responsibility as we close out this century. Dr. Bristow was recently elected president of the American Medical Association. Dr. Bristow is also the first black president of the powerful medical organization.

I have worked with Dr. Bristow over the years as we have tried to find a solution to the many health insurance problems facing our country. Dr. Bristow and the AMA will be at the center of this critical and ongoing debate.

I wish Dr. Bristow many successes in his new position and I look forward to continuing to work together. I believe the article attached here from the Los Angeles Times captures the commitment Dr. Bristow has to his new position as president of the AMA and to pursuing health care policies that will benefit the entire Nation.

Attached, article from the Los Angeles Times, Tuesday, July 18, 1995 "He Might Have the Cure for Medicine's Ills".

HE MIGHT HAVE THE CURE FOR MEDICINE'S ILLS

(By Bettijane Levine)

It is oddly reassuring to spend time with Dr. Lonnie Bristow, small-town doctor and newly elected president of the American Medical Assn.—the first black president in the AMA's 148-year history.

During those moments, you bathe in the aura of a kindly, assertive man who believes that the current crisis in American medicine is not a fatal condition, and that in his new capacity he can help to make it better.

If Bristow can be believed—and he admits it might require a leap of faith for some familiar with AMA history—the way to start curing medicine's ills is for doctors to rejoin the organization that a majority of them have abandoned in recent years. Only 40% of U.S. doctors now belong to the AMA, down from 70% two decades ago.

We are in an era when doctors are losing control of the care of their patients. Bristow says; when patients sense that the quality of care is diminishing; when some of the country's great medical institutions are endangered because of lack of funds and drastic cutbacks.

"We now have health care being controlled by MBAs rather than by physicians committed to the Hippocratic oath." Bristow says, referring to the corporations from which most Americans receive health insurance. "And once health care becomes corporatized, as it has, and once it goes on the open stock market, then its major commitment is to Wall Street and the stockholders to maximize profits, rather than to give the best possible patient care. Business principles are introduced that unfortunately put patient care second to corporate profits."

It is an uncharacteristically direct outburst for Bristow, 65, who has worked his way up through the ranks of the AMA, who appears to be the consummate organization man, and who speaks sincerely but cautiously during an interview.

His discretion has apparently been honed to a fine point during 30 years of participation in the AMA, considered by many to have been a racist organization.

For much of the AMA's history, black doctors were not allowed to join. Unit 1968, the organization permitted state and local branches to deny membership to black doctors simply because they were black.

The AMA also backed South Africa's medical society in international medical meetings, although the group supported apartheid until 1989.

Bristow, who has practiced internal medicine for 30 years in San Pablo, Calif., speaks in a soft voice unmarked by anger or agitation.

He acknowledges that when he joined the organization in 1958, after finishing his internship at San Francisco City and County Hospital, "There were parts of the country where black Americans could not join." But in San Francisco, he says, "there was nothing to it."

His philosophy regarding many tough issues, including racism, he says, "is that if you want to change something, you do it from the inside. You don't stand outside and complain about it."

He applies that reasoning to doctors who have broken away from what Bristow calls "the mother group," preferring to belong only to associations related to their own medical specialties. Cardiologists, radiologists, urologists and others have begun to think of themselves as specialists above all else, Bristow says.

Many have splintered into even smaller subgroups, he says, preferring to associate with those who are like them in the sense that they support or oppose abortion rights, are Republican or Democratic, are fee-for-service or salaried.

Bristow's goal as president will be to "make all these doctors understand that we have much more to unify us than to divide us. What we have in common is much more meaningful than that which might pull us apart."

If the defecting doctors can be persuaded to "come back under the umbrella of the AMA," he believes, "we will have more leverage and a better chance to get the kind of medical care for our patients that most of us want.

"The entire profession of medicine, and the doctor-patient relationship we all respect and love, has sailed into harm's way," he says. "We have to pull together the way any family would in a time of trouble," to get medicine back on the right track.

Bristow, a tall, imposing figure in a charcoal gray suit, stops to ponder for a moment.

"It's hard for me to explain just how exhilarating and personally satisfying it is to make an impact on another human being's life in a positive way. Doctors share that, above all else. It is the reason we became doctors in the first place.

"That ability to make an impact, to help improve patients' lives" is being eroded by corporatized health care that is not run by doctors but by business people and that dictates what treatment, and how much treatment, doctors can prescribe, Bristow says. "It intimidates doctors into acquiescing," he says

"That is a major reason for doctors to band together, no matter what their specialties or political beliefs.

"I don't expect all doctors to agree on everything. But on certain key issues, such as the sanctity of the doctor-patient relationship, the importance of freedom to choose which doctor to see, the importance of physicians being able to practice medicine the way they think is appropriate—those are issues which all doctors should be able to rally around."

He says that AMA will support a Patient Protection Act in Congress at the end of summer. It would guarantee, he says, full disclosure about all insurance programs, so potential subscribers will know the program's track record, whether previous users have been satisfied, and how much of the premium they pay actually is spent on patient care as opposed to dividends to stockholders and salaries for corporate managers.

The act would also mandate that physicians who contract with an insurance program may "not be fired without case and without due process." Physicians are being threatened by insurance companies who vow to fire them from the group if they do not practice medicine the way the insurance company directs them to, Bristow says.

The AMA, he says, is working to get universal health-care coverage, to make health care portable, and to make it available to people with pre-existing conditions.

Bristow was born in Harlem to a Baptist minister father and a mother who was a nurse at nearby Sydenham hospital.

His interest in medicine began, he says, when as a boy he would go to the hospital emergency room to pick up his mother and accompany her on the walk home. There were medical workers of all races pulling together there, he recalls, and they were saving people's lives.

Bristow received his bachelor's degree from City College in New York in 1953, and his medical degree from the New York University College of Medicine in 1957.

He went to Northern California for his internship and residency, and has specialized in occupational health there since.

He began cutting back on his practice a few years ago, he says as he became more involved in organizational work and travels on behalf of the AMA.

"As a physician, I was helping one person at a time. I became evident that if I really wanted to improve medical care for my patients, for my community, perhaps even for the whole country, I would have to have some sort of advantage, some greater power than I had as one lone doctor. That's what organized medicine provides."

He became the AMA's first black member of the Board of Trustees in 1985, and the first black chairman of the board in 1993. He spent about half of last year on AMA business, for which he reportedly received $278,000 in compensation.

Bristow and his wife, Marilyn (a former nurse who has been his office manager for 30 years), were in Los Angeles recently to help their son, Robert, settle into a Westwood apartment. He is an obstetrician/gynecologist starting a fellowship at UCLA in gynecologic oncology.

Their daughter; Lisa, runs a day-care center in Northern California.

Bristow says he hopes to "get away from the stereotypes" once associated with the group over which he now presides. He would like the nation's doctors as well as the general public to come to think of it as "our AMA," meaning that it's a group that has the public's health as its major concern, and that it "takes good care of America."

WORKING FOR EDUCATION: IMPACT AID, VOCATIONAL EDUCATION, AND PROFESSIONAL DEVELOPMENT IN THE FY96 LABOR-HHS-EDUCATION BILL

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. CUNNINGHAM. Mr. Speaker, throughout the day yesterday, during House consideration of H.R. 2127, the fiscal year 1996 Labor-HHS-Education Appropriations bill, several Members and I worked together to transfer resources from lower priority spending to education. As chairman of the House Subcommittee on Early Childhood, Youth and Families, as a former teacher and coach, and most importantly as the father of three, I believe we must continue to invest in education and in our Nation's future. Federal authority over local education should and will be transferred appropriately to the States.

After several weeks of work, and with the cooperation of a great number of Members from both sides of the aisle, we successfully increased vocational education funding by $100 million and Chapter 2—Eisenhower Professional Development by $50 million, insured that Impact Aid funds could be provided to schools serving children of military families, and agreed to work through the authorization process so that $35 million provided in the House version of fiscal year 1996 National Security Appropriations could be used for Impact Aid Basic Grants.

First, the House approved by voice vote a Cunningham amendment to H.R. 2127. As reported by the Appropriations Committee, H.R. 2127 prohibited Impact Aid funds to schools based on children of military parents who do not reside on base. It also prohibited Impact Aid funds to schools based upon the number of such children with disabilities. These children used to be known as "military B's," before the Impact Aid reforms enacted in the 103d Congress. The Cunningham amendment simply struck that legislative language. It insures that Impact Aid funding can be provided to schools based upon the number of children of military parents who reside off base, and the number of such children with disabilities.

Second, the House approved by voice vote a Johnson of Texas-Cunningham-Riggs amendment to H.R. 2127. This amendment cut appropriations for the Agency for Health Care Policy Research [AHCPR] by half, generating savings of $60 million. Owing to the peculiarities of the congressional appropriations process, we successfully parleyed that savings into significant funding for education: $50 million for the Chapter 2—Eisenhower Professional Development program, and $100 million for Carl Perkins Vocational Education Basic State Grants. The funds for Chapter 2 contribute to an Education Reform Block Grant under development in my Youth Subcommittee. And the Vocational Education resources boost funding for the Youth Training portion of the CAREERS Act, a major reform, consolidation, simplification and decentralization of Federal job training programs. The CAREERS Act has been reported out of the House Opportunities Committee and awaits House consideration.

As a bonus, the Johnson-Cunningham-Riggs amendment prohibited AHCPR from continuing to receive $8 million annually from Medicare, effectively making that money available to provide health care services for our "chronologically gifted" citizens.

Third, an agreement has been made such that $35 million in Impact Aid funds provided in the House version of National Security Appropriations legislation for fiscal year 1996 will be disbursed in a manner agreeable to the National Security Committee authorizers. As Youth Subcommittee chairman and as a member of the National Security Committee and a likely conferee for the fiscal year 1996 National Security Authorization bill, I will work with Members to direct that $35 million to Impact Aid Basic State Grants. I should note further that H.R. 2127, the fiscal year 1996 Labor-HHS-Education Appropriations bill, provided $50 million in Impact Aid for "heavily impacted" districts, an increase of $10 million over fiscal year 1995.

Last, a colloquy was conducted among several Members and the leadership, in which there was agreement that gross Impact Aid funding for fiscal year 1996 would be at least 96 percent, and perhaps as much as 98 percent, of the amount provided in fiscal year 1995.

Upon this agreement, if the Impact Aid "hold harmless" funding is not allowed, and if we successfully hold this plan together through the Senate and the conferences on these various bills, public schools are likely to receive in fiscal year 1996 about 100 percent of their funding for what used to be called "A" and "military B" students.

I assure my colleagues that we will not rest on this issue. I know many Members are in this for the long haul. Thus, I wish to thank the many Members who worked together closely to make it possible to direct savings from lower-priority spending to education, specifically: Mr. GOODLING, Mr. LIVINGSTON, Mr. PORTER, Mr. RIGGS, Mr. JOHNSON of Texas, Mr. METCALF, Mr. WATTS, Mr. EDWARDS, Ms. MINK, Mr. CLAY, Mr. CHRISTENSEN, Mr. ARMEY, Speaker GINGRICH, plus several additional Members whose contributions and support are appreciated, and numerous staff.

TRIBUTE TO NATIONAL GUARDSMAN LTC (P) RICHARD J. MC CALLUM

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. SKELTON. Mr. Speaker, today I wish to recognize a great Missourian as well as a great American.

LTC Richard J. McCallum is a recent graduate from the class of 1995 at the U.S. Army War College. He is a member of the Missouri National Guard and just completed a leave of absence from the University of Missouri-Columbia. He received his OCS commission in 1973 as an Infantry Officer and he has completed more than 24 years of military duty which includes both active duty assignments and National Guard membership within the Missouri and Nebraska Army National Guard.

As a captain, he served for 2 years as the Commander of a Mechanized Infantry Company in the Nebraska Army National Guard from 1978 to 1980. Subsequently, in 1980, he transferred into the Missouri Army National Guard where he has continued to serve to the present date. He was promoted to the rank of lieutenant colonel in 1990 while serving as the deputy chief of staff, MoARNG. His most recent National Guard assignment was the Deputy Commander for Plans, Operations and Intelligence, Troop Command Headquarters, Kansas City, MO. Prior to that, he completed 3 years of command with the 35th R.A.O.C., Rear Area Operations Center, and the newly organized 135th R.T.O.C., Rear Tactical Operations Center. During these 3 years of command as a lieutenant colonel, he served 8 months of active duty in the northern desert of Saudi Arabia while his unit was mobilized in support of Operation Desert Shield/Desert Storm.

LTC McCallum had the distribution of being the senior commander from the Missouri National Guard who was mobilized for the gulf war. Upon his return, he was decorated with five individual awards including the Bronze Star for his performance as a commander. Additionally, his unit was the only Missouri Guard unit that earned the Meritorious Unit Commendation Award while serving on active duty in Saudi Arabia.

He has a MA and a PhD from the University of Nebraska-Lincoln in the field of adult and continuing education. The past 18 years, he has worked in various administrative and teaching assignments at the University of Missouri-Columbia.

Last fall he was selected to represent the War College as the only student from the Class of 1995 who was given the opportunity to conduct a Senior Officer Oral History Interview [SOOHI]. This year's SOOHI was conducted with General, U.S. Army, retired, Frederick M. Franks, Jr. The SOOHI Program is the Army's organized effort to select a retired four-star officer each year and develop a series of taped interviews which are transcribed and deposited at the Military History Institute and the Center.

PERSONAL EXPLANATION

HON. DAVID MINGE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. MINGE. Mr. Speaker, on Tuesday, August 1, the Secretary of Agriculture visited the Second Congressional district, which I represent. I felt obligated to accompany the Secretary because I had urged him to come to my district and because the success of agriculture is critical to the economy of Minnesota. Unfortunately, this caused me to miss Tuesday's vote on the floor of the House of Representatives regarding lifting the arms embargo in Bosnia.

Secretary Glickman's visit to Minnesota was worthwhile. He had the opportunity to attend Farmfest 95, one of the premier agricultural trade shows in the upper Midwest. Farmers appreciated the opportunity to offer him their views on federal farm policy and the Secretary appreciated the opportunity to better understand farming in Minnesota. En route to FarmFest, Secretary Glickman toured Heartland Corn Products Cooperative at Winthrop. Earlier, he had visited Phoenix Composites in St. Peter, which turns soybeans into a marble-like board. I appreciated the opportunity to educate the Secretary on Minnesota's emerging ethanol industry, the processing of soybeans for new uses and Minnesota's strong cooperative movement. Value-added production holds great promise for increasing income in rural areas. I do not take missing a vote lightly, but I felt it was important to fulfill my commitment to farmers and rural residents by hosting the Secretary of Agriculture on his tour of Minnesota's Second District.

CONGRATULATIONS TO TRW PLANT EMPLOYEES

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. GORDON. Mr. Speaker, I rise today to recognize the tremendous accomplishments of a group of Tennesseans that placed them among the best 25 manufacturing plants in the country.

I am referring to the employees of TRW's Vehicle Safety Systems, Inc. plant in Cookeville, TN that recently found themselves at the top in Industry Week's sixth annual search for America's best plants. The 1995 finalists were chosen from over 150 nominations and 67 entries.

Cookeville's TRW plant was thrust into the winner's circle for their increased productivity and decreased manufacturing costs. Specifically, the plant reduced those costs over the last 5 years by 77 percent while increasing plant productivity by 60.1 percent.

The inflatable restraint systems division of the TRW plant in Cookeville began its operations in 1991. Since that time, employment has risen dramatically and the plant now employs close to 800 workers.

Each day those workers are hard at work producing passenger airbag modules and inflators for Asian, European, and American companies such as Ford, General Motors, Chrysler, Nissan, Mitsubishi, Honda, KIA, Mazda, BMW, and Volkswagen. The plant produces an average of 70,000 passenger side air modules each week.

Mr. Speaker, please join with me and Tennesseans all across the State in thanking these employees for their commitment to product quality and their true interest in customer safety.

NATIONAL BAR ASSOCIATION'S 70TH ANNUAL CONVENTION

HON. ROBERT C. SCOTT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. SCOTT. Mr. Speaker, I would like to take this opportunity to congratulate the members of the National Bar Association and outgoing President H.T. Smith, as they convene this week in Baltimore, MD. The theme of the NBA's 70th Annual Convention is "Economic and Political Empowerment, Justice for Our Time."

During the first quarter of the 20th century, 12 African-American pioneers with a mutual interest and dedication to justice and the civil rights of all, helped structure the legal struggle of the African-American race in America. The National Bar Association [NBA], formally organized in Des Moines, IA, on August 1, 1925, was conceived by George H. Woodson, S. Joe Brown, Gertrude E. Rush, James B. Morris, Charles P. Howard, Sr., Wendell E. Green, C. Francis Stradford, Jesse N. Baker, William H. Haynes, George C. Adams, Charles H. Calloway, and L. Amasa Knox.

When the NBA was organized in 1925, less than 120 belonged to the association. By 1945, there were nearly 250 members representing 25 percent of the African-American members of the bar. Today, the NBA is the Nation's oldest and largest national association of predominantly African-American lawyers and judges. It has 79 affiliate chapters throughout the Nation and represents a network of over 16,000 lawyers, judges, and law students.

In its 70 year history, the National Bar Association has been at the forefront of the battle for increasing access to legal representation for all citizens. Legions of African-American lawyers affiliated with the NBA ushered in the rule of law through the turbulent 1920's through the 1950's. African-American lawyers such as Judge James A. Cobb, T. Gillis Nutter, and Ashbie Hawkins fought the famous segregation case of Louisville and the Covenant cases of the District of Columbia. In 1940, when the number of African-American lawyers barely exceeded 1,000 nationwide, the NBA attempted to establish "free legal clinics in all cities with a 'colored' population of 5,000 or more." The NBA was only 25 years old when the Supreme Court outlawed segregation in Brown versus Board of Education. This decision culminated a long struggle by African-American lawyers such as Thurgood Marshall, the first African-American U.S. Supreme Court Justice, and U.S. District Court Judge Constance Baker Motley, the first African-American female Federal judge.

In the 1980's, the NBA was signatory on two *amicus curiae* briefs in cases decided by the U.S. Supreme Court: a title VII case in which a female associate brought suit against a large law firm and the justices ruled that partnership decisions must comply with Federal employment discrimination laws; and a brief protesting the criminal contempt conviction of Howard Moore, Jr., a nationally prominent civil rights attorney cited for criminal contempt and fined $5,000 on the basis of a single question asked of a witness to determine racial bias during his cross-examination in the case. The conviction of Mr. Moore, if allowed to stand, would have had a chilling effect upon the African-American lawyer's right to fairly and strenuously advocate on behalf of his client.

In recent years, the membership of the National Bar Association have been concerned with a wide range of projects:

Conducted commercial law seminars in urban centers throughout the U.S. pursuant to a grant from the Minority Business Development Agency, U.S. Department of Commerce.

Condemned South African apartheid and called for immediate economic sanctions against this racist regime.

Held the first national black-on-black crime conference.

Launched the NBA minority bar involvement project, with funding from the Legal Services Corporation, which awarded grants to 12 subgrantee organizations for the delivery of *pro bono* or reduced legal fee services.

Cosponsored a voting rights conference with Operation PUSH and the NAACP Legal Defense Fund, which was aimed at mapping litigation and enforcement strategies.

The National Bar Association deserves to be commended for its efforts as they continue to labor in the vineyard for equal justice under the law. Members of the NBA serve their communities as judges, legislators, and public servants. Today, I congratulate the National Bar Association and its membership for their leadership role in the legal profession and their respective communities across the country.

CELEBRATING SGT. MAJ. PHILLIP HOLMES ON HIS RETIREMENT

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. TORRES. Mr. Speaker, I rise today to recognize Sgt. Maj. Phillip J. Holmes, who is retiring after 30 years of distinguished service to the U.S. Marine Corps Reserves.

Sergeant Major Holmes entered the Marine Corps in July 1962 and served with distinction until December 1965. Upon his release from active duty he returned to his native Wisconsin. However, in August 1971, a call to duty resulted in his reenlistment with the Marines as a reservist with F Company, 2d Battalion, 24th Marines, USMCR Milwaukee, WI.

In July 1973, he moved to Whittier, CA. Sergeant Major Holmes moved through the ranks of the Marine Corps Reserves quickly. He was promoted to sergeant, August 1972, staff sergeant, October 1974, gunnery sergeant, May 1978, 1st sergeant, January 1984, and finally to sergeant major in January 1990.

Throughout his tenure with the Marine Reserves he also has been an active member of the Whittier community. With five children who grew up and attended Whittier Union High School, Sergeant Major Holmes and his lovely wife Barbara, were supportive and involved parents in many school activities.

Sergeant Major Holmes also earned various awards and honors for his service to our country. He was presented with the Marine Corps Good Conduct Medal, Armed Forces Expeditionary Medal, Vietnam Service Medal, National Defense Medal with Four Stars, Armed Forces Reserve Medal, Navy Unit Commendation Medal, and the Meritorious Unit Commendation with One Star.

Mr. Speaker, it is with great pleasure that I thank Sergeant Major Holmes for his years of service to our country, and ask that my colleagues join me in wishing him continued success in all his future endeavors.

DEFENSE AND HIGH TECHNOLOGY

HON. WAYNE ALLARD

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. ALLARD. Mr. Speaker, I believe that our job is to ensure that the United States maintains the strongest and best defense in the world. When constructing a defense budget, we must always give top consideration to the needs of the men and women in the armed services who put their lives on the line to keep this country free. These men and women deserve the best technology and protection that we can give them.

Obviously, at this time of fiscal restraint and budget tightening, we need to consider how we can best make use of our limited defense dollars. Since 1985, defense spending has fallen 35 percent in real terms. Now, that the Soviet threat is gone, some have argued that we can slash our defense budget without any consequence. I disagree with this. We do not know which regional power will be the next threat. Today, we have more rogue states with more firepower than ever before. There are also an increasing number of destructive weapons available for the highest bidder.

The new world does not have a single threat, but many. That is why the United States needs to retain a top-notch military. I believe the best way to do this is by using the best and most advanced technology at our disposal. Rather than just replacing old weapons and machines, the priority should be on developing new technologies for more enhanced equipment.

I strongly endorse balancing the budget and reducing the size of Government. The Pentagon should not be exempt from this process. By using technology and smart business practices, the Pentagon can keep our soldiers and country safe with a smaller budget.

INTRODUCTION OF BILL TO HONOR SERGEANT RUBEN RIVERS WITH THE CONGRESSIONAL MEDAL OF HONOR

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. MILLER of California. Mr. Speaker, together with 63 other Members of the House, today I introduce a bipartisan bill that would enable the President to award posthumously the Congressional Medal of Honor to Sgt. Ruben Rivers.

In 1944, a serious injustice occurred. Although Sgt. Ruben Rivers showed extraordinary courage and sacrificed his life for his country during World War II, he nonetheless was passed over by his superiors for the Congressional Medal of Honor. It is most appropriate that we reconsider Sergeant Rivers for the medal this year, while we are commemorating the 50th anniversary of the end of World War II.

Sergeant Rivers was part of the all-black 761st Tank Battalion. The battalion was called upon by General Patton to liberate Bougaltroff, France from Nazi control. During a fierce battle, Rivers drove his tank over a mine and was injured, his thigh lacerated to the bone. Rivers was ordered by his commander to retreat to safety for medical treatment. Sergeant Rivers not only refused to abandon his fellow soldiers, he also refused morphine so that he could remain alert and continue fighting. Rivers fought on for days until he was killed during another battle while trying to knock out Nazi positions firing on his company. Rivers, from Tecumseh, OK was 25 years old. Sergeant Rivers' nephew, former Richmond Mayor George Livingston, lives in Richmond, CA, in my district.

Capt. David Williams, a white officer, immediately recommended to his superiors that Rivers receive the Medal of Honor posthumously. As was the case with other black soldiers, the recommendation for Rivers was never acted on. The Department of the Army establish a 1952 deadline for conferring the Medal of Honor for service in World War II. This bill waives that deadline for Sergeant Rivers, thereby enabling the President to present the medal to Rivers' sister, who is still alive and is fighting for this recognition.

To date, no African-American has received the Congressional Medal of Honor for service in World War II, even though over 1.2 million black soldiers served in that war. This blemish on our Nation's history should be wiped clean, and we should start by allowing the Department of the Army to reconsider Sergeant Rivers for the Congressional Medal of Honor.

TRIBUTE TO LOLA FRY ON THE OCCASION OF HER 80TH BIRTHDAY

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. GILLMOR. Mr. Speaker, I rise today to reflect on the attributes, achievements, and contributions of a special lady. This weekend, Lola Fry will celebrate her 80th birthday and this commemoration is an appropriate time to honor this great woman.

Since her birth in 1915, Lola Fry has excelled in all that she has done. The prevailing current in Lola's life has been her commitment to community and to the ideals of American society. The time and energy she has given to her church and other causes are remarkable.

Lola can look with pride on building a home and family filled with love, warmth and generosity. She enjoys the unshakable admiration of her children and grandchildren as well as friends and relatives.

Therefore, it is with great pride that I ask my colleagues to join me in wishing Lola Fry a happy 80th birthday, with many years of health and fulfillment to come.

TRIBUTE TO FT. ZUMWALT MIDDLE SCHOOL CHOIRS

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. TALENT. Mr. Speaker, I rise today to pay tribute to the Fort Zumwalt North Middle School seventh and eighth grade concert choirs from O'Fallon, MO.

Over the past two years, under the skilled guidance of their director, Mr. Gregory S. LeSan, the North Middle School choirs have been honored with 20 trophies and plaques in national-level competitions. They have also been distinguished with three community proclamations, a state proclamation from Missouri Gov. Mel Carnahan, and a coveted invitation to perform for the 1995 Missouri Music Educators Association State Convention.

The choirs have also been invited to compete July 9th through the 14th, 1996, in the Llangollen International Musical Eisteddfod in Llangollen, Wales. This is the first time in the 50 year history of this world-renowned competition that a public middle school from the United States of America has ever been accepted to sing in this audition-selected international event. This is a rare opportunity to represent their community, the State of Missouri, and the United States of America in a competition that represents over 50 countries.

Mr. Speaker, these young people are to be commended for their continued hard work and dedication to excellence, which has brought not only their school nationwide recognition, but is also a source of great pride to the residents of O'Fallon, MO. It is with great pride that I congratulate these students and recognize the contributions they have made while at Fort Zumwalt North Middle School.

TRUE AMERICAN HEROES

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. DOOLITTLE. Mr. Speaker, I would like to salute the Mountain Fire/Rescue 05018 Volunteer Fire Company from Calaveras County, CA, for their contributions and personal sacrifices in the humanitarian mission Operation SUPPORT HOPE to Goma, Zaire, in July 1994. These men saved an estimated 500,000 lives by ensuring that the Rwandan refugees in Zaire had fresh water to drink.

The crew left California on July 23, 1994 and after an arduous 22.5 hour flight, they arrived in Goma, Zaire. From the moment they stepped off the plane, they were hard at work. It was a horrific sight. Dead bodies filled the road from the airfield to the pumping site at Lac Kivu. Before they could even begin pumping the fresh water they needed to cure those with cholera, they had to clear the area around the lake. Human remains littered the entire area.

The men encountered many dangers. Cholera was everywhere and it was reported that 80% of the population was HIV-positive. As if disease were not a sufficiently dangerous adversary, the crew also had to worry about the Zairian soldiers who were continuously firing their AK47 assault rifles and throwing hand grenades at them.

The crew gave little thought to their personal safety, however, as they continued to work. It was necessary to clear a spot 20 yards into the lake and 100 yards wide along the shore in order to begin pumping the water. The crew had to maneuver around dead bodies as well as abandoned AK47's and hand grenades. Within four hours, they had made all of the preparations necessary to begin the pumping process.

For the next 32 days, they worked tirelessly for 18 hours per day. They had a subpump, firetruck, and 14 water tenders. The water tenders, which were sent by the United Nations, were used to transport the water from the lake to a nearby village. However, when they arrived, they were filled with diesel fuel. The men had to clean out the tanks so that they would be safe for transporting water.

The main tool used to accomplish this amazing feat has an interesting story all its own. The subpump, which was on loan from Redwood City, CA, is the only one of its kind in the United States. This pump can pump 1,250 gallons per minute (gpm) at 120 pounds per square inch (psi) and can push water through a 5" fire hose up higher than 160 feet. The subpump can continuously pump large amounts of water. This subpump is the same piece of equipment that pumped contaminated water 24 hours a day for 30 days, aerating and ridding Shasta Lake of its toxicity after the toxic waste spill.

It is with great pleasure that I recognize the Mountain Fire/Rescue members who assisted in Operation SUPPORT HOPE. They are: Chief John Horner, Matthew Blackburn, Derrick Bruham, John Conway, Jack Pacheco, Frank Blackburn, William Dunn, and Dan Molly. I would also like to recognize the many support volunteers of Mountain Fire/Rescue who made it possible for these men to respond so quickly. The men and women of Mountain Fire/Rescue have demonstrated the true American spirit in giving of themselves to help others in need. Their dedication should serve as an inspiration to us all.

O'ER THE LAND OF THE FREE

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. POSHARD. Mr. Speaker, I rise today to share with the House a recent article that was written by one of the finest newspaper men in the business. Mr. Dan Hagen, managing editor of the Sullivan News Progress, shared with his readers a thoughtful, and persuasive article dealing with one of the most highly controversial issues facing America. The debate over a constitutional amendment to prevent flag desecration has left the House, but is not over. I hope that my colleagues will take this opportunity to read Mr. Hagen's views—they are truly insightful.

[From the Sullivan (IL) News Progress, June 28, 1995]

O'ER THE LAND OF THE FREE

(By Dan Hagen)

Too often, we confuse the shadow with the substance, the symbol with the reality.

This is certainly the case in the current debate over the proposed amendment to ban flag burning as a form of political expression. The reality is that the flag is merely a symbol of the United States, which means a symbol of the Constitution and the Bill of Rights. The latter are the charter and the expression of the guiding principles of the U.S., dedicated to the ideal of human liberty.

Such confusion reigns when amendment supporters claim that people have fought and died for the flag. That would be horrible, if literally true. But presumably they did not, in fact, fight and die for a piece of cloth, but for what the piece of cloth represents.

The flag could fly on every street corner of the United States, but if the Constitution and Bill of Rights were to be repealed, the United States would be destroyed. Conversely, every flag in the United States could be lost, but if the Constitution and the Bill of Rights were still in force, the U.S. would stand inviolate.

The flag is not even the most eloquent symbol of the United States. The eagle, the Liberty Bell and the Statue of Liberty are more expressive. The flag is an arrangement of colors and patterns which do not, in and of themselves, convey meaning. This is a source of the flag's widespread popularity, because a great deal can be read into it. But it is also the flag's weakness as a symbol, because too much can be read into it. While I can look at the flag and see the ideal of human liberty, nothing prevents someone else from looking at it and seeing the necessity of blowing up a federal building.

The energies spend in this amendment campaign would serve the United States for better if they were redirected into a campaign of public education concerning the only dimly understood meaning of the flag. Patriots may be irritated when someone burns a flag in protest, but they should shudder in horror the next time a survey reveals great numbers of ignorant mall dwellers who not only fail to recognize the Bill of Rights when it is presented to them, but believe that it should be opposed on the grounds that it seems "radical." Free and robust debate can never harm the U.S., but ignorance of its basic principles can destroy it.

Flag burnings have declined since the Supreme Court wisely noted that they are a protected form of free expression. In part, this is because many of today's political protesters regard themselves as patriots. But it's also because the Supreme Court's ruling, in acknowledging the legitimacy of flag burning, effectively defused its power as a symbol. If, in response to the threat of flag burning, American society merely responds, "Go ahead. It's your right," the would-be flag-burners are quickly off to find some more innovative means of getting people's attention. Ironically, through, if flag burning is banned, it will inevitably increase. The creation of jailed martyrs is a sure attention-getter, and an irresistible temptation to protesters.

Nor would the banning of flag burning as political expression do anything to prevent the far more common insults daily endured by Old Glory. The flag is routinely employed in advertisements as a tool to sell floor tile and used cars and—even worse—politicians. Any flag that can survive the contamination of being draped around the shoulders of Spiro Agnew is surely impervious to mere flame.

Is the flag damaged when it is burned by political protesters? No, but the reputation of the protesters is, by virtue of the fact that they have revealed themselves to ignorantly hold in contempt the nation which has been and continues to be the last, best hope for human liberty.

Nor is flag burning a protest which leaves the frustrated patriot without an answer. If a flag is burned, the proper and effective response is to fly your own.

A symbol is just that, a symbol, and not the thing itself. To presume that one can do damage to what is symbolized by damaging the symbol is to engage literally in voodoo thinking, and one might as well start sticking pins in dolls.

So the purpose of banning flag burning is not to protect the United States of America. It is to protect the feelings of those who are offended when they see a flag burned in political protest. But the protection of free expression is precisely what the First Amendment to the Bill of Rights, and therefore the flag itself, is all about. Inoffensive speech is never in danger of being banned, because no one has a reason to ban it. And anything actually worth saying is sure to offend someone, somewhere. Therefore, if free speech has any meaning, it means the protection of offensive expression. The distance between banning the burning of flags and requiring the burning of books may be much shorter than we think.

We do the United States no favors when we undermine the reality of its achievements—among which is free expression—in an effort to protect the symbol of its achievements, the flag.

"But is nothing sacred?" amendment proponents ask. Well, the flag certainly isn't. It is a secular symbol deliberately lacking religious weight, and therefore can't be "sacred," in the strict sense. But if a supernatural analogy is needed, we would be seeing the situation more clearly if we viewed the fag in terms of the mythological phoenix, which always files—whole and renewed—out of its own ashes.

CONGRATULATIONS TOMMY CUTRER ON HIS MANY YEARS OF SERVICE IN TENNESSEE

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. GORDON. Mr. Speaker, we all aspire to make a difference in the lives of those around us. I rise today to thank my good friend and constituent, T. Tommy Cutrer, for making a difference in so many people's lives and to congratulate him for his many years of service to the working men and women of Tennessee and America.

T. Tommy was born in Tangipahoa Parish, LA. In 1949, he met and married his partner for life, Miss Vicky Martin. T. Tommy declares finding Miss Vicky to be the highlight of his life.

T. Tommy had the opportunity to enjoy several different careers. In 1954, he joined the Grand Ole Opry as a staff announcer and entertainer. His talents allowed him to become widely recognized by all Tennesseans for his Martha White Flour commercials.

In 1978, T. Tommy was elected to the Tennessee State Senate. He represented his district until 1982. Later in 1982 he joined the International Brotherhood of Teamsters as an international representative of drive. T. Tommy retired from this position on June 30, 1995.

During his tenure at the Teamsters, T. Tommy provided me with sound counsel and good advice. I can assure you that the betterment of the hard working men and women was always at the front of his mind.

T. Tommy plans on spending his retirement traveling with Miss Vicky and visiting their 5 children, 11 grandchildren, and 1 great grandchild and another on the way. I want to wish them both the best of luck and prosperity in retirement.

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. DINGELL. Mr. Speaker, early this morning, this House voted to approve one of the saddest pieces of legislation it has ever sent forward. We heard the astounding arguments that this Labor, Health and Human Services, Education, and related agencies appropriations bill will maintain, or even increase, funding for health and education programs that are vital to the well-being of our most vulnerable citizens. But these arguments, like the funding decisions themselves, are a sham and a coverup. They coverup the fact that in its allocation of funds to the Labor-HHS Subcommittee, this Republican-led Congress chose to ignore the needs of those citizens to save money for tax cuts for the wealthy, and for spending in the Department of Defense to purchase equipment that even the leaders of that

Department stated they do not want or need. For years, that subcommittee has nurtured and supported programs that constitute the discretionary safety net for our children, our seniors living on fixed incomes, and our workers. The grossly insufficient allocation of funds to the Labor-HHS Subcommittee forced Chairman PORTER to snip the threads of that net as if with a chain saw.

But this bill does some very, very bad things as well. It terminates hundreds of programs, including over 60 programs of the Department of Health and Human Services—such as black lung clinics, State trauma care, substance abuse training and treatment, programs that counsel the elderly about their health insurance, the Low-Income Home Energy Assistance Program, programs that provide services to the homeless, nutrition programs for the elderly, and programs designed to reduce the rampant problem of drug abuse among young people. There are many reasons for us to be sad about what this Congress did by passing this bill.

I applaud the dedicated work of Chairman PORTER and Mr. OBEY, for they have done yeoman work under excruciatingly difficult circumstances. I applaud them for increasing funds for the important research activities of NIH. I am pleased that the subcommittee recognized the importance of increased funding for breast and cervical cancer prevention activities at CDC, for childhood immunization, and for other prevention activities.

But I am very concerned that this bill achieved those increases through a very short-sighted approach, and through robbing Peter to pay Paul. I want to focus on just two examples of this.

The bill increases funding for infectious disease programs at CDC, but decreases CDC administrative costs by $31 million. This decrease takes funds not only from such things as office supplies and taxicab rides, but also for salaries and expenses for the researchers, doctors, and laboratory technicians, who are essential to CDC's activities in preventing and controlling infectious diseases and carrying out other critical activities. It also takes money from the budget that provides for CDC epidemiologists and doctors to travel to other parts of the country and the world, where they are often the only source of expertise related to a new, devastating epidemic.

It is already extremely difficult for CDC to recruit and retain qualified scientists and physicians with expertise in infectious diseases. In this era of downsizing Government, the CDC infectious diseases program is losing people faster than it can replace them, and has increasingly limited ability to replace scientists with invaluable and unique expertise. In a March U.S. News and World Report article about CDC, entitled "Tales from the Hot Zone," the deputy director of the infectious disease program stated the problem quite clearly: "We are losing our expertise."

In infectious diseases, as in the other areas where CDC on paper receives increased funding, I fear the increase will be seriously undermined by virtue of the fact that this bill limits the agency's wherewithal to maintain the scientific expertise needed to do the job.

Another short-sighted approach to this disastrous budget-slashing exercise is the reduction of funding for the National Institute for Occupational Safety and Health—a reduction that was then applied to allow the supporters of the bill to argue that they had increased funding for CDC. I fear that perhaps NIOSH is being punished because some may believe it is a regulatory, rather than a research agency. NIOSH is not a regulatory agency.

The NIOSH funding cut eliminates the NIOSH training grants program and reduces research activities by over 15 percent. It would eliminate 57 training grants, including 14 university-based educational resource centers which serve as regional resources on occupational safety and health for industry, labor, Government, academia, and the general public.

NIOSH training grants have trained more than 2,700 professionals in occupational medicine and nursing, industrial hygiene, safety engineering, et cetera. These people have been trained to prevent and treat occupational diseases and injuries. There is a severe shortage of certified occupational health nurses and physicians, amounting to only about one physician and five nurses to every 80,000 active workers and 20,000 retired or disabled workers.

NIOSH is the only Federal agency conducting biomedical research on the causes of occupational illness and the only agency conducting applied research to identify, evaluate, and prevent work-related injuries and illness.

At at time when Congress seems so intent that in-depth risk analysis must be associated with regulations, it is absurd to reduce the ability of this agency to ensure that there is sound science and risk assessment to underpin regulatory actions relating to worker heath and safety.

NIOSH works closely with management and labor in its research activities, and currently is engaged in a tripartite agreement with General Motors and the UAW to conduct health and safety research. In a recent letter to the Director of NIOSH concerning this program, the GM vice president for R&D stated: "we recognize NIOSH's distinct role as a R&D entity which has been very effective in injury prevention research over the last 25 years. This effort has ultimately saved the nation billions of dollars annually in medical costs, and also improved the health and welfare of every American worker and their families."

These are just two small but significant examples of the many ways in which this funding bill hurts the public health and hurts the people of this country. The House wants to balance the budget—we all agree on that goal. Many agree that all federal programs need to tighten their belts and contribute their "fair share" to important budget-reduction efforts. But the budget cutting in this Congress has not been honest, and it has not been fair. The money being saved is much greater than what is needed to balance the budget; it is being saved for tax breaks and unnecessary defense spending. The cuts have targeted the most unfortunate, the oldest and the youngest, and the most needy in our country. Nowhere is that more evident than in this appropriations bill. The ranking member of the Committee on Appropriations said it best in his dissenting views: this legislation "will make it harder for ordinary people to hold on to a middle class life . . . more difficult for the disadvantaged to get the education and training which they need to work their way into the middle class . . . workers more vulnerable. . . . this bill marks a retreat from our efforts to be one people with common causes and common interests. Surely this Congress in a bi-partisan way can do better."

MEDICARE AND POINT-OF-SERVICE

HON. BILL K. BREWSTER

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 4, 1995

Mr. BREWSTER. Mr. Speaker, as we move toward consideration of Medicare reform proposals, I would like to draw my colleagues' attention to a national survey released Wednesday, July 26, 1995. This survey revealed that four out of five Americans age 50 and over said they would not join a Medicare managed care plan without the freedom to continue seeing their current doctor, a specialist, or other provider when they become ill.

I rise today to speak about the necessity of preserving this freedom of choice as an essential element of any Medicare reform proposal. Many of my colleagues advocate increased use of managed care as one of the necessary steps to save our Medicare system.

This may be true, but we have a responsibility to ensure real freedom of choice for our elderly even within a managed care environment. It should be clear to all of us that unless we preserve these freedoms, Medicare managed care will not work because people will not join.

Americans so deeply value their freedom of choice in doctors that I believe it is essential to include these survey results in the CONGRESSIONAL RECORD, and ask the Chair that full results of the survey be printed in the CONGRESSIONAL RECORD immediately following my statement. I strongly encourage my colleagues to keep them in mind as we move forward to reform the Medicare system.

MEDICARE REFORM SURVEY—JULY 26, 1995, SUMMARY OF KEY FINDINGS

Between June 30 and July 11, 1995, ICR Research polled a nationally representative sample of Americans age 50 and over on their views concerning Medicare reform. The results carry a plus or minus 3.2 margin of error. The key findings of this survey are as follows:

Roughly three out of four Americans (72 percent) age 50 and older would not join a Medicare managed care program without the freedom to continue seeing their current doctor or turn to a specialist when they become ill.

Fifty-five percent ranked the "right to choose [their] own doctor or hospital" most important from a list that included three Contract with America items: "the right to pray in school" (20 percent), "the right to bear arms" (9 percent) and "the right to limit the number of terms a member of Congress can serve" (10 percent).

Fully 82 percent of respondents said that whether a prospective Medicare managed care program allowed them the freedom to choose out-of-network physicians and specialists would be "critically important/important" to their decision to join one.

Seventy-two percent of respondents said they would be more likely to join a Medicare managed care program that preserved their freedom to continue seeing their own doctor and guaranteed them access to specialists inside and outside the network—even for a small co-payment—than to join one that covered the cost of their prescription medications, but restricted their freedom to choose their care provider.

Sixty-three percent of all respondents said they would be inclined to join a Medicare managed care program that allows them to continue seeing their current doctor or a specialist, outside the managed care network, for a higher co-payment or deductible.

Even among lower-income seniors (those making less than $15,000 a year), 64 percent said they would choose a Medicare managed care program with the freedom-to-choose feature (for a reasonable co-payment) over a Medicare managed care program that covers the cost of prescription medications. Eighty-three percent of respondents making over $50,000 gave the same response.

SENATE—*Saturday, August 5, 1995*

(Legislative day of Monday, July 10, 1995)

The Senate met at 8:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, Lord of our lives and Sovereign of this Nation, we thank You for the change that takes place in our attitudes when we remember that our calling is to glorify You in our work and to work with excellence to please You. The Senators are responsible to their constituencies, those who work with them here report to them, and others are part of the Senate support team. We all are employed to serve the Government, but we ultimately are responsible to You for the work we do and how we do it. Help us to realize how privileged we are to be able to work, earn a wage, and provide for our need. Thank You for the dignity of work.

So we press on today with enthusiasm remembering that You have called us to our work and will give us a special Saturday measure of strength. Especially we ask for Your light in the heat of the discussion on the subject of abortion. We need to listen to one another and receive Your guidance. Whatever we do, in word or deed, we do it to praise You. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDING OFFICER (Mr. BENNETT). The distinguished acting majority leader is recognized.

PRIVILEGE OF THE FLOOR

Mr. SHELBY. Mr. President, I ask unanimous consent that John Libonoti, a legislative fellow with the subcommittee, and Paul Irving, a fellow with Senator MIKULSKI's office be granted floor privileges during deliberations on H.R. 2020, the Treasury, Postal Service, and general Government appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS, 1996

The PRESIDENT pro tempore. Under the previous order, the Senate will begin consideration of H.R. 2020.

The clerk will state the bill by title.

A bill (H.R. 2020) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1996, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

H.R. 2020

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1996, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business; not to exceed $2,900,000 for official travel expenses; not to exceed $2,950,000 to remain available until **[**September 30, 1998, shall be available**]** *expended* for information technology modernization requirements; not to exceed $150,000 for official reception and representation expenses; not to exceed $258,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate; **[**$104,000,500**]** *$105,929,000.*

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

For the repair, alteration, and improvement of the Treasury Building and annex, $7,684,000, to remain available until expended.

COUNTER-DRUG TECHNOLOGY ASSESSMENT CENTER

SALARIES, EXPENSES, RESEARCH AND DEVELOPMENT

For salaries, expenses, research and development activities of the Counter-Drug Technology Assessment Center, $20,500,000, of which $20,000,000 shall remain available until expended for counternarcotics research and development projects and shall be available for transfer to other Federal departments or agencies by the Under Secretary for Enforcement, after consultation with the Chief Scientist of the Center.

HIGH INTENSITY DRUG TRAFFICKING AREAS

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of High Intensity Drug Trafficking Areas for drug control activities consistent with an annual strategy approved by the Under Secretary for Enforcement for each of the designated High Intensity Drug Trafficking Areas, $110,000,000, of which no less than $55,000,000 shall be transferred to State and local entities for drug control activities; and of which up to $55,000,000 may be transferred to Federal agencies and departments at a rate to be determined by the Under Secretary for Enforcement: Provided, That the funds made available under this heading shall be obligated within 120 days of the date of enactment of this Act.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, hire of passenger motor vehicles; not to exceed $2,000,000 for official travel expenses; not to exceed $100,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury; **[**$29,319,000**]** *$30,067,000.*

TREASURY FORFEITURE FUND

For necessary expenses of the Treasury Forfeiture Fund, as authorized by Public Law 102–393, not to exceed $15,000,000, to be derived from deposits in the Fund.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; **[**travel expenses of non-Federal personnel to attend meetings concerned with financial intelligence activities, law enforcement, and financial regulation;**]** not to exceed $14,000 for official reception and representation expenses **[**$20,273,000: *Provided,* That notwithstanding any other provision of law, the Director of the Financial Crimes Enforcement Network may procure up to $500,000 in specialized, unique or novel automatic data processing equipment, ancillary equipment, software, services, and related resources from commercial vendors without regard to otherwise applicable procurement laws and regulations and without full and open competition, utilizing procedures best suited under the circumstances of the procurement to efficiently fulfill the agency's requirements: *Provided further,* That funds appropriated in this account may be used to procure personal services contracts**]** *$22,198,000.*

FEDERAL LAW ENFORCEMENT TRAINING CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Law Enforcement Training Center, as a bureau of the Department of the Treasury, including materials and support costs of Federal law enforcement basic training; purchase (not to exceed fifty-two for police-type use) and hire of passenger motor vehicles; for expenses for student athletic and related activities; uniforms without regard to the general purchase price limitation for the current fiscal

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year; the conducting of and participating in firearms matches and presentation of awards; for public awareness and enhancing community support of law enforcement training; not to exceed $7,000 for official reception and representation expenses; room and board for student interns; and services as authorized by 5 U.S.C. 3109: *Provided*, That the Center is authorized to accept and use gifts of property, both real and personal, and to accept services, for authorized purposes, including funding of a gift of intrinsic value which shall be awarded annually by the Director of the Center to the outstanding student who graduated from a basic training program at the Center during the previous fiscal year, which shall be funded only by gifts received through the Center's gift authority: *Provided further*, That notwithstanding any other provision of law, students attending training at any Federal Law Enforcement Training Center site shall reside in on-Center or Center-provided housing, insofar as available and in accordance with Center policy: *Provided further*, That funds appropriated in this account shall be available for training United States Postal Service law enforcement personnel and Postal police officers, at the discretion of the Director; State and local government law enforcement training on a space-available basis; training of foreign law enforcement officials on a space-available basis with reimbursement of actual costs to this appropriation [(except that the Director may waive reimbursement and may pay travel expenses, not to exceed 75 percent of the total training and travel cost, when the Director determines that it is in the public interest to do so);] training of private sector security officials on a space-available basis with reimbursement of actual costs to this appropriation; travel expenses of non-Federal personnel to attend State and local course development meetings at the Center: *Provided further*, That the Center is authorized to obligate funds in anticipation of reimbursements from agencies receiving training at the Federal Law Enforcement Training Center, except that total obligations at the end of the fiscal year shall not exceed total budgetary resources available at the end of the fiscal year: [*Provided further*, That the Center is authorized to obligate funds to provide for site security and expansion of antiterrorism training facilities:] *Provided further*, That the Federal Law Enforcement Training Center is authorized to provide short term medical services for students undergoing training at the Center; [$36,070,000] *$34,006,000*, of which $8,666,000 for materials and support costs of Federal law enforcement basic training shall remain available until September 30, 1998.

ACQUISITION, CONSTRUCTION, IMPROVEMENTS, AND RELATED EXPENSES

For expansion of the Federal Law Enforcement Training Center, for acquisition of necessary additional real property and facilities, and for ongoing maintenance, facility improvements, and related expenses, [$8,163,000] *$9,663,000*, to remain available until expended.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, [$181,837,000] *$186,070,000*, of which not to exceed $14,277,000 shall remain available until [September 30, 1988] *expended* for systems modernization initiatives. In addition, $90,000, to be derived from the Oil Spill Liability Trust Fund, to reimburse the Service for administrative and personnel expenses for financial management of the Fund, as authorized by section 1012 of Public Law 101–380.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Alcohol, Tobacco and Firearms, including purchase of not to exceed six hundred and fifty vehicles for police-type use for replacement only and hire of passenger motor vehicles; hire of aircraft; and services of expert witnesses at such rates as may be determined by the Director; for payment of per diem and/or subsistence allowances to employees where an assignment to the National Response Team during the investigation of a bombing or arson incident requires an employee to work 16 hours or more per day or to remain overnight at his or her post of duty; not to exceed $10,000 for official reception and representation expenses; for training of State and local law enforcement agencies with or without reimbursement; provision of laboratory assistance to State and local agencies, with or without reimbursement; [$391,035,000] *$377,971,000*, of which not to exceed $1,000,000 shall be available for the payment of attorneys' fees as provided by 18 U.S.C. 924(d)(2); and of which $1,000,000 shall be available for the equipping of any vessel, vehicle, equipment, or aircraft available for official use by a State or local law enforcement agency if the conveyance will be used in drug-related joint law enforcement operations with the Bureau of Alcohol, Tobacco and Firearms and for the payment of overtime salaries, travel, fuel, training, equipment, and other similar costs of State and local law enforcement officers that are incurred in joint operations with the Bureau of Alcohol, Tobacco and Firearms: *Provided*, That no funds made available by this or any other Act may be used to implement any reorganization of the Bureau of Alcohol, Tobacco and Firearms or transfer of the Bureau's functions, missions, or activities to other agencies or Departments in the fiscal year ending on September 30, 1996: *Provided further*, That no funds appropriated herein shall be available for salaries or administrative expenses in connection with consolidating or centralizing, within the Department of the Treasury, the records, or any portion thereof, of acquisition and disposition of firearms maintained by Federal firearms licensees: [*Provided further*, That no funds appropriated herein shall be used to pay administrative expenses or the compensation of any officer or employee of the United States to implement an amendment or amendments to 27 CFR 178.118 or to change the definition of "Curios or relics" in 27 CFR 178.11 or remove any item from ATF Publication 5300.11 as it existed on January 1, 1994 without publishing prior notice in the Federal Register and allowing for public comment:] *Provided further*, That none of the funds appropriated herein shall be available to investigate or act upon applications for relief from Federal firearms disabilities under 18 U.S.C. 925(c): *Provided further*, That such funds shall be available to investigate and act upon applications filed by corporations for relief from Federal firearms disabilities under 18 U.S.C. section 925(c).

UNITED STATES CUSTOMS SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Customs Service, including purchase of up to 1,000 motor vehicles of which 960 are for replacement only, including 990 for police-type use and commercial operations; hire of motor vehicles; not to exceed $20,000 for official reception and representation expenses; and awards of compensation to informers, as authorized by any Act enforced by the United States Customs Service; [$1,392,429,000] *$1,387,153,000*, of which such sums as become available in the Customs User Fee Account, except sums subject to section 13031(f)(3) of the Consolidated Omnibus Reconciliation Act of 1985, as amended (19 U.S.C. 58c(f)(3)), shall be derived from that Account; of the total, not to exceed $150,000 shall be available for payment for rental space in connection with preclearance operations, and not to exceed $4,000,000 shall be available until expended for research: *Provided*, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: [*Provided further*, That the Commissioner of the Customs Service designate a single individual to be port director of all United States Government activities at two ports of entry, one on the southern border and one on the northern border] *Provided further, That $750,000 shall be available for additional part-time and temporary positions in the Honolulu Customs District.*

HARBOR MAINTENANCE FEE COLLECTION

For administrative expenses related to the collection of the Harbor Maintenance Fee, pursuant to Public Law 103–182, $3,000,000, to be derived from the Harbor Maintenance Trust Fund and to be transferred to and merged with the Customs "Salaries and Expenses" account for such purposes.

OPERATION AND MAINTENANCE, AIR AND MARINE INTERDICTION PROGRAMS

For expenses, not otherwise provided for, necessary for the operation and maintenance of marine vessels, aircraft, and other related equipment of the Air and Marine Programs, including operational training and mission-related travel, and rental payments for facilities occupied by the air or marine interdiction or demand reduction programs, the operations of which include: the interdiction of narcotics and other goods; the provision of support to Customs and other Federal, State, and local agencies in the enforcement or administration of laws enforced by the Customs Service; and, at the discretion of the Commissioner of Customs, the provision of assistance to Federal, State, and local agencies in other law enforcement and emergency humanitarian efforts; [$60,993,000] *$68,543,000 which* [of which $5,644,000] shall remain available until expended; in addition, $19,733,000 shall be transferred from the Customs Air and Marine Interdiction Programs, Procurement Account to remain available until expended: *Provided*, That no aircraft or other related equipment, with the exception of aircraft which is one of a kind and has been identified as excess to Customs requirements, and aircraft which has been damaged beyond repair, shall be transferred to any other Federal agency, Department, or office outside of the Department of the Treasury, during fiscal year 1996, without the prior approval of the House and Senate Committees on Appropriations.

CUSTOMS SERVICES AT SMALL AIRPORTS

(TO BE DERIVED FROM FEES COLLECTED)

Such sums as may be necessary, not to exceed $1,406,000, for expenses for the provision of Customs services at certain small airports or other facilities when authorized by law and designated by the Secretary of the Treasury, including expenditures for the salary and expenses of individuals employed to provide such services, to be derived from fees collected by the Secretary of the Treasury pursuant to section 236 of Public Law 98–573 for each of these airports or other facilities when authorized by law and designated by the Secretary of the Treasury, and to remain available until expended.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States; $180,065,000: *Provided*, That the sum appropriated herein from the General Fund for fiscal year 1996 shall be reduced by not more than $600,000 as definitive security issue fees are collected and not more than $9,465,000 as Treasury Direct Investor Account Maintenance fees are collected, so as to result in a final fiscal year 1996 appropriation from the General Fund estimated at $170,000,000.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

For necessary expenses of the Internal Revenue Service, not otherwise provided for; including processing tax returns; revenue accounting; providing assistance to taxpayers, management services, and inspection; including purchase (not to exceed 150 for replacement only, for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner: [$1,682,742,000] *$1,767,309,000*, of which $3,700,000 shall be for the Tax Counseling for the Elderly Program, no amount of which shall be available for IRS administrative costs, and of which not to exceed $25,000 shall be for official reception and representation expenses.

TAX LAW ENFORCEMENT

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; tax and enforcement litigation; technical rulings; examining employee plans and exempt organizations; investigation and enforcement activities; securing unfiled tax returns; collecting unpaid accounts; statistics of income and compliance research; the purchase (for police-type use, not to exceed 850), and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner [$4,254,476,000] *$4,097,294,000*, of which not to exceed $1,000,000 shall remain available until September 30, 1998 for research: *Provided*, That $13,000,000 shall be used to initiate a program to utilize private [sector] *counsel law firms and* debt collection agencies in the collection activities of the Internal Revenue Service in compliance with section 104 of this Act.

INFORMATION SYSTEMS

For necessary expenses for data processing and telecommunications support for Internal Revenue Service activities, including: tax systems modernization (modernized developmental systems), modernized operational systems, services and compliance, and support systems; and for the hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner; [$1,575,216,000] *$1,442,605,000, of which no less than $670,000,000 shall be available for tax systems modernization activities*, of which up to $185,000,000 for tax and information systems development projects shall remain available until September 30, 1998: [*Provided*, That of the funds appropriated for tax systems modernization, $70,000,000 may not be obligated until the Commissioner of the Internal Revenue Service reports to the Committees on Appropriations of the House and Senate on the implementation of Tax Systems Modernization] *Provided, That not later than 60 days after the date of enactment of this Act the Commissioner of the Internal Revenue Service shall provide to the Committees on Appropriations of the House and the Senate a report that (1) identifies, evaluates, and prioritizes all systems investments planned for fiscal year 1996, using explicit decision criteria, and (2) explains in detail and provides a completion schedule for all actions being taken by the Internal Revenue Service to successfully mitigate deficiencies recently identified by the General Accounting Office in the Internal Revenue Service's business strategy, management and technical infrastructure, and the management process in place to implement its tax system modernization: Provided further, That not later than 30 days after the submission of the Commissioner's report the General Accounting Office shall provide the Committees on Appropriations of the House and the Senate an independent assessment of that report: Provided further, That none of the funds appropriated for tax systems modernization, except those funds needed to operate and maintain current systems, shall be available for obligation until expressly approved by the Committees on Appropriations of the House and the Senate.*

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

SECTION 1. Not to exceed 2 per centum of any appropriation made available to the Internal Revenue Service for the current fiscal year by this Act may be transferred to any other Internal Revenue Service appropriation upon the advance approval of the House and Senate Committees on Appropriations: *Provided*, That notwithstanding any other provision of this Act, the Internal Revenue Service is authorized to transfer such sums as may be necessary between appropriations with advance approval of the House and Senate Appropriations Committees: [*Provided further*, That no funds shall be transferred from the "Tax Law Enforcement" account during fiscal year 1996].

SEC. 2. The Internal Revenue Service shall institute and maintain a training program to insure that Internal Revenue Service employees are trained in taxpayers' rights, in dealing courteously with the taxpayers, and in cross-cultural relations.

UNITED STATES SECRET SERVICE

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed 665 vehicles for police-type use for replacement only) and hire of passenger motor vehicles; hire of aircraft; training and assistance requested by State and local governments, which may be provided without reimbursement; services of expert witnesses at such rates as may be determined by the Director; rental of buildings in the District of Columbia, and fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control, as may be necessary to perform protective functions; for payment of per diem and/or subsistence allowances to employees where a protective assignment during the actual day or days of the visit of a protectee require an employee to work 16 hours per day or to remain overnight at his or her post of duty; the conducting of and participating in firearms matches; presentation of awards; and for travel of Secret Service employees on protective missions without regard to the limitations on such expenditures in this or any other Act: *Provided*, That approval is obtained in advance from the House and Senate Committees on Appropriations; for repairs, alterations, and minor construction at the James J. Rowley Secret Service Training Center; for research and development; for making grants to conduct behavioral research in support of protective research and operations; not to exceed $12,500 for official reception and representation expenses; not to exceed $50,000 to provide technical assistance and equipment to foreign law enforcement organizations in counterfeit investigations; for payment in advance for commercial accommodations as may be necessary to perform protective functions; and for uniforms without regard to the general purchase price limitation for the current fiscal year; [$542,461,000] *$534,502,000*.

VIOLENT CRIME REDUCTION PROGRAMS

For activities authorized by Public Law 103–322, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund, as follows:

[(a) As authorized by section 190001(e), $51,686,000, of which: $33,865,000 shall be available to the United States Customs Service for expenses associated with "Operation Hardline"; $2,221,000 to the Financial Crimes Enforcement Network; $3,100,000 to the Bureau of Alcohol, Tobacco and Firearms for the development and dissemination of ballistic technologies as part of the "Ceasefire" program; $10,000,000 to the United States Secret Service; and $2,500,000 to the Federal Law Enforcement Training Center in Glynco, Georgia; and]

(a) As authorized by section 190001(e), $68,300,000, of which: $17,500,000 shall be available to the United States Customs Service for expenses associated with "Operation Hardline"; of which $2,500,000 shall be available to the Financial Crimes Enforcement Network; of which $24,700,000 shall be available to the Bureau of Alcohol, Tobacco and Firearms, of which no less than $21,200,000 shall be available to annualize the salaries and related costs for the fiscal year 1995 counter-terrorism initiative, and of which no less than $3,500,000 shall be available for administering the Gang Resistance Education and Training program; of which $21,600,000 and up to an additional 150 full-time equivalent positions which shall be in addition to those funded in the "salaries and expenses" account and which shall be available to the United States Secret Service to support White House security and anti-counterfeiting activities, and of which no less than $1,600,000 shall be available for enhancing forensics technology to aid missing and exploited children investigations; and of which $2,000,000 shall be available to the Federal Law Enforcement Training Center; and

(b) As authorized by section 32401, [$12,200,000] *$7,200,000*, for disbursement through grants, cooperative agreements or contracts, to local governments for Gang Resistance Education and Training: *Provided*, That notwithstanding sections 32401 and 310001, such funds shall be allocated only to the affected State and local law enforcement and prevention organizations participating in such projects.

GENERAL PROVISIONS—DEPARTMENT OF THE TREASURY

SECTION 101. Any obligation or expenditure by the Secretary in connection with law enforcement activities of a Federal agency or a Department of the Treasury law enforcement organization in accordance with 31 U.S.C. 9703(g)(4)(B) from unobligated balances remaining in the Fund on September 30, 1996, shall be made in compliance with the reprogramming guidelines contained in the House and Senate reports accompanying this Act.

SEC. 102. Appropriations to the Treasury Department in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitation for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

[SEC. 103. Not to exceed 2 per centum of any appropriations in this Act for the Department of the Treasury may be transferred between such appropriations. Notwithstanding any authority to transfer funds between appropriations contained in this or any other Act, no transfer may increase or decrease any appropriation in this Act by more than 2 per centum and any such proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate.]

SEC. 104. None of the funds appropriated by this title shall be used in connection with the collection of any underpayment of any tax imposed by the Internal Revenue Code of 1986 unless the conduct of officers and employees of the Internal Revenue Service in connection with such collection, including any private sector employees under contract to the Internal Revenue Service, complies with subsection (a) of section 805 (relating to communications in connection with debt collection), and section 806 (relating to harassment or abuse), of the Fair Debt Collection Practices Act (15 U.S.C. 1692).

SEC. 105. The Internal Revenue Service shall institute policies and procedures which will safeguard the confidentiality of taxpayer information.

SEC. 106. The funds provided to the Bureau of Alcohol, Tobacco and Firearms for fiscal year 1996 in this Act for the enforcement of the Federal Alcohol Administration Act shall be expended in a manner so as not to diminish enforcement efforts with respect to section 105 of the Federal Alcohol Administration Act.

SEC. 107. Notwithstanding any other provision of law, Customs personnel funded through reimbursement from the Puerto Rico Trust Fund shall not be reduced as the result of work force reductions required under Executive order or other guidance to Executive branch agencies in fiscal year 1996.

SEC. 108. The Secretary of the Treasury is authorized in fiscal year 1996 and hereafter, to use Treasury Department aircraft, with or without reimbursement, to assist bureaus within the Department of the Treasury or other Federal agencies, Departments or offices outside of the Department of the Treasury to provide emergency law enforcement support to protect human life, property, public health, or safety.

This title may be cited as the "Treasury Department Appropriations Act, 1996".

TITLE II—POSTAL SERVICE

Payments to the Postal Service

PAYMENT TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for revenue forgone on free and reduced rate mail, pursuant to subsections (c) and (d) of section 2401 of title 39, United States Code; $85,080,000: *Provided*, That mail for overseas voting and mail for the blind shall continue to be free: *Provided further*, That six-day delivery and rural delivery of mail shall continue at not less than the 1983 level: *Provided further*, That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for information requested or provided concerning an address of a postal customer: *Provided further*, That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in the fiscal year ending on September 30, 1996.

PAYMENT TO THE POSTAL SERVICE FUND FOR NONFUNDED LIABILITIES

For payment to the Postal Service Fund for meeting the liabilities of the former Post Office Department to the Employees' Compensation Fund pursuant to 39 U.S.C. 2004, $36,828,000.

This title may be cited as the "Postal Service Appropriations Act, 1996".

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

Compensation of the President

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by 3 U.S.C. 102; $250,000: *Provided*, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31 of the United States Code: *Provided further*, That none of the funds made available for official expenses shall be considered as taxable to the President.

The White House Office

SALARIES AND EXPENSES

For necessary expenses for the White House as authorized by law, including not to exceed $3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; including subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be expended and accounted for as provided by 3 U.S.C. 103); not to exceed $19,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President; [$39,459,000] *$38,131,000*.

Executive Residence at the White House

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President; [$7,522,000] *$7,827,000*, to be expended and accounted for as provided by 3 U.S.C. 105, 109–110, 112–114.

WHITE HOUSE REPAIR AND RESTORATION

For the repair, alteration, and improvement of the Executive Residence at the White House, $2,200,000, to remain available until expended for replacement of the White House roof, to be expended and accounted for as provided by 3 U.S.C. 105, 109–110, 112–114.

Official Residence of the Vice President

OPERATING EXPENSES

For the care, operation, refurnishing, improvement, heating and lighting, including electric power and fixtures, of the official residence of the Vice President, the hire of passenger motor vehicles, and not to exceed $90,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate; $324,000: *Provided*, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

Special Assistance to the President

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President in connection with specially assigned functions, services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles; [$3,175,000] *$3,280,000*.

Council of Economic Advisers

SALARIES AND EXPENSES

For necessary expenses of the Council in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021), $3,439,000.

Office of Policy Development

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109, and 3 U.S.C. 107; $3,867,000.

National Security Council

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109; [$6,459,000] *$6,648,000*.

Office of Administration

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration; [$25,736,000] *$25,560,000*, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles.

Office of Management and Budget

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109; [$55,426,000, of which no more than $6,631,000 shall be available for the Office of National Security and International Affairs, no more than $6,699,000 shall be available for the Office of General Government and Finance, no more than $7,368,000 shall be available for the Office of Natural Resources, Energy and Science, no more than $4,085,000 shall be available for the Office of Health and Personnel, no more than $3,867,000 shall be available for the Office of Human Resources, no more than $2,325,000 shall be available for the Office of Federal Financial Management, no more than $5,198,000 shall be available for the Office of Information and Regulatory Affairs, no more than $2,407,000 shall be available for the Office of Federal Procurement Policy, no more than $16,912,000 shall be available for the Office of the Director, the Office of the Deputy Director, the Office of the Deputy Director for Management, the Office of Communications, the Office of the General Counsel, the Office of Legislative Affairs, the Office of Economic Policy, the Office of Administration, the Legislative Reference Division, and the Budget Review Division] *$55,907,000*, of which not to exceed $5,000,000 shall be available to carry out the provisions of 44 U.S.C. chapter 35: *Provided*, That, as provided in 31 U.S.C. 1301(a), appropriations shall be applied only to the objects for which appropriations were made except as otherwise provided by law: *Provided further*, That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purpose of reviewing any agricultural marketing orders or any activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): *Provided further*, That none of the funds made available for the Office of Management and Budget by this Act may be expended for the altering of the transcript of actual testimony of witnesses, except for testimony of officials of the Office of Management and Budget, before the Committee on Appropriations or the Committee on Veterans' Affairs or their subcommittees: *Provided further*, That this proviso shall not apply to printed hearings released by the Committee on Appropriations or the Committee on Veterans' Affairs: *Provided further, That the Director of Office of Management and Budget shall submit to the House and Senate Committees on Appropriations (1) an analysis for the period of 30 fiscal years beginning with fiscal year 1996, of the estimated levels of total budget outlays and total new budget authority, the estimated revenues to be received, the estimated surplus or deficit, if any, for each major Federal entitlement program for each fiscal year in such period: Provided further, That no funds shall be obligated for salaries and expenses after 60 days of the date of enactment of this Act if the Director of the Office of Management and Budget has not submitted such analysis to the House and Senate Committees on Appropriations prior to such date.*

INFORMATION SECURITY OVERSIGHT OFFICE

For necessary expenses of the Information Security Oversight Office, $1,482,000.

[OFFICE OF NATIONAL DRUG CONTROL POLICY

[SALARIES AND EXPENSES

[For necessary expenses of the Office of National Drug Control Policy; for research activities pursuant to title I of Public Law 100–690; not to exceed $8,000 for official reception and representation expenses; for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations or agencies, with or without reimbursement; $20,062,000, of which $10,200,000, to remain available until expended, shall be available to the Counter-Drug Technology Assessment Center for counternarcotics research and development projects and shall be available for transfer to other Federal departments or agencies, and of which $600,000 shall be transferred to the Drug Enforcement Administration for the El Paso Intelligence Center: *Provided*, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, for the purpose of aiding or facilitating the work of the Office.]

UNANTICIPATED NEEDS

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year; $1,000,000.

[FEDERAL DRUG CONTROL PROGRAMS

[HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

[(INCLUDING TRANSFER OF FUNDS)

[For necessary expenses of the Office of National Drug Control Policy's High Intensity Drug Trafficking Areas Program, $104,000,000 for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which no less than $52,000,000 shall be transferred to State and local entities for drug control activities; and of which up to $52,000,000 may be transferred to Federal agencies and departments at a rate to be determined by the Director; and of which up to $3,000,000 may be available to the Director for transfer to Federal agencies, or State and local entities, or non-profit organizations to support special demonstration projects that provide systematic programming to reduce drug use and trafficking in designated targeted areas: *Provided*, That the funds made available under this head shall be obligated within 90 days of the date of enactment of this Act, except those funds made available to the Director to support special demonstration projects which shall be obligated by June 1, 1996.]

This title may be cited as the "Executive Office Appropriations Act, 1996".

TITLE IV—INDEPENDENT AGENCIES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

SALARIES AND EXPENSES

For necessary expenses of the Committee for Purchase From People Who Are Blind or Severely Disabled established by the Act of June 23, 1971, Public Law 92–28; [$1,682,000] *$1,800,000*.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended; [$26,521,000, of which no less than $1,500,000 shall be available for internal automated data processing systems] *$28,517,000*, of which not to exceed $5,000 shall be available for reception and representation expenses: [*Provided*, That none of the funds appropriated for automated data processing systems may be obligated until the Chairman of the Federal Election Commission provides to the House Committee on Appropriations a systems requirements analysis on the development of such a system.]

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan Numbered 2 of 1978, and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, including hire of experts and consultants, hire of passenger motor vehicles, rental of conference rooms in the District of Columbia and elsewhere; [$19,742,000] *$21,398,000*: *Provided*, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the Government service, and compensation as authorized by 5 U.S.C. 3109: *Provided further*, That notwithstanding 31 U.S.C. 3302, funds received from fees charged to non-Federal participants at labor-management relations conferences shall be credited to and merged with this account, to be available without further appropriation for the costs of carrying out these conferences.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

(INCLUDING RESCISSION)

[The revenues and collections deposited into] *For additional expenses necessary to carry out the purpose of* the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), *$86,000,000, to be deposited into said Fund* shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of Federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; acquisition of options to purchase buildings and sites; conversion and extension of Federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, taxes, and any other obligations for public buildings acquired by installment purchase and purchase contract, in the aggregate amount of [$5,066,822,000] *$5,087,819,000*, of which (1) not to exceed [$367,777,000] *$573,872,000* shall remain available until expended for construction of additional projects at locations and at maximum construction improvement costs (including funds for sites and expenses and associated design and construction services) as follows:

[New Construction:

[Colorado:

[Lakewood, Denver Federal Center, U.S. Geological Survey Lab Building, $10,321,000

[Florida:

[Tallahassee, U.S. Courthouse Annex, $9,606,000

[Georgia:

[Savannah, U.S. Courthouse Annex, $1,039,000

[Louisiana:

[Lafayette, Federal Building and U.S. Courthouse, $11,826,000

[Maryland:

[Montgomery and Prince Georges Counties, Food and Drug Administration, $65,764,000

[Nebraska:

[Omaha, Federal Building and U.S. Courthouse, $21,370,000

[Nevada:

[Las Vegas, U.S. Courthouse, $38,404,000

[New Mexico:

[Albuquerque, Federal Building and U.S. Courthouse, $2,450,000

[New York:

[Brooklyn, U.S. Courthouse, $49,040,000

[Central Islip, Federal Building and U.S. Courthouse, $75,641,000

[North Dakota:

[Pembina, Border Station, $4,445,000

[Ohio:

[Youngstown, U.S. Courthouse, $6,974,000

[Pennsylvania:

[Scranton, Federal Building and U.S. Courthouse Annex, $9,638,000

[South Carolina:

[Columbia, U.S. Courthouse Annex, $1,425,000

[Texas:

[Austin, Veterans Affairs Annex, $3,176,000

[Brownsville, Federal Building and U.S. Courthouse, $10,981,000

[Washington:

[Blaine, U.S. Border Station, $6,168,000

[Point Roberts, U.S. Border Station, $1,406,000

[West Virginia:

[Martinsburg, Internal Revenue Service Computer Center, $25,363,000

[Non-Prospectus Projects Program, $12,740,000:]

New Construction:

Colorado:

Lakewood, Denver Federal Center, U.S. Geological Survey Lab Building, $25,802,000

Florida:

Tallahassee, U.S. Courthouse Annex, $24,015,000

Georgia:

Savannah, U.S. Courthouse Annex, $2,597,000

Louisiana:

Lafayette, Federal Building and U.S. Courthouse, $29,565,000

Maryland:

Montgomery and Prince Georges Counties, Food and Drug Administration, $87,000,000

Nebraska:

Omaha, Federal Building and U.S. Courthouse, $53,424,000

New Mexico:

Albuquerque, Federal Building and U.S. Courthouse, $6,126,000

New York:

Central Islip, Federal Building and U.S. Courthouse, $189,102,000

North Dakota:

Pembina, Border Station, $11,113,000

Pennsylvania:

Scranton, Federal Building and U.S. Courthouse Annex, $24,095,000

South Carolina:

Columbia, U.S. Courthouse Annex, $3,562,000

Texas:

Austin, Veterans Affairs Annex, $7,940,000

Brownsville, Federal Building and U.S. Courthouse, $27,452,000

Washington:

Point Roberts, U.S. Border Station, $3,516,000

Seattle, U.S. Courthouse, $8,305,000

West Virginia:

Martinsburg, Internal Revenue Service Computer Center, $63,408,000

Non-prospectus Projects Program, $6,850,000: Provided, That each of the immediately foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 per centum unless advanced approval is obtained from the House and Senate Committees on Appropriations of a greater amount: [*Provided further*, That the $6,000,000 under the heading of non-prospectus construction projects, made available in Public Laws 102–393 and 103–123 for the acquisition, lease, construction and equipping of flexiplace work telecommuting centers, is hereby increased by $5,000,000 from funds made available in this Act for non-prospectus construction projects, all of which shall remain available until expended: *Provided further*, That of the $5,000,000 made available by this Act, half shall be used for telecommuting centers in the State of Virginia and half shall be used for telecommuting centers in the State of Maryland:] *Provided further, That of the funds made available for the District of Columbia, Southeast Federal Center, under the heading, "Real Property Activities, Federal Buildings Fund, Limitations on Availability of Revenue" in Public Law 101–509, $55,000,000 are rescinded: Provided further, That the limitation on the availability of revenue contained in such Act is reduced by $55,000,000: Provided further*, That all funds for direct construction projects shall expire on September 30, 1997, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: *Provided further*, That claims against the Government of less than $250,000 arising from direct construction projects, acquisitions of buildings and purchase contract projects pursuant to Public Law 92–313, be liquidated with prior notification to the Committees on Appropriations of the House and Senate to the extent savings are effected in other such projects; (2) not to exceed [$713,086,000] *$627,000,000* shall remain available until expended, for repairs and alterations which includes associated design and construction services: *Provided further, That the amounts provided in this or any prior Act for Repairs and Alterations may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: Provided further*, That funds in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount by project as follows, except each project may be increased by an amount not to exceed 10 per centum unless advance approval is obtained from the Committees on Appropriations of the House and Senate of a greater amount:

[Repairs and Alterations:

[Arkansas:

[Little Rock, Federal Building, $7,551,000

[California:

[Sacramento, Federal Building (2800 Cottage Way), $13,636,000

[Colorado:

[Lakewood, Denver Federal Center Building 25, $29,351,000

[District of Columbia:

[Heating Plant Stacks, $11,141,000

[Lafayette Building, $33,157,000

[ICC/Connecting Wing Complex/Customs (phase 2/3), $58,275,000

[Treasury Department Building, Repair and Alteration, $7,194,000

[White House, Roof Repair and Restoration, $2,220,000

[Illinois:

[Chicago, Federal Center, $45,971,000

[Maryland:

[Woodlawn, SSA East High-Low Buildings, $17,422,000

[New York:

[New York, Silvio V. Mollo Federal Building, $4,182,000

[North Dakota:

[Bismarck, Federal Building, Post Office and U.S. Courthouse, $7,119,000

[Pennsylvania:

[Philadelphia, SSA Building, Mid-Atlantic Program Service Center, $11,376,000

Puerto Rico:

[Old San Juan, Post Office and U.S. Courthouse, $25,701,000

[Texas:

[Dallas, Federal Building (Griffin St.), $5,641,000

[Washington:

[Richland, Federal Building, U.S. Post Office and Courthouse, $12,724,000

[Nationwide:

[Chlorofluorocarbons Program, $50,430,000

[Elevator Program, $13,109,000

[Energy Program, $25,000,000

[Advance Design, $24,608,000

Repairs and Alterations:

Arkansas:

Little Rock, Federal Building, $7,551,000

California:

Sacramento, Federal Building (2800 Cottage Way), $13,636,000

District of Columbia:

ICC/Connecting Wing Complex/Customs (phase 2/3), $58,275,000

Illinois:

Chicago, Federal Center, $45,971,000

Maryland:

Woodlawn, SSA East High-Low Buildings, $17,422,000

North Dakota:

Bismarck, Federal Building, Post Office and U.S. Courthouse, $7,119,000

Pennsylvania:

Philadelphia, Byrne-Green Complex, $30,909,000

Philadelphia, SSA Building, Mid-Atlantic Program Service Center, $11,376,000

Puerto Rico:

Old San Juan, Post Office and U.S. Courthouse, $25,701,000

Texas:

Dallas, Federal Building (Griffin St.), $5,641,000

Nationwide:

Chlorofluorocarbons Program, $43,533,000

Elevator Program, $13,109,000

Energy Program, $20,000,000

Advance Design, $22,000,000

Basic Repairs and Alterations, [$307,278,000] *$304,757,000*: *Provided further*, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further*, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading "Repairs and Alterations", may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: *Provided further*, That all funds for repairs and alterations prospectus projects shall expire on September 30, 1997, and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: [*Provided further*, That of the funds provided for Advanced Design, $100,000 shall be made available for architectural design studies for renovation of the National Veterinary Services Laboratory and a biocontainment facility at the National Animal Disease Center, Ames, Iowa:] *Provided further*, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading "Repairs and Alterations" or used to fund authorized increases in prospectus projects; (3) not to exceed $181,963,000 for installment acquisition payments including payments on purchase contracts which shall remain available until expended; (4) not to exceed [$2,341,100,000] *$2,329,000,000* for rental of space which shall remain available until expended; and (5) not to exceed [$1,389,463,000] *$1,302,551,000, of which not to exceed $1,000,000 shall be available for logistical support and personnel services for the Xth Paralympiad* for building operations which shall remain available until expended: *Provided further*, That funds available to the General Services Administration shall not be available for expenses in connection with any construction, repair, alteration, and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses in connection with the development of a proposed prospectus: [*Provided further*, That the General Services Administration shall establish a "Federal Triangle Office" reporting directly to the Commissioner of the Public Buildings Service for the purpose of completing the design and construction of the Federal Triangle Building: *Provided further*, That the Federal Triangle Office shall continue to utilize the procurement and operating procedures established for the project pursuant to the Federal Triangle Development Act (40 U.S.C. 1104), and to implement and enforce the Development Agreement and other contracts and agreements developed for the project: *Provided further*, That the Administrator is authorized to enter into and perform such leases, contracts, or other transactions with any agency or instrumentality of the United States, the several States or the District of Columbia, or with any person, firm, association, or corporation as may be necessary to implement the Federal Triangle Project:] *Provided further*, That for the purposes of this authorization, buildings constructed pursuant to the purchase contract authority of the Public Buildings Amendments of 1972 (40 U.S.C. 602a), buildings occupied pursuant to installment purchase contracts, and buildings under the control of another department or agency where alterations of such buildings are required in connection with the moving of such other department or agency from buildings then, or thereafter to be, under the control of the General Services Administration shall be considered to be federally owned buildings: *Provided further*, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance approval is obtained from the Committees on Appropriations of the House and Senate: *Provided further*, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)(6)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, as amended, shall be available from such revenues and collections: *Provided further*, That revenues and collections and any other sums accruing to this Fund during fiscal year 1996, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 490(f)(6)) in excess of [$5,066,822,000] *$5,087,819,000* shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

[POLICY AND OVERSIGHT

[For necessary expenses, not otherwise provided, for government-wide policy and oversight activities associated with asset management, property management, supply management, travel and transportation, telecommunications and information technology; to fund the Board of Contract Appeals; services authorized by 5 U.S.C. 3109; and not to exceed $5,000 for official reception and representation expenses; $62,499,000.

[OPERATING EXPENSES

[For expenses authorized by law, not otherwise provided for, necessary for utilization of excess and surplus personal property; transportation; procurement; supply; and information technology activities; the utilization survey, deed compliance inspection, appraisal, environmental and cultural analysis, and land use planning functions pertaining to excess and surplus real property; accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Federal Claims; services as authorized by 5 U.S.C. 3109; $49,130,000.]

SALARIES AND EXPENSES, POLICY, LEADERSHIP AND OPERATIONS

For expenses authorized by law, not otherwise provided for, necessary for asset management activities; utilization of excess and surplus personal property; transportation management activities; procurement and supply management activities; Government-wide and internal responsibilities relating to automated data management, telecommunications, information resources management, and related technology activities; utilization survey, deed compliance inspection, appraisal, environmental and cultural analysis, and land use planning functions pertaining to excess and surplus real property; agency-wide policy direction; Board of Contract Appeals; accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Federal Claims; services as authorized by 5 U.S.C. 3109; and not to exceed $5,000 for official reception and representation expenses; $118,449,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General and services authorized by 5 U.S.C. 3109, [$32,549,000] *$34,000,000*: *Provided*, That not to exceed $5,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property: *Provided further*, That not to exceed $2,500 shall be available for awards to employees of other Federal agencies and private citizens in recognition of efforts and initiatives resulting in enhanced Office of Inspector General effectiveness.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95–138; $2,181,000: *Provided*, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

GENERAL PROVISIONS—GENERAL SERVICES ADMINISTRATION

SECTION 1. The appropriate appropriation or fund available to the General Services Administration shall be credited with the cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U.S.C. 129).

SEC. 2. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

SEC. 3. Funds in the Federal Buildings Fund made available for fiscal year 1996 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary to meet program requirements. Any proposed transfers shall be approved in advance by the Committees on Appropriations of the House and Senate.

SEC. 4. No funds made available by this Act shall be used to transmit a fiscal year 1997 request for United States Courthouse construction that does not meet the standards for construction as established by the General Services Administration, *the Judicial Conference of the United States*, and the Office of Management and Budget and does not reflect the priorities of the [Administrative Office of the Courts] *Judicial Conference of the United States* as set out in its approved five-year construction plan.

[SEC. 5. The Administrator of General Services is authorized to accept and retain income received by the General Services Administration on or after October 1, 1993, from Federal agencies and non-Federal sources, to defray costs directly associated with the functions of flexiplace work telecommuting centers.

[SEC. 6. Of the $11,000,000 made available by this Act and Public Laws 102–393 and 103–123 for flexiplace work telecommuting centers, not less than $2,200,000 shall be available for immediate transfer to the Charles County Community College, to provide facilities, equipment, and other services to the General Services Administration for the purposes of establishing telecommuting work centers in Southern Maryland (Charles, Calvert, and St. Mary's County) for use by Government agencies designated by the Administrator of General Services: *Provided*, That the language providing authority to pay a public entity in the State of Maryland, not to exceed $1,300,000 for the purpose of establishing telecommuting work centers in Southern Maryland, under the heading "Federal Buildings Fund Limitations on Availability of Revenue" in Public Law 103–329 (108 Stat. 2400), is hereby repealed.

[SEC. 7. Not to exceed 5 percent of funds made available under the heading "Operating Expenses" and "Office of Policy and Oversight" may be transferred between such appropriations upon the advance approval of the House and Senate Committees on Appropriations.]

SEC. 8. None of the funds appropriated by this Act may be obligated or expended in any way for the purpose of the sale, excessing, surplusing, or disposal of lands in the vicinity of Norfolk Lake, Arkansas, administered by the Corps of Engineers, Department of the Army, without the specific approval of the Congress.

SEC. 9. None of the funds appropriated by this Act may be obligated or expended in any way for the purpose of the sale, excessing, surplusing, or disposal of lands in the vicinity of Bull Shoals Lake, Arkansas, administered by the Corps of Engineers, Department of the Army, without the specific approval of the Congress.

SEC. 10. Section 17(c) of Public Law 101–136 is amended by—

(a) striking "within 3 years of date of conveyance," and inserting in lieu thereof, "simultaneously"; and by striking the remainder of the first sentence following, "the islands of Hawaii, Oahu, and Molokai" and inserting a period immediately thereafter; and

(b) in paragraph (2) by striking "in the exchange described in subsection (c)(1)" and inserting, "or recreational" immediately after the word, "educational".

JOHN F. KENNEDY ASSASSINATION RECORDS REVIEW BOARD

For necessary expenses to carry out the John F. Kennedy Assassination Records Collection Act of 1992, $2,150,000.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and direct procurement of survey printing, [$21,129,000] *$24,549,000*, together with not to exceed $2,430,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts determined by the Merit Systems Protection Board.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

For necessary expenses in connection with the administration of the National Archives and records and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, [$193,291,000] *$199,633,000, of which $4,500,000 shall be available until expended for cataloging, archiving and digitizing activities*: *Provided*, That the Archivist of the United States is authorized to use any excess funds available from the amount borrowed for construction of the National Archives facility, for expenses necessary to move into the facility.

ARCHIVES FACILITIES AND PRESIDENTIAL LIBRARIES

REPAIRS AND RESTORATION

For the repair, alteration, and improvement of archives facilities and presidential libraries, $1,500,000, to remain available until expended.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

For necessary expenses for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, [$4,000,000] *$5,000,000* to remain available until expended.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Government Ethics pursuant to the Ethics in Government Act of 1978, as amended by Public Law 100-598, and the Ethics Reform Act of 1989, Public Law 101-194, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and not to exceed $1,500 for official reception and representation expenses; [$7,776,000] *$8,328,000*.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109, medical examinations performed for veterans by private physicians on a fee basis, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, not to exceed $2,500 for official reception and representation expenses, and advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order 10422 of January 9, 1953, as amended; [$85,524,000] *$96,384,000, of which not to exceed $1,000,000 shall be made available for the establishment of health promotion and disease prevention programs for Federal employees* and in addition [$102,536,000] *$93,261,000* for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of health benefits printing, for the retirement and insurance programs, of which $11,300,000 shall be transferred at such times as the Office of Personnel Management deems appropriate, and shall remain available until expended for the costs of automating the retirement recordkeeping systems, together with remaining amounts authorized in previous Acts for the recordkeeping systems: *Provided*, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by section 8348(a)(1)(B) of title 5, United States Code: *Provided further*, That, except as may be consistent with 5 U.S.C. 8902a(f)(1) and (i), no payment may be made from the Employees Health Benefits Fund to any physician, hospital, or other provider of health care services or supplies who is, at the time such services or supplies are provided to an individual covered under chapter 89 of title 5, United States Code, excluded, pursuant to section 1128 or 1128A of the Social Security Act (42 U.S.C. 1320a-7-1320a-7a), from participation in any program under title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.): *Provided further*, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order 9358 of July 1, 1943, or any successor unit of like purpose: *Provided further*, That the President's Commission on White House Fellows, established by Executive Order 11183 of October 3, 1964, may, during the fiscal year ending September 30, 1996, accept donations of money, property, and personal services in connection with the development of a publicity brochure to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission: [*Provided further*, That no funds appropriated herein shall be used to pay administrative expenses or the compensation of any officer or employee of the United States to implement a reduction in force in the Office of Federal Investigations prior to June 30, 1996.]

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles: $4,009,000, and in addition, not to exceed $6,181,000 for administrative expenses to audit the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: *Provided*, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, $3,746,337,000 to remain available until expended.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: *Provided*, That annuities authorized by the Act of May 29, 1944, as amended, and the Act of August 19, 1950, as amended (33 U.S.C. 771-75), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

[GENERAL PROVISIONS—OFFICE OF PERSONNEL MANAGEMENT]

GENERAL PROVISION—OFFICE OF PERSONNEL MANAGEMENT

[SECTION 1. Section 1104 of title 5, United States Code, is amended—

[(1) in subsection (a)—

[(A) in paragraph (2)—

[(i) by striking "(except competitive examinations for administrative law judges appointed under section 3105 of this title)"; and

[(ii) by striking the semicolon at the end of paragraph (2) and inserting in lieu thereof a period; and

[(B) by striking the matter following paragraph (2) through "principles."; and

[(2) in subsection (b) by adding at the end the following new paragraph:

["(4) At the request of the head of an agency to whom a function has been delegated under subsection (a)(2), the Office may provide assistance to the agency in performing such function. Such assistance shall, to the extent determined appropriate by the Director of the Office, be performed on a reimbursable basis through the revolving fund established under section 1304(e).".

[SEC. 2. Subparagraph (B) of section 8348(a)(1) of title 5, United States Code, is amended—

[(1) by inserting "in making an allotment or assignment made by an individual under section 8345(h) or 8465(b) of this title," after "law),"; and

[(2) by striking "title 26;" and inserting "title 26 or section 8345(k) or 8469 of this title;".

[SEC. 3. Section 4(a) of the Federal Workforce Restructuring Act of 1994 (Public Law 103-226; 108 Stat. 111) is amended—

[(1) by deleting "FISCAL YEARS 1994 AND 1995" and inserting in lieu thereof: "VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—"; and

[(2) in paragraph (1)(A) by striking "and before October 1, 1995,".

[SEC. 4. Title 5, United States Code, is amended—

[(1) in the second section designated as section 3329 (as added by section 4431(a) of Public Law 102-484)—

[(A) by redesignating such section as section 3330; and

[(B) by adding at the end thereof the following new subsection:

["(f) The Office may, to the extent it determines appropriate, charge such fees to agencies for services provided under this section and for related Federal employment information. The Office shall retain such fees to pay the costs of providing such services and information."; and

[(2) in the table of sections for chapter 33 by amending the second item relating to section 3329 to read as follows:

["3330. Government-wide list of vacant positions.".]

SEC. 5. Section 1 under the subheading "General Provision" under the heading "Office of Personnel Management" under title IV of the Treasury, Postal Service and General Government Appropriations Act, 1992 (Public Law 102-141; 105 Stat. 861; 5 U.S.C. 5941 note), as amended by section 532 of the Treasury, Postal Service and General Government Appropriations Act, 1995 (Public Law 103-329; 108 Stat. 2413), is further amended by striking "1996" both places it appears and inserting in lieu thereof "1998".

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Special Counsel pursuant to Reorganization Plan Numbered 2 of

1978, the Civil Service Reform Act of 1978 (Public Law 95-454), the Whistleblower Protection Act of 1989 (Public Law 101-12), Public Law 103-424, and the Uniformed Services Employment and Reemployment Act of 1994 (Public Law 103-353), including services as authorized by 5 U.S.C. 3109, payment of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger motor vehicles; $7,840,000.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109; [$32,899,000] *$33,639,000*: *Provided*, That travel expenses of the judges shall be paid upon the written certificate of the judge.

This title may be cited as the "Independent Agencies Appropriations Act, 1996".

TITLE V—GENERAL PROVISIONS

THIS ACT

[SECTION 501. No part of any appropriation made available in this Act shall be used for the purchase or sale of real estate or for the purpose of establishing new offices inside or outside the District of Columbia: *Provided*, That this limitation shall not apply to programs which have been approved by the Congress and appropriations made therefor.]

SEC. 502. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 503. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 504. None of the funds made available to the General Services Administration pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949 shall be obligated or expended after the date of enactment of this Act for the procurement by contract of any guard, elevator operator, messenger or custodial services if any permanent veterans preference employee of the General Services Administration at said date, would be terminated as a result of the procurement of such services, except that such funds may be obligated or expended for the procurement by contract of the covered services with sheltered workshops employing the severely handicapped under Public Law 92-28. Only if such workshops decline to contract for the provision of the covered services may the General Services Administration procure the services by competitive contract, for a period not to exceed 5 years. At such time as such competitive contract expires or is terminated for any reason, the General Services Administration shall again offer to contract for the services from a sheltered workshop prior to offering such services for competitive procurement.

SEC. 505. None of the funds made available by this Act shall be available for any activity or for paying the salary of any Government employee where funding an activity or paying a salary to a Government employee would result in a decision, determination, rule, regulation, or policy that would prohibit the enforcement of section 307 of the Tariff Act of 1930.

SEC. 506. None of the funds made available by this Act shall be available for the purpose of transferring control over the Federal Law Enforcement Training Center located at Glynco, Georgia, and Artesia, New Mexico, out of the Treasury Department.

SEC. 507. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not heretofore authorized by the Congress.

SEC. 508. No part of any appropriation contained in this Act shall be available for the payment of the salary of any officer or employee of the United States Postal Service, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any officer or employee of the United States Postal Service from having any direct oral or written communication or contact with any Member or committee of Congress in connection with any matter pertaining to the employment of such officer or employee or pertaining to the United States Postal Service in any way, irrespective of whether such communication or contact is at the initiative of such officer or employee or in response to the request or inquiry of such Member or committee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any officer or employee of the United States Postal Service, or attempts or threatens to commit any of the foregoing actions with respect to such officer or employee, by reason of any communication or contact of such officer or employee with any Member or committee of Congress as described in paragraph (1) of this subsection.

[SEC. 509. Funds under this Act shall be available as authorized by sections 4501-4506 of title 5, United States Code, when the achievement involved is certified, or when an award for such achievement is otherwise payable, in accordance with such sections. Such funds may not be used for any purpose with respect to which the preceding sentence relates beyond fiscal year 1996.]

SEC. 510. The Office of Personnel Management may, during the fiscal year ending September 30, 1996, accept donations of supplies, services, land and equipment for the Federal Executive Institute, [the Federal Quality Institute,] and Management Development Centers to assist in enhancing the quality of Federal management.

SEC. 511. The United States Secret Service may, during the fiscal year ending September 30, 1996, accept donations of money to off-set costs incurred while protecting former Presidents and spouses of former Presidents when the former President or spouse travels for the purpose of making an appearance or speech for a payment of money or any thing of value.

[SEC. 512. None of the funds made available by this Act may be used to withdraw the designation of the Virginia Inland Port at Front Royal, Virginia, as a United States Customs Service port of entry.]

SEC. 513. No part of any appropriation contained in this Act shall be available to pay the salary for any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service and has within ninety days after his release from such service or from hospitalization continuing after discharge for a period of not more than one year made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 514. None of the funds made available in this Act may be used to provide any nonpublic information such as mailing or telephone lists to any person or any organization outside of the Federal Government without the approval of the House and Senate Committees on Appropriations.

SEC. 515. COMPLIANCE WITH BUY AMERICAN ACT.—No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-10c, popularly known as the "Buy American Act").

SEC. 516. SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or products that may be authorized to be purchased with financial assistance provided under this Act, it is the sense of the Congress that entities receiving such assistance should, in expending the assistance, purchase only American-made equipment and products.

(b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance under this Act, the Secretary of the Treasury shall provide to each recipient of the assistance a notice describing the statement made in subsection (a) by the Congress.

SEC. 517. PROHIBITION OF CONTRACTS.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, such person shall be ineligible to receive any contract or subcontract made with funds provided pursuant to this Act, pursuant to the debarment, suspension, and ineligibility procedures described in section 9.400 through 9.409 of title 48, Code of Federal Regulations.

[SEC. 518. Except as otherwise specifically provided by law, not to exceed 50 percent of unobligated balances remaining available at the end of fiscal year 1996 from appropriations made available for salaries and expenses for fiscal year 1996 in this Act, shall remain available through September 30, 1997 for each such account for the purposes authorized: *Provided*, That a request shall be submitted to the House and Senate Committees on Appropriations for approval prior to the expenditure of such funds.]

SEC. 519. Where appropriations in this Act are expendable for travel expenses of employees and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amount set forth therefore in the budget estimates submitted for appropriations without the advance approval of the House and Senate Committees on Appropriations: *Provided*, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards in the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel of the Office of Personnel Management in carrying out its observation responsibilities of the Voting Rights Act; or to payments to interagency motor pools separately set forth in the budget schedules.

SEC. 520. Notwithstanding any other provision of law or regulation: (1) The authority of the special police officers of the Bureau of Engraving and Printing, in the Washington, DC Metropolitan area, extends to buildings and land under the custody and control of the Bureau; to buildings and land acquired by or for the Bureau through lease, unless otherwise provided by the acquisition agency; to the streets, sidewalks and open areas immediately adjacent to the Bureau along Wallenberg Place (15th Street) and 14th Street between Independence and Maine Avenues and C and D Streets between 12th and 14th Streets; to areas which include surrounding parking facilities used by Bureau employees, including the lots at 12th and C Streets, SW, Maine Avenue and Water Streets, SW, Maiden Lane, the Tidal Basin and East Potomac Park; to the protection in transit of United States securities, plates and dies used in the production of United States securities, or other products or implements of the Bureau of Engraving and Printing which the Director of that agency so designates; (2) The exercise of police authority by Bureau officers, with the exception of the exercise of authority upon property under the custody and control of the Bureau, shall be deemed supplementary to the Federal police force with primary jurisdictional responsibility. This authority shall be in addition to any other law enforcement authority which has been provided to these officers under other provisions of law or regulations.

[SEC. 521. Section 5378 of Title 5, United States Code, is amended by adding: "(8) Chief—not more than the maximum rate payable for GS–14."]

[SEC. 522. Notwithstanding any other provision of law, there is hereby established in the Treasury of the United States, a United States Mint Public Enterprise Fund (the "Fund")] *Subchapter III of chapter 51 of subtitle IV of title 31, United States Code, is amended by adding at the end thereof the following new section: "sec. 5136 united states mint public enterprise fund." There shall be established in the Treasury of the United States, a United States Mint Public Enterprise Fund (the "Fund") for fiscal year 1996 and hereafter: Provided*, That all receipts from Mint operations and programs, including the production and sale of numismatic items, the production and sale of circulating coinage, the protection of Government assets, and gifts and bequests of property, real or personal shall be deposited into the Fund and shall be available without fiscal year limitations: *Provided further*, That all expenses incurred by the Secretary of the Treasury for operations and programs of the United States Mint that the Secretary of the Treasury determines, in the Secretary's sole discretion, to be ordinary and reasonable incidents of Mint operations and programs, and any expense incurred pursuant to any obligation or other commitment of Mint operations and programs that was entered into before the establishment of the Fund, shall be paid out of the Fund: *Provided further*, That not to exceed 6.2415 percent of the nominal value of the coins minted, shall be paid out of the Fund for the circulating coin operations and programs *previously provided for by appropriation: Provided further*, That the Secretary of the Treasury may borrow such funds from the General Fund as may be necessary to meet existing liabilities and obligations incurred prior to the receipt of revenues into the Fund [and:] *Provided further, That* the General Fund shall be reimbursed for such funds by the Fund within one year of the date of the loan [and:] *Provided further, That the Fund may* retain receipts from the Federal Reserve System from the sale of circulating coins at face value for deposit into the Fund; [and:] *Provided further, That the Secretary of Treasury shall* transfer to the Fund all assets and liabilities of the Mint operations and programs, including all Numismatic Public Enterprise Fund assets and liabilities, all receivables, unpaid obligations and unobligated balances from the Mint's appropriation, the Coinage Profit Fund, and the Coinage Metal Fund, and the land and buildings of the Philadelphia Mint, Denver Mint, and the Fort Knox Bullion Depository: *Provided further*, That the Numismatic Public Enterprise Fund, the Coinage Profit Fund and the Coinage Metal Fund shall cease to exist as separate funds as their activities and functions are subsumed under and subject to the Fund, and the requirements of 31 USC 5134(c)(4), (c)(5)(B), and (d) and (e) of the Numismatic Public Enterprise Fund shall apply to the Fund: *Provided further*, That at such times as the Secretary of the Treasury determines appropriate, but not less than annually, any amount in the Fund that is determined to be in excess of the amount required by the Fund shall be transferred to the Treasury for deposit as miscellaneous receipts: *Provided further*, That the term "Mint operations and programs" means (1) the activities concerning, and assets utilized in, the production, administration, distribution, marketing, purchase, sale, and management of coinage, numismatic items, the protection and safeguarding of Mint assets and those non-Mint assets in the custody of the Mint, and the Fund; and (2) includes capital, personnel salaries and compensation, functions relating to operations, marketing, distribution, promotion, advertising, official reception and representation, the acquisition or replacement of equipment, the renovation or modernization of facilities, and the construction or acquisition of new buildings: *Provided further*, That the term "numismatic item" [means] *includes* any medal, proof coin, uncirculated coin, bullion coin, [or other coin specifically designated by statute as a numismatic item, including] numismatic collectible other monetary issuances and products and accessories related to any such medal, coin, [or item:] *Provided further*, [That provisions of law governing procurement or public contracts shall not be applicable to the procurement of goods or services necessary for carrying out Mint programs and operations and such programs and operations shall also be exempt from all government personnel regulations, ceilings, and full-time equivalent controls.

SEC. 523. Section 531 of Public Law 103–329, is amended by inserting, "of the first section", after "adding at the end".

[SEC. 524. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

[SEC. 525. The provision of section 524 shall not apply where the life of the mother would be endangered if the fetus were carried to term.

[SEC. 526. Notwithstanding any other provision of law, the Administrator of General Services shall delegate the authority to procure automatic data processing equipment for the Tax Systems Modernization Program to the Secretary of the Treasury: *Provided*, That the Director of the Office of Management and Budget shall have the authority to revoke such delegation upon the written recommendation of the Administrator that the Secretary's actions under such delegation are inconsistent with the goals of economic and efficient procurement and utilization of automatic data processing equipment: *Provided further*, That for all other purposes, a procurement conducted under such delegation shall be treated as if made under a delegation by the Administrator pursuant to 40 U.S.C. 759.

[SEC. 527. RELIEF OF CERTAIN PERIODICAL PUBLICATIONS.—For mail classification purposes under section 3626 of title 39, United States Code, and any regulations of the United States Postal Service for the administration of that section, a weekly second-class periodical publication which—

[(i) is eligible to publish legal notices under any applicable laws of the State where it is published;

[(ii) is eligible to be mailed at the rates for mail under former subsection 4358 (a), (b), and (c) of title 39, United States Code, as limited by current subsection 3626(g) of that title; and

[(iii) the pages of which were customarily secured by 2 staples before March 19, 1989;

shall not be considered to be a bound publication solely because its pages continue to be secured by 2 staples after that date.

[SEC. 528. None of the funds in this Act may be obligated or expended for employee training that does not meet identified needs for knowledge, skills and abilities bearing directly upon the performance of official duties.]

SEC. 529. (a) Prior to February 15, 1996, none of the funds appropriated by this Act may, with respect to an individual employed by the Bureau of the Public Debt in the Washington metropolitan region on April 10, 1991, be used to separate, reduce the grade or pay of, or carry out any other adverse personnel action against such individual for declining to accept a directed reassignment to a position outside such region, pursuant to a transfer of any such Bureau's operations or functions to Parkersburg, West Virginia.

(b) Subsection (a) shall not apply with respect to any individual who, prior to February 15, 1996, declines an offer of another position in the Department of the Treasury which is of at least equal pay and which is within the Washington metropolitan region.

TITLE VI—GOVERNMENTWIDE GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SECTION 601. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of said employee.

SEC. 602. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for fiscal year 1996 shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act) by the officers and employees of such department, agency, or instrumentality.

SEC. 603. Notwithstanding 31 U.S.C. 1345, any agency, department or instrumentality of the United States which provides or proposes to provide child care services for Federal employees may reimburse any Federal employee or any person employed to provide such services for travel, transportation, and subsistence expenses incurred for training classes, conferences or other meetings in connection with the provision of such services: *Provided*, That any per diem allowance made pursuant to this section shall not exceed the rate specified in regulations prescribed pursuant to section 5707 of title 5, United States Code.

SEC. 604. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses, ambulances, law enforcement, and undercover surveillance vehicles), is hereby fixed at $8,100 except station wagons for which the maximum shall be $9,100: *Provided*, That these limits may be exceeded by not to exceed $3,700 for police-type vehicles, and by not to exceed $4,000 for special heavy-duty vehicles: *Provided further*, That the limits set forth in this section may not be exceeded by more than five percent for electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976: *Provided further*, That the limits set forth in this section may be exceeded by the incremental cost of clean alternative fuels vehicles acquired pursuant to Public Law 101–549 over the cost of comparable conventionally fueled vehicles.

SEC. 605. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5922–24.

SEC. 606. Unless otherwise specified during the current fiscal year no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States, (3) is a person who owes allegiance to the United States, (4) is an alien from Cuba, Poland, South Vietnam, the countries of the former Soviet Union, or the Baltic countries lawfully admitted to the United States for permanent residence, or (5) South Vietnamese, Cambodian, and Laotian refugees paroled in the United States after January 1, 1975, or (6) nationals of the People's Republic of China that qualify for adjustment of status pursuant to the Chinese Student Protection Act of 1992: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his or her status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than $4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to international broadcasters employed by the United States Information Agency, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

SEC. 607. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (87 Stat. 216), or other applicable law.

SEC. 608. In addition to funds provided in this or any other Act, all Federal agencies are authorized to receive and use funds resulting from the sale of materials recovered through recycling or waste prevention programs. Such funds shall be available until expended for the following purposes:

(1) Acquisition, waste reduction and prevention and recycling programs as described in Executive Order 12873 (October 20, 1993), including any such programs adopted prior to the effective date of the Executive Order.

(2) Other Federal agency environmental management programs, including but not limited to, the development and implementation of hazardous waste management and pollution prevention programs.

(3) Other employee programs as authorized by law or as deemed appropriate by the head of the Federal agency.

SEC. 609. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 610. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 611. Any department or agency to which the Administrator of General Services has delegated the authority to operate, maintain or repair any building or facility pursuant to section 205(d) of the Federal Property and Administrative Services Act of 1949, as amended, shall retain that portion of the GSA rental payment available for operation, maintenance or repair of the building or facility, as determined by the Administrator, and expend such funds directly for the operation, maintenance or repair of the building or facility. Any funds retained under this section shall remain available until expended for such purposes.

SEC. 612. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), only when reimbursement therefor is made to the Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchanged allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury.

SEC. 613. No part of any appropriation contained in this or any other Act shall be available for interagency financing of boards, commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

SEC. 614. Funds made available by this or any other Act to the "Postal Service Fund" (39 U.S.C. 2003) shall be available for employment of guards for all buildings and areas owned or occupied by the Postal Service and under the charge and control of the Postal Service, and such guards shall have, with respect to such property, the powers of special policemen provided by the first section of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318), and, as to property owned or occupied by the Postal Service, the Postmaster General may take the same actions as the Administrator of General Services may take under the provisions of sections 2 and 3 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318a, 318b), attaching thereto penal consequences under the authority and within the limits provided in section 4 of the Act of June 1, 1948, as amended (62 Stat. 281; 40 U.S.C. 318c).

SEC. 615. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a resolution of disapproval duly adopted in accordance with the applicable law of the United States.

SEC. 616. (a) Notwithstanding any other provision of law, and except as otherwise provided in this section, no part of any of the funds appropriated for the fiscal year ending on September 30, 1996, by this or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code—

(1) during the period from the date of expiration of the limitation imposed by section 617 of the Treasury, Postal Service and General Government Appropriations Act, 1995, until the normal effective date of the applicable wage survey adjustment that is to take effect in fiscal year 1996, in an amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section 617; and

(2) during the period consisting of the remainder of fiscal year 1996, in an amount that exceeds, as a result of a wage survey adjustment, the rate payable under paragraph (1) by more than the sum of—

(A) the percentage adjustment taking effect in fiscal year 1996 under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule; and

(B) the difference between the overall average percentage of the locality-based comparability payments taking effect in fiscal year 1996 under section 5304 of such title (whether by adjustment or otherwise), and the overall average percentage of such payments which was effective in fiscal year 1995 under such section.

(b) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, and no employee covered by section 5348 of such title, may be paid during the periods for which subsection (a) is in effect at a rate that exceeds the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

(c) For the purposes of this section, the rates payable to an employee who is covered by this section and who is paid from a schedule not in existence on September 30, 1995, shall be determined under regulations prescribed by the Office of Personnel Management.

(d) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section may not be changed from the rates in effect on September 30, 1995, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(e) This section shall apply with respect to pay for service performed after September 30, 1995.

(f) For the purpose of administering any provision of law (including section 8431 of title 5, United States Code, and any rule or regulation that provides premium pay, retirement, life insurance, or any other employee benefit) that requires any deduction or contribution, or that imposes any requirement or limitation on the basis of a rate of salary or basic pay, the rate of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(g) Nothing in this section shall be considered to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(h) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment or retention of qualified employees.

SEC. 617. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of $5,000 to furnish or redecorate the office of such department head, agency head, officer or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is expressly approved by the Committees on Appropriations of the House and Senate. For the purposes of this section, the word "office" shall include the entire suite of offices assigned to the individual, as well as any other space used primarily by the individual or the use of which is directly controlled by the individual.

SEC. 618. Notwithstanding any other provision of law, no executive branch agency shall purchase, construct, and/or lease any additional facilities, except within or contiguous to existing locations, to be used for the purpose of conducting Federal law enforcement training without the advance approval of the House and Senate Committees on Appropriations.

[SEC. 619. (a) No amount of any grant made by a Federal agency shall be used to finance the acquisition of goods or services (including construction services) unless the recipient of the grant agrees, as a condition for the receipt of such grant, to—

[(1) specify in any announcement of the awarding of the contract for the procurement of the goods and services involved (including construction services) the amount of Federal funds that will be used to finance the acquisition; and

[(2) express the amount announced pursuant to paragraph (1) as a percentage of the total costs of the planned acquisition.

[(b) The requirements of subsection (a) shall not apply to a procurement for goods or services (including construction services) that has an aggregate value of less than $500,000.]

SEC. 620. Notwithstanding section 1346 of title 31, United States Code, funds made available for fiscal year 1996 by this or any other Act shall be available for the interagency funding of national security and emergency preparedness telecommunications initiatives which benefit multiple Federal departments, agencies, or entities, as provided by Executive Order Numbered 12472 (April 3, 1984).

SEC. 621. Notwithstanding any provisions of this or any other Act, during the fiscal year ending September 30, 1996, and hereafter, any department, division, bureau, or office may use funds appropriated by this or any other Act to install telephone lines, and necessary equipment, and to pay monthly charges, in any private residence or private apartment of an employee who has been authorized to work at home in accordance with guidelines issued by the Office of Personnel Management: *Provided*, That the head of the department, division, bureau, or office certifies that adequate safeguards against private misuse exist, and that the service is necessary for direct support of the agency's mission.

SEC. 622. (a) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality for the salaries or expenses of any employee appointed to a position of a confidential or policy-determining character excepted from the competitive service pursuant to section 3302 of title 5, United States Code, without a certification to the Office of Personnel Management from the head of the Federal department, agency, or other instrumentality employing the Schedule C appointee that the Schedule C position was not created solely or primarily in order to detail the employee to the White House.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Central Intelligence Agency;

(2) the National Security Agency;

(3) the Defense Intelligence Agency;

(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) the Bureau of Intelligence and Research of the Department of State;

(6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of Transportation, the Department of the Treasury, and the Department of Energy performing intelligence functions; and

(7) the Director of Central Intelligence.

SEC. 623. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for fiscal year 1996 shall obligate or expend any such funds, unless such department, agency or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment and that all of its workplaces are not in violation of title VII of the Civil Rights Act of 1964, as amended, the Age Discrimination in Employment Act of 1967, and the Rehabilitation Act of 1973.

SEC. 624. No part of any appropriation contained in this Act may be used to pay for the expenses of travel of employees, including employees of the Executive Office of the President, not directly responsible for the discharge of official governmental tasks and duties: *Provided*, That this restriction shall not apply to the family of the President, Members of Congress or their spouses, Heads of State of a foreign country or their designee(s), persons providing assistance to the President for official purposes, or other individuals so designated by the President.

SEC. 625. Notwithstanding any provision of law, the President, or his designee, must certify to Congress, annually, that no person or persons with direct or indirect responsibility for administering the Executive Office of the President's Drug-Free Workplace Plan are themselves subject to a program of individual random drug testing.

SEC. 626. (a) Beginning in fiscal year 1996 and thereafter, for each Federal agency, except the Department of Defense (which has separate authority), *and except as provided in Public Law 102–393, title IV, section 13 (40 U.S.C. 490g) with respect to the Fund established pursuant to 40 U.S.C. 490(f)*, an amount equal to 50 percent of—

(1) the amount of each utility rebate received by the agency for energy efficiency and water conservation measures, which the agency has implemented; and

(2) the amount of the agency's share of the measured energy savings resulting from energy-savings performance contracts

may be retained and credited to accounts that fund energy and water conservation activities at the agency's facilities, and shall remain available until expended for additional specific energy efficiency or water conservation projects or activities, including improvements and retrofits, facility surveys, additional or improved utility metering, and employee training and awareness programs, as authorized by section 152(f) of the Energy Policy Act (Public Law 102–486).

(b) The remaining 50 percent of each rebate, and the remaining 50 percent of the amount of the agency's share of savings from energy-savings performance contracts, shall be transferred to the General Fund of the Treasury at the end of the fiscal year in which received.

[SEC. 627. Notwithstanding any other provision of law, there is hereby established a Commission which shall be known as the "Commission on Federal Mandates" (hereafter referred to as the "Commission"): *Provided*, That the Commission shall be composed of nine Members appointed from individuals who possess extensive leadership experience in and knowledge of State, local, and tribal governments and intergovernmental relations, including State and local elected officials, as follows: (1) three Members appointed by the Speaker of the House of Representatives, in consultation with the minority leader of the House of Representatives; (2) three Members appointed by the majority leader of the Senate, in consultation with the minority leader of the Senate: and (3) three Members appointed by the President: *Provided further*, That appointments may be made under this section without regard to section 5311(b) of title 5, United States Code: *Provided further*, That in general, each member of the Commission shall be appointed for the life of the Commission and a vacancy in the Commission shall be filled in the manner in which the original appointment was made: *Provided further*, That (1) Members of the Commission shall serve without pay; (2) Members of the Commission who are full-time officers or employees of the United States may not receive additional pay, allowances or benefits by reason of their service on the Commission; and (3) Each Member of the Commission may receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code: *Provided further*, That the Commission shall convene its first meeting by not later than 15 days after the date of the completion of appointment of the Members of the Commission: *Provided further*, That the Commission shall report on Federal mandates as specified in sections 302 (a), (c), (d), (e), and (f) of Public Law 104-4: *Provided further*, That the Commission shall have all authorities specified under section 303 of Public Law 104-4: *Provided further*, That the term "Federal mandate" shall have the same meaning as specified in section 305 of Public Law 104-4, notwithstanding sections 3 and 4 of that law: *Provided further*, That the Commission shall terminate 90 days after making the final report identified above.

[SEC. 628. The amounts otherwise provided in tis Act under the heading "General Services Administration—Federal Buildings Fund—Limitations on Availability of Revenue" for the following purposes are each reduced by $65,764,000:

[(1) Aggregate amount available from the Fund.

[(2) Total Amount available from the Fund for construction of additional projects.

[(3) Amount available for new construction, Maryland, Montgomery and Prince George's Counties, Food and Drug Administration, Phase II.

[(4) Amount in excess of which revenues and collections accruing to the Fund shall remain in the Fund.

[SEC. 629. None of the funds made available in this Act may be obligated or expended for any employee training when it is made known to the Federal official having authority to obligate or expend such funds that such employee training—

[(1) does not meet identified needs for knowledge, skills, and abilities bearing directly upon the performance of official duties;

[(2) contains elements likely to induce high levels of emotional response or psychological stress in some participants;

[(3) does not require prior employee notification of the content and methods to be used in the training and written end of course evaluations;

[(4) contains any methods or content associated with religious or quasi-religious belief systems or "new age" belief systems as defined in Equal Employment Opportunity Commission Notice N-915.022, dated September 2, 1988;

[(5) is offensive to, or designed to change, participants' personal values or lifestyle outside the workplace; or

[(6) includes content related to human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) other than that necessary to make employees more aware of the medical ramifications of HIV/AIDS and the workplace rights of HIV-positive employees.

[SEC. 630. No amount made available in this Act may be used for the salaries or expenses of any employee, including any employee of the Executive Office of the President, in connection with the obligation or expenditure of funds in the exchange stabilization fund when it is made known to the Federal official to whom such amounts are made available in this Act that such obligation or expenditure is for the purpose of bolstering any foreign currency.]

SEC. 631. (a) Notwithstanding the provisions of sections 112 and 113 of title 3, United States Code, each Executive agency detailing any personnel shall submit on an annual basis in each fiscal year to the Senate and House Committees on Appropriations on all employees or members of the armed services detailed to Executive agencies, listing the grade, position, and offices of each person detailed and the agency to which each such person is detailed.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Central Intelligence Agency;

(2) the National Security Agency;

(3) the Defense Intelligence Agency;

(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) the Bureau of Intelligence and Research of the Department of State;

(6) any agency, office, or unit of the Army, Navy, Air Force, Marine Corps, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of the Treasury, the Department of Transportation, and the Department of Energy performing intelligence functions; and

(7) the Director of Central Intelligence.

(c) The exemptions in part (b) of this section are not intended to apply to information on the use of personnel detailed to or from the intelligence agencies which is currently being supplied to the Senate and House Intelligence and Appropriations Committees by the executive branch through budget justification materials and other reports.

(d) For the purpose of this section, the term "Executive agency" has the same meaning as defined under section 105 of title 5, United States Code (except that the provisions of section 104(2) of title 5, United States Code, shall not apply), and includes the White House Office, the Executive Residence, and any office, council, or organizational unit of the Executive Office of the President.

SEC. 632. No funds appropriated in this or any other Act for fiscal year 1996 may be used to implement or enforce the agreements in Standard Forms 312 and 4355 of the Government or any other nondisclosure policy, form or agreement if such policy, form or agreement does not contain the following provisions: "These restrictions are consistent with and do not supersede, conflict with or otherwise alter the employee obligations, rights or liabilities created by Executive Order 12356; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents), and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. section 783(b)). The definitions, requirements, obligations, rights, sanctions and liabilities created by said Executive Order and listed statutes are incorporated into this agreement and are controlling": Provided, That notwithstanding the preceding paragraph, a nondisclosure policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure forms must also make it clear that they do not bar disclosures to Congress or to an authorized official of an executive agency or the Department of Justice that are essential to reporting a substantial violation of law.

SEC. 633. (a) None of the funds appropriated by this or any other Act may be expended by any Federal Agency to procure any product or service that is subject to the provisions of Public Law 89-306 and that will be available under the procurement by the Administrator of General Services known as "FTS2000" unless—

(1) such product or service is procured by the Administrator of General Services as part of the procurement known as "FTS2000"; or

(2) that agency establishes to the satisfaction of the Administrator of General Services that—

(A) that agency's requirements for such procurement are unique and cannot be satisfied by property and service procured by the Administrator of General Services as part of the procurement known as "FTS2000"; and

(B) the agency procurement, pursuant to such delegation, would be cost-effective and would not adversely affect the cost-effectiveness of the FTS2000 procurement.

(b) After July 31, 1996, subsection (a) shall apply only if the Administrator of General Services has reported that the FTS2000 procurement is producing prices that allow the Government to satisfy its requirements for such procurement in the most cost-effective manner.

SEC. 634. (a) Section 4-607(18) of title 4 of the District of Columbia Code, is amended by inserting "the United States Secret Service Uniformed Division, the United States Secret Service Division," after "average pay of a member who was an officer or member of".

(b) Section 4-622 of title 4 of the District of Columbia Code, is amended—

(A) in subsection (b)(1)(A) by striking out "Of the basis upon which the annuity, relief, or retirement compensation being received by such former member at the time of death was computed" and inserting in lieu thereof "Of the adjusted average pay of such former member";

(B) in subsection (c)(1)(A)(ii), by striking out "The basis upon which the former member's annuity at the time of death was computed" and inserting in lieu thereof "The adjusted average pay of the former member"; and

(C) in subsection (c)(2)(B), by striking out the colon after "United States Secret Service Division" through clause (iii) and inserting in lieu thereof ", 75 percent of the adjusted average pay of the former member, divided by the number of eligible children; or".

This Act may be cited as the "Treasury, Postal Service, and General Government Appropriations Act, 1996".

Mr. SHELBY. Mr. President, today, along with my distinguished ranking member, Senator KERREY, we are bringing to the Senate the Senate Appropriations Committee recommendation on fiscal year 1996 appropriations for the Department of the Treasury, U.S. Postal Service, the Executive Office of the President, and certain independent agencies.

Mr. President, the bill we are presenting today contains total funding of $23,134,570,000. This bill is $367,859,000 below the appropriations provided in fiscal year 1995. It is $42,716,000 below the House-passed bill and $1.775 billion below the President's request.

Of the totals in this bill, we are recommending $11,262,500,000 for new discretionary spending. The balance, $11,889,400,000 is for mandatory programs over which this committee has no control.

The $11,262,500,000 the committee proposes for domestic discretionary programs is $1.8 billion below the President's request. Let me repeat that, Mr. President. This bill is $1.8 billion below the President's fiscal year 1996 request.

Reaching this level has not been an easy task. We have had to make some very difficult decisions, while trying to ensure that funds are made available to carry out essential governmental functions.

Mr. President, this bill includes $10,466,900,000 for the Department of the Treasury. The Treasury Department has varied responsibilities, the bulk of which are directed to the revenues and expenditures of this Government and law enforcement functions.

This bill includes $121,908,000 for payment to the Postal Service fund for free mail for the blind, overseas voting, and payment to the Department of Labor for disability costs incurred by the old Post Office Department.

The President receives $149,915,000 to exercise the duties and responsibilities of the Executive Office of the President.

This bill also includes $573,872,000 for construction of new courthouses and Federal facilities. This funding provides the General Services Administration the ability to let construction contracts for buildings which construction can begin in fiscal year 1996. There is no funding, Mr. President, for projects where no construction can be accomplished in 1996.

There is $11.8 billion in mandatory payments through the Office of Personnel Management for annuitant and employee health disability and retirement, and life insurance benefits.

There is $390 million for other independent agencies.

Mr. President, this bill also proposes to terminate the Advisory Commission on Intergovernmental Relations, the Administrative Conference of the United States, and the Office of National Drug Control Policy.

There have been many who have said that these organizations should be funded and continued. Mr. President, as you well know, these are difficult times—times in which we are being asked to make very tough, very difficult decisions.

I am sure we will have the opportunity to discuss these proposals later on during the deliberations on the bill.

Mr. President, this subcommittee continues to be a strong supporter of law enforcement. We have done what we can to ensure that the law enforcement agencies funded in this bill have the resources to do the job that we ask them to do.

There has been considerable discussion since this bill was reported from the subcommittee about the level of funding for the Internal Revenue Service. This level of discussion has been second only to that concerning the decision of the committee to terminate the drug czar's office. I would like to take a few moments to describe how we arrived at the funding level for the IRS.

This bill includes $7,307,208,000 for the Internal Revenue Service. This total is $803 million below the President's request and $202 million below fiscal year 1995. There are those, including the President, who have said that you have to fund the IRS at the requested level to ensure that tax systems modernization continues and that funds owed to the Government are collected.

Mr. President, this morning, let me be perfectly clear on this. Based on the subcommittee's budget allocation, we have no other options. Many may disagree with the choices we have made, but we are working with limited resources. Funding for the IRS makes up 65 percent, Mr. President, of the discretionary spending in this bill. It is obvious if cuts are made, the IRS will have to have a significant percentage of the cuts.

The budget resolution narrative describes the commitment to tax systems modernization and the collection initiative begun last year. But the crosswalk provided by the Budget Committee on which the committee's allocation was determined does not match this language.

Mr. President, as I have indicated, this bill makes a number of people, including the President of the United States, possibly very uncomfortable. It is, however, the result of long, hard hours of work on the part of members and staff of this committee. I want to thank all of them for that effort. I believe it is workable and should be enacted.

I yield to Senator KERREY, the subcommittee's ranking member.

Mr. KERREY. First of all, I am very pleased to join the subcommittee chairman, Senator SHELBY, in bringing this bill to the floor. As the chairman pointed out, this bill is substantially below the requested and enacted levels for many programs and activities under the jurisdiction of the Treasury Department, the Executive Office of the President, and certain independent agencies.

The 602(b) allocation given the subcommittee constrained us from funding many worthy programs to the levels needed to maintain appropriate levels of service and activity.

Having said that, Mr. President, I want to take this opportunity to sincerely compliment the distinguished Senator from Alabama on the cooperative relationship he forged in the committee, working closely not just with myself but with all subcommittee members, to put together a fiscally responsible and very defensible bill, under the most difficult circumstances.

Chairman SHELBY has already touched on the major funding highlights of the bill, and I will not attempt to repeat at least most of the points he has already made.

Mr. President, what I would like to do at the outset is to cite a couple of stipulations that I have cited before, some of which may be slightly irrelevant to this particular piece of legislation, but it does have an impact upon what we are doing on the appropriations side.

Mr. President, one of the biggest reasons, if not the biggest reason, that we continually see pressure upon appropriated accounts is that we have yet to face the growing cost of all Federal entitlement programs. Particularly, Mr. President, the two biggest among them are health care entitlements—which the distinguished occupant of the chair has been working on a long time—as well as retirement.

These entitlement programs, as a percent of this year's budget, plus net interest, represent 66 percent of the entire Federal budget. That means the appropriated accounts are 34 percent.

Mr. President, the year that the distinguished chairman of our committee, Senator HATFIELD, came to the U.S. Senate, there was 30 percent of our budget allocated for entitlements and net interest, and 70 percent for all of our appropriated accounts. So the trend is shrinking domestic spending; that is to say, expenditures upon things we have decided, either for defense or for nondefense purposes, are important either for our current needs or for our future needs.

The budget resolution under which we operate and has allocated money to the subcommittee has us going to 25 percent appropriated accounts in the year 2002 and eventually, when the baby boom generation retires—75 million Americans who are in that baby boom generation start to retire in the year 2008—the appropriated accounts will go to zero.

Even at 25 percent, Mr. President, imagine what would happen this year if we were allocating that percent. We would be spending under the current level of revenue, by the way, a thing that has remained constant in this town. Except for World War II and a short period of time during the Vietnam war, the total level of taxation has remained at about 19 percent of the gross domestic product. You see a flat line over the last 50 years.

With 19 percent revenue, Mr. President, and 25 percent of our budget allocated for domestic spending, we would have $400 billion this year—$400 billion. Mr. President, I think even our most antidefense Member would probably spend $250-or-so billion on defense. That means we would this year try to figure out what to do with $150 billion for our crime efforts, for our education efforts, for our research efforts, for NASA, for veterans. It would be impossible, Mr. President.

Now, I grew up in the 1950's and 1960's, and as a consequence of my parents being willing to pay cash for such things as the GI bill and the Interstate Highway System, I enjoyed an awful lot more prosperity and a much higher standard of living as a consequence of the investments which they made.

There is far more agreement in this body than sometimes meets the eye that there are certain things where we should pool our collective resources; we should take some of our taxpayers' money and make investments whether, again, it is education, transportation, or other sorts of things.

What entitlement growth does, Mr. President, is constantly press us to spend less and less and less. We are not saying that there are not things that cannot be cut. Indeed, there are some things we have cut out this year that I think even in times where if we were aiming to fix the cost of entitlement growth, we would probably zero in the amounts.

I will, during slack times in the debate, come back and try to highlight this particular problem because it is an extremely difficult problem, forcing us to deal both with health care and with retirement, two very controversial items, two very difficult items to deal with.

I believe, Mr. President, that time is not on our side, that compounding interest rates are working against us rather than for us, both at the national level and at the individual household level. I hope that Republicans and Democrats will, as we have attempted to do in this subcommittee allocation, come together for the good of the country and do the right thing.

Mr. President, this bill is not business as usual. We have eliminated some accounts, which may cause alarm to some Members. We have zeroed out the so-called drug czar's office; the Office of National Drug Control Policy, which, by the way, is $9.9 million; we have zeroed out the Administrative Conference of the United States; and we have zeroed out the Advisory Commission on Intergovernmental Relations.

Again, these actions are a direct consequence of shrinking domestic discretionary spending in the budget that this body adopted.

We have funded programs where a compelling case has been made for their continued existence:

The Counter-Drug Technology Assessment Center, the central counternarcotics research and development office, has been continued in the Department of the Treasury and funded at a level of $20.5 million.

The High-Intensity Drug Trafficking Area Program, which provides funding to implement Federal, State, and local antidrug strategies, has been funded at a level of $110 million in the Department of the Treasury.

The Counsel of Economic Advisers, eliminated in the House bill, has been restored in this bill and funded at the requested level of $3.5 million.

While most programs have been reduced below enacted levels, we have included modest increases for Treasury law enforcement bureaus to sustain current levels of vigilance in border interdiction, Presidential protection and security, financial crimes, law enforcement training, and violent crime investigations.

We were not able to fully fund the President's 1996 request for counterterrorism. Mr. President, this request was transmitted to the Congress on July 17, 1 day prior to the 602(b) allocation meeting. We have, however, provided funding to continue those initiatives adopted in the fiscal year 1995 appropriations bill.

We have reduced funding for the new Federal building and courthouse construction by $415 million from the requested level. The chairman has earlier highlighted the criteria that he came up with. I fully support these criteria. I think it is completely defensible. It lets taxpayers know we are continuing to monitor these expenditures to make sure that we are not wasting their money.

Mr. President, the Internal Revenue Service budget, which in many ways, in most ways, took the biggest hit in our budget reduction, took a large hit because it makes up 63 percent of our discretionary spending. Funding in this bill for the IRS is $201 million below the enacted level, and $803 million below the President's request.

The $405 million compliance initiative funded in fiscal year 1995 has been zeroed out. This unquestionably will have a major impact on revenue over the next 5 years. The IRS will also have to reduce personnel levels by some 5,000 to 6,000 employees.

Tax systems modernization, the single most important initiative under way for bringing the U.S. tax revenue system up to date, will also have to be scaled back substantially. The bill contains $674 million for tax system modernization, which is $270 million less than the $944 million requested.

Since the IRS budget makes up such a large portion of our budget, and an even higher proportion of our outlays, the chairman and I had no other choice, given the allocation of money for this committee, but to make large reductions in the Internal Revenue Service. I know many are concerned about it, and both the chairman and I are concerned ourselves. We find no other choice than to make these kinds of reductions.

The IRS brings in $1.2 trillion in revenue a year—at a budget somewhere between $7 and $8 billion, which is less than 1 percent of the revenue it brings in. Common sense in the private sector would tell you if you had a business that brought in that kind of profit at that little cost, you would do everything you could to see the business had the money it needed to keep generating revenue. Instead, the IRS must compete side by side with every other Federal program without regard to the amount of revenue it brings in.

I happen to believe the principal problem here is the governance of the Internal Revenue Service. The incentives are all on the wrong side. Somehow we have to come to grips with an agency that does not have the incentives to do, I think, what most people, as you examine the Internal Revenue Service, say it ought to be doing, which is working to make customers happy.

Taxpayers are never going to be happy to pay taxes. At least, I think there are very few taxpayers who, on the 15th of April, are going to let out a whoopee and celebrate that great moment when they have to figure out what their taxes are for the year. Most taxpayers are not going to be terribly enthusiastic. But they ought to be able to get the information in order to pay the taxes. In spite of the money we have allocated, billions of dollars we have allocated in the past for tax system modernization, the General Accounting Office has evaluated their efforts as chaotic at best. They are making a good-faith effort, but the incentives simply are not there.

Again, the distinguished occupant of the chair, as well as the chairman of this committee, and I, all three of us understand the private sector. We have been in business prior to arriving here. We know if you have incentives to make a profit and incentives to take care of your customers rather than incentives to satisfy some congressional requirement, frankly, it is likely, if you have those kinds of incentives, that you are going to perform differently.

I feel strongly that the governance of the Internal Revenue Service is going to have to change and this agency is going to have to be given powerful private sector market incentives in order to be able to, not just deploy the technology, but do it in a way the taxpayers begin to say to us in coffee shops and townhall meetings, "I hate paying my taxes, I think they are too high," or, "I think they are not fair," or whatever, "but finally I am getting the information in a timely fashion. Finally I am getting the facts. Finally, when I am called in, the Internal Revenue Service is able to come up with my tax returns for the last 10 years instead of telling me, no, it will take months and months to come up with it, long periods of time to correlate my tax return with my Social Security number."

We had a tremendous problem this year with the earned-income tax credit. They were stripping out the refunds as a consequence of our concern about fraud—a legitimate concern. But any private sector business that has to pull this information manually, given the technology today and the information systems today, it seems to me, would not be in business very long. This agency needs a different kind of governance in order for us to be able to have taxpayers, the customers of this agency, begin to say that their needs are being taken care of.

Again, I compliment the subcommittee chairman, Senator SHELBY, on a good bill and commend him on moving to strike controversial general provisions that were in the House-passed bill. These are authorizing matters which I do not believe belong in this appropriation bill.

I also want to acknowledge the fine work of the staff and thank them for their help in permitting us to bring this bill to the floor. Chuck Parkinson, Hallie Hastert, Stewart Hall, John Libonati, Abbie Raikes, and others have been enormously helpful.

I urge the Members of this body to support this bill and the committee amendments.

Mr. SHELBY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DEWINE). Without objection, it is so ordered.

COMMITTEE AMENDMENT ON PAGE 76, BEGINNING ON LINE 10

Mr. NICKLES. Mr. President, what is the regular order?

The PRESIDING OFFICER. The clerk will report the committee amendment on page 76.

The assistant legislative clerk read as follows:

> Committee amendment on page 76: Strike lines 10 through 17.

The PRESIDING OFFICER. There are now 3 hours equally divided.

Mr. NICKLES. Mr. President, for the information of our colleagues, if we use all 3 hours, that means we would have a rollcall vote at 12 o'clock, possibly 12:10, maybe possibly yield some time back. Hopefully that will be the case. I know many of our colleagues have inquired when the vote will be. So my guess will be around 12 o'clock.

Am I correct, Mr. President, that the time is equally divided?

The PRESIDING OFFICER. That is correct.

Mr. NICKLES. Mr. President, I will yield to the Senator from Wyoming 5 minutes—10 minutes?

Mr. THOMAS. Five minutes.

Mr. NICKLES. Five minutes.

Mr. THOMAS. Mr. President, I thank the Senator very much.

ENDLESS DISCUSSION AND NO RESOLUTION

Mr. THOMAS. Mr. President, ironically, I use this time to rise to suggest that it has been a little disappointing as to how we use our time, as a matter of fact, and I have been somewhat surprised at the lack of direction that we have had and that we continue to have in this body in terms of moving forward.

It seems to me that clearly was the message we heard in 1994, the message that we always hear as trustees of the people for whom we are here to do some things. And I am disappointed to see what I consider a change of attitude and a change of direction, where rather than to move aggressively forward to solve some issues and questions, we seem instead to be sliding our feet.

The opposition party—it has become that, in fact, an opposition party—should have some ideas and some suggestions and some directions instead of simply saying, "No, no, we are not going to do anything," and that is troublesome to me. I understand that. I understand that is the technique. I understand that is the system. But I do not think it is the right thing to do.

It seems to me that we do clearly have issues we have to confront. They are here. We have to find solutions to them. The idea that we cannot seem to resolve them is very disappointing to me. It seems that each time we start with some sort of a problem we must address, why, we rise and say, "I am for a balanced budget but," and never come to a resolution.

Mr. KERREY. Will the Senator yield?

Mr. THOMAS. Certainly.

Mr. KERREY. I do not understand, Mr. President. This time was reserved to discuss an amendment of the distinguished Senator from Oklahoma to strike language in fact that is authorized in language on an appropriations bill. The Senator from Wyoming is coming to the floor talking about us not having the right direction. I quite agree. I think the amendment itself is an indication why this body takes far too long to reach decisions. And I do not understand, if we are to be discussing the addition of authorizing language to an appropriations bill, why the Senator from Oklahoma has yielded time to the Senator from Wyoming to talk on a matter that seems not to be related to the amendment that he is offering.

Mr. NICKLES. Will the Senator from Wyoming yield?

Mr. THOMAS. Certainly.

Mr. NICKLES. I am happy to yield 5 minutes to my colleague from Wyoming. And just to respond to my friend from Nebraska, we have a 3-hour time agreement. Originally, I requested an hour equally divided. So if the Senator from Wyoming wishes to make a 5-minute speech on some of his thoughts about the inability of the Senate to move, I think that is entirely appropriate and we will have plenty of time to engage in debate on both sides of this amendment.

Mr. THOMAS. I thank the Senator. I will not take time.

I guess this is sort of an illustration of the frustration that I have, that I am willing to share. We went on and on and talked an hour about something yesterday, and we all sat and listened, we all sat and waited, we all sat for the whole evening, and we never came to any solution.

I have to tell you that is pretty darned frustrating in terms of time management and resource management and measuring results. I am not going to intrude in this. I think we should move forward, and I simply come to the floor to share some frustration. As a matter of fact, everyone with "Yes, I am for regulatory reform," comes from that side, but we never get it done. We always have "but, but we don't want to do it."

So the philosophy has become, "Let's don't do it; let's stop it; let's not have authorization for DOD, let's not have authorization for foreign affairs. Let's just say no. Let's threaten to veto everything that comes up."

I do not think that is a positive way to move, and I simply asked for some time to say it, and now I will stop. But I feel strongly about it. I think that we as trustees of people have some responsibility to make some effort to move. You may not like the result. That is what the system is about. That is why we vote to decide, not to stall, not to filibuster, not to amend to death, not to talk an hour on every topic. I guess I used to be a little frustrated with the rules in the House. I have come to think that was not a bad idea—some limit on the endless discussion and no resolution.

I appreciate the Senator's indulgence, and I simply share a little frustration in terms of us being a little more product oriented in terms of getting some things done in this place.

Mr. President, I yield back the time.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS, 1996

The Senate resumed consideration of the bill.

COMMITTEE AMENDMENT ON PAGE 76, BEGINNING ON LINE 10

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, to get to the amendment that we have at hand, the House-passed Treasury, Postal appropriations bill had language that said no funds would be used to pay for abortions as a benefit for Federal employees. This was the policy of our country from 1984 to 1993. It was reversed by the Clinton administration.

I might mention it was reversed after heated discussion and debate in the Senate, in which it was decided by two votes. The side that prevailed in that vote, the Clinton administration, said that we should have taxpayers' funds used to subsidize abortion for Federal employees. Many of us fought to maintain that prohibition. We felt that Federal employees should have rights, should have benefits, but we did not think a benefit should be included for abortion to be subsidized, the majority of which is paid for by taxpayers. If they wanted to get an abortion, that is their right, they can purchase it. It costs about $250. But we did not think that taxpayers should have to subsidize it. And so that is the reason why we tried to maintain the prohibition which had been in effect from 1984 up until 1993.

The House reinstated that prohibition. The committee amendment struck that prohibition. The amendment we have right now says we disagree with the committee amendment. We would like to have that House language in there. We may want to modify it. I may want to modify it. The Senator from Maryland may want to modify it. But I would like to at least have that language in so we are going to say in effect that we will not use taxpayers' funds to pay for abortion for Federal employees.

My reason for yielding 5 minutes to my friend and colleague from Wyoming is it does not take that long to say it. It is pretty simple. It is something most everybody has voted on. I know it is a tough issue for a lot of people. It is a very serious issue. It is an issue because we are talking about life and death. It is an issue which says what should be in a fringe benefit package. You have a lot of things—all employees do. Most employees have health benefits, and they may have vacations and pensions and days off, and so on. Those are a package of benefits. Should that package of benefits include the right to an abortion? I do not think so, especially not subsidized by the taxpayer, especially not when we ask taxpayers right now to pay 72 percent of the cost, 60 percent of the premium. Should taxpayers have to pay for that?

Remember what we are talking about. We are not talking about dental exams or medical checkups. We are not talking about annual physicals. We are talking about an abortion. Should taxpayers have to pay for that? I do not think so. And that was the policy of this country for 10 years. It was reversed by the Clinton administration—I think a serious mistake, a serious mistake, again, one that deals with life.

Should people be able to go down and say, "Well, I want to get an abortion. It is covered by my insurance policy. I know it is paid for by the taxpayers, the majority of it is. I can get one. Here is my card." And so the person getting one maybe pays very little, if anything. That is a fringe benefit provided for by the Federal Government. I do not think abortion should be a fringe benefit provided for by the Government. It is really just about that simple.

It is serious. I respect my colleagues on the other side who have a difference of opinion. They feel very strongly. I happen to feel very strongly. A lot of people—I think a majority of Americans, if you ask them the question, do you support abortion? Maybe one way or another. But, do you support taxpayers paying for it? I think a strong majority of Americans say, "No. Don't use our dollars in that way. If somebody wants to get one, maybe that is their right. Let them spend their own money. But don't have it part of the Federal employee benefit package, which basically makes it a fringe benefit." That is what the issue is about.

I hope that my colleagues will concur and join me in supporting the House language.

I yield the floor and reserve the remainder of my time.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Ms. MIKULSKI. I believe the distinguished Senator from Nebraska has designated me as the controller of time on this amendment.

Mr. KERREY. That is correct, Mr. President.

Ms. MIKULSKI. Mr. President, I yield myself 10 minutes.

I rise to support the committee amendment and oppose any motion to table, and would like to thank the Senators—both the chairman of the subcommittee and the ranking member—for their wise position on this, which is essentially for the committee amendment to be silent on the issue of the nature of health care services. To deny women who work for the Government access to abortion or reproductive services through their health care plan is inconceivable to me and it is inconceivable to the Federal employees.

First, abortion is legal in this country. This motion to table, if adopted, denies women access to medical services that are not only legal in the United States of America, but are protected under the Constitution. We are all familiar that the Supreme Court has held for the past 20 years that it is a woman's fundamental right to decide whether to terminate a pregnancy. And that is left to a physician and to the pregnant woman. Currently Federal employees, like workers in the private sector, are permitted to chose a health care plan that covers a full range of reproductive health services, including abortion.

Now let me give you an analysis from the National Women's Law Center on this issue.

First, the Federal employees health benefit plan does not generally dictate what benefits must be offered. So there is no health plan that determines the medical procedures. The Federal employees health benefit coverage, which takes care of 9 million Federal employees, allows them to choose between 345 different health insurance packages branching from fee-for-service plans to HMO's. By and large, Federal law is nondirective about the scope of benefits which must be provided, leaving it to the individual plans to decide what benefits are offered to employees to determine what packages best suit their health needs. That is the way it is, and that is the way it should be. And that is the way it should continue to be.

In the fee-for-service plans, they have very general and nonspecific requirements. They must provide benefits for cost, associated with the care and general hospital and other health services of a catastrophic nature. They may provide hospitals, surgical, medical, ambulatory, prescription drugs, and so on. So there are a lot of "mays" in the fee for service.

In the HMO's, the requirements are more specific. Certain benefit categories must be covered: physician and outpatient, inpatient, x ray and emergency, and some mental health and substance abuse services. Preventive health services are allowed, like family planning, child care, and immunization.

Under the Federal employee benefit package, abortion is treated like any other health benefit. Plans are allowed but not required to provide abortion services. That means if you wish to have a plan that does not cover abortion, you may chose that plan. If you wish to have a plan that does cover abortion, you can have that plan. That is the way the law is, and that is the way we would hope it would continue to be.

Under current law, the FEHBP permits health insurance plans to treat abortion services as they do any other health benefit. They may, but are not required, to provide health insurance coverage. Plans, not Federal policymakers, determine the specific benefit package. A ban on abortion coverage under FEHBP is inconsistent with the treatment of other health services which, under most health plans, are included or excluded according to the decision made by the plan and what you want. So that it is not the Congress that decides; it is the plan and the employees who decide.

I think we ought to leave it like that. I do not think Congress should treat abortion different than any other medical service that is medically necessary or medically appropriate. In 1993, I worked hard to ensure that the Federal employees health benefit package would permit, but not require, coverage for abortion. Barring abortion coverage for women working for the Federal Government and their families denies these individuals a health benefit that would be provided through the private sector. Over two-thirds of private health insurance plans and 70 percent of the HMO's readily cover abortion services.

Restricting a Federal employee's health plan is an arbitrary taking of a Federal earned benefit package. Like wages, health benefits are compensation for Federal workers. Abortion restriction effectively reduces the compensation package and treats it differently than any other health issue.

The legislative history shows that the supporters of abortion restriction have as their goal the elimination of the right to reproductive choice for all women. This is a turning back of the clock of reproductive health and women's fundamental right to reproductive choice. We have been here before. Previous debates on abortion and FEHBP reveal that the ultimate goal of the proponents of the abortion ban is to extinguish the legal right to abortion altogether.

I urge my colleagues to defeat the motion to table, and I will work, as the day proceeds, to ensure that.

Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 3 minutes of her 10 minutes left.

Ms. MIKULSKI. I will yield that back, reserving the right to call it back again under the time I may control.

I now turn to the ranking member of the subcommittee and yield him 5 minutes.

Mr. KERREY. Mr. President, let me alert colleagues of what is going on here. When the majority leader and the Democratic leader approached Senator SHELBY and me about our bill, the first question was what sort of time agreements were we going to be able to work out? We hoped we would work out an agreement on this particular matter. Unfortunately, that is now no longer the case. So, instead of having a single vote at noon with the possibility that all of the votes—I have been working with other Members who have amendments—possibly the votes being stacked Monday morning, unless we can work out an agreement here this morning, it is possible that we could be debating and having many other amendments on abortion here all the rest of the day.

Mr. President, this really is an issue about beliefs, very strongly held beliefs. If you believe that from the moment of conception you have a human being, you reach the conclusion that abortion should be made illegal.

I do not know what the distinguished Senator from Oklahoma—I actually have not been on the floor engaged in this particular debate before, but I have on many occasions in townhall meetings. It is a difficult issue. I reached the conclusion that from the moment of conception, it is not human life and that, indeed, a woman should be allowed to make a choice, to make her own decision.

I support legal abortion. I support the Supreme Court's decision in 1973. And thus, it seems to me, as long as it is the law of the land—it may be that those who have strongly held beliefs that abortion should be made illegal, maybe some day they will ban abortion in the United States and make it illegal—but as long as it is legal, it seems to me our employees, if we are going to have insurance as a fringe benefit, which we do—we have insurance we provide to employees of the United States of America, those men and women who wear our uniform in the Army, Navy, Air Force, Marine Corps, and Coast Guard, those men and women searching for a cure for cancer out at the National Institutes of Health. Turn on your television and see the space shuttle hooking up with the Mir spacecraft, those are Federal employees. When you see Federal employees doing various things for the people of the United States of America, they are working for us. And we provide health insurance as a fringe benefit.

They have a choice with that purchase whether or not they want to have a health insurance policy that provides abortion or, if it is an act of conscience, they can say, "No, I don't want my health insurance to provide that."

But it seems to me as long as a majority of the people of the United States of America say that abortion should be legal, that when we hire people we ought to provide them with fringe benefits and it allows them to purchase according to what they want to purchase, what their conscience says.

So it seems to me this is a very straightforward issue. It should not take hours and hours and hours and hours of debate. I think both sides of this debate agree with that. If you believe abortion should be legal, then our employees should be able to have health insurance as every other employee of the United States of America does. That is why both the chairman and I found the general provisions that were attached by the House of Representatives to be incorrect.

In addition, if you care about procedure, and the distinguished Senator from Wyoming earlier came to the floor talking about being frustrated because we do not get things done, one of the reasons we do not get things done is because we are always coming and attaching authorizing legislation to appropriations bills or ignoring the law of the land.

The President has already threatened to veto this bill for this reason, and many others, mostly having to do with the Internal Revenue Service. This bill is likely to be vetoed anyway.

I hope Members come down here to keep the House language out, as long as abortion is legal. As long as we are having to hire people to work for the United States of America, it seems to me that we should not be eliminating a legal procedure.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I appreciate the comments made by my friend, the Senator from Nebraska. I might mention, I believe Senator SHELBY is supporting this amendment, to make that clarification. I also would like to make a clarification that we are not passing authorizing language on an appropriations bill. The appropriations bill tells how we are going to spend money. This language basically says, "no money appropriated by this act should be able to pay for an abortion or administrative expenses in connection with any health plan under the Federal Employees Health Benefits Program which provides any benefits or coverage for abortions."

It deals with money. How are we going to spend money. Are we going to subsidize abortion or are we not? These are taxpayers' dollars. So this is not an authorization. This is how we are going to spend money. Are we going to fund abortions or are we not? We are going to have the same language, the same amendment, I might——

Mr. KERREY. Will the Senator yield to answer a question so when we debate this, I have an understanding? Like I said, this is the first time the Senator from Oklahoma and I have stood nose to nose on this. Does the Senator believe abortion should be illegal?

Mr. NICKLES. Let me respond, I do not think we should spend money for abortions. That is what this amendment is. We do not have to get into a general philosophical debate on abortion. I will be happy to talk about that at a different point.

My point is, I do not think funds should be used to subsidize abortion. I heard people say maybe it should be legal, maybe not legal; maybe we should overturn Roe versus Wade. We are not doing that.

The issue is, should we be spending funds to subsidize abortion, should it be included in fringe benefits in health care plans. We are going to have this on HHS, Medicaid, the so-called Hyde language: Should we use Federal funds to pay for abortions for low-income people?

Everyone who has been around here—most of us pretty much are veterans, there are a few people who maybe have not voted on this in the House or Senate, not many—most of us have wrestled with this.

My colleague said something about time. I said I am happy to have an hour equally divided. This Senator is not trying to hold anything up.

But we do have a legitimate right on an appropriations bill to decide how money is spent. Some of us feel strongly that abortion is wrong. Some of us feel very strongly that abortion destroys the life of an innocent human being and we should not pay for it. We think it is wrong, and it is doubly wrong to subsidize it by U.S. taxpayers. In this case, the taxpayers pay 72 percent of it.

So we have a couple of legitimate debates. One I want to mention again. This is not authorizing language. This is not language coming in trying to overturn Roe versus Wade. It is not coming in trying to make abortion illegal. This is language saying we should not pay for it, it should not be a fringe benefit in health care plans, and that is legitimate for an appropriations bill. We are going to have it also on Labor-HHS under Medicaid.

We were going to get into this last year if we had President Clinton's health care bill, because he had a package of benefits. I told my colleagues before, when that comes up and he wants to have a defined package of benefits—and we know President and Mrs. Clinton wanted to have abortion as a defined benefit available to everybody in America—that many of us were going to object because we think abortion is wrong. We do not think it is just another medical procedure. It is not. It is not a cancer. It is not a sickness. It is destroying the life of an innocent human being. It is fatal. It is deadly. Many of us do not think we should be paying for it, certainly not subsidizing it and forcing taxpayers to subsidize it. So that is what this issue is about.

Mr. KERREY. Can I ask the Senator from Oklahoma, Mr. President, does the Senator from Oklahoma feel the same way about tax deductibility of insurance, that we should strike the right of business to deduct insurance if their employees have an offset against FICA? We are basically subsidizing abortions there, if that is the conclusion that he has reached about Federal employees.

Mr. President, I ask the Senator from Oklahoma if the same argument that he used against Federal employees being able to use insurance for, not to subsidize abortion, but to purchase a service that continues to be legal—it continues to be legal in the United States of America. I do not know, again, whether the Senator from Oklahoma feels that abortion should be made illegal, but until a majority of Americans feel abortion should be made illegal, it seems to me our employees should have the option to purchase insurance that contains it.

I ask the Senator, does he think tax deductibility should be eliminated against businesses offsetting FICA? That seems to me, as well, that would be a subsidy.

Mr. NICKLES. Mr. President, is the Senator's question on his time?

The PRESIDING OFFICER. It is on his time.

Mr. NICKLES. I will be happy to respond. Mr. President, there are a lot of things that are legal that we do not have to subsidize. There are a lot of things that may be a legitimate legal business expense——

Mr. KERREY. I will be happy to allow the Senator to answer on his time.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. KERREY. I object. If the Senator is going to give an answer to my question, he can do it on my time. If it is going to be a speech on something else, it should be on his time.

The PRESIDING OFFICER. Senators should suspend. The answer is on the time of the Senator from Oklahoma. The question was on the time of the Senator from Nebraska.

Mr. NICKLES. I appreciate the Presiding Officer. Mr. President, I will be happy to respond and comment. There are a lot of things that are legal. There are a lot of things that are legal today that may be expensed by a business. That does not mean they should be expensed by the Government or subsidized by the Federal Government.

As Congress, we are kind of the chairman of the board for the public domain, for Federal employees, and it is our responsibility to decide what is a legitimate taxpayer expense. We have a responsibility of how to spend the money.

I will tell my colleague from Nebraska, I ran a corporation and I purchased health insurance for our employees. Abortion was not a benefit. Abortion was not and has not been—it is debatable now how prevalent it is in the private sector. That information is not readily available.

But we make the decision for public employees. We set public policy in Congress. We decide how the money is going to be spent.

There are a lot of things that are legal, but we do not subsidize all of them and certainly we should not. I think certainly we should not be subsidizing something that may be legal, but when it is involving destroying innocent human beings, I feel very strongly we should not subsidize it.

That is what this amendment is about. This amendment is not what is legal in other private health care plans, or about overturning Roe versus Wade. This is not anything about restructuring constitutional amendments or anything like that. This is how are we going to spend Federal money and whether we are going to use taxpayer money to subsidize the destruction of innocent human beings. I think that we should not. That is the purpose of this amendment.

Ms. MIKULSKI. Mr. President, I yield the Senator from Pennsylvania 10 minutes from our time. I believe he has 10 minutes from the Republican leader's time.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 10 minutes.

Mr. SPECTER. I thank my colleague. She accurately states I have 10 minutes under her control, and the distinguished majority leader has allocated his leadership time of 10 minutes today. I will utilize the time offered by the distinguished Senator from Maryland at the moment.

Mr. President, today's debate is about abortion. It is one aspect of what I would characterize as a systematic effort to eliminate the constitutional right of a woman to choose.

The distinguished Senator from Oklahoma and I came to this body after the 1980 elections, and our relationship has been an extraordinarily good one. I have great respect for the sincerity of his beliefs on this subject. My own views are that, as far as governmental action is concerned, it is the decision on a broad picture which has been made by the Supreme Court of the United States.

My own personal views are that I am very much opposed to abortion, and I have evidenced that with my support for funding for programs for abstinence, to try to perhaps eliminate or reduce, as much as possible, premarital sex, especially among young people, leading to so many teenage pregnancies, and my support for tax benefits for adoption carrying to term. When it comes to the role of the Federal Government, it is my view that it is not a matter of the Federal Government to control abortions.

Since it is a constitutional issue, I think the father of modern conservatives, Barry Goldwater, a former colleague in this body, articulated it best when he said, "We ought to keep the Government off our backs, out of our pocketbooks, and out of our bedrooms." If the real conservative view is that less government is the best government, then where is government more intrusive than in the bedroom?

The Supreme Court of the United States has made fundamental constitutional doctrine which governs the law of the land, and that is that a woman has the constitutional right to choose an abortion. And it is not Roe versus Wade which was decided in 1973, but the more recent decision of Casey versus Planned Parenthood, decided in 1992, an opinion written by three Justices appointed by conservative Republican Presidents, three Justices who were Republicans—Justice David Souter, Justice Sandra Day O'Connor, and Justice Anthony Kennedy. I say they were Republicans. Perhaps they still are Republicans, but in the judicial robes it is a nonpolitical function. But I think it is important to articulate that proposition that what we have here is a 1992 decision, with Justices appointed by conservative Republicans.

Mr. President, there is more involved in the pending issue than to eliminate health care plans sponsored by the Federal Government from having abortion rights. This is a systematic effort to have a meltdown on women's rights, and it is a meltdown from A to Z, characterized by the chart which I have had prepared.

This chart is captioned "Dismantling a Woman's Right to Choice, from A to Z." It demonstrates a national campaign to dismantle a woman's right to choose when there has not been success in a constitutional amendment to ban abortion. There are these systematic efforts, A to Z. The one we are debating today comes under "M." It is a mandate that Federal employee's insurance exclude abortion coverage.

Bear in mind, Mr. President, that a substantial part of the premium payments are paid by the individuals involved. Why not allocate that to the abortion clinic? We have here starting with A, to amend the Constitution to abolish a woman's right to choose; B, ban Federal funding for abortions for women in Federal prisons; C, to cut off funding for family planning. And so it goes, all the way down to Z, which is to zero out the tax deduction for expenses incurred for pregnancy termination.

When you take up "B," Mr. President, it is banning the Federal funding for abortions in women's Federal prisons. What is a woman to do in a Federal prison when she is raped and wants an abortion? Under the provisions of the ban, there would be no abortion.

We debated very extensively on the floor of the U.S. Senate the confirmation of Dr. Henry Foster. I say to you, Mr. President, that was not one of the better days in the U.S. Senate. Here we had a man who was practically run out of town on a rail, denied confirmation because he had done one thing—performed medical procedures, abortions, which were authorized under the U.S. Constitution. It is very difficult to get good people to come to Washington to serve. And it is understandable that people do not want to come to this city when they are not given their day in court or on the floor of the U.S. Senate, because, simply stated, they performed medical procedures, abortions, permitted under the U.S. Constitution.

There are many matters which are now pending and which will be coming to the floor of this body when other bills are taken up. The issue on banning funding for women in prison will come up on one appropriations bill—on judiciary. I serve as chairman of the Appropriations Subcommittee on Labor, Health and Human Service, and education, and there are a number of issues which will come to the floor when that matter comes here.

I suggest to you, Mr. President, that when we take up these issues and have such extended debate on them, as we did on Foster before, as we are doing today on Federal health care programs, as we will be doing on many, many issues, that we could better be spending our time on wrestling with the very difficult issues which are in line with the mandate of the 1994 election. We were sent here—the 104th Congress was elected, Mr. President, to deal with fundamental issues. There was a revolution in November 1994, and the mandate at that time, as characterized by the Contract With America, was to return to core values—that is, to cut the Federal Government, to reduce spending, to reduce taxes, to have a strong national defense, and to have effective crime control.

There is not a word in the Contract With America about abortion. There is not a word in the Contract With America about any divisive social issue. We were in the process last night until midnight debating the defense authorization bill, which I suggest is a matter of overwhelming importance where we decide what our priorities should be on national defense. And that bill has been removed from consideration by the Senate, so that we can take up this issue today.

I suggest, Mr. President, that our time would be better spent if we had continued the debate on national defense. We have very vital issues as to how we are going to be allocating the Federal dollars. I am very much concerned, Mr. President, that we move on the glidepath to have a balanced budget by the year 2002. That is going to be a very difficult matter to decide and debate and to make the tough decisions on.

There is grave concern about Medicare. I think it is very important that we preserve the benefits for the senior citizens in the United States under Medicare. There are major considerations with what the House has done on limiting funding for education, for Head Start, for scholarship programs. I suggest that that is a major issue we ought to be taking up. We have important considerations on the National Institutes of Health as to what we are going to do on health issues, matters which I submit are really the core issues on the mandate for this Republican Congress from the voters in 1994.

What we are saying here is a basic constitutional issue which has been decided by the Supreme Court of the United States, and however you may slice it, however you may refine it, it is still a frontal attack, a virtual meltdown, on women's rights, from A to Z.

This particular one comes in at "M," the mandate that the Federal employees insurance should exclude abortion coverage.

It would be my hope, Mr. President, that we would reject the amendment which is offered by the distinguished Senator from Oklahoma, recognizing the sincerity of his views, but recognizing the law of the land in the United States is established by the Supreme Court of the United States. The Supreme Court of the United States has upheld the constitutional right of a woman to choose.

If that is to be overturned, under the provisions of our Constitution, we know how to do it with a two-thirds vote here and in the House and ratification by three-fourths of the States.

What we are seeing is a systematic meltdown, a systematic dismantling of a woman's right to choose. I reserve the balance of my time.

Ms. MIKULSKI. I yield 7 minutes to a member of the Appropriations Committee, Senator MURRAY.

Mrs. MURRAY. Mr. President, I rise today in opposition to the Senator from Oklahoma, and in support of civil servants' full access to reproductive health care, including abortion services.

The other body has recently taken a major step backward for women throughout this country. In its version of the fiscal year 1996 Treasury-Postal appropriations bill, the House denied all civil servants the right to chose health insurance programs that provide abortion services.

By reversing previous congressional action providing full access to reproductive health services for women in Government, the House has once again cast a long shadow over a woman's right to sovereignty over her own body. I believe this action was wrong, and I believe the U.S. Senate has a responsibility to take a much more thoughtful approach to making major policy shifts in the appropriations process.

Civil servants, like most Americans, obtain their health care services through their employment. Like me and many people I know, they personally pay a part of their insurance premiums, and their employer—in this case the Government—pays the balance. I believe these people, like most Americans, should be able to choose their own insurance, and use any of the services offered by that insurance.

Civil servants are no different than any other American; why should they be treated differently with their health insurance. They are regular people: The air traffic controller, the bridge engineer, the customs agent, secretaries, maintenance workers. These are regular Americans, and probably our neighbors.

Mr. President, most private sector working people have ready access to reproductive health services. Major insurers such as Aetna, Kaiser Permanente, and Blue Cross/Blue Shield provide this coverage. I believe women who work in the Government should have the same choices in health coverage enjoyed by women in the private sector. Aside from being a matter of consumer choice, access to reproductive services is the law of the land, and should apply even within Government and without.

This is not a shocking or unreasonable position. There is broad support within the Federal work force—and more importantly, within the country—for consumer choice in health insurance. Every union representing Federal employees has endorsed access to abortion services in the Federal Employees Health Benefits Program.

There are 9 million Americans covered by the program, including at least 1.2 million women in the prime of their lives. These women rely on the program; it is their only source of health insurance protection. They, like every other woman in America, are entitled to make their own choices about whether and when to bear a child. As I said, that choice is a fundamental constitutional right.

The other body is once again trying to turn the health care choices of women in Government into a political football. This is micromanagement of the worse kind, and it is wrong. The U.S. Congress should not be making reproductive health choices for Federal workers. Nor should it discriminate against Federal workers who choose to have an abortion.

By denying women employees health coverage for abortion services, Congress would be doing just that. It would force female workers and their families to purchase separate insurance to cover reproductive health services. This would amount to a major wage reduction, and worse, it would be discriminatory.

Mr. President, the suggestion of the Senator from Oklahoma that we reject the committee amendments in this case is not a reasonable one for women, whether they are in Government or not. The action of the House represents a major policy shift.

Two years ago, the Congress voted to give civil servants the choice. Millions of workers and thousands of families have since made health care decisions based on that action. If we backtrack now, we will throw these families into uncertainty once again about their options for health care, family planning, and household finances. Haven't we gotten beyond this?

I have heard on this floor over and over again this year that people know best; that families know best; that Government needs to get out of people's lives. I could not agree more. Why is it then, that some in this Chamber continue to insist on injecting the Federal Government into people's personal lives, into their bedrooms, and into their health care decisions?

Let me conclude with a personal story. My personal awakening to the abortion issue came when I was in college. Back then—and it was not that long ago—abortion was not legal. A friend of mine was date-raped, and she became pregnant. Wracked with fear, she was forced to have a back-alley abortion. The damage done to her during that procedure has prevented her from ever having children. I want to ensure that no other woman in this country, including my own daughter, has that experience.

I urge my colleagues to support the committee amendments, and reject a motion to table.

I yield my time back to the Senator from Maryland.

Ms. MIKULSKI. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Maryland has 63 minutes, the Senator from Oklahoma has 73 minutes.

Ms. MIKULSKI. I yield 5 minutes to the Senator from Maine, Senator SNOWE, a colleague from the House. We welcome her on this.

Ms. SNOWE. I thank the Senator for yielding and appreciate her efforts here today because I think it is critically important to the issue that we are debating and will determine the Senate position.

I hope that we do not adopt the House position. I believe it is regrettable that we have even reached this point because, in effect, what we would be doing by accepting the House position is to further subjugate women's lives and the health of Federal employees to a new standard—a lower standard.

I agree with Senator SPECTER, who has said that it is about one ban after another, after another ban, in attempts to do legislatively what the courts have failed to do judiciously—to roll back, gut, water down, strip away a woman's right to choose.

Now, we will talk about the issue at hand today. It is about changing the status quo of health care for female Federal employees in America. It would not take them a step forward. It would take a giant step backward.

It would prohibit Federal employee health benefit plans from covering termination of pregnancies in all instances, even in cases of rape and incest. So a Federal employee could not make that determination, even in the cases of rape and incest.

It does not allow a female Federal employee to make that decision on her own—a personal, moral decision, and, yes, a very difficult one at that.

What we are saying here today is that the power of the purse of Congress ought to penalize a large number of women who work in the Federal Government from making their health care choices.

It is going to provide a serious financial handicap to a lot of families if they have to make that decision, because there are a number of Federal employees who are at or below the poverty level. Mr. President, 25 percent of the Federal employees earn less than $25,000, and 18,000 Federal employees are at or below the Federal poverty level.

Now we are saying, "We are sorry, you cannot make the choices about your health insurance."

We are telling 1.2 million women who work for the Federal Government that you cannot have the same access to health care choices as your counterparts in the private sector. There are 78 million women in the private sector who have those choices. The fact is, two-thirds of the private sector fee-for-service plans offer coverage for an array of reproductive choices; 70 percent of health maintenance organization plans provide reproductive choice coverage. Mr. President, 178 of the 345 health care plans that are offered to the Federal employees offer this choice. Four of the five major plans do so.

But now we are saying we are going to distinguish a woman's right to choice by virtue of whether they work in the private sector or for the Federal Government, and that is what is wrong. We are denying the women who work in the Federal Government their constitutionally protected right, that has been affirmed and reaffirmed by the highest court in the land. It is discriminatory, it is unfair, it is inequitable.

Federal health insurance is one form of compensation to Federal workers. They have earned that. They get their salary, they get their health care, and they get their pension coverage. It is not a Federal allowance. It is not a handout. It is something that they have earned and has been decided upon through an employment agreement. What is to distinguish from the fact that we say, "Well, Federal salaries are supported by taxpayers, therefore we are going to say that you cannot use your Federal salary to make your choices with respect to reproductive health care?" What is the difference? There is none.

Should we not allow Federal workers to make the decision about what kind of health insurance they have? I think so. I think they ought to be able to make that decision. Congress should not make that decision. The Federal Government should not make that decision for them. It is a personal decision. It is a constitutionally protected right decision.

So I hope we will not accept the House language, because it is regressive. It is penalizing to the 1.2 million women who work for the Federal Government. It is singling them out and denying them the same rights of freedom of choice as those women who work in the private sector.

I hope we reject the House position. We cannot underestimate the consequences of this decision. There is a lot at stake here. It is about the rights of Federal employees, not to mention the reproductive freedom of women who work for the Federal Government.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I appreciate the comments made by several of my colleagues and I appreciate their positions and the sincerity with which they hold those positions. But let me just make a couple of points.

I have heard a couple of our friends say, "If we adopt the House language we are denying a constitutional right." I disagree. There is nothing in the Constitution that says taxpayers have to pay for abortions. It is not in there. You can read the Constitution up and down, it is not in there. Taxpayers do not have to pay for abortions. There has not been a constitutional amendment that says, "Taxpayers, you have to pay for it." So we are not denying people their constitutional rights.

I have heard colleagues say, "It should be their personal decision." It should be their personal decision with their personal money, not with taxpayers' money. Sure, if they want to use their own money, they can use their own money. There is nothing in our language that says Federal employees cannot use their own money.

Abortions are not very expensive. They cost about $250. You can get them pretty quickly. You can be in and out in an hour or two. They can use their own money to do that. Most Federal employees are pretty well paid, they can probably afford that. We have to remember—how easy do we want to make this? Do you want to have it paid for by the Federal Government, the Federal Government paying 72 percent of this, the cost of health insurance, turning it into a fringe benefit?

I want Federal employees to have decent benefits as well. But I do not think that benefit should include the destruction of a human life and I do not think it should include taxpayers paying for it. If they want to make that decision with their own money, that should be their decision with their own money. It should not require Federal subsidies.

They should have that right—I guess under present law they have that right, or present interpretation of the Constitution they have that right. I am not arguing with that. Some people want to debate that. Maybe we will debate that another day.

What we are arguing about is Federal taxpayers' money. We are not undoing the Constitution. I heard people mention financial handicap. It should not be easy to get an abortion. If you make this a standard fringe benefit item, readily available, Uncle Sam is picking up 72 percent of the cost, you get one in an hour or so—done. Maybe the out-of-pocket costs, I do not know, maybe it depends on the plan—maybe it is only $20 or $40. Just destroy a human life, be out tomorrow—be out in an hour. And we are destroying the life of a human being created in the image of God. I think that is a serious mistake and there is nothing in the Constitution that says taxpayers have to pay for it.

I reserve the remainder of my time.

Ms. MIKULSKI. I yield 5 minutes to the Senator from California, Senator BOXER.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I thank my friend from Maryland for giving me this time and for her leadership on this issue. I hope the men and women of America are listening to this debate, are watching this debate. I hope they not only listen to the arguments but they pick up the tone of voice that is used—the tone of voice that is used when talking about the women of this country.

Women who are employed by the Federal Government work hard. They pay 28 percent of their health premiums out of their own pockets. And when it comes to their health care coverage they deserve the same health benefits as women who work in the private sector. They do not deserve to be lectured to by U.S. Senators who wish to make their own personal and private decisions for them.

Oh, $250 is not a lot for a certain Senator who says it is not a lot for him. That is fine. Maybe it is a lot more to someone else who may earn $18,000 a year here. By the way, we have people who earn $18,000 a year here. You just tell them $250 is not a lot of money. That is disrespectful. That it elitist. And what if there are complications and it costs $1,000? And what if there are serious complications in the situation and it costs $2,000? Senators who earn an awful lot of money have no right to treat other people that way.

Mr. President, this is the beginning of a debate that is going to last a long time, not only today but many days, because it is an attack on the rights of women. There are enough people in the Senate who understand that, and who are not going to allow it to go by because what is at stake here is a much larger vote than the vote that we face.

Those who push this know they cannot win a vote to criminalize abortion. That is what their agenda is. We know it. We have heard it. Constitutional amendments outlawing abortion, that is what the agenda is around here. Let us face it. But they cannot win the vote. They cannot win a vote to arrest doctors and nurses and put them in prison and arrest women and put them in prison, so they go after the women they have power over, the poor women, who are on Medicaid—those are the most powerless—and the Federal employees, who they have control over.

Mr. President, 1.5 million women, in this case Federal employees, and their dependents—yes, this matter deals with life. It deals with the lives of Federal employees. And to call health insurance a fringe benefit is another out-of-touch statement. I think the Senator from Maine addressed that very, very well.

Listen to the tone in the voice when talking about this issue as if it was an easy choice. Oh, women will go to doctors, just in and out, make this decision, make this choice, go home as if it was some easy choice. It always amazes me when men, in particular, who oppose the women's right to choose, talk about it like it was going to the store to pick out a dress. That is an insult to the women of this country. This is a painful choice. This is a choice made with one's God. This is a choice made with one's family. This is a choice made with one's physician. And to talk about it as if it was not even a problem or a difficult decision is an insult to the women of this country.

When we get to the welfare debate, I hope we hear the same compassion for little kids who are undernourished and impoverished as we do for fetuses in the early days of a pregnancy. There is a politician in the House who said those who are against the women's right to choose are all for your right to be born, but after that you are on your own.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mrs. BOXER. May I have 2 additional minutes?

Ms. MIKULSKI. I yield 2 minutes with pleasure to the Senator from California.

Mrs. BOXER. Thank you very much.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. I hope we hear the same compassion we hear for a fetus in the first few days as we hear for those babies who need the WIC Program, who need the Head Start Program. But do you know what I am going to hear from the same people? "Give it to the States. Let the States decide." For those little kids—let the States decide. Let 50 different Governors and 50 legislatures decide. We do not have to decide here if a kid can go hungry. But we are going to decide, by God, what women, who happen to work for the Federal Government, do with their own bodies. Because $250 is not a problem. Well, it may not be a problem for some Senators, but it may be a problem for some Federal employees.

We cannot turn the clock back. We fixed this problem in 1993 and said at that time that women who are Federal employees will be treated like women all over the country. To go back on that would be wrong.

Is this a pattern that I see developing here, women who the Senate can control will be treated differently than women anywhere else? If it is women involved in an ethics case, they cannot come forward in a public forum. If it is women who are Federal employees, they cannot go forward and exercise their right to choose. What is next? What is next?

So I am proud to stand with my friend from Maryland, and I hope she prevails. And we will stay here as long as we have to until we win this battle.

I yield my time back.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Before I yield to the Senator from New Jersey, I note that the Senator from Oklahoma is both the manager of his time and now he is the Presiding Officer. Is it, therefore, the Senator from Oklahoma's—and I speak to him now as a Senator from Oklahoma——

The PRESIDING OFFICER. The Senator may proceed.

Ms. MIKULSKI. Are you temporarily in the chair so that Senator—I did not know if you were going to be there for a whole hour.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, I yield to the Senator from New Jersey 10 minutes, and at the conclusion of his remarks, I will presume the Senator from Ohio will speak.

The PRESIDING OFFICER (Mr. NICKLES). The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I am proud to stand with my colleagues in the U.S. Senate, not coincidentally relatively new Members, who frankly, to use the expression, have changed the complexion of the place. And by that I do not mean the exterior. I do not mean the facial makeup. I am talking about integrity, I am talking about honesty, and I am talking about understanding that they represent the majority of people in this country. And, yet, there is a move afoot to tell them how to behave.

I rise in support of the committee amendment and to support a woman's right to choose.

Mr. President, the opponents of this committee amendment are trying to take away the right to choose from our Federal employees and their families.

The current Federal employees health system allows women to choose the type of health plan that suits them best. They can select a plan that includes abortion coverage. Or they can select a plan that does not. It is their choice. But the opponents of the committee amendment want to take away the right under a legitimate Federal health plan from getting abortion coverage.

The opponents of those rights for Federal employees, citizens, like any other, want to effectively take away the right to choose for 1.2 million women of reproductive age who rely on a Federal health plan for health coverage.

In doing so, they are proposing to discriminate against a certain class of women. They are saying that if you work for the private sector you can get complete reproductive health care coverage.

But if you work for the Federal Government you cannot. We forget that they have the same rights as any other citizen.

Mr. President, many people around here are deeply committed to eliminating a woman's right to choose. And we have already seen how far they will go to pursue their agenda.

In June of this year, a minority of Republicans blocked a vote on the nomination of Dr. Henry Foster to be Surgeon General. They brought down a man who had spent 38 years delivering health care to poor people, delivering babies by the thousands. But a minority defeated him just because he had performed other legal and obligatory procedures for his patients as long as it was not against his conscience, and obviously he was a forthright physician who knew that he had a responsibility first to the health and well-being of his patients.

Dr. Foster's nomination became the first of the Republican primaries way in advance of New Hampshire or Iowa. The cloture votes were not about Dr. Foster's qualifications; they were about who could pander most to groups who want to outlaw a woman's right to choose in this country—nothing more, nothing less.

Mr. President, about 70 percent of the American people believe a woman should have the right to choose what to do with her own body. Yet many in Congress listen only to a narrow segment of the population whose views are radically outside the mainstream. And they seem intent on imposing their views on everybody else.

In that light, I would just like to remind my colleagues of what the Republican Party platform says about a woman's right to choose.

It is pretty bold, and it was not a hidden statement: a "constitutional amendment to outlaw abortion." That is the mission.

The Republican Party platform calls for a constitutional amendment to take away a woman's right to choose.

A constitutional ban on abortion. In fact, that has been part of the Republican Party platform since 1980.

Not surprisingly, Mr. President, Republicans in Congress are trying to do just what their party platform states. They are trying to take away a woman's right to choose. And they are trying to do it by chipping away at that right, bit by bit.

Now, to be fair, Mr. President, I do want to say that not all members of the Republican Party share this view.

We heard from the distinguished Senators from Maine and Pennsylvania. But that group is a small minority. They are prochoice. They speak out. But they are not part of the party's leadership, and they are not driving the Republican agenda. They are shut out.

I want to let my colleagues know that I will join the fight against the Republican leadership and the antichoice legislative agenda at every turn. And I am delighted to be serving in the ranks of those who oppose taking away women's right to choose, led particularly by the distinguished Senator from Maryland and from California and others. Like the majority of Americans, I support the law and support Roe versus Wade and the constitutional right for American women to choose.

Mr. President, the women of this country should be concerned about their reproductive rights because the Republican Party can put its antichoice views into action in this Congress. They are not going to stop with Federal employees. They have bigger targets.

They plan to do everything in their power to restrict a woman's right to choose. We hear it all the time. They have a lot of antichoice legislation on the drawing board.

For example, they plan to reinstate the gag rule and its overseas equivalent, the Mexico City policy. These proposals seek to intrude on the doctor-patient relationship.

They also plan to restrict a woman's right to choose if that woman happens to serve overseas in the military.

Mind you, someone who has agreed to join our military to protect this country has an immediate disadvantage, if she chooses to have an abortion, or if a member of her family has, or if she is a victim of rape and is on Medicaid, or if she is poor and she lives in the District of Columbia, they plan to take away reproductive health care coverage for these women. It is, indeed, an extremist agenda. Why are they doing this? Because doing this is a means to an end. They want to outlaw abortion, and they are trying to do it step by step.

Mr. President, this is a buildup to ultimately passing a constitutional amendment to outlaw the right to choose, plain and simple.

The American women must also be afraid of what might happen in future Presidential elections. If another antichoice President is elected, women could face another barrage of Federal regulations designed to restrict a woman's right to choose. They could face another round of antichoice nominees to the Supreme Court. And this would be a replay of what happened back in the Reagan-Bush administrations when we got Clarence Thomas and the infamous gag rule.

I hope it will not happen, Mr. President, but those of us who care about a woman's right to choose owe a need to keep the broader antichoice agenda in view. Whenever the right of some women to choose is threatened, whether they be Federal employees, rape victims, or residents of DC, every woman's rights are threatened, and that is why we need to fight back every step of the way.

I was astounded this week when I heard over the radio a distinguished Congressman, well-known senior Congressman from the State of Illinois, state on the radio that abortion is a worse crime than rape. He alone is making decisions as to what the law ought to say, not respecting what is in the Constitution, not respecting what is in the statutes but deciding—he deciding—that abortion is a crime worse than rape.

That is a foul thought. What is being said by so many of the proponents of individual rights, the ability to own guns, the ability to resist taxes, is that, yes, an individual's rights overcome all other things. Mr. President, we sometimes forget we are a nation of laws, not of men. That is the cardinal principle—laws that apply to everybody. And the law is firm that the woman, in the right of privacy, has a right to choose. But there are those same people who will insist that they know best what is best for a woman. I find it shocking that a legislator would suggest that abortion is a worse crime than rape.

Mr. President, I hope that my colleagues will support the committee and protect a woman's right to choose, fight hard to preserve that right because therein I think is the precursor of what happens to the rights of all of us across this country.

The greatness of our society is the application of law and the obedience to law.

I yield the floor.

Mr. DEWINE. Mr. President, the Senator from Oklahoma has yielded me as much time as I desire in debate.

Let me first thank the Presiding Officer for taking my place in the chair so I have the opportunity to discuss for a few minutes this very contentious and very emotional issue.

Let me start, if I could, by trying to put this debate today, though, in perspective because the issue that we are debating today is very narrow. It is very narrowly drawn. Each one of us has very strong feelings about the abortion issue. As I look around this Chamber and see my colleagues who are debating this issue today, I think each and every one of us at one time or the other has done this before and our positions are very well known. Whether it is in this body or the other body, we have all debated this.

The issue today is not the big picture issue about abortion. The issue today was defined very well by the Senator from Oklahoma. He has done it several times in the Chamber, but I wish to bring it back to that issue if I could. That issue is simply this: Should Federal tax dollars be used to subsidize abortion? That is it. That is what the issue is. Should Federal tax dollars be taken from citizens across this country, from every taxpayer, to subsidize abortions?

Let us try to put the debate in even more perspective. The abortion debate and the abortion issue is one of the most—no, it is not one of the most; it is the most—emotional, contentious, gut-wrenching debates in which this country engages. It is an issue that divides families. It is an issue that divides friends to the point where most of us, most of us will not on a casual basis even talk about it. I know of no issue in this country that is so emotional and that at the same time finds the American people so divided.

With that background, this not being just any ordinary issue where we are trying to decide whether we spend tax dollars or not, this is the moral issue, some people would argue, the moral issue of our day. On the one hand, the argument about freedom; on the other hand, the argument about life.

That is the perspective that I think we have to take and the historical background as we come to this debate today. I find no compelling reason for this Congress, for this Senate to say to every American taxpayer, "You have no choice; you have to subsidize abortion, and a portion of your income tax will be used, however small it might be, for something that you feel so emotional about and that you feel is such a matter of principle."

When I was growing up in Yellow Springs, OH, a few of the people I knew, or at least knew of, who felt so strongly about what we were doing in the late 1950's and early 1960's, under President Eisenhower and President Kennedy, about national defense, they did not want their taxes being used for national defense. I am sure people feel strongly about a lot of different issues, and we make a decision as a country that we do not let people pick and choose what taxes they pay. We should not.

My only point is this issue that we are talking about today is different. It is different because the country is so divided, and it is different because it is such an emotional issue and because people feel so very strongly about it. I see no compelling reason to take taxpayers' dollars to do this.

Mr. President, the argument has been made on this floor that if the Senator from Oklahoma prevails on this issue, we will be taking a right away from people. I think he has addressed that very well. That simply is not true. Health care plans do not pay for everything. No health care plan pays for everything. There are choices that are made. No one argues that the Federal Government has the legal obligation or the moral obligation or the constitutional obligation to provide for every medical service that someone might want or might need. So it is a question of choice. It is a question of choosing what, with finite tax dollars, we as a Congress believe, the trustees of the American people, that we should spend the taxpayers' dollars on. And so I will be voting with my friend and colleague from Oklahoma.

I will just close on this final note. In every poll that I have seen—better yet, in discussions I have had with people across the State of Ohio for the last 4 or 5 years—I have traveled Ohio, it seems like almost nonstop, for 5 years talking to thousands of people—it is clear to me that while people have various views about the big abortion issue, the overwhelming majority of the American people do not believe tax dollars should be used to fund abortion.

So when some of my colleagues make statements that would indicate that this action today, if we take this action, will be against the majority view of the American people, my answer to that is that it is simply not true. Every survey would indicate otherwise. Our own surveys that we all do as we campaign, as we travel and meet with people that we try to represent, would indicate otherwise.

It is a narrow issue. Let us keep our eye on the ball. Let us not allow this debate to get off into, as my friend and colleague a moment ago was talking about, a Republican agenda or Democrat agenda platform. This is a very, very narrow issue, to use tax dollars to fund abortion. Do you turn to people who feel very strongly about this issue and say, "We don't care what you think, we are still involuntarily taking money from your paycheck every week to do something that you find to be very offensive"? That is the issue. It is very narrow. It is very simple.

Mr. President, I thank you for your courtesy, and I yield back my time.

Ms. MIKULSKI. I yield 5 minutes to the Senator from California, Senator FEINSTEIN. She is very able on this issue.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. I thank the Chair and the Senator from Maryland.

Mr. President, I rise in support of the committee amendment and in opposition to the motion to table. The reason I do so is because it is my belief, Mr. President, that the motion to table is a first step of a long march to remove a woman's right to choose. The Federal Employees Health Benefits Program is a network of plans that has been estimated to cover about 9 million people: Federal employees, retirees, and their dependents. About 44 percent of these people are women. According to estimates, about 1.2 million of these women are of reproductive age.

So, if we accept the motion to table, we are saying to 1.2 million women, no matter what your circumstances are, "We, the U.S. Senate, know more about your circumstances than you do, more about your circumstances than your doctor knows." If successful, I believe there will be another, and then another attack against a woman's right to choose. If those backing this motion have their way, politicians will once again govern a woman's reproductive system. And that will take us back to the days I remember well, the days of the back-alley abortion.

A woman, regardless of her religious beliefs, regardless of her doctor's advice, will be governed by the advice, the will, the law of the U.S. Senate. It does not seem to matter to people that women often find themselves confronted by a myriad of circumstances. It does not happen to matter that if a woman is raped leaving the Hart, the Russell, or the Dirksen Senate Office Building one night, we are prepared to say that she will be forced to carry a resulting pregnancy to term. No matter what the circumstance, no matter how terrible, no matter how traumatic, if she is a Federal employee, she is on her own if she needs an abortion.

It is ironic to me that many of the same legislators who opposed national health care reform because they claimed it interfered with a woman's ability or a person's ability to choose their own insurance coverage and health care are the same Members who will vote to deny Federal employees the ability to choose abortion coverage in their insurance plans.

These same people who have long advocated that Government get off the backs of the people are willing to put Government right back on when it comes to a very personal decision about abortion.

Our Constitution, the highest law of the land, provides privacy rights for a woman to be able to make this basic decision in consultation with a doctor, if she chooses, and basically to control her own reproductive system. And that is what this is really all about.

This motion would declare that Federal female employees are second-class citizens. Although women pay for a percentage of their health care plan, no health care plan would be able to contain reproductive planning services if the Federal Government pays any portion of that plan. She is a second-class citizen because, in fact, two-thirds of all private health care plans do cover abortion and 70 percent of all health maintenance organizations, what we call HMO's, do offer a full range of health care services, including abortion.

So if a woman works in the private sector, she has access to these plans. If the motion to table were successful, if a woman works for the Federal Government, she would not have access. As a result, she becomes a second-class citizen.

So I believe the issue here is very simple. It is the first step in the long march to say who controls a woman's reproductive system. Is it the Congress of the United States or is it the woman, her beliefs, and her doctor? I am one, frankly, who believes we have many more serious problems to tackle than this one. And I am one, frankly, who is really very shocked to see in this day and age when the state of the art of health insurance plans is to offer reproductive family planning services, including abortion, that the Congress of the United States is willing to take this choice away from 1.2 million women who happen to be Federal employees. And the fact of the matter is, the woman who is denied the right to choose is the lowest paid woman.

I thank the Chair. I yield the time——

The PRESIDING OFFICER (Mr. DEWINE). The time has expired.

Ms. MIKULSKI. Does the Senator from Oklahoma wish to speak?

Mr. NICKLES. Mr. President, I would be happy to make a few comments. I appreciate the statements that have been made by several of our colleagues. I appreciate the statement made by the Presiding Officer, which was right on target. The Presiding Officer, the Senator from Ohio, mentioned this is not about a woman's right to choose, not about a constitutional amendment. It is not about national platforms. It is about whether or not we are going to subsidize abortions by taxpayers.

Somebody mentioned polling. I believe the Senator from New Jersey said 70 percent of the people support the right to choose. Certainly that sounds good. If you ask people if they want their tax dollars being used to fund abortion, which is destroying an innocent human life, you will find well over 70 percent say no. And that is all this amendment does.

I have heard a couple of my colleagues now say, "This is the first attack leading to a constitutional amendment that will ban abortion." I have been in this body for—this is my 15th or 16th year. We have never voted on a constitutional amendment yet to outlaw abortion.

I think some people are trying to scare other people. We have had votes every single year on whether or not we are going to fund abortion with taxpayers' dollars—every single year. I am sure it will continue. Someone said, "Oh, I wish this issue would go away." Well, we have to make decisions on how we are to spend money. Are we going to use our taxpayer dollars in what way? Are we going to use it for fringe benefits that include abortions? We have to make a decision. Are we going to do it or not do it? That is public policy.

The Senator from New Jersey said we are a nation of laws. I agree with that. We have to make laws. It is interesting to note we have never made a law legalizing abortion. Congress has never passed a law. But we are not debating that today. That would be a good thing to debate.

I know many people in this body support such a law, the codification of Roe versus Wade. Roe versus Wade is a 1973 decision to legalize abortion. That was a Supreme Court decision. That was not an act of Congress.

I read the Constitution to say that Congress should pass all laws, article I. Congress should pass all laws. That was the law where basically Roe versus Wade was legalized. That is not what we are debating today. We are debating today the power of the purse, are we going to use taxpayers' dollars to subsidize abortion?

Taxpayers pay 72 percent of the cost of Federal employees health insurance. So we have a right to say what is and what is not in it. There are a lot of things not in Federal employees health insurance. We do not have free dental coverage. A lot of people would like to have it, but we do not have it. It may be available somewhere, but you do not have free dental coverage.

We have to make decisions. We have to make decisions of how we are going to spend the money. Taxpayers pay 72 percent of the cost of Federal employees health insurance. We have to decide, do we want to include abortion.

I heard two colleagues say this is just another medical procedure. I disagree. They may want it to cover abortion just like it would cover—I do not know—a tooth extraction or maybe anything else that is routine, but this is elective surgery. What does that elective surgery do? It destroys the life of an innocent unborn human being.

Mr. LAUTENBERG. Will the Senator yield for a question?

Mr. NICKLES. I will not at this point. I will in a moment. It destroys the life of an innocent human being. Now that is serious and it is serious when you say to the taxpayers, "We want you to pay for three-fourths of it."

So we are not debating constitutional amendments. We are not debating a woman's right to choose. We are not changing the law. We are debating how we are going to spend money. This amendment says no funds shall be used. We have that right.

As I say, we have debated this every single year on Health and Human Services because we deal with Medicaid.

That is a national health program for low-income people, and we debate that every year.

I might mention, we have had restrictions every year saying we should not use Federal money to subsidize abortion for low-income people. Now we are talking about Federal employees. Federal employees, for the most part, are not low income. Most Federal employees do OK. Maybe they are not all upper income, I did not say that, but the language we have right now, if we allowed it to go in, would basically say, "Well, we're going to have abortion as a fringe benefit for all Federal employees paid for by the taxpayers," 72 percent paid by the taxpayers, regardless of what their income level is.

Again, you have to go back to, what are we subsidizing? We are subsidizing the destruction of a human life. A lot of Americans feel very, very strongly that is not the way our tax dollars should be spent. They feel very strongly about it, and that is the reason why we have had these debates every year.

Some may say, "Well, this is delaying the process." This Senator has no desire to delay the process. I was happy to have this amendment considered under a 1-hour time limit equally divided. I think everybody in this body knows how they are going to vote.

But I just wanted to respond to some of my colleagues. I heard some of my colleagues say, "I support the right of the freedom of choice. I support the right to choose." I heard that. We are talking about a life. We are talking about an unborn child.

I want people to have the maximum degree of freedom and liberty imaginable. I want people to have the right to choose almost anything everywhere. This is America. This is the land of opportunity, the land of the free, but that does not include destroying other human beings. There are certain restrictions. That does not include hurting or harming someone else, and it certainly does not include having taxpayers pay for it.

So that is what this amendment is all about. We do not think that taxpayers should be forced to subsidize Federal employees in paying for abortions. That was the policy of our Nation, that was the law of the land from 1984 to 1993. President Clinton and his administration were successful in changing that 2 years ago. We had a good, heated debate then. We lost by two votes. Hopefully, we will not lose today.

I yield the floor.

Mr. LAUTENBERG. Mr. President, will the Senator yield for a question? It is common courtesy around here. If he chooses not——

Mr. NICKLES. I will be happy to yield on the Senator's time.

Mr. LAUTENBERG. I thank you. I yield the floor. This is an indication of where we are going here.

The PRESIDING OFFICER. Who yields time?

Ms. MIKULSKI. I yield 5 minutes to the patient Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. WELLSTONE. Thank you, Mr. President. I thank the Senator from Maryland for her leadership on this very important issue.

Mr. President, I think there is a bitter irony to this debate. Last Congress, we were talking about the proposition that people in the country should have as good a health care coverage as Senators and Representatives have, and we talked about the Federal employees benefits plan as the model.

As a matter of fact, sometime this Congress I intend to make sure that we vote on that proposition, that we make a commitment to making sure that by the end of this Congress, we pass legislation that will provide the people we represent with as good a coverage as we have.

Now we have an amendment which essentially says that the Federal employees benefits package will not provide as good a coverage, as humane a coverage as many men and women have through their private health insurance plans.

With the Federal employees benefits plan, nobody is required to purchase a plan that covers abortion, but if that is the choice of a woman and her family, then she has the right to make that choice. That is the way it is with our private health insurance plans in this country.

So I rise to support the committee amendment and certainly will oppose any effort to table the committee amendment, because I think this is just an issue of discrimination. There is no reason why a public employee, a woman who is a public employee, should have any less the right to obtain coverage for abortion services than someone who is working in the private sector. That is what this issue is all about.

When I hear my colleague saying, "Well, someone who works for the Government, someone who is a public-sector employee, can purchase her own private plan," we make $130,000 a year, so I guess we can. I guess our spouses can. But guess what, a lot of people who work for the Government make $18,000 and $20,000 a year. It is not so easy for them to do so.

So (A) this is an issue of fairness; (B) it is a bitter irony to see us now move away from Federal employees benefits plan as a model and, instead, essentially try and say we are going to weaken this plan and deny many Government employees the same right, the same opportunity to purchase coverage that they would have in the private sector.

And then finally, Mr. President, let me just say that when I hear my colleague say we have not had a debate on a constitutional amendment to ban abortion, that is right, because the votes are not there. But I will tell you something, what this vote is all about, as my colleague from California said, it is a long march in that direction. This is a test vote. It is a test vote on Roe versus Wade. It is a test vote on choice. That is what this is all about. Nobody should have any illusions to the contrary.

I yield the rest of my time.

Mr. NICKLES addressed the Chair.

Ms. MIKULSKI. Did the Senator yield back his time?

Mr. WELLSTONE. That is correct, I yield back my time to the manager.

Mr. NICKLES. Mr. President, before my colleague from Minnesota leaves, I will just mention, I mentioned we have never had a vote or a debate on a constitutional amendment on banning abortion. I know that President Clinton, and many others, have sponsored legislation dealing with codification of Roe versus Wade. We never had that debate either. My point being, I do not want to get into a constitutional debate or anything else. I agree very strongly with my colleague and friend from New Jersey when he says we are a nation of laws and the legalization of abortion, which some people would like to do, the codification of Roe versus Wade, I think it is called the Freedom of Choice Act which has been introduced with a lot of cosponsors, that has never been debated either. Maybe at some point we will have to do that, but that is not what the debate is about today.

The debate today is whether or not we are going to have taxpayers' funds used to subsidize abortion.

That was just my point I wanted to make. My friend from Minnesota is a friend and he is energetic in these debates. Maybe at some point we will debate whether Congress should legalize abortion. I happen to think if it is going to be legal, it should be passed by Congress. That is the way I read the Constitution. It says Congress shall pass all laws.

But the issue today is not constitutional amendments, it is not platforms; it is not agendas, it is how we are going to spend our money. I hear the references to the private sector. I do not know how many colleagues came from the private sector, but I was in the private sector, and I helped put together health plans for our employees. Abortion was never a fringe benefit, and I did not think it should be. It is available in some plans in the private sector. That may be their option. But in the Federal Government, for Federal employees, we are kind of the board of directors or the management team, and we have to decide what the fringe benefits are. I personally do not think abortions should be paid for, three-fourths of which—or 72 percent of which—are paid for by the taxpayers. I think that would be incorrect.

I reserve the remainder of my time.

Ms. MIKULSKI. How much time do I have left?

The PRESIDING OFFICER. The Senator from Maryland has 30 minutes, 21 seconds. The Senator from Oklahoma has 53 minutes.

Ms. MIKULSKI. Mr. President, I yield 5 minutes to the Senator from Vermont.

Mr. JEFFORDS. Mr. President, I rise today in support of the Appropriations Committee amendment. Before I get into my statement, I would like to contest the position of the Senator from Oklahoma that somehow we are dealing with taxpayer funds in the sense that we are in a position where we ought to control how they are utilized. We are talking here about compensation which is given to a woman for services rendered and to extend beyond what normally we would consider appropriate to call these funds that should be controlled by the Government. We are not talking here about Medicaid, which is an entirely different issue. We are talking here about compensation entitled to a woman for health benefits, and then saying we should, on top of that, have a regulation or prohibition as to how that money can be spent for health care.

The Federal policy here is to help provide health care for individuals, not to dictate how they spend their money. I raise that because to me it raises a dangerous proposition that somehow we can control the use of Federal employee compensation and whatever they do with it, and if we are moving in that direction, to say, my God, if they buy something, that is a violation of the law and their compensation should be denied.

This is not about Medicaid. We decided in committee not to include the House language in the benefit plan that would keep it from covering legal medical procedures, because we did not want to replace a doctor's advice and counsel with our own. We did not want to dictate how an employee's compensation must be used in that difficult but constitutionally protected area of abortion.

Currently, Federal employees can choose a health plan that covers a full range of reproductive services, including abortion. About half of the Federal employee health benefit plans offer the full range. These are mostly private plans they are purchasing, not Government plans.

Women employed by the Federal Government currently have a choice. They can have a policy with abortion coverage, or they can opt out of it. I think that is appropriate. The issue, I think, is more the other way. We should not force a woman to buy a policy that covers abortion if that is against their beliefs. That is why I think this option approach, which is used in Missouri and in other States, is an entirely appropriate way to go. Women with full coverage can consult their doctors and choose appropriate health care services without the intrusion of our own political beliefs.

In a national insurance market, abortion service is included in most plans. Nearly 70 percent of all health insurance plans offer such coverage. Why should we want to penalize a Federal employee by denying them and their families what is widely available to other employees with health care coverage?

We must remember that abortion is a legal medical procedure. It is constitutionally protected under the right to privacy. The choice of a woman, with the help and the advice of a family doctor, to have an abortion is an intensely difficult and personal one. I would not presume to decide who should and should not have access to a legal medical procedure.

Health care decisions are, by their nature, very sensitive and very personal. Reproductive health matters are even more so. Since I am not a doctor, I am not qualified to decide which health services are appropriate for someone else—even someone who is female and works for the Federal Government.

We are not considering which health services generally should be covered. This, rather, deals with a restriction on an employee's compensation as to their ability to do what we want them to do, and that is to provide themselves with health care. We will help provide that.

Medicaid would bring out this discussion of the Senator from Oklahoma. But there will be an appropriate forum for that issue. Why should we here single out Federal employees' reproductive health as an area for excessive governmental intrusion merely because they get some compensation to help them do what we want to do, to provide health care for themselves.

I am disturbed by the trend I am seeing. The House almost zeroed out funding for family planning services, an essential component of women's health. How can we say we care about out-of-wedlock births and teenage pregnancy when we eliminate family planning?

Now we are considering taking choice away from Federal employees as to how they may use their compensation, which we give them to purchase medical care. This is not an appropriate role of the Federal Government. We must allow Federal professionals to seek appropriate care without our interference.

I hope my colleagues will join me in voting against any amendment to remove the committee amendment.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES. I yield the Senator from Montana such time as he may require.

Mr. BURNS. Mr. President, I thank my friend for yielding.

I very seldom come to the floor and talk about this subject. But I see us going adrift here from the real purpose of this amendment. I would like to associate my comments with those of the junior Senator from Ohio.

I want to ask two or three questions here of my colleagues. I want them to answer them very simply and very honestly, yes or no. Does this amendment prevent anybody, and in particular, a Government employee, or any woman, the right to an abortion? I say, what right do we have as legislators to collect money from the citizens of this country who may have different views on this particular subject than to spend it on that? What right do we have? Show me. Show the American people where we deny a woman a right of abortion. Show me in this amendment where it changes the Constitution. I do not think there is a constitutional amendment in this piece of legislation.

Do we get our way or no way based on emotion rather than fact when we start looking at a piece of legislation? Let us stay with the issue as it is presented in this amendment. I see no constitutional change here. But what I have heard is inflammatory language that spurs or incites emotions to a very, very high level, and we lose where we are going.

I heard a while ago this thing about "second-class citizens." I do not think there is a second-class citizen in America today. I take offense to that. I think there are citizens; I think there are very hard-working, frugal people who contribute to their communities, to their schools, pay their taxes, pull the wagon, who have a very, very strong view on the subject of abortion. Have we denied their right? I have heard in private plans that abortion is part of the plan. That is true, but they spend their money on their plan.

They do not use taxpayers' dollars. They do not even in most cases use pretax dollars.

Let us not lose the real meat of this amendment. We do not need the language it takes to look at it objectively and really take a look that we as legislators and as a Government have or do not have a right to do.

We are not going to starve the children. We are not going to freeze the old people. What we are saying here is that we are using taxpayers' dollars, from people who have a very strong view on that, and they deserve a voice in this debate, also.

Let us look at what we are supposed to be talking about. Let us not get off on another subject of where we should or should not be.

I rise in support of the amendment of the Senator from Oklahoma, for those folks who may not have a voice in this body today on how we spend their tax dollars, in fact, their hard-earned tax dollars.

I thank the Chair. I yield the floor.

Mr. NICKLES. Mr. President, I wish to thank my friend and colleague from Montana for his excellent statement. I yield such time as he may consume to the Senator from Iowa.

Mr. GRASSLEY. Mr. President, we have been hearing this morning much about the Constitution of the United States on the subject of abortion. Everything I have heard has been correct. The fact that the other side of this debate is right when they argue that the Supreme Court has upheld the right of a woman to have an abortion is only half of the constitutional law on this subject.

We, on this side, accept the fact of the constitutional law of the right of a woman to an abortion. We hope that the other side will accept another fact of constitutional law. That is, the Supreme Court's decision that taxpayers do not have to pay for abortions. This is also the law of the land. I am here to defend it.

Now, there is no question but in this case that we are talking about during this debate, the case of Federal employees' health insurance, there is no question that the taxpayers are subsidizing it. It is a fact of our budget that approximately 72 percent of the Federal employees' health care is paid for by their employer, the Federal Government.

I suppose the public is surprised that it is not 100 percent paid by the taxpayers, because I often hear that Federal employees have free health insurance. No, it is like any other employee; a certain percentage is paid by the employer and a certain percentage is paid by the employee. Here, it is 72 percent. A big portion of the premium is paid for by the taxpayers.

The taxpayers have an interest in this debate. The taxpayers have an interest in this debate because the Supreme Court defines the Constitution that when it comes to abortion, the taxpayers do not have to pay for abortions. The taxpayers can pay for abortions if the law says so, but there is not a constitutional right to have the taxpayers pay for your abortion.

Now, there are other unsubstantiated arguments during this debate, as well. Another is that most private plans provide for abortions. This just is not the case.

I checked with the Congressional Research Service on this because some people just keep bringing up and repeating this unproved point, a point I believe put out by the Guttmacher Institute. Of course, we all know, Mr. President, the objective of the Guttmacher Institute. That institute used to be directly associated with abortion providers. Now, it is only indirectly associated with them. We are supposed to believe what they tell us?

Mrs. BOXER. Will my friend yield for a question? Mr. President, will the Senator yield for a question?

Mr. GRASSLEY. The data on this point are not available.

The PRESIDING OFFICER. Does the Senator yield?

Mr. GRASSLEY. I do not yield.

According to the CRS on this point, the data is not available to determine if, in fact, most plans—private plans, that is—provide abortion services.

In fact, some of the largest insurers, like Mutual of Omaha, again, according to the CRS, do not provide these services.

To make it clear, the private sector is just not an issue here. We always hear the mantra that pro-lifers are somehow out of touch in trying to turn the clock back on women.

The problem with the other side is that they totally disregard the children that are involved in these difficult cases. I would like to move the clock forward for these children, not back, as the other side would like to do.

As far as being out of touch, the other side is out of touch with protecting these children, many of whom are going to be the future women of America.

Now, when you get past the gobbledygook of the proabortionists and you really look at this amendment, you will see it has nothing to do with the overall issue of abortion rights.

That is the part of the Constitution, I am saying, that is the law of the land. That is not the issue. The issue is the other Supreme Court decision that says the taxpayers do not have to pay for abortions. They do not have a constitutional right for the taxpayers to pay for abortions.

Mr. President, the issue is whether it should be a taxpayers' subsidy which, under law, we can do.

Those who want you and the taxpayers to fund these abortions are the ones who are really out of step. The vast majority of Americans, you see, do not support their taxpayers' money being used to pay for abortions. It is those who flaunt this majority that are out of touch with the American people.

I urge my colleagues to support the amendment of the Senator from Oklahoma and stand up for the taxpayers and the children of America.

Mr. NICKLES. Mr. President, I inquire how much time remains.

The PRESIDING OFFICER. The Senator from Oklahoma has 40 minutes, and the Senator from Maryland has 24 minutes.

Mr. NICKLES. I think if all time was used, the vote would occur at about 12:10.

The PRESIDING OFFICER. The Senator is correct.

Mr. NICKLES. I mentioned at the beginning we may wish to yield back some time. I hope we can do so. I notify my colleagues to plan on a vote, hopefully, shortly before 12 o'clock.

Ms. MIKULSKI. Mr. President, I believe I have how much time?

The PRESIDING OFFICER. The Senator from Maryland has 24 minutes.

Ms. MIKULSKI. We intend to use all of our time, Mr. President. I now yield, as part of that time, 5 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I would like to take a few moments, if I might, to speak in favor of the committee amendment which would continue to allow the Federal Employee Health Benefits Program [FEHBP] to offer coverage for abortion services. If this committee amendment is rejected, we will be responsible for creating a lower standard of health insurance coverage for our female employees than they could otherwise obtain in the private sector. We are creating, if this amendment is rejected, a lower standard for our female dependents than they would receive if they worked in the private sector. This seems to me to be terribly unfair.

In the United States, women have a constitutional right to choose an abortion. But that right is meaningless if women do not have access to abortions or cannot pay for the service. Many who are opposed to abortion rights know that. So they come up with ways to make it more and more difficult for women to obtain a safe, affordable abortion. Those attacking the coverage of abortion services, in my judgment, are engaging in that attempt.

Some Federal employees might not want to participate in a plan that provides for abortion coverage, and that is their right. The amendment before us does not require plans to offer abortions. It simply allows plans to include that service. In fact, of the 345 plans that are now offered under the Federal Employee Health Benefits Program, out of 345, 178—about half—offer some form of abortion coverage. So an employee who is opposed to abortion, he or she can choose one of the other plans, choose out of the 167 that do not offer abortion services.

There are approximately 1.2 million women of reproductive age who rely on the Federal Employee Health Benefits Program for their medical care; 1.2 million women. Who are these women? They are our colleagues here in the Senate and in the House of Representatives. They are here with us now on the Senate floor. They are our staff members, they are our daughters and our wives.

Right now, all of those women or their families pay for a portion of their health insurance. As happens in the private sector, the employer, in this case the Federal Government, shares part of that cost. The employee pays part; the Federal Government pays part. This is not any gift from the Federal Government. What the employee is receiving is part of his or her compensation in the form of these health benefits.

I disagree that this is Federal money being used to pay for abortions. The Federal health benefits are part of a Federal employee's earnings. If we follow the opponents' argument, it follows the Federal employee could not use his or her earnings from the Federal Government to pay to purchase an abortion, since that would be, if you follow the logic they are applying here, a Federal subsidy.

Why could they not use their own money? Because the Federal Government pays their salary.

Opponents to the committee amendment contend that women can simply use their own money to purchase abortion services. This is not an inexpensive procedure. The average cost of an early abortion is $250 if performed in a clinic. In many places there are no such clinics. There is travel and there is the need to go into a hospital, and this can cost as much as $1,760.

I would also point out that one-quarter of all Federal employees earn less than $25,000, and nearly 18,000 Federal employees have incomes below or just slightly above the poverty level. So the cost for an abortion, for those women in particular, causes a definite hardship.

For 10 years, those working women could not buy health insurance that included abortion coverage. At the same time, in the private sector two-thirds of the fee-for-service plans and 70 percent of the health maintenance organizations provided abortion coverage—and still do. Two years ago we were able to get equal treatment for our colleagues, our staff members and family members by overturning the ban on abortion coverage. Today we are being asked to return to a two-tiered, unfair system which would deny abortion coverage to Federal employees and their families, even if they are raped or are victims of incest.

We are talking about a legal medical procedure, a right upheld by the Supreme Court on more than one occasion. It is time, in my judgment, we stop trying to find ways to get around this right by making the procedure shameful or inaccessible or too dangerous for a doctor to perform. I urge my colleagues to support the committee amendment and oppose the effort by Senator NICKLES.

I thank the Chair.

The PRESIDING OFFICER. Who yields time? The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I yield the Senator from New Hampshire as much time as he desires.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. SMITH. Mr. President, the issue of abortion is certainly one of the more controversial issues that we face. Many people are very uncomfortable talking about it. There is never a huge crowd here on the floor when this issue is brought up. Contrary to what some might assume, I respect those who feel differently than I do on this issue, however I think it is one of the great moral issues of the day, much as slavery was some 150 years ago in the United States of America. I rise in opposition to the pending committee amendment to H.R. 2020 and support the Senator from Oklahoma and commend him for what he is doing.

The pending committee amendment places before the Senate the issue of whether abortion on demand will continue to be covered as a routine—I emphasize routine—health benefit, under the Federal Employee Health Benefits Program. That is really the issue here, as to whether or not abortion, which in my opinion takes a human life, is a health benefit. The Federal Employee Health Benefits Program provides coverage for some 9 million Federal employees and their dependents. People who feel as I do, and others here, that it is the taking of a human life to commit an abortion, perform an abortion, do not want their tax dollars spent to take human life. I think that is not an unreasonable position for them to take. I think it is backed up in the polls, that even people who are in favor of abortion—many people who are in favor of abortion—do not support Federal funding. That is really the issue, Federal funding. Approximately 72 percent of the premiums for those plans, under the Federal Employee Health Benefits Program, are paid by the Federal Government, in other words the taxpayers of the United States of America.

Between 1984 and 1994, for some 10 years, the Congress prohibited Federal Employee Health Benefits Programs from paying for abortions. But, in 1993, Congress passed the fiscal year 1994 Treasury, Postal appropriations bill without, for the first time in 10 years, this longstanding restriction on abortion funding. No such restrictions were included in the fiscal 1995 Treasury, Postal appropriations bill either. But at present, health plans in the Federal Employee Health Benefits Program are permitted to cover, and most of them in fact do cover, abortion—not simply abortion, but more appropriately, abortion on demand, for whatever reason.

Thus, as we debate this issue on the Senate floor this morning, the American taxpayer—whoever he or she may be or wherever they may be located or whatever their position may be on this issue—is forced to pay for abortion on demand for Federal employees. That is the issue before us. That is why, for 10 years, it was not in there. And it is not a matter of what your position is on abortion, it is a matter of whether or not you believe the taxpayers, even those taxpayers who disagree with abortion, should have to pay for it for Federal employees.

Also, is it really health care? When I think of health care I think of helping someone. I think of, perhaps, saving someone's life or performing some medical service, which makes someone healthy again. The taking of a human life, in my opinion, is not healthy—certainly not healthy for the person whose life is taken. That, then, is the stark truth about the status quo. As we debate this issue today on the Senate floor, the American taxpayer, with all of the other things we have to pay for as we begin to downsize and balance the budget, is being forced—not asked, forced—to pay for abortion on demand for Federal employees.

How many abortions are we talking about? According to the Office of Personnel Management [OPM] in the calendar year 1980, the last year for which any authoritative figures were available, 17,000 elective abortions were paid for through the Federal employees health benefits plan. The estimated cost is about $9 million. So the figures for fiscal year 1994 are not, to the best of my knowledge—they may be; I do not have them if they are—but assuming that the figures before the 1984 ban have held steady after the ban was lifted in 1994, the American taxpayer we assume can be expected to be forced to pay through the Federal employees health benefits plan some 17,000 elective abortions for Federal employees in the current fiscal year at a cost of $9 million, plus some 15 years of inflation. So I think we can assume that this is going to cost far in excess of $9 million. We all know inflation has risen considerably since 1980.

So let us be very clear, Mr. President. The question before the Senate today, in spite of all of the hard feelings and comments that develop from this issue, is whether the American taxpayer is going to continue to be forced to pay for abortion on demand for all Federal employees for those who choose to have one.

As I indicated, about 72 percent of the premiums for the Federal employees health benefit plan are paid for by the Federal Government. So unless the committee amendment is defeated today, these taxpayer-funded Federal premium payments will continue to be used to pay for abortion on demand for Federal employees.

It is particularly I believe inappropriate for the Congress to allow these benefit programs in the Federal Government to cover abortion because, as I referred to this earlier, the overwhelming majority of abortions—there will be some dispute perhaps and some of my colleagues on the other side may dispute the numbers—but the overwhelming majority of abortions have nothing to do with saving a life or protecting the physical health of the mother.

In hearings before the Senate Judiciary Committee in 1981, Dr. Irving Kushner, who served in the Carter administration as Deputy Assistant Secretary for Population Affairs, testified before Congress about the reasons why women have abortions. Dr. Kushner estimated that only 2 percent of abortions are done for physical health reasons and that 98 percent are performed for life-style reasons.

Maybe those numbers are not exactly accurate. They could change. They could vary somewhat. But even if there are 5 to 10 percent, those numbers are still very striking.

Dr. Kushner testified that:

> The data with which I am familiar would indicate that something on the order of 2 percent of all of the abortions in this country are done for some clinically identifiable entity, physical health problem, amniocentesis, and identified genetic disease.

The overwhelming majority of abortions in this country are performed on women who, for various reasons, do not wish to be pregnant at this time, Dr. Kushner testified.

There is a mixture of social, economic, educational, perhaps health, or whatever. But I am aware of no studies that indicate that anything has changed in that regard since Dr. Kushner's statement. If someone has some facts that would dispute that, I would certainly be happy to hear from my colleagues on that.

The overwhelming majority of the American people do not want their tax dollars spent to finance abortion on demand for Federal employees in this case. I base this contention on a series of national polls by well-respected polling organizations.

In March 1995, the CBS-New York Times poll found that 72 percent of Americans oppose the inclusion of abortion in a national health care plan. Only 23 percent were in favor. There is no reason why a greater number of Americans would favor such coverage from employees in the Federal Government with the taxpayers footing about 72 percent of the bill. Why would they?

Unless the committee amendment is defeated, H.R. 2020 will allow Federal tax dollars to be spent to pay for abortions for Federal employees on demand as a routine method of birth control. Will some women do it for health reasons? Yes, of course. But the bottom line is that, for the most part, a routine method of birth control—which many millions of Americans oppose abortion on demand as birth control—they will be forced to have their tax dollars pay for this.

According to a working poll in 1992, 84 percent of Americans are opposed to abortion as a method of birth control and only 13 percent favor such a radical position on the abortion question. It follows then that the American people do not want to pay for abortion on demand for Federal employees as a method of birth control.

Finally, Mr. President, in the area of polling, an ABC News-Washington Post poll taken in July 1992 said that 69 percent of Americans oppose the Federal funding of abortions.

Mr. President, regardless of where one stands on the issue of abortion as a moral or a legal matter, it is beyond dispute on this subject of debate today that millions of Americans believe that the unborn child is a human being from the moment of conception and that abortion is the wrongful taking of a human life.

A large number of Americans believe that forcing those millions of pro-life Americans to pay for abortion on demand with their tax dollars, as I believe, is a gross violation of their freedom of conscience. That is why I am here supporting the Senator from Oklahoma today.

I do not see the manager of the bill, Senator KERREY of Nebraska, here on the floor. I am sorry he is not because I was sitting on the floor a short time ago, and I heard the Senator from Nebraska, Senator KERREY, say that he has studied this issue a long time and he has concluded that human life does not begin at conception. I am paraphrasing, but essentially that is what he said.

I would just like to ask the Senator from Nebraska if he comes back to the floor, when did his life begin? When did the life of the Senator from Nebraska begin if it did not begin at the moment of conception?

I see the Senator here. And I am glad he came back on the floor. I was referring to the comments earlier when you said you had concluded that human life does not begin at conception, and I am very sincere and this is not to be confrontational. My honest question to you is, when did your life begin if it did not begin at conception, if you are not human the day after conception? Then how can you be here today as a reasonable, mature adult and a U.S. Senator contributing much to America—I might add, because your mother chose life? And I think that the argument that one makes is the intellectual argument that life does not begin at conception is just mindboggling to me.

If you want to take the position, which many do and many of my colleagues do on the other side of this issue, that because of a particular reason, whatever that reason might be, a woman has a right to do that, to take that life, that is another argument. But to say that life does not begin at conception, if it is not life by definition, there is no life to kill, there is nothing to take. So if there is no life, then there is nothing to destroy. So if your life does not begin at conception, I do not know when it does begin. I would be interested to know when the Senator from Nebraska thinks his life did begin.

Mr. KERREY. Does the Senator ask me a question and expect a response at this moment, Mr. President?

Mr. SMITH. I would be happy to yield to the Senator from Nebraska to respond.

Ms. MIKULSKI. Not on my time.

Mr. KERREY. Mr. President, I ask that I be allowed to talk 1 minute not charged to either side.

Mr. SMITH. I will take it off my time.

Mr. KERREY. Mr. President, this is the realm of prayer you are talking about—faith, a belief. That is what I was trying to say earlier. I was trying to give the Senator from New Hampshire and others who hold the belief that if a human being from the moment of conception ought to be protected and that it is murder, the Senator from New Hampshire wants abortion to be made illegal because he believes it is murder, I do not believe that it is a human being at the moment of conception, but only if you have that belief. That is your conclusion. He believes it is murder and, as a consequence, wants to ban abortion. But it is a realm of faith, a belief, if someone enters prayer when they make this decision. You do not reach it on the floor of the Senate.

Mr. SMITH. If it is not a human being, what is it, I say to the Senator from Nebraska? Could the Senator from Nebraska answer that question on my time for me?

Mr. KERREY. Mr. President, it may surprise the Senator from New Hampshire to know that he is not my God. As I indicated earlier, I make the decision.

Mr. SMITH. Mr. President, I reclaim my time.

Mr. KERREY. I want to answer the question. I want to answer that question.

Mr. SMITH. Regular order, Mr. President.

Mr. KERREY. The Senator from New Hampshire asked me to answer the question. I did not answer the question.

Mr. SMITH addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire has the floor.

Mr. KERREY. He yielded me time.

Mr. SMITH. I reclaim my time, Mr. President.

Mr. KERREY. He cannot withdraw that time.

Mr. SMITH. I reclaim my time.

Mr. KERREY. Now he does not like my answer in the midst of my answer.

Mr. SMITH. Regular order.

The PRESIDING OFFICER (Mr. FRIST). The Senate will be in order.

Mr. KERREY. He is trying to cut me off.

Mr. SMITH. I reclaim my time.

The PRESIDING OFFICER. The Senator from New Hampshire is able to claim the floor and has reclaimed the floor.

Mr. SMITH. The Senator from Nebraska went well over the line with the statement regarding God, and I refuse to yield any more time to him.

It would be glaringly inconsistent for those who support the Hyde amendment, which prohibits payments for abortion for Medicaid-eligible women, to vote in favor of Federal funding of abortion for Federal employees. In other words, Senators who support the Hyde amendment also should oppose coverage for abortion under the Federal employees health benefits plan. Supporters of the Hyde amendment, therefore, should vote to defeat the committee amendment.

The Supreme Court has upheld the constitutionality of the Hyde amendment, and the Court found that the Government can distinguish between abortion and other medical procedures. In upholding the Hyde amendment in 1980, the Court commented that abortion is inherently different from other medical procedures because no other procedure involves the purposeful termination of, if it is not a human life, a potential human life.

In closing, Mr. President, I wish to commend my friend, Senator NICKLES. It takes a lot of courage, knowing the abuse we all take on this issue, to be down here. We do not always have a crowd; not many Members are willing to come down and speak on the issue. God knows, we get enough heat for doing it.

I think the exchange that just took place between the Senator from Nebraska and myself is a very strong indication of the weakness of the argument that somehow after conception a precious life, a human being, is somehow not a human being.

There is no, absolutely no credibility for that argument. Anyone, any reasonable person, pro-life or pro-choice, proabortion or antiabortion, who heard the exchange between the Senator from Nebraska and myself, would understand that. If a person takes the position that a woman has the right to terminate, that is another argument. I do not happen to agree with it, but that is another argument. And there is some good reason I think to at least argue that there is some rationale to that decision. But to say that life does not begin at conception, there is a—when an embryo is formed and the sperm and egg unite and life begins, that is the beginning. You cannot be a 50-year-old man or a woman unless that act took place. That is just a biological fact. It has nothing to do with God.

I deeply resent the comment that the Senator from Nebraska made on the floor of this U.S. Senate, somehow saying that because I questioned his comments on this matter, somehow I would be believing myself to be God. I deeply resent it. I think it was entirely inappropriate. I would hope that he will apologize for it but, frankly, I do not expect it.

Mr. President, I think I have made the point. The majority of the American people do not support taxpayers paying for abortions, and I rest my case on that.

Mr. President, I yield back to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. I yield 2 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, on this issue, I have always opposed Federal funding of abortion. I have also supported restrictions on Federal health insurance with respect to Federal employees and the funding of abortion but only with restrictions or exceptions for rape, incest, and life of the mother.

Mr. President, I will oppose Senator NICKLES' proposal for that reason. The proposal before us has no exception for rape and incest. Let me just personalize why that makes a huge difference.

Several years ago, my wife was attacked eight blocks from where we are this morning by a vicious rapist. He put a gun to her head and tried to get her into our car. My wife was able to evade that vicious rapist, somebody with a record as long as your arm of rape, brutal rape. And yet what we have before us this morning is an amendment that says if my wife had been raped, her health insurance could not pay for the appropriate medical treatment. She would be expected to carry that baby.

Mr. President, I am opposed to Federal funding for abortion, but I say to you anybody that would say to my wife, if she had been raped by that vicious criminal, that she ought to carry that baby, that is vicious and monstrous. How can anybody stand in this Chamber and say that somebody who is victimized ought to be victimized a second time? Something is radically wrong, I say to my friends, that anybody would say to my wife "You carry that baby to term."

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator Oklahoma.

Mr. NICKLES. Mr. President, before my colleague from North Dakota leaves, let me just try to tell my friend from North Dakota—who just left—that this Senator has tried, unsuccessfully now for 2 or 3 hours last night and for a little while this morning, to put in a rape and incest exception.

I tell my colleagues that the language I offered 2 years ago had a rape and incest exception and life of the mother. The unanimous-consent agreement does not allow that at this time. That is the reason I said we may well have to have another amendment, because that is my intention. That is my belief.

I happen to think that is where the votes are in this body. I do not know where the votes are exactly on this language right now on adopting the House language. The House language is exactly the policy we had from 1984 to 1993, exactly the same, and that is what they adopted in the House. They adopted it with a 50-vote margin.

I stated to my friends on both sides of this issue that I thought where the votes were was to ensure that no funds could be used for abortion by Federal employees from their health insurance unless it is necessary to save the life of the mother or in cases of rape and incest.

I have endeavored to try to introduce this amendment. I have been denied that opportunity. The way the unanimous consent is drafted, I am not able to do it at this point. That is the reason I said, well, if this amendment is not agreed to, we may have to do that later. This amendment would keep the House language and it is amendable. And I might mention it is amendable by this side; it is amendable by the other side.

I know my friend from Maryland—I have great respect for my friend from Maryland because we have worked on a lot of things over the years, and we have always done it very civilly—I know she has a different opinion, and I respect that. She has a right to offer an amendment. There is no time agreement, there is no limitation on amendments, and so if people have different ideas, they are certainly welcome to offer those.

I just wanted my friend from North Dakota to know, I wanted my friend from Maine, Senator SNOWE, to know—and I mentioned that to them; they were the only two people who mentioned rape and incest in the debate—I just wanted them to know it is my intention to try to accommodate that language. That is the same language that we had 2 years ago.

Mr. McCAIN. Will the Senator yield?

Mr. NICKLES. I will be happy to yield to my friend.

Mr. McCAIN. For a question.

Ms. MIKULSKI addressed the Chair.

Mr. McCAIN. I am asking a question of the Senator from Oklahoma. It is my understanding that——

Ms. MIKULSKI. I wanted to bring to the attention of the Senator from Arizona, it will be the first time today the Senator from Oklahoma or anyone on that side of the debate has agreed to answer a question.

Mr. McCAIN. May we have regular order?

The PRESIDING OFFICER. The Senator from Oklahoma has the floor and has a right to yield for a question.

Mr. McCAIN. I have a right to ask for regular order at any time under the parliamentary rules of the Senate. I am asking for regular order.

Mr. NICKLES. I will be happy to yield for a question.

Mr. McCAIN. Is it true that the Senator from Oklahoma had requested to modify this amendment?

Mr. NICKLES. The Senator is correct.

Mr. McCAIN. That he had sought to put in an exception for rape and incest?

Mr. NICKLES. The Senator is correct.

Mr. McCAIN. And the other side had refused to do that, to allow that?

Mr. NICKLES. The Senator is correct.

Mr. McCAIN. Well, there has been kind of a breakdown in comity around here for the last few days. I regret it. I think all of us regret it. It is not the standard behavior around here not to allow someone to modify an amendment that was clearly the intention of the author of the amendment.

Last night we saw this body break down in gridlock and not pass a bill that is important to national security. Now we find an amendment that clearly was intended to be another way, that the Senator from Oklahoma was not allowed to do so.

I would appeal to my colleagues to let us try to return to some kind of comity around here. We are entitled to opposing opinions, but why we would not allow the Senator from Oklahoma to modify his amendment, when that was clearly his intention, is beyond me. And I would urge the Senator from Maryland, if she is the one that is blocking this, to reconsider her position in not allowing the Senator from Oklahoma to modify his amendment because what will happen is we will then bring up another amendment, and which the Senator from Oklahoma is able to do.

So all we have done is waste the time of this body on a Saturday afternoon. So, I would ask the Senator from Oklahoma if perhaps he could make another request and appeal to comity and courtesy which is supposed to be the trademark of this body.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. NICKLES. I appreciate that. I appreciate the suggestion of my colleague and friend from Arizona.

I am prepared, if my colleagues—I happen to agree with his comments 100 percent. I will just mention it is unfortunate the situation that we are in right now. I would like to modify my amendment. The way that the unanimous-consent request is drafted, I could not do it unless I had unanimous consent. I have been contemplating trying to do it on the floor. I tried to do it in negotiation and have not been successful. I might try it now. I do not want to—I want to be very civil in this debate.

I want to offer the rape and incest amendment because I know my friend and colleague from North Dakota—it means a lot to him. And I know my friend from Maine, it means a lot to her. I know it means a lot to the Senator from Texas. I know it means a lot to the Senator from Georgia. So this is an important issue.

All Senators have rights. And I may be blocked from offering it at this particular point under the UC, but not blocked from offering it later. I understand that.

The Senator from Maryland has a couple of other ideas. She is not blocked from having those ideas expressed in the form of an amendment. I would like to do that now with my amendment. I know the Senator from Nebraska wants to pass the bill. I have said, if we can offer this amendment with the rape and incest, we are done, win or lose. We are finished. And hopefully that would be the end of the case.

If we lose by one or two votes—this vote is very close, very close. And it is also, as the Senator from New Hampshire said, very important because we are talking about thousands of lives. Then it will be necessary to come back and try again with a rape and incest amendment, which I have that right to do. And the Senator from Maryland has the right to offer her amendments as well.

Mr. President, I yield the floor.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. I would like to clarify the situation, as well as the innuendo that I am blocking this comity of adding rape and incest.

Mr. President, early yesterday I entered into a unanimous-consent time agreement that is pending before the U.S. Senate today as the framework for debate.

I negotiated that agreement in good faith with the Republican leader and his staff. The UC that I agreed to, which is the framework under which we are operating, I was told is what the Senator from Oklahoma wanted. I had a lot of my own amendments, but I recognized the fact that the Republican leader and the Democratic leader wanted to move this bill. So I agreed to a 3-hour debate, up or down or on a motion to table, on the House language which is limited to the life of the mother. That was my understanding.

At 10 after 10 last night the Senator from Oklahoma approached me and said, "That is not what I thought the agreement was." That was, I was told, the Senator from Oklahoma's desire to have that UC. So then to say I am not the one having comity, that is what happened to me at 10 last night.

So, Mr. President, I feel that my reputation and my sense of senatorial courtesy is being impugned in a very unfair and unfactual kind of way.

Now, I am prepared to move ahead with the conclusion of this debate, to vote under the UC, as we have agreed upon. And then the Senator from Oklahoma can offer his amendments. And quite frankly, I have two or three of my own. But that is the situation. That is how the situation was agreed upon.

I believe that my history in the Senate has been one of comity and senatorial courtesy on these agreements. And having said that, now I yield whatever time to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 2½ minutes.

Mr. President, I have been listening to this debate about civility. One of the most arrogant positions that can be assumed by the Senate is to try to relegate what rights and what health benefits will be available to the Federal employees.

Here we find our colleagues on the other side entering the U.S. Senate, having the most comprehensive health care in the country, and then making decisions about how they believe it ought to be limited for women in our society. There are 345 plans out there. Any Federal employee can select whether she wants to have coverage or noncoverage. But oh, no. We are going to decide that even for those that want the coverage, they cannot have it. You have 78 million people who have coverage today under other kinds of programs that are basically being subsidized by the taxpayers under the deduction. Will the colleagues over there try to take those programs on? Absolutely not.

What they are saying, "You are a Federal employee. You work for the Government. You make a choice and decision, the 1.2 million women, to have this coverage. No. That is not good enough. We are going to tell you exactly what kind of health procedures you will have." That is arrogant. That is uncivil. That is wrong. And that is why the Senator from Maryland's position should be retained.

I yield back the balance of my time.

The PRESIDING OFFICER. Who yields time?

Ms. MIKULSKI. How much time remains?

The PRESIDING OFFICER. The Senator from Maryland has 12 minutes, 40 seconds. The Senator from Oklahoma, 14 minutes.

Ms. MIKULSKI. I yield 1 minute to the Senator from California, Senator BOXER.

Mrs. BOXER. I thank my friend.

My colleagues, it is important to know what we are doing here. This is an attempt, because colleagues do not want to raise the issue of whether abortion should be legal, because I think they know they cannot win that debate, to take the right to choose from women they have power over, in this case, women who happen to be Federal employees. And that is an abuse of their power, as the Senator from Massachusetts has so eloquently stated.

Make no mistake about it, the Nickles proposal is radical. No insurance can be used for abortion even in cases of rape or incest. And we had a colleague walk out of here because he told his personal grief about a situation that impacted his life.

Oh, they say, you can pay for it on your own. What if you cannot afford it? What if there are complications? Senator CHAFEE himself said in many cases it is $1,700. This is a radical, radical proposal. Please defeat it.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. NICKLES. I will tell my friend from Maryland, my friend from California, and my friend from North Dakota, I have an amendment I would like to send to the desk. It would add rape and incest to the underlying language. I think most people in this body would support this language. I will tell my colleagues from Maryland and California, if this is included we will only have one vote.

And so, Mr. President, I send this amendment to the desk.

Ms. MIKULSKI. I object.

Mrs. BOXER. I object to that.

The PRESIDING OFFICER. Consent would be required to offer an amendment.

Ms. MIKULSKI. I object.

The PRESIDING OFFICER. Objection has been heard.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. I will just make a couple comments. And I am not surprised that an objection was heard because I have been trying to get this done for the last many hours—2 or 3 hours last night, a couple hours today. My friend from Nebraska tells me as manager of the bill he thinks we can get it included. I want to tell my colleagues that want rape and incest in there, I think he is right. I think it will be included.

So I hope nobody votes "no" because rape and incest is not in there. If they do, we are going to give them a chance to vote for it later with it in there if this does not prevail.

I also want to comment on Senator MCCAIN's comment. We do need to return to a little more civil approach to legislating. Last night on the DOD bill, it was not pretty. This is not pretty the way we are legislating now. Senators have the right to offer amendments. We need to protect that right. I will protect the right of anybody on this side of the aisle to offer an amendment and anybody on that side of the aisle to offer an amendment and to modify their amendments. I think that is an important principle.

Mr. President, I yield the Senator from Texas 3 minutes.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I think maybe it is important to go back and talk about what the amendment is trying to do, since, obviously, we have criticisms of it. The Senator from Oklahoma has tried to fix it, but those who criticize it and object to it will not permit him to fix it. So I think people may have forgotten in all this what it is we are talking about. Let me go back and try very simply to define the issue.

The Federal Government pays on average 72 percent of the health care benefits of all the employees of the Federal Government. We have had a longstanding consensus in America that no matter where people stood on the issue of abortion—and obviously there are great differences in America; there are great differences in the Senate—that since many Americans felt very strongly in opposition to abortion on demand, and that since people do not pay taxes voluntarily in America, that we ought not to take their tax money to pay for abortion services in areas like insurance premiums for Federal employees. This is not a radical idea. This was the law of the land for a decade prior to Bill Clinton becoming President.

When Bill Clinton became President, that balance was overturned, and in 1993, for the first time in a decade, we took the taxpayers' money and used it to fund abortion on demand by paying for insurance premiums to fund abortion services.

What the House did in their bill is they went back and said that people can do whatever they want to do. People can spend their own money on abortions if they choose to, but they cannot take the Federal taxpayers' money—which after all, is collected by the Internal Revenue Service through the force of law from taxpayers who strongly oppose abortion—and use it to pay for abortion on demand. That is what the House did.

What the Senator from Oklahoma is trying to do is simply to go back to the consensus that existed for the decade prior to Bill Clinton becoming President, which simply says: Nothing in this amendment has anything to do with the right of a woman to have an abortion, but what it has everything to do with is the denial of taxpayer dollars to fund that abortion, except under a very stringent circumstance: The life of the mother being in danger.

The issue here is not the right of a person to have an abortion, it is whether or not the Government should use its power of coercion to collect money from taxpayers to pay for it. I believe the American people's answer to that question is "no." That is why we need to maintain the House-passed language, and I urge my colleagues to vote to do so.

The PRESIDING OFFICER. Who yields time?

Ms. MIKULSKI. Mr. President, I yield 2 minutes to the Senator from Wisconsin, Senator FEINGOLD.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I thank the Senator from Maryland.

I also rise in strong opposition to restricting Federal employees from receiving abortion services as part of their health care plan.

The Federal employee health benefits plan is a network of insurance plans that cover approximately 9 million Federal employees and their dependents and including, I remind my colleagues, all of our staff members.

The Federal employees health benefits plan is made up of more than 370 different health plans. When selecting coverage, women who work for the Federal Government now have a choice about whether they want to select a provider that does or does not perform abortions. In short, they can now choose a plan with coverage, a coverage that best fits their needs.

I note that one-quarter of all Federal employees earn less than $25,000. This is a fairly respectable wage in many parts of Wisconsin where the cost of living is lower. But for a single parent with dependent children in a higher-cost area in the country, it can be difficult to make ends meet on that amount of money. In fact, I am sorry to say that nearly 18,000 Federal employees have incomes hovering right around the Federal poverty level. So let us not make any mistake about who might be included in this category of people who are affected by this amendment.

There are those who may say this is a good amendment because of the opportunity for deficit reduction. In fact, this is grossly untrue. If Senators are truly interested in addressing the root causes of the escalation of health care costs, then we should publicly commit to address comprehensive health care reform.

Abortion is a deeply divisive issue and there are strongly held views on all sides, but that does not justify a political football game with the contents of a health care package.

So, Mr. President, I think this amendment should be soundly defeated. The right to choose should be about allowing women options. Prohibiting a woman from choosing health care coverage she feels is appropriate for her just because she works for you, Mr. President, or me or for the executive branch or for the Postal Service, in my view, is unjust.

So I hope my colleagues will join me and many other Senators who have spoken on this in rejecting this amendment.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Ms. MIKULSKI. The Senator from Indiana is here. I do not know whether the Senator from Oklahoma wants to yield to him.

The PRESIDING OFFICER. The Senator from Oklahoma has 9 minutes, and the Senator from Maryland has 8 minutes 48 seconds.

Mr. NICKLES. Mr. President, I yield the Senator from Indiana 6 minutes.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I will just state that over the last 48 hours, the Senator from Oklahoma has come to me and we have discussed in great detail as to whether or not this amendment should include the rape-incest exception. He agreed, I agreed, all of us agreed that it should. He was clearly under the impression that the unanimous-consent agreement allowed for the amendment to be offered to include the life of the mother, rape and incest. He was surprised, I was surprised, we were all surprised when that was not the case. He made a valiant effort last evening to include that.

So those who come to the floor and argue against this amendment because it does not include that simply have missed the point. We are attempting to try to do that and have been precluded from doing that.

Mr. President, on this issue of abortion, it is clear that we are a nation at conflict among ourselves and even within ourselves. The debate over abortion has divided the country; it has divided the Senate and the Senators who represent the people of this Nation.

We have come over time to believe, I think all of us, strongly in individual autonomy and personal privacy. At the same time, we have witnessed dramatic advances in medical science which shows us the complexity and the humanity of life before birth. This is a jarring inconsistency of our deepest beliefs about liberty and our strongest convictions about life, and it has led to an endless struggle, and even broken the peace, between neighbors.

Law, on the one hand, is set against medical science on the other. Political rights, on the one hand, are set against moral commitments. These are contradictions that we cannot escape but nor can we accept. These contradictions are seemingly contradictions that we cannot overcome.

But while our divisions are deep, there should not be division over forming a consensus on the issue that is before us. This ought to be a uniting issue rather than a dividing issue, that issue of whether or not we will force people to violate their conscience by financing a procedure that they find abhorrent. This should be the common ground in our abortion debate. Those who insist on using taxpayers' funds to subsidize abortion are not asking for choice. They are asking for involvement in complicity on the part of every single American, despite those Americans' deeply held religious beliefs and moral convictions.

The committee amendment before us today is a particularly clear example of taxpayer financed abortion. Seventy-two percent of the cost of Federal employees health benefits are paid directly with tax dollars—Federal tax dollars.

Through this program in the early eighties, taxpayers subsidized over 17,000 abortions at a cost of over $9 million. Now for a period of 10 years—nearly 10 years—from 1984 to 1993, Congress protected those taxpayers from contributing to elective abortions through the Federal employees health benefits plan. I believe that was a policy and a position solidly supported by a majority of the American people. During our debate over a national health benefits plan last year, only 23 percent said national health insurance policies should include coverage for abortion; 72 percent said those costs should be paid directly by the women who have the abortion. An ABC News/Washington Post poll in June 1992 indicated that 69 percent of the people surveyed felt the Government should not pay for abortions even for women who could not otherwise afford them.

Therefore, by striking the committee amendment, we simply seek to restore a principle on which I believe there is a strong majority consensus; that is, that we should not appropriate tax dollars and use them to violate the deepest moral convictions of millions of Americans.

Supporting the committee amendment means that abortion is not just a right but an entitlement. I understand why so many Americans are offended by being forced to support a procedure with their hard-earned tax dollars, because I also am offended. My concern is motivated by my own fundamental conviction that we are dealing with a fundamental matter of human rights, relating to the most helpless members of the human family.

Abortion on demand is a violation, I say, of our compassion and of our humanity. It causes us to retreat from the history of a nation—this Nation—whose story has been one of progress, however halting, sometimes won even through bloodshed, of extending inclusion in our ideals of human dignity and human rights. One by one, the powerless, the weakest, have been embraced and the American family has been extended. African-Americans, women, the handicapped, each discovered that America's promise, though delayed, was not denied.

Over time, our Nation has developed a system of rights, deeper and wider through the persistence of those who have passionately argued for inclusion, not exclusion. Some of the opponents of this amendment have been the most outstanding spokespersons, with the deepest conviction for the inclusion in the American family, for the extension of rights to those helpless individuals.

Abraham Lincoln wrote of our Founders:

> This was their majestic interpretation of the economy of the universe. This was their lofty, and wise, and noble understanding of the justice of the Creator to his creatures. . . . In their enlightened belief, nothing stamped with the divine image and likeness was sent into the world to be trodden on. They grasped not only the whole race of man then living, but they reached forward and seized upon the farthest posterity. They erected a beacon to guide their children, and their children's children and the countless myriads who should inhabit the Earth in other ages.

That beacon of light still shines in this world. It still lights the paths of nations whose freedom is new. It is my deepest concern that, at the very level where we reach the very weakest and helpless of Americans, we will shut out that light, that we will halt the progress of America's promise—the promise of inclusion, the promise of extension of rights to the most helpless in our society—and cast one class of the powerless into the darkness beyond our protection.

I believe that is the fundamental issue and why we should support the amendment.

The PRESIDING OFFICER. The Senator from Oklahoma has 1 minute 46 seconds. The Senator from Maryland has 8 minutes 48 seconds.

Ms. MIKULSKI. I yield to the Senator from Nebraska, the ranking minority floor manager, whatever time he needs.

Mr. KERREY. Mr. President, this is a position—as I indicated earlier in my opening remarks—that is made upon beliefs, made in prayer; it is a decision of faith, not a scientific, intellectual decision. Once it is made, it leads you to a conclusion about what our laws should be. If you conclude that this is a human being at the moment of conception, you want the law to say it is murder and it should be outlawed. If you believe, in a moment of faith—again, no science enables me to reach my conclusion—if you believe, in a moment of faith and prayer, that it is not, then you want to protect the right of a woman and her doctor to make that decision.

The dilemma here, Mr. President, is that we have employees who work for the Federal Government. Those who argue that health insurance is a source of payment and that it is a source of subsidy have a difficult time explaining what about the rest of their salary.

Even if this amendment passes—or this language of the House which does not allow health insurance to be used to pay for abortion under any circumstances, even if that language is held, you will still have Federal employees with their salaries making a purchase. Only if this body is willing to pass a law sending police out to make sure Federal employees do not use any of their money, could we not have the subsidy.

So, Mr. President, it is a very difficult dilemma. I hope my colleagues understand that there was a good-faith effort to try to negotiate. The Senator from Oklahoma agreed last night, and the Senator from Maryland did as well, to a time agreement in a UC. One of the things the Senator from Oklahoma wants to add is rape and incest. The House does not have that language in there. The House language makes no exceptions. The Senator from Oklahoma wants to add rape and incest. I would agree to that. However, the Senator from Maryland wants to add medically necessary and appropriate. I do not believe the Senator from Oklahoma wants to agree to that. So we have a difference of opinion as to how far we ought to go.

I believe strongly, Mr. President, that the best course is to recognize that, whether it is a salary or whether it is a Federal employee's health insurance, as a consequence of the Nation saying we are going to protect that right, has a right to use money that we have given them through tax dollars to make that decision.

So, Mr. President, I hope that the language of the House is stricken, as the Senator from Alabama and the Senator from Nebraska and myself have indicated that we believe ought to occur in this piece of legislation.

Ms. MIKULSKI. Mr. President, I yield 1 minute to the Senator from Montana.

Mr. BAUCUS. Mr. President, obviously, I will be brief with only 1 minute. Two very basic points here: One, I think it is important to remember the words of former Senator Barry Goldwater who essentially said, "We should get Government off our backs, out of our wallets, and out of our bedroom."

He truly saw the importance of Government not getting involved in individual, personal decisions such as this.

It is a very complex, emotional subject. Essentially, I believe, and I think most Americans believe, when it comes to abortion, it is a matter of individual conscience, a matter that a woman must decide for herself, according to the dictates of her conscience, religion, her God. It is a very personal choice that the Government should not be making for her.

Second, we should not allow women employees of the Federal Government to be treated as second-class citizens. That is what this amendment does. It says that if you are a woman and a Federal employee, you are treated in a second-class nature. That is wrong.

On those two bases, I strongly urge the defeat of the Nickles amendment.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I choose to use 3 minutes of the leader time which Senator DOLE yielded to me.

I have sought recognition again, after having spoken at some length earlier this morning, to respond to the very eloquent comments of the distinguished Senator from Indiana when he speaks about the moral concerns which he has about abortion. I can well understand that, and I have great respect for it.

As I had said earlier today, I am personally opposed to abortion but do not think that it is a matter for the Government. Most of this debate today has really centered—as Senator COATS has emphasized so eloquently—on the moral considerations which many hold very, very deeply, contrasted with what I think is the constitutional doctrine which has been established for the United States. That is not only Roe versus Wade in 1973; it is the more recent 1992 opinion in Casey versus Planned Parenthood, written by three Supreme Court Justices appointed by conservative Republican Presidents. That is the law of the land.

This is a constitutional right for a woman to choose. I submit, Mr. President, that this amendment today, this issue today, is really a part of the systematic effort to dismantle the woman's constitutional right to choose.

I shall not take time again to display the chart on the A to Z considerations. The point is made that what we have here is a taxpayers' issue and the focus is on what the subsidy is. There is Federal employment here, Mr. President, where the employees are giving valuable consideration, and part of what they are receiving is this health care plan. Part of the plan is being paid for by the employee themselves. The part which is being paid for by the Federal Government is really part of their consideration.

So we should put aside the business about taxpayers' dollars. It is really the consideration of the earning of the employees who ought to have the right to access abortion while that is the law of the land.

I reserve the balance of my time.

Ms. MOSELEY-BRAUN. Mr. President, in 1993, the U.S. Congress successfully restored full reproductive health benefits to Federal employees. We successfully overturned a gross overeach on the part of the Congress into the benefits package of Federal employees.

By moving to strike the committee amendment, Congress is again attempting to micromanage employee benefits in a way that exceeds its traditional role, and in a way that radically discriminates against women.

Congress has traditionally involved itself in issues of Federal pay. But until the Reagan administration, it had consistently left details related to the administration of employee benefits to the Office of Personnel Management.

This is as it should be. The majority of Americans believe that women should be able to privately choose whether or not an abortion is appropriate for her personal situation or circumstance without interference from Government. Two years ago, we removed the intrusion of politicians and politics from employee compensation issues.

I agree. I was sent to the U.S. Senate in part because the people of Illinois believe that women should be allowed to make their own private decisions. This amendment amounts to Government interference in the decisions of women who work for the Federal Government. In no way does Congress restrict health care benefits for men, Mr. President. Today we are not debating a proposal to limit a health care procedure that affects the reproductive health of men who work for the Federal Government. Congress does not mandate that men pay for a medically appropriate procedure from their own pocket. We are not talking about restricting medical coverage for vasectomies. We are not talking about restricting medical coverage for problems of the prostate. And we should not. Yet this amendment asks Congress to discriminate against women Federal employees by legislatively restricting their health benefits. This is simply wrong.

I am also very disturbed that women Federal employees are being denied a benefit that is available to most women who work in the private sector. It is common practice in the health insurance industry for private health care plans to cover complete reproductive services, including pregnancy, child birth, and abortion. Private health insurance companies do not play politics with women's health care. They allow women to choose the most appropriate health care for their situation and circumstance.

Approximately 9 million Federal employees, their dependents, and Federal retirees, depend on Federal benefits for their health insurance. Some 1.2 million women of reproductive age rely on the Federal Employees Health Benefits Program.

There are a number of insurance plans that Federal employees can choose from, offered by a number of different insurance companies. Currently, 178 of the Federal employees health benefit programs offer abortion coverage; 167 of them do not. Two-thirds of private sector health plans offer abortion services. Seventy percent of HMO's offer abortion coverage. If Congress strikes this committee amendment, Federal employees are being denied a benefit which is part of the majority of benefits packages available to non-Government employees.

Federal employees pay a portion of the cost of their benefits. A Federal employee who chooses the Blue Cross/ Blue Shield Federal benefits package pays $44.04 per month directly out of pocket. The balance of the premium is an earned benefit. It is compensation. Let me repeat that for those who may not understand—it is not a gift from the Federal Government to its employees; it is earned by those employees, including the women employees. Given that fact, to single out one procedure that her health care policy will not cover, even though she can choose a health plan that does not provide this procedure, is ridiculous.

The reality of this issue is that most women who choose to have an abortion do not use their insurance coverage to pay for it. Most women want to keep the matter private. But even if most women do not use these benefits, there is a matter of principle here. We should remove the intrusion of politicians and politics from employee compensation issues. The Congress should not be discriminating against women. The Congress should not be playing politics with women's lives. The women of Illinois sent me to the Senate to make sure that Congress stopped playing "Father Knows Best."

FEDERAL EMPLOYEES BENEFIT PROGRAM

Mr. KERRY. Failing in their efforts to make abortion illegal, opponents of abortion are trying to make it more deadly. The AMA has shown that funding restrictions that deter or delay women from seeking early abortions increase the likelihood that they will bear unwanted children, continue health-threatening pregnancies to term, or undergo abortion procedures that endanger their lives.

Abortion coverage is offered by over two-thirds of private health insurance plans, and just over half of the Federal Employee Health Benefits Plans [FEHBPs]. Approximately 1.2 million women of reproductive age rely on the FEHBP for their medical care. Because Congress has some measure of authority over the health benefits of this large pool of women, it is no surprise that abortion opponents target on it in their campaign to eliminate reproductive freedom.

A ban on abortion coverage under FEHBP is inconsistent with the treatment of all other health services, which are included or excluded by health plans based on decisions made by the plans themselves, not by Congress. It is, in this respect, an intrusion in to the operations of the free market about which some of the most ardent supporters of this amendment sermonize so often. Barring abortion coverage for women and families working for the Federal Government denies these individuals a benefit they would most likely be able to obtain if they worked for a private employer.

Let us not be confused by this debate into thinking that this ban would save money. In fact, it is an expensive ban, both financially—because the health risks associated with out-of-plan abortions and ordinary, let alone complicated, births are not slight—and socially. These dogged, exhaustive efforts to chip away at a woman's constitutional right to choose lead to anxiety about the security of all our precious, constitutionally guaranteed freedoms. This is an unnecessary, unfair attempt to attack a fundamental, legal right that applies only to women. I urge my colleagues to join me in defeating this ban, because it is ill-advised, expensive, inappropriate, and wrong.

Mr. BINGAMAN. Mr. President, I do not want to take much of the Senate's time this morning, but I would like to make a couple of points in support of the committee amendment to strike certain provisions of the House-passed bill.

If we must have this debate, I believe it is appropriate that we have it today, Saturday. Having the debate on the weekend will give more of the 1.2 million women who work for the Federal Government the opportunity to hear this discussion.

As women listen to this debate, I hope they are as disappointed and disgusted with it as I am. This debate strikes me as the height of arrogance.

We are here today, in our great benevolence, to decide which fundamental rights and what health benefits will be available to the 1.2 million women who work for the Federal Government.

Mr. President, there should not even be a debatable question here. Whether my colleagues on the other side like it or not, the Supreme Court has spoken: Women in this country have the fundamental right to choose.

The law, the right, and the privilege are clear. Whether or not to exercise that right is a personal decision. It is a decision to be made by a woman and her doctor, not by a group of 90 or so men in the U.S. Senate.

Mr. President, women who work for the Federal Government pay nearly 30 percent of their health care premiums. This is more than most workers in the private sector pay, when an employer agrees to provide health care coverage. In neither cases, the private or public sector, is health insurance coverage a fringe benefit. Health care coverage is part of an employee's compensation for service rendered to the employer; and for the past 2 years, Federal employees, like most workers in the private sector, have had the option of choosing a health plan that covers the full range of reproductive health services, including abortion.

Are we going to reverse this policy today? Are we going to issue a Draconian mandate, for purely political reasons, that applies only to women who work for the Postal Service, the Justice Department, the National Park Service, the Department of Labor, and the other branches of the Federal Government? For these women, are we in the Congress going to decide that reproductive health services includes every other health service except abortion? Are we saying to these women "Sure, come work for the Federal Government. Devote yourself to public service—but don't forget to check your constitutional rights at the door."

That is what this debate is about. It is an attempt by anti-choice Members of the Congress, who have failed to make abortion illegal, to make the fundamental right to choose more difficult, more expensive, and more dangerous.

Mr. President, this is just the first step. Today it is the hard working women in the Federal Government. Next, it will be Medicaid recipients and American Indian women who depend on the Indian Health Service for their health care. Then it will be family planning services, which millions of women and girls depend upon. And on and on and on, until the goal of the radical right is realized and abortion is made illegal.

This is the road we are on. Each Member of this body should understand this, and every woman in America should understand this.

Whose marching orders will we follow? Will we follow the extreme political agenda of the radical right, or will we follow the Constitution, as affirmed by the Supreme Court more than 20 years ago in Roe versus Wade? The Members of the House have already made their decision. They opted for the radical right. I sincerely hope my colleagues in the Senate have the wisdom to choose the other course.

We should uphold the Constitution. We should respect the fundamental right of every woman to reproductive choice, regardless of where she is employed, or whether she is employed. We should get out of this ridiculous business of micromanaging the lives and choices of hard-working Americans. And we should reject this blatant attempt to discriminate against women who work for the Federal Government and rob them of their fundamental right to choose.

Ms. MIKULSKI. Mr. President, we are now coming to the end of this debate. I know we have only a few minutes. This is where good and honorable people can differ.

I ask the Senator from Oklahoma, on his idea of modifying his rape and incest amendment, if he would also add the language medically necessary?

Mr. NICKLES. No, I do not think that is defined well. I think we know what rape and incest mean. Medically necessary is ambiguous. I would not agree.

Ms. MIKULSKI. Later this afternoon I will offer that amendment and we will be able to expound on what medically necessary means.

In conclusion, I believe Federal employees should have the same right to determine what is necessary or appropriate for their health as private sector employees do.

Restrictions ignore the reality of women's lives. Half of all pregnancies are unplanned, contraceptive failure, and also there are medically appropriate and medically necessary circumstances beyond rape and incest that necessitate the performance of an abortion.

This is not about what is decided for coverage under the Federal employees. It is not about what is decided but who decides. The principle of self-determination, freedom, reproductive, and otherwise, personal responsibility, the prohibitions on Federal health insurance benefits violates all these principles.

I urge my colleagues to defeat the amendment that is pending. I believe that the issue, the fundamental issue pending before us, is discrimination against women. Restrictions on primary health care services, especially where those restrictions apply only to services required by a particular group—in this case, women—does constitute discrimination. Striking the committee amendment would perpetuate discrimination against women employees and their dependents.

Let us be clear about what funding restrictions for Federal health insurance means. It means women who work for the Federal Government or receive health insurance benefits from the Federal Government will be denied the same coverage for abortion as they would receive if they worked in the private sector, that private sector that receives tax subsidies, which is really a form of taxpayers' money, to provide that private sector insurance.

It means that women receiving the health insurance coverage through the Federal Government will be denied their basic constitutional protection for obtaining an abortion under the health insurance program in which they pay for their services. It would mean that women who receive their health care coverage through the Federal Government will continue to get second-class health care.

Congress should not micromanage the Federal employees benefit programs, and the Congress of the United States should not put itself between a woman and her physician on what is determined to be medically necessary or medically appropriate.

I urge the defeat of the amendment.

The PRESIDING OFFICER. The Senator from Maryland has 1 minute remaining, and the Senator from Oklahoma has 1 minute.

Mr. NICKLES. Mr. President, I apologize. I had every intention of trying to yield back time. The debate became a little hotter and that was not to happen.

Let me clarify where we are. I heard my colleague from Maryland. She urged defeat of the amendment. We are voting on a committee amendment that struck the House language. I hope people will vote "no" because I want to preserve the House language. I want to preserve the House language that says no funds will be used for Federal employees to buy health insurance unless necessary to protect the life of the mother.

I also planned on amending that language and putting in a rape and incest exception. I would do it now but am prohibited from doing that. I understand that.

I want to protect the lives of unborn children. Senator SMITH from New Hampshire said before we had this prohibition, the Federal Government paid for 17,000 abortions. Then we placed a restriction in 1983. The language we are trying to insert now, or keep alive the House language, is the exact same language that this Government had for 10 years between 1984 and 1993. It saved thousands of lives. Somebody said, well, it saved money. My interest is not the money so much as I want to save lives. I do not want taxpayers to have to subsidize abortion as a fringe benefit.

Take a poll of people, ask any poll, Do you think taxpayers' funds should be used to subsidize abortion, and the answer is no. Overwhelmingly no. Not close, Mr. President, 70 to 80 percent.

I heard my colleague say, get the Government out of this area. I want the Government to quit financing abortions. That is the reason we have this amendment.

I urge my colleague to vote no on the committee amendment.

Ms. MIKULSKI. The Senator from Oklahoma then does not intend to table?

Mr. NICKLES. That is correct.

Ms. MIKULSKI. This is a straight up-or-down vote.

Mr. NICKLES. Mr. President, I ask for the yeas and nays on the committee amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Ms. MIKULSKI. For this portion of the debate on this amendment, we have concluded it. I thank all of my colleagues who spoke, the Democratic women of the Senate, I thank the good men of the Senate who support a woman's right to choose, and I thank our Republican colleagues, because I think we have demonstrated that our position is a bipartisan position and a right position.

Mr. KENNEDY. Would the Senator yield and explain the vote that we are about to have. There is some confusion.

Ms. MIKULSKI. A vote "aye" would be to retain the position of the Senator from Maryland and to retain the committee amendment that was offered by Senator SHELBY and is current law.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment which appears on page 76, lines 10 through 17. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. EXON, when his name was called, Present.

Mr. LOTT. I announce that the Senator from New Hampshire [Mr. GREGG], the Senator from Indiana [Mr. LUGAR], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Alaska [Mr. STEVENS], are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS], and the Senator from Arkansas [Mr. PRYOR], are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 52, nays 41, as follows:

[Rollcall Vote No. 369 Leg.]

YEAS—52

Akaka
Baucus
Bingaman
Boxer
Bradley
Brown
Bryan
Byrd
Campbell
Chafee
Cochran
Cohen
Conrad
Daschle
Dodd
Domenici
Dorgan
Feingold
Feinstein
Glenn
Graham
Harkin
Hollings
Hutchison
Inouye
Jeffords
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Packwood
Pell
Robb
Rockefeller
Roth
Sarbanes
Simon
Simpson
Snowe
Specter
Thompson
Wellstone

NAYS—41

Abraham
Ashcroft
Bennett
Biden
Bond
Breaux
Burns
Coats
Coverdell
Craig
D'Amato
DeWine
Dole
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Hatch
Hatfield
Heflin
Helms
Inhofe
Johnston
Kempthorne
Kyl
Lott
Mack
McCain
McConnell
Nickles
Pressler
Reid
Santorum
Shelby
Smith
Thomas
Thurmond
Warner

ANSWERED "PRESENT"—1

Exon

NOT VOTING—6

Bumpers
Gregg
Lugar
Murkowski
Pryor
Stevens

So the committee amendment on page 76, lines 10 through 17 was agreed to.

Ms. MIKULSKI. Mr. President, I move to reconsider the vote.

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NICKLES addressed the Chair.

COMMITTEE AMENDMENT ON PAGE 2, BEGINNING ON LINE 14

The PRESIDING OFFICER. The pending question is now the first committee amendment which appears on page 2, line 14 of the bill.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 2153, TO COMMITTEE AMENDMENT ON PAGE 2, LINE 14

(Purpose: Prohibit taxpayer funding for abortions covered by the Federal Employee Health Benefit Program)

Mr. NICKLES. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Oklahoma [Mr. NICKLES] proposes an amendment numbered 2153.

Mr. NICKLES. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Committee amendment on Page 2, Line 14, add the following:

SEC. . No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

SEC. . The provision of section shall not apply where the life of the mother would be endangered if the fetus were carried to term, or that the pregnancy is the result of an act of rape or incest.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, may we have order?

Mr. KERREY. Mr. President, regular order.

What is the pending business?

The PRESIDING OFFICER. The Nickles amendment, which the clerk has reported.

Mr. KERREY. Is not the committee amendment the pending business?

The PRESIDING OFFICER. The committee amendment is pending, and the Senator from Oklahoma has offered an amendment.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma has offered a second-degree amendment.

The Senator from Oklahoma.

Ms. MIKULSKI. Mr. President, the Senate is not in order.

I would like to hear the Senator from Oklahoma. We talk a lot about courtesy. If Senators will take their seats so we can hear what the Senator from Oklahoma says.

The PRESIDING OFFICER. The Senate will be in order.

Mr. NICKLES. Mr. President, during the debate, I mentioned my interest and desire to include language that would be like the language that we voted on 2 years ago that would really be like the so-called Hyde language, which says no money shall be used for abortion except that necessary to save the life of the mother or in cases of rape and incest.

That is the language I have now submitted. That is the language I wanted to get into the bill last night and earlier today and was unsuccessful.

I know my colleague from Maryland has a different idea. She would like to have her amendment. I just mention that we have debated this for a long time. I am happy to vote up or down on my amendment and happy to vote up or down on the amendment of the Senator from Maryland. I do not know that we need any time. I think every person in this body knows exactly how they are going to vote on my amendment. They may or may not know how they will vote on the amendment of the Senator from Maryland. But it is not my intention or desire, I tell my friend from Nebraska, to delay this bill any longer. I was willing to agree to an hour time agreement on the first amendment. I am happy to enter into a very short time agreement on this amendment, on the amendment of the Senator from Maryland. If the Senator from Maryland has two amendments, that is the Senator's right and prerogative. And I am happy to enter into time agreements and see where the votes are.

Mr. KERREY. As I understand, the action that we just took was that the subcommittee in our legislation said we struck the general provisions that were offered by the House.

Mr. NICKLES. That is correct.

Mr. KERREY. The House offered a restriction on the use of health insurance saying health insurance could not be used to pay for abortions except if the life of the mother was in danger.

Mr. NICKLES. The Senator is correct.

Mr. KERREY. The action we took struck those general provisions. You are now saying you want to amend and require that it only be in the case of the life of the mother being in danger and rape and incest?

Mr. NICKLES. The Senator is correct.

Mr. KERREY. You would not agree to allow "medically necessary and appropriate" be added?

Mr. NICKLES. That is not in my language. The Senator is correct.

Mr. KERREY. You support "rape and incest," but not "medically necessary and appropriate."

As I understand it, the Senator from Maryland wants to offer an amendment.

Ms. MIKULSKI. I say to the Senator from Nebraska and to the Senator from Oklahoma, should the amendment of the Senator from Oklahoma prevail, then I have two amendments that I will offer. One will deal with allowing abortions that are medically necessary and medically appropriate; leave the decision to the clinician. If that should be defeated, I will offer another amendment limiting it to medically appropriate.

I will say to the Senator from Oklahoma, there are many Senators who wish to speak. And there are many Senators who voluntarily reduced their time that they spoke on the last restriction to 5 minutes. There were Senators who wanted to speak extensively. One was the Senator from Pennsylvania on the other side of the aisle who actually went to the leader time because I could not accommodate him.

So at this point I cannot agree to a time agreement. If the two leaders have a different view and would like to discuss that with us, I would be happy to enter into a quorum call. But right now, I have colleagues that will want to talk about the yet one more restriction.

Mr. NICKLES. Mr. President, I appreciate the statement of my colleague from Maryland. I will just say we had 3 hours of debate on this issue. People know how they are going to vote. This is Hyde language. We have voted on this. Most of us voted on this several times. And I am happy to stay here as long as necessary. Just like I mentioned to my friend and colleague from Maryland that she has a right to offer her amendment, I have a right to offer my amendment. If it takes 10 minutes, that is fine. If it takes longer, that is fine, too.

I just hope we can vote. We have almost all of our colleagues here. We had a good vote, large attendance, on the last vote for a Saturday at 1. I do not know what the attendance is going to be on a Saturday at 3.

I think this is an important amendment since we are dealing with an issue that does affect the lives of a lot of unborn children and it does affect health insurance policies. So I think it is an important vote. I hope that we will vote on it very quickly.

My amendment is self-explanatory. It says no funds should be used to pay for abortions for Federal employees unless it is necessary to save the life of the mother or in cases of rape or incest. The Senator from North Dakota made a very passionate speech and mentioned—I remember when his wife was abducted. That was horrifying. But he also indicated that he would vote with us if we had the rape and incest amendment. Several of our colleagues have stated that.

I stated that I was going to give them that opportunity. I do not know why it would take very long for us to debate that. But I am happy to debate it as long as necessary. I urge we vote on it as quickly as possible. I also urge that we also vote very quickly on the other additional amendments of the Senator from Maryland.

I yield the floor.

The PRESIDING OFFICER. I would like to remind the Senators to address each other in the third person and to make addresses through the Chair.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. I spent so much time—I am trying to think what the third person is. That is the "he" "they" stuff?

Mr. President, when the majority leader asked if we were ready—and we had a meeting earlier this week with the Senator from Alabama, the chairman of the subcommittee, and the question was, are you all ready to go? I am not sure he said, "you all." I guess I am in the Alabama talk. He said, "Are you guys ready to go with this bill?" We said the only controversial thing we have got is the abortion language having to do with health insurance. If we can get a time agreement, we would be prepared to go to this bill.

Last night we had an agreement. And this thing was humming along pretty comfortably. It looked like this would be the only vote, and we might be able to stack the remaining votes on Monday morning. Now it appears that it is coming unraveled. I just say it does not appear to me to be holding together much any longer. We had an agreement last night. It has broken apart.

The Senator from Oklahoma wants to offer another amendment. The Senator from Maryland will offer at least one additional amendment. We are stuck with the prospect now of being here all day long, voting on amendment after amendment after amendment. And, you know, just for the lay of the land, again, we are going to go into conference with the House. I do not know what is going to come back out of conference. It is not going to be language entirely struck. We are going to have to negotiate with the House to get some kind of language. It would not surprise me if we did not come up with language that is what neither the Senator from Oklahoma and the Senator from Maryland want. I do not know. Then, the President—they already promised to veto the darn thing, not on this but because we are cutting too much out of IRS. I do not know.

I say to the majority leader, in the third person here, I do not know whether or not it is advisable for us to continue on this bill. Maybe we ought to come back to the Senator and say, "Gee, we were wrong. We thought we had an agreement. We thought we had made a good-faith effort to work with Members on a variety of other controversial amendments and have worked out an awful lot of differences."

But it seems to me we are at a point where unless Members are enthusiastic about hanging around here all day long, voting on something that is apt to be vetoed by the President anyway, I do not know how much prospect we have for getting an agreement on this Treasury, Postal appropriations bill.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Well, I just hope that the Senator from Nebraska will not give up too easily. I know the process is very difficult. We found that out about midnight last night on the Defense Department authorization bill. We thought we were humming along pretty well. We got down to about half a dozen amendments. Suddenly there were 61 amendments. I do not know. We only had one amendment.

I know the Senator is prepared to accept a number of amendments. Is that true?

Mr. SHELBY. Yes.

Mr. DOLE. A couple of outstanding amendments that are controversial?

Mr. SHELBY. That is right.

Mr. DOLE. It seems to me, you might be on to something here. We might even finish a bill over here. There is not much precedent for doing anything in the Senate, but there is always hope we might finish something. We have got a lot of stuff in the bone yard now that keeps piling up out there. Sooner or later we have to finish it. If we do not do it today, then we will be doing it a week from today or sometime.

So if we can reach a time agreement, that would certainly help the managers. I do not want to discourage the managers.

We can go on to the Interior appropriations bill or we can start the welfare bill today. But I would rather complete this bill before we go to the Interior bill.

And there is still some hope we can come back to the Defense authorization bill that we almost completed yesterday and would like to complete today. But I hope that the managers might try to shop around for time agreements, and if not, maybe set aside this particular controversy and go ahead and do the rest of the bill and see if we can negotiate in the meantime. If we are going to have what amounts to a filibuster all day long, then I think probably we would just go on to something else.

Mr. SHELBY. Would the majority leader yield?

Mr. DOLE. Yes.

Mr. SHELBY. I wonder if the majority leader could get with the Democratic leader and some of the main participants and see if we can come up with a time agreement because we basically know how we are going to vote on this issue, as the Senator from Oklahoma said. But if we can have a time agreement on several amendments, we could move this bill this afternoon.

Mr. NICKLES. Will the majority leader yield?

Mr. DOLE. Yes.

Mr. NICKLES. I think the Senator from Alabama is right. I think everybody in this body knows how they are going to vote on the Hyde language, the rape and incest. And I am willing to vote right now, or 5 minutes equally divided. I know the Senator from Maryland stated that if we prevail—and we might; it is very close; I will tell everyone right now it is within a vote or two—if we prevail, she wants to offer a second-degree amendment. She has that right. I think she should have that right. And we do not have to decide now. I will be happy to grant the Senator from Maryland a time agreement if she wants it or not have a time agreement if she wants. But the best thing is to see how this thing would move forward by having a vote on the pending amendment. And then we go from there.

If the Senator wants to have additional amendments, she can do so. On those amendments I will be happy to enter into a time agreement if she would like—or not like, that is certainly acceptable with this Senator as well.

Mr. KERREY. What I would suggest is we go into a quorum call for 5 minutes, and we get the Senator from Oklahoma and the Senator from Maryland together to see if we cannot work out a time agreement where we could have these two amendments.

I alert colleagues that the idea here is to try to limit the number of votes that we have.

We can have debates all the rest of the day and night. We would like to stack votes. We would like to get a UC and stack votes on Monday, if the majority leader is agreeable to that.

Mr. DOLE. There are 94 Senators here. I do not know why we want to stack votes on Monday. We gave notice that there will be a Saturday session. There are four absent on our side, two absent on the other side. We are disadvantaged. They knew we were going to have a session. We do not have them very often. This is the first one we have had all year. We are trying to get into a recess mode.

I hope we will not push anything off to Monday. Before long, it will be a week from Monday and we will still be here, and a lot of people will not be happy with the majority leader.

Mr. KERREY. I appreciate that very much, but what we are left with, I do not know what the total number is—seven or eight we could not agree to. We worked on a lot of them. We worked with the Senator from New York, the Senator from Arkansas and several other Senators. We are working with the Senator from Georgia right now. We are trying to accept amendments where we can.

But where we cannot do it, we are left with seven or eight votes. We are going to have a Saturday session, a full

Saturday session, because all Members who have amendments are going to want to come, getting back to the third person here, Mr. President, are going to want to come to the floor and present their amendments and debate their amendments. I was trying not to avoid a Saturday session but trying to come up with a reasonable way to deal with the votes.

Ms. MIKULSKI addressed the Chair.

Mr. DOLE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO CAL ANDERSON

Mrs. MURRAY. Mr. President, this morning I was shocked and saddened to hear of the sudden and tragic death of a very good friend and long-time colleague of mine, State Senator Cal Anderson.

Cal passed away last night of a disease that is touching far too many lives. Cal announced that he had been stricken with HIV/AIDS just a short time ago. Cal faced AIDS as he faced every legislative battle we fought together: With courage, with integrity, and with honor. Even though Cal was seriously ill these past months, he continued to do his job for his constituents the best he could, fighting hard for the things he believed in. He worked hard to the end, representing his constituents to the best of his ability.

I worked very closely with Cal during my time in the Washington State Senate. He has been known throughout our State as an outstanding legislator. He worked hard, he stayed true to his beliefs, and he had a unique ability to find solutions. I worked with him on an open government committee on which we took steps to make the legislative process more accessible. Cal made sure our bill was not only workable but a big improvement in peoples' ability to participate in government.

Cal was a Vietnam combat veteran. He won two Bronze Stars and two Army commendations for meritorious service. He was courageous and he was honest. He served his country, as well as his constituents.

Perhaps most importantly, Cal was a passionate advocate for human rights and dignity. Just last month, a home in Seattle was dedicated in his name. The Cal Anderson House is a 24-unit facility that will provide housing, counseling, and other services to low-income families with HIV/AIDS.

A month ago, I visited Cal in his hospital room. As usual, he spoke not about himself but what I needed to do. Cal told me, if nothing else, I needed to do as much as I could as a U.S. Senator to ensure that people with serious diseases did not have to fight with their insurance companies for health care at the same time they had to fight the disease for their lives. Cal said he, himself, had excellent coverage as an elected official, but those around him suffered through insensitive insurance companies. He felt that dignity was and is being taken away from seriously ill Americans, and that did not reflect the America he knew and loved.

So, today, I rise to simply say goodbye to Cal, to thank him for his years of service to his country and his State, and to say: Cal, your battle is over, but our battle continues, to defeat AIDS so that it will stop taking lives from far too many young Americans.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. SHELBY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1996

The Senate continued with the consideration of the bill.

UNANIMOUS-CONSENT AGREEMENT—AMENDMENT NO. 2153

Mr. SHELBY. Mr. President, I ask unanimous consent that a vote occur on or in relation to the Nickles amendment No. 2153 at 2:30 p.m. today, and that the time between now and the vote be equally divided in the usual form, and that no amendments be in order during the pendency of the Nickles amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. NICKLES. Mr. President, for the information of our colleagues, what we have just agreed to is that we will have a vote on or in relation to the Nickles amendment soon, which several of our colleagues have requested, which deals with prohibiting funds for the use of abortion in Federal employees' health care plans unless it is necessary to save the life of a mother, and in the case of rape or incest.

I hope we can vote much sooner. We have an hour and 10 minutes, equally divided. This Senator will be happy to yield back a significant amount of time. A lot of people would like to do something else on Saturday afternoon. It happens to be a very important vote. I think everybody knows how they are going to vote.

I ask my colleagues to speak briefly, and maybe we can yield back time and actually vote prior to 2:30.

I yield the floor.

Ms. MIKULSKI. Does the Senator from Oklahoma wish to comment on his amendment or on why he felt it met a compelling human need?

Mr. NICKLES. To respond, I have spoken more on the floor than I ever cared to on this particular Saturday. I think it is very well known what this amendment is. It is Hyde language. It says we are not going to use Federal funds to subsidize abortions for Federal employees unless it is necessary to save the life of the mother, or in the case of rape and incest. It is pretty self-explanatory.

The PRESIDING OFFICER (Mr. GRAMS). Under the previous agreement, the time is controlled by the Senator from Oklahoma and the Senator from Nebraska.

Mr. KERREY. I ask unanimous consent that the time on our side be controlled by the Senator from Maryland.

Ms. MIKULSKI. Mr. President, I yield myself such time as I may consume.

Now, where we are on the Nickles amendment is that, essentially, this is yet another version of a restriction. We just defeated an amendment that was a restriction, and each side articulated that position, I think, in a very clear way.

I do not want any restrictions on Federal employees health benefits. Therefore, I oppose the Nickles amendment.

Under the legislation pending, the committee amendment, if someone is a victim of rape, they can have an abortion. If someone is a victim of the most horrendous assault on a person, incest, they can have an abortion. This is not about allowing rape or incest; this amendment limits it only to the life of the mother, rape, and incest.

So, we will be clear, this is not about being a knight in shining armor that says we will provide at least some flexibility in harsh, punitive, restrictive, and repressive legislation. No. The legislation that is pending before the Senate through the committee amendment has no restrictions on Federal health employee benefits. That is the current law.

Now, the issue is not what is decided. The issue is, who decides? I believe the U.S. Congress should not interject itself into the physician's office. I believe the Congress should stay out of that and focus on what it is supposed to be doing, which is broad policy objectives for the Nation. It is not to intervene, interject, detour, derail, or micromanage what goes on in a physician's office when a Federal employee or a dependent in a Federal employee's family seeks medical help. That is why we oppose it.

We did not want restrictions. We believe in doctors' autonomy, in doctors' judgment. That is why we say the issue is not what is decided, but who decides.

Now, we also believe that there is a war going on against American women; that there is a war going on in the home; that there is a war going on through the terrible violence of domestic violence. We believe there is a war against women in terms of street crime, particularly rape. We believe there is a war against women going on in the workplace through sexual harassment. That there is even a war against women going on in the U.S. Senate, and we cannot even get a public hearing on this.

We also believe that there should be no cutting of health care. What we see is that there is a war against women. It is not only about abortion and Federal employees; we are also cutting medically necessary services in other areas of health care.

Look what we are doing to the elderly on Medicare. Look what we are doing to children on Medicaid, under the guise of welfare reform, when children will lose their health benefits. Look what we are doing to the elderly, in terms of long-term care, by cutting Medicaid. That is why we say there is a war against women going on in the United States of America.

We want our colleagues to defeat the Nickles amendment, restricting women's options in health care, to only be able to have an abortion if their life was at stake or if it is rape or incest.

Now, every single Member of the U.S. Senate will view rape and incest as the most repugnant, the most horrible, the most atrocious thing that can be done to a human being. Of course, if you are a victim of rape and incest, we would want you to be able to have that abortion. We want you to have an abortion if it is medically necessary and medically appropriate.

We believe in freedom of choice, self-determination. We believe in the United States of America, we believe it in foreign policy, and we believe it in the physician's offices where Federal employees or their dependents seek advice, counsel, and clinical judgment.

This is why we oppose this restriction. This is why we want to defeat the Nickles amendment.

Later on, we want to defeat the cuts in Medicare. Later on, we want to defeat the cuts in Medicaid that take away medical services for the elderly and for children. We will also want to defeat the other horrendous cuts that are going on where women are victims of violence and abuse, whether it is in the home, whether it is in the streets, or in the neighborhoods.

I hope that we would defeat the Nickles amendment, support the committee amendment, currently, which leaves the decisionmaking to the pregnant woman and to the physician.

How much time did I consume?

The PRESIDING OFFICER. The Senator from Maryland consumed 6 minutes.

Ms. MIKULSKI. I yield 5 minutes to the Senator from California.

Mrs. BOXER. Thank you very much, I say to my friend from Maryland.

I thought when we initiated this discussion we would have one vote, let the chips fall where they may. But I respect the fact that the Senator from Oklahoma wishes to raise this issue again, and we will see, now, where this leads.

What does this current amendment do? It reverses every single thing we just did, except that it adds two exceptions to the House restrictions.

I want to make that clear. It reverses everything that we did. It says that no Federal employee female can use her private insurance to get an abortion unless her life is at stake or in cases of rape and incest.

In essence, it is treating Federal employee women unlike every other woman in this country. They cannot use their private insurance to obtain an abortion unless their life is at stake or they are a victim of rape or incest.

I have a question to ask rhetorically to my friend from Oklahoma. What if her health is at risk if she carries the fetus to term? Can she get that abortion? No, not under the Nickles amendment. If her health is at stake, she cannot use her private insurance to get an abortion.

What if she runs the risk of severe paralysis if she carries the fetus to term? No, under the Nickles amendment she could not use her private insurance to obtain an abortion.

What if the doctor believes an abortion is necessary to preserve her future fertility? No, she cannot use her private insurance, unlike every other woman in America, to exercise her right to choose.

What if the doctor believes there would be untold pain and suffering throughout her entire life if the fetus is carried to term? No. No, under the Nickles amendment, she would not be able to use her private insurance to obtain an abortion, unlike every other woman in America who has insurance.

The answer is, that woman would be in deep, deep, trouble because she would be left alone, she would face a life, perhaps, of untold pain and suffering, if she carried the fetus to term.

I hope the women and men in America are watching this debate, although it is not too likely. I applaud those who are here watching us today. Why do I want them to watch this? Because this is not some ideological dispute. It affects their lives. I want them to think of a daughter, of a niece, of an aunt or a cousin. I want them to think of their favorite female person that they know who might find herself in a very troubled pregnancy, with terrible, terrible possibilities to that woman's health, unable to use her insurance. Perhaps this favorite relative is not wealthy. She is frightened. She is forced, because of the Nickles amendment, to carry a fetus to term, even though it threatens her long-term health.

I say the question comes down to this. Who do you trust? Who do you trust to make this difficult, personal, agonizing, troubling decision? Do you trust the U.S. Senator who does not even know your family? I do not. I do not put the health of my children in political hands. I keep it in my family, with my God, with my doctor, with my husband, with my loving family, with my loving rabbi, if you will. And I do not want to put it in the hands of the Senator from Oklahoma. I want to put it in the hands of the people who love—who love, personally—the people who are impacted by this ill-advised amendment.

The PRESIDING OFFICER. The 5 minutes for the Senator from California has elapsed.

Mrs. BOXER. I ask for 30 seconds.

Ms. MIKULSKI. I yield the Senator 30 additional seconds.

Mrs. BOXER. In summing up my argument, let me say to the people of America who are watching this debate, this is a difficult choice and we all make it inside our hearts, inside our minds, in our prayers. And we come at it a little differently.

So should the politicians of America now decide, if you happen to be a woman who works for the Federal Government, we are going to tell you—even if you face long-term risk to your health, to your person, to your body, to your future—what to do about a personal, religious decision? I say no. Let us stand firm for the individual to make that choice and let us support the Senator from Maryland and vote down the amendment that is before us.

I yield the floor.

Ms. MIKULSKI. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from Maryland controls 22 minutes and 30 seconds.

Ms. MIKULSKI. Mr. President, I am going to yield 5 minutes to the Senator from Illinois, and then, after that, I will yield 10 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Mr. President, there is a lot of emotional discussion in this debate regarding the issue of abortion and that, after all, is what it is about. But let me suggest to the Members and the people in the gallery and the people who are listening, there really is another issue here and that is an issue of liberty and an issue of the appropriate role of the Federal Government in micromanaging specific details having to do with women's health.

Whatever side of the abortion issue you come out on, it seems to me one thing can certainly be said and that is that it is unusual—it has been unusual for the Federal Government, for the

Congress of the United States, for the Senate, to begin to detail, in specific detail, exactly what should and should not be covered by Federal employees' health plans.

Think about it. What would be the reaction on this floor if some Senator stood up and said: "I think the Federal Employees Health Benefits Program should only prescribe this procedure for the prostate and not that procedure for the prostate." Everyone on this floor would say, "This is absurd. We have an entire group of people to make decisions about health coverage so Federal employees can enjoy the same kind of health coverage as is enjoyed in the private sector."

Yet, what is happening here is, because it is women's health, and because it is the volatile issue of abortion, there is an exception being made here, an exception that, frankly, goes back to overturning longstanding precedents regarding the Congress not micromanaging employee benefits in a way that exceeds our traditional role.

We have, traditionally, in the Congress, involved ourselves in issues of Federal pay. But, frankly, until the Reagan administration we, the Congress, have consistently left details relating to the administration of employee benefits, employee benefits, to the Office of Personnel Management. This is as it should be.

It is the law that women are able to privately choose whether or not an abortion is appropriate for their personal circumstances and situation without interference from the Government. So 2 years ago, in 1993, we removed the intrusion of politicians from employee compensation issues and we should, I think, continue to keep the involvement of politicians out of issues going to benefit coverage on Federal health insurance.

I would like to make another point. This represents yet another special carving out in the area of women's health that I believe is inappropriate. This Congress has already moved to restrict the rights of poor women to exercise their right under the law to choose whether or not to have an abortion. Now we are trying to take another step. We are going to restrict the right of women who work for the Federal Government to choose whether or not to exercise their rights to have an abortion.

In any event, this would isolate Federal employees, as a group, with health insurance plans that were like no one else's. That is to say, an employee who worked for a major corporation in this country would have reproductive rights covered under her health insurance. An employee who worked for the Federal Government, if the Senator from Oklahoma is successful, would not. And that is really the crux of this debate. Not just the issue of abortion because, frankly, between Supreme Court decisions and decisions that have been in place for at least 20 years now, the issue of abortion—in the law, at least—has been settled. It is legal. It is a matter of personal choice by an individual woman with regard to what it is she does with her own body.

I believe that personal choice ought to remain that way. It is no one's business what somebody does in regard to a decision as private as this. It should be between a woman and her God and her conscience and her family. It certainly should be removed from interference by politicians who, frankly, I do not think should get that much into anybody's private business.

But that issue having been in the forefront of our public debate, we understand that right now there continue to be efforts here in the Congress to poke away at the issue, and to really repeal, by indirection, the decision of the courts and what has been the law in this country for easily 20 years.

I believe this repeal by indirection is inappropriate. I believe it is a mistaken approach for us to suggest to the world that we believe in liberty when it comes to all these hosts of issues having to do with personal freedom and individuals being treated fairly in terms of health coverage, and in terms of their decisions about their personal circumstances, on the one hand, and yet carve out exceptions, exception after exception after exception, when it comes to reproductive choice and reproductive rights.

Mr. President, I hope my colleagues will heed the warnings from the Senator from Maryland and will defeat the effort to make this incursion into women's rights that I believe is certainly inappropriate and should be defeated with this next vote.

With that, I say to the Senator from Maryland, I know I have no additional time but I will yield back whatever time may be remaining to the Senator from Maryland.

Ms. MIKULSKI. I thank the Senator from Illinois. She has been a marvelously strong advocate. It is a blessing to have her here.

I yield a maximum of 10 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 10 minutes.

Mr. SPECTER. Mr. President, I thank my distinguished colleague from Maryland for yielding me the time.

Mr. President, the major considerations on the pending amendment involve the underlying question of abortion and whether the U.S. Senate is going to continue at great length to debate this issue while relegating other very important subjects to lesser status.

I agree with my colleagues who have emphasized the point that it is a very important matter. And while I am personally opposed to abortion, I do not think it is a matter for the Federal Government to regulate them.

I think in the broadest context, the issue has been decided by the Supreme Court of the United States not just in Roe versus Wade in 1973 but in the 1992 decision of Casey versus Planned Parenthood in a decision written by three Justices who had been Republicans, all of whom were appointed by conservative Republican Presidents.

So that is the law of the land, and that is the dominant question. When you take a look at what has occurred in the course of the recent days and recent weeks you see a really concerted effort to dismantle the constitutional right of a woman to choose.

On July 21, within the past 2 weeks, there was an amendment passed in the House of Representatives overturning the option of the States, the requirements of the States really, to provide abortion in the cases of rape or incest for poor women. On July 20, there was an amendment adopted in the House of Representatives which prohibited human embryo research. On August 3, there was an amendment adopted eliminating the funding for the Office of Surgeon General which was a reaction of the debate on Dr. Henry Foster whose only wrongdoing, only alleged wrongdoing, was that he performed medical procedures permitted under the U.S. Constitution. This is a man who was practically ridden out of town on a railroad without being allowed a vote in the U.S. Senate on the confirmation process.

On July 21 of this year, the House adopted a provision which intruded upon the ability of medical schools to accredit hospitals and training institutions on the basis of requiring works in obstetrics and gynecology related to abortions. The House of Representatives, after very extensive debate, very narrowly defeated a provision to eliminate funding for Planned Parenthood.

We have seen legislation passed by the House of Representatives which would prohibit Federal funding for a woman in a prison. If a woman is in a prison and she is raped, she has no access to funds of her own, and according to the standard of the House of Representatives, the Federal Government may not pay for her abortion. The House has also passed legislation which would prohibit the abortion on military installations around the world when there are servicewomen and dependents of servicemen who would be denied the opportunity to have an abortion performed on U.S. military installations.

So what has in effect happened is that there has been a concerted attack to dismantle the woman's constitutional right to choose because those who have favored a constitutional amendment to ban abortions, to criminalize abortions, have been unsuccessful in doing so.

That led one of my ingenious staff members to prepare this chart which I displayed briefly this morning, and on a separate amendment it is worth just another look. It is a chart entitled "Dismantling a Woman's Right to Choose" from A to Z. And the A is, Amend the Constitution to abolish a woman's right to choose; B, Ban Federal funding for abortions of women in Federal prisons; C, Cut off family planning funds. And when you come down to M—I am not going to read them all—you have M, Mandate that Federal employees' insurance exclude abortion coverage. That is a matter on the floor today.

Mr. President, when the arguments have been made that there is a Federal subsidy, I submit, realistically viewed, it is not a Federal subsidy, for two reasons. One is that the employees pay a substantial part of the funding—about 28 percent. So it would be fair and reasonable to allocate that 28 percent to this particular kind of health coverage.

Second, the Federal employees give services for their compensation, and part of their compensation is this health care plan, which does have some Federal employer support as well as their own personal contribution.

So what we really have here is marking for consideration the doctrine of the law which says the employee is bargaining for his salary, and part of the consideration is his health coverage, part of which the employee pays for and part of which the employer pays for.

An argument was made earlier today that you have the deductibility for the private health care plans where the employer can deduct it and the employee does not count it as income, which is a procedure under the Internal Revenue Code to encourage employers to have allocations for health care.

So when you take a really close analytical look, there really is not a Federal subsidy involved here, but it is a health care plan like many, many other health care plans available in the United States which gives this coverage for this kind of a medical procedure.

Mr. President, how much time remains on my 10 minutes?

The PRESIDING OFFICER. The Senator from Pennsylvania has 4 minutes remaining.

Mr. SPECTER. I thank the Chair.

Mr. President, as we move through the debate—it is now 1:47; the debate started shortly after 9 o'clock this morning—on this one issue on coverage in Federal employee health plans, it is obvious that unless we make a change in the approach of the U.S. Senate, this issue is going to occupy a tremendous amount of our time, which I suggest could be spent better on other matters of the public interest.

We are awaiting argument this afternoon on whether the office of drug czar ought to be defunded or not. The drug czar is an office which was created to coordinate and oversee all of our activities in the war on drugs. This is a very important matter to analyze what the drug czar has been doing—whether it has been an effective use of taxpayer dollars or whether it ought to be continued. That matter is being put off. And who knows whether we will reach it this afternoon or not?

Shortly before the debate started on this matter, the Senator from New York, Senator D'AMATO, was about to offer an amendment relating to the Federal payments on the Mexican debt issue, a matter of enormous importance. We have the issue of welfare reform, which is in the wings awaiting to come to the Senate floor. There is another appropriations bill on the Department of the Interior, which is awaiting consideration by the U.S. Senate.

This issue about the Federal employee insurance coverage is just one of many that we are going to be taking up. We are going to be taking up human embryo research. We will be taking up funding for women's abortions in prisons and abortion access in military hospitals for women in the armed services stationed overseas.

Mr. President, when we had the loud mandate in 1994 electing a Republican Congress, I would suggest to you that the item of the Contract With America was a dominant philosophical ground. It is important to note that there is nothing in the Contract With America about abortion, not a single word. That mandate in 1994 was instructing the Congress to work on reducing the size of Government, reducing Federal expenditures, having a tax cut, having strong national defense, and having effective crime control. And the issue of a balanced budget in the glidepath to the year 2002 was an item which involves a tremendous number of very, very important considerations.

If we are going to spend the better part of a day, if not the entire day, on this one item, a Saturday session at that, I would suggest to you, Mr. President, that we are not going to be fulfilling the mandate for which the voters elected a Republican Congress and sent a message to Washington to take care of a balanced budget to reduce spending, to focus on problems like the drug problem, like the problem of the issue of the drug czar, like national defense—where we had that bill taken from the calendar so we can proceed to the debate on this issue involving abortion.

So, Mr. President, I think essentially stated as to the particulars of this bill, there is bargain for consideration by the employees. The employees pay a portion of it themselves, 28 percent. But this, realistically viewed, is not a Federal subsidy. And on the broader picture, the issue of the constitutional right of a woman to choose has been established by the Supreme Court of the United States. That is the law of the land, and we ought to accept it as such.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. There is 5 minutes and 20 seconds remaining under the Senator's control.

Ms. MIKULSKI. That is it?

The PRESIDING OFFICER. That is it. Now it is 5 minutes 10 seconds.

Ms. MIKULSKI. I yield 3 minutes to the Senator from the State of Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, I rise today in opposition to the Nickles amendment. This amendment discriminates against women in Government by severely limiting their access to abortion services through the Federal Employees Health Benefits Program.

The Senate just went on record saying that women who are Federal employees have a right to use their medical services in their own way. We should not change that decision now by going back on our word and saying only in very limited cases. I think it is extremely important that we understand this amendment significantly, and I go back to my friend, who I talked about earlier today, who I knew in college some years ago who was date raped and because abortion was illegal in this country was forced to go to a back-alley abortion and because of that procedure, today cannot have children.

Under the Nickles language, I have to ask, what would happen to my friend? Would she have to prove that she was raped? Would she have to go through a court process? I think we walk a very slippery slope in this determination, and I urge my colleagues to oppose this amendment.

I have listened carefully to their arguments today, and I have heard some say that we are using taxpayer dollars, taxpayer dollars which are essentially paid to our Federal employees, and we are saying because it is our money, we are going to tell them how their pay is going to have to be used.

I suggest to my colleagues that is a very slippery slope to go down. If we begin by saying, because it is our taxpayer dollars we pay you with, you cannot have abortion services, can we then use our prerogative here to determine how else they can use their pay, our taxpayer dollars? Can we tell them they cannot use their pay to buy tobacco products or they have to buy American cars?

Are we going to go through our Federal employees' budgets, home budgets line by line to determine how their money is used simply because taxpayers' dollars pay Federal employees?

I say to my colleagues this is a very slippery slope, and I urge us to proceed cautiously. I urge us to vote no on the Nickles amendment and retain the language this Senate very thoughtfully voted on just a few moments ago.

I yield back the time to my colleague from Maryland.

Ms. MIKULSKI. Mr. President, I know Senator FEINSTEIN wishes to speak. I yield myself 1 minute.

I wish to make very clear that this legislation is, No. 1, a restriction. No matter how it is improved, it is still a restriction.

Also, many people continue to bring out the issue of taxpayers' funds. Federal employees contribute to the health insurance plan. This is their contribution. They have a right as Federal employees to be able to seek medically necessary services. This is not like Medicaid funding on abortion which is 100 percent taxpayers' funds. I am sure we are going to be debating it extensively later on in the year.

I also want to bring to everyone's attention that right now no Federal plan restricts any type of medical procedure. The Federal Employees Benefit Program generally does not dictate what benefits are offered. Therefore, it goes counter to everything to then single out one medical procedure—abortion—for restriction.

We hope that the Nickles amendment is defeated.

Excuse me. Was the Presiding Officer tapping me down?

The PRESIDING OFFICER. The Senator's 1 minute has expired.

Ms. MIKULSKI. I know we are waiting for Senator FEINSTEIN. Did Senator MURRAY have any other remarks that she wished to amplify?

I say to the Senator from Oklahoma, I note that the other Senator from Oklahoma wished to speak. I will reserve what time I have remaining.

The PRESIDING OFFICER. A reminder, the Senator from Maryland has 30 seconds remaining under her control.

The Senator from Oklahoma.

Mr. NICKLES. Mr. President, before I yield to my friend and colleague from Oklahoma, I will just tell my colleagues it is my intention to yield back the remainder of our time very shortly so there should be a rollcall vote probably in the next 10 minutes.

I yield to the Senator from Oklahoma such time as he desires.

Mr. INHOFE. I thank the senior Senator from Oklahoma for yielding the time. I thank him for all of his efforts in behalf of the unborn.

I think the senior Senator from Oklahoma is correct when he says that there are not any votes that are going to be changed by this discussion we are having today. We know when we walk in here how we were going to vote on this. We have debated this. There is not a person in this Chamber who has not debated and has not voted on this issue more than once. And so the benefit of this discussion we are having today is not for each other, not to change votes. It is for whoever might be watching, for maybe those rainy regions of America where people are stuck inside and a couple million people may be watching this. So I think that it is worth at least responding to a couple of things that have been said.

The Senator from Pennsylvania is a very eloquent attorney. He made some comments about Henry Foster. He said that his only wrongdoing and the thing that caused him not to be confirmed was his position on abortion.

That is not the case at all. It was his positions—plural—on abortion where he started out saying he had not performed abortions. Then it was 12, then 30, then 300. That has nothing to do with the subject today, but I thought I would just mention it.

The Senator from Illinois talked several times about the fact that this is a private matter; that Government should not be involved in the issue of abortion. I suggest to the Senator from Illinois that Government was not involved in this until abortion became a reality with Roe versus Wade. We seem to forget in this body that there are three branches of Government. It is not just the legislative branch. And the judicial branch of Government did all of a sudden make this an issue, so Government is the reason that we have an issue.

While I was serving in the other body, I kept track one time. Over an 8-year period, five out of six votes having to do with abortion had to do with the Federal funding of abortion. That is the Federal Government being involved in our lives.

Then the Senator from California, the junior Senator from California, made the comment that any decision having to do with abortion should be in consultation and concern with—those were her words, I believe—her husband, consultation and concern with her own body, consultation and concern with the doctor, consultation and concern with the rabbi. I suggest she is overlooking one very important part, and that is the most helpless of all, that little human being. That little human being cannot take care of himself or herself. I suggest the husband can; I suggest that the doctor can; certainly the junior Senator from California can; and certainly the rabbi can. But the one person not represented on that list is the little human being, the tiny baby. If somebody wants to explore that a little bit further and determine in his mind or her mind whether or not that is a little baby, I suggest you walk up to the President there and he will hand you a Bible and you might look for and read the 139th Psalm.

I yield back the time.

The PRESIDING OFFICER. Who yields time?

Ms. MIKULSKI. I yield whatever time I have remaining to the Senator from California.

The PRESIDING OFFICER. The Senator from California has 30 seconds.

Mrs. FEINSTEIN. I have a hard time, Mr. President, saying my name now in 30 seconds, but I will try.

I basically believe that this is a bad amendment, and the reason I believe it is a bad amendment is because it makes women in the Federal work force second-class citizens. The amount of taxpayer money in this is minimal, maybe $1 per $1,000. The fact is that most private health care plans afford a woman this opportunity.

The arguments on abortion on demand, I think, are ridiculous. That is not real life, that is not the way women are. So I believe the amendment that passed earlier this morning is the amendment that we should abide by. And in that respect, I am very hopeful there will be a very strong vote.

I thank the Chair.

The PRESIDING OFFICER. All time under the control of the Senator from Maryland has now expired.

The Senator from Oklahoma controls the remaining time of the debate.

Mr. NICKLES. Mr. President, I yield the Senator from Indiana such time as he desires.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. Mr. President, I think everybody in the Chamber knows just exactly what we are doing here. Earlier we debated at length and voted on the issue of whether or not the taxpayer should fund abortions provided to Federal employees. The debate switched to an issue that included a definition of what exceptions would be allowed to that prohibition.

I stated then, and a number of others have stated, what we believe to be a clear consensus among the American people relative to the issue of funding for abortion, use of taxpayers' dollars. We are not debating here today—although it is part of the debate and I believe it should be the central focus of debate in the Senate—the question of human life, when it begins, what protections it deserves under our Constitution, what protections it deserves in terms of the statutes that we may pass. That is probably the most fundamental issue this Senate could ever debate. And I hope we will have an opportunity to debate those central issues.

That, however, is not the issue today. The issue today is whether or not we will force taxpayers to send their money to the Government to be used to provide a medical procedure which violates—for many, not all—but for many some of their most deeply held religious beliefs, some of their most deeply held moral convictions. This Senator, and others, have stated they did not believe that is proper.

Polls that have been repeatedly taken throughout this country have indicated that a very substantial majority of Americans do not believe it is proper to utilize tax dollars for Government provision of abortions for women. That is the central issue here today.

Now, in the earlier debate, we debated whether or not there should be exceptions to that rule. And the exception provided for in the earlier debate was simply the life of the mother. The Senator from Oklahoma had concluded, in discussion with a number of us, had concluded some time before, up to 48 hours before, that the exceptions that he would provide in his amendment or against the amendment in his language were not only abortion provision in the exception of the life of the mother but also in the cases of rape and incest. Because of a procedural problem, he was not able to do that. That issue was presented to Members of the Senate and raised because many came down and spoke on this floor saying they could not support a provision which did not allow exceptions for rape and incest. The Senator from Oklahoma said, "I tried to do that. I was not able to do that for procedural reasons."

So we moved to a vote. The vote failed—the Senator's position failed, which I supported. I was disappointed that it failed. But, nevertheless, it failed. The Senator from Oklahoma now comes back with the identical underlying premise, that is, taxpayers should not fund abortions, the Government ought to get out of the abortion business, but provides exceptions in cases where the life of the mother or in cases of rape and incest occur. A number of Senators spoke publicly on this floor saying that the reason they opposed the earlier amendment that did not include rape and incest is because it did not include rape and incest. They could not vote for a provision that allowed only for the exception of the life of the mother.

By statement or strong implication, they left the conclusion or the belief, at least in my understanding, that if an amendment were presented that did allow exceptions for rape and incest, they would vote for it. They will have the opportunity to do that. A number of others with whom I talked privately expressed that same sentiment to me. "I cannot vote for something that does not allow an additional exception for the life of the mother and rape and incest." That is what is before us. Let us keep the focus on what this issue is. Let us keep a focus on what this vote is. If, as many have said, you do support an amendment that allows life of the mother, rape and incest, then support the amendment offered by the Senator from Oklahoma.

That is the issue that is before us. And I hope Members understand that and the vote will clearly state where individuals stand on that issue.

Mr. President, I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. For the information of my colleagues, I misspoke earlier. It was my intention to yield back time. I understand the unanimous-consent agreement says that the vote will be at 2:30. I would be happy to yield back the time. It would require unanimous consent to do that. And I have been informed that the minority does not want us to yield back the time. So, I will not make that effort at this point.

But let me touch a little bit on this amendment.

First, I wish to compliment my colleagues, Senator INHOFE for his statement and also Senator COATS for his statement.

I ask unanimous consent that Senators INHOFE and KEMPTHORNE be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, a couple of our colleagues——

I ask unanimous consent that Senator THURMOND and Senator THOMAS be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Also Senator CRAIG and Senator COATS be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, I heard a couple of things that kind of intrigued me during the course of this debate. Now, I think everybody knows how they are going to vote. I wish we could vote in just a couple minutes. Evidently that is not going to happen. The language that we now have is Hyde language. We have had restrictions on public funding of abortion going back to the 1970's. Actually going back to Roe versus Wade, there have been some restrictions on public funds used to pay for abortions because it bothers a lot of people. Abortion bothers them for what it is. It is destroying the life of an unborn child. And to think that the Government would be paying for it bothers a lot of people. It is kind of a double hit. One is abortion is bad, it is wrong, it is terrible, it is destroying the life of an innocent child. And then, two, to have the Federal Government pay for it or subsidize paying for it really bothers a lot of people. It bothers this Senator. And evidently it has bothered the country, because Congress has had restrictions on abortion funding in different elements, either for Federal employees or for Medicaid recipients, for a long time, and some restrictions on how funds are spent overseas in military hospitals. We have had all kinds of different restrictions because it bothers people to have taxpayers' funds used to destroy innocent human lives.

So that is what we are trying to do now, is to save human lives. We are trying to make sure that taxpayer funds are not used to subsidize abortion for Federal employees. The Federal Government subsidizes health care, rather generously, 72 percent. We do have a right to control funds. We do have a right to say how the money is spent. We do it every year. We have done it every year. That is the reason why most of us, probably, voted on this in Congress. The majority of Congress has supported the Hyde language for the last many, many years.

Some people said, well, that is unconstitutional. It is taking away a woman's constitutional right to choose. I disagree. There is nothing in the Constitution that says, "Taxpayers, you must pay for abortions," nothing. As a matter of fact, there is a Supreme Court case that says "Abortion is inherently different from other medical procedures, because no other procedure involves the purposeful termination of a potential life." That is Harris versus McRae on June 30, 1980. The Supreme Court says, as we know, we have the power of the purse. We can withhold funds. And abortion is a different type of medical procedure. A lot of our colleagues seem to think it is a fringe benefit and it should be available just like any other medical procedure.

Most of us disagree, or a lot of us disagree. That is the reason why we are here. I wish we were not debating this all morning. I would have been happy to have 30 minutes on the initial amendment. I really did not want the initial amendment. I wanted to vote on this. I was denied that opportunity. We had a vote on it 2 years ago. We lost by a couple votes. This vote is going to be close.

I do not know if some additional colleagues have left or not. But I will tell all my colleagues, this is very important.

One of our colleagues during the debate said in 1980, before we had the Hyde restriction on Federal employees, that OMB calculated—or maybe it was not OMB, but some Federal agency—had calculated that there were 17,000 abortions paid for under the Federal employees plan.

It was illegal to do that from 1984 to 1993. We had similar restrictions to the one we voted on before. The restriction we have now is more broad.

Let me rephrase that. The restriction that we had from 1984 to 1993 only allowed abortion to save the life of the mother. The language we have now allows abortion or moneys to be used for abortion to save the life of the mother or in cases of rape and incest. The Senator from North Dakota made an excellent statement. He talked about his wife. He made it very passionately. You can tell he believed in what he is saying. I do not disagree. It is hard to argue with the statement that he made.

Mr. KERREY. Will the Senator yield?

Mr. NICKLES. Withhold for a moment and I will be happy to yield.

If we do not have some restrictions, then you can have Federal Government taxpayers' funding of abortion for any reason—any reason. You would have abortion on demand paid for by the Federal employees health care plan, and it can be for sex selection. If you find out the fetus is a different sex than you desire, you can have it aborted, and it will be paid for by your health care plan, or you can have a late-term abortion and have that terminated. Or maybe you find out that your fetus has a health problem of some kind, you can have the baby destroyed. Any reason, no restriction, no restriction whatsoever, and all you have to do is say, "Here's my health card."

Some people in the private sector have that option. Lots of people in the private sector do not have that option. We should not use taxpayer funds to make that so readily available.

I heard some people say they want abortion to be safe, they want it legal and want it to be rare. If you make this a common fringe benefit in health care plans, three-fourths paid by the Federal Government, it does not cost very much, it is pretty easy and oh, yes, it is paid for by the Government, it must be OK, it has the sanction of the Government.

This is a fringe benefit provided for by the Federal Government, so your out-of-pocket costs are going to be what? If an abortion costs $200 or $300 and you had to pay 20 percent or 10 percent, maybe it cost $20, $30, or $40. The majority of abortions that are done in the District of Columbia are repeat abortions, and the majority of those are done because of convenience. As a matter of fact, one of the statements made earlier in the debate by Senator SMITH said 90-some odd percent. I believe the figure is 98 percent of the abortions performed are done because it is inconvenient, not because of rape, not because of incest, not because the mother's life is in danger, but because it is inconvenient. Maybe the pregnancy was not planned. I will admit, I was not a planned pregnancy, but I am thankful my mother decided to go ahead to term. She debates it right now.

Mr. President, we are here because our mothers made decisions to bring us to term. I hate to think that we are going to make a fringe benefit so available, so commonplace, so ordinary and minimize the cost for anyone to have abortions so routine—"Oh, yes it is covered by health care insurance, let's just go do it." Oh, incidentally, your health care insurance is paid 72 percent by Uncle Sam. That is Uncle Sam encouraging the policy.

For a couple of our colleagues who stated we want to get the Government out, we do not want the Government in our bedroom—and we do not want the Government in our wallets, we are trying to say Government taxpayers should not subsidize abortion. If they still want to have an abortion, they can get it and pay for it with their own money, but we should not have Uncle Sam saying, "We will pay it for you."

That is the whole issue of what we are talking about, should we have Federal subsidies; do we want the Federal Government to subsidize. On Medicaid, we said no. On Medicaid, we have the Hyde language. We do not provide abortions for Medicaid-eligible people unless it is necessary to save their life or in cases of rape or incest. That is what this language is. We are saying the same thing should apply for Federal employees. I will be happy to yield to my colleague.

Mr. KERREY. Let me say, first of all, I know my friend from Oklahoma has very strong feelings about this, and we have a different, I think, core belief. I presume earlier discussions that I had with the Senator from New Hampshire is not going to be repeated in this case. We have a different core belief, and it leads in a different direction.

But the question I have is, let us presume that we go into conference and we come back out and the House language holds and health insurance is not going to be used to pay for abortions, except to save the life of the mother. I have a woman who is making $45,000 a year working for the Federal Government. She decides to take that $250 of her pay to get an abortion. What is the difference between her taking $250 of taxpayer money and using it to get an abortion and an insurance company? Are we not still subsidizing? If a military employee who is not covered by this legislation, this insurance, uses their salary, are they not subsidized as well?

If you really want to eliminate all the subsidization, would we not have to go out and make sure that no Federal employee used any of their Federal salary to pay for a legal abortion?

Mr. NICKLES. Mr. President, responding to my friend and colleague from Nebraska, the answer is no. We do not have anything in this language saying we are going to control how anybody spends their disposable income. What we do say is on health care plans that we subsidize—health care plans the Federal Government writes, health care plans the Federal Government pays 72 percent of the cost of—we do not think abortion should be a fringe benefit. Abortion is entirely different than other medical procedures. It destroys a human life. We are saying that should not be a fringe benefit. What somebody does with their own money is entirely their own business. We are not trying to change that. What we are trying to say is, as far as Federal policy is concerned, we should not be subsidizing abortion, we should not have that included as a fringe benefit.

I reserve the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NICKLES. Mr. President, within a moment, we will be voting on the amendment I offered that basically is the Hyde language. It says that no funds will be used for abortion unless necessary to save the life of a mother, or in the case of rape or incest.

If this amendment prevails, the Senator from Maryland, Ms. MIKULSKI, will offer an amendment with time not to exceed 30 minutes. Hopefully, maybe we can reduce that time, as well. I know some of our colleagues wanted to know the schedule. This vote will begin at 2:30, and if this amendment wins—and I hope it will; I hope our colleagues will support it—we will be voting on the amendment of the Senator from Maryland within 30 minutes.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. NICKLES. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Hampshire [Mr. GREGG], the Senator from Indiana [Mr. LUGAR], the Senator from Alaska [Mr. MURKOWSKI] and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 44, as follows:

[Rollcall Vote No. 370 Leg.]

YEAS—50

Abraham
Ashcroft
Bennett
Biden
Bond
Breaux
Brown
Burns
Coats
Cochran
Conrad
Coverdell
Craig
D'Amato
DeWine
Dole
Dorgan
Exon
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Johnston
Kempthorne
Kyl
Lott
Mack
McCain
McConnell
Nickles
Nunn
Pressler
Reid
Roth
Santorum
Shelby
Smith
Thomas
Thompson
Thurmond
Warner

NAYS—44

Akaka
Baucus
Bingaman
Boxer
Bradley
Bryan
Byrd
Campbell
Chafee
Cohen
Daschle
Dodd
Domenici
Feingold
Feinstein
Glenn
Graham
Harkin
Hollings
Inouye
Jeffords
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Packwood
Pell
Robb
Rockefeller
Sarbanes
Simon
Simpson
Snowe
Specter
Wellstone

NOT VOTING—6

Bumpers
Gregg
Lugar
Murkowski
Pryor
Stevens

So the amendment (No. 2153) was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I have an amendment that has been agreed to, and I ask unanimous consent that Senator MIKULSKI now be recognized to offer an amendment to the committee amendment, as amended, regarding "medically necessary" and that there be 30 minutes of debate equally divided in the usual form and that following the conclusion or yielding back of the time, the Senate proceed to vote on or in relation to the Mikulski amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Several Senators addressed the Chair.

AMENDMENT NO. 2227 TO THE COMMITTEE AMENDMENT ON PAGE 2, LINE 14, AS AMENDED

Ms. MIKULSKI. Mr. President, I send an amendment to the desk and ask for its consideration, and while the clerk is reporting the amendment, I would like the courtesy of the Senate to be in order.

Mr. President, the Senate is not in order, and I would really ask as a courtesy to me that all Senators take their seats.

The PRESIDING OFFICER. The Senate will be in order. The Senate will be in order. Take all conversations to the Cloakrooms, please.

Mr. NICKLES. Mr. President, the Senate is still not in order.

The PRESIDING OFFICER. The Senate will be in order so we can proceed, please.

The clerk will report.

The legislative clerk read as follows:

The Senator from Maryland (Ms. MIKULSKI) proposes an amendment numbered 1227.

At the end of the amendment add the following:

Notwithstanding the provisions of the preceding two sections, no funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

The provision of section shall not apply where the life of the mother would be endangered if the fetus were carried to term, or that the pregnancy is the result of an act of rape or incest, or where the abortion is determined to be medically necessary.

Ms. MIKULSKI. Mr. President, the amendment that I am offering will guarantee that there will be coverage for women. This is a serious issue, and I do not want to raise it and I do not want to shout. I understand the desire to come to a closure.

Mr. President, the amendment I am offering will guarantee that there will be coverage for women under the Federal employees health benefit plan for abortion services that are medically necessary.

What is "medically necessary"? When a doctor decides using his or her trained professional judgment, in consultation with the patient, what will best protect the woman's health, this judgment is made based on the totality of the circumstances presented by the patient's situation.

We, the Senate, are not doctors. It is not our role to substitute our judgment for the judgment of trained medical professionals. With one exception, we do not have medical degrees. We do not have medical training. The Senate cannot write prescriptions. The Senate cannot elaborate on lab results. The Senate cannot conduct physical exams. The Senate cannot perform surgery. This body should allow doctors to do what they are trained to do. We should not second guess these judgments.

There are medical conditions which, when presented, increase risk to a woman's health during pregnancy. Cancer, diabetes, high blood pressure, kidney disease, cardiovascular disease, AIDS—these and other conditions are known to increase a woman's health risk. If she carries her pregnancy to term and her doctor concludes that an abortion is medically necessary to protect her health, should we, the Senate, make these judgments? Should we then substitute our judgment for that of a physician? Abortion is a complex, personal decision. It must be made by a woman in consultation with her physician.

This amendment will ensure that Congress does not intrude into that personal decision of what the woman and her physician believe to be medically necessary for her.

Reproductive health care, including abortion, is essential for women's health and well-being. Providing access to safe, legal abortions protects women's health.

The American Medical Association concluded that as access to safe, early, legal abortions becomes increasingly restricted, there is a likelihood there will be a small but measurable increase in mortality and morbidity among women in the United States.

That is what the AMA said. They are the doctors. That is what the doctors say. They say to deny access to abortion will harm the health of American women.

With the last vote the Senate already carved out exceptions to an absolute prohibition on abortion. We should, therefore, allow one more exemption, and that is where it is medically necessary.

That is what I am proposing. Congress should not substitute its political judgment for the judgment of health professionals.

Just keep this in mind. Unless the Mikulski amendment passes, if a woman is told by her doctor that she will be paralyzed for life if she carries the fetus to term, she will be unable to obtain an abortion.

Mr. President, I yield 3 minutes to the Senator from Pennsylvania.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I submit that the pending amendment is one which is very reasonable. Even those who stand very determined against a constitutional right of a woman to choose should have little trouble in accepting medical necessity as determined by the attending physician.

In earlier speeches today, I outlined my own view that what is happening in Congress today is an assault on the constitutional right of a woman to choose, and that we have had a veritable meltdown of women's rights as there have been limitations on abortions in military hospitals overseas, limitations on research, limitations on accreditation of medical schools where doctors in training should be given instruction on ob-gyn, and abortion. But in the example given by the distinguished Senator from Maryland, a woman who is about to be paralyzed certainly is in an extreme situation.

The Constitution of the United States has been interpreted by the Supreme Court, which is the final arbiter on the constitutional right of a woman to choose, and in a series of increments there has been a virtual meltdown of that right.

If this amendment is rejected, it will be also attacking the basic doctor-patient relationship and the determination of the doctor as to what ought to be done.

If there is no insurance coverage for a woman's health, what is the purpose of insurance coverage? And when Federal employees have this coverage, it is something that is bargained for.

It escapes me as to why anyone would think that it is really a subsidy when you have part of payment made by the individual employee and where you have the totality of the benefit as part of the bargained-for consideration for employment.

I think this is a minimal amendment and ought to be adopted.

The PRESIDING OFFICER. Who yields time?

Ms. MIKULSKI. Mr. President, I should really ask my colleagues, for any person who has a sense of honor and decency, please support this amendment. Let us leave the decision to the doctors and not to the Senate.

Mr. President, I do not expect any more speakers. I look forward to hearing the comments of the Senator from Oklahoma, and perhaps after he has concluded we might be able to yield back our time.

The PRESIDING OFFICER. Who yields time?

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I appreciate the cooperation of my friend and colleague from Maryland and I just inform my colleagues that it is my intention to yield back some time very quickly. So hopefully we will be voting in the next 5 minutes or so.

I might ask my friend and colleague from Maryland what "medically necessary" means. I will just ask the question. If a woman wanted to have an abortion and the doctor wanted to perform the abortion, is there any circumstance in which the Senator from Maryland would see that it is not medically necessary?

Ms. MIKULSKI. For a social reason, possibly an economic reason.

What I use, and what I believe the physicians also use, is the dictionary definition of "necessary":

> that which is essential, indispensable, or requisite in order to save the health of the mother.

Mr. NICKLES. Mr. President, I appreciate my colleague's explanation, but let me just give you an example. The National Abortion Rights League defines "medically necessary" as "a term which generally includes the broadest range of situations for which a state will fund abortion."

In testimony against implementation of the Hyde language, Dr. Jane Hodgson said, "In my medical judgment every one that is not wanted by the patient, I feel there is a medical indication to abort a pregnancy where it is not wanted * * * I think they are all medically necessary."

I am afraid that if we adopted the Senator's language, we would have no restriction whatsoever, none whatsoever. Someone could say: You have a headache. Therefore, yes, it is medically necessary.

There would be no restriction. It would greatly undermine the language which we just agreed to, the so-called Hyde language, which does allow abortion in those cases necessary to save the life of the mother or in cases of rape and incest.

I urge my colleagues to vote no on the amendment of the Senator from Maryland.

Mr. President, I am ready to yield the remainder of my time.

Ms. MIKULSKI. Mr. President, I am ready to yield the time as well.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Maryland.

Ms. MIKULSKI. I would just comment that one example I can give that is not medically necessary is where someone would want an abortion for the purpose of sex selection.

So, Mr. President, having said that, I am prepared to again affirm medically necessary and yield back my time.

The PRESIDING OFFICER. The Senator yields back the remainder of her time.

Mr. NICKLES. Mr. President, I yield back the remainder of my time and ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

Mr. LOTT. I announce that the Senator from New Hampshire [Mr. GREGG], the Senator from Idaho [Mr. LUGAR], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The result was announced—yeas 45, nays 49, as follows:

[Rollcall Vote No. 371 Leg.]

YEAS—45

Akaka
Baucus
Bingaman
Boxer
Bradley
Bryan
Byrd
Campbell
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Feingold
Feinstein
Glenn
Graham
Harkin
Hollings
Inouye
Jeffords
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Packwood
Pell
Robb
Rockefeller
Sarbanes
Simon
Simpson
Snowe
Specter
Wellstone

NAYS—49

Abraham
Ashcroft
Bennett
Biden
Bond
Breaux
Brown
Burns
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Exon
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Johnston
Kempthorne
Kyl
Lott
Mack
McCain
McConnell
Nickles
Nunn
Pressler
Reid
Roth
Santorum
Shelby
Smith
Thomas
Thompson
Thurmond
Warner

NOT VOTING—6

Bumpers
Gregg
Lugar
Murkowski
Pryor
Stevens

So the amendment (No. 2227) was rejected.

Mr. DOLE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, if I could have my colleagues' attention. I am informed by the managers they have done an outstanding job. They did not tell me they have done an outstanding job, but I am informed——

[Laughter.]

But they have. They have worked out a number of amendments, and they may be in a position to take any additional amendments to this bill and have a voice vote on final passage. We will have a rollcall vote then on the conference report. There is a standing request that we have a vote on the bill and, if not on the bill, on the conference report.

Also, as we speak, there are negotiations going on with Senator NUNN, Senator WARNER, Senator LEVIN, and Senator COHEN on an issue relating to the DOD authorization bill. We should have some information on that between now and a quarter of 4. If there is some resolution of that matter, plus I guess another one the Democratic leader mentioned, it might be possible to get an agreement on the remainder of the work on the DOD authorization bill.

If we are able to do that—we will not do that today—we will get the agreement today and finish the work on Monday or sometime when we have a little spare time next week during the welfare reform debate.

So if my colleagues can give us a little bit of time, we will be able to make an announcement about whether or not there will be additional votes today.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I have an amendment on behalf of myself, Senator MCCAIN, and others at the desk. I understand it will be accepted by the managers, and I ask that it be in order for me to call up the amendment.

VOTE ON COMMITTEE AMENDMENT ON PAGE 2, BEGINNING ON LINE 14, AS AMENDED

The PRESIDING OFFICER. If the Senator from Wisconsin will suspend. Is there further debate on the first committee amendment, as amended?

If not, the question occurs on agreeing to the first committee amendment, on page 2, beginning on line 14, as amended.

So the committee amendment, as amended, was agreed to.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that the pending committee amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2228

(Purpose: To reduce the number of executive branch political appointees)

Mr. FEINGOLD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD], for himself, Mr. MCCAIN, Mr. SANTORUM, and Mr. GRAMS, proposes an amendment numbered 2228.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 93, below line 13, insert the following:

(c)(1) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality to employ, on or after January 1, 1996, in excess of a total of 2000 employees in the Executive Branch who are (i) employed in a position on the executive schedule under sections 5312 through 5316 of title 5, United States Code, (ii) a limited term appointee, limited emergency appointee, or noncareer appointee in the senior executive service as defined under section 3132(a)(5), (6), and (7) of title 5, United States Code, respectively, or (iii) employed in a position in the executive branch of the Government of a confidential or policy-determining character under Schedule C of subpart C of part 213 of title 5 of the Code of Federal Regulations.

(2) Notwithstanding the provisions of subsection (c)(1) of this section, any actions required by such section shall be consistent with reduction in force procedures established under section 3502 of title 5, United States Code.

Mr. FEINGOLD. Mr. President, I am pleased to join with my good friend, the Senator from Arizona [Mr. MCCAIN], along with the Senator from Pennsylvania [Mr. SANTORUM], and the Senator from Minnesota [Mr. GRAMS], in offering an amendment to reduce the number of political employees who are appointed by the President.

I understand the amendment will be accepted by the manager.

Specifically, the amendment caps the number of political appointees at 2,000, down from an estimated average of 2,800.

CBO estimates that this measure will save $363 million over the next 5 years.

Mr. President, as the cosponsorship of this amendment attests, this is a bipartisan proposal.

It has been endorsed by Citizens Against Government Waste, and it is similar to one of the assumptions the Budget Committee of the other body made in developing their concurrent budget resolution. It is also consistent with the recommendations of the Vice President's National Performance Review, which called for reductions in the number of Federal managers and supervisors, arguing that "over-control and micromanagement" not only "stifle the creativity of line managers and workers, they consume billions per year in salary, benefits, and administrative costs."

Mr. President, that assessment is especially appropriate with respect to political appointees.

Between 1980 and 1992, the number of political appointees grew by more than 17 percent, over three times as fast as the total number of executive branch employees. And since 1960, political appointees have grown by a startling 430 percent.

Mr. President, the exploding number of political appointees was a target of the 1989 National Commission on the Public Service, chaired by former Federal Reserve Board Chairman Paul Volcker.

As the Commission noted, Presidents must have the flexibility to appoint staff that are ideologically compatible. Political appointees can be important sources of fresh ideas, and can bring important experience from the private sector into an administration.

Equally as important, political appointees help ensure that Government responds to the policy priorities mandated by the electorate at the ballot box.

But, as the Volcker Commission found, far from enhancing responsiveness, the growing number of Presidential appointees "actually undermine effective presidential control of the executive branch."

The Commission noted that the large number of Presidential appointees simply cannot be managed effectively by any President or White House.

Altogether, the Volcker Commission argued that this lack of control and political focus "may actually dilute the President's ability to develop and enforce a coherent, coordinated program and to hold cabinet secretaries accountable."

The Commission found that the excessive number of appointees are a barrier to critical expertise, distancing the President and his principal assistants both from the most experienced career officials and the front line workers, often the best positioned to make critical assessments of Government policies.

Mr. President, the problem of distancing that was raised by the Volcker Commission has been chronicled by Paul Light in his book, "Thickening Government."

Light found that the increasing number of political appointees are arrayed in layer upon layer of management, layers that did not exist 30 years ago. He found that in 1960 there were 17 layers of management at the very top of Government, but by 1992, there were 32 layers.

Compounding the problem, Mr. President, Light notes that these 32 layers do not stack neatly one on top of the other in a unified chain of command. Some layers come into play on some issues but not on others.

Light asserts that "* * * As this sediment has thickened over the decades, presidents have grown increasingly distant from the lines of government, and the front lines from them."

He adds that "Presidential leadership, therefore, may reside in stripping government of the barriers to doing its job effectively * * *"

Mr. President, many will recall the difficulties the current administration has had in filling even some of the more visible political appointments.

A story in the National Journal in November 1993, focusing upon the delays in the Clinton administration in filling political positions, noted that in Great Britain, the transition to a new government if finished a week after it begins.

A speedy transition is possible because British Government runs on a handful of political appointees.

According to Paul Light, they have about one-tenth as many career executives and only five layers of management between the Minister and the British equivalent of the Deputy Assistant Secretary, compared to more than 16 layers here.

By contrast, the transition of U.S. administrations over the past 35 years has seen increasing delays and logjams, and perfectly illustrate another reason why the number of positions should be cut back.

The average length of time from inauguration to confirmation of top level executive positions has steadily risen from 2.4 months under President Kennedy, to 5.3 months under President Reagan, to 8.1 months under President Bush, to 8.5 months under President Clinton.

The consequences of having so many critical positions unfilled when an administration changes can be serious.

In the first 2 years of the Clinton administration, there were a number of stories of problems created by delays in making these appointments.

From strained relationships with foreign allies over failures to make ambassadorship appointments to the 2-year vacancy at the top of the National Archives, the record is replete with examples of agencies left drifting while a political appointment was delayed.

Obviously, there are a number of situations were the delays were caused by circumstances beyond control of the administration.

The case involving the position of Surgeon General of the United States is a clear example.

Nonetheless, it is clear that with a reduced number of political appointments to fill, the process of selecting and appointing individuals to key positions in a new administration is likely to be enhanced.

Mr. President, let me also stress that the problem is not simply the initial filling of a political appointment, but keeping someone in that position over time. Between 1970 and 1986, the tenure of a political appointee was 20 months, even shorter for schedule C employees.

And in a report released last year, the General Accounting Office reviewed a portion of these positions for the period of 1981 to 1991, and found high levels of turnover—seven appointees in 10 years for one position—as well as delays, usually of months but sometimes years, in filling vacancies.

Mr. President, as I have noted before on this floor, this legislative proposal may not be popular with many people, both within this Administration and perhaps among member of the other party who hope to win back the White House in the next election.

I want to stress that I do not view efforts to reduce the number of political appointees to be a partisan issue. In making its recommendations, the nonpartisan Volcker Commission included the very proposal embodied in this amendment—capping political appointees at 2,000.

And, as I noted earlier, I am pleased that this amendment has bipartisan sponsorship.

Indeed, I think it adds to the credibility and merits of this proposal that a Democratic Senator is proposing to cut back these appointments at a time when there is a Democratic administration in place.

The amendment requires this President to reduce the number of political appointees, and would obviously apply to any further administration as well.

Mr. President, the sacrifices that deficit reduction efforts require must be spread among all of us. This measure requires us to bite the bullet and impose limitations upon political appointments that both parties may well wish to retain.

The test of commitment to deficit reduction, however, is not simply to propose measure that impact someone else.

Mr. President, as we move forward to implement the NPR recommendations to reduce the number of Government employees, streamline agencies, and make government more responsive, we should also right size the number of political appointees, ensuring a sufficient number to implement the policies of any administration without burdening the Federal budget with unnecessary, possibly counterproductive political jobs.

I thank the Chair, and I yield the floor.

Mr. MCCAIN. Mr. President, I am pleased to join Senators FEINGOLD and GRAMS in supporting this amendment.

The amendment would reduce the number of Presidential appointees from around 2,800 to 2,000.

The number of political appointees has been constantly increasing. Today there are between 2,800 and 3,000. There are approximately 570 to 580 Presidential appointees subject to Senate confirmation, 670 noncareer members of the Senior Executive Service, 100 Presidential appointees not subject to Senate confirmation, and over 1,700 personal and confidential assistants—also known as "schedule Cs."

Fifty years ago, President Roosevelt, ran the country for four terms, dealt with the Great Depression, and orchestrated a war with some 200 political appointees.

According to the Volker Report:

> From 1933 to 1965, during a period of profound expansion in government responsibilities, the number of cabinet and sub-cabinet officers appointed by the President and confirmed by the Senate doubled from 73 to 152. From 965 to the present, span when the total employment and programs were more stable, that number more than tripled to 573.

The Commission continues:

> Typically, the increase in presidential appointments has been justified as a way to prod or control reluctant bureaucrats, and to speed implementation of the President's agenda. Thus the operative question is not whether the current number of appointees is large or small, in absolute terms or in compared to the number of civilian employees. The real question is whether the proliferation has in fact made government more effective and more responsible to presidential leadership. The Commission concludes that the answer is NO.

Mr. President, I think that point is worth repeating. When this issue was studied by a distinguished, bipartisan group of experts, they concluded that the increased number of political appointees had not resulted in more effective and more responsive leadership.

The public believes that our Government is too large and that it is too politicized. This amendment begins to address that situation. It is clearly not the solution. It is only a small step, but an important step.

I also want to point out that this is not an amendment conceived by a Republican Congress to punish or hurt a Democratic Presidency. This amendment has bipartisan support. My friend from Wisconsin who introduced the amendment is from the same party as the President. And I hope to be in the same party of the President in 2 years. This amendment is about creating a better Government. It has nothing to do with politics.

Additionally, Mr. President, according to the Congressional Budget Office, adoption of this amendment would save approximately $363 million over the next 5 years. The savings for fiscal year 1996 alone would be $45 million.

These savings could be used for a much greater good than giving third and fourth tier campaign workers superfluous Federal jobs.

Mr. President, this is a simple amendment. It will save money and result in a more streamlined executive branch. It should be adopted.

Mr. GRAMS. Mr. President, I rise today as a cosponsor of the McCain amendment to the Treasury Postal appropriations bill. This amendment would cap the number of Presidential political appointees, or schedule C's, at 2,000, down from the current average of 2,800.

Overall, the Treasury Postal appropriations bill goes a long way toward fulfilling our promise of deficit reduction to the American people. Senator SHELBY should be commended for weeding out excessive and duplicative layers of bureaucracy from the Treasury Department, Postal Service, Executive Office of the Presidency, and several independent agencies. The result is an appropriations bill that is $42 million below the House appropriation for 1996, $367 million below the level enacted for 1995, and $1.8 billion below Clinton's budget request.

But the McCain amendment would make this bill even better for at least two reasons.

In terms of deficit reduction, CBO estimates that limiting the number of political appointees to 2,000 would save $363 million over the next 5 years. This degree of deficit reduction will contribute to greater economic benefits for all Americans, with lower interest rates stimulating investment, economic growth, and jobs.

In addition to the monetary savings this amendment would generate, capping the number of political appointees in the executive branch would help make Government run more efficiently and productively. In fact, back in 1989, the Commission on Public Service, led by former Federal Reserve Board Chairman Paul Volcker, recommended limiting the number of political appointees to 2,000.

Even more recently, Vice President Gore's National Performance Review recommends a reduction in the number of political appointees, arguing that "overcontrol and micromanagement * * * stifle the creativity of line managers and workers * * * [and] consume billions [of dollars] per year in salary, benefits, and administrative costs." As a bipartisan solution, the McCain amendment fits in with reform strategies advocated at both ends of the political spectrum.

I urge my colleagues to support the McCain amendment. Your vote will be a vote for greater Government efficiency, deficit reduction, and good economic sense.

Mr. SHELBY. Mr. President, we have conferred with the Senator from Wisconsin and the ranking Democrat, Senator KERREY. We accept the amendment.

Mr. MCCAIN. I thank the Senator from Wisconsin for this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

The question is on agreeing to the amendment.

The amendment (No. 2228) was agreed to.

AMENDMENT NO. 2229

(Purpose: To prohibit the use of funds to take certain actions with respect to the exchange stabilization fund)

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO], for himself, Mr. DOLE, Mr. HOLLINGS, Mr. FAIRCLOTH, Mr. GRAMS, Mr. HELMS, Mr. MURKOWSKI, and Mr. DOMENICI, proposes an amendment numbered 2229.

Mr. D'AMATO. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

Sec. . LIMITATION ON USE OF FUNDS FOR THE PROVISION OF CERTAIN FOREIGN ASSISTANCE.

(a) IN GENERAL.—Notwithstanding any other provision of law, none of the funds made available by this Act for the Department of the Treasury shall be available for any activity or for paying the salary of any Government employee where funding an activity or paying a salary to a Government employee would result in a decision, determination, rule, regulation, or policy that would permit the Secretary of the Treasury to make any loan or extension of credit under section 5302 of title 31, United States Code, with respect to a single foreign entity or government of a foreign country (including agencies or other entities of that government)—

(1) unless the President first certifies to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives that—

(A) there is no projected cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990) to the United States from the proposed loan or extension of credit; and

(B) any proposed obligation or expenditure of United States funds to or on behalf of the foreign government is adequately backed by an assured source of repayment to ensure that all United States funds will be repaid; and

(2) other than as provided by an Act of Congress, if that loan or extension of credit would result in expenditures and obligations, including contingent obligations, aggregating more than $1,000,000,000 with respect to that foreign country for more than 180 days during the 12 month period beginning on the date on which the first action is taken.

(b) WAIVER OF LIMITATIONS.—The President may exceed the dollar and time limitations in subsection (a)(2) if he certifies in writing to the Congress that a financial crisis in that foreign country poses a threat to vital United States economic interests or to the stability of the international financial system.

(c) EXPEDITED PROCEDURES FOR A RESOLUTION OF DISAPPROVAL.—A presidential certification pursuant to subsection (b) with respect to exceeding dollar or time limitations in subsection (a)(2) shall be considered as follows:

(1) REFERENCE TO COMMITTEES—All joint resolutions introduced in the Senate to disapprove the certification shall be referred to the Committee on Banking, Housing and Urban Affairs, and in the House of Representatives, to the appropriate committees.

(2) DISCHARGE OF COMMITTEES.—(A) If the committee of either House to which a resolution has been referred has not reported it at the end of 30 days after its introduction, it is in order to move either to discharge the committee from further consideration of the joint resolution or to discharge the committee from further consideration of any other resolution introduced with respect to the same matter, except no motion to discharge shall be in order after the committee has reported a joint resolution with respect to the same matter.

(B) A motion to discharge may be made only by an individual favoring the resolution, and is privileged in the Senate; and debate thereon shall be limited to not more than 1 hour, the time to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees.

(3) FLOOR CONSIDERATION IN THE SENATE.—(A) A motion in the Senate to proceed to the consideration of a resolution shall be privileged.

(B) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 4 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(C) Debate in the Senate on any debatable motion or appeal in connection with a resolution shall be limited to not more than 20 minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(D) A motion in the Senate to further limit debate on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

(4) In the case of a resolution, if prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to the same matter from the other House, then—

(A) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(B) the vote on final passage shall be on the resolution of the other House.

(5) For purposes of this subsection, the term "joint resolution" means only a joint resolution of the 2 Houses of Congress, the matter after the resolving clause of which is as follows: "That the Congress disapproves the action of the President under section (b) of the Treasury and Post Office Appropriations Act for Fiscal Year 1996, notice of which was submitted to the Congress on .", with the first blank space being filled with the appropriate section, and the second blank space being filled with the appropriate date.

(d) APPLICABILITY.—This section—

(1) shall not apply to any action taken as part of the program of assistance to Mexico announced by the President on January 31, 1995; and

(2) shall remain in effect through fiscal year 1996.

Mr. D'AMATO. Mr. President, this amendment deals with the utilization of the Exchange Stabilization Fund. This amendment does not deal with Mexico specifically. It is the result of what we have learned from the Mexican crisis and the manner in which those funds have been used. This amendment attempts to deal with what I believe is Congress' absolute responsibility. That is to say, if we are going to make American taxpayers' funds available, there should be a process which gives to the Congress the ability to be involved in that decision.

Let me give you the four main provisions. First, before using ESF, the President must certify that there was no cost to the U.S. taxpayers and that repayment of the ESF funds is guaranteed.

Second, congressional approval is required before using more than $1 billion of ESF funds for more than 6 months in any 1 year to a single foreign country.

Third, in extreme circumstances, the President may exceed these limits if he certifies that there is a threat to vital U.S. economic interests or the stability of the international financial system.

Fourth, Congress may disapprove of the emergency certification on an expedited basis.

Mr. President, I have conferred with Senator DODD and others, and we are all in agreement with this amendment.

Mr. President, since February, I have repeatedly expressed my concern about the President's decision to circumvent Congress to bail out Mexico. Billions of taxpayer dollars were wasted, put in jeopardy, and may ultimately be lost, because the President used the Exchange Stabilization Fund—the ESF—in an unprecedented action to bail out global speculators.

We must make sure that this never happens again. This amendment is designed to protect the American taxpayers and reassert congressional control and responsibility over the ESF. I am very pleased that Majority Leader DOLE, and Senators HELMS, HOLLINGS, FAIRCLOTH, MURKOWSKI, DOMENICI, and GRAMS, are cosponsors of this amendment.

Mr. President, let me briefly explain my amendment. First, when using ESF funds, the President would be required to certify that there is no cost to the U.S. taxpayers from the proposed transaction and that repayment of the ESF funds is guaranteed. Earlier this year, Congress approved this same certification requirement for ESF funds sent to Mexico.

Second, this amendment would impose a $1 billion 6-month cap on the

Secretary's unrestricted ability to use ESF funds. When the Secretary wants to provide more than $1 billion to a single foreign country for longer than 6 months, Congress will be forced to take action.

Mr. President, I want to make clear that this amendment does not overturn the President's bailout of Mexico. Instead, this amendment restores the proper role of Congress in future economic crises in foreign countries.

We must learn from the Mexican crisis. Although reasonable people may disagree about the wisdom of the President's Mexican bailout, there can be no doubt that the ESF should not be used to provide foreign aid.

Mr. President, the time has come to make sure that Presidents cannot circumvent Congress through the ESF to provide foreign aid. This amendment is the first step. The Constitution expressly provides that Congress must approve appropriations, including foreign aid. It is spelled out in article 1, section 9: "No money shall be drawn from the Treasury, but in consequence of Appropriations made by Law."

The Treasury Department has acknowledged that the ESF can't be used for foreign aid. I quote from a recent opinion to Treasury Secretary Robert Rubin, from the Treasury Department's general counsel: "Although loans and credits are clearly permitted under the ESF, their purpose must be to maintain orderly exchange arrangements and a stable system of exchange rates, and not to serve as foreign aid." This is clear. The ESF can't be used by the administration as a foreign aid piggy bank.

Mr. President, the administration's use of the ESF to bail out Mexico was completely unprecedented and went well beyond any previous use of the ESF. The ESF was established over 60 years ago, and until this bailout, it operated without controversy and in compliance with its original purpose—supporting the dollar and maintaining orderly exchange arrangements. But this small fund, which was rarely mentioned and relatively unknown, quietly grew into a $40 billion slush fund that is beyond congressional control.

Mr. President, in the Mexican bailout, the administration ignored all precedent and recognized use of the ESF. Prior to the Mexican bailout, the largest loan to a foreign country from the ESF was $1 billion to Mexico in 1982—and that loan was for just 10 days. Another loan to Mexico in 1982, for 6 months, was the longest loan in the history of the ESF.

But this year, the administration committed $20 billion of American taxpayer dollars to Mexico for loans and securities guarantees extending up to 10 years. And the administration took this unprecedented action without a single vote of Congress. I want to emphasize again: $20 billion to a foreign country for 10 years without a single vote of Congress. That was not the purpose of the ESF—that was foreign aid, pure and simple.

Mr. President, my amendment would reassert Congress' rights and responsibilities over the ESF. And this amendment would restore the ESF to its original purpose—short-term stabilization of the dollar. American taxpayers' money in the ESF should not, and must not, be used as foreign aid.

I would also like to address the apparent lack of cooperation by the administration with the House leadership. I refer my colleagues to the abundant correspondence between Speaker GINGRICH and the White House that details the problems with, and the potential violations of, the Mexican Debt Disclosure Act. This correspondence is available from my office. The recent vote in the House on Congressman SANDERS' ESF amendment clearly illustrates the frustration and outrage felt by Congress and the American people toward the Mexican bailout and the President's use of the ESF.

Mr. President, I fully recognize that the ESF is an important tool in these times of rapidly changing and turbulent financial markets. This amendment would not limit, in any way, the Secretary's ability to use the ESF to stabilize the dollar. The ESF was designed to protect the dollar, not the Mexican peso or any other foreign currency. This amendment will simply reassert Congress' control over the ESF while restraining the Secretary's unchecked ability to spend taxpayer dollars.

We must not allow ESF to be used to circumvent Congress' constitutional authority to appropriate funds and provide foreign aid. Congress is the peoples' voice and the administration must not turn its back on the people ever again.

Mr. SHELBY. Mr. President, Senator KERREY and I have reviewed the amendment and statement by Senator D'AMATO. We will agree to the amendment.

Mr. DODD. Mr. President, I rise to express my support for the proposal that our colleague from New York has fashioned. I think this provision strikes a good balance between the prerogative of the Congress and the responsibilities of the executive branch.

I believe a little background on the issue we are dealing with might be useful for our colleagues. This amendment relates to the Exchange Stabilization Fund which was created by the Congress more than 60 years ago—in 1934. Throughout that 60-year period, it has been used prudently in dealing with currency-related matters.

I know that the recent use of this fund for Mexico has brought it to the attention of our colleagues. Without question the $20 billion assistance effort extended to Mexico is without precedent in the history of the Exchange Stabilization Fund. Prior to that instance, the largest single use of the fund occurred in 1982 when Mexico was confronted with another currency crisis. On that occasion the fund extended a very brief extension of credit totaling $1 billion.

Much has changed in world financial markets since 1982. There has been an explosion of growth of these markets. In 1982, for example, the world equity market totalled $ 2.73 trillion. By 1993 that market had grown more than 500 percent to $14 trillion. This is just one indicator of the magnitude of capital flows that can occur in crisis situations—virtually overwhelming most domestic exchange markets. I believe that these factors should be taken into account in making a judgment about the recent use of the Exchange Stabilization Fund.

The Senator from New York has felt very strongly that the Exchange Stabilization Fund should not be a secret foreign aid spigot. Our colleague from New York is correct about that. This was not its intended purpose. I am not suggesting, or is our colleague from New York, that has been the case.

The President made no secret of his intention to assist Mexico in its effort to address its financial crisis. To the President's credit, he came to the Congress first, and asked us to be involved. For reasons we do not need to go into today, that did not work out. The President recognized that Congress was not going to be able to respond in a timely fashion. Senator DOLE, the majority leader, and the Speaker of the House of Representatives, NEWT GINGRICH, recognized that as well. They joined with the President and endorsed his decision to utilize the authorities of the Exchange Stabilization Fund to assist Mexico.

Senator D'AMATO's amendment will enable the Congress to respond more effectively to any future crises of this nature, if it so decides to involve itself.

For these reasons, I support the amendment of the Senator from New York. I think this is a good proposal.

Mr. DOMENICI. Mr. President, I congratulate Senator D'AMATO on this amendment. I really believe it came as a great surprise to many Senators—perhaps all but him—that this fund was around there and could be used. I think the time has come for us to set some legislative limitations on its use, because it is a very vital fund for its originally intended purposes.

Therefore, as in years past, we will be grateful that it will start to accumulate again. And clearly we will not use it without Congress understanding its use, unless it be in a minor amount of dollars. I think that is good for the future of the strength of our dollar, and that we stabilize other currencies around the country, which has become a vital part of our dollar valuation.

Mr. BENNETT. Mr. President, I want to join in congratulating the chairman of the Banking Committee for the way in which he handled this issue. He was courteous enough to talk with me about it some days—even weeks—ago. We have been negotiating back and forth on this as to what we thought would be the best way to do this. The way he has ultimately decided to do this, I think, demonstrates his willingness to be open to suggestion—his willingness to accept changes that are suggested.

I not only congratulate him on this amendment, I look forward to hearings on this issue before the Banking Committee, because we recognize that this particular amendment will run out after one fiscal year. And we probably need to have hearings to discuss the underlying issue. Is $1 billion the right number for the long term? Should it be 5, 10, 2, or 6? Is 6 months the right number of months? I think for the time limit, set in this amendment, the Senator has made the right choice. I encourage him to look for a long-term solution to this issue and to schedule hearings. I look forward to participating in those.

Mr. DODD. Mr. President, I commend our colleague from Utah, as well. He has been very involved in this from the very beginning and has offered very good, sound advice on how to proceed. I know our colleague from New York agrees with that, as well. Also, I make the point that I happen to believe—and I think most of our colleagues agree here—that the Secretary of the Treasury has done a good job. He had a very difficult problem to grapple with and he handled it very well.

As I pointed out earlier, we were faced with the difficult situation of the Congress being unable to act quickly and with very few other alternatives for responding to the Mexican problem.

I think we have gone through a good process over the spring. Treasury officials, the Chairman of the Federal Reserve Board, Alan Greenspan, and other experts have come up to talk about this. I think all of these discussions have had a beneficial affect on the conduct of this entire process.

We do not want to discourage this administration or future ones from responding decisively to crises like that which confronted us with respect to Mexico. I don't believe this provision does that. Rather, it makes the Congress more a part of that process. Heretofore, We did not have the mechanism for being a part of the process. Now we will during fiscal year 1996.

I thank my colleague for yielding and congratulate him on his efforts.

Mr. D'AMATO. I thank Senator DODD. I thank my colleagues from Utah and New Mexico for their kind words, also. I do believe that Congress, by not becoming part of the process, shares the responsibility and onus in not doing so. Congressional involvement is part of our oversight, and it should be. Hopefully, this legislation will lead to a permanent manner in which to bring us into the process, and if we choose not to, so be it. But I think we should be part of that process.

I thank all of my colleagues for the suggestion and their help in bringing us to this point.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2229) was agreed to.

Mr. DODD. I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2230

(Purpose: To provide funding for the Advisory Commission on Intergovernmental Relations, and for other purposes)

Mr. KEMPTHORNE. I want to thank the managers of this bill for the hard work they have undertaken. I want to acknowledge that this Congress, Members of this Senate, and Members of the House of Representatives this year established something that is quite remarkable. This Congress will be known for establishing the mechanism to stop unfunded Federal mandates, something talked about for years. It has been accomplished. It was accomplished with the passage of Senate bill 1 which received 90 percent positive vote in the Senate and 90 percent positive vote in the House of Representatives.

Most of the legislation is prospective, dealing with future mandates. That does not mean that our job is finished. What about the existing mandates that have been burdening local and State governments for years?

A key provision in the Senate bill was title 3 which said we are going to take a look at all of the existing mandates and determine which of those may be duplicating the cost, which of those are obsolete, which of those do not make sense and ought to be taken off the books entirely. That report is to be accomplished by April 1 of next year, not a great deal of time to get that accomplished.

We designated in that legislation that the Advisory Commission on Intergovernmental Relations would be charged with that task. They have been working on it ever since Senate bill 1 became law.

What is the result of that? A letter from the Advisory Commission stated on August 3 they are making progress on the mandate study, they have already met the first two deadlines and expect to meet the remainder as well. They have already approved criteria published in the Federal Register July 6 of this year and a report on court rulings involving State and local government which was officially transmitted to the President and the Congress, and a copy of which is attached.

I raise this, Mr. President, because the House of Representatives in their companion legislation to this took an unusual action, in my estimation. The House determined that while we have already launched this effort, while we have already asked a Commission comprised of Members of the U.S. Senate, Members of the U.S. House of Representatives, Governors, mayors, members of State legislatures, county officials, the executive branch and private citizens, they now say, "Stop, we do not think this group ought to do this task."

They say, "We would like to provide funds of $334,000 to the Office of Management and Budget to carry out this task." I do not understand that, Mr. President. I do not understand the wisdom of saying that this group, which is the exact group that helped us pass the efforts to stop unfunded mandates, should not be the one tasked with coming up with the review of existing mandates, but instead we would like to have the Office of Management and Budget take on this task.

Now, we discussed this again in Senate bill 1. The House set up a different commission now. Again, we have looked at the same type of commission when we discussed in Senate bill 1. An amendment was offered by the Senator from North Dakota, Senator DORGAN, which said that this is the group that ought to do the job, and in a vote of 88–0 this Senate said that is correct, this is the group.

Yet now we have the committee that has come forward with their legislation, and they say we concur with the House. We believe that the funds that were dedicated to this group for that cause ought to be given to the Office of Management and Budget. Again, I totally disagree with that.

This amendment, Mr. President, says that this group, the Advisory Commission on Intergovernmental Relations, will be allowed to finish the job, and it provides the funds up through April 1 to complete that task. At that point, no further funds would be made available to this group.

The idea of telling the very people that are impacted most by unfunded mandates that for some reason we do not want the report from them, we would rather have it from the Federal Government that has been imposing unfunded mandates for years, does not make sense to me.

That is the essence of the amendment, Mr. President. I yield the floor.

Mr. GLENN. Mr. President, I rise in strong support of the Kempthorne-Dorgan amendment. If we do not pass this, I think we could be looked at as once again doing something half-baked and ill-considered in the Congress that just leaves people sick when they look at it.

What we are doing is giving a job and at the same time we are cutting off the money to do the job, if we do not pass this amendment. It just makes us look silly. I compliment my friend from Idaho for picking this up and doing something about it.

As he said, earlier this year we enacted the Unfunded Mandates Reform Act. This is historic legislation. We desired to bring balance to our system of Federalism. It was a bipartisan effort. As we all know, we worked many long hours here on the floor of the Senate for almost 2 weeks full time, morning to night, and we ultimately passed the Senate by a vote of 91 to 9. Huge support, both sides of the aisle.

It deals primarily with future mandates on both the public and private sectors. It sets up a process of consideration and analysis whereby we would have a better understanding of the cost and impact of Federal mandates in both the legislative and regulatory process.

S. 1 requires cost estimates to be made. Cost estimates of legislation by the Congressional Budget Office, and cost benefit analysis of regulations by the agencies.

Now, title 3 of S. 1 sets up a series of studies on the impact of existing—big difference—existing regulatory and legislative mandates on State and local governments, and to make recommendations on how to reduce the burdening and improve the flexibility of these mandates.

Title 3 tasks this responsibility, as the Senator from Idaho said, to the Advisory Commission on Intergovernmental Relations. We authorized $500,000 each year for fiscal year 1995 and 1996 for them to carry out their responsibilities under the act. We expect to get back far more than that $500,000 for each year in the increased efficiencies that we will have result from the studies they will do.

Unfortunately, the question is zeroed out of the ACIR, provided no appropriation to complete the studies required under S. 1. We gave them a job and cut their budget to do it, which is just a bit idiotic. Once again, the left hand does not know what the right hand is doing. It just makes us look foolish because it is foolish. What the Senator from Idaho is doing is correcting that situation.

I understand about half of ACIR's budget comes from Federal appropriations. The rest comes from State and local governments and from the sale of publications and services.

I also realize by fiscal year 1997, ACIR is hoping to become fully self-sustained, no longer reliant on Federal funds. That is good. I am glad they are moving in that direction.

ACIR tells us they do need $334,000 in order to complete the studies that we in Congress required of them to carry out S. 1. If we do not provide these funds, what we are doing is saying we have set up here another unfunded mandate with the group that was supposed to be looking into unfunded mandates. We will not even have the people out there to do that. Ultimately, they will not be able to do the studies and make the needed recommendations.

I believe we should live up to the commitments we made when we enacted S. 1. I do not think there is objection to this. I hope we have full support for it and can do it unanimously. I urge my colleagues strongly to support the Kempthorne-Dorgan amendment. I thank my colleague from Idaho.

Mr. KEMPTHORNE. Mr. President, may I acknowledge and thank the Senator from Ohio, Senator GLENN, who is a strong partner in bringing about Senate bill 1. It was a bipartisan effort. The same bipartisanship is alive and well. We should keep it going.

Mr. SHELBY. Mr. President, Senator KERREY and I have conferred with Senator KEMPTHORNE, Senator GLENN, and others, and we are willing to accept the amendment.

Mr. KERREY. Mr. President, our side is willing to accept the amendment as well. The ACIR will have the same happy ending and continue the same work started by Senator GLENN and Senator KEMPTHORNE. I appreciate their hard work and effort.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE] for himself, Mr. GLENN, and Mr. DORGAN, proposes an amendment numbered 2230.

On page 29, line 12, strike out "$55,907,000," and insert in lieu thereof "$55,573,000,".

On page 33, insert between lines 1 and 2 the following:

ADVISORY COMISSION ON INTERGOVERNMENTAL RELATIONS

SALARIES AND EXPENSES

For necessary expenses of the Advisory Commission on Intergovernmental Relations to carry out the provisions of title III of the Unfunded Mandates Reform Act of 1995 (Public Law 104-4), $334,000; *provided*, that upon the completion of the Final Report required by such title, no further Federal funds shall be available for the Advisory Commission on Intergovernmental Relations.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2230) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THOMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

AMENDMENT NO. 2231

(Purpose: To provide that no increase in the rates of pay for Members of Congress shall be made in fiscal year 1996, and for other purposes)

Mr. THOMPSON. Mr. President, I send an amendment to the desk on behalf of myself and Senator DOMENICI, the Senator from New Mexico, and ask for its immediate consideration.

The PRESIDING OFFICER. If there is no objection, the committee amendments are set aside.

It is so ordered, and the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Tennessee [Mr. THOMPSON], for himself, Mr. DOMENICI, Mr. PRESSLER, Mrs. HUTCHISON, Mr. D'AMATO, Mr. ABRAHAM, Mr. DEWINE, Mr. ASHCROFT, Ms. SNOWE, Mr. MCCAIN, and Mr. GRASSLEY proposes an amendment numbered 2231.

At the appropriate place in the bill, insert the following new section:

SEC. . Notwithstanding any other provision of law, no adjustment shall be made under section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) (relating to cost of living adjustments for Members of Congress) during fiscal year 1996.

Mr. THOMPSON. I also ask unanimous consent the following Senators be listed as cosponsors to this amendment. In addition to Senator DOMENICI and myself, Senator PRESSLER, Senator HUTCHISON, Senator D'AMATO, Senator ABRAHAM, Senator DEWINE, Senator ASHCROFT, Senator SNOWE, Senator MCCAIN, and Senator GRASSLEY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMPSON. For several months now this body has debated many fundamental issues facing this country. While we still disagree on many of these issues, there are certain truths that are becoming readily apparent. One is that we must get our fiscal house in order in this country if we are to avoid national bankruptcy and preserve the country that we have known.

It is true, it has been said often—and it cannot be said too often—that our national debt and interest on that debt are strangling us. We cannot sustain deficits endlessly in the future at the rate we have. It will have its effects on savings, a detrimental effect on interest rates, and ultimately the long-term growth of this country. We will be leaving a legacy of higher interest rates and a lower standard of living to future generations.

We are coming to agree on this basic general principle during these debates, and I think we are in the beginning stages, finally, of facing up to these problems. We have now passed a balanced budget resolution—which will lead us to a balanced budget in the year 2002—for the first time in decades in this country. The President has now acknowledged the seriousness of this problem. We have a great opportunity, I think, to work together to solve this problem. Although we may differ on the means by which we solve it, I think we can certainly agree on the end that we must all work toward.

I think we are also becoming more honest with the American people. I think it is clearer every day. People are beginning to realize if we are to solve this problem, we cannot have everything exactly as we have had it in years past. Sooner or later, we are going to all have to make some sacrifices for the sake of our country.

We have seen this in nondiscretionary spending items, where we have come to realize we cannot continue to have growth in some of these programs at multiples of 10 percent a year. We have begun to address the question of cost-of-living increases. Some of our citizens have now had delays in those. Others, such as Federal workers, will be having to face up to this.

Many of us who are concerned about our national defense and the fact that seemingly every time we have a major engagement in this country we become complacent, we do not keep our appropriations up. And we are faced with that situation, perhaps, again.

But the point is that all of us are suddenly realizing everybody is going to have to pitch in. Nobody is going to get all of what they want. We are going to have to make sacrifices across the board. I feel there are very few Americans who are not willing to help, as long as they feel they are being treated fairly and there is an across-the-board addressing of the problem.

The amendment Senator DOMENICI and I offer today is based upon the simple proposition that while we are asking the American people and leading the American people toward addressing these problems and making these adjustments, we do the same thing with regard to ourselves. We certainly should not be having automatic cost-of-living increases for this body during this particular period of time. Automatic pay increases, where we do not even have to vote on them, stick in the craw of the American people, and it is destructive to what we are ultimately trying to do here in this body.

Some people will say we are not going to save all that much money by freezing the automatic cost-of-living increase for the year 1996, that it is largely symbolic. Our response to that is that symbolism is important. It is somewhat ironic that we are the body that has to lead the American people, the Congress. We have to lead the American people toward these difficult choices, but we are a body not held in high regard by the American people. So we must do what we need to do to put ourselves in a position of leadership. In order for us to be able to deliver a message to the American people and have it be credible, the messenger is going to have to have more credibility.

Mr. President, I think we have begun to demonstrate to the American people that this body is willing to do its part. We have seen we have faced up to the problems of gifts and the problems of free trips we have had in this body in the past. We have seen one of the first thing we did in this session of Congress was to apply the laws to ourselves that have, for so many years, been applied to the American people. We are going to be facing up to the pension issues which will bring us more into line with other Federal employees and other people in the private sector.

So turning down an automatic cost-of-living increase this year, I think, is a part of that overall, very important picture. We are going down the right road now, and I am delighted to see this amendment is going to be, apparently, agreed to, and we are not turning back at this stage.

With that, I yield to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to assure the majority leader, from everything I understand, we are not going to speak very long—very long in addition to what has already been said. He need not worry about filing a cloture motion or anything like that. The only speakers I think are Senator HUTCHISON and myself.

I ask unanimous consent Senator DOLE be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I ask unanimous consent that this amendment be open until the Senate close today for additional cosponsors who might want to join it.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I join with Senator THOMPSON in a very simple amendment. I think it is very basic, it is very fair. It is the thing we ought to do.

We are in the midst of a great change. Part of that change is to get the Federal deficit under control and make Government smaller. In doing that, we are asking a lot of people to sacrifice and we are asking that a lot of programs be restrained, some cut, some eliminated. I think we must send the right signal to the American people. We must say to them we are also willing to restrain ourselves in a way that reminds us that we are in an era of restraining the budget.

I think the best way to do that is to say we are not going to have any pay raises for Members of Congress in 1996.

The budget resolution said we would not do that for 7 years. We cannot do that today for 7 years. I am not sure that we should. But we take it 1 year at a time, and for now we are saying, consistent with the budget resolution and our affirmations as we all voted with that—that we want to get the deficit under control and be fair—wherein we said let us not have any pay raises, we are saying that is what we want to do. No pay raises for 1996 for Members of Congress.

I thank the Senator from Tennessee for offering this amendment. It is a privilege to be his cosponsor. I think the managers are doing the right thing in accepting it. It probably will become law, thanks to Senator THOMPSON's efforts, and I think the public deserves that this year.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I appreciate the leadership of the Senator from Tennessee, Senator THOMPSON, and the Senator from New Mexico, Senator DOMENICI.

Senator DOMENICI, in the budget resolution, provided that there would be no increases in salaries of Members of Congress until this budget is balanced. I think that is a fair contract with the American people.

Senator THOMPSON today is implementing that decision and we must do it in every appropriations bill that comes forward. That is necessary for us to show that we are going to do what every American is doing when times are hard.

By freezing the salaries, we can contribute to this ending of the budget deficit so that our children and grandchildren will have a chance to grow up with the kinds of childhoods we have been able to grow up in and love in America.

So I thank the Senator from Tennessee. I thank the Senator from New Mexico and our leader for making sure that we are going to do the right thing.

You have seen, the American people have seen, Mr. President, you have seen in the last few weeks and days and hours how hard it is for us to make the necessary cuts to do what is right for America. But we are going to do it. We are showing that we are going to do it, that we have the commitment, that we have the tenacity, that we have the will to do what is right, no matter how hard it is, so that our children will be able to inherit an America that is free from debt at some point in their future so that they will not have to pay taxes so onerous that they will not have the quality of life that we enjoy today.

Thank you, Mr. President. I thank the Senator from Tennessee.

Mr. DOMENICI. Mr. President, I ask unanimous consent that Senator THURMOND be added as a cosponsor.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, Senator KERREY, the ranking Democrat on the subcommittee, and I have agreed to take this amendment.

Mr. KERREY. Mr. President, while it is true that we have already spent the money, I accept the amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, an essential element of leadership is to lead by example. I think this does that.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 2231) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. SHELBY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THOMPSON. Mr. President, I ask unanimous consent that the Senator from Pennsylvania, Senator SANTORUM, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I wanted to indicate that there will be no more rollcall votes today. We have already notified the cloakrooms in case somebody was not notified. We will complete action on this bill.

I wanted to congratulate the managers. Getting it done in one day is, I think, an outstanding accomplishment.

Then we will go back to the DOD authorization bill with the managers dealing with about 20 to 30 amendments that have been cleared. So following disposition of this bill, we will go back to the DOD authorization bill. It will probably take about 30 or 40 minutes to do that.

AUTHORITY FOR ENROLLING CLERK

Mr. SHELBY. Mr. President, I ask unanimous consent that the enrolling clerk be authorized to insert the Nickles amendment No. 2153 at the appropriate place in the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE AMENDMENTS AGREED TO EN BLOC

Mr. SHELBY. Mr. President, I also ask unanimous consent that the committee amendments to H.R. 2020 be considered and agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the committee amendments were agreed to en bloc.

Mr. SHELBY. Mr. President, I ask unanimous consent that no points of order be waived thereon and that the measure, as amended, be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 2232 THROUGH 2251

Mr. SHELBY. Mr. President, I send a group of amendments which have been cleared to the desk.

Mr. President, these amendments are as follows:

An amendment on behalf of myself and Senator KERREY to increase the limitation of funds the Secret Service can spend to secure nongovernmental properties; an amendment on behalf of Senator STEVENS pertaining to mail delivery in Alaska; an amendment on behalf of Senators D'AMATO and MOYNIHAN transferring a forfeited aircraft to a war museum; an amendment on behalf of Senators FORD and MCCONNELL prohibiting implementation of an ATF ruling on citrus contents in alcohol; an amendment on behalf of Senator PRYOR striking the committee amendment on page 15, line 5 through line 9; an amendment on behalf of Senators SIMPSON and CRAIG restricting IRS funds to certain tax-exempt organizations; an amendment for myself and Senator KERREY allowing for the Department of Treasury to reimburse the District of Columbia for costs incurred as a result of the closure of Pennsylvania Avenue.

Further, an amendment on behalf of Senator COVERDELL providing $5 million for payments to States to partially cover costs of the National Voter Registration Act of 1993; an amendment on behalf of Senator BINGAMAN prohibiting the sale of tobacco products in vending machines in Federal buildings; a sense-of-the-Senate amendment on behalf of Senator BROWN on GSA supply depots; two amendments on behalf of Senator KERREY and myself on an IRS commission and on a Secret Service protection matter; an amendment on behalf of Senator HUTCHISON on border stations; an amendment on behalf of Senator BINGAMAN requiring energy costs in Federal facilities; a sense of the Senate on behalf of Senator BROWN regarding an airport issue in Colorado; an amendment on behalf of Senators HATCH and BIDEN restoring—I have a modification on the Hatch-Biden amendment—funds to ONDCP; an amendment on behalf of Senator BROWN regarding SES leave; an amendment on behalf of Senator LAUTENBERG regarding transfer of a building in Hoboken, NJ; an amendment on behalf of Senator GRASSLEY restoring funding for ACUS; an amendment on behalf of Senator MIKULSKI regarding pay for Uniformed Service officers.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama (Mr. SHELBY) proposes amendment Nos. 2232 through 2251, en bloc.

The amendments are as follows:

AMENDMENT NO. 2232

Mr. SHELBY offered an amendment (No. 2232) for himself and Mr. KERREY.

At the end of Title V, add the following new section:

SEC. . Section 4 of the Presidential Protection Assistance Act of 1976, Public Law 94-524, is amended by striking "$75,000" and inserting in lieu thereof "$200,000".

AMENDMENT NO. 2233

Mr. SHELBY offered an amendment (No. 2233) for Mr. STEVENS.

On page 104, insert between lines 19 and 20 the following new section:

SEC. 635. (a) Section 5402 of title 39, United States Code, is amended—

(1) in subsection (f) by striking out "During the period beginning January 1, 1995, and ending January 1, 1999, the" and inserting in lieu thereof "The"; and

(2) in subsection (g)(1) by amending subparagraph (D) to read as follows:

"(D) have provided scheduled service within the State of Alaska for at least 12 consecutive months with aircraft—

"(i) under 7,500 pounds payload before being selected as a carrier of nonpriority bypass mail at an applicable intra-Alaska bush service mail rate; and

"(ii) equal to or over 7,500 pounds before being selected as a carrier of nonpriority bypass mail at the intra-Alaska mainline service mail rate.".

(b)(1) Subject to paragraph (2), the amendment made by subsection (a) shall be effective on and after August 1, 1995.

(2) Subparagraph (D) of section 5402(g)(1) of title 39, United States Code (as in effect before the amendment made under subsection (a)) shall apply to a carrier, if such carrier—

(A) has an application pending before the Department of Transportation for approval under Section 41102 or 41110(e) of title 39, United States Code, before August 1, 1995; and

(B) would meet the requirements of such subparagraph if such application were approved and such certificate were purchased.

AMENDMENT NO. 2234

Mr. SHELBY offered an amendment (No. 2234) for Mr. D'AMATO, for himself and Mr. MOYNIHAN.

At the appropriate place in the bill, add the following new section:

SEC. . Notwithstanding any other provision of law, the United States Customs Service shall transfer, without consideration, to the National Warplane Museum in Geneseo, New York, 2 seized and forfeited A-37 Dragonfly jets for display and museum purposes.

AMENDMENT NO. 2235

Mr. SHELBY offered an amendment (No. 2235) for Mr. FORD, for himself and Mr. MCCONNELL.

Add the following new Section to Title V:

SEC. . No part of any appropriation made available in this Act shall be used to implement Bureau of Alcohol, Tobacco and Firearms Ruling TD ATF-360; Re: Notice Nos. 782, 780, 91F009P.

AMENDMENT NO. 2236

Mr. SHELBY offered an amendment (No. 2236) for Mr. PRYOR.

(Purpose: To eliminate funding requiring an initiation of a program to use private law firms and debt collection agencies in collection activities of the Internal Revenue Service, and for other purposes)

On page 15, line 5, strike out all after "research" through line 9 and insert in lieu thereof a period.

• Mr. PRYOR. Mr. President, it is my understanding that the managers of the bill, Senators SHELBY and KERRY, have accepted my amendment, and I want to thank them for their support. However, a similar provision was included in the House Treasury, Postal Service appropriations bill, and I want to make my comments on this matter part of the RECORD in anticipation of the conference between the House and Senate.

Mr. President, the Treasury, Postal Service, and General Government appropriations bill provides $13 million to "initiate a program to utilize private counsel law firms and debt collection agencies in the collection activities of the Internal Revenue Service."

In short, this provision requires the IRS to spend $13 million to hire private law firms and private bill collectors to collect the debts of the American taxpayer. My amendment is very simple—It strikes this provision from the Treasury, Postal Service appropriations bill.

Mr. President, in over 200 years of our Federal Government, we have never turned over the business of collecting taxes to the private sector—But I must point out that this dubious practice is as old as the hills and dates back to at least ancient Greece.

The practice of private tax collection even has a name. It is called "tax farming", and its modern history is chronicled in a book authored by Charles Adams, a tax lawyer and history teacher. The book is named "For Good and Evil: The Impact of Taxes on the Course of Civilization."

In this book, Mr. Adams recounts many tales of how the world has suffered under the oppression of the tax farmers. He specifically describes the tax farmers sent by the Greek kings to the island of Cos as "thugs, and even the privacy of a person's home was not secure from them." He further notes that a respected lady of Cos around 200 B.C. wrote "Every door trembles at the tax-farmers."

Mr. President, in the later Greek and Roman world, no social class was hated more than the tax farmer. The leading historian of the period, Rostovtzeff, described tax farmers with these words: "The publican (keepers of the public house) certainly were ruthless tax collectors, and dangerous and unscrupulous rivals in business. They were often dishonest and probably always cruel."

Tax farming flourished, as a monster of oppression in many forms, in Western civilization, for over 2,500 years until its demise after World War I.

Tax farming brutalized prerevolutionary France. The French court paid the price during the Reign of Terror when the people were so incensed that they rounded up the tax farmers, tried them in the people's courts, and condemned them to death. Accounts of the time tell of the taxpayers cheering while the heads of the tax farmers tumbled from the guillotine.

In 17th-century England, Charles II imposed a "Hearth Tax", assessing 2 shillings per chimney in each house. To collect it, the king contracted out with private parties—named by the people, "Chimney Men". These Chimney Men were ruthless and hated by the people of England. Hatred of the privately collected tax helped depose Charles' brother, James II. As soon as the new monarchs, William and Mary, were installed, the House of Commons abolished the tax, ending a "badge of slavery upon the whole people that allowed every man's house to be entered and searched at the pleasure of persons unknown to him."

Now, I am not suggesting that providing $13,000,000 to the IRS in order to contract out with private law firms and collection agencies will cause anyone to actually lose their head. But, for well-reasoned decisionmakers, history should be utilized as a guide as to—what is, and what is not—a good idea. Clearly, Mr. President, history tells us that contracting out the tax collection responsibilities of government is not a good idea.

Mr. President, some very notable economists and philosophers have also warned against tax farming. In his book, "The Wealth of Nations," Adam Smith states, "The best and most frugal way of levying a tax can never be by farm."

Smith goes on to observe that "The farmers of the public revenue never find the laws too severe, which punish any attempt to evade the payment of tax. They have no bowels for the contributors, who are not their subjects, and whose universal bankruptcy, if it should happen the day after their farm is expired, would not much affect their interest."

Mr. President, I know there are those in this Chamber who revere Adam Smith, so I hope they will heed his message in "The Wealth of Nations."

Mr. President, just as relevant to the discussion is how this practice may be employed in our time and by our Federal Government?

First, Who will these people be?

Second, How will they be hired?

Third, Who will train them?

Fourth, Who will oversee them?

Fifth, Which taxpayer's cases will they work on?

Sixth, What type of taxpayer information will be made available to them? And,

Seventh, How will these private bill collectors be paid?

Mr. President, this legislation provides no answer to these important questions—it simply provides taxpayer dollars, $13 million of them, to nameless, faceless, untrained, and unaccountable bill collectors with no guidance as to how they will be paid.

Let us just briefly explore two of the questions that I just mentioned.

First, what type of taxpayer information will these private bill collectors have access to? The American people demand that their tax return information will be kept confidential; that it will only be shared with the appropriate personnel within the Government. It is an essential element which lends confidence in our tax system and leads to a high percentage of voluntary compliance.

If taxpayer information is shared outside of the Government confidence, how many taxpayer will decide to no longer comply? I fear in an effort to collect more revenues, we will collect less.

Second, how will these bill collectors be paid? The bill does not specify the manner in which these private law firms and private collection agencies will be compensated. But Mr. President, most bill collectors are paid on a contingency basis—that is, they are compensated on some percentage of what they collect.

If this is to be the case—and it is certainly a possibility under this bill—this is a blatant violation of the Taxpayer Bill of Rights. In the Taxpayer Bill of Rights, passed in 1988, there is included a strict prohibition against the IRS from using enforcement goals or quotas.

Mr. President, a contingency fee to an outside contractor is a quota, and if applied to the compensation of an IRS agent would be strictly prohibited under the Taxpayer Bill of Rights. However, there is a fatal problem the drafters of this legislation have not recognized. And that is—the Taxpayer Bill of Rights only applies to the IRS—not outside contractors. Given this loophole, I must register my strongest objection to any possibility that a modern day tax farmer might be paid on a contingency basis.

But this certainly will not be the only protection afforded by the Taxpayer Bill of Rights which does not apply to these private bill collectors. For example, a reckless IRS agent can be sued under the Taxpayer Bill of Rights. Mr. President, no such right exists for the taxpayer against a private bill collector. We must take the time to analyze what other rights the taxpayer may be losing under this provision.

Mr. President, I might also point out that we have had no hearings in the Senate on this proposed practice. And, as a member of the Finance Committee, I must say I am shocked that an issue so fundamental to the relationship between the Government and the taxpayer has not been the topic of any discussion before the members of the Finance Committee.

Mr. President, the IRS Commissioner raises serious questions about this provision. In a letter I received today, Commissioner Richardson outlines her concerns. Mr. President, I ask that a copy of the Commissioner's statement be printed in the RECORD.

Mr. President, I believe the IRS Commissioner's concerns are warranted and we should not act until we have the answer to these questions.

The statement follows:

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, DC, August 4, 1995.

Hon. DAVID PRYOR,
U.S. Senate,
Washington, DC.

DEAR SENATOR PRYOR: I am writing to express my concern regarding statutory language in the FY 1996 Appropriations Committee Bill (H.R. 2020) for Treasury, Postal Service and General Government that would mandate the Internal Revenue Service (IRS) spend $13 million "to initiate a program to utilize private counsel law firms and debt collection activities . . ." I have grave reservations about starting down the path of using private contractors to contact taxpayers regarding their delinquent tax debts without Congress having a thorough understanding of the costs, benefits and risks of embarking on such a course.

There are some administrative and support functions in the collection activity that do lend themselves to performance by private sector enterprises under contract to the IRS. For example, in FY 1994, the IRS spent nearly $5 million for contracts to acquire addresses and telephone numbers for taxpayers with delinquent accounts. In addition, we are taking many steps to emulate the best collection practices of the private sector to the extent they are compatible with safeguarding taxpayer rights. However, to this point, the IRS has not engaged contractors to make direct contact with taxpayers regarding delinquent taxes as is envisioned in H.R. 2020. Before taking this step, I strongly recommend that all parties with an interest obtain solid information on the following key issues:

(1) What impact would private debt collectors have on the public's perception of the fairness of tax administration and of the security of the financial information provided to the IRS? A recent survey conducted by Anderson Consulting revealed that 59% of Americans oppose state tax agencies contracting with private companies to administer and collect taxes while only 35% favor such a proposal. In all likelihood, the proportion of those opposed would be even higher for Federal taxes. Addressing potential public misgivings should be a priority concern.

(2) How would taxpayers rights be protected and privacy be guaranteed once tax information was released to private debt collectors? Would the financial incentives common to private debt collection (keeping a percentage of the amount collected) result in reduced rights for certain taxpayers whose accounts had been privatized? Using private collectors to contact taxpayers on collection matters would pose unique oversight problems for the IRS to assure that Taxpayers Bill of Rights and privacy rights are protected for all taxpayers. Commingling of tax and non-tax data by contractors is a risk as is the use of tax information for purposes other than intended.

(3) Is privatizing collection of tax debt a good business decision for the Federal Government? Private contractors have none of the collection powers the Congress has given to the IRS. Therefore, their success in collection may not yield the same return as a similar amount invested in IRS telephone or field collection activities where the capability to contact taxpayers is linked with the ability to institute liens and levy on property if need be. Currently, the IRS telephone collection efforts yield about $26 collected for every dollar expended. More complex and difficult cases dealt with in the field yield about $10 for every dollar spent.

I strongly believe a more extensive dialogue is needed on the matter of contracting out collection activity before the IRS proceeds to implement such a provision. Please let me know if I can provide any additional information that would be of value to you as Congress considers this matter.

Sincerely,

MARGARET MILNER-RICHARDSON.●

AMENDMENT NO. 2237

Mr. SHELBY offered an amendment (No. 2237) for Mr. SIMPSON, for himself and Mr. CRAIG.

At the appropriate place, insert the following:

SEC. ___. EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—An organization described in section 501(c)(4) of the Internal Revenue Code of 1986 which engages in lobbying activities shall not be eligible for the receipt of Federal funds constituting an award, grant, or loan.

(b) DEFINITIONS.—For purposes of this section:

(1) AGENCY.—The term "agency" has the meaning given that term in section 551(1) of title 5, United States Code.

(2) CLIENT.—The term "client" means any person or entity that employs or retains another person for financial or other compensation to conduct lobbying activities on behalf of that person or entity. A person or entity whose employees act as lobbyists on its own behalf is both a client and an employer of such employees. In the case of a coalition or association that employs or retains other persons to conduct lobbying activities, the client is the coalition or association and not its individual members.

(3) COVERED EXECUTIVE BRANCH OFFICIAL.—The term "covered executive branch official" means—

(A) the President;

(B) the Vice President;

(C) any officer or employee, or any other individual functioning in the capacity of such an officer or employee, in the Executive Office of the President;

(D) any officer or employee serving in a position in level I, II, III, IV, or V of the Executive Schedule, as designated by statute or Executive order;

(E) any member of the uniformed services whose pay grade is at or above O-7 under section 201 of title 37, United States Code; and

(F) any officer or employee serving in a position of a confidential, policy-determining, policy-making, or policy-advocating character described in section 7511(b)(2) of title 5, United States Code.

(4) COVERED LEGISLATIVE BRANCH OFFICIAL.—The term "covered legislative branch official" means—

(A) a Member of Congress;

(B) an elected officer of either House of Congress;

(C) any employee of, or any other individual functioning in the capacity of an employee of—

(i) a Member of Congress;

(ii) a committee of either House of Congress;

(iii) the leadership staff of the House of Representatives or the leadership staff of the Senate;

(iv) a joint committee of Congress; and

(v) a working group or caucus organized to provide legislative services or other assistance to Members of Congress; and

(D) any other legislative branch employee serving in a position described under section 109(13) of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(5) EMPLOYEE.—The term "employee" means any individual who is an officer, employee, partner, director, or proprietor of a person or entity, but does not include—

(A) independent contractors; or

(B) volunteers who receive no financial or other compensation from the person or entity for their services.

(6) FOREIGN ENTITY.—The term "foreign entity" means a foreign principal (as defined in section 1(b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(b)).

(7) LOBBYING ACTIVITIES.—The term "lobbying activities" means lobbying contacts and efforts in support of such contacts, including preparation and planning activities, research and other background work that is intended, at the time it is performed, for use in contacts, and coordination with the lobbying activities of others.

(8) LOBBYING CONTACT.—

(A) DEFINITION.—The term "lobbying contact" means any oral or written communication (including an electronic communication) to a covered executive branch official or a covered legislative branch official that is made on behalf of a client with regard to—

(i) the formulation, modification, or adoption of Federal legislation (including legislative proposals);

(ii) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy, or position of the United States Government;

(iii) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); or

(iv) the nomination or confirmation of a person for a position subject to confirmation by the Senate.

(B) EXCEPTIONS.—The term "lobbying contact" does not include a communication that is—

(i) made by a public official acting in the public official's official capacity;

(ii) made by a representative of a media organization if the purpose of the communication is gathering and disseminating news and information to the public;

(iii) made in a speech, article, publication or other material that is distributed and made available to the public, or through radio, television, cable television, or other medium of mass communication;

(iv) made on behalf of a government of a foreign country or a foreign political party and disclosed under the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.);

(v) a request for a meeting, a request for the status of an action, or any other similar administrative request, if the request does not include an attempt to influence a covered executive branch official or a covered legislative branch official;

(vi) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act;

(vii) testimony given before a committee, subcommittee, or task force of the Congress, or submitted for inclusion in the public record of a hearing conducted by such committee, subcommittee, or task force;

(viii) information provided in writing in response to an oral or written request by a covered executive branch official or a covered legislative branch official for specific information;

(ix) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of the Congress or an agency;

(x) made in response to a notice in the Federal Register, Commerce Business Daily, or other similar publication soliciting communications from the public and directed to the agency official specifically designated in the notice to receive such communications;

(xi) not possible to report without disclosing information, the unauthorized disclosure of which is prohibited by law;

(xii) made to an official in an agency with regard to—

(I) a judicial proceeding or a criminal or civil law enforcement inquiry, investigation, or proceeding; or

(II) a filing or proceeding that the Government is specifically required by statute or regulation to maintain or conduct on a confidential basis,

if that agency is charged with responsibility for such proceeding, inquiry, investigation, or filing;

(xiii) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

(xiv) a written comment filed in the course of a public proceeding or any other communication that is made on the record in a public proceeding;

(xv) a petition for agency action made in writing and required to be a matter of public record pursuant to established agency procedures;

(xvi) made on behalf of an individual with regard to that individual's benefits, employment, or other personal matters involving only that individual, except that this clause does not apply to any communication with—

(I) a covered executive branch official, or

(II) a covered legislative branch official (other than the individual's elected Members of Congress or employees who work under such Members' direct supervision),

with respect to the formulation, modification, or adoption of private legislation for the relief of that individual;

(xvii) a disclosure by an individual that is protected under the amendments made by the Whistleblower Protection Act of 1989, under the Inspector General Act of 1978, or under another provision of law;

(xviii) made by—

(I) a church, its integrated auxiliary, or a convention or association of churches that is exempt from filing a Federal income tax return under paragraph 2(A)(i) of section 6033(a) of the Internal Revenue Code of 1986, or

(II) a religious order that is exempt from filing a Federal income tax return under paragraph (2)(A)(iii) of such section 6033(a); and

(xix) between—

(I) officials of a self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act) that is registered with or established by the Securities and Exchange Commission as required by that Act or a similar organization that is designated by or registered with the Commodities Future Trading Commission as provided under the Commodity Exchange Act; and

(II) the Securities and Exchange Commission or the Commodities Future Trading Commission, respectively;

relating to the regulatory responsibilities of such organization under that Act.

(9) LOBBYING FIRM.—The term "lobbying firm" means a person or entity that has 1 or more employees who are lobbyists on behalf of a client other than that person or entity. The term also includes a self-employed individual who is a lobbyist.

(10) LOBBYIST.—The term "lobbyist" means any individual who is employed or retained by a client for financial or other compensation for services that include more than one lobbying contact, other than an individual whose lobbying activities constitute less than 20 percent of the time engaged in the services provided by such individual to that client over a six month period.

(11) MEDIA ORGANIZATION.—The term "media organization" means a person or entity engaged in disseminating information to the general public through a newspaper, magazine, other publication, radio, television, cable television, or other medium of mass communication.

(12) MEMBER OF CONGRESS.—The term "Member of Congress" means a Senator or a Representative in, or Delegate or Resident Commissioner to, the Congress.

(13) ORGANIZATION.—The term "organization" means a person or entity other than an individual.

(14) PERSON OR ENTITY.—The term "person or entity" means any individual, corporation, company, foundation, association, labor organization, firm, partnership, society, joint stock company, group of organizations, or State or local government.

(15) PUBLIC OFFICIAL.—The term "public official" means any elected official, appointed official, or employee of—

(A) a Federal, State, or local unit of government in the United States other than—

(i) a college or university;

(ii) a government-sponsored enterprise (as defined in section 3(8) of the Congressional Budget and Impoundment Control Act of 1974);

(iii) a public utility that provides gas, electricity, water, or communications;

(iv) a guaranty agency (as defined in section 435(j) of the Higher Education Act of 1965 (20 U.S.C. 1085(j))), including any affiliate of such an agency; or

(v) an agency of any State functioning as a student loan secondary market pursuant to section 435(d)(1)(F) of the Higher Education Act of 1965 (20 U.S.C. 1085(d)(1)(F));

(B) a Government corporation (as defined in section 9101 of title 31, United States Code);

(C) an organization of State or local elected or appointed officials other than officials of an entity described in clause (i), (ii), (iii), (iv), or (v) of subparagraph (A);

(D) an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e));

(E) a national or State political party or any organizational unit thereof; or

(F) a national, regional, or local unit of any foreign government.

(16) STATE.—The term "State" means each of the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

(c) CONSTRUCTION AND EFFECT.—Nothing in this section shall be construed to affect the application of the Internal Revenue laws of the United States.

(d) EXCEPTIONS.—This section shall not apply to organizations described in section 501(c)(4) of the Internal Revenue Code with gross annual revenues of less than $10,000,000, including the amounts of Federal funds received as grants, awards, or loans.

(e) EFFECTIVE DATE.—This section shall become effective on January 1, 1997.

AMENDMENT NO. 2238

Mr. SHELBY offered an amendment (No. 2238) for himself and Mr. KERREY.

Section .

(a) Notwithstanding any other provision of law, of the funds made available to the Department of the Treasury by this or any other act for obligation at any time during the fiscal year ending September 30, 1995 or the fiscal year ending September 30, 1996, not to exceed $500,000 shall be available to the Secretary of the Treasury during the fiscal year ending September 30, 1996 to reimburse the District of Columbia Metropolitan Police Department for personnel costs incurred by the Metropolitan Police Department between May 19, 1995 and September 30, 1995 as a result of the closing to vehicular traffic of Pennsylvania Avenue Northwest and other streets in vicinity of the White House.

(b) The amount of reimbursement shall be determined by the Secretary of the Treasury and shall be final and not subject to review in any forum.

AMENDMENT NO. 2239

Mr. SHELBY offered an amendment (No. 2239) for Mr. BINGAMAN.

(Purpose: To limit access by minors to cigarettes through prohibiting the sale of tobacco products in vending machines and the distribution of free samples of tobacco products in Federal buildings and property accessible by minors)

At the appropriate place in the bill add the following new section:

SEC. . (a) This section may be cited as the "Prohibition of Cigarette Sales to Minors in Federal Buildings and Lands Act".

(b) The Congress finds that—

(1) cigarette smoking and the use of smokeless tobacco products continue to represent major health hazards to the Nation, causing more than 420,000 deaths each year;

(2) cigarette smoking continues to be the single most preventable cause of death and disability in the United States;

(3) tobacco products contain hazardous additives, gases, and other chemical constituents dangerous to health;

(4) the use of tobacco products costs the United States more than $50,000,000,000 in direct health care costs, with more than $21,000,000,000 of these costs being paid by government funds;

(5) tobacco products contain nicotine, a poisonous, addictive drug;

(6) all States prohibit the sale of tobacco products to minors, but enforcement has been ineffective or nonexistent and tobacco products remain one of the least regulated consumer products in the United States;

(7) over the past decade, little or no progress has been made in reducing tobacco use among teenagers and recently, teenage smoking rates appear to be rising;

(8) more than two-thirds of smokers smoke their first cigarette before the age of 14, and 90 percent of adult smokers did so by age 18;

(9) 516,000,000 packs of cigarettes are consumed by minors annually, at least half of which are illegally sold to minors;

(10) reliable studies indicate that tobacco use is a gateway to illicit drug use; and

(11) the Federal Government has a major policy setting role in ensuring that the use of tobacco products among minors is discouraged to the maximum extent possible.

(c) As used in this section—

(1) the term "Federal agency" means—

(A) an Executive agency as defined in section 105 of title 5, United States Code; and

(B) each entity specified in subparagraphs (B) through (H) of section 5721(1) of title 5, United States Code;

(2) the term "Federal building" means—

(A) any building or other structure owned in whole or in part by the United States or any Federal agency, including any such structure occupied by a Federal agency under a lease agreement; and

(B) includes the real property on which such building is located;

(3) the term "minor" means an individual under the age of 18 years; and

(4) the term "tobacco product" means cigarettes, cigars, little cigars, pipe tobacco, smokeless tobacco, snuff, and chewing tobacco.

(d)(1) No later than 45 days after the date of the enactment of this Act, the Administrator of General Services and the head of each Federal agency shall promulgate regulations that prohibit—

(A) the sale of tobacco products in vending machines located in or around any Federal building under the jurisdiction of the Administrator or such agency head; and

(B) the distribution of free samples of tobacco products in or around any Federal building under the jurisdiction of the Administrator or such agency head.

(2) The Administrator of General Services or the head of an agency, as appropriate, may designate areas not subject to the provisions of paragraph (1), if such area also prohibits the presence of minors.

(3) The provisions of this subsection shall be carried out—

(A) by the Administrator of General Services for any Federal building which is maintained, leased, or has title of ownership vested in the General Services Administration; or

(B) by the head of a Federal agency for any Federal building which is maintained, leased, or has title of ownership vested in such agency.

(e) No later than 90 days after the date of enactment of this Act, the Administrator of General Services and each head of an agency shall prepare and submit, to the appropriate committees of Congress, a report that shall contain—

(1) verification that the Administrator or such head of an agency is in compliance with this section; and

(2) a detailed list of the location of all tobacco product vending machines located in Federal buildings under the administration of the Administrator or such head of an agency.

(f)(1) No later than 45 days after the date of the enactment of this Act, the Senate Committee on Rules and Administration and the House of Representatives Committee on House Administration, after consultation with the Architect of the Capitol, shall promulgate regulations under the Senate and House of Representatives rulemaking authority that prohibit the sale of tobacco products in vending machines in the Capitol Buildings.

(2) Such committees may designate areas where such prohibition shall not apply, if such area also prohibits the presence of minors.

(3) For the purpose of this section the term "Capitol Buildings" shall have the same meaning as such term is defined under section 16(a)(1) of the Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes", approved July 31, 1946 (40 U.S.C. 193m(1)).

(g) Nothing in this section shall be construed as restricting the authority of the Administrator of General Services or the head of an agency to limit tobacco product use in or around any Federal building, except as provided under subsection (d)(1).

Mr. BINGAMAN. Mr. President, I rise today to offer an amendment to H.R. 2020. My amendment is a modest one, and it is identical to one accepted by the Senate 2 years ago as an amendment to the fiscal year 1994 appropriations bill for the Treasury Department, Postal Service and General Government. This amendment would ban tobacco vending machines in Federal buildings and on Federal property accessible to children. I am reoffering my amendment for three simple reasons:

First, in 1993, after the Senate passed my amendment to ban tobacco vending machines on Federal property, the conferees failed to retain the legislative language, opting instead for the following statement in the fiscal year 1994 Treasury-Postal Appropriations Conference Report:

> "* * * [elimination of the provision] does not signal a lack of concern for the health and safety of minors. The conferees agree that locating cigarette sales vending machines in areas accessible to minors poses a serious problem as their presence increases the availability of products which otherwise may be prohibited from sale to minors. *Therefore, the conferees direct the Administrator to eliminate vending machines in areas which are accessible to minors.*"

Despite this directive, tobacco vending machines remain on Federal property and many are fully accessible to children.

Second, more substantively, vending machines are extremely difficult to monitor. Not surprisingly, they are one of the chief sources of cigarette purchases among children and teenagers.

Third, finally, every State in the country has enacted a law to prohibit the sale or distribution of cigarettes to minors.

Mr. President, I would like to take a few moments to talk about each of the points I have listed.

As I mentioned, the congressional directive contained in the fiscal year 1994 Treasury-Postal Service appropriations bill was issued almost 2 years ago. In those 2 years, more than 2 million children and teens in this country took up smoking. One-third of them—more than 600,000 children—will later die of tobacco-related causes.

Let me repeat that: More than 600,000 children will die because sometime over the past 2 years, they started to smoke. And we cannot even get a few cigarette vending machines out of some Federal buildings.

Mr. President, these statistics are not exaggerations. The facts are well known and widely acknowledged:

First, more than 420,000 people died each year from tobacco-related causes, making cigarette smoking the single most preventable cause of death and disability in the United States.

Second, every day, more than 3,000 children and teenagers start to smoke. More than two-thirds of all adult smokers had their first cigarette before the age of 14, and 90 percent began smoking by age 18.

Third, every year, minors consume 516 million packs of cigarettes, at least half of which are sold illegally to children and teens.

Five hundred-sixteen million packs of cigarettes consumed by minors annually. Three thousand children starting to smoke every day. And every State in this country has a law prohibiting the sale of tobacco products to minors.

Clearly, something is not working. It is time for a new course of action. Some experts argue that the wisest, most effective course of action would be to take the tobacco industry up on its voluntary plan for reducing underage smoking and try to hold the industry to its commitment.

Others argue that we should use this opportunity to give the Food and Drug Administration broader regulatory authority of tobacco products. The President is currently grappling with these tough issues, and we expect an announcement of his decision at any time.

For several years, I have sponsored legislation that would specifically give the FDA the authority to regulate nicotine-containing tobacco products. For a number of years, the Department of Health and Human Services has urged States and localities to take greater responsibility by, among other things, banning cigarette vending machines.

In recent years, other Federal officials, including President Clinton and former President Bush, have joined the Department's appeal to States and localities. In its Healthy People 2000 Report, the Public Health Service encourages Indian Tribal Councils to "similarly enforce prohibitions of tobacco sales to Indian youth living on reservations" because Indian nations are sovereign and exempted from State laws.

I agree with the Department's previous advice. I sincerely hope that over the next few days or weeks the President will take a tough stand on the issue of Federal regulation of tobacco products. I hope he will go much farther than this modest bill. At the same time, I would caution the President and my colleagues in the Senate not to forget the powerful message that "leading by example" can convey.

Mr. President, over the past several years, while the Federal Government has been urging every political body in the country to ban cigarette vending machines, pack after pack are loaded into—and purchased out of—vending machines every day in Federal buildings. Those buildings include the Senate and House Office Buildings and the Old Executive Office Building, next door to the White House.

It is long past time for the vending machines to go. It is time for the Federal Government to lead by example. I believe that if we expect States, localities, Indian Tribal leaders, schools, parents, and even the tobacco industry itself, to take steps to protect our children from tobacco, then we in the Federal Government should join the effort. We should lead the effort. We can begin with passage of this amendment.

Thank you.

AMENDMENT NO. 2240

Mr. SHELBY offered an amendment (No. 2240) for Mr. BROWN:

At the appropriate place in the bill, insert the following new section:

SEC. . It is the sense of the Senate that the General Services Administration should increase use of direct delivery for high-dollar value supplies and only stock items that are profitable, that after these changes are implemented, the General Services Administration should phase out the supply depots that are no longer economically justifiable or needed.

Mr. BROWN. Mr. President, there is included in this bill a request to look at the policies of the General Services Administration in supplying some 18,000 commonly used products and supplies that are resold to the agencies and various depots of the Federal Government. Here are the numbers.

When the GSA delivers products directly, their markup is 10 percent. When they go through one of the depots though, that is, simply processing through a depot, their markup is 29 percent.

What we urge is that they reexamine their policy and deliver directly where possible. There is a 19 percent net savings to the taxpayer if they follow that procedure.

I yield back, Mr. President.

AMENDMENT NO. 2241

Mr. SHELBY offered an amendment (No. 2241) for himself and Mr. KERREY:

(Purpose: To establish the National Commission on Restructuring the Internal Revenue Service)

At the appropriate place, insert the following new section:

SEC. . NATIONAL COMMISSION ON RESTRUCTURING THE INTERNAL REVENUE SERVICE.

(a) FINDINGS.—The Congress finds the following:

(1) While the budget for the Internal Revenue Service (hereafter referred to as the "IRS") has risen from $2.5 billion in fiscal year 1979 to $7.5 billion in fiscal year 1996, tax returns processing has not become significantly faster, tax collection rates have not significantly increased, and the accuracy and timeliness of taxpayer assistance has not significantly improved.

(2) To date, the Tax Systems Modernization (TSM) program has cost the taxpayers $2.5 billion, with an estimated cost of $8 billion. Despite this investment, modernization efforts were recently described by the GAO as "chaotic" and "ad hoc".

(3) While the IRS maintains the TSM will increase efficiency and thus revenues, Congress has had to appropriate additional funds in recent years for compliance initiative in order to increase tax revenues.

(4) Because TSM has not been implemented, the IRS continues to rely on paper returns, processing a total of 14 billion pieces of paper every tax season. This results in an extremely inefficient system.

(5) This lack of efficiency reduces the level of customer service and impedes the ability of the IRS to collect revenue.

(6) The present status of the IRS shows the need for the establishment of a Commission which will examine the organization of IRS and recommend actions to expedite the implementation of TSM and improve service to taxpayers.

(b) COMPOSITION OF THE COMMISSION.—

(1) ESTABLISHMENT.—To carry out the purposes of this section, there is established a National Commission on Restructuring the Internal Revenue Service (in this section referred to as the "Commission").

(2) COMPOSITION.—The Commission shall be composed of twelve members, as follows:

(A) Four members appointed by the President, two from the executive branch of the Government and two from private life.

(B) Two members appointed by the Majority Leader of the Senate, one from Members of the Senate and one from private life.

(C) Two members appointed by the Minority Leader of the Senate, one from Members of the Senate and one from private life.

(D) Two members appointed by the Speaker of the House of Represtatives, one from Members of the House of Representatives and one from private life.

(E) Two members appointed by the Minority Leader of the House of Representatives, one from Members of the House of Representatives and one from private life.

The Commissioner of the Internal Revenue Service shall be an ex officio member of the Commission.

(3) CHAIRMAN.—The Commission shall elect a Chairman from among its members.

(4) MEETING; QUORUM, VACANCIES.—After its initial meeting, the Commission shall meet upon the call of the Chairman or a majority of its members. Seven members of the Commission shall constitute a quorum. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(5) APPOINTMENT; INITIAL MEETING.—

(A) APPOINTMENT.—It is the sense of the Congress that members of the Committee should be appointed not more than 60 days after the date of the enactment of this section.

(B) INITIAL MEETING.—If, after 60 days from the date of the enactment of this section, seven or more members of the Commission have been appointed, members who have been appointed may meet and select a Chairman who thereafter shall have the authority to begin the operations of the Commission, including the hiring of staff.

(c) FUNCTIONS OF COMMISSION.—

(1) IN GENERAL.—The functions of the Commission shall be—

(A) to conduct, for a period of one year from the date of its first meeting, the review described in paragraph (2), and

(B) to submit to the Congress a final report of the results of the review, including recommendations for restructuring the IRS.

(2) REVIEW.—The Commission shall review—

(A) the present practices of the IRS, especially with respect to—

(i) its organizational structure;

(ii) its paper processing and return processing activities;

(iii) its infrastructure; and

(iv) the collection process;

(B) requirements for improvement in the following areas:

(i) making returns processing "paperless";

(ii) modernizing IRS operations;

(iii) improving the collections process without major personnel increases or increased funding;

(iv) improving taxpayer accounts management;

(v) improving the accuracy of information requested by taxpayers in order to file their returns; and

(vi) changing the culture of the IRS to make the organization more efficient, productive, and customer-oriented;

(C) whether the IRS could be replaced with a quasi-governmental agency with tangible incentives for internally managing its programs and activities and for modernizing its activities, and

(D) whether the IRS could perform other collection, information, and financial service functions of the Federal Government.

(d) POWERS OF THE COMMISSIONER.—

(1) IN GENERAL.—(A) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this section—

(i) hold such hearings and sit and act at such times and places, take such testimony, receive such evidence, administer such oaths, and

(ii) require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents.

as the Commission or such designated subcommittee or designated member may deem advisable.

(b) Subpoenas issued under subparagraph (A)(ii) may be issued under the signature of the Chairman of the Commission, the chairman of any designated subcommittee, or any designated member, and may be served by any person designated by such Chairman, subcommittee chairman, or member. The provisions of sections 102 through 104 of the Revised Statutes of the United States (2 U.S.C. 192–194) shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section.

(2) CONTRACTING.—The Commission may, to such extent and in such amounts as are provided in appropriation Acts, enter into contracts to enable the Commission to discharge its duties under this section.

(3) INFORMATION FROM FEDERAL AGENCIES.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the Government information, suggestions, estimates, and statistics for the purposes of this section. Each such department, bureau, agency, board, commission, office, establishment, or instrumentality shall, to the extent authorized by law, furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman.

(4) ASSISTANCE FROM FEDERAL AGENCIES.—(A) The Secretary of State is authorized on a reimbursable or nonreimbursable basis to provide the Commission with administrative services, funds, facilities, staff, and other support services for the performance of the Commission's functions.

(B) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(C) In addition to the assistance set forth in subparagraph (A) and (B), departments and agencies of the United States are authorized to provide to the Commission such services, funds, facilities, staff, and other support services as they may deem advisable and as may be authorized by law.

(5) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(e) STAFF OF THE COMMISSION.—

(1) IN GENERAL.—The Chairman, in accordance with rules agreed upon by the Commission, may appoint and fix the compensation of a staff director and such other personnel as may be necessary to enable the Commission to carry out its functions, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable to person occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code. Any Federal Government employee may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(2) CONSULTANT SERVICES.—The Commission is authorized to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate paid a person occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(f) COMPENSATION AND TRAVEL EXPENSES.—

(1) COMPENSATION.—(A) Except as provided in subparagraph (B), each member of the Commission may be compensated at not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission.

(B) Members of the Commission who are officers or employees of the United States or Members of Congress shall receive no additional pay on account of their service on the Commission.

(2) TRAVEL EXPENSES.—While way from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(g) FINAL REPORT OF COMMISSION; TERMINATION.—

(1) FINAL REPORT.—Not later than one year after the date of the first meeting of the Commission, the Commission shall submit to the Congress its final report, as described in subsection (c)(2).

(2) TERMINATION.—(A) The Commission, and all the authorities of this section, shall terminate on the date which is 60 days after the date on which a final report is required to be transmitted under paragraph (1).

(B) The Commission may use the 60-day period referred to in subparagraph (A) for the purpose of concluding its activities, including providing testimony to committees of Congress concerning its final report and disseminating that report.

Mr. KERREY. Mr. President, I am offering an amendment today to restructure the IRS. Senator SHELBY and I closely examined the IRS during creation of the Treasury-Postal Service fiscal year 1996 budget, and during this examination, I made the following observations.

IRS funding has increased from $2 billion in 1979 to $7.5 billion in fiscal year 1995, and fiscal year 1996 funding for the IRS is projected to increase by $800 million.

Because of growing entitlement spending, discretionary spending will become increasingly limited. The IRS budget comprises 70 percent of the Treasury-Postal Service Appropriations Subcommittee allocation, and the committee has expressed its concern that both the IRS and other important accounts will be substantially cut because of future budgetary constraints. Due to increasing entitlement spending, Congress simply will not have the funds in fiscal year 1997 and beyond to increase the budget of the IRS.

Despite an increase of $5 billion in the IRS' budget since 1979, tax returns processing has not become significantly faster, tax collection rates have not significantly increased, and taxpayer assistance activities have not significantly improved.

The IRS, aware of inefficient computer systems that impede their ability to collect revenue, has asked for almost $2.5 billion since 1979 for tax systems modernization [TSM]. This funding was intended to update the IRS computer systems so that the IRS could achieve its vision of a highly efficient, virtually paper-free work environment.

The desired outcomes of TSM have not been achieved, and IRS' ability to properly plan and manage this $7.5 billion tax systems modernization program has been repeatedly questioned by the General Accounting Office and the Congress. GAO recently described TSM as "ad hoc" and "chaotic."

The failure to successfully implement TSM has occurred for a number of reasons. The GAO attributes this failure to "pervasive management and technical weaknesses" in the IRS. Two specific possibilities that explain the failure of TSM:

First, the IRS employs some 115,000 personnel and the current organizational structure seems to breed a culture which is averse to change, and the IRS has not made efforts to provide incentives to change this culture;

Second, the IRS does not have a comprehensive business strategy to plan, build, and operate its information systems. Notably absent is a cost-benefit analysis and performance measure of systems.

A key element of a successful TSM is taxpayer conversion to electronic filing. Because the IRS has not sufficiently encouraged the use of electronic returns, the IRS remains overwhelmed with paper returns. It processes 200 million paper returns per year, or 14 billion pieces of paper, and this number continues to grow. The dependence on paper returns contributes substantially to the IRS' inefficiency in processing returns, and the IRS often cannot retrieve documents from the over 1.2 billion tax returns in storage.

According to GAO, because the IRS lacks a comprehensive business strategy to encourage electronic submissions, only 17 million electronic returns are expected in fiscal year 1995, a far cry from the goal of 80 million electronic returns by fiscal year 2001. Electronic returns are a crucial part of the conversion to a modern systems.

Originally, the IRS claimed that investing in TSM would increase revenues because the increased efficiency would allow resources to be diverted to compliance initiatives. But in order to continue increasing revenue, Congress has provided additional increases for the IRS totaling $1.3 billion since 1990 for enhanced revenue compliance initiatives. Increases in revenue collection have resulted from hiring of additional call collectors, revenue officers, agents, and examination audit personnel rather that redistributed resources due to modernization. Additionally, despite these revenue compliance initiatives, audit coverage rates have declined.

The failure of the IRS to implement TSM and their increased attention to compliance initiatives results in an agency that pays very little attention to taxpayer service. If people have the facts, they will pay the tax. Consequently, taxpayer confidence in the IRS's ability to provide accurate and timely information in response to their requests has continued to decline over the past 10 years.

Fully modernized systems would substantially increase revenues through compliance initiatives because IRS workers could instantly access taxpayer information and identify accounts receivable, and in addition, information for audits and fraud identification would be readily accessible. Further, the Congress believes that voluntary compliance would increase if IRS employees could assist taxpayers with accurate and timely information on their accounts. A 7-percent increase in voluntary compliance is estimated to increase revenues by as much as $40 billion a year.

With the successful completion of modernization, the IRS could expand its functions and perform other services that would benefit the public, in areas such as the collection of delinquent child support payments and student loans. The IRS should soon have the capability to fulfill other financial services functions besides revenue collection for the Federal Government.

IRS brings in $1.2 trillion per year in tax revenue. It is an important Federal agency with the potential to be a quasi-Government agency with profit incentives while still protecting taxpayer privacy.

Many changes come with modernization efforts and increased technological capability. While the Congress acknowledges the efforts the IRS has made to correct the problems identified, both the IRS and the taxpayers would benefit if restructuring of the IRS took place for the sake of expediently implementing TSM and better serving the taxpayer.

AMENDMENT NO. 2242

Mr. SHELBY offered an amendment (No. 2242) for himself and Mr. KERREY.

At the end of Title V, add the following new section:

SEC. 2. Section 5542 of title 5, United States Code is amended by adding the following new subsection at the end:

"(e) Notwithstanding subsection (d)(1) of this section, all hours of overtime work scheduled in advance of the administrative workweek shall be compensated under subsection (a) if that work involves duties as authorized by section 3056(a) of title 18 United States Code and if the investigator performs, on that same day, at least 2 hours of overtime work not scheduled in advance of the administrative workweek."

Mr. SHELBY. Mr. President, this amendment makes a technical correction to the 1995 Law Enforcement Availability Pay Act. The Pay Act, which was included as a separate section in the Fiscal Year 1995 Treasury Appropriations Act, commonly referred to as LEAP, contained a provision which amended section 5542 of title 5. This provision requires that the first 2 hours of scheduled overtime work by criminal investigators be calculated against availability pay hours, authorized under the act.

The issue relating to the calculation of work hours for scheduled overtime compensation has been an issue of contention for certain agencies and criminal investigators alike. The current section, as written, is overly restrictive and inflexible and, thus, increases the potential for litigation.

The provision, as stated in a letter received from the Federal Law Enforcement Officers Association, is unfair and does not adequately reflect the intent of Congress. The author of this legislation, Senator DENNIS DECONCINI, attempted to clarify congressional intent in a December 1994 floor statement.

Despite this clarification by the amendment's sponsor, personnel regulations have gone unchanged.

Flexibility is needed for the unusual circumstances surrounding Secret Service specific physical security assignments which will become extraordinarily demanding during the upcoming Presidential campaign and the United Nations General Assembly's 50th anniversary. In light of these upcoming demands it is imperative that flexibility to agency management and fairness to the agents be provided, as was originally intended by Congress. This amendment only applies to the unique circumstances surrounding Secret Service physical protection activities.

The Pay Act, resulted in over $40 million in savings in fiscal year 1995 to Federal law enforcement agencies. It also prevented hundreds of millions of dollars from being spent on litigation by the Federal Government.

It was endorsed by Federal law enforcement agencies, the Office of Management and Budget, and respected law enforcement associations.

In order to ensure that this legislation does what it was intended to do, I urge the adoption of the amendment.

AMENDMENT NO. 2243

Mr. SHELBY offered an amendment (No. 2243) for Mrs. HUTCHISON.

(Purpose: To require the Administrator of the General Services Administration to report to Congress on border station leasing arrangements)

"SEC. —. REPORT ON FEASIBILITY OF LEASING OF BORDER STATIONS.

"(a) The Administrator of the General Services Administration shall, within six months of enactment of this legislation, report to Congress on the feasibility of leasing agreements with State and local governments and private sponsors for the construction of border stations on the borders of the United States with Canada and Mexico whereby:

"(1) lease payments shall not exceed 30 years for payment of the purchase price and interest;

"(2) the obligation of the United States under such an agreement shall be limited to the current fiscal year for which payments are due without regard to section 3328(a)(1)(B) of title 31, United States Code;

"(3) an agreement entered into under such provisions shall provide for the title to the property and facilities to vest in the United States on or before the expiration of the contract term, on fulfillment of the terms and conditions of the agreement."

Mrs. HUTCHISON. Mr. President, with the passage of NAFTA, cities and towns along the border are increasingly interested in expanding the opportunities for trade and economic growth. An essential factor in this growth is the presence of new or expanded border stations at new river or land border crossings. These stations house agents of the U.S. Customs Service, the Immigration and Naturalization Service, and the Department of Agriculture. New or expanded facilities are essential in encouraging trade and in meeting the objectives and dreams of NAFTA.

The normal procedure for the construction of border stations is for the General Services Administration to build and own them. The rationale is that these buildings are long-term investments of the Federal Government and Federal ownership is the most cost-effective form of ownership. Up to now the funding for these projects has come through two channels. One is the congressionally authorized Southwest Border Station Capital Improvement Program started in 1988. It has funded improvements along the southern border. The other is for the U.S. Customs Service, the INS, the Department of Agriculture to provide GSA with a list annually of desired border station projects. They are then included in GSA's capital budget. Both methods were successful prior to the passage of NAFTA in meeting the need for border station facilities in a manner that, if not always as timely as desired by State and local governments and private sponsors, did provide funding.

Three events have changed the situation: First, increased demand for new border crossings. The passage of NAFTA has increased the importance of trade with Mexico and Canada as a source of jobs and income. This has caused towns and cities on both sides for the border to seek additional border crossings in order to accommodate expected future traffic.

Second, reduced Federal funding for construction. Budget cuts are reducing the funds available for new construction, including border stations. GSA is under pressure to reduce construction projects by hundreds of millions of dollars.

Third, reduced Federal flexibility to meet the demand for new stations. Because of budget scoring rules introduced under the Omnibus Budget Reconciliation Act of 1990, GSA cannot economically lease a border station. If a local government or sponsor is willing to build and lease the facility to GSA for 20 years, GSA under the new scoring rules must provide all the money up front for the stream of payments over the 20-year period. This makes the leasing alternative as expensive as new construction in a time of reduced budgets. GSA cannot spread the cost over 20 years, even though they can lease the border station. No homeowner would be able to afford a mortgage if these rules applied. This is particularly frustrating to local sponsors since many are willing to lease the stations and then give them to GSA after the lease term.

REALITIES AND REMEDIES

NAFTA is a reality—the demand for new crossing will not diminish, but increase.

Federal budget reduction is a reality—the availability of Federal funds for border stations is not increasing, but diminishing.

The budget scoring of leasing transactions for border stations is the consequence of much broader issues that Congress and the administration were dealing with that had nothing to do with border stations.

Changing the scoring rules for border stations resolves the problem.

Under this language, the Administrator of General Services will report on leasing arrangements whereby the GSA can enter into lease with State and local governments, as well as private sponsors, for the construction of border stations for a period of up to 30 years. The language provides that such a report will acknowledge that at the end of the lease term the Federal Government owns the border stations.

AMENDMENT NO. 2244

Mr. SHELBY offered an amendment (No. 2244) for Mr. BINGAMAN.

At the appropriate place, insert the following:

SEC. . ENERGY SAVINGS AT FEDERAL FACILITIES.

(a) REDUCTION IN FACILITIES ENERGY COSTS.—

(1) IN GENERAL.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from fiscal year 1995 levels, in the energy costs of the facilities used by the agency.

(2) COOPERATION BY GENERAL SERVICES ADMINISTRATION.—In the case of facilities under the administrative jurisdiction of the General Services Administration and occupied by another agency and for which the Administrator of General Services delegates operation and maintenance to the head of the agency, the Administrator shall assist the head of the agency in achieving the reduction in the energy costs of the facilities required by paragraph (1) by entering into contracts to promote energy savings and by other means.

(b) USE OF COST SAVINGS—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the head of each agency described in subsection (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved; and

(C) specify the actions that resulted in the reductions.

AMENDMENT NO. 2245

Mr. SHELBY offered an amendment (No. 2245) for Mr. HATCH, for himself, and Mr. BIDEN.

On page 3, strike lines 1 through 24.

On page 31, between lines 20 and 21, insert the following:

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

For necessary expenses of the Office of National Drug Control Policy; for research activities pursuant to title I of Public law 100-690; not to exceed $8,000 for official reception and representation expenses; *$28,500,000*, of which $20,500,000, to remain available until expended, shall be available to the Counter-Drug Technology Assessment Center for counternarcotics research and development projects and shall be available for transfer to other Federal departments or agencies: *Provided*, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, for the purpose of aiding or facilitating the work of the Office: *Provided further*, That not later than 60 days after the date of enactment of this Act, the Director of the Office of National Drug Control Policy shall report to the Committees on the Judiciary of the Senate and the House of Representatives on the results of an independent audit of the security and travel expenses of the Office during the period beginning on January 21, 1993, and ending on June 30, 1995: *Provided further*, That the Director of the Office of National Drug Control Policy shall, at the direction of the President, convene a Cabinet Council on Drug Strategy Implementation to be chaired by the Director of the Office of National Drug Control Policy: *Provided further*, That the Cabinet Council on Drug Strategy Implementation shall include, but is not limited to, the Attorney General, the Secretary of the Department of the Treasury, the Secretary of the Department of Health and Human Services, the Secretary of the Department of Defense, the Secretary of the Department of Housing and Urban Development, the Secretary of the Department of Education, the Secretary of the Department of State, and the Secretary of the Department of Transportation: *Provided further*, That the Cabinet Council on Drug Strategy Implementation shall convene on no less than a quarterly basis and provide reports on no less than a quarterly basis to the Appropriations Committees and the Judiciary Committees of the House of Representatives and the Senate on the progress of the implementation of the elements of the national drug control strategy within the jurisdiction of each member of the Counsel, including a particular emphasis on the implementation of strategies to combat drug abuse among children: Provided further, That the funds appropriated for the necessary expenses of the Office of National Drug Control Policy may not be obligated until the President reports to the Appropriations Committees of the House of Representatives and the Senate that the President has directed the Office of National Drug Control Policy to convene the Cabinet Council on Drug Strategy Implementation: *Provided further*, That, on a quarterly basis beginning ninety days after enactment of this Act, the funds appropriated for the necessary expenses of the Office of National Drug Control Policy may not be obligated unless the Cabinet Council on Drug Strategy Implementation has provided the quarterly reports specified herein to the Appropriations Committees and the Judiciary Committees of the House of Representatives and the Senate.

On page 32, between lines 23 and 24, insert the following:

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

For necessary expenses of the Office of National Drug Control Policy's High Intensity Drug Trafficking Areas Program, $110,000,000 for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which no less than $55,000,000 shall be transferred to State and local entities for drug control activities; and of which up to $55,000,000 may be transferred to Federal agencies and departments at a rate to be determined by the Director: *Provided*, That the funds made available under this head shall be obligated within 90 days of the date of enactment of this Act.

On page 50, line 14, strike "$118,449,000" and insert "$113,827,000".

On page 57, line 9, strike "$96,384,000" and insert "$93,106,000".

Mr. HATCH. Mr. President, I rise today to propose an amendment, on behalf of myself and Senator BIDEN, which will restore funding for the Office of National Drug Control Policy, better known as the "drug czar's office."

The amendment funds the drug czar's modest budget—$9.3 million—without cutting a single dollar from law enforcement.

The issue this amendment presents to the Senate is whether, in the absence of any Presidential leadership in the drug war, can our Nation afford to eliminate the drug czar's office? Certainly not.

The success of the war against drugs rests with the Commander in Chief. Sadly, we have not had strong Presidential leadership in this anti-drug fight from President Clinton.

Through the 1980's and into the 1990's we saw dramatic reductions in casual drug use brought about through increased penalties, strong Presidential leadership, and a clear national anti-drug message. Casual drug use dropped by more than half between 1977 and 1992.

Under President Clinton's leadership, however, we are losing ground. Over the past 2 years, almost every available indicator shows that these gains have either stopped or been reversed.

The most recent edition of the National High School Survey reported a second year of sizable increases in drug use among our Nation's 8th, 10th, and 12th graders. Use of marijuana, LSD, and other drugs is on the rise, and young people are less worried about the dangers of drug use.

Last year's National Household Survey on Drug Abuse showed an increase in drug use after consistent declines—in many cases dating as far back as 1979.

More than 2 years ago, one well-known columnist described President Clinton's leadership role in developing and promoting a strong anti-drug policy as: "No leadership. No role. No alerting. No policy." [A.M. Rosenthal, N.Y. Times, March 26, 1993]. Sadly, what was true in 1993 is still true today.

President Clinton has abandoned many of the drug control efforts undertaken by his immediate predecessors. He has abandoned the bully pulpit to divisive voices.

President Clinton himself rarely speaks out against drug abuse—he has not given a major speech on the subject in more than a year and a half—and he offers little, if any, moral support or leadership to those fighting the drug war in America or abroad. His former Surgeon General, for example, repeatedly called for consideration of drug legalization.

President Clinton has also cut Federal efforts to keep drugs from flowing into our cities and States.

Last year, President Clinton ordered a massive reduction in Defense Department support for interdiction efforts that have been preventing bulk shipments of drugs from reaching American streets.

The administration proposed deep cuts to the drug control budgets of the Defense Department, Customs, and the Coast Guard. Cocaine seizures plummeted. U.S. Customs cocaine seizures in the transit zone dropped 70 percent; and Coast Guard cocaine seizures are off by more than 70 percent.

The administration also accepted a one-third cut in resources to attack the cocaine trade in the source and transit countries of South America.

Domestic marijuana eradication efforts led by the Federal Government have been substantially reduced. And finally, the Clinton administration has injured cooperative efforts with source country governments, such as when it ordered the United States military to stop providing radar tracking of drug-trafficking aircraft to Columbia and Peru.

Having gutted our Federal efforts to stop drugs from arriving here, President Clinton has hamstrung efforts to deal effectively with them once they hit our streets. Upon taking office, President Clinton promoted the drug czar to Cabinet level, but then slashed the drug czar's staff by 80 percent.

The President allowed the DEA to lose 198 drug agents over 2 years. The President also proposed a fiscal year 1994 budget that would have cut 621 further drug enforcement positions from the FBI, the DEA, the INS, Customs, and the Coast Guard.

The Clinton administration claimed it was implementing a so-called controlled shift in Federal drug policy. Instead, President Clinton appears to have adopted a reckless abdication drug policy.

This lack of leadership surrendered for a time much of our previous international intelligence capability to the drug cartels; it retreats on tough law enforcement efforts; subjects Federal law enforcement to unprecedented personnel reductions; and weakens Federal prosecution of drug offenders.

Mr. President, this failed Presidential record is why we need to preserve the drug czar's office. Congress needs to be able to hold this President accountable for being invisible on the drug issue.

Some may wonder why a fiscal conservative like myself would be advocating more money for any Federal office. I am not known as one who believes in preserving bureaucracy.

So, then, why am I sponsoring this amendment?

Because, Mr. President, we must not give the American people the impression that this Congress condones President Clinton's abdication of responsibility.

Perhaps A.M. Rosenthal put it best when he wrote in yesterday's New York Times that:

> Mr. Clinton's leadership has sometimes seemed to us anti-drug types as ranging from absent to lackadaisical. But for Congress to hobble the war by wiping out its coordinator seems a strange way of inspiring the President or the country. [New York Times, August 4, 1995].

Mr. President, drugs are killing our country. They are contributing to a wide range of devastating effects on all Americans, particularly our children and youth. Drugs contribute to crime, the break-up of marriages and families, lower productivity in the workplace, and many other societal problems.

If President Clinton does not take the drug issue seriously, someone has to. Today, Mr. President, that someone is, I hope, each one of us.

If the drug office is dismantled, and responsibility is diluted among the 50-plus departments and agencies involved in drug control, then the President will be able to evade accountability.

No one will be in charge, no one will be responsible, and instead of the current lack of aggressiveness—which by the way can be fixed if the White House wants to fix it—we will have institutionalized drift.

Even William Bennett, hardly a friend of government spending or close ally of the Clinton administration, has conveyed to me that he supports keeping the office open.

Obviously, Lee Brown and I have a major differences about what is and what isn't an effective drug strategy. At the same time, I want to emphasize that those differences are differences of policy and approach. Notwithstanding our differences, at least Director Brown is the one person in this White House who seems to care about the drug issue. I don't believe we should punish the administration's poor policies by eliminating the office of its only Presidential coordinator.

Let me draw an analogy. Last week, an overwhelming majority of the Senate went on record as being opposed to the Clinton administration's failed policy of lack of leadership in Bosnia.

Yet, although the Senate differed with the President's policy, no one seriously suggested eliminating the National Security Council, which has been formulating administration policy. A move to cut the NSC would have been called shortsighted.

Why then is such a proposal to eliminate the Office of National Drug Control Policy and less shortsighted when it comes to our Nation's drug policy?

To those who think the drug czar's office needs to be reorganized, and who are concerned at reports of excessive travel spending, I share your concerns.

The Senate Judiciary Committee will be looking at changes to the drug czar's staffing and mission, and the pending Hatch-Biden amendment will require an independent audit of the drug czar's travel spending and security budget.

If we are to succeed in the drug war, we need Presidential leadership. In the absence of such leadership, we need a drug czar all the more.

President Clinton has failed to stand behind his drug czar. Congress should not reward him for doing so by eliminating this office.

I urge my colleagues to support this amendment.

Mr. BIDEN. Mr President, the drug office provides the accountability and single point of contact necessary for Congress to exercise oversight of Federal drug strategy.

The drug strategy and the drug budget provides the only single document that details our national drug strategy.

When he was Director, William Bennett testified before the Senate Judiciary Committee in February 1990:

> [A] year ago [before drug office was law], if you had asked for a comprehensive picture of national drug policy, you had to go to over 30 different agencies. Not anymore. William Bennett, testimony, February 2, 1990.

Also, this is not a debate about the drug strategy. This is a debate about whether we have a drug strategy.

I disagreed with elements of the strategy proposed by Director Bennett, Director Martinez, and Acting Director Walters. But, if we did not have a drug strategy, we could never have had a drug policy debate.

To illustrate this point, I would point out that there are 85 departments, agencies, offices, and bureaus that make up the Federal antidrug effort. The drug director is the only person who is dedicated full time to bringing any order to this effort.

This year the Federal Government will spend $13.3 billion fighting against drugs. The President proposes that we spend $14.6 billion next year. I do not want to debate the specifics of the drug strategy.

My point is that with so much money being spent, we ought to be able to debate how we are going to spend these dollars. And, we can only debate if there is a policy for us to discuss. And there is only a drug policy if we have a drug strategy.

This amendment serves one central purpose: To make sure that we have a full-time general in command of our war on drugs.

Although drugs have dropped off of the media's radar screen for the moment, we cannot be lulled into a sense of complacency on this issue. Drug-related violence still shatters the night in cities, towns, and rural hamlets all across the country; hard-core addicts roam the streets in as great numbers as ever; and the recent surveys by the National Institute on Drug Abuse tell us that teenagers may be forgetting the lessons we have taught them over the past few years: Use of marijuana, LSD, and inhalants is on the rise among our young people.

This is no time to eliminate the drug office—we must redouble our efforts. We must bolster, not obstruct our Nation's ability to develop and mount an all-out attack on the drug scourge.

I am gratified that the Senate has worked in a bipartisan fashion to continue—and bolster—the Office of National Drug Control Policy.

TO PRESERVE THE OFFICE OF NATIONAL DRUG CONTROL POLICY

Mr. KENNEDY. I strongly oppose the provision in this bill that would eliminate the Office of National Drug Control Policy, and in support of the Hatch-Biden amendment to restore most of the funding for this office.

I am pleased that the managers have agreed to accept this important improvement in the bill.

Despite considerable progress over the past decade, drug abuse is still rampant in the United States, and continues to have catastrophic social consequences. Drug abuse hurts worker productivity, increases health care costs, and has burdened the Nation's criminal justice system to the breaking point. It remains a major concern of parents and community leaders throughout the country.

Let's remember why we authorized appointment of a drug czar in the first place. In 1988, we passed comprehensive antidrug legislation. We enacted tougher sentences for drug crimes, broadened drug interdiction efforts, and increased funding for treatment and prevention.

We also recognized that throwing money at the drug problem was not the answer. Instead, we needed a coordinated national strategy to wage the drug war. We wanted to be tough on drugs, but we also wanted to be smart on drugs. That's why the 1988 bill created the Office of National Drug Control Policy, known as the drug czar's office.

The drug czar has not been able to close every open-air drug market. He has not eliminated every waiting list for drug treatment. He has not cut off the flow of drugs from South America. But he has helped to focus the attention of the country, and his fellow Cabinet members, on the impact of drug abuse. And he has helped to marshal and prioritize Federal resources to wage a more effective battle against drugs.

The pending bill would turn back the clock and eliminate the drug czar's office. I disagree with that decision, and I am especially disturbed at the lack of consideration accompanying it.

There have been no hearings in the Judiciary Committee. Indeed the committee is united in support of the Hatch-Biden amendment to preserve the Office.

The report accompanying this bill contains a bare two paragraphs of explanation: the appropriations subcommittee says that "[d]rugs and drug-related violence remain the scourge of our Nation. The committee is very concerned that the administration has moved the war on drugs from a top priority, and that is reflected by this Office's invisibility. The committee believes that the funding provided to operate this Office can be far better utilized on the front lines and has taken action accordingly."

The logic of that argument escapes me. If the subcommittee believes that the drug czar has been insufficiently visible, why eliminate his office? If drugs are the scourge of the Nation, why eliminate the Office that coordinates the Federal antidrug effort? The $9 million used to fund the Office is less than one-tenth of 1 percent of the antidrug budget, and adding that sum to the front-line effort won't make a bit of difference.

But eliminating the Office would gravely undermine the goal of coordination and send precisely the wrong message to parents and teenagers. Our allies around the world who argue that the United States needs to do more, not less, to reduce its demand for drugs would be shocked if we took such action.

In contrast to the sketchy treatment of this subject in the Senate report, the report of the House subcommittee contains substantial criticism of the current drug czar, Lee Brown, for focusing too much attention on prevention and treatment efforts. That, of course, has been the real strength of the current drug czar. Dr. Brown has emerged as a skilled advocate for demand-reduction efforts both within and outside the administration.

This drug czar doesn't travel around the country holding press conferences every day, like some earlier occupants of his office. But Dr. Brown has spent every single day in office fighting for the proposition that we need more drug treatment and antidrug education in this country, not less. He has justifiably taken Congress to task when we have failed to meet the targets in the administration's antidrug budget. I, for one, respect him for that.

Under the stewardship of Dr. Brown, the Federal antidrug effort has enjoyed notable successes in recent years. In New York, Los Angeles, Houston, Baltimore, and other cities, several drug trafficking and money laundering organizations have been exposed and dismantled. The Southwest border has been strengthened.

The drug czar's office has been instrumental in persuading Colombia—the source of 80 percent of the cocaine that reaches our shores—to take a more aggressive stand against the cocaine cartels. The Office deserves neither the credit for every success, nor the blame for every failure. But it has worked well, and it is accomplishing the central task of reducing duplication and overlapping Federal antidrug programs.

This is no time to abandon our effort. The Federal Government must send a clear message to families and communities that it is strongly committed to a national drug control policy.

As the most recent high school senior survey demonstrates, the war on drugs is far from won: In 1994, 45 percent of all high school seniors reported having used an illegal drug at least once; the percentage of high school seniors who reported using an illegal drug within the past year rose to 35 percent, up nearly 5 percent from 1993; 3.6 percent of eighth graders had used cocaine at least once; 20 percent of eighth graders had used inhalants at least once.

In my view, these statistics make the case for a more balanced drug strategy that emphasizes drug abuse prevention. They argue for expanding the mandate and authority of the drug czar, in order to help wage a more effective battle against illegal drugs. But surely these statistics provide no support at all for those who seek to eliminate the drug czar's office. That route is nothing short of a surrender in the war on drugs, an admission of failure that all of us should reject.

I welcome adoption of the Hatch-Biden amendment.

THE ELIMINATION OF THE OFFICE OF NATIONAL CONTROL POLICY

Mr. MACK. Mr. President, why are we here today considering the elimination of the Office of National Drug Control Policy [ONDCP]? It is not that they have worked themselves out of a job. Indeed, all indications suggest that drug usage and availability have reversed their course and are now on the rise.

Frankly, the performance of this office—or rather lack thereof—has led us to this point. Their silence on the scourge of drugs, coupled with their diminished support of interdiction activities, has sent a clear message to the drug cartels and to the American people. That message is that this administration is apathetic with respect to the issue of drug trafficking and drug use.

Under this administration, every passing year has witnessed additional cuts in overall interdiction funding. According to numbers provided by the Office of National Drug Control Policy, interdiction funding has been cut by approximately $700 million since 1991. This amounts to more than a 25-percent reduction.

Moreover, the administration's source country strategy has diverted scarce assets and diminished our capabilities in transit and border interdiction activities. While the strategy of source country interdiction is conceptually sound, the reality is that it leaves us susceptible to the decisions of sovereign nations on whether or not to cooperate with the United States.

In a letter sent to President Clinton in January of this year I, along with Senators DOLE and HATCH, expressed our concern over this source country emphasis at the expense of our transit and border interdiction capabilities. Shortly thereafter the President delivered to the Congress his budget which once again contained less funding for drug interdiction activities. It appears the President missed the message.

I am unconvinced that the Office of National Drug Control Strategy is doing all it can to support the agencies involved in interdiction activities. Based on the statistics I've seen and on the information I've acquired from various law enforcement officials, I would suggest ONDCP has not done enough. Not enough in budgetary support and not enough in verbal advocacy.

Reliable groups who gather drug-related data have independently verified that drug usage is rising. Indeed, a variety of variables that these groups analyze indicate the United States is failing in its interdiction efforts. For instance, cocaine and heroin emergency room admissions have been rising since 1992—Drug Abuse Warning Network [DAWN]. Drug usage among high school students, 8th to 12th grade, has also been rising over this same period—monitoring the future study. Finally, the data also shows that as interdiction funding has dropped, so to has the price of cocaine. Cocaine is now more affordable that it has been at any time over the last 6 years—DAWN.

Last year, the Commandant of the Coast Guard was tasked with coordinating and representing all law enforcement agencies involved in drug interdiction to the Office of National Drug Control Policy. The Commandant informed Lee Brown, Director of ONDCP, of the various agencies' dissatisfaction over their interdiction budgets. It would appear that the concerns of the people in the field and the mission they are asked to perform are just not a priority for this administration.

While created with the laudable goal of coordinating the many agencies involved throughout the Government in fighting the scourge of drugs through interdiction, education, and treatment, ONDCP has fallen short of its responsibilities—especially in the interdiction effort.

The elimination of this office should not be viewed as a signal that the Congress has given up on drug interdiction, indeed just the opposite is the case. The elimination of this office should, in no uncertain terms, signal the administration that not enough is being done and that their support of interdiction activities has been inadequate.

I believe President Clinton would send a strong signal to the American people by increasing his support of interdiction activities.

AMENDMENT NO. 2245, AS MODIFIED

Mr. SHELBY offered an amendment (No. 2245) as modified, for Mr. HATCH, for himself and Mr. BIDEN.

AMENDMENT NO. 2246

Mr. SHELBY offered an amendment (No. 2246) for Mr. COVERDELL.

On page 2, line 21, strike "$105,929,000" and insert "$110,929,000, of which $5,000,000 shall be transferred to States covered by the National Voter Registration Act of 1993, to be expended by such States for costs associated with the implementation of the National Voter Registration Act of 1993, with such funds disbursed to such States on the basis of the number of registered voters in each State on July 1, 1995, in relation to the number of registered voters in all States on such date": *Provided* that no further funds in addition to the $5,000,000 so transferred, may be transferred by the Secretary to the States for costs associated with the implementation of the National Voter Registration Act of 1993 during Fiscal Year 1996.

On page 46, line 12, strike "$2,329,000,000" and insert "$2,324,000,000".

AMENDMENT NO. 2247

Mr. SHELBY (for Mr. BROWN, for himself and Mr. KERREY) offered an amendment (No. 2247) as follows:

(Purpose: To limit the amount of leave that Senior Executive Service employees may accumulate to 60 days)

At the appropriate place in the bill, insert the following:

SEC. . (a) Section 6304(f) of title 5, United States Code, is amended—

(1) in paragraph (2) by striking "described in paragraph (1)" and inserting "for an individual described subparagraphs (B) through (E) of paragraph (1)"; and

(2) by adding at the end the following:

"(3) For purposes of applying any limitation on accumulation under this section with respect to any annual leave for an individual described in paragraph (1)(A)—

"(A) '30 days' in subsection (a) shall be deemed to read '60 days'; and

"(B) '45 days' in subsection (b) shall be deemed to read '60 days'.".

(b)(1) The amendments made by subsection (a) shall take effect January 1, 1996.

(2) Any individual serving in a position in the Senior Executive Service on December 31, 1995 may retain any annual leave accrued as of that date until the leave is used by that individual.

Mr. BROWN. Mr. President, the amendment that Senator KERREY and I have sponsored on the executive service leave changes the amount of leave one can accrue and in effect be paid for at a later date.

Most Federal employees right now fall under a circumstance where they can accrue 30 days. That is, you can accrue up to 30 days, but after 30 days, if you accrue more than that, you do not get it. You do not get paid for it. But currently Senior Executive Service people get special treatment. Instead of being limited to the 30 days that everybody else gets, they get 90 days. Thus, the reason for the amendment that we have sponsored and will adopt. It moves it down to 60 days.

Mr. President, my own feeling is that they ought to be treated like everyone else. They ought to be limited to 30-days. But movement from 90 days to 60 days is movement in the right direction. I do intend, though, in future pieces of legislation to address this issue again, and my hope is we will eventually move this down to the same treatment everyone else gets—30 days.

I should be quite clear; the overtime already accumulated by personnel would remain with the employee until used. In other words, it is not retroactive and the amendment would not affect overtime accrued by Senior Foreign Service personnel, Defense Intelligence Senior Management Executive Service, the Senior Cryptological Executive Service, and the FBI and the DEA Senior Executive Service.

Mr. President, we ought to be thinking about consistent rules for everyone in this area, and it is an area I think is worth pursuing.

AMENDMENT NO. 2248

Mr. SHELBY offered an amendment (No. 2248) for Mr. LAUTENBERG.

At the appropriate place, insert the following:

SEC. . TRANSFER OF CERTAIN FEDERAL PROPERTY IN NEW JERSEY.

The first section of the Act entitled "An Act transferring certain Federal property to the city of Hoboken, New Jersey", approved September 27, 1982 (Public Law 97–268; 96 Stat. 1140), is amended—

(1) in subsection (a), by adding "and" at the end; and

(2) by striking "Stat. 220), and" in subsection (b) and all that follows through "New Jersey; concurrent with" and inserting the following: "Stat. 220);

concurrent with".

AMENDMENT NO. 2249

Mr. SHELBY offered an amendment (No. 2249) for Mr. GRASSLEY, for himself, and Mr. HEFLIN, Mr. ROTH, Mr. LEVIN, Mr. KOHL, Mr. THURMOND, and Mr. GLENN.

On page 33, insert between lines 1 and 2 the following:

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

SALARIES AND EXPENSES

For necessary expenses of the Administrative Conference of the United States, established under subchapter V of chapter 5 of title 5, United States Code, including not to exceed $1,000 for official reception and representation expenses, $1,800,000.

On page 35, line 22, strike out "$5,087,819,000," and insert in lieu thereof "$5,086,019,000,".

On page 46, line 12, strike out "$2,329,000,000," and insert in lieu thereof "$2,327,200,000,".

On page 48, line 12, strike out "$5,087,819,000," and insert in lieu thereof "$5,086,019,000,".

Mr. GRASSLEY. Unfortunately, Mr. President, the Administrative Conference of the United States has been zeroed out by the House and Senate Appropriations Committee. In the absence of this amendment, there would be no funding at all for the Conference. The Administrative Conference is the only permanent, independent watchdog over the excesses and waste in regard to agency rules and rulemaking. It is a very small agency with a very important role in the Government. It is charged with the responsibility of identifying and recommending improvements to the administrative procedures of Federal agencies, a function that has only become more important.

Administrative process and procedure is the central function of the Federal Government. The Conference's sole purpose is to objectively and fairly develop improvements to this administrative process.

There are some that argue that the valuable work that ACUS does can be done equally as well by other agencies. This is not true, however, as ACUS is unique in its ability to provide objective, fair, nonpartisan, nonideological improvements to the efficiency of government.

The Subcommittee on Administrative Oversight and the Courts, which I chair, recently held a hearing on the reauthorization of ACUS. In a letter to the subcommittee, Supreme Court Justice Scalia, a former Conference Chairman and present member, noted the benefits of ACUS: "The Conference seeks to combine the efforts of scholars, practitioners, and agency officials to improve the efficiency and fairness of the thousands of varieties of Federal agency procedures. In my judgment, it is an effective mechanism for achieving that goal, which demands change and improvement in obscure areas where bureaucratic inertia and closed-mindedness often prevail." By the way, Supreme Court Justice Breyer is also a member.

To delegate ACUS' important responsibilities to the Department of Justice, as some have suggested, would be to have the fox guarding the hen house. We have seen in the recent regulatory reform debate how partisan and nonobjective the Justice Department can be. ACUS is an agency that is not likely to make a lot of friends because many of its recommendations force agencies to be more efficient and more accountable. This is all the more reason for it to continue.

ACUS is not an ideological or a partisan agency. In testimony before the Administrative Oversight and the Courts Subcommittee, Judge Loren Smith, Chief Judge of the U.S. Court of Federal Claims said: "With a government as large and complex as ours has become; there must be a place where the administrative process can be analyzed from a relatively policy neutral perspective." To entrust the responsibility of oversight to a partisan agency would be foolish.

Mr. President, it is wise to invest a small amount of money to maintain a permanent, independent watchdog over the fairness, efficiency, and effectiveness of the detailed workings of the administrative process. The return on the money invested here justifies its small budget. In a hearing before the Subcommittee on Administrative Oversight and the Courts, Jim Miller, the former head of the Office of Management and Budget under President Reagan, said: "As you know I am a fierce advocate of downsizing the Federal Government and reducing the number of agencies and programs. The way to do this is to pare back those operations that generate the least bang for the taxpayers' buck. I submit that ACUS is not one of these." Mr. President, the Conference's value lies in its ability to streamline and save money. Its value far, far exceeds its costs.

And, Mr. President, our amendment is budget neutral since the small amount of funding for ACUS will be taken from the General Services Administration account. Therefore, this amendment will not add to the Federal deficit.

Some have mistakenly argued that ACUS doesn't do anything meaningfull. Well, these arguments come from those who do not have to deal with the complexity and burdens of the regulatory process.

Just a few of the major accomplishments of ACUS include the following:

First, regulatory reform: In the comprehensive regulatory reform legislation S. 343, that the Senate has been considering, the Conference was relied upon for their expertise in this area, and a number of ACUS' recommendations were made part of the bill. And when the legislation was before the Subcommittee on Administrative Oversight and the Courts, which I chair, ACUS recommendations were relied upon.

Second, alternative dispute resolution: ACUS has explored alternatives to costly litigation such as mediation and alternative dispute resolution. By adopting the Conference's recommendations, agencies have saved millions of dollars of taxpayer's money. I will soon be introducing a permanent extension of the Agency Dispute Resolution Act which is based on ACUS' recommendations.

Third, simplying Government contracting: Through a number of recommendations, ACUS has succeeded in streamlining the Federal contracting process, a procurement system which accounts for $200 billion in expenditures each year. This was accomplished through amending the jurisdictional requirement in certification of Federal contracts. The potential for further savings here are enormous.

Fourth, negotiated rulemaking: OMB has utilized ACUS as a reg neg resource center for agencies undertaking negotiated rulemaking, a cutting edge reform which allows for enormous improvement in Government. This is accomplished by revolutionizing the way which agencies come up with rules. Under this reform, parties who would be affected sit down with the agency and discuss the ramifications of proposed regulations, and hopefully, come up with a negotiated agreement.

Fifth, equal access to justice: The Conference played a key role in enacting the Equal Access to Justice Act. ACUS was assigned by Congress the responsibility to ensure executive branch compliance. While there was some institutional hostility to the changes, the model rules that ACUS had drawn up, were eventually adopted by all agencies. The Conference continues its work on this issue, most notably in its recent recommendation for streamlining attorney's fee litigation.

Sixth, Contract Disputes Act: The Conference recommended changes to the Contract Dispute Act. This legislation has worked well over these last 3 years, eliminating an enormous amount of needless litigation.

The Administrative Conference is not your typical agency. It is small, it has no natural constituency, and it is vital to the success of any governmental reform efforts. Its budget is small, and it saves much more than it costs. I must repeat the words of Chief Judge Smith from his testimony:

> I argue for the reauthorization of the Administrative Conference not because it is good for the Conference, or its able chair, but rather because it is good for America. It will help make this huge Federal Government a little more fair for our citizens, be they small business people, farmers, workers, children, property owners, conservationists, or taxpayers.

Mr. President, we in the Congress need all the help we can get in keeping an eye on what many view as an out-of-control Federal bureaucracy. Overall, the manager of the bill, Senator SHELBY has done an excellent job in crafting a responsible bill that helps put us on the road to a balanced budget. I support his efforts on many tough decisions he had to make regarding this bill.

But, on this one very small item, I just think that we are literally being penny wise and pound foolish. So, I urge my colleagues to join in support of this effort for a more efficient and more accountable Government.

Mr. HEFLIN. Mr. President, I rise today as a cosponsor of an amendment offered by my friend and colleague Senator GRASSLEY to restore funding for the Administrative Conference of the United States.

The Judiciary Subcommittee on Administrative Oversight and Courts, which is chaired by Senator GRASSLEY, and upon which I serve as ranking member has just concluded a hearing on Wednesday, August 2, 1995, relative to the Conference's reauthorization. At that hearing a panel of distinguished witnesses testified on behalf of the continued authorization for this small, but vital independent agency whose purpose is to promote the efficiency, adequacy, and fairness by which Federal agencies conduct regulatory programs, administer grants and benefits, and perform related government functions.

The witnesses who testified before our subcommittee were the Hon. Thomasina Rogers, chairwoman of the Conference, the Hon. Loren Smith, chief judge of the Court of Federal Claims and a former chairman of the Conference, Thomas Susman, a prominent Washington lawyer and former staff member of the Judiciary Committee, and James Miller III, former Director of the Office of Management and Budget under President Ronald Reagan. That is quite a cross-section of individuals and reflect the broadbased, non-ideological support that the Conference enjoys by the legal and academic community across the nation.

We are living in a time of retrenchment, when the Federal Government is cutting back and trying to do more with less. The question we must ask ourselves as policy makers is "does eliminating the Conference make good common sense"? I believe the answer is "no" and will elaborate today on why it is good policy to continue the valuable work this agency performs on behalf of the American taxpayer.

Former OMB Director Jim Miller put it succinctly at the hearing when he asked: "Does the Conference produce value for money"? That is "putting the hay down where the goats can eat it," as we say back in Alabama.

First let me share some background with my colleagues who may not be familiar with the work that the Conference does. As I have mentioned, the Conference seeks to improve the fairness, adequacy, and efficiency of the regulatory process with a unique combination of public and private cooperation between government officials and private citizens who volunteer their time and expertise. The Conference has leveraged its rather modest $1.8 million appropriation with hundreds of thousands of dollars of estimated donated time from private citizens to conduct the necessary work to advise the executive, legislative, and judicial branches of the Federal Government.

The Conference was established by law in 1964 to make recommendations on needed improvements to the regulatory process and to serve as sort of a clearinghouse for all of the Federal agencies in this regard. We in Congress have given the agency additional statutory duties over the years under the Administrative Dispute Resolution Act, the Negotiated Rulemaking Act, and the recently enacted Congressional Accountability Act, and the proposed Comprehensive Regulatory Reform Act.

Let me give you a concrete example. Under the Administrative Dispute Resolution Act, the Conference has assisted in carrying out the act's goals of cutting down on unnecessary Government litigation when cheaper and quicker alternatives could be used to the benefit of the Government and the taxpayer. The Conference instituted a computerized roster that now contains the names of hundreds of neutral mediators who are available to assist agencies in resolving their problems.

The Conference has also sponsored an initiative which allows agencies to use each other's employees as an alternate source of low cost, high quality mediators. And importantly, the Conference organized a series of interagency working groups bringing together people from dozens of agencies to work cooperatively on projects no one agency would likely undertake on its own. This is the point I am trying to make—the Conference is a clearinghouse for all of our Federal agencies with regard to improving the administrative process of the Federal Government.

Let us look at another concrete example of how the Conference works on behalf of the taxpayer to say him time and money. The Conference recently cosponsored with the Office of Federal Procurement Policy a program in which agencies agreed to work toward a partnership with private sector companies to reduce the number of contract claims filed under the Contract Disputes Act. This was achieved by using alternative dispute resolution techniques, and 24 agencies signed a pledge committing them to enhanced use of ADR techniques.

Other savings to the taxpayer were presented at the subcommittee hearing. The Federal Deposit Insurance Corporation, relying on a Conference recommendation, began a pilot mediation program that saved more than $9 million in legal fees in the first 18 months. The U.S. Information Agency used ADR techniques to settle its largest contract claim—$1 million in interest charges alone were saved. A pilot project by the Department of Labor, which worked closely with the Conference, reduced the cost of litigation in enforcement cases resolved by mediation by up to 17 percent and expedited the resolution of those disputes by 6 months. Finally, the Army Corps of Engineers reports that its use of ADR techniques has reduced its contract claims from more than 1,000 in 1988 to slightly more than 300 in 1992.

I have perhaps gone on too long for my colleagues in outlining some of the concrete results, but just these alone answer former OMB director Jim Miller's question: "Does the Conference give value for money"? The short answer is "yes" it does.

In closing I would like to enter into the CONGRESSIONAL RECORD a copy of a letter written to the Hon. RICHARD SHELBY, chairman of the Senate Appropriations Subcommittee on Treasury, Postal Service, and General Government and to the Hon. ROBERT KERREY, ranking member of that subcommittee, which supports continued funding for the Conference. The letter is signed by numerous private sector members of the Conference including private practitioners, public interest groups, law professors, and a State Supreme court justice.

Let me read from it a brief excerpt.

> The Administrative Conference may be one of the most economically efficient uses of taxpayer dollars in the government. Its present budget is $1.8 million. Its work in ADR alone has been the catalyst for tens of millions of dollars of savings by government agencies and the private sector. It should be allowed to continue this important cost-saving work.

Mr. President, that succinctly states why I am cosponsoring this amendment to restore the modest funding to this small, but vital nonpartisan independent agency. It does deliver value for money. It should continue its service to the American people.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JULY 20, 1995.

Hon. RICHARD C. SHELBY,
Chairman, Subcommittee on Treasury, Postal Service and General Government, Senate Committee on Appropriations, Hart Senate Office Building, Washington, DC.

Hon. J. ROBERT KERREY,
Ranking Member, Subcommittee on Treasury, Postal Service and General Government, Senate Committee on Appropriations, Hart Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN AND SENATOR KERREY: We, the undersigned private-sector members of the Administrative Conference, are writing to urge you to continue to support funding for the Administrative Conference of the United States (ACUS).

Created in 1964, ACUS is uniquely bipartisan and a special blend of public and private input. By teaming government officials with private citizens who volunteer their time and expertise, ACUS leverages its small appropriation into hundreds of thousands of dollars of donated time to conduct basic research and give advice and assistance to the Congress, the President, federal agencies, and the federal judiciary on difficult issues of administrative law, regulation and rulemaking, and fairness and efficiency in government procedures. In recent years ACUS has been a major architect and proponent of government use of alternative dispute resolution (ADR), which replaces costly and time-consuming litigation with various consensual techniques that save money for both the government and private sector and enhance the public's participation in the governmental process. Indeed, ACUS is now the most important repository of expertise and information about ADR. Because ACUS' sole goal is the improvement of the regulatory process, and its approach is nonpartisan and nonideological, its recommendations have an exceptionally high rate of acceptance.'

Congress uses ACUS as a recognized source of impartial expertise. In enacting its very first piece of legislation this session, the

Congressional Accountability Act of 1995, Public Law 1054-1. Congress gave the Administrative Conference the statutory responsibility for examining and making recommendations regarding the implementation of the numerous health, safety and labor statutes that will now apply to three congressional agencies—the Library of Congress, the General Accounting Office, and the Government Printing Office.

The Dole regulatory reform bill currently under Senate consideration, S.343, as well as the bill unanimously reported out of the Government Affairs Committee, S. 291, and the recently introduced Glenn bill, S. 1001, include important new oversight responsibilities for ACUS. In selecting ACUS to undertake these new responsibilities, the Governmental Affairs Committee observed:

Because ACUS is comprised of respected experts and practitioners representing a wide range of perspectives and interests, and has a record of developing unbiased, practical solutions to regulatory problems, the Committee believes that this agency is well suited to producing the studies and recommendations needed to fulfill the intent of section 5 [of the bill.]. Report of the Senate Committee on Governmental Affairs, S. Rep. No. 104-88, p. 57 (May 25, 1995).

The Administrative Conference may be one of the most economically efficient users of taxpayers dollars in the government. Its present budget is $1.8 million. Its work in ADR alone has been the catalyst for tens of millions of dollars of savings by government agencies and the private sector. It should be allowed to continue this important cost-saving work. It has developed a program to complement current Administration and Congressional initiatives and address the details that must be resolved if regulatory reform and reinvention efforts are to be implemented successfully. Even if its job were solely to monitor and improve regulatory changes that may emerge from this Congress, that would be reason enough to retain it.

In short, we urge you to support continuous funding for ACUS.

Sincerely,

Joseph A. Morris, Esquire, Morris, Rathman & De La Rosa, Chicago, IL.

Richard E. Wiley, Esquire, Wiley, Rein & Fielding, Washington, DC.

David C. Vladeck, Esquire, Director, Public Citizen Litigation Group, Washington, DC.

Dr. James C. Miller, III, Counsellor, Citizens for a Sound Economy, Washington, DC.

Justice Marian P. Opala, Supreme Court of Oklahoma, Oklahoma City, OK.

Warren Belmar, Esquire, Partner, Fullbright & Jaworski, Washington, DC.

Thomas M. Susman, Esquire, Ropes & Gray, Washington, DC.

Paul D. Kamenar, Esq., Executive Legal Director, Washington Legal Foundation, Washington, DC.

Edward F. Benavidez, Esquire, Benavidez Law Firm, Albuquerque, NM.

Arthur E. Bonfield, Professor of Law and Associate Dean for Research, College of Law, The University of Iowa, Iowa City, IA.

Marshall J. Breger, Visiting Professor, Catholic University of America, School of law, Washington, DC.

Dr. Thomas D. Hopkins, Arthur J. Gosnell Professor, Rochester Institute of Technology, Rochester, NY.

Robert A. Anthony, Professor, George Mason University School of Law, Arlington, VA.

Caryl S. Bernstein, Esquire, Senior Counsel, Shaw, Pittman, Potts & Trowbridge, Washington, DC.

Elliot Bredhoff, Esquire, Bredhoff & Kaiser, Washington, DC.

Clark Byse, Professor Emeritus, Harvard Law School, Cambridge, MA.

Ronald A. Cass, Dean, Boston University School of Law, Boston, MA.

Ernest Gellhorn, Professor of Law, George Mason University, Arlington, VA.

Sandra J. Hale, Esquire, President, Enterprise Management International, Minneapolis, MN.

Robert M. Kaufman, Esquire, Partner, Proskaner, Rose, Goetz & Mendelsohn, New York, NY.

Randolph J. May, Esquire, Sutherland, Asbill & Brennan, Washington, DC.

William R. Neale, Esquire, King, DeVanlt, Alexander & Capehart, Indianapolis, IN.

Philip A. Fleming, Esquire, Partner, Crowell & Moring, Washington, DC.

Walter Gellhorn, Professor Emertius, Columbia University School of Law, New York, NY.

Robert A. Katzmann, Walsh Professor American Government and Professor of Law, Georgetown University, Washington, DC.

Richard J. Leighton, Esquire, Keller & Heckman, Washington, DC.

Alan B. Morrison, Esquire, Public Citizen Litigation Group, Washington, DC.

Owen Olpin, Esquire, Senior Partner, O'Melveny & Myewrs, Los Angeles, CA.

Max D. Paglin, Esquire, Golden-Jubilee Commission on Telecommunications, Washington, DC.

Reuben B. Robertson III. Esquire, Ingersoll & Bloch, Chartered, Washington, DC.

Harold L. Russell, Esquire, Smith, Gambrell & Russell, Atlanta, GA.

Peter L. Strauss, Professor, Columbia University School of Law, New York, NY.

Steven G. Gallagher, Esquire, Senior Vice President, American Arbitration Association, Washington, DC.

Lawrence B. Hagel, Esquire, Deputy General Counsel, Paralyzed Veterans of America, Washington, DC.

Jaime Ramon, McKenna & Cimeo, L.L.P., Dallas, TX.

Victor G. Rosenblum, Professor, Northwestern University School of Law, Chicago, IL.

Girandeau A. Spam, Professor, Georgetown University Law Center, Washington, DC.

James E. Wesner, Esquire, University General Counsel, University of Cincinnati, Cincinnati, OH.

Edward L. Weidenfeld, Esquire, Weidenfeld & Rooney, P.C., Washington, DC.

David G. Hawkins, Esquire, National Resources Defense Council, Washington, DC.

Betty Jo Christian, Esquire, Steptoe & Johnson, Washington, DC.

Janet E. Belkin, Esquire, Chair, Section on Administrative Law & Regulatory Practice, American Bar Association.

Brian C. Griffin, Esquire, Griffin & Griffin, Oklahoma, OK.

Jonathan Rose, Esquire, Professor, Arizona State University, Tempe, AZ.

Mr. LEVIN. Mr. President, I rise today to urge my colleagues to restore funding to the Administrative Conference of the United States.

The Administrative Conference, or ACUS, is a small agency in the executive branch with an important mission and a very broad scope. It is charged with the responsibility of identifying and recommending improvements to the administrative procedures of our Federal agencies, and for more than 25 years ACUS has commendably carried out that responsibility.

The backbone of our Federal agencies is the administrative process. The administrative process includes the issuance of regulations, the adjudication of individual claims for benefits, the award of licenses, and the debarment of fraudulent and nonperforming contractors. There's not much that a Federal agency does that doesn't involve administrative process.

It is understandable, then, that when Vice President GORE went looking for key elements to reform the way our Federal agencies carry out their responsibilities, he focused in on the administrative process. When he did so, he saw the work of ACUS as an important asset to achieving real progress. Streamlining the administrative process is the main goal of the National Performance Review, and ACUS is the key vehicle the administration intends to use to reach that goal. The bill we are now considering would undermine the cause of regulatory reform, because it fails to provide any funding for ACUS.

Let us look quickly at some of the specific tasks that we in Congress have directed ACUS to take on. The Regulatory Negotiation Act, which I authored, gives ACUS a key role in encouraging and facilitating agency use of regulatory negotiation. Regulatory negotiation is a fairly new approach to developing regulations that brings the affected parties into the process earlier and attempts to achieve by consensus what we may never be able to achieve through the normal, often adversarial, rulemaking process. It may not be the right approach in every case, but where it fits it has proven to be very beneficial: cutting costs, improving enforcement, and producing more cost-effective regulations. Were ACUS to be eliminated, we would risk losing the progress we have made over the last few years to get agencies to rely more on regulatory negotiation.

Similarly, ACUS has been assigned a key role in the implementation of the Alternative Dispute Resolution Act. When used appropriately, ADR is a proven time and money saver. The ADR Act encourages agencies to avoid costly and protracted litigation by using arbitration, mediation, and other alternative dispute resolution techniques. ACUS is responsible under the ADR Act for facilitating the use of ADR in the Federal agencies, and they have been quite successful. Were we to allow ACUS to go unfunded, the center would fall out of the ADR effort, and much of the progress we have tried to achieve would be lost.

ACUS is presently evaluating conflict management in the Fish and wildlife Service's implementation of the Endangered Species Act; agency practices regarding sale and distribution of Government assets such as broadcast frequency licenses, oil and gas leases; Department of Justice control over agency litigation; the use of audited industry self-regulation; techniques for expedited rulemaking; and many more. Each of these has the potential to greatly improve the operations of Federal agencies.

Here in the Senate, we are still finding important roles for ACUS even while we are talking about eliminating it. Section 8 of the Dole-Johnston substitute to S. 343, the regulatory reform bill would direct ACUS to evaluate the agencies' compliance with that bill's risk-assessment requirements. Congress relies on ACUS for crosscutting projects such as these because of its unparalleled expertise regarding the administrative process.

While these tasks could be performed by someone other than ACUS, this points out the most valuable aspect of ACUS. ACUS is a small, free-standing agency that is free of partisan wrangling. Its research and recommendations are supposed to be without political favoritism, an so they have been. But because of ACUS's expertise and prestige, it is able to bring together many of the best minds in the fields of administrative law and Government operations from the private sector, academia, and Government to work together in the public interest. Law professors, the private bar, judges, and agency officials serve together on ACUS panels, providing their services free of charge. ACUS's ability to leverage its small amount of money into such a sizable substantive gain makes it unique. The Nation could not expect to find a more economical source of the services ACUS provides, and allowing ACUS to go unfunded for even 1 year would erode its stature and severely damage this unique arrangement.

Administrative process is not glamorous stuff, but if you think back on the major issues debated here this session, its importance is clear. Many of us have drawn on ACUS's expertise when considering the issues of unfunded mandates, the regulatory moratorium, regulatory reform, lobbying disclosure, telecommunications. The ability of ACUS's staff to quickly and accurately answer an extraordinary range of questions about how the Federal administrative agencies operate is extraordinary. This, combined with the many important roles ACUS plays in improving the operation of those Federal administrative agencies, offers compelling justification for restoring adequate funding to ACUS.

Mr. President, I congratulate the Senator from Iowa for offering this amendment and I urge my colleagues to support it.

Mr. GLENN. Mr. President, I strongly support this amendment to restore funding for the Administrative Conference of the United States.

The Administrative Conference is a small agency that provides independent, nonpartisan advice and assistance to Congress and Federal agencies on how to make Government procedures more efficient, flexible, and open.

ACUS, as the Conference is sometimes called, is a unique public-private partnership. It consists of members from Government, the academic community, and the private sector, who develop consensus-based recommendations for improved agency procedures. It also has a small career staff that works with agencies on implementing recommended reforms, and that assists congressional offices and agencies on issues of administrative law and practice.

In this era of budget reduction and smaller government, the Administrative Conference is especially valuable. There are several compelling reasons for this.

First, ACUS studies problems and makes recommendations that save the Government lots of money. For example, the Conference has testified that the Social Security Administration adopted an ACUS recommendation to simplify the Social Security appeals process. From following just this one ACUS recommendation, the Social Security Administration reports that it will save $85 million annually.

A second example is the use of alternative dispute resolution techniques, or ADR, which means mediation and other methods of settling cases and avoiding costly litigation. The Administrative Conference is the Government's central resource on the use of alternative dispute resolution. Data from five agencies show that their use of these ADR methods, which ACUS has been promoting for a decade, saved $13.8 million in 1994.

James C. Miller, who was budget director under President Reagan and is a staunch budget-cutter, has testified that it would be a mistake for Congress to zero out the Administrative Conference, because "ACUS generates far more value to the American people" than its yearly budget. On this point, Jim Miller and I agree completely. The Conference's budget is only $1.8 million dollars—an amount that is repaid many times over in reduced litigation costs and improved Government efficiency.

A second reason why the Conference is especially valuable now, is that we are in the midst of revamping the Government's administrative and regulatory procedures for the first time in 50 years. Such a time is when we most need the expert, impartial advice and assistance of the Conference. For example, there are now two leading regulatory reform bills in the Senate—S. 343, which is sponsored by the distinguished majority leader, and S. 1001, which I introduced. Both of these bills incorporate key recommendations of the Administrative Conference. I know that, on both sides of the aisle, Senate staff working on these bills have turned for advice repeatedly to the Conference staff. Both of these bills also include explicit requirements for the Administrative Conference to review how the legislative reforms work out in practice, and to recommend any needed corrections.

Third, over the past year the Conference has focused and marshaled its energies to support the current transition to a smaller, more efficient, more responsible Government. ACUS continues its very valuable support for Government use of negotiation, mediation, and other alternatives to costly litigation. These ADR techniques foster flexible and open decisionmaking, encourage results that are acceptable to the parties, reduce the amount of litigation clogging our courts—as well as saving the Government and the private sector money.

The Conference is also concentrating its research-and-development efforts on such regulatory techniques as audited self-regulation and enhanced waiver authority. These innovative techniques are designed to be more flexible and responsive than the traditional regulatory approach of one-size-fits-all.

Finally, I want to dispel any misperception that the Administrative Conference is redundant—that other organizations in the Government or in the private sector could do the same job. No other entity is designed to do what the Administrative Conference does.

Certainly, we in Congress get plenty of advice on how to reform agency processes and procedures—maybe too much advice. But most of this advice comes from industries, or regulatory agencies, or advocacy groups, or "thinks tanks," or party caucuses—which have vested interests or political agendas.

Unlike all of these groups, the Administrative Conference's only agenda is to foster greater efficiency and fairness in Government. Its recommendations must be practical and unbiased, in order to pass muster with a membership drawn from both practitioners and academics from both political parties and from all points on the political spectrum. Furthermore, only ACUS has a mandate to follow through and help agencies to implement recommendations that are adopted.

This is one agency that actually saves the Government more money than it costs. Based on the Administrative Conference's track record of success, this unique institution should be preserved.

For these reasons, I urge my colleagues to support this amendment and to reinstate funding for the Administrative Conference.

Mr. ROTH. Mr. President, I rise to support the amendment of Senator GRASSLEY to restore funding for the Administrative Conference of the United States. Because I am, and have been, a strong proponent of reducing the size of government, let me take a moment to explain why I think we should restore life to this tiny agency.

We have reached the point where, now more than ever, there is widespread consensus that the administrative process must be reformed and streamlined. The Administrative Conference is the only Government agency whose sole mission and expertise is directed to improving administrative procedure. And the Administrator Conference is a unique source of nonpartisan advice and assistance to Congress and the agencies on how to make the regulatory process more efficient, more flexible, and more rational. The supporters of ACUS comprise a virtual "Who's Who" of administrative law from across the political spectrum. Indeed, ACUS is especially effective in carrying out its mission because it achieves a unique synergy of expertise from government, the private sector, academia, and the public interest community.

As we all know, results matter, and ACUS has had notable success in reducing the inefficiency, ineffectiveness, and delay in the regulatory process. These successes repay ACUS' small budget—$1.8 million—many times over. To paraphrase S. 343, the benefits clearly justify the costs. For example, ACUS has produced massive savings in money, time, and agency resources by implementing alternative dispute resolution.

Data from five agencies show that the use of alternative dispute resolution has saved $13.8 million for just these few agencies in 1994. With ACUS' help, the use of alternative dispute resolution is expanding rapidly. It has been estimated that a recently adopted ACUS proposal to change the appeals process saves the Social Security administrative process $85 each year. It would be penny-wise and pound-foolish to let the Administrative Conference expire.

Furthermore, it is now—when we are proposing the most comprehensive changes to the Administrative Procedure Act since it was written 50 years ago—that we need the advice and assistance of the Administrative Conference more than ever.

As small as ACUS is, it has provided important support for the movement toward regulatory reform and for alternatives to the litigation morass that burdens our Nation. Many ACUS recommendations have been incorporated into the regulatory reform proposals we are considering, including S. 343. Indeed, section 8 of S. 343 provides for ACUS to study and advise Congress on the operation of the risk assessment requirements and the operation of the Administrative Procedure Act. My regulatory reform bill, S. 291, contained a similar provision. So did the Glenn bill. As complex and far reaching as the current regulatory reform proposals are, we will need the kind of independent expertise that ACUS provides if we want to carry out regulatory reform.

Because I want to reform the regulatory process and to make government more efficient, I support Senator GRASSLEY's amendment to fund the Administrative Conference. I urge my colleagues to support this worthy effort.

AMENDMENT NO. 2250

Mr. SHELBY offered an amendment (No. 2250) for Ms. MIKULSKI:

At the appropriate place in the bill, insert the following new section:

SEC. . Service performed during the period January 1, 1984, through December 31, 1986, which would, if performed after that period, be considered service as a law enforcement officer, as defined in section 8401(17)(A)(i)(II) and (B) of title 5, United States Code, shall be deemed service as a law enforcement officer for the purposes of chapter 84 of such title.

Ms. MIKULSKI. I rise today in support of my amendment to chapter 84 of title 5, United States Code, which corrects a technical error in existing law. The error which I refer to results in some Federal law enforcement personnel who began duty during an interim period when the Federal employee retirement system was being changed being denied the benefits they deserve.

From January 1, 1984, to December 31, 1986, certain Federal law enforcement personnel were hired and placed under an interim retirement system. The Civil Service Retirement System [CSRS] was not open to newly hired employees and the new retirement system, the Federal Employees Retirement System [FERS], was not yet in effect. When the Federal Employee Retirement System went into effect, this group of law enforcement personnel became covered under the FERS law enforcement provisions.

However, during this transitional period, these law enforcement officers were denied law enforcement credit because they were never classified as law enforcement personnel. This amendment corrects the existing language so this group of law enforcement personnel will not be required to unfairly work up to an additional 3 years to meet eligibility requirements under the FERS law enforcement provision. Our Federal law enforcement personnel work long, hard, and dangerous duty in service of this country. It is only fair that we ensure that each and every Federal law enforcement employee receives the retirement benefits they deserve.

AMENDMENT NO. 2251

Mr. SHELBY offered an amendment (No. 2251) for Mr. BROWN:

The General Services Administration and the Federal Aviation Administration should review and reform current personnel rules and labor agreements regarding federal assistance when relocating because of a change of duty station.

The Senate is concerned about reports that, under FAA and GSA rules, employees at the Denver, Colorado, ATCT and TRACON were permitted to claim personal housing relocation allowances in connection with their transfer from FAA facilities at Stapleton Field to the new Denver International Airport, even in some cases where an employee's new home was farther from the new job site than the employee's former home.

The FAA should immediately investigate this misuse of public funds at Denver International Airport and reform their personnel rules to end this kind of abuse.

Mr. BROWN. Mr. President, with reference to this amendment on the Denver International Airport, under a previous policy memorandum—to be specific, between the FAA and the NATCA—there was an agreement to waive regulations that apply to the payment for the movement of workers. The old rules indicated there would be payment for employees' movement if, indeed, an airport was moved over 10 miles. The new Denver airport is 17 miles from the old site. So it came under the old regulations. However, the new regulations make it clear that compensation is not to be given unless the airport is relocated 35 miles or more and if a controller moves 30 minutes closer to the new duty station.

Thus, the Denver International Airport employees would have received compensation—or at least some of them could have—under the old regulations. But they did not qualify for the compensation under the new regulations. Nevertheless, on April 8, 1993, there was a memo of understanding reached where they waived the application of these new regulations. In other words, they waived the current regulations and made employees eligible for moving expenses even though the airport was only moved 17 miles.

The impact has been enormous. Four workers received a total of $85,000 for this small move, even though they moved further away from their workplace. In other words, they moved, but their new home was further away from the new airport than their old home had been from the old airport. In other words, we paid them when they actually chose to move further away.

A total of 38 FAA workers have been paid now $528,000 in moving costs, an average of $14,000, even though under the new regulations they would not qualify for anything. The FAA has set aside another $2.07 million to reimburse over 100 workers still eligible to submit expenses before February 1997. The largest single reimbursement was for $61,281 to an air traffic controller who moved from one address in Englewood, CO, to another address in Englewood, CO.

It is quite clear that the taxpayers have been ripped off and with the complicity of the people who signed the new memo waiving the regulation, thus the amendment calling for the study and review.

Mr. President, I hope the people responsible for this kind of treatment of the taxpayers will receive appropriate discipline from their superiors.

Mr. SHELBY. Mr. President, I ask unanimous consent that the amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments (Nos. 2232 through 2251) were agreed to, en bloc.

Mr. DOMENICI. Mr. President, I rise in strong support of the conference agreement on H.R. 2020, the Treasury, Postal Service, and General Government appropriations bill for 1996.

This bill provides new budget authority of $23.0 billion and new outlays of $20.6 billion to finance operations of the Department of the Treasury; including the Internal Revenue Service, U.S. Customs Service, Bureau of Alcohol, Tobacco, and Firearms, and the Financial Management Service; as well as the Executive Office of the President, the Office of Personnel management, and other agencies that perform central Government functions.

I congratulate the chairman and ranking member for producing a bill that is within the subcommittee's 602(b) allocation. When outlays from prior-year budget authority and other adjustments are taken into account, the bill totals $22.8 billion in budget authority and $23.1 billion in outlays. The total bill is at the Senate subcommittee's 602(b) nondefense allocation for budget authority and under its allocation for outlays by $32 million. The subcommittee is also under its Violent Crime Reduction Trust Fund allocation by $2 million in budget authority and $1 million in outlays.

I would also like to thank that subcommittee for including funding to complete construction of the Federal courthouse in Albuquerque, NM.

I ask Members of the Senate to refrain from offering amendments which would cause the subcommittee to exceed its budget allocation and urge the speedy adoption of this bill.

I ask unanimous consent that the spending totals for the Senate reported bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TREASURY-POSTAL SUBCOMMITTEE

[Spending totals—Senate-reported bill; fiscal year 1996, in millions of dollars]

	Budget authority	Outlays
Nondefense discretionary:		
Outlays from prior-year BA and other actions completed	....	2,778
H.R. 2020, as reported to the Senate	11,187	8,747
Scorekeeping adjustment	....	....
Subtotal nondefense discretionary	11,187	11,525
Violent crime reduction trust fund:		
Outlays from prior-year BA and other actions completed	....	8
H.R. 2020, as reported to the Senate	76	61
Scorekeeping adjustment	....	....
Subtotal violent crime reduction trust fund	76	69
Mandatory:		
Outlays from prior-year BA and other actions completed	127	130
H.R. 2020, as reported to the Senate	11,763	11,756
Adjustment to conform mandatory programs with Budget Resolution assumptions	−334	−333
Subtotal mandatory	11,555	11,553
Adjusted bill total	22,818	23,147
Senate Subcommittee 602(b) allocation:		
Defense discretionary	....	....
Nondefense discretionary	11,187	11,557
Violent crime reduction trust fund	78	70
Mandatory	11,555	11,553
Total allocation	22,820	23,180
Adjusted bill total compared to Senate Subcommittee 602(b) allocation:		
Defense discretionary	....	....
Nondefense discretionary	....	−32
Violent crime reduction trust fund	−3	−1
Mandatory	....	....
Total allocation	−3	−33

Note: Details may not add to totals due to rounding. Total adjusted for consistency with current scorekeeping conventions.

Mr. SIMON. In December 1994, as part of the National Performance Review, the administration announced that the Office of Personnel Management [OPM] would privatize its investigative branch, the Office of Federal Investigations [OFI]. OPM intends to complete the transition by January 1996.

For over 40 years, the OFI has been responsible for conducting background investigations for potential employees of various agencies within the Federal Government, including the Department of Energy, the Department of Justice, and the Treasury Department. Overall, OFI conducts about 40 percent of all Federal background investigations for positions ranging from bureaucratic jobs to high ranking positions requiring substantial security clearances. In my view, shifting this responsibility to the private sector raises a host of extremely important questions which need to be addressed before we proceed.

First, we must ensure that our national security is not in any way jeopardized by a move to privatization. Currently, OFI does background checks on individuals that will ultimately have access to top secret information, such as nuclear weapons systems. We need to ask ourselves if this is the type of matter that we want a private sector employee to have access to. If the answer is yes, certainly we need to carefully review the safeguards needed to ensure that our national interests remain secure.

The ability of private firms to maintain the privacy of sensitive records is another area that needs to be closely addressed. A private contractor would potentially have the ability to amass large quantities of personal information on Government employees. Although OPM has suggested that they would have the ability to keep records private, I have not heard specific measures that could be taken to guarantee this. Serious study must be given to what measures can and should be taken to protect privacy.

We must also ensure that quality investigations will continue to be conducted. The Federal Government currently uses private investigators for a very small fraction of background checks. The only experience with private investigators on a large scale produced numerous investigations that were not up to standard, or, even in a fraction of cases, were falsified. This must not happen again. What safeguards can and should OPM put in place to ensure that quality is maintained?

It is also important to ask ourselves if private investigators will be able to provide the best available information to Government agencies. Will they have difficulty obtaining vital information from law enforcement agencies? In a preliminary study, the General Accounting Office [GAO] has determined that law enforcement officials may be reluctant to give out sensitive information to private investigators. This issue deserves further study.

My comments are not meant to imply that private contractors cannot perform top quality investigations while also ensuring privacy and protecting out national security. It is certainly conceivable that they could. However, before a decision of this magnitude is made, it is crucial that we all have the best possible information. If further study shows that private investigators can successfully take over this important function, then I might support the transition. However, until these questions are answered, I believe the best course of action is a cautious one.

I understand that the Senate Treasury and Postal Appropriations report requires that a cost-benefit analysis be conducted to determine the feasibility of moving to privatization, and that the House report mandates a similar study. In addition, Congressman MICA has requested that the GAO conduct an ongoing study into potential problems with the privatization effort. I would ask that my questions and concerns be raised as part of these studies.

Mr. SHELBY. While I appreciate the concerns of the Senator from Illinois, I think the move to privatization is a good one. The administration and the subcommittee have carefully reviewed the privatization issue. In February, OPM conducted a feasibility study and recently contracted out with another firm to present a business plan. That plan should address the steps OMP will take to ensure continued oversight of this important function.

However, my colleague from Illinois has raised several important points that I believe should be addressed. I will work to include language in the conference report that would require the GAO to study the questions raised by Senator SIMON, including the potential impact on the quality of investigations, privacy issues, and national security concerns. I believe that before OPM moves to privatization, Congress should have the opportunity to review both the OPM and GAO reports on these issues.

Mr. KERREY. I share the views of the chairman, and will work to ensure that the concerns of the Senator from Illinois are addressed in the conference report as well. They are indeed important issues that deserve further study.

Mr. SIMON. I thank both of my colleagues for their leadership on this issue. I appreciate their willingness to ensure that my concerns are addressed, and look forward the results of further study.

BRECKENRIDGE POST OFFICE

Mr. CAMPBELL. Would the Senator from Alabama yield a few moments at this time to enter into a brief colloquy?

Mr. SHELBY. I would be happy to yield to the distinguished Senator from Colorado.

Mr. CAMPBELL. I thank the Senator.

As the Senator may recall, the House report on the Treasury/Postal appropriations bill notes that committee's concerns about the failure of the Postal Service to complete the planning and the construction on the new post office in Breckenridge, CO.

The planning stage was originally to be finished in fiscal year 1995 so that the new post office could be completed in fiscal year 1996. This issue was not addressed in the Senate report.

Breckenridge, CO, is not being adequately served by the Postal Service at this time because of the need for better facilities. I would ask the Senator from Alabama, then, if he would work with me to encourage the conferees to adopt the House's comments on the building of the Breckenridge Post Office in the conference committee report.

Mr. SHELBY. I look forward to working with the Senator on this matter. I know how important efficient postal service is to rural communities.

Mr. CAMPBELL. I thank the distinguished Senator from Alabama for his consideration and I yield the floor.

"GUNS FOR FELONS"

Mr. LAUTENBERG. Mr. President, I am very pleased that this legislation includes a provision that Senator SIMON and I requested that would block funding for a program that allows convicted felons to regain their ability to possess firearms.

As a general matter, Mr. President, Federal law prohibits any person convicted of a felony from possessing firearms. However, under what I call a guns for felons loophole, convicted felons can apply to the Bureau of Alcohol, Tobacco and Firearms to get a waiver.

After receiving an application, ATF performs a broad-based field investigation and background check. If the Bureau believes that the applicant does not pose a threat to public safety, it can grant an exemption from the Federal ban.

Mr. President, Senator SIMON and I have been able to block funding for this program for the past few years. However, between 1981 and 1991, ATF granted 5,600 waivers. Many of these required a substantial amount of scarce time and resources. ATF investigations often lasted weeks, and included interviews with family, friends, and the police.

In the late 1980's, the cost of processing and investigating these petitions worked out to about $10,000 for each waiver granted.

What happened when convicted felons got their firearms rights back? Well, some apparently went back to their violent ways. Those granted relief subsequently were rearrested for crimes ranging from attempted murder to rape, kidnaping, and child molestation.

Mr. President, the ATF guns for felons loophole is an outrageous waste of taxpayer dollars. It also is a poor use of scarce ATF resources. ATF agents have better things to do than conduct background investigations so that felons can get a gun.

Mr. President, we ought to eliminate this ridiculous program permanently. Senator SIMON and I have introduced legislation to do so. Meanwhile, though, we at least should block funding for the program in appropriations bills. I am very pleased that the Appropriations Committee agreed with us this year.

Mr. President, there is broad support for closing the guns for felons loophole. The Fraternal Order of Police, the National Association of Police Organizations, and the International Brotherhood of Police Officers all have testified in favor of terminating the ATF program.

In conclusion, Mr. President, firearm violence has reached epidemic proportions. We have a responsibility to the victims and prospective victims to take all reasonable steps to keep this violence to a minimum. Keeping firearms away from convicted felons is the least these innocent Americans should be able to expect.

FEDERAL PROPERTY MANAGEMENT

Mr. COHEN. Mr. President, my efforts to correct longstanding problems related to Federal property management, particularly in the courthouse construction program, are already well documented in the public record. During the last few years, I have supported a number of amendments to eliminate wasteful spending for construction projects that were not needed or not cost-effective and I've introduced legislation to reform the way the Federal Government manages its office space.

Over the years, the General Accounting Office [GAO] and General Services Administration [GSA] Inspector General reports have highlighted recurring problems at GSA in managing the Federal Government's real estate portfolio and have shown a pattern of wasteful spending. Long standing problems have significantly impaired GSA's ability to meet the Federal Government's property needs in a cost-effective and businesslike manner.

Despite GSA Administrator Roger Johnson's efforts to reform GSA and reorganize the Public Buildings Service [PBS], I remain convinced that PBS fails to adequately meet Federal space needs in a cost-effective manner and continues to construct buildings that are not needed and that we can ill afford. Earlier this month, GAO testified before the Environment and Public Works Subcommittee on Transportation and Infrastructure that the Federal Government continues to spend billions of dollars more than is necessary to acquire and manage Federal office space. Congress has also contributed to the problem as it has too often funded construction projects which have not gone through the normal authorization process.

In today's climate of downsizing Government and budgetary cuts, funding for any Federal building project must be carefully assessed to ensure the best and maximum use of scarce Federal resources. Last month, I wrote to my colleagues on the Treasury, Postal Appropriations and General Government Subcommittee urging them not to obligate funds for any unauthorized Federal buildings or unauthorized courthouse construction projects; to reassess the need to spend $1 billion, as the President requested, on new construction; to closely scrutinize whether planned funding levels for projects already in the pipeline are economical and realistic in view of current budget constraints; and to assess repair and alteration funding levels.

I am pleased with the language in the fiscal year 1996 Treasury Postal appropriations bill which is currently before the Senate. The bill reduces Federal construction funding and notes that no funds available in the bill will be used for unauthorized projects. I commend Senators SHELBY and KERREY for their leadership in this important area.

I am also pleased with the language in the bill that prohibits the submission of a fiscal year 1997 budget for the construction of U.S. courthouse, unless the facilities meet the construction standards developed by the GSA, the Office of Management and Budget, and the Judicial Conference and reflect the priorities established in the Judicial Conference's 5-year construction plan.

Mr. President, the current courthouse construction program lacks a strategic plan and fails to prioritize projects to ensure that scarce Federal resources are spent where they are most needed. As a result, Congress must make the tough funding decisions to protect the taxpayer's interests and prevent wasteful spending. The Appropriations Committee report notes that the committee has been frustrated by the courts unwillingness to establish a priority list for construction and continued insistence that all projects are of an equal priority.

I share the committee's frustration over the courthouse construction program. GAO has testified that the Federal judiciary overestimated courthouse construction space needs for the next decade by more than 3 million square feet which, if authorized, could waste up to $1.1 billion. Last year, a Governmental Affairs Committee hearing showed that, in addition to continuing to build unneeded Federal courthouses, we are wasting additional millions on extravagant courthouse features such as top of the line marble, custom lighting, and private kitchenettes. As a result of the hearing, I, along with a number of my colleagues, wrote GAO requesting an audit of the courthouse construction program. The audit is still ongoing and is expected to be completed later this year.

As Congress looks for ways to address the Federal budget deficit, we must ensure that Government programs and agencies are operating in the most cost-effective manner possible. Again, I commend Senators SHELBY and KERREY for their leadership in putting an end to funding unauthorized construction projects.

Mr. MOYNIHAN. Mr. President, I want to record my considerable concerns about this appropriations bill. The amount appropriated for Treasury is inadequate, specifically as it regards IRS enforcement efforts. The amount appropriated by the Senate for enforcement represents a decrease of $705 million from the amount appropriated last year. This is even lower than the amount appropriated for enforcement by our colleagues in the House.

Over half of the decrease in enforcement funds is attributable to the IRS Taxpayer Compliance Initiative that was first established last year. The Compliance Initiative funds should be made available now, to enable the IRS to realize the full benefits of its recent technological improvements. Specific enforcement efforts that will be jeopardized if these funds are not forthcoming include the collection of $30 billion in delinquent accounts; increased audit coverage; improved information reporting by Federal employees; and improved enforcement of international tax provisions including the transfer pricing laws.

Thanks to prior appropriations for the Tax Systems Modernization Program, the IRS has improved its technology to the point that it is within reach of benefiting from that significant investment of taxpayer dollars. Denying funds for the Compliance Initiative means turning our backs on what the IRS estimates is $9.2 billion, over 5 years, that would come, not from any tax increase, but from collecting taxes that are owed but are presently going unpaid.

Very simply, providing the IRS with adequate funding for their Compliance Initiative would reduce the deficit, without a tax increase. We know that these expenditures would yield increased revenues in excess of the amount spent. The IRS estimates that the return on these expenditures would approach $5 for every $1 spent. Viewing the appropriation of funds for this purpose as the same as all other spending is shortsighted.

COMMENDING THE PROVIDENCE ATF AND URGING ADEQUATE STAFFING LEVELS

Mr. PELL. Mr. President, as the Senate considers the Treasury, Postal, and General Government appropriations bill today, I wish to bring to the Senate's attention the often-overlooked good work that the local offices of the Bureau of Alcohol, Tobacco, and Firearms [BATF] provide to our country. I do so partly because of the recent scrutiny directed at the BATF here in the Congress and partly in response to a letter I recently received from the U.S. attorney for Rhode Island, Sheldon Whitehouse, who wrote to me to indicate his concern over the need for adequately staffing the Providence, RI office of the BATF.

The Bureau of Alcohol, Tobacco, and Firearms is charged with enforcing and administering Federal firearms and explosives laws, as well as those laws covering the production, use, and distribution of alcohol and tobacco products. Over the years, the Bureau has been an essential partner in our crime fighting efforts in these areas and, in particular, the BATF office in Providence, RI has distinguished itself in its work even given its small size.

Indeed, to quote from the letter I received from U.S. Attorney Whitehouse, the Providence office—

> Has been extremely effective for its size, particularly at fighting the kind of crime that presents the most violent threat to Rhode Islanders; guns, drugs, and gangs. Recent ATF investigations have led to the Federal arrests and convictions of some of the largest dealers of assault weapons and crack cocaine in Newport, and numerous Providence area armed career criminals.

The problem, Mr. President, is that adequate staffing of the Providence office of the BATF is being seriously threatened. Only a year ago, the Providence operated with a small, tight crew of just six agents. Today, there are currently four agents and by the end of the year there will be just three agents. The danger is that without adequate appropriations, the office will not be able to replace the full complement of six agents. This would be a tragic loss to Federal law enforcement in Rhode Island and one that in our zeal to squeeze savings out of the Federal budget would be unwise and potentially dangerous. I highlight three recent cases handled by the Providence BATF to illustrate my point.

Just recently, Tonomy Hill was a troubled housing project in Newport, RI. Following an undercover investigation by the BATF, an illicit drug trafficking and illegal firearms operation based at Tonomy Hill and involving two drug kingpins and 33 associates from as far away as Philadelphia and New York was exposed. In the end, the ring leaders and 33 associates were prosecuted and convicted on both State and Federal charges.

In another case, in July 1993, Michael Sadd of Wakefield, RI was robbed at gunpoint and then murdered. Through joint cooperation with local law enforcement, ATF agents successfully completed an undercover operation whereby the suspected murderer was found, taken into custody, and currently is awaiting trial.

Finally, in 1991, it was becoming increasingly apparent that Rhode Island's gun laws were being thwarted by the proliferation of illegal firearms on the streets. The ATF conducted an investigation and it was discovered that a local Rhode Islander was working with a purchaser in Arizona to provide a supply of illegal firearms to the local black market, smuggled into the State and registered under bogus serial numbers. The case ended with the Arizona purchaser in prison and pending charges against his accomplice in Rhode Island.

These examples show that the ATF presence is much-needed in Rhode Island, especially as our State and local law enforcement agencies face cutbacks and budget shortfalls. In the troubled times facing our streets and neighborhoods, we must commit adequate resources at all levels to address the ever increasing menace of violent crime. I realize the difficult times our country faces in finding a way to solve our budget deficit. Nevertheless, in the establishment of priorities, I hope that adequate attention will be given to maintaining law enforcement.

With regard to the legislation at hand, I hope that given the Bureau of Alcohol, Tobacco, and Firearms good work in Rhode Island that a requisite level of funding will be appropriated and insisted upon during a conference with the House of Representatives to assure that adequate field office staffing is maintained not only in Rhode Island but throughout the country. I welcome the opportunity to work with my colleagues to help achieve this result.

CUSTOMS PORT OF ENTRY

Mr. PRESSLER. Mr. President, I intended to offer an amendment that reflects my growing frustration with the Treasury Department's unwarranted unwillingness to grant the State of

South Dakota's application to obtain official designation as a U.S. Customs port of entry. Specifically, the amendment would have required the U.S. Customs Service to state for the record to the Congress that the State of South Dakota in fact qualifies for the designation as a port of entry under existing laws and regulations.

Mr. President, South Dakota is the only State without a Customs port of entry. The State has been working with Customs and Treasury officials for more than a year on this matter. There is no disputing the fact that South Dakota has met all the necessary criteria set forth by the U.S. Customs Service for port of entry designation:

The Greater Sioux Falls area has a population in excess of 300,000 within the immediate service area.

The Greater Sioux Falls area is serviced by three major modes of transportation—air, rail, and highway.

The potential Customs workload will exceed the requirement of 2,500 consumption entries per year with no more than half of this number derived from any one business.

The State of South Dakota and the city of Sioux Falls have committed to optimal use of electronic data input.

Facilities for Customs—provided without cost to the Federal Government—will be provided and meet the specifications of the U.S. Customs Service.

Unfortunately, even though South Dakota has met all the baseline requirements needed to be designated full port status, Customs initially proposed that the State accept a lesser user fee status. This recommendation is unacceptable. First, as I have just stated, South Dakota more than meets all necessary requirements for port of entry designation. In fact, our population base and number of potential customs entries actually exceeds the standards set by the U.S. Customs Bureau. Therefore, I am convinced anything short of full port designation would unnecessarily and unfairly hinder international trade opportunities for South Dakota businesses.

Second, the Customs Service has been inconsistent in applying its own criteria when making port designation determinations. The U.S. Customs Commissioner admitted that 35 to 40 percent of the existing 301 ports of entry do not meet the workload measurement criteria that Customs requires for a new port of entry applicant. The amendment I intended to offer would have required the Customs Service to report the exact number of existing ports which do not meet minimal designation requirements. I also have learned that because of budgetary constraints, Customs will not approve any new port applications this year, regardless of the merits of the applicant, and the fact that the added costs for the new port are minimal.

Mr. President, we have more than 100 ports that have a status that they could not qualify for if they applied today. Allowing these ports to retain their status while denying South Dakota its rightful designation defies common sense. It is a wasteful use of taxpayer dollars. It is wrong, plain and simple.

Not only is it highly inefficient for the Federal Government to continue funding over 100 inefficient ports, but it is also highly unfair and counterproductive to a State's plans for economic development if the Federal Government denies a port of entry designation even if the State qualifies for it.

Clearly this issue is one of fairness—fairness to the taxpayers and business men and women of South Dakota. The administration advocated the passage of GATT and NAFTA as a way to increase international trade opportunities. South Dakota, the only State in the country without a Customs presence, is precluded from capitalizing on new trade opportunities because a port designation is required before the State can become a Foreign Trade Zone [FTZ]. South Dakota businesses are moving out of the State because of a lack of an FTZ.

The refusal to grant South Dakota's port of entry application denies a major agricultural exporter and burgeoning economy the opportunity to compete on a level playing field with the rest of the Nation.

Mr. President, the State of South Dakota is right now working with me and my colleagues of the South Dakota delegation to try to convince the Customs Service and the Treasury Department to grant the status our State rightly deserves. It is my understanding a positive resolution is imminent. I certainly hope so because my patience is being put to the test. In the hope of reaching a renegotiated solution soon, I will not offer this amendment—an amendment that is more a reflection of my clear and growing frustration with this blatant unfairness being dealt to the people of South Dakota. I certainly hope I will not have to pursue this option in the near future. South Dakota deserves its rightful place on the world economic stage. South Dakota deserves a port of entry. We qualify for it. We have earned it. It is long overdue.

Mr. SHELBY. Mr. President, I know of no other amendments. Does the Senator from Nebraska?

Mr. KERREY. No other amendments.

Mr. President, just one final statement. Earlier, I had praised all my staff except for the staff person who wrote up my document asking me to thank the staff, and I would like to now thank Patty Lynch, chief staff person for myself and the Appropriations Committee, for her fine work on this bill.

Mr. SHELBY. Mr. President, I would also like to take this opportunity to thank Senator KERREY for working with me on this bill. We have a good relationship. We have worked hard on the bill, and I think we have accomplished much.

I also wish to thank Patty Lynch, who has worked with our staff day in, day out. I thank Chuck Parkinson who has put in hours and hours of work, and also my legislative director, Stewart Hall.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 2020), as amended, was passed.

Mr. SHELBY. Mr. President, I move to reconsider the vote.

Mr. KERREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SHELBY. Mr. President, I ask unanimous consent that the Senate insist on its amendments to H.R. 2020, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

There being no objection, the Presiding Officer (Mr. INHOFE) appointed Mr. SHELBY, Mr. JEFFORDS, Mr. GREGG, Mr. KERREY, Ms. MIKULSKI, Mr. HATFIELD, and Mr. BYRD conferees on the part of the Senate.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

Mr. DOLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A bill (H.R. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Brown Amendment No. 2125, to clarify restrictions on assistance to Pakistan.

Mr. DOLE. Mr. President, I know the managers are not right here right now, but we are back on the DOD authorization bill, which we I guess terminated last night about midnight. There are 20 some amendments that I understand have been cleared throughout the day and there will be Senators here in a few moments to start taking up those amendments. In the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WELFARE REFORM

Mr. SANTORUM. Mr. President, I rise to congratulate our leader, the chairman of the Finance Committee, Senator PACKWOOD and others, who just went above and beyond the call of duty to bring together, I believe, a consensus welfare reform package here on the Republican side.

The leader, in a few minutes, is going to lay down that package for us to begin debate next week. Second to our efforts to balance the budget, I think this is the next most important issue that we can deal with in the Senate and one that I think is at the top of the minds of not only the people of the United States who pay for the welfare system but the people in it.

I think this is a bill that addresses the concerns of both those who are in the system and those who are paying for the system. The people who are paying for the system are going to get more results, more value, for their tax dollars that they are contributing, and more people are going to be helped into productive mainstream life in America. That is a value to the people who are paying and, obviously, a tremendous value to the people who find themselves dependent on welfare.

What the leader has done, I think, is truly extraordinary. In a very difficult arena where we are trying to give authority back to the States, you run into problems such as, What is fair? How much do you give? And to what State based on what formula? We were able to, through the tremendous work of the Senator from Texas, Senator HUTCHISON, overcome that and come up with a formula that I think works for everyone. It does not disadvantage any State and provides growth opportunities for those States who are really up against it with burgeoning populations of not only the overall population but of the poor in our country.

We have been able to handle the tough problems of how we are going to get work requirements and how many requirements. How many do we turn over to the States and how much do we retain here? In that partnership we seek to establish how much do we allow the States to innovate and how much do we want to oversee and require?

And I think the leader's proposals, again, struck the proper balance of a true partnership, not one that the current administration would have you believe is a partnership where we will make all the decisions. You come to us when you want to change anything, and we will tell you if we think it is OK to do that, in everything you do. That is not a partnership, no more than a student asking the teacher for permission to go to the bathroom. If the teacher says, "No you've got to go back to your seat." It is the same thing. If the State wants to improvise, and the President says, "No, you have to go back to your seat," that is not a partnership. To call that a partnership is absurd.

What we do is truly give authority, truly give discretion and give dollars, in some cases with strings, other cases without. But it is a partnership. And it was carefully crafted, and I think wonderfully done. And I am hopeful when we have this debate—there will be debate—there will be amendments on the Republican side and amendments on the Democratic side to craft this bill over the next week.

I think there will be a great debate here about the direction this country is going to take and the future of the role of Government in solving people's problems.

Actually, one of the more innovative proposals that is in the leader's bill—also in other bills here—is to allow community groups to be the welfare agency, allow churches and community organizations and nonprofits who work in those neighborhoods to actually be the conduit agency to help and provide support for the poor in those neighborhoods—a radical concept of getting the government completely out and going to the people who care most, the neighbors, the pastors, the community activists. It is a wonderful concept. It is a breath of fresh air in what seems to be a hopeless cycle of dependency that we created in this Federal Government welfare policy. It is dramatic reform.

You will hear, I am sure, some say, well, it does not go far enough, not radical enough, does not change enough. And I am sure you will hear many come to the floor and tell us how we are going to destroy neighborhoods and create mass homelessness and starve millions of children and, you know, the sky will fall. You will hear it from both sides. Usually, when that is the case, you get a pretty good feel you have a good bill because you have not satisfied the far extremes of either side.

What we have done is taken a responsible approach, one I am very proud to be associated with. And before we got this debate underway, I wanted to congratulate the leader in his ability to forge this compromise, which I truly believe will get overwhelming support on the Republican side and get substantial support on the Democratic side of the aisle. Because I know there are many on that side of the aisle who see the problems in the current system and see this as a responsible remedy to that problem.

I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. I know we are going to start this, but I want to thank the junior Senator from Pennsylvania, who comes from the House, who did a lot of work on the House side putting together welfare reform. And we have been fortunate on this side of the aisle to have Senator SANTORUM's daily, hourly assistance on a very important piece of legislation, bringing people together with diverse views. It is not easy. It is all about leadership. And I congratulate and commend the Senator from Pennsylvania for his extraordinary effort. And because of that, largely because of that, I might add, I will be introducing the bill here following disposition of a number of amendments by our colleagues in reference to the DOD bill.

I thank the Senator from Pennsylvania.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The Senate continued with the consideration of the bill.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. I will be assisting the distinguished chairman of the Armed Services Committee at the request of the ranking member, Senator NUNN. He is in negotiations at the present time. He asked that, until he is available, I assist the distinguished chairman. So I will be scrutinizing the amendments as they are reported. I think most of them are cleared. We will have no problems.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

AMENDMENT NO. 2252

(Purpose: To amend the provision relating to authority to lease property requiring environmental remediation)

Mr. THURMOND. Mr. President, on behalf of Senator SMITH, I offer an amendment which perfects section 120(h)(3) by clarifying that section 120(h)(3) of the Comprehensive Environmental Response Compensation and Liability Act of 1980 does not apply to long-term leases at military bases undergoing hazardous waste remedial action.

Mr. President, I believe this amendment has been cleared by the other side.

Mr. FORD. Mr. President, the minority side has no objections to this amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND], for Mr. SMITH, proposes an amendment numbered 2252.

Mr. THURMOND. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 468, strike lines 16 through 24 and insert the following:

"The requirements of subparagraph (B) shall not apply in any case in which the transfer of the property occurs or has occurred by means of a lease, without regard to whether the lessee has agreed to purchase the property or whether the duration of the lease is longer than 55 years. In the case of a lease entered into after September 30, 1995, with respect to real property located at an installation approved for closure or realignment under a base closure law, the agency leasing the property, in consultation with the Administrator, shall determine before leasing the property that the property is suitable for lease, that the uses contemplated for the lease are consistent with protection of human health and the environment, and that there are adequate assurances that the United States will take all remedial action referred to in subparagraph (B) that has not been taken on the date of the lease.".

Mr. SMITH. Mr. President, during the Armed Services Committee consideration of S. 1026, Senator MCCAIN and I introduced language to amend section 120(h)(3) of the Comprehensive Environmental Response Compensation and Liability Act of 1980 [CERCLA], otherwise known as Superfund, to allow for the use of long-term leases at former military bases undergoing hazardous waste remedial action.

The need for this language grew out of a lawsuit filed by the Conservation Law Foundation [CLF] and the town of Newington, NH, which charged that the Air Force had violated Superfund section 120(h) by transferring contaminated parcels at Pease Air Force Base via long-term lease without an approved remedial design. In a decision dated August 29, 1994, Judge Martin Loughlin of the U.S. District Court for the District of New Hampshire, held that the Air Force's actions to provide long-term leases to the State of New Hampshire were a violation of CERCLA. Not only has this decision placed a cloud over redevelopment efforts at Pease, but more important, it has helped to hinder the expedited redevelopment of facilities across the Nation that are being closed under the Base Closure and Realignment Act.

The language that was included in section 2824 of S. 1026 was intended to modify section 120(h)(3) of Superfund to provide that the Department of Defense may enter into long-term or other leases while any phase of the cleanup is ongoing. The amendment that I am offering today clarifies the language included in section 2824 to provide that not only are existing leases appropriate, but future leases may be entered into after consultation between the EPA and DOD. I have worked closely with Senators CHAFEE, BAUCUS, and LAUTENBERG, as well as the Department of Defense and the Department of the Air force, in developing this language, and I believe that it has been cleared by both sides.

This amendment will not only eliminate a significant obstacle to the expedited redevelopment of these bases, but it will give the Department of Defense more flexibility and creativity in placing these facilities back into productive use.

Again, I thank my colleague for working with me to adopt this important measure.

Mr. THURMOND. Mr. President, I urge the Senate adopt this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2252) was agreed to.

Mr. FORD. I move to reconsider the vote.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2253

(Purpose: To require a cost-benefit analysis of various options for reorganization of the Army ROTC program and to delay reorganization pending submission of a report on the results of the analysis to Congress)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD] proposes an amendment numbered 2253.

Mr. FORD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of subtitle E of title V, add the following:

SEC. 560. DELAY IN REORGANIZATION OF ARMY ROTC REGIONAL HEADQUARTERS STRUCTURE.

(a) DELAY.—The Secretary of the Army may not take any action to reorganize the regional headquarters and basic camp structure of the Reserve Officers Training Corps program of the Army until six months after the date on which the report required by subsection (d) is submitted.

(b) COST-BENEFIT ANALYSIS.—The Secretary of the Army shall conduct a comparative cost-benefit analysis of various options for the reorganization of the regional headquarters and basic camp structure of the Army ROTC program. As part of such analysis, the Secretary shall measure each reorganization option considered against a common set of criteria.

(c) SELECTION OF REORGANIZATION OPTION FOR IMPLEMENTATION.—Based on the findings resulting from the cost-benefit analysis under subsection (b) and such other factors as the Secretary consider appropriate, the Secretary shall select one reorganization option for implementation. The Secretary may select an option for implementation only if the Secretary finds that the cost-benefit analysis and other factors considered clearly demonstrate that such option, better than any other option considered—

(1) provides the structure to meet projected mission requirements;

(2) achieves the most significant personnel and cost savings;

(3) uses existing basic and advanced camp facilities to the maximum extent possible;

(4) minimizes additional military construction costs; and

(5) makes maximum use of the reserve components to support basic and advanced camp operations, thereby minimizing the effect of those operations on active duty units.

(d) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the reorganization option selected under subsection (c). The report shall include the results of the cost-benefit analysis under subsection (b) and a detailed rationale for the reorganization option selected.

Mr. FORD. This amendment would prohibit the Army from reorganizing regional headquarters of the ROTC Program until 6 months after they submit studies justifying the reorganizational cost-benefit.

I urge its acceptance.

Mr. THURMOND. Mr. President, it was cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2253) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2254

(Purpose: To require a report on the effect of the closure of Fitzsimons Army Medical Center on the capability of the Department of Defense to provide appropriate health care to veterans of the Persian Gulf War and their families suffering from illnesses associated with their service during that conflict)

Mr. THURMOND. Mr. President, on behalf of Senator CAMPBELL, I offer an amendment which will require a report on the effect of the closure of Fitzsimons Army Medical Center on the capability of the Department of Defense to provide appropriate health care to Persian Gulf war veterans suffering from illness associated with that conflict.

Mr. President, I believe this amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Carolina [Mr. THURMOND], for Mr. CAMPBELL, proposes an amendment numbered 2254.

Mr. THURMOND. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 304, between lines 8 and 9, insert the following:

SEC. 744. REPORT ON EFFECT OF CLOSURE OF FITZSIMONS ARMY MEDICAL CENTER, COLORADO, ON PROVISION OF CARE TO MILITARY PERSONNEL AND DEPENDENTS EXPERIENCING HEALTH DIFFICULTIES ASSOCIATED WITH PERSIAN GULF SYNDROME

Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report that—

(1) assesses the effects of the closure of Fitzsimons Army Medical Center, Colorado, on the capability of the Department of Defense to provide appropriate and adequate health care to members and former members of the Armed Forces and their dependents who suffer from undiagnosed illnesses (or combination of illnesses) as a result of service in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War; and

(2) describes the plans of the Secretary of Defense and the Secretary of the Army to ensure that adequate and appropriate health care is available to such members, former members, and their dependents for such illnesses.

Mr. CAMPBELL. Mr. President, this amendment requires the Secretary of Defense to complete a report on the effect of the closure of Fitzsimons Army Medical Center on gulf war veterans and their families who suffer from health problems associated with Persian Gulf syndrome. That report must also tell Congress how the Defense Department and the Army plan to provide effective testing and treatment of those people.

Mr. President, last summer I held a field hearing out in Colorado on the subject of gulf war illnesses. That experience proved to me that the Persian Gulf syndrome is real and serious. Veterans complained of respiratory illnesses, muscle and joint aches, and fatigue, as well as a series of psychological symptoms. One family I know in Colorado watched their son go from a robust, strong, and vigorous young man to a thin, weak, and depressed gulf war vet as a result of unexplained health problems stemming from his Persian Gulf service.

Many of these vets, and their families, relied on Fitzsimons for testing and treatment. Fitzsimons is 1 of 15 regional medical centers for conducting evaluations of Persian Gulf war illnesses. Last October, Fitzsimons opened the Persian Gulf War Service Center to diagnose and treat gulf war vets. In addition, Fitzsimons set up a Persian Gulf war hotline to get information and make appointments.

It is hard to underestimate the importance of Fitzsimons to the regional effort in support of gulf war vets. Fitzsimons provides initial evaluations for vets in its immediate area, as well as assisted other medical facilities that could not handle the extra workload. Fitzsimons is responsible for all gulf war cases that require more extensive evaluations and treatment. Fitzsimons organizes quarterly regional conferences on Persian Gulf war illness issues. The Fitzsimons hotline continues to generate three or four new referrals every day.

We are going to lose all those services when Fitzsimons closes. I say when it closes, because I am sure that Congress will vote to accept the BRAC recommendations, with or without my support. I want to make sure that the Defense Department and the Army do not ignore these gulf war vets, and do not try to sweep their health problems under the rug.

Congress needs to know the DOD's plans to care for these people, and that is why I proposed this amendment. I appreciate the help from my colleagues on the Armed Services Committee on both sides of the aisle, and I thank them for agreeing to accept this amendment.

Mr. THURMOND. Mr. President, I congratulate Senator CAMPBELL on his amendment to require the Department of Defense to provide a report on the impact the closure of the Fitzsimons Army Medical Center will have on the treatment of Persian Gulf veterans suffering from illness associated with service in that conflict. The amendment will ensure that the Department of Defense makes appropriate arrangements for care for these veterans and their families.

I support the amendment and urge its adoption.

Mr. THURMOND. Mr. President, I urge that the Senate adopt the amendment.

Mr. FORD. Mr. President, we have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2254) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2255

(Purpose: To state the sense of the Senate on the Director of Operational Test and Evaluation)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. PRYOR, proposes an amendment numbered 2255.

Mr. FORD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 69, between lines 9 and 10, insert the following:

SEC. 242. SENSE OF SENATE ON THE DIRECTOR OF OPERATIONAL TEST AND EVALUATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Office of the Director of Operational Test and Evaluation of the Department of Defense was created by Congress to provide an independent validation and verification on the suitability and effectiveness of new weapons, and to ensure that the United States military departments acquire weapons that are proven in an operational environment before they are produced and used in combat.

(2) The office is currently making significant contributions to the process by which the Department of Defense acquires new weapons by providing vital insights on operational weapons tests to be used in this acquisition process.

(3) The office provides vital services to Congress in providing an independent certification on the performance of new weapons that have been operationally tested.

(4) A provision of H.R. 1530, an Act entitled "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes", agreed to by the House of Representatives on June 15, 1995, contains a provision that could substantially diminish the authority and responsibilities of the office and perhaps cause the elimination of the office and its functions.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the authority and responsibilities of the Office of the Director of Operational Test and Evaluation of the Department of Defense should not be diminished or eliminated; and

(2) the conferees on H.R. 1530, an Act entitled "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes" should not propose to Congress a conference report on that Act that would either diminish or eliminate the Office of the Director of Operational Test and Evaluation or its functions.

Mr. FORD. Mr. President, this is a sense of the Senate that the Senate should not recede to the House provision that would abolish DOD Director of Operational Test and Evaluations.

I believe it has been cleared on the other side.

●Mr. PRYOR. Mr. President, I rise today to offer an amendment with my friend the Senator from Delaware, Senator ROTH, that would express the sense of the Senate regarding the function of operational weapons testing in the U.S. Department of Defense.

In 1983, Senator ROTH and I passed legislation in Congress creating the Office of the Director, Operational Test and Evaluation in the Pentagon. This office was designed to be an independent and objective voice in the acquisition process, making sure that new weapons were tested in strong, realistic operational conditions before they were built and sent into combat.

Before the creation of this office, the tests on new weapons overseen strictly by those who were responsible for the development and production of these systems. Their strong financial and emotional attachment to the weapons being tested often compromised the integrity of the entire military acquisition process, and led to the fielding of weapons that simply did not work.

So the independent operational testing office was created to eliminate the practice where "the students were grading their own exams." Since its creation, this office has worked hard to restore integrity and objectivity to DOD procurement. Our operational testers currently provide valuable information on the reliability and effectiveness of new weapons being developed and produced.

Mr. President, I was shocked to learn that the House version of the DOD authorization bill for fiscal year 1996 contained a provision to eliminate the Office of the Director of Operational Test and Evaluation and its important testing oversight function. The House legislation is dangerously misguided. In their apparent effort to streamline the Office of the Secretary of Defense, the House National Defense Committee has attempted to eliminate this important office and the responsibility of operationally testing new weapons.

I am pleased that the Senate Armed Services Committee's bill does not contain a similar provision. However, I am fully aware that this issue must still be resolved in the House/Senate conference on this particular legislation. As a result, Senator ROTH and I, as coauthors of the legislation creating the testing office, feel strongly that the U.S. Senate must respond strongly to the provisions passed by our friends in the House of Representatives.

I thank the distinguished chairman of the Armed Services Committee, Senator THURMOND, and the ranking member, Senator NUNN, for accepting this amendment.●

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2255) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. THURMOND. Mr. President, I have to go to the telephone. I am going to ask the able Senator from Idaho to take over in my place.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 2256

(Purpose: To revise the authority relating to awards for service during the Vietnam era in order to authorize upgrades of awards)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator LOTT, I offer an amendment which would allow the Secretary of Defense or service secretary to award appropriate decorations to Vietnam veterans. I believe this amendment has been cleared by the other side.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. LOTT, proposes an amendment numbered 2256.

On page 202, line 16, insert "or upgrade" after "award".

Mr. FORD. Mr. President, this side has no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2256) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2257

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. NUNN, proposes an amendment numbered 2257.

Mr. FORD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 137, after line 24, insert the following:

SEC. . AUTHORIZING THE AMOUNTS REQUESTED IN THE BUDGET FOR JUNIOR ROTC.

(a) There is hereby authorized to be appropriated $12,295,000 to fully fund the budget request for the Junior Reserve Officer Training Corps programs of the Army, Navy, Air Force, and Marine Corps. Such amount is in addition to the amount otherwise available for such programs under section 301.

(b) The amount authorized to be appropriated by section 101(4) is hereby reduced by $12,295,000.

Mr. MCCAIN. Mr. President, I support the amendment to provide an additional $12.2 million to the Junior ROTC Program. This will provide a level of funding equal to that requested by the administration. While I believe that the JROTC Program is of value to local communities, I continue to be concerned that its growth in funding will displace higher priority military programs during this era of declining defense budgets. I believe that the Department of Defense and Congress need to carefully scrutinize the growth of this program. Although current authority allows the JROTC Program to expand to as many as 3,500 schools, I believe that this would place an undue burden on the defense budget and therefore will seek to reduce this level of authority in future years. I urge the Department to exercise restraint when drafting its fiscal year 1997 budget request and not seek a growth in this program.

Mr. NUNN. Mr. President, I send to the desk an amendment that would fully fund the Department of Defense budget request for Junior ROTC. The bill as reported, would freeze the program at the fiscal year 1995 level of funding, which would have the effect of precluding the Department's planned expansion to an additional 435 schools, covering approximately 30,000 students.

Junior ROTC is a nationwide partnership program between the military services and high schools which emphasizes self-discipline, citizenship, personal responsibility, and sound work habits. It features classroom instruction, extracurricular activities, and summer camp. The program has received strong support from high school faculties, community leaders, and parents.

Junior ROTC makes an enormous contribution to our nation, both in terms of the impact on military recruiting and the impact on the individuals and communities who benefit from this outstanding program.

In the early nineties, the program was substantially expanded as a result of an initiative by Gen. Colin Powell and President Bush to address the issues of citizenship and self-esteem among at-risk teens in the wake of the LA riots.

President Bush said that JROTC is "a great program that boosts high school completion rates, reduces drug use, raises self-esteem, and gets these kids firmly on the right track."

General Powell said:

> With its emphasis on self-discipline, personal responsibility, values, citizenship, and saying NO to drugs, JROTC provides America's youth with positive incentives to stay in high school and graduate. * * * I believe immediate expansion of the JROTC program is the best opportunity for the Department of Defense to make a positive impact on the Nation's youth.

The present members of the Joint Chiefs of Staff strongly support the program, and I ask unanimous request that a letter dated August 3, 1995, signed by all of the Chiefs be printed in the RECORD, and I urge the adoption of the amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE CHAIRMAN,
JOINT CHIEFS OF STAFF,
Washington, DC, August 3, 1995.

Hon. STROM THURMOND,
Chairman, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: We are concerned about the recent Committee markup that would freeze funding for the Junior Reserve Officers' Training Corps (JROTC) Program at the FY 1995 levels—an action that would deny 435 high schools the opportunity many have sought for years, the chance to host a JROTC unit. This program has an 80-year track record of success and historically has enjoyed strong bipartisan support by the Congress. We hope that the Senate could adopt appropriate modifications to the Committee's Bill (S. 1026).

The current expansion of the program was initiated by then-Chairman Colin Powell, who recognized that JROTC offers young people an opportunity to improve their sense of responsibility, self-esteem, and citizenship, while offering an alternative to drugs and violence. The program also influences youth to stay in high school and graduate—something we in uniform have long endorsed. Moreover, with a per-student cost of about $500 annually, JROTC is a modest investment in today's youth.

Recognizing such benefits, President Bush proposed, and the Congress supported expansion of the program from 1,600 units to 3,500. Under that authority, the Department currently is executing the fourth installment of a 5-year expansion that is slated to add 284 units during the next school year, plus 151 the following year. The Committee's Bill would truncate that planned growth.

Frankly, there would be enormous challenges associated with changing direction. Contracts for the soon-to-start 284 schools largely have been accomplished, and faculty hiring substantially is completed. Funding is committed, and JROTC contracts with school districts generally require a 1-year notice before a Military Department unilaterally may terminate a unit. Nearly 70 percent of instructors for the new units are hired and are in the process of relocating. Millions of dollars for instructional materials, uniforms, equipment and supplies are in-place or on-order—the start date for classes is only a few weeks away! A display of affected schools, by state, is attached.

We remain sensitive to the competing demands and choices that must be made under tight budgets. Nonetheless, the Services always have prioritized JROTC into their funding plans, because we are so frequently reminded of the contributions JROTC makes to America and to its youth. We hope that the Senate can accord similar priority, and amend the Committee's Bill to permit currently planned unit activations to continue.

Sincerely,

John M. Shalikashvili, Chairman of the Joint Chiefs of Staff; Dennis J. Reimer, General, U.S. Army Chief of Staff; C.C. Krulak, General, U.S. Marine Corps Commandant; W.A. Owens, Vice Chairman of the Joint Chiefs of Staff; J.M. Boorda, Admiral, U.S. Navy Chief of Naval Operations; Ronald H. Fogleman, General, U.S. Air Force Chief of Staff.

Mr. FORD. Mr. President, the bill as reported would freeze the program at the fiscal year 1995 level of funding for the Junior ROTC. I believe it has been cleared on the other side.

Mr. KEMPTHORNE. We have cleared this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2257) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2258

Mr. FORD. Mr. President, I send an amendment to the desk on behalf of Senator NUNN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. NUNN, proposes an amendment numbered 2258.

Mr. FORD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 109, strike out lines 1 and 2 and insert the following in lieu thereof: by inserting "of the reserve components and of the combat support and combat service support elements of the regular components" after "resources".

On page 109, strike out line 11 and all that follows through line 2 on page 110.

On page 110, in line 3, redesignate subsection (d) as subsection (c).

On page 403, insert the following between line 16 and line 17:

SEC. 1095. EXTENSION OF PILOT OUTREACH PROGRAM.

Section 1045(d) of the National Defense Authorization Act for Fiscal Year 1993 is amended by striking out "three" and inserting "five" in lieu thereof.

Mr. NUNN. Mr. President, this amendment clarifies the authorities concerning the Civil-Military Cooperative Action Program and that would extend the pilot program for reducing the demand for illegal drugs.

On a bipartisan basis, Congress established the Civil-Military Cooperative Action Program (10 U.S.C. 410) in the National Defense Authorization Act for fiscal year 1993. The purpose was to build upon the longstanding tradition of the Armed Forces—acting as good neighbors on a local level—in applying military resources to assist in worthy civic projects when they would not be competing with the private sector.

The statute required DOD to develop a coordinated program so that DOD could insure that such programs were consistent with national policy of protecting military readiness and avoiding competition with the private sector; DOD could share information among commands about useful ways to provide such assistance; and DOD could coordinate requests for assistance to avoid duplication among DOD activities and between DOD and other Federal agencies.

The statute requires DOD to establish a "Civil-Military Cooperative Action Program" to "use the skills, capabilities, and resources to the Armed Forces to assist civilian efforts to meet the domestic needs of the United States." It further requires DOD to establish advisory councils on the regional, State, or local level, as appropriate, comprised of representatives from business, civic, and social service organizations, and Federal, State, and local agencies. The advisory councils provide recommendations on projects and program guidance. In addition, DOD is required to issue regulations governing the types of assistance, and guidance to assure nonduplication of public service and noncompetition with the private sector.

The Civil-Military Cooperative Action Program builds upon a longstanding tradition of military commanders serving as good neighbors—coordinating training activities and providing assistance to local communities to help with worthy civic projects. The statutory program is designed to ensure that these efforts are conducted in accordance with national goals—that is, they must be consistent with readiness and there must be no competition with the private sector or other public activities.

At a time when we are providing over $250 billion in funding for defense—and when defense is the only segment of the Government receiving a substantial budget increase—it is no time to tell our communities that the military cannot or will not provide assistance consistent with military readiness and training.

The civil-military cooperation cannot and should not be a military mission. But there is no reason why the Armed Forces cannot conduct training—particularly in terms of the activities of support troops—in a manner that can have incidental benefits to civilian society.

A good example is medical screening. When troops go on cold weather training in Alaska, why shouldn't the medics assist medically underserved communities with screening and basic medical supplies—particularly when the shelf-life of those supplies will expire if not used?

The bill as reported by the committee makes a number of useful changes in the current statutory authority to emphasize military readiness, but several improvements are needed in the language recommended by the committee.

The bill as reported would restrict the program to the reserve components. My amendment would make it clear that the program also applies to the combat support and combat service support elements of active duty regular components.

The bill as reported would eliminate Federal agencies labor unions from participation in the advisory councils. The advisory councils were designed to bring together business, civic, and government leaders to ensure that there is no private sector competition and no duplication of services offered by other public agencies. We should not exclude Federal agencies and labor unions from the process since that could lead to unnecessary duplication of Federal and private sector services.

My amendment does not affect the provision of the bill providing that the management of the program should not be located under the Assistant Secretary of Defense for Reserve Affairs. Since the program clearly applies to the active and the reserve components, oversight should be provided by the Under Secretary of Defense for Personnel and Readiness. It is my expectation that the expertise and experience of those who have been responsible for the program to date would be relied upon by the Under Secretary in his oversight of this program.

My amendment also extends for 2 years the pilot outreach program to reduce demand for illegal drugs, authorized by section 1045 of the National Defense Authorization Act for Fiscal Year 1995. The pilot program has been reviewed by the Rand Corp. and has generally received good reviews. There has been insufficient opportunity at this point, however, to determine the long-term effectiveness of the program, so a 2-year extension of the pilot is warranted.

Mr. President, I note that the Department of Defense appropriations bill for fiscal year 1995, as reported by the Appropriations Committee, fully funds the administration's request for the Civil-Military Cooperative Action Program and the related Challenge and Starbase Programs. That funding is fully consistent with the continuing authority provided by the Armed Services Committee for these important programs.

Mr. MCCAIN. Mr. President, I support the amendment to allow the Department of Defense to continue the Pilot Outreach Program another 2 years. I further support the perfecting language regarding the Civil Military Cooperation Program. I believe that these programs can be of great value, however, I am concerned when scarce defense dollars are earmarked for these programs that do not significantly enhance national security. I note with approval that this will not be the case in this situation. I urge the Department of Defense to refrain from requesting funds for these programs in the future since there are so many more pressing military requirements that continue to go unfunded. It is my hope that these programs will continue to provide valuable services to local communities using funds that are more appropriate to their mission.

Mr. FORD. Mr. President, this clarifies the authority concerning the Civil Military Cooperative Action Program.

Mr. KEMPTHORNE. Mr. President, this amendment has been cleared.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2258) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2259

(Purpose: To amend section 381 to make the National Defense Sealift Fund available for expenses of the entire National Defense Reserve Fleet)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator THURMOND, I offer an amendment which would perfect a provision included in the bill that makes certain changes in funding for the Ready Reserve component of the National Defense Reserve Fleet. Based on consultation with the Office of the Secretary of Defense and Navy, this amendment would extend the authority to include the entire National Defense Reserve Fleet.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. THURMOND, proposes an amendment numbered 2259.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 114, beginning on line 9, strike out **"READY RESERVE COMPONENT OF THE READY RESERVE FLEET."** and insert in lieu thereof **"THE NATIONAL DEFENSE RESERVE FLEET.".**

On page 114, beginning on line 20, strike out "of the Ready Reserve component".

Mr. KEMPTHORNE. I believe this amendment has been cleared by the other side.

Mr. FORD. Mr. President, we have no objection to this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2259) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2260

(Purpose: To authorize a land conveyance, Radar Bomb Scoring Site, Forsyth, Montana)

Mr. KEMPTHORNE. Mr. President, on behalf of Senators MCCAIN and GLENN, the chairman and ranking member of the Readiness Subcommittee, I offer an amendment which would convey approximately 58 acres comprising radar bomb scoring site, Forsyth, MT, to the city of Forsyth, MT.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. MCCAIN, for himself and Mr. GLENN, proposes an amendment numbered 2260.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 487, below line 24, add the following:

SEC. 2838. LAND CONVEYANCE, RADAR BOMB SCORING SITE, FORSYTH, MONTANA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration, to the City of Forsyth, Montana (in this section referred to as the "City"), all right, title, and interest of the United States in and to the parcel of property (including any improvements, thereon) consisting of approximately 58 acres located in Forsyth, Montana, which has served as a support complex and recreational facilities for the Radar Bomb Scoring Site, Forsyth, Montana.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the City—

(1) utilize the property and recreational facilities conveyed under that subsection for housing and recreation purposes; or

(2) enter into an agreement with an appropriate public or private entity to lease such property and facilities to that entity for such purposes.

(c) REVERSION.—If the Secretary determines at any time that the property conveyed under subsection (a) is not being utilized in accordance with paragraph (1) or paragraph (2) of subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary determines appropriate to protect the interests of the United States.

Mr. MCCAIN. Mr. President, I join Senator GLENN, my colleague, the ranking member on the Readiness Subcommittee, in offering an amendment that the subcommittee considered during the markup of the authorization bill.

The amendment authorizes the Secretary of the Air Force to convey 58 acres of property located at the Radar Bomb Scoring Site, Forsyth, MT, to the city of Forsyth, MT. The Air Force is planning to vacate the property and declare it excess to its needs. By authorizing the conveyance of the property to the city of Forsyth, we will meet a housing need for the elderly and provide a recreation area for the community.

Although we considered the amendment during the markup of this bill, the subcommittee had not received the appropriate General Services Administration [GSA] screen certifying that no other Federal agency had a need for the property. The subcommittee therefore agreed to defer action on the conveyance until the GSA cleared the property for disposal. We now have that clearance and are prepared to recommend to the Senate to accept the amendment.

Mr. President, Senator GLENN and I believe the GSA screen is an essential step toward maximizing the use of our Federal resources. We have already submitted all the land conveyances contained in the House bill to the GSA for review and will apply the same criteria to those conveyances as we have to this amendment.

I thank Senator GLENN for his cooperation and urge the adoption of the amendment.

Mr. GLENN. Mr. President, the amendment offered by Senator MCCAIN and myself concerns a land issue which the Readiness Subcommittee considered during its markup proceedings.

The amendment authorizes the Secretary of the Air Force to convey 58 acres of property located at the Radar Bomb Scoring Site, Forsyth, MT, to the city of Forsyth, MT. The Air Force plans to vacate the few housing facilities and to declare the property excess to its needs. In receiving the property, the city of Forsyth must continue to use the facilities for housing purposes. The city of Forsyth has a justified need for these facilities to house the elderly in the community.

The subcommittee recognized the local community's needs and the Air Force's desire to vacate and dispose of the property. However, the members of the Readiness Subcommittee chairman agreed to defer action on the proposal until the General Services Administration [GSA] completed an expedited screening of the property to determine if any Federal agencies had an interest in the property.

Requiring GSA to screen the property is in keeping with my concern that we should not give away property without protecting the interests of the Federal Government.

On July 11, GSA reported back to the subcommittee that no Federal interests in the property were expressed. In addition at Senator MCCAIN's and my request GSA made a preliminary valuation of the property. GSA estimates that the property is worth $700,000.

In keeping with the subcommittee's agreement, Senator MCCAIN and I urge the adoption of the amendment.

Mr. BURNS. Mr. President, I rise today in support of the amendment to the defense authorization bill which would transfer land at the Air Force Complex at Forsyth, MT, to the community.

This amendment makes sense. The Air Force will be releasing this facility in the near future and the community will benefit greatly by acquiring this property. It is a win-win situation for the Air Force and the community.

The city of Forsyth has met all necessary requirements and the conveyance is noncontroversial. They will use the property for affordable housing for retirees, assist the hospital and nursing home in their expansion plans, and assure that the facility is cared for and improved rather than allowed to deteriorate.

This is clearly a positive solution and provides the highest and best use for the property. The community of Forsyth should be commended for their tireless work on this project.

I yield the floor.

Mr. KEMPTHORNE. Mr. President, this has been cleared by the other side.

Mr. FORD. We have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2260) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2261

(Purpose: To authorize a land conveyance, Radar Bomb Scoring Site, Powell, Wyoming)

Mr. KEMPTHORNE. Mr. President, on behalf of Senators MCCAIN and GLENN, the chairman and ranking members of the Readiness Subcommittee, I offer an amendment which conveys approximately 24 acres comprising the radar bomb scoring site, Powell, WY, to the northwest board of trustees, Powell, WY.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. MCCAIN, for himself and Mr. GLENN, proposes an amendment numbered 2261.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 487, below line 24, add the following:

SEC. 2838. LAND CONVEYANCE, RADAR BOMB SCORING SITE, POWELL, WYOMING.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration to the Northwest College Board of Trustees (in this section referred to as the "Board"), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) consisting of approximately 24 acres located in Powell, Wyoming, which has served as the location of a support complex, recreational facilities, and housing facilities for the Radar Bomb Scoring Site, Powell, Wyoming.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Board use the property conveyed under that subsection for housing and recreation purposes and for such other purposes as the Secretary and the Board jointly determine appropriate.

(c) REVERSIONARY INTEREST.—During the 5-year period beginning on the date that the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed property is not being used in accordance with subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

Mr. MCCAIN. Mr. President, Senator GLENN and I are offering an amendment to convey approximately 24 acres comprising the radar bomb scoring site, Powell, WY, to the Northwest College Board of Trustees. This conveyance like the one in the previous amendment has been screened by the GSA for other Federal use and declared to be excess to the Government.

I recommend the adoption of the amendment.

Mr. GLENN. Mr. President, the amendment offered by Senator MCCAIN and myself concerns a land issue which the Readiness Subcommittee considered during its markup proceedings.

The amendment authorizes the Secretary of the Air Force to convey 24 acres of property located at the radar bomb scoring site, Powell, WY, to the Northwest College in Powell, WY. The Air Force plans to vacate the facilities as early as August 1995. In receiving the property, the college must continue to use the facilities for housing purposes and recreational purposes. The college has a justified need for these facilities to house and support students at the college. The Northwest College Task Force, which includes several members of the Wyoming Legislature and the Powell Chamber of Commerce, and the Air Force support this proposal.

The subcommittee recognized the college's needs and the Air Force's desire to vacate and dispose of the property. However, the members of the Readiness Subcommittee Chairman agreed to defer action on the proposal until the General Services Administration [GSA] completed an expedited screening of the property to determine if any Federal agencies had an interest in the property.

Requiring GSA to screen the property is in keeping with my concern that we should not give away property without protecting the interests of the Federal Government.

On July 11, GSA reported back to the subcommittee that no Federal interests in the property were expressed. In keeping with the subcommittee's agreement, Senator MCCAIN and I urge the adoption of the amendment.

Mr. THURMOND. I want to compliment Senator MCCAIN and Senator GLENN, the chairman and ranking member of the Readiness Subcommittee, for their work on this amendment and their continuing efforts to ensure that Federal property is properly screened for use by other Federal agencies before it is conveyed to the private sector.

Mr. President, I understand that both these bomb scoring sites at Powell, WY, and Forsyth, MT, have been screened by the General Services Administration for potential use by other Federal agencies and that there is no interest. Therefore, I support the amendment and the transfer to the local government entities for use to improve housing, education, and recreation.

Mr. SIMPSON. Mr. President, I would simply like to add my strong support for this bill and in particular, for the provision relating to the land conveyance of the former Air Force radar bomb scoring site near Powell, WY.

This provision properly authorizes the Secretary of the Air Force to convey, without consideration, to the Northwest College Board of Trustees, all right, title, and interest of the United States—in and to—the parcel of real property consisting of approximately 24 acres located in Powell, WY.

This parcel also includes facilities such as a commissary and post exchange, as well as housing facilities that the Northwest College will most surely put to good use almost immediately.

The Northwest College Task Force, several members of the Wyoming Legislature and the Powell Chamber of Commerce have all endorsed the re-use proposal submitted by the Northwest College. Northwest College will use the facilities to help to alleviate their acute student housing shortage and for other educational and classroom purposes.

Mr. President, I sat on the Northwest College Board for 8 years and I can certainly attest to the fact that this is a great community college. One of the best.

This transfer of Air Force property will be well noted and greatly appreciated by the community of Powell, WY and the college, as they face continued growth into the 21st century.

I would like to offer my deepest thanks to Senator THURMOND, Senator BURNS, and Senator NUNN for their efforts—as well as their fine staff representatives—in this endeavor. They have all been so supportive of the Wyoming delegation's efforts regarding this provision, and I do greatly appreciate that. Thank you, Mr. President.

Mr. KEMPTHORNE. Mr. President, this has been cleared by the other side.

Mr. FORD. We have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2261) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2262

(Purpose: To express the sense of Congress regarding establishment of Junior Reserve Officers' Training Corps units in schools on Indian reservations)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator PRESSLER, I offer an amendment which expresses the sense of the Senate that Indian reservations receive full consideration in selection of future JROTC sites.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. PRESSLER, proposes an amendment numbered 2262.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 343, after line 24, insert the following:

SEC. 1036. ESTABLISHMENT OF JUNIOR R.O.T.C. UNITS IN INDIAN RESERVATION SCHOOLS.

It is the sense of Congress that the Secretary of Defense should ensure that secondary educational institutions on Indian reservations are afforded a full opportunity along with other secondary educational institutions to be selected as locations for establishment of new Junior Reserve Officers' Training Corps units.

Mr. PRESSLER. Mr. President, I rise to offer a sense-of-the-Senate amendment which states that as the Junior Reserve Officers Training Corps [JROTC] programs expands in the future, the Department of Defense will seek to expand JROTC opportunities in schools on Indian reservations that seek to participate in the JROTC program. Unfortunately, only six of the Nation's 3,500 schools currently participating in the JROTC program are located on Indian reservations.

The JROTC program helps our young people acquire the skills that will serve them the remainder of their lives. To achieve this goal, the JROTC curriculum includes such topics as American citizenship, history, self-discipline, goal-setting, ethics, responsibility, and integrity. In short, the JROTC program helps motivate young men and women to become better American citizens. I believe the JROTC program is a valuable addition to any high school's educational curriculum.

Many challenges face native American youth today. Too many Indian children grow up without having the opportunities or options available to help them achieve their full potential. Native American youth too often enter adulthood without the necessary skills to contribute to their local communities. As a result, they are unable to reap the benefits or meet all the responsibilities of parenthood, citizenship, and employment.

Today's native American youth hold within them the key to the future of native American communities. In their heads, hands, and hearts are the tools to a better life for them, their family, and their community. As their elected representatives, we can help prepare these young people for more productive lives by expanding the learning opportunities available to them. The JROTC program is one option that if made more available on native American reservations, could make a big contribution to young people seeking to make a difference for themselves. I thank the chairman and ranking member of the Armed Services Committee for their cooperation with this amendment. I intend to work with Secretary Perry and the other leaders of our Armed Forces in determining how we can achieve the goal of a greater JROTC presence on native American reservations. I urge my colleagues to join me in supporting this amendment.

Mr. MCCAIN. Mr. President, I support this amendment expressing the sense of the Senate that secondary educational institutions on Indian reservations be afforded full and equal opportunity to be selected as locations for establishment of new Junior Reserve Officers' Training Corps units.

Mr. KEMPTHORNE. Mr. President, I believe this amendment has been cleared with the other side.

Mr. FORD. We have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2262) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2263

(Purpose: To make certain that the Committee on Foreign Relations receives certain reports from the Department of Defense)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator HELMS, I offer an amendment which would make certain that the Foreign Relations Committee receives certain reports from the Department of Defense.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. HELMS, proposes an amendment numbered 2263.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 348, beginning on line 23, strike out "to Congress" and insert in lieu thereof the following: "to the Committee on Armed Services and on Foreign Relations of the Senate and the Committees on National Security and on International Relations of the House of Representatives".

On page 368, line 7, after "defense committees" insert the following: ", the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives".

Mr. KEMPTHORNE. Mr. President, I believe this amendment has been cleared with the other side.

Mr. FORD. Mr. President, we have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2263) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2264

(Purpose: To amend section 1012 to strike out a waiver of congressional notification requirements for transfers of certain vessels to certain foreign countries)

Mr. KEMPTHORNE. Mr. President, on behalf of Senator COHEN, I offer an amendment that would amend section 1012 of the bill. Section 1012 authorized the transfer of several ships to certain foreign countries under the authority of 10 USC 7307(b)(1). It contained a waiver of the requirements contained in the Arms Export Control Act and the Foreign Assistance Act to formally notify certain congressional committees of the terms of transfer. While inclusion of this waiver reflected an established practice of several years duration, these committees have now reaffirmed their preference for formal notification. This amendment would acknowledge their request and delete the waiver of reporting requirements from section 1012.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. COHEN, proposes an amendment numbered 2264.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 334, strike out lines 6 through 15.

On page 334, line 16, strike out "(d)" and insert in lieu thereof "(c)".

On page 334, line 19, strike out "(e)" and insert in lieu thereof "(d)".

Mr. KEMPTHORNE. Mr. President, I believe this has been cleared with the other side.

Mr. FORD. Mr. President, we have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2264) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2265

(Purpose: To require reports on arms export control and military assistance)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. PRYOR, proposes an amendment numbered 2265.

Mr. FORD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 371, below line 21, add the following:

SEC. 1062. REPORTS ON ARMS EXPORT CONTROL AND MILITARY ASSISTANCE.

(a) REPORTS BY SECRETARY OF STATE.—Not later than 180 days after the date of the enactment of this Act and every year thereafter until 1998, the Secretary of State shall submit to Congress a report setting forth—

(1) an organizational plan to include those firms on the Department of State licensing watch-lists that—

(A) engage in the exportation of potentially sensitive or dual-use technologies; and

(B) have been identified or tracked by similar systems maintained by the Department of Defense, Department of Commerce, or the United States Customs Service; and

(2) further measures to be taken to strengthen United States export-control mechanisms.

(b) REPORTS BY INSPECTOR GENERAL.—(1) Not later than 180 days after the date of the enactment of this Act and 1 year thereafter, the Inspector General of the Department of State and the Foreign Service shall submit to Congress a report on the evaluation by the Inspector General of the effectiveness of the watch-list screening process at the Department of State during the preceding year. The report shall be submitted in both a classified and unclassified version.

(2) Each report under paragraph (1) shall—

(A) set forth the number of licenses granted to parties on the watch-list;

(B) set forth the number of end-use checks performed by the Department;

(C) assess the screening process used by the Department in granting a license when applicant is on a watch-list; and

(D) assess the extent to which the watch-list contains all relevant information and parties required by statute or regulation.

(c) ANNUAL MILITARY ASSISTANCE REPORT.—The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by inserting after section 654 the following new section:

"SEC. 655 ANNUAL MILITARY ASSISTANCE REPORT.

"(a) IN GENERAL.—Not later than February 1 of 1996 and 1997, the President shall transmit to Congress an annual report for the fiscal year ending the previous September 30, showing the aggregate dollar value and quantity of defense articles (including excess defense articles) and defense services, and of military education and training, furnished by the United States to each foreign country and international organization, by category, specifying whether they were furnished by grant under chapter 2 or chapter 5 of part II of this Act or by sale under chapter 2 of the Arms Control Export Control Act or authorized by commercial sale license under section 38 of that Act.

"(b) ADDITIONAL CONTENTS OF REPORTS.—Each report shall also include the total amount of military items of non-United States manufacture being imported into the United States. The report should contain the country of origin, the type of item being imported, and the total amount of items.".

Mr. FORD. Mr. President, this requires the Secretary of State and the State Department IG to make various reports on weapons exports. I believe it has been cleared on the other side.

Mr. KEMPTHORNE. Mr. President, this has been cleared.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2266) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2266

(Purpose: To make miscellaneous amendments to provisions of law enacted in the Federal Acquisition Streamlining Act of 1994)

Mr. KEMPTHORNE. Mr. President, I send an amendment to the desk on behalf of Senator THURMOND which makes clarifying changes in the Federal Acquisition Streamlining Act and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. THURMOND, proposes an amendment numbered 2266.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 313, between lines 8 and 9, insert the following:

SEC. 815. COST AND PRICING DATA.

(a) Armed Services Procurements—Section 2306a(d)(2)(A)(i) of title 10, United States Code, is amended by striking out "and the procurement is not covered by an exception in subsection (b)," and inserting in lieu thereof "and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,".

(b) Civilian Agency Procurements.—Section 304a(d)(2)(A)(i) of the Federal Property and Administration Services Act of 1949 (41 U.S.C. 254b(d)(2)(A)(i)) is amended by striking out "and procurement is not covered by an exception in subsection (b)," and inserting in lieu thereof "and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,".

SEC. 816. PROCUREMENT NOTICE TECHNICAL AMENDMENTS.

Section 18(c)(1)(E) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)(1)(E)) is amended by inserting after "requirements contract" the following: ", a task order contract, or a delivery order contract".

SEC. 817. REPEAL OF DUPLICATIVE AUTHORITY FOR SIMPLIFIED ACQUISITION PURCHASES.

Section 31 of the Office of Federal Procurement Policy Act (41 U.S.C. 427) is amended—

(1) by striking out subsections (a), (b), and (c);

(2) by redesignating subsections (d), (e), and (f) as (a), (b), and (c), respectively;

(3) in subsection (b), as so redesignated, by striking out "provided in the Federal Acquisition Regulation pursuant to this section" each place it appears and inserting in lieu thereof "contained in the Federal Acquisition Regulation"; and

(4) by adding at the end the following:

"(d) Procedures Defined.—The simplified acquisition procedures referred to in this section are the simplified acquisition procedures that are provided in the Federal Acquisition Regulation pursuant to section 2304(g) of title 10, United States Code, and section 303(g) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)).".

SEC. 818. MICRO-PURCHASES WITHOUT COMPETITIVE QUOTATIONS.

Section 32(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 428) is amended by striking out "the contracting officer" and inserting in lieu thereof "an employee of an executive agency or a member of the Armed Forces of the United States authorized to do so".

Mr. THURMOND. Mr. President, this is an amendment containing a series of clarifying changes to the Federal Acquisition Streamlining Act of 1994. These are part of a number of changes that the administration has asked us to make to the legislation in light of experience with implementation of the new law. The Members of the Senate will note that title 8 of the defense authorization bill contains a number of these relatively minor changes to title 10 of the United States Code to advance the streamlining of the acquisition process. The changes in my amendment would affect other parts of the United States Code that are not solely within our committee's jurisdiction. This amendment has been coordinated with the Committees on Governmental Affairs and Small Business. It has been cleared on both sides. I ask that the amendment be agreed to.

Mr. KEMPTHORNE. I believe this has been cleared by the other side.

Mr. FORD. We have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2266) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2267

(Purpose: To strike out provisions that amend title 38, United States Code, relating to veterans' benefits)

Mr. KEMPTHORNE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. THURMOND, proposes an amendment numbered 2267.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 381, beginning on line 5, strike out "(a)" and all that follows through "Activities.—" on line 6.

On page 381, strike out lines 13 through 16.

On page 403, strike out lines 5 through 16.

Mr. THURMOND. Mr. President, this amendment clarifies how we will deal with three issues with which the Armed Services Committee shares an interest with the Veterans' Affairs Committee.

Our bill includes three provisions which are of interest to the Department of Defense and the Department of Veterans' Affairs. I am pleased that Senator SIMPSON, chairman of the Veterans' Affairs Committee, and I have been able to agree on how our two Committees will work together to ensure the needs of both Departments are accommodated.

This amendment strikes section 1094, "Extension of the Vietnam Era," and section 1075(b) which would eliminate a joint DOD–DVA report which the Veterans' Affairs Committee would like to retain. I have been assured that the Veterans Affairs' will work in their legislation to extend the Vietnam era as requested by the Army.

As for the joint DOD–DVA report, the Armed Services Committee eliminated a large number of unneeded or outdated reporting requirements. It was not our intention to eliminate any report for which there is a valid requirement. I agree to retain this DOD–DVA health care sharing report.

The Veterans Affairs' Committee also has an interest in section 644 which makes the maximum coverage under the servicemen's group life insurance plan automatic. The change in the amount of coverage automatically available to those who elect to participate in the servicemen's group life insurance plan is important to the Department of Defense and contributes to improved quality of life for service members and their families. I have worked closely with the distinguished chairman of the Veterans' Affairs Committee to develop this legislation. I am pleased that we have been able to make this change in a cooperative manner.

I thank Senator SIMPSON, the chairman, and Senator ROCKEFELLER, the ranking member, of the Veterans' Affairs Committee for their assistance as we addressed these issues of mutual interest. Together we have been able to move forward with legislation which is beneficial to active and reserve military personnel and veterans.

I understand this amendment has been agreed to on both sides and I urge its adoption.

Mr. KEMPTHORNE. Mr. President, I believe this has been cleared.

Mr. FORD. We have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2267) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2268

(Purpose: To establish and maintain a Battlefield Integration Center for the integration of missile defense warfighting pillars)

Mr. KEMPTHORNE. Mr. President, I send an amendment to the desk on behalf of Senators SHELBY and HEFLIN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. SHELBY and Mr. HEFLIN, proposes an amendment numbered 2268.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(a) On page 32, before line 20, section 201(4) is amended by adding the following new subsection:

(c) 475,470,000 is authorized for Other Theater Missile Defense, of which up to $25,000,000 may be made available for the operation of the Battlefield Integration Center.

Mr. SHELBY. Mr. President, the Army's Space and Strategic Defense Command has created a promising concept for the integration of the pillars of missile defense. Currently, there are no integrated warfighting scenario simulations available for a comprehensive integration of active defense, passive defense, attack operations and battlefield management. SSDC proposes to make fully operational a battlefield integration center to provide this virtually needed service. Certainly, the gulf war demonstrated that missile defense is not simply missile intercept.

Instead, comprehensive missile defense involves a myriad of activities ranging from the preparation of civilian populations for attack to the active suppression of an enemy's missile capabilities. Without coordination between these elements, we cannot maximize our missile defense capabilities. Increased coordination and integrated battlefield simulations will allow us to fully utilize these capabilities and create far more effective and comprehensive missile defense plans.

In addition, the integration and coordination offered by the BIC is not a distant technology. The computing and communications hardware is already in place that will allow the BIC to create missile defense plans for actual theater and regional conflicts involving U.S. forces. The BIC will instantaneously allow U.S. commanders to download and receive comprehensive missile defense battle plans based upon the existing ground conditions.

The BIC is a cost-effective, immediately available resource that will fill a large void in our missile defense system and I thank the Senate for its support.

Mr. KEMPTHORNE. Mr. President, this would authorize funds for the Battlefield Integration Center, which is very important for our theater defense program.

This has been cleared on both sides.

Mr. FORD. We have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2268) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2269

(Purpose: To clarify the use of existing technologies under the requirements relating to national missile defense system architecture)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. HEFLIN and Mr. SHELBY, proposes an amendment numbered 2269.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 58, line 13, insert ", except that Minuteman boosters may not be used as part of a National Missile Defense architecture" before the period at the end.

Mr. HEFLIN. Mr. President, this is an amendment which would prevent the use of Minuteman missile boosters as part of an NMD architecture. The reason for this amendment is the clear fact that using these boosters in this fashion would be a clear violation of the START I Treaty.

The START I Treaty is the true centerpiece of modern arms control. I am confident that no member of this body supports abandoning this treaty, so I hope this amendment will enjoy the full support of the Senate.

Mr. FORD. Mr. President, this amendment would prevent the use of Minuteman missile boosters as part of the NMD architecture.

I understand it has been cleared.

Mr. KEMPTHORNE. This amendment has been cleared.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2269) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2270

(Purpose: To require the Director of the Ballistic Missile Defense Organization to establish a Ballistic Missile Defense Technology Center within the Space and Strategic Defense Command of the Army)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. SHELBY and Mr. HEFLIN, proposes an amendment numbered 2270.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 69, between lines 9 and 10, insert the following:

SEC. 242. BALLISTIC MISSILE DEFENSE TECHNOLOGY CENTER.

(a) ESTABLISHMENT.—The Director of the Ballistic Missile Defense Organization shall establish a Ballistic Missile Defense Technology Center within the Space and Strategic Defense Command of the Army.

(b) MISSION.—The missions of the Center are as follows:

(1) To maximize common application of ballistic missile defense component technology programs, target test programs, functional analysis and phenomenology investigations.

(2) To store data from the missile defense technology programs of the Armed Forces using computer facilities of the Missile Defense Data Center.

(c) TECHNOLOGY PROGRAM COORDINATION WITH CENTER.—The Secretary of Defense, acting through the Director of the Ballistic Missile Defense Organization, shall require the head of each element or activity of the Department of Defense beginning a new missile defense program referred to in subsection (b)(1) to first coordinate the program with the Ballistic Missile Defense Technology Center in order to prevent duplication of effort.

Mr. HEFLIN. Mr. President, the purpose of this amendment, creating a Ballistic Missile Defense Technology Center, is to improve the efficiency of the BMD technology program, in the face of a shrinking technology budget. With the increased emphasis on acquisition of theater missile defense systems, clearly justified by the imminent and expanding theater missile threat, the BMD technology budget has been squeezed to the point that built-in technical obsolescence of emerging BMD systems is a serious possibility. In effect, we are eating our seed corn.

This amendment recognizes that because the BMD technology budget is dangerously close to an inadequate level, it is critically important that the dollars that are available are spent wisely. We must be vigilant to avoid duplication of effort and waste of funds on technologies of questionable priority. With all three services, and other agencies, spending BMD technology dollars on related areas of technology, the opportunities for duplication are clearly evident. Further screening and coordination of candidate technology tasks is urgently needed to assure that scarce technology funds are properly allocated.

The U.S. Army Space and Strategic Command, an organization that has been at the forefront of BMD research and development for 40 years, is the ideal center for carrying out the necessary screening and coordination of BMD technology. Acting as executive agent to the BMD office, this organization can bring an unparalleled record of technical experience and performance excellence to this challenging coordination function. In the current BMD technology program, this organization is immersed in all of the critical BMD technologies and it has a core of engineers and scientists that can immediately assume a coordination role. It constitutes a "smart buyer" of BMD technology, proven over time, and it can contribute immensely to a more efficient utilization of the technology budget.

Mr. FORD. Mr. President, this amendment establishes a ballistic missile defense technology center within the strategic defense command of the army.

This has been cleared.

Mr. KEMPTHORNE. It has been cleared.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2270) was agreed to.

Mr. FORD. I move to reconsider the vote.

Mr. KEMPTHORNE. I move to lay that on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2271

(Purpose: To revise Section 1055 concerning military cooperation from a United States Policy to a sense of the Congress)

Mr. KEMPTHORNE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. HELMS, proposes an amendment numbered 2271.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 359, strike out lines 20 and 21, and insert in lieu thereof the following:

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

Mr. KEMPTHORNE. I believe this has been cleared with the other side.

Mr. FORD. It has been cleared.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2271) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2272

(Purpose: To revise and improve the base closure and realignment process)

Mr. KEMPTHORNE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. MCCAIN and Mrs. FEINSTEIN, proposes an amendment numbered 2272.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 468, below line 24, add the following:

SEC. 2825. IMPROVEMENT OF BASE CLOSURE AND REALIGNMENT PROCESS.

(a) APPLICABILITY.—Subparagraph (A) of section 2905(b)(7) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by striking out "Determinations of the use to assist the homeless of buildings and property located at installations approved for closure under this part" and inserting in lieu thereof "Procedures for the disposal of buildings and property located at installations approved for closure or realignment under this part".

(b) REDEVELOPMENT AUTHORITIES.—Subparagraph (B) of such section is amended by adding at the end the following:

"(iii) The chief executive officer of the State in which an installation covered by this paragraph is located may assist in resolving any disputes among citizens or groups of citizens as to the individuals and groups constituting the redevelopment authority for the installation.".

(c) AGREEMENTS UNDER REDEVELOPMENT PLANS.—Subparagraph (F)(ii)(I) of such section is amended in the second sentence by striking out "the approval of the redevelopment plan by the Secretary of Housing and Urban Development under subparagraph (H) or (J)" and inserting in lieu thereof "the decision regarding the disposal of the buildings and property covered by the agreements by the Secretary of Defense under subparagraph (K) or (L)".

(d) REVISION OF REDEVELOPMENT PLANS.—Subparagraph (I) of such section is amended by inserting "the Secretary of Defense and" before "the Secretary of Housing and Urban Development" each place it appears.

(e) DISPOSAL OF BUILDINGS AND PROPERTY.—(1) Subparagraph (K) of such section is amended to read as follows:

"(K)(i) Upon receipt of a notice under subparagraph (H)(iv) or (J)(ii) of the determination of the Secretary of Housing and Urban Development that a redevelopment plan for an installation meets the requirements set forth in subparagraph (H)(i), the Secretary of Defense shall dispose of the buildings and property at the installation.

"(ii) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(iii) The Secretary shall dispose of buildings and property under clause (i) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give substantial deference to the redevelopment plan concerned.

"(iv) The disposal under clause (i) of buildings and property to assist the homeless shall be without consideration.

"(v) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G)".

(2) Subparagraph (L) of such section is amended by striking out clauses (iii) and (iv) and inserting in lieu thereof the following new clauses (iii) and (iv):

"(iii) Not later than 90 days after the date of the receipt of a revised plan for an installation under subparagraph (J), the Secretary of Housing and Urban Development shall—

"(I) notify the Secretary of Defense and the redevelopment authority concerned of the buildings and property at an installation under clause (i)(IV) that the Secretary of Housing and Urban Development determines are suitable for use to assist the homeless; and

"(II) notify the Secretary of Defense of the extent to which the revised plan meets the criteria set forth in subparagraph (H)(i).

"(iv)(I) Upon notice from the Secretary of Housing and Urban Development with respect to an installation under clause (iii), the Secretary of Defense shall, after consultation with the Secretary of Housing and Urban Development and redevelopment authority concerned, dispose of buildings and property at the installation.

"(II) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(III) The Secretary shall dispose of buildings and property under subclause (I) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give deference to the redevelopment plan concerned.

"(IV) The disposal under subclause (I) of buildings and property to assist the homeless shall be without consideration.

"(V) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ".

(f) CONFORMING AMENDMENT.—Subparagraph (M)(i) of such section is amended by inserting "or (L)" after "subparagraph (K)".

(g) CLARIFICATION OF PARTICIPANTS IN PROCESS.—Such section is further amended by adding at the end the following:

"(P) For purposes of this paragraph, the term 'other interested parties', in the case of an installation, includes any parties eligible for the conveyance of property of the installation under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or subchapter II of chapter 471 of title 49, United States Code, whether or not the parties assist the homeless.".

(h) TECHNICAL AMENDMENTS.—Section 2910 of such Act is amended—

(1) by designating the paragraph (10) added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103-421; 108 Stat. 4352) as paragraph (11); and

(2) in such paragraph, as so designated, by striking out "section 501(h)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(h)(4))" and inserting in lieu

thereof "section 501(i)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(i)(4))".

SEC. 2826. EXERCISE OF AUTHORITY DELEGATED BY THE ADMINISTRATOR OF GENERAL SERVICES.

Section 2905(b)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A)—

(A) by striking out "Subject to subparagraph (C)" in the matter preceding clause (i) and inserting in lieu thereof "Subject to subparagraph (B)"; and

(B) by striking out "in effect on the date of the enactment of this Act" each place it appears in clauses (i) and (ii);

(2) by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following new subparagraph (B):

"(B) The Secretary may, with the concurrence of the Administrator of General Services—

"(i) prescribe general policies and methods for utilizing excess property and disposing of surplus property pursuant to the authority delegated under paragraph (1); and

"(ii) issue regulations relating to such policies and methods which regulations supersede the regulations referred to in subparagraph (A) with respect to that authority."; and

(3) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

SEC. 2827. LEASE BACK OF PROPERTY DISPOSED FROM INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) Authority.—Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph (C):

"(C)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this part (including property at an installation approved for realignment which property will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, all or a significant portion of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

"(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

"(iii) A lease under clause (i) may not require rental payments by the United States.

"(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may, upon approval by the redevelopment authority concerned, be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease.".

(b) Use of Funds To Improve Leased Property.—Notwithstanding any other provision of law, a department or agency of the Federal Government that enters into a lease of property under section 2905(b)(4)(C) of such Act, as amended by subsection (a), may use funds appropriated or otherwise available to the department or agency for such purpose to improve the leased property.

SEC. 2828. PROCEEDS OF LEASES AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) Interim Leases.—Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) by striking out "and" at the end of clause (i);

(B) by striking out the period at the end of clause (ii) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(iii) money rentals referred to in paragraph (5)."; and

(2) by adding at the end the following:

"(5) Money rentals received by the United States under subsection (f) shall be deposited in the Department of Defense Base Closure Account 1990 established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).".

(b) Deposit in 1990 Account.—Section 2906(a)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (C)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out "and" at the end;

(2) in subparagraph (D)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out the period at the end and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(E) money rentals received by the United States under section 2667(f) of title 10, United States Code.".

Mr. McCAIN. Mr. President, the base realignment and closure process has been a necessary evil we have all had to endure in order to reduce military infrastructure to a size appropriate for our smaller, post-cold war military. While most of us have supported the spirit of this measure, few would insist that improvements to the process are unnecessary.

Earlier this year I offered S. 803 in hopes of dramatically streamlining the process and accelerating the economic recovery time of affected communities. I withdrew this amendment at the urging of the Department of Defense, in order to allow the Department time to complete and promulgate regulations they were in the process of designing to accomplish similar goals. I am pleased to say that their work had been fruitful.

The amendment we now offer seeks to address those issues that remain problematic; some for the Department of Defense and others for communities directly affected by base closures.

The most common complaints arising from communities participating in, and affected by, surplus military base disposal include: lack of equity for all parties participating in the process, and, extensive lapses of time between closure decision and ultimate reuse.

The latter of these two issues seems to be adequately addressed by the Department of Defense's new regulations, as we had hoped for. It appears that DOD's plan offers a realistic approach to the process that allows for flexibility where the process requires it and strict time-lines where they are appropriate. The former issue, equity among parties interested in reusing former military property, is dealt with in the amendment we now offer.

Through the first three rounds of base closure, be have witnessed how difficult it is to dispose of excess military real estate. While the BRAC process was not created to provide disproportionate benefits to specific groups of individuals, it became apparent quite early that this was in fact an unintended consequence.

Our amendment would put an end to these practices. This legislation levels the playing field by limiting opportunities to acquire property to those that exist by working with the recognized Local Redevelopment Authority.

We have the opportunity to alleviate many significant concerns held by communities that will undergo change as a result of the 1995 BRAC round. This amendment is simple. This amendment improves a process that is greatly in need of improvement. This amendment provides a desperately needed solution; we cannot fail to act.

Mrs. FEINSTEIN. Mr. President, I rise to support the amendment offered by the Senator from Arizona [Mr. McCain] which would improve the base closure process by giving more control to the local community in reuse and redevelopment decisions. I am happy to be an original cosponsor of this amendment.

Last year I helped draft legislation that exempts military bases from the McKinney Homeless Assistance Act. This legislation, the Base Closure Community Redevelopment and Homeless Assistance Act of 1994, passed Congress and was signed into law by the President last October.

Under the new legislation, instead of being given the right of first refusal to base property, homeless assistance providers were given a seat at the reuse table with the local redevelopment authority. After a reuse plan is developed on the local level, the Secretary of Housing and Urban Development would review the plan to ensure that the needs of the homeless were met. After the HUD Secretary's approval, the Secretary of Defense would dispose of the buildings and property at the closing base.

While the new law is a substantial improvement over the old base closure and reuse law as well as the McKinney Act provisions, I think more should be done to empower communities, put base reuse decisions in the hands of local officials, and remove a Federal mandate.

The McCain/Feinstein amendment amends the new law by requiring the Secretary of Defense to simply consult with the Secretary of HUD over the reuse plan that is development by the redeveloped authority; it removes HUD's veto power over the reuse plan.

Homeless assistance providers would still be guaranteed a seat at the reuse table, and redevelopment authorities would still be required to accept expressions of interest for base property by homeless assistance groups and other interested parties. In addition, the Secretary of HUD would still review the final reuse plan to ascertain if the needs of the homeless have been met, and have the ability to consult with the redevelopment authority.

However, instead of the Secretary of HUD approving or disapproving the reuse plan, the Secretary of Defense would make the final decision. The Secretary of Defense would simply consult with the Secretary of HUD before making any property disposal decisions. Furthermore, the local redevelopment plan—developed by the local community and local elected officials—would be given deference by the Secretary of Defense.

I believe this amendment would substantially improve last year's Base Closure Community Redevelopment and Homeless Assistance Act. Yet, this amendment does not go as far as the House of Representative's version of the Defense Authorization Act, which contains an amendment offered by Representatives BILBRAY and MOLINARI.

The Bilbray-Molinari amendment would completely repeal the Base Closure Community Redevelopment and Homeless Assistance Act and exempt all military bases from the McKinney Act.

In addition to disrupting the base reuse process, the Bilbray-Molinari amendment would prevent homeless assistance providers from acquiring base property at no cost—even when communities want to transfer property for homeless use—and would not guarantee that they have a seat at the reuse table.

The McCain-Feinstein amendment still guarantees that homeless assistance providers will have an opportunity to acquire base property, but it puts base reuse decisions in the hands of local officials who know what is best for their communities.

This amendment also contains some other provisions that will assist in the base closure and reuse process. These include:

Base realignments: This provision would make a technical amendment to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 by including base realignments, in addition to base closures. Current law requires the Secretary of Defense to dispose of base property in accordance with the sometimes outdated Federal Property and Administrative Services Act regulations. This provision allows the Secretary, in consultation with GSA, to prescribe general policies and methods for utilizing excess property and disposing of surplus property which are unique to base closure situations.

Lease back of base closure property: This provision would allow base closure property, that is still needed by the Department of Defense or another Federal agency, to be transferred to a local redevelopment authority provided that the LRA leases back the property to DOD or the Federal agency on favorable terms, that is: long term lease, nominal rent. This provision is needed to improve the planning and redevelopment of base closure property by providing local communities with certainty over the future use and availability of the property should the DOD or Federal occupant vacate.

Leasing proceeds: This provision would require that leasing proceeds for property at closing or realigning bases be deposited into the BRAC account, rather than a special Treasury account. This would treat leasing proceeds in the same fashion as sale proceeds from BRAC property. It would make additional funds available to base closure and environmental cleanup activities, thus speeding transfer of property to the local community and, thus, economic redevelopment of a closing base.

The McCain-Feinstein amendment makes various changes to existing law to improve the base closure and reuse process, and speed economic redevelopment of closing military bases. I urge my colleagues support of this amendment.

I ask unanimous consent that a letter from the U.S. Conference of Mayors in support of this amendment be placed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE UNITED STATES
CONFERENCE OF MAYORS,
Washington, DC, August 3, 1995.

Hon. DIANNE FEINSTEIN,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: At our June 1995 meeting, The U.S. Conference of Mayors adopted the attached resolution on "A National Action Plan on Military Base Closings." I would draw your attention to item 6. This was adopted in response to the House passed Molinari amendment to the 1996 Defense Authorization Bill which would repeal the 1994 BRAC and Homeless Assistance Act.

The U.S. Conference of Mayors believes that local governments which do not desire transfer for homeless services should not be subject to HUD approval of their reuse plans. However, we support the ability of the federal government to transfer property under existing law provisions, at no cost to the local community or the homeless provider, if so desired by the local government.

As the mayor of a city with a naval facility on the 1991 BRAC closure list, I am concerned about the House amendment which would deny us the ability to implement the homeless provisions of our local reuse plan.

In Seattle, our adopted reuse plan has a substantial homeless component of which we are proud and anxious to implement, as it will greatly add to our services to assist homeless people in becoming self-sufficient. Without the property transfer positions nullified in the Molinari amendment, our critical homeless component is seriously jeopardized.

Therefore, I urge you to provide for local flexibility and control while not eliminating the homeless property transfer provisions for local governments desiring such transfer.

Sincerely,
NORMAN B. RICE,
Mayor of Seattle, President.

Mr. GLENN. Mr. President, we have agreed to accept the amendment by Senators MCCAIN and FEINSTEIN which aims to revise and improve the base closure and realignment process. This is certainly not the first time that we have tried to improve this process. In 1993, under President Clinton's leadership, we passed significant revisions to the BRAC process which were aimed to give local, impacted communities a greater say in their own future. Those provisions were aimed to help speed up the process by which communities can initiate economic development efforts to move forward. Again last year another effort was made to revise the BRAC property disposal process. This effort resulted in legislation which quickened the property disposal process, with particular regard to addressing the needs of the homeless.

While I believe that the amendment before us addresses some legitimate problems in the current BRAC process, for example it gives DOD the authority to utilize recent regulations promulgated by GSA, I am concerned about some particular areas. Overall, my greatest concern is that we have not given the existing process a chance to work. Only last month did DOD issue its regulations, developed after extensive interagency and public comment, which implement the 1993 and 1994 BRAC legislation I just mentioned. Communities are having a difficult enough time coping with the closure of their particular base without trying to determine which set of regulations, or which property disposal process, they need to operate under. Should this legislation result in another rewrite of the implementing regulation, it will translate directly into further delays for the communities.

I am also concerned about the lease-back provisions of this legislation. I am concerned that the Federal Government's interest be fully protected in the cases where it retains a presence at a closing base. I recognize the need for communities to have assurances that future Federal use of these facilities is compatible with their own reuse plan. However, we must protect all taxpayers' interest as well. With regard to this provision as we proceed to conference with the House, I intend to seek the comments of the General Services Administration to ensure that appropriate controls are in place for future leasing.

Another concern is whether the Secretary of Housing and Urban Development has the necessary authority to provide their comments to the local redevelopment plan—and ensure that these comments are addressed. This provision is particularly important with regards to the concerns of the homeless.

Mr. President, as we proceed to conference, I look forward to obtaining additional comments of the relevant officials in the Department of Defense, the Department of Housing and Urban Development, as well as the General Services Administration regarding these provisions.

Mr. THURMOND. Mr. President, as a Member representing a State that is experiencing the realities of base closure, I welcome any effort to expedite the closure process and protect the redevelopment plan developed by the communities. This is a good step in that direction. It strengthens the Secretary of Defense's authority to review the base reuse plan and whether or not it has given appropriate consideration to the needs of the homeless or other interested party.

Mr. President, I especially support the provision of this amendment which allows the military departments to convey base closure property to local redevelopment authorities, if the property is still required by the department or another Federal agency, as long as the needed property will be leased back for a 50-year renewable lease at no cost. The change satisfies both the Department of Defense or other Federal need for available property, while at the same time providing the local community with certainty over future use of the property should the Federal agency leave. It also provides the local community with the ownership it often needs to redevelop the base to make needed infrastructure improvements. The permissive authority of this legislation is designed to be used infrequently and primarily for small parcels or individual buildings which are surrounded by property which will be conveyed to the local community.

Mr. President, this legislation will be of great benefit to Charleston, SC, and other communities throughout the Nation. I support the amendment and urge its adoption.

Mr. FORD. This has been cleared on both sides.

Mr. KEMPTHORNE. Yes, this has been cleared.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2272) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2273

(Purpose: To improve the provision relating to restoration advisory boards)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. KOHL, proposes an amendment numbered 2273.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 89, strike out lines 13 through 22 and insert in lieu thereof the following:

"(2) The commander of an installation may obtain technical assistance under paragraph (1) for a technical review committee or restoration advisory board only if—

"(A) the technical review committee or restoration advisory board demonstrates that the Federal, State, and local agencies responsible for overseeing environmental restoration at the installation, and available Department of Defense personnel, do not have the technical expertise necessary for achieving the objective for which the technical assistance is to be obtained;

"(B) the technical assistance is likely to contribute to the efficiency, effectiveness, or timeliness of environmental restoration activities at the installation; and

"(C) the technical assistance is likely to contribute to community acceptance of environmental restoration activities at the installation.".

On page 90, line 20, strike out "until" and insert in lieu thereof "after March 1, 1996, unless".

Mr. KOHL. Mr. President, my amendment seeks to improve the provisions relating to restoration advisory boards by helping them to acquire independent technical assistance. These boards are a crucial way of getting the community around a Defense Department cleanup site involved in the process. For these local groups to feel confident that the Department of Defense is adequately cleaning up these sites, they may need to rely on outside sources of information and analysis. Many times communities are unwilling to accept the Government's claim that they have done the job adequately, and want an external source to help them consider the data. The provisions in this amendment will make sure that they have access to the administrative and independent technical support they seek.

I ask unanimous consent that a letter I received from Gary Vest, Acting Deputy Under Secretary of Defense for Environmental Security be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE
UNDER SECRETARY OF DEFENSE,
Washington, DC, August 3, 1995.

Hon. HERBERT KOHL,
U.S. Senate, Washington, DC.

DEAR SENATOR KOHL: The purpose of this letter is to respond to your July 27, 1995, letter to the Deputy Under Secretary of Defense (Environmental Security) concerning Section 323 of S. 1026, the FY 1996 Department of Defense Authorization Bill. Responses to the five questions in your letter are provided in the Enclosure.

Your continued support and commitment to community participation and the Defense Department's restoration advisory board effort is deeply appreciated. If you need additional information, my staff point of contact for this matter is Ms. Marcia Read at (703) 697-9793.

Sincerely,

GARY D. VEST,
Acting Deputy Under Secretary of Defense (Environmental Security).

Enclosure.

QUESTIONS OF SENATOR HERBERT KOHL CONCERNING SECTION 323 OF S. 1026

Question 1. Will the language in Section 323 in any way obstruct the creation or continued operation of any restoration advisory boards? Do you have any legal opinions on this question?

Answer 1. Our legal opinion is that Section 323 would cause the Department of Defense (DoD) to suspend operation of existing restoration advisory boards (RABs) until regulations are promulgated, as there would be no available funding source to meet RAB administrative expenses.

Question 2. Is the language consistent with the regulatory promulgation the Defense Department has initiated to provide technical assistance to RABs?

Answer 2. The Department has not yet promulgated any regulations to provide technical assistance to RABs. The Department did publish a notice in the Federal Register requesting public comments on various options for providing technical assistance funding to RABs. The closing date to submit written comments was July 24, 1995, and we are currently evaluating the comments we received. We will propose a draft regulation later this year.

Question 3. Would this language preclude any RAB from receiving technical assistance if the RAB wants to receive technical assistance independent of the installation commander or the environmental contractor providing services to the installation?

Answer 3. We believe that the precondition outlined in subsection (e)(2) would effectively eliminate independent technical assistance for RABs. It appears that installation commanders would be unable to make the requisite finding regarding the absence of technical expertise without undermining the credibility of the installation's own technical expertise. We understand the existing authority to provide technical assistance was intended to provide RAB members the means to procure independent, technical advice from a source outside of the Department, and that this authority was not predicated on a finding that the Department's technical experts were in any way deficient.

Question 4. Does the Defense Department support Section 323 as currently drafted?

Answer 4. The Department is reviewing Section 323 and is considering appealing the language.

Question 5. After taking into account administrative costs, would there be funds available for technical assistance for RABs under this provision?

Answer 5. It is difficult to estimate precisely how much of the $4 million would be strictly designated for technical assistance. However, with 200 RABs already in existence, $4 million may not be enough to meet even the administrative expenses that may be needed to effectively operate these RABs.

Mr. FORD. Mr. President, this clarifies language in the bill concerning environmental restoration advisory boards.

This has been cleared.

Mr. KEMPTHORNE. It has been cleared.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2273) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2274

Mr. NUNN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. GLENN, proposes an amendment numbered 2274.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 110, after line 19, insert the following:

SEC. 365. OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID PROGRAMS

(a) GAO REPORT.—Not later than December 15, 1995, the Comptroller General of the United States shall provide to the Congressional Defense Committees a report on—

(1) Existing funding mechanisms available to cover the costs associated with the Overseas Humanitarian, Disaster, and Civic Assistance activities through funds provided to the Department of State or the Agency for International Development, and

(2) if such mechanisms do not exist, actions necessary to institute such mechanisms, including any changes in existing law or regulations.

On page 70, in line 25, strike out "$20,000,000" and insert in lieu thereof "$60,000,000".

On page 70, after line 25, insert the following: The amount authorized to be appropriated by section 301(5) is hereby reduced by $40,000,000.

Mr. MCCAIN. Mr. President, I support this amendment to provide an additional $40 million for overseas humanitarian, disaster, and civic aid programs. Although I am concerned with any defense funds being earmarked for this non-defense mission, I note with approval that this is a significant reduction from the administration's requested level.

I further support the provision requiring the Comptroller General of the United States to report to the congressional defense committees any actions necessary to ensure that future funding for these activities is provided through the Department of State, the U.S. Agency for International Development or any successor agency. I think that it is important that the Federal Government provide funds for activities through appropriate sources. In this case, future international humanitarian and disaster assistance activities should be funded through those agencies which have primary responsibility for these operations. This amendment moves us toward this goal which will allow the American people better insight into how their tax dollars are spent.

I will continue to strive to eliminate nondefense spending from the DOD budget. I urge the administration to assist in these efforts by refraining from including such programs in the DOD budget request. The Department of Defense is a military organization and should dedicate its resources to those programs which make the greatest contribution to national security.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

Mr. KEMPTHORNE. Mr. President, this amendment has been cleared.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2274) was agreed to.

Mr. NUNN. I move to reconsider the vote.

Mr. KEMPTHORNE. I move to lay that on the table.

The motion to lay on the table was agreed to.

Mr. NUNN. I thank the Senator from Kentucky for handling these amendments while I was upstairs doing some negotiation with Senators COHEN, WARNER, LEVIN, and others on the ABM matter. We will continue that negotiation. We will be discussing with the leaders and our colleagues some of the concepts we talked about. We will talk more about that on Monday.

I thank the Senator from Kentucky.

AMENDMENT NO. 2275

(Purpose: To state the sense of the Senate on the Midway Islands)

Mr. KEMPTHORNE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE], for Mr. HELMS, proposes an amendment numbered 2275.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 403, after line 16, add the following:

SEC. 1095. SENSE OF SENATE ON MIDWAY ISLANDS.

(a) FINDINGS.—The Senate makes the following findings:

(1) September 2, 1995, marks the 50th anniversary of the United States victory over Japan in World War II.

(2) The Battle of Midway proved to be the turning point in the war in the Pacific, as United States Navy forces inflicted such severe losses on the Imperial Japanese Navy during the battle that the Imperial Japanese Navy never again took the offensive against United States or allied forces.

(3) During the Battle of Midway, an outnumbered force of the United States Navy, consisting of 29 ships and other units of the Armed Forces under the command of Admiral Nimitz and Admiral Spruance, out-maneuvered and out-fought 250 ships of the Imperial Japanese Navy.

(4) It is in the public interest to erect a memorial to the Battle of Midway that is suitable to express the enduring gratitude of the American people for victory in the battle and to inspire future generations of Americans with the heroism and sacrifice of the members of the Armed Forces who achieved that victory.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Midway Islands and the surrounding seas deserve to be memorialized;

(2) the historic structures related to the Battle of Midway should be maintained, in accordance with the National Historic Preservation Act, and subject to the availability of appropriations for that purpose.

(3) appropriate access to the Midway Islands by survivors of the Battle of Midway, their families, and other visitors should be provided in a manner that ensures the public health and safety on the Midway Islands and the conservation and natural resources of those islands in accordance with existing Federal law.

Mr. HELMS. Mr. President, historic victories such as Midway and Gettysburg and Yorktown and Normandy are remembered by memorializing the hallowed ground upon which American blood was shed. Historians rank the Battle of Midway as one of the most decisive naval battles of all time. The Midway Islands, and the surrounding seas where so many American lives were sacrificed, deserve to be memorialized as well, and that is what this amendment suggests.

Mr. President, victory at Midway was the turning point in the Pacific Theater. During the month of June 1942, a badly outnumbered American naval force, consisting of 29 ships and other units of the armed forces, under the overall command of Adm. Chester W. Nimitz, out-maneuvered and outfought 350 ships of the combined Japanese Imperial Fleet. The objectives of the Japanese high command were to occupy the Midway Islands and destroy the United States Pacific Fleet, but the forces under the command of Admiral Nimitz completely thwarted Japanese strategy.

The outcome of the conflict, Mr. President, was remarkable given the fact that U.S. forces were so badly outnumbered. The United States lost 163 aircraft compared to 286 Japanese aircraft. One American aircraft carrier, the U.S.S. *Yorktown*, and one Destroyer, the U.S.S. *Hamman*, were destroyed. On the other hand, the Japanese Imperial Navy lost five ships, four of the ships being the Imperial Navy's main aircraft carriers. Almost as devastating was the loss of most of the experienced Japanese pilots. At the end of the day, 307 Americans had lost their lives. The Japanese navy lost 2,500 men.

The heroism of many of the American servicemen at Midway often required the ultimate sacrifice. Many of the Marine pilots, flying worn out and inferior planes, did not live to celebrate the victory at Midway. All but five torpedo-plane pilots who attacked the Japanese aircraft carrier task force—without protective air cover—were shot down. These pilots undoubtedly knew they were flying to an all but certain death.

So severe was the damage inflicted on the Imperial Japanese Navy by American airmen and sailors, that Japan never again was able to take the offensive against the United States or Allied forces, and the rest, as they say, is history.

Mr. President, victory over the Japanese achieved, of course, by men and women from all the U.S. Armed Forces. Certainly at Midway, elements of each of the services—Navy, Marines, and U.S. Army Air Corps—were heavily engaged, closely coordinated, and paid a high price for their bravery. The Midway Islands should be memorialized to honor the courageous efforts of all the services when they were called upon to defend our Nation and its interests.

The sacrifice and heroism of these men should never be forgotten—it is vital that our sons and daughters never forget what their fathers and grandfathers sacrificed for freedom. The Battle of Midway should be memorialized for all time, on the Midway Islands, on behalf of a grateful Nation.

Mr. KEMPTHORNE. This has been cleared.

Mr. NUNN. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2275) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KEMPTHORNE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURNS). Without objection, it is so ordered.

AMENDMENT NO. 2276

(Purpose: To authorize the Secretary of the Navy to establish a crash attenuating seats acquisition program)

Mr. KEMPTHORNE. Mr. President, on behalf of Senators THURMOND, LOTT, and INHOFE, I offer an amendment to provide for crash attenuating seats in H-53E helicopters, a program which would make use of commercially developed seats to provide crash protection for passengers.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE] for Mr. THURMOND, Mr. LOTT, and Mr. INHOFE, proposes an amendment numbered 2276.

Mr. KEMPTHORNE. I ask unanimous consent further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 30, after the matter following line 24, insert the following:

SEC. 125. CRASH ATTENUATING SEATS ACQUISITION PROGRAM.

(a) PROGRAM AUTHORIZED.—The Secretary of the Navy may establish a program to procure for, and install in, H-53E military transport helicopters commercially developed, energy absorbing, crash attenuating seats that the Secretary determines are consistent with military specifications for seats for such helicopters.

(b) FUNDING.—To the extent provided in appropriations Acts, of the unobligated balance of amounts appropriated for the Legacy Resource Management Program pursuant to the authorization of appropriations in section 301(5) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2706), not more than $10,000,000 shall be available to the Secretary of the Navy, by transfer to the appropriate accounts, for carrying out the program authorized in subsection (a).

Mr. KEMPTHORNE. I believe this has been cleared.

Mr. NUNN. I urge adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2276) was agreed to.

Mr. KEMPTHORNE. I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2277

Mr. KEMPTHORNE. On behalf of Senator SMITH, I offer an amendment that would express the sense of the Senate that the Secretary of Navy should name the LHD-7 the U.S.S. *Iwo Jima*, and name the LPD-17 and all future ships of the LPD-17 class after famous Marine Corps battles of famous Marine Corps heroes.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE] for Mr. SMITH, proposes an amendment numbered 2277.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate point in the bill, insert the following:

SEC. . NAMING AMPHIBIOUS SHIPS.

(a) FINDINGS.—The Senate finds that—

(1) This year is the fiftieth anniversary of the battle of Iwo Jima, one of the great victories in all of the Marine Corps' illustrious history.

(2) The Navy has recently retired the ship that honored that battle, the U.S.S. *Iwo Jima* (LPB-2), the first ship in a class of amphibious assault ships.

(3) This Act authorizes the LHD-7, the final ship of the *Wasp* class of amphibious assault ships that will replace the *Iwo Jima* class of ships.

(4) The Navy is planning to start building a new class of amphibious transport docks, now called the LPD-17 class. This Act also authorizes funds that will lead to procurement of these vessels.

(5) There has been some confusion in the rationale behind naming new naval vessels with traditional naming conventions frequently violated.

(6) Although there have been good and sufficient reasons to depart from naming conventions in the past, the rationale for such departures has not always been clear.

(b) SENSE OF THE SENATE.—In light of these findings, expressed in subsection (a), it is the sense of the Senate that the Secretary of the Navy should:

(1) Name the LHD-7 the U.S.S. *Iwo Jima*.

(2) Name the LPD-17 and all future ships of the LPD-17 class after famous Marine Corps battles or famous Marine Corps heros.

Mr. KEMPTHORNE. This amendment has been cleared.

Mr. NUNN. That is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2277) was agreed to.

Mr. KEMPTHORNE. I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2278

(Purpose: To strike the limitation on contracting with the same contractor for construction of additional new sealift ships)

Mr. KEMPTHORNE. On behalf of Senators LOTT, COHEN, JOHNSTON, and BREAUX, I offer an amendment by Senator LOTT that would strike the provision of the bill that would impose certain limitations on the Secretary of the Navy on contracting with the same contractor for construction of additional new sealift ships.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. KEMPTHORNE] for Mr. LOTT, Mr. COHEN, Mr. JOHNSTON, and Mr. BREAUX, proposes an amendment numbered 2278.

Mr. KEMPTHORNE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 115, strike out line 4 and all that follows through page 116, line 13.

Mr. KEMPTHORNE. I believe this has been cleared.

Mr. NUNN. This has been cleared with this side. I urge adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2278) was agreed to.

Mr. KEMPTHORNE. I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2279

(Purpose: To revise section 1003, relating the Defense Modernization Account)

Mr. NUNN. Mr. President, on behalf of Senator GLENN, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. GLENN, proposes an amendment numbered 2279.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 321, strike out line 15 and all that follows through page 325, line 18, and insert in lieu thereof the following:

"(b) CREDITS TO ACCOUNT.—(1) Under regulations prescribed by the Secretary of Defense, and upon a determination by the Secretary concerned of the availability and source of excess funds as described in subparagraph (A) or (B), the Secretary may transfer to the Defense Modernization Account during any fiscal year—

"(A) any amount of unexpired funds available to the Secretary for procurements that, as a result of economies, efficiencies, and other savings achieved in the procurements, are excess to the funding requirements of the procurements; and

"(B) any amount of unexpired funds available to the Secretary for support of installations and facilities that, as a result of economies, efficiencies, and other savings, are excess to the funding requirements for support of installations and facilities.

"(2) Funds referred to in paragraph (1) may not be transferred to the Defense Modernization Account by a Secretary concerned if—

"(A) the funds are necessary for programs, projects, and activities that, as determined by the Secretary, have a higher priority than the purposes for which the funds would be available if transferred to that account; or

"(B) the balance of funds in the account, after transfer of funds to the account would exceed $1,000,000,000.

"(3) Amounts credited to the Defense Modernization Account shall remain available for transfer until the end of the third fiscal year that follows the fiscal year in which the amounts are credited to the account.

"(4) The period of availability of funds for expenditure provided for in sections 1551 and 1552 of title 31 shall not be extended by transfer into the Defense Modernization Account.

"(c) ATTRIBUTION OF FUNDS.—The funds transferred to the Defense Modernization Account by a military department, Defense Agency, or other element of the Department of Defense shall be available in accordance with subsections (f) and (g) only for that military department, Defense Agency, or element.

"(d) USE OF FUNDS.—Funds available from the Defense Modernization Account pursuant to subsection (f) or (g) may be used only for the following purposes:

"(1) For increasing, subject to subsection (e), the quantity of items and services procured under a procurement program in order to achieve a more efficient production or delivery rate.

"(2) For research, development, test and evaluation and procurement necessary for modernization of an existing system or of a system being procured under an ongoing procurement program.

"(e) LIMITATIONS.—(1) Funds from the Defense Modernization Account may not be used to increase the quantity of an item or services procured under a particular procurement program to the extent that doing so would—

"(A) result in procurement of a total quantity of items or services in excess of—

"(i) a specific limitation provided in law on the quantity of the items or services that may be procured; or

"(ii) the requirement for the items or services as approved by the Joint Requirements Oversight Council and reported to Congress by the Secretary of Defense; or

"(B) result in an obligation or expenditure of funds in excess of a specific limitation provided in law on the amount that may be obligated or expended, respectively, for the procurement program.

"(2) Funds from the Defense Modernization Account may not be used for a purpose or program for which Congress has not authorized appropriations.

"(3) Funds may not be transferred from the Defense Modernization Account in any year for the purpose of—

"(A) making any expenditure for which there is no corresponding obligation; or

"(B) making any expenditure that would satisfy an unliquidated or unrecorded obligation arising in a prior fiscal year.

"(f) TRANSFER OF FUNDS.—(1) Funds in the Defense Modernization Account may be transferred in any fiscal year to appropriations available for use for purposes set forth in subsection (d).

"(2) Before funds in the Defense Modernization Account are transferred under paragraph (1), the Secretary concerned shall transmit to the congressional defense committees a notification of the amount and purpose of the proposed transfer.

"(3) The total amount of the transfers from the Defense Modernization Account may not exceed $500,000,000 in any fiscal year.

"(g) AVAILABILITY OF FUNDS FOR APPROPRIATION.—Funds in the Defense Modernization Account may be appropriated for purposes set forth in subsection (d) to the extent provided in Acts authorizing appropriations for the Department of the Defense.

"(h) SECRETARY TO ACT THROUGH COMPTROLLER.—In exercising authority under this section, the Secretary of Defense shall act through the Under Secretary of Defense (Comptroller), who shall be authorized to implement this section through the issuance of any necessary regulations, policies, and procedures after consultation with the General Counsel and Inspector General of the Department of Defense.

"(i) QUARTERLY REPORT.—Not later than 15 days after the end of each calendar quarter, the Secretary of Defense shall submit to the appropriate committees of Congress a report setting forth the amount and source of each credit to the Defense Modernization Account during the quarter and the amount and purpose of each transfer from the account during the quarter.

"(j) DEFINITIONS.—In this section:

"(1) The term 'Secretary concerned' includes the Secretary of Defense.

"(2) The term 'unexpired funds' means funds appropriated for a definite period that remain available for obligation.

"(3) The term 'congressional defense committees' means—

"(A) the Committees on Armed Services and Appropriations of the Senate; and

"(B) the Committees on National Security and Appropriations of the House of Representatives.

"(4) The term 'appropriate committees of Congress' means—

"(A) the congressional defense committees;

"(B) the Committee on Governmental Affairs of the Senate; and

"(C) the Committee on Government Reform and Oversight of the House of Representatives.

"(k) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.".

(2) The table of sections at the beginning of chapter 131 of such title is amended by adding at the end the following:

"2221. Defense Modernization Account.".

(b) EFFECTIVE DATE.—Section 2221 of title 10, United States Code (as added by subsection (a)), shall take effect on October 1, 1995, and shall apply only to funds appropriated for fiscal years beginning on or after that date.

(c) EXPIRATION OF AUTHORITY AND ACCOUNT.—(1) The authority under section 2221(b) of title 10, United States Code (as added by subsection (a)), to transfer funds into the Defense Modernization Account shall terminate on October 1, 2003.

(2) Three years after the termination of transfer authority under paragraph (1), the Defense Modernization Account shall be closed and the remaining balance in the account shall be canceled and thereafter shall not be available for any purpose.

(3)(A) The Comptroller General of the United States shall conduct two reviews of the administration of the Defense Modernization Account. In each review, the Comptroller General shall assess the operations and benefits of the account.

(B) Not later than March 1, 2000, the Comptroller General shall—

(i) complete the first review; and

(ii) submit to the appropriate committees of Congress an initial report on the administration and benefits of the Defense Modernization Account.

(C) Not later than March 1, 2003, the Comptroller General shall—

(i) complete the second review; and

(ii) submit to the appropriate committees of Congress a final report on the administration and benefits of the Defense Modernization Account.

(D) Each report shall include any recommended legislation regarding the account that the Comptroller General considers appropriate.

(E) In this paragraph, the term "appropriate committees of Congress" has the meaning given such term in section 2221(j)(4) of title 10, United States Code, as added by subsection (a).

Mr. NUNN. Mr. President, in the bill there is a provision, which I authored and the committee accepted, which would establish a defense modernization account for, really, the first time in my knowledge. That says to the various departments of the military—Army, Navy, Air Force, Marine Corps—that they can have a defense modernization account for any savings, including money they might otherwise feel compelled to spend at the end of the year to make sure they had fulfilled their budget expectations. That is where a lot of waste goes on in budgeting, and in the Government, is the urge and incentive we inadvertently create in Government to have all Government agencies, not just the Army, Navy, Air Force, and Marine Corps, to spend money at the end of the year so they look like they needed all the money they originally budgeted.

Much waste comes from that. So the provision in the bill I offered will establish a defense modernization account and say to each one of the services that they will be able to take any savings that they are able to accumulate during the year and put it in this modernization account. They will be able to use it, subject to the approval of the Congress. It has to come back through the Congress, either through direct appropriation or through an approval process that we go through here. It has to come back. But subject to that, this money will be able to be used where we need it most and that is in long-term modernization.

Senator GLENN has been for this proposal, but he had some concerns about it. This amendment would modify the defense modernization account to limit the total balance of the account, to limit the number of years the funds may remain in the account, to provide for additional oversight, and to sunset the account.

I agree to all of these proposed changes and I urge the adoption of the amendment.

Mr. KEMPTHORNE. Mr. President, this amendment has been cleared with our side.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2279) was agreed to.

Mr. KEMPTHORNE. Mr. President, I move to reconsider the vote.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. NUNN. On this amendment I thank Senator GLENN, Senator GRASSLEY, and Senator ROTH. They were very helpful in developing these amendments and they will be having statements on this amendment on Monday.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I understand that concludes the action, is that correct, tonight? It concludes action on the amendments that have been cleared. We cleared about 25 amendments. We appreciate that very much. We hope to return to the DOD authorization bill on Monday. I know there are some negotiations going on with reference to a couple of areas.

If that is negotiated successfully, we hope to be back on the DOD bill late Monday afternoon, and wrap it up. I think in a couple of hours we can complete action on this bill. I know there are a few amendments out there that might require rollcall votes. If we reach the negotiation agreement, there could be at least one amendment that will require a vote, plus the others we did not complete last night. But I understand there will be very few amendments that we would have to deal with.

So, hopefully we can complete action on the DOD authorization bill on Monday. It is a very important bill. It takes a long time. Last year I think it was 6 days. It always takes a great deal of time because it is so involved and so complex. It involves the defense of our Nation, so it deserves a great deal of consideration and debate.

I thank the managers.

Mr. SMITH. Mr. President, yesterday during consideration of S. 1026, a statement by Senator ROTH was inadvertently left out of the statements that were made at the time Senator COHEN introduced his amendment entitled the Information Technology Management Reform Act of 1995. Mr. President, I ask unanimous consent that Senator ROTH's statement be printed in today's RECORD and that it be printed in the permanent RECORD for Friday, August 4, 1995, immediately following Senator COHEN's statement on the information technology amendment.

The PRESIDING OFFICER. Without objection it is so ordered.

INFORMATION TECHNOLOGY MANAGEMENT REFORM ACT OF 1995

• Mr. ROTH. Mr. President, the amendment just introduced by Senator COHEN, myself and others will make a big step toward reforming the way the Government buys and uses information technology. The Federal Government will spend $27 billion this year on information technology, and the GAO has reported to me that much of it will be wasted unless significant reforms are made. I want to congratulate Senator COHEN for his leadership in investigating the problems in the Government's acquisition of information technology. I also want to recognize Senator COHEN for the clarity of his vision and for his cooperation in working with me to develop this important amendment.

Mr. President, there is no disagreement about the compelling need for reform in this area. The heart of this issue is that the Federal Government is not using computers to fix its outdated management practices. In January, the GAO reported to me that Federal managers do not have the essential information needed to do their jobs, despite spending more than $200 billion over the last 12 years on computers. The problem is that far too often, agencies buy computers just to have one on each person's desk. The agencies buy computers like a junk food junkie buys bacon double cheese burgers and candy bars. There's lots of fat and sugar, but little healthy substance.

There is a more subtle issue here that needs to be highlighted. Modern organizations and management processes are required before computers can yield meaningful cost savings and capability improvements. If Government does not make the necessary structural and process changes, then the $27 billion in spending on computers will be for naught. All we will have achieved is inserting 1990's technology into a 1950's organization. We will have several hundred billion dollars of new computers but no corresponding increase in capability.

Mr. President, instead of helping to solve problems, the Government process for buying and managing computer technology has become the problem. Its reliance on a tangle of redtape and bureaucracy strangles every effort to streamline and modernize Government operations. We must shift the bureaucracy from reliance on overburdened procedures and reports that no one reads; we must focus on results.

Numerous reports have documented this fact. GAO, the General Services Administration, the Office of Management and Budget and others have all found that these computer buys are poorly planned, take far too long, cost too much money and all too often produce systems that simply don't work. Once delivered, these systems are managed using practices equally ineffective.

Mr. President, GAO reported to me last January that developments in reengineering and modern technology offer huge opportunities to reduce costs and improve services. Yet, the Federal sector has largely failed to seize upon the moment. For example, GAO has found that a veteran has to wait an average of 151 days, nearly 4 months, to get paid by the Veteran's Administration for an original compensation claim. After committing nearly $700 million for computers and equipment to fix this problem, the waiting time actually increased! It seems the agency failed to set performance goals for its new equipment and did not consider whether or not its claims process could be improved before being automated. By October 1994, claims processing time had gone up to 228 days. This is unbelievable and unconscionable!

In a separate report provided to me just this past Monday, GAO advises that eleven federal agencies have problems with information management or systems development that are serious enough to be listed as high risk programs. GAO explained that "[t]he major reason for these problems has been the lack of a sound process for selecting which IT initiatives to fund and for overseeing their development." It is precisely because of the great significance of this issue that I joined in developing this amendment.

Mr. President, this amendment strikes at the heart of these problems by repealing the so-called Brooks Act which has controlled the way government buys and manages information technology for the last 30 years. The Brooks Act never worked as it was intended. Its reliance upon the submission of reams of paperwork through layers of bureaucracy has not worked in the past. And, its tight bureaucratic controls are clearly not relevant to today, with information technology advancing exponentially in a highly competitive market.

Our amendment re-engineers this process, replacing red tape with a reliance on thorough, up-front investment planning and hands-on management practices which focus on bottom line results. The new process is modeled on the best practices used by America's most successful businesses. That model requires Government managers to focus like a laser on anticipating difficulties and then fixing them before they become problems. The amendment enables government agencies to accomplish these goals without additional paperwork or bureaucracy. Yet, this new process preserves the advantages and safeguards embodied in the Competition in Contracting Act.

Nevertheless, Mr. President, I have four major concerns that must be more fully addressed than the current amendment will permit. First, the amendment may be interpreted as consolidating bid protests affecting information technology along with those from all other procurement. I am not satisfied that the case for such dramatic change has been made. There is much debate about this kind of consolidation and several alternative approaches have been proposed. I intend to fully consider each of these and will keep an open mind during the next 2 months, as I work on a comprehensive procurement reform bill.

Second, the current amendment does not address the excessive layers of bureaucracy in the Federal buying system which hang like a dead weight around the necks of Government program managers. This is a Governmentwide problem not unique to information technology and not addressed by this amendment.

Third, I believe that we must do a better job of educating and training the entire acquisition workforce—not just those involved in information technology. I do not agree with those in the administration who believe that we can fix acquisition horror stories with an interagency review team. It is no replacement for well trained program managers, who have the skills and experience to prevent horror stories from occurring in the first place.

Lastly, I am convinced that we must move boldly to dismantle the existing network of perverse personnel incentives which strangle the entrepreneurial spirit of Government program managers. We must move to paying people for good performance, rather than for growing the size of their program.

Mr. President, while the current amendment highlights important issues of good management in Government, we know that most of these problems are not unique to information technology. They beg a broader solution. Happily, last year's acquisition reform bill established the framework for solving these matters. This framework simply needs to be strengthened. To achieve that purpose, Mr. President, the Governmental Affairs Committee, in cooperation with the Armed Services and Small Business Committees, has reassembled the bi-partisan staff-level working group which produced last year's round of substantive acquisition reform. Our group has been charged with reviewing the entire spectrum of Government acquisition. We are assessing all acquisition reform legislation currently pending and have received input from many other sources. The end result of our efforts will be a broadly-gauged new bill which calls for major Governmentwide acquisition reform. We plan to move that bill forward in the fall with the intent of enacting a Governmentwide comprehensive acquisition reform bill in the next several months.•

SCHEDULE

Mr. DOLE. I also say, with reference to the schedule next week, in a moment I will introduce the Work Opportunity Act of 1995. That debate will begin in earnest on Monday morning, at 10:30 a.m. From 9 to 10:30 there will be a period of morning business. But at 10:30 a.m. we will start serious debate on the Work Opportunity Act of 1995. I assume there will be a number of opening statements. Amendments can be offered. Votes can be expected on Monday. I do not know how long the opening statements will take. Of course, if we are able to go back to the DOD authorization bill we would have votes on that on Monday.

So I urge my colleagues to stay in close contact with their offices. I assume there will not be any votes prior to—4:30, 5 o'clock will be my best guess. It will be my hope we can complete the welfare reform measure, the Work Opportunity Act, next week. That is, Monday, Tuesday, Wednesday, Thursday, Friday. There will not be a Saturday session next Saturday.

I guess, if necessary, if we were near completion, we will come back then on the following Monday and try to complete action on the Work Opportunity Act of 1995. I have had a discussion with the distinguished Democratic leader, Senator DASCHLE. I have indicated to him that is our hope.

Also, there are a couple of appropriations bills we would like to, in our spare time, resolve next week. One is the Interior appropriations, which can be done in a matter of hours. And the other is the DOD appropriation bill, which will not be taken up until we complete action on the DOD authorization bill. That is a very, very big money bill. That might take as much as a day.

Now, obviously, I do not believe we can do all of those things next week. I hope to be in a position on Monday or Tuesday to advise my colleagues what to expect for the remainder of next week and the following week.

COMMENDATION OF JILL MAYCUMBER

Mr. DOLE. Mr. President, I rise to thank Jill Maycumber who is departing my staff after nearly 5 years of outstanding service to me, to the Senate, and to Kansas.

Like many Senate staff, Jill began her Senate career as an intern in my office. She quickly proved herself and became a key member of my staff.

For a time, Jill served as our receptionist—no doubt about it, the toughest job in Washington. But her outstanding people skills and deep desire to help Kansans made Jill the right choice to head my regional office in southeast Kansas.

When the massive floods struck the midwest in 1993, Jill Maycumber tirelessly crisscrossed the State, inspecting damage, and coordinating Federal assistance to flood victims. Hundreds of Kansans who have needed a helping hand knew who to call. They have Jill Maycumber to thank.

Earlier this year, Jill returned to Washington to help run my Senate office—not an easy task as my colleagues can attest. But most importantly, Jill took the extra time to greet thousands of constituents, always making sure that their visit to Washington and to my office was a special event.

I ask my colleagues to join me in thanking Jill Maycumber for her outstanding service to the Senate and to

Kansas. Jill can be very proud of what she has accomplished—she has truly made a difference.

I extend my heartfelt thank you and best wishes to Jill in her new career.

FAMILY SELF-SUFFICIENCY ACT

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar 125, H.R. 4, the welfare bill.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with an amendment to the title and an amendment to strike out all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE; REFERENCE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Family Self-Sufficiency Act of 1995".

(b) REFERENCE TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, wherever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; reference; table of contents.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Sec. 101. Block grants to States.
Sec. 102. Report on data processing.
Sec. 103. Continued application of current standards under medicaid program.
Sec. 104. Waivers.
Sec. 105. Deemed income requirement for Federal and federally funded programs under the Social Security Act.
Sec. 106. Conforming amendments to the Social Security Act.
Sec. 107. Conforming amendments to the Food Stamp Act of 1977 and related provisions.
Sec. 108. Conforming amendments to other laws.
Sec. 109. Secretarial submission of legislative proposal for technical and conforming amendments.
Sec. 110. Effective date; transition rule.

TITLE II—MODIFICATIONS TO THE JOBS PROGRAM

Sec. 201. Modifications to the JOBS program.
Sec. 202. Effective date.

TITLE III—SUPPLEMENTAL SECURITY INCOME

Subtitle A—Eligibility Restrictions

Sec. 301. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.
Sec. 302. Limited eligibility of noncitizens for SSI benefits.
Sec. 303. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
Sec. 304. Denial of SSI benefits for fugitive felons and probation and parole violators.
Sec. 305. Effective dates; application to current recipients.

Subtitle B—Benefits for Disabled Children

Sec. 311. Restrictions on eligibility for benefits.
Sec. 312. Continuing disability reviews.
Sec. 313. Treatment requirements for disabled individuals under the age of 18.

Subtitle C—Study of Disability Determination Process

Sec. 321. Study of disability determination process.

Subtitle D—National Commission on the Future of Disability

Sec. 331. Establishment.
Sec. 332. Duties of the Commission.
Sec. 333. Membership.
Sec. 334. Staff and support services.
Sec. 335. Powers of Commission.
Sec. 336. Reports.
Sec. 337. Termination.

TITLE IV—CHILD SUPPORT

Subtitle A—Eligibility for Services; Distribution of Payments

Sec. 401. State obligation to provide child support enforcement services.
Sec. 402. Distribution of child support collections.
Sec. 403. Rights to notification and hearings.
Sec. 404. Privacy safeguards.

Subtitle B—Locate and Case Tracking

Sec. 411. State case registry.
Sec. 412. Collection and disbursement of support payments.
Sec. 413. State directory of new hires.
Sec. 414. Amendments concerning income withholding.
Sec. 415. Locator information from interstate networks.
Sec. 416. Expansion of the Federal parent locator service.
Sec. 417. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

Sec. 421. Adoption of uniform State laws.
Sec. 422. Improvements to full faith and credit for child support orders.
Sec. 423. Administrative enforcement in interstate cases.
Sec. 424. Use of forms in interstate enforcement.
Sec. 425. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

Sec. 431. State laws concerning paternity establishment.
Sec. 432. Outreach for voluntary paternity establishment.
Sec. 433. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

Sec. 441. Federal matching payments.
Sec. 442. Performance-based incentives and penalties.
Sec. 443. Federal and State reviews and audits.
Sec. 444. Required reporting procedures.
Sec. 445. Automated data processing requirements.
Sec. 446. Technical assistance.
Sec. 447. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

Sec. 451. National Child Support Guidelines Commission.
Sec. 452. Simplified process for review and adjustment of child support orders.
Sec. 453. Furnishing consumer reports for certain purposes relating to child support.
Sec. 454. Nonliability for depository institutions providing financial records to State child support enforcement agencies in child support cases.

Subtitle G—Enforcement of Support Orders

Sec. 461. Federal income tax refund offset.
Sec. 462. Internal Revenue Service collection of arrearages.
Sec. 463. Authority to collect support from Federal employees.
Sec. 464. Enforcement of child support obligations of members of the Armed Forces.
Sec. 465. Voiding of fraudulent transfers.
Sec. 466. Work requirement for persons owing child support.
Sec. 467. Definition of support order.
Sec. 468. Reporting arrearages to credit bureaus.
Sec. 469. Liens.
Sec. 470. State law authorizing suspension of licenses.
Sec. 471. Denial of passports for nonpayment of child support.

Subtitle H—Medical Support

Sec. 475. Technical correction to ERISA definition of medical child support order.
Sec. 476. Enforcement of orders for health care coverage.

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

Sec. 481. Grants to States for access and visitation programs.

Subtitle J—Effect of Enactment

Sec. 491. Effective dates.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 101. BLOCK GRANTS TO STATES.

Part A of title IV (42 U.S.C. 601 et seq.) is amended to read as follows:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES WITH MINOR CHILDREN

"SEC. 401. PURPOSE.

"The purpose of this part is to increase the flexibility of States in operating a program designed to—

"(1) provide assistance to needy families with minor children;

"(2) provide job preparation and opportunities for such families; and

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that has submitted to the Secretary a plan that includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—A written document that outlines how the State intends to do the following:

"(A) Conduct a program designed to serve all political subdivisions in the State to—

"(i) provide assistance to needy families with not less than 1 minor child; and

"(ii) provide a parent or caretaker in such families with work experience, assistance in finding employment, and other work preparation activities and support services that the State considers appropriate to enable such families to leave the program and become self-sufficient.

"(B) Require a parent or caretaker receiving assistance under the program for more than 24 months (whether or not consecutive), or at the option of the State, a lesser period, to engage in work activities in accordance with section 404 and part F.

"(C) Satisfy the minimum participation rates specified in section 404.

"(D) Treat—

"(i) families with minor children moving into the State from another State; and

"(ii) noncitizens of the United States.

"(E) Safeguard and restrict the use and disclosure of information about individuals and families receiving assistance under the program.

"(F) Take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D, in a manner that complies with the requirements of such part.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child protection program in accordance with part B.

"(4) CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program in accordance with part E.

"(5) CERTIFICATION THAT THE STATE WILL OPERATE A JOBS PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a JOBS program in accordance with part F.

"(6) CERTIFICATION THAT THE STATE WILL PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will participate in the income and eligibility verification system required by section 1137.

"(7) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—The chief executive officer of the State shall certify which State agency or agencies are responsible for the administration and supervision of the State program for the fiscal year.

"(8) CERTIFICATION THAT REQUIRED REPORTS WILL BE SUBMITTED.—A certification by the chief executive officer of the State that the State shall provide the Secretary with any reports required under this part and part F.

"(9) ESTIMATE OF FISCAL YEAR STATE AND LOCAL EXPENDITURES.—An estimate of the total amount of State and local expenditures under the State program for the fiscal year.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a).

"(c) DEFINITIONS.—For purposes of this part, the following definitions shall apply:

"(1) MINOR CHILD.—The term 'minor child' means an individual—

"(A) who—

"(i) has not attained 18 years of age; or

"(ii) has—

"(I) not attained 19 years of age; and

"(II) is a full-time student in a secondary school (or in the equivalent level of vocational or technical training); and

"(B) who resides with such individual's custodial parent or other caretaker relative.

"(2) WORK ACTIVITY.—The term 'work activity' means an activity described in section 482.

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) STATE.—The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"SEC. 403. PAYMENTS TO STATES.

"(a) ENTITLEMENT.—

"(1) IN GENERAL.—Subject to the provisions of section 406, the Secretary shall pay to each eligible State for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the State family assistance grant for the fiscal year.

"(2) APPROPRIATION.—

"(A) STATES.—There are authorized to be appropriated and there are appropriated $16,779,000,000 for each fiscal year described in paragraph (1) for the purpose of paying State family assistance grants to States under such paragraph.

"(B) INDIAN TRIBES.—There are authorized to be appropriated and there are appropriated $7,638,474 for each fiscal year described in paragraph (1) for the purpose of paying State family assistance grants to Indian tribes under such paragraph in accordance with section 482(i).

"(b) STATE FAMILY ASSISTANCE GRANT.—

"(1) IN GENERAL.—For purposes of subsection (a), a State family assistance grant for any State for a fiscal year is an amount equal to the total amount of the Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect before October 1, 1995).

"(2) STATE APPROPRIATION OF GRANT.—Notwithstanding any other provision of law, any funds received by a State under this part shall be expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, including appropriation by the State legislature, consistent with the terms and conditions required under this part.

"(3) SPECIAL RULE FOR INDIAN TRIBES.—For amount of a State family assistance grant for a fiscal year for an Indian tribe, see section 482(i).

"(c) USE OF GRANT.—

"(1) IN GENERAL.—Subject to this part, a State to which a grant is made under this section may use the grant in any manner that is reasonably calculated to accomplish the purpose of this part.

"(2) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State to which a grant is made under this section may apply to a family the rules of the program operated under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(3) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program operated under this part.

"(4) AUTHORITY TO PROVIDE CHILD CARE AND TRANSITIONAL SERVICES.—A State to which a grant is made under this section may provide, at the State's option, child care and transitional services to—

"(A) families at risk of becoming eligible for assistance under the program if child care is not provided; and

"(B) families that cease to receive assistance under the program because of employment.

"(d) TIMING OF PAYMENTS.—The Secretary shall pay each grant payable to a State under this section in quarterly installments.

"(e) LIMITATION ON FEDERAL AUTHORITY.—The Secretary may not regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part.

"(f) SUPPLEMENTAL ASSISTANCE FOR NEEDY FAMILIES FEDERAL LOAN FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a revolving loan fund which shall be known as the 'Supplemental Assistance for Needy Families Federal Loan Fund'.

"(2) DEPOSITS INTO FUND.—

"(A) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, $1,700,000,000 are hereby appropriated for fiscal year 1996 for payment to the Supplemental Assistance for Needy Families Federal Loan Fund.

"(B) LOAN REPAYMENTS.—The Secretary shall deposit into the fund any principal or interest payment received with respect to a loan made under this subsection.

"(3) AVAILABILITY.—Amounts in the fund are authorized to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest on such loans, in accordance with this subsection.

"(4) USE OF FUND.—

"(A) LOANS TO STATES.—The Secretary shall make loans from the fund to any loan-eligible State, as defined in subparagraph (D), for a period to maturity of not more than 3 years.

"(B) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under subparagraph (A) at a rate equal to the Federal short term rate, as defined in section 1274(d) of the Internal Revenue Code of 1986.

"(C) MAXIMUM LOAN.—The cumulative amount of any loans made to a State under subparagraph (A) during fiscal years 1996 through 2000 shall not exceed 10 percent of the State family assistance grant under subsection (b) for a fiscal year.

"(D) LOAN-ELIGIBLE STATE.—For purposes of subparagraph (A), a loan-eligible State is a State which has not had a penalty described in section 406 imposed against it at any time prior to the loan being made.

"(5) LIMITATION ON USE OF LOAN.—A State shall use a loan received under this subsection only for—

"(A) the purpose of providing assistance under the State program funded under this part; or

"(B) welfare anti-fraud activities, systems, or initiatives, including positive client identity verification and computerized data record matching and analysis.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—

"(1) REQUIREMENT APPLICABLE TO ALL FAMILIES RECEIVING ASSISTANCE.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	***The minimum participation rate is:***
1996	*20*
1997	*30*
1998	*35*
1999	*40*
2000	*45*
2001 or thereafter	*50.*

"(B) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year before fiscal year 1999, a State may opt to not require an individual described in section 402(a)(19)(C) (as such section was in effect on September 30, 1995) to engage in work activities and may exclude such individuals from the determination of the minimum participation rate

specified for such fiscal year in subparagraph (A).

"(C) CHILD CARE FOR INDIVIDUALS WITH CHILDREN UNDER 6 YEARS OF AGE.—If a State requires an individual described in section 402(a)(19)(C)(iii)(II) (as such section was in effect on September 30, 1995) to engage in work activities, the State shall provide the individual with child care.

"(D) PARTICIPATION RATE.—For purposes of this paragraph:

"(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

"(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month, expressed as a percentage, is—

"(I) the number of families receiving assistance under the State program funded under this part which include an individual who is engaged in work activities for the month; divided by

"(II) the total number of families receiving assistance under the State program funded under this part during the month.

"(iii) ENGAGED.—A recipient is engaged in work activities for a month in a fiscal year if the recipient is participating, per the State's requirement which must be at least 20 hours each week in the month, in work activities described in clause (i), (ii), (vi), (vii), (viii), (ix), or (x) of section 482(d)(1)(A), (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in any such clause or in clause (iii), (iv), or (v) of such section).

"(2) REQUIREMENT APPLICABLE TO 2-PARENT FAMILIES.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

"If the fiscal year is:	***The minimum participation rate is:***
1996	*60*
1997 or 1998	*75*
1999 or thereafter	*90.*

"(B) PARTICIPATION RATE.—For purposes of this paragraph:

"(i) AVERAGE MONTHLY RATE.—The participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

"(ii) MONTHLY PARTICIPATION RATES.—The participation rate of a State for a month is—

"(I) the number of 2-parent families receiving assistance under the State program funded under this part which include at least 1 adult who is engaged in work activities for the month; divided by

"(II) the total number of 2-parent families receiving assistance under the State program funded under this part during the month.

"(iii) ENGAGED.—An adult is engaged in work activities for a month in a fiscal year if the adult is making progress in such activities, per the State's requirement which must be at least 30 hours each week in a month, in work activities described in clause (vi), (vii), (viii), (ix), or (x) of section 482(d)(1)(A) (or, in the case of the first 4 weeks for which the recipient is required under this section to participate in work activities, an activity described in any such clause or in clause (iii), (iv), or (v) of such section).

"(b) PENALTIES AGAINST INDIVIDUALS.—

"(1) APPLICABLE TO ALL FAMILIES.—If an adult in a family receiving assistance under the State program funded under this part refuses to engage (within the meaning of subsection (a)(1)(C)(iii)) in work activities required under this section, a State to which a grant is made under section 403 shall—

"(A) reduce the amount of assistance that would otherwise be payable to the family; or

"(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(2) APPLICABLE TO 2-PARENT FAMILIES.—If an adult in a 2-parent family refuses to engage (within the meaning of subsection (a)(2)(B)(iii)) in work activities for at least 30 hours per week during any month, a State to which a grant is made under section 402 shall—

"(A) reduce the amount of assistance otherwise payable to the family; or

"(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(3) LIMITATION ON FEDERAL AUTHORITY.—No officer or employee of the Federal Government may regulate the conduct of States under this paragraph or enforce this paragraph against any State.

"SEC. 405. LIMITATIONS.

"(a) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(1) IN GENERAL.—Except as provided under paragraph (2), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family of an individual who has received assistance under the program operated under this part for the lesser of—

"(A) the period of time established at the option of the State; or

"(B) 60 months (whether or not consecutive) after September 30, 1995.

"(2) MINOR CHILD EXCEPTION.—If an individual received assistance under the State program operated under this part as a minor child in a needy family, any period during which such individual's family received assistance shall not be counted for purposes of applying the limitation described in paragraph (1) to an application for assistance under such program by such individual as the head of a household of a needy family with minor children.

"(3) HARDSHIP EXCEPTION.—

"(A) IN GENERAL.—The State may exempt a family from the application of paragraph (1) by reason of hardship.

"(B) LIMITATION.—The number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(b) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—An individual shall not be considered an eligible individual for the purposes of this part during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

"(c) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(1) IN GENERAL.—An individual shall not be considered an eligible individual for the purposes of this part if such individual is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.

"(2) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Notwithstanding any other provision of law, a State shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of assistance under this part, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) such recipient—

"(i) is described in subparagraph (A) or (B) of paragraph (1); or

"(ii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within such officer's official duties.

"(d) STATE OPTION TO PROHIBIT ASSISTANCE FOR CERTAIN ALIENS.—

"(1) IN GENERAL.—A State to which a grant is made under section 403 may, at its option, prohibit the use of any part of the grant to provide assistance under the State program funded under this part for an individual who is not a citizen or national of the United States.

"(2) DEEMING OF INCOME AND RESOURCES IF ASSISTANCE IS PROVIDED.—For deeming of income and resources requirements if assistance is provided to an individual who is not a citizen or national of the United States, see section 1145.

"SEC. 406. STATE PENALTIES.

"(a) IN GENERAL.—Subject to the provisions of subsection (b), the Secretary shall deduct from the grant otherwise payable under section 403 the following penalties:

"(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under section 403 for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant otherwise payable to the State under such section for the immediately succeeding fiscal year quarter by the amount so used, plus 5 percent of such grant (determined without regard to this section).

"(2) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State has not, within 6 months after the end of a fiscal year, submitted the report required by section 408 for the fiscal year, the Secretary shall reduce by 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(3) FOR FAILURE TO SATISFY MINIMUM PARTICIPATION RATES.—

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the minimum participation rates specified in section 404 for a fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) on the basis of the degree of noncompliance.

"(4) FOR FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If

the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(5) FOR FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS UNDER PART D.—

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, if a State's program operated under part D of this title is found as a result of a review conducted under section 452(a)(4) of this title not to have complied substantially with the requirements of such part for any quarter beginning after September 30, 1983, and the Secretary determines that the State's program is not complying substantially with such requirements at the time such finding is made, the amounts otherwise payable to the State under section 403 for such quarter and each subsequent quarter, prior to the first quarter throughout which the State program is found to be in substantial compliance with such requirements, shall be reduced (subject to paragraph (2)) by—

"(i) not less than 1 nor more than 2 percent;

"(ii) not less than 2 nor more than 3 percent, if the finding is the second consecutive such finding made as a result of such a review; or

"(iii) not less than 3 nor more than 5 percent, if the finding is the third or a subsequent consecutive such finding made as a result of such a review.

"(B) SUSPENSION OF REDUCTIONS.—

"(i) IN GENERAL.—The reductions required under subparagraph (A) shall be suspended for any quarter if—

"(I) the State submits a corrective action plan, within a period prescribed by the Secretary following notice of the finding under subparagraph (A), which contains steps necessary to achieve substantial compliance within a time period which the Secretary finds to be appropriate;

"(II) the Secretary approves such corrective action plan (and any amendments thereto) as being sufficient to achieve substantial compliance; and

"(III) the Secretary finds that the corrective action plan (and any amendments approved under subclause (II)) is being fully implemented by the State and that the State is progressing in accordance with the timetable contained in the plan to achieve substantial compliance with such requirements.

"(ii) CONTINUATION OF SUSPENSION.—A suspension of the penalty under clause (i) shall continue until such time as the Secretary determines that—

"(I) the State has achieved substantial compliance;

"(II) the State is no longer implementing its corrective action plan; or

"(III) the State is implementing or has implemented its corrective action plan but has failed to achieve substantial compliance within the appropriate time period (as specified in clause (i)(I)).

"(iii) EXCEPTIONS.—

"(I) ACHIEVES COMPLIANCE.—In the case of a State whose penalty suspension ends pursuant to clause (ii)(I), the penalty shall not be applied.

"(II) NO LONGER IMPLEMENTING CORRECTIVE ACTION PLAN.—In the case of a State whose penalty suspension ends pursuant to clause (ii)(II), the penalty shall be applied as if the suspension had not occurred.

"(III) FAILURE TO ACHIEVE COMPLIANCE WITHIN APPROPRIATE TIME PERIOD.—In the case of a State whose penalty suspension ends pursuant to clause (ii)(III), the penalty shall be applied to all quarters ending after the expiration of the time period specified in such clause and prior to the first quarter throughout which the State program is found to be in substantial compliance.

"(C) DETERMINATION OF SUBSTANTIAL COMPLIANCE.—For purposes of this paragraph and section 452(a)(4) of this title, a State which is not in full compliance with the requirements of part D shall be determined to be in substantial compliance with such requirements only if the Secretary determines that any noncompliance with such requirements is of a technical nature which does not adversely affect the performance of the child support enforcement program.

"(6) FOR FAILURE TO TIMELY REPAY A SUPPLEMENTAL ASSISTANCE FOR NEEDY FAMILIES FEDERAL LOAN.—If the Secretary determines that a State has failed to repay any amount borrowed from the Supplemental Assistance for Needy Families Federal Loan Fund established under section 403(f) within the period of maturity applicable to such loan, plus any interest owed on such loan, then the Secretary shall reduce the amount of the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year quarter by the outstanding loan amount, plus the interest owed on such outstanding amount.

"(b) REQUIREMENTS.—

"(1) LIMITATION ON AMOUNT OF PENALTY.—

"(A) IN GENERAL.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

"(B) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (A) prevents the Secretary from recovering during a fiscal year the full amount of all penalties imposed on a State under subsection (a) for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year.

"(2) STATE FUNDS TO REPLACE REDUCTIONS IN GRANT.—A State which has a penalty imposed against it under subsection (a) shall expend additional State funds in an amount equal to the amount of the penalty for the purpose of providing assistance under the State program under this part.

"(3) REASONABLE CAUSE FOR NONCOMPLIANCE.—The Secretary may not impose a penalty on a State under subsection (a) if the Secretary determines that the State has reasonable cause for failing to comply with a requirement for which a penalty is imposed under such subsection.

"SEC. 407. RELIGIOUS CHARACTER AND FREEDOM.

"Notwithstanding any other provision of law, any religious organization participating in the State program funded under this part shall retain its independence from Federal, State, and local government, including such an organization's control over the definition, development, practice, and expression of its religious beliefs. However, a religious organization participating in the State program under this part shall not deny needy families and children any assistance provided under this part on the basis of religion, a religious belief, or refusal to participate in a religious practice.

"SEC. 408. DATA COLLECTION AND REPORTING.

"(a) IN GENERAL.—Each State to which a grant is made under section 403 for a fiscal year shall, not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, transmit to the Secretary the following aggregate information on families to which assistance was provided during the fiscal year under the State program operated under this part:

"(1) The number of adults receiving such assistance.

"(2) The number of children receiving such assistance and the average age of the children.

"(3) The employment status of such adults, and the average earnings of employed adults receiving such assistance.

"(4) The age, race, and educational attainment at the time of application for assistance of the adults receiving such assistance.

"(5) The average amount of cash and other assistance provided to the families under the program.

"(6) The number of months, since the most recent application for assistance under the program, for which such assistance has been provided to the families.

"(7) The total number of months for which assistance has been provided to the families under the program.

"(8) Any other data necessary to indicate whether the State is in compliance with the plan most recently submitted by the State pursuant to section 402.

"(9) The components of any program carried out by the State to provide employment and training activities in order to comply with section 404 and part F, and the average monthly number of adults in each such component.

"(10) The number of part-time job placements and the number of full-time job placements made through the program referred to in paragraph (11), the number of cases with reduced assistance, and the number of cases closed due to employment.

"(11) The number of cases closed due to section 405(a).

"(12) The increase or decrease in the number of children born out of wedlock to recipients of assistance under the State program funded under this part.

"(b) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with the requirement to provide precise numerical information described in subsection (a) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(c) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by subsection (a) for a fiscal year shall include a statement of—

"(1) the total amount and percentage of the Federal funds paid to the State under this part for the fiscal year that are used to cover administrative costs or overhead; and

"(2) the total amount of State funds that are used to cover such costs or overhead.

"(d) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by subsection (a) for a fiscal year shall include a statement of the total amount expended by the State during the fiscal year on the program under this part and the purposes for which such amount was spent.

"(e) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by subsection (a) for a fiscal year shall include the number of noncustodial parents in the State who participated in work activities during the fiscal year.

"(f) REPORT ON CHILD SUPPORT COLLECTED.—The report required by subsection (a) for a fiscal year shall include the total amount of child support collected by the State agency administering the State program under part D on behalf of a family receiving assistance under this part.

"(g) REPORT ON CHILD CARE.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for child care under the program under this part, along with a description of the types of child care provided, including—

"(1) child care provided in the case of a family that has ceased to receive assistance under this part because of employment; or

"(2) child care provided in the case of a family that is not receiving assistance under this part but would be at risk of becoming eligible for such assistance if child care was not provided.

"(h) REPORT ON TRANSITIONAL SERVICES.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for providing transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

"SEC. 409. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) RESEARCH.—The Secretary may conduct research on the effects and costs of State programs funded under this part.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING WELFARE RECIPIENTS.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of assistance under programs funded under this part. In performing such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

"(c) STUDIES OF WELFARE CASELOADS.—The Secretary may conduct studies of the caseloads of States operating programs funded under this part.

"(d) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"(e) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

"(1) ANNUAL RANKING OF STATES.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in moving recipients of assistance under the State program funded under this part into long-term private sector jobs.

"(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(f) STUDY ON ALTERNATIVE OUTCOMES MEASURES.—

"(1) STUDY.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of a State in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 404. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis.

"(2) REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study described in paragraph (1).

"SEC. 410. STUDY BY THE CENSUS BUREAU.

"(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by titles I and II of the Family Self-Sufficiency Act of 1995 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low-income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock births, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out subsection (a).

"SEC. 411. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

"The programs under this part, part D, and part F of this title shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

"SEC. 412. STATE DEMONSTRATION PROGRAMS.

"Nothing in this part shall be construed as limiting a State's ability to conduct demonstration projects for the purpose of identifying innovative or effective program designs in 1 or more political subdivisions of the State.

"SEC. 413. NO INDIVIDUAL ENTITLEMENT.

"Notwithstanding any other provision of law, no individual is entitled to any assistance under this part or any service under part F.".

SEC. 102. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs in 2 or more States.

(b) PREFERRED CONTENTS.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 103. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX (42 U.S.C. 1396 et seq.) is amended—

(1) in section 1931, by inserting "subject to section 1931(a)," after "under this title," and by redesignating such section as section 1932; and

(2) by inserting after section 1930 the following new section:

"CONTINUED APPLICATION OF AFDC STANDARDS

"SEC. 1931. (a) For purposes of applying this title on and after October 1, 1995, with respect to a State—

"(1) except as provided in paragraph (2), any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV of this Act, or a State plan under such part, shall be considered a reference to such provision or plan as in effect as of June 1, 1995, with respect to the State and eligibility for medical assistance under this title shall be determined as if such provision or plan (as in effect as of such date) had remained in effect on and after October 1, 1995; and

"(2) any reference in section 1902(a)(5) or 1902(a)(55) to a State plan approved under part A of title IV shall be deemed a reference to a State program funded under such part (as in effect on and after October 1, 1995).

"(b) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of June 1, 1995, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may, at the option of the State, continue to be applied in relation to this title after the date the waiver would otherwise expire.".

(b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61);

(2) by striking the period at the end of paragraph (62) and inserting "; and"; and

(3) by inserting after paragraph (62) the following new paragraph:

"(63) provide for continuing to administer eligibility standards with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.".

(c) CONFORMING AMENDMENTS.—(1) Section 1902(c) (42 U.S.C. 1396a(c)) is amended by striking "if—" and all that follows and inserting the following: "if the State requires individuals described in subsection (l)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title.".

(2) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

SEC. 104. WAIVERS.

(a) CONTINUATION OF WAIVERS.—

(1) IN GENERAL.—Except as provided in paragraph (2), if any waiver granted to a State under section 1115 of the Social Security Act or otherwise which relates to the provision of assistance under a State plan under part A of title IV of such Act (42 U.S.C. 1396 et seq.), is in effect or approved by the Secretary of Health and Human Services (in this section referred to as the "Secretary") as of October 1, 1995, the amendments made by this Act shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the terms of the waiver.

(2) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall receive the payment described for such State for such fiscal year under section 403 of the Social Security Act, as added by section 101, in lieu of any other payment provided for in the waiver.

(b) STATE OPTION TO TERMINATE WAIVER.—

(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of such waiver.

(3) HOLD HARMLESS PROVISION.—

(A) IN GENERAL.—A State that, not later than the date described in subparagraph (B), submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the terms and conditions of such waiver.

(B) DATE DESCRIBED.—The date described in this subparagraph is the later of—

(i) January 1, 1996; or

(ii) 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue such waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of such waiver.

SEC. 105. DEEMED INCOME REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS UNDER THE SOCIAL SECURITY ACT.

(a) IN GENERAL.—Part A of title XI (42 U.S.C. 1301–1320b–14) is amended by adding at the end the following new section:

"DEEMED INCOME REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS

"SEC. 1145. (a) DEEMING REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS.—For purposes of determining the eligibility of an individual (whether a citizen or national of the United States or an alien) for assistance, and the amount of assistance, under any Federal program of assistance authorized under this Act, or any program of assistance authorized under this Act funded in whole or in part by the Federal Government for which eligibility is based on need, the income and resources described in subsection (b) shall, notwithstanding any other provision of law, be deemed to be the income and resources of such individual.

"(b) DEEMED INCOME AND RESOURCES.—The income and resources described in this subsection include the following:

"(1) The income and resources of any person who, as a sponsor of such individual's entry into the United States (or in order to enable such individual lawfully to remain in the United States), executed an affidavit of support or similar agreement with respect to such individual.

"(2) The income and resources of such sponsor's spouse.

"(c) LENGTH OF DEEMED INCOME PERIOD.—The requirement of subsection (a) shall apply for the period for which the sponsor has agreed, in such affidavit or agreement, to provide support for such individual, or for a period of 5 years beginning on the date such individual was first lawfully in the United States after the execution of such affidavit or agreement, whichever period is longer.

"(d) DEEMED INCOME AUTHORITY TO STATE AND LOCAL AGENCIES.—

"(1) IN GENERAL.—For purposes of determining the eligibility of an individual (whether a citizen or national of the United States or an alien) for assistance, and the amount of assistance, under any State or local program of assistance authorized under this Act for which eligibility is based on need, or any need-based program of assistance authorized under this Act and administered by a State or local government other than a program described in subsection (a), the State or local government may, notwithstanding any other provision of law, require that the income and resources described in subsection (b) be deemed to be the income and resources of such individual.

"(2) LENGTH OF DEEMING PERIOD.—A State or local government may impose a requirement described in paragraph (1) for the period described in subsection (c).".

(b) CONFORMING AMENDMENTS.—

(1) Section 1621 (42 U.S.C. 1382j) is repealed.

(2) Section 1614(f)(3) (42 U.S.C. 1382c(f)(3)) is amended by striking "section 1621" and inserting "section 1145".

SEC. 106. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV or" before "an agency operating"; and

(B) by striking "A or D of title IV of this Act" and inserting "D of such title".

(2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is amended by inserting "under a State program funded under" before "part A of title IV".

(b) AMENDMENT TO PART B OF TITLE IV.—Section 422(b)(2) (42 U.S.C. 622(b)(2)) is amended by striking "under the State plan approved" and inserting "under the State program funded.".

(c) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A"; and

(B) by striking "such aid" and inserting "such assistance"; and

(C) by striking "402(a)(26) or".

(3) Section 452(a)(10)(F) (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking "aid under a State plan approved" and inserting "assistance under a State program funded"; and

(B) by striking "in accordance with the standards referred to in section 402(a)(26)(B)(ii)" and inserting "by the State".

(4) Section 452(b) (42 U.S.C. 652(b)) is amended in the first sentence by striking "aid under the State plan approved under part A" and inserting "assistance under a State program funded under part A".

(5) Section 452(d)(3)(B)(i) (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking "1115(c)" and inserting "1115(b)".

(6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking "aid is being paid under the State's plan approved under part A or E" and inserting "assistance is being provided under the State program funded under part A or aid is being paid under the State's plan approved under part E".

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking "aid was being paid under the State's plan approved under part A or E" and inserting "assistance was being provided under the State program funded under part A or aid was being paid under the State's plan approved under part E".

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking "who is a dependent child by reason of the death of a parent" and inserting "with respect to whom assistance is being provided under the State program funded under part A";

(B) by inserting "by the State agency administering the State plan approved under this part" after "found"; and

(C) by striking "under section 402(a)(26)" and inserting "with the State in establishing paternity".

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking "under section 402(a)(26)".

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking "aid" and inserting "assistance under a State program funded".

(11) Section 454 (42 U.S.C. 654)) is amended—

(A) in paragraph (5)(A)—

(i) by striking "under section 402(a)(26)"; and

(ii) by striking "except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;"; and

(B) in paragraph (6)(D), by striking "aid under a State plan approved" and inserting "assistance under a State program funded".

(12) Section 456 (42 U.S.C. 656) is amended by striking "under section 402(a)(26)" each place it appears.

(13) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "402(a)(26) or".

(14) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded".

(15) Section 469(a) (42 U.S.C. 669(a)) is amended—

(A) by striking "aid under plans approved" and inserting "assistance under State programs funded"; and

(B) by striking "such aid" and inserting "such assistance".

(d) AMENDMENTS TO PART E OF TITLE IV.—

(1) Section 470 (42 U.S.C. 670) is amended by striking "the State's plan approved" and inserting "a State program funded".

(2) Section 471(17) (42 U.S.C. 671(17)) is amended by striking "plans approved under parts A and D" and inserting "program funded under part A and plan approved under part D".

(3) Section 472(a) (42 U.S.C. 672(a)) is amended—

(A) in the matter preceding paragraph (1), by striking "would meet the requirements of section 406(a) or of section 407 but for his removal from the home of a relative (specified in section 406(a))" and inserting "would be a minor child in a needy family under the State program funded under part A but for the child's removal from the home of the child's custodial parent or caretaker relative.'; and

(B) in paragraph (4)—

(i) in subparagraph (A), by striking "aid under a State plan approved under section 402" and inserting "assistance under a State program funded under part A"; and

(ii) in subparagraph (B)—

(I) in clause (i), by striking "aid" and inserting "assistance"; and

(II) in clause (ii), by striking "relative specified in section 406(a)" and inserting "the child's custodial parent or caretaker relative".

(4) Section 472(h) (42 U.S.C. 672(h)) is amended to read as follows:

"(h)(1) For purposes of title XIX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect). For purposes of title XX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(2) For purposes of paragraph (1), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are made under this section.".

(5) Section 473(a)(2) (42 U.S.C. 673(a)(2)) is amended—

(A) in subparagraph (A)(i)—

(i) by striking "met the requirements of section 406(a) or section 407" and all that follows

through "specified in section 406(a))," and inserting "was a minor child in a needy family under the State program funded under part A or would have met such a standard except for the child's removal from the home of the child's custodial parent or caretaker relative," ; and

(ii) by striking "(or 403)";

(B) in subparagraph (B)(i), by striking "aid under the State plan approved under section 402" and inserting "assistance under the State program funded under part A";

(C) in subparagraph (B)(ii)—

(i) in subclause (I), by striking "aid" and inserting "assistance"; and

(ii) in subclause (II)—

(I) by striking "a relative specified in section 406(a)" and inserting "the child's custodial parent or caretaker relative"; and

(II) by striking "aid" each place such term appears and inserting "assistance".

(6) Section 473(b) (42 U.S.C. 673(b)) is amended to read as follows:

"(b)(1) For purposes of title XIX, any child who is described in paragraph (3) shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect) in the State where such child resides.

"(2) For purposes of title XX, any child who is described in paragraph (3) shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(3) A child described in this paragraph is any child—

"(A)(i) who is a child described in subsection (a)(2), and

"(ii) with respect to whom an adoption assistance agreement is in effect under this section (whether or not adoption assistance payments are provided under the agreement or are being made under this section), including any such child who has been placed for adoption in accordance with applicable State and local law (whether or not an interlocutory or other judicial decree of adoption has been issued), or

"(B) with respect to whom foster care maintenance payments are being made under section 472.

"(4) For purposes of paragraphs (1) and (2), a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are being made under section 472.".

(e) AMENDMENT TO TITLE X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(f) AMENDMENTS TO TITLE XI.—

(1) Section 1109 (42 U.S.C. 1309) is amended by striking "or part A of title IV,".

(2) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "403,";

(iii) by striking the period at the end and inserting ", and"; and

(iv) by adding at the end the following new subparagraph:

"(B) costs of such project which would not otherwise be a permissible use of funds under part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part."; and

(B) in subsection (c)(3), by striking "under the program of aid to families with dependent children" and inserting "part A of such title".

(3) Section 1116 (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking "or part A of title IV,"; and

(B) in subsection (a)(3), by striking "404,".

(4) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking "403(a),";

(B) by striking "and part A of title IV,"; and

(C) by striking ", and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV".

(5) Section 1119 (42 U.S.C. 1319) is amended—

(A) by striking "or part A of title IV"; and

(B) by striking "403(a),".

(6) Section 1133(a) (42 U.S.C. 1320b–3(a)) is amended by striking "or part A of title IV,".

(7) Section 1136 (42 U.S.C. 1320b–6) is repealed.

(8) Section 1137 (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) any State program funded under part A of title IV of this Act;"; and

(B) in subsection (d)(1)(B)—

(i) by striking "In this subsection—" and all that follows through "(ii) in" and inserting "In this subsection, in";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(g) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11), as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972 (42 U.S.C. 1382 note), is amended by striking "aid under the State plan approved" and inserting "assistance under a State program funded".

(i) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: "(A) a State program funded under part A of title IV,".

SEC. 107. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking "a State plan approved" and inserting "a State program funded";

(2) in subsection (d)(5)—

(A) by striking "assistance to families with dependent children" and inserting "assistance under a State program funded"; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking "a State plan approved" and inserting "a State program funded"; and

(4) in subsection (k)(1)(A), by striking "a regular benefit payable to the household for living expenses under a State plan for aid to families with dependent children approved" and inserting "assistance payable to the household under a State program funded".

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

(1) in subsection (c)(5), by striking "the State plan approved" and inserting "the State program funded";

(2) in subsection (d)(4)—

(A) in subparagraph (B)(i), by striking "in subparagraphs (A) and (B) of section 402(a)(35) of part A of title IV of the Social Security Act" and inserting "under the State program funded under part A of title IV of the Social Security Act";

(B) in subparagraph (I)(i)(II), by striking "benefits under part A" and inserting "assistance under a State program funded under part A"; and

(C) in subparagraph (L)(ii) by striking "training"; and

(3) in subsection (e)(6), by striking "aid to families with dependent children" and inserting "assistance under a State program funded".

(c) Section 8(e) of such Act (7 U.S.C. 2017(e)) is amended—

(1) in paragraph (1)(A)(i), by striking "aid to families with dependent children" and inserting "assistance under a State program";

(2) in paragraph (2)(A)(ii)(I), by striking "benefits paid to such household under a State plan for aid to families with dependent children approved" and inserting "assistance paid to such household under a State program funded"; and

(3) in paragraph (3), by striking "such aid to families with dependent children" and inserting "the assistance under a State program funded under part A of title IV of the Social Security Act".

(d) Section 11 of such Act (7 U.S.C. 2020) is amended—

(1) in subsection (e)(2), by striking "the aid to families with dependent children program" and inserting "the State program funded"; and

(2) in subsection (i)(1), by striking "the aid to families with dependent children program" and inserting "the State program funded".

(e) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4)) is amended by striking "State plans under the Aid to Families with Dependent Children Program under" and inserting "State programs funded under part A of".

(f) Section 17 of such Act (7 U.S.C. 2026) is amended—

(1) in subsection (b)—

(A) the first sentence of paragraph (1)(A), by striking "aid to families with dependent children" and inserting "assistance under a State program funded"; and

(B) in paragraph (3)—

(i) in the first sentence of subparagraph (B), by striking "aid to families with dependent children under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.)" and inserting "assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)";

(ii) in subparagraph (C)—

(II) in the first sentence, by striking "subsections (a)(19) and (g)" and all that follows through "section 402(g)(1)(A)) and"; and

(III) in the second sentence, by striking "'aid to families with dependent children'" and inserting "'assistance under the State program funded under part A'"; and

(iii) in subparagraph (E), by striking "the provisions of section 402, and sections 481 through 487," and inserting "sections 481 through 487"; and

(2) in subsection (i)—

(A) in paragraph (1), by striking "benefits under a State plan" and all that follows through "and without regard" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) (referred to in this subsection as an 'eligible household') shall be issued monthly allotments following the rules and procedures of the program, and without regard"; and

(B) in paragraph (2)—

(i) in subparagraph (D)—

(I) in the first sentence, by striking "benefit provided under" and inserting "assistance provided under a State program funded under"; and

(II) in the first sentence, by striking "section 402(a)(7)(C)" and all that follows to the end period and inserting "any nonrecurring lump-sum income and income deemed or allocated to the household under the State program funded under such part"; and

(ii) in subparagraph (E)—

(I) in the first sentence, by striking "section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8))" and inserting "the State program funded under part A of title IV of the Social Security Act"; and

(II) in the second sentence, by striking "the earned income disregards provided under 402(a)(8) of the Social Security Act" and inserting "any earned income disregards provided under the State program funded under such part".

(g) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–186; 7 U.S.C. 612c note) is amended by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(h) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(C)(ii)(II), by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii), by striking "an AFDC assistance unit (under the aid to families with dependent children program authorized" and inserting "a family (under the State program funded"; and

(ii) in subparagraph (B), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)"; and

(2) in subsection (d)(2)(C), by striking "program for aid to families with dependent children" and inserting "State program funded".

(i) Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(1) in subsection (d)(2)(A)(ii)(II), by striking "program for aid to families with dependent children established" and inserting "State program funded";

(2) in subsection (e)(4)(A), by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(3) in subsection (f)(1)(C)(iii), by striking "aid to families with dependent children," and inserting "State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and with the".

SEC. 108. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (Public Law 94–566; 90 Stat. 2689) is amended to read as follows:

"(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

"(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)), or

"(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.".

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

(f) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

(g) Section 233 of the Social Security Act Amendments of 1994 (42 U.S.C. 602 note) is repealed.

(h) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded"; and

(2) in subsection (c), by striking "aid to families with dependent children in the State under a State plan approved" and inserting "assistance in the State under a State program funded".

(i) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 404C(c)(3) (20 U.S.C. 1070a–23(c)(3)), by striking "(Aid to Families with Dependent Children)"; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(j) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking "the program for aid to dependent children" and inserting "the State program funded";

(2) in section 232(b)(2)(B) (20 U.S.C. 2341a(b)(2)(B)), by striking "the program for aid to families with dependent children" and inserting "the State program funded"; and

(3) in section 521(14)(B)(iii) (20 U.S.C. 2471(14)(B)(iii)), by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(k) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking "Aid to Families with Dependent Children Program" and inserting "State program funded under part A of title IV of the Social Security Act";

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking "the program of aid to families with dependent children under a State plan approved under" and inserting "a State program funded under part A of"; and

(3) in section 5203(b)(2) (20 U.S.C. 7233(b)(2))—

(A) in subparagraph (A)(xi), by striking "Aid to Families with Dependent Children benefits" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(B) in subparagraph (B)(viii), by striking "Aid to Families with Dependent Children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act".

(l) Chapter VII of title I of Public Law 99–88 (25 U.S.C. 13d–1) is amended to read as follows: "Provided further, That general assistance payments made by the Bureau of Indian Affairs shall be made—

"(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

"(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act,

except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment.".

(m) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.";

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking "eligibility for aid or services," and all that follows through "children approved" and inserting "eligibility for assistance, or the amount of such assistance, under a State program funded";

(3) in section 6103(l)(7)(D)(i) (26 U.S.C. 6103(l)(7)(D)(i)), by striking "aid to families with dependent children provided under a State plan approved" and inserting "a State program funded";

(4) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking "(relating to aid to families with dependent children)"; and

(5) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act".

(n) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking "State plan approved under part A of title IV" and inserting "State program funded under part A of title IV".

(o) The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) in section 106(b)(6)(C) (29 U.S.C. 1516(b)(6)(C)), by striking "State aid to families with dependent children records," and inserting "records collected under the State program funded under part A of title IV of the Social Security Act";

(2) in section 501(1) (29 U.S.C. 1791(1)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded";

(3) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded"; and

(4) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded".

(p) Section 3803(c)(2)(C)(iv) of title 31, United States Code, is amended to read as follows:

"(iv) assistance under a State program funded under part A of title IV of the Social Security Act".

(q) Section 2605(b)(2)(A)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i)) is amended to read as follows:

"(i) assistance under the State program funded under part A of title IV of the Social Security Act;".

(r) Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraphs (B) and (C).

(s) The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

(1) in section 255(h) (2 U.S.C. 905(h), by striking "Aid to families with dependent children (75–0412–0–1–609);" and inserting "Block grants to States for temporary assistance for needy families;"; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (l) as subsection (k).

(t) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking "aid under a State plan approved under" each place it appears and inserting "assistance under a State program funded under";

(2) in section 245A(h) (8 U.S.C. 1255a(h))—

(A) in paragraph (1)(A)(i), by striking "program of aid to families with dependent children" and inserting "State program of assistance"; and

(B) in paragraph (2)(B), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking "State plan approved" and inserting "State program funded".

(u) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking "program of aid to families with dependent children under a State plan approved" and inserting "State program of assistance funded".

(v) Section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 92; 25 U.S.C. 639) is repealed.

SEC. 109. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this Act.

SEC. 110. EFFECTIVE DATE; TRANSITION RULE.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1995.

(b) TRANSITION RULE.—

(1) STATE OPTION TO CONTINUE AFDC PROGRAM.—

(A) 6-MONTH EXTENSION.—A State may continue a State program under parts A and F of title IV of the Social Security Act, as in effect on September 30, 1995 (for purposes of this paragraph, the "State AFDC program") until March 31, 1996.

(B) REDUCTION OF FISCAL YEAR 1996 GRANT.—In the case of any State opting to continue the State AFDC program pursuant to subparagraph (A), the State family assistance grant paid to such State under section 403(b) of the Social Security Act (as added by section 101 and as in effect on and after October 1, 1995) for fiscal year 1996 (after the termination of the State AFDC program) shall be reduced by an amount equal to the total Federal payment to such State under section 403 of the Social Security Act (as in effect on September 30, 1995) for such fiscal year.

(2) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this title shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this title under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

TITLE II—MODIFICATIONS TO THE JOBS PROGRAM

SEC. 201. MODIFICATIONS TO THE JOBS PROGRAM.

(a) INCREASED EMPLOYMENT AND JOB RETENTION.—

(1) JOB OPPORTUNITIES AND BASIC SKILLS.—The heading for part F of title IV (42 U.S.C. 681 et seq.) is amended by striking "TRAINING".

(2) PURPOSE.—Section 481(a) (42 U.S.C. 681(a)) is amended to read as follows:

"SEC. 481. (a) PURPOSE.—It is the purpose of this part to assist each State in providing such services as the State determines to be necessary to—

"(1) enable individuals receiving assistance under part A to enter employment as quickly as possible;

"(2) increase job retention among such individuals; and

"(3) ensure that needy families with children obtain the supportive services that will help them avoid long-term welfare dependence.".

(b) ESTABLISHMENT AND OPERATION OF STATE PROGRAMS.—

(1) STATE PLANS FOR JOBS PROGRAMS.—Section 482(a) (42 U.S.C. 682(a)) is amended—

(A) in the heading, by striking "TRAINING";

(B) in paragraph (1)—

(i) in subparagraph (A)—

(I) by striking "of aid to families with dependent children";

(II) by striking "training"; and

(III) by striking "under a plan approved" and all that follows through the period and inserting a period;

(ii) in subparagraph (B)—

(I) in the matter preceding clause (i), by striking "plan for establishing and operating the program must describe" and inserting "shall submit to the Secretary periodically, but not less frequently than every 2 years, a plan describing";

(II) in clause (ii)—

(aa) by striking "the extent to which such services are expected to be made available by other agencies on a nonreimbursable basis,"; and

(bb) by striking "program, and" and inserting "program."; and

(III) by striking clause (iii);

(iii) by striking subparagraph (C);

(iv) in subparagraph (D)(i), by striking "Not later than October 1, 1992, each State shall make" and inserting "Each State shall make appropriate services of"; and

(v) by redesignating subparagraph (D) as subparagraph (C);

(C) in paragraph (2)—

(i) by striking "(2) The" and inserting "(2)(A) The";

(ii) by striking "approved"; and

(iii) by adding at the end the following new subparagraphs:

"(B) The State agency shall establish procedures to—

"(i) encourage the placement of participants in jobs as quickly as possible, including using performance measures that reward staff performance, or such other management practice as the State may choose; and

"(ii) assist participants in retaining employment after they are hired.

"(C) The Secretary shall provide technical assistance and training to States to assist the States in implementing effective management practices and strategies in order to achieve the purpose of this part."; and

(D) by striking paragraph (3).

(2) EMPLOYABILITY PLAN.—Section 482(b)(1) (42 U.S.C. 682(b)(1)) is amended—

(A) in subparagraph (A), by inserting "the employability of each participant under the program and, in appropriate circumstances, a subsequent assessment which may include" after "assessment of"; and

(B) in subparagraph (B)—

(i) by striking "such assessment" and inserting "the subsequent assessment"; and

(ii) by striking the last sentence.

(3) PROVISION OF INFORMATION.—Section 482(c) (42 U.S.C. 682(c)) is amended—

(A) in paragraph (1), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A";

(B) in paragraph (2), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A";

(C) in paragraph (4), by striking "aid to families with dependent children of the grounds for exemption from participation in the program and the consequences of refusal to participate if not exempt" and inserting "assistance under the State program funded under part A of the consequences of refusal to participate in the program under this part"; and

(D) by striking paragraph (5).

(4) SERVICES AND ACTIVITIES.—Section 482(d) (42 U.S.C. 682(d)) is amended—

(A) in paragraph (1)(A), by striking "Such services and activities—" and all that follows through the period and inserting "Such services and activities shall be designed to improve the employability of participants and may include any combination of the following:

"(i) Educational activities (as appropriate), including high school or equivalent education (combined with training as needed), basic and remedial education to achieve a basic literacy level, and education for individuals with limited English proficiency.

"(ii) Job skills training.

"(iii) Job readiness activities to help prepare participants for work.

"(iv) Job development and job placement.

"(v) Group and individual job search.

"(vi) On-the-job training.

"(vii) Work supplementation programs as described in subsection (e).

"(viii) Community work experience programs as described in subsection (f), or any other community service programs approved by the State.

"(ix) A job placement voucher program, as described in subsection (g).

"(x) Unsubsidized employment.";

(B) in paragraph (2), by striking the last sentence; and

(C) in paragraph (3)—

(i) by striking "the Secretary shall permit up to 5 States to" and inserting "A State may"; and

(ii) by striking the last sentence.

(5) WORK SUPPLEMENTATION PROGRAM.—Section 482(e) (42 U.S.C. 682(e)) is amended—

(A) in paragraph (1)—

(i) by striking "aid to families with dependent children" each place it appears and inserting "assistance under the State program funded under part A"; and

(ii) by striking "paragraph (3)(C)(i) and (ii)" and inserting "paragraph (3)"; and

(B) in paragraph (2)—

(i) by striking subparagraphs (A), (C), (D), (F), and (G);

(ii) in subparagraph (B), by striking "approved";

(iii) in subparagraph (E)—

(I) by striking "aid to families with dependent children" and inserting "assistance";

(II) by striking "(as determined under subparagraph (D))"; and

(III) by striking "State plan approved" and inserting "State program"; and

(iv) by redesignating subparagraphs (B) and (E) as subparagraphs (A) and (B), respectively;

(C) in paragraph (3) to read as follows:

"(3) For purposes of this section, a subsidized job is a job provided to an individual for not more than a 12-month period—

"(A) by the State or local agency administering the State plan under part A; or

"(B) by any other employer for which all or part of the wages are paid by such State or local agency.

A State may provide or subsidize under the program any type of job which such State determines to be appropriate.";

(D) by striking paragraph (4);

(E) in paragraph (5)(A)—

(i) by striking "eligible" each place it appears; and

(ii) by redesignating such paragraph as paragraph (4);

(F) in paragraph (6)—

(i) by striking "aid to families with dependent children under the State plan approved" each place it appears and inserting "assistance"; and

(ii) by redesignating such paragraph as paragraph (5); and

(G) by striking paragraph (7).

(6) COMMUNITY WORK EXPERIENCE PROGRAM.—Section 482(f) (42 U.S.C. 682(f)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (B)—

(I) in clause (i), by striking "aid to families with dependent children payable with respect to the family of which such individual is a member under the State plan approved under this part" and inserting "assistance payable with respect to the family of which such individual is a member under the State program funded under part A"; and

(II) in clause (ii), by striking "aid to families with dependent children payable with respect to the family of which such individual is a member under the State plan approved under this part (excluding any portion of such aid" and inserting "assistance payable with respect to the family of which such individual is a member under the State program funded under part A (excluding any portion of such assistance";

(ii) by striking subparagraph (C);

(iii) in subparagraph (D)—

(I) by striking "approved"; and

(II) by striking "community work experience program" and all that follows through the period and inserting "community service program."; and

(iv) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

(B) in paragraph (3)—

(i) by striking "any program of job search under subsection (g),"; and

(ii) by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A"; and

(C) by striking paragraph (4).

(7) JOB PLACEMENT VOUCHER PROGRAM.—Section 482(g) (42 U.S.C. 682(g)) is amended to read as follows:

"(g) JOB PLACEMENT VOUCHER PROGRAM.—(1) The State agency may establish and operate a job placement voucher program for individuals participating in the program under this part.

"(2) A State that elects to operate a job placement voucher program under this subsection—

"(i) shall establish eligibility requirements for participation in the job placement voucher program; and

"(ii) may establish other requirements for such voucher program as the State deems appropriate.

"(3) A job placement voucher program operated by a State under this subsection shall include the following requirements:

"(A) The State shall identify, maintain, and make available to an individual applying for or receiving assistance under part A a list of State-approved job placement organizations that offer services in the area where the individual resides and a description of the job placement and support services each such organization provides. Such organizations may be publicly or privately owned and operated.

"(B)(i) An individual determined to be eligible for assistance under part A shall, at the time the individual becomes eligible for such assistance—

"(I) receive the list and description described in subparagraph (A);

"(II) agree, in exchange for job placement and support services, to—

"(aa) execute, within a period of time permitted by the State, a contract with a State-approved job placement organization which provides that the organization shall attempt to find employment for the individual; and

"(bb) comply with the terms of the contract; and

"(III) receive a job placement voucher (in an amount to be determined by the State) for payment to a State-approved job placement organization.

"(ii) The State shall impose the sanctions provided for in section 404(b) on any individual who does not fulfill the terms of a contract executed with a State-approved job placement organization.

"(C) At the time an individual executes a contract with a State-approved job placement organization, the individual shall provide the organization with the job placement voucher that the individual received pursuant to subparagraph (B).

"(D)(i) A State-approved job placement organization may redeem for payment from the State not more than 25 percent of the value of a job placement voucher upon the initial receipt of the voucher for payment of costs incurred in finding and placing an individual in an employment position. The remaining value of such voucher shall not be redeemed for payment from the State until the State-approved job placement organization—

"(I) finds an employment position (as determined by the State) for the individual who provided the voucher; and

"(II) certifies to the State that the individual remains employed with the employer that the organization originally placed the individual with for the greater of—

"(aa) 6 continuous months; or

"(bb) a period determined by the State.

"(ii) A State may modify, on a case-by-case basis, the requirement of clause (i)(II) under such terms and conditions as the State deems appropriate.

"(E)(i) The State shall establish performance-based standards to evaluate the success of the State job placement voucher program operated under this subsection in achieving employment for individuals participating in such voucher program. Such standards shall take into account the economic conditions of the State in determining the rate of success.

"(ii) The State shall, not less than once a fiscal year, evaluate the job placement voucher program operated under this subsection in accordance with the performance-based standards established under clause (i).

"(iii) The State shall submit a report containing the results of an evaluation conducted under clause (ii) to the Secretary and a description of the performance-based standards used to conduct the evaluation in such form and under such conditions as the Secretary shall require. The Secretary shall review each report submitted under this clause and may require the State to revise the performance-based standards if the Secretary determines that the State is not achieving an adequate rate of success for such State.".

(8) DISPUTE RESOLUTION PROCEDURES.—Section 482(h) (42 U.S.C. 682(h)) is amended by striking "or through the provision of a hearing pursuant to section 402(a)(4); but in no event shall aid to families with dependent children" and inserting "; but in no event shall assistance under the State program funded under part A".

(9) PROVISIONS RELATING TO INDIAN TRIBES.—Section 482(i) (42 U.S.C. 682(i)) is amended—

(A) in paragraph (1)—

(i) by striking "training" each place it appears; and

(ii) in the second sentence, by inserting ", for fiscal years before 1996," after "State";

(B) in paragraph (2), by inserting ", for fiscal years before 1996," after "paragraph (1)";

(C) in paragraph (3)—

(i) by striking "training" each place it appears; and

(ii) by striking "402(a)(19)" and inserting "404";

(D) in paragraph (4)—

(i) by striking "training"; and

(ii) by striking "and the maximum amount" and all that follows through the period at the end of the second sentence and inserting "and the amount that may be paid under section 403 to the State within which the tribe or Alaska Native organization is located shall be increased by any portion of the amount retained by the Secretary with respect to such program (and not payable to such tribe or Alaska Native organization for obligations already incurred).";

(E) in paragraph (7)(D), by striking "training" each place it appears;

(F) by redesignating paragraphs (3) through (8) as paragraphs (4) through (9), respectively; and

(G) by inserting after paragraph (2), the following new paragraph:

"(3) For any fiscal year after 1995, the amount of payment to any tribe or organization received under this subsection shall be an amount equal to the amount such tribe or organization received for fiscal year 1994.".

(c) COORDINATION REQUIREMENTS.—Section 483 (42 U.S.C. 683) is amended—

(1) in subsection (a)(2), by striking "not less than 60 days before its submission to the Secretary,";

(2) in subsection (b), by striking "education and training services" and inserting "necessary and supportive assistance for employment"; and

(3) in subsection (c), by striking "approved".

(d) PROVISIONS GENERALLY APPLICABLE.—Section 484 (42 U.S.C. 684) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "family responsibilities,"; and

(B) in paragraph (5), by striking ", the participant's circumstances,";

(2) in subsection (c), by striking the last sentence; and

(3) in subsection (e), by striking "AFDC program" and inserting "State program funded under part A".

(e) CONTRACT AUTHORITY.—Section 485 (42 U.S.C. 685) is amended in subsections (a) and (c), by striking "approved" each place it appears.

(f) PERFORMANCE STANDARDS.—Section 487(c) (42 U.S.C. 687(c)) is amended by striking "matching rate" and inserting "payment to the States under section 403".

SEC. 202. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on October 1, 1995, unless a State has exercised the option described in section 110(b).

TITLE III—SUPPLEMENTAL SECURITY INCOME

Subtitle A—Eligibility Restrictions

SEC. 301. DENIAL OF SUPPLEMENTAL SECURITY INCOME BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS.

(a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following new subparagraph:

"(I) Notwithstanding subparagraph (A), an individual shall not be considered to be disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1611(e) (42 U.S.C. 1382(e)) is amended by striking paragraph (3).

(2) Section 1631(a)(2)(A)(ii) (42 U.S.C. 1383(a)(2)(A)(ii)) is amended—

(A) by striking "(I)"; and

(B) by striking subclause (II).

(3) Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended—

(A) by striking clause (vii);

(B) in clause (viii), by striking "(ix)" and inserting "(viii)";

(C) in clause (ix)—

(i) by striking "(viii)" and inserting "(vii)"; and

(ii) in subclause (II), by striking all that follows "15 years" and inserting a period;

(D) in clause (xiii)—

(i) by striking "(xii)" and inserting "(xi)"; and

(ii) by striking "(xi)" and inserting "(x)"; and

(E) by redesignating clauses (viii) through (xiii) as clauses (vii) through (xii), respectively.

(4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking all that follows "$25.00 per month" and inserting a period.

(5) Section 1634 (42 U.S.C. 1383c) is amended by striking subsection (e).

(6) Section 201(c)(1) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 425 note) is amended—

(A) by striking "—" and all that follows through "(A)" the 1st place it appears;

(B) by striking "and" the 3rd place it appears;

(C) by striking subparagraph (B);

(D) by striking "either subparagraph (A) or subparagraph (B)" and inserting "the preceding sentence"; and

(E) by striking "subparagraph (A) or (B)" and inserting "the preceding sentence".

SEC. 302. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI BENEFITS.

Paragraph (1) of section 1614(a) (42 U.S.C. 1382c(a)) is amended—

(1) in subparagraph (B)(i), by striking "either" and all that follows through ", or" and inserting "(I) a citizen; (II) a noncitizen who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act for a period of not more than 5 years after the date of arrival into the United States; (III) a noncitizen who is admitted to the United States as a refugee under section 207 of such Act for not more than such 5-year period; (IV) a noncitizen, lawfully present in any State (or any territory or possession of the United States), who is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage or who is the spouse or unmarried dependent child of such veteran; or (V) a noncitizen who has worked sufficient calendar quarters of coverage to be a fully insured individual for benefits under title II, or"; and

(2) by adding at the end the following new flush sentence:

"For purposes of subparagraph (B)(i)(IV), the determination of whether a noncitizen is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. A noncitizen shall not be considered to be lawfully present in the United States for purposes of this title merely because the noncitizen may be considered to be permanently residing in the United States under color of law for purposes of any particular program.".

SEC. 303. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.".

SEC. 304. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 301(b)(1) of this Act, is amended by inserting after paragraph (2) the following new paragraph:

"(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

SEC. 305. EFFECTIVE DATES; APPLICATION TO CURRENT RECIPIENTS.

(a) SECTIONS 301 AND 302.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by sections 301 and 302 shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) APPLICATION AND NOTICE.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by section 301 or 302, such amendments shall apply with respect to the benefits of such individual for months beginning on or after January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

(B) REAPPLICATION.—

(i) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subparagraph (A) who desires to reapply for benefits under title XVI of the Social Security Act, as amended by this title, shall reapply to the Commissioner of Social Security.

(ii) DETERMINATION OF ELIGIBILITY.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall determine the eligibility of each individual who reapplies for benefits under clause (i) pursuant to the procedures of such title.

(b) OTHER AMENDMENTS.—The amendments made by sections 303 and 304 shall take effect on the date of the enactment of this Act.

Subtitle B—Benefits for Disabled Children

SEC. 311. RESTRICTIONS ON ELIGIBILITY FOR BENEFITS.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by section 301(a), is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual;

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked, pervasive, and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking "(D)" and inserting "(E)".

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individual functional assessment for children set forth in

sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) Effective Date; Application to Current Recipients.—

(1) In general.—The amendments made by subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) Application to current recipients.—

(A) Continuing disability reviews.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall redetermine pursuant to the procedures of title XVI of the Social Security Act the eligibility of any individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by subsection (a) or (b). The Commissioner of Social Security shall give redetermination reviews under this subparagraph priority over other redetermination reviews.

(B) Grandfather and hold harmless.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after January 1, 1997, and such individual shall be held harmless for any payment of benefits made until such date.

(C) Notice.—Not later than 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

SEC. 312. CONTINUING DISABILITY REVIEWS.

(a) Continuing Disability Reviews Relating for Certain Children.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 311(a)(3), is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall redetermine the eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of disability.

"(II) Subclause (I) shall not apply to an individual if the individual has an impairment (or combination of impairments) which is (or are) not expected to improve.".

(b) Disability Review Required for SSI Recipients Who Are 18 Years of Age.—

(1) In general.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a), is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining such eligibility for applicants who have attained the age of 18 years.

A review under this clause shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) Report to the Congress.—Not later than October 1, 1998, the Commissioner of Social Security shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the activities conducted under section 1614(a)(3)(H)(iii) of the Social Security Act, as added by paragraph (1).

(3) Conforming repeal.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) Disability Review Required for Low Birth Weight Babies.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b), is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall redetermine the eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A redetermination under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.".

(d) Effective Date.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 313. TREATMENT REQUIREMENTS FOR DISABLED INDIVIDUALS UNDER THE AGE OF 18.

(a) In General.—Section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended—

(1) by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively; and

(2) by inserting after subparagraph (D) the following new subparagraph:

"(E)(i) Not later than 3 months after the Commissioner determines that an individual under the age of 18 is eligible for benefits under this title by reason of disability (and periodically thereafter, as the Commissioner may require), the representative payee of such individual shall file with the State agency that makes disability determinations on behalf of the Commissioner of Social Security in the State in which such individual resides, a copy of the treatment plan required by clause (ii).

"(ii) The treatment plan required by this clause shall be developed by the individual's treating physician or other medical provider, or if approved by the Commissioner, other service provider, and shall describe the services that such physician or provider determines is appropriate for the treatment of such individual's impairment or combination of impairments. Such plan shall be in such form and contain such information as the Commissioner may prescribe.

"(iii) The representative payee of any individual described in clause (i) shall provide evidence of adherence to the treatment plan described in clause (ii) at the time of any redetermination of eligibility conducted pursuant to section 1614(a)(3)(G)(ii), and at such other time as the Commissioner may prescribe.

"(iv) The failure of a representative payee to comply without good cause with the requirements of clause (i) or (iii) shall constitute misuse of benefits to which subparagraph (A)(iii) (but not subparagraph (F)) shall apply. In providing for an alternative representative payee as required by subparagraph (A)(iii), the Commissioner shall give preference to the State agency that administers the State plan approved under title XIX for the State in which the individual described in clause (i) resides or any other State agency designated by the State for such responsibility, unless the Commissioner determines that selection of another organization or person would be appropriate. Any such State agency that serves as a representative payee shall be a 'qualified organization' for purposes of subparagraph (D) of this paragraph.

"(v) This subparagraph shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determinations, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments) and the availability of treatment for such impairment (or impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of this subparagraph should not apply to an individual's representative payee.".

(b) Access to Medicaid Records.—

(1) Requirement to furnish information.—Section 1902(a) (42 U.S.C. 1396a(a)), as amended by section 103(b), is amended—

(A) by striking "and" at the end of paragraph (62);

(B) by striking the period at the end of paragraph (63) and inserting "; and"; and

(C) by adding after paragraph (63) the following new paragraph:

"(64) provide that the State agency that administers the plan described in this section shall make available to the Commissioner of Social Security such information as the Commissioner may request in connection with the verification of information furnished to the Commissioner by a representative payee pursuant to section 1631(a)(2)(E)(iii).".

(2) Reimbursement of state costs.—Section 1633 (42 U.S.C. 1383b) is amended by adding at the end the following new subsection:

"(d) The Commissioner of Social Security shall reimburse a State for the costs of providing information pursuant to section 1902(a)(64) from funds available for carrying out this title.".

(c) Report to the Congress.—Not later than the last day of the 36th month beginning after the date of the enactment of this Act, the Inspector General of the Social Security Administration shall report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the implementation of this section.

(d) Effective Date.—This section shall take effect on the 1st day of the 12th month that begins after the date of the enactment of this Act.

Subtitle C—Study of Disability Determination Process

SEC. 321. STUDY OF DISABILITY DETERMINATION PROCESS.

(a) In General.—Not later than 180 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall contract with the National Academy of Sciences, or other independent entity, to conduct a comprehensive study of the disability determination process under titles II and XVI of the Social Security Act, including the validity, reliability, equity, and consistency with current scientific knowledge and standards of the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations.

(b) Study of Definitions.—The study described in subsection (a) shall also include an examination of the appropriateness of the definitions of disability in titles II and XVI of the Social Security Act and the advantages and disadvantages of alternative definitions.

(c) Reports.—The Commissioner of Social Security shall, through the applicable entity, issue an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 12 months and 24 months, respectively, from the date of the contract for such study.

Subtitle D—National Commission on the Future of Disability

SEC. 331. ESTABLISHMENT.

There is established a commission to be known as the National Commission on the Future of

Disability (referred to in this subtitle as the "Commission"), the expenses of which shall be paid from funds otherwise appropriated for the Social Security Administration.

SEC. 332. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) MATTERS STUDIED.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) RECOMMENDATIONS.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

SEC. 333. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) REPRESENTATION.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the diversity of individuals with disabilities in the United States.

(b) COMPTROLLER GENERAL.—The Comptroller General shall serve on the Commission as an ex officio member of the Commission to advise and oversee the methodology and approach of the study of the Commission.

(c) PROHIBITION AGAINST OFFICER OR EMPLOYEE.—No officer or employee of any government shall be appointed under subsection (a).

(d) DEADLINE FOR APPOINTMENT; TERM OF APPOINTMENT.—Members of the Commission shall be appointed not later than 60 days after the date of the enactment of this Act. The members shall serve on the Commission for the life of the Commission.

(e) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(f) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(h) CONTINUATION OF MEMBERSHIP.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(i) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(j) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(k) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 334. STAFF AND SUPPORT SERVICES.

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

SEC. 335. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 336. REPORTS.

(a) INTERIM REPORT.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 337, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) FINAL REPORT.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) PRINTING AND PUBLIC DISTRIBUTION.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

SEC. 337. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

TITLE IV—CHILD SUPPORT

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 401. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom (I) cash assistance is provided under the State program funded under part A of this title, (II) benefits or services are provided under the State program funded under part B of this title, or (III) medical assistance is provided under the State plan approved under

title XIX, unless the State agency administering the plan determines (in accordance with paragraph (28)) that it is against the best interests of the child to do so; and

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child."; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) services under the plan shall be made available to nonresidents on the same terms as to residents;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 402. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) IN GENERAL.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING CASH ASSISTANCE.—In the case of a family receiving cash assistance from the State, the State shall—

"(A) retain, or distribute to the family, the State share of the amount so collected; and

"(B) pay to the Federal Government the Federal share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED CASH ASSISTANCE.—In the case of a family that formerly received cash assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

"(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE OR AFTER THE FAMILY RECEIVED CASH ASSISTANCE.—The State shall distribute the amount so collected to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before or after the family received cash assistance from the State.

"(ii) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—To the extent that clause (i) does not apply to the amount, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share of the amount so collected, to the extent necessary to reimburse amounts paid to the family as cash assistance from the State.

"(iii) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither clause (i) nor clause (ii) applies to the amount so collected, the State shall distribute the amount to the family.

"(3) FAMILIES THAT NEVER RECEIVED CASH ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(b) DEFINITIONS.—As used in subsection (a):

"(1) CASH ASSISTANCE.—The term 'cash assistance from the State' means—

"(A) cash assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect before October 1, 1995); or

"(B) cash benefits under the State program funded under part B or under the State plan approved under part B or E of this title (as in effect before October 1, 1995).

"(2) FEDERAL SHARE.—The term 'Federal share' means, with respect to an amount collected by the State to satisfy a support obligation owed to a family for a time period—

"(A) the greatest Federal medical assistance percentage in effect for the State for fiscal year 1995 or any succeeding fiscal year; or

"(B) if support is not owed to the family for any month for which the family received aid to families with dependent children under the State plan approved under part A of this title (as in effect before October 1, 1995), the Federal reimbursement percentage for the fiscal year in which the time period occurs.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any State for which subparagraph (B) does not apply; or

"(B) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(4) FEDERAL REIMBURSEMENT PERCENTAGE.—The term 'Federal reimbursement percentage' means, with respect to a fiscal year—

"(A) the total amount paid to the State under section 403 for the fiscal year; divided by

"(B) the total amount expended by the State to carry out the State program under part A during the fiscal year.

"(5) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

"(c) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—When a family with respect to which services are provided under a State plan approved under this part ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of individuals to whom services are furnished under section 454, except that an application or other request to continue services shall not be required of such a family and section 454(6)(B) shall not apply to the family.".

(b) CLERICAL AMENDMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (11)—

(A) by striking "(11)" and inserting "(11)(A)"; and

(B) by inserting after the semicolon "and"; and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATE.—

(1) GENERAL RULE.—Except as provided in paragraphs (2) and (3), the amendment made by subsection (a) shall become effective on October 1, 1999.

(2) EARLIER EFFECTIVE DATE FOR RULES RELATING TO DISTRIBUTION OF SUPPORT COLLECTED FOR FAMILIES RECEIVING CASH ASSISTANCE.—Section 457(a)(1) of the Social Security Act, as added by the amendment made by subsection (a), shall become effective on October 1, 1995.

(3) CLERICAL AMENDMENTS.—The amendments made by subsection (b) shall become effective on October 1, 1995.

SEC. 403. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 402(b), is amended by inserting after paragraph (11) the following new paragraph:

"(12) establish procedures to provide that—

"(A) individuals who are applying for or receiving services under this part, or are parties to cases in which services are being provided under this part—

"(i) receive notice of all proceedings in which support obligations might be established or modified; and

"(ii) receive a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination; and

"(B) individuals applying for or receiving services under this part have access to a fair hearing or other formal complaint procedure that meets standards established by the Secretary and ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order);".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 404. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following new paragraph:

"(25) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Locate and Case Tracking

SEC. 411. STATE CASE REGISTRY.

Section 454A, as added by section 445(a)(2) of this Act, is amended by adding at the end the following new subsections:

"(e) STATE CASE REGISTRY.—

"(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

"(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on-case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 412. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 404(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following new paragraph:

"(26) provide that, on and after October 1, 1998, the State agency will—

"(A) operate a State disbursement unit in accordance with section 454B; and

"(B) have sufficient State staff (consisting of State employees), and (at State option) contractors reporting directly to the State agency, to—

"(i) monitor and enforce support collections through the unit (including carrying out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases.".

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 445(a)(2) of this Act, is amended by inserting after section 454A the following new section:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

"(a) STATE DISBURSEMENT UNIT.—

"(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(2) OPERATION.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) in coordination with the automated system established by the State pursuant to section 454A.

"(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section. The Secretary must agree that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"(c) TIMING OF DISBURSEMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(2) PERMISSIVE RETENTION OF ARREARAGES.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

"(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 445(a)(2) of this Act and as amended by section 411 of this Act, is amended by adding at the end the following new subsection:

"(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

"(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

"(i) within 2 business days after receipt from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State of notice of, and the income source subject to, such withholding; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) where payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 413. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a) and 412(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) EMPLOYER.—The term 'employer' includes—

"(i) any governmental entity, and

"(ii) any labor organization.

"(C) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—Each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 15 days after the date the employer hires the employee; or

"(B) in the case of an employer that reports by magnetic or electronic means, the 1st business day of the week following the date on which the employee 1st receives wages or other compensation from the employer.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W-4 form or the equivalent, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—

"(1) IN GENERAL.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a civil money penalty of—

"(A) $25; or

"(B) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(2) APPLICABILITY OF SECTION 1128.—Section 1128 (other than subsections (a) and (b) of such section) shall apply to a civil money penalty under paragraph (1) of this subsection in the same manner as such section applies to a civil money penalty or proceeding under section 1128A(a).

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than October 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(h) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

SEC. 414. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) CONFORMING AMENDMENTS.—

(A) Section 466(a)(8)(B)(iii) (42 U.S.C. 666(a)(8)(B)(iii)) is amended—

(i) by striking "(5),"; and

(ii) by inserting ", and, at the option of the State, the requirements of subsection (b)(5)" before the period.

(B) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(C) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

"(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each absent parent to whom paragraph (1) applies—

"(i) that the withholding has commenced; and

"(ii) of the procedures to follow if the absent parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

"(B) The notice under subparagraph (A) shall include the information provided to the employer under paragraph (6)(A).".

(D) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(E) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following new clause:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(F) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting "any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection.".

(G) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order through electronic means and without advance notice to the obligor.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 415. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 416. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child visitation orders—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support or provide child visitation rights;

"(B) against whom such an obligation is sought;

"(C) to whom such an obligation is owed,

including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual."; and

(2) in subsection (b), in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)".

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking "support" and inserting "support or to seek to enforce orders providing child visitation rights";

(2) in paragraph (2), by striking ", or any agent of such court; and" and inserting "or to issue an order against a resident parent for visitation rights, or any agent of such court;";

(3) by striking the period at the end of paragraph (3) and inserting "; and"; and

(4) by adding at the end the following new paragraph:

"(4) the absent parent, only with regard to a court order against a resident parent for child visitation rights.".

(c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(e) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsection:

"(h)(1) Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i)(1) In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

"(2) Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(3) The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(j)(1)(A) The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

"(5) The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k)(1) The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.".

(f) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

(1) by inserting "(including governmental entities)" after "employers"; and

(2) by inserting ", and except that no report shall be filed with respect to an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission" after "paragraph (2)".

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by striking "and" at the end of paragraph (9);

(C) by striking the period at the end of paragraph (10) and inserting "; and"; and

(D) by adding after paragraph (10) the following new paragraph:

"(11) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 417. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 415 of this Act, is amended by adding at the end the following new paragraph:

"(13) Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative responsibility for the law involved, the social security number of the party.";

(3) in clause (vi), by striking "may" and inserting "shall"; and

(4) by adding at the end the following new clauses:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgement in the records relating to the matter.".

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 421. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

"(f)(1) In order to satisfy section 454(20)(A) on or after January 1, 1997, each State must have in effect the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992 (with the modifications and additions specified in this subsection), and the procedures required to implement such Act.

"(2) The State law enacted pursuant to paragraph (1) may be applied to any case involving an order which is established or modified in a State and which is sought to be modified or enforced in another State.

"(3) The State law enacted pursuant to paragraph (1) of this subsection shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act:

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) in any case where another State is exercising or seeks to exercise jurisdiction to modify the order, the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(4) The State law enacted pursuant to paragraph (1) shall provide that, in any proceeding subject to the law, process may be served (and proved) upon persons in the State by any means acceptable in any State which is the initiating or responding State in the proceeding.".

SEC. 422. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 423. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 415 and 417(a) of this Act, is amended by adding at the end the following new paragraph:

"(14) Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 424. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(11) not later than June 30, 1996, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

"(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

SEC. 425. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 414 of this Act, is amended—

(1) in subsection (a)(2), by striking the 1st sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by inserting after subsection (b) the following new subsection:

"(c) The procedures specified in this subsection are the following:

"(1) Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) To enter a default order, upon a showing of service of process and any additional showing required by State law—

"(i) establishing paternity, in the case of a putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(C) To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(D) To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(E) To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities, including—

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

"(F) In cases where support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(G) To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

"(H) In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump-sum payments from—

"(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions;

"(iii) attaching public and private retirement funds; and

"(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(I) For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

"(2) The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer; and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.".

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 445(a)(2) of this Act and as amended by sections 411 and 412(c) of this Act, is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

Subtitle D—Paternity Establishment

SEC. 431. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5)(A)(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 21 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 21 years was then in effect in the State.

"(B)(i) Procedures under which the State is required, in a contested paternity case, unless

otherwise barred by State law, to require the child and all other parties (other than individuals found under section 454(28) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) Procedures which require the State agency in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (where the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is contested, upon request and advance payment by the contestant.

"(C)(i) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii)(I) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II)(aa) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit developed by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(D)(i) Procedures under which the name of the father shall be included on the record of birth of the child only if the father and mother have signed an acknowledgment of paternity and under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

"(ii) Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(E) Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent" before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 432. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 433. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 404(a), 412(a), and 413(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by inserting after paragraph (27) the following new paragraph:

"(28) provide that the State agency responsible for administering the State plan—

"(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the father of the child, subject to such good cause and other exceptions as the State may establish and taking into account the best interests of the child;

"(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

"(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order; and

"(D) shall promptly notify the individual and the State agency administering the State program funded under part A of each such determination, and if noncooperation is determined, the basis therefore.".

Subtitle E—Program Administration and Funding

SEC. 441. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

"(2) The percent specified in this paragraph for any quarter is 66 percent.".

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking "From" and inserting "Subject to subsection (c), from"; and

(2) by inserting after subsection (b) the following new subsection:

"(c) Notwithstanding subsection (a), the total expenditures under the State plan approved under this part for fiscal year 1997 and each succeeding fiscal year, reduced by the percentage specified in paragraph (2) for the fiscal year shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent.".

SEC. 442. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.

"(a) INCENTIVE ADJUSTMENTS.—

"(1) IN GENERAL.—Beginning with fiscal year 1999, the Secretary shall increase the percent specified in section 455(a)(2) that applies to payments to a State under section 455(a)(1)(A) for each quarter in a fiscal year by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to the paternity establishment percentage of the State for the immediately preceding fiscal year and with respect to overall performance of the State in child support enforcement during such preceding fiscal year.

"(2) STANDARDS.—

"(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which a State must attain to qualify for an incentive adjustment under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to a State that achieves specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 12 percentage points, in connection with paternity establishment; and

"(II) 12 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1994, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of the incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

"(4) RECYCLING OF INCENTIVE ADJUSTMENT.—A State to which funds are paid by the Federal Government as a result of an incentive adjustment under this section shall expend the funds in the State program under this part within 2 years after the date of the payment.

"(b) DEFINITIONS.—As used in this section:

"(1) PATERNITY ESTABLISHMENT PERCENTAGE.—The term 'paternity establishment percentage' means, with respect to a State and a fiscal year—

"(A) the total number of children in the State who were born out of wedlock, who have not attained 1 year of age and for whom paternity is established or acknowledged during the fiscal year; divided by

"(B) the total number of children born out of wedlock in the State during the fiscal year.

"(2) OVERALL PERFORMANCE IN CHILD SUPPORT ENFORCEMENT.—The term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

"(A) the percentage of cases requiring a support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations (after consultation with the States).

"(3) STATE DEFINED.—The term 'State' does not include any area within the jurisdiction of an Indian tribal government.".

(b) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking "incentive payments" the 1st place such term appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

(c) CALCULATION OF IV–D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,"; and

(B) in each of subparagraphs (A) and (B), by striking "75" and inserting "90".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter preceding clause (i)—

(A) by striking "paternity establishment percentage" and inserting "IV–D paternity establishment percentage"; and

(B) by striking "(or all States, as the case may be)".

(3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B) (as so redesignated)—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The amendments made by subsections (a) and (b) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) EXCEPTION.—Section 458 of the Social Security Act, as in effect before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on and after the date of the enactment of this Act.

SEC. 443. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and inserting "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, which shall include such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

"(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458.".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part, concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used in calculating performance indicators under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this section.

SEC. 444. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 412(a), 413(a), and 433 of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by adding after paragraph (28) the following new paragraph:

"(29) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 445. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV–D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 404(a)(2) and 412(a)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Family Self-Sufficiency Act of 1995, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 445(a)(3) of the Family Self-Sufficiency Act of 1995.".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

(B) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16), but limited to the amount approved for States in the advance planning documents of such States submitted before May 1, 1995.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1998 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is the greater of—

"(I) 80 percent; or

"(II) the percentage otherwise applicable to Federal payments to the State under subparagraph (A) (as adjusted pursuant to section 458).".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $260,000,000 in the aggregate under section 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3) of such Act for fiscal years 1996, 1997, 1998, 1999, and 2000 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

SEC. 446. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 416(f) of this Act, is amended by adding at the end the following new subsection:

"(n) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.".

SEC. 447. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following new clauses:

"(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

"(II) with respect to whom a child support payment was received in the month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (1) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking "and";

(B) in subparagraph (I), by striking the period and inserting "; and"; and

(C) by inserting after subparagraph (I) the following new subparagraph:

"(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).".

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 451. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the National Child Support Guidelines Commission (in this section referred to as the "Commission").

(b) GENERAL DUTIES.—

(1) IN GENERAL.—The Commission shall determine—

(A) whether it is appropriate to develop a national child support guideline for consideration by the Congress or for adoption by individual States; or

(B) based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(2) DEVELOPMENT OF MODELS.—If the Commission determines under paragraph (1)(A) that a national child support guideline is needed or under paragraph (1)(B) that improvements to guideline models are needed, the Commission shall develop such national guideline or improvements.

(c) MATTERS FOR CONSIDERATION BY THE COMMISSION.—In making the recommendations concerning guidelines required under subsection (b), the Commission shall consider—

(1) the adequacy of State child support guidelines established pursuant to section 467;

(2) matters generally applicable to all support orders, including—

(A) the feasibility of adopting uniform terms in all child support orders;

(B) how to define income and under what circumstances income should be imputed; and

(C) tax treatment of child support payments;

(3) the appropriate treatment of cases in which either or both parents have financial obligations to more than 1 family, including the effect (if any) to be given to—

(A) the income of either parent's spouse; and

(B) the financial responsibilities of either parent for other children or stepchildren;

(4) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(5) the appropriate treatment of expenses for health care (including uninsured health care) and other extraordinary expenses for children with special needs;

(6) the appropriate duration of support by 1 or both parents, including—

(A) support (including shared support) for postsecondary or vocational education; and

(B) support for disabled adult children;

(7) procedures to automatically adjust child support orders periodically to address changed economic circumstances, including changes in the Consumer Price Index or either parent's income and expenses in particular cases;

(8) procedures to help noncustodial parents address grievances regarding visitation and custody orders to prevent such parents from withholding child support payments until such grievances are resolved; and

(9) whether, or to what extent, support levels should be adjusted in cases in which custody is shared or in which the noncustodial parent has extended visitation rights.

(d) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed jointly by the Secretary of Health and Human Services and the Congress, not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The 1st sentence of subparagraph (C), the 1st and 3rd sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(f) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(g) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

SEC. 452. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) Procedures under which the State shall review and adjust each support order being enforced under this part upon the request of either parent or the State if there is an assignment. Such procedures shall provide the following:

"(A) The State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(B)(i) The State may elect to review and, if appropriate, adjust an order pursuant to subparagraph (A) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(ii) Any adjustment under clause (i) shall be made without a requirement for proof or showing of a change in circumstances.

"(C) The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(D) The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(E) The State shall provide notice to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to subparagraph (D). The notice may be included in the order.".

SEC. 453. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

"(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested, and

"(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.".

SEC. 454. NONLIABILITY FOR DEPOSITORY INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a depository institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT

ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

(A) the greater of—

(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

(ii) the sum of—

(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

(B) the costs (including attorney's fees) of the action.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "depository institution" means—

(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(u)); and

(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)).

(2) The term "financial record" has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).

(3) The term "State child support enforcement agency" means a State agency which administers a State program for establishing and enforcing child support obligations.

Subtitle G—Enforcement of Support Orders

SEC. 461. FEDERAL INCOME TAX REFUND OFFSET.

(a) CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.—

(1) IN GENERAL.—Subsection (c) of section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds) is amended by striking the 3rd and 4th sentences and inserting the following new sentences: "A reduction under this subsection shall be applied 1st to satisfy past-due support, before any other reductions allowed by law (including a credit against future liability for an internal revenue tax) have been made. A reduction under this subsection shall be assigned to the State with respect to past-due support owed to individuals for periods such individuals were receiving assistance under part A or B of title IV of the Social Security Act only after satisfying all other past-due support.".

(2) CONFORMING AMENDMENT.—Paragraph (2) of section 6402(d) of such Code is amended by striking "with respect to past-due support collected pursuant to an assignment under section 402(a)(26) of the Social Security Act".

(b) ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NONASSIGNED ARREARAGES.—

(1) Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) by striking "(a)" and inserting "(a) OFFSET AUTHORIZED.—";

(B) in paragraph (1)—

(i) in the 1st sentence, by striking "which has been assigned to such State pursuant to section 402(a)(26) or section 471(a)(17)"; and

(ii) in the 2nd sentence, by striking "in accordance with section 457(b)(4) or (d)(3)" and inserting "as provided in paragraph (2)";

(C) by striking paragraph (2) and inserting the following new paragraph:

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

"(A) in accordance with section 457(a), in the case of past-due support assigned to a State; and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned."; and

(D) in paragraph (3)—

(i) by striking "or (2)" each place such term appears; and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)".

(2) Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking "(b)(1)" and inserting the following:

"(b) REGULATIONS.—"; and

(B) by striking paragraph (2).

(3) Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting the following: "(c) DEFINITION.—As"; and

(B) by striking paragraphs (2) and (3).

SEC. 462. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) in paragraph (1), by inserting "except as provided in paragraph (5)" after "collected";

(2) by striking "and" at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting ", and";

(4) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(5) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 463. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a 1st-come, 1st-served basis, with any such process being

satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) No Requirement To Vary Pay Cycles.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) Relief From Liability.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) Regulations.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) Moneys Subject To Process.—

"(1) In general.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by the Secretary to a member of the Armed Forces who is in receipt of retired or retainer pay if the member has waived a portion of the retired pay of the member in order to receive the compensation); and

"(iii) workers' compensation benefits paid under Federal or State law; but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) Certain amounts excluded.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) Definitions.—As used in this section:

"(1) United states.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) Child support.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which the individual has such an obligation, and (subject to and in accordance with State law) includes payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children, and includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(3) Alimony.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) Private person.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) Legal process.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) Conforming Amendments.—

(1) To part D of title IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) To title 5, United States Code.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) Military Retired and Retainer Pay.—

(1) Definition of court.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) Definition of court order.—Section 1408(a)(2) of such title is amended by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which—".

(3) Public payee.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(or for benefit of)" before "Spouse or"; and

(B) in paragraph (1), in the 1st sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) Relationship to part D of title IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) Relationship to Other Laws.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has

never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 464. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 463(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following: "In the case of a spouse or former spouse who assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

SEC. 465. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 421 of this Act, is amended by adding at the end the following new subsection:

"(g) In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 466. WORK REQUIREMENT FOR PERSONS OWING CHILD SUPPORT.

Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 401(a), 415, 417(a), and 423 of this Act, is amended by adding at the end the following new paragraph:

"(16) Procedures requiring the State, in any case in which an individual owes support with respect to a child receiving services under this part, to seek a court order or administrative order that requires the individual to—

"(A) pay such support in accordance with a plan approved by the court; or

"(B) if the individual is not working and is not incapacitated, participate in work activities (including, at State option, work activities as defined in section 482) as the court deems appropriate.".

SEC. 467. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 416 and 446(b) of this Act, is amended by adding at the end the following new subsection:

"(o) As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.".

SEC. 468. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7)(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.".

SEC. 469. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.".

SEC. 470. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 415, 417(a), and 423 of this Act, is amended by adding at the end the following new paragraph:

"(15) Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 471. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 446, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(30) that an individual owes arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 471(b) of the Family Self-Sufficiency Act of 1995.

"(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE CSE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 404(a), 412(b), 413(a), 433, and 444(a), is amended—

(A) by striking "and" at the end of paragraph (28);

(B) by striking the period at the end of paragraph (29) and inserting "; and"; and

(C) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(k) (concerning denial of passports) determinations that individuals owe arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State, upon certification by the Secretary of Health and Human Services, in accordance with section 452(k) of the Social Security Act, that an individual owes arrearages of child support in excess of $5,000 or in an amount exceeding 24 months' worth of child support, shall refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

Subtitle H—Medical Support

SEC. 475. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 476. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 415, 417(a), 423, and 469 of this Act, is amended by adding at the end the following new paragraph:

"(16) Procedures under which all child support orders enforced under this part shall include a provision for the health care coverage of the child, and in the case in which an absent parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the absent parent's health plan, unless the absent parent contests the notice.".

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

SEC. 481. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following new section:

"SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1996 or 1997; or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or nonprofit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

Subtitle J—Effect of Enactment

SEC. 491. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this title.

Amend the title so as to read: "An Act to enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.".

Mr. DOLE. There is an old saying that "everybody talks about the weather, but nobody does anything about it."

For the past several years, that saying could also apply to welfare reform. Everyone talked about it, but nobody did anything about it that really mattered.

That will change Monday, when we begin serious debate. In fact, it will change today because we will introduce the substitute here in a moment. But on Monday, the Senate will begin serious debate on the Work Opportunity Act of 1995.

There is a true national consensus to transform welfare from a program that does not work into one that does. It is my intention that once the Senate begins to talk about welfare reform, we will continue until we actually have done something about it. And when all the talking is done, I believe we will pass legislation that will transform welfare from a failed system into one that succeeds in providing work, hope, and opportunity for many, many Americans in need.

At the center of our debate will be the legislation introduced this week by 33 Senate Republicans including the entire Senate Republican leadership. I am also very proud that our legislation has the support of a majority of America's Governors. Hopefully, it is bipartisan, but I can say that there are 30 Republican Governors out of the 50 States, and 30 Republican Governors represent 70 percent of the people in America, and every one of the 30 Republican Governors support our legislation.

Our bill is based on three conservative principles:

First and foremost, welfare reform should be designed and run by those closest to the problem—the States. Not by Washington, not by some faceless, nameless bureaucrat but by the States, by the State legislators and by the Governors and the people they appoint. We believe this is the key to true conservative reform. The Congress has dedicated itself to restoring the 10th amendment to the Constitution and to getting the Federal Government out of the mandate business, and States should not have to play a game of "mother may I" with the Federal Government when it comes to welfare.

Second: Welfare programs should include a real work requirement which in no uncertain terms requires able-bodied welfare recipients to find a job rather than to stay at home or stay in a training program forever. And make no mistake about it; our legislation contains real work requirements.

And third: No program with an unlimited budget will ever be made to work effectively and efficiently. Therefore, we must put a cap on welfare spending.

We will be discussing those principles in greater detail during the debate. I believe the entire Senate, Republicans and Democrats, begins this debate united in many ways. We begin united in the knowledge that our current welfare system is broke, and we begin united in a commitment to fix it.

We have made valiant efforts in the past. And I see my colleague from New York who is the expert on welfare and has been for some 30 years in my memory and who has made a lot of suggestions that had we followed years ago, we would not be in the trouble we are today; they were not followed. I hope that he will enlist in our efforts to make some rather radical changes.

That is not to say we are not going to have disagreements. I hope it is not going to be party line. In my view, the best we can do when it comes to the Work Opportunity Act of 1995, or whatever title other Members may have on their bills, is to work together, iron out some of the problems we have, and have a big vote for change in this Senate Chamber.

There will be a number of close votes during the debate, but by remembering what unites us, I feel confident we will pass a bill with wide bipartisan support. I hope this is a bill we do not have to go through the cloture exercise; that we do not have a filibuster either by amendment or by intent because it seems to me if we have—I know Senator PACKWOOD, the chairman of the Finance Committee, will be leading the debate on this side. He is a very early riser. He will be willing to start at 7, 6, 7:30, 8 o'clock, and so there will be—I do not know how many literally—not hundreds of hours but 40, 50, 60 hours of debate, so hopefully we can move very quickly once we start on Monday.

AMENDMENT NO. 2280

Mr. DOLE. I send to the desk my amendment to the underlying bill, H.R. 4 in the form of a first-degree amendment.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE] proposes an amendment numbered 2280.

Mr. DOLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(The amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DOLE. I know the amendment is probably several hundred pages.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. I just say for the information of all Senators, my first-degree amendment will be printed and available for all Members by late Monday morning. We believe we have introduced it in a way that when someone offers an amendment, they can be sure they are going to get a vote on their amendment. Nobody is going to be able to second degree it. If the Senator from New York has an amendment, there will be a vote on that amendment. It might be a tabling motion, but there will be a vote on or in relation to the amendment.

So I think we are ready to go, and I know the Senator from New York has been waiting to make a statement. I appreciate his patience.

Mr. MOYNIHAN. May I first thank the distinguished majority leader, the Republican leader, for the tone and the openness with which he begins once again a welfare debate.

We did this 7 years ago with the Family Support Act of 1988. I had introduced it a year earlier.

It was a bipartisan measure. It passed the Senate 96-1. President Reagan signed it in the company of the Governors who had been so much involved, then chairman of the association, Governor Clinton of Arkansas; the chairman of the committee of the Governors' Association concerned with this matter; then-Governor Castle of Delaware, now Representative Castle.

I regret that the time now has seemingly come when we will be asked to put an end to the Federal commitment to sharing State efforts to provide for the dependent children. They are a massive number. They overwhelm the capacity of our great cities. Would the Senator from Kansas believe, for example, that in the city of Los Angeles, 62 percent of all children are on AFDC, in Chicago 44 percent, in New York 28 percent, and in Detroit 79 percent? This is beyond—this is a social experience which we have had, of which there is no counterpart.

We put in place legislation in 1988, which has been working. States have been innovating. The results are beginning to appear. I will have a bill which is offered in the Finance Committee, the Family Support Act of 1995, bringing it up to date as I believe we should. The distinguished Democratic leader, with Senator MIKULSKI and Senator BREAUX, will have measures. We will have amendments. We will have a good debate. It need not be an endless debate. I hope the outcome will be better than is now forecast. And we will see.

Mr. President, I thank the Senate for giving me this time late in the day. I look forward to 10:30 on Monday morning when we will commence.

I yield the floor.

Mr. DOLE. I thank the Senator from New York.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

BEST WISHES TO ELIZABETH MACDONOUGH

Mr. DOLE. Mr. President, the Senate will lose one of its most dedicated floor staffers today. Elizabeth MacDonough will be leaving us to attend law school this fall at the University of Vermont. Liz has worked in the Senate for the past 5 years, first in the Senate Library as a legislative reference assistant, and then as the assistant morning business editor of the CONGRESSIONAL RECORD. In addition to her duties preparing the morning business section of the RECORD, Liz can be found sitting at the corner of the Reporters' table in the well of the Senate, listening intently to our every word, ready to chase us down to retrieve those materials we have asked to have printed in the RECORD. We will miss her dedication and wonderful sense of humor. On behalf of all Senators, I say farewell and wish her good luck in all her future endeavors.

Mr. DASCHLE. Mr. President, let me also associate myself with the remarks of the majority leader with regard to Elizabeth McDonough. We will miss her. She has been a delight to work with. We wish her well as she goes on to school and hope that she comes back frequently. She has been a very, very important member of the floor staff, and we are delighted to have had the opportunity to work with her.

BASE CLOSURE COMMUNITY REDEVELOPMENT AND HOMELESS ASSISTANCE ACT

Mr. LAUTENBERG. Mr. President, the 1994 Base Closure Community Redevelopment and Homeless Assistance Act Public Law 103–421, signed into law October 25, 1994, applied not only to bases that would thereafter be designated for closure, but also to bases previously designated under the 1990 and 1988 Base Closure Acts, so long as the recognized redevelopment authority for the base elected within 60 days after enactment to proceed under the 1994 Act. The 1994 Act then set out a schedule for preparation, review, and approval of redevelopment plans and the ultimate disposal of property by the Government pursuant to such plans. This process will unavoidably extend beyond the end of the current fiscal year. Indeed, regulations to guide the implementing agencies and local redevelopment authorities under the 1994 Act will be published on Monday, August 7, 1995.

In order to fulfill the intent and purpose of the 1994 Act, the Department of Defense must retain authority to dispose of bases closed in the 1988 and 1990 Acts, beyond the end of the current fiscal year. Unfortunately, the General Services Administration's original delegation of its authority to dispose of surplus property to the DOD was by its own terms set to expire October 1, 1995. Particularly in light of later amendments to the base closure laws which clarified that DOD's disposal authority was to extend beyond that date, GSA should renew—indeed, it is required—to extend its delegation of authority.

This matter is of great interest to the local redevelopment authority in East Hanover Township, NJ, which is working within the 1994 Act to prepare a redevelopment plan for a small base closed under the 1988 Act. I understand that there are one or more bases around the country similarly situated.

I had intended to offer an amendment to make it absolutely clear that DOD's disposal authority continues beyond the current fiscal year, and mandate the appropriate delegation of authority by GSA. However, I have received assurances from the GSA that it fully intends to extend its delegation of authority. I have also received a copy of a memorandum from DOD's general counsel's office expressing its view that DOD retains its disposal authority. In reliance on these statements, I will withhold my amendment.

However, I would like to seek the commitment from the chairman and ranking member that they will seek an appropriate legislative solution in conference, should it appear before conference is completed that, for some reason, the delegation will not be renewed by the agencies.

Mr. THURMOND. It is certainly the intent of the committee that the DOD shall continue to exercise authority beyond October 1, 1995, to dispose of 1988 bases whose redevelopment authorities elected to proceed under the 1994 Act. The appropriate agencies are apparently on track to make sure that the authority is in place. However, if there is a snag, I assure my colleague from New Jersey that we will be prepared to correct the matter in conference. In the meantime, I appreciate my colleague's withholding his amendment at this time.

Mr. NUNN. I concur with the chairman and join in his commitment.

Mr. LAUTENBERG. I thank my distinguished colleagues. I ask unanimous consent that the full text of a letter to me from the General Services Administration be placed in the RECORD, along with a memorandum from the general counsel's office of DOD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GENERAL SERVICES
ADMINISTRATION,
PUBLIC BUILDINGS SERVICE,
Washington, DC, August 3, 1995.

Hon. FRANK LAUTENBERG,
U.S. Senate,
Washington, DC.

DEAR SENATOR LAUTENBERG: As discussed with Mr. Mitch Warren of your staff and Ms. Marcia Herzog of the General Service Administration (GAS's) Office of Congressional and Intergovernmental Affairs, I am responding to your concerns with respect to GSA's extension of disposal authority to the Department of Defense (DOD) pursuant the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526) of October 24, 1988. The delegation, under its own terms, will expire on October 1, 1995.

Last week this Office received from DOD the Fiscal Year 1994 Annual Report, required by the current delegation, detailing DOD's exercise of the Administrator of General Services' disposal authority under the Federal Property and Administrative Services Act of 1949, as amended. As discussed with Mr. Warren on July 25, 1995, receipt of this report was requisite to our extension of the delegation.

We are in the process of reviewing DOD's report. Upon completion of our review, we intend to transmit an extension to DOD no later than August 31, 1995.

I hope this information is responsive to your concerns.

Sincerely,

DAVID L. BIBB
(FOR KENNETH R. KIMBROUGH,
Commissioner).

DEPARTMENT OF DEFENSE,
OFFICE OF GENERAL COUNCIL,
Washington, DC, August 2, 1995.

MEMORANDUM FOR THE SPECIAL ASSISTANT TO THE ASSISTANT SECRETARY OF DEFENSE FOR ECONOMIC SECURITY

Subject: Status of the Delegation of GSA's Authority Under the Federal Property and Administrative Services Act of 1949 with respect to Installations Closed or Realigned Pursuant to the Base Closure and Realignment Act of 1900

The 1988 BRAC Act directed the Administrator of GSA to delegate him authority under Federal Property and Administrative Services Act of 1949 with respect to property at installations closed or realigned pursuant to the 1988 BRAC Act to the Secretary of Defense. 1988 BRAC Act at Section 204(b). The Administrator's delegation to the Secretary of Defense pursuant to this provision was issued with an expiration date of September 30, 1995.

Under the 1988 BRAC Act, the authority of the Secretary to carry out any closure or realignment "shall terminate on October 1, 1995," except that the termination of authority "shall not apply to the authority of the Secretary to carry out . . . disposal of property of [1 military installations closed or realigned under this title." BRAC Act at Section 202(c). Because the 1980 BRAC Act as originally enacted did not contain any exemption from the general termination of authority, the limited term delegation of authority by GSA was entirely appropriate. However, as the 1988 BRAC Act is currently written (as the result of amendment over the years), there is no question that the Administrator of GSA is obligated to delegate his authority to the Secretary of Defense with respect to BRAC 1988 installations. This legal conclusion has been agreed to by all parties within the Department of Defense who have examined the issue, including the Department of the Army, and it has been agreed to by Rich Butterworth, the lawyer for GSA who is responsible for all BRAC-related issues.

The Department of the Army has been acting as DoD's executive agent for purposes of securing an extension to the GSA delegation. It has shared a draft request for an extension with GSA, and the only issue that arose as a result was the fact that DoD had failed to submit a report on the disposition of properties pursuant to the delegated authority to GSA. GSA told the Army that it would not extend the delegation until DoD submitted the required report, but it also told the Army that there were no other impediments, legal or otherwise, that would therefore with the issuance of a new delegation.

In response to inquiries about the tardy report, work on the report was promptly completed, and the report was submitted from DoD to GSA more than two weeks ago. I have been informed by GSA that there are no remaining barriers to the issuance of an extended delegation.

The formal request for a new delegation, however, has not yet been submitted by DoD. The request is being staffed by the Department of the Army, and the Army anticipates that it will clear its review process shortly after the end of this week, I have requested the Army to forward the request to your offices, to the attention of Robert Hertfeld, for prompt proceeding.

ROBERT S. TAYLOR,
Deputy General Counsel,
Environment and Installations.

IS CONGRESS IRRESPONSIBLE? CONSIDER THE ARITHMETIC

Mr. HELMS. Mr. President, the impression will not go away: The $4.9 trillion Federal debt stands today as a sort of grotesque parallel to television's energizer bunny that appears and appears and appears in precisely the same way that the Federal debt keeps going up and up and up.

Politicians like to talk a good game—and "talk" is the operative word—about reducing the Federal deficit and bringing the Federal debt under control. But watch how they vote.

Control, Mr. President. As of Thursday, August 3, at the close of business, the total Federal debt stood at exactly $4,956,664,786,501.42 or $18,815.58 per man, woman, child on a per capita basis. Res ipsa loquitur.

Some control, is it not?

AGREEMENT BETWEEN THE UNITED STATES AND THE GOVERNMENT OF THE REPUBLIC OF BULGARIA—MESSAGE FROM THE PRESIDENT—PM 75

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to sections 123 b. and 123 d. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b), (d)), the text of a proposed Agreement Between the Government of the United States of America and the Government of the Republic of Bulgaria for Cooperation in the Field of Peaceful Uses of Nuclear Energy with accompanying annex and agreed minute. I am also pleased to transmit my written approval, authorization, and determination concerning the agreement, and the memorandum of the Director of the United States Arms Control and Disarmament Agency with the Nuclear Proliferation Assessment Statement concerning the agreement. The joint memorandum submitted to me by the Secretary of State and the Secretary of Energy, which includes a summary of the provisions of the agreement and various other attachments, including agency views, is also enclosed.

The proposed agreement with the Republic of Bulgaria has been negotiated in accordance with the Atomic Energy Act of 1954, as amended by the Nuclear Non-Proliferation Act of 1978 and as otherwise amended. In my judgment, the proposed agreement meets all statutory requirements and will advance the non-proliferation and other foreign policy interests of the United States. It provides a comprehensive framework for peaceful nuclear cooperation between the United States and Bulgaria under appropriate conditions and controls reflecting our strong common commitment to nuclear non-proliferation goals.

Bulgaria has consistently supported international efforts to prevent the spread of nuclear weapons. It was an original signatory of the Non-Proliferation Treaty (NPT) and has strongly supported the Treaty. As a subscriber to the Nuclear Supplier Group (NSG) Guidelines, it is committed to implementing a responsible nuclear export policy. It played a constructive role in the NSG effort to develop additional guidelines for the export of nuclear-related dual-use commodities. In 1990 it initiated a policy of requiring full-scope International Atomic Energy Agency (IAEA) safeguards as a condition of significant new nuclear supply to other nonnuclear weapon states.

I believe that peaceful nuclear cooperation with Bulgaria under the proposed agreement will be fully consistent with, and supportive of, our policy of responding positively and constructively to the process of democratization and economic reform in Eastern Europe. Cooperation under the agreement will also provide opportunities for U.S. business in terms that fully protect vital U.S. national security interests.

I have considered the views and recommendations of the interested agencies in reviewing the proposed agreement and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and authorized its execution and urge that the Congress give it favorable consideration.

Because this agreement meets all applicable requirements of the Atomic Energy Act, as amended, for agreements for peaceful nuclear cooperation, I am transmitting it to the Congress without exempting it from any requirement contained in section 123 a. of that Act. This transmission shall constitute a submittal for purposes of both sections 123 b. and 123 d. of the Atomic Energy Act. The Administration is prepared to begin immediately the consultations with the Senate Foreign Relations and House Foreign Affairs Committees as provided in section 123 b. Upon completion of the 30-day continuous session period provided for in section 123 b., the 60-day continuous session period provided for in section 123 d. shall commence.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 4, 1995.*

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-277. A petition from a citizen of the State of Kansas relative to the Federal Reserve Bank; to the Committee on the Judiciary.

POM-278. A petition from a citizen of the State of Kansas relative to the Federal Reserve Bank; to the Committee on the Judiciary.

POM-279. A petition from a citizen of the State of Kansas relative to the Federal Reserve Bank; to the Committee on the Judiciary.

POM-280. A petition from a citizen of the State of Nebraska relative to the Federal Reserve Bank; to the Committee on the Judiciary.

POM-281. A petition from a citizen of the Commonwealth of Massachusetts relative to impeachment; to the Committee on the Judiciary.

POM-282. A petition adopted by the Council of the City of Toledo, Ohio relative to the assault weapons ban; to the Committee on the Judiciary.

POM-283. A resolution adopted by the Unitarian Universalist Congregation of the City of Binghamton, New York relative to the school prayer; to the Committee on the Judiciary.

POM-284. A joint resolution adopted by the Legislature of the State of Illinois; to the Committee on the Judiciary.

"HOUSE JOINT RESOLUTION NO. 33

"Whereas, although the right of free expression is part of the foundation of the Constitution of the United States, very carefully drawn limits on expression in specific instances have long been recognized as legitimate means of maintaining public safety and prohibiting patently offensive behavior; and

"Whereas, certain actions, although arguably related to rights of expression, nevertheless raise issues concerning public decency, public peace, and the rights of other citizens; and

"Whereas, certain symbols of our national soul, such as the Washington Monument, the United States Capitol, and memorials to our greatest Leaders, are the property of every American and are worthy of protection from desecration and dishonor; and

"Whereas, the United States Flag is a most honorable and worthy symbol of a nation that is thankful for its strengths and committed to curing its faults, a nation that remains the destination of millions of immigrants attracted by the universal power of the America ideal; and

"Whereas, the law as interpreted by the United States Supreme Court no longer accords the Flag the reverence, respect, and dignity befitting that symbol of the most noble experiment of a nation-state; and

"Whereas, it is appropriate that people everywhere should forcefully call for restoration of the Flag to a proper status that is protected by law and decency; therefore, be it

"*Resolved, by the House of Representatives of the Eighty-Ninth General Assembly of the State of Illinois, the Senate concurring herein,* That we urge the Congress of the United States to propose to the States an amendment to the Constitution of the United States which specifies that Congress and the States have the power to prohibit the physical desecration of the United States Flag; and be it further

"*Resolved*, That suitable copies of this resolution be delivered to the President pro tempore of the United States Senate, the Speaker of the United States House of Representatives, and each member of the Illinois Congressional Delegation."

POM-285. A resolution adopted by the Senate of the General Assembly of the State of Colorado; to the Committee on the Judiciary.

"SENATE MEMORIAL 95-2

"Whereas, our government is based upon the principle that all political power is vested in and derived from the people and that all persons have certain essential and inalienable rights; and

"Whereas, in support of the amendments to the Constitution, James Madison stated to the United States House of Representatives that he believed '. . . that the great mass of the people who opposed (the new Constitution) disliked it because it did not contain effectual provisions against the encroachments on particular rights, and those safeguards which they have been long accustomed to have interposed between them and the magistrate who exercises the sovereign power . . .'; and

"Whereas, after considerable debate, the Constitution of the United States was amended by the first ten amendments collectively known as the Bill of Rights in order to formally recognize and establish the inalienable rights of each and every individual; and

"Whereas, all of the rights protected in the United States Bill of Rights are important and should be respected; and

"Whereas, the Fourth Amendment states: 'The right of the people to be secure in their persons, houses, papers and effects against unreasonable searches and seizures shall not be violated; and no warrant shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.'; and

"Whereas, the exclusionary rule has been central to implementation of the Fourth Amendment in the federal courts for almost a century; and

"Whereas, the exclusionary rule has worked well to protect the privacy and dignity of all Americans and to protect the integrity of law enforcement; and

"Whereas, our government must avoid federal attempts through legislation to weaken the Fourth Amendment; and

"Whereas, the inevitable result of federal attempts to weaken the Fourth Amendment would be an increase in the number of warrantless searches and a decrease in the privacy rights of all Americans, the innocent as well as the guilty: Now, therefore, be it

"*Resolved by the Senate of the Sixtieth General Assembly of the State of Colorado:* That we, the members of the Colorado Senate, hereby support the right of citizens to be free from unreasonable searches and seizures as set out in the current language of the Fourth Amendment to the United States Constitution and urge Congress to make every effort necessary to protect the integrity of the Fourth Amendment, be it further

"*Resolved*, That copies of this Memorial be transmitted to the Clerk of the United States Senate, the Clerk of the United States House of Representatives, the Governor of the State of Colorado, and the Colorado Congressional Delegation."

POM-286. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary.

"SENATE CONCURRENT RESOLUTION NO. 33

"Whereas, the United States flag is a symbol of patriotism and celebration of American freedom; and

"Whereas, desecration of the flag disgusts and enrages many citizens of the United States, including veterans who have fought to uphold what the flag symbolizes; and

"Whereas, the Supreme Court of the United States has held that flag burning is protected speech under the First Amendment of the Constitution of the United States and consequently, cannot be banned; and

"Whereas, congressional votes in both houses fell just short of the two-thirds majority needed for a constitutional amendment to ban flag burning in 1990; and

"Whereas, the Citizens Flag Alliance has currently signed up one hundred eighty-four sponsors in the House of Representatives and Senate for a bill to overturn the Supreme Court rulings; and

"Whereas, a Gallup Poll commissioned by the American Legion showed that as many as eighty percent of Americans support a ban on flag burning, therefore, be it

"*Resolved*, That the Legislature of Louisiana memorializes the Congress of the United States to propose an amendment to the Constitution of the United States to prohibit the burning of the United States flag, be it further

"*Resolved*, That a copy of this Resolution shall be transmitted to the secretary of the United States Senate and the clerk of the United States House of Representatives and to each member of the Louisiana congressional delegation."

POM-287. A joint resolution adopted by the Legislation of the State of Nevada; to the Committee on the Judiciary.

"SENATE JOINT RESOLUTION NO. 2

"WHEREAS, the United States Supreme Court, in *Misouri v. Jenkins*, 110 Sup. Ct. 1651 (1990), extended the power of the judicial branch of government by holding that a federal court has the power to order an increase in state and local taxes; and

"WHEREAS, this unprecedented decision violates one of the fundamental tenets of the doctrine of separation of powers, that the members of the federal judiciary should not have the power to tax; and

"WHEREAS, in response to this decision, several members of Congress have introduced a proposal to amend the Constitution of the United States to reestablish the principle that the judiciary does not have the power to tax; and

"WHEREAS, in addition to being introduced in Congress such a constitutional amendment, has also been proposed by several states; and

"WHEREAS, the passage of such a constitutional amendment, first by a two-thirds majority in both houses of Congress and then by three-fourths of the several states' legislatures or conventions, would serve to reverse an erroneous decision; and

"WHEREAS, the proposed amendment to the Constitution of the United States properly seeks to prevent federal courts from levying or increasing taxes without representation of the people and against the people's wishes; Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada jointly*," That the Nevada Legislature hereby urges Congress to propose and submit to the several states for ratification an amendment to the Constitution of the United States, providing that neither the Supreme Court of the United States nor any inferior court of the United States has the power to instruct or order a state or political subdivision thereof, or an officer of a state or political subdivision, to levy or increases taxes; and be it further

"*Resolved*, That the Nevada Legislature calls upon the Nevada Congressional Delegation to use immediately the full measure of their resources and influence to ensure the passage of the amendment to the Constitution of the United States; and be it further

"*Resolved*, That the Nevada Legislature urges the legislatures of each of the several states comprising the United States which have not yet made similar requests to urge Congress to propose and submit to the several states for ratification an amendment to the Constitution of the United States; and be it further;

"*Resolved*, That the Secretary of the Senate prepare and transmit a copy of this resolution to the Vice President of the United States as the presiding officer of the Senate, the Speaker of the House of Representatives, each member of the Nevada Congressional Delegation, and the presiding officer any minority party leader in each house of the legislatures of each state in the Union; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-288. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on the Judiciary.

"ASSEMBLY JOINT RESOLUTION NO. 34

"Whereas, the protection, conservation and allocation of taxes collected from the residents of this state is a matter within the purview of the Nevada Legislature; and

"Whereas, the State of Nevada has finite resources for funding services and programs which are essential to the residents of this state; and

"Whereas, the State of Nevada is firmly committed to complying fully with all constitutional requirements for the care and custody of prisoners in this state and with any applicable order concerning the care and custody of prisoners entered by a court of competent jurisdiction; and

"Whereas, judicial decisions requiring this state to provide care and custody of prisoners which exceeds constitutional requirements may have a detrimental fiscal impact upon this state; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly*, That the Nevada Legislature urges the Congress of the United States to pass legislation that would prohibit a court from limiting or reducing the number of prisoners housed in an institution unless a plaintiff proves that overcrowding is the primary cause of the deprivation of a constitutional right and that no other relief would remedy that deprivation, and would limit any relief ordered by the court to that which is necessary to remove the conditions depriving the plaintiff of the constitutional right; and be it further

"*Resolved*, That the Chief Clerk of the Assembly prepare and transmit a copy of this resolution to the Vice President of the United States as presiding officer of the Senate, the Speaker of the House of Representatives and each member of the Nevada Congressional Delegation; and be it further

"*Resolved*, That this resolution becomes effective upon passage and approval."

POM-289. A concurrent resolution adopted by the Legislature of the State of Texas; to the Committee on the Judiciary.

"HOUSE CONCURRENT RESOLUTION NO. 30

"Whereas, in response to an Act of Congress approved April 10, 1869, the 12th Legislature of the State of Texas convened in Provisional Session from February 8 to February 24, 1870, and ratified Amendments XIII, XIV, and XV to the United States Constitution; and

"Whereas, those federal constitutional amendments, each ratified by separate joint resolutions of the 12th Legislature on February 15, 1870, solidified some of the most precious rights that have been guaranteed constitutionally to Americans, particularly ethnic minorities who were granted the blessings of equal citizenship and the beginning of an end to their past oppression; and

"Whereas, Amendment XIII eliminated forever the practice of slavery, Amendment XIV promised due process and the equal protection of the laws, and Amendment XV prohibited denial of suffrage on the grounds of race, color, or previous condition of servitude; and

"Whereas, over time, copies of the three resolutions regrettably have vanished from the holdings of the Texas state archives, yet others are preserved in Washington, D.C., by virtue of their certification and transmittal to the Secretary of State of the United States and to the presiding officers of the United States Congress; and

"Whereas, the 1995 Regular Session of the 74th Legislature coincides with the 125th anniversary of these historic ratification actions and marks an appropriate time for the conveyance to this state of replicas of the three resolutions so that Texans may view and appreciate a series of documents that have played such an important role in the extension and elaboration of their civil rights: Now, therefore, be it

"*Resolved*, That the 74th Legislature of the State of Texas, Regular Session, 1995, hereby respectfully request the National Archives and Records Administration to make copies of the joint resolutions of the 12th Texas Legislature ratifying Amendments XIII, XIV, and XV to the United States Constitution and transmit those copies to the Texas State Library and Archives Commission for placement in the state archives; and, be it further

"*Resolved*, That the Texas secretary of state forward copies of this resolution to the archivist of the United States at the National Archives and Records Administration, to the vice-president of the United States and speaker of the United States House of Representatives with a request that this resolution be officially entered in the Congressional Record, and to all members of the Texas delegation to the United States Congress, as an official request to the federal government by the 74th Legislature of the State of Texas; and be it further

"*Resolved*, That if and when such replicas are received from the National Archives and Records Administration, the Texas State Library and Archives Commission be hereby directed to place them in the holdings of the state archives to be available for public viewing and photocopying and in all other respects to be treated as any other material worthy of archival storage and retrieval."

POM-290. A joint resolution adopted by the General Assembly of the State of Tennessee; to the Committee on the Judiciary.

"SENATE JOINT RESOLUTION NO. 15

"Whereas, the founders of our nation appended to the Constitution of the United States ten amendments commonly known as the Bill of Rights; and

"Whereas, the First Amendment of the Constitution of the United States provides that 'Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances'; and

"Whereas, the Ninth Amendment of the Constitution of the United States provides that 'The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people'; and

"Whereas, the clear and express intent of the framers of the Constitution was to prevent the Federal Government from interfering with the right of the people to freely exercise and express their religious beliefs; and

"Whereas, for more than one hundred and fifty years the people, acting through their state and local governments, enjoyed the freedom to provide for prayer and religious expression in their schools and public assemblies; and

"Whereas, beginning in the 1960's, the United States Supreme Court has issued a series of rulings that have systematically stripped from the people their historic and constitutionally guaranteed right to provide for prayer, religious study and religious expression in schools and public assemblies; and

"Whereas, to date, the Congress of the United States has failed or refused to restore to the people their right to provide for prayer, religious study and religious expression in schools and public assemblies; and

"Whereas, it is now time for the citizens of this nation to reclaim and reassert our First Amendment rights which constitutionally guarantee our freedom of religion and freedom of religious expression: Now, therefore, be it

"*Resolved by the Senate of the Ninety-Ninth General Assembly of the State of Tennessee, the House of Representatives concurring*, That this General Assembly hereby memorializes the United States Congress to propose an amendment to the United States Constitution to restore to the American people the right to free religious expression, including the right to allow non-sectarian prayer, religious study and religious expression in public schools and other public assemblies, and to submit such constitutional amendment to the several states for proper ratification, be it further

"*Resolved*, That the Chief Clerk of the Senate is directed to transmit an enrolled copy of this resolution to the Speaker and the Clerk of the U.S. House of Representatives; the President and the Secretary of the U.S. Senate; and to each member of Tennessee's Congressional delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BOND, from the Committee on Small Business, with an amendment in the nature of a substitute:

S. 895. A bill to amend the Small Business Act to reduce the level of participation by the Small Business Administration in certain loans guaranteed by the Administration, and for other purposes (Rept. No. 104–129).

ADDITIONAL COSPONSORS

S. 895

At the request of Mr. BOND, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from Minnesota [Mr. WELLSTONE], the Senator from Montana [Mr. BURNS], and the Senator from Maine [Ms. SNOWE] were added as cosponsors of S. 895, a bill to amend the Small Business Act to reduce the level of participation by the Small Business Administration in certain loans guaranteed by the Administration, and for other purposes.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

MIKULSKI (AND SARBANES) AMENDMENT NO. 2126

(Ordered to lie on the table.)

Ms. MIKULSKI (for herself and Mr. SARBANES) submitted an amendment intended to be proposed by them to the bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

On page 468, below line 24, add the following:

SEC. 2825. CONSOLIDATION OF DISPOSAL OF PROPERTY AND FACILITIES AT FORT HOLABIRD, MARYLAND.

(a) CONSOLIDATION.—Notwithstanding any other provision of law, the Secretary of Defense shall dispose of the property and facilities at Fort Holabird, Maryland, described in subsection (b) in accordance with the provisions of the 1990 base closure law as such provisions apply to the closure or realignment of military installations approved for closure or realignment under that law in 1995.

(b) COVERED PROPERTY AND FACILITIES.—Subsection (a) applies to the following property and facilities at Fort Holabird, Maryland:

(1) Property and facilities that were approved for closure or realignment under the 1988 base Closure law that are not disposed of as of the date of the enactment of this Act, including buildings 305 and 306 and the parking lots and other property associated with such buildings.

(2) Property and facilities that are approved for closure or realignment under the 1990 base closure law in 1995.

(c) USE OF SURVEYS AND OTHER EVALUATIONS OF PROPERTY.—In carrying out the disposal of the property and facilities referred to in subsection (b)(1), the Secretary shall utilize any surveys and other evaluations of such property and facilities that are prepared by the Corps of Engineers before the date of the enactment of this Act as part of the process for the disposal of such property and facilities under the 1988 base closure law.

(d) DEFINITIONS.—In this section:

(1) The term "1988 base closure law" means title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(2) The term "1990 base closure law" means the Defense Base closure and Realignment

Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).

SEC. 2826. LAND CONVEYANCE, PROPERTY UNDERLYING CUMMINS APARTMENT COMPLEX, FORT HOLABIRD, MARYLAND.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any other provision of law, the Secretary of the Army may convey to the existing owner of the improvements thereon all right, title, and interest of the United States in and to a parcel of real property underlying the Cummins Apartment Complex at Fort Holabird, Maryland, consisting of approximately 6 acres.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the owner of the improvements referred to in that subsection shall pay to the United States an amount equal to the fair market value (as determined by the Secretary) of the property interest to be conveyed.

GLENN (AND OTHERS) AMENDMENT NO. 2127

(Ordered to lie on the table.)

Mr. GLENN (for himself, Mrs. FEINSTEIN, Mr. PELL, and Mr. MOYNIHAN) submitted an amendment intended to be proposed by them to the bill S. 1026, supra, as follows:

On page 49, between lines 14 and 15, insert the following:

SEC. 224. JOINT SEISMIC PROGRAM AND GLOBAL SEISMIC NETWORK.

To the extent provided in appropriations Acts, $9,500,000 of the unobligated balance of funds available to the Air Force for research, development, test, and evaluation for fiscal year 1995 for the Defense Support Program shall be available for continuation of the Joint Seismic Program and Global Seismic Network.

LEAHY AMENDMENT NO. 2128

Mr. LEAHY submitted an amendment intended to be proposed by him to the bill S. 1026, supra, as follows:

On page 358, beginning on line 5, strike out "personnel." and all that follows through line 8 on that page, and insert in lieu thereof "personnel.'.".

GRASSLEY AMENDMENT NO. 2129

Mr. GRASSLEY submitted an amendment intended to be proposed by him to the bill S. 1026. supra, as follows:

At the appropriate place in title X of the bill, insert the following:

SEC. 10_. REDUCTION IN OPERATIONAL SUPPORT AIRCRAFT FLEET.

(a) REDUCTION IN NUMBER OF AIRCRAFT.—(1) After September 30, 1996, the number of aircraft of the Department of Defense performing functions that as of June 1, 1995, were performed by aircraft designated as Operational Support Aircraft may not exceed three-quarters of the number of such aircraft as of June 1, 1995.

(2) After September 30, 1997, the number of aircraft of the Department of Defense performing functions that as of June 1, 1995, were performed by aircraft designated as Operational Support Aircraft may not exceed one-half of the number of such aircraft as of June 1, 1995.

(3) The Secretary of Defense may authorize a higher number of Operational Support aircraft to perform functions referred to in paragraph (1) or (2) than would otherwise be authorized under the applicable paragraph if the Secretary certifies to Congress that the additional Operational Support aircraft are required by reason of a war declared by Congress.

(b) EXECUTIVE AGENT.—The Secretary of Defense shall designate the Secretary of one of the military departments to be the executive agent of the Department of Defense for maintenance and operation of all fixed-wing aircraft performing the functions that were performed as of June 1, 1995, by aircraft designated as Operational Support Aircraft.

(c) REGULATIONS.—(1) The Secretary of Defense shall prescribe regulations for the operation, maintenance, and use of fixed-wing aircraft to perform the functions performed as of June 1, 1995, by aircraft designated as Operational Support Aircraft. The regulations shall apply uniformly throughout the Department of Defense.

(2) The regulations shall, to the maximum extent practicable, provide for the use of commercial airlines or aircraft (including charter services) to perform the functions referred to in paragraph (1).

(3) The regulations may not require the use of aircraft designated as Operational Support Aircraft by any group or class of individuals.

(d) NATIONAL CAPITAL AREA HELICOPTER USAGE.—After September 30, 1996, the only helicopters of the Department of Defense that may be used for administrative purposes in the National Capital area are the helicopters assigned for the support of the President.

(e) USE OF SAVINGS.—The Secretary of Defense shall utilize any savings that result from the operation of this section (including the regulations prescribed under subsection (c)) for purposes of maintaining and improving the readiness of the Armed Forces.

SMITH AMENDMENTS NOS. 2130–2131

(Ordered to lie on the table.)

Mr. SMITH submitted two amendments intended to be proposed by him to the bill, S. 1026, supra; as follows:

AMENDMENT NO. 2130

SEC. . DEPRESSED ALTITUDE GUIDED GUN ROUND SYSTEM.

Of the funds authorized for Army RDT&E, $5 million may be utilized to continue development of the Depressed Altitude Guided Gun Round System.

AMENDMENT NO. 2131

On page 468, strike lines 16 through 24 and insert the following:

"The requirements of subparagraph (B) shall not apply in any case in which the transfer of the property occurs or has occurred by means of a lease, without regard to whether the lessee has agreed to purchase the property or whether the duration of the lease is longer than 55 years. In the case of a lease entered into after September 30, 1995, with respect to real property located at an installation approved for closure or realignment under a base closure law, the agency leasing the property, in consultation with the Administrator, shall determine before leasing the property that the property is suitable for lease, that the uses contemplated for the lease are consistent with protection of human health and the environment, and that there are adequate assurances that the United States will take all remedial action referred to in subparagraph (B) that has not been taken on the date of the lease.".

McCAIN AMENDMENT NO. 2132

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 331, between lines 19 and 20, insert the following:

SEC. 1008. SUPPLEMENTAL FUNDING REQUESTS FOR COSTS OF PEACEKEEPING AND OTHER CONTINGENCY OPERATIONS.

(a) REQUIREMENT FOR TIMELY SUBMISSION.—(1) Chapter 9 of title 10, United States Code, is amended by inserting after section 227 the following:

"§ 228. Supplemental funding request for peacekeeping and other operations

"(a) IN GENERAL.—The procedures set forth in this section shall be followed in the case of each operation in which members of the armed forces are deployed—

"(1) to provide or to participate in providing support to a United Nations peacekeeping or peace enforcement operation;

"(2) to conduct an operation that is a contingency operation within the meaning of section 101(a)(13) of this title;

"(3) to provide or to participate in providing humanitarian assistance, disaster relief, or support for law enforcement (including immigration control) for which funds have not been specifically provided in advance; or

"(4) for a purpose (except for a training exercise) for which funds have not been specifically provided in advance.

"(b) REQUIREMENT FOR TIMELY SUBMISSION OF REQUEST.—Not later than 45 days after the date on which members of the armed forces are deployed in an operation described in subsection (a), the President shall submit to Congress the following:

"(1) A report containing the following information:

"(A) The objectives of the operation.

"(B) A discussion of the necessity for use of the armed forces.

"(C) The estimated duration of the operation and of deployment of armed forces personnel.

"(D) The estimated incremental cost of the operation to the United States.

"(E) The exit strategy and criteria for withdrawal.

"(F) The amount of any supplemental appropriations that are necessary to pay the estimated incremental cost enumerated as follows:

"(i) The amount necessary for reimbursing appropriations used to pay any of such costs.

"(ii) The amount necessary to pay any of such costs that are not paid out of existing appropriations.

"(2) Either—

"(A) a request for a supplemental appropriation of the funds necessary for paying all of the incremental costs of the operation (either directly or by reimbursement of other appropriations used for paying such costs) together with a request for rescission of funds from one or more appropriations to departments and agencies of the Federal Government in amounts sufficient to fully offset the total amount of the supplemental funding requested; or

"(B) if the President determines that it is necessary in the national security interests of the United States, an emergency supplemental appropriation request for paying all of the incremental costs of the operation (either directly or by reimbursement of other appropriations used for paying such costs).

"(c) REQUIREMENTS RELATING TO ADDITIONAL SUPPLEMENTAL APPROPRIATIONS.—If, after a supplemental appropriation has been requested for an operation under subsection (b) and has been provided by law, an additional supplemental appropriation becomes necessary for the operation before the withdrawal of all armed forces personnel from the operation, the President shall submit to Congress a revised report described in paragraph (1) of subsection (b) and an additional request for supplemental funding and rescissions, or for an emergency supplemental funding and rescissions, or for an emergency supplemental appropriation, as described in paragraph (2) of such subsection. The President shall submit the revised report and the request for additional supplemental funding and rescission, or for an emergency supplemental appropriation, as soon as the President determines that the additional supplemental appropriation is necessary.

"(d) REPORT ON MATERIAL CHANGES.—Within seven days after the President determines that there has been a material change in circumstances discussed in a report under subsection (b)(1), the President shall submit to Congress a revised report incorporating each material change.

"(e) TRANSFER AND USE OF FUNDS PRIOR TO SUPPLEMENTAL APPROPRIATIONS.—(1) Whenever armed forces personnel are deployed in an operation of the Department of Defense described in subsection (a), the Secretary of Defense shall, subject to the provisions of appropriations Acts, transfer amounts described in paragraph (2) to appropriations from which funds have been transferred or expended for incremental expenses of that operation in order to reimburse those appropriations for the amounts so transferred or expended. Amounts transferred under this paragraph shall be merged with, and be available for the same purposes and periods as, the appropriations to which transferred.

"(2) Transfers under this subsection may be made only from amounts appropriated to the Department of Defense for a fiscal year that remain available for obligation for administration and servicewide activities of the Department of Defense.

"(3) A transfer made from one appropriation to another under the authority of this subsection shall be deemed to increase the amount authorized for the appropriation to which transferred by an amount equal to the amount transferred.

"(4) Supplemental appropriations provided with respect to an operation when requested pursuant to this section shall be used to reimburse the appropriations from which transfers are made under this subsection.

"(5) The Secretary of Defense shall issue regulations to carry out this subsection.

"(f) WAIVER OF REQUIREMENT TO REIMBURSE SUPPORT UNITS.—(1) When a unit of the armed forces participating in an operation described in subsection (a) receives services from an element of the Department of Defense that operates through the Defense Business Operations Fund, any working capital fund, any revolving fund, or any fund similar to the Defense Business Operations Fund, the unit may not be required to reimburse that element of the department for any incremental cost incurred by that element of the department in providing such services, notwithstanding any other provision of law or any Government accounting practice, until supplemental appropriations are available for doing so.

"(2) The amounts to be reimbursed to an element of the Department of Defense (or a fund) out of a supplemental appropriation in accordance with paragraph (1) shall be recorded as an expense attributable to the operation and shall be accounted for separately.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 227 the following:

"228. Supplemental funding request for peacekeeping and other operations.".

(b) WAIVER OF DISCRETIONARY SPENDING FIREWALLS.—For purposes of supplemental appropriations and rescissions requested under subsection (b) or (c) of section 228 of title 10, United States Code (as added by subsection (a)), the discretionary spending limit provided in section 201 of House Concurrent Resolution 63 (104th Congress, first session) for fiscal year 1996 shall be the sum of the limits for the defense and nondefense categories.

(c) EXPEDITIOUS CONGRESSIONAL ACTION.—It is the sense of Congress that Congress should act expeditiously on requests for supplemental appropriations submitted in accordance with section 228 of title 10, United States Code, as added by subsection (a).

(d) INAPPLICABILITY OF TRANSFER AUTHORITY.—The transfer authority provided in section 1001 may not be exercised for purposes of funding operations referred to in section 228 of title 10, United States Code, as added by subsection (a).

(e) PROSPECTIVE APPLICABILITY TO OPERATIONS.—Section 228 of title 10, United States Code (as added by subsection (a)), shall apply only to operations described in subsection (a) of such section that begin on or after the date of the enactment of this Act.

(f) OPERATIONS BEFORE DATE OF ENACTMENT.—The President shall include in the budgets for fiscal years after fiscal year 1996 that are submitted to Congress under section 1105(a) of title 31, United States Code, any amounts that are necessary for paying all of the costs of any operation described in section 228(a) of title 10, United States Code (as added by subsection (a)), that began before the date of the enactment of this Act and is ongoing on such date.

McCAIN (AND FEINSTEIN) AMENDMENT NO. 2133

(Ordered to lie on the table.)

Mr. McCAIN (for himself and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra; as follows:

On page 468, below line 24, add the following:

SEC. 2825. IMPROVEMENT OF BASE CLOSURE AND REALIGNMENT PROCESS.

(a) APPLICABILITY.—Subparagraph (A) of section 2905(b)(7) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended by striking out "Determinations of the use to assist the homeless of buildings and property located at installations approved for closure under this part" and inserting in lieu thereof "Procedures for the disposal of buildings and property located at installations approved for closure or realignment under this part".

(b) REDEVELOPMENT AUTHORITIES.—Subparagraph (B) of such section is amended by adding at the end the following:

"(iii) The chief executive officer of the State in which an installation covered by this paragraph is located may assist in resolving any disputes among citizens or groups of citizens as to the individuals and groups constituting the redevelopment authority for the installation.".

(c) AGREEMENTS UNDER REDEVELOPMENT PLANS.—Subparagraph (F)(ii)(I) of such section is amended in the second sentence by striking out "the approval of the redevelopment plan by the Secretary of Housing and Urban Development under subparagraph (H) or (J)" and inserting in lieu thereof "the decision regarding the disposal of the buildings and property covered by the agreements by the Secretary of Defense under subparagraph (K) or (L)".

(d) REVISION OF REDEVELOPMENT PLANS.—Subparagraph (I) of such section is amended by inserting "the Secretary of Defense and" before "the Secretary of Housing and Urban Development" each place it appears.

(e) DISPOSAL OF BUILDINGS AND PROPERTY.—(1) Subparagraph (K) of such section is amended to read as follows:

"(K)(i) Upon receipt of a notice under subparagraph (H)(iv) or (J)(ii) of the determination of the Secretary of Housing and Urban Development that a redevelopment plan for an installation meets the requirements set forth in subparagraph (H)(i), the Secretary of Defense shall dispose of the buildings and property at the installation.

"(ii) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(iii) The Secretary shall dispose of buildings and property under clause (i) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give substantial deference to the redevelopment plan concerned.

"(iv) The disposal under clause (i) of buildings and property to assist the homeless shall be without consideration.

"(v) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ".

(2) Subparagraph (L) of such section is amended by striking out clauses (iii) and (iv) and inserting in lieu thereof the following new clauses (iii) and (iv):

"(iii) Not later than 90 days after the date of the receipt of a revised plan for an installation under subparagraph (J), the Secretary of Housing and Urban Development shall—

"(I) notify the Secretary of Defense and the redevelopment authority concerned of the buildings and property at an installation under clause (i)(IV) that the Secretary of Housing and Urban Development determines are suitable for use to assist the homeless; and

"(II) notify the Secretary of Defense of the extent to which the revised plan meets the criteria set forth in subparagraph (H)(i).

"(iv)(I) Upon notice from the Secretary of Housing and Urban Development with respect to an installation under clause (iii), the Secretary of Defense shall, after consultation with the Secretary of Housing and Urban Development and redevelopment authority concerned, dispose of buildings and property at the installation.

"(II) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(III) The Secretary shall dispose of buildings and property under subclause (I) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give deference to the redevelopment plan concerned.

"(IV) The disposal under subclause (I) of buildings and property to assist the homeless shall be without consideration.

"(V) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ".

(f) CONFORMING AMENDMENT.—Subparagraph (M)(i) of such section is amended by inserting "or (L)" after "subparagraph (K)".

(g) CLARIFICATION OF PARTICIPANTS IN PROCESS.—Such section is further amended by adding at the end the following:

"(P) For purposes of this paragraph, the term 'other interested parties', in the case of an installation, includes any parties eligible for the conveyance of property of the installation under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or subchapter II of chapter 471 of title 49, United States Code, whether or not the parties assist the homeless.".

(h) TECHNICAL AMENDMENTS.—Section 2910 of such Act is amended—

(1) by designating the paragraph (10) added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103-421; 108 Stat. 4352) as paragraph (11); and

(2) in such paragraph, as so designated, by striking out "section 501(h)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(h)(4))" and inserting in lieu thereof "section 501(i)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(i)(4))".

SEC. 2826. EXERCISE OF AUTHORITY DELEGATED BY THE ADMINISTRATOR OF GENERAL SERVICES.

Section 2905(b)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A)—

(A) by striking out "Subject to subparagraph (C)" in the matter preceding clause (i) and inserting in lieu thereof "Subject to subparagraph (B)"; and

(B) by striking out "in effect on the date of the enactment of this Act" each place it appears in clauses (i) and (ii);

(2) by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following new subparagraph (B):

"(B) The Secretary may, with the concurrence of the Administrator of General Services—

"(i) prescribe general policies and methods for utilizing excess property and disposing of surplus property pursuant to the authority delegated under paragraph (1); and

"(ii) issue regulations relating to such policies and methods which regulations supersede the regulations referred to in subparagraph (A) with respect to that authority."; and

(3) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

SEC. 2827. LEASE BACK OF PROPERTY DISPOSED FROM INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) AUTHORITY.—Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph (C):

"(C)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this part (including property at an installation approved for realignment which property will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, all or a significant portion of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

"(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

"(iii) A lease under clause (i) may not require rental payments by the United States.

"(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may, upon approval by the redevelopment authority concerned, be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease.".

(b) USE OF FUNDS TO IMPROVE LEASED PROPERTY.—Notwithstanding any other provision of law, a department or agency of the Federal Government that enters into a lease of property under section 2905(b)(4)(C) of the such Act, as amended by subsection (a), may use funds appropriated or otherwise available to the department or agency for such purpose to improve the leased property.

SEC. 2828. PROCEEDS OF LEASES AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) INTERIM LEASES.—Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) by striking out "and" at the end of clause (i);

(B) by striking out the period at the end of clause (ii) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(iii) money rentals referred to in paragraph (5)."; and

(2) by adding at the end the following:

"(5) Money rentals received by the United States under subsection (f) shall be deposited in the Department of Defense Base Closure Account 1990 established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).".

(b) DEPOSIT IN 1990 ACCOUNT.—Section 2906(a)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (C)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out "and" at the end;

(2) in subparagraph (D)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out the period at the end and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(E) money rentals received by the United States under section 2667(f) of title 10, United States Code.".

KOHL AMENDMENTS NOS. 2134–2135

(Ordered to lie on the table.)

Mr. KOHL submitted two amendments intended to be proposed by him to the bill, S. 1026, supra, as follows:

AMENDMENT NO. 2134

On page 89, strike out lines 13 through 22 and insert in lieu thereof the following:

"(e) TECHNICAL ASSISTANCE.—(1) The members of a technical review committee or restoration advisory board may use funds made available under subsection (g)—

"(A) to obtain technical assistance in interpreting scientific and engineering issues with regard to the nature of environmental hazards at an installation and the restoration activities proposed for or conducted at the installation; and

"(B) to assist such members and affected citizens in participating more effectively in environmental restoration activities at the installation.

"(2) The Commander of an installation may obtain technical assistance for a technical review committee or restoration advisory board under paragraph (1) with respect to an installation only if—

"(A) the restoration advisory board has demonstrated that the Federal, State, and local agencies responsible for overseeing environmental restoration at the installation, and available Department of Defense personnel, do not have the technical expertise necessary for achieving the objective for which the technical assistance is to be obtained;

"(B) the technical assistance is likely to contribute to the efficiency, effectiveness, or timeliness of environmental restoration activities at the installation; and

"(C) the technical assistance is likely to contribute to community acceptance of environmental activities at the installation.".

On page 90, line 20, strike out "until" and insert in lieu thereof "after March 1, 1996, unless".

AMENDMENT NO. 2135

On page 89, strike out lines 1 through 22 and insert in lieu thereof the following:

"(e) TECHNICAL ASSISTANCE.—(1) The members of a technical review committee or restoration advisory board may use funds made available under subsection (g)—

"(A) to obtain technical assistance in interpreting scientific and engineering issues with regard to the nature of environmental hazards at an installation and the restoration activities proposed for or conducted at the installation; and

"(B) to assist such members and affected citizens in participating more effectively in environmental restoration activities at the installation.

"(2) A technical review committee or restoration advisory board may obtain technical assistance under paragraph (1) with respect to an installation if—

"(A) the restoration advisory board has demonstrated that the Federal, State, and local agencies responsible for overseeing environmental restoration at the installation, and available Department of Defense personnel, do not have the technical expertise necessary for achieving the objective for which the technical assistance is to be obtained;

"(B) the technical assistance is likely to contribute to the efficiency, effectiveness, or timeliness of environmental restoration activities at the installation; and

"(C) the technical assistance is likely to contribute to community acceptance of environmental activities at the installation.".

On page 90, line 20, strike out "until" and insert in lieu thereof "after March 1, 1996, unless".

SMITH AMENDMENT NO. 2136

(Ordered to lie on the table.)

Mr. SMITH submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

At the appropriate point in the bill, insert the following:

SEC. . NAMING AMPHIBIOUS SHIPS.

(a) FINDINGS.—The Senate finds that—

(1) This year is the fiftieth anniversary of the battle of Iwo Jima, one of the great victories in all of the Marine Corps' illustrious history.

(2) The Navy has recently retired the ship that honored that battle, the U.S.S. Iwo Jima (LPH–2), the first ship in a class of amphibious assault ships.

(3) This Act authorizes the LHD–7, the final ship of the Wasp class of amphibious assault ships that will replace the Iwo Jima class of ships.

(4) The Navy is planning to start building a new class of amphibious transport docks, now called the LPD–17 class. This Act also authorizes funds that will lead to procurement of these vessels.

(5) There has been some confusion in the rationale behind naming new naval vessels with traditional naming conventions frequently violated.

(6) Although there have been good and sufficient reasons to depart from naming conventions in the past, the rationale for such departures has not always been clear.

(b) SENSE OF THE SENATE.—In light of these findings, expressed in subsection (a), it is the sense of the Senate that the Secretary of the Navy should:

(1) Name the LHD–7 the U.S.S. Iwo Jima.

(2) Name the LPD–17 and all future ships of the LPD–17 class after famous Marine Corps battles or famous Marine Corps heros.

BOXER AMENDMENT NO. 2137

(Ordered to lie on the table.)

Mrs. BOXER submitted an amendment intended to be proposed by her to the bill S. 1026, supra; as follows:

On page 487, below line 24, add the following:

SEC. 2838. LAND CONVEYANCE, FORT ORD, CALIFORNIA.

(a) AUTHORITY TO CONVEY.—(1) Notwithstanding any other provision of law, the Secretary of Defense may convey to the City of Seaside, California (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) consisting of approximately 477 acres located in Monterey County, California, and comprising a portion of the former Fort Ord Military Complex.

(2) The real property to be conveyed to the City under paragraph (1) shall include Black Horse Golf Course and Bayonet Golf Course and such portion of the Hayes Housing Facilities as the Secretary determines appropriate.

(b) CONSIDERATION.—As consideration for the conveyance of the real property and improvements under subsection (a), the City shall pay to the United States an amount equal to the fair market value of the property to be conveyed.

(c) USE OF PROCEEDS.—(1) The Secretary shall deposit the funds paid by the City under subsection (b) in the accounts referred to in paragraph (2). The Secretary may allocate the funds deposited among the accounts.

(2) The accounts referred to in paragraph (1) are the following:

(A) The Defense Base Closure and Realignment Account 1990 established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(B) The Morale, Welfare, and Recreation Fund of the Department of the Army.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property (including improvements thereon) to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary and the City. The cost of the survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

(f) REPORT REQUIREMENTS.—(1) Not later than 60 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report describing the plans, if any, of the Secretary for the conveyance of the real property described in subsection (a).

(2) If the report submitted under paragraph (1) indicates that the Secretary will convey the real property referred to in that paragraph, the Secretary shall, beginning 60 days after the date of the submittal of the report under paragraph (1) and every 60 days thereafter, submit to Congress a report describing the progress of the Secretary toward completing the conveyance. The requirement set forth in the preceding sentence shall cease on the date of the conveyance of the real property under subsection (a).

DOMENICI AMENDMENT NO. 2138

(Ordered to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page , strike lines through , and insert in lieu thereof and renumber accordingly:

(1) TRANSITIONAL COMPENSATION FOR DEPENDENTS OF MEMBERS OF THE ARMED FORCES SEPARATED FOR DEPENDENT ABUSE.—

(A) MANDATORY PROGRAM.—Subsection (a) of section 1058 of title 10, United States Code, is amended by striking out "may establish a program" and inserting in lieu thereof "shall establish a program."

(B) PAYMENT TO DEPENDENTS OF MEMBERS NOT DISCHARGED.—Subsection (d) of such section is amended by striking out "of separation from active duty as" in the first sentence.

(C) SUBJECT TO APPROPRIATION.—The new authority granted by the amendment in (1)(A) shall be effective only to the extent and in such amounts as are provided, for that purpose, in advance in appropriations acts.

DOMENICI (AND BINGAMAN) AMENDMENT NO. 2139

(Ordered to lie on the table.)

Mr. DOMENICI (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra, as follows:

On page 570, between lines 10 and 11, insert the following:

SEC. 3168. APPLICABILITY OF ATOMIC ENERGY COMMUNITY ACT OF 1955 TO LOS ALAMOS, NEW MEXICO.

(a) DATE OF TRANSFER OF UTILITIES.—Section 72 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2372) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 2001".

(b) DATE OF TRANSFER OF MUNICIPAL INSTALLATIONS.—Section 83 of such Act (42 U.S.C. 2383) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 2001".

(c) RECOMMENDATION FOR FURTHER ASSISTANCE PAYMENTS.—Section 91 of such Act (42 U.S.C. 2391) is amended—

(1) by striking out ", and the Los Alamos School Board;" and all that follows through "county of Los Alamos, New Mexico" and inserting in lieu thereof "; or not later than June 30, 1996, in the case of the Los Alamos School Board and the county of Los Alamos, New Mexico"; and

(2) by adding at the end the following new sentence: "If the recommendation under the preceding sentence regarding the Los Alamos School Board or the county of Los Alamos, New Mexico, indicates a need for further assistance for the school board or the county, as the case may be, after June 30, 1998, the recommendation shall include a report and plan describing the actions required to eliminate the need for further assistance for the school board or the county, including a proposal for legislative action to carry out the plan.".

(d) CONTRACT TO MAKE PAYMENTS.—Section 94 of such Act (42 U.S.C. 2394) is amended—

(1) by striking out "June 30, 1996" each place it appears in the proviso in the first sentence and inserting in lieu thereoff "June 30, 1998"; and

(2) by striking out "July 1, 1996" in the second sentence and inserting in lieu thereofff "July 1, 1998".

PRYOR AMENDMENTS NOS. 2140–2142

(Ordered to lie on the table.)

Mr. PRYOR submitted three amendments intended to be proposed by him to the bill, S. 1026, supra, as follows:

AMENDMENT NO. 2140

On page 371, below line 21, add the following:

SEC. 1062. REPORTS ON ARMS EXPORT CONTROL AND MILITARY ASSISTANCE.

(a) REPORTS BY SECRETARY OF STATE.—Not later than 180 days after the date of the enactment of this Act and every year thereafter until 1998, the Secretary of State shall submit to Congress a report setting forth—

(1) an organizational plan to include those firms on the Department of State licensing watchlists that—

(A) engage in the exportation of potentially sensitive or dual-use technologies; and

(B) have been identified or tracked by similar systems maintained by the Department of Defense, Department of Commerce, or the United States Customs Service; and

(2) further measures to be taken to strengthen United States export-control mechanisms.

(b) REPORTS BY INSPECTOR GENERAL.—(1) Not later than 180 days after the date of the enactment of this Act and 1 year thereafter, the Inspector General of the Department of State and the Foreign Service shall submit to Congress a report on the evaluation by the Inspector General of the effectiveness of the watch-list screening process at the Department of State during the preceding year. The report shall be submitted in both a classified and unclassified version.

(2) Each report under paragraph (1) shall—

(A) set forth the number of licenses granted to parties on the watch-list;

(B) set forth the number of end-use checks performed by the Department;

(C) assess the screening process used by the Department in granting a license when an applicant is on a watch-list; and

(D) assess the extent to which the watch-list contains all relevant information and parties required by statute or regulation.

(c) ANNUAL MILITARY ASSISTANCE REPORT.—The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by inserting after section 654 the following new section:

"SEC. 655 ANNUAL MILITARY ASSISTANCE REPORT.

"(a) IN GENERAL.—Not later than February 1 of 1996 and 1997, the President shall transmit to Congress an annual report for the fiscal year ending the previous September 30, showing the aggregate dollar value and quantity of defense articles (including excess defense articles) and defense services, and of military education and training, furnished by the United States to each foreign country and international organization, by category, specifying whether they were furnished by grant under chapter 2 or chapter 5 of part II of this Act or by sale under chapter 2 of the Arms Control Export-Control Act or authorized by commercial sale license under section 38 of that Act.

"(b) ADDITIONAL CONTENTS OF REPORTS.—Each report shall also include the total amount of military items of non-United States manufacture being imported into the United States. The report should contain the country of origin, the type of item being imported, and the total amount of items.".

AMENDMENT NO. 2141

On page 468, below line 24, add the following:

SEC. 2825. APPLICABILITY OF NATIONAL ENVIRONMENTAL POLICY ACT TO INTERIM LEASES OF PROPERTY AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

"(4) Notwithstanding any other provision of law, a lease of property under this section shall not constitute a major Federal action for purposes of section 102(2) for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4322(2)) if the term of the lease is 10 years or less.".

AMENDMENT NO. 2142

On page 69, between lines 9 and 10, insert the following:

SEC. 242. TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

(a) TESTING INDICATORS.—(1) The Secretary of Defense shall establish for each theater missile defense acquisition program a series of test and evaluation maturity indicators adequate to provide an assessment of the progress of the program at each of the program decision points referred to in paragraph (2). The Secretary shall ensure that the maturity indicators for a program reflect and incorporate the approved baseline of performance and schedule for the program.

(2) The Secretary shall establish test and evaluation maturity indicators for each of the following program decision points:

(A) Critical design review.

(B) Long-lead low-rate initial production.

(C) Low-rate initial production.

(D) Long-lead full-rate production.

(E) Full-rate production.

(b) USE OF INDICATORS.—(1) For each theater missile defense acquisition program for which the Secretary establishes test and evaluation maturity indicators under subsection (a), the Director of Operational Test and Evaluation shall carry out an operational assessment of the program using the indicators at each of the program decision points referred to in paragraph (2) of that subsection.

(2) Each operational assessment under paragraph (1) shall be sufficient to permit the Director to form an opinion as to whether or not the program meets, at the decision point in question, the performance and schedule requirements specified in the approved baseline of performance and schedule for the program.

(3) The Director shall submit each operational assessment carried out under this subsection to the Secretary and to the congressional defense committees.

PRYOR (AND ROTH) AMENDMENT NO. 2143

(Ordered to lie on the table.)

Mr. PRYOR (for himself and Mr. ROTH) submitted an amendment to be proposed by them to the bill, S. 1026, supra, as follows:

On page 69, between lines 9 and 10, insert the following:

SEC. 242. SENSE OF SENATE ON THE DIRECTOR OF OPERATIONAL TEST AND EVALUATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Office of the Director of Operational Test and Evaluation of the Department of Defense was created by Congress to provide an independent validation and verification on the suitability and effectiveness of new weapons, and to ensure that the United States military departments acquire weapons that are proven in an operational environment before they are produced and used in combat.

(2) The office is currently making significant contributions to the process by which the Department of Defense acquires new weapons by providing vital insights on operational weapons tests to be used in this acquisition process.

(3) The office provides vital services to Congress in providing an independent certification on the performance of new weapons that have been operationally tested.

(4) A provision of H.R. 1530, an Act entitled "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes"; agreed to by the House of Representatives on June 15, 1995, contains a provision that could substantially diminish the authority and responsibilities of the office and perhaps cause the elimination of the office and its functions.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the authority and responsibilities of the Office of the Director of Operational Test and Evaluation of the Department of Defense should not be diminished or eliminated; and

(2) the conferees on H.R. 1530, an Act entitled "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes" should not propose to Congress a conference report on that Act that would either diminish or eliminate the Office of the Director of Operational Test and Evaluation or its functions.

GLENN (AND OTHERS) AMENDMENT NO. 2144

(Ordered to lie on the table.)

Mr. GLENN (for himself, Mr. GRASSLEY, and Mr. ROTH) submitted an amendment to be proposed by them to the bill, S. 1026, supra, as follows:

Beginning on page 321, strike out line 15 and all that follows through page 325, line 18, and insert in lieu thereof the following:

"(b) CREDITS TO ACCOUNT.—(1) Under regulations prescribed by the Secretary of Defense, and upon a determination by the Secretary concerned of the availability and source of excess funds as described in subparagraph (A) or (B), the Secretary may transfer to the Defense Modernization Account during any fiscal year—

"(A) any amount of unexpired funds available to the Secretary for procurements that, as a result of economies, efficiencies, and other savings achieved in the procurements, are excess to the funding requirements of the procurements; and

"(B) any amount of unexpired funds available to the Secretary for support of installations and facilities that, as a result of economies, efficiencies, and other savings, are excess to the funding requirements for support of installations and facilities.

"(2) Funds referred to in paragraph (1) may not be transferred to the Defense Modernization Account by a Secretary concerned if—

"(A) the funds are necessary for programs, projects, and activities that, as determined by the Secretary, have a higher priority than the purposes for which the funds would be available if transferred to that account; or

"(B) the balance of funds in the account, after transfer of funds to the account would exceed $1,000,000,000.

"(3) Amounts credited to the Defense Modernization Account shall remain available for transfer until the end of the third fiscal year that follows the fiscal year in which the amounts are credited to the account.

"(4) The period of availability of funds for expenditure provided for in sections 1551 and 1552 of title 31 shall not be extended by transfer into the Defense Modernization Account.

"(c) ATTRIBUTION OF FUNDS.—The funds transferred to the Defense Modernization Account by a military department, Defense Agency, or other element of the Department of Defense shall be available in accordance with subsections (f) and (g) only for that military department, Defense Agency, or element.

"(d) USE OF FUNDS.—Funds available from the Defense Modernization Account pursuant to subsection (f) or (g) may be used only for the following purposes:

"(1) For increasing, subject to subsection (e), the quantity of items and services procured under a procurement program in order to achieve a more efficient production or delivery rate.

"(2) For research, development, test and evaluation and procurement necessary for modernization of an existing system or of a system being procured under an ongoing procurement program.

"(e) LIMITATIONS.—(1) Funds from the Defense Modernization Account may not be used to increase the quantity of an item or services procured under a particular procurement program to the extent that doing so would—

"(A) result in procurement of a total quantity of items or services in excess of—

"(i) a specific limitation provided in law on the quantity of the items or services that may be procured; or

"(ii) the requirement for the items or services as approved by the Joint Requirements Oversight Council and reported to Congress by the Secretary of Defense; or

"(B) result in an obligation or expenditure of funds in excess of a specific limitation provided in law on the amount that may be obligated or expended, respectively, for the procurement program.

"(2) Funds from the Defense Modernization Account may not be used for a purpose or program for which Congress has not authorized appropriations.

"(3) Funds may not be transferred from the Defense Modernization Account in any year for the purpose of—

"(A) making any expenditure for which there is no corresponding obligation; or

"(B) making any expenditure that would satisfy an unliquidated or unrecorded obligation arising in a prior fiscal year.

"(f) TRANSFER OF FUNDS.—(1) Funds in the Defense Modernization Account may be transferred in any fiscal year to appropriations available for use for purposes set forth in subsection (d).

"(2) Before funds in the Defense Modernization Account are transferred under paragraph (1), the Secretary concerned shall transmit to the congressional defense committees a notification of the amount and purpose of the proposed transfer.

"(3) The total amount of the transfers from the Defense Modernization Account may not exceed $500,000,000 in any fiscal year.

"(g) AVAILABILITY OF FUNDS FOR APPROPRIATION.—Funds in the Defense Modernization Account may be appropriated for purposes set forth in subsection (d) to the extent provided in Acts authorizing appropriations for the Defense of the Defense.

"(h) SECRETARY TO ACT THROUGH COMPTROLLER.—In exercising authority under this section, the Secretary of Defense shall act through the Under Secretary of Defense (Comptroller), who shall be authorized to implement this section through the issuance of any necessary regulations, policies, and procedures after consultation with the General Counsel and Inspector General of the Department of Defense.

"(i) QUARTERLY REPORT.—Not later than 15 days after the end of each calendar quarter, the Secretary of Defense shall submit to the appropriate committees of Congress a report setting forth the amount and source of each credit to the Defense Modernization Account during the quarter and the amount and purpose of each transfer from the account during the quarter.

"(j) DEFINITIONS.—In this section:

"(1) The term 'Secretary concerned' includes the Secretary of Defense.

"(2) The term 'unexpired funds' means funds appropriated for a definite period that remain available for obligation.

"(3) The term 'congressional defense committees' means—

"(A) the Committees on Armed Services and Appropriations of the Senate; and

"(B) the Committees on National Security and Appropriations of the House of Representatives.

"(4) The term 'appropriate committees of Congress' means—

"(A) the congressional defense committees;

"(B) the Committee on Governmental Affairs of the Senate; and

"(C) the Committee on Government Reform and Oversight of the House of Representatives.

"(k) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.".

(2) The table of sections at the beginning of chapter 131 of such title is amended by adding at the end the following:

"2221. Defense Modernization Account.".

(b) EFFECTIVE DATE.—Section 2221 of title 10, United States Code (as added by subsection (a)), shall take effect on October 1, 1995, and shall apply only to funds appropriated for fiscal years beginning on or after that date.

(c) EXPIRATION OF AUTHORITY AND ACCOUNT.—(1) The authority under section 2221(b) of title 10, United States Code (as added by subsection (a)), to transfer funds into the Defense Modernization Account shall terminate on October 1, 2003.

(2) Three years after the termination of transfer authority under paragraph (1), the Defense Modernization Account shall be closed and the remaining balance in the account shall be canceled and thereafter shall not be available for any purpose.

(3)(A) The Comptroller General of the United States shall conduct two reviews of the administration of the Defense Modernization Account. In each review, the Comptroller General shall assess the operations and benefits of the account.

(B) Not later than March 1, 2000, the Comptroller General shall—

(i) complete the first review; and

(ii) submit to the appropriate committees of Congress an initial report on the administration and benefits of the Defense Modernization Account.

(C) Not later than March 1, 2003, the Comptroller General shall—

(i) complete the second review; and

(ii) submit to the appropriate committees of Congress a final report on the administration and benefits of the Defense Modernization Account.

(D) Each report shall include any recommended legislation regarding the account that the Comptroller General considers appropriate.

(E) In this paragraph, the term "appropriate committees of Congress" has the meaning given such term in section 2221(j)(4) of title 10, United States Code, as added by subsection (a).

GLENN AMENDMENT NO. 2145

(Ordered to lie on the table.)

Mr. GLENN submitted an amendment to be proposed by him to the bill, S. 1026, supra, as follows:

On page 110, after line 19, insert the following:

SEC. 365. OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID PROGRAMS.

(a) GAO REPORT.—Not later than December 15, 1995, the Comptroller General of the United States shall provide to the Congressional Defense Committees a report on—

(1) Existing funding mechanisms available to cover the costs associated with the Overseas Humanitarian, Disaster, and Civic Assistance activities through funds provided to the Department of State or the Agency for International Development, and

(2) if such mechanisms do not exist, actions necessary to institute such mechanisms, including any changes in existing law or regulations.

On page 70, in line 25, strike "$20,000,000" and insert in lieu thereof "$60,000,000".

On page 70, after line 25, insert the following:

The amount authorized to be appropriated by section 301(5) is hereby reduced by $40,000,000.

HEFLIN (AND SHELBY) AMENDMENT NO. 2146

(Ordered to lie on the table.)

Mr. HEFLIN (and Mr. SHELBY) submitted an amendment to be proposed by them to the bill, S. 1026, supra, as follows:

On page 16, line 20, strike out "$1,120,115,000" and insert in lieu thereof "$1,135,115,000".

On page 69, line 20, strike out "$18,086,206,000" and insert in lieu thereof "$18,071,206,000".

HEFLIN AMENDMENT NO. 2147

(Ordered to lie on the table.)

Mr. HEFLIN submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 58, line 13, insert ", except that Minuteman boosters may not be part of a National Missile Defense Architecture" before the period at the end.

HEFLIN (AND SHELBY) AMENDMENTS NOS. 2148–2150

(Ordered to lie on the table.)

Mr. HEFLIN (for himself and Mr. SHELBY) submitted three amendments intended to be proposed by him to the bill, S. 1026, supra, as follows:

AMENDMENT NO. 2148

On page 69, between lines 9 and 10, insert the following:

SEC. 242. BALLISTIC MISSILE DEFENSE TECHNOLOGY CENTER.

(a) ESTABLISHMENT.—The Director of the Ballistic Missile Defense Organization shall establish a Ballistic Missile Defense Technology Center within the Space and Strategic Defense Command of the Army.

(b) Mission.—The missions of the Center are as follows:

(1) To maximize common application of ballistic missile defense component technology programs, target test programs, functional analysis and phenomenology investigations.

(2) To store data from the missile defense technology programs of the Armed Forces using computer facilities of the Missile Defense Data Center.

(c) Technology Program Coordination With Center.—The Secretary of Defense, acting through the Director of the Ballistic Missile Defense Organization, shall require the head of each element or activity of the Department of Defense beginning a new missile defense program referred to in subsection (b)(1) to first coordinate the program with the Ballistic Missile Defense Technology Center in order to prevent duplication of effort.

Amendment No. 2149

On page 16, line 20, strike out "$1,120,115,000" and insert in lieu thereof "$1,135,115,000".

Amendment No. 2150

On page 69, line 20, strike out "$18,086,206,000" and insert in lieu thereof "$18,071,206,000".

ROBB AMENDMENTS NOS. 2151–2152

(Ordered to lie on the table.)

Mr. ROBB submitted two amendments intended to be proposed by him to the bill, S. 1026, supra, as follows:

Amendment No. 2151

On page 331, between lines 19 and 20, insert the following:

"(3) If the total amount reported in accordance with paragraph (2) is less than $1,080,000,000, an additional separate listing described in paragraph (2) in a total amount equal to $1,080,000,000".

Amendment No. 2152

On page 137, after line 24, insert the following:

SEC. 389. REPORT ON PRIVATE PERFORMANCE OF CERTAIN FUNCTIONS PERFORMED BY MILITARY AIRCRAFT.

(a) Report Required.—Not later than May 1, 1996, the Secretary of Defense shall submit to Congress a report on the feasibility, including the costs and benefits, of using private sources for satisfying, in whole or in part, the requirements of the Department of Defense for VIP transportation by air, airlift for other personnel and for cargo, in-flight refueling of aircraft, and performance of such other military aircraft functions as the Secretary considers appropriate to discuss in the report.

(b) Content of Report.—The report shall include a discussion of the following:

(1) Contracting for the performance of the functions referred to in subsection (a).

(2) Converting to private ownership and operation the Department of Defense VIP air fleets, personnel and cargo aircraft, and inflight refueling aircraft, and other Department of Defense aircraft.

(3) The wartime requirements for the various VIP and transport fleets.

(4) The assumptions used in the cost-benefit analysis.

(5) The effect on military personnel and facilities of using private sources, as described in paragraphs (1) and (2), for the purposes described in subsection (a).

THE TREASURY POSTAL-SERVICE APPROPRIATIONS ACT

NICKLES (AND OTHERS) AMENDMENT NO. 2153

Mr. NICKLES (for himself, Mr. Thurmond, Mr. Thomas, Mr. Craig, Mr. Coats, Mr. Inhofe, and Mr. Kempthorne) proposed an amendment to the bill (H.R. 2020) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1996, and for other purposes, as follows:

At the end of the Committee amendment of Page 2, Line 14, add the following:

Sec. . No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

Sec. . The provision of section ____ shall not apply where the life of the mother would be endangered if the fetus were carried to term, or that the pregnancy is the result of an act of rape or incest.

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

BINGAMAN (AND OTHERS) AMENDMENT NOS. 2154–2155

(Ordered to lie on the table.)

Mr. ROBB (for himself, Mr. Lautenberg, Mr. Exon, and Mr. Kerrey) submitted two amendments intended to be proposed by them to the bill, S. 1026, supra; as follows:

Amendment No. 2154

On page 331, between lines 19 and 20, insert the following:

SEC. 1008. FUNDING ADJUSTMENTS.

(a) Procurement.—Notwithstanding section 102(a)(3), the total amount authorized to be appropriated for fiscal year 1996 for procurement for the Navy for shipbuilding and conversion is $5,811,935,000.

(b) Operation and Maintenance.—Notwithstanding section 301, the total amount authorized to be appropriated for fiscal year 1996 for expenses, not otherwise provided for, for operation and maintenance for—

(1) the Army is $18,257,506,000;
(2) the Navy is $21,567,360,000;
(3) the Marine Corps is $2,413,711,000;
(4) the Air Force is $18,882,993,000;
(5) Defense-wide activities is $9,960,962,000;
(6) the Naval Reserve is $844,542,000; and
(7) Medical Programs, Defense, is $9,951,225,000.

(c) Personnel.—Notwithstanding section 431, the total amount authorized to be appropriated for military personnel for fiscal year 1996 is $69,015,863,000.

Amendment No. 2155

On page 331, between lines 19 and 20, insert the following:

SEC. 1008. FUNDING ADJUSTMENTS.

(a) Undistributed Reduction in Procurement and RDT&E Authorizations.—Notwithstanding any other provision of this Act, the total amount authorized to be appropriated for the Department of Defense for fiscal year 1996 for procurement and for research, development, test, and evaluation is the total amount authorized to be appropriated under titles I and II reduced by $1,063,000,000.

(b) Operation and Maintenance.—Notwithstanding section 301, the total amount authorized to be appropriated for fiscal year 1996 for expenses, not otherwise provided for, for operation and maintenance for—

(1) the Army is $18,257,506,000;
(2) the Navy is $21,567,360,000;
(3) the Marine Corps is $2,413,711,000;
(4) the Air Force is $18,882,993,000;
(5) Defense-wide activities is $9,960,962,000;
(6) the Naval Reserve is $833,542,000; and
(7) Medical Programs, Defense, is $9,951,225,000.

(c) Personnel.—Notwithstanding section 431, the total amount authorized to be appropriated for military personnel for fiscal year 1996 is $69,015,863,000.

BINGAMAN (AND LIEBERMAN) AMENDMENT NO. 2156

(Ordered to lie on the table.)

Mr. BINGAMAN (for himself and Mr. Lieberman) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra; as follows:

On page 331, between lines 19 and 20, insert the following:

SEC. 1008. FUNDING ADJUSTMENTS.

(a) Procurement.—(1) Notwithstanding section 101(2), the total amount authorized to be appropriated for fiscal year 1996 for procurement of missiles for the Army is $834,430,000.

(2) Notwithstanding section 103(3), the total amount authorized to be appropriated for fiscal year 1996 for other procurement for the Air Force is $6,516,001,000.

(b) Research, Development, Test, and Evaluation.—Notwithstanding section 201(4), the total amount authorized to be appropriated for fiscal year 1996 for research, development, test, and evaluation for Defense-wide activities is $9,623,148,000.

BINGAMAN (AND OTHERS) AMENDMENT NO. 2157

(Ordered to lie on the table.)

Mr. BINGAMAN (for himself, Mr. Feingold, and Mr. Wellstone) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra; as follows:

On page 515, between lines 2 and 3, insert the following:

SEC. 2864. RENOVATION OF THE PENTAGON RESERVATION.

The Secretary of Defense shall take such action as is necessary to reduce the total cost of the renovation of the Pentagon Reservation to not more than $1,118,000,000.

BINGAMAN AMENDMENT NO. 2158

(Ordered to lie on the table.)

Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

Beginning on page 384, strike out line 18 and all that follows through page 385, line 14.

BINGAMAN (AND DOMENICI) AMENDMENT NO. 2159

(Ordered to lie on the table.)

Mr. BINGAMAN (for himself and Mr. DOMENICI) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra; as follows:

On page 570, between lines 10 and 11, insert the following:

SEC. 3168. APPLICABILITY OF ATOMIC ENERGY COMMUNITY ACT OF 1955 TO LOS ALAMOS, NEW MEXICO.

(a) DATE OF TRANSFER OF UTILITIES.—Section 72 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2372) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 2001".

(b) DATE OF TRANSFER OF MUNICIPAL INSTALLATIONS.—Section 83 of such Act (42 U.S.C. 2383) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 2001".

(c) RECOMMENDATION FOR FURTHER ASSISTANCE PAYMENTS.—Section 91 of such Act (42 U.S.C. 2391) is amended—

(1) by striking out ", and the Los Alamos School Board;" and all that follows through "county of Los Alamos, New Mexico" and inserting in lieu thereof "; or not later than June 30, 1996, in the case of the Los Alamos School Board and the county of Los Alamos, New Mexico"; and

(2) by adding at the end the following new sentence: "If the recommendation under the preceding sentence regarding the Los Alamos School Board or the county of Los Alamos, New Mexico, indicates a need for further assistance for the school board or the county, as the case may be, after June 30, 1998, the recommendation shall include a report and plan describing the actions required to eliminate the need for further assistance for the school board or the county, including a proposal for legislative action to carry out the plan.".

(b) CONTRACT TO MAKE PAYMENTS.—Section 94 of such Act (42 U.S.C. 2394) is amended—

(1) by striking out "June 30, 1996" each place it appears in the proviso in the first sentence and inserting in lieu thereof "June 30, 1998"; and

(2) by striking out "July 1, 1996" in the second sentence and inserting in lieu thereof "July 1, 1998".

BROWN AMENDMENTS NOS. 2160–2163

(Ordered to lie on the table.)

Mr. BROWN submitted four amendments intended to be proposed by him to the bill, S. 1026, supra; as follows:

AMENDMENT NO. 2160

At the appropriate place, insert:

(a) FINDINGS.—

(1) The purpose of the General Agreement on Tariffs and Trade (hereafter in this amendment referred to as the "GATT") and the World Trade Organization (hereafter in this amendment referred to as the "WTO") is to enable member countries to conduct trade based upon free market principles, by limiting government intervention in the form of state subsidies, by limiting nontariff barriers, and by encouraging reciprocal reductions in tariffs among members;

(2) The GATT/WTO is based on the assumption that the import and export of goods are conducted by independent enterprises responding to profit incentives and market forces;

(3) The GATT/WTO requires that nonmarket economies implement significant reforms to change centralized and planned economic systems before becoming a full GATT/WTO member and the existence of a decentralized and a free market economy is considered a precondition to fair trade among GATT/WTO members;

(4) The People's Republic of China (hereinafter referred to as "China") and the Republic of China on Taiwan (hereinafter referred to as "Taiwan") applied for membership in the GATT in 1986 and 1991, respectively, and Working Parties have been established by the GATT to review their applications;

(5) China insists that Taiwan's membership in the GATT/WTO be granted only after China becomes a full member of the GATT/WTO.

(6) Taiwan has a free market economy that has existed for over three decades, and is currently the fourteenth largest trading nation in the world;

(7) Taiwan has a gross national product that is the world's twentieth largest, its foreign exchange reserves are among the largest in the world and it has become that world's seventh largest outbound investor;

(8) Taiwan has made substantive progress in agreeing to reduce upon GATT/WTO accession the tariff level of many products, and non-tariff barriers;

(9) Taiwan has also made significant progress in other aspects of international trade, such as in intellectual property protection and opening its financial services market;

(10) Despite some progress in reforming its economic system, China still retains legal and institutional practices that restrict free market competition and are incompatible with GATT/WTO principles;

(11) China still uses an intricate system of tariff and non-tariff administrative controls to implement its industrial and trade policies, and China's tariffs on foreign goods, such as automobiles, can be as high as 150 percent, even though China has made commitments in the market access Memorandum of Understanding to reform significant parts of its import regime;

(12) China continues to use direct and indirect subsidies to promote exports;

(13) China often manipulates its exchange rate to impede balance of payments adjustments and gain unfair competitive advantages in trade;

(14) Taiwan's and China's accession to the GATT/WTO have important implications for the United States and the world trading system.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the United States should separate Taiwan's application for membership in the GATT/WTO from China's application for membership in those organizations;

(2) the United States should support Taiwan's earliest membership in the GATT/WTO;

(3) the United States should support the membership of the China in the GATT/WTO only if a sound bilateral commercial agreement is reached between the United States and China, and that China makes significant progress in making its economic system compatible with GATT/WTO principles;

(4) China's application for membership in the GATT/WTO should be reviewed strictly in accordance with the rules, guidelines, principles, precedents, and practices of the GATT.

AMENDMENT NO. 2161

At the appropriate place in the bill, add the following new section—

SEC. . CLARIFICATION OF RESTRICTIONS.

Subsection (e) of section 620E of the Foreign Assistance Act of 1961 (P.L. 87-195) is amended:

(1) by striking the words "No assistance" and inserting the words "No military assistance";

(2) by striking the words "in which assistance is to be furnished or military equipment or technology" and inserting the words "in which military assistance is to be furnished or military equipment or technology"; and

(3) by striking the words "the proposed United States assistance" and inserting the words "the proposed United States military assistance".

(4) by adding the following new paragraph:

"(2) The prohibitions in this section do not apply to any assistance or transfer provided for the purposes of:

"(A) International narcotics control (including Chapter 8 of Part I of this Act) or any provision of law available for providing assistance for counternarcotics purposes;

"(B) Facilitating military-to-military contact, training (including Chapter 5 of Part II of this Act) and humanitarian and civic assistance projects;

"(C) Peacekeeping and other multilateral operations (including Chapter 6 of Part II of this Act relating to peacekeeping) or any provision of law available for providing assistance for peacekeeping purposes, except that lethal military equipment shall be provided on a lease or loan basis only and shall be returned upon completion of the operation for which it was provided;

"(D) Antiterrorism assistance (including Chapter 8 of Part II of this Act relating to antiterrorism assistance) or any provision of law available for antiterrorism assistance purposes;".

(5) by adding the following new subsections at the end—

"(f) STORAGE COSTS.—The President may release the Government of Pakistan of its contractual obligation to pay the United States Government for the storage costs of items purchased prior to October 1, 1990, but not delivered by the United States Government pursuant to subsection (e) and may reimburse the Government of Pakistan for any such amounts paid, on such terms and conditions as the President may prescribe, provided that such payments have no budgetary impact.

"(g) INAPPLICABILITY OF RESTRICTIONS TO PREVIOUSLY OWNED ITEMS.—Section 620E(e) does not apply to broken, worn or unupgraded items or their equivalent which Pakistan paid for and took possession of prior to October 1, 1990 and which the Government of Pakistan sent to the United States for repair or upgrade. Such equipment or its equivalent may be returned to the Government of Pakistan provided that the President determines and so certifies to the appropriate congressional committees that such equipment or equivalent neither constitutes nor has received any significant qualitative upgrade since being transferred to the United States and that its total value does not exceed $25 million.

"(h) BALLISTIC MISSILE SANCTIONS NOT AFFECTED.—Nothing contained herein shall affect sanctions required under any legislation concerning the transfer of ballistic missiles or ballistic missile technology."

AMENDMENT NO. 2162

On page 487, after line 24, add the following:

SEC. 2838. LEASE OF PROPERTY, FITZSIMONS ARMY MEDICAL CENTER, COLORADO.

(a) REQUIREMENT TO LEASE.—(1)(A) Notwithstanding any other provision of law and subject to paragraph (2), the Secretary of the Army shall lease to the City of Aurora, Colorado (in this section referred to as the "City"), the real property referred to in subparagraph (B). As part of the lease, the Secretary shall also lease to the City such facilities, equipment, and fixtures (including specialized equipment) as are associated with the property.

(B) The real property referred to in subparagraph (A) is a parcel of real property consisting of approximately acres located in Aurora, Colorado, which is known as the Fitzsimons Army Medical Center. The real property does not include that portion of the Fitzsimons Army Medical Center known as the Edgar J. McWhethy Army Reserve Center.

(2) The Secretary may make the lease otherwise required under paragraph (1) unless the real property referred to in that paragraph is approved for closure in 1995 under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

(b) CONDITION OF LEASE.—The lease under subsection (a) shall be subject to the condition that the City sublease the property in accordance with subsection (f).

(c) TERM OF LEASE.—The term of a lease under subsection (a) shall expire on the later of—

(1) the date of the conveyance or other disposal of the real property covered by the lease pursuant to the Defense Base Closure and Realignment Act of 1990; or

(2) the date that is 5 years after the commencement of the lease.

(d) CONSIDERATION.—As consideration for the lease under subsection (a), the City shall provide such police protection services, fire protection services, maintenance services, and other municipal services for the real property concerned as the Secretary and the City jointly consider appropriate.

(e) ALTERATION AND IMPROVEMENT OF PROPERTY.—The City may make such alterations or improvements to the real property leased under subsection (a) as are necessary for the use of the property by the City, including the use of the property by the sublessees of the property under subsection (f).

(f) SUBLEASE.—(1)(A) The City shall sublease the portion of the real property described in paragraph (2) to the Regents of the University of Colorado (in this section referred to as the "University") for the use and administration of such property by the University of Colorado Health Sciences Center (in this section referred to as the "Center") and the University of Colorado Hospital Authority (in this section referred to as the "Authority").

(B) The sublease under subparagraph (A) shall cover such portion of the real property leased to the City under subsection (a) as the City and the University jointly determine appropriate for the use and administration referred to in subparagraph (A).

(2) As consideration for the sublease under paragraph (1), the University may not accept consideration in excess of $1 per year.

(3) The sublease under paragraph (1) shall have the same term as the lease under subsection (a).

(g) SENSE OF SENATE ON CONVEYANCE OF PROPERTY.—It is the sense of the Senate that the conveyance pursuant to the Defense Base Closure and Realignment Act of 1990 of the property covered by the lease under subsection (a)—

(1) be to the City; and

(2) be subject to the following conditions:

(A) That the City convey, without consideration, such real property, facilities, equipment, and fixtures as the City and the University jointly determine appropriate for administration and use by the Center and the Authority for health care, biotechnology, and similar activities, for activities that promote and enhance educational opportunities, for the development of health care technology and the delivery of health care and related medical services, and for other economic development related to health sciences and biotechnology.

(B) That the City use the community and recreational facilities on the property for public purposes, including recreational purposes.

(C) That the City—

(i) convey steam-generating facilities on the real property to the University; or

(ii) provide steam from such facilities to the public users of the real property at rates that relate solely to the cost of generating the steam provided.

(h) ENVIRONMENTAL MATTERS.—(1) The Secretary may not enter into the lease authorized under subsection (a) until the Secretary issues a record of environmental consideration indicating that the lease falls within the categorical exclusions established by the Department of the Army pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.).

(2) As soon as practicable after the date of the enactment of this Act, the Secretary shall—

(A) prepare an environmental baseline survey for the purpose of issuing a finding of suitability to lease the property;

(B) issue a finding of suitability to lease with respect to the property; and

(C) after issuing the finding, enter into the lease.

(3)(A) The United States shall retain responsibility for the cost and any obligation of response for any release or threatened release of any hazardous substance (as defined in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601(14))) in existence on the property to be leased under subsection (a) before the effective date of the lease.

(B) The United States shall indemnify, defend, and hold harmless the City, the University, and their respective departments, employees, officers, agents, successors and assigns, from and against any and all liabilities (including strict liabilities), claims, demands, remedies, and causes of action, whether administrative, legal or equitable, directly or indirectly arising in whole or in part under any Federal or State environmental statute or common law from the existence of any release or threatened release of any hazardous substance referred to in subparagraph (A).

(i) ELIGIBILITY FOR FEDERAL FINANCIAL ASSISTANCE.—Nothing in this section shall preclude an eligible applicant from receiving Federal grant funds for which it otherwise would be eligible pursuant to the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) or under any other Federal law.

(j) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be leased under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(k) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the lease under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

AMENDMENT NO. 2163

At the appropriate place in the bill add the following

SEC. . STUDY ON CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—(1) The Secretary of Defense shall conduct a study to asses the risk associated with transportation of the unitary stockpile, neutralized or uneutralized, from one location to another within the continental United States. Also, the Secretary shall include a study of the assistance available to communities in the vicinity if the Department of Defense facilities co-located with continuing chemical stockpile and chemical demilitarization operations which facilities are subject to closure, realignment, or reutilization.

(2) The review shall include an analysis of—

(A) the results of the physical and chemical integrity report conducted by the Army on existing stockpile;

(B) a determination of the viability of transportation of any portion of the stockpile, to include drained agent from munitions and the munitions;

(C) the safety, cost-effectiveness, and public acceptability of transporting the stockpile, in its current configuration, or in alternative configurations;

(D) the economic effects of closure, realignment, or reutilization of the facilities referred to in paragraph (1) on the communities referred to in that paragraph; and

(E) the unique problems that such communities face with respect to the reuse of such facilities as a result of the operations referred to in paragraph (1).

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study carried out under subsection (a). The report shall include recommendations of the Secretary on methods for ensuring the expeditious and cost-effective transfer or lease of facilities referred to in paragraph (1) of subsection (a) to communities referred to in paragraph (1) for reuse by such communities."

ROBB AMENDMENT NO. 2164

(Ordered to lie on the table.)

Mr. ROBB submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

On page 31, after line 22, insert the following:

SEC. 133. COMBAT SURVIVOR EVADER LOCATOR COMMUNICATION SYSTEM.

(a) FINDINGS.—Congress makes the following findings:

(1) The recent events involving the shooting down of an Air Force F–16 over Bosnia and the experience of its pilot in evading capture and escaping demonstrates a longstanding deficiency in United States combat rescue communications, namely, that the existing system lacks over-the-horizon, worldwide, two-way, secure, jam resistant, and low exploitation capabilities.

(2) The Joint Requirements Oversight Council of the Department of Defense approved the need for a communications system with such capabilities in JROCM–006–92

and validated the requirement for a new combat survivor evader locator (CSEL) system.

(3) After the Council's action, the requirements, costs, and operational effectiveness of candidate systems were sufficiently analyzed and refined across the Department of Defense.

(4) A program for a new combat survivor evader locator (CSEL) system has not been implemented, and no funding has been programmed for such a program.

(5) The longstanding deficiency referred to in paragraph (1) remains unresolved and, as a result, there remain risks to the lives of American pilots surviving the shooting down of their aircraft that would be avoidable with a combat survivor evader locator (CSEL) system having the capabilities described in paragraph (1).

(b) PROGRAM REQUIRED.—The Secretary of Defense shall carry out a program to acquire a satellite-based rescue communications system that—

(1) has the capabilities approved by the Joint Requirements Oversight Council as described in subsection (a)(2);

(2) achieves initial operational capability within approximately two years after the program commences;

(3) uses demonstrated commercial technologies;

(4) maximizes the return on the investment by supporting other Department of Defense requirements and other Federal Government requirements to the maximum extent practicable; and

(5) is directed and controlled by a joint agency of the Department of Defense.

(c) REPORT.—Not later than September 30, 1992, the Secretary of Defense shall submit to Congress a report on the actions taken to carry out subsection (b).

(d) FUNDING.—(1) Of the amount authorized to be appropriated under section 103(3), up to $20,000,000 shall be available for carrying out subsection (b).

HARKIN (AND BOXER) AMENDMENT NO. 2165

Mr. HARKIN (for himself and Mrs. BOXER) submitted an amendment intended to be proposed by them to the bill S. 1026, supra; as follows:

SEC. . RESTRICTION ON REIMBURSEMENT OF COSTS.

(a) None of the funds authorized to be appropriated in this Act for fiscal year 1996 may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation (including bonuses and other incentives) at a rate in excess of $250,000 per year.

HARKIN AMENDMENTS NOS. 2166–2168

(Ordered to lie on the table.)

Mr. HARKIN submitted three amendments intended to be proposed by him to the bill, S. 1026, supra; as follows:

AMENDMENT NO. 2166

On page 32, line 14, strike out "$9,533,148,000" and insert in lieu thereof "$9,503,148,000".

AMENDMENT NO. 2167

On page 16, line 17, strike out "$1,396,451,000" and insert in lieu thereof "$1,271,451,000".

AMENDMENT NO. 2168

On page 32, line 14, strike out "$9,533,148,000" and insert in lieu thereof "$9,463,148,000".

KYL AMENDMENTS NOS. 2169–2170

(Ordered to lie on the table.)

Mr. KYL submitted two amendments intended to be proposed by him to the bill, S. 1026, supra; as follows:

AMENDMENT NO. 2169

On page 137, after line 24, add the following:

SEC. 389. LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION FOR RUSSIA.

The funds available under section 301(18) for Cooperative Threat Reduction for Russia may not be obligated or expended for that purpose until 90 days after the date on which the President certifies to Congress the following:

(1) That Russia is in full compliance with the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on their Destruction, done at Washington, London, and Moscow on April 10, 1972.

(2) That the United States and Russia have completed a joint study evaluating the feasibility of the proposal of Russia to neutralize its chemical weapons.

(3) That none of the funds will be used for the purpose of supporting the development of offensive weapons.

AMENDMENT NO. 2170

On page 346, between lines 7 and 8, insert the following:

(c) ADDITIONAL LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.—(1) Of the amount available under section 301(18) for Cooperative Threat Reduction for dismantlement and destruction of chemical weapons, $104,000,000 may not be obligated or expended for that purpose until the President certifies to Congress the following:

(A) That the United States and Russia have completed a joint study evaluating the feasibility of the proposal of Russia to neutralize its chemical weapons.

(B) That Russia agrees to prepare a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(C) That Russia has resolved outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(3) In this section:

(A) The term "1989 Wyoming Memorandum of Understanding" means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on ________, 1989.

(B) The term "1990 Bilateral Destruction Agreement" means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and nonproduction of chemical weapons and on measures to facilitate the mulitlateral convention on banning chemical weapons signed at ________ on ____, 1990.

FEINSTEIN AMENDMENTS NOS. 2171–2172

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted two amendments intended to be proposed by her to the bill, S. 1026, supra; as follows:

AMENDMENT NO. 2171

On page 486, below line 24, add the following:

SEC. 2825. LOAN GUARANTEE PROGRAM FOR REDEVELOPMENT OF INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) PROGRAM.—Title II of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141 et seq.) is amended by adding at the end the following:

"LOAN GUARANTEE PROGRAM FOR REDEVELOPMENT OF CLOSED OR REALIGNED MILITARY INSTALLATIONS

"SEC. 205. (a)(1) Subject to the provisions of this section, the Secretary may guarantee a loan made to any private borrower or to a redevelopment authority if the proceeds of the loan are to be used by the borrower or redevelopment authority to demolish or remove existing facilities or to construct or improve facilities on real property located at a military installation approved for closure or realignment under a base closure law which real property is sold, leased, or otherwise transferred by the Secretary of Defense pursuant to such a law.

"(2) For purposes of paragraph (1), facilities at an installation include utilities and other infrastructure at the installation.

"(b)(1) The term of a loan guaranteed under this section may not exceed 20 years, except that the Secretary may provide for the guarantee of a loan the term of which is renewed or otherwise extended beyond 20 years if the Secretary considers the extension appropriate in order to facilitate the liquidation of the loan.

"(2) The Secretary may not guarantee a loan under this section if the Secretary determines that the rate of interest on the loan is excessive. In determining if the rate on a loan is excessive, the Secretary shall take into account the rates of interest charged on other loans guaranteed by the Federal Government that have similar terms and conditions.

"(3) The Secretary may not guarantee a loan under this section unless the Secretary determines that there is reasonable assurance of the repayment of the loan according to its terms.

"(4) The Secretary may not guarantee a loan under this section if the Secretary determines that the borrower or redevelopment authority seeking the guarantee has reasonable access to funds in the amount of the loan from alternative sources (including other funds of the borrower or redevelopment authority).

"(c)(1) The proceeds of a loan guaranteed under this section may not be used to purchase real property.

"(2) The proceeds of a loan guaranteed under this section may not be used for activities relating to the compliance of the real property or facilities concerned with Federal, State, or local requirements for the restoration or remediation of any environmental contamination on the real property or facilities concerned.

"(d)(1) Subject to paragraph (2), the amount of a guarantee on a loan that may be provided under this section may not exceed the amount equal to 90 percent of the outstanding principal and interest of the loan.

"(2) The total value of any loan guaranteed under this section may not exceed $25,000,000.

"(e) The Secretary may charge and collect from a lender issuing a loan guaranteed under this section a fee in such amount as the Secretary considers sufficient to cover the costs to the Secretary of the administration of the loan.

"(f) Loan guarantees may be made under this section only to the extent that appropriations of budget authority to cover their cost (as defined in section 502(5) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a(5)) are made in advance, or authority is otherwise provided in appropriations Acts. If such appropriation or other authority is provided, there may be established a financing account (as defined in section 502(7) of such Act (2 U.S.C. 661a(7)) which shall be available for payment of claims for payment on loan guarantees under this section and for all other cash flows to and from the Government as a result of guarantees made under this section.

"(g) In this section:

"(1) The term 'base closure law' means the following:

"(A) Title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100-526; 10 U.S.C. 2687 note).

"(B) The Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).

"(2) The term 'redevelopment authority' means the following:

"(A) In the case of military installations approved for closure or realignment under the Defense Authorization Amendments and Base Closure and Realignment Act, a redevelopment authority as such term is defined in section 209(10) of that Act.

"(B) In the case of military installations approved for closure or realignment under the Defense Base Closure and Realignment Act of 1990, a redevelopment authority as such term in defined in section 2910(9) of that Act.".

(b) USE OF EXISTING APPROPRIATIONS.—Notwithstanding any other provision of law, funds appropriated before the date of the enactment of this Act pursuant to the Public Works and Economic Development Act of 1965 for economic development assistance programs of the Economic Development Administration of the Department of Commerce may be used for providing loan guarantees under the loan guarantee program for redevelopment of closed or realigned military installations established under section 205 of that Act, as added by subsection (a).

AMENDMENT NO. 2172

On page 487, below line 24, add the following:

SEC. 2838 LAND CONVEYANCE, NAVAL COMMUNICATIONS STATION, STOCKTON, CALIFORNIA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Navy may, upon the concurrence of the Administrator of General Services, conv to the Port of Stockton (In this section r red to as the "Port"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 1,450 acres at the Naval Communication Station, Stockton, California.

(b) INTERIM LEASE.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the Port under terms and conditions satisfactory to the Secretary.

(c) CONSIDERATION.—If the Secretary determines that the property can be utilized for port development and is located in an area with high unemployment or in need of economic redevelopment, the Secretary may convey the property for no consideration. If the Secretary determines that it would not be in the public interest to convey the property for no consideration, then the Port, if the Port still desires to acquire the property, shall, as consideration for the conveyance, pay to the United States an amount equal to fair market value of the property to be conveyed, as determined by the Secretary.

(d) FEDERAL LEASE OF CONVEYED PROPERTY.—Notwithstanding any other provision of law, as a condition for transfer of this property under subparagraph (a), the Secretary may require that the Port agree to lease all or a part of the property currently under federal use at the time of conveyance to the United States for use by the Department of Defense or any other federal agency under the same terms and conditions now presently in force. Such terms and conditions will continue to include payment (to the Port) for maintenance of facilities leased to the Federal Government. Such maintenance of the Federal premises shall be to the reasonable satisfaction of the United States, or as required by all applicable Federal, State and local laws and ordinances.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by Port.

(f) ADDITIONAL TERMS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) or the lease under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

FEINSTEIN (AND JOHNSTON) AMENDMENT NO. 2173

(Ordered to lie on the table.)

Mrs. FEINSTEIN (for herself and Mr. JOHNSTON) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra; as follows:

On page 115, strike out line 4 and all that follows through page 116, line 13.

FEINSTEIN AMENDMENT NO. 2174

(Ordered to lie on the table.)

Mrs. FEINSTEIN submitted an amendment intended to be proposed by her to the bill, S. 1026, supra; as follows:

Beginning on page 115, strike out line 4 and all that follows through page 116, line 13, and insert in lieu thereof the following:

SEC. 382. LIMITATION ON CONTRACTING WITH SAME CONTRACTOR FOR CONSTRUCTION OF ADDITIONAL NEW SHIPS.

The Secretary of the Navy may not enter into a contract, or exercise a contract option, for the construction of any additional ship by a contractor unless the Secretary has submitted to Congress, at least 60 days before entering into the contract or exercising the option, one of the following certifications:

(1) A certification—

(A) that—

(i) no ship being procured from that contractor under an existing contract is estimated by the Secretary (as of the date of the certification) to cost more than the maximum price originally established for the ship under the existing contract; or

(ii) if the estimated cost does exceed that maximum price, the contractor is able to complete construction of all ships being procured under all existing contracts between the contractor and the Government without any financial assistance from the Government; and

(B) that the contractor does not have any claim pending against the Government for any ship contracted for under the existing contract referred to in subparagraph (A)(i) that, if approved by the Government, would increase the maximum price established for such ship under the existing contract.

(2) A certification that the contractor is financially capable of constructing the additional ship involved without direct or indirect financial assistance from the Government.

SIMON AMENDMENT NO. 2175

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

On page 487, below line 24, add the following new sections:

SEC. 2838. LAND CONVEYANCE, NAVY PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—Subject to subsection (b), the Secretary of the Navy may convey to any transferee selected under subsection (i) all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 182 acres and comprising the Navy housing areas at Fort Sheridan.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (i) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such housing facilities (including support facilities and infrastructure) to replace the housing facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate;

(C) pay the cost of relocating Navy personnel residing in the housing facilities located on the real property conveyed pursuant to the authority in subsection (a) to the housing facilities constructed under subparagraph (B);

(D) provide for the education of dependents of such personnel under subsection (e); and

(E) carry out such activities for the maintenance and improvement of the facilities constructed under subparagraph (B) as the Secretary and the transferee jointly determine appropriate.

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the property interest conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The real property interest conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (i) shall—

(1) be located not more than 25 miles from Great Lakes Naval Training Center;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) EDUCATION OF DEPENDENTS OF NAVY PERSONNEL.—In providing for the education of dependents of Navy personnel under subsection (c)(1)(D), the transferee selected under subsection (i) shall ensure that such dependents may enroll at the schools of one or more school districts in the vicinity of the real property conveyed to the United States under subsection (c)(1)(A) which schools and districts—

(1) meet such standards for schools and schools districts as the Secretary shall establish; and

(2) will continue to meet such standards after the enrollment of such dependents regardless of the receipt by such school districts of Federal impact aid.

(f) INTERIM RELOCATION OF NAVY PERSONNEL.—Pending completion of the construction of all the housing facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (i), the Secretary may relocate Navy personnel residing in housing facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the housing facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(g) APPLICABILITY OF CERTAIN AGREEMENTS.—The property conveyed by the Secretary pursuant to the authority in subsection (a) shall be subject to the Memorandum of Understanding concerning the Transfer of Certain Properties at Fort Sheridan, Illinois, dated August 8, 1991, between the Department of the Army and the Department of the Navy.

(h) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(i) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(j) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (i).

(k) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2839. LAND CONVEYANCE, ARMY RESERVE PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—(1) Subject to subsection (b), the Secretary of the Army may convey to any transferee selected under subsection (h) all right, title, and interest of the United States in and to the real property described in paragraph (2).

(2) The authority in paragraph (1) applies to the following parcels of real property at Fort Sheridan, Illinois: A parcel of real property (including improvements thereon) consisting of approximately 114 acres and comprising an Army Reserve area.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (h) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such facilities (including support facilities and infrastructure) to replace the facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate; and

(C) pay the cost of relocating Army personnel in the facilities located on the real property conveyed pursuant to the authority in subsection (a) to the facilities constructed under subparagraph (B).

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the real property conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The real property conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (h) shall—

(1) be located not more than 25 miles from Fort Sheridan;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) INTERIM RELOCATION OF ARMY PERSONNEL.—Pending completion of the construction of all the facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (h), the Secretary may relocate Army personnel in the facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(f) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(g) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(h) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (h).

(i) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

DASCHLE (AND DORGAN) AMENDMENT NO. 2176

(Ordered to lie on the table.)

Mr. DASCHLE (for himself and Mr. DORGAN) submitted an amendment intended to be proposed by them to the bill S. 1026, supra; as follows:

On page 32, strike out line 14 and insert in lieu thereof the following: "$9,473,148,000, of which—

"(A) not more than $85,000,000 is authorized to be appropriated for the cruise missile defense policy established in Section 236;".

SIMON AMENDMENT NO. 2177

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill S. 1026, supra; as follows:

On page 371, after line 21, insert the following:

SEC. 1062. SUPPORT FOR INTERNATIONAL PEACEKEEPING AND PEACE ENFORCEMENT.

(b) SUPPORT AUTHORIZED.—(1) Section 403 of title 10, United States Code, is amended to read as follows:

"§ 403. International peacekeeping and international peace enforcement: support involving United States combat forces

"(a) AUTHORITY.—Notwithstanding any other provision of law, the Secretary of Defense may—

"(1) pay, out of funds in the Contributions for International Peacekeeping and Peace Enforcement Activities Fund established by subsection (g), the United States fair share (as determined by the Secretary) of assessments for international peacekeeping or international peace enforcement activities of the United Nations in which United States combat forces participate; and

"(2) furnish assistance, on a reimbursable basis, in support of such activities.

"(b) FORMS OF ASSISTANCE.—Assistance provided under this section may include supplies, services, and equipment.

"(c) DETERMINATION REQUIRED.—No assessment may be paid and no assistance may be furnished pursuant to this section unless the President determines that the provision of assistance is in the national interest of the United States.

"(d) ADVANCE NOTICE.—(1) In the case of any international peacekeeping or international peace enforcement operation of the

United Nations in which the United States combat forces are to participate, not less than 15 days before an initial deployment of United States combat forces, payment of a United Nations assessment, furnishing of assistance of a value in excess of $14,000,000, or waiver of reimbursement to the United States under subsection (f), the President shall transmit to the designated congressional committee a report, which may be classified in whole or in part, that contains the determination required by subsection (c) and the following matters:

"(A) A description of the threat to international peace and security presented by the conflict involved.

"(B) The United States interests that will be advanced by the operation and by the United States action.

"(C) The political and military objectives of the operation.

"(D) The exit criteria and likely duration of the operation.

"(E) The personnel and material resources that have been pledged, or are otherwise expected to be made available, by other nations to the United Nations for the operation.

"(F) The units of the armed forces that will participate.

"(G) The necessity for involvement of United States forces.

"(H) The command arrangements for those forces and, if any of the United States forces are to be placed under the operational control of a foreign commander, the justification for doing so.

"(I) The rules of engagement for the operation.

"(J) An assessment of the risks involved in the operation.

"(K) In the case of payment of an assessment the amount to be paid and the terms under which the payment is to be made.

"(L) In the case of assistance, the supplies, services, or equipment to be provided by the United States and the terms under which such supplies, services, or equipment are to be provided.

"(M) In the case of a waiver of reimbursement, the justification for the waiver.

"(2) If the President determines that an unforseen emergency requires the immediate deployment of United States combat troops or the immediate furnishing of assistance of a value in excess of $14,000,000 under this section, the President—

"(A) may waive the requirement of paragraph (1) that a report be transmitted at least 15 days in advance of the action; and

"(B) shall promptly notify the designated committees of such waiver and such deployment or transfer.

"(e) REIMBURSEMENT.—(1) The President shall require reimbursement from the United Nations or from any other source for the participation of any force of the armed forces in support of international peacekeeping or international peace enforcement activities of the United Nations or for the provision of assistance by the Secretary of Defense in support of such activities.

"(2) Any funds received as reimbursements shall be used as follows:

"(A) As a first priority, for the payment of the incremental costs of the military departments and Defense Agencies providing the participating United States forces or the supplies, services, or equipment involved.

"(B) As a second priority, for the payment of the incremental costs of any other United States forces that are operating in support of international peacekeeping or international peace enforcement activities but for which reimbursement is not possible.

"(3) After use of reimbursement funds for the purposes specified in paragraph (2), any remainder of such funds shall be credited to the Contributions for International Peacekeeping and Peace Enforcement Activities Fund established by subsection (g).

"(4) Reimbursements utilized for the payment of incremental costs shall be credited, at the option of the Secretary of the military department concerned or the head of the Defense Agency concerned, either to an appropriation, fund, or other account obligated to pay such costs or to an appropriate appropriation, fund, or other account available for paying such costs.

"(f) WAIVER OF REIMBURSEMENT.—The President may waive, in whole or in part, any reimbursement required under subsection (a)(2) or (e) in exceptional circumstances upon determining that such waiver is in the national interest of the United States.

"(g) ESTABLISHMENT OF ACCOUNT.—There is hereby established in the Treasury of the United States a fund to be known as the 'Contributions for International Peacekeeping and Peace Enforcement Activities Fund'. Amounts appropriated or other credited to the Fund shall be available until expended for, and shall be used for, paying assessments for United Nations operations under this section.

"(h) AUTHORITY INAPPLICABLE WHEN UNITED STATES COMBAT FORCES NOT INVOLVED.—The authority in subsection (a) to pay United Nations assessments for international peacekeeping and international peace enforcement activities of the United Nations may not be construed as authorizing payment of United Nations assessments for any such activity in which United States combat forces do not participate.

"(i) COORDINATION WITH OTHER LAWS.—This section may not be construed as superseding any provision of the War Powers Resolution. This section does not provide authority for the participation of United States combat forces in any international peacekeeping or international peace enforcement operation.

"(j) DEFINITIONS.—In this section:

"(1) The term 'designated congressional committees' means the Committees on Armed Services, Appropriations, and Foreign Relations of the Senate and the Committees on National Security, Appropriations, and International Relations of the House of Representatives.

"(2) The term 'combat forces' means forces of the armed forces that have combat missions as primary missions.

"(3) The term 'international peacekeeping' means those activities performed pursuant to Chapter VI of the United Nations Charter.

"(4) The term 'international peace enforcement' means those activities performed pursuant to Chapter VII of the United Nations Charter.".

(2) The item relating to section 403 in the table of sections at the beginning of subchapter I of chapter 20 of such title is amended to read as follows:

"403. International peacekeeping and international peace enforcement: support involving United States combat forces."

(c) AUTHORIZED SUPPORT FOR FISCAL YEAR 1996.—Funds are authorized to be appropriated to the Contributions for International Peacekeeping and Peace Enforcement Activities Fund in the total amount of $65,000,000.

(d) Funds authorized under Division A, Title I, Subtitle A of this Act are hereby reduced by $65,000,000.

SIMON (AND JEFFORDS) AMENDMENT NO. 2178

(Ordered to lie on the table.)

Mr. SIMON (for himself and Mr. JEFFORDS) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra; as follows:

On page 371, after line 21, insert the following:

SEC. 1062. VOLUNTEER FORCE FOR PEACE OPERATIONS.

(a) FINDINGS.—The Congress makes the following findings:

(1) With the end of the Cold War, the United States is clearly the undisputed world economic and military leader and as such bears major international responsibilities.

(2) Threats to the long-term security and well-being of the United States no longer derive primarily from the risk of external military aggression against the United States or its closest treaty allies but in large measure derive from instability from a variety of causes: population movements, ethnic and regional conflicts including genocide against ethnic and religious groups, famine, terrorism, narcotics trafficking, and proliferation of weapons of mass destruction.

(3) To address such threats, the United States has increasingly turned to the United Nations and other international peace operations, which at times offer the best and most cost-effective way to prevent, contain, and resolve such problems.

(4) In numerous crisis situations, such as the massacres in Rwanda, the United Nations has been unable to respond with peace operations in a swift manner.

(5) The Secreatry-General of the United Nations has asked member states to identify in advance units which are available for contribution to international peace operations under the auspices of the United Nations in order to create a rapid response capability.

(6) United States participation and leadership in the initiative of the Secretary-General is critical to leveraging contributions from other nations and, in that way, limiting the United States share of the burden and helping the United Nations to achieve success.

(b) REPORT ON PLAN TO ORGANIZE VOLUNTEER UNITS.—Not later than 180 days after the date of the enactment of this Act, the President shall submit a report to Congress setting forth—

(1) a plan for—

(A) organizing into units of the Armed Forces a contingency force of up to 3,000 personnel, comprised of active-duty military personnel, who volunteer additionally and specifically to serve in international peace operations and who receive added compensation for such service;

(B) recruiting personnel to serve in such units; and

(C) providing training to such personnel which is appropriate to such operations; and

(2) proposed procedures to implement such plan.

(c) AUTHORIZATION.—(1) Upon approval by the United Nations Security Council of an international peace operation, the President, after appropriate congressional consultation, is authorized to make immediately available for such operations those units of the Armed Forces of the United States which are organized under subsection (b)(1)(A).

(2)(A) Subject to subparagraph (B), the President may terminate United States participation in international peace operations at any time and take whatever actions he deems necessary to protect United States forces.

(B) Notwithstanding section 5(b) of the War Powers Resolution, not later than 180 days after a Presidential report is submitted or required to be submitted under section 4(a) of the War Powers Resolution in connection with the participation of the Armed Forces of the United States in an international peace operation, the President shall terminate any use of the Armed Forces with respect to which such report was submitted or required to be submitted, unless the Congress has extended by law such 180-day period.

(d) AVAILABILITY OF FUNDS.—Funds available to the Department of Defense are authorized to be available to carry out subsection (c)(1).

(e) WAR POWERS RESOLUTION REQUIREMENTS.—Except as otherwise provided, this section does not supersede the requirements of the War Powers Resolution.

(f) MISSION STATEMENTS FOR ARMED FORCES.—(1) Section 3062(a) of title 10, United States Code, is amended—

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(5) participating in international peacekeeping activities, humanitarian activities, and refugee assistance activities when determined by the President to be in the national interests of the United States.".

(2) Section 5062(a) of such title is amended—

(A) by inserting "(1)" after "(a)";

(B) by striking out the third sentence; and

(C) by adding at the end the following new paragraph:

"(2) The Navy is responsible for the preparation of naval forces necessary for the following activities:

"(A) Effective prosecution of war except as otherwise assigned and, in accordance with integrated joint mobilization plans, for the expansion of the peacetime components of the Navy to meet the needs of war.

"(B) Participation in international peacekeeping activities, humanitarian activities, and refugee assistance activities when determined by the President to be in the national interests of the United States.".

(3) Section 8062(a) of such title is amended—

(A) by striking out "and" at the end of paragraph (3);

(B) by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(5) participating in international peacekeeping activities, humanitarian activities, and refugee assistance activities when determined by the President to be in the national interests of the United States.".

(g) DEFINITIONS.—In this section:

(1) The term "appropriate congressional consultation" means consultation as described in section 3 of the War Powers Resolution.

(2) The term "international peace operations" means any such operation carried out under chapter VI or chapter VII of the United Nations Charter or under the auspices of the Organization of American States.

DORGAN AMENDMENT NO. 2179

(Ordered to lie on the table.)

Mr. DORGAN submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

On page 32, strike out line 14 and insert in lieu thereof the following: "$9,283,148,000, of which—

"(a) not more than $407,900,000 is authorized to implement the national missile defense policy established in Section 233(2);".

DORGAN AMENDMENT NO. 2180

(Ordered to lie on the table.)

Mr. DORGAN submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

At the appropriate place, insert the following:

SEC. . LAND CONVEYANCE, WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, NORTH DAKOTA

(a) CONVEYANCE.—The Administrator of the General Services Administration may convey, without consideration, to the Rolla Job Development Authority, an agency of the City of Rolla, North Dakota, authorized by the North Dakota Century Code (in this section referred to as the "Authority") all right, title, and interest of the United States in and to the parcel of real property consisting of approximately 9.77 acres, with improvements, comprising the William Langer Jewel Bearing Plant in Rolla, North Dakota, which has previously been owned by the Department of the Army as a contractor-operated facility manufacturing precision items used in avionics and inertial guidance systems.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Authority—

(1) use the real property conveyed under that subsection for economic development purposes; or

(2) enter into an agreement with an appropriate public or private entity or person to lease such property and facility to that entity or person for such purposes, or

(3) enter into an agreement with an appropriate public or private entity or person to sell such property and facilities to that entity or person for such purposes.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Administrator. The cost of such survey shall be borne by the Administrator.

(d) ADDITIONAL TERMS AND CONDITIONS.—Administrator may require such additional terms and conditions in connection with the conveyance under this section as the Administrator determines appropriate to protect the interests of the United States.

(e) PREFERENCE FOR DOMESTIC DISPOSAL OF JEWEL BEARINGS.—In offering to enter into agreements pursuant to any provision of law for the disposal from the National Defense Stockpile of jewel bearings, the President shall give a right of first refusal on all such offers to the Rolla Jobs Development Authority or the appropriate public or private entity or person referred to in subsection (b).

(f) NATIONAL DEFENSE STOCKPILE DEFINED.—For the purposes of this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98(c)).

(g) AUTHORIZATION FOR PRIOR-YEAR FUNDS.—The Department may use up to $1.5 million in prior-year funds to maintain the Plant as a going concern during the implementation of this section.

STEVENS AMENDMENTS NOS. 2181–2182

(Ordered to lie on the table.)

Mr. STEVENS submitted two amendments intended to be proposed by him to the bill, S. 1026, supra; as follows:

AMENDMENT NO. 2181

On page 306, beginning on line 22, strike all through line 11 on page 307 and insert in lieu thereof the following:

(1)(A) The Secretary of Defense shall establish a test program under which contracting activities in the military departments and the Defense Agencies are authorized to undertake one or more demonstration projects to determine whether the negotiation and administration of comprehensive subcontracting plans will reduce administrative burdens on contractors while enhancing opportunities provided under Department of Defense contracts for small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals. In selecting the contracting activities to undertake demonstration projects, the Secretary shall take such action as is necessary to ensure that a broad range of the supplies and services acquired by the Department of Defense are included in the test program.

(B) Notwithstanding section 34(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 430(b)), the Secretary of Defense may not make inapplicable to subcontracts which include ocean transportation services the requirements of section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)), or section 2631 of title 10, United States Code, under either a contract for the procurement of commercial items or a subcontract for the procurement of commercial items.

AMENDMENT NO. 2182

On page 305, beginning on line 1, strike all through line 10 and insert in lieu thereof the following:

SEC. 802. PROCUREMENT NOTICE POSTING THRESHOLDS AND SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.

The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.) is amended—

(1) in section 18(a)(1)(B) by—

(A) striking out "subsection (f)—" and all that follows through the end of the subparagraph and inserting in lieu thereof "subsection (b); and"; and

(B) inserting after "property or services" the following: "for a price expected to exceed $10,000, but not to exceed $25,000,"; and

(2) in section 34(b) by adding at the end thereof the following new paragraph:

"(5) Nothing in this subsection shall be construed to make inapplicable to subcontracts which include ocean transportation services the requirements of section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) or section 2631 of title 10, United States Code, under either a contract for the procurement of commercial items or a subcontract for the procurement of commercial items.".

THURMOND AMENDMENT NO. 2183

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

At the appropriate place, insert:

( ) DEFENSIVE USE OF LANDMINES.—Nothwithstanding any other provision of law, United States military personnel may use antipersonnel landmines for defensive purposes, consistent with U.S. military interests and which reflect the practice adopted by western military forces.

SMITH AMENDMENT NO. 2184

(Ordered to lie on the table.)

Mr. SMITH submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

On page 468, strike lines 16 through 24 and insert the following: The requirements of subparagraph (B) shall not apply in any case in which the transfer of the property occurs or has occurred by means of a lease, without regard to whether the lessee has agreed to purchase the property or whether the duration of the lease is longer than 55 years. In the case of a lease entered into after September 30, 1995, with respect to real property located at an installation approved for closure or realignment under a base closure law, the agency leasing the property, in consultation with the Administrator, shall determine before leasing the property that the property is suitable for lease, that the uses contemplated for the lease are consistent with protection of human health and the environment, and that there are adequate assurances that the United States will take all remedial action referred to in subparagraph (B) that has not been taken on the date of the lease.''.

CAMPBELL AMENDMENT NO. 2185

(Ordered to lie on the table.)

Mr. CAMPBELL submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 304, between lines 8 and 9, insert the following:

SEC. 744. REPORT ON EFFECT OF CLOSURE OF FITZSIMONS ARMY MEDICAL CENTER, COLORADO, ON PROVISION OF CARE TO MILITARY PERSONNEL AND DEPENDENTS EXPERIENCING HEALTH DIFFICULTIES ASSOCIATED WITH PERSIAN GULF SYNDROME.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report that—

(1) assesses the effects of the closure of Fitzsimons Army Medical Center, Colorado, on the capability of the Department of Defense to provide appropriate and adequate health care to members and former members of the Armed Forces and their dependents who suffer from undiagnosed illnesses (or combination of illnesses) as a result of service in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War; and

(2) describes the plans of the Secretary of Defense and the Secretary of the Army to ensure that adequate and appropriate health care is available to such members, former members, and their dependents, for such illnesses.

HELMS AMENDMENT NO. 2186.

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 403, after line 16, add the following:

SEC. 1095. SENSE OF SENATE ON MIDWAY ISLANDS.

(a) FINDINGS.—The Senate makes the following findings:

(1) September 2, 1995, marks the 50th anniversary of the United States victory over Japan in World War II.

(2) The Battle of Midway proved to be the turning point in the war in the Pacific, as United States Navy forces inflicted such severe losses on the Imperial Japanese Navy during the battle that the Imperial Japanese Navy never again took the offensive against United States or allied forces.

(3) During the Battle of Midway, an outnumbered force of the United States Navy, consisting of 29 ships and other units of the Armed Forces under the command of Admiral Nimitz and Admiral Spruance, out-maneuvered and out-fought 350 ships of the Imperial Japanese Navy.

(4) It is in the public interest to erect a memorial to the Battle of Midway that is suitable to express the enduring gratitude of the American people for victory in the battle and to inspire future generations of Americans with the heroism and sacrifice of the members of the Armed Forces who achieved that victory.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Midway Islands and the surrounding seas deserve to be memorialized;

(2) the historical structures related to the Battle of Midway should be maintained, in accordance with the National Historic Preservation Act, and subject to the availability of appropriations for that purpose.

(3) appropriate access to the Midway Islands by survivors of the Battle of Midway, their families, and other visitors should be provided in a manner that ensures the public health and safety on the Midway Islands and the conservation and natural resources of those islands in accordance with existing Federal law.

LOTT AMENDMENT NO. 2187

(Ordered to lie on the table.)

Mr. LOTT submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 202, line 16, insert "or upgrade" after "award".

THURMOND AMENDMENT NO. 2188

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 114, beginning on line 9, strike out **"READY RESERVE COMPONENT OF THE READY RESERVE FLEET."** and insert in lieu thereof **"THE NATIONAL DEFENSE RESERVE FLEET."**.

On page 114, beginning on line 20, strike out "of the Ready Reserve component"

HEFLIN (AND SHELBY) AMENDMENT NO. 2189

(Ordered to lie on the table.)

Mr. HEFLIN (for himself and Mr. SHELBY) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra, as follows:

On page 58, line 13, insert ", except that Minuteman boosters may not be used as part of a national missile defense architecture" before the period at the end.

HELMS AMENDMENT NO. 2190

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

Beginning on page 359, strike out lines 20 and 21, and insert in lieu thereof the following:

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

HEFLIN (AND SHELBY) AMENDMENT NO. 2191

(Ordered to lie on the table.)

Mr. HEFLIN (for himself and Mr. SHELBY) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra, as follows:

On page 69, between lines 9 and 10, insert the following:

SEC. 242. BALLISTIC MISSILE DEFENSE TECHNOLOGY CENTER.

(a) ESTABLISHMENT.—The Director of the Ballistic Missile Defense Organization shall establish a Ballistic Missile Defense Technology Center within the Space and Strategic Defense Command of the Army.

(b) MISSION.—The missions of the Center are as follows:

(1) To maximize common application of ballistic missile defense component technology programs, target test programs, functional analysis and phenomenology investigations.

(2) To store data from the missile defense technology programs of the Armed Forces using computer facilities of the Missile Defense Data Center.

(c) TECHNOLOGY PROGRAM COORDINATION WITH CENTER.—The Secretary of Defense, acting through the Director of the Ballistic Missile Defense Organization, shall require the head of each element or activity of the Department of Defense beginning a new missile defense program referred to in subsection (b)(1) to first coordinate the program with the Ballistic Missile Defense Technology Center in order to prevent duplication of effort.

PRESSLER AMENDMENT NO. 2192

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 343, after line 24, insert the following:

SEC. 1036. ESTABLISHMENT OF JUNIOR R.O.T.C. UNITS IN INDIAN RESERVATION SCHOOLS.

It is the sense of Congress that the Secretary of Defense should ensure that secondary educational institutions on Indian reservations are afforded a full opportunity along with other secondary educational institutions to be selected as locations for establishment of new Junior Reserve Officers' Training Corps units.

HELMS AMENDMENT NO. 2193

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 348, beginning on line 23, strike out "to Congress" and insert in lieu thereof the following: "to the Committees on Armed Services and on Foreign Relations of the Senate and the Committees on National Security and on International Relations of the House of Representatives".

On page 368, line 7, after "defense committees" insert the following: ", the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives".

COHEN AMENDMENT NO. 2194

(Ordered to lie on the table.)

Mr. COHEN submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 334, strike out lines 6 through 15.

On page 334, line 16, strike out "(d)" and insert in lieu thereof "(c)".

On page 334, line 19, strike out "(e)" and insert in lieu thereof "(d)".

THURMOND AMENDMENTS NOS. 2195–2196

(Ordered to lie on the table.)

Mr. THURMOND submitted two amendments intended to be proposed by him to the bill, S. 1026, supra, as follows:

Amendment No. 2195

On page 313, between lines 8 and 9, insert the following:

SEC. 815. COST AND PRICING DATA.

(A) Armed Service Procurements.—Section 2306a(d)(2)(A)(i) of title 10, United States Code, is amended by striking out "and the procurement is not covered by an exception in subsection (b)," and inserting in lieu thereof "and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,".

(b) Civilian Agency Procurements.—Section 304A(d)(2)(A)(i) of the Federal Property and Administrative services Act of 1949 (41 U.S.C. 254b(d)(2)(A)(i)) is amended by striking out "and the procurement is not covered by an exception in subsection (b)," and inserting in lieu thereof "and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,".

SEC. 816. PROCUREMENT NOTICE TECHNICAL AMENDMENTS.

Section 18(c)(1)(E) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)(1)(E)) is amended by inserting after "requirements contract" the following: ", a task order contract, or a delivery order contract".

SEC. 817. REPEAL OF DUPLICATIVE AUTHORITY FOR SIMPLIFIED ACQUISITION PURCHASES.

Section 31 of the Office of Federal Procurement Policy Act (41 U.S.C. 427) is amended—

(1) by striking out subsections (a), (b), and (c);

(2) by redesignating subsections (d), (e), and (f) as (a), (b), and (c), respectively;

(3) in subsection (b), as so redesignated, by striking out "provided the Federal Acquisition Regulation pursuant to this section" each place it appears and inserting in lieu thereof "contained in the Federal Acquisition Regulation"; and

(4) by adding at the end the following:

"(d) Procedures Defined.—The simplified acquisition procedures referred to in this section are the simplified acquisition procedures that are provided in the Federal Acquisition Regulation pursuant to section 2304(g) of title 10, United States Code, and section 303(g) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)).".

SEC. 818. MICRO-PURCHASES WITHOUT COMPETITIVE QUOTATIONS.

Section 32(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 428) is amended by striking out "the contracting officer" and inserting in lieu thereof "an employee of an executive agency or a member of the Armed Forces of the United States authorized to do so".

Amendment No. 2196

On page 381, beginning on line 5, strike out "(a)" and all that follows through "Activities.—" on line 6.

On page 381, strike out lines 13 through 16.

On page 403, strike out lines 5 through 16.

LOTT AMENDMENT NO. 2197

(Ordered to lie on the table.)

Mr. LOTT submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

Beginning on page 20, line 24, strike out "reviewed" and all that follows through page 21, line 2, and insert in lieu thereof "qualified for operational use and platform certifications have been completed for full qualification of an alternative composite rocket motor and propellant.".

SHELBY AMENDMENT NO. 2198

(Ordered to lie on the table.)

Mr. SHELBY submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

(a) On page 32, before line 20, Section 201 (4) is amended by adding the following new subsection:

(C) 475,470,000 is authorized for Other Theater Missile Defense, of which up to $25,000,000 may be made available for the operation of the Battlefield Integration Center.

DOLE AMENDMENT NO. 2199

(Ordered to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 31, after line 22, insert the following:

SEC. 133. JOINT PRIMARY AIRCRAFT TRAINING SYSTEM PROGRAM.

Of the amount authorized to be appropriated under section 103(1), $54,968,000 shall be available for the Joint Primary Aircraft Training System program for procurement of up to eight aircraft.

SMITH AMENDMENT NO. 2200

(Ordered to lie on the table.)

Mr. SMITH submitted an amendment intended to be proposed by him to the bill S. 1026, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . DEPRESSED ALTITUDE GUIDED GUN ROUND SYSTEM.

Of the funds authorized for Army RDT&E, $5 million may be utilized to continue development of the Depressed Altitude Guided Gun Round System.

DOMENICI (AND INOUYE) AMENDMENT NO. 2201

(Ordered to lie on the table.)

Mr. DOMENICI (for himself and Mr. Inouye) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra, as follows:

On page , strike lines through , and insert in lieu thereof and renumber accordingly: "(1) $45.896 million for the Army EAC Communications.

DOMENICI AMENDMENT NO. 2202

(Ordered to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page , strike lines through , and insert in lieu thereof and renumber accordingly: "(1) $20 million for the excimer laser.

WARNER AMENDMENT NO. 2203

(Ordered to lie on the table.)

Mr. WARNER submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

At the appropriate place add the following:

SECTION 1. DESIGNATION OF NATIONAL MARITIME CENTER.

The NAUTICUS building, located at one Waterside Drive, Norfolk, Virginia, shall be known and designated as the "National Maritime Center".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in section 1 shall be deemed to be a reference to the "National Maritime Center".

McCAIN AMENDMENT NO. 2204

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 468, below line 24, add the following:

SEC. 2825. IMPROVEMENT OF BASE CLOSURE AND REALIGNMENT PROCESS.

(a) Applicability.—Subparagraph (A) of section 2905(b)(7) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking out "Determinations of the use to assist the homeless of buildings and property located at installations approved for closure under this part" and inserting in lieu thereof "Procedures for the disposal of buildings and property located at installations approved for closure or realignment under this part".

(b) Redevelopment Authorities.—Subparagraph (B) of such section is amended by adding at the end the following:

"(iii) The chief executive officer of the State in which an installation covered by this paragraph is located may assist in resolving any disputes among citizens or groups of citizens as to the individuals and groups constituting the redevelopment authority for the installation.".

(c) Agreements Under Redevelopment Plans.—Subparagraph (F)(ii)(I) of such section is amended in the second sentence by striking out "the approval of the redevelopment plan by the Secretary of Housing and Urban Development under subparagraph (H) or (J)" and inserting in lieu thereof "the decision regarding the disposal of the buildings and property covered by the agreements by the Secretary of Defense under subparagraph (K) or (L)".

(d) Revision of Redevelopment Plans.—Subparagraph (I) of such section is amended by inserting "the Secretary of Defense and" before "the Secretary of Housing and Urban Development" each place it appears.

(e) DISPOSAL OF BUILDINGS AND PROPERTY.—(1) Subparagraph (K) of such section is amended to read as follows:

"(K)(i) Upon receipt of a notice under subparagraph (H)(iv) or (J)(ii) of the determination of the Secretary of Housing and Urban Development that a redevelopment plan for an installation meets the requirements set forth in subparagraph (H)(i), the Secretary of Defense shall dispose of the buildings and property at the installation.

"(ii) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(iii) The Secretary shall dispose of buildings and property under clause (i) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give substantial deference to the redevelopment plan concerned.

"(iv) The disposal under clause (i) of buildings and property to assist the homeless shall be without consideration.

"(v) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ".

(2) Subparagraph (L) of such section is amended by striking out clauses (iii) and (iv) and inserting in lieu thereof the following new clauses (iii) and (iv):

"(iii) Not later than 90 days after the date of the receipt of a revised plan for an installation under subparagraph (J), the Secretary of Housing and Urban Development shall—

"(I) notify the Secretary of Defense and the redevelopment authority concerned of the buildings and property at an installation under clause (i)(IV) that the Secretary of Housing and Urban Development determines are suitable for use to assist the homeless; and

"(II) notify the Secretary of Defense of the extent to which the revised plan meets the criteria set forth in subparagraph (H)(i).

"(iv)(I) Upon notice from the Secretary of Housing and Urban Development with respect to an installation under clause (iii), the Secretary of Defense shall, after consultation with the Secretary of Housing and Urban Development and redevelopment authority concerned, dispose of buildings and property at the installation.

"(II) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(III) The Secretary shall dispose of buildings and property under subclause (I) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give deference to the redevelopment plan concerned.

"(IV) The disposal under subclause (I) of buildings and property to assist the homeless shall be without consideration.

"(V) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ".

(f) CONFORMING AMENDMENT.—Subparagraph (M)(i) of such section is amended by inserting "or (L)" after "subparagraph (K)".

(g) CLARIFICATION OF PARTICIPANTS IN PROCESS.—Such section is further amended by adding at the end the following:

"(P) For purposes of this paragraph, the term 'other interested parties', in the case of an installation, includes any parties eligible for the conveyance of property of the installation under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or subchapter II of chapter 471 of title 49, United States Code, whether or not the parties assist the homeless.".

(h) TECHNICAL AMENDMENTS.—Section 2910 of such Act is amended—

(1) by designating the paragraph (10) added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103–421; 108 Stat. 4352) as paragraph (11); and

(2) in such paragraph, as so designated, by striking out "section 501(h)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(h)(4))" and inserting in lieu thereof "section 501(i)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(i)(4))".

SEC. 2826. EXERCISE OF AUTHORITY DELEGATED BY THE ADMINISTRATOR OF GENERAL SERVICES.

Section 2905(b)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A)—

(A) by striking out "Subject to subparagraph (C)" in the matter preceding clause (i) and inserting in lieu thereof "Subject to subparagraph (B)"; and

(B) by striking out "in effect on the date of the enactment of this Act" each place it appears in clauses (i) and (ii);

(2) by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following new subparagraph (B):

"(B) The Secretary may, with the concurrence of the Administrator of General Services—

"(i) prescribe general policies and methods for utilizing excess property and disposing of surplus property pursuant to the authority delegated under paragraph (1); and

"(ii) issue regulations relating to such policies and methods which regulations supersede the regulations referred to in subparagraph (A) with respect to that authority."; and

(3) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

SEC. 2827. LEASE BACK OF PROPERTY DISPOSED FROM INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) AUTHORITY.—Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph (C):

"(C)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this part (including property at an installation approved for realignment which property will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, all or a significant portion of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

"(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

"(iii) A lease under clause (i) may not require rental payments by the United States.

"(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may, upon approval by the redevelopment authority concerned, be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease.".

(b) USE OF FUNDS TO IMPROVE LEASED PROPERTY.—Notwithstanding any other provision of law, a department or agency of the Federal Government that enters into a lease of property under section 2905(b)(4)(C) of the such Act, as amended by subsection (a), may use funds appropriated or otherwise available to the department or agency for such purpose to improve the leased property.

SEC. 2828. PROCEEDS OF LEASES AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) INTERIM LEASES.—Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) by striking out "and" at the end of clause (i);

(B) by striking out the period at the end of clause (ii) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(iii) money rentals referred to in paragraph (5)."; and

(2) by adding at the end the following:

"(5) Money rentals received by the United States under subsection (f) shall be deposited in the Department of Defense Base Closure Account 1990 established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).".

(b) DEPOSIT IN 1990 ACCOUNT.—Section 2906(a)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (C)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out "and" at the end;

(2) in subparagraph (D)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out the period at the end and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(E) money rentals received by the United States under section 2667(f) of title 10, United States Code.".

THURMOND AMENDMENTS NOS. 2205–2206

(Ordered to lie on the table.)

Mr. THURMOND submitted two amendments intended to be proposed by him to the bill, S. 1026, supra, as follows:

AMENDMENT NO. 2205

At the appropriate place in the bill insert the following new section:

SEC. . MODIFICATIONS TO THE ABM TREATY TO BE ENTERED INTO ONLY THROUGH TREATY MAKING POWER.

(a) REQUIREMENT FOR USE OF TREATY MAKING POWER.—The United States shall not be bound by any international agreement entered into by the President that would substantively modify the ABM Treaty unless the agreement is entered pursuant to the treaty making power of the President under the Constitution.

(b) SUBSTANTIVE MODIFICATION DEFINED.—A substantive modification to the ABM Treaty shall include, but not be limited to:

(1) any agreement that would place limitations on the performance parameters of a theater missile defense system, system upgrade, or system component, including but not limited to velocity limitations on interceptor missiles, limitations on the power or performance of sensor systems, and the ability of theater missile defense systems to exploit space-based or other external sensor data;

(2) any agreement that would place deployment or operational limitations on a theater missile defense system, system upgrade or system component, including numerical or geographical limitations;

(3) any agreement that would change the ABM Treaty from a bilateral treaty into a multi-lateral treaty.

AMENDMENT NO. 2206

At the appropriate place in the bill insert the following new section:

SEC. . MODIFICATIONS TO THE ABM TREATY TO BE ENTERED INTO ONLY THROUGH TREATY MAKING POWER.

(a) REQUIREMENT FOR USE OF TREATY MAKING POWER.—The United States shall not be bound by any international agreement entered into by the President that would substantively modify the ABM Treaty unless the agreement is entered pursuant to the treaty making power of the President under the Constitution.

(b) SUBSTANTIVE MODIFICATION DEFINED.—A substantive modification to the ABM Treaty shall include, but not be limited to:

(1) any agreement that would place limitations on the performance parameters of a theater missile defense system, system upgrade, or system component, including but not limited to velocity limitations on interceptor missiles, limitations on the power or performance of sensor systems, and the ability of theater missile defense systems to exploit space-based or other external sensor data;

(2) any agreement that would place deployment or operational limitations on a theater missile defense system, system upgrade or system component, including numerical or geographical limitations;

(3) any agreement that would change the ABM Treaty from a bilateral treaty into a multi-lateral treaty.

(c) FINDING.—Congress finds that unless a missile defense or air defense system, system upgrade, or system component, including one that exploits data from space-based or other external sensors, is flight tested against a ballistic missile that exceeds a range of 3,500 kilometers or a velocity of 5 kilometers per second, such missile defense or air defense system, system upgrade, or system component has not, for purposes of the ABM Treaty been tested in an ABM mode nor been given capabilities to counter strategic ballistic missiles.

KYL AMENDMENT NO. 2207

(Ordered to lie on the table.)

Mr. KYL submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

On page 246, between lines 7 and 8, insert the following:

(c) ADDITIONAL LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.—(1) Of the amount available under section 301(18) for Cooperative Threat Reduction for dismantlement and destruction of chemical weapons, $104,000,000 may not be obligated or expended for that purpose until the President certifies to Congress the following:

(A) That the United States and Russia have completed a joint study evaluating the feasibility of the proposal of Russia to neutralize its chemical weapons.

(B) That Russia agrees to prepare a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(C) That Russia has resolved outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(3) In this section:

(A) The term "1989 Wyoming Memorandum of Understanding" means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on _________, 1989.

(B) The term "1990 Bilateral Destruction Agreement" means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and non-production of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed at _________ on ____, 1990.

BROWN AMENDMENT NO. 2208

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by him to the bill, S. 1026, supra, as follows:

At the appropriate place in the bill add the following:

"SEC. . STUDY ON CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—(1) The Secretary of Defense shall conduct a study to assess the risk associated with transportation of the unitary stockpile, any portion of the stockpile to include drained agent from munition and munition, from one location to another within the continental United States. Also, the Secretary shall include a study of the assistance available to communities in the vicinity if the Department of Defense facilities co-located with continuing chemical stockpile and chemical demilitarization operations which facilities are subject to closure, realignment, or reutilization.

(2) The review shall include an analysis of—

(A) the results of the physical and chemical integrity report conducted by the Army on existing stockpile;

(B) a determination of the viability of transportation of any portion of the stockpile, to include drained agent from munitions and the munitions;

(C) the safety, cost-effectiveness, and public acceptability of transporting the stockpile, in its current configuration, or in alternative configurations;

(D) the economic effects of closure, realignment, or reutilization of the facilities referred to in paragraph (1) on the communities referred to in that paragraph; and

(E) the unique problems that such communities face with respect to the reuse of such facilities as a result of the operations referred to in paragraph (1).

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study carried out under subsection (a). The report shall include recommendations of the Secretary on methods for ensuring the expeditious and cost-effective transfer or lease of facilities referred to in paragraph (1) of subsection (a) to communities referred to in paragraph (1) for reuse by such communities."

THURMOND AMENDMENTS NOS. 2209–2211

(Ordered to lie on the table.)

Mr. THURMOND submitted three amendments intended to be proposed by him to the bill, S. 1026, supra, as follows:

AMENDMENT NO. 2209

On page 137, after line 24, add the following:

SEC. 389. DEMONSTRATION PROJECT FOR REPAIR OF STEAM SYSTEMS AT MILITARY INSTALLATIONS.

(a) IN GENERAL.—The Secretary of Defense shall carry out in fiscal year 1996 a demonstration project at a military installation designated by the Secretary in the National Capital region in order to determine the benefits to the Department of Defense of inspecting, maintaining, and repairing steam systems at military installations.

(2) In carrying out the project, the Secretary shall, without interruption in steam service to the installation, replace the defective steam traps at the installation with steam traps that are guaranteed by the manufacturer.

(b) PLAN AND REPORT.—(1) Not later than 60 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan for the project under subsection (a). The plan shall set forth—

(A) the installation designated as the location of the project;

(B) the scope of the project; and

(C) the estimated cost of the project.

(2) Upon completion of the project, the Secretary shall submit to the committees referred to in paragraph (1) a report on the project. The report shall—

(A) describe the cost savings to the Department that were achieved under the project;

(B) estimate the cost savings to the Department that would be achieved by carrying out similar activities with respect to steam systems at other installations; and

(C) include the recommendations of the Secretary for continuing and improving such activities.

(c) FUNDING.—The Secretary shall carry out the project under subsection (a) using funds available for the Federal energy management program.

AMENDMENT NO. 2210

On page 61, strike out lines 20 and 21, and insert in lieu thereof the following:

(1) the Senate should undertake a comprehensive review of

On page 62, line 2, strike out "and".

On page 62, strike out lines 2 through 7, and insert in lieu thereof the following:

(2) upon completion of the review, the Committee on Foreign Relations, in consultation with the Committee on Armed Services and other appropriate committees, should report its findings to the Senate.

On page 63, beginning on line 6, strike out "any" and all that follows through line 7, and insert in lieu thereof "the Committee on Foreign Relations and".

AMENDMENT NO. 2211

On page 61, strike out lines 20 and 21, and insert in lieu thereof the following:

(1) the Senate should undertake a comprehensive review of

On page 62, line 2, strike out "and".

On page 62, strike out lines 3 through 11, and insert in lieu thereof the following:

(2) upon completion of the review, the Committee on Foreign Relations, in consultation with the Committee on Armed Services and other appropriate committees, should report its findings to the Senate.

On page 63, beginning on line 6, strike out "any" and all that follows through line 7, and insert in lieu thereof "the Committee on Foreign Relations and".

McCAIN (AND GLENN) AMENDMENTS NOS. 2212–2213

(Ordered to lie on the table.)

Mr. McCAIN (for himself and Mr. GLENN) submitted two amendments intended to be proposed by them to the bill, S. 1026, supra, as follows:

AMENDMENT NO. 2212

On page 487, below line 24, add the following:

SEC. 2838. LAND CONVEYANCE, RADAR BOMB SCORING SITE, POWELL, WYOMING.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration, to the Northwest College Board of Trustees (in this section referred to as the "Board"), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) consisting of approximately 24 acres located in Powell, Wyoming, which has served as the location of a support complex, recreational facilities, and housing facilities for the Radar Bomb Scoring Site, Powell, Wyoming.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Board use the property conveyed under that subsection for housing and recreation purposes and for such other purposes as the Secretary and the Board jointly determine appropriate.

(c) REVERSIONARY INTEREST.—During the 5-year period beginning on the date that the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed property is not being used in accordance with subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

AMENDMENT NO. 2213

On page 487, below line 24, add the following:

SEC. 2838. LAND CONVEYANCE, RADAR BOMB SCORING SITE, FORSYTH, MONTANA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration, to the City of Forsyth, Montana (in this section referred to as the "City"), all right, title, and interest of the United States in and to the parcel of property (including any improvements thereon) consisting of approximately 58 acres located in Forsyth, Montana, which has served as a support complex and recreational facilities for the Radar Bomb Scoring Site, Forsyth, Montana.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the City—

(1) utilize the property and recreational facilities conveyed under that subsection for housing and recreation purposes; or

(2) enter into an agreement with an appropriate public or private entity to lease such property and facilities to that entity for such purposes.

(c) REVERSION.—If the Secretary determines at any time that the property conveyed under subsection (a) is not being utilized in accordance with paragraph (1) or paragraph (2) of subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary determines appropriate to protect the interests of the United States.

KEMPTHORNE AMENDMENT NO. 2214

(Ordered to lie on the table.)

Mr. KEMPTHORNE submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

Insert at the appropriate place the following:

(a) SENSE OF THE SENATE.—The Department of Defense, the Department of Energy and the Governor of the State of Idaho should continue good faith negotiations for the purpose of reaching an agreement on the issue of spent nuclear fuel shipments from naval reactors.

(a) REPORT.—(1) Not later than September 1, 1995, the Secretary of Defense shall report in writing to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives on the status or outcome of the negotiations required under subsection (b).

(2) The report shall include the following matters:

(A) If an agreement is reached, the terms of the agreement, including the dates on which shipments of spent nuclear fuel from naval reactors will resume.

(B) If an agreement is not reached—

(i) The Secretary's evaluation of the issues remaining to be resolved before an agreement can be reached;

(ii) the likelihood that an agreement will be reached before October 1, 1995; and

(iii) the steps that must be taken to insure that the Navy can meet the national security requirements of the nation.

LEVIN AMENDMENTS NOS. 2215–2217

(Ordered to lie on the table.)

Mr. LEVIN submitted three amendments intended to be proposed by him to the bill, S. 1026, supra, as follows:

AMENDMENT NO. 2215

At the appropriate place in the bill, insert the following:

SEC. . The Senate finds that the Second Strategic Arms Reduction Treaty (START II agreement) was signed by President George Bush and Russian President Boris Yeltsin on January 3, 1993, and

a. FINDINGS.—

(1) the ratified START I agreement has already led to significant reductions in the number of nuclear warheads targeted on the United States; and

(2) the START II agreement, once ratified, will lead to further reductions of thousands of Russian nuclear warheads; and

(3) it is in the national security interest of the United States to have thousands of Russian missiles and warheads retired and dismantled; and

(4) the Joint Chiefs of Staff have given enthusiastic support for the START II agreement in testimony before the Congress, certifying that it will add to the safety and security of the United States; and

(5) the START II agreement helps to reduce the threat of nuclear war and advances the non-proliferation interests of the United States; and

(6) the full implementation of the START II agreement by the Russian Federation will greatly consolidate control and improve the security of the remaining warheads, reducing opportunities for unauthorized access or theft of these warheads; and

(7) the reduced nuclear forces for both countries will lead to major cost savings for the United States military; and

(8) by the year 2003, the United States will still maintain a robust deterrent force of 3,500 nuclear warheads; and

(9) the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (hereafter referred to as the "Convention") would establish a comprehensive ban on chemical weapons, and its negotiation has enjoyed strong, bipartisan Congressional support and the support of the last six administrations; and

(10) the Convention requires participating states to destroy their chemical arsenals and production facilities under international supervision, which would accelerate progress toward the disarmament of chemical weapons in a majority of the states believed to harbor them; and

(11) the Chairman of the Joint Chiefs of Staff, General John Shalikashvili, has testified in support of the ratification of the Convention and stated that United States military forces would deter and respond to chemical weapons threats with robust chemical defenses and overwhelming conventional forces; and

(12) the United States chemical industry assisted in crafting an effective verification protocol and testified in support of the Convention's ratification; and

(13) the United States intelligence agencies have testified that the Convention will provide new and important sources of information, through regular data exchanges and routine and challenge inspections, to improve the ability of the United States to assess the chemical weapons status in countries of concern; and

(14) the Convention will gradually isolate and automatically penalize states which refuse to join by preventing them from gaining access to dual-use chemicals and creating a basis for monitoring illegal diversions of those materials; and

(15) Russia has signed the Convention but has not yet ratified it, and there have been reports of continued Russian testing and production of chemical weapons; and

(16) the Convention will impose a legally binding obligation on Russia and other nations that process chemical weapons to cease offensive chemical weapons activities and to destroy their chemical weapons stockpiles and production facilities: Now, therefore, be it

(b) It is the sense of the Senate that the United States Senate—

(1) declares that it is in the national security interest of the United States to duly ratify and fully implement the deep cuts in strategic forces required by the START II arms reduction treaty negotiated by Presidents Ronald Reagan and George Bush, and Russian leaders Mikhail Gorbachev and Boris Yeltsin; and

(2) declares that the Senate should take up consideration of the START II Treaty and the Chemical Weapons Convention for advice and consent to ratification on a priority basis during the first session of the 104th Congress.

AMENDMENT NO. 2216

At the appropriate place in the bill, insert the following:

SEC. . RESIDUAL VALUE REPORT.—The Secretary of Defense, in coordination with the Director of the Office of Management and Budget (OMB), shall submit to the Congressional defense committees status reports on the results of residual value negotiations between the United States and Germany, within 30 days of the receipt of such reports to the OMB.

The reports shall include the following information:

(1) The estimated residual value of U.S. capital value and improvements to facilities in Germany that the U.S. has turned over to Germany.

(2) The actual value obtained by the U.S. for each facility or installation turned over to the government of Germany.

(3) The reason(s) for any difference between the estimated and actual value obtained.

AMENDMENT NO. 2217

At the appropriate point in the bill, insert the following:

SEC. . Encouragement of use of leasing authority.

(a) IN GENERAL.—(1) Chapter 137 of title 10, United States Code, is amended by inserting after section 2316 the following new section:

"SEC. 2317. EQUIPMENT LEASING.

"The Secretary of Defense is authorized to use leasing in the acquisition of commercial vehicles when such leasing is practicable and efficient."

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2317. Equipment Leasing."

(b) REPORT.—Not later than 90 days after the date of enactment of this Act, the Secretary of Defense shall submit a report setting forth changes in legislation that would be required to facilitate the use of leases by the Department of Defense in the acquisition of equipment.

(c) PILOT PROGRAM.—The Secretary of the Army may conduct a pilot program for leasing of commercial vehicles as follows:

(1) Existing commercial utility cargo vehicles may be traded-in for credit against new replacement commercial utility cargo vehicle lease costs;

(2) Quantities of commercial utility cargo vehicles to be traded in and their value to be credited shall be subject to negotiations between the parties;

(3) New commercial utility cargo vehicle lease agreements may be executed with or without options to purchase at the end of each lease period;

(4) New commercial utility cargo vehicle lease periods may not exceed five years; and

(5) One year after the date of enactment of this Act, the Secretary of the Army shall submit a report setting forth the status of the pilot program.

(6) EXPIRATION OF AUTHORITY.—This section shall cease to be effective on September 30, 2000.

KENNEDY AMENDMENT NO. 2218

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

On page 30, following line 13, insert the following:

SEC. . REPORT ON AH-64D ENGINE UPGRADES.

(a) REPORT.—No later than February 1, 1996, the Secretary of the Army shall submit to Congress a report on plans to procure T700–701 engine upgrade kits for Army AH-64D helicopters.

The report shall include:

(1) a plan to provide for the upgrade of all Army AH-64D helicopters with T700–701 engine kits commencing in FY 1996.

(2) detailed timeline and funding requirements for the engine upgrade program described in (a)(1).

THURMOND AMENDMENTS NOS. 2219–2221

(Ordered to lie on the table.)

Mr. THURMOND submitted three amendments intended to be proposed by him to the bill, S. 1026, supra; as follows:

AMENDMENT NO. 2219

On page 403, between lines 16 and 17, insert the following:

SEC. 1095. NATIONAL SECURITY OBJECTIVES FOR CONGRESS.

It is the sense of Congress that Congress should take the actions necessary—

(1) to guarantee the national security of the United States and the status of the United States as the preeminent military power in the world by—

(A) enacting defense budgets that meet national security requirements;

(B) defining the defense budget priorities so as to ensure an appropriate balance of personnel, near-term readiness, and long-term readiness (modernization);

(C) establishing end strengths and effective recruiting and retention policies that ensure that the Armed Forces have high quality personnel in sufficient numbers at all grade levels;

(D) providing for buying the weapons and equipment needed to fight and win decisively with minimal risk to personnel;

(E) eliminating spending in defense authorizations and appropriations Acts that does not contribute directly to the national security of the United States;

(F) ensuring that the United States has an adequate, safe, and reliable nuclear weapons capability; and

(G) evaluating peacekeeping roles, policies, and operations and their impact on budgets, readiness, and national security;

(2) to protect the quality of life of members of the Armed Forces and their families by—

(A) providing equitable pay and benefits that protect against inflation; and

(B) restoring appropriate levels of funding for construction and maintenance of troop billets and family housing;

(3) to revitalize the near-term readiness of the Armed Forces by authorizing appropriations of funds in amounts that are adequate for—

(A) reducing the backlog in maintenance and repair of equipment;

(B) providing adequate training; and

(C) maintaining sufficient stocks of supplies, repair parts, fuels, and ammunition;

(4) to ensure United States military superiority by authorizing appropriations sufficient to provide for a more robust, progressive modernization program to provide required capabilities for the future; and

(5) to accelerate development and deployment of missile defense systems by—

(A) providing for the deployment of advanced land-based and sea-based theater missile defenses as soon as practicable;

(B) clarifying in law that the Anti-Ballistic Missile Treaty does not apply to modern theater missile defense systems;

(C) reassessing the value and validity of the Anti-Ballistic Missile Treaty to the national security of the United States; and

(D) accelerating the development, testing, and deployment of a national missile defense system that is highly effective against limited attacks of ballistic missiles.

AMENDMENT NO. 2220

At the appropriate place in the bill, add the following:

SEC. 125. CRASH ATTENUATING SEATS ACQUISITION PROGRAM.

(a) PROGRAM AUTHORIZED.—The Secretary of the Navy may establish a program to procure for, and install in, H-53E military transport helicopters commercially developed, energy absorbing, crash attenuating seats that the Secretary determines are consistent with military specifications for seats for such helicopters.

(b) FUNDING.—Of the unobligated balance of amounts appropriated for the Legacy Resource Management Program pursuant to the authorization of appropriations in section 301(5) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2706), not more than $10,000,000 shall be available to the Secretary of the Navy, to the extent provided in appropriate acts, by transfer to the appropriate accounts, for carrying out the program authorized in subsection (a).

AMENDMENT NO. 2221

At the appropriate place, insert:

SEC. . POLICY TO DEFEND ALL AMERICANS.

It is the policy of the United States to defend Alaska and Hawaii against the threat of limited ballistic missile attack.

COATS AMENDMENTS NOS. 2222–2226

(Ordered to lie on the table.)

Mr. COATS submitted five amendments intended to be proposed by him to the bill, S. 1026, supra, as follows:

AMENDMENT NO. 2222

At the appropriate place, insert:

SEC. 564. NOMINATIONS TO SERVICE ACADEMIES FROM COMMONWEALTH OF THE NORTHERN MARIANAS ISLANDS.

(a) MILITARY ACADEMY.—Section 4342(a) of title 10, United States Code, is amended by inserting after paragraph (9) the following new paragraph:

"(10) One cadet from the Commonwealth of the Northern Marianas Islands, nominated by the resident representative from the commonwealth.".

(b) NAVAL ACADEMY.—Section 6954(a) of title 10, United States Code, is amended by inserting after paragraph (9) the following new paragraph:

"(10) One from the Commonwealth of the Northern Marianas Islands, nominated by the resident representative from the commonwealth.".

(c) AIR FORCE ACADEMY.—Section 9342(a) of title 10, United States Code, is amended by inserting after paragraph (9) the following new paragraph:

"(10) One cadet from the Commonwealth of the Northern Marianas Islands, nominated by the resident representative from the commonwealth.".

AMENDMENT NO. 2223

At the appropriate place, insert:

SEC. 560. REVISION AND CODIFICATION OF MILITARY FAMILY ACT AND MILITARY CHILD CARE ACT.

(a) IN GENERAL.—(1) Subtitle A of title 10, United States Code, is amended by inserting after chapter 87 the following new chapter:

"CHAPTER 88—MILITARY FAMILY PROGRAMS AND MILITARY CHILD CARE

"Subchapter	Sec.
"I. Military Family Programs	1781
"II. Military Child Care	1791

"SUBCHAPTER I—MILITARY FAMILY PROGRAMS

"Sec.
"1781. Office of Family Policy.
"1782. Surveys of military families.
"1783. Family members serving on advisory committees.
"1784. Employment opportunities for military spouses.
"1785. Youth sponsorship program.
"1786. Dependent student travel within the United States.
"1787. Reporting of child abuse.

"§ 1781. Office of Family Policy

"(a) ESTABLISHMENT.—There is in the Office of the Secretary of Defense an Office of Family Policy (hereinafter in this section referred to as the 'Office'). The Office shall be under the Assistant Secretary of Defense for Force Management and Personnel.

"(b) DUTIES.—The Office—

"(1) shall coordinate programs and activities of the military departments to the extent that they relate to military families; and

"(2) shall make recommendations to the Secretaries of the military departments with respect to programs and policies regarding military families.

"(c) STAFF.—The Office shall have not less than five professional staff members.

"§ 1782. Surveys of military families

"(a) AUTHORITY.—The Secretary of Defense may conduct surveys of members of the armed forces on active duty or in an active status, members of the families of such members, and retired members of the armed forces to determine the effectiveness of Federal programs relating to military families and the need for new programs.

"(b) RESPONSES TO BE VOLUNTARY.—Responses to surveys conducted under this section shall be voluntary.

"(c) FEDERAL RECORDKEEPING REQUIREMENTS.—With respect to such surveys, family members of members of the armed forces and reserve and retired members of the armed forces shall be considered to be employees of the United States for purposes of section 3502(4)(A) of title 44.

"§ 1783. Family members serving on advisory committees

"A committee within the Department of Defense which advises or assists the Department in the performance of any function which affects members of military families and which includes members of military families in its membership shall not be considered an advisory committee under section 3(2) of the Federal Advisory Committee Act (5 U.S.C. App.) solely because of such membership.

"§ 1784. Employment opportunities for military spouses

"(a) AUTHORITY.—The President shall order such measures as the President considers necessary to increase employment opportunities for spouses of members of the armed forces. Such measures may include—

"(1) excepting, pursuant to section 3302 of title 5, from the competitive service positions in the Department of Defense located outside of the United States to provide employment opportunities for qualified spouses of members of the armed forces in the same geographical area as the permanent duty station of the members; and

"(2) providing preference in hiring for positions in nonappropriated fund activities to qualified spouses of members of the armed forces stationed in the same geographical area as the nonappropriated fund activity for positions in wage grade UA-8 and below and equivalent positions and for positions paid at hourly rates.

"(b) REGULATIONS.—The Secretary of Defense shall prescribe regulations—

"(1) to implement such measures as the President orders under subsection (a);

"(2) to provide preference to qualified spouses of members of the armed forces in hiring for any civilian position in the Department of Defense if the spouse is among persons determined to be best qualified for the position and if the position is located in the same geographical area as the permanent duty station of the member;

"(3) to ensure that notice of any vacant position in the Department of Defense is provided in a manner reasonably designed to reach spouses of members of the armed forces whose permanent duty stations are in the same geographic area as the area in which the position is located; and

"(4) to ensure that the spouse of a member of the armed forces who applies for a vacant position in the Department of Defense shall, to the extent practicable, be considered for any such position located in the same geographic area as the permanent duty station of the member.

"(c) STATUS OF PREFERENCE ELIGIBLES.—Nothing in this section shall be construed to provide a spouse of a member of the armed forces with preference in hiring over an individual who is a preference eligible.

"§ 1785. Youth sponsorship program

"(a) REQUIREMENT.—The Secretary of Defense shall require that there be at each military installation a youth sponsorship program to facilitate the integration of dependent children of members of the armed forces into new surroundings when moving to that military installation as a result of a parent's permanent change of station.

"(b) DESCRIPTION OF PROGRAMS.—The program at each installation shall provide for involvement of dependent children of members presently stationed at the military installation and shall be directed primarily toward children in their preteen and teenage years.

"§ 1786. Dependent student travel within the United States

"Funds available to the Department of Defense for the travel and transportation of dependent students of members of the armed forces stationed overseas may be obligated for transportation allowances for travel within or between the contiguous States.

"§ 1787. Reporting of child abuse

"(a) IN GENERAL.—The Secretary of Defense shall request each State to provide for the reporting to the Secretary of any report the State receives of known or suspected instances of child abuse and neglect in which the person having care of the child is a member of the armed forces (or the spouse of the member).

"(b) DEFINITION.—In this section, the term 'child abuse and neglect' has the meaning provided in section 3(1) of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5102).

"SUBCHAPTER II—MILITARY CHILD CARE

"Sec.
"1791. Funding for military child care.
"1792. Child care employees.
"1793. Parent fees.
"1794. Child abuse prevention and safety at facilities.
"1795. Parent partnerships with child development centers.
"1796. Subsidies for family home day care.
"1797. Early childhood education program.
"1798. Definitions.

"§ 1791. Funding for military child care

"It is the policy of Congress that the amount of appropriated funds available during a fiscal year for operating expenses for military child development centers and programs shall be not less than the amount of child care fee receipts that are estimated to be received by the Department of Defense during that fiscal year.

"§ 1792. Child care employees

"(a) REQUIRED TRAINING.—(1) The Secretary of Defense shall prescribe regulations implementing, a training program for child care employees. Those regulations shall apply uniformly among the military departments. Subject to paragraph (2), satisfactory completion of the training program shall be a condition of employment of any person as a child care employee.

"(2) Under those regulations, the Secretary shall require that each child care employee complete the training program not later than six months after the date on which the employee is employed as a child care employee.

"(3) The training program established under this subsection shall cover, at a minimum, training in the following:

"(A) Early childhood development.

"(B) Activities and disciplinary techniques appropriate to children of different ages.

"(C) Child abuse prevention and detection.

"(D) Cardiopulmonary resuscitation and other emergency medical procedures.

"(b) TRAINING AND CURRICULUM SPECIALISTS.—(1) The Secretary of Defense shall require that at least one employee at each military child development center be a specialist in training and curriculum development. The Secretary shall ensure that such employees have appropriate credentials and experience.

"(2) The duties of such employees shall include the following:

"(A) Special teaching activities at the center.

"(B) Daily oversight and instruction of other child care employees at the center.

"(C) Daily assistance in the preparation of lesson plans.

"(D) Assistance in the center's child abuse prevention and detection program.

"(E) Advising the director of the center on the performance of other child care employees.

"(3) Each employee referred to in paragraph (1) shall be an employee in a competitive service position.

"(c) COMPETITIVE RATES OF PAY.—For the purpose of providing military child development centers with a qualified and stable civilian workforce, employees at a military installation who are directly involved in providing child care and are paid from nonappropriated funds—

"(1) in the case of entry-level employees, shall be paid at rates of pay competitive with the rates of pay paid to other entry-level employees at that installation who are drawn from the same labor pool; and

"(2) in the case of other employees, shall be paid at rates of pay substantially equivalent to the rates of pay paid to other employees at that installation with similar training, seniority, and experience.

"(d) EMPLOYMENT PREFERENCE PROGRAM FOR MILITARY SPOUSES.—(1) The Secretary of Defense shall conduct a program under which qualified spouses of members of the armed forces shall be given a preference in hiring for the position of child care employee in a position paid from nonappropriated funds if the spouse is among persons determined to be best qualified for the position.

"(2) A spouse who is provided a preference under this subsection at a military child development center may not be precluded from obtaining another preference, in accordance with section 1794 of this title, in the same geographic area as the military child development center.

"(e) COMPETITIVE SERVICE POSITION DEFINED.—In this section, the term 'competitive service position' means a position in the competitive service, as defined in section 2102(a)(1) of title 5.

"§ 1793. Parent fees

"(a) IN GENERAL.—The Secretary of Defense shall prescribe regulations establishing fees to be charged parents for the attendance of children at military child development centers. Those regulations shall be uniform for the military departments and shall require that, in the case of children who attend the centers on a regular basis, the fees shall be based on family income.

"(b) LOCAL WAIVER AUTHORITY.—The Secretary of Defense may provide authority to installation commanders, on a case-by-case basis, to establish fees for attendance of children at child development centers at rates lower than those prescribed under subsection (a) if the rates prescribed under subsection (a) are not competitive with rates at local non-military child development centers.

"§ 1794. Child abuse prevention and safety at facilities

"(a) CHILD ABUSE TASK FORCE.—The Secretary of Defense shall maintain a special task force to respond to allegations of widespread child abuse at a military installation. The task force shall be composed of personnel from appropriate disciplines, including, where appropriate, medicine, psychology, and childhood development. In the case of such allegations, the task force shall provide assistance to the commander of the installation, and to parents at the installation, in helping them to deal with such allegations.

"(b) NATIONAL HOTLINE.—(1) The Secretary of Defense shall maintain a national telephone number for persons to use to report suspected child abuse or safety violations at a military child development center or family home day care site. The Secretary shall ensure that such reports may be made anonymously if so desired by the person making the report. The Secretary shall establish procedures for following up on complaints and information received over that number.

"(2) The Secretary shall publicize the existence of the number.

"(c) ASSISTANCE FROM LOCAL AUTHORITIES.—The Secretary of Defense shall prescribe regulations requiring that, in a case of allegations of child abuse at a military child development center or family home day care site, the commander of the military installation or the head of the task force established under subsection (a) shall seek the assistance of local child protective authorities if such assistance is available.

"(d) SAFETY REGULATIONS.—The Secretary of Defense shall prescribe regulations on safety and operating procedures at military child development centers. Those regulations shall apply uniformly among the military departments.

"(e) INSPECTIONS.—The Secretary of Defense shall require that each military child development center be inspected not less often than four times a year. Each such inspection shall be unannounced. At least one inspection a year shall be carried out by a representative of the installation served by the center, and one inspection a year shall be carried out by a representative of the major command under which that installation operates.

"(f) REMEDIES FOR VIOLATIONS.—(1) Except as provided in paragraph (2), any violation of a safety, health, or child welfare law or regulation (discovered at an inspection or otherwise) at a military child development center shall be remedied immediately.

"(2) In the case of a violation that is not life threatening, the commander of the major command under which the installation concerned operates may waive the requirement that the violation be remedied immediately for a period of up to 90 days beginning on the date of the discovery of the violation. If the violation is not remedied as of the end of that 90-day period, the military child development center shall be closed until the violation is remedied. The Secretary of the military department concerned may waive the preceding sentence and authorize the center to remain open in a case in which the violation cannot reasonably be remedied within that 90-day period or in which major facility reconstruction is required.

"(3) If a military child development center is closed under paragraph (2), the Secretary of the military department concerned shall promptly submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report notifying those committees of the closing. The report shall include—

"(A) notice of the violation that resulted in the closing and the cost of remedying the violation; and

"(B) a statement of the reasons why the violation has not been remedied as of the time of the report.

"§ 1795. Parent partnerships with child development centers

"(a) PARENT BOARDS.—The Secretary of Defense shall require that there be established at each military child development center a board of parents, to be composed of parents of children attending the center. The board shall meet periodically with staff of the center and the commander of the installation served by the center for the purpose of discussing problems and concerns. The board, together with the staff of the center, shall be responsible for coordinating the parent participation program described in subsection (b).

"(b) PARENT PARTICIPATION PROGRAMS.—The Secretary of Defense shall require the establishment of a parent participation program at each military child development center. As part of such program, the Secretary of Defense may establish fees for attendance of children at such a center, in the case of parents who participate in the parent participation program at that center, at rates lower than the rates that otherwise apply.

"§ 1796. Subsidies for family home day care

"The Secretary of Defense may use appropriated funds available for military child care purposes to provide assistance to family home day care providers so that family home day care services can be provided to members of the armed forces at a cost comparable to the cost of services provided by military child development centers. The Secretary shall prescribe regulations for the provision of such assistance.

"§ 1797. Early childhood education program

"The Secretary of Defense shall require that all military child development centers meet standards of operation necessary for accreditation by an appropriate national early childhood programs accrediting body.

"§ 1798. Definitions

"In this subchapter:

"(1) The term 'military child development center' means a facility on a military installation (or on property under the jurisdiction of the commander of a military installation) at which child care services are provided for members of the armed forces or any other facility at which such child care services are provided that is operated by the Secretary of a military department.

"(2) The term 'family home day care' means home-based child care services that are provided for members of the armed forces by an individual who (A) is certified by the Secretary of the military department concerned as qualified to provide those services, and (B) provides those services on a regular basis for compensation.

"(3) The term 'child care employee' means a civilian employee of the Department of Defense who is employed to work in a military child development center (regardless of whether the employee is paid from appropriated funds or nonappropriated funds).

"(4) The term 'child care fee receipts' means those nonappropriated funds that are derived from fees paid by members of the armed forces for child care services provided at military child development centers.".

(2) The tables of chapters at the beginning of subtitle A, and at the beginning of part II of subtitle A, of title 10, United States Code, are amended by inserting after the item relating to chapter 87 the following new item:

"88. Military Family Programs and Military Child Care .... 1781".

(b) REPORT ON FIVE-YEAR DEMAND FOR CHILD CARE.—(1) Not later than the date of the submission of the budget for fiscal year 1997 pursuant to section 1105 of title 31, United States Code, the Secretary of Defense shall submit to Congress a report on the expected demand for child care by military and civilian personnel of the Department of Defense during fiscal years 1997 through 2001.

(2) The report shall include—

(A) a plan for meeting the expected child care demand identified in the report; and

(B) an estimate of the cost of implementing that plan.

(3) The report shall also include a description of methods for monitoring family home day care programs of the military departments.

(c) PLAN FOR IMPLEMENTATION OF ACCREDITATION REQUIREMENT.—The Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a plan for carrying out the requirements of section 1787 of title 10, United States Code, as added by subsection (a). The plan shall be submitted not later than April 1, 1997.

(d) CONTINUATION OF DELEGATION OF AUTHORITY WITH RESPECT TO HIRING PREFERENCE FOR QUALIFIED MILITARY SPOUSES.—The provisions of Executive Order No. 12568, issued October 2, 1986 (10 U.S.C. 113 note), shall apply as if the reference in that Executive order to section 806(a)(2) of the Department of Defense Authorization Act of 1986 refers to section 1784 of title 10, United States Code, as added by subsection (a).

(e) CONFORMING AMENDMENT.—Effective October 1, 1995, section 1782(c) of title 10, United States Code, as added by subsection (a), is amended by striking out "section 3502(4)(A) of title 44" and inserting in lieu thereof "section 3502(3)(A)(i) of title 44".

(f) REPEALER.—The following provisions of law are repealed:

(1) The Military Family Act of 1985 (title VIII of Public Law 99-145; 10 U.S.C. 113 note).

(2) The Military Child Care Act of 1989 (title XV of Public Law 101-189; 10 U.S.C. 113 note).

SEC. 561. DISCHARGE OF MEMBERS OF THE ARMED FORCES WHO HAVE THE HIV-1 VIRUS.

(a) IN GENERAL.—(1) Section 1177 of title 10, United States Code, is amended to read as follows:

"§ 1177. Members infected with HIV-1 virus: mandatory discharge or retirement

"(a) MANDATORY SEPARATION.—A member of the armed forces who is HIV-positive shall be separated. Such separation shall be made on a date determined by the Secretary concerned, which shall be as soon as practicable after the date on which the determination is made that the member is HIV-positive and not later than the last day of the sixth month beginning after such date.

"(b) FORM OF SEPARATION.—If a member to be separated under this section is eligible to retire under any provision of law or to be transferred to the Fleet Reserve or Fleet Marine Corps Reserve, the member shall be so retired or so transferred. Otherwise, the member shall be discharged. The characterization of the service of the member shall be determined without regard to the determination that the member is HIV-positive.

"(c) DEFERRAL OF SEPARATION FOR MEMBERS IN 18-YEAR RETIREMENT SANCTUARY.—In the case of a member to be discharged under this section who on the date on which the member is to be discharged is within two years of qualifying for retirement under any provision of law, or of qualifying for transfer to the Fleet Reserve or Fleet Marine Corps Reserve under section 6330 of this title, the member may, as determined by the Secretary concerned, be retained on active duty until the member is qualified for retirement or transfer to the Fleet Reserve or Fleet Marine Corps Reserve, as the case may be, and then be so retired or transferred, unless the member is sooner retired or discharged under any other provision of law.

"(d) SEPARATION TO BE CONSIDERED INVOLUNTARY.—A separation under this section shall be considered to be an involuntary separation for purposes of any other provision of law.

"(e) COUNSELING ABOUT AVAILABLE MEDICAL CARE.—A member to be separated under this section shall be provided information, in writing, before such separation of the available medical care (through the Department of Veterans Affairs and otherwise) to treat the member's condition. Such information shall include identification of specific medical locations near the member's home of record or point of discharge at which the member may seek necessary medical care.

"(f) HIV-POSITIVE MEMBERS.—A member shall be considered to be HIV-positive for purposes of this section if there is serologic evidence that the member is infected with the virus known as Human Immunodeficiency Virus-1 (HIV-1), the virus most commonly associated with the acquired immune deficiency syndrome (AIDS) in the United States. Such serologic evidence shall be considered to exist if there is a reactive result given by an enzyme-linked immunosorbent assay (ELISA) serologic test that is confirmed by a reactive and diagnostic immunoelectrophoresis test (Western blot) on two separate samples. Any such serologic test must be one that is approved by the Food and Drug Administration.".

(2) The item relating to such section in the table of sections at the beginning of chapter 59 of such title is amended to read as follows:

"1177. Members infected with HIV-1 virus: mandatory discharge or retirement.".

(b) EFFECTIVE DATE.—Section 1177 of title 10, United States Code, as amended by subsection (a), applies with respect to members of the Armed Forces determined to be HIV-positive before, on, or after the date of the enactment of this Act. In the case of a member of the Armed Forces determined to be HIV-positive before such date, the deadline for separation of the member under subsection (a) of such section, as so amended, shall be determined from the date of the enactment of this Act (rather than from the date of such determination).

AMENDMENT NO. 2224

At the appropriate place add the following:

SEC. . ROTC ACCESS TO CAMPUSES.

(a) IN GENERAL.—Chapter 49, of title 10, United States Code, is amended by adding at the end the following new section:

"§ 983. Institutions of higher education that prohibit Senior ROTC units: denial of Department of Defense grants and contracts

"(a) DENIAL OF DEPARTMENT OF DEFENSE GRANTS AND CONTRACTS.—(1) No funds appropriated or otherwise available to the Department of Defense may be made obligated by contract or by grant (including a grant of funds to be available for student aid) to any institution of higher education that, as determined by the Secretary of Defense, has an anti-ROTC policy and at which, as determined by the Secretary would otherwise maintain or seek to establish a unit of the Senior Reserve Officer Training Corps or at which the Secretary would otherwise enroll or seek to enroll students for participation in a unit of the Senior Reserve Officer Training Corps at another nearby institution of higher education.

"(2) In the case of an institution of higher education that is ineligible for Department of Defense grants and contracts by reason of paragraph (1), the prohibition under that paragraph shall cease to apply to that institution upon a determination by the Secretary that the institution no longer has an anti-ROTC policy.

"(b) NOTICE OF DETERMINATION.—Whenever the Secretary makes a determination under subsection (a) that an institution has an anti-ROTC policy, or that an institution previously determined to have an anti-ROTC policy no longer has such a policy, the Secretary—

"(1) shall transmit notice of that determination to the Secretary of Education and to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives; and

"(2) shall publish in the Federal Register notice of that determination and of the effect of that determination under subsection (a)(1) on the eligibility of that institution for Department of Defense grants and contracts.

"(c) SEMIANNUAL NOTICE IN FEDERAL REGISTER.—The Secretary shall publish in the Federal Register once every six months a list of each institution of higher education that is currently ineligible for Department of Defense grants and contracts by reason of a determination of the Secretary under subsection (a).

"(d) ANTI-ROTC POLICY.—In this section, the term 'anti-ROTC policy' means a policy or practice of an institution of higher education that—

"(1) prohibits, or in effect prevents, the Secretary of Defense from maintaining or establishing a unit of the Senior Reserve Officer Training Corps at that institution, or

"(2) prohibits, or in effect prevents, a student at the institution from enrolling in a unit of the Senior Reserve Officer Training Corps at another institution of higher education.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"983. Institutions of higher education that prohibit Senior ROTC units: denial of Department of Defense grants and contracts."

AMENDMENT NO. 2225

At the appropriate place add the following:

( ) PROVISION GIVING PERMANENT STATUS TO EXECUTIVE ORDER RELATING TO NAVAL NUCLEAR PROPULSION PROGRAM.—Section 1634 of the Department of Defense Authorization, 1985 (Public Law 98-525; 98 Stat. 2649; 42 U.S.C. 7158 note), repealed.

AMENDMENT NO. 2226

At the appropriate place add the following:

SEC. . REPORT ON IMPROVED ACCESS TO MILITARY HEALTH CARE FOR COVERED BENEFICIARIES ENTITLED TO MEDICARE.

Not later than March 1, 1996, the Secretary of Defense shall submit to Congress a report evaluating the feasibility, costs, and consequences for the military health care system of improving access to the system for covered beneficiaries under chapter 55 of title 10, United States Code, who have limited access to military medical treatment facilities and are ineligible for the Civilian Health and Medical Program of the Uniformed Services under section 1086(d)(1) of such title. The alternatives the Secretary shall consider to improve access for such covered beneficiaries shall include—

(1) whether CHAMPUS should serve as a second payer for covered beneficiaries who are entitled to hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395c et seq.); and

(2) whether such covered beneficiaries should be offered enrollment in the Federal Employees Health Benefits Program under chapter 89 of title 5. United States Code.

THE TREASURY-POSTAL SERVICE APPROPRIATIONS ACT

MIKULSKI AMENDMENT NO. 2227

Ms. MIKULSKI proposed an amendment to the bill H.R. 2020, supra, as follows:

At the end of the amendment add the following:

Notwithstanding the provisions of the preceding two sections, No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefit program which provides any benefits or coverage for abortions.

The provision of section shall not apply where the life of the mother would be endangered if the fetus were carried to term, or that the pregnancy is the result of an act of rape or incest, or where the abortion is determined to be medically necessary.

FEINGOLD (AND OTHERS) AMENDMENT NO. 2228

Mr. FEINGOLD (for himself, Mr. MCCAIN, Mr. SANTORUM, and Mr. GRAMS) proposed an amendment to the bill H.R. 2020, supra, as follows:

On page 93, below line 13, insert the following:

"(c)(1) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality to employ, on or after January 1, 1996 in excess of a total of 2000 employees in the executive branch who are (i) employed in a position on the executive schedule under sections 5312 through 5316 of title 5, United States Code, (ii) a limited term appointee, limited emergency appointee, or noncareer appointee in the senior executive service as defined under section 3132 (a) (5), (6), and (7) of title 5, United States Code, respectively, or (iii) employed in a position in the executive branch of the Government of a confidential or policy-determining character under schedule C of subpart C of past 213 of title 5 of the Code of Federal Regulations.

(2) Notwithstanding the provisions of subsection (c)(1) of this section, any actions required by such section shall be consistent with reduction in force procedures established under section 3502 of title 5, United States Code."

D'AMATO (AND OTHERS) AMENDMENT NO. 2229

Mr. D'AMATO (for himself, Mr. DOLE, Mr. HOLLINGS, Mr. FAIRCLOTH, Mr. GRAMS, Mr. HELMS, Mr. MURKOWSKI, and Mr. DOMENICI) proposed an amendment to the bill H.R. 2020, supra, as follows:

At the appropriate place, insert the following new section:

Sec. . LIMITATION ON USE OF FUNDS FOR THE PROVISION OF CERTAIN FOREIGN ASSISTANCE.

(a) IN GENERAL.—Notwithstanding any other provision of law, none of the funds made available by this Act for the Department of the Treasury shall be available for any activity or for paying the salary of any Government employee where funding an activity or paying a salary to a Government employee would result in a decision, determination, rule, regulation, or policy that would permit the Secretary of the Treasury to make any loan or extension of credit under section 5302 of title 31, United States Code, with respect to a single foreign entity or government of a foreign country (including agencies or other entities of that government)—

(1) unless the President first certifies to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives that—

(A) there is no projected cost (as that term is defined in section 502 of the Federal Credit Reform Act of 1990) to the United States from the proposed loan or extension of credit; and

(B) any proposed obligation or expenditure of United States funds to or on behalf of the foreign government is adequately backed by an assured source of repayment to ensure that all United States funds will be repaid; and

(2) other than as provided by an Act of Congress, if that loan or extension of credit would result in expenditures and obligations, including contingent obligations, aggregating more than $1,000,000,000 with respect to that foreign country for more than 180 days during the 12 month period beginning on the date on which the first action is taken.

(b) WAIVER OF LIMITATIONS.—The President may exceed the dollar and time limitations in subsection (a)(2) if he certifies in writing to the Congress that a financial crisis in that foreign country poses a threat to vital United States economic interests or to the stability of the international financial system.

(c) EXPEDITED PROCEDURES FOR A RESOLUTION OF DISAPPROVAL.—A presidential certification pursuant to subsection (b) with respect to exceeding dollar or time limitations in subsection (a)(2) shall be considered as follows:

(1) REFERENCE TO COMMITTEES—All joint resolutions introduced in the Senate to disapprove the certification shall be referred to the Committee on Banking, Housing and Urban Affairs, and in the House of Representatives, to the appropriate committees.

(2) DISCHARGE OF COMMITTEES.—(A) If the committee of either House to which a resolution has been referred has not reported it at the end of 30 days after its introduction, it is in order to move either to discharge the committee from further consideration of the joint resolution or to discharge the committee from further consideration of any other resolution introduced with respect to the same matter, except no motion to discharge shall be in order after the committee has reported a joint resolution with respect to the same matter.

(B) A motion to discharge may be made only by an individual favoring the resolution, and is privileged in the Senate; and debate thereon shall be limited to not more than 1 hour, the time to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees.

(3) FLOOR CONSIDERATION IN THE SENATE.—(A) A motion in the Senate to proceed to the consideration of a resolution shall be privileged.

(B) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 4 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(C) Debate in the Senate on any debatable motion or appeal in connection with a resolution shall be limited to not more than 20 minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto, shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(D) A motion in the Senate to further limit debate on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

(4) In the case of a resolution, if prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to the same matter from the other House, then—

(A) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(B) the vote on final passage shall be on the resolution of the other House.

(5) For purposes of this subsection, the term "joint resolution" means only a joint resolution of the 2 Houses of Congress, the

matter after the resolving clause of which is as follows: "That the Congress disapproves the action of the President under section (b) of the Treasury and Post Office Appropriations Act for Fiscal Year 1996, notice of which was submitted to the Congress on .", with the first blank space being filled with the appropriate section, and the second blank space being filled with the appropriate date.

(d) APPLICABILITY.—This section—

(1) shall not apply to any action taken as part of the program of assistance to Mexico announced by the President on January 31, 1995; and

(2) shall remain in effect through fiscal year 1996.

KEMPTHORNE (AND OTHERS) AMENDMENT NO. 2230

Mr. KEMPTHORNE (for himself, Mr. GLENN, and Mr. DORGAN) proposed an amendment to the bill H.R. 2020, Supra, as follows:

On page 29, line 12, strike out "$55,907,000," and insert in lieu thereof "$55,573,000,".

On page 33, insert between lines 1 and 2 the following:

ADVISORY COMMISSION ON
INTERGOVERNMENTAL RELATIONS

SALARIES AND EXPENSES

For necessary expenses of the Advisory Commission on Intergovernmental Relations to carry out the provisions of title III of the Unfunded Mandates Reform Act of 1995 (Public Law 104-4), $334,000; Provided, that upon the completion of the Final Report required by such Title, no further federal funds shall be available for the Advisory Commission on Intergovernmental Relations.

THOMPSON (AND OTHERS) AMENDMENT NO. 2231

Mr. THOMPSON (for himself, Mr. DOMENICI, Mr. PRESSLER, Mrs. HUTCHISON, Mr. D'AMATO, Mr. ABRAHAM, Mr. DEWINE, Mr. ASHCROFT, Ms. SNOWE, Mr. MCCAIN, Mr. GRASSLEY, Mr. DOLE, Mr. THURMOND, Mr. INHOFE, Mr. SANTORUM, Mr. COHEN, Mr. THOMAS, Mr. EXON, and Mr. SPECTER) proposed an amendment to the bill H.R. 2020, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . Notwithstanding any other provision of law, no adjustment shall be made under section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31) (relating to cost of living adjustments for Members of Congress) during fiscal year 1996.

SHELBY (AND KERREY) AMENDMENT NO. 2232

Mr. SHELBY (for himself and Mr. KERRY) proposed an amendment to the bill H.R. 2020, supra, as follows:

At the end of the Title V, add the following new section:

SEC. . Section 4 of the Presidential Protection Assistance Act of 1976, Public Law 94-524, is amended by striking "$75,000" and inserting in lieu thereof "$200,000".

STEVENS AMENDMENT NO. 2233

Mr. SHELBY (for Mr. STEVENS) proposed an amendment to the bill H.R. 2020, supra, as follows:

On page 104, insert between lines 19 and 20 the following new section:

SEC. 635. (a) Section 5402 of title 39, United States Code, is amended—

(1) in subsection (f) by striking out "During the period beginning January 1, 1995, and ending January 1, 1999, the" and inserting in lieu thereof "The"; and

(2) in subsection (g)(1) by amending subparagraph (D) to read as follows:

"(D) have provided scheduled service within the State of Alaska for at least 12 consecutive months with aircraft—

"(i) under 7,500 pounds payload before being selected as a carrier of nonpriority bypass mail at an applicable intra-Alaska bush service mail rate; and

"(ii) equal to or over 7,500 pounds before being selected as a carrier of nonpriority bypass mail a the intra-Alaska mainline service mail rate.".

(b)(1) Subject to paragraph (2), the amendment made by subsection (a) shall be effective on and after August 1, 1995.

(2) Subparagraph (D) of section 5402(g)(1) of title 39, United States Code (as in effect before the amendment made under subsection (a)) shall apply to a carrier, if such carrier—

(A) has an application pending before the Department of Transportation for approval under Section 41102 or 41110(e) of title 39, United States Code, before August 1, 1995; and

(B) would meet the requirements of such subparagraph if such application were approved and such certificate were purchased.

D'AMATO (AND MOYNIHAN) AMENDMENT NO. 2234

Mr. Shelby (for Mr. D'AMATO for himself and Mr. MOYNIHAN) proposed an amendment to the bill H.R. 2020, supra, as follows:

At the appropriate place in the bill, add the following new section:

SEC. . Notwithstanding any other provision of law, the United States Customs Service shall transfer, without consideration, to the National Warplane Museum in Geneseo, New York, 2 seized and forfeited A-37 Dragonfly jets for display and museum purposes.

FORD (McCONNELL) AMENDMENT NO. 2235

Mr. SHELBY (for Mr. FORD for himself and Mr. MCCONNELL) proposed an amendment to the bill H.R. 2020, supra, as follows:

Add the following new Section to Title V:

SEC. . No part of any appropriation made available in this Act shall be used to implement Bureau of Alcohol, Tobacco and Firearms Ruling TD ATF-360; Re: Notice Nos. 782, 780, 91F009P.

PRYOR AMENDMENT NO. 2236

Mr. SHELBY (for Mr. PRYOR) proposed an amendment to the bill H.R. 2020, supra, as follows:

On page 15, line 5, strike out all after "research" through line 9 and insert in lieu threof a period.

SIMPSON (AND CRAIG) AMENDMENT NO. 2237

Mr. SHELBY (for Mr. SIMPSON for himself and Mr. CRAIG) proposed an amendment to the bill H.R. 2020, supra, as follows:

At the appropriate place, insert the following:

SEC. ___. EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—An organization described in section 501(c)(4) of the Internal Revenue Code of 1986 which engages in lobbying activities shall not be eligible for the receipt of Federal funds constituting an award, grant, or loan.

(b) DEFINITIONS.—For purposes of this section:

(1) AGENCY.—The term "agency" has the meaning given that term in section 551(1) of title 5, United States Code.

(2) CLIENT.—The term "client" means any person or entity that employs or retains another person for financial or other compensation to conduct lobbying activities on behalf of that person or entity. A person or entity whose employees act as lobbyists on its own behalf is both a client and an employer of such employees. In the case of a coalition or association that employs or retains other persons to conduct lobbying activities, the client is the coalition or association and not its individual members.

(3) COVERED EXECUTIVE BRANCH OFFICIAL.—The term "covered executive branch official" means—

(A) the President;

(B) the Vice President;

(C) any officer or employee, or any other individual functioning in the capacity of such an officer or employee, in the Executive Office of the President;

(D) any officer or employee serving in a position in level I, II, III, IV, or V of the Executive Schedule, as designated by statute or Executive order;

(E) any member of the uniformed services whose pay grade is at or above O-7 under section 201 of title 37, United States Code; and

(F) any officer or employee serving in a position of a confidential, policy-determining, policy-making, or policy-advocating character described in section 7511(b)(2) of title 5, United States Code.

(4) COVERED LEGISLATIVE BRANCH OFFICIAL.—The term "covered legislative branch official" means—

(A) a Member of Congress;

(B) an elected officer of either House of Congress;

(C) any employee of, or any other individual functioning in the capacity of an employee of—

(i) a Member of Congress;

(ii) a committee of either House of Congress;

(iii) the leadership staff of the House of Representatives or the leadership staff of the Senate;

(iv) a joint committee of Congress; and

(v) a working group or caucus organized to provide legislative services or other assistance to Members of Congress; and

(D) any other legislative branch employee serving in a position described under section 109(13) of the Ethics in Government Act of 1978 (5 U.S.C. App.).

(5) EMPLOYEE.—The term "employee" means any individual who is an officer, employee, partner, director, or proprietor of a person or entity, but does not include—

(A) independent contractors; or

(B) volunteers who receive no financial or other compensation from the person or entity for their services.

(6) FOREIGN ENTITY.—The term "foreign entity" means a foreign principal (as defined in section 1(b) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(b)).

(7) LOBBYING ACTIVITIES.—The term "lobbying activities" means lobbying contacts and

efforts in support of such contacts, including preparation and planning activities, research and other background work that is intended, at the time it is performed, for use in contacts, and coordination with the lobbying activities of others.

(8) LOBBYING CONTACT.—

(A) DEFINITION.—The term "lobbying contact" means any oral or written communication (including an electronic communication) to a covered executive branch official or a covered legislative branch official that is made on behalf of a client with regard to—

(i) the formulation, modification, or adoption of Federal legislation (including legislative proposals);

(ii) the formulation, modification, or adoption of a Federal rule, regulation, Executive order, or any other program, policy, or position of the United States Government;

(iii) the administration or execution of a Federal program or policy (including the negotiation, award, or administration of a Federal contract, grant, loan, permit, or license); or

(iv) the nomination or confirmation of a person for a position subject to confirmation by the Senate.

(B) EXCEPTIONS.—The term "lobbying contact" does not include a communication that is—

(i) made by a public official acting in the public official's official capacity;

(ii) made by a representative of a media organization if the purpose of the communication is gathering and disseminating news and information to the public;

(iii) made in a speech, article, publication or other material that is distributed and made available to the public, or through radio, television, cable television, or other medium of mass communication;

(iv) made on behalf of a government of a foreign country or a foreign political party and disclosed under the Foreign Agents Registration Act of 1938 (22 U.S.C. 611 et seq.);

(v) a request for a meeting, a request for the status of an action, or any other similar administrative request, if the request does not include an attempt to influence a covered executive branch official or a covered legislative branch official;

(vi) made in the course of participation in an advisory committee subject to the Federal Advisory Committee Act;

(vii) testimony given before a committee, subcommittee, or task force of the Congress, or submitted for inclusion in the public record of a hearing conducted by such committee, subcommittee, or task force;

(viii) information provided in writing in response to an oral or written request by a covered executive branch official or a covered legislative branch official for specific information;

(ix) required by subpoena, civil investigative demand, or otherwise compelled by statute, regulation, or other action of the Congress or an agency;

(x) made in response to a notice in the Federal Register, Commerce Business Daily, or other similar publication soliciting communications from the public and directed to the agency official specifically designated in the notice to receive such communications;

(xi) not possible to report without disclosing information, the unauthorized disclosure of which is prohibited by law;

(xii) made to an official in an agency with regard to—

(I) a judicial proceeding or a criminal or civil law enforcement inquiry, investigation, or proceeding; or

(II) a filing or proceeding that the Government is specifically required by statute or regulation to maintain or conduct on a confidential basis,

if that agency is charged with responsibility for such proceeding, inquiry, investigation, or filing;

(xiii) made in compliance with written agency procedures regarding an adjudication conducted by the agency under section 554 of title 5, United States Code, or substantially similar provisions;

(xiv) a written comment filed in the course of a public proceeding or any other communication that is made on the record in a public proceeding;

(xv) a petition for agency action made in writing and required to be a matter of public record pursuant to established agency procedures;

(xvi) made on behalf of an individual with regard to that individual's benefits, employment, or other personal matters involving only that individual, except that this clause does not apply to any communication with—

(I) a covered executive branch official, or

(II) a covered legislative branch official (other than the individual's elected Members of Congress or employees who work under such Members' direct supervision),

with respect to the formulation, modification, or adoption of private legislation for the relief of that individual;

(xvii) a disclosure by an individual that is protected under the amendments made by the Whistleblower Protection Act of 1989, under the Inspector General Act of 1978, or under another provision of law;

(xviii) made by—

(I) a church, its integrated auxiliary, or a convention or association of churches that is exempt from filing a Federal income tax return under paragraph 2(A)(i) of section 6033(a) of the Internal Revenue Code of 1986, or

(II) a religious order that is exempt from filing a Federal income tax return under paragraph (2)(A)(iii) of such section 6033(a); and

(xix) between—

(I) officials of a self-regulatory organization (as defined in section 3(a)(26) of the Securities Exchange Act) that is registered with or established by the Securities and Exchange Commission as required by that Act or a similar organization that is designated by or registered with the Commodities Future Trading Commission as provided under the Commodity Exchange Act; and

(II) the Securities and Exchange Commission or the Commodities Future Trading Commission, respectively;

relating to the regulatory responsibilities of such organization under that Act.

(9) LOBBYING FIRM.—The term "lobbying firm" means a person or entity that has 1 or more employees who are lobbyists on behalf of a client other than that person or entity. The term also includes a self-employed individual who is a lobbyist.

(10) LOBBYIST.—The term "lobbyist" means any individual who is employed or retained by a client for financial or other compensation for services that include more than one lobbying contact, other than an individual whose lobbying activities constitute less than 20 percent of the time engaged in the services provided by such individual to that client over a six month period.

(11) MEDIA ORGANIZATION.—The term "media organization" means a person or entity engaged in disseminating information to the general public through a newspaper, magazine, other publication, radio, television, cable television, or other medium of mass communication.

(12) MEMBER OF CONGRESS.—The term "Member of Congress" means a Senator or a Representative in, or Delegate or Resident Commissioner to, the Congress.

(13) ORGANIZATION.—The term "organization" means a person or entity other than an individual.

(14) PERSON OR ENTITY.—The term "person or entity" means any individual, corporation, company, foundation, association, labor organization, firm, partnership, society, joint stock company, group of organizations, or State or local government.

(15) PUBLIC OFFICIAL.—The term "public official" means any elected official, appointed official, or employee of—

(A) a Federal, State, or local unit of government in the United States other than—

(i) a college or university;

(ii) a government-sponsored enterprise (as defined in section 3(8) of the Congressional Budget and Impoundment Control Act of 1974);

(iii) a public utility that provides gas, electricity, water, or communications;

(iv) a guaranty agency (as defined in section 435(j) of the Higher Education Act of 1965 (20 U.S.C. 1085(j))), including any affiliate of such an agency; or

(v) an agency of any State functioning as a student loan secondary market pursuant to section 435(d)(1)(F) of the Higher Education Act of 1965 (20 U.S.C. 1085(d)(1)(F));

(B) a Government corporation (as defined in section 9101 of title 31, United States Code);

(C) an organization of State or local elected or appointed officials other than officials of an entity described in clause (i), (ii), (iii), (iv), or (v) of subparagraph (A);

(D) an Indian tribe (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e));

(E) a national or State political party or any organizational unit thereof; or

(F) a national, regional, or local unit of any foreign government.

(16) STATE.—The term "State" means each of the several States, the District of Columbia, and any commonwealth, territory, or possession of the United States.

(c) CONSTRUCTION AND EFFECT.—Nothing in this section shall be construed to affect the application of the Internal Revenue laws of the United States.

(d) EXCEPTIONS.—This section shall not apply to organizations described in section 501(c)(4) of the Internal Revenue Code with gross annual revenues of less than $10,000,000, including the amounts of Federal funds received as grants, awards, or loans.

(e) EFFECTIVE DATE.—This section shall become effective on January 1, 1997.

SHELBY (AND KERREY) AMENDMENT NO. 2238

Mr. SHELBY (for himself and Mr. KERREY) proposed an amendment to the bill H.R. 2020, supra; as follows:

SEC. . (a) Notwithstanding any other provision of law, of the funds made available to the Department of the Treasury by this or any other act for obligation at any time during the fiscal year ending September 30, 1995 or the fiscal year ending September 30, 1996, not to exceed $500,000 shall be available to the Secretary of the Treasury during the fiscal year ending September 30, 1996 to reimburse the District of Columbia Metropolitan Police Department for personnel costs incurred by the Metropolitan Police Department between May 19, 1995 and September 30, 1995 as a result of the closing to vehicular traffic of Pennsylvania Avenue Northwest and other streets in vicinity of the White House.

(b) The amount of reimbursement shall be determined by the Secretary of the Treasury and shall be final and not subject to review in any forum.

BINGAMAN AMENDMENT NO. 2239

Mr. SHELBY (for Mr. BINGAMAN) proposed an amendment to the bill H.R. 2020, supra; as follows:

At the appropriate place in the bill add the following new section:

SEC. . (a) This section may be cited as the "Prohibition of Cigarette Sales to Minors in Federal Buildings and Lands Act".

(b) The Congress finds that—

(1) cigarette smoking and the use of smokeless tobacco products continue to represent major health hazards to the Nation, causing more than 420,000 deaths each year;

(2) cigarette smoking continues to be the single most preventable cause of death and disability in the United States;

(3) tobacco products contain hazardous additives, gases, and other chemical constituents dangerous to health;

(4) the use of tobacco products costs the United States more than $50,000,000,000 in direct health care costs, with more than $21,000,000,000 of these costs being paid by government funds;

(5) tobacco products contain nicotine, a poisonous, addictive drug;

(6) all States prohibit the sale of tobacco products to minors, but enforcement has been ineffective or nonexistent and tobacco products remain one of the least regulated consumer products in the United States;

(7) over the past decade, little or no progress has been made in reducing tobacco use among teenagers and recently, teenage smoking rates appear to be rising;

(8) more than two-thirds of smokers smoke their first cigarette before the age of 14, and 90 percent of adult smokers did so by age 18;

(9) 516,000,000 packs of cigarettes are consumed by minors annually, at least half of which are illegally sold to minors;

(10) reliable studies indicate that tobacco use is a gateway to illicit drug use; and

(11) the Federal Government has a major policy setting role in ensuring that the use of tobacco products among minors is discouraged to the maximum extent possible.

(c) As used in this section—

(1) the term "Federal agency" means—

(A) an Executive agency as defined in section 105 of title 5, United States Code; and

(B) each entity specified in subparagraphs (B) through (H) of section 5721(1) of title 5, United States Code;

(2) the term "Federal building" means—

(A) any building or other structure owned in whole or in part by the United States or any Federal agency, including any such structure occupied by a Federal agency under a lease agreement; and

(B) includes the real property on which such building is located;

(3) the term "minor" means an individual under the age of 18 years; and

(4) the term "tobacco product" means cigarettes, cigars, little cigars, pipe tobacco, smokeless tobacco, snuff, and chewing tobacco.

(d)(1) No later than 45 days after the date of the enactment of this Act, the Administrator of General Services and the head of each Federal agency shall promulgate regulations that prohibit—

(A) the sale of tobacco products in vending machines located in or around any Federal building under the jurisdiction of the Administrator or such agency head; and

(B) the distribution of free samples of tobacco products in or around any Federal building under the jurisdiction of the Administrator or such agency head.

(2) The Administrator of General Services or the head of an agency, as appropriate, may designate areas not subject to the provisions of paragraph (1), if such area also prohibits the presence of minors.

(3) The provisions of this subsection shall be carried out—

(A) by the Administrator of General Services for any Federal building which is maintained, leased, or has title of ownership vested in the General Services Administration; or

(B) by the head of a Federal agency for any Federal building which is maintained, leased, or has title of ownership vested in such agency.

(e) No later than 90 days after the date of enactment of this Act, the Administrator of General Services and each head of an agency shall prepare and submit, to the appropriate committees of Congress, a report that shall contain—

(1) verification that the Administrator or such head of an agency is in compliance with this section; and

(2) a detailed list of the location of all tobacco product vending machines located in Federal buildings under the administration of the Administrator or such head of an agency.

(f)(1) No later than 45 days after the date of the enactment of this Act, the Senate Committee on Rules and Administration and the House of Representatives Committee on House Administration, after consultation with the Architect of the Capitol, shall promulgate regulations under the Senate and House of Representatives rulemaking authority that prohibit the sale of tobacco products in vending machines in the Capitol Buildings.

(2) Such committees may designate areas where such prohibition shall not apply, if such area also prohibits the presence of minors.

(3) For the purpose of this section the term "Capitol Buildings" shall have the same meaning as such term is defined under section 16(a)(1) of the Act entitled "An Act to define the area of the United States Capitol Grounds, to regulate the use thereof, and for other purposes", approved July 31, 1946 (40 U.S.C. 193m(1)).

(g) Nothing in this section shall be construed as restricting the authority of the Administrator of General Services or the head of an agency to limit tobacco product use in or around any Federal building, except as provided under subsection (d)(1).

BROWN AMENDMENT NO. 2240

Mr. SHELBY (for Mr. BROWN) proposed an amendment to the bill H.R. 2020, supra; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . It is the sense of the Senate that the General Services Administration should increase use of direct delivery for high-dollar value supplies and only stock items that are profitable, that after these changes are implemented, the General Services Administration should phase out the supply depots that are no longer economically justifiable or needed.

SHELBY (AND KERREY) AMENDMENTS NOS. 2241–2242

Mr. SHELBY (for himself and Mr. KERREY) proposed two amendments to the bill H.R. 2020, supra; as follows:

AMENDMENT NO. 2241

At the appropriate place, insert the following new section:

SEC. . NATIONAL COMMISSION ON RESTRUCTURING THE INTERNAL REVENUE SERVICE.

(a) FINDINGS.—The Congress finds the following:

(1) While the budget for the Internal Revenue Service (hereafter referred to as the "IRS") has risen from $2.5 billion in fiscal year 1979 to $7.5 billion in fiscal year 1996, tax returns processing has not become significantly faster, tax collection rates have not significantly increased, and the accuracy and timeliness of taxpayer assistance has not significantly improved.

(2) To date, the Tax Systems Modernization (TSM) program has cost the taxpayers $2.5 billion, with an estimated cost of $8 billion. Despite this investment, modernization efforts were recently described by the GAO as "chaotic" and "ad hoc".

(3) While the IRS maintains that TSM will increase efficiency and thus revenues, Congress has had to appropriate additional funds in recent years for compliance initiatives in order to increase tax revenues.

(4) Because TSM has not been implemented, the IRS continues to rely on paper returns, processing a total of 14 billion pieces of paper every tax season. This results in an extremely inefficient system.

(5) This lack of efficiency reduces the level of customer service and impedes the ability of the IRS to collect revenue.

(6) The present status of the IRS shows the need for the establishment of a Commission which will examine the organization of IRS and recommend actions to expedite the implementation of TSM and improve service to taxpayers.

(b) COMPOSITION OF THE COMMISSION.—

(1) ESTABLISHMENT.—To carry out the purposes of this section, there is established a National Commission on Restructuring the Internal Revenue Service (in this section referred to as the "Commission").

(2) COMPOSITION.—The Commission shall be composed of twelve members, as follows:

(A) Four members appointed by the President, two from the executive branch of the Government and two from private life.

(B) Two members appointed by the Majority Leader of the Senate, one from Members of the Senate and one from private life.

(C) Two members appointed by the Minority Leader of the Senate, one from Members of the Senate and one from private life.

(D) Two members appointed by the Speaker of the House of Representatives, one from Members of the House of Representatives and one from private life.

(E) Two members appointed by the Minority Leader of the House of Representatives, one from Members of the House of Representatives and one from private life.

The Commissioner of the Internal Revenue Service shall be an ex officio member of the Commission.

(3) CHAIRMAN.—The Commission shall elect a Chairman from among its members.

(4) MEETING; QUORUM; VACANCIES.—After its initial meeting, the Commission shall meet upon the call of the Chairman or a majority of its members. Seven members of the Commission shall constitute a quorum. Any vacancy in the Commission shall not affect its

powers, but shall be filled in the same manner in which the original appointment was made.

(5) APPOINTMENT; INITIAL MEETING.—

(A) APPOINTMENT.—It is the sense of the Congress that members of the Committee should be appointed not more than 60 days after the date of the enactment of this section.

(B) INITIAL MEETING.—If, after 60 days from the date of the enactment of this section, seven or more members of the Commission have been appointed, members who have been appointed may meet and select a Chairman who thereafter shall have the authority to begin the operations of the Commission, including the hiring of staff.

(c) FUNCTIONS OF COMMISSION.—

(1) IN GENERAL.—The functions of the Commission shall be—

(A) to conduct, for a period of one year from the date of its first meeting, the review described in paragraph (2), and

(B) to submit to the Congress a final report of the results of the review, including recommendations for restructuring the IRS.

(2) REVIEW.—The Commission shall review—

(A) the present practices of the IRS, especially with respect to—

(i) its organizational structure;

(ii) its paper processing and return processing activities;

(iii) its infrastructure; and

(iv) the collection process;

(B) requirements for improvement in the following areas:

(i) making returns processing "paperless";

(ii) modernizing IRS operations;

(iii) improving the collections process without major personnel increases or increased funding;

(iv) improving taxpayer accounts management;

(v) improving the accuracy of information requested by taxpayers in order to file their returns; and

(vi) changing the culture of the IRS to make the organization more efficient, productive, and customer-oriented;

(C) whether the IRS could be replaced with a quasi-governmental agency with tangible incentives for internally managing its programs and activities and for modernizing its activities, and

(D) whether the IRS could perform other collection, information, and financial service functions of the Federal Government.

(d) POWERS OF THE COMMISSION.—

(1) IN GENERAL.—(A) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this section—

(i) hold such hearings and sit and act at such times and places, take such testimony, receive such evidence, administer such oaths, and

(ii) require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents,

as the Commission or such designated subcommittee or designated member may deem advisable.

(B) Subpoenas issued under subparagraph (A)(ii) may be issued under the signature of the Chairman of the Commission, the chairman of any designated subcommittee, or any designated member, and may be served by any person designated by such Chairman, subcommittee chairman, or member. The provisions of sections 102 through 104 of the Revised Statutes of the United States (2 U.S.C. 192–194) shall apply in the case of any failure of any witness to comply with any subpoena or to testify when summoned under authority of this section.

(2) CONTRACTING.—The Commission may, to such extent and in such amounts as are provided in appropriation Acts, enter into contracts to enable the Commission to discharge its duties under this section.

(3) INFORMATION FROM FEDERAL AGENCIES.—The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the Government information, suggestions, estimates, and statistics for the purposes of this section. Each such department, bureau, agency, board, commission, office, establishment, or instrumentality shall, to the extent authorized by law, furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman.

(4) ASSISTANCE FROM FEDERAL AGENCIES.—(A) The Secretary of State is authorized on a reimbursable or nonreimbursable basis to provided the Commission with administrative services, funds, facilities, staff, and other support services for the performance of the Commission's functions.

(B) The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

(C) In addition to the assistance set forth in subparagraphs (A) and (B), departments and agencies of the United States are authorized to provide to the Commission such services, funds, facilities, staff, and other support services as they may deem advisable and as may be authorized by law.

(5) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as departments and agencies of the United States.

(e) STAFF OF THE COMMISSION.—

(1) IN GENERAL.—The Chairman, in accordance with rules agreed upon by the Commission, may appoint and fix the compensation of a staff director and such other personnel as may be necessary to enable the Commission to carry out its functions, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no rate of pay fixed under this subsection may exceed the equivalent of that payable to a person occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code. Any Federal Government employee may be detailed to the Commission without reimbursement from the Commission, and such detailee shall retain the rights, status, and privileges of his or her regular employment without interruption.

(2) CONSULTANT SERVICES.—The Commission is authorized to procure the services of experts and consultants in accordance with section 3109 of title 5, United States Code, but at rates not to exceed the daily rate paid a person occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(f) COMPENSATION AND TRAVEL EXPENSES.—

(1) COMPENSATION.—(A) Except as provided in subparagraph (B), each member of the Commission may be compensated at not to exceed the daily equivalent of the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day during which that member is engaged in the actual performance of the duties of the Commission.

(B) Members of the Commission who are officers or employees of the United States or Members of Congress shall receive no additional pay on account of their service on the Commission.

(2) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

(g) FINAL REPORT OF COMMISSION; TERMINATION.—

(1) FINAL REPORT.—Not later than one year after the date of the first meeting of the Commission, the Commission shall submit to the Congress its final report, as described in subsection (c)(2).

(2) TERMINATION.—(A) The Commission, and all the authorities of this section, shall terminate on the date which is 60 days after the date on which a final report is required to be transmitted under paragraph (1).

(B) The Commission may use the 60-day period referred to in subparagraph (A) for the purpose of concluding its activities, including providing testimony to committees of Congress concerning its final report and disseminating that report.

AMENDMENT NO. 2242

At the end of Title V, add the following new section:

SEC. . Section 5542 of title 5, United States Code is amended by adding the following new subsection at the end:

(e) Notwithstanding subsection (d)(1) of this section, all hours of overtime work scheduled in advance of the administrative workweek shall be compensated under subsection (a) if that work involves duties as authorized by section 3056(a) of title 18 United States Code and if the investigator performs, on that same day, at least 2 hours of overtime work not scheduled in advance of the administrative workweek.

HUTCHISON AMENDMENT NO. 2243

Mr. SHELBY (for Mrs. HUTCHISON) proposed an amendment to the bill H.R. 2020, supra; as follows:

Insert at the appropriate place:

SEC. . REPORT ON FEASIBILITY OF LEASING OF BORDER STATIONS.

(a) The Administrator of the General Services Administration shall, within six months of enactment of this legislation, report to Congress on the feasibility of leasing agreements with State and local governments and private sponsors for the construction of border stations on the borders of the United States with Canada and Mexico whereby:

(1) lease payments shall not exceed 30 years for payment of the purchase price and interest;

(2) the obligation of the United States under such an agreement shall be limited to the current fiscal year for which payments are due without regard to section 3328(a)(1)(B) of title 31, United States Code;

(3) an agreement entered into under such provisions shall provide for the title to the property and facilities to vest in the United States on or before the expiration of the contract term, on fulfillment of the terms and conditions of the agreement.

BINGAMAN AMENDMENT NO. 2244

Mr. SHELBY (for Mr. BINGAMAN) proposed an amendment to the bill H.R. 2020, supra; as follows:

At the appropriate place, insert the following:

SEC. . ENERGY SAVINGS AT FEDERAL FACILITIES.

(a) REDUCTION IN FACILITIES ENERGY COSTS.—

(1) IN GENERAL.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from fiscal year 1995 levels, in the energy costs of the facilities used by the agency.

(2) COOPERATION BY GENERAL SERVICES ADMINISTRATION.—In the case of facilities under the administrative jurisdiction of the General Services Administration and occupied by another agency and for which the Administrator of General Services delegates operation and maintenance to the head of the agency, the Administrator shall assist the head of the agency in achieving the reduction in the energy costs of the facilities required by paragraph (1) by entering into contracts to promote energy savings and by other means.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the head of each agency described in subsection (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved; and

(C) specify the actions that resulted in the reductions.

HATCH (AND BIDEN) AMENDMENT NO. 2245

Mr. SHELBY (for Mr. HATCH, for himself and Mr. BIDEN) proposed an amendment to the bill H.R. 2020, supra; as follows:

On page 3, strike lines 1 through 24.

On page 31, between lines 20 and 21, insert the following:

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

For necessary expenses of the Office of National Drug Control Policy; for research activities pursuant to title I of Public Law 100-690; not to exceed $8,000 for official reception and representation expenses; *$28,500,000*, of which $20,500,000, to remain available until expended, shall be available to the Counter-Drug Technology Assessment Center for counternarcotics research and development projects and shall be available for transfer to other Federal departments or agencies: *Provided*, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, for the purpose of aiding or facilitating the work of the Office: *Provided further*, That not later than 60 days after the date of enactment of this Act, the Director of the Office of National Drug Control Policy shall report to the Committees on the Judiciary of the Senate and the House of Representatives on the results of an independent audit of the security and travel expenses of the Office during the period beginning on January 21, 1993, and ending on June 30, 1995: *Provided further*, That the Director of the Office of National Drug Control Policy shall, at the direction of the President, convene a Cabinet Council on Drug Strategy Implementation to be chaired by the Director of the National Drug Control Policy: *Provided further*, That the Cabinet Council on Drug Strategy Implementation shall include, but is not limited to, the Attorney General, the Secretary of the Department of the Treasury, the Secretary of the Department of Health and Human Services, the Secretary of the Department of Defense, the Secretary of the Department of Housing and Urban Development, the Secretary of the Department of Education, the Secretary of the Department of State, and the Secretary of the Department of Transportation: *Provided further*, That the Cabinet Council on Drug Strategy Implementation shall convene on no less than a quarterly basis and provide reports on no less than a quarterly basis to the Appropriations Committees and the Judiciary Committees of the House of Representatives and the Senate on the progress of the implementation of the elements of the national drug control strategy within the jurisdiction of each member of the Counsel, including a particular emphasis on the implementation of strategies to combat drug abuse among children: *Provided further*, That the Director of the Office of National Drug Control Policy shall convene a bipartisan conference composed of private sector representatives from the following: Business leadership, educational and health care professionals, Federal, State, and local law enforcement, the judicial community, drug treatment and intervention professionals, the media and parents groups. Reporting requirements as set forth in the preceding proviso shall also apply to this provision: *Provided further*, That the funds appropriated for the necessary expenses of the Office of National Drug Control Policy may not be obligated until the President reports to the Appropriations Committees of the House of Representatives and the Senate that the President has directed the Office of National Drug Control Policy to convene the Cabinet Council on Drug Strategy Implementation: *Provided further*, That, on a quarterly basis beginning ninety days after enactment of this Act, the funds appropriated for the necessary expenses of the Office of National Drug Control Policy may not be obligated unless the Cabinet Council on Drug Strategy Implementation has provided the quarterly reports specified herein to the Appropriations Committees and the Judiciary Committees of the House of Representatives and the Senate.

On page 32, between lines 23 and 24, insert the following:

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

For necessary expenses of the Office of National Drug Control Policy's High Intensity Drug Trafficking Areas Program, $110,000,000 for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which no less than $55,000,000 shall be transferred to State and local entities for drug control activities; and of which up to $55,000,000 may be transferred to federal agencies and departments at a rate to be determined by the Director: *Provided*, That the funds made available under this head shall be obligated within 90 days of the date of enactment of this Act.

On page 50, line 14, strike "$118,449,000" and insert "$113,527,000".

On page 57, line 9, strike "$96,384,000" and insert "$93,106,000".

COVERDELL AMENDMENT NO. 2246

Mr. SHELBY (for Mr. COVERDELL) proposed an amendment to the bill H.R. 2020, supra; as follows:

On page 2, line 21, strike "$105,929,000" and insert $110,929,000, of which $5,000,000 shall be transferred to States covered by the National Voter Registration Act of 1993, to be expended by such States for costs associated with the implementation of the National Voter Registration Act of 1993, with such funds disbursed to such States on the basis of the Number of registered voters in each State on July 1, 1995, in relation to the number of registered voters in all States on such date": *Provided*, That no further funds in addition to the $5,000,000 so transferred, may be transferred by the Secretary to the States for costs associated with the implementation of the National Voter Registration Act of 1993, during Fiscal Year 1996.

On page 46, line 12, strike "$2,329,000,000" and insert "$2,324,000,000".

BROWN (AND KERREY) AMENDMENT NO. 2247

Mr. SHELBY (for Mr. BROWN, for himself and Mr. KERREY) proposed an amendment to the bill H.R. 2020, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . (a) Section 6304(f) of title 5, United States Code, is amended—

(1) in paragraph (2) by striking "described in paragraph (1)" and inserting "for an individual described subparagraphs (B) through (E) of paragraph (1)"; and

(2) by adding at the end the following:

"(3) For purposes of applying any limitation on accumulation under this section with respect to any annual leave for an individual described in paragraph (1)(A)—

"(A) '30 days' in subsection (a) shall be deemed to read '60 days'; and

"(B) '45 days' in subsection (b) shall be deemed to read '60 days'.".

(b)(1) The amendments made by subsection (a) shall take effect January 1, 1996.

(2) Any individual serving in a position in the Senior Executive Service on December 31, 1995 may retain any annual leave accrued as of that date until the leave is used by that individual.

LAUTENBERG AMENDMENT NO. 2248

Mr. SHELBY (for Mr. LAUTENBERG) proposed an amendment to the bill H.R. 2020, supra, as follows:

At the appropriate place, insert the following:

SEC. . TRANSFER OF CERTAIN FEDERAL PROPERTY IN NEW JERSEY.

The first section of the Act entitled "An Act transferring certain Federal property to the city of Hoboken, New Jersey", approved September 27, 1982 (Public Law 97-268; 96 Stat. 1140), is amended—

(1) in subsection (a), by adding "and" at the end; and

(2) by striking "Stat. 220), and" in subsection (b) and all that follows through "New Jersey; concurrent with" and inserting the following: "Stat. 220); concurrent with".

GRASSLEY (AND OTHERS) AMENDMENT NO. 2249

Mr. SHELBY (for Mr. GRASSLEY for himself, Mr. HEFLIN, Mr. ROTH, Mr. LEVIN, Mr. KOHL, Mr. THURMOND, and Mr. GLENN) proposed an amendment to the bill H.R. 2020, supra, as follows:

On page 33, insert between lines 1 and 2 the following:

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

SALARIES AND EXPENSES

For necessary expenses of the Administrative Conference of the United States, established under subchapter V of chapter 5 of title 5, United States Code, including not to exceed $1,000 for official reception and representation expenses, $1,800,000.

On page 35, line 22, strike out "$5,087,819,000," and insert in lieu thereof "$5,086,019,000".

On page 46, line 12, strike out "$2,329,000,000," and insert in lieu thereof "$2,327,200,000".

On page 48, line 12, strike out "$5,087,819,000," and insert in lieu thereof "$5,086,019,000".

MIKULSKI AMENDMENT NO. 2250

Mr. SHELBY (for Ms. MIKULSKI) proposed an amendment to the bill H.R. 2020, supra, as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . Service performed during the period January 1, 1984, through December 31, 1986, which would, if performed after that period, be considered service as a law enforcement officer, as defined in section 8401(17)(A)(i)(II) and (B) of title 5, United States Code, shall be deemed service as a law enforcement officer for the purposes of chapter 84 of such title.

BROWN AMENDMENT NO. 2251

Mr. SHELBY (for Mr. BROWN) proposed an amendment to the bill H.R. 2020, supra, as follows:

At the appropriate place in the bill insert the following:

It is the Sense of the Senate that:

The General Service Administration and the Federal Aviation Administration should review and reform current personnel rules and labor agreements regarding federal assistance when relocating because of a change of duty station.

The Senate is concerned about reports that, under FAA and GSA rules, employees at the Denver, Colorado ATCT and TRACON were permitted to claim personal housing relocation allowances in connection with their transfer from FAA facilities at Stapleton Field to the new Denver International Airport, even in some cases where an employee's new home was farther from the new job site that the employee's former home.

The FAA should immediately investigate this misuse of public funds at Denver International Airport and reform their personnel rules to end this kind of abuse.

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

SMITH AMENDMENT NO. 2252

Mr. THURMOND (for Mr. SMITH) proposed an amendment to the bill S. 1026, supra, as follows:

On page 468, strike lines 16 through 24 and insert the following: "The requirements of subparagraph (B) shall not apply in any case in which the transfer of the property occurs or has occurred by means of a lease, without regard to whether the lessee has agreed to purchase the property or whether the duration of the lease is longer than 55 years. In the case of a lease entered into after September 30, 1995, with respect to real property located at an installation approved for closure or realignment under a base closure law, the agency leasing the property, in consultation with the Administrator, shall determine before leasing the property that the property is suitable for lease, that the uses contemplated for the lease are consistent with protection of human health and the environment, and that there are adequate assurances that the United States will take all remedial action referred to in subparagraph (B) that has not been taken on the date of the lease.".

FORD AMENDMENT NO. 2253

Mr. FORD proposed an amendment to the bill S. 1026, supra, as follows:

At the end of subtitle E of title V, add the following:

SEC. 560. DELAY IN REORGANIZATION OF ARMY ROTC REGIONAL HEADQUARTERS STRUCTURE.

(a) DELAY.—The Secretary of the Army may not take any action to reorganize the regional headquarters and basic camp structure of the Reserve Officers Training Corps program of the Army until six months after the date on which the report required by subsection (d) is submitted.

(b) COST-BENEFIT ANALYSIS.—The Secretary of the Army shall conduct a comparative cost-benefit analysis of various options for the reorganization of the regional headquarters and basic camp structure of the Army ROTC program. As part of such analysis, the Secretary shall measure each reorganization option considered against a common set of criteria.

(c) SELECTION OF REORGANIZATION OPTION FOR IMPLEMENTATION.—Based on the findings resulting from the cost-benefit analysis under subsection (b) and such other factors as the Secretary considers appropriate, the Secretary shall select one reorganization option for implementation. The Secretary may select an option for implementation only if the Secretary finds that the cost-benefit analysis and other factors considered clearly demonstrate that such option, better than any other option considered—

(1) provides the structure to meet projected mission requirements;

(2) achieves the most significant personnel and cost savings;

(3) uses existing basic and advanced camp facilities to the maximum extent possible;

(4) minimizes additional military construction costs; and

(5) makes maximum use of the reserve components to support basic and advanced camp operations, thereby minimizing the effect of those operations on active duty units.

(d) REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of the Army shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report describing the reorganization option selected under subsection (c). The report shall include the results of the cost-benefit analysis under subsection (b) and a detailed rationale for the reorganization option selected.

CAMPBELL AMENDMENT NO. 2254

Mr. THURMOND (for Mr. CAMPBELL) proposed an amendment to the bill S. 1026, supra, as follows:

On page 304, between lines 8 and 9, insert the following:

SEC. 744. REPORT ON EFFECT OF CLOSURE OF FITZSIMONS ARMY MEDICAL CENTER, COLORADO, ON PROVISION OF CARE TO MILITARY PERSONNEL AND DEPENDENTS EXPERIENCING HEALTH DIFFICULTIES ASSOCIATED WITH PERSIAN GULF SYNDROME.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report that—

(1) assesses the effects of the closure of Fitzsimons Army Medical Center, Colorado, on the capability of the Department of Defense to provide appropriate and adequate health care to members and former members of the Armed Forces and their dependents who suffer from undiagnosed illnesses (or combination of illnesses) as a result of service in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War; and

(2) describes the plans of the Secretary of Defense and the Secretary of the Army to ensure that adequate and appropriate health care is available to such members, former members, and their dependents, for such illnesses.

PRYOR (AND ROTH) AMENDMENT NO. 2255

Mr. FORD (for Mr. PRYOR for himself and Mr. ROTH) proposed an amendment to the bill S. 1026, supra, as follows:

On page 69, between lines 9 and 10, insert the following:

SEC. 242. SENSE OF SENATE ON THE DIRECTOR OF OPERATIONAL TEST AND EVALUATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Office of the Director of Operational Test and Evaluation of the Department of Defense was created by Congress to provide an independent validation and verification on the suitability and effectiveness of new weapons, and to ensure that the United States military departments acquire

weapons that are proven in an operational environment before they are produced and used in combat.

(2) The office is currently making significant contributions to the process by which the Department of Defense acquires new weapons by providing vital insights on operational weapons tests to be used in this acquisition process.

(3) The office provides vital services to Congress in providing an independent certification on the performance of new weapons that have been operationally tested.

(4) A provision of H.R. 1530, an Act entitled "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes", agreed to by the House of Representatives on June 15, 1995, contains a provision that could substantially diminish the authority and responsibilities of the office and perhaps cause the elimination of the office and its functions.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) the authority and responsibilities of the Office of the Director of Operational Test and Evaluation of the Department of Defense should not be diminished or eliminated; and

(2) the conferees on H.R. 1530, an Act entitled "An Act to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes" should not propose to Congress a conference report on that Act that would either diminish or eliminate the Office of the Director of Operational Test and Evaluation or its functions.

LOTT AMENDMENT NO. 2256

Mr. KEMPTHORNE (for Mr. LOTT) proposed an amendment to the bill S. 1026, supra, as follows:

On page 202, line 16, insert "or upgrade" after "award".

NUNN AMENDMENTS NOS. 2257–2258

Mr. FORD (for Mr. NUNN) proposed two amendments to the bill S. 1026, supra, as follows:

AMENDMENT NO. 2257

On page 137, after line 24, insert the following:

SEC. . AUTHORIZING THE AMOUNTS REQUESTED IN THE BUDGET FOR JUNIOR ROTC.

(A) There is hereby authorized to be appropriated $12,295,000 to fully fund the budget request for the Junior Reserve Officer Training Corps programs of the Army, Navy, Air Force, and Marine Corps. Such amount is in addition to the amount otherwise available for such programs under section 301.

(b) The amount authorized to be appropriated by section 101(4) is hereby reduced by $12,295,000.

AMENDMENT NO. 2258

On page 109, strike out lines 1 and 2 and insert the following in lieu thereof: by inserting "of the reserve components and of the combat support and combat service support elements of the regular components" after "resources".

On page 109, strike out line 11 and all that follows through line 2 on page 110.

On page 110, in line 3, redesignate subsection (d) as subsection (c).

On page 403, insert the following between line 16 and line 17:

SEC. 1095. EXTENSION OF PILOT OUTREACH PROGRAM.

Section 1045(d) of the National Defense Authorization Act for Fiscal Year 1993 is amended by striking out "three" and inserting "five" in lieu thereof.

THURMOND AMENDMENT NO. 2259

Mr. KEMPTHORNE (for Mr. THURMOND) proposed an amendment to the bill S. 1026, supra, as follows:

On page 114, beginning on line 9, strike out "READY RESERVE COMPONENT OF THE READY RESERVE FLEET." and insert in lieu thereof "THE NATIONAL DEFENSE RESERVE FLEET.".

On page 114, beginning on line 20, strike out "of the Ready Reserve component".

McCAIN (GLENN) AMENDMENTS NOS. 2260–2261

Mr. KEMPTHORNE (for Mr. MCCAIN for himself and Mr. GLENN) proposed two amendments to the bill S. 1026, supra, as follows:

AMENDMENT NO. 2260

On page 487, below line 24, add the following:

SEC. 2838. LAND CONVEYANCE, RADAR BOMB SCORING SITE, FORSYTH, MONTANA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration, to the City of Forsyth, Montana (in this section referred to as the "City"), all right, title, and interest of the United States in and to the parcel of property (including any improvements thereon) consisting of approximately 58 acres located in Forsyth, Montana, which has served as a support complex and recreational facilities for the Radar Bomb Scoring Site, Forsyth, Montana.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the City—

(1) utilize the property and recreational facilities conveyed under that subsection for housing and recreation purposes; or

(2) enter into an agreement with an appropriate public or private entity to lease such property and facilities to that entity for such purposes.

(c) REVERSION.—If the Secretary determines at any time that the property conveyed under subsection (a) is not being utilized in accordance with paragraph (1) or paragraph (2) of subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary determines appropriate to protect the interests of the United States.

AMENDMENT NO. 2261

On page 487, below line 24, add the following:

SEC. 2838. LAND CONVEYANCE, RADAR BOMB SCORING SITE, POWELL, WYOMING.

(a) AUTHORITY TO CONVEY.—The Secretary of the Air Force may convey, without consideration, to the Northwest College Board of Trustees (in this section referred to as the "Board"), all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) consisting of approximately 24 acres located in Powell, Wyoming, which has served as the location of a support complex, recreational facilities, and housing facilities for the Radar Bomb Scoring Site, Powell, Wyoming.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Board use the property conveyed under that subsection for housing and recreation purposes and for such other purposes as the Secretary and the Board jointly determine appropriate.

(c) REVERSIONARY INTEREST.—During the 5-year period beginning on the date that the Secretary makes the conveyance authorized under subsection (a), if the Secretary determines that the conveyed property, is not being used in accordance with subsection (b), all right, title, and interest in and to the conveyed property, including any improvements thereon, shall revert to the United States and the United States shall have the right of immediate entry onto the property.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Secretary. The cost of the survey shall be borne by the Board.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under this section as the Secretary considers appropriate to protect the interests of the United States.

PRESSLER AMENDMENT NO. 2262

Mr. KEMPTHORNE (for Mr. PRESSLER) proposed an amendment to the bill S. 1026, supra, as follows:

On page 343, after line 24, insert the following:

SEC. 1036. ESTABLISHMENT OF JUNIOR R.O.T.C. UNITS IN INDIAN RESERVATION SCHOOLS.

It is the sense of Congress that the Secretary of Defense should ensure that secondary educational institutions on Indian reservations are afforded a full opportunity along with other secondary educational institutions to be selected as locations for establishment of new Junior Reserve Officers' Training Corps units.

HELMS AMENDMENT NO. 2263

Mr. KEMPTHORNE (for Mr. HELMS) proposed an amendment to the bill S. 1026, supra, as follows:

On page 348, beginning on line 23, strike out "to Congress" and insert in lieu thereof the following: "to the Committees on Armed Services and on Foreign Relations of the Senate and the Committees on National Security and on International Relations of the House of Representatives".

On page 368, line 7, after "defense committees" insert the following: ", the Committee on Foreign Relations of the Senate, and the Committee on International Relations of the House of Representatives".

COHEN AMENDMENT NO. 2264

Mr. KEMPTHORNE (for Mr. COHEN) proposed an amendment to the bill S. 1026, supra, as follows:

On page 334, strike out lines 6 through 15.

On page 334, line 16, strike out "(d)" and insert in lieu thereof "(c)".

On page 334, line 19, strike out "(e)" and insert in lieu thereof "(d)".

PRYOR AMENDMENT NO. 2265

Mr. FORD (for Mr. PRYOR) proposed an amendment to the bill S. 1026, supra, as follows:

On page 371, below line 21, add the following:

SEC. 1062. REPORTS ON ARMS EXPORT CONTROL AND MILITARY ASSISTANCE.

(a) REPORTS BY SECRETARY OF STATE.—Not later than 180 days after the date of the enactment of this Act and every year thereafter until 1998, the Secretary of State shall submit to Congress a report setting forth—

(1) an organizational plan to include those firms on the Department of State licensing watch-lists that—

(A) engage in the exportation of potentially sensitive or dual-use technologies; and

(B) have been identified or tracked by similar systems maintained by the Department of Defense, Department of Commerce, or the United States Customs Service; and

(2) further measures to be taken to strengthen United States export-control mechanisms.

(b) REPORTS BY INSPECTOR GENERAL.—(1) Not later than 180 days after the date of the enactment of this Act and 1 year thereafter, the Inspector General of the Department of State and the Foreign Service shall submit to Congress a report on the evaluation by the Inspector General of the effectiveness of the watch-list screening process at the Department of State during the preceding year. The report shall be submitted in both a classified and unclassified version.

(2) Each report under paragraph (2) shall—

(A) set forth the number of licenses granted to parties on the watch-list;

(B) set forth the number of end-use checks performed by the Department;

(C) assess the screening process used by the Department in granting a license when an applicant is on a watch-list; and

(D) assess the extent to which the watch-list contains all relevant information and parties required by statute or regulation.

(c) ANNUAL MILITARY ASSISTANCE REPORT.—The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by inserting after section 654 the following new section:

"SEC. 655 ANNUAL MILITARY ASSISTANCE REPORT.

"(a) IN GENERAL.—Not later than February 1 of 1996 and 1997, the President shall transmit to Congress an annual report for the fiscal year ending the previous September 30, showing the aggregate dollar value and quantity of defense articles (including excess defense articles) and defense services, and of military education and training, furnished by the United States to each foreign country and international organization, by category, specifying whether they were furnished by grant under chapter 2 or chapter 5 of part II of this Act or by sale under chapter 2 of the Arms Control Export-Control Act or authorized by commercial sale license under section 38 of that Act.

"(b) ADDITIONAL CONTENTS OF REPORTS.—Each report shall also include the total amount of military items of non-United States manufacture being imported into the United States. The report should contain the country of origin, the type of item being imported, and the total amount of items.".

THURMOND AMENDMENTS NOS. 2266–2267

Mr. KEMPTHORNE (for Mr. THURMOND) proposed two amendments to the bill S. 1026, supra, as follows:

AMENDMENT No. 2266

On page 313, between lines 8 and 9, insert the following:

SEC. 815. COST AND PRICING DATA.

(a) ARMED SERVICES PROCUREMENTS.—Section 2306a(d)(2)(A)(i) of title 10, United States Code, is amended by striking out "and the procurement is not covered by an exception in subsection (b)," and inserting in lieu thereof "and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,".

(b) CIVILIAN AGENCY PROCUREMENTS.—Section 304A(d)(2)(A)(i) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(d)(20(A)(i)) is amended by striking out "and the procurement is not covered by an exception in subsection (b)," and inserting in lieu thereof "and the offeror or contractor requests to be exempted from the requirement for submission of cost or pricing data pursuant to this subsection,".

SEC. 816. PROCUREMENT NOTICE TECHNICAL AMENDMENTS.

Section 18(c)(1)(E) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(c)(10(E)) is amended by inserting after "requirements contract" the following: ", a task order contract, or a delivery order contract".

SEC. 817. REPEAL OF DUPLICATIVE AUTHORITY FOR SIMPLIFIED ACQUISITION PURCHASES.

Section 31 of the Office of Federal Procurement Policy Act (41 U.S.C. 427) is amended—

(1) by striking out subsections (a), (b), and (c);

(2) by redesignating subsections (d), (e), and (f) as (a), (b), and (c), respectively;

(3) in subsection (b), as so redesignated, by striking out "provided in the Federal Acquisition Regulation pursuant to this section" each place it appears and inserting in lieu thereof "contained in the Federal Acquisition Regulation"; and

(4) by adding at the end the following:

"(d) PROCEDURES DEFINED.—The simplified acquisition procedures referred to in this section are the simplified acquisition procedures that are provided in the Federal Acquisition Regulation pursuant to section 2304(g) of title 10, United States Code, and section 303(g) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(g)).".

SEC. 818. MICRO-PURCHASES WITHOUT COMPETITIVE QUOTATIONS.

Section 32(d) of the Office of Federal Procurement Policy Act (41 U.S.C. 428) is amended by striking out "the contracting officer" and inserting in lieu thereof "an employee of an executive agency or a member of the Armed Forces of the United States authorized to do so".

AMENDMENT No. 2267

On page 381, beginning on line 5, strike out "(a)" and all that follows through "ACTIVITIES.—" on line 6.

On page 381, strike out lines 13 through 16.

On page 403, strike out lines 5 through 16.

SHELBY (AND HEFLIN) AMENDMENT NO. 2268

Mr. KEMPTHORNE (for Mr. SHELBY for himself and Mr. HEFLIN) proposed an amendment to the bill S. 1026, supra, as follows:

(a) On page 32, before line 20, section 201(4) is amended by adding the following new subsection:

(C) $475,470,000 is authorized for Other Theater Missile Defense, of which up to $25,000,000 may be made available for the operation of the Battlefield Integration Center.

HEFLIN (AND SHELBY) AMENDMENTS NOS. 2269–2270

Mr. FORD (for Mr. HEFLIN, for himself and Mr. SHELBY) proposed two amendments to the bill S. 1026, supra, as follows:

AMENDMENT No. 2269

On page 58, line 13, insert ", except that Minuteman boosters may not be used as part of a National Missile Defense architecture" before the period at the end.

AMENDMENT No. 2270

On page 69, between lines 9 and 10, insert the following:

SEC. 242. BALLISTIC MISSILE DEFENSE TECHNOLOGY CENTER.

(A) Establishment.—The Director of the Ballistic Missile Defense Organization shall establish a Ballistic Missile Defense Technology Center within the Space and Strategic Defense Command of the Army.

(b) MISSION.—The missions of the Center are as follows:

(1) To maximize common application of ballistic missile defense component technology programs, target test programs, functional analysis and phenomenology investigations.

(2) To store data from the missile defense technology programs of the Armed Forces using computer facilities of the Missile Defense Data Center.

(c) TECHNOLOGY PROGRAM COORDINATION WITH CENTER.—The Secretary of Defense, acting through the Director of the Ballistic Missile Defense Organization, shall require the head of each element or activity of the Department of Defense beginning a new missile defense program referred to in subsection (b)(1) to first coordinate the program with the Ballistic Missile Defense Technology Center in order to prevent duplication of effort.

HELMS AMENDMENT NO. 2271

Mr. KEMPTHORNE (for Mr. HELMS) proposed an amendment to the bill S. 1026, supra, as follows:

Beginning of page 359, strike out lines 20 and 21, and insert in lieu thereof the following:

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

MCCAIN (AND FEINSTEIN) AMENDMENT NO. 2272

Mr. KEMPTHORNE (for Mr. MCCAIN, for himself and Mrs. FEINSTEIN) proposed an amendment to the bill S. 1026, supra, as follows:

On page 468, below line 24, add the following:

SEC. 2825. IMPROVEMENT OF BASE CLOSURE AND REALIGNMENT PROCESS.

(a) APPLICABILITY.—Subparagraph (A) of section 2905(b)(7) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended by striking out "Determinations of the use to assist the homeless of buildings and property located at installations approved for closure under this part" and inserting in lieu thereof "Procedures for the disposal of buildings and property located at installations approved for closure or realignment under this part".

(b) REDEVELOPMENT AUTHORITIES.—Subparagraph (B) of such section is amended by adding at the end the following:

"(iii) The chief executive officer of the State in which an installation covered by this paragraph is located may assist in resolving any disputes among citizens or groups of citizens as to the individuals and groups constituting the redevelopment authority for the installation.".

(c) AGREEMENTS UNDER REDEVELOPMENT PLANS.—Subparagraph (F)(ii)(I) of such section is amended in the second sentence by striking out "the approval of the redevelopment plan by the Secretary of Housing and Urban Development under subparagraph (H) or (J)" and inserting in lieu thereof "the decision regarding the disposal of the buildings and property covered by the agreements by the Secretary of Defense under subparagraph (K) or (L)".

(d) REVISION OF REDEVELOPMENT PLANS.—Subparagraph (I) of such section is amended by inserting "the Secretary of Defense and" before "the Secretary of Housing and Urban Development" each place it appears.

(e) DISPOSAL OF BUILDINGS AND PROPERTY.—(1) Subparagraph (K) of such section is amended to read as follows:

"(K)(i) Upon receipt of a notice under subparagraph (H)(iv) or (J)(ii) of the determination of the Secretary of Housing and Urban Development that a redevelopment plan for an installation meets the requirements set forth in subparagraph (H)(i), the Secretary of Defense shall dispose of the buildings and property at the installation.

"(ii) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(iii) The Secretary shall dispose of buildings and property under clause (i) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give substantial deference to the redevelopment plan concerned.

"(iv) The disposal under clause (i) of buildings and property to assist the homeless shall be without consideration.

"(v) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ".

(2) Subparagraph (L) of such section is amended by striking out clauses (iii) and (iv) and inserting in lieu thereof the following new clauses (iii) and (iv):

"(iii) Not later than 90 days after the date of the receipt of a revised plan for an installation under subparagraph (J), the Secretary of Housing and Urban Development shall—

"(I) notify the Secretary of Defense and the redevelopment authority concerned of the buildings and property at an installation under clause (i)(IV) that the Secretary of Housing and Urban Development determines are suitable for use to assist the homeless; and

"(II) notify the Secretary of Defense of the extent to which the revised plan meets the criteria set forth in subparagraph (H)(i).

"(iv)(I) Upon notice from the Secretary of Housing and Urban Development with respect to an installation under clause (iii), the Secretary of Defense shall, after consultation with the Secretary of Housing and Urban Development and redevelopment authority concerned, dispose of buildings and property at the installation.

"(II) For purposes of carrying out an environmental assessment of the closure or realignment of an installation, the Secretary shall treat the redevelopment plan for the installation (including the aspects of the plan providing for disposal to State or local governments, representatives of the homeless, and other interested parties) as part of the proposed Federal action for the installation.

"(III) The Secretary shall dispose of buildings and property under subclause (I) in accordance with the record of decision or other decision document prepared by the Secretary in accordance with the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) In preparing the record of decision or other decision document, the Secretary shall give deference to the redevelopment plan concerned.

"(IV) The disposal under subclause (I) of buildings and property to assist the homeless shall be without consideration.

"(V) In the case of a request for a conveyance under clause (i) of buildings and property for public benefit under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) and subchapter II of chapter 471 of title 49, United States Code, the applicant and use proposed in the request shall be determined to be eligible for the public benefit conveyance under the eligibility criteria set forth in such section or such subchapter. The determination of such eligibility should be made before the redevelopment plan concerned under subparagraph (G) ".

(f) CONFORMING AMENDMENT.—Subparagraph (M)(i) of such section is amended by inserting "or (L)" after "subparagraph (K)".

(g) CLARIFICATION OF PARTICIPANTS IN PROCESS.—Such section is further amended by adding at the end the following:

"(P) For purposes of this paragraph, the term 'other interested parties', in the case of an installation, includes any parties eligible for the conveyance of property of the installation under section 203(k) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484(k)) or subchapter II of chapter 471 of title 49, United States Code, whether or not the parties assist the homeless.".

(h) TECHNICAL AMENDMENTS.—Section 2910 of such Act is amended—

(1) by designating the paragraph (10) added by section 2(b) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (Public Law 103–421; 108 Stat. 4352) as paragraph (11); and

(2) in such paragraph, as so designated, by striking out "section 501(h)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(h)(4))" and inserting in lieu thereof "section 501(i)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411(i)(4))".

SEC. 2826. EXERCISE OF AUTHORITY DELEGATED BY THE ADMINISTRATOR OF GENERAL SERVICES.

Section 2905(b)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (A)—

(A) by striking out "Subject to subparagraph (C)" in the matter preceding clause (i) and inserting in lieu thereof "Subject to subparagraph (B)"; and

(B) by striking out "in effect on the date of the enactment of this Act" each place it appears in clauses (i) and (ii);

(2) by striking out subparagraphs (B) and (C) and inserting in lieu thereof the following new subparagraph (B):

"(B) The Secretary may, with the concurrence of the Administrator of General Services—

"(i) prescribe general policies and methods for utilizing excess property and disposing of surplus property pursuant to the authority delegated under paragraph (1); and

"(ii) issue regulations relating to such policies and methods which regulations supersede the regulations referred to in subparagraph (A) with respect to that authority."; and

(3) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively.

SEC. 2827. LEASE BACK OF PROPERTY DISPOSED FROM INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) AUTHORITY.—Section 2905(b)(4) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) is amended—

(1) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively; and

(2) by inserting after subparagraph (B) the following new subparagraph (C):

"(C)(i) The Secretary may transfer real property at an installation approved for closure or realignment under this part (including property at an installation approved for realignment which property will be retained by the Department of Defense or another Federal agency after realignment) to the redevelopment authority for the installation if the redevelopment authority agrees to lease, directly upon transfer, all or a significant portion of the property transferred under this subparagraph to the Secretary or to the head of another department or agency of the Federal Government. Subparagraph (B) shall apply to a transfer under this subparagraph.

"(ii) A lease under clause (i) shall be for a term of not to exceed 50 years, but may provide for options for renewal or extension of the term by the department or agency concerned.

"(iii) A lease under clause (i) may not require rental payments by the United States.

"(iv) A lease under clause (i) shall include a provision specifying that if the department or agency concerned ceases requiring the use of the leased property before the expiration of the term of the lease, the remainder of the lease term may, upon approval by the redevelopment authority concerned, be satisfied by the same or another department or agency of the Federal Government using the property for a use similar to the use under the lease.".

(b) USE OF FUNDS TO IMPROVE LEASED PROPERTY.—Notwithstanding any other provision of law, a department or agency of the Federal Government that enters into a lease of property under section 2905(b)(4)(C) of the such Act, as amended by subsection (a), may use funds appropriated or otherwise available to the department or agency for such purpose to improve the leased property.

SEC. 2828. PROCEEDS OF LEASES AT INSTALLATIONS APPROVED FOR CLOSURE OR REALIGNMENT.

(a) INTERIM LEASES.—Section 2667(d) of title 10, United States Code, is amended—

(1) in paragraph (1)(A)—

(A) by striking out "and" at the end of clause (i);

(B) by striking out the period at the end of clause (ii) and inserting in lieu thereof "; and"; and

(C) by adding at the end the following:

"(iii) money rentals referred to in paragraph (5)."; and

(2) by adding at the end the following:

"(5) Money rentals received by the United States under subsection (f) shall be deposited in the Department of Defense Base Closure Account 1990 established under section 2906(a) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note).".

(b) DEPOSIT IN 1990 ACCOUNT.—Section 2906(a)(2) of the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101-510; 10 U.S.C. 2687 note) is amended—

(1) in subparagraph (C)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out "and" at the end;

(2) in subparagraph (D)—

(A) by striking out "transfer or disposal" and inserting in lieu thereof "transfer, lease, or other disposal"; and

(B) by striking out the period at the end and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(E) money rentals received by the United States under section 2667(f) of title 10, United States Code.".

KOHL AMENDMENT NO. 2273

Mr. FORD (for Mr. KOHL) proposed an amendment to the bill S. 1026, supra, as follows:

On page 89, strike out lines 13 through 22 and insert in lieu thereof the following:

"(2) The commander of an installation may obtain technical assistance under paragraph (1) for a technical review committee or restoration advisory board only if—

"(A) the technical review committee or restoration advisory board demonstrates that the Federal, State, and local agencies responsible for overseeing environmental restoration at the installation, and available Department of Defense personnel, do not have the technical expertise necessary for achieving the objective for which the technical assistance is to be obtained;

"(B) the technical assistance is likely to contribute to the efficiency, effectiveness, or timeliness of environmental restoration activities at the installation; and

"(C) the technical assistance is likely to contribute to community acceptance of environmental restoration activities at the installation.".

On page 90, line 20, strike out "until" and insert in lieu thereof "after March 1, 1996, unless".

GLENN AMENDMENT NO. 2274

Mr. NUNN (for Mr. GLENN) proposed an amendment to the bill S. 1026, supra, as follows:

On page 110, after line 19, insert the following:

SEC. 365. OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID PROGRAMS.

(a) GAO REPORT.—Not later than December 15, 1995, the Comptroller General of the United States shall provide to the congressional defense committees a report on—

(1) existing funding mechanisms available to cover the costs associated with the Overseas Humanitarian, Disaster, and Civic Assistance activities through funds provided to the Department of State or the Agency for International Development; and

(2) if such mechanisms do not exist, actions necessary to institute such mechanisms, including any changes in existing law or regulations.

On page 70, in line 25, strike out "$20,000,000" and insert in lieu thereof "$60,000,000".

On page 70, after line 25, insert the following: "The amount authorized to be appropriated by section 301(5) is hereby reduced by $40,000,000.".

HELMS AMENDMENT NO. 2275

Mr. KEMPTHORNE (for Mr. HELMS) proposed an amendment to the bill S. 1026, supra, as follows:

On page 403, after line 16, add the following:

SEC. 1097. SENSE OF SENATE ON MIDWAY ISLANDS.

(a) FINDINGS.—The Senate makes the following findings:

(1) September 2, 1995, marks the 50th anniversary of the United States victory over Japan in World War II.

(2) The Battle of Midway proved to be the turning point in the war in the Pacific, as United States Navy forces inflicted such severe losses on the Imperial Japanese Navy during the battle that the Imperial Japanese Navy never again took the offensive against United States or allied forces.

(3) During the Battle of Midway, an outnumbered force of the United States Navy, consisting of 29 ships and other units of the Armed Forces under the command of Admiral Nimitz and Admiral Spruance, out-maneuvered and out-fought 350 ships of the Imperial Japanese Navy.

(4) It is in the public interest to erect a memorial to the Battle of Midway that is suitable to express the enduring gratitude of the American people for victory in the battle and to inspire future generations of Americans with the heroism and sacrifice of the members of the Armed Forces who achieved that victory.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Midway Islands and the surrounding seas deserve to be memorialized;

(2) the historic structures related to the Battle of Midway should be maintained, in accordance with the National Historic Preservation Act, and subject to the availability of appropriations for that purpose.

(3) appropriate access to the Midway Islands by survivors of the Battle of Midway, their families, and other visitors should be provided in a manner that ensures the public health and safety on the Midway Islands and the conservation and natural resources of those islands in accordance with existing Federal law.

THURMOND AMENDMENT NO. 2276

Mr. KEMPTHORNE (for Mr. THURMOND) proposed an amendment to the bill S. 1026, supra, as follows:

On page 30, after the matter following line 24, insert the following:

SEC. 125. CRASH ATTENUATING SEATS ACQUISITION PROGRAM.

(a) PROGRAM AUTHORIZED.—The Secretary of the Navy may establish a program to procure for, and install in H-53E military transport helicopters commercially developed, energy absorbing, crash attenuating seats that the Secretary determines are consistent with military specifications for seats for such helicopters.

(b) FUNDING.—To the extent provided in appropriations Acts, of the unobligated balance of amounts appropriated for the Legacy Resource Management Program pursuant to the authorization of appropriations in section 301(5) of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2706), not more than $10,000,000 shall be available to the Secretary of the Navy, by transfer to the appropriate accounts, for carrying out the program authorized in subsection (a).

SMITH AMENDMENT NO. 2277

Mr. KEMPTHORNE (for Mr. SMITH) proposed an amendment to the bill S. 1026, supra, as follows:

At the appropriate point in the bill, insert the following:

SEC. . NAMING AMPHIBIOUS SHIPS.

(a) FINDINGS.—The Senate finds that—

(1) This year is the fiftieth anniversary of the Battle of Iwo Jima, one of the great victories in all of the Marine Corps illustrious history.

(2) The Navy has recently retired the ship that honored that battle, the U.S.S. Iwo Jima (LPH-2), the first ship in a class of amphibious assault ships.

(3) This Act authorizes the LHD-7, the final ship of the Wasp class of amphibious assault ships that will replace the Iwo Jima class of ships.

(4) The Navy is planning to start building a new class of amphibious transport docks, now called the LPD-17 class. This Act also authorizes funds that will lead to procurement of these vessels.

(5) There has been some confusion in the rationale behind naming new naval vessels with traditional naming conventions frequently violated.

(6) Although there have been good and sufficient reasons to depart from naming conventions in the past, the rationale for such departures has not always been clear.

(b) SENSE OF THE SENATE.—In light of these findings, expressed in subsection (a), it is the sense of the Senate that the Secretary of the Navy should:

(1) Name the LHD-7 the U.S.S. Iwo Jima.

(2) Name the LPD-17 and all future ships of the LPD-17 class after famous Marine Corps battles or famous Marine Corps heros.

LOTT AMENDMENT NO. 2278

Mr. KEMPTHORNE (for Mr. LOTT) proposed an amendment to the bill S. 1026, supra, as follows:

On page 115, strike out line 4 and all that follows through page 116, line 13.

GLENN AMENDMENT NO. 2279

Mr. NUNN (Mr. GLENN) proposed an amendment to the bill S. 1026, supra, as follows:

Beginning on page 321, strike out line 15 and all that follows through page 325, line 18, and insert in lieu thereof the following:

"(b) CREDITS TO ACCOUNT.—(1) Under regulations prescribed by the Secretary of Defense, and upon a determination by the Secretary concerned of the availability and source of excess funds as described in subparagraph (A) or (B), the Secretary may transfer to the Defense Modernization Account during any fiscal year—

"(A) any amount of unexpired funds available to the Secretary for procurement that, as a result of economies, efficiencies, and other savings achieved in the procurements, are excess to the funding requirements of the procurements; and

"(B) any amount of unexpired funds available to the Secretary for support of installations and facilities that, as a result of economies, efficiencies, and other savings, are excess to the funding requirements for support of installations and facilities.

"(2) Funds referred to in paragraph (1) may not be transferred to the Defense Modernization Account by a Secretary concerned if—

"(A) the funds are necessary for programs, projects, and activities that, as determined by the Secretary, have a higher priority than the purposes for which the funds would be available if transferred to that account; or

"(B) the balance of funds in the account, after transfer of funds to the account would exceed $1,000,000,000.

"(3) Amounts credited to the Defense Modernization Account shall remain available for transfer until the end of the third fiscal year that follows the fiscal year in which the amounts are credited to the account.

"(4) The period of availability of funds for expenditure provided for in sections 1551 and 1552 of title 31 shall not be extended by transfer into the Defense Modernization Account.

"(c) ATTRIBUTION OF FUNDS.—The funds transferred to the Defense Modernization Account by a military department, Defense Agency, or other element of the Department of Defense shall be available in accordance with subsections (f) and (g) only for that military department, Defense Agency, or element.

"(d) USE OF FUNDS.—Funds available from the Defense Modernization Account pursuant to subsection (f) or (g) may be used only for the following purposes:

"(1) For increasing, subject to subsection (e), the quantity of items and services procured under a procurement program in order to achieve a more efficient production or delivery rate.

"(2) For research, development, test and evaluation and procurement necessary for modernization of an existing system or of a system being procured under an ongoing procurement program.

"(e) LIMITATIONS.—(1) Funds from the Defense Modernization Account may not be used to increase the quantity of an item or services procured under a particular procurement program to the extent that doing so would—

"(A) result in procurement of a total quantity of items or services in excess of—

"(i) a specific limitation provided in law on the quantity of the items or services that may be procured; or

"(ii) the requirement for the items or services as approved by the Joint Requirements Oversight Council and reported to Congress by the Secretary of Defense; or

"(B) result in an obligation or expenditure of funds in excess of a specific limitation provided in law on the amount that may be obligated or expended, respectively, for the procurement program.

"(2) Funds from the Defense Modernization Account may not be used for a purpose or program for which Congress has not authorized appropriations.

"(3) Funds may not be transferred from the Defense Modernization Account in any year for the purpose of—

"(A) making any expenditure for which there is no corresponding obligation; or

"(B) making any expenditure that would satisfy an unliquidated or unrecorded obligation arising in a prior fiscal year.

"(f) TRANSFER OF FUNDS.—(1) Funds in the Defense Modernization Account may be transferred in any fiscal year to appropriations available for use for purposes set forth in subsection (d).

"(2) Before funds in the Defense Modernization Account are transferred under paragraph (1), the Secretary concerned shall transmit to the congressional defense committees a notification of the amount and purpose of the proposed transfer.

"(3) The total amount of the transfer from the Defense Modernization Account may not exceed $500,000,000 in any fiscal year.

"(g) AVAILABILITY OF FUNDS FOR APPROPRIATION.—Funds in the Defense Modernization Account may be appropriated for purposes set forth in subsection (d) to the extent provided in Acts authorizing appropriations for the Department of the Defense.

"(h) SECRETARY TO ACT THROUGH COMPTROLLER.—In exercising authority under this section, the Secretary of Defense shall act through the Under Secretary of Defense (Comptroller), who shall be authorized to implement this section through the issuance of any necessary regulations, policies, and procedures after consultation with the General Counsel and Inspector General of the Department of Defense.

"(i) QUARTERLY REPORT.—Not later than 15 days after the end of each calendar quarter, the Secretary of Defense shall submit to the appropriate committees of Congress a report setting forth the amount and source of each credit to the Defense Modernization Account during the quarter and the amount and purpose of each transfer from the account during the quarter.

"(j) DEFINITIONS.—In this section:

"(1) The term 'Secretary concerned' includes the Secretary of Defense.

"(2) The term 'unexpired funds' means funds appropriated for a definite period that remain available for obligation.

"(3) The term 'congressional defense committees' means—

"(A) the Committees on Armed Services and Appropriations of the Senate; and

"(B) the Committee on National Security and Appropriations of the House of Representatives.

"(4) The term 'appropriate committees of Congress' means—

"(A) the congressional defense committees;

"(B) the Committee on Governmental Affairs of the Senate; and

"(C) the Committee on Government Reform and Oversight of the House of Representatives.

"(k) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.".

(2) The table of sections at the beginning of chapter 131 of such title is amended by adding at the end the following:

"2221. Defense Modernization Account.".

(b) EFFECTIVE DATE.—Section 2221 of title 10, United States Code (as added by subsection (a)), shall take effect on October 1, 1995, and shall apply only to funds appropriated for fiscal years beginning on or after that date.

(c) EXPIRATION OF AUTHORITY AND ACCOUNT.—(1) The authority under section 2221(b) of title 10, United States Code (as added by subsection (a)), to transfer funds into the Defense Modernization Account shall terminate on October 1, 2003.

(2) Three years after the termination of transfer authority under paragraph (1), the Defense Modernization Account shall be closed and the remaining balance in the account shall be canceled and thereafter shall not be available for any purpose.

(3)(A) The Comptroller General of the United States shall conduct two reviews of the administration of the Defense Modernization Account. In each review, the Comptroller General shall assess the operations and benefits of the account.

(B) Not later than March 1, 2000, the Comptroller General shall—

(i) complete the first review; and

(ii) submit to the appropriate committees of Congress an initial report on the administration and benefits of the Defense Modernization Account.

(C) Not later than March 1, 2003, the Comptroller General shall—

(i) complete the second review; and

(ii) submit to the appropriate committees of Congress a final report on the administration and benefits of the Defense Modernization Account.

(D) Each report shall include any recommended legislation regarding the account that the Comptroller General considers appropriate.

(E) In this paragraph, the term "appropriate committees of Congress" has the meaning given such term in section 2221(j)(4) of title 10, United States Code, as added by subsection (a).

THE PERSONAL RESPONSIBILITY ACT OF 1995

DOLE (AND OTHERS) AMENDMENT NO. 2280

Mr. DOLE (for himself, Mr. PACKWOOD, Mr. LOTT, Mr. NICKLES, Mr. COCHRAN, Mr. MACK, Mr. D'AMATO, Mr. THURMOND, Mr. ABRAHAM, Mr. BENNETT, Mr. BOND, Mr. BROWN, Mr. DEWINE, Mr. FRIST, Mr. GORTON, Mr. GRASSLEY, Mr. GREGG, Mr. HATCH, Mr. HATFIELD, Mr. HELMS, Mrs. HUTCHISON, Mr. INHOFE, Mr. MCCAIN, Mr. MURKOWSKI, Mr. PRESSLER, Mr. ROTH, Mr. SANTORUM, Mr. SHELBY, Mr. SIMPSON, Mr. STEVENS, Mr. THOMAS, Mr. THOMPSON, and Mr. WARNER) proposed an amendment to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence; as follows:

On page 1, line 3, of the bill, after "**SECTION 1.**", strike all through the end and insert the following:

SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Work Opportunity Act of 1995".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Sec. 100. References to Social Security Act.
Sec. 101. Block grants to States.
Sec. 102. Services provided by charitable, religious, or private organizations.
Sec. 103. Limitations on use of financial assistance for certain purposes.
Sec. 104. Continued application of current standards under medicaid program.
Sec. 105. Reduction in personnel.
Sec. 106. Conforming amendments to the Social Security Act.
Sec. 107. Conforming amendments to the food stamp act of 1977 and related provisions.
Sec. 108. Conforming amendments to other laws.
Sec. 109. Secretarial submission of legislative proposal for technical and conforming amendments.
Sec. 110. Effective date; transition rule.

TITLE II—SUPPLEMENTAL SECURITY INCOME

Sec. 200. Reference to Social Security Act.

Subtitle A—Eligibility Restrictions

Sec. 201. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.
Sec. 202. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
Sec. 203. Denial of SSI benefits for fugitive felons and probation and parole violators.
Sec. 204. Effective dates; application to current recipients.

Subtitle B—Benefits for Disabled Children

Sec. 211. Restrictions on eligibility for benefits.
Sec. 212. Continuing disability reviews.
Sec. 213. Treatment requirements for disabled individuals under the age of 18.

Subtitle C—Study of Disability Determination Process

Sec. 221. Study of disability determination process.

Subtitle D—National Commission on the Future of Disability

Sec. 231. Establishment.
Sec. 232. Duties of the Commission.
Sec. 233. Membership.
Sec. 234. Staff and support services.
Sec. 235. Powers of Commission.
Sec. 236. Reports.
Sec. 237. Termination.

Subtitle E—State Supplementation Programs

Sec. 241. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

TITLE III—FOOD STAMP PROGRAM

Subtitle A—Food Stamp Reform

Sec. 301. Certification period.
Sec. 302. Treatment of children living at home.
Sec. 303. Optional additional criteria for separate household determinations.
Sec. 304. Adjustment of thrifty food plan.
Sec. 305. Definition of homeless individual.
Sec. 306. State options in regulations.
Sec. 307. Earnings of students.
Sec. 308. Energy assistance.
Sec. 309. Deductions from income.
Sec. 310. Amount of vehicle asset limitation.
Sec. 311. Benefits for aliens.
Sec. 312. Disqualification.
Sec. 313. Caretaker exemption.
Sec. 314. Employment and training.
Sec. 315. Comparable treatment for disqualification.
Sec. 316. Cooperation with child support agencies.
Sec. 317. Disqualification for child support arrears.
Sec. 318. Permanent disqualification for participating in 2 or more States.
Sec. 319. Work requirement.
Sec. 320. Electronic benefit transfers.
Sec. 321. Minimum benefit.
Sec. 322. Benefits on recertification.
Sec. 323. Optional combined allotment for expedited households.
Sec. 324. Failure to comply with other welfare and public assistance programs.
Sec. 325. Allotments for households residing in institutions.
Sec. 326. Operation of food stamp offices.
Sec. 327. State employee and training standards.
Sec. 328. Exchange of law enforcement information.
Sec. 329. Expedited coupon service.
Sec. 330. Fair hearings.
Sec. 331. Income and eligibility verification system.
Sec. 332. Collection of overissuances.
Sec. 333. Termination of Federal match for optional information activities.
Sec. 334. Standards for administration.
Sec. 335. Work supplementation or support program.
Sec. 336. Waiver authority.
Sec. 337. Authorization of pilot projects.
Sec. 338. Response to waivers.
Sec. 339. Private sector employment initiatives.
Sec. 340. Reauthorization of appropriations.
Sec. 341. Reauthorization of Puerto Rico nutrition assistance program.
Sec. 342. Simplified food stamp program.
Sec. 343. Optional State food assistance block grant.
Sec. 344. Effective date.

Subtitle B—Anti-Fraud and Trafficking

Sec. 351. Expanded definition of coupon.
Sec. 352. Doubled penalties for violating food stamp program requirements.
Sec. 353. Authority to establish authorization periods.
Sec. 354. Specific period for prohibiting participation of stores based on lack of business integrity.
Sec. 355. Information for verifying eligibility for authorization.
Sec. 356. Waiting period for stores that initially fail to meet authorization criteria.
Sec. 357. Bases for suspensions and disqualifications.
Sec. 358. Disqualification of stores pending judicial and administrative review.
Sec. 359. Disqualification of retailers who are disqualified under the WIC program.
Sec. 360. Permanent debarment of retailers who intentionally submit falsified applications.
Sec. 361. Expanded criminal forfeiture for violations.
Sec. 362. Effective date.

TITLE IV—CHILD NUTRITION PROGRAMS

Subtitle A—Reimbursement Rates

Sec. 401. Termination of additional payment for lunches served in high free and reduced price participation schools.
Sec. 402. Value of food assistance.
Sec. 403. Lunches, breakfasts, and supplements.
Sec. 404. Summer food service program for children.
Sec. 405. Special milk program.
Sec. 406. Free and reduced price breakfasts.
Sec. 407. Conforming reimbursement for paid breakfasts and lunches.

Subtitle B—Grant Programs

Sec. 411. School breakfast startup grants.
Sec. 412. Nutrition education and training programs.
Sec. 413. Effective date.

Subtitle C—Other Amendments

Sec. 421. Free and reduced price policy statement.
Sec. 422. Summer food service program for children.
Sec. 423. Child and adult care food program.
Sec. 424. Reducing required reports to State agencies and schools.

Subtitle D—Reauthorization

Sec. 431. Commodity distribution program; commodity supplemental food program.
Sec. 432. Emergency food assistance program.
Sec. 433. Soup kitchens program.
Sec. 434. National commodity processing.
Sec. 435. Commodity supplemental food program.

TITLE V—NONCITIZENS

Sec. 501. State option to prohibit assistance for certain aliens.
Sec. 502. Deemed income requirement for Federal and federally funded programs.
Sec. 503. Limited eligibility of noncitizens for SSI benefits.

TITLE VI—CHILD CARE

Sec. 601. Short title.
Sec. 602. Amendments to the Child Care and Development Block Grant Act of 1990.
Sec. 603. Repeals and technical and conforming amendments.

TITLE VII—WORKFORCE DEVELOPMENT AND WORKFORCE PREPARATION ACTIVITIES

Subtitle A—General Provisions

Sec. 701. Short title.
Sec. 702. Findings and purposes.
Sec. 703. Definitions.

Subtitle B—Statewide Workforce Development Systems

CHAPTER 1—PROVISIONS FOR STATES AND OTHER ENTITIES

Sec. 711. Statewide workforce development systems established.
Sec. 712. State allotments.
Sec. 713. State apportionment by activity.
Sec. 714. State plans.
Sec. 715. State workforce development boards.
Sec. 716. Use of funds.
Sec. 717. Indian workforce development activities.
Sec. 718. Grants to outlying areas.

CHAPTER 2—LOCAL PROVISIONS

Sec. 721. Local apportionment by activity.
Sec. 722. Distribution for secondary school vocational education.

Sec. 723. Distribution for postsecondary and adult vocational education.
Sec. 724. Distribution for adult education.
Sec. 725. Special rule for minimal allocation.
Sec. 726. Redistribution.
Sec. 727. Local application for workforce education activities.
Sec. 728. Local partnerships, agreements, and workforce development boards.

CHAPTER 3—ADMINISTRATION

Sec. 731. Accountability.
Sec. 732. Incentives and sanctions.
Sec. 733. Unemployment trust fund.
Sec. 734. Authorization of appropriations.
Sec. 735. Effective date.

Subtitle C—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL JOB CORPS PROVISIONS

Sec. 741. Purposes.
Sec. 742. Definitions.
Sec. 743. General authority.
Sec. 744. Individuals eligible for the Job Corps.
Sec. 745. Screening and selection of applicants.
Sec. 746. Enrollment and assignment.
Sec. 747. Job Corps centers.
Sec. 748. Program activities.
Sec. 749. Support.
Sec. 750. Operating plan.
Sec. 751. Standards of conduct.
Sec. 752. Community participation.
Sec. 753. Counseling and placement.
Sec. 754. Leases and sales of centers.
Sec. 755. Closure of Job Corps centers.
Sec. 756. Interim operating plans for Job Corps centers.
Sec. 757. Effective date.

CHAPTER 2—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

Sec. 759. Workforce preparation activities for at-risk youth.

Subtitle D—Transition Provisions

Sec. 761. Waivers.
Sec. 762. Interim State plans.
Sec. 763. Applications and plans under covered Acts.
Sec. 764. Interim administration of school-to-work programs.
Sec. 765. Interim authorizations of appropriations.

Subtitle E—National Activities

Sec. 771. Federal Partnership.
Sec. 772. National assessment of vocational education programs.
Sec. 773. Labor market information.
Sec. 774. National Center for Research in Education and Workforce Development.
Sec. 775. Transfers to Federal Partnership.
Sec. 776. Transfers to other Federal agencies and offices.
Sec. 777. Elimination of certain offices.

Subtitle F—Repeals of Employment and Training and Vocational and Adult Education Programs

Sec. 781. Repeals.
Sec. 782. Conforming amendments.

TITLE VIII—WORKFORCE DEVELOPMENT-RELATED ACTIVITIES

Subtitle A—Amendments to the Rehabilitation Act of 1973

Sec. 801. References.
Sec. 802. Findings and purposes.
Sec. 803. Consolidated rehabilitation plan.
Sec. 804. Definitions.
Sec. 805. Administration.
Sec. 806. Reports.
Sec. 807. Evaluation.
Sec. 808. Declaration of policy.
Sec. 809. State plans.
Sec. 810. Individualized employment plans.
Sec. 811. Scope of vocational rehabilitation services.
Sec. 812. State Rehabilitation Advisory Council.
Sec. 813. Evaluation standards and performance indicators.
Sec. 814. Repeals.
Sec. 815. Effective date.

Subtitle B—Amendments to Immigration and Nationality Act

Sec. 821. Prohibition on use of funds for certain employment activities.

TITLE IX—CHILD SUPPORT

Sec. 900. Reference to Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

Sec. 901. State obligation to provide child support enforcement services.
Sec. 902. Distribution of child support collections.
Sec. 903. Rights to notification and hearings.
Sec. 904. Privacy safeguards.

Subtitle B—Locate and Case Tracking

Sec. 911. State Case Registry.
Sec. 912. Collection and disbursement of support payments.
Sec. 913. State Directory of New Hires.
Sec. 914. Amendments concerning income withholding.
Sec. 915. Locator information from interstate networks.
Sec. 916. Expansion of the Federal parent locator service.
Sec. 917. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

Sec. 921. Adoption of uniform State laws.
Sec. 922. Improvements to full faith and credit for child support orders.
Sec. 923. Administrative enforcement in interstate cases.
Sec. 924. Use of forms in interstate enforcement.
Sec. 925. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

Sec. 931. State laws concerning paternity establishment.
Sec. 932. Outreach for voluntary paternity establishment.
Sec. 933. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

Sec. 941. Performance-based incentives and penalties.
Sec. 942. Federal and State reviews and audits.
Sec. 943. Required reporting procedures.
Sec. 944. Automated data processing requirements.
Sec. 945. Technical assistance.
Sec. 946. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

Sec. 951. National Child Support Guidelines Commission.
Sec. 952. Simplified process for review and adjustment of child support orders.
Sec. 953. Furnishing consumer reports for certain purposes relating to child support.
Sec. 954. Nonliability for depository institutions providing financial records to State child support enforcement agencies in child support cases.

Subtitle G—Enforcement of Support Orders

Sec. 961. Internal Revenue Service collection of arrearages.
Sec. 962. Authority to collect support from Federal employees.
Sec. 963. Enforcement of child support obligations of members of the Armed Forces.
Sec. 964. Voiding of fraudulent transfers.
Sec. 965. Work requirement for persons owing child support.
Sec. 966. Definition of support order.
Sec. 967. Reporting arrearages to credit bureaus.
Sec. 968. Liens.
Sec. 969. State law authorizing suspension of licenses.
Sec. 970. Denial of passports for nonpayment of child support.
Sec. 971. International child support enforcement.

Subtitle H—Medical Support

Sec. 975. Technical correction to ERISA definition of medical child support order.
Sec. 976. Enforcement of orders for health care coverage.

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

Sec. 981. Grants to States for access and visitation programs.

Subtitle J—Effect of Enactment

Sec. 991. Effective dates.

TITLE X—REFORM OF PUBLIC HOUSING

Sec. 1001. Ceiling rents.
Sec. 1002. Definition of adjusted income for public housing.
Sec. 1003. Failure to comply with other welfare and public assistance programs.
Sec. 1004. Applicability to Indian housing.
Sec. 1005. Implementation.
Sec. 1006. Effective date.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 100. REFERENCES TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 101. BLOCK GRANTS TO STATES.

(a) REPEALS.—

(1) IN GENERAL.—Parts A and F of title IV (42 U.S.C. 601 et seq. and 682 et seq.) are hereby repealed.

(2) RULES AND REGULATIONS.—The Secretary of Health and Human Services shall ensure that any rules and regulations relating to the provisions of law repealed in paragraph (1) shall cease to have effect on and after the date of the repeal of such provisions.

(b) BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES WITH MINOR CHILDREN.—Title IV (42 U.S.C. 601 et seq.) is amended by inserting before part B the following:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES WITH MINOR CHILDREN

"SEC. 400. NO INDIVIDUAL ENTITLEMENT.

"Notwithstanding any other provision of law, no individual is entitled to any assistance under this part.

"SEC. 401. PURPOSE.

"The purpose of this part is to increase the flexibility of States in operating a program designed to—

"(1) provide assistance to needy families with minor children;

"(2) provide job preparation and opportunities for such families; and

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that has submitted to the Secretary a plan that includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—A written document that outlines how the State intends to do the following:

"(A) Conduct a program designed to serve all political subdivisions in the State to—

"(i) provide assistance to needy families with not less than 1 minor child; and

"(ii) provide a parent or caretaker in such families with work experience, assistance in finding employment, and other work preparation activities and support services that the State considers appropriate to enable such families to leave the program and become self-sufficient.

"(B) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) when the State determines the parent or caretaker is ready to engage in work, or after 24 months (whether or not consecutive) of receiving assistance under the program, whichever is earlier.

"(C) Satisfy the minimum participation rates specified in section 404.

"(D) Treat—

"(i) families with minor children moving into the State from another State; and

"(ii) noncitizens of the United States.

"(E) Safeguard and restrict the use and disclosure of information about individuals and families receiving assistance under the program.

"(F) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child protection program under the State plan approved under part B.

"(4) CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program under the State plan approved under part E.

"(5) CERTIFICATION THAT THE STATE WILL PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will participate in the income and eligibility verification system required by section 1137.

"(6) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—A certification by the chief executive officer of the State specifying which State agency or agencies are responsible for the administration and supervision of the State program for the fiscal year.

"(7) CERTIFICATION THAT REQUIRED REPORTS WILL BE SUBMITTED.—A certification by the chief executive officer of the State that the State shall provide the Secretary with any reports required under this part.

"(8) ESTIMATE OF FISCAL YEAR STATE AND LOCAL EXPENDITURES.—An estimate of the total amount of State and local expenditures under the State program for the fiscal year.

"(b) CERTIFICATION THAT THE STATE WILL PROVIDE ACCESS TO INDIANS.—

"(1) IN GENERAL.—In recognition of the Federal Government's trust responsibility to, and government-to-government relationship with, Indian tribes, the Secretary shall ensure that Indians receive at least their equitable share of services under the State program, by requiring a certification by the chief executive officer of each State described in paragraph (2) that, during the fiscal year, the State shall provide Indians in each Indian tribe that does not have a tribal family assistance plan approved under section 414 for a fiscal year with equitable access to assistance under the State program funded under this part.

"(2) STATE DESCRIBED.—For purposes of paragraph (1), a State described in this paragraph is a State in which there is an Indian tribe that does not have a tribal family assistance plan approved under section 414 for a fiscal year.

"(c) DEFINITIONS.—For purposes of this part, the following definitions shall apply:

"(1) ADULT.—The term 'adult' means an individual who is not a minor child.

"(2) MINOR CHILD.—The term 'minor child' means an individual—

"(A) who—

"(i) has not attained 18 years of age; or

"(ii) has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training); and

"(B) who resides with such individual's custodial parent or other caretaker relative.

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(5) STATE.—Except as otherwise specifically provided, the term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"SEC. 403. PAYMENTS TO STATES AND INDIAN TRIBES.

"(a) GRANT AMOUNT.—

"(1) IN GENERAL.—Subject to the provisions of paragraph (3), section 407 (relating to penalties), and section 414(g), for each of fiscal years 1996, 1997, 1998, 1999, and 2000, the Secretary shall pay—

"(A) each eligible State a grant in an amount equal to the State family assistance grant for the fiscal year; and

"(B) each Indian tribe with an approved tribal family assistance plan a tribal family assistance grant in accordance with section 414.

"(2) STATE FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—For purposes of paragraph (1)(A), a State family assistance grant for any State for a fiscal year is an amount equal to the total amount of the Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect during such fiscal year and as such payments were reported by the State on February 14, 1995), reduced by the amount (if any) determined under subparagraph (B).

"(B) AMOUNT ATTRIBUTABLE TO CERTAIN INDIAN FAMILIES SERVED BY INDIAN TRIBES.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the amount determined under this subparagraph is an amount equal to the Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year) attributable to expenditures by the State under parts A and F of this title (as so in effect) for Indian families described in clause (ii).

"(ii) INDIAN FAMILIES DESCRIBED.—For purposes of clause (i), Indian families described in this clause are Indian families who reside in a service area or areas of an Indian tribe receiving a tribal family assistance grant under section 414.

"(C) NOTIFICATION.—Not later than 3 months prior to the payment of each quarterly installment of a State grant under subsection (a)(1), the Secretary shall notify the State of the amount of the reduction determined under subparagraph (B) with respect to the State.

"(3) SUPPLEMENTAL GRANT AMOUNT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—The amount of the grant payable under paragraph (1) to a qualifying State for each of fiscal years 1997, 1998, 1999, and 2000 shall be increased by an amount equal to 2.5 percent of the amount that the State received under this section in the preceding fiscal year.

"(B) INCREASE TO REMAIN IN EFFECT EVEN IF STATE FAILS TO QUALIFY IN LATER YEARS.—Subject to section 407, in no event shall the amount of a grant payable under paragraph (1) to a State for any fiscal year be less than the amount the State received under this section for the preceding fiscal year.

"(C) QUALIFYING STATE.—

"(i) IN GENERAL.—For purposes of this paragraph, the term 'qualifying State', with respect to any fiscal year, means a State that—

"(I) had an average level of State welfare spending per poor person in the preceding fiscal year that was less than the national average level of State welfare spending per poor person in the preceding fiscal year; and

"(II) had an estimated rate of State population growth as determined by the Bureau of the Census for the most recent fiscal year for which information is available that was greater than the average rate of population growth for all States as determined by the Bureau of the Census for such fiscal year.

"(ii) CERTAIN STATES DEEMED QUALIFYING STATES.—For purposes of this paragraph, a State shall be deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if the level of State welfare spending per poor person in fiscal year 1996 was less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996.

"(iii) STATE MUST QUALIFY IN FISCAL YEAR 1997.—A State shall not be eligible to be a qualifying State under clause (i) for fiscal years after 1997 if the State was not a qualifying State under clause (i) in fiscal year 1997.

"(D) DEFINITIONS.—For purposes of this paragraph:

"(i) LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'level of State welfare spending per poor person' means, with respect to a State for any fiscal year—

"(I) the amount of the grant received by the State under this section (prior to the application of section 407); divided by

"(II) the number of the individuals in the State who had an income below the poverty line according to the 1990 decennial census.

"(ii) National average level of State welfare spending per poor person.—The term 'national average level of State welfare spending per poor person' means an amount equal to—

"(I) the amount paid in grants under this section (prior to the application of section 407); divided by

"(II) the number of individuals in all States with an income below the poverty line according to the 1990 decennial census.

"(iii) Poverty line.—The term 'poverty line' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(iv) State.—The term 'State' means each of the 50 States of the United States.

"(4) Appropriation.—

"(A) States.—There are authorized to be appropriated and there are appropriated $16,795,323,000 for each fiscal year described in paragraph (1) for the purpose of paying—

"(i) grants to States under paragraph (1)(A); and

"(ii) tribal family assistance grants under paragraph (1)(B).

"(B) Adjustment for qualifying States.—For the purpose of increasing the amount of the grant payable to a State under paragraph (1) in accordance with paragraph (3), there are authorized to be appropriated and there are appropriated—

"(i) for fiscal year 1997, $85,860,000;

"(ii) for fiscal year 1998, $173,276,000;

"(iii) for fiscal year 1999, $263,468,000; and

"(iv) for fiscal year 2000, $355,310,000.

"(b) Use of Grant.—

"(1) In general.—Subject to this part, a State to which a grant is made under this section may use the grant—

"(A) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(B) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(2) Authority to treat interstate immigrants under rules of former State.—A State to which a grant is made under this section may apply to a family the rules of the program operated under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(3) Authority to reserve certain amounts for assistance.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program operated under this part.

"(4) Authority to operate employment placement program.—A State to which a grant is made under this section may use a portion of the grant to make payments (or provide job placement vouchers) to State-approved public and private job placement agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

"(5) Transferability of grant amounts.—A State may use up to 30 percent of amounts received from a grant under this part for a fiscal year to carry out State activities under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) (relating to child care block grants).

"(c) Timing of Payments.—The Secretary shall pay each grant payable to a State under this section in quarterly installments.

"(d) Federal Loan Fund for State Welfare Programs.—

"(1) Establishment.—There is hereby established in the Treasury of the United States a revolving loan fund which shall be known as the 'Federal Loan Fund for State Welfare Programs' (hereafter for purposes of this section referred to as the 'fund').

"(2) Deposits into fund.—

"(A) Appropriation.—Out of any money in the Treasury of the United States not otherwise appropriated, $1,700,000,000 are hereby appropriated for fiscal year 1996 for payment to the fund.

"(B) Loan repayments.—The Secretary shall deposit into the fund any principal or interest payment received with respect to a loan made under this subsection.

"(3) Availability.—Amounts in the fund are authorized to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest on such loans, in accordance with this subsection.

"(4) Use of fund.—

"(A) Loans to States.—The Secretary shall make loans from the fund to any loan-eligible State, as defined in subparagraph (D), for a period to maturity of not more than 3 years.

"(B) Rate of interest.—The Secretary shall charge and collect interest on any loan made under subparagraph (A) at a rate equal to the Federal short-term rate, as defined in section 1274(d) of the Internal Revenue Code of 1986.

"(C) Maximum loan.—The cumulative amount of any loans made to a State under subparagraph (A) during fiscal years 1996 through 2000 shall not exceed 10 percent of the State family assistance grant under subsection (a)(2) for a fiscal year.

"(D) Loan-eligible State.—For purposes of subparagraph (A), a loan-eligible State is a State which has not had a penalty described in section 407(a)(1) imposed against it at any time prior to the loan being made.

"(5) Limitation on use of loan.—A State shall use a loan received under this subsection only for any purpose for which grant amounts received by the State under subsection (a) may be used including—

"(A) welfare anti-fraud activities; and

"(B) the provision of assistance under the State program to Indian families that have moved from the service area of an Indian tribe with a tribal family assistance plan approved under section 414.

"(e) Special Rule for Indian Tribes That Received JOBS Funds.—

"(1) In general.—The Secretary shall pay to each eligible Indian tribe for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the amount received by such Indian tribe in fiscal year 1995 under section 482(i) (as in effect during such fiscal year) for the purpose of operating a program to make work activities available to members of the Indian tribe.

"(2) Eligible Indian tribe.—For purposes of paragraph (1), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during such fiscal year).

"(3) Appropriation.—There are authorized to be appropriated and there are hereby appropriated $7,638,474 for each fiscal year described in paragraph (1) for the purpose of paying grants in accordance with such paragraph.

"(f) Secretary.—For purposes of this section, the term 'Secretary' means the Secretary of the Treasury.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

"(a) Participation Rate Requirements.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following tables for the fiscal year with respect to—

"(1) all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	**The minimum participation rate for all families is:**
1996	25
1997	30
1998	35
1999	40
2000 or thereafter ...	50; and

"(2) with respect to 2-parent families receiving such assistance:

"If the fiscal year is:	**The minimum participation rate is:**
1996	60
1997 or 1998	75
1999 or thereafter ...	90.

"(b) Calculation of Participation Rates.—

"(1) For all families.—

"(A) Average monthly rate.—For purposes of subsection (a)(1), the participation rate for all families of a State for a fiscal year is the average of the participation rates for all families of the State for each month in the fiscal year.

"(B) Monthly participation rates.—The participation rate of a State for all families of the State for a month, expressed as a percentage, is—

"(i) the sum of—

"(I) the number of all families receiving assistance under the State program funded under this part that include an adult who is engaged in work for the month;

"(II) the number of all families receiving assistance under the State program funded under this part that are subject in such month to a penalty described in paragraph (1)(A) or (2)(A) of subsection (d) but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive);

"(III) the number of all families receiving assistance under the State program funded under this part that have become ineligible for assistance under the State program within the previous 6-month period because of employment and that include an adult who is employed for the month; and

"(IV) beginning in the first month beginning after the promulgation of the regulations described in paragraph (3) and in accordance with such regulations, the average monthly number of all families that are not receiving assistance under the State program funded under this part as a result of the State's diversion of such families from the State program prior to such families receipt of assistance under the program; divided by

"(ii) the total number of all families receiving assistance under the State program funded under this part during the month that include an adult.

"(2) 2-parent families.—

"(A) Average monthly rate.—For purposes of subsection (a)(2), the participation rate for 2-parent families of a State for a fiscal year is the average of the participation rates for 2-parent families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for 2-parent families of the State for a month, expressed as a percentage, is—

"(i) the total number of 2-parent families described in paragraph (1)(B)(i); divided by

"(ii) the total number of 2-parent families receiving assistance under the State program funded under this part during the month that include an adult.

"(3) REGULATIONS RELATING TO CALCULATION OF FAMILIES DIVERTED FROM ASSISTANCE.—

"(A) IN GENERAL.—Not later than 1 year after the date of the enactment of the Work Opportunity Act of 1995, the Secretary shall consult with the States and establish, by regulation, a method to measure the number of families diverted by a State from the State program funded under this part prior to such families receipt of assistance under the program.

"(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under such State's plan under the aid to families with dependent children program, as such plan was in effect on the day before the date of the enactment of the Work Opportunity Act of 1995.

"(4) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN.—For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families receiving assistance under a tribal family assistance plan approved under section 414. For purposes of the previous sentence, an individual who receives assistance under a tribal family assistance plan approved under section 414 shall be treated as being engaged in work if the individual is participating in work under standards that are comparable to State standards for being engaged in work.

"(c) ENGAGED IN WORK.—

"(1) ALL FAMILIES.—For purposes of subsection (b)(1)(B)(i)(I), an adult is engaged in work for a month in a fiscal year if the adult is participating in work for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to a work activity:

"If the month is in fiscal year:	**The minimum average number of hours per week is:**
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

"(2) 2-PARENT FAMILIES.—For purposes of subsection (b)(2)(A), an adult is engaged in work for a month in a fiscal year if the adult is participating in work for at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to work activities described in paragraph (3).

"(3) DEFINITION OF WORK ACTIVITIES.—For purposes of this subsection, the term 'work activities' means—

"(A) unsubsidized employment;

"(B) subsidized employment;

"(C) on-the-job training;

"(D) community service programs; and

"(E) job search (only for the first 4 weeks in which an individual is required to participate in work activities under this section).

"(d) PENALTIES AGAINST INDIVIDUALS.—If an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required under subsection (c)(1) or (c)(2), a State to which a grant is made under section 403 shall—

"(1) reduce the amount of assistance that would otherwise be payable to the family; or

"(2) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(e) NONDISPLACEMENT IN WORK ACTIVITIES.—

"(1) IN GENERAL.—Subject to paragraph (2), an adult in a family receiving assistance under this part may fill a vacant employment position in order to engage in a work activity described in subsection (c)(3).

"(2) NO FILLING OF CERTAIN VACANCIES.—No adult described in paragraph (1) shall be employed, or job opening filled, by such an adult—

"(A) when any other individual is on layoff from the same or any substantially equivalent job; or

"(B) when the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring an adult described in paragraph (1).

"(f) SENSE OF THE CONGRESS.—It is the sense of the Congress that in complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities.

"(g) DELIVERY THROUGH STATEWIDE SYSTEM.—

"(1) IN GENERAL.—Each work program carried out by the State to provide work activities in order to comply with this section shall be delivered through the statewide workforce development system established in section 711 of the Work Opportunity Act of 1995 unless a required work activity is not available locally through the statewide workforce development system.

"(2) EFFECTIVE DATE.—The provisions of paragraph (1) shall take effect—

"(A) in a State described in section 815(b)(1) of the Work Opportunity Act of 1995; and

"(B) in any other State, on July 1, 1998.

"SEC. 405. REQUIREMENTS AND LIMITATIONS.

"(a) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY CONTRACT WITH EACH FAMILY RECEIVING ASSISTANCE.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to have entered into a personal responsibility contract (as developed by the State) with the State.

"(b) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(1) IN GENERAL.—Except as provided under paragraphs (2) and (3), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family that includes an adult who has received assistance under the program operated under this part for the lesser of—

"(A) the period of time established at the option of the State; or

"(B) 60 months (whether or not consecutive) after September 30, 1995.

"(2) MINOR CHILD EXCEPTION.—If an individual received assistance under the State program operated under this part as a minor child in a needy family, any period during which such individual's family received assistance shall not be counted for purposes of applying the limitation described in paragraph (1) to an application for assistance under such program by such individual as the head of a household of a needy family with minor children.

"(3) HARDSHIP EXCEPTION.—

"(A) IN GENERAL.—The State may exempt a family from the application of paragraph (1) by reason of hardship.

"(B) LIMITATION.—The number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(c) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—An individual shall not be considered an eligible individual for the purposes of this part during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

"(d) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(1) IN GENERAL.—An individual shall not be considered an eligible individual for the purposes of this part if such individual is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.

"(2) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Notwithstanding any other provision of law, a State shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of assistance under this part, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) such recipient—

"(i) is described in subparagraph (A) or (B) of paragraph (1); or

"(ii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within such officer's official duties.

"SEC. 406. PROMOTING RESPONSIBLE PARENTING.

"(a) FINDINGS.—The Congress makes the following findings:

"(1) Marriage is the foundation of a successful society.

"(2) Marriage is an essential institution of a successful society which promotes the interests of children.

"(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the wellbeing of children.

"(4) In 1992, only 54 percent of single-parent families with children had a child support order established and, of that 54 percent, only about one half received the full amount due. Of the cases enforced through the public child support enforcement system, only 18 percent of the caseload has a collection.

"(5) The number of individuals receiving aid to families with dependent children (hereafter in this subsection referred to as 'AFDC') has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

"(A)(i) The average monthly number of children receiving AFDC benefits—

"(I) was 3,300,000 in 1965;

"(II) was 6,200,000 in 1970;

"(III) was 7,400,000 in 1980; and

"(IV) was 9,300,000 in 1992.

"(ii) While the number of children receiving AFDC benefits increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

"(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within 10 years.

"(C) The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women. Between 1970 and 1991, the percentage of live births to unmarried women increased nearly threefold, from 10.7 percent to 29.5 percent.

"(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

"(A) It is estimated that the rate of nonmarital teen pregnancy rose 23 percent from 54 pregnancies per 1,000 unmarried teenagers in 1976 to 66.7 pregnancies in 1991. The overall rate of nonmarital pregnancy rose 14 percent from 90.8 pregnancies per 1,000 unmarried women in 1980 to 103 in both 1991 and 1992. In contrast, the overall pregnancy rate for married couples decreased 7.3 percent between 1980 and 1991, from 126.9 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

"(B) The total of all out-of-wedlock births between 1970 and 1991 has risen from 10.7 percent to 29.5 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock.

"(7) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented as follows:

"(A) Young women 17 and under who give birth outside of marriage are more likely to go on public assistance and to spend more years on welfare once enrolled. These combined effects of 'younger and longer' increase total AFDC costs per household by 25 percent to 30 percent for 17-year olds.

"(B) Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight.

"(C) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect.

"(D) Children born out-of-wedlock were more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

"(E) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage.

"(F) Children born out-of-wedlock are 3 more times likely to be on welfare when they grow up.

"(8) Currently 35 percent of children in single-parent homes were born out-of-wedlock, nearly the same percentage as that of children in single-parent homes whose parents are divorced (37 percent). While many parents find themselves, through divorce or tragic circumstances beyond their control, facing the difficult task of raising children alone, nevertheless, the negative consequences of raising children in single-parent homes are well documented as follows:

"(A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 46 percent of female-headed households with children under 18 years of age are below the national poverty level.

"(B) Among single-parent families, nearly ½ of the mothers who never married received AFDC while only ⅕ of divorced mothers received AFDC.

"(C) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children not born into families receiving welfare.

"(D) Mothers under 20 years of age are at the greatest risk of bearing low birth-weight babies.

"(E) The younger the single parent mother, the less likely she is to finish high school.

"(F) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time.

"(G) Between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000.

"(H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

"(I) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

"(J) Children of single-parent homes are 3 times more likely to fail and repeat a year in grade school than are children from intact two-parent families.

"(K) Children from single-parent homes are almost 4 times more likely to be expelled or suspended from school.

"(L) Neighborhoods with larger percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

"(M) Of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62,800,000 children in the Nation's resident population were living with both parents.

"(9) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important Government interests and the policy contained in provisions of this title is intended to address the crisis.

"(b) STATE OPTION TO DENY ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—At the option of the State, a State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(c) STATE OPTION TO DENY ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—At the option of the State, a State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a minor child who is born to—

"(1) a recipient of assistance under the program funded under this part; or

"(2) an individual who received such benefits at any time during the 10-month period ending with the birth of the child.

"(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN AN ADULT-SUPERVISED SETTING AND ATTEND SCHOOL.—

"(1) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual described in paragraph (2) if—

"(A) the individual and the minor child of the individual do not reside in—

"(i) a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home; or

"(ii) another adult-supervised setting; and

"(B) the individual does not participate in—

"(i) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(ii) an alternative educational or training program that has been approved by the State.

"(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who—

"(A) is under the age of 18 and is not married; and

"(B) has a minor child in his or her care.

"SEC. 407. STATE PENALTIES.

"(a) IN GENERAL.—Subject to the provisions of subsection (b), the Secretary shall deduct from the grant otherwise payable under section 403 the following penalties:

"(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—If an audit conducted under section 408 finds that an amount paid to a State under section 403 for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant otherwise payable to the State under such section for the immediately succeeding fiscal year quarter by the amount so used, plus 5 percent of such grant (determined without regard to this section).

"(2) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State has not, within 6 months after the end of a fiscal year, submitted the report required by section 409 for the fiscal year, the Secretary shall reduce by 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(3) FOR FAILURE TO SATISFY MINIMUM PARTICIPATION RATES.—

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the minimum participation rates specified in section 404(a) for a fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) Penalty based on severity of failure.—The Secretary shall impose reductions under subparagraph (A) on the basis of the degree of noncompliance.

"(4) For failure to participate in the income and eligibility verification system.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(5) For failure to comply with paternity establishment and child support enforcement requirements under part D.—Notwithstanding any other provision of this Act, if the Secretary determines that the State agency that administers a program funded under this part does not enforce the penalties requested by the agency administering part D against recipients of assistance under the State program who fail to cooperate in establishing paternity in accordance with such part, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(6) For failure to timely repay a federal loan fund for state welfare programs.—If the Secretary determines that a State has failed to repay any amount borrowed from the Federal Loan Fund for State Welfare Programs established under section 403(d) within the period of maturity applicable to such loan, plus any interest owed on such loan, then the Secretary shall reduce the amount of the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year quarter by the outstanding loan amount, plus the interest owed on such outstanding amount.

"(b) Requirements.—

"(1) Limitation on amount of penalty.—

"(A) In general.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

"(B) Carryforward of unrecovered penalties.—To the extent that subparagraph (A) prevents the Secretary from recovering during a fiscal year the full amount of all penalties imposed on a State under subsection (a) for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year.

"(2) State funds to replace reductions in grant.—A State which has a penalty imposed against it under subsection (a) shall expend additional State funds in an amount equal to the amount of the penalty for the purpose of providing assistance under the State program under this part.

"(3) Reasonable cause for noncompliance.—The Secretary may not impose a penalty on a State under subsection (a) if the Secretary determines that the State has reasonable cause for failing to comply with a requirement for which a penalty is imposed under such subsection.

"(c) Certification of Amount of Penalties.—If the Secretary is required to reduce the amount of any grant under this section, the Secretary shall certify the amount of such reduction to the Secretary of the Treasury and the Secretary of the Treasury shall reduce the amount paid to the State under section 403 by such amount.

"(d) Effective Dates.—

"(1) In general.—The penalties described in paragraphs (2) through (6) of subsection (a) shall apply with respect to fiscal years beginning on or after October 1, 1996.

"(2) Misuse of funds.—The penalties described in subsection (a)(1) shall apply with respect to fiscal years beginning on or after October 1, 1995.

"SEC. 408. AUDITS.

"(a) In General.—Each State shall, not less than annually, audit the State expenditures from amounts received under this part. Such audit shall—

"(1) determine the extent to which such expenditures were or were not expended in accordance with this part; and

"(2) be conducted by an approved entity (as defined in subsection (b)) in accordance with generally accepted auditing principles.

"(b) Approved Entity.—For purposes of subsection (a), the term 'approved entity' means an entity that—

"(1) is approved by the Secretary of the Treasury;

"(2) is approved by the chief executive officer of the State; and

"(3) is independent of any agency administering activities funded under this part.

"(c) Audit Report.—Not later than 30 days following the completion of an audit under this subsection, a State shall submit a copy of the audit to the State legislature, the Secretary of the Treasury, and the Secretary of Health and Human Services.

"(d) Additional Accounting Requirements.—The provisions of chapter 75 of title 31, United States Code, shall apply to the audit requirements of this section.

"SEC. 409. DATA COLLECTION AND REPORTING.

"(a) In General.—Each State to which a grant is made under section 403 for a fiscal year shall, not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, transmit to the Secretary the following aggregate information on families to which assistance was provided during the fiscal year under the State program operated under this part:

"(1) The number of adults receiving such assistance.

"(2) The number of children receiving such assistance and the average age of the children.

"(3) The employment status of such adults, and the average earnings of employed adults receiving such assistance.

"(4) The age, race, and educational attainment at the time of application for assistance of the adults receiving such assistance.

"(5) The average amount of cash and other assistance provided to the families under the program.

"(6) The number of months, since the most recent application for assistance under the program, for which such assistance has been provided to the families.

"(7) The total number of months for which assistance has been provided to the families under the program.

"(8) Any other data necessary to indicate whether the State is in compliance with the plan most recently submitted by the State pursuant to section 402.

"(9) The components of any program carried out by the State to provide work activities in order to comply with section 404, and the average monthly number of adults in each such component.

"(10) The number of part-time job placements and the number of full-time job placements made through the program referred to in paragraph (9), the number of cases with reduced assistance, and the number of cases closed due to employment.

"(11) The number of cases closed due to section 405(b).

"(12) The increase or decrease in the number of children born out of wedlock to recipients of assistance under the State program funded under this part and the State's success in meeting its goals established under section 402(a)(1)(F).

"(b) Authority of States To Use Estimates.—A State may comply with the requirement to provide precise numerical information described in subsection (a) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(c) Report on Use of Federal Funds To Cover Administrative Costs and Overhead.—The report required by subsection (a) for a fiscal year shall include a statement of—

"(1) the total amount and percentage of the Federal funds paid to the State under this part for the fiscal year that are used to cover administrative costs or overhead; and

"(2) the total amount of State funds that are used to cover such costs or overhead.

"(d) Report on State Expenditures on Programs for Needy Families.—The report required by subsection (a) for a fiscal year shall include a statement of the total amount expended by the State during the fiscal year on the program under this part and the purposes for which such amount was spent.

"(e) Report on Noncustodial Parents Participating in Work Activities.—The report required by subsection (a) for a fiscal year shall include the number of noncustodial parents in the State who participated in work activities during the fiscal year.

"(f) Report on Child Support Collected.—The report required by subsection (a) for a fiscal year shall include the total amount of child support collected by the State agency administering the State program under part D on behalf of a family receiving assistance under this part.

"(g) Report on Child Care.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for child care under the program under this part, along with a description of the types of child care provided, including child care provided in the case of a family that—

"(1) has ceased to receive assistance under this part because of employment; or

"(2) is not receiving assistance under this part but would be at risk of becoming eligible for such assistance if child care was not provided.

"(h) Report on Transitional Services.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for providing transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

"(i) Secretary's Report on Data Processing.—

"(1) In general.—Not later than 6 months after the date of the enactment of the Work Opportunity Act of 1995, the Secretary shall prepare and submit to the Congress a report on—

"(A) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under this part (whether in effect before or after October 1, 1995); and

"(B) what would be required to establish a system capable of—

"(i) tracking participants in public programs over time; and

"(ii) checking case records of the States to determine whether individuals are participating in public programs in 2 or more States.

"(2) PREFERRED CONTENTS.—The report required by paragraph (1) should include—

"(A) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in paragraph (1)(B); and

"(B) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

"SEC. 410. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) RESEARCH.—The Secretary may conduct research on the effects and costs of State programs funded under this part.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO EMPLOYING WELFARE RECIPIENTS.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of assistance under programs funded under this part. In performing such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

"(c) STUDIES OF WELFARE CASELOADS.—The Secretary may conduct studies of the caseloads of States operating programs funded under this part.

"(d) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"(e) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

"(1) ANNUAL RANKING OF STATES.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in moving recipients of assistance under the State program funded under this part into long-term private sector jobs.

"(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(f) STUDY ON ALTERNATIVE OUTCOMES MEASURES.—

"(1) STUDY.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of a State in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 404. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis.

"(2) REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study described in paragraph (1).

"SEC. 411. STUDY BY THE CENSUS BUREAU.

"(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Work Opportunity Act of 1995 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low-income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock births, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out subsection (a).

"SEC. 412. WAIVERS.

"(a) CONTINUATION OF WAIVERS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part is in effect or approved by the Secretary as of October 1, 1995, the amendments made by the Work Opportunity Act of 1995 shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the terms of the waiver.

"(2) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall receive the payment described for such State for such fiscal year under section 403, in lieu of any other payment provided for in the waiver.

"(b) STATE OPTION TO TERMINATE WAIVER.—

"(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

"(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of such waiver.

"(3) HOLD HARMLESS PROVISION.—

"(A) IN GENERAL.—A State that, not later than the date described in subparagraph (B), submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the terms and conditions of such waiver.

"(B) DATE DESCRIBED.—The date described in this subparagraph is the later of—

"(i) January 1, 1996; or

"(ii) 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue such waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of such waiver.

"SEC. 413. STATE DEMONSTRATION PROGRAMS.

"Nothing in this part shall be construed as limiting a State's ability to conduct demonstration projects for the purpose of identifying innovative or effective program designs in 1 or more political subdivisions of the State.

"SEC. 414. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

"(a) PURPOSE.—The purpose of this section is—

"(1) to strengthen and enhance the control and flexibility of local governments over local programs; and

"(2) in recognition of the principles contained in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.)—

"(A) to provide direct Federal funding to Indian tribes for the tribal administration of the program funded under this part; or

"(B) to enable Indian tribes to enter into agreements, contracts, or compacts with intertribal consortia, States, or other entities for the administration of such program on behalf of the Indian tribe.

"(b) GRANT AMOUNTS FOR INDIAN TRIBES.—

"(1) IN GENERAL.—For each of fiscal years 1996, 1997, 1998, 1999, and 2000, the Secretary shall pay to each Indian tribe that has an approved tribal family assistance plan a tribal family assistance grant for the fiscal year in an amount equal to the amount determined under paragraph (2).

"(2) AMOUNT DETERMINED.—

"(A) IN GENERAL.—The amount determined under this paragraph is an amount equal to the total amount of the Federal payments to a State or States under section 403 for fiscal year 1994 (as in effect during such fiscal year) attributable to expenditures by the State or States under part A and part F of this title (as so in effect) in such year for Indian families residing in the service area or areas identified by the Indian tribe in subsection (c)(1)(C).

"(B) USE OF STATE SUBMITTED DATA.—

"(i) IN GENERAL.—The Secretary shall use State submitted data to make each determination under subparagraph (A).

"(ii) DISAGREEMENT WITH DETERMINATION.—If an Indian tribe or tribal organization disagrees with State submitted data described under clause (i), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under subparagraph (A) and the Secretary may consider such information before making such determination.

"(c) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(1) IN GENERAL.—Any Indian tribe that desires to receive a tribal family assistance grant shall submit to the Secretary a 3-year tribal family assistance plan that—

"(A) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with the purposes of this section;

"(B) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(C) identifies the population and service area or areas to be served by such plan;

"(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the

Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

"(2) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (1).

"(3) CONSORTIUM OF TRIBES.—Nothing in this section shall preclude the development and submission of a single plan by the participating Indian tribes of an intertribal consortium.

"(d) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under such grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 404(d).

"(e) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(f) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(g) TRIBAL PENALTIES.—For the purpose of ensuring the proper use of tribal family assistance grants, the following provisions shall apply to an Indian tribe with an approved tribal assistance plan:

"(1) The provisions of subsections (a)(1), (a)(6), and (b) of section 407, in the same manner as such subsections apply to a State.

"(2) The provisions of section 407(a)(3), except that such subsection shall be applied by substituting 'the minimum requirements established under subsection (d) of section 414' for 'the minimum participation rates specified in section 404'.

"(h) DATA COLLECTION AND REPORTING.—For the purpose of ensuring uniformity in data collection, section 409 shall apply to an Indian tribe with an approved tribal family assistance plan.".

"SEC. 415. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

"The programs under this part and part D of this title shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

"SEC. 416. LIMITATION ON FEDERAL AUTHORITY.

"The Secretary of Health and Human Services and the Secretary of the Treasury may not regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part.".

SEC. 102. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) IN GENERAL.—Notwithstanding any other provision of law, a State is permitted to contract with charitable, religious, or private organizations to provide services and administer programs established or modified under this Act.

(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow the participation of religious organizations which contract to provide services under this Act on the same basis as any other provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under any program established or modified under this Act.

(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—Religious organizations are eligible as contractors to provide assistance under any program established or modified under this Act to needy families and children in accordance with this section. Neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance on the basis that the organization has a religious character.

(d) RELIGIOUS CHARACTER AND FREEDOM.—

(1) RELIGIOUS ORGANIZATIONS.—Notwithstanding any other provision of law, any religious organization with a contract described in subsection (a) shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization contracting to provide assistance to—

(A) alter its form of internal governance, or form a separate, nonprofit corporation to receive and administer the assistance funded under this part; or

(B) remove religious art, icons, scripture, or other symbols;

in order to be eligible to be a provider of assistance funded under this part.

(e) NONDISCRIMINATION IN EMPLOYMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall be construed to modify or affect the provisions of any other Federal law or regulation that relates to discrimination in employment on the basis of religion.

(2) EXCEPTION.—A religious organization with a contract described in subsection (a) may require that employees rendering service pursuant to such contract adhere to the religious tenets and teachings of such organization, and such organization may require that employees adhere to rules forbidding the use of drugs or alcohol.

(f) NONDISCRIMINATION AGAINST BENEFICIARIES.—A religious organization shall not discriminate against needy families and children in regard to rendering assistance funded under any program established or modified under this Act on the basis of religion, a religious belief, or refusal to participate in a religious practice.

(g) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program established or modified under this Act shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(h) COMPLIANCE.—A religious organization which has its rights under this section violated may enforce its claim exclusively by asserting a civil action for such relief as may be appropriate, including injunctive relief or damages, in an appropriate State court against the entity or agency that allegedly commits such violation.

(i) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—If a beneficiary has an objection to the religious character of the organization or institution from which the beneficiary is receiving assistance funded under any program established or modified under this Act, each State shall provide such beneficiary assistance from an alternative provider the value of which is not less than the value of the assistance which the individual would have received from the organization.

SEC. 103. LIMITATIONS ON USE OF FINANCIAL ASSISTANCE FOR CERTAIN PURPOSES.

No financial assistance provided under programs established or modified by this Act shall be expended for any sectarian purpose or activity, including sectarian worship or instruction.

SEC. 104. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX (42 U.S.C. 1396 et seq.) is amended—

(1) in section 1931, by inserting "subject to section 1931(a)," after "under this title," and by redesignating such section as section 1932; and

(2) by inserting after section 1930 the following new section:

"CONTINUED APPLICATION OF AFDC STANDARDS

"SEC. 1931. (a) For purposes of applying this title on and after October 1, 1995, with respect to a State—

"(1) except as provided in paragraph (2), any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV of this Act, or a State plan under such part, shall be considered a reference to such provision or plan as in effect as of June 1, 1995, with respect to the State and eligibility for medical assistance under this title shall be determined as if such provision or plan (as in effect as of such date) had remained in effect on and after October 1, 1995; and

"(2) any reference in section 1902(a)(5) or 1902(a)(55) to a State plan approved under part A of title IV shall be deemed a reference to a State program funded under such part (as in effect on and after October 1, 1995).

"(b) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of June 1, 1995, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may, at the option of the State, continue to be applied in relation to this title after the date the waiver would otherwise expire.".

(b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61);

(2) by striking the period at the end of paragraph (62) and inserting "; and"; and

(3) by inserting after paragraph (62) the following new paragraph:

"(63) provide for continuing to administer eligibility standards with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.".

(c) CONFORMING AMENDMENTS.—(1) Section 1902(c) (42 U.S.C. 1396a(c)) is amended by striking "if—" and all that follows and inserting the following: "if the State requires individuals described in subsection (l)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title.".

(2) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

SEC. 105. REDUCTION IN PERSONNEL.

(a) IN GENERAL.—The Secretary of Health and Human Services shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that at least 30 percent of the personnel in positions that relate to a covered activity are separated from service.

(b) DEFINITION OF COVERED ACTIVITY.—For purposes of this section, the term covered activity means an activity authorized to be carried out under part A or F of the Social Security Act (42 U.S.C. 601 et seq. and 682 et seq.) as such parts were in effect prior to the date of the enactment of this Act but does not include any position in an Office of Inspector General that relates to the auditing or investigation of a covered activity.

SEC. 106. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV or" before "an agency operating"; and

(B) by striking "A or D of title IV of this Act" and inserting "D of such title".

(2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is amended by inserting "under a State program funded under" before "part A of title IV".

(b) AMENDMENT TO PART B OF TITLE IV.—Section 422(b)(2) (42 U.S.C. 622(b)(2)) is amended by striking "under the State plan approved" and inserting "under the State program funded.".

(c) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A";

(B) by striking "such aid" and inserting "such assistance"; and

(C) by striking "402(a)(26) or".

(3) Section 452(a)(10)(F) (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking "aid under a State plan approved" and inserting "assistance under a State program funded"; and

(B) by striking "in accordance with the standards referred to in section 402(a)(26)(B)(ii)" and inserting "by the State".

(4) Section 452(b) (42 U.S.C. 652(b)) is amended in the first sentence by striking "aid under the State plan approved under part A" and inserting "assistance under a State program funded under part A".

(5) Section 452(d)(3)(B)(i) (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking "1115(c)" and inserting "1115(b)".

(6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking "aid is being paid under the State's plan approved under part A or E" and inserting "assistance is being provided under the State program funded under part A or aid is being paid under the State's plan approved under part E".

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking "aid was being paid under the State's plan approved under part A or E" and inserting "assistance was being provided under the State program funded under part A or aid was being paid under the State's plan approved under part E".

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking "who is a dependent child by reason of the death of a parent" and inserting "with respect to whom assistance is being provided under the State program funded under part A";

(B) by inserting "by the State agency administering the State plan approved under this part" after "found"; and

(C) by striking "under section 402(a)(26)" and inserting "with the State in establishing paternity".

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking "under section 402(a)(26)".

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking "aid" and inserting "assistance under a State program funded".

(11) Section 454 (42 U.S.C. 654)) is amended—

(A) in paragraph (5)(A)—

(i) by striking "under section 402(a)(26)"; and

(ii) by striking "except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;"; and

(B) in paragraph (6)(D), by striking "aid under a State plan approved" and inserting "assistance under a State program funded".

(12) Section 456 (42 U.S.C. 656) is amended—

(A) in subsection (a)(1), by striking "under section 402(a)(26)"; and

(B) by striking subsection (b) and inserting the following:

"(b) A debt which is a support obligation enforceable under this title is not released by a discharge in bankruptcy under title 11, United States Code.".

(13) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "402(a)(26) or".

(14) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded".

(15) Section 469(a) (42 U.S.C. 669(a)) is amended—

(A) by striking "aid under plans approved" and inserting "assistance under State programs funded"; and

(B) by striking "such aid" and inserting "such assistance".

(d) AMENDMENTS TO PART E OF TITLE IV.—

(1) Section 470 (42 U.S.C. 670) is amended—

(A) by striking "would be" and inserting "would have been"; and

(B) by inserting "(as such plan was in effect on June 1, 1995)" after "part A".

(2) Section 471(17) (42 U.S.C. 671(17)) is amended by striking "plans approved under parts A and D" and inserting "program funded under part A and plan approved under part D".

(3) Section 472(a) (42 U.S.C. 672(a)) is amended—

(A) in the matter preceding paragraph (1)—

(i) by striking "would meet" and inserting "would have met";

(ii) by inserting "(as such sections were in effect on June 1, 1995)" after "407"; and

(iii) by inserting "(as so in effect)" after "406(a)"; and

(B) in paragraph (4)—

(i) in subparagraph (A)—

(I) by inserting "would have" after "(A)"; and

(II) by inserting "(as in effect on June 1, 1995)" after "section 402"; and

(ii) in subparagraph (B)(ii), by inserting "(as in effect on June 1, 1995)" after "406(a)".

(4) Section 472(h) (42 U.S.C. 672(h)) is amended to read as follows:

"(h)(1) For purposes of title XIX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect). For purposes of title XX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(2) For purposes of paragraph (1), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are made under this section.".

(5) Section 473(a)(2) (42 U.S.C. 673(a)(2)) is amended—

(A) in subparagraph (A)(i)—

(i) by inserting "(as such sections were in effect on June 1, 1995)" after "407";

(ii) by inserting "(as so in effect)" after "specified in section 406(a)"; and

(iii) by inserting "(as such section was in effect on June 1, 1995)" after "403";

(B) in subparagraph (B)(i)—

(i) by inserting "would have" after "(B)(i)"; and

(ii) by inserting "(as in effect on June 1, 1995)" after "section 402"; and

(C) in subparagraph (B)(ii)(II), by inserting "(as in effect on June 1, 1995)" after "406(a)".

(6) Section 473(b) (42 U.S.C. 673(b)) is amended to read as follows:

"(b)(1) For purposes of title XIX, any child who is described in paragraph (3) shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect) in the State where such child resides.

"(2) For purposes of title XX, any child who is described in paragraph (3) shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(3) A child described in this paragraph is any child—

"(A)(i) who is a child described in subsection (a)(2), and

"(ii) with respect to whom an adoption assistance agreement is in effect under this section (whether or nor adoption assistance payments are provided under the agreement or are being made under this section), including any such child who has been placed for adoption in accordance with applicable State and local law (whether or not an interlocutory or other judicial decree of adoption has been issued), or

"(B) with respect to whom foster care maintenance payments are being made under section 472.

"(4) For purposes of paragraphs (1) and (2), a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are being made under section 472.".

(7) Section 474 (42 U.S.C. 674) is amended by adding at the end the following new subsection:

"(d) Notwithstanding any other provision of this part, a State may not receive payment under this section with respect to an individual receiving assistance under this part as a result of such individual's eligibility under the State plan approved under part A (as in effect on June 1, 1995) unless such individual would also be eligible to receive assistance under the State program operated under part A as such plan is in effect on and after October 1, 1995.".

(e) AMENDMENT TO TITLE X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(f) AMENDMENTS TO TITLE XI.—

(1) Section 1109 (42 U.S.C. 1309) is amended by striking "or part A of title IV,".

(2) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "403,";

(iii) by striking the period at the end and inserting ", and"; and

(iv) by adding at the end the following new subparagraph:

"(B) costs of such project which would not otherwise be a permissible use of funds under part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part."; and

(B) in subsection (c)(3), by striking "under the program of aid to families with dependent children" and inserting "part A of such title".

(3) Section 1116 (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking "or part A of title IV,"; and

(B) in subsection (a)(3), by striking "404,".

(4) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking "403(a),";

(B) by striking "and part A of title IV,"; and

(C) by striking ", and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV".

(5) Section 1119 (42 U.S.C. 1319) is amended—

(A) by striking "or part A of title IV"; and

(B) by striking "403(a),".

(6) Section 1133(a) (42 U.S.C. 1320b-3(a)) is amended by striking "or part A of title IV,".

(7) Section 1136 (42 U.S.C. 1320b-6) is repealed.

(8) Section 1137 (42 U.S.C. 1320b-7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) any State program funded under part A of title IV of this Act;"; and

(B) in subsection (d)(1)(B)—

(i) by striking "In this subsection—" and all that follows through "(ii) in" and inserting "In this subsection, in";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(9) Section 1108 (42 U.S.C. 1308) is amended—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1)—

(I) by inserting "(or paid, in the case of part A of title IV); and

(II) by striking "or, in the case of" and all that follows through "section 403(k)";

(ii) in paragraph (1)—

(I) in subparagraph (F), by striking "or";

(II) in subparagraph (G), by striking "the fiscal year 1989 and each fiscal year thereafter;" and inserting "each of the fiscal years 1989 through 1995, or"; and

(III) by inserting after subparagraph (G), the following new subparagraph:

"(H) $92,250,000 with respect to fiscal year 1996 and each fiscal year thereafter;";

(iii) in paragraph (2)—

(I) in subparagraph (F), by striking "or";

(II) in subparagraph (G), by striking "the fiscal year 1989 and each fiscal year thereafter;" and inserting "each of the fiscal years 1989 through 1995, or"; and

(III) by inserting after subparagraph (G), the following new subparagraph:

"(H) $3,150,000 with respect to fiscal year 1996 and each fiscal year thereafter;"; and

(iv) in paragraph (3)—

(I) in subparagraph (F), by striking "or";

(II) in subparagraph (G), by striking "the fiscal year 1989 and each fiscal year thereafter." and inserting "each of the fiscal years 1989 through 1995, or"; and

(III) by inserting after subparagraph (G), the following new subparagraph:

"(H) $4,275,000 with respect to fiscal year 1996 and each fiscal year thereafter."; and

(B) in subsection (d), by striking "(exclusive of any amounts" and all that follows through "section 403(k) applies)".

(g) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11), as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972 (42 U.S.C. 1382 note), is amended by striking "aid under the State plan approved" and inserting "assistance under a State program funded".

(i) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: "(A) a State program funded under part A of title IV,".

SEC. 107. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking "plan approved" and all that follows through "title IV of the Social Security Act" and inserting "program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995";

(2) in subsection (d)(5)—

(A) by striking "assistance to families with dependent children" and inserting "assistance under a State program funded"; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking "plan approved under part A of title IV of such Act (42 U.S.C. 601 et seq.)" and inserting "program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

(1) in subsection (c)(5), by striking "the State plan approved" and inserting "the State program funded";

(2) in subsection (e)—

(A) by striking "aid to families with dependent children" and inserting "benefits under a State program funded"; and

(B) by inserting before the semicolon the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(3) by adding at the end the following new subsection:

"(i) Notwithstanding any other provision of this Act, a household may not receive benefits under this Act as a result of the household's eligibility under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for the program.".

(c) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4)) is amended by striking "State plans under the Aid to Families with Dependent Children Program under" and inserting "State programs funded under part A of".

(d) Section 17 of such Act (7 U.S.C. 2026) is amended—

(1) in the first sentence of subsection (b)(1)(A), by striking "to aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "or are receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)"; and

(2) in subsection (b)(3), by adding at the end the following new subparagraph:

"(I) The Secretary may not grant a waiver under this paragraph on or after October 1, 1995. Any reference in this paragraph to a provision of title IV of the Social Security Act shall be deemed to be a reference to such provision as in effect on September 30, 1995.";

(e) Section 20 of such Act (7 U.S.C. 2029) is amended—

(1) in subsection (a)(2)(B) by striking "operating—" and all that follows through "(ii) any other" and inserting "operating any"; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(b)(1) A household" and inserting "(b) A household"; and

(ii) in subparagraph (B), by striking "training program" and inserting "activity";

(B) by striking paragraph (2); and

(C) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively.

(f) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–186; 7 U.S.C. 612c note) is amended by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(g) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(C)(ii)(II)—

(i) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(ii) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii)—

(I) by striking "an AFDC assistance unit (under the aid to families with dependent children program authorized" and inserting "a family (under the State program funded"; and

(II) by striking ", in a State" and all that follows through "9902(2)))" and inserting "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(ii) in subparagraph (B), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(2) in subsection (d)(2)(C)—

(A) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(B) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

(h) Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(1) in subsection (d)(2)(A)(ii)(II)—

(A) by striking "program for aid to families with dependent children established" and inserting "State program funded"; and

(B) by inserting before the semicolon the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995";

(2) in subsection (e)(4)(A), by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(3) in subsection (f)(1)(C)(iii), by striking "aid to families with dependent children," and inserting "State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and with the".

SEC. 108. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (Public Law 94–566; 90 Stat. 2689) is amended to read as follows:

"(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

"(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)), or

"(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.".

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

(f) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

(g) Section 233 of the Social Security Act Amendments of 1994 (42 U.S.C. 602 note) is repealed.

(h) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded"; and

(2) in subsection (c), by striking "aid to families with dependent children in the State under a State plan approved" and inserting "assistance in the State under a State program funded".

(i) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 404C(c)(3) (20 U.S.C. 1070a–23(c)(3)), by striking "(Aid to Families with Dependent Children)"; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(j) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking "the program for aid to dependent children" and inserting "the State program funded";

(2) in section 232(b)(2)(B) (20 U.S.C. 2341a(b)(2)(B)), by striking "the program for aid to families with dependent children" and inserting "the State program funded"; and

(3) in section 521(14)(B)(iii) (20 U.S.C. 2471(14)(B)(iii)), by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(k) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking "Aid to Families with Dependent Children Program" and inserting "State program funded under part A of title IV of the Social Security Act";

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking "the program of aid to families with dependent children under a State plan approved under" and inserting "a State program funded under part A of"; and

(3) in section 5203(b)(2) (20 U.S.C. 7233(b)(2))—

(A) in subparagraph (A)(xi), by striking "Aid to Families with Dependent Children benefits" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(B) in subparagraph (B)(viii), by striking "Aid to Families with Dependent Children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act".

(l) Chapter VII of title I of Public Law 99–88 (25 U.S.C. 13d–1) is amended to read as follows: "*Provided further*, That general assistance payments made by the Bureau of Indian Affairs shall be made—

"(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

"(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act,

except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment.".

(m) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.";

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking "eligibility for aid or services," and all that follows through "children approved" and inserting "eligibility for assistance, or the amount of such assistance, under a State program funded";

(3) in section 6103(l)(7)(D)(i) (26 U.S.C. 6103(l)(7)(D)(i)), by striking "aid to families with dependent children provided under a State plan approved" and inserting "a State program funded";

(4) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking "(relating to aid to families with dependent children)"; and

(5) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act".

(n) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking "State plan approved under part A of title IV" and inserting "State program funded under part A of title IV".

(o) The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) in section 4(29)(A)(i) (29 U.S.C. 1503(29)(A)(i)), by striking "(42 U.S.C. 601 et seq.)";

(2) in section 106(b)(6)(C) (29 U.S.C. 1516(b)(6)(C)), by striking "State aid to families with dependent children records," and inserting "records collected under the State program funded under part A of title IV of the Social Security Act,";

(3) in section 121(b)(2) (29 U.S.C. 1531(b)(2))—

(A) by striking "the JOBS program" and inserting "the work activities required under title IV of the Social Security Act"; and

(B) by striking the second sentence;

(4) in section 123(c) (29 U.S.C. 1533(c))—

(A) in paragraph (1)(E), by repealing clause (vi); and

(B) in paragraph (2)(D), by repealing clause (v);

(5) in section 203(b)(3) (29 U.S.C. 1603(b)(3)), by striking ", including recipients under the JOBS program";

(6) in subparagraphs (A) and (B) of section 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by striking "(such as the JOBS program)" each place it appears;

(7) in section 205(a) (29 U.S.C. 1605(a)), by striking paragraph (4) and inserting the following:

"(4) the portions of title IV of the Social Security Act relating to work activities;";

(8) in section 253 (29 U.S.C. 1632)—

(A) in subsection (b)(2), by repealing subparagraph (C); and

(B) in paragraphs (1)(B) and (2)(B) of subsection (c), by striking "the JOBS program or" each place it appears;

(9) in section 264 (29 U.S.C. 1644)—

(A) in subparagraphs (A) and (B) of subsection (b)(1), by striking "(such as the JOBS program)" each place it appears; and

(B) in subparagraphs (A) and (B) of subsection (d)(3), by striking "and the JOBS program" each place it appears;

(10) in section 265(b) (29 U.S.C. 1645(b)), by striking paragraph (6) and inserting the following:

"(6) the portion of title IV of the Social Security Act relating to work activities;";

(11) in the second sentence of section 429(e) (29 U.S.C. 1699(e)), by striking "and shall be in an amount that does not exceed the maximum amount that may be provided by the State pursuant to section 402(g)(1)(C) of the Social Security Act (42 U.S.C. 602(g)(1)(C))";

(12) in section 454(c) (29 U.S.C. 1734(c)), by striking "JOBS and";

(13) in section 455(b) (29 U.S.C. 1735(b)), by striking "the JOBS program,";

(14) in section 501(1) (29 U.S.C. 1791(1)), by striking "aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act";

(15) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded";

(16) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded"; and

(17) in section 701(b)(2)(A) (29 U.S.C. 1792(b)(2)(A))—

(A) in clause (v), by striking the semicolon and inserting "; and"; and

(B) by striking clause (vi).

(p) Section 3803(c)(2)(C)(iv) of title 31, United States Code, is amended to read as follows:

"(iv) assistance under a State program funded under part A of title IV of the Social Security Act".

(q) Section 2605(b)(2)(A)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i)) is amended to read as follows:

"(i) assistance under the State program funded under part A of title IV of the Social Security Act;".

(r) Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraphs (B) and (C).

(s) The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.)) is amended—

(1) in section 255(h) (2 U.S.C. 905(h), by striking "Aid to families with dependent children (75–0412–0–1–609);" and inserting "Block grants to States for temporary assistance for needy families;"; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (l) as subsection (k).

(t) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking "aid under a State plan approved under" each place it appears and inserting "assistance under a State program funded under";

(2) in section 245A(h) (8 U.S.C. 1255a(h))—

(A) in paragraph (1)(A)(i), by striking "program of aid to families with dependent children" and inserting "State program of assistance"; and

(B) in paragraph (2)(B), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking "State plan approved" and inserting "State program funded".

(u) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking "program of aid to families with dependent children under a State plan approved" and inserting "State program of assistance funded".

(v) Section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 92; 25 U.S.C. 639) is repealed.

(w) Subparagraph (E) of section 213(d)(6) of the School-To-Work Opportunities Act of 1994 (20 U.S.C. 6143(d)(6)) is amended to read as follows:

"(E) part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) relating to work activities;".

SEC. 109. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this Act.

SEC. 110. EFFECTIVE DATE; TRANSITION RULE.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1995.

(b) TRANSITION RULE.—

(1) STATE OPTION TO CONTINUE AFDC PROGRAM.—

(A) 6-MONTH EXTENSION.—A State may continue a State program under parts A and F of title IV of the Social Security Act, as in effect on September 30, 1995 (for purposes of this paragraph, the "State AFDC program") until March 31, 1996.

(B) REDUCTION OF FISCAL YEAR 1996 GRANT.—In the case of any State opting to continue the State AFDC program pursuant to subparagraph (A), the State family assistance grant paid to such State under section 403(a) of the Social Security Act (as added by section 101 and as in effect on and after October 1, 1995) for fiscal year 1996 (after the termination of the State AFDC program) shall be reduced by an amount equal to the total Federal payment to such State under section 403 of the Social Security Act (as in effect on September 30, 1995) for such fiscal year.

(2) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this title shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this title under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

(c) SUNSET.—The amendment made by section 101(b) shall be effective only during the 5-year period beginning on October 1, 1995.

TITLE II—SUPPLEMENTAL SECURITY INCOME

Subtitle A—Eligibility Restrictions

SEC. 201. DENIAL OF SUPPLEMENTAL SECURITY INCOME BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS.

(a) IN GENERAL.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following:

"(I) Notwithstanding subparagraph (A), an individual shall not be considered to be disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.".

(b) REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) Section 1631(a)(2)(A)(ii)(II) (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amended to read as follows:

"(II) In the case of an individual eligible for benefits under this title by reason of disability, if such individual also has an alcoholism or drug addiction condition (as determined by the Commissioner of Social Security), the payment of such benefits to a representative payee shall be deemed to serve the interest of the individual. In any case in which such payment is so deemed under this subclause to serve the interest of an individual, the Commissioner shall include, in the individual's notification of such eligibility, a notice that such alcoholism or drug addiction condition accompanies the disability upon which such eligibility is based and that the Commissioner is therefore required to pay the individual's benefits to a representative payee.".

(2) Section 1631(a)(2)(B)(vii) (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(3) Section 1631(a)(2)(B)(ix)(II) (42 U.S.C. 1383(a)(2)(B)(ix)(II)) is amended by striking all that follows "15 years, or" and inserting "described in subparagraph (A)(ii)(II)".

(4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(c) CONFORMING AMENDMENTS.—

(1) Section 1611(e) (42 U.S.C. 1382(e)) is amended by striking paragraph (3).

(2) Section 1634 (42 U.S.C. 1383c) is amended by striking subsection (e).

(3) Section 201(c)(1) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 425 note) is amended—

(A) by striking "—" and all that follows through "(A)" the 1st place it appears;

(B) by striking "and" the 3rd place it appears;

(C) by striking subparagraph (B);

(D) by striking "either subparagraph (A) or subparagraph (B)" and inserting "the preceding sentence"; and

(E) by striking "subparagraph (A) or (B)" and inserting "the preceding sentence".

SEC. 202. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI BENEFITS.

Paragraph (1) of section 1614(a) (42 U.S.C. 1382c(a)) is amended—

(1) in subparagraph (B)(i), by striking "either" and all that follows through ", or" and inserting "(I) a citizen; (II) a noncitizen who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act for a period of not more than 5 years after the date of arrival into the United States; (III) a noncitizen who is admitted to the United States as a refugee under section 207 of such Act for not more than such 5-year period; (IV) a noncitizen, lawfully present in any State (or any territory or possession of the United States), who is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage or who is the spouse or unmarried dependent child of such veteran; or (V) a noncitizen who has worked sufficient calendar quarters of coverage to be a fully insured individual for benefits under title II, or"; and

(2) by adding at the end the following new flush sentence:

"For purposes of subparagraph (B)(i)(IV), the determination of whether a noncitizen is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. A noncitizen shall not be considered to be lawfully present in the United States for purposes of this title merely because the noncitizen may be considered to be permanently residing in the United States under color of law for purposes of any particular program.".

SEC. 203. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.".

SEC. 204. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 201(c)(1), is amended by inserting after paragraph (2) the following new paragraph:

"(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

SEC. 205. EFFECTIVE DATES; APPLICATION TO CURRENT RECIPIENTS.

(a) SECTIONS 201 AND 202.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by sections 201 and 202 shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) APPLICATION AND NOTICE.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by section 201 or 202, such amendments shall apply with respect to the benefits of such individual for months beginning on or after January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

(B) REAPPLICATION.—

(i) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subparagraph (A) who desires to reapply for benefits under title XVI of the Social Security Act, as amended by this title, shall reapply to the Commissioner of Social Security.

(ii) DETERMINATION OF ELIGIBILITY.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall determine the eligibility of each individual who reapplies for benefits under clause (i) pursuant to the procedures of such title.

(3) ADDITIONAL APPLICATION OF PAYEE REPRESENTATIVE REQUIREMENTS.—The amendments made by section 201(b) shall also apply—

(A) in the case of any individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act, on and after the date of such individual's first continuing disability review occurring after such date of enactment, and

(B) in the case of any individual who receives supplemental security income benefits under title XVI of the Social Security Act and has attained age 65, in such manner as determined appropriate by the Commissioner of Social Security.

(b) OTHER AMENDMENTS.—The amendments made by sections 203 and 204 shall take effect on the date of the enactment of this Act.

Subtitle B—Benefits for Disabled Children

SEC. 211. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by section 201(a), is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual";

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking "(D)" and inserting "(E)".

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) EFFECTIVE DATE; REGULATIONS; APPLICATION TO CURRENT RECIPIENTS.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) REGULATIONS.—The Commissioner of Social Security shall issue such regulations as the Commissioner determines to be necessary to implement the amendments made

by subsections (a) and (b) not later than 60 days after the date of the enactment of this Act.

(3) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY DETERMINATIONS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits based on a disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the amendments made by subsection (a) or (b). With respect to any redetermination under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act;

(iii) the Commissioner shall give such redetermination priority over all continuing eligibility reviews and other reviews under such title; and

(iv) such redetermination shall be counted as a review or redetermination otherwise required to be made under section 208 of the Social Security Independence and Program Improvements Act of 1994 or any other provision of title XVI of the Social Security Act.

(B) GRANDFATHER PROVISION.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after January 1, 1997.

(C) NOTICE.—Not later than 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

SEC. 212. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.

(a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 211(a)(3), is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which may improve (or, which is unlikely to improve, at the option of the Commissioner).

"(II) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a), is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining the initial eligibility for applicants who have attained the age of 18 years.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b), is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

"(III) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) TIGHTENING OF REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) CLARIFICATION OF ROLE.—Section 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is amended by striking "and" at the end of subclause (II), by striking the period at the end of subclause (IV) and inserting "; and", and by adding after subclause (IV) the following new subclause:

"(V) advise such person through the notice of award of benefits, and at such other times as the Commissioner of Social Security deems appropriate, of specific examples of appropriate expenditures of benefits under this title and the proper role of a representative payee.".

(2) DOCUMENTATION OF EXPENDITURES REQUIRED.—

(A) IN GENERAL.—Subparagraph (C)(i) of section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended to read as follows:

"(C)(i) In any case where payment is made to a representative payee of an individual or spouse, the Commissioner of Social Security shall—

"(I) require such representative payee to document expenditures and keep contemporaneous records of transactions made using such payment; and

"(II) implement statistically valid procedures for reviewing a sample of such contemporaneous records in order to identify instances in which such representative payee is not properly using such payment.".

(B) CONFORMING AMENDMENT WITH RESPECT TO PARENT PAYEES.—Clause (ii) of section 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C)) is amended by striking "Clause (i)" and inserting "Subclauses (II) and (III) of clause (i)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to benefits paid after the date of the enactment of this Act.

(b) DEDICATED SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended by adding at the end the following new clause:

"(xiv) Notwithstanding clause (x), the Commissioner of Social Security may, at the request of the representative payee, pay any lump sum payment for the benefit of a child into a dedicated savings account that could only be used to purchase for such child—

"(I) education and job skills training;

"(II) special equipment or housing modifications or both specifically related to, and required by the nature of, the child's disability; and

"(III) appropriate therapy and rehabilitation.".

(2) DISREGARD OF TRUST FUNDS.—Section 1613(a) (42 U.S.C. 1382b) is amended—

(A) by striking "and" at the end of paragraph (9),

(B) by striking the period at the end of paragraph (10) the first place it appears and inserting a semicolon,

(C) by redesignating paragraph (10) the second place it appears as paragraph (11) and striking the period at the end of such paragraph and inserting "; and", and

(D) by inserting after paragraph (11), as so redesignated, the following new paragraph:

"(12) all amounts deposited in, or interest credited to, a dedicated savings account described in section 1631(a)(2)(B)(xiv).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

Subtitle C—Studies Regarding Supplemental Security Income Program

SEC. 221. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Title XVI is amended by adding at the end the following new section:

"SEC. 1636. ANNUAL REPORT ON PROGRAM.

"(a) DESCRIPTION OF REPORT.—Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

"(1) a comprehensive description of the program;

"(2) historical and current data on allowances and denials, including number of applications and allowance rates at initial determinations, reconsiderations, administrative law judge hearings, council of appeals hearings, and Federal court appeal hearings;

"(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, work disabled adults, and children);

"(4) projections of future number of recipients and program costs, through at least 25 years;

"(5) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

"(6) data on the utilization of work incentives;

"(7) detailed information on administrative and other program operation costs;

"(8) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

"(9) State supplementation program operations;

"(10) a historical summary of statutory changes to this title; and

"(11) such other information as the Commissioner deems useful.

"(b) VIEWS OF MEMBERS OF THE SOCIAL SECURITY ADVISORY COUNCIL.—Each member of the Social Security Advisory Council shall be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report under this section.".

SEC. 222. IMPROVEMENTS TO DISABILITY EVALUATION.

(a) REQUEST FOR COMMENTS.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Commissioner of Social Security shall issue a request for comments in the Federal Register regarding improvements to the disability evaluation and determination procedures for individuals under age 18 to ensure the comprehensive assessment of such individuals, including—

(A) additions to conditions which should be presumptively disabling at birth or ages 0 through 3 years;

(B) specific changes in individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations;

(C) improvements in regulations regarding determinations based on regulations providing for medical and functional equivalence to such Listing of Impairments, and consideration of multiple impairments; and

(D) any other changes to the disability determination procedures.

(2) REVIEW AND REGULATORY ACTION.—The Commissioner of Social Security shall promptly review such comments and issue any regulations implementing any necessary changes not later than 18 months after the date of the enactment of this Act.

SEC. 223. STUDY OF DISABILITY DETERMINATION PROCESS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall make arrangements with the National Academy of Sciences, or other independent entity, to conduct a study of the disability determination process under titles II and XVI of the Social Security Act. This study shall be undertaken in consultation with professionals representing appropriate disciplines.

(b) STUDY COMPONENTS.—The study described in subsection (a) shall include—

(1) an initial phase examining the appropriateness of, and making recommendations regarding—

(A) the definitions of disability in effect on the date of the enactment of this Act and the advantages and disadvantages of alternative definitions; and

(B) the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical and mental impairments;

(2) a second phase, which may be concurrent with the initial phase, examining the validity, reliability, and consistency with current scientific knowledge of the standards and individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, and of related evaluation procedures as promulgated by the Commissioner of Social Security; and

(3) such other issues as the applicable entity considers appropriate.

(c) REPORTS AND REGULATIONS.—

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity, to submit an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 18 months and 24 months, respectively, from the date of the contract for such study, and such additional reports as the Commissioner deems appropriate after consultation with the applicable entity.

(2) REGULATIONS.—The Commissioner of Social Security shall review both the interim and final reports, and shall issue regulations implementing any necessary changes following each report.

SEC. 224. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1998, the Comptroller General of the United States shall study and report on the impact of the amendments made by, and the provisions of, this title on the supplemental security income program under title XVI of the Social Security Act.

Subtitle D—National Commission on the Future of Disability

SEC. 231. ESTABLISHMENT.

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this subtitle as the "Commission"), the expenses of which shall be paid from funds otherwise appropriated for the Social Security Administration.

SEC. 232. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) MATTERS STUDIED.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) RECOMMENDATIONS.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

SEC. 233. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) REPRESENTATION.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the diversity of individuals with disabilities in the United States.

(b) COMPTROLLER GENERAL.—The Comptroller General shall serve on the Commission as an ex officio member of the Commission to advise and oversee the methodology and approach of the study of the Commission.

(c) PROHIBITION AGAINST OFFICER OR EMPLOYEE.—No officer or employee of any government shall be appointed under subsection (a).

(d) DEADLINE FOR APPOINTMENT; TERM OF APPOINTMENT.—Members of the Commission shall be appointed not later than 60 days after the date of the enactment of this Act. The members shall serve on the Commission for the life of the Commission.

(e) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(f) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(h) CONTINUATION OF MEMBERSHIP.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(i) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(j) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(k) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 234. STAFF AND SUPPORT SERVICES.

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

SEC. 235. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 236. REPORTS.

(a) INTERIM REPORT.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 237, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) FINAL REPORT.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) PRINTING AND PUBLIC DISTRIBUTION.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

SEC. 237. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

Subtitle E—State Supplementation Programs

SEC. 241. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

(a) IN GENERAL.—Section 1618 (42 U.S.C. 1382g) is repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply with respect to calendar quarters beginning after September 30, 1995.

TITLE III—FOOD STAMP PROGRAM

Subtitle A—Food Stamp Reform

SEC. 301. CERTIFICATION PERIOD.

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking "Except as provided" and all that follows and inserting the following: "The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly, disabled, or primarily self-employed. A State agency shall have at least 1 personal contact with each certified household every 12 months.".

SEC. 302. TREATMENT OF CHILDREN LIVING AT HOME.

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 303. OPTIONAL ADDITIONAL CRITERIA FOR SEPARATE HOUSEHOLD DETERMINATIONS.

(a) IN GENERAL.—Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by inserting after the third sentence the following: "Notwithstanding the preceding sentences, a State may establish criteria that prescribe when individuals who live together, and who would be allowed to participate as separate households under the preceding sentences, shall be considered a single household, without regard to the common purchase of food and preparation of meals.".

(b) CONFORMING AMENDMENT.—The second sentence of section 5(a) of the Act (7 U.S.C. 2014(a)) is amended by striking "the third sentence of section 3(i)" and inserting "the fourth sentence of section 3(i)".

SEC. 304. ADJUSTMENT OF THRIFTY FOOD PLAN.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking "shall (1) make" and inserting the following: "shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting "scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following: "Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following: "Columbia; and

"(4) on October 1, 1995, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1995, the Secretary may not reduce the cost of the diet in effect on September 30, 1995.".

SEC. 305. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting "for not more than 90 days" after "temporary accommodation".

SEC. 306. STATE OPTIONS IN REGULATIONS.

Section 5(b) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking "(b) The Secretary" and inserting the following:

"(b) UNIFORM STANDARDS.—Except as otherwise provided in this Act, the Secretary".

SEC. 307. EARNINGS OF STUDENTS.

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking "21" and inserting "19".

SEC. 308. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking paragraph (11); and

(2) by redesignating paragraphs (12) through (15) as paragraphs (11) through (14), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 5(k) of the Act (7 U.S.C. 2014(k)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "plan for aid to families with dependent children approved" and inserting "program funded"; and

(ii) in subparagraph (B), by striking ", not including energy or utility-cost assistance,"; and

(B) in paragraph (2)—

(i) by striking subparagraph (C); and

(ii) by redesignating subparagraphs (D) through (H) as subparagraphs (C) through (G), respectively;

(C) by adding at the end the following:

"(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

"(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a Federal or State law to provide energy assistance to a household shall be considered money payable directly to the household.

"(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e)(7), an expense paid on behalf of a household under a Federal or State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.".

(2) Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

(A) by striking "(f)(1) Notwithstanding" and inserting "(f) Notwithstanding";

(B) in paragraph (1), by striking "food stamps,"; and

(C) by striking paragraph (2).

SEC. 309. DEDUCTIONS FROM INCOME.

(a) IN GENERAL.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by striking subsection (e) and inserting the following:

"(e) DEDUCTIONS FROM INCOME.—

"(1) STANDARD DEDUCTION.—

"(A) IN GENERAL.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States of—

"(i) for fiscal year 1995, $134, $229, $189, $269, and $118, respectively;

"(ii) for fiscal year 1996, $132, $225, $186, $265, and $116, respectively;

"(iii) for fiscal year 1997, $130, $222, $183, $261, and $114, respectively;

"(iv) for fiscal year 1998, $128, $218, $180, $257, and $112, respectively;

"(v) for fiscal year 1999, $126, $215, $177, $252, and $111, respectively; and

"(vi) for fiscal year 2000, $124, $211, $174, $248, and $109, respectively.

"(B) ADJUSTMENT FOR INFLATION.—On October 1, 2000, and each October 1 thereafter, the Secretary shall adjust the standard deduction to the nearest lower dollar increment to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for items other than food, for the 12-month period ending the preceding June 30.

"(2) EARNED INCOME DEDUCTION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a household with earned income shall be allowed a deduction of 20 percent of all earned income (other than income excluded by subsection (d)), to compensate for taxes, other mandatory deductions from salary, and work expenses.

"(B) EXCEPTION.—The deduction described in subparagraph (A) shall not be allowed with respect to determining an overissuance due to the failure of a household to report earned income in a timely manner.

"(3) DEPENDENT CARE DEDUCTION.—

"(A) IN GENERAL.—A household shall be entitled, with respect to expenses (other than excluded expenses described in subparagraph (B)) for dependent care, to a dependent care deduction, the maximum allowable level of which shall be $200 per month for each dependent child under 2 years of age and $175 per month for each other dependent, for the actual cost of payments necessary for the care of a dependent if the care enables a household member to accept or continue employment, or training or education that is preparatory for employment.

"(B) EXCLUDED EXPENSES.—The excluded expenses referred to in subparagraph (A) are—

"(i) expenses paid on behalf of the household by a third party;

"(ii) amounts made available and excluded for the expenses referred to in subparagraph (A) under subsection (d)(3); and

"(iii) expenses that are paid under section 6(d)(4).

"(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

"(A) IN GENERAL.—A household shall be entitled to a deduction for child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments.

"(B) METHODS FOR DETERMINING AMOUNT.—The Secretary may prescribe by regulation the methods, including calculation on a retrospective basis, that a State agency shall use to determine the amount of the deduction for child support payments.

"(5) HOMELESS SHELTER DEDUCTION.—A State agency may develop a standard homeless shelter deduction, which shall not exceed $139 per month, for such expenses as may reasonably be expected to be incurred by households in which all members are homeless individuals but are not receiving free shelter throughout the month. A State agency that develops the deduction may use the deduction in determining eligibility and allotments for the households, except that the State agency may prohibit the use of the deduction for households with extremely low shelter costs.

"(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

"(A) IN GENERAL.—A household containing an elderly or disabled member shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess medical expense deduction for the portion of the actual costs of allowable medical expenses, incurred by the elderly or disabled member, exclusive of special diets, that exceeds $35 per month.

"(B) METHOD OF CLAIMING DEDUCTION.—

"(i) IN GENERAL.—A State agency shall offer an eligible household under subparagraph (A) a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction in lieu of submitting information or verification on actual expenses on a monthly basis.

"(ii) METHOD.—The method described in clause (i) shall—

"(I) be designed to minimize the burden for the eligible elderly or disabled household member choosing to deduct the recurrent medical expenses of the member pursuant to the method;

"(II) rely on reasonable estimates of the expected medical expenses of the member for the certification period (including changes that can be reasonably anticipated based on available information about the medical condition of the member, public or private medical insurance coverage, and the current verified medical expenses incurred by the member); and

"(III) not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

"(7) EXCESS SHELTER EXPENSE DEDUCTION.—

"(A) IN GENERAL.—A household shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

"(B) MAXIMUM AMOUNT OF DEDUCTION.—

"(i) PRIOR TO SEPTEMBER 30, 1995.—In the case of a household that does not contain an elderly or disabled individual, during the 15-month period ending September 30, 1995, the excess shelter expense deduction shall not exceed—

"(I) in the 48 contiguous States and the District of Columbia, $231 per month; and

"(II) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $402, $330, $280, and $171 per month, respectively.

"(ii) AFTER SEPTEMBER 30, 1995.—In the case of a household that does not contain an elderly or disabled individual, during the 15-month period ending December 31, 1996, the excess shelter expense deduction shall not exceed—

"(I) in the 48 contiguous States and the District of Columbia, $247 per month; and

"(II) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $429, $353, $300, and $182 per month, respectively.

"(C) STANDARD UTILITY ALLOWANCE.—

"(i) IN GENERAL.—In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance that does not fluctuate within a year to reflect seasonal variations.

"(ii) RESTRICTIONS ON HEATING AND COOLING EXPENSES.—An allowance for a heating or cooling expense may not be used in the case of a household that—

"(I) does not incur a heating or cooling expense, as the case may be;

"(II) does incur a heating or cooling expense but is located in a public housing unit that has central utility meters and charges households, with regard to the expense, only for excess utility costs; or

"(III) shares the expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

"(iii) MANDATORY ALLOWANCE.—

"(I) IN GENERAL.—A State agency may make the use of a standard utility allowance mandatory for all households with qualifying utility costs if—

"(aa) the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling; and

"(bb) the Secretary finds that the standards will not result in an increased cost to the Secretary.

"(II) HOUSEHOLD ELECTION.—A State agency that has not made the use of a standard utility allowance mandatory under subclause (I) shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.

"(iv) AVAILABILITY OF ALLOWANCE TO RECIPIENTS OF ENERGY ASSISTANCE.—

"(I) IN GENERAL.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating or cooling costs, the standard utility allowance shall be made available to households receiving a payment, or on behalf of which a payment is made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if the household still incurs out-of-pocket heating or cooling expenses in excess of any assistance paid on behalf of the household to an energy provider.

"(II) SEPARATE ALLOWANCE.—A State agency may use a separate standard utility allowance for households on behalf of which a payment described in subclause (I) is made, but may not be required to do so.

"(III) STATES NOT ELECTING TO USE SEPARATE ALLOWANCE.—A State agency that does not elect to use a separate allowance but makes a single standard utility allowance available to households incurring heating or cooling expenses (other than a household described in subclause (I) or (II) of subparagraph (C)(ii)) may not be required to reduce the allowance due to the provision (directly or indirectly) of assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

"(IV) PRORATION OF ASSISTANCE.—For the purpose of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) shall be considered to be prorated over the entire heating or cooling season for which the assistance was provided.".

(b) CONFORMING AMENDMENT.—Section 11(e)(3) of the Act (7 U.S.C. 2020(e)(3)) is amended by striking ". Under rules prescribed" and all that follows through "verifies higher expenses".

SEC. 310. AMOUNT OF VEHICLE ASSET LIMITATION.

The first sentence of section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking "through September 30, 1995" and all that follows through "such date and on" and inserting "and shall be adjusted on October 1, 1996, and".

SEC. 311. BENEFITS FOR ALIENS.

Section 5(i) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)) is amended—

(1) in the first sentence of paragraph (1)—

(A) by inserting "or who executed such an affidavit or similar agreement to enable the individual to lawfully remain in the United States," after "respect to such individual,"; and

(B) by striking "for a period" and all that follows through the period at the end and inserting "until the end of the period ending on the later of the date agreed to in the affidavit or agreement or the date that is 5 years after the date on which the individual was first lawfully admitted into the United States following the execution of the affidavit or agreement."; and

(2) in paragraph (2)—

(A) in subparagraph (C)(i), by striking "of three years after entry into the United States" and inserting "determined under paragraph (1)"; and

(B) in subparagraph (D), by striking "of three years after such alien's entry into the United States" and inserting "determined under paragraph (1)".

SEC. 312. DISQUALIFICATION.

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through the end of paragraph (1) and inserting the following:

"(d) CONDITIONS OF PARTICIPATION.—

"(1) WORK REQUIREMENTS.—

"(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

"(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required by the State agency;

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

"(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

"(v) voluntarily and without good cause—

"(I) quits a job; or

"(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

"(vi) fails to comply with section 20.

"(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

"(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

"(ii) 180 days.

"(C) DURATION OF INELIGIBILITY.—

"(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 1 month after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

"(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 3 months after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

"(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 6 months after the date the individual became ineligible;

"(III) a date determined by the State agency; or

"(IV) at the option of the State agency, permanently.

"(D) ADMINISTRATION.—

"(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

"(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

"(iii) DETERMINATION BY STATE AGENCY.—

"(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

"(aa) the meaning of any term in subparagraph (A);

"(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

"(cc) whether an individual is in compliance with a requirement under subparagraph (A).

"(II) NOT LESS RESTRICTIVE.—A State agency may not determine a meaning, procedure, or determination under subclause (I) to be less restrictive than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(v) SELECTING A HEAD OF HOUSEHOLD.—

"(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

"(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

"(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.".

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Act (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

(2) Section 20 of the Act (7 U.S.C. 2029) is amended by striking subsection (f) and inserting the following:

"(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.".

SEC. 313. CARETAKER EXEMPTION.

Section 6(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)) is amended by striking subparagraph (B) and inserting the following: "(B) a parent or other member of a household with responsibility for the care of (i) a dependent child under the age of 6 or any lower age designated by the State agency that is not under the age of 1, or (ii) an incapacitated person;".

SEC. 314. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (A)—

(A) by striking "Not later than April 1, 1987, each" and inserting "Each";

(B) by inserting "work," after "skills, training,"; and

(C) by adding at the end the following: "Each component of an employment and training program carried out under this paragraph shall be delivered through the statewide workforce development system established in section 711 of the Work Opportunity Act of 1995, unless the component is not available locally through the statewide workforce development system.";

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking the colon at the end and inserting the following: ", except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:";

(B) in clause (i), by striking "with terms and conditions" and all that follows through "time of application"; and

(C) in clause (iv)—

(i) by striking subclauses (I) and (II); and

(ii) by redesignating subclauses (III) and (IV) as subclauses (I) and (II), respectively;

(3) in subparagraph (D)—

(A) in clause (i), by striking "to which the application" and all that follows through "30 days or less";

(B) in clause (ii), by striking "but with respect" and all that follows through "child care"; and

(C) in clause (iii), by striking ", on the basis of" and all that follows through "clause (ii)" and inserting "the exemption continues to be valid";

(4) in subparagraph (E), by striking the third sentence;

(5) in subparagraph (G)—

(A) by striking "(G)(i) The State" and inserting "(G) The State"; and

(B) by striking clause (ii);

(6) in subparagraph (H), by striking "(H)(i) The Secretary" and all that follows through "(ii) Federal funds" and inserting "(H) Federal funds";

(7) in subparagraph (I)(i)(II), by striking ", or was in operation," and all that follows through "Social Security Act" and inserting the following: "), except that no such payment or reimbursement shall exceed the applicable local market rate";

(8)(A) by striking subparagraphs (K) and (L) and inserting the following:

"(K) LIMITATION ON FUNDING.—Notwithstanding any other provision of this paragraph, the amount of funds a State agency uses to carry out this paragraph (including under subparagraph (I)) for participants who are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of funds the State agency used in fiscal year 1995 to carry out this paragraph for participants who were receiving benefits in fiscal year 1995 under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)."; and

(B) by redesignating subparagraphs (M) and (N) as subparagraphs (L) and (M), respectively; and

(9) in subparagraph (L) (as redesignated by paragraph (8)(B))—

(A) by striking "(L)(i) The Secretary" and inserting "(L) The Secretary"; and

(B) by striking clause (ii).

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1)(C) shall take effect—

(1) in a State described in section 815(b)(1), on July 1, 1997; and

(2) in any other State, on July 1, 1998.

(c) FUNDING.—Section 16(h) of the Act (7 U.S.C. 2025(h)) is amended by striking "(h)(1)(A) The Secretary" and all that follows through the end of paragraph (1) and inserting the following:

"(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

"(1) IN GENERAL.—

"(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of—

"(i) for fiscal year 1996, $77,000,000;

"(ii) for fiscal year 1997, $80,000,000;

"(iii) for fiscal year 1998, $83,000,000;

"(iv) for fiscal year 1999, $86,000,000;

"(v) for fiscal year 2000, $89,000,000;

"(vi) for fiscal year 2001, $92,000,000; and

"(vii) for fiscal year 2002, $95,000,000.

"(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary) that gives consideration to the population in each State affected by section 6(n).

"(C) REALLOCATION.—

"(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

"(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

"(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 in each fiscal year.".

(d) REPORTS.—Section 16(h) of the Act (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking "(5)(A) The Secretary" and inserting "(5) The Secretary"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

SEC. 315. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(1) by redesignating subsection (i) (as added by section 106) as subsection (o); and

(2) by inserting after subsection (h) the following:

"(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

"(1) IN GENERAL.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a welfare or public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

"(2) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking "and" at the end; and

(2) by adding at the end the following:

"(26) the guidelines the State agency uses in carrying out section 6(i);".

(c) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by striking "that is comparable to a requirement of paragraph (1)".

SEC. 316. COOPERATION WITH CHILD SUPPORT AGENCIES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 315) is further amended by inserting after subsection (i) the following:

"(j) CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in obtaining support for—

"(i) the child; or

"(ii) the individual and the child.

"(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services. The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(k) NON-CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), a putative or identified non-custodial parent of a child under the age of 18 (referred to in this subsection as 'the individual') shall not be eligible to participate in the food stamp program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in providing support for the child.

"(2) REFUSAL TO COOPERATE.—

"(A) GUIDELINES.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

"(B) PROCEDURES.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(4) PRIVACY.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.".

SEC. 317. DISQUALIFICATION FOR CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 316) is further amended by inserting after subsection (k) the following:

"(l) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

"(1) IN GENERAL.—At the option of a State agency, except as provided in paragraph (2), no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) a court is allowing the individual to delay payment; or

"(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.".

SEC. 318. PERMANENT DISQUALIFICATION FOR PARTICIPATING IN 2 OR MORE STATES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 317) is further amended by inserting after subsection (l) the following:

"(m) PERMANENT DISQUALIFICATION FOR PARTICIPATING IN 2 OR MORE STATES.—An individual shall be permanently ineligible to participate in the food stamp program as a member of any household if the individual is found by a State agency to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under the food stamp program.".

SEC. 319. WORK REQUIREMENT.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 318) is further amended by inserting after subsection (m) the following:

"(n) WORK REQUIREMENT.—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under section 6(d)(4) other than a job search program or a job search training program under clause (i) or (ii) of section 6(d)(4)(B).

"(2) WORK REQUIREMENT.—No individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12-month period, the individual received food stamp benefits for not less than 6 months during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly; or

"(B) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency.

"(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with responsibility for a dependent child; or

"(D) otherwise exempt under section 6(d)(2).

"(4) WAIVER.—

"(A) IN GENERAL.—On the request of a State agency, the Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 8 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

(b) TRANSITION PROVISION.—Prior to October 1, 1996, the term "preceding 12-month period" in section 6(n)(2) of the Food Stamp Act of 1977 (as amended by subsection (a)) means the preceding period that begins on October 1, 1995.

SEC. 320. ELECTRONIC BENEFIT TRANSFERS.

Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended by adding at the end the following:

"(j) ELECTRONIC BENEFIT TRANSFERS.—

"(1) APPLICABLE LAW.—

"(A) IN GENERAL.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.

"(B) DEFINITION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—In this paragraph, the term 'electronic benefit transfer system' means a system under which a governmental entity distributes benefits under this Act or other benefits or payments by establishing accounts to be accessed by recipients of the benefits electronically, including through the use of an automated teller machine, a point-of-sale terminal, or an intelligent benefit card.

"(2) CHARGING FOR ELECTRONIC BENEFIT TRANSFER CARD REPLACEMENT.—

"(A) IN GENERAL.—A State agency may charge an individual for the cost of replacing a lost or stolen electronic benefit transfer card.

"(B) REDUCING ALLOTMENT.—A State agency may collect a charge imposed under subparagraph (A) by reducing the monthly allotment of the household of which the individual is a member.

"(3) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

"(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

"(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.".

SEC. 321. MINIMUM BENEFIT.

The proviso in section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ", and shall be adjusted" and all that follows through "$5".

SEC. 322. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 323. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by striking paragraph (3) and inserting the following:

"(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service or in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.".

SEC. 324. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (d) and inserting the following:

"(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

"(1) IN GENERAL.—If the benefits of a household are reduced under a Federal, State, or local law relating to a welfare or public assistance program for the failure to perform an action required under the law or program, for the duration of the reduction—

"(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

"(B) the State agency may reduce the allotment of the household by not more than 25 percent.

"(2) OPTIONAL METHOD.—In carrying out paragraph (1), a State agency may consider, for the duration of a reduction referred to under paragraph (1), the benefits of the household under a welfare or public assistance program before the reduction as income of the household after the reduction.".

SEC. 325. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN INSTITUTIONS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN INSTITUTIONS.—

"(1) IN GENERAL.—In the case of an individual who resides in a homeless shelter, or in an institution or center for the purpose of a drug or alcoholic treatment program, described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

"(A) the institution as an authorized representative for the individual for a period that is less than 1 month; and

"(B) the individual, if the individual leaves the institution.

"(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the shelter, institution, or center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.".

SEC. 326. OPERATION OF FOOD STAMP OFFICES.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(1) in subsection (e)—

(A) by striking paragraph (2) and inserting the following:

"(2)(A) that the State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in which a substantial number of members speak a language other than English.

"(B) In carrying out subparagraph (A), a State agency—

"(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the food stamp program;

"(ii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a food stamp office in person during office hours;

"(iii) shall consider an application filed on the date the applicant submits an application that contains the name, address, and signature of the applicant; and

"(iv) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State;";

(B) in paragraph (3) (as amended by section 309(b))—

(i) by striking "shall—" and all that follows through "provide each" and inserting "shall provide each"; and

(ii) by striking "(B) assist" and all that follows through "representative of the State agency;";

(C) by striking paragraph (14) and inserting the following:

"(14) the standards and procedures used by the State agency under section 6(d)(1)(D) to determine whether an individual is eligible to participate under section 6(d)(1)(A);"; and

(D) by striking paragraph (25) and inserting the following:

"(25) a description of the work supplementation or support program, if any, carried out by the State agency under section 16(b);"; and

(2) in subsection (i)—

(A) by striking "(i) Notwithstanding" and all that follows through "(2)" and inserting the following:

"(i) APPLICATION AND DENIAL PROCEDURES.—

"(1) APPLICATION PROCEDURES.—Notwithstanding any other provision of law,"; and

(B) by striking "; (3) households" and all that follows through "title IV of the Social Security Act. No" and inserting a period and the following:

"(2) DENIAL AND TERMINATION.—Other than in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no".

SEC. 327. STATE EMPLOYEE AND TRAINING STANDARDS.

Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraphs (B) through (E).

SEC. 328. EXCHANGE OF LAW ENFORCEMENT INFORMATION.

Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) (as amended by section 315(b)) is further amended—

(1) in paragraph (8)—

(A) by striking "that (A) such" and inserting the following: "that—

"(A) the";

(B) by striking "law, (B) notwithstanding" and inserting the following: "law;

"(B) notwithstanding";

(C) by striking "Act, and (C) such" and inserting the following: "Act;

"(C) the"; and

(D) by adding at the end the following:

"(D) notwithstanding any other provision of law, the address, social security number, and, when available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

"(i) the member—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

"(II) has information that is necessary for the officer to conduct the official duties of the officer;

"(ii) the location or apprehension of the member is an official duty of the officer; and

"(iii) the request is being made in the proper exercise of the official duties of the officer; and

"(E) the safeguards shall not prevent compliance with paragraph (27);"; and

(3) by adding at the end the following:

"(27) that the State agency shall furnish the Immigration and Naturalization Service with the name of, address of, and identifying information on any individual the State agency knows is unlawfully in the United States; and".

SEC. 329. EXPEDITED COUPON SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking "five days" and inserting "7 business days"; and

(B) by inserting "and" at the end;

(2) by striking subparagraphs (B) and (C);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B) (as redesignated by paragraph (3)), by striking ", (B), or (C)".

SEC. 330. FAIR HEARINGS.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

"(p) WITHDRAWING FAIR HEARING REQUESTS.—A household may withdraw, orally or in writing, a request by the household for a fair hearing under subsection (e)(10). If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the request and providing the household with an opportunity to request a hearing.".

SEC. 331. INCOME AND ELIGIBILITY VERIFICATION SYSTEM.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) (as amended by section 330) is further amended by adding at the end the following:

"(q) STATE VERIFICATION OPTION.—Notwithstanding any other provision of law, a State agency shall not be required to use an income and eligibility verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7).".

SEC. 332. COLLECTION OF OVERISSUANCES.

(a) IN GENERAL.—Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) COLLECTION OF OVERISSUANCES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, a State agency shall collect any overissuance of coupons issued to a household by—

"(A) reducing the allotment of the household;

"(B) withholding unemployment compensation from a member of the household under subsection (c);

"(C) recovering from Federal pay or a Federal income tax refund under subsection (d); or

"(D) any other means.

"(2) COST EFFECTIVENESS.—Paragraph (1) shall not apply if the State agency demonstrates to the satisfaction of the Secretary that all of the means referred to in paragraph (1) are not cost effective.

"(3) HARDSHIPS.—A State agency may not use an allotment reduction under paragraph (1)(A) as a means of collecting an overissuance from a household if the allotment reduction would cause a hardship on the household, as determined by the State agency.

"(4) MAXIMUM REDUCTION ABSENT FRAUD.—If a household received an overissuance of coupons without any member of the household being found ineligible to participate in the program under section 6(b)(1) and a State agency elects to reduce the allotment of the household under paragraph (1)(A), the State agency shall reduce the monthly allotment of the household under paragraph (1)(A) by the greater of—

"(A) 10 percent of the monthly allotment of the household; or

"(B) $10.

"(5) PROCEDURES.—A State agency shall collect an overissuance of coupons issued to a household under paragraph (1) in accordance with requirements established by the State agency for providing notice, electing a means of payment, and establishing a time schedule for payment."; and

(2) in subsection (d)—

(A) by striking "as determined under subsection (b) and except for claims arising from an error of the State agency," and inserting ", as determined under subsection (b)(1),"; and

(B) by inserting before the period at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(b) CONFORMING AMENDMENT.—Section 11(e)(8) of the Act (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "and excluding claims" and all that follows through "such section"; and

(2) by inserting before the semicolon at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

SEC. 333. TERMINATION OF FEDERAL MATCH FOR OPTIONAL INFORMATION ACTIVITIES.

(a) IN GENERAL.—Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended—

(1) by striking paragraph (4); and

(2) by redesignating paragraphs (5) through (8) as paragraphs (4) through (7), respectively.

(b) CONFORMING AMENDMENT.—Section 16(g) of the Act (7 U.S.C. 2025(g)) is amended by striking "an amount equal to" and all that follows through "1991, of" and inserting "the amount provided under subsection (a)(5) for".

SEC. 334. STANDARDS FOR ADMINISTRATION.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 11(g) of the Act (7 U.S.C. 2020(g)) is amended by striking "the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) or".

(2) Section 16(c)(1)(B) of the Act (7 U.S.C. 2025(c)(1)(B)) is amended by striking "pursuant to subsection (b)".

SEC. 335. WORK SUPPLEMENTATION OR SUPPORT PROGRAM.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) (as amended by section 334(a)) is further amended by inserting after subsection (a) the following:

"(b) WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—

"(1) Definition.—In this subsection, the term 'work supplementation or support program' means a program in which, as determined by the Secretary, public assistance (including any benefits provided under a program established by the State and the food stamp program) is provided to an employer to be used for hiring and employing a new employee who is a public assistance recipient.

"(2) Program.—A State agency may elect to use amounts equal to the allotment that would otherwise be allotted to a household under the food stamp program, but for the operation of this subsection, for the purpose of subsidizing or supporting jobs under a work supplementation or support program established by the State.

"(3) Procedure.—If a State agency makes an election under paragraph (2) and identifies each household that participates in the food stamp program that contains an individual who is participating in the work supplementation or support program—

"(A) the Secretary shall pay to the State agency an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

"(B) the State agency shall expend the amount paid under subparagraph (A) in accordance with the work supplementation or support program in lieu of providing the allotment that the household would receive but for the operation of this subsection;

"(C) for purposes of—

"(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

"(ii) section 8(b), the amount received under this subsection shall be considered to be the value of an allotment provided to the household; and

"(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation or support program.

"(4) Other work requirements.—No individual shall be excused, by reason of the fact that a State has a work supplementation or support program, from any work requirement under section 6(d), except during the periods in which the individual is employed under the work supplementation or support program.

"(5) Maximum length of participation.—A work supplementation or support program may not allow the participation of any individual for longer than 6 months, unless the Secretary approves a longer period.".

SEC. 336. WAIVER AUTHORITY.

Section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended—

(1) by striking "benefits to eligible households, including" and inserting the following: "benefits to eligible households. The Secretary may waive the requirements of this Act to the extent necessary to conduct a pilot or experimental project, including a project designed to test innovative welfare reform, promote work, and allow conformity with other Federal, State, and local government assistance programs, except that a project involving the payment of benefits in the form of cash shall maintain the average value of allotments for affected households as a group. Pilot or experimental projects may include"; and

(2) by striking "The Secretary may waive" and all that follows through "sections 5 and 8 of this Act.".

SEC. 337. AUTHORIZATION OF PILOT PROJECTS.

The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".

SEC. 338. RESPONSE TO WAIVERS.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

"(C) Response to waivers.—

"(i) Response.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

"(I) approves the waiver request;

"(II) denies the waiver request and explains any modification needed for approval of the waiver request;

"(III) denies the waiver request and explains the grounds for the denial; or

"(IV) requests clarification of the waiver request.

"(ii) Failure to respond.—If the Secretary does not provide a response under clause (i) not later than 60 days after receiving a request for a waiver, the waiver shall be considered approved.

"(iii) Notice of denial.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and the grounds for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 339. PRIVATE SECTOR EMPLOYMENT INITIATIVES.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by adding at the end the following:

"(m) Private Sector Employment Initiatives.—

"(1) Election to participate.—

"(A) In general.—Subject to the other provisions of this subsection, a State may elect to carry out a private sector employment initiative program under this subsection.

"(B) Requirement.—A State shall be eligible to carry out a private sector employment initiative under this subsection only if not less than 50 percent of the households that received food stamp benefits during the summer of 1993 also received benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) during the summer of 1993.

"(2) Procedure.—A State that has elected to carry out a private sector employment initiative under paragraph (1) may use amounts equal to the food stamp allotments that would otherwise be allotted to a household under the food stamp program, but for the operation of this subsection, to provide cash benefits in lieu of the food stamp allotments to the household if the household is eligible under paragraph (3).

"(3) Eligibility.—A household shall be eligible to receive cash benefits under paragraph (2) if an adult member of the household—

"(A) has worked in unsubsidized employment in the private sector for not less than the preceding 90 days;

"(B) has earned not less than $350 per month from the employment referred to in subparagraph (A) for not less than the preceding 90 days;

"(C)(i) is eligible to receive benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) was eligible to receive benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) at the time the member first received cash benefits under this subsection and is no longer eligible for the State program because of earned income;

"(D) is continuing to earn not less than $350 per month from the employment referred to in subparagraph (A); and

"(E) elects to receive cash benefits in lieu of food stamp benefits under this subsection.

"(4) Evaluation.—A State that operates a program under this subsection for 2 years shall provide to the Secretary a written evaluation of the impact of cash assistance under this subsection. The State agency shall determine the content of the evaluation.".

SEC. 340. REAUTHORIZATION OF APPROPRIATIONS.

The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1995" and inserting "2002".

SEC. 341. REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.

The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting the following: "$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year 1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, $1,310,000,000 for fiscal year 2000, $1,343,000,000 for fiscal year 2001, and $1,376,000,000 for fiscal year 2002"

SEC. 342. SIMPLIFIED FOOD STAMP PROGRAM.

(a) In General.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) Election.—Subject to subsection (c), a State agency may elect to carry out a Simplified Food Stamp Program (referred to in this section as a 'Program') under this section.

"(b) Operation of Program.—

"(1) In general.—If a State agency elects to carry out a Program, within the State or a political subdivision of the State—

"(A) a household in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall automatically be eligible to participate in the Program; and

"(B) subject to subsection (e), benefits under the Program shall be determined under rules and procedures established by the State under—

"(i) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(ii) the food stamp program (other than section 25); or

"(iii) a combination of a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and the food stamp program.

"(2) Shelter standard.—The State agency may elect to apply 1 shelter standard to a household that receives a housing subsidy and another shelter standard to a household that does not receive the subsidy.

"(c) Approval of Program.—

"(1) State plan.—A State agency may not operate a Program unless the Secretary approves a State plan for the operation of the Program under paragraph (2).

"(2) Approval of plan.—

"(A) In general.—The Secretary shall approve any State plan to carry out a Program if the Secretary determines that the plan—

"(i) complies with this section; and

"(ii) would not increase Federal costs incurred under this Act.

"(B) DEFINITION OF FEDERAL COSTS.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

"(d) INCREASED FEDERAL COSTS.—

"(1) DETERMINATION.—

"(A) IN GENERAL.—The Secretary shall determine whether a Program being carried out by a State agency is increasing Federal costs under this Act.

"(B) NO EXCLUDED HOUSEHOLDS.—In making a determination under subparagraph (A), the Secretary shall not require the State agency to collect or report any information on households not included in the Program.

"(C) ALTERNATIVE ACCOUNTING PERIODS.—The Secretary may approve the request of a State agency to apply alternative accounting periods to determine if Federal costs do not exceed the Federal costs had the State agency not elected to carry out the Program.

"(2) NOTIFICATION.—If the Secretary determines that the Program has increased Federal costs under this Act for any fiscal year, the Secretary shall notify the State agency not later than January 1 of the immediately succeeding fiscal year.

"(3) RETURN OF FUNDS.—

"(A) IN GENERAL.—If the Secretary determines that the Program has increased Federal costs under this Act for a 2-year period, including a fiscal year for which notice was given under paragraph (2) and an immediately succeeding fiscal year, the State agency shall pay to the Treasury of the United States the amount of the increased costs.

"(B) ENFORCEMENT.—If the State agency does not pay an amount due under subparagraph (A) on a date that is not later than 90 days after the date of the determination, the Secretary shall reduce amounts otherwise due to the State agency for administrative costs under section 16(a).

"(e) RULES AND PROCEDURES.—

"(1) IN GENERAL.—Except as provided by paragraph (2), a State may apply—

"(A) the rules and procedures established by the State under—

"(i) the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) the food stamp program; or

"(B) the rules and procedures of 1 of the programs to certain matters and the rules and procedures of the other program to all remaining matters.

"(2) STANDARDIZED DEDUCTIONS.—The State may standardize the deductions provided under section 5(e). In developing the standardized deduction, the State shall give consideration to the work expenses, dependent care costs, and shelter costs of participating households.

"(3) REQUIREMENTS.—In operating a Program, the State shall comply with—

"(A) subsections (a) through (g) of section 7;

"(B) section 8(a), except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(C) subsections (b) and (d) of section 8;

"(D) subsections (a), (c), (d), and (n) of section 11;

"(E) paragraph (3) of section 11(e), to the extent that the paragraph requires that an eligible household be certified and receive an allotment for the period of application not later than 30 days after filing an application;

"(F) paragraphs (8), (9), (12), (17), (19), (21), and (27) of section 11(e);

"(G) section 11(e)(10) or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(H) section 16.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)) (as amended by sections 315(b) and 328) is further amended by adding at the end the following:

"(28) the plans of the State agency for operating, at the election of the State, a program under section 24, including—

"(A) the rules and procedures to be followed by the State to determine food stamp benefits;

"(B) how the State will address the needs of households that experience high shelter costs in relation to the incomes of the households; and

"(C) a description of the method by which the State will carry out a quality control system under section 16(c).".

(c) CONFORMING AMENDMENTS.—

(1) Section 8 of the Act (7 U.S.C. 2017) (as amended by section 325) is further amended—

(A) by striking subsection (e); and

(B) by redesignating subsection (f) as subsection (e).

(2) Section 17 of the Act (7 U.S.C. 2026) (as amended by section 339) is further amended—

(A) by striking subsection (i); and

(B) by redesignating subsections (j) through (m) as subsections (i) through (l), respectively.

SEC. 343. OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) (as amended by section 342) is further amended by adding at the end the following:

"SEC. 25. OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.

"(a) ESTABLISHMENT.—The Secretary shall establish a program to make grants to States in accordance with this section to provide—

"(1) food assistance to needy individuals and families residing in the State;

"(2) at the option of a State, wage subsidies and payments in return for work for needy individuals under the program;

"(3) funds to operate an employment and training program under section (g)(2) for needy individuals under the program; and

"(4) funds for administrative costs incurred in providing the assistance.

"(b) ELECTION.—

"(1) IN GENERAL.—The chief executive officer of a State may elect to participate in the program established under subsection (a).

"(2) ELECTION IRREVOCABLE.—A State that elects to participate in the program established under subsection (a) may not subsequently elect to participate in the food stamp program in accordance with any other section of this Act.

"(3) PROGRAM EXCLUSIVE.—A State that is participating in the program established under subsection (a) shall not be subject to any requirement, or receive any benefit, under this Act except as provided in this section.

"(c) LEAD AGENCY.—

"(1) DESIGNATION.—The chief executive officer of a State desiring to receive a grant under this section shall designate, in an application submitted to the Secretary under subsection (d)(1), an appropriate State agency that complies with paragraph (2) to act as the lead agency for the State.

"(2) DUTIES.—

"(A) IN GENERAL.—The lead agency shall—

"(i) administer, either directly, through other State agencies, or through local agencies, the assistance received under this section by the State;

"(ii) develop the State plan to be submitted to the Secretary under subsection (d)(1);

"(iii) in conjunction with the development of the State plan, hold at least 1 hearing in the State to provide to the public an opportunity to comment on the program under the State plan; and

"(iv) coordinate the provision of food assistance under this section with other Federal, State, and local programs.

"(B) DEVELOPMENT OF PLAN.—In the development of the State plan described in subparagraph (A)(ii), the lead agency shall consult with appropriate representatives of units of local government on issues relating to the State plan.

"(d) APPLICATION AND PLAN.—

"(1) APPLICATION.—To be eligible to receive assistance under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall by regulation require, including—

"(A) an assurance that the State will comply with the requirements of this section;

"(B) a State plan that meets the requirements of paragraph (3); and

"(C) an assurance that the State will comply with the requirements of the State plan under paragraph (3).

"(2) ANNUAL PLAN.—The State plan contained in the application under paragraph (1) shall be submitted for approval annually.

"(3) REQUIREMENTS OF PLAN.—

"(A) LEAD AGENCY.—The State plan shall identify the lead agency.

"(B) USE OF BLOCK GRANT FUNDS.—The State plan shall provide that the State shall use the amounts provided to the State for each fiscal year under this section—

"(i) to provide food assistance to needy individuals and families residing in the State;

"(ii) at the option of a State, to provide wage subsidies and payments in return for work under the program, including cash payments to needy individuals and families related to work effort;

"(iii) to operate an employment and training program under section (g)(2) for needy individuals under the program; and

"(iv) to pay administrative costs incurred in providing the assistance.

"(C) GROUPS SERVED.—The State plan shall describe how the program will serve specific groups of individuals and families and how the treatment will differ from treatment under the food stamp program under the other sections of this Act of the individuals and families, including—

"(i) elderly individuals and families;

"(ii) migrants or seasonal farmworkers;

"(iii) homeless individuals and families;

"(iv) individuals and families who live under the supervision of institutions (other than incarcerated individuals);

"(v) individuals and families with earnings; and

"(vi) members of Indian tribes or tribal organizations.

"(D) ASSISTANCE FOR ENTIRE STATE.—The State plan shall provide that benefits under this section shall be available throughout the entire State.

"(E) NOTICE AND HEARINGS.—The State plan shall provide that an individual or family who applies for, or receives, assistance under this section shall be provided with notice of, and an opportunity for a hearing on, any action under this section that adversely affects the individual or family.

"(F) OTHER ASSISTANCE.—

"(i) COORDINATION.—The State plan may coordinate assistance received under this section with assistance provided under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(ii) PENALTIES.—If an individual or family is penalized for violating part A of title IV of the Act, the State plan may reduce the amount of assistance provided under this section or otherwise penalize the individual or family.

"(G) ASSESSMENT OF NEEDS.—The State plan shall assess the food and nutrition needs of needy persons residing in the State.

"(H) ELIGIBILITY LIMITATIONS.—The State plan shall describe the income and resource eligibility limitations that are established for the receipt of assistance under this section.

"(I) RECEIVING BENEFITS IN MORE THAN 1 JURISDICTION.—The State plan shall establish a system to verify and otherwise ensure that no individual or family shall receive benefits under this section in more than 1 jurisdiction within the State.

"(J) PRIVACY.—The State plan shall provide for safeguarding and restricting the use and disclosure of information about any individual or family receiving assistance under this section.

"(K) OTHER INFORMATION.—The State plan shall contain such other information as may be required by the Secretary.

"(4) APPROVAL OF APPLICATION AND PLAN.—The Secretary shall approve an application and State plan that satisfies the requirements of this section.

"(e) LIMITATIONS ON STATE ALLOTMENTS.—

"(1) NO INDIVIDUAL OR FAMILY ENTITLEMENT TO ASSISTANCE.—Nothing in this section—

"(A) entitles any individual or family to assistance under this section; or

"(B) limits the right of a State to impose additional limitations or conditions on assistance under this section.

"(2) CONSTRUCTION OF FACILITIES.—No funds made available under this section shall be expended for the purchase or improvement of land, or for the purchase, construction, or permanent improvement of any building or facility.

"(f) BENEFITS FOR ALIENS.—

"(1) ELIGIBILITY.—No individual shall be eligible to receive benefits under a State plan approved under subsection (d)(4) if the individual is not eligible to participate in the food stamp program under section 6(f).

"(2) INCOME.—The State plan shall provide that the income of an alien shall be determined in accordance with section 5(i).

"(g) EMPLOYMENT AND TRAINING.—

"(1) WORK REQUIREMENTS.—No individual or member of a family shall be eligible to receive benefits under a State plan funded under this section if the individual is not eligible to participate in the food stamp program under subsection (d) or (n) of section 6.

"(2) WORK PROGRAMS.—Each State shall implement an employment and training program under section 6(d)(4) for needy individuals under the program.

"(h) ENFORCEMENT.—

"(1) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this section and the State plan approved under subsection (d)(4).

"(2) NONCOMPLIANCE.—

"(A) IN GENERAL.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds that—

"(i) there has been a failure by the State to comply substantially with any provision or requirement set forth in the State plan approved under subsection (d)(4); or

"(ii) in the operation of any program or activity for which assistance is provided under this section, there is a failure by the State to comply substantially with any provision of this section;

the Secretary shall notify the State of the finding and that no further payments will be made to the State under this section (or, in the case of noncompliance in the operation of a program or activity, that no further payments to the State will be made with respect to the program or activity) until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

"(B) OTHER SANCTIONS.—In the case of a finding of noncompliance made pursuant to subparagraph (A), the Secretary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (A), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

"(C) NOTICE.—The notice required under subparagraph (A) shall include a specific identification of any additional sanction being imposed under subparagraph (B).

"(3) ISSUANCE OF REGULATIONS.—The Secretary shall establish by regulation procedures for—

"(A) receiving, processing, and determining the validity of complaints concerning any failure of a State to comply with the State plan or any requirement of this section; and

"(B) imposing sanctions under this section.

"(4) INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—The Secretary may withhold not more than 5 percent of the amount allotted to a State under subsection (l)(2) if the State does not use an income and eligibility verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7).

"(i) PAYMENTS.—

"(1) IN GENERAL.—For each fiscal year, the Secretary shall pay to a State that has an application approved by the Secretary under subsection (d)(4) an amount that is equal to the allotment of the State under subsection (l)(2) for the fiscal year.

"(2) METHOD OF PAYMENT.—The Secretary shall make payments to a State for a fiscal year under this section by issuing 1 or more letters of credit for the fiscal year, with necessary adjustments on account of overpayments or underpayments, as determined by the Secretary.

"(3) SPENDING OF FUNDS BY STATE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), payments to a State from an allotment under subsection (l)(2) for a fiscal year may be expended by the State only in the fiscal year.

"(B) CARRYOVER.—The State may reserve up to 10 percent of an allotment under subsection (l)(2) for a fiscal year to provide assistance under this section in subsequent fiscal years, except that the reserved funds may not exceed 30 percent of the total allotment received under this section for a fiscal year.

"(4) FOOD ASSISTANCE AND ADMINISTRATIVE EXPENDITURES.—In each fiscal year, of the Federal funds expended by a State under this section—

"(A) not less than 75 percent shall be for food assistance; and

"(B) not more than 6 percent shall be for administrative expenses.

"(5) PROVISION OF FOOD ASSISTANCE.—A State may provide food assistance under this section in any manner determined appropriate by the State to provide food assistance to needy individuals and families in the State, such as electronic benefits transfer limited to food purchases, coupons limited to food purchases, or direct provision of commodities.

"(6) DEFINITION OF FOOD ASSISTANCE.—In this section, the term 'food assistance' means assistance that may be used only to obtain food, as defined in section 3(g).

"(j) AUDITS.—

"(1) REQUIREMENT.—After the close of each fiscal year, a State shall arrange for an audit of the expenditures of the State during the program period from amounts received under this section.

"(2) INDEPENDENT AUDITOR.—An audit under this section shall be conducted by an entity that is independent of any agency administering activities that receive assistance under this section and be in accordance with generally accepted auditing principles.

"(3) PAYMENT ACCURACY.—Each annual audit under this section shall include an audit of payment accuracy under this section that shall be based on a statistically valid sample of the caseload in the State.

"(4) SUBMISSION.—Not later than 30 days after the completion of an audit under this section, the State shall submit a copy of the audit to the legislature of the State and to the Secretary.

"(5) REPAYMENT OF AMOUNTS.—Each State shall repay to the United States any amounts determined through an audit under this section to have not been expended in accordance with this section or to have not been expended in accordance with the State plan, or the Secretary may offset the amounts against any other amount paid to the State under this section.

"(k) NONDISCRIMINATION.—

"(1) IN GENERAL.—The Secretary shall not provide financial assistance for any program, project, or activity under this section if any person with responsibilities for the operation of the program, project, or activity discriminates with respect to the program, project, or activity because of race, religion, color, national origin, sex, or disability.

"(2) ENFORCEMENT.—The powers, remedies, and procedures set forth in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) may be used by the Secretary to enforce paragraph (1).

"(l) ALLOTMENTS.—

"(1) DEFINITION OF STATE.—In this section, the term 'State' means each of the 50 States, the District of Columbia, Guam, and the Virgin Islands of the United States.

"(2) STATE ALLOTMENT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), from the amounts made available under section 18 of this Act for each fiscal year, the Secretary shall allot to each State participating in the program established under this section an amount that is equal to the sum of—

"(i) the greater of, as determined by the Secretary—

"(I) the total dollar value of all benefits issued under the food stamp program established under this Act by the State during fiscal year 1994; or

"(II) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during each of fiscal years 1992 through 1994; and

"(ii) the greater of, as determined by the Secretary—

"(I) the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (h), respectively, of section 16 of this Act for fiscal year 1994; or

"(II) the average per fiscal year of the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (h), respectively, of section 16 of this Act for each of fiscal years 1992 through 1994.

"(B) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a pro rata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.".

(b) RESEARCH ON OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) (as amended by section 339 and 342(c)(2)) is further amended by adding at the end the following:

"(m) RESEARCH ON OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.—The Secretary may conduct research on the effects and costs of a State program carried out under section 25.".

SEC. 344. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall become effective on October 1, 1995.

Subtitle B—Anti-Fraud and Trafficking

SEC. 351. EXPANDED DEFINITION OF COUPON.

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization card, cash or check issued as a coupon, or access device, including an electronic benefits transfer card or a personal identification number,".

SEC. 352. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i), by striking "six months upon" and inserting "1 year on"; and

(2) in clause (ii), by striking "1 year upon" and inserting "2 years on".

SEC. 353. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)) is amended by adding at the end the following:

"(3) AUTHORIZATION PERIODS.—The Secretary is authorized to issue regulations establishing specific time periods during which authorization to accept and redeem coupons under the food stamp program shall be valid.".

SEC. 354. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY.

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)) (as amended by section 353) is further amended by adding at the end the following:

"(4) PERIODS FOR PARTICIPATION OF STORES AND CONCERNS.—The Secretary may issue regulations establishing specific time periods during which a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied, or that has an approval withdrawn, on the basis of business integrity and reputation cannot submit a new application for approval. The periods shall reflect the severity of business integrity infractions that are the basis of the denials or withdrawals.".

SEC. 355. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting ", which may include relevant income and sales tax filing documents," after "submit information" ; and

(2) by inserting after the first sentence the following: "The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.".

SEC. 356. WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following: "A retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied because the store or concern does not meet criteria for approval established by the Secretary by regulation may not submit a new application for 6 months after the date of the denial.".

SEC. 357. BASES FOR SUSPENSIONS AND DISQUALIFICATIONS.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking the section heading;

(2) by striking "SEC. 12 (a) Any" and inserting the following:

"SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

"(a) DISQUALIFICATION.—

"(1) IN GENERAL.—Any"; and

(3) in subsection (a), by adding at the end the following:

"(2) BASIS.—Regulations issued pursuant to this Act shall provide criteria for the finding of a violation, and the suspension or disqualification of a retail food store or wholesale food concern, on the basis of evidence that may include facts established through on-site investigations, inconsistent redemption data, or evidence obtained through transaction reports under electronic benefits transfer systems.".

SEC. 358. DISQUALIFICATION OF STORES PENDING JUDICIAL AND ADMINISTRATIVE REVIEW.

(a) AUTHORITY.—Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)) (as amended by section 357) is further amended by adding at the end the following:

"(3) DISQUALIFICATION PENDING REVIEW.—The regulations may establish criteria under which the authorization of a retail food store or wholesale food concern to accept and redeem coupons may be suspended at the time the store or concern is initially found to have committed a violation of a requirement of the food stamp program that would result in a permanent disqualification. The suspension may coincide with the period of a review under section 14. The Secretary shall not be liable for the value of any sales lost during a suspension or disqualification period.".

(b) REVIEW.—Section 14(a) of the Act (7 U.S.C. 2023(a)) is amended—

(1) in the first sentence, by striking "disqualified or subjected" and inserting "suspended, disqualified, or subjected";

(2) in the fifth sentence, by inserting before the period at the end the following: ", except that, in the case of the suspension of a retail food store or wholesale food concern under section 12(a)(3), the suspension shall remain in effect pending any judicial or administrative review of the proposed disqualification action, and the period of suspension shall be considered a part of any period of disqualification that is imposed"; and

(3) by striking the last sentence.

SEC. 359. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification of an approved retail food store and a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) notwithstanding section 14, shall not be subject to judicial or administrative review.".

SEC. 360. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) (as amended by section 359) is further amended by adding at the end the following:

"(h) FALSIFIED APPLICATIONS.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing for the permanent disqualification of a retail food store, or wholesale food concern, that knowingly submits an application for approval to accept and redeem coupons that contains false information about a substantive matter that was, or could have been, a basis for approving the application.

"(2) REVIEW.—A disqualification under paragraph (1) shall be subject to judicial and administrative review under section 14, except that the disqualification shall remain in effect pending the review.".

SEC. 361. EXPANDED CRIMINAL FORFEITURE FOR VIOLATIONS.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—The first sentence of section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CRIMINAL FORFEITURE.—Section 15 of the Act (7 U.S.C. 2024)) is amended by adding at the end the following:

"(h) CRIMINAL FORFEITURE.—

"(A) IN GENERAL.—Any person convicted of violating subsection (b) or (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall forfeit to the United States—

"(i) any food stamp benefits and any property constituting, or derived from, or traceable to any proceeds the person obtained directly or indirectly as a result of the violation; and

"(ii) any food stamp benefits and any property of the person used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the violation.

"(B) SENTENCE.—In imposing a sentence on a person under subparagraph (A), a court shall order that the person forfeit to the United States all property described in this subsection.

"(C) PROCEDURES.—Any food stamp benefits or property subject to forfeiture under this subsection, any seizure or disposition of the benefits or property, and any administrative or judicial proceeding relating to the benefits or property, shall be governed by subsections (b), (c), (e), and (g) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), if not inconsistent with this subsection.

"(3) EXCLUDED PROPERTY.—This subsection shall not apply to property referred to in subsection (g).".

SEC. 362. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle shall become effective on October 1, 1995.

TITLE IV—CHILD NUTRITION PROGRAMS

Subtitle A—Reimbursement Rates

SEC. 401. TERMINATION OF ADDITIONAL PAYMENT FOR LUNCHES SERVED IN HIGH FREE AND REDUCED PRICE PARTICIPATION SCHOOLS.

(a) IN GENERAL.—Section 4(b)(2) of the National School Lunch Act (42 U.S.C. 1753(b)(2)) is amended by striking "except that" and all that follows through "2 cents more".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on July 1, 1996.

SEC. 402. VALUE OF FOOD ASSISTANCE.

(a) IN GENERAL.—Section 6(e)(1) of the National School Lunch Act (42 U.S.C. 1755(e)(1)) is amended by striking subparagraph (B) and inserting the following:

"(B) ADJUSTMENTS.—

"(i) IN GENERAL.—The value of food assistance for each meal shall be adjusted each July 1 by the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year.

"(ii) ADJUSTMENTS.—Except as otherwise provided in this subparagraph, in the case of each school year, the Secretary shall—

"(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the preceding school year;

"(II) adjust the resulting amount in accordance with clause (i); and

"(III) round the result to the nearest lower cent increment.

"(iii) ADJUSTMENT ON JANUARY 1, 1996.—On January 1, 1996, the Secretary shall adjust the value of food assistance for the remainder of the school year by rounding the previously established value of food assistance to the nearest lower cent increment.

"(iv) ADJUSTMENT FOR 1996-97 SCHOOL YEAR.—In the case of the school year beginning July 1, 1996, the value of food assistance shall be the same as the value of food assistance in effect on June 30, 1996.

"(v) ADJUSTMENT FOR 1997-98 SCHOOL YEAR.—In the case of the school year beginning July 1, 1997, the Secretary shall—

"(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the value of food assistance for the school year beginning July 1, 1995;

"(II) adjust the resulting amount to reflect the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May for the most recent 12-month period for which the data are available; and

"(III) round the result to the nearest lower cent increment.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on January 1, 1996.

SEC. 403. LUNCHES, BREAKFASTS, AND SUPPLEMENTS.

(a) IN GENERAL.—Section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended—

(1) by designating the second and third sentences as subparagraphs (C) and (D), respectively; and

(2) by striking subparagraph (D) (as so designated) and inserting the following:

"(D) ROUNDING.—Except as otherwise provided in this paragraph, in the case of each school year, the Secretary shall—

"(i) base the adjustment made under this paragraph on the amount of the unrounded adjustment for the preceding school year;

"(ii) adjust the resulting amount in accordance with subparagraphs (B) and (C); and

"(iii) round the result to the nearest lower cent increment.

"(E) ADJUSTMENT ON JANUARY 1, 1996.—On January 1, 1996, the Secretary shall adjust the rates and factor for the remainder of the school year by rounding the previously established rates and factor to the nearest lower cent increment.

"(F) ADJUSTMENT FOR 24-MONTH PERIOD BEGINNING JULY 1, 1996.—In the case of the 24-month period beginning July 1, 1996, the national average payment rates for paid lunches, paid breakfasts, and paid supplements shall be the same as the national average payment rate for paid lunches, paid breakfasts, and paid supplements, respectively, for the school year beginning July 1, 1995, rounded to the nearest lower cent increment.

"(G) ADJUSTMENT FOR SCHOOL YEAR BEGINNING JULY 1, 1998.—In the case of the school year beginning July 1, 1998, the Secretary shall—

"(i) base the adjustments made under this paragraph for—

"(I) paid lunches and paid breakfasts on the amount of the unrounded adjustment for paid lunches for the school year beginning July 1, 1995; and

"(II) paid supplements on the amount of the unrounded adjustment for paid supplements for the school year beginning July 1, 1995;

"(ii) adjust each resulting amount in accordance with subparagraph (C); and

"(iii) round each result to the nearest lower cent increment.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on January 1, 1996.

SEC. 404. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) IN GENERAL.—Section 13(b) of the National School Lunch Act (42 U.S.C. 1761(b)) is amended—

(1) by striking "(b)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(b) SERVICE INSTITUTIONS.—

"(1) PAYMENTS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, payments to service institutions shall equal the full cost of food service operations (which cost shall include the costs of obtaining, preparing, and serving food, but shall not include administrative costs).

"(B) MAXIMUM AMOUNTS.—Subject to subparagraph (C), payments to any institution under subparagraph (A) shall not exceed—

"(i) $2 for each lunch and supper served;

"(ii) $1.20 for each breakfast served; and

"(iii) 50 cents for each meal supplement served.

"(C) ADJUSTMENTS.—Amounts specified in subparagraph (B) shall be adjusted each January 1 to the nearest lower cent increment in accordance with the changes for the 12-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Each adjustment shall be based on the unrounded adjustment for the prior 12-month period.";

(2) in the second sentence of paragraph (3), by striking "levels determined" and all that follows through "this subsection" and inserting "level determined by the Secretary"; and

(3) by striking paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on January 1, 1996.

SEC. 405. SPECIAL MILK PROGRAM.

(a) IN GENERAL.—Section 3(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)) is amended by striking paragraph (8) and inserting the following:

"(8) ADJUSTMENTS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, in the case of each school year, the Secretary shall—

"(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the preceding school year;

"(ii) adjust the resulting amount in accordance with paragraph (7); and

"(iii) round the result to the nearest lower cent increment.

"(B) ADJUSTMENT ON JANUARY 1, 1996.—On January 1, 1996, the Secretary shall adjust the minimum rate for the remainder of the school year by rounding the previously established minimum rate to the nearest lower cent increment.

"(C) ADJUSTMENT FOR 1996-97 SCHOOL YEAR.—In the case of the school year beginning July 1, 1996, the minimum rate shall be the same as the minimum rate in effect on June 30, 1996.

"(D) ADJUSTMENT FOR 1997-98 SCHOOL YEAR.—In the case of the school year beginning July 1, 1997, the Secretary shall—

"(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the minimum rate for the school year beginning July 1, 1995;

"(ii) adjust the resulting amount to reflect changes in the Producer Price Index for Fresh Processed Milk published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period for which the data are available; and

"(iii) round the result to the nearest lower cent increment.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on January 1, 1996.

SEC. 406. FREE AND REDUCED PRICE BREAKFASTS.

(a) IN GENERAL.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended—

(1) in the second sentence of paragraph (1)(B), by striking ", adjusted to the nearest one-fourth cent" and inserting "(as adjusted pursuant to section 11(a) of the National School Lunch Act (42 U.S.C. 1759a(a))"; and

(2) in paragraph (2)(B)(ii)—

(A) by striking "nearest one-fourth cent" and inserting "nearest lower cent increment for the applicable school year"; and

(B) by inserting before the period at the end the following: ", and the adjustment required by this clause shall be based on the unrounded adjustment for the preceding school year".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on July 1, 1996.

SEC. 407. CONFORMING REIMBURSEMENT FOR PAID BREAKFASTS AND LUNCHES.

(a) IN GENERAL.—The last sentence of section 4(b)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)(B)) is amended by striking "8.25 cents" and all that follows through "Act)" and inserting "the same as the national average lunch payment for paid meals established under section 4(b) of the National School Lunch Act (42 U.S.C. 1753(b))".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on January 1, 1996.

Subtitle B—Grant Programs

SEC. 411. SCHOOL BREAKFAST STARTUP GRANTS.

Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is amended by striking subsection (g).

SEC. 412. NUTRITION EDUCATION AND TRAINING PROGRAMS.

Section 19(i)(2)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)(2)(A)) is amended by striking "$10,000,000" and inserting "$7,000,000".

SEC. 413. EFFECTIVE DATE.

The amendments made by this subtitle shall become effective on October 1, 1996.

Subtitle C—Other Amendments

SEC. 421. FREE AND REDUCED PRICE POLICY STATEMENT.

(a) SCHOOL LUNCH PROGRAM.—Section 9(b)(2) of the National School Lunch Act (42 U.S.C. 1758(b)(2)) is amended by adding at the end the following:

"(D) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

(b) SCHOOL BREAKFAST PROGRAM.—Section 4(b)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)) is amended by adding at the end the following:

"(E) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

SEC. 422. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) PERMITTING OFFER VERSUS SERVE.—Section 13(f) of the National School Lunch Act (42 U.S.C. 1761(f)) is amended—

(1) by striking "(f) Service" and inserting the following:

"(f) NUTRITIONAL STANDARDS.—

"(1) IN GENERAL.—Service"; and

(2) by adding at the end the following:

"(2) OFFER VERSUS SERVE.—A school food authority participating as a service institution may permit a child attending a site on school premises operated directly by the authority to refuse not more than 1 item of a meal that the child does not intend to consume. A refusal of an offered food item shall not affect the amount of payments made under this section to a school for the meal.".

(b) REMOVING MANDATORY NOTICE TO INSTITUTIONS.—Section 13(n)(2) of the Act is amended by striking "and its plans and schedule" and inserting "except that the Secretary may not require a State to submit a plan or schedule".

SEC. 423. CHILD AND ADULT CARE FOOD PROGRAM.

(a) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited, managed, or monitored.".

(b) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the Act is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following:

"(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(A) REIMBURSEMENT FACTOR.—

"(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

"(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

"(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

"(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the income eligibility guidelines for free or reduced price meals under section 9 and whose income is verified by the sponsoring organization of the home under regulations established by the Secretary.

"(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

"(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on August 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

"(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

"(I) IN GENERAL.—

"(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1 for lunches and suppers, 30 cents for breakfasts, and 15 cents for supplements.

"(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the income eligibility guidelines, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) INFORMATION AND DETERMINATIONS.—

"(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the income eligibility guidelines under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

"(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that sponsors the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the income eligibility guidelines under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

"(cc) Such other simplified procedures as the Secretary may prescribe.

"(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any necessary minimum verification requirements.".

(2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the Act is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1996.

"(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

"(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

"(bb) training and other assistance to family and group day care homes in the implementation of the amendments to subparagraph (A) made by section 423(b)(1) of the Work Opportunity Act of 1995.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State during fiscal year 1994 as a percentage of the number of all family day care homes participating in the program during fiscal year 1994.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1996 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A) (as amended by section 423(b)(1) of the Work Opportunity Act of 1995).".

(3) PROVISION OF DATA.—Section 17(f)(3) of the Act (as amended by paragraph (2)) is further amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide data for each elementary school in the State, or shall direct each school within the State to provide data for the school, to approved family or group day care home sponsoring organizations that request the data, on the percentage of enrolled children who are eligible for free or reduced price meals.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(4) CONFORMING AMENDMENTS.—Section 17(c) of the Act is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(c) DISALLOWING MEAL CLAIMS.—The fourth sentence of section 17(f)(4) of the Act is amended by inserting "(including institutions that are not family or group day care home sponsoring organizations)" after "institutions".

(d) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the Act is amended by striking subsection (k) and inserting the following:

"(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1), (3), and (4) of subsection (b) shall become effective on August 1, 1996.

SEC. 424. REDUCING REQUIRED REPORTS TO STATE AGENCIES AND SCHOOLS.

Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is amended by striking subsection (c) and inserting the following:

"(c) REPORT.—Not later than 1 year after the date of enactment of the Work Opportunity Act of 1995, the Secretary shall—

"(1) review all reporting requirements under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) that are in effect, as of the date of enactment of the Work Opportunity Act of 1995, for agencies and schools referred to in subsection (a); and

"(2) provide a report to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that—

"(A) describes the reporting requirements described in paragraph (1) that are required by law;

"(B) makes recommendations concerning the elimination of any requirement described in subparagraph (A) because the contribution of the requirement to program effectiveness is not sufficient to warrant the paperwork burden that is placed on agencies and schools referred to in subsection (a); and

"(C) provides a justification for reporting requirements described in paragraph (1) that are required solely by regulation.".

Subtitle D—Reauthorization

SEC. 431. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) ADMINISTRATIVE FUNDING.—Section 5(a)(2) of the Act (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

SEC. 432. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) PROGRAM TERMINATION.—Section 212 of the Act (Public Law 98–8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Act (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (e), by striking "1995" each place it appears and inserting "2002".

(d) EXTENSION.—Section 13962 of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103–66; 107 Stat. 680) is amended by striking "1994, 1995, and 1996" each place it appears and inserting "1994 through 2002".

SEC. 433. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking "1995" and inserting "2002"; and

(B) by striking "1995" each place it appears and inserting "2002".

SEC. 434. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1995" and inserting "2002".

SEC. 435. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

Section 5(d)(2) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

TITLE V—NONCITIZENS

SEC. 501. STATE OPTION TO PROHIBIT ASSISTANCE FOR CERTAIN ALIENS.

A State may, at its option, prohibit the use of any grant funds received under part A of title IV of the Social Security Act or section 25 of the Food Stamp Act of 1977 for the provision of assistance under the State programs funded under such part or section for an individual who is not a citizen or national of the United States.

SEC. 502. DEEMED INCOME REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS.

(a) DEEMING REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS.—For purposes of determining the eligibility of an individual (whether a citizen or national of the United States or an alien) for assistance, and the amount of assistance, under any Federal program of assistance provided or funded, in whole or in part, by the Federal Government for which eligibility for benefits is based on need, the income and resources described in subsection (b) shall, notwithstanding any other provision of law, be deemed to be the income and resources of such individual.

(b) DEEMED INCOME AND RESOURCES.—The income and resources described in this subsection include the following:

(1) The income and resources of any person who, as a sponsor of such individual's entry into the United States (or in order to enable such individual lawfully to remain in the United States), executed an affidavit of support or similar agreement with respect to such individual.

(2) The income and resources of such sponsor's spouse.

(c) LENGTH OF DEEMED INCOME PERIOD.—The requirement of subsection (a) shall apply for the period for which the sponsor has agreed, in such affidavit or agreement, to provide support for such individual, or for a period of 5 years beginning on the date such individual was first lawfully in the United States after the execution of such affidavit or agreement, whichever period is longer.

(d) DEEMED INCOME AUTHORITY TO STATE AND LOCAL AGENCIES.—

(1) IN GENERAL.—For purposes of determining the eligibility of an individual (whether a citizen or national of the United States or an alien) for assistance, and the amount of assistance, under any State or local program of assistance authorized under Federal law for which eligibility is based on need, or any need-based program of assistance authorized under Federal law and administered by a State or local government other than a program described in subsection (a), the State or local government may, notwithstanding any other provision of law, require that the income and resources described in subsection (b) be deemed to be the income and resources of such individual.

(2) LENGTH OF DEEMING PERIOD.—A State or local government may impose a requirement described in paragraph (1) for the period described in subsection (c).

(e) APPLICABILITY OF SECTION.—

(1) INDIVIDUALS.—The provisions of this section shall not apply to the eligibility of any individual who is described in subclause (II), (III), (IV), or (V) of section 1614(a)(1)(B)(i) of the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(i)).

(2) PROGRAMS.—The provisions of this section shall not apply to eligibility for—

(A) emergency medical services under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

(B) short-term emergency disaster relief;

(C) assistance or benefits under the National School Lunch Act;

(D) assistance or benefits under the Child Nutrition Act of 1966; and

(E) public health assistance for immunizations with respect to immunizable diseases and for testing and treatment for communicable diseases if the Secretary of Health and Human Services determines that such testing and treatment is necessary.

(f) CONFORMING AMENDMENTS.—

(1) Section 1621 of the Social Security Act (42 U.S.C. 1382j) is repealed.

(2) Section 1614(f)(3) of such Act (42 U.S.C. 1382c(f)(3)) is amended by striking "section 1621" and inserting "section 502 of the Work Opportunity Act of 1995".

SEC. 503. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI BENEFITS.

(a) IN GENERAL.—Paragraph (1) of section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)) is amended—

(1) in subparagraph (B)(i), by striking "either" and all that follows through ", or" and inserting "(I) a citizen; (II) a noncitizen who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act for a period of not more than 5 years after the date of arrival into the United States; (III) a noncitizen who is admitted to the United States as a refugee under section 207 of such Act for not more than such 5-year period; (IV) a noncitizen, lawfully present in any State (or any territory or possession of the United States), who is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage or who is the spouse or unmarried dependent child of such veteran; or (V) a noncitizen who has worked sufficient calendar quarters of coverage to be a fully insured individual for benefits under title II, or"; and

(2) by adding at the end the following new flush sentence:

"For purposes of subparagraph (B)(i)(IV), the determination of whether a noncitizen is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. A noncitizen shall not be considered to be lawfully present in the United States for purposes of this title merely because the noncitizen may be considered to be permanently residing in the United States under color of law for purposes of any particular program.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) APPLICATION AND NOTICE.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by subsection (a), such amendments shall apply with respect to the benefits of such individual for months beginning on or after January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

(B) REAPPLICATION.—

(i) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subparagraph (A) who desires to reapply for benefits under title XVI of the Social Security Act shall reapply to the Commissioner of Social Security.

(ii) DETERMINATION OF ELIGIBILITY.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall determine the eligibility of each individual who reapplies for benefits under clause (i) pursuant to the procedures of such title XVI.

TITLE VI—CHILD CARE

SEC. 601. SHORT TITLE.

This title may be cited as the "Child Care and Development Block Grant Amendments Act of 1995".

SEC. 602. AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subchapter $1,000,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.".

(b) LEAD AGENCY.—Section 658D(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "State" and inserting "governmental or nongovernmental"; and

(B) in subparagraph (C), by inserting "with sufficient time and Statewide distribution of the notice of such hearing," after "hearing in the State"; and

(2) in paragraph (2), by striking the second sentence.

(c) APPLICATION AND PLAN.—Section 658E of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c) is amended—

(1) in subsection (b), by striking "implemented—" and all that follows through "plans." and inserting "implemented during a 2-year period.";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (iii) by striking the semicolon and inserting a period; and

(II) by striking "except" and all that follows through "1992."; and

(ii) in subparagraph (E)—

(I) by striking clause (ii) and inserting the following new clause:

"(ii) the State will implement mechanisms to ensure that appropriate payment mechanisms exist so that proper payments under this subchapter will be made to providers within the State and to permit the State to furnish information to such providers."; and

(II) by adding at the end thereof the following new sentence: "In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organization receiving assistance under this subchapter."; and

(iii) by striking subparagraphs (H) and (I); and

(B) in paragraph (3)—

(i) in subparagraph (C)—

(I) in the subparagraph heading, by striking "AND TO INCREASE" and all that follows through "CARE SERVICES";

(II) by striking "25 percent" and inserting "15 percent"; and

(III) by striking "and to provide before-" and all that follows through "658H)"; and

(ii) by adding at the end thereof the following new subparagraph:

"(D) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of payments received under this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all its functions and duties under this subchapter.".

(d) SLIDING FEE SCALE.—

(1) IN GENERAL.—Section 658E(c)(5) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(5)) is amended by inserting before the period the following: "and that ensures a representative distribution of funding among the working poor and recipients of Federal welfare assistance".

(2) ELIGIBILITY.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended by striking "75 percent" and inserting "100 percent".

(e) QUALITY.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "A State" and inserting "(a) IN GENERAL.—A State";

(B) by striking "not less than 20 percent of"; and

(C) by striking "one or more of the following" and inserting "carrying out the resource and referral activities described in subsection (b), and for one or more of the activities described in subsection (c).";

(2) in paragraph (1), by inserting before the period the following: ", including providing comprehensive consumer education to parents and the public, referrals that honor parental choice, and activities designed to improve the quality and availability of child care";

(3) by striking "(1) RESOURCE AND REFERRAL PROGRAMS.—Operating" and inserting the following:

"(b) RESOURCE AND REFERRAL PROGRAMS.—The activities described in this subsection are operating";

(4) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively;

(5) by inserting before paragraph (1) (as so redesignated) the following:

"(c) OTHER ACTIVITIES.—The activities described in this section are the following:"; and

(6) by adding at the end thereof the following:

"(5) BEFORE- AND AFTER-SCHOOL ACTIVITIES.—Increasing the availability of before- and after-school care.

"(6) INFANT CARE.—Increasing the availability of child care for infants under the age of 18 months.

"(7) NONTRADITIONAL WORK HOURS.—Increasing the availability of child care between the hours of 5:00 p.m. and 8:00 a.m.

"(d) NONDISCRIMINATION.—With respect to child care providers that comply with applicable State law but which are otherwise not required to be licensed by the State, the State, in carrying out this section, may not discriminate against such a provider if such provider desires to participate in resource and referral activities carried out under subsection (b).".

(f) REPEAL.—Section 658H of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858f) is repealed.

(g) ENFORCEMENT.—Section 658I(b)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(b)(2)) is amended—

(1) in the matter following clause (ii) of subparagraph (A), by striking "finding and that" and all that follows through the period and inserting "finding and may impose additional program requirements on the State, including a requirement that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options."; and

(2) by striking subparagraphs (B) and (C).

(h) REPORTS.—Section 658K of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i) is amended—

(1) in the section heading, by striking "ANNUAL REPORT" and inserting "REPORTS"; and

(2) in subsection (a)—

(A) in the subsection heading, by striking "ANNUAL REPORT" and inserting "REPORTS";

(B) by striking "December 31, 1992, and annually thereafter" and inserting "December 31, 1996, and every 2 years thereafter";

(C) in paragraph (2)—

(i) in subparagraph (A), by inserting before the semicolon "and the types of child care programs under which such assistance is provided";

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(D) by striking paragraph (4);

(E) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively;

(F) in paragraph (4), as so redesignated, by striking "and" at the end thereof;

(G) in paragraph (5), as so redesignated, by adding "and" at the end thereof; and

(H) by inserting after paragraph (5), as so redesignated, the following new paragraph:

"(6) describing the extent and manner to which the resource and referral activities are being carried out by the State;".

(i) REPORT BY SECRETARY.—Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended—

(1) by striking "1993" and inserting "1997";

(2) by striking "annually" and inserting "bi-annually"; and

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

(j) ALLOTMENTS.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(1) in subsection (c), by adding at the end thereof the following new paragraph:

"(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

"(A) REQUEST FOR USE OF FUNDS.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

"(B) DETERMINATION.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

"(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

"(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph."; and

(2) in subsection (e)—

(A) in paragraph (1), by striking "Any" and inserting "Except as provided in paragraph (4), any"; and

(B) by adding at the end thereof the following new paragraph:

"(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for with the grant or contract is made available, shall be reallocated by the Secretary to other tribes or organization that have submitted applications under subsection (c) in proportion to the original allocations to such tribes or organization.".

(k) DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting "or as a deposit for child care services if such a deposit is required of other children being cared for by the provider" after "child care services"; and

(2) in paragraph (5)(B)—

(A) by inserting "great grandchild, sibling (if the provider lives in a separate residence)," after "grandchild,";

(B) by striking "is registered and"; and

(C) by striking "State" and inserting "applicable".

(l) AUTHORITY TO TRANSFER FUNDS.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting after section 658S the following new section:

"SEC. 658T. TRANSFER OF FUNDS.

"(a) AUTHORITY.—Of the aggregate amount of payments received under this subchapter by a State in each fiscal year, the State may transfer not more than 30 percent for use by the State to carry out the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(b) REQUIREMENTS APPLICABLE TO FUNDS TRANSFERRED.—Funds transferred under subsection (a) to carry out the State program specified in such subsection shall not be subject to the requirements of this subchapter, but shall be subject to the same requirements that apply to Federal funds provided directly under such program.".

SEC. 603. REPEALS AND TECHNICAL AND CONFORMING AMENDMENTS.

(a) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—The State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.) is repealed.

(b) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—The Child Development Associate Scholarship Assistance Act of 1985 (42 U.S.C. 10901 et seq.) is repealed.

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of the Congress and the Director of the Office of Management and Budget, the Secretary of Health and Human Services shall prepare and submit to the Congress a legislative proposal in the form of an implementing bill containing technical and conforming amendments to reflect the amendments and repeals made by this title.

(2) SUBMISSION TO CONGRESS.—Not later than 6 months after the date of enactment of this title, the Secretary of Health and Human Services shall submit the implementing bill referred to under paragraph (1).

TITLE VII—WORKFORCE DEVELOPMENT AND WORKFORCE PREPARATION ACTIVITIES

Subtitle A—General Provisions

SEC. 701. SHORT TITLE.

This title may be cited as the "Workforce Development Act of 1995".

SEC. 702. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) increasing international competition, technological advances, and structural changes in the United States economy present new challenges to private businesses and public policymakers in creating a skilled workforce with the ability to adapt to change and technological progress;

(2) despite more than 60 years of federally funded employment training programs, the Federal Government has no single, coherent policy guiding employment training efforts;

(3) according to the General Accounting Office, there are over 100 federally funded employment training programs, which are administered by 15 different Federal agencies and cost more than $20,000,000,000 annually;

(4) many of the programs fail to collect enough performance data to determine the relative effectiveness of each of the programs or the effectiveness of the programs as a whole;

(5) because of the fragmentation, duplication, and lack of accountability that currently exist within and among Federal employment training programs it is often difficult for workers, jobseekers, and businesses to easily access the services they need;

(6) high quality, innovative vocational education programs provide youth with skills and knowledge on which to build successful careers and, in providing the skills and knowledge, vocational education serves as the foundation of a successful workforce development system;

(7) in recent years, several States and communities have begun to develop promising new initiatives such as—

(A) school-to-work programs to better integrate youth employment and education programs; and

(B) one-stop systems to make workforce development activities more accessible to workers, jobseekers, and businesses; and

(8) Federal, State, and local governments have failed to adequately allow for private sector leadership in designing workforce development activities that are responsive to local labor market needs.

(b) PURPOSES.—The purposes of this title are—

(1) to make the United States more competitive in the world economy by eliminating the fragmentation in Federal employment training efforts and creating coherent, integrated statewide workforce development systems designed to develop more fully the academic, occupational, and literacy skills of all segments of the workforce;

(2) to ensure that all segments of the workforce will obtain the skills necessary to earn wages sufficient to maintain the highest quality of living in the world; and

(3) to promote the economic development of each State by developing a skilled workforce that is responsive to the labor market needs of the businesses of each State.

SEC. 703. DEFINITIONS.

As used in this title and title VIII:

(1) ADULT EDUCATION.—

(A) IN GENERAL.—The term "adult education" means services or instruction below the college level for adults who—

(i) lack sufficient education or literacy skills to enable the adults to function effectively in society; or

(ii) do not have a certificate of graduation from a school providing secondary education (as determined under State law) and who have not achieved an equivalent level of education.

(B) ADULT.—As used in subparagraph (A), the term "adult" means an individual who is age 16 or older, or beyond the age of compulsory school attendance under State law, and who is not enrolled in secondary school.

(2) AREA VOCATIONAL EDUCATION SCHOOL.—The term "area vocational education school" means—

(A) a specialized secondary school used exclusively or principally for the provision of vocational education to individuals who are available for study in preparation for entering the labor market;

(B) the department of a secondary school exclusively or principally used for providing vocational education in not fewer than 5 different occupational fields to individuals who are available for study in preparation for entering the labor market;

(C) a technical institute or vocational school used exclusively or principally for the provision of vocational education to individuals who have completed or left secondary school and who are available for study in preparation for entering the labor market, if the institute or school admits as regular students both individuals who have completed secondary school and individuals who have left secondary school; or

(D) the department or division of a junior college, community college, or university that provides vocational education in not fewer than 5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if the department or division admits as regular students both individuals who have completed secondary school and individuals who have left secondary school.

(3) AT-RISK YOUTH.—The term "at-risk youth" means an individual who—

(A) is not less than age 15 and not more than age 24; and

(B)(i) is determined under guidelines developed by the Governing Board to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; or

(ii) is a dependent of a family that is determined under guidelines developed by the Governing Board to be low-income, using such data.

(4) CHIEF ELECTED OFFICIAL.—The term "chief elected official" means the chief elected officer of a unit of general local government in a substate area.

(5) COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" means a private nonprofit organization of demonstrated effectiveness that is representative of a community or a significant segment of a community and that provides workforce development activities.

(6) COVERED ACTIVITY.—The term "covered activity" means an activity authorized to be carried out under a provision described in section 781(b) (as such provision was in effect on the day before the date of enactment of this Act).

(7) DISLOCATED WORKER.—The term "dislocated worker" means an individual who—

(A) has been terminated from employment and is eligible for unemployment compensation;

(B) has received a notice of termination of employment as a result of any permanent closure, or any layoff of 50 or more people, at a plant, facility, or enterprise;

(C) is long-term unemployed;

(D) was self-employed (including a farmer and a rancher) but is unemployed due to local economic conditions;

(E) is a displaced homemaker; or

(F) has become unemployed as a result of a Federal action that limits the use of, or restricts access to, a marine natural resource.

(8) DISPLACED HOMEMAKER.—The term "displaced homemaker" means an individual who was a full-time homemaker for a substantial number of years, as determined under guidelines developed by the Governing Board, and who no longer receives financial support previously provided by a spouse or by public assistance.

(9) ECONOMIC DEVELOPMENT ACTIVITIES.—The term "economic development activities" means the activities described in section 716(e).

(10) EDUCATIONAL SERVICE AGENCY.—The term "educational service agency" means a regional public multiservice agency authorized by State statute to develop and manage a service or program, and provide the service or program to a local educational agency.

(11) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL.—The terms "elementary school", "local educational agency" and "secondary school" have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(12) FEDERAL PARTNERSHIP.—The term "Federal Partnership" means the Workforce Development Partnership established in section 771.

(13) FLEXIBLE WORKFORCE ACTIVITIES.—The term "flexible workforce activities" means the activities described in section 716(d).

(14) GOVERNING BOARD.—The term "Governing Board" means the Governing Board of the Federal Partnership.

(15) INDIVIDUAL WITH A DISABILITY.—

(A) IN GENERAL.—The term "individual with a disability" means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

(B) INDIVIDUALS WITH DISABILITIES.—The term "individuals with disabilities" means more than 1 individual with a disability.

(16) LOCAL ENTITY.—The term "local entity" means a public or private entity responsible for local workforce development activities or workforce preparation activities for at-risk youth.

(17) LOCAL PARTNERSHIP.—The term "local partnership" means a partnership referred to in section 728(a).

(18) OLDER WORKER.—The term "older worker" means an individual who is age 55 or older and who is determined under guidelines developed by the Governing Board to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination.

(19) OUTLYING AREA.—The term "outlying area" means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(20) PARTICIPANT.—The term "participant" means an individual participating in workforce development activities or workforce preparation activities for at-risk youth, provided through a statewide system.

(21) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term "postsecondary educational institution" means an institution of higher education, as defined in section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)), that offers—

(A) a 2-year program of instruction leading to an associate's degree or a certificate of mastery; or

(B) a 4-year program of instruction leading to a bachelor's degree.

(22) RAPID RESPONSE ASSISTANCE.—The term "rapid response assistance" means workforce employment assistance provided in the case of a permanent closure, or layoff of 50 or more people, at a plant, facility, or enterprise, including the establishment of on-site contact with employers and employee representatives immediately after the State is notified of a current or projected permanent closure, or layoff of 50 or more people.

(23) SCHOOL-TO-WORK ACTIVITIES.—The term "school-to-work activities" means activities for youth that—

(A) integrate school-based learning and work-based learning;

(B) integrate academic and occupational learning;

(C) establish effective linkages between secondary education and postsecondary education;

(D) provide each youth participant with the opportunity to complete a career major; and

(E) provide assistance in the form of connecting activities that link each youth participant with an employer in an industry or occupation relating to the career major of the youth participant.

(24) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(25) STATE BENCHMARKS.—The term "State benchmarks", used with respect to a State, means—

(A) the quantifiable indicators established under section 731(c) and identified in the report submitted under section 731(a); and

(B) such other quantifiable indicators of the statewide progress of the State toward meeting the State goals as the State may identify in the report submitted under section 731(a).

(26) STATE EDUCATIONAL AGENCY.—The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary or secondary schools, or, if there is no such officer or agency, an officer or agency designated by the chief Governor or by State law.

(27) STATE GOALS.—The term "State goals", used with respect to a State, means—

(A) the goals specified in section 731(b); and

(B) such other major goals of the statewide system of the State as the State may identify in the report submitted under section 731(a).

(28) STATEWIDE SYSTEM.—The term "statewide system" means a statewide workforce development system, referred to in section 711, that is designed to integrate workforce employment activities, workforce education activities, flexible workforce activities, economic development activities (in a State that is eligible to carry out such activities), vocational rehabilitation program activities, and workforce preparation activities for at-risk youth in the State in order to enhance and develop more fully the academic, occupational, and literacy skills of all segments of the population of the State and assist participants in obtaining meaningful unsubsidized employment.

(29) SUBSTATE AREA.—The term "substate area" means a geographic area designated by a Governor that reflects, to the extent feasible, a local labor market in a State.

(30) TECH-PREP PROGRAM.—The term "tech-prep program" means a program of study that—

(A) combines at least 2 years of secondary education (as determined under State law) and 2 years of postsecondary education in a nonduplicative sequence;

(B) integrates academic and vocational instruction and utilizes worksite learning where appropriate;

(C) provides technical preparation in an area such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, a health occupation, or business;

(D) builds student competence in mathematics, science, communications, and workplace skills, through applied academics and integrated instruction in a coherent sequence of courses;

(E) leads to an associate degree or a certificate in a specific career field; and

(F) leads to placement in appropriate employment or further education.

(31) VOCATIONAL EDUCATION.—The term "vocational education" means organized educational programs that—

(A) offer a sequence of courses that provide individuals with the academic knowledge and skills the individuals need to prepare for further education and careers in current or emerging employment sectors; and

(B) include competency-based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills, and occupational-specific skills, of an individual.

(32) VOCATIONAL REHABILITATION PROGRAM.—The term "vocational rehabilitation program" means a program assisted under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).

(33) WELFARE ASSISTANCE.—The term "welfare assistance" means—

(A) assistance provided under part A of title IV of the Social Security Act; and

(B) assistance provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

(34) WELFARE RECIPIENT.—The term "welfare recipient" means—

(A) an individual who receives assistance under part A of title IV of the Social Security Act; and

(B) an individual who—

(i) is not an individual described in subparagraph (A); and

(ii) receives assistance under the Food Stamp Act of 1977.

(35) WORKFORCE DEVELOPMENT ACTIVITIES.—The term "workforce development activities" means workforce education activities, workforce employment activities, flexible workforce activities, and economic development activities (within a State that is eligible to carry out such activities).

(36) WORKFORCE EDUCATION ACTIVITIES.—The term "workforce education activities" means the activities described in section 716(b).

(37) WORKFORCE EMPLOYMENT ACTIVITIES.—The term "workforce employment activities" means the activities described in paragraphs (2) through (8) of section 716(a), including activities described in section 716(a)(6) provided through a voucher described in section 716(a)(9).

(38) WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.—The term "workforce preparation activities for at-risk youth" means the activities described in section 759(b), carried out for at-risk youth.

Subtitle B—Statewide Workforce Development Systems

CHAPTER 1—PROVISIONS FOR STATES AND OTHER ENTITIES

SEC. 711. STATEWIDE WORKFORCE DEVELOPMENT SYSTEMS ESTABLISHED.

For program year 1998 and each subsequent program year, the Governing Board shall make allotments under section 712 to States to assist the States in paying for the cost of establishing and carrying out activities through statewide workforce development systems, in accordance with this subtitle.

SEC. 712. STATE ALLOTMENTS.

(a) IN GENERAL.—The Governing Board shall allot to each State with a State plan approved under section 714 an amount equal to the total of the amounts made available under subparagraphs (A), (B), (C), and (D) of subsection (b)(2), adjusted in accordance with subsection (c).

(b) Allotments Based on Populations.—

(1) Definitions.—As used in this subsection:

(A) Adult recipient of assistance.—The term "adult recipient of assistance" means a recipient of assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) who is not a minor child (as defined in section 402(c)(1) of such Act).

(B) Individual in poverty.—The term "individual in poverty" means an individual who—

(i) is not less than age 18;

(ii) is not more than age 64; and

(iii) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(C) Poverty line.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(2) Calculation.—Except as provided in subsection (c), from the amount reserved under section 734(b)(1), the Governing Board—

(A) using funds equal to 60 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals who are not less than 15 and not more than 65 (as determined by the Governing Board using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State bears to the total number of such individuals in all States;

(B) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in all States;

(C) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in all States; and

(D) using funds equal to 20 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average monthly number of adult recipients of assistance (as determined by the Secretary of Health and Human Services for the most recent 12-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average monthly number of adult recipients of assistance (as so determined) in all States.

(c) Adjustments.—

(1) Definition.—As used in this subsection, the term "national average per capita payment", used with respect to a program year, means the amount obtained by dividing—

(A) the total amount allotted to all States under this section for the program year; by

(B) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Governing Board using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in all States.

(2) Minimum allotment.—Except as provided in paragraph (3), no State with a State plan approved under section 714 for a program year shall receive an allotment under this section for the program year in an amount that is less than 0.5 percent of the amount reserved under section 734(b)(1) for the program year.

(3) Limitation.—No State that receives an increase in an allotment under this section for a program year as a result of the application of paragraph (2) shall receive an allotment under this section for the program year in an amount that is more than the product obtained by multiplying—

(A) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Governing Board using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State; and

(B) the product obtained by multiplying—

(i) 1.3; and

(ii) the national average per capita payment for the program year.

SEC. 713. STATE APPORTIONMENT BY ACTIVITY.

(a) Activities.—From the sum of the funds made available to a State through an allotment received under section 712 and the funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) to carry out this title for a program year—

(1) a portion equal to 25 percent of such sum (which portion shall include the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act) shall be made available for workforce employment activities;

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 50 percent of such sum shall be made available for flexible workforce activities.

(b) Recipients.—In making an allotment under section 712 to a State, the Governing Board shall make a payment—

(1) to the Governor of the State for the portion described in subsection (a)(1), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan of the State submitted under section 714; and

(2) to the State educational agency of the State for the portion described in subsection (a)(2), and such part of the flex account as the State educational agency may be eligible to receive, as determined under the State plan of the State submitted under section 714.

SEC. 714. STATE PLANS.

(a) In General.—For a State to be eligible to receive an allotment under section 712, the Governor of the State shall submit to the Governing Board, and obtain approval of, a single comprehensive State workforce development plan (referred to in this section as a "State plan"), outlining a 3-year strategy for the statewide system of the State.

(b) Parts.—

(1) In general.—The State plan shall contain 3 parts.

(2) Strategic plan and flexible workforce activities.—The first part of the State plan shall describe a strategic plan for the statewide system, including the flexible workforce activities, and, if appropriate, economic development activities, that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the first part of the State plan, using procedures that are consistent with the procedures described in subsection (d).

(3) Workforce employment activities.—The second part of the State plan shall describe the workforce employment activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the second part of the State plan.

(4) Workforce education activities.—The third part of the State plan shall describe the workforce education activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The State educational agency of the State shall develop the third part of the State plan.

(c) Contents of the Plan.—The State plan shall include—

(1) with respect to the strategic plan for the statewide system—

(A) information describing how the State will identify the current and future workforce development needs of the industry sectors most important to the economic competitiveness of the State;

(B) information describing how the State will identify the current and future workforce development needs of all segments of the population of the State;

(C) information identifying the State goals and State benchmarks and how the goals and benchmarks will make the statewide system relevant and responsive to labor market and education needs at the local level;

(D) information describing how the State will coordinate workforce development activities to meet the State goals and reach the State benchmarks;

(E) information describing the allocation within the State of the funds made available through the flex account for the State, and how the flexible workforce activities, including school-to-work activities, to be carried out with such funds will be carried out to meet the State goals and reach the State benchmarks;

(F) information identifying how the State will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the statewide system;

(G) information identifying how any funds that a State receives under this subtitle will be leveraged with other public and private resources to maximize the effectiveness of such resources for all workforce development activities, and expand the participation of business, industry, labor, and individuals in the statewide system;

(H) information describing how the State will eliminate duplication in the administration and delivery of services under this title;

(I) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(J) an assurance that the funds made available under this subtitle will supplement and not supplant other public funds expended to provide workforce development activities;

(K) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for workforce development activities and vocational rehabilitation program activities;

(L) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this subtitle;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(M) the description referred to in subsection (d)(1); and

(N)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B),

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this subtitle, if the State receives an increase in an allotment under section 712 for a program year as a result of the application of section 712(c)(2); and

(B) describing the basic features of one-stop delivery of core services described in section 716(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 716(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost for achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 716(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vi) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop delivery with services provided through State welfare agencies; and

(vii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 716(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d); and

(G)(i) describing the steps that the State will take to segregate the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount allotted to the State from funds made available under such section 901(c)(1)(A) to carry out—

(I) the required activities described in clauses (ii) through (v) of section 716(a)(2)(B) and section 773; and

(II) any permissive activities carried out by the State that consist of—

(aa) the evaluation of programs provided through the statewide system of the State;

(bb) the provision of services through the statewide system for workers who have received notice of permanent or impending layoff, or workers in occupations that are experiencing limited demand due to technological change, the impact of imports, or plant closures; or

(cc) the administration of the work test for the State unemployment compensation system and provision of job finding and placement services for unemployment insurance claimants; and

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) representatives of elected officials of tribal governments;

(L) the representative of the Veterans' Employment Training Service assigned to the State under section 4103 of title 38, United States Code; and

(M) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Governing Board shall approve a State plan if the Governing Board—

(1) determines that the plan contains the information described in subsection (c);

(2) determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) has negotiated State benchmarks with the State in accordance with section 731(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Governing Board regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) on-the-job training;

(B) occupational skills training;

(C) entrepreneurial training;

(D) training to develop work habits to help individuals obtain and retain employment;

(E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;

(F) rapid response assistance for dislocated workers;

(G) skill upgrading and retraining for persons not in the workforce;

(H) preemployment and work maturity skills training for youth;

(I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(J) programs for adults that combine workplace training with related instruction;

(K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(L) case management services;

(M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(N) followup services for participants who are placed in unsubsidized employment; and

(O) workfare.

(7) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(9) VOUCHERS.—

(A) IN GENERAL.—A State may deliver some or all of the workforce employment activities described in paragraph (6) that are provided under this subtitle through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) ELIGIBILITY REQUIREMENTS.—

(i) IN GENERAL.—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 714 the criteria that will be used to determine—

(I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;

(II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and

(III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) CONSIDERATIONS.—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) ACCOUNTABILITY REQUIREMENTS.—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

(i) information concerning how the State will utilize the statewide comprehensive labor market information system described in section 773(c) and the job placement accountability system established under section 731(d) to provide timely and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the

State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(b) Workforce Education Activities.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) Fiscal Requirements for Workforce Education Activities.—

(1) Supplement not supplant.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) Maintenance of effort.—

(A) Determination.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Governing Board determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) Waiver.—The Governing Board may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) Flexible Workforce Activities.—

(1) Core flexible workforce activities.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) Permissible flexible workforce activities.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) Economic Development Activities.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) Limitations.—

(1) Wages.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) Relocation.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) Training and assessments following relocation.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) Limitations on Participants.—

(1) Diploma or equivalent.—

(A) In general.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of section 716(a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) Exception.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of section 716(a)(6) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) Services.—

(A) Referral.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of section 716(a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) State provision of services.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of section 716(a)(6); and

(ii) are otherwise unable to obtain such services.

SEC. 717. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.

(a) Purpose.—

(1) In general.—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) Indian policy.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) Definitions.—As used in this section:

(1) Alaska native.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) Indian, Indian tribe, and tribal organization.—The terms "Indian", "Indian tribe", and "tribal organization" have the same meanings given such terms in subsections (d), (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) Institution of higher education.—The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) Native Hawaiian and Native Hawaiian organization.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term "tribally controlled postsecondary vocational institution" means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 734(b)(2), the Governing Board shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations serving Indians or Alaska Natives, and Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Governing Board shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Governing Board in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians and Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians and Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; and

(iii) supplemental services to recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); and

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Governing Board a plan that describes a 3-year strategy for meeting the needs of Indian and Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—The Governing Board shall establish an office within the Federal Partnership to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Governing Board, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Governing Board shall provide such administrative support to the office established under paragraph (1) as the Governing Board determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Governing Board, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

SEC. 718. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 734(b)(3), the Governing Board shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Governing Board shall issue regulations specifying the provisions of this title that shall apply to outlying areas that receive funds under this subtitle.

CHAPTER 2—LOCAL PROVISIONS

SEC. 721. LOCAL APPORTIONMENT BY ACTIVITY.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (1) and (3) of section 713(a) for workforce employment activities shall be made available to the Governor of such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 25 percent shall be reserved by the Governor to carry out workforce employment activities through the statewide system; and

(B) 75 percent shall be distributed by the Governor to local entities to carry out workforce employment activities through the statewide system, based on—

(i) such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65, individuals in poverty, unemployed individuals, and adult recipients of assistance, as determined using the definitions specified and the determinations described in section 712(b); and

(ii) such additional factors as the Governor (in consultation with local partnerships described in section 728(a) or, where established, local workforce development boards described in section 728(b)), determines to be necessary.

(b) WORKFORCE EDUCATION ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (2) and (3) of section 713(a) for workforce education activities shall be made available to the State educational agency serving such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 20 percent shall be reserved by the State educational agency to carry out statewide workforce education activities through the statewide system, of which not more than 5 percent of such 20 percent may be used for administrative expenses; and

(B) 80 percent shall be distributed by the State educational agency to entities eligible for financial assistance under section 722, 723, or 724, to carry out workforce education activities through the statewide system.

(3) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with sections 722, 723, and 724 for such year for workforce education activities in such State in each of the following areas:

(A) Secondary school vocational education, or postsecondary and adult vocational education, or both; and

(B) Adult education.

(c) SPECIAL RULE.—Nothing in this subtitle shall be construed to prohibit any individual or agency in a State (other than the State educational agency) that is administering workforce education activities on the day preceding the date of enactment of this Act from continuing to administer such activities under this subtitle.

SEC. 722. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

(a) ALLOCATION.—Except as otherwise provided in this section and section 725, each State educational agency shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) by such agency for secondary school vocational education under section 721(b)(3)(A) to local educational agencies within the State as follows:

(1) SEVENTY PERCENT.—From 70 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the amount such local educational agency was allocated under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the preceding fiscal year bears to the total amount received under such section by all local educational agencies in the State for such year.

(2) TWENTY PERCENT.—From 20 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(a)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(a)(5)) served by such local educational agency for the preceding fiscal year bears to the total number of such students served by all local educational agencies in the State for such year.

(3) TEN PERCENT.—From 10 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State for such year.

(b) MINIMUM ALLOCATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no local educational agency shall receive an allocation under subsection (a) unless the amount allocated to such agency under subsection (a) is not less than $15,000. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

(2) WAIVER.—The State educational agency may waive the application of paragraph (1) in any case in which the local educational agency—

(A) is located in a rural, sparsely-populated area; and

(B) demonstrates that such agency is unable to enter into a consortium for purposes of providing services under this section.

(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) or (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

(c) LIMITED JURISDICTION AGENCIES.—

(1) IN GENERAL.—In applying the provisions of subsection (a), no State educational agency receiving assistance under this subtitle shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

(2) SPECIAL RULE.—The amount to be allocated under paragraph (1) to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that entered such secondary schools in the previous year from the elementary schools involved.

(d) ALLOCATIONS TO AREA VOCATIONAL EDUCATION SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

(1) IN GENERAL.—Each State educational agency shall distribute the portion of funds made available for any program year by such agency for secondary school vocational education under section 721(b)(3)(A) to the appropriate area vocational education school or educational service agency in any case in which—

(A) the area vocational education school or educational service agency, and the local educational agency concerned—

(i) have formed or will form a consortium for the purpose of receiving funds under this section; or

(ii) have entered into or will enter into a cooperative arrangement for such purpose; and

(B)(i) the area vocational education school or educational service agency serves an approximately equal or greater proportion of students who are individuals with disabilities or are low-income than the proportion of such students attending the secondary schools under the jurisdiction of all of the local educational agencies sending students to the area vocational education school or the educational service agency; or

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is unable to meet the criterion described in clause (i) due to the lack of interest by students described in clause (i) in attending vocational education programs in that area vocational education school or educational service agency.

(2) ALLOCATION BASIS.—If an area vocational education school or educational service agency meets the requirements of paragraph (1), then—

(A) the amount that will otherwise be distributed to the local educational agency under this section shall be allocated to the area vocational education school, the educational service agency, and the local educational agency, based on each school's or agency's relative share of students described in paragraph (1)(B)(i) who are attending vocational education programs (based, if practicable, on the average enrollment for the prior 3 years); or

(B) such amount may be allocated on the basis of an agreement between the local educational agency and the area vocational education school or educational service agency.

(3) STATE DETERMINATION.—

(A) IN GENERAL.—For the purposes of this subsection, the State educational agency may determine the number of students who are low-income on the basis of—

(i) eligibility for—

(I) free or reduced-price meals under the National School Lunch Act (7 U.S.C. 1751 et seq.);

(II) assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(III) benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(IV) services under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.); and

(ii) another index of economic status, including an estimate of such index, if the State educational agency demonstrates to the satisfaction of the Governing Board that such index is a more representative means of determining such number.

(B) DATA.—If a State educational agency elects to use more than 1 factor described in subparagraph (A) for purposes of making the determination described in such subparagraph, the State educational agency shall ensure that the data used is not duplicative.

(4) APPEALS PROCEDURE.—The State educational agency shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational education school or an educational service agency with respect to the allocation procedures described in this section, including the decision of a local educational agency to leave a consortium.

(5) SPECIAL RULE.—Notwithstanding the provisions of paragraphs (1), (2), (3), and (4), any local educational agency receiving an allocation that is not sufficient to conduct a secondary school vocational education program of sufficient size, scope, and quality to be effective may—

(A) form a consortium or enter into a cooperative agreement with an area vocational education school or educational service agency offering secondary school vocational education programs of sufficient size, scope, and quality to be effective and that are accessible to students who are individuals with disabilities or are low-income, and are served by such local educational agency; and

(B) transfer such allocation to the area vocational education school or educational service agency.

(e) SPECIAL RULE.—Each State educational agency distributing funds under this section shall treat a secondary school funded by the Bureau of Indian Affairs within the State as if such school were a local educational agency within the State for the purpose of receiving a distribution under this section.

SEC. 723. DISTRIBUTION FOR POSTSECONDARY AND ADULT VOCATIONAL EDUCATION.

(a) ALLOCATION.—

(1) IN GENERAL.—Except as provided in subsection (b) and section 725, each State educational agency, using the portion of the funds made available for any program year by such agency for postsecondary and adult vocational education under section 721(b)(3)(A)—

(A) shall reserve funds to carry out subsection (d); and

(B) shall distribute the remainder to eligible institutions or consortia of the institutions within the State.

(2) FORMULA.—Each such eligible institution or consortium shall receive an amount for the program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) from such remainder bears the same relationship to such remainder as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs

and are enrolled in programs offered by such institution or consortium for the preceding fiscal year bears to the number of all such individuals who are enrolled in any such program within the State for such preceding year.

(3) CONSORTIUM REQUIREMENTS.—In order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(A) provide services to all postsecondary institutions participating in the consortium; and

(B) are of sufficient size, scope, and quality to be effective.

(b) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Governing Board may waive the application of subsection (a) in the case of any State educational agency that submits to the Governing Board an application for such a waiver that—

(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of low-income individuals and that an alternative formula will result in such a distribution; and

(2) includes a proposal for an alternative formula that may include criteria relating to the number of individuals attending the institutions or consortia within the State who—

(A) receive need-based postsecondary financial aid provided from public funds;

(B) are members of families receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

(C) are enrolled in postsecondary educational institutions that—

(i) are funded by the State;

(ii) do not charge tuition; and

(iii) serve only low-income students;

(D) are enrolled in programs serving low-income adults; or

(E) are Pell Grant recipients.

(c) MINIMUM AMOUNT.—

(1) IN GENERAL.—No distribution of funds provided to any institution or consortium for a program year under this section shall be for an amount that is less than $50,000.

(2) REDISTRIBUTION.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia in accordance with the provisions of this section.

(d) SPECIAL RULE FOR CRIMINAL OFFENDERS.—Each State educational agency shall distribute the funds reserved under subsection (a)(1)(A) to 1 or more State corrections agencies to enable the State corrections agencies to administer vocational education programs for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(e) DEFINITION.—For the purposes of this section—

(1) the term "eligible institution" means an institution of higher education, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that seeks to receive financial assistance under this section;

(2) the term "institution of higher education", notwithstanding section 427(b)(2) of the Higher Education Amendments of 1992 (20 U.S.C. 1085 note), has the meaning given the term in section 435(b) of the Higher Education Act of 1965 as such section was in effect on July 22, 1992;

(3) the term "low-income", used with respect to a person, means a person who is determined under guidelines developed by the Governing Board to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; and

(4) the term "Pell Grant recipient" means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

SEC. 724. DISTRIBUTION FOR ADULT EDUCATION.

(a) IN GENERAL.—Except as provided in subsection (b)(3), from the amount made available by a State educational agency for adult education under section 721(b)(3)(B) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to establish or expand adult education programs.

(b) GRANT REQUIREMENTS.—

(1) ACCESS.—Each State educational agency making funds available for any program year for adult education under section 721(b)(3)(B) shall ensure that the entities described in subsection (a) will be provided direct and equitable access to all Federal funds provided under this section.

(2) CONSIDERATIONS.—In awarding grants under this section, the State educational agency shall consider—

(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which an applicant will coordinate and utilize other literacy and social services available in the community; and

(C) the commitment of the applicant to serve individuals in the community who are most in need of literacy services.

(3) CONSORTIA.—A State educational agency may award a grant under subsection (a) to a consortium that includes an entity described in subsection (a) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the purposes of this title; and

(B) enters into a contract with the entity described in subsection (a) for the purpose of establishing or expanding adult education programs.

(c) LOCAL ADMINISTRATIVE COSTS LIMITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by a State educational agency to an agency, organization, institution, or consortium described in subsection (a), at least 95 percent shall be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the State educational agency shall negotiate with the agency, organization, institution, or consortium described in subsection (a) in order to determine an adequate level of funds to be used for noninstructional purposes.

SEC. 725. SPECIAL RULE FOR MINIMAL ALLOCATION.

(a) GENERAL AUTHORITY.—For any program year for which a minimal amount is made available by a State educational agency for distribution under section 722 or 723 such agency may, notwithstanding the provisions of section 722 or 723, respectively, in order to make a more equitable distribution of funds for programs serving the highest numbers of low-income individuals (as defined in section 723(e)), distribute such minimal amount—

(1) on a competitive basis; or

(2) through any alternative method determined by the State educational agency.

(b) MINIMAL AMOUNT.—For purposes of this section, the term "minimal amount" means not more than 15 percent of the total amount made available by the State educational agency under section 721(b)(3)(A) for section 722 or 723, respectively, for such program year.

SEC. 726. REDISTRIBUTION.

(a) IN GENERAL.—In any program year that an entity receiving financial assistance under section 722 or 723 does not expend all of the amounts distributed to such entity for such year under section 722 or 723, respectively, such entity shall return any unexpended amounts to the State educational agency for distribution under section 722 or 723, respectively.

(b) REDISTRIBUTION OF AMOUNTS RETURNED LATE IN A PROGRAM YEAR.—In any program year in which amounts are returned to the State educational agency under subsection (a) for programs described in section 722 or 723 and the State educational agency is unable to redistribute such amounts according to section 722 or 723, respectively, in time for such amounts to be expended in such program year, the State educational agency shall retain such amounts for distribution in combination with amounts provided under such section for the following program year.

SEC. 727. LOCAL APPLICATION FOR WORKFORCE EDUCATION ACTIVITIES.

(a) IN GENERAL.—

(1) IN GENERAL.—Each eligible entity desiring financial assistance under this subtitle for workforce education activities shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as such agency (in consultation with such other educational entities as the State educational agency determines to be appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State workforce development plan.

(2) DEFINITION.—For the purpose of this section the term "eligible entity" means an entity eligible for financial assistance under section 722, 723, or 724 from a State educational agency.

(b) CONTENTS.—Each application described in subsection (a) shall, at a minimum—

(1) describe how the workforce education activities required under section 716(b), and other workforce education activities, will be carried out with funds received under this subtitle;

(2) describe how the activities to be carried out relate to meeting the State goals, and reaching the State benchmarks, concerning workforce education activities;

(3) describe how the activities to be carried out are an integral part of the comprehensive efforts of the eligible entity to improve education for all students and adults;

(4) describe the process that will be used to independently and continuously improve the performance of the eligible entity; and

(5) describe how the eligible entity will coordinate the activities of the entity with the activities of the local workforce development board, if any, in the substate area.

SEC. 728. LOCAL PARTNERSHIPS, AGREEMENTS, AND WORKFORCE DEVELOPMENT BOARDS.

(a) Local Agreements.—

(1) In general.—After a Governor submits the State plan described in section 714 to the Governing Board, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local partnerships (or, where established, local workforce development boards described in subsection (b)).

(2) Local partnerships.—

(A) In general.—A local partnership referred to in paragraph (1) shall be established by the local chief elected official, in accordance with subparagraphs (B) and (C), and shall consist of individuals representing business, industry, and labor, local secondary schools, local postsecondary education institutions, local adult education providers, local elected officials, rehabilitation agencies and organizations, and community-based organizations, within the appropriate substate area.

(B) Multiple jurisdictions.—In any case in which there are 2 or more units of general local government in the substate area involved, the chief elected official of each such unit shall appoint members of the local partnership in accordance with an agreement entered into by such chief elected officials. In the absence of such an agreement, such appointments shall be made by the Governor of the State involved from the individuals nominated or recommended by the chief elected officials.

(C) Selection of business and industry representatives.—Individuals representing business and industry in the local partnership shall be appointed by the chief elected official from nominations submitted by business organizations in the substate area involved. Such individuals shall reasonably represent the industrial and demographic composition of the business community. Where possible, at least 50 percent of such business and industry representatives shall be representatives of small business.

(3) Business and industry involvement.—The business and industry representatives shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

(4) Contents.—

(A) State goals and state benchmarks.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) Collaboration.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local partnership (or, where established, the local workforce development board);

collaborated in reaching the agreement.

(5) Failure to reach agreement.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local partnership (or, where established, the local workforce development board), the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(6) Exception.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) Local Workforce Development Boards.—

(1) In general.—Each State may facilitate the establishment of local workforce development boards in each substate area to set policy and provide oversight over the workforce development activities in the substate area.

(2) Membership.—

(A) State criteria.—The Governor shall establish criteria for use by local chief elected officials in each substate area in the selection of members of the local workforce development boards, in accordance with the requirements of subparagraph (B).

(B) Representation requirement.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(i) representatives of business and industry in the substate area, who shall constitute a majority of the board;

(ii) representatives of labor, workers, and community-based organizations, who shall constitute not less than 25 percent of the members of the board;

(iii) representatives of local secondary schools, postsecondary education institutions, and adult education providers;

(iv) representatives of veterans; and

(v) 1 or more individuals with disabilities, or their representatives.

(C) Chair.—Each local workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(3) Conflict of interest.—No member of a local workforce development board shall vote on a matter relating to the provision of services by the member (or any organization that the member directly represents) or vote on a matter that would provide direct financial benefit to such member or the immediate family of such member or engage in any other activity determined by the Governor to constitute a conflict of interest.

(4) Functions.—The functions of the local workforce development board shall include—

(A) submitting to the Governor a single comprehensive 3-year strategic plan for workforce development activities in the substate area that includes information—

(i) identifying the workforce development needs of local industries, students, jobseekers, and workers;

(ii) identifying the workforce development activities to be carried out in the substate area with funds received through the allotment made to the State under section 712, to meet the State goals and reach the State benchmarks; and

(iii) identifying how the local workforce development board will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the workforce development activities carried out in the substate area;

(B) entering into local agreements with the Governor as described in subsection (a);

(C) overseeing the operations of the one-stop delivery of core services described in section 716(a)(2) in the substate area, including the responsibility to—

(i) designate local entities to operate the one-stop delivery in the substate area, consistent with the criteria referred to in section 716(a)(2); and

(ii) develop and approve the budgets and annual operating plans of the providers of the one-stop delivery; and

(D) submitting annual reports to the Governor on the progress being made in the substate area toward meeting the State goals and reaching the State benchmarks.

(5) Consultation.—A local workforce development board that serves a substate area shall conduct the functions described in paragraph (4) in consultation with the chief elected officials in the substate area.

(c) Economic Development Activities.—A State shall be eligible to use the funds made available through the flex account for flexible workforce activities to carry out economic development activities if—

(1) the boards described in section 715 and subsection (b) are established in the State; or

(2) in the case of a State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle, the board described in section 715 is established in the State.

CHAPTER 3—ADMINISTRATION

SEC. 731. ACCOUNTABILITY.

(a) Report.—

(1) In general.—Each State that receives an allotment under section 712 shall annually prepare and submit to the Governing Board a report that states how the State is performing on State benchmarks specified in this section, which relate to workforce development activities carried out through the statewide system of the State. In preparing the report, the State may include information on such additional benchmarks as the State may establish to meet the State goals.

(2) Consolidated report.—In lieu of submitting separate reports under paragraph (1) and section 409(a) of the Social Security Act, the State may prepare a consolidated report. Any consolidated report prepared under this paragraph shall contain the information described in paragraph (1) and subsections (a) through (h) of section 409 of the Social Security Act. The State shall submit any consolidated report prepared under this paragraph to the Governing Board, the Secretary of Agriculture, and the Secretary of Health and Human Services, on the dates specified in section 409(a) of the Social Security Act.

(b) Goals.—

(1) Meaningful employment.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of assisting participants in obtaining meaningful unsubsidized employment opportunities in the State.

(2) Education.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of enhancing and developing more fully the academic, occupational, and literacy skills of all segments of the population of the State.

(c) Benchmarks.—

(1) Meaningful employment.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of

the State toward meeting the goal described in subsection (b)(1), which shall include, at a minimum, measures of—

(A) placement in unsubsidized employment of participants;

(B) retention of the participants in such employment (12 months after completion of the participation); and

(C) increased earnings for the participants.

(2) EDUCATION.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(2), which shall include, at a minimum, measures of—

(A) student mastery of academic knowledge and work readiness skills;

(B) student mastery of occupational and industry-recognized skills according to skill proficiencies for students in career preparation programs;

(C) placement in, retention in, and completion of secondary education (as determined under State law) and postsecondary education, and placement and retention in employment and in military service; and

(D) mastery of the literacy, knowledge, and skills adults need to be productive and responsible citizens and to become more actively involved in the education of their children.

(3) POPULATIONS.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure progress toward meeting the goals described in subsection (b) for populations including, at a minimum—

(A) welfare recipients (including a benchmark for welfare recipients described in section 3(34)(B));

(B) individuals with disabilities;

(C) older workers;

(D) at-risk youth; and

(E) dislocated workers.

(4) SPECIAL RULE.—If a State has developed performance indicators, attainment levels, or assessments for skills according to challenging academic, occupational, or industry-recognized skill proficiencies, the State shall use such performance indicators, attainment levels, or assessments in measuring the progress of all students in attaining the skills.

(5) NEGOTIATIONS.—

(A) INITIAL DETERMINATION.—On receipt of a State plan submitted under section 714, the Governing Board shall, not later than 30 days after the date of the receipt, determine—

(i) how the proposed State benchmarks identified by the State in the State plan compare to the model benchmarks established by the Governing Board under section 771(b)(4)(B)(ii);

(ii) how the proposed State benchmarks compare with State benchmarks proposed by other States in their State plans; and

(iii) whether the proposed State benchmarks, taken as a whole, are sufficient—

(I) to enable the State to meet the State goals; and

(II) to make the State eligible for an incentive grant under section 732(a).

(B) NOTIFICATION.—The Governing Board shall immediately notify the State of the determinations referred to in subparagraph (A). If the Governing Board determines that the proposed State benchmarks are not sufficient to make the State eligible for an incentive grant under section 732(a), the Governing Board shall provide the State with guidance on the steps the State may take to allow the State to become eligible for the grant.

(C) REVISION.—Not later than 30 days after the date of receipt of the notification referred to in subparagraph (B), the State may revise some or all of the State benchmarks identified in the State plan in order to become eligible for the incentive grant or provide reasons why the State benchmarks should be sufficient to make the State eligible for the incentive grant.

(D) FINAL DETERMINATION.—After reviewing any revised State benchmarks or information submitted by the State in accordance with subparagraph (C), the Governing Board shall issue a final determination on the eligibility of the State for the incentive grant.

(6) INCENTIVE GRANTS.—Each State that sets high benchmarks under paragraph (1), (2), or (3) and reaches or exceeds the benchmarks, as determined by the Governing Board, shall be eligible to receive an incentive grant under section 732(a).

(7) SANCTIONS.—A State that has failed to demonstrate sufficient progress toward reaching the State benchmarks established under this subsection for the 3 years covered by a State plan described in section 714, as determined by the Governing Board, may be subject to sanctions under section 732(b).

(d) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—

(1) IN GENERAL.—Each State that receives an allotment under section 712 shall establish a job placement accountability system, which will provide a uniform set of data to track the progress of the State toward reaching the State benchmarks.

(2) DATA.—

(A) IN GENERAL.—In order to maintain data relating to the measures described in subsection (c)(1), each such State shall establish a job placement accountability system using quarterly wage records available through the unemployment insurance system. The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), in conjunction with the Commissioner of Labor Statistics, shall maintain the job placement accountability system and match information on participants served by the statewide systems of the State and other States with quarterly employment and earnings records.

(B) REIMBURSEMENT.—Each local entity that carries out workforce employment activities or workforce education activities and that receives funds under this subtitle shall provide information regarding the social security numbers of the participants served by the entity and such other information as the State may require to the State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B).

(C) CONFIDENTIALITY.—The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), shall protect the confidentiality of information obtained through the job placement accountability system through the use of recognized security procedures.

(e) INDIVIDUAL ACCOUNTABILITY.—Each State that receives an allotment under section 712 shall devise and implement procedures to provide, in a timely manner, information on participants in activities carried out through the statewide system who are participating as a condition of receiving welfare assistance. The procedures shall require that the State provide the information to the State and local agencies carrying out the programs through which the welfare assistance is provided, in a manner that ensures that the agencies can monitor compliance with the conditions regarding the receipt of the welfare assistance.

SEC. 732. INCENTIVES AND SANCTIONS.

(a) INCENTIVES.—

(1) IN GENERAL.—The Governing Board may award incentive grants of not more than $15,000,000 per program year to a State that—

(A) reaches or exceeds State benchmarks established under section 731(c), with an emphasis on the benchmarks established under section 731(c)(3), in accordance with section 731(c)(6); or

(B) demonstrates to the Governing Board that the State has made substantial reductions in the number of adult recipients of assistance, as defined in section 712(b)(1)(A), resulting from increased placement of such adult recipients of assistance.

(2) USE OF FUNDS.—A State that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(b) SANCTIONS.—

(1) FAILURE TO DEMONSTRATE SUFFICIENT PROGRESS.—If the Governing Board determines, after notice and an opportunity for a hearing, that a State has failed to demonstrate sufficient progress toward reaching the State benchmarks established under section 731(c) for the 3 years covered by a State plan described in section 714, the Governing Board may reduce the allotment of the State under section 712 by not more than 10 percent per program year for not more than 3 years. The Governing Board may determine that the failure of the State to demonstrate such progress is attributable to the workforce employment activities, workforce education activities, or flexible workforce activities, of the State, and reduce only the portion of the allotment for such activities.

(2) EXPENDITURE CONTRARY TO TITLE.—If the Governor of a State determines that a local entity that carries out workforce employment activities in a substate area of the State has expended funds made available under this title in a manner contrary to the purposes of this title, and such expenditures do not constitute fraudulent activity, the Governor may deduct an amount equal to the funds from a subsequent program year allocation to the substate area.

(c) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Governing Board may use an amount retained as a result of a reduction in an allotment made under subsection (b)(1) to award an incentive grant under subsection (a).

SEC. 733. UNEMPLOYMENT TRUST FUND.

(a) IN GENERAL.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking clause (ii) and inserting the following:

"(ii) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and"; and

(B) in subparagraph (B)—

(i) in the matter preceding clause (i), by striking "Department of Labor" and inserting "Department of Labor or the Workforce Development Partnership, as appropriate,"; and

(ii) by striking clause (iii) and inserting the following:

"(iii) the Workforce Development Act of 1995,"; and

(2) in the first sentence of paragraph (4), by striking "the total cost" and all that follows through "the President determines" and inserting "the total cost of administering the statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and of the necessary expenses of the Workforce Development Partnership for the performance of the functions of the partnership under such Act, as the President determines".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect July 1, 1998.

SEC. 734. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title (other than subtitle C) $6,127,000,000 for each of fiscal years 1998 through 2001.

(b) RESERVATIONS.—Of the amount appropriated under subsection (a)—

(1) 92.7 percent shall be reserved for making allotments under section 712;

(2) 1.25 percent shall be reserved for carrying out section 717;

(3) 0.2 percent shall be reserved for carrying out section 718;

(4) 4.3 percent shall be reserved for making incentive grants under section 732(a) and for the administration of this title;

(5) 0.15 percent shall be reserved for carrying out sections 772 and 774; and

(6) 1.4 percent shall be reserved for carrying out section 773.

(c) PROGRAM YEAR.—

(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) ADMINISTRATION.—Funds obligated for any program year may be expended by each recipient during the program year and the 2 succeeding program years and no amount shall be deobligated on account of a rate of expenditure that is consistent with the provisions of the State plan specified in section 714 that relate to workforce employment activities.

SEC. 735. EFFECTIVE DATE.

This subtitle shall take effect July 1, 1998.

Subtitle C—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL JOB CORPS PROVISIONS

SEC. 741. PURPOSES.

The purposes of this subtitle are—

(1) to maintain a Job Corps for at-risk youth as part of statewide systems;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of residential and nonresidential Job Corps centers in which enrollees will participate in intensive programs of workforce development activities;

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps; and

(5) to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens.

SEC. 742. DEFINITIONS.

As used in this subtitle:

(1) ENROLLEE.—The term "enrollee" means an individual enrolled in the Job Corps.

(2) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(3) JOB CORPS.—The term "Job Corps" means the corps described in section 743.

(4) JOB CORPS CENTER.—The term "Job Corps center" means a center described in section 743.

SEC. 743. GENERAL AUTHORITY.

If a State receives an allotment under section 759, and a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755, the State shall use a portion of the funds made available through the allotment to maintain the center, and carry out activities described in this subtitle for individuals enrolled in a Job Corps and assigned to the center.

SEC. 744. INDIVIDUALS ELIGIBLE FOR THE JOB CORPS.

To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 745. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The State shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps.

(2) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) one-stop career centers;

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(3) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

SEC. 746. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the State shall assign an enrollee to the Job Corps center within the State that is closest to the residence of the enrollee.

(2) AGREEMENTS WITH OTHER STATES.—The State may enter into agreements with 1 or more States to enroll individuals from the States in the Job Corps and assign the enrollees to Job Corps centers in the State.

SEC. 747. JOB CORPS CENTERS.

(a) DEVELOPMENT.—The State shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the establishment and operation of a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 748.

(c) CIVILIAN CONSERVATION CENTERS.—The Job Corps centers may include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(d) JOB CORPS OPERATORS.—To be eligible to receive funds under this chapter, an entity who entered into a contract with the Secretary of Labor that is in effect on the effective date of this section to carry out activities through a center under part B of title IV of the Job Training Partnership Act (as in effect on the day before the effective date of this section), shall enter into a contract with the State in which the center is located that contains provisions substantially similar to the provisions of the contract with the Secretary of Labor, as determined by the State.

SEC. 748. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 716(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment on completion of their enrollment.

(b) ARRANGEMENTS.—The State shall arrange for enrollees assigned to Job Corps centers in the State to receive workforce development activities through the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—Each Job Corps center located in a State shall be connected to the job placement accountability system of the State described in section 731(d).

SEC. 749. SUPPORT.

The State shall provide enrollees assigned to Job Corps centers in the State with such personal allowances as the State may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 750. OPERATING PLAN.

To be eligible to operate a Job Corps center and receive assistance under section 759 for program year 1998 or any subsequent program year, an entity shall prepare and submit, to the Governor of the State in which the center is located, and obtain the approval of the Governor for, an operating plan that shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the

achievement of the proposed State goals and State benchmarks identified in the State plan for the State submitted under section 714;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) by the State.

SEC. 751. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The State shall provide, and directors of Job Corps center shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding violence, drug abuse, and other criminal activity.

(b) DISCIPLINARY MEASURES.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Corps if the director determines that the retention of the enrollee in the Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees. If the director determines that an enrollee has engaged in an incident involving violence, drug abuse, or other criminal activity, the director shall immediately dismiss the enrollee from the Corps.

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the State.

SEC. 752. COMMUNITY PARTICIPATION.

The State shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities may include the use of any local workforce development boards established in the State under section 728(b) to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

SEC. 753. COUNSELING AND PLACEMENT.

The State shall ensure that enrollees assigned to Job Corps centers in the State receive counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 716(a)(2).

SEC. 754. LEASES AND SALES OF CENTERS.

(a) LEASES.—

(1) IN GENERAL.—The Secretary of Labor shall offer to enter into a lease with each State that has an approved State plan submitted under section 714 and in which 1 or more Job Corps centers are located.

(2) NOMINAL CONSIDERATION.—Under the terms of the lease, the Secretary of Labor shall lease the Job Corps centers in the State to the State in return for nominal consideration.

(3) INDEMNITY AGREEMENT.—To be eligible to lease such a center, a State shall enter into an agreement to hold harmless and indemnify the United States from any liability or claim for damages or injury to any person or property arising out of the lease.

(b) SALES.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary of Labor shall offer each State described in subsection (a)(1) the opportunity to purchase the Job Corps centers in the State in return for nominal consideration.

SEC. 755. CLOSURE OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS AUDIT.—Not later than March 31, 1997, the Governing Board shall conduct an audit of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the audit, including information indicating—

(1) the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part (referred to in this subtitle as a "Job Corps center"), the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses; and

(5) the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report.

(b) RECOMMENDATIONS OF GOVERNING BOARD.—

(1) RECOMMENDATIONS.—The Governing Board shall, based on the results of the audit described in subsection (a), make recommendations to the Secretary of Labor, including identifying 25 Job Corps centers to be closed by September 30, 1997.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the Governing Board shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the audit described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the audit described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the Governing Board may determine to be appropriate.

(B) COVERAGE OF STATES AND REGIONS.—Notwithstanding subparagraph (A), the Governing Board shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) ALLOWANCE FOR NEW JOB CORPS CENTERS.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the Governing Board shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) REPORT.—Not later than June 30, 1997, the Governing Board shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the Governing Board resulting from the audit described in subsection (a) together with the recommendations described in paragraph (1).

(c) CLOSURE.—The Secretary of Labor shall, after reviewing the report submitted under subsection (b)(3), close 25 Job Corps centers by September 30, 1997.

SEC. 756. INTERIM OPERATING PLANS FOR JOB CORPS CENTERS.

Part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.) is amended by inserting after section 439 the following section:

"SEC. 439A. OPERATING PLAN.

"(a) SUBMISSION OF PLAN.—To be eligible to operate a Job Corps center and receive assistance under this part for fiscal year 1997, an entity shall prepare and submit to the Secretary and the Governor of the State in which the center is located, and obtain the approval of the Secretary for, an operating plan that shall include, at a minimum, information indicating—

"(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the interim plan for the State submitted under section 762 of the Workforce Development Act of 1995;

"(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

"(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) by the State as identified in the interim plan.

"(b) SUBMISSION OF COMMENTS.—Not later than 30 days after receiving an operating plan described in subsection (a), the Governor of the State in which the center is located may submit comments on the plan to the Secretary.

"(c) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities carried out through the statewide system of the State in which the center is located.''.

SEC. 757. EFFECTIVE DATE.

(a) In General.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) Interim Provisions.—Sections 754 and 755, and the amendment made by section 756, shall take effect on the date of enactment of this Act.

CHAPTER 2—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

SEC. 759. WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.

(a) In General.—For program year 1998 and each subsequent program year, the Governing Board shall make allotments under subsection (c) to States to assist the States in paying for the cost of carrying out workforce preparation activities for at-risk youth, as described in this section.

(b) State Use of Funds.—

(1) Core activities.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 1, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) Permissible activities.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities, as described in subsection (e), to assist the entities in carrying out innovative programs to assist out-of-school at-risk youth in participating in school-to-work activities;

(B) make grants to eligible entities, as described in subsection (e), to assist the entities in providing work-based learning as a component of school-to-work activities, including summer jobs linked to year-round school-to-work programs; and

(C) carry out other workforce development activities specifically for at-risk youth.

(c) Allotments.—

(1) In general.—The Governing Board shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) Allotments based on fiscal year 1996 appropriations.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Governing Board shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) Allotments based on populations.—

(A) Definitions.—As used in this paragraph:

(i) Individual in poverty.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) Poverty line.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) Total allotments.—The Governing Board shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) Unemployed individuals.—From funds equal to 33⅓ percent of such remainder, the Governing Board shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) Individuals in poverty.—From funds equal to 33⅓ percent of such remainder, the Governing Board shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) At-risk youth.—From funds equal to 33⅓ percent of such remainder, the Governing Board shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) State Plan.—

(1) Information.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b)(2) will be carried out to meet the State goals and reach the State benchmarks.

(2) Limitation.—The Governing Board may not require a State to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) Application.—To be eligible to receive a grant under subparagraph (A) or (B) of subsection (b)(2) from a State, an entity shall prepare and submit to the Governor of the State an application at such time, in such manner, and containing such information as the Governor may require.

(f) Within State Distribution.—Of the funds allotted to a State under subsection (c)(3) for workforce preparation activities for at-risk youth for a program year—

(1) 15 percent shall be reserved by the Governor to carry out such activities through the statewide system; and

(2) 85 percent shall be distributed to local entities to carry out such activities through the statewide system.

(g) Authorization of Appropriations.—There are authorized to be appropriated to carry out this subtitle, $2,100,000,000 for each of fiscal years 1998 through 2001.

(h) Effective Date.—This chapter shall take effect on July 1, 1998.

Subtitle D—Transition Provisions

SEC. 761. WAIVERS.

(a) Waiver Authority.—

(1) In general.—Notwithstanding any other provision of Federal law, and except as provided in subsection (d), the Secretary may waive any requirement under any provision of law relating to a covered activity, or of any regulation issued under such a provision, for—

(A) a State that requests such a waiver and submits an application as described in subsection (b); or

(B) a local entity that requests such a waiver and complies with the requirements of subsection (c);

in order to assist the State or local entity in planning or developing a statewide system or workforce development activities to be carried out through the statewide system.

(2) Term.—

(A) In general.—Except as provided in subparagraph (B), each waiver approved pursuant to this section shall be for a period beginning on the date of the approval and ending on June 30, 1998.

(B) Failure to submit interim plan.—If a State receives a waiver under this section and fails to submit an interim plan under section 762 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997. If a local entity receives a waiver under this section, and the State in which the local entity is located fails to submit an interim plan under section 762 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997.

(b) State Request for Waiver.—

(1) In general.—A State may submit to the Secretary a request for a waiver of 1 or more requirements referred to in subsection (a). The request may include a request for different waivers with respect to different areas within the State.

(2) Application.—To be eligible to receive a waiver described in subsection (a), a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including information—

(A) identifying the requirement to be waived and the goal that the State (or the local agency applying to the State under subsection (c)) intends to achieve through the waiver;

(B) identifying, and describing the actions that the State will take to remove, similar State requirements;

(C) describing the activities to which the waiver will apply, including information on how the activities may be continued, or related to activities carried out, under the statewide system of the State;

(D) describing the number and type of persons to be affected by such waiver; and

(E) providing evidence of support for the waiver request by the State agencies or officials with jurisdiction over the requirement to be waived.

(c) Local Entity Request for Waiver.—

(1) In general.—A local entity that seeks a waiver of such a requirement shall submit to the State a request for the waiver and an application containing sufficient information to enable the State to comply with the requirements of subsection (b)(2). The State shall determine whether to submit a request and an application for a waiver to the Secretary, as provided in subsection (b).

(2) Time limit.—

(A) In general.—The State shall make a determination concerning whether to submit the request and application for a waiver as described in paragraph (1) not later than 30 days after the date on which the State receives the application from the local entity.

(B) DIRECT SUBMISSION.—

(i) IN GENERAL.—If the State does not make a determination to submit or does not submit the request and application within the 30-day time period specified in subparagraph (A), the local entity may submit the request and application to the Secretary.

(ii) REQUIREMENTS.—In submitting such a request, the local entity shall obtain the agreement of the State involved to comply with the requirements of this section that would otherwise apply to a State submitting a request for a waiver. In reviewing an application submitted by a local entity, the Secretary shall comply with the requirements of this section that would otherwise apply to the Secretary with respect to review of such an application submitted by a State.

(d) WAIVERS NOT AUTHORIZED.—The Secretary may not waive any requirement of any provision referred to in subsection (a), or of any regulation issued under such provision, relating to—

(1) the allocation of funds to States, local entities, or individuals;

(2) public health or safety, civil rights, occupational safety and health, environmental protection, displacement of employees, or fraud and abuse;

(3) the eligibility of an individual for participation in a covered activity, except in a case in which the State or local entity can demonstrate that the individuals who would have been eligible to participate in such activity without the waiver will participate in a similar covered activity; or

(4) a required supplementation of funds by the State or a prohibition against the State supplanting such funds.

(e) ACTIVITIES.—Subject to subsection (d), the Secretary may approve a request for a waiver described in subsection (a) that would enable a State or local entity to—

(1) use the assistance that would otherwise have been used to carry out 2 or more covered activities (if the State or local entity were not using the assistance as described in this section)—

(A) to address the high priority needs of unemployed persons and at-risk youth in the appropriate State or community for workforce employment activities or workforce education activities;

(B) to improve efficiencies in the delivery of the covered activities; or

(C) in the case of overlapping or duplicative activities—

(i) by combining the covered activities and funding the combined activities; or

(ii) by eliminating 1 of the covered activities and increasing the funding to the remaining covered activity; and

(2) use the assistance that would otherwise have been used for administrative expenses relating to a covered activity (if the State or local entity were not using the assistance as described in this section) to pay for the cost of developing an interim State plan described in section 762 or a State plan described in section 714.

(f) APPROVAL OR DISAPPROVAL.—The Secretary shall approve or disapprove any request submitted pursuant to subsection (b) or (c), not later than 45 days after the date of the submission and shall issue a decision that shall include the reasons for approving or disapproving the request.

(g) FAILURE TO ACT.—If the Secretary fails to approve or disapprove the request within the 45-day period described in subsection (f), the request shall be deemed to be approved on the day after such period ends. If the Secretary subsequently determines that the waiver relates to a matter described in subsection (d) and issues a decision that includes the reasons for the determination, the waiver shall be deemed to terminate on the date of issuance of the decision.

(h) DEFINITION.—As used in this section:

(1) LOCAL ENTITY.—The term "local entity" means—

(A) a local educational agency, with respect to any act by a local agency or organization relating to a covered activity that is a workforce education activity; and

(B) the local public or private agency or organization responsible for carrying out the covered activity at issue, with respect to any act by a local agency or organization relating to any other covered activity.

(2) SECRETARY.—The term "Secretary" means—

(A) the Secretary of Labor, with respect to any act relating to a covered activity carried out by the Secretary of Labor;

(B) the Secretary of Education, with respect to any act relating to a covered activity carried out by the Secretary of Education; and

(C) the Secretary of Health and Human Services, with respect to any act relating to a covered activity carried out by the Secretary of Health and Human Services.

(3) STATE.—The term "State" means—

(A) a State educational agency, with respect to any act by a State entity relating to a covered activity that is a workforce education activity; and

(B) the Governor, with respect to any act by a State entity relating to any other covered activity.

(i) CONFORMING AMENDMENTS.—

(1) Section 501 of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6211) is amended—

(A) in subsection (a), by striking "sections 502 and 503" and inserting "section 502";

(B) in subsection (b)(2)(B)(ii)—

(i) by striking "section 502(a)(1)(C) or 503(a)(1)(C), as appropriate," and inserting "section 502(a)(1)(C)"; and

(ii) by striking "section 502 or 503, as appropriate," and inserting "section 502";

(C) in subsection (c), by striking "section 502 or 503" and inserting "section 502"; and

(D) by striking "Secretaries" each place the term appears and inserting "Secretary of Education".

(2) Section 502(b) of such Act (20 U.S.C. 6212(b)) is amended—

(A) in paragraph (4), by striking the semicolon and inserting "; and";

(B) in paragraph (5), by striking "; and" and inserting a period; and

(C) by striking paragraph (6).

(3) Section 503 of such Act (20 U.S.C. 6213) is repealed.

(4) Section 504 of such Act (20 U.S.C. 6214) is amended—

(A) in subsection (a)(2)(B), by striking clauses (i) and (ii) and inserting the following clauses:

"(i) the provisions of law listed in paragraphs (2) through (5) of section 502(b);

"(ii) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

"(iii) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)."; and

(B) in subsection (b), by striking "paragraphs (1) through (3), and paragraphs (5) and (6), of section 503(b)" and inserting "paragraphs (2) through (4) and paragraphs (6) and (7) of section 505(b)".

(5) Section 505(b) of such Act (20 U.S.C. 6215(b)) is amended to read as follows:

"(b) USE OF FUNDS.—A State may use, under the requirements of this Act, Federal funds that are made available to the State and combined under subsection (a) to carry out school-to-work activities, except that the provisions relating to—

"(1) the matters specified in section 502(c);

"(2) basic purposes or goals;

"(3) maintenance of effort;

"(4) distribution of funds;

"(5) eligibility of an individual for participation;

"(6) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or

"(7) prohibitions or restrictions relating to the construction of buildings or facilities;

that relate to the program through which the funds described in subsection (a)(2)(B) were made available, shall remain in effect with respect to the use of such funds.".

SEC. 762. INTERIM STATE PLANS.

(a) IN GENERAL.—For a State or local entity in a State to use a waiver received under section 761 through June 30, 1998, and for a State to be eligible to submit a State plan described in section 714 for program year 1998, the Governor of the State shall submit an interim State plan to the Governing Board. The Governor shall submit the plan not later than June 30, 1997.

(b) REQUIREMENTS.—The interim State plan shall comply with the requirements applicable to State plans described in section 714.

(c) PROGRAM YEAR.—In submitting the interim State plan, the Governor shall indicate whether the plan is submitted—

(1) for review and approval for program year 1997; or

(2) solely for review.

(d) REVIEW.—In reviewing an interim State plan, the Governing Board may—

(1) in the case of a plan submitted for review and approval for program year 1997—

(A) approve the plan and permit the State to use a waiver as described in section 761 to carry out the plan; or

(B) disapprove the plan, and provide to the State reasons for the disapproval and technical assistance for developing an approvable plan to be submitted under section 714 for program year 1998; and

(2) in the case of a plan submitted solely for review, review the plan and provide to the State technical assistance for developing an approvable plan to be submitted under section 714 for program year 1998.

(e) EFFECT OF DISAPPROVAL.—Disapproval of an interim plan shall not affect the ability of a State to use a waiver as described in section 761 through June 30, 1998.

SEC. 763. APPLICATIONS AND PLANS UNDER COVERED ACTS.

Notwithstanding any other provision of law, no State or local entity shall be required to comply with any provision of a covered Act that would otherwise require the entity to submit an application or a plan to a Federal agency during fiscal year 1996 or 1997 for funding of a covered activity. In determining whether to provide funding to the State or local entity for the covered activity, the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services, as appropriate, shall consider the last application or plan, as appropriate, submitted by the entity for funding of the covered activity.

SEC. 764. INTERIM ADMINISTRATION OF SCHOOL-TO-WORK PROGRAMS.

(a) IN GENERAL.—Any provision of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.) that grants authority to the Secretary of Labor or the Secretary of

Education shall be considered to grant the authority to the Governing Board.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect on October 1, 1996.

SEC. 765. INTERIM AUTHORIZATIONS OF APPROPRIATIONS.

(a) OLDER AMERICAN COMMUNITY SERVICE EMPLOYMENT ACT.—Section 508(a)(1) of the Older American Community Service Employment Act (42 U.S.C. 3056f(a)(1)) is amended by striking "for fiscal years 1993, 1994, and 1995" and inserting "for each of fiscal years 1993 through 1998".

(b) CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(1) IN GENERAL.—Section 3(a) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2302(a)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1992 through 1998".

(2) RESEARCH.—Section 404(d) of such Act (20 U.S.C. 2404(d)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1992 through 1998".

(c) ADULT EDUCATION ACT.—

(1) IN GENERAL.—Section 313(a) of the Adult Education Act (20 U.S.C. 1201b(a)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1993 through 1998".

(2) STATE LITERACY RESOURCE CENTERS.—Section 356(k) of such Act (20 U.S.C. 1208aa(k)) is amended by striking "for each of the fiscal years 1994 and 1995" and inserting "for each of fiscal years 1994 through 1998".

(3) BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY.—Section 371(e)(1) of such Act (20 U.S.C. 1211(e)(1)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1993 through 1998".

(4) NATIONAL INSTITUTE FOR LITERACY.—Section 384(n)(1) of such Act (20 U.S.C. 1213c(n)(1)) is amended by striking "for each of the fiscal years" and all that follows through "1996" and inserting "for each of fiscal years 1992 through 1998".

Subtitle E—National Activities

SEC. 771. FEDERAL PARTNERSHIP.

(a) ESTABLISHMENT.—There is established a Workforce Development Partnership that shall administer the activities established under this title. The Federal Partnership shall be a Government corporation, as defined in section 103 of title 5, United States Code. The principal office of the Federal Partnership shall be located in the District of Columbia.

(b) GOVERNING BOARD.—

(1) COMPOSITION.—There shall be in the Federal Partnership a Governing Board that shall be composed of 13 individuals, including—

(A) 7 individuals who are representative of business and industry in the United States, appointed by the President by and with the advice and consent of the Senate;

(B) 2 individuals who are representative of labor and workers in the United States, appointed by the President by and with the advice and consent of the Senate;

(C) 2 individuals who are representative of education providers, 1 of whom is a State or local adult education provider and 1 of whom is a State or local vocational education provider, appointed by the President by and with the advice and consent of the Senate; and

(D) 2 Governors, representing different political parties, appointed by the President by and with the advice and consent of the Senate.

(2) TERMS.—Each member of the Governing Board shall serve for a term of 3 years, except that, as designated by the President—

(A) 5 of the members first appointed to the Governing Board shall serve for a term of 2 years;

(B) 4 of the members first appointed to the Governing Board shall serve for a term of 3 years; and

(C) 4 of the members first appointed to the Governing Board shall serve for a term of 4 years.

(3) VACANCIES.—Any vacancy in the Governing Board shall not affect the powers of the Governing Board, but shall be filled in the same manner as the original appointment. Any member appointed to fill such a vacancy shall serve for the remainder of the term for which the predecessor of such member was appointed.

(4) DUTIES AND POWERS.—

(A) POWERS.—The powers of the Federal Partnership shall be vested in the Governing Board.

(B) DUTIES.—The Governing Board shall—

(i) oversee the development and implementation of the nationwide integrated labor market information system described in section 773, and the job placement accountability system described in section 731(d);

(ii) establish model benchmarks for each of the benchmarks referred to in paragraph (1), (2), or (3) of section 731(c), at achievable levels based on existing (as of the date of the establishment of the benchmarks) workforce development efforts in the States;

(iii) negotiate State benchmarks with States in accordance with section 731(c)(5);

(iv) review and approve plans under section 714, and make allotments under section 712;

(v) receive and review reports described in section 731(a);

(vi) prepare and submit to the appropriate committees of Congress an annual report on the absolute and relative performance of States toward reaching the State benchmarks;

(vii) award annual incentive grants under section 732(a);

(viii) initiate sanctions described in section 732(b);

(ix) disseminate information to States on the best practices used by States to establish and carry out activities through statewide systems, including model programs to provide structured work and learning experiences for welfare recipients;

(x) perform the duties specified for the Governing Board in subtitles C and D;

(xi) review all federally funded programs providing workforce development activities, other than programs carried out under this title, and submit recommendations to Congress on how the federally funded programs could be integrated into the statewide systems of the States, including recommendations on the development of common terminology for activities and services provided through the programs;

(xii) review and approve the transition workplans developed by the Secretary of Labor and the Secretary of Education in accordance with sections 775 and 776; and

(xiii) oversee all activities of the Federal Partnership.

(C) FINAL DETERMINATIONS.—Notwithstanding any other provision of this title, the Secretary of Labor and the Secretary of Education shall jointly make the final determinations with respect to the approval of State plans, and the disbursement of funds, under this title.

(5) CHAIRPERSON.—The position of Chairperson of the Governing Board shall rotate annually among the appointed members described in paragraph (1)(A).

(6) MEETINGS.—The Governing Board shall meet at the call of the Chairperson but not less often than 4 times during each calendar year. Five members of the Governing Board shall constitute a quorum. All decisions of the Governing Board with respect to the exercise of the duties and powers of the Governing Board shall be made by a majority vote of the members of the Governing Board.

(7) COMPENSATION AND TRAVEL EXPENSES.—

(A) COMPENSATION.—Each member of the Governing Board who is not an officer or employee of the Federal Government shall be compensated at a rate to be fixed by the President but not to exceed the daily equivalent of the maximum rate authorized for a position above GS-15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Governing Board. All members of the Governing Board who are officers or employees of the United States shall serve without compensation in addition to compensation received for their services as officers or employees of the United States.

(B) EXPENSES.—While away from their homes or regular places of business on the business of the Governing Board, members of such Governing Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

(8) DATE OF APPOINTMENT.—The Governing Board shall be appointed not later than September 30, 1996.

(c) DIRECTOR.—

(1) IN GENERAL.—There shall be in the Federal Partnership a Director, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) COMPENSATION.—The Director shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(3) DUTIES.—The Director shall—

(A) make recommendations to the Governing Board regarding the activities described in subsection (b)(4)(B); and

(B) carry out the general administration and enforcement of this title.

(4) DATE OF APPOINTMENT.—The Director shall be appointed not later than September 30, 1996.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Federal Partnership without reimbursement, and such detail shall be without interruption or loss of civil service or privilege. The Secretary of Education, the Secretary of Labor, and the Secretary of Health and Human Services shall detail a sufficient number of employees to the Federal Partnership for the period beginning October 1, 1996 and ending June 30, 1998 to enable the Federal Partnership to carry out the functions of the Federal Partnership during such period.

(e) INSPECTOR GENERAL.—There shall be an Office of the Inspector General in the Federal Partnership. The Office shall be headed by an Inspector General appointed in accordance with the Inspector General Act of 1978 (5 U.S.C. App.). The Inspector General shall carry out the duties prescribed in such Act.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years 1996 and 1997 $500,000 to the Governing Board for the administration of this title.

(g) CONFORMING AMENDMENT.—Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(1) in paragraph (1), by inserting "the Governing Board of the Workforce Development Partnership;" after "the Attorney General;"; and

(2) in paragraph (2), by inserting "the Workforce Development Partnership;" after "Treasury;".

SEC. 772. NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS.

(a) IN GENERAL.—The Assistant Secretary for Educational Research and Improvement (referred to in this section as the "Assistant Secretary") shall conduct a national assessment of vocational education programs assisted under this title, through studies and analyses conducted independently through competitive awards.

(b) INDEPENDENT ADVISORY PANEL.—The Assistant Secretary shall appoint an independent advisory panel, consisting of vocational education administrators, educators, researchers, and representatives of business, industry, labor, and other relevant groups, to advise the Assistant Secretary on the implementation of such assessment, including the issues to be addressed and the methodology of the studies involved, and the findings and recommendations resulting from the assessment. The panel, in the discretion of the panel, may submit to Congress an independent analysis of the findings and recommendations resulting from the assessment. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel established under this subsection.

(c) CONTENTS.—The assessment required under subsection (a) shall include descriptions and evaluations of—

(1) the effect of this title on State and tribal administration of vocational education programs and on local vocational education practices, including the capacity of State, tribal, and local vocational education systems to address the purposes of this title;

(2) expenditures at the Federal, State, tribal, and local levels to address program improvement in vocational education, including the impact of Federal allocation requirements (such as within-State distribution formulas) on the delivery of services;

(3) preparation and qualifications of teachers of vocational and academic curricula in vocational education programs, as well as shortages of such teachers;

(4) participation in vocational education programs;

(5) academic and employment outcomes of vocational education, including analyses of—

(A) the effect of educational reform on vocational education;

(B) the extent and success of integration of academic and vocational curricula;

(C) the success of the school-to-work transition; and

(D) the degree to which vocational training is relevant to subsequent employment;

(6) employer involvement in, and satisfaction with, vocational education programs;

(7) the effect of benchmarks, performance measures, and other measures of accountability on the delivery of vocational education services; and

(8) the degree to which minority students are involved in vocational student organizations.

(d) CONSULTATION.—

(1) IN GENERAL.—The Secretary of Education shall consult with the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate in the design and implementation of the assessment required under subsection (a).

(2) REPORTS.—The Secretary of Education shall submit to Congress—

(A) an interim report regarding the assessment on or before January 1, 2000; and

(B) a final report, summarizing all studies and analyses that relate to the assessment and that are completed after the assessment, on or before July 1, 2000.

(3) PROHIBITION.—Notwithstanding any other provision of law or regulation, the reports required by this subsection shall not be subject to any review outside of the Office of Educational Research and Improvement before their transmittal to Congress, but the President, the Secretary, and the independent advisory panel established under subsection (b) may make such additional recommendations to Congress with respect to the assessment as the President, Secretary, or panel determine to be appropriate.

(e) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 773. LABOR MARKET INFORMATION.

(a) FEDERAL RESPONSIBILITIES.—The Governing Board, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide integrated labor market information system that shall include—

(1) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems, that, taken together, shall enumerate, estimate, and project the supply and demand for labor at the substate, State, and national levels in a timely manner, including data on—

(A) the demography, socioeconomic characteristics, and current employment status of the substate, State, and national populations (as of the date of the collection of the data), including self-employed, part-time, and seasonal workers;

(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution, of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

(C) the educational attainment, training, skills, skill levels, and occupations of the populations;

(D) information maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment for all individuals for whom the information is collected by the States; and

(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

(2) State and substate area employment and consumer information (which shall be current, comprehensive, automated, accessible, easy to understand, and in a form useful for facilitating immediate employment, entry into education and training programs, and career exploration) on—

(A) job openings, locations, hiring requirements, and application procedures, including profiles of industries in the local labor market that describe the nature of work performed, employment requirements, and patterns in wages and benefits;

(B) jobseekers, including the education, training, and employment experience of the jobseekers; and

(C) the cost and effectiveness of providers of workforce employment activities, workforce education activities, and flexible workforce activities, including the percentage of program completion, acquisition of skills to meet industry-recognized skill standards, continued education, job placement, and earnings, by participants, and other information that may be useful in facilitating informed choices among providers by participants;

(3) technical standards for labor market information that will—

(A) ensure compatibility of the information and the ability to aggregate the information from substate areas to State and national levels;

(B) support standardization and aggregation of the data from administrative reporting systems;

(C) include—

(i) classification and coding systems for industries, occupations, skills, programs, and courses;

(ii) nationally standardized definitions of labor market terms, including terms related to State benchmarks established pursuant to section 731(c);

(iii) quality control mechanisms for the collection and analysis of labor market information; and

(iv) common schedules for collection and dissemination of labor market information; and

(D) eliminate gaps and duplication in statistical undertakings, with a high priority given to the systemization of wage surveys;

(4) an analysis of data and information described in paragraphs (1) and (2) for uses such as—

(A) national, State, and substate area economic policymaking;

(B) planning and evaluation of workforce development activities;

(C) the implementation of Federal policies, including the allocation of Federal funds to States and substate areas; and

(D) research on labor market dynamics;

(5) dissemination mechanisms for data and analysis, including mechanisms that may be standardized among the States; and

(6) programs of technical assistance for States and substate areas in the development, maintenance, utilization, and continuous improvement of the data, information, standards, analysis, and dissemination mechanisms, described in paragraphs (1) through (5).

(b) JOINT FEDERAL-STATE RESPONSIBILITIES.—

(1) IN GENERAL.—The nationwide integrated labor market information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and the States receiving financial assistance under this title.

(2) ANNUAL PLAN.—The Governing Board shall, with the assistance of the Bureau of Labor Statistics and other Federal agencies, where appropriate, prepare an annual plan that shall be the mechanism for achieving the cooperative Federal-State governance structure for the nationwide integrated labor market information system. The plan shall—

(A) establish goals for the development and improvement of a nationwide integrated labor market information system based on information needs for achieving economic growth and productivity, accountability, fund allocation equity, and an understanding of labor market characteristics and dynamics;

(B) describe the elements of the system, including—

(i) standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting the data and information described in paragraphs (1) and (2) of subsection (a); and

(ii) assurances that—

(I) data will be sufficiently timely and detailed for uses including the uses described in subsection (a)(4);

(II) administrative records will be standardized to facilitate the aggregation of data from substate areas to State and national levels and to support the creation of new statistical series from program records; and

(III) paperwork and reporting requirements on employers and individuals will be reduced;

(C) recommend needed improvements in administrative reporting systems to be used for the nationwide integrated labor market information system;

(D) describe the current spending on integrated labor market information activities from all sources, assess the adequacy of the funds spent, and identify the specific budget needs of the Federal Government and States with respect to implementing and improving the nationwide integrated labor market information system;

(E) develop a budget for the nationwide integrated labor market information system that—

(i) accounts for all funds described in subparagraph (D) and any new funds made available pursuant to this title; and

(ii) describes the relative allotments to be made for—

(I) operating the cooperative statistical programs pursuant to subsection (a)(1);

(II) developing and providing employment and consumer information pursuant to subsection (a)(2);

(III) ensuring that technical standards are met pursuant to subsection (a)(3); and

(IV) providing the analysis, dissemination mechanisms, and technical assistance under paragraphs (4), (5), and (6) of subsection (a), and matching data;

(F) describe the involvement of States in developing the plan by holding formal consultations conducted in cooperation with representatives of the Governors of each State or the State workforce development board described in section 715, where appropriate, pursuant to a process established by the Governing Board; and

(G) provide for technical assistance to the States for the development of statewide comprehensive labor market information systems described in subsection (c), including assistance with the development of easy-to-use software and hardware, or uniform information displays.

For purposes of applying Office of Management and Budget Circular A-11 to determine persons eligible to participate in deliberations relating to budget issues for the development of the plan, the representatives of the Governors of each State and the State workforce development board described in subparagraph (F) shall be considered to be employees of the Department of Labor.

(c) STATE RESPONSIBILITIES.—

(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this title, the Governor of a State shall—

(A) establish an interagency process for the oversight of a statewide comprehensive labor market information system and for the participation of the State in the cooperative Federal-State governance structure for the nationwide integrated labor market information system; and

(B) designate a single State agency or entity within the State to be responsible for the management of the statewide comprehensive labor market information system.

(2) DUTIES.—In order to receive Federal financial assistance under this title, the State agency or entity within the State designated under paragraph (1)(B) shall—

(A) consult with employers and local workforce development boards described in section 728(b), where appropriate, about the labor market relevance of the data to be collected and displayed through the statewide comprehensive labor market information system;

(B) develop, maintain, and continuously improve the statewide comprehensive labor market information system, which shall—

(i) include all of the elements described in paragraphs (1), (2), (3), (4), (5), and (6) of subsection (a); and

(ii) provide the consumer information described in clauses (v) and (vi) of section 716(a)(2)(B) in a manner that shall be responsive to the needs of business, industry, workers, and jobseekers;

(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination, through the statewide comprehensive labor market information system;

(D) conduct such other data collection, analysis, and dissemination activities to ensure that State and substate area labor market information is comprehensive;

(E) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data;

(F) participate in the development of the national annual plan described in subsection (b)(2); and

(G) ensure that the matches required for the job placement accountability system by section 731(d)(2)(A) are made for the State and for other States.

(3) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this title.

(d) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 774. NATIONAL CENTER FOR RESEARCH IN EDUCATION AND WORKFORCE DEVELOPMENT.

(a) GRANTS AUTHORIZED.—From amounts made available under section 734(b)(5), the Governing Board is authorized to award a grant, on a competitive basis, to an institution of higher education, public or private nonprofit organization or agency, or a consortium of such institutions, organizations, or agencies, to enable such institution, organization, agency, or consortium to establish a national center to carry out the activities described in subsection (b).

(b) AUTHORIZED ACTIVITIES.—Grant funds made available under this section shall be used by the national center assisted under subsection (a)—

(1) to increase the effectiveness and improve the implementation of workforce development programs, including conducting research and development and providing technical assistance with respect to—

(A) combining academic and vocational education;

(B) connecting classroom instruction with work-based learning;

(C) creating a continuum of educational programs that provide multiple exit points for employment, which may include changes or development of instructional materials or curriculum;

(D) establishing high quality support services for all students to ensure access to workforce development programs, educational success, and job placement assistance;

(E) developing new models for remediation of basic academic skills, which models shall incorporate appropriate instructional methods, rather than using rote and didactic methods;

(F) identifying ways to establish links among educational and job training programs at the State and local levels;

(G) developing new models for career guidance, career information, and counseling services;

(H) identifying economic and labor market changes that will affect workforce needs;

(I) conducting preparation of teachers and professionals who work with programs funded under this title; and

(J) obtaining information on practices in other countries that may be adapted for use in the United States;

(2) to provide assistance to States and local recipients of assistance under this title in developing and using systems of performance measures and standards for improvement of programs and services; and

(3) to maintain a clearinghouse that will provide data and information to Federal, State, and local organizations and agencies about the condition of statewide systems and programs funded under this title, which data and information shall be disseminated in a form that is useful to practitioners and policymakers.

(c) OTHER ACTIVITIES.—The Governing Board may request that the national center assisted under subsection (a) conduct activities not described in subsection (b), or study topics not described in subsection (b), as the Governing Board determines to be necessary to carry out this title.

(d) IDENTIFICATION OF CURRENT NEEDS.—The national center assisted under subsection (a) shall identify current needs (as of the date of the identification) for research and technical assistance through a variety of sources including a panel of Federal, State, and local level practitioners.

(e) SUMMARY REPORT.—The national center assisted under subsection (a) shall annually prepare and submit to the Governing Board and Congress a report summarizing the research findings obtained, and the results of development and technical assistance activities carried out, under this section.

(f) DEFINITION.—As used in this section, the term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(g) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 775. TRANSFERS TO FEDERAL PARTNERSHIP.

(a) DEFINITIONS.—For purposes of this section, unless otherwise provided or indicated by the context—

(1) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

(2) the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(b) TRANSFER OF FUNCTIONS.—

(1) IN GENERAL.—There are transferred to the Federal Partnership, in accordance with subsection (c), all functions that the Secretary of Labor or the Secretary of Education exercised before the effective date of this section (including all related functions of any officer or employee of the Department of Labor or the Department of Education) that relate to a covered activity and that are minimally necessary to carry out the functions of the Federal Partnership. The authority of a transferred employee to carry out a function that relates to a covered activity shall terminate on July 1, 1998.

(2) OFFICE OF INSPECTOR GENERAL.—There are transferred to the Federal Partnership, in accordance with subsection (c), all functions that the Secretary of Labor or the Secretary of Education, acting through the Office of Inspector General of the Department of Labor or of the Department of Education, exercised before the effective date of this section (including all related functions of any officer or employee of the Department of Labor or the Department of Education) that relate to the auditing or investigation of a covered activity and that are minimally necessary to carry out the functions of the Federal Partnership. The authority of a transferred employee to carry out a function that relates to the auditing or investigation of a covered activity shall terminate on July 1, 1998.

(c) DETERMINATIONS OF FUNCTIONS BY THE GOVERNING BOARD.—

(1) TRANSITION WORKPLAN.—

(A) IN GENERAL.—Not later than the date of appointment of the Governing Board, the Secretary of Labor and the Secretary of Education shall prepare and submit to the Governing Board a proposed workplan that specifies the steps that the Secretaries will take, during the period ending on July 1, 1998, to carry out the transfers described in subsection (b).

(B) CONTENTS.—The proposed workplan shall include, at a minimum—

(i) an analysis of the functions that officers and employees of the Department of Labor and the Department of Education carry out (as of the date of the submission of the workplan) that relate to a covered activity or to the auditing or investigation of a covered activity;

(ii) information on the levels of personnel and funding used to carry out the functions (as of such date);

(iii) information on the proposed organizational structure for the Federal Partnership;

(iv) a determination of the functions described in clause (i) that are minimally necessary to carry out the functions of the Federal Partnership; and

(v) information on the levels of personnel and funding that are minimally necessary to carry out the functions of the Federal Partnership.

(2) REVIEW.—Not later than 30 days after the date of submission of the workplan, the Governing Board shall—

(A) review the workplan;

(B) approve the workplan or prepare a revised workplan that contains the analysis and information described in paragraph (1)(B), including a determination of the functions described in paragraph (1)(B)(iv), which shall be transferred under subsection (b); and

(C) submit the approved or revised workplan to the appropriate committees of Congress.

(d) PERSONNEL PROVISIONS.—

(1) APPOINTMENTS.—The Director may appoint and fix the compensation of such officers and employees, including investigators, attorneys, and administrative law judges, as may be necessary to carry out the functions of the Federal Partnership. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

(2) EXPERTS AND CONSULTANTS.—The Director may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including travel time) at rates not in excess of the rate of pay for level IV of the Executive Schedule under section 5315 of such title. The Director may pay experts and consultants who are serving away from their homes or regular place of business travel expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

(e) DELEGATION AND ASSIGNMENT.—Except where otherwise expressly prohibited by law or otherwise provided by this section, the Governing Board may delegate any function transferred or granted to such Federal Partnership after the effective date of this section to such officers and employees of the Federal Partnership as the Governing Board may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the Governing Board under this subsection or under any other provision of this section shall relieve such Governing Board of responsibility for the administration of such functions.

(f) REORGANIZATION.—The Governing Board may allocate or reallocate any function transferred or granted to such Federal Partnership after the effective date of this section among the officers of the Federal Partnership, and establish, consolidate, alter, or discontinue such organizational entities in the Federal Partnership as may be necessary or appropriate.

(g) RULES.—The Governing Board is authorized to prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Governing Board determines to be necessary or appropriate to administer and manage the functions of the Federal Partnership.

(h) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—

(1) IN GENERAL.—Except as otherwise provided in this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the Federal Partnership. Unexpended funds transferred pursuant to this subsection shall be used only to carry out the functions of the Federal Partnership.

(2) EXISTING FACILITIES AND OTHER FEDERAL RESOURCES.—Pursuant to paragraph (1), the Secretary of Labor and the Secretary of Education shall supply such office facilities, office supplies, support services, and related expenses as may be minimally necessary to carry out the functions of the Governing Board. None of the funds made available under this title may be used for the construction of office facilities for the Federal Partnership.

(i) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this section, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the objectives of this section.

(j) EFFECT ON PERSONNEL.—

(1) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this section, shall terminate on the effective date of this section.

(2) ACTIONS.—

(A) IN GENERAL.—The Secretary of Labor and the Secretary of Education shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that the positions of personnel that relate to a covered activity and are not transferred under subsection (b)(1) are separated from service.

(B) SCOPE.—The Secretary of Labor and the Secretary of Education shall take the actions described in subparagraph (A) with respect to not less than ⅓ of the positions of personnel that relate to a covered activity.

(C) DEFINITION.—As used in this paragraph, the term "positions of personnel that relate to a covered activity" shall not include any position in an Office of Inspector General that relates to the auditing or investigation of a covered activity.

(k) SAVINGS PROVISIONS.—

(1) SUITS NOT AFFECTED.—The provisions of this section shall not affect suits commenced before the effective date of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(2) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Labor or the Department of Education, or by or against any individual in the official capacity of such individual as an officer of the Department of Labor or the Department of Education, shall abate by reason of the enactment of this section.

(l) TRANSITION.—The Governing Board may utilize—

(1) the services of officers, employees, and other personnel of the Department of Labor or the Department of Education with respect to functions transferred to the Federal Partnership by this section; and

(2) funds appropriated to such functions;

for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(m) REFERENCES.—A reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to—

(1) the Secretary of Labor or the Secretary of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Governing Board; and

(2) the Department of Labor or the Department of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Federal Partnership.

(n) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Governing Board shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this section.

(2) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Governing Board shall submit the recommended legislation referred to in paragraph (1).

(o) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section shall take effect on June 30, 1998.

(2) REGULATIONS AND CONFORMING AMENDMENTS.—Subsections (g) and (n) shall take effect on September 30, 1996.

(3) WORKPLAN.—Subsection (c) shall take effect on the date of enactment of this Act.

SEC. 776. TRANSFERS TO OTHER FEDERAL AGENCIES AND OFFICES.

(a) TRANSFER.—There are transferred to the appropriate receiving agency, in accordance with subsection (b), all functions that the Secretary of Labor, acting through the Employment and Training Administration, or the Secretary of Education, acting through the Office of Vocational and Adult Education, exercised before the effective date of this section (including all related functions of any officer or employee of the Employment and Training Administration or the Office of Vocational and Adult Education) that do not relate to a covered activity.

(b) DETERMINATIONS OF FUNCTIONS AND APPROPRIATE RECEIVING AGENCIES.—

(1) TRANSITION WORKPLAN.—

(A) IN GENERAL.—Not later than 90 days after the date of appointment of the Governing Board, the Secretary of Labor and the Secretary of Education shall prepare and submit to the Governing Board a proposed workplan that specifies the steps that the Secretaries will take, during the period ending on July 1, 1998, to carry out the transfer described in subsection (a).

(B) CONTENTS.—The proposed workplan shall include, at a minimum—

(i) a determination of the functions that officers and employees of the Employment and Training Administration and the Office of Vocational and Adult Education carry out (as of the date of the submission of the workplan) that do not relate to a covered activity; and

(ii) a determination of the appropriate receiving agencies for the functions, based on factors including increased efficiency and elimination of duplication of functions.

(2) REVIEW.—Not later than 30 days after the date of submission of the workplan, the Governing Board shall—

(A) review the workplan;

(B) approve the workplan or prepare a revised workplan that contains—

(i) a determination of the functions described in paragraph (1)(B)(i), which shall be transferred under subsection (a); and

(ii) a determination of the appropriate receiving agencies described in paragraph (1)(B)(ii), based on the factors described in such paragraph, to which the functions shall be transferred under subsection (a); and

(C) submit the approved or revised workplan to the appropriate committees of Congress.

(3) REPORT.—Not later than July 1, 1998, the Secretary of Education and the Secretary of Labor shall submit to the appropriate committees of Congress information on the transfers required by this section.

(c) APPLICATION OF AUTHORITIES.—

(1) IN GENERAL.—

(A) APPLICATION.—Subsection (a), and subsections (d) through (n), of section 775 (other than subsections (g), (h)(2), (j)(2), and (n)) shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 775.

(B) REGULATIONS AND CONFORMING AMENDMENTS.—Subsections (g) and (n) of section 775 shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 775.

(2) REFERENCES.—For purposes of the application of the subsections described in paragraph (1) (other than subsections (h)(2) and (j)(2) of section 775) to transfers under this section—

(A) references to the Federal Partnership shall be deemed to be references to the appropriate receiving agency, as determined in the approved or revised workplan referred to in subsection (b)(2);

(B) references to the Director or Governing Board shall be deemed to be references to the head of the appropriate receiving agency; and

(C) references to transfers in subsections (e) and (f) of section 775 shall be deemed to include transfers under this section.

(3) ADMINISTRATION.—Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

(4) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official of a Federal agency, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that are in effect on the effective date of this section or were final before the effective date of this section and are to become effective on or after the effective date of this section;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the appropriate receiving agency or other authorized official, a court of competent jurisdiction, or by operation of law.

(5) PROCEEDINGS NOT AFFECTED.—

(A) IN GENERAL.—The provisions of this section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Department of Labor or the Department of Education on the date this section takes effect, with respect to functions transferred by this section.

(B) CONTINUATION.—Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from the orders, and payments shall be made pursuant to such orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(C) CONSTRUCTION.—Nothing in this paragraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(6) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Department of Labor or the Department of Education relating to a function transferred under this section may be continued by the appropriate receiving agency with the same effect as if this section had not been enacted.

(d) CONSTRUCTION.—Nothing in this section shall be construed to require the transfer of any function described in subsection (b)(1)(B)(i) to the Federal Partnership.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this section shall take effect on June 30, 1998.

(2) REGULATIONS AND CONFORMING AMENDMENTS.—Subsection (c)(1)(B) shall take effect on September 30, 1996.

(3) WORKPLAN.—Subsection (b) shall take effect on the date of enactment of this Act.

SEC. 777. ELIMINATION OF CERTAIN OFFICES.

(a) TERMINATION.—The Office of Vocational and Adult Education and the Employment and Training Administration shall terminate on July 1, 1998.

(b) OFFICE OF VOCATIONAL AND ADULT EDUCATION.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Education (10)" and inserting "Assistant Secretaries of Education (9)".

(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—

(A) Section 202 of the Department of Education Organization Act (20 U.S.C. 3412) is amended—

(i) in subsection (b)(1)—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D) through (F) as subparagraphs (C) through (E), respectively;

(ii) by striking subsection (h); and

(iii) by redesignating subsection (i) as subsection (h).

(B) Section 206 of such Act (20 U.S.C. 3416) is repealed.

(C) Section 402(c)(1) of the Improving America's Schools Act of 1994 (20 U.S.C. 9001(c)(1)) is amended by striking "established under" and all that follows and inserting a semicolon.

(3) GOALS 2000: EDUCATE AMERICA ACT.—Section 931(h)(3)(A) of the Goals 2000: Educate America Act (20 U.S.C. 6031(h)(3)(A)) is amended—

(A) by striking clause (iii); and

(B) by redesignating clauses (iv) and (v) as clauses (iii) and (iv), respectively.

(c) EMPLOYMENT AND TRAINING ADMINISTRATION.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Labor (10)" and inserting "Assistant Secretaries of Labor (9)".

(2) VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988.—Section 402(d)(3) of

the Veterans' Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended by striking "and under any other program administered by the Employment and Training Administration of the Department of Labor".

(3) TITLE 38, UNITED STATES CODE.—Section 4110(d) of title 38, United States Code, is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) through (12) as paragraphs (7) through (11), respectively.

(4) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—The last sentence of section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) is amended by striking "or the Office of Job Training".

(d) UNITED STATES EMPLOYMENT SERVICE.—

(1) TITLE 5, UNITED STATES CODE.—Section 3327 of title 5, United States Code, is amended—

(A) in subsection (a), by striking "the employment offices of the United States Employment Service" and inserting "Governors"; and

(B) in subsection (b), by striking "of the United States Employment Service".

(2) TITLE 10, UNITED STATES CODE.—

(A) Section 1143a(d) of title 10, United States Code, is amended by striking paragraph (3).

(B) Section 2410k(b) of title 10, United States Code, is amended by striking ", and where appropriate the Interstate Job Bank (established by the United States Employment Service),".

(3) INTERNAL REVENUE CODE OF 1986.—Section 51 of the Internal Revenue Code of 1986 is amended by striking subsection (g).

(4) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—Section 4468 of the National Defense Authorization Act for Fiscal Year 1993 (29 U.S.C. 1662d–1 note) is repealed.

(5) TITLE 38, UNITED STATES CODE.—Section 4110(d) of title 38, United States Code (as amended by subsection (c)(3)), is further amended—

(A) by striking paragraph (10); and

(B) by redesignating paragraph (11) as paragraph (10).

(6) TITLE 39, UNITED STATES CODE.—

(A) Section 3202(a)(1) of title 39, United States Code is amended—

(i) in subparagraph (D), by striking the semicolon and inserting "; and";

(ii) by striking subparagraph (E); and

(iii) by redesignating subparagraph (F) as subparagraph (E).

(B) Section 3203(b) of title 39, United States Code, is amended by striking "(1)(E), (2), and (3)" and inserting "(2) and (3)".

(C) Section 3206(b) of title 39, United States Code, is amended by striking "(1)(F)" and inserting "(1)(E)".

(7) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) (as amended by subsection (c)(4)) is further amended by striking the last sentence.

(e) REORGANIZATION PLANS.—Except with respect to functions transferred under section 776, the authority granted to the Employment and Training Administration, the Office of Vocational and Adult Education, or any unit of the Employment and Training Administration or the Office of Vocational and Adult Education by any reorganization plan shall terminate on July 1, 1998.

Subtitle F—Repeals of Employment and Training and Vocational and Adult Education Programs

SEC. 781. REPEALS.

(a) IMMEDIATE REPEALS.—The following provisions are repealed:

(1) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

(2) Title II of Public Law 95–250 (92 Stat. 172).

(3) The Displaced Homemakers Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.).

(4) Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211).

(5) Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.).

(6) Section 5322 of title 49, United States Code.

(7) Subchapter I of chapter 421 of title 49, United States Code.

(b) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) Sections 235 and 236 of the Trade Act of 1974 (19 U.S.C. 2295 and 2296), and paragraphs (1) and (2) of section 250(d) of such Act (19 U.S.C. 2331(d)).

(2) The Adult Education Act (20 U.S.C. 1201 et seq.).

(3) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(4) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(5) The Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(6) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(7) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(8) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

(c) EFFECTIVE DATES.—

(1) IMMEDIATE REPEALS.—The repeals made by subsection (a) shall take effect on the date of enactment of this Act.

(2) SUBSEQUENT REPEALS.—The repeals made by subsection (b) shall take effect on July 1, 1998.

SEC. 782. CONFORMING AMENDMENTS.

(a) IMMEDIATE REPEALS.—

(1) REFERENCES TO SECTION 204 OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.—The table of contents for the Immigration Reform and Control Act of 1986 is amended by striking the item relating to section 204 of such Act.

(2) REFERENCES TO TITLE II OF PUBLIC LAW 95–250.—Section 103 of Public Law 95–250 (16 U.S.C. 791) is amended—

(A) by striking the second sentence of subsection (a); and

(B) by striking the second sentence of subsection (b).

(3) REFERENCES TO SUBTITLE C OF TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—

(A) Section 762(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11472(a)) is amended—

(i) by striking "each of the following programs" and inserting "the emergency community services homeless grant program established in section 751"; and

(ii) by striking "tribes:" and all that follows and inserting "tribes.".

(B) The table of contents of such Act is amended by striking the items relating to subtitle C of title VII of such Act.

(4) REFERENCES TO TITLE 49, UNITED STATES CODE.—

(A) Sections 5313(b)(1) and 5314(a)(1) of title 49, United States Code, are amended by striking "5317, and 5322" and inserting "and 5317".

(B) The table of contents for chapter 53 of title 49, United States Code, is amended by striking the item relating to section 5322.

(b) SUBSEQUENT REPEALS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Governing Board shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by section 781(b).

(2) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Governing Board shall submit the recommended legislation referred to under paragraph (1).

Subtitle C—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL JOB CORPS PROVISIONS

SEC. 741. PURPOSES.

The purposes of this subtitle are—

(1) to maintain a Job Corps for at-risk youth as part of statewide systems;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of residential and nonresidential Job Corps centers in which enrollees will participate in intensive programs of workforce development activities;

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps; and

(5) to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens.

SEC. 742. DEFINITIONS.

As used in this subtitle:

TITLE VIII—WORKFORCE DEVELOPMENT-RELATED ACTIVITIES

Subtitle A—Amendments to the Rehabilitation Act of 1973

SEC. 801. REFERENCES.

Except as otherwise expressly provided in this subtitle, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

SEC. 802. FINDINGS AND PURPOSES.

Section 2 (29 U.S.C. 701) is amended—

(1) in subsection (a)(4), by striking "the provision of individualized training, independent living services, educational and support services," and inserting "implementation of a statewide workforce development system that provides meaningful and effective participation for individuals with disabilities in workforce development activities and activities carried out through the vocational rehabilitation program established under title I, and through the provision of independent living services, support services,"; and

(2) in subsection (b)(1)(A), by inserting "statewide workforce development systems that include, as integral components," after "(A)".

SEC. 803. CONSOLIDATED REHABILITATION PLAN.

(a) IN GENERAL.—Section 6 (29 U.S.C. 705) is repealed.

(b) CONFORMING AMENDMENT.—The table of contents for the Act is amended by striking the item relating to section 6.

SEC. 804. DEFINITIONS.

Section 7 (29 U.S.C. 706) is amended by adding at the end the following new paragraphs:

"(36) The term 'statewide workforce development system' means a statewide system, as defined in section 703 of the Workforce Development Act of 1995.

"(37) The term 'workforce development activities' has the meaning given the term in section 703 of the Workforce Development Act of 1995.

"(38) The term 'workforce employment activities' means the activities described in paragraphs (2) through (8) of section 716(a) of the Workforce Development Act of 1995, including activities described in section 716(a)(6) of such Act provided through a voucher described in section 716(a)(9) of such Act.".

SEC. 805. ADMINISTRATION.

Section 12(a)(1) (29 U.S.C. 711(a)(1)) is amended by inserting ", including providing assistance to achieve the meaningful and effective participation by individuals with disabilities in the activities carried out through a statewide workforce development system" before the semicolon.

SEC. 806. REPORTS.

Section 13 (29 U.S.C. 712) is amended in the fourth sentence by striking "The data elements" and all that follows through "age," and inserting the following: "The information shall include all information that is required to be submitted in the report described in section 731(a) of the Workforce Development Act of 1995 and that pertains to the employment of individuals with disabilities, including information on age,".

SEC. 807. EVALUATION.

Section 14(a) (29 U.S.C. 713(a)) is amended in the third sentence by striking "to the extent feasible," and all that follows through the end of the sentence and inserting the following: "to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 731(c) of the Workforce Development Act of 1995. For purposes of this section, the Secretary may modify or supplement such benchmarks after consultation with the Governing Board established under section 771(b) of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program established under title I and activities carried out under other provisions of this Act.".

SEC. 808. DECLARATION OF POLICY.

Section 100(a) (29 U.S.C. 720(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (E), by striking "; and" and inserting a semicolon;

(B) in subparagraph (F)—

(i) by inserting "workforce development activities and" before "vocational rehabilitation services"; and

(ii) by striking the period and inserting "; and"; and

(C) by adding at the end the following subparagraph:

"(G) linkages between the vocational rehabilitation program established under this title and other components of the statewide workforce development system are critical to ensure effective and meaningful participation by individuals with disabilities in workforce development activities."; and

(2) in paragraph (2)—

(A) by striking "a comprehensive" and inserting "statewide comprehensive"; and

(B) by striking "program of vocational rehabilitation that is designed" and inserting "programs of vocational rehabilitation, each of which is—

"(A) an integral component of a statewide workforce development system; and

"(B) designed".

SEC. 809. STATE PLANS.

(a) IN GENERAL.—Section 101(a) (29 U.S.C. 721(a)) is amended—

(1) in the first sentence, by striking ", or shall submit" and all that follows through "et seq.)" and inserting ", and shall submit the State plan on the same dates as the State submits the State plan described in section 714 of the Workforce Development Act of 1995 to the Governing Board established under section 771(b) of such Act";

(2) by inserting after the first sentence the following: "The State shall also submit the State plan for vocational rehabilitation services for review and comment to any State workforce development board established for the State under section 715 of the Workforce Development Act of 1995, which shall submit the comments on the State plan to the designated State unit.";

(3) by striking paragraphs (10), (12), (13), (15), (17), (19), (23), (27), (28), (30), (34), and (35);

(4) in paragraph (20), by striking "(20)" and inserting "(B)";

(5) by redesignating paragraphs (3), (4), (5), (6), (7), (8), (9), (14), (16), (18), (21), (22), (24), (25), (26), (29), (31), (32), (33), and (36) as paragraphs (4), (5), (6), (7), (8), (9), (10), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), and (24), respectively;

(6) in paragraph (1)(B)—

(A) by redesignating clauses (i), (ii), and (iii) as clauses (ii), (iii), and (iv), respectively; and

(B) by inserting before clause (ii) (as redesignated in subparagraph (A)) the following: "(i) a State entity primarily responsible for implementing workforce employment activities through the statewide workforce development system of the State,";

(7) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking "(1)(B)(i)" and inserting "(1)(B)(ii)"; and

(B) in subparagraph (B)(ii), by striking "(1)(B)(ii)" and inserting "(1)(B)(iii)";

(8) by inserting after paragraph (2) the following paragraph:

"(3) provide a plan for expanding and improving vocational rehabilitation services for individuals with disabilities on a statewide basis, including—

"(A) a statement of values and goals;

"(B) evidence of ongoing efforts to use outcome measures to make decisions about the effectiveness and future direction of the vocational rehabilitation program established under this title in the State; and

"(C) information on specific strategies for strengthening the program as an integral component of the statewide workforce development system established in the State, including specific innovative, state-of-the-art approaches for achieving sustained success in improving and expanding vocational rehabilitation services provided through the program, for all individuals with disabilities who seek employment, through plans, policies, and procedures that link the program with other components of the system, including plans, policies, and procedures relating to—

"(i) entering into cooperative agreements, between the designated State unit and appropriate entities responsible for carrying out the other components of the statewide workforce development system, which agreements may provide for—

"(I) provision of intercomponent staff training and technical assistance regarding the availability and benefits of, and eligibility standards for, vocational rehabilitation services, and regarding the provision of equal, effective, and meaningful participation by individuals with disabilities in workforce employment activities in the State through program accessibility, use of nondiscriminatory policies and procedures, and provision of reasonable accommodations, auxiliary aids and services, and rehabilitation technology, for individuals with disabilities;

"(II) use of information and financial management systems that link all components of the statewide workforce development system, that link the components to other electronic networks, and that relate to such subjects as labor market information, and information on job vacancies, skill qualifications, career planning, and workforce development activities;

"(III) use of customer service features such as common intake and referral procedures, customer data bases, resource information, and human service hotlines;

"(IV) establishment of cooperative efforts with employers to facilitate job placement and to develop and sustain working relationships with employers, trade associations, and labor organizations;

"(V) identification of staff roles and responsibilities and available resources for each entity that carries out a component of the statewide workforce development system with regard to paying for necessary services (consistent with State law); and

"(VI) specification of procedures for resolving disputes among such entities; and

"(ii) providing for the replication of such cooperative agreements at the local level between individual offices of the designated State unit and local entities carrying out activities through the statewide workforce development system;";

(9) in paragraph (6) (as redesignated in paragraph (5))—

(A) by striking subparagraph (A) and inserting the following:

"(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in the administration and supervision of the plan, including—

"(i)(I) the results of a comprehensive, statewide assessment of the rehabilitation needs of individuals with disabilities (including individuals with severe disabilities, individuals with disabilities who are minorities, and individuals with disabilities who have been unserved, or underserved, by the vocational rehabilitation system) who are residing within the State; and

"(II) the response of the State to the assessment;

"(ii) a description of the method to be used to expand and improve services to individuals with the most severe disabilities, including individuals served under part C of title VI;

"(iii) with regard to community rehabilitation programs—

"(I) a description of the method to be used (such as a cooperative agreement) to utilize the programs to the maximum extent feasible; and

"(II) a description of the needs of the programs, including the community rehabilitation programs funded under the Act entitled "An Act to Create a Committee on Purchases of Blind-made Products, and for other purposes", approved June 25, 1938 (commonly known as the Wagner-O'Day Act; 41 U.S.C. 46 et seq.) and such programs funded by State use contracting programs; and "(iv) an explanation of the methods by which the State will provide vocational rehabilitation services to all individuals with disabilities within the State who are eligible for such services, and, in the event that vocational rehabilitation services cannot be provided to all such eligible individuals with disabilities who apply for such services, information—

"(I) showing and providing the justification for the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided (which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first the individuals with the most severe disabilities in accordance with criteria established by the State, and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving individuals with disabilities, established in regulations prescribed by the Commissioner);

"(II) showing the outcomes and service goals, and the time within which the outcomes and service goals may be achieved, for the rehabilitation of individuals receiving such services; and

"(III) describing how individuals with disabilities who will not receive such services if such order is in effect will be referred to other components of the statewide workforce development system for access to services offered by the components;"; and

(B) by striking subparagraph (C) and inserting the following subparagraphs:

"(C) with regard to the statewide assessment of rehabilitation needs described in subparagraph (A)(i)—

"(i) provide that the State agency will make reports at such time, in such manner, and containing such information, as the Commissioner may require to carry out the functions of the Commissioner under this title, and comply with such provisions as are necessary to assure the correctness and verification of such reports; and

"(ii) provide that reports made under clause (i) will include information regarding individuals with disabilities and, if an order of selection described in subparagraph (A)(iv)(I) is in effect in the State, will separately include information regarding individuals with the most severe disabilities, on—

"(I) the number of such individuals who are evaluated and the number rehabilitated;

"(II) the costs of administration, counseling, provision of direct services, development of community rehabilitation programs, and other functions carried out under this Act; and

"(III) the utilization by such individuals of other programs pursuant to paragraph (11); and

"(D) describe—

"(i) how a broad range of rehabilitation technology services will be provided at each stage of the rehabilitation process;

"(ii) how a broad range of such rehabilitation technology services will be provided on a statewide basis; and

"(iii) the training that will be provided to vocational rehabilitation counselors, client assistance personnel, personnel of the providers of one-stop delivery of core services described in section 716(a)(2) of the Workforce Development Act of 1995, and other related services personnel;";

(10) in subparagraph (A) of paragraph (8) (as redesignated in paragraph (5))—

(A) in clause (i)(II), by striking ", based on projections" and all that follows through "relevant factors"; and

(B) by striking clauses (iii) and (iv) and inserting the following clauses:

"(iii) a description of the ways in which the system for evaluating the performance of rehabilitation counselors, coordinators, and other personnel used in the State facilitates the accomplishment of the purpose and policy of this title, including the policy of serving, among others, individuals with the most severe disabilities;

"(iv) provide satisfactory assurances that the system described in clause (iii) in no way impedes such accomplishment; and";

(11) in paragraph (9) (as redesignated in paragraph (5)) by striking "required—" and all that follows through "(B) prior" and inserting "required prior";

(12) in paragraph (10) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in subparagraph (C), by striking "plan in accordance with such program" and inserting "State plan in accordance with the employment plan";

(13) in paragraph (11)—

(A) in subparagraph (A), by striking "State's public" and all that follows and inserting "State programs that are not part of the statewide workforce development system of the State;"; and

(B) in subparagraph (C)—

(i) by striking "if appropriate—" and all that follows through "entering into" and inserting "if appropriate, entering into";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii), respectively; and

(iii) by indenting the clauses and aligning the margins of the clauses with the margins of clause (ii) of subparagraph (A) of paragraph (8) (as redesignated in paragraph (5));

(14) in paragraph (14) (as redesignated in paragraph (5))—

(A) by striking "(14)" and inserting "(14)(A)"; and

(B) by inserting before the semicolon the following ", and, in the case of the designated State unit, will take actions to take such views into account that include providing timely notice, holding public hearings, preparing a summary of hearing comments, and documenting and disseminating information relating to the manner in which the comments will affect services; and";

(15) in paragraph (16) (as redesignated in paragraph (5)), by striking "referrals to other Federal and State programs" and inserting "referrals within the statewide workforce development system of the State to programs"; and

(16) in paragraph (17) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in subparagraph (C)—

(i) in clause (ii), by striking "; and" and inserting a semicolon;

(ii) in clause (iii), by striking the semicolon and inserting "; and"; and

(iii) by adding at the end the following clause:

"(iv) the manner in which students who are individuals with disabilities and who are not in special education programs can access and receive vocational rehabilitation services, where appropriate;".

(b) Conforming Amendments.—

(1) Section 7 (29 U.S.C. 706) is amended—

(A) in paragraph (3)(B)(ii), by striking "101(a)(1)(B)(i)" and inserting "101(a)(1)(B)(ii)"; and

(B) in paragraph (22)(A)(i)(II), by striking "101(a)(5)(A)" each place it appears and inserting "101(a)(6)(A)(iv)".

(2) Section 12(d) (29 U.S.C. 711(d)) is amended by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)".

(3) Section 101(a) (29 U.S.C. 721(a)) is amended—

(A) in paragraph (1)(A), by striking "paragraph (4) of this subsection" and inserting "paragraph (5)";

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking "paragraph (1)(B)(i)" and inserting "paragraph (1)(B)(ii)"; and

(ii) in subparagraph (B)(i), by striking "paragraph (1)(B)(ii)" and inserting "paragraph (1)(B)(iii)";

(C) in paragraph (17) (as redesignated in subsection (a)(5)), by striking "paragraph (11)(C)(ii)" and inserting "paragraph (11)(C)";

(D) in paragraph (22) (as redesignated in subsection (a)(5)), by striking "paragraph (36)" and inserting "paragraph (24)"; and

(E) in subparagraph (C) of paragraph (24) (as redesignated in subsection (a)(5)), by striking "101(a)(1)(A)(i)" and inserting "paragraph (1)(A)(i)".

(4) Section 102 (29 U.S.C. 722) is amended—

(A) in subsection (a)(3), by striking "101(a)(24)" and inserting "101(a)(17)"; and

(B) in subsection (d)(2)(C)(ii)—

(i) in subclause (II), by striking "101(a)(36)" and inserting "101(a)(24)"; and

(ii) in subclause (III), by striking "101(a)(36)(C)(ii)" and inserting "101(a)(24)(C)(ii)".

(5) Section 105(a)(1) (29 U.S.C. 725(a)(1)) is amended by striking "101(a)(36)" and inserting "101(a)(24)".

(6) Section 107(a) (29 U.S.C. 727(a)) is amended—

(A) in paragraph (2)(F), by striking "101(a)(32)" and inserting "101(a)(22)";

(B) in paragraph (3)(A), by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)"; and

(C) in paragraph (4), by striking "101(a)(35)" and inserting "101(a)(8)(A)(iii)".

(7) Section 111(a) (29 U.S.C. 731(a)) is amended—

(A) in paragraph (1), by striking "and development and implementation" and all that follows through "referred to in section 101(a)(34)(B)"; and

(B) in paragraph (2)(A), by striking "and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by section 101(a)(17)".

(8) Section 124(a)(1)(A) (29 U.S.C. 744(a)(1)(A)) is amended by striking "(not including sums used in accordance with section 101(a)(34)(B))".

(9) Section 315(b)(2) (29 U.S.C. 777e(b)(2)) is amended by striking "101(a)(22)" and inserting "101(a)(16)".

(10) Section 635(b)(2) (29 U.S.C. 795n(b)(2)) is amended by striking "101(a)(5)" and inserting "101(a)(6)(A)(i)(I)".

(11) Section 802(h)(2)(B)(ii) (29 U.S.C. 797a(h)(2)(B)(ii)) is amended by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)".

(12) Section 102(e)(23)(A) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2212(e)(23)(A)) is amended by striking "section 101(a)(36) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(36))" and inserting "section 101(a)(24) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(24))".

SEC. 810. INDIVIDUALIZED EMPLOYMENT PLANS.

(a) In General.—Section 102 (29 U.S.C. 722) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 102. INDIVIDUALIZED EMPLOYMENT PLANS.";

(2) in subsection (a)(6), by striking "written rehabilitation program" and inserting "employment plan";

(3) in subsection (b)—

(A) in paragraph (1)(A)—

(i) in clause (i), by striking "written rehabilitation program" and inserting "employment plan"; and

(ii) in clause (ii), by striking "program" and inserting "plan";

(B) in paragraph (1)(B)—

(i) in the matter preceding clause (i), by striking "written rehabilitation program" and inserting "employment plan";

(ii) in clause (iv)—

(I) by striking subclause (I) and inserting the following:

"(I) include a statement of the specific vocational rehabilitation services to be provided (including, if appropriate, rehabilitation technology services and training in how to use such services) that includes specification of the public or private entity that will provide each such vocational rehabilitation service and the projected dates for the initiation and the anticipated duration of each such service; and";

(II) by striking subclause (II); and

(III) by redesignating subclause (III) as subclause (II); and

(iii) in clause (xi)(I), by striking "program" and inserting "plan";

(C) in paragraph (1)(C), by striking "written rehabilitation program and amendments to the program" and inserting "employment plan and amendments to the plan"; and

(D) in paragraph (2)—

(i) by striking "program" each place the term appears and inserting "plan"; and

(ii) by striking "written rehabilitation" each place the term appears and inserting "employment";

(4) in subsection (c)—

(A) in paragraph (1), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) by striking "written program" each place the term appears and inserting "plan"; and

(5) in subsection (d)—

(A) in paragraph (5), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in paragraph (6)(A), by striking the second sentence.

(b) CONFORMING AMENDMENTS.—

(1) The table of contents for the Act is amended by striking the item relating to section 102 and inserting the following:

"Sec. 102. Individualized employment plans.".

(2) Paragraphs (22)(B) and (27)(B), and subparagraphs (B) and (C) of paragraph (34) of section 7 (29 U.S.C. 706), section 12(e)(1) (29 U.S.C. 711(e)(1)), section 501(e) (29 U.S.C. 791(e)), subparagraphs (C), (D), and (E) of section 635(b)(6) (29 U.S.C. 795n(b)(6) (C), (D), and (E)), section 802(g)(8)(B) (29 U.S.C. 797a(g)(8)(B)), and section 803(c)(2)(D) (29 U.S.C. 797b(c)(2)(D)) are amended by striking "written rehabilitation program" each place the term appears and inserting "employment plan".

(3) Section 7(22)(B)(i) (29 U.S.C. 706(22)(B)(i)) is amended by striking "rehabilitation program" and inserting "employment plan".

(4) Section 107(a)(3)(D) (29 U.S.C. 727(a)(3)(D)) is amended by striking "written rehabilitation programs" and inserting "employment plans".

(5) Section 101(b)(7)(A)(ii)(II) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2211(b)(7)(A)(ii)(II)) is amended by striking "written rehabilitation program" and inserting "employment plan".

SEC. 811. SCOPE OF VOCATIONAL REHABILITATION SERVICES.

Section 103 (29 U.S.C. 723) is amended—

(1) in subsection (a)(4)—

(A) in subparagraph (B), by striking "surgery or";

(B) in subparagraph (D), by striking the comma at the end and inserting ", and";

(C) by striking subparagraph (E); and

(D) by redesignating subparagraph (F) as subparagraph (E); and

(2) in subsection (b)(1), by striking "the most severe".

SEC. 812. STATE REHABILITATION ADVISORY COUNCIL.

(a) IN GENERAL.—Section 105 (29 U.S.C. 725) is amended—

(1) in subsection (b)(1)(A)(vi), by inserting before the semicolon the following: "who, to the extent feasible, are members of any State workforce development board established for the State under section 715 of the Workforce Development Act of 1995"; and

(2) in subsection (c)—

(A) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively;

(B) by inserting after paragraph (2) the following new paragraph:

"(3) advise the designated State agency and the designated State unit regarding strategies for ensuring that the vocational rehabilitation program established under this title becomes an integral part of the statewide workforce development system of the State;"; and

(C) in paragraph (6) (as redesignated in subparagraph (A))—

(i) by striking "6024), and" and inserting "6024),"; and

(ii) by striking the semicolon at the end and inserting the following: ", and any State workforce development board established for the State under section 715 of the Workforce Development Act of 1995;".

(b) CONFORMING AMENDMENT.—Subparagraph (B)(iv), and clauses (ii)(I) and (iii)(I) of subparagraph (C), of paragraph (24) (as redesignated in section 409(a)(5)) of section 101(a) (29 U.S.C. 721(a)) are amended by striking "105(c)(3)" and inserting "105(c)(4)".

SEC. 813. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106(a)(1) (29 U.S.C. 726(a)(1)) is amended—

(1) by striking "1994" and inserting "1996"; and

(2) by striking the period and inserting the following: "that shall, to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 731(c) of the Workforce Development Act of 1995. For purposes of this section, the Commissioner may modify or supplement such benchmarks, after consultation with the Governing Board established under section 771(b) of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program.".

SEC. 814. REPEALS.

(a) IN GENERAL.—Title I (29 U.S.C. 720 et seq.) is amended—

(1) by repealing part C; and

(2) by redesignating parts D and E as parts C and D, respectively.

(b) CONFORMING AMENDMENTS.—The table of contents for the Act is amended—

(1) by striking the items relating to part C of title I; and

(2) by striking the items relating to parts D and E of title I and inserting the following:

"PART C—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

"Sec. 130. Vocational rehabilitation services grants.

"PART D—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

"Sec. 140. Review of data collection and reporting system.

"Sec. 141. Exchange of data.".

SEC. 815. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle shall take effect on the date of enactment of this Act.

(b) STATEWIDE SYSTEM REQUIREMENTS.—The changes made in the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) by the amendments made by this subtitle that relate to State benchmarks, or other components of a statewide system, shall take effect—

(1) in a State that submits and obtains approval of an interim plan under section 762 for program year 1997, on July 1, 1997; and

(2) in any other State, on July 1, 1998.

Subtitle B—Amendments to Immigration and Nationality Act

SEC. 821. PROHIBITION ON USE OF FUNDS FOR CERTAIN EMPLOYMENT ACTIVITIES.

Section 412(c)(1) of the Immigration and Nationality Act is amended by adding at the end the following new subparagraph:

"(D) Funds available under this paragraph may not be provided to States for workforce employment activities authorized and funded under the Workforce Development Act of 1995.".

TITLE IX—CHILD SUPPORT

SEC. 900. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 901. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services are provided under the State program funded under part E of this title, or (III) medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (29)) that it is against the best interests of the child to do so; and

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child."; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) services under the plan shall be made available to nonresidents on the same terms as to residents;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following new paragraph:

"(25) provide that when a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of individuals to whom services are furnished under this section, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family.".

(c) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 902. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) IN GENERAL.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

"(A) retain, or distribute to the family, the State share of the amount so collected; and

"(B) pay to the Federal Government the Federal share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—The State shall, with regard to amounts collected which represent amounts owed for the current month, distribute the amounts so collected to the family.

"(B) PAYMENT OF ARREARAGES.—The State shall, with regard to amounts collected which exceed amounts owed for the current month, distribute the amounts so collected as follows:

"(i) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED AFTER THE FAMILY RECEIVED ASSISTANCE.—The State shall distribute the amount so collected to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family stopped receiving assistance from the State.

"(ii) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE OR WHILE THE FAMILY RECEIVED ASSISTANCE TO THE EXTENT PAYMENTS EXCEED ASSISTANCE RECEIVED.—In the case of arrearages of support obligations with respect to the family that were assigned to the State making the collection, as a condition of receiving assistance from the State, and which accrued before or while the family received such assistance, the State may retain all or a part of the State share and if the State does so retain, shall retain and pay to the Federal Government the Federal share of amounts so collected, to the extent the amount so retained does not exceed the amount of assistance provided to the family by the State.

"(iii) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither clause (i) nor clause (ii) applies to the amount so collected, the State shall distribute the amount to the family.

"(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(b) TRANSITION RULE.—Any rights to support obligations which were assigned to a State as a condition of receiving assistance from the State under part A before the effective date of the Work Opportunity Act of 1995 shall remain assigned after such date.

"(c) DEFINITIONS.—As used in subsection (a):

"(1) ASSISTANCE.—The term 'assistance from the State' means—

"(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect before October 1, 1995); or

"(B) benefits under the State plan approved under part B or E of this title.

"(2) FEDERAL SHARE.—The term 'Federal share' means, with respect to an amount collected by the State to satisfy a support obligation owed to a family for a time period—

"(A) the greatest Federal medical assistance percentage in effect for the State for fiscal year 1995 or any succeeding fiscal year; or

"(B) if support is not owed to the family for any month for which the family received aid to families with dependent children under the State plan approved under part A of this title (as in effect before October 1, 1995), the Federal reimbursement percentage for the fiscal year in which the time period occurs.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any State for which subparagraph (B) does not apply; or

"(B) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(4) FEDERAL REIMBURSEMENT PERCENTAGE.—The term 'Federal reimbursement percentage' means, with respect to a fiscal year—

"(A) the total amount paid to the State under section 403 for the fiscal year; divided by

"(B) the total amount expended by the State to carry out the State program under part A during the fiscal year.

"(5) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.".

(b) CLERICAL AMENDMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (11)—

(A) by striking "(11)" and inserting "(11)(A)"; and

(B) by inserting after the semicolon "and"; and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATE.—

(1) GENERAL RULE.—Except as provided in paragraphs (2) and (3), the amendment made by subsection (a) shall become effective on October 1, 1999.

(2) EARLIER EFFECTIVE DATE FOR RULES RELATING TO DISTRIBUTION OF SUPPORT COLLECTED FOR FAMILIES RECEIVING ASSISTANCE.—Section 457(a)(1) of the Social Security Act, as added by the amendment made by subsection (a), shall become effective on October 1, 1995.

(3) SPECIAL RULE.—A State may elect to have the amendment made by subsection (a) become effective on a date earlier than October 1, 1999, which date shall coincide with the operation of the single statewide automated data processing and information retrieval system required by section 454A of the Social Security Act (as added by section 944(a)(2)) and the State disbursement unit required by section 454B of the Social Security Act (as added by section 912(b)), and the existence of State requirements for assignment of support as a condition of eligibility for assistance under part A of the Social Security Act (as added by title I).

(4) CLERICAL AMENDMENTS.—The amendments made by subsection (b) shall become effective on October 1, 1995.

SEC. 903. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 902(b), is amended by inserting after paragraph (11) the following new paragraph:

"(12) establish procedures to provide that—

"(A) individuals who are applying for or receiving services under this part, or are parties to cases in which services are being provided under this part—

"(i) receive notice of all proceedings in which support obligations might be established or modified; and

"(ii) receive a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination; and

"(B) individuals applying for or receiving services under this part have access to a fair hearing or other formal complaint procedure that meets standards established by the Secretary and ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order);".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 904. PRIVACY SAFEGUARDS.

(a) State Plan Requirement.—Section 454 (42 U.S.C. 654), as amended by section 901(b), is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following new paragraph:

"(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) Effective Date.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Locate and Case Tracking

SEC. 911. STATE CASE REGISTRY.

Section 454A, as added by section 944(a)(2), is amended by adding at the end the following new subsections:

"(e) State Case Registry.—

"(1) Contents.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

"(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) Linking of local registries.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) Use of standardized data elements.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on-case status) as the Secretary may require.

"(4) Payment records.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) Updating and monitoring.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) Information Comparisons and Other Disclosures of Information.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) Federal case registry of child support orders.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) Federal parent locator service.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) Temporary family assistance and medicaid agencies.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) Intrastate and interstate information comparisons.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 912. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) State Plan Requirement.—Section 454 (42 U.S.C. 654), as amended by sections 901(b) and 904(a), is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that, on and after October 1, 1998, the State agency will—

"(A) operate a State disbursement unit in accordance with section 454B; and

"(B) have sufficient State staff (consisting of State employees), and (at State option) contractors reporting directly to the State agency, to—

"(i) monitor and enforce support collections through the unit (including carrying out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases.".

(b) Establishment of State Disbursement Unit.—Part D of title IV (42 U.S.C. 651–669), as amended by section 944(a)(2), is amended by inserting after section 454A the following new section:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

"(a) State Disbursement Unit.—

"(1) In general.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(2) Operation.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) in coordination with the automated system established by the State pursuant to section 454A.

"(3) Linking of local disbursement units.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section. The Secretary must agree that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) Required Procedures.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"(c) Timing of Disbursements.—

"(1) In general.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(2) Permissive retention of arrearages.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

"(d) Business Day Defined.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) Use of Automated System.—Section 454A, as added by section 944(a)(2) and as amended by section 911, is amended by adding at the end the following new subsection:

"(g) Collection and Distribution of Support Payments.—

"(1) In general.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

"(i) within 2 business days after receipt from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State of notice of, and the income source subject to, such withholding; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) where payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 913. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a) and 912(a), is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) EMPLOYER.—The term 'employer' includes—

"(i) any governmental entity, and

"(ii) any labor organization.

"(C) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) MULTISTATE EMPLOYERS.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which it will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

"(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 30 days after the date the employer hires the employee; or

"(B) in the case of an employer that reports by magnetic or electronic means, the 1st business day of the week following the date on which the employee 1st receives wages or other compensation from the employer.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W–4 form and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a State civil money penalty which shall be less than—

"(1) $25; or

"(2) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than October 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(h) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

(1) by inserting "(including State and local governmental entities)" after "employers"; and

(2) by inserting ", and except that no report shall be filed with respect to an employee of a State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission" after "paragraph (2)".

SEC. 914. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

"(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each absent parent to whom paragraph (1) applies—

"(i) that the withholding has commenced; and

"(ii) of the procedures to follow if the absent parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

"(B) The notice under subparagraph (A) shall include the information provided to the employer under paragraph (6)(A).".

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following new clause:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting "any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection.".

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order through electronic means and without advance notice to the obligor.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 915. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 916. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child visitation orders—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support or provide child visitation rights;

"(B) against whom such an obligation is sought;

"(C) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual."; and

(2) in subsection (b), in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)".

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking "support" and inserting "support or to seek to enforce orders providing child visitation rights";

(2) in paragraph (2), by striking ", or any agent of such court; and" and inserting "or to issue an order against a resident parent for visitation rights, or any agent of such court;";

(3) by striking the period at the end of paragraph (3) and inserting "; and"; and

(4) by adding at the end the following new paragraph:

"(4) the absent parent, only with regard to a court order against a resident parent for child visitation rights.".

(c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(e) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsection:

"(h)(1) Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i)(1) In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

"(2) Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(3) The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(4) The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

"(j)(1)(A) The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

"(5) The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k)(1) The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(n) Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that no report shall be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intellgence mission.".

(f) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

"(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

"(A) disclose quarterly, to the Secretary of Health and Human Services wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

"(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

"(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

"(3) For purposes of this subsection—

"(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

"(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.".

SEC. 917. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 915, is amended by adding at the end the following new paragraph:

"(13) Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative responsibility for the law involved, the social security number of the party.";

(3) in clause (vi), by striking "may" and inserting "shall"; and

(4) by adding at the end the following new clauses:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgement in the records relating to the matter.".

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 921. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

"(f)(1) In order to satisfy section 454(20)(A) on or after January 1, 1997, each State must have in effect the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992 (with the modifications and additions specified in this subsection), and the procedures required to implement such Act.

"(2) The State law enacted pursuant to paragraph (1) may be applied to any case involving an order which is established or modified in a State and which is sought to be modified or enforced in another State.

"(3) The State law enacted pursuant to paragraph (1) of this subsection shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act:

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) in any case where another State is exercising or seeks to exercise jurisdiction to modify the order, the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(4) The State law enacted pursuant to paragraph (1) shall provide that, in any proceeding subject to the law, process may be served (and proved) upon persons in the State by any means acceptable in any State which is the initiating or responding State in the proceeding.".

SEC. 922. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 923. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 915 and 917(a), is amended by adding at the end the following new paragraph:

"(14) Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 924. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(11) not later than 60 days after the date of the enactment of the Work Opportunity Act of 1995, establish an advisory committee, which shall include State directors of programs under this part, and not later than June 30, 1996, after consultation with the advisory committee, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

"(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

SEC. 925. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 914, is amended—

(1) in subsection (a)(2), by striking the 1st sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by inserting after subsection (b) the following new subsection:

"(c) The procedures specified in this subsection are the following:

"(1) Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(C) To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(D) To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities, including—

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

"(E) In cases where support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(F) To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

"(G) In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump-sum payments from—

"(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions;

"(iii) attaching public and private retirement funds; and

"(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(H) For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

"(2) The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer; and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.".

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 944(a)(2) and as amended by sections 911 and 912(c), is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

Subtitle D—Paternity Establishment

SEC. 931. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5)(A)(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 21 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 21 years was then in effect in the State.

"(B)(i) Procedures under which the State is required, in a contested paternity case, unless otherwise barred by State law, to require the child and all other parties (other than individuals found under section 454(29) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) Procedures which require the State agency in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (where the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is contested, upon request and advance payment by the contestant.

"(C)(i) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii)(I) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II)(aa) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit developed by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(D)(i) Procedures under which the name of the father shall be included on the record of birth of the child only if the father and mother have signed an acknowledgment of paternity and under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

"(ii) Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(E) Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent" before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 932. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 933. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a), 912(a), and 913(a), is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by inserting after paragraph (28) the following new paragraph:

"(29) provide that the State agency responsible for administering the State plan—

"(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to such good cause and other exceptions as the State shall establish and taking into account the best interests of the child;

"(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

"(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order; and

"(D) shall promptly notify the individual and the State agency administering the State program funded under part A and the State agency administering the State program under title XIX of each such determination, and if noncooperation is determined, the basis therefore.".

Subtitle E—Program Administration and Funding

SEC. 941. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE PAYMENTS.—

(1) IN GENERAL.—Section 458 (42 U.S.C. 658) is amended—

(A) in subsection (a), by striking "aid to families" and all through the end period, and inserting "assistance under a program funded under part A, and regardless of the economic circumstances of their parents, the Secretary shall, from the support collected which would otherwise represent the reimbursement to the Federal government under section 457, pay to each State for each fiscal year, on a quarterly basis (as described in subsection (e)) beginning with the quarter commencing October 1, 1999, an incentive payment in an amount determined under subsections (b) and (c).";

(B) by striking subsections (b) and (c) and inserting the following:

"(b)(1) Not later than 60 days after the date of the enactment of the Work Opportunity Act of 1995, the Secretary shall establish a committee which shall include State directors of programs under this part and which shall develop for the Secretary's approval a formula for the distribution of incentive payments to the States.

"(2) The formula developed and approved under paragraph (1)—

"(A) shall result in a percentage of the collections described in subsection (a) being distributed to each State based on the State's comparative performance in the following areas and any other areas approved by the Secretary under this subsection:

"(i) The IV-D paternity establishment percentage, as defined in section 452(g)(2).

"(ii) The percentage of cases with a support order with respect to which services are being provided under the State plan approved under this part.

"(iii) The percentage of cases with a support order in which child support is paid with respect to which services are being so provided.

"(iv) In cases receiving services under the State plan approved under this part, the amount of child support collected compared to the amount of outstanding child support owed.

"(v) The cost-effectiveness of the State program;

"(B) shall take into consideration—

"(i) the impact that incentives can have on reducing the need to provide public assistance and on permanently removing families from public assistance;

"(ii) the need to balance accuracy and fairness with simplicity of understanding and data gathering;

"(iii) the need to reward performance which improves short- and long-term program outcomes, especially establishing paternity and support orders and encouraging the timely payment of support;

"(iv) the Statewide paternity establishment percentage;

"(v) baseline data on current performance and projected costs of performance increases to assure that top performing States can actually achieve the top incentive levels with a reasonable resource investment;

"(vi) performance outcomes which would warrant an increase in the total incentive payments made to the States; and

"(vii) the use or distribution of any portion of the total incentive payments in excess of the total of the payments which may be distributed under subsection (c);

"(C) shall be determined so as to distribute to the States total incentive payments equal to the total incentive payments for all States in fiscal year 1994, plus a portion of any increase in the reimbursement to the Federal Government under section 457 for fiscal year 1999 or any other increase based on other performance outcomes approved by the Secretary under this subsection;

"(D) shall use a definition of the term 'State' which does not include any area within the jurisdiction of an Indian tribal government; and

"(E) shall use a definition of the term 'Statewide paternity establishment percentage' to mean with respect to a State and a fiscal year—

"(i) the total number of children in the State who were born out of wedlock, who have not attained 1 year of age and for whom paternity is established or acknowledged during the fiscal year; divided by

"(ii) the total number of children born out of wedlock in the State during the fiscal year.

"(c) The total amount of the incentives payment made by the Secretary to a State in a fiscal year shall not exceed 90 percent of the total amounts expended by such State during such year for the operation of the plan approved under section 454, less payments to the State pursuant to section 455 for such year.";

(2) in subsection (d), by striking ", and any amounts" through "shall be excluded".

(b) PAYMENTS TO POLITICAL SUBDIVISIONS.—Section 454(22) (42 U.S.C. 654(22)) is amended by inserting before the semicolon the following: ", but a political subdivision shall not be entitled to receive, and the State may retain, any amount in excess of the amount the political subdivision expends on the State program under this part, less the amount equal to the percentage of that expenditure paid by the Secretary under section 455".

(c) CALCULATION OF IV–D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,"; and

(B) in each of subparagraphs (A) and (B), by striking "75" and inserting "90".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter preceding clause (i)—

(A) by striking "paternity establishment percentage" and inserting "IV–D paternity establishment percentage"; and

(B) by striking "(or all States, as the case may be)".

(3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B) (as so redesignated)—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The amendments made by subsections (a) and (b) shall become effective on the date of the enactment of this Act, except to the extent provided in subparagraph (B).

(B) EXCEPTION.—Section 458 of the Social Security Act, as in effect before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 2000.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on and after the date of the enactment of this Act.

SEC. 942. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and inserting "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

"(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458.".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used in calculating performance indicators under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this Act.

SEC. 943. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a), 912(a), 913(a), and 933, is amended—

(1) by striking "and" at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting "; and"; and

(3) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 944. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV–D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 904(a)(2) and 912(a)(1), is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Work Opportunity Act of 1995, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 944(a)(3) of the Work Opportunity Act of 1995.".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

(B) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on the day before the date of the enactment of the Work Opportunity Act of 1995), but limited to the amount approved for States in the advance planning documents of such States submitted before May 1, 1995.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is the greater of—

"(I) 80 percent; or

"(II) the percentage otherwise applicable to Federal payments to the State under subparagraph (A) (as adjusted pursuant to section 458).".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $260,000,000 in the aggregate under section 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3) of such Act for fiscal years 1996, 1997, 1998, 1999, and 2000 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

SEC. 945. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 916(f), is amended by adding at the end the following new subsection:

"(n) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.".

SEC. 946. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following new clauses:

"(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

"(II) with respect to whom a child support payment was received in the month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (1) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking "and";

(B) in subparagraph (I), by striking the period and inserting "; and"; and

(C) by inserting after subparagraph (I) the following new subparagraph:

"(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).".

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 951. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the National Child Support Guidelines Commission (in this section referred to as the "Commission").

(b) GENERAL DUTIES.—

(1) IN GENERAL.—The Commission shall determine—

(A) whether it is appropriate to develop a national child support guideline for consideration by the Congress or for adoption by individual States; or

(B) based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(2) DEVELOPMENT OF MODELS.—If the Commission determines under paragraph (1)(A) that a national child support guideline is needed or under paragraph (1)(B) that improvements to guideline models are needed, the Commission shall develop such national guideline or improvements.

(c) MATTERS FOR CONSIDERATION BY THE COMMISSION.—In making the recommendations concerning guidelines required under subsection (b), the Commission shall consider—

(1) the adequacy of State child support guidelines established pursuant to section 467;

(2) matters generally applicable to all support orders, including—

(A) the feasibility of adopting uniform terms in all child support orders;

(B) how to define income and under what circumstances income should be imputed; and

(C) tax treatment of child support payments;

(3) the appropriate treatment of cases in which either or both parents have financial obligations to more than 1 family, including the effect (if any) to be given to—

(A) the income of either parent's spouse; and

(B) the financial responsibilities of either parent for other children or stepchildren;

(4) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(5) the appropriate treatment of expenses for health care (including uninsured health care) and other extraordinary expenses for children with special needs;

(6) the appropriate duration of support by 1 or both parents, including—

(A) support (including shared support) for postsecondary or vocational education; and

(B) support for disabled adult children;

(7) procedures to automatically adjust child support orders periodically to address changed economic circumstances, including changes in the Consumer Price Index or either parent's income and expenses in particular cases;

(8) procedures to help noncustodial parents address grievances regarding visitation and custody orders to prevent such parents from withholding child support payments until such grievances are resolved; and

(9) whether, or to what extent, support levels should be adjusted in cases in which custody is shared or in which the noncustodial parent has extended visitation rights.

(d) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The 1st sentence of subparagraph (C), the 1st and 3rd sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(f) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(g) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

SEC. 952. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) Procedures under which the State shall review and adjust each support order being enforced under this part upon the request of either parent or the State if there is an assignment. Such procedures shall provide the following:

"(A) The State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(B)(i) The State may elect to review and, if appropriate, adjust an order pursuant to subparagraph (A) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(ii) Any adjustment under clause (i) shall be made without a requirement for proof or showing of a change in circumstances.

"(C) The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(D)(i) The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(ii) The State shall provide notice to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to clause (i). The notice may be included in the order.".

SEC. 953. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

"(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

"(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.".

SEC. 954. NONLIABILITY FOR DEPOSITORY INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a depository institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

(A) the greater of—

(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

(ii) the sum of—

(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

(B) the costs (including attorney's fees) of the action.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "depository institution" means—

(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(v)); and

(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)).

(2) The term "financial record" has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).

(3) The term "State child support enforcement agency" means a State agency which administers a State program for establishing and enforcing child support obligations.

Subtitle G—Enforcement of Support Orders

SEC. 961. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ", and";

(3) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(4) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 962. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a 1st-come, 1st-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) MONEYS SUBJECT TO PROCESS.—

"(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by the Secretary to a member of the Armed Forces who is in receipt of retired or retainer pay if the member has waived a portion of the retired pay of the member in order to receive the compensation); and

"(iii) workers' compensation benefits paid under Federal or State law; but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—As used in this section:

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which the individual has such an obligation, and (subject to and in accordance with State law) includes payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children, and includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(3) ALIMONY.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which—".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" before "SPOUSE OR"; and

(B) in paragraph (1), in the 1st sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 963. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to

facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 962(c)(4), is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the first sentence the following: "In the case of a spouse or former spouse who assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the first pay period that begins after such 30-day period.

SEC. 964. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 921, is amended by adding at the end the following new subsection:

"(g) In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 965. WORK REQUIREMENT FOR PERSONS OWING CHILD SUPPORT.

Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 901(a), 915, 917(a), and 923, is amended by adding at the end the following new paragraph:

"(16) Procedures requiring the State, in any case in which an individual owes support with respect to a child receiving services under this part, to seek a court order or administrative order that requires the individual to—

"(A) pay such support in accordance with a plan approved by the court; or

"(B) if the individual is not working and is not incapacitated, participate in work activities (including, at State option, work activities as defined in section 482) as the court deems appropriate.".

SEC. 966. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 916 and 945(b), is amended by adding at the end the following new subsection:

"(o) As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.".

SEC. 967. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7)(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.".

SEC. 968. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.".

SEC. 969. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 915, 917(a), and 923, is amended by adding at the end the following new paragraph:

"(15) Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of, driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 970. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 945, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 470(b) of the Work Opportunity Act of 1995.

"(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE CSE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a), 912(b), 913(a), 933, and 943(a), is amended—

(A) by striking "and" at the end of paragraph (29);

(B) by striking the period at the end of paragraph (30) and inserting "; and"; and

(C) by adding after paragraph (30) the following new paragraph:

"(31) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(k) (concerning denial of passports), determinations that individuals owe arrearages of child support in an amount exceeding $5,000, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State shall, upon certification by the Secretary of Health and Human Services transmitted

under section 452(k) of the Social Security Act, refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

SEC. 971. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

The Secretary of State is authorized to negotiate reciprocal agreements with foreign nations on behalf of the States, territories, and possessions of the United States regarding the international enforcement of child support obligations and designating the Department of Health and Human Services as the central authority for such enforcement.

Subtitle H—Medical Support

SEC. 975. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 976. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 915, 917(a), 923, and 968, is amended by adding at the end the following new paragraph:

"(16) Procedures under which all child support orders enforced under this part shall include a provision for the health care coverage of the child, and in the case in which an absent parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the absent parent's health plan, unless the absent parent contests the notice.".

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

SEC. 981. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following new section:

"SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1996 or 1997; or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or nonprofit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

Subtitle J—Effect of Enactment

SEC. 991. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this title.

TITLE X—REFORM OF PUBLIC HOUSING

SEC. 1001. CEILING RENTS.

Section 3(a)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)) is amended to read as follows:

"(2) ESTABLISHMENT OF CEILING RENTS.—

"(A) IN GENERAL.—A public housing agency may provide that each family residing in a public housing project shall pay monthly rent in an amount established by such agency in accordance with this paragraph.

"(B) LIMITATIONS ON AMOUNT.—The rental amount established under subparagraph (A)—

"(i) shall reflect the reasonable rental value of the dwelling unit in which the family resides, as compared with similar types and sizes of dwelling units in the market area in which the public housing project is located;

"(ii) shall be greater than or equal to the monthly cost to operate the housing (including any replacement reserves at the discretion of the public housing agency); and

"(iii) shall not exceed the amount payable as rent by such family under paragraph (1).".

SEC. 1002. DEFINITION OF ADJUSTED INCOME FOR PUBLIC HOUSING.

(a) DEFINITION OF ADJUSTED INCOME.—Section 3(b)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amended to read as follows:

"(5) The term 'adjusted income' means the income that remains after excluding—

"(A) $480 for each member of the family residing in the household (other than the head of the household or spouse)—

"(i) who is under 18 years of age; or

"(ii) who is—

"(I) 18 years of age or older; and

"(II) a person with disabilities or a full-time student;

"(B) $400 for an elderly or disabled family;

"(C) the amount by which the aggregate of—

"(i) medical expenses for an elderly or disabled family; and

"(ii) reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed;

exceeds 3 percent of the annual income of the family;

"(D) child care expenses, to the extent necessary to enable another member of the family to be employed or to further his or her education;

"(E) excessive travel expenses, not to exceed $25 per family per week, for employment- or education-related travel, except that this subparagraph shall apply only to a family assisted by an Indian housing authority; and

"(F) subject to the requirements of subsection (e), for public housing, adjustments to earned income established by the public housing agency, not to exceed 20 percent of the earned income of the family.".

(b) ADJUSTMENTS TO DEFINITION OF EARNED INCOME.—Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a) is amended—

(1) in the first undesignated paragraph immediately following subsection (c)(3) (as added by section 515(b) of the Cranston-Gonzalez National Affordable Housing Act), by striking "The earnings of" and inserting the following:

"(d) EXCLUSION OF CERTAIN EARNINGS.—The earnings of"; and

(2) by adding at the end the following new subsection:

"(e) ADJUSTMENTS TO EARNED INCOME.—If a public housing agency establishes any adjustment to income pursuant to subsection (b)(5)(F), the Secretary—

"(1) shall not take into account any reduction of the per dwelling unit rental income of the public housing agency resulting from that adjustment in calculating the contributions under section 9 for the public housing agency for the operation of the public housing; and

"(2) shall not reduce the level of operating subsidies payable to the public housing agency due to an increase in per dwelling unit rental income that results from a higher level of income earned by any residents whose adjusted incomes are calculated taking into account that adjustment to income, until the public housing agency has recovered a sum equal to the cumulative difference between—

"(A) the operating subsidies actually received by the agency; and

"(B) the operating subsidies that the public housing agency would have received if paragraph (1) was not applied.".

(c) REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress describing the fiscal and societal impact of the amendment made by subsection (b)(2).

(d) REPEAL OF CERTAIN PROVISIONS.—

(1) MAXIMUM ANNUAL LIMITATION ON RENT INCREASES RESULTING FROM EMPLOYMENT.—Section 957 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12714) is repealed effective November 28, 1990.

(2) ECONOMIC INDEPENDENCE.—Section 923 of the Housing and Community Development Act of 1992 (42 U.S.C. 12714 note) is repealed effective October 28, 1992.

SEC. 1003. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 27. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—If the benefits of a family are reduced under a Federal, State, or local law relating to welfare or a public assistance program for the failure of any member of the family to perform an action required under the law or program, the family may not, for the duration of the reduction, receive any increased assistance under this Act as the result of a decrease in the income of the family to the extent that the decrease in income is the result of the benefits reduction.

"(b) EXCEPTION.—Subsection (a) shall not apply in any case in which the benefits of a family are reduced because the welfare or public assistance program to which the Federal, State, or local law relates limits the period during which benefits may be provided under the program.".

SEC. 1004. APPLICABILITY TO INDIAN HOUSING.

(a) IN GENERAL.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by this title shall apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.

(b) DEFINITIONS.—For purposes of this section—

(1) the term "Indian housing authority" has the same meaning as in section 3(b) of the United States Housing Act of 1937;

(2) the term "public housing" has the same meaning as in section 3(b) of the United States Housing Act of 1937; and

(3) the term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 1005. IMPLEMENTATION.

The Secretary shall issue such regulations as may be necessary to carry out this title and the amendments made by this title.

SEC. 1006. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on the date of enactment of this Act.

ADDITIONAL STATEMENTS

SUPPORT FOR SEISMIC MONITORING CAPABILITY

• Mr. GLENN. Mr. President, the proliferation of nuclear weapons continues to be one of the most serious threats to national security, which underscores the need for the United States to maintain an effective capability to detect and identify clandestine nuclear tests. The challenge for seismic monitoring is the detection and identification of events of small magnitude. To meet this challenge it is necessary to acquire regional data not less than 1,000 kilometers from a test.

For many years, a consortium of universities has operated a multiple-use, global seismographic network that has been supported with funds from the Department of Defense and the National Science Foundation. These facilities represent a small but significant investment by the U.S. Government, offer effective and needed nuclear test monitoring capabilities worldwide, and enhance regional coverage in areas not adequately covered by national technical means [NTM].

Data provided by this global seismographic network can be used to locate seismic events, discriminate natural versus explosive sources, and estimate magnitude and/or yield—all of which are critical in detection and identification of clandestine nuclear tests. Enhancing accuracy of event location is particularly important in greatly reducing the area which must be investigated through costly on-site inspections or the use of NTM. The data obtained from this network thus complement, rather than compete with, data obtained from NTM.

This type of information will be invaluable in helping our Government to verify a Comprehensive Nuclear Test Ban Treaty. We are already well into the evolution of the post-cold war world, and one unpleasant fact of life about such a world is that professional test ban monitors no longer have the luxury of simply gathering data about activities at certain fixed, well-characterized sites. Now the problem has gotten more complex: We are increasingly concerned about small, low-yield test explosions, and we are facing a verification challenge that is truly global in scope. Given the global distribution of significant nongovernmental seismic monitoring capabilities, it is only prudent for us to exploit whatever resources are available and appropriate to get the job done.

The network is administered by a consortium which today consists of over 80 research institutions and affiliates around the globe. The National Science and Technology Council [NSTC] is developing a long-term funding plan for the GSN and JSP. Because of delays in the NSTC process funding recommendations were not included in the administration's fiscal year 1996 budget request, but are being incorporated in the fiscal year 1997 budget request. In the meantime, this action is needed to ensure continuation of these important programs.

My amendment specifies that $9,500,000 of prior year funds from the Defense Support Program which are available as a result of the omnibus reprogramming shall be available for continuation of the Global Seismographic Network [GSN] and Joint Seismic Program [JSP]. This is maintained by the Air Force Office of Scientific Research [AFOSR] in PE 601102F, project 2309. •

TRIBUTE TO CHUCK GIFFORD

Mr. HARKIN. Mr. President, one of my best friends, and a true friend to all who fight for social and economic justice, is retiring as subregional director of the United Auto Workers. Chuck has fought all his life for the rights of working men and women.

Chuck Gifford started out working at Maytag in Newton, IA, where he was an elected representative for local 997. He was appointed to the staff of the national community action program [CAP] of the UAW in 1975. He has held a number of important positions with the union, including serving as region 4

CAP coordinator for Iowa, Illinois, and Nebraska; president of the Iowa State CAP Council, and is retiring as subregional director. In addition to his work with the union, Chuck has been active for a long time in the Democratic Party, at the local and national level. He was a member of the Democratic National Committee, and the Iowa State Central Committee of the Democratic Party. Chuck is among the most respected labor and political leaders in our state.

While Chuck could always be counted on to pay close attention to the person on the shop floor, his vision and concerns were national and international in scope. He cared deeply about justice and working conditions for his union members, but he also cared passionately about economic injustice in Latin America, Asia, and Africa. He was a leader in the fight to end the Vietnam war, to end apartheid in South Africa, and to end child labor Latin America and Asia.

Chuck is a true and loyal American. He has spent countless hours and even days in political work to make changes in U.S. policy. He was not content to sit on the sidelines and complain. He got into the arena, and worked to make America a better country. That, to me, is a real test of good citizenship, and Chuck gets an A-plus in that category.

Recently, Chuck was appointed by Iowa Supreme Court Justice Lou Lavorato to an interim committee which will examine access to the judicial system, so I am glad to see that even in his retirement, Chuck will still be active. Mr. President, I want to salute the long and distinguished career of Chuck Gifford. I wish him all the best of health and happiness in the years ahead.●

ALASKA POWER ADMINISTRATION SALE ACT TRANS-ALASKA PIPELINE AMENDMENT ACT OF 1995—MESSAGE FROM THE HOUSE

Mr. DOLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives (S. 395), a bill to authorize and direct the Secretary of Energy to sell the Alaska Power Marketing Administration, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

JULY 25, 1995.

Resolved, That the bill from the Senate (S. 395) entitled "An Act to authorize and direct the Secretary of Energy to sell the Alaska Power Administration, and to authorize the export of Alaska North Slope crude oil and for other purposes", do pass with the following amendments:

Page 2, strike out line 1 through page 9, line 6.

Page 9, strike out line 8 through page 13, line 26, and insert:

SECTION 1. EXPORTS OF ALASKAN NORTH SLOPE OIL.

Section 28 of the Mineral Leasing Act (30 U.S.C. 185) is amended by amending subsection (s) to read as follows:

"EXPORTS OF ALASKAN NORTH SLOPE OIL

"(s)(1) Subject to paragraphs (2) through (6) of this subsection and notwithstanding any other provision of this Act or any other provision of law (including any regulation) applicable to the export of oil transported by pipeline over right-of-way granted pursuant to section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652), such oil may be exported unless the President finds that exportation of this oil is not in the national interest. The President shall make his national interest determination within five months of the date of enactment of this subsection. In evaluating whether exports of this oil are in the national interest, the President shall at a minimum consider—

"(A) whether exports of this oil would diminish the total quantity or quality of petroleum available to the United States;

"(B) the results of an appropriate environmental review, including consideration of appropriate measures to mitigate any potential adverse effects of exports of this oil on the environment, which shall be completed within four months of the date of the enactment of this subsection; and

"(C) whether exports of this oil are likely to cause sustained material oil supply shortages or sustained oil prices significantly above world market levels that would cause sustained material adverse employment effects in the United States or that would cause substantial harm to consumers, including noncontiguous States and Pacific territories.

If the President determines that exports of this oil are in the national interest, he may impose such terms and conditions (other than a volume limitation) as are necessary or appropriate to ensure that such exports are consistent with the national interest.

"(2) Except in the case of oil exported to a country with which the United States entered into a bilateral international oil supply agreement before November 26, 1979, or to a country pursuant to the International Emergency Oil Sharing Plan of the International Energy Agency, any oil transported by pipeline over right-of-way granted pursuant to section 203 of the Trans-Alaska Pipeline Authorization Act (43 U.S.C. 1652) shall, when exported, be transported by a vessel documented under the laws of the United States and owned by a citizen of the United States (as determined in accordance with section 2 of the Shipping Act, 1916 (46 U.S.C. App. 802)).

"(3) Nothing in this subsection shall restrict the authority of the President under the Constitution, the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), or the National Emergencies Act (50 U.S.C. 1601 et seq.) to prohibit exports of this oil or under Part B of title II of the Energy Policy and Conservation Act (42 U.S.C. 6271–76).

"(4) The Secretary of Commerce shall issue any rules necessary for implementation of the President's national interest determination, including any licensing requirements and conditions, within 30 days of the date of such determination by the President. The Secretary of Commerce shall consult with the Secretary of Energy in administering the provisions of this subsection.

"(5) If the Secretary of Commerce finds that exporting oil under authority of this subsection has caused sustained material oil supply shortages or sustained oil prices significantly above world market levels and further finds that these supply shortages or price increases have caused or are likely to cause sustained material adverse employment effects in the United States, the Secretary of Commerce, in consultation with the Secretary of Energy, shall recommend, and the President may take, appropriate action concerning exports of this oil, which may include modifying or revoking authority to export such oil.

"(6) Administrative action under this subsection is not subject to sections 551 and 553 through 559 of title 5, United States Code.".

SEC. 2. GAO REPORT.

(a) REVIEW.—The Comptroller General of the United States shall conduct a review of energy production in California and Alaska and the effects of Alaskan North Slope oil exports, if any, on consumers, independent refiners, and shipbuilding and ship repair yards on the West Coast and in Hawaii. The Comptroller General shall commence this review two years after the date of enactment of this Act and, within six months after commencing the review, shall provide a report to the Committee on Energy and Natural Resources of the Senate and the Committee on Resources and the Committee on Commerce of the House of Representatives.

(b) CONTENTS OF REPORT.—The report shall contain a statement of the principal findings of the review and recommendations for Congress and the President to address job loss in the shipbuilding and ship repair industry on the West Coast, as well as adverse impacts on consumers and refiners on the West Coast and in Hawaii, that the Comptroller General attributes to Alaska North Slope oil exports.

Page 14, strike out line 1 through page 15, line 11.

Page 15, strike out line 12 through page 16, line 10.

Page 16, strike out line 14 through page 24, line 15.

Amend the title so as to read: "An Act to permit exports of certain domestically produced crude oil, and for other purposes.".

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate disagree to the amendments of the House and agree to the conference asked by the House on the disagreeing votes of the two Houses thereon, and that the conferees on the part of the Senate be appointed by the Chair.

There being no objection, the Presiding Officer appointed Mr. MURKOWSKI, Mr. HATFIELD, Mr. DOMENICI, Mr. JOHNSTON, and Mr. FORD conferees on the part of the Senate.

AMENDING THE FAIR LABOR STANDARDS ACT OF 1938

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 1225, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 1225) to amend the Fair Labor Standards Act of 1938 to exempt employees who perform certain court reporting duties from the compensatory time requirements applicable to certain public agencies, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. PRESSLER. Mr. President, on Tuesday the House of Representatives unanimously passed H.R. 1225, the

Court Reporter Fair Labor Amendments of 1995. The bill has since been received in the Senate. I rise to strongly support this much needed legislation, modeled after a bill, S. 190, I introduced last Congress and reintroduced again this January.

This legislation would correct a situation caused last year by a Labor Department interpretation of the Fair Labor Standards Act of 1938 [FLSA] as it relates to State and local court reporters. The bill would exempt from the overtime provisions of the FLSA the time official court reporters spend outside of work preparing transcripts of court proceedings for a private fee.

Mr. President, for purposes of legislative history, let me take a moment to explain the background of this issue and why this legislation is so necessary. Traditionally, court reporters have enjoyed a somewhat unique position of being treated as both public employees and independent contractors, depending on the nature of their work. While performing their primary duties of recording and reading back court proceedings, reporters have been considered employees of the court entitled to appropriate compensation and benefits.

In addition to these in-court duties, however, official court reporters also are required by most jurisdictions to prepare and certify transcripts of their stenographic records. Transcripts are typically requested by a wide range of persons—including attorneys for indigent and nonindigent criminal defendants, civil litigants, and judges. In return, reporters are paid a per-page fee by the party requesting the transcript.

When preparing transcripts for outside parties, not including judges, reporters have been considered independent contractors, not court employees. This makes sense because the court receives no benefit from the preparation of the transcript. The work is performed after normal working hours, on weekends, or when all their other court duties have been completed. Quite often, court reporters produce these transcripts at home using computer-aided transcription equipment, which they have personally purchased, without any supervision by the court.

For taxation purposes, the fee income received for the work is treated as separate and apart from reporters' court wages. In fact, court reporters in my home State of South Dakota are required to collect and pay sales tax on this income. They also file self-employment income forms with the U.S. Internal Revenue Service.

Mr. President, the situation I have described, typical of almost all State and local court reporters in the country, was thrown into turmoil last year by the Wage and Hour Division of the Labor Department. In a series of letters, the Division took the position that official court reporters in Oregon, Indiana, and North Carolina were still acting as court employees, for purposes of the FLSA, when they prepare transcripts of their stenographic records for private litigants, regardless of when or where the work is completed. Court reporters in most other States operate in circumstances similar to these three States.

None of the groups affected are pleased by the Labor Department's position. Many view the Labor Department as unnecessarily intruding into a situation with which everyone concerned was happy.

If allowed to stand, court employers would be forced to pay overtime for transcription work that is not supervised by the court and from which the court does not receive a benefit. As a result, many more hours of overtime would be accumulated by reporters. At one and one-half times the regular rate of pay, these additional overtime hours would severely strain the limited salary budgets of the courts. In response, courts would be forced to drastically cut back the number of hours allowed for transcription work, or cut back the number of court reporter positions.

State and local court reporters also are not happy with the Labor Department's interpretation. Though they purportedly would be the beneficiaries of the "protections" of the FLSA, reporters are worried their ability to earn outside income would be drastically reduced, that they would be subjected to court supervision when preparing transcripts, and that many reporter positions could be eliminated.

Finally, attorneys and others who request transcripts do not wish to see the current system changed. Under the traditional situation, they receive transcripts quickly and accurately at a reasonable price.

Mr. President, this legislation fixes the problem. It would allow State and local court reporters to continue to prepare transcripts for attorneys and others in their off hours for a per-page fee. During these hours, court reporters would be considered independent contractors, not employees of the court. These hours would not count toward the overtime provisions of the FLSA. Courts would not be required to pay reporters for these hours. The effect of the bill would be to preserve the system as it has existed for years. It is strongly supported by the National Court Reporters Association. I also have heard strong support from many judges and attorneys in South Dakota for preserving the present system.

Mr. President, this is not a partisan issue. As it progressed through the House, this legislation enjoyed broad support on both sides of the aisle. During a hearing held several weeks ago in the House Worker Protections Subcommittee of the Economic and Educational Opportunities Committee, no witness testified in opposition. After consultations with members of both parties and the Labor Department, the House bill was modified to clarify its intent. The modified version was then offered as an amendment in the nature of a substitute by Representative OWENS, the ranking member of the subcommittee, with the approval of the sponsor, Mr. FAWELL.

Essentially, two conditions must be met for the exemption to apply. First, when performing transcript preparation duties, reporters must be paid at a per-page rate that is fair. To ensure reporters are not exploited, the rate must not be less than the maximum rate set by State law or local ordinance or otherwise established by a judicial or administrative officer, or a fair market rate as negotiated by the reporter and the party requesting the transcript.

Second, transcription work must be performed during hours when reporters are not otherwise required by their court employer to be at work. Reporters are clearly acting as employees subject to compensation when they are required by the court to be working, or to be on call during a period of down time in a trial, for instance. However, when court reporters no longer are required to be at work, when they are free to go home or spend their time as they wish, and they choose to prepare transcripts for a private fee, then court employers are under no obligation to compensate them or count those hours toward the overtime provisions of the FLSA. This is common sense.

Mr. President, as I mentioned, no opposition to this legislation appeared in the House. I do not expect any opposition in this chamber either. S. 190, the bill I introduced, has been cosponsored by Senator KASSEBAUM, chairman of the Labor and Human Resources Committee, as well as Senators EXON, HELMS, JEFFORDS, COCHRAN, COATS and BROWN. I thank them for their support and am confident they also will find the House-passed legislation satisfactory.

H.R. 1225 is being held at the Senate desk pursuant to my request. It is my intention to seek unanimous consent to move this bill at the appropriate time. I understand from the staff of the ranking member of the Labor Committee, Senator KENNEDY, that he does not plan to object to moving this legislation. I also have checked with other members of the Labor Committee from the other party and have not heard of any opposition. Nor did I expect any.

To conclude, Mr. President, I thank all my colleagues for their support and look forward to moving this bill quickly.

Mr. DOLE. I ask unanimous consent that the bill be deemed to have been considered, read a third time, and passed, and the motion to reconsider be laid on the table, and any statement relating to the bill appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 1225) was deemed to have been read the third time and passed.

ORDERS FOR MONDAY, AUGUST 7, 1995

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9 a.m., Monday, August 7, 1995; that following the prayer, the Journal be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate proceed to a period for routine morning business not to extend beyond the hour of 10:30 a.m. with Senators permitted to speak for up to 5 minutes each, with the following exceptions: Senator FRIST for up to 60 minutes, Senator DASCHLE or his designee for up to 30 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I further ask that the cloture vote scheduled to occur on Monday be postponed to occur at a time to be determined by the majority leader after consultation with the Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. For the information of all Senators, the Senate will resume consideration of the welfare reform bill at 10:30 a.m. Then the amendment I have offered is the Work Opportunity Act of 1995. Votes can be expected during Monday's session of the Senate, but will not occur prior to the hour of 4:30 p.m. on Monday. Also, votes could occur later that evening with respect to amendments to the DOD authorization bill during Monday's session. I outlined before we hope to be able to go back to that late Monday and complete action on that bill.

I know the distinguished Democratic leader wishes to speak, and also the Senator from Nebraska—how much time?—2 minutes.

ORDER FOR RECESS

Mr. DOLE. Mr. President, so, if there is no further business to come before the Senate, I ask unanimous consent that the Senator from Nebraska be recognized for 2 minutes, and the distinguished Democratic leader be recognized for whatever time he may use, and that after his statement the Senate stand in recess under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Nebraska.

Mr. EXON. I thank the Chair and my friend and colleague, the majority leader.

FAMILY SELF-SUFFICIENCY ACT

Mr. EXON. Mr. President, before the leader leaves the floor, I want to say I have listened with keen interest to the opening remark by the majority leader and the introduction of the welfare reform bill and the spirit of compromise that he expressed and exchanged with Senator MOYNIHAN, who has been a leader in this for a long time. I am looking forward to the remarks by the minority leader, which I think will follow, probably on this subject.

I just want to say that after being here 17-plus years, I do not believe there is anything that probably is more important or more necessary for reform. And I hope that the spirit of compromise which started out this debate will be part of the debate, because I believe that this is not something that we want to make a political issue out of it. This is a problem that we all know of that is very fundamental to the whole prospect that we have of getting our fiscal house in order and doing the right thing in a fair way.

I hope we will not have any filibuster. I hope that maybe we can be so bipartisan that maybe we will not even use tabling motions. Maybe we can just have up-or-down votes on all of the amendments. I am not trying to direct how this is moved forward, but I think if we are going to get something done, it is going to have to be a combination effort with the combination of the majority Members and minority Members having a say so and let the body work its will on the various amendments.

I will have more to say on this probably on Monday or later. I am very much concerned about it. I am very happy it has finally come to the fore. And I salute the majority leader and the minority leader, Senator MOYNIHAN, and others, who have had a key role to play. I do not think we are too far apart. I hope we will not become too far apart during the debate which will ensue.

I thank the majority leader and the minority leader, and I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, let me concur first with the comments made by the distinguished Senator from Nebraska. I hope that this can be a very meaningful and productive debate. I have every expectation that that is indeed what will occur. This is a very important issue, and we will all have much more to say about it next week.

Mr. President, we begin the debate today, and I must say I am encouraged by the remarks of the majority leader and certainly by the ranking member of the Finance Committee, because I think it is indicative of the hope expressed oftentimes on the floor that we can deal in a meaningful way on an issue as important as welfare reform this year.

I believe that in many respects there are similarities between the Republican and the Democratic approaches to welfare reform, but there are some fundamental differences as well. And those differences, of course, have to be worked out over the course of the next several days.

I believe that it is very important, as we look to how to achieve meaningful welfare reform, that several principles guide our way, that several principles determine the degree to which we come together and create the scope within which welfare reform can be accomplished.

I believe that it is important to end welfare as we know it, as the President has challenged us to do. I believe that most people recognize, that with all of its good intentions, we have not been able to cope with the myriad problems that we continue to witness and experience simply because the infrastructure we have created is unable to accommodate the solutions that are necessary under the current set of circumstances.

The Family Support Act, a major piece of legislation offered at that time by the senior Democratic member of the Finance Committee, later to be chairman of the Finance Committee, Senator MOYNIHAN, was really a landmark piece of legislation in 1988. Now, 7 years later, we realize we have to go even beyond what we did in 1988 with the broad agreement that we had in 1988 that it was a very significant step ahead, a step forward in the progress that we knew we had to make in achieving much of what we had set out to do 30 years ago.

Mr. President, I believe that the principles of welfare reform that must be incorporated as we begin to address this issue next week, first and foremost, recognize that we change the infrastructure of the welfare system as we have known it for so long. It is important that we abolish the AFDC system and create in its place an ability for us to put the emphasis where it ought to belong, put the emphasis on work, to make the welfare office of today the employment office of tomorrow, to give people an opportunity, a confidence that they do not have today that they will have the jobs skills, they will have the ability, they will have the resources to get jobs and to keep them.

Work First—an emphasis on work ought to be the emphasis of welfare reform. We feel so strongly about the need to make work that priority that we call our bill the Work First welfare reform plan, because that is where the emphasis must be put, on work with skills, with education, with placement, with whatever resources may be required to ensure that people work.

Second, we think it is very important that if, indeed, we are going to acknowledge the importance of work, we also acknowledge that it is impossible to ask a mother or a father, but in particular a mother, to go out, to take perhaps a minimum-wage job if there is nothing that we can tell them will happen to their children. If we tell them we are going to force you to take that job out on some hamburger line but we know you have kids 2- and 4-years-old and you are just going to have to leave them at home or you are just going to have to figure out a way to deal with them, my guess is there is not going to be much incentive to go do that.

So what we say is somehow we have to come up with innovative ways to ensure that parents will know that their kids are going to be cared for, that somehow those children are going to have to have the ability to be cared for, to be protected, to be nourished, to be trained to do all the things that the mother would do if she was at home with those children and not at work.

There is an inextricable link between child care and welfare reform, between expecting a young mother to go out and work and recognizing how important it is that those kids get care.

It does not take a rocket scientist to find out that one of the big problems we have in society today is that there are too many kids that do not have any guidance, do not have any affection, do not have any relationship with their mother or their father. Whatever relationship they get, they get out on the street.

Look what happened in that brutal circumstance just the night before last at the McDonald's 15 blocks from here. I do not know what happened to that kid. I do not know what caused him to go in at 2 o'clock in the morning and blow away three of his fellow employees. But I would be willing to bet he did not have a father. I would be willing to bet he probably had nothing at home. I would be willing to bet he received no guidance in those developmental ages. I would be willing to bet we lost that kid a long time ago.

I hope we do not have to experience that over and over and over and over again. Whether or not that happens, it seems to me, is dependent upon whether or not we provide mothers and fathers with an opportunity, a confidence that we are going to deal with that problem. I think if we can deal with child care, there is a long way we can go in meaningful welfare reform.

Third, I believe that it is important to end the cliff effect. If we tell that mother or that father, "You know what, we are going to force you to go take a job, but as soon as you do, you lose your health insurance, it's over."

I have to tell you, I do not think there is a whole lot of incentive. I think they are going to do this all over again. I do not think there is any real expectation they are going to want to get a job, if they get a minimum wage job away from their kids and lose their health insurance through Medicaid all at the same time. That "ain't" going to happen.

So I think we have to recognize that while they are on that job, somehow we have to ensure as well, for at least a while, that they are entitled to Medicaid to see that they have all the incentives to go out and get a job that we can.

Next, I think we ought to tell those parents, that mother or that father, unequivocally, "Look, if you do not go out and get a job, there is a timeframe within which all of your benefits are gone. We're not going to give you benefits in perpetuity. It's over. A 2-year time limit and you don't have access, you don't have eligibility, you don't have an opportunity to get additional benefits for the foreseeable future. That is not going to happen anymore. We are going to work with you. We expect you to sign a contract with us that you are going to get a job. We're going to help you find one. You have to live up to your responsibilities, we will live up to ours. But it is over in 2 years. And if it is over, you are going to work in public work jobs, you are going to work in workfare, you are going to work in some way, but you are going to work, and you are not going to get benefits. It is not going to be like it is today where you can just keep going forever. That time is over."

So there is a time beyond which we can no longer provide this safety net.

Next, I think it is very important that States have the flexibility. That is one thing that I think unites Democrats and Republicans, the need to give the maximum degree of flexibility. I want to see every State work, but there is a big difference between Montana, the State of the distinguished Presiding Officer, and a South Dakota on the one hand, and a California and a New York on the other. There are big differences between New York City and Missoula, MT, or Pierre, SD, or Philip, SD. There are big differences and we have to recognize that, and the only way we can recognize it is to give States the flexibility they need to adapt to a Philip or adapt to a New York City.

So we recognize that, and we are going to do all that we can to ensure that States have that flexibility. But what we do not want to do is just simply load up all of the responsibilities in a black box, send it out and say, "You do it. And we're going to somehow figure out whether or not you have done it 10 years from now, and if there are huge disparities 10 years from now, well, we will deal with it then." We are not going to let that happen. We have to ensure that somehow there is a minimal maintenance of effort.

Also, we do not want unfunded mandates to the extent potentially you could see them if we do not do this right. A locally elected official not too long ago said this could be the mother of all unfunded mandates if this thing is done wrong. If we just say we are going to give them a block grant, they have to do it. We cut the funds, somebody ends up with all the responsibility and no resources.

We are not going to let that happen. So it is very important that we not make this an unfunded mandate, that we provide flexibility, that we do all that we can to ensure that there is some continuity here.

So the bottom line, Mr. President, is this: We want to end welfare as we know it. We want to ensure that children are protected, that we create a new mechanism by which children will not be punished, but will be encouraged, that parents will not be punished but will come to a new reality about the limits with which we have the ability to help them. But that during those months within which we can help them, we do all that is possible to help them obtain the skills, get the jobs, be responsible and become productive citizens.

Work First, Mr. President, will do that. The Work First plan is a plan that has been the product of, perhaps, more of a concerted effort within our caucus than anything else we have done this year.

Let me commend a number of my colleagues for the effort they have put forth to bring us to this point. Senator BREAUX, the distinguished Senator from Louisiana; Senator MIKULSKI, the distinguished Senator from Maryland; Senator MOYNIHAN, extremely helpful and has provided us within credible leadership on this whole issue; Senator DODD, who knows more about child care than all the rest of us put together; a whole range of Senators within our caucus that have come forth to give us a substantial degree of guidance and leadership and support at each and every turn.

So we are very proud of the product, very hopeful that my colleagues on the other side will take a close look at the Work First legislation with an expectation that, partisanship aside, we may be able to find a solution here. We may actually be able to produce a bill like Work First that satisfies everybody's expectations, that ultimately brings us meaningful welfare reform. I think it can happen. I am very hopeful that it can happen in the not-too-distant future.

We will take this bill up again next Monday. I look forward to productive debate.

I yield the floor.

Mr. EXON. Mr. President, I ask unanimous consent for 1½ more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I thank my friend and colleague from South Dakota for his excellent remarks. I think they were right on point. I would just like to say to my leader, the Democratic leader and to the Republican leader, that I think the minority leader made an excellent point. The States are going to have a key role to play in this. We know that. I simply say that let us be careful that we do not make some mistakes and just assume that every State is going to take care of this. We also ought to assume that this is not necessarily going to cost less money, because I suspect it is not and that we are going to pass it along to the States and let them worry about it.

I hope that during this debate that since the Governors are going to be very much involved, those of us who served as Governors of our States may have a somewhat unique perspective that is not there by others who have not had the responsibility of serving as Governor and, therefore, Democratic former Governors, Republican former Governors probably can have some pretty good input to this as to how it might affect the States and the responsibilities of the Governors.

Let me close by saying that I believe people in the United States recognize that they are their brother's keepers to some extent.

I think the complaint has been, Mr. President, that the policy that we have had in effect in the past have not worked. People stay on welfare from generation to generation. That is what they object to. I think that is what both plans are trying to address.

Let me finish up by saying how proud I was of my leader, the Democratic leader, for mentioning children. Yes, we are going to have to have some kind of a cutoff date, if you are unsuccessful. We are going to have to raise the minimum wage if this is going to be successful.

Last but not least, we are going to have to recognize what the Democratic leader said. What about kids? Supposing their parents are not successful after being on welfare for a length of time? They are going to have to get off, and we are going to have to have some kind of a cutoff mechanism. But we are also going to have to recognize that we cannot cut off the kids. It is not their direct responsibility.

All of these things must be given consideration. I hope and think they will be.

I thank the Chair and my friend and colleague from South Dakota.

Mr. DASCHLE. I will be very brief, Mr. President. I can only respond by saying that the Senator from Nebraska has spoken again very eloquently and obviously with the experience that only a Governor can bring to a debate like this. The Senator from Nebraska has been Governor for a long period of time in a State that is not much different from South Dakota, my State. He recognizes the intricacies of making a program like this work and he recognizes as well the differences between a Nebraska and a Florida or a California.

I am delighted he brought up another issue that is also very important as we connect the relationship between success and expectation. We will only achieve success if we can truly make work pay. If we can make work pay, part of making it pay is to recognize that minimum wage today, if a person will work 40 hours a week, is still below the level of poverty. That is not making work pay.

As the Senator from Nebraska has said so well, if we are going to make this thing work, then we also have to recognize that pieces not directly related to welfare but having a significant impact on it, will have to be addressed as well.

So the Senator from Nebraska, as always, was able to hone in on those two or three principles that are key. I appreciate the contribution he has made to this effort. I look forward to working with him next week.

RECESS UNTIL MONDAY, AUGUST 7, 1995, AT 9 A.M.

The PRESIDING OFFICER. If no other Senator is seeking recognition, under the previous order the Senate stands in recess until Monday, August 7, 1995 at 9 a.m.

There being no objection, the Senate, at 5:46 p.m., recessed until Monday, August 7, 1995, at 9 a.m.

SENATE—*Monday, August 7, 1995*

(Legislative day of Monday, July 10, 1995)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Let us pray:

Almighty God, You have blessed this Nation so bountifully. You have lavished Your love in natural resources and expressed Your providential care in the creation of a nation where we believe all are created equal and given the rights of life, liberty, and the pursuit of happiness.

Today, we regretfully acknowledge that Your glorious intention for this Nation is debilitated for many who are caught in the syndrome of poverty, disadvantage, and disability. In Your Word You consistently call those who believe in You to reach out to the poor and those who suffer. But Lord, You know there is sharp division on how to implement Your admonition.

As this Senate considers welfare reform measures, we ask for Your wisdom to discern how best to care for those in need. Help us to listen for the echo of Your truth as Senators speak from the several different approaches to the role of government in welfare programs. May what is done be more than a hand out, but a hand up to lift people from the vicious cycle of poverty or a life of habitual dependence on government. Show us the most creative balance of responsibility between the Federal Government and the States.

Lord, we believe there is a workable solution for the future, and that during the hours of discussion and debate, You will guide the Senators to a way to unite in creative legislation. To this end we commit our work this week. Amen.

RESERVATION OF LEADER TIME

The PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. THOMAS). Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Tennessee [Mr. Frist] is recognized to speak for up to 60 minutes.

SCHEDULE

Mr. FRIST. Mr. President, this morning, the leader time has been reserved and there will be a period for morning business until the hour of 10:30. At 10:30, the Senate will resume consideration of the welfare bill.

The majority leader has stated that rollcall votes can be expected during today's session but will not occur prior to the hour of 4:30 this afternoon. All Senators should be aware that the cloture vote on the Department of Defense authorization bill has been postponed to a later time to be determined by the majority leader, if that vote is necessary.

It is the hope of Senator DOLE to complete action on the Department of Defense authorization during today's session, as well as to make progress on the welfare bill.

PRESERVE MEDICARE

Mr. FRIST. Mr. President, over the next hour, a number of Senators will be presenting a very simple message. That message is that we, together, must work to save Medicare for the current generation, to strengthen it for all future generations, and to simplify it for everyone to make it easier to use and easier to understand.

I now turn to the Senator from New Mexico to make an opening statement on our efforts to preserve Medicare.

Mr. DOMENICI. Mr. President, this morning I want to continue our Medicare discussion with the American people.

For 30 years, Medicare has provided health protection to the elderly and disabled citizens. Medicare has been a successful program. It has provided an important source of health security and needed benefits to millions of Americans since its inception 30 years ago. Today, 37 million Americans receive the benefits and health security that Medicare provides.

Medicare has become an expensive program, and everyone, including the President, agrees that the system needs fundamental structural reform.

Medicare is running out of money. Unless we make changes now, Medicare will not continue to provide the same level of health security in the future.

Nevertheless, 1 week ago, the President held a rally for Medicare. All he talked about was the past. The President forgot the most important element of an anniversary celebration—he forgot to look forward to the next anniversary and the next anniversary after that. If the President fights the reforms necessary to save Medicare's future, then in just 7 years, on the 37th anniversary of Medicare, the program will be bankrupt.

In the President's first budget, which he sent to us in February, Medicare would go bankrupt in the year 2002. Seven more years—that is all we would give the Medicare Program in terms of its existence. After that, there would be no money to pay Medicare hospital benefits. The President would let you choose your doctor, he says, but there would be no money to pay your hospital bills.

The President's original Medicare proposal was great—for the next 7 years. But the 37th anniversary of Medicare would be its last. Under the President's original plan, if you are on Medicare, you better not get sick 8 years from now.

Back in January, the President did not listen to his own Cabinet Secretaries. Three of his own Cabinet officers—Secretaries Bentsen, Shalala, and Reich—are trustees of the Medicare system. Along with two public trustees they told the President and the Congress that the Medicare hospital insurance trust fund had only enough money to pay benefits for the next 7 years.

The President chose to ignore that. The Republicans in the Congress did not. We invited the public trustees up to Capitol Hill to tell us what needs to be done. We listened carefully. Now we are taking their advice.

Let me read from the summary of the trustees' report. The full board of trustees says:

> The Hospital Insurance Trust fund * * * will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range.

This is the report, the summary of it, "Status of Social Security and Medicare Programs." It clearly indicates:

> We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed on a comprehensive basis, including a review of the program's financing methods, benefit provisions, and delivery mechanisms.

This is what the public trustees of Medicare recommend that we do so that we can strengthen Medicare and have many, many, anniversaries to come. This is exactly what we are trying to do now.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

There are those who claim, Mr. President, that we are making changes to Medicare for other reasons. They say we are changing Medicare to balance the budget. We are changing Medicare to lessen the tax burden on working families. That is what some people say.

Both of those claims are false. We are making changes to the Medicare system to save the program, to strengthen Medicare so it can survive into the next century. Even if we are not going to balance the budget, Mr. President, even if we are not going to balance the budget, we need to save Medicare. And whether or not we cut taxes, we still have to save Medicare.

Any attempt to link the two is no more than blue smoke and mirrors from the opponents of reform who think the status quo will last forever, and that we will have a 40th anniversary of Medicare by just leaving it alone, when it is patent it will not be there in 10 years.

The Republicans in Congress have chosen to look toward Medicare's future. We decided this spring that we would save Medicare from bankruptcy, control the growth of costs of the program, and ensure that the program would survive past its 40th anniversary. We developed and passed a budget plan in June that guaranteed a strong Medicare into the next century.

Suddenly—and to some extent we are grateful for this—the President decided to join us. In June, he submitted the outlines of a new budget proposal, one which he claimed would save Medicare.

In June, the President made a good start. His budget would save $127 billion from Medicare over the next 7 years. He is now comparing that with our budget, which will slow the rate of growth by $270 billion over the next 7 years.

If I believed that we could save Medicare by doing what the President wants to do, I would do it in a second. But after a long hard look at the numbers and the program, and after extensive discussions with the Congressional Budget Office, I do not think the President's plan will save Medicare.

You see, the President assumed that the costs of the program would not grow as fast as projected by the nonpartisan Congressional Budget Office.

The President's June budget outline assumes that a serious Medicare problem does not exist. He says the problem is not as hard to solve as the neutral Congressional Budget Office says. The President, therefore, is much more optimistic in his assumptions than the Congressional Budget Office.

I wish it were true, but I am afraid it is not. As much as the President wishes it would, the problem will not go away.

The President has come a long way since his first budget in January. Now all he has to do is use the Congressional Budget Office numbers, and we will have an excellent starting point for discussions.

All he has to do is live up to the commitments that he made in his first State of the Union Address, his promise that we would use the Congressional Budget Office as the neutral analyst of budget information.

We in Congress use that neutral body. The honest, responsible way to budget is to rely on one single source of assumptions, and that is what we did, both in our budget plan and in our Medicare estimates. We did not make the problem go away by wishing that it would go away. We asked the Congressional Budget Office and the trustees what it would take to save Medicare, to keep it alive to its 40th anniversary.

The trustees have told us what we must do. The Congressional Budget Office has told us what we must do. And now we have to get on with doing it.

We are going to slow the rate of growth of the program. Medicare spending will grow 6.4 percent per year under the reform plan. Over the next 7 years, Medicare spending is going to increase from $4,800 per person to $6,700 per person. Let me repeat. Medicare spending in the 7 years of the budget plan is going to increase from $4,800 per person to $6,700 per person—$1,900.

I know older Americans are seriously concerned about the future and what it will bring to them and what it will bring to their children and grandchildren. I have found that senior citizens are extremely concerned about the crushing burden of the debt that our current policies will place on their grandchildren. All I know is that they also want a Medicare Program that is fair, both for them and for generations yet to come.

I also know that a 65-year-old couple that starts receiving Medicare this year will, over their lifetimes, receive $117,000 more in Medicare benefits than they will put into the system in payroll taxes and premiums. I know that this will concern many seniors, who want Medicare to be there in the future for them, for their children, and for their grandchildren. We are going to spend nearly 5 percent more per year on Medicare beneficiaries in this budget. So anyone who says we are cutting Medicare is just not telling the truth.

What, honestly, should scare America's senior citizens and disabled citizens is the prospect that we will do nothing. For if we do nothing, seniors will have a hospital benefit plan for only 7 more years. If we do nothing, seniors will be able to keep their doctors but only for the next 7 years. After that, you will still have your doctor, but he will not be able to treat you in a hospital. After that, the hospital insurance trust fund will run out of money and Medicare will not be able to pay hospital benefits.

I want to make sure that our seniors can keep their existing coverage. I want to give them the opportunity to choose other health plans, just like my colleagues and I in the Senate can choose our own health plans. And I believe this is exactly what the Republicans in the Senate want to see happen. They want to give the seniors the opportunity to choose other health plans just like we choose every year.

Most important, I want to make sure that they can do all of these things for more than just 7 years. In September we are going to report legislation that will strengthen Medicare. We are going to simplify Medicare, and we are going to make sure that every Medicare beneficiary has the right to choose his or her health plan, just like my fellow Senators and I have. We need to strengthen Medicare. And to do that we have to control the program's rate of growth.

The first thing we are going to do is to attack the waste and fraud in the system. Every senior recently receiving Medicare knows the system is inefficient, complex, and filled with opportunities for waste and fraud. We are going after that money first.

But all experts tell us that will not be enough. We are going to do that, but then we are going to have to look at changes to the program, in both the short and the long term.

In the short run, we are going to have to look at how much we pay doctors and hospitals—that is in the short term— and the way we pay doctors and hospitals for the services seniors receive. We are going to create the right incentives, so that doctors and hospitals are smart about how they spend your money.

Most importantly, we are going to offer seniors more choices. As a Senator, I have, as has everyone in this body, an opportunity to choose my health plan once a year. If I want a generous program with lots of benefits and no deductibles, I pay a bit more.

In some of the areas of the country, Medicare already is experimenting with this, and seniors have a choice. But that is a very small portion. For the most part, the Medicare Program is stuck in the rigidities of a 30-year-old program while health delivery in America has moved strongly away from that to various choices for our people, not just one choice.

We are going to expand this program and gradually change the system so that all seniors will have choices like we have in the Senate. Some seniors are going to have to pay a little more. There is no way we can get around that. But we going to come to seniors last after we have attacked fraud and waste and after we have made changes to the way we pay doctors and hospitals and after we have started to phase in changes that provide seniors with many choices.

Any changes are going to be phased in gradually over time. We are concerned and considerate with seniors. They do not want rapid changes. We do not think that is necessary. We know that seniors who are on fixed incomes have difficulty adjusting to dramatic changes, and we are taking that into account.

We are not going to let Medicare go bankrupt. Yes, I too celebrate the 30th anniversary of Medicare. It has been an important program critical to health of America's older and disabled people. But right now I am thinking about how we are going to make sure that Medicare has a 40th anniversary and beyond.

I yield the floor.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER (Mr. JEFFORDS). The Senator from Tennessee.

Mr. FRIST. Mr. President, I would like to continue our discussion this morning on Medicare and our efforts to save it, to strengthen it and to simplify it for the current generation.

As the distinguished Senator from New Mexico just said, this is the 30th anniversary of the Medicare system, a program, a system that is beloved by over 37 million Americans.

Mr. President, a birthday celebration is—by definition—a recognition of the past and not the future. In commemorating the birth of a loved one, we honor all that he is and has done to earn our esteem. As much as we may wish it, however, whether that person lives to celebrate future birthdays, is out of our hands.

Perhaps that is why when President Clinton celebrated the 30th anniversary of the birth of Medicare last Saturday—a system beloved by more than 37 million Americans—he spent the day reminiscing about its past, and ignoring its future.

But just as blowing out all the candles will not guarantee that your wish comes true, closing our eyes to the facts about the health of the Medicare system will do nothing to prolong its life.

Mr. President, on April 3 of this year, Medicare was diagnosed as terminal. Unless Congress takes "prompt, effective, and decisive action"—we were told—Medicare will be dead in 7 years.

Who made this diagnosis? Not a band of wild-eyed, budget-cutters on Capitol Hill. Not a horde of Robin Hood-like raiders who want to steal from the old to give to the rich, as the President and some in his party would like the American people to believe.

No, Mr. President, it was the bipartisan board of Medicare trustees—a board which includes the Commissioner of Social Security, two public trustees appointed by Democrats and Republicans, and three members of Mr. Clinton's own Cabinet: Robert Rubin, the Secretary of the Treasury; Robert Reich, the Secretary of Labor; and Donna Shalala, the Secretary of Health and Human Services.

It has already been pointed out in this report by the Medicare trustees.

So why is the President ignoring their advice? Perhaps because the President has no plan of his own to save Medicare. Perhaps because he believes that if he just ignores the problem long enough, it will go away. More likely, Mr. President, it is because he hopes that senior citizens will simply be too scared to understand that they can take control of their own health care without the Government telling them what to do.

Mr. President, Medicare's impending bankruptcy is not a Republican nor a Democrat issue—neither one. It is just a plain fact. It is a fact because the average 65-year-old couple retiring today will consume about $120,000 more in Medicare benefits than they paid into the system, than they paid into this trust fund, in terms of premiums, in terms of taxes over their lifetime.

It is a fact because it now takes the taxes of more than three and a half workers to pay for one retiring couple's health care regardless of that couple's income. It is a fact because before long the number of senior citizens on Medicare will far exceed the number of taxpaying workers. And it is a fact because for years Congress has been putting off reform, ignoring the warning signs and tinkering around the edges by raising payroll taxes and by cutting payments to providers. Well, we can tinker no longer.

It is a fact because next year for the first time in its history Medicare will be spending more that year than it takes in. And once that happens, the trust fund begins to go broke. Once that happens, the trust fund will be bankrupt in 7 years.

Mr. President, when it goes bankrupt, when that happens under Federal law, no hospital bills can be paid. In just 7 years seniors will not have less Medicare; they will have no Medicare.

Mr. President, unlike President Clinton and some other Members of the Democrat Party, Republicans simply are not willing to abandon 37 million Americans to a wish and a prayer.

Our birthday present to Medicare will be a plan to save it, to strengthen it, and to simplify it—to save it for every citizen who depends upon it now today, to strengthen it for every person who is counting on it in the future, and to simplify it for everyone to make it easier to use and easier to understand.

Let me make three points very quickly.

First, under the Republican plan, Medicare will continue to grow. Yes, it will be at a slower but a more sustainable rate that will preserve it, that will save it over time.

Today, Medicare spending is growing at the rate of 10.4 percent per year—that is more than three times the rates of inflation, and more than twice the rate of private health care spending.

Under the Republican plan, Medicare spending will continue to grow—at the rate of 6.4 percent per year—which is still more than twice the rate of inflation.

Spending per beneficiary will increase from $4,800 per senior this year to $6,700 per senior by the year 2002—an increase of more than $1,900 per beneficiary, and

Under the Republican plan, by the year 2002, the Federal Government will have spent $96 billion more on Medicare beneficiaries than it spent in 1995.

Mr. President—any way you slice it—that is not a cut.

The second point: The Republican plan will also guarantee that every senior citizen will have the right to choose:

The same traditional fee-for-service Medicare insurance they have right now; the same insurance as any Member of Congress; the same insurance their children have; and preretirees will have the right to keep their current benefit package, without having to change to a Government system that offers them less care than they had in the private sector.

Mr. President, under the Republican plan, seniors will not lose their Medicare entitlement. They will continue to be entitled to the right to receive all of Medicare's benefits—including inpatient hospital care, skilled nursing facility care, home health care, hospice, care, physician services, laboratory and diagnostic tests, and x-ray and radiation therapy.

They will continue to be entitled to the right to remain in the current Medicare system that they know today.

But they will also be entitled to a right that is denied them today under the current Medicare system, the right to choose insurance that is available to other younger Americans, insurance that may offer them more benefits, be it prescriptions, be it eyeglasses, than they have today, and quite possibly at lower costs.

The third point is that we must take time to do it right. Mr. President, Medicare is just too critical. As a physician, I have had the opportunity to see it work, doctor to patient, every day for the last 18 years. It is too important to apply politics as usual. It must be a bipartisan effort. But the longer we do nothing, the worse Medicare's financial status becomes.

We must act now—act now to save Medicare for those who are on it today.

We must begin that process today of strengthening the Medicare system for those who will be counting on it in the future. We must work together, and we must do it right.

Mr. President, in closing, just as every birthday offers a new opportunity to change in many ways to a healthier lifestyle and a reminder of what will happen if we do not change, so too does this Medicare anniversary, this Medicare birthday, provide us with the incentive we need to begin the process, a process that, indeed, will guarantee Medicare not just a 7-year survival but a long life and many happy returns of the day.

Mr. President, I thank the Chair. I look forward to continuing the discussion over the next 30 minutes or so, and at this juncture I would like to turn to the distinguished Senator from Wyoming, who has coordinated much of what we call the freshman focus which reflects what many of us in the freshman class, the 11 new Senators, want to accomplish, and that is significant change, effective change, because that is what our mandate was from the American people.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. I thank the Chair.

STRENGTHENING OF MEDICARE

Mr. President, I rise to speak in support of the strengthening of Medicare, to continue some of our dialog this morning about this important issue. As my friend from Tennessee said, those of us who came to the Senate this year I think have been particularly interested in dealing with those questions that require change. I think we all came with a renewed idea of the feeling of voters because we were elected in this last election, a feeling of voters that there does need to be a change; that there does need to be an honest evaluation of programs; that we do need to react to the needs of programs, to change them when they need to be changed, and not simply seek to apply some sort of political remedy that makes everybody feel good. So we have found ourselves dealing with some pretty tough issues and intend to continue.

So I rise in support of strengthening Medicare, of course. I think most everybody at this point understands that there has to be change. Everybody I know of wants to strengthen the Medicare Program. Everybody I know of thinks that there is value in this program, thinks it is a program that needs to be maintained, one that needs to continue to be available, not only for the 37 million people who currently participate but, frankly, it means a lot to some of us who do not yet participate, yet who have mothers, as in my case, who do participate, and I feel very good about that. She feels good about it as well. She feels confident that there will be care for her as she grows older.

So it is not a question of whether we want the program or whether we like the program. We do. The question is, How do we preserve it? The question is, Do we respond to the facts that are readily available, most graphically portrayed in the trustees' report, that you have to do something or the program goes broke? That is fairly clear. Or I suppose you can seek to use it as sort of a political tool and then spin it into a protectionist sort of thing and try to use it in 1996.

I hope that is not the case. In fact, Mr. President, that causes me to reflect just a moment on something that bothers me quite a little bit, in that this issue has become something of a victim of that tendency to spin and merchandise issues for their political value rather than really being willing to deal with them as the facts dictate.

That is not something unique to the Democrats or unique to the Republicans or, indeed, unique to groups that are outside of the parties that deal in political issues. Frankly, it troubles me a great deal. If we are, as we are, a Government of the people and by the people and for the people, then the people who are going to ultimately make the decisions need to make those decisions based on facts.

It is almost an irony that the technology of information has changed so much that we have more information available to us, more quickly, wherever we live. In Wapiti, WY, where I come from, people can see when Yeltsin gets up on the tape 10 minutes after it happens. Imagine this compared to 50 years ago or 100 years ago when issues and facts and Government only came to people after months of communications.

So it is an irony to me that we now have for each of us as voters the best opportunity to know facts and to know them quickly. However, we are faced with this notion of a continuing growth in the idea of spinning issues so that the facts are not there.

It is legitimate to have a different view as to how you solve problems. It is legitimate to have great debates. It is legitimate to say I wish to go this way and you want to go that way, but they ought to be based on facts. In this instance, the facts are before us. The facts are put forth by a bipartisan group, not only bipartisan but made up of a majority of this administration's Cabinet. So there are facts there.

I do not know what there is new to say except to reiterate the 30th birthday of Medicare. Two weeks ago, the Democrats flocked to Independence, MO, to celebrate, as they should, a successful program, but there were two words missing. One was bankruptcy and the other was 2002 which the facts tell us should be what we are really concerned about in making the changes necessary to strengthen Medicare.

My colleague from Tennessee mentioned 37 million people by whom the program is beloved. It is also beloved by many others who feel confident that their mothers and fathers are going to be taken care of. Unfortunately, the program has major financial concerns and the administration has chosen to ignore them. The administration has chosen to attack those who want to strengthen the program by making some changes.

The fact is there are two choices that will be available if we do not do something. One is we will have to eliminate the coverage for hospital services and home care and the other is raise taxes by $711 billion. Neither option is acceptable. Seniors cannot afford to go without health care and no one suggests that they should. Indeed, we are here to strengthen it. The payroll tax needed to make the part A hospital insurance trust fund permanently sound would be an increase of over 3 percent on top of the 2.9 percent that is now paid. This would more than double the withholding. It means the payroll tax for a worker earning $45,000 would be increased by $1,584, nearly $1,600 a year.

One of the interesting notions is the attempt to tie the tax reduction proposal to the changes being proposed in Medicare, but it really does not fit there at all. Part A of this program, which provides coverage for hospital, home health care, and skilled nursing facility services, is financed by Social Security payroll taxes, not by general funds. And for the first time next year, we will be digging into the reserves to pay for that.

So those are the options that are before us. While it has already been described, we need to make a change that reduces the annual rate of growth from 10 percent to roughly 7 or 6.5 percent. This will allow spending to increase from $4,800 to over $6,700 per individual. That takes into account the growing number of individuals. We also must change from a defined benefit program to a defined contribution program. Older people come in all kinds of financial conditions. They want to make choices with regard to the type of coverage they want and should be able to do that.

We had hearings last year in the House, specifically in the Committee on Government Operations which I was a member of, on fraud and abuse. The witnesses testified that fraud represented 10 percent of overall costs in terms of the amount of money that is spent on health care. That is almost $90 billion. Clearly, we must do something about fraud and abuse.

Another change that must be made is to encourage all of us, and the elderly in particular, to look at their bills to see if double-billing or over-billing exists. Taxpayers should no longer tolerate the response, "What do you care? You don't have to pay for it anyway." I ran into this in a nursing home in Cheyenne, WY, where the materials that were sent there just happened to be a mechanical thing that cost about three times what it ought to cost them. The answer was, "It doesn't matter because you don't have to pay for it." I disagree because it does matter.

So, Mr. President, I am pleased Medicare is high on our agenda. I am pleased we are focusing on a problem that needs to be fixed. I am pleased that we are trying to strengthen the program so it may continue to exist and provide benefits not just on the 30th anniversary, but the 40th, and the 50th. That is our goal.

Mr. President, I yield the floor.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. I see that the distinguished Senator from Arizona is here as we continue our discussion to save Medicare and to strengthen it for the current seniors, individuals with disabilities, as well as for the next generation.

I should also thank the Senator from Wyoming for his statements and simply add that, if we were to do nothing—when he brought up taxes and how Medicare is paid for—by the year 2020, we would have to pay twice as much in taxes, in payroll taxes, as we pay now to keep that trust fund afloat.

We must act and we must act now.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

CRISIS IN MEDICARE

Mr. KYL. I would like to thank the Senator from Tennessee for yielding this time. I think it is fortunate that in the Senate now we have a distinguished surgeon, someone very familiar with the delivery of health care, who can help us in the crafting of legislation to deal with this important problem that faces us today, the reform of our Medicare system to preserve and to protect and to strengthen Medicare. That is the challenge that faces us today. And I appreciate the time to talk on that.

Before I begin that discussion, however, I would like to ask unanimous consent that, after my remarks, there be printed in the RECORD a copy of an editorial that was carried this morning in the Wall Street Journal dealing with the subject we debated much last week and which, hopefully, will be concluded this week. The editorial is entitled "GOP Stakes Missile Defense." It is about our missile defense program and the work that the Senate has done to foster that program.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KYL. Mr. President, my colleague, JOHN MCCAIN, and I have been conducting a series of townhall meetings in the State of Arizona for the last several months to talk about this question of how we preserve and protect and strengthen Medicare. We have listened to our constituents. And I think the first thing we ought to do here, when we begin to craft solutions, is to find out what they think is important to retain and what needs to be fixed and how to do that.

So I am hoping that our colleagues will utilize what little time might remain of the August recess to hold such meetings with constituents, come back with new ideas about how to address the problem when we really begin work on this in September.

People might wonder why we are talking about this particular subject this morning. Of course, the reason we are doing it is because, hopefully, at the end of this week we will be leaving Washington for 3 weeks or so for the so-called recess. And it does offer us that opportunity to begin to talk to people about it. We want to begin that conversation right now.

There has been much conversation already about the Medicare trustees' report. I do not think that anyone now who is familiar with the problem will deny that there is a problem, that we have to do something right away to fix that problem, to take quick action. If we do not, as has been noted before, Medicare will be bankrupt beginning in the year 2002. Let me quote one small portion from the Medicare trustees' report.

> We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds * * * be urgently addressed on a comprehensive basis, including a review of the program's financing methods, benefits provisions, and delivery mechanisms.

Mr. President, that is something that I like to begin meetings with when I talk to my constituents in Arizona, because the Medicare trustees say we need to look at all three of these aspects.

First, a review of the program's financing aspects. This means talking about taxes and premiums primarily, as my colleague from Wyoming just pointed out. The Medicare part A payroll tax paid by workers would have to be increased by up to 600 percent if we are going to solve the financial condition of Medicare by a payroll tax increase. If we are going to deal with it by increasing the premiums, the part B premiums, they would have to be increased by up to 700 percent. I ask seniors in Arizona, "Is anybody here in favor of raising taxes or premiums?" It might not be surprising that no hands go up, at least very few hands go up on that.

All right. Let us turn then to the second thing that the trustees say we have to review, a review of the program's benefits provisions. Likewise, it might not surprise anyone here that when you ask whether or not anyone would like to see benefits reduced, you see very few hands go up in the audience. And, indeed, limiting benefits would merely exacerbate the Medicare coverage limitations that force seniors to spend millions per year on MediGap supplemental insurance.

If we are talking, on the other hand, about restricting Medicare reimbursements to providers, that has been tried in the past. That is how we have tried to deal with this problem so far. And it has not worked. It only increases the incentives for rationing. We have seen the results of that because Medicare pays only between 60 and 70 percent of the cost of care. More and more providers have decided not to provide that kind of care. So that limits the choice for seniors.

Well, the third thing that can be done in dealing with Medicare reform, according to the trustees, is review of the delivery mechanisms. And that is where the real savings are to be found. That is where the real incentives for providing better care at an ultimately reduced cost is going to be found, I think.

I think review of delivery mechanisms divides itself into two convenient ways of discussing the problem. The first are specific things that we can do in the delivery of this care, that we know will save money and will not at all adversely affect the care that seniors receive. When we hold these townhall meetings, we like to ask the people in attendance, "Has anybody here ever reviewed a bill for something that they received and had Medicare pay for and found a mistake in the bill?" Well, almost every hand goes up. And as a matter of fact, during the question and answer period, again, it is not surprising that you have tens of seniors coming up telling their personal stories about the surgery that they had to have or their spouse had to have and the bill, and they cannot believe what they charged. They asked about it, and it was, "Yes, it is an overcharge, but we do not have the mechanism for trying to deal with that. Somebody else is paying for it. Do not worry about it."

That frustrates seniors very greatly because they saved all their lives, paid taxes and they see the waste and abuse and, yes, sometimes fraud. And it makes them mad. It ought to make all of us mad. They want that dealt with. Before there is any talk about increasing any contribution that they may want to make or having to deal with the delivery of health care differently, they want to know that we have squeezed every dime of savings that can be squeezed out of this program in eliminating the waste and the fraud and even the abuse.

One of the ideas we talked about to deal with this is some kind of reward whereby those who find the mistakes receive, let us say just hypothetically, 10 percent of all of the mistakes that have been certified to have existed or the fraud that has resulted in overpayments. So that is one way to deal with the problem.

There is also a need, obviously, for tort reform, because there is too much excess spending in the program that results from the necessity of physicians and hospitals having to practice what we call defensive medicine, having to protect themselves from liability lawsuits and, therefore, ordering extra, unnecessary, and costly tests and procedures. So we need to have tort reform as a part of this overall reform.

There are other things like computerized billings and some other things that we know will save a lot of money and does not affect the delivery of care at all.

But we also know the second part of this discussion has to involve actual changes in the way that the various health care options are presented to seniors so that they can then have a wider array of choices and, with that wider array of choices being presented, the competition by the providers will naturally result in driving costs down.

We also know that if they have the option of making choices themselves, where they may be able to keep some of the savings that result, there will necessarily be savings because it is no longer a third party paying it without consequence, it is rather the seniors being able to exercise a choice and save some of the money that is saved in the system.

So we think these are additional ways by which we can save money.

Now, we do not have a secret plan out there as to how to do this. That is why we want to talk to our constituents to find out what they think is the best way to do this. But there have been some pretty good ideas out there. And they basically enhance choice. They say, if you like the current kind of system, you can keep that. If you think it would be beneficial to you to go to an HMO, you can do that, although there should not be any disincentives for those who do not want to go to an HMO.

Some people like the idea of going to PPO's and some like the idea of the medisave account. Frankly, I think this presents a great opportunity for us because, as I said a moment ago, with a medisave account you basically provide seniors with an amount of money they can spend so long as they can buy a major medical policy that can take care of their major medical expenses. They then have enough money left over to pay the out-of-pocket expenses that they have to pay until they reach the limit that would then kick into a major medical or a catastrophic policy. But if they do not spend that money, they get to keep what is left over and that provides a powerful incentive not to be spending as much on health care. That is the bottom line.

We have to decrease the rate of growth from about 10 percent down to about 7 percent, which is still twice the rate of increase in the private sector and twice the rate of inflation increase.

So as we go out to visit with our constituents this August, Mr. President, I suggest we visit with them about some of these options, ask them what is on their minds, how they would see the solution to the problem being developed. And when we come back in September, hopefully we will have developed some kind of consensus so we can present the plans, debate them, have a good, thorough debate around the country, but eventually this fall come up with legislation that can preserve, protect, and strengthen Medicare for the seniors who are currently beneficiaries and all of us in the future.

Again, I thank the Senator from Tennessee for conducting this important discussion this morning.

[From the Wall Street Journal, Aug. 7, 1995]

EXHIBIT 1

GOP STAKES MISSILE DEFENSE

Missile defense is back. In an important 51–48 vote last week, largely upon party lines, the Senate approved construction of a system to defend the nation against attack by ballistic missile. The House approved a similar bill this spring. Beyond taking a crucial step to ensure the country's future security, the Republican Senate has thrown down a huge political marker for the coming presidential campaign.

The part of the bill that has gotten the most attention is the plan to build a network of land-based missile-defense sites over the next eight years. Even more important is its increased funding for an upgrade of the Navy's Aegis air-defense system, which could provide a rough defensive capability for the continental U.S. by the year 2000. It also ups the spending for Brilliant Eyes, a space-based sensor capable of detecting missile launches and tracking missiles in flight. In the long run, space-based defenses—Star Wars—are the most efficient and effective way to defend against missile attack.

It's hard to overstate the significance of the Senate vote. It is a long-delayed recognition of the need to prepare now for a future threat. This is not a bad lesson to remember in the month that we are commemorating the 50th anniversary of the end of a terrible war that we were unprepared to fight. It's a lesson, however, that the Administration rejects; it's threatening to veto the Senate bill, so the campaign issue is clearly drawn.

Nations with ballistic missiles

Afghanistan
Argentina
Brazil
Britian
Belarus
China
Egypt
France
India
Iran
Iraq
Israel
Kazakhstan
Libya
North Korea
Pakistan
Russia
Saudi Arabia
South Africa
South Korea
Syria
Taiwan
Ukraine
U.S.
Vietnam
Yemen

Sources: Heritage Foundation; other sources.

As to the threat, consider the nations on the nearby list that already possess ballistic missiles with conventional weapons capabilities of some range (either developed indigenously or bought from a superpower). It's hardly difficult to imagine that once some madman gains this power in one of the Baghdhdads or Pyongyangs of the world, he'll be sorely tempted to threaten a San Francisco or New York with it.

"Already North Korea is developing missiles that could attack the military installations in Alaska," warned Senator Ted Stevens of Alaska in Thursday's debate. When that capability eventually exists, it will of course be too late for the U.S. to start cobbling together a national missile defense.

A more immediate reminder of the need for a national missile defense comes from China. Two weeks ago in a "routine test," it launched six missiles that splashed down in the Taiwan Strait. China already has an ICBM capable of reaching California. The Taiwan "test" didn't cause a big news stir, but imagine what would be our response if someday it "tested" one of those unarmed missiles by lobbing it into San Francisco Bay, say, during the visit of a Taiwan official to Ithaca, New York? There would be a popular upheaval in this country.

Apart from the welcome attention it gives to the need for a national missile defense, the second significance of the Senate vote lies in the message it sends about arms control. The Senate has said, in effect, that it no longer is going to let the tail wag the dog. From now on, it's going to tailor arms-control treaties to suit national security policy, not the other way around.

That ultimately means the demise of the 1972 Anti-Ballistic Missile Treaty, in which the U.S. made the reckless promise not to defend itself against missile attack. The Administration is screaming that the Senate bill would violate that treaty, and put in jeopardy the two Start treaties, under which the U.S. and Russia are dismantling their nuclear arsenals. Just so. Those treaties have always been invoked as the reason for according the ABM treaty sacred status, thereby foreclosing any intelligent debate on missile defenses themselves. While Republicans are talking publicly about modifying the ABM Treaty, many have come to the private conclusion that it has to go.

As a technical matter, that is easier said than done. There is a withdrawal clause, but it's up to the executive branch to exercise it. That's something that will almost certainly have to wait until the next President because this one subscribes to the ancient arms-control dogmas. We wonder how that will play in the summer of 1996.

The pro-missile defense group, Committee to Defend America, has been raising that issue in focus groups around the country in recent months. Along the way it has discovered that most citizens think we now can shoot down an incoming ballistic missile. When they find out we have the ability to develop such a capability but choose not to exercise it, the overwhelming response is outrage—and a demand that we build it immediately.

Ultimately, of course, the Republican candidates also have to credibly convince voters they recognize the modern realities. But if the party's candidates hold to the position staked out by the Senate last week, this will be one issue on which Bill Clinton will be sounding like a very old Democrat.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. FRIST. Mr. President, as we continue our discussion this morning, there have been four central things: First is that Medicare will be bankrupt in 7 years; second, under the GOP plan, Medicare spending will continue to rise; third, that seniors truly deserve the right to choose, to have more than they have today, though they can preserve their traditional fee-for-service system; fourth, we must take time to do it right, but we need to act and to act now.

To continue our discussion this morning on how best to save and strengthen Medicare, I turn to the distinguished Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, let me thank my colleague for yielding, but also let me thank him for taking out this special order to discuss with the Senate and those who might be watching this morning the tremendously important issue of Medicare.

I think I, along with him and many others, are dismayed and amazed at the recent attempts to attack the integrity of the Medicare trustees' report on the status of the Medicare trust fund.

There has been a great deal of partisan rhetoric on the validity of the report, as well as criticism of the budget resolution the Congress has adopted this year in reflection of that report in an attempt to handle it in an up-front way.

When you look at those who are members of the board of trustees, it becomes clear that the report is certainly not a partisan effort to spin one idea or another about Medicare. The Medicare trustees are Robert Rubin, the Secretary of the Treasury; Robert Reich, the Secretary of Labor; Donna Shalala, Secretary of Health and Human Services; Shirley Chater, Commissioner for Social Security; Stanford Ross; and David Walker.

These six people serve on the Social Security and the Medicare boards of trustees. The last two members, Stanford Ross and David Walker, were appointed by the President and confirmed by the Senate to represent the public. The boards are requested by law to report to the Congress each year on the operation of the trust funds and to project the financial status of those funds.

The Medicare trustees, in their annual report on the Medicare trust fund released in April of this year, concluded that action is needed to be taken if Medicare is going to operate after the year 2002. The following is an excerpt that other Senators this morning may have mentioned, but I think it is clearly noteworthy and ought to be a part of the RECORD. Let me read from that trust fund report:

> The Federal hospital insurance—

HI as it is known.

> trust fund which pays inpatient hospital expenses will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range. The trustees urge the Congress to take action.

Let me repeat that:

> The trustees urge the Congress to take action.

That is their job, Mr. President, to tell us what is wrong and to suggest to us what we ought to do, and they urge us to take action designed to control the Federal hospital insurance trust fund to address the projected financial imbalance in both the short range and the long range through specific program legislation as part of a broad-based health care reform. The trustees believe that prompt, effective and decisive action is just critically necessary.

So some people will say this is not an urgent issue because the trustees have reported these concerns of solvency, or lack thereof, over the past and it still continues to exist today. We hear Members of the other body shrugging their shoulders and saying, "This isn't big news. This isn't important news. We've heard these reports before."

It is because the Congress in the past has heard those reports, Mr. President, and has micromanaged making the minor adjustments over the years to control the costs that have allowed us to maintain the trust funds.

However, those artificial cost controls, lower reimbursement rates, the growing paperwork that has been a result of these reactions to reports and the solutions now no longer work, or at least that is what the trust funds are saying, that we have to make the adjustments and we have to do it now or the Medicare beneficiaries in rural States like mine are simply not going to be served as they have been served in the past.

At or below-cost reimbursement rates have made it difficult to recruit new physicians in my State of Idaho and have forced many doctors to limit the number of Medicare patients they will treat. In other words, our actions of the past, while trying to save the system, have now squeezed it into a situation where doctors are dividing and sorting out and saying, "We will, but we won't, and we'll limit our practices and we'll limit our ability to receive and care for Medicare patients."

As I said many times both on the floor of the House of Representatives when I served there and now in the Senate, rural Idaho is not just 20 miles down the interstate. It is something that sometimes requires hundreds of miles of distance and time. Of course, if it is the middle of the winter, it may be that very difficult passage over a snowbound pass that results in the care or lack of care delivered, and that is all a part of this Medicare equation that we have to talk about.

I will say that even the President realizes this is a problem now that he cannot walk away from and it is why he dealt with it in his own budget. Although his rhetoric does not match up with the figures of his own budget, he, too, unlike a lot of other Members of his party, recognizes the critical nature Medicare is in and has to be addressed.

President Clinton has launched a number of attacks on the Congress for spending too little on Medicare. However, when you start comparing numbers, there is little difference between the President's plan for Medicare over the next 7 years and the budget targets set in the congressional budget resolution. They are just a little ways apart.

According to the Office of Management and Budget, President Clinton proposes to spend $1.697 trillion on Medicare over the next 7 years. That figure is very close to the $1.62 trillion—and I said "trillion"—that was targeted for Medicare spending under the congressional budget resolution.

In real money terms, Mr. President, the difference is less than a nickel on the dollar between the President and the Congress. On some of the graphs I have seen, it is almost nondiscernible.

In addition, the spending targets in both the Congress' and President's budgets are not cuts in spending, as others would like to have us believe. Rather, they are lower rates of growth. Under the Republican plan, Medicare's annual spending will increase by $178 billion this year to $274 billion in the year 2002. That is an annual growth rate of 6.4 percent, and yet, there is this wringing of hands to suggest that we are severely slashing Medicare to its recipients.

Let me suggest that it is a 6.4-percent growth, and that is substantially larger than current rates of health care increases on a cost annualized per patient.

Right now we are spending over $4,816 a year per Medicare recipient and, by 2002, under the Republican plan to strengthen and maintain Medicare, we would be spending $6,732.

Regardless of which figure you use, both represent increases in spending about one and a half times higher than the rate of growth in private sector health care spending.

That level of growth can be achieved without breaking the trust. However, the trust cannot continue to grow more than twice as fast, because that path leads us to bankruptcy.

Mr. President, just 19 months ago, the President proposed major reductions in Medicare in order to pay for his Government-run health care proposal. He said at that time that those reductions were not cuts:

> Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicare or a Medicaid cut. So when you hear all this business about cuts, let me caution you that is not what is going on.—President Bill Clinton, speech to the AARP.

So, what is all this rhetoric about? It's about politics. Not policy. Not the future of Medicare, Mr. President. And, certainly not about meeting the needs of America's seniors. The facts are pretty clear: No one is cutting Medicare; the proposed spending levels are very similar; and, Clinton's proposal doesn't protect, preserve or improve Medicare.

Mr. President, another accusation I have heard about the spending targets proposed over the next 7 years is that they are being made to pay for a tax break for the wealthy. Reading the summary of the 1995 annual report will dispel that story.

Mr. President, this is not about tax cuts or spending cuts. This is about bankruptcy. The President agreed, and said so on June 11 of this year.

> We cannot leave the system the way it is—when you think about what the baby-boomers will require—that's going to require significant long-term structural adjustment. We'll just have to look at what we can do there. But the main thing we can't do—we can't have this thing go broke in the meanwhile.

In addition, three members of President Clinton's Cabinet and the Commissioner of Social Security were in agreement and said so on April 3 of this year.

The Medicare trustees stated in their report issued on the third of April that, "under all sets of assumptions, the trust is projected to become exhausted even before the major demographic shift begins."—Page 3 of the report.

Some people will avoid responsibility, and will say that there is no problem. They are wrong. Next year, for the first time in the history of the Medicare Program, more money will go out of the trust fund than will come in. The debt will continue to grow until the trust fund is completely depleted.

Mr. President, I am concerned that the trustee's annual report is no longer in print.

In addition, Mr. President, I hope my fellow Idahoans will take the time to review this summary.

I will be sending copies of today's CONGRESSIONAL RECORD to each of my State offices and will have it available for review in the office. The summary is not very long, but speaks volumes about this problem.

I hope my colleagues will do the same to make sure that this document gets out and the American people can read for themselves the financial problems that the Medicare Hospital Insurance trust fund faces.

Mr. President, to cast stones and ignore this problem is not an option. Regardless of age, we all need to be concerned about the solvency of Medicare. We must act now.

Mr. President, I had the pleasure of celebrating my 50th birthday in July of this year. As I embark on my second half century, a few harsh realities are drawing near. I may not be knocking on the door of my retiring years, but they are coming fast.

Issues like health care are of interest and concern to me, like all Americans. I want Medicare to continue to exist for those who are now beneficiaries.

I also want it around for my wife and me. But, more importantly, I want the program to be there for my children, and my children's children, and so on.

An individual from Idaho that I know fairly well contacted me recently, to let me know that I would be in big trouble if anything were done to Medicare. The conversation progressed and finally, this individual told me they didn't care if Medicare went bankrupt in 7 years because there was no way in the world they'd still be alive.

Well, Mr. President, we laughed a little at that. And, then, it was as if it were finally becoming clear. This individual realized that when he was gone, someone else would be in his situation, that the need would still exist, and the situation, if not addressed would be far worse. After all, the baby-boomers are no longer thirty-somethings. I know, because I am a baby-boomer.

In the end, my caller agreed that what we needed to focus on was long-term solutions that would reform Medicare in a way that will shore up the solvency of the trust fund. Mr. President, it is a tall order, but there is no alternative. It must be done.

I ask unanimous consent that the executive summary, the 1995 annual report of the Social Security and Medicare board of trustees also be printed in the RECORD immediately following my comments.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATUS OF THE SOCIAL SECURITY AND MEDICARE PROGRAMS

A SUMMARY OF THE 1995 ANNUAL REPORTS

A message to the public

The Boards of Trustees are pleased to present this Summary of the 1995 Annual Reports of the Social Security and Medicare trust funds. The reports include extensive information about these important social programs and, we believe, fully and fairly present their current and projected financial condition.

In particular, we encourage current and future beneficiaries to consider what the reports mean for them as individual citizens. Based on the Trustees' best estimates, the reports show:

The Federal Old-Age and Survivors Insurance (OASI) Trust Fund, which pays retirement benefits, will be able to pay benefits for about 36 years. The Board believes that the long-range deficit of the OASI Trust Fund should be addressed. The Advisory Council on Social Security is currently studying the financing of the program and is expected to recommended later this year ways to achieve long-range actuarial balance in the OASI fund.

The Federal Disability Insurance (DI) Trust Fund, which pays disability benefits, is projected to be exhausted in 2016. The Board believes that the long-range deficit of the DI Trust Fund should be addressed. The Advisory Council on Social Security currently also is studying the financing of the DI program and is expected to recommend later this year ways to achieve long-range actuarial balance in the DI fund.

The Federal Hospital Insurance (HI) Trust Fund, which pays inpatient hospital expenses, will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range. The Trustees urge the Congress to take additional actions designed to control HI program costs and to address the projected financial imbalance in both the short range and the long range through specific program legislation as part of broad-based health care reform. The Trustees believe that prompt, effective, and decisive action is necessary.

The Federal Supplementary Medical Insurance (SMI) Trust Fund, which pays doctor bills and other outpatient expenses, is financed on a year-by-year basis and, on this limited basis, is adequately financed. The Trustees urge the Congress to take additional actions designed to more effectively control SMI costs through specific program legislation as part of broad-based health care reform. The Trustees believe that prompt, effective, and decisive action is necessary.

Pubic discussion regarding the financing of the Social Security and Medicare programs needs to take account of the critical differences among the four individual trust funds and, at the same time, the important relationships among them. A key aspect of thinking about future financing of these trust funds is recognition that under current law the timing and magnitude of the financing problems facing the programs are distinctly different. This summary presents the current and projected financial status of these four programs both separately and together in the hope that it will enhance public understanding of them and encourage necessary program reforms.

By the Trustees:

ROBERT E. RUBIN,
Secretary of the Treasury, and Managing Trustee.
ROBERT B. REICH,
Secretary of Labor, and Trustee.
DONNA E. SHALALA,
Secretary of Health and Human Services, and Trustee.
SHIRLEY S. CHATER,
Commissioner of Social Security, and Trustee.
STANFORD G. ROSS,
Trustee.
DAVID M. WALKER,
Trustee.

STATUS OF THE SOCIAL SECURITY AND MEDICARE PROGRAMS—A SUMMARY OF THE 1995 ANNUAL REPORTS

What Are the Trust Funds?—Four trust funds have been established by law to finance the Social Security and Medicare programs. For Social Security, the Federal Old-Age and Survivors Insurance (OASI) Trust Fund pays retirement and survivors benefits; and the Federal Disability Insurance (DI) Trust Fund pays benefits after a worker becomes disabled. When both OASI and DI are considered together, they are called the OASDI program.

For Medicare, the Federal Hospital Insurance (HI) Trust Fund pays for hospital and related care (often called "Part A") for people over 65 and workers who are disabled. The Federal Supplementary Medical Insurance (SMI) Trust Fund pays for physicians and outpatient services (often called "Part B") for people over 65 and workers who are disabled. These two trust funds are not usually considered together, because they are funded differently.

Who Are the Boards of Trustees?—Six people serve on the Social Security and Medicare Boards of Trustees: the Secretary of the Treasury, the Secretary of Labor, the Secretary of Health and Human Services, the Commissioner of Social Security and two members appointed by the President and confirmed by the Senate to represent the public. The Boards are required by law to report to the Congress each year on the operation of the trust funds during the preceding years and the projected financial status for future years.

What Were the Trust Fund Results in 1994?—Assets of all trust funds except SMI increased during calendar year 1994. At the end of the year, 42.9 million people were receiving OASDI benefits and about 37 million people were covered under Medicare. Trust fund operations, in billions of dollars, were (totals may not add due to rounding):

	OASI	DI	OASDI	HI	SMI
Assets (end of 1993)	369.3	9.0	378.3	127.8	24.1
Income during 1994	328.3	52.8	381.1	109.6	55.6
Outgo during 1994	284.1	38.9	323.0	104.5	60.3
Net Increase	44.1	14.0	58.1	5.0	−4.7
Assets (end of 1994)	413.5	22.9	436.4	132.8	19.4

What Were the Administrative Expenses in 1994?—The cost of administrative expenses in fiscal year 1994, shown as a percentage of benefit payments from each trust fund, was:

	OASI	DI	OASDI	HI	SMI
Administrative Expenses (FY 1994)	0.7	2.8	0.9	1.2	3.0

How Are the Trust Funds Financed?—Most OASDI and HI revenue consists of taxes on earnings that are paid by employees, their employers, and the self-employed. The tax rates are set by law and, for OASDI, apply to earnings that do not exceed a certain annual amount. This amount, called the earnings base, rises as average wages increase. In 1995, the earnings base for OASDI is $61,200. Beginning with 1994, HI taxes are paid on total earnings. The tax rates for employees and employers each under current law are:

Year	OASI	DI	OASDI	HI	Total
1990–93	5.60	0.60	6.20	1.45	7.65
1994–96	5.26	0.94	6.20	1.45	7.65
1997–99	5.35	0.85	6.20	1.45	7.65
2000 and later	5.30	0.90	6.20	1.45	7.65

People who are self-employed are charged the equivalent of the combined employer and employee shares, but only on 92.35 percent of net earnings, and may deduct one-half of the combined tax from income subject to Federal income tax.

All the trust funds receive income from interest earnings on trust fund assets and from miscellaneous sources. The OASI, DI and, beginning in 1994, HI Trust Funds also receive revenue from the taxation of Social Security benefits.

The SMI or Part B program is financed similarly to yearly renewable, term insurance. Participants pay premiums that in 1994 covered about 30 percent of the cost; the rest is paid for by the Federal Government from general revenues. The 1995 monthly premium is $46.10.

In all trust funds, assets that are not needed to pay current benefits or administrative expenses (the only purposes for which trust funds may be used) are invested in special issue U.S. Government securities guaranteed as to both principal and interest and backed by the full faith and credit of the U.S. Government.

How Are Estimates of Trust Fund Balances Made?—Short-range (10-year) estimates are reported for all funds, and, for the OASI, DI, and HI Trust Funds, long-range (75-year) estimates are reported. Because the future cannot be predicted with certainty, three alternative sets of economic and demographic assumptions are used to show a range of possibilities. Assumptions are made about economic growth, wage growth, inflation, unemployment, fertility, immigration, and mortality, as well as specific factors relating to disability, hospital, and medical services costs.

The intermediate assumptions (alternative II) reflect the Trustees' best estimate of what the future experience will be. The low cost alternative is more optimistic; the high cost alternative is more pessimistic; they show how the trust funds would operate if economic and demographic conditions are better or worse than the best estimate.

What Concepts Are Used to Describe the Trust Funds?—The measures used to evaluate the financial status of the trust funds are based on several concepts. Some of the important concepts are:

Taxable payroll is that portion of total wages and self-employment income that is covered and taxed under the OASDI and HI programs.

The annual income rate is the income to the trust fund from taxes, expressed as a percentage of taxable payroll.

The annual cost rate is the outgo from the trust fund, also expressed as a percentage of taxable payroll.

The percentage of taxable payroll is used to measure income rates and cost rates for the OASDI and HI programs. Measuring the funds' income and outgo over long periods of time by describing what portion of taxable earnings they represent is more meaningful than using dollar amounts, because the value of a dollar changes over time.

The annual balance is the difference between the income rate and the cost rate. If the balance is negative, the trust fund has a deficit for that year.

The actuarial balance is the difference between the annual income rates and cost rates summarized over a period of up to 75 years, and adjusted to include the beginning fund balance and the cost of ending the projection period with a trust fund balance equal to the next year's outgo; if the balance is negative, the fund has an actuarial deficit.

The trust fund ratio is the amount in the trust fund at the beginning of a year divided by the outgo for the year. It shows what percentage of the year's expenditures the trust fund has on hand. For example, a trust fund ratio of 100 percent would reflect an amount equal to 1 year of projected expenditures.

The year of exhaustion is the first year a trust fund is projected to run out of funds and to be unable to pay benefits on time and in full.

How Is the Financial Status of the Trust Fund Tested? Several tests, based on the intermediate assumptions, are used to review the financial status of the trust funds.

The short-range test is met if, throughout the next 10 years, the trust fund ratio is at least 100 percent. Of, if the trust fund ratio is initially less, but reaches 100 percent within the first 5 years and stays at or above 100 percent, and there is enough income to pay benefits on time every month during the 10 years, the short-range test is met.

The long-range test is met if a fund has an actuarial deficit of no more than 5 percent of the cost rate over the 75 years, and if the actuarial deficit for any period ending with 10th year or later is a graduated amount of 5 percent. If the long-range test is met, the trust fund is in close actuarial balance.

The test for SMI actuarial soundness is met for any time period if the trust fund assets and projected income are enough to cover the projected outgo and there are enough assets to cover costs incurred but not yet paid. The adequacy of the SMI Trust Fund is measured only for years for which both the beneficiary premiums and the general revenue contributions have been set.

What Is the Future Outlook for the Trust Funds?—The status of the OASI, DI, and HI Trust Funds is shown together on charts because they are financed the same way. SMI is financed differently, so its status is described separately.

The short-range outlook (1995–2004)

Chart A shows the projected trust fund ratio under the intermediate (alternative II) assumptions for OASI, DI, and HI separately. It also shows the ratio for the combined OASI and DI trust funds. (Chart not reproducible in RECORD.)

The OASI trust fund ratio line is over the 100 percent level at the beginning of the 10-year period and stays over that level through the year 2004. Therefore, the OASI Trust Fund meets the short-range test of financial adequacy.

The trust fund ratio line for DI starts at 54 percent, reaches 100 percent in 1996, and remains above that level throughout the remainder of the period. Thus, the DI fund also meets the short-range test.

The trust fund ratio line for the combined OASI and DI Trust Funds begins above the 100 percent level and stays over that level throughout the 10-year period; therefore, the OASDI program, as a whole, meets the short-range test of financial adequacy.

Although the trust fund ratio line for HI is over the 100 percent level at the beginning of the 10-year period, it falls below that level in 1995. As a result, it does not meet the short-range test. Under the intermediate assumptions, the projected year of exhaustion for the HI Trust Fund is 2002; under more adverse conditions, as in the high cost alternative, it could be as soon as 2001.

The financing for the SMI Trust Fund has been set through 1995, and the projected operations of the trust fund meet the test of SMI actuarial soundness.

The long-range outlook (1995–2069)

Chart B shows the actuarial balance, as a percentage of the cost rate, for OASI, DI, and HI separately under the intermediate (alternative II) assumptions, as well as for the combined OASI and DI Trust Funds. (Chart not reproducible in RECORD.)

For a trust fund to meet the long-range test of close actuarial balance, the actuarial balance line for that trust fund must stay above the shaded area throughout the 75-year period. The triangle above the shaded area but below the zero percent level shows the range of allowable deficits a fund can have and still be in close actuarial balance.

None of the three trust funds is in close actuarial balance over the next 75 years. However, the chart shows that the actuarial balance line for OASI, as well as for the OASDI program as a whole, stays above the shaded area for many years to come.

The actuarial balance line for DI alone starts above the shaded area but declines below it in about 2009 and continues to decline significantly for about an additional 25 years before the rate of decline slows. The actuarial balance line for HI starts well into the shaded area and declines continuously over the long-range period.

The year of exhaustion for the OASI Trust Fund under intermediate assumptions does not occur until 2031—36 years from now. For the combined OASI and DI Trust Funds, the year of exhaustion would be 2030—in 35 years. However, combined OASDI expenditures will exceed current tax income beginning in 2013. Thus, as Chart C illustrates, current tax income plus a portion of annual interest income will be needed to meet expenditures for years 2013 through 2019, and current tax income, annual interest income, plus a portion of the principal balance in the trust funds will be needed for years 2020–2029. (Chart not reproducible in RECORD.)

Another useful way to view the outlook of the trust funds is to compare the income rate for each fund with its estimated cost rate. Over the 75-year period the income rates for OASI, DI and HI remain relatively constant, while the cost rates generally rise steadily.

For OASI, the income rate is projected to remain significantly above the cost rate for a number of years. Starting in about 2010, however, the OASI cost rate will begin increasing rapidly as the baby boom generation begins to reach retirement age. In 2014 and later, the cost rate for OASI will exceed the income rate.

The income rate for DI is slightly higher than the cost rate only until 2004, after which the annual shortfall of tax income is projected to increase slowly over the entire 75-year period.

The cost rate for HI is higher than the income rate, by rapidly growing amounts, throughout the 75-year projection period—by the end of the period, the HI cost rate is projected to be roughly 3 times greater than the HI income rate. Chart D shows the virtually level income rates and rising cost rates for OASI, DI and HI. (Chart not reproducible in the RECORD.)

An additional way to view the outlook for the trust funds as projected under current law is in relation to the economy as a whole. The table below shows the estimated outgo from each trust fund as a percentage of estimated gross domestic product (GDP) from 1995 to 2069. OASI and DI increase at about the same rate over this period, while the increases in HI and particularly in SMI are much greater.

OASI, DI, HI, AND SMI OUTGO AS A PERCENT OF GROSS DOMESTIC PRODUCT

Trust fund	1995	2020	2045	2069	Percent increase
OASI	4.18	5.05	5.72	5.98	43
DI	0.60	0.87	0.87	0.86	44
HI	1.62	2.83	4.05	4.46	175
SMI	0.99	3.18	4.01	4.29	333

Conclusions

The status of the Social Security and Medicare programs can be summarized by looking at the results of the tests used to evaluate the financial status of the trust funds and at the number of years before each trust fund is expected to be exhausted under the intermediate assumptions:

FINANCIAL STATUS OF THE OASI, DI, HI, AND SMI PROGRAMS

Is the test of financial adequacy met:

Trust fund	Short-range 10 years	Long-range 75 years	Years until exhaustion
OASI	Yes	No	36
DI	Yes	No	21
OASDI (combined)	Yes	No	35
HI	No	No	7

The SMI Trust Fund meets its test of actuarial soundness.

Based on the Trustees best estimates (alternative II)

The OASI Trust Fund is expected to be able to pay benefits for about the next 36 years while the DI fund will be exhausted in about 21 years. In view of the lack of actuarial balance in the OASDI program over the next 75 years, the Board believes that the long-range deficits in the OASI and DI programs should be addressed. Accordingly, the Board recommended last year that the 1995 Advisory Council on Social Security conduct an extensive review of Social Security financing issues and develop recommendations for achieving long-range financial stability for the OASDI program. The Council will submit its report later this year.

The HI Trust Fund will be able to pay benefits for only about 7 years and is severely out of actuarial balance over the next 75 years. Because of the magnitude of the projected actuarial deficit in the HI program and the high probability that the HI Trust Fund will be exhausted just after the turn of the century, the Trustees urge the Congress to take additional actions designed to control HI program costs and to address the projected financial imbalance in both the short range and the long range through specific program legislation as part of broad-based health care reform.

The SMI program, though actuarially sound, has experienced rapid growth in costs: program outlays have increased 53 percent in the last 5 years and grew 19 percent faster than the economy as a whole. Because this growth shows little sign of abating, the Trustees urge the Congress to take additional actions designed to more effectively control SMI costs through specific program legislation as part of broad-based health care reform.

A message from the public trustees

This is the fifth set of Trust Fund Reports on which we have reported as Public Trustees. It is also, under the terms of our appointment, our last report, and we use this occasion to summarize our views on some major aspects of the Social Security and Medicare programs. As representatives of the public, our efforts have been to assure the American public of the integrity of the process and the credibility of the information in these reports. We feel privileged and honored to have been able to take part in this important exercise in public accountability, and want to provide our best advice on directions for change of these important programs in the years ahead.

The Need For Action

During the past 5 years there has been a trend of deterioration in the long-range financial condition of the Social Security and Medicare programs and an acceleration in the projected dates of exhaustion in the related trust funds. To some extent, this has been predictable because when doing annual 75-year projections, an additional deficit year in the 2060s is being added with each new projection. But to some extent, the increasingly adverse projections have come from unforeseen events and from the absence of prompt action in response to clear warnings that changes are necessary. These adverse trends can be expected to continue and indicate the possibility of a future retirement crisis as the U.S. population begins to age rapidly. We urge that concerted action be taken promptly to address the critical public policy issues raised by the financing projections for these programs.

Projections As A Guide To Action

We believe it is important for the public and the Congress to understand more about what the projections in the Trust Fund Reports really mean and how they are intended to be used. These projections represent the best estimates the Trustees can make based on the best available information and methodologies. We have, during our period of service, attempted to test assumptions, question methodologies and work with the Offices of the Actuary of SSA and HCFA and others in and out of government to seek improvements in the projections. We have also stimulated thought through a symposium and publication of papers on how methods and assumptions might be improved to better estimate the future income and health care needs of the elderly and disabled. Action should be taken to continue and extend survey and other data development efforts and to improve modeling capability regarding the income and health circumstances of future retirees. Such information is critical to the legislative and regulatory activity that will be required for both public and private income security and health care programs in future years.

However, with even the best data and models, projections ultimately are only estimates and must necessarily reflect the uncertainties of the future. They are useful if understood as a guide to a plausible range of future results and if acted on in a timely and responsible manner. They are not helpful if ignored, or if used improperly, or if distorted. We hope that more policymakers will come to grips with the strengths and limitations of projections such as those in the Trust Fund Reports and how those projections can be used most productively.

Social Security Program

The Old-Age and Survivors Insurance Trust Fund shows a deficit of 1.87 percent of payroll in the long run. It is by far the best financed of the trust funds, and we believe strongly that the OASI program can and should be maintained over the long term. Yet even here reforms should be undertaken sooner rather than later to ease the transition to providing financial stability in the next century. We note the recent work of the Bipartisan Entitlement Commission and the current work of the Advisory Council on Social Security regarding the long-term financing of the OASI program. We hope that this kind of work will continue and that this problem will be addressed in a timely fashion.

The condition of the Disability Insurance Trust Fund is more troublesome. While the Congress acted this past year to restore its short-term financial balance, this necessary action should be viewed as only providing time and opportunity to design and implement substantive reforms that can lead to long-term financial stability. The research undertaken at the request of the Board of Trustees, and particularly of the Public Trustees, shows that there are serious design and administrative problems with the DI program. Changes in our society, the workforce and our economy suggest that adjustments in the program are needed to control long-range program costs. Also, incentives should be changed and the disability decision process improved in the interests of beneficiaries and taxpayers. We hope that this research will be completed promptly, fully presented to Congress and the public, and that the Congress will take action over the next few years to make this program financially stable over the long term.

Medicare Program

The most critical issues, however, relate to the Medicare program. Both the Hospital Insurance Trust Fund and the Supplementary Medical Insurance Trust Fund show alarming financial results. While the financial status of the HI program improved somewhat in 1994, the HI Trust Fund continues to be severely out of financial balance and is projected to be exhausted in about 7 years. The SMI Trust Fund, while in balance on an annual basis, shows a rate of growth of costs which is clearly unsustainable. Moreover, this fund is projected to be 75 percent or more financed by general revenues, so that given the general budget deficit problem, it is a major contributor to the larger fiscal problems of the nation.

The Medicare program is clearly unsustainable in its present form. We had hoped for several years that comprehensive health care reform would include meaningful Medicare reforms. However, with the results of the last Congress, it is now clear that Medicare reform needs to be addressed urgently as a distinct legislative initiative. We also believe strongly that Medicare reform should be included as an integral part of any broader health care reform initiative which may be considered in the future.

There are basic questions with the scale, structure and administration of the Medicare program that need to be addressed. For example, is it appropriate to have a Part A and Part B today, or should this legacy of the political process that enacted Medicare in the mid-1960s be revised to create a unified program? Is it appropriate to combine participants' social insurance tax contributions for Part A and premium payments for approximately one-quarter of Part B with general revenues? If so, what should be the proper combination of beneficiary premiums, taxpayer social insurance contributions, and general revenues? How are each of these kinds of revenue sources to be justified and what rights to benefits and responsibilities to pay benefits are thereby established? How can the program become more cost-effective? How can fraud, abuse and waste be better controlled?

We feel strongly that comprehensive Medicare reforms should be undertaken to make this program financially sound now and over the long term. The idea that reductions in Medicare expenditures should be available for other purposes, including even other health care purposes, is mistaken. The focus should be on making Medicare itself sustainable, making it compatible with OASDI, and making both Social Security and Medicare financially sound in the long term.

We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed on a comprehensive basis, including a review of the program's financing methods, benefit provisions, and delivery mechanisms. Various groups should be consulted and reform plans developed that will not be disruptive to beneficiaries, will be fair to current taxpayers who will in the future become beneficiaries, and will be compatible with government finances overall.

Institutional Considerations

We have as Public Trustees tried over the past 5 years to provide continuity and improve the institutional framework surrounding the Social Security and Medicare programs. We have bridged two Administrations (one Republican and one Democratic), two Advisory Councils (one appointed by a Republican Administration and one by a Democratic Administration), and many changes in the ex officio Trustees. We have consulted with each of the Advisory Councils, as well as the working group of the prior Public Trustees, the Bipartisan Entitlement Commission, the Notch Commission and many other government entities. We have testified before both the House Ways and Means Committee and the Senate Finance Committee and held regular briefings for Congressional staff on the Trust Fund Reports. We know that with the advent of the new Social Security Administration as an independent agency, many of the institutional relationships in these areas will change. We hope that the Public Trustees in the future will continue to make a contribution towards a coherent institutional structure that serves the interests of the public.

Finally, we note that although the statute provides that one of the Public Trustees must be from each of the major political parties, we have operated as independent professionals on a nonpartisan basis. Every statement we have made over 5 years has been joint and consensual, and without partisan content or political dissonance. We believe these programs are too important to be politicized and urge that a highly professional, nonpartisan approach continue to be followed in future reports to the Congress and the public.

STANFORD G. ROSS,
DAVID M. WALKER,
Trustees.

Mr. CRAIG. I yield whatever time there may be to the organizer of the special order.

The PRESIDING OFFICER. The Senator from Tennessee has 3 minutes remaining.

Mr. FRIST. Mr. President, in closing out our special order this morning, our message has been very simple: to strengthen and to simplify.

In our remaining 2 minutes, we will have a closing statement by the Senator from Maine. I yield to him for that purpose.

Mr. COHEN. Mr. President, last April the trustees of the Social Security and Medicare trust funds issued a stark warning that the trust fund that pays Medicare benefits will be bankrupt by 2002, and that "the Medicare Program is clearly unsustainable in the present form."

In his speech a few weeks later to the delegates at the White House Conference on Aging, President Clinton echoed the trustees' warning about the pending Medicare crisis, saying that he "cannot support the status quo, and neither can you."

The Medicare trustee's report sounds an alarm that we simply cannot afford to ignore. Medicare is on a collision course toward bankruptcy. The longer we wait to change this course or apply the brakes, the more certain we are to crash.

Mr. President, last week, the House minority leader, Mr. GEPHARDT, circulated a letter characterizing the pending Medicare crisis as "more fiction than fact." Apparently, those who are dedicated to waging class warfare are prepared to resort to the tactic of treating fact as fiction. It is not a novel tactic, but ironically, one that is drawn from a novelist's nightmare vision of the future: Repeat a falsehood often enough and the people eventually will accept it as truth.

The truth is that the 1995 trustees' report paints a bleak picture for the future of Medicare. Next year, the trust fund will start paying out more in benefits than it gets in revenues from the payroll tax.

To quote Franklin Delano Roosevelt:

> Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuance of that habit means the poorhouse.

Right now, Medicare is on a sure path to the poorhouse. By 2002—less than 7 years from now—the Medicare trust fund will be totally bankrupt. By law, it will be unable to pay benefits, leaving 36 million of our most vulnerable Americans—the aged and disabled—without coverage to pay their hospital bills.

Politically, it would be easy to ignore the pending crisis and continue with business as usual. However, as Samuel Johnson once wrote:

> When a man knows he is to be hung in a fortnight, it concentrates his mind wonderfully.

Reforming Medicare is not about providing tax cuts, nor is it about balancing the budget. Even if the Federal budget were in balance, the Medicare trust fund would still be in jeopardy and the same reforms would be necessary to preserve and improve the program.

Let there be no mistake—Medicare needs reforming for Medicare's sake. Let us also be clear that no one is talking about cutting Medicare spending. Under the budget resolution passed last June, Medicare spending will continue to grow at an average rate of 6.4 percent over the next 7 years and will increase to $273.3 billion in 2002. That's $92.2 billion more than the $181.1 billion that will be spent in 1995.

So far most of the focus has been on resolving Medicare's short-term bankruptcy crisis. However, we cannot ignore the fact that Medicare's real problems begin in about 2010, when the baby boomers begin to retire, dramatically increasing the numbers of people eligible for Medicare and reducing the size of the work force.

The demographics of the next century are daunting. Today there are 33 million Americans 65 and over. But the aging of the baby boom generation will swell the number to 70 million by 2030, imposing new burdens and challenges for the Medicare and Social Security systems.

Today, it takes four workers to support a Medicare beneficiary. By the middle of the next century, there will only be two workers available to support each beneficiary, greatly increasing the amount each will have to pay in taxes to support the program. Medicare must therefore undergo significant structural changes if it is to survive to meet the health care needs of future retirees.

The ability to change is key to survival, and the fact is that the Medicare Program has changed very little in the 30 years since its creation.

While private health care systems have evolved over the years, Medicare has remained stagnant. We must find ways to make the program sensitive to the needs of older persons while at the same time making it more cost-effective.

Sixty-three percent of working Americans get their health care through some kind of managed care program. By contrast, only 90 percent of Medicare beneficiaries are enrolled in the kinds of managed care plans that have become a way of life for their children and grandchildren.

Most care continues to be provided on a fee-for-service basis, which offers no incentives for efficiency and, in fact, encourages higher costs and overutilization of services. As a consequence, Medicare costs are rising in excess of 10 percent a year, while private health spending is growing at less than half that rate.

There continues to be gaps in Medicare coverage. Medicare generally does not pay for preventive care and beneficiaries do not have access to benefits like prescription drugs that are routinely provided through private health plans. Many Medicare beneficiaries would gladly elect to trade their current fee-for-service coverage for a more coordinated system of care that gives them expanded coverage for prescription drugs and other benefits they currently do not enjoy.

Americans in the private health care system generally have some choice about the kind of health plan they are enrolled in. Most Medicare beneficiaries do not. Congress should consider giving Medicare beneficiaries a full range of choice of health care plans, with incentives for beneficiaries to choose cost-efficient coverage.

We should also consider allowing people to stay in their employer's health plan when they turn 65, even after they have retired. Medicare could reimburse employers for the cost of the premiums and perhaps provide a tax break as an additional incentive for them to continue coverage. This would not only allow Medicare beneficiaries to remain in a health plan they are comfortable with, but it would also keep them in a pool with younger, healthier people to lower the cost of their coverage.

And, finally, we must rid Medicare of the fraud and abuse that robs the program of as much as $18 billion a year. Medicare has become a prime target for opportunists who bilk the system by overbilling, unbundling services, and doublebilling. I have introduced legislation for the past 2 years to crack down on fraud and abuse, and it is time to pass these reforms.

There are no easy answers—either substantively or politically—to Medicare's financial problems in either the short or long term. If we are to summon the political will to overcome the current crisis and revitalize Medicare to meet the needs of the future generations, we must abandon the politics of fear and take up the politics of trust.

This should not be a partisan issue. Those who hold a fiduciary duty to oversee the Medicare system say that immediate action is necessary, and the President apparently agrees. Given the sheer magnitude of the financing shortfall, bipartisan cooperation is essential if we are to establish the kind of lasting reforms that will be necessary to keep the promise of Medicare for not just current but future generations.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

EXTENSION OF MORNING BUSINESS

Mr. REID. I ask unanimous consent that the time for morning business be extended so that the order would be that Senator DORGAN will speak 15 minutes, I will speak for 15 minutes, and Senator WELLSTONE will speak for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota is recognized.

MEDICARE

Mr. DORGAN. Mr. President, last week during debate on the defense authorization bill, I came to the floor to point out that someone on the Armed Services Committee had written into the bill a special little deal that no one had asked for. It was $60 million to buy blimps. Yes, blimps. Airbags. Airships. I asked the question, Who wrote this in? Who wants to buy blimps? Who decides that the *Hindenburg* is important for America's defense?

I did not find out who did it, but there were no hearings, no disclosure—they just wrote in $60 million to buy blimps. Now I discover that hot airbags are not limited necessarily to the Defense Department authorization bill.

I have listened this morning to a substantial amount of discussion about Medicare. I will tell you, some of it really surprises me.

Let me talk first about the issue of Medicare going broke. We were treated this morning to a half dozen folks who say: "Did you know that Medicare is going to go bankrupt in 7 years? We Republicans called the Medicare trustees up to the Capitol for a special meeting because we were so concerned about their report." And the President is not concerned, they say. He does not care. "But we are concerned, so we called the trustees up here to the Capitol and had a visit, because we Republicans care." I will bet you that I am safe in saying this is the only meeting of trustees the other side has ever had in this Capitol.

Well, here is a list of the trustees' reports for the last 15 years. Every single year since 1979, save two—in fact, 23 out of 25 years—the boards of trustees have sent a report to this Capitol and this Senate telling us when the Medicare system is going to run out of money.

In 1982, while Ronald Reagan was President, the trustees sent a report up to the Capitol that said in 1987 Medicare is going to be insolvent. In 1986, they sent up a report that said in 1996 it is going to be broke. The list goes on. That is in 23 out of 25 years.

Why have the Republicans invented this as a crisis when 23 out of 25 reports have described the time when Medicare is going to become insolvent? Every time this happens, Congress makes adjustments to make sure that Medicare will not go broke.

Why have the Republicans decided to invent this as a crisis? It is because the Republicans, under the guise of a budget they say will be balanced, also wanted to put up the center tent pole in this giant tent called the Contract With America. What is that center pole? It is a tax cut for their wealthy friends—a $245 billion tax cut, 80 percent of which will go to those taxpayers with incomes over $100,000 a year.

Now, how do you pay for a tax cut? How do you pay for a tax cut if you are up to your neck in debt and have all kinds of budget problems? You take a look at another big part of the Federal budget and say, let us cut that in order to make room for our tax cut. Ergo, they have proposed $270 billion in cuts to Medicare in order to accommodate a similar sized proposal to cut taxes, the bulk of which goes to the wealthiest Americans.

Those are the facts. There is no one in this body who does not want to make sure that Medicare exists for the long term. So to those who came out here this morning with a hot iron and ironing board trying to iron out the President on this issue because, somehow, the Democrats do not believe in Medicare, I say, just look at the record. The first time Medicare was on the floor of the Senate was in August 1960, and 97 percent of the Republicans voted against it. Democrats helped create Medicare, and I am proud of it. When we enacted Medicare, less than half of America's elderly had health insurance coverage. Now 97 percent do. I am proud of that.

Are there some problems with Medicare? Yes, there are. America is graying and getting older. Each month, over 200,000 more Americans become eligible for Medicare because they reach retirement age. That puts a strain on the system. So we have to continue to make adjustments to make Medicare solvent.

For people to come to this floor and suggest that somehow the Democrats are the problem and the Republicans are going to save Medicare, I am sorry, but this is just at odds with the facts. The fact is that Democrats helped create Medicare.

There is an old saying that "the lion and the lamb might lay down together, but the lamb ain't going to get much sleep." I would observe, after what I heard this morning, that the Republicans and Medicare might lay down together as well, but I do not think Medicare is going to get much sleep either.

The fact is, we must make Medicare solvent for the long-term, and we will. But we must not ever decide to go to the health care portion of the Federal budget and try to find massive Medicare savings that will result in higher Medicare costs for older Americans and reduced access to health care for senior citizens, in order to accommodate a big tax cut mostly for the wealthy.

Now, I know that those who are out here spinning this morning like a ball of yarn were accusing the other side of spinning on Medicare. Well, you do not have to spin at all to simply open the budget proposals and find out who gets what. The budget proposals are simple. The budget plan provides for a very significant tax cut, going largely to the most affluent Americans, and it provides for by far the largest cut in Medicare expenditures in the history of this program.

We have had speakers say the cuts in Medicare are simply a cut in the rate of growth. If you have more and more seniors becoming eligible for Medicare, then the size of the program increases. If health care—not only for Medicare recipients but for all Americans—increases in price every year, and it does, then that increases the cost of the program.

Now, if you have those two facts—more elderly being covered by Medicare and higher health care prices—and you say we are not going to pay, we are going to cut way back, what that means is that those senior citizens who rely on Medicare will pay higher prices and get less care. I do not think there is any question about that.

They talk about experts. Most of the experts look at the numbers and say, "Yes, it is true we will spend more on Medicare, but we will still not meet the needs of older Americans because there is a graying of America" and because health care costs are going to continue to increase.

The fact is that what the Federal Government will spend is not going to meet the needs and the result will be that the elderly will receive less health care and pay more for it. That is just a fact.

Now, my own view of Medicare is, I suppose, fashioned at least in part by where I grew up. I grew up in a town of 300 people. There are a lot of elderly folks in my hometown. I saw a lot of folks when I was a teenager who reached the end of their lives and did not have anything—no money, no assets—who worried, who lived in desperate fear that they would get ill and would not have the ability to afford health care.

I saw that, as did most other people. It is nice to know that today, at least, most of those people do not live in that kind of fear because Medicare helps them. Medicare helps provide for them.

I had a woman in my home county, whom I told the Senate about some while ago, who showed up at a town meeting, stood up and said, "I have new knees, a new hip, and I had cataract surgery. I am 75 years old and feel like a million bucks." What a remarkable thing. Fifty years ago she would not have had new knees and a new hip, and she would have been in a wheelchair. If she came to the meeting, she would not have been able to see me.

With the breathtaking achievements in medical care, plus the program called Medicare, this woman has a good life. At age 75, she tells us she feels like a million dollars.

I am enormously proud of what we have done. I think what is important as we talk about reform these days is that we not start to take apart the things that make this country good. I am perfectly willing to sit down with anybody in this Chamber and say, "All right, we will decide to work on this particular issue. We will make sure that Medicare is solvent for the long term."

We have done that before. We will always do that. We will always make adjustments to make Medicare financially sound. Mr. President, 23 of 25 trustees' reports in the last 25 years have described a date by which insolvency would occur, and we made adjustments and stretched that out.

I am willing to do that. But I am unwilling, under any conditions, to join hands with those who say, "Let's make room for a big tax cut." Yes, we are up to our neck in debt. We want to build Star Wars. Yes, we want to go out and buy blimps, but then make room for a big tax cut. How do we pay for that?

There is an easy way: Take it out of Medicare and Medicaid over here and invent something that you want to foist upon the American people as new—a trustees' report that says Medicare will be insolvent.

If this truly was new, then I suppose I could understand their angst. But the fact is, they have had 25 trustees' reports in 25 years and 23 of those have said Medicare is going to have an insolvent period. Yet they have never had a meeting of the trustees until this year, when they began to spin their ball of yarn about saving Medicare.

If the folks who want to give a tax cut to the rich believe older Americans will swallow the minnow that they are the ones who will save Medicare, after they have proposed big Medicare cuts in order to accommodate their tax cut for the wealthy, well, then, excuse me, but I guess I am somehow naive about the art of spending.

Perhaps they are much better, much more clever, much more artful than I ever believed possible at spinning a tale of complete, total, fiction.

It is time just to strip all of this aside and just strip the budget and all the other questions aside and ask ourselves in the sober light of day, as Americans—not as Democrats or Republicans, but as Americans—what works in this country and what does not work.

What should we save and what should we get rid of? What should we fight for and what should we decide to scrap? If we do that, we will all conclude, it seems to me, not that we will try to follow the string of some constituency out there, but that we will aggressively put our nose to the grindstone here and work to reduce the Federal budget deficit.

We will aggressively decide to ask the American people, yes, to pay the current taxes in order to reduce the Federal budget deficit. Pay the taxes that now exist in the current tax law, and we will aggressively protect those things that make this country a better country, and make life in this country better for all Americans, especially those Americans who have gone before us in the work force, who have built this country, who survived the Depression, who fought the wars, who beat back the oppression of Hitler's nazism.

To those folks in this country who helped build and make this a great country, we are now saying to them, well, we are sorry, you will have to pay a little more for your health care. We will threaten Medicare because we want to give wealthy people a tax break. There is nothing wrong with being wealthy, but I am saying those priorities are out of whack.

I finish with one more point. I think the opportunity to do well, be successful, and make money is a terrific thing in this country. I wish everybody could achieve those things. But in my hometown, one person decides that he will commit his life to making as much money as he can and does so and is enormously successful as a business person. And there is another couple living on the other end of the street. He decides he will be a minister in a small rural church. Of course he does not get paid very much. So his wife teaches piano lessons to make ends meet, and they reach age 65 or 70. They have worked very hard their entire lives, but they do not have anything. No assets, no pension, no retirement system, no income.

I just ask the question, did they contribute less to their community? Did they contribute less, ministering in a rural church, giving piano lessons, helping children? Did they contribute less than the people who decided to, in every way every day, make as much money as they could?

No, both contributed to this country. That is why the things that make life better to people who contribute in that way, such as the Medicare Program, are important.

That is why we fight for them and why I am proud to say it is my party that created this program. I think it will be our party, by reaching out and joining hands with others, who will make sure this program is around for the long-term in this country's future. I yield the floor.

Mr. REID. Would the Chair inform the Senator when he has 3 minutes remaining.

The PRESIDING OFFICER (Mr. CRAIG). The Senator will be notified.

VIOLENCE AGAINST GOVERNMENT EMPLOYEES

Mr. REID. Mr. President, Guy Pence is a Federal employee and a public servant in the true sense of the word. He is a forest ranger.

Mr. President, I became acquainted with Guy Pence about 3 or 4 years ago at this same time of the year when he took me on a pack trip into a place in Nevada called Table Mountain. It is a Forest Service wilderness area. There may be places as nice, as beautiful, but no place is any more beautiful than Table Mountain.

It is an area with alpine meadows, beaver dams, eagles floating through the sky, deer, elk, all kinds of wildlife.

Mr. President, I came to Table Mountain as one person and left as another. I became more acquainted with a part of Nevada that I had only seen from the air. I became more acquainted with the problems of a Forest Service ranger, as to what should be done with grazing, what should be done with the infusion of elk into that area, what should be done in regard to mining operations, and the overuse and underuse of public lands. I learned a lot about that part of Nevada.

But I learned as much about Guy Pence and those other rangers who were with us on the street. Guy Pence is truly a fine man in any sense of the word, he is the father of three young girls and a volunteer who has a program where he acquaints the people in the Carson City, NV, area with wildlife and the wild generally.

The reason I mention Guy Pence's name this morning is because last Friday night, in the dark of the night, as Guy Pence was hundreds of miles away in the wilds of Nevada, leading another trip as he led me, a coward, or a number of cowards, in the middle of the night, came to his home and placed a bomb near his home. That bomb—I spoke to Guy Pence—was 10 to 12 feet away from his wife and three children. The bomb blew up, totaled his car, blew out the windows of his house. But for the fact that his wife and children were making pickles they would have all been either dead or injured severely, because less than a minute prior to the explosion, around 10 o'clock at night, the buzzer went off in the kitchen, the mother said the pickles were ready and the children and mother went into the kitchen. Within seconds the explosion took place.

In the dark of the night an unknown person or persons planted a bomb beneath his van as it sat about 10 feet away from his house, away from his wife and his children. I do not know who committed this crime or why it was committed. The facts are still being investigated.

But whether it was related to the controversial job that Guy Pence, forest ranger, has to do, or whether it was unrelated, the timing of this act could not have been more prominent. This bombing—by whomever perpetrated it—comes at a time when our Federal land managers are under assault. Not in name only, but actually under assault. This bombing comes at a time when extremists are destroying the very fabric of our democracy. We have only to look at Oklahoma City to appreciate the threat of this extremism.

The rule of law must apply to everyone. The alternative is anarchy. A red light at a corner is, at best, a useless decoration unless it is obeyed. There are those who think they are above or beyond the law, that they represent a cause so just that it justifies any harm to others. Those who stray from law to violence are people too unsure of their cause to believe they can sway the Nation, the State, or a county, by any means other than force. There is no difference, moral or philosophical, between the Weathermen of the 1960's, the Symbionese Liberation Army of the 1970's, the Pan American bombing terrorists of the 1980's, or the Oklahoma City bombers of the 1990's.

There is no distinction, logical or analytical, between Lee Harvey Oswald, who killed President Kennedy, John Wilkes Booth, who killed President Lincoln, Sirhan Sirhan, who killed Senator Kennedy, Arthur Bremmer who tried to assassinate George Wallace, and whoever planted the bomb in Carson City. All were anarchists. Each was a coward wishing to substitute the power of tooth and claw for the rule of law. They wish to abolish the ability of the Nation to govern its citizens and instead permit the citizenry to settle its own scores on the spot, without regard to right or justice or principle. A coward is someone who has not the decency to stand up for what he believes: The stab in the back, the bullet in the night, the bomb on a doorstep of a woman and children's home—that is the way of a coward. When you combine anarchy and cowardice, you get what happened in Carson City.

I grew up in a small town in southern Nevada, rural by any definition—no telephones, very few homes that had inside plumbing, no television. We were rural to the core. But the place where I was raised, people were friendly to one another. We depended on one another. Neighbors had a sense of community. That was part of our tradition.

But the West that I loved my entire life has been sullied. There is now a pattern of lawlessness that has raised its ugly head in the Western United States. For the sake of debate, let us set aside the case of Guy Pence, even though it is hard for me to do. We do not know whether it will ever be solved or even whether it is connected with the rising tide of anti-Government rhetoric which is placing families like those of Ranger Pence in terrible circumstances.

Let us address, instead, other instances that illustrate what I have called the ugly underbelly of a movement called County Supremacy.

I will be the first to acknowledge that there are a wide variety of views about how we should manage the lands owned by the people of this country, lands available for a multitude of uses: cross-country skiing, skiing, grazing cattle, mining, off-road vehicle adventure, hunting and fishing, camping and hiking.

The pressures in the rapidly growing West are enormous. I understand and appreciate the views of those who suggest that perhaps these lands should be turned over to the Western States. In Nevada, 87 percent of the land is owned by the Federal Government. Some in our State feel that we need more. Some less. But I would also point out that the Federal Government has been flexible in meeting Nevada's needs.

Recently, I participated in a ceremony where we turned over to Boulder City, NV, more than 100,000 acres. Public land is now part of Boulder City. I introduced a bill that eventually gave Mesquite, NV, 4,400 new acres to develop their airport and a golf course. I was city attorney in Henderson, NV, now the third largest city in Nevada, when it got over 100,000 acres of Federal land.

So it is not as if there is not land being turned over to the private sector. But I do not agree with the wholesale turnover of some of the most scenic lands in our country, owned by all Americans. Land in Nevada that is public in nature is owned by people in Idaho, owned by people in Minnesota, owned by people in Nevada. I do not agree that these scenic lands should be turned over wholesale to what inevitably would turn out to be a sweetheart deal for developers, where only the most wealthy could own and lock up streams, valleys, mountains, meadows—the outdoors that we all cherish so much. I do not agree with the ultimate end advocated by the County Supremacist Movement and I am not afraid to say so.

I am not here to suggest that all those with strongly held views in the anti-Federal movement advocate violence. They do not. Over the weekend in Nevada a person who is a member of one of these groups—I believe there were probably others, but I read where there was one person, and I appreciate that—spoke out that she did not believe in violence after the bombing of Guy Pence's home and van.

Any movement must be concerned about the fringe elements within it—in this case, fringe elements who live a paranoid life of conspiracy, who threaten revolution, who threaten violence as a means to achieve their agenda.

Eric Hoffer said,

> When cowardice is made respectable its followers are without number, both from among the weak and the strong. It easily becomes a fashion.

And it has.

Madam Chiang Kai-shek, who recently was here in the United States, said,

> Every clique is a refuge for incompetence. It fosters disruption, disloyalty, it begets corruption and cowardice, and consequently it is a burden upon and a drawback to the progress of the country. Its instincts and actions are those of the pack.

And they are.

In the Western United States, Federal land managers have been threatened and attacked. In California, a Forest Service employee was shot at. In Oregon, a Bureau of Land Management employee was assaulted. In Nevada, the day the bomb severely damaged the office of the Forest Service, the Forest Service supervisor received a call saying he was next.

Two years ago, a Bureau of Land Management building in Reno, NV, was blown apart, the roof blown off, among other things. Gate and fee collection boxes have been booby-trapped with explosives in the West. Agency employees were told by a man that they could have his guns, he just wanted to pull the trigger one more time—at them.

In my county, a group of armed citizens stood by as a Forest Service employee helplessly tried to stop the illegal opening of a road with a bulldozer. A county official later said publicly that if the Forest Service officer had reached for his gun, 50 people would have shot him.

In Garfield County, MT, a group called The Free Men set up their own county government, declared the existing one illegal, and offered a cash bounty for the arrest of legitimate law enforcement officials.

In New Mexico, a Fish and Wildlife employee was told that he would have his head blown off. The manager of the Malheur National Wildlife Refuge in Oregon was threatened with death, and his family was harassed.

In the West, antigovernment activity has spread like a prairie fire. Property rights activists in Nevada, New Mexico, Montana, and Idaho regularly drown out Federal officials who speak at public meetings. Yet these same activists illegally graze cattle on Federal lands.

Worried Government agents such as Tom Dwyer, a U.S. Forest Service official, whose encounter with a property rights leader ignited a court battle, said, "There are times when I was driving back from being out of town when I wondered if my house would still be there."

Yes, Mr. President, Guy Pence wonders also.

Mr. President, this is not the America that we believe in. It is as if some sickness has swept our country, as if we are living in a different age, as if we have been transported in a time warp back to the barbarism and violence of previous civilizations like "Back to the Future," I guess.

I am here today to denounce violence and extremism in any form, whether it is clinic violence at an abortion office, or whether it is domestic violence in a home. It does not matter who committed an act against Guy Pence, it is violence, and we have to speak out against it.

Acts like this, and others which have been cited, have been legitimized by anti-Government rhetoric of those in positions of responsibility who should know better.

In my own State, elected officials have rejected the authority of Federal land managers to do their job on public lands—not land owned by the counties or the States, but land owned by all the people, including the urban residents of Reno and Las Vegas.

Mr. President, we must speak out. We must recognize that some Members of this body and in the other Chamber have all but advocated violence against established law and order and sympathize and apologize for gun-threatening supremacists. There is legislation pending in both Houses of Congress that enshrines and advocates some of these principles.

One of the problems in our society today is that people are unwilling to speak out, are unwilling to speak out against violence, are unwilling to speak out against sexual depravity conveyed to our children through the mass media, and are unwilling to speak out against lawlessness, generally.

I am speaking out. I call upon my colleagues in this Chamber, the elected officials of the country and the Western United States, and the peaceful advocates of the county supremacist movement to decry violence. I would challenge the leaders of this movement to write their members, to speak out publicly, to let everyone know that while they may disagree with the policies of the Federal Government that they do not advocate violence.

We must get the message out that, while they may not like certain Federal policies, they do not advocate violence against innocent people whose job it is to enforce it.

Teddy Roosevelt said, "No man is above the law, and no man is below it." He also said, "Nor do we ask any man's permission when we require him to obey the law." We must obey the law.

Mr. President, I also would like to express publicly my appreciation to my friend from Minnesota for allowing me to go out of order.

Mr. WELLSTONE. Mr. President, let me just say to my colleague from Nevada before he leaves that, after having heard his statement, it was really kind of my pleasure to defer to the Senator from Nevada. That was a very, very courageous, and powerful statement.

I would like to join him in condemning this extremism and violence. Murder is never legitimate. Attempted murder is never legitimate. There is no place for this in this country.

I think the Senator's statement is national in significance. I think what he said today on the floor of the Senate is needed to be said. There comes a point in time when silence is betrayal. And the Senator from Nevada clearly is not silent. I thank him for his courage.

Mr. President, my understanding is I have 10 minutes.

The PRESIDING OFFICER. The Senator has 9 minutes and 46 seconds.

MEDICARE

Mr. WELLSTONE. Mr. President, first of all let me ask unanimous consent that the editorial today in the Washington Post entitled "Cutting Medicare" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CUTTING MEDICARE

A new report suggests the congressional goal of cutting Medicare costs by a quarter of a trillion dollars over the next seven years could be even harder to achieve than previously believed. The theory had been that large savings could be had if only the government would begin to manage Medicare the way the private sector has been managing its health care costs in recent years. The commonly cited evidence was that Medicare costs were rising much more rapidly than the health care costs of private employers, which were showing signs of being brought under control. The principal explanation was that Medicare remained essentially an old-style fee-for-service system while the private sector was turning more and more toward some form of managed care.

But the new study by Urban Institute researchers says that, properly accounted for, Medicare and private sector costs have been rising at pretty much the same speed in recent years. The suggestion is that there aren't large, painless savings available simply by shifting the system by which care is delivered. It's true, the study found, that in the past few years aggregate Medicare costs have been rising faster than the aggregate cost of private insurance. But a major reason has been that Medicare enrollment has been steadily rising—there are more older people in the society—while the number of privately insured has been declining.

If you look, however, at per capita costs for the same kinds of basic health care services, there's been little to choose between Medicare and private-sector growth rates, the study says. In the private sector there have been some one-time-only gains by virtue of shifts to managed care; the private sector is becoming a shrewder buyer of health care. But it isn't clear those gains can be sustained—and Medicare is already a better buyer of health care than the government's reputation might suggest. The government has used its buying power to force

> down what it pays providers, so that Medicare already pays hospitals less than the cost of treating many Medicare patients. In some respects, the private sector is catching up with cost-cutting steps that Medicare already has taken.
>
> Just about everyone agrees that (a) there's a need to reduce the rate at which Medicare costs are rising, and (b) there's room for significant reform in the program. And, yes, a shift toward managed care can help. But there isn't a magic wand that can be waved to achieve large and lasting cost cuts painlessly. In the long run, if the government is going to pay appreciably less, the program is likely to provide less or the recipients will have to pay more.

Mr. WELLSTONE. Mr. President, what the Urban Institute has come out with really should not surprise anyone who is a student of health care. And what the urban institute has said is that the kind of conventional wisdom in Medicare costs have been rising at a faster rate than private health insurance costs is simply not true once you look at the capital expenditure.

That is, a matter of fact, what is happening with Medicare which is, of course, part of the success of Medicare—that more and more people, thank God, live to be 65, and more and more people, thank God, live to be 80. That is really what you have to look at.

So it is not this sort of promise of shifting everything from fee for service to managed care and, therefore, reducing the costs, which needs to be questioned.

The conclusion of this editorial is that in the long run, if the Government is going to pay appreciably less, the program is likely to provide less, or the recipients will have to pay more.

Mr. President, let me just be clear about this in response to so much of what I heard this morning on the floor of the Senate about Medicare.

The Medicare Program, which passed in 1965, and the Medicaid Program, which passed in 1965, made the United States of America a better country. And this legislation, this public policy, was a response to the real pain of elderly people in our country. Half of the elderly population prior to Medicare had no health insurance. It is that simple. People are no longer working. They do not have their jobs. So they do not have their coverage. In addition, when people are not working their employment earnings drop precipitously.

Today 36 million elderly and disabled Americans, including more than 630,000 Minnesotans, are protected by Medicare.

Mr. President, I only have about 8 minutes. But I just want to kind of respond to some of what I heard said this morning in one, two, three, four fashion.

First, the concern of my colleagues about the Medicare trust fund and the need to finance Medicare would be more credible to me if we were not juxtaposing with the $270 billion in cuts in Medicare the $245 billion of tax cuts for wealthy people. It is a little bit suspicious, especially since the vast majority of the tax cuts—some 80 percent—go to families with incomes of over $100,000 a year.

Mr. President, there is an important change being proposed here. As opposed to Medicare being a universal health insurance program—that is what it has been about for elderly people, senior citizens—now the proposal is to have a fixed amount of cash for each Medicare beneficiary that they can use to purchase coverage in the marketplace. And the difference between the value of that voucher and what happens with medical inflation, that needs to be made up by the recipient.

Mr. President, there is something profoundly wrong with the direction we are going in. First of all, understand that what has made this program so successful—and it has been a huge success—is that it is universal for all citizens 65 years of age and over.

Understand, second of all, that we are not talking about a high income profile. Elderly people pay four times as much out of pocket as those 65 years of age and less. Some 75 percent of the Medicare expenditures go to families or households with incomes of $25,000 a year or less. And I am not even talking about the, roughly speaking, $40,000 a year that have to be paid for nursing home expenditures which is the catastrophic expenses that so many elderly people have to phase in at the end of their lives which wiped out savings.

Mr. President, the other point that my colleagues did not want to make is that while, on the one hand, we have the Medicare per person expenditure inflated to rise under 5 percent per year, the private health insurance expenditures are slated to go up over 7 percent a year. Who makes up the difference? Mr. President, there are some problems with this proposal that are really quite profound. And they ought to be laid out, and I have yet to hear anybody on the other side of the aisle respond adequately.

No. 1, if you are going to cut $270 billion a year, then quite clearly beneficiaries are going to have to pay more, and many cannot afford to pay more. In addition, you are going to have, roughly speaking, 50 percent of those cuts go in the form of less reimbursement for the care givers or for the providers. But, Mr. President, No. 1, many elderly people cannot afford to pay more. And, No. 2, in greater Minnesota or greater Idaho where 70 or 80 percent of the patient mix are elderly people, those hospitals and clinics which have a tough time making a go of it right now will go under. That is the case in Minnesota. That is the case in rural America.

This policy will not work. This is slash and burn.

Third of all, Mr. President, what will happen is it is the same shell game. We have talked about this over and over again. I can assure you that when the providers can transfer the costs—and they can do that in some of the metropolitan areas—they will do so.

So if the doctors or clinics or hospitals get less in reimbursements than the cost of providing care, shifting it to private health insurance, premiums go up for employers, who then in turn drop employees, and we have more employees dropped from coverage—hardly a positive change, hardly a reform for health care.

Mr. President, we do not know how we are going to finance medical education since that right now, much of it, is out of Medicare. What happens to our hospitals, our teaching hospitals?

Mr. President, as a Senator from Minnesota, what happens to my State, which is a State which has already reduced much of the fat in the system, which has weeded out many of the inefficiencies? We are at rock bottom. This slash-and-burn approach will not work for rural Minnesota and it will not work for metropolitan Minnesota.

Mr. President, the fact is we are not talking about reform. If we want to talk about reform, I say to my colleagues, do not have the tax cuts, $245 billion.

Second, why are we spending $7 billion more on the Pentagon budget, but we are going to cut health care for the elderly people?

Third, why are we leaving all the subsidies for the oil companies, the pharmaceutical companies, the tobacco companies, but we are going to cut benefits for Medicare recipients?

And finally, if you want to have cost containment, do it systemwide. Why not get back to health care reform. Why not move forward. This is not an effort to take us into the 21st century. This is an effort to move us back into the 19th century.

Systemwide cost containment? Yes. Universal health care coverage? Yes. Focus on home-based health care so elderly people and people with disabilities can live at home in as near normal circumstance as possible with dignity? Yes. Health care reform but with financing for medical education? Yes.

We can have health care reform, colleagues, but this is slash and burn. And no set of speeches will be able to ignore that reality.

And so, Mr. President, this morning was the beginning of the debate. I look forward to much more of that debate, but I wish to be crystal clear what is at stake here. This is a program which made a huge difference in our country. As a Senator from Minnesota, I am going to fight very hard to maintain the integrity of this program.

I yield the floor.

TRIBUTE TO LEWIS A. ENGMAN

Mr. HATCH. Mr. President, on July 12, I lost a friend.

And the country lost a man who had served with energy and integrity, in both the public and private sectors.

Lewis A. Engman, "Lew" to the many friends he leaves from 25 years in Washington, was taken suddenly by stroke.

He left life well before his time. Had he lived longer, I know Lew would have used it fighting for the strong principles that guided all his professional life.

Lew believed in competition and free markets.

An antitrust lawyer and economist by training, Lew saw competition and free markets as the consumer's most efficient and effective protection.

As Chairman of the Federal Trade Commission in the early 1970's, Lew was one of the first Government officials to observe that some Federal regulatory agencies had become servants of the industries they regulated, that they were more adept at propping up prices than protecting the consumer.

As much as anyone, Lew Engman was responsible for setting in motion the current movement against overregulation.

While a prophet of deregulation, Lew never took a doctrinaire, anti-Government stance. He liked to distinguish between regulations that improve competitive markets rather than those which substitute for the market—supporting the former, opposing the latter.

Another principle that guided Lew was his commitment to full disclosure, accuracy, and truthfulness. Information, in Lew's view, made markets function. Without full, dependable price and product information, consumers were defenseless, Lew often said. Lew never wavered—not at the Federal Trade Commission, nor later as president of two pharmaceutical associations—in his defense of the consumer's right to know.

Lew and I became friends during the negotiations that led to enactment of the Drug Price Competition and Patent Term Restoration Act of 1984, a bill I was proud to author with Representative HENRY WAXMAN.

The 1984 law addressed two seemingly competing needs: The need for brand name pharmaceutical companies to regain the patent life they had lost awaiting FDA approval of their products; and the interests of the fledgling generic drug industry in speeding their products to market as soon as the innovator patent had expired.

We faced this challenge—how to balance the research-based drug industry's desire for patent lives adequate to encourage research against the generic industry's desire to put competing copies on the market as soon as possible—we faced this challenge head-on.

It was a complicated issue, and indeed a challenge. The public wants newer and better drugs, and that necessitates adequate research, which, quite simply, is costly. At the same time, consumers also want less expensive drugs.

Lew represented the research firms. It was not easy—they had varying interests. But his political acumen, and his personal belief in competition, got the job done.

In short, Lew had a fine line to walk, and he walked it with honor and courage.

In the end, Lew's refusal to break his promise to support a compromise, a compromise that had been worked out between the House, Senate, and industry, cost Lew his job. He left it head high, integrity intact.

It would take pages to list all Lew's achievements, from selection by Time magazine in 1974 as one of the country's young men to watch, through a career as a top Washington official. But Lew's was not a life to measure in jobs and titles, but rather by the thread that ran through it all.

It is a comfortable thing for a man to know who he is and what he believes. No one who knew Lew could believe he died anything but comfortable.

I will miss Lew Engman. My heart goes out to his wife, Pat, to whom he was devoted, and to his three boys.

They have lost a loving husband and father.

We all have lost a man of principle and a fine American.

I know that Lew will be missed by all of us.

IN RECOGNITION OF THOSE WHO SERVE

Mr. BYRD. Mr. President, in Chapter 9 of the Book of Ecclesiastes, we find the following portrait in verses 14 and 15: "There was a little city, and few men within it; and there came a great King against it, and besieged it, and built great bulwarks against it. Now there was found in it a poor wise man, and he by his wisdom delivered the city; yet, no man remembered that same poor man."

This is a lesson that is often repeated, and, in fact, it is constantly being played and replayed all about us, if we but pause to observe it.

As a former welder in the shipyards on the east and gulf coasts, and as a Senator who has witnessed the christening of great oceangoing vessels, I have attended the splendorous pageantry that accompanies the launching of a ship, as have many of my colleagues. The scene is one in which great crowds gather, bands fill the air with their martial music, the trumpets blare, the banners fly, dignitaries are assembled, orators declaim, the champagne sparkles and flows, and shouts and cheers ring out as the ship slowly glides into the channel. The program ends, "the tumult and the shouting dies, the Captains and the Kings depart", and in the pause that lingers in the human contemplation, one may perhaps reflect upon the hours of toil that were spent by the welders, the riveters, the pipefitters, the mechanics, the ironworkers, and the scores of other crafts that went into the building of the ship. The men who operated huge cranes, the carpenters who drove the nails, the workers who pulled the cables and lifted huge burdens and swept the decks—the sweat and labor of thousands of men and women, working with their hands and minds through long days and nights—all these made it possible. Yet, in the glittering pageantry of the launch, who remembered these unsung workers whose work made the dream become a reality?

As a politician, I have attended many banquets, many church suppers, many enjoyable evening repasts, as I am sure all of my colleagues have done. Often, I have reflected upon the words of Ecclesiastes on my way home after such a delightful event. Long after the program has ended, and the echoes of the speaker's voice have faded away, and the handshakes and the goodbyes have been overtaken by the darkness that falls from the sable-vested wings of night, there are those who are still working in the grimy kitchen, cleaning the silverware and the dishes and the pots and the pans, and putting away the linens, mopping the floors and disposing of the garbage so that the kitchen and the meeting hall will be polished and clean and ready for the next church supper. It was an enjoyable feast, the laughter and the pleasant conversations will long be recalled, but who will remember the calloused hands of toil that prepared the delectable dishes, that cooked the food, that washed and dried the dinnerware? Who will remember those men and women who gave up the pleasant hours of rest following the epicurean delights? Who will remember those who stayed and turned out the lights and locked the doors and saw to it that everything was in order before returning to the humble cottage and a bed of hard-earned rest from the difficult chores?

Mr. President, these are the kinds of people who go about daily and do the hard work that makes the world go around. They are unobtrusive, they are unassuming, they quietly do their duty and earn, in the sweat of their brow, their daily bread. The farmer at the plow, the fisherman on the stormy deep, the miner toiling in the bowels of the Earth, the sweating ironworker at the blast furnace, the herdsman on the hills and plains, the lowly private at his station, the helmsman of the ship on the rolling waves, the policeman on his lonely beat, the mother who spends a sleepless night by the side of her fevered child, the housewife who mends and sews and keeps the home fires burning—these are the unsung heroes who make the world go around. They are not often remembered, but too often forgotten.

Many times, Mr. President, in my 43 years of working in this Capitol building, after a long day at the office, upon leaving the Capitol,

I heard the trailing garments of the Night,
 sweep through her marble halls,
I saw her sable skirts all fringed with light,
from the celestial walls.

Yet, in our meditations seldom, perhaps, do we reflect upon those who sweat and toil to make these walls and halls beautiful—the charwomen, the janitors, the people who mop and wax and polish the floors of Minton tile. I have seen them in the wee hours of the morning polishing the brass rails that go up and down the marbled stairs. I have seen them dusting the artistic works of the great Brumidi. I have seen them carting the desks, moving the chairs, and carrying the dishes of food as dinners and luncheons are served. They make and keep these elegant surroundings clean and attractive for the tourists and for those of us who work here. Yet, how often do we remember them? How often do we pause to thank them, to give them a pat on the back, and to express words of appreciation for the services they perform? The contributions of these dedicated workers allow the essential work of this body and much of America to proceed. We are in their debt. I take these few moments to salute them here today.

Likewise, we seldom talk to acknowledge and appreciate the essential labor of the excellent staffers who serve us here in the Senate. During the course of my, as I say, nearly 43 years in this building, I have come to appreciate and respect the contributions and dedication that our staff bring to this institution. Behind much of the work that is conducted in committee hearings and on this floor there are many staff people who have toiled for hours and days and weeks to make it all possible. While we, as the elected officials, carry the ultimate responsibility for the legislation and policy that are set by the Senate, the input from our staffs is considerable and valuable.

I have been disturbed by the recent articles in the press which have focused on the reputation of certain Senate staff and of one staff person in particular. It appears that there are those individuals in the political arena who have determined that, in order to promote their particular agendas, it is necessary to excoriate and vilify any person who represents a different point of view. The criticisms leveled have been vicious and unrelenting. Theirs is a take-no-prisoner, scorched-earth attitude, with little concern for the individuals who are wounded as part of this guerilla-style rhetoric.

Mr. President, Sheila Burke has worked for the Senate since 1977. Since joining the staff of Senator DOLE, Sheila has proved to be a superb employee. She has represented the interests of Senator DOLE and those of the Republican Conference in a way that they all can be proud. I have always found Sheila to be fair and even-handed. When I was the leader of my party in the Senate, I had the occasion from time to time to talk with Sheila Burke. I never came to know her well, but I did come to admire her greatly. Her abilities have benefited both sides of the aisle.

The Senate can only operate in an atmosphere of compromise and conciliation. There is no place for the slings and arrows of fortune that have been directed at Mrs. Burke. Frankly, many of her critics seem to be more concerned with the operations of the White House in 1997 than of the Senate of 1995. My feeling is that we ought to be more concerned with the difficult issues that face us here and now. The massive problems facing this nation demand all of our attention. We ought to be working together to address these concerns instead of worrying about who may occupy the position of White House Chief of Staff in some future administration.

Sheila Burke is a most capable individual. She has a family. She is a mother. She has three children. She has a husband who commutes back and forth to Connecticut. Yet, she finds time to be a good mother, a good wife, and to be a good chief of staff of a Senator—in this case, the majority leader. She is a registered nurse. She is a very disciplined, professional woman. That is my perception of Sheila Burke.

She has to be tough. She has to be tough. She represents her boss and she does it well. I have a chief of staff. I have loyal members on my staff, many of whom have been with me for years. I know that a chief of staff has to be dedicated, has to be very capable, and has to represent the viewpoints of the Senator who employs her.

It must be very difficult to do the job and do it well, and especially if one is criticized in the public press for doing that job and doing it well.

I consider Sheila a loyal and trusted employee of the Senate. I think it is time for the cowards who would hide behind the uncalled for criticism of a Senate staffer to direct their venom-enhanced energy toward becoming constructive players of the legislative process. As a staff person, she cannot very well defend herself in the press. It must be pretty hard for her, with the stresses that are upon her as a chief of staff, to bear up under such unfair and unwarranted criticism.

I admire her courage.

Plutarch tells us, of Aristides, who was one of the 10 Athenian generals at the Battle of Marathon in 490 B.C. Aristides was also at the Battle of Salamis in 480, B.C.

And as one of the archons, Aristides conducted himself in such a way and with such a high sense of justice and with such great virtue that he was given the surname, Plutarch tells us, "the Just," "Aristides the Just." Themistocles sought to undermine Aristides' standing with the people, and spread the word that Aristides was assuming to himself the work of the adjudicator and making the decisions himself, and so stirred up the people.

Plutarch tells us that the Ostracism was a process by which those individuals who excited envy in the minds of others might be banished. It was not a punishment for a crime or misdemeanor but just a way of lessening and humiliating, making more humble those who were achievers.

The process worked something like this, according to Plutarch. The citizens throughout Attica came to Athens and they took earthen shells, or pieces of pots and other earthenware, and wrote the name of an individual on those shells—an individual they wished to see banished. They took the shells to the marketplace where there was an enclosure behind a wooden rail, and the magistrates, then, would count the shells. And if there were less than 6,000 shells with names, the Ostracism failed. But if there were 6,000 or more of these shells, then the individual whose name appeared on most of the 6,000 shells would be banished.

So, upon this occasion as Aristides was walking about the marketplace, witnessing the goings on, a certain illiterate rustic approached him, Aristides, and asked Aristides to write on the shell the name "Aristides." Aristides was somewhat surprised and curious, and he asked the individual if Aristides had ever done him, the individual, a wrong?

The rustic replied, "No, nor do I even know him; but it vexes me to everywhere hear him called the Just."

I wonder sometimes if this is not what we see all too often, by those who envy the achievers.

The scriptures say, "Wrath is cruel, and anger is outrageous; but who is able to stand before envy?"

Mr. President, it is the same story with anyone who accomplishes things and in some way establishes a good name for himself. There will always be those who will criticize the achievers among us. The world will always be divided into two classes: those who go ahead and do things, and those who sit on the sidelines and say, "Why was it not done the other way?"

Alexander the Great bore the censures of his critics with great moderation and used to say, "There was something noble in hearing himself ill spoken of while he was doing well."

And Voltaire says somewhere that it is a noble thing to make ingrates.

I think it best to heed Polonius' advice to Laertes, as given to us in Hamlet,

Take each man's censure, but reserve thy
 judgment

. . . this, above all: to thine ownself be true,
and it must follow, as the night the day,
thou canst not be then false to any man.

So, if I may close with a few words of comfort and encouragement to Sheila, they would be these: You have shown that you "can keep your head when all about you are losing theirs and blaming it on you." Continue on this path of duty.

I say to Senators, I think we err if we do not encourage those who achieve. So I want to add my words of encouragement to Sheila Burke.

Continue on the path of duty. Do not be turned aside by the skeptics, the doubters, the cynics. Satisfaction will come in the serenity of a clear conscience and the knowledge that:

Tired of the Senate's barren brawl,
An hour with silence we prefer,
Where statelier rise the woods than all
Yon towers of talk at Westminster.
Let this man prate and that man plot,
On fame or place or title bent:
The votes of veering crowds are not
The things that are more excellent.

Mr. President, I yield the floor.

THE DEFENSE MODERNIZATION ACCOUNT

Mr. GLENN. Mr. President, on Saturday, August 5, 1995, I offered an amendment in the nature of a substitute to section 1003 of S. 1026, the National Defense Authorization Act for fiscal year 1996. My amendment, cosponsored by Senator ROTH and Senator GRASSLEY, was accepted by unanimous consent of the Senate. At this time I would like to make some comments about my amendment. I ask unanimous consent that a copy of the amendment be printed in the RECORD following my remarks, along with some relevant correspondence on this issue between Senator LEVIN and Office of Management and Budget Director Rivlin.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. I would like to say at the outset that I share Senator NUNN's concerns that the military departments—indeed, I would say, all agencies of Government—should have incentives to find savings within the programs under their jurisdiction. I would further agree with the distinguished ranking member of the Armed Services Committee that one of the flaws of our current budget and appropriations process is that, rather than encouraging cost-savings efficiencies, it induces agencies to spend whatever money is left before their authority expires at the end of a fiscal year. So, in this sense, I support the underlying purpose of the committee in developing innovative methods for providing such incentives, including the defense modernization account DMA.

As a long-time member of both the Armed Services Committee and the Governmental Affairs Committee—which I chaired for 8 years—I know full well, however, the significant problems and difficulties with DOD's financial management and controls systems. DOD has over 260 disparate accounting systems which are not yet integrated. Despite the efforts of John Hamre, the DOD comptroller, we have not yet reached the day when DOD can produce accurate, reliable, and auditable financial statements. In fact, I can tell you it will not even be in this century.

These problems have led to over $20 billion worth of unmatched disbursements, where money has been paid out without proper and sufficient documentation. We do not know what it was used for. Moreover, DOD has been overpaying its contractors by the hundreds of millions of dollars each year, much of that discovered and returned by the contractors themselves, not through DOD followup. I will not bother to put everyone to sleep here by discussing negative unliquidated obligations—NULO's, as they are called.

These financial management problems should make anyone familiar with DOD pause before we give new and additional authorities in this area—however important the goal.

Perhaps the most relevant example to this proposal of DOD financial management problems is the infamous M accounts, or merged surplus accounts. A few years back, in 1991, I was one of the first in Congress to uncover this problem and help close these funds down. In layman's terms, M accounts had all the features of a slush fund, created by pooling together all excess appropriations dollars not spent in a fiscal year and using them for almost whatever purpose they wanted. Whether authorized by law, or not. There was no auditable trail, no accounting controls.

By the time we began our investigations into the M accounts, they had grown to over $50 billion. The legislation which shut these accounts down required that an audit be conducted to determine, if we could, for what purposes this money was spent. After more than 3 years, we still have not figured out where some $5.2 billion has gone. There are no matching records for the disbursements.

There were elements of the defense modernization account that reminded me of M accounts—and reminded others as well. In fact, my distinguished friend from Michigan, Senator LEVIN, was kind enough to share with me an exchange of correspondence he had with the Office of Management and Budget about the problems with this account. And as previously stated, I have asked that this correspondence be made a part of the RECORD.

I am bound and determined that we not repeat the past. Since the committee reported the legislation, I have been working with Senator NUNN and others to improve section 1003. I now believe that we have built in sufficient financial controls and reporting requirements, while maintaining the flexibility, incentives, and intent of the original legislation.

I would like to briefly discuss some of the problems as I perceived them in the committee's language and describe what my amendment does to address those problems.

As proposed, the DMA had significant control and accountability shortcomings. For example, the DMA did not say who is responsible for identifying savings. If savings are achieved it is important to know how so that this knowledge could potentially be applied to other programs. There was no restriction on cross-fiscal year transfers—with the corresponding prospect that the DMA could be funded by transferring expired funds; and there was no limit on the ultimate size or life of the account. Under the original legislation, funds transferred into the DMA would lose their fiscal year and purpose identities, greatly complicating auditing. Programs would have been able to mask accounting and management deficiencies by transferring unobligated balances to the DMA at the end of the fiscal year, and transferring money back when unrecorded and forgotten bills show up. There was also a substantial risk, with no limit on its size or life, that the account could grow to embarrassing proportions.

We addressed these problems and I believe have reached agreement on acceptable changes to strengthen the financial controls. With the agreed changes, the DMA would require a secretarial determination of excess funds and identification of their source for funds transferred into the DMA; it would limit transfers into the DMA to unexpired funds available in the current year.

It would preserve the integrity of the Account Closing Act limitation on the period of availability for expenditure for funds transferred into the account; with this limitation, funds would not lose their fiscal year identity.

It would require notice to the relevant congressional committees of the amount and purpose of transfers from the DMA.

It would prohibit transfers from DMA to cover unliquidated or unrecorded obligations from prior fiscal years or to make unmatched disbursements.

It would limit the use of DMA funds to programs and purposes for which Congress has authorized funds.

It would require a quarterly report on transfers to/from DMA with amount, source and/or purpose.

It would cap the fund at $1 billion; limit the availability of funds in the DMA to the end of the third full fiscal year after transfer.

It would sunset the authority to transfer funds into the account after 8

years; GAO is to audit the account after 5 years and again 6 months prior to sunset. This will give DOD time before consideration of sunset to fix whatever deficiencies are found in first audit. We also provide for the account to be closed consistent with the account closing provisions of title 31. (31 U.S.C. §§1552(a), 1553(a)).

Mr. President I believe that these controls will help ensure that the defense modernization account does not become another M account. I appreciate Senator NUNN's willingness to work with me on this amendment. I also appreciate the work and input of Senator GRASSLEY, Senator ROTH, and their staff.

AMENDMENT NO. 2279

Beginning on page 321, strike out line 15 and all that follows through page 325, line 18, and insert in lieu thereof the following:

"(b) CREDITS TO ACCOUNT.—(1) Under regulations prescribed by the Secretary of Defense, and upon a determination by the Secretary concerned of the availability and source of excess funds as described in subparagraph (A) or (B), the Secretary may transfer to the Defense Modernization Account during any fiscal year—

"(A) any amount of unexpired funds available to the Secretary for procurements that, as a result of economies, efficiencies, and other savings achieved in the procurements, are excess to the funding requirements of the procurements; and

"(B) any amount of unexpired funds available to the Secretary for support of installations and facilities that, as a result of economies, efficiencies, and other savings, are excess to the funding requirements for support of installations and facilities.

"(2) Funds referred to in paragraph (1) may not be transferred to the Defense Modernization Account by a Secretary concerned if—

"(A) the funds are necessary for programs, projects, and activities that, as determined by the Secretary, have a higher priority than the purposes for which the funds would be available if transferred to that account; or

"(B) the balance of funds in the account, after transfer of funds to the account would exceed $1,000,000,000.

"(3) Amounts credited to the Defense Modernization Account shall remain available for transfer until the end of the third fiscal year that follows the fiscal year in which the amounts are credited to the account.

"(4) The period of availability of funds for expenditure provided for in sections 1551 and 1552 of title 31 shall not be extended by transfer into the Defense Modernization Account.

"(c) ATTRIBUTION OF FUNDS.—The funds transferred to the Defense Modernization Account by a military department, Defense Agency, or other element of the Department of Defense shall be available in accordance with subsections (f) and (g) only for that military department, Defense Agency, or element.

"(d) USE OF FUNDS.—Funds available from the Defense Modernization Account pursuant to subsection (f) or (g) may be used only for the following purposes:

"(1) For increasing, subject to subsection (e), the quantity of items and services procured under a procurement program in order to achieve a more efficient production or delivery rate.

"(2) For research, development, test and evaluation and procurement necessary for modernization of an existing system or of a system being procured under an ongoing procurement program.

"(e) LIMITATIONS.—(1) Funds from the Defense Modernization Account may not be used to increase the quantity of an item or services procured under a particular procurement program to the extent that doing so would—

"(A) result in procurement of a total quantity of items or services in excess of—

"(i) a specific limitation provided in law on the quantity of the items or services that may be procured; or

"(ii) the requirement for the items or services as approved by the Joint Requirements Oversight Council and reported to Congress by the Secretary of Defense; or

"(B) result in an obligation or expenditure of funds in excess of a specific limitation provided in law on the amount that may be obligated or expended, respectively, for the procurement program.

"(2) Funds from the Defense Modernization Account may not be used for a purpose or program for which Congress has not authorized appropriations.

"(3) Funds may not be transferred from the Defense Modernization Account in any year for the purpose of—

"(A) making any expenditure for which there is no corresponding obligation; or

"(B) making any expenditure that would satisfy an unliquidated or unrecorded obligation arising in a prior fiscal year.

"(f) TRANSFER OF FUNDS.—(1) Funds in the Defense Modernization Account may be transferred in any fiscal year to appropriations available for use for purposes set forth in subsection (d).

"(2) Before funds in the Defense Modernization Account are transferred under paragraph (1), the Secretary concerned shall transmit to the congressional defense committees a notification of the amount and purpose of the proposed transfer.

"(3) The total amount of the transfers from the Defense Modernization Account may not exceed $500,000,000 in any fiscal year.

"(g) AVAILABILITY OF FUNDS FOR APPROPRIATION.—Funds in the Defense Modernization Account may be appropriated for purposes set forth in subsection (d) to the extent provided in Acts authorizing appropriations for the Department of Defense.

"(h) SECRETARY TO ACT THROUGH COMPTROLLER.—In exercising authority under this section, the Secretary of Defense shall act through the Under Secretary of Defense (Comptroller), who shall be authorized to implement this section through the issuance of any necessary regulations, policies, and procedures after consultation with the General Counsel and Inspector General of the Department of Defense.

"(i) QUARTERLY REPORT.—Not later than 15 days after the end of each calendar quarter, the Secretary of Defense shall submit to the appropriate committees of Congress a report setting forth the amount and source of each credit to the Defense Modernization Account during the quarter and the amount and purpose of each transfer from the account during the quarter.

"(j) DEFINITIONS.—In this section:

"(1) The term 'Secretary concerned' includes the Secretary of Defense.

"(2) The term 'unexpired funds' means funds appropriated for a definite period that remain available for obligation.

"(3) The term 'congressional defense committees' means—

"(A) the Committees on Armed Services and Appropriations of the Senate; and

"(B) the Committees on National Security and Appropriations of the House of Representatives.

"(4) The term 'appropriate committees of Congress' means—

"(A) the congressional defense committees;

"(B) the Committee on Governmental Affairs of the Senate; and

"(C) the Committee on Government Reform and Oversight of the House of Representatives.

"(k) INAPPLICABILITY TO COAST GUARD.—This section does not apply to the Coast Guard when it is not operating as a service in the Navy.".

(2) The table of sections at the beginning of chapter 131 of such title is amended by adding at the end the following:

"2221. Defense Modernization Account.".

(b) EFFECTIVE DATE.—Section 2221 of title 10, United States Code (as added by subsection (a)), shall take effect on October 1, 1995, and shall apply only to funds appropriated for fiscal years beginning on or after that date.

(c) EXPIRATION OF AUTHORITY AND ACCOUNT.—(1) The authority under section 2221(b) of title 10, United States Code (as added by subsection (a)), to transfer funds into the Defense Modernization Account shall terminate on October 1, 2003.

(2) Three years after the termination of transfer authority under paragraph (1), the Defense Modernization Account shall be closed and the remaining balance in the account shall be canceled and thereafter shall not be available for any purpose.

(3)(A)

The Comptroller General of the United States shall conduct two reviews of the administration of the Defense Modernization Account. In each review, the Comptroller General shall assess the operations and benefits of the account.

(B) Not later than March 1, 2000, the Comptroller General shall—

(i) complete the first review; and

(ii) submit to the appropriate committees of Congress an initial report on the administration and benefits of the Defense Modernization Account.

(C) Not later than March 1, 2003, the Comptroller General shall—

(i) complete the second review; and

(ii) submit to the appropriate committees of Congress a final report on the administration and benefits of the Defense Modernization Account.

(D) Each report shall include any recommended legislation regarding the account that the Comptroller General considers appropriate.

(E) In this paragraph, the term "appropriate committees of Congress" has the meaning given such term in section 2221(j)(4) of title 10, United States Code, as added by subsection (a).

U.S. SENATE,
Washington, DC, July 17, 1995.

Hon. ALICE RIVLIN,
Director, Office of Management and Budget,
Old Executive Office Building, Washington,
DC.

DEAR MS. RIVLIN: I am concerned about the efficacy and wisdom of a new Defense Modernization Account established in Section 1003 of S. 1026, the fiscal year 1996 Defense Authorization bill just reported by the Senate Armed Services Committee. Although I agree with one motive behind this effort, creating an additional incentive for the military services to generate savings from efficient program management, the method this bill establishes strikes me as precedent-setting for other agencies as well.

No other department of government is allowed to keep unobligated balances that would otherwise expire, and then use those funds to procure items or services that Congress has not expressly authorized. And although Section 1003 is crafted to try to avoid a repeat of past abuses of the DOD "M" accounts, I believe the protections may be inadequate. The laws Congress has passed establishing new buying practices and requiring more efficient procurement should provide all the incentive needed. If programs can be completed for less money, shouldn't Congress authorize less money, or rescind unobligated balances and return funds to the treasury?

Would you please provide me with the Administration's view on Section 1003, and specifically address whether the Office of Management and Budget supports allowing the Department of Defense the new budgeting authority in S.1026?

As S.1026 could be before the full Senate within a week, I would appreciate a prompt reply.

Thank you.

Sincerely,

CARL LEVIN.

EXECUTIVE OFFICE
OF THE PRESIDENT,
OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, August 3, 1995.

Hon. CARL LEVIN,
U.S. Senate,
Washington, DC.

DEAR SENATOR LEVIN: Thank you for bringing to our attention the establishment of a new Defense Modernization Account (DMA) in section 1003 of S.1026, the fiscal year 1996 Defense Authorization bill. Enclosed is a preliminary technical analysis of this section that was prepared by my staff.

We are in agreement with the major purpose of the proposal, which is to assist in the modernization of our military forces. Funds in the account would be used for increasing procurement quantities, increasing Research, Development, Test and Evaluation (RDT&E) accounts or modernization of an existing system being procured under an ongoing procurement program, all to support overall defense modernization.

We are concerned, however, about the erosion of the appropriations process that this provision would encourage. Although uses of funds in the DMA would ordinarily be approved through a reprogramming, and the Appropriations Committees would be able to block any use of DMA funds they disagreed with, reprogrammings are not sobject to the full appropriations process involving both houses of Congress.

Also, the definitions of sources for the account appear broad. The terms "procurement" and "support of installations and facilities" would allow deposits of a wide array of funds into the DMA to be used for procurement and RDT&E rather than the original purposes for which appropriations were made.

Practical considerations may also limit the use of funds in the DMA. Use of DMA funds would increase outlays, and the DMA would not offer any relief from the scoring required by the Budget Enforcement Act. Further, transfers from source accounts would be constrained by the need to keep sufficient balances to cover such things as contract adjustments.

On balance, we think that section 1003 would provide the Department of Defense some modest additional flexibility in providing for modernization, but the flexibility would be offset by the concerns we have noted above.

Sincerely,

ALICE M. RIVLIN,
Director.

TECHNICAL STAFF ANALYSIS OF SECTION 1003 OF S. 1026

Section 2221(a) would establish a Defense Modernization Account (DMA).

Section 2221(b)(1) would authorize the Secretary of Defense to transfer, without limit, (A) funds available for "procurement" that would otherwise expire and (B) funds available for "support of installations and facilities" that would otherwise expire.

Since almost all DOD accounts are available for "procurement" and the "support of installations and facilities", funds could be transferred from many different accounts. For example, all of the O&M, Procurement, RDTE, Housing, and even parts of the Defense Health Program accounts are available to procure goods and services and/or support installations and facilities.

Section 2221(b)(2) specifies that funds may not be transferred to the DMA by the Secretary if the funds are necessary for programs, projects, and activities that, as determined by the Secretary, have a higher priority than the purposes for which the funds would be available if transferred.

Section 2221(b)(3) would permanently reappropriate the amounts transferred to the DMA from fixed period (i.e., annual and multi-year) appropriations to no-year appropriations.

Section 2221(c) would "attribute" the amounts transferred to the DMA. Essentially, funds transferred in by a military department, Defense agency, or other element of DOD shall only be available for that department, agency, or element. It is not clear that the term "element" is needed. However, if it is retained, it should be clearly defined and in a manner that will not complicate DOD's accounting system.

Section 221(d) would make the funds available for a broad range of activities (1) for increasing the quantity of items and services procured under a procurement program in order to achieve more efficient production or delivery rate or (2) for research, development, test, and evaluation and procurement necessary for modernization of an existing system or of a system being procured under an ongoing procurement program.

Section 2221(e) would prohibit the use of the funds: for a purpose for which Congress denied funds; or in excess of:

—a specific limitation provided in law on either (1) the quantity or the items or services that may be procured or (2) the obligation or expenditure obligated or expended, respectively, for the procurement program; or

—the requirement for the items or services as approved by the Joint Requirements Oversight Council and reported to Congress by the Secretary of Defense.

Section 2221(f)(1) would provide permanent transfer authority up to $500 million each year from the DMA to accounts available for the purposes described in subsection (d). This subsection and subsection (b)(3), when taken together, would establish a process that would function through reprogramming.

Section 221(f)(2) would require the Secretary to notify the Armed Services and Appropriations Committees of any proposed transfers under (f)(1).

Section 2221(g) specifies that funds in the DMA (to include balances over the $500 million transferred under subsection (f)(1)) may be appropriated for purposes of subsection (d) to the extent provided in Acts authorizing appropriations for the Department of Defense. This appears to provide another method to make funds in the DMA available for obligation in addition to reprogramming.

Section 2221(h) would require the Secretary of Defense to exercise his authority under this section through the Undersecretary of Defense (Comptroller). If the intent is to allow the Secretary to delegate this authority it is unnecessary. Sufficient authority already exists for such a delegation.

There is no sunset date for the DMA.

Mr. GRASSLEY. Mr. President, I join Senator GLENN in offering an amendment to section 1003 of the bill.

Section 1003 establishes a new account at the Department of Defense [DOD].

The new account is called the "Defense Modernization Account."

When I was first told about the Defense Modernization Account, I was very concerned.

The alarm bells went off.

Right away, I thought I could see another slush fund like the infamous $50 billion M accounts in the making.

Subsection (B)(3) is what really set me off.

This is what it says:

> Amounts credited to the Defense Modernization Account shall remain available until expended.

To me that sounds like a permit to open a laundry operation to break down the integrity of appropriations.

That sounds like another honey pot where unlimited amounts of no-year money could be stashed for a rainy day.

Like the M accounts, I fear this money could be used to cover cost overruns and other unauthorized projects beyond the purview of Congress.

Clearly, this is not the intended purpose of section 1003.

But in my mind, it is a potential problem. Bureaucrats at the Pentagon might abuse the new authority.

I also think section 1003 may be inconsistent with various parts of title 31 of the United States Code and most particularly the M account reform law enacted in November 1990.

I am afraid that section 1003 might be used to undermine strict procedures for closing appropriation accounts that were established by the M account reform law.

That law set up expired accounts.

When the period of availability of an appropriation ends—as fixed by annual appropriation bills, those moneys are placed in an expired account—where they remain for 5 years.

While in the expired accounts, the fiscal year and appropriation account identity must be maintained.

At the end of 5 years, accounts must be closed and all remaining balances are canceled.

It is important to maintain the integrity of appropriation accounts.

And it is important to respect the period of availability set in the appropriations bills.

But my concerns are not incompatible with the purpose of the Defense Modernization Account.

The Defense Modernization Account is supposed to encourage the Defense Department to save money and to use savings to meet critical modernization shortfalls.

The periods of availability in expired accounts plus the availability provided in annual appropriations bills means that procurement moneys—the primary focus of section 1003—are available for 8 years or more.

That's more than enough time to identify savings and reallocate them into top priority modernization programs—with congressional approval.

Senator GLENN has crafted an amendment that addresses all of my concerns.

His amendment brings the Defense Modernization Account into line with current law.

Above all, his amendment protects the integrity of the appropriations accounts and all moneys involved.

I thank Senator GLENN for making such an important contribution to financial management at the Pentagon.

WAS CONGRESS IRRESPONSIBLE? CONSIDER THE ARITHMETIC

Mr. HELMS. Mr. President, it does not take a rocket scientist to be aware that the U.S. Constitution forbids any President to spend even a dime of Federal tax money that has not first been authorized and appropriated by Congress—both the House of Representatives and the U.S. Senate.

So when a politician or an editor or a commentator pops off that Reagan ran up the Federal debt or that Bush ran it up, bear in mind that the Founding Fathers, two centuries before the Reagan and Bush Presidencies, made it very clear that it is the constitutional duty of Congress—a duty Congress cannot escape—to control Federal spending.

Thus, it is the fiscal irresponsibility of Congress that has created the incredible Federal debt which stood at $4,945,941,078,492.53 as of the close of business Friday, August 4. This outrageous debt—which will be passed on to our children and grandchildren—averages out to $18,774.87 for every man, woman, and child in America.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The Senator has yielded. Morning business is closed.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 4, the welfare reform bill, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole amendment No. 2280, of a perfecting nature.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. PACKWOOD. Mr. President, I have a unanimous-consent request that has been cleared on both sides. I ask unanimous consent that only debate be in order on the welfare bill, H.R. 4, until the hour of 3 o'clock p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, "The lessons of history, confirmed by the evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual and moral disintegration, fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is inimical to the dictates of sound policy. It is a violation of the traditions of America."

So spoke Franklin Roosevelt in his second annual message January 4, 1935, the year that welfare, as we currently refer to it, was passed. As a matter of fact, we are almost 60 years to the day. One more week and we would be there. August 14, 1935, we passed the Social Security Act.

The act had two components. One was Social Security pensions and the other was welfare for widows and orphans. Both of the above, the pensions and the welfare for widows and orphans, were intended to cover really the same group of people at that time, in 1935. But they were covered for different reasons.

Social Security, the pension, was to be yours, of course, if you worked until age 65 and collected a pension for the rest of your life. But support for widows and orphans, enacted in the same bill, was to be yours if the breadwinner died.

This was done in 1935, Mr. President. In most cases in those days, women did not work outside of the home for money. They stayed home, and they raised the children. The breadwinner was normally a man.

So the Social Security Act said, all right, if the man works and he works until he is 65 and he retires, he gets a pension, and with the pension he will still be able to take care of his wife; his children by that time presumably would have been grown and off working on their own. If by chance, however, the breadwinner died before 65, then who was left to support the widow and the children? For that purpose, in the same act as Social Security, we passed what we now call Aid to Families With Dependent Children. We then simply called it welfare. It was presumed that the widow would have no more children unless she remarried, in which case she would not need welfare support any more. And in those days, almost all welfare, that is, as we now call it, AFDC [Aid to Families With Dependent Children], over 90 percent of welfare went to widows and orphans.

It was not until 1939 that what we call survivor coverage was added to Social Security. And we now said if the breadwinner—and this was still presumed to be the man—died prior to age 65, and if the breadwinner had a widow with children, the widow would get 75 percent of the pension benefits that the breadwinner would have gotten had he lived until 65 and in addition got 75 percent for each child that she had up to a capped amount. You could not have 20 children and get 75 percent each, but most people do not have 20 children.

I emphasize again, in 1935 we passed the Social Security Act. It has a pension part and a welfare part. And the two were really separated.

Then in 1939, 4 years later, we added this survivors coverage to Social Security, and an interesting thing happened after we added it. Because by and large the survivors pension to the widow and the children under Social Security was larger than welfare, and gradually from 1939 on, first as more people worked in the system and then as we added by statute more and more people to the system and covered more and more people—I think probably the biggest single coverage expansion coming in 1953 or 1954 under President Eisenhower—by the time we had gotten to 1960, most people were covered by Social Security, and therefore had Social Security survivor benefits for widows and children.

So the original purpose of welfare, to provide for the widows and the orphans, was supplanted by Social Security. And from 1960 onward, maybe 1970 onward, in a rapidly accelerating pace, welfare, Aid to Families With Dependent Children as we now call it, started tilting toward the support of unwed mothers and children who had never had a breadwinner in the house.

This was not a substitute for the deceased husband. For the first time, we began to see the welfare system turn toward a different concept from that upon which it was founded. The concept upon which it was founded was, if the breadwinner dies, there is money for the widow and the child.

As Social Security replaced and supplanted welfare, therefore, I sometimes wonder—I do not really say this with any assuredness—but I sometimes wonder if the bureaucracy that administered the old welfare system thought to itself, "We will soon be out of a job," Social Security having taken over the job, and, "We need to find some other function."

It happens in private enterprise all the time. A classic example, of course, would be the March of Dimes. Franklin Roosevelt started the March of Dimes. We eradicated polio, and the need for the March of Dimes could have gone out of existence. If you look at it in the phone book, it is now referred to as the March of Dimes, Birth Defects. The organization—I do not mean this any way critically—needed another cause after our having successfully conquered polio. I do not say this is what happened with the welfare bureaucracy from 1960, and certainly 1970 onward. But instead of welfare now being emergency financial support for an absent, deceased breadwinner, it began to become a lifetime support system for somebody that never had a breadwinner.

Then, unfortunately, it became not just a lifetime support system, but a generational support system of a woman, then a child, and then the child's child, and then the child's child's child, all on welfare. And, therefore, what we could presume at the start with welfare, we could no longer presume from—I will just pick the date—1960 onward.

When we gave money in 1935, 1937, 1938, and on up until Social Security took over the principal function of survivors' benefits, we were presuming, one, the woman would have no more children, or if she got married she may have more children but she would marry a breadwinner and be off welfare, and, two, if it was a widow's pension with a child, the child grew up and the woman had her pension until she died. And society could humanely justify and support that, because we knew that this was not going to be massive in cost. Most breadwinners do not die. And we knew that, as a matter of conscience and humanity, we could afford it.

But as we got into a situation where we were looking at lifetime support or generational support, we had to attempt to shift welfare from emergency support because the breadwinner died to an effort to teach and train people to get off of welfare. We did not intend welfare as a lifetime and generational support system.

So for a quarter of a century, the Federal Government has tinkered and tried to remedy the problem of work. Mr. President, the Federal Government has failed. It has not worked. Welfare, as the Federal Government hoped it would work, would be a trampoline. People would spring back to work. Instead of a trampoline it has become a hammock. And it is not working at all.

Let me ask you, Mr. President, has it failed because we have not spent enough money? This is often the argument. "All we need is a bit more money and we could take care of the problem."

Mr. President, I do not know how much "a bit more" is, but I do know that we have spent an increasing amount of money on welfare by any measure over the last half century. If we hoped that by spending more we would reduce the welfare caseload and get people off of welfare, we have failed. The Social Security Administration puts out a publication annually on what they define public aid. The Social Security Administration takes the various programs that we might generically call aid to the poor, not just aid to families with dependent children, but all the programs—Medicaid, food stamps, anything that would go to the poor—and have added up how much we spend. They have done it using what we call constant dollars, current dollars, and per capita dollars. I will define what I mean by these.

"Current dollars" means what you spend today. It does not necessarily mean a dollar of the same value. Let us say you spend $100 on welfare today, and $100 will buy you a certain basket full of groceries. Let us say you have 100 percent inflation, and in order to buy the same basket of groceries the next year, you would need $200. So we spend $200 on welfare. That is called current dollar spending. Basically, it is just what we spend now and takes no account of inflation. The $200 does not buy you any more than the $100 did before the 100 percent inflation. That is one way to measure things.

If you take all of the programs that Social Security counts as public aid in terms of current dollars, in 1947 we spent $2 billion in this country, including what the States spent—$2 billion. We now spend $180 billion on roughly the same programs. Some programs have dropped by the wayside and others have been added, but on balance it's roughly the same types of programs.

A better test is what we call constant dollars. You assume that the value of the dollar has never changed, there has been no inflation. You adjust the spending backwards so you know what you would have spent based on today's dollars as if there were no inflation for 50 years. On a constant dollar basis, in 1947 we spent $10 billion, not $2 billion but $10 billion. Today it is $180 billion. We have gone in uninflated dollars from $10 billion to $180 billion.

Mr. WELLSTONE. Mr. President, would the Senator yield for a question?

(Mr. THOMAS assumed the chair.)

Mr. PACKWOOD. No, not until I finish, thank you.

Have we fixed the welfare problem? We have not even come close. Maybe the best figure, though, is per capita spending. How much do we spend per person in this country on a constant dollar basis? In 1947, we spent $70 per person in this country; in 1991, which is the last year we have figures for, we spent $713 per person. This assumes the dollar has never been inflated. The $70 has risen to $713, and the welfare problem is getting worse.

Last figure. What percent of our total gross domestic product do we spend on what Social Security calls public aid? In 1947, 0.7 percent of our entire gross domestic product of all the goods and services in this country was spent on public aid. We now spend over 3 percent.

So by any measure of money we have spent on welfare, we have spent it in spades. We have doubled and redoubled and redoubled and redoubled and redoubled the money we have spent on welfare. I would suggest, Mr. President, it has not solved the problem.

Next, has it failed then because of insufficient regulation? I have here in my hand the 1935 section of the Social Security Act for welfare. It is about two and a quarter pages long. That is it. That was the welfare law. There were no regulations. There was a little pamphlet that could not have exceeded 30 pages that sort of explained what this two and a quarter pages of law meant.

You know what we have today? Let me show you this. This is what an Oregon caseworker has to go through to make sure that they are meeting the eligibility standards of a potential recipient. This is not for all of welfare. This is only for welfare eligibility, not the administration of the program once you are on it. This is what we have come to.

Do you wonder why the States are asking us to give them a block grant and saying, "Let us try it." Can you imagine what it is like for a caseworker, who is a decent person who would like to help somebody, who would like to spend the bulk of his or her time working person to person with people who are deprived and genuinely entitled to welfare? That is what this caseworker would like to do. The caseworker does not want to spend time reading these kinds of regulations and filling out forms to make sure that what they are doing comports with the Federal regulations which are equally thick. And that is what we have come to year by year, year by year, year by year.

There was a wonderful example yesterday. It is unrelated to welfare. It involves the Drug Enforcement Administration. This tells you the folly of federal rules.

Portland has a drug-sniffing pig. It is a Vietnamese pot-bellied pig, and it can sniff out drugs better than a dog and it is cheaper than a dog. Here is the picture of Harley. People keep these things for pets.

The Portland police bureau applied to the Drug Enforcement Administration for funds for Harley and the Drug Enforcement Administration said, "No, only dogs, not pigs."

The Portland police bureau said, "But the pig can smell better, the pig is cheaper."

"No, only dogs."

We finally got them to admit that the pig was all right. This is the kind of thing that States have to go through to do perfectly normal things.

I realize we are not all used to drug-sniffing pigs, but they work. We ought to let States try it.

Here is the best statement I could find. This is from Duncan Wyse, who is the former executive director of the Oregon Progress Board monitoring welfare. This is his statement. Oregon comes very close to being the best, probably the best State, in terms of trying innovative welfare and Medicaid approaches. It has been like pulling teeth to get the Federal Government to give us waivers and to cooperate. This is what Duncan Wyse says:

> Almost all of the Oregon option undertakings require the use of Federal funds and, in many cases, the waiver of Federal rules and restrictions on how the money is used. We need the Federal Government as a partner. But Federal programs that provide money tend to be so severely prescriptive and riddled with redtape that stifles innovation. In the biggest area of Federal aid—welfare—at least 20 percent of our administrative time and money costs have been spent on Federal paperwork.

Twenty percent is spent on Federal paperwork. When people say, what happens if we give welfare to the State, will the State be able to administer it well and compassionately, to begin with, Oregon can save 20 percent off the top if they do not have to cross every "t" and dot every "i" of the Federal regulations.

So where are we after 60 years, 60 years this year, of Federal welfare almost divided in two with the dividing line coming maybe 1960, maybe 1970 when it moved from widows and orphans as survivors of the deceased breadwinner to what welfare as we know it now? I thought Senator CAROL MOSELEY-BRAUN from Illinois phrased it best at the Finance Committee markup on May 24, 1995: "In this $7 trillion economy, we still have 40 million people living in poverty; some 14 million of those people are in the welfare system in the States and 9 million of those people are children."

Mr. President, that is welfare as we know it. This is the welfare as we know it that President Clinton has said he wants to end. This is welfare as we know it that has been fostered, foisted, and directed by the Federal Government. Do we have any reason to assume after 60 years of toying and tinkering with the system that the Federal Government will do any better if we tweak it here, twist it there and hope that this beast will fly? It is like a hippopotamus, Mr. President. No matter how long you make his ears or how long you screw up its tail, it is not going to fly.

Every now and then, you run across a little pamphlet. I say to Senator MOYNIHAN, this was written 20 years ago, "To Empower People—The Role of Mediating Structures in Public Policy." Jack Kemp would like the title.

I mention Senator MOYNIHAN because almost 20 years ago—he came to the Senate in 1976, so it is not quite 20 years ago—he and I tried to get tuition tax credits for parochial, private school students. I think we would have settled for vouchers if we could get vouchers.

This book—book is the wrong word, pamphlet is better—is only 42 pages long. I do not know the two gentlemen who wrote it, but I was intrigued with their opening page statement:

> Two seemingly contradictory tendencies are evident in current thinking about public policy in America.

Do not forget, this is 1977.

> First, there is a continuing desire for the services provided by the modern welfare state. * * * The second tendency is one of strong animus toward Government bureaucracy and bigness as such. * * * We suggest the modern welfare state is here to stay, indeed that it ought to expand the benefits it provides—but that alternative mechanisms are possible to provide welfare state services.

There are a number of us who would quarrel with whether or not we want to expand the services or not. What I was intrigued with was the authors' suggestion. They almost bypass States and local governments. What they refer to as the role of mediating structures in public policy they define as neighborhood, family, church and voluntary associations. They go through what could be done if we were willing to attempt to administer our welfare programs through these organizations, and they have any number of quotes. I am not going to quote them all, but there is one I find interesting:

> If a policy furthers a legitimate secular purpose, it is a matter of legal indifference whether or not that policy employs religious institutions.

How many of us have been to a Salvation Army workshop or Goodwill workshop, or any of the sheltered workshops where private charities are doing a sensational job beyond anything that we seem to be capable of doing? And yet, in many of these areas, we have run up against the argument, "Well, it's a religious institution."

Mr. President, the time has come when institutions should not be prohibited from trying to help us, the Government, solve our welfare problems simply because they have a cross on the wall or a menorah in the hall. That does not disqualify some of the most extraordinary organizations in America from being able to help.

Lastly, and then I will go on to the bill itself, I will quote just very briefly from a speech that I made also in the same year, 1977, to an annual Republican conference in Oregon called the Dorchester Conference, in which I was attempting to delineate major differences between parties. I said I do not find overwhelming differences on foreign policy or on transportation, or on a number of areas, but I said there were two where they were significant differences.

One was in the providing of social services. And, on average—speaking generically because it is not of every Republican or every Democrat, but on average—Democrats would prefer that Government rather than private entities—be that business or religious entities, neighborhood associations, or anything else—deliver those services, whereas Republicans prefer private entities to deliver the services. The other was the feeling that if government had to deliver the services, the Democrats would prefer that the Federal Government did it. Republicans would prefer that State and local government did it. I am not sure that, generically, those two differences—Government versus private sector—and in the private sector, I include all kinds of nonprofit charities, let alone business—and central Government versus State and local government—have changed.

In that March 5, 1977, speech, I said:

> In considering this difference, we first must get over our hangup about which government the taxpayers' money belongs to—local, State, or Federal. The money does not belong to any government. It is the taxpayers' money, and government—be it local, State, or Federal—simply holds it in trust for a time after collection and before disbursement. The argument that money collected by the Federal Government is Federal money and, therefore, the Federal Government has not only a right but a duty to say how it is spent is poppycock. But even assuming the Federal Government does have a right to say how it should be spent, there is nothing obtuse about saying that the Federal Government policy on spending money will be: Give it back to the State and local governments with minimal strings. Let them spend it as they like. We don't need dozens of housing, health, urban, and other kinds of programs, let alone 50 to 100 categorical grant education programs. If a local government doesn't know better whether it needs a park block or a fire engine or a day care center or a school librarian, then how can those in Washington, DC, possibly know better?

I want to get to the outline of the bill now, Mr. President. I want to emphasize once more what I just said and what Professors Berger and Neuhaus would say. In essence, we are saying that you cannot run this country well from Washington, DC. It is interesting that we are finding the same philosophy existing in some of the major businesses of this country. They realize they can no longer run their business well from corporate headquarters. Businesses are devolving, giving regional managers more authority than they ever had, giving plants more authority to organize than they ever had. You are seeing this devolution outward from the center in all areas of this country except the Federal Government.

The Federal Government has preempted one of the best sources of raising money and that source is, of course, the income tax. Some States have high income taxes. My State is one that has a high income tax as compared to other States. One of the reasons we have a high income tax is because we have no sales tax in Oregon. All States are pikers in comparison to the amount of money the Federal Government gets from the income tax. It is a progressive source of revenue from everybody, and we collect most of it.

There is nothing wrong with our saying we want to see if we can solve this welfare system. "We," being collectively the States, the local governments, Salvation Army, and the Catholic Church. We want to see if collectively we can solve this problem. We have failed to solve the problem since we first got into this area in 1935, and we have progressively failed in the last quarter of a century. We have geometrically failed.

Is there a possibility—just a scintilla of a possibility—that State and local governments, if we let them experiment and innovate, might come up with solutions that we have been incapable of thinking of, or if we have been able to think of them, for whatever reason we were incapable of administering and achieving? That, in essence, is what the bill before us today attempts to do.

First, I will describe the bill's provisions on what we call welfare, aid to families with dependent children. This bill has a number of sections to it of which this is one.

Mr. WELLSTONE. Will the Senator yield for one question?

Mr. PACKWOOD. Not until I finish. Thank you.

Mr. WELLSTONE. I hope later on we will have time for questions.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. PACKWOOD. Mr. President, AFDC or welfare, as most people call it, is a section of this bill. I am going to take it section by section, but I will take this one first.

The bill takes the seven AFDC programs—they are, one, cash assistance; two, administration of the program; three, the so-called JOBS Program; four, emergency assistance; five, child care for the JOBS Program; six, child care for transition to work; seven, child care for at-risk families—we take those seven programs and consolidate them into one program called a block. We say to the States, we will eliminate these programs as we now know them, and we will give you the money instead, and you must spend this money on the needy, not airport tarmacs, or rebuilding piers for their port, but to spend it on the needy as you see fit.

Here you have a battle, a philosophical battle, because we have put some strings on this bill. The ultimate would be to say to the States, here is the money, you spend it on welfare as you want to define it. But because we did not want to be that broad and did not know what they wanted to do, there have been two very tough restrictions put in the bill.

The first one is work. Welfare recipients must go to work. They must go to work no later than after they have been on welfare for 2 years. But the States can make that much shorter if they want. If the State determines that somebody is work ready, then they have to go to work then.

The States have to have 50 percent of their total number of adults who are on welfare in work by the year 2000. Today, we do not even approach that. On occasion, people will give you a percentage that seems quite high, but that is because, under the present law, there are all kinds of exceptions to those who do not have to work at all. So say you had 1,000 people on welfare, but you say 200 do not have to work because they have a child under 3; another 100 do not have to work because they are disabled; and another 100 for another reason. You get down to 500, and then you say of the 500, 250 are working. That is 50 percent. Well, that is 50 percent of 500. It is 25 percent of a thousand. This bill says by the year 2000, 50 percent of what caseworkers would call your adult caseload, your welfare caseload, must be working. Second, we say that you can only be on welfare for a maximum of 5 years in your lifetime, cumulative period, total. You run out the 5 years, it is zip, finito, gone. Those are the two major strings that we put into this bill.

The States and the Governors, by and large, find this acceptable, but there are some Governors who do not agree with what we have done. Most like what we have done because we have said to the States, this is no longer a Federal entitlement program as we call the words "entitlement," which means we determine who is eligible for welfare.

We are saying to the States, "Here's the money; you determine who is eligible, but you have to put a certain percentage of those you determine as welfare-eligible to work. That is basically all we are requiring of you." They cannot be on welfare for more than 5 years. That is the broad outline of the welfare portion of the bill.

We have a second section called SSI, supplementary security income. I do not find a great deal of dissent with what we have done to SSI. This is another welfare program, often for the elderly, but not always for the elderly. We have said that there will be three categories that will no longer be eligible. SSI is totally a Federal program. No State money and no State administration is involved in this at all. The bill says that you will no longer be eligible if you are disabled because of a drug addiction or an alcoholism addiction. You may be an alcoholic or a drug addict, and you may be eligible for this program for other reasons, but you are no longer going to be eligible solely for drug addiction or alcoholism. Noncitizens will no longer be eligible unless they do work and pay taxes for specified periods of time, and children with modest disabilities will no longer be eligible. I do not find overwhelming argument with the SSI provision of the bill.

The third part of the bill is child support enforcement. Here we have strengthened the Federal role, and the States agree. By "child support enforcement," we are talking about custody orders. The child's parent is ordered to pay $100 a month, $500 a month, $1,000 a month, and the parent moves to another State. The parent may not even disguise their name, but it is almost impossible to enforce child support orders between States. It costs more than it is worth. This particular provision of the bill significantly beefs up the interstate, between-State, enforcement of child support.

Next is food stamps. This part of the bill is somewhat controversial. I have to give great credit to the Agriculture Committee. They came forth with reforms of the program in their committee that were extraordinary in terms of both the reforms and saving money. The bill includes all of their reforms.

We have added a particular wrinkle to food stamps. We have given States the choice of taking a block grant for food stamps. The way food stamps work now is that the Federal Government determines if you are eligible, then you get food stamps and take them to the grocery store for groceries. You give the grocer food stamps, you receive groceries, and the grocer turns the food stamps in to the Federal Government, and we pay the grocer money.

Some States under experimental programs with waivers are doing what is known as cashing out food stamps. In some cases they are doing it statewide, and in some cases only in counties. What they do is take the money that a recipient would otherwise give for food stamps, use it as a subsidy with an employer, and put the person to work. Almost invariably the person has more money from working than they get from the food stamps and welfare. The food stamp money is used as a wage subsidy. You can only do that now if you get a waiver from the Federal Government. This bill would make it easier for States to do this.

As I said, the bill also gives States the option to take a block grant for food stamps. We have put a limitation in it. I would go further and say the States can cash out totally and use the money as they see fit. I recognize there are not the votes to go this far. Instead, this bill allows States to cash out food stamps, but at least 75 percent of the money must be used for food for the poor and the remaining 25 percent can be used for wage-subsidy programs which, if we are trying to get people off of welfare and into work, probably are a better use of the money than anything else that we might suggest.

On the child nutrition programs and the commodity distribution programs, we have included in the bill the Agriculture Committee reforms exactly as they reported them without change. They are good reforms. I think they are relatively noncontroversial reforms.

We have taken from the Labor Committee, Senator KASSEBAUM's committee, her child care and development block grants. She consolidates three Labor Committee child care programs into a single program, and we have put it in this bill with a minor modification. We have also included another bill that the Labor Committee reported which takes 90 different job training and education programs and consolidates them into one block.

Then we have taken suggestions on housing with relatively modest changes in rent subsidy eligibility rules and housing assistance rules. Again, I think there is no controversy. Those provisions came principally from the Banking Committee.

Then we have changed the rules on noncitizens for what are called Federal means-tested programs. Means-tested programs are those that determine eligibility based on how much income and money you have. If your income and resources exceed a certain level, you can not qualify for the program. The bill provides a uniform rule for noncitizens who apply for Federal means-tested programs. I believe there is some controversy about this provision in the bill.

But, Mr. President, I think the overwhelming bulk of the controversy falls in two or three areas of the bill and not most of the latter ones I talked about.

Then lastly, we have called for a reduction of 30 percent in Federal employees who administer the AFDC welfare programs and the work force job training programs.

Mr. President, that is it. It is not very often that we have a genuinely philosophical debate in this Congress. This is a genuinely philosophical debate. Do you prefer that the Federal Government continue to fund and administer the welfare programs in this country and the food stamp programs? If yes, in essence, you are saying you like the way they are working. Or do you say, I am not happy with the way the welfare programs are working, and try as we might, well-intentioned as we may be, the Federal Government has failed to make them work and we would like to let the States experiment?

Mr. President, the problems of the States in this country are difficult. A State that has immense immigration has different problems than a State that does not. A State that has a disproportionately large number of poor has a different problem than a State that does not. One size does not fit all.

This bill, as we debate it, and as we finally vote upon it, is going to be a touchstone showing the difference between the parties and between those who prefer a Federal system, no matter how badly run, to a State system which we cannot guarantee will work but I think we can guarantee it cannot work any worse than it is now working.

Is it worth a try? You bet it is.

Over the next 2, 3, or 4 days, or however long we debate this, keep in mind a few objectives: Federal versus State, and work. Those are the issues that we are talking about.

I thank the Chair.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. KYL). The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise to continue the debate from this side of the aisle, but first to congratulate and, as always, to express appreciation to my colleague and friend, the chairman of the committee, for his thoughtful, persuasive arguments—not all of which have persuaded me; I am sure there are those who will feel the same way—and in particular to thank him for citing this, I will call it a booklet, "To Empower People, The Role Of Mediating Structures In Public Policy." This was the work of Peter L. Berger, who is a professor of sociology at Rutgers, and Richard John Neuhaus, who is the senior editor of World Review. He is a theologian, and a much-respected one.

This is a product of a research group the American Enterprise Institute had started. Nathan Glazer, my colleague and friend, headed the section on welfare and social services.

Mr. President, once again I am proud and happy to report that this important social analysis was sponsored by the National Endowment for the Humanities. I cannot think of a more trenchant argument for securing its future and that of other such matters.

I thank my friend for having brought it to our attention. It is, curious—what they argue is the extension of the analysis by Professor Putnam of those communities in Italy over the last 700 years that have been successful and those that have not, and the degree to which empowering activities locally, a choral society in Tuscany or a volunteer fire department, characterized——

Mr. PACKWOOD. Or a local soccer team. I am indebted to the Senator for calling to my attention this book by Professor Putnam in which he studied all the provinces of Italy which had identical charters given to them in 1920. Professor Putnam discovered that the provinces governed themselves differently, although the charters were identical. And after extensive research and evaluation, Professor Putnam concluded that local and civic traditions was responsible for most of the differences and the charter did not make much difference at all. And the best example we have of that is the Soviet Constitution, which hardly had a peer in the world as a Constitution.

Mr. MOYNIHAN. As a youth in New York City, I had more than one occasion to study the Soviet Constitution and see that this, obviously, had to be the finest society on Earth because it had the best Constitution.

I will try to argue that the outcomes of our efforts with dependent children and families will, in fact, depend less on statute and more upon the local energies and enterprise which either rise to the effort or do not. I will argue that in some cases we see there are dimensions of size that overwhelm individual effort. And I will argue that we did very well in 1988. We are beginning to see results with exactly this theory in mind.

With those facts in mind, on May 18 I introduced the Family Support Act of 1995, a bill "to enable each State to assist applicants and recipients of Aid to Families with Dependent Children in providing for the economic well-being of their children, to allow States to test new ways to improve the welfare system, and for other purposes."

The measure was referred to the Finance Committee. It was taken up on May 26, and failed on a 12 to 8 vote, whereupon the committee, by a similar 12 to 8 vote, adopted the predecessor of the Work Opportunity Act of 1995, the bill which Senator DOLE has introduced as a substitute.

But, first, let me describe the thinking behind an earlier, quite significant revision of welfare law, the Family Support Act of 1988, basic legislation which I propose now we build on.

In his State of the Union Address in February 1987, President Reagan pledged his support for what he called "a new national welfare strategy." Democrats and Republicans in Congress saw a window of opportunity to redefine our welfare system, to replace the half-century-old AFDC Program with a program designed for the social realities of the last part of the 20th century.

The Governors led the way. Governor Clinton, chairman of the National Governors Association, and then Gov. MICHAEL CASTLE, of Delaware—now Representative CASTLE—was chairman of the welfare prevention task force, a bipartisan effort, and they presented the Governors' concerns: improve enforcement of parental child support obligations; permit flexible State-designed employment programs—include remedial education, training and work experience; mandate participation in such programs for parents with children over age 3, and create a "social contract"—I say once again a social contract—to obligate State agencies to provide opportunities to become self-sufficient while also obligating recipients to take advantage of these opportunities.

The Family Support Act of 1988 sought to turn the existing welfare system on its head. And we used that term conscious of the historical reference. Rather than beginning with a public assistance payment that is supplemented with sporadic child support payments and occasional earned income, it placed the responsibility for supporting children where it belonged: With parents—both parents. And the focus was to be on the long-term dependents—not the divorced woman who needs some help while she puts her life back in order, but the teenage mother who has a child and is at risk of spending most of her life on the dole.

On September 29, 1988, just this side of 7 years ago, the Family Support Act passed the Senate. We had 63 cosponsors and the vote was 96 to 1. It went out the door 96 to 1, a bipartisan judgment the like of which is rarely seen in this body and which, unhappily, evidently has now disappeared.

I was the manager on our side, and I recall the atmosphere, the emotion. At a Rose Garden ceremony that followed were Senators DOLE, BENTSEN, and BROWN, Speaker Foley, Mr. Michel, and Governors Clinton and CASTLE.

President Reagan, on signing the bill, told the assembled company that:

> They and the members of the administration who worked so diligently on this bill will be remembered for accomplishing what many have attempted but no one has achieved in several decades, a meaningful redirection of our welfare system.

It may seem unimaginable to us today. But the Family Support Act of 1988 was not a partisan political measure. Democrats and Republicans alike joined in near unanimity to do what needed doing, a good half a century into the experience of what we have called welfare under the Social Security Act of 1935, a history the chairman has set forth very ably and very accurately.

The Governors had asked for flexibility in designing State programs to help poor parents overcome their dependence on public assistance, and they got it. With the Job Opportunities and Basic Skills Program, JOBS, States were free to offer a variety of education, training and work activities. States were directed to involve the private sector in designing their JOBS Programs and to coordinate with other work-related programs, such as the Job Training Partnership Act.

The Family Support Act brought the statute in line with a new reality. Again, as the chairman has said, the original Social Security Act of 1935, adopted in the midst of the Depression, provided aid to dependent children wherein the Federal Government took over the widows pensions that had been adopted in almost half the States by this point. Those States were under severe economic stress in the Great Depression. The Federal Government assumed the responsibility for children.

In 1939, the mother of the children was included as well. So it became Aid to Families With Dependent Children, and it was expected to be a bridge until widows with their children were entitled to old age and survivors insurance, and, indeed, it was a bridge in the time that survivors insurance matured.

Then something new happened. In 1960's, Samuel H. Preston, in his address to the American Demographic Association in 1964, put it that "an earthquake shuddered through the American family—an earthquake shuddered through the American family." Family structure began to change. Out-of-wedlock births surged.

We now have a ratio of births of children in single-parent families that has reached an estimated 33 percent. By 1992—I have a table here. Can I bring that over?

Mr. President, this will give you some sense of what we are dealing with. These are the ratios in the 20 largest cities in the country: Baltimore, 61 percent; Boston, 48; Chicago, 56; Columbus, 41; the District of Columbia, 70; Indianapolis, 40; Milwaukee, 58; New York, 46; Phoenix, 42; San Antonio, 20.

These are numbers unknown to social conditions of the north, west, east, or southern man or woman. So far as I know it is without precedent in human experience. I have said this before and have been saying it for 15 or 20 years. And no one has ever contradicted this.

Early in the century, an anthropologist named Malinowski, who practiced and worked and lived in London, set forth the universal law of human society, which is that in any society, every society that has ever been known, ever examined, ever studied, ever recorded, all children knew who their male parent was. That was the first law of anthropology. And everyone agreed. Once it was said, it was obvious.

It no longer is, Mr. President. The ratios, Baltimore is 61 percent, Detroit 72 percent. They are without precedent. And the thing to know is that we are not alone in this. Something like the same phenomenon has overtaken the United Kingdom, France, and Canada. We find it difficult to explain what has happened here. But they find it difficult to explain what has happened there. What we cannot do is deny the reality.

We think this increase is largely a matter of demography.

In the 1950's, the child-bearing population was flat or even declined a bit.

Then starting in 1989, the caseload began to rise.

What I am trying to say, Mr. President, is that this obviously has led to increases in the Aid to Families Dependent Children Program of late. In the aftermath of our 1988 legislation, the number of children on the AFDC rolls has gone up again. It went from 3.5 million cases to almost 5 million in 4 years. You can see this right here. Here is where we passed the bill. Then, seemingly, after we passed the bill, things get out of control again.

You have to start this discussion, if it is going to be in any way honest and open, with acknowledging the fact that if anyone had supposed in 1988 the number of AFDC cases would go down—and we never said that, but if anyone thought that might happen—they would have been wrong. Indeed, they went up. We think we know why they went up.

The Congressional Budget Office has established that about 60 percent of the increase is simply the increase in the number of single-parent families. The demography of persons in that population, the number of people coming into the reproduction ages, suddenly bumped up. It will happen. It happens all the time—up, flat, up, and sometimes indeed declining, as was the case in late 1930's or late 1940's.

The thing is, we know very little about this. We know a certain amount about the duration of benefits. More than a quarter of new entrants onto the AFDC rolls remain there less than a year. Almost half are gone in 2 years. Data are elusive. The Federal Government has never collected systematic time series data on this information. And we would do well to remind ourselves of the maxim that you should never really do anything about a problem until you first learn to understand it.

Annual unemployment rates did not appear in the United States until 1948. We used to take the unemployment rate from the census. We took it in April 1930 and April 1940, and there was no Great Depression. We learned sampling and we did it by counting everybody. We learned to sample and get numbers. It was a development in the late 1930's and matured in the early or mid-forties.

We have not done this at all with respect to welfare dependency because we have not seen it, in part, as the problem it has become. By 1948, we knew unemployment was a problem.

I might say last year, in 1994, Congress enacted the Welfare Indicators Act.

It is a measure I had been seeking for many years, an annual report comparable to the Economic Report of the President which deals with unemployment or employment and which has begun long-term analyses of trends, disaggregating large numbers and finding significant subsectors.

The act specifies that with respect to welfare indicators, the following subjects be addressed: indicators of the rate and degree to which families depend on welfare income; predictors of welfare receipt; an assessment of the adequacy of existing data resources; and an annual report of welfare indicators.

For the moment, Donna Pavetti at the Urban Institute has compiled this distribution, one of the few things we seem to have. Note we get it from the Urban Institute, not from the Department of Health and Human Services.

This chart depicts "Distribution of Total Time on Welfare."

This is important, Mr. President, because both the bills that the distinguished Republican leader and the chairman of the Committee on Finance have introduced, the bill that our able and distinguished Democratic leader has introduced, have 5-year time limits.

I am sorry to turn this into a statistics exposé, but we are talking about numbers here, and we never learned to do anything about unemployment until we got hold of those numbers. And the numbers are simply that half the AFDC population who enter the system leave it within 24 months. We do not know who they are. There is no account kept. There are no samples taken. But we have a pretty good idea. These are mature women whose marriages have come apart, have been dissolved in some way or other. For them, AFDC is a form of income insurance just as unemployment insurance protects those persons working. They need it for a while, then they need it no longer and they leave.

We knew this much in 1988. We said not to worry about this group. It takes care of itself. You simply have a simple income insurance—as Social Security is income insurance—and let them be.

The Manpower Demonstration Research Corp. had established with great clarity that you can train such folk, you can educate such folk. They do not need the training or the education. They just need to get their affairs together, and they do.

On the other hand, sir, three-quarters of the recipients, adults and children, who at a given point in time are on welfare are on for more than 5 years. The mean duration is 13 years. That means half below 13, half above 13. The mean is 13—12.9 it says here.

So let it be clear. You are putting at risk an enormous population, about which we know very little in terms of what works and which we have only begun to attempt to know. Three-quarters of those who are on the welfare rolls at any one time are going to be there for more than 5 years, and half will be there more than 13 years. That is why this is a social crisis which we had best get hold of or who would want to be sure of the future of this society. And that is why, sir, in this Senator's view, and in the view of the whole Senate, not 7 years ago there was a national response.

The fact is that, as I said, divorce is one source of dependency and separation another. These are the people up here in the first two lines. But there is a much greater cause, and that is nonmarital births. In the State of the Union Message of January 25, 1994, President Clinton included this passage:

> We cannot renew our country when within a decade more than half of our children will be born into families where there is no marriage.

I repeat:

> We cannot renew our country when within a decade more than half of our children will be born into families where there is no marriage.

To my knowledge, no President in our history has raised this issue in a State of the Union Address, nor very possibly in any address. On the following June 14 in Kansas City, the President unveiled a new welfare reform proposal and his address contained this passage.

We also have to face the fact that we have a big welfare problem because the rate of children born out of wedlock where there was not a marriage is going up dramatically. The rate of illegitimacy has literally tripled since this Senator first called it to our attention 30 years ago. At the rate we are going, unless we reverse it, within 10 years more than half our children will be born in homes where there never has been a marriage.

Unless we reverse it, within 10 years more than half our children will be born in homes where there has never been a marriage.

These things happen, Mr. President, in a sometimes sort of random way. In 1993, I happened to see the nonmarital birth ratio for 1991 and said, "You know, that looks like a straight line going back to 1970 or so." And we took it and we plotted the actual ratio. And then we saw what would be the correlation with a straight line, and as I said on "Face the Nation" yesterday morning, anyone watching this, if you have a daughter or a son in high school, they will explain correlations to you. Otherwise, you have to take it on faith. Senator WELLSTONE can handle it, I am sure.

The correlation is 0.99. That means it is almost a straight line. The perfect correlation is 1.00. Well 0.99 does not happen in statistics. You reel back. And then you say, "Do it again; that cannot be." But there it is. And the slope is 0.86, which is almost 1 percent a year. We figure now we are almost at one-third. But we figure—I say we figure because no one else figures, Mr. President, not the Census Bureau or the National Center for Health Statistics.

None of them does this. They have avoided this. And this is where we have gone. That is what avoidance will do for you. The President was citing that 50 percent ratio in a State of the Union Message. He got it in a conversation from me. In the main, Presidents have better sources of data. But that is how we have avoided this issue.

Let me show you something that ought to chill us all. What you are seeing here, sir, is that part of an exponential curve, when it begins to take off, is like a jet plane. Here we go back to 1940. In 1940, we had a ratio—here again we fit a curve, and we have come up with something almost as remarkable as our straight line. I said that correlation was 0.99. This correlation is 0.98. Again, things like that do not happen in statistics. But with this correlation, a slope of just about 0.5 percent per year. You start out a ratio of 4 percent, and like any of these curves you get very slow impact, but then it accumulates. Keynes referred to "the magic of compound interest." You did not have much. Nothing seemed to happen. Then suddenly you are soaring.

This curve right in here, if I showed you a straight line, that is when you start going steadily upward. If you followed this curve you would, in fact, be at 50 percent in the year 2003. Now, that makes me uneasy. It probably would make you, Mr. President, uneasy. But, sir, we are going to be at 40 percent within a decade. We are at 33 percent now.

I will put it this way. If, in 1970, when we had a ratio of 10 percent, someone had come along and said that by 1990, they thought it would be 30 percent, people would have said, "You are loony. Are you crazy?" No. Well, we did. And the thought that we will go further and reach 50 percent—I do not want to say 50 percent. I just do not think that is possible. I think something awful will happen in the country before we do. But we will get to 40 percent. We are not that far now. If we go on at the rate we have gone the last 10 years, we will be at 44 percent by the year 2000. It is as simple as that.

I want to acknowledge this work was done by Jack Fowle, a scientist who was on leave from the Environmental Protection Agency. He did this with a great deal of clarity and consistency, as you can see.

Mr. President, we have had this recent increase in the caseloads. In July 1993, the Congressional Budget Office issued a staff memorandum entitled "Forecasting AFDC Caseloads With an Emphasis on Economic Factors." What they found in brief is that the increase that followed from 1989 to the third quarter of 1992 is basically due to the increase in single-parent families. About two-thirds is that, and the remainder is economic. And the economy has an effect. We begin to see that. It particularly has an effect where you would expect, with AFDC-UP, which is aid for two-parent families which began in the 1960's. CBO found that 70 percent of the increase in the two-parent family caseload during the period is explained by the economic downturn.

That is exactly what you would predict. And it is somewhat reassuring. But the caseload of regular AFDC families responds to the change in family structure, and little else.

Now, sir, what did happen even as the caseload was going up? I want to say that in this Senator's view, what happened was exactly what we hoped would happen. The States were told to experiment. The States were told to innovate. The States were encouraged to think up things on their own. And they did. There is a basic fact which is that Aid to Families With Dependent Children, welfare, is not an entitlement to individuals. We have allowed it to be seen as such. A lot of waivers and regulations accumulated at the Federal level, and people thought it could be such. But it is not.

AFDC is an entitlement of States to have the Federal Government match funds States spend on this population. The matching rate varies, but if Wisconsin spends $1, the Federal Government will give $1, and $2 will be spent on the program. But States do not have to have AFDC. As a matter of fact, Wisconsin, at the end of 1997, will not have AFDC at all. Or a State may have AFDC, and what you pay individuals is $1 a month, $1 a day, $100 a month. It is a State option entirely. The notion that it is an entitlement of individuals gets us off into discussions which I do not think are very helpful.

Let me see if I cannot just talk a little bit about the kinds of waivers that the States have requested and have been granted by the Federal Government. The President, I think very properly, makes the point that he has been saying yes. President Bush said yes. There are various Secretaries that are very encouraging. Look at this. Thirty-three States have asked for waivers that increase the earnings disregard. That means you say to a mother, "The first $30 a month you earn, you do not lose any welfare benefits," or the first $50. This is encouraging people to get to work. For if you earn $1 and you lose 50 cents, that does not encourage work, obviously.

To me, a very important thing is that 31 States have asked for an increase in asset accumulation. This is a subject which is painful but necessary. One of the conditions we placed—and it is a Federal condition—one of the conditions we placed upon receipt of AFDC benefits, Federal moneys, in 1935 was that the child be a pauper—not a pleasant word, very much not a pleasant reality. The families can have $1,000 in assets, plus a car worth not more than $1,500. And there are places in the country where you cannot work without a car.

A worker who was laid off when a plant closes is not suddenly a pauper. I mean, there is a good car around. The house is around. There are some savings, some pension—not always, but normally. The welfare department is under these rules. I have a mother in one State that will come to mind—I think she was found to have secreted some $9,000 away in a bank account to help her daughter go to college in Connecticut.

They discovered it. They confiscated the money, and I do not suppose they sent the mother to jail. You cannot save. If you save, you are breaking the rules.

Another 29 States have asked to ease up on eligibility for unemployed parents [UP].

Time requirement. JOBS participation. Deny aid for failure to attend school—some 24 States have been allowed to say, "If your kid is not in school, you lose something."

Family cap: 16 States have applied, 11 States have been given the waiver, so that if you have an additional child while on welfare, you receive no additional benefit.

Further down the list we have: Deny aid for child support noncooperation, and teen parent residency requirement. Seven States have applied to do what I think we are going to do this week, which is to say that teenage children must stay with their parents.

Senator CONRAD has a proposal for maternity homes. Senator PACKWOOD has a provision which provides second-chance homes, if you like, for very young women with children who do not themselves have a home that is a promising place to raise a child. I think this is a point we have reached agreement on. There was disagreement for a while, but now we are reaching agreement.

All this innovation and experimentation at the State level which is being carried out under current law is finally starting to show results. Six weeks ago, we received the first numbers from the national evaluation of the Family Support Act being conducted by the Manpower Demonstration Research Corp. Of those placed in a program emphasizing rapid job entry, the number of cases dropped by 11 percentage points, employment rose 8 percentage points and expenditures dropped 22 percentage points.

If you recall, Mr. President, in 1988—1987 when we introduced the bill—we based our bill on the findings of the Manpower Demonstration Research Corp. based in New York, a very professional group trying to estimate what worked, what did not. Mostly nothing worked. Hence, this statement. They said the results they are finding from the Family Support Act programs "exceeds the savings achieved by experimentally evaluated programs of the last 15 years."

They have never before seen such results. Spectacular results? No. We did not tell anybody to expect anything spectacular in the face of this demographic change. But real? Yes.

Moreover, of the two large States whose programs have been evaluated rigorously, California and Florida, earnings are up and caseloads down. In Riverside, CA, there was a 26-percent increase in the share of AFDC recipients working, a 49-percent increase in average earnings, a 15-percent decline in welfare outlays, all of which helped the program return to taxpayers almost $3 for every $1 spent.

Recently, Prof. Lawrence Mead of New York University, now visiting professor at Princeton's Woodrow Wilson Center, who has been a conservative critic of the welfare system, certainly, looked at the growth in the AFDC caseload between 1989 and 1993, the period during which the JOBS Program began to come into play.

He concluded that for every 1 percent of the caseload enrolled in JOBS, caseload growth was 1 percent lower, even when total caseloads were going up. For every percentage point that JOBS participation grew during this period, caseload growth was three-quarters of a point less. Not spectacular, but real and in the right direction, in the directions you had hoped for.

Again to say, States can do what they want in the system. They ask for a waiver, they get it. Just 2 months ago, George Allen, Republican Governor of Virginia, announced such an effort. He called it "the most sweeping and I think the most compassionate welfare plan anywhere in the Nation." It is 2 years and you are out, and President Clinton approved the waiver and said he approved of the program.

In any event, AFDC rolls are now coming down. Over the last year, caseloads have declined by 240,000 cases or 4.7 percent. It breaks out to 4.4 percent for the single-parent families and 9.4 percent in the two-parent families. You see that drop, Mr. President. I will say the old adage, if you turn the rudder on the battleship, it is a long while before you see the bow turn. I cannot prove it, but I do think we have seen this program taking hold.

Now, something we did not know, and we may have stumbled on new information—when we look at the numbers by State, where have these declines taken place? It is very important. It is a pretty rash person who suggests he has learned anything about welfare, but we may have done it.

In this period of decline, May 1994 to 1995, the decline for AFDC–R—which is what we call regular—in California and New York was zero. AFDC–UP was up a little bit. Not important. The two big States with a quarter of the caseload had no effect. There were good programs in Riverside, things like that, but nothing changed.

You go to a group of middle-sized States—Texas, Florida, Pennsylvania, Illinois, and Ohio—AFDC down 6 percent; AFDC–UP, down 20 percent. We are not use to numbers like that. Mr.

President, I have been with this 30 years, you do not see numbers like this.

Then you go further down to the many States that have small caseloads—anyway, small numbers. They are down 9 percent for AFDC and 19 percent for the AFDC–UP Program. The real problem here is the regular caseload, as AFDC–UP is, again, a form of unemployment insurance. This is what matters: Zero in the big States, 6 percent in the mid-sized, 9 percent in the small States.

My friend, Dr. Paul Offner, who is with me on the floor today, was head commissioner of welfare in Ohio and who will shortly be the head of the health care financing agency for the District of Columbia, would say you go out to the small towns or cities in Ohio and you would go to the welfare offices and a kind of culture had developed. Yes, they knew who their clients were, the recipients and they knew what you might be able to do and they were doing it and feeling pretty good about themselves.

In New York City, about 23 years ago, the very able and distinguished head of the human resources administration with a million persons on welfare and a quarter million in her employ, put on a wig and an old coat, went around to four welfare offices and said she was applying for welfare and they handed her papers to fill out. She was their commissioner. They never once suggested that she might be interested in taking a job.

The contrast between welfare programs in big cities and elsewhere is something worth keeping a hold of. Last spring, as my friend, the distinguished chairman recalls, the Committee on Finance had a retreat down in Maryland in which we talked about welfare, among other things, and we discussed this question of whether teenage mothers with children should be required to live at home, or should receive welfare benefits at all. There is a movement to stop their benefits, and groups like Catholic Charities say do not do that, that is God's child, too.

One of our Members, a Senator from a Midwestern State, was back home and he was interested in this, so he called the State officials involved and he said, how many such cases do we have in our State? Let him identify it if he chooses. Cases of teenage mothers with children, living on their own? He said, yes, that is what I mean. Well, there is Mary Ann, she lives down there. And there is Sue Mary, and there is Alice, and then there is Florence. The last two just moved in from, like I say, West Virginia. They had four, and they knew them by name. In that State they have four.

The population on welfare in New York City is almost as large as the entire population of one of those States. So you have a problem of scale which I do think we begin to see. I make the point, Mr. President, that we know so little. There has been so little inquiry.

Here I would like to make a final point on nonmarital births. Senator GRAMM, my friend with whom I was debating this matter yesterday, along with a number of other Senators, notably Senator FAIRCLOTH of North Carolina, has raised the issue of the connection between the present welfare system and the extraordinary rise of nonmarital births over the last generation. I said to him yesterday privately that this certainly was an issue. I said it then and I will say it again—the most important thing to know about this subject is how little we know about it. Candid officials within the administration will grant that for much of the 1960's and 1970's and into the 1980's, the subject was taboo. Forces from the traditional left and traditional right, if such terms are meaningful in this context, simply did not want the matter raised.

A mode of denial was obviously in place. In this regard, Mr. President, may I say that the one honorable exception is the annual report entitled "Kids Count Data Book," published by the Annie E. Casey Foundation. It puts the annual laments of the other advocacy groups to shame. The Annie E. Casey Foundation comes out and tells you what they found about this central fact of being a child in the United States. The work is called "The Kids Count Data Book." It is the first time we have had an advocacy group that could speak up and deal with the reality of the problem of single parenthood.

However, if the argument that higher levels in welfare produce higher levels of illegitimacy cannot be proved, neither can it be disproved. Thus, the State of Texas ranks 50 in combined AFDC food stamp payments to welfare families, as of July of last year. At the same time, it has an overall illegitimacy ratio of 17.5 percent, which is half the national average. States with high benefit levels have twice that ratio.

For example, California had 34.3 percent, and New York had 34.8 percent. It would not be fair to say that the burden of proof is on California and New York to demonstrate that higher levels of welfare produce higher levels of illegitimacy. You cannot prove it but you cannot dismiss it.

On the other hand, if Texas, with its low level of welfare support has a low illegitimacy ratio, Mississippi, with equally low payment levels, has the highest illegitimacy ratio. I will read some more.

The lowest ratio, as you might suppose, is Utah, at 15 percent, which is four times the 1940 ratio, but 15 percent. Texas was 17.5; Idaho, 18.3. But now we get to South Carolina, 35.5; Arizona, 36.2; New Mexico, 39.5; Louisiana, 40.2; Mississippi, 42.9.

Mr. President, we have not got a purchase on this issue yet. We know that there is great variation and when there is variation, there are explanations. Some would say it is the weather. Well, we can check that out. Longitude, altitude, Mormons. But you can begin to find out about these things. Unemployment was a mystery, a baffling mystery until we began to break it down to aggregate, correlate, and learn.

I hope that we do that. I make the point, Mr. President, that we are beginning to see the effects of the Family Support Act of 1988. That is why I have sponsored the Family Support Act of 1995. The matter that I have proposed is a serious effort to continue and build on the base that we have now established. I hope that the Senate might understand the enormous value of continuing a bipartisan program, involving various levels of government, national and State, which is in place and appears to be working.

Remember, we did not promise a rose garden. We did not say it would be easy. I think we can find in our descriptions in the debate warnings that it will be worse before it is better. But it begins to seem like it may be taking hold. That is by far the most promising thing I have seen with this subject in 30 years.

I repeat one point. Examining the specific programs, Riverside, CA, and others, 6 weeks ago, the Manpower Demonstration Research Corp. said they are seeing the strongest results they have seen in 15 years. We seem to be getting the hang of working with the problem. We seem to have defined it reasonably well.

I hope we do not give this up, Mr. President. It would be a prelude to bitter political division and, far more importantly in my view, to a bitter experience for millions of dependent children throughout our country.

Mr. President, I am not through with the remarks I had intended to make this morning, but the morning has come and gone. I see the Senator from Texas is on the floor. He has been very patient. He is even smiling. Senator WELLSTONE was up earlier regarding questions on the opening statement.

Given this attractive choice on either side of the aisle, it might be prudent for me to yield the floor, unless the Senator wished to address a question.

Mr. WELLSTONE. Mr. President, I would like to ask a few questions of the Senator from New York, if I could.

Mr. MOYNIHAN. Please.

Mr. WELLSTONE. First of all, Mr. President, I wanted to ask my colleague from New York, in talking about the whole question of birth out of wedlock, is it not true that roughly speaking 80 percent of welfare families, AFDC families have two or fewer children?

Mr. MOYNIHAN. Yes, sir, I believe the number of children—Mr. President, you have to forgive statistics—it is unlikely, but the number of children is 1.9 children. Actually one, two, or three children averaging out to 1.9.

These are not large families.

Mr. WELLSTONE. Mr. President, let me just go on and let me get a response from my colleague from New York.

As I understand the premise that Senator PACKWOOD is proposing—and Senator GRAMM probably has, I argue, a more extreme version—there are two premises here.

One argument is that in most cases it is single parents, women, who do not want to work. That is the first argument. The second argument is welfare causes women to have more babies. It seems to me that is the case, if I had to get to the essence of it, unless you just sort of hate welfare mothers, and I doubt that is what is going on here.

Could I ask my colleague to just very briefly respond to each of these arguments. Let me take the first one. Franklin Delano Roosevelt in 1935 said, "I hope to be able to substitute work for relief altogether." He talked about the importance of work. Then we went to the family assistance program. In 1970, we had the WIN Program by President Ford. We had the Better Jobs and Income Program by President Carter. We have had any number of different programs. We had the Senator's important program in 1988.

I am trying to be empirical about this. Let me take the first argument. Does the Senator believe that, as a matter of fact, welfare prevents women from working? Is it not true that roughly speaking, 70 percent plus of AFDC members go to work within a 2-year period? The problem is that many then come back to welfare because they cannot afford child care. The job does not pay enough to support a family.

Is it true that welfare is the reason that women do not work?

Mr. MOYNIHAN. We certainly have never demonstrated that in any serious way.

Sandy Jencks, at Northwestern University, has done some case histories which argue that welfare is a mode of optimizing income when you both work and get welfare.

I give you my view, which is that this is all falling from nonmarital births to young people.

As we say, about half the people coming on welfare are on for less than 2 years. They are mature people whose marriages are in trouble one way or another. They do not need your advice or help. What a steelworker needs is a monthly check. And then they go away. It is income insurance.

The other group is more problematic. I said three-quarters of the children will be on for more than 5 years—not consecutively but intermittently. The median now, the mean duration is 13 years. Imagine that.

We cannot demonstrate—and one of the reasons we cannot demonstrate, surely, we have not tried to find out. Most of the data I have been presenting here will be found from Manpower, from the Urban Institute, or places like that.

I would not in any way dispute what I believe to be what you imply, that there is no evidence that people are on welfare because they do not wish to work, no.

Mr. WELLSTONE. If I could ask another question, is there any evidence of higher payments—understanding that there is not one State in the country that provides an AFDC benefit up to what we define as poverty, am I correct?

Mr. MOYNIHAN. The Senator is correct.

Mr. WELLSTONE. Understanding that point, is there any evidence that higher payments—that is, any correlation, much less causation, between higher payments and larger welfare families, women having children?

Mr. MOYNIHAN. No, none, zero.

Higher payments are not hard to explain. States with higher per capita income have higher per capita benefits. They just have higher everything, including higher cost of living.

If you adjust for cost of living, New York State has the sixth highest poverty rate in the Nation, but you would not know it from our numbers of dollars.

Mr. WELLSTONE. Just looking at this comparatively for a moment, in other countries that have more generous, if you will, more broadly defined welfare payments, do we see more children born out of wedlock in those countries?

Mr. MOYNIHAN. Sir, I will ask you to let me evade that question because I simply do not know. You can see the ratio of nonmarital births as being much higher in those Nordic countries which have high benefits, but I make this point, that in 1960—the Senator is very generous with his time, but I ask him to hear me—in 1960, in the United Kingdom, the illegitimacy ratio was 5 percent; by 1992, it was 31 percent. In Canada, in 1960, it was 4 percent; in 1992, it was 27 percent. In France, in 1960, it was 6 percent; in 1992 it was 33 percent. So you go from 6, 5, 5, 4, to 33, 31, 30, 27. You see the same change.

If I were to speculate, I would say in France, which began big programs of child support in the late 19th century—they thought they were dying out and they would have no soldiers to fight Germans, Prussians, literally—there was a pronatalist policy. It made it very suspect in Protestant circles in the United States, but the payments to familles nombreuses, the ordinary child allowance—the more children you have, the more you get—they had that in place in 1960 enhanced from 1930.

But they, even so, went from 6 percent to 33 percent.

I do not know how much of this is simply the absence of marriage, formal marriage, in what are nonetheless stable relationships. I do not know. I wish you could go and write a book and tell me.

I can say the Netherlands went from 1 percent to 12—that is 12 times. And the Netherlands had very generous benefits in 1960.

Italy, however went from 2 to 7—not high. Switzerland, 4 to 6.

We were entertaining the hypothesis that the critical variable might be distance from the Vatican. But then we noticed Japan. Japan was 1 percent in 1960 and 1 percent today.

That was a joke.

The PRESIDING OFFICER (Mr. FRIST). Does the Senator yield? Is the Senator yielding the floor?

Mr. MOYNIHAN. The Senator yields the floor. May I say I understand we will alternate speakers. I hope Senator WELLSTONE might be the next speaker on our side.

The PRESIDING OFFICER. That is the Chair's understanding.

The Senator from Texas.

Mr. GRAMM. Mr. President, let me begin by saying I always find it informative to listen to our distinguished colleague from New York. Nobody in this country, in the last quarter of a century, has had more reasonable things to say about this subject than he has. I feel very strongly about this issue, and I know that he feels just as strongly as I do. And, while we have very great differences on this issue, even among Republicans, I think everybody should know that in my mind, and I think in the mind of any reasonable person, everybody who is debating this issue is sincere. Everybody understands what profound consequences await the Nation in this area. In fact, yesterday, as the distinguished Senator from New York and I discussed this issue, the one thing we agreed on was that a continuation of the current trend means a profound change in our country and the loss of the America we know.

I think, as we start this debate, it is important to begin it with this fact in mind. The Senator from New York and I are far apart as to what the remedies are in dealing with this problem, but we are in total agreement that a failure to deal with this problem means the end of America as we know it. It is from this premise that I want to start the debate today.

In the last 30 years, if you take all the means-tested programs in America—that is programs where money is allocated, directly or indirectly, or is spent on behalf of people who are poor—if you take all those programs and add them up, you find that over the last 30 years, in fighting this war on poverty, as Lyndon Johnson deemed it to be in 1965, the American taxpayer has spent $5.4 trillion on programs aimed at helping poor people.

Mr. President, nobody here, I believe, really knows what $1 trillion, or even $1 billion, is. I have a constituent from Dallas named Ross Perot who knows what $1 billion is. But I readily admit that I have a hard time fathoming what it means. But let me take a couple of cracks at what it means and why it is a very big number.

No. 1, the newest estimate by the Heritage Foundation of the value of every building or plant in America, the whole physical capital of the United States of America, the greatest economy in the history of the world—if you add up the value of every building and improvement, every factory and all the tools of all the workers in America, it is roughly $5 trillion in value. So, one measure of the commitment of the American taxpayer to fight and win the war on poverty, is that in the last 30 years we have spent slightly more than the total value of all the buildings, all the plants, all the equipment and all the tools of all the workers in our country. The net physical wealth of the Nation is roughly equal to what we have expended over the last 30 years in our efforts to try to help people help themselves.

A second figure which I think is equally revealing is that, if you simply look at the burden of the welfare program as it exists today—not how much we spent in the last 30 years but the amount we are spending today—and you distribute that whole burden among all the families in America that file a Federal income tax return, that burden adds up to $3,357 per family filing a Federal income tax return last year.

Most working Americans do not know what $1 billion is, but virtually every working family in America knows what $3,357 a year is, and that is what we are talking about in terms of our annual commitment, as compared to the number of families in America that filed an income tax return last year.

The point I am trying to make here is no one can say the American people have not made a legitimate effort to deal with this problem. In fact no society in history has ever made a similar effort over such an extended period of time. Never in the history of the world has a society taken more away from the people who are pulling the wagon and given more to people riding in the wagon; and, as I will argue later, in doing so has made both groups worse off.

If we look at what have been the fruits of this massive expenditure of money, I do not think anyone would find the results to be anything but disappointing. We have seen, under this program, the illegitimacy rate explode—from 5.3 percent in 1960 to almost a third today. Last year, in our big cities, about one-half of all the children born were born out of wedlock.

And nationwide, almost one out of three children born in America was born out of wedlock. And we might debate what, under the current trend, the illegitimacy rate is going to be at the end of the century. Is it going to be 40 percent? Is it going to be 50? We can debate how that will break down across various identifiable groups in America. But nobody can dispute the fact that under the current system the trend in illegitimacy is up, and no one can argue that we have seen, from this massive and unprecedented expenditure of money, tangible results in terms of people becoming less dependent, nor in terms of people breaking the cycle of poverty. That is not to say that you can spend $5.4 trillion without helping somebody. But when you look at America I think it is very, very difficult, if not impossible, to argue that after spending $5.4 trillion on welfare programs over the last 30 years that America is better off today than it was when we started. I believe.

Mr. WELLSTONE. Will the Senator yield?

Mr. GRAMM. Let me finish my statement and I would be very happy to yield.

I think that, by any definition, people are more dependent on Government today than they were in 1965. We have more people who are poor today than we had when we started. I think if you look at the quality of life in those areas where you have high concentrations of poor people, especially in our inner cities, by any definition of the quality of life, people are worse off today than they were when we started this program.

The first point that I want to make is that this is not the kind of debate—and we have many debates on the floor of the Senate that I think would qualify under this heading—where we are talking about whether to undertake an activity; where there is real debate about whether or not the problem would get better more quickly if we left it alone. This is not a marginal kind of debate. I think there is a consensus—whether you are a moderate Member of the Senate or more conservative—that this is an issue where the future of America is on the line, that our house is literally on fire. And I would argue—and I think the evidence is convincing on this argument—that what we have done in the last 30 years has not only failed to put this fire out, but rather has made it burn even brighter. The time has finally come for a dramatic change in public policy.

In a series of amendments today and for the next few days I, and others, will offer proposals that are aimed at dramatically changing the system.

Some will argue that if we can do anything that is an improvement on the current system, we ought to do it. But I would like to remind my colleagues that we have reformed welfare on numerous occasions. In 1988, we had what was touted as a dramatic change in welfare. The Senator from New York today announced that there may be a glimmer of hope that positive results are being produced and, obviously, I hope that he is correct. But again, let us look back at what the world looked like in 1988 in terms of poverty, and let us look at what it looks like today. I think that when we look at the numbers we cannot help but be discouraged.

Between 1988 and 1993, welfare spending in America has risen by roughly 50 percent. The poverty rate has risen from 13 percent of the population living in poverty in 1988 to 15.1 in 1993. So, in other words, as spending has risen by 50 percent, the percentage of the population living in poverty in America has actually gone up by almost 2 percent. During this 5-year period, from 1988 to 1993, 95,000 new bureaucrats have been added to the welfare system.

So we reformed welfare in 1988. But we clearly did not make any dramatic changes. And while the Senator from New York may see some glimmer of hope, I think his hope is very, very difficult to see in these statistics.

But the point is that these statistics represent a very small part of the cost of the failure of the American welfare system, because there is a human face behind each of these numbers—because not only have we spent record amounts of money, but we have made people more dependent and in the process we have changed behavior.

I was talking to my mother the other day about welfare, something that anyone who wants to be a leader on this issue would be well advised to do. My mother made the point that the problem today with welfare is that young people do not have the same pride that she had when she was growing up. And I argued. "Well, mother, I am not sure that is right. I am not sure that young people are so different today than they were when you were growing up. But I will tell you one thing that I know is different; the system is different."

I tried to explain to my mother that if we had back then, when she was young, had two little children, and was working at the mill, if we had then the kind of welfare system we have now, she would have probably taken it. And my mother argued she would not have taken it. She said that she would have starved to death before she would have taken it. I said, "Well, mother, you would have been better off taking welfare than you would have been working. Everybody you would have known would have been taking it. There would have been no stigma involved, and people would have made fun of you for not taking it." To which my mother responded by saying, "I would not have taken it, and if you ever say I would have taken it, I will go on television and denounce you."

Maybe my mother would not have taken it. But the point is that a lot of people have. We started out with the idea of helping people. We started out to build a social safety net. But what happened somewhere along the way, during these past 30 years, the social safety net instead became a hammock. We started to change people's behavior, which is not surprising because under the current system, generally, if a welfare mother takes a job she loses her welfare. If she marries somebody who has a job, she loses her welfare. But if she has more children, she gets more welfare.

So not surprisingly in spending this massive amount of money, $5.4 trillion, we have not broken the cycle of poverty. We have not helped people produce independence. But what we clearly have done is changed the way people behave.

The other day, in debating this issue, one of my colleagues said, "We are not going to solve this problem until we find a way to change how people behave." I would argue, Mr. President, that we have found the way to change how people behave. It is our current welfare system. Not only have we made people more dependent, not only have we taken away their initiative and denied them access to the American dream, but we have affected their spirit and their pride in themselves. Because, as people have turned more and more to Government to take care of them, to fix their every mistake, they have turned away from self-reliance, turned away from their family, and turned away from their faith in themselves.

How do we fix it? The Senator from New York says the plain truth is that we do not know. And I think that no one can definitively disagree with that statement. The question is, however, having traveled one road for 30 years—a road that is littered with the wreckage not only of the expenditure of $5.4 trillion but with the lives of people who were caught up in this whole crisis—is it not time for a dramatic change?

Let me try to define the debate, if I may. And I know that any time you try to define your position relative to somebody else's, almost by the very nature of the debate, you are unfair. But let me, at least as I see it, try to define where we are.

We have basically three proposals that are going to be discussed and voted on in the Senate. We have the Dole-Packwood bill, which is an effort to try to institute marginal change.

First of all, it deals with only 13 percent of means tested programs, even if you do not count Medicaid. And even within the areas where it provides block grants, for example, Aid to Families With Dependent Children, despite all the talk of removing strings, in truth the strings are still present. I will just give you an example.

According to the Dole-Packwood bill, if under the block grant of AFDC my State wants to require welfare recipients to wash windows on public buildings, but is currently paying State employees to wash these same windows, then they cannot use welfare workers because it would displace State employees.

Mr. President, clearly, when you are looking at this kind of restriction, you are looking at a focus being put on the interest of someone other than the taxpayer.

Let me run down other problems with the Dole-Packwood bill and how a group of some 24 Senators that I will be working with on this issue will try to deal with them. First of all, the Dole-Packwood bill fails to establish a real mandatory work requirement. There is clearly a consensus in the country on a mandatory work requirement, but right at the final stage of the bill's work requirement—when a decision is made whether or not to actually terminate somebody's welfare if they refuse to work—the Dole bill leaves the decision up to the States. The House, in contrast, has a real pay-for-performance provision that basically says if somebody shows up to work half time, they get half their welfare benefit; if they do not show up, they get none.

I do not believe the District of Columbia will terminate welfare benefits for people who refuse to work and I am not sure what other States will do. I do know that there are some people who say, well, let us just turn this whole thing over to the States.

I, too, want to give the States a massive expansion in independence, but there is an absolute consensus in America that able-bodied men and women riding in the welfare wagon should get out of the wagon and help the rest of us pull.

We will offer an amendment later today, or sometime this week when we have the opportunity, that would put a pay-for-performance provision in the bill. Members of the Senate can vote either for or against having a real pay-for-performance provision which will simply say that whether or not somebody gets AFDC—and our goal will be to expand this provision to food stamps and housing subsidies—depends on their willingness to work. If people refuse to work, we ought to cut off their benefits.

That is how it works in America. That is how it works in the real world, where families and businesses operate every day; if you do not show up for work, you do not get paid. So that is the first change we will institute, and it is a fundamental change. I believe that unless we are willing to have a real mandatory work requirement, not only are we not fulfilling the commitment that Republicans made in the election, I think we are not doing what has to be done in order to deal with this problem.

Let me remind my colleagues that we claimed in 1988 that we had a work requirement, but what happened was, when it finally went into effect, there was an outright exemption for 57 percent of the people receiving welfare. When you finally get down to the bottom line, less than 7 percent of the people ever complied with the work requirement. I want everybody in America who is on welfare to understand that able-bodied men and women are expected to work, and if they do not work, they are going to lose their benefits.

But the most serious problem with the bill before us is that it does not deal with illegitimacy. If there is one underlying problem in American welfare today, if there is one self-perpetuating quality to poverty, it is the explosion of the illegitimacy rate. This is not an easy problem to deal with, and the proposal that I and others will make is not a proposal that is easy to accept. What we are going to propose is that we stop giving people more and more money to have more and more children while on welfare.

A discussion occurred earlier in which someone pointed out that Western Europe has the same illegitimacy problems we have. I would argue that it largely has the same welfare program we have. We have tried for 30 years with a system that provides monetary reward for having more and more children on welfare. I believe the time has come to terminate that monetary reward. I think the time has come to say to people on welfare that we are not going to give you more and more money to have more and more children while on welfare.

This is a tough decision to make, but I believe that without this change, we are not going to fundamentally change the poverty problem in America. I am very proud of the fact that the House made the change, and they made it in two important ways. No. 1, they stopped giving direct cash payment to children who have children. The House bill ends the absurd system which allows a 16-year-old to escape her mother and her family by simply having a child; at which point she qualifies for AFDC, food stamps, and housing subsidies, and can immediately qualify for enough benefits to leave her family. I believe that the current policy basically represents a national policy of suicide. It is one that has to be changed.

We will offer two amendments. One will deal with teenage mothers, and the other will deal with a provision whereby we will deny additional cash payments to people on welfare who have more and more children.

We have had on occasion debate about how many children people on AFDC have, but I think the facts are pretty clear. First, people on AFDC have children at a younger age than do people in the population as a whole. And on average, if you look at the age groups roughly through age 34, the fertility rate among people who are receiving a financial reward for having children is about 25 percent higher than those who are not.

How outrageous is our current policy where we have working families—families that are saving money and delaying having children they want—paying taxes to encourage and even reward other people to have more children while on welfare.

I think clearly this policy has to be changed. The House bill has a bonus for those States that reduce the illegitimacy rate through their programs. It also has a provision—and we will add and strengthen that provision—to see that nothing we do encourages States to promote abortion in order to try to qualify for these bonuses. But I believe, and many people in America believe, that the solution to the poverty problem lies in trying to deal with illegitimacy.

I also believe we need to promote marriage. I believe there are only two things that can prevent or eliminate poverty: work and family. No great civilization has ever risen that was not built on strong families. No great civilization has ever survived the destruction of its families, and I am fearful that America will not be the first.

We need some clear incentives for the formation of strong families. I would like to eliminate the marriage penalty for moderate- and low-income families. Under the current system, if two working people fall in love and get married, they pay a higher tax rate than they would pay if they had stayed single. Clearly that cannot be good public policy. I want, as we promised in the Contract With America, to have a tax credit for families that adopt children, something we desperately want to promote. I would like to have favorable tax treatment for families that take care of parents in their own home.

We are trying to figure out now how to deal with these issues in a bill that is not a revenue bill from the House. And that is something that we are working on. But I think it is fundamentally important that in the last 30 years we have tried everything to deal with welfare except work and family. And I think if we are going to solve this problem, we are going to have to make that change.

I believe that the paternity provision in the Dole bill is a weak provision. It basically requires the unwed mother to cooperate in trying to identify the father, whereas the House language is very, very strong so that except in very extreme circumstances, if the mother does not identify the father, she does not get the benefits. I believe that is a change that has got to be made.

Probably the first amendment that we will offer will have to do with people coming to America to get welfare. I think most Americans are shocked to find that someone can come to America today and qualify for welfare tomorrow. I think we have room in America for people who want to come and work. I am not in favor of tearing down the Statue of Liberty. New Americans are often the best Americans. They bring new vision and new energy. And we have got room in America for people who want to come and work. But people ought to come to America with their sleeves rolled up, not with their hand out. We do not have room in America for people who want to come in here and live off the fruits of someone else's labor.

I want to make it clear that our amendment is going to be prospective. So what we are going to say is, as of the adoption date of this bill, from that day forward, anybody who comes to America comes here understanding that they cannot immediately qualify for welfare. Now, if they come here, and are productive members of society, and if in 5 years they meet the citizenship requirement, once they become citizens, obviously, under the Constitution they have the same rights as anybody else. And that is how it should be. But I do not believe that we ought to continue to provide incentives for people to come to America to look for welfare.

I want to see us block grant more programs. I think it is important that we vote on block grants for food stamps. I would also like to vote on block grants for housing subsidies. I would like to see us give the entire welfare program back to the States and set the States free to come up with a tailored program that will fit their individual needs.

A final major point in the bill which I think just defies logic is that, while we eliminate AFDC as a Federal program and give the money back to the States, the bill will eliminate only 30 percent of the AFDC positions in the Federal bureaucracy. In other words, in AFDC and in those training programs that will be block granted under the Dole bill, 70 percent of the Federal bureaucrats that are currently working for those programs which we are going to be eliminated at the Federal level will stay on the Federal payroll.

I believe that we need to eliminate those Federal bureaucracies when we eliminate the programs. I mean, is the only thing in life that is immortal a Government job or a Government position? It seems to me that it is impossible to justify keeping 70 percent of the bureaucrats that are running a program in place when we are going to eliminate the program.

Now, we are working, we hope, to negotiate a compromise where you might keep 10 percent of the people to help monitor the program. I would prefer to do that through a contract with some private accounting firm. But there is no way that I can be supportive of a bill in which we eliminate a program but we keep 70 percent of the people who were running it.

In short, the Dole bill does not live up to the commitments that Republicans made in the election. It will not solve the problem. It does not have a binding, mandatory work requirement. It does not deal with illegitimacy, and it continues to provide the resources to give people more and more money to have more and more children while on welfare. It continues to invite people to come to America, not with their sleeves rolled up but with their hand out in order to get welfare. And for even the programs it eliminates, it keeps 70 percent of the Federal bureaucrats in place with no other job, it seems to me, other than to interfere with the State's ability to truly reform the program.

The choice we must make, is to dramatically strengthen the Dole bill. With all due respect to my Democratic colleagues—and I have no doubt as to the sincerity of their position—when you get down to the bottom line, their position is basically that we can still make this thing work, that after spending $5.4 trillion if we could just spend more money, if we could just start a new entitlement we can fix the current system. They are going to propose, it is my understanding, that we start a brand new entitlement to give child care to welfare recipients. This will be a massive and expensive entitlement. But basically their argument is—not that they are going to make it, but when you get down to the bottom line—is that what is lacking in the welfare system is a greater commitment, that if we simply had more benefits, if we simply had more money, that we could make this whole thing work. I believe the American people passed that view 15 or 20 miles back down the road.

The tragedy, it seems to me, in this debate in the Senate is that the American people are far beyond us in terms of the proposals that they are ready to accept. The American people are ready to dramatically change welfare. The American people understand that our house is on fire, and they are willing to put the fire out. They are willing to make dramatic change.

I have no doubt that if the amendments that I and others will offer could be voted on by the American people, if you took the three bills that in essence we are going to be debating in amendment form, and you reduced them down to an agreed-upon, two-sheet summary of each, and put them on every kitchen table in America, I do not have any doubt about the fact that 80 or 90 percent of the people in America who do the work, pay the taxes and pull the wagon would be in favor of the changes that will be proposed by those of us who believe that the Dole bill is not strong enough.

This is not an issue where cutting a deal in Washington, DC, is going to solve our problems. We need, on this issue, to stand up and fight for a change because the future of America is on the line and we are going to lose our country as we know it if we do not make the necessary changes.

Finally, there are a lot of people who have worked in trying to put together an alternative that reflects the will of the American people. But there are two people that I want to talk about before closing. One is JOHN ASHCROFT, our new colleague from Missouri, a former Governor, who understands the functioning of welfare in the States, who probably has as much practical experience as any Member in the Senate with welfare, who certainly has administered a major welfare program more recently than any other Member of the Senate.

I think his contributions, in terms of wanting to change the system where we have the Treasury allocate the funds to the States and where the Federal Government gets out of the way and where we eliminate the Federal bureaucracy, are vitally important. I intend to follow his leadership on this issue, and I am very hopeful that the amendments he will offer will be adopted.

Finally, our relatively new colleague, LAUCH FAIRCLOTH, has probably been more courageous on this issue than anybody else. It is often easy in party meetings, regardless of which party, when people are trying to talk about supporting a bill to simply nod and hold your tongue.

I think the willingness of LAUCH FAIRCLOTH to stand up and say no, especially on this issue of illegitimacy, has been vitally important. I think it has awakened conservative Republicans to the fact that this is something that is worth fighting for.

I think if we pass a good bill, and I am hopeful we will, and when the dust settles—and I do not know when that is going to be—when we finally enact a bill, that we will have strengthened the bill's provisions on illegitimacy, we will have strengthened its provisions on work, and we will have strengthened its provisions in terms of denying benefits to people who come to America and get welfare. I think in the end, probably none of our colleagues will be due more credit for making that happen than LAUCH FAIRCLOTH.

So we will have a series of amendments. I am hopeful we reduce the number, though I have to confess, as of right now, we have about a dozen. Some of them will be very controversial, such as the illegitimacy reduction amendments. Some of them, I hope, will be accepted. I think we will see a split. Members on both sides of the aisle will vote for and against some of these amendments, but I think we have an opportunity to make history. I think we have an opportunity to write a welfare reform bill that will live up to its name. What we really ought to be debating is not simply reforming welfare but replacing it. I think the amendments that we will be offering represent a major step in that direction.

I want to thank my colleagues who have worked on this effort, and I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Thank you, Mr. President. I have tried this morning to engage my colleagues and put some questions to them, and I know later on we will have time for debate. They wanted to get through with their statements. So I am going to do the same thing. I think that is unfortunate because, frankly, I think rather than a series of speeches we ought to have a real debate about this.

Mr. President, as I was listening to my colleague from Texas, I heard a lot of apples and oranges, kind of mixed up together. I heard $5.4 trillion, and then I heard a lot about the AFDC Program. One would think we have spent $5.4 trillion since 1965 on Aid to Families With Dependent Children. Hardly the case.

In another point in time, because I am not going to yield my time, I want to put questions to my colleague later on—we will have time for debate—I simply have to say, it will be very interesting to find out what has been lumped together in this $5.4 trillion. I am sure it is financial aid for students and all sorts of different programs that are means tested. Let us not confuse the issue and spend 90 percent of our time on the floor bashing away at AFDC, welfare mothers and their children, and then every once in a while talk about $5.4 trillion, because I am afraid people who are listening to this debate will get the impression that that is what we have spent on the AFDC Program. That is hardly the case.

Mr. GRAMM. Will the Senator yield?

Mr. WELLSTONE. I will not yield for a question now. I tried to get colleagues to yield for a question all morning. I intend now to lay out what I think is a different perspective.

One would think from listening to some of my colleagues that we have seen an explosion in the number of children born out of wedlock within welfare families. That is not the case. As a matter of fact, we see smaller families. We see, over the last several decades, the typical welfare family is a smaller family. The average size now is less than two children: One mother, two children. One would think from listening to my colleagues that what we have is an explosion in the number of children in welfare families. That is not the case—that is not the case.

Mr. President, one would think that the reason for that is that we have seen a dramatic increase in welfare benefits, although the AFDC benefits have been cut in real dollar terms. I heard my colleague from Oregon earlier on—I wanted to put a question to him—talking about increase of benefits. But the AFDC benefit, in real dollar terms, has gone down about 40 percent or so since 1970.

But we only know, I say to my colleague from New York, we only know what we want to know and sometimes we leave out inconvenient facts. Mr. President, one would think, listening to my colleagues, that the reason for the $4 trillion-plus of debt, the reason for the budget deficits, the reason for the crime, the reason for the unemployment, the reason for difficult lives for all too many children in this country is the AFDC Program. This is just preposterous scapegoating. That is what this is all about. Scapegoating: Drive the cheaters off the rolls and the slackers back to work, and we can eliminate the total debt of the country and eliminate all the budget deficits.

Mr. President, who are we talking about? Let me just say at the beginning, when I listened to my colleague from Texas—and I am sorry to speak with some indignation, I will try to keep it to quiet indignation—speaking about the American people and what they are for, the American people do not want us to be reckless with the lives of children. The American people do not want us to be reckless with the lives of children. And, Mr. President, there is a big difference between reform and reformatory.

Let me tell you what reform is. The Senator from New York has been prophetic on this issue forever. I am almost embarrassed to be speaking while he is out on the floor, because I have so much respect for his work over the years. But at the very minimum, if we are going to be talking about welfare reform, we have to be talking about several things. The Senator's bill in 1988 talked about that. There is nothing new here. The Senator talked about the need to have education, talked about the need for job training and to focus on jobs and, as I remember, it had a transition period of time where you did not get cut off from Medicaid.

That is what it is all about. When we are talking about welfare recipients, the 15 million recipients including 5 million families, and we are talking about driving the slackers back to work and cheaters off the roll, 9 million are children under the age of 18, and the rest are overwhelmingly single parents.

Interestingly enough, and I will get to this later on in my comments when we talk about the States and leaving it up to the States, actually all too few States have been willing to have the AFDC-UP Program. Too few States have been willing to have that, if we want to talk about what quite often encourages the breakup of families.

But, Mr. President, I have to say to you today that there is a tremendous amount of scapegoating that is going on here. If you want to have welfare reform as opposed to reformatory, No. 1, what Minnesotans will say is, "Look, we think it's important, work is important, to be able to have a decent job is dignity." That is what all of us desire.

By the way, I might be one of the few Senators who spent 20 years, or thereabout, organizing with welfare mothers. I might know this community better than some people here. Maybe I do not. Maybe that means I do not have any objectivity.

But on the other hand, at least I do not perpetuate a lot of stereotypes. At least I have some examples that I can give based upon some personal experience. Most welfare mothers that I know want nothing more than to get out from under the thumb of the welfare department and work.

My colleague from New York wrote in his book, "The Politics of the Guaranteed Income." To be poor in America is one thing, but to be poor and dependent is all too often to be despised. There is a tremendous amount of stigma. We all want to work.

Mr. President, it is very difficult to work. If you want to have real welfare reform and not reformatory, No. 1, there has to be affordable child care. What are you going to do?

What are you going to do if you have small children and you are going to work? Is there going to be a way you can afford child care? By the way, Mr. President, that is not just an issue for welfare mothers. It is also an issue for many working families in this country. In this Congress, we have cut investment in child care. So at the same time that we say what we need in America is more workfare and less welfare—I say to my colleague that we have heard that for a long time—we are cutting money and we are retreating from an investment in resources in child care.

What are we saying? I thought we valued family. I thought we valued children. We are saying to welfare mothers, you take a job, and if you do not take a job, you are cut off from assistance. But if that mother cannot afford child care, if she loses her Medicaid coverage and the job she gets is $5 an hour, or thereabouts—which is exactly the job opportunity structure that many welfare mothers face—she is worse off.

I say to my colleagues, where in their alleged reform proposal is there any funding for child care? There is no increase in funding for child care. In fact, we are cutting child care assistance. So if we are going to speak for the majority of people in the United States, let us make a distinction on the floor of the Senate right now. People want to see reform, yes. People would like to see less welfare and more workfare, yes. But people do not want to see children punished. They do not want to see legislation in the name of reform which is degrading and punitive. They do not want to see us being reckless with the lives of children.

By the way, just because a child is in a welfare family, just because a child is low income and of a single parent, does not mean that child is a boy or a girl of any less worth or substance than any of the rest of us. These proposals—especially the proposal of the Senator from Texas—is not reform, it is reformatory.

It is based upon a tremendous amount of scapegoating. And you know what, Mr. President, there is not one former welfare mother on the floor of the Senate. Welfare mothers do not have the money to buy ads on CBS, NBC, and ABC to fight some of these cultural stereotypes. I have heard my colleagues come to the floor and give examples.

Are we going to now govern by anecdote? I have examples, too, Mr. President. I say to my colleague from New York, "There Are No Children Here" is a wonderful book. The title is troubling. Here is the basis of the title. The basis of the title is that a journalist from the Wall Street Journal is talking to a mother. He has come to know this family who lives in a housing project. He wants to write about the children. The mother says to him, Mr. President, "Well, if you want to write this book, you can, but there are no children here." What she is saying is, given the brutality of their lives, there are no children, there is no innocence; they do not have the chance to be children.

But, Mr. President, for all of these stereotypes about these welfare mothers, my God, we have heard it forever. "They have Cadillacs." You would not think that the maximum benefit in the median State is $366 a month, which is what it is. You would not think in every State the welfare benefits are way below poverty—in the State of Texas, not even 20 percent of poverty. From listening to my colleagues speak, you would think welfare mothers are receiving huge amounts of money, living high on the hog, all of them having tons of children. You would think that the average size of a family was 10. But that is not true. The average size of the family is one mother and less than two children.

Seventy percent of welfare families have one or two children. You would think welfare mothers do not want to work. But I raised the question with my colleague from New York earlier. As a matter of fact, about 75 percent of AFDC mothers go to work. But within 2 years, quite often, they return back to welfare. And then they go to work again. I will tell you exactly what happens, because I know some of the people we are talking about. It does not make me better than anybody else in the Senate, but at least, for God's sake, I am not operating on the basis of vicious stereotypes.

You have a mother and she goes to work and tries to make it, and it is a $5.50 an hour job, or whatever the case is; and then she tries to work out a child care arrangement and is able to do that for a while. But pretty soon she is further behind. So she goes back to welfare. Then she finds another job and she is doing pretty well at that job, but her child gets sick and she has to stay at home, and this time around, she loses that job. And then she seeks employment again. As a matter of fact, that is the pattern, that is what is so dangerous about the 5-year cutoff. That is the pattern. But this does not represent the pathology of welfare mothers. This represents a group of citizens—women—who are trying to work and support their families.

Mr. President, I have not heard one of my colleagues on the other side talk about how it is that in many of our large cities, small children go to school, all too often crossing through gunfire, and get home and graduate from high school, and some go on to college and some have rewarding lives. Do you know who takes them to school? Do you know who takes them home? Do you know who organizes against the drug pushers? All too often, they are welfare mothers.

I have not heard any stories on the floor of the Senate about any of those women. No, no, no. We only want to know what we want to know. Better to have all of the cruel stereotypes; better to do all of the scapegoating. That is the way we are proceeding right now on the floor of the Senate.

This is not reform, this is reformatory. Some of these proposals are very reckless with the lives of children. We should not be so generous with the suffering of other people. It is a great hot-button issue; you can push it and you can get a lot of support. But I will tell you something, there is a lot of goodness in this country. When people see some of these proposals for what they are, people will be furious and they will object.

I know a woman in Minnesota, a welfare mother. I say to the Senator from New York, do you know why? Actually, she had a middle income and lived in a middle-income family. She was doing fine. She was full of hope. She had children. Everything was going right. There was only one problem: Her husband battered her.

For many women, like it or not, the welfare program, the AFDC Program, is the only alternative to an abusive relationship. That is correct. So she left her husband, and now she has small children and receives aid to families with dependent children. I do not hear any of my colleagues talking about such examples. I know another mother, and she has two small children. You know what, I say to my colleague from New York, it reminds me—boy, I am going to get in trouble politically for saying this—but it reminds me of the book entitled "Let Us Now Praise Famous Men." It should have been "Men and Women."

I would not praise all welfare mothers. I can give examples of abuse. But this woman should be famous. She is an AFDC mother. Her husband left her. He is not taking any responsibility for supporting the children. She has two small children that she takes care of. She goes to community college, and she works at a job, as well. She is trying to be independent. She takes good care of those children. She is amazing. I do not know how she does it. She is a welfare mother, folks. She is a welfare mother. I have not seen any of my colleagues out here with her picture. I have not heard any of those stories.

Mr. President, it is time to maybe talk about the basic facts on welfare. Let us not base public policy on the basis of stereotypes.

Mr. President, I remember a study by Gilbert Steiner, an institute study that quoted FDR. He gave a speech and said, "I hope soon to abolish relief altogether." Then he moved forward and talked about the WIN Program. Leonard Goodwin, of Brookings, wrote a piece in 1970. He was doing an analysis and found that what happened was very interesting. A lot of welfare mothers, rather than saying they heard about this work incentive program now, said they could not wait to work. The problem is we only ended up placing 2 percent of them in jobs that put them in a better position than they were in when they had welfare.

Does anybody want to look at the job opportunity structure in America? Do any of my colleagues have children in their twenties? I do. Have you taken a close look at the jobs that are available right now for people? Has anybody looked at that? Then I hear this wonderful argument on the floor of the Senate, and the argument goes as follows: What is going on here is welfare is causing poverty. And you get all these statistics. I think my colleague from Texas does this. You get all these statistics on the rise of poverty in America. That is true. The statistics about the state of children in America should shame all of us. One would think that welfare is the cause of the poverty.

Not a word about the political economy of the country. Not a word about the minimum wage of $4.25. Not a word about increasing minimum wage. Not a word about an expanded job opportunity structure. Not a word about the huge number of people today in our country who work 52 weeks a year, 40 hours a week, only to make poverty wages. Not a word about any of that.

The argument that welfare causes poverty is tantamount to arguing that Social Security causes people to get old.

Come on, colleagues. Get your independent and your dependent variables straight. This is the kind of argument that is easy to make when there are a group of people that you can bash because they are not the big political campaign givers. They do not make the big contributions. They are not the heavy hitters. They are not the players.

But that is still no excuse for bashing people and then basing policy on these myths.

Then we have the Family Allowance Program. Back then, maybe I made a mistake. I think my colleague from New York certainly would say I did. I thought it was equity within inadequacy. But I do not know. At least President Nixon and his chief urban adviser, now Senator MOYNIHAN, I think that they were right. They are trying to say, "Let's have some kind of income floor. Let's have some real reform." That was defeated. Certainly we lost that opportunity.

Then Jimmy Carter came in and he said welfare was a disgrace. He had his Better Jobs and Income Program. Ronald Reagan pulled hundreds of thousands of people off the rolls in the early 1980's. He thought it was encouraging people to get out of work and stay on welfare, and there was abuse there. But it actually did not lead to anything good for children. Not at all.

My colleagues talk about all of this discussion about illegitimacy and family caps. My colleague from New York, correct me if I am wrong, as I look at the New Jersey experience, Rutgers came out with a study recently and what they found was that, frankly, it did not seem to make any difference one way or the other in terms of the cap. The only difference it made was it took some food off the tables.

Am I correct?

Mr. MOYNIHAN. The Senator is correct. The study done at Rutgers University showed that.

Mr. WELLSTONE. This was a study, for the information of my colleagues, a study of the family cap; to have an additional child, there will not be any more assistance.

Initially, there were, as I remember—I am kind of going by memory—there were initially proclamations and claims that, as a matter of fact, this had cut down on the number of welfare children and the number of people who were obtaining welfare.

I think probably what happened, it was underreported. I think probably a lot of mothers just did not report it.

Mr. MOYNIHAN. Will the Senator yield?

Mr. WELLSTONE. I am happy to yield to the Senator.

Mr. MOYNIHAN. Reasonable persons learned there would be no additional money when an additional child was born; they did not report it, and in time these numbers got resolved and there appeared no effect of any kind.

Mr. WELLSTONE. For the record, the best known study of the effects of the family cap was the Rutgers study of the New Jersey plan. Here is the principal investigator for that study who recently reported that during the first year of the program, "There is not a statistically significant difference between the birth rates in the experimental and control groups. We find a 6.9 percent rate for women subject to the family cap, and a 6.7 rate for those in the control group."

As a matter of fact, Mr. President, there is not one bit of research that I know of that suggests policywise we are going to be able to do anything to stop out-of-work wedlock births.

Does the Senator know of any research that suggests we can do that?

Mr. MOYNIHAN. I ask unanimous consent to address the Senator directly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Sir, I do not. I wish I did. I prepared for this debate by canvassing acquaintances around the Nation. Did they know? No, they did not.

Mr. WELLSTONE. Mr. President, we are talking about, we should listen to the foremost expert, not just among people in the Senate but in the country on welfare, Senator MOYNIHAN, if we want to base our policy not on stereotypes, some of them crucial stereotypes, but on whatever evidence there is.

As a matter of fact, I heard the Senator from Texas proclaiming we will do this all in the name of helping children. The only thing that happened was there was less money for food.

Senators, that is the only thing that happens. And we are profamily? And we are going to take food out of the mouths of hungry children?

Senators, if you have some studies that you can bring to the floor of the Senate, if you have some empirical evidence that these proposals will, in fact, make a difference in terms of reducing the rate of out-of-wedlock children, fine. If you have some evidence that a family cap or other harsh proposal will reduce the rate of "illegitimacy," fine. If you do not have evidence, please understand on the basis of what studies have taken place so far, a family cap is no help whatsoever.

Also, remember, that over 70 percent of welfare mothers have one or two children at the most. But what you will do is you will, by this kind of change, make sure that these families—and, Senators, there is not one State in the lower 48 that has a welfare benefit up to the poverty level income—will have less income to feed their children.

Is that what we are about? Is that what we are claiming to be reform?

That is not reform. It is punitive. It is degrading. It is reformatory. It is hot-button-issue politics. That is all it is.

It is not a policy based upon evidence. It is not sound public policy. We are being very reckless with the lives of children in the United States of America.

Mr. President, who receives AFDC? Eight percent of all AFDC families are headed by teens. The vast majority, 81 percent, are young families headed by mothers in their twenties and thirties.

How many people receive AFDC? Nine point five million children. Who are we talking about? These cheaters we want to drive off the rolls and the slackers we want to drive back to work, who are we talking about? Mr. President, 9.5 million of the 14 million AFDC recipients are children.

A little less than 5 million are mothers, and many of them are mothers of small children. And you do not have any additional funding for child care at all. You do not want to raise the minimum wage for working families. You do not want to have additional assistance for child care.

Some of you, I ask the Senator from Oregon, I assume that Medicaid is carried for an additional 2 years? I do not want to give up the floor, but let me say that I assume—I ask unanimous consent to ask the Senator from Oregon whether or not in his proposal there is a transition period of time, 2-year period of time, where a welfare mother is able to keep her Medicaid? Under the unanimous consent, I ask the Senator from Oregon, and I keep my time on the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. One year.

Mr. MOYNIHAN. The Family Support Act, 1 year.

Mr. WELLSTONE. Mr. President, how many children do AFDC families have? I went over this, but we should be clear. The average family receiving AFDC has two children, about the same as a typical nonwelfare family; 73 percent of the families receiving AFDC in 1992 have only one or two children.

The average number—for my colleague from Texas—the average number of children in an AFDC family has actually dropped 33 percent since 1970. You would think, from what my colleagues are proposing, that we are having this explosion of additional children to welfare mothers. Quite to the contrary. But do not let the facts get in your way, because it is easy to bash these people. It is easy to bash them.

Are AFDC families mostly white or black? I tread on some sensitive ground here. But I have noticed all too often, when my colleagues come out with their pictures, we have African-Americans, usually. So let us be clear about this. Recipient families are about as likely to be white as black. In 1992, 39 percent of the families were non-Hispanic white, 37 percent non-Hispanic black, and 18 percent Hispanic.

Mr. President, are you ready for this? This is an important piece of information. How much do AFDC families receive each month? The maximum cash grant for a mother and two children in a typical State is $366 a month.

Now, my colleague from New York pointed this out earlier when he was talking about entitlements—actually, the State defines the benefit. The Federal Government is willing to make a contribution, but the State defines the benefit. And there is a tremendous variation. Mississippi, which is the least generous State, provides $120 per month. By the way, I am not picking—before my colleagues from Mississippi come out here, let me be clear. I think, and I would be willing to be corrected by the Senator from New York, usually what happens here is it is the per capita wage that sets the level of AFDC benefits. Those States which have lower working wages, those States that are poorer States have lower benefits, by and large.

Mr. MOYNIHAN. Plus food stamps.

Mr. WELLSTONE. Plus food stamps. I am going to talk about food stamps in a moment, I say to my colleague.

AFDC—I will get from my colleague in a moment the 1995 figures. In 1992, the AFDC payment programs cost the Federal and State Governments combined $22 billion; 1 percent of the Federal budget, and the States' share was about 2 percent. One percent of the Federal Government.

Now, the Joint Tax Committee, in talking about corporate welfare, says we have $425 billion a year in tax expenditures. We have a total of welfare for the poor, Federal and State, of $22 billion, or a little more now. One percent of the Federal budget. And now we have an all-out attack.

I am all for reform, by the way. But reform means affordable child care and reform means there has to be a job so a parent can support her or his children. That is what reform is all about.

You would think from the way in which we see this bashing of welfare that we were spending huge amounts of money. Mr. President, that average $366 per month is, roughly speaking, $4,392 per year. I do not know what the Federal poverty line is, it must be $13,000 per family of four?

Mr. MOYNIHAN. Fourteen.

Mr. WELLSTONE. Mr. President, about $14,000 for a family of four. We can get into a long debate about poverty. We will not today. We have a definition of poverty, first defined by Molly Orshanski—who I think regrets some of the ways in which it has been used—but we have a definition of poverty. Our definition of poverty is, we say this is the definition of what a family needs to purchase the minimum amount of needed goods and services. We are talking about children here. Now, when we define poverty, we say this is the income a family needs to purchase the minimum amount of goods and services.

The next piece of evidence is there is not one State in the United States of America with welfare payments and food stamps combined that even equals what we say a family needs to purchase a minimum amount of goods and services. And we are going after these mothers and these children.

Mr. President, from hearing my colleague from Texas speak especially, one would think we have seen this dramatic increase in welfare benefits. The Senator from Texas combined all the programs in this statement earlier. But, again, I do not think we can be talking about all the programs. If you wanted to have a debate about the welfare state broadly defined, let us have that debate. But do not keep mixing apples and oranges here and throw out a $5.4 trillion figure here and talk about increases here. With the AFDC program, which is the program we are talking about, benefits have decreased 47 percent since 1970 in real dollar terms.

It is pretty amazing to me. You have an average benefit of $366 a month for a family of three, and then I think the maximum increase of a benefit for another child in a typical State is $72 more. We make $130,000 a year as Senators. Think about this for a moment. Think about what it costs to raise your child. Do you really believe that, with a typical benefit being $377 per month, and you get an additional $72 a month, that that is why women have children? Do you think they are further ahead? Do you think that is a good deal, with what it costs to raise a child?

There is no evidence of that. No evidence supporting that. No evidence for that whatsoever. And if you are honest with yourselves and you think about your own family, you will know that it costs much more than that to raise a child.

We have heard a lot. I will conclude just with a little bit more factual information. This is just an average monthly AFDC benefit per family, in 1992 dollars. From 1970 to 1992, the real value of the AFDC benefit fell 45 percent. If anybody wants to dispute me on the floor of the Senate, do so. Does anybody want to? Good. We have established that fact.

Mr. President, AFDC and food stamp benefits as a percentage of poverty line for a family of three, from 1980 to 1993—AFDC only, average benefit is now 38 percent of poverty line; AFDC and food stamps is 67 percent of poverty line. It was 83 percent in 1980, 74 percent in 1985, 72 percent in 1990. It is now down to 67 percent of poverty. So I guess we have not seen a dramatic increase in benefits. Not even on the average 67 percent of what we say it takes a family to purchase a minimum amount of goods and services; 1 percent of the Federal budget. And this is where we are targeting all of our guns. Right?

Mr. President, here is a chart called "Percentage Spending for AFDC as a Percentage of Total Federal Outlays, 1970 to 1992." In 1970, it was 1.40 percent; 1975, 1.5 percent; and 1992, 0.88 percent. Is it 1 percent now? Is there any dispute about that?

Mr. President, now we are going to talk about just block granting; cut child care, tell people they have to work, no affordable child care, do not even talk about the job opportunity structure, do not try to raise the minimum wage—not just for welfare mothers but for working families, and Medicaid for 1 year. Then what happens after 1 year, given the job opportunity structure, and how do you afford decent child care?

I am going to make a child care point. I am going to make a State point. And then I am going to sit down. But I cannot wait for us to get into some real debate on the floor of this Senate, because if there is any role I can play, it is to make sure that nobody gets away, with just impunity, with coming to the floor with all these stereotypes. Senators can disagree, and that is fine. I am all for that. I just want to make sure when the final policy is enacted it is not based on myths about many of these women who cannot fight back.

By the way, we are talking about women and children in the main. Women and children.

On the child care part—I will not go into child care. We will wait. We will have that debate.

Mr. President, let me just give you a feel for the AFDC benefits in States. I see my colleague from Texas. Texas—but I will not pick on Texas. I will talk about a lot of different States. The maximum monthly AFDC benefits, as of January 1994, was $184. That is for a family of three—$184. That is 19 percent of the poverty level.

Mr. President, the decline in the monthly benefits for a family of three, after adjusting for inflation, in the State of Texas was 67 percent, a decline.

In Alabama, it was $164. That is 17 percent of the Federal poverty line.

In Maryland—I am going through this at random—$366, 38 percent of the poverty line.

Minnesota, $533, 54 percent of the poverty line.

New York, $577, 60 percent of the poverty line.

This is just welfare benefits. This is AFDC, not the food stamp part.

New Jersey, $424, 44 percent of the poverty line.

Vermont, $638, 67 percent of the poverty line.

Arkansas, $204, 21 percent of the poverty line;

Mississippi, $120 per month, 13 percent of the poverty line.

Mr. President, let us just finish up this way. Quite to the contrary, people are not living "high off the hog." Quite to the contrary, people are trying to obtain work. Quite to the contrary, most welfare mothers and most policy analysts I know are for reform. But you have affordable child care, and I think the biggest job we have is job opportunity, to be able to get the job, to be able to support yourself. Look at the jobs available.

Let me say this to my colleague from New York. With regard to this whole notion of "get off your duff and get a job" mentality, a recent study on the availability of jobs in the fast food restaurants found that for each job, there were 14 applicants. As the study's authors put it, "In short, it is simply not the case that anyone who wants even a low-wage job can get one." This is the study "The Job Ghetto." This was in the American Prospect, summer of 1995.

Mr. MOYNIHAN. Mr. President, if I may say, the Senator is correct. That was the article.

Mr. WELLSTONE. Mr. President, I will conclude with the following poem that was just given to me. It comes from Julia Dinsmore, a welfare mother in my State of Minnesota.

> My name is not "those people."
>
> We always call them "those people," and we had a Member on the floor of the House refer to animals— "wolves and alligators," a shameful debate.
>
> My name is not "those people." I am a loving woman, a mother in pain, giving birth to the future where my babies have the same chance as anyone. My name is not "inadequate." I did not make my husband leave us. He chose to and chooses not to pay child support. While society turns its head, my children pay the price. My name is not "problem" and "case to be managed." The social service system can never replace the compassionate concern of loving grandparents, uncles, fathers, cousins, community. Oh, the people who need to be but are not present to bring children forward to their full potential. My name is not "lazy, dependent welfare mother." If the unwaged working parent's home making, community building was factored into the gross national product, my work would have untold value.

By the way, Mr. President, this is really counterintuitive where this debate is going, and I do think it is very important to have jobs with decent wages. I want to remind my colleagues that being at home and taking care of children, whether you are a woman or a man, is important, vitally important, productive work.

> My name is not "ignorant, dumb and uneducated." I live with an income of $621 with $169 in food stamps. Rent is $585."

This is from Minnesota. Our benefits are much higher than most.

> That leaves $36 a month to live on. I am such a genius at surviving that I could balance the State budget in an hour. Never mind that there is a lack of living-wage jobs. Never mind that it is impossible to be the sole emotional, social, and economic support to a family. Never mind that single mothers can work another job outside the home and lose their children to the gangs, drugs, stealing, prostitution, social workers, kidnapping, street predators. Forget about putting money into our schools. Just build more prisons. My name is not "lay down and die quietly." My love is powerful and my urge to keep my children alive will never stop. All children need homes and people who love them. All children need safety and the chance of being the people they were born to be. The wind will stop before I let my children become a statistic. Before you give in to the urge to blame me, the blame that lets us go blind and unknowing into isolation that disconnects us, take another look. Do not go away, for I am not a problem but the solution. And my name is not "those people.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I want to make sure the Senator from Minnesota does not misconstrue. In the play "Man for All Seasons" where Thomas Moore is being tried—and I will paraphrase the best I can recall—for he would not assent to the king's divorce, he never said anything about it. He just did not assent to it. But he would not sign on it. And in the trial they accused him of opposing the divorce. He said, "No. I said nothing about the divorce." And the prosecutor said something about the law and presumptions, and Moore says, in that case, it is not to presume that silence assumes assent. He said nothing.

I do not want my silence—in response to his papers when he is holding them up saying "anybody here disagrees"—to be assent. He said nothing.

I do not want my silence—in response to his papers when he is holding them up saying "anybody here disagrees"—to be assent. At the appropriate time, I will respond to those. But I do not want to leave you with the impression that I agree with everything or barely anything that he said.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, for the first time in 30 years or more, I believe the Senate is beginning a broad range of debate over a system of welfare, not a single program such as AFDC or Medicaid or any of half a dozen or more others, but a system of welfare.

During that period of at least 30 years, the debate over particular aspects or programs that are a part of that system has always been on what additional program, what additional help the Government can provide to deal with what was a serious problem of family breakdown, of dependent single parents, of illegitimacy and occasionally homelessness. During the course of those three decades, AFDC, supplemental Social Security income, subsidized child care, job training, Medicaid, and other programs have all been debated as a part of the solution to our Nation's social pathologies. And, in most cases, these programs have either been brought into existence or have been expanded in an attempt to alleviate social conditions. But each one of those additions, each one of those increases, has been accompanied by not by a decrease in welfare dependency—both in terms of families and illegitimacy, but an increase in those terrible social challenges.

So it is appropriate that we debate this issue at this time. I must say that simply the fact that increases in the challenges and pathologies which have accompanied increases in programs does not create an irrefutable inference of cause and effect. But it certainly does state the proposition that at the very least, these increases, these new programs, these new requirements have not alleviated the conditions at which they were aimed at the time of their creation or increase.

Each liberal attempt at reform which was offered as a way out, or as a partial solution to the way out, has proved at the very least not to have provided that way. So what we have today is a system elaborate in its complexity, requiring a huge Federal bureaucracy to establish and to enforce rules related to welfare here in Washington, DC, mirrored by huge State bureaucracies designed to administer and to enforce those rules and, of course, in the case of each State, to add to them.

The total, the net result is a set of programs and of benefits that clearly provides at a certain level a disincentive to entry-level work, and as a consequence or as an accompaniment, the social pathologies continue and grow.

And so we are now presented with roughly three alternative proposals for reform. Maybe there is a fourth. In listening to the extended statement by the Senator from Minnesota, the clear implication is that we simply need to do more in the way of programs to provide a greater degree of income and comfort and benefits for those on welfare. But I do not believe that implied solution—and I put the word "solution" in quotation marks—finds much support either in the American people or even on that side of the aisle in this debate.

The proposal which seems to have the most support over there is essentially more of the same thing masquerading under a set of work requirements and limitations on the time during which an individual can draw AFDC benefits. But these apply to only a modest handful of the total beneficiaries.

The second alternative presented eloquently by the senior Senator from Texas an hour or so ago was to substitute for the detailed liberal requirements somewhat less detailed but nonetheless significant ideological requirements from the conservative side of the spectrum on the ground that rules which limit benefits going to teenage unwed mothers and single parents will reduce the rate of illegitimacy.

The third alternative is the alternative proposed by the majority leader, building on the proposal from the Finance Committee and from its distinguished chairman, the Senator from Oregon. While it includes significant work requirements and significant limitations on the amount of money and time an individual can draw these various welfare benefits, its philosophy is that far more experimentation should be permitted on the part of individual States; that we should not have one centralized system but allow 50 different systems for dealing with welfare.

I imagine that the goals of each of these proposals are to try to see to it that there is less dependency, to provide fewer incentives for illegitimacy and single-parent families, to provide relatively greater incentives for work, provide more effective requirements of support on the part of the absent parent—almost always the father—and to terminate or limit the misuse of the SSI disability policies.

I think with respect to some of these, particularly absent parent responsibility and SSI, there may not be too great a difference among these various proposals. It seems to me, as one of the sponsors of the third proposal, that identified by the Senator from Oregon and the majority leader, that it has at least the virtue of modesty—modesty, that is, in the sense of our saying that we are not certain what program, what reforms will work to reach the goals that I and others have outlined. We can be, I think, reasonably confident, maybe overwhelmingly confident, that what we have now has not worked, and we can be reasonably confident that not only has it not worked but it has actually exacerbated the very situation, the very set of conditions it was designed to alleviate in the first place. Of that we can have a fair degree of confidence.

I submit that I do not have a great deal of confidence in attempting to outline a system that I know will work. The Senator from Minnesota seems to be very confident without much evidence that all we need to do is more of what we have been doing in increasing amounts for the last 30 years. I submit that he will find relatively little agreement with that position.

If it is the case that none of us, not only U.S. Senators but all of the panoply of professionals and so-called experts and academics in this field, cannot be certain of how we can deal successfully with these social pathologies, then this third alternative, the Dole-Packwood alternative, is clearly the way in which to go because it is clear that if we pass this proposal, 50 States will engage in 50 different experiments.

It is doubtful that any two States will pursue the quest for a better welfare system in exactly the same way. There is a fear that some will not engage in a maintenance of effort. That may indeed happen. But if there are failures, we will learn from those failures and have a clearer idea of what works and what doesn't work.

It is true that some States will incur severe penalties, at least when we compare it with the present system, for illegitimacy and for teenage births, and we will determine whether or not that works as against more liberal States that retain something like the present system.

It may be, Mr. President, in 5 years or 6 years or 10 years of such experimentation, we will have learned that certain State welfare systems work—that is, if the conditions they are designed to alleviate are, in fact, alleviated. Others will not have worked—they will have increased the amount of dependency. Others, finally, will have had no impact at all. And it may be that we here in this body, or our successors here in this body, will, with that experimentation, be able to have a greater degree of confidence in how we should design a national system.

But, Mr. President, we cannot claim that confidence here today. We only know that what we have done cumulatively over the last 30 years has been a disastrous failure, not only for the public Treasury, but even more so for the American social condition.

So, Mr. President, let us take the great advantage that a Federal system like ours offers to us, the ability to have different solutions in different parts of our country, the ability to use the 50 States as a laboratory for experiment, the ability under those circumstances to determine what may help us to solve this tremendous social problem and meet this social crisis, and what may not.

And it is for that reason, Mr. President, that while the history of the last 30 years has shown us that the liberal prescription for welfare has been an almost unmitigated disaster, so perhaps may be the conservative prescription for welfare. Let us exercise our voices and our votes with a degree of modesty, a degree of uncertainty, a degree of the point of view that we are not quite certain what the answer is, and in doing so, accept the amendment that is before us at this point, allow for experimentation and innovation and see how, through our Federal system, we can learn what will work to solve the problem of welfare.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Thank you, Mr. President.

Mr. President, I think from the debate that we have heard so far on this issue, that we see clearly the fundamental differences about what welfare should be and how we make it what we want it to be. We are taking up a reform of historic magnitude. We have laid the framework for a revolution in the way our country goes about giving help to those who have been told for too long that they are incapable of helping themselves.

Over the past 30 years, our welfare system has become an agent of despair for those who are trapped in its coils. And if we know one thing about our current welfare system, it is that we are not getting our money's worth. There are two constituencies that we must serve in this reform—the taxpayer and the welfare recipient. Neither the taxpayers, who foot the bill, nor the beneficiaries themselves are getting fair treatment under the present welfare program. You do not help anyone by encouraging self-destructive behavior.

The original intent of welfare was something very different from what we have in place today. In the 1930's Americans wanted to open our hands and our hearts to the most desperate victims of the Great Depression, indigent widows and their children. Then beginning in 1965, our War on Poverty attempted to nudge those on the bottom rung of the ladder in the direction of middle-class security. But we have failed miserably.

The percentage of Americans living in poverty has risen steadily at the same time that our welfare apparatus has grown. What we have created instead is a self-perpetuating monster that sustains the most distressing ills of our society—illegitimacy, the disintegration of the family, weakening of the work ethic, and crippling dependency. Indirectly, it feeds ever-rising levels of functional illiteracy, violence, and juvenile crime.

The American people are demanding to know why, after an expenditure of $5 trillion, there are more people living in poverty today than ever before in our country. A partial explanation is the growth of the welfare delivery sector of the Government and the private sector hangers-on. It is in their interest to make sure that more and more money is spent on poverty programs without regard to whether we are reducing the number of people living in poverty.

The American people also wonder, after spending $5 trillion, that anyone could think a continuation of the present system with more money could be even a step in the direction of solving this problem. The fact is, those who administer these programs and those who advocate them have no incentive to encourage welfare beneficiaries to move forward with their lives. Dependency is presented as acceptable and inevitable. Individual responsibility and all it implies is discounted. This is neither beneficial nor benign.

We have lured those in need down a dead-end street. The welfare reform measures we are considering today would short circuit the bureaucracy which the Federal Government has created and hand most of the responsibility over to the States. This will free each State to experiment with new strategies for welfare, new approaches to giving beneficiaries incentives to work and contribute to the American economy.

This State involvement with the welfare apparatus is a pivotal element of our reform plans. Unless the Federal Government steps aside and lets the States go forward, we will lose the innovation that the States have put into the system. That is where the creativity has been. And in many instances this has happened in part because the States, unlike Congress, are required by their constitutions to come up with a balanced budget every year. Because they are closer to the people and can respond to changing conditions more quickly than the Federal Government, the States have been able to come up with effective, innovative programs in their reform efforts.

Nearly 30 States have requested waivers from the Federal Government to enact reforms. Wisconsin Gov. Tommy Thompson says the welfare rolls in his State have dropped 19 percent while the national rate has increased to 32 percent. Here are some of his innovative programs: learnfare, which requires welfare teenagers to stay in school; marriagefare, which creates incentives to marry and have no additional children while still on welfare; and workfare, which ends cash assistance after 2 years and requires work in return for other benefits.

Because of forward-looking programs like these, the States have earned the reputation for being laboratories for innovation. Passage of the bill we have under consideration today will encourage the States to achieve reform quickly and give them the freedom to continue their experimentation. It is time for the Federal Government to step aside and let the States run with the ball. Mr. President, the American people are entitled to know that we mean business here today. The Republican welfare reform bill we are debating will:

End welfare as a way of life by limiting the amount and time of assistance that can be made available.

It will require able-bodied recipients to work, not enrolled in an endless series of job training programs, but begin to work, showing up every day like the rest of us do, no later than 2 years after the assistance begins.

Reinforce families and cultivate personal responsibility. States will be able to deny cash payments to teenage mothers but instead require single teens to stay in school and live with adult supervision, preferably their parents or grandparents. Applicants for benefits will be required to cooperate in establishing the paternity of their children. Deadbeat parents will be confronted with the painful consequences of their irresponsibility.

That is how our bill will affect welfare beneficiaries. But it has other ramifications as well. No State will lose its present Federal allotment, and growth States will have an increase each year to help with growing needs. I am going to talk about this later in the debate when there will be an amendment on allocation of Federal dollars. I have worked very hard on a formula that I think is fair, fair to the States that are not growing, fair to the States that are growing, and fair to the States that get more in the beginning and fair to the States that get more in the end. It is a good formula. It takes into account each specific State's unique problems.

The Federal welfare bureaucracy will be reduced by 30 percent. Federal welfare spending will drop by more than $65 billion below current projected levels over the next 7 years. We must not lose sight of the goalpost. We are actually going to reduce the cost of welfare in this country for the first time in a long, long time.

This bill will empower the States as never before. What is more, moving the responsibility for these programs to the States will give taxpayers more direct say in the targeting of welfare assistance.

Last, and perhaps most important, Mr. President, I, like most Americans, believe that no one should have an unrestricted right to live off the toil of others. The crucial element in this welfare legislation is its work provisions. Under this bill, work means work as most Americans understand it. It means participants will have to go to work every day and, yes, maybe do things they do not particularly like to do. We have all had that experience in life.

The decisions of welfare beneficiaries, like ours, will have consequences. A welfare recipient whose assistance is reduced for failing to work will no longer be able to turn around and get a handout from another source in the form of food stamps or housing assistance increases. States will be able to require welfare applicants to look for a job before they ever get a welfare check. That will be their option.

This bill requires 25 percent of each State's welfare caseload to be working by 1996 and 50 percent to be working by the year 2000. The States can exceed these requirements if they choose, and we hope they will. The bill imposes a 5-year lifetime limit on welfare benefits.

Mr. President, when we have enacted this legislation, we will be able to look the American people in the eye and tell them that we have made a difference, that we are trying to make things better for both constituencies: The taxpayers who are footing the bill and the welfare recipients who we want to give a hand up to. We want the welfare beneficiaries to have the dignity that comes with making a contribution, with giving an honest day's labor for the money they receive. They will be better off and their children will be better off if we can make individual responsibility a part of this country once again.

If everyone would work together on a bipartisan basis, we can have a bipartisan victory, a victory for the recipients who will know the pride of earning a living, paying their own way in society, and a victory for the taxpayers who are working people who are trying to meet their own family responsibilities.

Mr. President, that is what this bill is all about. I hope that at the end of this week, we will be able to go back home and tell the American people that we have made a giant step forward for both the recipients of welfare and the taxpayers who have carried a heavy load and know it has not worked.

Thank you, Mr. President, and I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I am pleased—very pleased—that we are finally debating a very important issue: The issue of welfare reform. I am happy for two reasons.

No. 1, I think if there is any issue I heard over a long, long period of time the constituents have asked us to do something about, it is the issue of welfare reform, and also from the standpoint of those who are on welfare, to give them a better opportunity and a better environment to move from welfare to work and to move from Government dependency to being independent.

We all know that the President needs credit for highlighting this issue. I suppose maybe every President has had welfare reform to some extent in his platform. But this President in 1992 made it a very important issue, because he said, "We are going to end welfare as we know it." Probably it is his ability to use words, to use them well that brought attention to this issue that maybe other Presidents before were intending to bring as an issue and could not. There was also the necessity of a Democratic President to highlight it, because you remember in that 1992 campaign, he was going to run as a new Democrat, not the typical tax-and-spend Democrat. We were going to have a whole new Democratic Party approach to Government.

So the President was elected, and I suppose the American people found out he was not a new Democrat, more the typical type of Democrat. Maybe that is why it took another election in 1994 to show the President's inaction and to question whether or not he was really serious about dramatic change of welfare.

The people demonstrated in 1994 that they wanted change, and they have not seen it from the Democratic President and the Democratic Congress on the issue of welfare reform.

So the American people have now placed their confidence in our party and given us an opportunity, as well as a responsibility, to change the system, to end welfare as we know it, as the President said he wanted to change it.

So we have taken the people's challenge expressed in the last election, and we Republicans bring this bill to the floor.

As our good friend, Senator MOYNIHAN, discussed this morning, in 1988, we passed welfare reform with 96 votes, one person opposing.

Unfortunately, I believe that it failed our hopes and expectations. I know there are a lot of people in this body who would disagree with that point, and I would be happy to speak at great lengths as to why I feel it has not met our hopes and expectations. In doing that, I do not in any way express resentment toward those who feel it has been very successful. It is probably a difference of opinion of what was supposed to be accomplished by that bill.

But one of the ways I measure it is that we have more people on welfare today than we did then. I do feel that one positive thing that did come out of the 1988 Family Support Act was the movement toward more experimentation at the State level, which I think the Republican bill today is a fulfillment of the ultimate goal that has been expressed here for a decade.

Under the 1988 bill, the States took the initiative to try new ideas in welfare reform. It was 20 years since the States had that sort of an encouragement, or if they had the encouragement, a willingness to do it. In spite of the need to come, as they must, hat in hand on bended knee, for permission from the Federal Government, the States still tried new ideas. That spirited example of the States is what spurred some of us toward giving States maximum flexibility in addressing the crisis in our current welfare system, as we do through the Dole-Packwood legislation.

Last year, Senator KOHL of Wisconsin and I introduced a bill to give States a block grant for the AFDC JOBS Program and for the AFDC Food Stamp program. We introduced that bill back then because we believed the States had shown the initiative to reform the current welfare system. Leaders in States like Iowa, Wisconsin, Michigan, and some might be surprised that eastern seaboard States like New Jersey and Massachusetts, where generally you think there is a more liberal political philosophy, all of these States were coming up with the best ideas to change the system and to move people from welfare to work. I think the State of Iowa has demonstrated the great benefits of a system designed with the citizens in mind.

Two years ago, my State legislature proposed a bill to totally revamp the welfare system. State leaders, after it was passed, came to the Federal level, HHS, to receive the waiver necessary to implement their ideas. Yes, the State of Iowa wanted to very dramatically reform welfare, move people from welfare to work, and save the taxpayers money.

They could not do that on their own. They could only do that within the Federal law, and then they had to come, as I said, on bended knee to the officials at HHS to get permission to do what I think everybody recognizes is working so very well, not only in the State of Iowa, but in several other States.

To the President's credit, he has granted these waivers more expeditiously in late months than in early months, and he has granted waivers to several States—I do not know whether every State, but I think well over 20 States have requested waivers.

But why, when dealing with a subject like welfare reform, should States that want to move people from welfare to work and, hopefully, in the process, save the taxpayers money, have to get the permission of some lowly bureaucrat at HHS? We even had to make some modifications to satisfy the Federal bureaucracy. It took several months to get the waiver approved. But my State of Iowa began the implementation of its program in October 1993. In the last 2 years, the number of AFDC-employed recipients has increased from 18 percent of all welfare recipients to 34 percent—I believe now the highest of any of the States—as a percentage of welfare recipients who are working.

I think this dramatic increase shows the ingenuity of people at the State level. Specifically, in my State—but not to any greater degree than other States—you hear about them trying to do these things, to move people from welfare to work. I think it also shows the importance, though, of providing much greater flexibility for State leaders, so more of this reform of welfare can be accomplished where people seem to be willing to accomplish it. Because, you see, we passed legislation in 1988, but here it is, 7 years later, and we are just now talking about welfare reform. In the meantime, there are 3.2 million people on welfare.

It was the creative approach of State leaders like Governor Branstad and Director of Human Services Chuck Palmer that allowed for such a dramatic increase in the number of people working. It was not here in Washington. We did not get any encouragement out of Washington. It was almost like fighting the bureaucracy to do this very modest reform. They had to negotiate changes in our claim to get the permission to do that.

Now, that is micromangement from the Federal level. It is the type of micromangement that this Republican bill will eliminate, so that the people of our 50 States, through their own State legislatures, can prescribe their own welfare system if they want to meet their own unique ways and needs, moving people from welfare to work, moving people from dependency to independence.

I think it is impossible, Mr. President, with a country that is geographically as vast as our country, a population that is so heterogeneous, for us to pour one mold in Washington, DC, and say you have to take care of your welfare people in New York City the same way you do in Des Moines, IA. No, because of the differences of our people, because of the geographical vastness of it, I think it dictates that we not try to do this from Washington, DC, not only from the standpoint of saving the taxpayers' money, but also from the point of building on the ingenuity of our local people, closer to the grassroots.

So the whole idea behind the proposal that I spoke about just recently of Senator KOHL and mine, which we introduced last year, and also, I think, the bill before us—although, quite frankly, the bill goes much further than anything that was anticipated by any political party in either House a year ago—that says something, that the people at the grassroots are making changes faster than we are willing to make them.

The bill before us, as well as the one Senator KOHL and I introduced last year, is to block grant these programs to the States so that the States can change the system in ways that fit the culture of that individual State.

In the leadership bill, we remove the need for permission from the Feds before States can experiment to help the people of their State.

It is amazing to me when I hear that if we give authority back to the States that children will be left starving in the streets. Somehow, many have brought into this debate the idea that we, at the Federal level, know best and that we are the only ones who can fix a social problem.

Frankly, I think it is very arrogant to assume that only Federal leaders are compassionate toward the needs of those less fortunate in our society. It is a way of saying that we in the Congress have more compassion toward the needs of the people than our State legislators do. I say that for each of our 50 State legislators that I do not think that that is an accurate assumption.

Clearly, it is not the basis for this legislation, because this legislation gives so much flexibility. If there is going to be compassion, and there will be, it will be demonstrated at the State legislatures. I can say that there is compassion—probably more so—in the State plan of the State of Iowa than anything we have had on the books for the last 40 years in Iowa.

Clearly, as I have pointed out, States have already demonstrated their ability to creatively manage welfare programs. Unfortunately, in 40 years of Federal control, all we have seen is the ongoing destruction of the historic and traditional American family under the programs that we have had at the Federal level.

If we as Republicans and Democrats agree on anything, it is that the current system must be changed. It must be changed dramatically.

Now, in this body of 100 people, 46 Democrats and 54 Republicans, there still may be a legitimate debate about whether the welfare state is worthy of our time and consideration and an instrument for delivering public policy. There is no disagreement that the welfare system within the welfare state is broken and needs to be fixed.

The statement of the President of the United States in both State of the Union Messages and in his own campaign rhetoric as a Democratic leader demonstrates that better than anything a Republican can demonstrate.

The way, then, to make the necessary change is to give the authority back to the ones who have been coming up with the most innovative ideas in recent years, the ones who have demonstrated that they are worthy of our trust—the people at the State and local level. I believe that States will live up to that trust. They will meet the needs of the less fortunate in ways that are compassionate and as caring as anything we can do, and yet require and enable people toward independence.

This is the American way. It says that we, as a society, now more so under the State legislatures than under the Federal Congress, if you have a need, we are going to extend a helping hand if you need it. We will help you over a period of trial and tribulation in your life. We are not going to help you forever if you have the capability of helping yourself.

We hope that when you move from welfare to work, when you have been helped over the hump, that you then will be in a position to give back to the community by helping others as they have helped you.

I think the leadership bill meets three of four chief goals that I want to accomplish in legislation: To provide for a system that meets the short-terms needs of low-income members as they prepare for independence; next, to provide for much greater State flexibility; next, to prevent the incidence of out-of-wedlock births; finally, to save the taxpayers some of their hard-earned money.

The leadership bill provides for a block grant for the AFDC Program to the States so they can meet the needs of low-income Americans in the most community-oriented, cost-efficient manner. That is good. It also gives the States greater flexibility in designing their programs to meet the needs of their individual citizens. It also saves the taxpayers some of their hard-earned money.

The one goal that I had that still needs some work is the issue of reducing out-of-wedlock births. The House bill set a clear goal for the States of reducing the number of out-of-wedlock births. In my judgment, however, the House bill goes too far in telling the States how they had to reach this goal.

I do not support exchanging liberal prescriptiveness for conservative prescriptiveness. It is just as wrong to have conservative micromanagement in the future as we have had 40 years of liberal micromanagement of welfare programs.

The whole idea behind the leadership bill is to set clear goals for the States and to give the States the flexibility to reach the goals in ways that work best for those States. I support that approach in getting more people to work. I also support the approach of reducing out-of-wedlock births. I will promote efforts to strengthen this portion of the bill without mandating prescriptive approaches.

Mr. President, the real difference here is not between those who want strings attached or do not want strings attached in this welfare block grant, as some of the media has wanted to concentrate on a few minor differences between Republicans; the real difference here is between a philosophy that has dominated welfare reform debate for the last 40 years, and a new approach.

The old approach is micromanagement from Washington, DC, versus State flexibility. That real difference of liberal micromanagement came from Federal control that came through the welfare system being an entitlement program. There are still a lot of people, particularly on the other side of the aisle—the more liberal Democrats—who do not want to give up that Federal control and that Federal entitlement. It is that side versus those who want to give control to the States.

It is interesting to me that many Members will oppose this bill because they say it will hurt children. Yet they fail to admit that the current welfare system hurts children, as well. The research shows that children born into families receiving welfare are three times more likely to be on welfare when they reach adulthood. How, then, is the current system good for children? If we truly care about these children, we will reform the current detrimental welfare system.

What about the children, then, who are not on welfare? We have equal responsibility for all children. What about them? Are we concerned about these children?

With our current budget debt of almost $4.9 trillion, each man, woman, and child owes $18,000 toward that debt. A newborn babe right this minute owes $18,000. If we do not reverse the deficit crisis, our children will pay 80 percent of their lifetime earnings in taxes.

What do we do about these children? Are we concerned about them? It is appropriate for us to be concerned for the children of low-income members. Frankly, I think we should be concerned for all the children of America. That means that we have to reduce the deficit while we change the welfare system to free those currently trapped in governmental dependence.

If we take steps to move people from welfare to work, if we give more flexibility to the States, and if we reduce illegitimacy, we will, in the long run, save the taxpayers money. This will be the natural result of positive changes to the current system.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, the distinguished leader is on the floor. I know he wants to speak. I will not delay him but 90 seconds, perhaps, to thank the Senator from Iowa for his remarks about the energetic new program that has been developed in Iowa, which was done in the context and under the rules of the Family Support Act. It is exactly what we looked for. Federal money is involved. They had to get a waiver. It took a few months. They got it. What more, I do not know, could be asked of a level of government that is participating in the financing.

I wish we did not have to have this rhetoric of liberal micromanaging. The AFDC Program has been in place for 55 years. During those 55 years, we have had a Democratic Presidency for 27; a Republican Presidency for 28. It is about even.

The Aid to Families with Dependent Children Program—the programs are set by the States, not by the Federal Government. You can have a large and generous program, you can have no program. Wisconsin, at the end of 1997, will have no program. That is its right.

Finally—I do not want to keep the majority leader waiting—a certain touch of reality here. We have heard all day long about this suffocating, all-embracing, ever-expanding Federal bureaucracy that runs the welfare programs. Mr. President, I have here a letter from Mary Jo Bane, the Assistant Secretary for Children and Families. It reports that in the 55 years of the AFDC Program, the monster Federal bureaucracy here in Washington running that program has reached 92 persons—92 persons—the JOBS Program, 26 persons. In the regions, AFDC is 144 persons; JOBS, 65 persons.

In the entire Nation there are 327 Federal employees dealing with what we generically call welfare; 327. That is not a staggering number. There are 327 elevator operators in the U.S. Capitol and we have automatic elevators—or some such number. It is being said of the majority leader's bill that he only cuts this bloated bureaucracy back 30 percent. If you cut it back 30 percent, Heaven help us, that might mean 100 people. If we cut it in half, that could mean 150.

I do not know what we need do, but we surely need not begin a serious debate like this with such little respect for data, which data is not difficult to obtain.

I have also heard at some length this morning about how little we know about so much of this problem. The Senator from Washington made that point with great clarity, I thought. But we do know how many people are working on AFDC in Washington and the Department of Health and Human Services. The number is 92. They are dealing with 15 million people. I leave it there.

Mr. President, I ask unanimous consent that this letter from the Honorable Mary Jo Bane be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH & HUMAN SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES,
Washington, DC, August 7, 1995.

Hon. DANIEL PATRICK MOYNIHAN,
U.S. Senate,
Washington, DC.

DEAR SENATOR MOYNIHAN: As you requested, the following table shows the number of staff, expressed as full-time equivalents (FTEs), who work with the AFDC and JOBS programs in the Administration for Children and Families (ACF).

Program	Central Office	Regions	Total
AFDC	92	144	236
JOBS	26	65	91
Total	118	209	327

This table includes employees in the Office of Family Assistance here in Washington, D.C. and in the ten Regional Offices.

Thank you for your attention. If you need additional information, please let me know.

Sincerely,

MARY JO BANE,
Assistant Secretary for Children and Families.

Mr. MOYNIHAN. The majority leader is present. I yield the floor.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I know there are a number of people who desire to speak. I will not take but a few moments.

I had a chance to speak briefly on Friday, and I have listened to both Senators MOYNIHAN and PACKWOOD and others today. It is my hope that in the end we will end up with welfare reform, or whatever we want to call it. We call ours—the word "work" is in ours—Work Opportunity Act of 1995. On the other side, the Democratic bill, the first word is "work." So that is where the emphasis is. That is where 62 percent of the American people say they have the deepest interest—they want to find work for the people.

I felt the same way back in 1988. I offered, with Senator Armstrong, at the time a workfare amendment. It was the first time we had one. There was an effort to table the amendment. The vote was 49 to 41. It failed, and the first workfare amendment was adopted in 1988. It also dealt with participation rates.

Some people opposed work, and it has not worked that well since, I might add. But at least there was an effort made. It turned out to be bipartisan effort after the initial skirmish. Now everybody is focused on work 8 years later. Maybe we should have been focused on it before. I offered, along with Senator Long, in 1979, a block grant on AFDC—in 1979.

So, some of us have had these ideas for a long time. But I hope in the end we have a bill that will have enough support to get out of the Chamber and, hopefully, support on both sides of the aisle. We have had bipartisan support. The vote was 96 to 2?

Mr. MOYNIHAN. Ninety-six to one.

Mr. DOLE. It was 96 to 1, with three absent.

This is, really, the first day of debate. I have listened to most of it carefully. I think there is probably enough debate to last for another 2 or 3 hours, and I hope we can continue the debate. But before that, I do want to modify my amendment.

I send the modification to the desk. I do not need consent to do this, it is simply a modification. I will explain what the modification does.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. It is so modified.

The modification of the amendment (No. 2280) is as follows:

On page 32, line 19, strike "and".

On page 33, line 3, strike the end period, and insert "; and".

On page 33, between lines 3 and 4, insert the following:

"(F) vocational educational training (not to exceed 12 months with respect to any individual).

On page 33, strike lines 9 through 10, and insert the following:

"(1) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or".

Mr. DOLE. Mr. President, let me explain what the modification does. It modifies the bill to include the House provision regarding sanctions on those who refuse to work. While our amendment does require the States to sanction, it leaves it up to the States as to the actual reduction, and some suggest this leaves in doubt our commitment to work. There is not any doubt about our commitment to work. I have had one since 1988. But to clarify it, we say at a minimum, the States must reduce the benefits by at least the amount not worked.

We have also heard from a number of Governors with reference to the second modification, and I talked this morning with Gov. Mike Leavitt, of Utah, who says we were shortsighted in this in excluding vocational education in the list of those activities permitted under our definition of work. That concern has been expressed by a number of my colleagues.

Our view was, some people get in these vocational education programs and they never do work. They are in it for a year, 2 years, 3 years. So we tried to strike a balance because of the interest of many of the Governors and many of our colleagues, by permitting vocational education for up to 1 year. We do not expect it to be a career. But I do believe that some of the Governors believe they have very good vocational education programs in place and they would like to keep them.

Mr. MOYNIHAN. That makes sense.

Mr. DOLE. It made sense to me, so we have made that change.

I heard my friend from Texas refer to this bill as "the Dole bill." This is the leadership bill. This is a bill sponsored by every Republican Member of the leadership and 28 other Republicans, and we hope to have more. We hope to have 54, and we hope to have some Democrats.

And I believe there is some opportunity here because I am getting hit by the White House on the one side and my friend from Texas on the other. The White House says that "the Dole bill," which is the leadership bill, is unacceptable. And that is pretty much what the Senator from Texas, Senator GRAMM, said: It is unacceptable; only his is acceptable, which I have not seen.

So maybe if that is the case, there is some room for adjustment here.

I read here from a press release from conservative Governor Branstad of Iowa who said that conservative micromanagement is just as bad as liberal micromanagement. So the Governors are concerned, and we have 30 Republican Governors. We are very fortunate to have 30 Republican Governors. I am very proud of it. They represent States that have 70 percent of the population in those States, 70 percent. Every Governor supports the leadership effort, the Republican leadership effort. Every State, every Governor, including the Governor of Texas, including the Governor of New Hampshire, including the Governor Iowa, including the Governor of Arizona, to name a few early primary States.

So this is an important matter that we are debating. I hope we can resolve it this week. This is not about Presidential politics. It is about welfare, about work, about opportunity, and about changing a failed system. And I want to mention what this debate is not about.

I do not think this debate is about which party cares the most for those in need. It is not about which party has the biggest heart, because every Senator knows there are some Americans who need help.

I do not care what bill we pass. Some Americans are going to need help, and they ought to have it. Every Member knows, and you probably know of someone in your hometown or neighborhood right here, who is struggling every day to keep their head above water. Some of us know it because we have watched our parents and our grandparents and others go through it—to do everything they possibly could to make ends meet. And I will bet half of the Members—maybe not half—I will bet a fourth of the Members in this body are in that category; not now, but when they were growing up.

So it is not about which party has the most compassion. It is not about which party wants to do the most to hurt someone who finds themselves in a condition where they have to have help. It is not about that either.

In my view, I think we are all pretty much in agreement around here that the system has failed.

I remember being in North Carolina with the Senator from North Carolina—now a Senator, but he then was a candidate—that was his total, No. 1 issue in his campaign: welfare reform. And he has not changed his commitment. He has not changed it, and it should not change. And I know other of my colleagues who have done the same.

We all know the system has failed. It has failed American taxpayers, and it has failed the Americans who we tried to serve. I think we made every good effort, and maybe we have not given the 1988 bill enough time to work. But there are a lot of people out there with no hope. That is what this debate is all about: How do we change the system? It is not how many people we dump on the street and how many children we left to go to bed hungry, or how much more we spend.

I carry around in my pocket a copy of the 10th amendment. It is only 28 words in length. It simply says:

> The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to States respectively, or to the people.

That is what this debate is all about, as far as I am concerned—giving power back to the Governors and to the State legislatures, Democrats or Republicans, in either case—on the theory that they are closer to the people.

There are some who think we can fix the system by just tinkering around the edges here and apply a Band-Aid here and a Band-Aid there. It is not going to work. And I think that is a prescription offered, frankly, by the distinguished Democratic leader, Senator DASCHLE. The American people want to go forward, far beyond fine tuning.

So I am proud to be joined by at least 32 of my colleagues, and I hope more, in the process, and by every one of our Republican Governors in supporting, along with Senator PACKWOOD, S. 1120.

We have been criticized because we could not get a tough bill in the Finance Committee. You have to count votes when you have tough bills around here. I have learned from experience. The bottom line is, how many votes do you have? It is not how many speeches do you make or how many times you criticize somebody else; it is, how many votes do you have?

This is a legislative body. I cannot stand up and say, "This is going to pass."

I happen to believe that S. 1120 will change the very principles and values on which the system is based. It is going to change that attitude that "Washington knows best."

So what we are trying to do in our approach—certainly it can be changed, it can be improved, it can be strengthened by what the words may be, and some people may interpret those words differently and have a different idea about what improvement or strengthening or whatever might be. But we are going to combine AFDC, child programs under AFDC, and job training programs under AFDC into one block grant, and the States are free to spend the money as they see fit.

I, for one, advocate food stamps as a block grant. I said that publicly in the Senate Agriculture Committee. We did not have the votes. I think it is a great idea. It would also go a long way in solving some of our formula problems in this bill, and there will be some debate on it. It may not have the votes, but we will find out.

As a result of the work of the Senate Labor Committee and my colleague, Senator KASSEBAUM, we will consolidate and put into another single program 88 job training and training-related educational programs, including the Job Training Partnership Act and the Carl Perkins Vocational Training and Education Program.

For some reason, returning power to the States makes President Clinton nervous. And he has been a Governor. Maybe he learned from other Governors who are nervous because they do not believe the Governors or the States can handle it. I hope that is not the case. But he said giving our States control will incite a "race to the bottom." I do not know which States he has in mind. I hope not Kansas or Missouri or any other State represented here.

I have asked the President in Burlington, VT, and would question him today, which States—rhetorically, because he was not there at the time—which States will participate in such a race? Not my State, not New York State, not Arkansas.

And I want to thank the Senator from Arkansas, Senator BUMPERS. He voted for Work Fair in 1988, one of a number of Democrats who joined us.

Which Governor does he think does not care about the people in need? I do not know of any, Democrat or Republican.

And which State legislatures cannot be trusted with the welfare of their people? I do not know of any. Maybe there are some out there. Maybe they would take this money and spend it for bridges and highways. That is not going to happen. It cannot happen.

So I would also say that in our bill, the leadership bill, the Work Opportunity Act of 1995, that we want to reduce the very disturbing number of children born out of wedlock just as much as everybody else, and there are no magic solutions out there that this Senator knows about. We do not believe the best way is to do it through more Federal control.

Our bill recognizes that States are better able than the Federal Government to determine what programs will best reduce illegitimacy.

S. 1120 recognizes the importance of the family. It recognizes that families that stay together are far less likely to be on welfare than those that do not.

Mr. KENNEDY. Will the Senator be willing to yield?

Mr. DOLE. I want to finish my statement. This is the first statement I have made except a brief introductory statement.

Mr. KENNEDY. I thank the Senator.

Mr. DOLE. But I would ask unanimous consent that we continue debate on the bill without amendments until 5:30.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. Mr. President, it takes the commonsense approach of requiring that single teenaged parents receiving welfare must stay in school and live under adult supervision. I know this is a breaking point with some of my colleagues on this side. I am not certain about that side.

In S. 1120, we give the States authority to deny benefits to teenage mothers and to place family caps. Again, I believe the Governors can make that choice. Many will make that choice. Others, for reasons that they feel are justified, and maybe better than ours, just want to do it at the Federal level. They want to mandate that you have to do it. We want it so the Governors can do it without asking Federal approval. Give them a little flexibility, give them a little freedom.

S. 1120 also requires that welfare applicants cooperate with paternity establishment of their children and requires the States to achieve a 90-percent success rate. Now, if some mother out there identifies the father and the search is begun, they cannot find the father, should we go so far as to say she cannot have any benefits even though she cooperated? I do not think so. Others would deny benefits until the father is apparently located.

One of the reasons the present system has failed is it provides no time limit for receiving welfare. And it offers in effect motivation for recipients to leave the welfare rolls for a payroll. We have long fought to put work back in. As I said, in 1988, with the former Senator from Colorado, Bill Armstrong, we made a number of modifications to the Family Security Act which many of my colleagues and then the chairman, Senator MOYNIHAN, accepted because he was just as genuinely sincere as we were in trying to make changes.

So there was a feeling back then by the American people and by the Members of Congress in both parties that work was important.

We also introduced at that time what we now know as participation standards that required States to make certain a percentage of their population was actually engaged in work.

S. 1120 goes further. With no exceptions, every adult recipient must start working and stay working. In our bill, work means work—no year-long job searches, no graduate degrees, no moving from one training program to another. And as I said, in the modification I just made, you cannot stay in vocational education forever either. There is a 1-year limit. I assume some Governors would find this to work because that would satisfy their concerns.

And then there is the question about whether we have strong work requirements in S. 1120. The bottom line is that S. 1120 contains the same provisions that are in the House bill with respect to the number of hours that must be worked, and it actually contains tougher participation requirements because States must sanction beneficiaries who refuse to work. And we have made a modification in that area, too. But I would just say that the general thrust is hopefully we can work out any differences on this side. As I have said, let us have a jump ball. We will throw it up in the air, and whoever gets the tip wins, and we are all still in the game. We do not say, well, if I lost, I am out of the game. Some will win and some will fail.

According to the Congressional Budget Office—and I think Senator PACKWOOD mentioned this—we will save in S. 1120 over the next 7 years—and these are estimates, CBO estimates which could be off either way—$70 billion. That is a lot of money. The House saves—they do not have a 7-year figure; they have a 5-year figure—$65 billion. So I would assume they save much more in 7 years, at least according to assumptions.

The point I wish to make today is this is the first day of the real debate. I would like to complete action on this bill this week. I do not see why we cannot. We will only have one or two distractions. We are still trying to work out an agreement on the DOD authorization bill. I think as we speak Senators are meeting to see if they can modify a couple of things that might permit us to complete action on that. If not, that will not be taken up.

But we will have 5 long days here, and maybe—I said Saturday we would not have a Saturday session, but if it meant completing action on this bill Saturday, obviously that would be different. I am not trying to threaten anybody. I say we ought to finish this before we leave. I am not saying if we just stall it until Friday we are out of here. That is not what I am saying. We ought to finish it before we leave, and that can be interpreted differently by different Members.

I hope we do not become overly partisan in the debate. As I said at the outset, it is not about compassion. It is not about generosity. It is about a system for some reason that is not working, despite all the good efforts by many and some in this Chamber now. I think it is our duty to fix it.

It is our duty to fix it. We ought to get it fixed this week. We ought to get it fixed before we leave here for what may be left of the August recess, so we will be in a position to go to conference with the House.

I must say, in the White House release that I referred to earlier, one thing that was encouraging, Mr. McCurry, the White House spokesman, made it very clear that they were not threatening a veto. "A long way from a veto" and "wants to cooperate with Capitol Hill." Their biggest objection is that "It does not require States to offer child care opportunities for welfare recipients going to work."

That is the big objection the White House has apparently at least today with the so-called leadership bill, the Work Opportunity Act of 1995. And I might say there are some on this side who have the same concern.

That is what it is all about. How do you get enough people together with different views to pass it? You cannot pass it with 23 votes. You cannot pass it with 33 votes. You cannot pass it with 43 votes. We might have to have 60 votes, though I am told, at least by inference, there will be no effort to filibuster or cloture will not be necessary on this bill, because I believe everybody wants us to come up with some change.

If that is the case, it is out there somewhere. There are 51 or 61 or 71 votes out there somewhere. And that is what this debate is all about. It is not about the toughest. It is not about the easiest. It is about substantial, meaningful change because the system has failed.

I hope as we continue the debate we will have a coming together of ideas.

The leadership does not suggest S. 1120 is perfect. I might say there are one or two provisions that divide the people on this side of the aisle like cash payments to teenage mothers. That is opposed by the Catholic bishops and by the Catholic Charities and the National Right to Life Organization but supported by the Christian Coalition, and you have the same lineup on family caps; also opposed by the 30 Republican Governors.

So it is not a question of—I mean I assume those groups are viewed as conservative groups. In this particular instance, they do not agree with one another, just as we do not agree with one another on some of these provisions. Hopefully we can work those out, plus others that are of particular concern to my friends like Senator FAIRCLOTH and others on this side of the aisle.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. SANTORUM addressed the Chair.

Mr. KENNEDY. Will the Senator yield?

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. KENNEDY. Will the Senator yield for a brief question?

Mr. DOLE. Speech or a question?

Mr. KENNEDY. Question.

Mr. DOLE. Sure.

Mr. KENNEDY. We will have the chance to debate the different features of the Senator's proposal, but I wanted to have the Senator's response to one of the primary areas of concern, and that is in the area of day care for children. As the Senator is familiar, the Finance Committee put approximately $1 billion of the child care program, day care program into the AFDC, and the budget has reduced the approximately $1 billion in the child care program, made 30 percent of it to be available to the States. So that means that there is only about a third of the total funding for the child care program.

Today there are 400,000 children under AFDC that receive any kind of child care. We have 10 million children and 4 million adults under AFDC. If half of the adults are going to have to go to work and their children are going to have to go to day care, it means there will be 4 million more slots that are going to be necessary for day care programs, as there will be 2 million of the AFDC parents that will go to work.

I am just wondering and asking the Senator where the funding is under the Dole proposal for the child care proposal, whether he is willing to try to find ways—perhaps it is already there. The Senator might be able to respond to the question or at least try to designate ways that issue could be addressed.

Mr. DOLE. Let me just respond this way to the Senator from Massachusetts. I said just a few moments ago—I do not think the Senator was on the floor—that was an area of concern today raised by the White House, the same general area. As I said, it is a concern raised by a number of my colleagues on this side of the aisle.

We had our first meeting on Friday. And Senator KASSEBAUM, the chairman of the committee, who did a lot of work in that area, was present. So I can say to the Senator in all candor, it is something that we are looking at. We know there is a problem, and we are looking at it because under the present provision of S. 1120, it would be block granted to the States. But there is a great deal of concern expressed. I can only say that we are going to sit down, I think, again either tonight or tomorrow morning, to try to address that on this side.

We will be happy to discuss it with the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I just say that I appreciate that, because as the Senator has pointed out, the initial block grant program was worked out on a bipartisan basis with Senator DODD, Senator HATCH, Senator KASSEBAUM, and others, and in the Finance Committee, Senator MOYNIHAN and others. The Republicans worked out the $1 billion program. The concern that many of us had is that the $1 billion program, which was used for the 400,000 day care slots for children, has gone into the AFDC. That figure, of course, is capped at the 1994 level.

The other block grant program, a third of that is no longer going to be necessarily designated for child care, which only leaves about $600 million. That is to go not to welfare parents, but to low-income working families. So this is an area of considerable concern.

We will look forward to try to work with the majority leader because it is an area of great concern.

I thank the Senator.

Mr. DOLE. I thank the Senator.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Parliamentary inquiry. I thought we were going to alternate one side to the other side.

The PRESIDING OFFICER. That is not the Chair's understanding.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. There is no order for that.

Mr. MOYNIHAN. There is no order, but that has been our agreeable practice throughout the day. There was an informal agreement, and the chairman of the Finance Committee would so attest.

The PRESIDING OFFICER. Is there any advice from the chairman of the Finance Committee?

Mr. PACKWOOD. Yes.

The PRESIDING OFFICER. I was not informed of the rule.

Mr. PACKWOOD. The Chair is correct. There is no rule.

Senator MOYNIHAN and I agreed we would try to go back and forth. I must say, in fairness, we have had four or five speakers on our side. The Democrats had none on theirs. Just to the extent we are on the floor, we are going back and forth on the floor informally. If no one is on the floor, we will recognize who is there to speak.

The PRESIDING OFFICER. I was not aware.

The Senator from Iowa.

Mr. HARKIN. I thank the President and the chairman of the committee and the ranking member.

Mr. President, it is about time, at long last we are debating welfare reform on the floor of the U.S. Senate. This is a debate welcomed by this Senator, and I know by others on this side of the aisle and on the other side of the aisle. It has been a long time coming.

Reform of the welfare system is a serious issue. It is my hope that we will have a serious, thorough, and thoughtful debate, a debate that rises above partisanship, a debate that says let us not make politics as usual, business as usual, especially with this issue. The American people want us to work together to make welfare work for America.

Of course, there is disagreement about how to achieve that goal. But there is also a lot of common ground. All of us agree that today's system is broken. It discourages work, it rewards dependence, it cripples opportunity, and it wastes tax dollars. I have said many times, Mr. President, that the present welfare system is unfair. It is unfair to the people who are on it and it is unfair to the taxpayers.

But for too long, that is just about as far as it has gotten. Politics as usual has crowded out good ideas and practical solutions. And what has been the result?

Families on welfare have been stuck in the dependence trap and taxpayers have been stuck with the bill. So how do we escape it? Well, the key to real reform is to start with the basic questions—not what makes the best sound bite, not what pushes the most hot buttons, but what makes common sense and what works.

My work on welfare reform over the last several years has led me to five fundamental conclusions about how to not just reform welfare, but how to once and for all say really farewell to welfare as we know it. And I would like to go through those five conclusions.

Conclusion No. 1. Welfare reform must be built on a foundation of responsibility. We must stop looking at welfare as a Government giveaway program. Instead, it should be a contract demanding mutual responsibility between the Government and the individual receiving the benefits. The contract should outline the steps a recipient will take to become self-sufficient and a date certain by which they will be off of welfare. Responsibility should start on day one with continued benefits conditioned on compliance with the contract's requirements and, I might add, continued benefits conditioned on the compliance with the contract's requirements by both sides, by both the State and the recipient.

Conclusion No. 2. The goal is self-sufficiency. We have to have a shift in our thinking about welfare, that somehow it is going to be welfare to work, or welfare to a job. I think we have to now begin thinking about welfare to self-sufficiency. Self-sufficiency is a term different from a job. Maybe in the past, we could have the luxury of training someone for a job, giving that person a job, and maybe they could have it for 20 or 30 or 40 years. We know right now that the average worker in America changes jobs, I think, seven times during his or her lifetime. For those at the lower income of the economic scale, it is probably twice that many times.

So I believe that we have to stop thinking about just getting someone a job. We have to prepare people to be self-sufficient. And that encompasses a whole different concept than just training someone for a job.

We do not want just to get families off of welfare and a job, we want to keep them off permanently. That means providing incentives that encourage work and savings, but it also means not just issuing empty promises about child care, but building up people's skills, assisting with child care, education, job training and other basic skills that welfare recipients need to find and keep good jobs. I mean, it could be everything from how to interview, how to keep a budget, how to shop, how to dress, language skills, how to communicate. All of these things need to be built into this concept of being self-sufficient.

So the bottom line in welfare reform is not in short-term budget savings. But the bottom line is the number of families who are able to climb up that ladder of opportunity and escape for good, knowing that they have the necessary skills and fundamentals so that, if they do lose a job, they can go out in the marketplace and find another one.

Mr. President, I also, just as an aside here, want to say that in Iowa—I will refer to this periodically throughout my remarks, and I know the majority leader said something about hoping that we could have a good bipartisan program of welfare reform. That is possible. We did it in Iowa. I might just add as a preface to some of the other things I am going to say, we passed a welfare reform bill in Iowa 2 years ago. It has been in effect for 1½ years. It got the support of, as I have always liked to say, Pat Robertson conservative Republicans and Jesse Jackson liberal Democrats. Only one person in the Iowa House voted against it. It was signed into law by a conservative Republican, Governor Branstad. We were able to work in a bipartisan fashion. But the way we did it, I think, was the right way, rather than just throwing a bill out and having an ideological debate about welfare.

Back in the 1980's, the legislature, again working in a bipartisan fashion in Iowa, established some pilot programs around the State to find out what would work. They were demonstration programs to see what would and would not work. This went on for a few years. As a result of these programs, the legislature took up the bill 2 years ago and passed a welfare reform bill based upon those demonstration programs. And it has been in existence for a year and a half, and I will talk more about that in a few minutes.

Iowa's Governor, Terry Branstad, said last December, "There has been much recognition that welfare reform requires an up-front investment with long-term results." Even Governor Thompson of Wisconsin echoed the same words when he said, "Welfare reform requires cash investments up front. But that investment eventually turns into savings."

Conclusion No. 3 is that one size does not fit all. An inflexible 2-year time limit on welfare benefits, as I have said before, is too permissive. If put in place, a 2-year maximum becomes a 2-year minimum. Time limits should be based on individual family circumstances, not some cookie-cutter approach. The plain fact is that many require far less than 2 years on welfare to achieve self-sufficiency. States also should not be strapped with a welfare Federal straitjacket. We should cut Federal redtape and leave the States with the option of choosing the policies best for them. After all, what works in Brooklyn, NY, may not work very well in Brooklyn, IA.

But we also should not abandon the basic national framework that assures protection for children and demands responsibility from all recipients. Without that, we risk trading in one large failed dependency-inducing system for 50 smaller varieties of the same thing. I will repeat that. If we do not keep our basic national framework that assures protection for children and demands responsibility from recipients, if we are going to turn this back to the States, we are going to have 50 varieties, basically, of what we have right now.

Conclusion No. 4. The private sector must be a full partner in fixing welfare, not in the end but in the beginning. Too often, we have put people through welfare programs, training programs, and then at the end we say, "OK, go out to the private sector and get a job." I believe that what we have done in Iowa has shown that to be absolutely the wrong approach. The private sector must be pulled in up at the beginning when a person is on welfare and when they have signed the contract and they begin that process for self-sufficiency. There must be ways for the private sector to be involved right from the beginning.

Also, instead of creating costly and inefficient Government make-work jobs, the focus ought to be moving people into permanent jobs in the private sector and not some dead-end, make-work job in the beginning.

Mentoring programs by the private sector must be encouraged. They work great in Iowa. And microenterprise development—and I will have more to say about that in a few minutes—must be enhanced and promoted. Businesses should be encouraged with whatever we have to encourage them to do so, to get in on the ground floor of welfare reform and work with clients in the beginning.

I mentioned microenterprise development. Look at the work of the Institute for Social and Economic Development in Iowa. It has been helping low-income individuals start their own businesses. While most small businesses fail within the first year in America, most businesses established with the assistance of ISED, since this program started in 1988—and this is a program where with a very little amount of money, welfare recipients who have the ability and desire to establish their own businesses through microenterprises are given intensive training periods in accounting, bookkeeping, buying and selling; setting up a business. This lasts for about 3 months, and they are then given low-interest loans, very low-interest loans, to help start that small business.

Guess what has happened? While most small businesses fail in the first year, this program has had a 72-percent success rate. Think about that. Since 1988, for every 100 businesses started under this program, 72 percent are still surviving today, providing former welfare clients with a business of their own and providing them with self-sufficiency. That is better than SBA can ever hope for—72 percent. And yet, under the bill we have in front of us—I will say more about this later—that funding is taken away for microenterprise development. That is one of the most successful things we have seen.

I had an example here of some of the people who were involved in this program. Jo Sires, owner-operator of Again and Again Consignment, buys clothes from garage or yard sales. Some of it she gets on consignment and resells. She has owned and operated that business for 5 years. She started in June of 1990. She was laid off from Rath Packing Co. due to plant closure. She had been on and off AFDC for 4 years. She is a divorced mother with three children. She started working with the Institute of Social and Economic Development in July 1989. She opened her store in 1990. Right now, she has pursued her business and has relocated her store after the first year to a place with twice as much floor space. Her sales range from $3,000 to $6,000 per month. Here is a person who was on welfare, AFDC, for almost 4 years. Now she is totally self-sufficient.

I have a lot more cases here of people that have started their own small businesses and how they have gone on to operate those businesses with their families and become successes. We ought to encourage more of this and not pull the rug out from underneath them. We have a success rate of 72 percent, and that is something to crow about.

Conclusion No. 5. Bipartisanship is essential. Neither political party has a corner on the market of good ideas. We can learn from each other and come together on a plan that includes the best ideas of both. I was proud last year to have joined with Senator KIT BOND of Missouri to introduce the first bipartisan welfare reform legislation last year. It encompassed much of what we did in Iowa and much of what Missouri had done also. As I said, no party has a corner on the market of good ideas.

Mr. President, I have worked to develop an approach that is rooted in these five core principles. The centerpiece is the family investment agreement, which requires all families on welfare to enter into an individualized contract with the State. Under the plan, each family will sit down with a case manager and chart a course to self-sufficiency. Basically, it means taking people who are on welfare now, putting them through the family investment program, having them sit down with a case manager and getting an assessment, a thorough assessment of that individual—background, capabilities, test scores, whether they have disabilities, what their family is like, how many children, do they have disabilities in the family, do they need transportation, and where they live.

You need a good profile of people so that you can come up with a contract that individualizes the approach, as I said earlier. One of my conclusions is that one size does not fit all. We have proven that in Iowa. When you individualize a contract, when you have a case manager, when you do a good profile of an individual and of her or his situation, then you can draw up a contract that is realistic and that provides that person with a pathway up and out of welfare and into self-sufficiency.

Flexibility is critical in welfare reform. We should be inflexible when it comes to one bottom line: We must demand results.

Under the legislation that Senator BOND and I introduced, 90 percent of the recipients would be required to sign agreements and find work. This plan may sound unrealistic.

The fact is those ideas are based on reform that has actually worked. Under Iowa's revolutionary bipartisan welfare reform plan, which adopted the family investment agreement 1½ years ago, the number of welfare recipients holding jobs has grown by 93 percent.

Mr. President, here is a chart that illustrates what has happened in Iowa, through June 1995, starting in September 1993. Actually, I said a year and a half, and you might say, well, you have been on the program almost 2 years. Most things did not go into effect until January of 1994. We took this as the starting point of that fiscal year and the beginning of the next fiscal year.

At that time, we had 6,553 families on welfare in Iowa who were working. We now have 12,351. That is an increase of 93 percent. That has happened in Iowa. People might say, well, you have low rates of unemployment, and maybe the economy has gotten better. Maybe there are things to account for that.

Mr. President, because we had to go to the Department of Health and Human Services to get a waiver for our program, they demanded we set up the control group. There are people in Iowa who are not under this program, they are operating under the old program. So we are able to see whether or not they have been able to do the same thing as this group.

Guess what? Under the old group, looking at this chart, right in the beginning we had 18 percent of our families working who were on welfare. That is now up to 34.8 percent. In the control group, it is still operating under the old system. They are still down at 18 percent working. Under the new system, we have almost doubled it—93-percent increase. You cannot say it is just because the economy has gotten better or low unemployment, because we have the control group there under the old system. We are able to compare. We know under the new system we have almost doubled the number of people on welfare who work.

I am proud to say that right now Iowa leads the Nation, we have a higher number of our people on welfare who work than any State in the country. Iowa leads the Nation in moving recipients from welfare to work. The costs to taxpayers are steadily going down and welfare caseloads are declining.

Since the program began on October 1, 1993, the number of Iowa welfare recipients who are working and earning a paycheck, as I said, has almost doubled. Since more welfare recipients are working and earning income, the average size of the welfare grant has declined from $373 down to $336.

Mr. President, here is a chart showing what has happened to our average grant, $373, now down to $336. Again, keep in mind, we have almost doubled the number of people on welfare who work and we have cut the average size of the grant from $373 to $336.

Now look at what has happened to our caseload. The number of families on welfare has declined. Now, Mr. President, I said earlier, to echo Governor Branstad and even Governor Thompson, sometimes it takes investment up front to get long-term investments. We knew in Iowa—Republicans and Democrats alike—that when we made the changes the number of people on welfare would blip up in the beginning, but we had confidence that because of what we had seen on some of the pilot programs in Iowa earlier, we knew after the initial blip up they would start to come down. That is exactly what has happened. This chart proves it.

We started out our caseload with 36,404. Immediately, up until May of last year, it boomed up. Once we worked through the system, we got these people because of the transportation, and things like that, it leveled off, and since that point in time, it has dramatically come down, and we are down now to 34,806. This is what we have to keep in mind.

Sometimes an investment up front will yield long-term investments. We are so concerned around here about cutting this, we want to see what will happen in the first year. Cut everybody down the first year. What will happen is it will boom up later on because people simply will not have the wherewithal, the training, to be self-sufficient.

That is what we have done in Iowa. We took the long view. We said maybe in the first few months it may cost a little bit more. We may get a few more people on welfare. But we know what will happen, and what happens statewide is what happened in every pilot program that we had before that.

So it is working. I urge my colleagues, keep in mind the long term, not just the short term, but the long term. We know what has happened in Iowa.

Lastly, what has happened on the macro scale to the State of Iowa with this program? Total cash payments have declined by 20 percent from $13.8 million per month to $11.7 million per month. Two million a month, $24 million a year—that is not bad for the State of Iowa.

Here, this chart shows it. The blue line is fiscal year 1992. The green line is fiscal year 1993. The yellow line is fiscal year 1994, total expenditures on welfare grants in Iowa. Here is what happened after we instituted our welfare reform program—the red line. It has been coming down constantly. Compared to just here in 1994, we are down to about $2 million a month.

Let me sum it up. What have we done in Iowa? We doubled the number of people on welfare working. We cut the number of total caseloads on welfare. We have cut the cash grant to families. We have cut the total expenditures that the State of Iowa has to come up with. It is working.

I have said many times, we in Iowa did it right. We are sort of the Rodney Dangerfield of welfare reform. We did it right, but "We don't get no respect." We have done it right in Iowa. As I said, it got the vote of conservative Republicans and liberal Democrats, and they put it through.

It has worked. It has worked well. Taxpayers have saved money, welfare recipients have gotten jobs, fewer families are on the welfare roll. I call that a triple play.

I had some editorials I was going to read. Mr. President, I will have printed an editorial about the mentoring projects in Iowa, where we bring in private businesses to mentor people who are working on welfare, and how good a program that is. I ask unanimous consent that be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MENTOR PROJECT A GOOD IDEA

The Iowa Invests Mentors Project aims to pair people who have made it with those who want to.

The basic idea is to help people on welfare by providing guidance from those who have learned how to survive in the methods and skills of job hunting and job retention.

The program is not designed to provide a cheerleader, but someone who can give practical, real-life advice.

But there is more to the program. Participants are required to sign a contract agreeing to obtain training and get jobs with phased-out assistance payments.

This is an Iowa program that grew out of a 1988 pilot program, giving state jobs to former Polk County Aid to Families with Dependent Children recipients.

In 1993, the project expanded into the Family Investment Program-Promise Jobs, an outgrowth of a bill passed by the Iowa Legislature in response to Iowa Commission on the Status of Women requests.

This is the kind of program which critics of the welfare system have been demanding for years.

Now it has arrived. But, ironically, there has been little response from the community.

According to program managers, there are as many as 2,000 eligible people in the eight-county southwest Iowa area, yet no more than 25 to 30 volunteers are expected by the most optimistic organizers.

We might be forgiven for suspecting that opponents of welfare are not putting their time and money where their mouth is.

We are sure that in our area there are many who could give substantial guidance to those seeking self-sufficiency.

For women who have faced the humiliating need for public assistance, often after being abandoned by a spouse, this first step is critical toward establishing self-esteem and a secure economic future.

We think they deserve our support.

For those unable to mentor, there will be the opportunity to offer pledges to those who will be "rocking" in a rocking chair marathon Saturday at WalMart, 3201 Manawa Center Drive, from 10 a.m. to 6 p.m.

It is of no use to complain about state-sponsored welfare and then refuse to participate in programs that provide grassroot support for those among us who need our help to establish themselves.

Mr. HARKIN. A good editorial from the Cedar Rapids Gazette entitled, "Take Good Ideas and Run With Them." I might point out this was in last year in December.

As the reins of power in Congress are passed to new hands over the next month, the incoming Republican majority should not only take note of the voter unrest that made this change possible, but other circumstances outside the Washington beltway.

For instance, TOM HARKIN, heretofore a well-positioned Democratic member of the United States Senate, and Terry Branstad, the Republican poised to set a longevity record for Iowa governors, find themselves on the same wavelength about a traditionally dicey issue—welfare. Both have had good things to say about efforts in Iowa to reform welfare programs. Both regard the Iowa experiment as a potential model for Federal welfare overhaul.

Anyway, it went through what happened in Iowa and concluded by saying:

That's how government is supposed to work, of course. Forget the partisan sideshow and concentrate on making good public policy out of good ideas regardless of their origins.

Mr. President, I ask unanimous consent this be printed in the RECORD, also.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TAKE GOOD IDEAS AND RUN WITH THEM

As the reins of power in Congress are passed to new hands over the next month, the incoming Republican majority should not only take note of the voter unrest that made this change possible, but other circumstances outside the Washington beltway.

For instance, Tom Harkin, heretofore a well-positioned Democratic member of the United States Senate, and Terry Bradstad, the Republican poised to set a longevity record for Iowa governors, find themselves on the same wavelength about a traditionally dicey issue—welfare.

Both have had good things to say about efforts in Iowa to reform welfare programs. Both regard the Iowa experiment as a potential model for federal welfare overhaul.

Iowa has instituted a plan in which recipients of public assistance must agree to gradually re-enter the work force, thereby easing themselves off welfare. Some don't like this imposition of deadlines, complaining that life doesn't necessarily mesh with such mandates. True, but absence of specific targets merely encourage the status quo.

Other gaps probably exist, too. But though the Iowa plan isn't perfect, the system it replaces has long since become inefficient. And in the relatively short time the new program has been in place, results have been encouraging. Greater numbers of assistance recipients are able to share in their own support through earnings.

Never will society be entirely free of an obligation to help the less fortunate who cannot help themselves. But neither should it be burdened with supporting those who will not contribute to their own well-being.

What Iowa policymakers crafted for this state shows promise, and under Harkin's guidance, could become a pattern for federal welfare reform. He's losing chairmanship of a key Senate committee, by virtue of being relegated to minority status, but Harkin is shrewd enough about the ways of Congress to know how to get a good idea considered. He and Sen. Kit Bond, a Missouri Republican, will reintroduce legislation next year on welfare reform.

That's how government is supposed to work, of course. Forget the partisan sideshow and concentrate on making good public policy out of good ideas regardless of their origins.

Mr. HARKIN. Mr. President, this is an editorial more recently, on May 11, from the Des Moines Register, which is titled "A Welfare Winner—Iowa's Family Investment Plan Could be a National Model."

With a solid year's worth of experience behind it, Iowa's innovative new welfare program looks like a winner. If the numbers hold up over time, the state's Department of Human Services will have succeeded where the nation and practically every state have either feared to tread or have tried and fallen short.

As Senator Tom Harkin has pointed out, the Iowa idea could be a model for the Nation. But rather than looking at Iowa, congressional GOP leadership is focusing on block grants to states, with no guarantee that they won't use Federal tax money to perpetuate formulas for failure that have characterized welfare from its inception.

Mr. President, I ask unanimous consent this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register, May 11, 1995]

A WELFARE WINNER—IOWA'S FAMILY INVESTMENT PLAN COULD BE A NATIONAL MODEL

With a solid year's worth of experience behind it, Iowa's innovative new welfare program looks like a winner. If the numbers hold up over time, the state's Department of Human Services will have succeeded where the nation and practically every state have either feared to tread or have tried and fallen short.

As Senator Tom Harkin has pointed out, the Iowa idea cold be a model for the nation. But rather than looking at Iowa, congressional GOP leadership is focusing on block grants to states, with no guarantee that they won't use federal tax money to perpetuate formulas for failure that have characterized welfare from its inception.

There remains a very long path toward a complete weaning of Iowa's poor from the dole. It will never be complete; a core of hard cases is inevitable. And the Iowa reform plan, known as the Family Investment Plan, has yet to make a serious dent in Medicaid, the welfare health program that costs seven times as much in Iowa as do the cash grants to the poor to pay for necessities. (Besides serving young, needy families, much of the Medicaid expense goes to the elderly poor in nursing homes.)

But the welfare that hits the public's hot buttons—Aid to Families with Dependent Children—involves cash grants given to women who have babies instead of jobs. In that area, Iowa is making progress by substituting the Family Investment Plan.

The March 1995 welfare caseload in Iowa is down 9 percent from March 1994.

The cost of welfare grants for the month of March '95 is 12 percent lower than for the same month a year ago.

Before Iowa began phasing in the Family Investment Plan program in October 1993, fewer than one Iowa welfare family in five had any earnings from a job. By March '94, the number was roughly one in four. By March '95, it was one in three.

"Getting that first job is the big step," said Ann Wiebers of Iowa's DHS.

To make getting that job more attractive, the state allows welfare recipients to keep more earnings than they did under AFDC. Welfare grants decline as earnings increase, but they don't fall as fast as under the old AFDC formula. That means giving more bucks to beginning wage-earners—but the investment pays off for taxpayers.

The new Family Investment Plan includes penalties as well as rewards. Those who refuse to sign a contract to get a job or get training, or sign a contract but refuse to abide by it, can lose their cash grant.

For the first three months, non-cooperators continue to get full benefits; for the next three, benefits for adults in the family go. After that, it's over, and as of April 1, the DHS had canceled grants to 1,112 families. They continue to get health care, and food-stamp allotments actually increase. Iowa public-health officials visit families to make sure the children are getting along.

The program is not yet fully implemented. The Family Investment Plan has replaced AFDC in 90 counties, and has taken much of the caseload in the other nine.

The only valid rationale for having maintained 50 separate state welfare programs through the years is to enable states to improvise and innovate. Iowa has sought reform through increased incentives, and it works. But as Harkin told a Senate Finance Committee hearing, "No one seems to be paying any attention."

They should be. And the lack of attention makes one wonder if congressional leadership is less concerned with successful reform than with who gets the credit.

Mr. HARKIN. Mr. President, I ask unanimous consent, at the end of my statement, at the end of my time, a series of other editorials in support of the Iowa program be printed in the RECORD.

The PRESIDING OFFICER (Mr. SANTORUM). Without objection, it is so ordered.

(See Exhibit 1.)

Mr. HARKIN. Mr. President, let me comment a little bit about the bill we have before us. I guess it is called the Dole-Packwood bill, S. 1120.

I think, basically, this bill strikes out. As I have said, the Iowa program is a triple play. This bill strikes out. It fails the test of moving people from welfare to self-sufficiency. Again, do not take my word for it. The Congressional Budget Office estimates that 44 of the 50 States will not meet the work requirements as outlined in the bill.

We need a welfare system that empowers people and promotes independence. Today's system fails to do it and, I believe, so does the bill before us. The Dole-Packwood bill merely changes the means of delivering welfare programs but will not affect the end. Families will remain trapped in a cycle of dependency and poverty. The pending legislation replaces this one failed dependency-inducing system we have with 50 varieties of the same. It boxes up the problem and ships it off to the States. It will not ensure reform. Nor will the pending legislation provide opportunity, real opportunity for welfare recipients, the real opportunities to become self-sufficient. That should be our goal. If you do not have an education and skills, you will not get a job. If you do not have transportation, you cannot get to a job. And if you do not have child care, you cannot keep a job.

That is the reality for most families on welfare: No one to take care of the kids, no way to get to work, no skills, no education. And, to them, the bill before us, the Dole-Packwood bill, says "No way out. No luck. No exit." That is not welfare reform, that is welfare fraud.

What we did in Iowa—I might add, some of the things that increased the caseload, that made this caseload up in the beginning, is we let people keep more of their earnings. We raised the ceiling for automobiles. Under Federal law, a welfare recipient getting AFDC cannot have a car valued at more than $1,500. What do you get for $1,500? You get a car that breaks down all the time. So the welfare client, they have a car worth $1,000 or $1,200, it breaks down, they cannot get to work, they lose their job, and go right back on welfare.

We in Iowa raised that to $3,000. Now people on welfare can have a little better car and be assured they can get to work.

If you think that is liberal you ought to try Utah. Utah raised the value of the car, I believe, if I am not mistaken, to $7,000 or $8,000. You can have a car valued at that much and still get AFDC, still qualify for AFDC.

So these up-front investments are necessary to move people out of welfare and achieve real, long-term savings. I am afraid the Dole-Packwood bill is nothing more than just shifting the costs onto the State and local taxpayers.

In talking with people in Iowa in town meetings, especially with boards of supervisors, they know what is going to happen. It is going to fall in their lap. This is just going to be a shift down to general relief. Since people will be at the county level, they know these people, then it is going to mean an increase in property taxes. The Dole-Packwood bill, I think, if nothing else, means that. It is going to increase property taxes for people in this country at the local level and it is not going to provide for any pathway to self-sufficiency.

Again, to repeat, the goal of reform should be self-sufficiency, so people can get off of welfare and stay off of welfare. The Dole-Packwood bill will not do this and it should be rejected. But we should work together to try to change, to modify, to make sure that we have legislation that I believe is more in keeping with what we did in Iowa. The bill that Senator DASCHLE has come up with, I think, takes a different approach—realistic, forward-looking, profamily, and prokids. The Work First proposal requires a contract between welfare recipients and the State similar to that in the Iowa Family Investment Plan.

Now the Dole-Packwood bill also has a contract in it, but it does not say what the contract has to do. The bill over here, the Work First proposal, does set that out. The Work First plan also offers the Iowa plan as one of three models that States may adopt in their effort to reform the current system and move recipients from the welfare rolls to the job rolls. In other words, under the Daschle bill, the Work First bill, if a State wants to adopt the Iowa plan, it can do so and not be burdened with any Federal regulations, Federal rules. They do not have to come under the other purviews of the welfare bill.

As I say, it is one of three: That; the Oregon plan; and I believe the Riverside, CA, plan.

So this may be someplace where both sides can work together and that is to make sure at least the contract is one that is realistic, that is binding, that holds the recipient to be responsible from day one, but also holds the State responsible. What we have done in Iowa, under the contract, once that initial assessment is done and a contract is worked out, the recipient signs it and the State signs it. The State has to live up to its side of the bargain, too; in other words, to provide child care, transportation, we provide education, tuition—that type of thing. Whatever is the best for that person, to get that person through the program and into self-sufficiency.

As I said, we found in most cases it does not take 2 years. I think, if you have 2 years, as I said before, the maximum becomes the minimum. But every contract, every contract in Iowa, has a time limit. And every contract should have a time limit—whatever time it requires to get that person through and into self-sufficiency.

There are always going to be the hard cases. The 18-year-old girl who has two children and has no high school education. One of her kids is severely disabled. She may have a disability herself. And she may have no family support anywhere. To think that that person may get through in 2 years is foolish. It may take 4 years. It may take 5 years. Those are the hard cases. But the vast majority of cases will take less than 2 years. That is why I say it has to be individualized and not "one cookie-cutter plan fits all."

So instead of simply slashing welfare and dumping all the responsibility and all the bills onto the States and local taxpayers, I believe the Work First plan represents real reform and real change.

Like the Iowa plan, the Work First plan demands responsibility from day one, not after 2 years. And it ends the "something for nothing" system of today with one that truly turns welfare into work. The Work First plan is built on the concepts of accountability, responsibility, opportunity, and common sense. It will liberate families from the welfare trap and it will strengthen families and help today's welfare recipients finally walk off this dead end of dependence and on the road to self-sufficiency.

Mr. President, I close by urging all my colleagues to please take a close look at the Iowa plan, what the Iowa plan has done, the success it has had. I hope we can work together in a bipartisan fashion. We have two bills out here now. I am sure amendments will be offered and debated. They should be.

What we are talking about here is nothing less than perhaps the most profound change in social policy that we have had in 20, 30, 40 years, perhaps—maybe more. We should not take it lightly. We should not rush to judgment. But we should not be stampeded into making changes that are not based upon sound data and experience that we have had.

We should not be making decisions just based upon anecdotal stories or ideology or what feels good or what makes a sound bite or what scores the most political points. This is a very serious debate long overdue. It should be thoughtful and thorough. Amendments ought to be offered. I have some that I will offer maybe to both—I do not know—that will incorporate a lot of what the Iowa plan does because I think it does make common sense. There are some other provisions that other people have worked on that, quite frankly, I like, some that are on the other side of the aisle.

So I am hopeful that we will do this in a thoughtful and thorough manner. I do not know if we can get it done this week or not. I do not intend to filibuster it. I have never heard anybody talk about a filibuster. But I do believe it ought to be thorough and thoughtful and take whatever time is necessary. If it takes more than a week, maybe it ought to take more than a week. I do not know. I hope we have our debates and have our amendments, and vote them up or down. Hopefully, we can come up with a welfare reform program that truly is revolutionary. I do not think that this Congress could do any better for the American people than adopting what we have done in Iowa to move families off of welfare.

I thank the Chair.

EXHIBIT 1

[From the Burlington Hawk-Eye (Iowa), Feb. 8, 1995]

WELFARE REFORM SHOWS PROMISE

(FIP program: More welfare recipients getting jobs under new rules designed to get people off the public dole)

(By Roger Munns)

DES MOINES.—Welfare recipients in a test group who still get benefits under Iowa's old law are much less likely to have jobs than the majority who get benefits under a reform law, according to state officials.

Only 18 percent of a test group of families who get Aid to Families with Dependent Children have members with part-time jobs.

ADC was replaced last year with the Family Investment Program in which recipients must sign a contract detailing how and when they'll get off the dole.

The 18 percent compares to 33 percent of FIP recipients who have jobs.

"To me, this says that the families under the old policy are continuing to behave in the way they always did," said Deb Bingaman, welfare reform waiver coordinator for the state. "That percentage isn't increasing."

When Iowa switched to the new law last year, some recipients were deliberately selected, at random, to be part of a control group that still receives AFDC. There are 2,158 families in the test group, all from nine counties: Polk, Black Hawk, Clinton, Des Moines, Jackson, Jones, Linn, Pottawattamie and Woodbury.

Of those families, only 390 had a member with a part-time job in January. That's the same percentage of AFDC recipients who had jobs before the reforms went into effect.

By comparison, almost exactly a third—33.4 percent—of the vast majority of cases who are getting benefits under the new law have outside income. In December 37,925 Iowa families were getting FIP grants, and of those, 12,667 had family members who had jobs.

Bingaman said state officials are encouraged by the numbers, since more and more welfare recipients are getting work experience that will help them become self sufficient.

The key reason for the disparity is that the new law has an incentive for work. Recipients get to keep higher amounts of outside income before benefits start to decline.

"This encourages people to become involved," said John Kneeland, director of welfare services in the Ottumwa region. "The old system sort of gave things to you with one hand and took them away with the other."

Charles Bruner, director of the Institute for Social and Economic Development in Des Moines, said there hasn't been enough evaluation to determine the success of the new law. But he said the early numbers are encouraging.

"I think Iowa is pretty much a model. It's one of the best efforts to create a ladder out of poverty, and it's showing positive results," said Bruner.

"More people are working and more are on welfare, but average grants are less, and it's not costing us any more than the old system. So overall, it looks good."

In addition to the outside income allowances, there are other differences between the old and new laws. Recipients are allowed higher assets without being disqualified, it's easier for two-parent households to qualify, and recipients must sign agreements on how they'll become self sufficient.

Those who don't play by the rules have benefits cut off.

When the program began, the caseload shot up dramatically, up to a peak of more than 40,600 last April, and has been dropping since. Last December, there were 37,925 families receiving welfare.

The average grant was $344.64 in December, and it, too, is declining as people earn more money in their jobs, Bingaman said. By comparison, the average AFDC grant in September 1993 was $373.75. FIP recipients also receive food stamps and medical care.

Bingaman said there is no data on the test AFDC group other than the percentage of those with jobs. The state has hired a Washington, D.C., group to conduct research on the test group.

Bruner said one factor that might skew the results is Iowa's robust economy.

"Obviously, welfare reform is going to be far better in areas where there's a lot of demand for workers. We're looking at this in a climate of a fairly healthy economy," he said.

Bingaman concurred, but said the robust economy didn't increase the percentage of those in the test group with jobs.

[From the Cedar Rapids Gazette, Apr. 17, 1994]

THIS ONE'S DIFFERENT

Iowa Senator Tom Harkin is teaming up with conservative Missouri Republican Sen. Christopher Bond to introduce a "Welfare to Self-Sufficiency Act" that would limit benefits more than the welfare proposal espoused by President Clinton.

Clinton's plan would stop paying benefits after two years. But the Bond-Harkin plan would provide full benefits for three months, reduce them for three months and then stop them.

And listen to Harkin's rationale for such a short term: It requires welfare recipients to take responsibility for themselves and their families "from day one, not year two." Harkin said he is concerned "that a two-year limit on the welfare rolls will actually become a two-year minimum. If people aren't encouraged, or in some cases required, to help themselves, many simply won't."

Key to the plan is a contract between the government and participants that outlines the steps recipients would take to resume self-sufficiency. The plan also allows families to keep more of their earned income and to save money, according to Associated Press. The plan is based on reform already in Iowa and Missouri.

Of course, such plans depend a lot on employers creating jobs that people in these circumstances are able to fill. Also, this plan, introduced last Monday, joins a growing list of welfare reform efforts. But it could stand out both for its conservative provisions and its sponsorship by the liberal Tom Harkin.

That last point alone could make a difference. It's like that line, "Only Nixon could go to China.""

[From the Waterloo Courier (Iowa), Oct. 17, 1994]

WELFARE SYSTEM FINALLY WORKS

Iowa taxpayers who have long demanded accountability from welfare recipients started getting it.

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Failure to sign pulls the plus on public assistance. . . .

But the triumph of the program is not necessarily in who will not benefit. Instead, praise and support should go to the vast majority or recipients who are cooperating, and the people making the program work.

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It sends an irrefutable message that Iowans will help those people in need who show the desire and responsibility to help themselves. And, especially important, the new policy tells that small group of freeloaders who are unwilling to better themselves that they are—finally and deservedly—on their own.

[From the Ottumwa Courier (Iowa), Oct. 3, 1994]

PROGRAM HELPS IOWANS GET OFF WELFARE

Iowans don't mind lending a hand now and then.

Unfortunately, our state welfare system has become more than a helping hand to many families. It has become a way of life, a culture, an expectation, a cycle of dependence that has been passed from one generation to the next.

The state decided to do something about that cycle last year, and the results are beginning to take hold. About 250 families have been cut off from welfare benefits because they refused to take part in a new program that forces families to take specific steps to wean themselves from welfare.

Many taxpayers believe it is long overdue. Some welfare recipients believe it is unfair—particularly to children.

At the beginning of this year, most Iowa families that receive Aid to Families with Dependent Children were forced to sign contracts called Family Investment Agreements.

The agreement spells out steps that families must take to leave welfare and enter the workforce. In return, families will be able to keep more of their earnings and accumulate more assets without hurting welfare payments. To assist, the state is spreading a safety net that includes such support as child care, job training, education and health insurance.

For years, critics have argued that one of the main flaws in the welfare system—not just in Iowa, but nationwide—is that it provides too many incentives to stay on welfare, and makes it too difficult to get off of it.

The Iowa program is designed to provide incentives to leave welfare.

In addition, the new program provides welfare recipients plenty of opportunities to enroll. They receive written notice before payments are trimmed, then cut off. And people who lose benefits may apply again in six months.

But the philosophy seems simple enough: Take steps to find work and the state will help you. But if you won't do anything to help yourself, why should the state be expected to take care of everything?

It only seems fair.

[From the Omaha World-Herald, May 5, 1995]

WELFARE CONTRACT A WORTHWHILE IDEA

The idea that welfare should involve form of social contract continues to deserve attention.

Sen. Tom Harkin, D-Iowa, has introduced a bill in the Senate that reflects ideas from a welfare reform plan enacted by Governor Branstad and the Iowa Legislature. One idea is that welfare isn't run automatic entitlement. A recipient must sign a contract with state government. The contract spells out the services the government will provide, and it contains specific steps to be taken by the recipient to become self-reliant.

A similar provision has been included in the welfare reform program under consideration in Nebraska. Jerry Oligmueller of the State Department of Social Services said that recipients would sign a "self-sufficiency contract" charting a two-year course to self-sufficiency.

Emphasis on personal responsibility, he said, is part of the state's effort to recognize and encourage a change in attitudes about welfare.

The idea of changing society's thinking about welfare is all to the good. In the case of people who have no physical or mental ailments, welfare should not be an open-ended arrangement. It's not fair for the government to take money from tax-paying citizens to provide for the permanent support of an able-bodied person. State and federal officials who are trying to re-establish welfare as a temporary, rehabilitative program are doing the right thing.

[From the Waterloo Courier (Iowa), Oct. 3, 1994]

CHANGES IN WELFARE RULES FULFILL WILL OF THE PEOPLE

Iowa taxpayers who have long demanded accountability from welfare recipients started getting it on Saturday.

Under reform legislation enacted last year, welfare recipients must sing Family Investment Agreements that detail how and when they will become self sufficient. The agreements can include education, training, community service and other options.

Failure to sign pulls the plug on public assistance.

Benefits stop this month for the first 286 families who failed to take steps toward self sufficiency as required by the state's welfare reform law enacted last year. Not surprisingly, some have reconsidered and now want to get into the Family Investment Program, as welfare is now known.

But a state official said benefits for those people would not be restored until they actually signed a contract with the state. That could take at least a month, according to Gloria Conrad, bureau chief for the Family Investment Program division.

Those who made no effort to sign the self-improvement contract by Friday will have their benefits shut off for a minimum of six months.

Benefits are being stopped only for people who were in the first wave of recipients contacted six months ago and who have refused to participate in the reform law.

The cutoffs will not come as a surprise to any of the affected recipients. Those who failed to respond were given numerous changes—including in-person visits by state Human Services workers whenever possible—to change their minds.

"There aren't really very many who have simply ignored the program," said John Newland, a welfare administrator of a 10-county area based in Ottumwa. "But we have had some people who have simply said no, they won't choose to do any of this stuff. The feeling, I guess, was that we were intruding on their own business, that we didn't have the right to tell them what to do. That's their decision to make"

Those people have to right to feel that way if they wish, but they don't have a right to expect taxpayers to continue carrying them.

But the triumph of the story is not necessarily in who will not benefit. Instead, praise and support should go to the vast majority of recipients who are cooperating, and the people making the program work.

About a third of the state's welfare cases have gone through the system and most—more than 12,000—have signed the agreements.

To encourage recipients to take jobs, they are now allowed to earn higher wages and still get partial benefits. For the same reason, the average monthly grant is now lower than a year ago—$348 in August compared with $373 in September 1993.

The Family Investment Program is a shining example of responsible, responsive government.

The law's passage last year made it clear that there are limits to the public's patience and obligation for individuals.

Its implementation reflects the fact that the General Assembly and the governor are capable of hearing—and delivering—on the values and policies desired by the "silent majority" that pays the bills.

It sends an irrefutable message that Iowans will help those people in need who show the desire and responsibility to help themselves. And, especially important, the new policy tells that small group of freeloaders who are unwilling to better themselves for the common good that they are—finally and deservedly—on their own.

Mr. PACKWOOD. Mr. President, could I make a request that those on the Republican side who wish to make opening statements offer them so we can get them in order.

I thank the Chair.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, we have begun today in the U.S. Senate a historic debate. My colleague and friend from Iowa has just said it is a debate that is, frankly, long overdue. It is a debate about an issue that deeply troubles the American people. As I have traveled in my home State of Ohio over the last few years, I have not been able to find anyone who thinks that our current welfare system works very well or that it cannot be improved. I have talked to people on welfare. I have talked to people who have been on welfare who are now working in the private sector. I have talked to other taxpayers. No one, Mr. President, thinks our current system works.

This is truly a monumental task that we have begun today. The tragic fact is that there are too many people in this country who are literally trapped in a cycle of welfare dependency.

Mr. President, America simply cannot afford to continue in this direction. It is fundamentally, morally wrong that a sizable portion of Americans, a sizable number of Americans, should be excluded from what most of us consider the American mainstream.

Mr. President, let me state what I do not mean by "mainstream." I am not talking about a narrowly defined lifestyle or conventional set of values on controversial issues. That is not what I am talking about. What I am talking about is the bare essentials of participation in American life, holding down a job, being responsible for your own children, and living in the reasonable expectation of physical safety for you and your loved ones.

Mr. President, I strongly support the current welfare reform effort that is being undertaken, for one simple reason. I believe it has the potential to help rescue a whole generation of Americans. It will give them the bare essentials of American life, a chance at the American dream.

If we are to succeed, I believe we must tackle the welfare system in a truly fundamental and comprehensive way. As we know, Americans on welfare today may get, in addition to AFDC, cash payments and a whole host of other benefits—housing, food stamps, job training, education, child care, and other services. These are things that, as we discuss the issue, most of us just lump together and refer to as "welfare."

Mr. President, some would have us focus our welfare reform efforts just on AFDC or just on a few of these programs. I think to limit reform just to that would be a mistake because it really does not go far enough. It would not go far enough to solve the problem. To solve the problem that we face, we need to tackle the welfare system in its totality.

The welfare reform approach I am supporting would block grant as much as is prudently possible of the Federal welfare responsibility back to the States. I believe that we should end the decades-long practice of dictating welfare policy from the Federal level. Why? Because, if you look at the welfare debate today, one key fact becomes astoundingly clear. We just do not know the answers. We know what does not work. We have seen that for over 30 years. But we really do not know what works nor what will change things.

We have heard on the floor, and we just heard from our colleague from Iowa examples of what his State is doing. We have heard examples of what other States are doing. And many of these, I think, are great ideas. But we have not been about these changes long enough that we in Congress should feel confident enough that we should turn to a State and say, "This is the one way to reform welfare. This is how you have to do it. This is what we know works." Because the truth is, Mr. President, we do not know for sure what will work. We have had 30 years of experience in knowing what does not work.

We as a nation are only just beginning to come to grips with the collapse of this decades-old experiment with welfare. Most people concede that this experiment has failed, but we have not developed a new consensus on what kind of system should take its place.

Mr. President, as a Senator who has served in State and local elective office for a number of years, let me say that I do not—I repeat, I do not—believe that it is bad. I do not think it is bad that we do not yet have a consensus, because the lack of a new consensus gives the States a great opportunity to experiment; an opportunity to experiment, though, Mr. President, only if we allow them to do that.

Mr. President, welfare today is an area which we know does not work. Our current policy does not work and has not worked for decades. But what we do not know is what works. We do not have the answers on how to get people off welfare onto work and into the American mainstream with a chance at the American dream.

Some States, as we have discussed, have experimented on welfare, but we do not have enough history on these experiments to totally judge their success. As we used to say when I was a county prosecutor and we were waiting for a jury to come back with the verdict, the jury is still out. We just do not have the experience level to give us enough confidence to impose on the States mandates. To impose these programs on all States, to impose Federal uniformity of programs we are not sure of would be, I think, a serious mistake and would not be true and meaningful welfare reform. It is not the way to change the direction of this country.

That is why, Mr. President, this is exactly the kind of problem that ought to be turned back to the States. By focusing on federally written programs and forcing State welfare policy to conform to a mold shaped in Washington, DC, Congress in the past has seriously weakened the ability of States to adapt, to experiment, to find out what really works to solve their own problems in their own way and maybe to point out useful directions for other States.

It is very important to note that in the kind of block grants I support, we stop telling the States step by step how to do welfare. We want to tell the States, this is what we should do; here is the purpose you can spend the money on; but we in Washington will no longer dictate the means you can use to achieve that purpose.

In some of the block grant proposals that are before us, there is even some additional flexibility. States can take up to 30 percent of the block grant and use it for any welfare purpose at all, still serving people but giving the States that needed flexibility.

Make no mistake about it: Welfare needs are different from State to State. They are even different from county to county. The needs of my Adams County, OH, and Cuyahoga County, OH, are fundamentally different. They both have needs; they both have people on welfare; but they are fundamentally different counties with different problems.

Some counties may need more child care, some may need more child welfare service. I favor an approach that gives Governors the flexibility to solve problems. I think that would be a huge step forward.

Let me summarize it this way. I think our goal should be not to fund programs. Rather, our goal should be to solve problems, to get people off welfare and into the work force. That should be the goal in any welfare reform bill that this Senate adopts.

As we move forward in this debate, we must be careful not to succumb to the desire to tell States how to meet the goals in these block grants. We must be vigilant and avoid a refederalization of welfare through the back door. We cannot on the one hand say the States have this flexibility and then on the other hand tell the States what to do. We cannot on the one hand say that a problem in the past has been that Washington has mandated too much, and now that the complexion of the Senate and the Congress has changed, we who happen now to be in the majority party know best and we should write the dictates and mandates from Washington. That, in my opinion, would be a mistake.

I find some of these mandates that have been discussed to be quite troubling. We are just beginning to unburden the States from a Federal system that for too long has prevented States from making changes, trying new approaches. It would be a serious mistake to move from that system to a system in which we force States to implement various reform measures prescribed by the Congress.

Let me give you a couple of examples. I think we all agree that when a large portion of the children in society do not have two parents, society is going to be a lot worse off. We agree that America would be a better place if there were fewer out-of-wedlock births. When two-thirds of the children in some of our major cities—two-thirds, Mr. President—are born outside of marriage, we are ensuring permanent poverty and hopelessness for a very large group of young Americans. The result will be extremely dangerous not only to those children but to American society.

According to the Congressional Budget Office, half of all teenage unwed mothers are on public assistance within 1 year of having their first child and within 5 years, 77 percent are on public assistance—77 percent. Children who do not have fathers around are five times more likely to be poor than children who do. Those are the facts. They are 10 times more likely to be extremely poor, to live in the kind of grinding poverty from which it is very hard to ever escape.

Do we have a Federal cure for illegitimacy? Are we in this Chamber certain enough about whatever that cure might be that we are prepared to mandate it and to say every State has to impose it?

Let me tell you, I know one Senator who is not so sure of what that answer is.

In this context, let us talk for a moment about the proposed family cap. In New Jersey, they have experimented with denying additional welfare benefits to mothers who have more children on welfare. An initial study released late in 1994, which has been referred to on this floor, seemed to indicate the New Jersey family cap had caused a serious decline in the birth rate to welfare mothers, somewhere between 19 and 29 percent.

So the family cap is a great idea, right? Well, hold on a minute. We have another study, and this study has been referenced in the Chamber today as well. This study, based on a more complete sample, was conducted by Rutgers University. This study indicated that the denial of benefits made very little difference in the births, very little difference in behavior of welfare mothers. It found the drop in the birth rate was roughly the same among a control group, women who were exempt from the family cap law, as it was among those who were subject to the cap.

There is also some indication that the New Jersey cap might have led to an increase in the number of abortions. This Senator is deeply concerned about that, as I know a number of Senators are. I think it is a concern that we should not just dismiss.

Clearly, we do not yet know what works in this area. Therefore, now is not the time to impose Federal uniformity based on guesswork. We are in the middle of a controversy that is far from resolved, and what we need more than anything else is facts. State experimentation will help us find these facts.

Mr. President, are we certain enough about the wisdom of the family cap at this time, at this place to write it into Federal law? Are we certain enough to make every single State live by it? I know one Senator who is not.

Let me turn to another issue, and that is the work requirement. If there is one thing that will change welfare more than anything else, it is getting people to work. The statistics are overwhelming, that if an individual can get a job and hold that job for any reasonable period of time, the odds are that person then becomes a part of the mainstream. Part of them has the opportunity for the American dream. And that person may not have that same job in a year, year and a half, but if they get the first job and are able to hold it, it makes a fundamental difference.

So there is more we can do. Debate has already indicated Senators on both sides clearly agree about the necessity of work. We all agree that work should be a condition for receiving public assistance. But I believe—I want to put out one cautionary comment at this time as we begin this debate—it is important we make the work requirement achievable by the States. The work requirement will have to be tough, but it will also have to be believable and achievable. In short, a strong work requirement has to work.

Mr. President, I think one way that we can encourage work, the most effective way, is through the block grant proposal that is in front of us. By doing this, States will clearly have a direct incentive to get people off welfare and to allow them to become workers. This pressure will make a difference. Mr. President, tough choices on how to divide up a no longer unlimited stream of Federal dollars will cause the States to become innovative, to become bold, to experiment, and, I think, ultimately to learn from the experience of other States as well. And that will make a difference.

Mr. President, when you are a government with limited welfare dollars, and you are trying to reduce your welfare caseload, you are going to start looking at the people who are able-bodied and refuse to work. And by necessity, States will have to have a strong work requirement.

I think the spending cap will also help us reduce the tide of out-of-wedlock births as well. Mr. President, fiscal pressure caused by the spending cap is going to do a great deal to focus people's attention on this tremendous problem of illegitimacy. As I mentioned before, the Federal Government does not know how to make people act responsibly, but we do know this, a State with limited resources and a serious poverty problem will have to make the wisest possible use of its limited resources.

What is the best way, Mr. President, to balance our two goals, the goal of the need to help children who are born out of wedlock, help them, and the need at the same time to discourage people from having children born out of wedlock? I am not sure any of us really know. But I believe that capping the block grant proposal with a tough, yet achievable, work requirement will set the States on the road toward finding out.

Let me talk about a positive Federal role, Mr. President. There are some areas in which the Federal Government can play a very helpful role. And I would like to talk about one such area right now.

We are all angry, as the public is, about the men who father children and then run off without paying child support. Fifteen, twenty years ago in the late 1970's, when I was a county prosecuting attorney in Greene County, in the southwestern part of Ohio, I learned about this problem. I had to spend a lot of my time, my staff's time, chasing after these bums, trying to locate them, trying to get them to live up to what should have been their obligations. I had some very aggressive assistant prosecutors who helped me in this and who learned a great deal, as I did, about this problem. Nancy Nevins, Susan Goldie, they headed up our child support enforcement unit. And we found, as we delved into this problem, how big a problem it was and how oftentimes these absent fathers were individuals who had taken off across the State line, almost as if they knew, and I guess many of them did, that if they could get across the line and they could go into another State, that it was going to make it much more difficult to get them to live up to their obligations.

Today, Mr. President, the statistics are staggering. I am told that 40 percent of the unsolved paternity cases nationwide are unsolved because the fathers have left the State. In Ohio that figure is closer to 45 percent. Clearly, a nationwide paternity data bank would be a big help to the State officials who are trying to track down these deadbeats. And we might even go further, Mr. President. We might even want to consider a national collection system to collect back child support from these deadbeats. Mr. President, clearly this is an area in which Federal coordination would actually help the States and not hinder their efforts to reform.

But I do believe it remains generally true that the Federal Government does not have the answers on welfare reform. The Federal Government, Mr. President, needs to be honest about the real lessons of its three decades of failure. The welfare policy of the Federal Government is intellectually bankrupt and the U.S. Senate needs to put it into receivership. The receivers in this case are the 50 States, the 50 laboratories of democracy, 50 laboratories of reform. Many States, as we have already discussed today, are already showing terrific leadership in reforming their welfare systems.

Mr. President, instead of taking the glimmerings of success of any single State and then imposing a rigid, absolutely uniform model on every other State, we need to make sure all States continue to experiment. Ohio, to take a single example, has been a leader in the drive for experimentation. Let me just give a couple examples. In 1989 Ohio received a waiver to try the LEAP program. LEAP stands for learning, earning, and parenting. The LEAP program created incentives for welfare clients to continue and then to complete their high school studies. And that program has met with modest success. In 1991, another example, Mr. President, Ohio received a Federal demonstration waiver for the Parents Fair Share program. That State program made noncustodial parents, parents who do not live with the child, either work or receive job training with a view toward supporting the child. It targeted those individuals.

We have had success. Ohio, another example, received a Child of Opportunity waiver to help keep the children in school by punishing parents for the child's absenteeism. Another program, the Communities of Opportunity waiver allowed us to exchange AFDC and food stamp cash payments for employment subsidies. We were able to use this waiver to get private-sector jobs for welfare clients across the State, Cleveland, Akron, Columbus, Cincinnati.

Another example, 1994, we wanted to decrease the penalties for moving from welfare to work. We received a microenterprise development waiver so we could remove some of the limits on the assets, the income of welfare recipients. Early on in the debate I heard the distinguished Senator from New York talk about that as being a problem, people not being able to keep enough of their assets. We encouraged them to move into the work force.

Mr. President, what is interesting about all of these examples that I have given, and the Senator from Iowa and my other colleagues have given today, is not that they are good ideas, though I believe probably most of them are. What is notable is that each State has had to petition Washington, DC, for the right to try any of them.

The President is now talking about speeding up the waiver process. And that is a good idea. President Bush, and now President Clinton, have granted waivers. That is absolutely true. And I think that the leadership from the top has been to try to get as many of these waivers granted as possible. But I believe that we still have a basic problem. And that is, the basic problem is, that these waivers are required at all, and in a time when we need to encourage not discourage State experimentation in solving problems.

I asked one time, Mr. President, our director in Ohio, Mr. Tompkins, about what percentage of the waivers we asked to have granted were granted by the Federal Government? And he told me something very interesting. He said, "The percentage will be relatively high. The problem is that we generally only ask for a waiver if we have a pretty good indication we are going to get it." It does not tell you or does not tell the reader of those statistics how often we wanted to do something, how often in our own experience we felt, we knew that some program would work or had a good chance of working and yet we were told off the record by the Federal bureaucracy that, "No, look, don't ask us for that because we are just not going to give you that one." And so when we look at the statistics of waivers being granted, it does look good and it does look high. But what it does not show is the many times when the State was told, "Just don't ask about that one because we are not going to grant it."

Now, earlier this year, Mr. President, the Ohio General Assembly passed a major welfare reform bill. That bill contains a provision saying that a welfare client who gets a job can keep the first $250, plus one-half of the additional income earned for 1 year after starting work—an incentive to ease people off welfare. The goal, again, Mr. President, is to avoid penalizing the welfare client for trying to work in the real economy. To do this, we now need Federal permission. In fact, there are 15 other provisions in Ohio's newly passed welfare reform package, 15 other ways Ohio wants to experiment to see what works, for which we are awaiting the Federal go-ahead.

Mr. President, we have to let the States be more flexible. Arnold Tompkins, who I referenced earlier, Director of Ohio's Department of Human Services, says he is frustrated by a system that really is too much like an on/off switch. Our department in Ohio, as is true in other States, is only allowed to help people when the people go on welfare.

If you are "on" welfare, all kinds of benefits are going to be available to you. If you are "not on" welfare, many times nothing is available to you.

Mr. Tompkins says that we need an approach that is more like a dimmer switch—a system that allows the human services officials flexibility to intervene in helping people to keep them off of welfare before they go on welfare. Maybe helping someone find other resources, Mr. President, like helping pay their rent or electric bill for a couple of months, will do a lot more good than waiting for them to be evicted and only then being able to sign them up for the full welfare program. I think it will be more cost-effective, and I think it will work.

Mr. President, the States need to stay focused on the overall goal of keeping people off welfare. That is why we should, in addition to rewarding States that reduce their welfare case loads, reward States that help their citizens avoid having to go on welfare at all. I intend to return to this question later on this week, as the amendment process begins.

Mr. President, for 30 years, Congress has created programs and trusted the programs to work. It is time to move the focus from programs to people.

Mr. President, this is the whole welfare reform debate microcosm: Do we want the Congress to write yet another program? Or do we want States to come up with solutions?

I think the American people do not want another program. They look at the problems of poverty in this country and they want answers. That is something the Federal Government really just does not have.

Mr. President, I am proud to be a participant in the Senate's very historic welfare reform debate. It offers some real hope for a solution to America's social crisis. That is why I intend to work over the next few days with my colleagues on the floor to ensure that the bill we pass does as much as it possibly can to let the States succeed in truly reforming welfare.

Mr. President, thank you very much. I yield the floor.

The PRESIDING OFFICER (Mr. GRAMS). The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I rise, first off, in support of the Dole substitute. And I want to congratulate the leader, the leadership, the leadership of the chairman of the Finance Committee, Senator PACKWOOD, and many others who contributed to this bill and taking what was, by all accounts in the newspaper, an issue that was dead and gone for the summer and maybe for a long time after that and resurrecting that issue and bringing it to the floor with, I think, a very solid base of support on the Republican side of the aisle, and I am hopeful a very strong base of support on the Democrat side of the aisle.

I think we have a good bill here, one that can attract bipartisan support, one that, the majority leader has said, is not veto bait—at least yet—at the White House.

I hope that is a good start, and I hope over the next several days we can work in a bipartisan fashion to structure a bill that will truly make substantive and great reform in an area that probably needs it worse than any other single area in Government—not just for the taxpayers, who we hear so much about, but for the people in the welfare system.

I have been fortunate enough to be able to work on this issue quite some time now—at least quite some time in my career here in the Congress. I worked 3 years ago in crafting a bill that came to the Republican position in the House of Representatives in the House Ways and Means Committee, and it became the basis for the bill that passed the House, which I am very proud of. It was a good bill.

I think what we have done here in the Senate is a very good bill. In some respects, it goes farther. It is more dramatic than what the House Republican measure has done, particularly in the area of food stamps. Food stamp reform here is at least as tough—the reforms themselves. But we in the Senate in this bill give the States an option to take block grants. It is their option. In the House bill, they cannot do that unless they have electronic benefits transfer.

So, in a sense, we have gone one step further here in the Senate than they have in the House bill. The AFDC work requirement—the standards are tougher here in the Senate bill than they are in the House bill. The work requirements are equally as tough as the House bill.

So you could even make the argument that the AFDC provisions of this bill are tougher than the House bill. I think that is a very big plus. It is a look at certain areas and to say we have come out, after reviewing what the House has done, and think we can go a little farther. In some areas we do not go as far as the Senator from Texas, Senator GRAMM, and Senator FAIRCLOTH from North Carolina would like to go; frankly, as far as I would like to go. I think we can go farther, and should, in doing block grants.

Child nutrition programs, school lunch programs, and the like—I think the reforms done in the House were good, solid reforms, well thought out, and actually better targeted the resources at the people who need them. But they turned out to be very controversial measures. One that elicited, I think, a public outcry and one that, I think, we determined in putting this bill together was better left to maybe the next round of welfare reform, which may not be too far in the offing, but to focus in on the things that we can accomplish, hopefully, in a bipartisan manner, and that is focusing in on AFDC, what most people consider welfare.

It is only a part of the welfare pot. Some would say it is 7 percent. Others would say it is a little bit more than that. But it is a very small portion of what we spend on means-tested programs, in other words, programs that are directed toward low-income people. The biggest single program is Medicaid. That is the largest welfare program, means-tested entitlement program. Most people think AFDC is second. It is not. The second largest means-tested program is SSI, which I will talk in somewhat detail about during my opening statement.

Then we get down to programs like food stamps; on down the list is AFDC. But AFDC is considered welfare because it is the program that was designed in 1935 to help mothers with dependent children. It is the program that gets the most publicity. It is important to reform that program. But it is no less important to look at the other means-tested entitlement programs and appropriated accounts and reform those programs, too, and to make the reforms work together.

One of the good planks in this bill is the fact that States can work together with housing benefits and food stamps and Medicaid and others to make sure that when you cut off AFDC benefits, if, in fact, someone is cut off, that their food stamp benefits do not go up to compensate for the reduction in the AFDC. So they can work with those two programs together to make sure one is not offsetting the penalties of the other.

Another very good part of this bill, something the Senator from Missouri, Senator ASHCROFT, has brought to the table and I think is a very good idea, is how the private sector can get more involved in providing welfare; for the States to be able to contract to community providing organizations, including churches, who are in there in the community right now doing the work that is necessary to help the poor in their community. Why not have them be the local agency that helps that community and the people in that community solve their problems of poverty? Why not give them the resources and the responsibility to help people in the community? That is a great idea. It gives flexibility to the States which they have never had before.

We know historically in this country what works to help poor people get out of poverty. It is not just passing a check. I think, if there is anything that we can all agree on, it is that just handing a check over to someone does not solve the poverty problem. What helps people get out of poverty is not a guaranteed income from the Government, but an opportunity to go out and work and earn it for themselves.

We know that check does not encourage what we know works, which is work. That guaranteed income does not encourage work. What does encourage work is people who care, people who care about that individual and know that they are going through the trouble to take the time to listen. This is no fault of the caseworkers in the welfare system. They are processing thousands of checks a day. They cannot afford and do not have the time. The caseworkers do not have the time to sit one on one to go through the life history of the person, whether it is a problem with their husband, whether it is a substance abuse problem, or satisfy a problem with their parents, or whatever else; an illness. They do not have the time to sit and care. They do not have the resources to do it. We need a system that is more friendly to people who need help, not just saying, "Well, here is your check. Leave us alone. You should be OK. You have been provided for."

Actually, we should start turning this program, this welfare bureaucracy, over to the people who live in that community, who see that neighbor at church, who walk past them in the aisle in the grocery store, and who care because a better person in their community means a better community and a better life for them. Let us use what we know works, and that is people helping people.

That is what we are saying in this bill—let us get it back to the folks who care the most, and it is not us. We say we care a lot. But I do not consider it particularly compassionate on my part to take your money—the people who are out working in America—and then give it to somebody else who is not working. It may make me feel good that I am helping someone who is poor, who maybe cannot work, who maybe is having problems and needs to get their life together again. That may make me feel good. But that certainly is not compassionate.

A lot of people around here will define the terms in this debate on how much money we take from some people to give to other people, that the more we take from workers to give to other people, many of whom do not work, the more compassionate we are. I would say, that is not a very good judge of compassion on my part. To know how much money I give out of my salary to my church or to the community group—that is compassion. That is money otherwise I could spend. But taking other people's money is not compassion. That is how we have measured compassion in this country for a long, long time. I find it absolutely unbelievable that we do.

I tell you, it would be very easy for me to just hand out all the money that I can get my hands on around here. It is fun. We enjoy doing that. But it is not compassion. More than anything else, it is not helping anybody. I think we, hopefully, have come to that determination in this body; that just handing it out makes a bunch of people who pay for the program very resentful and the people who receive the money very dependent. It does not help either.

Let us get back to something that we know works—getting it back to the local level, getting it back to the people who care. And that is what this program is all about. Some will say, "Well, it is just passing the buck." My initial response to that is, if the buck is being misspent here, let us at least give someone else a try. Maybe passing the buck in this case is the best thing to do because we know what the current system is doing.

The Senator from New York, who knows more about welfare than anyone in this Chamber, having studied it for years and years, presented the case very well for why the system does not work. I mean, the statistics do not lie about the problems that we have in poverty in America today and the growth in illegitimacy and the lack of work in the inner cities where welfare is the highest, the destruction of communities, the increase in crime, the destruction of the family, lower rate levels of education among the poor. I mean the scenario is very clear what is going on here. We know it is not working.

The question is how much courage do we have to say that what we have tried has failed? What we know historically in this country that has worked has not been given a chance, at least from the Federal perspective, in a long time. Let us try that.

You will hear this quote often throughout the discussion on welfare. In fact, I have heard it many times already in this body. But I think it is so appropriate. It is such a good codification of the American spirit and what the greatness of America is all about in solving the problems of the people who are of lesser means, and that was de Tocqueville's analysis of America.

When he came to this country over 100 years ago and looked at the private sector, the institutions, the volunteer organizations, the people who went out of their way to help their neighbors, the sense that Americans cared for each other and supported each other, there were not the Government programs—there was no AFDC Program when de Tocqueville was here, no SSI Program. There was none of that. Not to say those programs are bad, but none of that was here. It was private charity, people helping people. And de Tocqueville commented that "America is great because it is good." And when America ceases to be good, it will no longer be great.

We need to draw on the goodness of people. We need to entrust the people to be good. That is what this bill is all about. It says that we, standing on high, are not going to dictate what is good for everyone but in fact put the resources back into the community so those people can determine what is good for themselves and their neighbors.

It is a very dramatic turnaround in policy in this country. It is one that will frighten a lot of people because a lot of people think, as the Senator from Kansas, the majority leader, said, there will be a race to the bottom; that States will race to the bottom and they will cut benefits on everybody, as if Governors and State legislators have little care about the welfare of the poor in their State but we in Washington care supremely for them.

I do not think anybody truly believes that, but that is the comment you are going to hear many times repeated here, that States simply will not provide for the poor; that we cannot trust them; that they will try to export them to another State, which will in turn try to export them to another State, and they will go to another State. I do not know what all is being suggested, but that is pretty much how it is going to play out.

I do not think that is going to happen. I think there are a lot of States—the Senator from Iowa got up and talked about how wonderful a job Iowa is doing in reforming the program. And I would say there is nothing in the bill the Senator from Oregon and the majority leader have put forward to stop Iowa from doing it. In fact, it would provide more flexibility to Iowa. I do not understand what he thinks the trouble is, but it would enable Iowa to do more that works.

I think this is the mentality. The problem is we know, or I know that this works in Iowa, and therefore I am going to tell everybody this is what they have to do. Well, just because it works in Iowa does not mean it is going to work in Alaska or Pennsylvania or anywhere else. And it has been working in Iowa for 1 year, so now we should take the Iowa experiment and tell everybody to do this?

What if Pennsylvania has a good program, and we have some good things in practice, and what if we made Iowa do that? What if we told Iowa: You cannot do what you are doing anymore because we in Washington now think something works in Pennsylvania and we should make you do that. The Senator from Iowa, I am sure, would have objection to that. And you know what? He would be right in objecting.

So I do not think that is a very serious objection to this bill. This bill is one that I would think Members who come from States that like the welfare program they have, that have popular support for it, would embrace it, would embrace this bill as an idea whose time has come. We do a lot in this bill. We reform AFDC. We require work. We have some illegitimacy programs, not as far as I would go, but we will have amendments and we will have good debates on that here on the Senate floor.

It provides the flexibility that I discussed, which I think is so important to States and communities, to deal with it. It ends the entitlement to AFDC; allows States to determine who is eligible for those benefits. I think it is very important to do that.

We reform the school lunch programs and nutrition programs, child nutrition programs. We block grant job training and day care, and we do it, as I think everyone will agree, with a substantial amount on child support enforcement, including interstate enforcement of child support orders, which, as the Senator from Ohio commented earlier, is absolutely essential if we are going to get our arms around the problem of over $50 billion in uncollected child support.

Let me repeat that: $50 billion are owed mostly by fathers to support their children and is simply uncollectable because we do not track that.

I want to move on to another area where I hope we can have agreement, an area of welfare that as I mentioned before is the second largest single welfare program in America, and that is the SSI Program.

The SSI Program was created back in 1974. It is the Supplemental Security Income Program. As I said before, it is the second largest means-tested entitlement program, second to Medicaid. In 27 States, the average child SSI payment is greater than the AFDC payment for a family of four. So if you have a child on SSI, you get more money in 27 States than a family of four on AFDC. This is a big dollar program, and as you can see, it is growing, particularly since the late 1980's, at a tremendous rate, close to $30 billion—in fact, as of 1994, it is over $30 billion this year.

AFDC payments, as we have discussed here, in 1994 figures, are around $17 billion; SSI, as you can see there, almost $28 billion. Federal outlays in the year 2000, if we do nothing, for AFDC are projected to be $20 billion. That is $3 billion more than today. On the other hand, SSI is going to go up to about $43 billion—a much faster growing program, and SSI does not get a lot of the ink.

An individual cannot receive SSI and AFDC simultaneously, but members of an AFDC family may receive SSI benefits. That results in a situation that was quoted in an article here earlier, the Rivera family of Boston. Eulalia Rivera has 16 children, 89 progeny, and they collect in benefits from the Federal Government between $750,000 and $1 million a year in means-tested welfare benefits. Most of that benefit, by the way, is not AFDC. It is SSI, supplemental security income.

What is this program, SSI?

Well, the program was created back in 1974, which was intended to be a work supplement for people who were disabled and could not work but did not work enough quarters to be able to qualify for Social Security disability. I want to differentiate in the discussion here between SSI, which is supplemental security income, and SSDI, which is disability income out of the Social Security trust fund. SSI is not out of the Social Security trust fund. It is out of the general fund. People do not have to have any work history to be able to collect.

Who qualifies for SSI? Well, the disabled, the elderly, the blind, drug addicts and alcoholics, children. You might ask: Well, wait a minute. Why are children covered under an act that was created to supplement income for people who are not able to work? Children obviously do not earn income anyway, so why do we have a program here in place to support children who do not earn income? That is a good question to ask. I do not think there was ever a good answer to it at the time it was created.

But it has evolved over to say, well, it is used because parents of people with disabilities cannot work, and so it indirectly supplements their income. Of course, you lose that point because a lot of parents do not work anyway, at least second parents do not work where the mothers or fathers do not work if you have a primary income earner.

Nevertheless, that is in place. You can use the argument it is there because there are medical needs for the people who are disabled and you need the cash to pay for that, except for the fact that if you qualify for SSI, you also qualify for Medicaid, which, of course, pays your medical benefits. So, in a lot of cases SSI is a nice chunk of change. And it is, in fact, a $458-a-month Federal benefit per child.

Now, we have reforms in this bill that address three areas of SSI: children on SSI; drug addicts and alcoholics; and immigrants, aliens, sponsored aliens in particular.

Let me first talk, if I can, about children. It is a controversial area to talk about, one that a lot of folks do not like to address. Most people do not like the fact of targeting disabled children and say, "Why do we want to cut off benefits to children who are disabled?" I would suggest to you that the leader's proposal does not cut off benefits to children who are truly disabled. In fact, that is the whole point.

If you look at what has gone on in the past few years with the number of children receiving SSI, in 1990 there were 300,000 children on SSI. That number was fairly flat from the 1970's through 1990, I mean, increasing gradually but not substantially. In 1990, 300,000; to 900,000 by 1995, which is this year, and they expect another 200,000 people on the caseloads. You will have 1.1 million kids, estimated, by the year 2000, 1.4 million on SSI.

You say, "Wait a minute. What has happened here that we have had this explosion of children on SSI rolls?" There was a decision made by the U.S. Supreme Court in the Zebley decision, which changed the criteria for which children could be eligible for SSI. This is sort of an amazing little thing that was not well known and is becoming more well known. That is why you see these numbers go up. Before, you had to have a severe disability to be able to receive these benefits. You had to be mentally retarded, you know, or have cerebral palsy or some debilitating disease or illness or condition that would require the Government to support this child.

No longer. The new criterion is called an individual functional assessment. And what is an individual functional assessment? They actually go in and talk to the child and try to figure out if their behavior is—this is the standard—age appropriate. So if you have age and appropriate behavior—who here has not?—but if you have age and appropriate behavior, you now qualify for $458 a month. That is true.

So, what is happening? I am sure this will not be a surprise to a whole lot of people here. What teachers and pediatricians and social workers are saying is that SSI puts marginally disabled or nondisabled children on the dole for their life, hides children's real problems, such as abusive or neglectful parents, and results in creating a class of people who are at a very early age determined disabled when their disability is not such that they should be labeled disabled.

Are we helping these children? Most of the people who look at this program say, no, we are not. We are not helping these children at all by labeling them as "disabled."

Most of these people that have come on since the Zebley decision in 1990, two-thirds of them, in fact, have come on because of a mental impairment. Learning disabilities; a learning disability qualifies you for $458 a month; attention deficit syndrome, $458 a month.

Let me tell you a couple of comments from school administrators. This is a school administrator in New York Central Park East Secondary School. "Parents whose children have minimal handicaps try to get their children into special education classes so they can qualify for SSI."

Here is a student at one of the schools in a New York City elementary school. She is acting out her tale with dolls. This was a play-acting thing that she was going through in the school. She described a mother of four who had adopted two more children. Although the new siblings were not working out, the mother planned to keep them anyway, the girl explained, because she wanted the extra money in SSI payments that they were bringing in. "[The child who described this] is a special education student. She doesn't understand much," says school psychological aide, Beth Mahaney, "but she understands how the system works."

Disability checks are there to help replace lost earnings. And what have we turned it into? Again, parents do not need this money for medical supplies. Attention deficit syndrome does not require medical supplies, and a lot of these mental conditions do not require it. And if they did, again, Medicaid is there to provide for it.

This is a program that harms children. One of the ways mentioned earlier that it harms is that it masks abusive and neglectful parents. A lot of the problems—and we have a caseworker or a psychologist who has done a lot of work with SSI for kids come in and talk to me. She cannot give me any of the names of the kids because of confidentiality, but she has given me a list of examples of abuse, horrible abuse of these children. As a result of the parent's abuse, the parents get $458 a month because their child is so messed up because of them.

Is that not a great reward for parents who abuse their kids? They get a check. In fact, a Philadelphia psychiatrist, Kenneth Carroll told the Washington Post,

> Many of the problems these children manifest are largely traceable to parental neglect or abuse. Behavior and emotional problems or conduct disorders are directly attributable to inadequate parenting and have often been called disabilities. And the parents are receiving a cash award for having achieved the problem.

What the Packwood bill does, Dole bill does, in fact what the Gramm bill does—same thing—it says we are going to eliminate individual functional assessments. We are going to get back to giving benefits to children who are truly disabled and stop disabling another generation of Americans for all the wrong reasons at a big, big expense of taxpayers' dollars and of children's lives.

The next area we are going to get into in SSI reform is expenditures on drug addicts and alcoholics. Yes, believe it or not, if you are so addicted to drugs and alcohol that you can no longer work, you can get a check from the Federal Government, $458 a month in benefits because you are so addicted to heroin or alcohol that you can no longer work. These are the numbers.

See, in dollars spent, we spent $14 million in 1985 on drug addicts and alcoholics. In 1990, it was $84 million. In 1994 it was $433 million, and climbing. You might say, what is the reason for the dramatic increase in these numbers? There are a couple. Let me give you probably the biggest. This started under the Bush administration, so it has bipartisan blame, but it has been continued, in fact expanded, under the Clinton administration.

What is this program that I talk about that is responsible for this dramatic growth in this program? You see the dollar growth. Let me show you the number of people. We were at 5,000 drug addicts and alcoholics in 1985 in this program, 5,000. Ten years later 120,000 people are on this program. Two years from now it will be almost 200,000 people on this program. And you can see numbers going up and up.

You may say, what is causing this? Is alcoholism and drug addiction going up? No. That has not gone up dramatically. If you look at some of those numbers, the numbers have leveled off and, in many cases, gone down. So why the increase? Well, it is because of a program that was instituted by the Bush administration on a pilot basis, but has now become a program that is all over the place in the United States and most of the major cities already. It is an outreach program. You say, an outreach program? Yes, an outreach program. We now spend Federal dollars to go out to the communities, to go into the homeless shelters, to go into the clinics, to go into the streets and the alleys and find drug addicts and alcoholics so that we can give them money.

It is working. The program is working. We are finding them, and we are giving them money. Now, you could say, OK, what is the next logical question one would ask? We are going to go out and find them and give them money.

What would be the next thing you would ask? I would ask, are you helping these people? Is it working? Are people being helped by being on this program? Well, let me give you the opinion of one person who testified before the Aging Committee this year. In fact, he has testified in the past. A person, by the way, who has done a lot of work on this issue and whose ideas are partly reflected in this bill by Senator COHEN of Maine. It is Bob Cote, who runs a drug and alcohol halfway house in Denver, CO, says:

> Our compassion literally kills them. I know of 41 individuals who received SSI checks and died from the binge they went on. Others just go on drinking it month after month. They call the first day of the month "Christmas Day," because it is when the checks come. They take those checks directly to the bars, and when the money is gone, they are back in my shelter. Taxpayers should not be subsidizing addictions.

There is an article—a series of articles, in fact—by the Baltimore Sun, about this program. Not only, again, is it a fast-growing program, but what is the impact on the people in the program? Bob Cote will tell you people are dying. What will Shirley Chater say? Shirley Chater is the Administrator of the Social Security Administration. When she testified before the Ways and Means Committee last year on this subject and I asked her, "In the history of the drug addicts and alcoholics program under SSI, how many people have you documented that have been cured, have received the check, gone in and got the required treatment, gotten off the program, stopped the checks, and have gone on to productive lives?" Do you know what her answer was? "In the 20-year history of the program, documented cases of recovery are zero." Zero documented cases of recovery.

Now, does this program work? Are we helping drug addicts and alcoholics? Let me give you a couple of examples of people.

This is from a Baltimore Sun article, and I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ADDICTS SQUANDER CHECKS ON DRUGS, ALCOHOL—YOUR CASH SUPPORTS ABUSERS' HABITS

(By Jim Haner and John B. O'Donnell)

They found Delmont Williams' body in an alley off Harlem Avenue, lying under the bald branches of a withered willow tree, staring up at the afternoon sky through dead eyes on "check day."

He had enough alcohol and heroin in his veins to intoxicate three men.

And you paid for it.

The homeless Army veteran overdosed with money from a Social Security program that doles out monthly checks to 8 million people who are too old or disabled to work. But 250,000 of them are believed to be hard-core substance abusers who routinely squander the cash on drugs and alcohol.

Beginning Jan. 27, the new Republican-led majority in Congress will examine the problem in hearings on Capitol Hill. Some are already vowing to give addicts the ax.

But they will soon learn that it's easier said than done because of one little-known fact: Most of the addicts and alcoholics on the rolls—perhaps as many as three out of four—are retarded, blind, crippled or suffer from some other disability that would still entitle them to the $458 monthly checks.

And Congress has refused for two decades to provide treatment for addicts in spite of a chronic shortage of even the most basic rehabilitation. Fearing that any appearance of coddling drug abusers would invite voter backlash, the nation's lawmakers have ignored social workers and drug counselors who say that intensive long-term treatment is the only answer.

"The first reaction of right-wing conservatives will be to gut the program completely," says Dr. Sally Satel, a Yale psychiatrist. "And the real liberal types won't want it touched. But either of those courses would simply perpetuate this crisis."

Says Pam Rodriguez, a Chicago drug counselor: "We have never seen a population like this before. For years, Social Security saw its job as to simply write checks. Now, we're getting [people] and they're ruined. We don't even know where to start."

Checks for the drug abusers are costing taxpayers $1.4 billion a year. Most are alcoholics. The vast majority are men. Almost half are black. Their average age is 42. And few ever kick their habits. Rather, they usually end up dead or in prison within seven years of receiving their first check.

The case of Delmont Williams is typical.

A bearded father of two who drifted from North Carolina to Baltimore, his medical records show that Social Security knew he was a hard-core alcoholic when it mailed him his first check in 1987.

His liver was swollen from years of heavy drinking. His heart was congested. Half his teeth were missing. And his skull—bashed in years earlier in a drunken brawl—was webbed with cracks like a piece of glued-together pottery. He suffered from seizures and mental illnesses.

There could be little question that he wasn't capable of holding a job, or that he would squander the money Social Security gave him for his fractured skull and manic depression unless he got off drugs and alcohol. But the agency offered him no help. Just a check.

"Delmont knew he was dying," says Curtis Mann, a drug counselor at the Health Care for the Homeless free clinic on Park Avenue. "All the dealers came circling around him on check day like vultures. A week later, he'd crash from whatever dope he was using and feel terrible.

"Those were the times that he'd go looking for help. The problem was that we could never find it for him before that damn check came in the mail on the first of the month and the whole cycle started all over again."

In a city with some 2,400 addicts on the disability rolls and the highest per capita rate of hero-in-related emergency room admissions in the country, there is not even short-term treatment available for nine out of 10 addicts, the nonprofit Abell Foundation found last year.

And the kind of in-patient care that removes hard-core addicts from their drug-infested haunts long enough to learn a new way of life is not available at all in Baltimore.

Time and again, Delmont Williams was confronted by waiting lists of up to a year, then headed back out onto the street to blow his aid money on blinding binges that ended in trash-strewn alleys, jail cells and hospitals all over the city.

On the afternoon of June 1, police came upon his corpse in a West Baltimore alley wrapped in a filthy red polo shirt. Just four hours earlier, he had picked up his $446 check from a small drop at the clinic and cashed it at a nearby liquor store.

Delmont Williams died homeless, stoned and alone at 49.

"With his history, there's no way he should have been walking around with that much money in his pocket," says Lauren Siegel, a social worker at the free clinic. "But they gave it to him anyway. Every month, no strings attached, the check would come and Delmont would spend it on drugs and alcohol. Until it finally killed him."

The money came from a program known as SSI, for Supplemental Security Income—a plan set up by Congress two decades ago with little deliberation or debate. The idea was to provide food, shelter and clothing to disabled poor people.

It is one of two such programs for the disabled run by the Social Security Administration. The other is called DI, for Disability Insurance. Since 1956, it has let workers who have paid into Social Security's retirement trust fund draw benefits early if they become injured, ill or addicted.

Both programs are in trouble.

CONTRADICTORY LAW

Envisioned as modest proposals to help a few million aged and disabled Americans, SSI and DI now cost $65 billion a year—fueling the national debt and sappling the fund that retired Americans rely on to pay their bills.

Both are covered by the same set of 1972 disability rules.

Even then, thousands of recipients were known drug addicts and alcoholics. But the rules placed few controls on how they spent the money—except that they could not use it to buy drug treatment until they first paid their rent, utilities and living expenses.

In a glaring contradiction written into the law, Congress deemed that letting handicapped addicts spend their checks on treatment would violate the philosophical underpinnings of the aid program: to provide for the basic needs of those who couldn't work.

That decision set blind, retarded and mentally ill addicts adrift in lives of despair because it effectively cut them off from private clinics, where treatment is generally available to anyone who can pay for it. And the prohibition has remained unchanged for more than 20 years. Further, tucked inside the law was one sentence that said addiction alone could qualify as a disabling disorder, making it possible for virtually anyone hooked on dope or booze to get a monthly check even though they have no other disability.

Before then, an addict or alcoholic had to prove that his substance abuse were so severe that it had caused disabling brain or liver damage, conditions that usually took decades to develop.

But under the 1972 rules, an addict has only to prove that his drug abuse is bad enough to keep him from holding a job—opening the door for thousands of young substance abusers who aren't physically disabled and who probably never would have qualified for aid under the old rules.

They are men like Ernie Hernandez.

The 34-year-old heroin addict and father of two sits in the brown grass outside the San Joaquin County drug clinic in French Camp, Calif., a desolate farm town east of San Francisco.

He fidgets with his beefy hands as he describes his six years on SSI.

A one-time cannery worker and farm laborer, he has no apparent physical problem that would keep him from working. He is lucid in conversation. And at 6 feet tall and 225 pounds, he's built like a weight lifter.

"I admit it," he says. "I don't look sick."

But he's collecting $458 per month in SSI, which qualifies him for a $200 supplemental payment from the state, bringing his tax-free monthly take to $658—about the same amount that the average retiree gets from Social Security after a lifetime of labor.

"The money definitely changes you," he admits. "I just ain't going to risk losing that money by working at some minimum-wage job. Next thing I know, I get too stoned, I lose the job. Then what am I gonna do to feed my kids?"

"You can tell them congressmen, if they stop SSI, the crime rate around here is going to go through the roof. It's all a lot of us have."

And Ernie Hernandez knows about crime. He says he's been using heroin and cocaine since he was a teen-ager, landing in prison at least nine times.

He'd like to get himself clean and back to work—if for no other reason than to get his family off his back and to "be able to spend a weekend in the mountains without having to come home early because I ran out of dope."

But he has never been able to rehabilitate himself. Even when he wants it, there is little in the way of intensive treatment available.

On this sweltering day in July, he wants it in the worst way.

Jittery from a dose of black tar heroin he shot into his leg the night before, he considers his options as he fingers a small, gummy "booger" of heroin in his pocket.

'I'M REALLY GONNA KICK'

Cheap and plentiful, black tar has spawned a plague of addiction in the cities and towns along Interstate 5 that has helped make California—with at least 34,000 addicts on the aid rolls—the "Disability Capital" of the nation.

"You back again, Ernesto?" asks Floyd Brown, the chain-smoking assistant director of the clinic.

"Yes, sir," Ernie Hernandez replies, hoisting himself up from the grass. "I want to get on the waiting list. I'm really gonna kick this time."

Both men know his chances of getting off heroin are nil. Since he's been on SSI, he's been in and out of the clinic so many times that they've both lost count.

He is one of 6,000 heroin addicts in the valley who rotate on and off the out-patient treatment program throughout the year. In a region that has become a hotbed of disease, many of them suffer from tuberculosis and AIDs. Three out of every four are getting disability checks, according to a recent county survey.

"They'll test positive for heroin and we'll flunk them out of the program," Mr. Brown says. "Then they'll sign back up on the waiting list and the whole thing starts all over again. I can honestly say that in my 21 years in this business, I have never had a disability recipient successfully complete the program."

When Congress first decided to let addicts like Ernie Hernandez get aid for merely being addicted, it ordered Social Security to herd them into treatment as a condition of their getting checks.

Any addict who refused was to be cut off—except for DI addicts, because Congress deemed that they had "earned" their benefits when they were working and should be free to spend them as they saw fit.

The treatment rule was supposed to keep poor addicts on SSI from simply using the money to feed their habits. But former agency officials and legislative aides say they warned Congress as early as 1969 that there were nowhere near enough in-patient treatment slots for them. And no one expected out-patient treatment to work.

But the nation's lawmakers were less interested in accountability for addicts, the aides say, than they were in insulating themselves against outraged taxpayers should the program go wrong. Then-Sen. Russell B. Long, the legendary Louisiana Democrat, was the prime mover.

"He told us there was no way in hell he would support giving checks to dope addicts without at least making it look like we were getting tough with them at the same time," says Tom Joe, a Washington social policy analyst who helped write the disability rules. "Everybody knew that they probably wouldn't be able to actually find treatment."

Then or now.

Today, a minimum of 3.2 million addicts and alcoholics need help, according to federal, state and private estimates. But there are slots available for less than half. And at least 100,000 people are on waiting lists for those slots at any time. For others, there are no lists.

Consider North Carolina, a state with 6,200 addicts on the federal disability rolls and few publicly funded in-patient treatment slots.

In Asheville, a small town in the pine-blanketed foothills of the Great Smoky Mountains, a downtown Social Security office draws scores of disabled people from the surrounding countryside. Many are illiterate, hobbled by years of hard labor in mines and lumber mills, and suffering from addiction to rot gut wine and moonshine.

"We're basically telling them to get treatment when there isn't a treatment facility within 200 miles of here," says Sharon DeLong of the American Federation of Government Employees, who represents local caseworkers.

"We try to push them to Alcoholics Anonymous or something like that. But how long can they last when all they're getting is a couple of hours of group therapy before they head back out to sleep in the woods with a dozen other alcoholics? It's utterly demoralizing."

Her frustration is echoed by caseworkers and drug counselors from Baltimore to Seattle who say Congress and the Social Security Administration have never been serious about rehabilitating addicts—or in understanding how treatment works.

Counselors surveyed by The Sun say programs like the San Joaquin methadone clinic and Alcoholics Anonymous that bring addicts in off the street for a few weeks of detoxification of a few hours of group counseling every day are the least likely to succeed with hard-core substance abusers.

"It amounts to drive-by therapy," says Dr. Satel, a professor of psychiatry at Yale and the University of Pennsylvania who has worked with addicts for seven years. "It may work fine for the early stage addict who still has a home, a family and a job. But that's not who you see on disability.

"These people are seriously debilitated drug abusers, and they need months of heavy-duty residential care that cuts them off from their addict friends and their old hangouts, and teaches them a new way of life."

And it is precisely this kind of treatment that Congress has refused for 20 years to provide to the destitute substance abusers on federal disability. Today, there are only 68,000 federally funded in-treatment slots in the entire country.

"It's one of the terrible ironies of the disability program," says Dr. Satel. "Congress tells addicts, 'You have to be in treatment, but we're not going to give it to you—and you can't use your check to buy it on your own."

Under the rules set up by Congress, Social Security is required to stop checks to addicts who are caught spending them in a residential program.

Adding insult to injury, counselors say, Congress ordered Social Security last summer to carry out a plan to cut off addicts' checks after three years. The agency says the move will trigger $275 million in notification processing and legal costs—enough to buy residential treatment for 35,000 addicts.

"Instead, we're spending it to shove these people back out onto the street in 36 months," says an exasperated Jack Gustafson, who represents state rehabilitation directors in Washington. "We'll buy their drugs for them for three years, but we won't give them inpatient treatment. It's insane."

Nor will the crackdown achieve the results that Congress promised to taxpayers when it vowed to purge addicts from the rolls. That's because most of them suffer from other physical or mental disabilities that will still qualify them for aid.

"The fact is that drinking and drugging is usually just part of the problem," says Joe Manes, a Washington mental health activist. "They usually have a complex of ailments that may or may not be related to their substance abuse."

Willard Redpaint is a walking illustration.

'PINTS AWAY FROM DEAD'

Most mornings, the 42-year-old Dakota Indian can be seen stumbling down Larimer Street on the graffiti-scrawled industrial fringe of downtown Denver, a bottle of Wild Irish Rose wine in his trembling hand and a glassy film across his bloodshot eyes.

At 10:30 on a bright, clear morning in August, he is already drunk. So drunk that when he blows into a Breathalyzer at a nearby homeless shelter he registers a potentially lethal .42 blood alcohol level—four times the amount to be considered legally intoxicated.

"God almighty, Willard!" blurts Bob Cote, director of the shelter. "You're about two pints away from dead!"

He breaks into a heated lecture, brow-beating, accusing. He reminds Willard Redpaint that at least 41 men have killed themselves on Larimer Street with disability aid money in the past few years.

"You knew a lot of those guys, didn't you?" Mr. Cote demands. "You want to end up like them?"

"I like my wine," Willard Redpaint replies sleepily. "I like to drink."

Reeking of urine and garbage from four nights of sleeping in an alley, he says he can't remember how long he has been getting disability checks. Court records show it has been at least since 1985.

But alcoholism is far from his only problem.

Willard Redpaint is mentally retarded. And his brain is damaged from a car accident that sent him hurtling through the windshield of a pickup truck when he was a child. He signs his name with an "X" because he cannot read or write.

When he was 4, a gang of thugs strangled his father during a robbery. A few years later, his mother was taken away to a mental institution. By the time he was 15, he was drifting the Western high country alone.

His earliest notice in Denver is recorded in court files at age 25, when police found him

> stumbling drunk down the center of a six-lane interstate in the middle of the night. Since then, he has been arrested 16 times in alcohol-related incidents.
>
> In 1988, he beat another homeless man to death with a slab of concrete over a stolen radio. Convicted of manslaughter, he served three years in prison, feeding his habit with homemade potato wine.
>
> "It gives you a hangover in the morning," he says of his drinking. "And I'll end up dying. but that's the only bad part."
>
> Each morning, he goes to a homeless aid station where social workers dole out his monthly check to him in $10 installments.
>
> "I can buy four bottles of wine with that much," he says. "That's a lot of wine."
>
> Left without treatment, counseling or supervision, Willard Redpaint receives just enough money every day from U.S. taxpayers to drink himself to the edge of death.
>
> And the crackdown launched by Congress last summer with much election-year rhetoric will do nothing to stop him. If Social Security cuts off the checks because of his alcoholism, all he will have to do is reapply, citing mental retardation and brain damage.
>
> Nor do drug counselors and social workers expect any of the other measures Congress passed in August to have much effect. Among the mandates were orders for Social Security to force addicts into treatment programs that don't exist and to hire special inspectors to make sure they don't misuse their checks.
>
> But the agency has had inspectors in 18 states for years. And they say they have been consigned to failure by a lack of funding.
>
> LITTLE SUPERVISION
>
> In California, Social Security monitored addicts so poorly that it continued to send checks to 119 of them while they were in prison, the state attorney general found last year. And in Illinois, a Chicago firm lost track of 7,000 more because Social Security never provided a list of their names.
>
> And Social Security does not expect to be able to tighten supervision with the money Congress wants to spend on the job. Rather, private firms will be paid roughly $600 per addict to monitor their whereabouts and make sure they are signed up on waiting lists until their checks run out in 36 months.
>
> "Obviously, one long-term goal is to rehabilitate people," says Commissioner Shirley S. Chater, the agency's head. "And the way we do that is to have these monitoring agencies encourage the addict's sense of individual responsibility to find treatment for himself."
>
> But Social Security estimates that the majority of substance abusers on disability—perhaps as many as 200,000—will continue to get checks and go untreated long after the three-year cutoff because of loopholes in the law.
>
> As many as three out of five are exempt because they have other disabilities. And another two out of three are collecting DI checks that can't be cut off until three years after they are actually accepted into a treatment program because Congress decided that they "earned" their benefits.
>
> Meanwhile, new addicts continue to pour onto the rolls. Social Security estimates that the number drawing checks today will almost double by the turn of the century.
>
> "It's insane to go on giving them cash," says Dr. Satel, the Yale psychiatrist. "But it also makes no sense to just take that money away and plow it into some other program. Congress has to wake up to the fact that we need hard-nosed treatment to interrupt this cycle of addiction, crime and punishment that is costing taxpayers a fortune in more ways than one."
>
> Estimates by the National Association of State Alcohol and Drug Abuse Directors are that every dollar spent on drug treatment saves $14 in police, court, emergency room and prison costs.
>
> But so far, Congress and Social Security have been unwilling to spend the money—even in the case of men like Delmont Williams who desperately want treatment and will surely die without it.
>
> "It's not our job to solve the problems of the addict population," says Deputy Social Security Commissioner Larry Thompson. "Our job is to write checks."

Mr. SANTORUM. This is about 34-year-old Ernie Hernandez. This part of the article says:

> The 34-year-old heroin addict and father of two sits in the brown grass outside the San Joaquin County drug clinic in French Camp, CA, a desolate farm town east of San Francisco.
>
> He fidgets with his beefy hands as he describes his 6 years on SSI.
>
> A one-time cannery worker and farm laborer, he has no apparent physical problem that would keep him from working. He is lucid in conversation. And at 6 feet tall and 225 pounds, he's built like a weight lifter.
>
> "I admit it," he says, "I don't look sick."
>
> But he's collecting $458 a month in SSI, which qualifies him for a $200 supplemental payment from the State, bringing his tax-free monthly take to $658—about the same—

States supplement the SSI benefits, California being one, with an additional $200, in addition to being eligible for Medicaid, food stamps, and other programs.

> —about the same amount that the average retiree gets from Social Security after a lifetime of labor.
>
> "The money definitely changes you," he admits. "I just ain't going to risk losing the money by working at some minimum-wage job. Next thing I know, I get too stoned, I lose the job. Then what am I gonna do to feed my kids?"

Are we helping Ernie Hernandez? Well, Ernie is one of 6,000 heroin addicts who rotate on and off in the outpatient treatment program provided in French Camp throughout the year. In a region that has become a hotbed of disease, many of them suffer from tuberculosis and AIDS. Three out of every four are getting disability checks, according to the recent county survey.

> "They'll test positive for heroin and we'll flunk them out of the program," Mr. Brown says. "Then they'll sign back up on the waiting list and the whole thing starts all over again. I can honestly say that in my 21 years in this business, I have never had a disability recipient successfully complete the program."

That is Floyd Brown, director of the drug treatment center in French Camp, who said, "If SSI was around 20 years ago, when I was trying to get straight, I would probably be dead right now."

Is this a program that is helping people? The answer is, obviously, no. We get rid of it. Under this bill, there are no checks for drug addicts and alcoholics anymore for this program. We are not going to continue to subsidize people who break the law by consuming illegal drugs.

Finally, the issue of non-citizens. This gets to be a very touchy issue for a lot of people. I want to associate myself with the remarks of the Senator from Texas when he says that most non-citizens who come to this country—immigrants—come here with their sleeves rolled up ready to work, to provide for themselves, their families, and the opportunity to live the American dream. I stand here as a product of that.

My father is an immigrant. He came here during the Depression. His father worked very hard in the coal mines for many, many years. It is, in fact, the American dream that the son of an immigrant can stand on the floor of the U.S. Senate, as many have before me.

No one wants to deter people from coming to this country, no one wants to take away the opportunities that come with living in America, nor do we want to be the beacon of the world for the handout. We want to say to people, if you want to bring your mother here, who is 70 years old, to come and live with you, and you sign a sponsorship agreement that says you will provide for them—which you do under current law—then you should provide for them, and not as many do, turn them over to the SSI Department or the Social Security Administration through the State, in some cases, turn them over so they can collect Government benefits because they are out there and therefore qualified for SSI.

Here are the numbers of non-citizens. In 1982, about 125,000 non-citizens received SSI. We were up to 700,000 as of 1993, and that number is growing fast.

It is a serious problem and one that we have to address. It is a philosophical decision, one the House made in favor, and I am hopeful we will make it here, too. People who come to this country should come for the opportunities provided to them and not for the benefits that could inure to them because of welfare. So what we say is, simply, reap the benefits of the fastest-growing economy in the world over the past many years—jobs and opportunities—but not for welfare benefits.

If you are a sponsored immigrant—let me finally explain the difference between other immigrants and sponsored immigrants. We are not talking about refugees, people who were in a war-torn country, like Bosnia, who come on the shores or who are fleeing the former Soviet Union.

Now, those people would not be affected by the change being proposed here in SSI. Only people who come to this country who are sponsored to be here by—in almost all cases—a family member; where the family member signs a document saying that they will provide for this person if they come here, and the person signs a document that says, "I will not be a charge or ward of the State" when they come here.

We are saying, we should enforce this agreement. If families want to be reunited on American soil, fine; but it should not be the role of the American taxpayers to be the retirement home for millions of people who want to bring their parents to this country to retire with them. That is what is going on, if you see the numbers of seniors, in the vast majority of these numbers. That is the problem.

What we are suggesting is, the door is open to reunite families, but it should not be at the expense of the taxpayers of this country, given the fact that these seniors have contributed nothing and worked, in many cases, not at all in this country and paid nothing in taxes.

Mr. President, I wanted to focus on the issues of SSI as, hopefully, issues that by and large can bring us together in this debate. I think they are issues that we can find consensus and agreement. I will remind people again that this is the second largest of all the means-tested entitlement programs, one that needs dramatic and sound reforms that have been put forward by the Finance Committee and the leadership bill as well as Senator GRAMM's bill. I am hopeful we can work together on this particular area.

I yield the floor.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the Senate continue with debate only on the pending welfare bill until 6:30 this evening.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

Mr. ASHCROFT. Consistent with our informal arrangement to go back and forth between the sides, I yield now to the Senator from Louisiana.

Mr. BREAUX. I thank my colleagues who have been participating in this debate this afternoon.

Let me start by commenting on the comments of the Senator from Pennsylvania about the SSI Program and to commend him for pointing out what he has, in fact, stated. The problem is severe and it is serious.

Also, I want to point out that there is no disagreement, essentially, between Democrats on this side of the aisle and our Republican colleagues on that side of the aisle about this issue.

President Clinton appointed our former colleague from Kansas, James Slattery, to a commission to study in detail this very problem that the Senator spoke of, the problem of some parents in some parts of the country utilizing SSI programs in order to qualify children who, in the minds of both experts, should really not be considered to be disabled and entitled to benefits. They made some strong recommendations about how those determinations should be made in order to protect children who are legitimately disabled, who have mental disabilities, who have physical disabilities, who truly qualify as disabled.

There is no argument that those children deserve our care and those children deserve our help and assistance. Those recommendations, I think, are in the Republican proposal. They are in the Democratic proposal.

The question of SSI benefits, cash benefits, going to people who somehow get qualified because of being a drug addict or an alcoholic, there is no basic disagreement in the provisions of both bills. The Dole bill and the Democratic alternative clearly says that a person will not be able to be eligible for cash benefits because they are a drug addict or because they are an alcoholic.

That is not to say that they should not get medical attention. Drug addicts and alcoholics and drug abusers who do not get medical attention, I suggest, become a much more serious problem to society if they are not treated, if they do not receive medical help and medical care. That is different from giving them cash benefits.

Our legislation clearly says that they would be entitled, if they qualify, for Medicaid assistance but not for any cash benefits. I think in those areas we are in substantial agreement.

Let me talk about the basic proposals that are pending before the Senate dealing with so-called welfare reform. I do not think there is a Senator in this body, whether he or she be a Republican Member or a Democratic Member, who would argue that welfare as we know it and see it and experience it today is not broken and does not need fixing. There is no disagreement on that.

There is no one on this side of the aisle who says that we should, in fact, not make any changes, that everything is working perfectly, when, in fact, we all know that welfare does not work very well for those who are on it, nor does it work very well for those who are paying for it. There is no disagreement with regard to that proposition.

We all agree that major changes should be made. How we go about bringing those changes are where some may have differences, which is the subject of legitimate debate on this floor.

I am concerned that it seems that the argument portrayed by some is an argument that suggests who should be responsible for solving the problem. Some would suggest that, well, the States ought to solve the problem because the Federal Government has not done a very good job. Some may suggest, although I have not heard that, that, no, the Federal Government should do it, because we know best.

In truth, the argument and the real question that I think should be before this body is not whether the Federal Government should do it or whether the State government should do it, but rather, how do we both, working together in a true partnership, solve this problem.

I suggest that this problem is too big for the Federal Government to solve it by ourselves. We cannot know what is best for every State in the Union here in Washington. I do not know what works best for States I may never have been to or where I have not spoken to welfare recipients or welfare administrators in that particular State. Being here in Washington does not give me some type of intelligence that is better or smarter than anybody on a State level.

I reject the argument, if anyone would make it, that welfare reform should be a Washington program. I also reject the argument that the States should do it by themselves, because I think the States do not necessarily have the financial ability to do it by themselves. And if you are going to have major Federal contributions to the programs, there should also be substantial standards on how those national Federal dollars, in fact, will be spent.

Therefore, I argue and I suggest that the answer is not the Federal Government versus the State government but truly a partnership between the Federal officials and the State officials in trying to craft a program that puts the best of both together and comes up with a program that truly solves the problem and ends welfare as we know it today.

Now, for 60 years we have had a partnership. For 60 years the Federal Government has put up some of the money, and for 60 years we required the States to put up some of the money. That has always been the partnership arrangement that has existed.

It is like that in every other program, Mr. President, if you think about it. In the highway program, the Federal Government puts up some of the money, the States put up some; on water projects, the Federal Government puts up some of the money, the States put up some of the money.

There is a reason for that. It binds and ties the concept that it is a partnership. It reinforces the fact that both of us have to work together to solve the problem.

What disturbs me in the Dole proposal, in the Packwood proposal, is that it breaks that partnership for the first time in 60 years, because for the first time it says the Federal Government will put up the money and the States, if they want, have to put up nothing. That is not a partnership. That, if anything, is the Federal Government being responsible for all of it.

The Republican plan eliminates the requirement that the States contribute. How many times have we heard proposals from the Republican side of the aisle that have talked about copayments in health care being extremely important because copayments from a person who has health insurance establishes in that person's mind that he is contributing or she is contributing to the solution, and therefore they are going to be more careful in how they use their health insurance? Without any kind of a copayment requirement, they do not have a connection with the cost, they do not have a connection with the solution to the health care problem.

Therefore, time after time I have heard Republican colleagues argue about the necessity of even increasing copayments. But for the first time—for the first time in my years in the Congress, in this body and in the other body, we have a proposal from our Republican colleagues that eliminates the requirement that the States put up their share to solve problems that their citizens and their partners are experiencing by being on welfare assistance. We have called it the maintenance of a State effort, a State maintenance of effort to get the States to do something so they can see that this problem is not one that can be solved without this partnership. I think that is wrong.

Poorer States have always had to put up less. My State of Louisiana is probably one of the lowest, but we contribute, I think it is, about 28 percent. The Federal Government puts up 72 percent, my State of Louisiana contributes 28 percent for the welfare program in my State. In some States the State has to put up as much as 50 percent, where it is dollar for dollar; the Federal Government puts up a dollar, the State puts up a dollar. But there has always been this partnership requirement.

The States who are helping to solve the problem also have to be responsible for contributing financially to that solution. We all know it is a lot easier to spend somebody else's money. I am concerned this will happen if the Republican proposal is adopted. If all of a sudden they see a pot of gold coming down from Washington and we say, "Here, spend it pretty much like you like, and, by the way, you do not have to put up anything; you can use the money that you used to put up for anything else you want because the Federal Government will continue to send the same amount," States, for instance, could take the 50 percent or the 28 percent they had to put up in the past and say, "All right, if the Federal Government tells us we are not going to have to do it anymore, I am going to take that money I was putting up for welfare and I am going to use it to get maybe more highway funds. I will use the 28 percent of the dollars that I raise on the State level to do the welfare program, and I am going to use it instead to match to get more highway funds, to build more bridges and more roads. Let the Federal Government take up the entire tab for welfare in my particular State."

An even worse example than that, what about a State that says, "All right, if I do not have any maintenance of effort, if I do not have to do anything, if this partnership is terminated, I will take the money that I used to put into the welfare program and, guess what, I am going to use it to build a new building so the Governor will have a new set of offices. Or, better yet, I am going to use it to give raises to all the State employees. Let me use the money for that." Is that really solving the welfare problem as we know it? Of course not.

Some States may even think like this. Listen to this example. The Food Stamp Program is 100 percent federally funded. When a person's income goes lower and lower, they qualify for more and more food stamp assistance because their income is less. So if a State decides not to make a contribution to the welfare program, reducing the amount of money an individual gets, the Federal Government is going to have to increase the amount of food stamps that the same family gets.

Is this what our Republican colleagues want? Is this what they are trying to establish in their proposal? Are they seeking to make the Federal Government spend more money than we are spending now on the Federal Food Stamp Program?

I suggest that is not a good idea at all. Therefore, what I am arguing for is a partnership between the Federal Government and the States. Give the States a great deal more flexibility, absolutely. I am not suggesting that not be done. I support that. Give them the maximum degree of flexibility that they can.

But I, as a taxpayer in Louisiana, want to know that when my citizens are taxed for this program that people in New York and people in Oregon and people in all the other 49 States are going to spend my tax dollars with some degree of national responsibility, some degree of national goals and guidelines in partnership with the other States that will be receiving money from my State as well.

One of our colleagues, I think it was Senator FAIRCLOTH from North Carolina, when he testified before our Finance Committee, made a wonderful point which I agree with.

"If you want to block grant the Federal welfare program to the States and just give it to them with no strings attached," he said, "you ought to cut any Federal assistance going to that State. If there is not a national interest in how we spend welfare dollars on this program, if there is not a Federal interest, then there is no Federal need or responsibility for the Federal Government contributing any money to the State."

Let me repeat that, because this concept came from Senator FAIRCLOTH from North Carolina, and I agree with him. I am not disagreeing at all. I am complimenting him for pointing out something I agree with. Let me say one more time what he said.

He said, "If you are going to give it all to the States with no strings attached, there is no reason why the Federal Government should give them anything. Let the State raise the money if they want to spend it any way they want."

And I agree with that. But I think there is a national responsibility when we start paying the tab to make sure that there are some national parameters and national goals and national standards that are going to be followed, with a maximum degree of flexibility to the States to devise the program that best fits the needs of their State. It should not be written in Washington, but it should be a program that has national goals and national standards. That is what we are talking about.

Therefore, my point No. 1 is that: If we have a Federal program, we ought to have a partnership, a State maintenance-of-effort requirement that the States also contribute something to be partners in this program and not just to be receivers. A partnership is absolutely, incredibly important.

I think we ought to work together. Let me tell my colleagues something. We cannot pass this by ourselves. But you cannot pass it by yourselves. You do not have the votes to pass it without us, and we do not have the votes to pass it without you.

So we have a decision to make as to whether we are going to cooperate and work on this together—or make political points and get nothing done. That is an option. But if that option is exercised, I suggest the real losers are the American public and the American taxpayer. We will make short-term political points for short-term political gain. But in the long run, the real losers will be the taxpayers and those who are on welfare who will not have had an opportunity to have a program passed in a bipartisan fashion.

One of the things about the Republican plan, the second thing that gives me a great deal of concern, is the question of mandating to the States that they double the number of people who are on welfare that are working. That sounds great. But talk is cheap. Talk is cheap. You cannot just say we are going to tell the States that they are going to double the number of people in their State who are now on welfare who are going to be working without helping them create those jobs and pay for those programs that create those jobs.

Recently we passed an unfunded mandate bill. Everybody on both sides of the aisle, really, talked about how wonderful it was. No longer are we going to tell the States to do something and not help them pay for doing it. This legislation, when it tells the States that they have to double the number of jobs for people that are on welfare in their State boundaries under this program and does not give them financial assistance in order to do it, is the largest and biggest unfunded mandate that this Congress will have ever passed. We will be saying to all of the States that Washington is going to tell you to put people to work. But we are not going to help you provide the money to put those people to work. Does anybody think that is somehow going to happen with magic? There has not been a Governor that has come before this Congress through our committee systems that has ever said that goal can be accomplished without additional financial help from the Government here in Washington or from a greatly increased tax burden on their citizens.

Without the partnership that I talked about, the Republican plan is the largest and biggest unfunded mandate to have ever been adopted, if it were to be adopted, in the history of this Congress. The ink is not dry on the legislation outlawing unfunded mandates, and this bill hits the floor with the largest unfunded mandate I think in the history of this Congress.

You cannot require States to double the number of people working and do it by freezing the amount of money they get at the 1994 level. That is what this bill does, and that is the second reason why I think it needs to be changed and modified.

The third reason that I have great concern with their proposal is what it does with child care and what it does for children. Children cannot be punished for the mistakes of their parents. There are innocent victims in this country who did not ask to be born into this world but are here in many cases because of mistakes of their parents and perhaps, yes, they were unwanted children. But they are here. They are alive and they are humans, and they deserve the attention of this Congress and this Government.

I have heard our colleague from Texas, Senator GRAMM, talk about, "Well, you know, it is just time that the people who have been riding in the wagon get out of the wagon and start helping to pull the wagon." And that is great rhetoric and everybody has a little mental picture of what that must look like. But his proposal takes innocent children and babies and throws them out of the wagon into the street because it is clear that without help a 3-year-old or a 12-year-old or a 4-year-old little boy or little girl cannot pull the wagon. They are not old enough. They are not strong enough. They are not smart enough. And this is America which has a concern about innocent children.

The legislation to say that when a child is born to a teenager who is not married and we are somehow going to deny that child the benefits of what that child needs to survive is un-American, it is unfair, and by and large it is totally absolutely unworkable. That proposal punishes a child who did not ask to be born. That proposal is misdirected in that it does not do what we should be trying to do, and that is to punish the parent.

Our bill, on the other hand, says the parent has to live at home; if there is no home—which is the case in many cases—that teenage mother has to live with adults in adult supervision, that teenage child who had that baby has to go to school, has to be in a work program, and there are requirements against the parent but not requirements against the child.

The Dole bill treats it a little differently. The leader's bill says, "Well, the State can have an option to do that if they want." That is back to the national responsibility, the national partnership, that we should be concerned about if we are raising the money for the program.

I cannot believe that our colleagues would agree that it is perfectly acceptable to have the benefits cut off to the child. That is one option that I think States should not be able to do when they in fact are using tax dollars that have been raised throughout this country.

Having said what I have said, I also want to repeat that we are not going to be able to pass a welfare reform bill unless we work together.

I will say here today that I think that can be done. The differences that I have outlined I think, while substantial, are not that complicated to fix. I think the requirement that States have to put up their share, a maintenance of effort by the States, can be fixed—and should be fixed—came close with an amendment that I offered in the Finance Committee of fixing it. We still can fix it. The work requirements requiring people to work and helping the States to pay for that work can be fixed.

Finally, I think treating the child, who is an innocent victim, fairly also can and must be fixed.

There are some other things that need to be addressed. The SSI that I mentioned I think we are very, very close, and almost substantial agreement with what needs to be done in that particular area.

So, Mr. President, my colleagues, I look forward to engaging our Republican colleagues in debate. I hope that our Work First legislation, which has been put together with a number of our colleagues working very, very hard, drawing on the experience of our distinguished ranking member of this committee, the Senator from New York, Senator MOYNIHAN, who has probably forgotten more about this issue than most of us know. We have drawn on his experience and his knowledge and his legislation that he has put forth in the past on this effort, and we are delighted to have him and proud to have him managing this bill. I know that it is going to be a better product because of his involvement.

But now is the time for us to be involved together in an effort that is going to affect every single American for a generation to come. I hope we can do it. I am confident we can.

I yield the floor.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the Senate continue with debate only with the pending welfare bill until 7:30 this evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHCROFT. Mr. President, I want to take this opportunity to make some comments on the question of welfare reform. We have awaited this discussion for months, weeks. We are finally confronting the issue of welfare. And there is much agreement, and there is much disagreement.

My colleague on the other side of the aisle just said that one of the reforms we have will put children in the street. Mr. President, the reason we are concerned about reform is that children's lives are being ruined. The real tragedy of welfare is not the tragedy to be found in numbers. It is not the tragedy to be found in how much this system costs. It is not a tragedy about the share of the Nation's output that welfare occupies or how much money the various competing welfare reform bills would save. This debate properly understood is not a debate about numbers. It is a debate about lives. It is a debate about the lives of individuals that have been trapped in a web of a "Washington-knows-best," "one-size-fits-all" welfare system. The lives of people are welfare's casualties.

Mr. President, in the first 8 months of this Congress we have accomplished an extraordinary amount of work. We passed a balanced budget resolution which signals to the public the right message about integrity and responsibility. We have advanced the telecommunications bill that brings our laws in line with the technologically advanced times, a bill that makes laws apply to Congress itself, and previously we have been enacting legislation to which we did not adhere, and many other achievements.

As important as these achievements are, I believe they will be seriously compromised if we fail fundamentally to dismantle and replace the current Washington based "one-size-fits-all" welfare system with direction from this capital to the State capitals, and foot dragging on the part of this city in terms of allowing innovation and creativity at the State level.

Our efforts and our ability to replace welfare will be viewed by the American people and by history as a measure of our commitment to the American people—a bright line in our public life between cheap talk and real action. It is easy to call for a revolution, more difficult to achieve the purposes of a revolution. But that is the difference between administration and leadership. People want real leadership here.

Across the world, our enemy for nearly 50 years no longer exists. It is not a result of someone conquering the Soviet Union from without, but it was a defeat from forces within. What communism did to the Soviet Union is not unlike what welfare threatens to do to America. It stifled her spirit, it lulled her into dependence, and it compromised her greatness.

Our danger today is not to recognize the threat. Our danger is to believe that doing anything so long as we do something is sufficient. If that occurs, we will have failed, the welfare state will have survived, our pathologies will metastasize, and an America which now stands on the brink of chaos will tomorrow be thrown into the abyss of mayhem.

Today, we have a welfare system that was designed with the best of intentions but, frankly, the poor have received the worst of all worlds—a world of despair, where a future is not seen, a world of no opportunity where advancement is not conceivable, a world of no family for support, to nurture or care.

A couple years ago, it was my privilege to chair a task force on America's urban families. I was shocked, going into America's cities and meeting with children who did not know who their fathers were, but really appalled to know they lived in neighborhoods where no child knew his or her father and some of these children had no acquaintances who knew their fathers. It is a world with which many of us are unfamiliar but a world in which success is very difficult and a world from which escape is almost impossible. It is a world in which people are raised by welfare, fed through food stamps, but starved of nurture and deprived of hope. Results of this kind of system are frequently tragic.

During the past week, I have come to this floor to talk about some of the stories, to talk about and highlight this human side of the welfare system. Some of the cases are of children who have been killed or neglected, some are testimonies of people trapped in the system, but each one of the stories was real. They have all been documented. They all appeared in the mainstream press. They are tragically true. They are all stories which we should remember as we debate the welfare reform issue.

For 30 years and more, we have been told that all we need to do is spend more money and we would be able to solve the problems we face. We have been told that Government had all the answers, that Washington knew best how to help.

Good intentions have carried us to a sorry state. Today, all the evidence points to the fallacy of that argument. Today, there are more people in poverty than ever before. There are more children being abused and killed. There is less hope, less opportunity. We must reverse the consequences of the actions we have taken.

Today, again, I wish to make this point and by way of doing it I just relate another one of the case histories of a child who paid the full price of our welfare system. His name was Jason Allen, Jr. He was only 2 months old at the time of his death in September 1994, just last year. Born in Bakersfield, CA, to an unwed mother who had two other children besides Jason, her main source of income was $723 a month she received from the Federal Government through AFDC. Also, she had a drug problem, and the Federal funds helped her maintain that, too. Ms. Henderson was addicted to a methamphetamine drug known on the street as "crank." In fact, by the time she became pregnant with Jason, it is suspected she was using a significant portion of her welfare check just to finance the drug addiction. Unfortunately for Jason, his mother used crank regularly throughout and after the duration of her pregnancy.

As the New York Times reported in September of last year, 3 days after Jason was born, he had to be hospitalized for withdrawal from the methamphetamines his mother had taken. As Jason recovered, his mother continued to use crank—later claiming that the high she got from taking the drug helped her cope with the demands of motherhood. But when Jason was released from the hospital and his mother began to feed her son naturally, Jason took a turn for the worse. As the New York Times wrote last year, "Ms. Henderson awoke [one day] to find her son lying still in his crib not breathing, his lips blue. Throughout the subsequent criminal prosecution of Ms. Henderson, prosecutors maintained that 2-month-old Jason died on his way to the hospital from his mother's drug-laced milk."

Mr. President, there is no happy ending to this story. Ms. Henderson is currently serving a 6-year sentence on a felony conviction of child endangerment after the jury deadlocked 11 to 1 on the more serious charge of second-degree murder.

The life of little Jason Allen, however, is tragically lost forever. In truth, he did not have a chance. His is the face against which our reform must be judged. The reform that we pass need not be perfect, but it must be substantially better than the system we have today, a system that finds us with individuals trapped on welfare and a system which projects the abuse from one generation to the next.

The Senator from Pennsylvania spoke just a short time ago in this Chamber, and he talked about the intergenerational problems of welfare, and he cited a case that was recounted in the Boston Globe of a generation on welfare that began just a generation or two ago and the family now consumes almost $1 million annually. It is an intergenerational problem, a web of dependency that has entrapped almost all of those who are a part of the family. We must make sure that we change this record of failure.

For 30 years and more, the Federal Government has determined it would tolerate a welfare system that allows this kind of dependency, that says you do not have to work to earn benefits, and it takes no action to discourage irresponsibility. We have, as a matter of fact, said if you are irresponsible, we will continue to write the check. As a matter of fact, we have said worse than that. We have said the more irresponsible you are, the bigger the check we will write.

That has really found us in the validation of irresponsibility and impairing survival values which are essential to the well-being of Americans.

So when this debate concludes on welfare, be it Wednesday or Thursday or Friday of this week, or whenever it concludes, what will be the earmarks of what we have done that can assure us we have been successful in pursuing genuine reform? Let me suggest to you a five-part test.

First, I believe we must end welfare as an entitlement, the notion that people should receive Federal welfare benefits even if they do not work, even if they abuse their children, even if they are more and more irresponsible. It is a pernicious notion. It is a notion which reinforces the wrong values, that underscores the wrong commitments. Real reform would end welfare's entitlement status. It will free people from the shackles of governmental dependence, and it would allow them to embrace the responsibility and opportunity that are the hallmarks of America's survival values. It is essential that we reinforce a system of responsibility, and an entitlement does not have regard for responsibility.

Second, we must radically limit Washington's intermeddling, micromanaging, counterproductive control of welfare. I spent 8 years in the Governor's office of the State of Missouri—the great privilege of my life—to shape the future, along with the citizens of the State of Missouri. A number of things we sought to do in welfare reform, ways in which we sought to change the system, an effort to upgrade what we were doing to make it more efficient, to make it more productive, to make it consistent with our values, having to come for each change hat in hand to Washington, DC, and being badgered, being argued out of one position or being slowed down in our progress, saying we will not tolerate real change; we will only allow you to do a pilot program. We will only allow it if it begins this way or that. It really curtailed our ability to serve the people that had elected us and to chart a new course that would break the web of welfare dependency instead of reinforcing it with unbreakable strands of reliance on the Federal Government.

Even now I look this year to the department of social services in Jefferson City and they talked about Medicaid and how inefficient Medicaid is as a result of this intrusive control from Washington. The Medicaid director who works under my successor—and my successor is not a Republican, as am I—but the Medicaid director said that if the Federal control were out of the system so that they did not have to comply with this micromanaging, counterproductive demand for the way things are done, that for the same amount of money that they are caring for 600,000 people on Medicaid, they could care for 900,000 people on Medicaid.

The productivity penalty, the service penalty of this invasive, micromanaging control system of Washington, the Washington-knows-best, the one-size-fits-all system, is cheating 300,000 Missourians out of medical care, according to the director of social services in the State of Missouri.

It seems to me if we are really interested in helping people, the bureaucratic tax against the poor, of robbing them of that resource by having this control mechanism and by being unyielding and being stingy about what we want to do in terms of allowing for States to exercise responsibility and develop procedures whereby real efficiency could be managed—that is counterproductive. We do not want to do that. We should put it behind us.

For 30 years our welfare system has been premised on the belief that Washington knows best. Well, there is a fallacy that is underlying the belief that anyone could know best. Because it suggests that there is a best solution for the entirety of America.

Mr. President, I suggest to you that there is not any single best solution for America. I suggest to you that a variety of communities could come up with different solutions that might be best in the instance of their community and that we need to move forward in an evolution of thought on this matter. I think it was understandable that at one time it might have been thought by well-meaning individuals that Washington did know best, that we simply ought to figure out what was best, and then make the rest of a less-enlightened country comply with our demand. I think the effort to do that has met with substantial failure.

So the next step in the evolution was to think that, well, maybe we should have had pilot projects that we could put around the country and we could learn what would be best. Then we would take the information from the pilot projects, having learned what was best for everyone, and we could impose it on them because they were less enlightened than we would be, having had the benefit of all those wonderful pilot projects and studies that were mandated every time a State wanted to have a waiver or do something creative.

But the truth of the matter is that there is not a single strategy, a single pilot project that would work in Baton Rouge or Bangor. The truth of the matter is, there are various strategies that will work in various ways around the country. For us to presume even from our immense data base and from all the information and statistics that might be available in Washington, DC, that we could know best what would be appropriate for everyone, is an assumption that is false. It also ignores the fundamental component of our human existence; and that is, that we tend to believe whenever we are trying to work things best, we participate in the formulation of the strategy.

Why do we not adopt a system which allows States to be invested in the formulation of strategy, allows them to participate in developing the ideas that they then put into practice, and we get the additional vitality and additional energy in the system that comes from people participating and shaping the strategy which they will employ to solve their own problems? Really that is what freedom is all about.

One of the reasons freedoms flourish and societies of freedom flourish is they tap that special energy. We need to tap it in this system and the welfare debate.

This afternoon, the Senator from Iowa stood on the floor here and did an interesting job of talking about how Iowa had a special program that encouraged even small businesses from individuals who were on welfare, and how the number of people on welfare that went into business had, I think, doubled in just the last couple years. I think that is a marvelous thing to think that we could have a system that would allow a State to do that.

Iowa went through a pretty substantial process of asking the Federal Government for waivers. Why should we ask States to come here and beg for waivers? Let us provide a system where States have the authority to move right into these creative responses.

But to say, if it worked in Iowa, it has to be done in Indiana or that it has to be done in Idaho or that we must mandate that system in New Mexico, Arizona, California, Texas, or Georgia, is to again make a bad decision. It is a decision of imposition. It is not a decision of innovation.

We need to allow the States to be involved in rejecting this idea that one size fits all. It is like sending off to the catalog and saying, "The average weight of a person in my family is 120 pounds. Send us five pairs of pajamas to fit a 120-pound person." Well, I tell you what, there is no 120-pound person in my family. All five of us would be ill-fitted with the pajamas. But the one-size-fits-all mentality makes you think you can take the one-size-fits-all type mentality and make it fit everywhere. We need to provide for tailoring. Let us let these States make investment in their future, and let us let them tap that creative energy that comes from participating in the design process of those investments.

I think it is a real chance for us to succeed. Some on the other side of the aisle have complained, well, the States will not be asked to contribute as much as they previously contributed. The truth of the matter is, we should hope that the States are so successful they will not have to contribute all that they previously contributed.

The idea, the mandate from the people of America, is not that we should maintain welfare or not that we should grow welfare. The idea is that we should employ innovative and creative strategies to reduce the caseload.

The idea of copayments was brought up. As if there is some analogy between a block grant which is limited in terms of its expenditure and an insurance policy which allows people to consume health care regardless of the amount expended. Nothing can be further from the truth than to think that a limited block grant and an unlimited capless health care policy are the same things. As long as there is a limit in a block grant, States will have an incentive to work within that limit, copayments are unnecessary in that sort of setting.

So I really believe that we must end entitlements. There are benefits to doing so. But, second, in addition to ending entitlements, we have got to free States to work effectively within their communities to develop these plans which will help us get the job done and get it done well.

Bureaucracy has levied a sort of tax on the poor, taking up money and preventing it from reaching those in need. Every time there is a need for a report in Washington, someone has to generate it in the State. So the report reader has a drain on the system and the report generator has a drain on the system.

Who should be the real judges of welfare and welfare reform? Who do we really want to satisfy? Is this a game in which we satisfy the U.S. Senate or the U.S. Congress? Is this some sort of exercise in which we should seek to satisfy the bureaucracy in Washington, DC? I do not think so. I think we really are trying to satisfy the people of America. I do not see any reason why we cannot trust them to make judgments about the success or failure of what is being done in their own jurisdictions where they are up close, where they see on a daily basis, where they walk past and work with individuals who are involved with the system. No one will know better than the group of individuals we call citizens.

Incidentally, if we are looking for the boss in America, if we are looking for the final authority, let us go no further than to read the words, "We the people." If we want to design a welfare system and we want to set up a jury to judge the welfare system as to whether it works or fails, let us not try to set up a jury so that somehow the system has to come to Washington to please the Congress or the system has to come to Washington to please the bureaucracy.

Let us put a system in place that gives the people the opportunity to shape the future in which they live. That is the definition of freedom. And let us put them in as judges and arbiters of whether what they are doing is successful. The beauty of a free society is not just that you make decisions in the first instance; the beauty of it is if those decisions do not suit you or are not working effectively, you change the decision.

Let us give the States the opportunity to make decisions which will result in the kinds of graphs that Senator HARKIN brought in for his State and proudly presented. Let us give States that opportunity, and let us not make them come here to act as if what a State is supposed to live for is to get the approbation and "attaboy" and a pat on the head from the Congress or the bureaucracy. But let us be consistent with the real purpose of Government and allow these jurisdictions to do what is important and what can succeed in their jurisdiction, so that the people can assess whether or not this has been done well. And if it has been done effectively, they will stick with it; if not, they will reject it and build a different bridge.

First, reject entitlements. We cannot go on with entitlements that do not have a relation to behavior and activity. Second, empower States through block grants. Third, we must encourage a national debate on an epidemic of illegitimacy in America. Illegitimacy has robbed so many in this culture of a future, and, indeed, unless it is reduced—not just contained, but reduced—it will rob this country of our future.

Most of the problems surrounding welfare can be tied, in one form or another, I believe, to this epidemic. It is at the root of the family's breakdown in the inner city. It is tied to everything from educational noncompletion and failure to crime. It is the lifeline of dependency.

Now, much progress has been made. I think our society and our country has made a lot of progress in the last couple of years in just learning that we can talk about it and that we can confront the issue and we can say about it what we believe to be the truth about it. There were people who did so long ago, some in this Chamber, and for whose voice I am grateful. But it is only in the last couple of years that our country has decided that it is fair to talk about this as a threat to our future, and talk about it we ought.

Much progress has been made, but we must encourage further debate and discussion, and we must expect States and communities to take positions and to deploy strategies which they believe will help curtail this epidemic. I was encouraged to see that even here in Washington, DC, which is not thought to be necessarily mainstream, but the city council of Washington, DC, has voted to deny certain benefits to individuals who continue with illegitimacies while they are on welfare. There is a recognition at all points on the political spectrum about the threat that illegitimacy makes to the future of this country, and, frankly, the disastrous impact it has on individuals.

The fourth test, I believe, is a test that should reflect our understanding that laws alone will probably not solve this problem. As much as it is gratifying, rewarding, makes one feel good to stand in the Chamber and debate policy and to think about shaping the tomorrows in which we live, I believe that we have come to an understanding from our experience that Government probably will not alone solve this problem. Government will not alone solve this problem at the State level. Government alone certainly has not solved this problem at the Federal level. We need to develop a strategy which will elevate substantially the participation in this challenge by nongovernmental institutions, by charitable organizations, by religious institutions. We not only need to have these institutions involved, but we need to have the average citizen become involved. I believe that there is a different character in governmental programs than there is in the programs of nongovernmental and charitable institutions. When volunteers get involved with individuals, they have a way of saying, "I love you," by the fact that they are giving their lives to participate beneficially in the lives of others. That is not the message of government. It cannot be the message of government. It will never succeed as well, because it is not.

It is time for us to emphasize the opportunity and to encourage the participation by the private sector, and I think we ought to do that by recognizing individuals not only who give money to charities but who also give their time and energy. We need, for the citizens of America, to come together, some on welfare, some not on welfare, but the interchange and interface between them can provide the connection which directs some over the bridge from dependence to independence. The people who are working jobs, we need to find ways for them to be in contact with people who need jobs, and that is part of the solution.

Lastly, I think we must realize that it is unlikely that we will have unanimity when we decide on a form. We cannot try to be all things to all people. We have seen that when we do, we are detrimental to all. It is as unlikely to be all things to all people as it is to have one size that fits all. People are different, and there may be disagreements here, but these differences and genuine efforts—a resolution of these differences deserve our best efforts. We must work together in order to achieve a positive result.

Well, today, we have a lot of work to do if we are going to get a bill that meets these tests, a bill that does more than just tinker at the margins and embrace the label of reform. We cannot allow just tinkering at the margins and labeling to satisfy us.

We must call the Nation to greatness. We must signal that ideas and principles are more powerful than Washington's politics and pragmatism. We must refuse to compromise our struggle without ever trying to retake our city on the hill. We cannot settle for being rhetorically impressive while simultaneously being substantively lacking. Half measures which tinker with the margins are predestined to fail.

And most importantly, let us never forget that they fail the very people that they need to help the most, and they are the people who find themselves in the system. They are the population which is more pervasively trapped now on welfare than there has been for quite some time.

We can do better than we are doing. We can do better, and we must. And so we will work hard to achieve real reform that, in fact, eliminates entitlements and empowers the States with the opportunity for real creativity, that in fact makes it possible for reform which will shape the way in which we live, that will challenge the epidemic of illegitimacy and reduce this pathology which shakes at the very foundation the potential of the success of our Nation.

With that in mind, I think we have an opportunity to be of great service. I thank the Chair.

I yield the floor.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Ms. MOSELEY-BRAUN. Mr. President, I am actually anxious to engage in this debate on reform of our welfare system. I was reminded earlier today of a time several years ago. I was in

Paris, and I was walking down the street with a friend. We were talking about issues having to do with poverty, and at some point in the conversation, my European friend made a remark the following remark: "You Americans are so Calvinist in your viewpoints."

First I was a little mystified and then angry that he would make that kind of a statement. He went on to say there was a tendency in America to blame the poor for their problems. I pointed out to him that was not the truth; indeed, on the contrary, this country has had a welfare system in place since the 1930's.

There are obviously problems that we need to work out, but the issue of addressing poverty is bigger than any welfare program. It is a larger issue than that. Welfare is just a response to poverty. It is not the cause of poverty. It is not the cure to poverty. It is a response to poverty.

The Senate is now engaged in a debate regarding the future of welfare and how we address the system that we have put together to respond to poverty. I submit, Mr. President, however, that the American sentiment regarding this issue, both in the larger sense as well as the specific one, is still a very noble one.

We start with the notion that everybody who can work should work. But that those who cannot work should be provided subsistence so they can live in some dignity. At the heart of that sentiment, Mr. President, and at the heart of the sentiment—I know Mr. MOYNIHAN for years has tried with the Family Support Act and the like, which has not been given the chance to work in the way the potential would allow it to work—at the heart of the sentiment we should provide subsistence so people who cannot work can live with dignity. I think is a very logical analysis.

That is, how we will deal with poverty in our midst. How we deal with poverty in our midst does, in fact, is not just a local issue. It is not an issue of States rights versus the Government in Washington. It is how we define our national character, the quality of life in our country as a whole. Frankly, it reflects the health and vitality of our economy as a whole.

Most people, I believe, instinctively recognize that this is not just an "us versus them," the taxpayers against the dirty welfare cheats, in spite of the efforts, frankly, of some, for political or otherwise, reasons to blame the poor for the anxieties of working people. The fact is that all taxpayers have a vested interest in seeing a system that works and that reflects the best of American values.

Mr. President, I believe among those values, an important value, is the recognition that children are our future. We recognize the importance of providing the children with subsistence with dignity, and support and hope for a better tomorrow.

No 5-year-old is responsible for being born poor. So at the outset, I believe that the measure of any proposal for Welfare reform: How does it treat children? Does it provide a means for their parents to care for them? Does it provide a safety net for those parents who are unwilling or unable to care for them?

Mr. President, some 22 percent of American children today live in poverty. That is 15 million children, one in five of our children—of our children—live in poverty. Our child poverty rate is two times that of Canada and Australia. It is four times that of France, Germany, the Netherlands, and Sweden. Nine million of those fifteen million children are currently the object of public assistance or AFDC; what we are talking about is welfare. Nine million of those children.

So the fact of the matter caring for children should really be the subject of all of the words flowing around this Chamber—two-thirds of those on welfare are children. We must never let go of that fact.

Many of those children are in female-headed households. In fact, 90 percent of the AFDC children live in families headed by just a mother. Mr. President, 53 percent of the families in poverty are single female-headed households.

Senator MOYNIHAN has spoken authoritatively about the phenomena we are facing. Quite frankly, as he points out, nobody quite knows why that is the case, and nobody quite knows what we should do about it.

The point is that I believe a second objective that should command our attention is providing for an environment, a climate, for family creation and family maintenance as an anecdote or response to our objective of resolving and alleviating child poverty.

That is to say, the welfare of the child is not just a woman's problem, it is a parent's problem. It is a male and a female problem. It is a mom and dad problem. It is not simply a problem of "the war against illegitimacy" in the abstract. It is a real problem with a real face.

The fact is, Mr. President, when both parents are in a household, the likelihood that a child will be in poverty is diminished. That has been demonstrated time and time again.

However, I think as we all know and without speaking to it, by perverse operation of practice over time, frankly, in all too many instances, the men are too often seen as an impediment to providing for the welfare of that child. That is something, clearly, that we have to face.

What we have now, though, in the context of this debate is the beginning of a debate of historic implications, one which I submit will shed more light, hopefully, than heat on this issue. That has been the subject of conjecture and stereotypes and myths which do not help the debate very much.

I submit, Mr. President, that S. 1120, the Work Opportunity Act, the Dole bill, does not in my opinion address the reforms that we need to have in ways that are reasonably calculated to combat child poverty. I want to tell Members why.

First, it maintains that child poverty is a local and not a national problem or an issue. Federalism, seems to be how this debate is being characterized. The fact is, that by handing over the problem to the States, by way of block grants, while it gives the States flexibility, which is a good thing, the fact is it gives the States so much flexibility as to be formless in terms of our national interests. It shifts the costs of addressing the problem to the States. It caps the Federal assistance at 1994 levels, and that is one of the reasons why, frankly, we are going to continue to hear bickering over the allocation formula.

The high-growth States worry they will lose money. High child poverty States are afraid they will lose money, stuck with a formula developed at a time when there was a national commitment to help resolve child poverty.

In the absence of a national commitment with regard to child poverty, what we will have, Mr. President, is a race to the bottom among the various States to see who can come up with the most punitive measures, who can save and pennypinch the most, the welfare of the children notwithstanding.

I raised the question in the Finance Committee during markup of the committee bill—What about the children in other States? I live in Illinois. What if I look up and discover in some State a Governor has decided on a plan that leaves children homeless and hungry? That a situation arises like Brazil. The answer that I got back was if that happens, we will just have to come back in a couple of years and fix it.

Mr. President, I do not think that is the right response. The fact that the system needs to be fixed and there needs to be reform should not mean that we just give up, that we just say the Federal Government, the National Government, our people, Americans across this country, have no interest in the welfare of a child who happens to live across an artificial border of a State. That is what this bill does.

It says that people who live in Illinois have nothing to say at all about the welfare of children in New York, or the welfare of children in Iowa, or the welfare of children anywhere else in this Nation.

I believe that turning our backs on a national commitment to children is an error of the gravest proportion and one that we should not allow to happen.

The second issue, Mr. President, that I think may be defective in this legislation is that it does not provide a safety net for children. The fact is that the kids will be punished for the conduct of their parents.

Ask yourself the question, "What if"—what if the parents are so irresponsible, or alternatively so unlucky that they do not jump the proper hoops that get created by the States. We have already said in this bill the States can decide what they want to do, so if the States say you have to tap dance three times with one foot tied behind your back, theoretically there is nothing on the national level we can do about it. Assume for a moment some child's parents do not meet the rules, do not make the cut, and get thrown off. What happens to the children in that situation?

What if a child's parents are teenagers? Does that mean that child then starves because their parent is underage? The fact is, Mr. President, it is one thing to tell single mothers that they should not have a child, and it is quite another to tell that child that their mother should not have had them. And that is what this bill calls on us to do. The children are left with no safety net whatsoever. Whether you want to use the hot-button phrase of calling it an entitlement—we are not talking about an entitlement to States. We are not talking about an entitlement to parents, for that matter. What about the children? Are they not entitled to a guarantee from all of us, all Americans, that they will not be left to starve, that they will not be left homeless, that they will not be left to such grinding poverty that any hope of a future is extinguished when they are yet 5, and 4, and 3, and 2 years old? I do not think so, Mr. President.

Third, and I think this is another significant flaw in this legislation, clearly the bottom-line issue for parents is that they should support their own children. I cannot imagine anybody who would argue with that proposition. A person who brings a child into this world should take care of that child.

But to do so, since we are talking about poor people here, to do so they have to work. The reality there, of course, is people can only work when there are jobs to be had. Frankly, the absence of any job creation is one of the dirty little secrets of S. 1120. The Field of Dreams, I call it. It is legislation that says, "If you kick them off the rolls, they will find jobs." Mr. President, I believe that is an assumption that has less relation to reality than most of the fictions we hear around here.

What jobs, I ask you? In some communities, even communities in my own State—and I am sorry to say that—we have areas of the State in which there is 1 percent private employment, 1 percent. If you can imagine 1 percent private employment anywhere, that is not a recession, that is not a depression, that is economic meltdown in those areas—whole communities in which our economy does not work.

I heard one of my colleagues talking a moment ago about the breakdown of the family in the inner city. Frankly, if I hear that one more time I think I am going to get sick on this Senate floor. The fact of the matter is, it is not a matter of breaking down the families in the inner cities. The inner cities still have strong families, as least as strong as they can manage under circumstances where there are no jobs, under circumstances where men who want to work cannot work and the only employment is the drug trade. Let us make honest statements on this floor about what is going on in America as we address what Americans can do to rise to the occasion, to fix this problem.

Fourth, Mr. President, I think this debate—we know there will be amendments and alternatives. But that gets to another point I would like to make, and that is I certainly hope that part of the contribution that this debate makes, the debate here on the Senate floor, is that we will begin to dispel some of the myths about welfare. The face of welfare in this country, unfortunately, is that of a black woman with several children by different fathers who stays on welfare because she is just too lazy to go to work.

Mr. President, that is not the truth and it never has been. The statistics—I know everybody here has staff to go and pull up numbers— the statistics do not bear that perception out. That is not reality. Frankly, to use the examples—and I am sure we can all find them—of the welfare cheat, is not the real story. There are always examples. We can find somebody to be an example. I heard Members on the floor talking about, yes, and here is a case of so-and-so-and-so and she had these many babies and she got welfare and she is addicted to welfare, et cetera.

To throw those kinds of inflammatory statements out here on this floor is the equivalent of saying that every mother of two children, is going to be like Susan Smith and run them into the river and drown them. It is an illogical analogy, it is a false analogy, it is an analogy which I believe distorts the important nature of this debate.

Let us strip this debate of the myths. Let us dispel the stereotypes and the preconceptions, and let us have a debate in honest terms, about real numbers and about real people. Let us address this debate in a way that says that we want to provide a safety net, if you will, for children; that we want to treat fairly with the States in the development of this system; that we are not going to just turn over to the States what has been called the granddaddy of all unfunded mandates. Because, frankly, I think it can be said with pretty much certainty under this bill, most States will probably have to increase State and local taxes to deal with the issue of poverty in their midst.

What you will have is another set of burdens foisted on local governments that they will not be able to pay for and they will not be able to handle. In any event, that will shift the burden from being one that is shared by all of us to one that is shared just by a few. Frankly, it will put additional pressures on already fragile communities.

I believe we need to help communities to create gainful employment for poor people; for poor parents, to help them to break the cycle of dependency. We have the wherewithal to do that. We are a rich nation. We have a $7 trillion annual economy. The budget of this United States, the Federal budget that we make decisions on here in this Chamber, is $1.2 trillion annually. We have the means to help people to work, to do for themselves, to pull themselves up by their bootstraps and to provide for their children. But it is not in this legislation. It is not in this bill. And, frankly, it is the dirty secret of this entire debate. "We are going to kick them off, and when we kick them off they are going to find jobs, but we do not know where they are going to find them. But if it is broken and the children start dying in the streets, we are going to come back in a couple years and fix it."

That is not the response the American people expect from us regarding this very serious problem. To do so, I think we will have to put aside—and I want to associate myself with the remarks of the Senator from Louisiana a few minutes ago—we are going to have to put aside partisanship and phony inflammatory rhetoric and try to address this critical issue in the spirit that, as Americans, we are indeed all in this together.

We are not a mean-spirited people. We want to do the right thing. We want to be able to provide for our children in a way that gives them hope. We want to give parents hope and to encourage families and to encourage personal responsibility.

But, Mr. President, S. 1120 does not do any of those things, and for that reason I believe it should not pass.

I yield the floor.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Iowa is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. GRASSLEY. Mr. President, this unanimous-consent request has been cleared on both sides.

I ask unanimous-consent that the Senate remain in status quo with respect to the pending welfare bill until 8 o'clock this evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. Mr. President, before coming to the Senate I spent 45 years in the private sector, meeting a payroll as a businessman and a farmer. Every year I watched as the Congress went into session and adjourned, leaving it more difficult for working taxpayers to make ends meet because of the out-of-control Government spending programs that have put our country on the path to fiscal disaster.

Of all the spending programs implemented by the Federal Government, none has been a bigger failure than those programs collectively known as welfare. President Johnson's "war on poverty" was launched with good intentions, but it has been a miserable failure. And in many ways, it has made the plight of the poor worse instead of better. The current welfare system has become a national disaster.

The problem is not a lack of spending. Welfare spending has cost taxpayers $5.4 trillion since 1965 when the war on poverty began. Currently, the Federal Government runs approximately 76 means-tested welfare programs at a cost, in 1994, of $350 billion. This amount is projected to reach $538 billion by 1999, if current trends continue.

A simple, commonsense principle has gotten our Nation and the poor into the present fix. That is, you get more of what you pay for. And for the past 30 years, the Federal Government has subsidized and thus promoted self-destructive behavior like illegitimacy and family disintegration. Almost one in three American children is born out of wedlock. In some communities the out-of-wedlock birth rate is almost 80 percent.

What is needed is a dramatic change; a reversal of the trends of the last 30 years, and not another failed Federal Government program, like the Family Support Act of 1988, which perpetuates the problem of welfare dependency, and created 95,000 welfare bureaucrats; that is, State and Federal.

I know from first-hand experience in the private sector that if you have a problem with your business you have to fix it immediately.

If you tinker around the edges and do not address the problem you will be out of business. Unfortunately, far too few of my colleagues have had the benefit of that sort of business experience. For many here in the Senate, there is no problem that can not be fixed with a future Federal spending program, or a continuing resolution for a future appropriation for another program.

Mr. President, these people may mean well and they may think that they are being humane, but the way to solve a problem is to address the root cause. And the root cause of the tragedy of welfare dependency is illegitimacy, the rise in out-of-wedlock births. Only by seeking to curb the rise in out-of-wedlock births can we possibly hope to reform welfare.

That is why I have consistently urged the leadership, including Senators DOLE and PACKWOOD, to include provisions in this bill to take away the current cash incentives for teenage mothers to have children out of wedlock. Only by taking away the perverse cash incentive to have children out of wedlock can we hope to slow the increase in out-of-wedlock births, and ultimately end welfare dependency.

Senator PACKWOOD made it clear in a meeting with me and other Senators that he would not include in his bill any provisions to curb the rise in out-of-wedlock births because he was opposed in principle to anything that would infringe on a woman's reproductive rights.

Mr. President, I do not know of anyone who wants to infringe on a woman's reproductive rights to have as many children as she pleases, but as I said in that meeting, the working taxpayers of this country should not have to pay for them.

It is unfair for the working taxpayers of this country, and I mean people who drive a truck for 14 hours a day, wait tables all night, or make beds all day; it is unfair to ask these people to send their hard-earned tax dollars to support the reckless irresponsibility of a teenage mother who has children out of wedlock, and continues to have them.

If you really want to see the working taxpayers of this country mad, just stand in line at the grocery store and watch the reaction of working people. I mean people that work, people that work in chicken dressing plants, people who run sewing machines, and leave 35, or 40 percent of their paycheck with the checkout counter in the grocery store and see men who obviously have not struck a lick and they know have not struck a lick in years, walk out with a $100 cart of expensive groceries paid for with their tax dollars.

Mr. President, middle-class American families who want to have children have to plan, prepare, and save money because they understand the serious responsibility involved in bringing children into the world.

But welfare recipients do not prepare or save money before having children because they know they will get money from the Federal Government, and that the taxpayers of the country will take care of their children.

They do not take responsibility because they do not have to. We will.

And what is even worse is the same middle class families who are saving money and working two jobs in anticipation of having children are seeing their own tax dollars go to support the irresponsible behavior of welfare recipients having children out of wedlock. That is wrong any way you look at it and it must stop.

Individual States can gladly raise their own tax dollars and subsidize this irresponsible behavior if they so choose, but those of us in the Congress have a responsibility to all the taxpayers in this country, and I can not believe that the American people think that we should subsidize the very cause of welfare dependency, illegitimacy, by paying teenage mothers to have children out of wedlock.

There are some who argue that federalism would be infringed if the Federal Government does not continue to subsidize out-of-wedlock births with direct cash payments to unmarried teenage mothers. However, that is not the case. States would still have the freedom to subsidize out-of-wedlock births if they want; the only restraint is that they can't use Federal tax dollars. Let the taxpayers of the individual States decide if they want their hard-earned money going to subsidize this behavior.

Let the State legislatures say to the people within that State we are going to tax you to continue to subsidize out-of-wedlock births.

Mr. President, welfare should no longer be a one-way handout which destroys the desire of able-bodied people to work. Real reform would transform welfare into a system of mutual responsibility in which welfare recipients who can work would be required to contribute something back to society in return for assistance given. We need workforce, not welfare.

There is no substitute for the discipline and responsibility that work instills in people, particularly young people who have lacked attention from their parents or have never seen their parents work. Real work means you do not get your benefits unless you work, this is called pay for performance work. If you do not do the work, you do not get paid.

In the private sector, in business, if you do not work, you do not get paid—why should welfare recipients be treated differently?

Mr. President, one of the worst aspects of the welfare system is its destructive effect on the family. Our welfare system tells a young woman, in effect, that she can collect over $15,000 per year in benefits as long as she does not work or marry an employed male. Under such conditions, it makes more sense to remain unmarried. Welfare has transformed the low-income working husband from a necessary breadwinner into a financial handicap.

When the Great Society antipoverty programs were instituted in 1965, the out-of-wedlock birth rate in the United States was 7 percent. Thirty years later, the rate has jumped to 30 percent. As I said earlier, you get more of what you pay for. At this rate of growth, the out-of-wedlock birth rate is projected to reach 50 percent by the year 2015, a prospect that President Clinton correctly pointed to with alarm, although he offers no plan to prevent this looming disaster, which threatens the very existence of our country.

The breakdown of the family contributes to a number of other social problems. Children raised in a single parent home are six times more likely to be poor than those raised by two parents. They are twice as likely to commit crimes and to end up in jail. Girls raised in a single parent home are 164 percent more likely to become teenage mothers themselves. That is why we have two and three generations on welfare living in the same household.

Mr. President, the Senate should follow the lead of the House of Representatives and deny unmarried mothers under 18 years of age direct cash benefits for children born out of wedlock. Only by denying this current cash incentive can we alter the self-destructive behavior of those trapped in the vicious cycle of welfare dependency.

I especially want to thank my friend, Congressman JIM TALENT, for his strong leadership on this issue and the rest of the leadership in the House of Representatives for having the courage to directly confront illegitimacy by including provisions in the House welfare reform bill to end the cash incentive for teenage mothers to have children out of wedlock.

Here in the Senate I wish to thank my friend PHIL GRAMM for his strong leadership and willingness to stand firm in helping to stop the tragedy of illegitimacy, and it is a tragedy.

We all recognize the need to reverse the corrupting incentives in our current welfare system. Welfare recipients must work for their benefits and must not have children they cannot afford. This is the foundation on which real welfare reform must rest.

As the Senate now takes up welfare reform, we must be willing to make the kinds of tough decisions necessary to reduce illegitimacy and promote work or we will condemn yet another generation to the crippling effects of welfare dependency. The state of our welfare system demands that we take immediate action because if trends continue as they are, our situation, especially regarding crime and illegitimacy, will get dramatically worse before it gets better.

That is why I have grave reservations about the bill in the Chamber as it is now written. Senator DOLE has himself said that real welfare reform requires more than tinkering around the edges, and I wholeheartedly agree. But the Packwood bill will do nothing to address the root cause of welfare dependency, the growing rate of out-of-wedlock births.

Real welfare reform demands more than mere tinkering with the status quo. It requires a whole new approach, and that is what we need.

By simply giving States the option to deny cash benefits to women who have children out of wedlock, the Packwood bill does nothing more than reinforce the status quo, the status quo that has given us a 30-percent illegitimacy rate. It is time to change it. In business, people do not get paid for work they do not do. They are paid for work they perform and perform well. Under the Packwood bill, welfare beneficiaries who refuse to work in return for their benefits will now have them reduced on a pro rata basis. If you only work 1 day a month, then you only get 1 day's pay. I applaud this change in the bill. It is a dramatic improvement, and I was delighted when Senator DOLE came to the floor this morning to amend the bill so that this would be the case. Without such pay for performance standards, welfare work requirements are virtually meaningless and a national joke.

Mr. President, it is my intention to amend this bill and try to make it live up to its name of welfare reform. I plan to offer a series of amendments to address the root cause of welfare dependence—illegitimacy. I hope my colleagues will support my efforts to stop this national tragedy that is fueling the fire of welfare dependency.

Mr. President, the American people clearly want welfare reform. I hope the Senate will have the courage and the fortitude to attack the welfare problem at its source. If not, then the Senate will repeat the mistakes of the past and produce yet another failed big Government program that results in a Rose Garden ceremony where politicians can pat themselves on the back and take credit for something they failed to do.

Mr. President, I yield the floor.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, there will be no votes tonight.

We had hoped to be on the DOD authorization bill at this hour, but in order to do that we had to reach some agreement, which has not been reached yet, on the ABM and missile defense and other areas that are very complicated, very important. Our colleagues are meeting as we speak on that issue. If we can resolve that issue, we still hope to complete the DOD authorization bill this week.

I think the distinguished Democratic leader wishes to speak on welfare reform, and then we will be out tonight and start on welfare 8 or 9 o'clock in the morning. There are still people on either side who have not had a chance to make opening statements so we will try to accommodate them first. But there are no votes tonight.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. GRASSLEY. I ask unanimous consent that there now be a period for the transaction of morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE PRESIDENT

A message from the President of the United States was communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination which was referred to the Committee on Armed Services.

(The nomination received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 12:39 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2077. An act to designate the United States Post Office building located at 33 College Avenue in Waterville, Maine, as the "George J. Mitchell Post Office Building."

H.R. 2108. An act to permit the Washington Convention Center Authority to expend revenues for the operation and maintenance of the existing Washington Convention Center and for preconstruction activities relating to a new convention center in the District of Columbia, to permit a designated authority of the District of Columbia to borrow funds for preconstruction activities relating to a sports arena in the District of Columbia and to permit certain revenues to be pledged as security for the borrowing of such funds, and for other purposes.

H.R. 2127. An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1996, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 2108. An act to permit the Washington Convention Center Authority to expend revenues for the operation and maintenance of the existing Washington Convention Center and for preconstruction activities relating to a new convention center in the District of Columbia, to permit a designated authority of the District of Columbia to borrow funds for the preconstruction activities relating to a sports arena in the District of Columbia and to permit certain revenues to be pledged as security for the borrowing of such funds, and for other purposes; to the Committee on Governmental Affairs.

H.R. 2127. An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1996, and for other purposes; to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 535. A bill to direct the Secretary of the Interior to convey the Corning National Fish Hatchery to the State of Arkansas (Rept. No. 104–130).

H.R. 584. A bill to direct the Secretary of the Interior to convey a fish hatchery to the State of Iowa (Rept. No. 104–131).

H.R. 614. A bill to direct the Secretary of the Interior to convey to the State of Minnesota the New London National Fish Hatchery production facility (Rept. No. 104–132).

S. 369. A bill to designate the Federal Courthouse in Decautur, Alabama, as the "Seybourn H. Lynne Federal Courthouse", and for other purposes.

S. 734. A bill to designate the United States courthouse and Federal building to be constructed at the southeastern corner of Liberty and South Virginia Streets in Reno, Nevada, as the "Bruce R. Thompson United States Courthouse and Federal Building", and for other purposes.

S. 965. A bill to designate the United States Courthouse for the Eastern District of Virginia in Alexandria, Virginia, as the Albert V. Bryan United States Courthouse.

S. 1076. A bill to designate the Western Program Service Center of the Social Security Administration located at 1221 Nevin Avenue, Richmond, California, as the "Francis J. Hagel Building", and for other purposes.

By Mr. THURMOND, from the Committee on Armed Services, without amendment:

S. 1124. An original bill to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

S. 1125. An original bill to authorize appropriations for fiscal year 1996 for military construction, and for other purposes.

S. 1126. An original bill to authorize appropriations for fiscal year 1996 for defense activities of the Department of Energy, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs:

Herbert F. Collins, of Massachusetts, to be a Member of the Thrift Depositor Protection Oversight Board for a term of three years.

Maria Luisa Mabilangan Haley, of Arkansas, to be a Member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 1999.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND:

S. 1124. An original bill to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; from the Committee on Armed Services; placed on the calendar.

S. 1125. An original bill to authorize appropriations for fiscal year 1996 for military construction, and for other purposes; from the Committee on Armed Services; placed on the calendar.

S. 1126. An original bill to authorize appropriations for fiscal year 1996 for defense activities of the Department of Energy, and for other purposes; from the Committee on Armed Services; placed on the calendar.

By Mr. GORTON (for himself and Mrs. MURRAY):

S. 1127. A bill to establish the Vancouver National Historic Reserve, and for other purposes; to the Committee on Energy and Natural Resources.

By Ms. MIKULSKI (for herself and Mr. LEAHY):

S. 1128. A bill to amend chapters 83 and 84 of title 5, United States Code, to extend the civil service retirement provisions of such chapter which are applicable to law enforcement officers, to inspectors of the Immigration and Naturalization Service, inspectors and canine enforcement officers of the United States Customs Service, and revenue officers of the Internal Revenue Service; to the Committee on Governmental Affairs.

By Mr. ASHCROFT:

S. 1129. A bill to amend the Fair Labor Standards Act of 1938 to permit employers to provide for flexible and compressed schedules, to permit employers to give priority treatment in hiring decisions to former employees after periods of family care responsibility, to maintain the minimum wage and overtime exemption for employees subject to certain leave policies, and for other purposes; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BRADLEY (for himself, Mr. HATFIELD, Mrs. BOXER, Mrs. FEINSTEIN, Mr. KOHL, Mr. LAUTENBERG, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. SIMON, Mr. BINGAMAN, Mr. KENNEDY, and Mr. SIMPSON):

S. Res. 159. A resolution to express the sense of the Senate regarding the role of tobacco in leading to addiction, disease, and premature death among children and teenagers, and the role of increased excise taxes in reducing tobacco use by children and teenagers; to the Committee on Finance.

By Mr. D'AMATO:

S. Res. 160. A resolution marking the anniversary of the anti-Greek pogrom in Turkey, on September 6, 1955; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORTON (for himself and Mrs. MURRAY):

S. 1127. A bill to establish the Vancouver National Reserve, and for other purposes; to the Committee on Energy and Natural Resources.

THE VANCOUVER NATIONAL HISTORIC RESERVE ACT OF 1995

Mr. GORTON. Mr. President, today I am pleased to introduce the Vancouver National Historic Reserve Act with my colleague from the State of Washington, Senator MURRAY.

Vancouver, WA, has been described as the cradle of civilization in the Pacific Northwest, as the place at which the first English-speaking settlers put down their roots. Dating back to its role as the western outpost for U.S. military operations and for the early American explorers, led by Lewis and Clark, Vancouver has been the locale of significant events of American history.

A few examples: Pearson Airpark, one of the oldest and most historic airports in our country. Pearson Airpark is the site of several aviation firsts, including the landing site of Valeri Chkalov, the "Soviet Lindberg," after his transpolar flight. The Vancouver area is also home to the original Vancouver Barracks, established to counter British influence in the region. Officer's Row, 21 historic homes that were part of the barracks, housed some of our Nation's greatest military leaders, including Generals Sheridan, Howard, Grant, and Marshall.

Recognizing the potential significance for a National Reserve in Vancouver, WA, Congress established the Vancouver Historic Study Commission in 1990. The Commission was to develop a series of recommendations on how best to coordinate Vancouver's many historic resources. Not surprisingly, the Commission found that the city of Vancouver had an abundance of both historic sites and resources of national significance, and recommended the formation of a partnership between Federal, State, and local entities to coordinate and manage a historic reserve.

Today, I introduce legislation that is based on the findings and recommendations of the Commission's report, and a memorandum of agreement signed by

the city of Vancouver and the National Park Service. This legislation will ensure the preservation of the historic legacy of Vancouver for our Nation.

Mr. President, the Vancouver National Historic Reserve is an example of the type of State, local, and Federal partnerships that make for sound public policy. This legislation represents a partnership among State, Federal, and local entities, working together toward one common goal: to preserve, enhance, and interpret significant components of the Pacific Northwest's history.

The Vancouver National Historic Act creates a unique relationship among the National Park Service, U.S. Army, the State of Washington, and the city of Vancouver. We intend that this relationship, established to coordinate and manage the many historic resources in the Vancouver area, will keep the important legacy of this part of the Pacific Northwest alive for future generations to enjoy.

The Vancouver National Historic Reserve consists of several sites: Fort Vancouver National Historic Site; Vancouver Barracks; O.O. Howard House; Pearson Airpark; Officer's Row; Old Apple Tree Park; Marine Park; and the Columbia River Waterfront. In its entirety, the reserve includes 366 acres of publicly owned land and extends from Officer's Row to the Columbia River.

In addition, thanks to a significant investment by the M.J. Murdock Trust, a new air museum will be constructed on the reserve. The M.J. Murdock Aviation Museum at Pearson Airpark will be a living memorial to Vancouver resident Jack Murdock, in recognition of his innovative achievements and love of aviation. Along with original antique aircraft, the existing historic structures of a pre-World War II hangar will be rebuilt to honor one of the oldest U.S. Air Corps airfields, located at Pearson Airfield in the early 1920's.

Representatives from the city of Vancouver have been working to ensure that the many historic sites in Vancouver are maintained and restored. I praise the people of Vancouver for their outstanding efforts in securing private grants for the historic reserve. The mayor of Vancouver, Bruce Hagensen, deserves special thanks for his support and continued dedication to the development of this legislation.

I look forward to working with my colleagues to see that the Vancouver National Historic Reserve becomes a reality.

Mrs. MURRAY. Mr. President, today I am pleased to join my colleague from the State of Washington, Senator SLADE GORTON, in sponsoring the Vancouver National Historic Reserve Partnership Act of 1995.

This legislation is the product of years of effort by many people representing public groups and all levels of government, but it would not be before Congress today were it not for the vision, leadership, and hard work of former Congresswoman Jolene Unsoeld, who took on a daunting challenge and came away with a broadly supported plan to preserve and promote several chapters in the colorful history of the Pacific Northwest.

Briefly, the act would establish and coordinate the management of the Vancouver National Historic Reserve, which contains a number of contiguous historic sites located on the Columbia River. This area, situated in the heart of the Portland-Vancouver metropolitan area, provides a rare opportunity to save and interpret, in one central location, several layers of history. Vancouver's historic area has been referred to as the "birthplace of history in the Northwest" since Lewis and Clark explored the areas in 1805-6.

The historic reserve is located within an original 1848 military reserve and includes six principal elements: Fort Vancouver National Historic Site—National Park Service; Vancouver Barracks—U.S. Army; Pearson Airpark and museum—city of Vancouver—NPS/City, and Marine Park—City. These publicly-owned sites tell a story of Northwest history beginning with the rich native American culture that flourished along the river, early Euro-American settlement of the area, the American military presence in the Northwest, and more than 80 years of continuous aviation activity at Pearson Airfield, one of the original Army Corps fields and the site of several aviation milestones.

In 1990, pursuant to Public Law 101-523, Congress created the Vancouver Historical Study Commission and charged the five-member group with developing a plan to preserve these historic assets and coordinate the management of the area. After careful study and much public involvement, the Commission submitted, through Secretary of Interior Bruce Babbitt, a report that is the basis for this act. It is a carefully crafted plan which provides historic protection, a partnership among the property owners, and an opportunity—with no additional financial obligation to the Federal Government—to highlight some of the most important and interesting history in the Pacific Northwest.

I want to commend the city of Vancouver for demonstrating, through their outstanding restoration of Officers Row, that historic preservation can be economically self-sustaining and for working closely with the National Park Service, the U.S. Army, and the State Office of Historic Preservation to develop this plan.

The Vancouver National Historic Reserve Partnership Act provides a new standard for historic preservation. It emphasizes a narrative or layered approach to history instead of the single-point-in-time approach, and it demonstrates how—at a time when the Federal Government cannot afford expensive new initiatives to acquire, restore, or maintain historic properties—we can form partnerships to preserve and highlight our heritage.

I am proud to be the cosponsor of this act in the Senate and urge that it be given timely and favorable consideration by this body.

By Ms. MIKULSKI (for herself and Mr. LEAHY):

S. 1128. A bill to amend chapters 83 and 84 of title 5, United States Code, to extend the civil service retirement provisions of such chapter which are applicable to law enforcement officers, to inspectors of the Immigration and Naturalization Service, inspectors and canine enforcement officers of the U.S. Customs Service, and revenue officers of the Internal Revenue Service; to the Committee on Governmental Affairs.

THE HAZARDOUS OCCUPATIONS RETIREMENT BENEFITS ACT OF 1995

• Ms. MIKULSKI. Mr. President, today I introduce the Hazardous Occupations Retirement Benefits Act of 1995.

This legislation will grant an early retirement package for revenue officers of the Internal Revenue Service, customs inspectors of the U.S. Customs Service, and immigration inspectors of the Immigration and Naturalization Service.

Under current law, with the exception of the groups listed in this legislation, all Federal law enforcement officers and firefighters are eligible to retire at age 50 with 20 years of Federal service. The legislation will amend the current law and finally grant the same 20-year retirement to these members of the Internal Revenue Service, Customs Service, and Immigration and Naturalization Service. The employees under this bill have very hazardous, physically taxing occupations, and it is in the public's interest to tenure a young and competent work force in these jobs.

The need for a 20-year retirement benefit for inspectors of the Customs Service is easily apparent. These employees are the country's first line of defense against terrorism and the smuggling of illegal drugs at our borders. They have the authority to apprehend those engaged in such activities and carry a firearm on the job. They are responsible for the majority of arrests performed by Customs Service employees. In 1994, inspectors of the Customs Service seized 204,000 pounds of cocaine, 2,600 pounds of heroin, and 559,000 pounds of marijuana. They are required to undergo the same law enforcement training as all other law enforcement personnel. These employees face multiple challenges. They confront leading criminals in the drug war, organized crime figures, and increasingly sophisticated white-collar criminals.

Revenue officers struggle with heavy workloads and a high rate of job stress, resulting in a variety of physical and mental symptoms. Many IRS employees must employ pseudonyms to hide their identity because of the great threat to their personal safety. The Internal Revenue Service recently put out a manual for their employees entitled: "Assaults and Threats: A Guide to Your Personal Safety" to help employees respond to hostile situations. The document advises IRS employees how to handle on-the-job assaults, abuse, threatening telephone calls, and other menacing situations.

Mr. President, this legislation is cost effective. Any cost that is created by this act is more than offset by savings in training costs and increased revenue collection. A 20-year retirement bill for these employees will reduce turnover, increase yield, decrease employee recruitment and development costs, and enhance the retention of a well-trained and experienced work force.

I urge my colleagues to join me again in this Congress in expressing support for this bill and finally getting it enacted. This bill will improve the effectiveness of our inspector and revenue officer work force to ensure the integrity of our borders and proper collection of the taxes and duties owed to the Federal Government.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1128

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CIVIL SERVICE RETIREMENT SYSTEM.

(a) DEFINITIONS.—Section 8331 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (25);

(2) by striking out the period at the end of paragraph (26) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(27) 'revenue officer' means an employee of the Internal Revenue Service, the duties of whose position are primarily the collection of delinquent taxes and the securing of delinquent returns, including an employee engaged in this activity who is transferred to a supervisory or administrative position;

"(28) 'customs inspector' means an employee of the United States Customs Service, the duties of whose position are primarily to—

"(A) enforce laws and regulations governing the importing and exporting of merchandise;

"(B) process and control passengers and baggage;

"(C) interdict smuggled merchandise and contraband; and

"(D) apprehend (if warranted) persons involved in violations of customs laws,

including an employee engaged in this activity who is transferred to a supervisory or administrative position;

"(29) 'customs canine enforcement officer' means an employee of the United States Customs Service, the duties of whose position are primarily to work directly with a dog in an effort to—

"(A) enforce laws and regulations governing the importing and exporting of merchandise;

"(B) process and control passengers and baggage;

"(C) interdict smuggled merchandise and contraband; and

"(D) apprehend (if warranted) persons involved in violations of customs laws,

including an employee engaged in this activity who is transferred to a supervisory or administrative position; and

"(30) 'Immigration and Naturalization inspector' means an employee of the Immigration and Naturalization Service, the duties of whose position are primarily the controlling and guarding of the boundaries and borders of the United States against the illegal entry of aliens, including an employee engaged in this activity who is transferred to a supervisory or administrative position.".

(b) DEDUCTIONS, CONTRIBUTIONS, AND DEPOSITS.—Section 8334 of title 5, United States Code, is amended—

(1) in subsection (a)(1), by striking out "a law enforcement officer," and inserting in lieu thereof "a law enforcement officer, a revenue officer, a customs inspector, a customs canine enforcement officer, an Immigration and Naturalization inspector,"; and

(2) in the table in subsection (c), by striking out "and firefighter for firefighter service." and inserting in lieu thereof ", firefighter for firefighter service, revenue officer for revenue officer service, customs inspector for customs inspector service, customs canine enforcement officer for customs canine enforcement officer service, and Immigration and Naturalization inspector for Immigration and Naturalization inspector service".

(c) MANDATORY SEPARATION.—Section 8335(b) of title 5, United States Code, is amended in the second sentence by striking out "law enforcement officer" and inserting in lieu thereof "law enforcement officer, a revenue officer, a customs inspector, a customs canine enforcement officer, or an Immigration and Naturalization inspector".

(d) IMMEDIATE RETIREMENT.—Section 8336(c)(1) of such title is amended by striking out "law enforcement officer or firefighter," and inserting "law enforcement officer, a firefighter, a revenue officer, a customs inspector, a customs canine enforcement officer, or an Immigration and Naturalization inspector,".

SEC. 2. FEDERAL EMPLOYEES RETIREMENT SYSTEM.

(a) DEFINITIONS.—Section 8401 of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (31);

(2) by striking out the period at the end of paragraph (32) and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following new paragraphs:

"(33) 'revenue officer' means an employee of the Internal Revenue Service, the duties of whose position are primarily the collection of delinquent taxes and the securing of delinquent returns, including an employee engaged in this activity who is transferred to a supervisory or administrative position;

"(34) 'customs inspector' means an employee of the United States Customs Service, the duties of whose position are primarily to—

"(A) enforce laws and regulations governing the importing and exporting of merchandise;

"(B) process and control passengers and baggage;

"(C) interdict smuggled merchandise and contraband; and

"(D) apprehend (if warranted) persons involved in violations of customs laws,

including an employee engaged in this activity who is transferred to a supervisory or administrative position;

"(35) 'customs canine enforcement officer' means an employee of the United States Customs Service, the duties of whose position are primarily to work directly with a dog in an effort to—

"(A) enforce laws and regulations governing the importing and exporting of merchandise;

"(B) process and control passengers and baggage;

"(C) interdict smuggled merchandise and contraband; and

"(D) apprehend (if warranted) persons involved in violations of customs laws,

including an employee engaged in this activity who is transferred to a supervisory or administrative position; and

"(36) 'Immigration and Naturalization inspector' means an employee of the Immigration and Naturalization Service, the duties of whose position are primarily the controlling and guarding of the boundaries and borders of the United States against the illegal entry of aliens, including an employee engaged in this activity who is transferred to a supervisory or administrative position.".

(b) IMMEDIATE RETIREMENT.—Section 8412(d) of title 5, United States Code, is amended—

(1) in paragraph (1) by striking out "or firefighter," and inserting in lieu thereof "firefighter, revenue officer, customs inspector, customs canine enforcement officer, or Immigration and Naturalization inspector,"; and

(2) in paragraph (2) by striking out "or firefighter," and inserting in lieu thereof "firefighter, revenue officer, customs inspector, customs canine enforcement officer, or Immigration and Naturalization inspector,".

(c) COMPUTATION OF BASIC ANNUITY.—Section 8415(g)(2) of title 5, United States Code, is amended in the matter following subparagraph (B) by inserting "revenue officer, customs inspector, customs canine enforcement officer, Immigration and Naturalization inspector," after "firefighter,".

(d) DEDUCTIONS.—Section 8422(a)(2) of title 5, United States Code, is amended—

(1) in subparagraph (A) by inserting "revenue officer, customs inspector, customs canine enforcement officer, Immigration and Naturalization inspector," after "air traffic controller,"; and

(2) in subparagraph (B) by inserting "revenue officer, customs inspector, customs canine enforcement officer, Immigration and Naturalization inspector," after "air traffic controller,".

(e) GOVERNMENT CONTRIBUTIONS.—Section 8423(a) of title 5, United States Code, is amended—

(1) in paragraph (1)(B)(i) by inserting "revenue officers, customs inspectors, customs canine enforcement officers, Immigration and Naturalization inspectors," after "law enforcement officers,"; and

(2) in paragraph (3)(A) by inserting "revenue officers, customs inspectors, customs canine enforcement officers, Immigration and Naturalization inspectors," after "law enforcement officers,".

(f) MANDATORY SEPARATION.—Section 8425(b) of title 5, United States Code, is amended in the second sentence by inserting ", revenue officer, customs inspector, customs canine enforcement officer, or Immigration and Naturalization inspector" after "law enforcement officer".

SEC. 3. ADMINISTRATIVE PROVISIONS.

(a) EMPLOYEE CONTRIBUTIONS.—Any individual who has served as a revenue officer, customs inspector, customs canine enforcement officer, or Immigration and Naturalization inspector before the effective date of this Act, shall have such service credited and annuities determined in accordance with the amendments made by sections 1 and 2 of this Act, if such individual makes payment into the Civil Service Retirement and Disability Fund of an amount, determined by the Office of Personnel Management, which would have been deducted and withheld from the basic pay of such individual (including interest thereon) under chapters 83 and 84 of title 5, United States Code, as if such amendments had been in effect during the periods of such service.

(b) AGENCY CONTRIBUTIONS.—No later than 90 days after a payment made by an individual under subsection (a), the Department of the Treasury or the Department of Justice (as the case may be) shall make a payment into the Civil Service Retirement and Disability Fund of an amount, determined by the Office of Personnel Management, which would have been contributed as a Government contribution (including interest thereon) under chapters 83 and 84 of title 5, United States Code, for the service credited and annuities determined for such individual, as if the amendments made by sections 1 and 2 of this Act had been in effect during the applicable periods of service.

(c) REGULATIONS.—The Office of Personnel Management shall determine the amount of interest to be paid under this section and may promulgate regulations to carry out the provisions of this Act.

SEC. 4. EFFECTIVE DATE.

The provisions of this Act and amendments made by this Act shall take effect on the date occurring 90 days after the date of enactment of this Act.●

By Mr. ASHCROFT:

S. 1129. A bill to amend the Fair Labor Standards Act of 1938 to permit employers to provide for flexible and compressed schedules, to permit employers to give priority treatment in hiring decisions to former employees after periods of family care responsibility, to maintain the minimum wage and overtime exemption for employees subject to certain leave policies, and for other purposes; to the Committee on Labor and Human Resources.

THE WORK AND FAMILY INTEGRATION ACT

Mr. ASHCROFT. Mr. President, in 1938 American movies like "Mr. Smith Goes to Washington" and "The Wizard of Oz" were still in production; U.S. involvement in World War II was 3 years away; the American labor force was almost entirely made up of industrial and agricultural workers; the right to collective bargaining was not yet 3 years old; less than 16 percent of married women were working outside their homes; and the Fair Labor Standards Act [FLSA] of 1938 was enacted.

Now, nearly 60 years later, "Mr. Smith Goes to Washington" and "The Wizard of Oz" are American movie classics; World War II secured America's ascendency to superpower status; service sector jobs dominate the economy; the right to collectively bargain is deeply embedded in our labor laws; more than 75 percent of women with school-age children work; and as absurd as it may seem, our rules governing the workplace and working hours still are largely governed by the Fair Labor Standards Act of 1938.

Mr. President, America's working families and working conditions are undergoing major transformations today, yet the rules Americans must work under do not reflect changes in the structure and needs of society. Hopelessly outdated, our workplace laws reflect the needs of a bygone era that faced different challenges than we do today. It is incomprehensible that workplace law in this country is predominated by a workplace statute that was passed almost 60 years ago.

The Fair Labor Standards Act was enacted at the request of President Roosevelt, who charged the 75th Congress with passing a law to help those "who toil in factory and on farm to obtain a fair day's work." The law was enacted to protect unskilled, low-pay workers—those unable to protect themselves. In the context of today's two-parent and service-oriented workplace; however, the law has unintended and unexpected consequences. In today's fast-paced, information-based society, its rigid and inflexible provisions have paralyzed those it was meant to help. The FLSA now deprives employees of the right to order their daily lives on and off the job to meet the responsibilities of work and home.

For example, under the FLSA a worker who wants to work 45 hours one week in exchange for working only 35 the following week so he or she can attend their child's baseball game, parent-teacher conference, or doctor's appointment, must first have an employer willing to pay him or her five hours of overtime pay for the 45 hour week. Since most employers cannot afford this additional expense, an employee is left with just two choices. He or she can forgo five hours of pay to be with their child, or miss the event their child needs them to attend. It is not an employer who places employees in this catch-22 regarding their families, it is the Federal Government. It is inside-the-beltway elitists who are depriving employees of the right to make decisions best suited for their circumstances.

Ironically, even though the Fair Labor Standards Act ostensibly exempts salaried employees from the catch-22 faced by the Nation's hourly workers regarding flexibility in workday and workweek lengths, the truth is that they are not exempt as a practical matter. Under recent FSLA interpretations, whenever an employer allows a salaried worker to sway extra work for time off in increments which are less than a full day, the salaried worker is then converted to an hourly worker. This opens employers up to huge overtime pay liability if they let their salaried workers swap a few hours off for a few hours of additional work before or after the time off.

Let me give an example, Mr. President. Pierce Processing was a professional engineering firm with 20 employees in Cincinnati, OH. William Pierce updated his personnel policies to provide his salaried employees with the maximum flexibility possible in their work schedules in order to meet the needs of their families and an attempt to increase their flexibility between work and family. Mr. Pierce had only one requirement, that the employees work 80 hours in a 2-week period. Even though the employees were salaried, Pierce agreed to pay them an additional straight time for hours worked over 80 or to subtract the time from an employees' pay if they did not work a full 80 hours. Through this arrangement, he hoped these employees could tailor their work schedules—and even income if necessary—to meet their family needs. This gave his salaried employees a great deal of control over their daily lives and schedules. The Department of Labor, however, learned of this progressive personnel policy, barged in and reclassified the professional employees as hourly workers. The Feds also required the company to pay the salaried employees 3 years of back overtime pay. To maintain any sort of flexibility for his workers, Pierce had to adopt a policy that required everyone to work a full day extra or take a full day off—to satisfy the Federal Government—so very little flexibility could be provided. Ultimately, however, Mr. Pierce was forced, due to the enormous litigation expenses, to declare bankruptcy and 20 people lost their jobs—all because he paid his employees well and provided them with the maximum flexibility he could in scheduling.

Malcolm Pirnie, an engineering firm with offices throughout the United States and over 400 employees, suffered the same fate at the hands of the Department of Labor because the firm allowed salaried employees to take a partial day of unpaid leave to attend parent-teacher conferences, to visit the doctor, or to further their education. This action cost Malcolm Pirnie $875,000 in back pay for overtime and his employees lost their flexibility to schedule their work day to meet their individual needs.

More recently, the Department of Labor has alleged that the Boeing Co. misclassified professional employees earning an average of $54,000 a year because, in addition to their salaries, they also were paid straight time plus $6.50 an hour for all hours worked over 40 per week. With the tools provided by our Government under the FLSA, there now is a plaintiff's attorney currently soliciting 20,000 employees to join a class action suit againt Boeing. I have the solicitation letter here, where the attorney informs potential litigants of their rights and specifies that he can help only if the employees salary averages at least $13 an hour for a 40-hour week. As a result, Boeing's workers now will be entitled to their salaries only no matter how many hours they work—extra hours will not be additionally compensated any longer.

Mr. President, FSLA's straightjacket on work schedules is not limited to the private sector, it also affects State and local government workers. In Philadelphia, one FLSA court case will cost the city $60 million because the Federal Government says the city misclassified police officers as salaried workers. New York City's liability for the alleged misclassification will be $16 million and California anticipates over $565 million in liability due to five pending FLSA cases. In almost every case, some of the most highly paid workers in the labor force are collecting a windfall through this technical provision in the law, thus costing taxpayers millions of dollars—simply because State and local governments tried to provide their employees with workplace flexibility to meet personal and family needs.

Mr. President, I do not believe these are the kind of results Congress intended in passing the Fair Labor Standards Act. I know this is a result this Congress should no longer tolerate.

Today, I am pleased to introduce the Work and Family Integration Act in an effort to make the Fair Labor Standards Act conform to the realities of the current workplace. This legislation will put work schedule decisionmaking back in the hands of employees. It is designed to recognize that Washington does not know best, and that the millions of workers' individual circumstances cannot even begin to be addressed by this 60-year-old law, inflexible law. Today, flexibility is important and Americans deserve the benefit of setting their own schedules—not to be forced into the straightjacket demanded by the Department of Labor.

Flexible schedules were first introduced in Germany in 1967. Shortly thereafter, many American institutions began realizing the benefits of these schedules for their salaried workers—in both productivity in the workplace and quality of life at home. In 1978, Congress recognized the benefit of these work arrangements and passed the Federal Employees Flexible & Compressed Work Schedules Act. This act authorized a 3-year experimental period of alternative work schedules for Federal employees. The experiment was so successful, it was extended again in 1982 and made permanent in 1985. Sixty-six Senators as Members of either the House or the Senate, either voted in favor of these laws, or were Members in 1985 when the permanent authorization passed the House and the Senate by voice vote.

Flexible work schedules give employees more control over their lives by allowing them to balance family and work obligations better. In addition, employees may attend to family needs without using limited sick leave allowances. Under compressed work schedules, day care expenses can be reduced by as much as 20 percent. Time lost to commuting would decline for employees able to travel during nonpeak hours.

Employers also would win. By having such family-friendly work arrangements, they would enjoy increased employee productivity and loyalty. These benefits are essential for employers to compete in today's international, service-oriented economies.

It is uncontested that flexible work schedules are advantageous to both employees and employers. Even President Clinton recognized the benefits of flexible work schedules when he extended the FEFCWS to executive branch employees. On July 11, 1994, he said "[b]road use of flexible work arrangements to enable Federal employees to better balance their work and family responsibilities can increase employee effectiveness and job satisfaction, while decreasing turnover rates and absenteeism." However, private sector employers remain unable to offer this benefit to their hourly workers—even when both employers and employees agree—due to the Congress' failure to update Federal workplace laws. If such flexibility has been good for Federal Government employees over the last decade and a half, why are such benefits being denied private sector employees and the employees of State and local governments?

Mr. President, the Work and Family Integration Act I am introducing is modeled after the Federal Employee Flexible and Compressed Work Schedules Act. It would allow private sector employees, specifically hourly employees, the same flexible work schedules that Federal workers have enjoyed for almost twenty years. I emphasize that this bill is meant to drag the Fair Labor Standards Act into the work and family realities of the 1990's—instead of the 1930's—by doing three things:

First, the bill would alter the FLSA's rigid 40-hour maximum workweek provision. It would allow employees to work 160 hours in any combination, over a 4-week period before employers would have to pay overtime compensation. In addition, when time is more valuable than money, employees would be able to request—and employers could provide—compensatory time-and-a-half off in lieu of compensatory overtime pay. Such flexibility in scheduling would enable employees to meet better their family, community, and personal needs. Employees, not the FSLA, will have control over their work lives.

As a safeguard against abuse, this legislation would require that any flexible work arrangement be agreed upon by both the employee and the employer and coercion into such an arrangement is prohibited. An employer who ahead of time schedules hours over 40 per week, without the prior request of the employee, would continue to be obligated to pay time-and-a-half. Employers also would be obligated to pay overtime compensation for all hours worked over 160 in a 4-week period. Finally, collective bargaining agreements would remain unaffected and would be free to set whatever hours are reached in such agreements.

A second area in which my bill would update the FLSA is to correct the Department of Labor concerns the salaried employee overtime exemption interpretation. In 1938, when the FLSA was written, employees generally were not paid unless they worked. Paid sick time, vacation time, holiday or compensatory time off were virtually unknown. Employees were either paid on an hourly basis for hours they actually worked or were paid a weekly salary. Therefore, the definition of salary was simple and easily understood.

Now that paid time-off policies have become so varied and sophisticated, the differences between salaried and hourly paid employees are often almost indistinguishable. Application of the FLSA's salaried exemption frequently is arbitrary, unpredictable, and contrary to good-faith efforts by employers to help—not abuse—employees. As a result, many employers who have provided progressive flexible schedules for their salaried employees—unintentionally turning these employees into hourly workers, according to the Department of Labor—have been held liable for massive amounts of overtime back pay. Once reclassified as an hourly employee rather a salaried one, not only is the employer liable for hundreds of thousands of dollars of allegedly unpaid overtime, but the employee also loses control over their daily and weekly work schedules—and thus their ability to meet their family responsibilities.

By clarifying the FLSA's exemption for salaried employees, employers will then be free to offer flexible work schedules to employees without the fear of having to pay back overtime instead of having to consult an attorney for every personnel decision.

Finally, the bill contains a provision allowing former employees a priority in rehiring if they quit in order to take care of family member. An individual would then be able to take time off from his or her place of employment for up to 5 years to raise a child or care for a parent, and upon return, could receive priority treatment in rehiring by the employer. The employer could not have such an employee's priority treatment used against it as evidence of, or an actual violation of, Federal equal protection laws.

Mr. President, while the other institutions of society have updated the modes and means of their production and operation, the Nation's workplace laws have lagged far behind. Today, the most successful corporations in America reflect the new realities of American life—they are decentralized, flexible, and nonhierachical. Meanwhile, our Federal workplace laws continue to function along the centralized, hierarchical, and one-size-fits-all principles that were the mandates of an age long past. For far too long Congress has largely ignored the changes in modern society's work and family realities. There is no need for the Federal Government to continue protecting employees from themselves in allegiance to an outdated law.

In the November election, Americans spoke loud and clear. Unfortunately, the voters' roar was barely audible to those in Washington who are no longer attuned to reality of the American experience outside the beltway. On the other hand, for many of us, the frustrated cries of those outside of Washington still echo in our ears. The resounding mandate from the electorate is to drastically reduce Government spending, to shrink the size of the Federal Government, and to stop Government from interfering in making decisions for themselves, their property, and their lives. That means that the attitude of Washington-knows-best must come to an end.

Unfortunately, this attitude has become so prevalent in the minds of this city's elite inside-the-beltway thinkers that they can no longer recognize it in themselves. Washington has become so obsessed with taking care of the American people that it is blind to the fact that such protection is often detrimental to the people's ability to order their activities and day-to-day lives as their desire.

Amending the Fair Labor Standards Act is essential to allow all people—mothers, fathers, sons, and daughters—to work with their employers to arrange a schedule which suits their obligations in the home place as well as the workplace. This bill I am introducing would largely remove the Federal Government from the most important decisions Americans face each and every day, week, and month of the year.

And that, Mr. President, is precisely what voters sent us here to do.

SENATE RESOLUTION 159—RELATIVE TO TOBACCO

Mr. BRADLEY (for himself, Mr. HATFIELD, Mrs. BOXER, Mrs. FEINSTEIN, Mr. KOHL, Mr. LAUTENBERG, Ms. MOSELEY-BRAUN, Mr. MOYNIHAN, Mr. SIMON, Mr. BINGAMAN, Mr. KENNEDY, and Mr. SIMPSON) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 159

Whereas more than 3,000,000 American children and teenagers smoke cigarettes, and every 30 seconds a child in the United States smokes for the first time;

Whereas about 90 percent of new smokers start smoking when they are age 18 or younger;

Whereas longitudinal research has indicated that tobacco use among children and teenagers has risen dramatically over the last 4 years;

Whereas tobacco causes heart disease, strokes, lung cancer, throat cancer, emphysema, and numerous other diseases, and kills one out of every three long-term users;

Whereas tobacco causes the premature death of well over 400,000 Americans every year—more than alcohol, heroin, crack, automobile and airplane accidents, homicides, suicides, and AIDS combined;

Whereas numerous researchers have concluded that children's and teenagers' use of tobacco decreases significantly when the price of tobacco increases;

Whereas one study has recently concluded that a small increase in the excise tax on cigarettes would save thousands of lives each year;

Whereas the American Medical Association has recommended that excise taxes on tobacco products should be dramatically increased to help deter young people from becoming addicted; and

Whereas the American Cancer Society has stated that raising tobacco taxes is one of the most effective ways to rapidly and significantly reduce tobacco use by young people: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) tobacco use among children and teenagers has been shown to lead to addiction, disease, and premature death;

(2) raising the Federal excise tax on tobacco products will prevent hundreds of thousands of American children and teenagers from smoking;

(3) the Federal excise tax on tobacco products should be increased in order to protect the health of children and teenagers; and

(4) revenues raised by increasing the excise tax on tobacco products should be used in part to help finance Federal health programs.

Mr. BRADLEY. Mr. President, I rise today to submit a sense-of-the-Senate resolution that addresses a severe and growing public health crisis—the large, and increasing, number of children and teenagers who are using cigarettes and other tobacco products. The sense-of-the-Senate makes three simple points: First, the tobacco use among children and teenagers has been shown to lead to addiction, disease, and premature death. Second, it states that raising the Federal excise tax on tobacco products will prevent hundreds of thousands of American children and teenagers from using tobacco. Finally, my amendment, states the logical conclusion of these two previous statements—that the Senate should support an increase in the Federal tax on tobacco products in order to protect the health of children and teenagers.

Mr. President, I would like to go through these three statements in order, explaining why I consider them to be irrefutable. First, I have stated that the tobacco use among children and teenagers leads to addiction, disease, and premature death. Let me offer a few statistics to demonstrate how widespread this problem is. More than 3 million American children and teenagers smoke cigarettes. Every 30 seconds a child in the United States smokes for the first time. And 90 percent of new smokers start when they are teenagers or younger.

As if these statistics aren't frightening enough, they are soon going to get worse. Just last month the University of Michigan released a study showing that the rate of smoking among children has surged upwards over the last 4 years. In 1994, close to 20 percent of eighth graders surveyed said they used cigarettes. This is a 30 percent increase over the number of eighth graders who smoked in 1991. The trend is similar for high school seniors: in 1992, 28 percent said they smoked; by last year, this number had increased to over 31 percent. And these numbers don't even count the number of children who use smokeless tobacco products.

Mr. President, the fact that well over 30 percent of America's high school seniors use tobacco is a cause for great alarm in this chamber and around the country. Although the tobacco companies may seek to deny it publicly, it is well known that tobacco use causes addiction, disease, and premature death. Tobacco is directly linked to a wide range of illnesses, including heart disease, strokes, emphysema, lung cancer, oral cancer, and throat cancer, to name a few. One of every two long-term tobacco users will die prematurely as a result of their tobacco use. That totals to 1,100 deaths a day, or over 400,000 deaths a year—more than alcohol, heroin, crack, automobile and airplane accidents, homicides, suicides, and AIDS combined. Of every 1,000 20-year-olds who smoke regularly, 250 of them will die in middle age from tobacco-related illnesses. These individuals will cut an estimated 20 to 25 years off of their lives as a result of their tobacco use. Another 250 will die in old age from a tobacco-related illness. In comparison, only 6 of these 1,000 20-year-olds will die from homicides, and only 12 will die from car accidents. And, Mr. President, these statistics only show the number of today's children and teenagers who will eventually die from tobacco use; millions more will spend their lives addicted to nicotine, and will suffer from avoidable illnesses as a result of their tobacco use.

Mr. President, most of today's kids do not know these statistics, and even if they know them, they often don't believe them. Last Sunday's New York Times contained interviews with a group of Texas teenagers who smoked. When asked about the health warnings listed on cigarettes, they replied with comments such as "I heard they have a cure for cancer now." and "I figure that if they really were so bad for you, they wouldn't be selling them everywhere." While these kids don't know about the health effects of smoking, they certainly know about the different brands of cigarettes. Last year, the tobacco industry spent about $5 billion advertising their products, and much of this money was spent on marketing that appeals to kids. As just one example, consider the cartoon character Joe Camel. Six-year-olds are as familiar with Joe Camel as they are with Mickey Mouse. Kids can send away for posters, T-shirts, and sandals with Joe Camel emblazoned all over them. Can it be any coincidence that after the Joe Camel campaign was introduced, Camel's market share among underage smokers jumped from one-half of 1 percent to 33 percent?

Mr. President, the second statement in my sense-of-the-Senate discusses one of the most effective measures the Federal Government can take to reduce children's use of tobacco. The statement simply says that raising the Federal excise tax on tobacco products will prevent hundreds of thousands of American children and teenagers from smoking.

Mr. President, I do not consider this statement a matter of opinion—I consider it a fact. It has been proven in study after study. For example, a researcher at Harvard's School of Public Health concluded earlier this year that every 10 percent increase in cigarette prices causes demand among teenagers to decline by as much as 14 percent. And a researcher from the Business School at Duke University released a study just last month projecting that a 10 percent increase in the tax on cigarettes would save approximately 5,200 lives a year. These are just two of the studies proving my point. There are many more.

And it doesn't take a professional researcher to figure out that raising the tobacco tax will discourage kids from smoking. Last Sunday's New York Times article included an interview with an 18-year-old girl who had been smoking since she was 12. When asked if she could think of a way to get people to quit smoking, she replied:

> Hike the price. If it was $4 a pack, I wouldn't smoke. Of course, I don't want them to do that, but I think if they were serious about it you'd get a lot of people saying, "That's too much money for a smoke, so forget it."

Mr. President, the Senate should act on this young girl's suggestion. The third statement of this resolution calls on the Senate to do just that—to protect the health of children and teenagers by raising the excise tax on tobacco. This statement is the logical conclusion of the two previous statements. If we are serious about protecting our children from addiction, disease, and premature death, then we must take effective action to discourage them from using tobacco. And, as study after study has shown, raising the tobacco tax is one of the—perhaps the—most effective way of reducing children's and teenagers tobacco use. National health organizations, including the American Medical Association and the American Cancer Society, strongly support this approach, calling for a dramatic increase in the tobacco tax in order to help deter young people from becoming addicted. My resolution also states that the revenues resulting from this increase should be used, at least in part, to fund Federal health programs. In this way, tobacco can help to offset a portion of the more than $22 billion in costs which it imposes on the Federal Government each year.

Mr. President, just last month the head of the National Institute on Drug Abuse stated that "We're not only not making progress on getting smoking down among our children—we're beginning to lose the battle." Mr. President, it is time that the U.S. Senate joined the fight. Approving the sense-of-the-Senate can be the first step.

SENATE RESOLUTION 160—MARKING THE ANNIVERSARY OF THE ANTI-GREEK POGROM IN TURKEY ON SEPTEMBER 6, 1955

Mr. D'AMATO submitted the following resolution; which was referred to the Committee on the Judiciary.

S. RES. 160

Whereas, in September 1955, there existed a Greek minority population of 100,000 in Istanbul, Turkey;

Whereas, on the night of September 6–7, 1955, a pogrom against the Greek community began in Istanbul;

Whereas, anti-Greek rioters attacked, pillaged, gutted and destroyed more than 2,000 Greek homes, 4,200 Greek shops and stores, 73 Greek Orthodox churches, 52 Greek schools, eight Greek cemeteries, all three major Greek newspaper plants, and dozens of Greek factories, hotels, restaurants and warehouses in Istanbul;

Whereas, 15 Greeks were killed in the pogrom or died subsequently, and 32 were seriously injured;

Whereas, as many as 200 women were raped by rioters;

Whereas, the U.S. Consul General in Istanbul reported that police stood idly by or cheered on the rioting mobs;

Whereas, the State Department received confirmation of "elaborate advanced planning for widespread destruction of the property of the indigenous Greek community," involving careful preparations by many individuals;

Whereas, American journalist Frederick Sondern, Jr., writing at the time for Readers Digest, described the events of that night as ". . . one of the wildest eruptions of mob fury and hysteria in modern times . . .";

Whereas, homes of Greek officers stationed at NATO headquarters in the Turkish city of Izmir were also attacked and destroyed;

Whereas, rioters attacked and burned down the Greek Consulate in Izmir and the Greek Pavilion at the Izmir International festival;

Whereas, Turkish authorities failed at the time to convict a single rioter, out of thousands, for any crime committed during the pogrom;

Whereas, five years later, after a military coup in Turkey, the former Prime Minister and Acting Foreign Minister at the time of the pogrom were charged with, and convicted of, numerous criminal actions, including the instigation of the anti-Greek riots;

Whereas, the pogrom marked the beginning of the end of the Greek community's presence in Istanbul, numbering about 2,000 in 1995;

Whereas, September 6, 1995 will mark the 40th Anniversary of the pogrom; Now, therefore, be it

Resolved, That it is the Sense of the Senate that the President should (1) Take all appropriate steps to observe and commemorate the loss of life and property, and the numerous injuries and offenses, which took place during the pogrom by proclaiming September 6, 1995 as a day of remembrance for the victims of these attacks; and

(2) Urge all Americans to honor the victims of the pogrom in the appropriate manner.

Mr. D'AMATO. Mr. President, I rise today to submit a resolution commemorating the anti-Greek pogrom that took place in Istanbul and Izmir, Turkey, on the night of September 6–7, 1955. With the coming 40th anniversary of this horrible event, this resolution is meant to commemorate the tragic losses and horrific destruction of these riots and to honor its victims.

In September 1955, the Greek minority population in Istanbul numbered over 100,000 people. Today, slightly over 2,000 remain. This pogrom marked the beginning of the end of the Greek community's presence in Istanbul and became "* * * one of the wildest eruptions of mob fury and hysteria in modern times * * *" as the journalist Frederick Sondern, Jr., writing at the time in the Readers Digest, described.

Rioters killed 16 Greeks, and wounded 32 more. And it is reported that as many as 200 Greek women were raped on this one night.

Moreover, anti-Greek rioters wantonly attacked, pillaged, gutted, and destroyed more than 2,000 Greek homes, 4,200 Greek shops and stores, 73 Greek Orthodox churches, 52 Greek schools, 8 Greek cemeteries, all 3 major Greek newspaper plants, and dozens of Greek factories, hotels, restaurants, and warehouses in Istanbul. At the time, the World Council of Churches placed the damages at $150 million. Other sources reported the damage to be double that amount.

Similar attacks occurred in Izmir, Turkey at the same time when rioters attacked and burned down the Greek Consulate and the Greek Pavilion at the Izmir International Fair, as well as attacking the homes of several Greek officers stationed at the NATO headquarters there.

During this time, the U.S. State Department reported extensively on the pogrom, and described the destruction as "extremely widespread," adding "* * * only a very small percentage of community property appears to have escaped molestation."

Mr. President, I am submitting this resolution so that the victims of this pogrom are not forgotten and the perpetrators know that their vicious attacks will not pass into history without condemnation and hopefully redress, to the extent that this could be done. Just as pogroms in the former Russian empire, during and after the Russian revolution ended the lives of thousands of Jews, these pogroms cannot be forgotten or denied. History must remember.

Mr. President, at this time, I ask unanimous consent that dispatches from the U.S. State Department concerning the pogrom, as well as a listing of the deaths during the riots, be made a part of the RECORD. These documents were reprinted in the 1992 Helsinki report, "Denying Human Rights & Ethnic Identity: The Greeks of Turkey."

I urge my colleagues to support this important resolution and honor the victims of this despicable act.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

APPENDIX B

From: Amcongen, Istanbul.
To: The Department of State, Washington.
Subject: Damage caused to Greek Orthodox community establishments during the September 6 Riots.

A survey of the damage inflicted on public establishments of the Greek Community of Istanbul during the rioting on the night of September 6–7 shows that the destruction caused has been extremely widespread. In fact, only a very small percentage of community property appears to have escaped molestation. Although there are as yet no figures available assessing the damage sustained, the number of establishments attacked and the nature of the destruction caused in the course of the night under reference convey a clear picture of the scope of the devastation. In most cases the assault on these establishments involved a thorough wrecking of installations, furniture, equipment, desecration of holy shrines and relics, and looting. In certain instances serious damage was inflicted on the buildings themselves by fire.

Information received from the Greek Orthodox Patriarchate shows that of the 95 houses of worship listed on the books of the Archbishopric of Istanbul 61 were either completely or partially damaged. Eight of them became the victims of flames. The religious edifices thus affected are identified as follows:

1. Aghia Triada, Taksim—Wrecked, pillaged and destroyed by fire.
2. St. Constantin, Kalyoncu Kulluk—Wrecked, pillaged and destroyed by fire.
3. Motamorphosia, Cemetery of Sisli—Wrecked and pillaged.
4. Sotiros Christou, Galata—Wrecked and pillaged.
5. Saint Nicolas, Galata—Wrecked and pillaged.
6. Saint Jean, Galata—Wrecked and pillaged.
7. Saint Dimitri, Kurtulus—Wrecked and pillaged.
8. Saint Athanase, Kurtulus—Wrecked and pillaged.
9. Saint Elephtere, Kurtulus—Wrecked and pillaged.
10. Ivanghelistrias, Kurtulus—Wrecked and pillaged.
11. Ghenethlion tis Theotocou, Besiktas—Wrecked and pillaged.
12. Saint Phocas, Ortaköy—Wrecked and pillaged.
13. Saint Dimitri, Kurucesme—Wrecked and pillaged.
14. Ton Taxiarchon, together with residence of Bishop, Arnavutköy--Wrecked and destroyed by fire.
15. Saint Haralambos, Bebek—Wrecked and pillaged.
16. Evanghelismos tis Theotokou, Boyaciköy—Wrecked and pillaged.
17. Taxiarchon, Istinye—Wrecked and pillaged.
18. Saint Nicolas, Yeniköy—Wrecked and pillaged.
19. Saint Paraskevi, Tarabya and residence of Bishop—Wrecked and destroyed by fire.
20. Saint Paraskevi, Büyükdere—Wrecked and pillaged.
21. Saint Jean, Yeni Mahalle—Wrecked and pillaged.
22. Saint Constantin, Pasabagço—Wrecked and pillaged.
23. Genethlion tis Theotocou, Kandilli—Wrecked and pillaged.
24. Saint George, Çangelköy—Wrecked and pillaged.
25. Prophe Ilia, Üaküdar—Wrecked and pillaged.
26. Agia Triada, with residence of Bishop—Kadiköy—Wrecked, pillaged and destroyed by fire.
27. Saint Georges, Kadiköy—Wrecked and pillaged.
28. St. Jean Chrysostome, Kadiköy—Wrecked and pillaged.
29. Saint Ignace, Kadiköy—Wrecked and pillaged.
30. Saint Dimitri, Büyükada—Wrecked and pillaged.
31. Dormition of the Virgin, Büyükada—Wrecked and pillaged.
32. Metamorphosis tou Christou, Büyükada—Wrecked and pillaged.
33. Saint Georges, monastery, Heybeliada—Wrecked and pillaged.
34. Saint Spiridon, monastery, Heybeliada—Wrecked and pillaged.
35. Zoodochos Pighi, Balikli—Wrecked and destroyed by fire.
36. Genethlion tis Theotocou, Beligradiou, Yedikule—Wrecked and pillaged.
37. Saint Constantin, Samatya—Wrecked and pillaged.
38. Saint Paraskevi, Samatya—Wrecked and pillaged.
39. Saint Georges, Samatya—Wrecked and pillaged.
40. Saint Minas, Samatya—Wrecked and pillaged.
41. Dormition of the Vergin, Exi Harmara—Wrecked and pillaged.
42. Saint Theodore, Langa—Wrecked and pillaged.
43. Saint Elpida, Kumigapi—Wrecked and pillaged.
44. Saint Kiriaki, Kumigapi—Wrecked and pillaged.
45. Saint Nicolas, Topkapu—Wrecked and pillaged.
46. Saint Georges, Edirnekapu—Wrecked and pillaged.
47. Dormition of the Virgin, Edirnekapu—Wrecked and pillaged.
48. Another Dormition of the Virgin, Edirnekapu—Wrecked and pillaged.
49. Taxiarchon, Balat—Wrecked and pillaged.
50. Panaghia tis Soudas, Egrikapu—Wrecked and pillaged.
51. Dormition of the Virgin, Blacherne, Ayvansqray—Wrecked and pillaged.
52. Saint Dimitri, Xiloportis—Damaged.
53. Dormition of the Virgin, Valinu—Damaged.
54. Saint Jean Prodrome, Valinu, monastery—Wrecked.
55. Saint Georges Potira—Wrecked.
56. Vierge Houchliotisoa, Phanar—Wrecked and pillaged.
57. Saint Nicolas, Cibali—Wrecked and pillaged.
58. Saint Haralambos, Chapel, Cibali—Wrecked and pillaged.
59. Dormition of the Virgin, Vefa—Wrecked and pillaged.
60. Saint Paraskevi, Hasköy—Wrecked and pillaged.
61. Aghici Therapon—Damaged.

In addition to the above religious establishments the following properties belonging to the Monastery of St. Sinai, said to contain irreplaceable objects of art of Byzantine origin and religious relics of great value, apparently, also suffered serious destruction and pillage:

1. Monastery of St. Georges ti Krimnou, Heybeli Ada.
2. Monastery of St. Georges, Fener.
3. Monastery of St. Georges, Tenikoy.

Reports show that the dependencies of the religious edifices hit were also not spared and that very serious damage was inflicted on presbyteries and well-appointed community meeting quarters, libraries, dispensaries attached to these establishments.

Among the Greek churches heavily attacked also figures the church of the Greek Catholic Uniate at Hamal Basi, Bayoglu. Report has it that the presbytery of the said church and the congregational school attached thereto were also severely damaged. As a matter of fact three other Catholic churches having no connection whatever with the Greek community, are reported to have also suffered serious damage during the rioting.

Reports on hand indicate that the rioting crowd hit with particular frenzy at two important Greek Orthodox community centers; the central cemetery at Sisli and the cemetery of the Patriarchs at Balikil. The former sustained particularly extensive destruction. Crosses and statues were knocked down, sepulchers and vaults opened and the remains of the dead removed and dispersed. At Balikli, the sarcophaguses of the Greek Orthodox Patriarchs were desecrated.

As for the Greek Orthodox clergy itself, considering the scale and severity of the acts of violence recorded, it appears that only a relatively few were exposed to the fury of rioters. According to information given by the Patriarchate only one aged Orthodox priest, monk Chrysanthos of Balikli, is believed to have been killed during the rioting. Since his body has not been recovered he is listed as missing. It is supposed that he perished during the burning of his church. The principal dignitaries of the Orthodox church who were maltreated during the disturbances and made to suffer indignities are reported to be the following:

The Metropolitan of New Cesarea, Weaudor.

The Metropolitan of Troy, Bogacikey.
The Metropolitan of Derkos, Therapia.
The Metropolitan of Chalchida, Kadikoy.
Bishop Panphilion, Balikli.
Bishop Ilioupolios, Arnarutkoy.
The Archdeacon of the Patriarchate, Yenikoy.

Extensive damage also seems to have been suffered by the educational establishments of the Greek community. At least 36 of the 48 schools of the community are reported to have been more or less seriously damaged. The principal victims are the Zappeion Girls' College at Taksim and the Megali Scholi Boys' College of Phanar, both princes of the community, the Theological School at Heybeli, and the high schools at Haskoy, Edirne Kapu, Bakirkoy, Gelata, Taksim and Arnavutkoy. The elaborate dispensary of the Takrim High School and several public soup kitchens operated in conjunction with these educational institutions were also demolished. A list of the schools hit by the rioters is given below:

1. The Greek Catholic School at Hamal Basi.
2. The Zappeion Girls' College, Taksim.
3. The Megali Scholi Boys College, Phanar.
4. The School of Haskoy.
5. The School of Evanghelistria.
6. The School of Gelata.
7. The School of Ortakoy.
8. The School of St. Constaintin, Beyoglu.
9. The School of Bakirkoy.
10. The School of Boyacikoy.
11. The School of Kurtulus.
12. The School of Yenikoy.
13. The School of Ferikoy.
14. The Theological School of Heybeli Ada.
15. The School at Nane Street.
16. The School of Aynali Cesme.
17. The School of Arnavutkoy.
18. The School of Aghia Triada, Taksim.
19. The School of Bebsk.
20. The School of Besiktas.
21. The School of Kandilli.
22. The School of Cengelkby.
23. The School of Kuzgunouk.
24. The School of Uskudar (Teni Mahole).
25. The School of Xakikoy (Yeldegirmen).
26. The School of Cafer Aga.
27. The School of Balat.
28. The School of Lonca.
29. The School of Edirne Kapu.
30. The School of Samatya.
31. The School of Longa.
32. The School of Buyakdere.
33. The School of Tarabya.
34. The School of Buyuk Ada.
35. The School of Ioakimeion Parthenagogheion.
36. The School of Kentrikon Parthenagogheion.

Efforts are now being made to immediately repair some of the damage to make possible opening of these schools by the end of this month. To that effect a preliminary aid of TL 110,000 has been allocated to the Community by the Turkish authorities. Special appropriations are also expected for the repair of damaged religious institutions and cemeteries since, neither the community itself nor the Patriarchate is in a position to provide adequate funds for the purpose. As the allocation of such funds will require legislative action, an emergency relief of TL 200,000 is announced for urgent repair work.

Though not specifically community property, it might be appropriate to consider in the present report also the damage sustained by the Greek language press of Istanbul. All three principal dailies, the APOYEVMATINI, the TACHYDROMOS and the EMBROS suffered heavy losses. The first two had both their offices and printing establishments completely wrecked. In the case of the EMBROS only its offices were destroyed since it had no printing press of its own. The APOYEVMATINI (circulation 10,000), the most heavily hit, managed to resume publication two weeks after the rioting. Its losses alone are estimated at half a million lirae. The TACHYDROMOS (circulation 5,000) has as yet not been able to recuperate from the blow but is scheduled to appear in the near future. The EMBROS (circulation 7,000) reappeared a few days after the disturbances. The weekly OKROIDS (circulation 5,000) managed to continue publication without interruption though its offices were also heavily wrecked. Like the EMBROS it has no printing press of its own.

As pointed out in the opening paragraphs of this report a monetary assessment of the damage caused to Greek Community property in the course of the September 6 riot has as yet not been attempted. Very general estimates on the part of community and church leaders would indicate that it goes into millions of Turkish liras. The Department will be informed as soon as a substantive estimate is available.

For the Counsul General.

BETTY CARP,
Assistant Attaché.

APPENDIX C: DEATHS IN 1955 RIOTS

Name	Age	Place	Manner of death/ source [1]
[Priest] Chrysanthos Mantas.	90	Baloukli	Doused with gasoline and burned to death.
[Bishop] Gerasimos of Pamphilus.		Baloukli	Tortured, beaten, comotose died.
[Bishop] Gennadios Arabatzoglou..	80	Yeniköy	Beaten, died of injuries.
[Priest] Name unknown.		Edirenkapi	Disappeared.
[Priest] Name unknown.		Chalke	Found dead.
[Church caretaker] Erpapazoglou.		Pasa Bahçi	Was killed inside church which was dynamited.
[Caretaker] Name unknown.		Anadoluhisar	Was killed at shrine there: Cumhuriyet, 7.IX.55.
Abraham Anavas	65	"Moton" Store	Was killed in store: Cumhuriyet, 8.IX.55.
Olga Kimiades	77		Beaten, died of heart attack: Huriyet, 8.IX.55.
Thanassis Misiroglou.		Hatzopoulos Passage.	Was killed at his store: Cumhuriyet, 8.IX.55.
Hebe Giolma	16	Stegi Ergazomenon.	Was abducted, raped, killed.
Name unknown		Yeni Cami area	Person described as "disrespectful Greek" by Turkish newspaper was lynched by mob: Milliyet, 8.IX.55.
Isaak Uludag		Besiktas	Died at the school in which he was a caretaker in the fire set by the mob: Cumhuriyet, 8.IX.55. NB: Uludag was one of those who had changed his Greek name.
Theopoula Papadopoulou.		Üsküdar	Raped, killed: Speech by MP Alexandros Hatzopoulos in Turkish parliament, 12.IX.55.
Giannis Balkis		Bakirköy	Found dead in Street: ibid.

[1] Other than the specific sources cited the following accounts include information on deaths: Noel Barber's reports in the Daily Mail (London), the speech of Turkish MP Alexadnros Hatzopoulos in parliament and the report by US Senator Homer Capehart to Secretary of State Dulles.

ADDITIONAL COSPONSORS

S. 581

At the request of Mr. FAIRCLOTH, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 581, a bill to amend the National Labor Relations Act and the Railway Labor Act to repeal those provisions of Federal law that require employees to pay union dues or fees as a condition of employment, and for other purposes.

S. 603

At the request of Mr. FAIRCLOTH, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 603, a bill to nullify an executive order that prohibits Federal contracts with companies that hire permanent replacements for striking employees, and for other purposes.

S. 729

At the request of Mr. LOTT, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 729, a bill to provide off-budget treatment for the highway trust fund, the airport and airway trust fund, the inland waterways trust fund, and the harbor maintenance trust fund, and for other purposes.

S. 833

At the request of Mr. HATCH, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 833, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

S. 885

At the request of Mr. MOYNIHAN, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Massachusetts [Mr. KERRY], the Senator from Maryland [Ms. MIKULSKI], and the Senator from New Hampshire [Mr. GREGG] were added as cosponsors of S. 885, a bill to establish United States commemorative coin programs, and for other purposes.

S. 896

At the request of Mr. CHAFEE, the names of the Senator from Iowa [Mr. HARKIN] and the Senator from Michigan [Mr. LEVIN] were added as cosponsors of S. 896, a bill to amend title XIX of the Social Security Act to make certain technical corrections relating to physicians' services, and for other purposes.

S. 949

At the request of Mr. GRAHAM, the names of the Senator from Nevada [Mr. BRYAN] and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 959

At the request of Mr. HATCH, the name of the Senator from Georgia [Mr.

COVERDELL] was added as a cosponsor of S. 959, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 1002

At the request of Mr. CHAFEE, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1002, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 1006

At the request of Mr. HATCH, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of S. 1006, a bill to amend the Internal Revenue Code of 1986 to simplify the pension laws, and for other purposes.

SENATE RESOLUTION 75

At the request of Mr. MOYNIHAN, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Delaware [Mr. BIDEN], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Louisiana [Mr. BREAUX], the Senator from Arkansas [Mr. BUMPERS], the Senator from Colorado [Mr. CAMPBELL], the Senator from Georgia [Mr. COVERDELL], the Senator from North Dakota [Mr. DORGAN], the Senator from Wisconsin [Mr. FEINGOLD], the Senator from California [Mrs. FEINSTEIN], the Senator from Florida [Mr. GRAHAM], the Senator from Utah [Mr. HATCH], the Senator from Vermont [Mr. JEFFORDS], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Maryland [Ms. MIKULSKI], the Senator from Illinois [Ms. MOSELEY-BRAUN], the Senator from Washington [Mrs. MURRAY], the Senator from Georgia [Mr. NUNN], the Senator from Arkansas [Mr. PRYOR], the Senator from Nevada [Mr. REID], the Senator from West Virginia [Mr. ROCKEFELLER], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of Senate Resolution 75, a resolution to designate October 1996, as "Roosevelt History Month," and for other purposes.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of Senate Resolution 146, a resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1996, as "National Family Week," and for other purposes.

SENATE RESOLUTION 147

At the request of Mr. THURMOND, the names of the Senator from Wisconsin [Mr. KOHL], the Senator from Virginia [Mr. ROBB], and the Senator from Colorado [Mr. BROWN] were added as cosponsors of Senate Resolution 147, a resolution designating the weeks beginning September 24, 1995, and September 22, 1996, as "National Historically Black Colleges and Universities Week," and for other purposes.

SENATE RESOLUTION 152

At the request of Mr. ABRAHAM, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Resolution 152, a resolution to amend the Standing Rules of the Senate to require a clause in each bill and resolution to specify the constitutional authority of the Congress for enactment, and for other purposes.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

SIMON AMENDMENT NO. 2281

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

On page 366, between lines 17 and 18, insert the following:

(d) RULE OF CONSTRUCTION.—Nothing in this section or section 462 of title 10, United States Code (as added by subsection (b)(1)), is intended to infringe upon the ability of the Secretary of State to coordinate policy with regard to international military education and training programs.

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Monday, August 7, 1995, to conduct a markup of pending nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE IMPORTANCE OF NAVAL PETROLEUM RESERVES

• Mr. THOMAS. Mr. President, as the Secretary of Energy reviews options concerning management of the naval petroleum reserves [NPR] in S. 1026, the Department of Defense authorization bill, I want to stress the importance of considering the research activities taking place at these facilities. As our Nation becomes increasingly reliant on foreign energy sources, it is important for us to conduct research regarding production of domestic oil and natural gas. In our efforts to cut Federal spending, we must make sure we do not end the valuable research taking place at the naval petroleum reserves.

The naval petroleum reserve No. 3 is located in Casper, WY. The facility conducts a number of research projects including various cooperative research programs with the University of Wyoming, private individuals, and the State of Wyoming. As our Nation's domestic oil and gas reserves continue to decline, it is vital that we continue to research enhanced recovery techniques to locate and produce these valuable resources. The NPR-3 facility plays an important role in conducting this research for our Nation's energy producers.

I hope the Secretary of Energy will consider the important role the naval petroleum reserves play in providing research for our Nation's domestic oil and gas producers as this issue moves forward.•

JENNIFER KNOX, "THE WALL"

• Mrs. MURRAY. Mr. President, so often we rush through our lives here in the U.S. Senate facing daily issues, debates, constituent concerns and the press of daily business, never pausing to reflect on things outside of Congress; important pieces of the American experience. Every once in a while an event occurs, totally unexpected, which gives you pause to think about truth, meanings, and priorities.

That occurred for me last week when a wonderful family stopped by my office from Washington State: a pair of grandparents, Kenneth and Pat Staley, and their two grandchildren, Jennifer and Ben Knox. They had driven cross-country, 3,000 miles, to visit the Nation's Capitol and for Jennifer, 12, to receive a poetry award.

I asked, as I often do, what they saw here that impressed them most. Jennifer told me that one memorial in particular impressed upon her so deeply that she had written a poem, which she was gracious enough to share with me.

Today I share it with my colleagues because I think it speaks so profoundly as to why we should take the time and money to erect memorials for our Nation's heroes. As you can see from her words, Vietnam veterans, because of their memorial, will never be forgotten. I ask that it be printed in the RECORD.

The poem follows:

THE WALL

I'll remember the day
I visited the wall
The shiny black wall

Bearing the names
Each name a life, a person, a soul
That died for our country away from home.
The number was staggering, thousands of deaths,
They never came back to the home that they left.
And our tears made a pool so clear and so wide
That proved to the world how much we'd cried.
Time healed the wound but left
A scar, a memory, a reminder.
It is in the hearts of our people.
Forget, we will never.●

THE COLD, HARD ECONOMIC TRUTH FROM TONY HARRIGAN

Mr. HOLLINGS. Mr. President, I rise today to draw attention to an insightful speech recently delivered by Anthony Harrigan, counselor of the United States Business and Industrial Council Education Foundation, at a June conference at the University of Colorado.

Mr. President, this is a speech which every Senator should study and memorize. In great detail, Tony outlines the economic crisis that America faces in this day of global competition.

All too often, America focuses on the short term—next quarter's profit, next year's tax rate, minute changes in the interest rate. Our competition, notably Japan and other Eastern economies, does business differently. They look to the long term. Instead of vilifying the Government, they use and work with the Government to grab global market share. And while they overtly kowtow to the mantra of free trade, they work to trade in an unfree manner that is in the best interest of their countries.

Mr. President, Tony Harrigan exposes the Western myth of free trade. If we continue to go down the road offered by this dream, we will continue to lose and our standard of living will continue to decline. As Mr. Harrigan explains, America will end up only an industrial shell of its former self. Instead of controlling our destiny, we will depend on others and lose our economic sovereignty.

Mr. President, let us not allow the new world order to destroy the freedoms that we cherish. To that end, I urge all my colleagues to read this speech. I ask that the text be reprinted in the RECORD.

The speech follows:

THE ECONOMIC CRISIS OF THE FIRST WORLD

THE FEAR OF A POST-CONSTITUTIONAL AMERICA

(By Anthony Harrigan)

Ladies and Gentlemen: When the Soviet Union imploded, the nations of the First World—the United States among them—envisioned smooth sailing into the 21st century. There was much talk of a huge "peace dividend." This optimistic vision of what lay ahead has been severely eroded, if not shattered, by a variety of developments, including strife in Bosnia, Somalia, Haiti, and even within the Russian Federation. At the same time there have been ominous economic problems, conflicts and challenges—the near economic wars, the on-going economic deterioration of Africa, crushing economic problems within the former Soviet Union, the economic stagnation of much of Western Europe, the Mexican debt crisis, high unemployment in Britain, France, and other allied nations, and deindustrialization and underemployment in the United States.

Indeed there are several crises facing the First World, including a moral crisis and a threatening crisis with rogue states with ambitious military agendas that aim at becoming nuclear armed states.

Today, let us consider the economic crisis of the First World. In the United States, tremendous attention is devoted to economic issues, to topical issues, that is—tax and interest rates and monthly and quarterly changes in the trade deficit, housing starts, and similar matters. And a superficial prosperity in the United States causes us to divert attention from the long-range, deeper problems and threats. It is important to remember that in 1928 economists, and political and business leaders didn't consider the possibility that America was on the brink of a economic collapse that would produce a deep depression until America entered World War II. Have we a clearer vision today?

Here and there one finds students of the world economy who warn of another enormous economic crisis with grim implication for our First World societies and political institutions. One of these far-sighted economic observers is Sir James Goldsmith, the Franco-British financier. Two years ago, he began to voice ominous warnings. He said that in the case of Western Europe, with some 20 percent unemployment, "the critical mass is here for implosion and social upheaval and political instability on a global scale."

He predicted that the Bolshevik revolution of 1917 will pale into insignificance when compared to this upheaval. And the situation in Western Europe has worsened since he issued that warning.

Now the United States hasn't this kind of unemployment problem, except in our inner cities. The overall employment rate for the nation as a whole has risen a bit but underemployment has risen on a colossal scale. Millions of Americans have jobs that don't provide sufficient income to support a family—even with husband and wife working. And many of these millions don't have the benefits associated with the good jobs that existed in the decades after World War II.

Dr. Edward M. Lutwak of the Center for Strategic and International Studies in Washington has analyzed this problem. Dr. Lutwak has observed: "The problem in question is the unprecedented sense of personal economic insecurity that has rather suddenly become the central phenomenon of life in America, not only for the notoriously endangered species of corporate middle managers, prime targets of today's fashionable downsizing and re-engineering, but for virtually all working Americans except tenured civil servants—whose security is duly resented."

The reasons for the economic insecurity felt by millions of Americans are numerous and complex. A key element is exploding technology which has made many jobs as out of date as buggy-making. And this has made much employment temporary in nature, thereby endangering working people and their families who don't have advanced technical skills or the education to obtain such. But there are other powerful forces at work; and these forces have a tremendous bearing on Europeans as well as Americans. These forces cause the displacement of European and American-made goods, wipe our jobs on both sides of the Atlantic, and produce the most terrible anxieties, as well as threatening, as Kevin Phillips and written, to cause the descent of Europe and North America into Third World status.

It is important to reflect on the words of Sir James Goldsmith. In an article published in The Washington Times, November 27, Sir James said: "During the past few years 4 billion people have suddenly entered the world economy. They include the populations of China, India, Vietnam, Bangladesh and the countries that were part of the Soviet empire, among others. These populations are growing fast. In 35 years, that 4 billion is forecast to expand to more than 6.5 billion. The nations where those 4 billion live have very high levels of unemployment and those people who do find jobs offer their labor for a tiny fraction of the pay earned by workers in the developed world. That means that new entrants into the world economy are in direct competition with the work forces of developed countries."

This is a situation unprecedented in the history of the older industrial countries, meaning the countries of the West. And the industrial production of the new industrial or industrializing countries, China, for example, is directed in large measure at capturing the domestic markets of the Western countries and, thereby, acquiring hard Western currencies for their own purposes—for a massive military buildup in the case of China. Simultaneously, therefore, the Western countries are losing their internal markets on which their peoples depend and are financing new military challenges. Europeans, chiefly the French, are increasingly mindful of this threat. But the United States is fixated on Third World countries as trading partners, not as a developing military threat. This kind of fixation is nothing new. A decade ago, the great business interests of the United States were desperate and determined to sell the most advanced technological equipment to the Soviet Union—products such as super-computers and ball bearings for missile installations. The U.S. Department of Commerce made every effort to push such sales, despite the strategic implications of such sales.

Blindness to the Crisis of the First World could cause us to descend precipitously along the road to instability and collapse.

Sir James Goldsmith is not alone in sounding the alarm. There are other keen observers of the world scene who share Sir James's concerns. One of these is Arnaud de Borchgrave, the Belgian-born writer and editor, who has written in warning: "By putting one's ear to the rail, one can hear the distant rumble of social upheaval."

He adds: "Jobs are a global crisis. The 24 Organization for Economic Cooperation and Development nations—the world's wealthiest—now have a mind-numbing 35 million on the dole."

He added: "No one knows what the critical mass of unemployment is."

He wrote: "But when the legions of Europe out of work realize that no one seems to have an answer to the shed-jobs-to-cut-costs dilemma, the ingredients for a continent-wide social explosion will be in place. This is now known as the unacceptable force of capitalism."

He reported that 50 percent of Europe's unemployed have been made to feel unwanted for a year or longer.

In Europe there is anger and unrest associated with the unemployment. If one reads the London Financial Times, one gets an idea of the severity of the problems from Spain to Ireland and from Italy to Scandinavia. As European jobs are exported to Asia (one-third of Europe's steel comes from the Far East), powerful populist movements are growing—movements which insist on national identity, control of national borders against a flood of migrants and imported goods. These movements are strenuously opposed to what they see as economic and cultural homogenization which would level incomes worldwide for the benefit of the financial interests.

On neither side of the Atlantic is there sufficient appreciation of the growing anger. And many commentators blithely ignore the problem. They look at the underlying economic problem in strictly economic terms, dismissing the human dimension. For example, an editor of Kiplinger's Letter, has asserted that the U.S. is reindustrializing, not deindustrialzing, observing that U.S. factories are producing goods more efficiently—more goods with fewer people. But that's precisely the point. Scores of thousands have been thrown out of work in the name of efficiency and global competition. The economic commentators are thinking of society in terms of the cost-price ratio, not the terms of people.

Part of the problem is that so many economic commentators persist in employing euphemisms for very serious societal problems. One of the favorite euphemisms is "rationalizing" of business. This is how an important British press voice referred to the layoff of 6,500 workers by the Rolls-Royce company in Scotland. It is doubtful that it makes a worker and his family happier or more accepting if he is told that his livelihood is being "rationalized" out of existence, especially if the work is being shifted to Malaysia or another Far Eastern country. The Rolls-Royce announcement was greeted with "anger and dismay in Scotland." Did you note, by the way, at the time of the Kobe earthquake that among the damaged facilities was Caterpillar's tractor factory. The jobs at Kobe were exported from Peoria, Illinois. "Down-sizing" is another euphemism. In the last few years, IBM, Xerox, and many other industrial giants have been down-sized, with scores of thousands of highly skilled workers—blue collar, white collar, and managerial—laid off. What's happening, in fact, is that the United States is being downsized. For generations, young Americans have been taught the virtues of self-sufficiency, hard work, cooperation, and loyalty. But these virtues are dismissed in an era of "rationalization" and "down-sizing." They don't prevent giant enterprises from shipping jobs abroad. And national legislators seem blind to the problem or to the growing public anger at the abandonment of hard-working citizens, the type who made America.

Euphemisms in the economic areas mask deeply disturbing phenomena. The March 31 issue of the Forward pointed this out with great clarity. A column in that newspaper noted: "If an American company closes a plant here and ships its equipment to China, that will be called an 'export.' It will be an 'export' that will not add, but will subtract, jobs from America."

"Another case: Component parts from America will be shipped to Mexico, to be assembled there and sold exclusively, by law, in America. The shipments in Mexico will be listed as an 'export,' although nothing was exported except American jobs that once assembled the product here."

"Or another case: Component parts for a dishwasher or a car are imported from Third World countries. The labor in the parts makes up 80 percent of the labor in the completed product. When sold to the elite of some Third World country, the value of the finished product is listed as an 'export.'"

"And so we list as exports the exports of jobs, the export of products we imported, the export of products that are never sold to another country. We figment these 'exports' to fictitious 'emerging markets' to conceal the fact that we are moving jobs out of America to other countries where manufacturers are using cheap—often child and slave—labor to make things, carrying the labels of American companies, to be sold in America."

The failure of mainstream European leaders to understand this anger is leading to political fragmentation. There is evidence of a growing divide in Europe. The Financial Times says this was reflected in the vote on the Maastricht Treaty, with the professional middle class in favor and "two thirds of working people against it." The glue that held together the center-right parties is dissolving, in large part "under the impact of European integration and the worldwide move towards free trade," said the Times. The opponents of globalism and economic homogenization surely will become a powerful force on both sides of the Atlantic. The Perot movement of 1992 was an indicator of coming change. Much of the Perot message had to do with betrayal of the economic interests of ordinary Americans, those whom a writer for Fortune magazine referred to (February, 1995) as "the have-less half of the middle class."

Americans and Europeans soon may begin to understand the price of the transnational "free market," the globalist vision of those who are contemptuous of the losers in their countries' populations and who seek the protection of the nations where they are headquartered but who disavow any responsibility to the interests of their nations. Where this leads one can't predict, but one recognizes a loss of living standard expectations and expectations on the part of many millions who are squeezed out in the game of globalist competition. These are citizens who are shoved to the margins, irrespective of the promises of Western democratic government. The prospects are dismal for many Americans and Europeans even as some elements in their nations profit enormously from globalism. In our time, greed overwhelms patriotism, as evidenced in the opposition to trade policies which would safeguard the economic well-being of millions of ordinary Americans who have lost or will lose their jobs.

Something is very wrong when a company decides to maintain only its head office and, possibly, its sale force in its home country, and transfers production to low wage countries. I submit it's immoral to eliminate one's national work force and transfer production abroad. The argument has been that the losses will be made up in advance products. But, as Sir James Goldsmith has noted, when the French signed a $2.1 billion contract with South Korea for high speed trains, it produced only 800 jobs in France. More and more aircraft contracts with Asian countries mean shifting large parts of the production process to those countries. The believers in the theology of total free trade seek a worldwide market in goods, services, capital, and yes, labor. That means the hollowing out of American manufacturing enterprises. It means that U.S. workers have to compete with Chinese workers who earn twenty cents an hour.

The focus of the major financial interests is not on the United States, the American economy, or the needs of the American people. Indicative of this lack of focus, of an alternative focus, was a symposium held last May in China under the auspices of the International Herald Tribune, which is jointly owned by The New York Times and The Washington Post. The paper, to use its language, invited to China, a "limited number of largest multinational corporations with a stake in the future of the Chinese economy." It would be interesting to know the names of these multinational corporations, which are headquartered in the United States, where their investments are being made, and especially, how much is being invested in China and other Asian countries and how much in the U.S. Finally, what percentage of their goods manufactured abroad are sold in the American market? This is information that the American people need to know, which Congress is not trying to obtain for them.

The American people have paid a hellish price for this focus on the economic future of countries such as China, which are earning huge profits from penetrating the U.S. domestic market in order to challenge the United States. The price is not only in lost American jobs but stagnated communities, deteriorated wages, the drying up of small businesses, and dependence on export markets, meaning dependence on foreign regimes and their financial maneuvers. The greatest loss, of course, is America's economic sovereignty.

Those who defend globalization, despite these losses, argue that the United States can more than make up for them by training unskilled workers. But this training is not the answer to the problem of unemployment in Europe, or unemployment in the United States—the proliferation, that is, of jobs that don't pay enough to provide even a minimal standard of living. Even The Economist magazine, which is an ardent supporter of globalization, recognizes that "wages at the bottom are lower in America" than in Europe. And it admits that "training can even be the royal road to ruin." Those interested in so-called "rationalizing" of jobs can gain more advantage by eliminating jobs where there is demarcating of jobs based on skills rather than establishing frequent, costly job training programs. And the presentation of job training as the magic bullet ignores the fact that employers prefer younger, supposedly more flexible workers than middle aged workers who have lost their jobs through corporate "downsizing." In any case, what are so-called redundant workers to be trained for? Our global competitors aren't without skilled workers or brains.

It is politically fashionable to speak of empowering Americans—meaning restoring them to a condition of individual responsibility and local control—both worthy objectives. But the most important empowerment involves both the restoration of their family values, moral values in the public environment, and economic empowerment. Over 15 years, they have lost economic power enjoyed by previous generations of Americans.

There are many who profess to believe in democratic principles and a moral approach to the organization of American society but who show disdain for the ordinary American. An example of this was an article by Washington Post columnist Richard Cohen (February 2) in which he lambasted popular opposition to the $40 billion Mexican bailout. He declared that the people "aren't always wise." To be sure, it was their money, their credit, which was on the line. And so it is with the grand globalist economic schemes. That ordinary Americans suffer in the process seems to be of little concern to those who predict vast opportunities in so-called emerging markets such as China. But there's no reason to believe that the American people, apart from Wall Street investors, stand to benefit from a huge trade deficit with China.

The dark scenario I present here is not simply one person's vision. A Shell International Petroleum Co. economist, Peter Kassler, has presented a scenario called "Barricades" which envisions social and economic chaos under the GATT trade regime, with unrelenting jobs cuts and downward pressure on wages in industrial countries. Business Week (December 19, 1994) said that: "Potent opposition is growing against the politicians who would further weaken a nation's power to set its economic course."

It reported on the so-called "anxious class" on both sides of the Atlantic, noting that in Britain wages are stagnating and that nearly 90 percent of new jobs in the U.K. are part-time. In France, Sir James Goldsmith says hard-nosed corporations press for lower wages at home or "rush to the Third World to exploit cheap labor."

The conditions described here constitute the so-called New World Order, the transnational world order. This New World Order already has played havoc with the lives of millions of Americans and Europeans. The existence of a $150 billion trade deficit with Asia—for the United States, that is, is a feature of the New World Order and derives from the economic priorities of those who favor the transnational outlook. But this New World Order may go the way of other new world orders in the 20th century—the socialist, communist, and Nazi new world orders. And the struggle over the latest New World order will focus on a variety of questions, involving what one wrote (Washington Post, January 29, 1995) referred to as "intertwining forms of governance, ideology, cultural life, and the protection and distribution of goods"—and, I would add, morality.

As a people, as a civilization on both sides of the Atlantic, we have not found our way through this thicket of issues, forces, and problems. I suspect that we haven't a great deal of time to repair the fabric of our civilization and also meet the economic challenges it faces, as well as deal with the internal stresses and anxieties—and anger—provoked by economic policies and tendencies. Business Week, a certifiable establishment journal, asserted (December 19, 1994) that if we don't find our way that "There could be hell to pay," a logical conclusion. If Americans and Europeans, the working people, don't get the rewards they believe they deserve, that their countries' striving over generations seemed to ensure, the result will be strife, revolution, that is, in one form or another. The anxiety level is rising, and if the standard of living is whittled away by runaway globalist policies, the backlash will be like nothing we have seen in the post-World War II history of the North Atlantic nations. What form it will take is unclear at this time. But it surely will occur. Precisely how the economic crisis will impact society in moral terms also remains in the realm of the unknown. One thing is certain: The Atlantic countries will not simply accommodate themselves to diminished expectations and diminished results. And there will be a massive vote of no-confidence in the political and cultural leadership elites in the West who have steered us into decline, or who have been indifferent to the dangers and tolerated decline.

Dr. Winifred McClay, an historian at Tulane University, has written that need exists for a "consolidated or nationalized political and economic order." Such an order would overcome the establishment notion that national sovereignty and economic independence are things of the past. It would put public policy in a new moral framework, a framework of respect for all Americans and American interests. How do we achieve a new nationalist, as opposed to a globalist, economic policy? The answer could be the subject of many lectures. But I submit that the essential first step is to defang the transnational of multi-national companies, the money power that increasingly holds U.S. policy and the American people in thrall. And how do we go about defanging them? By restricting their operations, placing limits on those who are headquartered in the United States and seek the protection of the United States while rejecting any special loyalty to America. If they shift their manufacturing operations to low-wage Third World countries in order to sell their slave wage-made goods in the American market, then let them be subject to penalties. In other words, we strike at their profits. And the foreign-headquartered multinationals would be subjected to the same barriers employed by the Japanese when the latter protect their national economic interest. There is nothing radical about such an approach. It is what our great-grandfathers supported when the Sherman Anti-Trust Act was written into law to block the operations of the monopolistic domestic cartels of the late 19th century. And I submit that the new policies of limitation would have the same moral purpose as the Sherman Act, which was passed to protect ordinary Americans from exploitation.

As a traditional conservative I regard problems of moral decline and economic threat as two faces of the same coin. I believe that in recent years, as a result of the emergence and power of the transnational corporations and the transnational globalist international organizations, that we have departed from the ways prescribed by our forebears in the U.S. Constitution and from their moral instructions as evidenced in the Preamble to the Constitution with its dedication of our system of government to the promotion of the general welfare. We need a new emphasis upon virtue, authentic justice, recognition of shared experience and shared devotion to the common good—all that America is about, as our Founding Fathers ordained in the Constitution. And as a traditional conservative, who fears a post-constitutional America, I look for wisdom and understanding wherever I can find it—even in what may seem the most unlikely sources. I found evidence of it in a statement by former Gov. Jerry Brown of California, not someone I have quoted favorably before. Interviewed by Chronicles magazine, a conservative intellectual journal, he said we: "need enrichment of the community and real deconstruction of the workings of the global economy, global institutions—the central banks, the General Agreement on Tariffs and Trade, the World Bank, the multinational companies—and of the way in which our lives are being embedded in a runaway, large-scale corporate, global culture that is undemocratic, inhuman, and destructive."

The late Russell Kirk, the great conservative thinker who spoke at these institutes for so many years, could have written these words. They are in the spirit of Edmund Burke and the Founding Fathers, and they provide us with goals for the moral recovery, community strengthening, and economic safeguarding of the American people and nation. If we embrace this understanding, adopt this new direction for our national affairs, and wake to the need for a restoration of the moral virtue that characterized our republic and our civilization in the past, we should be able to overcome all the challenges and reinvigorate the public and private order built upon our priceless heritage in the Western world.•

TRIBUTE TO SUZANNE MARIE BEEDE

• Mr. HATFIELD. Mr. President, I come to the floor today to pay tribute to a long-time staff member and close friend who has devoted almost two decades of her life to serving those in need. Her exceptional skills as a mother, wife and community leader have manifested themselves in every facet of her professional career as a caseworker and office manager on my staff.

Suzanne Marie Beede has assisted more than 12,000 Oregonians over the last 17 years, reuniting families, creating new families through foreign adoptions and helping veterans and senior citizens by communicating with appropriate Federal agencies. Her compassion, humanitarianism, and respect for people all over the world have driven her to excel as a caseworker. Her desire to see difficult situations brought to a just resolution has molded her professionalism to an art. She has never wavered in her motivation to provide uncompromising assistance to those in need.

Sue has demonstrated an ability to rise to any occasion, from calling American embassies at 3 a.m. to alert a consular officer of a dire emergency situation, to helping me prepare for last minute press conferences.

Her accomplishments have fueled my belief that in servitude and faith lies the ability to improve the human condition. Her contributions to my family life and professional career have been innumerable and invaluable. Throughout our 17 years together, we have seen the face of my staff change several times. We have weathered personal hardships, including the loss of a very dear colleague, and we have celebrated the joys public service brings. It is with best wishes for her future success that I say goodbye to Sue as one of the most valued members of my staff. Although her role as my premier caseworker is coming to a close, her place in my heart remains permanent.•

CONDEMNING BOMB ATTACK ON FOREST SERVICE EMPLOYEE IN NEVADA

• Mr. BRYAN. Mr. President, several days ago a bomb exploded at the home of Guy Pence, a U.S. Forest Service ranger who lives and works in Carson

City, NV. Fortunately, no one was injured, although Mr. Pence's wife and three children were in the house at the time of the explosion. My colleagues might recall that the Forest Service's Carson City office, where Mr. Pence works, was also bombed several months ago. Needless to say, the recent incidents of violent, terrorist activity directed at Federal employees and Federal land management agencies in the State of Nevada and elsewhere represent a disturbing trend that will undoubtedly result in the loss of life if the perpetrators are not apprehended.

Mr. President, I want to make it clear at the outset that I do not claim or represent to know who or whom is behind these bombings; no one has been arrested or claimed responsibility to date. What I can tell you, though, is that by every indication, the person or persons responsible for these acts are riding a wave of anti-Federal Government sentiment. Clearly, the controversy over the role of two Federal law enforcement agencies, the ATF and FBI, in both the Randy Weaver incident and the Waco tragedy, has heightened public cynicism toward the Federal Government—the rise of militia groups in many States is evidence of this. Perhaps more relevant to the bombings in Nevada, however, is the rise of the county supremacy movement. People associated with this movement are upset with what they view as the Federal Government's overly intrusive role in grazing, mining, and other activities on public lands. They would like to see responsibilities for managing these lands delegated to local governmental entities.

Mr. President, it is apparent that the incendiary rhetoric espoused by some of those in the county supremacy movement has created an atmosphere that promotes extremism. What began as a legitimate philosophical difference of opinion over the management of Federal land has been transformed into a call to battle for many. Last March the Justice Department was forced to life a lawsuit against Nye County, primarily in response to physical threats made against Forest Service employees by county officials. While the lawsuit may settle the legal issue of who has jurisdiction over public lands, I am skeptical that the fringe elements of the county supremacy movement will abide by the rule of law.

I would hope that the Members of this body, particularly my colleagues from the West, would recognize that unless efforts are made to tone down the rhetoric on public land issues, it is only a matter of time before someone, most likely a Federal employee in Nevada, is seriously injured or even killed.•

CONGRATULATIONS TO CONCORDIA UNIVERSITY

• Mr. HATFIELD. Mr. President, 90 years ago, in the basement of a Portland, OR, Lutheran church, Concordia College was founded. Two years later, its founder moved the college to a 5-acre plot in Northeast Portland and erected the first building of Evangelical Lutheran Concordia College.

That spring of 1907 was a very special time in the life of Concordia—a new location, a new building, a recognizable presence. The year 1995 ushers in another new era for this college. On August 26, the board of regents, faculty, staff, students and friends of Concordia will gather to celebrate Concordia College's transition to its new status as Concordia University.

From 1905 through 1995, this institution has experienced a wealth of significant, laudable accomplishments. I would mention 1946, when Concordia reached junior college status, 1977 when the college was granted 4-year status and 1987 when the Board of Regents adopted a successful planning strategy known as the Keller Plan, after education expert and consultant George Keller.

When the college was made up of 17 young men and an $800 budget, in 1905, it would have seemed implausible that 90 years later it would have 1,000 men and women students, a Health Care Administration program ranked among the top five in the country and the only baccalaureate degree program in Environmental Remediation and Hazardous Materials Management—an extremely important program, especially given the serious energy issues facing the Pacific Northwest.

Today, Concordia College has five schools: arts and sciences, business, health and social services, teacher education, and theological studies. In the fall of 1996, these five schools will become five colleges designated under Concordia University. Throughout this transition, Concordia's mission of developing leaders for the church and leaders for society has remained constant. It has remained committed to the spiritual growth of its students and the rigorous academic standards of its courses.

I wish to congratulate all those who have had a partnership in the growth of Concordia College, its faculty, staff, and students. I would also like to mention the outstanding leadership of Concordia's president, Charles E. Schlimpert, its Board of Regents and the Concordia College Foundation Board of Directors. The direction they are providing will lead Concordia University into a bright future.

Mr. President, I ask that Concordia University's formal mission statement be printed in the RECORD.

The statement follows:

MISSION STATEMENT

Concordia University, of the Lutheran Church-Missouri Synod, is a center of higher learning that assists students in their lifelong quests for full realization of spiritual, intellectual, social, physical, relational and emotional development. Professional education, grounded in the liberal arts and enriched by relevant co-curricular activities, will strengthen the Church and world community by encouraging the development of Christian values, and an attitude of service among Concordia University students.•

CONGRATULATING MARTIN C.M. LEE ON RECEIVING THE 1995 INTERNATIONAL HUMAN RIGHTS AWARD BY THE AMERICAN BAR ASSOCIATION LITIGATION SECTION

• Mr. MACK. Mr. President, tomorrow, in Chicago, the American Bar Association's litigation section will present its 1995 International Human Rights Award to Martin C.M. Lee, the chairman of the Democratic Party in Hong Kong. The award is a high honor which Mr. Lee has earned for his efforts to win full democracy for the people of Hong Kong and to safeguard the rule of law as the territory nears its June 30, 1997, reversion to the People's Republic of China. I would like to take this opportunity to extend my warmest congratulations to Martin Lee and submit for the record an article by former Attorney General Dick Thornburgh which appeared on July 30, 1995, in the Washington Post.

The article is called, "A Blow to Hong Kong's Future." The blow Dick Thornburgh refers to is the recent agreement by Great Britain and the People's Republic of China to set up a new high court for Hong Kong according to terms that violate the 1984 Joint Declaration. The terms, which include restrictions on jurisdiction and limits on foreign common law judges, have dealt a powerful blow to the colony's long tradition of judicial independence. Dick Thornburgh's article reports that the Hong Kong Government of Chris Patten has criticized the American Bar Association for bestowing its award on Mr. Lee. As the article says, the Hong Kong Government is disturbed that "Lee, one of several leading lights in the democratic community, has been calling the court deal what it is: A sellout."

China has made the future of Hong Kong's democrats painfully clear by announcing its intention to abolish Hong Kong's Legislative Council [Legco], abrogate the bill of rights ordinance, and destroy the rule of law. Over the next 2 years, we Americans must stand with Martin Lee and his fellow democrats as they stand up for the future, and autonomy they were promised.

I ask that the article be printed in the RECORD.

The article follows:

[From the Washington Post, July 30, 1995]

A BLOW TO HONG KONG'S FUTURE

(By Dick Thornburgh)

What government recently denounced an organization that was planning to bestow an international human rights award on its most prominent democrat? No, not Burma. Not Nigeria. It was the British government of Hong Kong, which, although not yet in its final days, is conducting a fire sale of the protections that the rule of law built up over a century.

This month the American Bar Association's litigation section announced it would award Martin Lee, chairman of the Democratic Party of Hong Kong, its 1995 International Human Rights Award at its meeting in Chicago on August 8. A top Hong Kong government official promptly denounced the ABA, and continued the Hong Kong government's mounting attacks on Lee himself.

The Hong Kong government of Chris Patten has reason to be alarmed by the ABA award. It will bring Martin Lee and his criticisms of Great Britain's double-cross of Hong Kong to the attention not only of the ABA's approximately 350,000 members but to all Americans distressed by China's arrest of American activist Harry Wu, and the PRC's long record of human rights abuses.

Less than two years from now, Hong Kong will be transferred to the PRC under the terms of the Sino-British Joint Declaration. Under that 1984 agreement, both Great Britain and China pledged Hong Kong would thrive under an arrangement Deng Xiaoping called "one country, two systems." Since then, however, China has reneged on virtually every one of its commitments, pledging to abolish the Legislative Council (Legco) and abrogate the bill of rights ordinance, and seeking to destroy the rule of law. The British Hong Kong government has stood by and done nothing.

In early June, the Hong Kong government signaled its final retreat. British and PRC negotiators cut a deal on the Court of Final Appeal, the new court needed to replace London's Privy Council as Hong Kong's high court. The deal violates the Joint Declaration in a number of respects, including restricting the number of foreign common law judges on the bench. Such judges have contributed to Hong Kong's highly regarded judiciary, and they will be crucial to the court's ability to resist PRC interference.

The deal also injects the future Beijing-appointed chief executive into the judicial selection process, another break with tradition. Most important, the British capitulated to Beijing on the court's jurisdiction. The court may not rule on acts of state "such as" defense and foreign affairs. These two words, to be interpreted by a party organ in Beijing, could prevent the court from hearing virtually anything Beijing chooses, including challenges to state power.

Finally, British and the PRC agreed not to set up the court until July 1, 1997, despite previous agreement to get it up and running much earlier. British appointees and pro-China members approved legislation establishing the court as proposed on July 26.

So why is the Hong Kong government so worked up over the award to Lee? Lee, one of several leading lights in Hong Kong's democratic community, has been calling the court deal what is a sellout. After building up a successful law practice and chairing the Hong Kong Bar Association, he entered politics in 1985, becoming the legal community's first representative in Legco through the government's byzantine "functional constituencies" system. These Legco members are chosen by tiny franchises representing business and professional groups such as real estate developers and bankers.

In Hong Kong's first-ever democratic elections in 1991, Lee won the most votes of any candidate, while pro-democracy candidates overall took 17 of 18 democratically selected seats. Lee, his Democratic Party and independent democrats are expected to outpoll pro-China candidates for the 20 seats open in elections this Sept. 17, the last elections before the PRC takeover. (The increase in democratic seats from 18 to 20 was the centerpiece of Patten's highly touted 1994 reform package.) China has pledged to abolish Legco, and recently announced that it will set up a parallel, appointed legislature well before 1997.

Beijing already had its sights on Lee—having ejected him from a committee to draft Hong Kong's so-called "mini-constitution" for supporting the demonstrators at Tianamen Square. Lee is a thorn in Governor Patten's side. And he will be a thorn in China's side. Unless something changes, we can all look forward to the time, a few years on, when Beijing in turn denounces an organization for bestowing a human rights award on Martin Lee.●

ORDERS FOR TUESDAY, AUGUST 8, 1995

Mr. GRASSLEY. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m., on Tuesday, August 8, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then immediately resume consideration of H.R. 4, the welfare reform bill, status quo until the hour of 12:30 p.m.; I further ask unanimous consent that the Senate recess from the hours of 12:30 to 2:15 p.m. for the weekly policy conferences to meet.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

PROGRAM

Mr. GRASSLEY. Also, on behalf of the leader, for the information of all Senators, the Senate will resume consideration of the welfare bill tomorrow at 9 a.m., status quo until the hour of 12:30. Rollcall votes can be expected to occur during Tuesday's session of the Senate, possibly in relation to the welfare reform bill or the Department of Defense authorization bill. All Members should expect a late night session on Tuesday in order to make progress on both of those bills.

ORDER FOR RECESS

Mr. GRASSLEY. Mr. President, on behalf of the leader, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order following the remarks by Senator DASCHLE and my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

OPERATIONAL SUPPORT AIRLIFT AIRCRAFT

Mr. GRASSLEY. Mr. President, I would like to take about 5 minutes or less to discuss an item that I will be bringing up on the defense authorization bill. I have what you might consider a very minor amendment but one that gets at the basic issues that I have been trying to present to my colleagues on mismanagement in the Department of Defense.

My amendment deals with the fleet of executive aircraft and the VIP helicopters. Most of these airplanes are known as the operational support airlift aircraft.

I want my colleagues to know that this amendment comes from studying positions taken by people within the Defense Department or outside the Congress of the United States. So my amendment does not come from an idea that I dreamed up.

My position rests on sound ground because I think it is a studied position made by a lot of people that we in this Congress ought to respect. It is based on two very recent reports: a Department of Defense IG report dated June 1995; a GAO report also dated June 1995. But that is not all. My thinking on this issue is based upon a mountain of Department of Defense studies. And these all point in one direction, that we should cut the number of planes in this operational support airlift fleet.

I would just like to tell my colleagues where I am trying to go with this amendment. During the upcoming debate that will happen later on this week on the Defense authorization bill, I am going to talk about a long string of Department of Defense reports and recommendations to cut the OSA fleet.

In February 1993, the Chairman of the Joint Chiefs of Staff, Gen. Colin Powell, recommended a reduction of this fleet of aircraft. In September 1994, the Chief of Staff of the Air Force, General McPeak, recommended a reduction in this fleet of aircraft. In May of 1995, the Department of Defense Commission on Roles and Missions recommended a reduction in the OSA fleet of aircraft.

The Department of Defense Commission on Roles and Missions was chaired by Mr. John P. White. Mr. White recommended reductions in the OSA fleet just before becoming Deputy Secretary of Defense.

Mr. President, this issue has been studied to death, not by CHUCK GRASSLEY's own research, but by my merely reading report recommendations made by people within the Department of Defense by people at the General Accounting Office, people that we ought to have some respect for.

So how many studies does it take to cut a Pentagon program? The Chairman of the Joint Chiefs of Staff, the

Chief of Staff of the Air Force, and now the Deputy Secretary of Defense have all recommended cuts in this fleet of VIP aircraft. I think that most Members of this body would respect the judgment of people like Colin Powell, General McPeak, and Deputy Secretary of Defense White. When they say that this ought to be done, then it seems to me we ought to do it.

It kind of bothers me that these recommendations, once they are made, just do not happen. Why do we have to do it in the Congress? Why do I have to bring it to the attention of my colleagues to make it happen? When I got done reading the May 1995 roles and missions report, I decided to write a letter to Mr. White. My letter to Mr. White is dated July 12, 1995. I hoped Mr. White might be willing to help me develop a plan to downsize this fleet of aircraft. I want to know if he would be willing to work with me in developing a plan to carry out his own recommendations.

Mr. White's reply to my letter is dated July 31, 1995. I ask unanimous consent to print this correspondence in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, July 12, 1995.

Hon. JOHN P. WHITE,
Deputy Secretary of Defense, Pentagon, Washington, DC.

DEAR MR. SECRETARY: I am writing to you about the need to reduce the Department of Defense's (DOD) fleet of Operational Support Airlift (OSA) aircraft.

The DOD Inspector General and General Accounting Office (GAO) have just concluded independent reviews of how these aircraft are used and how much these operations cost the taxpayers. Copies of those reports are attached for your consideration. Both clearly indicate that many of these flights are wasteful and unnecessary.

The GAO found, for example, that the Andrews AFB, Maryland to Wright-Patterson AFB near Dayton, Ohio is the heaviest traveled OSA route. Both locations are readily served by commercial airlines offering LOW government contract airfares. Continental and United Airlines have 5 to 6 flights each way between Washington and Dayton every workday. The one-way airfare on Continental is $98.00. The cost to move comparable numbers of passengers from Andrews to Wright-Patterson on an OSA C–21 aircraft is at least 3 to 4 times higher than on Continental Airliners—if all appropriate expenses are included.

There is no way to justify the use of military aircraft for routine travel between destinations like Washington, D.C. and Dayton, Ohio. Unfortunately, the bulk of OSA flights are between cities like Washington and Dayton—cities connected by convenient and efficient commercial airline service. In most cases, this service is provided by government contract carriers at discount prices.

Mr. White, I bring this particular issue to your attention for one simple reason. As the Chairman of the most recent "Commission on Roles and Missions of the Armed Forces," you concluded that "there are too many OSA aircraft . . . and recommended changes to eliminate excess capacity and save money." Your findings and recommendations—as presented in the May 1995 report—are fully consistent with a long list of similar DOD studies. All agree on one point: Inventories of OSA aircraft exceed wartime requirements. Reductions are now in order.

Well, Mr. Secretary, shortly after recommending cuts in the OSA fleet, you became the Deputy Secretary of Defense. So this is where "the rubber meets the road." It's time to make the cuts that you recommended. I have developed my own plan for "eliminating excess capacity and saving money." A copy of my plan is attached for your review. It would reduce the OSA fleet by 50 percent by the end of fiscal year 1997 and would save about $550 million annually, according to the Congressional Budget Office.

I would be the first to admit that it is very difficult for Congress to successfully legislate a solution to a problem like this—without the cooperation of the department involved. I would much prefer to work with you in developing a more acceptable solution. With that in mind, would you please review my plan and make any suggestions you consider appropriate. I would like to be in a position to offer a proposal when the defense authorization and appropriations bills are brought to the Senate floor for debate.

Your cooperation in this matter would be appreciated.

Sincerely,
CHARLES E. GRASSLEY,
U.S. Senator.

DEPUTY SECRETARY OF DEFENSE,
Washington, DC, July 31, 1995.

Hon. CHARLES E. GRASSLEY,
U.S. Senate, Washington, DC.

DEAR SENATOR GRASSLEY, This is in response to your letter of July 12, 1995, concerning your proposed amendment to the Defense Authorization Bill for Fiscal Year 1996 to reduce the Department of Defense's Operational Support Airlift (OSA) aircraft fleet.

As a result of the Commission on Roles and Missions recommendation, the Chairman, Joint Chiefs of Staff is conducting a study to validate the size of the OSA fleet needed in wartime, based on supporting two major regional conflicts (MRCs) which occur nearly simultaneously. During this study, slated for completion this fall, the Joint Staff will evaluate Service and Theater CINC-stated-requirements to avoid unnecessary duplication or overlapping requirements. At the same time, we are implementing a plan under which the Transportation Command will closely monitor the peacetime scheduling and patterns of use of these aircraft.

On the basis of these efforts, we will determine the most effective and efficient organizational structure to schedule, maintain, and operate the fixed-wing OSA fleet based upon a combination of wartime effectiveness and peacetime efficiency. Until I see the results of these analyses, it would be premature for me to endorse a legislative approach.

Sincerely,
JOHN P. WHITE.

Mr. GRASSLEY. Mr. President, quite frankly, Mr. White's letter to me is a disappointment. Mr. White says that the Chairman of the Joint Chiefs of Staff "is conducting a study to validate the size of the OSA fleet in wartime." Now the committee has signed off on this approach. Another study is a delaying tactic. I think that is all it is, quite frankly.

I said a moment ago our OSA fleet has been studied to death. As chairman of the Department of Defense Commission on Roles and Missions, Mr. White concluded that the fleet of airplanes was too big and that it should be cut down to size. Well, this is where the rubber meets the road. Mr. White is the top dog over in the Pentagon now. He occupies a very top position. Mr. White is now in a position to give some direction and guidance, and his recommendations in the roles and missions report tells me that he already knows what that direction should be.

So what is he waiting for? The time has come to stop studying the issue. More study is a waste of time and, most important, a waste of money. The Department of Defense, under Mr. White's direction, should develop a plan to downsize this fleet of aircraft. How many of these airplanes are really needed? How should the fleet be managed? How should the Department dispose of the unneeded airplanes? Those are the questions that must be addressed.

I do not see my amendment as the magic solution, by the way. My amendment was merely a starting point. I am not convinced that my proposed number, whatever I might pick, whether it be 20 percent, 30 percent, 40 percent, or 50 percent, might be the right number. But I do not think we can settle for ignoring the recommendations of Colin Powell, the recommendations of General McPeak, the recommendations of the roles and missions report under Mr. White's directive. I do not believe we can ignore the General Accounting Office that there are more airplanes than are needed. Only 9 percent of these planes were used in the Persian Gulf war. It is time to downsize the fleet. I think that we ought to take a first step this year during the debate on the defense authorization bill to make a downpayment on the recommendations that have been made by Colin Powell, General McPeak, and by Mr. John White. I want to see us start down the road in that direction, the direction proposed by the Deputy Secretary of Defense, White, and I want that first step to be meaningful and to be significant.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. DASCHLE. Mr. President, few debates have had greater importance than the one we have begun this week. A number of us have been working now for many months in preparation for this debate. I want to thank Members on both sides of the aisle for the work that has been done thus far, and let me in particular commend the ranking member of the Finance Committee, Senator MOYNIHAN, for his leadership and the continued effort he has made to bring us to this point.

I also feel the need to, again, reiterate my gratitude to Senators BREAUX and MIKULSKI for the leadership they have given our caucus on the issue of welfare reform; Senators DODD and KENNEDY for all of the help they have given us with regard to the need to consider children as we deal with this issue; and Senators MOSELEY-BRAUN and CONRAD on the Finance Committee for their efforts.

Let me also cite the tremendous cooperation and support that we have been given from the administration, Democratic Governors, and local officials. For many months now, all of them, and many more within our caucus, have come forth to give us their best ideas and to produce what we hope will be one of the best work products that we have had since this Congress has begun.

Mr. President, the result of that effort has been a remarkable degree of unity within our caucus about the need for welfare reform and about the way we bring it about. We support a new concept which we call Work First, a concept which incorporates many very critical principles that we as Democrats feel strongly about, that we as Democrats can unite on and reach out to our Republican colleagues and hope that, working together, we can achieve meaningful welfare reform on a bipartisan basis this year.

First and foremost, as we consider those principles, Mr. President, our belief is that the emphasis needs to be put on work; that we end welfare as we know it; that we abolish the old infrastructure; that we create the incentives and the opportunities that must be created if, indeed, we are going to put work first.

So we begin by requiring that all able-bodied people go to work, get jobs, obtain the skills, do what is necessary to ensure that they break their dependency on welfare. We recognize that in order to do that, we have to provide tools that do not exist today. So as we abolish the AFDC Program and the old JOBS Program, we recognize that new tools must be put in place if indeed we are going to give people opportunities and the real hope that they can break that cycle of dependency, that they can go out with confidence and get the jobs that they need to get.

We also recognize that even though it may not be a part of welfare reform, it is very difficult to tell anybody today that they are to go out and get a minimum-wage job, work 40 hours a week, 52 weeks a year, and still be below the national poverty level. That is unacceptable.

If we are going to make work pay, we have to provide not only the economic incentives, but the opportunities and the confidence necessary so that indeed we can break the cycle of poverty, as well as the cycle of dependency. Breaking the cycle of poverty, hopefully this year, will mean an increase in the minimum wage, to ensure that men and women can work 40 hours or more a week and not be condemned to poverty in spite of their best efforts.

The second principle, Mr. President, is a recognition that there are impediments to ending welfare as we know it and to getting those jobs that exist today. We must address those impediments if indeed we are going to get the job done. Our belief is that the two most critical impediments are the fear of losing their health insurance and the lack of adequate child care.

First, they fear that once they get a job, especially if it is a minimum-wage job, they will lose their health insurance, they will have no protection for themselves or their children, because Medicaid will no longer be provided.

They also know that they have a Hobson's choice of getting a job or staying on welfare and taking care of their children. They do not want to be in a position of saying, I want to get that job, I want to go out into the private sector and obtain a good, meaningful, good-paying job—but I do not want to leave my children at home unattended. What am I going to do with my kids? How many families would be willing to leave their young children at home while they went out to get a minimum-wage job, which is, in part, what we are asking people to do today. That, too, is unacceptable. We cannot ask a young parent to do that. We have to find a way to ensure that their legitimate concerns are addressed in terms of health care, as well as in terms of child care.

So what we do in our Work First plan is extend Medicaid for another year to give people the opportunity to create the financial means to buy their health insurance. We do the same thing with child care. We tell them, look, we are going to care for your children, we are going to find a way, working with the States, to create the infrastructure necessary to see that your children are cared for. We are not going to effectively force you to leave them at home. We are not going to make you leave them unattended. We recognize how many problems are created at home when there is no adult supervision. That is the second principle—recognizing the impediments to work today and dealing with them.

The third principle is to ensure the safety net for children continues. Children should not be required to pay for the problems created by their parents. If we are going to break the cycle of dependency, it ought to be the goal of every Senator to strengthen the child, to give them the care, the direction, the nutrition, the protection that they need so that they never find themselves on welfare in the first place. Creating that mechanism of ensuring that children are protected has to be a fundamental principle of welfare reform, regardless of what else we do with their parents looking for work.

A fourth principle is to recognize today that we actually penalize husbands for staying at home and staying married. We actually penalize them for living at home and playing the role of father. Today, if a welfare recipient is married, that person is ineligible for the full benefits created through the welfare system. That is wrong. So we eliminate the penalty for married welfare recipients. We say we want to encourage families to stay together. We want the mother and father in that house together. We want to do everything we can to preserve the family unit.

We require tough child enforcement mechanisms and expand job placement and training for absent fathers. We have had the opportunity to consult with scores of people from around the country, and the word we get time and time again from virtually every expert is that if indeed you really want to stop welfare dependency, if you want to break out of the problems we have today, you have to find ways to keep the family together. We want to do that. We do that by eliminating the penalty for married welfare recipients, strengthening child support enforcement, encouraging absent fathers to stay home and to get the job skills they need, without penalizing them.

Fifth, Mr. President, we recognize, as so many people have alluded to today, that if we are going to do this, we recognize the big differences between and among States. Ohio and South Dakota are dramatically different in many respects. South Dakota's largest city is about 125,000 people. We have only 10 communities with more than a thousand people, and 300 communities with fewer than a hundred people. We recognize that welfare in South Dakota is vastly different from welfare in other parts of the country. So we must give States the flexibility and the opportunities to create new mechanisms that adapt to the problems, needs, and concerns of people within each State. We recognize that the current system is too constrained, is too prescriptive, is too dictatorial in coming up with ways to allow States the opportunity and the freedom and flexibility to do what they know, in many cases, has to be done to combat the problems in the welfare system.

Next, we want to combat teen pregnancy. Here, too, there is no secret, magical, one-size-fits-all solution. We realize, as Senator MOYNIHAN and others have spoken about many times, we have no way of knowing for sure what we can do to break the cycle of illegitimacy, to ensure that teen parents will not continue in the practices and the direction they often take at an early age. We want to stop children from having children. We want to create whatever mechanisms are necessary to ensure that children are children first and parents second. To do that, we require that teen mothers, if unfortunately they become pregnant, stay in school and stay at home; and that, in those cases where home is not the appropriate place, they be given second-chance home opportunities, living in an environment that is loving, caring, protective, and reassuring. Second-chance homes can do that.

We believe very strongly that whether it is at home or whether it is in a new home, teen mothers cannot be put by themselves, cannot be forced to take all of the responsibilities that comes with rearing a child, with little or no resources, and expected to rear that child properly. That does not work.

So once a child has a child, and that child has a child, and that cycle goes on and on, it is no wonder we have the incredible delinquency problems and the problems with childhood abuse and the many serious problems that come with it.

Finally, we recognize that there are many loopholes in the Food Stamp and SSI Programs that we believe have to be addressed. We clamp down on waste and abuse and recognize there are ways not only to save money but to administer these programs much more effectively. So we believe that, through all of these principles, we can enact a substantial degree of reform and bring about a change in welfare to the degree that it has never been brought about before. We are optimistic that in working with these principles, we can do a great deal to change the direction of welfare as we know it in this country.

I believe that, in many cases, the Work First plan stands in contrast to the bill offered by many of our Republican colleagues. The latest version of the Republican bill is a significant improvement over the Finance Committee draft that passed a couple of months ago. But I would cite among the many differences between Work First and the current Republican plan four fundamental differences that I think have to be addressed.

The first has to do with work. We both recognize that work has to be a priority. We both recognize that we have to put new emphasis and a new direction to the opportunities there are for work. The big difference, of course, comes in resources. Both of us have a requirement that, by the year 2000, 50 percent of those people on welfare will be required to work. Fifty percent.

I am told today that about 10 percent of those people on welfare ultimately get jobs. So we are asking for a 5-fold increase in our success rate in the next 5 years. A 5-fold increase, from 10 percent to 50 percent. I am not talking about "participation." I am talking about actual work.

Today we judge our success largely by participation. That is, if you come into the office and you demonstrate you are looking for a job, you can qualify for all the welfare benefits that may be provided.

We say participation is not good enough anymore. Now what we want to do is say you really have to have a job before we consider this case closed. You have to be out there working prior to the time we are willing to call this particular case a success.

The problem is that, to obtain that 5-fold increase in the next 5 years, I believe we will need resources to do it. It is not just going to happen. We are talking about providing skills. We are talking about education. We are talking about a new infrastructure which will make welfare offices employment offices.

If we are going to do that, the States and the Federal Government must work in partnership to ensure that we can accomplish all that we know we can accomplish in a very short period of time. A five-fold increase in real jobs is a major responsibility.

The difference between the Democratic bill and the Republican bill is that over the next 5 years, the Republican bill will cut $70 billion in the assistance to be provided to the States to do just that.

What we are telling the States through the Republican bill is that we want you to get the job done, but we will cut $70 billion in resources before you are given the chance to do it.

Mr. President, I do not see how that is possible. If, over the course of this debate, we can figure out how we can ask the States to accomplish five times what they are doing today with $70 billion less in resources, that explanation, I think, is one the Governors will want to hear for themselves.

The second major difference between the Republican plan as it has been presented and the democratic Work First plan is our emphasis on children. There are about 14 million welfare recipients today. Mr. President, 9 million of the 14 million are children. We believe if those children are going to be cared for, if those children are going to get out of this incredible dependence they find themselves in as a result of being born into welfare families, then indeed we have to ensure that they are nourished, they are given the education, they are given the loving care they need and deserve. If they are given all those things we had when we were growing up—we had the encouragement, we had the nutrition, we had the education, we had the loving care—then maybe they will have a fighting chance. The reality is that these children are too often born into situations where none of that exists.

Mr. President, I think it is very critical if we want to ensure that those children have a chance, then it seems critical to me that we create and ensure that the safety net continues for those children, so they never have to face what their parents are facing.

Second, as I said a moment ago, it is so important that if we are honest and serious about telling mothers they have to get a job—telling young mothers and fathers, for that matter—it is not going to be enough to be dependent upon welfare in perpetuity, if that is going to happen, we have to realize that 60 percent of all AFDC families have at least one child under the age of 6. Mr. President, 60 percent of all AFDC families today have one child at least under the age of 6.

In a recent study, these families said that the biggest reason they cannot go out and get a job is because there is no one there to take care of that child. We do not want a bill that says we are going to have to leave them at home if indeed you want benefits at all. This ought not be what we call the home-alone bill. We do not want to see children left without protection and care.

The big difference here is how do we handle child care? In addition to the safety net, not punishing children, how do we ensure that those children are taken care of when the parents leave in the morning to go to work? No one can tell me that we will ever solve this problem if we do not resolve that one. Child care and welfare reform are inextricably linked. We cannot have one without the other. People need to understand that. It is too much to ignore. We must have some realization of the essential connection between child care and welfare reform.

The third big difference, Mr. President, has to do with funding. I mentioned earlier that there is a $70 billion reduction in the availability of funds. The Republican bill freezes funding at 1994 levels for the next 7 years. We are told that is a $70 billion reduction. That is just the beginning. It is not just the amount of money but how that money is provided.

There is no needs determination in the Republican bill. That is, there is no system by which the more severe the situation, the greater the resources. It is all done on a formula. That formula is really based on a first-come-first-served theory.

A block grant is sent out based upon this formula. Whether or not it is enough, the money is there so long as it is available. If there are more people than there are funds, it will be up to the States to decide who gets it. There is no match requirement. States are not required in any way, shape or form to come up with a reciprocal amount of money—some supplemental amount, some pool of resources—that would enable them to benefit from the resources provided at the Federal level.

No needs determination, no match whatever. A formula that is determined in Washington, not based on severity, not based on the number of people on welfare, not based on the degree to which there are imaginative approaches being employed.

Mr. President, there is a very significant difference in the approach used by the Republican plan and the approach incorporated in the Work First plan.

Our view is that need ought to determine availability; that in some cases there is a greater need, regardless of population, for a lot of different reasons. We ought to take that into account prior to the time we arbitrarily make some formula decision that may or may not help some States.

Finally, there is also a big difference with regard to the availability of assistance for teenage pregnancy. The Republican bill makes assistance to be provided for curtailing teenage pregnancy simply an option to the States. They can do it or not. Regardless of their choice, there is no funding available to the States to do whatever it is they may do. Whatever they do, they are on their own. One can guess what choice most States will make under such circumstances.

There is encouragement to use second-chance homes. There is encouragement to require that teenagers be required to stay in school or at home, but there is no funding. No availability of additional resources to see that might be something we should look at.

Mr. President, at least on those four principles, we have some fundamental philosophical differences that I think have to be addressed if, indeed, we are going to succeed in breaching the differences in arriving at a bipartisan bill some time this Congress.

Let me make two final points with regard to welfare reform. First of all, as we can see from the debate already today, and for that matter last Saturday, this ought to be a lively debate, a spirited debate, a debate in which very good points are raised—likely on both sides. I sincerely hope that Members of the Republican caucus will look at the Work First bill. I have every expectation they will consider even voting for it, at some point, given the significant new concepts incorporated in it.

I hope we can have a good debate but I hope we do not arbitrarily decide this thing can be resolved—this whole debate can be resolved—in a matter of a couple of days. I do not think it can be. This is one of the most consequential debates we will be taking up this year. It has broad ramifications. And if we do it right we may not have to visit this issue again for a long time to come, at least as it relates to our infrastructure. So I do not think we ought to be rushed into final passage. I do not think our success ought to be judged by how few days we actually take to resolve these differences and debate these points and come up with the best piece of legislation. So I sincerely hope we can have a good debate and not arbitrarily come to any conclusion as to how long a good debate may take.

Finally, let me say I hope it can be a bipartisan effort. I do not see it as necessarily a Democratic or a Republican issue, but it is going to be hard to be bipartisan if Republicans engage, once again as they did earlier this year, in negative political attacks when the debate has barely begun. It is wrong and deeply disappointing that Republicans would attack five Democratic Senators who have participated in the debate, who have made significant contributions to this effort, who may differ in some cases with Republicans on how we resolve these outstanding issues—but in good faith participate in the debate—and then be attacked politically simply because they may disagree. I would add that they have been attacked erroneously. Some of the attacks now being leveled against five of my colleagues in the Democratic caucus are wrong. They are outright fabrications. I hope the media take the time to look into the claims and then check the facts, because if they do they will find that not only are these attacks wrong and shortsighted, but they simply do not represent the facts or the voting records of those who have been the subject of these unfortunate attacks in the last couple of days.

We can do this either way. I recall vividly some of the criticism Republicans had last year, for the partisan nature of some of the debate on health care. I recall how unfair they thought it was when some of the debate was politicized. On the other side, there was great concern about the Harry and Louise ads. We heard a lot about targeted ads in States and districts around the country. Both sides raised a lot of questions about whether or not that was the right way to debate an issue as important as health care was.

It was wrong then and it is wrong now. It is wrong now to politicize this debate at the very beginning of what I hope will be an opportunity for us to deal with this issue in a productive, meaningful way, coming to some resolution sometime this session of Congress to one of the most important and challenging issues of our day—welfare reform. I believe we can do it. I believe we can work together and, in spite of some of our deep differences philosophically, overcome those differences and come up with a plan that works a lot better than the one we have today.

That is not going to happen if we contaminate the debate with sharp political attacks against Members on either side. So I hope cooler heads will prevail, and I hope those responsible for those ads will have second thoughts and the good common sense to pull them before it is too late.

Mr. President, noting no other interest in debate, I yield the floor.

RECESS UNTIL 9 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate now stands in recess until 9 a.m., Tuesday, August 8, 1995.

Thereupon, the Senate, at 8:14 p.m., recessed until Tuesday, August 8, 1995, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate August 7, 1995:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

JOHN A. KNUBEL, OF MARYLAND, TO BE CHIEF FINANCIAL OFFICER, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, VICE G. EDWARD DE SEVE.

EXTENSIONS OF REMARKS

AMERICAN INDIAN TRIBES WILL BE SILENCED UNDER THE LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1995

Mr. MILLER of California. Mr. Speaker, I am appalled at the message that the Republican Congress is sending to all of the American Indian and Alaska Native tribes of this country. It is saying that not only do we regard you as just another set of interest or lobbying groups, but we don't want to hear from you either.

First, the bill, H.R. 2127, treats Indian tribes like any other special interest or lobbying group. Mr. Istook has said, "It's only groups which ask for Federal handouts that are covered." Is this really how the Republican Congress views Indian tribes? Because the bill language, while it specifically exempts State or local governments, makes American Indian tribal governments fully subject to its speech-chilling provisions. Indian tribes are not special interest groups, or lobbyists—they are sovereign nations. And they are not asking for handouts.

Second, the bill would prohibit Indian tribes and tribal advocates from using any Federal funds to participate in a wide range of activities, including attempts to "influence legislation or agency action," participating "in any judicial litigation or proceeding," even as an amicus curiae, or lending any support to individual or organization that spent more than 15 percent of its expenditures on political advocacy in the previous year. In addition, the bill gags tribes by defining "influence" to include any communications with any Member or employee of a legislative body or agency, or with any Government official or employee who may participate in the formulation of legislation or agency action.

Tribes or tribal organizations that engaged in substantial political activity during any of the past 5 years, starting in fiscal year 1996, will lose all of their Federal funding. It is as simple as that. The threshold is 5 percent of the tribe's nongrant funds; in other words, 5 percent of the difference between the tribe's total expenditures and the amount of its Federal funding. Furthermore, any tribe or tribal organization that receives Federal funding will be required to prove by clear and convincing evidence that it has complied with all of the provisions of the bill.

How on Earth does this Congress expect Indian tribes—who depend upon Congress, the Executive, and the courts for protection, and who count upon the Federal Government to uphold its trust responsibility to them—to have any role at all in democratic process? Under this ridiculous scheme, Indian tribes and tribal organizations would be left without any say or recourse in the development of laws, the formulation of agency actions, or the decision-making of courts—unless they are named parties in a case.

For instance, tribes could not consult with the House or the Senate on matters such as the Interior budget, welfare reform, gaming, education, or self-governance. Tribes could not work with the Bureau of Indian Affairs or with the Indian Health Service to improve education, health care, to protect their resources, or otherwise safeguard their rights. Finally, the bill would discourage or prevent tribes from submitting amicus briefs on Indian cases before the Supreme Court.

If this bill had been the law, then few if any of the gains that tribes have made in Congress or the courts in the past 30 years would have occurred. We would not have a Self-Determination Act or a Self-Governance Program. We would not have an American Indian Religious Freedom Act or an Indian Child Welfare Act. There would not be a Native American Rights Fund or an Indian health board in existence.

Let's not kid ourselves. The Republican Members of this Congress knew exactly what they were going when they chose not to exempt American Indian and Alaska Native tribal governments from this bill—they were trying to silence the voice of this Nation's first peoples. There simply is no excuse for this at all.

BETHEL UNITED METHODIST CHURCH: A CENTURY OF CARING CONGREGATIONS

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1995

Mr. BARCIA. Mr. Speaker, August 13 will mark the 100th anniversary of the Bethel United Methodist Church of Akron, MI. This event provides another opportunity for the celebration of congregation and community that has been the hallmark of this place of faith.

I say the celebration of congregation and community because that is precisely how Bethel Church started. From a group of neighbors who met to sing Christian hymns under the leadership of William Parker and became known as the "Lend A Hand Society." With the services of a Methodist minister, Mr. and Mrs. Monroe Highley, Mr. and Mrs. Philander Shaver, Mr. and Mrs. James Irish, two Sherman brothers, and Miss Bessie Fairbanks were baptized, becoming the charter members of Bethel Church.

With the support, donations, and labor of the congregation, Bethel Church was dedicated on Sunday, August 15, 1895. Over the years it operated in different fashions, sharing a minister with the Akron Methodist Church in Saginaw, and then in 1932 becoming part of a three-point charge with Akron and Fairgrove for 4 years, then returning to its affiliation with Akron. A minister was shared with Akron and Unionville in 1969. And finally in 1972 the Detroit conference aligned Bethel Church with the Sutton-Sunshine United Methodist Church in the Port Huron district.

The building itself received many modifications over the years, again from the contributions and labors of its congregation, including some most memorable carpentry work done by Gerald Dunham, a 50-year member of the church. Today, with its 33 members, Bethel United Methodist Church remains as viable and reverent as ever. These members continue to look out for the best for their community and their neighbors. In fact, Carson and Loris Dunham joined a group of lay people that went to Guatemala earlier this year to help build a home in Guatemala City, again showing how love and devotion can manifest themselves in wonderfully simple but life-impacting ways.

As Bethel United Methodist Church looks past its centennial to its activities for its second 100 years, it welcomes its new pastor, the Rev. Don Gotham, as he replaces the interim pastor, the Rev. Douglas Lefler. Mr. Speaker, when consistency and faith can be most important guides for our lives, I believe it is very appropriate to honor those institutions and individuals who have shown us the way by their life practices. I urge you and all of my colleagues to join me in wishing Bethel United Methodist Church a most joyful and rewarding 100th anniversary, and all of the blessings for many, many more successful years.

U.S. DAVY CROCKETT TURNS EIGHTY

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, August 7, 1995

Mr. BARCIA. Mr. Speaker, our lives have all been affected by heroes of one kind or another. I rise today to pay tribute to one of those heroes who throughout his life has tried to vividly bring history to young and old, Mr. Leslie E. Arndt, of Linwood, MI, who will be celebrating his 80th birthday on August 20.

Leslie Arndt has been known to perhaps millions as "U.S. Davy Crockett" for his portrayal of this American hero between 1955 and 1976 in 28 States, Canada, and the 1958 World's Fair in Belgium during a European tour. He was significantly involved in the rededication of Fort Davy Crockett, in Colorado in 1959, honored by the Crockett family at the Alamo that same year, and is an honorary member of the National Descendants of David Crockett.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

His love of history of and his dealing with people have been a life-long passion. As an author of three books—with a fourth coming soon—detailing the history of Bay County, MI, his home county and mine, he has helped many understand the important part that history plays in all of our lives.

He also made his own history, serving as founder of the world's first charted community People-to-People chapter in Bay City in 1961, following a program set up by President Eisenhower at a White House conference in 1955. He has also led delegations to give sister cities in Belgium, Germany, Poland, Togo, and Ontario, a better appreciation for what Bay City is all about. And he made sure the people of Bay City got the correct information by working with the editorial Department of the Bay City Times for 30 years as both as copy editor and Saturday columnist.

His granddaughter, Michelle White, tells me she is very proud of her grandfather. She has every reason to be. A man who gives of himself to help others learn and to help others smile is a real treasure. I urge you, Mr. Speaker, and all of our colleagues to join me in wishing Leslie Arndt a most joyous 80th birthday, with the fondest wishes for many, many more.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, August 8, 1995, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

AUGUST 9

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 1054, to provide for the protection of Southeast Alaska jobs and communities.

SD-366

Foreign Relations

To hold joint hearings with the Select Committee on Intelligence to examine the extent of war crimes in the Balkans.

SD-G50

Indian Affairs

Business meeting, to mark up S. 487, to establish a Federal Indian Gaming Regulatory Commission to regulate Indian gaming operations and standards.

SD-106

Select on Intelligence

To hold joint hearings with the Committee on Foreign Relations to examine the extent of war crimes in the Balkans.

SD-G50

Special Committee To Investigate Whitewater Development Corporation and Related Matters

To continue hearings to examine issues relative to the President's involvement with the Whitewater Development Corporation, focusing on certain events following the death of Deputy White House Counsel Vincent Foster.

SH-216

2:00 p.m.

Governmental Affairs

Oversight of Government Management and The District of Columbia Subcommittee

To hold hearings on H.R. 2108, to permit the Washington Convention Center Authority to expend revenues for the operation and maintenance of the existing Washington Convention Center and for preconstruction activities relating to a new convention center in the District of Columbia, to permit a designated authority of the District of Columbia to borrow funds for the preconstruction activities relating to a sports arena in the District of Columbia, and to permit certain revenues to be pledged as security for the borrowing of such funds.

SD-342

AUGUST 10

9:30 a.m.

Commerce, Science, and Transportation

Business meeting, to consider pending calendar business.

SR-253

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold oversight hearings to review the implementation of section 2001 (relating to emergency salvage of diseased dead timber on Federal forest lands) of the Fiscal Year 1995 Emergency Appropriations Supplemental and Rescissions bill (P.L. 104-19).

SD-366

Special Committee To Investigate Whitewater Development Corporation and Related Matters

To continue hearing to examine issues relative to the President's involvement with the Whitewater Development Corporation, focusing on certain events following the death of Deputy White House Counsel Vincent Foster.

SH-216

2:00 p.m.

Judiciary

To hold hearings to examine United States Sentencing Commission's cocaine sentencing policy.

SD-226

SENATE—*Tuesday, August 8, 1995*

(Legislative day of Monday, July 10, 1995)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, thank You for the rest of the night and the fresh energy to begin a new day. As the brightness breaks through the clouds of the morning sky, illuminate our hearts with Your own darkness-dispelling presence. Drive away the clouds of doubt that question Your faithfulness in trying circumstances and the clouds of fear that make us cautious when we need to be courageous. We know that anytime we get wrapped up in ourselves, we're a pretty small package. Unwrap us Lord. Set us free from self-concern so that we may focus on the needs of others. Renew our assurance that we are loved and forgiven by You so that we may be communicators of Your grace to the people with whom we work.

As we press on seeking Your best for our Nation in the complicated issues of welfare reform, give us that lively enthusiasm that comes from believing that there are solutions and that consensus can be reached. Liberate us from defensiveness. Give us efficiency in the use of time and frugality in the use of words. Help us to say what we mean and mean what we say. Fill this day with serendipities, unusual happenings in usual circumstances. Surprise us again with the amazing way You can untangle the knotted threads of process and weave Your thoughts from many minds into answers we could not achieve without each other and most of all, without You. Thank You, Lord, for guiding us today. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. ROTH. Mr. President, this morning, leader time has been reserved, and the Senate will resume consideration of H.R. 4, the welfare bill, for the purposes of debate only until the hour of 12:30 today.

At 12:30, the Senate will recess until the hour of 2:15 today for the weekly policy conferences to meet. Rollcall votes can be expected during today's session on or in relation to the welfare bill or possibly the Department of Defense authorization bill.

All Senators should anticipate a late session this evening in order to make progress on a number of items prior to the August recess.

FAMILY SELF-SUFFICIENCY ACT

The PRESIDENT pro tempore. The clerk will report the bill.

The assistant legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

The Senate resumed consideration of the bill.

Pending:

Dole modified amendment No. 2280, of a perfecting nature.

Mr. PACKWOOD addressed the Chair.

The PRESIDENT pro tempore. The able Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, as I understand it, we are not under controlled time. I believe the Senator from Delaware is prepared to speak.

The PRESIDENT pro tempore. The Senator from Delaware.

Mr. ROTH. Mr. President, I am pleased to join Senator DOLE, Senator PACKWOOD, and my other colleagues in introducing this comprehensive welfare reform legislation, S. 1120, America's Work and Family Opportunities Act of 1995.

The American people know our welfare system is fatally flawed. The present welfare system is not serving the best interests of either the beneficiaries or the taxpayers. S. 1120 is a bold initiative that will help prevent even more Americans from falling into the trap of dependency.

Mr. President, in 1965, the average monthly number of children receiving aid to families with dependent children was 3.3 million; in 1992, there were 9.3 million children receiving AFDC benefits. While the number of children receiving AFDC increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

The Department of Health and Human Services has estimated that 12 million children will receive AFDC benefits within 10 years. To do nothing to prevent this growing tragedy is unacceptable.

Congress has created a confused and confusing welfare system which rewards idleness and punishes work. At a recent hearing I chaired on welfare reform, former South Carolina Governor, Carroll Campbell, testified that his office found a family in which four generations were dependent upon the welfare system in which no one had worked. That is a system which does not protect children. That is a system which is cruel and heartless.

Properly understood, welfare reform is about reforming government. Under our present system, no one is accountable for results. One of the basic flaws in the system is that there is always someone else to blame for failure.

More than 90 Federal programs administered by 11 separate Federal agencies provide education, child care, and other services to young children from low-income families. The Department of Agriculture administers 14 food assistance programs for low-income individuals. Yet the Departments of Housing and Urban Development and Health and Human Services also run separate food programs. There are 163 Federal programs scattered across 15 Federal agencies providing employment and training assistance.

Let us be clear, however, that the individuals in need of assistance will still receive it. Children will still be fed. Child care will still be provided. Individuals with disabilities will still be provided with the full range of services they need. This legislation presents the opportunity to restore the proper role of the States to consolidate funding from many of these separate programs and design their own solutions. Under the present system, for example, a low-income mother with 2 children may need to visit several different offices to obtain benefits from 17 different programs. I firmly believe the States can improve the quality of services at lower costs to the taxpayers.

Mr. President, to be successful in welfare reform, we must change the structural status quo. The transformation of these programs into block grants will yield tremendous savings over time. It costs $6 billion just to administer the AFDC and food stamp programs. When you include the cost of errors, fraud, and abuse in these two programs alone, another $3 billion of the taxpayers' money is wasted. Some of the smaller categorical programs have administrative costs as high as 40 percent of the cost of the benefits.

The welfare system is a complex array of about 80 means-tested programs which provide not only cash assistance, but also medical care, food,

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housing, education and training, and social services. In this fiscal year, Federal and State governments will spend approximately $387 billion on these programs. It is clear that the failures of the current welfare system are not caused by a lack of money, but rather by the structure of the system itself.

Here is what the General Accounting Office recently said about this collection of programs:

> The many means-tested programs are costly and difficult to administer. On one hand, these programs sometimes overlap one another; on the other hand, they are often so narrowly focused that gaps in services hinder clients. We note that although advanced computer technology is essential to efficiently running the programs, it is not being effectively developed or used. Due to their size and complexity, many of these programs are inherently vulnerable to fraud, waste, and abuse. We also point out that some of our work has shown that the welfare system is often difficult for clients to navigate. Finally, administrators have not articulated goals and objectives for some programs and have not collected data on how well the programs are working.

At best, we have created a masterpiece of mediocrity. But I think it is much worse. Government has trivialized what it has professed to esteem, specifically family and work. The welfare system which was designed to protect children has failed to consider the consequence of idleness.

Thirty years of experience have ratified what many of us have known all along—Government programs and our welfare system cannot replace stable families. Perhaps the greatest mistakes the Federal Government has made during this period is to act as if family life can be reduced to a mathematical diagram and that the wisdom of Solomon can be reproduced in the Federal Register.

The moment to truly change our welfare system is here and now. It has been said that the first act of common sense is to recognize the difference between a cloud and a mountain. It is time to recognize that the system created to end poverty has helped to bring more poverty. It is time to recognize that the cost of the system is excessive and wasteful. The American people clearly see that Washington has failed. And it is time we act accordingly.

True reform has been quietly evolving in the States. Our objectives should be to unleash the latent creativity of these States. We need to test new approaches, to experiment with new methods that seek to address the varying conditions to be found in our 50 States. That is what the Dole-Packwood bill does, and I urge my colleagues to support it.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. FRIST). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PACKWOOD). Without objection, it is so ordered.

Mr. FRIST. I thank the Chair.

My fellow colleagues, it has been 30 years since President Lyndon Johnson launched his unconditional War on Poverty. One overriding fact remains, the War on Poverty has failed. In welfare, as in most government policies, you get what you pay for.

For 30 years, the welfare system has paid for nonwork and nonmarriage and has achieved massive increases in both. By undermining the work ethic and rewarding illegitimacy, the problems of the poor and the inner city have actually gotten worse, not better, in the subsequent years. Not only are there more people living in poverty today than ever before but, thanks to welfare, whole generations of Americans have lived and died without every owning a home, holding down a steady job, or knowing the love and support of both a mother and a father.

This failure is not due to a lack of Government spending. In 1993, Federal, State, and local governments spent $324 billion on means-tested welfare programs for low-income Americans. To date, welfare now absorbs 5 percent of the gross domestic product, up from 1.5 in 1965 when the War on Poverty began. According to Congressional Budget Office figures, total annual welfare spending will rise to nearly $500 billion and 6 percent of gross domestic product by 1998.

Though President Johnson declared that "the days of the dole are numbered," welfare now involves an ever-expanding share of the population. Today nearly one out of seven American children is enrolled in aid to families with dependent children [AFDC], with Uncle Sam's welfare check serving as a surrogate father. About half of the children currently on AFDC will remain on welfare for over 10 years.

The core problem behind this growth is that the current welfare system promotes self-destructive behavior: nonwork, illegitimacy, and divorce. Mr. President, in my practice as a heart transplant surgeon in Tennessee, I witnessed the effects of our misguided welfare system every day.

One out of three of my patients was below the poverty level. Some tried, but couldn't get a job. Some didn't want to work. But almost all felt trapped by the current welfare system which pulls families apart.

Caring for these individuals, I heard the same stories, again and again. Young teenage mothers would explain that the Government would pay them $50 more a month if they moved out of their parents' home, away from their family and away from the only support system they had to pull themselves out of the welfare trap.

Mr. President, we must act now to reverse this disintegration and destruction of the American family. We cannot afford to pass on the opportunity to put forward a proposal that will end the generational cycles of welfare dependence. The American people elected us to do the very thing we are now trying to do.

They asked us to return control of their lives and their government to local communities.

They asked us to spend their money wisely.

They asked us to create a system of mutual responsibility in which welfare recipients would be granted aid but would be required to contribute something back to society for assistance given.

They asked us to change incentives, and create a welfare system that promotes work, that reduces illegitimacy, that strengthens families, and that provides an opportunity for all Americans to succeed.

Mr. President, I believe the Dole substitute amendment, No. 2280, goes a long way toward doing what the American people have asked us to do.

It consolidates AFDC cash benefits, JOBS, and related child care programs into a capped block grant to States and gives States a large degree of flexibility to address their unique problems. The Dole substitute also requires a 30-percent reduction in Federal staff currently administering AFDC and the JOBS Program. By consolidating programs, we can reduce the costs of bureaucracy and get the money to our children.

The Dole substitute requires able-bodied adult welfare recipients to work. Welfare recipients will no longer be able to avoid work by moving from one job training program to the next. They must begin work no later than 2 years after getting on the rolls and cannot receive benefits for more than 5 years.

Finally, it contains several provisions designed to strengthen families and require personal responsibility. States can deny cash payments to teenage mothers and place family caps on cash assistance. Single teen parents must stay in school and live under adult supervision. And deadbeat parents will face financial penalties and tough sanctions, including the loss of drivers and professional licenses.

Mr. President, a number of amendments will be offered this week which can strengthen the Dole substitute.

For example, I believe a welfare bill should include a pay-for-performance work requirement, so that there is a proportional reduction in benefits for work missed by a welfare recipient—no work, no benefits.

I would support an amendment to reward Governors for their efforts in reducing illegitimacy rates within their States.

And we should strengthen the requirements that unwed mothers establish the paternity of their children in order to get benefits.

Mr. President, we have a chance to make history here this week. We have the opportunity to regroup, to restructure, and to find new ways of helping those in need.

Those of us who are committed to change have behind us the full force of the American people. Those who argue against those changes have nothing on their side but the dismal history of the past 30 years.

Mr. President, I thank the Chair and yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FRIST). Without objection, it is so ordered.

Mr. DASCHLE. I wish the Presiding Officer a good morning. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FARM BILL

Mr. DASCHLE. Mr. President, every 5 years, Congress has the opportunity to review the Government's role in sustaining domestic agriculture production and determine the effectiveness of those programs. That effort is underway as we begin, again this year, the legislation that modifies and extends USDA programs. The multiyear farm bill allows us to step back and shine the light on current conditions on each and every one of the programs affected by this legislation.

As the Senate Agriculture Committee took its first look under the hood earlier last month, it is already clear that some of the programs need a tuneup, some need a complete overhaul, and still others may need to be hauled away.

No piece of legislation Congress takes up this year will affect the lives of South Dakotans and rural Americans more than the 1995 farm bill. Commodity support programs, trade, conservation, research, domestic food assistance, rural credit, and the rural development programs will all be under very close scrutiny.

In my years in Congress, I have had the honor of representing the interests and concerns of South Dakota farmers and ranchers in a number of these farm bill debates. In close consultation with the agricultural community, I have worked to improve farm income and bolster the rural economy by offering amendments that were eventually incorporated in the final legislation.

Nonetheless, as each of these bills have come up for final votes, I have had to ask myself whether they truly represented our best effort to respond to legitimate needs of the agricultural sector. I sincerely hope this year, as we begin to weigh pros and cons of the legislation, that we recognize that the stakes could not be higher.

As we debate the 1995 farm bill in the coming months, I hope the Democrats and Republicans alike can move beyond the partisanship that so often dominates Congress and work together to draft a farm bill that truly reflects the genuine appreciation for an agricultural community that is too often taken for granted. On many issues, I am optimistic that broad consensus is possible and, indeed, likely. As in years past, however, there are those in Congress who will push for drastic and disproportionate cuts in agricultural spending, claiming that in these times of tight budget constraints, we can no longer afford to support American agriculture, including family farmers.

I say we cannot afford to. American agriculture is making an extraordinarily important contribution to the national economy. In a time when our manufacturing base continues to decline, agriculture contributes more to our exports and produces one of the largest positive balances of trade of any sector within our economy.

Let me remind my colleagues of the extent to which the agriculture sector has already contributed significantly to deficit reduction in the last several years. Since 1986, agriculture spending has been cut by 60 percent, from $26 to $9 billion today. If other Federal programs had been slashed as severely as agriculture over the last 10 years, the U.S. Government would now have a budget surplus.

Such past contributions will not and should not preclude the Federal agricultural programs from being thoroughly reviewed once again. The farmers I talked to realize and accept this proposition. They are as concerned about the Federal deficit as anyone. Amidst ever-increasing production costs and stagnant commodity prices, they know how difficult it is to balance a budget, but they do it in their daily lives and expect us to do it as well. Farmers and ranchers are willing to lend their hand to the effort. They simply ask that once a hand is extended, it receives a fair shake.

Our task is to ensure fairness and responsibility in drafting a new farm bill. Farm programs are like many other Government programs: They can be refined; they can be streamlined. Their costs can be reduced and their effectiveness can be increased.

All agricultural policy initiatives must be crafted with the intelligence and with the simultaneous appreciation for the role that family farmers play in the daily lives of all Americans and the budgetary constraints in which we now find ourselves.

We must not, however, let those woefully ignorant of farming realities run roughshod over sound agricultural policy under the guise of fiscal responsibility. Farmers across the country know the difference between political expedience and fiscal responsibility, even if we in Congress confuse the two.

Fashioning a farm bill that will reduce the cost and still provide the necessary services and support for agriculture is one of the top priorities in this session of Congress. I have four primary goals as we look at the upcoming farm bill.

First, we need to increase the market income of family farmers. Farmers are the backbone of rural America and an essential part of the foundation of our entire economy. The new farm bill should be structured to maximize net farm income and reduce reliance on Government payments.

Farmers tell me time and time again that they want to receive more income from the market and less from the Government. The income support programs in the farm bill must give farmers the flexibility to respond to market conditions while still providing an economic safety net. I am firmly convinced the market can and should more fairly compensate farmers for the long hours and large amounts of capital they invest in producing our food.

Second, we need to promote the production of innovative value-added agricultural products that will expand the markets for American agriculture and enhance the incomes of all of our producers. USDA research dollars should be targeted toward the expansion of these market opportunities.

The American farmer is the most productive in the world, but production in and of itself does not pay the bills. We need to facilitate the creation of new markets in which agricultural products can actually be sold. This will stimulate our small communities by bringing new industries to rural areas and improving the economic stability of all family farmers.

Third, we need to drastically simplify Federal programs. I have had the opportunity to work in a South Dakota county ASCS office and see the excessive paperwork and redtape. Any of us would get hopelessly lost in the maze of base acres, deficiency payments, marketing loans, payment acres, program crops, nonprogram crops, and target prices that producers must navigate each and every day. These programs cry out for reform and simplification. Most farmers will tell you that if we could do any one of them a favor, this would be it. Let us allow farmers to get back to doing what they do best: Growing safe and abundant food.

Finally, we need to find innovative ways to assist young and beginning farmers. The future of rural communities is really in their hands. Far too many young South Dakotans are forced to leave our State every year in search of opportunities in urban areas. Loans, assistance programs and, most of all, a good price are needed to encourage young people to begin farming. We are almost unanimous in support of this goal, but the challenge here is perhaps greater than anyplace else, given the severe budget restrictions we face over the next few years. I hope we can find the creativity necessary to meet this particular challenge.

In the context of the extensive cuts the current budget resolution will inflict upon rural America, our actions on the farm bill are magnified in importance. We simply cannot let the farm bill deteriorate into a political squabble between parties or, for that matter, regions. If that happens, everybody will be busy scoring political points, and the only real loser will be agriculture. It is time we stopped taking our safe and abundant food supply, and the farmers and ranchers who produce it, for granted. We must use this opportunity to craft a farm bill that reflects the need to preserve rural America and the farms that produce the world's safest and most abundant food supply.

Mr. President, I yield the floor.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, briefly, because I know we are ready to move on with this legislation, I certainly want to speak in support of the Work Opportunity Act of 1995. That bill which my fine colleagues, Majority Leader DOLE and Senator PACKWOOD, have placed before us represents, I think, a very good starting point for welfare reform. I commend both of them for their work and for working with all of us to ensure that our concerns were taken care of.

It is not a perfect bill. A bill rarely is. But it surely puts us on the right track. They have listened to my suggestions, especially with regard to recognition of rural areas and amending the bill to include vocational training and the definition of work. That is a provision Wyoming needed in the bill, and now under the bill, recipients can receive vocational training for up to a year. I appreciate that very much. That was very attentive to our needs.

I strongly felt that welfare reform should be a high priority. I think we all agree with that. There is much to do. Not only to "get tough" with those who might best be described as welfare addicts, which offend us all, but also to help those who truly want to become self-sufficient, which charms us all, and know that these people need our attention.

So, if we can do this in a humane and responsible manner—there is not one among us who has a desire to be punitive or destructive to any of those who are disadvantaged and most vulnerable in society. I do not see that. That is an absurd premise.

When we talk about welfare reform, it is important that we look at the big picture and understand the reasons why people are on welfare. It is a very difficult thing. Those who have studied it for decades are unable to really come to closure on how these things happen, why is this occurring, why is the birth rate here, and what is the rate of illegitimacy? Nobody has done more work in that area than the senior Senator from New York. We read his studies, his works, and appreciate his extraordinary range of and grasp of the issue. It is a giant puzzler for us.

In Wyoming, I know a single parent will tell me that they could get by without welfare if they just received the child support they were supposed to get in the divorce. I know about that because I did about 1,500 of those in my practice of law for 18 years. "If he would pay the child support, I would not need to be on welfare." That is very true. I have often felt we should put teeth in the welfare and child support enforcement laws. I applaud the leadership for including serious child support provisions in this bill. I am particularly pleased by the provisions that improve our ability to track down absent parents and streamline the process to make interstate enforcement less complicated and unmanageable. This is what has happened for years. You get the decree and support order, and the husband takes off. This will inject some responsibility in here for a group in society known as "fathers" who are not here on Earth simply to sire the flock and move on, and that has to stop.

Paternity establishment is another high priority in the legislation, and we are addressing that. I appreciate the approach in regard to block granting. Our very able Governor, Jim Geringer, a very able administrator, tells us that they need and require flexibility. We want to give that flexibility in the form of block grants so States can shape their own programs, make themselves laboratories. I am one who just does not believe that the Federal Government, or we here, have a monopoly on compassion. I do not see how people can even imagine that State officials somehow care any less about families and children than the Feds do. I think that these programs and flexibility are very important.

I also agree with Senators PACKWOOD and CHAFEE in their approach to the child welfare provisions included in the bill by not putting child welfare and child protection into block grants. They have recognized that we should not be too hasty in turning everything over to the States at one time.

There is a consensus here among child welfare administrators that Federal protections have led to new improvements to this system and critical incentives to the State. It was true in my State where the system was in complete chaos until the State had guidelines and requirements to follow for receiving the Federal funding. Only then did Wyoming develop a child protection and foster care program that takes care of its most vulnerable and neglected children. In fact, were it not for the standards that Congress enacted—and I know this is strong language for a Republican, but in this situation, were it not for the standards Congress enacted in 1980, the States and territories with the worst track records, such as the District of Columbia, would have been allowed to continue to disregard the basic safety of abused and neglected children with complete impunity.

So I support block grants. I feel that aid to families with dependent children, along with the JOBS Program and AFDC child care programs, should be block granted. I would like to see States given the flexibility to run these programs as they see fit without Congress defining specific categories to whom States cannot pay benefits.

With regard to SSI, we had hearings on supplemental security income. I agree that drug addicts and alcoholics should not receive cash payment benefits because they have a so-called "disability." It is a self-induced one in many cases. However, I do feel that these addicts and substance abusers need to receive treatment for their addictions.

I feel that sensible improvements have been made also in this area of children's eligibility for SSI. We had anecdotal examples of parents coaching their children to act up in school, and families who have all of their family on SSI rolls. However, those are only anecdotal evidence, and we should not use them as an excuse for carrying out some wholesale purge of children from the SSI rolls. We should make sure the low-income families who have children with severe disabilities are taken care of, especially if one or both parents must stay at home to care for this very troublesome and disabled child—and often they are similar and often a tremendous burden upon a parent in a time of stress.

With regard to immigration, we will deal with that in a large area of the immigration subcommittee, which I chair. But I think it is very important to note here that since our earliest days as a nation, we have required new immigrants to be self-supporting. In the year 1645—and I see my colleague from New York pique his interest, because he loves history—Massachusetts refused to admit prospective immigrants with no means of support other than public assistance. But America's first general immigration law—the big one, before the big influx in the early 1900's—was passed in 1882. In 1882, it prohibited the admission of "any person unable to take care of himself or herself without first becoming a public charge." This restriction still exists. Section 212 of the Immigration and Nationality Act excludes those who are "likely at any time" to become a public charge. Courts have come along and interpreted that in a way which made it absolutely senseless. But that is the law.

I think our Nation's welfare law should be consistent with America's historic immigration policy. This bill, in conjunction with immigration proposals under consideration within the subcommittee, will create a long absent commonality.

Many immigrants—half of the new immigrants in fiscal year 1994, according to the State Department—are permitted to enter only because a friend or relative in the United States has promised, that is sponsored, and said to the U.S. Government that the newcomer will not require public assistance. Should this new immigrant then fall on hard times, it is the responsibility of the sponsor—that friend or relative who promised the support—to provide the aid. This Dole bill will require all Federal welfare programs—save a few "public interest" programs—to include the income of this sponsor when determining a recent immigrant's eligibility for welfare.

The message in this area with regard to welfare is very clear: America is serious about our traditional expectation that immigrants be self-supporting. Newcomers should turn to the friends and relatives who sponsored them for assistance before seeking aid from the American taxpayer. Hear that clearly.

Immigrants who come here and are sponsored must be self-supporting. They will not turn to the taxpayers first; they will turn to their sponsor first.

I look forward to a healthy debate on all these issues. We will have one. I am happy to see us move forward. We need to move toward this program of work and self-sufficiency while leaving States without restrictions, giving flexibility.

I thank the leaders for their fine work in moving this legislation forward.

Mr. MOYNIHAN. Mr. President, may I take just a moment of the Senate's time to express my gratitude, and I am sure that of Senator PACKWOOD, for the substance of the remarks of Senator SIMPSON and particularly for the tone of those remarks.

We are, indeed, struggling in this effort with forces we do not fully understand that have come upon us very suddenly, as history goes.

The learned Senator can speak of the Massachusetts Bay Colony and its regulations in 1645. That is eons of time, as compared to the sudden incidence of this problem in our cities.

I wonder if the Senator could allow me a moment to point out the urban dimension of this subject, because urban affairs—cities—are no longer a central topic of our concerns as they were, say, 30 years ago.

President Nixon's first act upon taking office was to create an Urban Affairs Council. This will not take 3 minutes. I know the Senator from West Virginia is waiting, and he will be heard in just a second. This is what has happened in the course of the last few years, suddenly, as if it were a tornado out in Wyoming country.

In the city of Los Angeles, Mr. President, 62 percent of the children are supported by aid to families with dependent children; in Chicago, 43.7 percent; in Detroit, 78.7 percent; in my city of New York, 28.4 percent; in Houston, TX, 24.6 percent. These are the 10 largest cities. There are higher ratios, but these are our 10 largest cities.

What this does, and I think the Senator from Wyoming can sympathize with this, these ratios overwhelm municipal capacity. Going back to 1912—I will go back that far—the New York Times began a series that has been going on until this day called "The 100 Neediest Cases." At Christmastime, they give you a list of 100 families; most had tuberculosis, or an industrial accident killed the father, or something like that. You can cope with 100. There are more than 100, but it gives you a sense of dimension.

How do you cope with the situation where 62 percent of your children are on welfare, which means, of course, they are paupers. One of the things we have had most application for in waivers was to allow families to have a car worth little more than $1,500. In Wyoming, you need a car to get to work in most places. That is an element we do not talk about often.

This problem tends to be concentrated. It is an urban problem. It is an urban crisis. It is a general problem. What is a problem in Wyoming is a crisis in Cook County.

Therefore, the more do I appreciate the concerns of the Senator from Wyoming and the mode in which he has stated them. I thank the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from West Virginia.

Mr. ROCKEFELLER. Mr. President, a lot of the time I wonder what we are doing talking on the floor because we just seem to be talking about things that do not make a lot of difference and that do not necessarily concern Americans as much as they may concern some internal dynamic here in the Senate, which may or may not be important.

This obviously is a very different kind of setting. This time the Senate is turning to something that the people of my State, and the State of the Presiding Officer, and States all over this country really care about and really expect us to do something about. They see a welfare system that gives out too much for too little in return. They do not like it. They are very clear in their view about it. They are right.

They see too little emphasis on something which I think is sort of the byway by which America is either going to come back to our proper course or we are not. That is something called personal responsibility. We have lost our sense of it in this country—not just the poor, but all of our people, I think—what we have an obligation to do ourselves as opposed to turning toward the communities or toward the Government.

Also, something called work ethic, which people are talking a lot about, beginning to do something about, something the American people want to see badly and something they deserve to see.

I think people have lost, and rightly so, their tolerance on dependency. Dependency is unavoidable in certain circumstances, but in most circumstances it is not. The American people know that. There are a lot of Americans who pay taxes who were dependent one way or another and fought their way out of it and have every reason to look at those who do not askance.

The point is that we are talking about something really serious in welfare reform. Tax-paying, hard-working Americans are not the only ones who want reform in welfare. Most families on welfare want things to change, too, because many of the things that we in Government have done has fostered their dependency even against their own will, although they have to submit to it. The whole act of submission is one, of course, of losing a sense of personal responsibility.

For all kinds of reasons, some very sad, mothers and fathers find themselves living in poverty. For some, attitudes and behavior bring them to welfare and keep them on welfare. For many families and many in my State of West Virginia, they want to get off welfare as much as the middle class wants them to get off welfare and to avoid all the problems that are associated with welfare, including the cost of it.

The father disappears or refuses to pay child support. There are billions and billions of dollars out there. Child care costs more than a minimum-wage job, so people do not get around to overcoming that fact. Or the parent just cannot find a paying job because she or he does not have the most basic of skills. That I can remember from earlier days. They had something, as the ranking member of the Finance

Committee knows, called the dollar-an-hour program. We had that in West Virginia. I am not sure if they had that in all kinds of other States, but that was something where, when there really was not anything else, you paid somebody $1 an hour and they went out and worked on the highways for the department of highways. They got $1 an hour. It was really for people who could not do anything else but that kind of work.

It was sad, but it was all that there was, and people did it because they had to. These are some of the situations we run into.

Welfare is also about children. Acronyms and clunky program titles keep that basic truth from the picture of welfare.

But the fact is that 43,000 families in West Virginia who get a welfare check every month—there are that many—and the 5 million families across America who get a welfare check every month—and there are that many—include over 9 million innocent children; 5 million families, 9 million children. We are talking about 1-year-olds, 7-year-olds, 11-year-olds, and everything in between; people who are just starting life, in effect. These are not the deadbeats, are they? They are totally innocent of whatever can be blamed on the welfare system and its recipients. Whatever their parents might have done or not done, they are innocent—and they really are.

I think back to many cases I know of in West Virginia where the children of parents who are on welfare simply overcame that and went on and now have decent jobs and are raising families. It is a triumphant thing to see. It is something to fight for, something to work for, something to glory in, if we can get a welfare system that allows that to happen more commonly.

In fact, from every poll that I have seen, while Americans expect Congress to reform welfare and are fairly stiff in their views about it—us and it—they also expect us to make sure the children are protected. On that, they are not equivocal. They want children protected. They recognize the difference between the perpetrators and victims. They see children as victims and they say so, and they want children protected even as they want the adults and the parents to work. They want children protected. They are not asking us to be cruel. They are asking us to be firm, but not cruel. They are asking us to be smart, in other words.

Because of the anger about the welfare system, it is very tempting for politicians to simplify the solutions; because there is always a coming election, to say that you were tougher on welfare than the next person. There is nothing like being tougher on welfare except, of course, if it does not work. If you do something that does not work, you may do better in the argument but you should not sleep as well at night.

The test in welfare reform, it seems to this Senator, will be met by its results, what we actually do—hopefully come together to do—on the floor of this body and the other one. It will not be charts or bumper stickers or promises.

West Virginians want welfare reform because they want to see things really change. They know the system is not working as it is. They believe the system should work, can work, ought to work, and can be made to work by us, who are their representatives, if we will but come together. If we do not come together we will all fail, and it will be a shame and a sham on this institution. If we come together, Republicans and Democrats, we can make this work. We do not have to be tougher, one than the other, but simply be smart and make it work. And being smart will be plenty tough—plenty tough.

I think that is what the Senate should spend this week, or whatever time we have, sorting through. That is the way to change the welfare system in a way which works—on both sides, if that is possible. Every single Member of this body should reject the idea that welfare reform is some kind of trophy that one party holds over the other. I see some of that already and it worries me, as I know it worried the Senator from New York. It is a chance to recognize the realities of people on welfare, and a system that spits out the wrong results. It is a chance to do careful surgery so we get it right. There is not any time for anything else. And we can get it right.

I am still incredibly surprised—and I say this not in a partisan spirit, but because I must out with my feelings on this subject—that the majority leader thinks that a block grant is welfare reform. I have to say that. There is no question, if the Federal Government collects $16 billion from the taxpayers and chops it into 50 separate pots for the States, welfare will certainly end as we know it. But that is a cop-out. What a way to run from the hard decisions and the tough calls that we know are required to get the results that will make all of this possible. Nobody on either side of the aisle is running from tough decisions, but we have to be smart. As a former Governor, I know that we have to be practical. What we do has to work.

I support the Daschle-Breaux-Mikulski bill, because it is an actual plan to change the welfare system. It does not just pass the buck to Governors. It replaces the current unsatisfactory, maddening welfare system with the rules and the steps that will get people into jobs and enable them to stay employed. It is not just the getting of the job that is important, it is having that job 2 years later that really tests the mettle of what we do. But it also remembers the children in the right way.

There is all this talk about values, and properly so. I just hope that means that some compassion—a little bit—is carved out for something called children, that one really does put them in a separate category—children who had nothing to do with where they were born, how they were born, or whether their mother is dirt poor or an heiress. I mean, most of us really have very little to do with that. Yet, if we are in one condition or another, it has an enormous impact on our lives. And people have to understand that. The Senate must not surrender this country's commitment to children and the idea that everybody deserves a chance after they are born.

There is nothing timid about the Daschle-Breaux-Mikulski bill. It is a bold bill.

AFDC, the letters for the core of today's welfare program, is abolished. AFDC—I have been living with that acronym for 35 years—is abolished. It is ended, as we know it. In its place we propose something called Work First, words that mean what they say. For the first time we say financial aid for poor families comes with strings attached, and that aid will only last so long a period and then it will stop if those conditions are not met. Children will keep getting help if they need it, but for adults the help is temporary.

Parents have to actually sign something called a parent empowerment contract. It is a personal agreement outlining how he or she will move from welfare to work. The contract is enforceable. All of this is new.

In return, Work First is a plan that respects what families need to go from poverty to independence—what they have to have. That means different things for different families. Basically, we make sure there is help to find a job, qualify for a job, and stay in a job with backup support like child care and, thank heavens, health care. What parent in his or her right mind can take a job if there is no one to care for his or her children? We put people in jail, you know, for neglecting children. It is a Federal offense.

Again, as a former Governor, I know what happens when the Federal Government declares victory over a difficult problem—and now I come back to block grants. Block grants, in my judgment, are closer to something called surrender: Here, States, come along with us on this block grants. It is a sturdy idea, come along. We are going to give you a check. But, by the way, the check is going to shrink. And, by the way, should there be a recession, or some kind of natural catastrophe, or you happen to have many more poor families, then that is kind of a problem for you. But people like the idea of block grants, so we are going to do block grants.

This Senator does not like the idea of block grants. This Senator was Governor during the first New Federalism in the early 1980's and watched the State go from the highest employment in its history to a 17 percent unemployment rate all in the period of 3 years. That is not pretty. That is full of tragedy. That is not all because of the Federal block grants. But they symbolized it, and it hurt. It hurt a lot, Mr. President.

That is why I hope that we can find agreement on this Senate floor, and why it is so important—and why we have opening statements and then two Senators over there who are running against each other for President and Senators over here, and then two sides, that we sort of forget about some of these things—that we start thinking about what we are here for, which is solid welfare reform.

We have the time if we take it. If we have to stay longer, then I guess we should do that. But we have to think about the realities of poverty, of welfare, and how to make the whole country a place where children do matter.

For example, in Senator DOLE's plan the answer to States hit by a recession or depression is a loan fund. Right—States really are going to be able to borrow money. Of course, that money has to be repaid in 3 years with interest, when more of their people face a temporary crisis of unemployment and hunger.

Mr. President, the Senate needs to look behind the rhetoric of that welfare plan and deal with facts and come together. The Congressional Budget Office says that under a very similar bill—the one passed by the Finance Committee—44 States will not be able to meet the bill's supposed work requirements. Let me say that again. The bill that we put out of Finance will fail in 44 of the 50 States, will fail according to the Congressional Budget Office. Common sense says that we, therefore, should not do that, and we have to again come up with something that works. That is all I am interested in—something that works, that is practical and works, that gets people off welfare, that protects children, that is tough on personal responsibility, that makes parents work, makes them work but works as a plan.

The bill of Senator DOLE really has the same problem. It just does not bother to figure out how the work requirements become reality.

Why should we set our States up to fail? We do not want to do that. We may be in a rush. But we do not want to set our States up to fail. We do not want to do that. It would be supremely wrong and shameful. I would say look at the democratic alternative and you will find a plan that will get results, with people actually working, what we all say that we want.

The block grant approach in the Dole bill turns away from the Nation's safety net for children, and we are all asked to hope that each individual State will step in. Many of them will not. Americans are not asking us to abandon children. I repeat and repeat. They are asking us to strike a better deal with their parents, to link the responsibility to Government help that is also temporary.

There are areas of agreement in this Chamber on welfare reform, and I celebrate those. Members on both sides of the aisle are clearly interested in promoting flexibility and in encouraging innovation among the States. Again, as a former Governor, I also know the frustration, that a Federal bureaucracy that micromanages is annoying, a Federal bureaucracy that is too regulated, that stifles creative efforts to develop local initiatives to move families from welfare to work. So we all agree, 100 of us I suspect, that the States need more flexibility.

I might add, that is not where you need to look for sudden converts. The senior Senator from New York, Senator MOYNIHAN, focused the country's attention 8 years ago on the signs of progress that were just appearing in a few States that had been given more room to experiment. That was the basis of the Family Support Act passed in 1988, and it is the reason States this very minute are trying all kinds of new ways to move families off of the welfare rolls and to making it on their own.

I remember in West Virginia we started something back in the 1970's. It was called the Community Work Experiment Program [CWEP]. That was made a part of the Family Support Act. We were the only State in the Nation at the time to be doing that. We started that, and we aimed it particularly at some of our southern counties, and it worked. It was working. As a result of that, it was kept in the 1988 Family Support Act and was deemed to be good, and is still on the books.

There is partisan agreement on the crucial need to dramatically improve child support enforcement. I would say 100 Senators will agree on that, again a building block for bipartisan consensus here. The tools to force parents to accept financial responsibility for their children are not in full use. We know that. They must be, and we do that.

Mr. President, if the Senate sets politics aside and makes results our test, and keeps a special place in our hearts for children, we can produce and pass a bill that deserves the title "welfare reform." We can do that.

Our debate should focus on how to get the parents of over 9 million children to work, while making sure that the victims are not the children. Our work and our votes should be based on facts and realities, not on the temptation to pretend slogans will solve problems, or on trying to outdo each other or to bring home a trophy. The only trophy ought to be a bipartisan one that creates a welfare system that works, and that is a trophy for our country—not for us.

As I look ahead to this debate, I intend to respond to West Virginians who have been waiting for welfare reform. For the system to change so that the rules are the same for everyone—if you can work, by golly, you work; if you have children, care for them, take responsibility.

I also hope we will see the country change. We can do better, and it does not have to be done by becoming mean or becoming thoughtless. It certainly should not be done by abandoning the little that is done for children who have so little.

I recall, Mr. President, Majority Leader DOLE's opening statement from a March hearing in the Senate Finance Committee. I am going to quote what he said. Senator DOLE said:

> I do not know anything else as meaningful or as critical as doing our part to help America's children in need, and helping them get the necessary support to remain a part of their family, helping them realize their full potential as we launch into the next century . . . our first concern must be the well-being of the children involved. They are not the instigators, they are the victims of what we see as a growing problem . . .

If we heed those words, wise words, and work together to achieve real reform and insist on getting the surgery right—that is, that we are careful and smart and practical in what we do—then we have a tremendous opportunity to come through for the American people on welfare reform.

I hope the Senate will surprise the pundits and the skeptics and the professional observers of this place by not only passing something called welfare reform but a bill of which we can be proud.

I thank the Presiding Officer and yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. May I just express the appreciation of this Senator for the remarks that have been made by the Senator from West Virginia, the chairman of the Rockefeller Commission on Children, who spoke so carefully and thoughtfully, particularly to his point about dependency.

The issue of welfare is the issue of dependency, and in a world where adults stand on their own two feet, as the phrase has it, we have a situation in which the condition of dependency is massive in our cities, pervasive in the land, and while we have not been able to solve the problem, we are making real steps in addressing it. And I want very much to share his sentiments and his concerns.

I thank the Chair. Mr. President, I yield the floor.

Mr. CRAIG. Mr. President, with the consent of the leaders on this issue at the moment, I would, if I could break for a moment, ask unanimous consent to speak on another issue for no more than 10 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBSIDIZED CANADIAN LUMBER

Mr. CRAIG. Mr. President, I have sat through 2 days of probably some of the most substantive debate on a key issue in this country that I have heard in years, listening to the debate of our colleague from Oregon, who has led the Republican side of welfare reform, and certainly the senior Senator from New York on the other side, both men of tremendous substance attempting to deal with a very important issue for our country. I have just listened to the Senator from West Virginia in a most sincere appeal for resolution of an issue that has gone beyond what I think most Americans ever intended it to be.

In some way my comments this morning are a part of that because I am talking about a very real people issue in the West that has caused, by its presence and by our inability to act, people to go on welfare, to be subject to at least or to ask for assistance from their State to provide for food on their children's table. And so, if I could for just a few moments, I wish to reflect on an issue which is really very perplexing that I and others in this Chamber have attempted to deal with over the years that is now front and center again, at least in the timber-producing States of our Nation.

Every week, I receive tragic appeals from unemployed forest workers struggling to feed and care for their children, many of them, as I have just mentioned, on the edge of welfare at this moment. A major reason for their struggle is that a rising flood of subsidized Canadian timber has captured nearly 39 percent of our domestic softwood lumber market in May of this year.

This May figure is already an all-time record for foreign market's share of lumber in our country, and the industry anticipates that the figure in June will be equal to or will exceed that level. This flood of imports also has contributed to a 34-percent reduction in U.S. softwood prices since 1994. Last year alone, Canada sent to the United States nearly 16 billion board feet of lumber worth $5.8 billion. Tens of thousands of jobs and the economic livelihood of hundreds of communities throughout the public forested States of our Nation, primarily in the West, depend on a prompt and fair solution to this problem of Canadian subsidized timber.

What is the cause of the problem? In Canada, where 92 percent of all timber is Government owned, Provincial programs allocate trees to producers under long-term agreements at a fraction of their fair market value. Producers in British Columbia, for example, paid on the average of $100 per thousand board feet of timber in 1994.

That is in stark contrast to United States producers immediately across the border in the States of Washington and Idaho and down into Oregon paying $365 per thousand board feet of timber of the same type and the same quality—nearly 300 percent more than what was being paid in Canada. United States prices are substantially higher because in the United States, unlike Canada, trees from virtually all public and private forests are sold at fair market value through the competitive bid process.

Coupled with that, there has also been—by Government edict, environmental laws, Endangered Species Act—a tremendous reduction in the allowable timber cut or the allowable sales quantity on our public forests. The result of this and the subsidies have resulted in mills shutting down and, of course, the competitive advantage that should be ours in our own market being dramatically lost to this flood of subsidized timber. All regions of the country have announced production curtailments, temporary shutdowns, and permanent closures of mills and related businesses. Small family-owned businesses have been devastated. If prompt action is not taken, the inequity will only get worse.

The United States lumber industry is competitive but for Government curtailment of supply and Canadian subsidies. United States lumber production costs, excluding timber, are the same and in most instances lower than Canadian production costs. The United States output per employee is about the same as the Canadian industry. Canadian labor costs are higher and rising faster than labor costs in the United States.

Canadians must adopt a fair market-based approach to timber pricing to begin to level the playing field that we are talking about. These pricing policies also have been criticized by Canadian groups, including Canada's maritime and small lumber producers. Criticism also comes from a previous British Columbia Forest Minister who said that Canadian timber pricing practices harm the Canadian economy and do not provide a good return from the industry.

Over the past 10 years, United States lumber industries have repeatedly won duty determinations against Canadian subsidies before the United States Department of Commerce and the International Trade Commission. Why? Because it is obvious and well-known that Canada subsidizes its industry.

In 1993, however, three Canadian members of the binational panel operating under chapter 19 of the United States-Canadian Free-Trade Agreement ruled that Canadian timber pricing practices are not subsidies under United States law. In response, the U.S. lumber industry filed a constitutional challenge to the panel's authority to arbitrate such disputes. This challenge was withdrawn when the industry was assured by United States Trade Representative Kantor that Canada would agree to consultations to address the timber pricing issue.

There was also another reason why our trade ambassador entered in; he did not want the Canadian Free Trade Agreement and its problems and its loopholes exposed.

When that agreement was passed in the mid-1980's, I voted against it, and in the Chamber of the House—I was then a Congressman—I argued that these loopholes did exist and that we had set ourselves up for the very scenario being played out today. If our Trade Ambassador wants to solve this problem and keep the free-trade agreement intact, then he ought to move on this issue.

In spite of these consultations, I think legislation may be needed to resolve the problem that has surfaced with this binational panel or panels as a result of the free-trade agreement. Past panels have ignored the standard of review mandated by the agreement and United States law, and two Canadian members of one lumber panel failed to disclose serious conflicts of interest.

Because these rulings by nonelected, non-United States panelists are binding under the United States-Canadian Free-Trade Agreement, and now under the North American Free-Trade Agreement, serious constitutional and procedural issues arise. Reform is needed to assure that future panels do not and cannot ignore U.S. law in order to protect unfair trade practices.

So where are we today, Mr. President?

The U.S. softwood lumber industry is in no condition to endure unrestrained, subsidized imports during an extended period of negotiations. Nonetheless, the first meeting of the United States-Canadian lumber consultations that occurred on May 24 and 25 was inconclusive. The second meeting on July 11 and 12 produced an acknowledgement, finally, of a glimmer that says, yes, there is a problem, and suggested there were prospects for eventual solutions, but without sufficient urgency, in my opinion, to curtail the massive loss of U.S. industry and jobs that is now going on in this country.

More than 10 years ago I organized congressional opposition to this persistent, recurring problem. And I say this morning to the Canadians, down the road from this Capitol, turn up the volume on your television set if you are watching C-SPAN2 at this moment, because in the Canadian Embassy you are about to begin to work once again, because we are going to put you to work, as this country speaks out for its forest products industry and the men and women who work for it. We will no longer allow this loophole to exist in the United States-Canadian Free-Trade Agreement.

I have sent letters to the administration urging a quick and permanent solution to this problem. And I must say at this moment, Ambassador Kantor, your lip service does not answer very well the concerns of the men and women in Idaho and across the Pacific Northwest that are losing their jobs.

A third United States-Canadian lumber consultation panel is to meet in September. This meeting must accelerate and complete efforts to produce a concrete framework for permanently reforming Canadian pricing schemes in order to eliminate the subsidies provided to the Canadian producers.

So in conclusion, Mr. President, I hope this problem will be resolved quickly, jointly between the United States and Canada in their negotiations. Frankly, I would prefer if that were to happen. But if it does not happen, this is one Senator who will rally other Senators and Members of the other body to resolve this problem legislatively like we had to do in the late 1970's. And to our Trade Ambassador, Ambassador Kantor, go to Canada in September and work to resolve the issue. Lip service no longer serves well the unemployed men and women of the forest products industry.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you very much, Mr. President.

Mr. President, today's debate over reforming the welfare system is a debate over the values we hold most sacred as Americans. We prize independence over servitude, personal accountability over irresponsibility, hard work over Government handouts. A welfare system that works ought to embrace those values, inspire people to seek the freedoms these values represent, and help them lead a better life.

And yet, the Democratic system imprisoned over 20 million needy Americans since the 1960's. Instead of bringing families together, America's welfare system tears them apart. It encourages dependency, it subsidizes illegitimacy. And the people who benefit most from the present system are not the underprivileged Americans who need it, but the bureaucrats who run it. And it is time for a change.

With the welfare reform legislation being debated in Congress, we at last have an opportunity to change 30 years of failed policies. We are determined to replace the old system for one simple reason; and that is, it does not work.

Over the last 30 years, since the beginning of the War on Poverty in 1965, American taxpayers have spent more than $5 trillion on 79 different means-tested welfare programs. And what have we accomplished with their sizable investment? Not enough, because the poverty rate has remained constant. Federal, State, and local governments combined are now spending $350 billion every year on welfare benefits. That is nearly 40 percent more than we spend on national defense each year.

If the Senate's welfare reform proposals were signed into law today, we would still spend nearly $1.2 trillion in welfare over the next 5 years. Anyone on Main Street will tell you that that is an awful lot of money. And it is all funded by the taxpayers. And I believe $1.2 trillion is a sufficient amount of taxpayer dollars to accomplish our goals of the next 5 years. And anyone who does not believe that this is enough, well, they spend too much time inside the beltway. Just look at the hard-working men and women of Minnesota who hand over more than a third of their paychecks to Washington.

Last fall Republicans pledged to use the American taxpayer dollars more efficiently and more effectively. And reforming the welfare system is part of our effort to keep that promise. Our goal in the Senate is to truly end welfare as we know it. We must change the priorities that this country places on welfare and emphasize personal responsibility. We must include tough work requirements for welfare recipients. We must give States the power to develop policies which make both parents responsible for their children and eliminate benefits for drug addicts and alcoholics.

We must give block grants to the States and put an end to the role of the Federal Government as a barrier in the welfare reform experimentation. States should begin the freedom, unhindered by the Federal bureaucrats in Washington, to implement innovative reforms. And we must give State governments the flexibility that they need to customize programs to address local needs, because State officials, not Washington bureaucrats, know best how local welfare dollars should be spent efficiently.

State and local communities will finally be given the flexibility that they need to customize their welfare programs to best meet the needs of their citizens.

It was President John F. Kennedy who once said:

> Welfare programs must contribute to the attack on family breakdown and illegitimacy.
>
> Unless such problems are dealt with effectively, they fester and grow, sapping the strength of society as a whole and extending their consequences in troubled families from one generation to next.

And I agree.

This legislation makes a first step in this direction by overhauling 6 of the Nation's 10 largest welfare programs. And this will save the taxpayers approximately $70 billion over the next 7 years. Now we will require able-bodied welfare recipients to work 20 hours a week. Welfare recipients will no longer be able to endlessly job search and then count that as work. Under the Dole-Packwood bill, work is work. In addition, the bill would require 50 percent of a State's welfare caseload to be working by the year 2000.

This bill will no longer give welfare recipients more food stamps if their cash assistance is lower because they have refused to work. In addition, the bill requires States to meet a minimum paternity establishment ratio of 90 percent. Now welfare recipients who refuse to cooperate in paternity establishment will have their benefits withheld.

Another significant change this bill will make is that drug addiction and alcoholism will no longer be considered a disability for the determination of supplemental security income. Taxpayers will no longer be required to pay for an individual's drug or alcohol addiction.

The Dole-Packwood bill will deny welfare benefits to illegal aliens and also impose a 5-year lifetime limit on welfare benefits. And I commend Senator DOLE for these very, very important steps.

One element of the bill that I am particularly proud of is the adoption of an amendment that I proposed with my friend and colleague from Alabama, Senator SHELBY, our pay-for-performance amendment that will require States to pay benefits to welfare recipients only for the number of hours worked.

If a welfare recipient refuses to work at all during the required 20-hour work-week, they would receive no benefits for that week. If they decided to work only 15 hours instead of the 20 hours required, they would receive welfare benefits for 15 hours' worth of work.

Now, Mr. President, this amendment which has been included in the leadership amendment will hold welfare recipients to the same employment standards as the rest of America's work force. You will be paid for the amount of hours you work, no more, and no less.

Now, Congress has no intention of turning its back on the most needy in this country. We simply want to try a new approach, an approach that creates opportunity and offers a hand up and not just a handout, an approach that is just as fair to the taxpayer as it is to the welfare recipient.

Truth be told, the only people who will be turned out on the streets by welfare reform are the thousands of bureaucrats and lobbyists who administer and protect the current welfare system's complex maze of dependency.

And maybe those who are bilking the system of millions, if not billions, of dollars each year—those who enjoy taking hard-earned money from taxpayers—maybe they have forgotten that taxpayers in Minnesota would like to keep their dollars and use them wisely for their child's care or their children's education.

Again, $1.2 trillion over the next 5 years is a major commitment by America's taxpayers. Amazingly, however, many of my colleagues on the other side of the aisle will argue that $1.2 trillion is not enough, that America's taxpayers should pay more.

I disagree. I believe taxpayers have been generous, but now they have had enough of these failed policies which have produced little return for their investment, policies that have only created more dependency and have not solved any of the problems we face. Taxpayers have paid more than their fair share, and as an advocate for America's taxpayers, I am prepared to be their voice in this debate.

We have witnessed the attacks over the last few months organized by the entrenched bureaucrats, the special interest lobbyists for the taxpayer-financed welfare industry, and the liberal activists who oppose any welfare reform.

We have been subjected to the orchestrated campaigns of these opponents of change, these jealous defenders of the status quo.

They continue to distort the truth and misrepresent our intentions.

They cry that changing the welfare system is dangerous and it is cruel, that Republicans will take food out of the mouths of starving children. But I believe that nothing could be more dangerous or cruel than letting the current system remain.

The American taxpayers must look beyond the scare tactics, the rhetoric, and focus on the facts. The facts are reducing bureaucracy, increasing flexibility, and demanding work from those who are capable of working is an investment in our future—in their future—and both welfare recipients and taxpayers will be better off for it.

Welfare, as it was originally envisioned, was meant to be a temporary safety net for those who had fallen upon hard times, not a permanent hammock that coddles them into lifelong dependency. The American people are calling for a new vision that will make this country better, stronger, in the year 2000 and beyond.

To the liberals, the solution to the welfare problem is the same solution they have turned to over and over again for the past 30 years.

Whenever they have faced a fiscal crisis, their answer has always been to raise taxes on the middle class. That is what they have done each time the Medicare trustees warned that Medicare was facing bankruptcy. And that is how they would have us fix welfare, give away more of the taxpayers' dollars.

That makes the liberals feel good to take away people's money, to fund programs of their choice, so they appear righteous—but what does that do to middle class Americans?

This Congress is not going to raise taxes.

This Congress is not going to ask the taxpayers to finance these fundamental changes to the welfare system. Instead we are going to ask more from the welfare recipients, and I believe that is a fair deal.

After all, the taxpayers have supported the failed status quo for far too many years. And with little but a bloated bureaucracy to show for it.

For those reasons, I am proud to be cosponsoring the Dole welfare reform bill to change the status quo, to protect hard-working, middle-class taxpayers, to lift people out the vicious cycle of dependency, to truly end welfare as we know it.

As Oklahoma Representative J.C. WATTS has stated so well:

> We can no longer measure compassion in this country by how many people are on welfare. We need to measure compassion by how many people are not on welfare because we've helped them climb the ladder of success.

Mr. President, I urge my colleagues to join my efforts to offer opportunity to all Americans by fundamentally reforming our failed welfare system and providing a fair deal to the taxpayers and those who receive the taxpayers' earnings.

Thank you very much, Mr. President. I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, we have an informal arrangement alternating side by side, but no Democratic Member on this side is seeking recognition. I am happy to hear from the Senator from Colorado.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, in the mid-1960's, this country declared war on poverty. It was done with the greatest conviction, the greatest sense of purpose that Americans carry forward to all of our enterprises. It was sincerely and honestly believed that through Government action at the Federal level we could not only declare war on poverty but that we could beat poverty, that we could end it in this country.

Ironically, today we spend in Federal programs almost enough that if it were divided among all the poor in this Nation there literally would be no one in poverty. We are not quite to that point, but it is very close.

But obviously, all that money does not go to eliminate poverty. As a matter of fact, to our great chagrin, poverty has increased, not gone down. The number of people in poverty in this country has increased dramatically, even as we have added programs. It does not mean that our effort, our humanitarian effort, was not well intended, but it does mean that the program did not meet the objectives we set forth.

Part of the money we spend, obviously, goes to administer it. Is it too much? Perhaps. But I think the problems go further. In thinking about ending poverty, we forgot about the most important factor of all, and that is ministering to the human spirit and providing opportunity and incentive for people to change their lives. What we have done, tragically enough, is create a system that at times made things worse, not better.

For some people, we have locked them into poverty, we have literally made them financially unable to get out of poverty. We provided incentives to stay in poverty and penalties for getting out of poverty. That is what this welfare reform is all about: Finding a better way to help people realize their abilities and their opportunities and the potential for their own lives. We must understand that incentives, rewards and initiative have to be recognized in any program that helps people.

Mr. President, I look forward to participating in this historic debate. I am confident that together both parties will fashion a bill that will make a dramatic difference not only in our welfare system but in improving the lives of the poor of this Nation.

Mr. President, I ask unanimous consent to proceed for 5 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ACCOUNTING STANDARDIZATION ACT OF 1995

Mr. BROWN. Mr. President, it may shock many Senators to realize that the largest single enterprise in the history of the world does not have a uniform accounting system. Perhaps that is not on the top of your list to worry about today, but let me tell you why it is important.

The U.S. Government has a $2 trillion cash flow. It has 900 million checks issued each year. It has a payroll and benefits system for 5 million employees. It has over 1,962 separate budget accounts. It has though, incredibly, Mr. President, 253 separate financial management systems. We do not have standardized accounts, we do not have a standardized management financial system, and what we have wreaked is chaos in terms of accounting for the taxpayers' money.

We do have the GAO authorized under the law to set up accounting standards, but in the past both the Treasury and the Office of Management and Budget have openly disagreed with GAO. The consequences are, even though the GAO has come up with financial accounting standards, they have been ignored. Agencies regularly ignore those standards and, as a result, the Federal Government is literally operating without generally accepted accounting standards, and the results show it.

According to GAO's report in 1995, the Department of Defense financial management systems, practices and procedures continue to be hampered by significant weaknesses. Here is what Secretary Perry said:

> Our financial management system is a mess. It is costing us money we desperately need.

Over $400 million in adjustments were made to correct errors in the defense reporting data for fiscal years 1991 to 1993 and the resulting statements still were not reliable. Vendors were literally paid $29 billion that could not be matched with supporting documents to determine if the payments were properly made. We cannot even find out if they properly made the reports. An estimated $3 million in fraud payments made to a former Navy supply officer for over 100 false invoice claims, and approximately $8 million in Army payroll payments were made to unauthorized persons, including 6 soldiers who never existed and 76 deserters.

The park system—National Park Service financial system is in chaos. The Park Service has listed that a $150 vacuum cleaner as worth more than $800,000 on its books, a $350 dishwasher as worth $700,000, but a fire truck valued at $133,000 was carried on the books for only a penny.

The IRS keeps its records in a way that would not be acceptable for any of the people it audits. Literally, the GAO reports that although it collects 98 percent of the Government revenues, it has not kept its books and records with the same degree of accuracy it expects of its taxpayers. For the last 2 years, GAO has been unable to express an opinion on the IRS financial statements due to "serious accounting and internal audit problems." Unreliable data is estimated on $71 billion of valid accounts receivable, over $90 billion of transactions that have not been posted to taxpayer accounts and the inventory of tax debt has increased from $87 to $156 billion.

Mr. President, I could go on. There are hundreds of examples of outrageous failures in the system. What is the solution? The bill I have introduced today would establish generally accepted accounting practices for the Federal Government. It codifies generally accepted accounting standards for the Federal Government as set up by the Federal Accounting Standards Advisory Board, and approved by the GAO, Treasury, and OMB. It will also codify the standard general ledger.

Mr. President, what this will do is give us one standardized accounting system where the statements will be meaningful, accurate, and we cannot only save taxpayers money, but it will give Congress a better understanding of what the money is going for. Let me give one example. When we sought to identify the over $100 billion in overhead expenses this Government spends, we were literally unable to get an accurate accounting on what we spend on overhead, partly because there is not a standard set of accounts. This tool will not only save the taxpayers money, but it will make Congress far more able to maximize the dollars that the taxpayers send us.

I yield the floor.

Mr. BURNS. Mr. President, I know you have been alternating between both sides of the aisle on our opening statements as far as welfare is concerned. I notice my friend from Hawaii is on the floor. I would gladly yield to him, or I can go ahead and make my statement. He has indicated for me to proceed. I appreciate my friend from Hawaii.

I want to associate myself with the words of my good friend from Colorado in introducing the bill to standardize the accounting system in this Government. When you are on the Appropriations Committee you really understand that we cannot get any kind of accounting to make some decisions. So I appreciate that.

FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

Mr. BURNS. Mr. President, it is with great importance that we not underestimate the debate that is about to come on welfare reform. I do not think there is one person who thinks the present system is working at its best. Maybe it is the best we could expect from it. But I can list in Montana friend after friend who will tell you how it can be improved, because if there is one subject that everybody has an opinion on, it is welfare.

Right now, we have a system that only makes it easy to get on welfare. But it makes it awfully tough to get off of it. There is something backward about that. Welfare is supposed to be a temporary assistance, not a way of life, and for too many it has become just that.

I would like to talk about a young woman in Helena, MT, who is a success story, not because of welfare assistance, but in spite of the existing welfare system. At the age of 26, she found herself in the position of being a single mother of four children under the age of 6. She did not even know about welfare programs prior to that, but she soon found out that in order for her to survive and to take care of her four youngsters, she had no choice. Though, she wanted to keep on working, the price of child care was more than she could afford. She was getting AFDC but would not qualify for the transitional child care unless her AFDC case was closed. She tried to get off the system a number of times, but each time was unsuccessful. She got involved in a process, though, when she was appointed to the Governor's child care development block grant task force, and she soon found that she had to choose between continuing employment or returning to the welfare rolls. Happily, she chose work and went through 8 months of increasing her debt before child care funds could come through. Now, her bottom line is that of so many people who want to get out of the system, but they just get tired of fighting the system. Welfare did nothing to aid her independence. In fact, it was just the opposite. All she needed was a little help with child care and she could have remained a self-supporting member of our society. We have had a lot of visits in the meantime, and she is doing very well now. But she says, "If you help us a little bit with housing and with child care, the majority of us can make it."

This may have been avoided had it not taken 5½ years for her to receive her first child support statement. This, too, she tried to fight on her own. The father had moved to California, and the California investigator informed her that she was just one of 21,000 cases in that State being handled and, basically, she had to wait her turn.

Well, she is off of welfare now. She has remarried. Her current husband does provide support. She recently said, "It seems that if you choose to try and regain your self-worth, your self-esteem, dignity, and self-respect, and you go out and become a taxpaying citizen, you then also choose to take food out of your children's mouths, provide less clothing, create more stresses in the home which sometimes leads to abuse and possibly loss of medical benefits." That should never be a choice any American has to make.

So, Mr. President, our welfare system clearly needs reforming, but it needs it in the right way. Right now, each dollar we spend on welfare—let us say that of each dollar that we appropriate for welfare, 30 cents goes to direct assistance, while 70 cents—or 70 percent—goes to pay for the services or the bureaucracy to deliver those funds. Seventy percent of that dollar supports the system and not the recipient. That sounds a little odd to me. It seems that the very first thing we need to do is reverse that, cut the bureaucracy, cut the miles of redtape, and get the dollars to those who need it.

Also, according to the Cato Institute, in 1990, it would have cost us $75 billion to bring every family in America with an income below the poverty level above that threshold. Yet, in 1990, the Government antipoverty spending was $184 billion, nearly 2½ times the amount needed to end poverty in America.

So why do we not just send them a check? It does not take a bureaucracy as big as an army to do that. So I do not think it is a matter of whether we make changes, it is a matter of when we make those changes. If we want to do something for the American society as we know it, we must act now, put people back in the work force —and I mean real work, not job training after job training after job training, but job training followed by a job.

We have to end welfare as a way of life. People should not automatically qualify for welfare and assistance. They should be on it for just a limited time. We have to get away from this language called entitlement language. My State of Montana has gone ahead with their welfare reform. They require their folks to work when they are ready. That may be right away, and that may be after completing job training. And if for some reason after that training you are still not ready to work, you must do community service. Now, it is too early to tell whether it is successful or not, but I am willing to bet they will be getting some folks off of welfare quicker than when no work is required.

Any bill we consider must include pay for performance. If someone shows up for work only half the time, then they only get half the benefits. That makes sense to me and it makes sense to a lot of other folks here in this country.

It is pure and simple a reality. Anyone in the work force knows how that works. You show up for work you get paid; if you do not, you do not get paid. Why should it work any different for someone trying to get off welfare? I believe it is a matter of personal responsibility.

We need to address our illegitimate rate. This is something that has been on the rise at almost dangerous levels and one thing that probably contributes most to the decline in our society's strengths. More and more children are growing up without a father.

Crime statistics show more crimes are committed by kids who were raised without a father. It may be tough to legislate, but if we can encourage families to stay together, toughen child support laws, get the States to work toward reducing illegitimacy and thereby reduce the number of households headed by a single teenage mom, we can make a start toward rebuilding what I believe is the greatest society this world has ever known.

I think one of the most important things to do to help control welfare is to give it over to the States. Montanans know what is best for Montanans. I have said that before on a number of issues, but it applies here as well.

Block granting various programs to the State will allow them to use the dollars to best serve their residents, but more importantly, by getting the Federal Government out of the administration, it reduces redtape and regulations and the hoops they have to jump through. They can concentrate strictly on helping those who need assistance and get the dollars out to them.

I have a feeling that the 70 cents out of every $1 that goes to services—not to the recipient but goes to pay the bureaucrats who live and thrive within the system—if we give the money directly to the States, we are bypassing that morass and focusing on our target: Assisting folks who have fallen below the poverty level and helping them to get back on their feet.

I have talked to my people in the State. In fact, we are in contact with our people in Montana as this debate goes on. We will be in contact with them daily. They welcome the opportunity to decide whether, where, and how to spend those dollars. They want the flexibility, and we honestly believe they can control it better than we can. I happen to believe that.

I am a product of local government. We understand what it is to run a welfare office. In Montana, when we had declining incomes, declining property values, and therefore, declining tax base, Yellowstone County, which I was a commissioner of, was the only county that did not become what we call "State assumed." We could control it; we administered it from the county level. We are very proud of that, very proud of that.

I look forward to this debate. I do not know of anybody that understands this situation more than the two managers of this piece of legislation, who have spent more time studying it, both from the standpoint of a system that delivers the welfare system and also the dollars it takes to provide welfare.

It cannot be business as usual, as both of them have a history of forecasting many years ago on exactly what would happen if we did not take actions then. No action was taken then, so we find ourselves in a predicament now.

I was interested in what the Senator from Iowa said about the system in Iowa, my friend, Senator HARKIN. They can do that in Iowa, but they had to stand in line for 2 or 3 years before they obtained a waiver to put a system in that would work for Iowa.

The real key word here is "flexibility" and is not standing in line for 2 or 3 years. The Senator from Oregon understands what they had to go through in order to get their plan approved. It was disapproved and disapproved, and it did not make any difference what administration it was.

States should not have to do that. I have a hunch as the debate goes on we will hear from the Federal bureaucracy. In fact, they make a powerful lobby because they understand who controls the multitude of programs to keep the control right here in Washington, DC.

As those State plans come up, maybe I would not like the Oregon plans, maybe I would not like the Iowa plan. Maybe the Iowa plan would not work for my home State of Montana. But it does for them. That is important. That is important to the folks that live there—block grants and flexibility. Those plans are a success. They have been devised by people who are in on the ground, and they are devised by people who care about those who have suffered maybe some injustice of the system but have not had a very good break. They need a hand up and not a hand down.

It makes a lot of difference when you are operating here than when you are on the ground in the trenches trying to do something for your fellow man. It makes all the difference in the world.

I cannot help but think if these States and State offices, those people who labor in that vineyard are some of the most dedicated people in this society. I do not want to demean them at all because they are wonderful, wonderful deliverers of help.

I think the key here is to cut the bureaucracy here, to cut the cost of delivering the system, and get more dollars to the people who really, really need it. How we get there will probably be the focus of the debate. Keep our eye on the ball and work together. As this debate goes on, I think that we are men and women enough to fashion a plan to get us to where we want to be.

I thank the managers of the bill. I thank the President. I yield the floor.

Mr. MOYNIHAN. Mr. President, the Senator from Hawaii would like to speak on this matter, and we would like to hear from him.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Hawaii.

Mr. AKAKA. Mr. President, I thank my friend from New York for the time.

Mr. President, this week, we begin consideration of legislation to overhaul our welfare system. As we reform welfare, we must take action to encourage work and promote personal responsibility. However, we must also ensure that adequate resources are available to achieve these objectives. Without adequate resources to implement essential components of any welfare reform proposal—such as work requirements, reduction of teen pregnancy, child care, and child support enforcement—welfare reform cannot succeed.

I am seriously concerned about the adverse impact of the legislation currently pending before us. Although I am troubled by a number of provisions, including the lack of sufficient resources for child care, the lack of national standards, and the restrictions on assistance for legal immigrants, I would like to focus my remarks on some very basic flaws of the Republican proposal.

First, it seems that the driving force behind Republican reform efforts is the potential Federal budget savings that may accrue as a result of changes in current law. I believe our primary goal should be to lessen dependency on welfare programs by enabling individuals to become self-sufficient while reducing Federal spending on welfare programs.

However, the legislation before us fails to address the difficult problem of moving individuals into the work force. Although the work requirement has been refined to actually require work, it is an empty requirement. By increasing the number of welfare recipients required to spend time outside the home, but not increasing funds for child care, the Republican plan places significant additional burdens on States that are trying to comply with the bill. The Department of Health and Human Services estimates that States would need to spend $6.9 billion more in fiscal year 2000 than projected under current law in order to meet the work requirements but would receive $3.6 billion less in funding for the temporary family assistance block grant. Over the 7-year period, States would need to spend an additional $23.7 billion on work services and child care but would receive $21.2 billion less in funding from the temporary family assistance block grant. Indeed, the Republican plan has the potential to shift huge costs to local governments as the block grants provide no assurance that local governments will be provided with sufficient program funding.

If my colleagues on the other side of the aisle recall, earlier this year, the Senate passed the unfunded mandates legislation with overwhelming bipartisan support. The new law, signed by the President on March 21, 1995, was designed to make it more difficult for Congress to pass future unfunded mandates. Now, before that law takes effect, some of my colleagues want to enact welfare reform legislation which has the potential of passing huge additional costs on to the States.

Another serious problem with the Republican proposal is that it would eliminate the safety net for millions of children living in poverty. The block grant locks State governments into a fixed funding level for five years based on each State's current share of Federal Aid to Families With Dependent Children. The block grants in the proposal contain virtually no adjustments for inflation, recession, or increases in child poverty within States. Under the Republican approach, which rips away the entitlement status of welfare, needy children may or may not get help, depending on local economic conditions and the discretion of local officials.

Based on these and other concerns, Senate Democrats, under the leadership of Senator DASCHLE, have crafted an alternative package that contains real reforms. I support the Work First plan because it requires work and personal responsibility, it provides resources and incentives for moving recipients into the work force, it is estimated to save $20 billion in the next 7 years, and of paramount importance, it protects children at every stage.

In contrast to the Republican proposal, the Work First plan maintains the entitlement status of welfare assistance programs as all individuals who meet the eligibility requirements and who abide by the rules will receive assistance. Instead of shifting costs to States and localities, the Work First plan provides resources and tools to the States to help move individuals into the work force. This is, in large part, a primary reason why the U.S. Conference of Mayors endorsed the Work First plan.

As we consider welfare reform legislation, a carefully constructed approach must be taken—one that balances flexibility for States with the need for a national framework, accountability for outcomes, and effective protection for our Nation's children and families. As President Clinton stated in his speech to the National Governors Association on July 31, "There is common ground on welfare. We want something that's good for children, that's good for the welfare recipients, that's good for the taxpayers, and that's good for America." I could not agree with his comments more, and I look forward to working with my colleagues to enact welfare reform legislation that benefits all Americans.

I urge my colleagues to consider the Work First plan of the Democrats.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, could I take just a moment of the Senate's time to express the honor I feel, as so many of us feel, to share this Chamber with the Senator from Hawaii. He is a person of such transparent goodness, thoughtfulness, and measured concern. His statement is a model of what I hope to hear more of, and what I would like to see this Chamber respond to.

I thank him and I want to tell him what an honor it is to be associated with him in this debate.

Mr. AKAKA. I thank the Senator very much and yield back my time.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, yesterday, when I made an opening comment on welfare, I talked about the philosophy of the different approaches between the two parties. It is well illustrated in the minority leader's bill that Senator DASCHLE will present, and the bill that Senator DOLE and I have presented, in terms of giving authority, power, decisionmaking—call it what you want—back to the States.

The argument is used: This is Federal money, and if it is Federal money, we ought to tell the States how to spend it, how to use it. I made the argument that while legally this may be Federal money, and in a court suit I suppose we could defend our legal right to it, in reality it is the taxpayers' money. We hold it in trust for some limited period of time and spend it as a trustee should, in the best way possible for the beneficiaries, that is the taxpayers.

We should not get caught up in the argument as to whether this money is ours, that is the Federal Government, or the States, or the local governments, and that whoever thinks they own the money should put the strings on how it is spent. There is nothing wrong, even if we make the argument this is our money, with us giving it to the States and letting them spend it as they think best.

With that background, let me explain what has happened over the years and why the States so desperately want us to block this money together and give it to them and let them attempt to solve the problems. I say "attempt." The Washington Post had an editorial this morning somewhat critical of me because I said I cannot guarantee that—if we give these programs to the States I cannot guarantee the States can make them work. I can guarantee, however, the States cannot do any worse than what the Federal Government is doing now.

We have been trying to make welfare work for 60 years. The welfare system started in 1935. If anyone wants to make the defense that after 60 years of the Federal Government running the welfare system it is working, I have yet to hear it on this floor. It is not working, and we are not going to make it work by tinkering with it a bit around the edges, by creating one more Rube Goldberg attachment to an already overburdened Rube Goldberg device.

What happened? Here is the 1935 section of the Social Security Act that created the present welfare system. It is 2¼ pages long. That is it. That is where we started. And there were no regulations.

There was a little pamphlet which kind of told the States how this worked. But there was no regulations. Sixty years later, where are we? From 2¼ pages, we have come to this. This is only part of it. These are the regulations that a caseworker in Oregon has to be familiar with and go through in order to determine a person's eligibility for welfare. And they had better jolly well know it and do it well or Oregon can be sued by the Federal Government for not complying with the Federal regulations.

I emphasize this is only to determine eligibility. Once you are eligible, not how much money you get, or not once you are eligible, how long before we try to put you to work, or something else; just that you are eligible.

Here is the path of the reason. Here is the eligibility process. In comes Jimmy Jones or Susie Smith. "I would like to apply for welfare." The caseworker says, "Hello, Jimmy and Susie. Can you give me proof of identity, age, and citizenship? I want your driver's license, Social Security card, birth verification for each person, alien registration and your arrival and departure record, or any other identification from any other agency or organization."

That is the first thing they ask you. Assuming Jimmy or Susie actually understands what an alien registration and arrival or departure record is, whether they have a Social Security card for each person, let us say we get to the first person.

We now move over to the proof of relationship and child in the house. We want a signed and dated statement from a friend or relative naming each child and the child's residence, birth certificate or other documents stating the parent's name.

That is simple enough.

Then we will move over here—proof of residence and shelter costs. How much are your electric bills, paid or unpaid; gas or fuel bills, paid or unpaid; rent or lease agreement; rent receipt and landlord statement; mortgage payment and book; deed to the property and proof of housing subsidies?

Assuming poor Jimmy or Susie actually has access to it, knows what it is, has gathered it all together along with their driver's license, Social Security card, alien registration form, names of all children or proof from some relative who knows who they are, who is living in the house. We now have gone through to here: Proof of family situation; death certificate for deceased parent; divorce papers or separation papers showing the date, if separated, a statement from friend, neighbor, or relative that you are separated; marriage certificate; if in prison, the date of imprisonment and the length of sentence; if pregnant, medical statement with expected delivery date, name of doctor, name of hospital and doctor's statement. Poor Susie and Jimmy is gathering up more information.

Now we come to here: Does anyone here have any income? It is a very important question. Do you have any income? If no, we go this way. Let us go to "no." All right, we want to check your bank statement, current checking account statements, real estate documents, payment books or receipts from all mortgages, land sales, list of all stocks and bonds with current market value. My hunch is they do not have a lot. By chance, they may have some.

We want title for all motor vehicles, agreements or documents showing conditions, trust fund, insurance policies. This is all to prove, in essence, that you have nothing.

I am not quite sure how you prove a negative. "No, I do not have any stocks or bonds nor a bank statement, book."

"I do not have, I do not have."

How do we know you are telling the truth. "I do not have it."

Now, if it is "no," we finally get an annual eligibility decision over here. But if the poor devil has some income, now you are in serious trouble.

"Does anyone here have any income?" If yes, proof of income.

Now we go to uncashed workmen's compensation, other benefits check, Social Security or VA benefit, a court order stating alimony—go through all of that.

The one that I like, you do not count for purposes of income—but you do count. You do not count for purposes of income. Adoption assistance for a child's special needs, do not count that. But you do count as income adoption assistance if not for special needs. This is assuming that Susie or Jimmy knows what special needs are.

Here is my favorite. "Do not count benefits from the agent orange settlement fund, Aetna Life." We do not count as income benefits from the agent orange settlement fund, Aetna Life. We do count as income, however, payments under the Agent Orange Act of 1991. That is income.

I could go down this list. Here is another one of my favorites. We do count as lump sum the amounts over $2,000 of payments to Seminole Tribe members. We count that. We do not count, however, payments to Indians under Public Law 91-114.

If you have finally gone through all of this, you may finally at the end of it became eligible for welfare—just eligible. This is just Susie or Jimmy. What has the State had to go through? Why does it cost them so much money? Why do we have this stack of regulations? Because these are the things you have to know to understand this. That is just the first step because this is not just welfare, AFDC, as we call it; there is also food stamps.

Food stamps have a different standard of eligibility from welfare, and there are 57 major areas of difference between Federal policies as they affect the Food Stamp Program and the welfare program, and yet these programs serve in many cases the same person. Usually, if you are eligible for welfare you are probably eligible for food stamps, but this does not qualify you for both. That just qualifies you for AFDC, if you can get through.

Then you go to food stamps. What has Oregon had to do? The information I am giving you comes from Jim Neely, who is the assistant administrator for Oregon's adult and family services division. This is our principal welfare division.

Oregon has 600 administrative rules, of which this stack is a part: Two volumes of computer guides, 1,452 pages; one volume of form guides, 270 pages; eligibility manual, 871 pages; workers guide, 910 pages—all of which you, as a caseworker, are expected to know. These regulations are used to determine welfare eligibility and to make welfare payments. Less than 15 percent of this information deals with helping people become self-sufficient through employment.

As a matter of fact, most of this information is not really designed to help the person at all other than to get them a welfare payment. This information is gathered to make sure that the State of Oregon does not get sued by the Department of Health and Human Services or the Department of Agriculture because they have food stamps and claim that we have not had sufficient quality control to monitor the program.

So I emphasize again, we are doing these things to comply with the Federal law.

Mr. Neely in the letter that he sent said this Oregon Department of Adult and Family Services files 550 reports a year with the Federal Government; 550—roughly 1½ every day, Saturdays and Sundays included; that is our welfare division—spends 20 percent of their resources complying with Federal regulations, 20 percent beyond any level necessary to run what we would call a seamless welfare program.

The Federal regulations have also interfered with Oregon's efforts to move welfare recipients into the work force. Oregon must now spend an enormous amount of time and resources documenting how welfare caseworkers spend this time.

Can you believe this, Mr. President? A welfare caseworker must document what they are doing during every 6-minute segment of the day. I know lawyers do that. I can recall the time charts in a lawyer's office where you put, "10 o'clock, I talked with client Jones." You put that down. I do not know if lawyers bill in less than 15-minute quarters. No matter how much they talk, they keep all the time, and that is the way they bill. The caseworker accounts for every 6 minutes so that this time is properly allocated to different moneys the State is eligible to receive.

The welfare worker is doing the welfare workload. It may be welfare, or it may be food stamps. It might be job training. But all of these are separate amounts of money that come from the Federal Government with their own regulations.

So for the State to be able to say caseworker Jones spent 2 hours and 14 minutes on Wednesday on food stamps, you have to be able to document it.

In addition, the coding system that the caseworkers use to code each 6 minutes, they have 110 different time reporting codes. You just do not put down, "10 o'clock to 10:06, Susie Smith." You put down the code for what it was you were doing. You have to figure from the 110 codes the correct one so that you are in compliance.

Mr. Neely estimates that less than 10 percent of agency time is spent on what we call JOBS activities, capital J-O-B-S.

Less than 10 percent is spent on JOBS Program activities and 90 percent is spent on attempting to prove what they have done—programmed administration. Now, you know what the argument is? We need a waiver process and we do not need to really block grant and give these programs to the State and say, here, use this money for the poor as best you see fit. You have to make them work. But you use it as best you see fit.

The argument is, well, we can have a waiver process. And the Federal Government, if you apply to them, will give you a waiver from all of these regulations I have been talking about.

Mr. President, I have been through this. I went through it with the State of Oregon when we tried to get a waiver that would let us take food stamp money and in certain circumstances "cash it out," as we call it. Instead of giving food stamps to a person, we say we will help you get a job.

We coordinated it with our JOBS Program. We had to get waivers for both of them. And we would say to an employer, we will give you x amount of money if you will hire Susie Smith. And we will give the employer the subsidy from the food stamp money because we would rather have Susie have a job that paid more than AFDC and food stamps combined.

In order for Oregon to make these reforms, we had to apply to both the Department of Health And Human Services for a waiver, and to the Department of Agriculture for a waiver. In some cases, State must apply to the Department of Health and Human Services, the Department of Agriculture, the Department of Housing and Urban Affairs, and to the Department of Labor. All four of these departments are responsible for programs in one way or another that affect low-income families, the current welfare system, welfare as we know it. But there is no coordination between the departments in granting waivers, and the requirements of each department are different.

So I am going to just read what happened in order for Oregon to get a waiver and why, having had this experience, I feel so strongly we ought to block these programs together and give them to New York, give them to Oregon and say, here, you make it work. Let us get rid of this stack of rules and regulations.

In November 1990, ballot measure 7 was passed by the voters of Oregon. It was an innovative workfare demonstration, but it did not qualify for Federal waivers. Federal officials said that substantial changes would have to be made in the program the way the voters had passed it and we would have to apply for the waivers. That is November 1990.

We got no waiver for years. Jump forward now 2½ years to July 1993. The JOBS Plus—this is the J-O-B-S Plus Program as Oregon called it—was created by the Oregon Legislature in response to this 1990 ballot measure. We could not even get going on it because we could not get any help from the Federal Government. The Governor and the Department of Human Resources worked with the ballot measure's supporters to create a workable alternative. But in order for Oregon to try this JOBS Plus Program, it was still necessary to get waivers from some of these Federal departments.

On September 28, 1993, Mr. Neely, to whom I have previously referred, the assistant administrator for adult and family services, writes to Louis Weissman, the Deputy Assistant Administrator of the Administration for Children and Families, requesting suggestions on the draft waiver request. That is September 28.

September 30. Mr. Neely writes to Steve Pichel, Western Region State Program Officer for food stamps, requesting suggestions on the draft waiver request. This is because we have to apply to one Department, Health and Human Services, for the AFDC waiver. We have to apply to another Department, Agriculture, for the food stamp waiver.

Two weeks later, on October 18, formal request for waivers for the JOBS Plus Demonstration Program was sent to Mary Jo Bane, the Assistant Secretary for the Administration for Children and Families of Health and Human Services.

A day later, October 19, a request for food stamp waivers to implement the JOBS Plus Program was sent to Dennis Stewart, the Regional Director for the Food Stamp Program, U.S. Department of Agriculture.

Ten days later, Governor Roberts, our then Governor, sent a letter to each member of the Oregon delegation asking for our help in getting these waivers.

Three weeks after that, Kevin Concannon, the director of the department of health and human services; Stephen Minnich, the administrator of adult and family services; and Jim Neely, the assistant administrator, came here to meet with Health and Human Services and U.S. Department of Agriculture officials.

In January 1994, Governor Roberts requested Congressmen WYDEN and Kopetski to meet with the new administration and see if we could get the waivers that we wanted.

January 5, 1994. A letter goes to Bruce Reed, the Deputy Assistant to the President for Domestic Policy, from Kevin Concannon, asking his intervention on Oregon's behalf with the Department of Agriculture.

January 14, 1994. A letter is sent from Jim Neely to Bonny O'Neil, Acting Deputy Administrator for Food Stamps, to follow up on the November meeting.

I will not read the rest of what goes on. It goes on for another 10 pages of letters, meetings, requests, refusals to grant the waiver, suggestions as to how we had to change it, pare it, make it different to fit Federal standards. And I will not bother to read the six pages of my personal involvement with this—phone calls, letters, meetings.

That is what it took to get a waiver so that Oregon could try an experimental program combining AFDC and food stamps and work.

Mr. President, it is working. It is working. It would have worked a lot faster and it would have worked a lot better if Oregon could have put this into effect immediately, if Oregon could have gotten rid of that stack of documents immediately.

So when those who oppose the Dole-Packwood bill say we can do this with waivers, here is an example of an attempt to do it with waivers. At the end, after 3½ years—pardon me, 4½ years—did we finally get the waiver, did we finally get the waiver in the form we wanted it and do exactly what we wanted? No. Do we still have to do more reports than we think we should? Yes. Is our program working? It is.

There is not a State in this country that does not know better than we in Washington, DC, know what their problems are. And there is probably not a county in a State that does not know their problems better than the State government. And there is probably not a neighborhood in the county that does not know its problems better than the county government.

The closer we can get this program back to the local level, the better it is going to work and the more money that can be spent on helping people instead of filing forms.

So, Mr. President, I very much hope when we are done with this, we will pass the Dole-Packwood bill.

I thank the Chair.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York [Mr. MOYNIHAN].

Mr. MOYNIHAN. May I respond to my friend and chairman after a very graphic, very powerful statement. I wonder if we have not wandered, perhaps without anticipating it, into a larger subject, which is that of bureaucracy in America and central government in America, federalism in America.

The President in his 1992 campaign, starting with an address at Georgetown University in 1991, proposed to end welfare as we know it. He had in mind, I think he clearly had in mind the proposals set forth by David Ellwood in his book "Poor Support," which was published in 1988, which the chairman knows, on poverty and the American family. And Dr. Ellwood is now the academic dean of the KENNEDY School. He has left Washington, but he had an idea for the type of limited welfare which would involve very much larger expenditures than we now have.

The bill that was proposed finally toward the end of the second year of the administration would have cost $11,762,000,000 over 5 years; $12 billion in additional outlays, which is a sense of what we have. But talking about ending welfare as we know it, it seems to me we have begun the debate about ending the Department of Health and Human Services as we know it.

The pattern here is discouraging, but it is also predictable. When Government gives away money, there is only one way an administrator can get in trouble, only one way a caseworker can get in trouble. And I wonder if my friend would not agree with me, the only way to get in trouble is giving money to someone who is not entitled to it, giving money by mistake, giving money by modes that could be depicted as inappropriate, improper, felonious, for that matter.

It is in the nature of a Government program to say that we have to be absolutely certain that you are eligible before you would be given money. And that will overwhelm any other enterprise.

The most striking line on the Senator's chart there, Federal Barriers To Moving Welfare Recipients Into Work, State Of Oregon, is that only 10 percent of agency time is spent on JOBS activities.

Now, the Job Opportunities and Basic Skills Program began with the 1988 Family Support Act. It was the first effort to redefine welfare to say this is not a widow's pension with an indefinite stay assumed. This is a program to help young persons who are in need of assistance to get out of a dependent mode into an independent life through job opportunities.

And all the years since we passed that legislation—and I recall—I have said several times, it went out the Senate door 96-1 in 1988, 96-1. We rarely have such a vote. But no one from the Department of Health and Human Services has ever come near this Senator—I do not think there would be any other one—to say, "You know, we are not getting as much out of this legislation as we hoped for because we are bogged down in administrative procedure." I see my friend from Oregon is agreeing. We can get 10 percent of the time in Oregon; and Oregon is not a State overwhelmed with this problem.

Oregon is not the city of Los Angeles with 62 percent of its children on welfare. It is not the city of New York with more than half a million children on welfare. There are about 11 States in the Union that have a total population that is smaller than the welfare population of New York State. This is not being evenly distributed.

But it is clear that here in Washington a responsible bureaucracy has not sensed how irresponsible its procedures have come to be seen in the Nation. How almost conspiratorial they have come to be seen, as if you are trying to prevent us from doing what we would like to do. There is a hidden agenda in all these—"Did you get yellow rain benefits under this program? That is all right; that program, not all right." Clearly there is some hidden motive in such seemingly absurd distinctions.

That is the condition of the Federal Government. We look up and we find park rangers—as a child I do not know that there was any more of a benevolent role that a person could have than to be a park ranger with a Smokey Bear hat, welcoming you to Yellowstone Park or the Statue of Liberty, as a matter of fact.

Suddenly they are being threatened, seen as oppressors. They are seen as persons involved in illicit acts intended on depriving citizens of their liberties. Well, bureaucracies that do not get that message will hear what the Department of Health and Human Services is hearing on the Senate floor. I have not heard one statement on either side of the aisle which has not in particular taken up the issue of the bureaucracy here in Washington. It is not large, 327 persons, but, indeed, neither has it been sensitive to the way it is perceived.

As I say, in 19 years in the Senate dealing with this subject, no one has ever come to us from that Department—it was HEW when it began, when I first arrived—saying, "We do have a problem here. I think we have some ways to deal with it." It was the same thing, if I may say, until last year when we enacted legislation which came out of the Finance Committee to take the Social Security Administration out of the Department of Health and Human Services where it kind of ended up after floating around in the 1940's.

A majority of nonretired adults do not think they will receive Social Security. Now, that is a statement of a lack of confidence in Government that is pretty striking. If people think that the Government is lying about that, which is pretty elemental, your retirement benefits, your retirement and disability insurance, what else do they think? But it has not troubled the Department of Health and Human Services that persons did not believe in this most elemental contract. I mean, a person is paying for their Social Security benefits. Seventy percent of the American people, adults, taxpayers, pay more in Social Security payroll taxes, combining the employer and employee, than they do in income tax.

If a majority of the nonretired adults think that the Government is lying, well, that is a problem which the administrators could not see because they felt they were not lying. In time you will find out we were not. We have never been a day late or a dollar short. It did not trouble them. And I have made the point, if you do not think you are going to get Social Security, you will not miss it when they take it away. Despite efforts to get earnings statements and a decent card to replace that pasteboard from the 1930's, we had no success.

We have earning statements now. We had to legislate them, Mr. President. They could have done it entirely on their own. But we had to tell people, "Yes, we know your name. We know what you made last year. We recorded it as such. Keep on going about the way you are going and this is what you will expect when you are 65." I mean, a simple statement that banks put out once a month, insurance companies put out once a year, that kind of thing.

I have heard things on the floor that disturb me. And there is a lack of response. If there is anybody in the Department of Health and Human Services listening, may I say, "You may be listening to the case being made for abolishing your Department." It has been dismantled piece by piece. Education was taken out. Social Security was taken out. Pretty soon there will not be—the Surgeon General's office is not being funded. In time there may be nothing left except the Hubert H. Humphrey Building. I wish he were alive, but I would not wish him to be alive to see what is going on today.

I see my very good friend, Senator ABRAHAM, is on the floor. And in the manner we have of alternating statements, I will be happy to yield the floor for the remarks by my friend.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Michigan [Mr. ABRAHAM], is recognized.

Mr. ABRAHAM. Mr. President, it has been almost 30 years since Lyndon Johnson began the much publicized War on Poverty—30 years and $5.4 trillion later. It seems to me that poverty is winning that war. Today's poverty rate of 15.1 percent is actually higher than the 14.7 percent it was in 1966 when the war on poverty began.

What is more, as a result of impersonal, family-destroying welfare policies, we now have what the First Lady herself terms "cities filled with hopeless girls with babies and angry boys with guns."

Former Reagan Education Secretary Bill Bennett's index of leading cultural indicators shows that while population increased only 41 percent between 1960 and 1990, the violent crime rate increased more than 500 percent; the teen suicide rate more than tripled; and the divorce rate more than doubled. Also since 1960, illegitimate births increased more than 400 percent. By the end of this decade, 40 percent of all births in America will occur without benefit of marriage.

We now know that the children who never know their fathers fare far worse in crucial aspects of life than do children who grow up with both parents. For example, children of single parents are twice as likely to drop out of high school, 2½ times as likely to become teen mothers, and 1.4 times as likely to be idle, out of school and out of work, as children who grew up with both parents.

Why do we have such high rates of out-of-wedlock births with all the bad consequences it brings? In significant part, I think it is because we have a welfare system that discourages the formation of intact two-parent families, all this while costing America's taxpayers $380 billion per year.

Mr. President, the welfare system is broken. I do not think there is anyone in America who believes the present system is working—not the recipients of welfare, not the bureaucrats who administer welfare programs, and certainly not the taxpayers who pay for them.

I say we have to stop spending $380 billion a year on welfare only to produce more welfare dependency, more poverty, more broken families, more babies born out of wedlock into lives of desperation without hope or solace.

Mr. President, this is not a debate about just another Government program. It is a debate about our children. It is a debate about whether we are willing to do what is necessary to save literally millions of American kids with futures without parents and too often without hope.

Some of our colleagues and others who are interested in this subject have come forth in recent days claiming that any approach that empowers the States to make their own welfare choices will somehow be less helpful to America's children. I ask my colleagues, and others who espouse this view, a simple question: What has been the legacy of the current welfare system to children? Let me repeat some of the points I mentioned earlier.

First, both overall poverty and child poverty is higher than when the war on poverty began. Second, the teen suicide rate more than tripled between 1960 and 1990. Third, the rate of out-of-wedlock births has increased more than 400 percent since 1960. Again, children of single parents are far more likely to drop out of high school, become teen mothers, be out of work and out of school as children who grow up with both parents. And so, Mr. President, it is my view that if this is what constitutes a caring approach that helps our children, count me out. I will take my chances with a new approach that vests power and authority with the States.

Our current welfare system is not working, and that is why reform is so important. The question is, what form should the new system take? I believe that any truly successful reform attempt must be guided by three core principles: Reform must consolidate and reduce welfare programs and bureaucracy; it must promote certain national objectives, such as strengthening families, self-sufficiency, and personal responsibility; and it must allow maximum State flexibility.

First, welfare reform must consolidate and reduce Federal welfare programs and bureaucracy. There are at least 79 duplicative and overlapping welfare programs designed to aid the poor, ranging from AFDC to food stamps to public housing. If reform is to be successful, I think the system of assistance we provide must be comprehensive and integrated so that all of the component parts fit together coherently.

Further, welfare reform must cut the welfare bureaucracy, not expand it. According to the Heritage Foundation, "Welfare bureaucracies are prolific in inventing new programs which allegedly promote self-sufficiency but accomplish nothing or actually draw more people into welfare dependence."

Second, welfare reform must establish and achieve several Federal goals: Specifically, strengthening families, requiring personal responsibility, and promoting self-sufficiency. I do not believe that the Federal Government should, or effectively can, design welfare programs for all 50 States and accomplish these goals. But I think it should set the goals in place and then give States the opportunity to fulfill them.

We have tried a centralized, Washington-based welfare system for 30 years, and it has been a failure.

So I say let us leave the details to those closest in proximity to the people and their problems. But the Federal Government must have its voice heard as we work to support the fundamental principle that people must put forth some effort, that we must try to create intact families and encourage their formation in exchange for the assistance they receive.

So, third, welfare reform must also allow for maximum State flexibility and experimentation. States must be given the authority to design the day-to-day regimen of their programs and to respond to the unique needs and circumstances that cannot be anticipated or appreciated by the Federal Government.

The current system at least provides States the opportunities to seek waivers from certain Federal requirements. But this waiver system has proven to be clumsy and time consuming. It is laborious and often stalls or even kills innovative ideas.

For example, my State of Michigan still is seeking a waiver so that it can implement its idea to cash out food stamps for clients who are working. Michigan thinks this would be an excellent way to reward aid recipients who are making progress toward self-sufficiency. The program would eliminate the stigma of using food stamps for those who work to at least partially support themselves; in other words, so that people do not have to go to the grocery store with food stamps and continue to feel that they are not productive in their own right. Unfortunately, the State has been waiting for approval from the U.S. Department of Agriculture for this waiver since March 1994.

In short, Mr. President, the waiver system is inefficient because it puts the least innovative bureaucrats in bureaucracies—indeed, those bureaucracies at the Federal level who have the least incentive to make dramatic changes to the system, because many of them might lose their jobs—in charge of approving or disapproving new program ideas submitted by the most innovative Government agencies, those at the State and local level.

Unfortunately, far too much of the State's time and resources are spent either complying with onerous Federal requirements or seeking waivers.

In my State of Michigan, it has been estimated that front-line welfare workers, those who deliver the services to Michigan's neediest families, spend two-thirds of their time interpreting the dizzying array of complex and arcane Federal rules and filling out paperwork, either to support those regulations or to seek waivers from them.

We have had reports on this in several hearings in which I participated as a member of the Budget Committee. I was listening to this testimony from people who actually were on the front line of the welfare battle that persuaded me that it was time to really change direction and give the States the kind of authority that we are considering this week, because when I realized that two-thirds of the front-line welfare worker's time was being spent not helping people but filling out forms, I realized that redtape from Washington was a major source of the problem with our welfare system today.

So, Mr. President, using these three guiding principles for welfare reform, I believe the best approach would be to combine as many welfare programs as possible into a single block grant and give the States authority to battle local problems, to develop innovative welfare reforms, and to tailor reforms to local circumstances with as few Washington rules, regulations, mandates, and strings attached as possible.

We all want to reduce the number of out-of-wedlock births and increase incentives to work. But Federal mandates and strings that do not allow States to take into account their own varying local circumstances can only have adverse consequences. Each State has different poverty populations which may require different reforms to achieve the best results.

Mr. President, many of our colleagues have raised concerns about the block grant approach. Specifically, some oppose the no strings block grant approach because they believe that State and local government leaders will not fulfill their requirements and their obligations to take care of the needy.

Instead of doing their best to help poor people, on this view, State officials will, if freed from Washington control, commence a race to the bottom. States will compete with one another to cut welfare benefits so as to convince recipients to settle elsewhere. The result, it is said, will be mothers and children left with little or no assistance from the State. According to this view, only bureaucrats in Washington have the brains and heart to make decent welfare policy that will help all who deserve it.

Mr. President, I cannot speak for any other colleagues here, but for myself, I know of no one that would let this happen. This is not the 1850's, or even the 1950's. We are entering the 21st century. State and public officials do care about their citizens. In fact, I think they probably care about them more than the people do here in Washington.

I would challenge those who adhere to this race-to-the-bottom notion to tell us what State—name the State—that would allow its families and children to fall through the social safety net.

Again, I cannot speak for every State official, but I can assure you that, in my State of Michigan, we can and will continue to take care of our people. For example, in this era of fiscal austerity and tight budgets, our State held the line and protected education funding from cuts and dramatically increased spending for children at risk. In addition, we have achieved a long-awaited reduction in the infant mortality rate, and other similar kinds of project lines designed to help the most needy and the most at risk among our population.

I think this example of Michigan shows how our States, if allowed the necessary flexibility, can come to grips with the problem of welfare dependency that is plaguing our Nation.

With only limited flexibility under AFDC waivers, Michigan Governor John Engler managed to get 90,000 welfare recipients off the rolls and into paid jobs. Governor Engler did this not by abandoning the poor but by asking them to sign a social contract that committed them to working, engaging in job training, or volunteering in the community at least 20 hours per week.

Our Governor and legislature also let welfare mothers—and this is innovation—keep the first $200 per month of their earnings without counting it against their assistance. And he let them keep 20 percent of the money they earned after the $200 cutoff point. The effect was predictable. It was one in which people had a much greater incentive to be productive, get into the work force, and get out of the cycle of dependency. The success is, I think, rather staggering.

Since the policy began in October 1992, average earnings by AFDC recipients have gone up 16 percent to $460 a month as of April. The percentage of cases with earned income has skyrocketed, in Michigan terms, to 27.6 percent—triple the national average.

As explained recently in the Detroit Free Press, the ability to keep part of their earnings prodded recipients to accept low-level, first-rung-of-the-economic-ladder type jobs. As they gain more experience, they work longer hours and begin to land higher paying jobs. Thousands of them ended up earning such an amount of money, in fact, that they no longer needed AFDC assistance.

Again, 90,000 people were saved from lives on welfare, and at a savings of over $100 million—after inflation. In my view, that is quite impressive, and it reflects only a part of the progress we can make by giving our States more freedom to order their own social spending priorities.

Mr. President, we could do more, but, unfortunately, too often the Washington bureaucracy is in the way. Recently, at the hearings I referenced earlier, we heard from the people who run the social services department in Michigan. They came with huge notebooks, similar to the ones the Senator from Oregon recently had, in terms of paper load. They had notebook after notebook, almost from literally a table top halfway to the ceiling of the room in which the hearing was held, made up of the forms and the paperwork that the welfare workers in our State are forced to fill out just to seek a waiver—to be given the flexibility to do positive things to try to both reduce caseload and give people the incentive to find jobs and get out of the cycle of dependency.

Governor Engler, at one of our hearings, produced a scroll that stretched from one end of the hearing room to the other, and it indicated on it a list of all the programs and regulations that a State administrator had to confront in order to deal with the many, many programs which they are required to administer under these laws. Think of what we could do if the people administering those programs could cut that paperwork burden in half, or more, and devote their time to helping more people get out of the cycle of dependency and find opportunities and get on the first rung of the economic ladder and make their way independently. I think that would be quite an accomplishment.

Some people come at this from a different perspective—people who generally share my respect for State and local prerogatives but who oppose the no-strings approach, for different reasons. They argue that block granting will produce no significant policy changes. They believe that the State bureaucracies and liberal social workers constitute entrenched bastions of the status quo, and they are equally committed to expanding and maintaining the current welfare system. But, in my judgment, there is no evidence to suggest that a new set of Washington rules, regulations, and mandates will produce better outcomes. I do not think there are any good arguments, either liberal or conservative, for centralizing welfare in Washington.

Mr. President, I think the choice is clear: It is a choice between business-as-usual welfare reform with some window dressing, bells, and whistles, versus real reform that shakes up the current welfare system in ways that benefit both welfare recipients and the taxpayers. It is a choice between a Washington-centered welfare system and a new State system.

Given the magnitude of the current problem, I say the real change will occur only if we rely on the States.

In summary, Mr. President, I believe the amendment before us encompasses many of the objectives for welfare reform I outlined at the outset of my speech. It reduces welfare growth by consolidating programs into block grants and cuts the welfare bureaucracy and the relevant departments by 30 percent; it sets national goals on the issues of work and illegitimacy; and it gives States the freedom to pursue innovative ways to reduce dependency and increase self-sufficiency among welfare recipients.

I know several amendments will be offered, and some I intend to support because I think they will more fully flush out some of the objectives I outlined earlier. I think when those amendments are adopted, the full amendment before us will achieve the objectives which I have been working for in the context of this legislation.

So in closing, I argue that Washington has not cornered the market on compassion. As the experience of Michigan and many other States have shown, innovative State programs are better able to lift the poor out of welfare dependency, give people a chance to get on the first rung of the economic ladder and are, therefore, ultimately more compassionate than a one-size-fits-all program, head-quartered in Washington.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I thank my friend from Michigan for his very thoughtful, very moderate remarks. I, however, wish to point out that the innovative programs that have indeed taken place in Michigan in recent years have done so under the Family Support Act of 1988.

Michigan responded exactly as we hoped it would respond, as other States would respond, as other States have responded. It was that bipartisan exercise that said, "Go and innovate. Do what you think is best. Fit your own needs."

I congratulate Michigan for what it has done. I hope they are confident that they can now do it on their own. That is where they are going to be.

I said earlier that to a degree we perhaps do not recognize we are dealing with an urban crisis. In the city of Detroit, 72 percent of the children are on welfare. There has never been such an experience in our history. It will not go away easily. It has come about in a very short period of time—30 years, 35 years.

I hope that we know what we are doing if we are going to say the Federal commitment to match State efforts need no longer be made. I think, sir, we will regret that, but we will find out as the debate continues.

Now, we have a dissenting view and an alternative view, at the very least, from the distinguished Senator from Wisconsin, who also has a Governor who has been very active in these affairs under the Family Support Act.

I am happy to yield such time as he may require to the distinguished Senator from Wisconsin.

Mr. FEINGOLD. I thank the Chair, and I especially thank the senior Senator from New York. He has showed unparalleled leadership and wisdom on this particular issue and many other issues.

Clearly, we have come to rue the day that we did not listen to the senior Senator from New York on this issue. I say to the Chair and all my colleagues, we will come to rue this day as well if we do not listen to the senior Senator from New York on this issue that he has more understanding of than any Member in this body.

Mr. President, I rise today to support real reform of our Nation's welfare system. I rise in support of genuine reform that focuses on temporary and transitional assistance to families, work and work preparation, guaranteed child care, positive family development, vigorous child support enforcement, the prevention of teen pregnancy, and teen and adult parental responsibility.

Simply put, I strongly support the Work First plan which was recently introduced by the distinguished Democratic leader. The Work First plan, Mr. President, actually ends welfare as we know it and presents a clear contrast to the bill before the Senate, which I think is largely business as usual.

Work First fundamentally changes the structure of welfare by creating a new, conditional entitlement for a limited time. The Republican plan merely repackages the Federal AFDC and jobs program into State entitlement block grants with cap funding that does not consider economic variability.

Work First emphasizes and requires actual work in order to receive a benefit. The Republican plan has no real work requirements and provides no incentives for people to get or keep jobs. It merely measures participation in jobs or other bureaucratic programs in order for States to be able to qualify for future funding.

In addition, Mr. President, Work First protects kids with a safety net of services if parents fail to participate and guarantees child care assistance for parents who do work. The Republican plan limits assistance for child care, has no safety net, and leaves families at the mercy of future economic downturns and the State and local responses to them.

Mr. President, Work First requires States to invest in getting welfare recipients to work by maintaining a State match while creating savings from the existing welfare program.

The Republican plan requires no State match and dramatically cuts welfare to finance a Federal tax cut for the rich, while virtually ensuring an increased tax burden on State and local governments when the robust economic conditions change.

Mr. President, the distinctions between the two plans are very clear: Either we want to practice what we preach by providing temporary assistance while moving people into work, or we want to just talk a good game of State flexibility while at the same time reducing the State's ability and capacity or incentive to truly end welfare as we know it.

As the senior Senator from New York pointed out, my own State of Wisconsin, which has been in the spotlight as a leader in welfare reform, actually provides a model of two conclusions about this issue. Wisconsin provides both a good example of the types of initiatives that Work First can inspire, but frankly it also provides a clear warning that good PR is a poor substitute for demonstrable results for families and for the States.

In other words, all that glitters is not gold when we look at the Wisconsin model. There is good and there is bad. We want to make sure that this body knows the difference.

First, we will talk about what has been very good. The New Hope project in Milwaukee, WI, demonstrates that the principles of Work First are a proven and effective alternative to the Republican proposed welfare program. New Hope began in 1992 as a demonstration project with 51 participating families. Now it has been expanded just in the last 3 years to 600 families. Its funds were secured through Federal, State and private sources. The projects targeted families receiving welfare and the working poor who qualified for some public assistance like food stamps and Medicaid.

New Hope requires participants to work. It provides access to private-sector jobs, community service jobs if no job can be found in the private sector. Mr. President, it provides wage subsidies if necessary to bring a family's income above the poverty line. And, Mr. President, very importantly, it provides health and child care subsidies for families with up to 200 percent of poverty.

While the project shares the goals of self-sufficiency with existing efforts, it goes way beyond this in three ways. First, the project guarantees access to a job. Second, it removes categorization of those who are poor and thereby removes some of the disincentive to participate in the current system. Third, it links subsidies to income level rather than creating sudden-death scenarios for participants when arbitrarily established time limits are reached.

Mr. President, let me just say that New Hope speaks for itself in its results. There has been an 86 percent increase in the proportion of the participants who work. There has been a 75 percent decrease in the proportion of participants who are unemployed. The employed no longer require AFDC, and 25 percent of them no longer require Medicaid.

Let me talk about the other example. Turning to the much-touted welfare reform initiatives in the State of Wisconsin championed by Governor Thompson, let me first commend Governor Thompson for his activism in the welfare debate. It is substantial. It is a credit to the skilled people working in the State's bureaucracy that as many innovations have been carefully implemented in the past 8 years, and our State has earned its reputation on this issue.

Mr. President, I think it is important for people to know, since I served in the State Senate through many of the years this began, that the jury is still really out on the actual cause of the results Wisconsin has experienced—in other words, Mr. President, the sharp decrease in the welfare caseload, which has been impressive. We have had a

22.5-percent decrease in welfare from 1986 to 1994. But, Mr. President, the information we have is that this is probably not directly attributable in large part to the Thompson innovations but more likely to be attributed to unrelated aspects.

Similarly, while the Republican bill before the Senate seeks to reform welfare by slashing funding to the States, the one thing that we are pretty clear that Wisconsin does demonstrate is that significant investment is necessary in order to realize even the slightest measure of success in preparing people for and getting them to work.

Wisconsin's well-developed employment and training system, which features 30 one-stop-shopping job centers, is evidence of the investment that is really needed to get these kind of results.

Mr. President, there is also recent empirical evidence that the cause of Wisconsin's success is most likely the function of factors not very easily replicated in other States, simply through the implementation of program policies.

Michael Wiseman of the University of Wisconsin's Institute for Research on Poverty and the Robert M. LaFollette Institute of Public Affairs released a study in June 1955 entitled "State Strategies for Welfare Reform: The Wisconsin Story."

Wiseman traces the short history of Wisconsin's welfare reform efforts beginning with the Thompson administration's first waiver initiative in 1987. He analyzes caseload data, unemployment rates, manufacturing employment, and benefit and eligibility levels in the context of each policy initiative requiring a waiver in order to test a variety of reform experiments. We have had many of these experiments. Let me just mention the variety.

These experiments include:

Learnfare, which requires teenage children of AFDC recipients and teen parents to regularly attend school or the family losses benefits;

JOBS 20-hour requirement, which allows the State to require more than 20 hours of JOBS participation for mothers with preschool children;

Allowing lower benefits to be paid in the first 4 months after a job is taken;

Continuation of Medicaid benefits for 1 year;

Suspension of the 100-hour rule, which denies benefits if the principal earner works more than 100 hours in a month;

Bridefare, which allows welfare applicants under age 20, if they live together, to enjoy liberalized benefit and eligibility standards, but reduces benefits if a second child is born;

So-called two-tier benefits allow the State to pay the benefit level of the sending State for new residents—I would add, this is currently being challenged in the Federal courts as unconstitutional;

Prohibit ownership of a vehicle valued at more than $2,500; allow recipients to save up to $10,000 for education/training;

A program called Work, not Welfare, which provides intensive job preparation before requiring the recipient to work within 2 years or lose all benefits;

Family Caps, which denies additional benefits for additional children;

Work First, which requires participation in job search/preparation for 30 days before benefits can be received; and

Pay for Performance, which reduces the JOBS benefit for every hour of JOBS participation not completed.

The Wiseman study points out that Wisconsin's welfare caseload declined by 22.5 percent between December 1986 and December 1994. The study states that the decline is primarily associated with restrictions in eligibility and benefits, a strong State economy. Our State unemployment rate still hovers between 4 and 4.5 percent. And finally this is mostly correlated with large expenditures on welfare to work programs.

Wiseman goes on to state that continued reduction of welfare utilization is jeopardized by proposed changes in Federal cost sharing because the Republican plan requires no State match. Wiseman concludes that the special circumstances enjoyed by Wisconsin are unlike to be duplicated elsewhere.

He cautions that other States and the Federal Government should not assume that expanded State discretion alone will produce comparable gains unless accompanied by major outlays for employment and training programs, reductions in benefits, and tightening of eligibility requirements. He further cautions that the first policy is expensive to taxpayers, the second and third policies harm recipients.

Finally, just this past Thursday Governor Thompson unveiled a new statewide welfare program that replaces AFDC. This follows the recent State budget action, which transfers responsibility for administering welfare programs to the State's labor department. The new "W-2" Program places participants into four categories depending on their job readiness.

Those with the highest job skills will receive assistance from program staff to obtain full time private sector jobs. Those participants would also continue to receive food stamps and the EITC.

Second, participants with less proficient job skills will be placed in full-time private sector jobs on a trial basis, on-the-job training subsidized by the State, with food stamp and EITC eligibility.

Third, those who cannot secure private sector jobs or placed in trial jobs must perform community service for less than minimum wage with food stamp eligibility.

Finally, the fourth category would be for people who are unable to obtain or hold a job, and who would be required to work in sheltered workshops, volunteer and participate in job preparation programs.

What comes through with this latest proposal is the notion of high level investment throughout the Wisconsin plan. The notion that work comes first is another key element. It is sounding more and more like Governor Thompson is adopting the Work First strategy put forward in the minority leader's plan.

In conclusion, Mr. President, Work First will be effective, because it adopts an attitude of uplift rather than put down, it requires investment by the States, not the cut and run strategy of the Republican plan. It develops and preserves families, rather than providing incentives to disintegrate them. It aggressively addresses teen pregnancy first through prevention, and by requiring teens to live in supportive home, or second chance home environments.

So there is a very viable plan before us. It is a plan that brings together the best lessons we have learned in Wisconsin and that can actually be transferred to many other States. In that spirit I again thank the senior Senator from New York and yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I would like first to thank the Senator from Wisconsin and draw particular attention to the idea of second-chance homes. This is an idea that has been around for some while. It received very strong support from persons such as James Q. Wilson, of the University of California at Los Angeles, as one possible intervention in the reproductive cycle of young persons in situations where they are overwhelmed by the single-parent culture in which they find themselves living. Not 3 miles from this Capitol you will find such neighborhoods, such settings.

It is a deeply humane idea. It is an old idea—a maternity home. It may yet find a place in our response to the questions of illegitimacy—nonmarital births, if you like.

I am going to take just one moment, pending the Senator from Nebraska, to call attention to a matter in this regard. On the 1st of August, Mr. President, the Bureau of the Census put out its annual compilation called "Population Profile of the United States, 1995." In that summary there is a statement that, "26 percent of children born in 1994 were out-of-wedlock births."

That is discouraging, because it is not so. And the Bureau of the Census needs to know it is not so. They take this information from sample surveys, and survey responses in this regard are simply not dependable for reasons that do not have to be explained. Respondents are asked whether a child born to the family was out of wedlock. Some will say otherwise.

The actual number for 1992 from the National Center for Health Statistics, which counts every birth, it does not take samples—the number for 1992 was 30.1 percent. That is an exact count. I have estimated that it will have reached 32 percent by 1994. What 1995 will be—we are on that ascent. Nothing indicates it has changed. It may have moderated.

But, for the Bureau of the Census to say otherwise when it so easily could have left this matter to the National Center for Health Statistics, is a bit disappointing. The Bureau of the Census is a glorious institution and it makes mistakes. We all do. I just want to make that point.

I see my friend, the formidable and indomitable Senator from Nebraska, is on the floor. It is going to be an honor to hear from him.

I do not see any Senator from the other side of the aisle, and my friend from Iowa indicates he does not either, in which event, Mr. President, I hope the Senator from Nebraska might be recognized.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I rise this afternoon to respond to a speech made yesterday by the senior Senator from Texas.

Mr. MOYNIHAN. Will the Senator yield for just one moment?

Mr. KERREY. I will be glad to.

UNANIMOUS-CONSENT AGREEMENT

Mr. MOYNIHAN. Mr. President, I ask unanimous consent we might continue in session under the understanding that no amendments will be offered for such time as is required for the Senators who are now on the floor who would like to make statements. That includes Members on the floor who would like to make statements. Is that agreeable to the Senator from Iowa?

Mr. GRASSLEY. As long as, if we have Republicans come, they share time.

Mr. MOYNIHAN. Yes, of course.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Nebraska.

Mr. KERREY. Mr. President, my purpose in rising today is to discuss the statement that was made yesterday by the senior Senator from Texas who was here, among other things, to criticize the majority leader's welfare proposal for being too soft on illegitimacy.

Mr. President, at the start of my own comments about the welfare system—and I hope and expect to have several opportunities to come and discuss this issue—I would like to stipulate that I do not know a single welfare recipient. That is to say, I do not know a single welfare recipient on a first-name basis. Perhaps some of my colleagues do, but I do not. Perhaps some of those who argue so confidently about what works and what does not work have poor friends who are on welfare and thus speak from experience.

I do know and have friends who receive corporate welfare, and I know and I have friends who have argued with me forcefully about the urgent need for various tax incentives which will create jobs, promote homeownership, provide for investment in technology or stimulate exports.

I am on a first-name basis with lots of people who receive something for nothing but none of them are poor. And none of them appears to have become lazy or sexually promiscuous as a result of a taxpayer subsidy.

Mr. President, many of us are debating something about which we have little recent firsthand experience—poverty. In such circumstances, it would serve us well to acquire an attitude of humility as well as a little gratitude for the circumstances of our own births.

As our colleagues know, the Senator from Texas is an economist by training, and as such his thoughts ought to be respected. But they ought to be recognized for what they are—an economic analysis. As we examine this analysis and the proposal that springs from it, we should ask one question: Are teenagers and single mothers having babies as a consequence of a rational economic decision?

The Senator remarked on a television program over the weekend that the problem with welfare is that we punish work and family while rewarding people for not working and for breaking up families.

As far as this analysis goes, I agree with it. Our system of incentives is sending the wrong signal. We should reward behavior we want and discourage behavior we dislike. The Senator from Texas correctly notes that our welfare system has perverse incentives.

Unfortunately, his analysis causes him not to propose positive incentives for things we believe are right and negative for those we believe are wrong. Instead, he proposes to basically wipe the slate clean and punish everything. God help us if we wrote campaign finance laws with such an attitude.

Mr. President, the issue of teenage or out-of-wedlock birth is an emotional issue. We need to be certain as we discuss this issue that we calmly and rationally answer some basic questions before we begin our consideration of what our laws should say. The first of those questions is: Why are teenagers and single women having children? The Senator from Texas answers this question with an economic analysis. We are paying them to do it. For a teenager, he argues, a baby is a free ride out of a parent's home and a permanent meal ticket.

Research does not support this conclusion. Economic circumstances are not high on the list of reasons why our babies are having babies. While it sounds true, unfortunately, it is not. Such arguments make it seem that some Americans are poor because welfare benefits are too attractive.

Mr. President, I ask unanimous consent that an editorial that appeared yesterday in the Omaha World Herald be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

> [From the Omaha World Herald, Aug. 7, 1995]
>
> AN IGNORED LAW: STATUTORY RAPE
>
> The results of a study done by the Alan Guttmacher Institute indicate that at least half of the babies born to teen-age girls are fathered by adults. Have these men no sense? Have they no shame?
>
> Researchers said the study was the most comprehensive of its kind. Nearly 10,000 mothers between the ages of 15 and 49 were interviewed from 1989 to 1991. Researchers found that half of the babies born to mothers between ages 15 and 17 were fathered by men who were 20 or older. Generally, the younger a mother was, the greater the age difference between her and her baby's father.
>
> In California, a survey of 47,000 births to teen-age mothers in 1993 indicated that two-thirds of the babies were fathered by men of post-high-school age.
>
> Even disregarding the moral aspects of mature men sexually exploiting teen-age girls, there is a legal problem in some cases. It's known as statutory rape. The law wisely recognizes that young girls—and boys, for the matter—aren't as mature in their thinking and feelings as adults. Therefore, to seduce a person under a certain age when the seducer is above a certain age is a crime, whether the victim willingly participated or not. The ages vary from state to state. In many cases, a man 19 or older is guilty of statutory rape if he has sex with a girl 15 or younger.
>
> The Guttmacher study has implications for the campaign to reduce the number of teen-age pregnancies. If so many teen-age girls' partners are adults, then some educational programs and anti-pregnancy campaigns are misdirected.
>
> Moreover, stricter enforcement of the statutory rape laws may be needed. Certainly the Guttmacher study is a setback for the view that teen-age pregnancies are due mostly to teen-age hormones and immature kids who give in too easily to peer pressure or curiosity. The problem of youthful pregnancies, it turns out, is much more complex. And much more appalling.

Mr. KERREY. Mr. President, the Omaha World Herald is a conservative newspaper, one that all of us in Nebraska at least are familiar with if not read on a regular basis, and in yesterday's editorial they discussed an issue that is very relevant to the question of why are teenagers having children.

The headline for the editorial is "An Ignored Law: Statutory Rape," and the first paragraph references a study done by the Alan Guttmacher Institute which indicated that at least half of the babies born to teenaged girls are fathered by adults.

It goes on to describe that 10,000 mothers between the ages of 15 and 49 were interviewed between 1989 and 1991, and researchers found that half the babies born to mothers between ages 15 and 17 were fathered by men who were 20 or older, and generally the younger a mother was the greater the age differences between her and her baby's father. And the editorial goes on to describe, I think correctly, the need for increased vigilance by law enforcement people on the situation of statutory rape, I think a quite relevant and appropriate response given the analysis done by the Guttmacher Institute.

The Guttmacher Institute did not say that these young girls were having babies as a consequence of seeing a financial incentive.

Quite simply, teenagers are not examining Government benefits in general and making a rational economic choice when they decide to have babies, to the extent that this is a conscious decision at all.

If this was the case, we might solve the whole problem by investing a little extra training in basic mathematics for whomever it is who thinks having a baby on welfare is a clever financial planning strategy. The truth is that if you could count on teenagers to see far enough ahead and understand enough home economics to respond rationally to the carrots and sticks the Senator from Texas proposes, or in this case mostly sticks, then the solution to this problem would get pretty easy. The problem is that most of us do not know any teenagers who can manage their lunch money from day to day much less engage in a detailed analysis of welfare benefits and decide whether or not to have a child based upon it.

I do not know why children are having children; I do not have an easy, quick answer, nor can I in a simple fashion explain the terrifying breakdown in the American family in the last couple of generations. Senator MOYNIHAN, who knows more about this subject probably than anybody in this body and maybe perhaps anybody in this country, displayed some disturbing charts yesterday that reveal a frightening social trend. I did not look at them and envision a sea of poor Americans making a series of rational economic decisions to have children out of wedlock.

The Senator from Texas accuses the Democratic leadership of believing that having spent billions upon billions of dollars we can just handle poverty if we only spend a little bit more. I do not know anyone in the Democratic leadership who espouses this view. But let me say I do not consider it any more rational to say we can solve the problem just by spending more than it is to say, as the Senator from Texas does, that we can solve it just by spending less.

The fact is that ending poverty will in the end likely cost us money. This is an inconvenient fact, to be sure, but it is a fact nonetheless. We are overlooking it these days because we have gone chasing after a rhetorical refrain about "ending welfare as we know it," which, as I indicated at the start, is relatively easy for an awful lot of us since we do not know much about welfare. What we really mean, or should mean in my judgment is attempting to perhaps not end poverty but at least end the misery many still suffer as a consequence of it.

Ending welfare as we know it is a simple legislative transaction. Just get rid of it, which is the strategy reflected in much of what the Senator from Texas proposes. Ending poverty is much more difficult. It requires us to commit time and resources, which has become at least in some circles a political taboo in an age in which we seem to be competing against one another to see who can be the toughest.

Mr. President, I look forward to coming back to the floor to address this subject in more detail, but I thought a response to the senior Senator from Texas was in order. No one doubts his expertise as an economist, but before we get carried away with economic solutions we ought to be asking whether we are dealing with an economic problem. To some extent, we are. But to a very large extent we are not. It is helpful to make the distinction.

To close my first statement on welfare, Mr. President, I should declare that while I do not know on a first name basis one person who receives AFDC or AFDC child care support, I do know what it means to be on welfare. I do know what it is like to have the bottom drop out of your life, and while you are falling, to be caught in the net of American generosity.

Like many Americans who are wounded in wars and receive benefits that were earned in combat, I know that benefits given by our Nation do not have to make you lazy. They can make you grateful. I am forever grateful that I live in a country where people do care enough to try to help those who are suffering.

Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. May I simply say for one moment, I thank the gallant Senator from Nebraska for an extraordinary statement with such candor and accuracy. But I add to the preface, just one point: Ending poverty is nothing so difficult as ending dependency. And that is perhaps what we are mostly talking about here.

There are few Members, if any, in this Chamber who could meet a welfare mother and recognize her and call her by her first name. I think there are even fewer who know that kind of dependency in which you could have the city of Detroit with 72 percent of the children on welfare. None of us live in those neighborhoods. And we do well to have the courage of a man of servitude to say so.

Thank you, Mr. President.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. I believe we are alternating. And I believe the Senator has——

Does someone wish to speak?

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON addressed the Chair.

Mr. THOMAS. Mr. President, if I may say this, we went through this yesterday when I was presiding. We decided we would go back and forth. Is that still the arrangement?

The PRESIDING OFFICER. That is the arrangement. But in order to go back and forth, individuals on either side of the aisle have to ask for recognition from the Chair.

Mr. THOMAS. I would like to do that.

Mr. EXON. The only reason the Senator from Nebraska intervened was not because I want to interrupt the order, but when a quorum call was suggested, when this Senator waited last night and again this morning, I thought I might move ahead.

Mr. President, in order to go back to the usual procedure, I yield the floor.

The PRESIDING OFFICER. The Chair thanks the Senator from Nebraska.

Does the Senator from Wyoming wish to get recognition?

Mr. THOMAS. Yes, sir. Thank you very much. I am sorry we had this confusion. As I said, we went through that yesterday.

I will be brief, but I did want to use this opportunity to rise to support the leadership's bill. I support it, at least partially, because I think it has the best chance for success in the Congress, that it has the best chance to be the vehicle for doing something about change, something that I think we need to do. We have a monumental, historic opportunity now to overhaul a program that has been in place for a very long time, one that by almost any measure has not succeeded in producing the results that most of us want. It is not perfect, of course. None is perfect. On the other hand, they can be changed and should indeed be changed when we find that portions of it are not perfect.

The point of welfare, of course, is to put in place a program that provides the opportunity to assist people who need help and to assist folks to get back into the workplace. And that, it seems to me, has to be the measure. If that, indeed, is the measure, we have not succeeded. And there are those on the floor who simply want to continue to put more money into the program. But I suggest to you that there is little reason to expect change if we continue to do the same thing. So we do have a great opportunity.

I want to compliment the Senator from New York and the chairman of the committee for the intense effort that has gone into this. I think there has been a rational and reasonable debate. There will continue to be. There will be substantial differences of view, both philosophically and practically, as to how we go about this. But I hope we do keep before us the notion that there is a goal and a purpose that most of us can share; and that is to be compassionate, to be helpful, to help those who need help, but not to make it a career opportunity.

I was frankly surprised yesterday when the Senator from New York, in his numbers, showed that the median time on welfare was nearly 13 years. That is not the purpose of this program, and we need to do something about that. I believe strongly—and there will be disagreement about this—that the States are the best laboratory to do something. The States are the best place to devise programs and to deliver services that meet the needs of that particular State. My State of Wyoming has different kinds of needs than does New York State or Pennsylvania. And we need to have the flexibility to be able to do that.

There are those who will say, "Oh, no, the States don't have the compassion to do that. The States won't do this job."

I do not agree with that. I do not think there is any evidence at all to show that there is more compassion in Washington, that there are better ideas in Washington than there are in the States. I believe strongly in moving government closer to the people who are governed. And I have great confidence there.

Mr. President, there are a number of issues. Of course, one of them will be the block grants and how much authority we give to the States. Let me just check in on the side of giving them as much authority as we can, making it as available to the States to put together several programs and then administer them as they believe it is best.

I think there will be discussion about work opportunities. Let me tell you that we have had a program of work opportunities in our State, started by the last Governor, a Democrat as a matter of fact, but it has been limited to relatively few counties because we cannot get a waiver to go forward with it. It has worked.

Wyoming wants to do that. We want to help people to be trained and to be able to work. It requires 35 hours of work a week. It is a good program. We have worked with the Smart Card Program in terms of food stamps that we cannot get a waiver to move it on. And it does work. It helps with fraud and abuse.

So, Mr. President, in general I think that is one of the issues here. We ought to give the States as much authority to do what they want to do. The question, of course, of limiting payments to unwed mothers is one that will also be of great conflict here. I have to tell you that I do not favor that idea. But I do favor giving States the opportunity to do what they think is best. I do favor the notion that we ought to get away from cash payments and provide an opportunity for young unwed mothers to either stay at home or stay in a supervised living arrangement where they can go on and be trained and be useful members of society. I think we all agree with that.

So, I am not going to take a great deal of time, but I again want to say that I think this is one of the issues that is really a pivotal issue in whether or not this Congress lives up to the expectations that people put on us this year. I know it is not a simple issue, but I do know that we ought to find and resolve it and come to closure. We ought not to find ourselves in the position of continuing to extend and avoid a decision by having endless amendments.

Now, I suppose some will say, well, this is a deliberative body. There ought to be no limit. I have a little trouble with that. We ought to really seek to come to closure and seek to find some solutions. And there are some that we can find. And they are not partisan. Not all of the right answers are on this side of the aisle. They are not all on the other side. But I can tell you one of the answers that is not acceptable, and that is to continue to do what we have been doing and expect there will be changes simply because we say, well, we are going to just put some more money into it. It does not work. We have had plenty of experience on that. So I think we did receive a message.

I think we are serious about breaking the cycle of welfare. I think we are serious about continuing to provide help to people who need it and serious about helping people to get off of that cycle so they can get into the system. I think we are serious about reducing the role of the central Government and strengthening the role of State governments. And the votes we cast in the next few days will give us some answers to these questions.

So, again, Mr. President, I want to congratulate our leaders on the floor on this. They have done an excellent job, and continue to do so. And it is not easy.

All I urge is that we do come to some closure, we make some decisions, and move forward in the area that we think is best.

Mr. President, I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, if I can resume for just a moment to thank the Senator from Wyoming for his statements, to share his sentiments and, particularly, to address this matter of a second-chance home for very young mothers in settings where they can live independently, and neither should they be in the setting from which they came, from which many of them are, in fact, fleeing. It is an old idea whose time may have come round once again.

I appreciate the Senator's statements in that regard.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I want to add my thanks to those that have been said by many of my colleagues on both sides of the aisle this morning for the good leadership that we, obviously, have in the forefront of the U.S. Senate as we face this very, very difficult but must-do task of reforming welfare.

Certainly, my colleague and friend from New York, the former chairman of the Finance Committee, has been trying to get this reformed for years and years and years. I say to the Senator from New York, Senator MOYNIHAN, his dream is about to come true, I think. I appreciate the thoughtful leadership that he has provided over the years, the thoughtful bipartisan leadership that he has provided, and his counterparts on the other side of the aisle, as we move forward on this important matter.

I have brief remarks, comparatively speaking, with regard to the welfare matter before us. Before I go into that, I warn all, I suspect we are not going to complete action on the welfare reform matter before we finally get to our shortened recess. During that time, there are going to be lots of wars going on, financed by special interests, on the radio and television.

In that regard, I will simply advise all Senators, but more importantly, the public at large, that they should have seen the "Nightline" show last evening. The "Nightline" show last evening went to the heart of what I suspect will be foremost on our airwaves during the recess, particularly with regard to the welfare reform bill.

The "Nightline" program last evening went into great detail with regard to the totally unprincipled lobbying that is being done by certain high-minded interests with regard to the telecommunications bill we wrestled with in the Senate not long ago and which passed the House of Representatives last week.

The House Members were deluged in the last few days of that debate by stacks and stacks of mail from their constituents. We all want to get mail from our constituents. We are here to represent them. But, clearly, I think with the investigation that is now being promised by prominent leaders of the House of Representatives, we may begin to get to the bottom of some of the problems that we have with the democratic processes today that are being perverted by money and moneyed interests.

The "Nightline" show last night went into great detail about the mountains of mail that was being received, supposedly from constituents on a voluntary basis. There is an alarming trend developed with regard to the brief investigation that has so far been done on the amount of mail being received by House Members from their constituents that their constituents were not writing to them at all, but their constituents' names were on the bottom of preprepared mailings. They had several instances of people live on the "Nightline" show last night whose names and addresses were signed to memorandums or lobbying or constituent letters, depending on how you want to describe them, people who never sent the letters. Letters were signed by dead people. Letters were signed by one person who knew nothing about it. In fact, he was bicycling in Europe someplace during this time.

So I hope that the House of Representatives will pursue their investigation to see how moneyed interests, with highly paid expert lobbyists, cannot fool the public all of the time but sometimes they can fool Members of the Congress by totally fraudulent avalanches of mail sent in for a specific purpose, to vote one way or another on a bill when the constituent had no knowledge of it whatsoever.

Certainly, the new modern revelations and revolutions that we are having in communications today has given a new power into the hands of the manipulators, the highly paid manipulators that dwell inside the beltway. The "Nightline" program showed some of that last night.

This is simply a forerunner to say that at the present time, there are highly paid advertising schemes going on on television. I say, again, that the majority of the people cannot be fooled all of the time, to partially quote Abraham Lincoln, but it is clear to me that a substantial portion of the public can be fooled, temporarily at least, and can be led into writing their Members of Congress on something with a key phrase or two. The key television phrase that is being used against Democrats in five States today, Democrats up for reelection, is to "Write your Democratic Senators and tell them to support workfare." Boy, that is a catchy phrase. There is an untold amount of millions of dollars spent today, first, to see what catchword or phrase rings with people and "workfare," of course, is something that most people would like to see.

So thousands and hundreds of thousands of dollars will be spent by money groups and political parties during this recess to bombard the Members of the House and the Members of the Senate. I emphasize once again and I invite, I encourage, and I have a significant staff that works with me in responding to constituent suggestions. I want legitimate input from my constituents. I do not want my constituents or my office or this Senator to be taken advantage of by the high-price money that has invaded the political system.

We, in the House and Senate, are partially to blame for this ourselves because we are the first ones who started to divert the political system with high-paid, efficient attack ads—attack, attack, attack—and maybe I can win whether I should or not. There is nothing shameful that millions of dollars cannot overcome and at least temporarily justify. It is wrong. Therefore, I hope that the welfare reform bill we are talking about today will not be unduly influenced by money through television and radio advertising that is intended to mislead the public rather than inform it.

I think we all remember very well that key television ad of last year that made it impossible, because the people were misled temporarily, that ad where Lucille and her live-in boyfriend were sitting at the table in the kitchen saying—it was the most effective television ad I had ever seen. They were talking about the problems that Americans have meeting their medical expenses. And then they talked about the President's plan. They said, "He is trying to do something about it," but the key line at the end was, "But there must be a better way."

That is the old technique that the trial lawyer used in trying to plant doubt in the minds of the jurors. If you can plant a doubt, then you are not going to get a conviction. There are lots of things wrong today, but I think things are right when we are tearing into the matter of welfare.

I rise in support of the amendment to be offered by the distinguished minority leader and Senator BREAUX, the Work First welfare plan, the only one of its kind that I know about today.

The Work First welfare reform plan is a step in the right direction and should be the rallying cry around which we can all gather, Democrats and Republicans, to get something constructively done with regard to welfare reform. The Daschle-Breaux plan attacks welfare reform head-on. It helps turn welfare recipients into productive breadwinners. It weaves a safety net that protects the children of welfare parents. It allows the States greater flexibility to administer their welfare plans and to make positive changes.

If I were to summarize this amendment in one word, it would be: responsibility. It requires the responsibility of those currently receiving welfare to take charge of their lives and find work. Responsibility is a two-way street. The amendment requires the Federal Government to act responsibly by making sure that the States will have sufficient funding and oversight to do the job properly.

Mr. President, the current welfare system has veered off course. Senator MOYNIHAN has demonstrated and talked about this time and time again. There is no doubt about that. Not enough welfare recipients are making the leap from support to gainful employment. The well-beaten path of welfare has become a dangerous rut that grows deeper and deeper with the years. For many, welfare has become a permanent state of existence.

Welfare's failings did not develop overnight, nor will they be solved in a day and a night. However, in the past decade, we have taken constructive steps to reform the system and we build on these reforms with this amendment. In 1988, I vigorously supported the Family Security Act, which was signed into law by President Reagan. That bipartisan legislation, passed by a vote of 96 to 1, provided States with the flexibility to establish programs to assist with job skills, education, and child care.

The philosophy behind the Family Security Act is as sound today as it was 7 years ago. We best help people in need by giving them the tools to get off of welfare and onto the job rolls once and for all.

Unfortunately, while some States showed modest success in implementing their reform programs, the Family Security Act never achieved its full potential. Welfare reform continues unabated, however, in many States, including my State of Nebraska. And the Democratic amendment provides the States with the flexibility and funding to carry out and administer those reform plans. Let me briefly explain how.

First, the Daschle-Breaux plan replaces the unconditional, unlimited AFDC aid with conditional benefits over a limited period of time. I believe that most Americans would agree that there has to be an endpoint to benefits for able-bodied adults. Otherwise, we find ourselves still saddled with a welfare system that is self-perpetuating.

Second, the Democratic leadership amendment emphasizes work. Let me repeat that. The Democratic leadership amendment emphasizes, above all else, work. Welfare reform without work is but a hollow promise. For States the plan establishes the Work First block grant, giving them the resources and flexibility to assist welfare recipients to obtain work. By the year 2000, States will be required to put 50 percent of eligible recipients into jobs. In addition, the States will be penalized for missing the target and rewarded for surpassing it.

The Democratic plan emphasizes a partnership between parents and the States through the parent empowerment contract. Parents must engage in an intensive job search, or have their benefits reduced. Moreover, the plan provides incentives to stay in the work force by adding an additional 12 months of child care and Medicaid for those who go to work.

Third, the Democratic plan is sensitive to the consequences of welfare reform—especially as to how it affects children. Children should not be pawns in this debate. I would never hold children hostage merely to satisfy some ideological itch. Rationing assistance to innocent children is not only heartless, it is terribly shortsighted. The Democratic plan protects the well-being of children above all else. They are not left to the vagaries and whims of local conditions and officials. They are not pitted against competing interests. They are not shortchanged on services. If a mother loses her benefits after a 5-year time limit, her children will still be eligible to receive assistance for housing, food, and clothing.

Fourth, the Democratic leadership plan cuts and invests. It cuts spending by reducing the welfare rolls and invests those savings to provide even greater rewards for the American taxpayers. This is fiscal responsibility.

Mr. President, I am fearful, however, that other well-intentioned proposals essentially bundle up the problem and shuffle it off to the States. As a former Governor, I see concerns here. We must not just pass the welfare problem on to the States without some assurance that it can be financed. You simply cannot, in my opinion, pass the buck without passing the bucks.

In conclusion, Mr. President, I want to remind all that earlier this year, I was one of four original cosponsors of the unfunded mandate bill. We passed that legislation, and the President signed it into law. This is one of the greatest accomplishments of the 104th Congress. We had bipartisan support for the unfunded mandates bill, and for good reason. From town councils to the Governor's mansion, we heard the cry for relief from unfunded mandates. For too long Congress shifted the costs of regulations and mandates to the States. Their ledgers bled from red being forced to comply with the unfunded mandates.

The Republican formula for block grants is troubling, especially to States like Nebraska that have a growing poverty population. Under the new formula, Nebraska will receive no additional funding above the 1994 level. However, in the early 1990's, my State's AFDC population grew by 18 percent. We also have experienced a 24-percent increase in the number of children living in poverty over the last 3 years. So I am very concerned that my State might not have the resources that it needs for a safety net for our poor children.

Mr. President, the Republican claim that they put welfare recipients to work is not a valid one. One of my Republican colleagues has said on countless occasions that folks should get out of the wagon and start to pull. That may be an appealing sound bite, but despite the modification made by the majority leader yesterday, this Republican initiative does little to ensure that goal. The Republican bill is not tough love, it is just tough luck.

If we are truly sincere about welfare reform, we have to help people get and keep jobs and keep them off of welfare. If we want to put people back to work, we have to help them with training and job placement. Our society and our world has changed dramatically from the days when a high school diploma could alone still land you a good job. We are in an economy that puts a premium on education and training. Yet, other plans provide no incentive or resources for either the States or individuals to get welfare recipients into the workplace and keep them there.

We can do better, and we must do better, with the likes of the Daschle-Breaux amendment.

There are now plans underway to tighten the provisions being considered to the Democratic proposal. We offer an open invitation to come join us, to work constructively together with suggestions.

It is my hope that we can move ahead on this matter in a true bipartisan fashion and carefully consider a consensus. But let me emphasize, Mr. President, unreasoned haste can clearly make matters worse on this measure, which is of great import and great magnitude. Mr. President, we should work together.

I yield the floor.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent the unanimous-consent order be extended until 1:15.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Senator from Nebraska not only for the generosity of his remarks, the clarity of his concern, the depth of his concern, but to connect his opening remarks to the closing remarks.

I do not think the Senator will receive many letters from welfare recipients. I do not think many of those children will be writing postcards. No one, certainly, will be paying them.

That, Mr. President, is the nub of the issue. We are talking of people who have but little voice in this land and less real influence in the end. We are seeing it all about us now.

Mr. President, the Census Bureau has just released the "Population Profile of the United States: 1995" which reports that "26 percent of children born in 1994 were out-of-wedlock births."

However, according to the National Center for Health Statistics figures which I have frequently cited, the illegitimacy ratio was 30.1 percent in 1992, and I estimate that it will have reached 32 percent in 1994.

According to Martin O'Connell, Chief of the Fertility Statistics Branch of the Census Bureau, "The higher figures are correct. The 'Population Profile' seriously undercounts the number of children born out of wedlock as the figures it reports are based on a small sample and incomplete information. Senator MOYNIHAN is right."

This is one area where precision of fact is imperative. In order to understand a problem, we must first be able to accurately measure it, and few problems are of such enormous consequence as this unrelenting rise in illegitimacy.

RECESS UNTIL 2:15

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour of 2:15 p.m.

Thereupon, the Senate, at 1:12 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. COATS].

THE FAMILY SELF-SUFFICIENCY ACT

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. SHELBY. Mr. President, no one disagrees that the current welfare system is in shambles. Since the beginning of President Lyndon Johnson's War on Poverty, government, at all levels, has spent more than $5.4 trillion on welfare programs in America. To understand the magnitude of $5.4 trillion, consider what could be bought for it.

For $5.4 trillion, one could purchase every factory, all the manufacturing equipment, and every office building in the United States. With the leftover funds, one could go on to buy every airline, every railroad, every trucking firm, the entire commercial maritime fleet, every telephone, television, and radio company, every power company, every hotel, and every retail and wholesale store in the entire Nation.

While many Americans may not know the exact dollar amount of the War on Poverty, there is a public understanding that more and more taxdollars are coming to Washington and being funneled into programs that are having little effect. Despite a $5.4 trillion transfer of resources, the poverty rate has actually increased over the past 28 years. During this same period, the out of wedlock birthrate skyrocketed from 7 to 32 percent, and currently one in seven children in America is raised on welfare. Moreover, this massive spending has done nothing to alleviate drug use, child abuse or violent crime—all of which have sharply increased during this period. In short, our current welfare system has failed miserably. It has exacerbated the very problems it was created to solve, and it should be dramatically overhauled now.

The first priority of reform should be to change the incentives in the current system which undermine the traditional family structure. Today, the Government pays individuals, including teenagers, up to $15,000 per year in cash and in-kind benefits on the condition that they have a child out of wedlock, do not work and do not marry an employed male. That is a cruel system, since we know that work and marriage are two of the most promising avenues out of poverty. We should not be surprised that years after this policy was instituted, the out of wedlock birthrate has reached 80 percent in many low-income communities. That means that 8 out of 10 children born in many neighborhoods in America do not know what it means to have a father. The results of this condition are devastating, not only to the children, but to the parents, and to society as a whole.

I believe the time has come that Congress should end the practice of mailing checks to teenagers who have children out of wedlock. Teenagers themselves are still children, and to simply mail them a check and forget about them is a cruel form of so-called assistance. I know of no private charity which assists people in this manner. We should continue to provide for these young mothers and their children, through adoption assistance, vouchers for child care supplies, food and nutrition assistance, and health care assistance. But, this Nation should no longer dole out cash to unwed teenage recipients. Several amendments will be offered during the course of the debate on welfare reform to accomplish this, and I intend to support them.

The second priority of reform is to reinstill the value of work into our welfare system. No civilization can successfully sustain itself over a long period of time by paying a large segment of its population to remain idle. The current system discourages work, because nothing is required from those who receive assistance, and in many instances, welfare pays better than a normal job. I support the efforts of the chairman of the Finance Committee to change that by requiring welfare recipients to work in exchange for their benefits. Under this legislation, welfare will no longer be free. Taxpayers have to work hard everyday, and those receiving public assistance should do the same.

Finally, true welfare reform means saving money. In the past, welfare reform has meant digging a little deeper into the taxpayers' pockets for more money to transfer into ineffective Federal programs. Federal, State, and local governments spent $324 billion on more than 80 different welfare programs in 1993—that is an average of $3,357 from each household that paid Federal income tax in 1993. We must reject the idea that somehow, $324 billion is not enough. Real welfare reform should result in fewer people needing welfare and generate savings to be returned to the taxpayers. The Work Opportunity Act will save more than $60 billion over the next 5 years by returning control over welfare programs to State and local officials with a fixed dollar amount from Washington. This will give State and local officials the ability to improve their services to poor people without waiting on the dilatory approval of Washington bureaucrats.

The American people have demanded welfare reform not because they are stingy or spiteful toward the poor and needy. Rather, they have demanded reform because they have seen a system which has destroyed the hope and dreams of millions of Americans by trapping them in cycles of dependency and encouraging self-defeating behavior. Welfare has been fertile soil for child abuse, neglect, homelessness, and crime. By strengthening the traditional family, requiring work in exchange for benefits, and bringing financial discipline to our current welfare system, we can change welfare from a system of hopelessness to one of hope, from a system of dependency to one of responsibility. We owe it to welfare recipients, their children, and society, to do no less.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Mr. PACKWOOD. Mr. President, will the Senator yield for a unanimous-consent request that has been agreed to?

Ms. MIKULSKI. Yes.

Mr. PACKWOOD. I ask unanimous consent that the Senate continue with debate on H.R. 4, the welfare reform bill, until the hour of 4 o'clock today without any amendments.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. PACKWOOD. I thank the Senator.

The PRESIDING OFFICER. The Senator from Maryland.

Ms. MIKULSKI. I thank the Chair.

It is with great enthusiasm that I rise to support the Work First Act, the Democratic alternative on welfare reform. I support it with enthusiasm because it is firm on work, provides a safety net for children, brings men back into the family for both child support and child rearing, and at the same time provides State flexibility and administrative simplification.

Mr. President, I am the Senate's only professionally trained social worker. Before elected to public office, my life's work was moving people from welfare to work, one step at a time, each step leading to the next step, practicing the principles of tough love.

This is the eighth version of welfare reform that I have been through—as a foster care worker, as a child abuse and neglect worker, a city councilwoman, a Congresswoman, and now a U.S. Senator. Each of those previous efforts in times have failed both under Democratic Presidents and under Republican Presidents. It failed for two reasons. One, each reform effort was based on old economic realities, and, second, reform did not provide tools for people to move from welfare to work—to help them get off welfare and stay off welfare.

I believe that welfare should be not a way of life, but a way to a better life. Everyone agrees that today's welfare system is a mess. The people who are on welfare say it is a mess. The people who pay for welfare say it is a mess. It is time we fix the system.

Middle-class Americans want the poor to work as hard at getting off welfare as they themselves do at staying middle class. The American people want real reform that promotes work, two-parent families, and personal responsibility.

That is what the Democratic Work First alternative is all about. We give help to those who practice self-help. Democrats have been the party of sweat equity and in our Work First bill have a real plan for work. Republicans have a plan that only talks about work, but does not really achieve it.

Democrats have produced a welfare plan that is about real work, not make work. That's why we call our bill "Work First," because it does put work first. At the same time, it does not make children second class.

Under our plan, from the day someone comes into a welfare office, they must focus on getting a job and keeping it, and work at raising their family.

How do we do this under the Work First plan?

First, we abolish AFDC. In its place, we create a program of temporary employment assistance.

Second, we change the culture of welfare offices—moving welfare workers from eligibility workers to being empowerment workers. Social workers are now forced to fussbudget over eligibility rules. Under the Work First Act, social workers now become empowerment workers. They sit down on day one with welfare applicants to do a job readiness assessment. So they can find out what it takes to move a person to a job, stay on a job, and ensure that their children's education and health needs are being met.

Third, everyone must sign a parent empowerment contract within 2 weeks of entering the welfare system. It is an individualized plan to get a job. The failure of individuals to sign that contract means they cannot get benefits.

Fourth, everyone must undertake an immediate and intensive job search once they have signed that contract. We believe the best job training is on the job. Your first job leads you to the next job. Each time you climb a little bit further out of poverty, up the ladder of opportunity, and at the same time we reward that effort.

Yes, this is a tough plan with tough requirements. It expects responsibility from welfare recipients. Everyone must do something for benefits. If you do not sign the contract, you lose your benefits. If you refuse to accept a job that is offered, you lose benefits. If, after 2 years of assistance, you do not have a job in the private sector, then one must be provided for you in the public sector.

No adult can get benefits for more than 5 years in their adult lifetime. If you are a minor, the 5-year limit does not apply, so long as you are able to stay in school and receive benefits.

So, yes, we Democrats are very tough on work. Everyone must work. Assistance is time limited and everyone must do something for benefits. If you do not abide by the contract, then you lose your benefits.

What else do we do under the Work First plan? We provide a safety net for children. We not only want you to be job ready and work-force ready, we want you to be a responsible parent. That's why we require parents, as a condition of receiving benefits, that you make sure your children are in school and that they are receiving proper health care.

Once you do go to work, under the Work First plan we will not abandon you. We want to make sure that a dollar's worth of work is worth a dollar's worth of welfare. While you are working at a minimum wage, trying to better yourself, we will provide a safety net—child care for your children, continued nutritional benefits, and health care. We want to be sure that while you are trying to help yourself, we are helping your children grow into responsible adults.

I do not mind telling people that they must work. Because in asking them to take that step, our Work First plan makes sure they have the tools to go to work and that there will be a safety net for their children.

Unfortunately, the proposed Republican welfare bill does none of these things. It does not look at the day-to-day lives of real people and ask what is needed to get that person into a job. The people we are telling to go to work are not going to be in high-paid, high-tech jobs. We know that mother who wants to sign a contract that requires her to work will be on the edge when it comes to paying the bills. We know that she will have serious problems with finding affordable and quality child care unless she has a mother or an aunt or a next door neighbor to watch her kids.

The Republican bill does not provide enough money to pay for real child care. Suppose that mother lives in suburban Maryland or Baltimore City or the rural parts of my State? She does the right thing; she gets an entry-level, minimum-wage job. She is going to make about $9,000 a year, but will have no benefits. She might take home, after Social Security taxes, $175 a week. But if her child care costs her $125 a week, that leaves her $50 a week for rent, food, and clothing. How do we expect this woman to support a family on $50 a week? There would be no incentive to do that.

So that means, under the Republican welfare bill, she must jump off of a cliff into the abyss of further and further poverty. Where moving to work puts her at an economic disadvantage. The Democratic bill wants to help people move to a better life. The Republican bill will push them into poverty through its harsh, punitive approach.

Welfare reform is about ending the cycle of poverty and the culture of poverty. And the Democratic Work First plan will tackle both.

Ending the cycle of poverty is an economic challenge. It means helping create jobs in this country and then making sure that our country is work-force ready and that welfare recipients are ready to be part of our new economy.

But welfare reform must also end the culture of poverty, and that is about personal responsibility. It is about bringing men back into the picture. It is about tough child support, saying that if you have got the stuff to have a child, you should have the stuff to support that child and rear that child.

We believe that the way families will move out of poverty is the way families move to the middle class—by bringing men back into the picture, having two-parent households, ensuring that there are no penalties to marriage, or to families going to work.

So, Mr. President, Democrats in this debate are firm on work and personal responsibility. We believe that the Democratic welfare reform alternative will bring about these results. That is why I support it with the enthusiasm that I do.

I yield back the floor.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I may state a different tack. I am sincere when I say this. I do not care which party straightens out this country just so one of them does. I have felt that way for a long time.

Mr. President, I am pleased that debate in the Senate has finally begun on the issue of the fundamental reform of America's welfare system. There are all sorts of plans floating around. And my view is, let us get one that has a minimal amount of Government in it and proceed with a sensible welfare plan. Efforts to move away from the disastrous welfare state—some call it the dependency state—is long overdue. We have seen the bitter fruits of what has followed this business of trying to socialize welfare.

We must pray that the Nation can somehow recover from the destruction of the basic fundamental precepts and principles, the moral and spiritual principles, if you will, laid down by our Founding Fathers. And a lot of damage has been done to all of those by the effort to have the Government provide for everybody, causing so many to decide that it is better not to work and just to sit back and get a welfare check.

Now, that will cause screams in some quarters, but most Americans know it is so. Welfare as it now exists is a clear example of a Government program intended to be compassionate, but which, in fact, is demonstrably destructive, even to people to whom the political system gives benefits financed by citizens who work for a living.

The welfare system has discouraged work. It encourages dependency. It encourages single motherhood and the breakup of families. Look at statistics. It is all there for people to perceive.

Mr. President, a clear signal has been sent to the American people that the liberal policies of the past are and have been an abject failure. Congress must cease its sorry practice of cranking up more and more giveaway programs for the purpose of buying votes in the next election. It is time to stop throwing the taxpayers' money at pie-in-the-sky Federal programs instead of working to get to the root of the problem.

So, here we are. The Senate now confronts the responsibility of deciding how significantly the Congress will reform the welfare system if some Senators will let the consideration proceed.

Mr. President, it is not a matter of being for or against helping those in need. It is a matter of setting the parameters of welfare so that every able-bodied citizen will feel obliged to go to work instead of sitting back to receive free sustenance from the working taxpayers. Past policies of dumping that burden entirely on the shoulders of the American taxpayers has never worked, and it never will.

There are many citizens across the country who are working to restore personal responsibility in this regard. I have a couple of remarkable ladies in mind when I say that. First, there is Mattie Hill Brown, of Wilson, NC. Now, we call her "Miss Mattie." She was recently awarded the prestigious Jefferson Award for Outstanding Community Service.

Mr. President, you know what she does? Do you know why she was given this award? This remarkable lady gives freely of her limited income—and it is limited—to prepare and deliver meals to truly needy people. Her generosity is direct and it is personal. It is independent of all administrative agencies, public and private. She wants to do it because it is a desire of her heart and from her heart to help others.

And then there is another lady. She is from Texas, Houston, TX. Her name is Carol Porter. Mrs. Porter is a remarkable lady who founded Kid-Care, Inc., a nonprofit group that helps feed some of Houston's neediest children. And Kid-Care will accept no government funding, not a penny. "I'm against people saying, 'Let the government do it,'" Mrs. Porter once said. Then she added, "It's time for Americans to feed needy Americans"—not the Government, but individual Americans out of the compassion of their hearts.

Oh, we can sit up here in the U.S. Senate and spend other people's money and we can say how generous we are. But until we do it ourselves and sacrifice ourselves, it does not mean a thing. Mr. President, history shows clearly that efforts to shift the responsibility of welfare from individuals and communities to the Federal Government have failed. You can see that failure all around you, you can see it within three blocks of this U.S. Capitol.

Now, since Lyndon Johnson led the Nation down the road to what he called the Great Society in the middle 1960's, the predictable result has been massive Federal spending, mushrooming Federal debt.

By the way, the Federal debt is going to cross $5 trillion within the next 30 days. Watch it.

It has led to increased poverty and, unfortunately, millions of Americans are locked into the welfare cycle. In 1988, Congress enacted the Family Security Act, which ostensibly reformed welfare to reverse the errors that were apparent, the errors of the past.

They were continued, of course. But supporters of that legislation boasted at the time that it would "revise the AFDC program to emphasize work and child support and family benefits * * * encourage and assist needy children and parents under the new program to obtain the education, training and employment needed to avoid long-term welfare dependence."

If that is not a political declaration, I do not know what it is.

It is encouraging to note that neither Democrats nor Republicans now propose to perpetuate the JOBS Program, which is an entitlement to education and job training for AFDC recipients. It was created in the 1988 act. By the way, that one act in 1988—this business of Congress giving away other people's money—has run the Federal debt up $8 billion since 1988. It has increased the Federal debt for our children and grandchildren to pay by $8 billion.

One reason for its failure is the large number of exemptions from participation in the JOBS Program. Currently, 57 percent of AFDC recipients are exempt from JOBS for one reason or another. Of the nonexempt only 11 percent are currently participating and all the rest—all the rest—are living off the taxpayers.

These policies have not helped to end poverty in America. Just the opposite. As of 1993, there were 15.1 percent of Americans in poverty as compared to 13 percent when that reform took place. That is a 2-percent growth in the number of people in poverty.

Yet, Senators agreed that this legislation would end welfare as we know it. We must not make that mistake on this welfare reform.

In addition, Mr. President, 76 percent of AFDC recipients receive cash benefits for 5 years or more. That is certainly not the intended effect of the 1988 legislation.

The point is, we must not miss the opportunity now to institute real reform of the welfare system. No longer should the taxpayers be forced to subsidize able-bodied people who just prefer not to work. We must provide individual responsibility and stop turning to the State and Federal treasuries for millions of borrowed dollars, the tab for which will be passed along to our children and grandchildren.

Opinions differ as to what aspect of America's welfare system has been the greatest failure, in terms of principle. The fraudulent Food Stamp Program or the failed JOBS Program or the bloated bureaucracy—the list is endless. The one segment of Federal Government control that is in most need of reform, however, is welfare.

This past April, at Elon College, NC, the Right Honorable Margaret Thatcher, former Prime Minister of Great Britain and a close personal friend of Dot Helms and me, came down to speak to a convocation. She encouraged Americans, especially the young people in the audience, to take another look at our welfare system, which she explained that day fosters what we call dependency, dependency on Government welfare.

Margaret Thatcher said: "Of course you have to help people out of poverty. The Good Samaritan was the first."

But then she said: "What happens when the system you have for getting people out of poverty produces more people in poverty, generation after generation after generation?"

Maggie Thatcher, of course, was right. She has been repeatedly right in her challenges to Government socialism and in her defense of the free enterprise system.

But there is another authority who is a favorite of mine. His name is Paul, the Apostle Paul who, in his Second Epistle to the Thessalonians, chapter 23, verses 7 through 10, and I am going to quote the modern version, had a thought or two about this issue which we call today welfare. Paul wrote to the Thessalonians and said this:

> We were not idle when we were with you, nor did we eat anyone's food without paying for it. On the contrary, we worked night and day, laboring and toiling so that we would not be a burden to any of you.

And then the Apostle Paul said:

> We did this, not because we do not have the right to such help, but in order to make ourselves a model for you to follow. For even when we were with you, we gave you this rule. If a man will not work, he shall not eat.

Whether we like it or not, and I happen to like it very, very much, the Apostle Paul was exactly right when he wrote his Second Epistle to the Thessalonians. Margaret Thatcher is right in what she says. All the others down through history who have sounded the same tocsin in various ways, they have been right, they have been telling us, "Watch out."

Mr. President, political hi-jinks in this matter should be laid aside so that the Senate can have a meaningful welfare reform bill considered and enacted and sent to the President of the United States for his signature. The people have made clear that this is what they want. They have made clear that if we do not deliver, they will not forget it.

Mr. President, I yield the floor.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mrs. FEINSTEIN. I thank the Chair. Mr. President, I have been listening very carefully to this debate; this discussion. I think it is fair to say that there are some who believe this debate is a battle for the Nation's soul. There are others who believe it is a battle for the Nation's heart. And there are some, I among them, who believe that it is a battle for the Nation's future.

At its best, welfare reform can contribute to the work ethic and upward mobility of large numbers of people. At its worst, it can fuel poverty and desperation, and it can take us back to those days best characterized by Charles Dickens in some of his novels.

The results of our actions here will be evaluated by generations to come. I truly believe that the ultimate test of a civilization is, as Albert Schweitzer once stated, a civilization is known by how that civilization treats the least among them.

So I sincerely hope that one day we will be judged as having met the challenge of welfare reform with light rather than heat and with practical solutions.

I know there are many who believe they have all the answers, but the ultimate test of whether we succeed in what we do here is whether more people will be working tomorrow than today, and whether more people will be able to support themselves than today, and whether children will be better off or worse off.

Any bill for welfare reform, I think, because of the gravity of the situation in the largest State in the Union—California, must be looked at by how it impacts that State. California today comprises 12.3 percent of our Nation's population, with more than 32 million residents. It has 18.6 percent of the country's welfare caseload. It is home to 38 percent of all legal immigrants, including 42 percent of the Nation's immigrants who receive SSI. It has one-third of the Nation's drug- or alcohol-addicted SSI caseload, and almost one-fifth of the national AFDC caseload.

So I believe it is fair to say that any successful welfare bill will have a major and dramatic impact on virtually every walk of life in the State of California.

Let me begin by laying out what I think are the necessary components of any successful welfare reform bill and how it relates to California. The first issue is entitlements. I believe that the consensus is broad that the time has come to eliminate the entitlement status of welfare. Our system of entitlements has reached a point where there are more people entitled to benefits than there are people willing to provide them. That is a major difficulty.

I have had people, particularly young people, tell me that they believe they have a right to welfare. They interpret the entitlement status as giving them a basic right to this program. I do not agree, and I believe that the notion that welfare is a right has, in a sense, contributed to the collapse of the system. People in need should have temporary assistance, but they are not entitled to a lifelong grant.

Anyone who has ever had responsibility for running a welfare system knows the challenges, but one of the biggest challenges is the welfare bureaucracy itself. I remember somebody bringing to the floor a pile of documents that it took to qualify somebody into a categorical aid program and the documents were quite high. The more top down our welfare system has become, the less effectively it has served its purpose.

As a former mayor and a county supervisor, and now a Senator, I have dealt with every conceivable layer of bureaucracy in the administration of public benefit programs. But I truly believe it is at the local level, the counties, where welfare has seen some of its most innovative and successful reforms. For example, and it has been mentioned here earlier, specifically with one county, several California counties have instituted a program called GAIN. Everybody is familiar with it: Greater Avenues for Independence. One county, Riverside, has returned $2.84 to the taxpayers for every $1 spent on its GAIN Program. In Los Angeles, the results from the GAIN Program have been equally impressive. Working with 30,000 long-time welfare recipients who have been employed for more than 3 years, the Los Angeles GAIN Program has a current placement rate of 34 percent, which is very high as these things go.

Followup studies in Los Angeles reveal a 60-percent retention rate, indicating that the majority have not cycled back to welfare.

San Mateo and San Diego Counties have each created successful job search programs, cutting administrative costs and moving people into private-sector employment. San Mateo last year put an unprecedented 85 percent of the people in the program to work.

Enforcement of child support obligations, I believe, is the single most important welfare reform measure from the California perspective, because one of the principal causes of poverty in my State is the absence of child support, the last time I looked at this.

Almost 3 million people in California receive AFDC [Aid to Families with Dependent Children]. Now, that is a caseload larger than the entire populations of many of the States represented in this body. Currently, the combined annual cost to Federal, State, and local government is $7 billion for the AFDC Program.

Since 1980, the total AFDC costs for California have tripled, from $1.9 billion in 1980 to $5.6 billion in 1993.

During that same period, births to unmarried teen mothers rose by 76 percent. Now, it is true that this is not a large portion of the caseload. However, mothers who had their first child as teenagers comprise more than half of our entire AFDC caseload. So while teen mothers may be a small number, but the finding of the California experience is that once teenagers enter welfare, it is difficult to get them to leave the program.

I believe it takes two people to bring a child into this world, and as a society we must demand that both parents be responsible for supporting the child. So strong child support must be an essential component of welfare reform.

Of course, as has also been said by many in this debate, child care remains the linchpin to a successful transition from welfare to work. In the California experience, the shortage of affordable child care is a critical and overwhelming problem for the State and for local communities. Our State spends $840 million annually on child care. Another $200 million of Federal funds goes into this. That is more than $1 billion for child care, and we still meet the needs of less than 30 percent of the families who are eligible for child care. This is the catch-22 of the Dole-Packwood bill for California.

In San Diego, Federal funds provide a total of 1,636 child care positions. Yet, there are 11,663 eligible families on the waiting list. The odds of getting a child care spot in the present system are 1 in 14. In San Francisco, with combined State and Federal funds, there are 8,000 child care spaces. But, there are 6,000 eligible families on the waiting list.

So this is one simple issue of common sense. You cannot move millions of mothers into the work force if there are not enough child care options available for them.

Let me talk for a moment about welfare fraud, because it is a real problem and it must be addressed, particularly in the Food Stamp Program. My understanding is that an investigation by the Secret Service last year estimated that food stamp fraud alone costs taxpayers at least $2 billion a year. I am very pleased that both bills—the Dole-Packwood bill, as well as the Democratic leadership bill—have built in legislation which I introduced last week to enact strong provisions to permanently disqualify merchants who knowingly submit fraudulent claims, and to double the penalties for recipient fraud. But we also must remove Federal obstacles to an electronic benefit system, so that we can eliminate paper coupons and replace them with the counterfeit-proof debit card. I will certainly support efforts to do so.

I think it is fair to say that under the Dole-Packwood bill, my State is the biggest loser. And I cannot vote for the bill in its present form for that reason. First of all, I was surprised to see that the bill does not consider California a growth State. No State grows more than California. Yet, in this bill, California is not a growth State.

I was pleased when I learned that there would be a new growth fund in the bill, but I might say that the growth fund excludes one of the fastest growing States in the Nation—that is California—so it is not much of a growth fund.

For my State this bill is an enormous unfunded mandate. It requires California to achieve levels of work participation five times higher than the present. Yet, it freezes funding at the 1994 level.

The Department of Health and Human Services has estimated that to operate the work program plus related child care will cost my State more than $4 billion over 5 years. Yet, funding is frozen at the 1994 level.

Meeting the work requirements in this bill will result in a need for an 894 percent increase in AFDC-related child care needs. Yet, funding is frozen at the 1994 level.

California, as I mentioned, is home to 38 percent of all legal immigrants. But it is also home to more than half, 52 percent, of all legal immigrants who receive Federal welfare. Fifty-two percent of all legal immigrants who receive Federal welfare are in the State of California. I am one who believes immigrants should not come to this country to go on welfare. But this bill takes a problem created by the Federal

Government and simply dumps it on the States.

It would deny SSI and Medicaid benefits to almost 300,000 legal immigrants who reside in California, resulting in a $6.3 billion cost shift to my State over 5 years. Los Angeles County alone has estimated a loss of $530 million annually under the Republican bill.

We cannot just shift the problem. The impact on States and counties must also be addressed. I have already stated that many of the innovations currently under discussion have been pioneered by California counties. I want them to have the ability to continue the work they have begun. Counties—not the State—are on the front lines in California.

The Dole-Packwood bill falls far short for States like mine where responsibility for administering welfare has been delegated to the counties. If we are serious about devolving authority to local communities, I see no reason to sustain a two-tiered welfare bureaucracy where the State simply passes the responsibility through to the counties but keeps some of the funding for its own purposes. I want to see the people closest to the problem—the counties—have full control of the Federal funds being allocated to implement this mandate.

In conclusion, the legislation currently before the Senate, I believe, fails to reform welfare in a way which will help California or, I believe, the Nation. I believe the alternative proposal by the Democratic leadership is a more cost-effective vehicle for change in my State.

The Daschle bill addresses California's concern in the following ways. It accommodates growth; it provides adequate child-care funding; it allows for local government control; it does not dump a huge unfunded mandate on the States with regard to immigrant benefits.

For 60 years now, this Nation has been generous to poor families with dependent children. Originally conceived during the Great Depression, AFDC was designed to keep widows at home with their children at a time when women were not valued in the work force.

The 1930's were a time when women and children were accorded respect and compassion if they were poor, because they were economically vulnerable. It seems that time has passed. But our goal in these times has not changed. We still need a plan to assist the economically vulnerable, assist them to work and to be independent. So we must do so with training, with child care, and with incentives to work. Surely a nation which could reach for the stars could also eliminate poverty.

I have been very fortunate in my life. I have not known poverty, and I have not known hunger. But I have known failure. To me, there are few human experiences that are worse.

Yet, our welfare system has rewarded failure and punished success. In the process, we have created not only a dependency on welfare but a dependency on failure. It is overcoming failure which is the challenge before the Senate.

I very much hope that in reform we do not throw the baby out with the bath water, and that we also recognize that the American people are no less generous than they were in 1935. Today, perhaps, they are much more practical. They want to know that their tax-paying dollars are going for good, solid, practical programs.

I do not believe there are Americans that really want to see youngsters starving in the streets of our communities. They are still willing to help those in need, provided they are willing to help themselves.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I wanted to rise today to continue discussing welfare with a little different tack on it than yesterday. I want to talk about what is going on on the other side of the aisle, and how the President and the Senators on the Democratic side are participating, or, in some cases, not participating, in this debate.

I have been on the floor on many occasions over the past several months to talk about the President's abdication of responsibility in dealing with the most important issue that we have to deal with here in this session of the Congress and one of the most important issues we deal with in every sense of the Congress, and that is passing a budget—passing a reconciliation bill. In this case, a very important reconciliation bill, because it is one that will bring our budget into balance.

I got up on the floor of the Senate on many occasions and suggested that the President has not come to the table in that respect in offering a balanced budget. I have not been to the floor in recent weeks because the President has not really been talking about his budget—the one that he proposed, the 10-year balanced budget that he proposed.

I am not going about espousing how this brings us into balance, but yesterday he did an interview on NPR talking about how irresponsible the Republican budget was, how irresponsible the Republicans were on Medicare, how irresponsible the Republicans are being on welfare, and I thought it was time to bring to the Senate floor and remind people of how many days it has been since we put up a responsible Republican balanced budget over a period of 7 years, and how long it has been since the President has refused to come to the table and do so.

He gets away with a lot in the national media. I am not surprised with NPR, but I would be surprised with any other mainstream media that he gets away with saying he lived up to his responsibility. He says, "My responsibility was fulfilled when I offered them an alternative balanced budget and a willingness to discuss it."

When did he offer such an alternative budget? He did not. The Congressional Budget Office scored the President's balanced budget over 10 years as producing annual deficits of $200 billion a year as far as the eye can see. There is no balanced budget.

Standing here and wishing it were so, saying that because you can cook the numbers at the White House and change all the economic assumptions, assume faster growth, lower interest rates, that there will not be any other problems out there, that does not make it a balanced budget.

The President himself said that he would stick with the Congressional Budget Office because they have been the most accurate in assessing whether a budget comes into balance or not and what the provisions cost that we pass here in Washington. But he has abandoned that, and he has gone with the Office of Management and Budget—his own internal recordkeeping to come up with this phony budget that he trots around the country suggesting that he has come forward with a balanced budget. He has not. It is absolutely amazing to me that the members of the press corps continue to publish this as if he has actually come forward with a balanced budget when he has not.

But this should be no surprise. It is 83 days since the President has refused to come forward with a balanced budget after the Republicans have. It has been an equal number of days since he has been unwilling to come forward with a specific Medicare proposal, to tell us how he is going to get savings. In his 10-year balanced budget, he does call for a reduction in Medicare spending. That is interesting to note, because he is running around the country saying how the Republicans are going to gut Medicare because they are going to cut Medicare. I know the esteemed chairman of the Finance Committee has said on many occasions, as has the Budget Committee chairman from New Mexico, Medicare is going to grow under the Republican budget at 6.4 percent per year. What does it grow under the President's budget? At 7.1 percent. What does it grow if we do nothing? At 10.5 percent.

You can say the Republicans are reducing the rate of spending, of growth in Medicare. But you also have to say the President is doing the same thing. In fact, there is only about $11 billion a year difference between the Republicans' and Democrats' number. That is, by the way, out of a program that is roughly a $200-billion-a-year program. So to suggest the Republicans are slashing when the President is not, that is just not living up to the realities of what is going on here. The

President goes after Medicare as much as we do, almost. He does not consider that a cut. We do not consider ours a cut. We consider it strengthening the program because otherwise it would go bankrupt. He knows that as well as we do. So, let us own up to what the problem is on Medicare.

The reason I started with these two is now we are at the third major issue of the day, of the times, and that is welfare reform. And where is the President? Where is the President who ran as a moderate Democrat on one issue, welfare? It was the defining issue, in the American public's eye, that made him different from Michael Dukakis or Walter Mondale. He was for ending welfare as we know it. He was the moderate Democrat, the new Democrat who was going to come forward and change the system.

Where is he? Where is the proposal? Oh, he trotted out something late last year, 19, 20 months into his term, that was dismissed by both sides as an irrelevant welfare bill—an irrelevant welfare bill. Even in comparison to what the Democratic leader has put up here, it was modest. It was truly rearranging the deck chairs on the *Titanic*.

Where is he this year on an issue that he says is the most important issue to face this country? Where is he? Where is the welfare reform proposal that really takes us in a new direction, that really reaches into the communities where poverty is at its worst and gives the people in those communities a chance, that changes the whole dynamic of the system? Where is that proposal? It is nonexistent. It is more than 83 days. Hundreds of days have gone by without the President being relevant.

Oh, that does not mean he cannot sit in the Oval Office and throw darts at the Republican plan. We will see lots of that; of how this is cruel and how it does not solve the problem. But where is his answer? Where is the leadership on the budget, with real numbers, with real choices and decisions? Where is the leadership on Medicare, that everyone in this Chamber knows will be bankrupt in 7 years? Where is the leadership? Where is the leadership on welfare, his defining issue?

Oh, it is political season down on Pennsylvania Avenue. It is time just to criticize what the Congress is doing and hope the voters do not notice that you do not have anything to offer yourself.

One thing I will say, the minority leader, the Democratic leader and others on the Democratic side, have actually come up with a proposal. They have actually put forward a proposal on welfare. I will add, just to be consistent in comparison, that the Democratic leader offered no balanced budget. No balanced budget, no substitute budget was offered. There were no ideas on how they would get to a balanced budget.

Oh, there were plenty of criticisms, plenty of amendments, but no Democratic budget to get this country into balance. Medicare—I have not seen any program offered on the other side of the aisle on how we are going to solve the Medicare problem. I have not seen anything, not even a discussion of a discussion. Not even a possible meeting on the subject.

Again, there is plenty of criticism on what the Republicans want to do and the fact we are even thinking of doing it. But not one solution on the other side of the aisle, not one discussion on how they would solve the problem that everyone in this Chamber knows exists.

But now we move to welfare, and so they are 0 for 2 and they have decided maybe this time, instead of watching the strikes go past, they are going to take a swing at it. They are going to take a swing and see if we can put forward a welfare plan that can attract some support among the American public. Unfortunately, they swung and they missed and missed badly. This is a strikeout. This is a strikeout. It is a strike against the people who are in the system who need the help. It is a strike against those who have to pay for this system.

The Daschle bill tinkers with welfare. In fact, I would even add that it may make things worse rather than improve them. It, in fact, spends more money. It eliminates AFDC—that is the big claim, they eliminate AFDC. Again, it is changing the name of the program. But there is still an entitlement program there for mothers and children. It is called now the Temporary Employment Assistance Program. It replaces the AFDC Program but it is still a Federal program with Federal guidelines administered in Washington, run by bureaucrats here in Washington, administered through the State. It costs $16 billion more than the current AFDC Program. No, it does not spend less, it spends more on AFDC—now called TEAP—but $16 billion more over the next 7 years.

They say it puts time limits in. Remember, the President ran saying we are going to put a 2-year limit on welfare and at some point we are going to cut people off of welfare if they refuse to work? The minority leader would have you believe his bill puts time limits on welfare. It does not. It puts a 5-year limit on the—and this is in the bill, they do not use the word "person," they use the word "client."

Mrs. BOXER. Will the Senator yield for a question on his chart?

Mr. SANTORUM. I will be happy to.

Mrs. BOXER. Thank you so much.

Are you referring to the President of the United States, when you use the name "Bill"? Or are you referring to a bill, as in a Senate bill?

Mr. SANTORUM. I am sorry, the Senator from California has not been here for the many occasions that I have been questioned on this chart. On each one of those occasions I have been asked a question about who am I referring to. This is referring to the President's lack of a balanced budget.

Mrs. BOXER. So you when you say "Bill" you mean the President of the United States?

I would say to my friend, if I had asked you to yield and I said, "Will RICKY yield for a question?" I would think that would not be appropriate and I would not do that. I would say "Will the Senator yield?"

I think, when we refer to the President of the United States on the Senate floor, be it in verbiage or on a chart, we ought to be respectful.

Thank you.

Mr. SANTORUM. I appreciate that. That is a common voice that I hear from the other side every time I have this chart up. So I appreciate the Senator being added to the chorus of people who do not like my chart. But I am glad people are paying attention. Maybe the White House will pay attention and actually come forward with a budget.

It is easy for me. I do not have to come here and do this. I can actually put this chart away, file it away for another day. All the President has to do is put a budget forward.

I would say to the Senator from California, who hopefully is listening in the Cloakroom, on a couple of occasions I came to the floor and noted example after example how Members on her side of the aisle refer to the President of the United States by his first name, terms like, "Where is George?" "Bushwhack," "Reaganomics." I can go on down the list. So to be indignant in this case is just further evidence of the fact that maybe people are uncomfortable with the fact that the President has not put forward his budget, and since you cannot argue the substance, let us argue the chart.

Getting back to the Democratic bill on this subject of welfare reform, they say they impose a 5-year limit, but in fact they do not because there are in this bill—here is the substitute, and we have pages 8 through 11, four pages of exceptions, of people who do not have to live by the 5-year time limit.

So there are a whole host of exceptions to people who are limited to 5 years, and I will go through some of them. There is a hardship exception. That is the first one on here. A hardship exception is people who are on AFDC, or now this new program, who live in high unemployment areas. So if you are on unemployment—high in this case is defined as 7½ percent—if you are in a high unemployment area, 7½ percent or higher, you do not have to worry about the time limit.

Just to give you an idea, in 1994, people who lived in these cities would not have 5-year time limits: Los Angeles, Washington, New York, Philadelphia, Miami, Detroit, and the list goes on. None of those people would have time limits. I do not know what percentage of the people on AFDC are in those cities, but I would suggest a pretty good percentage of them are.

All of them are now off the list. They do not count toward the State's participation rate. So you have large groups of folks who will never be time limited, particularly in the major cities of this country. One huge loophole. And there are a lot of suburban areas and rural areas that also qualify with these high unemployment areas.

I know that in several counties, rural counties in Pennsylvania that have had difficult times, the unemployment rate is well in excess of 7 percent.

In New Jersey, there are 99 areas for computing unemployment. Of the 99, 35 had rates in excess of 7½ percent in 1994. So you can see that this is a major loophole to this 5-year requirement.

What else? Well, teenagers are exempt. Anybody who is a teenager does not have a 5-year limit. If you have a child while you are a teenager, you do not have a 5-year limitation. Your limitation does not kick in until you become the age of maturity and beyond. So you can get a much longer period of time if you have children when you are a teen.

It does not apply to mothers who are having children. You get a year exemption. If you have a child, you have a 1-year exemption. It extends your 5-year limit another year. And it goes on and on.

There are literally pages of exemptions for people to the 5 years. All I would suggest is it is a phony 5 years. And remember, this only applies, to begin with, to 20 percent of the caseload; 20 percent of the people who go into the system have to go into this kind of program with all of these exemptions in place. That is 20 percent of the remaining caseload—not 20 percent of everybody but 20 percent of the people who are not exempt.

So you take the people who are exempt out first and then you say you have to have 20 percent. To give you an idea how that compares with the Republican bill, the Republican bill is 20 percent of everybody, whether they are exempt or not. In fact, there are no exemptions in the Republican plan. The State can figure out who is exempt if they want to. It goes up to 50 percent in the Republican bill; in the Democratic bill, over a period of 5 years, but again the Democrats have this huge exempt group out here that never has to participate in this program. So it is a phony 5 years and a phony number of people who are going to be in this kind of program.

Under the Dole-Packwood bill, the savings in the welfare program over the next 7 years are $70 billion. That is less than the House bill. The House bill is $60 some billion but it is over 5 years. The Senate bill is $70 billion over 7 years, and, of course, the House bill will be much more over 7 years. The Democratic bill, $21 billion over 7 years—$21 billion over 7 years in programs that spend over $100 billion a year.

Take in one case the child support enforcement provision. Very important. The Senator from California, Senator FEINSTEIN, was absolutely correct that this is a very important aspect of the bill, to track down deadbeat dads—and 98 percent of the folks who owe back child support are fathers—to track down deadbeat dads and get them to pay the back child support. We are talking about over $50 billion in back child support owed in this country.

So this is a very important provision in this bill. You would think that when tracking down deadbeat dads and getting them to pay the child support, as we do in this bill, that part of the child support paid back would go to the State, because it would offset the welfare payments that are being made to mom. In other words, if the mother and children get child support, they no longer get welfare. This would actually be a cost savings to the Federal Government. And, in fact, in the Dole bill it saves $155 million a year, $1.2 billion over 7 years. The Democratic bill costs $261 million over the next 3 years. That is the only estimate we have at this point. So it costs money over those 3 years.

What does this bill do for State flexibility? You are hearing a lot about getting the bill and the program back to the States, back to the localities where they solve the problems the best, giving State flexibility. You will hear, as I have on some shows with some Members of the other side talking about welfare, the term "partnership." What the Democratic bill does is create a partnership between the Federal Government and the State government, and that this partnership will be forged where they work together to solve the problems of poverty. It sounds so nice, except it is not true.

A partnership is where each party has a say in the decision; that they work together to come to a decision jointly. That is exactly what happens under the Republican bill. Some decisions are made predominantly in Washington, other decisions are made predominantly in the State. Most of them in fact are made by the State.

Under the Democratic bill, all the decisions are still made in Washington. You want to do something different in your State? You have to ask Washington for permission. I do not know too many people who are going to get involved in the partnership where the one partner basically can tell the other partner no all the time and go ahead and do whatever they want to do without asking them. But that is this partnership that they would have you believe is a partnership. That is the current system. The current system already allows for waivers. This does not change it any. It just says we will be nicer and give you more. But that is up to the President to decide.

You can see there is even some little special interest things in the Democratic bill that remind you what constituency they are really serving here, and it is not the poor. This is not the poor. There is a provision in this bill that has to do with the Work First program, the program that they get people in to get to work immediately upon getting on welfare.

Participants in the Daschle bill program would be forbidden to fill any unfilled vacancy—in other words, "participants" meaning employers—employers would be prohibited from filling any unfilled vacancy at their place of employment or to perform any activities that would supplant the hiring of employed workers not funded under the program.

What does this mean? This means if you have a vacancy and you are in a unionized job—most of these participants would be governed—that you not fill a job slot with a welfare employee; you have to hire the union person first. So unions do not lose any positions under this. The Government has to fill the job created in the bureaucracy with another unionized person. They cannot take a slot and fill it with a welfare recipient who wants to get the job opportunity. Oh, no. We have to bow to the AFL–CIO here on the floor and make sure that any jobs we create for this new work-force program are basically new—probably in many cases make-work jobs—because you cannot even supplant the hiring of employed workers. You cannot even supplant the hiring of employed workers.

This is one big bout to the AFL–CIO and one big "Who cares?" to the poor. We do not want to give you good job opportunities and opportunities where you can, in effect, learn some skills in jobs that are needed. We want to make jobs for you and keep you on the dole.

That is where this program goes. It keeps the gravy train running. It keeps the entitlements and keeps the control, and it keeps everything decided here in Washington and spends more money in the process.

I know a lot of people in this country are looking for welfare reform. But you have not found it here. It does not exist in this proposal. I do not know if I need to start another chart of how many days it will be since Democrats have come up with a welfare reform proposal, because this is not it. If you want to get serious about welfare reform, let us talk about working together on a bipartisan basis for something real, something that fundamentally changes things, not playing around with the existing programs, spending more money and paying off your constituencies that help you get elected.

Mr. President, I yield the floor.

Mr. LIEBERMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair.

Mr. President, first, I would like to ask unanimous consent that Cindy Baldwin, who is a fellow in my office this year, be granted the privileges of the floor for the remainder of the debate on welfare reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LIEBERMAN. Which may be a substantial period of time.

I thank the Chair.

Mr. President, I have some remarks that I would like to make on the work components of the two major bills, the Dole-Packwood bill and the Daschle-Mikulski-Breaux bill. But the twist of fate has put me in the position to be looking across the Chamber at my good friend and partner in some other good causes. And the question of, Where is the President? And I do, in fairness, want to respond to that question.

The Senator from Pennsylvania has discussed the role that the President's discussion of welfare reform had in the 1992 campaign. And I agree with the Senator from Pennsylvania; it was a pivotal role. It was the defining element of the campaign. And may I say, as a Democrat, how proud I was that we had a Presidential candidate in 1992 who broke with the past, who was not defensive about the status quo, who was prepared to take on some interest groups, frankly, within the Democratic Party who had always said, "Do not touch welfare." I mean, if you touch welfare you are really talking about beating up on welfare recipients. For your own political advantage—In this case, I think the President stood up and stood out and said very clearly, welfare as we know it has to change. Welfare as we know it has to change. And I really believe that, had the President not taken that leadership stand, we would not be in the process of considering and having a genuine opportunity to adopt welfare reform. We may disagree—obviously we do disagree on some of the specifics. But I think that the President's position in 1992, and his following of that position since then, has created a bipartisan consensus in favor of welfare reform. And his principles as enunciated in the campaign were to create time limits, to require work, to give the States flexibility, to deal with teenage pregnancy and to increase the child support enforcement role.

Mr. President, last summer the President introduced a bill, proposed legislation, that would follow through, implement those principles that he enunciated in the campaign. I want to say to my friend, and my colleagues, that the President has worked very closely with the Democratic Senate leadership, and I believe the House leadership, to fashion the proposal that is before the Senate now or will be when introduced as a substitute by Senator DASCHLE and Senator BREAUX and Senator MIKULSKI, which is the so-called Work First proposal.

The President has joined forces in that sense with the Senate Democratic leadership. He has unequivocally endorsed the proposal. His endorsement is part of the reason why there is a remarkable unity among Senate Democrats. I remember the old Will Rogers line, "I belong to no organized political party. I am a Democrat." That is true. Often that is the case. But in this case it is not true. That is to say, the Democrats are united behind the principles that the President enunciated in 1992.

I will say one thing concerning the question that continues to resonate toward me in those luminescent colors of blue and yellow across the Chamber, which is this: that President Clinton has not just spoken on this issue, he has acted. He has used the authority that the law gives him as President to grant waivers to the States, more waivers, granted more rapidly, than any President before him. More than half the States now have waivers.

And the truth is that in the midst of all of the discussion and rhetoric and contests going on here, the real work of welfare reform in the midst of the parameters that we set at the Federal level is going on at the State level. They are experimenting. And one of the things I hope we will show in this debate is some sense of humility when we are dealing with the lives of millions of people in a system that we agree has gone wrong, to understand that while we know what is wrong with the system, we, in most cases, do not have a great reason to have a great sense of confidence about exactly what will make it better. The States, in their experiments, are going to help us do that. And the President has encouraged that. And this proposal builds on that.

So I do not know that I have totally satisfied the interrogatory alleged by the Senator from Pennsylvania, but I feel very, very secure in saying that on this issue President Clinton was out in front early, formed a consensus, and has been directly involved in the work that brings us, hopefully in the near future, to the adoption of genuine welfare reform.

Mr. President, this is an important debate. There have been some very thoughtful statements made in the first couple of days of the debate which showed that the people really thought about this issue and understand the importance of it to those who are on welfare, to those of us who pay for welfare, and really to the country, and to the people's attitude toward Government, because the fact is welfare has become a symbol, in some senses a caricature, of all that has gone wrong with our Government, a well-intentioned program created in the 1930's, as we all know, to help widows, particularly widows of coal miners, then becomes an enormous program that takes basic American values—work, reward for work, family, loyalty to family, and personal responsibility—and turns them on their head. And in doing so, builds up an enormous bureaucracy, a kind of institutionalization of a lot of values gone astray.

So the debate here has been a good one. There is obviously a very, very broad consensus supporting reform. There are winds in the willows here. There are echoes in the Chamber that suggest it may not be possible to finish this debate this week. I am not surprised at that. And I do not think it is a bad sign.

Mr. President, it took us 60 years—60 years—for our welfare system to become the mess it is. We are not going to solve it in 6 days. We are not going to solve it right in 6 days. So, I hope that we will begin the debate, lay down some basic proposals, and then continue when we come back to do it the right way.

We all agree, I think, that the current system fails to demand responsibility and provide work opportunities. It financially rewards parents who do not work, who do not marry, but who do have children out of wedlock. By doing so, our current welfare system demeans our most cherished values and really deepens society's worst problems, including the problem of violent crime which has cut at the fabric of trust that used to underlay the sense of community that was so basically part of American life. Gone, the victim of violent crime.

Mr. President, there is, as I say, this broad agreement that our system must change, and I believe that there is also bipartisan agreement that one can see through the discussion on the goals of welfare reform. Democrats and Republicans agree that the welfare system should focus first and foremost on moving people into the work force.

A reform system, obviously, should also combat the causes of welfare dependency, particularly the growth in out-of-wedlock pregnancies among teenagers. I hope to return to the floor on some other occasion to talk about this epidemic problem the Senator from New York has foreseen, has documented, has spoken of with such insight.

May I just say the obvious, which is that if we can deal effectively with out-of-wedlock pregnancies, if we can create a national effort to try to cut down the number of pregnancies, this problem that has gone wild, we will thereby cut down the welfare rolls.

The welfare rolls are composed of children in great part who were born out of wedlock. They are, therefore, dependent children. It is a child or children living with the mother and no father, or at least no father who has assumed responsibility and gone through marriage and lives legally in the house.

So I hope we will act on this shared impulse of reaction to this terrible problem. The system reform should reinforce, not undermine, our shared values and a reformed system should fulfill our national commitment, in the midst of all the changes, that we try to provide protections for our poorest children, remembering that they are the innocent victims of the errors, misdeeds, irresponsibility, very often, of their parents.

So when we say "entitlement," there is no entitlement, as the Senator from New York has pointed out. It is up to the States whether they want to deal with the problems of the poorest.

Mr. MOYNIHAN. Will the Senator from Connecticut yield for a question?

Mr. LIEBERMAN. I will be proud to yield.

Mr. MOYNIHAN. Mr. President, is the Senator from Connecticut aware that he is the first Senator, other than the Senator from New York, to make that point in this now 2-day debate? There is no entitlement. I am profoundly grateful to him, for at least he has heard that voice.

Mr. LIEBERMAN. I thank the Senator from New York. I am proud to be in his company. That is the truth. It is up to the States to decide that they wish to enter this system the Federal Government has created. It is really the choice of the State. There is no coercion here. But once they decide, they have to play by the rules, and one of the rules—it certainly seems like a good one, and I would guess it is a rule that would be accepted in principle by a great majority of people in America—and that is we care for the children.

I hope whatever system we adopt provides that level of guarantee for a decent life for our children in this country.

The pending legislation, as amended by S. 1120, the Republican leader's bill, will create a welfare system that I believe will fail ultimately to meet its primary objective, which is to put people to work in great numbers, to get them off of welfare. It fails to give the States the right incentives and resources to put people to work, and I am afraid that it ignores a lot of what we have learned about what works and what does not in getting people off welfare.

Finally, I do not think it holds States accountable for their success, that is I do not think that it gives them incentives appropriately to succeed or that it creates standards to measure in a fair and reasonable, rational way what success really means.

Mr. President, for the remainder of the time speaking this afternoon, I want to focus in on the work requirements.

We know a lot about what it takes to get people to work. In 1988, Congress passed the Family Support Act under the skilled and, may I say, unique leadership of Senator MOYNIHAN. The Job Opportunities Basic Skills Program, which has come to be known as JOBS, established by the act, sought to provide training to people on welfare to prepare them for work. Evaluations of the JOBS Program that have been conducted have shown that the programs have had some success; they have begun to make a difference.

Obviously, they have suffered from a lack of funding in some substantial degree, but welfare-to-work programs have increased work participation. The Government education and training programs have not yet moved large numbers of welfare recipients permanently into the work force, and so we hope in this bill to try to do better.

But I do want to stress that it is critically important that we do not dismiss the JOBS Program in that sense, but that we build on what we have learned from the JOBS Program. Our experience with that program has taught us several important lessons, one of which is that programs that are focused on education and training, on investing in human capital, have had some results. Programs that have, however, emphasized the immediate work experience along with education and training have seemed to be more successful.

What research is showing us is that providing an initial connection to the work force, a step on the first rung on the ladder of work, then to be combined with training and education, seems to be an approach that gives us some hope of making a welfare recipient find a way off welfare and into work.

What we have learned from the Family Support Act is that education and training are critical to continue to climb up the ladder to self-sufficiency. But it is Work First, which is the title of the Democratic bill, that will spur a recipient on and improve her life—it seems obvious, but it is important in this area of human frailty and profound human problems to test what seems obvious. It means that a recipient should, whenever possible, first take a job—any job—that is offered her to discover what her abilities are and then to be helped to learn the basic skills that most employers value, some of them very basic but critically important skills, like showing up to work on time, having good work habits, working hard, notifying employers of absences, communicating well with coworkers.

The traditional education system has failed most of our welfare recipients. Education and training, therefore, must play a critical role in helping them succeed in the work force. But we have to connect recipients to work and then help them succeed once they are in that work environment. And that is what this bill, which Senators DASCHLE, BREAUX, and MIKULSKI have introduced, and many of us have cosponsored, has focused on.

Employers—and we have to listen to the people who are going to give these welfare recipients jobs—employers say over and over again that it is not necessarily formally trained workers that they need, but dependable workers, workers that they can help to train along with Government-supported training programs.

As one employer said to me, "I can train an employee to take apart and reassemble a widget, but I cannot train her to show up to work on time."

So programs that have taken a work-first approach, we think, have had the most encouraging results. There has been a lot of discussion here, and I need not go on at length about the GAIN program in Riverside County, CA, which is one such positive example. The program focuses on quickly placing people in private-sector jobs and emphasizes low-paying jobs are an opportunity to start up a career ladder and should not be turned down.

Mr. President, the Manpower Demonstration Research Corp. evaluated the program and found a percentage of the recipients employed was 13.6 percent higher than in a control group. The JOBS programs run in Atlanta, Grand Rapids, and other places, provide additional evidence of the importance of this strategy that emphasizes rapid job entry.

Mr. President, we have also learned that private investment in support agencies can effectively move welfare recipients into the work force. So I would say that the three characteristics that we find from successful programs are, first, that each assesses the needs and skills of each of its clients individually and assumes that they want to work.

Second, each program bypasses traditional education and training and, instead, puts its clients to work as quickly as possible. But then, obviously, it has to supplement that with the education and training.

Third, successful programs do form strong links with local employers and work hard to maintain those links with the local employers, who are the source of the jobs.

Another example of the private sector agency that has done some successful work is America Works, which has been working in Connecticut for a period of time. It is a for-profit placement and support organization that has helped over 5,000 welfare recipients find full-time private sector jobs in New York, Connecticut, and Indianapolis. It places 60 percent of those in the program into jobs, and of that percent, 68 percent are hired permanently at an average wage of $15,000 per year, including benefits; 75 percent are still off of welfare 18 months later, at a cost to the Government of $5,400 per placement. America Works is cost effective, especially when compared to other public sector only programs.

Mr. President, we have to be honest here and say that successful programs are still the exception and not the rule. That is the difficult challenge that we face. States need more incentives to move recipients into the labor market. We have to move the system away as we all want to, I am sure, from one that focuses on writing checks to one that focuses on getting people into employment and providing the necessary backup and education and training to keep them there. We need to change the incentives in the current system and to reward States, administrators, and caseworkers for placing recipients in work.

There is simply not enough incentive in the current system, or may I say in the Republican leadership bill, that rewards States directly for meeting the most important goal of all, which is to place and keep a welfare recipient in a job—a private sector, unsubsidized job.

Mr. President, the Republican leadership bill does take one important step, I think, in the right direction. That is, to give States the flexibility to design innovative work-based programs. But flexibility is not synonymous with reform, and therein lies the fundamental flaw of the Republican leadership bill. The problem with S. 1120 is that it gives States flexibility, but without the proper incentives to do the right thing, without the resources, without the accountability, without the measurement of success. The bill sets States up, I am afraid, to fail to meet the fundamental goal that the bill establishes, which is to help establish self-sufficiency through work. Then it lets States off the hook when they fail.

Mr. President, S. 1120 looks tough on work, but ultimately I am afraid it will not deliver on that toughness, because it does not give the States the resources they need to help put welfare recipients to work.

There are some similarities, which is encouraging, to the Democratic Work First proposal. One is that it requires States to ensure that an increasingly high percentage of their welfare caseload is involved in work activities. By the year 2000, States must ensure that 50 percent of people receiving welfare are working in a private sector job for at least 30 hours a week, or are participating in vocational education.

But I am afraid when you look closely at S. 1120, the Republican bill, you have to conclude that the States are going to have a very hard time meeting those work requirements, that 50 percent goal, 50 percent of welfare recipients to work, because the States simply cannot afford to meet them. States will not have the money they need to pay for child care and other support for single parents participating in part-time work.

The Republican leadership block grant proposal freezes Federal support for cash assistance in child care at $16.8 billion—actually, less than what we are spending now, even as it requires States to move more than three times as many individuals into work activities.

Mr. President, we all want to save money on welfare. But it seems to me that we should learn the lessons of business. In so many cases, you do not save money, you do not turn out a better service, unless you invest a little bit. That is exactly what we have to do to achieve longer range savings for a better service, a better program.

Today, as required by the Family Support Act, about 400,000 people are participating in mandatory training or work programs for at least 20 hours a week. That is no small accomplishment. Under the Republican leadership bill, by the year 2000, 1.3 million individuals would have to be in work activities for not 20, but at least 30 hours per week. So the Republican leadership proposal triples the number of people who will need child care, for instance, but adds no new funds; it basically triples the number of people who will have to be in these mandatory work programs for 10 more hours a week, but asks the States to do it with effectively less and less money.

The unfunded costs, as estimated by the Department of HHS, and roughly, I gather, confirmed by CBO, the unfunded cost of these work requirements in S. 1120 is a whopping $23 billion over 7 years. The State of Connecticut, my State, alone would have to spend an additional $300 million.

Mr. President, I ask, where will the States get that money? I am going to suggest on this chart that they have four choices to satisfy the goal of getting 50 percent of welfare recipients into work. One is to raise State and local taxes. That is not a very pleasant prospect for the Governors and State legislators, and I doubt they will do it.

Second is to deny assistance to needy families, either to make the welfare eligibility requirements more restrictive or to cut down the benefit level.

Third is to cut back on child care support, meager as it may be in most places, and, therefore, force people to go to work, but to do so at the cost of leaving their children home alone, unattended.

The fourth choice is not to go ahead with reform, not to achieve the 50 percent welfare-to-work goal that is set out in S. 1120, and the punishment is a 5-percent reduction of the block grant.

Well, it seems to me, we talk a lot about market incentives in this Chamber, and I am all for them. We are going to give the States—speaking in macro terms—a choice here. The choice is to spend the $23 billion-plus over the 7 years for what I would call the "unfunded mandate," or to lose what amounts to $6 billion, which is the cumulative total of a 5-percent reduction for no reform.

I am afraid that just on the basis of fiscal incentive, the system set up in S. 1120 will encourage States not to achieve the work goals in their proposal and, therefore, to take the relatively more attractive $6 billion hit.

Mr. President, let me offer one final chart and then I will close because I see my friend from Missouri here.

By contrast, I think the Work First proposal of Senators DASCHLE, BREAUX, and others of us, really does do the job and understands that you have to spend some money to save some money here. It funds the work requirement through spending cuts within existing welfare programs. It understands that you are not going to get people to go to work—and these are people who need some special help to get out there and go to work—without some money.

Second, Mr. President, the Senate Democratic leadership proposal, which really is welfare reform, builds on a successful experience in the State of Iowa—and a few other States have tried it—which is when welfare recipients come in to apply, from day one, they undergo a work assessment profile, a work assessment test that is done on them. And they are asked to sign a contract.

In other words, we are not just going to give them a check: Come in, show you meet the basic requirements, write a check, and that is that. The check is no longer unconditional. The check requires something of the recipient to meet her part of what we call the parent empowerment contract.

That goes from day one. Part of that contract is to accept any job offer. Sometimes you have a situation where people say that is not good enough for me, that is a minimum wage job. The point is, we found if you start with a minimum wage job, you work your way up.

Third, as others have said, the Democratic proposal provides child care.

Fourth, an important part that Senator BREAUX and I may build on in an amendment later in the debate, the Democratic proposal provides bonuses to States for private-sector job placements. The amendment to the Republican leadership bill will take 3, 4, 5 percent successively from the $16.8 billion in the bill and put it into a special fund that will be redistributed to the States based on the number of people they get off of welfare and into private-sector jobs. I think that is the kind of incentive that can make these work requirements really work.

Finally, Mr. President, it is important to remember that welfare as we have known it for 60 years is first and foremost a program to protect the lives of children. Nine million of the 14 million welfare recipients are kids—9 million.

Helping parents receive self-sufficiency through work will help kids. Children growing up in a home with a working parent have a much more positive environment, positive role model, and less poverty. Requiring work breaks the vicious cycle that is creating such—for want of a better term—an underclass in our society. That is why Senator DASCHLE's Work First proposal demands that people who are receiving benefits work.

I hope that the proposal that I have described will assist the debate and, in whole or in part, draw bipartisan support. I think it deserves it. I hope my colleagues will agree with me that it is really through holding States accountable for their record at placing people in private-sector jobs that we will genuinely achieve welfare reform and improve the plight of these millions of children who are born to poverty with the odds stacked against them as they go forward in life.

The greatest barrier to equal opportunity in our society today is poverty. Too often, that barrier has been made even more rigid by a welfare system that sends all the wrong messages to people in our society.

I hope we together, Republicans and Democrats, side by side as this debate goes forward, can finally and effectively reform that system.

I thank the Chair. I yield the floor.

Mr. KENNEDY. Will the Senator yield for a brief question?

Mr. LIEBERMAN. Yes.

Mr. KENNEDY. I want to commend the Senator for an excellent presentation and statement, and in particular his emphasis on the child care and the work provisions.

I think the Senator has made the case that unless you are going to have a good training program in terms of moving people off of welfare, unless you have the day care—of the 10 million children today on welfare, only 400,000 actually get any kind of day care; the other children do not—unless we are going to manage that, we are not going to be able to get the kind of results we want.

We are also going to have to at least provide the assurance of some health benefits for those children under the Medicaid Program.

Is it the sense of the Senator that folding into the majority leader's program effectively all of the training programs which were out there for working families—the dislocated worker programs, or workers that lose their jobs because of either trade agreements like NAFTA or GATT, or coal miners or timber industry workers or displaced defense workers, men and women who have worked generally a lifetime, all they need is an upgrading of their skills—those programs have been effective in helping and assisting these workers, particularly through the community college program, which we are all familiar with and which is in all of our States, the good work and the training programs; that it really does not make any sense to take away those programs and take all of that money, the $30 billion and put it into the other pot; effectively, the workfare program, which has been suggested or actually more than suggested, included in the majority leader's program?

Is the Senator concerned about what we would be doing to working families who have lost their jobs through no action of their own, and who need that kind of upgrading and training so they can get additional jobs in the future, and that effectively we have just taken all of the training programs and put it in here to workfare, in too many instances, dead-end jobs that do not do the kind of reform that I know the Senator and others and the Senator from New York are committed to?

Mr. LIEBERMAN. Mr. President, responding to the Senator from Massachusetts, and I thank him for his kind words and for his question which I think puts a finger on something I am very concerned about, the answer to his question is yes, I am concerned.

It seems to me there are two great problems pressing in our society today. One is the problem of people caught in the cycle of poverty—usually people on welfare for whom the current system has failed. We want to change that. We want to give those people incentives, training, and a reason to go to work.

Second, we have a whole group of people in our society who are working-class, middle-class families who have been dislocated for one reason or another—defense downsizing, changes in the economy, the economy becoming more high tech, more information-age oriented—and they are profoundly unsettled and worried about their ability to provide for their families in the future.

There are a whole set of programs that we have built up, this Congress has built up, over succeeding administrations, supported by both parties, to try to provide essential assistance to those working middle-class families to help retrain them and to get them back to work.

What we are trying to do here in the welfare reform proposal is to create a new effective program to help people at the bottom, to help them up from the bottom and get them into the work force.

It seems to me to take from the working family program and to combine it with trying to get the welfare people to work will mean that both programs are ultimately going to be underfunded and each group will suffer. Each group really needs not to suffer but to be helped.

I hope as this debate goes on, I say to my friend from Massachusetts, we can work together across the aisle to make sure there is enough money here to make the promise of work and the requirement of work real.

Mr. KENNEDY. I see others on the floor. I welcome the statement of the majority leader indicating that there might be some additional opportunity to do some corrective action on the child care program.

I hope that we will also have an opportunity to do it in the work training program. These are two extremely important features of it. That will take some debate and some discussion. I know the Senator from Connecticut wants to do it.

I welcome the opportunity of working with others in those areas. Perhaps if we had more time, we could really make sure we get a bill that is worthy of its name.

I thank the Senator.

Mr. LIEBERMAN. I thank the Senator from Massachusetts. I yield the floor.

Mr. LUGAR. Mr. President, the welfare reform legislation before the Senate insists on more individual responsibility. It penalizes destructive behavior and it promotes work. The legislation provides new authority to the States, affirming federalism and allowing Governors to make bold reforms. This bill will reduce the Federal deficit.

Nutrition assistance is a major part of our Nation's system of social programs. The legislation before us contains a modified form of an original bill approved by the Senate Agriculture Committee on June 14. All Republican members of the committee voted for the bill, along with one Democratic member.

That bill, now part of the leadership proposal we are considering, makes dramatic changes in the food stamp program. These changes reflect the three goals of individual responsibility, State empowerment, and deficit reduction.

First, the Agriculture Committee bill reduces the Federal deficit by $19.1 billion over the next 5 years, and $30.1 billion over 7 years. Part of these savings are obtained through a crackdown on fraud and food stamp trafficking. The majority of savings, however, result from benefit cutbacks, tighter eligibility rules, and policy reforms. The standard deduction that is used to calculate food stamp benefits will be lower under this bill than under current law. Similarly, the bill will pay food stamp benefits based on the thrifty food plan, and not 103 percent of that plan as is the case today.

Second, this bill requires individuals to take more responsibility for their actions. The legislation withdraws benefits from able-bodied childless adults who do not work. It disqualifies any individual who voluntarily quits a job or reduces the number of hours worked. It denies benefits to anyone who violates an AFDC work requirement, and bars food stamps from increasing when a family's welfare check is cut because they failed to comply with other welfare program requirements, such as making sure children stay in school or receive immunization shots.

This important policy change puts an end to the mixed message that our welfare system sends to recipients. Up to now, when a welfare recipient's cash benefits have been reduced as a penalty, his or her food stamps have automatically increased, partly offsetting the loss of income.

For food stamp work requirements, the bill establishes new mandatory minimum disqualification periods for violators. States will have the authority to disqualify for longer periods. In sharp contrast to current law, this legislation will allow States to permanently disqualify three-time repeat violators.

The bill will discourage teen pregnancy by requiring that minor parents living at home apply for benefits with their parents. In addition, the bill will place new responsibilities on anyone sponsoring a legal alien who then applies for food stamps.

Third, the legislation before us will empower the States. States will have a broad range of new authorities to design simplified food stamp programs and conform procedures and rules for AFDC households. The bill will allow States to obtain waivers for welfare demonstration projects that reduce food stamp benefits or restrict eligibility. The bill also compels the U.S. Department of Agriculture to be more responsive to State waiver requests by imposing a strict turnaround time for initial responses to these requests, with automatic approval if USDA misses its deadline.

Under this legislation, States will be able to pay wage subsidies in lieu of food stamps—innovative programs in which the amount of the food stamp benefit is paid to an employer who hires a recipient. The employer then passes the benefit along as a wage.

Finally, the legislation allows States to choose an optional block grant instead of the regular food stamp program. States would be eligible for an amount equal to the higher of their 1994 food stamp funding level or the 1992–94 average. Seventy-five percent of the amount expended would have to be spent on food assistance, with the remainder to be spent on payments in return for work, work supplementation programs, other work-related initiatives, and administrative costs.

The bill approved by the Agriculture Committee did not include the block grant option. Although several Senators on the committee supported block grants, a majority did not.

I believe that the optional block grant that has been developed over the past several weeks gives States a fair choice. If they are concerned about the possibility of a demographic change or a large, recession-induced increase in their caseload, they may continue to participate in the Federal food stamp program, and benefit from all the flexibility provided in this bill. But if States prefer, they now have the ability to make a one-time choice of block-granted benefits. It is their decision.

Mr. President, we should give States the opportunity to try new approaches. We must make it clear to recipients of public assistance that more will be expected of them. And we should spend less money on welfare.

The legislation before us passes all three of these tests. I hope all Senators will support it.

The PRESIDING OFFICER (Mr. THOMPSON). The majority leader.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I thank the Senator from Missouri for waiting just a few more moments. I think the Senator from Washington also wanted to speak, Senator MURRAY.

Let me just sort of lay out where we are and where we are going. I discovered a lot of people want to go home, which has some impact on what we are doing.

I think it is fair to say we have had almost 2 solid days of debate on welfare reform, plus statements by the two leaders on Saturday. And I think, without exception, we have had good debate. We have had different points of view, different philosophical approaches. But overall it has been steady, and we have had very few quorum calls.

But it is also clear to me—and I am not criticizing anybody, I just know how this place works—we are not going to finish the bill this week. We could stay all night every night. So the question is, let us do it next week. But I know from counting on this side there would be a number of absentees, and I assume the same would be true on the other side, because people can make commitments.

There was an August recess. So I was faced with the reality of what we can do and what we cannot do and knowing we cannot finish this this week. I have talked to the Democratic leader about it. We had a good visit. We were not going back and forth blaming each other. I think the conclusion was, the signals were, there was no way we could do it. There were too many amendments, too many people had not been heard.

But I would say on this side, today Governor Thompson, who is chairman of the National Governors Association, was kind enough to come to Washington from Wisconsin, and we met with about, I would say, 18, 20, 22 Republican Senators. And we heard from a Governor who has cut his welfare caseload 27 percent and a Governor who is saving $17 million a month. Half of that is Federal money and half of that is State. And somebody who knows about child care, health care, transportation, and other things he says are so important to welfare reform.

He tried to make the point—and did make the point very effectively with a number of my colleagues on different sides of the spectrum here—that Governors get elected by the same people we do. Do you not trust your Governors? Then he went on to say what he had done in Wisconsin.

So, I think we are a little closer together, I would say, on the Republican side, than we were 6 or 7 hours ago. So, today and tomorrow and Friday we will be going back to Republicans who had different views on the so-called leadership bill, the Work Opportunity Act of 1995, and perhaps the leaders would reserve the right to modify their bills before we go out on Friday. I think at that point we would be, hopefully, very, very close to having every Republican on board. I think maybe Senator DASCHLE can say the same.

These negotiations are going on now. They are going to continue. So I have to make a judgment whether I want the negotiations to go on and make some headway and then bring all that to the floor on Friday, or should we go ahead today and finish three very important appropriations bills: Transportation, Interior, Defense appropriations and the Defense authorization bill. That is a lot to do in 3 days. It may spill into Saturday. But I have learned from the past that when you have a deadline, things do go more quickly. Suddenly speeches that could have been made for hours are 10 minutes, and they are better. People actually listen to 10-minute speeches. So we hope that is the case.

It is my intent to go to the Interior bill, if it is satisfactory with the Democratic leader, and try to finish that, hopefully, tonight. We have had consultations with managers on each side. There are some contentious amendments, but I do hope we can have cooperation of all Members on each side as far as amendments—give us time agreements, give the managers time agreements. And I think the question is—I think I already know the answer because I have talked to the Democratic leader—I think we have agreed to cooperate on this, to work on both sides of the aisle, try to get Members to cooperate with us. When we finish these bills, the recess starts. So it is automatic. It is automatic.

It is up to every Member when he or she stands up to address an issue—and certainly some of these should not be addressed in a—do not misunderstand this. They are very serious. But I think we can make the case in fairly rapid order.

So I ask the Democratic leader if he concurs in this statement, and, if so, it would then be the intention of the leader to move to the Interior appropriations bill.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, I do concur. I also want to commend the majority leader for making the decision he has.

I think there are three reasons why this makes sense. First, as the distinguished majority leader said, negotiations are continuing. I hope to lay the Work First amendment down prior to the time we go to the Interior bill for the opportunity it presents all Members to compare and to pick apart and critically review both the bill offered by the Republican leadership and the bill offered by the Democratic leadership. So the next 3 days could be very helpful in bringing to refinement what we hope are legislative proposals that will unite not only our caucuses but, hopefully, the Senate, ultimately.

Second, I think it is also helpful, as the distinguished majority leader said, to involve the Governors in a way that they have not yet had the opportunity to be involved. I think the next 3 weeks could be the most meaningful in terms of asking people outside of Washington what they think. They are the ones ultimately, when this legislation passes, who are going to be confronted with the responsibility for not only implementing but administering what it is we are doing here. So, having their input, having their review, having their ideas will even better prepare us to come back and conclude the work on this very important piece of legislation in September.

Third, as the distinguished leader said, we have a lot of work to do on appropriations. I recognize the very difficult decisions that have to be made on a number of these bills. I may, personally, vote against a couple of these bills, but that ought not preclude us from considering them in a timeframe that will allow us to accommodate this schedule in a way that will meet the schedule laid out by the majority leader.

I hope as many problems and as many difficulties as we may have with this legislation—that is, these appropriations bills—that we agree to short time limits, that we do the best we can to resolve what differences there are, be as willing to confront these bills with time limits to amendments and ultimately, perhaps, even a time agreement in consideration of the legislation itself.

I believe we can accommodate not only the welfare reform schedule in that manner but also the rigorous schedule we will have with regard to appropriations bills when we return in September.

So, for those three reasons I think this makes a good deal of sense, and I hope we could get unanimity here in the Senate with regard to this schedule and the appropriateness with which we will take up each of these bills and, hopefully, welfare reform when we come back.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, I want to underscore a point made by the Democratic leader because I had forgotten Governor Thompson indicated they would like a little time, too, the Governors.

We sort of unveiled our bill in Burlington, VT, I guess, a week ago Monday. The President talked about welfare that same day. The Governors broke up the next day, and they have had one meeting. They are about to send us a letter in general terms saying they support a lot of things in different proposals.

The Governor made the point this would give them some time in the next 3 weeks to try to bring Governors together—Governors, I am talking about Democrats, Republicans—to see if there is some common ground. There may not be. So I want to underscore the point made by the Democratic leader.

Second, to indicate that when we come back, with the appropriations bills out of the way, there has been a lot of talk about a train wreck in this town on October 1. When we finish the appropriations bills, we will have finished everything that has been reported out by the Appropriations Committee. There is nothing else left to take up.

So when we come back on September 5, we will be back on the welfare bill, which will give the appropriators time to report out the other bills. We want all these bills, if we can possibly do it, down to the President before October 1. You have to go to conference; you have to do a lot of things. We may have to negotiate with the White House and others. So I think that is very important. We want to try to avoid that. We want the President to understand that the Congress has done its work on time, and completing these three appropriations bills will be a big step in that direction.

Finally to indicate—not just to indicate, just a fact—we will bring up welfare again on the 5th of September, unless something unforeseen happens. That would be Tuesday, Wednesday, Thursday, Friday of that week, maybe even slip into the next week, into Monday. If we cannot finish it in a reasonable time, then I think the Democratic leader understands and others understand, we will probably have to put it in reconciliation. But first we want to give everybody an opportunity.

I would rather pass a freestanding welfare reform bill where everybody has a right to offer amendments, we have votes on the amendments—and I think there are going to be dozens of amendments, legitimate amendments. But I would make that statement. And that date is September 27, sort of the drop-dead day for that process. So we do not have a lot of time. I think this makes the best use of our time, and it also permits our colleagues to start the recess either Friday or Saturday of this week.

I thank my colleague, the Democratic leader.

AMENDMENT NO. 2282 TO AMENDMENT NO. 2280

Mr. DASCHLE. Mr. President, with that understanding, I would like to lay down the Democratic substitute at this time and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE] proposes an amendment numbered 2282 to amendment No. 2280.

Mr. DASCHLE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DASCHLE. Mr. President, I would also ask unanimous consent that Timothy Prinz, a congressional fellow in my office, be granted privileges of the floor during the debate on welfare reform and the appropriations bills to which it would refer.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I have had a number of opportunities to discuss this legislation. I did again last night. I probably will throughout the remainder of the week. In the interest of time and certainly appreciation of the long wait that the distinguished Senator from Missouri has had already, I will make no further statements regarding the amendment and save that for a later date.

Mr. DOLE. Mr. President, we will probably be making comments on the bill, too, on this side of the aisle. A lot of comments have been about our bill, so I assume we will probably make a few comments about this bill before the recess.

Mr. DASCHLE. If I could just ask the majority leader for a clarification on the opportunity both leaders will have to modify our legislation prior to the end of the week. I think there is an understanding we will be able to do that.

Mr. DOLE. That is an understanding we have.

Because I assume the Senator is meeting with his colleagues; we are meeting with our colleagues. We are working out problems, and we would like, where we can, to accommodate different views to those changes. It might save a lot of amendments.

Mr. DASCHLE. That is right.

Mr. DOLE. So I ask unanimous consent now that we turn to the consideration of H.R. 1977, the Interior appropriations bill.

The PRESIDING OFFICER. Is there objection?

Mr. DOLE. First, before we do that, I understand the Senator from Missouri would like about 8 minutes and the Senator from Washington about 8 minutes.

Mr. KENNEDY. Mr. Leader, I need about 4 minutes.

Mr. DOLE. And the Senator from Massachusetts, 4 minutes. So that gives the appropriators 20 minutes.

Mrs. KASSEBAUM. Mr. President, I hate to——

Mr. DOLE. Excuse me.

Mrs. KASSEBAUM. I hate to delay this, but I have some things I wish to say in answer to the Senator from Massachusetts, and it would seem to me important to kind of set the record straight on some of the job training aspects of this. If I could have just 5 minutes, that would be fine.

Mr. DOLE. So the appropriators have 25 minutes to arrive.

The PRESIDING OFFICER. Without objection, the Senate will proceed to H.R. 1977, at the conclusion of the remarks of the Senators.

The Senator from Missouri.

Mr. BOND. Mr. President, I thank the Chair. I am most grateful to the leaders. I will accept the admonition to make it brief and do it within 8 minutes.

Mr. President, I know there is an old saying that a good sermon in a house of worship wins no souls after 20 minutes. I think we have probably gotten to the point in the debate over welfare where even the most compelling statement on welfare does not win too many votes after about 10 minutes, and I will accept the challenge to summarize some of the things that I think are very important.

Mr. DASCHLE. Will the Senator from Missouri yield for a short unanimous-consent request?

Mr. BOND. I will be happy to yield to my colleague from South Dakota.

Mr. DASCHLE. The Senator from Missouri has mentioned the need for 10 minutes, and I think that was the understanding. I think under the unanimous-consent agreement, it was just 8 minutes. I ask unanimous consent that the Senator from Missouri and the Senator from Washington have 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. Mr. President, I am most grateful to my friend from South Dakota, the minority leader. I will try not to use the full 10 minutes.

I wish to say based on what we have heard here today that there may be differences among us. We do have some questions about the Democratic leadership amendment that has been introduced, but I gain a great deal of encouragement from hearing the comments of my friend from Connecticut, who was talking about work and the emphasis we must place on work.

I personally am pleased to be an original cosponsor of the welfare bill the majority leader and the chairman of the Finance Committee have introduced. I think that after 30 years of ever more expensive and less effective approaches to poverty, we are on the threshold of developing a plan that will reform welfare in a meaningful way.

We have heard from a lot of our colleagues who spent the last 2 days describing the problems of the current system. I agree with that. There are problems. We all recognize the current system is a disaster and it does not well serve those down and out in society who need a hand up, and it does not serve the taxpayers of the country who fund it. If any of us have questions about that, I think we can just go home and ask the folks in our home State. We are going to hear that clearly.

I would like to describe in brief some of the reasons I think the Dole-Packwood approach will work in that it strikes a fair balance between the role of the Federal Government in providing a safety net and giving States increased responsibility. I think it is a sound approach in fixing the system and clearly the best alternative to those who would completely dismantle public assistance and those who would simply tinker around the edges.

We have heard some very eloquent statements in the last hour about how important all the individual programs are and how great they are and what wonderful things they have done and how much better they would be if we spent more money.

I do not think that is the real world. I hope we can come together on a bipartisan basis to say more and more individual Federal programs with more and more money is not getting us out of the hole.

I have been working on welfare reform 8 years as Governor and longer than that in this Congress in past legislative sessions. I have been very pleased to work on a bipartisan basis with my colleague from Iowa, Senator HARKIN, over the last 2 years, and I am delighted that some of the ideas we have worked on are included in the bill before us. The centerpiece of the bill that we included on a bipartisan basis was a personal responsibility contract.

This is a fundamental change in the way we would approach public assistance. Since the creation of aid to families with dependent children, public aid has been regarded as an entitlement. If you meet the requirements, if you have the problems and if you have the lack of money for eligibility and you have the children, you get the cash with no strings attached. That just does not work.

The current system has rightly been condemned by persons from all walks of life: researchers, advocates, pastors, politicians, even the recipients themselves. The system is impersonal. It is inefficient, and it encourages continued dependency. Recipients continue to get cash month after month after month without thinking about their future and without giving any help or any encouragement or any prod to become self-sufficient.

Treating public assistance as a contractual relationship such as is being done in Iowa, Missouri, Utah, and elsewhere where both parties have responsibility for changes, both parties need to do something, recipients themselves have to work or perform for their benefits, is the way out of the trap.

I believe a large reason for the stagnation in the welfare programs today is that we have not required anything in return for benefits. It is a one-way street. The lack of reciprocity has bred an ethic of dependence rather than a work ethic. The only way we can turn this around is to require something in return for what the taxpayers are paying out.

Most Americans believe our Government has a responsibility to help families in need, and certainly we are going to pursue that. But we also know that individuals have a responsibility to help themselves if they can. I believe that this approach will do a better job of helping people to create a better life for themselves and their families. I am concerned that if we do not require recipients of public assistance to work or behave responsibly, then our efforts at reform will fail.

The principle should be, public assistance is a two-way street. You want benefits? You have got to work and behave responsibly in return. The Dole-Packwood bill has a real work requirement. We have, I think, in this measure, since we last took on welfare reform in 1988, learned that the States are moving well ahead of the Federal Government. That is why we are going to look to the States to lead the way in finding new ways and better ways to get out of welfare dependency.

We have tinkered with the problem. We have tinkered with eligibility. But we have not come close to solving the problem of poverty. I am pleased that we take steps to move responsibility back to the States. I think we are doing an excellent job in reforming the supplemental security income program, which has grown out of control and has brought real outrage. I think that we need to change the system with respect to noncitizens. These elements are all in the bill.

The Dole-Packwood plan has a real work requirement, unlike the existing system. There would be no automatic exemption from work requirements. Currently, over half the caseload on average in every State is exempt from participation in work and job training programs. No wonder the American people think the system is a sham.

Since we last took on the welfare reform issue in 1988, we learned that our Nation's Governors are far ahead of Washington in generating reform ideas and in implementing them. Currently States must undertake a lengthy and cumbersome waiver process in order to obtain permission to implement commonsense reforms. States that want to require welfare recipients to obtain preventive health care for their children, or to ensure that their children stay in school, or wish to allow recipients to keep more of their earnings from a part-time job—good ideas all—must now obtain a waiver from HHS. This is costly, time consuming, and silly. Dole-Packwood permits States to try a variety of ideas to move people into meaningful work and off public assistance, without permission from the Feds.

Senator HARKIN and I had also proposed that recipients be permitted to keep more income earned on the job, that teens be allowed to work without counting against family income, and that States be permitted to subsidize private sector jobs for welfare recipients on a trial basis. We also proposed that benefits be denied to those who fail to behave responsibly—those who fail to have their children immunized or to attend school. Under the system set up by the Dole-Packwood plan, States would be able to try any combination of these ideas, and many more we have not even thought of yet, without permission from Washington bureaucrats.

Mr. President, in past attempts to reform welfare we have erred on the side of caution. We have tinkered with the programs and generally expanded eligibility. We have not come close to solving the problem of poverty; in fact, there are more children living in poverty now than 30 years ago. So we do not want to be overly cautious in our approach to this issue. But neither do we want to throw the problems back to the States. Some of my colleagues propose a mega-block grant which would encompass virtually all means-tested assistance. I would argue that just because we no longer have to deal with the issue on the Federal level does not mean that there is no longer a problem. While their plan has the appeal of simplicity, I do not believe it is workable.

I have tried to work with those in my State who have the responsibility of running these programs to determine what reform efforts make sense. I have come to the conclusion that we should not include certain programs in this bill, particularly child welfare and foster care programs, and public housing reform. Children who are abused and neglected and who become wards of the State are our society's most vulnerable, and their needs should be addressed separately. And I am pleased that the majority leader and the Chairman of the Finance Committee have left these programs out of this bill.

Another highlight of this plan, in my view, is its reform of the Supplemental Security Income [SSI] Program, which provides benefits to low-income disabled individuals. SSI is one of the fastest growing welfare programs in the Federal budget, costing $22 billion per year, and without the reforms in this bill, projected to grow 50 percent by the year 2000. SSI provides perhaps the best example of what happens when the Federal Government provides cash and asks for nothing in return. Over the last 2 years, we have investigated abuses in the program. We have discovered that many drug addicts and alcoholics are using the cash payments to subsidize their addictions, that children are being coached by their parents to fake a disability, and that new immigrants are being coached to fake disabilities to qualify for benefits.

Dole-Packwood would reform the SSI Program without denying benefits to those who truly need them. The bill would no longer treat drug addiction and alcoholism as disabilities or purposes of qualifying for SSI. Noncitizens would only be eligible after working and paying taxes for 5 years. And only children who were diagnosed with a real disability, rather than being said to behave inappropriately for their age level, would qualify for benefits.

Mr. President, the bill before us is not perfect. No legislative document ever is. Over the course of this week I hope we will make improvements in the area of child care and job training. Certainly there are a number of loose threads. But I am throwing my support behind this plan because I believe it is fundamentally sound from a philosophical and practical standpoint. It recognizes that the Federal Government cannot possibly provide the innovation and compassion necessary to solve the problem of poverty. It permits States, private organizations, and individuals to assume more responsibility in caring for our neighbors. And it recognizes that persons in need of assistance in our society will not become self-sufficient unless they are required to give of themselves in return.

I yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Mr. President, the Senate has jumped into the welfare reform debate with both feet. I want to pose a question to the body now, as we enter the process: What is this debate about?

I will make it very simple: it is about families. It think all my colleagues will agree that in this country, there can be no substitute for healthy families; they are the bedrock of our society.

I hear so much from my constituents about their fears for the American family. In the modern world, the family faces more challenges than ever before, from economic opportunity, to education, to child care. We live in a world where more and more both parents must work to make ends meet. We have also seen an increase in single-parent homes where the challenge to balance work and family can be overwhelming. In my own family, my brothers, sisters, and cousins all share these fears.

With this in mind, there is one question I urge my colleagues to keep in mind throughout this debate: what can the Government do—or not do—to build, and rebuild, families in this country?

What can the Government do to ensure economic opportunity? What can the Government do to create a healthy environment for children? What can the Government do to open doors and prevent dependency?

What can the Government do—or not do—to foster a sense of security, hope, and confidence for families?

During this debate, we will hear a lot about failure. In fact, we already have. We have heard about bad actors who abuse the system. We have heard about systemic failure, about substance abuse, crime, spousal abuse, child abuse, and everything that plagues a family stuck in poverty.

We have heard about addicts awaiting the day their checks come in the mail. We have heard about mothers who stay on welfare, rather than accepting work. And we are going to keep hearing these things used to justify radical overhaul of the current welfare system.

We may hear about these failures, and we may all agree the current system needs improvement. But let's not lose sight of what this debate is about: families and children. America's children.

Mr. President, I bring a unique perspective to this debate on the Senate floor. I am a mother with school-age children. I have been a preschool teacher, dealing with kids from all economic classes. I have taught parent education classes, counseling young parents to help them develop their skills as mothers and fathers in the modern world.

I can personally tell you what it is like to take a desperate phone call from a young single mom at the end of her rope. She is burning the candle at both ends, trying to work, worrying all day long about her kids. For school age kids, they face a tough environment at school; for toddlers, access to quality day care is a constant problem.

When this mom gets home, the kids need attention, but she is out of energy. They need love, they need nourishment, and she has to summon everything she has got to meet their needs. Take my word for it: in today's world this is hard for any parent.

To succeed in reforming welfare, we cannot talk in vagaries about accountability and responsibility, though these concepts are important. We have to understand the everyday challenges of everyday parents.

Only by knowing and understanding these challenges can we begin to design a welfare reform proposal that truly gives struggling families a boost to economic stability.

Mr. President, shortly after I was elected to the Senate, I decided I needed a better perspective on the challenges faced by young kids in our cities. I asked friends from Washington State social service agencies, from the juvenile justice system, from the public school system, and kids themselves to come together in a series of forums across my State.

In all three cases, I heard the same message over and over again. Kids today feel like adults do not care about them, or their problems. They come home to an empty house because one parent is absentee, or both parents have to work to cover expenses. Or they have dysfunctional parents.

They wake up each morning scared, and all they can think about is survival. They do not see anything getting better for themselves, and to them, it adds up to a world in which adults just do not care.

More recently, Mr. President, I have tried to learn more about the perspective of typical welfare recipients. I participated in a unique program called Walk-a-Mile which started in Washington State and pairs a welfare recipient with an elected official, and the two speak frequently on the telephone about each others' experiences. I was lucky enough to be paired with June, a single mother of two from a Seattle suburb who survived an abusive relationship.

During her time on welfare, June attended school and earned a degree from Evergreen State College. Her classroom time was frequently interrupted, however, because her 6-year-old son Jonathan suffers from attention deficit order, a side effect of the abuse suffered in their previous home.

June has been told by six different day care providers that her son could not be cared for, because of his explosive and erratic behavior. During this time June has lived in fear she would lose her credits at school, or have to drop out, because Jonathan could not stay in day care, or in school.

Since earning her degree, June has divided her time between looking for work and looking for childcare. Her dilemma is a familiar one: in the absence of child care, she cannot work; yet she is qualified to willing to work today.

Mr. President, I know what scared single parents, and I know what scares the kids. I have seen it firsthand, and I have studied it closely over the past 2 years.

These are the fears of moms and their children. This is why moms get trapped in dependency, and why their kids look for their solutions on the streets. And unless we do something to remove these fears, we will not accomplish reform.

I am concerned about what the Dole plan means for the State of Washington that has quality programs based on current Federal resources. I am concerned about parents and families—like June—who are currently participating in programs that will move them off welfare and into the work force.

The Dole plan limits funding to States, and stipulates 2 years of benefits and then you are cut off. This amounts to nothing more than passing one of our biggest headaches off to the States for them to deal with. As a former state legislator, I can tell you that is something my State does not relish.

The Senate has already passed a budget proposing to cut Medicare and Medicaid over the next 7 years. Under the dole welfare plan, the same working families will lose another $500 million over the next 7 years.

Over 60 percent of my State's budget is public education: There is no way it can maintain any kind of excellence in public education if Congress forces new responsibilities and under-funded block-grants down to the State level.

What does this mean in personal terms for June, my Walk-a-Mile partner? Under the Dole plan, there is no certainty she and her son Jonathan will have access to quality child care. In fact, there is a strong possibility they would not, because overall funding is being reduced.

This plan will not do anything to improve June's situation, and it will certainly add to the message we send to our kids that we do not care about them.

The Daschle bill offers credible reform. It proposes to move welfare recipients into the work force swiftly and decisively. It provides guidance on how to equip recipients to make this move. And, most importantly, it ensures quality childcare will be available during the transition.

For people like June, this means they will have the stability and peace of mind to invest themselves in education or training programs that will equip them to move into the work force, without worrying about whether their kids will be looked after during the day.

Mr. President, as a preschool teacher, and parent education counselor, I can tell you based on firsthand experience, give the choice between work and kids, the parent, with limited options, will stay at home.

I can also tell you that unless we neutralize the fears and challenges of poor families, single parents, and their kids, we will not succeed in reforming welfare. We will simply infuse the underclass with a big new group of have-nots.

I will conclude my statement where I began this statement. Welfare reform should be—must be—about rebuilding families in America. In America, we have always taken care of our own.

We built the farm program to preserve the family farms. We establish Social Security to make sure Americans live well in retirement. We passed a GI bill to give our men and women in uniform ready access to education.

Welfare reform should be no different. The central goal of welfare reform should be to make sure American families at all economic levels have equal access to economic opportunity in the modern world.

We cannot legislate morality. Nor can we legislate family values. But we must promote family values. These are intangibles that are up to every family to address in their own homes. All we can do is provide opportunity and a stable environment to let it happen.

If we can move people into the work force and create self-sufficiency, we will have succeeded. To do this, we must remove parents' fears about access to child care, and we must remove kids' fears about the future, and we must make skills training and education available; and we must be very firm about our end goals. If we do these things, we will create a stable environment in which families can success in their own right, on their own merits.

I thank the Chair, and I yield my time.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I want to commend the majority leader for his decision to postpone further action on the welfare reform bill.

Clearly, the pending Republican bill needs more work. Governors, mayors, business leaders, workers should all take a close look at what is being proposed. As this debate has proceeded, it has become clear that the bill is deeply flawed in two major respects: Its failure to include adequate provisions on child care, and its grossly defective treatment of job training.

No welfare reform bill that fails to deal effectively with child care and job training deserves to pass. Without adequate job training, the goal of welfare reform is a charade, since those on welfare will not be able to work even if they are willing to work. To raid existing job training and job education programs in order to solve this problem, as the bill proposes to do, is an unacceptable assault on dislocated workers and all families in all parts of the country struggling to hold on to their current jobs or to improve their skills to find new jobs.

Without adequate child care, this bill is a sham. It makes no sense to force mothers on welfare to work and then deny child care for their children left at home. The last thing the Senate should do in the name of welfare reform is pass a "Home Alone" bill that jeopardizes millions of children and their chance for a brighter future.

Finally, it is clear that the Republican bill is also under assault from many Republican Senators who think this bill should be even more punitive on people on welfare.

It is no surprise, therefore, that this defective legislation is being recalled for further repairs. As President Clinton and Democrats have made clear, we are ready to support responsible and far-reaching welfare reform. But it must be more than bumper-sticker slogans. It must be genuine reform that makes welfare a hand up, not a handout. This bill flunked that basic test, and it deserves the failing grade it has now received.

I yield the floor.

Mrs. KASSEBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, let me say before I start that the majority leader has yielded me his leadership time if I should need more time than the 5 minutes I believe was in the agreement.

Mr. President, I would like to answer several accusations that have been made about the welfare reform bill. First of all, the bill is neither marginal nor is it a sham. The bill that has been put forward by the majority leader is an important step forward and makes good progress in dealing with a most difficult problem.

There may be some major philosophical differences, and that we would all recognize. But the bill addresses three areas that I think are important to any significant and major welfare reform legislation. One, it ends the entitlement for welfare; two, it makes substantial reforms in the Food Stamp Program; and three, it provides major and constructive reform of our job training programs.

It is job training, Mr. President, that I would like to address specifically. If we are ultimately going to be successful in reforming welfare, we must be realistic about what it takes to do so. We have to separate rhetoric from the reality of what is out there, and we must determine how we can be supportive while making changes that are absolutely necessary.

Effective welfare reform is not simply a matter of increasing flexibility or changing incentives, but also of recognizing that obtaining and holding a job does not occur in a vacuum. That is why quality child care is important and why job training—realistic job training—is important.

This morning, my colleague, the Senator from Massachusetts, who is the ranking member of the Labor and Human Resources Committee, said in a press conference: "This is a cynical scheme to pit welfare beneficiaries against laid-off factory workers, unemployed defense workers and millions of other Americans."

Mr. President, that is just not true, and there has been a misunderstanding about what the job training portion of this program does. Because it was approved by the Labor and Human Resources Committee, I would like to spend a little bit of time going through that title of the bill.

Mr. KENNEDY. Will the Senator yield on that point?

Mrs. KASSEBAUM. I will be happy to yield.

Mr. KENNEDY. I welcome the Senator's clarification. I just mention, in the Senator's bill, as the Senator knows, in listing the various provisions of permissible activities, on page 67, those effectively are identical to what is in the Dole bill, with the exception of one word. The Senator may be familiar with this, and that is on page 337, under paragraph O and line 20, which adds the word "workfare."

So essentially all of the provisions of the Senator's bill were in there. We had other kinds of differences about the construct, but not in this area.

Then there was the addition of the word "workfare." Just the workfare under permissible activities, at least the way the bill was designed or appeared to this Senator, would open up the utilization of those funds for the welfare training programs. That is a reason for the observation.

I welcome the clarification. I had a chance to read the Senator's statement a minute or two before, but I welcome at least what she intended. I certainly welcome the chance to work with her and try and remedy it.

Mrs. KASSEBAUM. Mr. President, yes, I will clarify the workfare addition to the permissible activities section. But first let me speak more generally about the Workforce Development Act, a measure which provides a substantial and dramatic reform of our current work force training and work force education systems. The linkage it provides between our training and education systems is, I think, enormously important.

The Workforce Development Act was a separate bill, S. 143, that has been incorporated in the legislation that is before us; that is, the welfare reform legislation or, as it is called, the Work Opportunity Act.

I want to emphasize from the outset that the Workforce Development Act is not a welfare program. It is a comprehensive effort to bring together myriad Federal programs—about 90 in all—serving everyone from high school vocational students to dislocated workers in America. These programs are brought together in a way that is going to help everyone. The new system will be far more beneficial to individuals in terms of offering realistic help in finding jobs that suit them and in identifying the market opportunities that actually exist.

Several question whether these provisions should be included in a measure that focuses on welfare reform, and I understand the concern that misconceptions could occur. At the same time, because the relevant training activities for welfare and food stamp recipients must be provided by the single system created by the Workforce Development Act, this welfare bill provides the opportunity to consider, what I believe to be, a very important initiative. I will, therefore, strongly oppose any efforts to remove these titles from the bill.

Our current patchwork system is ill-equipped to deal effectively with today's work force needs. The proliferation of training programs has instead resulted in duplication of effort and is the source of confusion for both employers and job seekers.

Moreover, there is little evidence available to tell us what we have actually achieved in return for the $20-some billion we spend annually on all of these programs. The purpose of the Workforce Development Act of 1995 is to develop a single, unified system of job training and training-related education activities designed to ensure that:

One, there is a logical relationship among formal education, job-specific training, and the jobs available in our economy.

Two, individuals who need assistance in obtaining employment are easily able to identify the resources available for that purpose.

Three, there is a clear accountability for Federal dollars. To achieve this goal, Mr. President, the Workforce Development Act repeals all or a major portion of nearly a dozen Federal education employment and training statutes and some 90 programs that they authorize. The funds would be combined into a single authorization and distributed to States as block grants, but with accountability measures that ensure there indeed will be a means of monitoring what is to be achieved.

Maximum flexibility will be provided to the States to design their own work force development systems, based on the following principles: One-stop delivery of job training services; support for school-to-work activities for youth; the development of benchmarks by which to measure results.

In addition, private sector employers will be involved at all levels of the training system, including the Federal, State, and local levels.

Finally, the legislation provides for a transition period during which States may be granted broad waivers from current regulations to begin consolidation.

I think this legislation takes bold steps to reform our training and education programs. I think it is a valuable part of any welfare reform effort. More importantly, it is important for us as a country to be able to address in a far more realistic and effective way, how to help States design the programs that best fit their individual needs.

At this point, I would like to speak specifically to the question that was raised in the press conference where Senator KENNEDY indicated we were trying to pit welfare beneficiaries against laid-off factory workers and unemployed defense workers. I think it is important to clarify the provision which has been the source of a serious misunderstanding.

The Workforce Development Act contains a section on activities for which work force training funds may be used. It is the same list as included in the committee-passed bill, but with one addition. That addition—workfare—is the source of the current confusion.

It has been represented that this term was added to create a loophole, whereby all work force training funds could ultimately be diverted to welfare payments. That is simply not the case.

I, too, would oppose the diversion of work force training funds to welfare payments. It was for that reason that I strongly opposed provisions included in an earlier draft of the Work Opportunity Act which would have permitted up to 30 percent of the work force development funds to be used for other activities in the bill. That transferability provision was deleted.

So let me be very clear. Under no circumstances, may funds be taken out of State job training systems to be used to pay for welfare benefits or food stamps.

On the contrary, any training activities conducted under a State's welfare or food stamp program must be carried out through the State job training system. That preserves the concept that training activities within a State will be carried out through a single system.

The reason "workfare" was added to the list of permissible activities was to link a very specific existing food stamp employment and training program into the statewide job training system.

Six States currently carry out workfare programs as a component under their food stamp employment and training program. The purpose of workfare is to improve the employability of individuals not working by providing work experience to assist them to move into regular public or private employment. In essence, it is another form of on-the-job training.

The sole reason that this activity was added to the bill was to ensure that those States that currently conduct the food stamp workfare program can continue to do so through the statewide workforce development system established under title VII.

In general, the overall food stamp employment and training program has not been a very effective job training program, Mr. President. Nevertheless, it remains a part of the food stamp initiative—an initiative which I believe is important.

I am prepared to add clarifying language to assure that the intent of this language is completely clear. I hope, Mr. President, that my explanation clears up any misunderstandings about this issue.

Before I yield the floor, I just want to say that I regret at this late hour to take such a long time on an issue to which we will return in September. But I am convinced, Mr. President, that there is an opportunity for both sides of the aisle to come together in a significant way to address welfare reform.

I think it is an important issue. I, in no way, believe that the legislation that has been put forward by the Republican leader, Senator DOLE, is one that minimizes or ruins our support system for those in need. I think, as a matter of fact, it strengthens it; it shows that there is an ability to work through some issues that are of concern on both sides of the aisle. At the end of the day, we are going to have a stronger, more effective, and more constructive program.

I think that is an opportunity and we should seize it. I think we will when we come back in early September and address the issue.

Mr. KENNEDY. Will the Senator be good enough to yield for a question?

Mrs. KASSEBAUM. I do not know how much time I have.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator has 3 minutes.

Mrs. KASSEBAUM. I am happy to yield.

Mr. KENNEDY. First of all, I want all of our colleagues to know—and I believe they know already—the respect that all of us on our committee, Human Resource Committee have for the work Senator KASSEBAUM has done in working through the job training and consolidation. We have certain areas that remain that we hope to be able to work through. I appreciate very much the clarification of the workfare provision because, as the Senator knows, nowhere in the legislation is workfare defined.

So her explanation certainly gives us the legislative history about what the reason was for including it, because nowhere in the legislation is it defined. Generally, Governors have defined workfare whatever way they desired to do it, as an augmenting and supplementing way of providing assistance or jobs to welfare recipients. It has not been defined. And being included where it was could, at least under permissible activities, open up a range of different possibilities.

Clearly, the Senator did not support it. I want to say that I look forward to working with the Senator not just on this issue, but on the other issues, to try and see if we cannot find common ground. We had some areas of difference. The Senator has been a strong supporter of the child care feature and programs, and also in the consolidation of training programs. So it is certainly our desire to try and find ways, and maybe this period of time will permit us the opportunity to do so.

I thank the Senator.

Mrs. KASSEBAUM. Mr. President, I certainly would welcome the support of the Senator from Massachusetts for this legislation. I look forward to seeing if we cannot work these things out in September.

Mr. GRAMM. Mr. President, I ask unanimous consent to have 5 minutes to speak on welfare.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. GRAMM. Mr. President, Senator DOLE has pulled down the welfare bill and, therefore, the amendments that I and others had prepared will not be offered today, tomorrow, or at any time during the remainder of the week. So I thought it was very important to outline what I see the issues to be and to make the point that some progress has been made, even though the bill was only on the floor for 2 days, with no formal amendments, other than a change that the leader himself sent to the desk and was approved.

When we started this debate, there was a lot of common ground between Senator DOLE's position and the position that I and other conservative Republicans have taken. But there were also some fundamental differences:

First, I felt very strongly that we needed a binding work requirement which said, in no uncertain terms, that able-bodied men and women riding in the welfare wagon were going to be required to get out of the wagon and help the rest of us pull. I had concerns about the original Dole-Packwood bill that came out of committee because it did not contain a binding work requirement and because there was no enforcement mechanism to guarantee that people who refused to work would actually be dropped from the welfare rolls.

I am very proud of the fact that yesterday Senator DOLE decided, in what I viewed as a gesture toward consensus, to send a modification of his amendment to the desk to add the pay-for-performance provision that was part of both the House bill and the bill that I had proposed with 24 other Republican Senators. This modification simply says that welfare should operate like any other process in America: if you do not show up for work, you will not get paid. This work requirement was added, I think it was a change in the right direction, and I think that as a result we are closer to a consensus today than we were 2 days ago.

I want to see this bill changed to deal with illegitimacy. Under the current program, the illegitimacy rate has risen from 5 percent in 1960 to almost 30 percent in 1990. Last year, roughly half of all the children born in the big cities in America and almost a third of all children born in the entire country were born out of wedlock.

It is clear to me that a program which continues to give people more and more money to have more and more children while on welfare has got to be changed. I have agreed today, in talking to the majority leader, to sit down with him, to have our staffs sit down together, and to see if we can find an agreement to deal with illegitimacy. I think it is clearly necessary not just to pass a bill, but to change the welfare system in America.

I feel very strongly that we should not continue to have immigrants coming to America, looking for a hand out rather than with their sleeves rolled up ready to go to work. I do not believe people ought to be able to come to America just to get welfare. We have room in America for people who want to come and work, for people who want to come here to realize their own American dream.

We have children of immigrants in the U.S. Senate. Most of us are grandchildren or great-grandchildren of immigrants. We want people to come to America to build their dream, to build our dream, but we ought to end this practice of letting people come to America and immediately go on welfare.

Senator DOLE has agreed today—in fact, our staffs at this moment are meeting—to try to see if we can find language in this area that we can agree on, both to settle this issue and to make a fundamental change in this bill. I think if we can do that, then we are making progress toward a consensus.

I want a smaller Federal bureaucracy. If we are going to give AFDC to the States, if we are going to let States run this building block of the welfare system, it seems to me we should not be keeping 70 percent of the program's Government employees at the Federal level with nothing to run. What are these people going to do other than to get in the way of States that are trying to reform the system?

In working with Senator ASHCROFT, I have proposed that we give those Federal programs which are going to be block granted to the States no more than 10 percent of the Government positions they have now, so that they can monitor what the States are doing. Although I would rather have audits by independent firms, I cannot see any logic in giving AFDC, a program which we are eliminating at the Federal level, the ability to keep 70 percent of their Government employees in place. Is a Government job the only immortal thing in the temporal world? I would answer no, but Congress continually says yes.

Finally, I would like to expand the number of programs that we are giving to the States. We will try to block grant food stamps and I believe that there will be a cross section of Senators voting together in favor of this proposal.

The point is that although some progress has been made, we need to continue to work. In the past, we have reformed welfare many times, but we have never truly changed it. I want this bill to be different.

I yield the floor.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1996

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (H.R. 1977) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

H.R. 1977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, acquisition of easements and other interests in lands, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau **[**$570,017,000**]** *$565,936,000*, to remain available until expended**[**, of which not more than $599,999 shall be available to the Needles Resources Area for the management of the East Mojave National Scenic Area, as defined by the Bureau of Land Management prior to October 1, 1994, in the California Desert District of the Bureau of Land Management,**]** and of which $4,000,000 shall be derived from the special receipt account established by section 4 of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601–6a(i)): *Provided*, That appropriations herein made shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau or its contractors; and in addition, $27,650,000 for Mining Law Administration program operations, to remain available until expended, to be reduced by amounts collected by the Bureau of Land Management and credited to this appropriation from annual mining claim fees so as to result in a final appropriation estimated at not more than **[**$570,017,000**]** *$565,936,000*: *Provided further*, That in addition to funds otherwise available, and to remain available until expended, not to exceed $5,000,000 from annual mining claim fees shall be credited to this account for the costs of administering the mining claim fee program, and $2,000,000 from communication site rental fees established by the Bureau.

WILDLAND FIRE MANAGEMENT

For necessary expenses for fire use and management, fire preparedness, emergency presuppression, suppression operations, emergency rehabilitation, and renovation or construction of fire facilities in the Department of the Interior, **[**$235,924,000**]** *$242,159,000*, to remain available until expended, of which not to exceed $5,025,000, shall be available for the renovation or construction of fire facilities: *Provided*, That notwithstanding any other provision of law, persons hired pursuant to 43 U.S.C. 1469 may be furnished subsistence and lodging without cost from funds available from this appropriation: *Provided further*, That such funds are also available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes: *Provided further*, That unobligated balances of amounts previously appropriated to the Fire Protection and Emergency Department of the Interior Firefighting Fund may be transferred or merged with this appropriation.

CENTRAL HAZARDOUS MATERIALS FUND

For expenses necessary for use by the Department of the Interior and any of its component offices and bureaus for the remedial action, including associated activities, of hazardous waste substances, pollutants, or contaminants pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. 9601 et seq.), $10,000,000, to remain available until expended: *Provided*, That, notwithstanding 31 U.S.C. 3302, sums recovered from or paid by a party in advance of or as reimbursement for remedial action or response activities conducted by the Department pursuant to sections 107 or 113(f) of the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. 9607 or 9613(f)), shall be credited to this account and shall be available without further appropriation and shall remain available until expended: *Provided further*, That such sums recovered from or paid by any party are not limited to monetary payments and may include stocks, bonds or other personal or real property, which may be retained, liquidated, or otherwise disposed of by the Secretary of the Interior and which shall be credited to this account.

CONSTRUCTION AND ACCESS

For acquisition of lands and interests therein, and construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, **[**$2,515,000**]** *$2,615,000*, to remain available until expended.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976, as amended (31 U.S.C. 6901–07), **[**$111,409,000**]** *$100,000,000*, of which not to exceed $400,000 shall be available for administrative expenses.

LAND ACQUISITION

For expenses necessary to carry out the provisions of sections 205, 206, and 318(d) of

Public Law 94-579 including administrative expenses and acquisition of lands or waters, or interests therein, [$8,500,000] *$10,550,000* to be derived from the Land and Water Conservation Fund, to remain available until expended.

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; [$91,387,000] *$95,364,000*, to remain available until expended: *Provided*, That 25 per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land-grant fund and shall be transferred to the General Fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

RANGE IMPROVEMENTS

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to 50 per centum of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315 et seq.) and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, but not less than $9,113,000, to remain available until expended: *Provided*, That not to exceed $600,000 shall be available for administrative expenses.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for costs of providing copies of official public land documents, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under sections 209(b), 304(a), 304(b), 305(a), and 504(g) of the Act approved October 21, 1976 (43 U.S.C. 1701), and sections 101 and 203 of Public Law 93-153, to be immediately available until expended: *Provided*, That notwithstanding any provision to the contrary of section 305(a) of the Act of October 21, 1976 (43 U.S.C. 1735(a)), any moneys that have been or will be received pursuant to that section, whether as a result of forfeiture, compromise, or settlement, if not appropriate for refund pursuant to section 305(c) of that Act (43 U.S.C. 1735(c)), shall be available and may be expended under the authority of this or subsequent appropriations Acts by the Secretary to improve, protect, or rehabilitate any public lands administered through the Bureau of Land Management which have been damaged by the action of a resource developer, purchaser, permittee, or any unauthorized person, without regard to whether all moneys collected from each such forfeiture, compromise, or settlement are used on the exact lands damage to which led to the forfeiture, compromise, or settlement: *Provided further*, That such moneys are in excess of amounts needed to repair damage to the exact land for which collected.

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing law, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures, and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to $100,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Bureau of Land Management; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $10,000: *Provided*, That notwithstanding 44 U.S.C. 501, the Bureau may, under cooperative cost-sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly-produced publications for which the cooperators share the cost of printing either in cash or in services, and the Bureau determines the cooperator is capable of meeting accepted quality standards.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For expenses necessary for scientific and economic studies, conservation, management, investigations, protection, and utilization of fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; for the general administration of the United States Fish and Wildlife Service; and for maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge; and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as authorized by the Act of August 13, 1970, as amended by Public Law 93-408, [$498,035,000 (less $885,000)] *$496,978,000*, to remain available for obligation until September 30, 1997, of which $11,557,000 shall be *available until expended* for operation and maintenance of fishery mitigation facilities constructed by the Corps of Engineers under the Lower Snake River Compensation Plan, authorized by the Water Resources Development Act of 1976 (90 Stat. 2921), to compensate for loss of fishery resources from water development projects on the Lower Snake River: *Provided*, That unobligated and unexpended balances in the Resource Management account at the end of fiscal year 1995, shall be merged with and made a part of the fiscal year 1996 Resource Management appropriation, and shall remain available for obligation until September 30, 1997: *Provided further, That no monies appropriated under this Act or any other law shall be used to implement subsections (a), (b), (c), (e), (g), or (i) of section 4 of the Endangered Species Act until such time as legislation reauthorizing the Act is enacted, except that monies appropriated under this Act may be used to delist or reclassify species pursuant to subsections 4(a)(2)(B), 4(c)(2)(B)(i), and 4(c)(2)(B)(ii) of the Act.*

CONSTRUCTION

For construction and acquisition of buildings and other facilities required in the conservation, management, investigation, protection, and utilization of fishery and wildlife resources, and the acquisition of lands and interests therein; [$26,355,000] *$38,775,000*, to remain available until expended.

NATURAL RESOURCE DAMAGE ASSESSMENT FUND

To conduct natural resource damage assessment activities by the Department of the Interior necessary to carry out the provisions of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. 9601, et seq.), Federal Water Pollution Control Act, as amended (33 U.S.C. 1251, et seq.), the Oil Pollution Act of 1990 (Public Law 101-380), and the Act of July 27, 1990 (Public Law 101-337); [$6,019,000] *$4,000,000*, to remain available until expended: *Provided*, That sums provided by any party in fiscal year 1996 and thereafter are not limited to monetary payments and may include stocks, bonds or other personal or real property, which may be retained, liquidated or otherwise disposed of by the Secretary and such sums or properties shall be utilized for the restoration of injured resources, and to conduct new damage assessment activities.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460*l*-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, [$14,100,000] *$32,031,000*, to be derived from the Land and Water Conservation Fund, to remain available until expended.

COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND

For expenses necessary to carry out the provisions of the Endangered Species Act of 1973 (16 U.S.C. 1531-1543), as amended by Public Law 100-478, $8,085,000 for grants to States, to be derived from the Cooperative Endangered Species Conservation Fund, and to remain available until expended.

NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), $10,779,000.

REWARDS AND OPERATIONS

For expenses necessary to carry out the provisions of the African Elephant Conservation Act (16 U.S.C. 4201-4203, 4211-4213, 4221-4225, 4241-4245, and 1538), $600,000, to remain available until expended.

NORTH AMERICAN WETLANDS CONSERVATION FUND

For expenses necessary to carry out the provisions of the North American Wetlands Conservation Act, Public Law 101-233, [$4,500,000] *$6,750,000*, to remain available until expended.

LAHONTAN VALLEY AND PYRAMID LAKE FISH AND WILDLIFE FUND

For carrying out section 206(f) of Public Law 101-618, such sums as have previously been credited or may be credited hereafter to the Lahontan Valley and Pyramid Lake Fish and Wildlife Fund, to be available until expended without further appropriation.

RHINOCEROS AND TIGER CONSERVATION FUND

For deposit to the Rhinoceros and Tiger Conservation Fund, $200,000, to remain available until expended, to be available to carry out the provisions of the Rhinoceros and Tiger Conservation Act of 1994 (P.L. 103–391).

WILDLIFE CONSERVATION AND APPRECIATION FUND

For deposit to the Wildlife Conservation and Appreciation Fund, [$998,000] *$800,000*, to remain available until expended[, to be available for carrying out the Partnerships for Wildlife Act only to the extent such funds are matched as provided in section 7105 of said Act].

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed [54 passenger] *113* motor vehicles[, none of which are for police-type use]; not to exceed $400,000 for payment, at the discretion of the Secretary, for information, rewards, or evidence concerning violations of laws administered by the United States Fish and Wildlife Service, and miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate; repair of damage to public roads within and adjacent to reservation areas caused by operations of the United States Fish and Wildlife Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the United States Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources: *Provided*, That notwithstanding 44 U.S.C. 501, the Service may, under cooperative cost sharing and partnership arrangements authorized by law, procure printing services from cooperators in connection with jointly-produced publications for which the cooperators share at least one-half the cost of printing either in cash or services and the Service determines the cooperator is capable of meeting accepted quality standards: *Provided further, That the United States Fish and Wildlife Service may accept donated aircraft as replacements for existing aircraft*: *Provided further*, That notwithstanding any other provision of law, the Secretary of the Interior may not spend any of the funds appropriated in this Act for the purchase of lands or interests in lands to be used in the establishment of any new unit of the National Wildlife Refuge System unless the purchase is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 103–551[: *Provided further*, That none of the funds made available in this Act may be used by the U.S. Fish and Wildlife Service to impede or delay the issuance of a wetlands permit by the U.S. Army Corps of Engineers to the City of Lake Jackson, Texas, for the development of a public golf course west of Buffalo Camp Bayou between the Brazos River and Highway 332]: *Provided further, That notwithstanding the Emergency Wetlands Resources Act of 1986 (16 U.S.C. 3911), amounts collected from the sale of admissions permits and from fees collected at units of the Fish and Wildlife Service for fiscal year 1996 shall be available for use by the Fish and Wildlife Service pursuant to paragraph (c)(4) of section 315 of this Act: Provided further, That, with respect to lands leased for farming pursuant to Public Law 88–567, none of the funds in this Act may be used to develop, implement, or enforce regulations or policies (including pesticide use proposals) related to the use of chemicals and pest management that are more restrictive than the requirements of applicable State and Federal laws related to the use of chemicals and pest management practices on non-Federal lands.*

NATURAL RESOURCES SCIENCE AGENCY

RESEARCH, INVENTORIES, AND SURVEYS

For authorized expenses necessary for scientific research relating to species biology, population dynamics, and ecosystems; inventory and monitoring activities; technology development and transfer; the operation of Cooperative Research Units; for the purchase of not to exceed 61 passenger motor vehicles, of which 55 are for replacement only; and for the general administration of the National Biological Service, $145,965,000, of which $145,915,000 shall remain available until September 30, 1997, and of which $50,000 shall remain available until expended for construction: Provided, That none of the funds under this head shall be used to conduct new surveys on private property unless specifically authorized in writing by the property owner: Provided further, That none of the funds provided herein for resource research may be used to administer a volunteer program when it is made known to the Federal official having authority to obligate or expend such funds that the volunteers are not properly trained or that information gathered by the volunteers is not carefully verified: Provided further, That no later than April 1, 1996, the Assistant Secretary for Water and Science shall issue agency guidelines for resource research that ensure that scientific and technical peer review is used as fully as possible in selection of projects for funding and ensure the validity and reliability of research and data collection on Federal lands: Provided further, That no funds available for resource research may be used for any activity that was not authorized prior to the establishment of the National Biological Survey: Provided further, That once every five years the National Academy of Sciences shall review and report on the resource research activities of the agency: Provided further, That if specific authorizing legislation is enacted during or before the start of fiscal year 1996, the agency should comply with the provisions of that legislation.

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, including not to exceed $1,593,000 for the Volunteers-in-Parks program, and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as authorized by the Act of August 13, 1970, as amended by Public Law 93–408, [$1,088,249,000] *$1,092,265,000*, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), of which not to exceed $72,000,000, to remain available until expended is to be derived from the special fee account established pursuant to title V, section 5201, of Public Law 100–203[, and of which not more than $1 shall be available for activities of the National Park Service at the Mojave National Preserve].

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, environmental compliance and review, international park affairs, statutory or contractual aid for other activities, and grant administration, not otherwise provided for, [$35,725,000] *$38,051,000*: *Provided*, That [$248,000] *$236,000* of the funds provided herein are for the William O. Douglas Outdoor Education Center, subject to authorization.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the provisions of the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470), [$37,934,000] *$38,312,000*, to be derived from the Historic Preservation Fund, established by section 108 of that Act, as amended, to remain available for obligation until September 30, 1997.

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, [$114,868,000] *$116,480,000*, to remain available until expended: *Provided*, That not to exceed [$6,000,000] *$4,500,000* shall be paid to the Army Corps of Engineers for modifications authorized by section 104 of the Everglades National Park Protection and Expansion Act of 1989: *Provided further, That up to $1,500,000 of the funds provided under this head, to be derived from the Historic Preservation Fund, established by the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470), shall be available until expended to render the site safe for visitors and to continue building stabilization of the Kennicott, Alaska copper mine.*

LAND AND WATER CONSERVATION FUND

(RESCISSION)

The contract authority provided for fiscal year 1996 by 16 U.S.C. 4601–10a is rescinded.

LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601–4–11), including administrative expenses, and for acquisition of lands or waters, or interest therein, in accordance with statutory authority applicable to the National Park Service, [$14,300,000] *$43,230,000*, to be derived from the Land and Water Conservation Fund, to remain available until expended[, of which $4,800,000 is provided for Federal assistance to the State of Florida pursuant to Public Law 103–219,] and of which $1,500,000 is to administer the State assistance program: *Provided, That funds appropriated herein for the purpose of acquisition of the Elwha and Glines dams shall be used solely for acquisition, and shall not be expended until the full purchase amount has been appropriated by the Congress.*

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 518 passenger motor vehicles, of which 323 shall be for replacement only, including not to exceed 411 for police-type use, 12 buses, and 5 ambulances: *Provided*, That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided further*, That none of the funds appropriated to the National Park Service may be used to implement an agreement for the redevelopment of the southern end of Ellis Island *until such agreement has been submitted to the Congress and shall not be implemented prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of*

Representatives and the President of the Senate of a full and comprehensive report on the development of the southern end of Ellis Island, including the facts and circumstances relied upon in support of the proposed project.

None of the funds in this Act may be spent by the National Park Service for a United Nations Biodiversity Initiative in the United States.

UNITED STATES GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the United States Geological Survey to perform surveys, investigations, and research covering topography, geology, hydrology, and the mineral and water resources of the United States, its Territories and possessions, and other areas as authorized by law (43 U.S.C. 31, 1332 and 1340); classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; [$686,944,000] *$577,503,000*, of which $62,130,000 shall be available for cooperation with States or municipalities for water resources investigations[, and of which $112,888,000 for resource research and the operations of Cooperative Research Units shall remain available until September 30, 1997]: *Provided*, That no part of this appropriation shall be used to pay more than one-half the cost of any topographic mapping or water resources investigations carried on in cooperation with any State or municipality[: *Provided further*, That funds available herein for resource research may be used for the purchase of not to exceed 61 passenger motor vehicles, of which 55 are for replacement only: *Provided further*, That none of the funds available under this head for resource research shall be used to conduct new surveys on private property except when it is made known to the Federal official having authority to obligate or expend such funds that the survey or research has been requested and authorized in writing by the property owner or the owner's authorized representative: *Provided further*, That none of the funds provided herein for resource research may be used to administer a volunteer program when it is made known to the Federal official having authority to obligate or expend such funds that the volunteers are not properly trained or that information gathered by the volunteers is not carefully verified: *Provided further*, That no later than April 1, 1996, the Director of the United States Geological Survey shall issue agency guidelines for resource research that ensure that scientific and technical peer review is utilized as fully as possible in selection of projects for funding and ensure the validity and reliability of research and data collection on Federal lands: *Provided further*, That no funds available for resource research may be used for any activity that was not authorized prior to the establishment of the National Biological Survey: *Provided further*, That once every five years the National Academy of Sciences shall review and report on the resource research activities of the Survey: *Provided further*, That if specific authorizing legislation is enacted during or before the start of fiscal year 1996, the resource research component of the Survey should comply with the provisions of that legislation: *Provided further*, That unobligated and unexpended balances in the National Biological Survey, Research, inventories and surveys account at the end of fiscal year 1995, shall be merged with and made a part of the United States Geological Survey, Surveys, investigations, and research account and shall remain available for obligation until September 30, 1996].

ADMINISTRATIVE PROVISIONS

The amount appropriated for the United States Geological Survey shall be available for purchase of not to exceed 22 passenger motor vehicles, for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for gauging stations and observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the United States Geological Survey appointed, as authorized by law, to represent the United States in the negotiation and administration of interstate compacts: *Provided*, That activities funded by appropriations herein made may be accomplished through the use of contracts, grants, or cooperative agreements as defined in 31 U.S.C. 6302, et seq.

MINERALS MANAGEMENT SERVICE

ROYALTY AND OFFSHORE MINERALS MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed eight passenger motor vehicles for replacement only; [$186,556,000] *$182,169,000*, of which not less than $70,105,000 shall be available for royalty management activities; and an amount not to exceed [$12,400,000] *$15,400,000* for the Technical Information Management System [of] *and Related Activities of the* Outer Continental Shelf (OCS) Lands Activity, to be credited to this appropriation and to remain available until expended, from additions to receipts resulting from increases to rates in effect on August 5, 1993, from rate increases to fee collections for OCS administrative activities performed by the Minerals Management Service over and above the rates in effect on September 30, 1993, and from additional fees for OCS administrative activities established after September 30, 1993: *Provided*, That beginning in fiscal year 1996 and thereafter, fees for royalty rate relief applications shall be established (and revised as needed) in Notices to Lessees, and shall be credited to this account in the program areas performing the function, and remain available until expended for the costs of administering the royalty rate relief authorized by 43 U.S.C. 1337(a)(3): *Provided further*, That $1,500,000 for computer acquisitions shall remain available until September 30, 1997: *Provided further*, That funds appropriated under this Act shall be available for the payment of interest in accordance with 30 U.S.C. 1721 (b) and (d): *Provided further*, That not to exceed $3,000 shall be available for reasonable expenses related to promoting volunteer beach and marine cleanup activities: *Provided further*, That notwithstanding any other provision of law, $15,000 under this head shall be available for refunds of overpayments in connection with certain Indian leases in which the Director of the Minerals Management Service concurred with the claimed refund due, to pay amounts owed to Indian allottees or Tribes, or to correct prior unrecoverable erroneous payments: *Provided further*, That beginning in fiscal year 1996 and thereafter, the Secretary shall take appropriate action to collect unpaid and underpaid royalties and late payment interest owed by Federal and Indian mineral lessees and other royalty payors on amounts received in settlement or other resolution of disputes under, and for partial or complete termination of, sales agreements for minerals from Federal and Indian leases.

OIL SPILL RESEARCH

For necessary expenses to carry out the purposes of title I, section 1016, title IV, sections 4202 and 4303, title VII, and title VIII, section 8201 of the Oil Pollution Act of 1990, $6,440,000, which shall be derived from the Oil Spill Liability Trust Fund, to remain available until expended.

BUREAU OF MINES

MINES AND MINERALS

[For expenses necessary for the orderly closure of the Bureau of Mines, $87,000,000] *For expenses necessary for conducting inquiries, technological investigations, and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs; to foster and encourage private enterprise in the development of mineral resources and the prevention of waste in the mining, minerals, metal, and mineral reclamation industries; to inquire into the economic conditions affecting those industries; to promote health and safety in mines and the mineral industry through research; and for other related purposes as authorized by law, $132,507,000, of which $111,192,000 shall remain available until expended.*

ADMINISTRATIVE PROVISIONS

The Secretary is authorized to accept lands, buildings, equipment, other contributions, and fees from public and private sources, and to prosecute projects using such contributions and fees in cooperation with other Federal, State or private agencies: *Provided*, That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral products that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That notwithstanding any other provision of law, the Secretary is authorized to convey, without reimbursement, title and all interest of the United States in property and facilities of the United States Bureau of Mines in Juneau, Alaska to the City and Borough of Juneau, Alaska; in Tuscaloosa, Alabama, to The University of Alabama; in Rolla, Missouri, to the University of Missouri-Rolla; and in other localities to such university or government entities as the Secretary deems appropriate.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87, as amended, including the purchase of not to exceed 15 passenger motor vehicles for replacement only; [$92,751,000] *$95,470,000*, and notwithstanding 31 U.S.C. 3302, an additional amount shall be credited to this account, to remain available until expended, from performance bond forfeitures in fiscal year 1996: *Provided*, That notwithstanding any other provision of law, the Secretary of the Interior, pursuant to regulations, may utilize directly or through grants to States, moneys collected in fiscal year 1996 pursuant to the assessment of civil penalties under section 518 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268), to reclaim lands adversely affected by coal mining practices after August 3, 1977, to remain available until expended: *Provided further*, That notwithstanding any other provision of law, appropriations for the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training.

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out the provisions of title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95–87, as amended, including the purchase of not more than 22 passenger motor vehicles for replacement only, [$176,327,000] *$170,441,000*, to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended[, of which $5,000,000 shall be used for supplemental grants to States for the reclamation of abandoned sites with acid mine rock drainage from coal mines through the Appalachian Clean Streams Initiative]: *Provided*, That grants to minimum program States will be $1,500,000 per State in fiscal year 1996: *Provided further*, That of the funds herein provided up to $18,000,000 may be used for the emergency program authorized by section 410 of Public Law 95–87, as amended, of which no more than 25 per centum shall be used for emergency reclamation projects in any one State and funds for Federally-administered emergency reclamation projects under this proviso shall not exceed $11,000,000[: *Provided further*, That donations credited to the Abandoned Mine Reclamation Fund, pursuant to section 401(b)(3) of Public Law 95–87, are hereby appropriated and shall be available until expended to support projects under the Appalachian Clean Streams Initiative, directly, through agreements with other Federal agencies, as otherwise authorized, or through grants to States or local governments, or tax-exempt private entities]: *Provided further*, That prior year unobligated funds appropriated for the emergency reclamation program shall not be subject to the 25 per centum limitation per State and may be used without fiscal year limitation for emergency projects: *Provided further*, That pursuant to Public Law 97–365, the Department of the Interior is authorized to utilize up to 20 per centum from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For operation of Indian programs by direct expenditure, contracts, cooperative agreements, compacts, and grants including expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment of care, tuition, assistance, and other expenses of Indians in boarding homes, or institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order[; management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights]; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; development of Indian arts and crafts, as authorized by law; for the general administration of the Bureau of Indian Affairs, including such expenses in field offices; maintaining of Indian reservation roads as defined in section 101 of title 23, United States Code; and construction, repair, and improvement of Indian housing, [$1,508,777,000 (plus $851,000)] *$997,221,000*, of which not to exceed [$106,126,000] *$104,626,000* shall be for payments to tribes and tribal organizations for contract support costs associated with ongoing contracts or grants or compacts entered into with the Bureau of Indian Affairs prior to fiscal year 1996, as authorized by the Indian Self-Determination Act of 1975, as amended, and [$5,000,000] *up to $5,000,000* shall be for the Indian Self-Determination Fund, which shall be available for the transitional cost of initial or expanded tribal contracts, grants, compacts, or cooperative agreements with the Bureau of Indian Affairs under the provisions of the Indian Self-Determination Act; and of which not to exceed [$330,711,000] *$330,991,000* for school operations costs of Bureau-funded schools and other education programs shall become available for obligation on July 1, 1996, and shall remain available for obligation until September 30, 1997; and of which not to exceed [$67,138,000] *$69,477,000* for higher education scholarships, adult vocational training, and assistance to public schools under the [Johnson O'Malley Act] *Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.)*, shall remain available for obligation until September 30, 1997; and of which not to exceed [$74,814,000] *$35,331,000* shall remain available until expended for [trust funds management,] housing improvement, road maintenance, [attorney fees, litigation support,] self-governance grants, *and* the Indian Self-Determination Fund[, and the Navajo-Hopi Settlement Program]: *Provided*, That tribes and tribal contractors may use their tribal priority allocations for unmet indirect costs of ongoing contracts, grants or compact agreements: *Provided further*, That funds made available to tribes and tribal organizations through contracts or grants obligated during fiscal year 1996, as authorized by the Indian Self-Determination Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.), or grants authorized by the Indian Education Amendments of 1988 (25 U.S.C. 2001 and 2008A) shall remain available until expended by the contractor or grantee[: *Provided further*, That notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of this Act, concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with the accounting of such funds from which the beneficiary can determine whether there has been a loss]: *Provided further*, That to provide funding uniformity within a Self-Governance Compact, any funds provided in this Act with availability for more than one year may be reprogrammed to one year availability but shall remain available within the Compact until expended: *Provided further*, That notwithstanding any other provision of law, Indian tribal governments may, by appropriate changes in eligibility criteria or by other means, change eligibility for general assistance or change the amount of general assistance payments for individuals within the service area of such tribe who are otherwise deemed eligible for general assistance payments so long as such changes are applied in a consistent manner to individuals similarly situated: *Provided further*, That any savings realized by such changes shall be available for use in meeting other priorities of the tribes: *Provided further*, That any net increase in costs to the Federal Government which result solely from tribally increased payment levels for general assistance shall be met exclusively from funds available to the tribe from within its tribal priority allocation[: *Provided further*, That any forestry funds allocated to a tribe which remain unobligated as of September 30, 1996, may be transferred during fiscal year 1997 to an Indian forest land assistance account established for the benefit of such tribe within the tribe's trust fund account: *Provided further*, That any such unobligated balances not so transferred shall expire on September 30, 1997]: *Provided further*, That notwithstanding any other provision of law, no funds available to the Bureau of Indian Affairs, other than the amounts provided herein for assistance to public schools under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.), shall be available to support the operation of any elementary or secondary school in the State of Alaska in fiscal year 1996: *Provided further*, That funds made available in this or any other Act for expenditure through September 30, 1997 for schools funded by the Bureau of Indian Affairs shall be available only to the schools which are in the Bureau of Indian Affairs school system as of September 1, 1995: *Provided further*, That no funds available to the Bureau of Indian Affairs shall be used to support expanded grades for any school beyond the grade structure in place at each school in the Bureau of Indian Affairs school system as of October 1, 1995: *Provided further*, That notwithstanding the provisions of 25 U.S.C. 2011(h)(1)(B) and (c), upon the recommendation of a local school board for a Bureau of Indian Affairs operated school, the Secretary shall establish rates of basic compensation or annual salary rates for the positions of teachers and counselors (including dormitory and homeliving counselors) at the school at a level not less than that for comparable positions in public school districts in the same geographic area: *Provided further, That notwithstanding any other provision of law, no funds available to the Bureau of Indian Affairs for central office operations or pooled overhead general administration shall be available for tribal contracts, grants, compacts, or cooperative agreements with the Bureau of Indian Affairs under the provisions of the Indian Self-Determination Act or the Tribal Self-Governance Act of 1994 (Public Law 103–413), unless a proposal for amounts to be available for such tribal contracts, grants, compacts, or cooperative agreements has been submitted to and approved by the Committees on Appropriations: Provided further, That of the funds available only through September 30, 1995, not to exceed $8,000,000 in unobligated and unexpended balances in the Operation of Indian Programs account shall be merged with and made a part of the fiscal year 1996 Operation of Indian Programs appropriation, and shall remain available for obligation for employee severance, relocation, and related expenses, until March 31, 1996.*

CONSTRUCTION

For construction, major repair, and improvement of [irrigation and power systems,] buildings, utilities, and other facilities, including architectural and engineering services by contract[; acquisition of lands and interests in lands; and preparation of lands for farming, $98,033,000] *$60,088,000*, to remain available until expended: *Provided*, [That such amounts as may be available for the construction of the Navajo Indian Irrigation Project and for other water resource development activities related to the Southern

Arizona Water Rights Settlement Act may be transferred to the Bureau of Reclamation: *Provided further*,] That not to exceed 6 per centum of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover the road program management costs of the Bureau of Indian Affairs[: *Provided further*, That any funds provided for the Safety of Dams program pursuant to 25 U.S.C. 13 shall be made available on a non-reimbursable basis]: *Provided further*, That for the fiscal year ending September 30, 1996, in implementing new construction or facilities improvement and repair project grants in excess of $100,000 that are provided to tribally controlled grant schools under Public Law 100–297, as amended, the Secretary of the Interior shall use the Administrative and Audit Requirements and Cost Principles for Assistance Programs contained in 43 CFR part 12 as the regulatory requirements: *Provided further*, That such grants shall not be subject to section 12.61 of 43 CFR; the Secretary and the grantee shall negotiate and determine a schedule of payments for the work to be performed: *Provided further*, That in considering applications, the Secretary shall consider whether the Indian tribe or tribal organization would be deficient in assuring that the construction projects conform to applicable building standards and codes and Federal, tribal, or State health and safety standards as required by 25 U.S.C. 2005(a), with respect to organizational and financial management capabilities: *Provided further*, That if the Secretary declines an application, the Secretary shall follow the requirements contained in 25 U.S.C. 2505(f): *Provided further*, That any disputes between the Secretary and any grantee concerning a grant shall be subject to the disputes provision in 25 U.S.C. 2508(e).

[INDIAN LAND AND WATER CLAIM SETTLEMENTS AND MISCELLANEOUS PAYMENTS TO INDIANS

[For miscellaneous payments to Indian tribes and individuals and for necessary administrative expenses, $75,145,000, to remain available until expended; of which $73,100,000 shall be available for implementation of enacted Indian land and water claim settlements pursuant to Public Laws 87–483, 97–293, 101–618, 102–374, 102–441, 102–575, and 103–116, and for implementation of other enacted water rights settlements, including not to exceed $8,000,000, which shall be for the Federal share of the Catawba Indian Tribe of South Carolina Claims Settlement, as authorized by section 5(a) of Public Law 103–116; and of which $1,045,000 shall be available pursuant to Public Laws 98–500, 99–264, and 100–580; and of which $1,000,000 shall be available (1) to liquidate obligations owed tribal and individual Indian payees of any checks canceled pursuant to section 1003 of the Competitive Equality Banking Act of 1987 (Public Law 100–86 (101 Stat. 659)), 31 U.S.C. 3334(b), (2) to restore to Individual Indian Monies trust funds, Indian Irrigation Systems, and Indian Power Systems accounts amounts invested in credit unions or defaulted savings and loan associations and which were not Federally insured, and (3) to reimburse Indian trust fund account holders for losses to their respective accounts where the claim for said loss(es) has been reduced to a judgment or settlement agreement approved by the Department of Justice.]

TECHNICAL ASSISTANCE OF INDIAN ENTERPRISES

For payment of management and technical assistance requests associated with loans and grants approved under the Indian Financing Act of 1974, as amended, $900,000.

INDIAN GUARANTEED LOAN PROGRAM ACCOUNT

For the cost of guaranteed loans $7,000,000, as authorized by the Indian Financing Act of 1974, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $50,680,000.

In addition, for administrative expenses necessary to carry out the guaranteed loan program, $700,000.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Indian Affairs shall be available for expenses of exhibits, and purchase of not to exceed 275 passenger carrying motor vehicles, of which not to exceed 215 shall be for replacement only.

TERRITORIAL AND INTERNATIONAL AFFAIRS

ASSISTANCE TO TERRITORIES

For expenses necessary for assistance to territories under the jurisdiction of the Department of the Interior, [$52,405,000, to remain available until expended for brown tree snake control and research] *$68,188,000, of which (1) $64,661,000 shall be available until expended for technical assistance, including maintenance assistance, disaster assistance, insular management controls, and brown tree snake control and research*; grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for construction and support of governmental functions; grants to the Government of the Virgin Islands as authorized by law; grants to the Government of Guam, as authorized by law; and grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94–241; 90 Stat. 272)*; and (2) $3,527,000 shall be available for salaries and expenses of the Office of Insular Affairs*: *Provided*, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, may be audited by the General Accounting Office, at its discretion, in accordance with chapter 35 of title 31, United States Code: *Provided further*, That Northern Mariana Islands Covenant grant funding shall be provided according to those terms of the Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands approved by Public Law 99–396, or any subsequent legislation related to Commonwealth of the Northern Mariana Islands Covenant grant funding: *Provided further, That of the amounts provided for technical assistance, sufficient funding shall be made available for a grant to the Close Up Foundation: Provided further, That the funds for the program of operations and maintenance improvement are appropriated to institutionalize routine operations and maintenance of capital infrastructure in American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia through assessments of long-range operations and maintenance needs, improved capability of local operations and maintenance institutions and agencies (including management and vocational education training), and project-specific maintenance (with territorial participation and cost sharing to be determined by the Secretary based on the individual territory's commitment to timely maintenance of its capital assets): Provided further, That any appropriation for disaster assistance under this head in this Act or previous appropriations Acts may be used as non-Federal matching funds for the purpose of hazard mitigation grants provided pursuant to section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c).*

COMPACT OF FREE ASSOCIATION

For economic assistance and necessary expenses for the Federated States of Micronesia and the Republic of the Marshall Islands as provided for in sections 122, 221, 223, 232, and 233 of the Compacts of Free Association, and for economic assistance and necessary expenses for the Republic of Palau as provided for in sections 122, 221, 223, 232, and 233 of the Compact of Free Association, $24,938,000, to remain available until expended, as authorized by Public Law 99–239 and Public Law 99–658[, and $4,580,000 for impact aid for Guam under section 104(e)(6) of Public Law 99–239]: *Provided*, That notwithstanding section 112 of Public Law 101–219 (103 Stat. 1873), the Secretary of the Interior may agree to technical changes in the specifications for the project described in the subsidiary agreement negotiated under section 212(a) of the Compact of Free Association, Public Law 99–658, or its annex, if the changes do not result in increased costs to the United States.

DEPARTMENTAL OFFICES

[OFFICE OF THE SECRETARY]

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses [of the Office of the Secretary] *for management of the Department* of the Interior, [$53,919,000] *$58,109,000*, of which not to exceed $7,500 may be for official reception and representation expenses*: Provided, That none of the funds provided herein for official reception and representation expenses shall be available until the Charter for the Advisory Commission referred to in Title 30 of Public Law 102–575 has been filed and the Members of such Commission appointed.*

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, $34,608,000.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General, $23,939,000.

CONSTRUCTION MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses of the Office of Construction Management, $500,000.

NATIONAL INDIAN GAMING COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the National Indian Gaming Commission, pursuant to Public Law 100–497, $1,000,000*: Provided, That on October 1, 1995, the Chairman shall submit to the Secretary a report detailing those Indian tribes or tribal organizations with gaming operations that are in full compliance, partial compliance, or non-compliance with the provisions of the Indian Gaming Regulatory Act (25 U.S.C. 2701, et seq.): Provided further, That the information contained in the report shall be updated on a continuing basis.*

OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS

FEDERAL TRUST PROGRAMS

For operation of trust programs for Indians by direct expenditure, contracts, cooperative agreements, compacts, and grants including expenses necessary to provide for management, development, improvement, and protection of resources *and appurtenant facilities formerly under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges and acquisition of water rights, $280,038,000, of which $15,964,000 shall remain available until expended for trust funds management, attorney fees, litigation support, and the Navajo-Hopi Settlement Program: Provided, That funds made available to tribes and tribal organizations through contracts or grants obligated during fiscal year 1996, as authorized by the Indian Self-Determination Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.), shall remain available until expended by the contractor or grantee: Provided further, That notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim, including any claim in litigation pending on the date of this Act, concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with the accounting of such funds from which the beneficiary can determine whether there has been a loss: Provided further, That notwithstanding any other provision of law, the reconciliation report to be submitted pursuant to Public Law 103–412 shall be submitted by November 30, 1997: Provided further, That any forestry funds allocated to a tribe which remain unobligated as of September 30, 1996, may be transferred during fiscal year 1997 to an Indian forest land assistance account established for the benefit of such tribe within the tribe's fund account: Provided further, That any such obligated balances not so transferred shall expire on September 30, 1997: Provided further, That obligated and unobligated balances provided for trust funds management, attorney fees, litigation support, and the Navajo-Hopi Settlement Program within "Operation of Indian programs," Bureau of Indian Affairs are hereby transferred to and merged with this appropriation.*

CONSTRUCTION

For construction, major repair, and improvement of irrigation and power systems; acquisition of lands and interest in lands; and preparation of lands for farming, $47,245,000, to remain available until expended: Provided, That such amounts as may be available for the construction of the Navajo Indian Irrigation Project and for other water resource development activities related to the Southern Arizona Water Rights Settlement Act may be transferred to the Bureau of Reclamation: Provided further, That any funds provided for the Safety of Dams program pursuant to 25 U.S.C. 13 shall be made available on a non-reimbursable basis: Provided further, That all irrigation and power projects and dams under the jurisdiction of the Bureau of Indian Affairs on the date of enactment of this Act are hereby transferred to the jurisdiction of the Special Trustee for American Indians: Provided further, That the obligated and unobligated balances of the resources management activity within "Construction," Bureau of Indian Affairs, are hereby transferred to and merged with this appropriation.

INDIAN LAND AND WATER CLAIM SETTLEMENTS AND MISCELLANEOUS PAYMENTS TO INDIANS

For miscellaneous payments to Indian tribes and individuals and for necessary administrative expenses, $82,745,000, to remain available until expended; of which $78,600,000 shall be available for implementation of enacted Indian land and water claim settlements pursuant to Public Laws 87–483, 97–293, 101–618, 102–374, 102–441, 102–575, and 103–116, and for implementation of other enacted water rights settlements, including not to exceed $8,000,000, which shall be for the Federal share of the Catawba Indian Tribe of South Carolina Claims Settlement, as authorized by section 5(a) of Public Law 103–116; and of which $1,045,000 shall be available pursuant to Public Laws 98–500, 99–264, and 100–580; and of which $3,100,000 shall be available (1) to liquidate obligations owed tribal and individual Indian payees of any checks canceled pursuant to section 1003 of the Competitive Equality Banking Act of 1987 (Public Law 100–86 (101 Stat. 659)), 31 U.S.C. 3334(b), (2) to restore to Individual Indian Monies trust funds, Indian Irrigation Systems, and Indian Power Systems accounts amounts invested in credit unions or defaulted savings and loan associations and which were not Federally insured, and (3) to reimburse Indian trust fund account holders for losses to their respective accounts where the claim for said loss(es) has been reduced to a judgment or settlement agreement approved by the Department of Justice: Provided, That the obligated and unobligated balances of "Indian land and water claim settlements and miscellaneous payments to Indians," Bureau of Indian Affairs, are hereby transferred to and merged with this appropriation.

TRANSFERS OF BALANCES OF APPROPRIATIONS

Under the terms and conditions of the original appropriations, the obligated and unobligated balances of the following appropriations are hereby transferred from the Bureau of Indian Affairs to the Office of the Special Trustee for American Indians: Navajo Rehabilitation Trust Fund, Claims and Treaty Obligations, O&M Indian Irrigation Systems, Cooperative Fund (Papago), Tribal Trust Funds, Funds Contributed for the Advancement of the Indian Race, Bequest of George C. Edgeter, Northern Cheyenne, Payment to Tribal Economic Recovery Fund, Crow Boundary Settlement Act, and Tribal Economic Recovery Fund.

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 15 aircraft, 10 of which shall be for replacement and which may be obtained by donation, purchase or through available excess surplus property: *Provided*, That notwithstanding any other provision of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft: *Provided further*, That no programs funded with appropriated funds in [the "Office of the Secretary"] *"Departmental Management"*, "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted: *Provided further*, That all funds used pursuant to this section are hereby designated by Congress to be "emergency requirements" pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 and [must,] *must* be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under the jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods, volcanoes, storms, or other unavoidable causes; for contingency planning subsequent to actual oilspills; response and natural resource damage assessment activities related to actual oilspills; for the prevention, suppression, and control of actual or potential grasshopper and Mormon cricket outbreaks on lands under the jurisdiction of the Secretary, pursuant to the authority in section 1773(b) of Public Law 99–198 (99 Stat. 1658); for emergency reclamation projects under section 410 of Public Law 95–87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: *Provided*, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: *Provided further*, That for emergency rehabilitation and wildfire suppression activities, no funds shall be made available under this authority until funds appropriated to the "Emergency Department of the Interior Firefighting Fund" shall have been exhausted: *Provided further*, That all funds used pursuant to this section are hereby designated by Congress to be "emergency requirements" pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 and must be replenished by a supplemental appropriation which must be requested as promptly as possible: *Provided further*, That such replenishment funds shall be used to reimburse, on a pro rata basis, accounts from which emergency funds were transferred.

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, U.S.C.: *Provided*, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $500,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902 and D.C. Code 4–204).

SEC. 106. Appropriations made in this title shall be available for obligation in connection with contracts issued for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

[SEC. 107. Appropriations made in this title from the Land and Water Conservation Fund for acquisition of lands and waters, or interests therein, shall be available for transfer, with the approval of the Secretary, between the following accounts: Bureau of Land Management, Land acquisition, United States Fish and Wildlife Service, Land acquisition, and National Park Service, Land acquisition and State assistance. Use of such funds are subject to the reprogramming guidelines of the House and Senate Committees on Appropriations.

[SEC. 108. Amounts appropriated in this Act for the Presidio which are not obligated as of the date on which the Presidio Trust is established by an Act of Congress shall be transferred to and available only for the Presidio Trust.

[SEC. 109. Section 6003 of Public Law 101–380 is hereby repealed.]

SEC. 110. None of the funds appropriated or otherwise made available by this Act may be obligated or expended by the Secretary of the Interior for developing, promulgating, and thereafter implementing a rule concerning rights-of-way under section 2477 of the Revised Statutes.

SEC. 111. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore leasing and related activities placed under restriction in the President's moratorium statement of June 26, 1990, in the areas of Northern, Central, and Southern California; the North Atlantic; Washington and Oregon; and the Eastern Gulf of Mexico south of 26 degrees north latitude and east of 86 degrees west longitude.

SEC. 112. No funds provided in this title may be expended by the Department of the Interior for the conduct of leasing, or the approval or permitting of any drilling or other exploration activity, on lands within the North Aleutian Basin planning area.

SEC. 113. No funds provided in this title may be expended by the Department of the Interior for the conduct of preleasing and leasing activities in the Eastern Gulf of Mexico for Outer Continental Shelf Lease Sale 151 in the Outer Continental Shelf Natural Gas and Oil Resource Management Comprehensive Program, 1992–1997.

SEC. 114. No funds provided in this title may be expended by the Department of the Interior for the conduct of preleasing and leasing activities in the Atlantic for Outer Continental Shelf Lease Sale 164 in the Outer Continental Shelf Natural Gas and Oil Resource Management Comprehensive Program, 1992–1997.

SEC. 115. (a) Of the funds appropriated by this Act or any subsequent Act providing for appropriations in fiscal years 1996 and 1997, not more than 50 percent of any self-governance funds that would otherwise be allocated to each Indian tribe in the State of Washington shall actually be paid to or on account of such Indian tribe from and after the time at which such tribe shall—

(1) take unilateral action that adversely impacts the existing rights to and/or customary uses of, nontribal member owners of fee simple land within the exterior boundary of the tribe's reservation to water, electricity, or any other similar utility or necessity for the nontribal members' residential use of such land; or

(2) restrict or threaten to restrict said owners use of or access to publicly maintained rights of way necessary or desirable in carrying the utilities or necessities described above.

(b) Such penalty shall attach to the initiation of any legal action with respect to such rights or the enforcement of any final judgment, appeals from which has been exhausted, with respect thereto.

SEC. 116. Within 30 days after the enactment of this Act, the Department of the Interior shall issue a specific schedule for the completion of the Lake Cushman Land Exchange Act (Public Law 102–436) and shall complete the exchange not later than September 30, 1996.

SEC. 117. Notwithstanding Public Law 90–544, as amended, the National Park Service is authorized to expend appropriated funds for maintenance and repair of the Company Creek Road in the Lake Chelan National Recreation Area: Provided, That appropriated funds shall not be expended for the purpose of improving the property of private individuals unless specifically authorized by law.

SEC. 118. INSULAR DEVELOPMENT.—

Section 1. Territorial and Freely Associated State Infrastructure Assistance

Section 4(b) of Public Law 94–241 (90 Stat. 263) as added by section 10 of Public Law 99–396 (99 Stat. 837, 841) is amended by deleting "until Congress otherwise provides by law." and inserting in lieu thereof: "except that, for fiscal years 1996 and thereafter, payments to the Commonwealth of the Northern Mariana Islands pursuant to the multi-year funding agreements contemplated under the Covenant shall be limited to the amounts set forth in the Agreement of the Special Representatives on Future Federal Financial Assistance of the Northern Mariana Islands, executed on December 17, 1992 between the special representative of the President of the United States and special representatives of the Governor of the Northern Mariana Islands and shall be subject to all the requirements of such Agreement with any additional amounts otherwise made available under this section in any fiscal year and not required to meet the schedule of payments set forth in the Agreement to be provided as set forth in subsection (c) until Congress otherwise provides by law.

"(c) The additional amounts referred to in subsection (b) shall be made available to the Secretary for obligation as follows:

"(1) for fiscal year 1996, all such amounts shall be provided for capital infrastructure projects in American Samoa; and

"(2) for fiscal years 1997 and thereafter, all such amounts shall be available solely for capital infrastructure projects in Guam, the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Federated States of Micronesia and the Republic of the Marshall Islands: Provided, That, in fiscal year 1997, $3,000,000 of such amounts shall be made available to the College of the Northern Marianas and beginning in fiscal year 1997, and in each year thereafter, not to exceed $3,000,000 may be allocated, as provided in Appropriation Acts, to the Secretary of the Interior for use by Federal agencies or the Commonwealth of the Northern Mariana Islands to address immigration, labor, and law enforcement issues in the Northern Mariana Islands, including, but not limited to detention and corrections needs. The specific projects to be funded shall be set forth in a five-year plan for infrastructure assistance developed by the Secretary of the Interior in consultation with each of the island governments and updated annually and submitted to the Congress concurrent with the budget justifications for the Department of the Interior. In developing and updating the five-year plan for capital infrastructure needs, the Secretary shall indicate the highest priority projects, consider the extent to which particular projects are part of an overall master plan, whether such project has been reviewed by the Corps of Engineers and any recommendations made as a result of such review, the extent to which a set-aside for maintenance would enhance the life of the project, the degree to which a local cost-share requirement would be consistent with local economic and fiscal capabilities, and may propose an incremental set-aside, not to exceed $2,000,000 per year, to remain available without fiscal year limitation, as an emergency fund in the event of natural or other disasters to supplement other assistance in the repair, replacement, or hardening of essential facilities: Provided further, That the cumulative amount set aside for such emergency fund may not exceed $10,000,000 at any time.

"(d) Within the amounts allocated for infrastructure pursuant to this section, and subject to the specific allocations made in subsection (c), additional contributions may be made, as set forth in Appropriation Acts, to assist in the resettlement of Rongelap Atoll: Provided, That the total of all contributions from any Federal source after January 1, 1996 may not exceed $32,000,000 and shall be contingent upon an agreement, satisfactory to the President, that such contributions are a full and final settlement of all obligations of the United States to assist in the resettlement of Rongelap Atoll and that such funds will be expended solely on resettlement activities and will be property audited and accounted for. In order to provide such contributions in a timely manner, each Federal agency providing assistance or services, or conducting activities, in the Republic of the Marshall Islands, is authorized to make funds available, through the Secretary of the Interior, to assist in the resettlement of Rongelap. Nothing in this subsection shall be construed to limit the provision of ex gratia assistance pursuant to section 105(c)(2) of the Compact of Free Association Act of 1985 (Public Law 99–239, 99 Stat. 1770, 1792) including for individuals choosing not to resettle at Rongelap, except that no such assistance for such individuals may be provided until the Secretary notifies the Congress that the full amount of all funds necessary for resettlement at Rongelap has been provided.".

Sec. 2. Federal Minimum Wage

Effective thirty days after the date of enactment of this Act, the minimum wage provisions, including, but not limited to, the coverage and exemptions provisions, of section 6 of the Fair Labor Standards Act of June 25, 1938 (52 Stat. 1062), as amended, shall apply to the Commonwealth of the Northern Mariana Islands, except—

(a) on the effective date, the minimum wage rate applicable to the Commonwealth of the Northern Mariana Islands shall be $2.75 per hour;

(b) effective January 1, 1996, the minimum wage rate applicable to the Commonwealth of the Northern Mariana Islands shall be $3.05 per hour;

(c) effective January 1, 1997 and every January 1 thereafter, the minimum wage rate shall be raised by thirty cents per hour or the amount necessary to raise the minimum wage rate to the wage rate set forth in section 6(a)(1) of the Fair Labor Standards Act, whichever is less; and

(d) once the minimum wage rate is equal to the wage rate set forth in section 6(a)(1) of the Fair Labor Standards Act, the minimum wage rate applicable to the Commonwealth of the Northern Mariana Islands shall thereafter be the wage rate set forth in section 6(a)(1) of the Fair Labor Standards Act.

Sec. 3. Report

The Secretary of the Interior, in consultation with the Attorney General and Secretaries of Treasury, Labor, and State, shall report to the Congress by the March 15 following each fiscal year for which funds are allocated pursuant to section 4(c) of Public Law 94-241 for use by Federal agencies or the Commonwealth to address immigration, labor or law enforcement activities. The report shall include but not be limited to—

(1) pertinent immigration information provided by the Immigration and Naturalization Service, including the number of non-United States citizen contract workers in the CNMI, based on data the Immigration and Naturalization Service may require of the Commonwealth of the Northern Mariana Islands on a semiannual basis, or more often if deemed necessary by the Immigration and Naturalization Service.

(2) the treatment and conditions of non-United States citizen contract workers, including foreign government interference with workers' ability to assert their rights under United States law.

(3) the effect of laws of the Northern Mariana Islands on Federal interests.

(4) the adequacy of detention facilities in the Northern Mariana Islands.

(5) the accuracy and reliability of the computerized alien identification and tracking system and its compatibility with the system of the Immigration and Naturalization Service, and

(6) the reasons why Federal agencies are unable or unwilling to fully and effectively enforce Federal laws applicable within the Commonwealth of the Northern Mariana Islands unless such activities are funded by the Secretary of the Interior.

Sec. 4. Immigration Cooperation

The Commonwealth of the Northern Mariana Islands and the Immigration and Naturalization Service shall cooperate in the identification and, if necessary, exclusion or deportation from the Commonwealth of the Northern Mariana Islands of persons who represent security or law enforcement risks to the Commonwealth of the Northern Mariana Islands or the United States.

Sec. 5. Clarification of Local Employment in the Marianas

(a) Section 8103(i) of title 46 of the United States Code is amended by renumbering paragraph (3) as paragraph (4) and by adding a new paragraph (3) as follows:

"(3) Notwithstanding any other provision of this subsection, any alien allowed to be employed under the immigration laws of the Commonwealth of the Northern Mariana Islands (CNMI) may serve as an unlicensed seaman on a fishing, fish processing, or fish tender vessel that is operated exclusively from a port within the CNMI and within the navigable waters and exclusive economic zone of the United States surrounding the CNMI. Pursuant to 46 U.S.C. 8704, such persons are deemed to be employed in the United States and are considered to have the permission of the Attorney General of the United States to accept such employment: Provided, That paragraph (2) of this subsection shall not apply to persons allowed to be employed under this paragraph.".

(b) Section 8103(i)(1) of title 46 of the United States Code is amended by deleting "paragraph (3) of this subsection" and inserting in lieu thereof "paragraph (4) of this subsection".

Sec. 6. Clarification of Ownership of Submerged Lands in the Commonwealth of the Northern Mariana Islands

Public Law 93-435 (88 Stat 1210), as amended, is further amended by—

(a) striking "Guam, the Virgin Islands" in section 1 and inserting in lieu thereof "Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands" each place the words appear;

(b) striking "Guam, American Samoa" in section 2 and inserting in lieu thereof "Guam, the Commonwealth of the Northern Mariana Islands, American Samoa"; and

(c) striking "Guam, the Virgin Islands" in section 2 and inserting in lieu thereof "Guam, the Commonwealth of the Northern Mariana Islands, the Virgin Islands.".

With respect to the Commonwealth of the Northern Mariana Islands, references to "the date of enactment of this Act" or "date of enactment of this subsection" contained in Public Law 93-435, as amended, shall mean the date of enactment of this section.

Sec. 7. Annual State of the Islands Report

The Secretary of the Interior shall submit to the Congress, annually, a "State of the Islands" report on American Samoa, Guam, the United States Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia that includes basic economic development information, data on direct and indirect Federal assistance, local revenues and expenditures, employment and unemployment, the adequacy of essential infrastructure and maintenance thereof, and an assessment of local financial management and administrative capabilities, and Federal efforts to improve those capabilities.

Sec. 8. Technical correction

Section 501 of Public Law 95-134 (91 Stat. 1159, 1164), as amended, is further amended by deleting "the Trust Territory of the Pacific Islands," and inserting in lieu thereof "the Republic of Palau, the Republic of the Marshall Islands, the Federated States of Micronesia,".

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

For necessary expenses of forest research as authorized by law, [$182,000,000] *$177,000,000*, to remain available until September 30, 1997.

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical and financial assistance to States, Territories, possessions, and others and for forest pest management activities, cooperative forestry and education and land conservation activities, [$129,551,000] *$128,294,000*, to remain available until expended, as authorized by law.

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, for ecosystem planning, inventory, and monitoring, and for administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", "Construction", "Fire Protection and Emergency Suppression", and "Land Acquisition", [$1,266,688,000] *$1,256,043,000*, to remain available for obligation until September 30, 1997, and including 65 per centum of all monies received during the prior fiscal year as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 4601-6a(i)): *Provided*, That unobligated and unexpended balances in the National Forest System account at the end of fiscal year 1995, shall be merged with and made a part of the fiscal year 1996 National Forest System appropriation, and shall remain available for obligation until September 30, 1997: *Provided further*, That up to $5,000,000 of the funds provided herein for road maintenance shall be available for the planned obliteration of roads which are no longer needed.

FIRE PROTECTION AND EMERGENCY SUPPRESSION

WILDLAND FIRE MANAGEMENT

For necessary expenses for forest fire presuppression activities on National Forest System lands, for emergency fire suppression on or adjacent to National Forest System lands or other lands under fire protection agreement, and for emergency rehabilitation of burned over National Forest System lands, [$385,485,000] *$385,485,000*, to remain available until expended: *Provided*, That unexpended balances of amounts previously appropriated under any other headings for Forest Service fire activities may be transferred to and merged with this appropriation: *Provided further*, That such funds are available for repayment of advances from other appropriations accounts previously transferred for such purposes.

CONSTRUCTION

For necessary expenses of the Forest Service, not otherwise provided for, [$120,000,000] *$186,888,000*, to remain available until expended, for construction and acquisition of buildings and other facilities, and for construction and repair of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: *Provided*, That funds becoming available in fiscal year 1996 under the Act of March 4, 1913 (16 U.S.C. 501) shall be transferred to the General Fund of the Treasury of the United States: *Provided further*, That not to exceed $50,000,000, to remain available until expended, may be obligated for the construction of forest roads by timber purchasers: *Provided further, That $2,500,000 of the funds appropriated herein shall be available for a grant to the "Non-Profit Citizens for the Columbia Gorge Discovery Center" for the construction of the Columbia Gorge Discovery Center: Provided further, That the Forest Service is authorized to grant the unobligated balance of funds appropriated in fiscal year 1995 for the construction of the Columbia Gorge Discovery Center to the "Non-Profit Citizens for the Columbia Gorge Discovery Center" to be used for the same purpose: Provided further, That the Forest Service is authorized to convey the land needed for the construction of the Columbia Gorge Discovery Center without cost to the "Non-Profit Citizens for the Columbia Gorge Discovery Center": Provided further, That notwithstanding any other provision of law, funds originally appropriated under this head in Public Law 101-512 for the Forest Service share of a new research facility at the University of Missouri, Columbia, shall be available for a grant to the University of Missouri, as the Federal share in the construction of the new facility: Provided further, That agreed upon lease of space in the new facility shall be provided to the Forest Service without charge for the life of the building.*

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, [$14,600,000] *$41,167,000*, to be derived from the Land and Water Conservation Fund, to remain available until expended.

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and

Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, $1,069,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, pursuant to section 401(b)(1) of Public Law 94–579, as amended, to remain available until expended, of which not to exceed 6 per centum shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements.

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), $92,000, to remain available until expended, to be derived from the fund established pursuant to the above Act.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed 183 passenger motor vehicles of which 32 will be used primarily for law enforcement purposes and of which 151 shall be for replacement; acquisition of 22 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed two for replacement only, and acquisition of 20 aircraft from excess sources; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 for employment under 5 U.S.C. 3109; (c) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (d) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); (e) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); and (f) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture, *or to implement any reorganization, "reinvention" or other type of organizational restructuring of the Forest Service,* without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry *and the Committee on Energy and Natural Resources* in the United States Senate and the Committee on Agriculture *and the Committee on Resources* in the United States House of Representatives.

Any appropriations or funds available to the Forest Service may be advanced to the Fire and Emergency Suppression appropriation and may be used for forest firefighting and the emergency rehabilitation of burned-over lands under its jurisdiction: *Provided,* That no funds shall be made available under this authority until funds appropriated to the "Emergency Forest Service Firefighting Fund" shall have been exhausted.

The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committee on Appropriations.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Foreign Agricultural Service in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 103–551.

No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service may be used to disseminate program information to private and public individuals and organizations through the use of nonmonetary items of nominal value and to provide nonmonetary awards of nominal value and to incur necessary expenses for the nonmonetary recognition of private individuals and organizations that make contributions to Forest Service programs.

Notwithstanding any other provision of law, money collected, in advance or otherwise, by the Forest Service under authority of section 101 of Public Law 93–153 (30 U.S.C. 185(l)) as reimbursement of administrative and other costs incurred in processing pipeline right-of-way or permit applications and for costs incurred in monitoring the construction, operation, maintenance, and termination of any pipeline and related facilities, may be used to reimburse the applicable appropriation to which such costs were originally charged.

Funds available to the Forest Service shall be available to conduct a program of not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as authorized by the Act of August 13, 1970, as amended by Public Law 93–408.

None of the funds available in this Act shall be used for timber sale preparation using clearcutting in hardwood stands in excess of 25 percent of the fiscal year 1989 harvested volume in the Wayne National Forest, Ohio: *Provided,* That this limitation shall not apply to hardwood stands damaged by natural disaster: *Provided further,* That landscape architects shall be used to maintain a visually pleasing forest.

Any money collected from the States for fire suppression assistance rendered by the Forest Service on non-Federal lands not in the vicinity of National Forest System lands shall be used to reimburse the applicable appropriation and shall remain available until expended as the Secretary may direct in conducting activities authorized by 16 U.S.C. 2101 (note), 2101–2110, 1606, and 2111.

Of the funds available to the Forest Service, $1,500 is available to the Chief of the Forest Service for official reception and representation expenses.

Notwithstanding any other provision of law, the Forest Service is authorized to employ or otherwise contract with persons at regular rates of pay, as determined by the Service, to perform work occasioned by emergencies such as fires, storms, floods, earthquakes or any other unavoidable cause without regard to Sundays, Federal holidays, and the regular workweek.

To the greatest extent possible, and in accordance with the Final Amendment to the Shawnee National Forest Plan, none of the funds available in this Act shall be used for preparation of timber sales using clearcutting or other forms of even aged management in hardwood stands in the Shawnee National Forest, Illinois.

Funds appropriated to the Forest Service shall be available for interactions with and providing technical assistance to rural communities for sustainable rural development purposes.

[Notwithstanding any other provision of law, eighty percent of the funds appropriated to the Forest Service in the National Forest System and Construction accounts and planned to be allocated to activities under the "Jobs in the Woods" program for projects on National Forest land in the State of Washington may be granted directly to the Washington State Department of Fish and Wildlife for accomplishment of planned projects. Twenty percent of said funds shall be retained by the Forest Service for planning and administering projects. Project selection and prioritization shall be accomplished by the Forest Service with such consultation with the State of Washington as the Forest Service deems appropriate.

[None of the funds available in this Act shall be used for any activity that directly or indirectly causes harm to songbirds within the boundaries of the Shawnee National Forest.]

None of the funds provided by this Act shall be used to revise or implement a new Tongass Land Management Plan (TLMP).

None of the funds provided in this or any other Appropriations Act may be used on the Tongass National Forest except in compliance with Alternative P, identified in the Tongass Land Management Plan Revision Supplement to the Draft Environmental Impact Statement dated August 1991.

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95–91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, [$379,524,000] *$376,181,000,* to remain available until expended: *Provided,* That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas.

ALTERNATIVE FUELS PRODUCTION

(INCLUDING TRANSFER OF FUNDS)

Monies received as investment income on the principal amount in the Great Plains Project Trust at the Norwest Bank of North Dakota, in such sums as are earned as of October 1, 1995, shall be deposited in this account and immediately transferred to the General Fund of the Treasury. Monies received as revenue sharing from the operation of the Great Plains Gasification Plant shall be immediately transferred to the General Fund of the Treasury.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserve activities, $136,028,000, to remain available until expended: Provided, That the requirements of 10 U.S.C. 7430(b)(2)(B) shall not apply to fiscal year 1996: *Provided further*, That section 501 of Public Law 101–45 is hereby repealed.

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, **[**$556,371,000**]** *$576,976,000*, to remain available until expended, including, notwithstanding any other provision of law, the excess amount for fiscal year 1996 determined under the provisions of section 3003(d) of Public Law 99–509 (15 U.S.C. 4502), and of which $16,000,000 shall be derived from available unobligated balances in the Biomass Energy Development account: *Provided*, That **[**$148,946,000**]** *$168,946,000* shall be for use in energy conservation programs as defined in section 3008(3) of Public Law 99–509 (15 U.S.C. 4507) and shall not be available until excess amounts are determined under the provisions of section 3003(d) of Public Law 99–509 (15 U.S.C. 4502): *Provided further*, That notwithstanding section 3003(d)(2) of Public Law 99–509 such sums shall be allocated to the eligible programs as follows: **[**$110,946,000**]** *$137,446,000* for the weatherization assistance program and **[**$26,500,000**]** *$31,500,000* for the State energy conservation program.

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Economic Regulatory Administration and the Office of Hearings and Appeals, **[**$6,297,000**]** *$8,038,000*, to remain available until expended.

STRATEGIC PETROLEUM RESERVE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for Strategic Petroleum Reserve facility development and operations and program management activities pursuant to the Energy Policy and Conservation Act of 1975, as amended (42 U.S.C. 6201 et seq.), $287,000,000, to remain available until expended, of which $187,000,000 shall be derived by transfer of unobligated balances from the "SPR petroleum account" and $100,000,000 shall be derived by transfer from the "SPR Decommissioning Fund": *Provided*, That notwithstanding section 161 of the Energy Policy and Conservation Act, the Secretary shall draw down and sell up to seven million barrels of oil from the Strategic Petroleum Reserve: *Provided further*, That the proceeds from the sale shall be deposited into a special account in the Treasury, to be established and known as the "SPR Decommissioning Fund", and shall be available for the purpose of removal of oil from and decommissioning of the Weeks Island site and for other purposes related to the operations of the Strategic Petroleum Reserve.

SPR PETROLEUM ACCOUNT

[Notwithstanding 42 U.S.C. 6240(d) the United States share of crude oil in Naval Petroleum Reserve Numbered 1 (Elk Hills) may be sold or otherwise disposed of to other than the Strategic Petroleum Reserve: *Provided*, That outlays in fiscal year 1996 resulting from the use of funds in this account shall not exceed $5,000,000.**]**

Notwithstanding 42 U.S.C. 6240(d) the United States share of crude oil in Naval Petroleum Reserve Numbered 1 may be sold or otherwise disposed of to other than the Strategic Petroleum Reserve: Provided, That outlays in fiscal year 1996 resulting from the use of funds in this account shall not exceed $5,000,000.

ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, **[**$79,766,000**]** *$64,766,000*, to remain available until expended: *Provided*, That notwithstanding Section 4(d) of the Service Contract Act of 1965 (41 U.S.C. 353(d)) or any other provision of law, funds appropriated under this heading hereafter may be used to enter into a contract for end use consumption surveys for a term not to exceed eight years: *Provided further*, That notwithstanding any other provision of law, hereafter the Manufacturing Energy Consumption Survey shall be conducted on a triennial basis.

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reimbursement to the General Services Administration for security guard services.

From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs unless specific provision is made for such programs in an appropriations Act.

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign: *Provided*, That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: *Provided further*, That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: *Provided further*, That any contract, agreement, or provision thereof entered into by the Secretary pursuant to this authority shall not be executed prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full comprehensive report on such project, including the facts and circumstances relied upon in support of the proposed project.

No funds provided in this Act may be expended by the Department of Energy to prepare, issue, or process procurement documents for programs or projects for which appropriations have not been made.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act with respect to the Indian Health Service, **[**$1,725,792,000**]** *$1,815,373,000* together with payments received during the fiscal year pursuant to 42 U.S.C. 300aaa-2 for services furnished by the Indian Health Service: *Provided*, That funds made available to tribes and tribal organizations through contracts, grant agreements, or any other agreements or compacts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450), shall be deemed to be obligated at the time of the grant or contract award and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: *Provided further*, That $12,000,000 shall remain available until expended, for the Indian Catastrophic Health Emergency Fund: *Provided further*, That **[**$351,258,000**]** *$350,564,000* for contract medical care shall remain available for obligation until September 30, 1997: *Provided further*, That of the funds provided, not less than $11,306,000 shall be used to carry out the loan repayment program under section 108 of the Indian Health Care Improvement Act, as amended: *Provided further*, That funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further*, That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall be available for two fiscal years after the fiscal year in which they were collected, for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, or construction of new facilities): *Provided further*, That of the funds provided, $7,500,000 shall remain available until expended, for the Indian Self-Determination Fund, which shall be available for the transitional costs of initial or expanded tribal contracts, grants or cooperative agreements with the Indian Health Service under the provisions of the Indian Self-Determination Act: *Provided further*, That funding contained herein, and in any earlier appropriations Acts for scholarship programs under the Indian Health Care Improvement Act (25 U.S.C. 1613) shall remain available for obligation until September 30, 1997: *Provided further*, That amounts received by tribes and tribal organizations under title IV of the Indian Health Care Improvement Act, as amended, shall be reported and accounted for and available to the receiving tribes and tribal organizations until expended.

INDIAN HEALTH FACILITIES

For construction, repair, maintenance, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of modular buildings, and purchases of trailers; and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the

Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act and the Indian Health Care Improvement Act, and for expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles II and III of the Public Health Service Act with respect to environmental health and facilities support activities of the Indian Health Service, [$236,975,000] *$151,227,000*, to remain available until expended: *Provided*, That notwithstanding any other provision of law, funds appropriated for the planning, design, construction or renovation of health facilities for the benefit of an Indian tribe or tribes may be used to purchase land for sites to construct, improve, or enlarge health or related facilities.

ADMINISTRATIVE PROVISIONS, INDIAN HEALTH SERVICE

Appropriations in this Act to the Indian Health Service shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem rate equivalent to the maximum rate payable for senior-level positions under 5 U.S.C. 5376; hire of passenger motor vehicles and aircraft; purchase of medical equipment; purchase of reprints; purchase, renovation and erection of modular buildings and renovation of existing facilities; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902); and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities: *Provided*, That in accordance with the provisions of the Indian Health Care Improvement Act, non-Indian patients may be extended health care at all tribally administered or Indian Health Service facilities, subject to charges, and the proceeds along with funds recovered under the Federal Medical Care Recovery Act (42 U.S.C. 2651–53) shall be credited to the account of the facility providing the service and shall be available without fiscal year limitation: *Provided further*, That notwithstanding any other law or regulation, funds transferred from the Department of Housing and Urban Development to the Indian Health Service shall be administered under Public Law 86–121 (the Indian Sanitation Facilities Act) and Public Law 93–638, as amended: *Provided further*, That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation: *Provided further*, That the Indian Health Service shall neither bill nor charge those Indians who may have the economic means to pay unless and until such time as Congress has agreed upon a specific policy to do so and has directed the Indian Health Service to implement such a policy: *Provided further*, That, notwithstanding any other provision of law, funds previously or herein made available to a tribe or tribal organization through a contract, grant or agreement authorized by Title I of the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450), may be deobligated and reobligated to a self-governance funding agreement under Title III of the Indian Self-Determination and Education Assistance Act of 1975 and thereafter shall remain available to the tribe or tribal organization without fiscal year limitation: *Provided further*, That none of the funds made available to the Indian Health Service in this Act shall be used to implement the final rule published in the Federal Register on September 16, 1987, by the Department of Health and Human Services, relating to eligibility for the health care services of the Indian Health Service until the Indian Health Service has submitted a budget request reflecting the increased costs associated with the proposed final rule, and such request has been included in an appropriations Act and enacted into law: *Provided further*, That funds made available in this Act are to be apportioned to the Indian Health Service as appropriated in this Act, and accounted for in the appropriation structure set forth in this Act: *Provided further*, That the appropriation structure for the Indian Health Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

For necessary expenses to carry out, to the extent not otherwise provided, title IX, part A, subpart 1 of the Elementary and Secondary Education Act of 1965, as amended, and section 215 of the Department of Education Organization Act, [$52,500,000] *$54,660,000*.

OTHER RELATED AGENCIES

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Navajo and Hopi Indian Relocation as authorized by Public Law 93–531, [$21,345,000] *$20,345,000*, to remain available until expended: *Provided*, That funds provided in this or any other appropriations Act are to be used to relocate eligible individuals and groups including evictees from District 6, Hopi-partitioned lands residents, those in significantly substandard housing, and all others certified as eligible and not included in the preceding categories: *Provided further*, That none of the funds contained in this or any other Act may be used by the Office of Navajo and Hopi Indian Relocation to evict any single Navajo or Navajo family who, as of November 30, 1985, was physically domiciled on the lands partitioned to the Hopi Tribe unless a new or replacement home is provided for such household: *Provided further*, That no relocatee will be provided with more than one new or replacement home: *Provided further*, That the Office shall relocate any certified eligible relocatees who have selected and received an approved homesite on the Navajo reservation or selected a replacement residence off the Navajo reservation or on the land acquired pursuant to 25 U.S.C. 640d–10.

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

PAYMENT TO THE INSTITUTE

For payment to the Institute of American Indian and Alaska Native Culture and Arts Development, as authorized by title XV of Public Law 99–498 (20 U.S.C. 4401 et seq.), $5,500,000.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed thirty years), and protection of buildings, facilities, and approaches; not to exceed $100,000 for services as authorized by 5 U.S.C. 3109; up to 5 replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees; [$309,471,000] *$307,988,000*, of which not to exceed [$32,000,000] *$30,472,000* for the instrumentation program, collections acquisition, Museum Support Center equipment and move, exhibition reinstallation, the National Museum of the American Indian, the repatriation of skeletal remains program, research equipment, information management, and Latino programming shall remain available until expended and, including such funds as may be necessary to support American overseas research centers and a total of $125,000 for the Council of American Overseas Research Centers: *Provided*, That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park, by contract or otherwise, [$3,000,000] *$3,250,000*, to remain available until expended.

REPAIR AND RESTORATION OF BUILDINGS

For necessary expenses of repair and restoration of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, [$24,954,000] *$33,954,000*, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or restoration of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

CONSTRUCTION

For necessary expenses for construction, [$12,950,000] *$27,700,000*, to remain available until expended[. *Provided*, That notwithstanding any other provision of law, a single procurement for the construction of the National Museum of the American Indian Cultural Resources Center may be issued which includes the full scope of the project: *Provided further*, That the solicitation and the contract shall contain the clause "availability of funds" found at 48 CFR 52.232.18].

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901–5902); purchase or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, [$51,315,000] *$51,844,000*, of which not to exceed $3,026,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized [$5,500,000] *$7,385,000*, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

OPERATIONS AND MAINTENANCE

For necessary expenses for the operation, maintenance and security of the John F. Kennedy Center for the Performing Arts, [$9,800,000] *$10,323,000: Provided, That 40 U.S.C. 193n is hereby amended by striking the word "and" after the word "Institution" and inserting in lieu thereof a comma, and by inserting "and the Trustees of the John F. Kennedy Center for the Performing Arts," after the word "Art,".*

CONSTRUCTION

For necessary expenses of capital repair and rehabilitation of the existing features of the building and site of the John F. Kennedy Center for the Performing Arts, $8,983,000, to remain available until expended.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356) including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, [$5,140,100] *$6,537,000*.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and Humanities Act of 1965, as amended, $82,259,000[, subject to passage by the House of Representatives of a bill authorizing such appropriation,] shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to groups and individuals pursuant to section 5(c) of the Act, and for administering the functions of the Act, to remain available until September 30, 1997.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $17,235,000[, subject to passage by the House of Representatives of a bill authorizing such appropriation,] to remain available until September 30, 1997, to the National Endowment for the Arts, of which $7,500,000 shall be available for purposes of section 5(p)(1): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended, [$82,469,000] *$96,494,000* shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administering the functions of the Act, to remain available until September 30, 1997.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, [$17,025,000] *$18,000,000*, to remain available until September 30, 1997, of which [$9,180,000] *$10,000,000* shall be available to the National Endowment for the Humanities for the purposes of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

INSTITUTE OF MUSEUM SERVICES

GRANTS AND ADMINISTRATION

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, $21,000,000, to remain available until September 30, 1997.

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses.

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), $834,000.

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

For necessary expenses as authorized by Public Law 99–190 (99 Stat. 1261; 20 U.S.C. 956(a)), as amended, $6,000,000.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For expenses necessary for the Advisory Council on Historic Preservation, [$3,063,000] *$2,500,000*.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71-71i), including services as authorized by 5 U.S.C. 3109, $5,090,000: *Provided*, That all appointed members will be compensated at a rate not to exceed the rate for Executive Schedule Level IV.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Franklin Delano Roosevelt Memorial Commission, established by the Act of August 11, 1955 (69 Stat. 694), as amended by Public Law 92–332 (86 Stat. 401), [$48,000] *$147,000*, to remain available until September 30, 1997.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

[SALARIES AND EXPENSES

[For necessary expenses for the orderly closure of the Pennsylvania Avenue Development Corporation, $2,000,000.]

PUBLIC DEVELOPMENT

Funds made available under this heading in prior years shall be available for operating and administrative expenses of the Corporation.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

HOLOCAUST MEMORIAL COUNCIL

For expenses of the Holocaust Memorial Council, as authorized by Public Law 96–388, as amended, [$28,707,000] *$26,609,000*; of which $1,575,000 for the Museum's repair and rehabilitation program [and $1,264,000 for the Museum's exhibition program] shall remain available until expended.

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 302. No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided*, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. 303. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. 304. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 305. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency except as otherwise provided by law.

SEC. 306. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless notice of such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such Committees.

SEC. 307. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c; popularly known as the "Buy American Act").

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 308. None of the funds in this Act may be used to plan, prepare, or offer for sale timber from trees classified as giant sequoia (sequoiadendron giganteum) which are located on National Forest System or Bureau of Land Management lands in a manner different than such sales were conducted in fiscal year 1995.

SEC. 309. None of the funds made available by this Act may be obligated or expended by the National Park Service to enter into or implement a concession contract which permits or requires the removal of the underground lunchroom at the Carlsbad Caverns National Park.

SEC. 310. Where the actual costs of construction projects under self-determination contracts, compacts, or grants, pursuant to Public Laws 93–638, [100–413] *103–413*, or 100–297, are less than the estimated costs thereof, use of the resulting excess funds shall be determined by the appropriate Secretary after consultation with the tribes.

SEC. 311. Notwithstanding Public Law 103–413, quarterly payments of funds to tribes and tribal organizations under annual funding agreements pursuant to section 108 of Public Law 93–638, as amended, may be made on the first business day following the first day of a fiscal quarter.

[SEC. 312. None of funds in this Act may be used for the Americorps program.]

SEC. 312. None of the funds appropriated or otherwise made available by this Act may be used for the AmeriCorps program.

[SEC. 313. (a) On or before April 1, 1996, the Pennsylvania Avenue Development Corporation shall—

[(1) transfer and assign in accordance with this section all of its rights, title, and interest in and to all of the leases, covenants, agreements, and easements it has executed or will execute by March 31, 1996, in carrying out its powers and duties under the Pennsylvania Avenue Development Corporation Act (40 U.S.C. 871–885) and the Federal Triangle Development Act (40 U.S.C. 1101–1109) to the General Services Administration, National Capital Planning Commission, or the National Park Service; and

[(2) except as provided by subsection (d), transfer all rights, title, and interest in and to all property, both real and personal, held in the name of the Pennsylvania Avenue Development Corporation to the General Services Administration.

[(b) The responsibilities of the Pennsylvania Avenue Development Corporation transferred to the General Services Administration under subsection (a) include, but are not limited to, the following:

[(1) Collection of revenue owed the Federal Government as a result of real estate sales or lease agreements entered into by the Pennsylvania Avenue Development Corporation and private parties, including, at a minimum, with respect to the following projects:

[(A) The Willard Hotel property on Square 225.

[(B) The Gallery Row project on Square 457.

[(C) The Lansburgh's project on Square 431.

[(D) The Market Square North project on Square 407.

[(2) Collection of sale or lease revenue owed the Federal Government (if any) in the event two undeveloped sites owned by the Pennsylvania Avenue Development Corporation on Squares 457 and 406 are sold or leased prior to April 1, 1996.

[(3) Application of collected revenue to repay United States Treasury debt incurred by the Pennsylvania Avenue Development Corporation in the course of acquiring real estate.

[(4) Performing financial audits for projects in which the Pennsylvania Avenue Development Corporation has actual or potential revenue expectation, as identified in paragraphs (1) and (2), in accordance with procedures describe in applicable sale or lease agreements.

[(5) Disposition of real estate properties which are or become available for sale and lease or other uses.

[(6) Payment of benefits in accordance with the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970 to which persons in the project area squares are entitled as a result of the Pennsylvania Avenue Development Corporation's acquisition of real estate.

[(7) Carrying out the responsibilities of the Pennsylvania Avenue Development Corporation under the Federal Triangle Development Act (40 U.S.C. 1101–1109), including responsibilities for managing assets and liabilities of the Corporation under such Act.

[(c) In carrying out the responsibilities of the Pennsylvania Avenue Development Corporation transferred under this section, the Administrator of the General Services Administration shall have the following powers:

[(1) To acquire lands, improvements, and properties by purchase, lease or exchange, and to sell, lease, or otherwise dispose of real or personal property as necessary to complete the development plan developed under section 5 of the Pennsylvania Avenue Development Corporation Act of 1972 (40 U.S.C. 874) if a notice of intention to carry out such acquisition or disposal is first transmitted to the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives and the Committee on Environment and Public Works and the Committee on Appropriations of the Senate and at least 60 days elapse after the date of such transmission.

[(2) To modify from time to time the plan referred to in paragraph (1) if such modification is first transmitted to the Committee on Transportation and Infrastructure and the Committee on Appropriations of the House of Representatives and the Committee on Environment and Public Works and the Committee on Appropriations of the Senate and at least 60 days elapse after the date of such transmission.

[(3) To maintain any existing Pennsylvania Avenue Development Corporation insurance programs.

[(4) To enter into and perform such leases, contracts, or other transactions with any agency or instrumentality of the United States, the several States, or the District of Columbia or with any person, firm, association, or corporation as may be necessary to carry out the responsibilities of the Pennsylvania Avenue Development Corporation under the Federal Triangle Development Act (40 U.S.C. 1101–1109).

[(5) To request the Council of the District of Columbia to close any alleys necessary for the completion of development in Square 457.

[(6) To use all of the funds transferred from the Pennsylvania Avenue Development Corporation or income earned on Pennsylvania Avenue Development Corporation property to complete any pending development projects.

[(d)(1)(A) On or before April 1, 1996, the Pennsylvania Avenue Development Corporation shall transfer all its right, title, and interest in and to the property described in subparagraph (B) to the National Park Service, Department of the Interior.

[(B) The property referred to in subparagraph (A) is the property located within the Pennsylvania Avenue National Historic Site depicted on a map entitled "Pennsylvania Avenue National Historic Park", dated June 1, 1995, and numbered 840–82441, which shall be on file and available for public inspection in the offices of the National Park Service, Department of the Interior. The Pennsylvania Avenue National Historic Site includes the parks, plazas, sidewalks, special lighting, trees, sculpture, and memorials.

[(2) Jurisdiction of Pennsylvania Avenue and all other roadways from curb to curb shall remain with the District of Columbia but vendors shall not be permitted to occupy street space except during temporary special events.

[(3) The National Park Service shall be responsible for management, administration, maintenance, law enforcement, visitor services, resource protection, interpretation, and historic preservation at the Pennsylvania Avenue National Historic Site.

[(4) The National Park Service may enter into contracts, cooperative agreements, or other transactions with any agency or instrumentality of the United States, the several States, or the District of Columbia or with any person, firm, association, or corporation as may be deemed necessary or appropriate for the conduct of special events, festivals, concerts, or other art and cultural programs at the Pennsylvania Avenue National Historic Site or may establish a nonprofit foundation to solicit funds for such activities.

[(e) Notwithstanding any other provision of law, the responsibility for ensuring that development or redevelopment in the Pennsylvania Avenue area is carried out in accordance with the Pennsylvania Avenue Development Corporation Plan—1974, as amended, is transferred to the National Capital

Planning Commission or its successor commencing April 1, 1996.

[(f) Savings Provisions.—

[(1) Regulations.—Any regulations prescribed by the Corporation in connection with the Pennsylvania Avenue Development Corporation Act of 1972 (40 U.S.C. 871–885) and the Federal Triangle Development Act (40 U.S.C. 1101–1109) shall continue in effect until suspended by regulations prescribed by the Administrator of the General Services Administration.

[(2) Existing rights, duties, and obligations not affected.—Subsection (a) shall not be construed as affecting the validity of any right, duty, or obligation of the United States or any other person arising under or pursuant to any contract, loan, or other instrument or agreement which was in effect on the day before the date of the transfers under subsection (a).

[(3) Continuation of suits.—No action or other proceeding commenced by or against the Corporation in connection with administration of the Pennsylvania Avenue Development Corporation Act of 1972 (40 U.S.C. 871–885) and the Federal Triangle Development Act (40 U.S.C. 1101–1109) shall abate by reason of enactment and implementation of this Act, except that the General Services Administration shall be substituted for the Corporation as a party to any such action or proceeding.

[(g) Section 3(b) of the Pennsylvania Avenue Development Corporation Act of 1972 (40 U.S.C. 872(b)) is amended as follows:

[''(b) The Corporation shall be dissolved on April 1, 1996. Upon dissolution, assets, obligations, and indebtedness of the Corporation shall be transferred in accordance with the Department of the Interior and Related Agencies Appropriations Act, 1996.''.

[Sec. 314. (a) Except as provided in subsection (b), no part of any appropriation contained in this Act or any other Act shall be obligated or expended for the operation or implementation of the Interior Columbia River Basin Ecoregion Assessment Project (hereinafter ''Project'').

[(b) From the funds appropriated to the Forest Service and the Bureau of Land Management, $600,000 is made available to publish by January 1, 1996, for peer review and public comment, the scientific information collected, and analysis undertaken, by the Project prior to the date of enactment of this Act concerning forest health conditions and forest management needs related to those conditions.

[(c)(1) From the funds appropriated to the Forest Service, the Secretary of Agriculture (hereinafter ''Secretary'') shall—

[(A) review the land and resource management plan (hereinafter ''plan'') for each national forest within the area encompassed by the Project and any policy which is applicable to such plan (whether or not such policy is final or draft, or has been added to such plan by amendment), which is or is intended to be of limited duration, and which the Project was tasked to address; and

[(B) determine whether such policy modified to meet the specific conditions of such national forest, or another policy which serves the purpose of such policy, should be adopted for such national forest.

[(2) If the Secretary makes a decision that such a modified or alternative policy should be adopted for such national forest, the Secretary shall prepare and adopt for the plan for such national forest an amendment which contains such policy, which is directed solely to and affects only such plan, and which addresses the specific conditions of the national forest and the relationship of such policy to such conditions.

[(3) To the maximum extent practicable, any amendment prepared pursuant to paragraph (2) shall establish procedures to develop site-specific standards in lieu of imposing general standards applicable to multiple sites. Any amendment which would result in any change in land allocations within the plan or reduce the likelihood of achievement of the goals and objectives of the plan (prior to any previous amendment incorporating in the plan any policy referred to in paragraph (1)(A)) shall be deemed a significant plan amendment pursuant to section 6(f)(4) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604(f)(4)).

[(4) Any amendment prepared pursuant to paragraph (2) which adopts a modified or alternative policy to substitute for a policy referred to in paragraph (1)(A) which has undergone consultation pursuant to section 7 of the Endangered Species Act of 1973 shall not again be subject to the consultation provisions of such section 7. No further consultation shall be undertaken on any policy referred to in paragraph (1)(A).

[(5) Any amendment prepared pursuant to paragraph (2) shall be adopted on or before March 31, 1996: *Provided*, That any amendment deemed a significant amendment pursuant to paragraph (3) shall be adopted on or before June 30, 1996.

[(6) No policy referred to in paragraph (1)(A) shall be effective on or after April 1, 1996.]

Sec. 314. (a) Except as provided in subsection (b), no part of any appropriation contained in this Act or any other Act shall be obligated or expended for the operation or implementation of the Interior Columbia Basin Ecosystem Management Project (hereinafter ''Project'').

(b) From the funds appropriated to the Forest Service and Bureau of Land Management, a sum of $1,600,000 is made available for the appropriate line officers assigned to the Walla Walla office and the Boise office of the Project to publish by April 30, 1996, an eastside final environmental impact statement, without a record of decision, for the Federal lands subject to the Project in Oregon and Washington and an Upper Columbia Basin final environmental impact statement, without a record of decision, for the Federal lands subject to the Project in Idaho and Montana and other affected States, respectively. Among other matters, the final environmental impact statements shall contain the scientific information collected and analysis undertaken by the Project on landscape dynamics and forest health conditions and the implications of such dynamics and conditions for forest management, including the management of forest vegetation structure, composition, and density.

(c)(1) From the funds appropriated to the Forest Service and the Bureau of Land Management, the Secretary of Agriculture or the Secretary of the Interior as the case may be, shall—

(A) review the resource management plan (hereinafter ''plan'') for each national forest and unit of lands administered by the Bureau of Land Management (hereinafter ''forest'') within the area encompassed by the Project, the analysis in the relevant draft environmental impact statement prepared pursuant to subsection (b) which is applicable to such plan, and any policy which is applicable to such plan (whether or not such policy is final or draft, or has been added to such plan by amendment), which is or is intended to be of limited duration, and which the Project addresses; and

(B) based on such review, determine whether such policy modified to meet the specific conditions of such forest, or an alternative policy which serves the purpose of such policy, should be adopted for such forest.

(2) If the Secretary concerned makes a decision that such a modified or alternative policy should be adopted for such forest, the Secretary concerned shall prepare and adopt for the resource management plan for such forest an amendment which contains such policy, which is directed solely to and affects only such plan, and which addresses the specific conditions of the forest and the relationship of such policy to such conditions. The Secretary shall consult with the Governor of the State, and the Commissioner of the county or counties, in which the forest is situated prior to such decision and, if the decision is to prepare an amendment, during the preparation thereof.

(3) To the maximum extent practicable, any amendment prepared pursuant to paragraph (2) shall establish procedures to develop site-specific standards in lieu of imposing general standards applicable to multiple sites. Any amendment which would result in any change in land allocations within the land management plan or reduce the likelihood of achievement of the goals and objectives of the plan (prior to any previous amendment incorporating in the plan any policy referred to in paragraph (1)(A)) shall be deemed a significant plan amendment, or equivalent, pursuant to section 6(f)(4) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604(f)(4)) or section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712).

(4)(A) Any amendment prepared pursuant to paragraph (2) which adopts a policy that is a modification of or alternative to a policy referred to in paragraph (1)(A) upon which consultation or conferencing has occurred pursuant to section 7 of the Endangered Species Act of 1973 (16 U.S.C. 1536) shall not again be subject to the consultation or conferencing provisions of such section 7.

(B) If required by such section 7, the Secretary concerned shall consult or conference separately on each amendment prepared pursuant to paragraph (2) which is not subject to subparagraph (A).

(C) No further consultation other than the consultation specified in subparagraph (B) shall be undertaken on any amendments prepared pursuant to paragraph (2), on any project or activity which is consistent with an applicable amendment, on any policy referred to in paragraph (1)(A), or on any portion of any resource management plan related to such policy or the species to which such policy applies.

(5) Any amendment prepared pursuant to paragraph (2) shall be adopted on or before July 31, 1996: Provided, That any amendment deemed a significant amendment pursuant to paragraph (3) shall be adopted on or before December 31, 1996.

(6) No policy referred to in paragraph (1)(A), or any provision of a resource management plan or other planning document incorporating such policy, shall be effective on or after December 31, 1996, or after an amendment is promulgated subject to the provisions of this section, whichever occurs first.

(d) The documents prepared under the authority of this section shall not be applied or used to regulate non-Federal lands in the affected States.

[Sec. 315. (a) The Secretary of the Interior (acting through the Bureau of Land Management, the National Park Service and the United States Fish and Wildlife Service) and the Secretary of Agriculture (acting through the Forest Service) shall each implement a fee program to demonstrate the feasibility of user-generated cost recovery for the operation and maintenance of recreation sites and habitat enhancement projects on Federal lands.

[(b) In carrying out the pilot program established pursuant to this section, the appropriate Secretary shall select from areas under the jurisdiction of each of the four agencies referred to in subsection (a) no fewer than 10, but as many as 30, sites or projects for fee demonstration. For each such demonstration, the Secretary, notwithstanding any other provision of law—

[(1) shall charge and collect fees for admission to the area or for the use of outdoor recreation sites, facilities, visitor centers, equipment, and services by individuals and groups, or any combination thereof;

[(2) shall establish fees under this section based upon a variety of cost recovery and fair market valuation methods to provide a broad basis for feasibility testing;

[(3) may contract with any public or private entity to provide visitor services, including reservations and information, and may accept services of volunteers to collect fees charged pursuant to paragraph (1); and

[(4) may encourage private investment and partnerships to enhance the delivery of quality customer services and resource enhancement, and provide appropriate recognition to such partners or investors.

[(c)(1) Amounts collected at each fee demonstration site in excess of 104 percent of that site's total collections during the previous fiscal year shall be distributed as follows:

[(i) Eighty percent of the amounts collected at the demonstration site shall be deposited in a special account in the Treasury established for the administrative unit in which the project is located and shall remain available for expenditure in accordance with paragraph (3) for further activities of the site or project.

[(ii) Twenty percent of the amounts collected at the demonstration site shall be deposited in a special account in the Treasury for each agency and shall remain available for expenditure in accordance with paragraph (3) for use on an agencywide basis.

[(2) For purposes of this subsection, "total collections" for each site shall be defined as gross collections before any reduction for amounts attributable to collection costs.

[(3) Expenditures from the special funds shall be accounted for separately.

[(4) In order to increase the quality of the visitor experience at public recreational areas and enhance the protection of resources, amounts available for expenditure under paragraph (1) may only be used for the site or project concerned, for backlogged repair and maintenance projects (including projects relating to health and safety) and for interpretation, signage, habitat or facility enhancement, resource preservation, annual operation, maintenance, and law enforcement relating to public use. The agencywide accounts may be used for the same purposes set forth in the preceding sentence, but for sites or projects selected at the discretion of the respective agency head.

[(d)(1) Amounts collected under this section shall not be taken into account for the purposes of the Act of May 23, 1908 and the Act of March 1, 1911 (16 U.S.C. 500), the Act of March 4, 1913 (16 U.S.C. 501), the Act of July 22, 1937 (7 U.S.C. 1012), the Act of August 8, 1937 and the Act of May 24, 1939 (43 U.S.C. 1181f et seq.), the Act of June 14, 1926 (43 U.S.C. 869–4), chapter 69 of title 31, United States Code, section 401 of the Act of June 15, 1935 (16 U.S.C. 715s), the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601), and any other provision of law relating to revenue allocation.

[(2) Fees charged pursuant to this section shall be in lieu of fees charged under any other provision of law.

[(e) The Secretary of the Interior and the Secretary of Agriculture shall carry out this section without promulgating regulations.

[(f) The authority to collect fees under this section shall commence on October 1, 1995, and end on September 30, 1996. Funds in accounts established shall remain available through September 30, 1997.]

SEC. 315. (a) The Secretary of the Interior (acting through the Bureau of Land Management, the National Park Service and the United States Fish and Wildlife Service) and the Secretary of Agriculture (acting through the Forest Service) shall each implement a fee program to demonstrate the feasibility of user-generated cost recovery for the operation and maintenance of recreation areas or sites and habitat enhancement projects on Federal lands.

(b) In carrying out the pilot program established pursuant to this section, the appropriate Secretary shall select from areas under the jurisdiction of each of the four agencies referred to in subsection (a) no fewer than 10, but as many as 50, areas, sites or projects for fee demonstration. For each such demonstration, the Secretary, notwithstanding any other provision of law—

(1) shall charge and collect fees for admission to the area or for the use of outdoor recreation sites, facilities, visitor centers, equipment, and services by individuals and groups, or any combination thereof;

(2) shall establish fees under this section based upon a variety of cost recovery and fair market valuation methods to provide a broad basis for feasibility testing;

(3) may contract, including provisions for reasonable commissions, with any public or private entity to provide visitor services, including reservations and information, and may accept services of volunteers to collect fees charged pursuant to paragraph (1);

(4) may encourage private investment and partnerships to enhance the delivery of quality customer services and resource enhancement, and provide appropriate recognition to such partners or investors; and

(5) may assess a fine of not more than $100 for any violation of the authority to collect fees for admission to the area or for the use of outdoor recreation sites, facilities, visitor centers, equipment, and services.

(c)(1) Amounts collected at each fee demonstration site shall be distributed as follows:

(A) Of the amount in excess of 104 percent of the amount collected in fiscal year 1995, and thereafter annually adjusted upward by 4 percent, 80 percent to a special account in the Treasury for use by the agency which administers the site, to remain available for expenditures in accordance with paragraph (3)(A).

(B) Of the amount in excess of 104 percent of the amount collected in fiscal year 1995, and thereafter annually adjusted upward by 4 percent, 20 percent to a special account in the Treasury for use by the agency which administers the site, to remain available for expenditure in accordance with paragraph (3)(B).

(C) For agencies other than the Fish and Wildlife Service, up to 15 percent of current year collections at each site, but not greater than fee collection costs for that fiscal year, to remain available for expenditure in accordance with paragraph (3)(C).

(D) For agencies other than the Fish and Wildlife Service, the balance to the special account established pursuant to subparagraph (A) of section 4(i)(1) of the Land and Water Conservation Act as amended.

(E) For the Fish and Wildlife Service, the balance shall be distributed in accordance with the Fish and Wildlife Service Administrative Provisions of this Act.

(2) For purposes of the subsection, "total collections" for each site shall be defined as gross collections before any reduction for amounts attributable to collection costs.

(3)(A) Expenditures from site specific special funds shall be for further activities of each site, and shall be accounted for separately. Expenditures for each site shall be in proportion to total collections from the demonstration sites administered by an agency.

(B) Expenditures from agency specific special funds shall be for use on an agency-wide basis and shall be accounted for separately.

(C) Expenditures from the fee collection support fund shall be used to cover fee collection costs in accordance with section 4(i)(1)(B) of the Land and Water Conservation Act as amended.

(4) In order to increase the quality of the visitor experience at public recreational areas and enhance the protection of resources, amounts available for expenditure under paragraph (1) may only be used for the site or project concerned, for backlogged repair and maintenance projects (including projects relating to health and safety) and for interpretation, signage, habitat or facility enhancement, resource preservation, annual operation (including fee collection), maintenance, and law enforcement relating to public use. The agencywide accounts may be used for the same purposes set forth in the preceding sentence, but for sites or projects selected at the discretion of the respective agency head.

(d)(1) Amounts collected under this section shall not be taken into account for the purposes of the Act of May 23, 1908 and the Act of March 1, 1911 (16 U.S.C. 500), the Act of March 4, 1913 (16 U.S.C. 501), the Act of July 22, 1937 (7 U.S.C. 1012), the Act of August 8, 1937 and the Act of May 24, 1939 (43 U.S.C. 1181f et seq.), the Act of June 14, 1926 (43 U.S.C. 869–4), chapter 69 of title 31, United States Code, section 401 of the Act of June 15, 1935 (16 U.S.C. 715s), the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601), and any other provision of law relating to revenue allocation.

(2) Fees charged pursuant to this section shall be in lieu of fees charged under any other provision of law.

(e) The Secretary of the Interior and the Secretary of Agriculture shall carry out this section without promulgating regulations.

(f) The authority to collect fees under this section shall commence on October 1, 1995, and end on September 30, 1998. Funds in accounts established shall remain available through September 30, 2001.

[SEC. 316. The Forest Service and Bureau of Land Management may offer for sale salvageable timber in the Pacific Northwest in fiscal year 1996: *Provided*, That for public lands known to contain the Northern spotted owl, such salvage sales may be offered as long as the offering of such sale will not render the area unsuitable as habitat for the Northern spotted owl: *Provided further*, That timber salvage activity in spotted owl habitat is to be done in full compliance with all existing environmental and forest management laws.]

SEC. 317. None of the funds made available in this Act may be used for any program, project, or activity when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any applicable Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

[SEC. 318. None of the funds provided in this Act may be made available for the Mississippi River Corridor Heritage Commission.

[SEC. 319. (a) LIMITATION ON USE OF FUNDS.—None of the funds made available in this Act may be used by the Department of Energy in implementing the Codes and

Standards Program to plan, propose, issue, or prescribe any new or amended standard.

[(b) CORRESPONDING REDUCTION IN FUNDS.—The aggregate amount otherwise provided in this Act for "DEPARTMENT OF ENERGY—Energy Conservation" is hereby reduced by $12,799,000.

[SEC. 320. None of the funds made available in this Act may be used by the Department of Energy in implementing the Codes and Standards Program to plan, propose, issue, or prescribe any new or amended standard—

[(1) when it is made known to the Federal official having authority to obligate or expend such funds that the Attorney General, in accordance with section 325(o)(2)(B) of the Energy Policy and Conservation Act (42 U.S.C. 6295(o)(2)(B)), determined that the standard is likely to cause significant anticompetitive effects;

[(2) that the Secretary of Energy, in accordance with such section 325(o)(2)(B), has determined that the benefits of the standard do not exceed its burdens; or

[(3) that is for fluorescent lamps ballasts.]

SEC. 320. None of the funds made available in this Act may be used by the Department of Energy in implementing the Codes and Standards Program to plan, propose, issue, or prescribe any new or amended standard for fluorescent lamps ballasts.

SEC. 321. None of the funds made available in this Act may be used (1) to demolish the bridge between Jersey City, New Jersey, and Ellis Island; or (2) to prevent pedestrian use of such bridge, when it is made known to the Federal official having authority to obligate or expend such funds that such pedestrian use is consistent with generally accepted safety standards.

[SEC. 322. No funds appropriated or otherwise made available pursuant to this Act in fiscal year 1996 shall be obligated or expended to accept or process applications for a patent for any mining or mill site claim located under the general mining laws or to issue a patent for any such claim.]

SEC. 323. None of the funds appropriated or otherwise made available by this Act may be used for the purposes of acquiring lands in the counties of Lawrence, Monroe, or Washington, Ohio, for the Wayne National Forest.

SEC. 324. No part of any appropriation contained in this Act or any other Act shall be expended or obligated to fund the activities of the Office of Forestry and Economic Development after December 31, 1995.

SEC. 325. No part of any appropriation contained in this Act or any other Act shall be expended or obligated to: (a) redefine the definition of an area in which a marbled murrelet is "known to be nesting"; or (b) to modify the protocol for surveying for marbled murrelets in effect on July 21, 1995.

SEC. 326. (a) LAND EXCHANGE.—The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to convey to the Boise Cascade Corporation (hereinafter referred to as the "Corporation"), a corporation formed under the statutes of the State of Delaware, with its principal place of business at Boise, Idaho, title to approximately seven acres of land, more or less, located in sections 14 and 23, township 36 north, range 37 east, Willamette Meridian, Stevens County, Washington, further identified in the records of the Bureau of Reclamation, Department of the Interior, as Tract No. GC–19860, and to accept from the Corporation in exchange therefor, title to approximately one hundred and thirty-six acres of land located in section 19, township 37 north, range 38 east and section 33, township 38 north, range 37 east, Willamette Meridian, Stevens County, Washington, and further identified in the records of the Bureau of Reclamation, Department of the Interior, as Tract No. GC–19858 and Tract No. GC–19859, respectively.

(b) APPRAISAL.—The properties so exchanged either shall be approximately equal in fair market value or if they are not approximately equal, shall be equalized by the payment of cash to the Corporation or to the Secretary as required or in the event the value of the Corporation's lands is greater, the acreage may be reduced so that the fair market value is approximately equal: Provided, That the Secretary shall order appraisals made of the fair market value of each tract of land included in the exchange without consideration for improvements thereon: Provided further, That any cash payment received by the Secretary shall be covered in the Reclamation Fund and credited to the Columbia Basin project.

(c) ADMINISTRATIVE COSTS.—Costs of conducting the necessary land surveys, preparing the legal descriptions of the lands to be conveyed, performing the appraisals, and administrative costs incurred in completing the exchange shall be borne by the Corporation.

(d) LIABILITY FOR HAZARDOUS SUBSTANCES.—(1) The Secretary shall not acquire any lands under this Act if the Secretary determines that such lands, or any portion thereof, have become contaminated with hazardous substances (as defined in the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601)).

(2) Notwithstanding any other provision of law, the United States shall have no responsibility or liability with respect to any hazardous wastes or other substances placed on any of the lands covered by this Act after their transfer to the ownership of any party, but nothing in this Act shall be construed as either diminishing or increasing any responsibility or liability of the United States based on the condition of such lands on the date of their transfer to the ownership of another party. The Corporation shall indemnify the United States for liabilities arising under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601), and the Resource Conservation Recovery Act (42 U.S.C. 6901 et seq.).

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

SEC. 327. TIMBER SALES PIPELINE RESTORATION FUNDS.—(a) The Secretary of Agriculture and the Secretary of the Interior shall each establish a Timber Sales Pipeline Restoration Fund (hereinafter "Agriculture Fund" and "Interior Fund" or "Funds"). Any revenues received from sales released under section 2001(k) of the Fiscal Year 1995 Supplemental Appropriations for Disaster Assistance and Rescissions Act, minus the funds necessary to make payments to States or local governments under other law concerning the distribution of revenues derived from the affected lands, which are in excess of $37,500,000 (hereinafter "excess revenues") shall be deposited into the Funds. The distribution of excess revenues between the Agriculture Fund and Interior Fund shall be calculated by multiplying the total of excess revenues times a fraction with a denominator of the total revenues received from all sales released under such section 2001(k) and numerators of the total revenues received from such sales on lands within the National Forest System and the total revenues received from such sales on lands administered by the Bureau of Land Management, respectively: Provided, That revenues or portions thereof from sales released under such section 2001(k), minus the amounts necessary for State and local government payments and other necessary deposits, may be deposited into the Funds immediately upon receipt thereof and subsequently redistributed between the Funds or paid into the United States Treasury as miscellaneous receipts as may be required when the calculation of excess revenues is made.

(b)(1) From the funds deposited into the Agriculture Fund and into the Interior Fund pursuant to subsection (a)—

(A) seventy-five percent shall be available, without fiscal year limitation or further appropriation, for preparation of timber sales, other than salvage sales as defined in section 2001(a)(3) of the fiscal year 1995 Supplemental Appropriations for Disaster Assistance and Rescissions Act, which—

(i) are situated on lands within the National Forest System and lands administered by the Bureau of Land Management, respectively; and

(ii) are in addition to timber sales for which funds are otherwise available in this Act or other appropriations acts.

(B) twenty-five percent shall be available, without fiscal year limitation or further appropriation, to expend on the backlog of recreation projects on lands within the National Forest System and lands administered by the Bureau of Land Management, respectively.

(2) Expenditures under this subsection for preparation of timber sales may include expenditures for Forest Service activities within the forest land management budget line item and associated timber roads, and Bureau of Land Management activities within the Oregon and California grant lands account and the forestry management area account, as determined by the Secretary concerned.

(c) Revenues received from any timber sale prepared under subsection (b) or under this subsection, minus the amounts necessary for State and local government payments and other necessary deposits, shall be deposited into the Fund from which funds were expended on such sale. Such deposited revenues shall be available for preparation of additional timber sales and completion of additional recreation projects in accordance with the requirements set forth in subsection (b).

(d) The Secretary concerned shall terminate all payments into the Agriculture Fund or the Interior Fund, and pay any unobligated funds in the affected Fund into the United States Treasury as miscellaneous receipts, whenever the Secretary concerned makes a finding, published in the Federal Register, that sales sufficient to achieve the total allowable sales quantity of the national forest system for the Forest Service or the allowable sales level for the Oregon and California grant lands for the Bureau of Land Management, respectively, have been prepared.

(e) Any timber sales prepared and recreation projects completed under this section shall comply with all applicable environmental and natural resource laws and regulations.

(f) The Secretary concerned shall report annually to the Committees on Appropriations of the U.S. Senate and the House of Representatives on expenditures made from the Fund for timber sales and recreation projects, revenues received into the Fund from timber sales, and timber sale preparation and recreation project work undertaken during the previous year and projected for the next year under the Fund. Such information shall be provided for each Forest Service region and Bureau of Land Management State office.

(g) The authority of this section shall terminate upon the termination of both Funds in accordance with the provisions of subsection (d).

SEC. 328. Notwithstanding any other provision of law, none of the funds provided in this or any other act shall be available for travel and training expenses for the Bureau of Indian Affairs or the Office of Indian Education for education conferences or training activities.

SEC. 329. Of the funds provided to the National Endowment for the Arts:

(a) The Chairperson shall only award a grant to an individual if such grant is awarded to such individual for a literature fellowship.

(b) The Chairperson shall establish procedures to ensure that no funding provided through a grant, except a grant made to a State or regional group, may be used to make a grant to any other organization or individual to conduct activity independent of the direct grant recipient. Nothing in this subsection shall prohibit payments made in exchange for goods and services.

(c) No grant shall be used for seasonal support to a group, unless the application is specific to the contents of the season, including identified programs and/or projects.

This Act may be cited as the "Department of the Interior and Related Agencies Appropriations Act, 1996".

Mr. GORTON. Mr. President, I lay before the Senate this afternoon the fiscal year 1996 Department of the Interior and related agencies appropriations bill.

This bill, as reported by the Appropriations Committee, totals $12,122,927,000 in discretionary budget authority, $73,000 below the subcommittee's 602(b) allocation. The outlay scoring totals $13,167,502,000, $6,498,000 below allocation. The bill is $1,777,000,000 less than the President's budget request for budget authority and $991 million below the President's budget request for outlays.

Mr. President, the bill before the Senate represents intensely difficult choices and real cuts in spending of $1.5 billion below the fiscal year 1995 level or a reduction of 11 percent.

Mr. President, I want to repeat that last statement. There is $1.5 billion less in this bill than there was in the bill passed by the Congress, signed by the President, covering the current 1995 fiscal year. That is 11 percent less money from that 1995 base.

As a consequence, in crafting this bill, we have had to engage in the process of distributing poverty or distributing reductions. For all practical purposes, there are no programs of any significant size that are increased in this bill and very, very few which we have been able to keep even.

Members will be frustrated—and I think perhaps rightly frustrated—by the fact that some of their important priorities have suffered reductions and can only effectively deal with those reductions when they compare them with the overall reductions in the bill as a whole.

Now, agencies covered by this bill primarily in the Department of the Interior do not share equally in the 11-percent reduction. For instance, the land management agencies are reduced by 4 percent, cultural activities by 15 percent, Indian programs by 8 percent, and Department of Energy programs by 10 percent.

Other Members have raised concerns about the sensitivity to the budget resolution recommendations. This proposal reflects the meshing of the budget resolution, the bill priorities of the subcommittee which wrote this bill, and of members of the full Appropriations Committee together with concerns of individual Members and the administration's own priorities.

In fact, as another aside, Mr. President, I can say that the allocations out of which this bill were built are slightly higher than those that were considered and passed by this body in the budget resolution.

If we had followed the budget resolution to the exclusion of all other considerations, the total amount spent would have been even lower. For instance, members of the administration in the broadest possible sense have placed a high priority on the preservation and enhancement of the National Park Service. As a consequence, the Park Service was reduced by only 6 percent overall, with no reduction for Park Service operations.

In the budget resolution, a moratorium on land acquisition was assumed. Member interest, however, necessitated funding to some land acquisitions even though they are at drastically reduced levels.

Also, an item, which seems to have been lost when considering the budget committee recommendations, is the $379 million reduction for unidentified Interior bill overhead. I remind Members that overhead costs exist in all agencies. We faced the question of how that should be dealt with. If applied to some of the smaller agencies, such a reduction would have had a devastating and unacceptable effect.

As has been the practice in past years, the bill before us today was formulated in a bipartisan manner. I wish to thank Senator BYRD and his staff for their assistance and cooperation in drafting the Interior bill.

Again, Mr. President, off of my prepared text here, I should like to express my deep admiration for Senator BYRD, the ranking member of this subcommittee. I am brand new to this responsibility. He has held more offices in this Senate, including majority leader and President pro tempore, than has any other individual in its history. He was, last year, in addition to being chairman of the overall Appropriations Committee, chairman of the Subcommittee on Interior and Related Agencies. It, obviously, has to be very difficult to give up that position and that authority to someone who is new to these responsibilities entirely, but Senator BYRD has been not only gracious and cooperative, but has provided me with a wonderful education in the priorities and responsibilities that fall to me as chairman of the subcommittee and as manager of this bill. I want to thank him for that graciousness, and for that education.

Now, Mr. President, I should like to report that the subcommittee received more than 1,400 requests for amendments to the bill, or for projects within the bill. Even that represents a major step forward from what Senator BYRD faced last year, which, if my memory serves me correctly, was more than 3,000 such requests. Perhaps that reduction does reflect the fact that most Members understand that we have this major cut. But they have made it difficult to honor more than a relatively few of them.

Many of those 1,400 requests, which total up to $2.1 billion, presumed the enactment of amounts contained in the President's budget and then proposed to add something beyond that number. With the budget constraints that we faced, our starting point had to be the fiscal year 1995 budget, with extensive review and attention to the President's budget proposals, but with the necessity to reduce significantly below that 1995 level.

There are, obviously, many programs which individual Senators would like to see funded at higher levels. In many cases I agree. I do have to emphasize, and remind these Senators, however, of the funding constraints that the subcommittee faced and the difficult choices that had to be made.

Any amendments to increase any program area must be offset by reductions elsewhere to remain within our allocations in the Appropriations Committee and, of course, within the budget resolution overall. Now, let me turn briefly to the recommendations that are before you today. These are only highlights.

Programs for Native Americans and Alaska Natives are funded at $3,532,042,000 within the bill, almost 30 percent of its entire amount. Within the funding constraints faced by the committee, efforts were made to protect basic health care services provided through the Indian Health Service, and the education, trust, and natural resources programs within the Interior Department.

Funding has been provided for the Office of Special Trustee for American Indians, by transferring funding for natural resources management, trust services, resource management construction, and miscellaneous payments for Indian land and water settlements from BIA to the office. The activities that remain within the BIA are primarily services that are typically provided through local governments.

Concerns have been raised by the chairman and ranking member of the Indian Affairs Committee concerning potential impacts of the committee's proposal on the confirmation of the special trustee. As a result, I plan to offer an amendment that will transfer the most of the activities proposed for the Office of Special Trustee for American Indians back to the Bureau of Indian Affairs. Only the financial trust management functions and the immediate office of the special trustee will remain. I hope that the merits of the committee's proposal will be considered as the Indian Affairs Committee considers legislation reorganizing the BIA. In any event, this is properly its responsibility.

LAND MANAGEMENT

On the next subject, the subcommittee has attempted to protect the operational base of the land management agencies as much as possible. I have already spoken to the fact there are no such reductions for the National Park Service, the Fish and Wildlife Service has a 3-percent reduction, the Bureau of Land Management and Forest Service each 5-percent reduction.

To assist with the growing recreation demands on the agencies in this bill, a pilot recreation fee proposal is included in the bill after consultation with the Committee on Energy and Natural Resources.

The construction accounts for the land management agencies have decreased $88 million in total—20 percent. The majority of the construction projects involve the completion of ongoing projects and the restoration or rehabilitation of existing facilities. No new starts for visitor centers are provided.

Overall funding for land acquisition for the land management agencies totals $127 million which is about halfway between last year's level and the outright moratorium included in the budget resolution. The committee has identified specific projects, while the House bill did not. Priority is given to completing ongoing acquisitions and avoiding new starts that will increase outyear demands.

NATURAL RESOURCES SCIENCE AGENCY (FORMERLY NBS)

The committee has recommended retaining the Department of the Interior's biological research as a separate entity. Direction is provided to refocus the agency's work on issues most critical to the land managers, but language is included to protect private property owners.

MINING AGENCIES

The committee has not included a moratorium on accepting and processing applications for mining patents, and that will be subject to, perhaps, an amendment that will be proposed very, very soon.

The mining and minerals related agencies are collectively funded at 8 percent below the fiscal year 1995 level. The committee mark funds the Bureau of Mines at the request level of $132.5 million, a decrease of $20 million from fiscal year 1995. Field facilities proposed for closure in the budget will be maintained at lower staffing levels.

The mark also includes OCS moratoria language covering the same areas covered by last year's bill.

DEPARTMENT OF ENERGY

The Energy Conservation Program is funded at $577 million. The low-income Weatherization Program is funded at $137 million, or about $26.5 million above the House-passed level. The State energy block grants are funded at $31.5 million, $5 million above the House level. Bill language has been included to prohibit DOE from proposing or issuing any new or amended standards for fluorescent lamps ballasts.

Fossil energy research and development is a decrease of 11 percent below the fiscal year 1995 level. Similar reductions are expected over the next several fiscal years.

CULTURAL AGENCIES

Within the constraints of our bill, we have made a concerted effort to address the critical repair and renovation needs of the cultural organizations, such as the National Gallery of Art, the Smithsonian Institution, and the Kennedy Center, for which we have the primary responsibility in order to protect collections and structures of importance to the American people. Reductions to operating accounts, while unavoidable, have been kept relatively small in recognition of the wide array of public services which in part define the mission of these agencies.

As a result, more significant reductions have been necessarily taken to the budgets of the Endowments, whose mandates are fulfilled in varying degrees based on the availability of funds, but whose beneficiaries, of course, have many other sources of support. We make no assumptions with respect to the continuation or termination of the Endowments, believing that to be the function of the authorizing committee.

In short, we have done the best we can with severely limited resources, concentrating our efforts on those agencies that rely on the Congress for all, or about all, of their support.

Mr. BYRD. Mr. President, I am pleased to support the introductory remarks of the chairman.

May I say at the outset that this chairman is one of the finest subcommittee chairman that I have seen in my years here. He has shown a very studious approach and has in my judgment mastered this very complex bill. It is a bill that funds 40 agencies, and I salute him without envy by stating that he has come to grips with this bill and I think has understood its complexities more in this 1 year than I have been able to understand in the several years I have been chairman and ranking member, back and forth from time to time. I have found him to be very fair and reasonable. He is sharp and he is dedicated. I think he is a man who is molded for this particular subcommittee.

It is a subcommittee that I would have to say is probably far more western in its orientation than others. He comes from the West and he is familiar with those issues that are of such interest to the West. It has been a pleasure to work with him, and I have learned from him.

I will not engage in a lengthy summary of the bill because I believe the major issues confronting the subcommittee have already been laid out.

This is not an easy bill to put together. The interests are competing, and the policy issues are of great importance to many Senators. As I have said, Senator GORTON has grasped the ramifications of these issues quickly, and has been very thoughtful in his approach to this bill. He has tried to make the best out of a very difficult situation. The cuts in this bill are very real, but the chairman was left with little choice because of the dictates of the budget resolution. Members should remember that in total, this appropriations bill is $1.1 billion, or 11 percent, below the fiscal year 1995 level.

In general, this bill protects the operating accounts of the agencies, and constrains construction and land acquisition funding below prior year levels. Despite these efforts to protect the core programs that deliver services to the American public, the Interior Department has estimated that it may have to reduce its current work force by 4,000 positions. Some of these reductions will occur in Washington, DC, but the vast majority of them will occur where the programs are conducted—in places like Pittsburgh, Denver, Sacramento, Portland, Billings, Tuscon, Gainesville, Charleston, and the like. This bill is evidence that when the Appropriations Committee has to distribute spending cuts of the magnitude imposed by the budget resolution, programs will be reduced, and so will the number of people who deliver them. As one agency director reminded me, we are beyond the point of doing more with less—we are now having to do less with less.

Despite these constraints, Mr. President, the programs of this bill are endorsed warmly when it comes to specific requests for individual projects, especially for more land acquisition and construction. Even after the budget resolution recommended a moratorium on land acquisition and cuts in construction, the subcommittee was besieged by requests from both sides of the aisle for these types of projects. The chairman and subcommittee have sought to accommodate the most critical projects, while still reducing the overall program.

The committee has not concurred with some of the program terminations proposed by the House. The subcommittee has recommended a reduced, yet responsible, level for natural resources research within the Interior Department. Funding is also provided to ensure that critical health and safety, mineral information, and pollution abatement activities of the Bureau of Mines are addressed, although at a level $20 million below last year.

Mr. President, there will be an amendment offered to this bill to reduce funding in various operating accounts in order to put more money into the programs of the Bureau of Indian Affairs. Senator GORTON and I will join together in opposition to this effort to undo the carefully crafted compromise we bring to the Senate today.

Mr. President, this bill is right at its 602(b) allocation, so amendments will need to be offset. Nearly all of the accounts in the bill are funded well below last year's level, the exceptions being the National Park Service operating account and the Indian Health services account, which are essentially frozen at the current level, with no allowances for the effects of fixed cost increases, pay, inflation, and the costs of new facilities.

I encourage Senators who may have amendments to this bill to come to the floor, and let us begin to address the amendments. This bill faces a difficult conference, and the sooner we finish our work in the Senate, the better the chances are of completing action on this bill prior to the beginning of the new fiscal year on October 1. Many of the potential amendments to which the subcommittee has been alerted have been debated previously on this bill, and I hope Senators will be cooperative and willing to enter into time agreements so that we can complete this bill as expeditiously as possible.

Lastly, I wish to thank Senator GORTON and his staff for the cooperative working relationship we have had in this bill.

In particular, I thank Sue Masica, my own very competent and dedicated staff person, for the excellent work that she consistently performs and has performed over the years she has been with the committee.

I also thank Cherie Cooper for her fine work and pleasant way of dealing with all of us and her very cooperative and congenial manner.

The choices are difficult in this bill, but the task has been made easier by the fair manner in which this bill has been handled by the chairman and by his staff as well as by my own staff.

Mr. President, I yield the floor.

Mr. GORTON. Mr. President, I thank my distinguished colleague from West Virginia for those comments and for that support.

Nevertheless, he and I both realize from our past history that this is a bill which attracts a great deal of interest, a certain degree of controversy and a significant number of amendments.

I am personally gratified by the fact that we have Members already willing to propose those amendments. I just have a couple of other announcements and I hope a motion.

Normally, we would now adopt committee amendments. I had hoped to adopt the committee amendments en bloc and have the bill in condition to be further amended. But first there were three objections to particular committee amendments which Members wished to amend themselves. And then the senior Senator from Texas [Mr. GRAMM], desired to read all of the committee amendments to determine which he wished to amend first. So I am not going to move to adopt any committee amendments now.

We have worked as diligently as we can with Members who have relatively noncontroversial amendments and two that are very large but nonetheless are agreed to.

AMENDMENTS NOS. 2283 THROUGH 2291

Mr. GORTON. Mr. President, I would propose at this point to send a set of en bloc amendments to the desk and ask that they be considered. I will explain them. If any Member wishes to object to any one of them, that Member is free to do so. But I trust there will be no such objections.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report the amendments en bloc.

The assistant legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes en bloc amendments numbered 2283 through 2291.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2283

(Purpose: To direct the Secretary of the Interior to conduct a study concerning the equity regarding entrance, tourism, and recreational fees for the use of Federal lands and facilities, and for other purposes)

Insert at page 126, between line 7 and line 8:

"(g)(1) It is the policy of the Congress that entrance, tourism, and recreational use fees for the use of Federal lands and facilities not discriminate against any State or any region of the country.

"(2) Not later than October 1, 1996, the Secretary of the Interior, in cooperation with the heads of other affected agencies shall prepare and submit to the Senate and House Appropriations Committees a report that—

"(A) identifies all Federal lands and facilities that provide tourism or recreational use; and

"(B) analyzes by State and region any fees charged for entrance to or for tourism or recreational use of Federal lands and facilities in a State or region, individually and collectively.

"(3) Not later than October 1, 1997, the Secretary of the Interior, in cooperation with the heads of other affected agencies, shall prepare and submit to the Senate and House Appropriations Committees any recommendations that the Secretary may have for implementing the policy stated in subsection (1)."

AMENDMENT NO. 2284

(Purpose: To make explicit that certain prohibitions contained in the bill regarding activities under Section 4 of the Endangered Species Act are not to extend beyond the end of fiscal year 1996)

On page 10, line 16 of the bill, strike "enacted," and insert "enacted or until the end of fiscal year 1996, whichever is earlier,".

AMENDMENT NO. 2285

(Purpose: Technical correction to change draft environmental statement to final environmental statement in order to make the Sec. 314 consistent throughout)

On page 115, line 10, strike "draft" and insert in lieu thereof "final".

AMENDMENT NO. 2286

(Purpose: Technical amendment to vitiate previous technical correction)

On page 80, lines 5 through 16, vitiate the Committee amendment and restore the House text.

AMENDMENT NO. 2287

(Purpose: Technical correction to include proper statutory citation within bill)

On page 10, line 15 of the bill, strike "Endangered Species Act" and insert "Endangered Species Act of 1973, (16 U.S.C. 1533)".

AMENDMENT NO. 2288

(Purpose: To make technical corrections to Section 115 concerning Washington State Indian Tribes

On page 55, line 14, insert "not" after "shall".

On page 55, line 15, delete "action" and insert "actions".

On page 55, line 16, delete "judgment" and insert "judgments".

On page 55, line 16, delete "has" and insert "have".

AMENDMENT NO. 2289

(Purpose: To prohibit the Forest Service from applying paint to rocks)

On page 76, after line 23, insert the following: None of the funds appropriated under this Act for the Forest Service shall be made available for the purpose of applying paint to rocks, or rock colorization: Provided, That notwithstanding any other provision of law, the Forest Service shall not require of any individual or entity, as part of any permitting process under its authority, or as a requirement of compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4231 et seq), the painting or colorization of rocks.

AMENDMENT NO. 2290

(Purpose: To transfer all funding from the Office of Special Trustee except for financial trust management funding to the Bureau of Indian Affairs, including funding for resources management, trust activities, resources management construction, and Indian Land and Water Claim Settlements and Miscellaneous Payments to Indians)

On page 31, lines 3 through 7, delete the Committee amendment.

On page 31, line 15, delete "$997,221,000" and insert "$1,260,921,000".

On page 32, line 13, delete "$35,331,000" and insert "$62,328,000".

On page 32, lines 15 through 17, delete the Committee amendments.

On page 34, lines 4 through 11, delete the Committee amendment.

On page 36, line 7, delete the Committee amendment.

On page 36, lines 9 through 10, restore "; acquisition of lands and interests in lands; and preparation of lands for farming".

On page 36, line 11, delete "$60,088,000" and insert "$107,333,000".

On page 36, lines 12 through 16, delete the Committee amendment.

On page 36, lines 20 through 23, delete the Committee amendment.

On page 37, lines 22 through page 38, line 23, delete the Committee amendment.

On page 37, line 26, of the matter restored, strike "$75,145,000" and insert "$82,745,000".

On page 38, line 1 of the matter restored, strike "$73,100,000" and insert "$78,600,000".

On page 38, line 11 of the matter restored, strike "$1,000,000" and insert "$3,100,000".

On page 44, lines 11 through 16, delete the following: "including expenses necessary to provide for management, development, improvement and protection of resources and appurtenant facilities formerly under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges and acquisition of water rights".

On page 44, line 16, delete "$280,038,000" and insert "$15,338,000" in lieu thereof.

On page 44, line 16, delete "$15,964,000" and insert "$15,891,000" in lieu thereof.

On page 44, lines 18 through 19, delete ", attorney fees, litigation support, and the Navajo-Hopi Settlement Program".

On page 45, lines 7 through 16, delete beginning with ": *Provided*" on line 7 and ending with "1997" on line 16.

On page 45, lines 18 through 19, delete ", attorney fees, litigation support, and the Navajo-Hopi Settlement Program".

Delete the Committee amendment beginning on page 45 line 23 through page 48 line 8.

AMENDMENT NO. 2291

(Purpose: To delete a provision relating to the Bureau of Indian Affairs)

On page 35, beginning on line 11, delete after the word "area" (beginning with ": *Provided*") and all that follows through "Appropriations" on line 22.

Mr. GORTON. The first of these amendments, No. 2283, is the amendment by the Senator from Colorado, [Mr. BROWN] on a Department of the Interior study of recreation fees.

The second, No. 2284, is an amendment from Senator CHAFEE on the Endangered Species Act to clarify that the listing moratorium lasts only during the pendency of this bill, that is to say, through September 30, 1996. That is what we had intended to do and meant the bill to do. It was unclear. And just to make certain, it lasts only for that period of time at the longest and will also terminate as and when the Endangered Species Act itself is reauthorized.

The next, amendment No. 2285, is one by myself which substitutes the word "final" for the word "draft" in section 314.

The fourth, No. 2286, is a technical amendment of mine on the petroleum reserve.

The next, No. 2287, is a technical correction making the proper citation to a statute.

Amendment No. 2288 is a technical correction which inserts the word "not" in a phrase relating to various Indian tribes in the State of Washington, which was the original desired meaning of the language.

Amendment No. 2289 is one on mandatory rock painting required by various Federal agencies when highways are built.

And then there are two that are not technical amendments that are agreed to: Amendment No. 2290 for myself, the Senator from Arizona, the Senator from Hawaii [Mr. INOUYE], and the Senator from New Mexico [Mr. DOMENICI] which will retain trust fund management and special trustee funding within the Office of Special Trustees for American Indians but transfer all of the other major funding accounts that were included in this bill back to the Bureau of Indian Affairs.

The special trustees office was authorized last year. I think we anticipated greater powers for it than the authorizing committee, the Bureau of Indian Affairs, is prepared to grant to it at the present time. And the subject is properly a matter for that committee to consider. So this places only those clear trustee responsibilities in the trustee and returns the rest to BIA.

The amendment transfers back to the Bureau of Indian Affairs all funds and FTE's for the Office of Special Trustee for American Indians, except for $15,891,000 for Financial Trust Management activities and $447,000 for the immediate Office of the Special Trustee.

A total of $393,690,000 is transferred back to the Bureau of Indian Affairs, including $263,700,000 to the Operation of Indian Programs account, $47,245,000 to the Construction account, and $82,745,000 to the Indian Land and Water Claims Settlements and Miscellaneous Payments to Indians account. The Indian Land and Water Claims Settlements and Miscellaneous Payments to Indians account is transferred in its entirety.

Within the funds transferred to the Operation of Indian Programs account, a total of $73,784,000 is transferred from Trust Asset Management and Protection in the Office of Special Trustee to the Other Trust Services activities, including $28,692,000 for Tribal Priority Allocations, $30,227,000 for Non-recurring Programs, $9,935,000 to Area Office Operations, and $4,930,000 to Central Office Operations.

Within the net amount transferred for Trust Services for Tribal Priority Allocations, a reduction of $1,605,000 has been taken that includes: $846,000 for pay costs; $527,000 for general trust services and $231,000 to real estate services to eliminate increases above the FY 1995 level; and $1,000 to other trust services. For Non-recurring Programs, a reduction of $237,000 for pay costs has been included and $13,472,000 has been transferred for water rights negotiation/litigation. For Area Office Operations, there is a total reduction of $591,000, including a reduction of $291,000 for pay costs, and a reduction of $300,000 for land records improvement. For Central Office Operations, a total reduction of $58,000 has been taken for pay costs and $2,900,000 for land records improvement.

A total of $142,471,000 is transferred from Resource Management and Protection in the Office of Special Trustee to the Resources Management activities in the BIA's OIP account, including $65,357,000 to Tribal Priority Allocations, $35,556,000 to Other Recurring Programs, $31,395,000 to Non-recurring Programs, $3,996,000 to Area Office Operations, $1,470,000 to Special Programs and Pooled Overhead, and $4,697,000 to Central Office Operations. Any committee direction for the programs to be transferred still applies once the programs are transferred to the Bureau of Indian Affairs.

Within the net amount transferred for Resources Management, a reduction of $3,020,000 for Tribal Priority Allocations has been taken that includes $1,635,000 for pay costs, $620,000 to maintain Wildlife and Parks at the fiscal year 1995 level, and $765,000 to maintain Other Resources Management at the fiscal year 1995 level. For Non-recurring Programs, there is a total reduction of $428,000 for pay costs. For Area Office Operations, a total reduction of $505,000 includes $90,000 for pay costs, $90,000 for Forestry, $50,000 for Water Resources, $200,000 for Wildlife and Parks, and $75,000 for Minerals and Mining. For Central Office Operations, $80,000 was reduced for pay costs.

A total of $1,045,000 is transferred from Executive Direction in the Office of Special Trustee to Central Office Operations within OIP, including $795,000 to the Assistant Secretary of Indian Affairs for the Office of American Indian Trust, and $250,000 to Other General Administration.

A total of $46,400,000 is transferred from Administrative Support in the Office of Special Trustee to Operations of Indian Programs in BIA, including $40,000,000 to Tribal Government within Tribal Priority Allocations and $6,400,000 to Other General Administration within Central Office Operations.

A total of $47,245,000 is transferred from the Office of Special Trustee to the Construction account of the Bureau of Indian Affairs for Resource Construction Management. Reductions include $139,000 for pay costs, $500,000 for Engineering and Supervision, and $12,024,000 for Safety of Dams. For the Navajo Indian Irrigation Project, $25,500,000 is provided and $1,500,000 is provided for the southern Arizona project.

The last one, Amendment No. 2291, is by the same four Senators has to do with tribal shares within the central office of the Bureau of Indian Affairs.

The amendment deletes the committee amendment pertaining to distribution of tribal share from Central Office

Operations and Special Programs and Pooled Overhead. The usual reprogramming guidelines of the Interior Appropriations Subcommittee should apply to any amount negotiated to be transferred as tribal shares to tribes or tribal organizations under Public Law 93-638, as amended.

AMENDMENT NO. 2283

Mr. BROWN. Mr. President, today I offer an amendment to the Interior appropriation bill, based on a bill I introduced earlier this year, S. 340, Public Facilities Fees Equity Act of 1995. This amendment is similar to an amendment accepted by the Senate on the California Desert Act last year. This amendment involves three parts. One is a simple statement of policy, It is to suggest there should not be discrimination in the kind of fees we levy across this country; discrimination among the States and discrimination between the various regions of the country. In other words, we ought to be working toward a uniform policy that affects the Nation fairly and evenly.

Second, it calls for a study of the fees we charge for entrance to public facilities, whether they involve tourism or other public facilities.

Third, it calls for recommendations to achieve the policy statement that is for even and fair treatment. It relates specifically to this amendment because it is not beyond the realm of possibility that fees will relate, but its ramifications are broader than that. I think it moves us toward a position of equity for the whole Nation.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Reserving the right to object. On the amendment by Senator CHAFEE, I think I heard you say this but I was watching on television, not here on the floor. I heard you say that it would be extended during this next fiscal year and/or when the Endangered Species Act is reauthorized?

Mr. GORTON. Whichever is earlier.

The Senator from Arizona is here. I do not know whether he wanted to comment on the trust fund or not or is ready to accept these amendments en bloc.

Mr. McCAIN. I am prepared to accept the amendments en bloc and then comment on that amendment as part of some general remarks I would like to make and some questions I have for the distinguished chairman.

Mr. GORTON. Fine. Then, Mr. President, I urge the adoption of the amendments en bloc.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

So the amendments (Nos. 2283 through 2291), en bloc were agreed to.

Mr. McCAIN. I move to reconsider the vote.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. In attempting expeditiously and efficiently to organize the debate, I asked the Senator from Arkansas, Mr. BUMPERS, whether or not he would put up his annual amendment on mining patents, and he has agreed to do so. I understand he is on the way to the floor. When he does that, I will move the committee amendment to which that would be an amendment.

In the meantime, I would yield the floor for any remarks the Senator from Arizona would like to make.

Mr. McCAIN. Mr. President, first I would like to congratulate both the manager of the bill and the distinguished Democratic leader on the very difficult decisions that have been made in overall reductions in spending over last year.

I do have several concerns I would like to raise with the manager of the bill, and perhaps I can discuss them with him. First of all, when the committee amendments are proposed—I have already discussed this with the Senator from Washington—I would seek an amendment to authorize the funding for the National Endowment for the Arts by both Houses.

Mr. GORTON. Will the Senator yield? Does he mean that he would authorize them in this bill or would condition the appropriations——

Mr. McCAIN. Would condition the appropriations with the authorization by both Houses.

And I have already discussed that with the distinguished chairman. I would say to the chairman, on page 19, there is a provision that states:

> $1,500,000 of the funds provided under this head, to be derived from the Historic Preservation Fund, established by the Historic Preservation Act of 1966 * * * shall be available until expended to render the site safe for visitors and to continue building stabilization of the Kennecott, Alaska copper mine.

I believe I have reached an agreement with the Senator from Alaska on this particular part of the bill. And I think that we will be ready soon to propose an amendment that basically says that the changes in the language says that "it may be available until expended to render sites safe for visitors." I think that is an appropriate correction to that part of it.

Mr. GORTON. I note the presence of the Senator from Alaska.

Mr. McCAIN. I note his presence also. And I think he might be ready in just a few minutes. Let me just go on because I have some questions for the distinguished chairman.

On page 27 of the bill, line 23, it says:

> *Provided further*, That notwithstanding any other provision of law, the Secretary is authorized to convey, without reimbursement, title and all interest of the United States in property and facilities of the United States Bureau of Mines in Juneau, Alaska to the City and Borough of Juneau, Alaska; in Tuscaloosa, Alabama, to The University of Alabama; in Rolla, Missouri, to the University of Missouri-Rolla; and in other localities to such university or government entities as the Secretary deems appropriate.

Am I correct in assuming that that transfer has not gone through the appropriate GSA screening process?

Mr. GORTON. I would assume that to be the case.

Mr. McCAIN. On page 68, beginning at line 6, it says—I am requesting information on this portion of the bill:

> *Provided further*, That $2,500,000 of the funds appropriated herein shall be available for a grant to the "Non-Profit Citizens for the Columbia Gorge Discovery Center" for the construction of the Columbia Gorge Discovery Center: Provided further, That the Forest Service is authorized to grant the unobligated balance of funds appropriated in fiscal year 1995 for the construction of the Columbia Gorge Discovery Center * * *

Et cetera, et cetera. Then it goes down further:

> notwithstanding any other provision of law, funds originally appropriated under this head * * * for the Forest Service share of a new research facility at the University of Missouri, Columbia, shall be available for a grant to the University of Missouri, as the Federal share in the construction of the new facility: Provided further, That agreed upon lease of space in the new facility shall be provided to the Forest Service without charge for the life of the building.

Can the distinguished chairman illuminate me on what the meaning of that portion of the bill is?

Mr. GORTON. The chairman can do so with respect to the Columbia Gorge provisions, which are a part of an ongoing project that was involved in the creation of the Columbia Gorge National Scenic Area in, I believe, the year 1986, which at that time authorized various visitors centers and the like on both the Washington and Oregon sides of the Columbia River within that area, which is almost a form of national park.

All moneys, to the best of my knowledge, have been appropriated for facilities on the Washington side of the river. This is either the end or close to the end of the appropriations that had been authorized for centers on the Oregon side of the river.

I suspect when the chairman of the Appropriations Committee, Senator HATFIELD, is on the floor, he may be able to provide more details. But to the best of my knowledge, this is the culmination of projects authorized by a bill in 1986 and passed then in connection with the Columbia Gorge.

In connection with the Missouri facility—I may have to supplement my answer to this, but I cannot give an answer that is much better than the text itself—that funds have already been appropriated for the Forest Service's share of the research facility at the University of Missouri, and this simply turns whatever that original appropriation was into a grant, provided that the Forest Service will have room in the building when it is completed.

Mr. McCAIN. I want to thank my colleague for his explanation. Obviously, I will seek an additional explanation on both of those since it has the appearance of earmarking, but I will withhold judgment until I am able to receive an explanation on that issue.

I repeat my concern about the conveyance without reimbursement of various facilities without going through the proper screening process.

As I mentioned, at the appropriate time, I will seek an amendment requiring authorization funding for the National Endowment for the Arts.

But in the meantime, I see my friend from Alaska who has, I believe, very kindly agreed to change the wording of the language on page 19. I am prepared to propose that amendment at the convenience of the manager of the bill and the Senator from Alaska. I will be glad to yield to the Senator from Alaska.

Mr. STEVENS. Mr. President, I thank the Senator. I was typing up the amendment. Does he have it already prepared?

Mr. McCAIN. I believe momentarily.

Mr. STEVENS. I think it is coming. I might say to my friend from Arizona, Mr. President, it accomplishes the same result. We know that that money is earmarked. It merely confirms earmarking, and the language puts it on the basis of a permissive action but gives attention to the fact that action should be taken.

I am happy to accept that. I know we will go forward and want it to be noted by the Department that it has high congressional priority.

Mr. McCAIN. I thank my friend from Alaska. I am sure it is a very worthwhile project. The Senator from Alaska and I have discussed many times my view on this kind of bill language. I believe that this language will now allow the Corps of Engineers to make the kind of judgment necessary to carry out the work and complete the task as envisioned by the Senator from Alaska.

Mr. President, I do not have the amendment ready at this moment. As soon as I receive it, I will propose it, hopefully before the Senator from Arkansas begins since I suspect he has a fairly lengthy exposition and I perhaps would like to get this done. Here it is.

Mr. McCAIN. I send an amendment to the desk and ask for its——

Mr. GORTON. Will the Senator withhold? Does the Senator now have the amendment he was speaking about with the Senator from Alaska?

Mr. STEVENS. Yes.

COMMITTEE AMENDMENT ON PAGE 19, LINES 8 THROUGH 14

Mr. GORTON. Mr. President, I believe I should offer the committee amendment found on page 19, lines 8 through 14, as I suspect this is an amendment to that committee amendment. Mr. President, I call up the committee amendment on page 19, lines 8 to 14.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

Committee amendment on page 19, lines 8 through 14.

AMENDMENT NO. 2292 TO THE COMMITTEE AMENDMENT ON PAGE 19, LINES 8 THROUGH 14

Mr. McCAIN. Mr. President, I want to thank my colleague from Alaska for his attention to my amendment. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN] proposes an amendment numbered 2292 to the committee amendment on page 19, lines 8 through 14.

Mr. McCAIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all in the committee amendment on page 19, lines 8–14, and insert in lieu thereof the following: "*Provided further*, That funds provided under this head, derived from the Historic Preservation Fund, established by the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470), may be available until expended to render sites safe for visitors and for building stabilization".

Mr. McCAIN. Mr. President, I want to thank my colleague from Alaska. I believe this is appropriate, and I have no more remarks on the amendment. I yield the floor.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2292) was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 19, lines 8 through 14, as amended.

So the committee amendment, as amended, was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. McCAIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMMITTEE AMENDMENT ON PAGE 128, LINES 16 THROUGH 21

Mr. GORTON. Mr. President, I ask unanimous consent to be able to call up, out of order, the committee amendment on page 128, lines 16 to 21, to which the amendment of the Senator from Arkansas will be a second-degree amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

Committee amendment on page 128, lines 16 through 21.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 2293 TO THE COMMITTEE AMENDMENT ON PAGE 128, LINES 16 THROUGH 21

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself, Mr. LAUTENBERG, Mr. LEVIN, Mr. BRADLEY and Mr. FEINGOLD, proposes an amendment numbered 2293 to the committee amendment on page 128, lines 16 through 21.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Add the following at the end of the language on lines 16–21 on page 128 proposed to be stricken by the Committee amendment:

"The provisions of this section shall not apply if the Secretary of Interior determines that, for the claim concerned: (1) a patent application was filed with the Secretary on or before the date of enactment of the fiscal year 1995 Interior Appropriations Act, and (2) all requirements established under Sections 2325 and 2326 of Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims and Sections 2329, 2330, 2331 and 2333 of the Revised Statutes (30 U.S.C. 35, 36 and 37) for placer claims, and Section 2337 of the Revised Statutes (30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by the applicant by that date."

Mr. GORTON. Mr. President, before he begins, will the Senator from Arkansas yield for a question?

Mr. BUMPERS. I will be happy to.

Mr. GORTON. Does the Senator have any idea how long he wishes? Can we enter into a unanimous consent agreement on the time?

Mr. BUMPERS. Mr. President, I promise you, this is a fairly narrow issue. This is not mining law reform. I promise you, while I will not unduly delay it, I would like to make my opening argument and see how much time we use, and we can use that as a judge as to how much time it will take.

Mr. GORTON. I thank the Senator from Arkansas.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. REID. Mr. President, as the Senator from Arkansas starts the debate, I have tried to work with my colleagues on the other side, and it appears at this stage what we probably will do after we finish the Senator's debate and say a few words in opposition to it, is move to table it at the appropriate time.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from Arkansas has the floor.

Mr. BUMPERS. Madam President, in a sense, I hate to stand here and make this argument. This is the eighth consecutive year that I have tried to bring some sanity and reason to an 1872 law which can only be described not as an anachronism, but a scandalous anachronism. People who do not understand this issue can be easily deceived by what we are talking about. But here are the simple, basic facts. I have called a few of the freshman Senators, and it is very difficult for anybody to believe that the practice I am trying to stop is actually going on.

In 1872, Ulysses Grant signed the 1872 Mining Law. Under that bill, people were encouraged to go west and settle. The West was still pretty wild. And Congress said, essentially, if you will move out to the West, we will let you file claims for hard rock minerals in 20-acre increments. You put down four stakes anywhere you want for 20 acres, and put down as many as you want. If you want 100 acres, put down claims on five 20-acre tracts. If you want 500 acres, put down 25 20-acre plots. And today, 124 years after Ulysses Grant signed the bill, it is still law.

Do not everybody bolt for the door to rush out west and file claims. But if you want to, you can. You just find yourself any one of the 550 million acres of land that the Federal Government still has open for mining and you put your stakes down, and it is yours. You have to pay $100 a year if you have more than 25 claims. If you do not, you do not pay anything.

But here is the real kicker: If you find any hard rock minerals—gold, silver, palladium, platinum—if you can convince the Bureau of Land Management that you have any of those hard rock minerals in commercial quantities under this land, you can demand a deed. You say, I want a deed to this 500 acres. You know something else? They cannot refuse you. They have to give you a deed to it.

So in the last 124 years, we have given away more than 3.2 million acres. That is acreage the size of the State of Connecticut. For how much? Mr. President, $2.50 an acre. Sometimes, $5 an acre. That is the maximum. In that same period of time, $241 billion worth of minerals have been taken off that land. And what do you think "Uncle Sucker" got? He got somewhere between $30 billion and $70 billion in reclamation costs to clean up the thousands of mining sites that are abandoned and, you guessed it, not a dime in royalties.

The taxpayers of this country gave away 3.2 million acres of land for $2.50 an acre. The mining companies took $241 billion worth of gold and silver, and we got the shaft. Now, every time I tell that story to somebody, they say you know that could not be true. I have heard a lot about corporate welfare. But I have never heard anything even approaching this.

Madam President, do you know what else? Once you get a deed, you do not even have to mine it. Do you know what you can do with it? You can sell it to somebody for a ski resort. You can sell it to somebody to build condominiums on. It is yours, you have a deed to it. Do you know something else? Every time we give somebody a deed to that land, that means it is theirs, and we can never again charge them a royalty on the land.

What is it about the mining companies that gives them such a stranglehold over this body? Last year, for the first time, the Interior Appropriations Conference finally included a moratorium and said, no more, do not process any more patent applications. We grandfathered-in 393 patent applications that were pending. But at least that was a step in the right direction. For the first time in history, Congress agreed to put a moratorium and say no more patents.

This year, I am saying let us renew it, let us put this moratorium on this year and next year, until we get some kind of reform law through here.

Last year Senator JOHNSTON from Louisiana, the chairman of the Energy Committee, negotiated for 18 months—really 2 years—with everybody in sight, to try to reach a deal on reform. He gave, he compromised, he conciliated, he did everything in the world to try to accommodate everybody's concern, but to pass a law that had some sense of sanity to it.

Let me ask every Member of this body, do you think it is fair for a new mining company to pay an 18 percent royalty on their lands in Nevada? And a few miles away mine gold off Federal lands and not pay one red cent? And then argue that if they had to pay a royalty on Federal lands the mining companies will all go broke and everybody will be without a job? If they mine on private lands, they are happy to pay a royalty of 18 percent, and they go like gangbusters. But if you even suggest charging them a royalty on Federal lands, or that they not be allowed to mine in every national park and wilderness area in the United States, they go broke.

Why is it that the mining companies have such a stranglehold on this body? If you want to mine coal on Federal land, that is fine, but you pay "Uncle Sugar" a 12.5 percent royalty if you take coal off the taxpayers' land. On underground mines, some of them a mile deep, think of the cost of extracting coal from a mile down. They pay an 8 percent royalty. No questions asked. You pay it, or you do not mine. Natural gas, 12.5 percent. Oil 12.5 percent. Goal, silver, platinum, palladium, all the rest of them, zero. What is the difference? Why is that? Mr. President, you need not look any further than the 1872 Mining Law.

Since the Senate first defeated the patent moratorium in the fiscal year 1991 appropriations bill, we have had 468 patent applications covering 159,000 acres, 346 first-half final certificates have been granted; 79 patents granted covering 11,365 acres; the taxpayers have received the handsome sum, for all those patents—"Uncle Sugar's" taxpayers have received the magnificent sum of $56,000, and we have given away on those lands $11 billion worth of gold, silver, platinum and palladium, and we received not one red cent in royalties.

Madam President, this amendment is the same one that the Interior Appropriations Conference unanimously agreed-to last year. We do not disturb the 393 patent applications that we grandfathered-in last year. But there are 233 more that are subject to the moratorium. If my amendment fails, Madam President, listen to this, all you people who are voting to cut Medicare, Medicaid, school lunches, earned income tax credits, National Endowment for the Arts and Humanities, Public Broadcasting, and all you people voting to eliminate those things or cut them very severely, you vote against my amendment and you are giving away $11 billion to the biggest corporations in America.

Go home and defend that one. It must not be tough. I have been working on mining law reform for 7 years now. All the news magazines have done a segment on this outrageous law. One Senator called me after a particularly harsh show on "Prime Time Live" and said, "For God's sakes put me on as a cosponsor." Two months later when we voted, he voted against it. He said his phone was ringing off the wall, and well it should be.

We have the opportunity here to give away $15.5 billion in minerals that belong to the taxpayers of this country, while we are trying to balance the budget by the year 2002, and cutting dramatically the most vulnerable people in America, and giving $15.5 billion to the biggest corporations in America.

Last year, Madam President, on May 16, 1994, the Secretary of the Interior was forced to give a Canadian corporation—not even an American corporation—a deed to 1,800 acres of land for the princely sum of $9,000. That 1,800 acres had 11 billion dollars' worth of gold under it.

People who may be listening to this say two things: No. 1, you know he is embellishing that, that could not possibly be true. As bad as it is, the Government would never do a thing like that.

Then they will hear people get up and answer this. They say, "We have offered to pay fair market value."

Really? For what?

"For the surface."

Oh, the surface. "You are willing to pay fair market value for the surface?"

"Yes, sir."

On that 1,800 acres, the fair market value is about $100 an acre, and it has

11 billion dollars' worth of gold under it. Do not fall for that fair market value argument. I will give you 100 times more than fair market value. Bring me a deed and I will pay you right now, give you 100 times more than the fair market value of the surface.

We are not talking about surface. We are talking about what is under the surface. The Stillwater Mining Co. is owned by Chevron Resources and the Manville Corp., a couple of local paupers. This mine is located in the Custer and Gallatin National Forest in Montana, 35 miles north of Yellowstone.

In 1990, I came within two votes of getting a moratorium exactly like the one I am proposing today. I came within two votes in 1990 of getting that moratorium put on. Four days later, the Stillwater Mining Co. filed an application for patents on 2,036 acres—scared to death because I came within two votes of stopping these outrageous practices. Do you know what is under that 2,036 acres? This is their figure, not mine—this is what they say—225 million ounces of platinum and palladium worth $38 billion. For the princely sum of $5 an acre, Stillwater will pay to Uncle Sugar, a total of $10,180, and we will deed the Stillwater Mining Co. 225 million ounces of palladium and platinum worth $38 billion.

I do not know how you explain this to your constituents. You do not, because it never comes up. My father used to say: "Everybody's business is nobody's business," and this is where it comes in. Very few people outside the roughly 11 Western States even know about the issue.

This is not an antiwestern issue. It is not antianything. It is simple justice for the taxpayers of this country.

A family in Oregon got a deed under this process for 780 acres of land of sand—believe this—sand. They wanted the sand, so they bought it for $1,950, 780 acres of sand. Guess where it was? It was in the National Dunes Recreation area of Oregon, and they paid $1,950 for it. There was a hue and cry about selling this sand in a national recreation area. So we started negotiating to get it back. The family had paid $1,950 for the land. What do you think they want for it back, Senator? Somewhere between $11 million and $12 million.

Now, this is not only not collecting royalty, this is having to give somebody $11 million to $12 million back because we should not have sold it to them in the first place.

In 1983, a speculator demanded a deed for 160 acres of Forest Service land near the Keystone Ski Resort. He got it for $400. He sold 44 acres for $500,000. I do not know why anybody stays in the Senate. We ought to be all out West with our pickaxes. If you do not have a pickax, just send your application in.

In 1987, while DOE was examining Yucca Mountain as a possible nuclear waste site, a man went in and filed for 27 claims for $135, and DOE paid him $249,000, almost immediately, for the land. We gave him the land for $400 and turned right around and paid him back $249,500.

Have you had enough? I will give you one more.

In 1987 the Government sold land just outside the city of Phoenix to a miner for $2.50 an acre, and 10 years later, 10 years later he sold the land to a resort developer for $400,000 plus an 11 percent interest in the resort.

When I first started discussing this subject, a Senator on the other side, a man who is not here anymore, a fine Senator, a man I respected greatly and I thought if there was anyone over there who would like to join me on this, he would be it, I gave him the pitch you just heard me give, "How about joining with me as a sponsor?"

He said, "No, I am heading for Nevada so I can file a claim." I applauded his honesty.

Mr. President, I wish every Member of the body were here because I would really like to see 100 Senators sitting in their seats and ask this question:

How many times have you told the Chamber of Commerce about how terrible the deficit is? How many times have you told them you are going to do everything you can to get the deficit down? How many times have you told them and the Rotary club, "I will treat your money like it were my own"?

Really?

I used to own a farm. I sold it about a year ago and it broke my heart. I suddenly realized I was not going to build that dream home overlooking the lake on my farm. I never made any money. Made enough to pay the taxes and keep the fences up, but I loved it. And under that farm was some natural gas. If somebody had come to me and said, "Senator BUMPERS, we are going to set up a well over here; we are going to take this gas out from under your land."

"Now wait, just a minute."

"No. The Government gave us a deed to it, so we want to set up shop here and we are going to take your gas."

What would you say, Senator? If you had a 12-gauge handy, you would order them off your land.

Do you know what the landowner out in Nevada said to Newmont Mining Company? "Sure, come in here and mine this gold. Just give us 18 percent of anything you sell it for."

I do not want to belabor this. I want to talk about it long enough that people have some semblance of an idea of what an outrageous scandal it is to continue giving away the Federal domain for $2.50 an acre. Three years ago, in talking about this, some of the Senators from the West said they would consider paying a 3 percent royalty on the net profits. I had always held out for 8 percent of the gross income, or a net smelter return, which is the common practice for royalties on private land. Eight percent probably—certainly not in this climate—is not realistic. At the time we discussed this 3 years ago, when the industry said a royalty would bankrupt them, gold was $333 an ounce. Today it is exactly $50 higher than that, $383 an ounce. Platinum has gone from $354 to $422, $68 dollars more per ounce than it was at the beginning of the 103d Congress.

But today—you see, they could have paid an 8 percent gross royalty and just think how much more they would still have than they had then. But today you suggest a 3 or 4 percent royalty: "Oh, it will bankrupt us. It will put us out of business."

Let me refresh your memory on what this amendment does and what it does not do. You make up your own mind. If you want to go home and defend this, be my guest. All I ask of you is just be honest when you are defending it.

My amendment reinstates the moratorium against the Interior Department processing any new patent applications. Bear in mind, there are 393 patent applications that were grandfathered-in last year. When the Conference agreed to this, I knew that mining law reform would not be enacted.

The Senator from Louisiana [Mr. JOHNSTON] worked his heart out last year to try to enact reform. And at the last minute, when everybody knew it was too late—"Sorry, we just do not have time to do it this year."

All I am trying to do is reinstate exactly what we did last year, put a moratorium on patenting, let the 393 applicants go forward. But for God's sake, do not add any more.

And finally, on a more pathetic note, I have always admitted to be a social liberal and a fiscal conservative. I have stood behind that desk and shouted to the rooftops, just as I have tonight, trying to warn people about what the deficits are doing to this Nation, and it often fell on deaf ears.

Let me ask you this. If you can explain to people why you are going to do this, also explain to them how you had to cut education by 30 percent over the next 7 years. Explain to them why you had to cut Medicare by $270 billion. Explain to them why you had to cut Medicaid $170 billion.

Explain to them why you had to cut Earned Income Tax Credits, the best program the Nation ever had to keep people off welfare. Explain to them why the only civilized thing their children get a chance to see is on PBS, and they want to torpedo that—cannot afford it.

Explain to them why you want to cut the Endowment for the Humanities, which trains 3,500 teachers every year in civilized conduct, and they go back home and they pass their lessons, what they learned, on to 500,000 students—you have to cut that out. The National Endowment for the Arts—it is not all pornography, you know. It is "The Civil War," it is "Baseball," it is the Arkansas Symphony—we have to cut all those things out.

At the same time Senators, go home to your constituents and try to explain how you voted to continue to give away public land and billions of dollars worth of minerals. Houdini could not perform that trick and get away with it.

I yield the floor.

Mr. JOHNSTON. Madam President, I hope we will support the Bumpers amendment. As Senator BUMPERS indicated, we worked in the last Congress very hard to get a mining law reform bill. There was a lot of good-faith work by a lot of people on both sides of the issue. But, Madam President, at no point was it ever seriously considered that we give away the public land by patenting for $2.50 an acre. The companies know better than that. They know that this is a giveaway program. They are not even trying for that when it comes to serious negotiations on the mining law reform bill.

Madam President, if we give away the public land for $2.50 an acre, it does not pass the straight-face test. There is nobody who can stand here on the floor of this Senate and say that is seriously what we ought to do, because we all know better. The companies know better.

Madam President, we have still some chance in this Congress to get a mining law reform bill. The bigger companies—I have talked to them—really understand the dynamic. They understand, first of all, the political dynamic. They understand that the people of this country are getting a rising tide of disgust at what we are giving away with the mining law bill. The 1879 mining law bill needs reform. They know it. They are willing to do it.

Frankly, it is many of the smaller companies which are not willing to join in a coalition to get a mining law reform bill. It is only a matter of time. I have counseled with those bigger companies and have told them that, in my judgment, it is in their interest to get a mining law reform bill this year. They know the general outlines of that bill. And the general outlines are you have to end patenting because the people of the country can understand this. There are many things that the people of this country cannot understand, such as complicated formulas, tax provisions, corporate provisions. Some of these laws that we put here, they cannot understand. They can understand patenting. They can understand getting the public domain at $2.50 an acre, and they know that is wrong. It is simple. It is clear. It is understandable, and it is, in the minds of the people of this country, outrageous.

So I hope we will vote for the Bumpers amendment. Then I hope that we will work in the rest of this Congress to get a fair and good mining law reform bill.

As I told my colleagues from the West last year as we were trying to perfect a mining law reform bill, I believe we can put together a fair mining law reform bill that does not cost one single job in the West—not one; that does not break or bankrupt any company—not one company; but which gets for the American taxpayer, gets for Americans across this country, a fair return on what is theirs, what belongs to all Americans, that is, the public domain.

So, Madam President, I hope we will support the Bumpers amendment. It is fair. If this amendment should fail to pass, and we patent for $2.50 an acre all those amounts of the public domain, it will not set well with the American public. It will not set well with the American public. And that, believe me, is something they can understand. I hope we will vote for the Bumpers amendment.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Madam President, I thank the Chair.

This is not the first time that we have debated the Bumpers amendment on appropriations with regard to the mining bill and the patent issue, specifically. I rise today in opposition to the amendment offered by the Senator from Arkansas.

There are lots of arguments that have been used and a lot of generalizations that have been made. But what we all agree on is that mining law reform should be done appropriately in the authorizing committee. We all agree further that there is a need for substantial reform, and we have initiated a bill. We have had considerable discussion in the Energy and Natural Resources Committee. The realization is that every Member agrees that we need this reform.

But the question today is, are we going to pass mining law legislation as part of an appropriations bill? Most Members would say, no, we should not do that.

I am chairman of the Senate Energy and Natural Resources Committee, and I can assure each Member of the Senate that we have made extensive progress on comprehensive reform.

This is a difficult domestic issue. It is an issue ultimately of whether we are going to depend on imported minerals coming into this country and export our dollars and export our jobs, or are going to be able to continue to sustain a mining industry that provides high-paying jobs in this country.

Make no mistake about it. One of the interesting reflections we hear all of the time from the labor community is, What is happening to the high-paying jobs in this country? We have more people employed, but the job pay range is lower. It is quite obvious; we are not developing our resources in mining, in oil and gas, and in timber. We are simply importing those resources and exporting our dollars.

We have held hearings on mining law legislation before the Energy and Natural Resources Committee. We are getting closer to reaching an agreement. There is no question in my mind as chairman that we have enough votes currently to report out a bill. A mining claim patent moratorium is going to delay that process. Moratoriums, such as the one offered by the Senator from Arkansas, become the means by which Congress avoids its responsibility under the law and to make changes in statutes such as the mining laws.

The moratorium is going to slow it down. It is going to perhaps kill any incentive that exists at the present time to complete action on this comprehensive bill. And I am sure my friend from Arkansas would agree.

We have heard these horror stories from Senator BUMPERS each year—they get better each year—about the Federal land giveaway. Yet, when given the opportunity, he apparently wants to take away the very incentives which should drive Members to enact comprehensive reform. It is not a giveaway. He does not address the investment that goes into exploration and the realization that in many cases when you are looking for reserves which you do not find, or if you do find them, you do not find enough of them, or you may find an ore body and it dribbles out and it is lost, and, as a consequence, the ability for the investment to make a recovery is a relatively high-risk prospect.

Maintaining the status quo—what effect does it have on the mining industry? It certainly has none. If we are proceeding with a bill with which we want to enact true reform, then it is the authorizing committee that has the responsibility to complete action on a comprehensive bill. And that is what we are doing.

The rules for patent application are steeped with longstanding agreements and legal history in accordance with Federal law. Compliance is costly. Compliance is time consuming. Many people fail to recognize that. They think one goes out and simply picks up and sells the minerals. By the time a miner has filed a patent application—in many cases, they have invested tens of thousands of dollars, in some cases, millions of dollars—in proving the discovery of a valuable mineral deposit. You do not locate it without a significant investment of time. You have to prove it up. It has to be able to sustain the investment necessary to bring about a return on the investment.

There are some claims that have been discovered that are rich, and apparently the risk associated with the investment has provided a handsome return. But there are hundreds of thousands that have been expended in what constitutes dry holes in the sense of an oil reference, but in minerals that simply have been petered out because they have not been able to sustain either the quantity or quality necessary to develop it.

A moratorium is a kind of misguided Federal policy that simply creates confusion and distrust among the American people and tramples on their inherent rights. And those rights involve private property. We have an obligation here under the sanctity of private property, and the mining law created a system by which citizens of this country are awarded real property rights in mineral lands in return for developing a valuable mineral deposit.

The generalization is, well, this is a giveaway.

How is it a giveaway? They go out; they make expenditures; they do exploration. And if, indeed, they develop that property, they provide employment; they pay taxes; and they generate a return. I can show you each year mines that shut down. They do not shut down because they did not find ore. The ore is not rich enough to sustain the investment and as a consequence they have to shut down and lay people off work.

The Supreme Court has held that the right conveyed in a patent is a property right in the highest sense of the term. The Senator from Arkansas wants to do away with that. Senator BUMPERS' amendment grandfathers a few patent applications currently pending at the Interior Department but his amendment also tramples on numerous pending patent applications.

There is already a de facto moratorium on processing patents, and that is as a consequence of the prevailing attitude at the Department of Interior. Secretary Babbitt has made no secret of the fact that he strongly opposes the patent system under current law. The Secretary has taken numerous actions designed to indefinitely delay processing of pending mining mill site claim patent applications.

In fact, for the first 2 years of Babbitt's tenure the Department of Interior did not issue a single, not a single mining or mill site claim under existing law except what the Court ordered the Secretary to do.

Now, two Federal courts have ruled that the delays caused by the Secretary's action have been unreasonable and unfounded. As a result of the Secretary's de facto moratorium, we have seen a huge backlog of patent applications develop. We all know that even if the amendment of the Senator from Arkansas fails, the Secretary of the Interior is going to continue his de facto moratorium, so in essence Senator BUMPERS' amendment is more politics than substance.

In reality, Madam President, the amendment offered by Senator BUMPERS is unnecessary and we should defeat the Bumpers amendment. Let the Energy Committee complete its action on comprehensive reform, debate that bill in the Chamber of the Senate, because as I have indicated before we do have the votes to vote it out of committee, and not fool with a piecemeal moratorium on appropriations bills.

Now, Madam President, by defeating the Bumpers amendment, I think we can send a strong message, a message that needs to be sent, to the authorizing committee to enact comprehensive reform.

Let us talk about that comprehensive reform because it has been addressed by the Senator from Arkansas and others. Make no mistake, Madam President, on the issue of patents miners should be required to pay fair market value for the surface estate. That is what we propose in our legislation, fair market value for the surface estate.

So do not tell me this is a giveaway. It is not a giveaway. We are talking about fair market value. Some people have a way of generalizing and seeing what they want to see and not listening and not understanding what the intent of this reform is. They would pay fair market value for the surface estates.

Now, we have heard a lot of conversation about speculation or using patents for nonmining purposes. That has happened in the past, but it will not happen again. The National Mining Association supports this legislation. They agree that miners should be prohibited from using future patented lands for anything but good-faith mining purposes. If the land is used for other purposes, Madam President, we should require the land to revert back to the Federal Government.

Now, let us make sure we understand the reforms we are talking about. You pay fair market value for the patent, unlike the characterization of my friend from Arkansas, who says this is a giant giveaway.

Speculation or using patents for nonmining purposes would end under the proposed legislation. You could not use it for anything other than good-faith mining purposes. If you use it for anything else or attempt to, it goes back in the Federal domain.

Now, the issue of royalty, talking about what is a return to the Federal Government. We should assure that the Federal Government receives a fair return on all minerals production by imposing a net royalty.

Some Members of this body have suggested that true mining reform must impose the same concept of gross royalty on hard rock minerals as applies to the oil and gas industry. But those who suggest that fail to understand the difference between the two industries and that both the net royalty and gross royalty basically achieve the same results. It depends on how they are structured.

Mineral production and oil and gas extraction are fundamentally different operations. Oil and gas are removed in almost a marketable condition. Very little has to be done. Gas comes out and you condition the gas. The oil comes out and you take some of the residue out of it. But you basically have, when you take it out of the ground, a salable product at that point. But gold, silver, copper, hard rock minerals are extracted in a raw form. When you roll that mineral out of the mine, you have basically a big rock in front of the mine. What is it worth? Nothing. It may have gold in it, copper in it, silver in it. But in that form it is a rocklike material. Raw ore is almost valueless until a mining company has added the significant value to the product. That means transporting it to a mill. That means crushing it. That means recovering the ore. That means disposing of the rock. That means the reclamation process back in the mine.

Recognizing that these costs are necessary, to put the hard rock mining royalty on a par with the oil and gas industry is simply not applicable. You have these steps that have to be taken—concentrating, smelting. When you take the mineral out of the mill, then you have it in a powder form. You have to take it to smelting, put it in the furnace. These are all unlike the availability of a product that is salable when it comes out of an oil or gas well.

Now, on the issue of reclamation, the mining law should give the States the primacy for assuring that surface effects from mineral activities are reclaimed. We have reclamation in the bill. We have the Western Governors Association which opposes restrictive Federal standards that many believe can be seen as another unfunded mandate from Washington. We have had enough of unfunded mandates. In addition, let us not forget the position of the National Academy of Sciences. It has concluded that uniform reclamation standards similar to those applicable to reclamation of coal mine lands are not appropriate for hard rock mining. So we have a difference.

In short, mining law reform should protect the U.S. mining industry, protect U.S. jobs, protect the environment, and provide a fair return to the U.S. Treasury. That is just what we are attempting to do with my comprehensive mining law reform legislation.

Now, Senator BUMPERS has been at this a lot longer than I have relative to his efforts to terminate the mining industry in the United States as we know it today. Under the direction of my good friend from Arkansas you would have prescribed a royalty that would simply drive the industry out of the United States.

We have seen the experiments in Mexico and Canada where they have developed a royalty system very similar to that which was proposed by the Senator from Arkansas, and they have revised it because it simply has not worked. It has resulted in the industry moving out of both Mexico and Canada.

We ought to learn something by experience around here. The Bumpers amendment may look good on the surface, but like any book, when one begins to read the text, one quickly learns that one should not judge a book by its cover.

Mining law reform belongs in the Energy Committee, not in the fiscal year 1996 Interior appropriations bill. Some of the senior Members who have argued long and fast for legislation on appropriations should be sensitive to authorizing legislation on an appropriations bill. Senator BUMPERS has offered similar amendments in the past. Each time this body has opposed his proposal based on the same logic that I am proposing that you consider here today.

So I would urge my colleagues to defeat the Bumpers amendment, resolve mining law reform through the legislative process, not the appropriations process.

Mr. JOHNSTON addressed the Chair.

Mr. MURKOWSKI. I promise, Madam President, to yield the floor to Senator CRAIG.

Mr. JOHNSTON. Would the Senator yield for a question?

Mr. MURKOWSKI. I would be happy to.

Mr. JOHNSTON. As my chairman knows, I have sent him a letter to the effect that I believe we could pass mining law reform based on three principles. First, an end of patenting; second, what we call a net smelt royalty of 2.5 percent; and, third, an assurance that we give away no powers that are presently held by the Secretary of the Interior with respect to the ability to regulate mines. Those three principles, as I said in my letter to the distinguished chairman from Alaska, I believe would get us a bill that would not only have strong bipartisan support, but could be signed by the President.

Does the Senator acknowledge that that offer is out on the table now in effect from those of us on this side of the aisle?

Mr. MURKOWSKI. I would be happy to respond to my good friend from Louisiana relative to his points on the net smelt or the end of patenting.

The concern that we have expressed time and time again is relative to value. And we are proposing that the patent reflect a fair market value. We further propose that there be a mandate that would eliminate the use of that land for anything other than its intended mining purposes.

Now, there is a concern in the committee relative to the authority of the Secretary of the Interior. There is a certain sensitivity about not duplicating oversight, not taking away from the States the inherent right that they would have, say, to control and have authority over water issues, which obviously the States are very sensitive to.

So, I think we are very close to accommodating most of these concerns. But the devil is in the details.

Again, the Senator from Arkansas wants to eliminate patenting. We are suggesting that we pay a fair market value, that the small miners have an assurance that they have the right to patent. It is not so much an issue for the larger corporations that have the sophistication internally to have the assurance that their interests are protected.

We have also proposed that there be a reverter back to the Federal Government upon a determination that either the mine has been worked out—then the land could go back to the Federal Government.

So on many issues the Senator from Louisiana, as former chairman and ranking member of the Energy Committee, and others, have worked together and I think have made accommodations. As I have indicated—the Senator, I think he is aware of this—that the Secretary of the Interior—he and I have had conversations about a willingness to try and work out something to resolve this issue. But clearly the position of the Bumpers amendment, with a moratorium, circumvents that effort. I think it puts us substantially behind our goals of reaching accommodation.

Mr. JOHNSTON. Would the Senator from Alaska agree with me that the offer which I made on behalf of this side of the aisle and this administration is still on the table? That is, any time we want to get a reform of the 1879 mining law reform bill, based upon an end of patenting, 2.5 percent smelt royalty and giving away no present powers, that bill can be put together at—I will not say on a moment's notice—but I think very quickly.

I just wanted to assure my colleague that that offer is still in existence.

Mr. MURKOWSKI. I thank my friend from Louisiana. Again, I do not think we are that far apart in the legislative language. That is why I would urge all of my friends to vote against the Bumpers amendment and recognize the advancements that we are making and the fact that we will have a bill before this body in the near future.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 2294 TO AMENDMENT NO. 2293

Mr. CRAIG. Let me join with my colleague from Alaska who is chairman of the full Energy and Natural Resources Committee and the argument I think he has so clearly just placed before this Senate as it relates to a Senate bill that I introduced some months ago, S. 506, which reforms the 1872 mining law, and deals with the very issue that the Senator from Arkansas is attempting to deal with this evening.

It recognizes the patenting process which those of us who I think understand mining on public lands recognize as a clear and necessary part of causing private industry, be it a small miner or a large miner, to gain access to those properties for the purpose of mining.

Now, there have been a variety of other approaches argued over the years. But none of them seem to work in the sense of being able to allow that person to have title to the property and the surface of that property so they can begin to develop a mining operation. There is no question that there are those like the Senator from Arkansas who view the ability to block patents as a way to block access to the resources of our public lands.

The thing that I think most of us recognize, and clearly I recognize in S. 506, is that patenting was an important process. But the 1872 mining law bestowed that property right on an individual who had brought forth a valid claim. That property right was bestowed for $2.50 an acre. That is obsolete.

And it is the $2.50-an-acre clause, if you will, provision within the law, that most people have been able to hang their hat on as an effective argument for saying for some reason we are simply giving away the public domain, failing to recognize the millions and millions of dollars that has to be put on that $2.50 land for that property and that resource to become productive, and as a productive resource to employ people, to pay taxes, and to do the very kinds of things that those of us who are guardians, if you will, of the public domain believe to be a responsible use of that resources estate.

So historically the surface of the land was of little value, not of no value, but a very limited value. And the Government in 1872—the Government today should not use the value of the land as a barrier to gain access to the resource below it, the mineral estate for that mineral being used in the economy of our country to employ people, to serve our industrial base, and to do all that we have always expected our minerals and our natural resources to do for us.

So, in S. 506, what I say in proposing that legislation that is before the committee is that we do fair market value. Let us take that issue away. Let us do not offer that argument anymore of $2.50 an acre. Let us deal with fair market value.

Well, how do we arrive at it? There is really no magical process at all. It is simply the standard appraisal process that the BLM would use in this instance of equivalent values of acreage during the patenting process to allow that title to pass for value, in this case, fair market value.

Now, in some Western States that might be as low as $100 an acre because that is what the surface value would go for of like lands in the immediate area. And most of these lands we recognize oftentimes are a long ways away from any private property of value to use as a comparative in the appraisal process. So I think that is not a difficult thing to arrive at. That is exactly what we have been trying to arrive at.

We have offered legislation in good faith. We have held a hearing. We have been in negotiations. And yet this administration wants something substantially different. In most instances, they have already argued they would like to prohibit mining on public lands. They no longer view it as a compatible use of our natural resources and, in many instances, they have proposed ideas that would be so restrictive that the mining industry that operates in our country today would choose not to mine anymore, and they would go as they are now going: Offshore to foreign countries to invest their money where they can receive a much higher rate of return with much fewer Federal regulations with which to comply.

I believe, and I think many Senators do believe, that public policy says that mining of public resources for the value of our country, our mineral estate, our industrial base and for employment is a good public policy. So then let us be allowed in a reasonable fashion to move through authorizing legislation to assure that that public policy exists.

We have tried to now for 4 years, and the Senator from Louisiana, when he chaired that committee last year, in good faith tried. But you cannot please everyone and, in many instances, those accommodations were tried and simply failed, and today we believe we have a good bill.

We have sat down in good faith with the Senator from Louisiana to negotiate, and I believe he has attempted to negotiate in good faith. Yet, we have not arrived at anything, largely. Yes, the offer is still on the table, but I can tell you in all fairness, I am tremendously disappointed that the kind of offer back that we get is so penalizing and so restrictive to the ability to produce a viable industry on the public land resource that we are trying to, in a responsible way, offer out to the public simply disallows us from moving forward.

As a result of that deleterious kind of amendment, as that offered by the Senator from Arkansas, that says no more patenting, a patent moratorium—in other words, shut the industry down until the Congress can function, but the Congress cannot function because the Congress cannot agree.

So when you put a moratorium on patenting, you have really put a moratorium on future mining, and if there is no future in future mining in this country, then the industrial base, the mining base of that base begins to move offshore, because the resources that are being mined today in the mines that are operating today, like all mines, some day will wither away, the resource is used, it is completely depleted, and that mine has to close.

To maintain a successful industrial base and viable mining industry, there always has to be a future, there has to be the ability to explore, the ability to discover, the ability to claim, and the ability to patent, to gain the fee title to that property so that the mining operation can continue.

It is with those concerns this evening that I approach this amendment, as we have in the past, from the Senator from Arkansas. And I must say in all fairness, the arguments we have heard tonight are not new arguments. The arguments the Senator from Arkansas has used have been used year after year. If you cannot find new arguments, where is the problem?

Most of us recognize that the problem did exist, the problem was there, but the problem no longer exists today, largely because of this Senate's responsibility and concern about the environment and the putting of the environmental laws in place that has made the modern mining industry of today substantially different than it was 30 years ago.

But the 30-year-old arguments still get drawn to the public eye. The straw person, if you will, of this is the past and not the present. So not only do we have to argue about the future, we have to convince many of us that the current situation is OK. I believe it is, and I believe the mining industry of this country is a responsible industry that performs in an environmentally sound way, complying with the Clean Water Act and complying with the Clean Air Act and doing what they must do inside the regulatory structure that our Government, through public policy formulated by this Senate, has provided. That is not at issue.

Then what is the problem? Why is this amendment deleterious? Why would it shut down the industry? For the simple reason that it forecloses the opportunity of a future; it forecloses the ability of the industry to go out and explore and gain patent and be able to have the assurance of future resource for future development as the current resource grows progressively depleted.

It is with those concerns that tonight I offer a second-degree amendment, and I send that to the desk.

The PRESIDING OFFICER. The clerk will report.

Mr. CRAIG. A second-degree amendment to the Bumpers amendment that would require a fair market value.

Mr. BUMPERS. Madam President, can we have the amendment read?

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Idaho [Mr. CRAIG] for himself, Mr. REID, and Mr. BRYAN, proposes an amendment numbered 2294 to amendment No. 2293.

Mr. BUMPERS. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all the language in the amendment and insert in lieu thereof the following:

"SEC. (a). FAIR MARKET VALUE FOR MINERAL PATENTS.

"Except as provided in subsection (c), any patent issued by the United States under the general mining laws after the date of enactment of this Act shall be issued only upon payment by the owner of the claim of the fair market value for the interest in the land owned by the United States exclusive of and without regard to the mineral deposits in the land or the use of the land. For the purposes of this section, "general mining laws" means those Acts which generally comprise chapters 2, 11, 12, 12A, 15, and 16, and sections 161 and 162, of Title 30 of the United States Code, all Acts heretofore enacted which are amendatory of or supplementary to any of the foregoing Acts, and the judicial and administrative decisions interpreting such Acts.

"SEC. (b). RIGHT OF REENTRY.

"(1) IN GENERAL.—Except as provided in subsection (c), and notwithstanding any other provision of law, a patent issued under subsection (a) shall be subject to a right of reentry by the United States if it is used by the patentee for any purpose other than for conducting mineral activities in good faith and such unauthorized use is not discontinued as provided in subsection (b)(2). For the purpose of this section, the term "mineral activities" means any activity related to, or incidental to, exploration for or development, mining, production, beneficiation, or processing of any locatable mineral or mineral that would be locatable if it were on Federal land, or reclamation of the impacts of such activities.

"(2) NOTICE BY THE SECRETARY.—If the patented estate is used by the patentee for any purpose other than for conducting mineral activities in good faith, the Secretary of the Interior shall serve on all owners of interests in such patented estate, in the manner prescribed for service of a summons and complaint under the Federal Rules of Civil Procedure, notice specifying such unauthorized use and providing not more than 90 days in which such unauthorized use must be terminated. The giving of such notice shall constitute final agency action appealable by any owner of an interest in such patented estate. The Secretary may exercise the right of reentry as provided in subsection (b)(3) if such unauthorized use has not been terminated in the time provided in this paragraph, and only after all appeal rights have expired and any appeals of such notice have been finally determined.

"(3) RIGHT OF REENTRY.—The Secretary may exercise the right of the United States to reenter such patented estate by filing a declaration of reentry in the office of the Bureau of Land Management designated by the

Secretary and recording such declaration where the notice or certificate of location for the patented claim or site is recorded under State law. Upon the filing and recording of such declaration, all right, title and interest in such patented estate shall revert to the United States. Lands and interests in lands for which the United States exercises its right of reentry under this section shall remain open to the location of mining claims and mill sites, unless withdrawn under other applicable law.

"SEC. (c). PATENTS EXCEPTED FROM REQUIREMENTS.

"The requirements of subsections (a) and (b) of this Act shall not apply to the issuance of those patents whose applications were excepted under section 113 of Pub. L. No. 103-322, 108 Stat. 2499, 2519 (1994), from the prohibition on funding contained in Section 112 of that Act. Such patents shall be issued under the general mining laws in effect prior to the date of enactment of this Act.

"SEC. (d). PROCESSING OF PENDING PATENT APPLICATIONS.

"(1) PROCESSING SCHEDULE.—For those applications for patent under the general mining laws which are pending at the date of enactment of this Act, or any amendments to or resubmittals of such patent applications, the Secretary of the Interior shall—

"(A) Within three months of the enactment of this Act, file with the House and Senate Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the United States Senate a plan which details how the Department of the Interior will take final action on all such applications within two years of the enactment of this Act and file reports annually thereafter with the same committees detailing actions taken by the Department of the Interior to carry out such plan; and

"(B) Take such actions as may be necessary to carry out such plan.

"(2) MINERAL EXAMINATIONS.—Upon the request of a patent applicant, the Secretary of the Interior shall allow the applicant to fund the retention by the Bureau of Land Management of a qualified third-party contractor to conduct a mineral examination of the mining claims or mill sites contained in a patent application. All such third-party mineral examinations shall be conducted in accordance with standard procedures and criteria followed by the Bureau of Land Management, and the retention and compensation of such third-party contractors shall be conducted in accordance with procedures employed by the Bureau of Land Management in the retention of third-party contractors for the preparation of environmental analyses under the National Environmental Policy Act (42 U.S.C. §§4321-4370d) to the maximum extent practicable.".

Mr. CRAIG. Madam President, I retain the floor.

The PRESIDING OFFICER. The Senator from Idaho has the time.

Mr. BUMPERS. Madam President, was my request to stop reading the amendment granted?

The PRESIDING OFFICER. Yes.

Several Senators addressed the Chair.

COMMITTEE AMENDMENT ON PAGE 128, LINES 16 THROUGH 21

Mr. BUMPERS. Madam President, I move to table the underlying amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BUMPERS. The underlying committee amendment.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The underlying amendment is not before us.

Mr. REID. I object.

Mr. BUMPERS. Madam President, he cannot object to the request for a quorum call.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. CRAIG. I object.

The PRESIDING OFFICER (Mr. SANTORUM). Objection is heard.

The clerk will call the roll.

The bill clerk continued calling the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. What is the pending business?

The PRESIDING OFFICER. The pending question is the motion to table the committee amendment.

Mr. GORTON. Parliamentary inquiry. Will that motion to table, if it is accepted, take not only the committee amendment but the Bumpers amendment and the Craig second-degree amendment with it?

The PRESIDING OFFICER. The motion to table will only take down the committee amendment. It would not take down the Bumpers and Craig amendments. They would be pending after the motion to table.

Mr. BUMPERS. Mr. President, were the yeas and nays ordered?

The PRESIDING OFFICER. They were not ordered.

Mr. BUMPERS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The clerk will call the roll.

Mr. LOTT. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Florida [Mr. MACK] are necessarily absent.

Mr. FORD. I announce that the Senator from Louisiana [Mr. BREAUX] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 51, as follows:

[Rollcall Vote No. 372 Leg.]

YEAS—46

Akaka
Biden
Boxer
Bradley
Bumpers
Byrd
Coats
Cohen
Conrad
Daschle
DeWine
Dodd
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Gregg
Harkin
Hollings
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Robb
Rockefeller
Roth
Sarbanes
Simon
Snowe
Wellstone

NAYS—51

Abraham
Ashcroft
Baucus
Bennett
Bingaman
Bond
Brown
Bryan
Burns
Campbell
Chafee
Cochran
Coverdell
Craig
D'Amato
Dole
Domenici
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Hatch
Hatfield
Heflin
Hutchison
Inhofe
Inouye
Kempthorne
Kyl
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Reid
Santorum
Shelby
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—3

Breaux
Helms
Mack

So the motion to lay on the table the committee amendment on page 128, lines 16 through 21, was rejected.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. BRYAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, what is now the pending business?

AMENDMENT NO 2294

The PRESIDING OFFICER. The question occurs on the Craig amendment number 2294.

Mr. GORTON. Mr. President, we have had a fairly extensive debate on this general issue of mining patents. We now have a second-degree amendment before us in behalf of Senator CRAIG.

I wonder if I could ask the principals whether or not we could have a relatively short time agreement on the second-degree amendment.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, if I could respond to the manager of the bill, perhaps 30 minutes evenly divided. I would agree to a reasonable time limit as long as there is agreement on the Bumpers amendment, which has already been extensively debated. So I think we should have a time agreement on both rather than just the Craig amendment.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I ask unanimous consent there be 30 minutes equally divided on the Craig amendment.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, I reserve the right to object.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. GORTON. Mr. President, I would like to know whether we cannot deal with the entire issue now. After the disposition of the Craig amendment, I ask the Senator from Arkansas, does there need to be further time?

Mr. BUMPERS. I have no further amendments. As I understand it, Mr. President, the parliamentary situation is that my amendment is pending; is that not correct?

The PRESIDING OFFICER. The amendment of the Senator from Idaho is pending.

Mr. BUMPERS. Let me rephrase it. The second degree amendment of the Senator from Idaho to my amendment is pending.

The PRESIDING OFFICER. That is correct.

Mr. BUMPERS. Once his amendment is disposed of, then my amendment will be pending; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I direct the question to the manager of the bill.

Will the manager of the bill then explain to the membership of the Senate what the parliamentary procedure would be if in fact the Craig amendment is adopted?

Mr. GORTON. The manager of the bill is not certain he can provide that explanation and will ask the Chair to correct him.

As the manager understands it, if the Craig amendment is passed, the Bumpers amendment is then identical to the Craig amendment, and one would presume that that would be able to pass by a voice vote. But then in order to have the Craig language be the language of the bill, I ask the Chair, I believe the Craig amendment would then have to be further changed or turned into a different form in order to be the judgment of the Senate with respect to mining patents? May I make that parliamentary inquiry of the Chair.

The PRESIDING OFFICER. If the Senate wants to go to conference on the Craig amendment, a subsequent amendment would have to be offered because the Craig amendment would fall with a motion to strike.

Mr. GORTON. But the subsequent amendment would be identical to the present Craig amendment in its language?

The PRESIDING OFFICER. That is correct.

Mr. GORTON. It is the hope of the manager of the bill that a single vote on the Craig amendment will settle this issue and that by voice votes we could, if it were to succeed, move to have it as a part of the bill. So under those circumstances, I would hope that the unanimous consent request for 30 minutes equally divided on the Craig amendment will settle this issue.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I am agreeable to that, and I think that is almost automatic anyway, because if the Craig amendment prevails, then that becomes my amendment and so we could voice vote it.

I wonder if the Senator from Nevada is now willing to enter into a time agreement on the Craig amendment.

Mr. REID. Mr. President, I would be willing to enter into an agreement on the Craig amendment. I have been here all evening listening to the remarks of the Senator from Arkansas and the Senator from Alaska.

Mr. BUMPERS. Why on Earth did the Senator vote no if he listened?

Mr. REID. I would ask, of the 15 minutes, I be allotted 5 minutes.

Mr. GORTON. There has been an objection, so I will ask unanimous consent that there be 30 minutes equally divided on the Craig amendment, with 5 minutes of the proponents' time to be allocated the Senator from Nevada [Mr. REID].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Who yields time?

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I would ask that the Senator from Idaho yield the Senator from Nevada 5 minutes.

Mr. CRAIG. Mr. President, I yield the Senator from Nevada 5 minutes of our time.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, first of all, let us talk about patents. We have argued this issue before time and time again.

This matter has been debated numerous times. For example, in 1992, I, along with Senators DOMENICI, BRYAN, and DECONCINI, offered an amendment which passed this body that would have established fair market value on this land that is seeking to be patented; a reversionary clause, meaning that if it was used for some purpose other than mining, it would revert back to the Government; there was also a reclamation clause in the bill that passed the Senate, and a holding fee that passed the Senate.

We have tried to work this out on numerous occasions. This was killed in conference because they wanted to keep the issue.

Mr. President, let me also make sure this body understands that patenting is hard to obtain. It is not easy to get to the point where you obtain a patent. The $2.50 is blown out of proportion, and that is a gross understatement.

For example, a mining company in Nevada just announced that it was giving up the land it had patented after having spent $33 million in attempting to arrive at a point where they could obtain that patent—$33 million.

Sometimes, Mr. President, these explorations are successful. Near the town where I was raised, Searchlight, NV, Viceroy Gold, after 8 years, was able to start a patent mining operation. To arrive at that point, where they could take the first shovel full of dirt out of the ground, cost them $80 million. I repeat, $80 million.

This, Mr. President, is why the Senator from Arkansas is wrong in saying that patents are giveaways. If you are talking about finding out how much money is under the ground in the way of minerals, you would have to be some kind of a genius—which does not exist in the world. No one knows what is under the ground, as exemplified by the company in Nevada which just last week gave up after having spent $33 million. And the company near the town of Searchlight, NV, which, before they could take a single shovel full of dirt out of the ground in their operation, spent $80 million.

Mr. President, we need to keep the mining operations going throughout the country. It is one of the few industries that has a favorable balance of trade. We now have a favorable balance of trade in gold. But what we are doing here is we are driving them offshore like we are driving many companies offshore because they are afraid of the efforts of people like Senator BUMPERS and others that they are not going to be able to do business in the United States.

This amendment of Senator CRAIG is fair; it is reasonable, and it also establishes that the patents now in the pipeline will have to be processed.

Secretary Babbitt has purposely refused to go forward with the work on these patents. He has one person in Nevada working part time issuing these patents. Therefore, none of them are issued. Judges throughout the United States have said it is shameful what Secretary Babbitt is doing with these patents. It is shameful. That is the word from a Federal judge.

We need to move forward with this amendment. No. 1, it would process the patents that are in the chain. It would also establish a fair method on the patents that are issued. There would be a reversionary clause, and you would pay fair market value.

The Members of this Senate should vote to support a viable, strong mining industry to make sure it stays that way.

The PRESIDING OFFICER. Who yields time?

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, my second-degree amendment sets forth a variety of solutions to a problem that has plagued this Senate and this Congress for several years as we have debated changing the 1872 mining law.

If we have heard it once, we have heard it many times from the Senator from Arkansas saying, "Isn't it a crime that we are giving Federal land away for $2.50 an acre under this old law?"

Mr. President, I think we all recognize that there was, on the surface of that issue and that argument, a problem. That was a fair market value for the surface of the land in 1872. It is not today. My second-degree amendment is very clear. It says that that $2.50 an acre now changes to a charge of fair market value.

And what is that? That is a value established by the Federal agency in charge, the BLM in this instance, by a general appraisal method that they now use to establish land values. According to a recent study conducted by the University of Nevada Natural Resource Industry Institute, a fair market value in Nevada would range—we are talking surface value now—anywhere from $100 to $250 an acre, instead of the $2.50 an acre.

The fair market value for the surface estate is not a solution to the total problem of reform that all of us have tried to achieve over the course of the last good number of years. But I would like to suggest to the Senators this evening, and encourage their support for this second degree, that it is a major step forward, that we are beginning to solve the problem of the 1872 mining law by offering this.

Now, those who would argue that we ought not allow Federal land to continue to be owned in private ownership, we have provided a reverter clause in here that says when that property is used up, when it is no longer being mined, when there is no longer a mining value or a mining practice going on, that land reverts back to the Government. That is a strange idea. We are giving title. We are making the private individual pay for the title. But we are doing that only for the purpose of mining. No more of the arguments of condominiums and no more the arguments over development outside of the intent of the public policy to mine.

So, we have addressed that. And we have said that land would revert back. And that is, I think, a great achievement if this Senate can pass that through to the conference and cause the Congress to deal with that important issue.

And then in the end we assist the Secretary, as the Senator from Nevada spoke, in resolving his problems by giving him the extra resources to solve the patenting stalemate that he has currently got going on in the Department of the Interior. The Secretary today at breakfast agreed that first-part patents were a property right, and he had to proceed. But he was handicapped by no staff or the inability to deal with that issue. And the third portion of this amendment would offer him that opportunity.

With that, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. With the utmost respect to my friend—he is my friend; we have an excellent relationship on and off the floor—but, honestly, I do not know how anybody could make a statement about fair market value, this kind of fair market value, and keep a straight face.

You know what we are talking about here? We are talking about fair market value of the surface. We are talking about fair market value of that 1,850 acres that Barrick paid about $9,000 for. Barrick paid $9,000 for 1,850 acres. That was $5 an acre, I guess. And the Senator from Idaho says he wants them to pay fair market value. Fair market value in that case would have been probably somewhere between $100,000 and $200,000. Big deal. There is still 11 billion dollars' worth of gold under the 1,850 acres.

A Senator came up to me a while ago and said, "How about this Craig amendment? He says they ought to pay fair market value." The only scam I can think of that is worse than what has been going on is to try to make the Senators believe that they are paying fair market value. If they were paying fair market value, they would be paying about $2 billion, not $100,000—$100 an acre. Most of it is probably worth $100 an acre, $200 at the most.

You know what the western land looks like when you have grazing? They tell you it is not worth anything. But now they say, fair market value, and never bother to tell you that is just the surface. They are not talking about the 11 billion dollars' worth of gold underneath that surface. That is free. You do not pay for that.

Then they say, "We have got a reverter clause in this amendment. We will give you the mine back when we are finished with it." Please, for Pete's sakes. You have already given us 59 Superfund sites back, as well as thousands of other mines that are not on the Superfund list. Do not, for Pete's sake, give us any more. We are liable for up to $40 billion to clean up the ones we have got. And the Senator from Idaho said, "We are going to give them all back to you when we get through with them." Please, do not give them back to us. We cannot afford any more gifts like that.

Unhappily, there are very few people in this body that know the issue. I do not know that we would do much better if they all knew it. We all know what is going on here. There are people who are voting against this moratorium because they have a mining industry in their State. I can almost understand that. But there are a lot of Senators over there who do not have any mines in their State.

I cannot understand it. The National Taxpayers Union, the Citizens Against Government Waste—they all say this is the biggest scam going on in America. They are all opposed to continuing this outrageous giveaway of the public domain.

The mining industry argues that we are going to put somebody out of work. Really? Why is it that Montana can charge at least 5 percent of the fair market value for raw metallic minerals on State lands, but if we tried to charge 1 percent on Federal lands, they are all going to shut down and put everybody out of work?

How is it that Arizona can charge 2 percent of gross value on State lands, but if you charge them 0.5 percent on Federal lands, they are going to shut down and put everybody out of work?

How is it that Utah can charge 4 percent of gross value on nonfissionable metalliferous minerals on Utah State lands and a 2.6 percent taxable value severance tax, but if you charge 1 percent for mining on Federal lands, they are going to shut down and put everybody out of work?

Wyoming, 5 percent of gross sales value on gold, silver and trona on State lands, plus a 2 percent of the minemouth value severance tax. If you charge them one red cent on Federal lands, they are going to take their marbles and go home.

Oh, my, such cynicism, such hypocrisy while the American taxpayers plead for relief. We do not mind cutting Medicare $270 billion to provide a tax cut. But 16 of the biggest 25 mining companies in America are even foreign owned. I would like to go to England and start putting claims down on British-owned land and say, "I think I will mine all the minerals off this land." You would be in the slammer in about 3 minutes.

But here, simply because they have the political clout—everybody knows precisely what this debate is about. And I do not mind people voting up or down and just saying, "I don't care. I'm not going to vote to stop it." But for Pete's sakes, do not put this sham out there about fair market value.

There is a lot of natural gas production in my State. Do you think that they get a break when they mine on Federal, State, or private land? Of course not. They pay royalties to the landowner.

Look at this chart one more time: Coal, natural gas, oil, they all pay 12.5 percent, except for underground coal, which is 8 percent. The mining companies, because they have the clout and control over Senators where they have operations, continue to pay nothing.

For 7 long, agonizing years, I have listened to that argument about how we are going to work this out, we need mining law reform, but if you adopt the Bumpers amendment, it is just going to thwart our efforts. I looked at a colleague letter that went out to every Senator here, saying, "Senator BUMPERS is going to offer that old amendment again and you are going to oppose it. If you adopt that old terrible Bumpers amendment, we will never get mining law reform."

I have heard that argument for 7 long, agonizing years. And we will hear it again next year and the next year and the next year and the next year—anything to put it off. They will also continue to use ploys, such as charging for the fair market value for the surface, to avoid the issue. Anything to give these guys something to hang their hat on and go home and say to the unsophisticated voter: "Yes, I voted to make them pay fair market value." You will never hear anything about just for the surface, which is worthless.

Few understand the issue, one of the reasons why Congress has such a high approval rating in this country. There are a few people who know what is going on. There are a few people who will know that we are cutting programs for the most vulnerable, helpless people in America and providing corporate welfare for the biggest corporations in America.

Now, if those are the kind of values you want to go home and tell your folks about, be my guest. We know the die is cast. Three Senators who voted with me in the past did not vote with me tonight or we would have won. I do not know why they changed.

All I know is, I did not lose. It is nothing personal to me. The people of this country lost a lot. I yield the floor.

Mr. CRAIG. Mr. President, I yield 3 minutes to the Senator from Nevada.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Nevada.

Mr. BRYAN. Mr. President, I thank the distinguished Senator from Idaho.

I am proud to endorse the amendment offered by my friend and colleague, the distinguished senior Senator from Idaho. The issue of mining law has been before us each and every year since I have come to the U.S. Senate, and each and every year, the industry is subject to the usual criticism: You are not for changing the mining law of 1872. This is an act of Congress that was enacted at the time that Ulysses S. Grant was President, and you all just simply do not want to change.

Mr. President, for my colleagues who are listening, there are four issues involved in mining law reform: Fair market value for the surface estate, a reasonable royalty, reclamation provisions, and a provision that the land shall revert back to the Federal Government if it is no longer used for mineral exploration and development purposes.

We agree with those changes. In the last session of the Congress, the Senate passed out such a bill authored by the senior Senator from Idaho and which I was proud to cosponsor.

What is at issue in this debate is jobs, good jobs for us in Nevada which produces more gold than all of the other States combined. It is 12,000 jobs. The average salary is $43,000 a year.

What is at issue for America is the loss of an industry that last year recorded a 13-percent decline in mineral development and exploration and, correspondingly, so many of these companies are now moving to Latin America where mineral exploration has more than doubled in the past year.

So what we are seeking is reason and fairness.

Mr. President, I say to my colleagues, there are some whose unstated agenda is to prevent mineral development and exploration on the public lands, and it is with that unreasonable element we have been unable to reach an accord, even though we share a common agreement that fair market value, a reasonable royalty, reclamation and reversionary provisions ought to be part of the fundamental changes to the mining law of 1872.

Mr. President, I yield the remainder of my time to the floor manager of this issue, the distinguished Senator from Idaho.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. How much time do I have remaining?

The PRESIDING OFFICER. There are 4 minutes and 54 seconds left.

Mr. CRAIG. I yield 4 minutes to the Senator from Alaska, the chairman of the committee.

The PRESIDING OFFICER. The Senator in Alaska.

Mr. MURKOWSKI. Mr. President, I rise in support of the Craig amendment and in opposition to the Bumpers amendment. The Senate has rejected similar amendments in the past.

The amendment that we are offering, which I am proud to cosponsor, would require, make no mistake about it, patent applications to pay fair market value for the surface estate. It is not a giveaway. It requires patented land to revert back to the Federal Government if the land is used for anything but good-faith mining purposes. The balance is there; direct the Secretary of the Interior to clear all pending patent applications at the Department of the Interior within 2 years of enactment of the bill and restore the third-party mineral examination program at the Department of Interior so that the Secretary can process the pending backlog of patent applications within 2 years.

Mr. President, make no mistake about it, patents are almost impossible to get. On June 14, 1993, the BLM director, with Babbitt's approval, issued a BLM instruction memorandum which established an extremely convoluted procedure for processing patents. For example, the application must be reviewed by the local BLM staff, the BLM State director, the regional solicitor, the DOI solicitor, the BLM director, the Assistant Secretary of the Interior, the Secretary of the Interior and, after that process, the application must then go back to the BLM director and, finally, back to the State BLM director.

A mineral examination is then conducted by a mineral examiner who prepares a mineral report.

Is this what the administration calls streamlining the Federal bureaucracy?

Our amendment will end Mr. Babbitt's de facto moratorium by requiring the Secretary to move forward with processing pending patent applications.

In short, Mr. President, I believe we need to enact comprehensive reform. Unfortunately, Senator BUMPERS is forcing us to offer a solution to the patent issue on the Interior appropriations bill. We all know that is not where it belongs. It should be in the Energy Committee.

Currently, my committee is considering three—three—mining law reform bills: The one introduced by Senator BUMPERS, one introduced by Senators CRAIG and REID and myself and S. 639, introduced by Senator JOHNSTON.

The majority and minority have been negotiating on this issue in good faith, and I am hopeful that during the coming weeks we can reach an acceptable compromise that I can bring before this body; that we can debate fully on this floor where it belongs. Until then, as a result of Mr. BUMPERS' amendment, I believe the proper solution to the patent issue is to require miners to pay fair market value—fair market value—for the surface estates of future patented land.

Our amendment will achieve this goal, and I respectfully urge my colleagues to support the Craig amendment.

I yield the remainder of my time back to the floor manager, Senator CRAIG, and I thank the Chair.

Mr. CRAIG. Mr. President, does the Senator from Arkansas wish to complete his argument? Does he wish to yield back his time?

Mr. BUMPERS. I did not hear the Senator from Idaho.

Mr. CRAIG. I would offer the Senator from Arkansas the opportunity to complete his time before I close.

Mr. BUMPERS. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 4 minutes 48 seconds remaining.

Mr. BUMPERS. I yield back 4 minutes of that.

Mr. CRAIG. If the Senator would wish to complete his statement, I will close out the debate on my second degree. Go ahead. You have yielded all time back?

Mr. BUMPERS. You first. I yielded all but 48 seconds.

Mr. CRAIG. Do you wish to use your 48 seconds at this time?

Mr. BUMPERS. No.

Mr. President, I ask unanimous consent that this time be charged equally to both sides.

The PRESIDING OFFICER. That is the regular order.

Mr. CRAIG. Mr. President, I had hoped the Senator from Arkansas, because this is my amendment, would allow me the respect of allowing me to close debate. But I will go ahead and close out the remainder of the time that I have left.

It is interesting that the Senator from Arkansas would choose to argue royalties. Royalties are not an issue before this Senate at this moment. We have used the authorizing committee to attempt to resolve that issue so that the Government could receive some return on the value of the subsurface asset, and we are still working on that. But what this amendment does—separate from that as a step and a process along the way—is that it asks those who are asking for a patent through the process of mining law to pay fair market value for the land—not $2.50 an acre, but whatever the appraisal process goes forward as. Once that is established, once the mine completed its work, the property reverts back to the Government.

This is not a total answer to the problem of reform of the 1872 mining law, but it is a step down the path toward arriving at that solution. I hope my colleagues will support us in this second-degree.

I yield the remainder of my time.

Mr. BUMPERS. Mr. President, if what the Senator from Idaho just said were true, I would be voting with him. He said the "fair market value." He did not say the fair market value of a surface. There are several billion dollars difference between what he is offering and what the taxpayers of this country have a right to expect.

His amendment says fair market value of the surface. Well, on $50 billion of the gold, $30 billion, or whatever it is underneath the land, you do not get that at fair market value. You get that free. That comes free. His amendment gives you the surface, which is worth about $100 an acre, and with it comes the largess of anywhere from $15 billion to $30 billion from Uncle Sam and the taxpayers of America.

Do not be diluted by that fair market value language.

Mr. CRAIG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. BUMPERS. Mr. President, I move to table the amendment of the Senator from Idaho and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Craig amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 373 Leg.]

YEAS—46

Akaka
Biden
Boxer
Bradley
Breaux
Bumpers
Byrd
Coats
Cohen
Conrad
DeWine
Dodd
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Gregg
Harkin
Hollings
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Robb
Rockefeller
Roth
Sarbanes
Simon
Snowe
Wellstone

NAYS—53

Abraham
Ashcroft
Baucus
Bennett
Bingaman
Bond
Brown
Bryan
Burns
Campbell
Chafee
Cochran
Coverdell
Craig
D'Amato
Daschle
Dole
Domenici
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Inouye
Kempthorne
Kyl
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Reid
Santorum
Shelby
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Mack

So the motion to lay on the table the amendment (No. 2294) was rejected.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 2293, AS AMENDED, AS MODIFIED

Mr. REID. Mr. President, I ask unanimous consent that the Bumpers amendment as amended be modified so that it is a substitute for the language proposed to be stricken.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, reserving the right to object—I have no objection.

Mr. REID. Mr. President, I urge adoption of the Bumpers amendment.

The PRESIDING OFFICER. The Senator will withhold.

The yeas and nays have been ordered on the Craig amendment.

Mr. REID. Mr. President, I move to vitiate the yeas and nays on the Craig amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. I thank the Chair.

VOTE ON AMENDMENT NO. 2294

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the Craig amendment (No. 2294).

The amendment (No. 2294) was agreed to.

Mr. REID. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON addressed the Chair.

VOTE ON AMENDMENT NO. 2293, AS AMENDED, AS MODIFIED

The PRESIDING OFFICER. The question now occurs on the Bumpers amendment (No. 2293), as amended, as modified.

If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2293), as amended, as modified, was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRIVILEGE OF THE FLOOR

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I ask unanimous consent that Ted Milesnick, a Bureau of Land Management employee on detail to the Interior Subcommittee, be granted the privilege of the floor for the duration of the debate on the Interior appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, with the exception of the amendment on page 95, lines 19 to 21; the amendment on page 9, line 23; the amendment on page 10, line 12; the amendment on page 16, line 4 through page 17, line 14; the amendment on page 21, line 24 through page 22, line 2; and the amendment on page 22, line 5 through page 23, line 19; and that the bill as thus amended be regarded for the purpose of amendment as original text, provided that no point of order shall have been considered to have been waived by agreeing to this request.

The PRESIDING OFFICER. Is there objection?

Mr. JEFFORDS. Reserving the right to object, I presume the amendment did not include the amendment relative to the National Endowment?

Mr. GORTON. That is correct. The Senator's ability to amend the National Endowment will remain intact.

Mr. JEFFORDS. And the museum?

Mr. GORTON. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2295

(Purpose: To delay implementation of the Administration's rangeland reform program)

Mr. GORTON. Mr. President, I send an amendment to the desk on behalf of Senator Thomas and Senators CAMPBELL, BURNS, KEMPTHORNE, BENNETT, SIMPSON, MURKOWSKI, CRAIG, DOLE, PRESSLER, HATCH, BROWN, Kyl, and BAUCUS. I ask for its immediate consideration.

The PRESIDING OFFICER. If there is no objection, the pending committee amendment is set aside. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON], for Mr. THOMAS, for himself, Mr. CAMPBELL, Mr. BURNS, Mr. KEMPTHORNE, Mr. BENNETT, Mr. SIMPSON, Mr. MURKOWSKI, Mr. CRAIG, Mr. DOLE, Mr. PRESSLER, Mr. HATCH, Mr. BROWN, Mr. Kyl and Mr. BAUCUS, proposes an amendment numbered 2295.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. . DELAY IN IMPLEMENTATION OF THE ADMINISTRATION'S RANGELAND REFORM PROGRAM.

None of the funds made available under this or any other Act may be used to implement or enforce the final rule published by the Secretary of the Interior on February 22, 1995 (60 Fed. Reg. 9894), making amendments to parts 4, 1780, and 4100 of title 43, Code of Federal Regulations, to take effect August 21, 1995, until December 21, 1995. None of the funds made available under this or any other Act may be used to publish proposed or enforce final regulations governing the management of livestock grazing on lands administered by the Forest Service until November 21, 1995.

Mr. SIMPSON. Mr. President, here we go again. On the 21st of this month our country's western agricultural way of life will face an assault unlike anything that it has faced before. On that date the Department of the Interior's rangeland reform regulations are scheduled to become the "law of the land."

Originally, those regulations were to go into effect on February 21. However, at that time a 6-month moratorium on their effectiveness was granted. Then my good friends, Senators PETE DOMENICI and LARRY CRAIG began working on balanced legislation both to codify existing regulations and to incorporate parts of Interior's "Rangeland Reform" regulations into a more workable plan.

The sponsors have made a gallant effort to enact this legislation by the August deadline. However, the slow pace of Congress—we have such a heavy volume of legislation to consider this year—has prevented us from finishing this legislation in a timely manner.

In short, Mr. President, Congress needs more time—90 more days at least—to do the people's work on this vitally important issue. At a meeting this morning, Secretary Babbitt told me and a number of my colleagues that, in effect, regardless of the fact that we are trying to work on definitive legislation that addresses this issue, he will not grant another moratorium. So, we have no alternative but to acquire additional time through legislation.

During this debate we may hear the opponents of this pending legislation argue that additional time is not needed—that the Interior's regulations are fair, and will adequately address all the problems so that we need worry about. All I suggest that any Senators who believe this should ask the majority of the people in my State—or virtually any other affected western State—who are familiar with these regulations whether they are fair. If you do, you will hear a resounding and unanimous "no."

If these regulations are indeed "fair," then why has the Interior Department felt the need to embark on a mission to override public opinion, and to stall or even kill the Domenici legislation? As my fine colleague, Senator THOMAS, has pointed out, this seems to surely skirt the edge of the statutory prohibition on lobbying with appropriated funds. Perhaps this desperation arises out of the knowledge that they will not be able to run roughshod over yet another aspect of American life. Or perhaps they are concerned that their subtle but fully deliberate plan to totally drive the western rancher and his or her livestock off of public range lands is threatened by the Domenici bill.

Mr. President, I would urge my colleagues to give Congress a chance to at least debate this issue on a stage that is free from the outside pressures of an agency hell bent on the reckless enactment of unsound rules and regulations just to spite the Republican Congress. If, in the end, the legislation fails and the regulations go into effect, so be it. At least and we can then say that we have had a debate that was spirited, fair, and impartial and free from an agency attempting to further its own agenda.

Mr. President, I urge my colleagues to vote in favor of the Thomas amendment.

Mr. KEMPTHORNE. Mr. President, I do not know if I am the only one here with a sense of deja vu, but I for one am frustrated to find myself here with my western colleagues, fighting yet again to maintain the western way of life.

Two years ago we faced an amendment to the Interior Appropriations bill that would have raised grazing fees arbitrarily to a point that small ranchers would have been forced off the land. Today, we face regulations which will have that same effect. If unchecked, those regulations will go into effect in less than two weeks.

The Senate voted two years ago to stop those regulations. I urge my colleagues to do so again. A moratorium will give Congress an additional 90 days in which to assert its right to set the guidelines of federal policy.

Opponents will tell you that these regulations have had ample public input and participation. It is true that the Secretary has held hearings across the country in the time since he first made this proposal, and I commend him for dedicating so much effort and time.

But do the final regulations reflect the input he received? I am concerned that there are a few key points on which these regulations do not. The public called for flexible management with a local focus. These regulations allow States to choose, but from among federally dictated management plans.

The public called for clear and direct management processes, but instead the regulations propose a process weighted down with increased review and scrutiny. The final proposed regulations would have the effect of making the day to day operation on Federal land so cumbersome and costly that we might as well be talking about the arbitrary grazing fee from 2 years ago when you talk about the potential effects.

I asked the Secretary of the Interior just this morning whether or not he wanted to see grazing on Federal lands 20 years from now * * * or whether he even thought that grazing belonged on Federal lands.

He told me that he views grazing as an integral part of the biology of the range. The Secretary specifically pointed out that wild, open spaces evolved under the hand of wildfire and wildlife, roles which grazing now fills. But these regulations would stifle the individual initiative which gives the west its character, and smother the efforts of the stewards of those Federal lands. If we let our Federal lands become wastelands, not only will 27,000 ranching families, and hundreds of rural communities pay the price. We will all be the poorer. This must not happen.

Mr. GORTON. Mr. President, this amendment is on another issue which has from time to time been controversial with respect to grazing and grazing fees.

The amendment is a simple 90-day moratorium on the regulations of the Secretary of the Interior, designed to permit the committees to come up with an authorizing bill.

It has been agreed to and cleared on both sides.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2295) was agreed to.

Mr. CRAIG. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PRYOR. Mr. President, I rise to express to my colleagues in the Senate my concerns about a provision in this legislation that pertains to funding of our national system of fish hatcheries.

First, let me say that I am grateful for the actions of our distinguished Chairman, Senator GORTON, in the committee mark-up of this bill. The report calls for a moratorium on any possible closures of fish hatcheries until March of next year pending the report of a study group that will be convened by the U.S. Fish and Wildlife Service for the purpose of making recommendations on the future of the hatchery program.

Mr. President, recreational fishing is an incredible industry in our country, and in my home State of Arkansas in particular. The number of jobs created, the amount of State and Federal taxes collected from the sale of lures, boats, gasoline, hotel accommodations, food, etc., are enormous. It is absolutely perplexing to me that an agency of our Federal Government would ever propose to close hatcheries without an economic analysis of the impact, both to local economies and to the Federal treasury.

It is troublesome to me that an agency of our Government would consider eliminating hatcheries that mitigate for damages to fishery resources that Federal water projects caused.

This legislation contains a provision to either transfer ownership or close 11 Federal fish hatcheries. The Department of the Interior has intentions of closing additional hatcheries in fiscal year 1997. It is their intention of using the study group to define the criteria by which hatcheries would be chosen to be transferred or closed. I believe this premise is wrong.

I understand and support our President when he attempts to reduce Federal spending by eliminating unnecessary and wasteful programs. Federal fish hatcheries are neither. It is a burden to try to understand that on the one hand we have Federal agencies, such as the Economic Development Agency and the Department of Commerce, whose roles involve the creation of jobs and strengthening our economy. On the other hand, we have the Fish and Wildlife Service, which can take actions which harm or destroy jobs under the guise of budget reduction and mission redefinition.

Mr. President, I want my colleagues to know that I am going to stay involved in this issue. I do not accept the premise that some hatcheries have to be closed, that it is inevitable. If a hatchery is mitigating for damages to a fishery, if the tax revenues that result from economic activity generated by recreational fishing exceed the cost of operating and maintaining that hatchery, then I am going to take the attitude that the Federal Government has an interest in that hatchery. Our taxpayers paid for its construction and operation, and we should not be arbitrarily closing or giving it away. We have an obligation to those taxpayers.

Mr. KENNEDY. Mr. President, in conjunction with this bill, I note that the New England Holocaust Memorial Committee is building a memorial to the Holocaust adjacent to the Boston National Historical Park. The Memorial Committee will be entering an agreement with the Superintendent of the Park for maintenance of the Memorial and will be making a contribution to the Boston National Historical Park Donation Fund. This type of cooperation is contemplated by the Historic Sites Act of 1935. It is a good example of the Government working with others on behalf of an important remembrance, and I welcome this opportunity to commend all those involved in this worthwhile project.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have an amendment that I want to send to the desk. I am offering it in behalf of myself, Senator INOUYE, Senator MCCAIN, Senator CAMPBELL, Senator KYL, Senator SIMON, Senator DORGAN, and Senator CONRAD.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. SARBANES. Will the manager of the bill yield for a question?

Mr. DOMENICI. Mr. President, I will yield in just a moment.

Mr. President, I understand that the amendment may hit the bill in more than one place. I ask unanimous consent that it nonetheless be in order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SARBANES. I inquire of the manager of the bill what he foresees the work program as we proceed into the evening. It would be helpful to know.

Mr. GORTON. That question could not possibly be more in order. I, in turn, was going to ask the sponsor of the amendment whether or not he and his cosponsors would agree to come to a time agreement on this amendment. The majority leader does want this amendment to be completed and disposed of, and it will require a rollcall vote before the evening is over.

So if we can find out how long it will take to debate the amendment, we can answer the question of the Senator from Maryland.

Mr. DOMENICI. Mr. President, let me say to Senators who are interested in the timing that we have a number of Senators on our side. And essentially we have three principal sponsors—not just this Senator, but Senator INOUYE, who used to be chairman of the Indian Affairs Committee, and Senator MCCAIN, who is now chairman of the Indian Affairs Committee, and myself.

We have talked about this, and we believe that we need 1 hour on this amendment.

Mr. GORTON. Mr. President, I then state that I doubt that the opponents will take an hour, but for the purpose of the amendment, I ask unanimous consent that there be 2 hours equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. PRYOR. Mr. President, reserving the right to object, I am not going to, of course, argue with the majority leader. He stated he wants to dispose of this matter. But I wonder if he would consider reconsidering that in view of the fact that we are looking at something around 11 o'clock before our vote on this amendment. I wonder if the manager can speak for the majority leader in this area where we might have a vote actually in the morning.

Mr. DOMENICI. We will cut it down to 45 minutes, if that helps anyone.

Mr. President, if we are going over to the morning, I want some time in the morning.

Mr. GORTON. I do not believe we are going to go over to the morning. An hour and a half equally divided is appropriate. I would recommend it, and I gather the majority leader would agree that after we have disposed of this amendment, we may debate the next amendment, but we would not vote on that until the morning.

Mr. PRYOR. Is there any disadvantage to just debating the amendment tonight and voting in the morning?

Mr. GORTON. The disadvantage would be that no one would be here to hear the debate.

Mr. PRYOR. I promise I will go home and watch it on the monitor, Mr. President. [Laughter.]

AMENDMENT NO. 2296

(Purpose: To restore funding for programs within the Bureau of Indian Affairs)

The PRESIDING OFFICER. Will the Senator allow the clerk to report the amendment?

Mr. DOMENICI. I think we should do that.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. DOMENICI), for himself, Mr. INOUYE, Mr. MCCAIN, Mr. CAMPBELL, Mr. SIMON, Mr. DORGAN, Mr. CONRAD, and Mr. KYL, proposes an amendment numbered 2296.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 11, strike "$565,936,000" and insert "$519,436,000".

On page 3, line 5, strike "$565,936,000" and insert "$519,436,000".

On page 9, line 23, strike "$496,978,000" and insert "$466,978,000".

On page 16, line 13, strike "$145,965,000, of which $145,915,000" and insert "$100,965,000, of which $100,915,000".

On page 21, line 22, strike "$577,503,000" and insert "$531,003,000".

On page 24, line 23, strike "$182,169,000" and insert "$157,169,000".

On page 31, line 15, before ", of", insert the following: "(plus $200,000,000)".

On page 32, line 17, before ": *Provided*," insert the following: "; and of which not to exceed $5,000,000 shall remain available until expended for the implementation of the Indian Tribal Justice Act (25 U.S.C. 3601 et seq.); and of which not to exceed $2,500,000 shall remain available until expended for the implementation of the Indian Child Protection and Family Violence Prevention Act (25 U.S.C. 3201 et seq.)".

On page 43, line 1, strike "$58,109,000" and insert "$51,109,000".

Mr. GORTON. Mr. President, the majority leader is willing to accede to the evident desire of most of the Members, and I would state that under these circumstances, I guess we will ask for 1½ hours equally divided this evening on the amendment, and 30 minutes equally divided tomorrow morning before 9:30 and a vote to occur at 9:30 in the morning.

Mr. PRYOR. Thank you. In behalf of many of my colleagues, we want to thank the distinguished majority leader.

Mr. DOMENICI. Before you leave, I have not agreed to that yet. I just wanted everybody to understand this is a very important amendment. This has to do with the future of the Indian people in the United States and whether we are going to take care of them in an ordinary, reasonable way or whether we are going to give them an inordinate amount of budget cuts. So everybody knows, it is extremely important to many of us.

I will not object.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

Mr. GORTON. Let me, Mr. President, make my announcement in the form of a unanimous-consent agreement and add to that that no other amendments be in order.

Mr. MCCAIN. What is that request?

The PRESIDING OFFICER. It is the understanding of the Chair that there is a unanimous-consent request that there is 1½ hours of debate this evening equally divided between each side and that there will be 30 minutes of debate in the morning equally divided prior to the time of 9:30 a.m. and that no other amendments are in order during the pending of the amendment.

Is there objection? Without objection, it is so ordered.

Mr. GORTON. Mr. President, I am authorized by the majority leader to say there will be no further votes this evening and the first vote tomorrow will be at 9:30 in the morning.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, fellow Senators, I have been told more than one time as we move through a budget, as we move through appropriations, that we have a very important function as Senators, and that is to set priorities. When you are cutting budgets and restraining Government, it does not mean that you treat everything alike and that you say everything gets cut an equal amount. The purpose for our being here is to establish some kind of priority based upon either our commitments or what we think is most important.

Mr. President, I happen to come from a State—it is not a large one in terms of population. But 10 percent of the people in the State of New Mexico are native American Indians. We have 18 of the small groupings called Pueblo Indians. We have 19 Pueblos, two Apaches, and one-third of the Navajo Nation. So we have 10 percent of our population that are and have been directly related to and to a great extent dependent upon the Federal Government.

There are many who will say they should not be so dependent. But, Mr. President, it is our law that says they are entitled to their tribal ways. We have treaties with them with reference to their ownership and what we are entrusted to do for them. And we have over a long period of time helped them with their government, the ordinary functions of Indian government. They do not levy any taxes. That is the way it has been for a long, long time.

We have decided only one time in modern history to try to change this relationship, one of trust and treaties. We tried for a little tiny piece of history—2 years—to say we do not want to have this kind of treaty relationship. Let us go ahead and assimilate the Indian people. After 2 years, we decided we had made a mistake, and we went back to treaties and the trust relationship between the National Government and the Indian people.

Now, I am not here saying that works perfectly well and that everything is great in Indian country. What I am suggesting is that my State is a perfect example of what is wrong with this bill that is before us. I will be the first to say Senator SLADE GORTON, as chairman of this subcommittee, with Senator BYRD as the ranking member, has done an excellent job with the resources they have. But I think they make one glaring mistake. Frankly, there may be some who will say the budget did not give us enough money. Well, that may be the case, but we did not assume in the budget resolution which passed this Senate that we were going to cut Indian programs. We said they are of the highest priority, and we assumed they would be funded at the 1995 level for many reasons. This Senate voted for that.

In my State, there are all those Indian governments that are entitled to a direct relationship as tribal governments to the U.S. Government. The State of New Mexico does not run the government in the Isleta Pueblo or Navajo country. The Indian people run it. We have a Bureau of Indian Affairs, and if ever we could find a way to make it more responsive, we ought to do that.

What happened in this bill—and I know my distinguished friend and colleague, the chairman of the subcommittee, will talk about Indian programs being reduced by 8 percent, and that is treating them as well as any other programs within the Interior Department of the United States.

The truth of the matter is that the only way you can get to that 8 percent is if you put the Indian Health Service and other Indian programs that are not within the Department of Interior into that mix.

Behind me is a chart, and it simply shows the Department of Interior—forget about Indian health which is another part of appropriations—which has the Bureau of Land Management, U.S. Fish and Wildlife, Natural Resources Science Agency, National Park Service, and so on. Just look at that, and what it will tell you very plain and simple is that the Bureau of Indian Affairs is 26.6 percent of the Department of Interior.

Mr. President, 26.6 percent of the Department of Interior is Indian affairs—27 percent. Now, just follow that line over a little bit and at what percent did they take of a cut in the Department of Interior? It is 45.6.

Let me repeat that. That is plain and simple. This is a colored pie chart. It is the Department of Interior—not Indian health, the entire Department of Interior, and the white is 27 percent Bureau of Indian Affairs. However, when it comes to cutting the Department of Interior, in this chart, it has been cut 45.6 percent.

Now, Mr. President, this part of Indian assistance and Indian programs that is being cut is all of Indian governance. It is how they govern their people on a daily basis. It is how they provide policemen and jails, how they provide juvenile courts, and all the things that an Indian government, like ours, should provide for its people.

We just cannot say, well, let them go raise taxes or do something else. It just does not happen that way. They will not have any money for these things. That is not an 8-percent cut. In the Department of Interior the Bureau of Indian Affairs is getting cut 45.6 percent when they only make up 27 percent of the Department of Interior budget. That is not right.

Now, there are only two ways to fix it. One is to say, well, let us have a lot more money for the Department of Interior, and then we will say "and give some of that to the Indian people."

But that is not going to happen, and I am not here asking that it happen. There is not going to be more money dropped in from Heaven, nor will the Appropriations Committee find it and send it over to this subcommittee.

So the only other thing we can do is say what are we going to put first. You prioritize. What are we going to put first? The Indian people and their daily lives and the ability to live a reasonably normal life with law enforcement, with some juvenile courts, with some of the things that you just have to have to stay alive. Or are we going to say to them you are just going to have to do without for the rest of this Department, made up of the Bureau of Land Management, U.S. Geological Survey, U.S. Fish and Wildlife Service, National Biological Service, Minerals Management Service, and the Office of the Secretary, to be funded. We must decide that we will put the Indian people on a higher priority than those Interior Department line agencies of the Federal Government.

You choose, Senators. Do you want to fund Fish and Wildlife at what we would suggest, $30 million less out of a $511 million budget, or do you want to cut the Indian programs 45.6 percent? Which do you want? Which is fair?

I submit what is fair is to put some money back into the Indian programs that I have described and take it out of line agencies of the Federal Government, which I believe under any stretch of the imagination should be second position to a primary responsibility to the Indian people and the trusts that we have with them.

So we have suggested plain and simple that we not put all the money back that was taken out because we cannot afford it. So we are suggesting that we put back $200 million and the budget authority that goes with that.

These programs that I am referring to here have actually been cut $270 million. We are going to put $200 million back, and we are taking it out of the agencies that I have just described.

We are going to hear that we just cannot do that to Fish and Wildlife; we cannot do that to the U.S. Geological Survey; and we are going to be told they have already been cut.

Mr. President, they have not been cut the amount that the Bureau of Indian Affairs programs for our Indian people have been cut.

So we are suggesting that when we are finished we take $46 million out of the Bureau of Land Management, leaving a total of $519 million; that we take $30 million out of the U.S. Fish and Wildlife, leaving $467 million; that we take $45 million out of the National Biological Service, leaving $100 million; Mineral Management Service, $55 million, leaving $157 million, and the Office of the Secretary, $7 million out of a total fund for his office, leaving $51 million.

What do we choose? Do we choose to cut those departments, those parts of the Department of Interior, or do we say to the Indian people you take the cuts; you take a 45.6-percent cut in these programs that affect the daily lives of the poorest people in America.

I am sure Senator MCCAIN will offer us a glimpse of the kind of people we are talking about, their status in life, what they are up against, what they cannot afford, what they do not have. I believe the Senate, in its ultimate wisdom and fairness, will say we had better take care of the treaty relationships, the trust relationships that we have with the Indian people across this land and the Indian people in my State. The Indian programs represent 27 percent of total Department of Interior funding. If the committee bill is adopted, BIA will suffer 45 percent of all of the Interior reductions in this bill. I do not think that is fair when many others are getting cut 8 percent, 9 percent, 7 percent, and even a couple are not getting cut at all.

I yield—how much time does Senator MCCAIN want?

Mr. MCCAIN. Fifteen minutes.

Mr. DOMENICI. I yield to Senator MCCAIN 15 minutes, then Senator INOUYE.

Mr. MCCAIN. I want to thank my friend from New Mexico for this amendment. It is a very important one. And I suggest to my colleagues that this amendment has more impact than any that I know of that we will address this year or perhaps for years to come. Because if the Domenici amendment is rejected, it will reflect the words of the great Indian legal scholar, Felix S. Cohen, who wrote in 1953:

> Like the miner's canary, the Indian marks the shift from fresh air to poison gas in our political atmosphere; and our treatment of Indians, even more than our treatment of other minorities, reflects the rise and fall in our democratic faith.

I suggest to you, Mr. President, that if we reject the Domenici amendment, it will reflect a fall in our democratic faith and an abrogation of our obligations, solemnly undertaken and solemnly violated throughout the history of this country.

Mr. President, Senator DOMENICI covered, I think, the appropriations situation. I have been doing a little research on our relations with the Indians. And I would like to quote from the CONGRESSIONAL RECORD of February 14, 1854, the remarks of Mr. Sam Houston, who represented the State of Texas. He talks about a visit of Cherokee Indians to our Nation's Capital. He says:

> They presented themselves in Washington city under the auspices of the superintendent, and I was directed by the President of the United States, or by the Secretary of War, to attend at the Executive mansion upon a certain day—in 1818—I think, in March.
>
> Upon the Indians presenting themselves to the President of the United States, he made a few remarks to them; told them he was desirous to hear what they had to say to him; that they had come a great distance to see their Great Father; that he had understood from the agent they had important communications to make and favors to ask, and that he was prepared to hear them with the greatest consideration. They represented in detail pretty much what I have given as the history of their tribes, and the circumstances under which they had become located in the far West. The President, after hearing all they had to say upon the subject, gave a reply, in which he assured them of the constancy, friendship, and protection of the Government of the United States; the consideration to which they were entitled from the fact of their having emigrated west of Arkansas at the suggestion of the President, and assured them that it entitled them to the most favorable consideration of this Government. He told them, you are now in a country where you can be happy; no white man shall ever again disturb you; the Arkansas will protect your southern boundary when you get there. You will be protected on either side; the white man shall never again encroach upon you, and you will have a great outlet to the West. As long as water flows, or glass grows upon the earth, or the sun rises to show your pathway, or you kindle your camp fires, so long shall you be protected by this Government, and never again removed from your present habitations.

Mr. President, Sam Houston went on to say:

> I need not rehearse to gentlemen who are familiar with the past, the tragedies that followed, the sanguinary murders and massacres, the midnight conflagrations—these attest the inharmonious action which arose from this faithless conduct on the part of the Government or its agents. I know this may appear a very harsh assertion to make here, that our Government acts in bad faith with the Indians. I could ask one question that would excite reflection and reminiscences among gentlemen. When have they performed an honest act, or redeemed in good faith a pledge made to the Indians? Let but a single instance be shown, and I will be prepared to retract. I am not making a charge against the Government of the United States which is not applicable to all civilized Governments in relation to their aboriginal inhabitants. It is not with the intention to derogate from the purity of our national character or from the integrity of our institutions that I make the accusation; but it is because it is verified by history.

Mr. President, we made a treaty with the Apache in 1852.

Article 10:

> Foreign consideration of the faithful performance over all the stipulations herein contained by the said Apache Indians, the

> government of the United States shall grant such Indians the donations, presents and implement and adopt such other liberal and human governors as said government may deem and meet proper. Apache Indians shall not be held responsible for the conduct of others and that the government of the United States shall so legislate an act to secure the permanent prosperity and happiness of said Indians.

That was an 1852 treaty.

Mr. President, there are lots of other treaties that I have read. So why do we not look for a minute at the condition of native Americans?

The chart, please, on tuberculosis, diabetes and alcoholism. American Indian families live below the poverty line at rates nearly three times the national average. Nearly one of every three native Americans lives below the poverty line. One-half of all Indian children on reservations under the age of 6 are living in poverty.

On average, Indian families earn less than two-thirds the incomes of non-Indian families. As these statistics indicate, poverty in Indian country is an everyday reality that pervades every aspect of Indian life. In this country we pride ourselves on our ability to provide homes for our loved ones. But in Indian country a good, safe home is a rare commodity.

There are approximately 90,000 Indian families in Indian country who are homeless or underhoused. Nearly one in five Indian homes on the reservation are classified as severely overcrowded. One-third are overcrowded. One out of every five Indian homes lacks adequate plumbing facilities. Simple conveniences that the rest of us take for granted remain out of the grasp of many Indian families.

Indians suffer from diabetes at 2½ times the national rate. Indian children suffer the awful effects of fetal alcohol syndrome at rates far exceeding the national average. Perhaps most shocking of all, Indian youth between the age of 5 and 14 years of age commit suicide at twice the national rate. The suicide rate for Indians between the ages of 15 and 24 is nearly three times the national rate.

Mr. President, I cannot justify those numbers. I cannot account for a lot of it. I would like to look at just this chart here that shows the percent of related children under 6 with income below the poverty line in 1989. In the United States it is about 20 percent; at the Pine Ridge Oglala Reservation, 73 percent. At the Quileute Reservation in the State of Washington, it was 81 percent. At San Carlos Apache—they were the best off—they were 69 percent.

Mr. President, these cuts are harsh. They are disproportionately deep, as the Senator from New Mexico has pointed out. Forty-seven percent of the cuts proposed are applied to Indian programs, Indian programs. Yet in fiscal year 1995, Indians account for 27 percent of the total Interior Department budget.

Mr. President, I want to point out another aspect here. The Senator from New Mexico, my dear friend from Hawaii, and I have worked on these issues of native Americans for many years. It does not get a lot of attention. I have never seen a headline about an Indian issue unless it was the tragedy at Wounded Knee. I have never seen people write or call particularly about native American issues, although since Indian gaming has been on the rise, it certainly has gotten a lot of attention.

But I have to say in all candor, Mr. President, I have not seen a lot of Americans who are concerned about the fact that 80 percent of the children at the Quileute Reservation are below the poverty line. And what the Senator from Hawaii, as chairman of the Indian Affairs Committee, and I and the Senator from New Mexico, the chairman of the Budget Committee, have tried to do, with help from others, is we have tried to emphasize that we believe the answer is Indian self-determination and Indian self-governance. Ten cents out of every dollar from the Bureau of Indian Affairs actually ends up in the pocket of an Indian.

Our entire effort literally has been to respect these treaties, these treaties that I just read that treat native Americans in a government-to-government relationship and give the money to the tribes to dispose of as they see best for the members of these tribes.

Where do the majority of these cuts come from? Exactly those programs. Exactly those programs that we have been trying to push all these years.

Mr. President, I do not know what is going to happen to native Americans if we implement these cuts. I guess they will survive. I guess there will be the kind of situations that we have seen throughout the last 200-some years of our Nation's history. I guess there will be higher fetal alcohol syndrome rates, higher suicide rates, more homelessness. There are places on reservations in my State where Indian people already live in holes in the ground. I am not sure that those holes could be much worse.

But I do know that over the last approximately 10 years, we have seen improvements in the Indian country. We have seen it for a broad variety of reasons, including educated native Americans assuming positions in their government, including a better and perhaps more understanding treatment on the part of the Federal Government and the Congress.

But if these cuts are enacted, I have no doubt—and I speak from 12 years of dealing with native American issues—I have no doubt that conditions will rapidly become far more appalling and disgraceful than they are today.

Felix Cohen, I think, said it far better than I could: The gauge of how we view our society is directly related to our treatment of native Americans.

There is not a powerful lobby of native Americans in Washington. There is not a lot of impact of even the native American gaming tribes. People who come to Washington from time to time and visit Senator INOUYE, me, Senator DOMENICI, they cannot understand why it is that, when their forefathers signed a solemn treaty with our Government, that we find it impossible to find it in us to provide them with what we promised them.

Relations between the aboriginal tribes, as was stated by Sam Houston—although I would not use those words—but no doubt the relations between native Americans and non-Indians have been complex, and the reasons why some of the things have happened are not entirely the fault of the non-Indians.

But I suggest to you, Mr. President, that somewhere in our zeal to cut the budget, to reduce this $5 trillion debt that we have laid on future generations of Americans, I think we have forgotten our obligations. Should there be reductions in Indian programs? Yes, should it be to the tune of 28 percent of their programs? I do not think so.

I believe that what we do in our vote tomorrow around 9:30 will determine to a significant degree how history judges this Congress.

Mr. President, I hope that we will look at this amendment in that fashion and that we will support the amendment of the Senator from New Mexico.

I reserve the remainder of my time for the Senator from New Mexico.

The PRESIDING OFFICER (Mr. FRIST). Who yields time?

Mr. DOMENICI. Senator INOUYE wants 15 minutes.

Mr. INOUYE. Yes.

Mr. DOMENICI. I yield 15 minutes to Senator INOUYE.

The PRESIDING OFFICER. The Senator has 18 minutes remaining. The Senator from Hawaii.

Mr. INOUYE. Mr. President, 200 years ago when our Founding Fathers were engaged in the formation of this great Nation of ours, they gave much thought to the relationship of the new country and Indian Nations. And if one should read the debates of the Continental Congress and look at the Constitution, you will note that our Founding Fathers recognized the sovereignty of the Indian tribes and reserved for the Congress of the United States plenary authority over the conduct of relations with Indians.

Sometime later, following the so-called Indian wars, this Nation of ours entered into treaties with Indian Nations. We, Members of the U.S. Senate, are responsible for ratification of these treaties. History shows that there were 800 treaties entered into between the Presidents of the United States, representing our country, and the heads of the Nations of Indians.

Of the 800 treaties, Mr. President, history tells us that 430 were ignored by this body—they are still in the files—370 were ratified, and of those 370, every one was violated. We have a perfect score.

These treaties, as my colleagues from New Mexico and Arizona have stated, were eloquent documents. They spoke of the sun rising in the east and setting in the west, and when the waters flow from the mountains to the rivers, for as long as this happens, this land is yours. And these treaties promised the Indians 550 million acres. The circumstances of history now cause the remainder of 15. What happened to the 500 million acres?

But for these treaties, these Indians made a downpayment to our country. They paid for their health, education and their survival.

One would think that after such treatment that they would hate this country. To the contrary, Mr. President. In 25 days, the people of this Nation will pause briefly to observe the end of World War II. On September 2, 50 years ago, the Japanese surrendered. I think we should recall that in all the wars of this century, on a per capita basis, more native American Indians put on the uniform of the United States Government than any other ethnic group. More of them stood forward and said, "We are willing to shed our blood and give up our lives for the people of the United States."

So these people have paid their dues. The ceding to this Nation of their lands, this whole Nation, represents an unprecedented and still unequaled consideration for the obligations that this Government of ours assumed for the protection of lands and resources, provision of health care, education and the guarantee of permanent homelands.

It is this prepayment in the form of lands which present-day value far exceeds the national debt and the commitments that were made in exchange for these lands that are so easily either forgotten or discounted in contemporary times when there are competing priorities for diminishing resources.

But as my colleagues from New Mexico and Arizona have stated, ours is much more than a moral obligation, as the U.S. Supreme Court has repeatedly and consistently underscored over the years. Ours is no less than a legal obligation of the highest order, for their is no other group of American citizens for whom the United States has assumed a trust responsibility or legal relationship of this special nature. There is also no other group of Americans that have been forcibly removed from their aboriginal homelands and placed on reservations on some of the most desolate lands in the country. And there is probably no other group of Americans whose lives are more directly affected by the actions and inactions of our Government.

We are not here to undo the history of misery and deception. But we are hoping that, by the action of this Senate, we will not compound this history. I just hope that my colleagues will join my distinguished friends from Arizona and New Mexico to, in some small manner, undo some of the wrongs that we have committed.

Mr. President, my colleague from Arizona cited important statistics. The managers of this bill will undoubtedly tell the Senate that, overall, Indian programs were cut by only 8 percent. There are two major accounts. One is the Bureau of Indian Affairs, the other the Indian Health Service. In the Indian Health Service, for very good reason, they increase the amount not to the amount the administration recommended, which was much more, but nevertheless increased it, because the health statistics are such that even a Third World country would be embarrassed to repeat them.

As a U.S. Senator, I stand before you, Mr. President, embarrassed to recite these numbers. The mortality rate from tuberculosis among Indians is 400 times the national average; the mortality rate from alcoholism is 332 times the national average; the diabetes-associated mortality rates among the Indians are 139 times the national average; the mortality rate from pneumonia and influenza is 44 times the national average; and as my friend from Arizona indicated, the mortality rate from suicide exceeded the national average by 28 percent.

I had the opportunity to visit Alaska on three occasions. On two of these occasions, I went beyond the Arctic circle. There was one village that I was not able to visit because I was told by the authorities that this village was quarantined because 92 percent of the citizens of that village had hepatitis. This is in the United States, Mr. President. I was also told that, in Alaska, for young men between the ages of 20 and 23, the suicide rate was 14 times the national average.

Something is wrong. We must do something to bring down these statistics. Quite recently, as chairman of the Indian Affairs Committee, I visited Indian land, and I was horrified to see the health conditions. In a clinic, I saw an x ray machine. I looked at the machine, and this was a World War II vintage x ray machine. I called upon the U.S. Army to look around their inventory to see if they had any spare ones and, yes, they had a few spare ones, so they took it to this clinic. But then they called me back and said, "We cannot install this because the room there is not appropriately guarded by lead walls." In this clinic, an x ray machine was operating next to the dental clinic with just a one-inch wall separating the two rooms. I am just wondering how many children who got dental treatment there are now suffering from x ray radiation.

Mr. President, there are many more statistics, but I find it very difficult to go through them because it is painful. But I hope that in our vote we will try to undo some of this pain and misery. We owe the Indians. They paid for this.

My final thought: Anthropologists tell us that at the time of the coming of Columbus, there were approximately 50 million Indians living in what we now call the 48 States. At the end of the Indian wars, just prior to the treaty period, there remained in the 48 States approximately 250,000. We nearly succeeded in wiping out the Indians. If we do not amend this measure, we may succeed.

So, Mr. President, let us not compound the misery we have thrown upon the Indians. Let us, for once, do what is right and support this amendment.

Thank you very much.

Mr. KYL. Mr. President, as a cosponsor of this amendment, which was offered by the Senator from New Mexico, PETE DOMENICI, I rise in strong support of the effort to restore funding to critical tribal government accounts.

Mr. President, I want to refer for a moment to the Budget Committee's report on the budget resolution because I believe it goes directly to the heart of the issue at hand:

> The Committee recognizes the unique trust relationship between the U.S. government and the nation's Indian tribes and pueblos. That trust relationship is based upon a government-to-government principle embodied in treaties and subsequent actions by both the Executive and Legislative Branches of Government, and the courts. The Committee acknowledges this trust relationship, and assumes that programs serving Native Americans through the Bureau of Indian Affairs will be given priority consideration for ongoing federal support.

I want to emphasize a few points made by our Budget Committee, because we are not talking just about shifting priorities within an appropriations bill—although the Appropriations Committee has every right to do that. We are talking about something more fundamental: A trust relationship which finds its roots in treaties, and in actions taken by the President, the Congress, and the courts. It is a trust relationship that the Senate acknowledged when it passed the budget resolution back in May, and that did not go unnoticed among Indian people. Indian people looked to the budget resolution as an indication of Congress' commitment to their needs and concerns. We ought to affirm what we said just 3 months ago in the budget resolution and pass the Domenici amendment today.

Mr. President, the reductions the committee has proposed affect one of the most vulnerable populations in the country. The committee bill would cut funding for basic governmental and social service programs on Indian reservations, including child abuse prevention and tribal court enhancement programs. These are programs that should be funded first, not cut first.

The poverty rate on the Pascua Yaqui Reservation in Arizona is in excess of 62 percent. More than 33 percent are unemployed. The poverty rate on the Gila River Indian community is more than 64 percent. More than 30 percent are unemployed. On the Navajo Reservation, unemployment is more than 30 percent and 56 percent live in poverty. The figures are staggering and they go on and on.

These are communities that need more help, not less. At the very least, funding for essential services should not be reduced.

This amendment changes priorities; it does not add to the deficit or impede progress toward a balanced budget. The additional spending on Indian programs would be fully offset by cuts in our Interior Department accounts. All we are saying here is that Indian programs are of higher priority.

Mr. President, I urge my colleagues to support the Domenici amendment.

Mr. GORTON. Mr. President, how much time remains?

The PRESIDING OFFICER. There are 6 minutes, 42 seconds.

Mr. GORTON. And for the proponents of the bill?

The PRESIDING OFFICER. There are 45 minutes.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I will take 1 minute. I would be remiss if I did not thank Senator GORTON and Senator BYRD for the Indian health portion of this bill because, essentially, there is no other health care for the Indian people if it is not Indian health. They have at least seen to it that the Indian Health Service is not being cut. I thank them personally for that. We have had very serious problems with this administration about Indian health.

One final comment. If you look just at the Department of the Interior, not Indian health, just the Department of the Interior, you will find that the Indian programs therein were cut 45.6 percent, and that is the issue we are talking about. BIA represents 27 percent of the total funding within the Department of the Interior, but it was cut 45.6 percent in this bill. Overall, Indian programs were not cut that much when you include the Indian Health Service and other Indian programs in this bill. We are not even restoring all of that funding in this amendment.

I do not believe the Indian people are going to make it through the next winter and the next summer if they are cut this much in their daily programs for justice, juvenile homes, the day-to-day government that each of the tribes and pueblos have. For that reason, I am very worried, and that is why I brought the amendment to the Senate.

I yield the floor at this point.

The PRESIDING OFFICER. Who yields time?

Mr. GORTON. Mr. President?

The PRESIDING OFFICER. Does the Senator from Washington wish to use his time in opposition?

Mr. GORTON. Yes.

The PRESIDING OFFICER. The Senator is recognized.

Mr. GORTON. Mr. President, I find much not only to commend but to agree with in the eloquent statements of my three colleagues from New Mexico, Arizona, and Hawaii. I most particularly want to agree with the opening statements of the Senator from New Mexico with respect to the fact that this bill, as is the case with every other bill, must set priorities, and that it would be entirely inappropriate simply to take every program funded in 1995 and reduce it by an identical percentage.

This is particularly difficult in connection with the appropriations for the Department of the Interior, because more, perhaps, than most others, we, the Congress, are the sole source of moneys—or almost the sole source of moneys for many of the programs which are included within the Department.

Because this Department, together with the Forest Service, owns and must manage for all practical purposes, all of the real property of the United States. We are not dealing with a responsibility that we can lightly brush off or abandon.

However, I part company with my friend from New Mexico and my other opponents on this side when they paint the type of picture that they presented about reductions in the appropriations for the Bureau of Indian Affairs.

The appropriations for that Bureau amount, Mr. President, to only one-third of all of the moneys devoted to Indian programs in this country. It is almost as if during the debate earlier today on welfare one of these Senators had said, "You are reducing aid to those most needy in our society by cutting AFDC by a given percent," and ignoring Medicaid, other forms of health care, food stamps, and all of the other panoply of social programs.

It is almost like saying if we cut the appropriations for the U.S. Army by one-third we would be reducing the defense budget by one-third. That simply, Mr. President, is not the picture.

The Senator from New Mexico has pointed out that we did not only not reduce or cut the Indian Health Service, in fact, it is, I believe, the only program of significant size in this entire budget bill that has an increase as modest as it is, and that the education programs which fall within the jurisdiction of this committee are kept almost dead even.

When we deal with the Indian programs that are within the jurisdiction of this committee, the reduction is 8 percent from what was appropriated after the rescissions bill for Indian programs, a smaller reduction, Mr. President, than the overall loss in the bill, which is 11 percent. With few exceptions, every other program in this bill already has a greater reduction than the Indian programs covered by this bill.

Mr. President, even that does not approach the amount of money appropriated for Indian or for Native American affairs, because this bill itself accounts for only two-thirds of those moneys.

If we look at the President's budget, because these other appropriations bills have not yet passed, the President's budget includes $356 million in the Department of Agriculture, $20 million in the Army Corps of Engineers, $5 million in the Department of Commerce, $470 million in the Department of Education, $214 million in the Department of Health and Human Services, $485 million in the Department of Housing and Urban Development, $4 million in the Department of Justice, $200 million in the Department of Transportation, and $85 million in the Environmental Protection Agency, for a total of $1.842 billion.

Now, if you were to add that figure, even discounted to the total in the Department of Interior, we would end up with an overall reduction for Indian programs of approximately 5 percent.

Mr. President, there are going to be few, if any, other proposals on the domestic side of this budget this year which are not hit harder than this one hits.

Mr. President, we can deal with this question as a matter of internal priorities or I suppose we can deal with this question from a deeper philosophical level of the impact of all of these programs.

The Senator from Arizona spoke of the goals of Indian policy as being self-determination and self-governance.

Now, nothing in this bill undercuts the right of self-determination or of self-governance.

The third phrase that the Senator from Arizona missed was independence—an ending of a dependency more than a century long on programs of this nature.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. GORTON. I am happy to yield to the Senator.

Mr. DOMENICI. Senator, I heard you say nothing in this bill in any way infringes upon Indian self-determination and governance; do you remember your exact words?

Mr. GORTON. Yes.

Mr. DOMENICI. Senator, would it not strike you if you take 27 percent of the money that is used to run the Indian governments day by day, that whether you have substantively or policywise changed the relationship or not you have made it so they cannot function?

Mr. GORTON. My answer to that question is a very simple answer.

The Senator from New Mexico as the chairman of the Budget Committee does not feel that by reducing the President's budget for all of the activities of the Federal Government by many billions of dollars, he reduces the ability of the American people to self-government or self-determination.

The ability of these tribes to govern themselves is not affected by the amount of money they are given by us.

Continuing, the third self which the Senator from Arizona omitted and the Senator from New Mexico omitted, is self-sufficiency. Other local governments in the United States are primarily responsible for financing the activities in which they engage.

As the Senator from New Mexico so eloquently said, Indian tribes do not levy taxes on their Members. This is not a function of poverty. They do not levy taxes on those who are doing well. These programs, the other programs which I have outlined, provide housing—not provided to most other Americans —provide health care without any contribution—not provided to most other Americans. This entire panoply of activities. I know because I have heard these debates before, and a major goal of these policies is to create a degree of self-sufficiency.

Yet, earlier in the debate over this bill when we asked that there be some kind of means testing for the distribution of money from the Bureau of Indian Affairs to tribes that would reflect the fact that some have incomes from natural resources and some have income from gambling, that proposition was anathema to those on the Committee on Indian Affairs. Because that was a substantive decision, we abandoned it.

Mr. President, if there is one thing on which we all agree, it can certainly be the proposition that the policies so eloquently defended here by my three colleagues have clearly not even begun us on the road to self-sufficiency.

It is strange how many different hats we can wear and not relate those subjects to one another. Until 4 o'clock this afternoon we were debating welfare reform. While there are profound differences among Members on both sides of the aisle, I think within the membership on each side of the aisle, one of the areas on which I heard no differences between the two parties even was the proposition that welfare should be temporary; that for many or most people there should not be more than 5 years, with certain exceptions during which individuals were entitled to welfare programs. And yet these programs, these programs are all forever. They are all forever. The psychology that people should be encouraged to engage in individual self-determination and self-sufficiency is absolutely absent.

While it really is not an appropriate part of this debate, which is only on an appropriations bill and not on substance, it would seem to me that, as we are required to examine what a national welfare system has done to the people who are its supposed beneficiaries, it is long past time that we should examine whether or not a system of permanent dependency on the Federal Government—what kind of effect it has had on its so-called beneficiaries and whether or not many of these pathologies are not contributed to by the very programs that are being defended here.

But, as I say, that is not necessarily appropriate for this debate. What is appropriate for this debate are really two factors. One, Indian programs taken as a whole have not only not been singled out for discriminatory treatment, they have been treated considerably more generously than other programs within this appropriations bill. And when we add to them appropriations which will inevitably come through other appropriations bills not dealt with so far, they will end up overall being fairly close to even.

So, to concentrate on one line in this proposal, for one significant but not overwhelming part of the way in which this Government subsidizes Indian individuals and Indian tribes, is to be disingenuous if we are to look at the degree of support which is being provided to this group of citizens in the United States. It is, in comparison with the budget which has been provided for us by the Senator from New Mexico, extremely generous.

Now, where does the money come from? This is a big amendment in this bill. This is $200 million to be placed back in the Bureau of Indian Affairs so that, overall, Indian activities within this bill are almost held even while everything else goes down very, very significantly.

Mr. President, if we ended up with a bill that went to the President and was signed by the President with these reductions in it, what would happen to the responsibilities we have for the property that is held, effectively, in trust for all of the people of the United States, in our National Park System and our wildlife refuges, by our Bureau of Land Management?

Mr. President, I do not have to guess as to that. These organizations have told us what will take place. I can simply read with respect to the Fish and Wildlife Service. Our bill includes $41 million less for the Fish and Wildlife Service than the President's requested level. This $30 million reduction, according to the Service itself, would shut down or dramatically scale back major operating programs that benefit all Americans.

With a cut of this magnitude, Fish and Wildlife would have to close as many as 50 heavily visited national wildlife refuges: two in the State of Alaska, Kenai and Tetlin; one in Arizona, White River in Felsenthal, AR; Sacramento and San Francisco Bay, California; four in the State of Florida; Okefenokee in Georgia; Crab Orchard in Illinois; Desoto on Walnut Creek in Iowa; Quivera and Kirwin in Kansas; Sabine and Cameron Prairie and Tensas, in Louisiana; Minnesota Valley in Minnesota; two in Mississippi; two in Missouri; two in Montana, two in Nevada; three in New Jersey; three in New Mexico, three in North Carolina; one in Oklahoma; three in Oregon; three in South Carolina; Hatchee in Tennessee; Mr. President, five in Texas; one in Utah, one in Virginia; four in Washington; one in Wyoming; and waterfowl production areas in five other upper Midwest States.

Recreation programs at other refuges, including hunting, fishing and outdoor education, would be reduced or eliminated to preserve funds for habitat protection or improvement. Closure of 20 hatcheries would impact the Fish and Wildlife ability to restore populations of sport and commercial fisheries in both the Atlantic and Pacific Northwest.

And so on. The total economic benefits generated from shipments of wildlife imported and exported from the United States are $800 million a year. The Bureau of Land Management has already been reduced by $50 million from the President's proposal. This, according to BLM, would force it to shut down services to a wide array of public land users, including mineral extraction—on which we had a long debate and votes earlier this evening—livestock, timber, recreational users, hunters and fishermen.

Mr. President, the list of closures of enterprises of the Geological Survey fall into the same category. There are more than a dozen such closures which would result. And in every case, these are responsibilities which are undertaken by the Federal Government on behalf of, not one group of Americans, but all Americans. And in the case of the two land management agencies, they are, in fact, areas in which we own and must manage the lands of the United States. And, very bluntly, they would be devastated by this amendment.

In fact, I am certain, if this amendment were agreed to, the Senator from West Virginia and I would not be able, in a conference committee—would not wish, in a conference committee—to keep these reductions. What we would have to do would be to spread them out over all of the other responsibilities through the National Park Service and the National Forest Service. Bluntly, it would include almost all of the construction and land acquisition projects which Members have asked and have received from the Senator from West Virginia and myself, most of which are not included in the House bill.

Mr. President, we do have a very real responsibility. We have a responsibility for all of the agencies of the Department of the Interior, for the Forest Service, part responsibility for the Department of Energy, and for the cultural institutions of the United States. It has been neither an easy nor a pleasant task to determine where and how we can reduce those appropriations by $1.5 billion.

I started my remarks this afternoon with the point that we have $1.5 billion less to spend in the next year than we do in this year. About 20 percent of that money, $300 million or so of that $1.5 billion, has been taken from Indian programs within this field of responsibility. That is a smaller share of what they are receiving this year than it is for the entire balance of this appropriations bill. This is not only not a discriminatory reduction, it is a less-than-average reduction.

It is a less than average reduction in an area in which we have protected the most important functions of health care and of education, and not impacted the rights of Indian tribes to make decisions for themselves but in effect has said what is absolutely inevitable. Again I find it curious in the debate with my friend—perhaps my closest friend in the U.S. Senate, the Senator from New Mexico, who chairs the Budget Committee, on which the Presiding Officer and I serve—who has told us, and caused us to pass a budget resolution which will call for reducing expenditures in all of these areas, not just for one year but for 7, which will inevitably result in reductions like this, and many feel that somehow or another we can protect this field, and only this field, from such reduction and not ask for even a quite proportional contribution from Indian groups and a beginning of a movement on their part from the dependency to independence, to self-support for at least the governmental functions which they carry out themselves.

This is a fair proposal, Mr. President, in its present form. It saves the most important Indian programs. It reflects the fact that Indian programs and other appropriations bills are likely to save even perhaps the increase. It reduces other elements in this bill by more than it does in Indian programs themselves. But it protects those functions from any cuts at all over which we have full 100 percent responsibility, such as the operations of the National Park Service and the cultural institutions of this city which are a part of the responsibility of this Congress. And those are the only areas other than Indian health which are not reduced in this bill.

Mr. President, to adopt this amendment is to breach a trust. It is to breach the trust which we have imposed on the Government of the United States properly to manage its millions of acres of public domain for all of the people to provide recreational activities, to provide scientific research, to provide for the use of our natural resources. And these reductions in this bill will gut our natural science through the biological service; through the geological service; will gut our ability to manage our wildlife refuges and our land management lands, and will severely impact on the ability of the American people to enjoy those lands and to use them for recreational purposes.

Mr. President, the amendment should be rejected.

Mr. BYRD. Mr. President, will the Senator yield 10 minutes?

Mr. GORTON. The Senator will yield whatever amount of time my colleague wishes.

The PRESIDING OFFICER. There are 19 minutes remaining in opposition.

The Senator from West Virginia.

Mr. BYRD. I thank my friend. I thank the Chair.

Mr. President, I fully support the case that has been so ably expressed against the amendment by the distinguished Senator from Washington [Mr. GORTON]. I cannot improve upon it. As a matter of fact, I could not equal it.

The amendment proposes to reduce over $200 million from various accounts in the Interior appropriations bill as reported by the Senate Appropriations Committee in order to put money into the Bureau of Indian Affairs.

The effect of this amendment is to impose greater reductions on programs in the bill which have already been introduced in order to restore funding to the Bureau of Indian Affairs. The intention of the amendment is to insulate the Bureau of Indian Affairs from the reductions necessitated by the budget resolution and the drive for a balanced budget.

I appreciate the concerns of the sponsors of this amendment about the effects of this Interior bill on the BIA programs. However, I must remind all Senators that the Indian programs consumed about 30 percent of the total resources of the Interior bill.

In the recommendations pending before the Senate today, the committee has protected the critical functions of education for Indian children, health care for Indian people, fulfillment of legislative payments due to settlement of land and water claims of Indian tribes, and protection of the core trust responsibilities for native Americans.

The reductions in Indian programs are directed at tribal government. Just as we are expecting the Federal Government to downsize and do more with less, so too must tribal governments. This is not to suggest that what the tribes use their funds for is not important. Rather, it is yet another example of what gets affected when discretionary spending is reduced. And we have not seen anything yet. Just wait until next year.

As indicated when we began debate on this measure, this appropriations bill is funded $1.1 billion below the fiscal year 1995 enacted level. I will repeat—$1.1 billion below last year.

The only way to comply with the allocation assigned to this subcommittee was to engage in spending cuts. The subcommittee sought to be responsive to the variety of demands for the programs in this bill. There were well over 1,000 requests submitted by Senators for items to be funded in this bill. The vast majority of these were for items in the natural resource accounts, particularly land acquisition and construction. It was not possible to protect any account fully and still advance many important projects brought to the subcommittee for consideration.

Mr. President, the types of reductions imposed by this bill are the consequence of the bottom line of the budget resolution. While the assumptions of the budget resolution are not binding on the Appropriations Committee, the bottom line for discretionary spending is very binding—very binding—unless 60 Senators wish to waive the Budget Act and allow an appropriations bill to exceed its 602(b) allocation.

In considering the allocation of the domestic discretionary spending category amongst the various appropriations subcommittees, the Interior subcommittee was fortunate in that the allocations from the full committee did not track the budget resolution dollar for dollar. Had that occurred the cuts in this bill would have been even greater. The budget resolution would have assigned an allocation to this subcommittee that would have been $443 million less than that currently in place for the Interior bill.

Mr. President, the sponsors of the amendment may contend that the budget resolution would not have imposed these types of reductions in the Bureau of Indian Affairs, and that may be true. But let me describe for Senators just some of the things that the budget resolution would have done that this subcommittee chose to handle differently.

The budget resolution assumptions rejected every single land acquisition project—not just for this year but for the outyears as well; not a reduced land acquisition program, but an outright termination of the program.

In response to Senators, Senator GORTON and I chose to fund a limited yet responsible land acquisition program. In order to do this we had to take cuts in other areas.

The budget resolution assumptions would have reduced energy programs in this bill in half, and this would mean even greater cuts than those recommended in areas such as grants for home energy weatherization for the low income and the elderly, energy efficiency improvements in buildings, natural gas research and development programs, including those for high-efficiency turbine systems and fuel cells, and development into alternative fuel systems for vehicles and other applications.

The committee opted to put all of these programs on a declining path but to do so in an orderly fashion so that investments would not be wasted, investments today.

For those who think that the bill has not done enough to stabilize the timber supply program and the natural forest system lands, the budget resolution would have imposed greater cuts on the Forest Service accounts than the 22 percent cut already taken in the committee's recommendation. The budget resolution assumptions would have imposed a reduction of $68 million on the National Biological Service, as compared to the $27 million cut recommended by the committee. The committee's action, however, preserves ongoing operations at longstanding facilities in Ann Arbor, MI; La Crosse, WI; Jamestown, ND; Lafayette, LA; Gainesville, FL; Columbia, Missouri; Anchorage, AK; and, yes, Leetown, WV; and Seattle, WA. At the funding level for NBS in the House bill, all of these facilities would be affected by closure.

So, Mr. President, the subcommittee opted to distribute the cuts mandated by the budget resolution in a different fashion. Had we exempted 30 percent of the bill from any consideration of spending cuts, the ramifications would have been even greater elsewhere.

The committee recommendations include an 8 percent reduction in Indian program funding. By comparison, natural resource programs for the land managing agencies are reduced by 14 percent. The Department of Energy, which makes up a far smaller portion of the bill than the Indian programs, was reduced by 10 percent. The cultural programs that make up just 6 percent of the bill are reduced by 15 percent. Thus, the 8 percent reduction for Indian programs is not disproportionate in the context of a declining budget.

Senators should remember that the committee's recommendations protect Indian health care services, education, and trust responsibilities. This bill funds recently authorized negotiated settlements at a time when many other authorizations for other programs are unable to be funded. Reductions are imposed on the Indian programs just as they are imposed on nearly every program in this bill.

Mr. President, I have listened to the words of my distinguished friends who are sponsors of this amendment. They make a good case. And I sympathize very much with what they have said. This is one of the disagreeable responsibilities that we have to fulfill in this body, opposing the Senators who are our friends, who make a good case for the cause which they are presenting.

It is a situation that we are going to find more and more disagreeable as we go along by virtue of the fact to a considerable degree we are being asked to increase military funding by $7 billion over and above the President's request. But it is going to come out of the hide of domestic discretionary spending. There is no way to divide this child between those, on the one hand, who make a justifiable plea for this or that or the other cause and, on the other hand, be fair, intemperate and respond favorably to those on the other side in a given situation.

I share 32 years with my friend, the Senator from Hawaii—32 years. Never have we had a disagreement, never have we had an angry or heated exchange on this floor or in any committee or subcommittee. I have many friends in this body on both sides of the aisle, and he is one of my very, very best and one whom I greatly admire. If there is a friend in this body of the American Indian—and there are many friends—the distinguished and able Senator from Hawaii [Mr. INOUYE] is that true friend. So I find it very disagreeable to myself to have to oppose his position on this amendment.

My friend, the Senator from New Mexico, is one of the brightest Senators in this body. His intellect I admire greatly. His effectiveness is unexcelled. He, too, is my friend, and I find it difficult to take a stand against the position he has proposed.

The distinguished Senator from Arizona is a true patriot, and his demonstration of patriotism is repeated many times and it is unassailable. He is a dedicated Senator. He does his homework well, and I have great admiration for him. But in closing, I must say that we do have to make a choice. I think the distinguished manager of this bill has been fair. He has been reasonable. He has done the best that he could do with what he has with which to do. I support him fully in taking the position in opposition to the amendment, and I do so, as I say, apologetically to my dear friends who have made their case, but I think we can only do so much with what we have.

The Senator from Washington has weighed the pros and cons in the balance, and when Senators consider what is in the bill and also what the committee has had with which to spread the funds among the various agencies—and there are 40 agencies involved in this bill—plus the fact that, as the distinguished Senator from Washington has said, when we add a little here for this amendment, we have to take a little away from somebody else, from some other Americans—I hope Senators will take a look at how their States will be affected if this amendment is adopted. I believe we will find that 12 States will gain in BIA funds while 38 States will lose to one degree or another. That is just the way we have to face up to this situation. And this is not the only time we are going to have to make this kind of choice. It is going to be thrust upon us repeatedly in the days ahead. We might as well kind of get used to it.

So I salute my friends for doing what they think is right. Senator GORTON and I, I am sure, would like nothing better than to be able to accede to this request, but we also have a responsibility toward other programs, toward other Americans as well as the Native Americans, and we have tried to discharge that responsibility to the best of our ability.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. What is the time situation?

The PRESIDING OFFICER. The Senator from New Mexico has 5 minutes and 13 seconds. And the Senator from Washington has 3 minutes, 9 seconds.

Mr. DOMENICI. Would Senator INOUYE like half the time?

Mr. President, we get 5 minutes each tomorrow. I am hopeful in this case that even though there are not so many Senators in the Chamber, that between this evening and tomorrow Senators will have had a chance to listen. I very much appreciate the arguments of those who are opposed to us and without using a lot of time, let me just suggest that they are both held in high esteem by this Senator.

But, Mr. President, it is too bad that the Indian people of the United States do not reside in cities like Seattle, WA, Albuquerque, NM, Milwaukee, WI and others. They really live in tiny places like Taos, Zia, Mescalero, San Juan, and hundreds of little places.

I say to Senators, if this is a case where you are going to look in your own back yard and say, "If I'm going to lose a little bit of the fish and wildlife activities in my State, I am not going to help the Indian people." Or I regret to say, if the Senators choose to say, "The Indian people are only in 12 States, therefore, if we give them anymore money, 38 States lose something."

I know my friend did not mean that we ought to approach the Indian problems of America that way. I must say, however, that I cannot create demographics. All I do is represent the Indian people of my State and wherever they may be across the Nation. Native Americans just do not happen to be in every State.

I submit we are not going to spend anymore time on this. From this list the Fish and Wildlife Service gave you, I only wrote down one note, Senator GORTON. Given that one long list of wildlife refuges that they are going to close, do they do anything else? What does the rest of the money go for? Maybe they ought to leave the refuges open and cut something else. We get this every time we talk to the Department of Interior. Last time we talked about parks we had park rangers having press conferences, talking about how many parks were going to be closed. They could not know how many parks were going to be closed until this bill passes. They do not know if any parks are going to close at all. It happens there are not going to be any because of the way the bill was handled. Two months ago the national monument syndrome had spread to every national park with Federal officials holding meetings, calling people. I do not know how many hundreds of these parks were going to be closed according to the administration.

I admit, Mr. President, that when you take 46 percent out of the total Department of Interior reductions that will come out of local tribal programs, I cannot stand up here and tell you that it is a fish and wildlife refuge. I cannot even tell you that it is a fish hatchery. I can tell you that it is a small group of people and their local government. If somebody says here today, "Well, government is getting cut everywhere." I do not know about that, but I can tell you in my State, the Indian Pueblos, and their government's money will get cut. Now for those who say America's narrowing down its government, making it smaller. Are we making it significantly smaller in one fell swoop? I cannot even tell you as eloquently as my friend, Senator GORTON did, what precisely will be affected.

But let me tell you, the programs are the government operations of Indian tribes and Indian reservations across America, general assistance to individuals and families whose incomes are below current State standards, child welfare programs run by the tribes that provide assistance to abandoned or neglected children, programs to prevent the separation of families, again run by the tribes, law enforcement run by the tribes to have some law and civility in these villages where so much crime is coming and so much drunkenness, and, yes, even suicide going rampant across Indian country, fire protection for the Indian villages, maintenance of 20 million miles of roads, most of which are not even good enough to travel on.

For each one of those governments across this land that is a pretty healthy cut.

Now, somebody might say, "Would you cut some other Indian program and pay for these?" Well, let me suggest tonight the issue is, do we send this bill out of this Chamber significantly reducing the Indian government money, the local tribal programs or do we not? That is the issue.

I submit we should not. And I submit—

I ask that I have one additional minute, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I submit that if the line agencies of our Government have to be restrained in order to help the Indian people, who are in a state of crisis, so be it. I am ready to go home and say, "Yes. We had to save Indian programs. Fish and Wildlife Service, you get less money." We had to say to the USGS, "Yes. You get less money," and the others that I mentioned, the 6 agencies or so that we have to reduce.

Now, if they go to conference and want to reduce everything in this budget rather than just those five or six agencies, that is up to the conferees. Then it is up to the Senate and the House if they want to vote for that later on. The issue now is very, very simple. Return $200 million to the tribal programs to do what I have just described, and take it out of the line agencies of Federal Government that I have described here tonight. I, frankly, believe it is the right thing to do. What will come of it after that? We will just have to wait an see.

I yield the floor.

The PRESIDING OFFICER. The time is expired. The Senator from Washington has remaining 3 minutes, 9 seconds.

Mr. GORTON. Mr. President, the fact remains that Indian programs are reduced less by this budget than almost every other program within this appropriations bill. That is a fact. The fact is that one-third of all Indian programs are not even included in this bill and do include child care, violence prevention, and the like, and remained in bills yet undecided on this floor. The Senator from New Mexico asked but did not answer the question, are the programs which are reduced in this appropriations bill so important that restoration should come from other Indian programs?

This Senator, at least, would defer to the authorizing committee, to those who represent large groups of Indians, in a reallocation of priorities within Indian programs. What this Senator feels to be totally unfair, however, is to devastate the other land management activities of the Government of the United States, land management activities which are dedicated to the benefit of all Americans, including of course, Indians, in the preservation of wildlife, the provision of recreation, the restoration of our fisheries and of our forests.

These are programs that we cannot possibly abandon to anyone else. They are the sole function of the Government of the United States. Indians, who are self-governing, and at least partly self-sufficient, as inadequate as they may be, do have other sources. We discussed very briefly gaming activities which will be discussed more and more which have taken place only in the last handful of years. And yet no contributions, zero contributions is asked of the beneficiaries of those activities toward these vitally important questions.

This is an appropriations bill dealing with extremely difficult questions and the requirement of overall cuts of 11 percent, which has reduced Indian programs by markedly less than that amount and has reduced other programs already by considerably more than that amount. It is neither fair, Mr. President, nor good policy, nor appropriate stewardship, nor a discharge of our trust for the lands we all own as citizens in common to make these reductions, none of which affects any of the myriad of other Indian programs, simply in order to preserve the full dependency of these Indian governmental activities on funding not of their members but of the Federal Government itself.

The PRESIDING OFFICER. Time has expired.

AMENDMENT NOS. 2297 THROUGH 2301, EN BLOC

Mr. GORTON. Mr. President, I have five agreed-upon amendments. I ask unanimous consent that the pending amendment be set aside and that these five amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes amendments numbered 2297 through 2301, en bloc.

Mr. GORTON. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2297

(Purpose: To allow the National Park Service's American Battlefield Protection Program to enter into cooperative agreements)

At the appropriate place, insert: "Notwithstanding other provisions of law, the National Park Service's American Battlefield Protection Program may enter into cooperative agreements, grants, contracts, or other generally accepted means of financial assistance with federal, state, local, and tribal governments; other public entities; educational institutions; and private, non-profit organizations for the purpose of identifying, evaluating, and protecting historic battlefields and associated sites."

AMENDMENT NO. 2298

On page 55, line 13 strike "." and insert ", or".

On page 55, line 14 insert the following:

"(3) fail to reach a mutual agreement that addresses the concerns of affected parties within 90 days after the date of enactment of this Act."

AMENDMENT NO. 2299

On page 114, line 9, strike $1,600,000 and insert $4,000,000.

On page 115, line 1, after "funds" insert the word "generally".

AMENDMENT NO. 2300

On page 103, on line 25 strike "." and insert the following: ", unless the relevant agencies of the Department of Interior and/or Agriculture follow appropriate reprogramming guidelines. Provided further: if no funds are provided for the AmeriCorps program by the VA-HUD and Independent Agencies fiscal year 1996 appropriations bill, then none of the funds appropriated or otherwise made available by this Act may be used for the AmeriCorps program."

AMENDMENT NO. 2301

(Purpose: To require certain Federal agencies to prepare and submit to Congress rankings of the proposals of such agencies for land acquisition)

On page 136, between lines 12 and 13, insert the following:

SEC. 330. (a)(1) The head of each agency referred to in paragraph (2) shall submit to the President each year, through the head of the department having jurisdiction over the agency, a land acquisition ranking for the agency concerned for the fiscal year beginning after the date of the submittal of the report.

(2) The heads of agencies referred to in paragraph (1) are the following:

(A) The Director of the National Park Service in the case of the National Park Service.

(B) The Director of the Fish and Wildlife Service in the case of the Fish and Wildlife Service.

(C) The Director of the Bureau of Land Management in the case of the Bureau of Land Management.

(D) The Chief of the Forest Service in the case of the Forest Service.

(3) In this section, the term "land acquisition ranking", in the case of a Federal agency, means a statement of the order of precedence of the land acquisition proposals of the agency, including a statement of the order of precedence of such proposals for each organizational unit of the agency.

(b) The President shall include the land acquisition rankings for a fiscal year that are submitted to the President under subsection (a)(1) in the supporting information submitted to Congress with the budget for that fiscal year under section 1105 of title 31, United States Code.

(c)(1) The head of the agency concerned shall determine the order of precedence of land acquisitions proposals under subsection (a)(1) in accordance with criteria that the Secretary of the Department having jurisdiction over the agency shall prescribe.

(2) The criteria prescribed under paragraph (1) shall provide for a determination of the order of precedence of land acquisition proposals through consideration of—

(A) the natural resources located on the land covered by the acquisition proposals;

(B) the degree to which such resources are threatened;

(C) the length of time required for the acquisition of the land;

(D) the extend, if any, to which an increase in the cost of the land covered by the proposals makes timely completion of the acquisition advisable;

(E) the extent of public support for the acquisition of the land; and

(F) such other matters as the Secretary concerned shall prescribe.

Mr. GORTON. Mr. President, the first amendment, No. 2297, is presented on behalf of Senator JEFFORDS from Vermont. It has to do with the National Park Service, American Battlefield Protection Program, the use of cooperative agreements.

The next three amendments are offered on behalf of the other Senator from the State of Washington [Mrs. MURRAY], and myself: One, No. 2298, modifying Lummi Indian language; the second, No. 2299, modifying Columbia Basin Ecosystem Project language; the third, No. 2300, modifying AmeriCorps language modification; and the fifth amendment, No, 2301, is from the Senator from Arizona [Mr. McCAIN], on land acquisition priority list requirement.

None of these amendments changes the total amounts of appropriations within the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendments, en bloc.

The amendments (Nos. 2297 through 2301) were agreed to, en bloc.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

Mr. GORTON. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO BILLY J. WILLIAMS

Mr HEFLIN. Mr. President, former Alabama State Representative Billy J. Williams passed away in Bridgeport, AL, on July 20.

He served as a representative in the State legislature from 1967 to 1974. He was also a former Jackson County Commissioner, chairman of the Jackson Economic Development Authority, chairman of the Bridgeport Utilities Board, a member of the Democratic Executive Committee, and a member of the board of directors of Colonial Bank. He was a member of the Rocky Springs Church of Christ, Bridgeport Lodge F and AM, the Scottish Rite, and Alhambra Shrine Temple.

Billy Williams was an outstanding public servant who made many contributions to his community and State over the years. He will be sorely missed by those fortunate enough to have known him. I extend my sincerest condolences to his wife Maurin and their entire family in the wake of this loss.

WELFARE REFORM: COMMON SENSE SOLUTIONS TO THE WELFARE CRISIS

Mr. KYL. Mr. President, when the Senate returns from recess, it will begin the process of fundamentally changing our Nation's welfare system. While this is one of the most important things we should do this year, I believe we must acknowledge, as Bill Bennett has said, that most of our problems are cultural, and "cultural problems demand cultural solutions." In other words, the problems that we seek to influence at the margins with governmental programs can only be permanently and effectively dealt with by changing our culture.

After trillions of dollars spent on welfare, it is obvious that Federal dollars alone will not solve the problems. All over this country, people need to be involved on a personal level to make the kinds of changes that will reverse the devastating social trends that have taken hold of so much of our land. We desperately need to overhaul our Nation's welfare system, yes. But, change in Federal policy alone will not resolve the underlying causes of this crisis. It cannot be solved without individual commitment and personal responsibility. Everyone has to be willing to answer to his or her own behavior and decisions.

The challenge is to help those people with no hope to a new life of responsibility, productivity and happiness.

THE INEFFECTIVE, COSTLY FEDERAL WELFARE BUREAUCRACY MUST END

As we work toward effective welfare reform, I believe it would benefit the Senate to first recognize publicly the failure of the current system. We cannot expect different results if we continue to do the same things.

It has become painfully clear that we cannot solve our welfare problems by expanding the bloated and detached Federal bureaucracy or by increasing Federal dollars with entitlement status. Since President Johnson declared his "War on Poverty," the Federal Government, under federally designed programs, has spent more than $5 trillion on welfare programs. But, during this time, the poverty rate has increased from 14.7 to 15.3 percent.

The average monthly number of children receiving Aid to Families with Dependent Children (AFDC) benefits has increased from 3 million in 1965 to over 9 million in 1992. That increase occurred as the total number of children in the United States decreased by 5.5 percent.

This means, at a minimum, the Great Society system has not worked; and, at worst, it has actually contributed to the problem by discouraging work, penalizing marriage, and destroying personal responsibility and, oftentimes, self-worth.

Limited success in reforming welfare has occurred when States and localities have been given the opportunity "to go their own way." Under a State work-based initiative in Wisconsin, for example, individuals have been diverted from ever getting on welfare, and under a local initiative in Riverside, CA, individuals on welfare are staying in jobs permanently. In both Wisconsin and Riverside, welfare rolls have been reduced. Additionally, in Wisconsin, unemployed, non-custodial parents not meeting their child support obligations are required to actively look for work or work in a public or private sector job, or they are faced with jail time.

Since States are designing programs that work and since the Federal Government has clearly failed, the administration and design of most welfare related programs should fall under State and local control. Arizona's efforts at reform are a good example of why reform is needed. Arizona applied in July of last year to implement a new State welfare program, EMPOWER. It is based on work, responsibility, and accountability. It took the Department of Health and Human Services bureaucracy a full year to approve the waiver. What State wants to waste its time and resources preparing a waiver request knowing full well that the Federal Government might put up roadblocks or simply not act on it for years?

That is why block grants to States make sense. By allowing States to design their own programs, decisions will be more localized, and the costs of the Federal bureaucracy will be avoided. I support proposals to block grant AFDC, child care, and job training programs, and perhaps, to block grant additional programs, such as food stamps.

This having been said about block grants, there are two fundamental driving forces behind welfare dependency that require some Federal commitment: nonwork and nonmarriage.

While I am totally skeptical about Government's ability to legislate cultural solutions, I do believe that certain fundamental principles are worth reinforcing. In other words, as long as Federal tax funds are being used, they should be spent in a positive, not a negative way. For example, it is wrong for Federal policy to penalize work and marriage. Instead, work and marriage should be rewarded because they are integral to the fabric of our society.

Nonwork and illegitimacy are key underlying causes of our welfare crisis and, even with the effective elimination of the Federal welfare bureaucracy, they will remain as its legacy if we choose not to address them. Responsibility is integral to a successful life—so Federal tax funds should be given only to those willing to work and willing to raise children responsibly. People will never get out of the dependency cycle if Federal funds reinforce destructive behavior.

WORK

Everybody knows that incentives to work are one integral component of any successful welfare solution.

Let us deal with the facts: To escape poverty and get off welfare, able-bodied individuals must enter and stay in the workforce. As Teddy Roosevelt said, "The first requisite of a good citizen in this Republic of ours is that he shall be able and willing to pull his own weight."

Let us look at another cold, hard fact: The JOBS program that passed as a part of the Family Support Act of 1988 is not moving welfare recipients into work. Less than 10 percent of welfare recipients now participate in the JOBS Program. In fact, the JOBS Program does not require work, but simply participation in a job readiness program.

Once again: the Federal solution has been a failure. States can probably do better. States should be given the flexibility to determine how they will increase the number of welfare recipients engaged in work—and I mean real work. A number of studies, including a study recently released by the Manpower Demonstration Research Corporation (MDRC), indicate that getting a welfare recipient into work is more likely than any other factor—more than training or education for example—to result in the recipient leaving welfare for good.

And so, in my view, requiring States to adhere to tough definitions of work and to meet realistic, but tough, work participation rates will help States move toward what should be their primary goal: self-sufficiency among all their citizens.

S. 1120 provides a beginning toward these goals. Under S. 1120, welfare recipients must enter work no later than 2 years after receiving their first welfare payment. By the year 2000, 50 percent of a State's welfare caseload, with no exemptions, will be required to work. I am pleased that an agreement has been reached to add to S. 1120 a requirement that States must lower welfare benefits on a pro rata basis for individuals who fail to show up for required work. I will continue to work for a bill that will bring more individuals into the workforce.

ILLEGITIMACY

Our Nation's illegitimacy rate has increased from 10.7 percent in 1970 to nearly 30 percent in 1991. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

As the senior Senator from New York, who has worked on these issues for 30 years, said this week, if we do not do something to reverse this trend we may simply not make it as a society. And, as the senior Senator from Texas and others have said as well, to do anything less than radically change the system that has created this trend would be suicidal for our country. Clearly, the issue of illegitimacy is not a partisan issue, and it is one that demands immediate attention.

We must appreciate the role that the breakdown of the family, that fatherless families, have played in our societal and cultural decline. This is not really even a debatable point. The facts support the devastating reality. According to a 1995 U.S. Census Bureau report, the one-parent family is six times more likely to live in poverty than the two-parent family. And, according to a study conducted in 1990 by June O'Neill—now director of the Congressional Budget Office, a young male is twice as likely to engage in criminal behavior if he is raised without a father.

Robert Lerman of the Urban Institute stated it well in an op-ed in the Washington Post on Monday. He says that even the best set of employment and training programs will still leave children in one-parent families living "near the edge." Mr. Lerman goes on to explain that growing up in a family with only one parent "increases the child's risk of dropping out of school, becoming an unmarried parent and having trouble getting and holding a job." As the op-ed clearly states, the engagement of fathers in parenting is the most important factor in helping people leave the welfare rolls and escape poverty.

I will, therefore, support measures to combat illegitimacy, including an amendment to provide incentives to States for reducing illegitimacy rates. I will also support initiatives to limit increases in cash assistance for mothers having additional children while on welfare. If the rules of welfare are stated clearly to a mom from the beginning, and if allowances are made for noncash essentials like diapers and other items, then I do not believe such a welfare rule is unfair. In the end, if such a rule reduces out-of-wedlock births, it may turn out to be more fair than most other aspects of welfare.

PRIVATE SECTOR SOLUTIONS

Although most State solutions to welfare are more effective than Federal solutions, no Government program can replace private sector charities and civic contributions. States can do it better than the Federal bureaucracy, but communities and individuals will ultimately have to solve this crisis. For instance, if given $10,000 to spend on a welfare programs of their choice, most Americans would choose to contribute to the local homeless shelter or Salvation Army over some Government welfare program because they know the private sector will be more effective.

During this welfare debate, it is my hope that we can discuss ways to end what John Goodman of the National Center for Policy Analysis has called, the "Federal Government's monopoly on welfare tax dollars." I support the provision of S. 1120 that allows States to contract with private charitable organizations—including religious organizations—to meet the needs of recipients within their State.

I also believe that allowing taxpayers to claim a credit on their Federal tax returns for dollars or hours donated to a qualified charity will give taxpayers the opportunity to decide how their welfare tax dollars are spent and will promote private sector involvement. I will support efforts to establish such a tax credit; I will also support efforts to change sections of the Tax Code that provide disincentives to marriage.

Mr. President, I would ask my friends on both sides of the aisle to recognize the urgency of our task. I respect the intentions of those who disagree with our proposals for more fundamental reform. But the bureaucratic responses to the problem have failed. It is time for something else. The status quo of the past 30 years will no longer suffice. As candidate for President Clinton said, "we must end welfare as we know it."

The most compassionate thing we can do for those on welfare is to get them off of welfare. The measure of our success will not be by how many people we cover, but how few we need to cover. Our current system has the effect of enslaving human beings to lives of dependency. Mr. President, let us end the bureaucratic welfare state; let us create an opportunity society.

WAS CONGRESS IRRESPONSIBLE? CONSIDER THE ARITHMETIC

Mr. HELMS. Mr. President, on that November evening in 1972 when I first was elected to the Senate, I made a private commitment that I would never fail to see a young person, or a group of young people, who wanted to see me.

It has proved enormously beneficial to me because I have been inspired by the more than 60,000 young people with whom I have visited during the nearly 23 years I have been in the Senate.

Most of them have been concerned about the enormity of the Federal debt that Congress has run up for the coming generations to pay. These young people and I almost always discuss the fact that under the U.S. Constitution, no President can spend a dime of Federal money that has not first been authorized and appropriated by both the House and Senate of the United States.

That is why I began making these daily reports to the Senate on February 22, 1992. I wanted to make a matter of daily record of the precise size of the Federal debt which as of yesterday, Monday, August 7, stood at $4,946,673,660,276.63 or $18,777.66 for every man, woman, and child in America on a per capita basis.

THE STATE DEPARTMENT AUTHORIZATION BILL

Mr. THOMAS. Mr. President, I rise today as Chairman of the Subcommittee on East Asian and Pacific Affairs to express my great disappointment that the Senate was unable last week to complete work on S. 908, the State Department Authorization bill. Perhaps "unable" is not quite accurate, Mr. President; "prevented" is closer to the truth. We were prevented from voting on the bill—in fact, prevented even from reaching more than a handful of the ninety or so amendments to it—by the obstinacy of the Democrat minority in the Senate.

I strongly believe that S. 908 is more than just a simple authorization bill; it is a litmus test for our willingness to change, our willingness to heed the mandate we received last November to save money, cut bureaucracy, and make government more responsive to both the taxpayer and the times. S. 908 was the first authorization measure this Congress to reach the floor within required budget targets. Moreover, the bill proposed to reduce dramatically bureaucratic overlap and duplication of effort among several agencies by bringing those agencies and much of their personnel under one roof in the State Department. This reorganization of our foreign policy apparatus, a reorganization supported by five former Secretaries of State, would save over $3.66 billion over four years.

But despite the savings, despite the streamlining, despite the benefits to the exercise of our foreign policy, the forces arrayed against the bill joined to form an unholy alliance with one objective: stop the legislation. I think this fact was most clearly illustrated by this statement from an A.I.D. internal memo brought to light while the bill was still in its formulative stage:

> The strategy is "delay, postpone, obfuscate, derail"—if we derail, we can kill the merger. . . . Official word is we don't care if there is a State authorization this year.

From the very beginning, despite repeated invitations from the Chairman, the administration refused to even meet to discuss the bill or participate in the drafting of it. There was no compromise, no constructive criticism, no alternatives—nothing. Instead, they stonewalled, obstructed, thwarted and delayed. Secretary Christopher, who had earlier championed a plan extremely similar to that envisioned by S. 908, was muzzled by the White House and suddenly opposed the idea. The only active interest they evinced was to engage in a distortion campaign. They claimed that folding the agencies into State would mean agency programs would be run by State employees with no experience in the fields, while failing to mention the fact that the bill also provided for the large-scale transfer of agency staff to ensure continuity. They labelled supporters of the cost-savings provisions in the bill "isolationists," overlooking the fact that we've asked every other department and agency to tighten its belt. They contacted countless private groups that benefit directly (and monetarily) from AID programs and forecasted doom and gloom in an effort to generate lobbying against the bill. They said the President had an alternative plan far superior to the bill, but never produced one—the first time in my memory that the White House had failed to do so. It became clear that, like much of what this administration says, it is only paying lip service to his pledges to "reinvent government."

When it became clear that the bill was destined to leave the committee and go to the floor, the focus of the administration's efforts shifted to make sure that the Senators in the minority toed the administration line. Two attempts to invoke cloture—not to stop debate but to limit it to a manageable 30 hours—failed along strictly party lines. Only the distinguished ranking minority member, Senator PELL, indicated that getting a final vote, either up or down, was more important than obstructionism. Dozens of amendments materialized, many aimed at nothing less than delay.

Mr. President, I am amazed at how quickly the Democrats have forgotten their own words; how quick they are not to practice what they preach. For example, there was this statement in the last Congress from Senator HARKIN, who voted against cloture on S. 908:

> Well, it was obvious that after chewing up about 7 or 10 days of the August break that the Republicans simply were just going to talk it [the bill being debated] to death. They were going to offer amendments, talk on and on, and drag the whole process out and never reach any real, meaningful votes on [the] bill . . . the Republicans say no . . . [w]e will not take the keys that we hold to gridlock and unlock that padlock and open the door. . . .
>
> Madam President, I have served in the Congress now for 20 years. I have seen a lot of fights in the House and in the Senate, some pretty tough ones; I have seen some pretty tough debates and pretty tough issues. . . . But in my 20 years in this Congress I have never seen anything like exists today. This attitude of gridlock, of stopping everything . . . that we have to stop things because perhaps the only way to take over is to tear it down. . . .
>
> No, I have never seen anything like this in 20 years; the sort of the mean spiritedness, the antagonisms, the inability to give either side their proper due and to let legislation move. There is nothing wrong with people to want to amend and change, everyone should have their viewpoint and they should be heard. When it gets to the point where people just adamantly block everything, then surely this Senate and this Congress has become something that our forefathers never envisioned. . . . But this is not what our forefathers envisioned. They envisioned a legislative body that, yes, would debate and discuss and amend, but would do something and get something through. We now have a situation where the minority side will not permit that to happen. 140 Congressional RECORD S-13262.

There was this from Senator LAUTENBURG, who also voted against cloture on S. 908:

> In my view, Mr. President, the answer is simple: the Republican leadership simply did not want the Congress, as an institution, to

> demonstrate that it can do the business of the people. . . . In the past, I have encountered steady opposition by Republican Senators who stalled for months any serious consideration of the bill and asked for extremist changes that would destroy its reforms. . . . And unfortunately, in the Senate where the rules and filibusters give the minority the ability to paralyze, we can see very clearly the handwriting on the wall if we ask for a vote on [the bill]. 140 Congressional RECORD S-14221.

From Senator BOXER, another opponent of cloture on S. 908, we heard:

> Madam President, I am very disappointed that a large majority of my Republican colleagues have decided that, outside of routine business, they really do not want to continue the work of this Congress. They want to stall and run the legislative clock down. They would rather talk on and on, even all through the night if that is necessary, to kill legislation that I believe is important to the American people. Madam President, the filibuster has a new best friend: The Republican Party. They embrace the filibuster. They love the filibuster. . . .
>
> [W]e Democrats underst[and] that you [have] to get things done no matter which party [is] in control. We [do] not stop legislation. . . .
>
> We did not come here to filibuster, we came here to work. We have a can-do spirit in this country . . . not a no-can-do yak-yak-yak through the night, stop the progress attitude. . . . We are supposed to do the work for the people; the operative word is "work." 140 Congressional RECORD S-13400.

Finally, Mr. President, we heard this from Senator BIDEN, another opponent of cloture on S. 908:

> I also find it fascinating to listen and hear about what gridlock is. Let us talk about what gridlock is—my definition of gridlock. My definition of gridlock is when you have a clear majority of the elected representatives of the American people who work in the U.S. Congress—Democrat and Republican, House and Senate—when a clear, undisputed majority want to do something and a minority repeatedly comes along and says we are not going to even let you vote on whether or not we are going to do that—that seems to me to be gridlock, or obstruction. . . . Now, that is gridlock. I am not taking issue with anybody's views on the floor. I am not taking issue with their views, if they believe them as a matter of principle and that is the only reason. There are a lot of crazy ideas that are reflected in the American public and the American psyche and the U.S. Senate. I have been the father of some of those crazy ideas. So, I respect that. . . . But the American people do not understand, nor should they have to understand, the technicalities—such as with the legal system and the complexities of the operation of the fifth amendment and the fourth amendment and the second amendment and the first amendment. They look at it and say, "Wait a minute now, this is right and this is wrong. Why are we doing this?"
>
> One of the things the American people, I think, also understand and view the same way is their Government. We all in this body know any Senator is within his rights to engage in a filibuster, to use the parliamentary rules to his or her advantage to keep a majority from prevailing—and there is an underlying, solid rationale for that having been put in the Senate rules. Notwithstanding that, I think the American people have had to wonder a little bit: Why is it that when repeatedly, time after time after time, an overwhelming majority of Members of both Houses of the U.S. Congress say they want to do something, our Republican friends stand up and say no. The party of no.
>
> Maybe the Senator is correct, that the American people do not like the [bill]. I did not like it. So maybe I am with the American people. But I did not think the alternative was if I did not like that, we were not going to cooperate and not going to deal with the . . . problem in America. I thought that is what we were supposed to do. We disagree, we negotiate, we debate, we compromise and we act, when there is a majority that wishes to do that.
>
> The truth, Madam President, is that the record is inescapable on what has happened to this Congress and this Senate because of filibusters, obstructionism, and gridlock. And I know that some of my colleagues on the other side of the aisle have raised this issue in caucuses and are nervous about the potential of this strategy because that is what it is—a conscious . . . strategy to benefit their party at the expense of the people. It is a strategy to forsake America just to impact the elections so that one political party can win; not so that America can win. . . . 140 Congressional RECORD S-14627.

Apparently my Democrat colleagues have very short and selective memories. The Senator from Iowa took us to task for offering countless nongermane amendments in an effort to slow bills down. Perhaps he would like to enquire of the senior Senator from Massachusetts why he took to the floor last week to offer an amendment on the minimum wage to S. 908—hardly a foreign policy issue. The Senator from California castigated us for preferring to talk on and on, into the night if necessary, to kill important legislation. Perhaps she would ask her colleagues why after two days of floor consideration on S. 908 we were unable to produce anything more than several pages of Democrat rhetoric in the Congressional RECORD. The Senator from Delaware noted a conscious plan on our part to block all major legislation in order to benefit our party. Well. Mr. President, I wonder if that Senator would not agree that his party's stalling to death of S. 908, the Defense Authorization bill, Regulatory Reform—among others—demonstrates a similarly conscious plan? The Senator from Delaware noted that in the entire 103rd Congress, there were 72 cloture motions filed and 41 recorded cloture votes, which he characterized as "a proud, record-breaking amount of obstructionism." Well, in just the first 7 months of this Congress—7 months, Mr. President—we have had 32 cloture motions and 16 recorded cloture votes. I wonder what synonym for "obstructionism" the Senator from Delaware would choose to describe that tragic record.

Mr. President, Chairman HELMS has promised to bring the bill back to the floor in the near future. I hope that our Democrat friends will take that opportunity to prove me wrong, call an end to their unconstructive blockade, and get down to doing the business the American people sent us here to do.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry:

Jill L. Long, of Indiana, to be Under Secretary of Agriculture for Rural Economic and Community Development.

Jill L. Long, of Indiana, to be Member of the Board of Directors of the Commodity Credit Corporation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BROWN (for himself, Mr. CRAIG, Mr. BURNS, and Mr. INHOFE):

S. 1130. A bill to provide for the establishment of uniform accounting systems, standards, and reporting systems in the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

By Mr. ROCKEFELLER (for himself and Mr. AKAKA):

S. 1131. A bill to amend title 38, United States Code, to authorize the provision of financial assistance in order to ensure that financially needy veterans receive legal assistance in connection with proceedings before the United States Court of Veterans Appeals; to the Committee on Veterans' Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. COCHRAN (for himself and Mr. LOTT):

S. Res. 161. A resolution to make available to the senior Senator from Mississippi, during his or her term of office, the use of the desk located in the Senate Chamber and used by Senator Jefferson Davis; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROCKEFELLER (for himself and Mr. AKAKA):

S. 1131. A bill to amend title 38, United States Code, to authorize the provision of financial assistance in order to ensure that financially needy veterans receive legal assistance in connection with proceedings before the United States Court of Veterans Appeals; to the Committee on Veterans' Affairs.

U.S. COURTS LEGISLATION

• Mr. ROCKEFELLER. Mr. President, I am today introducing legislation that would provide statutory authorization for a program carried out by the Court of Veterans Appeals, pursuant to authority in appropriations acts, under which claimants before the court who would otherwise seek to prosecute their appeal without legal representation receive assistance in gaining such representation. I am pleased to be joined in introducing this bill by my good friend and fellow member of the Committee on Veterans' Affairs, Senator AKAKA.

Mr. President, the Court of Veterans Appeals pro se program was first set up in 1992 pursuant to an authorization in Public Law 102–229, the Fiscal Year 1992 Dire Emergency Supplemental Appropriations Act. The program has been continued by subsequent appropriations acts, but has never been otherwise authorized. The legislation we are introducing today would provide statutory authorization, thereby demonstrating the value of this program.

Mr. President, pursuant to the initial authorization in Public Law 102–229, the court transferred $950,000 to the Legal Services Corporation, which in turn made two types of grants in fiscal year 1993.

The first grant, a so-called A grant, was given to a consortium—made up of the American Legion, the Disabled American Veterans, the National Veterans Legal Services Project, and the Paralyzed Veterans of America—for the purposes of evaluating cases brought to the court by pro se claimants and recruiting and training volunteer attorneys to represent these individuals. The consortium is overseen by an advisory committee and has three operational components—one that conducts outreach to recruit volunteer attorneys to represent claimants before the court; one that provides an educational course for those attorneys who agree to represent claimants; and one that evaluates cases and assigns them to the volunteer attorneys.

The second type of grant, the so-called B grants, were given to four organizations—the Disabled American Veterans, jointly to the National Veterans Legal Services Project and the Paralyzed Veterans of America, and Swords to Plowshares—to allow those organizations to expand existing programs to provide pro bono legal representation to veterans.

This structure of the two types of grants continues, and the court was authorized in subsequent appropriations acts to transfer $790,000 in each of fiscal years 1994 and 1995.

Mr. President, by all accounts, this program has been a significant success. In testimony for the Committee on Veterans' Affairs' March 9, 1995, hearing on the fiscal year 1996 budget for veterans programs, the court's chief judge, Frank Q. Nebeker, made the following points about the program:

> [F]ully two-thirds of eligible appellants who were pro se when filing appeals in the first two years of the Program's operation received some form of legal assistance. . . . [D]uring these first two years . . . , while only 19% of appellants were represented at the time of filing a notice of appeal to the Court, 42% were represented at case termination as a result of the Program's placement of cases with attorneys. . . . [R]ecruitment of volunteer attorneys has been highly successful. Through the end of calendar year 1994, 342 volunteer attorneys have been recruited and are participating in the Program. . . . Nearly 300 attorneys have received training in veterans law, either through the Program's day-long training sessions (261 attorneys) or through video training tapes (37 individuals or law firms). Of the 159 volunteer attorneys who have completed cases, over 80% have expressed willingness to take another case, and 51 appellants have already received representation by repeat pro bono attorneys. In FY 1994 the Program provided nearly $4.00 worth of volunteer-attorney services for every $1.00 of federal money spent on the Program.

In its annual report for 1994, the program discussed the impact of representation on a claimant's chance of success before the court, noting that of the 203 decisions made by the court through September 1994 in cases in which representation was provided through the program, nearly 80 percent were settled, reversed, or remanded to the Board of Veterans' Appeals. On the other hand, of the 272 pro se cases completed by the court where the eligibility requirements for the program were not met and pro bono representation not provided, only 14 cases resulted in a remand to the Board. Clearly, the opportunity to have qualified legal representation is a great benefit to claimants coming before the court, and the program has been instrumental in helping claimants secure such representation.

Mr. President, the bill we are introducing would amend chapter 72 of title 38, United States Code, the chapter relating to the Court of Veterans Appeals, by adding a new section 7287 which would authorize the court to provide funds to nonprofit organizations in order to allow such organizations to provide funding to appropriate entities to carry out a program to assist pro se claimants to secure representation. All of the provisions in the proposed new section are derived from the language in Public Law 102–229 and are intended to function in the same way, with the court having flexibility in how any available funds are used to support a program. Of course, in light of how well the existing program has functioned, I would anticipate that that effort would continue as long as appropriate. However, there is nothing in the proposed legislation which would mandate such a result, and I anticipate that the court will use whatever funding is provided in future appropriations acts in the way that will ensure that the greatest number of eligible claimants receive representation.

Mr. President, I look forward to working with the committee's chairman, Senator SIMPSON, and the other members of the committee on this legislation. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1131

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LEGAL ASSISTANCE FOR FINANCIALLY NEEDY VETERANS IN CONNECTION WITH COURT OF VETERANS APPEALS PROCEEDINGS.

(a) IN GENERAL.—(1) Subchapter III of chapter 72 of title 38, United States Code, is amended by adding at the end the following:

"§ 7287. Legal assistance for certain veterans in Court proceedings; use of funds for assistance

"(a)(1) The Court may, in accordance with this section, provide funds (in advance or by way of reimbursement) to nonprofit organizations, under such terms and conditions consistent with this section as the Court considers appropriate, in order to permit such organizations to provide financial assistance by grant or contract to such legal assistance entities as the organizations consider appropriate for purposes of permitting such entities to carry out programs described in subsection (b).

"(2) Notwithstanding any other provision of law, if the Court determines that there exists no nonprofit organization that would be an appropriate recipient of funds under this section for the purposes referred to in paragraph (1) and that it is consistent with the mission of the Court, the Court may provide financial assistance, by grant or contract, directly to such legal assistance entities as the Court considers appropriate for purposes of permitting such entities to carry out programs described in subsection (b).

"(b)(1) A program referred to in subsection (a) is any program under which a legal assistance entity utilizes financial assistance under this section to provide assistance or carry out activities (including assistance, services, or activities referred to in paragraph (3)) in order to ensure that individuals described in paragraph (2) receive, without charge, legal assistance in connection with decisions to which section 7252(a) of this title may apply or with other proceedings before the Court.

"(2) An individual referred to in paragraph (1) is any veteran or other person who—

"(A) is or seeks to be a party to an action before the Court; and

"(B) cannot, as determined by the Court or the entity concerned, afford the costs of legal advice and representation in connection with that action.

"(3) Assistance, services, and activities under a program described in this subsection may include the following for individuals described in paragraph (2) in connection with proceedings before the Court:

"(A) Financial assistance to defray the expenses of legal advice or representation (other than payment of attorney fees) by attorneys, clinical law programs of law schools, and veterans service organizations.

"(B) Case screening and referral services for purposes of referring cases to pro bono attorneys and such programs and organizations.

"(C) Education and training of attorneys and other legal personnel who may appear before the Court by attorneys and such programs and organizations.

"(D) Encouragement and facilitation of the pro bono representation by attorneys and such programs and organizations.

"(4) A legal assistance entity that receives financial assistance described in subsection (a) to carry out a program under this subsection shall make such contributions (including in-kind contributions) to the program as the nonprofit organization or the Court, as the case may be, shall specify when providing the assistance.

"(5) A legal assistance entity that receives financial assistance under subsection (a) to carry out a program described in this subsection may not require or request the payment of a charge or fee in connection with the program by or on behalf of any individual described in paragraph (2).

"(c)(1) The Court may, out of the funds appropriated to the Court for such purpose, provide funds to a nonprofit organization described in subsection (a)(1), in advance or by way of reimbursement, to cover some or all of the administrative costs of the organization in providing financial assistance to legal assistance entities carrying out programs described in subsection (b).

"(2) Funds shall be provided under this subsection pursuant to a written agreement entered into by the Court and the nonprofit organization receiving the funds.

"(d) Notwithstanding any other provision of law, a nonprofit organization may—

"(1) accept funds, in advance or by way of reimbursement, from the Court under subsection (a)(1) in order to provide the financial assistance referred to in that subsection;

"(2) provide financial assistance by grant or contract to legal assistance entities under this section for purposes of permitting such entities to carry out programs described in subsection (b);

"(3) administer any such grant or contract; and

"(4) accept funds, in advance or by way of reimbursement, from the Court under subsection (c) in order to cover the administrative costs referred to in that subsection.

"(e)(1) Not later than February 1 each year, the Court shall submit to Congress a report on the funds and financial assistance provided under this section during the preceding fiscal year. Based on the data provided the Court by entities receiving such funds and assistance, each report shall—

"(A) set forth the amount, if any, of funds provided to nonprofit organizations under paragraph (1) of subsection (a) during the fiscal year covered by the report;

"(B) set forth the amount, if any, of financial assistance provided to legal assistance entities pursuant to paragraph (1) of subsection (a) or under paragraph (2) of that subsection during that fiscal year;

"(C) set forth the amount, if any, of funds provided to nonprofit organizations under subsection (c) during that fiscal year; and

"(D) describe the programs carried out under this section during that fiscal year.

"(2) The Court may require that the nonprofit organization and legal assistance entities to which funds or financial assistance are provided under this section provide the Court with such data on the programs carried out under this section as the Court determines necessary to prepare a report under this subsection.

"(g) For the purposes of this section:

"(1) The term 'legal assistance entity' means a not-for-profit organization or veterans service organization capable of providing legal assistance to persons with respect to matters before the Court.

"(2) The term 'Legal Services Corporation' means the corporation established under section 1003(a) of the Legal Services Corporation Act (42 U.S.C. 2996b(a)).

"(3) The term 'nonprofit organization' means the Legal Services Corporation or any other similar not-for-profit organization that is involved with the provision of legal assistance to persons unable to afford such assistance.

"(4) The term 'veterans service organization' means an organization referred to in section 5902(a)(1) of this title, including an organization approved by the Secretary under that section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 7286 the following new item:

"7287. Legal assistance for financially needy veterans in Court proceedings; use of funds for assistance.".●

ADDITIONAL COSPONSORS

S. 304

At the request of Mr. SANTORUM, the name of the Senator from Missouri [Mr. ASHCROFT] was added as a cosponsor of S. 304, a bill to amend the Internal Revenue Code of 1986 to repeal the transportation fuels tax applicable to commercial aviation.

S. 833

At the request of Mr. HATCH, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 833, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

S. 837

At the request of Mr. WARNER, the names of the Senator from Illinois [Mr. SIMON], and the Senator from Vermont [Mr. JEFFORDS] were added as cosponsors of S. 837, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 250th anniversary of the birth of James Madison.

S. 957

At the request of Mr. BURNS, the names of the Senator from Mississippi [Mr. COCHRAN], and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 957, a bill to terminate the Office of the Surgeon General of the Public Health Service.

S. 959

At the request of Mr. HATCH, the name of the Senator from South Carolina [Mr. THURMOND] was added as a cosponsor of S. 959, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 978

At the request of Mrs. HUTCHISON, the name of the Senator from Michigan [Mr. ABRAHAM] was added as a cosponsor of S. 978, a bill to facilitate contributions to charitable organizations by codifying certain exemptions from the Federal securities laws, to clarify the inapplicability of antitrust laws to charitable gift annuities, and for other purposes.

S. 1000

At the request of Mr. BURNS, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1000, a bill to amend the Internal Revenue Code of 1986 to provide that the depreciation rules which apply for regular tax purposes shall also apply for alternative minimum tax purposes, to allow a portion of the tentative minimum tax to be offset by the minimum tax credit, and for other purposes.

S. 1115

At the request of Mr. THURMOND, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1115, a bill to prohibit an award of costs, including attorney's fees, or injunctive relief, against a judicial officer for action taken in a judicial capacity.

SENATE RESOLUTION 149

At the request of Mr. AKAKA, the name of the Senator from Minnesota [Mr. WELLSTONE] was added as a cosponsor of Senate Resolution 149, a resolution expressing the sense of the Senate regarding the recent announcement by the Republic of France that it intends to conduct a series of underground nuclear test explosions despite the current international moratorium on nuclear testing.

SENATE RESOLUTION 161—RELATIVE TO A DESK IN THE SENATE CHAMBER

Mr. COCHRAN (for himself and Mr. LOTT) submitted the following resolution; which was considered and agreed to:

S. RES. 161

Resolved, That during the One hundred fourth Congress and each Congress thereafter, the desk located within the Senate Chamber and used by Senator Jefferson Davis shall, at the request of the senior Senator from the State of Mississippi, be assigned to such Senator, for use in carrying out his or her Senatorial duties during the Senator's term of office.

AMENDMENTS SUBMITTED

THE PERSONAL RESPONSIBILITY ACT OF 1995

DASCHLE AMENDMENT NO. 2282

Mr. DASCHLE proposed an amendment to amendment No. 2280 proposed by Mr. DOLE to the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence; as follows:

This Act may be cited as the "Work First Act of 1995".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Amendment of the Social Security Act.

TITLE I—TEMPORARY EMPLOYMENT ASSISTANCE

Sec. 101. State plan.

TITLE II—WORK FIRST EMPLOYMENT BLOCK GRANT

Sec. 201. Work first employment block grant.
Sec. 202. Consolidation and streamlining of services.
Sec. 203. Job creation.

TITLE III—SUPPORTING WORK

Sec. 301. Extension of transitional medicaid benefits.
Sec. 302. Consolidated child care development block grant.

TITLE IV—ENDING THE CYCLE OF INTERGENERATIONAL DEPENDENCY

Sec. 401. Supervised living arrangements for minors.
Sec. 402. Reinforcing families.
Sec. 403. Required completion of high school or other training for teenage parents.
Sec. 404. Drug treatment and counseling as part of the Work First program.
Sec. 405. Targeting youth at risk of teenage pregnancy.
Sec. 406. National Clearinghouse on Teenage Pregnancy.
Sec. 407. Effective dates.

TITLE V—INTERSTATE CHILD SUPPORT RESPONSIBILITY

Sec. 500. Short title.

Subtitle A—Improvements to the Child Support Collection System

PART I—ELIGIBILITY AND OTHER MATTERS CONCERNING TITLE IV–D PROGRAM CLIENTS

Sec. 501. State obligation to provide paternity establishment and child support enforcement services.
Sec. 502. Distribution of payments.
Sec. 503. Rights to notification and hearings.
Sec. 504. Privacy safeguards.

PART II—PROGRAM ADMINISTRATION AND FUNDING

Sec. 511. Federal matching payments.
Sec. 512. Performance-based incentives and penalties.
Sec. 513. Federal and State reviews and audits.
Sec. 514. Required reporting procedures.
Sec. 515. Automated data processing requirements.
Sec. 516. Director of CSE program; staffing study.
Sec. 517. Funding for assistance to State programs.
Sec. 518. Data collection and reports by the Secretary.

PART III—LOCATE AND CASE TRACKING

Sec. 521. Central State and case registry.
Sec. 522. Centralized collection and disbursement of support payments.
Sec. 523. Amendments concerning income withholding.
Sec. 524. Locator information from interstate networks.
Sec. 525. Expanded Federal parent locator service.
Sec. 526. State directory of new hires.
Sec. 527. Use of social security numbers.

PART IV—STREAMLINING AND UNIFORMITY OF PROCEDURES

Sec. 531. Adoption of uniform State laws.
Sec. 532. Improvements to full faith and credit for child support orders.
Sec. 533. State laws providing expedited procedures.

PART V—PATERNITY ESTABLISHMENT

Sec. 541. State laws concerning paternity establishment.
Sec. 542. Outreach for voluntary paternity establishment.
Sec. 543. Cooperation requirement and good cause exception.

PART VI—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

Sec. 551. National Child Support Guidelines Commission.
Sec. 552. Simplified process for review and adjustment of child support orders.

PART VII—ENFORCEMENT OF SUPPORT ORDERS

Sec. 561. Federal income tax refund offset.
Sec. 562. Internal Revenue Service collection of arrearages.
Sec. 563. Authority to collect support from Federal employees.
Sec. 564. Enforcement of child support obligations of members of the Armed Forces.
Sec. 565. Motor vehicle liens.
Sec. 566. Voiding of fraudulent transfers.
Sec. 567. State law authorizing suspension of licenses.
Sec. 568. Reporting arrearages to credit bureaus.
Sec. 569. Extended statute of limitation for collection of arrearages.
Sec. 570. Charges for arrearages.
Sec. 571. Denial of passports for nonpayment of child support.
Sec. 572. International child support enforcement.

PART VIII—MEDICAL SUPPORT

Sec. 581. Technical correction to ERISA definition of medical child support order.

PART IX—VISITATION AND SUPPORT ASSURANCE PROJECTS

Sec. 591. Grants to States for access and visitation programs.
Sec. 592. Child support assurance demonstration projects.

Subtitle B—Effect of Enactment

Sec. 595. Effective dates.
Sec. 596. Severability.

TITLE VI—SUPPLEMENTAL SECURITY INCOME REFORM

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TITLE VIII—FOOD STAMP PROGRAM INTEGRITY AND REFORM.

Sec. 801. References to the Food Stamp Act of 1977.
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Sec. 809. 2-year freeze of standard deduction.
Sec. 810. Elimination of household entitlement to switch between actual expenses and allowances during certification period.
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Sec. 813. Doubled penalties for violating food stamp program requirements.
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Sec. 815. Work requirement for able-bodied recipients.
Sec. 816. Disqualification for participating in 2 or more States.
Sec. 817. Disqualification relating to child support arrears.
Sec. 818. Facilitate implementation of a national electronic benefit transfer delivery system.
Sec. 819. Limiting adjustment of minimum benefit.
Sec. 820. Benefits on recertification.
Sec. 821. State authorization to set requirements appropriate for households.
Sec. 822. Coordination of employment and training programs.
Sec. 823. Simplification of application procedures and standardization of benefits.
Sec. 824. Authority to establish authorization periods.
Sec. 825. Specific period for prohibiting participation of stores based on lack of business integrity.

Sec. 826. Information for verifying eligibility for authorization.
Sec. 827. Waiting period for stores that initially fail to meet authorization criteria.
Sec. 828. Mandatory claims collection methods.
Sec. 829. State authorization to assist law enforcement officers in locating fugitive felons.
Sec. 830. Expedited service.
Sec. 831. Bases for suspensions and disqualifications.
Sec. 832. Authority to suspend stores violating program requirements pending administrative and judicial review.
Sec. 833. Disqualification of retailers who are disqualified under the WIC program.
Sec. 834. Permanent debarment of retailers who intentionally submit falsified applications.
Sec. 835. Expanded civil and criminal forfeiture for violations.
Sec. 836. Extending claims retention rates.
Sec. 837. Nutrition assistance for Puerto Rico.
Sec. 838. Expanded authority for sharing information provided by retailers.
Sec. 839. Child and adult care food program.
Sec. 840. Resumption of discretionary funding for nutrition education and training program.

TITLE IX—EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

Sec. 901. Effective date.
Sec. 902. Treatment of existing waivers.
Sec. 903. Expedited waiver process.
Sec. 904. County welfare demonstration project.
Sec. 905. Work requirements for State of Hawaii.
Sec. 906. Requirement that data relating to the incidence of poverty in the United States be published at least every 2 years.
Sec. 907. Study by the Census Bureau.
Sec. 908. Secretarial submission of legislative proposal for technical and conforming amendments.

SEC. 3. AMENDMENT OF THE SOCIAL SECURITY ACT.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

TITLE I—TEMPORARY EMPLOYMENT ASSISTANCE

SEC. 101. STATE PLAN.

(a) IN GENERAL.—Title IV (42 U.S.C. 601 et seq.) is amended by striking part A and inserting the following:

"PART A—TEMPORARY EMPLOYMENT ASSISTANCE

"SEC. 400. APPROPRIATION.

"For the purpose of providing assistance to families with needy children and assisting parents of children in such families to obtain and retain private sector work to the extent possible, and public sector or volunteer work if necessary, through the Work First Employment Block Grant program (hereafter in this title referred to as the 'Work First program'), there is hereby authorized to be appropriated, and is hereby appropriated, for each fiscal year a sum sufficient to carry out the purposes of this part. The sums made available under this section shall be used for making payments to States which have approved State plans for temporary employment assistance.

"Subpart 1—State Plans for Temporary Employment Assistance

"SEC. 401. ELEMENTS OF STATE PLANS.

"A State plan for temporary employment assistance shall provide a description of the State program which carries out the purpose described in section 400 and shall meet the requirements of the following sections of this subpart.

"SEC. 402. FAMILY ELIGIBILITY FOR TEMPORARY EMPLOYMENT ASSISTANCE.

"(a) IN GENERAL.—The State plan shall provide that any family—

"(1) with 1 or more children (or any expectant family, at the option of the State), defined as needy by the State; and

"(2) which fulfills the conditions set forth in subsection (b),

shall be eligible for cash assistance under the plan, except as otherwise provided under this part.

"(b) PARENT EMPOWERMENT CONTRACT.—The State plan shall provide that not later than 10 days after the approval of the application for temporary employment assistance, a parent qualifying for assistance shall execute a parent empowerment contract as described in section 403. If a child otherwise eligible for assistance under this part is residing with a relative other than a parent, the State plan may require the relative to execute such an empowerment contract as a condition of the family receiving such assistance.

"(c) LIMITATIONS ON ELIGIBILITY.—

"(1) LENGTH OF TIME.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B), (C), (D), and (E), the State plan shall provide that the family of an individual who, after attaining age 18 years (or age 19 years, at the option of the State), has received assistance under the plan for 60 months, shall no longer be eligible for cash assistance under the plan.

"(B) HARDSHIP EXCEPTION.—With respect to any family, the State plan shall not include in the determination of the 60-month period under subparagraph (A) any month in which—

"(i) at the option of the State, the family includes an individual working 20 hours per week (or more, at the option of the State);

"(ii) the family resides in an area with an unemployment rate exceeding 7.5 percent; or

"(iii) the family is experiencing other special hardship circumstances which make it appropriate for the State to provide an exemption for such month, except that the total number of exemptions under this clause for any month shall not exceed 15 percent of the number of families to which the State is providing assistance under the plan.

"(C) EXCEPTION FOR TEEN PARENTS.—With respect to any family, the State plan shall not include in the determination of the 60-month period under subparagraph (A) any month in which the parent—

"(i) is under age 18 (or age 19, at the option of the State); and

"(ii) is making satisfactory progress while attending high school or an alternative technical preparation school.

"(D) EXCEPTION FOR INDIVIDUALS EXEMPT FROM WORK REQUIREMENTS.—With respect to any family, the State plan shall not include in the determination of the 60-month period under subparagraph (A) any month in which 1 or each of the parents—

"(i) is seriously ill, incapacitated, or of advanced age;

"(ii)(I) except for a child described in subclause (II), is responsible for a child under age 1 year (or age 6 months, at the option of the State), or

"(II) in the case of a 2nd or subsequent child born during such period, is responsible for a child under age 3 months;

"(iii) is pregnant in the 3rd trimester; or

"(iv) is caring for a family member who is ill or incapacitated.

"(E) EXCEPTION FOR CHILD-ONLY CASES.—With respect to any child who has not attained age 18 (or age 19, at the option of the State) and who is eligible for assistance under this part, but not as a member of a family otherwise eligible for assistance under this part (determined without regard to this paragraph), the State plan shall not include in the determination of the 60-month period under subparagraph (A) any month in which such child has not attained such age.

"(F) OTHER PROGRAM ELIGIBILITY.—The State plan shall provide that if a family is no longer eligible for cash assistance under the plan solely due to the imposition of the 60-month period under subparagraph (A)—

"(i) for purposes of determining eligibility for any other Federal or federally assisted program based on need, such family shall continue to be considered eligible for such cash assistance;

"(ii) for purposes of determining the amount of assistance under any other Federal or federally assisted program based on need, such family shall continue to be considered receiving such cash assistance; and

"(iii) the State shall, after having assessed the needs of the child or children of the family, provide for such needs with a voucher for such family—

"(I) determined on the same basis as the State would provide assistance under the State plan to such a family with 1 less individual,

"(II) designed appropriately to pay third parties for shelter, goods, and services received by the child or children, and

"(III) payable directly to such third parties.

"(2) TREATMENT OF INTERSTATE MIGRANTS.—The State plan may apply to a category of families the rules for such category under a plan of another State approved under this part, if a family in such category has moved to the State from the other State and has resided in the State for less than 12 months.

"(3) INDIVIDUALS ON OLD-AGE ASSISTANCE OR SSI INELIGIBLE FOR TEMPORARY EMPLOYMENT ASSISTANCE.—The State plan shall provide that no assistance shall be furnished any individual under the plan with respect to any period with respect to which such individual is receiving old-age assistance under the State plan approved under section 102 of title I or supplemental security income under title XVI, and such individual's assistance or income shall be disregarded in determining the eligibility of the family of such individual for temporary employment assistance.

"(4) CHILDREN FOR WHOM FEDERAL, STATE, OR LOCAL FOSTER CARE MAINTENANCE OR ADOPTION ASSISTANCE PAYMENTS ARE MADE.—A child with respect to whom foster care maintenance payments or adoption assistance payments are made under part E or under State or local law shall not, for the period for which such payments are made, be regarded as a needy child under this part, and such child's income and resources shall be disregarded in determining the eligibility of the family of such child for temporary employment assistance.

"(5) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN

ASSISTANCE IN 2 OR MORE STATES.—The State plan shall provide that no assistance will be furnished any individual under the plan during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits or services simultaneously from 2 or more States under programs that are funded under this part, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

"(6) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(A) IN GENERAL.—The State plan shall provide that no assistance will be furnished any individual under the plan for any period if during such period the State agency has knowledge that such individual is—

"(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) violating a condition of probation or parole imposed under Federal or State law.

"(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Notwithstanding any other provision of law, the State plan shall provide that the State shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of assistance under the plan, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(i) such recipient—

"(I) is described in clause (i) or (ii) of subparagraph (A); or

"(II) has information that is necessary for the officer to conduct the officer's official duties; and

"(ii) the location or apprehension of the recipient is within such officer's official duties.

"(d) DETERMINATION OF ELIGIBILITY.—

"(1) DETERMINATION OF NEED.—The State plan shall provide that the State agency take into consideration any income and resources of any individual the State determines should be considered in determining the need of the child or relative claiming temporary employment assistance.

"(2) RESOURCE AND INCOME DETERMINATION.—In determining the total resources and income of the family of any needy child, the State plan shall provide the following:

"(A) RESOURCES.—The State's resource limit, including a description of the policy determined by the State regarding any exclusion allowed for vehicles owned by family members, resources set aside for future needs of a child, individual development accounts, or other policies established by the State to encourage savings.

"(B) FAMILY INCOME.—The extent to which earned or unearned income is disregarded in determining eligibility for, and amount of, assistance.

"(C) CHILD SUPPORT.—The State's policy, if any, for determining the extent to which child support received in excess of $50 per month on behalf of a member of the family is disregarded in determining eligibility for, and the amount of, assistance.

"(D) CHILD'S EARNINGS.—The treatment of earnings of a child living in the home.

"(E) EARNED INCOME TAX CREDIT.—The State agency shall disregard any refund of Federal income taxes made to a family receiving temporary employment assistance by reason of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) and any payment made to such a family by an employer under section 3507 of such Code (relating to advance payment of earned income credit).

"(3) VERIFICATION SYSTEM.—The State plan shall provide that information is requested and exchanged for purposes of income and eligibility verification in accordance with a State system which meets the requirements of section 1137.

"SEC. 403. PARENT EMPOWERMENT CONTRACT.

"(a) ASSESSMENT.—The State plan shall provide that the State agency, through a case manager, shall make an initial assessment of the skills, prior work experience, and employability of each parent who is applying for temporary employment assistance under the plan.

"(b) PARENT EMPOWERMENT CONTRACTS.—On the basis of the assessment made under subsection (a) with respect to each parent, the case manager, in consultation with the parent or parents of a family (hereafter in this title referred to as the 'client'), shall develop a parent empowerment contract for the client, which meets the following requirements:

"(1) Sets forth the obligations of the client, including 1 or more of the following:

"(A) Search for a job.

"(B) Engage in work-related activities to help the client become and remain employed in the private sector.

"(C) Attend school, if necessary, and maintain certain grades and attendance.

"(D) Keep school age children of the client in school.

"(E) Immunize children of the client.

"(F) Attend parenting and money management classes.

"(G) Any other appropriate activity, at the option of the State.

"(2) To the greatest extent possible, is designed to move the client as quickly as possible into whatever type and amount of work as the client is capable of handling, and to increase the responsibility and amount of work over time until the client is able to work full-time.

"(3) Provides for participation by the client in job search activities for the first 2 months after the application for temporary employment assistance under the State plan, unless the client is already working at least 20 hours per week or is exempt from the work requirements under the State plan.

"(4) If necessary to provide the client with support and skills necessary to obtain and keep employment in the private sector, provides for job counseling or other services, and, if additionally necessary, education or training through the Work First program under part F.

"(5) Provides that the client shall accept any bona fide offer of unsubsidized full-time employment, unless the client has good cause for not doing so.

"(6) At the option of the State, provides that the client undergo appropriate substance abuse treatment.

"(7) Provides that the client—

"(A) assign to the State any rights to support from any other person the client may have in such client's own behalf or in behalf of any other family member for whom the client is applying for or receiving assistance; and

"(B) cooperate with the State—

"(i) in establishing the paternity of a child born out of wedlock with respect to whom assistance is claimed, and

"(ii) in obtaining support payments for such client and for a child with respect to whom such assistance is claimed, or in obtaining any other payments or property due such client or such child,

unless (in either case) such client is found to have good cause for refusing to cooperate as determined by the State agency in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the child on whose behalf assistance is claimed.

"(c) PENALTIES FOR NONCOMPLIANCE WITH PARENT EMPOWERMENT CONTRACT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the following penalties shall apply:

"(A) PROGRESSIVE REDUCTIONS IN ASSISTANCE FOR 1ST AND 2ND ACTS OF NONCOMPLIANCE.—The State plan shall provide that the amount of temporary employment assistance otherwise payable under the plan to a family that includes a client who, with respect to a parent empowerment contract signed by the client, commits an act of noncompliance without good cause, shall be reduced by—

"(i) 33 percent for the 1st such act of noncompliance; or

"(ii) 66 percent for the 2nd such act of noncompliance.

"(B) DENIAL OF ASSISTANCE FOR 3RD AND SUBSEQUENT ACTS OF NONCOMPLIANCE.—The State plan shall provide that in the case of the 3rd or subsequent such act of noncompliance, the family of which the client is a member shall not thereafter be eligible for temporary employment assistance under the State plan.

"(C) LENGTH OF PENALTIES.—The penalty for an act of noncompliance shall not exceed the greater of—

"(i) in the case of—

"(I) the 1st act of noncompliance, 1 month,

"(II) the 2nd act of noncompliance, 3 months, or

"(III) the 3rd or subsequent act of noncompliance, 6 months; or

"(ii) the period ending with the cessation of such act of noncompliance.

"(D) DENIAL OF TEMPORARY EMPLOYMENT ASSISTANCE TO ADULTS REFUSING TO ACCEPT A BONA FIDE OFFER OF EMPLOYMENT.—The State plan shall provide that if an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment without good cause, such act of noncompliance shall be considered a 3rd or subsequent act of noncompliance.

"(2) STATE FLEXIBILITY.—The State plan may provide for different penalties than those specified in paragraph (1).

"SEC. 404. PAYMENT OF ASSISTANCE.

"(a) STANDARDS OF ASSISTANCE.—The State plan shall specify standards of assistance, including—

"(1) the composition of the unit for which assistance will be provided;

"(2) a standard, expressed in money amounts, to be used in determining the need of applicants and recipients;

"(3) a standard, expressed in money amounts, to be used in determining the amount of the assistance payment; and

"(4) the methodology to be used in determining the payment amount received by assistance units.

"(b) LEVEL OF ASSISTANCE.—The State plan shall provide that—

"(1) the determination of need and the amount of assistance for all applicants and recipients shall be made on an objective and equitable basis;

"(2) families of similar composition with similar needs and circumstances shall be treated similarly; and

"(3) the State shall not reduce or deny assistance for a needy child solely because such child was conceived or born during a period in which the parent was receiving temporary employment assistance.

"(c) CORRECTION OF PAYMENTS.—The State plan shall provide that the State agency will promptly take all necessary steps to correct any overpayment or underpayment of assistance under such plan, including the request for Federal tax refund intercepts as provided under section 417.

"SEC. 405. PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION AND CHILD CARE.

"(a) INFORMATION.—The State plan shall provide for the dissemination of information to all applicants for and recipients of temporary employment assistance under the plan about all available services under the State plan for which such applicants and recipients are eligible.

"(b) CHILD CARE DURING JOB SEARCH, WORK, OR PARTICIPATION IN WORK FIRST.—The State plan shall provide that the State agency shall guarantee child care assistance for each family that is receiving temporary employment assistance and that has a needy child requiring such care, to the extent that such care is determined by the State agency to be necessary for an individual in the family to participate in job search activities, to work, or to participate in the Work First program.

"SEC. 406. OTHER PROGRAMS.

"(a) WORK FIRST.—The State plan shall provide that the State has in effect and operation a Work First program that meets the requirements of part F.

"(b) STATE CHILD SUPPORT AGENCY.—The State plan shall—

"(1) provide that the State has in effect a plan approved under part D and operates a child support program in substantial compliance with such plan;

"(2) provide that the State agency administering the plan approved under this part shall be responsible for assuring that—

"(A) the benefits and services provided under plans approved under this part and part D are furnished in an integrated manner, including coordination of intake procedures with the agency administering the plan approved under part D;

"(B) all applicants for, and recipients of, temporary employment assistance are encouraged, assisted, and required (as provided under section 403(b)(7)(B)) to cooperate in the establishment and enforcement of paternity and child support obligations and are notified about the services available under the State plan approved under part D; and

"(C) procedures require referral of paternity and child support enforcement cases to the agency administering the plan approved under part D not later than 10 days after the application for temporary employment assistance; and

"(3) provide for prompt notice (including the transmittal of all relevant information) to the State child support collection agency established pursuant to part D of the furnishing of temporary employment assistance with respect to a child who has been deserted or abandoned by a parent (including a child born out-of-wedlock without regard to whether the paternity of such child has been established).

"(c) CHILD WELFARE SERVICES AND FOSTER CARE AND ADOPTION ASSISTANCE.—The State plan shall provide that the State has in effect—

"(1) a State plan for child welfare services approved under part B; and

"(2) a State plan for foster care and adoption assistance approved under part E,

and operates such plans in substantial compliance with the requirements of such parts.

"(d) REPORT OF CHILD ABUSE, ETC.—The State plan shall provide that the State agency will—

"(1) report to an appropriate agency or official, known or suspected instances of physical or mental injury, sexual abuse or exploitation, or negligent treatment or maltreatment of a child receiving assistance under the State plan under circumstances which indicate that the child's health or welfare is threatened thereby; and

"(2) provide such information with respect to a situation described in paragraph (1) as the State agency may have.

"(e) OUT-OF-WEDLOCK AND TEEN PREGNANCY PROGRAMS.—The State plan shall provide for the development of a program—

"(1) to reduce the incidence of out-of-wedlock pregnancies, which may include providing unmarried mothers and unmarried fathers with services which will help them—

"(A) avoid subsequent pregnancies, and

"(B) provide adequate care to their children; and

"(2) to reduce teenage pregnancy, which may include, at the option of the State, providing education and counseling to male and female teenagers.

"(f) AVAILABILITY OF ASSISTANCE IN RURAL AREAS OF STATE.—The State plan shall consider and address the needs of rural areas in the State to ensure that families in such areas receive assistance to become self-sufficient.

"(g) FAMILY PRESERVATION.—

"(1) IN GENERAL.—The State plan shall describe the efforts by the State to promote family preservation and stability, including efforts—

"(A) to encourage fathers to stay home and be a part of the family;

"(B) to keep families together to the extent possible; and

"(C) except to the extent provided in paragraph (2), to treat 2-parent families and 1-parent families equally with respect to eligibility for assistance.

"(2) MAINTENANCE OF TREATMENT.—The State may impose eligibility limitations relating specifically to 2-parent families to the extent such limitations are no more restrictive than such limitations in effect in the State plan in fiscal year 1995.

SEC. 407. ADMINISTRATIVE REQUIREMENTS FOR STATE PLAN.

"(a) STATEWIDE PLAN.—The State plan shall be in effect in all political subdivisions of the State, and, if administered by the subdivisions, be mandatory upon such subdivisions. If such plan is not administered uniformly throughout the State, the plan shall describe the administrative variations.

"(b) SINGLE ADMINISTRATING AGENCY.—The State plan shall provide for the establishment or designation of a single State agency to administer the plan or supervise the administration of the plan.

"(c) FINANCIAL PARTICIPATION.—The State plan shall provide for financial participation by the State in the same manner and amount as such State participates under title XIX, except that with respect to the sums expended for the administration of the State plan, the percentage shall be 50 percent.

"(d) REASONABLE PROMPTNESS.—The State plan shall provide that all individuals wishing to make application for temporary employment assistance shall have opportunity to do so, and that such assistance be furnished with reasonable promptness to all eligible individuals.

"(e) FAIR HEARING.—The State plan shall provide for granting an opportunity for a fair hearing before the State agency to any individual—

"(1) whose claim for temporary employment assistance is denied or is not acted upon with reasonable promptness; or

"(2) whose assistance is reduced or terminated.

"(f) AUTOMATED DATA PROCESSING SYSTEM.—The State plan shall, at the option of the State, provide for the establishment and operation of an automated statewide management information system designed effectively and efficiently, to assist management in the administration of the State plan approved under this part, so as—

"(1) to control and account for—

"(A) all the factors in the total eligibility determination process under such plan for assistance, and

"(B) the costs, quality, and delivery of payments and services furnished to applicants for and recipients of assistance; and

"(2) to notify the appropriate officials for child support, food stamp, and social service programs, and the medical assistance program approved under title XIX, whenever a recipient becomes ineligible for such assistance or the amount of assistance provided to a recipient under the State plan is changed.

"(g) DISCLOSURE OF INFORMATION.—The State plan shall provide for safeguards which restrict the use or disclosure of information concerning applicants or recipients.

"(h) DETECTION OF FRAUD.—The State plan shall provide, in accordance with regulations issued by the Secretary, for appropriate measures to detect fraudulent applications for temporary employment assistance before the establishment of eligibility for such assistance.

"Subpart 2—Administrative Provisions

"SEC. 411. APPROVAL OF PLAN.

"(a) IN GENERAL.—The Secretary shall approve a State plan which fulfills the requirements under subpart 1 within 120 days of the submission of the plan by the State to the Secretary.

"(b) DEEMED APPROVAL.—If a State plan has not been rejected by the Secretary during the period specified in subsection (a), the plan shall be deemed to have been approved.

"SEC. 412. COMPLIANCE.

In the case of any State plan for temporary employment assistance which has been approved under section 411, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by subpart 1 to be included in the plan, the Secretary shall notify such State agency that further payments will not be made to the State (or in the Secretary's discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure) until the Secretary is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until the Secretary is so satisfied the Secretary shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

"SEC. 413. PAYMENTS TO STATES.

"(a) COMPUTATION OF AMOUNT.—Subject to section 412, from the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for temporary employment assistance, for each quarter, beginning with the quarter commencing October 1, 1996, an amount equal to the Federal medical assistance percentage (as defined in section 1905(b)) of the expenditures by the State under such plan.

"(b) Method of Computation and Payment.—The method of computing and paying such amounts shall be as follows:

"(1) The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on—

"(A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived;

"(B) records showing the number of needy children in the State; and

"(C) such other information as the Secretary may find necessary.

"(2) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services—

"(A) reduced or increased, as the case may be, by any sum by which the Secretary of Health and Human Services finds that the estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter;

"(B) reduced by a sum equivalent to the pro rata share to which the Federal Government is equitably entitled, as determined by the Secretary of Health and Human Services, of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to temporary employment assistance furnished under the State plan; and

"(C) reduced by such amount as is necessary to provide the appropriate reimbursement to the Federal Government that the State is required to make under section 457 out of that portion of child support collections retained by the State pursuant to such section,

except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health and Human Services for such prior quarter.

"(c) Method of Payment.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"SEC. 414. ATTRIBUTION OF INCOME AND RESOURCES OF SPONSOR AND SPOUSE TO ALIEN.

"(a) Applicability; Time Period.—For purposes of determining eligibility for and the amount of assistance under a State plan approved under this part for an individual who is an alien, the income and resources of any person who (as a sponsor of such individual's entry into the United States) executed an affidavit of support or similar agreement with respect to such individual, and the income and resources of the sponsor's spouse, shall be deemed to be the unearned income and resources of such individual (in accordance with subsections (b) and (c)) for a period ending with the date (if any) on which such individual becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act, except that this section is not applicable if such individual is a needy child and such sponsor (or such sponsor's spouse) is the parent of such child.

"(b) Computation.—

"(1) Income.—The amount of income of a sponsor (and the sponsor's spouse) which shall be deemed to be the unearned income of an alien for any month shall be determined as follows:

"(A) The total amount of earned and unearned income of such sponsor and such sponsor's spouse (if such spouse is living with the sponsor) shall be determined for such month.

"(B) The amount determined under subparagraph (A) shall be reduced by an amount equal to the sum of—

"(i) the lesser of—

"(I) 20 percent of the total of any amounts received by the sponsor and the sponsor's spouse in such month as wages or salary or as net earnings from self-employment, plus the full amount of any costs incurred by them in producing self-employment income in such month, or

"(II) $175;

"(ii) the needs standard established by the State under its plan for a family of the same size and composition as the sponsor and those other individuals living in the same household as the sponsor who are claimed by the sponsor as dependents for purposes of determining the sponsor's Federal personal income tax liability;

"(iii) any amounts paid by the sponsor (or the sponsor's spouse) to individuals not living in such household who are claimed by the sponsor as dependents for purposes of determining the sponsor's Federal personal income tax liability; and

"(iv) any payments of alimony or child support with respect to individuals not living in such household.

"(2) Resources.—The amount of resources of a sponsor (and the sponsor's spouse) which shall be deemed to be the resources of an alien for any month shall be determined as follows:

"(A) The total amount of the resources (determined as if the sponsor were applying for assistance under the State plan approved under this part) of such sponsor and such sponsor's spouse (if such spouse is living with the sponsor) shall be determined.

"(B) The amount determined under subparagraph (A) shall be reduced by $1,500.

"(c) Provision of Information by Alien Concerning Sponsor; Receipt of Information From Departments of State and Justice.—

"(1) Provision of information by alien.—Any individual who is an alien and whose sponsor was a public or private agency shall be ineligible for assistance under a State plan approved under this part during the period beginning with the alien's entry into the United States and ending with the date (if any) on which such alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act, unless the State agency administering such plan determines that such sponsor either no longer exists or has become unable to meet such individual's needs; and such determination shall be made by the State agency based upon such criteria as the State agency may specify in the State plan, and upon such documentary evidence as the State agency may therein require. Any such individual, and any other individual who is an alien (as a condition of the alien's eligibility for assistance under a State plan approved under this part during such period), shall be required to provide to the State agency administering such plan such information and documentation with respect to the alien's sponsor as may be necessary in order for the State agency to make any determination required under this section, and to obtain any cooperation from such sponsor necessary for any such determination. Such alien shall also be required to provide to the State agency such information and documentation as the State agency may request and which such alien or the alien's sponsor provided in support of such alien's immigration application.

"(2) Provision of information by departments.—The Secretary shall enter into agreements with the Secretary of State and the Attorney General whereby any information available to them and required in order to make any determination under this section will be provided by them to the Secretary (who may, in turn, make such information available, upon request, to a concerned State agency), and whereby the Secretary of State and Attorney General will inform any sponsor of an alien, at the time such sponsor executes an affidavit of support or similar agreement, of the requirements imposed by this section.

"(d) Joint and Several Liability of Alien and Sponsor for Overpayment of Assistance During Specified Period Following Entry.—Any sponsor of an alien, and such alien, shall be jointly and severally liable for an amount equal to any overpayment of assistance under the State plan made to such alien during the period described in subsection (c)(1), on account of such sponsor's failure to provide correct information under the provisions of this section, except where such sponsor was without fault, or where good cause of such failure existed. Any such overpayment which is not repaid to the State or recovered in accordance with the procedures generally applicable under the State plan to the recoupment of overpayments shall be withheld from any subsequent payment to which such alien or such sponsor is entitled under any provision of this title.

"(e) Division of Income and Resources of Individual Sponsoring 2 or More Aliens Living in Same Home.—

"(1) In general.—In any case where a person is the sponsor of 2 or more alien individuals who are living in the same home, the income and resources of such sponsor (and the sponsor's spouse), to the extent such income and resources would be deemed the income and resources of any 1 of such individuals under the preceding provisions of this section, shall be divided into 2 or more equal shares (the number of shares being the same as the number of such alien individuals) and the income and resources of each such individual shall be deemed to include 1 such share.

"(2) Availability.—Income and resources of a sponsor (and the sponsor's spouse) which are deemed under this section to be the income and resources of any alien individual in a family shall not be considered in determining the need of other family members except to the extent such income or resources are actually available to such other members.

"(f) ALIENS NOT COVERED.—The provisions of this section shall not apply with respect to any alien who is—

"(1) admitted to the United States as a result of the application, prior to April 1, 1980, of the provisions of section 203(a)(7) of the Immigration and Nationality Act;

"(2) admitted to the United States as a result of the application, after March 31, 1980, of the provisions of section 207(c) of such Act;

"(3) paroled into the United States as a refugee under section 212(d)(5) of such Act;

"(4) granted political asylum by the Attorney General under section 208 of such Act; or

"(5) a Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (Public Law 96-422).

"SEC. 415. QUALITY ASSURANCE, DATA COLLECTION, AND REPORTING SYSTEM.

"(a) QUALITY ASSURANCE.—

"(1) IN GENERAL.—Under the State plan, a quality assurance system shall be developed based upon a collaborative effort involving the Secretary, the State, the political subdivisions of the State, and assistance recipients, and shall include quantifiable program outcomes related to self sufficiency in the categories of welfare-to-work, payment accuracy, and child support.

"(2) MODIFICATIONS TO SYSTEM.—As deemed necessary, but not more often than every 2 years, the Secretary, in consultation with the State, the political subdivisions of the State, and assistance recipients, shall make appropriate changes in the design and administration of the quality assurance system, including changes in benchmarks, measures, and data collection or sampling procedures.

"(b) DATA COLLECTION AND REPORTING.—

"(1) IN GENERAL.—The State plan shall provide for a quarterly report to the Secretary regarding the data described in paragraphs (2) and (3) and such additional data needed for the quality assurance system. The data collection and reporting system under this subsection shall promote accountability, continuous improvement, and integrity in the State plans for temporary employment assistance and Work First.

"(2) DISAGGREGATED DATA.—The State shall collect the following data items on a monthly basis from disaggregated case records of applicants for and recipients of temporary employment assistance from the previous month:

"(A) The age of adults and children (including pregnant women).

"(B) Marital or familial status of cases: married (2-parent family), widowed, divorced, separated, or never married; or child living with other adult relative.

"(C) The gender, race, educational attainment, work experience, disability status (whether the individual is seriously ill, incapacitated, or caring for a disabled or incapacitated child) of adults.

"(D) The amount of cash assistance and the amount and reason for any reduction in such assistance. Any other data necessary to determine the timeliness and accuracy of benefits and welfare diversions.

"(E) Whether any member of the family receives benefits under any of the following:

"(i) Any housing program.

"(ii) The food stamp program under the Food Stamp Act of 1977.

"(iii) The Head Start programs carried out under the Head Start Act.

"(iv) Any job training program.

"(F) The number of months since the most recent application for assistance under the plan.

"(G) The total number of months for which assistance has been provided to the families under the plan.

"(H) The employment status, hours worked, and earnings of individuals while receiving assistance, whether the case was closed due to employment, and other data needed to meet the work performance rate.

"(I) Status in Work First and workfare, including the number of hours an individual participated and the component in which the individual participated.

"(J) The number of persons in the assistance unit and their relationship to the youngest child. Nonrecipients in the household and their relationship to the youngest child.

"(K) Citizenship status.

"(L) Shelter arrangement.

"(M) Unearned income (not including temporary employment assistance), such as child support, and assets.

"(N) The number of children who have a parent who is deceased, incapacitated, or unemployed.

"(O) Geographic location.

"(3) AGGREGATED DATA.—The State shall collect the following data items on a monthly basis from aggregated case records of applicants for and recipients of temporary employment assistance from the previous month:

"(A) The number of adults receiving assistance.

"(B) The number of children receiving assistance.

"(C) The number of families receiving assistance.

"(D) The number of assistance units who had their grants reduced or terminated and the reason for the reduction or termination, including sanction, employment, and meeting the time limit for assistance).

"(E) The number of applications for assistance; the number approved and the number denied and the reason for denial.

"(4) LONGITUDINAL STUDIES.—The State shall submit selected data items for a cohort of individuals who are tracked over time. This longitudinal sample shall be used for selected data items described in paragraphs (2) and (3), as determined appropriate by the Secretary.

"(c) ADDITIONAL DATA.—The report required by subsection (b) for a fiscal year quarter shall also include the following:

"(1) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—A statement of—

"(A) the percentage of the Federal funds paid to the State under this part for the fiscal year quarter that are used to cover administrative costs or overhead; and

"(B) the total amount of State funds that are used to cover such costs or overhead.

"(2) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—A statement of the total amount expended by the State during the fiscal year quarter on programs for needy families, with the amount spent on the program under this part, and the purposes for which such amount was spent, separately stated.

"(3) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The number of noncustodial parents in the State who participated in work activities during the fiscal year quarter.

"(4) REPORT ON CHILD SUPPORT COLLECTED.—The total amount of child support collected by the State agency administering the State plan under part D on behalf of a family receiving assistance under this part.

"(5) REPORT ON CHILD CARE.—The total amount expended by the State for child care under this part, along with a description of the types of child care provided, such as child care provided in the case of a family that has ceased to receive assistance under this part because of increased hours of, or increased income from, employment, or in the case of a family that is not receiving assistance under this part but would be at risk of becoming eligible for such assistance if child care was not provided.

"(6) REPORT ON TRANSITIONAL SERVICES.—The total amount expended by the State for providing transitional services to a family that has ceased to receive assistance under this part because of increased hours of, or increased income from, employment, along with a description of such services.

"(d) COLLECTION PROCEDURES.—The Secretary shall provide case sampling plans and data collection procedures as deemed necessary to make statistically valid estimates of plan performance.

"(e) VERIFICATION.—The Secretary shall develop and implement procedures for verifying the quality of the data submitted by the State, and shall provide technical assistance, funded by the compliance penalties imposed under section 412, if such data quality falls below acceptable standards.

"SEC. 416. COMPILATION AND REPORTING OF DATA.

"(a) CURRENT PROGRAMS.—The Secretary shall, on the basis of the Secretary's review of the reports received from the States under section 415, compile such data as the Secretary believes necessary, and from time to time, publish the findings as to the effectiveness of the programs developed and administered by the States under this part. The Secretary shall annually report to the Congress on the programs developed and administered by each State under this part.

"(b) RESEARCH, DEMONSTRATION AND EVALUATION.—Of the amount specified under section 413(a), an amount equal to .25 percent is authorized to be expended by the Secretary to support the following types of research, demonstrations, and evaluations:

"(1) STATE-INITIATED RESEARCH.—States may apply for grants to cover 90 percent of the costs of self-evaluations of programs under State plans approved under this part.

"(2) DEMONSTRATIONS.—

"(A) IN GENERAL.—The Secretary may implement and evaluate demonstrations of innovative and promising strategies to—

"(i) improve child well-being through reductions in illegitimacy, teen pregnancy, welfare dependency, homelessness, and poverty;

"(ii) test promising strategies by nonprofit and for-profit institutions to increase employment, earning, child support payments, and self-sufficiency with respect to temporary employment assistance clients under State plans; and

"(iii) foster the development of child care.

"(B) ADDITIONAL PARAMETERS.—Demonstrations implemented under this paragraph—

"(i) may provide one-time capital funds to establish, expand, or replicate programs;

"(ii) may test performance-based grant to loan financing in which programs meeting performance targets receive grants while programs not meeting such targets repay funding on a pro-rated basis; and

"(iii) should test stategies in multiple States and types of communities.

"(3) FEDERAL EVALUATIONS.—

"(A) IN GENERAL.—The Secretary shall conduct research on the effects, benefits, and costs of different approaches to operating welfare programs, including an implementation study based on a representative sample of States and localities, documenting what policies were adopted, how such policies were implemented, the types and mix of services provided, and other such factors as the Secretary deems appropriate.

"(B) RESEARCH ON RELATED ISSUES.—The Secretary shall also conduct research on issues related to the purposes of this part, such as strategies for moving welfare recipients into the workforce quickly, reducing teen pregnancies and out-of-wedlock births, and providing adequate child care.

"(C) STATE REIMBURSEMENT.—The Secretary may reimburse a State for any research-related costs incurred pursuant to research conducted under this paragraph.

"(D) USE OF RANDOM ASSIGNMENT.—Evaluations authorized under this paragraph should use random assignment to the maximum extent feasible and appropriate.

"(4) REGIONAL INFORMATION CENTERS.—

"(A) IN GENERAL.—The Secretary shall establish not less than 5, nor more than 7 regional information centers located at major research universities or consortiums of universities to ensure the effective implementation of welfare reform and the efficient dissemination of information about innovations, evaluation outcomes, and training initiatives.

"(B) CENTER RESPONSIBILITIES.—The Centers shall have the following functions:

"(i) Disseminate information about effective income support and related programs, along with suggestions for the replication of such programs.

"(ii) Research the factors that cause and sustain welfare dependency and poverty in the regions served by the respective centers.

"(iii) Assist the States in the region formulate and implement innovative programs and improvements in existing programs that help clients move off welfare and become productive citizens.

"(iv) Provide training as appropriate to staff of State agencies to enhance the ability of the agencies to successfully place Work First clients in productive employment or self-employment.

"(C) CENTER ELIGIBILITY TO PERFORM EVALUATIONS.—The Centers may compete for demonstration and evaluation contracts developed under this section.

"SEC. 417. COLLECTION OF OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

"(a) IN GENERAL.—Upon receiving notice from a State agency administering a plan approved under this part that a named individual has been overpaid under the State plan approved under this part, the Secretary of the Treasury shall determine whether any amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether such individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is payable, the Secretary shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

"(b) REGULATIONS.—The Secretary of the Treasury shall issue regulations, approved by the Secretary of Health and Human Services, that provide—

"(1) that a State may only submit under subsection (a) requests for collection of overpayments with respect to individuals—

"(A) who are no longer receiving temporary employment assistance under the State plan approved under this part,

"(B) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved; and

"(C) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from the income tax refunds of such individuals;

"(2) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under subsection (a); and

"(3) the procedures that the State and the Secretary of the Treasury will follow in carrying out this section which, to the maximum extent feasible and consistent with the specific provisions of this section, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.".

(b) PAYMENTS TO PUERTO RICO.—Section 1108(a)(1) (42 U.S.C. 1308(a)(1)) is amended—

(1) in subparagraph (F), by striking "or"; and

(2) by striking subparagraph (G) and inserting the following:

"(G) $82,000,000 with respect to each of fiscal years 1989 through 1995, or

"(H) $102,500,000 with respect to the fiscal year 1996 and each fiscal year thereafter;".

(c) CONFORMING AMENDMENTS RELATING TO COLLECTION OF OVERPAYMENTS.—

(1) Section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds), as amended by section 561(a), is amended—

(A) in subsection (a), by striking "(c) and (d)" and inserting "(c), (d), and (e)";

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

"(g) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 417 of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act).".

(2) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking "section 464 or 1137 of the Social Security Act" and inserting "section 417, 464, or 1137 of the Social Security Act."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1996.

(2) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order to meet the requirements imposed by the amendment made by subsection (a), the State shall not be regarded as failing to comply with the requirements of such amendment before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of this paragraph, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

TITLE II—WORK FIRST EMPLOYMENT BLOCK GRANT

SEC. 201. WORK FIRST EMPLOYMENT BLOCK GRANT.

(a) IN GENERAL.—Title IV (42 U.S.C. 601 et seq.) is amended by striking part F and inserting the following:

"Part F—Work First Employment Block Grant Program

"Subpart 1—Establishment and Operation of State Programs

"SEC. 481. GOALS OF THE WORK FIRST PROGRAM.

"The goals of a Work First program are as follows:

"(1) OBJECTIVE.—The objective of the program is for each adult receiving temporary employment assistance to find and hold full-time unsubsidized paid employment, and for this objective to be achieved in a cost-effective fashion.

"(2) STRATEGY.—The strategy of the program is to connect clients of temporary employment assistance with the private sector labor market as soon as possible and offer such clients the support and skills necessary to remain in the labor market. Each component of the program should emphasize employment and the understanding that minimum wage jobs are a stepping stone to more highly paid employment.

"(3) JOB CREATION.—The creation of jobs, with an emphasis on private sector jobs, through the options available under subpart 2, shall be a component of the block grant program and shall be a priority for each State office with responsibilities under the program.

"(4) FORMS OF ASSISTANCE.—The State shall provide assistance to clients in the program through a range of components, which may include job placement services (including vouchers for job placement services), work supplementation programs, temporary subsidized job creation, assistance in establishing microenterprises, job counseling services, or other work-related activities, to provide individuals with the support and skills necessary to obtain and keep employment in the private sector (including education and training, if necessary).

"SEC. 482. REQUIREMENT THAT RECIPIENTS ENTER THE WORK FIRST PROGRAM.

"(a) IN GENERAL.—Except as provided in subsection (b), the State may place in the Work First program—

"(1) clients of temporary employment assistance pursuant to the State plan approved under part A who have signed a parent empowerment contract as described in section 403(b); and

"(2) absent parents who are unemployed, on the condition that, once employed, such parents meet their child support obligations.

"(b) EXCEPTIONS.—A State may not require a client of temporary employment assistance to participate in the Work First program (although a client may volunteer), if the client—

"(1) is seriously ill, incapacitated, or of advanced age;

"(2)(A) except for a child described in subparagraph (B), is a parent with a child under age 1 year (or age 6 months, at the option of the State), or

"(B) in the case of a 2nd or subsequent child born after a parent has become a client, is a parent with a child under age 3 months;

"(3) is pregnant in the 3rd trimester;

"(4) is caring for a family member who is ill or incapacitated; or

"(5) is under age 18 (or age 19, at the option of the State).

"(c) Nondisplacement.—

"(1) In general.—The Work First program shall not displace any employee or position (including partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits), fill any unfilled vacancy, impair existing contracts for services, be inconsistent with existing laws, regulations, or collective bargaining agreements, or infringe upon the recall rights or promotional opportunities of any worker. Work activities shall be in addition to activities that otherwise would be available and shall not supplant the hiring of employed workers not funded under the program.

"(2) Enforcing anti-displacement protections.—The State shall establish and maintain an impartial grievance procedure to resolve any complaints alleging violations of the requirements of paragraph (1) within 60 days and, if a decision is adverse to the party who filed such grievance or no decision has been reached, provide for the completion of an arbitration procedure within 75 days. Appeals may be made to the Secretary who shall make a decision within 75 days. Remedies shall include termination or suspension of payments, prohibition of the placement of the participant, reinstatement of an employee, and other relief to make an aggrieved employee whole. If a grievance is filed regarding a proposed placement of a participant, such placement shall not be made unless such placement is consistent with the resolution of the grievance pursuant to this paragraph.

"Subpart 2—Program Performance

"SEC. 485. WORK PERFORMANCE RATES; PERFORMANCE-BASED BONUSES.

"(a) Work Performance Rates.—

"(1) Requirement.—A State that operates a program under this part shall achieve a work performance rate for the following fiscal years of not less than the following percentages:

"(A) 30 percent for fiscal year 1997.

"(B) 35 percent for fiscal year 1998.

"(C) 40 percent for fiscal year 1999.

"(D) 50 percent for fiscal year 2000 or thereafter.

"(2) Work performance rate defined.—

"(A) In general.—As used in this subsection, the term 'work performance rate' means, with respect to a State and a fiscal year, an amount equal to—

"(i) the sum of the average monthly number of individuals eligible for temporary employment assistance under the State plan approved under part A who, during the fiscal year—

"(I) obtain employment in an unsubsidized job and cease to receive such temporary employment assistance to the extent allowed under subparagraph (B);

"(II) work 20 or more hours per week (or 30 hours, at the option of the State) in an unsubsidized job while still receiving such temporary employment assistance;

"(III) work 20 or more hours per week (or 30 hours, at the option of the State) in a subsidized job through the Work First program (other than through workfare or community service under section 493); or

"(IV) are parents under the age of 18 years (or 19 years, at the option of the State) in school and regularly attending classes obtaining the basic skills needed for work; divided by

"(ii) the average monthly number of families with parents eligible for such temporary employment assistance who, during the fiscal year, are not in groups described under section 482(b).

"(B) Special rules.—

"(i) Individuals in unsubsidized jobs.—For purposes of subparagraph (A)(i)(I), an individual shall be considered to be participating under a State plan approved under part A for each of the 1st 12 months (without regard to fiscal year) after an individual ceases to receive temporary employment assistance under such plan as the result of employment in an unsubsidized job and during which such individual does not reapply for such assistance.

"(ii) Individuals in work first subsidized jobs.—For purposes of subparagraph (A)(i)(III), individuals in workfare or community service (as defined in section 493) may be counted if such individuals reside in areas—

"(I) with an unemployment rate exceeding 7.5 percent; or

"(II) with other circumstances deemed sufficient by the Secretary.

"(iii) Deemed compliance.—A State shall be deemed to have met the requirement in paragraph (1) if its work performance rate in a given fiscal year exceeds that of the prior fiscal year by 10 percentage points.

"(3) Effect of failure to meet work performance rates.—If a State fails to achieve the work performance rate required by paragraph (1) for any fiscal year—

"(A) in the case of the 1st failure, the Secretary shall make recommendations for changes in the State Work First program to achieve future required work performance rates; and

"(A) in the case of the 2nd or subsequent failure—

"(i) the Secretary shall reduce by 10 percentage points (or less, at the discretion of the Secretary based on the degree of failure) the rate of Federal payments for the administrative expenses for the State plan approved under part A for the subsequent fiscal year;

"(ii) the Secretary shall make further recommendations for changes in the State Work First program to achieve future required work performance rates which the State may elect to follow; and

"(iii) the State shall demonstrate to the Secretary how the State shall achieve the required work performance rate for the subsequent fiscal year.

"(b) Performance-Based Bonuses.—

"(1) In general.—In addition to any other payment under section 495, each State, beginning in fiscal year 1997, which has achieved its work performance rate for the fiscal year (as determined under subsection (a)) shall be entitled to receive a bonus in the subsequent fiscal year for each individual eligible for temporary employment assistance under the State plan approved under part A who is described in subsection (a)(2)(A)(i) in excess of the number of such individuals necessary to meet such work performance rate, but the aggregate of such bonuses for any fiscal year in the case of any State may not exceed the limitation determined under paragraph (3) with respect to the State.

"(2) Use of payments.—Bonus payments under this subsection—

"(A) may be used to supplement, not supplant, State funding of Work First or child care activities; and

"(B) shall be used in a manner which rewards job retention.

"(3) Limitation.—

"(A) In general.—The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in subparagraph (B) for such fiscal year as the average monthly number of adult recipients (as defined in section 495(a)(6)) in the State in the preceding fiscal year bears to the average monthly number of such recipients in all the States for such preceding year.

"(B) Amount specified.—The amount specified in this subparagraph is—

"(i) $100,000,000 for fiscal year 1997 rates payable in fiscal year 1998;

"(ii) $200,000,000 for fiscal year 1998 rates payable in fiscal year 1999;

"(iii) $300,000,000 for fiscal year 1999 rates payable in fiscal year 2000;

"(iv) $400,000,000 for fiscal year 2000 rates payable in fiscal year 2001; and

"(v) $500,000,000 for fiscal year 2001 rates payable in fiscal year 2002.

"Subpart 3—Program Components

"SEC. 486. PROGRAM COMPONENTS.

"(a) In General.—Under the Work First program the State shall have the option to provide a wide variety of work-related activities to clients in the temporary employment assistance program under the State plan approved under part A, including job placement services (including vouchers for job placement services), work supplementation programs, temporary subsidized job creation, assistance in establishing microenterprises, and job counseling services described in this subpart.

"(b) Job Search Activities.—Each client, who is not exempt from work requirements, shall begin Work First by participating in job search activities designed by the State for 2 months.

"(b) Workfare or Community Service.—If, after 2 years, a client (who is not exempt from work requirements) who has signed a parent empowerment contract is not working at least 20 hours a week (within the meaning of section 485(a)(2)), then the State shall offer that client a workfare or community service position, with hours per week and tasks to be determined by the State.

"SEC. 487. JOB PLACEMENT; USE OF PLACEMENT COMPANIES.

"(a) In General.—The State through the Work First program may operate its own job placement assistance program or may establish a job placement voucher program under subsection (b).

"(b) Job Placement Voucher Program.—A job placement voucher program established by a State under this subsection shall include the following requirements:

"(1) List of organizations maintained.—The State shall identify, maintain, and make available to a client a list of State-approved job placement organizations that offer services in the area where the client resides and a description of the job placement and support services each such organization provides. Such organizations may be publicly or privately owned and operated.

"(2) Execution of contract.—A client shall, at the time the client becomes eligible for temporary employment assistance—

"(A) receive the list and description described in paragraph (1);

"(B) agree, in exchange for job placement and support services, to—

"(i) execute, within a period of time permitted by the State, a contract with a State-approved job placement organization which provides that the organization shall attempt to find employment for the client; and

"(ii) comply with the terms of the contract; and

"(C) receive a job placement voucher (in an amount to be determined by the State) for payment to a State-approved job placement organization.

"(3) USE OF VOUCHER.—At the time a client executes a contract with a State-approved job placement organization, the client shall provide the organization with the job placement voucher that the client received pursuant to paragraph (2)(C).

"(4) REDEMPTION.—A State-approved job placement organization may redeem for payment from the State not more than 25 percent of the value of a job placement voucher upon the initial receipt of the voucher for payment of costs incurred in finding and placing a client in an employment position. The remaining value of such voucher shall not be redeemed for payment from the State until the State-approved job placement organization—

"(A) finds an employment position (as determined by the State) for the client who provided the voucher; and

"(B) certifies to the State that the client remains employed with the employer that the organization originally placed the client with for the greater of—

"(i) 6 continuous months; or

"(ii) a period determined by the State.

"(5) PERFORMANCE-BASED STANDARDS.—

"(A) IN GENERAL.—The State shall establish performance-based standards to evaluate the success of the State job placement voucher program operated under this subsection in achieving employment for clients participating in such voucher program. Such standards shall take into account the economic conditions of the State in determining the rate of success.

"(B) ANNUAL EVALUATION.—The State shall, not less than once a fiscal year, evaluate the job placement voucher program operated under this subsection in accordance with the performance-based standards established under subparagraph (A).

"(C) ANNUAL REPORT.—The State shall submit a report containing the results of an evaluation conducted under subparagraph (B) to the Secretary and a description of the performance-based standards used to conduct the evaluation in such form and under such conditions as the Secretary shall require. The Secretary shall review each report submitted under this subparagraph and may require the State to revise the performance-based standards if the Secretary determines that the State is not achieving an adequate rate of success for such State.

"SEC. 488. REVAMPED JOBS PROGRAM.

"The State through the Work First program may operate a program similar to the program known as the 'GAIN Program' that has been operated by Riverside County, California, under Federal law as in effect immediately before the effective date of this subpart.

"SEC. 489. TEMPORARY SUBSIDIZED JOB CREATION.

"The State through the Work First program may establish a program similar to the program known as 'JOBS Plus' that has been operated by the State of Oregon under Federal law as in effect immediately before the effective date of this subpart.

"SEC. 490. FAMILY INVESTMENT PROGRAM.

"The State through the Work First program may establish a program similar to the program known as the 'Family Investment Program' that has been operated by the State of Iowa to move families off of welfare and into self-sufficient employment.

"SEC. 491. MICROENTERPRISE.

"(a) GRANTS AND LOANS TO NONPROFIT ORGANIZATIONS FOR THE PROVISION OF TECHNICAL ASSISTANCE, TRAINING, AND CREDIT TO LOW INCOME ENTREPRENEURS.—The State through the Work First program may make grants and loans to nonprofit organizations to provide technical assistance, training, and credit to low income entrepreneurs for the purpose of establishing microenterprises.

"(b) MICROENTERPRISE DEFINED.—For purposes of this section, the term 'microenterprise' means a commercial enterprise which has 5 or fewer employees, 1 or more of whom owns the enterprise.

"SEC. 492. WORK SUPPLEMENTATION PROGRAM.

"(a) IN GENERAL.—The State through the Work First program may institute a work supplementation program under which the State, to the extent it considers appropriate, may reserve the sums that would otherwise be payable to clients in the temporary employment assistance program under the State plan approved under part A and use the sums instead for the purpose of providing and subsidizing jobs for clients as an alternative to the temporary employment assistance that would otherwise be so payable to the clients.

"(b) SAMPLING METHODOLOGY PERMITTED.—In determining the amounts to be reserved and used for providing and subsidizing jobs under this section as described in subsection (a), the State may use a sampling methodology.

"(c) SUPPLEMENTED JOB.—For purposes of this section, a supplemented job is—

"(1) a job provided to an eligible client by the State or local agency administering the State plan under part A; or

"(2) a job provided to an eligible client by any other employer for which at least part of the wages are paid by the State or local agency.

A State may provide or subsidize under the program any job which the State determines to be appropriate.

"(d) COST LIMITATION.—The amount of the Federal payment to a State under section 413 for expenditures incurred in making payments to clients and employers under a work supplementation program under this section shall not exceed an amount equal to the amount which would otherwise be payable under such section 413 if the family of each client employed in the program established in the State under this section had received the maximum amount of temporary employment assistance payable under the State plan approved under part A to such a family with no income for the number of months in which the client was employed in the program.

"(e) RULES OF INTERPRETATION.—

"(1) NO EMPLOYEE STATUS REQUIRED.—This section shall not be construed as requiring the State or local agency administering the State plan approved under part A to provide employee status to an eligible client to whom the State or local agency provides a job under the work supplementation program (or with respect to whom the State or local agency provides all or part of the wages paid to the client by another entity under the program).

"(2) WAGES ARE CONSIDERED EARNED INCOME.—Wages paid under a work supplementation program shall be considered to be earned income for purposes of any provision of law.

"(f) PRESERVATION OF MEDICAID ELIGIBILITY.—Any State that chooses to operate a work supplementation program under this section shall provide that any client who participates in the program, and any child or relative of the client (or other individual living in the same household as the client) who would be eligible for temporary employment assistance under the State plan approved under part A if the State did not have a work supplementation program, shall be considered individuals receiving temporary employment assistance under the State plan approved under part A for purposes of eligibility for medical assistance under the State plan approved under title XIX.

"SEC. 493. WORKFARE AND COMMUNITY SERVICE.

"(a) IN GENERAL.—A State through the Work First program may establish and carry out a workfare or community service program that meets the requirements of this section.

"(b) WORKFARE DEFINED.—For purposes of this section, the term 'workfare' means a job provided to a client by the State administering the State plan under part A with respect to which the client works in return for assistance under such plan and receives no wages.

"(c) COMMUNITY SERVICE DEFINED.—For purposes of this section, the term 'community service' means work of benefit to the community, such as volunteer work in schools and community organizations.

"(d) ASSISTANCE NOT CONSIDERED EARNED INCOME.—Assistance paid under a workfare program shall not be considered to be earned income for purposes of any provision of law.

"(e) USE OF PLACEMENT COMPANIES.—A State that establishes a workfare or community service program under this section may enter into contracts with private companies (whether operated for profit or not for profit) for the placement of clients in the program in positions of full-time employment, preferably in the private sector, for wages sufficient to eliminate the need of such clients for temporary employment assistance.

"Subpart 4—Funding

"SEC. 495. FUNDING.

"(a) FUNDING FOR WORK FIRST.—

"(1) IN GENERAL.—Each State that is operating a program in accordance with this part shall be entitled to payments under subsection (b) for any fiscal year in an amount equal to the sum of the applicable percentages (specified in such subsection) of its expenditures to carry out such program (subject to limitations prescribed by or pursuant to this part or this section on expenditures that may be included for purposes of determining payments under subsection (b)), but such payments for any fiscal year in the case of any State may not exceed the limitation determined under paragraph (2) with respect to the State.

"(2) LIMITATION.—The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in paragraph (3) for such fiscal year as the average monthly number of adult recipients (as defined in paragraph (5)) in the State in the preceding fiscal year bears to the average monthly number of such recipients in all the States for such preceding year.

"(3) AMOUNT SPECIFIED.—Subject to paragraph (4), the amount specified in this paragraph is—

"(A) $1,700,000,000 for fiscal year 1997;

"(B) $1,900,000,000 for fiscal year 1998;

"(C) $2,200,000,000 for fiscal year 1999; and

"(D) $2,500,000,000 for fiscal years 2000, 2001, and 2002.

"(4) INDIAN TRIBAL GOVERNMENTS.—

"(A) APPLICATION.—

"(i) IN GENERAL.—An Indian tribe or Alaska Native organization may apply at any time to the Secretary (in such manner as the Secretary prescribes) to conduct a Work First program.

"(ii) PARTICIPATION.—If a tribe or organization chooses to apply and the application is approved, such tribe or organization shall be entitled to a direct payment in the amount determined in accordance with the provisions of subparagraph (B) for each fiscal year beginning after such approval.

"(iii) NO PARTICIPATION.—If a tribe or organization chooses not to apply, the amount that would otherwise be available to such tribe or organization for the fiscal year shall be payable to the State in which that tribe or organization is located. Such amount shall be used by that State to provide Work First program services to the recipients living within that tribe or organization's jurisdiction.

"(iv) NO MATCH REQUIRED.—Indian tribes and Alaska Native organizations shall not be required to submit a monetary match to receive a payment under this paragraph.

"(B) PAYMENT AMOUNT.—

"(i) IN GENERAL.—The Secretary shall pay directly to each Indian tribe or Alaska Native organization conducting a Work First program for a fiscal year an amount which bears the same ratio to 3 percent of the amount specified under paragraph (3) for such fiscal year as the adult Indian or Alaska Native population receiving temporary employment assistance residing within the area to be served by the tribe or organization bears to the total of such adults receiving such assistance residing within all areas which any such tribe or organization could serve.

"(ii) ADJUSTMENTS.—The Secretary shall from time to time review the components of the ratios established in clause (i) to determine whether the individual payments under this paragraph continue to reflect accurately the distribution of population among the grantees, and shall make adjustments necessary to maintain the correct distribution of funding.

"(C) USE IN SUCCEEDING FISCAL YEAR.—A grantee under this paragraph may use not to exceed 20 percent of the amount for the fiscal year under subparagraph (B) to carry out the Work First program in the succeeding fiscal year.

"(D) VOLUNTARY TERMINATION.—An Indian tribe or Alaska Native organization may voluntarily terminate its Work First program. The amount under subparagraph (B) with respect to such program for the fiscal year shall be payable to the State in which that tribe or organization is located. Such amount shall be used by that State to provide Work First program services to the recipients living within that tribe or organization's jurisdiction. If a voluntary termination of a Work First program occurs under this subparagraph, the tribe or organization shall not be eligible to submit an application under this paragraph before the 6th year following such termination.

"(E) JOINT PROGRAMS.—An Indian tribe or Alaska Native organization may also apply to the Secretary jointly with 1 or more such tribes or organizations to administer a Work First program as a consortium. The Secretary shall establish such terms and conditions for such consortium as are necessary.

"(5) JOB CREATION.—Of the amount specified under paragraph (3), 5 percent shall be set aside by the Secretary for the program described in section 203(b) of the Work First Act of 1995.

"(6) DEFINITION.—For purposes of this subsection, the term 'adult recipient' in the case of any State means an individual other than a needy child (unless such child is the custodial parent of another needy child) whose needs are met (in whole or in part) with payments of temporary employment assistance.

"(b) STATE ALLOCATIONS.—

"(1) IN GENERAL.—The Secretary shall pay to each State that is operating a program in accordance with part F, with respect to expenditures by the State to carry out such program (including expenditures for child care under section 405(b), but only with respect to a State to which section 1108 applies), an amount equal to—

"(A) with respect to so much of such expenditures in a fiscal year as do not exceed the State's expenditures in the fiscal year 1987 with respect to which payments were made to such State from its allotment for such fiscal year pursuant to part C of this title as then in effect, 90 percent; and

"(B) with respect to so much of such expenditures in a fiscal year as exceed the amount described in subparagraph (A)—

"(i) 50 percent, in the case of expenditures for administrative costs (including costs of emergency assistance) made by a State in operating such program for such fiscal year (other than the costs of transportation and the personnel costs for case management staff employed full-time in the operation of such program); and

"(ii) 70 percent or the Federal medical assistance percentage (as defined in section 1905(b)) increased by 10 percentage points, whichever is the greater, in the case of expenditures made by a State in operating such program for such fiscal year (other than for costs described in clause (i)).

"(2) FORM OF PAYMENT.—With respect to the amount for which payment is made to a State under paragraph (1)(A), the State's expenditures for the costs of operating such program may be in cash or in kind, fairly evaluated.

"(3) USE OF FUNDS.—A State may use amounts allocated under this subsection for all costs deemed necessary to assist program clients obtain and retain jobs, including emergency day care assistance or sick day care assistance, uniforms, eyeglasses, transportation, wage subsidies, and other employment-related special needs, as defined by the State. Such assistance may be provided through contract with community-based family resource programs under title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116 et seq.).".

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendment made by subsection (a) shall be effective with respect to calendar quarters beginning on or after October 1, 1996.

(2) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order to meet the requirements imposed by the amendment made by subsection (a), the State shall not be regarded as failing to comply with the requirements of such amendment before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of this paragraph, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

(3) STATE OPTION TO ACCELERATE APPLICABILITY.—If a State formally notifies the Secretary of Health and Human Services that the State desires to accelerate the applicability to the State of the amendment made by subsection (a), the amendment shall apply to the State on and after such earlier date as the State may select.

(4) AUTHORITY OF THE SECRETARY OF HEALTH AND HUMAN SERVICES TO DELAY APPLICABILITY TO A STATE.—If a State formally notifies the Secretary of Health and Human Services that the State desires to delay the applicability to the State of the amendment made by subsection (a), the amendment shall apply to the State on and after any later date agreed upon by the Secretary and the State.

SEC. 202. CONSOLIDATION AND STREAMLINING OF SERVICES.

(a) IN GENERAL.—Section 407, as added by section 101(a), is amended by adding at the end the following new subsections:

"(i) CHANGING THE WELFARE BUREAUCRACY.—

"(1) IN GENERAL.—The State plan may describe the State's efforts to streamline and consolidate activities to simplify the process of applying for a range of Federal and State assistance programs, including the use of—

"(A) 'one-stop offices' to coordinate the application process for individuals and families with low-incomes or limited resources and to ensure that applicants and recipients receive the information they need with regard to such range of programs; and

"(B) forms which are easy to read and understand or easily explained by State agency employees.

"(2) USE OF INCENTIVES.—The State plan may require the use of incentives (including Work First program funds) to change the culture of each State agency office with responsibilities under the State plan, to improve the performance of employees, and to ensure that the objective of each employee of each such State office is to find unsubsidized paid employment for each program client as efficiently and as quickly as possible.

"(3) CASEWORKER TRAINING AND RETRAINING.—The State plan may provide such training to caseworkers and related personnel as may be necessary to ensure successful job placements that result in full-time public or private employment (outside the State agencies with responsibilities under part A) for program clients.

"(j) COORDINATION OF SERVICES.—The State plan shall provide that the State agency may—

"(1) establish convenient locations in each community at which individuals and families with low-incomes or limited resources may apply for and (if appropriate) receive, directly or through referral to the appropriate provider, in appropriate languages and in a culturally sensitive manner—

"(A) temporary employment assistance under the State plan;

"(B) employment and education counseling;

"(C) job placement;

"(D) child care;

"(E) health care;

"(F) transportation assistance;

"(G) housing assistance;

"(H) child support services;

"(I) assistance under the National and Community Service Act of 1990 and the Domestic Volunteer Service Act of 1973;

"(J) unemployment insurance;

"(K) assistance under the Carl D. Perkins Vocational and Applied Technology Education Act;

"(L) assistance under the School-to-Work Opportunities Act of 1994;

"(M) assistance under Federal student loan programs;

"(N) assistance under the Job Training Partnership Act; and

"(O) other types of counseling and support services; and

"(2) assign to each recipient of assistance under the State plan, and to each applicant for such assistance, a case manager who—

"(A) is knowledgeable about community resources;

"(B) is qualified to refer the applicant or recipient to appropriate employment programs or education and training programs, or both, and needed health and social services; and

"(C) is required to coordinate the provision of benefits and services by the State to the applicant or recipient, until the applicant or recipient is no longer eligible for—

"(i) assistance under the State plan;

"(ii) child care guaranteed by the State in accordance with section 405(b); and

"(iii) medical assistance under the State plan approved under title XIX.".

(b) Technical Assistance.—The Secretary of Health and Human Services shall provide technical assistance and training to States to assist the States in implementing effective management practices and strategies in order to make the operation of State offices described in section 407(i) of the Social Security Act (as added by subsection (a)) efficient and effective.

SEC. 203. JOB CREATION.

(a) Grants to Community-Based Organizations.—

(1) In general.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") may make grants in accordance with this subsection using funds described in paragraph (2), and, to the extent allowed by the States, Work First funds under part F of title IV of the Social Security Act, to community-based organizations that move clients of temporary employment assistance under a State plan approved under part A of title IV of the Social Security Act or under other public assistance programs into private sector work.

(2) Authorization of appropriations.—There are authorized to be appropriated to carry out this subsection $25,000,000 for fiscal year 1996 and $50,000,000 for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

(3) Eligible organizations.—The Secretary shall award grants to community-based organizations that—

(A) may receive at least 5 percent of their funding from local government sources; and

(B) move clients referred to in paragraph (1) in the direction of unsubsidized private employment by integrating and co-locating at least 5 of the following services—

(i) case management;

(ii) job training;

(iii) child care;

(iv) housing;

(v) health care services;

(vi) nutrition programs;

(vii) life skills training; and

(viii) parenting skills.

(4) Awarding of grants.—

(A) In general.—The Secretary shall award grants based on the quality of applications, subject to subparagraphs (B) and (C).

(B) Preference in awarding grants.—In awarding grants under this subsection, the Secretary shall give preference to organizations which receive more than 50 percent of their funding from State government, local government or private sources.

(C) Distribution of grant.—The Secretary shall award at least 1 grant to each State from which the Secretary received an application.

(D) Limitation on size of grant.—The Secretary shall not award any grants under this subsection of more than $1,000,000.

(5) Issuance of regulations.—Not less than 6 months after the date of the enactment of this subsection, the Secretary shall prescribe such regulations as may be necessary to implement this subsection.

(b) Grants To Expand the Number of Job Opportunities Available to Certain Low-Income Individuals.—

(1) In general.—The Secretary shall enter into agreements with nonprofit organizations (including community development corporations) submitting applications under this subsection for the purpose of conducting projects in accordance with paragraph (2) and funded under section 495(a)(5) to create employment opportunities for certain low-income individuals.

(2) Nature of project.—

(A) In general.—Each nonprofit organization conducting a project under this subsection shall provide technical and financial assistance to private employers in the community to assist such employers in creating employment and business opportunities for those individuals eligible to participate in the projects as described in this paragraph.

(B) Nonprofit organizations.—For purposes of this subsection, a nonprofit organization is any organization (including a community development corporation) exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 by reason of paragraph (3) or (4) of section 501(c) of such Code.

(C) Eligible low-income individuals.—For purposes of this subsection, a low-income individual eligible to participate in a project conducted under this subsection is any individual eligible to receive temporary employment assistance under part A of title IV of the Social Security Act (as added by section 101 of this Act) and any other individual whose income level does not exceed 100 percent of the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section).

(3) Content of applications; selection priority.—

(A) Content of applications.—Each nonprofit organization submitting an application under this subsection shall, as part of such application, describe—

(i) the technical and financial assistance that will be made available under the project conducted under this subsection;

(ii) the geographic area to be served by the project;

(iii) the percentage of low-income individuals (as described in paragraph (2)(C)) and individuals receiving temporary employment assistance under title IV of the Social Security Act (as so added) in the area to be served by the project; and

(iv) unemployment rates in the geographic areas to be served and (to the extent practicable) the jobs available and skills necessary to fill those vacancies in such areas.

(B) Selection priority.—In approving applications under this subsection, the Secretary shall give priority to applications proposing to serve those areas containing the highest percentage of individuals receiving temporary employment assistance under title IV of such Act (as so added).

(4) Administration.—Each nonprofit organization participating in a project conducted under this subsection shall provide assurances in its agreement with the Secretary that the organization has or will have a cooperative relationship with the agency responsible for administering the Work First program (as provided for under part F of title IV of the Social Security Act, as added by section 201 of this Act) in the area served by the project.

TITLE III—SUPPORTING WORK

SEC. 301. EXTENSION OF TRANSITIONAL MEDICAID BENEFITS.

(a) Extension of Medicaid Enrollment for Former Temporary Employment Assistance Recipients for 1 Additional Year.—

(1) In general.—Section 1925(b)(1) (42 U.S.C. 1396r–6(b)(1)) is amended by striking the period at the end and inserting the following: ", and shall provide that the State shall offer to each such family the option of extending coverage under this subsection for an additional 2 succeeding 6-month periods in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.".

(2) Conforming amendments.—

(A) In general.—Section 1925 (42 U.S.C. 1396r–6) is amended—

(i) in subsection (b)—

(I) in the heading, by striking "Extension" and inserting "Extensions";

(II) in the heading of paragraph (1), by striking "Requirement" and inserting "In general";

(III) in paragraph (2)(B)(ii)—

(aa) in the heading, by striking "period" and inserting "periods"; and

(bb) by striking "in the period" and inserting "in each of the 6-month periods";

(IV) in paragraph (3)(A), by striking "the 6-month period" and inserting "any 6-month period";

(V) in paragraph (4)(A), by striking "the extension period" and inserting "any extension period"; and

(VI) in paragraph (5)(D)(i), by striking "is a 3-month period" and all that follows and inserting the following: "is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the first or fourth month of such extension period."; and

(ii) by striking subsection (f).

(B) Family support act.—Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(i) by striking "(A)"; and

(ii) by striking subparagraphs (B) and (C).

(b) Transitional Eligibility for Medicaid.—Part A of title IV, as added by section 101(a) is amended by adding at the end the following new section:

"SEC. 417. TRANSITIONAL ELIGIBILITY FOR MEDICAID.

"Each needy child, and each relative with whom such a child is living (including the spouse of such relative), who becomes ineligible for temporary employment assistance as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title, and who has received such assistance in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, shall be deemed to be a recipient of temporary employment assistance for purposes of title XIX for an additional 4 calendar months beginning with the month in which such ineligibility begins.".

(c) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to calendar quarters beginning on or after October 1, 1996, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

(2) When state legislation is required.—In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and

Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

SEC. 302. CONSOLIDATED CHILD CARE DEVELOPMENT BLOCK GRANT.

(a) PURPOSE.—It is the purpose of this section to—

(1) eliminate program fragmentation and create a seamless system of high quality child care that allows for continuity of care for children as parents move from welfare to work;

(2) provide for parental choice among high quality child care programs; and

(3) increase the availability of high quality affordable child care in order to promote self sufficiency and support working families.

(b) AMENDMENTS TO CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—

(1) APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. APPROPRIATION.

"(a) AUTHORIZATION OF APPROPRIATIONS OF BLOCK GRANT FUNDS.—For the purpose of providing child care services for eligible children through the awarding of grants to States under this subchapter (other than the grants awarded under subsection (b)) by the Secretary, there are authorized to be appropriated, $949,000,000 for each of the fiscal years 1996 through 2002.

"(b) APPROPRIATIONS OF FEDERAL MATCHING FUNDS.—For the purpose of providing child care services for eligible children through the awarding of matching grants to States under section 658J(d) by the Secretary, there are authorized to be appropriated and are hereby appropriated, $1,155,000,000 for fiscal year 1996, $1,900,000,000 for fiscal year 1997, $2,500,000,000 for fiscal year 1998, $3,200,000,000 for fiscal year 1999, $4,100,000,000 for fiscal year 2000, $4,600,000,000 for fiscal year 2001, and $4,900,000,000 for fiscal year 2002.".

(2) USE OF FUNDS.—Section 658E(c)(3)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3)(B)) is amended—

(A) in clause (i), by striking "with very low family incomes (taking into consideration family size)" and inserting "described in clause (ii) (in the order so described)";

(B) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and realigning the margins accordingly;

(C) by striking "Subject" and inserting the following:

"(i) IN GENERAL.—Subject"; and

(D) by adding at the end the following new clause:

"(ii) FAMILIES DESCRIBED.—The families described in this clause are the following:

"(I) Families containing an individual receiving temporary employment assistance under a State plan approved under part A of title IV of the Social Security Act and participating in job search, work, or Work First.

"(II) Families containing an individual who—

"(aa) no longer qualifies for child care assistance under section 405(b) of the Social Security Act because such individual has ceased to receive assistance under the temporary employment assistance program under part A of title IV of the Social Security Act as a result of increased hours of, or increased income from, employment; and

"(bb) the State determines requires such child care assistance in order to continue such employment (but only for the 1-year period beginning on the date that the individual no longer qualifies for child care assistance under section 405(b) of such Act, and, at the option of the State, for the additional 1-year period beginning after the conclusion of the first 1-year period).

"(III) Families containing an individual who—

"(aa) is not described in subclause (I) or (II); and

"(bb) has an annual income for a fiscal year below the poverty line.

For purposes of item (bb), a State may opt to provide child care services to families at or above the poverty line and below 75 percent of the State median income but only with respect to 10 percent of the State's grant under this subchapter or a greater percentage of the State's grant if such increased amount is necessary to provide child care to families who were receiving such care on the day before the date of the enactment of the Work First Act of 1995.

(3) SET-ASIDES FOR QUALITY AND EXPANSION.—Section 658E(c)(3) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3))—

(A) in subparagraph (C), by striking "25 percent" and inserting "10 percent"; and

(B) by adding at the end the following new subparagraph:

"(D) EXPANSION OF CHILD CARE.—The State shall reserve not less than 10 percent of the amount provided to the State and available for providing services under this subchapter, to provide for the expansion of child care facilities available to support working families residing in the State.".

(4) SLIDING FEE SCALE.—Section 658E(c)(5) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(5)) is amended by inserting "described in subclauses (II) and (III) of paragraph (3)(B)(ii)" after "families".

(5) MATCHING REQUIREMENT FOR NEW FUNDS.—

(A) IN GENERAL.—Section 658J of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h) is amended by adding at the end the following new subsections:

"(d) MATCHING REQUIREMENT FOR CERTAIN NEW FUNDS.—

"(1) AMOUNT OF FEDERAL PAYMENT.—Subject to paragraph (2), the Secretary shall make quarterly payments to each State that has an application approved under section 658E(d) in an amount equal to the greater of—

"(A) 70 percent; or

"(B) the Federal medical assistance percentage (as defined in section 1905(b)) increased by 10 percentage points,

of the total amount expended during the quarter under the State plan in excess of the State's quarterly allotment under section 658O.

"(2) LIMITATION.—

"(A) IN GENERAL.—Payments under this subsection to a State for any fiscal year may not exceed the limitation determined under subparagraph (B) with respect to the State.

"(B) LIMITATION DETERMINED.—The limitation determined under this subparagraph with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in subparagraph (C) as the amount allotted to the State under 658O bears to the amount allotted to all States (after reserving the amount for Indian tribes required under section 658O(a)(2)).

"(C) AMOUNT SPECIFIED.—The amount specified in this subparagraph is the amount appropriated for such fiscal year under section 658B(b) reduced by the amount reserved for Indian tribes under subsection (e).

"(D) LIMITATION RAISED.—If the limitation determined under subparagraph (A) with respect a State for a fiscal year exceeds the amount paid to the State under this subsection for the fiscal year, the limitation determined under this paragraph with respect to the State for the immediately succeeding fiscal year shall be increased by the amount of such excess.

"(3) FORM OF PAYMENT.—With respect to the amount for which payment is made to a State under paragraph (1), the State's expenditures for the costs of operating such programs may be in cash or in kind, fairly evaluated.

"(4) METHOD OF COMPUTATION AND PAYMENT.—The method of computing and paying amounts under paragraph (1) shall be as follows:

"(A) AMOUNT BASED ON ESTIMATE.—The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under paragraph (1), such estimate to be based on—

"(i) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such paragraph and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived; and

"(ii) such other information as the Secretary may find necessary.

"(B) REDUCTION OR INCREASE.—The Secretary shall reduce or increase the amount to be paid, as the case may be, by any sum by which the Secretary finds that the estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary for such prior quarter.

"(e) AMOUNTS RESERVED FOR INDIAN TRIBES.—The Secretary shall reserve not more than 3 percent of the amount appropriated under section 658B(b) in each fiscal year for payments to Indian tribes and tribal organizations with applications approved under section 658O(c). The amounts reserved under the prior sentence shall be available to make grants to or enter into contracts with Indian tribes or tribal organizations consistent with section 6580(c) without a requirement of matching funds by the Indian tribes or tribal organizations.

"(f) SAME TREATMENT AS ALLOTMENTS.—Amounts paid to a State or Indian tribe under subsections (d) and (e) shall be subject to the same requirements under this subchapter as amounts paid from the allotment under section 658O.".

(B) CONFORMING AMENDMENTS.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(i) in subsection (a)—

(I) in paragraph (1), by striking "this subchapter" and inserting section 658B(a); and

(II) in paragraph (2), by striking "section 658B" and inserting "section 658B(a); and

(ii) in subsection (b)(1), by striking "section 658B" and inserting "section 658B(a)".

(6) IMPROVING QUALITY.—

(A) INCREASE IN REQUIRED FUNDING.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended by striking "not less than 20 percent" and inserting "50 percent".

(B) QUALITY IMPROVEMENT INCENTIVE INITIATIVE.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

(i) by striking "A State" and inserting "(a) IN GENERAL.—A State"; and

(ii) by adding at the end the following new subsection:

"(b) QUALITY IMPROVEMENT INCENTIVE INITIATIVE.—

"(1) IN GENERAL.—The Secretary shall establish a child care quality improvement incentive initiative to make funds available to States that demonstrate progress in the implementation of—

"(A) innovative teacher training programs such as the Department of Defense staff development and compensation program for child care personnel; or

"(B) enhanced child care quality standards and licensing and monitoring procedures.

"(2) FUNDING.—From the amounts made available for each fiscal year under subsection (a), the Secretary shall reserve not to exceed $50,000,000 in each such fiscal year to carry out this subsection.".

(7) PAYMENTS.—Section 658J(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h) is amended by striking "Subject to the availability of appropriation, a" and inserting "A".

(8) DEFINITION OF ELIGIBLE CHILD.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended to read as follows:

"(B) who is a member of a family described in section 658E(c)(3)(B)(ii); and".

(9) DEFINITION OF POVERTY LINE.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(A) by redesignating paragraphs (10) through (14) as paragraphs (11) through (15), respectively; and

(B) by inserting after paragraph (9), the following new paragraph:

"(10) POVERTY LINE.—The term 'poverty line' means the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section) that—

"(A) in the case of a family of less than 4 individuals, is applicable to a family of the size involved; and

"(B) in the case of a family of 4 or more individuals, is applicable to a family of 4 individuals.".

(c) PROGRAM REPEALS.—

(1) STATE DEPENDENT CARE GRANTS.—Subchapter E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871 et seq.) is repealed.

(2) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT.—The Child Development Associate Scholarship Assistance Act of 1985 (42 U.S.C. 10901 et seq.) is repealed.

TITLE IV—ENDING THE CYCLE OF INTERGENERATIONAL DEPENDENCY

SEC. 401. SUPERVISED LIVING ARRANGEMENTS FOR MINORS.

Section 402(c), as added by section 101(a), is amended by adding at the end the following new paragraph:

"(7) SUPERVISED LIVING ARRANGEMENTS FOR MINORS.—The State plan shall provide that—

"(A) except as provided in subparagraph (B), in the case of any individual who is under age 18 and has never married, and who has a needy child in his or her care (or is pregnant and is eligible for temporary employment assistance under the State plan)—

"(i) such individual may receive such assistance for the individual and such child (or for herself in the case of a pregnant woman) only if such individual and child (or such pregnant woman) reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home; and

"(ii) such assistance (where possible) shall be provided to the parent, legal guardian, or other adult relative on behalf of such individual and child; and

"(B)(i) in the case of an individual described in clause (ii)—

"(I) the State agency shall assist such individual in locating an appropriate adult-supervised supportive living arrangement taking into consideration the needs and concerns of the individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that the individual (and child, if any) reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate), or

"(II) if the State agency is unable, after making diligent efforts, to locate any such appropriate living arrangement, the State agency shall provide for comprehensive case management, monitoring, and other social services consistent with the best interests of the individual (and child) while living independently (as determined by the State agency); and

"(ii) for purposes of clause (i), an individual is described in this clause if—

"(I) such individual has no parent or legal guardian of his or her own who is living and whose whereabouts are known;

"(II) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(III) the State agency determines that the physical or emotional health of such individual or any needy child of the individual would be jeopardized if such individual and such needy child lived in the same residence with such individual's own parent or legal guardian; or

"(IV) the State agency otherwise determines (in accordance with regulations issued by the Secretary) that it is in the best interest of the needy child to waive the requirement of subparagraph (A) with respect to such individual.".

SEC. 402. REINFORCING FAMILIES.

(a) IN GENERAL.—Title XX (42 U.S.C. 1397-1397e) is amended by adding at the end the following new section:

"SEC. 2008. ADULT-SUPERVISED GROUP HOMES.

"(a) ENTITLEMENT.—

"(1) IN GENERAL.—In addition to any payment under sections 2002 and 2007, beginning with fiscal year 1996, each State shall be entitled to funds under this section for each fiscal year for the establishment, operation, and support of adult-supervised group homes for custodial parents under age 18 (or age 19, at the option of the State) and their children.

"(2) PAYMENT TO STATES.—

"(A) IN GENERAL.—Each State shall be entitled to payment under this section for each fiscal year in an amount equal to its allotment (determined in accordance with subsection (b)) for such fiscal year, to be used by such State for the purposes set forth in paragraph (1).

"(B) TRANSFERS OF FUNDS.—The Secretary shall make payments in accordance with section 6503 of title 31, United States Code, to each State from its allotment for use under this title.

"(C) USE.—Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year or in the succeeding fiscal year.

"(D) TECHNICAL ASSISTANCE.—A State may use a portion of the amounts described in subparagraph (A) for the purpose of purchasing technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, or administering the program funded under this section.

"(3) ADULT-SUPERVISED GROUP HOME.—For purposes of this section, the term 'adult-supervised group home' means an entity that provides custodial parents under age 18 (or age 19, at the option of the State) and their children with a supportive and supervised living arrangement in which such parents are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children. An adult-supervised group home may also serve as a network center for other supportive services that are available in the community.

"(b) ALLOTMENT.—

"(1) CERTAIN JURISDICTIONS.—The allotment for any fiscal year to each of the jurisdictions of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount which bears the same ratio to the amount specified under paragraph (3) as the allotment that the jurisdiction receives under section 2003(a) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

"(2) OTHER STATES.—The allotment for any fiscal year for each State other than the jurisdictions of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount which bears the same ratio to—

"(A) the amount specified under paragraph (3), reduced by

"(B) the total amount allotted to those jurisdictions for that fiscal year under paragraph (1),

as the allotment that the State receives under section 2003(b) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

"(3) AMOUNT SPECIFIED.—The amount specified for purposes of paragraphs (1) and (2) shall be $95,000,000 for fiscal year 1996 and each subsequent fiscal year.

"(c) LOCAL INVOLVEMENT.—Each State shall seek local involvement from the community in any area in which an adult-supervised group home receiving funds pursuant to this section is to be established. In determining criteria for targeting funds received under this section, each State shall evaluate the community's commitment to the establishment and planning of the home.

"(d) LIMITATIONS ON THE USE OF FUNDS.—

"(1) CONSTRUCTION.—Except as provided in paragraph (2), funds made available under this section may not be used by the State, or any other person with which the State makes arrangements to carry out the purposes of this section, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility.

"(2) WAIVER.—The Secretary may waive the limitation contained in paragraph (1) upon the State's request for such a waiver if the Secretary finds that the request describes extraordinary circumstances to justify the waiver and that permitting the waiver will contribute to the State's ability to carry out the purposes of this section.

"(e) TREATMENT OF INDIAN TRIBES.—

"(1) IN GENERAL.—An Indian tribe may apply to the Secretary to establish, operate, and support adult-supervised group homes for custodial parents under age 18 (or age 19, at the option of the State) and their children in accordance with an application procedure to be determined by the Secretary. Except as otherwise provided in this subsection, the provisions of this section shall apply to Indian tribes receiving funds under this subsection in the same manner and to the same extent as the other provisions of this section apply to States.

"(2) ALLOTMENT.—If the Secretary approves an Indian tribe's application, the Secretary shall allot to such tribe for a fiscal year an amount which the Secretary determines is the Indian tribe's fair and equitable share of the amount specified under paragraph (3) for all Indian tribes with applications approved under this subsection (based on allotment factors to be determined by the Secretary). The Secretary shall determine a minimum allotment amount for all Indian tribes with applications approved under this subsection. Each Indian tribe with an application approved under this subsection shall be entitled to such minimum allotment.

"(3) AMOUNT SPECIFIED.—The amount specified under this paragraph for all Indian tribes with applications approved under this subsection is $5,000,000 for fiscal year 1996 and each subsequent fiscal year.

"(4) INDIAN TRIBE DEFINED.—For purposes of this section, the term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.".

(b) RECEIPT OF PAYMENTS BY ADULT-SUPERVISED GROUP HOMES.—Section 402(c)(7)(A)(ii), as added by section 401(a), is amended by striking "or other adult relative" and inserting "other adult relative, or adult-supervised group home receiving funds under section 2008".

(c) RECOMMENDATIONS ON USE OF GOVERNMENT SURPLUS PROPERTY.—Not later than 6 months after the date of the enactment of this Act, after consultation with the Secretary of Defense, the Secretary of Housing and Urban Development, and the Administrator of the General Services Administration, the Secretary of Health and Human Services shall submit recommendations to the Congress on the extent to which surplus properties of the United States Government may be used for the establishment of adult-supervised group homes receiving funds under section 2008 of the Social Security Act, as added by this section.

SEC. 403. REQUIRED COMPLETION OF HIGH SCHOOL OR OTHER TRAINING FOR TEENAGE PARENTS.

(a) IN GENERAL.—Section 403(b)(4), as added by section 101(a), is amended—

(1) by inserting "(A)" after "(4)"; and

(2) by inserting at the end the following new subparagraph:

"(B) In the case of a client who is a custodial parent who is under age 18 (or age 19, at the option of the State), has not successfully completed a high-school education (or its equivalent), and is required to participate in the Work First program (including an individual who would otherwise be exempt from participation in the program), provides that—

"(i) such parent participate in—

"(I) educational activities directed toward the attainment of a high school diploma or its equivalent on a full-time (as defined by the educational provider) basis; or

"(II) an alternative educational or training program on a full-time (as defined by the provider) basis; and

"(ii) child care be provided in accordance with section 405(b) with respect to the family.".

(b) STATE OPTION TO PROVIDE ADDITIONAL INCENTIVES AND PENALTIES TO ENCOURAGE TEEN PARENTS TO COMPLETE HIGH SCHOOL AND PARTICIPATE IN PARENTING ACTIVITIES.—

(1) STATE PLAN.—Section 403(b)(4), as amended by subsection (a), is amended by inserting after subparagraph (B) the following new subparagraph:

"(C) At the option of the State, provides that the client who is a custodial parent or pregnant woman who is under age 19 (or age 21, at the option of the State) participate in a program of monetary incentives and penalties which—

"(i) may, at the option of the State, require full-time participation by such custodial parent or pregnant woman in secondary school or equivalent educational activities, or participation in a course or program leading to a skills certificate found appropriate by the State agency or parenting education activities (or any combination of such activities and secondary education);

"(ii) shall require that the needs of such custodial parent or pregnant woman be reviewed and the program assure that, either in the initial development or revision of such individual's parent empowerment contract, there will be included a description of the services that will be provided to the client and the way in which the program and service providers will coordinate with the educational or skills training activities in which the client is participating;

"(iii) shall provide monetary incentives (to be treated as assistance under the State plan) for more than minimally acceptable performance of required educational activities;

"(iv) shall provide penalties (which may be those required by subsection (c) or, with the approval of the Secretary, other monetary penalties that the State finds will better achieve the objectives of the program) for less than minimally acceptable performance of required activities;

"(v) shall provide that when a monetary incentive is payable because of the more than minimally acceptable performance of required educational activities by a custodial parent, the incentive be paid directly to such parent, regardless of whether the State agency makes payment of assistance under the State plan directly to such parent; and

"(vi) for purposes of any other Federal or federally-assisted program based on need, shall not consider any monetary incentive paid under this subsection as income in determining a family's eligibility for or amount of benefits under such program, and if assistance is reduced by reason of a penalty under this subparagraph, such other program shall treat the family involved as if no such penalty has been applied.".

SEC. 404. DRUG TREATMENT AND COUNSELING AS PART OF THE WORK FIRST PROGRAM.

Section 403(b)(6), as added by section 101(a), is amended—

(1) by inserting "(A)" after "(6)"; and

(2) by inserting at the end the following new subparagraph:

"(B) In the case of a client who is a custodial parent and who is under age 18 (or age 19, at the option of the State) (including an individual who would otherwise be exempt from participation in the program), whose contract reflects the need for treatment for substance abuse, requires such individual to participate in substance abuse treatment if appropriate treatment is available.".

SEC. 405. TARGETING YOUTH AT RISK OF TEENAGE PREGNANCY.

(a) IN GENERAL.—Section 406(e), as added by section 101(a), is amended to read as follows:

"(e) OUT-OF-WEDLOCK AND TEEN PREGNANCY PROGRAMS.—

"(1) OUT-OF-WEDLOCK PREGNANCIES.—The State plan shall provide for the development of a program to reduce the incidence of out-of-wedlock pregnancies, which may include providing unmarried mothers and unmarried fathers with services which will help them—

"(A) avoid subsequent pregnancies, and

"(B) provide adequate care to their children.

"(2) TEEN PREGNANCIES.—

"(A) IN GENERAL.—The State plan shall provide that the State agency may, to the extent it determines resources are available, provide for the operation of projects to reduce teenage pregnancy. Such projects shall be operated by eligible entities that have submitted applications described in subparagraph (C) that have been approved in accordance with subparagraph (D).

"(B) ELIGIBLE ENTITIES.—For purposes of this paragraph, the term 'eligible entity' includes State agencies, local agencies, publicly supported organizations, private nonprofit organizations, and consortia of such entities.

"(C) APPLICATIONS.—An application described in this subparagraph shall—

"(i) describe the project;

"(ii) include an endorsement of the project by the chief elected official of the jurisdiction in which the project is to be located;

"(iii) demonstrate strong local commitment and local involvement in the planning and implementation of the project; and

"(iv) be submitted in such manner and containing such information as the Secretary may require.

"(D) APPROVAL.—

"(i) IN GENERAL.—Subject to clause (ii), the chief executive officer of a State may approve an application under this subparagraph based on selection criteria (to be determined by the chief executive officer).

"(ii) PREFERENCES.—Preference in approving a project shall be accorded to be projects that target—

"(I) both young men and women;

"(II) areas with high teenage pregnancy rates; or

"(III) areas with a high incidence of individuals receiving temporary employment assistance.

"(E) INDIAN TRIBES.—

"(i) IN GENERAL.—An Indian tribe may apply to the Secretary to provide for the operation of projects to reduce teenage pregnancy in accordance with an application procedure to be determined by the Secretary. Except as otherwise provided in this subparagraph, the provisions of this paragraph shall apply to Indian tribes receiving funds under this paragraph in the same manner and to the same extent as the other provisions of this paragraph apply to States.

"(ii) LIMITATION.—The Secretary shall limit the number of applications approved under this subparagraph to ensure that payments under section 413(d) to Indian tribes with approved applications would not result in payments of less than a minimum payment amount (to be determined by the Secretary).

"(C) INDIAN TRIBE DEFINED.—For purposes of this subparagraph, the term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.

"(F) PROJECT LENGTH.—A project conducted under this paragraph shall be conducted for not less than 3 years.

"(G) STUDY.—

"(i) IN GENERAL.—The Secretary shall conduct a study in accordance with clause (ii) to determine the relative effectiveness of the different approaches for preventing teenage pregnancy utilized in the projects conducted under this paragraph.

"(ii) REQUIREMENTS.—The study required under clause (i) shall—

"(I) be based on data gathered from projects conducted in 5 States chosen by the Secretary from among the States in which projects under this paragraph are operated;

"(II) use specific outcome measures (determined by the Secretary) to test the effectiveness of the projects;

"(III) use experimental and control groups (to the extent possible) that are composed of a random sample of participants in the projects; and

"(IV) be conducted in accordance with an experimental design determined by the Secretary to result in a comparable design among all projects.

"(iii) INTERIM DATA.—Each eligible entity conducting a project under this paragraph shall provide to the Secretary in such form and with such frequency as the Secretary requires interim data from the projects conducted under this paragraph. The Secretary shall report to the Congress annually on the progress of such projects and shall, not later than January 1, 2003, submit to the Congress a final report on the study required under clause (i).

"(iv) AUTHORIZATION.—There are authorized to be appropriated $500,000 for each of fiscal years 1996 through 2002 for the purpose of conducting the study required under clause (i).".

(b) PAYMENT.—Section 413, as added by section 101(a), is amended by adding at the end the following new subsection:

"(d) FUNDING FOR TEEN PREGNANCY PROJECTS.—

"(1) IN GENERAL.—In addition to any payment under subsection (a), each State shall be entitled to payment from the Secretary for each of fiscal years 1996 through 2002 of an amount equal to the lesser of—

"(A) 75 percent of the expenditures by the State in providing for the operation of the projects under section 406(e)(2), and in administering the projects under such section; or

"(B) the limitation determined under paragraph (2) with respect to the State for the fiscal year.

"(2) LIMITATION.—

"(A) IN GENERAL.—The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to $71,250,000 as the population with an income below the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section) in the State in the second preceding fiscal year bears to such population residing in the United States in the second preceding fiscal year.

"(B) ADJUSTMENT.—If the limitation determined under subparagraph (A) with respect to a State for a fiscal year exceeds the amount paid to the State under this subsection for the fiscal year, the limitation determined under this paragraph with respect to the State for the immediately succeeding fiscal year shall be increased by the amount of such excess.

"(3) INDIAN TRIBES.—

"(A) IN GENERAL.—Notwithstanding any other provision of this title, for purposes of this subsection, an Indian tribe with an application approved under section 406(e)(2)(E) shall be entitled to payment from the Secretary for each of fiscal years 1996 through 2002 of an amount equal to the lesser of—

"(i) 75 percent of the expenditures by the Indian tribe in providing for the operation of the projects under section 406(e)(2)(E), and in administering the projects under such section; or

"(ii) the limitation determined under subparagraph (B) with respect to the Indian tribe for the fiscal year.

"(B) LIMITATION.—

"(i) IN GENERAL.—The limitation determined under this subparagraph with respect to an Indian tribe for any fiscal year is the amount that bears the same ratio to $3,750,000 as the population with an income below the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section) in the Indian tribe in the second preceding fiscal year bears to such population of all Indian tribes with applications approved under section 406(e)(2)(E) in the second preceding fiscal year.

"(ii) ADJUSTMENT.—If the limitation determined under clause (i) with respect to an Indian tribe for a fiscal year exceeds the amount paid to the Indian tribe under this paragraph for the fiscal year, the limitation determined under this subparagraph with respect to the Indian tribe for the immediately succeeding fiscal year shall be increased by the amount of such excess.

"(4) USE OF APPROPRIATIONS.—Amounts appropriated for a fiscal year to carry out this part shall be made available for payments under this subsection for such fiscal year.".

SEC. 406. NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education, the Secretary of Health and Human Services, and the Chief Executive Officer of the Corporation for National and Community Service shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. 407. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this title shall be effective with respect to calendar quarters beginning on or after October 1, 1996.

(b) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order to meet the additional requirements imposed by the amendments made by this title, the State shall not be regarded as failing to comply with the requirements of such amendments before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of this subsection, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

TITLE V—INTERSTATE CHILD SUPPORT RESPONSIBILITY

SEC. 500. SHORT TITLE.

This title may be cited as the "Interstate Child Support Responsibility Act of 1995".

Subtitle A—Improvements to the Child Support Collection System

PART I—ELIGIBILITY AND OTHER MATTERS CONCERNING TITLE IV-D PROGRAM CLIENTS

SEC. 501. STATE OBLIGATION TO PROVIDE PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE LAW REQUIREMENTS.—Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) Procedures under which—

"(A) every child support order established or modified in the State on or after October 1, 1998, is recorded in the central case registry established in accordance with section 454A(e); and

"(B) child support payments are collected through the centralized collections unit established in accordance with section 454B—

"(i) on and after October 1, 1998, under each order subject to wage withholding under section 466(b); and

"(ii) on and after October 1, 1999, under each other order required to be recorded in such central case registry under this paragraph or section 454A(e), if requested by either party subject to such order.".

(b) State Plan Requirements.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that such State will undertake to provide appropriate services under this part to—

"(A) each child with respect to whom an assignment is effective under section 402(c), 471(a)(17), or 1912 (except in cases in which the State agency determines, in accordance with paragraph (25), that it is against the best interests of the child to do so); and

"(B) each child not described in subparagraph (A)—

"(i) with respect to whom an individual applies for such services; or

"(ii) on and after October 1, 1998, with respect to whom a support order is recorded in the central State case registry established under section 454A—

"(I) if application is made for services under this part; or

"(II) at the option of the State, unless such services are declined;";

(2) in paragraph (6)—

(A) by striking "(6) provide that" and all that follows through subparagraph (A) and inserting the following:

"(6) provide that—

"(A) services under the State plan shall be made available to nonresidents on the same terms as to residents;";

(B) in subparagraph (B)—

(i) by inserting "on individuals other than indiviudals with respect to whom an assignment under parts A or E or title XIX is effective (except as provided in section 457(c))" after "such services shall be imposed"; and

(ii) by inserting "but no fees or costs shall be imposed on any absent or custodial parent or other individual for inclusion in the central State registry maintained pursuant to section 454A(e)," after "(as determined by the State),"; and

(C) in each of subparagraphs (B), (C), (D), and (E), by indenting such subparagraph and aligning its left margin with the left margin of subparagraph (A); and

(D) in each of subparagraphs (B), (C), and (D), by striking the final comma and inserting a semicolon;

(3) in paragraph (23)—

(A) by striking "the State will regularly" and inserting "the State will—

"(A) regularly";

(B) by adding at the end the following new subparagraph:

"(B) have a plan for outreach to parents designed to disseminate information about and increase access to child support enforcement services, including plans responding to needs—

"(i) of working parents to obtain such services without taking time off work; and

"(ii) of parents with limited proficiency in English for elimination of language barriers to use of such services; and"; and

(4)(A) by striking "and" at the end of paragraph (23);

(B) by striking the period at the end of paragraph (24) and inserting "; and"; and

(C) by inserting after paragraph (24) the following new paragraph:

"(25) provide that the State establish procedures for any absent parent owing child support arrearages to enter into a repayment plan with the State, engage in community service, or face imprisonment.".

(c) Conforming Amendments.—

(1) Paternity establishment percentage.—Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(2) State plan.—Section 454(23)(A) (42 U.S.C. 654(23)(A)), as amended by subsection (b)(3), is amended, effective October 1, 1998, by striking "information as to any application fees for such services and".

(3) Procedures to improve enforcement.—Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Definition of overdue support.—Section 466(e) (42 U.S.C. 666(e)) is amended by striking "or (6)".

SEC. 502. DISTRIBUTION OF PAYMENTS.

(a) Distributions Through State Child Support Enforcement Agency to Former Assistance Recipients.—Section 454(5) (42 U.S.C. 654(5)) is amended—

(1) in subparagraph (A)—

(A) by striking section 402(a)(26) is effective," and inserting "section 403(b)(7)(A) is effective, except as otherwise specifically provided in section 464 or 466(a)(3),"; and

(B) by striking "except that" and all that follows through the semicolon; and

(2) in subparagraph (B), by striking ", except" and all that follows through "medical assistance".

(b) Distribution to a Family Currently Receiving Temporary Employment Assistance.—Section 457 (42 U.S.C. 657) is amended—

(1) by striking subsection (a) and redesignating subsection (b) as subsection (a);

(2) in subsection (a), as redesignated—

(A) in the matter preceding paragraph (2), to read as follows:

"(a) In the Case of a Family Receiving TEA.—Amounts collected under this part during any month as support of a child who is receiving assistance under part A (or a parent or caretaker relative of such a child) shall (except in the case of a State exercising the option under subsection (b)) be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(d)(2)(C) shall be taken from each of—

"(A) the amounts received in a month which represent payments for that month; and

"(B) the amounts received in a month which represent payments for a prior month which were made by the absent parent in that prior month;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;";

(B) in paragraph (4), by striking "or (B)" and all that follows through the period and inserting "; then (B) from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and then (C) any remainder shall be paid to the family."; and

(3) by inserting after subsection (a), as redesignated, the following new subsection:

"(b) Alternative Distribution in Case of Family Receiving TEA.—In the case of a State electing the option under this subsection, amounts collected as described in subsection (a) shall be distributed as follows:

"(1) an amount equal to the amount that will be disregarded pursuant to section 402(d)(2)(C) shall be taken from each of—

"(A) the amounts received in a month which represent payments for that month; and

"(B) the amounts received in a month which represent payments for a prior month which were made by the absent parent in that prior month;

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;

"(2) second, from any remainder, amounts equal to the balance of support owed for the current month shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to the State making the collection shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(5) fifth, any remainder shall be paid to the family.".

(c) Distribution to a Family Not Receiving TEA.—Section 457(c) (42 U.S.C. 657(c)) is amended to read as follows:

"(c) Distributions In Case of Family Not Receiving TEA.—Amounts collected by a State agency under this part during any month as support of a child who is not receiving assistance under part A (or of a parent or caretaker relative of such a child) shall (subject to the remaining provisions of this section) be distributed as follows:

"(1) first, amounts equal to the total of such support owed for such month shall be paid to the family;

"(2) second, from any remainder, amounts equal to arrearages of such support obligations for months during which such child did not receive assistance under part A shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned to the State making the collection pursuant to part A shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned to any other State pursuant to part A shall be paid to such other State or States, and used to pay such arrearages, in the order in which such arrearages accrued (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing).".

(d) Distribution to a Child Receiving Assistance Under Title IV–E.—Section 457(d) (42 U.S.C. 657(d)) is amended, in the matter preceding paragraph (1), by striking "Notwithstanding the preceding provisions of this section, amounts" and inserting the following:

"(d) DISTRIBUTIONS IN CASE OF A CHILD RECEIVING ASSISTANCE UNDER TITLE IV–E.—Amounts".

(e) REGULATIONS.—The Secretary of Health and Human Services shall promulgate regulations under part A of title IV of the Social Security Act, establishing standards applicable to States electing the alternative formula under section 457(b) of such Act for distribution of collections on behalf of families receiving temporary employment assistance, designed to minimize irregular monthly payments to such families.

(f) CLERICAL AMENDMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (11)—

(A) by striking "(11)" and inserting "(11)(A)"; and

(B) by inserting after the semicolon "and"; and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Execpt as otherwise provided in this subsection, the amendments made by this section shall become effective on October 1, 1996.

(2) FAMILY NOT RECEIVING TEA.—The amendment made by subsection (c) shall become effective on October 1, 1999.

(3) SPECIAL RULES.—

(A) APPLICABILITY.—A State may elect to have the amendments made by this section (other than subsection (c)) become effective only with respect to child support cases beginning on or after October 1, 1996.

(B) DELAYED IMPLEMENTATION.—A State may elect to have the amendments made by this section (other than subsection (c)) become effective on a date later than October 1, 1996, which date shall coincide with the operation of the single statewide automated data processing and information retrieval system required by section 454A of the Social Security Act (as added by section 515(a)(2) of this Act) and the State centralized collection unit required by section 454B of the Social Security Act (as added by section 522(b) of this Act).

SEC. 503. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 502(f), is amended by inserting after paragraph (11) the following new paragraph:

"(12) establish procedures to provide that—

"(A) individuals who are applying for or receiving services under this part, or are parties to cases in which services are being provided under this part—

"(i) receive notice of all proceedings in which support obligations might be established or modified; and

"(ii) receive a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;

"(B) individuals applying for or receiving services under this part have access to a fair hearing or other formal complaint procedure that ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order); and

"(C) the State may not provide to any noncustodial parent of a child representation relating to the establishment or modification of an order for the payment of child support with respect to that child, unless the State makes provision for such representation outside the State agency;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 504. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 501(b)(4), is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following:

"(26) provide that the State will have in effect safeguards applicable to all sensitive and confidential information handled by the State agency designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions on the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions on the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

PART II—PROGRAM ADMINISTRATION AND FUNDING

SEC. 511. FEDERAL MATCHING PAYMENTS.

(a) INCREASED BASE MATCHING RATE.—Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as follows:

"(2) The applicable percent for a quarter for purposes of paragraph (1)(A) is—

"(A) for fiscal years 1996, 1997, and 1998, 66 percent,

"(B) for fiscal year 1999, 69 percent,

"(C) for fiscal year 2000, 72 percent, and

"(D) for fiscal year 2001 and succeeding fiscal years, 75 percent.".

(b) MAINTENANCE OF EFFORT.—Section 455 (42 U.S.C. 655) is amended—

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking "From" and inserting "Subject to subsection (c), from"; and

(2) by inserting after subsection (b) the following new subsection:

"(c) Notwithstanding the provisions of subsection (a), total expenditures for the State program under this part for fiscal year 1999 and each succeeding fiscal year (excluding 1-time capital expenditures for automation), reduced by the percentage specified for such fiscal year under subsection (a)(2) shall not be less than such total expenditures for fiscal year 1996, reduced by 66 percent.".

SEC. 512. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

"INCENTIVE ADJUSTMENTS TO MATCHING RATE

"SEC. 458. (a) INCENTIVE ADJUSTMENT.—

"(1) IN GENERAL.—In order to encourage and reward State child support enforcement programs which perform in an effective manner, the Federal matching rate for payments to a State under section 455(a)(1)(A), for each fiscal year beginning on or after October 1, 1998, shall be increased by a factor reflecting the sum of the applicable incentive adjustments (if any) determined in accordance with regulations under this section with respect to Statewide paternity establishment and to overall performance in child support enforcement.

"(2) STANDARDS.—

"(A) IN GENERAL.—The Secretary shall specify in regulations—

"(i) the levels of accomplishment, and rates of improvement as alternatives to such levels, which States must attain to qualify for incentive adjustments under this section; and

"(ii) the amounts of incentive adjustment that shall be awarded to States achieving specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

"(I) 5 percentage points, in connection with Statewide paternity establishment; and

"(II) 10 percentage points, in connection with overall performance in child support enforcement.

"(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1995, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

"(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

"(4) FISCAL YEAR SUBJECT TO INCENTIVE ADJUSTMENT.—The total percentage point increase determined pursuant to this section with respect to a State program in a fiscal year shall apply as an adjustment to the applicable percent under section 455(a)(2) for payments to such State for the succeeding fiscal year.

"(5) RECYCLING OF INCENTIVE ADJUSTMENT.—A State shall expend in the State program under this part all funds paid to the State by the Federal Government as a result of an incentive adjustment under this section.

"(b) MEANING OF TERMS.—

"(1) STATEWIDE PATERNITY ESTABLISHMENT PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this section, the term 'Statewide paternity establishment percentage' means, with respect to a fiscal year, the ratio (expressed as a percentage) of—

"(i) the total number of out-of-wedlock children in the State under 1 year of age for whom paternity is established or acknowledged during the fiscal year, to

"(ii) the total number of children requiring paternity establishment born in the State during such fiscal year.

"(B) ALTERNATIVE MEASUREMENT.—The Secretary shall develop an alternate method of measurement for the Statewide paternity establishment percentage for any State that does not record the out-of-wedlock status of children on birth certificates.

"(2) OVERALL PERFORMANCE IN CHILD SUPPORT ENFORCEMENT.—The term 'overall performance in child support enforcement' means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

"(A) the percentage of cases requiring a child support order in which such an order was established;

"(B) the percentage of cases in which child support is being paid;

"(C) the ratio of child support collected to child support due; and

"(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations.".

(b) ADJUSTMENT OF PAYMENTS UNDER PART D OF TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as amended by section 511(a), is amended—

(1) by striking the period at the end of subparagraph (C) and inserting a comma; and

(2) by adding after and below subparagraph (C), flush with the left margin of the paragraph, the following:

"increased by the incentive adjustment factor (if any) determined by the Secretary pursuant to section 458.".

(c) CONFORMING AMENDMENTS.—Section 454(22) (42 U.S.C. 654(22)) is amended—

(1) by striking "incentive payments" the first place it appears and inserting "incentive adjustments"; and

(2) by striking "any such incentive payments made to the State for such period" and inserting "any increases in Federal payments to the State resulting from such incentive adjustments".

(d) CALCULATION OF IV–D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) OVERALL PERFORMANCE.—Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,".

(2) DEFINITION.—Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended, in the matter preceding clause (i)—

(A) by striking "paternity establishment percentage" and inserting "IV–D paternity establishment percentage"; and

(B) by striking "(or all States, as the case may be)".

(3) MODIFICATION OF REQUIREMENTS.—Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A), as redesignated, by striking "the percentage of children born out-of-wedlock in the State" and inserting "the percentage of children in the State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B), as redesignated—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(e) REDUCTION OF PAYMENTS UNDER PART D OF TITLE IV.—

(1) NEW REQUIREMENTS.—Section 455 (42 U.S.C. 655) is amended—

(A) by redesignating subsection (e) as subsection (f); and

(B) by inserting after subsection (d) the following new subsection:

"(e)(1) Notwithstanding any other provision of law, if the Secretary finds, with respect to a State program under this part in a fiscal year beginning on or after October 1, 1997—

"(A)(i) on the basis of data submitted by a State pursuant to section 454(15)(B), that the State program in such fiscal year failed to achieve the IV–D paternity establishment percentage (as defined in section 452(g)(2)(A)) or the appropriate level of overall performance in child support enforcement (as defined in section 458(b)(2)), or to meet other performance measures that may be established by the Secretary, or

"(ii) on the basis of an audit or audits of such State data conducted pursuant to section 452(a)(4)(C), that the State data submitted pursuant to section 454(15)(B) is incomplete or unreliable; and

"(B) that, with respect to the succeeding fiscal year—

"(i) the State failed to take sufficient corrective action to achieve the appropriate performance levels as described in subparagraph (A)(i) of this paragraph, or

"(ii) the data submitted by the State pursuant to section 454(15)(B) is incomplete or unreliable,

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program is in compliance with such performance requirement, shall be reduced by the percentage specified in paragraph (2).

"(2) The reductions required under paragraph (1) shall be—

"(A) not less than 3 nor more than 5 percent, or

"(B) not less than 5 nor more than 7 percent, if the finding is the second consecutive finding made pursuant to paragraph (1), or

"(C) not less than 7 nor more than 10 percent, if the finding is the third or a subsequent consecutive such finding.

"(3) For purposes of this subsection, section 406(b), and section 452(a)(4), a State which is determined as a result of an audit to have submitted incomplete or unreliable data pursuant to section 454(15)(B), shall be determined to have submitted adequate data if the Secretary determines that the extent of the incompleteness or unreliability of the data is of a technical nature which does not adversely affect the determination of the level of the State's performance.".

(2) CONFORMING AMENDMENTS.—Subsections (d)(3)(A), (g)(1), and (g)(3)(A) of section 452 (42 U.S.C. 652) are each amended by striking "403(h)" and inserting "455(e)".

(f) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The amendments made by subsections (a), (b), and (c) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) EXCEPTION.—Section 458 of the Social Security Act, as in effect prior to the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years prior to fiscal year 1999.

(2) PENALTY REDUCTIONS.—

(A) IN GENERAL.—The amendments made by subsection (d) shall become effective with respect to calendar quarters beginning on and after the date of the enactment of this Act.

(B) REDUCTIONS.—The amendments made by subsection (e) shall become effective with respect to calendar quarters beginning on and after the date 1 which is year after the date of the enactment of this Act.

SEC. 513. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14)—

(A) by striking "(14)" and inserting "(14)(A)"; and

(B) by inserting after the semicolon "and";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program under this part—

"(i) which shall include such information as may be necessary to measure State compliance with Federal requirements for expedited procedures and timely case processing, using such standards and procedures as are required by the Secretary; and

"(ii) under which the State agency will determine the extent to which such program is in conformity with applicable requirements with respect to the operation of State programs under this part (including the status of complaints filed under the procedure required under paragraph (12)(B)); and

"(B) a process of extracting from the State automated data processing system and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458.".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of section 452(g) and 458, and determine the amount (if any) of penalty reductions pursuant to section 455(e) to be applied to the State;

"(B) review annual reports by State agencies pursuant to section 454(15)(A) on State program conformity with Federal requirements; evaluate any elements of a State program in which significant deficiencies are indicated by such report on the status of complaints under the State procedure under section 454(12)(B); and, as appropriate, provide to the State agency comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the government auditing standards of the United States Comptroller General—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet requirements of this part, or of regulations implementing such requirements, concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used for the calculations of performance indicators specified in subsection (g) and section 458;

"(ii) of the adequacy of financial management of the State program, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program under this part are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments and program income are carried out correctly and are properly and fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after the date which is 1 year after the enactment of this section.

SEC. 514. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes and timely case processing) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 501(b)(4) and 504(a), is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following:

"(27) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 515. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) STATE PLAN.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including, but not limited to," and all that follows and to the semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

"AUTOMATED DATA PROCESSING

"SEC. 454A. (a) IN GENERAL.—In order to meet the requirements of this section, for purposes of the requirement of section 454(16), a State agency shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section, and performs such tasks with the frequency and in the manner specified in this part or in regulations or guidelines of the Secretary.

"(b) PROGRAM MANAGEMENT.—The automated system required under this section shall perform such functions as the Secretary may specify relating to management of the program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds to carry out such program; and

"(2) maintaining the data necessary to meet Federal reporting requirements on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV–D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness, and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required under this section, which shall include the following (in addition to such other safeguards as the Secretary specifies in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out program responsibilities;

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data; and

"(C) ensure that data obtained or disclosed for a limited program purpose is not used or redisclosed for another, impermissible purpose.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies specified under paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—The State agency shall have in effect procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use sensitive or confidential program data are fully informed of applicable requirements and penalties, and are adequately trained in security procedures.

"(5) PENALTIES.—The State agency shall have in effect administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) The Secretary shall prescribe final regulations for implementation of the requirements of section 454A not later than 2 years after the date of the enactment of this subsection.".

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 504(a)(2) and 514(b)(1), is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1996, meeting all requirements of this part which were enacted on or before the date of the enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, meeting all requirements of this part enacted on or before the date of the enactment of the Interstate Child Support Responsibility Act of 1995 (but this provision shall not be construed to alter earlier deadlines specified for elements of such system), except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 452(j);".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows through "thereof"; and

(B) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal year 1996, 90 percent of so much of State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16), or meeting such requirements without regard to subparagraph (D) thereof, but limited to the amount approved for the State in the advance planning document of such State submitted before May 1, 1995.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) and 454A.

"(ii) The percentage specified in this clause, for purposes of clause (i), is the higher of—

"(I) 80 percent, or

"(II) the percentage otherwise applicable to Federal payments to the State under paragraph (1)(A) (as adjusted pursuant to section 458).".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $260,000,000 in the aggregate under section 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3) of such Act for fiscal years 1996, 1997, 1998, 1999, and 2000 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

SEC. 516. DIRECTOR OF CSE PROGRAM; STAFFING STUDY.

(a) REPORTING TO SECRETARY.—Section 452(a) (42 U.S.C. 652(a)) is amended in the matter preceding paragraph (1) by striking "directly".

(b) STAFFING STUDIES.—

(1) SCOPE.—The Secretary of Health and Human Services (in this subsection referred to as the "Secretary") shall, directly or by contract, conduct studies of the staffing of each State child support enforcement program under part D of title IV of the Social Security Act. Such studies shall—

(A) include a review of the staffing needs created by requirements for automated data processing, maintenance of a central case registry and centralized collections of child support, and of changes in these needs resulting from changes in such requirements; and

(B) examine and report on effective staffing practices used by the States and on recommended staffing procedures.

(2) Frequency of studies.—The Secretary shall complete the first staffing study required under paragraph (1) not later than October 1, 1997, and may conduct additional studies subsequently at appropriate intervals.

(3) Report to the Congress.—The Secretary shall submit a report to the Congress stating the findings and conclusions of each study conducted under this subsection.

SEC. 517. FUNDING FOR ASSISTANCE TO STATE PROGRAMS.

Section 452 (42 U.S.C. 652), as amended by section 515(a)(3), is amended by adding at the end the following new subsection:

"(k)(1) There shall be available to the Secretary, from amounts appropriated for fiscal year 1996 and each succeeding fiscal year for payments to States under this part, the amount specified in paragraph (2) for the costs to the Secretary for—

"(A) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs (including technical assistance concerning State automated systems);

"(B) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part; and

"(C) operation of the Federal Parent Locator Service under section 453, to the extent such costs are not recovered through user fees.

"(2) The amount specified in this paragraph for a fiscal year is the amount equal to a percentage of the reduction in Federal payments to States under part A on account of child support (including arrearages) collected in the preceding fiscal year on behalf of children receiving assistance under such part A in such preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the third calendar quarter following the end of such preceding fiscal year), equal to—

"(A) 1 percent, for the activities specified in subparagraphs (A) and (B) of paragraph (1); and

"(B) 2 percent, for the activities specified in subparagraph (C) of paragraph (1).".

SEC. 518. DATA COLLECTION AND REPORTS BY THE SECRETARY.

(a) Annual Report to Congress.—

(1) In general.—Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following indented clauses:

"(i) the total amount of child support payments collected as a result of services furnished during such fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of furnishing such services to those individuals; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under part A during a month in such fiscal year; and

"(II) with respect to whom a child support payment was received in the same month;".

(2) Certain data.—Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i), by striking "with the data required under each clause being separately stated for cases" and all that follows through "part:" and inserting "separately stated for cases where the family of the child is receiving temporary employment assistance (or foster care maintenance payments under part E), or formerly received such assistance or payments and the State is continuing to collect support assigned to it under section 402(c), 471(a)(17), or 1912, and all other cases under this part—";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows through the semicolon and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Use of federal courts.—Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Additional information not necessary.—Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (I).

(b) Data Collection and Reporting.—Section 469 (42 U.S.C. 669) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

"(a) The Secretary shall collect and maintain, on a fiscal year basis, up-to-date statistics, by State, with respect to services to establish paternity and services to establish child support obligations, the data specified in subsection (b), separately stated, in the case of each such service, with respect to—

"(1) families (or needy children) receiving assistance under plans approved under part A (or E); and

"(2) families not receiving such assistance.

"(b) The data referred to in subsection (a) are—

"(1) the number of cases in the caseload of the State agency administering the plan under this part in which such service is needed; and

"(2) the number of such cases in which the service has been provided."; and

(2) in subsection (c), by striking "(a)(2)" and inserting "(b)(2)".

(c) Effective Date.—The amendments made by this section shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

PART III—LOCATE AND CASE TRACKING

SEC. 521. CENTRAL STATE AND CASE REGISTRY.

Section 454A, as added by section 515(a)(2), is amended by adding at the end the following new subsections:

"(e) Central Case Registry.—

"(1) In general.—The automated system required under this section shall perform the functions, in accordance with the provisions of this subsection, of a single central registry containing records with respect to each case in which services are being provided by the State agency (including, on and after October 1, 1998, each order specified in section 466(a)(12)), using such standardized data elements (such as names, social security numbers or other uniform identification numbers, dates of birth, and case identification numbers), and containing such other information (such as information on case status) as the Secretary may require.

"(2) Payment Records.—Each case record in the central registry shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the support order, and other amounts due or overdue (including arrearages, interest or late payment penalties, and fees);

"(B) all child support and related amounts collected (including such amounts as fees, late payment penalties, and interest on arrearages);

"(C) the distribution of such amounts collected; and

"(D) the birth date of the child for whom the child support order is entered.

"(3) Updating and monitoring.—The State agency shall promptly establish and maintain, and regularly monitor, case records in the registry required by this subsection, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from matches with Federal, State, or local data sources;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) Data Matches and Other Disclosures of Information.—The automated system required under this section shall have the capacity, and be used by the State agency, to extract data at such times, and in such standardized format or formats, as may be required by the Secretary, and to share and match data with, and receive data from, other data bases and data matching services, in order to obtain (or provide) information necessary to enable the State agency (or Secretary or other State or Federal agencies) to carry out responsibilities under this part. Data matching activities of the State agency shall include at least the following:

"(1) Data bank of child support orders.—Furnishing to the Data Bank of Child Support Orders established under section 453(h) (and updating as necessary, with information, including notice of expiration of orders) minimal information specified by the Secretary on each child support case in the central case registry.

"(2) Federal parent locator service.—Exchanging data with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEA and medicaid agencies.—Exchanging data with State agencies (of the State and of other States) administering the programs under part A and title XIX, as necessary for the performance of State agency responsibilities under this part and under such programs.

"(4) Intrastate and interstate data matches.—Exchanging data with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 522. CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) State Plan Requirement.—Section 454 (42 U.S.C. 654), as amended by sections 501(b)(4), 504(a) and 514(b), is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that the State agency, on and after October 1, 1998—

"(A) will operate a centralized, automated unit for the collection and disbursement of child support under orders being enforced under this part, in accordance with section 454B; and

"(B) will have sufficient State staff (consisting of State employees), and, at State option, contractors reporting directly to the State agency to monitor and enforce support collections through such centralized unit, including carrying out the automated data processing responsibilities specified in section 454A(g) and to impose, as appropriate in particular cases, the administrative enforcement remedies specified in section 466(c)(1).".

(b) ESTABLISHMENT OF CENTRALIZED COLLECTION UNIT.—Part D of title IV (42 U.S.C. 651–669) is amended by adding after section 454A the following new section:

"CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS

"SEC. 454B. (a) IN GENERAL.—In order to meet the requirement of section 454(28), the State agency must operate a single, centralized, automated unit for the collection and disbursement of support payments, coordinated with the automated data system required under section 454A, in accordance with the provisions of this section, which shall be—

"(1) operated directly by the State agency (or by 2 or more State agencies under a regional cooperative agreement), or by a single contractor responsible directly to the State agency; and

"(2) used for the collection and disbursement (including interstate collection and disbursement) of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(b) REQUIRED PROCEDURES.—The centralized collections unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the State agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to either parent, upon request, timely information on the current status of support payments.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 515(a)(2) and as amended by section 521, is amended by adding at the end the following new subsection:

"(g) CENTRALIZED COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—The automated system required under this section shall be used, to the maximum extent feasible, to assist and facilitate collections and disbursement of support payments through the centralized collections unit operated pursuant to section 454B, through the performance of functions including at a minimum—

"(1) generation of orders and notices to employers (and other debtors) for the withholding of wages (and other income)—

"(A) within 10 working days after receipt from a court, another State, an employer, the Federal Parent Locator Service, or any other source recognized by the State of notice of and the income source subject to such withholding; and

"(B) using uniform formats directed by the Secretary;

"(2) ongoing monitoring to promptly identify failures to make timely payment; and

"(3) automatic use of enforcement mechanisms (including mechanisms authorized pursuant to section 466(c)) where payments are not timely made.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 523. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) FROM WAGES.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which all child support orders issued (or modified) before October 1, 1996, and which are not otherwise subject to withholding under subsection (b), shall become subject to withholding from wages as provided in subsection (b) if arrearages occur.".

(2) REPEAL OF CERTAIN PROVISIONS CONCERNING ARREARAGES.—Section 466(a)(8) (42 U.S.C. 666(a)(8)) is repealed.

(3) PROCEDURES DESCRIBED.—Section 466(b) (42 U.S.C. 666(b)) is amended—

(A) in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)";

(B) in paragraph (5), by striking "a public agency" and all that follows through the period and inserting "the State through the centralized collections unit established pursuant to section 454B, in accordance with the requirements of such section 454B.";

(C) in paragraph (6)(A)(i)—

(i) by inserting ", in accordance with timetables established by the Secretary," after "must be required"; and

(ii) by striking "to the appropriate agency" and all that follows through the period and inserting "to the State centralized collections unit within 5 working days after the date such amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(D) in paragraph (6)(A)(ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(E) in paragraph (6)(D) to read as follows:

"(D) Provision must be made for the imposition of a fine against any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State centralized collections unit in accordance with this subsection.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

(c) DEFINITION OF TERMS.—The Secretary of Health and Human Services shall promulgate regulations providing definitions, for purposes of part D of title IV of the Social Security Act, for the term "income" and for such other terms relating to income withholding under section 466(b) of such Act as the Secretary may find it necessary or advisable to define.

SEC. 524. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)), as amended by section 523(a)(2), is amended by inserting after paragraph (7) the following new paragraph:

"(8) Procedures ensuring that the State will neither provide funding for, nor use for any purpose (including any purpose unrelated to the purposes of this part), any automated interstate network or system used to locate individuals—

"(A) for purposes relating to the use of motor vehicles; or

"(B) providing information for law enforcement purposes (where child support enforcement agencies are otherwise allowed access by State and Federal law),

unless all Federal and State agencies administering programs under this part (including the entities established under section 453) have access to information in such system or network to the same extent as any other user of such system or network.".

SEC. 525. EXPANDED FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking "information as to the whereabouts" and all that follows through the period and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support;

"(B) against whom such an obligation is sought; or

"(C) to whom such an obligation is owed, including such individual's social security number (or numbers), most recent residential address, and the name, address, and employer identification number of such individual's employer; and

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual.";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information specified in subsection (a)"; and

(B) in paragraph (2), by inserting before the period ", or from any consumer reporting agency (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f))"; and

(3) in subsection (e)(1), by inserting before the period ", or by consumer reporting agencies".

(b) REIMBURSEMENT FOR DATA FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the fourth sentence by inserting before the period "in an amount which the Secretary determines to be reasonable payment for the data exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the data)".

(c) ACCESS TO CONSUMER REPORTS UNDER FAIR CREDIT REPORTING ACT.—

(1) In general.—Section 608 of the Fair Credit Reporting Act (15 U.S.C. 1681f) is amended—

(A) by striking ", limited to" and inserting "to a governmental agency (including the entire consumer report, in the case of a Federal, State, or local agency administering a program under part D of title IV of the Social Security Act, and limited to"; and

(B) by striking "employment, to a governmental agency" and inserting "employment, in the case of any other governmental agency)".

(2) Reimbursement for reports by state agencies and credit bureaus.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) The Secretary is authorized to reimburse to State agencies and consumer credit reporting agencies the costs incurred by such entities in furnishing information requested by the Secretary pursuant to this section in an amount which the Secretary determines to be reasonable payment for the data exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the data).".

(d) Disclosure of Tax Return Information.—

(1) By the secretary of the treasury.—Section 6103(l)(6)(A)(ii) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local child support enforcement agencies) is amended by striking ", but only if" and all that follows to the period.

(2) By the social security administration.—Section 6103(l)(8) of the Internal Revenue Code of 1986 (relating to disclosure of certain return information by Social Security Administration to State and local child support enforcement agencies) is amended—

(A) in subparagraph (A), by striking "State or local" and inserting "Federal, State, or local"; and

(B) in subparagraph (C), by inserting "(including any entity under contract with such agency)" after "thereof".

(e) Technical Amendments.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), and 663(e)) are each amended by inserting "Federal" before "Parent" each place it appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by inserting "FEDERAL" before "PARENT".

(f) New Components.—Section 453 (42 U.S.C. 653), as amended by subsection (c)(2), is amended by adding at the end the following new subsections:

"(h) Data Bank of Child Support Orders.—

"(1) In general.—Not later than October 1, 1998, in order to assist States in administering their State plans under this part and parts A and F, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry to be known as the Data Bank of Child Support Orders, which shall contain abstracts of child support orders and other information described in paragraph (2) on each case in each State central case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) Case information.—The information referred to in paragraph (1), as specified by the Secretary, shall include sufficient information (including names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have established or modified, or are enforcing or seeking to establish, such an order.

"(i) National Directory of New Hires.—

"(1) In general.—Not later than October 1, 1998, in order to assist States in administering their State plans under this part and parts A and F, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

"(2) Entry of data.—Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(j) Data Matches and Other Disclosures.—

"(1) Verification by social security administration.—

"(A) Transmission of data.—The Secretary shall transmit data on individuals and employers in the registries maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) Verification.—The Commissioner of Social Security shall verify the accuracy of, correct or supply to the extent necessary and feasible, and report to the Secretary, the following information in data supplied by the Secretary pursuant to subparagraph (A):

"(i) the name, social security number, and birth date of each individual; and

"(ii) the employer identification number of each employer.

"(2) Child support locator matches.—For the purpose of locating individuals for purposes of paternity establishment and establishment and enforcement of child support, the Secretary shall—

"(A) match data in the National Directory of New Hires against the child support order abstracts in the Data Bank of Child Support Orders not less than every 5 working days; and

"(B) report information obtained from a match established under subparagraph (A) to concerned State agencies operating programs under this part not later than 2 working days after such match.

"(3) Data matches and disclosures of data in all registries.—

"(A) For title IV program purposes.—The Secretary shall—

"(i) perform matches of data in each component of the Federal Parent Locator Service maintained under this section against data in each other such component (other than the matches required pursuant to paragraph (1)), and report information resulting from such matches to State agencies operating programs under this part and parts A and F; and

"(ii) disclose data in such registries to such State agencies,

to the extent, and with the frequency, that the Secretary determines to be effective in assisting such States to carry out their responsibilities under such programs.

"(B) To social security administration.—The Secretary shall disclose data in the registries maintained under this section to the Social Security Administration—

"(i) for the purpose of determining the accuracy of payments under the supplemental security income program under title XVI; or

"(ii) for use in connection with benefits under title II.

"(4) Other disclosures of new hire data.—The Secretary shall disclose data in the National Directory of New Hires—

"(A) to the Secretary of the Treasury for purposes directly connected with—

"(i) the administration of the earned income tax credit under section 32 of the Internal Revenue Code of 1986, or the advance payment of such credit under section 3507 of such Code; or

"(ii) verification of a claim with respect to employment in an individual tax return; and

"(B) to State agencies operating employment security and workers compensation programs, for the purpose of assisting such agencies to determine the allowability of claims for benefits under such programs.

"(k) Fees.—

"(1) For ssa verification.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, the costs incurred by the Commissioner in performing the verification services specified in subsection (j).

"(2) For information furnished to state and federal agencies.—State and Federal agencies receiving data or information from the Secretary pursuant to this section shall reimburse the costs incurred by the Secretary in furnishing such data or information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and matching such data or information).

"(l) Restriction on Disclosure and Use.—Data in the Federal Parent Locator Service, and information resulting from matches using such data, shall not be used or disclosed except as specifically provided in this section.

"(m) Retention of Data.—Data in the Federal Parent Locator Service, and data resulting from matches performed pursuant to this section, shall be retained for such period (determined by the Secretary) as appropriate for the data uses specified in this section.

"(n) Information Integrity and Security.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(o) Limit on Liability.—The Secretary shall not be liable to either a State or an individual for inaccurate information provided to a component of the Federal Parent Locator Service and disclosed by the Secretary in accordance with this section.".

(g) Conforming Amendments.—

(1) To part d of title iv of the social security act.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) To federal unemployment tax act.—Section 3304(16) of the Internal Revenue Code of 1986 (relating to approval of State laws) is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows through the semicolon and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Section 303(a) (42 U.S.C. 503(a)) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by striking the period at the end of paragraph (9) and inserting "; and"; and

(C) by adding after paragraph (9) the following new paragraph:

"(10) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.".

SEC. 526. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 501(b)(4), 504(a), 514(b), and 522(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by adding after paragraph (28) the following new paragraph:

"(29) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) EMPLOYER.—The term 'employer' includes—

"(i) any governmental entity, and

"(ii) any labor organization.

"(C) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—Each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 15 days after the date the employer hires the employee; or

"(B) in the case of an employer that reports by magnetic or electronic means, the 1st business day of the week following the date on which the employee 1st receives wages or other compensation from the employer.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W–4 form or the equivalent, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—

"(1) IN GENERAL.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a civil money penalty of $250.

"(2) APPLICABILITY OF SECTION 1128.—Section 1128 (other than subsections (a) and (b) of such section) shall apply to a civil money penalty under paragraph (1) of this subsection in the same manner as such section applies to a civil money penalty or proceeding under section 1128A(a).

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than October 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 5 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 5 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(h) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

SEC. 527. USE OF SOCIAL SECURITY NUMBERS.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 501(a), is amended by adding at the end the following new paragraph:

"(13) Procedures requiring the recording of social security numbers—

"(A) of both parties on marriage licenses and divorce decrees;

"(B) of both parents, on birth records and child support and paternity orders; and

"(C) on all applications for motor vehicle licenses and professional licenses.".

(b) CLARIFICATION OF FEDERAL POLICY.—Section 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended by striking the third sentence and inserting "This clause shall not be considered to authorize disclosure of such numbers except as provided in the preceding sentence.".

PART IV—STREAMLINING AND UNIFORMITY OF PROCEDURES

SEC. 531. ADOPTION OF UNIFORM STATE LAWS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 501(a) and 527(a), is amended by adding at the end the following new paragraph:

"(14)(A) Procedures under which the State adopts in its entirety (with the modifications and additions specified in this paragraph) not later than January 1, 1997, and uses on and after such date, the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August 1992.

"(B) The State law adopted pursuant to subparagraph (A) shall be applied to any case—

"(i) involving an order established or modified in one State and for which a subsequent modification is sought in another State; or

"(ii) in which interstate activity is required to enforce an order.

"(C) The State law adopted pursuant to subparagraph (A) of this paragraph may, in lieu of section 501 of the Uniform Interstate Family Support Act described in such subparagraph (A), contain a provision which allows the State to collect and disburse income withholding for multiple income withholding orders and interstate withholding orders in the centralized collections unit described in section 454B.

"(D) The State law adopted pursuant to subparagraph (A) of this paragraph shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act described in such subparagraph (A):

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) in any case where another State is exercising or seeks to exercise jurisdiction to modify the order, the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(E) The State law adopted pursuant to subparagraph (A) shall recognize as valid, for purposes of any proceeding subject to such State law, service of process upon persons in the State (and proof of such service) by any means acceptable in another State which is the initiating or responding State in such proceeding.".

SEC. 532. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the first undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) Recognition of Child Support Orders.—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "Prior" and inserting "Modified"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)"; and

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce".

SEC. 533. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) State Law Requirements.—Section 466 (42 U.S.C. 666), as amended by section 523(b), is amended—

(1) in subsection (a)(2), in the first sentence, to read as follows: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by adding after subsection (b) the following new subsection:

"(c) The procedures specified in this subsection are the following:

"(1) Procedures which give the State agency the authority (and recognize and enforce the authority of State agencies of other States), without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), to take the following actions relating to establishment or enforcement of orders:

"(A) To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) To enter a default order, upon a showing of service of process and any additional showing required by State law—

"(i) establishing paternity, in the case of any putative father who refuses to submit to genetic testing; and

"(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

"(C) To subpoena any financial or other information needed to establish, modify, or enforce an order, and to sanction failure to respond to any such subpoena.

"(D) To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(E) To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities, including—

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

"(F) To order income withholding in accordance with subsection (a)(1) and (b) of section 466.

"(G) In cases where support is subject to an assignment under section 402(c), 471(a)(17), or 1912, or to a requirement to pay through the centralized collections unit under section 454B) upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(H) For the purpose of securing overdue support—

"(i) to intercept and seize any periodic or lump-sum payment to the obligor by or through a State or local government agency, including—

"(I) unemployment compensation, workers' compensation, and other benefits;

"(II) judgments and settlements in cases under the jurisdiction of the State or local government; and

"(III) lottery winnings;

"(ii) to attach and seize assets of the obligor held by financial institutions;

"(iii) to attach public and private retirement funds in appropriate cases, as determined by the Secretary; and

"(iv) to impose liens in accordance with paragraph (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(I) For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages (subject to such conditions or restrictions as the State may provide).

"(J) To suspend drivers' licenses of individuals owing past-due support, in accordance with subsection (a)(16).

"(2) The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) Procedures under which—

"(i) the parties to any paternity or child support proceedings are required (subject to privacy safeguards) to file with the tribunal before entry of an order, and to update as appropriate, information on location and identity (including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer); and

"(ii) in any subsequent child support enforcement action between the same parties, the tribunal shall be authorized, upon sufficient showing that diligent effort has been made to ascertain such party's current location, to deem due process requirements for notice and service of process to be met, with respect to such party, by delivery to the most recent residential or employer address so filed pursuant to clause (i).

"(B) Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties, and orders issued in such cases have statewide effect; and

"(ii) in the case of a State in which orders in such cases are issued by local jurisdictions, a case may be transferred between jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.".

(b) EXCEPTIONS FROM STATE LAW REQUIREMENTS.—Section 466(d) (42 U.S.C. 666(d)) is amended—

(1) by striking "(d) If" and inserting "(d)(1) Subject to paragraph (2), if"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary shall not grant an exemption from the requirements of—

"(A) subsection (a)(5) (concerning procedures for paternity establishment);

"(B) subsection (a)(10) (concerning modification of orders);

"(C) subsection (a)(12) (concerning recording of orders in the central State case registry);

"(D) subsection (a)(13) (concerning recording of social security numbers);

"(E) subsection (a)(14) (concerning interstate enforcement); or

"(F) subsection (c) (concerning expedited procedures), other than paragraph (1)(A) thereof (concerning establishment or modification of support amount).".

(c) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 515(a)(2) and as amended by sections 521 and 522(c), is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required under this section shall be used, to the maximum extent feasible, to implement any expedited administrative procedures required under section 466(c).".

PART V—PATERNITY ESTABLISHMENT

SEC. 541. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended—

(1) in subparagraph (B)—

(A) by striking "(B)" and inserting "(B)(i)";

(B) in clause (i), as redesignated, by inserting before the period ", where such request is supported by a sworn statement—

"(I) by such party alleging paternity setting forth facts establishing a reasonable possibility of the requisite sexual contact of the parties; or

"(II) by such party denying paternity setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact of the parties;"; and

(C) by inserting after clause (i) (as redesignated) the following new clause:

"(ii) Procedures which require the State agency, in any case in which such agency orders genetic testing—

"(I) to pay the costs of such tests, subject to recoupment (where the State so elects) from the putative father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is disputed, upon request and advance payment by the disputing party.";

(2) by striking subparagraphs (C), (D), (E), and (F) and inserting the following:

"(C)(i) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the putative father and the mother must be given notice, orally, in writing, and in a language that each can understand, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(iv) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies. The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as, voluntary paternity establishment programs of hospitals and birth record agencies.

"(D)(i) Procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity.

"(ii)(I) Procedures under which a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(II) Procedures under which a minor who signs an acknowledgment of paternity other than in the presence of a parent or court-appointed guardian ad litem may rescind the acknowledgment in a judicial or administrative proceeding, until the earlier of—

"(aa) attaining the age of majority; or

"(bb) the date of the first judicial or administrative proceeding brought (after the signing) to establish a child support obligation, visitation rights, or custody rights with respect to the child whose paternity is the subject of the acknowledgment, and at which the minor is represented by a parent, guardian ad litem, or attorney.

"(E) Procedures under which no judicial or administrative proceedings are required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) Procedures requiring—

"(i) that the State admit into evidence, for purposes of establishing paternity, results of any genetic test that is—

"(I) of a type generally acknowledged, by accreditation bodies designated by the Secretary, as reliable evidence of paternity; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) that any objection to genetic testing results must be made in writing not later than a specified number of days before any hearing at which such results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of such results); and

"(iii) that, if no objection is made, the test results are admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy."; and

(3) by adding after subparagraph (H) the following new subparagraphs:

"(I) Procedures providing that the parties to an action to establish paternity are not entitled to a jury trial.

"(J) At the option of the State, procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services and testing on behalf of the child.

"(L) At the option of the State, procedures under which the tribunal establishing paternity and support has discretion to waive rights to all or part of amounts owed to the

State (but not to the mother) for costs related to pregnancy, childbirth, and genetic testing and for public assistance paid to the family where the father cooperates or acknowledges paternity before or after genetic testing.

"(M) Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent" before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 542. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

(a) STATE PLAN REQUIREMENT.—Section 454(23) (42 U.S.C. 654(23)), as amended by subsections (b)(3) and (c)(2) of section 501 and section 504(a)(1), is amended by striking "and" at the end of subparagraph (A), by inserting "and" at the end of subparagraph (B), and by adding at the end the following new subparagraph:

"(C) publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support through a variety of means, which—

"(i) include distribution of written materials at health care facilities (including hospitals and clinics), and other locations such as schools;

"(ii) may include pre-natal programs to educate expectant couples on individual and joint rights and responsibilities with respect to paternity (and may require all expectant recipients of assistance under part A to participate in such pre-natal programs, as an element of cooperation with efforts to establish paternity and child support);

"(iii) include, with respect to each child discharged from a hospital after birth for whom paternity or child support has not been established, reasonable follow-up efforts, providing—

"(I) in the case of a child for whom paternity has not been established, information on the benefits of and procedures for establishing paternity; and

"(II) in the case of a child for whom paternity has been established but child support has not been established, information on the benefits of and procedures for establishing a child support order, and an application for child support services;".

(b) ENHANCED FEDERAL MATCHING.—Section 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

(1) by inserting "(i)" before "laboratory costs", and

(2) by inserting before the semicolon ", and (ii) costs of outreach programs designed to encourage voluntary acknowledgment of paternity".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsection (a) shall become effective October 1, 1997.

(2) EXCEPTION.—The amendments made by subsection (b) shall be effective with respect to calendar quarters beginning on and after October 1, 1996.

SEC. 543. COOPERATION REQUIREMENT AND GOOD CAUSE EXCEPTION.

(a) CHILD SUPPORT ENFORCEMENT REQUIREMENTS.—Section 454 (42 U.S.C. 654), as amended by sections 501(b)(4), 504(a), 514(b), 522(a), and 526(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting "; and"; and

(3) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State agency administering the plan under this part—

"(A) will make the determination specified under subparagraph (D), as to whether an individual is cooperating with efforts to establish paternity and secure support (or has good cause not to cooperate with such efforts) for purposes of the requirements of sections 403(b)(7)(B) and 1912;

"(B) will advise individuals, both orally and in writing, of the grounds for good cause exceptions to the requirement to cooperate with such efforts;

"(C) will take the best interests of the child into consideration in making the determination whether such individual has good cause not to cooperate with such efforts;

"(D)(i) will make the initial determination as to whether an individual is cooperating (or has good cause not to cooperate) with efforts to establish paternity within 10 days after such individual is referred to such State agency by the State agency administering the program under part A of this title or part A of title XIX;

"(ii) will make redeterminations as to cooperation or good cause at appropriate intervals; and

"(iii) will promptly notify the individual, and the State agencies administering such programs, of each such determination and redetermination;

"(E) with respect to any child born on or after the date 10 months after the date of the enactment of this paragraph, will not determine (or redetermine) the mother (or other custodial relative) of such child to be cooperating with efforts to establish paternity unless such individual furnishes—

"(i) the name of the putative father (or fathers); and

"(ii) sufficient additional information to enable the State agency, if reasonable efforts were made, to verify the identity of the person named as the putative father (including such information as the putative father's present address, telephone number, date of birth, past or present place of employment, school previously or currently attended, and names and addresses of parents, friends, or relatives able to provide location information, or other information that could enable service of process on such person),

unless the State agency is satisfied that the mother (or other custodial relative) of such child is cooperating but lacks knowledge of the required information, and

"(F)(i) (in the case of a custodial parent who was initially determined not to be cooperating (or to have good cause not to cooperate) is later determined to be cooperating or to have good cause not to cooperate) will immediately notify the State agencies administering the programs under part A of this title and part A of title XIX that this eligibility condition has been met; and

"(ii) (in the case of a custodial parent was initially determined to be cooperating (or to have good cause not to cooperate)) will not later determine such individual not to be cooperating (or not to have good cause not to cooperate) until such individual has been afforded an opportunity for a hearing.".

(b) MEDICAID AMENDMENTS.—Section 1912(a) (42 U.S.C. 1396k(a)) is amended—

(1) in paragraph (1)(B), by inserting "(except as provided in paragraph (2))" after "to cooperate with the State";

(2) in subparagraphs (B) and (C) of paragraph (1) by striking ", unless" and all that follows and inserting a semicolon; and

(3) by redesignating paragraph (2) as paragraph (5), and inserting after paragraph (1) the following new paragraphs:

"(2) provide that the State agency will immediately refer each applicant or recipient requiring paternity establishment services to the State agency administering the program under part D of title IV;

"(3) provide that an individual will not be required to cooperate with the State, as provided under paragraph (1), if the individual is found to have good cause for refusing to cooperate, as determined in accordance with standards prescribed by the Secretary, which standards shall take into consideration the best interests of the individuals involved—

"(A) to the satisfaction of the State agency administering the program under part D, as determined in accordance with section 454(30), with respect to the requirements to cooperate with efforts to establish paternity and to obtain support (including medical support) from a parent; and

"(B) to the satisfaction of the State agency administering the program under this title, with respect to other requirements to cooperate under paragraph (1);

"(4) provide that (except as provided in paragraph (5)) an applicant requiring paternity establishment services (other than an individual eligible for emergency assistance under part A of title IV, or presumptively eligible pursuant to section 1920) shall not be eligible for medical assistance under this title until such applicant—

"(i) has furnished to the agency administering the State plan under part D of title IV the information specified in section 454(30)(E); or

"(ii) has been determined by such agency to have good cause not to cooperate; and

"(5) provide that the provisions of paragraph (4) shall not apply with respect to an applicant—

"(i) if such agency has not, within 10 days after such individual was referred to such agency, provided the notification required by section 454(30)(D)(iii), until such notification is received); and

"(ii) if such individual appeals a determination that the individual lacks good cause for noncooperation, until after such determination is affirmed after notice and opportunity for a hearing.".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to applications filed in or after the first calendar quarter beginning 10 months or more after enactment of this amendment (or such earlier quarter as the State may select) for assistance under part A of title IV or the Social Security Act or for medical assistance under title XIX of such Act.

PART VI—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

SEC. 551. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the "National Child Support Guidelines Commission" (in this section referred to as the "Commission").

(b) GENERAL DUTIES.—

(1) IN GENERAL.—The Commission shall determine—

(A) whether it is appropriate to develop a national child support guideline for consideration by the Congress or for adoption by individual States; or

(B) based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(2) DEVELOPMENT OF MODELS.—If the Commission determines under paragraph (1)(A) that a national child support guideline is needed or under paragraph (1)(B) that improvements to guideline models are needed, the Commission shall develop such national guideline or improvements.

(c) MATTERS FOR CONSIDERATION BY THE COMMISSION.—In making the recommendations concerning guidelines required under subsection (b), the Commission shall consider—

(1) the adequacy of State child support guidelines established pursuant to section 467 of the Social Security Act;

(2) matters generally applicable to all support orders, including—

(A) the feasibility of adopting uniform terms in all child support orders;

(B) how to define income and under what circumstances income should be imputed; and

(C) tax treatment of child support payments;

(3) the appropriate treatment of cases in which either or both parents have financial obligations to more than 1 family, including the effect (if any) to be given to—

(A) the income of either parent's spouse; and

(B) the financial responsibilities of either parent for other children or stepchildren;

(4) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(5) the appropriate treatment of expenses for health care (including uninsured health care) and other extraordinary expenses for children with special needs;

(6) the appropriate duration of support by 1 or both parents, including

(A) support (including shared support) for post-secondary or vocational education; and

(B) support for disabled adult children;

(7) procedures to automatically adjust child support orders periodically to address changed economic circumstances, including changes in the consumer price index or either parent's income and expenses in particular cases;

(8) procedures to help non-custodial parents address grievances regarding visitation and custody orders to prevent such parents from withholding child support payments until such grievances are resolved; and

(9) whether, or to what extent, support levels should be adjusted in cases in which custody is shared or in which the noncustodial parent has extended visitation rights.

(d) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed jointly by the Secretary of Health and Human Services and the Congress, not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Majority Leader of the Senate, and 1 shall be appointed by the Minority Leader of the Senate;

(ii) 2 shall be appointed by the Majority Leader of the House of Representatives, and 1 shall be appointed by the Minority Leader of the House of Representatives; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The first sentence of subparagraph (C), the first and third sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(f) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(g) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

SEC. 552. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10)(A)(i) Procedures under which—

"(I) every 3 years, at the request of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with such guidelines, without a requirement for any other change in circumstances; and

"(II) upon request at any time of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) based on a substantial change in the circumstances of either such parent.

"(ii) Such procedures shall require both parents subject to a child support order to be notified of their rights and responsibilities provided for under clause (i) at the time the order is issued and in the annual information exchange form provided under subparagraph (B).

"(B) Procedures under which each child support order issued or modified in the State after the effective date of this subparagraph shall require the parents subject to the order to provide each other with a complete statement of their respective financial condition annually on a form which shall be provided by the State. The Secretary shall establish regulations for the enforcement of such exchange of information.".

PART VII—ENFORCEMENT OF SUPPORT ORDERS

SEC. 561. FEDERAL INCOME TAX REFUND OFFSET.

(a) CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.—

(1) IN GENERAL.—Section 6402(c) of the Internal Revenue Code of 1986 (relating to offset of past-due support against overpayments) is amended—

(A) by striking "The amount" and inserting

"(1) IN GENERAL.—The amount";

(B) by striking "paid to the State. A reduction" and inserting "paid to the State.

"(2) PRIORITIES FOR OFFSET.—A reduction";

(C) by striking "shall be applied first"and inserting "shall be applied (after any reduction under subsection (d) on account of a debt owed to the Department of Education or Department of Health and Human Services with respect to a student loan) first";

(D) by striking "has been assigned" and inserting "has not been assigned"; and

(E) by striking "and shall be applied" and all that follows and inserting "and shall thereafter be applied to satisfy any past-due support that has been so assigned.".

(2) CONFORMING AMENDMENT.—Section 6402(d)(2) of such Code is amended by striking "after such overpayment" and all that follows through "Social Security Act and" and inserting "(A) before such overpayment is reduced pursuant to subsection (c), in the case of a debt owed to the Department of Education or Department of Health and Human Services with respect to a student loan, (B) after such overpayment is reduced pursuant to subsection (c), in the case of any other debt, and (C) in either case,".

(b) ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

(1) IN GENERAL.—Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) in paragraph (1)—

(i) in the first sentence, by striking "which has been assigned to such State pursuant to section 402(l) or section 471(a)(17)"; and

(ii) in the second sentence, by striking "in accordance with section 457 (b)(4) or (d)(3)" and inserting "as provided in paragraph (2)";

(B) in paragraph (2), to read as follows:

"(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

"(A) in accordance with subsection (a)(4) or (d)(3) of section 457, in the case of past-due support assigned to a State pursuant to section 402(c) or section 471(a)(17); and

"(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned.";

(C) in paragraph (3)—

(i) by striking "or (2)" each place it appears; and

(ii) in subparagraph (B), by striking "under paragraph (2)" and inserting "on account of past-due support described in paragraph (2)(B)".

(2) NOTICES OF PAST-DUE SUPPORT.—Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking "(b)(1)" and inserting "(b)"; and

(B) by striking paragraph (2).

(3) DEFINITION OF PAST-DUE SUPPORT.—Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting "(c) As"; and

(B) by striking paragraphs (2) and (3).

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1999.

SEC. 562. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) in paragraph (1), by inserting "except as provided in paragraph (5)" after "collected";

(2) by striking "and" at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting ", and";

(4) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(5) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 563. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended—

(1) in the heading, by inserting "INCOME WITHHOLDING," before "GARNISHMENT";

(2) in subsection (a)—

(A) by striking "section 207" and inserting "section 207 and section 5301 of title 38, United States Code"; and

(B) by striking "to legal process" and all that follows through the period and inserting "to withholding in accordance with State law pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary thereunder, and to any other legal process brought, by a State agency administering a program under this part or by an individual obligee, to enforce the legal obligation of such individual to provide child support or alimony.";

(3) by striking subsection (b) and inserting the following new subsection:

"(b) Except as otherwise provided herein, each entity specified in subsection (a) shall be subject, with respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or to any other order or process to enforce support obligations against an individual (if such order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), to the same requirements as would apply if such entity were a private person.";

(4) by striking subsections (c) and (d) and inserting the following new subsections:

"(c)(1) The head of each agency subject to the requirements of this section shall—

"(A) designate an agent or agents to receive orders and accept service of process; and

"(B) publish—

"(i) in the appendix of such regulations;

"(ii) in each subsequent republication of such regulations; and

"(iii) annually in the Federal Register,

the designation of such agent or agents, identified by title of position, mailing address, and telephone number.

"(2) Whenever an agent designated pursuant to paragraph (1) receives notice pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatories, with respect to an individual's child support or alimony payment obligations, such agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of such notice or service (together with a copy thereof) to such individual at his duty station or last-known home address;

"(B) not later than 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to subsection (a)(1) or (b) of section 466, comply with all applicable provisions of such section 466; and

"(C) not later than 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatories, respond thereto.

"(d) In the event that a governmental entity receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by the provisions of such section 466(b) and regulations thereunder; and

"(3) such moneys as remain after compliance with subparagraphs (A) and (B) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.";

(5) in subsection (f)—

(A) by striking "(f)" and inserting "(f)(1)"; and

(B) by adding at the end the following new paragraph:

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by him in connection with the carrying out of such duties."; and

(6) by adding at the end the following new subsections:

"(g) Authority to promulgate regulations for the implementation of the provisions of this section shall, insofar as the provisions of this section are applicable to moneys due from (or payable by)—

"(1) the executive branch of the Federal Government (including in such branch, for the purposes of this subsection, the territories and possessions of the United States, the United States Postal Service, the Postal Rate Commission, any wholly owned Federal corporation created by an Act of Congress, and the government of the District of Columbia), be vested in the President (or the President's designee);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees); and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the Chief Justice's designee).

"(h) Subject to subsection (i), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(1) consist of—

"(A) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(B) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(i) under the insurance system established by title II;

"(ii) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(iii) as compensation for death under any Federal program;

"(iv) under any Federal program established to provide 'black lung' benefits; or

"(v) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by such Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation); and

"(C) worker's compensation benefits paid under Federal or State law; but

"(2) do not include any payment—

"(A) by way of reimbursement or otherwise, to defray expenses incurred by such individual in carrying out duties associated with his employment; or

"(B) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(i) In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(1) are owed by such individual to the United States;

"(2) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(3) are properly withheld for Federal, State, or local income tax purposes, if the withholding of such amounts is authorized or required by law and if amounts withheld are not greater than would be the case if such individual claimed all the dependents that the individual was entitled to (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when such individual presents evidence of a tax obligation which supports the additional withholding);

"(4) are deducted as health insurance premiums;

"(5) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(6) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(j) For purposes of this section—".

(b) TRANSFER OF SUBSECTIONS.—Subsections (a) through (d) of section 462 (42 U.S.C. 662), are transferred and redesignated as paragraphs (1) through (4), respectively, of section 459(j) (as added by subsection (a)(6)), and the left margin of each of such paragraphs (1) through (4) is indented 2 ems to the right of the left margin of subsection (j) (as added by subsection (a)(6)).

(c) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" each place it appears and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(d) MILITARY RETIRED AND RETAINER PAY.—Section 1408 of title 10, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking "and";

(ii) in subparagraph (C), by striking the period and inserting "; and"; and

(iii) by adding at the end the following new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a State program under part D of title IV of the Social Security Act).";

(B) in paragraph (2), by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which—";

(2) in subsection (d)—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" after "CONCERNED"; and

(B) in paragraph (1), in the first sentence, by inserting "(or for the benefit of such spouse or former spouse to a State central collections unit or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient"; and

(3) by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving a child support order against a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of the Social Security Act.".

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 564. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Not later than 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection:

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 462 of the Social Security Act (42 U.S.C. 662).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—Section 1408 of title 10, United States Code, as amended by section 563(d)(3), is amended—

(1) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively;

(2) by inserting after subsection (h) the following new subsection:

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order or an order of an administrative process established under State law for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary."; and

(3) in subsection (d)—

(A) in paragraph (1), by inserting after the first sentence the following: "In the case of a spouse or former spouse who, pursuant to section 402(c) of the Social Security Act, assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights."; and

(B) by adding at the end the following new paragraph:

"(6) In the case of a court order or an order of an administrative process established under State law for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order or an order of an administrative process established under State law shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

SEC. 565. MOTOR VEHICLE LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended—

(1) by striking "(4)" and inserting "(4)(A)"; and

(2) by adding at the end the following new subparagraph:

"(B) Procedures for placing liens for arrearages of child support on motor vehicle titles of individuals owing such arrearages equal to or exceeding 1 month of support (or other minimum amount set by the State), under which—

"(i) any person owed such arrearages may place such a lien;

"(ii) the State agency administering the program under this part shall systematically place such liens;

"(iii) expedited methods are provided for—

"(I) ascertaining the amount of arrears;

"(II) affording the person owing the arrears or other titleholder to contest the amount of arrears or to obtain a release upon fulfilling the support obligation;

"(iv) such a lien has precedence over all other encumbrances on a vehicle title other than a purchase money security interest; and

"(v) the individual or State agency owed the arrears may execute on, seize, and sell the property in accordance with State law.".

SEC. 566. VOIDING OF FRAUDULENT TRANSFERS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 501(a), 527(a), and 531, is amended by adding at the end the following new paragraph:

"(15) Procedures under which—

"(A) the State has in effect—

"(i) the Uniform Fraudulent Conveyance Act of 1981,

"(ii) the Uniform Fraudulent Transfer Act of 1984, or

"(iii) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(B) in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(i) seek to void such transfer; or

"(ii) obtain a settlement in the best interests of the child support creditor.".

SEC. 567. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 501(a), 527(a), 531, and 566, is amended by adding at the end the following new paragraph:

"(16) Procedures under which the State has (and uses in appropriate cases) authority (subject to appropriate due process safeguards) to withhold or suspend, or to restrict the use of driver's licenses and professional and occupational licenses of individuals owing overdue child support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 568. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7)(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the

State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is more than 30 days delinquent in the payment of at least $100 of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.".

SEC. 569. EXTENDED STATUTE OF LIMITATION FOR COLLECTION OF ARREARAGES.

(a) IN GENERAL.—Section 466(a)(9) (42 U.S.C. 666(a)(9)) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively;

(2) by striking "(9)" and inserting "(9)(A)"; and

(3) by adding at the end the following new subparagraph:

"(B) Procedures under which the statute of limitations on any arrearages of child support extends at least until the child owed such support is 30 years of age.".

(b) APPLICATION OF REQUIREMENT.—The amendment made by this section shall not be interpreted to require any State law to revive any payment obligation which had lapsed prior to the effective date of such State law.

SEC. 570. CHARGES FOR ARREARAGES.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by sections 501(a), 527(a), 531, 566, and 567, is amended by adding at the end the following new paragraph:

"(17) Procedures providing for the calculation and collection of interest or penalties for arrearages of child support, and for distribution of such interest or penalties collected for the benefit of the child (except where the right to support has been assigned to the State).".

(b) REGULATIONS.—The Secretary of Health and Human Services shall establish by regulation a rule to resolve choice of law conflicts arising in the implementation of the amendment made by subsection (a).

(c) CONFORMING AMENDMENT.—Section 454(21) (42 U.S.C. 654(21)) is repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to arrearages accruing on or after October 1, 1998.

SEC. 571. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by sections 515(a)(3) and 517, is amended by adding at the end the following new subsection:

"(l)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 571(b) of the Interstate Child Support Responsibility Act of 1995.

"(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE CSE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 501(b)(4), 504(a), 514(b), 522(a), 526(a), and 543(a) is amended—

(A) by striking "and" at the end of paragraph (29);

(B) by striking the period at the end of paragraph (30) and inserting "; and"; and

(C) by adding after paragraph (30) the following new paragraph:

"(31) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(l) (concerning denial of passports) determinations that individuals owe arrearages of child support in an amount exceeding $5,000 or in an amount exceeding 24 months' worth of child support, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State, upon certification by the Secretary of Health and Human Services, in accordance with section 452(l) of the Social Security Act, that an individual owes arrearages of child support in excess of $5,000, shall refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

SEC. 572. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

(a) SENSE OF THE CONGRESS THAT THE UNITED STATES SHOULD RATIFY THE UNITED NATIONS CONVENTION OF 1956.—It is the sense of the Congress that the United States should ratify the United Nations Convention of 1956.

(b) TREATMENT OF INTERNATIONAL CHILD SUPPORT CASES AS INTERSTATE CASES.—Section 454 (42 U.S.C. 654), as amended by sections 501(b)(4), 504(a), 514(b), 522(a), 526(a), 543(a), and 571(a)(2) of this Act, is amended—

(1) by striking "and" at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting "; and"; and

(3) by inserting after paragraph (31) the following new paragraph:

"(32) provide that the State must treat international child support cases in the same manner as the State treats interstate child support cases under the plan.".

PART VIII—MEDICAL SUPPORT

SEC. 581. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) in clause (ii) by striking the period and inserting a comma; and

(3) by adding after clause (ii), the following flush left language:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued by an administrative adjudicator and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall become effective on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—

(A) IN GENERAL.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the first plan year beginning on or after January 1, 1996, if—

(i) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(ii) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such first plan year.

(B) NO FAILURE FOR COMPLIANCE WITH THIS PARAGRAPH.—A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

PART IX—VISITATION AND SUPPORT ASSURANCE PROJECTS

SEC. 591. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV is amended by adding at the end the following new section:

"GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS

"SEC. 469A. (a) PURPOSES; AUTHORIZATION OF APPROPRIATIONS.—For purposes of enabling States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision, and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements, there are authorized to be appropriated $5,000,000 for each of fiscal years 1996 and 1997, and $10,000,000 for each succeeding fiscal year.

"(b) PAYMENTS TO STATES.—

"(1) IN GENERAL.—Each State shall be entitled to payment under this section for each fiscal year in an amount equal to its allotment under subsection (c) for such fiscal year, to be used for payment of 90 percent of State expenditures for the purposes specified in subsection (a).

"(2) SUPPLEMENTARY USE.—Payments under this section shall be used by a State to supplement (and not to substitute for) expenditures by the State, for activities specified in subsection (a), at a level at least equal to the level of such expenditures for fiscal year 1994.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—For purposes of subsection (b), each State shall be entitled (subject to paragraph (2)) to an amount for each fiscal year bearing the same ratio to the amount authorized to be appropriated pursuant to subsection (a) for such fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—Allotments to States under paragraph (1) shall be adjusted as necessary to ensure that no State is allotted less than $50,000 for fiscal year 1996 or

1997, or $100,000 for any succeeding fiscal year.

"(d) Federal Administration.—The program under this section shall be administered by the Administration for Children and Families.

"(e) State Program Administration.—

"(1) In general.—Each State may administer the program under this section directly or through grants to or contracts with courts, local public agencies, or nonprofit private entities.

"(2) Statewide plan permissible.—State programs under this section may, but need not, be statewide.

"(3) Evaluation.—States administering programs under this section shall monitor, evaluate, and report on such programs in accordance with requirements established by the Secretary.".

SEC. 592. CHILD SUPPORT ASSURANCE DEMONSTRATION PROJECTS.

(a) In General.—In order to encourage States to provide a guaranteed minimum level of child support for every eligible child not receiving such support, the Secretary of Health and Human Services is authorized to allow States to conduct demonstration projects in 1 or more political localities for the purpose of establishing or improving a system of assured minimum child support payments.

(b) Submissions by States.—Each State shall provide the Secretary of Health and Human Services with a complete description of the proposed demonstration project and allow for ongoing and retrospective evaluation of the project, providing such data and reports on an annual basis as are necessary to accomplish a thorough evaluation of such project.

(c) Authorization of Appropriations.—There are authorized to be appropriated $25,000,000 for each of fiscal years 1996, 1997, and 1998, to conduct the demonstration projects and evaluations required under this section.

Subtitle B—Effect of Enactment

SEC. 595. EFFECTIVE DATES.

(a) In General.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) provisions of subtitle A requiring enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of subtitle A shall become effective upon the date of the enactment of this Act.

(b) Grace Period for State Law Changes.—The provisions of subtitle A shall become effective with respect to a State on the later of—

(1) the date specified in subtitle A, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) Grace Period for State Constitutional Amendment.—A State shall not be found out of compliance with any requirement enacted by subtitle A if it is unable to comply without amending the State constitution until the earlier of—

(1) the date which is 1 year after the effective date of the necessary State constitutional amendment, or

(2) the date which is 5 years after the date of the enactment of this Act.

SEC. 596. SEVERABILITY.

If any provision of subtitle A or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of subtitle A which can be given effect without regard to the invalid provision or application, and to this end the provisions of subtitle A shall be severable.

TITLE VI—SUPPLEMENTAL SECURITY INCOME REFORM

Subtitle A—Eligibility Restrictions

SEC. 601. DRUG ADDICTS AND ALCOHOLICS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

(a) Termination of SSI Cash Benefits for Drug Addicts and Alcoholics.—Section 1611(e)(3) (42 U.S.C. 1382(e)(3)) is amended—

(1) by striking "(B)" and inserting "(C)";

(2) by striking "(3)(A) and inserting "(B)"; and

(3) by inserting before subparagraph (B) as redesignated by paragraph (2) the following new subparagraph:

"(3)(A) No cash benefits shall be payable under this title to any individual who is otherwise eligible for benefits under this title by reason of disability, if such individual's alcoholism or drug addiction is a contributing factor material to the Commissioner's determination that such individual is disabled.".

(b) Treatment Requirements.—

(1) Section 1611(e)(3)(B)(i)(I) (42 U.S.C. 1382(e)(3)(B)(i)(I)), as redesignated by subsection (a), is amended to read as follows:

"(B)(i)(I)(aa) Any individual who would be eligible for cash benefits under this title but for the application of subparagraph (A) may elect to comply with the provisions of this subparagraph.

"(bb) Any individual who is eligible for cash benefits under this title by reason of disability (or whose eligibility for such benefits is suspended) or is eligible for benefits pursuant to section 1619(b), and who was eligible for such benefits by reason of disability, for which such individual's alcoholism or drug addiction was a contributing factor material to the Commissioner's determination that such individual was disabled, for the month preceding the month in which section 601 of the Work First Act of 1995 takes effect, shall be required to comply with the provisions of this subparagraph.

(2) Section 1611(e)(3)(B)(i)(II) (42 U.S.C. 1382(e)(3)(B)(i)(II)), as so redesignated, is amended by striking "who is required under subclause (I)" and inserting "described in division (bb) of subclause (I) who is required".

(3) Subclauses (I) and (II) of section 1611(e)(3)(B)(ii) (42 U.S.C. 1382(e)(3)(B)(ii)), as so redesignated, are each amended by striking "clause (i)" and inserting "clause (i)(I)".

(4) Section 1611(e)(3)(B) (42 U.S.C. 1382(e)(3)(B)), as so redesignated, is amended by striking clause (v) and by redesignating clause (vi) as clause (v).

(5) Section 1611(e)(3)(B)(v) (42 U.S.C. 1382(e)(3)(B)(v)), as redesignated by paragraph (4), is amended—

(A) in subclause (I), by striking "who is eligible" and all that follows through "is disabled" and inserting "described in clause (i)(I)"; and

(B) in subclause (V), by striking "or v".

(6) Section 1611(e)(3)(C)(i) (42 U.S.C. 1382(e)(3)(C)(i)), as redesignated by subsection (a), is amended by striking "who are receiving benefits under this title and who as a condition of such benefits" and inserting "described in subparagraph (B)(i)(I)(aa) who elect to undergo treatment; and the monitoring and testing of all individuals described in subparagraph (B)(i)(I)(bb) who".

(7) Section 1611(e)(3)(C)(iii)(II)(aa) (42 U.S.C. 1382(e)(3)(C)(iii)(II)(aa)), as so redesignated, is amended by striking "residing in the State" and all that follows through "they are disabled" and inserting "described in subparagraph (B)(i)(I) residing in the State".

(8) Section 1611(e)(3)(C)(iii) (42 U.S.C. 1382(e)(3)(C)(iii)), as so redesignated, is amended by adding at the end the following:

"(III) The monitoring requirements of subclause (II) shall not apply in the case of any individual described in subparagraph (B)(i)(I)(aa) who fails to comply with the requirements of subparagraph (B).".

(9) Section 1611(e)(3) (42 U.S.C. 1382(e)(3)), as amended by subsection (a), is amended by adding at the end the following new subparagraphs:

"(D) The Commissioner shall provide appropriate notification to each individual subject to the limitation on cash benefits contained in subparagraph (A) and the treatment provisions contained in subparagraph (B).

"(E) The requirements of subparagraph (B) shall cease to apply to any individual if the Commissioner determines that such individual no longer needs treatment.".

(c) Preservation of Medicaid Eligibility.—Section 1634(e) (42 U.S.C. 1382(e)) is amended—

(1) by striking "clause (i) or (v) of section 1611(e)(3)(A)" and inserting "subparagraph (A) or subparagraph (B)(i)(II) of section 1611(e)(3)"; and

(2) by adding at the end the following: "This subsection shall cease to apply to any such person if the Commissioner determines that such person no longer needs treatment.".

(d) Effective Date.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) Application to current recipients.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by this section, such amendments shall apply with respect to the benefits of such individual for months beginning on or after January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

Subtitle B—Benefits for Disabled Children

SEC. 611. DEFINITION AND ELIGIBILITY RULES.

(a) Definition of Childhood Disability.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual";

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (H) as subparagraphs (D) through (I), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking "(D)" and inserting "(E)".

(b) Changes to Childhood SSI Regulations.—

(1) Modification to medical criteria for evaluation of mental and emotional disorders.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) Discontinuance of individualized functional assessment.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) Effective Date; Regulations; Application to Current Recipients.—

(1) In general.—The amendments made by subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) Regulations.—The Commissioner of Social Security shall issue such regulations as the Commissioner determines to be necessary to implement the amendments made by subsections (a) and (b) not later than 60 days after the date of the enactment of this Act.

(3) Application to current recipients.—

(A) Eligibility determinations.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits based on a disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the amendments made by subsection (a) or (b). With respect to redeterminations under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act; and

(iii) the Commissioner shall give such redeterminations priority over all other reviews under such title.

(B) Grandfather provision.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after January 1, 1997.

(C) Notice.—Not later than 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

SEC. 612. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.

(a) Continuing Disability Reviews Relating to Certain Children.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 611(a)(3), is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which may improve (or, which is unlikely to improve, at the option of the Commissioner).

"(II) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(b) Disability Eligibility Redeterminations Required for SSI Recipients Who Attain 18 Years of Age.—

(1) In general.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a), is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining the initial eligibility for applicants who have attained the age of 18 years.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) Conforming repeal.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) Continuing Disability Review Required for Low Birth Weight Babies.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b), is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

"(III) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(d) Medicaid for Children Showing Improvement.—Section 1634 (42 U.S.C. 1383c) is amended by adding at the end the following new subsection:

"(f) In the case of any individual who has not attained 18 years of age and who has been determined to be ineligible for benefits under this title—

"(1) because of medical improvement following a continuing disability review under section 1631(a)(3)(H), or

"(2) as the result of the application of section 611(b)(2) of the Work First Act of 1995,

such individual shall continue to be considered eligible for such benefits for purposes of determining eligibility under title XIX if such individual is not otherwise eligible for medical assistance under such title and, in the case of an individual described in paragraph (1), such assistance is needed to maintain functional gains, and, in the case of an individual described in paragraph (2), such assistance would be available if such section 611(b)(2) had not been enacted.".

(e) Effective Date.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 613. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) Tightening of Representative Payee Requirements.—

(1) Clarification of role.—Section 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is amended by striking "and" at the end of subclause (II), by striking the period at the end of subclause (IV) and inserting "; and", and by adding after subclause (IV) the following new subclause:

"(V) advise such person through the notice of award of benefits, and at such other times as the Commissioner of Social Security deems appropriate, of specific examples of appropriate expenditures of benefits under this title and the proper role of a representative payee.".

(2) Documentation of expenditures required.—

(A) In general.—Subparagraph (C)(i) of section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended to read as follows:

"(C)(i) In any case where payment is made to a representative payee of an individual or spouse, the Commissioner of Social Security shall—

"(I) require such representative payee to document expenditures and keep contemporaneous records of transactions made using such payment; and

"(II) implement statistically valid procedures for reviewing a sample of such contemporaneous records in order to identify instances in which such representative payee is not properly using such payment.".

(B) Conforming amendment with respect to parent payees.—Clause (ii) of section 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C)) is amended by striking "Clause (i)" and inserting "Subclauses (II) and (III) of clause (i)".

(3) Effective date.—The amendments made by this subsection shall apply to benefits paid after the date of the enactment of this Act.

(b) Dedicated Savings Accounts.—

(1) In general.—Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended by adding at the end the following new clause:

"(xiv) Notwithstanding clause (x), the Commissioner of Social Security may, at the request of the representative payee, pay any lump sum payment for the benefit of a child into a dedicated savings account that could only be used to purchase for such child—

"(I) education and job skills training;

"(II) special equipment or housing modifications or both specifically related to, and required by the nature of, the child's disability; and

"(III) appropriate therapy and rehabilitation.".

(2) DISREGARD OF TRUST FUNDS.—Section 1613(a) (42 U.S.C. 1382b) is amended—

(A) by striking "and" at the end of paragraph (9),

(B) by striking the period at the end of paragraph (10) the first place it appears and inserting a semicolon,

(C) by redesignating paragraph (10) the second place it appears as paragraph (11) and striking the period at the end of such paragraph and inserting "; and", and

(D) by inserting after paragraph (11), as so redesignated, the following new paragraph:

"(12) all amounts deposited in, or interest credited to, a dedicated savings account described in section 1631(a)(2)(B)(xiv).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

Subtitle C—Studies Regarding Supplemental Security Income Program

SEC. 621. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Title XVI is amended by adding at the end the following new section:

"SEC. 1636. ANNUAL REPORT ON PROGRAM.

"(a) DESCRIPTION OF REPORT.—Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

"(1) a comprehensive description of the program;

"(2) historical and current data on allowances and denials, including number of applications and allowance rates at initial determinations, reconsiderations, administrative law judge hearings, council of appeals hearings, and Federal court appeal hearings;

"(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, work disabled adults, and children);

"(4) projections of future number of recipients and program costs, through at least 25 years;

"(5) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

"(6) data on the utilization of work incentives;

"(7) detailed information on administrative and other program operation costs;

"(8) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

"(9) State supplementation program operations;

"(10) a historical summary of statutory changes to this title; and

"(11) such other information as the Commissioner deems useful.

"(b) VIEWS OF CBO.—The annual report under this section shall include an analysis of its contents by the Congressional Budget Office.

"(c) VIEWS OF MEMBERS OF THE SOCIAL SECURITY ADVISORY COUNCIL.—Each member of the Social Security Advisory Council shall be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report under this section.

"(d) NOT SUBJECT TO PRIOR EXECUTIVE BRANCH REVIEW OR APPROVAL.—In preparing and transmitting the annual report under this section, the Commissioner shall provide the best and most accurate information, and shall not be required to submit such report to the Office of Management and Budget or to other review procedures.".

SEC. 622. IMPROVEMENTS TO DISABILITY EVALUATION.

(a) REQUEST FOR COMMENTS.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Commissioner of Social Security shall issue a request for comments in the Federal Register regarding improvements to the disability evaluation and determination procedures for individuals under age 18 to ensure the comprehensive assessment of such individuals, including—

(A) additions to conditions which should be presumptively disabling at birth or ages 0 through 3 years;

(B) specific changes in individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations;

(C) improvements in regulations regarding determinations based on regulations providing for medical and functional equivalence to such Listing of Impairments, and consideration of multiple impairments; and

(D) any other changes to the disability determination procedures.

(2) REVIEW AND REGULATORY ACTION.—The Commissioner of Social Security shall promptly review such comments and issue any regulations implementing any necessary changes not later than 18 months after the date of the enactment of this Act.

SEC. 623. STUDY OF DISABILITY DETERMINATION PROCESS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall make arrangements with the National Academy of Sciences, or other independent entity, to conduct a study of the disability determination process under titles II and XVI of the Social Security Act. This study shall be undertaken in consultation with professionals representing appropriate disciplines.

(b) STUDY COMPONENTS.—The study described in subsection (a) shall include—

(1) an initial phase examining the appropriateness of, and making recommendations regarding—

(A) the definitions of disability in effect on the date of the enactment of this Act and the advantages and disadvantages of alternative definitions; and

(B) the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical and mental impairments;

(2) a second phase, which may be concurrent with the initial phase, examining the validity, reliability, and consistency with current scientific knowledge of the standards and individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, and of related evaluation procedures as promulgated by the Commissioner of Social Security; and

(3) such other issues as the applicable entity considers appropriate.

(c) REPORTS AND REGULATIONS.—

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity, to submit an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 18 months and 24 months, respectively, from the date of the contract for such study, and such additional reports as the Commissioner deems appropriate after consultation with the applicable entity.

(2) REGULATIONS.—The Commissioner of Social Security shall review both the interim and final reports, and shall issue regulations implementing any necessary changes following each report.

SEC. 324. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1998, the Comptroller General of the United States shall study and report on the impact of the amendments made by, and the provisions of, this title on the supplemental security income program under title XVI of the Social Security Act.

Subtitle D—National Commission on the Future of Disability

SEC. 631. ESTABLISHMENT.

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this subtitle as the "Commission"), the expenses of which shall be paid from funds otherwise appropriated for the Social Security Administration.

SEC. 632. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) MATTERS STUDIED.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) RECOMMENDATIONS.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

SEC. 633. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) REPRESENTATION.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the diversity of individuals with disabilities in the United States.

(b) COMPTROLLER GENERAL.—The Comptroller General shall serve on the Commission as an ex officio member of the Commission to advise and oversee the methodology and approach of the study of the Commission.

(c) PROHIBITION AGAINST OFFICER OR EMPLOYEE.—No officer or employee of any government shall be appointed under subsection (a).

(d) DEADLINE FOR APPOINTMENT; TERM OF APPOINTMENT.—Members of the Commission shall be appointed not later than 60 days after the date of the enactment of this Act. The members shall serve on the Commission for the life of the Commission.

(e) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(f) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(h) CONTINUATION OF MEMBERSHIP.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(i) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(j) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(k) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 634. STAFF AND SUPPORT SERVICES.

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

SEC. 635. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devices of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devices shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 636. REPORTS.

(a) INTERIM REPORT.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 637, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) FINAL REPORT.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) PRINTING AND PUBLIC DISTRIBUTION.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

SEC. 637. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

TITLE VII—PROVISIONS RELATING TO SPONSORS

SEC. 701. UNIFORM ALIEN ELIGIBILITY CRITERIA FOR PUBLIC ASSISTANCE PROGRAMS.

(a) FEDERAL AND FEDERALLY-ASSISTED PROGRAMS.—

(1) PROGRAM ELIGIBILITY CRITERIA.—

(A) TEMPORARY EMPLOYMENT ASSISTANCE.—

(i) IN GENERAL.—Section 402(c) of the Social Security Act, as added by section 101(a) and amended by section 401, is amended by redesignating paragraphs (2) through (7) as paragraphs (3) through (8), and by inserting after paragraph (1) the following new paragraph:

"(2) ALIEN STATUS.—In determining the eligibility of a family for assistance, the State plan shall provide that no assistance shall be furnished to any family member under the plan who is not—

"(A) a citizen or national of the United States, or

"(B) a qualified alien (as defined in section 1101(a)(10)), provided that such alien is not disqualified from receiving assistance under the State plan by or pursuant to section 210(f) or 245A(h) of the Immigration and Nationality Act or any other provision of law.".

(ii) CONFORMING AMENDMENT.—Section 402(d)(1) of the Social Security Act, as added by section 101(a), is amended by striking "any individual" and inserting "any individual (including any family member described in subsection (c)(2))".

(B) SUPPLEMENTAL SECURITY INCOME.—Section 1614(a)(1)(B)(i) (42 U.S.C. 1382c(a)(1)(B)(i)) is amended to read as follows:

"(B)(i) is a resident of the United States, and is either (I) a citizen or national of the United States, or (II) a qualified alien (as defined in section 1101(a)(10)), or".

(C) MEDICAID—

(i) IN GENERAL.—Section 1903(v)(1) (42 U.S.C. 1396b(v)(1)) is amended to read as follows:

"(v)(1) Notwithstanding the preceding provisions of this section—

"(A) no payment may be made to a State under this section for medical assistance furnished to an individual who is disqualified from receiving such assistance by or pursuant to section 210(f) or 245A(h) of the Immigration and Nationality Act or any other provision of law, and

"(B) except as provided in paragraph (2), no such payment may be made for medical assistance furnished to an individual who is not—

"(i) a citizen or national of the United States, or "(ii) a qualified alien (as defined in section 1101(a)(10)).".

(ii) CONFORMING AMENDMENTS.—

(I) Section 1903(v)(2) (42 U.S.C. 1396b(v)(2)) is amended by striking "paragraph (1)" and inserting "paragraph (1)(B)", and by striking "alien" each place it appears and inserting "individual".

(II) Section 1902(a) (42 U.S.C. 1396a(a)) is amended in the last sentence by striking "alien" and all that follows and inserting "individual who is not (A) a citizen or national of the United States, or (B) a qualified alien (as defined in section 1101(a)(10)) only in accordance with section 1903(v).".

(III) Section 1902(b)(3) (42 U.S.C. 1396a(b)(3)) is amended by inserting "or national" after "citizen".

(2) QUALIFIED ALIEN DEFINED.—Section 1101(a) (42 U.S.C. 1301(a)) is amended by adding at the end the following new paragraph:

"(10) The term 'qualified alien' means an alien—

"(A) who is lawfully admitted for permanent residence within the meaning of section 101(a)(20) of the Immigration and Nationality Act;

"(B) who is admitted as a refugee pursuant to section 207 of such Act;

"(C) who is granted asylum pursuant to section 208 of such Act;

"(D) whose deportation is withheld pursuant to section 243(h) of such Act;

"(E) whose deportation is suspended pursuant to section 244 of such Act;

"(F) who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980;

"(G) who is lawfully admitted for temporary residence pursuant to section 210 or 245A of such Act;

"(H) who is within a class of aliens lawfully present within the United States pursuant to any other provision of such Act, provided that—

"(i) the Attorney General determines that the continued presence of such class of aliens serves a humanitarian or other compelling public interest, and

"(ii) the Secretary determines that such interest would be further served by treating each alien within such class as a 'qualified alien' for purposes of this Act; or

"(I) who is the spouse or unmarried child under 21 years of age of a citizen of the United States, or the parent of such a citizen if the citizen is 21 years of age or older, and with respect to whom an application for adjustment to lawful permanent residence is pending;

such status not having changed.".

(3) CONFORMING AMENDMENT.—Section 244A(f)(1) of the Immigration and Nationality Act (8 U.S.C. 1254a(f)(1)) is amended by inserting "and shall not be considered to be a 'qualified alien' within the meaning of section 1101(a)(10) of the Social Security Act" immediately before the semicolon.

(b) STATE AND LOCAL PROGRAMS.—A State or political subdivision therein may provide that an alien is not eligible for any program of assistance based on need that is furnished by such State or political subdivision unless such alien is a "qualified alien" within the meaning of section 1101(a)(10) of the Social Security Act (as added by subsection (a)(2) of this section).

(c) EFFECTIVE DATE.—

(1) The amendments made by subsection (a) shall apply with respect to benefits payable on the basis of any application filed after September 30, 1995.

(2) Subsection (b) shall take effect on October 1, 1995.

SEC. 702. EXTENSION OF DEEMING OF INCOME AND RESOURCES UNDER TEA, SSI, AND FOOD STAMP PROGRAMS.

(a) IN GENERAL.—Except as provided in subsections (b) and (c), in applying section 1621 of the Social Security Act and section 5(i) of the Food Stamp Act of 1977, the period in which each respective section otherwise applies with respect to an alien shall be extended through the date (if any) on which the alien becomes a citizen of the United States under chapter 2 of title III of the Immigration and Nationality Act.

(b) EXCLUSION.—Notwithstanding sections 414 and 1621 of the Social Security Act and section 5(i) of the Food Stamp Act of 1977, the income and resources of a sponsor or sponsor's spouse shall not be deemed to an alien if—

(1) the alien—

(A) is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge,

(B) is on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) is the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B);

(2) the alien is the subject of domestic violence or has been battered or subjected to extreme cruelty by a family member in the United States; or

(3) there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters.

(c) HOLD HARMLESS FOR MEDICAID ELIGIBILITY.—Subsection (a) shall not apply with respect to determinations of eligibility for benefits under part A of title IV of the Social Security Act or under the supplemental income security program under title XVI of such Act but only insofar as such determinations provide for eligibility for medical assistance under title XIX of such Act.

(d) EFFECTIVE DATE.—This section shall take effect on October 1, 1995.

SEC. 703. REQUIREMENTS FOR SPONSOR'S AFFIDAVITS OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

"REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

"SEC. 213A. (a) ENFORCEABILITY.—

"(1) IN GENERAL.—No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable under section 212(a)(4) unless such affidavit is executed as a contract—

"(A) which, for not more than 5 years after the date the alien last receives any such cash benefit, is legally enforceable against the sponsor by the Federal Government, by a State, or by any political subdivision of a State, providing cash benefits under a public cash assistance program (as defined in subsection (f)(2)); and

"(B) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

"(2) EXPIRATION OF LIABILITY.—Such contract shall only apply with respect to cash benefits described in paragraph (1)(A) provided to an alien before the earliest of the following:

"(A) CITIZENSHIP.—The date the alien becomes a citizen of the United States under chapter 2 of title III.

"(B) VETERAN.—The first date the alien is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge.

"(C) PAYMENT OF SOCIAL SECURITY TAXES.—The first date as of which there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters.

"(3) NONAPPLICATION DURING CERTAIN PERIODS.—Such contract also shall not apply with respect to cash benefits described in paragraph (1)(A) provided during any period in which the alien is—

"(A) on active duty (other than active duty for training) in the Armed Forces of the United States, or

"(B) the spouse or unmarried dependent child of an individual described in paragraph (2)(A) or subparagraph (A) of this paragraph;

"(b) FORMS.—Not later than 90 days after the date of the enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

"(c) NOTIFICATION OF CHANGE OF ADDRESS.—

"(1) REQUIREMENT.—The sponsor shall notify the Federal Government and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(1)(A).

"(2) ENFORCEMENT.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000, or

"(B) if such failure occurs with knowledge that the sponsored alien has received any benefit under any means-tested public benefits program, not less than $2,000 or more than $5,000.

"(d) REIMBURSEMENT OF GOVERNMENT EXPENSES.—

"(1) REQUEST FOR REIMBURSEMENT.—

"(A) IN GENERAL.—Upon notification that a sponsored alien has received any cash benefits described in subsection (a)(1)(A), the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such cash benefits.

"(B) REGULATIONS.—The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) INITIATION OF ACTION.—If, not later than 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(3) FAILURE TO ABIDE BY REPAYMENT TERMS.—If the sponsor fails to abide by the repayment terms established by such agency, the agency may, not later than 60 days after such failure, bring an action against the sponsor pursuant to the affidavit of support.

"(4) LIMITATION ON ACTIONS.—No cause of action may be brought under this subsection later than 5 years after the date the alien last received any cash benefit described in subsection (a)(1)(A).

"(f) DEFINITIONS.—For the purposes of this section:

"(1) Sponsor.—The term 'sponsor' means an individual who—

"(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

"(B) is 18 years of age or over; and

"(C) is domiciled in any State.

"(2) Public cash assistance program.—The term 'public cash assistance program' means a program of the Federal Government or of a State or political subdivision of a State that provides direct cash assistance for the purpose of income maintenance and in which the eligibility of an individual, household, or family eligibility unit for cash benefits under the program, or the amount of such cash benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit. Such term does not include any program insofar as it provides medical, housing, education, job training, food, or in-kind assistance or social services.".

(b) Clerical Amendment.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) Effective Date.—Subsection (a) of section 213A of the Immigration and Nationality Act, as added by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section 213A.

SEC. 704. EXTENDING REQUIREMENT FOR AFFIDAVITS OF SUPPORT TO FAMILY-RELATED AND DIVERSITY IMMIGRANTS.

(A) In General.—Section 212(a)(4) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(4)) is amended to read as follows:

"(4) Public charge and affidavits of support.—

"(A) Public charge.—Any alien who, in the opinion of the consular officer at the time of application for a visa, or in the opinion of the Attorney General at the time of application for admission or adjustment of status, is likely at any time to become a public charge is excludable.

"(B) Affidavits of support.—Any immigrant who seeks admission or adjustment of status as any of the following is excludable unless there has been executed with respect to the immigrant an affidavit of support pursuant to section 213A:

"(i) As an immediate relative (under section 201(b)(2)).

"(ii) As a family-sponsored immigrant under section 203(a) (or as the spouse or child under section 203(d) of such an immigrant).

"(iii) As the spouse or child (under section 203(d)) of an employment-based immigrant under section 203(b).

"(iv) As a diversity immigrant under section 203(c) (or as the spouse or child under section 203(d) of such an immigrant).".

(b) Effective Date.—The amendment made by subsection (a) shall apply to aliens with respect to whom an immigrant visa is issued (or adjustment of status is granted) after the date specified by the Attorney General under section 703(c).

TITLE VIII—FOOD STAMP PROGRAM INTEGRITY AND REFORM.

SEC. 801. REFERENCES TO THE FOOD STAMP ACT OF 1977.

Except as otherwise expressly provided, wherever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

SEC. 802. CERTIFICATION PERIOD.

(a) Definition.—Section 3 (7 U.S.C. 2012(c)) is amended by striking subsection (c) and inserting the following:

"(c) Certification Period.—The term 'certification period' means the period specified by the State agency for which a household shall be eligible to receive an authorization card, except that the period shall be—

"(1) not more than 24 months for a household in which all adult members are elderly or disabled members; and

"(2) not more than 12 months for another household.".

(b) Reporting on Reservations.—Section 6(c)(1)(C) (7 U.S.C. 2015(c)(1)(C)) is amended—

(1) in clause (ii), by adding "and" at the end;

(2) in clause (iii), by striking "; and" at the end and inserting a period; and

(3) by striking clause (iv).

SEC. 803. EXPANDED DEFINITION OF COUPON.

Section 3(d) (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization card, cash or check issued as a coupon, or an access device, including an electronic benefits transfer card or a personal identification number,".

SEC. 804. TREATMENT OF MINORS.

The second sentence of section 3(i) (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 805. ADJUSTMENT TO THRIFTY FOOD PLAN.

The second sentence of section 3(o) (7 U.S.C. 2012(o)) is amended—

(1) by striking "shall (1) make" and inserting the following: "shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting "scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following: "Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following: "Columbia; and

"(4) on October 1, 1995, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size.".

SEC. 806. EARNINGS OF CERTAIN HIGH SCHOOL STUDENTS COUNTED AS INCOME.

Section 5(d)(7) (7 U.S.C. 2014(d)(7)) is amended by striking "21" and inserting "18".

SEC. 807. ENERGY ASSISTANCE COUNTED AS INCOME.

(a) Limiting Exclusion.—Section 5(d)(11) (7 U.S.C. 2014(d)(11)) is amended—

(1) by striking "(A) under any Federal law, or (B)"; and

(2) by inserting before the comma at the end the following: ", except that no benefits provided under the State program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall be excluded under this clause".

(b) Conforming Amendments.—

(1) Section 5(e) (7 U.S.C. 2014(e)) is amended by striking sentences nine through twelve.

(2) Section 5(k)(2) (7 U.S.C. 2014(k)(2)) is amended by striking subparagraph (C) and redesignating subparagraphs (D) through (H) as subparagraphs (C) through (G), respectively.

(3) Section 5(k) (7 U.S.C. 2014(k)) is amended by adding at the end the following new paragraph:

"(4) For purposes of subsection (d)(1), any payments or allowances made under any Federal or State law for the purposes of energy assistance shall be treated as money payable directly to the household.".

(4) Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8634(f)) is amended—

(A) in paragraph (1), by striking "food stamps";

(B) by striking "(f)(1) Notwithstanding" and inserting "(f) Notwithstanding"; and

(C) by striking paragraph (2).

SEC. 808. EXCLUSION OF CERTAIN JTPA INCOME.

Section 5 (7 U.S.C. 2014) is amended—

(1) in subsection (d)—

(A) by striking "and (16)" and inserting "(16)"; and

(B) by inserting before the period at the end the following: ", and (17) income received under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) by a household member who is less than 19 years of age"; and

(2) in subsection (*l*), by striking "under section 204(b)(1)(C)" and all that follows and inserting "shall be considered earned income for purposes of the food stamp program.".

SEC. 809. 2-YEAR FREEZE OF STANDARD DEDUCTION.

The second sentence of section 5(e)(4) (7 U.S.C. 2014(e)(4)) is amended by inserting ", except October 1, 1995, and October 1, 1996" after "thereafter".

SEC. 810. ELIMINATION OF HOUSEHOLD ENTITLEMENT TO SWITCH BETWEEN ACTUAL EXPENSES AND ALLOWANCES DURING CERTIFICATION PERIOD.

The fourteenth sentence of section 5(e) (7 U.S.C. 2014(e)) (as in effect before the amendment made by section 807) is amended by striking "and up to one additional time during each twelve-month period".

SEC. 811. EXCLUSION OF LIFE INSURANCE PROCEEDS.

Section 5(g) (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(6) Life insurance policy.—The Secretary shall exclude from financial resources the cash value of any life insurance policy owned by a member of a household.".

SEC. 812. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) (7 U.S.C. 2014(k)(2)), as amended by section 807(b)(2), is amended—

(1) by striking subparagraph (E); and

(2) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively.

SEC. 813. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i)—

(A) by striking "six months upon" and inserting "1 year on"; and

(B) by adding "and" at the end; and

(2) striking clauses (ii) and (iii) and inserting the following:

"(ii) permanently on—

"(I) the second occasion of any such determination; or

"(II) the first occasion of a finding by a Federal, State, or local court of the trading for coupons of—

"(aa) a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)); or "(bb) firearms, ammunition, or explosives.".

SEC. 814. STRENGTHENED WORK REQUIREMENTS.

(a) In General.—Section 6(d) (7 U.S.C. 2015(d)) is amended—

(1) by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through the end of paragraph (1) and inserting the following:

"(d) Conditions of Participation.—

"(1) Work requirements.—

"(A) In general.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the State agency;

"(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required under paragraph (4), including any reasonable employment requirements prescribed by the State agency under paragraph (4);

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage that is not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment; or

"(iv) voluntarily quits a job without good cause.

"(B) Household ineligibility.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period not to exceed the period of the individual's ineligibility.

"(C) Duration of ineligibility.—

"(i) First refusal.—The first time that an individual becomes ineligible to participate in the food stamp program under clause (i), (ii), or (iii) of subparagraph (A), the individual shall remain ineligible until the individual becomes eligible under this Act (including subparagraph (A)).

"(ii) Second refusal.—The second time that an individual becomes ineligible to participate in the food stamp program under clause (i), (ii), or (iii) of subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under this Act (including subparagraph (A)); or

"(II) the date that is 3 months after the date the individual became ineligible under subparagraph (A).

"(iii) Third or subsequent refusal.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under clause (i), (ii), or (iii) of subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under this Act (including subparagraph (A)); or

"(II) the date that is 6 months after the date the individual became ineligible under subparagraph (A).

"(iv) Voluntary quit.—On the date that an individual becomes ineligible under subparagraph (A)(iv), the individual shall remain ineligible until—

"(I) in the case of the first time the individual becomes ineligible, the date that is 3 months after the date the individual became ineligible; and

"(II) in the case of the second or subsequent time the individual becomes ineligible, the date that is 6 months after the date the individual became ineligible.

"(D) Administration.—

"(i) Becoming eligible.—

"(I) Waiting period.—A State agency may consider an individual ineligible to participate in the food stamp program not earlier than 14 days after the date the individual becomes ineligible to participate under clause (i), (ii), or (iii) of subparagraph (A).

"(II) Remaining eligible.—If an individual remains eligible to participate in the food stamp program under this Act (including subparagraph (A)) at the end of the earliest date for ineligibility under subclause (I), the State agency shall consider the individual to have maintained eligibility during the period preceding the earliest date for ineligibility.

"(ii) Good cause.—In this paragraph, the term 'good cause' includes the lack of adequate child care for a dependent child under the age of 12.

"(iii) Strike against the government.—For the purpose of subparagraph (A)(iv), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(iv) Selecting a head of household.—

"(I) In general.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult members of the household making application under the food stamp program agree to the selection.

"(II) Time for making designation.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program. The household may not change the designation during a certification period unless there is a change in the composition of the household.

"(v) Change in head of household.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility."; and

(2) in paragraph (4)(H)(i), by striking "The Secretary" and all that follows through "State agency shall" and inserting "A State agency may".

(b) Workfare.—Section 20(f) (7 U.S.C. 2029(f)) is amended by striking "neither that" and all that follows through "shall be eligible" and inserting "the person and, at the option of a State agency, the household of which the person is a member, shall be ineligible".

(c) Conforming Amendment.—The second sentence of section 17(b)(2) (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

SEC. 815. WORK REQUIREMENT FOR ABLE-BODIED RECIPIENTS.

(a) In General.—Section 6 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) Work Requirement.—

"(1) Definition of work program.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or local government, as determined appropriate by the Secretary.

"(2) Work requirement.—No individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12 months, the individual received food stamp benefits for not less than 6 months during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly;

"(B) participate in a workfare program under section 20 or a comparable State or local workfare program;

"(C) participate in and comply with the requirements of an approved employment and training program under subsection (d)(4); or

"(D) participate in and comply with the requirements of a work program for 20 hours or more per week.

"(3) Exception.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with a dependent child under 18 years of age; or

"(D) otherwise exempt under subsection (d)(2).

"(4) Waiver.—

"(A) In general.—The Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 7 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) Report.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

(b) Work and Training Programs.—Section 6(d)(4) (7 U.S.C. 2015(d)(4)) is amended by adding at the end the following:

"(O) Required participation in work and training programs.—A State agency shall provide an opportunity to participate in the employment and training program under this paragraph to any individual who would otherwise become subject to disqualification under subsection (i).

"(P) Coordinating work requirements.—

"(i) In general.—Notwithstanding any other provision of this paragraph, a State agency that meets the participation requirements of clause (ii) may operate the employment and training program of the State for individuals who are members of households receiving allotments under this Act as part of a program operated by the State under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.), subject to the requirements of the Act.

"(ii) Participation requirements.—A State agency may exercise the option under clause (i) if the State agency provides an opportunity to participate in an approved employment and training program to an individual who is—

"(I) subject to subsection (i);

"(II) not employed at least an average of 20 hours per week;

"(III) not participating in a workfare program under section 20 (or a comparable State or local program); and

"(IV) not subject to a waiver under subsection (i)(4).".

(c) ENHANCED EMPLOYMENT AND TRAINING PROGRAM.—Section 16(h)(1) (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A), by striking "$75,000,000 for each of the fiscal years 1991 through 1995" and inserting "$150,000,000 for each of fiscal years 1996 through 2000";

(2) by striking subparagraphs (B), (C), (E), and (F);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B) (as redesignated by paragraph (3)), by striking "for each" and all that follows through "of $60,000,000" and inserting ", the Secretary shall allocate funding".

SEC. 816. DISQUALIFICATION FOR PARTICIPATING IN 2 OR MORE STATES.

Section 6 (7 U.S.C. 2015) (as amended by section 815) is further amended by adding at the end the following:

"(j) DISQUALIFICATION FOR PARTICIPATING IN 2 OR MORE STATES.—An individual shall be ineligible to participate in the food stamp program as a member of any household during a 10-year period beginning on the date the individual is found by a State to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual to receive benefits simultaneously from 2 or more States under—

"(1) the food stamp program;

"(2) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under title XIX of the Act (42 U.S.C. 1396 et seq.); or

"(3) the supplemental security income program under title XVI of the Act (42 U.S.C. 1381 et seq.).".

SEC. 817. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 (7 U.S.C. 2015) (as amended by section 816) is further amended by adding at the end the following:

"(k) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

"(1) IN GENERAL.—At the option of a State agency, except as provided in paragraph (2), no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) a court is allowing the individual to delay payment; or

"(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.".

SEC. 818. FACILITATE IMPLEMENTATION OF A NATIONAL ELECTRONIC BENEFIT TRANSFER DELIVERY SYSTEM.

(a) IMPLEMENTATION OF NATIONAL ELECTRONIC BENEFITS TRANSFER SYSTEM.—Section 7 (7 U.S.C. 2016) is amended—

(1) in subsection (g)—

(A) by striking "(1)";

(B) by striking paragraph (2); and

(C) by striking "(A)" and "(B)" and inserting "(1)" and "(2)", respectively;

(2) in subsection (i)—

(A) in paragraph (2)—

(i) by striking "issue final regulations effective no later than April 1, 1992, that";

(ii) by striking subparagraph (A); and

(iii) by redesignating subparagraphs (B) through (H) as subparagraphs (A) through (G), respectively;

(B) in paragraph (3)(A), by inserting after "minority language populations" the following: "and those stores a State agency has determined shall be provided the equipment necessary for participation by the store in an electronic benefit transfer delivery system"; and

(D) by striking paragraph (5) and redesignating paragraph (6) as paragraph (5); and

(3) by adding at the end the following:

"(j) ELECTRONIC BENEFIT TRANSFERS.—

"(1) APPLICABLE LAW.—

"(A) IN GENERAL.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.

"(B) DEFINITION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—In this paragraph, the term 'electronic benefit transfer system' means a system under which a governmental entity distributes benefits under this Act or other benefits or payments by establishing accounts to be accessed by recipients of the benefits electronically, including through the use of an automated teller machine or an intelligent benefit card.

"(2) CHARGING FOR ELECTRONIC BENEFIT TRANSFER CARE REPLACEMENT.—".

"(A) IN GENERAL.—A State agency may charge an individual for the cost of replacing a lost or stolen electronic benefit transfer card.

"(B) REDUCING ALLOTMENT.—A State agency may collect a charge imposed under subparagraph (A) by reducing the monthly allotment of the household of which the individual is a member.

"(3) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

"(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

"(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.".

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 10 (7 U.S.C. 2019) is amended by striking the period at the end and inserting the following: ", unless the center, organization, institution, shelter, group living arrangement, or establishment is equipped with a point-of-sale device for the purpose of participating in the electronic benefit transfer system.".

(2) Section 16(a)(3) (7 U.S.C. 2025(a)(3)) is amended by inserting after "households" the following: ", including the cost of providing equipment necessary for retail food stores to participate in an electronic benefit transfer system".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the date that the Secretary of Agriculture implements a national electronic benefit transfer system in accordance with section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) (as amended by subsection (a)).

SEC. 819. LIMITING ADJUSTMENT OF MINIMUM BENEFIT.

Section 8(a) (7 U.S.C. 2017(a)) is amended by striking "nearest $5" and inserting "nearest $10".

SEC. 820. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 821. STATE AUTHORIZATION TO SET REQUIREMENTS APPROPRIATE FOR HOUSEHOLDS.

(a) AGGREGATE ALLOTMENT.—Section 8(c)(3) (7 U.S.C. 2017(c)(3)) is amended—

(1) by striking "agency—" and all that follows through "11(e)(9), may" and inserting "agency may"; and

(2) by striking "; and" and all that follows and inserting a period.

(b) STATE PLAN.—Section 11 (7 U.S.C. 2020) is amended—

(1) in subsection (e)—

(A) in paragraph (2)—

(i) by striking "a simplified, uniform national" and all that follows through "such State forms are" and inserting "an application form for participation in the food stamp program that is";

(ii) striking "Each food stamp application form shall contain" and all that follows through "The State agency shall require" and inserting "The State agency shall require"; and

(iii) by striking the semicolon at the end and inserting the following: ". An application shall be considered filed on the date the household submits an application that contains the name, address, and signature of the applicant;";

(B) by striking paragraph (14) and inserting the following:

"(14) that the agency shall evaluate the access needs of special groups, including the elderly, disabled, rural poor, people who do not speak or read English, households that are homeless, and households that reside on an Indian reservation. The State plan of operation required under subsection (d) shall describe the procedures the State agency will follow to address the access needs of the special groups, the actions the State agency will take to provide timely and accurate service to all applicants and recipients, and the means the State agency will use to provide necessary information to applicants and recipients, including the rights and responsibilities of the applicants;";

(C) by striking "; and" at the end of paragraph (24) and inserting a period; and

(D) by striking paragraph (25);

(2) in subsection (i)—

(A) by striking "(1) a single" and all that follows through "; (2)"; and

(B) by striking "; (3) households" and all that follows through "is available in such case file"; and

(3) in subsection (j), by adding at the end the following:

"(3) INDEPENDENT ELIGIBILITY DETERMINATION.—A State agency may not deny an application, nor terminate benefits, under the food stamp program, without a separate determination by the State agency that the household fails to satisfy the eligibility requirements for participation in the food stamp program, on the basis that an application to participate has been denied or benefits have been terminated under a program funded under the Social Security Act (42 U.S.C. 301 et seq.).".

SEC. 822. COORDINATION OF EMPLOYMENT AND TRAINING PROGRAMS.

Section 8(d) (7 U.S.C. 2019(d)) is amended—

(1) by striking "(d) A household" and inserting the following:

"(d) NONCOMPLIANCE WITH OTHER WELFARE OR WORK PROGRAMS.—

"(1) IN GENERAL.—A household"; and

(2) by inserting "or a work requirement under a welfare or public assistance program" after "assistance program"; and

(3) by adding at the end the following:

"(2) WORK REQUIREMENT.—If a household fails to comply with a work requirement under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), for the duration of the reduction—

"(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of a penalty imposed for the failure to comply; and

"(B) the State agency may reduce the allotment of the household by not more than 25 percent.".

SEC. 823. SIMPLIFICATION OF APPLICATION PROCEDURES AND STANDARDIZATION OF BENEFITS.

Section 8 (7 U.S.C. 2019) is amended by striking subsection (e) and inserting the following:

"(e) SIMPLIFICATION OF APPLICATION PROCEDURES AND STANDARDIZATION OF BENEFITS.—

"(1) IN GENERAL.—On the request of a State agency, the Secretary may approve Statewide, or for 1 or more project areas, procedures and standards consistent with this Act under which—

"(A) a household in which all members of the household are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) may be considered to have satisfied the application, interview, and verification requirements under section 11(e);

"(B) the State agency may use income information obtained and used under a State program funded under part A of title IV of the Social Security Act to determine the gross nonexcluded income of the household under this Act;

"(C) the State agency may standardize the amount of the deductions under section 5(e), except that a deduction may not be allowed for dependent care costs or earned income if the State program funded under part A of title IV of the Social Security Act allows an income exclusion for the costs or income; and

"(D) the State agency may elect to apply different shelter standards to a household that receives a housing subsidy and a household that does not receive a housing subsidy.

"(2) INCOME INCLUDES ASSISTANCE.—The gross nonexcluded income of a household determined under paragraph (1)(B) shall include the assistance provided under a State program funded under part A of title IV of the Social Security Act.

"(3) HOUSEHOLD SIZE.—A State agency shall base the value of the allotment provided to a household under this paragraph on household size.

"(4) ALTERNATIVE PLAN.—The Secretary may approve an alternative plan submitted by a State agency that is consistent with this Act for simplifying application procedures or standardizing income or benefit determinations for a household in which all members of the household are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(5) NO INCREASED FEDERAL COSTS.—

"(A) APPLICATION.—On submission of a request for approval under paragraph (1) or (4), a State agency shall assure the Secretary that approval will not increase Federal costs.

"(B) REDUCTION OF COSTS.—If Federal costs are increased as a result of a State agency carrying out this subsection, the State agency shall take prompt action to reduce costs to the level that existed prior to carrying out this subsection.".

SEC. 824. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a)(1) (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following: "The Secretary is authorized to issue regulations establishing specific time periods during which authorization to accept and redeem coupons under the food stamp program shall be valid.".

SEC. 825. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY.

Section 9(a)(1) (7 U.S.C. 2018(a)(1)) (as amended by section 824) is further amended by adding at the end the following: "The Secretary may issue regulations establishing specific time periods of not less than 6 months during which a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied or that has an approval withdrawn on the basis of business integrity and reputation cannot submit a new application for approval. The periods shall reflect the severity of business integrity infractions that are the basis of the denials or withdrawals.".

SEC. 826. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting ", which may include relevant income and sales tax filing documents," after "submit information" ; and

(2) by inserting after the first sentence the following: "The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.".

SEC. 827. WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) (7 U.S.C. 2018(d)) is amended by adding at the end the following: "A retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied because the store or concern does not meet criteria for approval established by the Secretary by regulation may not submit a new application for 6 months from the date of the denial.".

SEC. 828. MANDATORY CLAIMS COLLECTION METHODS.

(a) DISCLOSURE OF INFORMATION.—Section 11(e)(8) (7 U.S.C. 2020(e)(8)) is amended by inserting before the semicolon at the end the following: "or from refunds of Federal taxes under section 3720A of title 31, United States Code".

(b) COLLECTION OF OVERISSUANCES.—Section 13 (7 U.S.C. 2022) is amended—

(1) in subsection (b)—

(A) by striking "(b)(1)(A) In" and all that follows through "(2)(A) State agencies" and inserting the following:

"(b) COLLECTION OF OVERISSUANCES.—

"(1) IN GENERAL.—A State agency";

(B) by striking "(B) State agencies" and inserting the following:

"(2) OTHER MEANS OF COLLECTION.—A State agency";

(C) in paragraph (1) (as amended by subparagraph (A))—

(i) by striking ", other than claims" and all that follows through "error of the State agency,";

(ii) by striking ", except that the household shall" and inserting ". At the option of the State, the household may"; and

(iii) by adding at the end the following: "A State agency may waive the use of an allotment reduction as a means of collecting a claim arising from an error of the State agency if the collection would cause a hardship (as defined by the State agency) on the household, except that the State agency shall continue to pursue all other lawful methods of collection of the claim."; and

(D) in paragraph (2) (as amended by subparagraph (A))—

(i) by striking "may collect" and inserting "shall collect"; and

(ii) by striking "or subparagraph (A)"; and

(2) in subsection (d)—

(A) by striking "and except for claims arising from an error of the State agency,";

(B) by striking "may be recovered" and inserting "shall be recovered"; and

(C) by inserting before the period at the end the following: "or a refund of Federal taxes under section 3720A of title 31, United States Code.".

(c) DISCLOSURE OF RETURN INFORMATION.—Section 6103(*l*) of the Internal Revenue Code of 1986 is amended by striking "officers and employees" each place it appears and inserting "officers, employees, or agents, including State agencies,".

(d) STATE AGENCY COLLECTION OF FEDERAL TAX REFUNDS.—Section 6402(d) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by inserting after "any Federal agency" the following: "(or any State agency that has the responsibility for the administration of the food stamp program operated pursuant to the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.))"; and

(2) in the second sentence of paragraph (2), by inserting after "a Federal agency" the following: "(or a State agency that has the responsibility for the administration of the food stamp program operated pursuant to the Food Stamp Act of 1977)".

SEC. 829. STATE AUTHORIZATION TO ASSIST LAW ENFORCEMENT OFFICERS IN LOCATING FUGITIVE FELONS.

Section 11(e)(8)(B) (7 U.S.C. 2020(e)(8)(B)) is amended by striking "Act, and" and inserting "Act or of locating a fugitive felon (as defined by a State), and".

SEC. 830. EXPEDITED SERVICE.

Section 11(e)(9) (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking "five days" and inserting "7 days"; and

(B) by inserting "and" at the end;

(2) by striking subparagraphs (B) and (C);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B) (as redesignated by paragraph (3)), by striking ", (B), or (C)".

SEC. 831. BASES FOR SUSPENSIONS AND DISQUALIFICATIONS.

Section 12(a) (7 U.S.C. 2021(a)) is amended by adding at the end the following: "Regulations issued pursuant to this Act shall provide criteria for the finding of a violation, and the suspension or disqualification of a retail food store or wholesale food concern, on the basis of evidence that may include facts established through on-site investigations, inconsistent redemption data, or evidence obtained through transaction reports under electronic benefits transfer systems.".

SEC. 832. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

(a) AUTHORITY.—Section 12(a) (7 U.S.C. 2021(a)) (as amended by section 834) is amended by adding at the end the following: "The regulations may establish criteria under which the authorization of a retail food store or wholesale food concern to accept and redeem coupons may be suspended at the time the store or concern is initially found to have committed a violation of a requirement of the food stamp program. The suspension may coincide with the period of a review under section 14. The Secretary shall not be liable for the value of any sales lost during a suspension or disqualification period.".

(b) REVIEW.—Section 14(a) (7 U.S.C. 2023(a)) is amended—

(1) in the first sentence, by striking "disqualified or subjected" and inserting "suspended, disqualified, or subjected";

(2) in the fifth sentence, by inserting before the period at the end the following: ", except that, in the case of the suspension of a retail food store or wholesale food concern under section 12(a), the suspension shall remain in effect pending any administrative or judicial review of the proposed disqualification action, and the period of suspension shall be deemed a part of any period of disqualification that is imposed"; and

(3) by striking the last sentence.

SEC. 833. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 12 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification of an approved retail food store and a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) notwithstanding section 14, shall not be subject to administrative or judicial review.".

SEC. 834. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12 (7 U.S.C. 2021) (as amended by section 833) is amended by adding at the end the following:

"(h) FALSIFIED APPLICATIONS.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing for the permanent disqualification of a retail food store, or wholesale food concern, that knowingly submits an application for approval to accept and redeem coupons that contains false information about a substantive matter that was a basis for approving the application.

"(2) REVIEW.—A disqualification under paragraph (1) shall be subject to administrative and judicial review under section 14, except that the disqualification shall remain in effect pending the review.".

SEC. 835. EXPANDED CIVIL AND CRIMINAL FORFEITURE FOR VIOLATIONS.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—The first sentence of section 15(g) (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CIVIL AND CRIMINAL FORFEITURE.—Section 15 (7 U.S.C. 2024)) is amended by adding at the end the following:

"(h) CIVIL AND CRIMINAL FORFEITURE.—

"(1) CIVIL FORFEITURE.—

"(A) IN GENERAL.—Any food stamp benefits and any property, real or personal, constituting, derived from, or traceable to any proceeds obtained directly or indirectly from, or used, or intended to be used, to commit, or to facilitate, the commission of a violation of subsection (b) or (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall be subject to forfeiture to the United States.

"(B) PROCEDURES.—Chapter 46 of title 18, United States Code, shall apply to a seizure or forfeiture under this subsection, if not inconsistent with this subsection, except that any duties imposed on the Secretary of the Treasury under chapter 46 may also be performed with respect to a seizure or forfeiture under this section by the Secretary of Agriculture.

"(C) CIVIL AND CRIMINAL.—Forfeitures imposed under this subsection shall be in addition to any criminal sanctions imposed against the owner of the forfeited property.

"(2) CRIMINAL FORFEITURE.—

"(A) IN GENERAL.—Any person convicted of violating subsection (b) or (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall forfeit to the United States, irrespective of any State law—

"(i) any food stamp benefits and any property constituting, or derived from, or traceable to any proceeds the person obtained directly or indirectly as a result of the violation; and

"(ii) any food stamp benefits and any property of the person used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the violation.

"(B) SENTENCE.—In imposing a sentence on a person under subparagraph (A), the court shall order that the person forfeit to the United States all property described in this subsection.

"(C) PROCEDURES.—Any food stamp benefits or property subject to forfeiture under this subsection, any seizure or disposition of the benefits or property, and any administrative or judicial proceeding relating to the benefits or property, shall be governed by subsections (b), (c), (e), and (g) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), if not inconsistent with this subsection.

"(3) EXCLUDED PROPERTY.—This subsection shall not apply to property referred to in subsection (g).

"(4) RESTRAINING ORDER.—A restraining order available under section 413(e) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853(e)) shall apply to assets otherwise subject to forfeiture under section 413(p) of the Act (21 U.S.C. 853(p)).

"(5) RULES AND REGULATIONS.—The Secretary may prescribe such rules and regulations as are necessary to carry out this subsection.

"(i) RULES RELATING TO FORFEITURES.—With respect to property subject to forfeiture under subsections (g) and (h), the Secretary may allocate a division of such property, or the proceeds of the sale of such property, as the Secretary determines appropriate, between the Secretary of Agriculture under subsection (g) and the Secretary of the Treasury under subsection (h).".

SEC. 836. EXTENDING CLAIMS RETENTION RATES.

The provisions of the first sentence of section 16(a) (7 U.S.C. 2025(a)) is amended by striking "1995" each place it appears and inserting "2000".

SEC. 837. NUTRITION ASSISTANCE FOR PUERTO RICO.

The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting the following: "$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year 1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, and $1,310,000,000 for fiscal year 2000"

SEC. 838. EXPANDED AUTHORITY FOR SHARING INFORMATION PROVIDED BY RETAILERS.

(a) SOCIAL SECURITY ACT.—Section 205(c)(2)(C)(iii) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(iii)) is amended—

(1) in subclause (II)—

(A) in the first sentence, by inserting after "instrumentality of the United States" the following: ", a State government officer or employee with law enforcement or investigative responsibilities, or a State agency that has responsibility for administering the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786),"; and

(B) in the last sentence, by inserting "or State" after "other Federal"; and

(2) in subclause (III), by inserting "or a State" after "United States".

(b) INTERNAL REVENUE CODE.—Section 6109(f)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6109(f)(2)) (as added by section 316(b) of the Social Security Administrative Reform Act of 1994 (Public Law 103-296; 108 Stat. 1464)) is amended—

(1) in subparagraph (A), by inserting after "instrumentality of the United States" the following: ", a State government officer or employee with law enforcement or investigative responsibilities, or a State agency that has responsibility for administering the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786),";

(2) in the last sentence of subparagraph (A), by inserting "or State" after "other Federal"; and

(3) in subparagraph (B), by inserting "or a State" after "United States".

SEC. 839. CHILD AND ADULT CARE FOOD PROGRAM.

(a) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited, managed, or monitored.".

(b) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the Act is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following:

"(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(A) REIMBURSEMENT FACTOR.—

"(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home of the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

"(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

"(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

"(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the eligibility standards for free or reduced price meals under section 9 and whose income is verified by a sponsoring organization under regulations established by the Secretary.

"(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility standards for free or reduced price meals under section 9.

"(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

"(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on August 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

"(I) IN GENERAL.—

"(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1 for lunches and suppers, 40 cents for breakfasts, and 20 cents for supplements.

"(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility standards for free or reduced price meals under section 9.

"(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the eligibility standards for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the eligibility standards, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) INFORMATION AND DETERMINATIONS.—

"(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the eligibility standards under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

"(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that serves the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the eligibility standards under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

"(cc) Such other simplified procedures as the Secretary may prescribe.

"(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any necessary minimum verification requirements.".

(2) SPONSOR PAYMENTS.—Section 17(f)(3)(B) of the Act is amended—

(A) by striking the period at the end of the second sentence and all that follows through the end of the subparagraph and inserting the following:", except that the adjustment that otherwise would occur on July 1, 1996, shall be made on August 1, 1996. The maximum allowable levels for administrative expense payments shall be rounded to the nearest lower dollar increment and based on the unrounded adjustment for the preceding 12-month period.";

(B) by striking "(B)" and inserting "(B)(i)"; and

(C) by adding at the end the following new clause:

"(ii) The maximum allowable level of administrative expense payments shall be adjusted by the Secretary—

"(I) to increase by 7.5 percent the monthly payment to family or group day care home sponsoring organizations both for tier I family or group day care homes and for those tier II family or group day care homes for which the sponsoring organization administers a means test as provided under subparagraph (A)(iii); and

"(II) to decrease by 7.5 percent the monthly payment to family or group day care home sponsoring organizations for family or group day care homes that do not meet the criteria for tier I homes and for which a means test is not administered.".

(3) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the Act is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1996.

"(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

"(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

"(bb) training and other assistance to family and group day care homes in the implementation of the amendments to subparagraph (A) made by section 574(b)(1) of the Family Self-Sufficiency Act of 1995.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(II)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State in 1994 as a percentage of the number of all family day care homes participating in the program in 1994.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for a fiscal year under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A) (as amended by section 134(b)(1) of the Family Self-Sufficiency Act of 1995).".

(4) PROVISION OF DATA.—Section 17(f)(3) of the Act (as amended by paragraph (3)) is further amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(I) IN GENERAL.—A State agency administering the program under this section shall annually provide to a family or group day care home sponsoring organizations that request the data, a list of schools serving elementary school children in the State in which at least 50 percent of the children enrolled are certified to receive free or reduced price meals. State agencies administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall collect such data annually and provide such data on a timely basis to the State agency administering the program under this section.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(5) CONFORMING AMENDMENTS.—Section 17(c) of the Act is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(c) DISALLOWING MEAL CLAIMS.—The fourth sentence of section 17(f)(4) of the Act is amended by inserting "(including institutions that are not family or group day care home sponsoring organizations)" after "institutions".

(d) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the Act is amended by striking subsection (k) and inserting the following:

"(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1), (3), and (4) of subsection (b) shall become effective on August 1, 1996.

(3) IMPLEMENTATION.—The Secretary of Agriculture shall issue regulations to implement the amendments made by paragraphs (1), (2), (3), and (4) of subsection (b) and the provisions of section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)) not later than February 1, 1996. If such regulations are issued in interim form, final regulations shall be issued not later than August 1, 1996.

SEC. 840. RESUMPTION OF DISCRETIONARY FUNDING FOR NUTRITION EDUCATION AND TRAINING PROGRAM.

Section 19(i)(2)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)(2)(A)) is amended—

(1) by striking "Out of" and all that follows through "and $10,000,000" and inserting "To carry out the provisions of this section, there is hereby authorized to be appropriated not to exceed $10,000,000"; and

(2) by striking the last sentence.

TITLE IX—EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

SEC. 901. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on October 1, 1996.

(b) ONE YEAR EXTENSION OF JOBS PROGRAM.—The authorization for the JOBS program under part F of title IV of the Social Security Act, as in effect on the date of the enactment of this Act shall be extended through fiscal year 1996 for $1,000,000,000 and allocated to the States in the same manner as under section 495 of the Social Security Act, as added by section 201 of this Act, except that the participation rate under clause (vi) of section 403(l)(3)(A) of such Act, as so in effect, shall be applied by substituting "25 percent" for "20 percent".

SEC. 902. TREATMENT OF EXISTING WAIVERS.

(a) IN GENERAL.—If any waiver granted to a State under section 1115 of the Social Security Act (42 U.S.C. 1315) or otherwise which relates to the provision of assistance under a State plan approved under title IV of the such Act (42 U.S.C. 601 et seq.), is in effect or approved by the Secretary of Health and Human Services as of the date of the enactment of this Act, the amendments made by this Act, at the option of the State, shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver.

(b) FUNDING.—If the State elects the treatment described in subsection (a), the State—

(1) may use so much of the remainder of the Federal funds available for such waiver project as determined by the Secretary of Health and Human Services based on an evaluation of the budget of such waiver project; and

(2) may have any costs in excess of the cost neutrality requirements forgiven by the Secretary from funds not described in section 414(a)(2).

(c) REPORTS.—If the State does not elect the treatment described in subsection (a), and unless the Secretary of Health and Human Services determines that the waiver project is not of sufficient duration, the State shall submit a report on the operation and results of the waiver project, including any effects on employment and welfare receipt.

SEC. 903. EXPEDITED WAIVER PROCESS.

Notwithstanding any other provision of law, the Secretary of Health and Human Services shall approve or disapprove a waiver submitted under section 1115 of the Social Security Act (42 U.S.C. 1315) not later than 90 days after the date the completed application is received. In considering such an application, there shall be the presumption for approval in the case of a request for a waiver that is similar in substance and scale to a previously approved waiver.

SEC. 904. COUNTY WELFARE DEMONSTRATION PROJECT.

(a) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Agriculture may jointly enter into negotiations with any county having a population greater than 500,000 for the purpose of establishing appropriate rules to govern the establishment and operation of a 5-year welfare demonstration project. Under the demonstration project—

(1) the county shall have the authority and duty to administer the operation within the county of 1 or more of the programs established under title I or II of this Act as if the county were considered a State for purposes of such programs; and

(2) the State in which the county is located shall pass through directly to the county 100 percent of a proportion of the Federal funds received by the State under each of the programs described in paragraph (1) that is administered by the county under such paragraph, which proportion shall be separately calculated for each such program based (to the extent feasible and appropriate) on the formula used by the Federal government to allocate payments to the States under the program. Additionally, any State financial participation in these programs shall be no different for counties participating in the demonstration projects authorized by this section than for other counties within the State.

(b) COMMENCEMENT OF PROJECT.—After the conclusion of the negotiations described in subsection (a), the Secretary of Health and Human Services and the Secretary of Agriculture may authorize the county to conduct the demonstration project described in such subsection in accordance with the rules established under such subsection.

(c) REPORT.—The Secretary of Agriculture and the Secretary of Health and Human Services shall submit to the Congress a joint report on any demonstration project conducted under this section not later than 6 months after the termination of the project. Such report shall, at a minimum, describe the project, the rules negotiated with respect to the project under subsection (a), and the innovations (if any) that the county was able to initiate under the project.

SEC. 905. WORK REQUIREMENTS FOR STATE OF HAWAII.

Section 485(a)(2)(B) of the Social Security Act, as added by section 201(a), is amended by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

"(iii) DEEMED HOURS OF WORK.—For purposes of subclauses (II) and (III) of subparagraph (A)(i), '19 hours' shall be substituted for '20 hours' in determining the State of Hawaii's work performance rate.".

SEC. 906. REQUIREMENT THAT DATA RELATING TO THE INCIDENCE OF POVERTY IN THE UNITED STATES BE PUBLISHED AT LEAST EVERY 2 YEARS.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

(b) CONTENT; FREQUENCY.—Data under this section—

(1) shall include—

(A) for each school district, the number of children age 5 to 17, inclusive, in families below the poverty level; and

(B) for each State and county referred to in subsection (a), the number of individuals age 65 or older below the poverty level; and

(2) shall be published—

(A) for each State, county, and local unit of general purpose government referred to in subsection (a), in 1996 and at least every 2nd year thereafter; and

(B) for each school district, in 1998 and at least every 2nd year thereafter.

(c) AUTHORITY TO AGGREGATE.—

(1) IN GENERAL.—If reliable data could not otherwise be produced, the Secretary may, for purposes of subsection (b)(1)(A), aggregate school districts, but only to the extent necessary to achieve reliability.

(2) INFORMATION RELATING TO USE OF AUTHORITY.—Any data produced under this subsection shall be appropriately identified and shall be accompanied by a detailed explanation as to how and why aggregation was used (including the measures taken to minimize any such aggregation).

(d) REPORT TO BE SUBMITTED WHENEVER DATA IS NOT TIMELY PUBLISHED.—If the Secretary is unable to produce and publish the data required under this section for any State, county, local unit of general purpose government, or school district in any year specified in subsection (b)(2), a report shall be submitted by the Secretary to the President of the Senate and the Speaker of the House of Representatives, not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reasons for the exclusion.

(e) CRITERIA RELATING TO POVERTY.—In carrying out this section, the Secretary shall use the same criteria relating to poverty as were used in the most recent census of population under section 141(a) of title 13, United States Code (subject to such periodic adjustments as may be necessary to compensate for inflation and other similar factors).

(f) CONSULTATION.—The Secretary shall consult with the Secretary of Education in carrying out the requirements of this section relating to school districts.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $1,500,000 for each of fiscal years 1996 through 2000.

SEC. 907. STUDY BY THE CENSUS BUREAU.

(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Work First Act of 1995 on a random national sample of recipients of assistance under State programs funded under part A of title IV of the Social Security Act and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

(b) AUTHORIZATION OF APPROPRIATIONS.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out subsection (a).

SEC. 908. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the appropriate committees of the Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this Act.

THE DEPARTMENT OF THE INTERIOR APPROPRIATIONS ACT FOR FISCAL YEAR 1996

BROWN AMENDMENT NO. 2283

Mr. GORTON (for Mr. BROWN) proposed an amendment to the bill (H.R. 1977) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes; as follows:

Insert at page 126, between line 7 and line 8:

"(g)(1) It is the policy of the Congress that entrance, tourism, and recreational use fees for the use of Federal lands and facilities not discriminate against any State of any region of the country.

"(2) Not later than October 1, 1996, the Secretary of the Interior, in cooperation with the heads of other affected agencies shall prepare and submit to the Senate and House Appropriations Committees a report that—

"(A) identifies all Federal lands and facilities that provide tourism or recreational use; and

"(B) analyzes by State and region any fees charged for entrance to or for tourism or recreational use of Federal lands and facilities in a State or region, individually and collectively.

"(3) Not later than October 1, 1997, the Secretary of the Interior, in cooperation with the heads of other affected agencies, shall prepare and submit to the Senate and House Appropriations Committees any recommendations that the Secretary may have for implementing the policy stated in subsection (1)."

CHAFEE AMENDMENT NO. 2284

Mr. GORTON (for Mr. CHAFEE) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 10, line 16 of the bill, strike "enacted," and insert "enacted or until the end of fiscal year 1996, whichever is earlier,".

GORTON AMENDMENTS NOS. 2285–2289

Mr. GORTON proposed five amendments to the bill H.R. 1977, supra; as follows:

AMENDMENT NO. 2285

On page 115, line 10, strike "draft" and insert in lieu thereof "final".

AMENDMENT NO. 2286

On page 80, lines 5 through 16, vitiate the Committee amendment and restore the House text.

AMENDMENT NO. 2287

On page 10, line 15 of the bill, strike "Endangered Species Act" and insert "Endangered Species Act of 1973, (16 U.S.C. 1533)".

AMENDMENT NO. 2288

On page 55, line 14, insert "not" after "shall".

On page 55, line 15, delete "action" and insert "actions".

On page 55, line 16, delete "judgment" and insert "judgments".

On page 55, line 16, delete "has" and insert "have".

AMENDMENT NO. 2289

On page 76, after line 23, insert the following: None of the funds appropriated under this Act for the Forest Service shall be made available for the purpose of applying paint to rocks, or rock colorization; *Provided*, That notwithstanding any other provision of law, the Forest Service shall not require of any individual or entity, as part of any permitting process under its authority, or as a requirement of compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4231 et seq), the painting or colorization of rocks.

GORTON (AND OTHERS) AMENDMENTS NO. 2290–2291

Mr. GORTON (for himself, Mr. MCCAIN, Mr. INOUYE, and Mr. DOMENICI) proposed two amendments to the bill H.R. 1977, supra; as follows:

AMENDMENT NO. 2290

On page 31, lines 3 through 7, delete the Committee amendment.

On page 31, line 15, delete "$997,221,000" and insert "$1,260,921,000".

On page 32, line 13, delete "$35,331,000" and insert "$62,328,000".

On page 32, lines 15 through 17, delete the Committee amendments.

On page 34, lines 4 through 11, delete the Committee amendment.

On page 36, line 7, delete the Committee amendment.

On page 36, lines 9 through 10, restore "; acquisition of lands and interests in lands; and preparation of lands for farming".

On page 36, line 11, delete "$60,088,000" and insert "$107,333,000".

On page 36, lines 12 through 16, delete the Committee amendment.

On page 36, lines 20 through 23, delete the Committee amendment.

On page 37, lines 22 through page 38, line 23, delete the Committee amendment.

On page 37, line 26, of the matter restored, strike "$75,145,000" and insert "$82,745,000".

On page 38, line 1 of the matter restored, strike "$73,100,000" and insert "$78,600,000".

On page 38, line 11 of the matter restored, strike "$1,000,000" and insert "$3,100,000".

On page 44, lines 11 through 16, delete the following: "including expenses necessary to provide for management, development, improvement, and protection of resources and appurtenant facilities formerly under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges and acquisition of water rights".

On page 44, line 16, delete "$280,038,000" and insert "$16,338,000" in lieu thereof.

On page 44, line 16, delete "$15,964,000" and insert "$15,891,000" in lieu thereof.

On page 44, lines 18 through 19, delete ", attorney fees, litigation support, and the Navajo-Hopi Settlement Program".

On page 45, lines 7 through 16, delete beginning with ": Provided" on line 7 and ending with "1997" on line 16.

On page 45, lines 18 through 19, delete ", attorney fees, litigation support, and the Navajo-Hopi Settlement Program".

Delete the Committee amendment beginning on page 45 line 23 through page 48 line 8.

AMENDMENT NO. 2291

On page 35, beginning on line 11, delete after the word "area" (beginning with ": *Provided*") and all that follows through "Appropriations" on line 22.

McCAIN AMENDMENT NO. 2292

Mr. McCAIN proposed an amendment to the bill H.R. 1977, supra; as follows:

Strike all in the committee amendment on page 19, lines 8–14 and insert in lieu thereof he following: "*Provided further*, That funds provided under this head, derived from the Historic Preservation Fund, established by the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470). may be available until expended to render sites safe for visitors and for building stabilization".

BUMPERS (AND OTHERS) AMENDMENT NO. 2293

Mr. BUMPERS (for himself, Mr. LAUTENBERG, Mr. LEVIN, Mr. BRADLEY, Mr. FEINGOLD, and Mr. ROBB) proposed an amendment to the bill H.R. 1977, supra; as follows:

Add the following at the end of the language on lines 16–21 on page 128 proposed to be stricken by the Committee amendment: "The provisions of this section shall not apply if the Secretary of Interior determines that, for the claim concerned: (1) a patent application was filed with the Secretary on or before the date of enactment of the fiscal year 1995 Interior Appropriations Act, and (2) all requirements established under Sections 2325 and 2326 of Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims and Sections 2329, 2330, 2331 and 2333 of the Revised Statutes (30 U.S.C. 35, 36 and 37) for placer claims, and Section 2337 of the Revised Statutes (30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by the applicant by that date."

CRAIG (AND OTHERS) AMENDMENT NO. 2294

Mr. CRAIG (for himself, Mr. REID, and Mr. BRYAN) proposed an amendment to amendment No. 2293 proposed by Mr. BUMPERS to the bill H.R. 1977, supra; as follows:

Strike all the language in the amendment and insert in lieu thereof the following:

"SEC. (a). FAIR MARKET VALUE FOR MINERAL PATENTS.

"Except as provided in subsection (c), any patent issued by the United States under the general mining laws after the date of enactment of this Act shall be issued only upon payment by the owner of the claim of the fair market value for the interest in the land owned by the United States exclusive of and without regard to the mineral deposits in the land or the use of the land. For the purposes of this section, "general mining laws" means those Acts which generally comprise chapters 2, 11, 12, 12A, 15, and 16, and sections 161 and 162, of Title 30 of the United States Code, all Acts heretofore enacted which are amendatory of or supplementary to any of the foregoing Acts, and the judicial and administrative decisions interpreting such Acts.

"SEC. (b). RIGHT OF REENTRY.

"(1) IN GENERAL.—Except as provided in subsection (c), and notwithstanding any other provision of law, a patent issued under subsection (a) shall be subject to a right of reentry by the United States if it is used by the patentee for any purpose other than for conducting mineral activities in good faith and such unauthorized use is not discontinued as provided in subsection (b)(2). For the purposes of this section, the term "mineral activities" means any activity related to, or incidental to, exploration for or development, mining, production, beneficiation, or processing of any locatable mineral or mineral that would be locatable if it were on Federal land, or reclamation of the impacts of such activities.

"(2) NOTICE BY THE SECRETARY.—If the patented estate is used by the patentee for any purpose other than for conducting mineral activities in good faith, the Secretary of the Interior shall serve on all owners of interests in such patented estate, in the manner prescribed for service of a summons and complaint under the Federal Rules of Civil Procedure, notice specifying such unauthorized use and providing not more than 90 days in which such unauthorized use must be terminated. The giving of such notice shall constitute final agency action appealable by any owner of an interest in such patented estate. The Secretary may exercise the right of reentry as provided in subsection (b)(3) if such unauthorized use has not been terminated in the time provided in this paragraph, and only after all appeal rights have expired and any appeals of such notice have been finally determined.

"(3) RIGHT OF REENTRY.—The Secretary may exercise the right of the United States to reenter such patented estate by filing a declaration of reentry in the office of the Bureau of Land Management designated by the Secretary and recording such declaration where the notice or certificate of location for the patented claim or site is recorded under State law. Upon the filing and recording of such declaration, all right, title and interest in such patented estate shall revert to the United States. Lands and interests in lands for which the United States exercises its right of reentry under this section shall remain open to the location of mining claims and mill sites, unless withdrawn under other applicable law.

"SEC. (c). PATENTS EXCEPTED FROM REQUIREMENTS.

"The requirements of subsections (a) and (b) of this Act shall not apply to the issuance of those patents whose applications were excepted under section 113 of Pub. L. No. 103–322, 108 Stat. 2499, 2519 (1994), from the prohibition on funding contained in Section 112 of that Act. Such patents shall be issued under the general mining laws in effect prior to the date of enactment of this Act.

"SEC. (d). PROCESSING OF PENDING PATENT APPLICATIONS.

"(2) PROCESSING SCHEDULE.—For those applications for patent under the general mining laws which are pending at the date of enactment of this Act, or any amendments to or resubmittals of such patent applications, the Secretary of the Interior shall—

"(A) Within three months of the enactment of this Act, file with the House and Senate Committees on Appropriations and the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the United States Senate a plan which details how the Department of the Interior will take final action on all such applications within two years of the enactment of this Act and file reports annually thereafter with the same committees detailing actions taken by the Department of the Interior to carry out such plan; and

"(B) Take such actions as may be necessary to carry out such plan.

"(2) MINERAL EXAMINATIONS.—Upon the request of a patent applicant, the Secretary of the Interior shall allow the applicant to fund the retention by the Bureau of Land Management of a qualified third-party contractor to conduct a mineral examination of the mining claims or mill sites contained in a patent application. All such third-party mineral examinations shall be conducted in accordance with standard procedures and criteria followed by the Bureau of Land Management, and the retention and compensation of such third-party contractors shall be conducted in accordance with procedures employed by the Bureau of Land Management in the retention of third-party contractors for the preparation of environmental analyses under the National Environmental Policy Act (42 U.S.C. §§4321–437 0d) to the maximum extent practicable.".

THOMAS (AND OTHERS) AMENDMENT NO. 2295

Mr. GORTON (for Mr. THOMAS for himself, Mr. CAMPBELL, Mr. BURNS, Mr. KEMPTHORNE, Mr. BENNETT, Mr. SIMPSON, Mr. MURKOWSKI, Mr. CRAIG, Mr. DOLE, Mr. PRESSLER, Mr. HATCH, Mr. BROWN, Mr. KYL, and Mr. BAUCUS) proposed an amendment to the bill H.R. 1977, supra; as follows:

At the end of the bill, add the following:

SEC. . DELAY IN IMPLEMENTATION OF THE ADMINISTRATION'S RANGELAND REFORM PROGRAM.

None of the funds made available under this or any other Act may be used to implement or enforce the final rule published by the Secretary of the Interior on February 22, 1995 (60 Fed. Reg. 9894), making amendments to parts 4, 1780, and 4100 of title 43, Code of

Federal Regulations, to take effect August 21, 1995, until December 21, 1995. None of the funds made available under this or any other Act may be used to publish proposed or enforce final regulations governing the management of livestock grazing on lands administered by the Forest Service until November 21, 1995.

DOMENICI (AND OTHERS) AMENDMENT NO. 2296

Mr. DOMENICI (for himself, Mr. INOUYE, Mr. MCCAIN, Mr. SIMON, Mr. DORGAN, Mr. CONRAD, Mr. KYL, Mr. CAMPBELL, and Mr. BINGAMAN) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 2, line 11, strike "$565,936,000" and insert "$519,436,000".

On page 3, line 5, strike "$565,936,000" and insert "$519,436,000".

On page 9, line 23, strike "$496,978,000" and insert "$466,978,000".

On page 16, line 13, strike "$145,965,000, of which $145,915,000" and insert "$100,965,000, of which $100,915,000".

On page 21, line 22, strike "$577,503,000" and insert "$531,003,000".

On page 24, line 23, strike "$182,169,000" and insert "$157,169,000".

On page 31, line 15, before ", of", insert the following: "(plus $200,000,000)".

On page 32, line 17, before ": *Provided*," insert the following: "; and of which not to exceed $5,000,000 shall remain available until expended for the implementation of the Indian Tribal Justice Act (25 U.S.C. 3601 et seq.); and of which not to exceed $2,500,000 shall remain available until expended for the implementation of the Indian Child Protection and Family Violence Prevention Act (25 U.S.C. 3201 et seq.)"

On page 43, line 1 strike "$58,109,000" and insert "$51,109,000".

JEFFORDS AMENDMENT NO. 2297

Mr. GORTON (for Mr. JEFFORDS) proposed an amendment to the bill H.R. 1977, supra; as follows:

At the appropriate place, insert: "Notwithstanding other provisions of law, the National Park Service's American Battlefield Protection Program may enter into cooperative agreements, grants, contracts, or other generally accepted means of financial assistance with federal, state, local, and tribal governments; other public entities; educational institutions; and private, non-profit organizations for the purpose of identifying, evaluating, and protecting historic battlefields and associated sites."

GORTON (AND MURRAY) AMENDMENTS NOS. 2298–2299

Mr. GORTON (for himself and Mrs. MURRAY) proposed two amendments to the bill H.R. 1977, supra; as follows:

AMENDMENT NO. 2298

On page 55, line 13 strike "." and insert ", or".

On page 55, line 14 insert the following:

"(3) fail to reach a mutual agreement that addresses the concerns of affected parties within 90 days after the date of enactment of this Act."

AMENDMENT NO. 2299

On page 114, line 9, strike $1,600,000 and insert "$4,000,000".

On page 115, line 1, after "funds" insert the word "generally".

GORTON AMENDMENT NO. 2300

Mr. GORTON proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 103, on line 25 strike "." and insert the following: ", unless the relevant agencies for the Department of Interior and/or Agriculture follow appropriate reprogramming guidelines. Provided further: if no funds are provided for the AmeriCorps program by the VA–HUD and Independent Agencies fiscal year 1996 appropriations bill, then none of the funds appropriated or otherwise made available by this Act may be used for the AmeriCorps programs."

MCCAIN AMENDMENT NO. 2301

Mr. GORTON (Mr. MCCAIN) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 136, between lines 12 and 13, insert the following:

SEC. 330. (a)(1) The head of each agency referred to in paragraph (2) shall submit to the President each year, through the head of the department having jurisdiction over the agency, a land acquisition ranking for the agency concerned for the fiscal year beginning after the date of the submittal of the report.

(2) The heads of agencies referred to in paragraph (1) are the following:

(A) The Director of the National Park Service in the case of the National Park Service.

(B) The Director of the Fish and Wildlife Service in the case of the Fish and Wildlife Service.

(C) The Director of the Bureau of Land Management in the case of the Bureau of Land Management.

(D) The Chief of the Forest Service in the case of the Forest Service.

(3) In this section, the term "land acquisition ranking", in the case of a Federal agency, means a statement of the order of precedence of the land acquisition proposals of the agency, including a statement of the order of precedence of such proposals for each organizational unit of the agency.

(b) The President shall include the land acquisition rankings for a fiscal year that are submitted to the President under subsection (a)(1) in the supporting information submitted to Congress with the budget for that fiscal year under section 1105 of title 31, United States Code.

(c)(1) The head of the agency concerned shall determine the order of precedence of land acquisition proposals under subsection (a)(1) in accordance with criteria that the Secretary of the Department having jurisdiction over the agency shall prescribe.

(2) The criteria prescribed under paragraph (1) shall provide for a determination of the order of precedence of land acquisition proposals through consideration of—

(A) the natural resources located on the land covered by the acquisition proposals;

(B) the degree to which such resources are threatened;

(C) the length of time required for the acquisition of the land;

(D) the extent, if any, to which an increase in the cost of the land covered by the proposals makes timely completion of the acquisition advisable;

(E) the extent of public support for the acquisition of the land; and

(F) such other matters as the Secretary concerned shall prescribe.

HATCH (AND FEINSTEIN) AMENDMENT NO. 2302

Mr. GORTON for Mr. HATCH for himself and Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 1977, supra; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Digital Performance Right in Sound Recordings Act of 1995".

SEC. 2. EXCLUSIVE RIGHTS IN COPYRIGHTED WORKS.

Section 106 of title 17, United States Code, is amended—

(1) in paragraph (4) by striking "and" after the semicolon;

(2) in paragraph (5) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.".

SEC. 3. SCOPE OF EXCLUSIVE RIGHTS IN SOUND RECORDINGS.

Section 114 of title 17, United States Code, is amended—

(1) in subsection (a) by striking "and (3)" and inserting "(3) and (6)";

(2) in subsection (b) in the first sentence by striking "phonorecords, or of copies of motion pictures and other audiovisual works," and inserting "phonorecords or copies";

(3) by striking subsection (d) and inserting:

"(d) LIMITATIONS ON EXCLUSIVE RIGHT.—Notwithstanding the provisions of section 106(6)—

"(1) EXEMPT TRANSMISSIONS AND RETRANSMISSIONS.—The performance of a sound recording publicly by means of a digital audio transmission, other than as a part of an interactive service, is not an infringement of section 106(6) if the performance is part of—

"(A)(i) a nonsubscription transmission other than a retransmission;

"(ii) an initial nonsubscription retransmission made for direct reception by members of the public of a prior or simultaneous incidental transmission that is not made for direct reception by members of the public; or

"(iii) a nonsubscription broadcast transmission;

"(B) a retransmission of a nonsubscription broadcast transmission: *Provided*, That, in the case of a retransmission of a radio station's broadcast transmission—

"(i) the radio station's broadcast transmission is not willfully or repeatedly retransmitted more than a radius of 150 miles from the site of the radio broadcast transmitter, however—

"(I) the 150 mile limitation under this clause shall not apply when a nonsubscription broadcast transmission by a radio station licensed by the Federal Communications Commission is retransmitted on a nonsubscription basis by a terrestrial broadcast station, terrestrial translator, or terrestrial repeater licensed by the Federal Communications Commission; and

"(II) in the case of a subscription retransmission of a nonsubscription broadcast retransmission covered by subclause (I), the 150 mile radius shall be measured from the transmitter site of such broadcast retransmitter;

"(ii) the retransmission is of radio station broadcast transmissions that are—

"(I) obtained by the retransmitter over the air;

"(II) not electronically processed by the retransmitter to deliver separate and discrete signals; and

"(III) retransmitted only within the local communities served by the retransmitter;

"(iii) the radio station's broadcast transmission was being retransmitted to cable systems (as defined in section 111(f)) by a satellite carrier on January 1, 1995, and that retransmission was being retransmitted by cable systems as a separate and discrete signal, and the satellite carrier obtains the radio station's broadcast transmission in an analog format: *Provided*, That the broadcast transmission being retransmitted may embody the programming of no more than one radio station; or

"(iv) the radio station's broadcast transmission is made by a noncommercial educational broadcast station funded on or after January 1, 1995, under section 396(k) of the Communications Act of 1934 (47 U.S.C. 396(k)), consists solely of noncommercial educational and cultural radio programs, and the retransmission, whether or not simultaneous, is a nonsubscription terrestrial broadcast retransmission; or

"(C) a transmission that comes within any of the following categories:

"(i) a prior or simultaneous transmission incidental to an exempt transmission, such as a feed received by and then retransmitted by an exempt transmitter: *Provided*, That such incidental transmissions do not include any subscription transmission directly for reception by members of the public;

"(ii) a transmission within a business establishment, confined to its premises or the immediately surrounding vicinity;

"(iii) a retransmission by any retransmitter, including a multichannel video programming distributor as defined in section 602(12) of the Communications Act of 1934 (47 U.S.C. 522(12)), of a transmission by a transmitter licensed to publicly perform the sound recording as a part of that transmission, if the retransmission is simultaneous with the licensed transmission and authorized by the transmitter; or

"(iv) a transmission to a business establishment for use in the ordinary course of its business: *Provided*, That the business recipient does not retransmit the transmission outside of its premises or the immediately surrounding vicinity, and that the transmission does not exceed the sound recording performance complement. Nothing in this clause shall limit the scope of the exemption in clause (ii).

"(2) SUBSCRIPTION TRANSMISSIONS.—In the case of a subscription transmission not exempt under subsection (d)(1), the performance of a sound recording publicly by means of a digital audio transmission shall be subject to statutory licensing, in accordance with subsection (f) of this section, if—

"(A) the transmission is not part of an interactive service;

"(B) the transmission does not exceed the sound recording performance complement;

"(C) the transmitting entity does not cause to be published by means of an advance program schedule or prior announcement the titles of the specific sound recordings or phonorecords embodying such sound recordings to be transmitted;

"(D) except in the case of transmission to a business establishment, the transmitting entity does not automatically and intentionally cause any device receiving the transmission to switch from one program channel to another; and

"(E) except as provided in section 1002(e) of this title, the transmission of the sound recording is accompanied by the information encoded in that sound recording, if any, by or under the authority of the copyright owner of that sound recording, that identifies the title of the sound recording, the featured recording artist who performs on the sound recording, and related information, including information concerning the underlying musical work and its writer.

"(3) LICENSES FOR TRANSMISSIONS BY INTERACTIVE SERVICES.—

"(A) No interactive service shall be granted an exclusive license under section 106(6) for the performance of a sound recording publicly by means of digital audio transmission for a period in excess of 12 months, except that with respect to an exclusive license granted to an interactive service by a licensor that holds the copyright to 1,000 or fewer sound recordings, the period of such license shall not exceed 24 months: *Provided, however*, That the grantee of such exclusive license shall be ineligible to receive another exclusive license for the performance of that sound recording for a period of 13 months from the expiration of the prior exclusive license.

"(B) The limitation set forth in subparagraph (A) of this paragraph shall not apply if—

"(i) the licensor has granted and there remain in effect licenses under section 106(6) for the public performance of sound recordings by means of digital audio transmission by at least 5 different interactive services: *Provided, however*, That each such license must be for a minimum of 10 percent of the copyrighted sound recordings owned by the licensor that have been licensed to interactive services, but in no event less than 50 sound recordings; or

"(ii) the exclusive license is granted to perform publicly up to 45 seconds of a sound recording and the sole purpose of the performance is to promote the distribution or performance of that sound recording.

"(C) Notwithstanding the grant of an exclusive or nonexclusive license of the right of public performance under section 106(6), an interactive service may not publicly perform a sound recording unless a license has been granted for the public performance of any copyrighted musical work contained in the sound recording, *Provided*, That such license to publicly perform the copyrighted musical work may be granted either by a performing rights society representing the copyright owner or by the copyright owner.

"(D) The performance of a sound recording by means of a retransmission of a digital audio transmission is not an infringement of section 106(6) if—

"(i) the retransmission is of a transmission by an interactive service licensed to publicly perform the sound recording to a particular member of the public as part of that transmission; and

"(ii) the retransmission is simultaneous with the licensed transmission, authorized by the transmitter, and limited to that particular member of the public intended by the interactive service to be the recipient of the transmission.

"(E) For the purposes of this paragraph—

"(i) a 'licensor' shall include the licensing entity and any other entity under any material degree of common ownership, management, or control that owns copyrights in sound recordings; and

"(ii) a 'performing rights society' is an association or corporation that licenses the public performance of nondramatic musical works on behalf of the copyright owner, such as the American Society of Composers, Authors and Publishers, Broadcast Music, Inc., and SESAC, Inc.

"(4) RIGHTS NOT OTHERWISE LIMITED.—

"(A) Except as expressly provided in this section, this section does not limit or impair the exclusive right to perform a sound recording publicly by means of a digital audio transmission under section 106(6).

"(B) Nothing in this section annuls or limits in any way—

"(i) the exclusive right to publicly perform a musical work, including by means of a digital audio transmission, under section 106(4);

"(ii) the exclusive rights in a sound recording or the musical work embodied therein under sections 106(1), 106(2) and 106(3); or

"(iii) any other rights under any other clause of section 106, or remedies available under this title, as such rights or remedies exist either before or after the date of enactment of the Digital Performance Right in Sound Recordings Act of 1995.

"(C) Any limitations in this section on the exclusive right under section 106(6) apply only to the exclusive right under section 106(6) and not to any other exclusive rights under section 106. Nothing in this section shall be construed to annul, limit, impair or otherwise affect in any way the ability of the owner of a copyright in a sound recording to exercise the rights under sections 106(1), 106(2) and 106(3), or to obtain the remedies available under this title pursuant to such rights, as such rights and remedies exist either before or after the date of enactment of the Digital Performance Right in Sound Recordings Act of 1995."; and

(4) by adding after subsection (d) the following:

"(e) AUTHORITY FOR NEGOTIATIONS.—

"(1) Notwithstanding any provision of the antitrust laws, in negotiating statutory licenses in accordance with subsection (f), any copyright owners of sound recordings and any entities performing sound recordings affected by this section may negotiate and agree upon the royalty rates and license terms and conditions for the performance of such sound recordings and the proportionate division of fees paid among copyright owners, and may designate common agents on a nonexclusive basis to negotiate, agree to, pay, or receive payments.

"(2) For licenses granted under section 106(6), other than statutory licenses, such as for performances by interactive services or performances that exceed the sound recording performance complement—

"(A) copyright owners of sound recordings affected by this section may designate common agents to act on their behalf to grant licenses and receive and remit royalty payments, *Provided*, That each copyright owner shall establish the royalty rates and material license terms and conditions unilaterally, that is, not in agreement, combination, or concert with other copyright owners of sound recordings; and

"(B) entities performing sound recordings affected by this section may designate common agents to act on their behalf to obtain licenses and collect and pay royalty fees, *Provided*, That each entity performing sound recordings shall determine the royalty rates and material license terms and conditions unilaterally, that is, not in agreement, combination, or concert with other entities performing sound recordings.

"(f) LICENSES FOR NONEXEMPT SUBSCRIPTION TRANSMISSIONS.—

"(1) No later than 30 days after the enactment of the Digital Performance Right in

Sound Recordings Act of 1995, the Librarian of Congress shall cause notice to be published in the Federal Register of the initiation of voluntary negotiation proceedings for the purpose of determining reasonable terms and rates of royalty payments for the activities specified by subsection (d)(2) of this section during the period beginning on the effective date of such Act and ending on December 31, 2000. Such terms and rates shall distinguish among the different types of digital audio transmission services then in operation. Any copyright owners of sound recordings or any entities performing sound recordings affected by this section may submit to the Librarian of Congress licenses covering such activities with respect to such sound recordings. The parties to each negotiation proceeding shall bear their own costs.

“(2) In the absence of license agreements negotiated under paragraph (1), during the 60-day period commencing 6 months after publication of the notice specified in paragraph (1), and upon the filing of a petition in accordance with section 803(a)(1), the Librarian of Congress shall, pursuant to chapter 8, convene a copyright arbitration royalty panel to determine and publish in the Federal Register a schedule of rates and terms which, subject to paragraph (3), shall be binding on all copyright owners of sound recordings and entities performing sound recordings. In addition to the objectives set forth in section 801(b)(1), in establishing such rates and terms, the copyright arbitration royalty panel may consider the rates and terms for comparable types of digital audio transmission services and comparable circumstances under voluntary license agreements negotiated as provided in paragraph (1). The Librarian of Congress shall also establish requirements by which copyright owners may receive reasonable notice of the use of their sound recordings under this section, and under which records of such use shall be kept and made available by entities performing sound recordings.

“(3) License agreements voluntarily negotiated at any time between one or more copyright owners of sound recordings and one or more entities performing sound recordings shall be given effect in lieu of any determination by a copyright arbitration royalty panel or decision by the Librarian of Congress.

“(4)(A) Publication of a notice of the initiation of voluntary negotiation proceedings as specified in paragraph (1) shall be repeated, in accordance with regulations that the Librarian of Congress shall prescribe—

“(i) no later than 30 days after a petition is filed by any copyright owners of sound recordings or any entities performing sound recordings affected by this section indicating that a new type of digital audio transmission service on which sound recordings are performed is or is about to become operational; and

“(ii) in the first week of January, 2000 and at 5-year intervals thereafter.

“(B)(i) The procedures specified in paragraph (2) shall be repeated, in accordance with regulations that the Librarian of Congress shall prescribe, upon the filing of a petition in accordance with section 803(a)(1) during a 60-day period commencing—

“(I) six months after publication of a notice of the initiation of voluntary negotiation proceedings under paragraph (1) pursuant to a petition under paragraph (4)(A)(i); or

“(II) on July 1, 2000 and at 5-year intervals thereafter.

“(ii) The procedures specified in paragraph (2) shall be concluded in accordance with section 802.

“(5)(A) Any person who wishes to perform a sound recording publicly by means of a nonexempt subscription transmission under this subsection may do so without infringing the exclusive right of the copyright owner of the sound recording—

“(i) by complying with such notice requirements as the Librarian of Congress shall prescribe by regulation and by paying royalty fees in accordance with this subsection; or

“(ii) if such royalty fees have not been set, by agreeing to pay such royalty fees as shall be determined in accordance with this subsection.

“(B) Any royalty payments in arrears shall be made on or before the twentieth day of the month next succeeding the month in which the royalty fees are set.

“(g) Proceeds From Licensing of Subscription Transmissions.—

“(1) Except in the case of a subscription transmission licensed in accordance with subsection (f) of this section—

“(A) a featured recording artist who performs on a sound recording that has been licensed for a subscription transmission shall be entitled to receive payments from the copyright owner of the sound recording in accordance with the terms of the artist's contract; and

“(B) a nonfeatured recording artist who performs on a sound recording that has been licensed for a subscription transmission shall be entitled to receive payments from the copyright owner of the sound recording in accordance with the terms of the nonfeatured recording artist's applicable contract or other applicable agreement.

“(2) The copyright owner of the exclusive right under section 106(6) of this title to publicly perform a sound recording by means of a digital audio transmission shall allocate to recording artists in the following manner its receipts from the statutory licensing of subscription transmission performances of the sound recording in accordance with subsection (f) of this section:

“(A) 2½ percent of the receipts shall be deposited in an escrow account managed by an independent administrator jointly appointed by copyright owners of sound recordings and the American Federation of Musicians (or any successor entity) to be distributed to nonfeatured musicians (whether or not members of the American Federation of Musicians) who have performed on sound recordings.

“(B) 2½ percent of the receipts shall be deposited in an escrow account managed by an independent administrator jointly appointed by copyright owners of sound recordings and the American Federation of Television and Radio Artists (or any successor entity) to be distributed to nonfeatured vocalists (whether or not members of the American Federation of Television and Radio Artists) who have performed on sound recordings.

“(C) 45 percent of the receipts shall be allocated, on a per sound recording basis, to the recording artist or artists featured on such sound recording (or the persons conveying rights in the artists' performance in the sound recordings).

“(h) Licensing to Affiliates.—

“(1) If the copyright owner of a sound recording licenses an affiliated entity the right to publicly perform a sound recording by means of a digital audio transmission under section 106(6), the copyright owner shall make the licensed sound recording available under section 106(6) on no less favorable terms and conditions to all bona fide entities that offer similar services, except that, if there are material differences in the scope of the requested license with respect to the type of service, the particular sound recordings licensed, the frequency of use, the number of subscribers served, or the duration, then the copyright owner may establish different terms and conditions for such other services.

“(2) The limitation set forth in paragraph (1) of this subsection shall not apply in the case where the copyright owner of a sound recording licenses—

“(A) an interactive service; or

“(B) an entity to perform publicly up to 45 seconds of the sound recording and the sole purpose of the performance is to promote the distribution or performance of that sound recording.

“(i) No Effect on Royalties for Underlying Works.—License fees payable for the public performance of sound recordings under section 106(6) shall not be taken into account in any administrative, judicial, or other governmental proceeding to set or adjust the royalties payable to copyright owners of musical works for the public performance of their works. It is the intent of Congress that royalties payable to copyright owners of musical works for the public performance of their works shall not be diminished in any respect as a result of the rights granted by section 106(6).

“(j) Definitions.—As used in this section, the following terms have the following meanings:

“(1) An ‘affiliated entity’ is an entity engaging in digital audio transmissions covered by section 106(6), other than an interactive service, in which the licensor has any direct or indirect partnership or any ownership interest amounting to 5 percent or more of the outstanding voting or non-voting stock.

“(2) A ‘broadcast’ transmission is a transmission made by a terrestrial broadcast station licensed as such by the Federal Communications Commission.

“(3) A ‘digital audio transmission’ is a digital transmission as defined in section 101, that embodies the transmission of a sound recording. This term does not include the transmission of any audiovisual work.

“(4) An ‘interactive service’ is one that enables a member of the public to receive, on request, a transmission of a particular sound recording chosen by or on behalf of the recipient. The ability of individuals to request that particular sound recordings be performed for reception by the public at large does not make a service interactive. If an entity offers both interactive and non-interactive services (either concurrently or at different times), the non-interactive component shall not be treated as part of an interactive service.

“(5) A ‘nonsubscription’ transmission is any transmission that is not a subscription transmission.

“(6) A ‘retransmission’ is a further transmission of an initial transmission, and includes any further retransmission of the same transmission. Except as provided in this section, a transmission qualifies as a ‘retransmission’ only if it is simultaneous with the initial transmission. Nothing in this definition shall be construed to exempt a transmission that fails to satisfy a separate element required to qualify for an exemption under section 114(d)(1).

“(7) The ‘sound recording performance complement’ is the transmission during any 3-hour period, on a particular channel used by a transmitting entity, of no more than—

“(A) 3 different selections of sound recordings from any one phonorecord lawfully distributed for public performance or sale in the

United States, if no more than 2 such selections are transmitted consecutively; or

"(B) 4 different selections of sound recordings;

"(i) by the same featured recording artist; or

"(ii) from any set or compilation of phonorecords lawfully distributed together as a unit for public performance or sale in the United States,

if no more than three such selections are transmitted consecutively: *Provided*, That the transmission of selections in excess of the numerical limits provided for in clauses (A) and (B) from multiple phonorecords shall nonetheless qualify as a sound recording performance complement if the programming of the multiple phonorecords was not willfully intended to avoid the numerical limitations prescribed in such clauses.

"(8) A 'subscription' transmission is a transmission that is controlled and limited to particular recipients, and for which consideration is required to be paid or otherwise given by or on behalf of the recipient to receive the transmission or a package of transmissions including the transmission.

"(9) A 'transmission' includes both an initial transmission and a retransmission.".

SEC. 4. MECHANICAL ROYALTIES IN DIGITAL PHONORECORD DELIVERIES.

Section 115 of title 17, United States Code, is amended—

(1) in subsection (a)(1)—

(A) in the first sentence by striking out "any other person" and inserting in lieu thereof "any other person, including those who make phonorecords or digital phonorecord deliveries,"; and

(B) in the second sentence by inserting before the period ", including by means of a digital phonorecord delivery";

(2) in subsection (c)(2) in the second sentence by inserting "and other than as provided in paragraph (3)," after "For this purpose,";

(3) by redesignating paragraphs (3), (4), and (5) of subsection (c) as paragraphs (4), (5), and (6), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3)(A) A compulsory license under this section includes the right of the compulsory licensee to distribute or authorize the distribution of a phonorecord of a nondramatic musical work by means of a digital transmission which constitutes a digital phonorecord delivery, regardless of whether the digital transmission is also a public performance of the sound recording under section 106(6) of this title or of any nondramatic musical work embodied therein under section 106(4) of this title. For every digital phonorecord delivery by or under the authority of the compulsory licensee—

"(i) on or before December 31, 1997, the royalty payable by the compulsory licensee shall be the royalty prescribed under paragraph (2) and chapter 8 of this title; and

"(ii) on or after January 1, 1998, the royalty payable by the compulsory licensee shall be the royalty prescribed under subparagraphs (B) through (F) and chapter 8 of this title.

"(B) Notwithstanding any provision of the antitrust laws, any copyright owners of nondramatic musical works and any persons entitled to obtain a compulsory license under subsection (a)(1) may negotiate and agree upon the terms and rates of royalty payments under this paragraph and the proportionate division of fees paid among copyright owners, and may designate common agents to negotiate, agree to, pay or receive such royalty payments. Such authority to negotiate the terms and rates of royalty payments includes, but is not limited to, the authority to negotiate the year during which the royalty rates prescribed under subparagraphs (B) through (F) and chapter 8 of this title shall next be determined.

"(C) During the period of June 30, 1996, through December 31, 1996, the Librarian of Congress shall cause notice to be published in the Federal Register of the initiation of voluntary negotiation proceedings for the purpose of determining reasonable terms and rates of royalty payments for the activities specified by subparagraph (A) during the period beginning January 1, 1998, and ending on the effective date of any new terms and rates established pursuant to subparagraph (C), (D) or (F), or such other date (regarding digital phonorecord deliveries) as the parties may agree. Such terms and rates shall distinguish between (i) digital phonorecord deliveries where the reproduction or distribution of a phonorecord is incidental to the transmission which constitutes the digital phonorecord delivery, and (ii) digital phonorecord deliveries in general. Any copyright owners of nondramatic musical works and any persons entitled to obtain a compulsory license under subsection (a)(1) may submit to the Librarian of Congress licenses covering such activities. The parties to each negotiation proceeding shall bear their own costs.

"(D) In the absence of license agreements negotiated under subparagraphs (B) and (C), upon the filing of a petition in accordance with section 803(a)(1), the Librarian of Congress shall, pursuant to chapter 8, convene a copyright arbitration royalty panel to determine and publish in the Federal Register a schedule of rates and terms which, subject to subparagraph (E), shall be binding on all copyright owners of nondramatic musical works and persons entitled to obtain a compulsory license under subsection (a)(1) during the period beginning January 1, 1998, and ending on the effective date of any new terms and rates established pursuant to subparagraph (C), (D) or (F), or such other date (regarding digital phonorecord deliveries) as may be determined pursuant to subparagraphs (B) and (C). Such terms and rates shall distinguish between (i) digital phonorecord deliveries where the reproduction or distribution of a phonorecord is incidental to the transmission which constitutes the digital phonorecord delivery, and (ii) digital phonorecord deliveries in general. In addition to the objectives set forth in section 801(b)(1), in establishing such rates and terms, the copyright arbitration royalty panel may consider rates and terms under voluntary license agreements negotiated as provided in subparagraphs (B) and (C). The royalty rates payable for a compulsory license for a digital phonorecord delivery under this section shall be established de novo and no precedential effect shall be given to the amount of the royalty payable by a compulsory licensee for digital phonorecord deliveries on or before December 31, 1997. The Librarian of Congress shall also establish requirements by which copyright owners may receive reasonable notice of the use of their works under this section, and under which records of such use shall be kept and made available by persons making digital phonorecord deliveries.

"(E)(i) License agreements voluntarily negotiated at any time between one or more copyright owners of nondramatic musical works and one or more persons entitled to obtain a compulsory license under subsection (a)(1) shall be given effect in lieu of any determination by the Librarian of Congress. Subject to clause (ii), the royalty rates determined pursuant to subparagraph (C), (D) or (F) shall be given effect in lieu of any contrary royalty rates specified in a contract pursuant to which a recording artist who is the author of a nondramatic musical work grants a license under that person's exclusive rights in the musical work under sections 106(1) and (3) or commits another person to grant a license in that musical work under sections 106(1) and (3), to a person desiring to fix in a tangible medium of expression a sound recording embodying the musical work.

"(ii) The second sentence of clause (i) shall not apply to—

"(I) a contract entered into on or before June 22, 1995, and not modified thereafter for the purpose of reducing the royalty rates determined pursuant to subparagraph (C), (D) or (F) or of increasing the number of musical works within the scope of the contract covered by the reduced rates, except if a contract entered into on or before June 22, 1995, is modified thereafter for the purpose of increasing the number of musical works within the scope of the contract, any contrary royalty rates specified in the contract shall be given effect in lieu of royalty rates determined pursuant to subparagraph (C), (D) or (F) for the number of musical works within the scope of the contract as of June 22, 1995; and

"(II) a contract entered into after the date that the sound recording is fixed in a tangible medium of expression substantially in a form intended for commercial release, if at the time the contract is entered into, the recording artist retains the right to grant licenses as to the musical work under sections 106(1) and 106(3).

"(F) The procedures specified in subparagraphs (C) and (D) shall be repeated and concluded, in accordance with regulations that the Librarian of Congress shall prescribe, in each fifth calendar year after 1997, except to the extent that different years for the repeating and concluding of such proceedings may be determined in accordance with subparagraphs (B) and (C).

"(G) Except as provided in section 1002(e) of this title, a digital phonorecord delivery licensed under this paragraph shall be accompanied by the information encoded in the sound recording, if any, by or under the authority of the copyright owner of that sound recording, that identifies the title of the sound recording, the featured recording artist who performs on the sound recording, and related information, including information concerning the underlying musical work and its writer.

"(H)(i) A digital phonorecord delivery of a sound recording is actionable as an act of infringement under section 501, and is fully subject to the remedies provided by sections 502 through 506 and section 509, unless—

"(I) the digital phonorecord delivery has been authorized by the copyright owner of the sound recording; and

"(II) the owner of the copyright in the sound recording or the entity making the digital phonorecord delivery has obtained a compulsory license under this section or has otherwise been authorized by the copyright owner of the musical work to distribute or authorize the distribution, by means of a digital phonorecord delivery, of each musical work embodied in the sound recording.

"(ii) Any cause of action under this subparagraph shall be in addition to those available to the owner of the copyright in the nondramatic musical work under subsection (c)(6) and section 106(4) and the owner of the copyright in the sound recording under section 106(6).

"(I) The liability of the copyright owner of a sound recording for infringement of the copyright in a nondramatic musical work embodied in the sound recording shall be determined in accordance with applicable law, except that the owner of a copyright in a sound recording shall not be liable for a digital phonorecord delivery by a third party if the owner of the copyright in the sound recording does not license the distribution of a phonorecord of the nondramatic musical work.

"(J) Nothing in section 1008 shall be construed to prevent the exercise of the rights and remedies allowed by this paragraph, paragraph (6), and chapter 5 in the event of a digital phonorecord delivery, except that no action alleging infringement of copyright may be brought under this title against a manufacturer, importer or distributor of a digital audio recording device, a digital audio recording medium, an analog recording device, or an analog recording medium, or against a consumer, based on the actions described in such section.

"(K) Nothing in this section annuls or limits (i) the exclusive right to publicly perform a sound recording or the musical work embodied therein, including by means of a digital transmission, under sections 106(4) and 106(6), (ii) except for compulsory licensing under the conditions specified by this section, the exclusive rights to reproduce and distribute the sound recording and the musical work embodied therein under sections 106(1) and 106(3), including by means of a digital phonorecord delivery, or (iii) any other rights under any other provision of section 106, or remedies available under this title, as such rights or remedies exist either before or after the date of enactment of the Digital Performance Right in Sound Recordings Act of 1995.

"(L) The provisions of this section concerning digital phonorecord deliveries shall not apply to any exempt transmissions or retransmissions under section 114(d)(1). The exemptions created in section 114(d)(1) do not expand or reduce the rights of copyright owners under section 106(1) through (5) with respect to such transmissions and retransmissions."; and

(5) by adding after subsection (c) the following:

"(d) Definition.—As used in this section, the following term has the following meaning: A 'digital phonorecord delivery' is each individual delivery of a phonorecord by digital transmission of a sound recording which results in a specifically identifiable reproduction by or for any transmission recipient of a phonorecord of that sound recording, regardless of whether the digital transmission is also a public performance of the sound recording or any nondramatic musical work embodied therein. A digital phonorecord delivery does not result from a real-time, noninteractive subscription transmission of a sound recording where no reproduction of the sound recording or the musical work embodied therein is made from the inception of the transmission through to its receipt by the transmission recipient in order to make the sound recording audible.".

SEC. 5. CONFORMING AMENDMENTS.

(a) Definitions.—Section 101 of title 17, United States Code, is amended by inserting after the definition of "device", "machine", or "process" the following:

"A 'digital transmission' is a transmission in whole or in part in a digital or other non-analog format.".

(b) Limitations on Exclusive Rights: Secondary Transmissions.—Section 111(c)(1) of title 17, United States Code, is amended in the first sentence by inserting "and section 114(d)" after "of this subsection".

(c) Limitations on Exclusive Rights: Secondary Transmissions of Superstations and Network Stations for Private Home Viewing.—

(1) Section 119(a)(1) of title 17, United States Code, is amended in the first sentence by inserting "and section 114(d)" after "of this subsection".

(2) Section 119(a)(2)(A) of title 17, United States Code, is amended in the first sentence by inserting "and section 114(d)" after "of this subsection".

(d) Copyright Arbitration Royalty Panels.—

(1) Section 801(b)(1) of title 17, United States Code, is amended in the first and second sentences by striking "115" each place it appears and inserting "114, 115,".

(2) Section 802(c) of title 17, United States Code, is amended in the third sentence by striking "section 111, 116, or 119," and inserting "section 111, 114, 116, or 119, any person entitled to a compulsory license under section 114(d), any person entitled to a compulsory license under section 115,".

(3) Section 802(g) of title 17, United States Code, is amended in the third sentence by inserting "114," after "111,".

(4) Section 802(h)(2) of title 17, United States Code, is amended by inserting "114," after "111,".

(5) Section 803(a)(1) of title 17, United States Code, is amended in the first sentence by striking "115" and inserting "114, 115" and by striking "and (4)" and inserting "(4) and (5)".

(6) Section 803(a)(3) of title 17, United States Code, is amended by inserting before the period "or as prescribed in section 115(c)(3)(D)".

(7) Section 803(a) of title 17, United States Code, is amended by inserting after paragraph (4) the following new paragraph:

"(5) With respect to proceedings under section 801(b)(1) concerning the determination of reasonable terms and rates of royalty payments as provided in section 114, the Librarian of Congress shall proceed when and as provided by that section.".

SEC. 6. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect 3 months after the date of enactment of this Act, except that the provisions of sections 114(e) and 114(f) of title 17, United States Code (as added by section 3 of this Act) shall take effect immediately upon the date of enactment of this Act.

NOTICE OF HEARING

COMMITTEE ON ENERGY AND NATURAL RESOURCES, SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. CAMPBELL. Mr. President, I would like to announce for the public that a joint oversight field hearing has been scheduled before the Subcommittee on Parks, Historic Preservation and Recreation and the Subcommittee on National Parks, Forests and Lands of the House Committee on Resources.

The hearing will take place Friday, August 18, 1995, beginning at 11 a.m. and ending at approximately 3 p.m., in the gymnasium of International Falls High School in International Falls, MN.

The purpose of this hearing is to review access and management issues at Voyageurs National Park and the Boundary Waters Canoe Area Wilderness.

The subcommittees will invite witnesses representing a cross-section of views and organizations to testify at the hearing. Witnesses invited to testify are requested to submit one copy of their testimony by 5 p.m. on Tuesday, August 15, 1995, to the House Subcommittee on National Parks, Forests and Lands, House Committee on Resources, 812 Tip O'Neill House Office Building, Washington, DC 20515, facsimile (202) 226-2301. In addition, witnesses are requested to bring 75 copies of their testimony with them to the hearing.

Statements will also be accepted for inclusion in the hearing record. Those wishing to submit written testimony should send two copies of their testimony to the Subcommittee on National Parks, Forests and Lands, House Committee on Resources, 812 Tip O'Neill House Office Building, Washington, DC 20515.

For further information, please call Jim O'Toole of the Senate subcommittee staff at (202) 224-5161.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, August 8, 1995, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, August 8, 1995, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

BUDGET SCOREKEEPING REPORT

• Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the budget for 1986.

This report shows the effects of congressional action on the budget through August 5, 1995. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the concurrent resolution on the budget (H. Con. Res. 218), show that current level spending is below the budget resolution by $20.9 billion in budget authority and $2.0 billion in outlays. Current level is $0.5 billion over the revenue floor in 1995 and below by $9.5 billion over the 5 years 1995–1999. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $237.4 billion, $3.7 billion below the maximum deficit amount for 1995 of $241.0 billion.

Since my last report, dated July 24, 1995, the President signed the 1995 Rescissions and Emergency Supplementals for Disaster Assistance Act—Public Law 104–19. This legislation changed current level of budget authority and outlays; the change was reflected in my report dated July 24, 1995.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 7, 1995.

Hon. PETE DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report for fiscal year 1995 shows the effects of Congressional action on the 1995 budget and is current through August 5, 1995. The estimates of budget authority, outlays and revenues are consistent with the technical and economic assumptions of the 1995 Concurrent Resolution on the Budget (H. Con. Res. 218). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements of Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated July 24, 1995, the President signed the 1995 Rescissions and Emergency Supplementals for Disaster Assistance Act (P.L. 104–19). This action did not change the current level of budget authority, outlays or revenues.

Sincerely,

JUNE E. O'NEILL,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1995, 104TH CONGRESS, 1ST SESSION, AS OF CLOSE OF BUSINESS AUGUST 5, 1995

[In billions of dollars]

	Budget resolution (H. Con. Res. 218)[1]	Current level[2]	Current level over/under resolution
ON-BUDGET			
Budget Authority	1,238.7	1,217.8	−20.9
Outlays	1,217.6	1,215.6	−2.0
Revenues:			
1995	977.7	978.2	0.5
1995–99	5,415.2	5,405.7	−9.5
Deficit	241.0	237.4	−3.7
Debt Subject to Limit	4,965.1	4,885.4	−79.7
OFF-BUDGET			
Social Security Outlays:			
1995	287.6	287.5	−0.1
1995–99	1,562.6	1,562.6	(3)
Social Security Revenues:			
1995	360.5	360.3	−0.2
1995–99	1,998.4	1,998.2	−0.2

[1] Reflects revised allocation under section 9(g) of H. Con. Res. 64 for the Deficit-Neutral reserve fund.

[2] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[3] Less than $50 million.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 104TH CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1995, AS OF CLOSE OF BUSINESS AUGUST 5, 1995

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			978,466
Permanents and other spending legislation	750,307	706,236	
Appropriation legislation	738,096	757,783	
Offsetting receipts	−250,027	−250,027	
Total previously enacted	1,238,376	1,213,992	978,466
ENACTED THIS SESSION			
1995 Rescissions and Department of Defense Emergency Supplementals Act (P.L. 104–6)	−3,386	−1,008	
Self-Employed Health Insurance Act (P.L. 104–7)			−248
1995 Rescissions and Emergency Supplementals for Disaster Assistance Act (P.L. 104–19)	−15,286	−590	
Total enacted this session	−18,672	−1,598	−248
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	−1,896	3,180	
Total current level[1]	1,217,807	1,215,574	978,218
Total budget resolution	1,238,744	1,217,605	977,700
Amount remaining:			
Under budget resolution	20,937	2,031	
Over budget resolution			518

[1] In accordance with the Budget Enforcement Act, the total does not include $7,663 million in budget authority and $7,958 million in outlays in funding for emergencies that have been designated as such by the President and the Congress, and $741 million in budget authority and $852 million in outlays for emergencies that would be available only upon an official budget request from the President designating the entire amount requested as an emergency requirement.•

REMARKS OF BISHOP WILLIAM SKYLSTAD ON THE FARM BILL

• Mr. LEAHY. Mr. President, I would like to submit for the RECORD the remarks of William Skylstad, the Roman Catholic bishop of Spokane, WA, on the subject of the 1995 farm bill. His remarks reflects the policies of the U.S. Catholic Conference, which represents the Nation's Roman Catholic bishops.

Bishop Skylstad's thoughtful remarks reflect the American bishops' desires to save the family farm, promote wise stewardship of the land, alleviate hunger here and abroad, and sustain rural economies—goal that I hope we all share. I urge each Senator to review carefully Bishop Skylstad's observations and recommendations.

The remarks follow:

TESTIMONY BY MOST REVEREND WILLIAM SKYLSTAD

I am William Skylstad, the Roman Catholic Bishop of Spokane, Washington. I serve a diocese which is mostly rural, and which has farms of all sizes and shapes. Formerly, I was Bishop of the Diocese of Yakima, Washington. The farming community there relied heavily on migrant labor for its fruit and vegetable harvests. The smaller cities in which I have served have experienced many of the same problems of hunger and poverty that many of our nation's large cities face. So I come today as a pastor with some knowledge of the rural and urban dimensions that this omnibus food and agriculture bill addresses.

My testimony also reflects the policies of the U.S. Catholic Conference, the policy agency of the U.S. Bishops. I also serve as Chairman of the National Catholic Rural Life Conference Board of Directors. The NCRLC is a national organization founded in 1923, that serves the rural church, and rural people in their communities.

Through our many national and international organizations including Catholic Charities, the Campaign for Human Development and Catholic Relief Services, we experience first hand the plight of the poor and as the farm bill covers domestic and international food programs as well as food marketing and distribution, we are in a position to bring our experience to bear on this important debate.

I submit these comments therefore, on behalf of the USCC, with the hope that Congress will produce farm policy that will be fair, equitable and resourceful. In a time of budget cutting, we urge the Agriculture Committee to pursue the common good and target scarce dollars to those most in need.

Our perspective begins with our belief in the dignity of all people as they are created in God's image. For people to live a dignified life, they must have an adequate and safe food supply. Food, for us, is not just another commodity in the grand economic scheme. We all can live without our car or our computer but cannot live without food. It is essential for life itself. How food is produced is also important since we need not only a bountiful harvest, but a safe one as well. Care for the land is as important to us as what it produces. The common good first requires a safe and affordable food supply.

These underlying principles, then, are what drives our policy analysis. The basic goal of the food system is to ensure an adequate supply of nutritious food to meet domestic and international need in an environmentally responsible way and to ensure the social health of our rural communities. To meet this goal, we believe four areas of the Farm Bill need particular attention: 1) Agriculture, 2) Hunger, 3) Rural Development and 4) Environment.

AGRICULTURE

Our bishops' Conference believes that a just farm system is one that supports the widespread ownership of farm land and the viability of the family farm. We urge you to be guided by a principle drawn from the Bishops' pastoral letter: Economic Justice for All; 1986. That:

". . . moderate-sized farms operated by families on a full-time basis should be preserved and their economic viability protected. Similarly, small farms and part-time farming, particularly in areas close to cities, should be encouraged. There is genuine social and economic value in maintaining a wide distribution in the ownership of productive property. The democratization of decision making and control of the land resulting from wide distribution of farm ownership are protection against concentration of power and a consequent possible loss of responsiveness to public need in this crucial sector of the economy. Moreover, when those who work in an enterprise also share in its ownership, their active commitment to the purpose of the endeavor and their participation in it are enhanced. Ownership provides incentives for diligence and is a source of an increased sense that the work being done is one's own. This is particularly significant in a sector as vital to human well-being as agriculture."

Widespread ownership of farm land is not currently being promoted by U.S. agriculture policy. In our judgement, current policies have resulted in a concentration of farmland ownership which is detrimental to the interests of farming and to the vitality of rural communities. Current public policy fosters an increasingly industrialized system of agriculture that requires large amounts of capital and rewards large farms far more than smaller and medium-sized farms. This is a matter of policy choice, not economic inevitability.

This concentration is a result of farm policy that rewards high production. As incentives to produce grow, the desire to use ever-increasing amounts of chemicals and petroleum for inputs, harvesting, and transportation likewise increases. Dependency on such a system could have serious results if, for example, our supply of petroleum was ever curtailed for any period of time. Another threat of the excess concentration of farmland could be manipulation of markets which can be very dangerous, especially where food is concerned.

I also believe that the low prices paid for farm commodities are in fact subsidies to the large grain traders and large hog and cattle feedlot operations. Deficiency payments and loan rates based on output create a drive to produce more and more. This favors larger farms which can afford high inputs: inputs which depend on the generous use of chemicals. This policy also creates a drive to buy up land thus accelerating concentration. In addition, the large grain traders received over $2 billion in direct export subsidies in 1993–94 through the Export Enhancement Program. In short, our nation's "cheap food policy" is a cheap grain policy which benefits these large agribusiness corporations at the expense of family farmers and rural communities.

We recognize the definition of "family farm" has taken on many meanings. Besides a definition based on gross sales, one helpful definition may be that the goal of the family farmer is to create resources to support a way of life. Typically, a family farmer/owner devotes a good portion of his or her time to the day-to-day management and operation of the farm. The goal of a corporate farm, by way of contrast, would be to make a profit to support its investors. Day-to-day management and operation of the farm is not necessarily by the owners.

How can we change policy to address the issue of support for family farms and begin to move away from increasing concentration of farm land? Congress needs to take a serious look at targeting farm program dollars to small and moderate-sized farmers and away from the large food corporations. A clear first step would be to close the payment limitation loopholes so that the largest farms can no longer subdivide into multiple legal entities to avoid payment limitations.

Another way to ensure broad-based ownership of land and to support family farmers would be to raise the "non-recourse" loan rate. This is also a matter of economic justice. Farmers cannot stay solvent when they are currently producing at, slightly above or, in many cases, below the cost of production. We must express alarm when we read that on the whole, farm sector profitability averaged only 2% over the past five years while the food industry profits averaged 18% over that same period. Setting the loan rate higher would decrease deficiency payments (which totaled $11 billion in 1994) and would result in more family farmers surviving to spend more of their money in rural communities.

Even if federal farm policy were changed to give farmers a fair price for their product, and to remove the disincentives to sustainable agriculture, it would do no good if farmers were not able to get loans to plant their crops. In March, bankers urged the Senate Agriculture Committee to privatize the servicing of USDA loans and replace direct lending with a guaranteed loan program. In the face of increasing debt load and decreasing cash flow among most farmers, bankers are using guaranteed loans to promote contract livestock operations and high equity loans that inhibit the participation of family farmers. In addition, the Consolidated Farm Services Agency currently has no credit sales allocations, which means that land in inventory is not being sold to priority purchasers. These developments are detrimental to family farmers and rural communities. Farming requires credit for the purchase of inputs and equipment. We urge Congress to make credit accessible to family farmers through USDA credit programs that have been proven effective over time.

Another important concern of family farmers is the increasing use of contract farming and the vertical integration of some commodities. This phenomenon has been seen most prevalently in the poultry industry—and increasingly in the hog industry. Rarely can independent poultry producers participate in this industry. Contracts between farmers and integrators offer substantial protections for integrators and very little for the heavily-invested contract grower. These contracts are often extremely unfavorable for the farmers, who have little legal recourse to force the integrators to bargain contracts in good faith. We urge you to support efforts that would result in good faith bargaining for contract farming.

Also of concern to the bishops is the decreasing opportunities for younger people to enter into farming. Efforts such as the "Farm Link" program, sponsored by the religious and public interest community, deserve more attention and support by the federal government. Additionally, current federal programs for beginning farmers, especially those developed in 1990 and 1992, ought to be continued and enhanced. The strategy of developing partnerships between government, lenders and beginning farmers is one we call on Congress to seriously consider as vital to the interest of maintaining a family farm system.

Part of the patchwork of family farms are minority farmers. Black farmers have lost land at an accelerating rate in recent years. Since 1954, the number of African-American owned farms has declined by over 95 percent and today their average income is only 65 percent of white farm operators. While many of these farms are small, they have been viable, they provide a sense of identity for the farmer and contribute to the economic security in the community. Special public policy measures are needed in the Farm Bill to stem the loss of these farms, as well as those among Hispanics and Native Americans. We recommend new policy initiatives to assist these farmers: increase outreach and enrollment of minorities in decision making bodies such as county committees; provide increased access to credit through adequate funding and enforcement under the Agriculture Credit Act of 1987 and the 1990 Farm Bill which provide for targeting of FmHA Farm Ownership and Operating Loans and sales of land in inventory to African American and other minority farmers; and adequately fund outreach programs such as was approved in Section 2501(a) of the 1990 Farm Bill.

Farm workers must receive more attention and protection in farm policy. They continue to be among the poorest people in our land yet they harvest so much of our table food. Opening eligibility and including the work experience of farmworkers for beginning and minority farmer programs would allow some farmworkers to become self-sufficient. The enforcement of existing labor laws and linking compliance with those laws to a farmers participation in program benefits would help ensure that farmworkers are protected. Additionally, providing information to both farmers and farmworkers on alternative pesticides and herbicides or on new health concerns for existing chemicals is a matter of fairness and decency.

HUNGER

The system of food production is unlike any other system: it produces what is essential for life. In a world where there are hundreds of millions of starving and malnourished people, our faith and our social teaching calls us to speak on their behalf and recognize food is essential to a decent and dignified human life.

DOMESTIC HUNGER

In the area of domestic hunger, USCC's primary concerns are in the continuation of the goals of existing food, nutrition and anti-hunger programs to meet the nutrition needs of many pregnant women, poor children, families and the elderly. Food, nutrition and anti-hunger programs play a vital role in ending poverty, especially among our children. Due to declining overall incomes and the breakdown of the family, the overall child poverty rate increased by 49 percent from 1973–1992. The largest growth, 76 percent, occurred in the suburbs—the areas once considered most immune from the poverty crisis. Recent reports indicate clearly that our federal food and nutrition programs do make a difference especially for poor children.

As the bishops said in "Putting Children and Families First":

"The continuing reality of hungry children in our midst is a dismaying sign of failure. We see signs of this failure in our food pantries, soup kitchens, parishes, and schools. New investment and improvements are needed in basic nutritional programs, such as food stamps, to ensure that no child goes hungry in America. An urgent priority is the Women, Infant & Children (WIC) program, that still does not reach all expectant mothers, infants, and young children in need." (1991)

The USCC strongly recommends the continuation of Food Stamps, Women, Infants and Children Supplemental Program (WIC), The Emergency Food Assistance Program (TEFAP), the school lunch program and other child nutrition and elderly food programs that assist those in need. The proposed cuts appear to us to go too far and the nutritional safety net could be in jeopardy. Additionally, we believe it would be a mistake to pit farm programs against food and nutrition programs in a time of limited budget resources. Both programs are necessary and need support.

While not categorically opposed in principle to block grants, the USCC believes that block granting essential entitlement programs such as Food Stamps could be detrimental to uniform nutritional standards and create unnecessary hardship on children, families and individuals in times of economic difficulties. These programs are often the beginning point for people who wish to work themselves out of poverty. The USCC envisions policies that will move people from perpetual hunger and poverty to a more sustained system of nutritional value and self dependency.

Linkages between urban hunger and the development of urban edge agriculture should be fostered. Such linkages should be seen as a form of community development and empowerment which complements and extends the traditional approaches to addressing food and hunger issues. I encourage Congress to direct the USDA to adopt community food security as a mission of the agency and establish a community food security program. Support direct farmer-to-consumer marketing efforts by expanding the Farmer's Market Nutrition Program and the Federal-State Marketing Improvement Program. We encourage further expansions of government purchases of local agricultural products. These and other provisions are part of the Community Food Security Empowerment Act of 1995 which I urge you to support.

INTERNATIONAL HUNGER

While hunger in our own country remains a serious problem, we cannot turn our backs on the 800 million people all over the world (and over half of them children), who do not have enough to eat. Such hunger is shameful in a world where most believe we can produce enough food for everyone.

We believe that special efforts must be made to see food as more than just another commodity to be traded on the international market and that it not be used as a bargaining chip as the United States pursues its interest in various parts of the globe. In addition, we believe that food trade should be conducted with global food security and equity as its primary goals, not with raw competition as its driving engine. Finally, patterns of overproduction and overconsumption on the part of first world countries has a devastating impact on the development and sustainability of our third world neighbors. The question is: will US food aid help poor people in food deficient nations move toward food security, or will it foster an unhealthy dependence?

The Food for Peace Program (PL–480) needs to be re-authorized and expanded. But it also needs to have a clear and primary goal alleviating hunger and only secondarily the pursuit of commercial or strategic interests.

In the 1995 Farm Bill, the United States should reinforce its commitment to help hungry people through international food aid programs. Over the past two years, the total level of international food assistance provided by the United States has decreased by nearly 50 percent. Programs to assist those who suffer from chronic hunger, as well as U.S. commitments to provide assistance for disaster relief, have been scaled back.

Food assistance is truly "Food for Peace." When there is significant hunger and poverty, a country cannot experience internal stability and economic growth. It will not develop into a U.S. trading partner until some of its food security problems are remedied. Food aid is not the only response, but it has saved millions of lives and helped to improve the quality of life for millions more. And it has provided markets for U.S. agricultural goods and built the foundation for future trade relations.

The limited funds available for food aid should be targeted to those whose need is greatest and where the food can be used most effectively to alleviate hunger now and contribute to long-term food security. More specifically, we recommend:

1. With the downsizing of government agencies, relying more heavily on the experience, recommendations and capabilities of private partners—PVOs and cooperatives—for developing and implementing title II programs.

2. Strengthening the Title II program requirements so that the minimal amount of food tonnage required for people-to-people development programs (conducted by private voluntary organizations (PVOs), cooperatives and the World Food Program) is maintained. These programs assist countries with chronic hunger. Raiding these programs to take care of emergency needs only creates additional emergency needs. A new mechanism to take care of emergency situations should be established.

3. Establishing mechanisms which assure that the U.S. can continue to play a leadership role in responding to emergency needs by providing food in a timely manner. Allow the Secretary of Agriculture to use the Commodity Credit Corporation funds to make up to 1 metric ton of commodities available each year for emergency needs abroad.

RURAL DEVELOPMENT

In the area of rural development, policies should be enacted to strengthen economic development, expansion of employment opportunities, and education in rural communities. The lack of farming opportunities, few quality jobs, and poor infrastructure is forcing many of our young people out of rural communities and into the cities. This creates a drain of talent vitally needed by our rural towns.

Some modest rural empowerment and enterprise zones have been enacted to address funding for housing and community facilities, business development, water and waste systems. However, some rural residents fear that business development projects through enterprise "zones" are not long term and many rural communities are left untouched by enterprise or empowerment zones. Policy needs to be developed to ensure that stability to rural communities can be assured through permanent business development.

Much needed infrastructure improvements could generate economic development opportunities that would enhance the overall quality of many American rural communities. Far too many rural communities still lack adequate housing, water access, safe roads, and public transportation which restrict rural residents from enjoying amenities that other communities have.

But more than infrastructure improvements are necessary. While many farmers are economically better off than the national average, 20 percent remain in poverty. Part of the problem is that money is flowing out of the rural community. Dependence on one or two key employers will be lessened if assistance in market diversification and in creating value-added ventures in the local town were to become a reality.

We believe the government has a continuing role in providing for the credit needs of farmers and especially beginning and minority farmers. Direct lending (i.e., being the "lender of last resort"), and servicing loans should be part of government services to protect and promote the viability of family farms. The advantages of existing loan programs ought to be promoted including direct CFSA loans. Additionally, we urge support for both credit sales—so more beginning and minority farmers can enter farming—and education and outreach programs to minority farmers.

ENVIRONMENT

Our traditional concern for the environment flows from our teachings about creation and stewardship. In 1991, our bishops' Conference noted that:

"Sustainable economic policies, that is, practices that reduce current stresses on natural systems and are consistent with sound environmental policy in the long term, must be put into effect. At the same time, the world economy must come to include hundreds of millions of poor families who live at the edge of survival." (Renewing the Earth, 1991)

In this area we focus primarily on sustainable agriculture but also on the support for existing environmental and conservation programs of the federal government.

We define sustainable agriculture generally as substituting renewable resources generated on the farm for nonrenewable, purchased resources. Sustainable agriculture relies on modern, evolving and highly adaptable management technology. According to an extensive study by the Northwest Area Foundation (an organization promoting economic revitalization for eight states—including my own state of Washington) entitled, A Better Row to Hoe, sustainable farmers are more diversified, plant less program commodities, use less fertilizer, pesticides, and energy, rotate crops, recycle plant nutrients and manure, plant more soil-building crops, use more cover crops, strip crops, contour grass waterways and field windbreaks than do conventional farmers. All of these techniques are consistent with our principles of careful stewardship of finite natural resources. Additionally, the new techniques of sustainable agriculture will increase small town business opportunities as the local community responds to the different production and market needs of these farmers. We see this as a positive development which corresponds to our call to value and support rural and small town life.

While the Northwest Area Foundation study concludes that there is general support for the concepts of sustainable agriculture, there is a great deal of reluctance on the part of many farmers to fully enter into these farming techniques because of the lack of governmental support. This is especially true in the areas of commodity program payments, research and extension services.

Environmental performance should be a hallmark of public farm policy. We urge the removal of penalties for converting to sustainable agriculture and an end to the discrimination against sustainable farmers who plant soil-conserving crops and have fewer acres in subsidized crops. Greater emphasis on sustainable agriculture in research and educational programs will strengthen the technology base and provide both beginning farmers and farmers who want to convert to sustainable agriculture with better technical support.

We support recent conservation legislation that would consolidate current conservation programs into a single entity; keep the current level of funding; extend the Conservation and Wetlands Reserve Programs (CRP and WRP) and focusing CRP on the most environmentally sensitive lands and encourage partial field enrollments; encourage conservation practices by giving priority to sustainable practices rather than wholesale land retirements; and encourage support for sustainable livestock management practices.

In addition to these proposals we would also recommend: Providing incentive payments to encourage whole farm planning; Encouraging local participation by farmers, ranchers, nonprofit organizations as well as federal, state and local natural resources staff in the new State Conservation Committees; Considering a grant program where a portion of federal conservation funds can draw down local funds for special conservation projects.

Finally, it is critical that Conservation Compliance, Sodbuster, and Swampbuster provisions be maintained. Though they have not been perfect programs, they have significantly slowed the wetland destruction, soil erosion and have improved water quality. These provisions are conditions of enrollment in a voluntary entitlement program and should not be viewed as regulatory "takings" of private property rights, as suggested in the House-passed "Private Property Protection Act of 1995."

CONCLUSION

I encourage you to continue to promote a broad-based ownership of the land and the means of agricultural production, to foster the family farm, support minority farmers and farmworkers and uphold the place of the land as a gift from God and for all generations.•

FAIRFIELD UNIVERSITY COMMENCEMENT ADDRESS OF AMBASSADOR JEAN KENNEDY SMITH

• Mr. DODD. Mr. President, at a time when deep budget cuts have forced us to focus more on the private sector's role in maintaining and improving society, volunteerism has become ever more important. The contributions made by volunteers, whether in the President's National Service Corps, charity groups, or religious institutions, every day serve to brighten the lives of people who need help.

That is why I was so heartened to hear of the remarks of Jean Kennedy Smith, my dear friend and our Ambassador to Ireland, to the graduating class of Fairfield University. In her commencement address, Ambassador Smith lauded the graduates for their deep faith and brilliant spirit of volunteerism. Indeed, she knows service to others when she sees it. Jean Kennedy Smith not only comes from a family whose faith underlies a deep commitment to community and public service, but is herself actively involved in both public service and in improving the lives of those who are less fortunate. Her exemplary work with the "very special arts" organization brings the joy of the arts to people with disabilities.

In this day and age, when most of the news about youth is gloom and doom it was refreshing to know that Fairfield University has cultivated such an outstanding group of young men and women. A group of young adults, as Jean Kennedy Smith explained, whose faith and commitment to service will not only bring personal fulfillment, but also ultimately advance goals such as peace in Ireland and the world over.

Mr. President, I wish to share Jean Kennedy Smith's uplifting remarks with my colleagues and with the American people, and ask that they be printed, as published June 17, 1995, in America Press, in the RECORD.

The remarks follow:

FAITH ABOVE ALL

(By Jean Kennedy Smith)

Since this is a day of celebration, it is a time to talk of those who love us and those whom we love—your parents, grandparents, your brothers and sisters, your friends—all those who have given so much for you and whose sacrifices have brought you to this threshold of the future. Although I never had the good fortune to attend a Jesuit school, I am certainly familiar with the value of a Jesuit education. My late husband, Steve, graduated from Georgetown, and my son attended medical school there. In my family, a Jesuit education has always been synonymous with excellence.

A noted college president once said that the reason that universities are such storehouses of knowledge is that every entering student brings a little knowledge in and no graduating student takes knowledge out. I'm sure that is not true at Fairfield. A good education is respected and cherished throughout the world, particularly in the United States and in Ireland. Ireland, in fact, boasts one of the most educated societies in the world. The Irish youth are the best educated in all of Europe.

But this should come as no surprise. When Europe descended into the Dark Ages, Ireland earned its reputation as a land of scholars and saints by preserving the traditions of learning and faith. Men and women of religious orders in those years committed themselves to the world of ideas and knowledge, and passed on this heritage in both written and oral form. Western civilization has benefitted from their wisdom ever since.

St. Ignatius Loyola, who founded the Society of Jesus in 1540, also extolled the importance of education. But he realized that it must be more than the mere accumulation of knowledge. Ignatius understood that a true education is one that is inspired by spiritual values. The motto of Fairfield University, "Through Faith Toward the Fullness of Truth," reflects the spirit of St. Ignatius and the work of the Jesuits and lay men and women who teach at Fairfield.

My mother, Rose Fitzgerald Kennedy, shared this same high vision—that faith, above all things, brings fulfillment. She often said: "The most important element in human life is faith. If God were to take away all his blessings, health, physical fitness, wealth, intelligence, and leave me but one gift, I would ask for faith."

Our family was blessed with two wonderful parents. And while we were growing up, they always impressed upon us the responsibility to give something back to our country, which had been so good to us. As President Kennedy said on Inauguration Day in 1961, "Ask not what your country can do for you, ask what you can do for your country." But too often in recent years, our country seems to have lost sight of that ideal. We ignore it at our peril.

Service to others takes many forms. It can be an act of kindness to a friend or neighbor, volunteering at a soup kitchen or local hospital, standing up for civil rights and against poverty and discrimination or working with others on the countless challenges that face society. Each of these acts is important—essential—to our well being. Each act expresses our morality, our commitment to the enduring values of peace, justice and truth. My brother Robert Kennedy told by students of Capetown in South Africa in the 1960's: "Each time a man stands up for an idea, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope. And crossing each other from a million different centers of energy and daring, those ripples build a mighty current that can sweep down the mightiest walls of oppression and resistance."

I know that the spirit of volunteerism is alive and well as Fairfield. You have staffed the Head Start program in Bridgeport, teaching basic skills to disadvantaged children. Nursing students staff a health promotion center that also assists the poor. Some of you are active in Project Children, which has made a tremendous impact on the children of Northern Ireland, by giving them opportunities to visit the United States. Other have worked in third world countries like Belize, Ecuador, Mexico and Jamaica. And I am particularly delighted that Fairfield will host 520 athletes next month for the Special Olympics International World Games. I commend you for the example you have set, and I hope you will continue to find such opportunities for service throughout your lives.

Much of my own work has been with an organization called Very Special Arts, which tries to bring experience with the arts to people with disabilities. It is amazing, what men and women and children can achieve no matter how great their difficulties. Patients who can barely communicate can learn to write beautiful poetry. A deaf child can learn to dance, a paraplegic to play music by using his toes or to paint with his mouth. The joy they discover in their achievements is indescribable. Every one, in a unique way, is a miracle of our common humanity and our care for one another.

In its own way, a miracle on a large scale is happening today in Northern Ireland. Peace, which had eluded the people for so long, has now been a faithful presence for many months. The guns and bombs are silent, and Protestants and Catholics alike are finding how much they can accomplish together when violence no longer oppresses their community. It makes me proud of my country to know that America is helping this dream of peace and reconciliation to come true.

I arrived in Ireland as ambassador 30 years after President Kennedy's famous visit in 1963. One of my first trips was to County Wexford, "where our ancestors had lived. At the heritage center there, I type the name of my great-grandfather into a computer. The screen read: "Patrick Joseph Kennedy, Age: 28. Literacy: None."

This year, as we observe the 150th anniversary of the Great Famine, when millions were forced to leave Ireland, those words symbolize for me their courage, faith and determination. These immigrants came to this country penniless, without their families and without education, in order to build a better life for themselves and their children in the freedom and opportunity of this land. We are a nation of immigrants. And our diversity has helped make us strong. But our faith will keep us free.

You, the members of this graduating class, will make all the difference in maintaining these high ideals in the years ahead. The success of your neighborhood, your community and our country will depend on you. You will be asked to take chances, to take risks, to take action. The ripples of hope that you send forth will make America a better country in a better world.

As my brother Robert said, "This world demands the qualities of youth: not a time of life, but a state of mind, a temper of the will, a quality of the imagination, predominance of courage over timidity—of the appetite for adventure over the love of ease."

I wish you great adventure, happiness and fulfillment in all that you do—for yourselves and others.

APPOINTMENTS BY THE MAJORITY LEADER

The PRESIDING OFFICER. The Chair on behalf of the majority leader, after consultation with the Democratic leader, pursuant to Public Law 93-415, as amended by Public Law 102-586 announces the appointment of James L. Burgess of Kansas to the Coordinating Council on Juvenile Justice and Delinquency Prevention, effective July 5, 1995.

The Chair on behalf of the majority leader, in consultation with the Democratic leader, pursuant to Public Law 102-246, appoints the following individual to the Library of Congress Trust Fund Board: Adele C. Hall of Kansas to a 5-year term.

USE OF JEFFERSON DAVIS' DESK

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 161, submitted earlier today by Senators COCHRAN and LOTT.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 161) to make available to the senior Senator from Mississippi, during his or her term of office, the use of the desk located in the Senate Chamber and used by Senator Jefferson Davis.

Mr. GORTON. Mr. President, I ask unanimous consent that the resolution be considered and agreed to; that the motion to reconsider be laid upon the table; and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (S. Res. 161) was agreed to, as follows:

Resolved, That during the One hundred fourth Congress and each Congress thereafter, the desk located within the Senate Chamber and used by Senator Jefferson Davis shall, at the request of the senior Senator from the State of Mississippi, be assigned to such Senator, for use in carrying out his or her Senatorial duties during that Senator's term of office.

REVISED EDITION OF STANDING RULES OF THE SENATE

Mr. GORTON. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be directed to prepare a revised edition of the Standing Rules of the Senate, and that such standing rules be printed as a Senate document.

I further ask unanimous consent that 2,500 additional copies of this document be printed for the use of the Committee on Rules and Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

DIGITAL PERFORMANCE RIGHT IN SOUND RECORDINGS

Mr. GORTON. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 165, S. 227.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 227) to amend title 17, United States Code, to provide an exclusive right to perform sound recordings publicly by means of digital transmissions, and for other purposes, which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Digital Performance Right in Sound Recordings Act of 1995".

SEC. 2. EXCLUSIVE RIGHTS IN COPYRIGHTED WORKS.

Section 106 of title 17, United States Code, is amended—

(1) in paragraph (4) by striking "and" after the semicolon;

(2) in paragraph (5) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.".

SEC. 3. SCOPE OF EXCLUSIVE RIGHTS IN SOUND RECORDINGS.

Section 114 of title 17, United States Code, is amended—

(1) in subsection (a) by striking "and (3)" and inserting "(3) and (6)";

(2) in subsection (b) in the first sentence by striking "phonorecords, or of copies of motion pictures and other audiovisual works," and inserting "phonorecords or copies";

(3) by striking subsection (d) and inserting:

"(d) LIMITATIONS ON EXCLUSIVE RIGHT.—Notwithstanding the provisions of section 106(6)—

"(1) EXEMPT TRANSMISSIONS AND RETRANSMISSIONS.—The performance of a sound recording publicly by means of a digital audio transmission or retransmission, other than as a part of an interactive service, is not an infringement of section 106(6) if the performance is part of—

"(A) a nonsubscription transmission, such as a nonsubscription broadcast transmission;

"(B) a retransmission of a nonsubscription broadcast transmission: Provided, That, in the case of a retransmission of a radio station's broadcast transmission—

"(i) the radio station's broadcast transmission is not willfully or repeatedly retransmitted more than a radius of 150 miles from the site of the radio broadcast transmitter, however—

"(I) the 150 mile limitation under this clause shall not apply when a nonsubscription broadcast transmission by a radio station licensed by the Federal Communications Commission is retransmitted on a nonsubscription basis by a terrestrial broadcast station, terrestrial translator, or terrestrial repeater licensed by the Federal Communications Commission; and

"(II) in the case of a subscription retransmission of a nonsubscription broadcast retransmission covered by subclause (I), the 150 mile radius shall be measured from the transmitter site of such broadcast retransmitter;

"(ii) the retransmission is of radio station broadcast transmissions that are—

"(I) obtained by the retransmitter over the air;

"(II) not electronically processed by the retransmitter to deliver separate and discrete signals; and

"(III) retransmitted only within the local communities served by the retransmitter;

"(iii) the radio station's broadcast transmission was being retransmitted to cable systems (as defined in section 111(f)) by a satellite carrier on January 1, 1995, and that retransmission was being retransmitted by cable systems as a separate and discrete signal, and the satellite carrier obtains the radio station's broadcast transmission in an analog format: Provided, That the broadcast transmission being retransmitted may embody the programming of no more than one radio station; or

"(iv) the radio station's broadcast transmission is made by a noncommercial educational broadcast station funded on or after January 1, 1995, under section 396(k) of the Communications Act of 1934 (47 U.S.C. 396(k)), consists solely of noncommercial educational and cultural radio programs, and the retransmission, whether or not simultaneous, is a nonsubscription terrestrial broadcast retransmission; or

"(C) a transmission or retransmission that comes within any of the following categories:

"(i) a prior or simultaneous transmission or retransmission incidental to an exempt transmission or retransmission, such as a feed received by and then retransmitted by an exempt transmitter: Provided, That such incidental transmissions or retransmissions do not include any subscription transmission or retransmission directly for reception by members of the public;

"(ii) a transmission or retransmission within a business establishment, confined to its premises or the immediately surrounding vicinity;

"(iii) a retransmission by any retransmitter, including a multichannel video programming distributor as defined in section 522(12) of the Communications Act of 1934 (47 U.S.C. 522(12)), of a transmission by a transmitter licensed to publicly perform the sound recording as a part of that transmission, if the retransmission is simultaneous with the licensed transmission and authorized by the transmitter; or

"(iv) a transmission or retransmission to a business establishment for use in the ordinary course of its business: Provided, That the business recipient does not retransmit the transmission outside of its premises or the immediately surrounding vicinity, and that the transmission does not exceed the sound recording performance complement. Nothing in this clause shall limit the scope of the exemption in clause (ii).

"(2) SUBSCRIPTION TRANSMISSIONS.—In the case of a subscription transmission not exempt under subsection (d)(1), the performance of a sound recording publicly by means of a digital audio transmission shall be subject to statutory licensing, in accordance with subsection (f) of this section, if—

"(A) the transmission is not part of an interactive service;

"(B) the transmission does not exceed the sound recording performance complement;

"(C) the transmitting entity does not cause to be published by means of an advance program schedule or prior announcement the titles of the specific sound recordings or phonorecords embodying such sound recordings to be transmitted;

"(D) except in the case of transmission to a business establishment, the transmitting entity does not automatically and intentionally cause any device receiving the transmission to switch from one program channel to another; and

"(E) except as provided in section 1002(e) of this title, the transmission of the sound recording is accompanied by the information encoded in that sound recording, if any, by or under the authority of the copyright owner of that sound recording, that identifies the title of the sound recording, the featured recording artist who performs on the sound recording, and related information, including information concerning the underlying musical work and its writer.

"(3) LICENSES FOR TRANSMISSIONS BY INTERACTIVE SERVICES.—

"(A) No interactive service shall be granted an exclusive license under section 106(6) for the performance of a sound recording publicly by means of digital audio transmission for a period in excess of 12 months, except that with respect to an exclusive license granted to an interactive service by a licensor that holds the copyright to 1,000 or fewer sound recordings, the period of such license shall not exceed 24 months: Provided, however, That the grantee of such exclusive license shall be ineligible to receive another exclusive license for the performance of that sound recording for a period of 13 months from the expiration of the prior exclusive license.

"(B) The limitation set forth in subparagraph (A) of this paragraph shall not apply if—

"(i) the licensor has granted and there remain in effect licenses under section 106(6) for the public performance of sound recordings by means of digital audio transmission by at least 5 different interactive services: Provided, however, That each such license must be for a minimum of 10 percent of the copyrighted sound recordings owned by the licensor that have been licensed on an exclusive basis to interactive services, but in no event less than 50 sound recordings; or

"(ii) the exclusive license is granted to perform publicly up to 45 seconds of a sound recording and the sole purpose of the performance is to promote the distribution or performance of that sound recording.

"(C) Notwithstanding the grant of an exclusive or nonexclusive license of the right of public performance under section 106(6), an interactive service may not publicly perform a sound recording unless a license has been granted for the public performance of any copyrighted musical work contained in the sound recording, Provided, That such license to publicly perform the copyrighted musical work may be granted either by a performing rights society representing the copyright owner or by the copyright owner.

"(D) The performance of a sound recording by means of a digital audio retransmission is not an infringement of section 106(6) if—

"(i) the retransmission is of a transmission by an interactive service licensed to publicly perform the sound recording to a particular member of the public as part of that transmission; and

"(ii) the retransmission is simultaneous with the licensed transmission, authorized by the transmitter, and limited to that particular member of the public intended by the interactive service to be the recipient of the transmission.

"(E) For the purposes of this paragraph—

"(i) a 'licensor' shall include the licensing entity and any other entity under any material degree of common ownership, management, or control that owns copyrights in sound recordings; and

"(ii) a 'performing rights society' is an association or corporation that licenses the public performance of nondramatic musical works on behalf of the copyright owner, such as the American Society of Composers, Authors and Publishers, Broadcast Music, Inc., and SESAC, Inc.

"(4) RIGHTS NOT OTHERWISE LIMITED.—

"(A) Except as expressly provided in this section, this section does not limit or impair the exclusive right to perform a sound recording publicly by means of a digital audio transmission under section 106(6).

"(B) Nothing in this section annuls or limits in any way—

"(i) the exclusive right to publicly perform a musical work, including by means of a digital audio transmission, under section 106(4);

"(ii) the exclusive rights to reproduce and distribute a sound recording or the musical work embodied therein under sections 106(1) and 106(3); or

"(iii) any other rights under any other clause of section 106, or remedies available under this title, as such rights or remedies exist either before or after the date of enactment of the Digital Performance Right in Sound Recordings Act of 1995.

"(C) Any limitations in this section on the exclusive right under section 106(6) apply only to the exclusive right under section 106(6) and not to any other exclusive rights under section 106. Nothing in this section shall be construed to annul, limit, impair or otherwise affect in any way the ability of the owner of a copyright in a sound recording to exercise the rights under sections 106(1), 106(2) and 106(3), or to obtain the remedies available under this title pursuant to such rights, as such rights and remedies exist either before or after the date of enactment of the Digital Performance Right in Sound Recordings Act of 1995."; and

(4) by adding after subsection (d) the following:

"(e) AUTHORITY FOR NEGOTIATIONS.—

"(1) Notwithstanding any provision of the antitrust laws, in negotiating statutory licenses in accordance with subsection (f), any copyright owners of sound recordings and any entities performing sound recordings affected by this section may negotiate and agree upon the royalty rates and license terms and conditions for the performance of such sound recordings and the proportionate division of fees paid among copyright owners, and may designate common agents on a nonexclusive basis to negotiate, agree to, pay, or receive payments.

"(2) For licenses granted under section 106(6), other than statutory licenses, such as for performances by interactive services or performances that exceed the sound recording performance complement—

"(A) copyright owners of sound recordings affected by this section may designate common agents to act on their behalf to grant licenses and receive and remit royalty payments, Provided, That each copyright owner shall establish the royalty rates and material license terms and conditions unilaterally, that is, not in agreement, combination, or concert with other copyright owners of sound recordings; and

"(B) entities performing sound recordings affected by this section may designate common agents to act on their behalf to obtain licenses and collect and pay royalty fees, Provided, That each entity performing sound recordings shall determine the royalty rates and material license terms and conditions unilaterally, that is, not in agreement, combination, or concert with other entities performing sound recordings.

"(f) LICENSES FOR NONEXEMPT SUBSCRIPTION TRANSMISSIONS.—

"(1) No later than 30 days after the enactment of the Digital Performance Right in Sound Recordings Act of 1995, the Librarian of Congress shall cause notice to be published in the Federal Register of the initiation of voluntary negotiation proceedings for the purpose of determining reasonable terms and rates of royalty payments for the activities specified by subsection (d)(2) of this section during the period beginning on the effective date of such Act and ending on December 31, 2000. Such terms and rates shall distinguish among the different types of digital audio transmission services then in operation. Any copyright owners of sound recordings or any entities performing sound recordings affected by this section may submit to the Librarian of Congress licenses covering such activities with respect to such sound recordings. The parties to each negotiation proceeding shall bear their own costs.

"(2) In the absence of license agreements negotiated under paragraph (1), the Librarian of Congress shall, pursuant to chapter 8, convene a copyright arbitration royalty panel to determine and publish in the Federal Register a schedule of rates and terms which, subject to paragraph (3), shall be binding on all copyright owners of sound recordings and entities performing sound recordings. In establishing such rates and terms the copyright arbitration royalty panel may consider the rates for comparable types of digital audio transmission services and comparable circumstances under voluntary license agreements negotiated as provided in paragraph (1). The parties to the proceeding shall bear the entire cost of the proceeding in such manner and proportion as the arbitration panels shall direct. The Librarian of Congress shall also establish requirements by which copyright owners may receive reasonable notice of the use of their sound recordings under this section, and under which records of such use shall be kept by entities performing sound recordings.

"(3) License agreements voluntarily negotiated at any time between one or more copyright owners of sound recordings and one or more entities performing sound recordings shall be given effect in lieu of any determination by a copyright arbitration royalty panel or decision by the Librarian of Congress.

"(4) The procedures specified in paragraphs (1) and (2) shall be repeated and concluded, in accordance with regulations that the Librarian of Congress shall prescribe—

"(A) within a 6-month period each time that a petition is filed by any copyright owners of sound recordings or any entities performing sound recordings affected by this section indicating that a new type of digital audio transmission service on which sound recordings are performed is or is about to become operational, and

"(B) between June 30 and December 31, 2000 and at 5-year intervals thereafter.

"(5)(A) Any person who wishes to perform a sound recording publicly by means of a nonexempt subscription transmission under this subsection may do so without infringing the exclusive right of the copyright owner of the sound recording—

"(i) by complying with such notice requirements as the Register of Copyrights shall prescribe by regulation and by paying royalty fees in accordance with this subsection; or

"(ii) if such royalty fees have not been set, by agreeing to pay such royalty fees as shall be determined in accordance with this subsection.

"(B) Any royalty payments in arrears shall be made on or before the twentieth day of the month next succeeding the month in which the royalty fees are set.

"(g) PROCEEDS FROM LICENSING OF SUBSCRIPTION TRANSMISSIONS.—

"(1) Except in the case of a subscription transmission licensed in accordance with subsection (f) of this section—

"(A) a featured recording artist who performs on a sound recording that has been licensed for a subscription transmission shall be entitled to receive payments from the copyright owner of the sound recording in accordance with the terms of the artist's contract; and

"(B) a nonfeatured recording artist who performs on a sound recording that has been licensed for a subscription transmission shall be entitled to receive payments from the copyright owner of the sound recording in accordance with the terms of the nonfeatured recording artist's applicable contract or other applicable agreement.

"(2) The copyright owner of the exclusive right under section 106(6) of this title to publicly perform a sound recording by means of a digital audio transmission shall allocate to recording artists in the following manner its receipts from the statutory licensing of subscription transmission performances of the sound recording in accordance with subsection (f) of this section:

"(A) 2½ percent of the receipts shall be deposited in an escrow account managed by an independent administrator jointly appointed by copyright owners of sound recordings and the American Federation of Musicians (or any successor entity) to be distributed to nonfeatured musicians (whether or not members of the American Federation of Musicians) who have performed on sound recordings.

"(B) 2½ percent of the receipts shall be deposited in an escrow account managed by an independent administrator jointly appointed by copyright owners of sound recordings and the American Federation of Television and Radio Artists (or any successor entity) to be distributed to nonfeatured vocalists (whether or not members of the American Federation of Television and Radio Artists) who have performed on sound recordings.

"(C) 45 percent of the receipts shall be allocated, on a per sound recording basis, to the recording artist or artists featured on such sound recording (or the persons conveying rights in the artists' performance in the sound recordings).

"(h) Licensing to Affiliates.—

"(1) If the copyright owner of a sound recording licenses an affiliated entity the right to publicly perform a sound recording by means of a digital audio transmission under section 106(6), the copyright owner shall make the licensed sound recording available under section 106(6) on no less favorable terms and conditions to all bona fide entities that offer similar services, except that, if there are material differences in the scope of the requested license with respect to the type of service, the particular sound recordings licensed, the frequency of use, the number of subscribers served, or the duration, then the copyright owner may establish different terms and conditions for such other services.

"(2) The limitation set forth in paragraph (1) of this subsection shall not apply in the case where the copyright owner of a sound recording licenses—

"(A) an interactive service; or

"(B) an entity to perform publicly up to 45 seconds of the sound recording and the sole purpose of the performance is to promote the distribution or performance of that sound recording.

"(i) No Effect on Royalties for Underlying Works.—License fees payable for the public performance of sound recordings under clause (6) of section 106 shall not be taken into account in any administrative, judicial, or other governmental proceeding to set or adjust the royalties payable to copyright owners of musical works for the public performance of their works. It is the intent of Congress that royalties payable to copyright owners of musical works for the public performance of their works shall not be diminished in any respect as a result of the rights granted by section 106(6).

"(j) Definitions.—As used in this section, the following terms have the following meanings:

"(1) An 'affiliated entity' is an entity engaging in digital audio transmissions covered by section 106(6), other than an interactive service, in which the licensor has any direct or indirect partnership or any ownership interest amounting to 5 percent or more of the outstanding voting or non-voting stock.

"(2) A 'broadcast transmission' is a transmission made by a broadcast station licensed as such by the Federal Communications Commission.

"(3) A 'digital audio transmission' is a digital transmission as defined in section 101, that embodies the transmission of a sound recording. This term does not include the transmission of any audiovisual work.

"(4) An 'interactive service' is one that enables a member of the public to receive, on request, a transmission of a particular sound recording chosen by or on behalf of the recipient. The ability of individuals to request that particular sound recordings be performed for reception by the public at large does not make a service interactive. If an entity offers both interactive and non-interactive services (either concurrently or at different times), the non-interactive component shall not be treated as part of an interactive service.

"(5) A 'nonsubscription transmission', 'nonsubscription retransmission', or a 'nonsubscription broadcast transmission' is any transmission or retransmission that is not a subscription transmission or retransmission.

"(6) A 'retransmission' includes any further simultaneous retransmission of the same transmission. Nothing in this definition shall be construed to exempt a transmission that fails to satisfy a separate element required to qualify for an exemption under section 114(d)(1).

"(7) The 'sound recording performance complement' is the transmission during any 3-hour period, on a particular channel used by a transmitting entity, of no more than—

"(A) 3 different selections of sound recordings from any one phonorecord lawfully distributed for public performance or sale in the United States, if no more than 2 such selections are transmitted consecutively; or

"(B) 4 different selections of sound recordings

"(i) by the same featured recording artist; or

"(ii) from any set or compilation of phonorecords lawfully distributed together as a unit for public performance or sale in the United States,

if no more than three such selections are transmitted consecutively: Provided, That the transmission of selections in excess of the numerical limits provided for in clauses (A) and (B) from multiple phonorecords shall nonetheless qualify as a sound recording performance complement if the programming of the multiple phonorecords was not willfully intended to avoid the numerical limitations prescribed in such clauses.

"(8) A 'subscription transmission' is a transmission that is controlled and limited to particular recipients, and for which consideration is required to be paid or otherwise given by or on behalf of the recipient to receive the transmission or a package of transmissions including the transmission.".

SEC. 4. MECHANICAL ROYALTIES IN DIGITAL PHONORECORD DELIVERIES.

Section 115 of title 17, United States Code, is amended—

(1) in subsection (a)(1)—

(A) in the first sentence by striking out "any other person" and inserting in lieu thereof "any other person, including those who make phonorecords or digital phonorecord deliveries by means of a digital audio transmission,"; and

(B) in the second sentence by inserting before the period ", including by means of a digital phonorecord delivery";

(2) in subsection (c)(2) in the second sentence by inserting "and other than as provided in paragraph (3)," after "For this purpose,";

(3) by redesignating paragraphs (3), (4), and (5) of subsection (c) as paragraphs (4), (5), and (6), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3)(A) A compulsory license under this section includes the right of the compulsory licensee to distribute or authorize the distribution of a phonorecord of a nondramatic musical work by means of a digital transmission which constitutes a digital phonorecord delivery, regardless of whether the digital transmission is also a public performance of the sound recording under section 106(6) of this title or of any nondramatic musical work embodied therein under section 106(4) of this title. For every digital phonorecord delivery by or under the authority of the compulsory licensee—

"(i) on or before December 31, 1997, the royalty payable by the compulsory licensee shall be the royalty prescribed under paragraph (2) and chapter 8 of this title; and

"(ii) on or after January 1, 1998, the royalty payable by the compulsory licensee shall be the royalty prescribed under subparagraphs (B) through (F) and chapter 8 of this title.

"(B) Notwithstanding any provision of the antitrust laws, for the purpose of this subparagraph, any copyright owners of nondramatic musical works and any persons entitled to obtain a compulsory license under subsection (a)(1) may negotiate and agree upon the terms and rates of royalty payments under this paragraph and the proportionate division of fees paid among copyright owners, and may designate common agents to negotiate, agree to, pay or receive such royalty payments. Such authority to negotiate the terms and rates of royalty payments includes, but is not limited to, the authority to negotiate the year during which the royalty rates prescribed under subparagraphs (B) through (F) and chapter 8 of this title shall next be determined.

"(C) During the period of June 30, 1996, through December 31, 1996, Librarian of Congress shall cause notice to be published in the Federal Register of the initiation of voluntary negotiation proceedings for the purpose of determining reasonable terms and rates of royalty payments for the activities specified by subparagraph (A) during the period beginning January 1, 1998, and ending on December 31, 2007, or such earlier date (regarding digital transmissions) as the parties may agree. Such terms and rates shall distinguish between (i) digital phonorecord deliveries where the reproduction or distribution of a phonorecord is incidental to the transmission which constitutes the digital phonorecord delivery, and (ii) digital phonorecord deliveries in general. Any copyright owners of nondramatic musical works and any persons entitled to obtain a compulsory license under subsection (a)(1) may submit to the Librarian of Congress licenses covering such activities. The parties to each negotiation proceeding shall bear their own costs.

"(D) In the absence of license agreements negotiated under subparagraph (C), the Librarian of Congress shall, pursuant to chapter 8, convene a copyright arbitration royalty panel to determine and publish in the Federal Register a schedule of rates and terms which, subject to subparagraph (E), shall be binding on all copyright owners of nondramatic musical works and persons entitled to obtain a compulsory license under subsection (a)(1) during the period beginning January 1, 1998, and ending on December 31, 2007, or such earlier date (regarding digital transmissions) as may be determined pursuant to subparagraph (C) or chapter 8. Such terms and rates shall distinguish between (i) digital phonorecord deliveries where the reproduction or distribution of a phonorecord is incidental to the transmission which constitutes the digital phonorecord delivery, and (ii) digital phonorecord deliveries in general. In addition to the objectives set forth in section 801(b)(1), in establishing such rates and terms, the copyright arbitration royalty panel may consider rates under voluntary license agreements negotiated as provided in subparagraph (C). The royalty rates payable for a compulsory license for a digital phonorecord delivery under this section shall be established de novo and no precedential effect shall be given to the amount of the royalty payable by a compulsory licensee for digital phonorecord deliveries on or before December 31, 1997. The parties to the proceeding shall bear the entire cost thereof in such manner and proportion as the arbitration panels shall direct. The Librarian of Congress shall also establish requirements by which copyright owners may receive

reasonable notice of the use of their works under this section, and under which records of such use shall be kept and made available by persons making digital phonorecord deliveries.

"(E)(i) License agreements voluntarily negotiated at any time between one or more copyright owners of nondramatic musical works and one or more persons entitled to obtain a compulsory license under subsection (a)(1) shall be given effect in lieu of any determination by the Librarian of Congress. Subject to clause (ii), the royalty rates determined pursuant to subparagraph (C) or (D) shall be given effect in lieu of any contrary royalty rates specified in a contract pursuant to which a recording artist who is the author of a nondramatic musical work grants a license under that person's exclusive rights in the musical work under section 106(1) or (3) to a person desiring to fix in a tangible medium of expression a sound recording embodying the musical work.

"(ii) Clause (i) shall not apply to—

"(I) a contract entered into on or before June 22, 1995, and not modified thereafter for the purpose of reducing such rates or of increasing the number of musical works within the scope of the contract covered by the reduced rates, except if a contract entered into on or before June 22, 1995, is modified thereafter for the purpose of increasing the number of musical works within the scope of the contract, any contrary royalty rates specified in the contract shall be given effect in lieu of royalty rates determined pursuant to subparagraph (C) or (D) for the number of musical works within the scope of the contract as of June 22, 1995; and

"(II) a contract entered into after the date that the sound recording is fixed in a tangible medium of expression substantially in a form intended for commercial release, if at the time the contract is entered into, the recording artist retains the right to grant licenses under sections 106(1) and 106(3).

"(F) The procedures specified in subparagraphs (C) and (D) shall be repeated and concluded, in accordance with regulations that the Librarian of Congress shall prescribe, as provided in section 803(a)(3), except to the extent that different times for the repeating and concluding of such proceedings may be determined in accordance with subparagraph (C) or (D).

"(G) Except as provided in section 1002(e) of this title, a digital phonorecord delivery licensed under this paragraph shall be accompanied by the information encoded in the sound recording, if any, by or under the authority of the copyright owner of that sound recording, that identifies the title of the sound recording, the featured recording artist who performs on the sound recording, and related information, including information concerning the underlying musical work and its writer.

"(H)(i) A digital phonorecord delivery of a sound recording is actionable as an act of infringement under section 501, and is fully subject to the remedies provided by sections 502 through 506 and sections 509 and 510, unless—

"(I) the digital phonorecord delivery has been authorized by the copyright owner of the sound recording; and

"(II) the owner of the copyright in the sound recording or the entity making the digital phonorecord delivery has obtained a compulsory license under this section or has otherwise been authorized to distribute or authorize the distribution, by means of a digital phonorecord delivery, of each nondramatic musical work embodied in the sound recording.

"(ii) Any cause of action under this subparagraph shall be in addition to those available to the owner of the copyright in the nondramatic musical work under subsection (c)(5) and section 106(4) and the owner of the copyright in the sound recording under section 106(6).

"(I) The liability of the copyright owner of a sound recording for infringement of the copyright in a musical work embodied in the sound recording shall be determined in accordance with applicable law, except that the owner of a copyright in a sound recording shall not be liable for a digital phonorecord delivery by a third party if the owner of the copyright in the sound recording does not license the distribution of a phonorecord of the musical work.

"(J) Nothing in section 1008 shall be construed to prevent the exercise of the rights and remedies allowed by this paragraph, paragraph (7), and chapter 5 in the event of a digital phonorecord delivery, except that no action alleging infringement of copyright may be brought under this title against a manufacturer, importer or distributor of a digital audio recording device, a digital audio recording medium, an analog recording device, or an analog recording medium, or against a consumer, based on the actions described in such section.

"(K) Nothing in this section annuls or limits (i) the exclusive right to publicly perform a sound recording or the musical work embodied therein, including by means of a digital transmission, under sections 106(4) and 106(6), (ii) except for compulsory licensing under the conditions specified by this section, the exclusive rights to reproduce and distribute the sound recording and the musical work embodied therein under sections 106(1) and 106(3), including by means of a digital phonorecord delivery, or (iii) any other rights under any other provision of section 106, or remedies available under this title, as such rights or remedies exist either before or after the date of enactment of the Digital Performance Right in Sound Recordings Act of 1995.

"(L) The provisions of this section concerning digital phonorecord deliveries shall not apply to any exempt transmissions or retransmissions under section 114(d)(1). The exemptions created in section 114(d)(1) do not expand or reduce the rights of copyright owners under section 106 (1) through (5) with respect to such transmissions and retransmissions."; and

(5) by adding after subsection (c) the following:

"(d) DEFINITION.—As used in this section, the following term has the following meaning: A 'digital phonorecord delivery' is each individual delivery of a phonorecord by digital transmission of a sound recording which results in a specifically identifiable reproduction by or for any transmission recipient of a phonorecord of that sound recording, regardless of whether the digital transmission is also a public performance of the sound recording or any nondramatic musical work embodied therein. A digital phonorecord delivery does not result from a real-time, noninteractive subscription transmission of a sound recording where no reproduction of the sound recording or the musical work embodied therein is made from the inception of the transmission through to its receipt by the transmission recipient in order to make the sound recording audible.".

SEC. 5. CONFORMING AMENDMENTS.

(a) DEFINITIONS.—Section 101 of title 17, United States Code, is amended by inserting after the definition of "device", "machine", or "process" the following:

"A 'digital transmission' is a transmission in whole or in part in a digital or other non-analog format.".

(b) LIMITATIONS ON EXCLUSIVE RIGHTS: SECONDARY TRANSMISSIONS.—Section 111(c)(1) of title 17, United States Code, is amended in the first sentence by inserting "and section 114(d)" after "of this subsection".

(c) LIMITATIONS ON EXCLUSIVE RIGHTS: SECONDARY TRANSMISSIONS OF SUPERSTATIONS AND NETWORK STATIONS FOR PRIVATE HOME VIEWING.—

(1) Section 119(a)(1) of title 17, United States Code, is amended in the first sentence by inserting "and section 114(d)" after "of this subsection".

(2) Section 119(a)(2)(A) of title 17, United States Code, is amended in the first sentence by inserting "and section 114(d)" after "of this subsection".

(d) COPYRIGHT ARBITRATION ROYALTY PANELS.—

(1) Section 801(b)(1) of title 17, United States Code, is amended in the first and second sentences by striking "115" each place it appears and inserting "114, 115,".

(2) Section 802(c) of title 17, United States Code, is amended in the third sentence by striking "section 111, 116, or 119," and inserting "section 111, 114, 116, or 119, any person entitled to a compulsory license under section 114(d), any person entitled to a compulsory license under section 115,".

(3) Section 802(g) of title 17, United States Code, is amended in the third sentence by inserting "114," after "111,".

(4) Section 802(h)(2) of title 17, United States Code, is amended by inserting "114," after "111,".

SEC. 6. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect 3 months after the date of enactment of this Act, except that the provisions of sections 114(e) and 114(f) of title 17, United States Code (as added by section 3 of this Act) shall take effect immediately upon the date of enactment of this Act.

AMENDMENT NO. 2302

(Purpose: To amend title 17, United States Code, to provide an exclusive right to perform sound recordings publicly by means of digital transmissions, and for other purposes)

Mr. GORTON. Mr. President, on behalf of Senators HATCH and FEINSTEIN, I send an amendment to the desk to the committee amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] for Mr. HATCH, for himself and Mrs. FEINSTEIN, proposes an amendment numbered 2302.

Mr. GORTON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. GORTON. Mr. President, I ask unanimous consent that the amendment be agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2302) was agreed to.

Mr. HATCH. Mr. President, I rise to request my colleagues' support for S. 227, the Digital Performance Right in Sound Recordings Act of 1995.

Mr. President, sound recordings—whether records, CD's, or tapes—are the only copyrighted works capable of performance that do not enjoy a performance right under our copyright law, even though they enjoy such a right in over 60 other nations. That simple fact, and the policies that underline it, is what S. 227 is all about. All other works, whether they be films, plays, operas, songs, or ballets are protected by the performance right which guarantees that when their works are heard or seen publicly, those who created and produced the work are compensated.

This legislation has been a long time in coming. From the very first moment that Federal copyright protection was extended to sound recordings in 1972, Congress has been concerned about whether this discrimination with regard to the performance right makes sense. In the Copyright Act of 1976, we ordered the Register of Copyrights to study this problem and to report to Congress "after consulting with representatives of owners of copyrighted materials, representatives of the broadcasting, recording, motion picture, entertainment industries, and arts organizations, representatives of organized labor and performers of copyrighted materials." 17 U.S.C. Section 114(d).

The report of the Copyright Office strongly recommended the adoption of a sweeping performance right for sound recordings. Over 10 years later, Congress requested a supplemental study of the issue, one that would take into account the many technological and legal changes in the intervening years. That report, filed in October of 1991, reaffirmed the view that sound recordings are illogically and unfairly discriminated against in our copyright law, with clearly identifiable adverse consequences for American artists individually and for our balance of trade in general.

Responding to these studies, Senator FEINSTEIN and I filed S. 1421 in the last Congress. That bill did not seek to create a performance right for all public performances of sound records, but instead addressed the most immediate threat to the owners of copyright in sound recordings—the ease of copying and greater fidelity that is achievable through the transmission of sound recordings by means of digital technologies.

We were unable to achieve passage of S. 1421 in the 103d Congress, but, because of the discussions and negotiations held throughout the past 2 years, we are able to present to this body a bill that accommodates the legitimate interests of everyone involved in the music licensing, distribution, and performance systems. The new digital performance right created by this bill applies to digital audio transmission of sound recordings which are part of an interactive service, or for which a subscriber pays a fee. The bill does not apply to traditional broadcasts and most other free transmissions, transmissions within business establishments, and transmissions made by commercial music services to businesses, among others. In drawing these lines, the Judiciary Committee, which I have the honor of chairing, attempted to balance the competing interests of the various copyright owners as well as users, and we think we have gotten it right.

S. 227 was unanimously approved by the Judiciary Committee on June 29, 1995. Indeed, I am pleased to note that, in addition to Senator FEINSTEIN and myself, the bill is now cosponsored by Senator DEWINE, Senator SIMPSON, Senator LOTT, Senator BAUCUS, Senator THURMOND, and Senator LEAHY. I believe it is ready for approval by the Senate today.

I should note that I am proposing today a substitute that contains a number of technical corrections to the bill as approved by the Judiciary Committee. The legislation is complex, and we have attempted to correct some inconsistent uses of defined terms and other technical errors. In addition, we have adopted a number of suggestions made by the Copyright Office to improve the procedures provided for in the legislation for negotiating and arbitrating royalty rates and terms. I am submitting a description of these changes and a section-by-section analysis for the RECORD along with this statement for the information of my colleagues.

Mr. President, today is an important day for creators of American music. Today we are correcting an anomalous inequity in our copyright law. Although American music has long been the world's most popular, we have strangely not given the creators of sound recordings a right to control and be remunerated for their works. Today we take a substantial step to ending that inequity.

This bill is forward looking. It largely leaves in place mature businesses that have grown up under the old copyright regime. It seeks to ensure that creators of sound recordings will have the rights they have been denied until now as the digital age dawns.

This bill also will help protect the creators of American music abroad by strengthening our international position in negotiating safeguards for the makers of American music performed in other countries, as it is all over the world.

Mr. President, it is important that the creators of America's music—whether they compose the score, write the lyrics, sing the songs, or produce the recordings—be fairly and equitably compensated for the public performances that result. For too long they have not been.

I therefore ask my colleagues to support and pass S. 227, so that this long overdue protection can be at last provided.

I also ask unanimous consent that a description of the changes from the committee-approved bill, and a new section-by-section analysis be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF TECHNICAL CORRECTIONS TO THE COMMITTEE-APPROVED BILL

SECTION 114(D)(1)—EXEMPT TRANSMISSIONS AND RETRANSMISSIONS

As originally approved by the Committee, the bill generally used to term "transmission" to refer to all transmissions, and the term "retransmission" to refer to the subset of transmissions that are further transmissions of initial transmissions. Thus, for example, new section 106(6) granted an exclusive right to perform a copyrighted sound recording publicly "by means of a digital audio transmission," and did not mention retransmissions, even though it was intended that the new performance right would cover all digital audio transmissions, including retransmissions.

Use of those terms in section 114(d)(1) was not always consistent with that general usage. The corrected bill uses these terms consistently. To clarify the original intention of the bill, the following changes were made:

In section 114(j), a new definition of the term "transmission" was added to clarify that that term includes retransmissions. The definitions of the terms "broadcast" transmission, "retransmission" and "nonsubscription" transmission were also revised to reflect this clarification.

In section 114(d)(1), the phrase "or retransmission" has been deleted in several places where it is not necessary in light of the new definitions.

Section 114(d)(1)(A) also was revised to reflect the clarified definitions. Subparagraph (A) originally was intended to exempt nonsubscription transmissions being initially delivered to the public, such as nonsubscription broadcast transmissions. With the clarification of the definitions, it became necessary to specify more precisely which transmissions are covered by this exemption. Thus, under the corrected bill, a transmission is exempt if it is either:

A nonsubscription transmission other than a retransmission (such as a nonbroadcast nonsubscription digital audio service that originates its transmissions rather than retransmitting a programming feed);

An initial nonsubscription retransmission made for direct reception by members of the public of a prior or simultaneous incidental transmission that is not made for direct reception by members of the public (such as an initial retransmission to the public of a network feed—whether the feed itself is exempt remains governed by section 114(d)(1)(C)(i)); or

A nonsubscription broadcast transmission. As defined in section 114(j)(2), this category includes all nonsubscription broadcast transmissions made by terrestrial broadcast stations licensed by the FCC, whether an initial transmission (such as a local newscast) or a retransmission (such as the retransmission of a feed supplied by a network or syndicator). This clause does not cover retransmissions by entities other than broadcast stations (such as cable systems) of transmissions made by broadcast stations; whether such retransmissions are themselves exempt remains governed by section 114(d)(1)(B) and, to some extent, section 114(d)(1)(C).

In light of the technical amendments to section 114(d)(1)(A), transmissions exempted by section 114(d)(1)(B)(i)(I) may already be exempt under section 114(d)(1)(A). For example, since section 114(d)(1)(A) exempts all nonsubscription broadcast tarnsmissions (including nonsubscription broadcast retransmissions), the retransmissions by terrestrial broadcast stations that are exempted by Section 114(d)(1)(B)(i)(I) are also exempt under section 114(d)(1)(A)(iii). To leave no doubt about the intention to exempt the retransmissions described in section 114(d)(1)(B)(i)(I) (without regard to the 150-mile limitation generally applicable under section 114(d)(1)(B)(i)), that section has been left intact.

In addition, section 114(d)(1)(C)(iii), an incorrect reference to section 522(12) of the Communications Act of 1934 was corrected.

SECTION 114(D)(3)— LICENSES FOR TRANSMISSIONS BY INTERACTIVE SERVICES

Subparagraph (A) limits the duration of exclusive performance licenses granted to interactive services, and subparagraph (B)(i) provides an exception to this limitation if a record company grants sufficient licenses to multiple interactive services. In describing this exception, the bill as originally approved referred to a percentage of the sound recordings licensed by a sound recording copyright owner "on an exclusive basis." However, to encourage diversity of licensing, the percentage should not be calculated based only on the number of sound recordings licensed "on an exclusive basis." Thus, the corrected bill deletes the phrase "on an exclusive basis" to make clear that the percentage should be calculated based on the number of sound recordings licensed by the copyright owner on an exclusive or nonexclusive basis.

Subparagraph (D) has been revised to use the phrase "retransmission of a digital audio transmission," which conforms to the terms defined and used throughout the bill.

SECTION 114(D)(4)—RIGHTS NOT OTHERWISE LIMITED

As the bill was originally approved, subparagraph (B)(ii) made clear that none of the changes made by the bill to section 114 of the Copyright Act is to affect the existing reproduction and distribution rights of sound recording and musical work copyright owners. Of course, the changes to section 114 are not intended to affect the adaptation rights of sound recording and musical work copyright owners either. The corrected bill adds a specific reference to section 106(2) of the Act to avoid any implication to the contrary.

SECTION 114(F)—LICENSES FOR NONEXEMPT SUBSCRIPTION TRANSMISSIONS

The Copyright Office provided thoughtful comments on various aspects of the bill as originally approved, including particularly those provisions concerning the mechanics of establishing statutory licensing royalty rates and terms. The corrected bill includes revised language to address a number of issues raised by those comments and related issues.

In paragraph (2):

New language makes clear that if an arbitration proceeding is necessary to establish the initial statutory licensing rates and terms, it will commence only upon the filing of a petition during a 60-day period which will commence 6 months after publication of notice of the initiation of the voluntary negotiation proceeding.

Language (already used in new section 115(c)(3)(D)) is added to clarify that the objectives set forth in existing section 801(b)(1) of the Copyright Act are to be considered by arbitration panels in setting statutory licensing rates and terms.

A reference to "terms" is added to clarify that arbitration panels may consider voluntarily negotiated license terms in determining the terms applicable to statutory licenses.

A sentence was deleted at the suggestion of the Copyright Office because substantially the same language already appears in existing section 802(c) of the Copyright Act.

The words "and made available" were added to be consistent with the provisions of new section 115(c)(3)(D).

Paragraph (4) of the bill was rewritten to clarify when voluntary negotiation or arbitration proceedings should commence. Under the revised paragraph, the Librarian of Congress is to publish notice of the initiation of voluntary negotiation proceedings:

(a) within 30 days after being petitioned to publish notice concerning a new type of digital audio transmission service; and

(b) in January 2000, and every five years thereafter.

If voluntary negotiations do not lead to an agreement among the interested parties, an arbitration may be commenced upon the filing of a petition in accordance with existing section 803(a)(1) of the Copyright Act during a specified 60-day period. That period commences:

(a) six months after publication of notice of the initiation of a voluntary negotiation proceeding concerning a new type of digital audio transmission service; and

(b) on July 1, 2000, and every five years thereafter.

Regardless of when an arbitration proceeding is commenced, it is to be concluded in accordance with the existing procedures in section 802 of the Copyright Act.

In paragraph (5)(A)(i), an erroneous reference to the "Register of Copyrights" has been corrected.

SECTION 114(I)—NO EFFECT ON ROYALTIES FOR UNDERLYING WORKS

The form of a reference to section 106(6) was conformed to other references in the bill.

SECTION 114(J)—DEFINITIONS

As explained in connection with section 114(d)(1), the corrected bill includes a new definition of the term "transmission" and several revised definitions intended to clarify the original intention of the bill concerning the use of those terms:

The revised definition of "transmission" clarifies the intention that that term covers both all initial transmissions and all retransmissions.

To reflect the use of the term "broadcast" transmission in section 114(d)(1)(A)(iii), as described above, the definition has been limited to transmissions by terrestrial broadcast stations. Whether nonbroadcast nonsubscription transmissions, for example by non-terrestrial services (such as satellite services), are exempt is governed by sections 114(d)(1)(A) (i) and (ii).

The definition of "nonsubscription" transmission was simplified in light of the other definitional changes.

The definition of "retransmission" previously set forth only an example of a retransmission. As modified, the provision defines the term as a further transmission of an initial transmission, as well as any further retransmission of the same transmission. Except as otherwise provided, a transmission is a "retransmission" only if it is simultaneous with the initial transmission.

SECTION 115(A)(1)

The phrase "by means of a digital audio transmission" was deleted because it is redundant.

SECTION 115(C)(3)(B)

The phrase "for the purpose of this subparagraph" was deleted because it is incorrect. The corrected provision conforms with the language of new section 114(e)(1).

SECTION 115(C)(3)(C)

This subparagraph was revised to provide that once statutory licensing rates and terms are established, they shall remain in effect until successor rates and terms are established, either by negotiation or, if necessary, arbitration. In addition, a reference to "digital transmissions" was replaced with the more precise term "digital phonorecord deliveries."

SECTION 115(C)(3)(D)

This subparagraph has been revised in several ways to clarify the mechanics of establishing compulsory licensing royalty rates and terms:

References to subparagraph (B) have been added because negotiations conducted under the procedures of subparagraph (C) are covered by the provisions of subparagraph (B).

An arbitration proceeding is to commence only upon the filing of a petition in accordance with existing section 803(a)(1). (Unlike arbitration under section 114, however, a petition of arbitration under section 115(c)(3)(D) may be filed at any time during the calendar year in which the mechanical royalty rates and terms for digital phonorecord deliveries are to be established.)

Once statutory licensing rates and terms are established, they shall remain in effect until successor rates and terms are established, either by negotiation or, if necessary, arbitration.

A reference to "digital transmissions" was replaced with the more precise term "digital phonorecord deliveries."

Arbitration panels may consider voluntarily negotiated license "terms" as well as "rates" in determining statutory licenses.

A sentence was deleted at the suggestion of the Copyright Office because substantially the same language already appears in existing section 802(c) of the Copyright Act.

SECTION 115(C)(3)(E)

Subparagraph (E)(i) was revised to make clear that the limitation on "controlled composition" clauses applies not only to contracts where a recording artist who is the author of a musical work grants a mechanical license in the work that, but also to contracts where the recording artist commits another person (such as the artist's music publisher) to grant a mechanical license in that work.

Several additional minor corrections were made to this subparagraph:

References to subparagraph (F) were added to recognize that subparagraphs (C), (D) and (F) all are relevant to determining compulsory licensing rates and terms.

The introduction to subparagraph (E)(ii) has been corrected to refer only to the second sentence of subparagraph (E)(i), because the exceptions contained in subparagraph (E)(ii) are not relevant to the first sentence of subparagraph (E)(i).

In subparagraph (E)(ii), ambiguous references to "such rates" and to "the right to grant licenses" have been replaced with more specific language.

SECTION 115(C)(3)(F)

As the bill was originally approved, this subparagraph provided that mechanical royalty rates and terms for digital phonorecord deliveries were to be reexamined every ten years, as provided in section 803(a)(3), except to the extent that different years for doing so were determined by agreement of the parties. If the parties did not agree on the shorter period for determining rates, the issue would have been subject to arbitration. It is preferable to provide a shorter period by statute, in the event the parties do not agree, to reexamine whether circumstances warrant a change in mechanical license rates and terms. Thus, the procedures specified in subparagraphs (C) and (D) shall next be repeated in five years if the parties do not choose another year.

SECTION 115(C)(3)(H)

Several corrections were made to this subparagraph:

In subparagraph (H)(i), an erroneous reference to section 510 was deleted.

New language in subparagraph (H)(i)(II) makes clear that, if no compulsory license is obtained, it is the musical work copyright owner (or someone acting under that person's authority) who must authorize the making of digital phonorecord deliveries of the musical work to digital phonorecord deliveries of the musical work to satisfy the requirements of subparagraph (H)(i)(II).

In subparagraph (H)(i)(II), the word "nondramatic" was deleted to confirm that the provisions of subparagraph (H) apply to digital phonorecord deliveries of sound recordings of both dramatic and nondramatic musical works.

In subparagraph (H)(ii), an erroneous reference to subsection (c)(5) was corrected.

SECTION 115(C)(3)(I)

Because section 115 generally applies only to nondramatic musical works, the word "nondramatic" was added to this subparagraph.

SECTION 115(C)(3)(J)

An erroneous reference to paragraph (7) was corrected.

CONFORMING AMENDMENTS

Additional conforming amendments have been added to the bill. These clarify the relationship between section 803 of the Copyright Act and the new arbitration provisions of sections 114 and 115.

DIGITAL PERFORMANCE RIGHT IN SOUND RECORDINGS ACT OF 1995

SECTION-BY-SECTION ANALYSIS

Section 1—Short Title.—This section sets forth the title of the Act, the "Digital Performance Right in Sound Recordings Act of 1995."

Section 2—Exclusive Rights in Copyrighted Works.—This section amends section 106 of title 17 to add a new paragraph (6) to provide an exclusive right to perform a copyrighted sound recording publicly by means of a digital audio transmission.

Section 3—Scope of Exclusive Rights in Sound Recordings.—This section amends section 114(a) by adding a reference to new section 106(6) in the list of exclusive rights granted to the owner of a copyright in a sound recording.

This section also amends the language of section 114(b) relating to the tangible medium of expression in which sound recordings can be duplicated. Instead of referring only to phonorecords or "copies of motion pictures and other audiovisual works," the new language recognizes that sound recordings can be reproduced in copies of any kind. As multimedia technologies begin to blur the lines between different categories of works capable of being embodied in copies, the Committee deemed it important to confirm that, subject to the specific limitations in section 114(b), sound recordings enjoy the full scope of protection afforded by the reproduction right under section 106(1).

This section also strikes section 114(d) of title 17, an obsolete provision that directed the Register of Copyrights to submit a report on performance rights to Congress on January 3, 1978, and replaces it with new subsections (d) through (i), as described below.

Section 114(d). Limitations on Exclusive Right

Section 114(d)(1). Exempt Transmissions and Retransmissions

Section 114(d)(1) is designed to ensure that the new right provided to owners of copyright in sound recordings with respect to certain digital public performances of those recordings will not affect nonsubscription transmissions being initially delivered to the public (such as radio or television broadcasts), certain retransmissions of those transmissions, and certain other transmissions (including retransmissions) that the Committee believes should not be subject to the new right.

To take advantage of the Section 114(d)(1) exemptions, a transmission must not be part of an "interactive service" as defined in Section 114(j)(4). The Committee anticipates that this requirement will not present any difficulty for the types of services covered by the Section 114(d)(1) exemption. The term "interactive service" is intended to cover only services in which an individual can arrange for the transmission of a specific sound recording to that person or another, individually.

Under Section 114(d)(1), a transmission will be exempt from the new right under Section 106(6) if it falls into at least one of the following categories:

Section 114(d)(1)(A) (certain nonsubscription) transmissions)

Under this provision, any transmission to members of the public that is not a part of an interactive service is exempt from the new digital performance right if it is either: a nonsubscription transmission other than a retransmission (such as a nonbroadcast nonsubscription digital audio service that originates its transmissions rather than retransmitting a programming feed); an initial nonsubscription retransmission made for direct reception by members of the public of a prior or simultaneous incidental transmission that is not made for direct reception by members of the public (such as an initial retransmission to the public of a network feed; whether the feed itself is exempt is governed by section 114(d)(1)(C)(i)); or a nonsubscription broadcast transmission. As defined in section 114(j)(2), this category includes all nonsubscription broadcast transmissions made by terrestrial broadcast stations licensed by the FCC, whether an initial transmission (such as a local newscast) or a retransmission (such as the retransmission of a feed supplied by a network or syndicator). This clause does not cover retransmissions by entities other than broadcast stations (such as cable systems) of transmissions made by broadcast stations; whether such retransmissions are themselves exempt is governed by section 114(d)(1)(B) and, to some extent, section 114(d)(1)(C).

The classic example of such an exempt transmission is a transmission to the general public by a free over-the-air broadcast station, such as a traditional radio or television station, and the Committee intends that such transmissions be exempt regardless of whether they are in a digital or non-digital format, in whole or in part.

Section 114(d)(1)(B) (retransmissions of nonsubscription broadcast transmissions)

In general, this provision exempts all retransmissions of nonsubscription broadcast transmissions, whether the retrans-missions are offered on a subscription or a nonsubscription basis. Retransmissions of radio station broadcast transmissions, however, are exempt only if they are not part of an interactive service and fall within certain specified categories, which are discussed in detail below.

The Committee has created the Section 114(d)(1)(B) exemption because it is aware that cable systems and other multichannel programming distributors often offer retransmissions of nonsubscription broadcast transmissions to their customers. At present, copyright liability for these retransmissions ordinarily is covered pur-suant to Sections 111 and 119 of the Act. The Committee intends, subject to the limitations discussed below concerning retransmissions of radio broadcasts, that all noninteractive retransmissions of noninteractive nonsubscription broadcast transmissions be exempt from the new digital sound recording performance right. These retransmissions will be exempt even if the cable system (or other retransmission service) limits the delivery of the retransmission to its customers and charges a fee to receive the retransmission. In other words, retransmissions of broadcast stations' signals will be exempt even if the retransmissions are themselves "subscription" transmissions under the Act. A cable system's delivery of a retransmitted radio broadcast signal within 150 miles of the transmitter, for example, will be exempt under Section 114(d)(1)(B)(i), even if the cable system charges a monthly fee to subscribers to receive the signal.

Retransmissions of the broadcast transmissions of radio stations are exempt pursuant to Section 114(d)(1)(B) only if they fall within one of the categories listed in paragraphs 114(d)(1)(B)(i) through (B)(iv):

Section 114(d)(1)(B)(i) (retransmission of radio signals within 150 mile radius of transmitter).—Under this provision, retransmissions of a radio station within a 150 mile radius of the site of that station's transmitter are exempt, whether retrans-mitted on a subscription or a nonsubscription basis, provided that they are not part of an interactive service.

This provision does not, however, exempt the willful or repeated retransmission of a radio station's broadcast transmission more than a 150 mile radius from the radio station's transmitter. The Committee recognizes that the 150 mile limit could serve as a dangerous trap for the uninitiated or inattentive. To ensure against that possibility, Section 114(d)(1)(B)(i) provides that a retransmission beyond the 150 mile radius will fall outside the exemption only if the retransmission is willful or repeated. The Committee intends the phrase "willful or repeated" to be understood in the same way that phrase was used in Section 111 of the Act, as explained in the House Report on the 1976 Act, H.R. Rep. No. 1476, 94th Cong., 2d Sess. 93 (1976).

Pursuant to Section 114(d)(1)(B)(i)(I), the 150-mile limitation does not apply when a nosubscription broadcast transmission by an FCC-licensed station is retransmitted on a nonsubscription basis by an FCC-licensed terrestrial broadcast station, terrestrial translator, or terrestrial repeater. In other words, a radio station's broadcast transmission may be retransmitted by another FCC-licensed basis without regard to the 150 mile restriction.

The Committee notes that transmissions exempted by section 114(d)(1)(B)(i)(I) may already be exempt under section 114(d)(1)(A).

For example, since section 114(d)(1)(A) exempts all nonsubscription broadcast transmissions (including nonsubscription broadcast retransmissions), the retransmissions by terrestrial broadcast stations that are exempted by Section 114(d)(1)(B)(i)(I) are also exempt under section 114(d)(1)(A)(iii). To leave no doubt about the intention to exempt the retransmissions described in section 114(d)(1)(B)(i)(I) (without regard to the 150-mile limitation generally applicable under section 114(d)(1)(B)(i)), that section has been included in the bill in this form.

Under Section 114(d)(1)(B)(i)(II), when a retransmission covered by Section 114(d)(1)(B)(i)(I) is itself retransmitted on a subscription basis, the 150-mile radius is measured from the transmitter site of the broadcast retransmitter (whether a station, translator, or repeater). This means that a cable system (or other subscription retransmitter) can, without incurring liability under Section 106(6), retransmit a broadcast retransmission within 150 miles of the transmitter site of the station, translator, or repeater that is making the retransmission.

Section 106(6) is not intended to apply to the transmission of a local radio station's programming free of charge to local or long distance callers who are put "on hold" during a telephone call with a business, nor is the bill intended to change current law as it applies to such performances of copyrighted musical works under section 106(4).

Section 114(d)(1)(B)(ii) (all-band retransmissions of radio transmissions received over the air).—This provision is intended to permit retransmitters (such as cable systems) to offer retransmissions to their local subscribers of all radio stations that the retransmitter is able to pick up using an over-the-air antenna. (These are sometimes called "all-band" retransmissions.) There are three requirements for this exemption: (1) the retransmitter (such as a cable system) must obtain the radio broadcast transmission over the air; (2) the broadcast transmission must not be electronically processed by the retransmitter as separate and discrete signals (as that term is used in 37 C.F.R. §201.17(b)(4)), and (3) the transmissions must be retransmitted only within the local communities served by the retransmitter. Since some radio station broadcast transmissions can be picked up over the air beyond 150 miles, this provision is intended to ensure that the 150-mile limitation in Section 114(d)(1)(B)(i) will not create unintended liability for all-band retransmissions.

Section 114(d)(1)(B)(iii) (grandfathering).—This provision exempts certain other retransmissions of radio broadcast transmissions, again without regard to the 150 mile limit in Section 114(d)(1)(B)(i). The requirements for this exemption are as follows: (1) the radio station's transmission was being retransmitted by a satellite carrier on January 1, 1995 (as was, for example, Chicago radio station WFMT); (2) that retransmission was being retransmitted by cable systems (as defined in Section 111(f) of the Act) as a separate and discrete signal; (3) the satellite carrier receives the radio station's transmission in analog form; and (4) the broadcast transmission being retransmitted embodies the programming of no more than one radio station (i.e., the station must not the multiplexed).

Section 114(d)(1)(B)(iv) (nonsubscription broadcast retransmissions of public radio station broadcast transmissions)—The Committee recognizes that noncommercial educational radio stations rely on a variety of types of broadcast retransmissions to deliver their programming to the public. This provision establishes an exemption for such retransmissions. Specifically, this provision exempts both simultaneous and nonsimultaneous retransmissions of broadcast transmissions originally made by federally funded noncommercial educational radio stations, provided that the retransmissions are carried out through nonsubscription terrestrial broadcasts. To qualify, the noncommercial educational radio station's broadcasts must consist of news, informational, cultural, public affairs, or other "educational and cultural" programming to the public. The 150-mile limitation of Section 114(d)(1)(B)(i) does not apply to retransmissions that qualify for this exemption.

Many noncommercial educational stations also use intermediate nonbroadcast transmission links to broadcast their programming to the public, and those nonbroadcast transmissions or retransmissions may be exempt under other provisions of the bill.

Section 114(d)(1)(C) (other exempt transmissions and retransmissions)

This provision exempts certain other categories of transmissions, without regard to whether they are subscription transmissions or nonsubscription transmissions. The categories exempted under this provision are as follows:

Section 114(d)(1)(C)(i) (incidental transmissions).—In the course of arranging for the delivery of an exempt transmission, many incidental transmissions may take place. For example, a radio or television station may receive a satellite feed from a network or from another station that provides programming to the station; a station or network may receive a "backhaul" transmission from a sports or news event at a remote location; or a station may deliver a clean feed of its broadcast transmission to a cable system to ensure that the cable system's retransmission will be of the highest technical quality. Among other things, Section 114(d)(1)(C)(i) exempts transmissions of a broadcast station that both broadcasts its signal to the public and, either immediately or through intermediate terrestrial links, transmits that signal by satellite to other broadcast stations for their simultaneous or subsequent broadcast to the public. The Committee intends that all such incidental transmissions be exempt from the new digital performance right under Section 106(6) regardless of whether they are made on a subscription or a nonsubscription basis, and regardless of whether some or all portions of a transmission are in a digital format. Thus, section 114(d)(1)(C)(i) also exempts an incidental transmission, as described above, by a subscription digital transmission service to a cable system to the extent that the cable system is engaging in an exempt retransmission of that transmission to a business establishment pursuant to section 114(d)(1)(C)(iv). The Committee does not intend, however, for any subscription transmission intended for reception directly by members of the public to fall within the category of exempt incidental transmissions. To qualify for this "incidental" exemption, transmissions must be made for the purpose of facilitating an exempt transmission. Thus, a transmission that is available for general reception by the public (for example, through the Internet), which is not being used to facilitate an exempt transmission, would not qualify as an "incidental" transmission under this section.

Section 114(d)(1)(C)(ii) (transmissions by businesses on and around their premises).—Businesses often utilize transmissions on or around their premises that include prerecorded musical works. This activity is sometimes called "storecasting." The Committee is aware that there has been extensive litigation over the scope of Section 110(5) of the Act relating to the particular circumstances under which businesses are liable to the copyright owners of musical works when they utilize transmissions containing such works on and around their premises. To leave absolutely no doubt that the new Section 106(6) right is not intended to create any comparable right in the owners of copyright in sound recordings regarding "storecasts," Section 114(d)(1)(C)(ii) specifically provides that the new right does not reach transmissions on or around business premises. In particular, Section 114(d)(1)(C)(ii) would permit a business to engage in transmissions (including retransmissions of any transmission) on its premises or the immediately surrounding vicinity without incurring liability to the copyright owners of sound recordings under Section 106(6). This provision is not intended to change the rights of copyright owners of musical works regarding transmissions under existing law.

Section 114(d)(1)(C)(iii) (authorized retransmissions of licensed transmissions).—To simplify licensing practices, section 114(d)(1)(C)(iii) provides a "through to the listener" exemption intended to permit retransmitters, including cable systems, direct broadcast satellite ("DBS") service providers and other multichannel video programming distributors ("MVPDs") (as defined in the 1934 Communications Act, as amended), simultaneously to retransmit to the listener noninteractive music programming provided by a licensed source. To qualify for this exemption, the retransmission must be simultaneous with the original transmission and authorized by the original transmitter; and the original transmission must be licensed by the copyright owner of the sound recording. Retransmissions are deemed to be "simultaneous" even if there is some momentary time delay resulting from the technology used for transmission or retransmission.

Thus, Section 114(d)(1)(C)(iii) exempts retransmissions from liability for copyright infringement where a noninteractive music programmer transmitter has obtained a public performance copyright license from the copyright owner of the sound recording, and the retransmitter has not obtained such a license but is authorized by the licensed music programmer transmitter to retransmit the sound recording. Retransmissions of this type are exempt under the provisions of this Act, as the sound recordings retransmitted are covered by the licenses that the music programmer transmitter obtains from the sound recording copyright owners.

Section 114(d)(1)(C)(iv) (certain transmissions to business establishments).—This provision exempts from liability under new section 106(6) certain noninteractive transmissions made to business establishments for use in the ordinary course of their business, such as for background music played in offices, retail stores or restaurants.

To qualify, the transmission must meet all of the following conditions: (a) the transmission must be to a business establishment; (b) the transmission must be for use by the business establishment in the ordinary course of its business; (c) the business establishment must not retransmit the transmission outside its premises or the immediately surrounding vicinity; and (d) the transmission must not exceed the sound recording performance complement, as defined in Section 114(j)

If a business establishment retransmits the transmission in a manner not otherwise exempted under subparagraph (C)(ii), without the authority or prior knowledge of or any inducement by any entity that transmitted the service to the business establishment, then only the retransmission by the business establishment is not exempt pursuant to subparagraph (C)(iv). Under such circumstances, the non-exempt status of such a retransmission would not affect the exempt status of the transmission to that business establishment.

If the same subscription transmission service programming is being transmitted to both business establishments and non-business consumers, then only the transmission of that service to the business establishments would qualify for an exemption pursuant to subparagraph (C)(iv). As the bill makes clear, nothing in this exemption is intended to limit the breadth of the general exemption in Section 114(d)(1)(C)(ii) for transmissions by business establishments on their premises, or any of the other exemptions in this Section 114(d)(1).

Section 106(6) is not intended to apply to the transmission of a commercial background music service free of charge to local or long distance callers who are put "on hold" during a telephone call with a business, nor is the bill intended to change current law as it applies to such performances of copyrighted musical works under section 106(4).

Section 114(d)(2). Subscription Transmissions

Subsection (d)(2) provides that certain subscription transmissions may be subject to statutory licensing if the transmissions conform to the criteria set forth in that section. "Subscription transmissions" are defined in subsection (j)(8) as transmissions limited to particular recipients for which consideration is required to be paid. Transmitters of noninteractive subscription transmissions that are not otherwise exempt under subsection (d)(1) may be eligible for a statutory license under subsection (f). A "statutory license" guarantees that every noninteractive subscription transmission service will receive a license to perform the sound recording by means of a digital transmission, provided that the transmission service pays the royalty and complies with the terms prescribed in accordance with subsection (f). The rates and terms will be set by industry or individual negotiation, or if necessary, by a copyright arbitration royalty panel convened pursuant to chapter 8 of the Copyright Act.

In order to qualify for a statutory license, a performance of a sound recording by digital audio transmission must meet five conditions, enumerated in subparagraphs (A) through (E):

First, as already noted, the transmission cannot be part of an "interactive service", as defined in subsection (j)(4). Interactive services, which allow listeners to receive sound recordings "on-demand", pose the greatest threat to traditional record sales, as to which sound recording copyright owners currently enjoy full exclusive rights. Thus, in order to provide a comparable ability to control distribution of their works, copyright owners of sound recordings must have the right to negotiate the terms of licenses granted to interactive services.

Second, subparagraph (B) requires that transmissions subject to the statutory license cannot exceed the sound recording performance complement defined in subsection (j)(7). The complement, more fully described below, contains limits on the number of selections a subscription transmission service can play from any one phonorecord or boxed set, or by the same featured recording artist pursuant to the statutory license. For purposes of this subparagraph, each channel of a multichannel service is a separate "transmission."

Third, subparagraph (C) states that the transmitting entity may not avail itself of the statutory license if it publishes an advance program schedule or makes prior announcements of the titles of specific sound recordings or phonorecords to be transmitted. This provision addresses the situation in which an entity informs its subscribers in advance as to when particular sound recordings will be performed. A preannouncement that does not use the title of the upcoming selection would still come within this limitation so long as it sufficiently identifies the selection through other information, such as the artist's name and the song's well-known current chart position. The limitation is not intended, however, to prevent a transmitting entity from advertising the names of illustrative sound recordings or phonorecords that may, at some time, be performed by that entity under the statutory license.

Fourth, the transmitting entity cannot automatically and intentionally cause the receiver's equipment to switch from one channel to another. This limitation does not apply to transmissions made to a business establishment. This subparagraph is intended to remedy the situation in which a service licensed under the statutory license might intentionally attempt to evade the sound recording performance complement by switching a non-business subscriber's receiver from one channel to another.

Finally, subparagraph (E) imposes as a condition of statutory licensing the obligation of a subscription entity to carry within its transmitted signal certain specified types of information, if that information has been encoded in the sound recording under the authority of the copyright owner of that sound recording. This provision does not obligate the copyright owner of the sound recording to encode such copyright management information in the work, nor does it limit the copyright owner's ability to select the types of information (e.g., artist, title) to be encoded. In addition, it is not intended to require a transmitting entity to generate or encode such information in its transmission if the information is not encoded in the sound recording. Moreover, the transmitting entity is not required to transmit information that may be encoded in the sound recording other than the information specified in this subparagraph and "related information" (i.e., information that is specifically related to the identification of the works being performed and upon which payments are to be made by the transmitting entity under this bill). Subparagraph (E) also makes clear that nothing in this section affects the provisions of section 1002(e).

Section 114(d)(3). Licenses for transmissions by interactive services

This provision places limits on the sound recording copyright owner's exclusive right to license interactive copyright owner's exclusive right to license interactive services. (No limitations are imposed where the sound recording copyright owner licenses an interactive service on a nonexclusive basis.) As described below, an "interactive service" includes on-line or other services that offer "pay-per-listen," "audio-on-demand," or "celestial jukebox" features, regardless of whether there is a charge to receive the service. The Committee is aware of concerns that the copyright owners of sound recordings might become "gatekeepers" and limit opportunities for public performances of the musical works embodied in the sound recordings. The Committee believes that the limits set forth in subsection (d)(3) appropriately resolve any such concerns.

Paragraph (3)(A) provides that the duration of an exclusive license granted to an interactive service for the public performance of a sound recording by means of digital audio transmission cannot exceed 12 months. In the case of a copyright owner that holds fewer than 1,000 copyrights in sound recordings, an exclusive license to an interactive service can last up to 24 months. In either case, after the license expires, that interactive service cannot receive another exclusive license for the same sound recording for a period of 13 months.

The sound recording copyright owner is not subject to these limitations in certain circumstances, as enumerated in paragraph (3)(B). Subparagraph (B)(i) provides that the limitations do not apply where the licensor has granted performance licenses to at least 5 different interactive services. Each license must be for a significant portion of that segment of the licensor's catalog of sound recordings that has been licensed to interactive services—specifically, at least 10% of the sound recordings that have been licensed to interactive services, but in no event less than 50 sound recordings. For example, a record company would not be subject to the limitations in paragraph (3)(A) if it has granted performance licenses for a total of 10,000 sound recordings to 5 different interactive services, and each service received a performance license for at least 1,000 sound recordings.

Subparagraph (B)(ii) provides that the limits on licenses to interactive services also do not apply where the performance license is granted for promotional purposes. The sole purpose of the license must be to promote the distribution or performance of the sound recording, and the license can only permit a public performance of up to 45 seconds. A qualifying public performance is merely exempted from the limitation on licensing found in paragraph (3)(A); subparagraph (B)(ii) does not provide an exemption from infringement liability for a transmission otherwise subject to liability.

Section 114(d)(3)(C) provides that, whether or not the owner of copyright in a sound recording has granted an exclusive or nonexclusive license to an interactive service, the service must nevertheless obtain a license from a performing rights society or from the copyright owner of the musical work contained in the sound recording. This provision does not affect any existing limitation under sections 107–113, section 116–120, or the unmended portions of sections 114 and 115.

To simplify licensing practices, a "through to the listener" exemption is provided in paragraph (3)(D) for those entities that retransmit digital audio transmissions from an interactive service. These retransmissions must be of transmissions by an interactive service licensed to publicly perform the sound recording; the retransmission must be authorized by the interactive service; the retransmission must be simultaneous with the transmission; and it must be limited to the customer intended by the interactive service to receive the transmission.

The definition of "licensor" in subparagraph (3)(E)(i) makes clear that this term includes certain affiliates of the copyright owner in sound recordings that own sound recording copyrights—namely, affiliates under a material degree of common ownership, management or control. Thus, the number of sound recording copyrights held by such affiliates of a record company must be included in a calculation to determine whether that company has fewer than 1,000 sound recordings for the purpose of paragraph (3)(A), and to determine whether the record company has licensed a sufficient number of sound recordings to satisfy the requirements found in paragraph (3)(B)(i) regarding the inapplicability of the exclusive licensing limitations.

Section 114(d)(4). Rights not otherwise limited

Under existing principles of copyright law, the transmission or other communication to the public of a musical work constitutes a public performance of that musical work. In addition, the digital transmission of a sound recording that results in the reproduction by or for the transmission recipient of a phonorecord of that sound recording implicates the exclusive rights to reproduce and distribute the sound recording and the musical work embodied therein. New technological uses of copyrighted sound recordings are arising which require an affirmation of existing copyright principles and application of those principles to the digital transmission of sound recordings, to encourage the creation of and protect rights in those sound recordings and the musical works they contain.

This subsection makes clear, in paragraph (4)(A), the Committee's intent that except as explicitly provided in section 114, nothing in that section limits the exclusive right to perform a sound recording publicly by means of a digital audio transmission. Paragraph (4)(B) also makes clear that section 114 does not in any way limit the exclusive right to publicly perform a musical work under section 106(4); the exclusive right in sound recordings and musical works under sections 106(1), 106(2), and 106(3); and any other rights and remedies available under title 17. Similarly, the bill does not affect any existing limitation under sections 107–113, sections 116–120, or the unamended portions of sections 114 and 115.

Paragraph (4)(C) ensures that where an activity implicates a sound recording copyright owner's rights under both section 106(6) and some other clause of section 106, the limitations contained in section 114 shall not be construed to limit or impair in any way any other rights the copyright owner may have, or any other exemptions to which users may be entitled, with respect to the particular activity. For example, where a digital audio transmission is a digital phonorecord delivery as well as a public performance of a sound recording, the fact that the public performance may be exempt from liability under section 114(d)(1) or subject to statutory licensing under section 114(f) does not in any way limit or impair the sound recording copyright owner's rights and remedies under section 106(3) against the transmitter for the distribution of a phonorecord of the sound recording. As another example, where an interactive digital audio transmission constitutes a distribution of a phonorecord as well as a public performance of a sound recording, the fact that the transmitting entity has obtained a license to perform the sound recording does not in any way limit or affect the entity's obligation to obtain a license to distribute phonorecords of the sound recording. Similarly, the bill does not affect any existing limitation under sections 107–113, sections 116–120, or the unamended portions of sections 114 and 115.

Section 114(e). Authority for negotiations

This subsection clarifies the applicability of the antitrust laws to the use of common agents in negotiations and agreements relating to statutory licenses and other licenses.

Under subsection (e)(1), copyright owners of sound recordings and operators of digital services (which perform sound recordings affected by section 114) may collectively negotiate statutory licenses for the performance of sound recordings "notwithstanding any provision of the antitrust laws." This exemption from the antitrust laws extends to negotiations and agreements on royalty rates and license terms and conditions, the proportionate division of the royalties among copyright owners, and the designation of common agents on a nonexclusive basis to negotiate, agree to, pay, or receive royalty payments.

Subsection (e)(1) closely follows the language of existing antitrust exemptions in copyright law relating to the negotiation of statutory licenses, including 17 U.S.C. §116(b)(1) (jukebox licenses) and 17 U.S.C. §118(b) (noncommercial broadcasting). Like those provisions, subsection (e)(1) is important to help effectuate the related statutory license provision. But unlike those provisions, subsection (e)(1) provides that use of a common agent must be nonexclusive.

The requirement of nonexclusivity is intended to preserve the possibility of direct licensing negotiations between individual copyright owners and operators of digital services, rather than merely between their common agents. For example, nonexclusivity should help prevent copyright owners from using a common agent to demand supracompetitive rates, because such demands might be avoided by direct negotiations with individual copyright owners. In such negotiations an individual copyright owner would exercise independent judgment on whether to contract on particular terms.

A more limited exemption to the antitrust laws is created by subsection (e)(2), relating to licenses granted under section 106(6), other than statutory licenses, such as performances by interactive services or performances that exceed the sound recording performance complement. Under subsection (e)(2)(A), copyright owners may designate common agents to "grant licenses and receive and remit royalty payments," while under subsection (e)(2)(B), operators of digital services may designate common agents to "obtain licenses and collect and pay royalty fees," without violating the antitrust laws. Importantly, however, subsection (e)(2) does not permit either copyright owners or operators to jointly establish royalty rates or competitively important license terms and conditions.

The antitrust protections provided for common agents in subsection (e)(2) are important to facilitate the licensing of digital sound recording performances (other than through statutory licenses) by reducing transaction costs. While this use of common agents might be found lawful under existing law, the statutory exemption in subsection (e)(2) will ensure that the formation of beneficial and procompetitive arrangements to facilitate licensing of performances will not be deterred by concerns over the possible application of the antitrust laws. This is particularly important given that other provisions in the copyright law contain antitrust exemptions.

The exemption in subsection (e)(2) is narrowly tailored to make clear that it would be permissible to use common agents, such as a clearinghouse, to handle the logistics of licensing, payment of royalties, and transmitting royalties to copyright owners. Establishment of royalty rates and material license terms and conditions do not receive any antitrust protection, however, so any common agents or clearinghouse must conform to the antitrust laws in these areas. To comply with this limitation, the common agent or clearinghouse could either relay information about rates and terms to and from the copyright owners and the operators of digital services, or simply put interested operators in touch with the appropriate copyright owners for direct negotiations.

Section 114(f). Licenses for nonexempt subscription transmissions

This provision requires the Librarian of Congress to cause notice to be published of voluntary negotiation proceedings. The purpose of these proceedings is to determine reasonable terms and royalty rates for transmissions that qualify for statutory licensing under section 114(d)(2). The subsection also contains other provisions concerning such proceedings.

The first such voluntary negotiation proceeding is to commence within 30 days after the enactment of this Act upon publication by the Librarian of Congress of a notice in the Federal Register. The purpose of that proceeding shall be to determine reasonable terms and royalty rates for public performances of sound recordings by means of nonexempt subscription transmissions that qualify, under section 114(d)(2), for a statutory license. The statutory license provided by this subsection covers only the performance of sound recordings under section 106(6), and not the reproduction or distribution of sound recordings under sections 106(1) or 106(3).

The terms and rates established will cover qualified transmissions made between the effective date of this Act and December 31, 2000. Paragraph (1) requires that terms and rates should be established separately for each different type of digital audio transmission service then in operation, but does not require or suggest that the terms and rates established must be different.

The voluntary negotiation proceeding may result in license agreements voluntarily negotiated among individual sound recording copyright owners and individual entities that perform or authorize the performance of sound recordings by means of digital transmissions. It is the Committee's intention that negotiations leading to any such agreements be covered by section 114(e) and that any such agreements shall be given effect in lieu of any determination by a copyright arbitration royalty panel or decision by the Librarian of Congress.

Beyond such individual license agreements, however, the Committee hopes that the voluntary negotiation proceeding will lead to an industry-wide agreement concerning royalty terms and rates. If an agreement as to rates and terms is reached and there is no controversy as to these matters, it would make no sense to subject the interested parties to the needless expense of an arbitration proceeding conducted under paragraph (2). Thus, it is the Committee's intention that in such a case, as under the Copyright Office's current regulations concerning rate adjustment proceedings, the Librarian of Congress should notify the public of the proposed agreement in a notice-and-comment proceeding and, if no opposing comment is received from a party with a substantial interest and an intent to participate in an arbitration proceeding, the Librarian of Congress should adopt the rates embodied in the agreement without convening an arbitration panel. See 37 C.F.R. §251.63(b); see also 59 Fed. Reg. 63,038 (1994).

Paragraph (2) provides that if a voluntary negotiation proceeding as described in paragraph (1) does not lead to the determination of the terms and royalty rates applicable to qualified digital performances of sound recordings, those terms and rates are to be determined by arbitration under this paragraph. However, if an arbitration proceeding is necessary to establish the initial statutory licensing rates and terms, it will commence only upon the filing of a petition during a 60-day period which will commence 6 months after publication of notice of the initiation of the voluntary negotiation proceeding. The Committee notes that the paragraph specifically refers to chapter 8 of title 17, which concerns copyright royalty arbitration in general. Accordingly, arbitration under this subparagraph should be conducted under the same type of procedures that apply in other copyright royalty arbitrations.

The parties are expected to negotiate, or if necessary arbitrate, "terms" as well as rates. By terms, the Committee means generally such details as how payments are to be made, when, and other accounting matters (such as are prescribed in section 115). In addition, the Librarian is to establish related terms under section 114(f)(2). Should additional terms be necessary to effectively implement the statutory license, the parties may negotiate such provisions or the CARPs may prescribe them.

Terms and rates determined under paragraph (2), like terms and rates determined under paragraph (1), are to be effective for a five year period or until the date of the next effective rate adjustment. In determining terms and rates under paragraph (2), a copyright arbitration royalty panel is to consider the objectives set forth in section 801(b)(1), and the arbitrators may consider rates and terms under voluntarily negotiated license agreements. Paragraph (2) specifically authorizes the Librarian of Congress to establish requirements by which copyright owners may receive reasonable notice of the use of their sound recordings under this section, and under which records of such use shall be kept and made available by persons performing sound recordings.

As provided in paragraph (4), the procedures for negotiation and, if necessary, arbitration set forth in paragraphs (1) and (2) of this subsection are to be repeated. The Librarian of Congress is to publish notice of the initiation of voluntary negotiation proceedings: (a) within 30 days after being petitioned to publish notice concerning a new type of digital audio transmission service; and (b) in January 2000, and every five years thereafter.

If voluntary negotiations do not lead to an agreement among the interested parties, an arbitration may be commenced upon the filing of a petition in accordance with existing section 803(a)(1) of the Copyright Act during a specified 60-day period. That period commences: (a) six months after publication of notice of the initiation of a voluntary negotiation proceeding concerning a new type of digital audio transmission service; and (b) on July 1, 2000, and every five years thereafter.

Regardless of when an arbitration proceeding is commenced, it is to be concluded in accordance with the existing procedures in section 802 of the Copyright Act.

Voluntary negotiation or arbitration proceedings concerning a new type of digital radio transmission service should apply only with respect to the new type of service or services described in the petition.

Paragraph (5) sets forth the requirements with which an entity must comply in order to obtain a statutory license. The performing entity must provide notice of the performance as required by regulations prescribed by the Librarian of Congress and pay the established royalty fees. If the royalty fees have not been set at the time of performance, the performing entity must agree to pay the royalty fee to be determined under this subsection by the twentieth day of the month following the month in which the rates are set. This limited license to perform the sound recording until the rate is set applies only to performances for which the entity seeks a statutory license. The failure to pay royalty rates in arrears makes the performing entity subject to full liability for infringement of section 106(6) from the inception of the transmissions of sound recordings by that transmitter after the effective date of the Act, and may disqualify the entity for a statutory license under paragraph (5)(A)(i).

Section 114(g). Proceeds from licensing of subscription transmissions

This subsection describes how royalties from the licensing of the digital performance right in a sound recording are distributed to the artists who performed on the sound recording.

Paragraph (1) of this subsection provides that payments to both featured and nonfeatured (or background) artists of royalties from the licensing of the digital performance of the sound recording will be determined by the applicable contract with, or collective bargaining agreement pertaining to, the artist, unless the performance of the sound recording is pursuant to a statutory license under subsection (f).

Where royalties are received from statutory licensing of a sound recording, then under paragraph (2), the sound recording copyright owner is required to allocate a total of 50% of the receipts as provided by subparagraphs (A), (B), and (C). Subparagraph (A) requires that 2½% of the receipts (as described more specifically below) are to be placed into an escrow account managed by an independent administrator appointed jointly by record companies and the American Federation of Musicians ("AFM") (or any successor entity) and distributed to nonfeatured musicians (regardless of whether they are members of AFM or any successor entity) who have performed on sound recordings. Similarly, subparagraph (B) requires that 2½% of the receipts are to be placed into an escrow account managed by an independent administrator appointed jointly by record companies and the American Federation of Television and Radio Artists ("AFTRA") (or any successor entity) and distributed to nonfeatured vocalists (regardless of whether they are members of AFTRA or any successor entity) who have performed on sound recordings. Subparagraph (C) requires that 45% of the receipts are to be paid to the featured artist or artists (or the person(s) conveying rights in the performance of the featured artist(s) in the sound recording). Although the Copyright Office currently administers several funds under the Copyright Act, the Committee does not expect that the Copyright Office would be asked to manage these escrow accounts.

"Receipts" means the licensing fees received by the copyright owner of the sound recording. Thus, if a collecting society or other organization acts on behalf of the copyright owner of the sound recording in licensing and/or collecting royalties, "receipts" shall constitute the monies the copyright owner receives from the collecting agency and, therefore, would exclude administrative fees either deducted by or paid to the collective.

Section 114(h). Licensing to affiliates

In addition to the protections available under antitrust law, subsection (h) specifically is intended to ensure competitive licensing practices by a licensor that owns an interest in an "affiliated entity" as defined in subsection (j)(1). Subsection (h) makes clear that terms no less favorable than those granted to the affiliated entity also must be made available to other bona fide entities that offer services similar to those covered by the affiliate's performance license.

For example, a licensor that grants to an affiliated entity a performance license for a fixed term with separate and distant rates for cable and satellite subscription transmission services would be required to offer no less favorable terms and conditions to an unrelated entity offering the same services. If, as another example, the license to the affiliated entity is limited only as to performances via cable, then an unrelated entity offering only satellite services cannot claim an entitlement to receive a performance license at the rate specified for cable services.

Nothing in this section is intended to prevent a licensor from establishing different rate structures, terms and conditions based on material differences in the license sought. But distinctions drawn among licensees should be applied rationally and consistently based on the nature, scope and duration of the requested license, and not based on arbitrary distinctions for monopolistic, discriminatory or other anticompetitive purposes. The factors identified in subsection (h), *i.e.*, different types of services, the particular sound recordings licensed, the frequency of use of the sound recordings, the duration of the requested license and the number of subscribers served, are all relevant bases upon which a copyright owner may draw rational distinctions.

The term "no less favorable" indicates that the same terms and conditions can be offered, but this is not to say that the licensor should not offer lower rates or more beneficial terms and conditions if it deems it appropriate. For example, a licensor might in its business judgment offer an unrelated start-up entity a more favorable rate for a shorter period of time. It is intended, however, that the potential licensee under such circumstances could reject the more favorable short-term license and instead request the terms and conditions granted to the affiliated licensed entity for similar services. In that event, the licensor must make a performance license available upon the same terms and conditions to the potential licensee, with respect to the same services proposed to be licensed, as described above.

The term "bona fide entities" is intended to make clear that the potential licensee must have a genuine intention and reasonable capability to provide the licensed services.

Paragraph (2) of this subsection makes clear that the obligations set forth in paragraph (1) are inapplicable where the affiliated entity is offering performances through an interactive service, or is granted a performance license for the sole purpose of promoting the sound recording. A public performance qualifying for the promotional exemption is merely exempted from the obligations of paragraph (1); paragraph (2)(B) does not provide an exemption for a transmission otherwise subject to liability where such a performance is unauthorized or unlicensed.

Section 114(i). No effect on royalties for underlying works

The Committee intends this provision to ensure that licensing fees paid under the new digital performance right shall not be taken into account in any administrative, judicial, or other governmental proceeding that sets or adjusts rates for the royalties to be paid for the public performance of musical works. The provision also makes clear Congress' intent that the new digital performance right shall not diminish in any respect the royalties payable to copyright owners of musical works for the public performance of their works.

Section 114(j). Definitions

Section 114(j)(1)—"affiliated entity"

A digital transmission service is considered affiliated with a licensor when the licensor has any direct or indirect partnership or any ownership interest of more than 5 percent of the outstanding voting or non-voting stock in the entity engaging in digital audio transmissions. An entity engaging in interactive services cannot be an affiliated entity under this definition, but to the extent that an entity is engaging in digital transmissions that are not interactive, it can qualify as an affiliated entity for that purpose alone.

Section 114(j)(2)—"broadcast" transmission

Transmissions made by terrestrial broadcast stations licensed as such by the Federal Communications Commission come within this definition.

Section 114(j)(3)—"digital audio transmission"

This phrase means a transmission is a digital format (or any other non-analog format that might currently exist or be developed in the future) that embodies the transmission of a sound recording. A transmission that is only partly in a digital or non-analog format satisfies this definition. (*See* section 101 definition of "digital transmission.") A transmission of an audiovisual work does not come within this definition.

The Committee has amended the bill as originally introduced to make clear that the performance right recognized herein applies only to digital transmissions of sound recordings and that nothing in the bill creates any new copyright liability with respect to the transmission of a motion picture or other audiovisual work, whether digital or analog, whether subscription or nonsubscription, and whether interactive or noninteractive.

Section 114(j)(4)—"interactive service"

The phrase "interactive service" is defined, in part, as a service that "enables a member of the public to receive, on request, a transmission of a particular sound recording . . . ." This term is intended to reach, for example, a service that enables an individual to make a request (by telephone, e-mail, or otherwise) to a service that will send a digital transmission to that individual or another individual of the specific sound recording that had been requested by or on behalf of the recipient. thus, it would include such services commonly referred to as "audio-on-demand," "pay-per-listen" or "celestial jukebox" services. The term also would apply to an on-line service that transmits recordings on demand, regardless of whether there is a charge for the service or for any transmission. But as the second sentence of the definition makes clear, the term "interactive service" is not intended to cover traditional practices engaged in by, for example, radio broadcast stations, through which individuals can ask the station to play a particular sound recording as part of the service's general programming available for reception by members of the public at large.

If an entity offering a nonsubscription service (such as a radio or television station) chooses to offer an interactive service as a separate business, or only during certain hours of the day, that decision does not affect the exempt status of any component of the entity's business that does not offer an interactive service. In other words, each transmission should be judged on its own merits with regard to whether it qualifies as part of an "interactive" service. The third sentence of the definition of "interactive service" is intended to make this clear.

Section 114(j)(5)—"nonsubscription" transmission

This term includes any transmission that does not come within the definition of "subscription" transmission.

Section 114(j)(6)—"retransmission"

As the definition of "retransmission" makes clear, that term includes any further transmission of an initial transmission, as well as any further retransmission of the same transmission. That is, the term "retransmission" is intended to cover both an initial retransmission of a transmission (such as by a satellite carrier) and any further transmissions of that transmission (such as by a cable system). Of course, the fact that a further simultaneous transmission qualifies as a "retransmission" does not by itself mean that it is exempt under any particular paragraph of Section 114(d)(1). To qualify for the 114(d)(1)(C)(ii) exemption, for example, a retransmission would need to be made by a business establishment on its premises or the immediately surrounding vicinity.

Except as otherwise provided, a transmission is a "retransmission" only if it is simultaneous with the initial transmission. The term "simultaneous" is used in this definition (and throughout this bill) to refer to retransmissions that are essentially simultaneous. Although there may be momentary time delays resulting from the technology used for retransmissions, such delays do not affect the status of the retransmissions as simultaneous.

Section 114(j)(7)—"sound recording performance complement"

The "sound recording performance complement" defines the metes and bounds of programming available to be transmitted under the statutory license grant in subsection (f). The definition is intended to encompass certain typical programming practices such as those used on broadcast radio. It does not extend to the performance of albums in their entirety, or the performance over a short period of time of a substantial number of different selections by a particular artist or from a particular phonorecord or compilation of phonorecords. Transmissions that exceed the limits of the complement are not eligible for a statutory license under subsection (f).

The definition provides that for a transmission to be within the complement, it must not include, on a particular channel in any rolling three-hour period, more than three selections from any one phonorecord, and no more than two of those selections can be transmitted consecutively. The transmission also must not include, on a particular channel in any rolling three-hour period, more than four selections by the same featured artist or from any boxed set or compilation of phonorecords, and no more than three of those selections can be transmitted consecutively. Whether selections are consecutive is determined by the sequence of the sound recordings transmitted, regardless of whether some tones or other brief interlude is transmitted between the sound recordings.

To avoid imposing liability for programming that unintentionally may exceed the complement, the complement is limited to the performance of sound recordings "from" a particular phonorecord. Many phonorecords include sound recordings that also appear on other phonorecords or compilations, such as the "greatest hits" of a particular artist, decade or genre of music. Similarly, the same sound recordings may appear on separate compilations under the names of different featured artists. It is not the intention of this legislation to impose liability where selections that are performed from separate phonorecords also may be incorporated on a different phonorecord or compilation, or also may appear on a different phonorecord under the name of another featured artist, in the absence of an intention by the performing entity to knowingly circumvent the numerical limits of the complement. An example of such a case is where the transmitting entity plays within a three-hour period one selection for each of four different phonorecord, which four selections also happen to be compiled on a soundtrack album. So long as the transmitting entity did not willfully intend to replicate selections from the soundtrack album, its transmission would be considered within the complement. However, where the transmitting entity willfully plays within a three-hour period five selections of a single featured recording artist, regardless of whether they were played from several different phonorecords, and regardless of whether the transmitting entity knew that the transmission included more than three songs from a single album, the transmission does not come within the complement. The fact that the transmitting entity did not willfully intend to violate the numerical limits for a single phonorecord under paragraph (A) does not excuse the willful violation of the limit of paragraph (B)(i).

The complement is to be evaluated as of the time of "the programming of the multiple phonorecords," rather than at the time of transmission. This avoids imposing liability for programming that occurs such as a week or two in advance of transmission that unintentionally exceeds the complement. An example is where, between the time of the programming and transmission, a phonorecord or set or compilation of phonorecords is released that embodies selections previously programmed by the transmitting entity from multiple phonorecords.

Certain transmitting entities covered by this legislation may provide multiple channels of service and musical formats. The bill applies the complement to each particular channel separately and not to all channels in the aggregate.

The requirement of "different selections" permits the performance of the same selection in excess of the numerical limits. This is intended to facilitate under the statutory license the programming of music formats that tend to repeat the same selections of music, such as "top 40" formats.

The term "featured recording artist" means the performing group or ensemble or, if not a group or ensemble, the individual performer, identified most prominently in print on, or otherwise in connection with, the phonorecord actually being performed. Except in the case of a sound recording consisting of a compilation of sound recordings by more than one performer or group or ensemble, there will ordinarily be only one "featured recording artist" per phonorecord. A vocalist or soloist performing along with a group or ensemble is not a "featured recording artist" unless that person is identified in connection with the phonorecord as the primary performer. For example, the Eagles would be the "featured recording artist" on a track from an Eagles album that does not feature Don Henley by name with equal prominence; but if the same sound recording were performed from "Don Henley's Greatest Hits," then Don Henley and not the Eagles would be the "featured recording artist." Where both the vocalist or soloist and the group or ensemble are identified as a single entity and with equal prominence (such as "Diana Ross and the Supremes"), both the individual and the group qualify as the "featured recording artist."

Section 114(j)(8)—"subscription" transmission

A "subscription transmission" is defined as a transmission of a sound recording in a digital format that is "controlled and limited to particular recipients,' and for which consideration is required to be paid or given "by or on behalf of the recipient to receive the transmission or a package of transmissions including the transmission." It does not matter what the mechanism might be for the delivery of the transmission; thus, a digital transmission, whether delivered by cable, wire, satellite or terrestrial microwave, video dialtone, the Internet or any other digital transmission mechanism, could be a subscription transmission if the requirements cited above are satisfied. This definition obviously does not reach traditional over-the-air broadcast transmissions, which satisfy neither of these requirements. A typical transmission that would qualify as a "subscription transmission" under this definition is a cable system's transmission of a digital audio service, which is available only to the paying customers of the cable system. The payments required to satisfy the "consideration" requirement might consist, for example, of an "a la carte" fee for a specific audio service, or of a fee for an overall package of services that includes the digital audio service (e.g., a cable system's tier of services for a fee). The reference in the definition to payments "on behalf of" a recipient is intended to recognize that payments for a service may be made by one person on behalf of other people, such as a parent making payment for a child who lives away from home and receives the subscription service.

Section 114(j)(9)—"transmission"

This definition recognizes that the term "transmission" refers to any transmission, whether it is an initial transmission or a retransmission. Thus, for example, section 106(6) grants an exclusive right to perform a copyrighted sound recording publicly "by means of a digital audio transmission," and does not mention retransmissions, even though it is intended that the new performance right cover all digital audio transmissions, including retransmissions. Similarly, except where otherwise explicitedly indicated, the exemptions for certain "transmissions" created by section 114(d)(1) apply to both initial transmissions and retransmissions.

Section 4—Mechanical Royalties in Digital Phonorecord Deliveries.—This section amends section 115 of title 17 to clarify how the compulsory license for making and distributing phonorecords applies in the context of certain types of digital transmissions identified in the bill as "digital phonorecord deliveries."

Among other things, this section is intended to confirm and clarify the right of musical work and sound recording copyright owners to be protected against infringement when phonorecords embodying their works are delivered to consumers by means of transmissions rather than by means of phonorecord retail sales. The intention in extending the mechanical compulsory license to digital phonorecord deliveries is to maintain and reaffirm the mechanical rights of songwriters and music publishers as new technologies permit phonorecords to be delivered by wire or over the airwaves rather than by the traditional making and distribution of records, cassettes and CDs. The intention is not to substitute for or duplicate performance rights in musical works, but rather to maintain mechanical royalty income and performance rights income for writers and music publishers.

Changes to sections 115(a)(1) and 115(c)(2) make clear that the compulsory license for making and distributing phonorecords is not limited to the making and distribution of physical phonorecords, but that a compulsory license is also available for the making of digital phonorecord deliveries. The Committee intends that a compulsory license for digital phonorecord deliveries may be obtained, and the required mechanical royalties may be paid, either directly by a digital transmission service making a digital phonorecord delivery or by a record company authorizing a digital phonorecord delivery. Thus, the changes to section 115 are designed to minimize the burden on transmission services by placing record companies in a position to license not only their own rights, but also, if they choose to do so, the rights of writers and music publishers to authorize digital phonorecord deliveries; and by recognizing that transmission services themselves may obtain a compulsory license to make digital phonorecord deliveries.

As between a digital transmission service and a record company, allocation of the responsibility for paying mechanical royalties could be a subject of negotiation, but copyright owners of musical works would only be entitled to receive one mechanical royalty payment for each digital phonorecord delivery, not multiple payments. Of course, a digital transmission service would be liable for any infringing digital phonorecord delivery it made in the absence of a compulsory license or the authorization of the musical work copyright owner. (The liability of sound recording copyright owners in such a case is addressed in new section115(c)(3)(I).)

Section 4 also redesignates subsections (c)(3), (4) and (5) as subsections (c)(4), (5) and (6) and inserts new subsections (c)(3) and (d), which are descried in detail below.

Section 115(c)(3)(A)

This subparagraph specifically sets forth that a compulsory license includes the right of the compulsory licensee to make or authorize digital phonorecord deliveries and identifies the statutory rate of each digital phonorecord delivery made by or under the authority of the compulsory licensee. For all digital phonorecord deliveries made or authorized under a compulsory license on or before December 31, 1997, the royalty rate is to be the statutory rate than in effect under section 115(c)(2) for the making and distribution of a physical phonorecord. For digital phonorecord deliveries made authorized under a compulsory license on or after January 1, 1998, the statutory mechanical royalty rates for digital phonorecord deliveries shall be determined in accordance with subparagraphs (B) through (F); and the statutory mechanical royalty rate for making and distributing physical phonorecords shall be determined in accordance with chapter 8.

Section 115(c)(3)(B)

This subparagraph clarifies that collective negotiations and agreements relating to statutory licenses are not prohibited by the antitrust laws. This provision is nearly identical to new section 114(e)(1), and is patterned on existing antitrust exemptions relating to the negotiations of statutory licenses, including 17 U.S.C. §116(b)(1) (jukebox licenses) and 17 U.S.C. §118(b) (noncommercial broadcasting). Like those provisions, subsection (c)(3)(B) is important to help effectuate the related statutory license provision.

This subparagraph authorizes musical work copyright owners, record companies, digital transmission services, and any other persons entitled to obtain a compulsory license collectively to negotiate and agree upon the terms and statutory royalty rates under subsection 115(c)(3) "notwithstanding any provision of the antitrust laws." This exemption from the antitrust laws extends to negotiations and agreements on terms and rates of royalty payments, the proportionate division of royalties among copyright owners, the designation of common agents to negotiate, agree to, pay, or receive royalty payments, and the year during which the royalty rates prescribed under subparagraphs (B) through (F) and chapter 8 of title 17 are to next be determined.

The latter authorization allows the affected parties to agree when rates and terms should next be determined. If they do not do so voluntarily, then subparagraph (F) prescribes that the rates and terms will be reconsidered at five-year intervals. Given the rapid pace at which digital transmission technology is developing, and changes in the marketplace, the Committee recognizes that the statutory rate for digital phonorecord deliveries might need to be considered in different years, and that the interested parties are in the best position to determine how frequently and when this should be done.

Section 115(c)(3)(C)

This subparagraph requires the Librarian of Congress to cause notice to be published of voluntary negotiation proceedings to determine reasonable terms and statutory royalty rates for the making of digital phonorecord deliveries under a compulsory license. The subparagraph also contains other provisions concerning such proceedings.

The Librarian is to publish notice of commencement of the first such voluntary negotiation proceeding in the Federal Register between June 30, 1996 and December 31, 1996. The Committee expects that the Librarian will publish this notice relatively early in the prescribed period. However, the exact date of the notice is of limited importance because subparagraph (B) authorizes negotiations that can begin or end at any time, as determined by the parties. The purpose of the notice is simply to allow persons with a substantial interest who might not be represented by the parties engaged in negotiations to be aware that negotiations may be taking place that could lead to an industry-wide agreement concerning mechanical royalty rates.

The purpose of the first voluntary negotiation proceeding shall be to determine reasonable terms and statutory royalty rates for the making of digital phonorecord deliveries under a compulsory license during the period beginning January 1, 1998 and ending when successor rates and terms are established, either by negotiation or, if necessary, arbitration.

The subparagraph states that if any digital phonorecord delivery statutory mechanical royalty rates and terms are determined as a result of a voluntary negotiation proceeding, then such rates and terms shall distinguish between: (1) rates and terms for digital phonorecord deliveries where the reproduction or distribution of a phonorecord is "incidental" to the transmission which constitutes the digital phonorecord delivery, and (2) rates and terms for digital phonorecord deliveries in general. The Committee recognizes that there are likely to be different types of digital transmission systems that could result in the making of a digital phonorecord delivery. In the case of some of these transmission systems, delivering a phonorecord to a transmission recipient could be incidental to the purpose of a transmission. For example, if a transmission system was designed to allow transmission recipients to hear sound recordings substantially at the time of transmission, but the sound recording was transmitted to a high speed burst of data and stored in a computer memory for prompt playback (such storage being technically the making of a phonorecord), and the transmission recipient could not retain the phonorecord for playback on subsequent occasions (or for any other purpose), delivering the phonorecord to the transmission recipient would be incidental to the transmission. If such a system allowed transmission recipients to retain phonorecords for playback on subsequent occasions, but transmission recipients did not do so, delivering the phonorecords to the transmission recipients could be incidental to the transmissions. On and after January 1, 1998, statutory mechanical royalty rates shall distinguish between "incidental" digital phonorecord deliveries that take into account the different purpose and effect of these transmissions and digital phonorecord deliveries in general.

The voluntary negotiation proceeding may result in license agreements voluntarily negotiated among individual musical work copyright owners and individual entities that make or authorize digital phonorecord deliveries. It is the Committee's intention that negotiations leading to any such agreements be covered by section 115(c)(3)(B) and that any such agreements have the effect set forth in section 115(c)(3)(E).

Beyond such individual license agreements, however, the Committee anticipates that the voluntary negotiation proceeding will lead to an industry-wide agreement concerning mechanical royalty terms and rates and the year when terms and rates next will be determined.

The parties are expected to negotiate, or if necessary arbitrate, "terms" as well as rates. By "terms," the Committee means such details as how payments are to be made, when, and other accounting matters. While these details are for the most part already prescribed in section 115, and related details are to be established by the Librarian under section 115(c)(3)(D), the bill allows for additional such terms to be set by the parties or by CARPs in the event that the foregoing provisions or regulations are not readily applicable to the new digital transmission environment.

If an agreement as to rates and terms is reached and there is no controversy as to these matters, it would make no sense to subject the interested parties to the needless expense of an arbitration proceeding conducted under section 115(c)(3)(D). Thus, it is the Committee's intention that in such a case, as under the Copyright Office's current regulations concerning rate adjustment proceedings, the Librarian of Congress should notify the public of the proposed agreement in a notice-and-comment proceeding and, if no opposing comment is received from a party with a substantial interest and an intent to participate in an arbitration proceeding, the Librarian of Congress should adopt the rates embodied in the agreement, and any agreed-to year when the mechanical royalty rates for digital phonorecord deliveries next will be determined, without convening an arbitration panel. See 37 C.F.R. §251.63 (b); see also 59 Fed. Reg. 63,038 (1994).

As provided in section 115(c)(3)(F), the procedures for negotiation and, if necessary, arbitration set forth in this subparagraph and in section 115(c)(3)(D) are to be repeated every five years unless it is voluntarily determined by the parties pursuant to this subparagraph and subparagraph (B) that rates and terms should next be determined in a different year. The Committee recognizes that it may be unusual to allow the interested parties to negotiate and agree to a year when the statutory mechanical royalty rates for digital phonorecord deliveries next will be determined. However, the Committee was concerned that rapidly changing technology might justify redetermining the terms and royalty rates applicable to digital phonorecord deliveries made under a compulsory license on a different schedule than once every five years. Thus, the Committee chose to give the interested parties flexibility in this area.

The Committee wishes to make clear that nothing in section 115(c)(3) is intended to affect the schedule prescribed in section 803(a)(3) for determining the mechanical royalty rate for the making and distribution of physical phonorecords. Proceedings to establish mechanical royalty rates for the making and distribution of physical phonorecords are expected to be conducted in 1997 and every ten years thereafter, and are not subject to contrary agreement.

Section 115(c)(3)(D)

If a voluntary negotiation proceeding as described in section 115(c)(3)(C) does not lead to the determination of the terms and statutory royalty rates applicable to digital phonorecord deliveries made under a compulsory license, those terms and rates are to be determined by arbitration under this subparagraph. The Committee notes that the subparagraph specifically refers to chapter 8 of title 17, which concerns copyright royalty arbitration in general. Accordingly, arbitration under this subparagraph should be conducted under the same type of procedures that apply in other copyright royalty arbitrations. Thus, for example, an arbitration proceeding is to commence only upon the filing of a petition in accordance with existing section 803(a)(1).

Like terms and rates determined under section 115(c)(3)(C), terms and rates determined under this subparagraph are to distinguish between digital phonorecord deliveries where the reproduction or distribution of a phonorecord is incidental to the transmission which constitutes the digital phonorecord delivery, and digital phonorecord deliveries in general.

In determining terms and rates under this subparagraph, a copyright arbitration royalty panel is to consider the objectives set forth in section 801(b)(1), and the arbitrators may consider terms and rates under voluntarily negotiated license agreements. However, the statutory mechanical royalty payable for digital phonorecord deliveries made on or before December 31, 1997 shall be given no precedential effect in determining the statutory mechanical royalty payable for digital phonorecord deliveries made on or after January 1, 1998. The Committee specifically chooses to remain neutral on the question whether the mechanical royalty rates for any category of digital phonorecord delivery made on or after January 1, 1998 should be the same as, lower than, or higher than the mechanical royalty rate for the making and distribution of physical phonorecords.

The subparagraph specifically authorizes the Librarian of Congress to establish requirements by which copyright owners may receive reasonable notice of the use of their works under this section, and under which records of such use shall be kept and made available by persons making digital phonorecord deliveries.

Section 115(c)(3)(E)

This subparagraph provides that in general, the provisions of voluntarily negotiated agreements for the licensing of nondramatic musical works shall be given effect in lieu of any statutory rates and terms determined by the Librarian of Congress. For example, the Committee understands that individual record companies and music publishers have negotiated license agreements for specific albums prescribing a royalty rate less than the statutory mechanical royalty rate. The Committee does not intend to prevent negotiation of voluntary license agreements, for either physical phonorecords or digital phonorecord deliveries, prescribing royalties at less than the statutory rates, except in the situation described below.

There is a situation in which the provisions of voluntarily negotiated license agreements should not be given effect in lieu of any mechanical royalty rates determined by the Librarian of Congress. For some time, music publishers have expressed concerns about so-called "controlled composition" clauses in recording contracts. Generally speaking, controlled composition clauses are provisions whereby a recording artist who is the author of a nondramatic musical work agrees to reduce the mechanical royalty rate payable when a record company makes and distributes phonorecords which include recordings of such artist's compositions. Subject to the exceptions set forth in subparagraph (E)(ii), the second sentence of subparagraph (E)(i) is intended to make these controlled composition clauses inapplicable to digital phonorecord deliveries.

Specifically, unless the requirements of one or both of the exceptions of subparagraph (E)(ii) are satisfied, the royalty rates determined through negotiation or arbitration pursuant to subparagraph (C) or (D) are to be given effect in lieu of any contrary rates specified in a contract pursuant to which a recording artist who is the author of a nondramatic musical work grants a mechanical license in that work to a record company or commits another person (such as the artists music publisher) to grant such a mechanical license in that work.

Subparagraph (E)(ii) specifies two types of contracts where the negotiated royalty rates set forth in the contracts are to be given effect notwithstanding the second sentence of subparagraph (E)(i). The first of these is a "grandfather clause" giving effect to contracts and rates agreed to in a contract with a recording artist on or before June 22, 1995, except to the extent they are modified after that date for the purpose of reducing the royalty prescribed therein to less than the statutory rates or to add new compositions at less than the statutory rates. Thus, if a recording contract entered into on or before June 22, 1995 was modified after that date to cover a larger number of musical works, the royalty rates specified in the contract would apply to the number of works within the scope of the contract as of June 22, 1995, and the statutory rates would apply to the number of works added thereafter. The Committee also notes that recording artist contracts entered into on or before June 22, 1995 and not modified thereafter, or modified thereafter to extend the date by which an artist must complete a recording, are examples of contracts to be given effect notwithstanding the second sentence of subparagraph (E)(i).

The second of the exceptions provided in subparagraph (E)(ii) is intended to allow a recording artist-author who chooses to act as his or her own music publisher to agree to accept mechanical royalties at less than the statutory rates, provided that the contract containing such lower rates is entered into after the sound recording has been fixed in a tangible medium of expression substantially in a form intended for commercial release.

It should be emphasized that subparagraph (E) applies only to the making of digital phonorecord deliveries and not to the making and distribution of physical phonorecords. Nothing in the bill is intended to interfere with the application of controlled composition clauses to the making and distribution of physical phonorecords or to digital phonorecord deliveries where the agreements are not covered by the terms of subsection (c)(3)(E).

Section 115(c)(3)(F)

This subparagraph provides that the procedures specified in subparagraphs (C) and (D) for negotiation or arbitration of mechanical compulsory license rates and terms for digital phonorecord deliveries are to be repeated ever five years, unless different years for repeating such proceedings are determined in accordance with subparagraphs (B) or (C). Nothing in section 115(c)(3) is intended to affect the schedule prescribed for determining the mechanical royalty rate for the making and distribution of physical phonorecords. Proceedings to establish mechanical royalty rates for the making and distribution of physical phonorecords are to be conducted in 1997 and every ten years thereafter, and are not subject to contrary agreement.

The reference in subparagraph (F) to the procedures specified in subparagraphs (C) and (D) is to the publication of notice, initiation of voluntary negotiations, and convening of CARPs if necessary. The reference is not to the dates within the year as described in subparagraph (C). Indeed, the Committee encourages the Librarian to publish a notice of initiation of voluntary negotiation proceedings as early in the year as practicable, to allow the maximum amount of time for voluntary negotiations, or if necessary arbitration.

Section 115(c)(3)(G)

This subparagraph imposes as a condition of compulsory licensing the obligation that digital phonorecord deliveries be accompanied by certain specified types of information, if that information has been encoded in the sound recording being transmitted under the sound recording copyright owner's authority. This provision does not obligate the copyright owner of the sound recording to encode copyright management information in the work. In addition, it is not intended to require a transmitting entity to generate or encode such information in its transmission if the information is not encoded in the sound recording. Moreover, the transmitting entity is not required to transmit information that may be encoded in the sound recording other than the information specified in this subparagraph and "related information" (o.e., information that is specifically related to the identification of the works being performed and upon which payments are to be made by the transmitting entity under this bill). The subparagraph also makes clear that nothing in this section affects the provisions of section 1002(e).

Section 115(c)(3)(H)

This subparagraph confirms that musical work copyright owners and sound recording copyright owners both have the same rights to be protected against infringement with respect to digital phonorecord deliveries as they have with respect to distributions of physical phonorecords of their respective works. Thus, subject to the limitations contained in existing law, a digital phonorecord delivery infringes the rights of the sound recording copyright owner unless authorized by the sound recording copyright owner (or his or her agent), and a digital phonorecord delivery infringes the rights of the musical work copyright owner unless covered by a compulsory license or authorized by the musical work copyright owner (or his or her agent). The subparagraph makes clear that any cause of action under this subparagraph is in addition to other remedies available under title 17.

Section 115(c)(3)(I)

This subparagraph clarifies the circumstances under which a sound recording copyright owner may be held liable for digital phonorecord deliveries by third parties. The changes to section 115 made by S. 227 are intended to allow record companies to license not only their own rights, but also, if they choose to do so, the rights of writers and music publishers to authorize digital phonorecord deliveries. If a record company grants a digital transmission service a license under both the record company's rights in a sound recording and the musical work copyright owner's rights, the record company may be liable, to an extent determined in accordance with applicable law, for the applicable mechanical royalty for every digital phonorecord delivery made under the record company's authority. However, if a record company grants a license under its rights in a sound recording only, and does not grant a mechanical license under the copyright in the musical work embodied in the sound recording, it is the transmission service's responsibility to obtain a license under the musical work copyright, and the record company cannot be held liable for infringement of the copyright in the musical work by the record company's licensee.

Section 115(c)(3)(J)

This subparagraph makes clear that nothing in section 1008 shall be construed to prevent the exercise of the rights and remedies allowed by paragraphs (3) and (6) and chapter 5 in the event of a digital phonorecord delivery. However, no action alleging infringement of copyright may be brought under title 17 against a manufacturer, importer or distributor of a digital audio recording device, a digital audio recording medium, an analog recording device, or an analog recording medium, or against a consumer, based on the actions described in section 1008.

Section 115(c)(3)(K)

This subsection makes clear that section 115, as amended by the bill, is not intended to annul or limit any existing or future right or remedy of a sound recording copyright owner or musical work copyright owner, except to the extent that a musical work copyright owner's exclusive rights are limited by compulsory licensing under the conditions specified by section 115 as amended.

Section 115(c)(3)(L)

This subparagraph makes clear that the changes made to section 115 by the bill with regard to liability for digital phonorecord deliveries do not apply to transmissions or retransmissions that are exempt under section 114(d)(1). At the same time, the exemptions set forth in section 114(d)(1) are not intended either to enlarge or to diminish in any way the rights of copyright owners under existing law with respect to such transmissions or retransmissions.

Section 115(d)

This subsection defines the term "digital phonorecord delivery." A "digital phonorecord delivery" is each individual delivery of a phonorecord by digital transmission of a sound recording which results in a specifically identifiable reproduction by or for any transmission recipient of a phonorecord of that sound recording. The Committee notes that the phrase "specifically identifiable reproduction," as used in the definition, should be understood to mean a reproduction specifically identifiable to the transmission service. Of course, a transmission recipient making a reproduction from a transmission is able to identify that reproduction, but the mere fact that a transmission recipient can make and identify a reproduction should not in itself cause a transmission to be considered a digital phonorecord delivery.

The final sentence of this definition provides that a digital phonorecord delivery does not result from a real-time, noninteractive subscription transmission of a sound recording where no reproduction of the sound recording or the musical work embodied therein is made from the inception of the transmission through to its receipt by the transmission recipient in order to make the sound recording audible. For example, a transmission by a noninteractive subscription transmission service that transmits in real time a continuous program of music selections chosen by the transmitting entity, for which a consumer pays a flat monthly fee, would not be a "digital phonorecord delivery" so long as there was no reproduction at any point in the transmission in order to make the sound recording audible. Moreover, such a transmission would not be a "digital phonorecord delivery" even if subscribers, through actions taken on their own part, may record all or part of the programming from that service. The final sentence of the definition of "digital phonorecord delivery" is not intended to change current law with respect to rights under section 106, or the limitations on those rights under sections 107–113, sections 116–120, and the unamended portions of sections 114 and 115.

Section 5—Conforming Amendments.—This section makes certain technical amendments to other sections of title 17.

Among other things, it adds to section 101 a definition of "digital transmission," which is any transmission in whole or in part in a digital or other non-analog format. Although the Committee is not presently aware of any non-analog formats that are not digital, the Committee wants to make clear that all non-analog formats now known or later developed are covered by the bill. For purposes of section 115, a transmission of a motion picture or other audiovisual work does not come within the definition of "digital transmission."

Section 6—Effective Date.—This section provides that new sections 114(e) and 114(f) of title 17, which concern negotiation of licenses under the new performance right, take effect immediately upon the date of enactment. The effective date of other provisions of the Act is three months after the date of enactment.

Mrs. FEINSTEIN. Mr. President, I rise today in support of S. 227, the Digital Performance Right in Sound Recordings Act of 1995. I am pleased to be a cosponsor of this legislation introduced by Senator HATCH, the distinguished chairman of the Judiciary Committee. This bill will allow the United States to finally join more than 60 nations in enacting this same copyright protection for sound recordings.

The bill before us, today, essentially closes a glaring loophole in the Copyright Act which had denied protection to recording artists and record companies ever since the copyright was first extended to sound recordings in 1972. This legislation would create a right to public performance in digital transmissions and give copyright owners the ability to negotiate the use of their works in new technologies.

Every other copyrighted work—motion pictures, books, plays, computer software and musical compositions—already has this protection. It is time to bring the law up to date for sound recordings.

Senator HATCH and I first introduced a version of this bill in the 103d Congress. Since that time, we have heard from literally hundreds of interested parties from all affected sides. We have had input from broadcasters, cable companies, consumers, songwriters, music publishers, artists, record companies, and more. Many of those affected by the legislation have had suggestions on how to make it better and more responsive to the marketplace.

I would like to commend Senator HATCH and his staff and thank them for working so hard with us to assure that all of the legitimate concerns with the original legislation were so thoughtfully addressed. Senators BIDEN, LEAHY, and THURMOND and their staffs deserve credit as well.

Every copyright expert who testified before the Judiciary Committee, including those from the nonpartisan U.S. Copyright Office, agreed that this legislation needs to be enacted.

The Digital Performance Right in Sound Recordings Act helps move our copyrighted industries closer to the Information Superhighway. A road where consumers will have access to new music and exciting artists delivered to the consumer in technology advanced ways beyond what we might have imagined when we first heard the Victrola, or even stereo sound. As these new technologies develop and as we enter this digital and computer age, the protection of America's intellectual property has taken on a tremendous urgency.

The inequities of the current law are best illustrated by a real-world example: when a digital music service, paid for with a subscription fee and available via a consumer's cable TV box, play a piece of recorded music from a compact disc, such as "White Christmas" performed by Bing Crosby, the songwriter and music publisher, in this case Irving Berlin, have rights and receive payment for the performance of that work. Yet while Irving Berlin is compensated, Bing Crosby, the recording artist who brought the song to life, and the record company which invested the moneys to record and distribute the album would receive nothing.

We have chosen to be forward thinking with this legislation, to enable Congress to close a loophole which threatens to grow immensely in the near future. With new digital technology, a transmission service, simply by acquiring a single copy of a compact disc, can deliver CD-quality sound electronically to millions of homes and cars, without any payment to the creators of that recorded music.

The hundreds of thousands of consumers who love new music could make perfect copies of the one CD. Potentially millions of perfect copies of this CD can be made electronically. Why would anyone go to a record store in the future if they were able to receive music this way? Why should the digital transmission businesses be making money by selling music when they are not paying the creators who have produced that music?

If this should occur without copyright protection, investment in recorded music will decline, as performers and record companies produce recordings which are widely distributed without compensation to them. This would result in the decline of what presently constitutes one of America's most important, productive and competitive industries.

America's copyright industries contributed a staggering 3.7 percent to the Nation's gross domestic product in 1993. That's a contribution of $238.6 billion, Mr. President. Between 1977 and 1993, the number of workers employed by those industries doubled to 3 million, 2.55 percent of our work force. Over the last 5 years, employment in this sector has grown at four times the rate of jobs in other sectors.

And, perhaps most significant of all in this context, these industries together achieved foreign sales of $45.8 billion in 1993. Amazingly, that was the second biggest single contribution to America's balance of trade in 1993 among all industries, second only to autos and their parts.

My home State of California has been a particular beneficiary of this growth. It is an important home to the music industry, the industry whose copyright protection we are specifically addressing today. California's music community is home to over 100,000 jobs, including recording, manufacturing, distribution and retail.

These are the jobs of the future, and I am pleased that this legislation will assure the continued viability of these important businesses and creative endeavors.

More than 60 nations, including 9 members of the European Community, provide their rightsholders with a performance right. $150 million is collected worldwide for the public performance of sound recordings.

The United States is the world's leading exporter of recorded music, with American artists accounting for 35 percent of all music sold worldwide. However, because the United States does not reciprocate in providing this performance right, the U.S. Patent and Trademark Office reports that U.S. performers and record companies are denied access to these substantial royalties. Rectifying this disparity will obviously benefit this very important export sector of our economy.

Moreover, I'm told that the lack of a performance right has been a major obstacle to the efforts of our trade negotiators to achieve higher levels of intellectual property protection in general. The Senate today can help eliminate this obstacle.

This legislation would provide equity, Mr. President. Equity for the digital transmitters who would be assured that new music was available for their services. Equity for consumers who would be assured that new and varied music continues to get recorded and produced. Equity for the creators and producers of music who invest their talent, effort and dollars in sound recordings.

In sum, as I detailed in my RECORD statement of January 13 when we introduced this bill, and at the hearing on this bill in March, passing this legislation is the right thing to do as a matter of copyright policy, it's the fair thing to do, and it is clearly in the best economic interests of the Nation. I urge its adoption.

Thank you, Mr. President. I yield the floor.

Mr. HELMS. Mr. President, it is regrettable that S. 227 fails to address the present concerns of countless small businesses in North Carolina, including many restaurants, that offer background music for the enjoyment of their customers.

Many restauranteurs, retailers, and radio broadcasters resent the continued heavy-handed practices by music-licensing organizations in imposing unreasonable copyright fees. I hope these concerns may be addressed soon in future legislation.

Mr. President, this is the problem: A restaurant has a radio or television set playing, and a representative of one of the music royalty organizations shows up threatening court action unless the restauranteur pays an exorbitant licensing fee, simply for having a radio or television set on.

This double-dipping is both arrogant and unfair—the royalty organizations insist on collecting fees from both broadcasters and the small businesses that receive the public broadcasts.

Not only do these organizations double-dip, they also seek to intimidate small businesses into paying fees for listening to radio or TV stations.

Small businesses are entitled to fair protection against arbitrary pricing, discriminatory enforcement, and abusive collection practices by music-licensing organizations.

This is a problem that should be addressed soon, and, Mr. President, I ask unanimous consent that a relevant article be printed in the RECORD at the conclusion of my remarks—it being a Nation's Restaurant News article by Ron Ruggless entitled, "Operators to Lawmakers: Now You're Playing Our Song; Legislators Tackle Industry's Music-Licensing Gripe; Restauranteurs."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Nation's Restaurant News, Feb. 27, 1995]

OPERATORS TO LAWMAKERS: NOW YOU'RE PLAYING OUR SONG; LEGISLATORS TACKLE INDUSTRY'S MUSIC-LICENSING GRIPE; RESTAURATEURS

(By Ron Ruggless)

WASHINGTON.—At the urging of restaurateurs and other small-business owners, federal and state lawmakers are pumping up the volume on the way music-licensing agents do business and the fees they charge.

In Congress Rep. Jim Sensenbrenner, R-Wis., has introduced a bill to amend federal copyright law and exempt restaurateurs from paying licensing fees for background music from radios and televisions, for which they are now liable.

And in 10 states, from New Hampshire to Hawaii, Legislatures are considering proposals that would regulate the way the music-licensing agents conduct themselves in collecting royalties.

"Restaurant owners all over the country have been infuriated by the bullying tactics of the huge music-licensing agents," said Herman Cain, president of the National Restaurant Association. "Their outrage is palpable."

For years restaurateurs have been alarmed by what they consider random pricing and abusive collections and threats by the performing rights societies, such as Broadcast Music Inc., or BMI; the American Society of Composers, Authors and Publishers, or ASCAP; and the Society for European Songwriters and Composers, or SESAC.

I can't tell you the number of times small-business owners in my district have complained about the tactics used by these performing rights societies to collect fees for music played on radios or TVs," Sensenbrenner explained. "I believe artists should be compensated for their works, but I don't believe these societies should be able to intimidate a restaurant owner into paying fees for the incidental use of a broadcast over which he is she has no control."

More than 150 restaurateurs were scheduled to fly in to Washington on Feb. 23 to lobby the 104th Congress on Sensenbrenner's Fairness in Musical Licensing Act of 1995 (H.R. 789). Similar legislation was introduced in last year's Congress but was not acted upon before it adjourned.

The Sensenbrenner bill, which had 21 cosponsors by mid-February, also would establish an arbitration system to resolve rate disputes. Under current federal copyright law, only the federal court of the Southern District of New York is allowed to handle such disputes, which makes it expensive for business people elsewhere in the nation. The National Restaurant Association has long claimed that ASCAP, BMI, and SESAC rely on the threat of costly court battles to force restaurateurs to comply with their fees.

Meanwhile, restaurateurs were working at the local level in 10 states to regulate the way the music-copyright agents conduct their collections of royalties.

Most states were patterning their legislation after New Jersey's Collection Practices Reform Act, which has passed the state's General Assembly and is now under consideration by the Senate.

The New Jersey proposal would require music-licensing agents to provide list of songs they represent, provide comparisons of fees charged within a 25-mile radius of a business, force them to identify themselves upon entering a business establishment and set up a third-party arbitration group to mediate contract disputes.

States with similar bills wending their way through the legislatures include Colorado, Hawaii, Maryland, Missouri, New Hampshire, Oklahoma, Texas, Virginia, and Wyoming.

In Texas the proposed legislation includes the New Jersey provisions as well as a component that would require agents to be licensed by the state, according to Glen Garey, general counsel for the Texas Restaurant Association. "I don't think we'll be too easy to push over," Garey said, referring to lobbying by the performing-rights societies. "I don't buy into the argument that any of this is unconstitutional or conflicts with federal law."

Colorado's proposed legislation in mid-February had garnered the sponsorship of 20 of 65 House members and 10 of 35 senators, according to Pete Meersman, executive director of the Colorado Restaurant Association.

It doesn't deal with whether or not operators owe royalties to copyright owners, or whether those royalties are fair," Meersman said. What it does deal with is how royalties are collected in Colorado. It sets a standard of professional conduct for agents of these Performing-rights societies."

The legislation would require music-licensing agents to identify themselves upon entering establishments for the purposes of investigating the use of copyrighted music.

"A lot of times," Meersman explained, "they will come in unannounced. We've had members find them in their coat rooms, where their music equipment is kept. We've had them question employees who don't really know anything about the equipment, type of music or whether it's CDs, tapes or radio.

"We'd like them to identify themselves so someone who knows what they are talking about can get them the information they need."

Another provision would require the societies to provide lists of copyrighted songs they represent. "The reason we want to have lists available is that, say, you're an operator, and you don't want to pay royalties or a blanket licensing fee to all these groups," he said. "You want to know what is copyrighted or covered under your agreement. In other words, you want to know what you are paying for."

One other provision in the bill would require the performing-rights societies to let operators know what other similar establishments are paying in the same area, which was defined as a 25-mile radius. "That way you might be able to determine whether you are being asked to pay fees that are unreasonable compared to similar establishments," Meersman said.

A number of Colorado restaurant operators have been threatened if they didn't sign a music agreement, he said. "We think our members ought to be treated in a more professional manner. They don't like to be threatened, intimidated. It's a standard of professional conduct."

Meersman said the Colorado legislation has drawn opposition from lobbyists from the music-copyright companies, who, he said, "are pulling out all the stops to try to squash this legislation wherever it comes up."

One argument is that music-copyright legislation should be handled at the federal level, but Meersman disagrees: "Issues dealing with whether or not someone has to pay a fee, those are not things we can deal with at the state level. But how these people treat business owners in the state and how they go about collecting the fees is a state issue."

Katy McGregor, a legislative representative with the NRA in Washington, welcomes the state initiatives. If they can get some reforms at the state level, it certainly makes dealing with these music-licensing groups a little more agreeable until we can get some changes in copyright law at the federal level," she said. "What they are doing in the states is crucial."

Mr. LEAHY. Mr. President, the matter of a performance right for sound recordings is an issue that has been in dispute for over 20 years. I believe that Congress will finally enact a law establishing that right.

I believe that musicians, singers and featured performers on recordings ought to be compensated like other creative artists for the public performances of works that they create and that we all enjoy. I want companies that export American music not to be disadvantaged internationally by the lack of U.S. recognition of such a performance right. Most of all, I have wanted to be sure that the new law is fair to all parties—to performers, musicians, songwriters, music publishers, performing rights societies, emerging companies expanding new technologies, and, in particular, consumers and the public.

I am glad to have been able to play a role in redesigning the bill to meet these objectives. The substitute seeks to preserve existing rights, to encourage the development of new technologies, and to promote competition as the best protection for consumers. I was pleased to join as a cosponsor of the substitute and to urge support for S. 227 as amended when the Judiciary Committee considered the bill on June 29.

Working with Senator THURMOND, the Chairman of the Antitrust Subcommittee, and with the help of the Antitrust Division of the Department of Justice, we have been able to strengthen the bill in significant regard.

At our March hearing on S. 227, I raised antitrust concerns about certain provisions in the bill. In particular, I was concerned about subsections (h) and (e), which were proposed to be added to section 114 of the Copyright Act. The language of both subsections has been revised and strengthened to protect against anticompetitive activity.

As originally drafted, the bill might have created a virtually unlimited antitrust exemption for major record companies to combine to set prices for licensing music. While I want to work to find ways to keep transaction costs as low as possible for clearing rights in order to make music in the future more accessible to the public at lower prices, I do not support such an exemption to our antitrust laws.

On June 20, I received a letter from the Department of Justice responding to a letter I had sent following our hearing. The Department noted that subsection (e) of the original bill could be read to provide statutory authority to record companies to form a licensing cartel. In light of the concentration of the record industry in which 6 major companies account for 80 to 85 percent of the U.S. market, this could, in the words of the Justice Department "cause great mischief by allowing the formation of a cartel immune from antitrust scrutiny." I know that is not what the original sponsors of this legislation intended.

I was pleased to work with Senator THURMOND and others to resolve these problems. The Department provided technical assistance to us as we worked out another approach that authorizes only a clearinghouse to cut down transaction costs without authorizing price fixing by combinations of companies. This is an approach with which we are all more comfortable. In this regard, we received a follow-up letter from the Department of Justice on these provisions.

I commend the industry groups that took seriously our suggestion that they talk through their differences and see whether they could recommend a consensus solution to Congress. The cooperation and good faith contributed greatly to the process. My experience has been that in these areas of copyright law, legislation moves best and most easily by consensus. I think that is what we have strived to attain and what we have achieved.

I ask unanimous consent to have printed in the RECORD copies of the June 20 and July 21 letters from the Department of Justice on this measure.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, June 20, 1995.

Hon. PATRICK LEAHY,
Ranking Member, Subcommittee on Antitrust, Business Rights and Competition, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR SENATOR LEAHY: Thank you for your March 13, 1995, letter to Assistant Attorney General Anne Bingaman asking for views on S. 227, the "Digital Performance Right in Sound Recordings Act of 1995." The Administration supports the establishment of a performance right in digital recordings. However, based on our review of S. 227, we believe: (1) that proposed subsection (e) may inadvertently authorize cartel activity in the licensing of performance rights, and (2) that proposed subsection (h) does not fully address the potential competition issues associated with licensing to affiliated entities. Minor modifications to S. 227 would remedy these deficiencies without undermining the bill's underlying goals.

Performance rights in sound recordings, common in Europe and other regions, are not currently granted by the 1976 Copyright Act or any other federal statute. Thus, under current law, producers of sound recordings are not entitled to license or receive royalties for the public performance and broadcast of their recordings in the U.S. for example, digital subscription transmission services[1] currently may buy a compact disc on the retail market and simply play the music from it on their channels without obtaining the permission of or compensating the artists or record companies that produced the recording.

Senate Bill 227 would amend the Copyright Act to create a performance right in digital transmissions. Under the bill, right holders would have the authority to receive royalty fees from, and in some cases, negotiate the terms of, the performance of their sound recordings by digital delivery services such as pay-per-listen and subscription transmission services.

Generally, we believe that S. 227 would advance competition by allowing producers of sound recordings control over certain transmissions of their recordings by some digital transmission services, this potentially allowing them to limit the threat of uncompensated home copying by subscribers to those services. Nevertheless, given the concentrated nature of the affected industries, the danger exists that this remedial legislation could be subverted to monopolistic aims.

1. Licensing Cartel.—We are concerned that proposed subsection (e), by allowing license negotiations by a common agent, would authorize formation of a cartel by performance rights holders. Our understanding is that a "performance right" would, at least with respect to the major record companies and their affiliates (the "majors")[2] be held by the record company, either by virtue of its producer status or by contract with the artist.[3]

As part of its ongoing inquiry into licensing practices in U.S. and in foreign commerce, the Department is currently investigating whether certain record companies have unlawfully colluded on license fees by, inter alia, forming "performance rights societies" in Europe and elsewhere that operate as the exclusive negotiating agency for all of the record companies. Unlike licensing societies that act as nonexclusive agents for owners and composers of copyrighted compositions, the foreign performance rights societies are the exclusive assignees of performance rights and arguably are highly concentrated. Exploiting the combined market power associated with the pooling of intellectual property rights, these exclusive licensing societies typically charge a percentage-of-revenue fee in return for a blanket license. The European Commission has issued a Statement of Objections against these practices as they relate to music video licenses, and the Division is likewise seeking to determine whether the activities of these foreign rights societies have an adverse impact on U.S. exports of music video and digital radio programming. See *United States* v. *Time Warner Inc., et at.*, No. Misc. 94-338 HHG (filed Nov. 3, 1994) (Petition to enforce civil investigative demands).

Arguably, S. 227 would statutorily authorize performance right holders, and record companies in particular, to form the same kind of anticompetitive performance rights society here in the United States. According to proposed subsection (e):

"Any copyright owners of sound recordings and any entities performing sound recordings affected by this section may negotiate and agree upon the terms and rates of royalty payments for the performance of such sound recordings and the proportionate division of fees paid among copyright owners, and *may designate common agents to negotiate, agree to, pay, or receive such royalty payments.*"

(Emphasis added). This subsection could cause great mischief by allowing the formation of a cartel immune from antitrust scrutiny. Although the arbitration royalty panel created by the statute would set some limit on fees charged for compulsory licenses, this provision would authorize collective negotiations by right holders for unregulated voluntary licenses as well. Moreover, even in the compulsory license context, a small programmer would almost certainly pay hefty premium in order to avoid the costs of a challenge before the royalty panel against a cartel whose costs and legal fees are spread over a multi-billion dollar industry. Ultimately, U.S. consumers would pay this premium.

We therefore strongly recommend that proposed subsection (e) be deleted. To do so would in no way affect the salutary goals of the bill. Artists could transfer rights to the record companies. Record companies could unilaterally hire agents. They could even form a performance right society so long as it conformed to the antitrust laws. What they could not do is form a federally authorized cartel to set higher-than-competitive prices.

2. *Licensing to Affiliates.*—Proposed subsection (h) provides that, where a right holder licenses a sound recording to a digital programmer it directly or indirectly controls, the right holder must license to similarly situated programmers on similar terms and conditions. As written, this provision is unlikely to be an effective deterrent to discrimination in favor of affiliates and may have the unintended effect of mandating higher-than-competitive license fees.

In the first place, the trigger language of the bill is too narrow. As far as we know, no individual right holder, including the record companies, has a large enough individual stake in a digital programmer to have positive "control". Together, however, several majors potentially may exercise substantial *collective* influence. Taking the cable audio services industry as an example, Sony, Warner, and EMI each hold a 33% interest in

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Footnotes at end of article.

SWE Cable Radio Company (SWE), which in turn holds a 35% interest—enough for negative control over any major decision—in Digital Cable Radio Associates L.P. (DCR). Presumably, these partners could favor their collectively controlled programmer at the expense of Digital Music Express (DMX), the only other digital radio programmer. S. 227 would not prevent discrimination of this type.

Second, it is by no means clear that programmers such as DMX would be protected by subsection (h) even if it were triggered. As written, the subsection mandates "similar terms" as those provided to the affiliated programmer. This raises the possibility that right holder(s) could set a high price to the affiliated programmer and then claim a statutory requirement to apply the artificially high rate to the non-affiliated programmer.

Third, to be an effective deterrent to discrimination, subsection (h)(2), allowing the right holder to set different terms and conditions for essentially any reason, should be tightened.

We suggest, therefore, the following modifications to proposed subsection (h) (changes in italics):

"Where a copyright owner of sound recordings, *individually or collectively with other copyright owners of sound recordings*, owns a controlling interest in, or otherwise possesses the power directly or indirectly to *control or block important management decisions* of, an entity engaging in digital transmissions covered by section 106(6) and licenses to such entity the right to publicly perform a sound recording by means of digital transmission, the copyright owner shall make the licensed sound recording available under section 106(6) *on terms and conditions no less favorable* to all similarly-situated entities offering similar types of digital transmission services, except that the copyright owner may—

"(1) impose reasonable requirements for creditworthiness; and

"(2) *make reasonable adjustments to the* prices, terms, and conditions to take into account the types of services offered, the duration of the license, the geographic region, the numbers of subscribers served, and any other relevant factors."

We believe this modified language would address the concerns set forth above by (1) expanding the coverage of the subsection to include situations where right holders collectively control a programmer or have a stake in a programmer that does not rise to the level of positive control; (2) restricting the ability of a right holder to discriminate based on pretextual dissimilarities among affiliated and non-affiliated programmers; (3) preserving the ability of rights holders to take substantial differences among programmers into account; and (4) ensuring that a programmer is not bound by statute to accept an artificially high license fee.

Thank you for the opportunity to comment on S. 227. In our view, the bill would be measurably improved if Congress were to adopt the suggested modifications or take other steps to address the concerns we have raised. Please do not hesitate to contact me at any time for further elaboration of the views expressed.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this report to the Congress.

Sincerely,

KENT MARKUS,
Acting Assistant Attorney General.

FOOTNOTES

[1] Digital subscription transmission services currently provide approximately 60 CD-quality channels of audio programming to cable and satellite television subscribers.

[2] Six major record companies and their affiliates (the "majors") collectively account for approximately eighty to eighty-five percent of the U.S. and worldwide markets for prerecorded records, taps, and compact discs.

[3] When a recording artist signs with a major record label, he or she typically transfers all copyrights, including any performance right, to the record company in perpetuity throughout the world.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, July 21, 1995.

Hon. PATRICK LEAHY,
U.S. Senate,
Washington, DC.

DEAR SENATOR LEAHY: This letter responds to your June 29, 1995, letter to Anne K. Bingaman in which you, joined by Senators Thurmand, Kyl and Brown, asked for the Department of Justice's views on whether the most recent changes made to S. 227 adequately address the antitrust concerns raised in the Department's June 20, 1995, letter to you on this subject.

S. 227 would amend the Copyright Act to create a performance right in digital transmissions. Under the bill, right holders would have the authority to receive royalty fees from, and, in some cases, negotiate the terms of the performance of their sound recordings by digital delivery services such as pay-per-listen and subscriptions transmission services.

The Administration supports the establishment of a performance right for sound recordings. Generally, we believe that S. 227 would advance competition by allowing producers of sound recordings control over certain transmissions of their recordings by some digital services, thus potentially allowing them to limit the threat of uncompensated home copying by subscribers of those services.

As set forth more fully in our earlier letter, the original language of S. 227 could have been read to statutorily authorize activities that might otherwise violate the antitrust laws. Specifically, proposed subsection (e) arguably would have authorized rights holders—typically record companies—to designate "common agents" without appropriate safeguards to ensure against cartel behavior. Similarly, proposed subsection (h) could have been read to require an unaffiliated programmer to pay the same artificially high license as paid by an affiliated programmer.

As we read the Chairman's Final Mark Substitute Draft of S. 227, the revised bill can no longer be read to exempt activity that would otherwise clearly violate the antitrust laws.

With respect to proposed subsection (e), "Authority for Negotiations," we were concerned that the original language of the bill would have the unintended effect of making cartel conduct immune from antitrust scrutiny. In the revised bill, the role of the common agent has been substantially curtailed, thus addressing our concern. Specifically, in the context of "voluntary negotiations" for a statutory license, the common agent is now "non-exclusive"—meaning that a programmer may not be required to negotiate through the common agent. In addition, any impasse on license fees, terms and conditions can be resolved by the rate panel, if necessary. Where a statutory license has not been created (e.g., for interactive transmissions or transmissions that exceed the performance complement), the common agent's role is limited to a "clearing house" function. In other words, under those circumstances a common agent may not be the instrument of collective negotiation of rates and material terms. These changes address our primary concerns with the original language of subsection (e).[1]

With respect to proposed subsection (h), "Licensing to Affiliates," our primary concerns were whether the language of the bill: (1) adequately defined situations in which right holders might individually or collectively control an affiliate, and (2) would have permitted right holders to impose artificially high license fees on non-affiliates. With the addition of a definition of an "affiliated entity" in (j)(1) and the replacement of "similar terms and conditions" in subsection (h) with "no less favorable terms and conditions," we believe that control of affiliates is adequately defined and that our competitive concern that the bill would create a likelihood of competitive disadvantage for non-affiliates has been addressed.

We believe that S. 227, as modified, adequately addresses the competition concerns of the Department of Justice.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

ANDREW FOIS,
Assistant Attorney General.

Mr. GORTON. Mr. President, I ask unanimous consent that the committee amendment, as amended, be agreed to; that the bill be deemed read a third time and passed, as amended; that the motion to reconsider be laid upon the table; and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 227), as amended, was deemed read the third time and passed, as follows:

S. 227

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Digital Performance Right in Sound Recordings Act of 1995".

SEC. 2. EXCLUSIVE RIGHTS IN COPYRIGHTED WORKS.

Section 106 of title 17, United States Code, is amended—

(1) in paragraph (4) by striking "and" after the semicolon;

(2) in paragraph (5) by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.".

SEC. 3. SCOPE OF EXCLUSIVE RIGHTS IN SOUND RECORDINGS.

Section 114 of title 17, United States Code, is amended—

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[1] Proposed subsection (e)(1) contains the clause "[n]otwithstanding any provision of the antitrust laws * * *." We would prefer such language be deleted, although we understand that Congress has used that language in other parts of the Copyright Act dealing with statutory licenses. Even with that language, we note that the substance of proposed subsection (e)(1) does not appear to authorize conduct facially at odds with the antitrust laws.

(1) in subsection (a) by striking "and (3)" and inserting "(3) and (6)";

(2) in subsection (b) in the first sentence by striking "phonorecords, or of copies of motion pictures and other audiovisual works," and inserting "phonorecords or copies";

(3) by striking subsection (d) and inserting:

"(d) LIMITATIONS ON EXCLUSIVE RIGHT.—Notwithstanding the provisions of section 106(6)—

"(1) EXEMPT TRANSMISSIONS AND RETRANSMISSIONS.—The performance of a sound recording publicly by means of a digital audio transmission, other than as a part of an interactive service, is not an infringement of section 106(6) if the performance is part of—

"(A)(i) a nonsubscription transmission other than a retransmission;

"(ii) an initial nonsubscription retransmission made for direct reception by members of the public of a prior or simultaneous incidental transmission that is not made for direct reception by members of the public; or

"(iii) a nonsubscription broadcast transmission;

"(B) a retransmission of a nonsubscription broadcast transmission: *Provided*, That, in the case of a retransmission of a radio station's broadcast transmission—

"(i) the radio station's broadcast transmission is not willfully or repeatedly retransmitted more than a radius of 150 miles from the site of the radio broadcast transmitter, however—

"(I) the 150 mile limitation under this clause shall not apply when a nonsubscription broadcast transmission by a radio station licensed by the Federal Communications Commission is retransmitted on a nonsubscription basis by a terrestrial broadcast station, terrestrial translator, or terrestrial repeater licensed by the Federal Communications Commission; and

"(II) in the case of a subscription retransmission of a nonsubscription broadcast retransmission covered by subclause (I), the 150 mile radius shall be measured from the transmitter site of such broadcast retransmitter;

"(ii) the retransmission is of radio station broadcast transmissions that are—

"(I) obtained by the retransmitter over the air;

"(II) not electronically processed by the retransmitter to deliver separate and discrete signals; and

"(III) retransmitted only within the local communities served by the retransmitter;

"(iii) the radio station's broadcast transmission was being retransmitted to cable systems (as defined in section 111(f)) by a satellite carrier on January 1, 1995, and that retransmission was being retransmitted by cable systems as a separate and discrete signal, and the satellite carrier obtains the radio station's broadcast transmission in an analog format: *Provided*, That the broadcast transmission being retransmitted may embody the programming of no more than one radio station; or

"(iv) the radio station's broadcast transmission is made by a noncommercial educational broadcast station funded on or after January 1, 1995, under section 396(k) of the Communications Act of 1934 (47 U.S.C. 396(k)), consists solely of noncommercial educational and cultural radio programs, and the retransmission, whether or not simultaneous, is a nonsubscription terrestrial broadcast retransmission; or

"(C) a transmission that comes within any of the following categories:

"(i) a prior or simultaneous transmission incidental to an exempt transmission, such as a feed received by and then retransmitted by an exempt transmitter: *Provided*, That such incidental transmissions do not include any subscription transmission directly for reception by members of the public;

"(ii) a transmission within a business establishment, confined to its premises or the immediately surrounding vicinity;

"(iii) a retransmission by any retransmitter, including a multichannel video programming distributor as defined in section 602(12) of the Communications Act of 1934 (47 U.S.C. 522(12)), of a transmission by a transmitter licensed to publicly perform the sound recording as a part of that transmission, if the retransmission is simultaneous with the licensed transmission and authorized by the transmitter; or

"(iv) a transmission to a business establishment for use in the ordinary course of its business: *Provided*, That the business recipient does not retransmit the transmission outside of its premises or the immediately surrounding vicinity, and that the transmission does not exceed the sound recording performance complement. Nothing in this clause shall limit the scope of the exemption in clause (ii).

"(2) SUBSCRIPTION TRANSMISSIONS.—In the case of a subscription transmission not exempt under subsection (d)(1), the performance of a sound recording publicly by means of a digital audio transmission shall be subject to statutory licensing, in accordance with subsection (f) of this section, if—

"(A) the transmission is not part of an interactive service;

"(B) the transmission does not exceed the sound recording performance complement;

"(C) the transmitting entity does not cause to be published by means of an advance program schedule or prior announcement the titles of the specific sound recordings or phonorecords embodying such sound recordings to be transmitted;

"(D) except in the case of transmission to a business establishment, the transmitting entity does not automatically and intentionally cause any device receiving the transmission to switch from one program channel to another; and

"(E) except as provided in section 1002(e) of this title, the transmission of the sound recording is accompanied by the information encoded in that sound recording, if any, by or under the authority of the copyright owner of that sound recording, that identifies the title of the sound recording, the featured recording artist who performs on the sound recording, and related information, including information concerning the underlying musical work and its writer.

"(3) LICENSES FOR TRANSMISSIONS BY INTERACTIVE SERVICES.—

"(A) No interactive service shall be granted an exclusive license under section 106(6) for the performance of a sound recording publicly by means of digital audio transmission for a period in excess of 12 months, except that with respect to an exclusive license granted to an interactive service by a licensor that holds the copyright to 1,000 or fewer sound recordings, the period of such license shall not exceed 24 months: *Provided, however*, That the grantee of such exclusive license shall be ineligible to receive another exclusive license for the performance of that sound recording for a period of 13 months from the expiration of the prior exclusive license.

"(B) The limitation set forth in subparagraph (A) of this paragraph shall not apply if—

"(i) the licensor has granted and there remain in effect licenses under section 106(6) for the public performance of sound recordings by means of digital audio transmission by at least 5 different interactive services: *Provided, however*, That each such license must be for a minimum of 10 percent of the copyrighted sound recordings owned by the licensor that have been licensed to interactive services, but in no event less than 50 sound recordings; or

"(ii) the exclusive license is granted to perform publicly up to 45 seconds of a sound recording and the sole purpose of the performance is to promote the distribution or performance of that sound recording.

"(C) Notwithstanding the grant of an exclusive or nonexclusive license of the right of public performance under section 106(6), an interactive service may not publicly perform a sound recording unless a license has been granted for the public performance of any copyrighted musical work contained in the sound recording: *Provided*, That such license to publicly perform the copyrighted musical work may be granted either by a performing rights society representing the copyright owner or by the copyright owner.

"(D) The performance of a sound recording by means of a retransmission of a digital audio transmission is not an infringement of section 106(6) if—

"(i) the retransmission is of a transmission by an interactive service licensed to publicly perform the sound recording to a particular member of the public as part of that transmission; and

"(ii) the retransmission is simultaneous with the licensed transmission, authorized by the transmitter, and limited to that particular member of the public intended by the interactive service to be the recipient of the transmission.

"(E) For the purposes of this paragraph—

"(i) a 'licensor' shall include the licensing entity and any other entity under any material degree of common ownership, management, or control that owns copyrights in sound recordings; and

"(ii) a 'performing rights society' is an association or corporation that licenses the public performance of nondramatic musical works on behalf of the copyright owner, such as the American Society of Composers, Authors and Publishers, Broadcast Music, Inc., and SESAC, Inc.

"(4) RIGHTS NOT OTHERWISE LIMITED.—

"(A) Except as expressly provided in this section, this section does not limit or impair the exclusive right to perform a sound recording publicly by means of a digital audio transmission under section 106(6).

"(B) Nothing in this section annuls or limits in any way—

"(i) the exclusive right to publicly perform a musical work, including by means of a digital audio transmission, under section 106(4);

"(ii) the exclusive rights in a sound recording or the musical work embodied therein under sections 106(1), 106(2) and 106(3); or

"(iii) any other rights under any other clause of section 106, or remedies available under this title, as such rights or remedies exist either before or after the date of enactment of the Digital Performance Right in Sound Recordings Act of 1995.

"(C) Any limitations in this section on the exclusive right under section 106(6) apply only to the exclusive right under section 106(6) and not to any other exclusive rights under section 106. Nothing in this section shall be construed to annul, limit, impair or otherwise affect in any way the ability of the owner of a copyright in a sound recording to exercise the rights under sections 106(1), 106(2) and 106(3), or to obtain the remedies available under this title pursuant to such rights, as such rights and remedies exist either before or after the date of enactment of the Digital Performance Right in Sound Recordings Act of 1995."; and

(4) by adding after subsection (d) the following:

"(e) AUTHORITY FOR NEGOTIATIONS.—

"(1) Notwithstanding any provision of the antitrust laws, in negotiating statutory licenses in accordance with subsection (f), any copyright owners of sound recordings and any entities performing sound recordings affected by this section may negotiate and agree upon the royalty rates and license terms and conditions for the performance of such sound recordings and the proportionate division of fees paid among copyright owners, and may designate common agents on a nonexclusive basis to negotiate, agree to, pay, or receive payments.

"(2) For licenses granted under section 106(6), other than statutory licenses, such as for performances by interactive services or performances that exceed the sound recording performance complement—

"(A) copyright owners of sound recordings affected by this section may designate common agents to act on their behalf to grant licenses and receive and remit royalty payments: *Provided*, That each copyright owner shall establish the royalty rates and material license terms and conditions unilaterally, that is, not in agreement, combination, or concert with other copyright owners of sound recordings; and

"(B) entities performing sound recordings affected by this section may designate common agents to act on their behalf to obtain licenses and collect and pay royalty fees: *Provided*, That each entity performing sound recordings shall determine the royalty rates and material license terms and conditions unilaterally, that is, not in agreement, combination, or concert with other entities performing sound recordings.

"(f) LICENSES FOR NONEXEMPT SUBSCRIPTION TRANSMISSIONS.—

"(1) No later than 30 days after the enactment of the Digital Performance Right in Sound Recordings Act of 1995, the Librarian of Congress shall cause notice to be published in the Federal Register of the initiation of voluntary negotiation proceedings for the purpose of determining reasonable terms and rates of royalty payments for the activities specified by subsection (d)(2) of this section during the period beginning on the effective date of such Act and ending on December 31, 2000. Such terms and rates shall distinguish among the different types of digital audio transmission services then in operation. Any copyright owners of sound recordings or any entities performing sound recordings affected by this section may submit to the Librarian of Congress licenses covering such activities with respect to such sound recordings. The parties to each negotiation proceeding shall bear their own costs.

"(2) In the absence of license agreements negotiated under paragraph (1), during the 60-day period commencing 6 months after publication of the notice specified in paragraph (1), and upon the filing of a petition in accordance with section 803(a)(1), the Librarian of Congress shall, pursuant to chapter 8, convene a copyright arbitration royalty panel to determine and publish in the Federal Register a schedule of rates and terms which, subject to paragraph (3), shall be binding on all copyright owners of sound recordings and entities performing sound recordings. In addition to the objectives set forth in section 801(b)(1), in establishing such rates and terms, the copyright arbitration royalty panel may consider the rates and terms for comparable types of digital audio transmission services and comparable circumstances under voluntary license agreements negotiated as provided in paragraph (1). The Librarian of Congress shall also establish requirements by which copyright owners may receive reasonable notice of the use of their sound recordings under this section, and under which records of such use shall be kept and made available by entities performing sound recordings.

"(3) License agreements voluntarily negotiated at any time between one or more copyright owners of sound recordings and one or more entities performing sound recordings shall be given effect in lieu of any determination by a copyright arbitration royalty panel or decision by the Librarian of Congress.

"(4)(A) Publication of a notice of the initiation of voluntary negotiation proceedings as specified in paragraph (1) shall be repeated, in accordance with regulations that the Librarian of Congress shall prescribe—

"(i) no later than 30 days after a petition is filed by any copyright owners of sound recordings or any entities performing sound recordings affected by this section indicating that a new type of digital audio transmission service on which sound recordings are performed is or is about to become operational; and

"(ii) in the first week of January, 2000 and at 5-year intervals thereafter.

"(B)(i) The procedures specified in paragraph (2) shall be repeated, in accordance with regulations that the Librarian of Congress shall prescribe, upon the filing of a petition in accordance with section 803(a)(1) during a 60-day period commencing—

"(I) six months after publication of a notice of the initiation of voluntary negotiation proceedings under paragraph (1) pursuant to a petition under paragraph (4)(A)(i); or

"(II) on July 1, 2000 and at 5-year intervals thereafter.

"(ii) The procedures specified in paragraph (2) shall be concluded in accordance with section 802.

"(5)(A) Any person who wishes to perform a sound recording publicly by means of a nonexempt subscription transmission under this subsection may do so without infringing the exclusive right of the copyright owner of the sound recording—

"(i) by complying with such notice requirements as the Librarian of Congress shall prescribe by regulation and by paying royalty fees in accordance with this subsection; or

"(ii) if such royalty fees have not been set, by agreeing to pay such royalty fees as shall be determined in accordance with this subsection.

"(B) Any royalty payments in arrears shall be made on or before the twentieth day of the month next succeeding the month in which the royalty fees are set.

"(g) PROCEEDS FROM LICENSING OF SUBSCRIPTION TRANSMISSIONS.—

"(1) Except in the case of a subscription transmission licensed in accordance with subsection (f) of this section—

"(A) a featured recording artist who performs on a sound recording that has been licensed for a subscription transmission shall be entitled to receive payments from the copyright owner of the sound recording in accordance with the terms of the artist's contract; and

"(B) a nonfeatured recording artist who performs on a sound recording that has been licensed for a subscription transmission shall be entitled to receive payments from the copyright owner of the sound recording in accordance with the terms of the nonfeatured recording artist's applicable contract or other applicable agreement.

"(2) The copyright owner of the exclusive right under section 106(6) of this title to publicly perform a sound recording by means of a digital audio transmission shall allocate to recording artists in the following manner its receipts from the statutory licensing of subscription transmission performances of the sound recording in accordance with subsection (f) of this section:

"(A) 2½ percent of the receipts shall be deposited in an escrow account managed by an independent administrator jointly appointed by copyright owners of sound recordings and the American Federation of Musicians (or any successor entity) to be distributed to nonfeatured musicians (whether or not members of the American Federation of Musicians) who have performed on sound recordings.

"(B) 2½ percent of the receipts shall be deposited in an escrow account managed by an independent administrator jointly appointed by copyright owners of sound recordings and the American Federation of Television and Radio Artists (or any successor entity) to be distributed to nonfeatured vocalists (whether or not members of the American Federation of Television and Radio Artists) who have performed on sound recordings.

"(C) 45 percent of the receipts shall be allocated, on a per sound recording basis, to the recording artist or artists featured on such sound recording (or the persons conveying rights in the artists' performance in the sound recordings).

"(h) LICENSING TO AFFILIATES.—

"(1) If the copyright owner of a sound recording licenses an affiliated entity the right to publicly perform a sound recording by means of a digital audio transmission under section 106(6), the copyright owner shall make the licensed sound recording available under section 106(6) on no less favorable terms and conditions to all bona fide entities that offer similar services, except that, if there are material differences in the scope of the requested license with respect to the type of service, the particular sound recordings licensed, the frequency of use, the number of subscribers served, or the duration, then the copyright owner may establish different terms and conditions for such other services.

"(2) The limitation set forth in paragraph (1) of this subsection shall not apply in the case where the copyright owner of a sound recording licenses—

"(A) an interactive service; or

"(B) an entity to perform publicly up to 45 seconds of the sound recording and the sole purpose of the performance is to promote the distribution or performance of that sound recording.

"(i) NO EFFECT ON ROYALTIES FOR UNDERLYING WORKS.—License fees payable for the public performance of sound recordings under section 106(6) shall not be taken into account in any administrative, judicial, or other governmental proceeding to set or adjust the royalties payable to copyright owners of musical works for the public performance of their works. It is the intent of Congress that royalties payable to copyright owners of musical works for the public performance of their works shall not be diminished in any respect as a result of the rights granted by section 106(6).

"(j) DEFINITIONS.—As used in this section, the following terms have the following meanings:

"(1) An 'affiliated entity' is an entity engaging in digital audio transmissions covered by section 106(6), other than an interactive service, in which the licensor has any direct or indirect partnership or any ownership interest amounting to 5 percent or more of the outstanding voting or non-voting stock.

"(2) A 'broadcast' transmission is a transmission made by a terrestrial broadcast station licensed as such by the Federal Communications Commission.

"(3) A 'digital audio transmission' is a digital transmission as defined in section 101, that embodies the transmission of a sound recording. This term does not include the transmission of any audiovisual work.

"(4) An 'interactive service' is one that enables a member of the public to receive, on request, a transmission of a particular sound recording chosen by or on behalf of the recipient. The ability of individuals to request that particular sound recordings be performed for reception by the public at large does not make a service interactive. If an entity offers both interactive and non-interactive services (either concurrently or at different times), the non-interactive component shall not be treated as part of an interactive service.

"(5) A 'nonsubscription' transmission is any transmission that is not a subscription transmission.

"(6) A 'retransmission' is a further transmission of an initial transmission, and includes any further retransmission of the same transmission. Except as provided in this section, a transmission qualifies as a 'retransmission' only if it is simultaneous with the initial transmission. Nothing in this definition shall be construed to exempt a transmission that fails to satisfy a separate element required to qualify for an exemption under section 114(d)(1).

"(7) The 'sound recording performance complement' is the transmission during any 3-hour period, on a particular channel used by a transmitting entity, of no more than—

"(A) 3 different selections of sound recordings from any one phonorecord lawfully distributed for public performance or sale in the United States, if no more than 2 such selections are transmitted consecutively; or

"(B) 4 different selections of sound recordings

"(i) by the same featured recording artist; or

"(ii) from any set or compilation of phonorecords lawfully distributed together as a unit for public performance or sale in the United States,

if no more than three such selections are transmitted consecutively: *Provided*, That the transmission of selections in excess of the numerical limits provided for in clauses (A) and (B) from multiple phonorecords shall nonetheless qualify as a'sound recording performance complement if the programming of the multiple phonorecords was not willfully intended to avoid the numerical limitations prescribed in such clauses.

"(8) A 'subscription' transmission is a transmission that is controlled and limited to particular recipients, and for which consideration is required to be paid or otherwise given by or on behalf of the recipient to receive the transmission or a package of transmissions including the transmission.

"(9) A 'transmission' includes both an initial transmission and a retransmission.".

SEC. 4. MECHANICAL ROYALTIES IN DIGITAL PHONORECORD DELIVERIES.

Section 115 of title 17, United States Code, is amended—

(1) in subsection (a)(1)—

(A) in the first sentence by striking out "any other person" and inserting in lieu thereof "any other person, including those who make phonorecords or digital phonorecord deliveries,"; and

(B) in the second sentence by inserting before the period ", including by means of a digital phonorecord delivery";

(2) in subsection (c)(2) in the second sentence by inserting "and other than as provided in paragraph (3)," after "For this purpose,";

(3) by redesignating paragraphs (3), (4), and (5) of subsection (c) as paragraphs (4), (5), and (6), respectively, and by inserting after paragraph (2) the following new paragraph:

"(3)(A) A compulsory license under this section includes the right of the compulsory licensee to distribute or authorize the distribution of a phonorecord of a nondramatic musical work by means of a digital transmission which constitutes a digital phonorecord delivery, regardless of whether the digital transmission is also a public performance of the sound recording under section 106(6) of this title or of any nondramatic musical work embodied therein under section 106(4) of this title. For every digital phonorecord delivery by or under the authority of the compulsory licensee—

"(i) on or before December 31, 1997, the royalty payable by the compulsory licensee shall be the royalty prescribed under paragraph (2) and chapter 8 of this title; and

"(ii) on or after January 1, 1998, the royalty payable by the compulsory licensee shall be the royalty prescribed under subparagraphs (B) through (F) and chapter 8 of this title.

"(B) Notwithstanding any provision of the antitrust laws, any copyright owners of nondramatic musical works and any persons entitled to obtain a compulsory license under subsection (a)(1) may negotiate and agree upon the terms and rates of royalty payments under this paragraph and the proportionate division of fees paid among copyright owners, and may designate common agents to negotiate, agree to, pay or receive such royalty payments. Such authority to negotiate the terms and rates of royalty payments includes, but is not limited to, the authority to negotiate the year during which the royalty rates prescribed under subparagraphs (B) through (F) and chapter 8 of this title shall next be determined.

"(C) During the period of June 30, 1996, through December 31, 1996, the Librarian of Congress shall cause notice to be published in the Federal Register of the initiation of voluntary negotiation proceedings for the purpose of determining reasonable terms and rates of royalty payments for the activities specified by subparagraph (A) during the period beginning January 1, 1998, and ending on the effective date of any new terms and rates established pursuant to subparagraph (C), (D) or (F), or such other date (regarding digital phonorecord deliveries) as the parties may agree. Such terms and rates shall distinguish between (i) digital phonorecord deliveries where the reproduction or distribution of a phonorecord is incidental to the transmission which constitutes the digital phonorecord delivery, and (ii) digital phonorecord deliveries in general. Any copyright owners of nondramatic musical works and any persons entitled to obtain a compulsory license under subsection (a)(1) may submit to the Librarian of Congress licenses covering such activities. The parties to each negotiation proceeding shall bear their own costs.

"(D) In the absence of license agreements negotiated under subparagraphs (B) and (C), upon the filing of a petition in accordance with section 803(a)(1), the Librarian of Congress shall, pursuant to chapter 8, convene a copyright arbitration royalty panel to determine and publish in the Federal Register a schedule of rates and terms which, subject to subparagraph (E), shall be binding on all copyright owners of nondramatic musical works and persons entitled to obtain a compulsory license under subsection (a)(1) during the period beginning January 1, 1998, and ending on the effective date of any new terms and rates established pursuant to subparagraph (C), (D) or (F), or such other date (regarding digital phonorecord deliveries) as may be determined pursuant to subparagraphs (B) and (C). Such terms and rates shall distinguish between (i) digital phonorecord deliveries where the reproduction or distribution of a phonorecord is incidental to the transmission which constitutes the digital phonorecord delivery, and (ii) digital phonorecord deliveries in general. In addition to the objectives set forth in section 801(b)(1), in establishing such rates and terms, the copyright arbitration royalty panel may consider rates and terms under voluntary license agreements negotiated as provided in subparagraphs (B) and (C). The royalty rates payable for a compulsory license for a digital phonorecord delivery under this section shall be established de novo and no precedential effect shall be given to the amount of the royalty payable by a compulsory licensee for digital phonorecord deliveries on or before December 31, 1997. The Librarian of Congress shall also establish requirements by which copyright owners may receive reasonable notice of the use of their works under this section, and under which records of such use shall be kept and made available by persons making digital phonorecord deliveries.

"(E)(i) License agreements voluntarily negotiated at any time between one or more copyright owners of nondramatic musical works and one or more persons entitled to obtain a compulsory license under subsection (a)(1) shall be given effect in lieu of any determination by the Librarian of Congress. Subject to clause (ii), the royalty rates determined pursuant to subparagraph (C), (D) or (F) shall be given effect in lieu of any contrary royalty rates specified in a contract pursuant to which a recording artist who is the author of a nondramatic musical work grants a license under that person's exclusive rights in the musical work under sections 106(1) and (3) or commits another person to grant a license in that musical work under sections 106(1) and (3), to a person desiring to fix in a tangible medium of expression a sound recording embodying the musical work.

"(ii) The second sentence of clause (i) shall not apply to—

"(I) a contract entered into on or before June 22, 1995, and not modified thereafter for the purpose of reducing the royalty rates determined pursuant to subparagraph (C), (D) or (F) or of increasing the number of musical works within the scope of the contract covered by the reduced rates, except if a contract entered into on or before June 22, 1995, is modified thereafter for the purpose of increasing the number of musical works within the scope of the contract, any contrary royalty rates specified in the contract shall be given effect in lieu of royalty rates determined pursuant to subparagraph (C), (D) or (F) for the number of musical works within the scope of the contract as of June 22, 1995; and

"(II) a contract entered into after the date that the sound recording is fixed in a tangible medium of expression substantially in a form intended for commercial release, if at the time the contract is entered into, the recording artist retains the right to grant licenses as to the musical work under sections 106(1) and 106(3).

"(F) The procedures specified in subparagraphs (C) and (D) shall be repeated and concluded, in accordance with regulations that the Librarian of Congress shall prescribe, in each fifth calendar year after 1997, except to the extent that different years for the repeating and concluding of such proceedings may be determined in accordance with subparagraphs (B) and (C).

"(G) Except as provided in section 1002(e) of this title, a digital phonorecord delivery licensed under this paragraph shall be accompanied by the information encoded in the sound recording, if any, by or under the authority of the copyright owner of that sound recording, that identifies the title of the sound recording, the featured recording artist who performs on the sound recording, and related information, including information concerning the underlying musical work and its writer.

"(H)(i) A digital phonorecord delivery of a sound recording is actionable as an act of infringement under section 501, and is fully subject to the remedies provided by sections 502 through 506 and section 509, unless—

"(I) the digital phonorecord delivery has been authorized by the copyright owner of the sound recording; and

"(II) the owner of the copyright in the sound recording or the entity making the digital phonorecord delivery has obtained a compulsory license under this section or has otherwise been authorized by the copyright owner of the musical work to distribute or authorize the distribution, by means of a digital phonorecord delivery, of each musical work embodied in the sound recording.

"(ii) Any cause of action under this subparagraph shall be in addition to those available to the owner of the copyright in the nondramatic musical work under subsection (c)(6) and section 106(4) and the owner of the copyright in the sound recording under section 106(6).

"(I) The liability of the copyright owner of a sound recording for infringement of the copyright in a nondramatic musical work embodied in the sound recording shall be determined in accordance with applicable law, except that the owner of a copyright in a sound recording shall not be liable for a digital phonorecord delivery by a third party if the owner of the copyright in the sound recording does not license the distribution of a phonorecord of the nondramatic musical work.

"(J) Nothing in section 1008 shall be construed to prevent the exercise of the rights and remedies allowed by this paragraph, paragraph (6), and chapter 5 in the event of a digital phonorecord delivery, except that no action alleging infringement of copyright may be brought under this title against a manufacturer, importer or distributor of a digital audio recording device, a digital audio recording medium, an analog recording device, or an analog recording medium, or against a consumer, based on the actions described in such section.

"(K) Nothing in this section annuls or limits (i) the exclusive right to publicly perform a sound recording or the musical work embodied therein, including by means of a digital transmission, under sections 106(4) and 106(6), (ii) except for compulsory licensing under the conditions specified by this section, the exclusive rights to reproduce and distribute the sound recording and the musical work embodied therein under sections 106(1) and 106(3), including by means of a digital phonorecord delivery, or (iii) any other rights under any other provision of section 106, or remedies available under this title, as such rights or remedies exist either before or after the date of enactment of the Digital Performance Right in Sound Recordings Act of 1995.

"(L) The provisions of this section concerning digital phonorecord deliveries shall not apply to any exempt transmissions or retransmissions under section 114(d)(1). The exemptions created in section 114(d)(1) do not expand or reduce the rights of copyright owners under section 106(1) through (5) with respect to such transmissions and retransmissions."; and

(5) by adding after subsection (c) the following:

"(d) Definition.—As used in this section, the following term has the following meaning: A 'digital phonorecord delivery' is each individual delivery of a phonorecord by digital transmission of a sound recording which results in a specifically identifiable reproduction by or for any transmission recipient of a phonorecord of that sound recording, regardless of whether the digital transmission is also a public performance of the sound recording or any nondramatic musical work embodied therein. A digital phonorecord delivery does not result from a real-time, noninteractive subscription transmission of a sound recording where no reproduction of the sound recording or the musical work embodied therein is made from the inception of the transmission through to its receipt by the transmission recipient in order to make the sound recording audible.".

SEC. 5. CONFORMING AMENDMENTS.

(a) Definitions.—Section 101 of title 17, United States Code, is amended by inserting after the definition of "device", "machine", or "process" the following:

"A 'digital transmission' is a transmission in whole or in part in a digital or other nonanalog format.".

(b) Limitations on Exclusive Rights: Secondary Transmissions.—Section 111(c)(1) of title 17, United States Code, is amended in the first sentence by inserting "and section 114(d)" after "of this subsection".

(c) Limitations on Exclusive Rights: Secondary Transmissions of Superstations and Network Stations for Private Home Viewing.—

(1) Section 119(a)(1) of title 17, United States Code, is amended in the first sentence by inserting "and section 114(d)" after "of this subsection".

(2) Section 119(a)(2)(A) of title 17, United States Code, is amended in the first sentence by inserting "and section 114(d)" after "of this subsection".

(d) Copyright Arbitration Royalty Panels.—

(1) Section 801(b)(1) of title 17, United States Code, is amended in the first and second sentences by striking "115" each place it appears and inserting "114, 115,".

(2) Section 802(c) of title 17, United States Code, is amended in the third sentence by striking "section 111, 116, or 119," and inserting "section 111, 114, 116, or 119, any person entitled to a compulsory license under section 114(d), any person entitled to a compulsory license under section 115,".

(3) Section 802(g) of title 17, United States Code, is amended in the third sentence by inserting "114," after "111,".

(4) Section 802(h)(2) of title 17, United States Code, is amended by inserting "114," after "111,".

(5) Section 803(a)(1) of title 17, United States Code, is amended in the first sentence by striking "115" and inserting "114, 115" and by striking "and (4)" and inserting "(4) and (5)".

(6) Section 803(a)(3) of title 17, United States Code, is amended by inserting before the period "or as prescribed in section 115(c)(3)(D)".

(7) Section 803(a) of title 17, United States Code, is amended by inserting after paragraph (4) the following new paragraph:

"(5) With respect to proceedings under section 801(b)(1) concerning the determination of reasonable terms and rates of royalty payments as provided in section 114, the Librarian of Congress shall proceed when and as provided by that section.".

SEC. 6. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect 3 months after the date of enactment of this Act, except that the provisions of sections 114(e) and 114(f) of title 17, United States Code (as added by section 3 of this Act) shall take effect immediately upon the date of enactment of this Act.

ORDERS FOR WEDNESDAY, AUGUST 9, 1995

Mr. GORTON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m., Wednesday, August 9, 1995; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day; and that the Senate immediately resume consideration of the Interior appropriations bill, with 30 minutes for debate remaining on the Domenici amendment, with the vote occurring on or in relation to the Domenici amendment at the expiration or the yielding back of that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GORTON. Mr. President, for the information of all Senators, the Senate will resume consideration of the Interior bill at 9 a.m. tomorrow, with a rollcall vote occurring at 9:30 a.m. Additional rollcall votes can be expected to occur during Wednesday's session of the Senate in relation to the Interior bill, the DOD authorization bill, the DOD appropriations bill and/or the Transportation appropriations bill. All Members should expect a late night session on Wednesday in order to make progress on any or all of these bills.

RECESS UNTIL 9 A.M. TOMORROW

Mr. GORTON. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 10:26 p.m., recessed until Wednesday, August 9, 1995, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate August 8, 1995:

SECURITIES AND EXCHANGE COMMISSION

ISAAC C. HUNT, JR., OF OHIO, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION FOR THE TERM EXPIRING JUNE 5, 2000, VICE RICHARD Y. ROBERTS, RESIGNED.

NORMAN S. JOHNSON, OF UTAH, TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION FOR THE TERM EXPIRING JUNE 5, 1999, VICE MARY L. SCHAPIRO.

U.S. POSTAL SERVICE

NED R. MCWHERTER, OF TENNESSEE, TO BE A GOVERNOR OF THE U.S. POSTAL SERVICE FOR THE TERM EXPIRING DECEMBER 8, 2002, VICE ROBERT SETRAKIAN, TERM EXPIRED.

DEPARTMENT OF COMMERCE

PHILLIP A. SINGERMAN, OF PENNSYLVANIA, TO BE AN ASSISTANT SECRETARY OF COMMERCE, VICE WILLIAM W. GINSBERG, RESIGNED.

SENATE—*Wednesday, August 9, 1995*

(Legislative day of Monday, July 10, 1995)

The Senate met at 9 a.m. on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, we ask You to help us keep our priorities straight. You have created us to love people and use things. Often we have reversed the order: We love things and use people. What's worse we sometimes use people as if they were things.

It happens on the personal level when we lose a sense of the sacredness of the people around us. We easily become insensitive to their needs and use them as means to accomplish our ends. We end up with too many "I-it" relationships and become "thinging-it" people.

On a broader scale, we are constantly confronted with the immensity of human need and suffering. Too often we loose our sensitivity in the maze of statistics. This week as we've considered welfare and then concerns over needs among our native American Indians, we have sought to feel deeply and respond decisively. Guide us Lord in today's consideration of Indian programs as part of the Interior legislation.

Father, You love each of us and seek to implement Your caring through all of us. Help us to put righteousness and justice into creative action. In Your love-motivating name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. MCCAIN. Mr. President, on behalf of the majority leader, for the information of all Senators, the Senate is immediately resuming the consideration of the Interior appropriations bill this morning.

Pending is a Domenici amendment, under a 30-minute time limitation regarding the funding for the Bureau of Indian Affairs.

Senators should therefore be aware that a rollcall vote will occur this morning at approximately 9:30 a.m. Further rollcall votes are expected during today's session, and the Senate is expected to be in session until the evening.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1996

The PRESIDENT pro tempore. The clerk will report the bill.

The assistant legislative clerk read as follows:

> A bill (H.R. 1977) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes.
>
> Pending:
>
> Domenici amendment No. 2296, to restore funding for programs within the Bureau of Indian Affairs.

The Senate resumed consideration of the bill.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. INHOFE). The Senator from New Mexico is recognized.

Mr. DOMENICI. I yield 5 minutes of the 15 minutes that I have to the distinguished Senator from Arizona [Mr. MCCAIN].

Mr. MCCAIN. Mr. President, the proposed cuts we are talking about will devastate Indian country. They strike at reservation services and reservation programs. They strike at Indian families and individual households. They strike at the practical ability of tribal governments to govern.

Let me quote from a letter I received from the Quinault Indian Tribe in Washington State, regarding the proposed cuts in H.R. 1977:

> These provisions . . . will mark the beginning of a new era of broken promises and hostility toward Indian nations which is unbecoming to the Senate and to a great Nation like the United States.

I would like my colleagues to understand the practical effect on just three tribes of these cuts.

The Pine Ridge Reservation of the Oglala Sioux Tribe, located in the poorest county in our country, a place 10,000 members of the Oglala Sioux Tribe call home. Nearly 67 percent of its residents live in poverty, compared to the national average of 13 percent. Nearly one-third of the people living on the reservation are unemployed. The median income of households and families on the Pine Ridge Reservation is under $11,000, which is less than one-third the national average for American households and families.

The Oglala Sioux Tribe had an $8,191,000 tribal priority allocation base of funding in fiscal year 1995. Under this cut, they would directly reduce the Oglala Sioux funding base to $5,996,000, a $2 million cut.

In the case of the Quileute Tribe in Washington, they would receive a cut from $547,000, to $393,000. I might mention that nearly 90 percent of the Quileute Tribe families with children under the age of 6 are living in poverty, and one out of three are unemployed.

The San Carlos Apache Tribe would receive a cut of some $1.6 million out of a $6 million tribal priority. And this is what the United States meant when we promised the San Carlos Apache in a solemn treaty that we would legislate and act to secure their permanent prosperity.

Mr. President, let me quote the respected jurist, U.S. Supreme Court Justice Hugo Black, who addressed this Nation's treatment of American Indians in his dissent in the case called F.P.C. versus Tuscarora:

> It may be hard for us to understand why these Indians cling so tenaciously to their lands and traditional tribal way of life . . . the lands of their reservation are [not] the most fertile, [nor] the landscape the most beautiful, [nor are] their homes the most splendid specimens of architecture. But this is their home—their ancestral home. There, they, their children, and their forebears were born. They, too, have their memories and their loves. . . . There may be instances in which Congress has broken faith with the Indians. . . . I regret that [we will] . . . break faith with this dependent people. Great nations, like great men, should keep their word.

Mr. President, we have broken our bond with these people. We have denied them the full benefits derived from their lands and resources. We have denied them authority over their own affairs. And under this bill, we would deny them the funds they desperately need to address the widespread poverty and hopelessness that are a part of everyday life on the reservation.

I reserve the remainder of my time for Senator DOMENICI.

Mr. DOMENICI. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Five minutes.

Mr. DOMENICI. I yield 3 minutes to Senator INOUYE.

Mr. INOUYE. Mr. President, I have only a few observations to add to the other statements that have been made by the chairman of the Budget Committee and the chairman of the Committee on Indian Affairs.

Last evening, the chairman of the Interior Subcommittee informed the Members of this body that the policy which guided the subcommittee's action in distributing 45.6 percent of the reductions in the Interior Department's budget to the Bureau of Indian Affairs is one that is aimed at speeding

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

up the process of Indian self-determination and self-governance by sharply reducing funds that go directly to tribal governments for the provision of basic government services for reservation citizens—services such as fire protection, law enforcement, the assurance of health and safety, and the protection of the general welfare of tribal communities.

Our colleagues will recognize that this initiative is not dissimilar from that which is being proposed in the area of welfare reform—which is the idea of moving responsibilities out of the Federal Government and placing those responsibilities closest to the people—empowering local communities to address the challenges which confront citizens at that level.

But, Mr. President, I believe we must examine carefully what is being proposed under the auspices of self-governance and self-determination, because in the context of reform, we have not and are not asking other Americans to experience a 26-percent reduction in the programs upon which they have come to rely.

Rather, we talk about cutting the budget for Federal programs by 5 to 7 percent over the next 5 to 7 years.

In stark contrast, we would tell the Indian people that the programs which support the very infrastructure of their governments must be reduced by 26 percent in just 1 year.

In stark contrast to the reform measures that we have been debating in recent days, we would tell the Indian people that we are going to shore up and protect the Federal bureaucracy that absorbs 90 cents of every dollar we appropriate for Indian programs and instead, we are going to drastically reduce the ability of tribal governments to address the needs of their citizens at the local level.

Mr. President, this is not a proposal that will empower tribal governments.

This is a proposal that will devastate the ability of Indian governments to serve the most basic needs of their citizens.

As a member of the Appropriations Committee, I understand all too well the constraints and the competing demands that are placed on each of our subcommittees and I understand the challenges with which the chairman and former chairman of the Interior Subcommittee are faced. In the last few days, representatives of the Interior Department have spread horror stories around this body about the impact on each Member's State if funds are taken from any of the six accounts we propose to use as offsets.

One Member is told that the Minerals Management Service office in Alaska will be closed. Another Member is told that the wildlife refuges in his State will be closed. There is a story for every Member—and it is always that all of the Interior programs in his or her particular State will be the programs that bear the brunt of our proposed reductions.

Unfortunately, these are the kind of desperate and dishonest tactics that are employed when resources become scarce. But I would ask my colleagues, Mr. President, to examine the relative reductions to other programs in Interior, and to understand that a 26-percent cut in the programs that go directly to the Indian tribal governments is a reduction of a size and proportion that we have not asked any of the other Interior programs to bear. It is a matter of simple equity that brings us to this threshold today.

Mr. President, we do have a responsibility to preserve and protect this Nation's resources, but we also have a responsibility that we, as a nation, undertook long ago—when we encouraged the Indian nations, by force and solemn commitments, to give us their lands. This responsibility—this trust responsibility—for Indian lands and resources, and to assure the survival of the Indian people—is no less sacred.

Mr. DASCHLE. Mr. President, I would like to engage the distinguished chairman of the Budget Committee, Senator DOMENICI and the distinguished vice-chairman of the Committee on Indian Affairs, Senator INOUYE, in a colloquy on their amendments to H.R. 1977, the fiscal year 1996 Interior appropriations bill and the Earth Resources Observation System [EROS] Data Center.

Mr. DOMENICI. Mr. President, Senator INOUYE and I would be happy to discuss the amendment with the Senator from South Dakota.

Mr. DASCHLE. Mr. President, before discussing the EROS Data Center, I would like to take this opportunity to commend my colleague on the Budget Committee and my colleagues on the Indian Affairs Committee for offering their amendment to the Interior appropriations bill. I strongly support their efforts to restore $200 million to the Bureau of Indian Affairs tribal priority allocations account, nonrecurring programs, and other recurring programs.

The existing level of funding for the Bureau of Indian Affairs [BIA] and tribal programs is extremely inadequate. The objective of the BIA is to encourage and assist Indian people to manage their own affairs under the trust relationship to the Federal Government. To carry out this objective, the BIA is responsible for assisting Indian tribes in the development and implementation of effective programs for their self-sufficiency and advancement.

Historically, the BIA has never been funded at a level that meets the needs of Indian people. The reductions in the BIA tribal priority allocation account recommended by the Interior Appropriations Committee will have the potential to further decrease and eliminate many important programs such as tribal courts, law and order, social services, roads, and housing needs that are so important to tribal self-sufficiency.

Mr. DOMENICI. Mr. President, I thank the Senator for his kind remarks and completely agree that the funding contained in the fiscal year 1996 Interior appropriations bill for the BIA and tribal programs is simply inadequate.

Mr. DASCHLE. Mr. President, my support for the BIA restoration amendment is based on an understanding that the offsets will not be taken from the EROS Data Center, which is funded from the U.S. Geological Survey's [USGS] national mapping, geography, and surveys account.

The EROS Data Center is a data management, systems development, and research field center of the National Mapping Division of the USGS. Located near Sioux Falls, SD, EROS is a state-of-the-art facility that receives, processes, and distributes data from Landsat satellites. Today, the center holds the world's largest collection of images of the Earth, including more than 3 million images acquired from Landsat, meteorological and foreign satellites.

As my colleagues on the Senate Appropriations Subcommittee on Interior know, the EROS Data Center works closely with USGS, the Interior Department, and other Federal agencies including the Department of Defense and the National Aeronautics and Space Administration [NASA]. The center, for instance, manages the National Satellite Land Remote Sensing Data Archive and participates in NASA's Mission to Planet Earth Program. As a unique hub of high technology research, EROS is particularly important to South Dakota because it provides opportunities for scientists, educators, and students in our State and assures them a role in the rapidly changing area of supercomputing and on the information superhighway.

Mr. DOMENICI. Mr. President, I understand the Senator's strong support for the EROS Data Center and would like to assure him that it is our intent that the offsets for our amendment will not be taken from the national mapping, geography, and surveys account of USGS.

Mr. INOUYE. Mr. President, I concur with the chairman of the Budget Committee. The Senator from South Dakota is correct. It is my intent that the important work done by the EROS Data Center will not be affected by our amendment. It is my intent that the offsets from the U.S. Geological Survey will not come from the national mapping, geography, and surveys account to support the amendment that restores funds for the Bureau of Indian Affairs.

Mr. DASCHLE. I want to thank my colleague from the Budget Committee and my colleague from the Committee on Indian Affairs for this clarification and assurance. I commend them for offering this important amendment.

TRANSFER OF HATCHERIES

Mr. CONRAD. Mr. President, I would like to ask the authors of the amendment about an offset item in the amendment. Regarding the reduction in funding to the U.S. Fish and Wildlife Service, it is my understanding that, consistent with the committee report, the 11 fish hatcheries proposed by the administration for transfer to States and tribes will be operated during fiscal year 1996, and that the working group to be formed to plan the future of the hatcheries will carry out its mission. Is my understanding correct?

Mr. DORGAN. Before the Senators respond, I would also like to ask the authors of the amendment about the reduction in funding for the Natural Resources Science Agency. It is my understanding that, consistent with the committee report, it is the intent of Congress that the Northern Prairie Science Center at Jamestown, ND will be maintained at its present level of funding. Also, I understand that funding provided for the Water Resources Research Institutes and for National Cooperative Mapping by the U.S. Geological Survey will not be reduced by this amendment. Am I correct?

Mr. DOMENICI. The Senators from North Dakota are correct. The amendment's reduction in funding to the U.S. Fish and Wildlife Service, the Natural Resources Science Agency, and the U.S. Geological Survey should not negatively impact the programs mentioned by the Senators.

Mr. DORGAN. It is also my understanding that it is the intent of the amendment's sponsors that, of funds provided for other Bureau of Indian Affairs recurring programs, not less than $2.5 million will be provided to implement the Child Protection and Family Violence Prevention Act of 1990.

Mr. INOUYE. The Senator's understanding is correct.

Mr. DORGAN. Mr. President, the appropriations bill for the Department of the Interior cuts spending on Bureau of Indian Affairs programs by 16 percent and strips it of major responsibilities for natural resources management. Even more damaging is the fact that tribes will be faced with a one-third cut in the funds that go directly to tribes so that they can provide people with critical education, human services, public safety, and economic development programs.

Indian programs have traditionally been the first to see the budget ax and the last to see funding. This is wrong. It's asking some of our poorest communities and most vulnerable citizens to foot the bill for balancing the budget—while saying, "We have plenty of money for tax cuts for the wealthy and for star wars."

The statistics on Indian poverty are staggering. About one out of every three Indians lives in poverty—and so do half of the children under age 6 who live on reservations. The average employment rate on reservations is about 45 percent, and the per capita income is approximately $4,500.

Tribes are in desperate need of resources, for educating children, for protecting abused and neglected children, for combating alcoholism and drug abuse, for fighting crime, for building roads, homes, and water and sewer systems. And we—the Federal Government—have a special trust responsibility to provide those resources to tribes.

This appropriations bill falls far short of meeting the fundamental obligation of the United States toward the Indian nations. In North Dakota, the funding cuts contained in this bill will mean tribal governments will be faced with cutting employees who run the courts, who prevent child abuse, who teach children. The cuts mean that, on reservations where there are waiting lists for housing, understaffed police departments, decrepit schools, and unpaved roads, there will be even fewer dollars to meet critical needs.

One of these needs that will continue to go unmet under this appropriations bill is particularly troubling to me—and that is the need to fight and prevent child abuse on Indian reservations. Many of you have heard me speak on the floor about Tamara, a young woman from Fort Yates, ND, who at age 3 was placed in a foster home by a caseworker who was juggling 150 cases. She was placed in a foster home which had not been inspected. This was a home where the norm was heavy drinking and all-night parties. After one such party—if you can call it that—this 3-year old girl was so severely beaten that her hair was pulled out by its roots. Her arm and nose were broken.

I wish every Member of this body could someday look into Tamara's eyes, so that he or she may see what happens when the Federal Government says, "No, we don't have enough money to help tribes hire social workers."

The BIA requested $5 million to help prevent child abuse on Indian reservations. The Appropriations Committee killed all of this funding—all of it. I hope that every Member of this body will think long and hard about the effect of passing legislation in which our priorities become so skewed, so wrongheaded, that we are willing to cut out funding that could very well save the life of a small child who is living in fear and in pain.

I am pleased to offer my support for the amendment offered by Senators DOMENICI, MCCAIN, and INOUYE. This amendment will provide critical funding for Indian programs. I understand from the managers of the amendment that no less than $2.5 million of the restored funding would be set aside for child abuse and treatment programs under the Child Protection and Family Violence Prevention and Family Violence Prevention Act of 1990. I thank them for their efforts to protect Indian children, and I hope my colleagues will join me in supporting this critical amendment.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, Members have on their desks a brief outline of what this bill does with respect to the agencies within the Department of the Interior and the other responsibilities of this subcommittee. The entire thrust of the argument for this bill has been aimed not at reductions in Indian programs, but at reductions of the appropriations for the Bureau of Indian Affairs, a Bureau, I may say, criticized by most of these same Members over the years as one of the least efficient and least responsive in the entire Federal Government.

But the total reductions for the Bureau of Indian Affairs itself are 16 percent. The total reduction for Indian programs are 8 percent. By comparison, the Forest Service is reduced 22 percent, the various endowments by 39 percent, the Fish and Wildlife Service by 11 percent, territorial affairs by 23 percent. It is just simply not the case that Indian programs have been singled out for disproportionate reductions.

I stand here, as does my colleague from West Virginia, to share with Members that frustration at the fact that, because of what we have decided to do in order to balance the budget, under the leadership of the Senator from New Mexico, we have, overall, 11 percent fewer dollars for our responsibilities. I want to emphasize once again, we have reduced Indian programs by only 8 percent, and they are not the programs the Senator from Arizona was talking about. These are not the programs that provide for education, or for health, or for housing, or for the relief of poverty. These are the moneys that go through the Bureau of Indian Affairs to give to Indian governments, which raise no money on their own—unlike every other form of local government in the United States.

In order to see to it, at a time of starkly declining budgets for all of these agencies, that the Bureau of Indian Affairs, for all practical purposes, has no reduction, so that the total reduction for Indian programs is a mere 2 percent, this amendment would devastate responsibilities of the Government of the United States, which it literally cannot delegate to anyone else—the management of all of the lands owned and operated by the Bureau of Land Management. The Bureau of Land Management, quite accurately, tells us that it has already taken a $50 million reduction from the President's budget request and that its outreach programs, its recreational programs will, of necessity, have to go if this additional huge reduction is imposed upon it because it cannot abandon the land itself.

The Fish and Wildlife Service, which is reduced $41 million from the President's proposal by our budget, and for which this amendment asks another $30 million reduction would, of necessity, come out of its recreation, its people-oriented activities. I read a list last night, that the Fish and Wildlife Service sent to us through the Department of the Interior, of more than 50 wildlife refuges that will close, as far as public access is concerned, because all that will be left is what is necessary for the preservation of habitat. They cover most of the States of the United States—as many as four or five in States like North Carolina and Oregon and Texas, and at least one in almost every other State. Of course, that is going to happen. This is a lot of money.

There has been a colloquy submitted between the distinguished Democratic leader and the chairman of the Budget Committee with respect to the National Geological Survey and the EROS Data Center in Sioux Falls, SD. I can tell you, Mr. President, that Sioux Falls, SD, EROS Data Center is No. 1 on the list for the National Geological Survey for closure if this amendment is agreed to. It does not do much good to say it is not the intention of the sponsors to close it. It will close if this amendment becomes law.

We have been in the process of distributing reductions which were forced on us—not ones which we asked for—in a field in which the Federal Government is solely responsible. We have been able to have no reductions at all only in the operations of the National Park Service and the cultural institutions here in Washington, DC, like the Smithsonian and National Gallery of Art, for which we are solely responsible, and the Indian Health Service, which is actually increased, the only significant item in this bill which is increased. Yet, these sponsors put on blinders. They do not tell you about the $1.8 billion worth of programs for Indians in other appropriations bills. They do not talk about Indian education or the Indian Health Service. They speak only about the BIA, and within that only one program within the BIA.

If they wish to refocus the amounts of money to the BIA within this appropriation, I am certain that the Senator from West Virginia and I would be more than accommodating. But this does not attack the welfare and income maintenance programs of the Indians at all. And this bill, I must repeat, reduces Indian programs considerably less than it reduces the average of all other programs in this bill. It is extremely unfortunate, but it is the only fair way in accomplishing a goal.

Mr. DOMENICI. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes 15 seconds.

Mr. DOMENICI. I yield 2 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Thank you, Mr. President.

First of all, I ask unanimous consent to be included as an original cosponsor of the Domenici amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Thank you.

Mr. President, I told my colleague from New Mexico that I did not come to the floor last night to speak on this amendment because I wanted to get a clear understanding of the offsets which are contained in the amendment.

Mr. President, frankly, some of the offsets are troubling to me. Especially those which pertain to the National Biological Service, the Bureau of Land Management, the Fish and Wildlife Service, and the Minerals Management Service. As a strong environmentalist, I wish we did not have to make any tradeoffs in these areas at all because they are all important. But I think this is a matter of simple justice and equity. I believe the Domenici, McCain, and Inouye amendment is extremely important.

Mr. President, as I look at the proposed cuts, I am troubled that most of these cuts really are not in Federal bureaucracy but instead go right down to the tribal programs at the reservation level.

Mr. President, the statistics all translate into personal and human terms. It is unconscionable to have deep cuts in programs at the tribal level; be they education programs or health-care programs. It is one thing to talk about all these statistics in a cut and dried way. But when you travel in Minnesota, New Mexico, Arizona, or any number of other States, and you visit with people in the Indian nations, it is just staggering to observe the poverty, including the horrifying poverty of children.

Mr. President, it strikes me that this amendment is about simple justice and fairness. This amendment deserves the support of all Senators. It is just that simple.

Mr. President, we cannot turn our gaze away from a history that none of us can be proud of. We cannot turn away from the dire poverty that still is out there in Indian country. We cannot turn away, Mr. President, from the impact these cuts are going to have on the lives some of the poorest Americans.

Therefore, I rise to strongly support this amendment.

Mr. GORTON. Mr. President, I yield 4 minutes to the Senator from West Virginia.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair. I thank the manager.

Mr. President, we had debate on this amendment for an hour and a half last night. Senator GORTON and I have both spoken in opposition to the amendment.

The amendment being voted on this morning proposes to reduce six different accounts within the Interior Department in order to increase funding for the Bureau of Indian Affairs. The reductions proposed by this amendment would:

Double the reduction already imposed on the operations of the Bureau of Land Management, which will affect the conduct of the grazing, mining, and timber programs;

Increase the cut on Fish and Wildlife Service operations to more than $100 million below the fiscal year 1995 level, which will affect the delivery of services at national wildlife refuges—of which there are 500—and fish hatcheries;

Reduce the Geological Survey by $46.5 million, which will lead to additional job termination beyond the 400 positions being eliminated this year, and affect earthquake, volcano, and landslide monitoring as well as mapping and streamflow measurements;

Cut $45 million from the Natural Resources Science Agency, which would eliminate existing natural resource evaluation, monitoring, and investigation; and

Reduce the royalty management function whereby the Interior Department ensures that moneys owed the Federal Government due to mineral extraction are paid.

Mr. President, the proponents of the amendment have contended that the recommendations contained in the pending bill disproportionately affect Indian programs. In fact, this is not the case. Senators should remember that this bill is reduced $1.1 billion below the fiscal year 1995 enacted level. Cuts are real throughout the bill, not just in the Indian program.

The potential consequences of the committee's recommendations are what most concern the sponsors of the amendment. Mr. President, consequences are what happen when we impose reductions on discretionary spending. And as I said last night, this is just the tip of the iceberg. Further reductions in discretionary spending are called for next year. The budget resolution has told us that programs have to be cut. Our task is to do so responsibly. It is not an easy chore. Rather, it is an unpleasant one. It is one that each Senator probably thinks he or she can do better than the next Senator. But each appropriations bill is a series of compromises and a balancing of authorities, and this Interior bill is no different.

Mr. President, in recent days, this body has been debating an appropriate funding level for national defense. As was said during that debate, military spending is the only portion of the discretionary budget that will increase in fiscal year 1996. Mr. President, if the Senate were willing, it could impose a reduction of less than 3 percent on the amount of growth in the Defense budget and fully achieve the objectives of the pending amendment.

In closing, Mr. President, I cite the following facts:

First, total funding in this bill is down 11 percent versus last year. Indian programs are down 8 percent, which is below the average for the bill. And, if the amendment is agreed to, the funding for Indian programs will be down to 2 percent below last year. It will drop from 8 percent to 2 percent below last year.

Second, funding for the land management operations for nearly one-third of the land base of this country is down 14 percent, a reduction 75 percent greater than that applied to the Indian programs.

Third, the committee recommendations protect the most fundamental of Indian programs—Indian health and elementary and secondary education for Indian children on reservations. Protecting these critical functions resulted in cuts in other Indian programs in this bill.

Fourth, the House imposed less of a reduction on the Bureau of Indian Affairs, but they did so by constraining programs of interest to numerous Senators, including land acquisition, low-income weatherization assistance, zero funding for the National Museum for the American Indian, and termination of the Bureau of Mines.

Mr. President, this bill adds, I believe, $12 billion in spending authority and $3.5 billion of that $12 billion is allocated to Indian programs.

I find it unpleasant to oppose the amendment that was offered by these three distinguished Senators and others. But I feel as manager that I must do so. I urge Senators to reject the amendment.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, there is a chart on the desk of each Member which is the only chart and set of figures which covers this bill as a whole. It indicates that land management agencies are reduced 14 percent, science agencies by 5 percent, cultural activities by 15 percent, the Department of Energy by 10 percent, Indian activities by 8 percent and other Department of the Interior functions by 14 percent, for a total of 11 percent.

To concentrate on one aspect of one of those sections to the exclusion of all others is not to paint an appropriate picture for Members in dealing with a very difficult bill at a very difficult time. It is simply an error for the Senator from Minnesota or the Senator from Arizona to say that this preserves the bureaucracy in the Bureau of Indian Affairs. The largest account in the Bureau of Indian Affairs to be cut is central office operations, considerably larger than these self-government functions.

The bottom line is that this amendment by its own terms will be devastating to primary responsibilities of the Government of the United States. They will probably be modified adversely to affect the National Park Service. It would have to be in order to become law, ultimately. And, Mr. President, this does not affect the poverty-oriented programs for Indian tribes. It simply affects the bureaucracy of the Bureau of Indian Affairs and of the governments of the various Indian tribes themselves. Overall, however, these reductions for Indian programs in this bill are less than those for land management agencies, for cultural activities, for the Department of Energy, for territorial administration, or for the main office of the Department of the Interior itself. This is a fair bill that will be distorted unfairly, unwisely, and unsustainably by this amendment.

Mr. CAMPBELL. Mr. President, I would like to make a few observations on the amendment offered by my colleagues on the Committee on Indian Affairs. I strongly support this amendment because it seeks to restore funds that go directly to tribal governments for basic, necessary governmental functions, such as public safety and law enforcement, education, human services, and community development each vital elements of any government, whether it is a State, local, or tribal government.

I appreciate the work of the distinguished chairman and ranking member of the Appropriations Subcommittee. I know they have tried to craft a spending bill that equitably distributes the reductions taken as a result of an overall reduction of nearly 11 percent from fiscal year 1995 levels.

However, I remain greatly concerned with the reductions reported by the committee for those programs administered through the Bureau of Indian Affairs.

H.R. 1977, as reported by the Interior Appropriations Subcommittee, reduces spending for BIA administered programs by approximately $255 million from fiscal year 1995 enacted levels, and $207 million below the level passed by the House earlier last month.

While the committee report indicates that every effort was made to limit reductions for Indian-related programs, I would respectfully ask my colleagues to take a closer look at overall spending for each of the major spending categories for Indian programs. Depending on how one reads the numbers, one could come to the conclusion that Indian programs are reduced by a modest 8 percent.

While this may be the case if you add in all Indian-related categories such as the Indian Health Service, Indian Education, and others, it is also true that programs administered through the Bureau of Indian Affairs will suffer a reduction of nearly 38 percent in fiscal year 1996.

Further, and most importantly, Mr. President, is the fact that these reductions will immediately, and most definitely have hurtful impacts on many Indian people and Indian communities. Unlike the proposed reductions to the other Interior agencies such as: the National Endowment for the Arts, 33 percent; the National Endowment for the Humanities, 33 percent; and the Institute for Museum Services, 27 percent.

Cuts in these programs, I suspect, will not force people to go hungry, lose their homes, or reduce an already depressed standard of living.

Mr. President, I need not remind my colleagues of the living conditions that exist on many Indian reservations and in many Indian communities, nor do I need to remind my colleagues of the history of Indian people on this continent and the unique relationship that has evolved between Indian tribes, the Congress, and the Federal Government.

We, as Members of Congress, have a compelling trust responsibility to Indian people, the origins of which are grounded in the Constitution and through treaties, agreements, and Executive orders that were negotiated with individual Indian tribal nations.

Because Congress and the executive branch have, for many years, endorsed the concept of tribal self-determination, and tribal self-governance, efforts have been made so that tribal governments are empowered to administer a greater number of Federal programs with the flexibility to determine how best to serve their local communities. While the Federal Government speaks of "self-determination", our actions—such as these cuts—continue to force dependency.

In keeping with the concept of empowering our local communities, the amendment before us today seeks to restore $200 million to the Bureau of Indian Affairs "Tribal Priority Allocation" line item. These funds go directly to Indian tribes for the operation of all tribal governmental programs and are not funds that are siphoned off by the operation and administration overhead costs of the Bureau of Indian Affairs.

According to the committee report, "Tribal Priority Allocations" are proposed to be reduced by nearly $343 million from budget estimate levels. Again, what causes me great concern is that the proposed reductions are not to construction programs or economic development programs, but to funding that goes directly to local Indian communities.

Like all Members of this body, I am well aware of our current budgetary constraints and the necessity for each of us to step up and make sacrifices, however, I believe we should do so in the framework of the budget resolution this Congress adopted earlier this year, Senate Concurrent Resolution 13. In that resolution the Senate directives in all spending categories that provide a direction of where we need to reduce spending in order to reach a balanced budget by the year 2002. In function 300, the category for natural resources and environment, there were several recommendations that were made with respect to agencies of the Department of the Interior. One recommendation assumes a 10-percent reduction in the operating budgets of the Forest Service, National Park Service, Fish and Wildlife Service, and the Bureau of Land Management.

In addition, the committee recommendation assumes the devolution of the National Biological Survey. While that would also have negative impacts in my home State, that cut is preferable to forcing real people into even deeper poverty and deprivation.

Further, the bill as passed out of the House recognizes the need to trim the Federal bureaucracy. That is reflected through reduced spending for the various land management agencies. I support those principles.

I tend to believe that in order to maximize the taxpayer dollar, we should not continue to feed the Federal bureaucracy, but should promote funding that will go directly to local communities, in this instance, Indian communities.

As debate continues on this amendment, I would ask my colleagues to give their strong support for this amendment. Supporting this proposal is to further empower local communities to maximize taxpayer dollars and to reduce spending on Federal bureaucracy.

It is also the right and moral thing to do. I thank the Chair.

Mr. BAUCUS. Mr. President, I want to express my strong support for the amendment being offered by Senators DOMINICI, INOUYE, and McCAIN.

The Interior appropriations bill as it is now written would single out native American programs for deep, deep budget cuts. While we must all do our fair share to bring down the budget deficit, these programs that are so important to our Indian people of my home State of Montana, are being singled out unfairly.

For instance, as Senator DOMENICI pointed out last night, 47 percent of the savings in this bill come from the Indian programs. And, under the Senate bill in its present form, BIA programs would be slashed by about half a billion dollars—a reduction of over 30 percent from last year's appropriation.

In a word, this is unfair.

But it is also unwise. While the leadership of Montana's tribal nations have worked hard—and effectively—to improve conditions on our seven reservations, enormous needs remain.

We need to do more to educate our Indian youth. But this legislation cuts Indian education.

We have a trust responsibility to provide for the health and welfare of our Native Americans. But this legislation takes a meat axe to those programs.

And, while we should be doing everything possible to encourage economic development on our Indian reservations—places with some of the highest unemployment in America—community development programs take a huge hit in this legislation.

I believe our Indian people are willing to do their fair share to bring down the deficit. But it is wrong to single them out for such unfair treatment. For this reason, I urge the adoption of this amendment.

Mr. DASCHLE. Mr. President, I wholeheartedly support the efforts of Senators DOMENICI, INOUYE, and McCAIN to restore funding to the Bureau of Indian Affairs, but I am very concerned about the offsets for the amendment.

Unfortunately, the managers of the bill, the distinguished chairman of the Interior Appropriations Subcommittee, Senator GORTON, and the ranking member of the subcommittee, Senator BYRD, have made clear their belief that passage of the amendment in its current form would result in cuts to the U.S. Geological Survey that could force the closure of the EROS Data Center in Sioux Falls, SD, a state-of-the-art facility that receives, processes, and distributes data from Landsat satellites. Today, the Center holds the world's largest collection of images of the Earth, including more than 3 million images acquired from Landsat, meteorological, and foreign satellites.

While I strongly support the goal of the Domenici amendment—to restore BIA funding for key tribal programs—in light of the statements by the bill managers that the offsets in the amendment could eliminate EROS funding, I cannot support the amendment as currently drafted.

The amendment represents the right thing to do, but the wrong way to do it. It is my hope we can go back to the drawing board and work out a compromise that restores this essential funding for Indian priorities without robbing EROS funding. I will be doing all I can to accomplish that goal.

There should be no misunderstanding about the need for the restoration of BIA funding. The existing level of funding for the Bureau of Indian Affairs [BIA] and tribal programs is extremely inadequate. While the Bureau of Indian Affairs received a slight increase in the President's fiscal year 1996 budget request, the Republican-controlled Congress appears intent on drastic cuts. The House of Representatives cut the administration's request by $100 million, and the Senate Appropriations Committee reduced it by $500 million. At the same time, we are considering an Armed Services Committee-reported defense bill that proposes spending $7 billion more than the Pentagon has requested. This is yet another clear indication of misplaced priorities.

The objective of the BIA is to encourage and help Indian people manage their own affairs under the Federal trust relationship. Historically, the BIA has never been funded at a level that meets the needs of Indian people. The reductions in the BIA tribal priority allocation account recommended by the Interior Appropriations Committee have the potential to further decrease and eliminate many important programs such as tribal courts, law and order, social services, roads, and housing needs that are so important to tribal self-sufficiency.

Mr. President, I appreciate the efforts of Senators DOMENICI, INOUYE, and McCAIN to address the problem associated with the offsets. Again, while I feel I cannot support the amendment as currently drafted, I hope that, before the fiscal year 1996 appropriations bill becomes law, we can restore funding for Indian programs without forcing the closure of EROS.

Mr. PRESSLER. Mr. President, I rise today in reluctant opposition to the amendment offered by my colleague, Mr. DOMENICI. I am proud of the native American heritage which is so much a part of South Dakota's history. However, the Domenici amendment would inadvertently threaten the future of the EROS Data Center in Sioux Falls, SD, which will carry South Dakota into the 21st century and will bring new jobs to our state.

South Dakota can trace its native ancestry back more than 9,000 years. Today, South Dakota is home to nine Sioux or Lakota Indian tribes: the Cheyenne River Sioux, the Crow Creek Sioux, the Flandreau Santee Sioux, the Lower Brule Sioux, the Oglala Sioux, the Rosebud Sioux, the Sisseton-Wahpeton Sioux, the Standing Rock Sioux and the Yankton Sioux. South Dakota's Indian reservations are the very poorest areas in the Nation.

Mr. President, I recognize the importance of Federal funds to the survival and growth of the Indian tribes. These funds also are part of the longstanding Federal policy of self-governance. During my 20 years in Congress—both in the House and the Senate—I have strongly supported legislation to authorize and fund programs for native Americans. In fact, I recently coauthored a proposal which would allow tribes to run their own welfare programs.

Though, I support the intent and the goal of the Domenici amendment, I must object to the means used to fund the goal. The funding offsets could result in the elimination of the EROS

Data Center—which in many ways, represents the future of technology in South Dakota.

The Earth Resources Observation Center, commonly known as EROS, was established in Sioux Falls, SD in the early 1970's. South Dakotans are justifiably proud of the EROS Data Center. For 20 years, it has been the Nation's primary center for managing and distributing land remote sensing data. Its excellent track record for making this information available has made EROS famous among scientists throughout the world.

The National Satellite Archive houses the world's largest collection of space- and aircraft-acquired imagery. It currently holds more than 8 million aerial photos and over 2 million satellite images of the Earth.

EROS facilities house the scientists, researchers, and technicians, as well as the high performance computer systems and advanced telecommunications networks, needed to process and distribute the data. Researchers use the data to better understand the Earth, determine the extent and distribution of natural resources, monitor land surface changes, and evaluate environmental conditions.

What makes EROS unique is the availability of its information. The images collected at EROS provide very important information for agriculture, mining, urban planning, and other global change research. In fact, in South Dakota, many native Americans are utilizing Landsat data provided by EROS to manage land and resources on their reservations. EROS enjoys an internationally renowned reputation—a reputation that is well-deserved. The economic future of South Dakota depends upon the advanced technologies of facilities such as EROS.

Balancing the budget requires that we make difficult choices. This certainly is one such choice. But a balanced budget is the key to growth for both the native American and scientific communities. Without balanced budgets, interest on the Federal debt will continue to skyrocket, squeezing out funds for legitimate programs, such as the tribal priority allocation.

I would be pleased to work with my colleagues during the upcoming House-Senate conference to find a way to fund Indian programs without unnecessarily cutting other programs which are vital to South Dakota. It is my hope that we can work to this end.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Do I have 4 minutes, 5 minutes?

The PRESIDING OFFICER. Four minutes remaining.

Mr. DOMENICI. Mr. President, first of all, for all Senators, let me suggest that the chart which Senator GORTON, my good friend, has just alluded to, in this Senator's opinion, does not state the case right.

What we really should focus on here is Department of Interior funding, and not the entire bill. There are a lot of other things in this bill, some by accident, some by precedent and design, but the Department of Interior, of which the Bureau of Indian Affairs is 26.6 percent in budget terms—I say to the Senator from Mississippi who is observing this chart, the fact is that within the Department of Interior—that is all of the Department of Interior—a 26-percent portion it is getting cut 45.6 percent.

There are 550 Indian and Alaska Native governments in the United States; about 250 of them are villages in Alaska. This source of funding that we attempt to replenish has been cut $270 million. What this amounts to is economic termination of Indian self-determination and self-governance policies. If you take 27 percent away from the governments that we say should have self-determination, take it away from them, have we not made a de facto decision that Indian government cannot run, that it is going to be there with seriously reduced resources?

Nothing else in the Department of Interior comes close to getting cut 27 percent. As a matter of fact, many Senators do not even know because many States have no Indian people, but these are little, tiny villages in some instances and they may get $350,000 to run their government, to operate their own local welfare assistance program—not the American system, theirs. They get it for fire protection, for police protection. And we are saying to them, the United States of America is cutting its overall budget for all kinds of things; you little governments, the smallest governments in America and the poorest, you take a 27-percent hit. And we will go through all this kind of arithmetic and say it is only a reduction of 8 percent for Indians. But 8 percent for all the Indian programs has little to do with the Department of Interior funding which we believe has inappropriately taken 27 percent out of Indian governments.

How are they going to operate? Self-determination is eloquently spoken to in the Chamber. How do you have self-determination when you just gut little Indian governments all over the place; you say you used to get $350,000 to run it. We are going to take 27 percent away, but be self-determined. Get on with running your own government, but do it with a third fewer resources.

Really, it is not going to work. It amounts to deciding by appropriations that Indian government is going to have to retreat, perhaps disappear in some cases. Frankly, in the final analysis it will not work.

Now, having said that, Mr. President, this bill does some good things, the overall bill does in fact help Indians—not the Interior Department allocation of funds which we are debating. The overall bill does some wonderful things except it takes too much out of the tiny Indian governments. The bill also has Indian health in it. That is not the Department of Interior. The only source of health protection on reservations is the Indian Health Service of the Department of Health and Human Services, but it is funded in this bill.

So what we have done, what the chairman and ranking member said is "Let us keep Indian health solid." It is a $2 billion program for all the Indians of America. That has nothing to do with the program that funds tribal government operations—general assistance to the individual tribal governments that serve Indians under their tribal government. They provide small child welfare programs, services for Indian families within the rubric of a tribe, police protection, resource protection and other vital functions for maintaining tribal life.

Mr. President, the chairman's chart is deceiving. I wish I had a simple one that just said, out of the Department of Interior programs for Indian tribal governments—known as the Tribal Priority Allocation Program—there is a 27-percent reduction. The small Indian governments are cut 27 percent. Overall, the BIA represents 26 percent of all Interior Department functions, yet the BIA cuts in this bill account for 45 percent of the Interior Department's reduction for the next fiscal year.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GORTON. How much time remains?

The PRESIDING OFFICER. The Senator from Washington has 47 seconds remaining.

Mr. GORTON. Indian programs even in the Department of the Interior are not cut 27 percent but 16 percent. But the point is from the perspective of the country as a whole, how much money is being reduced from Indian programs? In this bill, 8 percent; for everyone else, more than 12 percent. Indians are doing almost twice as well in this bill alone as are all of the other functions in this bill combined. Because of the budget resolution, there has to have been a reduction. These reductions are taken fairly.

Mr. DOMENICI. Mr. President, I ask for 30 seconds to clarify a mistake that I made.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, the Senator is correct. Indian tribal government funding is cut 27 percent. That is what we are attempting to replenish. I mistakenly said all Indian programs within the Bureau are cut 27 percent. But the tribal priority allocations are the program that helps them directly to govern, and this is the program that is cut 27 percent.

Thank you for giving me 30 seconds.

I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2296 to H.R. 1977. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Minnesota [Mr. GRAMS] and the Senator from Florida [Mr. MACK] are necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER (Mr. COVERDELL). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 36, nays 61, as follows:

[Rollcall Vote No. 374 Leg.]

YEAS—36

Akaka
Baucus
Bingaman
Burns
Campbell
Conrad
Craig
D'Amato
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Harkin
Heflin
Helms
Inhofe
Inouye
Kassebaum
Kempthorne
Kohl
Kyl
McCain
Moynihan
Murkowski
Murray
Nickles
Packwood
Pell
Simon
Simpson
Stevens
Thomas
Wellstone

NAYS—61

Abraham
Ashcroft
Bennett
Biden
Bond
Boxer
Breaux
Brown
Bryan
Bumpers
Byrd
Chafee
Coats
Cochran
Cohen
Coverdell
Daschle
Dole
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Hatch
Hatfield
Hollings
Hutchison
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
McConnell
Mikulski
Moseley-Braun
Nunn
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Smith
Snowe
Specter
Thompson
Thurmond
Warner

NOT VOTING—3

Bradley
Grams
Mack

So the amendment (No. 2296) was rejected.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, we have now dealt with two of the most contentious amendments to this bill. We have now finished, I believe, debate on mining patents and on grazing, and the principal, but though not the only amendment on Indian programs. I have been prepared to go to a series of amendments on the endowments at this point. But the objection to the committee amendment on the endowments was lodged by Senator MCCAIN, who is now chairing a markup in the Indian Affairs Committee.

There is also an amendment on an African-American museum by Senator SIMON, who has to attend that same committee session. I trust that it will be relatively short. We would be prepared to take another amendment on another subject.

But, Mr. President, what I would like to announce is, of course, the majority leader and the managers of this bill would like to have a full debate but, at the same time, would like to finish the bill today. So I request that Members on my side try to get to me or to my staff within the course of the next hour and give us notice and, if they can, copies of the amendments they propose to lodge. I believe the distinguished Senator from West Virginia will make the same request. We would like to be in a position, within an hour or so, to get a unanimous-consent agreement at least as to the amendments that are available for consideration, so that we can see how to manage our time for the rest of the day.

Mr. BYRD. Mr. President, I share the viewpoint expressed by the distinguished manager of the bill. I hope that our floor staffs will do whatever they can to contact the Senators' offices and let them know that amendments should be called up.

There is a desire and a need to complete action on this bill today. The sooner Senators will come to the floor and offer their amendments, the sooner we will be able to achieve that goal.

Mr. KENNEDY. Mr. President, I have a brief statement on another matter. If it is the desire of the managers to consider an amendment I will withhold. But if there is not, I would like to proceed briefly on another matter.

Mr. GORTON. That is perfectly satisfactory, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

THE UNHOLY ALLIANCE TO DISMANTLE MEDICARE

Mr. KENNEDY. Mr. President, as Congress prepares for the summer recess, it is important for the American public to understand what is at stake in the Republican Medicare cuts and who wants those deep cuts adopted.

Medicare is part of Social Security. Without Medicare, no senior citizens has retirement security. Medicare is a promise of health security for every senior citizen. If Republicans break the promise of Medicare, they are breaking the promise of Social Security.

For the Nation's elderly, this is more than a partisan political issue. The vast majority of senior citizens cannot afford to pay more for health care. They already pay an average of 21 percent of their limited income for Medicare premiums and for health costs that Medicare does not cover. Those who are older and sicker pay even more. Senior citizens today are paying a higher proportion of their income for health care than senior citizens paid before Medicare was enacted. And Medicare was enacted because senior citizens were already paying too much.

Paying such a high percentage of income for health care would be a heavy burden for almost any part of our population. But is especially hard for senior citizens. The median income for elderly households is only $17,750. Eighty-three percent of Medicare expenditures are for senior citizens with incomes less than $25,000; and almost two-thirds are for those with incomes below $15,000.

Deep cuts in Medicare hurt not only senior citizens, but their families as well. Children and grandchildren of senior citizens will face unexpected additional serious financial burdens, just at the time they are trying to make ends meet for their own families.

Cuts in Medicare will also damage the overall health care system. The system as a whole will suffer because these deep Republican cuts will hurt hospitals and other providers, especially rural hospitals, public hospitals, and academic health centers.

The Republican strategy is clear. They will refuse to put anything specific on the table until after the recess—and then try to pass it quickly before the public realizes what is happening.

It is wrong to try to slam dunk Medicare through Congress and it will not work—because the key elements of the Republican program are already clear. First, there will be heavy additional costs for senior citizens in the form of higher premiums, higher copayments, and higher deductibles. Second, there will be a program of shrinking vouchers to push as many senior citizens as possible into private insurance.

The reasons for the Republican cuts are also clear. They are taking $270 billion out of Medicare to pay for $245 billion in tax cuts for wealthy individuals and corporations. Despite its success, they still see Medicare as a mindless big-government program. They still want to dismantle it, as they have for the past 30 years.

Worst of all, to get their way, Republicans have entered into an unholy alliance with private insurance companies, who see immense profits for themselves if Medicare is dismantled.

Two weeks ago a new coalition was formed to try to persuade senior citizens to buy into the Republican cuts in Medicare. Its membership makes clear that Republican Medicare policy is driven by an unholy alliance of right-wing extremists, big businesses who know their tax cuts depend on Medicare cuts, and private insurance companies eager to get their hands on Medicare.

The insurance companies in this coalition are of two kinds. They include large companies with heavy investments in managed care, and they include smaller companies, some of whom are well-known for profiteering from abusive practices in the individual insurance market, such as "cherry-picking" and harsh exclusions for pre-existing conditions.

The American people should be aware of the immense profits that those insurance companies can reap if these Medicare cuts are enacted. If all senior citizens are pushed into private insurance policies, the premium revenues of private insurance companies over the next 7 years will increase by a staggering $1.25 trillion. Their profits will increase by $38 billion, up by two-thirds from their current level.

If the number of senior citizens in managed care alone increases to just 25 percent of the total from the current level of 8 percent, insurance company profits will rise $10.2 billion over the budget period.

During this recess, the Republicans and their allies in the insurance industry and corporate America will be conducting a massive campaign of disinformation and fear, as they try to convince the American people that deep cuts in Medicare are needed to save it. The anti-Medicare alliance is wasting its breath and wasting its money. Their greed is too transparent for senior citizens to be fooled.

The American people will not support a program that coerces senior citizens into giving up their family doctor. They will not support a raid on Medicare to finance tax cuts for wealthy corporations and windfall profits for the insurance industry.

Medicare is a contract between the Government and the people. Democrats intend to honor that contract and keep the promise of Medicare.

I ask unanimous consent that an analysis of the membership of the so-called "Coalition to Save Medicare" by Citizen Action be printed in the RECORD, along with a staff analysis of the potential increases in revenues and profits of private insurance companies under the Republican budget.

There being no objection, the material was ordered to be printed in the RECORD as follows:

CITIZEN ACTION,
Washington, DC, August 3, 1995.

THE "COALITION TO SAVE MEDICARE"—IT'S REALLY THE COALITION TO RAID MEDICARE

On Thursday, August 3rd at 10:30 a.m., Speaker of the House Newt Gingrich and Majority Leader of the Senate Bob Dole will address the so-called Coalition to Save Medicare as part of a rally for proposals to cut $270 billion from Medicare over the next seven years.

But when you scratch the surface of this collection of big corporations and insurance companies and look at the reality behind their nice-sounding rhetoric, their true agenda is revealed—to raid Medicare and the families who depend on it of $270 billion to pay for billions in new corporate tax breaks, loopholes and increased profits.

Citizen Action has prepared this press background to provide the public and press with information on who is behind the so-called "Coalition to Save Medicare" and how the members of this coalition will benefit by cutting and gutting Medicare.

The Coalition to raid Medicare—

What they really think about Medicare, in their own words.

"There are several reasons the Chamber is opposed to [Medicare]. One of these is that social security medicare is not needed . . . The national Chamber recommends that [Medicare] and similar proposals be rejected."—Statement of Karl Schlotterbeck for the U.S. Chamber of Commerce on H.R. 3920, Medicare Care for the Aged, January 22, 1964, U.S. Congress, House Committee on Ways and Means.

"It is the recommendation of the National Association of Manufacturers that Congress reject any proposals to establish compulsory medical care for the aged under the social security system."—Statement from the National Association of Manufacturers on Health Services for the Aged Under the Social Security Insurance System, 87th Congress, 1st Session, 1961, U.S. Congress, House Committee on Ways and Means.

"Reform entails phasing out Medicare for those young enough to invest privately and to accumulate enough funds to provide for their own medical care upon retirement."

"The only viable long-term solution to the Medicare crisis lies in encouraging all Americans to save today for their future health care needs. Only private solutions can reduce the future Medicare cost burden. . . ."—Citizens for a Sound Economy Economic Perspective: Medicare's Self-Destruction, January 22, 1993.

The Coalition to Raid Medicare . . . for tax breaks and higher profits.

A review of the organizations which make up the Coalition to Save Medicare reveals that this is really a Coalition to Raid Medicare of $270 billion over 7 years in order to pay for billions in tax breaks for corporations and increased profits for insurance companies.

Much of the $148.5 billion in tax breaks for corporations will go to members of the National Association of Manufacturers and the U.S. Chamber of Commerce.

In the 1980's, before Congress passed tax reform in 1986, many members of the National Association of Manufacturers and the U.S. Chamber of Commerce paid zero federal income tax because of tax breaks, shelters and loopholes. Many of these companies could return to the days when they paid nothing even in years of record profits . . . if the $270 billion in cuts to Medicare proposed by Gingrich and Dole are enacted (Citizens for Tax Justice, Return of the No Tax Corporation, 1995).

Most of the 12,500 corporations which belong to the National Association of Manufacturers and the 215,000 businesses affiliated with the U.S. Chamber of Commerce will benefit greatly from the corporate tax breaks and loopholes promised them by Gingrich and Dole in return for campaign contributions, and paid for by devastating cuts to Medicare. (Amounts based on estimates by the Joint Tax Committee of the U.S. Congress)

Repeal of the corporate alternative minimum tax—cost $22.1 billion over 7 years.

Increased Corporate Write-Offs and Deductions—cost $47.8 billion over 7 years.

Capital Gains Tax Breaks, Indexed to Inflation—cost $78.6 billion over 7 years.

Total: $148.5 billion over 7 years.

The Alliance for Managed Care, Healthcare Leadership Council, and the Council for Affordable Health Insurance will be the beneficiaries of Medicare provisions which compel millions of seniors to enroll in managed care networks or face higher out of pocket costs. This could mean billions in higher profits for these companies.

The Alliance for Managed Care is made up of four of the largest managed care companies in the U.S.—Atena, CIGNA, Prudential and MetraHealth. The Healthcare Leadership Council is made up of the country's largest hospital corporations, insurance companies and pharmaceutical companies. The Council for Affordable Health Insurance is made up of some two dozen medium sized insurance companies.

As large and mid-sized corporations, the members of the Alliance for Managed Care, the Healthcare Leadership Council and the Council for Affordable Health Insurance will also share in the $148.5 billion in new corporate tax breaks.

Why Would Newt Gingrich and Bob Dole Help the Coalition's Big Corporations and Insurance Companies Raid Medicare?

Since 1989 through the first quarter of 1995, the major PACs affiliated with the Coalition to Raid Medicare have given thousands of dollars to fuel the campaigns of Newt Gingrich and Bob Dole:

The major PACs affiliated with the Coalition to Raid Medicare have given $257,351 to Newt Gingrich since 1/89.

The major PACs affiliated with the Coalition to Raid Medicare have given $222,600 to Bob Dole since 1/89.

The major PACs affiliated with the Coalition to Raid Medicare have given a whopping $18,347,830 to Republican members of Congress since 1/89, compared to $14,041,861 to Democratic members over the same period.

These numbers vastly understate the amount of campaign cash contributed by the Coalition to Raid Medicare to Gingrich and Dole because there are literally thousands of companies and individuals associated with NAM and the U.S. Chamber of Commerce that are not included in the amounts above.

Also not counted are thousands in contributions to GOPAC—Newt Gingrich's leadership PAC, and to Bob Dole's leadership PAC and presidential campaign.

The Coalition to save Medicare—but not for senior citizens.

Given that the vast majority of the 35 million Americans who depend on Medicare today are senior citizens, it may come as a surprise that the Coalition to Raid Medicare has only one member that purports to advocate for the interests of senior citizens—the Seniors Coalition. The Coalition to Raid Medicare has even named Jake Hansen, chief lobbyist for the Seniors Coalition, a cochair of the group.

But the seniors Coalition is a sham . . . here's the reality behind the Seniors Coalition and Jake Hansen:

The Seniors Coalition—Expert Advocates for the Interests of Seniors?

"Hansen confirmed that the coalition's three-member board was still largely made up of experts in direct mail fund-raising: two board members are experts in direct mail fund-raising, the third in printing" (Milwaukee Journal, May 16, 1993).

The Seniors Coalition was founded in 1989 by arch-conservative direct mail guru Richard Viguerie and Dan and Fay Alexander, a couple under investigation by the U.S. Attorney, the U.S. Postal Inspection Service and the FBI to determine if they used "the non-profit, tax exempt group for their personal gain."

The Fay's teenage daughter Susan Alexander served as president of the Seniors Coalition for its first three years because, according to the New York Times, "Mr. Alexander said this was because it was hard to find outsiders of any stature to serve on the board in view of his criminal record" (New York Times, Nov. 12, 1992 and National Journal, Sept. 4, 1993).

The Seniors Coalition has been investigated by the Attorney General of New York as part of a network of organizations involved in "a pattern of fraud and abuse," (New York Times, Nov. 12, 1992). The organization was fined by the Pennsylvania State Attorney General and forced to contribute $9,000 to a legitimate senior's charity organization, the Pennsylvania Alzheimer's Association (PR Newswire, Oct. 30, 1993). The Seniors Coalition is barred from soliciting in the state of Maryland for failing to disclose financial data as required by law (Washington Post, Oct. 6, 1992).

Hansen was hired in 1990 as the organization's lobbyist after serving as, among other things, director of the NCPAC-related "Anybody But Church" effort which targeted pro-senior Senator Frank Church for defeat in 1980. Hansen later directed a coalition which opposed the "Catastrophic Medicare Coverage Act of 1988" and whose scare tactics included dire direct mail warnings that Medicare beneficiaries would pay higher taxes to cover AIDS patients under Medicare, a claim he later was forced to admit was a gross exaggeration (St. Petersburg Times, "Scare Tactics Used Against Catastrophic Coverage Law," Oct. 22, 1989).

A few things you should know about who else is behind the Coalition to raid Medicare.

CITIZENS FOR A SOUND ECONOMY

In addition to being a longtime foe of Medicare (see page 5) and one of six members of a 1993 anti-health care reform coalition called Citizens Against Rationing Health (CARH), among Citizens for a Sound Economy's most generous backers is David Koch, chairman of CSE's foundation, and cochairman of Koch Industries, "the nation's second largest, privately held company, with its hands in everything from refining to ranching" and "the silent giant in the oil and gas industry" (Houston Chronicle, Dec. 27, 1992). Between 1986 and 1990, the three charitable foundations controlled by Koch Industries contributed $4.8 million to CSE (*Milwaukee Journal, May 16, 1992*).

The Board of Directors is made up largely of corporate CEOs and conservative activists, suggesting that the organization's true name should be Corporations for a Sound Economy. Koch Industries and the rest of CSE's board stand to gain millions in new tax breaks and loopholes at the expense of cuts to projected Medicare spending.

NATIONAL TAXPAYERS UNION

In 1993, the National Taxpayers Union was an integral part of a coalition called "Citizens Against Rationing Health (CARH), a far right organization whose mission was to defeat health care reform, and affiliated with arch-conservative Floyd Brown (creator of the infamous Willie Horton TV spot in the 1988 Presidential race) and Richard Viguerie, the far-right direct mail guru (see Seniors Coalition, above).

COUNCIL FOR AFFORDABLE HEALTH INSURANCE

The Council for Affordable Health Insurance is made up of some two dozen small and mid-size insurance companies who are responsible for the worst type of practices that rob Americans of health care security, including: cherry-picking, dropped coverage, exclusion for pre-existing conditions, redlining, refused claims and exorbitant rate hikes. A chief goal of the Council for Affordable Health Insurance: "Preserving medical underwriting and eliminating proposals that would force insurers to cover all that seek coverage" (Health Manager's Update, April 1, 1992).

The history of the member companies of the Council for Affordable Health Insurance does not suggest they are well-prepared to be part of an effort to "preserve and strengthen Medicare" as part of the Coalition to "Save" Medicare, as some examples demonstrate:

The Golden Rule Insurance Co. of Lawrenceville, IL sought an annual rate hike of 86 percent in one year for individual major medical coverage (Indianapolis Business Journal, April 10, 1989).

The Life of American Insurance Co. of Houston, TX was rated one of the 15 worst insurance companies in Texas for two years running (Houston Business Journal, May 20, 1991).

The American Chambers Life Insurance Co. of Naperville, IL dropped coverage in 1993 for infants stricken with congenital abnormalities (St. Louis Post Dispatch, Feb. 28, 1993).

The GEM Insurance Co. of St. Lake City, UT has repeatedly denied coverage for pre-existing conditions, which millions of seniors citizens on Medicare will have (BNA Pensions & Benefits Daily, April 13, 1992).

FACT SHEET—INSURANCE INDUSTRY-REPUBLICAN ALLIANCE TO DISMANTLE MEDICARE: A QUESTION OF PROFITS

(From the Office of Senator Edward M. Kennedy)

Powerful special interests with a stake in the Republican plan to cut Medicare and force senior citizens into private insurance recently formed the so-called "Coalition to Save Medicare." Two major groups of insurers are among the charter members: the Alliance for Managed Care and the Council for Affordable Health Insurance. The Alliance for Managed Care consists of the four largest insurance companies in the U.S.—Aetna, CIGNA, Prudential, and Metrahealth, all with major investments in managed care. The Council for Affordable Health Insurance is composed of small and mid-sized insurance companies who sell group and individual insurance policies. Its membership includes companies such as the Golden Rule Insurance Company, which are well-known for profiting from abusive practices in the individual insurance market, such as "cherry-picking" and the use of broad pre-existing condition exclusions.

Insurance Company Revenues and profits

If all senior citizens leave conventional Medicare to buy private insurance polices, insurance company premium revenue would increase by $1.25 trillion over the next seven years—a 66-percent increase.[1] If 50 percent buy private insurance polices, the revenue increase would be $625 billion.

Private insurance company profits would increase by $38 billion over the budget period if all senior citizens join private insurance plans. Profits would increase by $19 billion if 50 percent join.[2]

If insurance companies achieve the same return as the Golden Rule Insurance Company is able to reach on its individual insurance business, insurance industry profits would increase by $76 billion if all senior citizens join, an increase of 133 percent.[3]

Profits for Managed Care Insurance Companies Like Those in the Alliance for Managed Care

If the number of Medicare beneficiaries enrolled in managed care increases to 25 percent of all beneficiaries, profits of managed care companies would rise by $10.2 billion over the budget period.[4]

If the number of Medicare beneficiaries enrolled in managed care increases to 50 percent, profits of managed care companies would rise by $26.3 billion over the budget period.

Profits for Companies Offering Medical Savings Accounts

The Golden Rule Insurance Company is an industry leader in promoting medical savings accounts. Republican plans include MSAs as an option for Medicare beneficiaries.

If 10 percent of all Medicare beneficiaries enroll in catastrophic plans with MSAs, the profits to private insurers such as Golden Rule would rise by $6.1 billion over seven years.[5]

If 40 percent of all Medicare beneficiaries enroll in catastrophic plans with MSAs, the profits to private insurers would rise by $24.5 billion annually.

FOOTNOTES

[1] Projected Medicare spending under the Republican Conference Report, 1996–2002, less projected spending on Medicare enrollees already enrolled in HMOs (CBO March Baseline). Current annual premiums of private insurance companies from HIAA Sourcebook of Health Insurance Data, 1994, trended forward.

[2] Assumes insurance industry target profit figure of 3% of revenues (American Academy of Actuaries, Testimony before the Subcommittee on Commerce, Consumer Protection, and Competitiveness, House Committee on Energy and Commerce, November 16, 1993.)

[3] Golden Rule has a six percent profit margin (*Wall Street Journal*, September 20, 1994).

[4] Assumes 5.1% profit margin for HMOs with substantial Medicare enrollment (greater than 20%, Prospective Payment Commission, unpublished 1993 data). If the profit margin were that typical of all HMOs (2.5%), additional profits would be $5 billion.

[5] Assumes premium of $3,700 per year ("Medical Savings Accounts for Medicare Beneficiaries," Jack Rodgers of Price Waterhouse and James W. Mays of the Actuarial Research Corporation for the Henry J. Kaiser Family Foundation, August 1995) and Golden Rule profit margin.

Mr. KENNEDY. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1996

The Senate continued with the consideration of the bill.

Mr. CRAIG. Mr. President, I also ask unanimous consent the underlying committee amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2303

(Purpose: To amend section 1864 of title 18, United States Code, relating to tree spiking, to add avoidance costs as a punishable result)

Mr. CRAIG. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. CRAIG] proposes an amendment numbered 2303.

The amendment is as follows:

At the appropriate place, insert the following:

SEC.

Section 1864 of title 18, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (2), by striking "twenty" and inserting "40";

(B) in paragraph (3), by striking "ten" and inserting "20";

(C) in paragraph (4), by striking "if damage exceeding $10,000 to the property of any individual results," and inserting "if damage to the property of any individual results or if avoidance costs have been incurred exceeding $10,000, in the aggregate,"; and

(D) in paragraph (4), by striking "ten" and inserting "20";

(2) in subsection (c) by striking "ten" and inserting "20";

(3) in subsection (d), by—

(A) striking "and" at the end of paragraph (2);

(B) striking the period at the end of paragraph (3) and inserting "; and"; and

(C) adding at the end the following:

"(4) the term 'avoidance costs' means costs incurred by any individual for the purpose of—

"(A) detecting a hazardous or injurious device; or

"(B) preventing death, serious bodily injury, bodily injury, or property damage likely to result from the use of a hazardous or injurious device in violation of subsection (a)."; and

(4) by adding at the end thereof the following:

"(e) Any person injured as the result of a violation of subsection (a) may commence a civil action on his own behalf against any person who is alleged to be in violation of subsection (a). The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, in such civil actions. The court may award, in addition to monetary damages for any injury resulting from an alleged violation of subsection (a), costs of litigation, including reasonable attorney and expert witness fees, to any prevailing or substantially prevailing party, whenever the court determines such award is appropriate.".

Mr. CRAIG. Mr. President, the amendment I send to the desk today for the Senate's consideration is one that is the result of what I think can best be known as ecoterrorism and the reaction that this Congress and this Senate some years ago had to that very problem. The issue is known as tree spiking.

Mr. President, for some years individuals and interest groups that have opposed the legitimate, lawful timber sales on our public lands have oftentimes actually gone onto the land and into the trees and spiked them, sometimes with metal spikes, hoping that the sawyer who went in to cut the tree would hit it with his saw blade and stop. And in some instances the chains came loose from those saws and killed or maimed the individual sawyer. That happens to be a Federal property, a Federal tree.

Now they are using porcelain spikes because, of course, metal spikes could be detected by a metal detector. They use porcelain spikes. They cannot be detected. Either the sawyer hits the spike or as the tree got to the mill and as the tree went through the process of being cut, oftentimes the saw blade at the mill, the large band saw hit this porcelain spike and shattered and sent flying metal shrapnel all over the mill and has killed or maimed additional workers.

So, some years ago, the Congress said that is every bit as much an act of terrorism as it would be to put a bomb in front of a Federal building. So, therefore, we passed laws requiring certain penalties as a result of that. That occurred in 1988. My predecessor, Jim McClure, had passed Public Law 100-690.

What I do today is to close a loophole in that law that the courts argued existed as it related to the cumulative damages and the ability of the courts to prosecute an individual who was found guilty of tree spiking. The closure of the loophole in the current law, which caused the courts to throw it out, needs to happen. I am provoked into doing this because of recent reports in my State, again, by unnamed groups calling themselves fictitious names, announcing that they have spiked certain timber sales. Of course, their desire is to keep those timber sales from being sold by the U.S. Forest Service or it to be bid. As a result of that, that causes tremendous difficulty.

In the last 10 years, there have been 44 incidents of tree spiking. There have been 21 cases of major machinery damage, and there has been the loss of a life. That is why we acted in 1988 as we did, and why I am asking the Senate today to close the loophole by including the threshold of $10,000 of preventive costs required to prosecute a case in Federal court. The difference is between actual cost and preventive cost, because the court said it was the costs of the loss of a piece of equipment or, in the case of the loss of a life, of course, that was a different issue.

What happens is oftentimes the Forest Service—but especially private companies who have brought these sales—spend a lot of money trying to detect if these sales of trees have been spiked. And that costs considerably more than $10,000, but it could never be used as an accumulative cost in the court's deliberation.

So my amendment allows these cumulative or preventive costs to be included in the threshold, and, of course, it also allows for the judge in his penalties greater flexibility in bringing the penalties down on the individual if the individuals are found guilty.

I hope the Senate will join with me in agreeing that this is a Federal law that not only deserves to be preserved but deserves to be strengthened because those kinds of incidents still go on today, and they are every bit an act of terrorism whether they are the spike in the trees or the bomb in front of the Federal building. They are Federal properties and they can, and have, cost life.

With that, Mr. President, I yield the floor.

Mr. GORTON. Mr. President, I would like to say the Senator from Idaho brings up an important point and one with a great deal of merit. If it was simply up to me, I would accept the amendment and go on. But I believe that we should recognize that it is clearly possible that this might be a contentious amendment and that there may be Members who disagree with the points made by the Senator from Idaho.

So at this point, I would really like to put the Senate on notice that the amendment has been presented and ask that, if there are any objections to the amendment, they be communicated to either me or to the distinguished Senator from West Virginia.

I hope that we can lay this amendment aside also and go on to something else until we find out whether or not anyone wants to debate against this amendment or to have a rollcall on it.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I do not want to impede progress here. I simply rise to give a thank you to our distinguished chairman, the manager of the bill. I want to thank the distinguished Senator for the approach he has taken to resolving a very, very complicated issue regarding Federal fish hatcheries.

The State of Arkansas has developed the Federal fish hatchery system to the extent that trout fishing now in our State is one of the major businesses that we have. It brings hundreds of thousands of tourists, fisherpersons, into our State.

We also have the unique situation of mitigation that arose when the Federal Government dammed up some very beautiful rivers and streams some time back. And the mitigation aspect is that, if the Government dams up those streams and basically makes unavailable other types of fish, they will make available a substitute—in this case, trout.

It has worked out very well for the Federal Government. It has worked out exceptionally well for our State system. And we collect millions of dollars in taxes and revenues from this. It is a win-win for everyone.

In recent months the Federal Government, the Department of the Interior, Fish and Wildlife, in an attempt to cut some costs have thought about closing some of these fish hatcheries. I know the distinguished occupant of the chair probably has some of the same problems that we have in the State of Arkansas.

My colleague, Senator BUMPERS, and I held a town meeting near one of these hatcheries. In fact, it was on April Fool's Day, April 1. Truly, we had an overflow crowd. I must say that 99 percent of the people who attended this town meeting on the possibility of closing these hatcheries were extremely bewildered that it was even under consideration to close these fish hatcheries. They are money-making operations for our State. They certainly create revenues for the Federal Government.

Once again, Mr. President, I want to thank my friends for working out what we think is a temporary solution to the closing of the fish hatcheries by making available in this legislation what I consider to be a moratorium, at least until next March, on the closing of any fish hatcheries in our country.

During that time, we will work with the distinguished chairman. We will do everything possible to negotiate and with our ultimate bottom line of convincing those in authority, Fish and Wildlife Service, Members of the House and Senate on committees that appropriate the money for these fish hatcheries, to show them what a win-win situation this Federal fish hatchery program has been.

I thank the distinguished Senator and look forward to working with him over the next several months.

Mr. GORTON. Mr. President, the Senator from Arkansas is most gracious and is the kind of Senator with whom it is a pleasure to work. He makes me want to agree with him.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FRIST. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRIST. Mr. President, I ask unanimous consent to speak for about 7 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEDICARE

Mr. FRIST. Mr. President, I rise today to return to a topic which has been talked about and discussed on the floor this morning but which even more intensely will be talked about a lot over the next 3 weeks; that is, our Medicare system.

It is a system, a program that, as a physician, I have been involved in in a very intimate way—as a physician with patients—every day for the last 15 years of my life. I have taken care of and worked, in a doctor-patient relationship, with individuals who rely on Medicare, who expect to have Medicare help them, be with them for the remainder of their lives and for that next generation. But shortly after coming to Washington, just 8 months ago now, there became very clear to me a message which most Americans do not understand—my patients did not understand, Tennesseans do not understand, and Americans do not understand, but it is something about which people in Washington say, "Well, it is not that big a deal," but it is a big deal for the American people. And that is that Medicare is going broke and will be bankrupt in 7 years unless we act and act now and not just tinker with the system and make some little fine-tuning.

That is not going to do it. We will be in the same situation next year. And what is different this year and the next short-term 2 years is that within 18 months we are going to be spending more in the Medicare trust fund than is coming in, and in 7 years that trust fund will be bankrupt.

We are not going to be talking about less Medicare; we are going to be talking about no Medicare for our senior citizens.

The story is told so clearly, and it is in this little booklet. This little booklet I want every American, all of our Senators, all of our Congressmen and Congresswomen to read. It is the report of the Medicare trustees, the Medicare board of trustees which consists of three members of the President's Cabinet. It says in very clear terms—and let me quote from it—"The Medicare program is clearly unsustainable in its present form."

It says, and I quote, "We strongly"—the Medicare trustees, bipartisan, including three members of the President's Cabinet—"recommend that the crisis presented by the financial condition of the Medicare trust funds be urgently addressed on a comprehensive basis, including a review of the program's financing methods, benefit provisions and delivery mechanisms." It is said right here in this book Medicare is going to be bankrupt unless we do something.

Based on these facts, the Medicare trustees urged that the program be addressed and addressed immediately, and the gravest danger to this program and to the Nation's seniors who depend on it is continuation of the status quo and doing nothing.

My second point is that Republicans are responding to this urgent call. It is being addressed straight up front, in very direct fashion. No longer can the trust fund tolerate growth of 10.5 percent. The plan that we have put on the table is to allow it to still grow but allow it to grow at 6.4 percent. Thus, we are not cutting Medicare. It is not a cut in Tennessee when you are going to spend more next year and the year after that and the year after that, yet we see propaganda coming out from across the aisle and from the White House saying each county is being cut.

Each county is going to receive more in Medicare next year and not less. In 1995, Medicare will spend $178 billion. In 2002, under the Republican plan, that spending will exceed $273 billion—a 54-percent increase.

What does it boil down to on an individual basis? It means that this year in Medicare we are spending about $4,800 per individual; 7 years from now we are going to be spending $6,700. That is an increase of 40 percent between now and the year 2002.

So let us get our terminology straight. Let us shoot straight with the American people so that we can engage in a dialog that will truly be beneficial to the current generation to preserve Medicare, to protect Medicare and to strengthen the program so that it will be there not just for this generation but that next generation.

I think the message really needs to be made very clear to the American people that, No. 1, Medicare is going bankrupt, and No. 2, that there is something we can do but it has to be a dialog.

Over the next several weeks, we as Republicans are going to continue to listen—to listen to the providers, to listen to the senior citizens, to listen to all Americans, bring everybody to the table so that we together in a bipartisan way can work to solve what is a significant challenge, but it is a challenge we must face because without that the Medicare Program will be bankrupt.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1996

The Senate continued with the consideration of the bill.

certain that we provide these dedicated men and women fair pay, decent living conditions, and the best equipment available. Those who choose to serve are our best deterrent of war and the means if necessary to defeat any adversary and safeguard our freedoms. And so we must support their needs, and I believe that this measure does just that.

Mr. President, may I repeat that I am in full support of this legislation. It is a good, a fair, and a very important bill, and so I encourage all of my colleagues to support it.

One of the major issues in this measure will be the increases that this committee has recommended in procurement. Yes, these are some programs that were not requested officially by the President of the United States, but these decisions were reached as a result of our consultation with the senior military officers and the senior civilians responsible for our defense.

For example, we have added two DDG–51 destroyers at a cost of $1.4 billion. The question may be asked, Why did we do this? The President's program calls for four destroyers. However, it calls for two at this moment and two at a later time, about 3 years from now. If we followed the administration's recommendation, that amount, $1.4 billion, would be increased by nearly $400 million. We can get a better deal by purchasing four at this time.

There is another large item, the LHD–7 amphibious assault ship. It is $1.3 billion—a whole lot of money—but even this is in the program that the Defense Department has.

We have decided to procure these items at this moment and not at a later date so that we can avoid the peaks and valleys that we usually experience. We have tried to level off our spending programs so that we will not be faced suddenly 2 years from now with a huge peak and then 2 years after that with a valley.

We have added, as the chairman noted, $777 million for National Guard equipment. These are requested by the adjutants general of the 50 States. Yes, there was a time when National Guard troops were riot-control experts, or they filled sandbags for flood control, they did civilian work. But today, as they did in Desert Storm, we have men piloting aircraft in the Bosnia theater. In Desert Storm, there were thousands of National Guard officers, men and women. So they are no longer local troops that take part in our national endeavors.

We also added 12 F/A–18 Navy fighters, $487 million. This is beyond the President's request, but here again, the President's program, the Defense Department program, calls for the acquisition of these aircraft at a later date. And if you want to have a better contract deal, now is the time to purchase this.

There is $300 million for Coast Guard. The Coast Guard has now gone beyond just guarding our coast. They have participated in Bosnia, and they still do; they participated in Desert Storm, and on top of that, we have directed the Coast Guard to conduct certain missions that were not heretofore part of their responsibility. They have a major responsibility in drug interdiction. The Coast Guard account, which is in the Treasury account, is not quite sufficient to meet all the payments, so we decided in the defense bill, because it is true defense work, to pick up part of the tab.

We are appropriating $241 million to purchase a WC–130 Hurricane aircraft. I hope that my colleagues will be able to convince our friends who live in Alabama, Georgia, North Carolina, South Carolina, Florida, Louisiana, and Texas that this aircraft is not necessary. This is the aircraft that gives citizens of these areas advance notice that something horrendous is coming along. Yes, it is expensive, but we need this aircraft.

The Army asked for one thing. It was not in the President's request: Comanche, $174 million. This is a helicopter program.

What I have listed represents about 6 billion dollars' worth. Mr. President, if my colleagues carefully study what we have done, I am certain they will go along with the subcommittee. This is not fat, this is not pork, and if I may be a bit parochial and personal about this, none of these items are purchased in Alaska or Hawaii. We do not have the plants that build the fighter planes. We do not have the plants and the shipyards that build these ships and destroyers. The chairman and I believe that this equipment is absolutely essential at this time if we are to modernize our forces and to present to them the best we can in equipment.

If these men, representing less than 1 percent of our population, are willing to step forward and say to us, "We are willing to risk our lives and shed our blood for you," the least we can do is to provide them with the best protection. This will do it.

So, Mr. President, I hope that my colleagues on both sides of the aisle will go along with the recommendations that Senator STEVENS and I are now presenting.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENTS NOS. 2350 THROUGH 2362, EN BLOC

Mr. STEVENS. Mr. President, I send to the desk a series of amendments that are technical, conforming and incidental. One is on Corps SAM; one LMT; one a study amendment; there is a pentaborane amendment; BIC; Hydra-70; the JTF; JAMIP; troops to cops; troops to teachers; energy savings; and the helicopter conversion amendment.

These have been examined by Senator INOUYE and by myself. I ask unanimous consent that it be in order that they be offered en bloc and adopted en bloc, and with a paragraph before each one explaining the action we have taken. These are to conform, basically, with the authorization bill request of Members or amendments that have been adopted each time we brought the bill to the floor.

May I state for the record that both our staffs, and both of us, have studied these amendments very carefully, and we have no objection.

The PRESIDING OFFICER. The clerk will report the amendments en bloc.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes amendments numbered 2350 through 2362, en bloc.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2350

On page 29, before the period on line 13, insert: ": *Provided further*, That of the funds appropriated in this paragraph, $35,000,000 shall be available for the Corps Surface-to-Air Missile (Corps SAM) program".

AMENDMENT NO. 2351

On page 29, before the period on line 13, insert: ": *Provided further*, That of the funds appropriated in this paragraph, $3,000,000 shall be available for the Large Millimeter Telescope project".

AMENDMENT NO. 2352

On page 29, before the period on line 13, insert: ": *Provided*, That of the funds appropriated in this paragraph, not more than $48,505,000 shall be available for the Strategic Environmental Research Program program element activities and not more than $34,302,000 shall be available for Technical Studies, Support and Analysis program element activities".

AMENDMENT NO. 2353

(Purpose: To place a condition on the use of funds for destruction of certain pentaborane)

At the appropriate place in the bill add the following:

SEC. .

None of the funds appropriated or otherwise made available under this Act may be used for the destruction of pentaborane currently stored at Edwards Air Force Base, California, until the Secretary of Energy certifies to the congressional defense committees that the Secretary does not intend to use the pentaborane or the by-products of such destruction at the Idaho National Engineering Laboratory for—

(1) environmental remediation of high level, liquid radioactive waste; or

(2) as a source of raw materials for boron drugs for Boron Neutron Capture Therapy.

Mr. KEMPTHORNE. Mr. President, I want to thank the distinguished managers of the bill for including my amendment on pentaborane into the managers' amendment. My amendment will prohibit the Department of Defense from destroying a material, provisions in the committee report accompanying this legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SENATE REPORT 104–125 CLARIFICATIONS

On page 38, the amount provided for Resource Valuation does not include an increase of $600,000 for the marine minerals program. The amount provided for marine minerals is the same as the budget request, which is a $600,000 increase over fiscal year 1995.

On page 46 of the report, there are a couple of corrections to the table for Central Office operations. For the Assistant Secretary for Indian Affairs, the Budget estimate column should reflect "0", the Committee recommendation should be "2,168,000", and the Change column should be "+2,168,000". For Other general administration, the Budget estimate column should be "45,164,000", the Committee recommendation should "$34,187,000", and the Change column should be "−11,759,000". The totals for General Administration are correct as shown in the table. The general reduction of $24,700,000 for Central Office operations is shown in the change column only. The general reduction of $24,700,000 should be reflected in the Committee recommendation column as well. The total for Central Office operations in the Committee recommendation column is correct and does include the $24,700,000 reduction.

On page 47 of the report under "Other recurring programs", the Committee has assumed a reduction of $2,373,000 for facilities operations and maintenance from the budget request and $2,000,000 from the fiscal year 1995 level.

On page 48 of the report under "Nonrecurring programs", there should be no reduction mentioned for pay cost absorption. The reduction for pay costs was taken as part of the resources management and trust activities transferred to the Office of Special Trustee for American Indians and are reflected in the totals for that office.

On page 49 of the report, it is the intent of the Committee that none of the reductions for Central Office operations be applied against the two offices transferred to the Office of the Assistant Secretary for Indian Affairs.

On page 80 of the report, a reduction of $4,000,000 is indicated for fossil energy environmental restoration. This reduction is to be taken from low priority projects that do not present imminent threats to health and safety.

Also on page 80 of the report, except for $295,000 provided for technical and program management support, the funds provided for Cooperative Research and Development are to be divided equally between the Western Research Institute and the University of North Dakota Energy and Environmental Research Center.

On page 82, with respect to funds provided for program direction, no funds are to be reallocated between the various facilities to implement Strategic Alignment Initiative without prior approval of the Committee, consistent with the reprogramming guidelines, which apply to organizational changes.

On page 86 of the report, the second paragraph and third paragraphs should be reversed in order.

On page 94, the amount provided for facilities and environmental health support is $900,000 above the House level and $1,201,000 above the budget request.

On page 138 of the report, there are a couple of corrections to the table for Central Office operations. For the Assistant Secretary for Indian Affairs, the Budget estimate column should reflect "0", the House allowance should be "2,939,000", the Committee recommendation should be "2,168,000", and the change column should be "+2,168,000". For Other general administration, the Budget estimate column should be "45,164,000", the House allowance should be "41,808,000", the Committee recommendation should be "$34,187,000", and the Change column should be "−11,759,000". The totals for General Administration are correct as shown in the table.

On page 113 of the report, reference to $27,411,000 for tribally controlled community colleges, Bureau of Indian Affairs, should be deleted since these activities are authorized.

COMMITTEE AMENDMENT ON PAGE 95, LINES 19–21

Mr. GORTON. Second, Mr. President, I ask unanimous consent that we lay aside the pending amendment and take up the committee amendment found on page 95, lines 19–21.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

Committee amendment on page 95, lines 19 through 21.

Mr. GORTON. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 95, lines 19 through 21, strike the following: ", subject to passage by the House of Representatives of a bill authorizing such appropriation,".

Mr. GORTON. Mr. President, this is the committee amendment dealing with the endowment. The Senator from Arizona [Mr. MCCAIN], had objected to our taking that up last night. He has now withdrawn that objection if we adopt it under the same circumstances that we have adopted the other committee amendments. As a part of the overall text, it will be open to amendment. So I do not believe there is any debate on it. I urge the adoption of the amendment.

The committee amendment on page 95, lines 19–21, was agreed to.

Mr. GORTON. I move to reconsider the vote.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, I yield the floor.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Vermont.

Mr. JEFFORDS. Mr. President, as has been pointed out by the distinguished Senator from the State of Washington, we are in the process of trying to work out a solution to the very difficult questions of the fundings of the National Endowment for the Arts and the National Endowment for the Humanities and the Institute for Museum Services.

This is critically important because we must make sure that these very fine institutions survive. I am hopeful that we will reach an agreement, which will not make us all happy obviously, but which will allow us to go forward to reauthorize the endowments and to proceed on to conference, where we will at least know from both sides that the endowments will survive as will the museums services.

So I think that is all of our desires. This is a very volatile issue and yet an extremely important one. I note, for instance that this topic of funding for the arts and humanities has made the cover of Time magazine, and the article asks the question as to whether or not this institution, the Congress, will support the Endowments and recognize the importance of that to our Nation.

Let me give us all a little bit of a briefing on where we have gone this year relating to the concerns that have been expressed by Members. They are primarily related to grants that have been approved by the endowments which are considered by the American public as being less than acceptable, and concerns as they relate to the issue of pornography.

This has been a plaguing matter, and we have tried to relieve the public of anxiety over the years. To a large extent, we have prevailed in the sense that very few items, if any, have come to our attention in recent years that in any way have offended the public.

But under the leadership of Senator KASSEBAUM in our committee this year, we took up the Endowments and reauthorized them. In doing so, we also changed the law such that the chance of having the American public offended by grants for projects that they consider less than acceptable is totally eliminated.

How have we done that? First of all, we have addressed the issue of individual grants, where many of the problems have been. Individual artists are chosen by peer groups to be awarded a grant, and sometimes the grantee, the person who gets the grant, does not necessarily come forth with the kind of art that was anticipated by the peers. Thus, we get into great disputes and embarrassments. As this body knows, we have displays on the floor showing the kind of art that was referred to and the offensive aspects of it.

Under the leadership of Senator KASSEBAUM, we eliminated any possibility of that happening again. The individual grants to artists are limited only to the area of literature. That, in my opinion, goes a little too far, and it may end up being changed. Still, that action certainly responds to those concerns that have been raised.

In addition to that, there have been problems with subgrants and some seasonal support grants where the NEA itself has no knowledge of what is going to be done with funds designated to an institution or for a season of productions. Many times it is just administrative expenses that have been supported by the national endowment. Yet, on the stage, if something occurs which is offensive and because there was a small amount of money that was spread throughout the whole budget of the institution which allowed this to occur on the stage, the national endowments have taken the rap and gotten a bad name. Such examples have been eliminated from having the possibility of receiving funds.

There still will be grants available to individuals at the State level, and there will be a large number of challenge grants. All these things that are presently allowed under the national endowments, all the good works which have not proven to be offensive to anyone, will still will be able to go forward.

On the other hand, unfortunately, due to these unfortunate matters, we have seen efforts to totally do away with the endowments. With that in mind, and without knowing for certain as to how this will come out in the House and the Senate—the thing we want to do today, the most critical thing, is to make sure that the endowments continue as strongly as possible this next year.

We have in the committee, under the leadership of Senator KASSEBAUM, as I mentioned, changed the endowments significantly and have taken steps to prevent those kinds of embarrassing matters from occurring in the future. These changes were made to protect the public and protect the endowments, and those changes that I mentioned before have now been incorporated into the text of the subcommittee appropriations bill.

So as well as appropriating funds to the endowments, we have changed the current law to prevent the kinds of grants that have, in the past caused a great deal of trouble.

Many of us would like the endowments to receive more money, and in taking the action that we will today, I hope to assure that there will be more money available to those agencies, as compared to what the committee has recommended. This is not the first time we have confronted this type of crisis situation of severe budget cutting. Fourteen years ago we faced such a crisis and an attempt to eliminate the Endowments. We survived and survived with about half the funding. Unfortunately, that is nearly where we find ourselves today. For the endowments to exist, there is a great deal of pressure to try and make sure we do not end up having to account for or explain questionable grants as we have had to in the past.

So I am hopeful we will reach a resolution which will be acceptable to Members and that we will not run the risk of losing the Endowments.

There are a number of Senators who have been helpful. At this time, I would like to yield the floor so that Senator PELL, one of the great defenders and also creators of the endowments, could make his remarks.

I want to, again, pay my respects to the incredible work that he has done in the area of the arts and humanities and the museum services over the years. He kept them alive and strong and has defended them with all the vigor possible.

At this time, Mr. President, I yield the floor.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Chair recognizes the Senator from Rhode Island.

Mr. PELL. Mr. President, I thank my friend and colleague from Vermont for his very nice words and say it was just about 30 years ago that the Senator from New York, Mr. Javits, and I were able to get this legislation through. Those 30 years have gone very quickly. Many things have happened, but I think judgment, in connection with the arts and humanities, has been borne out.

The debate reminds me of a story I know concerning Winston Churchill. In the darkest days of the Second World War when the outcome of the battle, the conflict, was still unknown, a young staff assistant on the Prime Minister's staff found, to his shock, that the Government was funding the British Arts Council throughout the war. He went dashing off to Mr. Churchill, informed him that he found more funds for the war effort and how extraordinary it was that scarce resources were going for such a purpose when the empire was in the midst of a life-and-death struggle. I am told Winston Churchill turned to the young man and replied, "I remind you, sir, it is exactly this for which we are fighting."

I think this thought should remain in our minds as we discuss this issue. I think we should also bear in our mind whether we, as a Nation, want to be remembered as Athens was or Sparta was. Athens was noted for its diversity of culture; Sparta noted for its armaments, weapons, and warmaking ability. I think we would prefer to be remembered as an Athens and it is exactly that for which this legislation needs us.

Rather than being a subsidy for the rich, one of the primary missions of the NEA has been to encourage the spread of American culture beyond those individuals, communities, and regions rich enough to afford it.

Uncharacteristically among Federal programs, endowment dollars multiply and foster national support for the arts. The early endowment grants drew matching grants of about $1.5 billion in private, State, and local patrons. It is true that without the NEA and the NEH we would still have our history, literature and art. But these things would be reserved for those who can afford it. I think it is unfair to our citizens and for some individuals to assert that only wealthy Americans are interested in the development of the arts. I know as one Senator, I believe and the evidence supports the fact that Americans from every walk of life, from every economic level, strongly desire to seek access to cultural events in their own home communities.

From an economic viewpoint, the dollars sent by the arts endowment to communities around our Nation have been a very successful investment. For every dollar the endowment invests, there is created a tenfold return in jobs, services, and contracts.

The arts, fostered by the national endowment, encourage national and international tourism, attract and retain businesses in our communities, stimulate real estate development, increase the production of exportable copyright materials and, most important, contribute to our tax base. Governors and mayors from around the Nation can attest to the manner in which the endowment-supported projects have breathed new life into the downtown areas of their towns and cities. New businesses and tourists congregate in those areas which have developed a cultural life. San Antonio, Cleveland, Greenville, Oklahoma City, and Birmingham are among the cities studies have shown the enormous economic contribution of the arts.

Rather than being a subsidy for the rich, this has as its primary mission the encouragement of American culture beyond any small circle of those able to afford it. It is true that without the NEA and the NEH we would still have a history, literature, and art, but it would be reserved for those who could afford it.

All told, I can think of no legislation that would, for less money, add more to the quality of life for our citizens and our communities.

I hope that my colleagues will support this legislation, and that as the years go on we will have increased it and emphasized it. It has been 30 years since we started, 30 years since on the Senate floor some of us have advocated it. I hope that 30 years from now, down the road, we will continue to spend money on the arts and we will be known as not only a great Nation and a superpower, but known as the Athens of the world, the leader in the arts, humanities, literature, poetry, painting, and the like.

I yield the floor.

Mr. SIMPSON. Mr. President, I want to pay tribute to my friend Senator PELL, who through the years has been such an extraordinary supporter of the arts—music, theater, visual arts, the performing arts. He is an extraordinary man, a gentle man, and a gentleman.

And I also pay tribute to Senator JEFFORDS, who must just be listed as totally consistent, totally steady, totally fair as he pursues this great interest of his.

As for me, I, too, have found the arts and music and history and the visual and performing arts to be a very important part of my life. If politics is your sole reason for existence, it is a very barren experience, a rather barbaric experience. For me, the arts and music are the salvation, the softening of the edges of what we do here. And so, throughout the years, I have tried my level best to support these projects and programs, and I do thank Senator PELL and Senator JEFFORDS.

I think this is an excellent amendment, restoring a total of $17 million in funding for the National Endowment for the Arts and for the Institute of Museum Services, which is a very small agency that does very big work.

I think we have to commend Jane Alexander, a remarkably astute, bright, effervescent lady who knows what the problems of the NEA are and has sought to correct them, and has done a magnificent job of that. Also Sheldon Hackney of the National Endowment of the Humanities knows the problems, perceives them, intelligently looks at them, and has to suffer, along with Jane Alexander, the slings and arrows of an outrageous fortune, especially when he proposes something, I think, as vital as having a "National Conversation," which would be well worth doing, so that instead of the subterranean dealings with issues such as immigration and racism and homosexuality, we would discuss those things in a national conversation, where people could come into a civil surrounding and talk instead of just saying the most evil thing and writing the most outrageous columns—doing all the divisive things that are done in this remarkable arena.

I think this is an excellent step. I am proud to cosponsor it. The amendment is budget neutral. We would offset the funds, as indicated in the amendment, by striking at administrative costs. Many smaller programs are exempted from this reduction, as is the Park Service and the Bureau of Indian Affairs. We realize those two offices have taken some pretty good shots. It is all there. Many of my colleagues who support the arts may be feeling the pressure in this year of budget constraint. But even if we pass this important amendment, the arts endowments will have taken a very tough hit, a full 30-percent cut—the deepest in the bill.

Without this amendment, State grants at the NEA will be reduced by 30 percent, and "national significance" grants will be slashed by more than 50 percent. I believe that is a very high, very inequitable reduction that does not accurately reflect the usual thoughtful sentiment of this body.

I understand all of the difficulties. I commend Senator GORTON, a steady, thoughtful person, who listens to all of us, hears our pleas, which finally turn into plaintive wails or peals for assistance from on high; and Senator BYRD, who listens so patiently and wisely to all of this, and has, for so many years. He is absolutely tireless and is exceedingly fair in his work.

The fact is, in my State, direct Federal grants from the arts agencies provide critical funding for marvelous institutions that are seen and visited by people all over the United States. There are the Buffalo Bill Historical Center in Cody; the Grand Teton Music Festival, in its 7 weeks of performance in the beauty of Jackson Hole, where we have previously hosted the New York Philharmonic in residence for 2 weeks during our centennial year; the University of Wyoming Art Museum; the Mountain Man Museum; the Nicolaysen Museum, and in Southwest Wyoming; Green River; Rock Springs, all are receiving funding. There are hundreds of smaller programs that we do not see, and these endowments enrich the lives of so many Americans, particularly those in rural communities or "frontier" communities such as Wyoming.

The State art grants that find their way to small towns are also used at schools and local festivals. One found its way into the use of an "art mobile" at the University of Wyoming—my vital wife Ann was so very active in that—where you take original art, such as etchings, water colors, oils, out "on the road" to tiny towns where young people walk up and say, "What is an etching? How do you do that?"

And you say, "Well, you take a copper plate and either do it in dry point, or you do this by pouring acid in there and that eats those lines out, and then you put ink in there and place paper there, and you press it and pull it, and that is an etching."

And they say, "I did not know that!" They might also say, "What is dry point?" "What is gouache?" Those things may mean nothing to some but to a kid, they may fire the imagination. That is what we should do.

People in rural areas simply do not have any access to the many privately-funded cultural institutions that exist in larger cities. Indeed, it illustrates the bizarre irony of the argument that the endowments are "welfare for the rich."

Just let me conclude with a few of the programs that are supported by the Wyoming Arts and Humanities Council. I will leave it up to my colleagues to decide whether these programs provide "welfare for the rich":

An Arapaho language immersion program for preschoolers on the Wind River Indian Reservation;

A performance of the Bear Lake Music Festival Orchestra at Evanston High School;

A presentation of Handel's "Messiah" in Afton, WY, in the Star Valley;

A theater production for people with physical and mental handicaps in Riverton;

"Fiddler on the Roof" presented in Sundance, WY;

Operating support for the famed drum and bugle corps, "The Casper Troopers";

Concert performances by "The Grizzlies" in Meeteetse, Torrington, Saratoga, and Encampment;

A "Young Author's" contest at Saint Stephens Indian School;

A fellowship for research on Shoshone Indian history;

A "Centennial Singers" performance in Baggs, WY;

A performance of the Utah Symphony in Wind River;

Musical workshops and a concert at the Chugwater Attendance Center;

Fellowship to research child development at the former Heart Mountain Japanese Relocation Center;

Lectures by biblical archaeologists presented by the UW religious studies committee;

Operating funds for the "Traveling Western Art Exhibit" in Green River;

A Wyoming territorial park exhibit of the first women to serve as members of common law juries;

Support for the children's theater in Thermopolis;

A jazz festival in Powell;

To bring a visiting artist to Pinedale;

A guest lecture on "The Oregon Trail" in Medicine Bow;

A folk dance performance in Dubois; and

Over 100 grants to elementary and secondary schools for arts in education.

A program at the former Heart Mountain Japanese Relocation Center. That ought to be studied. This is where our fellow citizens were placed behind barbed wire in 1943. They were not aliens, they were not permanent resident aliens; they were U.S. citizens put behind wire. That is where I first met Congressman NORM MINETA. We were together in the Boy Scouts—he behind the wire, and me in the town of Cody. Interesting times. The two of us have shared much together in talking about it and remembering it.

The people who attend these events are not "highbrow elitists." They are genuine, hard-working, sensible folks whose lives are truly brightened and improved by the work of the NEA and NEH. And today these folks are provided enlightenment in a sea of the present shallowest, coarsest television pop culture of the ages.

People certainly do actively participate in the arts. In the past 4 years, more than 3 million people have attended NEA or NEA-supported events or facilities in Wyoming alone. That is not too bad in a State with only 476,000 people!

Yes, yes, there is always going to be the emotional debate regarding obscenity. We have all seen the grotesque—stupefying, actually—and explicit photographs and listened to the very real concerns of many Members of the Congress. But in nearly 30 years, with nearly 100,000 grants, only a small handful of those projects have been controversial in any way. That is a pretty good track record, a handful of decisions in 30 years. I believe we could find a greater number of mistakes or oversights in many more Federal agencies, or perhaps even in the Congress itself! We just might have made a mistake or two here in 30 years. But that never receives the same level of intense scrutiny. In directing our displeasure, we should attack the cancer, not kill the patient.

The arts are an integral part of our society and serve as a unifying force. We are all concerned about the economy and appropriate use of dollars. But this is a measure that I hope will pass.

I thank again Senator GORTON. I thank all those involved—Senator BYRD. The Interior appropriations bill is all about conserving our Nation's resources. I deeply believe the money we spend on our culture is no less important than the money we spend on our natural resources, our forests, our animals—the flora, the fauna—and our energy. This bill provides a great deal of taxpayers' money to conserve those natural riches. We should make a similar Federal commitment to stimulate and preserve fully our Nation's varied cultural treasures and riches.

I thank the Chair and I thank particularly the managers of the bill for their extraordinary patience and courtesy.

The PRESIDING OFFICER. The Senator from Washington.

UNANIMOUS-CONSENT AGREEMENT

Mr. GORTON. Mr. President, a technical point. I ask unanimous consent the last committee amendment adopted on the National Endowment for the Arts be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. Mr. President, I simply want to pay tribute to the chairman of the subcommittee, the Senator from Washington, for the expert and patient way in which he has dealt with this issue. It is my belief the amendment that is going to be offered by the Senator from Vermont is a salutary one. It is one I support and intend to vote for. It is my understanding that it enjoys wide support in the body and will, in all probability, be agreed to.

I want to repeat my own commitment to some kind of national presence with respect to the arts. Senator HUTCHISON and I have introduced a bill that would create a single endowment, combining the National Endowment for the Arts and the National Endowment for the Humanities, in an effort to get more efficiency out of the overhead money connected with these efforts. But I believe, for the same reasons the Senator from Wyoming has outlined, that cutting off all significant national presence in this area would be a mistake, and it would hit most heavily, ironically, in the more rural areas.

In the State of Utah we have a long history of commitment to the arts and involvement with the arts. It goes all the way back to Brigham Young, the first Governor of the Territory of Utah, who, in their days of poverty, led the original settlers of Utah to build a theater and to recognize the importance of the arts that early in their lives. That is a tradition I am proud of and that I want to perpetuate here.

I simply want to make the point that Federal arts funding is not sufficient to sustain any of the groups that depend upon it. They all require much more private funding than they get from the Federal Government. The thing the Federal funding does is give, if you will, a "Good Housekeeping Seal of Approval" to the fundraising efforts of the locals, who are trying to support arts in the community. Particularly in rural areas, which abound in my State, there would be a devastating effect on the fundraising efforts of local people if the imprimatur that comes from the NEA were to disappear.

For that reason I intend to vote for this amendment and urge my colleagues to do likewise.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. ABRAHAM. Mr. President, I would like to speak today more broadly about the future of the National Endowment for the Arts as opposed to speaking specifically on this amendment. I had earlier thought about possibly offering an amendment of my own which, if agreed to, would have accomplished the objective of moving us in the direction of privatization of the endowments—both the arts endowment as well as the humanities endowment. For a variety of reasons, I have decided to withhold at this time. If we do bring our bill to the floor, which has passed the Labor Committee, to authorize the endowments, I will probably offer my amendment in that context where I think it would be more appropriate. I also may, at a later date, bring it as a freestanding amendment somewhere else, if I believe circumstances warrant that.

I would like reflect here, today, a different viewpoint, to some extent, than that which we have heard; specifically, the viewpoint that one can be pro-art, and a supporter of arts, and a believer that the arts are important to this country, while not necessarily supporting the notion that the Federal Government and taxpayer dollars ought to be used to support the endowment, or a similar national entity supporting the arts.

I have given a lot of thought to this, because I do not come at this from the perspective of feeling we should diminish the role of the arts in our society. But as I talked to constituents and watched the debate and read the articles that have been referenced here, I have increasingly come to the conclusion we are headed in the direction, ultimately, that will be a lose-lose for America and specifically for people who support the arts.

There are, obviously, a lot of arguments against the notion of Federal support in general. There is the philosophical question of whether or not the Government has an appropriate role in supporting the arts. I do not wish to address that today. There is obviously quite a lot of division on that.

But we are in an era of limited budget availability for all programs, and while certainly a case has been made by some that the arts, as a priority, should be high on the list, it is hard in an era where we are limiting the growth of many important programs—whether it is Medicaid or Medicare or school lunches or anything else—that those priorities should not come first.

In addition—and quite visibly in recent months, of course—we have had questions once again raised about the funding of art projects or of artists or of entities which sponsor what clearly becomes objectionable expressions of art. And whether it was the eating performances or the more recent Horizons project in California, I think American taxpayers are rightfully upset when they see their dollars being used to subsidize in part or in full what at least is claimed to be art but which, at least to them, is in fact objectionable and in some cases perceived to be obscene.

These issues will not go away. I think we, as the Congress, should try to look at the long-range perspective here, not just the question of whether or not there are $99 million or $112 million next year in the endowment's war chest. The fact is, these problems will continue. I do not think halfway measures will work.

Consider where we are headed. Where we are headed now is in a direction in which we both provide less funding than in the past for the endowments, but with more strings, more hoops to jump through, more restrictions on the kind of support that is going to be provided. It is my belief that this approach will continue to make the money available to the arts scarcer—at least that from the Federal Government. And I believe we will continue to increase the amount of regulations on the endowments in the years ahead, because I think we are probably no more than one or two additional objectionable projects away from a complete elimination of funding.

I think that is a lose-lose situation. It is a "lose" in the sense the Federal support, or national support, for the arts will end in its entirety. And it will happen so suddenly there will not be an adequate time of transition to deal with that cessation of support.

And the reason it will happen is because we cannot, in my judgment, in Congress ever successfully arbitrate the dispute which on the one hand has constituents calling and complaining to us that we should not be providing taxpayer funds for what they consider to be obscenity or objectionable art and on the other hand please the people who are beneficiaries of this, be they the artists or museums or others who say we should not censor the arts.

When Government gets into the middle of providing support and then placing strings on the various grants that are given, we inevitably have, I think, an impossible fine line to try to walk: the line that separates obscenity on the one hand and censorship on the other.

So it is my view that all the intermediate steps, whether it is just giving the money back to private institutions rather than individual artists or just giving the money to State councils or putting a lot of boards and regulations into place, all of these I think are going to appease for a short period of time only. And then another project will come along that people find so objectionable that I think the grassroots will rise up and cause a majority of people in the Congress to say "enough is enough." Indeed, on the House side, I guess that is where they have already arrived.

So what I will be offering, as I say, at some point is an amendment that I brought before our committee, the Labor and Human Resources Committee, an amendment on a reauthorization bill which called for a privatization of the national endowments, a privatization over a sufficiently lengthy period of time—5 years—that would give the endowments an opportunity to make the transition from Government funding to private funding. It would proceed on a slow enough pace I think for the entities to be able to develop the kind of financial resources necessary to continue to be national entities but to no longer be ones which had either, A, direct taxpayer support; or, B, a lot of Government censorship as part of their day-to-day regimen.

I know that some people question whether or not this is feasible. But the fact of the matter is that today the role in terms of the funding that we provide—that is, the Congress provides—the arts is a very small percentage of the total amount of funding that the arts receive annually. Indeed, it is less than 2 percent. Our $145 or $147 million, which was this year's funding level, is just a thimbleful of support compared to what comes from private sources. Mr. President, over $9 billion in support of the arts comes from private sources.

It seems to me that it is very likely and very feasible that a national entity which would continue to provide the sort of national imprimatur that we have heard discussed here today would be able to raise the kinds of resources necessary to maintain a level of activity at least as vigorous as we currently have. Indeed, I would suggest that a national entity, if it received as much support from the artists and the arts community that we have seen evidenced in this debate, would be able to have even more resources available to support the causes that such a national entity decided to back.

So, Mr. President, without belaboring the issue at great length today, I will be coming back to this Chamber at some point with an amendment which will outline a 5-year plan of privatization. I think the net effect of that will be a win-win: a win in the sense that there will remain a national entity providing the imprimatur of support for worthy arts projects across America; a win for the taxpayers in the sense that those who wish to continue supporting it could make charitable contributions and receive tax deductions for those charitable contributions, but the taxpayers who do not support the program will no longer be forced directly to support such an entity; and I think a win for the American people in general and for the arts community in particular because I believe when it is over and that process is in place, that there will be more, not less, support available from a national source to give those worthy projects the backing they need to remain in existence.

Mr. President, I will be bringing this to the floor sometime in the near future. I look forward to discussing it further with interested colleagues.

I yield the floor.

Mr. JEFFORDS addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. I have an amendment at the desk, and I ask for its consideration.

The PRESIDING OFFICER. The Senator from Vermont is informed that the pending amendment is the Craig amendment.

Mr. JEFFORDS. I ask unanimous consent that we set aside the pending amendment so that I might offer my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2304 TO VARIOUS COMMITTEE AMENDMENTS

(Purpose: To increase the funding for the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services)

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont (Mr. JEFFORDS), for himself, Mr. LEAHY, Mr. SIMPSON, Mr. PELL, Mr. BUMPERS, Mr. KENNEDY, Mr. DODD, Mr. LAUTENBERG, Mr. AKAKA, and Ms. MOSELEY-BRAUN proposes an amendment numbered 2304 to various committee amendments.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. HELMS. Mr. President, I respectfully object. I would like for the clerk to read the entire amendment. I want to be sure everything is in there that I want in there.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue to report.

The assistant legislative clerk continued to read as follows:

On page 2, line 11, strike "$565,936,000" and insert "$564,938,000".

On page 2, line 24, strike "$27,650,000" and insert "$27,273,000".

On page 3, line 5, strike "$565,936,000" and insert "$564,938,000".

On page 3, line 11, insert before the period at the end thereof the following: ": *Provided further*, That not more than $44,879,000 of the total amount appropriated under this heading shall be used for administrative support for work force and organizational support".

On page 9, line 23, strike "$496,978,000" and insert "$496,792,000".

On page 10, line 19, insert before the period at the end thereof the following: ": *Provided further*, That not more than $13,442,000 of the total amount appropriated under this heading shall be used for general administration and for the Central Office Administration of the Fish and Wildlife Service".

On page 16, line 13, strike "$145,965,000" and insert "$145,762,000".

On page 17, line 14, insert before the period at the end thereof the following: ": *Provided further*, That not more than $14,655,000 of the total amount appropriated under this heading shall be used for the administration of the Natural Resource Science Agency".

On page 21, line 22, strike "$577,503,000" and insert "$577,157,000".

On page 24, line 13, insert before the period at the end thereof the following: ": *Provided further*, That not more than $25,027,000 of the total amount appropriated for the United States Geological Survey shall be used for the general administration of the United States Geological Survey".

On page 24, line 23, strike "$182,169,000" and insert "$181,725,000".

On page 26, line 14, insert before the period at the end thereof the following: ": *Provided further*, That not more than $32,099,000 of the amount appropriated shall be used for administrative operations and general administration and for the Minerals Management Service".

On page 27, line 10, strike "$132,507,000" and insert "$132,216,000".

On page 28, line 6, insert before the period at the end thereof the following: ": *Provided further*, That not more than $21,024,000 of the amount appropriated shall be used for the general administration of the Bureau of Mines".

On page 28, line 14, strike "$95,470,000" and insert "$95,316,000".

On page 29, line 6, insert before the period at the end thereof the following: ": *Provided further*, That not more than $11,135,000 of the amount appropriated under this heading shall be used for the general administration of the Office of Surface Mining Reclamation and Enforcement".

On page 29, line 12, strike "$170,441,000" and insert "$170,374,000".

On page 30, line 17, insert before the period at the end thereof the following: ": *Provided further*, That not more than $4,820,000 of the amount appropriated under this heading shall be used for the general administration of the Abandoned Mine Reclamation Fund".

On page 66, line 15, strike "$1,256,043,000" and insert "$1,252,291,000".

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the remainder of the amendment is as follows:

On page 67, line 3, insert before the period at the end thereof the following: ": *Provided further*, That not more than $271,248,000 of the amount appropriated under this heading shall be used for the general administration of the National Forest System for the Department of Agriculture".

On page 77, line 9, strike "$376,181,000" and insert "$376,027,000".

On page 77, line 12, insert before the period at the end thereof the following: ": *Provided further*, That not more than $11,167,000 of the amount appropriated under this heading shall be used for headquarters program direction and fossil energy research and development for the Department of Energy".

On page 78, line 3, strike "$136,028,000" and insert "$135,938,000".

On page 78, line 7, insert before the period at the end thereof the following: ": *Provided further*, That not more than $6,510,000 of the amount appropriated under this heading shall be used for the program direction of the Naval Petroleum Reserve for the Department of Energy".

On page 78, line 10, strike "$576,976,000" and insert "$576,661,000".

On page 79, line 2, insert before the period at the end thereof the following: ": *Provided further*, That not more than $22,741,000 of the amount appropriated under this heading shall be used for the technical and financial assistance management for energy conservation for the Department of Energy".

On page 95, line 19, strike "$82,259,000" and insert "$92,753,000".

On page 96, line 23, strike "$96,494,000" and insert "$92,000,000".

On page 97, line 21, strike "$21,000,000" and insert "$22,000,000".

At the appropriate place, add the following:

"SEC. . Notwithstanding any other provision of law, none of the funds authorized to be appropriated pursuant to this Act may be used to promote, disseminate, sponsor or produce materials or performances which denigrate the objects or beliefs of the adherents of a particular religion."

At the appropriate place, add the following:

"SEC. . Notwithstanding any other provision of law, none of the funds made available to the National Endowment for the Arts under this Act may be used to promote, disseminate, sponsor or produce materials or performances that depict or describe, in a patently offensive way, sexual or excretory activities or organs."

Mr. JEFFORDS. Mr. President, I want to explain what we are doing here.

Our main concern and main desire and the purpose of this amendment is to ensure that the endowments go forward and that we will have in conference comparable bills which ensure the existence of the endowment and the Museum Services Institute. That is the essence of the amendment though we may have a change in just how the offsets are crafted for the increase in funding—but the level of the endowments will be raised to $110 million each.

Also, there are two amendments that were added at the request of Senator HELMS dealing with pornography and dealing with the inappropriate depiction of religious items which will be made a part of the agreement.

I am hopeful that by doing this we can lay to rest the fear that many have that this Congress and the Senate in particular is going to step back from its commitment to the arts. Nothing could be further from the truth. And I hope with the near unanimity that we have on this amendment it would indicate appropriate guidance with respect to what is a proper utilization of money from the arts endowment, an issue that Senator HELMS has addressed with his language and idicate as well that there is a desire to continue the operation of the endowments. The endowments will be operating at a greatly reduced level, though our amendment today will put them at a significantly higher level than the House has offered. We will have to discuss that issue further in conference.

I should also like to point out how important the continuation of the endowments is. I will later make a part of the RECORD an article in the Smithsonian from May of this year: "Deep in the North Country They Danced Their Hearts Out," which highlights the important ways endowment funds have been put to use.

Also, as I mentioned, Time magazine had on its cover this week an indication of how incredibly important it is for this Nation to stand behind its commitment to the arts, for a nation without art and without a commitment to the arts, is really a nation without soul. And it is important that that is demonstrated by Congress, in particular.

So with that, Mr. President, I yield the floor.

Mr. LEAHY. Mr. President, I am pleased to join Senators JEFFORDS, SIMPSON, BUMPERS, and others in offering this amendment to strengthen the National Endowments for the Arts and Humanities.

The debate over funding for the National Endowment for the Arts [NEA] and the National Endowment for the Humanities [NEH] is not about making tough budget choices. This is a debate over whether reason will prevail over hysteria.

The Federal deficit is out of control and Congress must continue to make tough choices to get our fiscal books in order. But we are not going to balance the budget by eliminating Federal funding to the arts and humanities.

Opponents of Federal support for the cultural agencies have singled out a tiny fraction of the total grants provided across country as objectionable. I, too, have found several of the projects which received funding personally disturbing.

But since when does Congress eliminate an entire agency for a few bad grants? The Department of Defense would have been abolished long ago if it had been held to a similar criteria that a few bad contracts were justification for closing down the Pentagon.

Federal cultural agencies have unfortunately become political symbols for groups that objected to that tiny fraction of grants. I strongly believe, however, that they are a worthy investment—even in these times of fiscal restraint.

Promoting the arts and humanities is much more than awarding grants. These agencies promote programs that foster the healthy artistic and cultural weave that binds our diverse society together.

I need to look no further than my home State of Vermont to see why we must maintain adequate Federal funding for NEA and NEH. It is easy to review lists of the grant awards that have been made in Vermont or any other State. Such a shallow approach belittles the work done by these agencies. These grants keep our culture vibrant and remind all of those who they touch how fortunate we are to live in these United States.

Let me highlight some of the programs in Vermont and show how the benefits far exceed the minor investment we make to promote the arts and humanities.

The Folklife Center is one recipient in Vermont of a challenge grant from the NEA. The center enriches Vermonters of all ages by displaying the beauty and importance of the artisans and their crafts of basketry, quiltmaking, stonework, slate and granite carving.

Arts programs benefit the entire community.

The Catamount Film and Arts Co. in a very rural part of Vermont, known as the Northeast Kingdom, has earned a national reputation for excellence in programming and community service. The $5,000 that they receive from the NEA enables them to present over 25 live performing arts events each year.

Over 5,000 Vermonters visited the Rutland Region Ethnic Festival last year thanks to support from the NEA. Everyone enjoyed entertainment and a variety of foods from around the world.

Through a grant from the NEH, the Mother Goose Program promotes literacy throughout Vermont by encouraging parents to read with their children. A special part of this program is dedicated to teen parents.

Mr. President, every program in this appropriations bill is being cut. That is reality. This amendment brings parity to the arts and humanities.

With the additional funds provided in this amendment, both NEA and NEH are funded at $110 million. This amendment is not perfect. Even at this level, NEA would be reduced by 32 percent and the NEH by 36 percent from this year.

I would certainly like to see funding for the NEA and NEH at a much higher level. More than the numbers involved, however, this amendment is a show of the Senate's commitment to continuing strong Federal arts and humanities programs now, and in the future.

The NEA and NEH are extremely important to my home State of Vermont. And I am pleased to be working with my colleague from Vermont, Senator JEFFORDS, to strengthen these institutions. Senator JEFFORDS has been tireless in his support for the arts and humanities.

The amendment we are offering is about more than the State of Vermont, it is about our country as a whole.

These agencies and the grants they award preserve and perpetuate our national cultural heritage. They deserve our support and I urge my colleagues to support this amendment.

Mr. LAUTENBERG. Mr. President, I rise to support the amendment which would restore a minimal amount of funding to our Nation's cultural endowments and the Institute of Museum Services. I am a cosponsor of this amendment.

I proudly stand here in support of the NEA, the NEH, and the IMS. The cuts in this bill which devastate the endowments will have serious implications on our local theaters, arts classrooms and on the creative voice of our Nation.

Let us not kid ourselves. These cuts are not a result of fiscal restraint. The cost of maintaining the NEA amounts to 65 cents a person. A few days ago, we in the Senate defeated an amendment to the Defense appropriations bill that would have eliminated the $7 billion increase over the budget request. Seven billion dollars.

Some may say that we need these funds to boost readiness. Mr. President, some may not know that the Department of Defense spends more money on military bands than we appropriate for the NEA. In fiscal year 1995, the Department was appropriated $179.5 million. That is over $10 million more than was appropriated for the NEA in fiscal year 1995, and almost twice as much as is appropriated for the NEA in this bill.

Opponents of the NEA, NEH, and the IMS contend that Government should not fund the arts.

Perhaps the entities should be privatized. Mr. President, military bands play for free, with no private cost share. On the other hand, every Endowment dollar attracts $11 for the arts from State, regional and local arts agencies, foundations, corporations, businesses, and individuals.

Now, I am not against military bands. But to claim that the NEA receives too much money while the military receives almost twice as much for military bands reflects skewed priorities.

I am a longtime supporter of the Endowments. I fully believe that the arts and humanities reflect and shape what we are as a nation.

It is not just the Lincoln Centers, the New Jersey Performing Arts Centers, the McCarter Theaters—it is a schoolchild's first exposure to creativity when he or she writes a poem or a story or draws a picture in class.

It is their enchantment at hearing their first opera on a fifth grade field trip. It is their joy in performing in their grade school play or their high school production.

It is the joy of millions who see productions from the smallest community theaters to Broadway, from the church pageant to the Mark Taper Forum in LA; from the band that plays in the local municipal Fourth of July parade to the Tyrone Guthrie Playhouse in Minneapolis.

It is how America is represented to the rest of the world. It is how America reaches the rest of the world.

These are our Shakespeares, our Maya Angelous, our Mary Cassats, our Dizzy Gillespies and Count Basies and Lionel Hamptons; our Whitney Houstons, and our Jane Alexanders whose achievements will never enlighten and enchant and allow generations to dream if we eliminate the funding.

In the name of budget cutting we will be killing off a vital part of what we are. What we spend on the arts now is minuscule compared to the return. The arts are our past, our present, and our future. They are our collective memory and our collective dream.

Mr. President, I have heard from hundreds of New Jerseyans on the NEA and the NEH. The level of support for the NEA and NEH is overwhelming. Let me relay to the Senate selections from a few of those letters:

> I am an eleven year old music student. My father has told me that throughout history, almost all civilized governments have supported the arts.
>
> I feel it would be a tragedy for this country, the greatest in human history, to abandon the arts, and allow much beauty to wither away.

* * * * *

> How can we contemplate eliminating these cultural necessities while still pretending to be a great, mature nation? The more we cut, the more careful we must be in order not to lose what is valuable. Wholesale slash-and-burn is no substitute for intelligent government.

* * * * *

> One of the reasons I love living in New Jersey is indeed for the easy availability of the arts here. For a country that prides itself on freedom of speech and a diversity of points of view, it is only fitting that the nation as a whole would act as an arts patron. This is hardly a novel idea—the other industrialized nations subsidize their arts and artists at far higher rates than we do.

* * * * *

> Please don't let the NEA die. Let our elected leaders help to leave a legacy to future generations.
>
> Help these generations become the enlightened, enriched citizens of tomorrow.

Mr. President, my constituents say it better than I do. Support this meager increase in funding for the NEA, the NEH, and the IMS. I urge adoption of the amendment.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I see my colleague and friend, Senator PELL, who was the prime sponsor for the legislation establishing these programs 30 years ago. I commend his vision and believe that the record of these agencies is a tremendous tribute to him.

We have had over the period of recent weeks and months a relentless assault on the National Endowment for the Arts and the National Endowment for the Humanities. I think many of us across this country understand the importance of these agencies. They are deserving of our support because they make an enormous difference in the quality of life of our Nation—and, most importantly, in our culture, helping to define the context of our history and our society. If we do not understand the humanities, we really fail to understand the individual aspects of our culture, and the unique aspects and values of our society.

Although the funding levels for these agencies are modest, the achievements of this program have been extraordinary over any careful and honest examination of its history. The National Endowment for the Arts is the principle way that the Federal Government demonstrates the Nation's appreciation of and respect for the arts. Every great civilization from recorded times has valued the arts and valued the humanities. The legacy of the Endowments is extraordinary. Small communities and countless neighborhoods have benefited in a variety of different ways, further encouraging as the Endowments support programs and performances in theater, music, dance, poetry, and painting.

We do not have to mention at this time the list of writers and painters, those individuals whose creative energy and expression have enriched the Nation, achieved the top tier of recognition and accomplishment, and look back with pride and gratitude to Endowment support in their early years of development.

The Senator from Vermont, Mr. JEFFORDS, and Senator LEAHY, along with Senator PELL and others, have been the workhorses in the effort to enact this legislation. I think all of us are grateful for all they have done.

There are provisions included in this compromise amendment which I myself would oppose if they were offered as individual amendments. I continue to oppose any attempt to impose content restrictions on the grant-making process and hope that they will not be ultimately agreed to. Nonetheless, I also hope that adoption of this amendment is a clear indication of support for the arts and that the Endowments are here to stay.

We will have an opportunity to fight another day to enhance their accessibility and availability to millions of our citizens. But clearly with the acceptance of this amendment the NEA and the NEH will continue to function and enrich the lives of millions of American citizens.

The funding levels approved in the amendment are a significant increase over those approved by the House. I am pleased that we have been able to improve that level of support and, as I stated earlier, affirm our strong support for the continued existence of these agencies that contribute in such a meaningful way, to our American way of life.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, if the Senator from Texas will yield just for a moment, I compliment the Senator from Vermont and the Senator from Massachusetts and others, the Senator from Wyoming, the distinguished chairman and others, who have worked closely, the Senator from Utah, the Senator from Rhode Island. I commend them very highly. It has been a very, very difficult time getting this far, and I hope we will see next year a chance to increase these funds once again. But I think it is absolutely essential we save these two endowments.

Mr. JEFFORDS. Will my senior colleague yield?

Mr. LEAHY. I yield.

Mr. JEFFORDS. Mr. President, I thank my senior colleague from Vermont for the effort he has put in over the years in this matter. We have worked very closely on this, and I can assure you that back in Vermont it is no political liability to do what we are doing here today as our State is very much involved in the arts and maintaining them. I know there are others who wish to speak. I know the junior Senator from Texas is here, and so I yield the floor at this point.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. I thank the Chair.

I rise to speak in favor of the amendment because I agree with many of those who have spoken so far that we are a nation that should be committed to the American culture, and it should be a priority. I should like to speak from personal experience.

I grew up in La Marque, TX, a town of 15,000. Now, obviously we did not have cultural centers in La Marque, TX, but because of the NEA and because of the commitment that we have in America to making sure our young people do have the ability to have access to the arts, I was able to go 35 miles to Houston, TX, to see the ballet, to see the opera, to see the symphony. And from that, I received an awareness of a very important performing arts culture that I would not have had as a young girl in a very small town.

That is duplicated all over this country. In Abilene, TX, a town of under 50,000, they now have a burgeoning opera helped by the NEA, and just this past month they performed "La Traviata," and it was a sellout at every performance.

Do we have problems with the NEA? Absolutely, we do. We all acknowledge that there are problems with the way things have been handled where taxpayers have been required to fund offensive art.

Is the answer to do away with the American commitment to our culture? Absolutely not. What we must do is make sure we are funding what is uniquely American and what is educational for young people from small towns as well as young people in our inner cities about what is good in the world.

An appreciation of the arts is a very important part of overall education. Senator BENNETT of Utah and myself came up with a new bill to reorganize the NEA. Senator JEFFORDS and Senator KASSEBAUM came up with other ways to reorganize the NEA. Each is coming at this in a different way but not in such a different way that we will not be able to make some changes to improve the NEA, the NEH, and our museum services so that they will be available for more people in our country and so that we also will be able to keep the national treasures such as we have in Washington and New York. I think we can come up with a fair allocation.

In our bill that Senator BENNETT spoke about earlier today, we make sure that the funding goes to organizations of the arts, not to individual artists that might do things that would offend the conscience of mainstream America. We also have an outright ban of any kind of obscenity, pornography or anything that would violate the standards of common decency. Some people in the arts community like to say, "Oh, but you cannot define decency. That would be too hard. That would offend our artistic license."

I could not disagree more. There is a standard of common decency. And when we are using American taxpayer dollars, I think we can easily determine what should be used for arts appreciation and what is inappropriate. Do those people have a right to go out and use private funds to have their interpretation of art? Absolutely. But do we have to have Government funding of that? No.

I think we can make a clear distinction with American taxpayer dollars. So, yes, we have some problems. But we can face those problems without giving up the commitment to America's culture and to educate our children about the importance of appreciating the opera, appreciating our art museums, appreciating symphonies, and the ballet. Because I grew up in a town that was close to Houston where we had regional art centers, I was able to go to Houston every Saturday morning and participate in the Houston Youth Symphony ballet. So I had the opportunity to perform, to have access to this kind of very important part of my education.

I want to make sure that the young girls and boys growing up all over our country have regional centers and that we have a commitment to that so that they will grow up to be able to appreciate and understand the importance of arts in our country.

I want to end with a quote from John Ruskin, the great British art historian of the last century, who set down the standard for nations when he wrote, "Great nations write their autobiographies in three manuscripts: the book of their deeds, the book of their words, and the book of their art."

Mr. President, I want to make sure that we have the book of art and the book of words along with our great standard of deeds in this country for our future generations to appreciate. And that is the purpose of this amendment and the purpose of Senator BENNETT and myself working with Senator JEFFORDS and Senator KASSEBAUM to make sure that the NEA does what our standards would require that they do; and that is, provide the support for the excellence in the arts for our future generations to be able to have the access that we would like for them to have.

Thank you, Mr. President.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Chair would like to ask the gallery not show any signs of approval or disapproval to any statement.

The Senator from Arkansas is recognized.

Mr. BUMPERS. Thank you, Mr. President.

Mr. President, I want to first compliment the Senators from Vermont for offering this amendment. And I intend to vote for it, but not with much relish. The reason I am not voting for it with much relish is because it still leaves the National Endowment of the Arts [NEA] and the National Endowment for the Humanities [NEH] terribly underfunded.

There is not anything wrong with this country and there is not anything wrong with Congress except our priorities. We can balance the budget by the year 2002. We could educate our children. We could teach humanities and the arts. We could become a much more civilized nation. But you cannot do that and take care of all these other things that are mostly political. For example, Congress is proposing to spend $7 billion more on defense than even the Defense Department asked for. And people are almost afraid because they do not want to go home and say they voted against the defense bill, they do not want their opponent to say they are weak on defense.

A lot of times I think—and I do not mean this to be demeaning of my colleagues—that one of the reasons people cast irresponsible votes around here is because it is easy, it is easy not to have to go home and explain a controversial vote. How many times do you read almost daily how people wish Congress would gather up their nerve and do the right thing? You know what that means? That means doing things that are controversial and that you have to give an accounting for.

I have cast my share of controversial votes, and it gets me in a lot of hot water. For example, I am not going to vote for a school prayer amendment to the Constitution. I am for prayer in school but not for tinkering with the Constitution. I am not going to vote for the flag desecration amendment to the Constitution, where we would allow each State to decide what desecration is and the penalty therefor. What kind of a Constitution would it be where free speech will be determined by each of the 50 States? In one State you get the death penalty for spitting on the flag and another you get a $10 fine for burning one in public. What kind of result would that be? And it is controversial. You ask the ordinary man on the street in America, "do you favor flag burning?" "Of course not. Who does?" "Do you favor prayer in school?" People are sure that they are going to get stricken dead if they say no.

You know why people vote for those things? Some of them vote for them honestly. They believe in it. And some of them simply do not want to go home and try to educate their electorate. You know being a legislator requires you to also be an educator.

And so here we are, on the Interior appropriations bill, giving away $15.5 billion in gold and silver last night—corporate welfare galore—and cutting the NEA and NEH. Even with this amendment, those two programs are still cut 30 percent. So what does that mean? A little State like mine that has a fine symphony is going to have to get out and grub it out and try to find some money to make up for what they are going to lose from the National Endowment for the Arts. The Arkansas Repertory Theater, not big but extremely important to a few people, is going to have to go out and try to find the money or have a lot fewer performances. The very things that are so limited, but which make us a more civilized nation, are what we are choosing to cut.

Mr. President, most everybody whoever watched PBS knows who David McCullough is. He wrote that magnificent book on Harry Truman. And here is what he said about the NEH. Listen to this poignant quote.

> When I think of what the National Endowment for the Humanities has done to support gifted young documentary filmmakers like Ken Burns, when I count up the programs in "The American Experience" series that have benefited from Endowment funding—38 films thus far, including biographical portraits of such American figures as Eisenhower, FDR, Lindbergh, Duke Ellington, Thurgood Marshall—when I see the magnificent library of America volumes filling shelf after shelf, when I see in libraries and archives the priceless historic documents that have been preserved, all this, the films, the books, the conservation efforts—because of endowment grants, I know absolutely the value of the returns for such government investment.

Many years ago I read in Time magazine where the University of Texas was offering a dynamite course on the differences in the philosophies of Virgil's "Aeneid" and Homer's "Ulysses," sort of a comparison really of authoritarian versus nonauthoritarian governments.

They had room for 224 teachers for a 9-week course at the University of Texas, and they had 4,400 teachers apply for those positions. What a dynamite subject for teachers to pass on to their students about the beginnings of our civilization and how we got to where we are now.

So I began to try to get money here for that, because that one was privately funded. We finally got the National Endowment for the Humanities up to the point that last summer, Mr. President, they had 3,250 teachers in those summer seminar courses in philosophy, political science, our beloved Constitution, literature, drama, and art, and they go back and they pass that off to 500,000 youngsters.

So many children, particularly those who grow up in small towns like I did, are lucky to ever be exposed to anything that has any cultural enrichment. Turn the networks on tonight and turn on most of the pay-per-view movies, and you know what you get. I would hate to be raising children today. I feel sorry for parents in this environment. I think parents ought to have a right to determine what their children are going to see, and at the rate we are going, they are not going to see "Mister Rogers," Big Bird, and "Sesame Street." Oh, they must be subversive. Why else would we be cutting PBS funding?

I remember when I was a sophomore in high school and we were reading "Beowulf" we had a literature and English teacher, Miss Doll Means. She let us read a paragraph, and we would talk about that paragraph. I had been reading for a full page, and I looked up because I wondered why she was letting me read longer, and she said: "You have a nice voice and you read beautifully." She did more for my self-esteem in about 3 seconds than anybody, except my father, before or since. It was her saying that to me, plus the fact that I had had some success as a trial lawyer, to jump up out of a town of 1,000 people and run for Governor.

My father said public service is the noblest of all callings. I do not know what he would think today. I always thought I wanted my children to follow me in politics. I am not so sure. It was always a given that we would go into public service, and now with the atmosphere, poisoned as it is all across America, people becoming increasingly uncivilized—"thank you" and "please" and "excuse me" are words you hardly ever hear anymore.

Mr. President, when I went to World War II, I was stuck overseas at the end of the war. One day, I saw a note on the bulletin board: "If you're interested in Shakespeare, show up at such and such a barracks tonight." I thought, I do not know anything about Shakespeare, but it beats sitting around the barracks. So I went. Six marines were there, and the teacher who was going to teach us about Shakespeare, as it turned out, not only was a Shakespearean scholar, but he was a Harvard professor. He had a tape recorder, which at that time was unheard of. I had never seen a tape recorder in my life. You could actually speak into a microphone and listen to your voice come back to you.

So he said, "We'll start off with Hamlet's speech to the players," and he did. He had a booming base voice. He said:

> Speak the speech, I pray you, as I pronounced it to you, trippingly on the tongue: but if you mouth it, as many of your players do, I had as lief the towncrier spoke my lines.

That was pretty common. That has been 50 years ago, and I still remember it. He played it back on the tape recorder, and it sounded so beautiful. He said, "OK, you're first." And so I did it, and when he played it back to me, I could not believe I had an Arkansas twang. It was embarrassing to have to listen to it after Miss Doll Means told me I had a wonderful voice.

But do you know what? That day, listening to that tape recorder, I made up my mind I was not going to be like everybody else. I was going to learn to speak. I knew English because Miss Doll Means taught me how to diagram sentences and I knew how to speak because it was genetic; my father was a great speaker.

I said, "I'm not going to be like everybody else and just drift through life. I am going to try to be distinct."

These are personal stories, but they relate to the subject we are debating today. Think of the 500,000 children that are exposed to these teachers who go to these NEH summer seminars. Think of the people who watched "The Civil War" series on PBS. Think of the moral stories that children get from "Mister Rogers" and "Sesame Street", and look at the way people dress and the way they act, and you wonder where this country is headed. You read "The Decline and Fall of the Roman Empire" and see if you see any analogies between then and now. Ask yourself why we spend less money on cultural enrichment than any other developed country in the world. I went to the Soviet Union in 1971. I was staggered by how much money that poor country spent on cultural programs, even trying to preserve the history of the czars.

Well Mr. President, while my speech may have been too lengthy, I just want everyone to know that I think the reduction in spending on NEA and NEH is a terrible tragedy. I applaud the Senators from Vermont for trying to do something about it.

I offered an amendment during subcommittee consideration of the Interior appropriations bill to increase funding for the NEH by $15 million, and we succeeded. I am as proud of that as anything I have done since I have been in the Senate. But it pales in comparison to what we should be doing.

Someday—and it may be too late—we are going to understand that funding for NEA and NEH is not wasted money. It is money that makes us a greater Nation. It makes us more civilized. It makes us appreciate where we came from. It is a tragedy that we have to cut it. But I am very pleased to support the amendment to increase the levels of funding in comparison to the House bill.

I yield the floor.

(Mr. ASHCROFT assumed the chair.)

Mr. KEMPTHORNE. Mr. President, I would like to make a couple of comments regarding the pending amendment. I appreciate what Senator SIMPSON stated when he gave quite a list as to how the National Endowment for the Arts has helped rural States such as Wyoming. Certainly, I can show an equal list of what it has done for the State of Idaho. Senator HUTCHISON, who went into great deal of her own experience and how this has helped. I am receptive to those arguments.

I know that we all realize there have been problems with the NEA with things that have been funded that I think no one in this Chamber is proud of. In fact, I remember last year there were examples of items that had been the product of perhaps grants from the National Endowment for the Arts that were in the Cloakroom that could not be brought out here because they were obscene. I do not think anybody can understand how we would utilize funds for that purpose.

But that was under a different situation. There is a new director now at NEA, Jane Alexander. I think many of us who have been watching have been favorably impressed by her and by those that she has surrounded herself with in working on this.

I say to those individuals that have this responsibility now, that as they look to the future, if in doubt, do not. If there is any question, if there is a gray area as to whether or not that particular project should or should not be funded because it could borderline on something that we would not want to see, that is not a question of censorship; that is a question of sponsorship. That is their responsibility. They must exercise that responsibility, and they must say on different occasions, no. Because if they do not, the Senate and the House will say no to the funding of the NEA.

But this amendment that is before us now contains language of the Senator from North Carolina dealing with this question of obscenity, pornography. I feel it sets the parameters, sets the guidelines.

But, again, we have a situation where we have new leadership in the National Endowment for the Arts, and I am supportive of that leadership. I say let them continue this effort now under the new regime.

When I was mayor of Boise, ID, I know there were different occasions that, by use of public funds, not many but some, it serves as a catalyst so that you can increase efforts toward art and culture, because that defines a society. That is positive.

So I do support this amendment that is before us. I do support the efforts of Jane Alexander and those individuals that are working with her, but to remind them that they are going to have to make the tough decisions because, if not, we certainly will.

Mr. CRAIG. Will my colleague yield?

Mr. KEMPTHORNE. I yield to the senior Senator from Idaho.

Mr. CRAIG. I thank my colleague. I want to associate myself with his remarks. I also want to thank the chairman of the subcommittee for working out what could have been a very difficult situation and for recognizing, as I think the Senate always has, that there are public moneys for the arts, and there should be.

But what my colleague from Idaho just said, we have also recognized that there is a clear difference between censorship and sponsorship and the use of public dollars. Certainly the use of public dollars ought to meet the broad test. And the broad test is, can the general public view these experiences or can they view these acquisitions or these sponsorships? I think when you are using public dollars, you have to say yes.

While I appreciate some artists' expressions that others do not, I think it is important to recognize that we have the responsibility as the guardians of the public treasury and trust, that all that we do meets the broader test. Where there is an expressive individual who chooses to go in another direction, they ought to seek private sponsorship and not public sponsorship for such an expression.

I agree with my colleague from Idaho, that while our funds are limited and while this amendment represents a substantial cut, it also says very clearly that the Senate, the Congress, wants to continue the National Endowment and all that it does for our communities, and especially for rural States as has been so eloquently expressed by some, where small communities have little to no access to what larger communities have and the National Endowment has brought them the arts in very unique and positive ways. I thank my colleague for yielding.

Mr. KEMPTHORNE. To conclude, I thank the managers of the bill because I think they have been very helpful in bringing us to the point where we can move forward in the proper fashion.

I yield the floor.

Mr. BINGAMAN. Mr. President, I rise today as a cosponsor of the Leahy-Jeffords amendment to restore funding to the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute for Museum Services. I believe it is important to note at the outset that this amendment will not fully restore funding for any of these agencies. Indeed, these agencies are still will face cuts approximately twice that of overall spending in the Interior appropriations bill.

Mr. President, I would like to share with the Senate just a few of the worthy programs in New Mexico that received funding in fiscal year 1995 from these agencies. This funding includes $6,100 that the Museum of New Mexico received from the NEA for a traveling exhibit exploring the 20th century phenomenon of Hispanic women as santeras, or makers of saint icons, called "The Art of the Santera." The making of santos is a particularly beautiful and respected art form in New Mexico, and this exhibit traveled throughout the Southwest. The museum also received NEA funding for a family photography project, which served over 24,000 New Mexicans in Raton, Aztec, Jemez, Fort Selden, Clovis, and Las Cruces. Participants in these mostly rural communities learned how to preserves old family photos, and used the photos to improve their understanding of their history and culture.

The Museum of Indian Arts and Culture benefited from several NEA grants this year, including $34,000 for the "Families and Communities" demonstration and mentoring program. With this funding, the museum will be able to establish eight teams of established and younger Indian artists to conceive, create, and demonstrate their traditional arts. Visitors to the museum will be able to discuss and interact with the teams as they work.

Mr. President, both of these awards highlight the role the NEA has played and should continue to play in creating and disseminating culture, and facilitating communication and appreciation among the diverse communities living in New Mexico and throughout the Nation. In an increasingly balkanized society, we have more than enough issues that drive us apart. Art is a powerful tool we can use in our attempts to create ties that bind us back together.

The NEA is also an important tool in educating our children. We know that many important skills can be taught to children using the arts. Yet in my State, and throughout the Nation, schools are struggling to find funding for art education. I believe that the NEA can help leverage funding for this important activity. The city of Santa Fe, for example, recently applied for a grant of up to $175,000 for arts education. I am told that this application was instrumental to the city council's quick approval of a commitment to match that funding. It is likely that if the city is successful in establishing this program with seed money from the NEA, it will find a way to continue the program, perhaps with the help of private funding. I believe the experience of the city of Santa Fe is a perfect example of how the NEA has been able, with limited funding, to seed the development of enduring and very beneficial programs.

The final NEA grant in New Mexico I would briefly like to highlight was given to the Fund for Folk Culture, a national organization headquartered in Santa Fe. The Fund for Folk Culture has been able, with a $50,000 grant from the NEA, to hire a staff person to administer $750,000 in privately donated funds for grants to support folk art throughout the Nation. The NEA funding is needed because of the difficulty the Fund for Folk Culture faces in raising any private foundation money for salaries and administration. Mr. President, this grant is leveraging 15 times the amount of the NEA grant. I challenge my colleagues to point to other Federal programs with this sort of leveraging effect.

The NEH and IMS also fund outstanding projects in New Mexico. One that I have found particularly interesting is a grant the University of New Mexico has received from the NEH to find, catalog, and microfilm 2,600 historic newspapers. I am told by the managers of this project that many of the newspapers they are saving through this project are literally coming out of the attics of New Mexicans who had previously had no understanding of the historic resources lurking there. So far, 300,000 pages have been microfilmed as part of this effort, which is part of a nationwide historic preservation project. When complete, the project will be an invaluable resource for both historians and residents of many of the small, rural communities in New Mexico and throughout the Nation.

Mr. President, I could continue for some time on the benefits brought to my State and the Nation by the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute for Museum Services. I believe that the examples I have given, however, highlight the central point I wish to make: Far from funding frivolous culture for the elite with public money, the NEA, NEH, and IMS are leveraging funding for educating our children, leveraging large amounts of private funding, and providing access to the arts and humanities for rural and disadvantaged American. This support is, in my opinion, critical to our sense of nation, and our ability to bridge the cultural differences that so often tear us apart rather than bring us together.

For all of these reasons, I am proud to cosponsor the amendment of my colleagues from Vermont.

Mr. DASCHLE. Mr. President, we would be hard-pressed to find anyone in this Chamber to argue that art does not enrich American life. I think it would be equally difficult to find someone who has not been touched by art in some way at some important point in their lives.

There is no dispute that art has played an invaluable role in the cultural life of our Nation. Increasingly, however, we are presented with what amounts to a "yes or no" proposition: is art important enough to fund at the Federal level?

I firmly believe the answer to that question is "yes." Americans want the Federal Government to play a role in promoting the arts. And they feel so strongly about this issue precisely because the small amount of Federal funding received by the NEA each year goes so far toward enhancing the cultural life of our Nation.

The matching power of NEA grants is exceptional. Every dollar we appropriate at the Federal level generates more than $12 at the State and local level. This extraordinary leveraging power has helped increase the number of arts organizations and opportunities around the country since the NEA's inception since 1965: the number of large symphony orchestras has doubled; the number of dance companies has increased from 37 to over 400; the number of theaters has multiplied by 8; and the number of State arts agencies has increased from 5 to 50.

I am not shy about admitting that a good deal of my support of the NEA derives from the benefits it provides my State. South Dakota is a rural State, and many communities could not maintain on their own the kinds of cultural opportunities they have been able to maintain with the help of the NEA and the South Dakota Arts Council, which also receives funding from the NEA.

My hometown of Aberdeen, SD, a city of about 25,000 people, has an orchestra and a community theater, both of which are made possible in part because of NEA dollars. And my hometown is one of the biggest cities in South Dakota.

The support provided by the NEA is even more important to the many smaller communities of my State: communities like Freeman, which has a Swiss choral society; Sisseton, which operates a Heritage Museum; and Faith, which has an arts and historical society—all of which operate with assistance from the NEA.

This is a big return for a relatively small investment.

Mr. President, I am aware of the budgetary constraints under which we operate this year. Each year our fiscal decisions get more difficult as the demands of a runaway deficit grow ever larger. In such an environment, we must look critically at every program, and the arts are no exception.

But let us be fair, and let us be reasonable. When I am told that it costs each American only 64 cents per year to support the NEA, I have to admit that sounds like a good return on our investment. I do not believe the NEA deserves the level of funding cut it is facing. I do not believe Americans want this small investment—whose corresponding benefits are so great—taken away from them.

Unfortunately, the NEA has been an easy political target because of a few controversial grants it has approved. I fully appreciate the intensity of public opposition to Federal support for specific projects that many Americans consider offensive, and it is appropriate that the public and their representatives in Congress press this issue forcefully.

Concern about the NEA's grant application process has been expressed, and NEA Chair Jane Alexander has addressed that concern frankly and forthrightly. Moreover, I fully expect that dialogue between the Congress and Ms. Alexander to continue.

Nonetheless, the statistics have been overwhelmingly clear on this issue: the number of controversial grants made by the NEA is exceedingly small when compared to the total number of NEA-funded projects.

I should also add that I think it is unrealistic to expect the NEA to be entirely free of controversy. It never will be, and we should not expect it to be. In her remarks to the Senate Labor Committee during her confirmation hearing, Jane Alexander said that—

* * * the very essence of art, after all, is to hold the mirror up to nature; the arts reflect the diversity and variety of human experience. We are, as Hamlet says, 'the abstracts and brief chroniclers of the time,' and, as such, the artist often taps into the very issues of society that are most sensitive.

And that is the way it should be. We should have constructive debate on how to improve the grant application process and the operation of the NEA. But the fact that there is occasional controversy should not be used as an excuse to abolish the agency or drastically reduce its funding.

Mr. President, I realize we must make significant cuts in the budget this year. The arts, like every other area, will have to carry its share of the burden in this effort. It is my hope, however, that this debate will be fair, enlightened, and reasoned. Americans deserve the NEA's positive contributions to our culture.

AMENDMENT NO. 2304, AS MODIFIED

Mr. JEFFORDS. Mr. President, I wish to modify my amendment. The modification is at the desk.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The amendment is so modified.

The amendment (No. 2304), as modified, is as follows:

On page 95, line 9 strike "$82,259,000" and insert "$88,765,000".

On page 96, line 6, strike "$17,235,000" and insert "$21,235,000".

On page 96, line 23, strike "$96,494,000" and insert "$94,000,000".

On page 97, line 6, strike "$18,000,000" and insert "$16,000,000".

On page 3, line 17, strike "$242,159,000" and insert "$240,159,000".

On page 67, line 11, strike "$385,485,000" and insert "$381,485,000".

At the appropriate place, add the following:

"SEC. . Notwithstanding any other provision of law, none of the funds authorized to be appropriated pursuant to this Act may be used to promote, disseminate, sponsor or produce materials or performances which denigrate the objects or beliefs of the adherents of a particular religion."

At the appropriate place, add the following:

"SEC. . Notwithstanding any other provision of law, none of the funds made available to the National Endowment for the Arts under this Act may be used to promote, disseminate, sponsor, or produce materials or performances that depict or describe, in a patently offensive way, sexual or excretory activities or organs."

Mr. JEFFORDS. Mr. President, this amendment, sponsored by myself and Senators LEAHY, SIMPSON, PELL, BUMPERS, KENNEDY, and DODD, restores funds to the National Endowment for the Arts. This amendment does restore modest funds to the agency, but still in making this effort, the endowments will still carry the burden of greatly reduced budgets.

As I rise today, I must say that I am somewhat disappointed that we are not restoring even more funds to these agencies. I am well aware that cuts are inevitable this year, but I do not believe that these agencies should be singled out for a disproportionate share of reductions. The proposed reduction of 40 percent to the NEA will devastate the Endowment. More importantly, this reduction will have an enormously negative impact on communities throughout the Nation, especially rural communities.

It is very necessary and appropriate for our Government to support these agencies that encourage learning and support scholarship, preserve paintings and writings for future generations, bring the beauty and magic of art to all Americans as well as preserve and nurture our cultural heritage. The small contributions we make to these agencies go a very long way in preserving our history and investing in our future. This mission has been at the heart of both Endowments since their creation. Federal support has been under attack and criticism from those who perceive the Endowments as nothing more than Federal support for the rich and cultural elite. But nothing could be further from the truth.

We can point to many examples of the very real ways in which all of our States as well as local communities benefit from Endowment or IMS supported projects. The Endowments and the IMS support projects that invigorate our downtowns. The Shelburne Museum in Vermont attracts visitors from across the State, around the country and from abroad to see the wonders of this renowned folklife center. The Endowments and the IMS enrich the learning experiences of young people in small communities, through grants to programs such as the Music, Words, Opera in schools throughout the State of Delaware, or the Artist in Residence Program which brought the Quantum Brass Quartet to Big Sandy, TX. They support projects to protect our most venerable works and texts for all to appreciate and see. A grant to the Historical Society of Iowa will go to preserving Iowa newspapers and a grant to Johns Hopkins University will go toward preparing an edition of papers of President Eisenhower. The Endowments make available projects and programs which make learning our history accessible and engaging such as the Civil War series, the Baseball series and other series on FDR and on the American Revolution.

The agencies have proven effective in nurturing our cultural heritage, making the arts and humanities accessible to all the corners of the Nation, providing learning opportunities for young and old and generally encouraging a growth and flourishing of the arts and humanities in this country. We should not take for granted the importance of the work of these agencies, especially in the difficult times that face our Nation.

The benefit to Vermont from these agencies is immeasurable, and Vermont, while unique in so many ways has that in common with all the other States in the country—they are well served by the programs supported by the NEA, NEH, and IMS. The projects and programs that the NEA, NEH, and IMS support are important and consequential. We can look at specifics, and we must today understand the impact of the cuts we are considering today. These drastic cuts will jeopardize both the important work being done by States in supporting local projects which the strengthen and enhance the education of our young people and provide learning opportunities for those not in school.

One cannot minimize the impact that arts has on increasing the level of participation, the level of interest, the level of commitment of children in school. One cannot minimize the value of having exceptional, world acclaimed dance companies like Mark Morris Dance Group and the Trisha Brown Company visit and perform to people in small communities in Vermont, or being able to participate in a cultural festival which brings people in the community together like the one in Rutland, my hometown, funded in part by the NEA—all in Vermont, all thanks to the support of the NEA, NEH, and IMS, and all of which are of significant importance and value to the people of the State. I am not willing to jeopardize the availability of the Vermont Council on the Humanities and their Beginning with Mother Goose Program; the Ethan Allen Homestead Trust in Burlington, and the Brattleboro Museum and Art Center, in Brattleboro supported by the IMS; and the Flynn Theater, the Vermont Council on the Arts in Montpelier and Crossroads Arts Council in Rutland supported by the NEA.

I would like to share an article with you that appeared in Smithsonian magazine which was given to me by the Executive Director of the Vermont Council on the Arts, Nicki Clarke. It is about the Wolcott Children's Ballet, which sprang up in 1980 thanks to the incredible commitment of people in this community. It has continued on a shoe string budget and continues to have an enormous impact on the lives of all who are part of it—the young dancers, volunteers, instructors, Vermonters from Wolcott, Hardwick, and other towns. This ballet school has enriched the community, and made so many lives more full. It has received some of its much needed support from the Vermont Council on the Arts. Projects such as this are far too important to underestimate or ignore.

So I ask for your support today of this modest effort to make sure these agencies can continue to do their good works.

I will yield to the floor manager soon for his comments. What we have done here, through an error, we took the money from the wrong accounts. Looking at all the figures, I did not notice that. I apologize to my colleagues for that error. I think we have now adjusted the amendment to take the money from where everybody thought it was coming from.

Mr. President, I ask unanimous consent that the Smithsonian Magazine article to which I referred be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Smithsonian, May 1995]

DEEP IN THE NORTH COUNTRY, THEY DANCE THEIR HEARTS OUT

(By Richard and Joyce Wolkomir)

In an out-of-plumb town hall in Wolcott, in northern Vermont's lumbering country, a child is dancing. It is 9 at night. Under bare light bulbs hung from a tin ceiling, the 10-year-old pirouettes to Vivaldi's *Four Seasons*. *"Relevé lent!"*

Kennet Oberly, director of the 50-dancer Wolcott Children's Ballet, watches with penetrating black eyes as the girl rises on the balls of her feet, practicing a solo sequence. When the troupe takes *The Four Seasons* on the back roads in a few weeks, 3,000 schoolchildren and hundreds of adults in Vermont's hardscrabble "Northeast Kingdom" will see classical ballet. Far from the spotlights, the cheering fans, the megastars and the glittering performances of the nation's premier companies—the American Ballet Theater, say, or the Joffrey—a troupe of children practices in obscurity, striving for perfection. Oberly wants every foot to arch exactly. Every finger must curl just so. *"Arabesque,"* he says. The child elevates one leg behind her, toes pointed.

Oberly, bald on top, a mane of black hair spreading over his collar, demonstrates the steps, lithe as an otter. "Good, Jamie," he says. "Now, *posé en arrière*." A log truck rumbles by, shaking the building. The child falters. A gust spatters the windows with April sleet. Oberly stops the battered tape recorder. Turning toward two visitors, he pivots from the diaphragm, as if he were still onstage in Stuttgart, Tallinn, Helsinki, Stockholm, Copenhagen, Paris, Milan, Boston, Los Angeles, San Francisco or New York. "We're getting there," he says. "Almost."

Director and ballerina stoop to the day's final task. They pull up strips of gray duct tape for sticking mats to the floors, which decades of work boots and galoshes have worn too slick for ballet slippers. The child pulls a parka over her pink leotard. Outside, wisps of mist rise from the still-frozen ground. "Repetition is the mother of learning," Oberly says, and switches off the lights.

Weeks later, on a Sunday morning in May, a local agitator for good causes, Nola Denslow, is explaining how a classical ballet troupe sprang up here. She is talking over pancakes and maple syrup in the Village Restaurant in Hardwick, five miles east of Wolcott. Many of the diners are wearing billed caps inscribed "Caterpillar" or "John Deere." Parked outside are pickups with rifles racked across the rear windows.

It began when Nola Denslow knocked—presumptuously—on a stranger's door. She had moved to Vermont with her seven children "hoping to re-create the romance of rural Mexico," where she had once lived. But she found "any chance to be involved in the arts was limited." So in 1980 she dragooned volunteers, raised funds and got Wolcott to transform its boarded-up railroad station into an arts center, offering courses in everything from music to pottery making.

But no dance. Then Denslow heard that a retired ballerina and her husband lived on a Wolcott farm. June Gorton had been an early member of the Balanchine Company and had assisted Jerome Robbins in choreographing The King And I. Denslow quickly was knocking at the Gortons' door, which was opened by a gray-haired woman with a dancer's regal posture.

Teaching dance would be a tremendous service, Denslow said. "Absolutely not!" June Gorton said. "I don't dance anymore." "I'm really sorry," Denslow said, merciless in a good cause. "A lot of kids in this town should have this opportunity." The next day, Denslow's telephone rang. "I'll do it." June Gorton said.

She taught virtually for free. Her husband, Robert, built sets. But eventually the arts center's federal funding evaporated. Wolcott had to decide: road salt or watercolors? The vote was 50 to 49 for road salt. "When people realized it was lost, a gasp went through the town meeting," says Denslow. The Gortons announced they would fund the Wolcott Children's Ballet themselves. Classes moved to the Wolcott Town Hall.

For many youngsters, the ballet had become indispensable. Girls who had never heard classical music in their lives discovered that, onstage, they could excel. "Once, they were rehearsing with the Vermont Symphony Orchestra, which had a formidable conductor at the time," recalls Denslow. One little dancer, normally a mouse, turned to the baton-waving maestro on the podium and commanded: "Increase the tempo, please!"

In 1991 a cerebral hemorrhage partially paralyzed June Gorton. From her wheelchair she continued to take an active interest in the ballet, but she could no longer teach. Finding another director with June's qualifications, who could work for almost nothing, would be impossible. But the children were addicted. And so Wolcott took a deep breath and decided to raise money to hire a director. A Utah dancer agreed to come, despite the tiny salary. The "studio" awaiting her had wavy floors; sets and costumes were all homemade. She stayed only a year. And then—by a fluke—Kennet Oberly and his wife, Larissa Sintsova, a principal dancer with the Estonian National Ballet, arrived from Tallinn.

Oberly's father, a physicist, developed the lens coating on the camera Neil Armstrong used on the moon. His mother, a theater director, was a founding member of Washington, D.C.'s Arena Stage Theater.

"When I was 5, in 1962, a touring group of West Side Story came to Boston, where we lived, and it electrified me—the energy, the music," Oberly remembers. "But what really got me was the guys jumping around in sneakers, knife fighting, smoking and climbing chain link fences—I thought it would be neat to get up there and smoke and climb chain link fences." "Wait until you're 8," his mother told him. When the family moved to Pittsburgh Kennet told his mother: "Now I'm 8." He became the only boy in a ballet class of 30 girls. "This was not what I'd intended," he says.

Still, by age 12 he was so promising that be became a student at the Harkness Ballet in Manhattan. By age 14 he had joined Germany's Stuttgart Ballet. Oberly danced next with the Boston Ballet, the Houston Ballet, the European troupe of Maurice Béjart, returning to the Boston Repertory Ballet in 1978. Then, for eight years he worked in Des Moines with Ballet Iowa, rising from dancer to artistic director.

He was ballet master of the Finnish National Ballet when the Estonia Theater invited him to revive works by the 19th-century Danish choreographer August Bournonville. While working with the Estonian ballet, Oberly married ballerina Larissa Sintsova. He had taught at a ballet camp in Vermont, and they decided to take over a dance school in Burlington. But the deal fell through. When they heard that the Wolcott Children's Ballet needed a director, "I took the plunge," says Oberly.

His salary is about $20,000. But raising even that much is formidable for the Children's Ballet. "We're having a cash crisis right now." Oberly says, shrugging, as he pets Masha the cat, in his still mostly unfurnished house on one of Hardwick's steep back streets. Sintsova teaches at the Children's Ballet for free. "You can't look at it as a business, and that's one reason I like being here," says Oberly. "We're not trying to become the next Ballet of New England—we are two professionals who settled here for our own personal reasons, and we're trying to bring dance to the Northeast Kingdom."

At 3 the next afternoon, he is back at the Wolcott Town Hall, unrolling the floor mats. Bronwyn Potter, pianist for the troupe, lays her pocketbook on the hall's worn upright piano. Oberly begins taping down the mats.

Six days a week he teaches the school's 48 students. He also choreographs and conducts rehearsals for the spring production. Last year the dancers performed The Four Seasons in remote town halls throughout the Northeast Kingdom and in northern New Hampshire.

Tickets cost only about $5. In the isolated hill towns—Island Pond, Hardwick, Orleans—weathered men come in work boots, and women wear their best dresses. Sometimes, as the music wells and the costumed dancers spin and leap, children in the audience run into the aisles to perform impromptu solos. Every year, some join the Wolcott Children's Ballet themselves.

At 3:30 p.m. a class of such beginners arrives, four ponytails, one pageboy. They line up in front of Oberly, belt-high recruits gazing up at their giant drill sergeant. Oberly demonstrates the movements he wants them to practice. First position: heels together, toes totally turned out. Second position: "Move your heels a foot apart." Third position . . . "Elbow in front of your ribs," Oberly says, eyeing his ragged line of 8-year-olds. While the girls slowly execute two demi-pliés, he straightens torsos and adjusts elbows. He dances with one girl so she can mirror his movements.

As the lush practice music fills the hall, the little girls frown in concentration. If they learn to make their pliés and jetés precisely and gracefully, they will join the troupe and go on the tour. "It's not so important, ladies, to lift your leg high, because you get distortion," Oberly says. "It's like chocolate—do you want quantity or quality? We want Belgian dark chocolate. And just a little of it." "No!"—rebellion in the ranks. "Hershey bars!" "A lot!" Oberly pretends to look crestfallen. An older group is now arriving, their knapsacks full of schoolbooks and leotards and slippers.

Among the newcomers is Jamie McCollough, one of the students Oberly considers talented enough for a ballet career.

That is her ardent plan. "Finances are the hard part," Jamie's father, Mark, a carpenter, had explained earlier that day at the McCollough's old house in Wolcott, which he is slowly shoring up and renovating. Jamie's mother, Mollie, a waitress, said: "Sometimes on her way to bed she actually apologizes for her passion for ballet, even though she's in fourth grade and gets straight A's! And in the morning she comes down and dances to the refrigerator!"

While the adults talked in the kitchen, Jamie and her friend Cody Leary, who also plans a dance career, practiced steps in the living room, in full stage regalia. The McColloughs worry about funding Jamie's training as a dancer once she is too old for the Wolcott Children's Ballet. They worry about the troupe itself. "I'm surprised about the audiences because it's just about always full houses," said Mark. "But now we have to raise money." The fundraising crisis, Mollie says, is never-ending.

"It's hard," she observes, "to ask the same little businesses month after month for money. Everything's difficult." Mollie points to the kitchen's cinder-block chimney, festooned with pairs of defunct dancing slippers. "Slippers—once a month! And the stockings!" But they are enthusiasts. As Mollie puts it: "Can you believe it? Ballet—here!"

At the hillside home of 13-year-old Eliza Martin, another of the dancers, the troupe's finances are also a worry. Eliza's father, Tom, a cabinetmaker, builds props when the troupe needs them. Her mother, Linda, Wolcott's town clerk, also serves on the ballet's board of directors. She believes the ballet has become part of everyday life here. "I think it gives the kids more than dance because it requires them to commit themselves to something, and performing gives them self-esteem. It's so important for adolescents to have a chance to do something besides watch TV or hang around on the streets—that's why I wanted to be a board member."

At the Wolcott Town Hall, Eliza Martin, Jamie McCollough, Cody Leary and the rest of their group have taken the floor. Oberly is eyeing their feet.

"What happens when you stand on your heels?" he asks. "You fall down. The moral is, stand on the balls of your feet. Even when you play basketball. Or prizefight. Do you know who Muhammed Ali is? How could he dance like a butterfly if he didn't stand on the balls of his feet?" Oberly presents a balletic interpretation of Muhammed Ali, dancing like a butterfly. "Each step you take is like stepping on stones along a lake, and do you know why?" Oberly asks. "Because every move you make for an audience must be special."

Now the most advanced students are arriving, girls of 13 and 14. While they warm up at the barre, the younger group disperses next door to the Wolcott Store and Gas Station for a supper break. In their gauzy skirts and tights, holding grinders and Fudgesicles and bottles of juice, they line up at the counter behind two burly men in flannel shirts smeared with chain-saw oil, buying cigarettes and six-packs. Then they hurry back to the town hall to await their turn to rehearse for the spring tour.

They practice late into the evening. "One of our problems here is that these children never see ballet," Oberly announces. "They have only me and Larissa and each other, so we're all going to Boston." That weekend, most of the troupe goes to the big city to see the Boston Ballet perform *Eugene Onegin*. They return starry-eyed. Jamie McCollough and Cody Leary declare they are even more determined to make their careers in ballet. First, however, they must master *The Four Seasons*. "It's a meditation on the seasons," Oberly explains to one class. "Life is seasons, too, and we have our own inner seasons."

But this is a dance with no story. He must find ways to help the dancers bring it to life. "Really slow, Kaili," he says. Kaili Goslant, a slender 10-year-old from Morrisville, whose mother is a police officer and whose father operates a ski lift, is kneeling for a sequence in the "spring" section. "Make believe you're following a spider along the ground," Oberly suddenly says. "Catch it!" Kaili follows—and grabs—the imaginary spider. And one more segment of *The Four Seasons* is alive.

A bearded man wearing blue jeans and a flannel shirt walks into the hall. He tells two visitors watching the rehearsal that he is John Hancock, father of Juliette Hancock, one of the *Four Seasons* dancers. He is a logger and the treasurer of the ballet's board of directors.

Luckily, he says, use of the Wolcott Town Hall costs just $10 a day. "If we had to pay at the commercial rate, we couldn't do it." Tuition is a minuscule $5 per class. But even these modest fees are waived for children whose parents cannot afford them. Donations trickle in from businesses and citizens. And the troupe applies hopefully for grants. The Vermont Historical Society, for instance, funded half the $1,600 for floor mats. Summers, when the resort town of Stowe puts on pop concerts, Wolcott Children's Ballet volunteers drive over the mountain to run a concession stand.

A few afternoons later, Kennet Oberly is teaching his boys class, while one mother, Peggy Sprague, watches from the sidelines. Her daughter, Kate, has just finished her class, and now it's her son Zachary's turn. When red-haired Zachary, who is 11, decided to take ballet, his mother was flabbergasted. "I told Zach the other boys at school might make fun of him, but he said he didn't care. He said it teaches him good balance."

After the boys troop out, Larissa Sintsova takes over another class. Her family moved to Estonia from Ukraine when she was 6, and she graduated from the Tallinn Choreographic Institute, becoming a principal dancer with the Estonian National Ballet. She brings to the Wolcott Town Hall the Russian no-nonsense style of dance teaching. As the six dancers line up at the barre, she pats her midsection. "Stomach!" she says, and the dancers instantly flatten in front. Satisfied, Sintsova moves down the line to Jamie McCollough, who requires only a slight adjustment to the curve of her wrist. "Remember, Jamie—nice hands," she says. Sintsova demonstrates new steps. The dancers imitate her.

"Chest is nice, but back—like this," she says, arranging a girl's posture as if arranging flowers. She drops to her knees to study moving feet. She shows Jamie McCollough and Cody Leary where to look. Even the eyes—every molecule of the body—must be part of the dance. "Everybody! Elbows are very nice!" she announces. "But hands and arms—not forming a round line!" She has them run through the routine again. "Ever so slow, Jamie," says Sintsova. "And make the nice hands!"

Later that evening, the company's directors meet at the Puffer United Methodist Church in Morrisville. The issue is the new budget. "I always say, if they can run a tunnel under the English Channel and connect Britain and France, we can run a ballet company," says Mark Demers, minister of the Morrisville church and also of the Methodist church in Wolcott. "But I just saw a cartoon where you come out of the tunnel on the French side, and there's a huge guillotine poised over the exit, which seems to sum up our situation."

"We never made money on The Nutcracker at Christmas before, so why is it budgeted to earn $3,500 now?" asks Jack Benoze, a retired Manhattan marketing executive, scrutinizing the budget with a businessman's eye. "Well, I was encouraged by the attendance at Hardwick last year," responds treasurer Hancock. "I can guarantee the rent on the town hall will increase, because the cost of fuel has doubled," says board member Linda Martin.

Tuition fees come up. Are they too low, especially when low-income families aren't even charged? The troupe faces a $1,700 shortfall. "We don't want to turn children away," says Mark Demers. "We've never turned anyone away who couldn't pay, but what about those who say they'll pay and don't?" asks Jack Benoze.

The board decides to require 25 percent up front. But that does not solve one embarrassing problem: the directors owe a grant writer $1,000. "We have to prioritize," says John Hancock, sadly. He points out that he is already paying from his own pocket for routine expenses, like the much-used duct tape. Mark Demers volunteers to send the grant writer an apologetic letter, explaining the delay in payment.

The next afternoon, rehearsals for the spring production continue. Now the first performance is just days away. "Kennet, what's the story of The Four Seasons?" asks one small blonde girl. "it's about all the insects in the local swamp," Oberly says blandly.

He lines up his "insects" for their next run-through. The sequence calls for one dancer to lie prone and beat out time on the floor with her hands, while another girl does a headstand and three more dancers form a rotating ring. Oberly gives more instruction in the art of walking, showing how to keep the chest up and the eyes on the goal. "You're going somewhere," he says. The dancers do it all again. Finally, Oberly nods.

One May 19th last year, the Wolcott Children's Ballet began its spring tour with five shows for schoolchildren, performed at Johnson State College. (This fall they will be presenting The Little Match Girl, using music composed by several girls in the troupe who live on a communal farm in East Hardwick, where they are home-schooled in music.) School buses from throughout northern Vermont rolled up to the auditorium each day, delivering 500 or so students per show.

For the first performance, the auditorium was filled with kids generating a DC–10 roar. One burly boy turned to the adults sitting behind him and announced with historic disgust: "We have to come every year." He pointed to his friend, who was even larger and rougher-looking: "He likes it!" The friend reddened.

Kennet Oberly walked onstage as the dancers cart-wheeled and pirouetted behind him. He explained that the performance had no sets because it was abstract. "It's color, it's emotion, but there is no story line—it is pure movement, and it's about how we feel." The dancers were already moving across the stage, he said, because the seasons never start and never stop.

The dance began. And the 500 youngsters in the audience—amazingly—were attentively silent. At the end, raucous applause. Hoots. Whistles. As the audience left, several small girls danced out the door.

A few days later, the troupe began its next tour performance at the Hardwick Town Hall, where the stage floor is warped. It was, mostly, a bib overalls and billed-cap crowd. As the music filled the little hall and the dancers spun and leapt, seemingly in danger of tumbling off the tiny stage, toddlers in the audience took to the aisles to dance along. A tiny voice rose from somewhere in the hall: "I like the girls' costumes!"

Onstage, two little girls whistled like the November wind. Dancers whirled. Jamie McCollough danced her solo. Relevé lent, arabesque, posé en arrière . . . And she had—definitely—"the nice hands."

Mr. GORTON. Mr. President, I want to compliment the Senators from Idaho, who have spoken, and the Senator from Texas, both Senators from Vermont, and the Senator from Arkansas, and the Senator from Massachusetts, for the way in which we have been able to accommodate what I think is the justified expectations of people who sometimes rather strongly disagree. In any event, they formed a powerful combine, and together, with the cooperation from the Senator from North Carolina, who is deeply concerned about matters relating to obscenity and disrespect for religion, we have come upon and agreed upon an amendment in this field. I wish to make public the private assurances that I gave to the Senator from Vermont, Mr. JEFFORDS, that this is not a pro forma amendment that I have agreed to, and I will defend the position of the Senate in any conference vigorously.

With that, I hope and trust that we are ready to accept the amendment by a voice vote.

Mr. JEFFORDS. Mr. President, I want to say one word. I thank certainly my colleague who I have known for many, many years, for all his assistance in bringing about what I believe we have as a consensus on passing this legislation.

The PRESIDING OFFICER. Is there further debate on the amendment?

The question is on agreeing to amendment No. 2304, as modified.

The amendment (No. 2304) as modified, was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote.

Mr. JEFFORDS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2303

Mr. GORTON. Mr. President, what amendment do we return now to?

The PRESIDING OFFICER. The question recurs on the CRAIG amendment No. 2303.

Mr. GORTON. Mr. President, I ask unanimous consent that Senator BURNS be added as a cosponsor to the amendment of Senator CRAIG.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, having spoken earlier to determine whether or not there were any objections or anyone else to speak, we have no speakers, and I believe we are ready to put the question.

NATURAL RESOURCES SCIENCE AGENCY'S [NRSA] GREAT LAKES SCIENCE CENTER IN ANN ARBOR, MI

Mr. LEVIN. Mr. President, I would like to engage the distinguished chairman of the Senate Appropriations Subcommittee on Interior and Related Agencies in a brief discussion regarding the impact of H.R. 1977 on the Natural Resources Science Agency's [NRSA] Great Lakes Science Center in Ann Arbor, MI.

The committee's report accompanying the bill recommends approximately $145 million for the NRSA, about $28 million below the budget request. If the committee's recommended level prevails, will this center remain open in fiscal year 1996?

Mr. GORTON. It is the committee's intent to provide sufficient funds for research so that research units such as the Great Lakes Science Center and other aquatic fishery research centers can continue to operate in fiscal year 1996 to the extent possible.

Mr. LEVIN. I thank the Senator from Washington for his responsiveness. As he may know, the Great Lakes Science Center conducts fishery stock assessments that are relied upon by States, tribes, and Canada, in part to help fulfill treaty obligations. Effective management of fish stocks in the Great Lakes is critical to the $4 billion fishing industry in the region.

The center has other important duties. Besides its fishery stock management activities, the center conducts invaluable scientific research on preventing, controlling, and mitigating the impacts of nonindigenous species, such as the zebra mussel. And, the center is conducting essential studies on the sources and health effects of toxics in the Great Lakes ecosystem.

I have been a supporter of the NRSA in the past. However, I am very concerned about administration proposals for allocating any possible fiscal year 1996 budget reductions disproportionately to the Great Lakes region. I will strongly oppose efforts to close or significantly reduce the center's activities.

The PRESIDING OFFICER. Is there further debate on the CRAIG amendment? The question is on agreeing to the amendment.

The amendment (No. 2303) was agreed to.

Mr. GORTON. I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, I believe we now have a full list of amendments to be proposed by Members on this side of the aisle, and I believe the other side of the aisle is very close to that point. I urge anyone who wishes to add his or her name to do so. I hope that soon we can at least get the unanimous consent agreement on what amendments remain to be discussed.

AMENDMENT NO. 2305

(Purpose: To permit the use of funds for the award of grants to individuals for National Heritage Fellowships and American Jazz Masters Fellowships)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Mr. PELL, and Mr. SIMON, proposes an amendment numbered 2305.

The amendment is as follows:

On page 135, line 25, insert before the period at the end thereof the following: ", National Heritage Fellowship, or American Jazz Masters Fellowship".

The PRESIDING OFFICER. The committee amendments will be set aside.

Mr. BINGAMAN. Mr. President, I will not belabor the issue but I would like to explain this. I have the cosponsorship of Senator PELL and also Senator SIMON for the amendment.

Mr. President, I rise today to offer an amendment to H.R. 1977 that would expand the category of individual fellowships that could be awarded by the National Endowment for the Arts to include National Heritage Fellowship Awards and American Jazz Masters Awards. Under the bill reported by committee, only literature individual grants could be awarded. This amendment provides no new funding—the NEA would have to pay for these honorific fellowships out of existing funds.

Mr. President, the fellowships I am seeking to restore, out of existing funding for the NEA in the bill, are given in recognition of outstanding achievement in the folk arts and in jazz music. An individual cannot apply for these awards; he or she must be nominated. To the best of my knowledge, these awards have generated absolutely no controversy at any time. They have, however, generated great and well-deserved pride for those receiving them, and have done much to preserve the folk and traditional art and jazz music that distinguish our great nation.

To give some flavor of the artists recognized by these awards, I can share with my colleagues some of the artists recognized by the National Heritage Fellowship Program this year. They include Mary Holiday Black, a Navajo basket weaver, Robert Lockwood, Jr., an African-American blues guitarist, Donny Golden, an Irish-American step dancer, and Buck Ramsey, a cowboy poet and singer from Amarillo, TX. Jazz artists recognized this year include Ray Brown, Roy Haynes, and

Horace Silver. Each of these artists is a part of our diverse and truly wonderful American cultural heritage, and all are worthy of our recognition. By recognizing these artists, we also gain the opportunity to appreciate our diversity, and the unifying effect this appreciation can have on our Nation.

I think it is worth noting that we are not the only nation that recognizes its masters of traditional art forms. In fact, the fellowships I seek to restore are sometimes called National Treasure Awards because they resemble the Living National Treasures awards given in Japan. I am told that those awards in Japan are in fact richer awards, providing annual stipends for life. Our awards, by contrast, provide one-time awards of $10,000–$20,000.

Although the financial award is often very important to the traditional artists and musicians receiving them, at least as important is the recognition that their art is cherished by our Nation. This national recognition simply cannot be recreated by the States, and for that reason, I believe that we must allow the NEA to continue these important programs.

In closing, I would like to quote one of the several New Mexicans who have received a National Heritage Fellowship. Upon receiving his award during the Reagan administration, the great Santos woodcarver George Lopez noted, "I receive this, but it is for all those who came before me and made a lesson for all of us with their lives."

Mr. President, let me just elaborate a little bit on each of these categories to make the point a little more clearly for my colleagues. The idea of these awards is to pick out a very few artists toward the end of their career, artists who provide a positive vision for what can be done and what can be preserved that is great in our culture and our heritage.

The recipients this year come from a variety of States—from New York, Utah, Missouri, Virginia, North Carolina, Alaska, California, Ohio, Florida, South Dakota, and Texas. All of these recipients are deserving recipients.

By giving them these National Heritage Fellowship Awards, we are acknowledging them for their work as teachers, their work as role models, mentors, or innovators. Each artist receives a one-time stipend, as I indicated.

Let me say a couple of words about the Jazz Masters Award. There have been many great jazz artists in the history of our country who have received this award in recent years: Dizzy Gillespie, Count Basie, Miles Davis, Ella Fitzgerald, Louis Bellson, Art Blakey, Sarah Vaughan, and Lionel Hampton are examples that I think all Members of this body will recognize.

The present practice of the National Endowment for the Arts is to make awards to somewhere between 3 and 5 individuals each year under the Jazz Masters Awards, to make awards to 12 individuals each year under the National Heritage Award.

As I said at the very beginning of my discussion, this is not an amendment to add money to the National Endowment for the Arts budget. All this amendment is, Mr. President, is a granting of authority for the National Endowment for the Arts to continue with these very valuable, very important programs which we have all recognized over the years.

I point out to my colleagues and remind them that each year, here in the Senate, we have a reception at which we recognize and acknowledge and congratulate the winners of these National Heritage Fellowship Awards. So I think it would be highly misguided for this body at this time to approve legislation that prohibits the National Endowment for the Arts from going forward and maintaining this tradition that they have begun, which I think is so important to our country.

Mr. President, I ask unanimous consent to have printed in the RECORD a full list of the National Heritage Fellowship Award winners, by State.

There being no objection, the list was ordered printed in the RECORD, as follows:

NATIONAL HERITAGE FELLOWSHIP AWARDS BY STATE

ALABAMA

Dewey Williams, Shape Note Singer 1983
Jerry Brown, Potter
Nora Ezell, African American Quilter

ALASKA

Ester Littlefield, Alaskan Craftsman 1991
Belle Deacon, Basketmaker
Nichalos and Elena Charles, Woodcarvers
Paul Tiulana, Eskimo Artist
Jenny Thlunaut, Blanket Weaver

ARIZONA

Chesley Wilson, Fiddle Maker

ARKANSAS

Almeda Riddle, Ballad Singer 1983
Glenn Ohrlin, Cowboy Singer

CALIFORNIA

Brownie McGhee, Blues Guitarist 1882
John Lee Hooker, Blues Musician 1983
Nativitad Cano, Mariachi 1990
George Blake, Native American Craftsman 1991
Edwardo Guerro, Mexican Composer 1991
Kahmvong Insixiengmai, Asian Singer 1991
Gussie Wells, African American Quilter
Arble Williams, African American Quilter
Francisco Aguabella, Afro Cuban Drummer
John Naka, Bonsai Sculpter
Louis Ortega, Raw-hide Worker
Kansuna Fujima, Dancer
Jose Guiterrez, Musician
Richard Hagopian, Musician

COLORADO

Eppie Archuleta, Weaver

CONNECTICUT

T. Viswanhhan, Flute Master
Ilias Kementzides, Musician

FLORIDA

Nikitias Tsimouris, Greek American Musician

GEORGIA

Bessie Jones, Georgia Sea Island Singer 1982
Hugh McGraw, Shape Note Singer 1982
Lanier Meaders, Potter 1983
Lucinda Toomer, Black Quilter 1983
McIntosh County Shouters, Spiritual Performers
Claude Joseph Johnson, Singer

HAWAII

Marie McDonald, Lei Maker 1990
Seisho Nakasone, Okinawan Musician 1991
Nalani Kanaka'ole and Pualani Kanaka'ole Kanahele, Hula Masters
Emily Kau'i Zuttermeister, Hula Master
Meali'i Kalama, Quilter
Raymond Kane, Guitarist
Clyde Sproat, Hawaian Cowboy Singer

IDAHO

Rose Frank, Native American Weaver 1991
Elmer Miller, Silversmith
Jimmy Jausoro, Accordionist

ILLINOIS

Adam Popovich, Tamburitza Musician 1982
Joe Shannon, Irish Piper 1983
Michael Flatley, Irish Step Dancer
Albert Luandrew, Blues Pianist

INDIANA

Earnest Bennett, Whittler

IOWA

Genevieve Mougin, Lebanese-American Lace Maker 1984
Everett Kapayou, Native American Singer

KANSAS

Sonia Domsch, Lacemaker
Kepka Belton, Egg Painter

KENTUCKY

Morgan Sexton, Banjo Player
Clyde Davenport, Fiddler
Lilly Mae Ledford, Musician

LOUISIANA

Dewey Balfa, Cajun Fiddler 1982
Ada Thomas, Chitimacha Basketweaver 1983
Clifton Chenier, Creole Accordionist 1984
Marc Savoy, Accordian Maker
Inez Catalon, Singer
Alfonse Ardoin, Accordionist
Canray Fontenot, Fiddler
Thomas Edison Ford, Cowboy Singer
Allison Montana, Costume Maker

MAINE

Slater Mildred Barker, Shaker Singer 1983
Simon St. Pierre, French American Fiddler 1983

MARYLAND

Lem Ward, Decoy Carver/Painter 1983
Peou Khatna, Dancer
Ola Belle Reed, Banjo Player

MASSACHUSETTS

Joseph Cormier, Cape Breton Violinist 1984

MICHIGAN

Wade Mainer, Banjo Picker
Yang Fang Nhu, Weaver
Howard Armstrong, String Band Musician
Art Moilanen, Accordionist

MINNESOTA

Leif Melgaard, Woodcarver
Maud Kagg, Ojibwe Storyteller
Christy Hengel, Concertina Maker

MISSISSIPI

Othar Turner, Fife Player
Jack Owens, Blues Singer

MISSOURI

Henry Townsend, Blues Musician
Mone and Vanxay Saenphimmachak, Lao Weaver
Willie Mae Ford Smith, Gospel Singer
Mabel Murphy, Quilter

MONTANA

Walace McRae, Cowboy Poet

NEBRASKA

Albert Fahlbusch, Hammered Dulcimer Maker/Player 1984

NEVADA

B.B. King, Bluesman

NEW HAMPSHIRE

Newton Washburn, Basket Maker

NEW JERSEY

Giuseppe and Raffaela DeFranco, Musicians
Charles Hankins, Boat Maker
Harry Shourds, Decoy Carver

NEW MEXICO

George Lopez, Santero 1982
Margaret Tafoya, Santa Clara Potter 1984
Cleofes Vigil, Storyteller/Singer
Helen Cordero, Pueblo Potter
Emilio and Senaida Romero, Hispanic-American Tin and Embroidery Workers

NEW YORK

Joe Heney, Irish Singer 1989
Sanders "Sonny" Terry, Blues Musician 1982
Mike Manteo, Sicilian Marionettist 1983
Elizabeth Cotten, Black Songster/Songwriter 1984
Martin Mulvihill, Irish-American Fiddler 1984
Howard "Snadman" Sims, Black Tap Dancer 1984
Dave Tarras, Clarinetist 1984
Periklis Halkias, Greek Clarinetist
Jack Coen, Irish Flautist
Fatima Kuinova, Jewish Singer
Ng Sheung-Chi, Chinese Folk Singer
Liang-Xing Tang, Lute Player

NORTH CAROLINA

Tommy Jarrell, Appalachian Fiddler 1982
Ray Hicks, Appalachian Storyteller 1983
Stanley Hicks, Appalachian Storyteller/Musician/Instruent Maker
Bertha Cook, Knotted Bedspread Maker 1984
Burlon Craig, Potter 1984
John Dee Holeman, African-American Dancer/Singer
Douglas Wallin, Ballad Singer
Etta Baker, Guitarist
Walker Calhoun, Cherokee Musician
Doc Watson, Appalachian Guitarist

NORTH DAKOTA

Sister Rosalia Haber, Lace Maker

OHIO

Elijah Pierce, Carver/Painter 1982
Kenny Sidle, Fiddler

OKLAHOMA

Georgeann Robinson, Osage Ribbonworker 1982
Joyce Doc Tate Nevaquaya, Indian Flutist
Vanessa Paukeigope Morgan, Kiowa Regalia Maker

OREGON

Duff Severe, Western Saddlemaker 1982
Bua Xou Mua, Hmong Musician
Genoveva Castellanoz, Corona Maker

PENNSYLVANIA

Horace "Spoons" Williams, Spoons Player
Em Bun, Silk Weaver
LaVaughn Robinson, Tap Dancer

PUERTO RICO

Rafael Cepeda, Bomba Musician/Dancer
Julio Negron-Rivera, Instrument Maker
Juan Alindato, Carnival Mask Maker
Emilio Rosado, Woodcarver

SOUTH CAROLINA

Philip Simmons, Ornamental Ironworker 1982
Janie Hunter, Black Singer/Storyteller 1984
Mary Jane Manigault, Black Seagrass Basket Maker 1984

SOUTH DAKOTA

Alice New Holy Blue Legs, Quill Artist
Kevin Locke, Lakota Flute Player

TENNESSEE

Bill Monroe, Bluegrass Singer 1982
Alex Stewart, Cooper/Woodworker 1983
Nimrod Workman, Ballad Singer
Robert Spicer, Flat Foot Dancer
Kenny Baker, Fiddler
The Fairfield Four, Gospel Singers
Earl Scruggs, Banjo Player

TEXAS

Lydia Mendoza, Mexican-American Singer 1982
Narcisco Martinez, Tejano Accordionist/Composer 1983
Valerio Longoria, Mexican-American Accordionist
Alex Moore, Sr., Blues Pianist
Pedro Ayala, Accordionist

VERMONT

Amber Densmore, Quilter

VIRGINIA

Ralph Stanley, Banjo Player
John Jackson, Black Songster
John Cephas, Blues Singer

WASHINGTON

Santiago Alameda, Tex-Mex Conjunto Musician

WEST VIRGINIA

Melvin Win, Fiddler

WISCONSIN

Louis Bashell, Polka Master
Gerald Hawpetoss, Menominee Reglia Maker
Ethel Kvalheim, Rosemaller

WYOMING

Don King, Saddle Maker

Mr. BINGAMAN. I am glad to respond to any questions anyone has about this, if there is any confusion about the purpose of my amendment. It is an amendment I know several Senators support. Perhaps some of them would like to speak. I know the Senator from Vermont had indicated he wanted to speak briefly in favor of the amendment.

Perhaps—in order to ensure that he has that opportunity, at least for a few moments here, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I listened to the Senator from New Mexico. I understand the Senator from Kansas [Mrs. KASSEBAUM] has had concerns about this amendment and it is also for that reason a quorum was put in. We needed to check with her to see whether or not she wished to speak on the amendment.

I am now informed the Senator from Kansas will later put a statement in the RECORD on this, and is willing to allow the amendment to be voted on by voice vote.

Mr. BINGAMAN. Mr. President, I just informed the manager I was advised by Senator JEFFORDS he did want to speak briefly in favor. I do not know if that is still the case, but we are checking on that. If we can just have another few moments with which to do that, and then have a voice vote? I certainly do not require a rollcall vote on the issue. I would just like him to be able to make a statement if he desires to do so.

Mr. GORTON. I note the presence of the Senator from Vermont now.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I have listened to the statement of my good friend from New Mexico on the amendment. I personally support it. I do not believe in any way it goes against what we intended to do in the committee, with respect to individual artists and the questionable works of some.

The purpose and intent of reducing those who are eligible for individual grants was to protect the integrity of what we are trying to do in preserving the endowment.

I personally believe that the amendment represents an improvement in the bill.

I have notified the chairman of the committee, Senator KASSEBAUM, who may or may not have an objection to it—notified her some time ago, Senator KASSEBAUM. I do not know her feelings. In committee she was very restrictive, and understandably so. But I support the amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I thank the Senator from Vermont. Based on the statement that the manager of the bill has made about the Senator from Kansas intending to put a statement in the RECORD but allowing this to be voice voted, I have no objection to that procedure. If we could dispose of it at this time, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on amendment No. 2305, the Bingaman amendment?

If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2305) was agreed to.

Mr. BINGAMAN. Mr. President, I move to reconsider the vote.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, we are open for business. There may be discussions going on at the present time. I can say I know the Senator from Vermont [Mr. LEAHY] has an amendment on stewardship incentive programs which will require debate and a vote. I believe the Senator from North Carolina [Mr. HELMS] has an amendment on the red wolf, which I suspect will require a vote.

I know Senator SIMON has an amendment on a museum that I believe will require a vote. And perhaps two or three others.

But I solicit Members to come to the floor and see whether or not we can accept their amendments or have a debate. The majority leader, understandably, would like very much to finish this bill by late this afternoon in order that we can go on to further business and begin our summer recess promptly.

With that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I recognize that we have completed action on an amendment that was offered by Senator JEFFORDS relative to restoration of funds for the National Endowment for the Arts and the National Endowment for the Humanities. However, I would like to make a brief statement on those issues.

Mr. President, I am pleased with the action we have taken today. I share the disappointment of my colleague from Arkansas, Senator BUMPERS, that it was not more substantial. And I hope that the action today is an indication of a continued interest by the Senate on the issue of national support for the arts and the humanities that we can build upon this decision in future years.

I believe that this issue of the appropriateness of a national commitment to support the arts and humanities has unfortunately been trivialized in that a few extreme examples have been cited as representative of the totality of our national effort and have in fact distorted what the United States has done in terms of its support for the arts and humanities.

Let me just mention a few things that benefit America in a very real and tangible sense which would not be but for this national commitment to the arts and the humanities. One of those is to bring the arts to the areas of America that would otherwise be excluded from such exposure because of their remoteness, because of their small population, because of their lack of a cultural infrastructure.

In my own State of Florida, many small communities are benefited by having access to performing arts and creative arts which they would not have but for the grants that are made available either directly through the national endowments or through the State endowment programs that depend upon Federal support.

One of the most important aspects of the National Endowment for the Humanities is the support for America's libraries. America's libraries are probably the most underappreciated aspect of our educational system. They provide resources increasingly in all of the means by which information and ideas and creativity are transmitted to all Americans. They are a free institution that contributes significantly to seeing that all Americans have an equal access to learning.

We debated this extensively during the course of the telecommunications bill and decided that it was appropriate to give some special recognition to public libraries in terms of their access to the information highway. The National Endowment for the Humanities has been providing that on ramp for many years through its support of the expansion of opportunities available through public libraries.

The preservation of historic documents is largely a responsibility of the National Endowment for the Humanities through programs like the Brittle Book program, which is converting tens of thousands of books which would otherwise evaporate in a physical sense, evaporate but for the efforts supported by the National Endowment for the Humanities to see that they are microfilmed and preserved. Today one of the most important aspects of this preservation relates to newspapers. As many newspapers, particularly smaller newspapers, go out of existence or merge, their libraries of old newspapers are now being preserved through the efforts of the National Endowment for the Humanities, an invaluable resource of the history and culture of our Nation.

It is unfortunate that this debate on the national support for the humanities and arts is often characterized as elitist, that the only people who care about this issue are small groups of persons who are affluent enough to do this on their own and, therefore, inappropriate for public support.

I disagree with that and so would the facts. As an example, Mr. President, the Metropolitan Museum in New York, which most Americans have benefited from, even those who live thousands of miles away from New York City, that great world treasury draws more people annually than all of the sports teams in New York City. More people visit the Metropolitan Museum than visit the Giants, the Mets, the Yankees, the Knicks, and all of the other professional teams in New York City. It is not an elitist institution. It is an institution which serves the broadest public interest.

There are important economic aspects of our support for the arts. Strong artistic institutions create a synergy in terms of the economics of the communities. There are many examples in my State. I would just cite the tremendous economic influence which the Miami City Ballet, which has received support through these endowments, has had in terms of supporting important artistic and economic components of our State. But beyond the economics, there are extremely important cultural aspects of our support for the arts.

Throughout time, societies have influenced their world by the use of the arts. One of the reasons that the Greeks and the Romans, and the Egyptians before them, were such powerful influences and then have continued to influence our life today, is because of the arts and the use of the arts as a means of expressing a societal set of ideas and values which have had transcendence of importance.

Today, the United States of America, while we may have a trade deficit in terms of the sale of products, has an enormous trade surplus in terms of the export of ideas and creativity. That not only has economic value, but it also helps to advance the cultural goals that the United States hopes to carry to the world. We want the world to see the values that we stand for—freedom, independence, respect for human rights, democracy, a market system that democratizes economic decisions. We would like to see the world adopt those values, not because we want to impose them but because we think those are the values that advance the human spirit. Our investment in and our dominant position in the culture of the world is an important means by which we will achieve that goal.

The support for the small artistic institutions or the individual artists is the seed corn for our ability to exercise that type of a strong cultural influence in the world.

One of my favorite political figures, Mr. President, was the President of Costa Rica during the 1940's and 1950's, President Figueres, whose son is now the President of Costa Rica. President Figueres did a number of bold acts as President of Costa Rica. He disbanded the army. He took the money that had been spent on the military and used it to enhance education and health and the arts, including the establishment of a national symphony for the small and relatively poor country of Costa Rica.

President Figueres was much criticized for the establishment of a national symphony. It was too much for the economy of Costa Rica to be able to support. It was a diversion of funds away from more important and immediate needs of the people. President Figueres responded to those criticisms by saying, "We in Costa Rica believe in work. We work hard on tractors. Why do we work hard on tractors if it is not to be able to listen to violins?"

The arts express the reason for life. Tractors are important, but they are a means by which we can enrich our spirit by exposure to the arts.

So, Mr. President, we have made a small step forward today in recognizing the importance of that in our times and in our society, the United States of America.

It is not as far as I would have wished that it could have been but by preserving this base of national support for the humanities and the arts, I hope that we will be planting our own form of seed corn that will allow us to grow a deeper and more abundant support for these important national initiatives.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the American Historian David McCullough in support of the Endowments for the Humanities and Arts.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF DAVID MCCULLOUGH BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON FEBRUARY 16, 1995

As a citizen I am greatly concerned about the decline of library facilities in our schools, the decline, even the elimination of art, music, and dramatic instruction in the schools, the reduction of services at our public libraries, and the current ill-reasoned, ill-informed assaults on public television. But as one who works in public television and with schools and universities, museums, libraries, I also know the marvelous possibilities there are, how much more can be done and done better, and that to me is what is so exciting.

In the year 1814, after invading British troops burned the congressional library, and Thomas Jefferson offered to sell Congress his own library as a replacement, a heated debate ensued. The issue, much like today, divided mainly on party lines, with those in opposition to the purchase arguing that the cost was too much or that since the books belonged to Mr. Jefferson, a known freethinker, some might not be at all suitable. Critics attacked the very idea of wasting federal money on "philosophical nonsense." A large number of the books were described by one member of Congress as "worthless, in languages which many can not read, and most ought not."

But Congress voted for the purchase, $23,950 for 6,500 volumes. It may be seen as the beginning of federal involvement in the arts and humanities and to the everlasting benefit of the country. Today the Library of Congress is the largest, finest repository of knowledge in the world, a crown jewel in our national life.

The Lincoln Memorial, completed in 1922, is a great work of public art. Its colossal statue of Lincoln, an effort of thirteen years by the American sculptor Daniel Chester French, is indeed the greatest work of public sculpture in America and stunning testimony to the virtue of public support—public money—for the area. It was costly to create. It is costly, still—more than a million dollars a year for upkeep and guide personnel—and worth every Lincoln penny of that.

In the 1930s, during the hard times of the Great Depression, came the Federal Writers Project, the Federal Arts Projects, the Federal Theater Project, providing work opportunities for writers and artists as never before. The Federal Writers Project alone employed 12,000 people, among whom were young Richard Wright, Ralph Ellison, Eudora Welty, and Saul Bellow. The paintings, post office murals, the incomparable series of state guidebooks that resulted are among our national treasures.

In World War II, hundreds of artists, photographers, filmmakers were assigned to record the experiences of American service men and women on both fronts, and again at government expense.

The programs and projects of the National Endowment for the Humanities "are sound investments for the federal government to make, even during this era of fiscal constraints,"said the chairman of the Endowment, Lynne Cheney, before a House committee in 1991. The American people, she said the following year, "value the humanities and understand the importance of things historical and cultural." Projects supported by the Endowment, she continued, "help to make available a rich variety of opportunities for people to learn more about the nation's heritage and the history and thought of other cultures." What she said was right then and it is right today, make no mistake.

It is argued that because a few of the hundreds of programs sponsored by the Endowments have proven unworthy, or ill-conceived, or worst of all, flagrantly offensive, that therefore both the National Endowment for the Arts and the National Endowment for the Humanities should be done away with. That's absurd. It would be like saying that because of the Tailhook Scandal we must get rid of the Navy.

When I think of what the National Endowment for the Humanities has done to support gifted young documentary film makers like Ken Burns, when I count up the programs in The American Experience series that have benefited from Endowment funding—thirty-eight films thus far, including biographical portraits of such American figures as Eisenhower, FDR, Lindbergh, Duke Ellington, Thurgood Marshall—when I see the magnificent Library of America volumes filling shelf after shelf, when I see in my own research in libraries and archives the priceless books and historic documents that have been preserved, all this, the films, the books, the conservation efforts—because of Endowment grants, I know absolutely the lasting value of government support.

Last night's broadcast of The American Experience, a program called "One Woman, One Vote," marking the 75th anniversary of the 19th Amendment, was called "first rate" by The Wall Street Journal, which also praised the "intellectual mettle and moral character" of the protagonists portrayed in the long fight for women's suffrage. The broadcast, funded in part by the National Endowment for the Humanities, was seen by about 5,000,000 people. And that's only the beginning. As the executive producer of the series, Judy Crichton, says, this is not "disposal television." Every program is rerun, and with the audiences for the second or third broadcasts often lager than the first. Further, the programs are used in schools throughout the country, and more so all the time.

Anyone who claims that commercial television could do the same thing as well doesn't know what he's talking about.

The Library of America has been called by Newsweek, "the most important book publishing project in the nation's history." It is a collection of the riches of our American literature and political philosophy, clothbound, on acid-free paper, and reasonably priced. There are now seventy-three titles in print, two and a half million of these books in circulation. Were it not for the National Endowment for the Humanities, the Library of America would not exist.

Mr. Chairman, I can tell you about the rare documents in the collection of the library of the Philadelphia Athenaeum, including original architectural drawings of the Capitol, that are being properly maintained with the help of NEH grants. I can tell you about the twenty-year program, starting in 1989, with congressional support, the goal being to preserve on microfilm the content of some 3,000,000 brittle books. Grants already made will, when completed, have saved the contents of 660,000 volumes. This is unprecedented. And seventy libraries are taking part nationwide. I can tell you about the humanities program at one of our oldest and best small colleges, Union College in Schenectady, New York, which next week celebrates its 200th birthday. Long known for the strengths of its science and technology departments, Union, motivated by two NEH grants, is greatly enlarging its library and thus its whole humanities curriculum. Because of three NEH grants for the new John Heinz Pittsburgh Regional History Center, grants totaling $1,500,000, we have been able to raise at least twice, if not three times that amount, from private, corporate, and foundation sources. Critics of the Endowments carp about money spent for elitists' interests. Mr. Chairman, attendance for this one new museum is expected to be somewhere between 400,000 and 500,000 people a year, including at least 100,000 school children. And while the NEH grants represent only a fraction of the total cost, perhaps 6 percent, I assure you the project would not be where it is today had there been no National Endowment endorsement.

One of the glories of our American way of life, Mr. Chairman, is our nation-wide system of public libraries, free public libraries, the large majority of which, let me emphasize, are located in small towns and cities of less than 25,000 people.

When you cross the threshold into an American public library, you enter a world of absolute equality. All are welcome, all have the same access to the riches within.

We hear much talk about the information highway. But information isn't learning, isn't education, and there is no education without books. In our wonderful public libraries the books are free. Everyone has open access to ideas. The computer hookups, too, are free. At the public library, a youngster in a town on the Nebraska plains or a mill town in Ohio can tie in to the same resources now as a student at one of the great universities. Isn't that marvelous? Isn't that American?

Newspapers, magazines, books in bookstores, cable television, they all cost money. They're all fine if you can afford them. Our national parks now charge an admission. There's even talk here of charging for a tour of the Capitol! But the public libraries remain free to the people, thank God, and I don't know of federal dollars better spent than those that through the National Endowments go to support our public libraries.

Mr. Chairman, we now have 6,000,000 children living below the poverty level—in this country, here in the United States of America. What an outrage that is. And what a terrible cost it will mean, unless something is done. What kind of education will those children get? What kind of education will any of our children get if the cutbacks continue in the teaching of arts and music in our public school? What can we expect when school libraries have no books, or when school libraries shut down.

Mr. Chairman, as good as the work of the National Endowments has been it is hardly a scratch on what could be done, and what needs to be done. We have, for example, the two great existing national institutions of public television and the public library system that could join forces. They're going concerns, each with its own immense power. Join that power, those resources, and the effect could mean new breakthroughs in education at all levels. I feel very strongly about this. I want to see television audiences brought in to the libraries and the libraries brought home to television audiences, and I am working on a new project to that end.

Instead of arguing over cutting the life out of the existing programs of the Endowments, or ditching them altogether, we ought to be joining forces in an effort to make them better, more effective, of even greater benefit to the country. We ought to be using our imaginations to do more not less. Appropriations for the Endowments shouldn't be cut, they should be doubled.

Mr. Chairman, more than two hundred years ago, a member of another congress, the Continental Congress, wrote privately of his fear that the future might be in the hands of members who would hold sway by "noise not sense, by meanness not greatness, by ignorance nor learning, by contracted hearts not large souls."

As events would prove and to the everlasting benefit of our nation, he, John Adams, and others of the founders were Americans of abundant sense, learning, and soul, who knew education to be the foundation upon which depended the whole daring American experiment.

If a nation expects to be ignorant and free, it expects what never was and never will be," warned Thomas Jefferson. If was the example of America that so mattered for the future of mankind.

They were politicians, to be sure. They could be inconsistent, contradictory, mistaken, human. But they were great lovers of books, of language, of art, of history. They were architects, musicians, philosophers, and poets, if not in practice, then certainly at heart.

John Adams, let us also not forget, was a farmer who worked his land with his own hands, whose homestead comprised all of four rooms.

In your deliberations, Mr. Chairman, you and your fellow members of Congress—you who have so much of the future of the country in your hands—might well take to heart these wonderful lines written by John Adams in a letter to his wife Abigail.

"I must study politics and war that my sons may have liberty to study mathematics and philosophy. My sons ought to study mathematics and philosophy, geography, natural history, naval architecture, navigation, commerce, and agriculture, in order to give their children a right to study painting, poetry, music, architecture, statuary, tapestry, and porcelain."

Mr. Chairman, a great nation puts the highest value on its art and literature, its history, its intellectual heritage. A great nation takes its measure by the quality of life on its citizens. A great nation takes care of its children, provides schools second to none, schools where painting and music are never dismissed as frills, never ever considered expendable. A great nation prizes its poets no less than the best of it politicians.

Mr. GRAHAM. I thank the Chair. I yield the floor.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, with the permission and understanding of the manager of the bill, the distinguished Senator from Washington [Mr. GORTON], and also after consultation with the ranking member of the Appropriations Committee, I ask unanimous consent that I may proceed for a time not to exceed 12 minutes in morning business.

Mr. GORTON. Reserving the right to object, and I will not object, the Senator from Arkansas has been waiting a long time to make remarks and I certainly want to allow him to make the remarks. We do have now present in the Chamber the Senator from Illinois, who will have an amendment which will require a rollcall vote. So as promptly as the Senator from Arkansas completes his remarks, I hope we will go to the Senator from Illinois.

Mr. PRYOR. Mr. President, then let me withdraw that request.

Mr. SIMON. Go ahead.

Mr. PRYOR. The Senator from Illinois says he is waiting, so I will proceed.

COLLECTION ACTIVITIES OF THE INTERNAL REVENUE SERVICE

Mr. PRYOR. Mr. President, on Saturday when the Treasury, Postal Service and general Government appropriations bill came to the floor of the Senate, it had what I thought to be a rather odd provision. I authored and had introduced in my behalf—I was not present on Saturday—an amendment to strike $13 million to "initiate a program to utilize private counsel law firms and debt collection agencies in the collection activities of the Internal Revenue Service."

In short, Mr. President, this provision requires the IRS to spend $13 million—this was under the proposed language—to hire private law firms and private bill collectors to collect the debts of the American taxpayer owed to the Internal Revenue Service. My amendment is very simple. It strikes this provision from the Treasury, Postal Service appropriations bill, as well it should. I thank the managers of the bill for accepting my amendment. I urge the conferees to stay with the decision of the Senate in this matter.

Mr. President, in over 200 years of our Federal Government, we have never turned over the business of collecting taxes to the private sector.

I must point out that this dubious practice is as old as the hills and dates back to ancient Greece. The practice of a private tax collection theory even has a name, I have discovered. It is called tax farming. Its modern history is chronicled in a book authored by Charles Adams, a tax lawyer and history teacher. This book is named, "For Good and Evil: The Impact of Taxes on the Course of Civilization."

In this book, Mr. Adams recounts many tales of how the world has suffered under the oppression of tax farmers. He specifically describes the tax farmers sent by the Greek kings to the island of Cos as "thugs, and even the privacy of a person's home was not secure from them," according to the author. He further states that a respected lady of Cos around 200 B.C. wrote, "Every door trembles at the tax-farmers." Once again, Mr. President, the tax farmers were the private collectors of the public debt.

In the later Greek and Roman world, no social class was hated more than the tax farmer. A leading historian of that period described tax farmers with these words:

> The publican (keepers of the public house) certainly were ruthless tax collectors, and dangerous and unscrupulous rivals in business. They were often dishonest and probably always cruel.

Tax farming flourished; it was a monster of oppression in Western civilization, in many forms, for over 2,500 years until its demise shortly after World War I.

Tax farming, Mr. President, brutalized prerevolutionary France. The French court paid the price during the Reign of Terror when the people were so incensed that they rounded up the tax farmers, they tried them in the people's courts and they condemned them to death. Accounts of this time tell us of the taxpayers cheering while the heads of the tax farmers tumbled from the guillotine.

In 17th century England, Charles II imposed a hearth tax assessing two shillings per chimney in each house. To collect it, the King contracted out—in fact, he privatized the tax collection system—with private collection parties named by the people as "chimney men." These chimney men were ruthless. They were hated by the people of England. Hatred of the privately collected tax helped to depose Charles' brother, James II. As soon as the new monarchs, William and Mary, were installed, the House of Commons abolished the tax, ending a "badge of slavery upon the whole people that allowed every man's house to be entered and searched at the pleasure of persons unknown to him."

I am not suggesting that providing $13 million to the Internal Revenue Service in order to contract out, to privatize collections with private law firms and collection agencies will cause anyone to actually lose their head, but for well reasoned decisionmakers history should be utilized as a guide as to what is and what is not a good idea. Clearly, history tells us that contracting out the tax collection system and the responsibilities that Government should be performing is not a good idea.

Some very notable economists and philosophers have also warned against tax farming. In his book, "The Wealth of Nations," Adam Smith states, "The best and most frugal way of levying a tax can never be by farm."

Mr. President, I know there are those in this Chamber who revere Adam Smith so I hope they will heed his message in "The Wealth of Nations" against tax farming. Just as relevant to the discussion is how this practice may be employed in our time and by the Federal Government. Who will these people be? How will they be hired? Who will train them? Who will oversee them? Which taxpayers' cases can they work on? What type of taxpayer information will be made available to them? And how will these private bill collectors be paid? Will we be creating a true bounty hunter system within our tax collection process?

This legislation provides no answer to these important questions. It simply provides taxpayers' dollars, $13 million, to nameless, faceless, untrained, unaccountable bill collectors and law firms with no guidance as to how they will be paid or how they will protect the confidentiality of the taxpayer's information.

Let us just briefly explore two of the questions I have just mentioned. First, to what type of taxpayer information will these private bill collectors have access? The American people demand that their tax return information be kept confidential, that it will only be shared with the appropriate personnel within Government. It is an essential element which lends confidence in our tax system, and it leads to a very high percentage of voluntary compliance. If taxpayer information is shared outside of the Government confidence, how many taxpayers will decide to no longer comply? This is a critical question. I fear in an effort to collect more revenues we will in fact collect less.

Second—and I am about to close, Mr. President—how will these bill collectors be paid? This bill does not specify that, and also does not specify which of these private law firms and private collection agencies will be compensated.

Mr. President, most bill collectors are paid on a contingency basis; that is, they are compensated by a percentage of what they collect. Again, bounty hunters will be created to collect our taxes.

It is exactly what the 1988 taxpayer bill of rights, which passed that year, declared illegal and unlawful. There is included in the taxpayer bill of rights a strict prohibition against the Internal Revenue Service from using enforcement goals or quotas.

Mr. President, I know that my time is running out, but I would like to have printed in the RECORD a letter from the Commissioner of the Internal Revenue Service, Margaret Milner Richardson, that she wrote to me on August 4, stating her grave concern about even the remote possibility of farming out and privatizing the IRS collection system.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, DC, August 4, 1995.

Hon. DAVID PRYOR,
U.S. Senate,
Washington, DC.

DEAR SENATOR PRYOR: I am writing to express my concern regarding statutory language in the FY 1996 Appropriations Committee Bill (H.R. 2020) for Treasury, Postal Service and General Government that would mandate the Internal Revenue Service (IRS) spend $13 million "to initiate a program to utilize private counsel law firms and debt collection activities * * *" I have grave reservations about starting down the path of using private contractors to contact taxpayers regarding their delinquent tax debts without Congress having a thorough understanding of the costs, benefits and risks of embarking on such a course.

There are some administrative and support functions in the collection activity that do lend themselves to performance by private sector enterprises under contract to the IRS. For example, in FY 1994, the IRS spent nearly $5 million for contracts to acquire addresses and telephone numbers for taxpayers with delinquent accounts. In addition, we are taking many steps to emulate the best collection practices of the private sector to the extent they are compatible with safeguarding taxpayer rights. However, to this point, the IRS has not engaged in contractors to make direct contact with taxpayers regarding delinquent taxes as is envisioned in H.R. 2020. Before taking this step, I strongly recommend that all parties with an interest obtain solid information on the following key issues:

(1) What impact would private debt collectors have on the public's perception of the fairness of tax administration and of the security of the financial information provided to the IRS? A recent survey conducted by Anderson Consulting revealed that 59% of Americans oppose state tax agencies contracting with private companies to administer and collect taxes while only 35% favor such a proposal. In all likelihood, the proportion of those opposed would be even higher for Federal taxes. Addressing potential public misgiving should be a priority concern.

(2) How would taxpayers rights be protected and privacy be guaranteed once tax information was released to private debt collectors? Would the financial incentives common to private debt collection (keeping a percentage of the amount collected) result in reduced rights for certain taxpayers whose accounts had been privatized? Using private collectors to contact taxpayers on collection matters would pose unique oversight problems for the IRS to assure that Taxpayers Bill of Rights and privacy rights are protected for all taxpayers. Commingling of tax and non-tax data by contractors is a risk as is the use of tax information for purposes other than intended.

(3) Is privatizing collection of tax debt a good business decision for the Federal Government? Private contractors have none of the collection powers the Congress has given to the IRS. Therefore, their success in collection may not yield the same return as a similar amount invested in IRS telephone or field collection activities where the capability to contact taxpayers is linked with the ability to initiate liens and levy on property if need be. Currently, the IRS telephone collection efforts yield about $26 collected for every dollar expended. More complex and difficult cases dealt with in the field yield about $10 for every dollar spent.

I strongly believe a more extensive dialogue is needed on the matter of contracting out collection activity before the IRS proceeds to implement such a provision. Please let me know if I can provide any additional information that would be of value to you as Congress considers this matter.

Sincerely,
MARGARET MILNER RICHARDSON,
Commissioner.

Mr. PRYOR. I strongly believe, Mr. President, it is an idea whose time has not come. I strongly urge, Mr. President, that our conferees on the Treasury, Postal Service, and General Government appropriations bill adhere to the decision that we made, that now is not the time nor will it be in the near future for us to privatize the collections of the Internal Revenue Service.

Mr. SIMON. Would my colleague yield for a question?

Mr. PRYOR. I will be proud to yield to my friend from Illinois.

Mr. SIMON. First of all, I concur completely. This idea of privatizing everything sounds good. What it does, it gives an administration or a Congress an ability to say, "Oh, we have reduced the number of Federal employees." We do not save one dollar for the Federal Government. And we invite abuse.

I would mention second—I would be interested in the reaction of the Senator from Arkansas—I have learned, in the Office of Personnel Management, we are moving toward privatizing the investigators there, the people who will investigate people for trust positions with the U.S. Government. Now, you privatize that and someone maybe is slipped a few dollars or—all kinds of abuse is possible there.

Does the Senator from Arkansas think that privatizing investigators in the Office of Personnel Management is a direction in which we ought to go?

Mr. PRYOR. Mr. President, I do not know how much time I have left. But I would respond to my friend from Illinois that I have been here now for 16½ years. I have watched us rely, as a Government, more and more on private contractors—and we are not holding down the cost of Government, as the distinguished Senator from Illinois has stated. We are continuing to have the cost of Government rise, while the accountability of Government falls. This is of great concern to me. It concerns me that the private contractors are under no code of ethics whatsoever. They have no Government code of ethics and they are out there in a competitive work force trying to get the Government grants in order to perform services that our Government should perform in the first place.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PRYOR. Mr. President, I ask unanimous consent to proceed for 30 more seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. This area of privatizing income tax collections is something that I think goes far beyond anything that I have seen in this whole area of contracting. I urge the conferees to stay with the decision of the Senate.

Mr. SIMON. I thank the Senator from Arkansas. I agree with him completely.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1996

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Illinois.

AMENDMENT NO. 2306

(Purpose: To authorize the establishment of the National African American Museum within the Smithsonian Institution, and for other purposes)

Mr. SIMON. Mr. President, I have an amendment I would like to offer.

The PRESIDING OFFICER. If there is no objection to the pending committee amendment being set aside. Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

The Senator from Illinois [Mr. SIMON], for himself, Mr. MCCAIN, Ms. MOSELEY-BRAUN, and Mr. PELL, proposes an amendment numbered 2306.

Mr. SIMON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, insert the following:

TITLE ___—NATIONAL AFRICAN AMERICAN MUSEUM

SEC. ___01. SHORT TITLE.

This title may be cited as the "National African American Museum Act".

SEC. ___02. FINDINGS.

The Congress finds that—

(1) the presentation and preservation of African American life, art, history, and culture within the National Park System and other Federal entities are inadequate;

(2) the inadequate presentation and preservation of African American life, art, history, and culture seriously restrict the ability of the people of the United States, particularly African Americans, to understand themselves and their past;

(3) African American life, art, history, and culture include the varied experiences of Africans in slavery and freedom and the continued struggles for full recognition of citizenship and treatment with human dignity;

(4) in enacting Public Law 99-511, the Congress encouraged support for the establishment of a commemorative structure within the National Park System, or on other Federal lands, dedicated to the promotion of understanding, knowledge, opportunity, and equality for all people;

(5) the establishment of a national museum and the conducting of interpretive and educational programs, dedicated to the heritage and culture of African Americans, will help to inspire and educate the people of the United States regarding the cultural legacy of African Americans and the contributions made by African Americans to the society of the United States; and

(6) the Smithsonian Institution operates 15 museums and galleries, a zoological park, and 5 major research facilities, none of which is a national institution devoted solely to African American life, art, history, or culture.

SEC. ___03. ESTABLISHMENT OF THE NATIONAL AFRICAN AMERICAN MUSEUM.

(a) ESTABLISHMENT.—There is established within the Smithsonian Institution a Museum, which shall be known as the "National African American Museum".

(b) PURPOSE.—The purpose of the Museum is to provide—

(1) a center for scholarship relating to African American life, art, history, and culture;

(2) a location for permanent and temporary exhibits documenting African American life, art, history, and culture;

(3) a location for the collection and study of artifacts and documents relating to African American life, art, history, and culture;

(4) a location for public education programs relating to African American life, art, history, and culture; and

(5) a location for training of museum professionals and others in the arts, humanities, and sciences regarding museum practices related to African American life, art, history, and culture.

SEC. ___04. LOCATION AND CONSTRUCTION OF THE NATIONAL AFRICAN AMERICAN MUSEUM.

The Board of Regents is authorized to plan, design, reconstruct, and renovate the Arts and Industries Building of the Smithsonian Institution to house the Museum.

SEC. ___05. BOARD OF TRUSTEES OF THE MUSEUM.

(a) ESTABLISHMENT.—There is established in the Smithsonian Institution the Board of Trustees of the National African American Museum.

(b) COMPOSITION AND APPOINTMENT.—The Board of Trustees shall be composed of 23 members as follows:

(1) The Secretary of the Smithsonian Institution.

(2) An Assistant Secretary of the Smithsonian Institution, designated by the Board of Regents.

(3) Twenty-one individuals of diverse disciplines and geographical residence who are committed to the advancement of knowledge of African American art, history, and culture, appointed by the Board of Regents, of whom 9 members shall be from among individuals nominated by African American museums, historically black colleges and universities, and cultural or other organizations.

(c) TERMS.—

(1) IN GENERAL.—Except as provided in paragraph (2), members of the Board of Trustees shall be appointed for terms of 3 years. Members of the Board of Trustees may be reappointed.

(2) STAGGERED TERMS.—As designated by the Board of Regents at the time of initial appointments under paragraph (3) of subsection (b), the terms of 7 members shall expire at the end of 1 year, the terms of 7 members shall expire at the end of 2 years, and the terms of 7 members shall expire at the end of 3 years.

(d) VACANCIES.—A vacancy on the Board of Trustees shall not affect its powers and shall be filled in the manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of the member was appointed shall be appointed for the remainder of the term.

(e) NONCOMPENSATION.—Except as provided in subsection (f), members of the Board of Trustees shall serve without pay.

(f) EXPENSES.—Members of the Board of Trustees shall receive per diem, travel, and transportation expenses for each day, including travel time, during which such members are engaged in the performance of the duties of the Board of Trustees in accordance with section 5703 of title 5, United States Code, with respect to employees serving intermittently in the Government service.

(g) CHAIRPERSON.—The Board of Trustees shall elect a chairperson by a majority vote of the members of the Board of Trustees.

(h) MEETINGS.—The Board of Trustees shall meet at the call of the chairperson or upon the written request of a majority of its members, but shall meet not less than 2 times each year.

(i) QUORUM.—A majority of the Board of Trustees shall constitute a quorum for purposes of conducting business, but a lesser number may receive information on behalf of the Board of Trustees.

(j) VOLUNTARY SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the chairperson of the Board of Trustees may accept for the Board of Trustees voluntary services provided by a member of the Board of Trustees.

SEC. ___06. DUTIES OF THE BOARD OF TRUSTEES OF THE MUSEUM.

The Board of Trustees shall—

(1) recommend annual budgets for the Museum;

(2) consistent with the general policy established by the Board of Regents, have the sole authority to—

(A) loan, exchange, sell, or otherwise dispose of any part of the collections of the Museum, but only if the funds generated by such disposition are used for additions to the collections of the Museum or for additions to the endowment of the Museum;

(B) subject to the availability of funds and the provisions of annual budgets of the Museum, purchase, accept, borrow, or otherwise acquire artifacts and other property for addition to the collections of the Museum;

(C) establish policy with respect to the utilization of the collections of the Museum; and

(D) establish policy regarding programming, education, exhibitions, and research, with respect to the life and culture of African Americans, the role of African Americans in the history of the United States, and the contributions of African Americans to society;

(3) consistent with the general policy established by the Board of Regents, have authority to—

(A) provide for restoration, preservation, and maintenance of the collections of the Museum;

(B) solicit funds for the Museum and determine the purposes to which such funds shall be used;

(C) approve expenditures from the endowment of the Museum, or of income generated from the endowment, for any purpose of the Museum; and

(D) consult with, advise, and support the Director in the operation of the Museum;

(4) establish programs in cooperation with other African American museums, historically black colleges and universities, historical societies, educational institutions, and cultural and other organizations for the education and promotion of understanding regarding African American life, art, history, and culture;

(5) support the efforts of other African American museums, historically black colleges and universities, and cultural and other organizations to educate and promote

understanding regarding African American life, art, history, and culture, including—

(A) the development of cooperative programs and exhibitions;

(B) the identification, management, and care of collections;

(C) the participation in the training of museum professionals; and

(D) creating opportunities for—

(i) research fellowships; and

(ii) professional and student internships;

(6) adopt bylaws to carry out the functions of the Board of Trustees; and

(7) report annually to the Board of Regents on the acquisition, disposition, and display of African American objects and artifacts and on other appropriate matters.

SEC. ___07. DIRECTOR AND STAFF.

(a) IN GENERAL.—The Secretary of the Smithsonian Institution, in consultation with the Board of Trustees, shall appoint a Director who shall manage the Museum.

(b) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Secretary of the Smithsonian Institution may—

(1) appoint the Director and 5 employees of the Museum, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service; and

(2) fix the pay of the Director and such 5 employees, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

SEC. ___08. DEFINITIONS.

For purposes of this title:

(1) ARTS AND INDUSTRIES BUILDING.—The term "Arts and Industries Building" means the building located on the Mall at 900 Jefferson Drive, S.W. in Washington, the District of Columbia.

(2) BOARD OF REGENTS.—The term "Board of Regents" means the Board of Regents of the Smithsonian Institution.

(3) BOARD OF TRUSTEES.—The term "Board of Trustees" means the Board of Trustees of the National African American Museum established in section ___05(a).

(4) MUSEUM.—The term "Museum" means the National African American Museum established under section ___03(a).

SEC. ___09. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary only for costs directly relating to the operation and maintenance of the Museum.

Mr. SIMON. If I may have the attention of the managers of the bill—if I may have the attention of the Senator from Washington and the Senator from West Virginia. I would be willing to enter into an agreement for 30 minutes, 15 minutes on each side, or whatever time agreement you would like.

Mr. GORTON. That is a wonderful offer on the part of the Senator from Illinois and is completely—I will put it in this fashion. I think that is a gracious offer on the part of the Senator from Illinois.

Mr. SIMON. It moved from "wonderful" to "gracious."

Mr. GORTON. I think it is wonderful myself. I do have present on the floor the Senator from North Carolina who would want more time to amend if the amendment survives a motion to table.

So if the Senator will agree, I will ask there be 30 minutes equally divided on the Simon amendment prior to the disposition of the motion to table, and that no second-degree amendment be permitted prior to the expiration of the 30 minutes and the disposition of the motion to table.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. SIMON. Mr. President, I offer this amendment on behalf of Senator MCCAIN, Senator MOSELEY-BRAUN, Senator PELL, and myself. It is an amendment that has passed the Senate on a previous occasion and would have passed the tail end of the last session, but it was stopped as some 50 or 60 bills all of a sudden were frozen as they moved ahead.

This amendment says that we—it authorizes, does not appropriate any money. We do not appropriate a dollar in this, but authorizes that the Smithsonian can have a national African-American museum. There are two distinct groups of Americans whose history is, frankly, very different from those of us who are German-American or British-American or Danish-American or whatever our background is, and that is Native Americans, American Indians, and African-Americans who came over here as slaves. I think it is important for us to understand our heritage, for all of us, no matter what our background, and also particularly for those who are of African-American heritage to take special pride in this.

As I said, this does not appropriate one dollar at this point. That would have to be done at some time in the future when Congress feels it is wise to do so. But it would permit the Smithsonian to collect money from a foundation or from some private entity for this purpose.

It also authorizes the Smithsonian to work with local museums around the Nation. We have a museum in Chicago that is a very fine local African-American museum. That is the kind of museum that they can work with. It is not that complicated.

I know I have the opposition of my friend and colleague from North Carolina, Senator HELMS. But I hope this body will accept this amendment. I reserve the remainder of my time, Mr. President.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, it is with deep regret that I am going to have to oppose the amendment proposed by the Senator from Illinois, although I suspect, if I looked up rollcalls, that I would have voted for his proposal in previous Congresses.

But, Mr. President, there just is not any money for this project now, and it is almost certain that there will not be any in the foreseeable future.

I wish to emphasize the amendment is an authorization. We are dealing with an appropriations bill.

The authorization bill is before the relevant committee. It has not been reported or recommended by that committee. The Smithsonian is now authorized to build a museum of the American Indian. Very large amounts of private money have been collected for that museum, but it is simply not possible to appropriate so much as a dollar for it in this bill.

The Smithsonian is authorized to expand the Air and Space Museum in a significant number of facilities out near Dulles Airport. Planning has actually gone on that one, and money has been spent on that one. There is no way that we can fund its creation.

By dint of very careful management and reductions in this bill, which have been objected to since the moment the bill's debate was begun, we got together a little bit more money so that the present Smithsonian can literally fix the roof, so that deferred maintenance, which must be accomplished, can be accomplished.

The Smithsonian, together with the National Gallery of Art and a couple of other Federal cultural institutions and the National Park Service, are literally the only functions in this bill that do not have budget cuts from last year. But we cannot build another museum. We cannot build two museums we have already authorized. And there is nothing in a budget resolution leading to a balanced budget in the year 2002 that indicates we are going to be able to do so between this day and that.

So to pass this proposal is to make a promise we cannot keep, and, regrettably, I believe it to be irresponsible.

Mr. BYRD addressed the floor.

Mr. GORTON. I yield to the Senator.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I fully support the position that has been taken by the distinguished Senator from Washington. I do this reluctantly. I consider PAUL SIMON to be a happy warrior, my friend, and I am sorry to see him depart membership in this body after this term.

This amendment, which contains 11 pages of authorizing language, in the first place does not belong on an appropriations bill. Second, as the manager of the bill has pointed out, it authorizes yet another new museum for the Smithsonian. While the amendment limits the Smithsonian's exposure to that of operations and maintenance, these expenses will still be a drain on the budget at a time when the overall dollars are declining.

The Smithsonian requested $19 million for the Indian Museum Cultural Resources Center in fiscal year 1996. This has been reduced to $15 million. Still facing the committee are the Federal costs associated with the construction of the mall facility for the Indian museum. Mr. President, these construction requirements are in direct competition with operating dollars.

The subcommittee also faces the additional operating expenses associated with the Indian museum, and I believe that it is irresponsible—and I say this with all due respect to the cosponsors of the amendment—it is irresponsible to add yet another burden to the Smithsonian's portfolio at this time. The Smithsonian has a repair and rehabilitation backlog estimated at a cost of $250 million. We should address these requirements before taking on the burden of a new facility.

Congress has already also authorized the construction of an expansion facility for the Air and Space Museum, and, again, we should address facilities already authorized before proceeding with any additional new facilities. This is an inappropriate time to adopt this amendment. This is a freestanding bill, and we ought to treat it as such.

So, Mr. President, I regretfully oppose the amendment. We see here what is going to be a growing problem. We are just beginning now. Wait until next year, as the chairman of the Appropriations Committee said the other day during a markup of the committee. It is tough this year, but just wait until next year, and it is going to be tougher.

We have these competing requests for funds, and we have discretionary funds eating discretionary funds; domestic funds eating domestic discretionary funds—cannibalization of the domestic discretionary budget with various and sundry domestic discretionary programs and agencies cannibalizing other discretionary domestic programs. And in the final analysis, the military will cannibalize them all. Military is expected to increase by $7 billion, while domestic discretionary is going to be cut.

I have to oppose the amendment. I hope that the managers' words will be heeded and the Senate will reject the amendment, with all due respect for my friend.

Mr. STEVENS. Mr. President, will the Senator from Washington yield me 5 minutes?

Mr. GORTON. I yield the remainder of my time to the Senator from Alaska.

The PRESIDING OFFICER (Mr. FAIRCLOTH). The Senator from Alaska.

Mr. STEVENS. Mr. President, I, too, oppose this amendment. The Rules Committee has been following the Smithsonian quite closely, and I call to the attention of the Senate the Commission on the Future of the Smithsonian. That Commission said in a report recently:

> On the basis of the programmatic issues we have already described, as well as the financial realities, continued capital expansion in the early decades of the next century at the rate experienced over the past few decades is out of the question. The Smithsonian should essentially assume a moratorium on new museums, other than what has already been approved.

This is what they said in their report, Mr. President, if anyone wants to see it. The authorization of the African-American museum is contrary to these recommendations. The projections for the cost of operating the Smithsonian range from $417 million for this year to $650 million in the year 2000. If you add to that approximately $190 million needed for capital projects and capital needs for building maintenance for museums already authorized, the result is that the budget needed for the support of museums will almost double by the year 2000. Almost double without considering the cost of any new museums, including the African-American museum. I am sad to say this is just not possible. The Smithsonian has not told us how they expect to pay the operating costs of any new museums.

I understand there will be contributions to the capital costs. But let me remind the Senate of the Smithsonian Environmental Research Center, known as SERC, located in Edgewater, MD.

In 1963, the Smithsonian was given a parcel of land on the Chesapeake Bay for environmental research. By the mid-1970's, the Smithsonian was using Federal funds. By the late 1970's, the Smithsonian began to request funds for renovation and construction and reconstruction at the Chesapeake Bay center.

In justifying its request for Federal funds, the Smithsonian used the fact that "although originally established with non-Federal funds, the center has come to be heavily dependent upon appropriated funds for operating program support."

In this year, 1995, SERC again received Federal funds in the amount of $2.5 million. Federal funds now provide 90 percent of the operating funds and all funding for repair, restoration, and maintenance of buildings. This is typical of the situation we get into when we accept donated funds for capital costs and do not realize how the incremental operating costs pile up year after year. It is just not possible for us to fund this.

I believe I am one of the Smithsonian's greatest supporters, and I have told them before that I hope it will be around for my grandchildren and their grandchildren. They take umbrage once in a while at some of my comments, but, in my opinion, the Smithsonian must make serious changes in its budgeting and planning if it is to survive into the next century based on what they already have and what is already authorized.

We are not going to be able to have new initiatives that take taxpayers' money and still have the Smithsonian survive as we know it in the decade after the turn of the century. I believe the Senate should reject this amendment, as worthwhile as some may believe it is. We have other African-American museums already authorized, and the Smithsonian has plans for a new Center for African-American History and Culture to organize exhibitions and sponsor research at existing facilities.

Under the circumstances, I cannot support Senator SIMON's amendment. I support the position taken by the managers of the bill and the distinguished ranking member of the Appropriations Committee.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

Mr. HELMS. Will the Senator yield me 30 seconds?

Mr. GORTON. I yield whatever time I have left.

Mr. HELMS. Mr. President, as I do every day the Senate is in session, I made a brief report to the Senate yesterday identifying the latest available figure of the Federal debt—down to the penny. This is a sort of daily report on irresponsibility of the Congress of the United States.

I reported today that as of the close of business Monday, August 7, the Federal debt stood—down to the penny—at $4,946,673,660,276.63. On a per capita basis, every man, woman, and child in America owes an average share amounting to $8,777.66.

With a debt this large, should Congress create a new program the cost of which is unknown? I hope not. But that is precisely what Senator SIMON is proposing with his amendment to authorize the National African American Museum—saying, go ahead, give us unlimited amounts of taxpayers' money without making us accountable for 1 penny.

The Simon amendment authorizes unlimited funds for an unlimited period of time for museum maintenance and operation. The Smithsonian has refused to furnish any estimate as to how much the project will ultimately cost the taxpayer—even after my asking them precisely that question on numerous occasions.

In addition, the Smithsonian refuses to provide a budget for the museum's first 5 years—the Congressional Budget Office estimates the museum will cost $5 million per year until 1997, then a $6 million authorization for 1998.

Mr. President, it is puzzling that this amendment would be offered at a time when the Smithsonian is lamenting its existing lack of funds before any consideration of yet another museum. As reported in the Washington Post, "The Dilapidated State of the Nation's Attic," June 10, 1995, "half a billion dollars' worth of repairs will be needed over the next 10 years to keep the Smithsonian Institution's aging facilities open." Smithsonian officials have told Congress that the Smithsonian buildings "will all reach the end of their useful service lives within a 5-year time span."

Certainly, this is not the time for the Smithsonian to be saddled with another responsibility—especially a new museum.

Mr. President, most bills coming before the Senate provide lengthy estimates and explanations of what the particular project plans to do, what funds will be needed to fulfill those goals, where the funds will originate, etc. But, with this project, we have been told by the Smithsonian—we want to create a museum, please authorize the project so we can come up with a plan. Well, this Senator is used to seeing the plan and the projected costs involved before he votes.

Let me reiterate, the Senate has no business authorizing any legislation when we do not know the basic facts about its conception, costs, and mission.

I hope the Simon amendment will be tabled.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. How much time do I have left?

The PRESIDING OFFICER. There are 12½ minutes remaining.

Mr. SIMON. I will probably not use all that. Let me point out that there is not 1 penny of appropriations in this. This is a request that has been made by Smithsonian in past years. This complies with that request. The only expenditure possible without the approval of the Appropriations Committee would be if foundations provided assistance.

Again, the Appropriations Committee, or the Rules Committee, would have oversight on this. I agree with Senator BYRD in terms of the cannibalization of domestic funds and that we ought to be pulling back on the military, the $7 billion we are spending on the military. I voted to take away that firewall, which I do not think makes any sense whatsoever.

But I think the reality is that this is something that Smithsonian has requested in the past. It makes sense. Again, I simply remind everyone that there are two American groups with very distinctive histories, different from the histories of English-Americans or German-Americans, or Norwegian-Americans, and every other group, and that is the Native Americans, the American Indians, and African-Americans, those who were brought over here as slaves. The need to recognize that this distinctive history should be part of the Smithsonian, I think, is a wise decision.

I hope the motion to table that I assume my friend from Washington is going to be making in a moment or two will be defeated.

I reserve the remainder of my time.

Ms. MOSELEY-BRAUN. Mr. President, it gives me great pleasure to speak in support of the establishment of a National African-American Museum within the Smithsonian Institution.

The Smithsonian Institution is the national collection of American art and culture. Until now, this great collection did not include representation of the African-American experience in the United States. Today, because of this amendment, we will add a museum dedicated to the presentation and preservation of African-American art, culture, and history to our national collection.

This museum is very important. Twelve percent of the population in this country is African-American. There are 40 million African-American schoolchildren in the United States. This museum will be a tool for teaching those children about their history and their culture. It will give all Americans an opportunity to know and appreciate the many contributions and important history of the descendants of Africa in America. Finally, the museum will recognize the rich legacy of the African-American experience in the United States, and celebrate the diversity of this Nation.

I want to commend my friend and colleague, Senator PAUL SIMON of Illinois, for his leadership in guiding this legislation through the Senate. I thank him for his dedication and commitment to the establishment of a National African-American Museum within the Smithsonian Institution.

Mr. GORTON. Is there any more time available?

The PRESIDING OFFICER. Three minutes, sixteen seconds.

Mr. GORTON. Mr. President, I will use very little of that time.

The report of the Commission on the Future of the Smithsonian Institution, issued earlier this year, says:

> To assure the future, declare a moratorium on new museum construction unless the incremental funds needed for construction and operations are assured.

Mr. President, they are not assured and they cannot be assured.

Second:

> Devote attention and resources to the rehabilitation and maintenance of existing facilities.

That is what we attempt to do in this bill, given the severe limitations and great cuts to which it is subjected.

Mr. President, is the Senator finished?

Mr. SIMON. I will take 1 minute of my time. Again, I simply stress that we are not asking for a penny here. We are simply authorizing it subject to the action of the Appropriations Committee. I point out again that this has passed the U.S. Senate before. It is not novel action here. I see my cosponsor walking onto the floor.

I do not know if he wishes to have a minute or two before I yield back, but if the Senator from Arizona wishes the floor, I am pleased to yield 1 minute to the Senator from Arizona.

Mr. McCAIN. Mr. President, I support my colleague's amendment, as I have in the past. I think it is an appropriate action. I remind my colleagues that there are a lot of questions now today about our relations with minorities in this country. I think recognition of the contributions that African-Americans have made is appropriate for this country to do. I think that sooner or later, we will decide to do that. We have decided to build an Indian museum. We have built other museums to memorialize the contributions and sacrifices of other Americans. I think this is appropriate, too.

I appreciate the tenacity and dedication of my colleague from Illinois.

Mr. STEVENS. Mr. President, the commission has spoken. We have no alternative but to listen. If we authorize this museum, it will be built with non-Federal funds, but it will immediately become a burden on the Smithsonian that the commission has urged us not to undertake.

Is all time yielded back yet?

The PRESIDING OFFICER. No. There is 1 minute 52 seconds for opponents and 8 minutes 52 seconds for the proponents.

Mr. GORTON. Is the Senator from Illinois ready to yield the remainder of his time?

Mr. SIMON. After taking 30 seconds, I will do that. I simply again say that we do not appropriate a thing here. I think the remarks of the Senator from Arizona were right on target. I think this is the time to pull people together. This is a way of doing it. I hope the motion to table will be defeated.

I yield the remainder of my time.

Mr. GORTON. As I do, Mr. President.

Mr. STEVENS. Mr. President, I move to table the Simon amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 2306, offered by the Senator from Illinois [Mr. SIMON].

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

Mr. FORD. I announce that the Senator from Louisiana [Mr. BREAUX] is necessarily absent.

I also announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of family illness.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 47, as follows:

[Rollcall Vote No. 375 Leg.]

YEAS—50

Abraham
Ashcroft
Baucus
Bennett
Bond
Burns
Byrd
Chafee
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hollings
Hutchison
Inhofe
Kassebaum
Kempthorne
Kerrey
Kyl
Lott
McConnell
Moynihan
Murkowski
Nickles
Packwood
Pressler
Rockefeller
Roth
Santorum
Shelby
Simpson
Smith
Stevens
Thomas
Thurmond

NAYS—47

Akaka
Biden
Bingaman
Boxer
Brown
Bryan
Bumpers
Campbell
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Harkin
Heflin
Inouye
Jeffords
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
McCain
Mikulski
Moseley-Braun
Murray
Nunn
Pell
Pryor
Reid
Robb
Sarbanes
Simon
Snowe
Specter
Thompson
Warner
Wellstone

NOT VOTING—3

Bradley
Breaux
Mack

So the motion to table the amendment (No. 2306) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion to table was agreed to.

Mr. GORTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I know the Senator from Nevada is ready with his amendment. But the Senator from Arizona has spoken very eloquently on the earlier amendment with respect to the Bureau of Indian Affairs and wished to engage in a colloquy with me in lieu of another amendment on the same subject. We hope we can do that in an informal fashion and then go to the Senator from Nevada.

Mr. MCCAIN. Mr. President, I ask unanimous consent to engage in a colloquy with the Senator from Washington.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MCCAIN. I would like to thank my friend from Nevada. This will not take very long.

The Senator from Washington was able to defend the committee position on the reductions in funding for various Indian issues. I respect the verdict of the full Senate.

My colleague from the State of Washington has successfully defended the committee position. I had contemplated proposing further amendments, perhaps, in hopes of restoring at least some of the funds that were taken out, restoring some of the funds that were reduced in the bill in existing programs. I do not believe that probably will be, one, viable, or, two, an appropriate use of the time of the Senate over the last couple of days before we go out.

The Senator from Washington knows from the debate how strongly the Senator from New Mexico and the Senator from Hawaii and others feel on this issue, who have been involved in it for many years.

I think it is important that my colleagues know that the Senator from Washington and I have engaged in conversations privately and that he has assured me that he will make an effort to at least restore some of those funds during the course of the conference. I think it would be helpful that it be on the record that the Senator from Washington and I have had this colloquy.

Mr. GORTON. I thank my friend from Arizona. I point out to him what he already knows—that there is perhaps a larger difference in this account between the House and the Senate than there is in any other account in this bill.

The Senator from Arizona also knows and has expressed his appreciation for the very difficult challenges which have faced both me and the Senator from West Virginia in meeting these stringent requirements of the budget. But I have made private assurances, which I wish to make public, to the Senator from Arizona. The conference committee report is not going to come back with the figure which caused so much heartache to my friends from Arizona, New Mexico, and Hawaii. And I am certain that I will support significant restorations to the accounts which were of such concern to the three Senators who proposed that amendment.

Mr. MCCAIN. Mr. President, I would like to, first of all, thank the Senator from Washington for that commitment. I know that he and the distinguished Senator from West Virginia are very aware of the importance of these issues. I also appreciate the assurance of both the Senator from West Virginia and the Senator from Washington in allowing the Senator from New Mexico, the Senator from Hawaii, and me to make inputs as to where the most important priorities are for restoration of funding as we go into the conference, perhaps even to the point where the Senators from New Mexico and Hawaii and I may send a letter to both the distinguished Senator from West Virginia and the Senator from Washington outlining our priorities as to where we think the most poor areas are where funds need to be restored.

I want to again say to the Senator from Washington that I understand that he has had to make very tough decisions. Obviously, I did not agree with those decisions. But that does not mean that I have a lack of respect for, first, his diligence, and, second, the difficulty of the task that lays before him. I am especially appreciative of his commitment to try to at least restore in conference, in the course of the negotiations, as happens in every conference. This is not a very unusual situation. It has been unusual, obviously, to have this large a difference between the two bodies. But I am deeply appreciative that he is willing to consider restoration of funding in certain areas as he goes forward in the conference.

I have made my arguments in the course of the amendment of the Senator from New Mexico. It was defeated. I will not make those arguments again.

I again want to thank the Senator from Washington and the Senator from West Virginia for their consideration and appreciation of the seriousness of these issues.

Mr. GORTON. Mr. President, the Senator from Arizona in his set of remarks made a second point which is important to respond to. In dealing with this bill, the Senator from West Virginia and I had to keep our focus constantly on the total amount of money we had available and carry it out as we did. The Senator from Arizona, together with the Senator from Hawaii, chairman and ranking member of the authorizing committee, the Committee on Indian Affairs, have far more expertise than we do as to internally how to divide such moneys and efforts in the programs. I can say for myself that I defer to leadership and the advice and counsel of the Senator from Arizona and the Senator from Hawaii on those internal divisions of money, and we look forward to his advice. I think I can say that his advice will be followed.

Mr. MCCAIN. I say to my friend from Washington—and I note the presence of both my colleague from New Mexico and my dear friend from Hawaii, who I know will have additional remarks. Again, I appreciate the consideration that is shown by the Senator from Washington to all of us as we try to get through this very difficult situation.

Mr. DOMENICI. Mr. President, I thank Senator MCCAIN from Arizona for the colloquy and for his observations, and I might say to my good friend, Senator GORTON, I am on his subcommittee, so I will be there at the conference with the House. So he will certainly be advised what I think is right. I will not have to bring him a letter. I will be pleased to carry their letter with my signature. But I will be there and suggesting what has been discussed here today.

I want to thank Senator GORTON for the understanding. Obviously, we were very concerned about one particular aspect of Indian funding, and we understand clearly that he had much more than that to look at. As I said before, Senator GORTON and Senator BYRD, with reference to the Indian health, which is one of those major programs that we have to run as a nation unless and until we change things, have been very generous. We from Indian country appreciate that. But, obviously, with reference to this particular one that we are concerned about, we hope we can work with Senator GORTON, since the House was higher on that, and perhaps some other of the Indian programs that we might think are of higher priority. I thank him for that.

I understand his comments to Senator MCCAIN would apply equally to what I have in mind and my concerns. Is that correct?

Mr. GORTON. Mr. President, they do.

Mr. INOUYE. Mr. President, I wish to join the distinguished Senators from Arizona and New Mexico in expressing my words of gratitude to the Senator from Washington for his words of assurance.

I thank him very much.

Mr. GORTON. Mr. President, I appreciate the comments of the Senator from Hawaii.

I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

AMENDMENT NO. 2308 TO THE COMMITTEE AMENDMENT ON PAGE 9, LINE 23, AND TO THE BILL

(Purpose: To increase the amount of funds made available to activities relating to the administration of the Endangered Species Act of 1973, with an offset)

Mr. REID. Mr. President, I send an amendment to the desk in behalf of myself, Senator CHAFEE, Senator LAUTENBERG, Senator LIEBERMAN, and Senator BOXER, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for himself, Mr. CHAFEE, Mr. LAUTENBERG, Mr. LIEBERMAN, and Mrs. BOXER, proposes an amendment numbered 2308 to the committee amendment on page 9, line 23, and to the bill.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, lines 23 through 25, strike "$496,978,000, to remain available for obligation until September 30, 1997," and insert "$501,478,000, to remain available for obligation until September 30, 1997, of which not less than $3,800,000 shall be made available for prelisting activities, $18,297,000 shall be made available for consultation activities, and $36,500,000 shall be made available for recovery activities, and".

On page 27, line 10, strike "$132,507,000" and insert "$128,007,000".

On page 27, line 11, before the period, insert the following: ": *Provided*, That none of the reduction below the FY 1996 budget request shall be applied to the health and safety budget activity".

Mr. REID. Mr. President, as a young boy growing up, I had living across the alley the Vincent family. The boys as I knew them were raised basically by their mother. They were a large family of eight or nine children, but the young men in the family were the toughest, strongest, most athletic young men that you could imagine in a family. One of them was a Golden Gloves champion. They were, I repeat, all very tough young men. We played ball together. We grew up together. We were very close friends.

One of the Vincent boys, as we referred to them, was Don Vincent. He was one of the older boys. As tough and as handsome and as energetic as all of them was Don Vincent. His first child was a little boy and, of course, in this Vincent society this young man was going to grow up and be just like his dad.

Well, he was a Little League baseball player, and he hit a ball a long way into the outfield as a Little Leaguer, and he was running, coming around third base. He almost stopped. He made it home, but he was tired. And his dad, of course, did not want to have the boy be a quitter; the Vincents were not quitters. He talked to his boy: You cannot quit; you have to go hard. He could not understand why a Vincent would not do his best.

Mr. President, this little boy had leukemia. He died very quickly. You see, 25 years ago, 30 years ago, as the Vincent family was growing up, the second generation that I knew, they had no cure for childhood leukemia. Everybody died. A child got leukemia; the child died. It is not that way anymore. Had this little boy gotten leukemia today, there would be over a 99 percent chance he would be healed.

So I talked to the Vincents, talked to Donnie, as we call him, about his little boy and how things have changed. Why now can someone like the little Vincent boy be saved? Because of a plant, a plant, Mr. President, called the Madagascar rosy periwinkle. This plant, of course, from the country of Madagascar, is near extinction. They are wiping out the rain forests in Madagascar and with it the periwinkle. Not only does it have a better than 99 percent rate of remission with childhood leukemia, but it also has over an 80-percent cure rate for Hodgkin's disease—not bad.

What we are here today to talk about is endangered species. It is the sense of the Senate and the House that there is a moratorium on listing further endangered species. I disagree with that. I think it is wrong. But that is the will of the Senate.

Therefore, this amendment does not try to eliminate the moratorium on endangered species. What it does do is focus attention on the fact that endangered species are important, and this amendment further says that we should spend more money on certain areas dealing with endangered species listing than we have in the committee mark that is now before this body.

We need to spend more money in recovery. We need to spend more money in prelisting. And we need to spend more money, Mr. President, in consultation. Even though we are spending money in these areas—that is prelisting, consultation, and recovery—we are still spending less money than we did even last year.

If, in fact, the periwinkle bush was the only plant that had great lifesaving value, it would still be worth doing more endangered species, but it is not the only plant that saves lives.

The Pacific yew tree is a relatively new plant family. It is a tree we have found that has lifesaving qualities. It produces something called taxol. Taxol was first used relatively recently in 1983 to treat ovarian and breast cancer and some lung cancers and today, after 10 short years, is the most effective treatment for achieving remission in advanced ovarian cancer that has ever been known.

Originally, this substance—it is a chemical substance—was extracted from the bark of a yew tree—y-e-w. It took 3 to 12 trees, which take 100 years to reach maturity, to provide enough taxol to treat one woman with ovarian cancer.

Now, we are doing research to find out if there are other ways we can come up with this lifesaving chemical that is in the bark of the yew tree. We are doing it from the needles of the yew tree. We are making some progress there. We have even been able to synthesize this chemical, and so we are making progress.

But since clearcutting of forests in the Pacific Northwest has really squandered the natural yew supply, it is important that we have developed this alternative.

Mr. President, about 50 percent of the medicine and treatments used today can be traced directly to plants. If someone within the sound of my voice goes today to a drugstore to get a prescription, there is a 50 percent chance that the medicine they are getting has some relation to a plant.

Nearly all prescription antibiotics in addition to that were isolated from molds and microbes.

We have heard a lot about the Contract With America, and I think that is important. It has been an important discussion in this body and the other body. I think we should dwell on something called a contract with nature, a term that was developed by Thomas Eisner. He said he feels that we as Americans and we as world citizens should be concerned about what nature has to provide for us. The irony of the Endangered Species Act is that most species cannot be listed on it because they do not even have a name.

Let me give you an example. Dr. Eisner and his colleagues were aware of a scrub plant. It was always in their way. It was a weed. That is what it was. It was a weed, in his technical jargon. He said it had a weed-like appearance. They decided to test it and see what substances this plant had. They learned very quickly that it worked extremely well as an insect repellent, and they also have learned that it works great as an antifungal product. Is that very important? Yes, it is very important. Dermatologists are always looking for antifungal medicines. Athlete's foot is one of the better known kinds of fungus. It gets a lot worse in people's feet. But they have medicines for it, one of which was recently discovered in a weed patch.

This weed that is now called the Lake Placid mint and is found only within 300 acres of a protected biological station in central Florida, were it not for its privileged position, being in a weed patch next to a place where Dr. Eisner worked, it would be gone and we would never know the properties that it has.

I spoke to this body a minute or 2 ago, Mr. President, about the yew tree. Let's bring it down into real personal terms. A woman by the name of Elaine Forma, chairwoman of the World Hunger Committee, in 1991 was diagnosed as having terminal ovarian cancer. They told her she had 6 months to live. She tried all conventional therapy, including chemotherapy.

They decided, because taxol was just getting started in 1991, that they would try that on her. She has now been symptom free since taking this medicine. Were it not for taxol, she would not be alive. There are numerous instances just like this.

In Nevada there has been an ongoing debate for as long as I can remember about the desert pup fish. There is a place in Nye County where there is a little pond where the desert pup fish lives, little tiny, tiny fish. And if I have heard one, I have heard 50, 60, 100 people say, "What good are they? Why spend all the money on the desert pup fish? Protecting this?" They did not allow the water to be pumped down.

People farmed in that area. At one time they grew cotton. They said, "You are not going to be able to do that anymore because you will kill the desert pup fish." Well, we learned that the desert pup fish, one of the tiniest invertebrates on the Earth, is helping researchers to learn more about kidney disease by studying how these little animals handle the heavy quantities of salt that their little bodies must handle. Tremendous advances are being made in kidney disease research. And if you have had a friend or a relative who has kidney disease, you know this is important.

What about bears? I have always been just amazed at how bears and other animals, but especially bears, can just go to sleep, stay asleep for months, not days, but months. We have found, Mr. President, that studying bears, what happens to them when they are asleep, or in hibernation, gives us great ability to understand other things, for example, kidney failure. How do these animals stay asleep for as long as they do? They never get up to go to the bathroom. How do they handle their bodily functions?

We have learned that hibernating black bears are immobile for up to 5 months. That is, they are down, taking a nap, sound asleep for 5 months, during which time they neither lose bone nor do they urinate. Bears continue to lay down new bone, making use of calcium circulating in their blood, and somehow recycle their urinary waste to make new proteins—a totally new discovery. Researching the mechanisms of how bears survive hibernation may result in treatment for osteoporosis in the elderly and, again, for kidney failure.

Now, we know that some of these bears are in danger. The Houston toad, which is on the brink of extension due to absent habitat laws, may produce alkaloids that reduce heart attacks. They found that a substance these little toads produce has more analgesic properties than morphine.

I am not going to go into a lot more detail on endangered species and being species specific, but, Mr. President, there are species all over the United States that we need to save that allow us to get well, to treat diseases that have never been treated before. We need it, Mr. President, and that is the reason the endangered species law is important, is that it has allowed us to prospect for chemicals, to search for new medicines, for new agrichemicals and other useful substances from nature. We must do this.

As I have indicated, the sources of 50 percent of today's medicines, as well as foundation for medical research and future cures, comes from a full range of species from bears and plants in our forests, sharks, corrals, and even sponges in our seas. Well, this chemical treasury of nature is disappearing before we even have the opportunity to assess it—cancer, AIDS, heart and circulatory problems, infectious disease, Parkinson's disease, tranquilizers, anti-inflammatory disease.

A member of my family, Mr. President, had we only known, would have been a well person today instead of somebody not in good health had the fact of having a fungus on wheat been available to treat their condition, an anti-inflammatory disease. It works. It cures people.

> This chemical treasury of nature is literally disappearing before we have a chance to assess it. We cannot afford in years ahead to be deprived of the inventions of nature, chemicals such as taxol. And others could not have been designed by human ingenuity. Both compounds—were totally unforeseen in chemical structures and therapeutic action.

This is a statement by Dr. Thomas Eisner, the man about whom I spoke a minute ago.

Mr. Stephen Brewer, manager of Bioproducts Chemistry, reported that his analysis of the 20 best-selling drugs in the United States show that most benefited from natural products research. This accounted for at least $6 billion in sales in 1988.

What we are trying to do here, Mr. President, is to provide a few extra dollars not for doing away with the lifting moratorium which is in effect, but for providing some money while we either reauthorize or wait for this next fiscal year to pass by, that the proper authorities can still do work on endangered species. They will not be listing any, but there will be some prelistings and they will do some consultations and do things to make sure we do not lose species.

Extinction, you know, Mr. President, is final. It is terminal. Once something becomes extinct, it is gone forever. That permanence should weigh heavily when we consider our priorities. Our priorities are reflected in this budget. And we must have a priority that says we need to be concerned about endangered species.

I see the diversity of life on this Earth is beneficial to all of us. The benefits of species diversity are immeasurable. Even setting aside all the medical utilitary purposes of biodiversity, it is in all of our interests to assure the continuation of all species. This funding is an expression of that value.

Mr. President, the money that is being taken here, we are in a process here in the U.S. Congress where we are cannibalizing programs to save other programs, to help other programs. And that is in effect what we have done here. We are taking money from a program that could be important to the State of Nevada. It is important to this country. But, Mr. President, we have to list priorities. And what we have done here is taken money from the Bureau of Mines.

We are taking money, Mr. President, from the Bureau of Mines, $4.5 million, and we are going to spend that in the prelisting, consultation, and recovery. And as a result of doing that, we certainly are not going to be replacing much money. We will still be under last year's levels in those areas, in addition to the fact that under listing we will have lost, Mr. President, about $6 million in that program. And we will make up part of what we lost in the prelisting, the consultation and recovery but certainly far below last year's levels anyway.

I would ask the Members of the Senate to understand that this is not a violation of what action has been taken previously in this body; that is, to place a moratorium on listings. It is, though, a step in the right direction. And I repeat, even though I disagree with the moratorium that is now in effect, I think this is a step in the right direction.

Of the 220,000 worldwide types of plants, only 5,000 have been examined for medical compounds. So I understand that some may not appreciate our studying the black bear, may not understand why we are studying some exotic plants, but we need to do that because our health depends on it.

I very much appreciate the leadership shown in this matter by the chairman of the Environment and Public Works Committee, the junior Senator from Rhode Island. He has been a great chairman of the subcommittee. I have appreciated serving with him during my entire stay in the Senate and certainly appreciate his advice and counsel on this amendment.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, first, I want to thank the distinguished Senator from Nevada, Senator REID, for the excellent work he has done on this amendment. He has really been a powerhouse in protecting the Endangered Species Act and working on it to make it more effective. I want to express to him the appreciation, not only of myself but I think of all Americans who believe in preserving the diversity that now exists in our nature.

But for the Endangered Species Act, we would not be where we are. Yes, it is all right to talk about the visible things that have been saved, like the grizzly, the American eagle, or the California condor, but it is the thousands of other less prestigious, if you will, plants and animals that also have been protected during these 20 years, 25 years since the Endangered Species Act was first enacted, and it is due to Senators that have gone before us, such as Ed Muskie and others. But in that role of champions, there is none better than HARRY REID in working for an effective Endangered Species Act.

Mr. President, the Endangered Species Act is funded at a very modest level. In the current year, $69 million. We had one witness come before us and say, "Just remember, what you are spending on endangered species is about what it costs to build 2 miles of urban interstate highway"—2 miles of urban interstate highway. Overall in the interstate system, we have 45,000 miles, and 2 miles of that would provide for the funding of the Endangered Species Act for an entire year.

The bill, as originally proposed, provided for a 20-percent cut in the funding for the Endangered Species Act; namely, going from $69 to $55 million. I want to express my appreciation to the senior Senator from Washington, the floor manager of the bill, Senator GORTON, for his working with us, and Senator BYRD, likewise, the distinguished former chairman of the Appropriations Committee, for working with us in the restoration of $4.5 million of that $14 million cut.

I might say that what the Reid amendment would do with that $4.5 million, it will go for prelisting, for consultation, and for recovery activities by the Fish and Wildlife Service. All of those services are required by the law. The law says you have to have recovery, you have to have prelisting, you have to have consultation. Thus, a reduction in the funding will only make it more difficult for the Fish and Wildlife Service to do its job and will compound the problems that exist out there with local governments and with landowners.

This amendment, I might say, Mr. President, does not affect listing. Under this bill we have before us, listing will be forbidden. There is a moratorium on any new listings or any new critical habitat designation until September 30, 1996, over a year from now, or until the Endangered Species Act is reauthorized. I am not enthusiastic about that, but as Senator REID said, that is the way things go, and that is the will of the majority here. So there it is.

It is my hope that in the Environment and Public Works Committee, we can come forward with a reauthorization of the Endangered Species Act, under the able leadership of the subcommittee dealing with this matter, the leader of that committee being Senator KEMPTHORNE, doing a splendid job, five hearings have been held on the reauthorization of the Endangered Species Act, extremely constructive hearings with many good proposals for reform of the act.

We have another hearing coming up in Wyoming a week from today, that is, if we are not here, and I greatly hope that we will not be. As chairman of the Environment and Public Works Committee, I want to make it clear that I am in favor of passing legislation to reauthorize, to improve the Endangered Species Act and hope to have that done this calendar year.

Several of the witnesses who testified in favor of changes to the ESA, the Endangered Species Act, made a point of stating support for adequate funding. What did they say? Are they tree huggers who only believe in the Endangered Species Act? This is what John Harja, testifying in behalf of the Western Governors Association, said on July 13. He stated:

> A lot of the Governors are very concerned that funds to actually implement the act—I'm not talking about acquisition funds—worry that funds will be cut, resulting in an even worse problem than we have now.

On behalf of the Western Governors, Mr. Harja stated in testimony:

> Reform of the act could prove meaningless if technical and financial assistance cannot be provided for the renewed public-private partnership that is essential to achieving the goals of the Endangered Species Act.

The building industry of southern California wrote about "the critical need for Federal funding." This letter closed by saying:

> Congressional action to reliably fund multispecies planning programs such as California's Natural Communities Conservation Plan, is essential to a workable Endangered Species Act.

The theme through all this is, "We've got the act, it has to be funded properly."

The Western Urban Water Coalition, an association that represents water utilities for the largest cities in the Western United States, has written a letter dated July 24, just last month, urging that funding of the Endangered Species Act not be reduced. Their letter states:

> Federal agencies must be given the current resources needed to do their jobs. If they cannot perform, the lack of staff and funding for technical work and cooperation with our utilities will cause ESA implementation problems to grow, and our water consumers, rather than the Federal bureaucracy, will be penalized.

The Western Lands Commission has passed a resolution urging Congress to provide adequate funding of the ESA. This is what that resolution said in part:

> The members urge Congress to fund implementation of ESA at a level that will permit, among other things, the required consultation under sections 7 and 10, to be conducted in a timely and expeditious manner . . .

Restoring funds to the Fish and Wildlife Service will help the ESA work better on private lands. By providing funds for prelisting activities, Fish and Wildlife Service can avoid additional listings.

Mr. President, why should those who oppose the existing Endangered Species Act support this amendment? The answer is clear. It is because problems under ESA will get worse, not better, if we fail to provide adequate funds.

On the prelisting, some of the money goes for that. Funds for prelisting activities are used by the Fish and Wildlife Service for cooperative efforts with States and private landowners and Federal agencies to conserve a candidate species before it becomes threatened or endangered.

The Reid amendment provides $3.8 million for prelisting. What about consultation? That is part of section 7 of the Endangered Species Act,

Funds for consultation activities are used by the Fish and Wildlife Service to meet obligations under section 7 of the ESA. Section 7 requires agencies to consult with Fish and Wildlife to ensure that Federal actions do not jeopardize the continued existence of listed species.

The Service also uses funds under the consultation account to pay for work of landowners on habitat conservation plans. In a recent hearing, a representative from Riverside County, CA, urged that financial assistance be provided to local communities to aid in the development of the habitat conservation plans.

What about recovery, the last section? Funds for the recovery program are used to develop and implement recovery plans so that species no longer need to be listed. The whole thrust of this is to keep the species from becoming endangered. Do not get it on the list, if possible.

The recovery of wildlife and plants that are on the threatened and endangered species lists is the ultimate goal of the ESA. Once they are on the endangered and threatened list, we want to get them off. That is why the recovery is so important throughout the whole Endangered Species Act.

The Senate bill would reduce funds for recovery efforts by $10 billion. The Reid amendment restores $1.7 million of that funding.

Again, Mr. President, neither the current Endangered Species Act, nor any of the proposed reform bills—I know the Senator from Washington has one and, clearly, out of the Environment Committee we will have a reform bill—will be successful without adequate funding. Eliminating the funds necessary for the Fish and Wildlife Service to do its job is counterproductive. The funding levels provided under the Senate bills will exacerbate current problems with the ESA. That is why it is so important this $4.8 million be added.

I want to thank the distinguished senior Senator from West Virginia for his cooperation in this. The money does come from an area where he is deeply concerned. It is a cut to a modest degree—4 percent in the Bureau of Mines. Without the support of the distinguished Senator from West Virginia, who I can say is a real friend of mine since I have been here—for 19 years, it has been my privilege to have worked all that time with the Senator from West Virginia, and I am very proud that we have developed a friendship over that time, which I greatly value.

Mr. BYRD. Mr. President, I thank the distinguished Senator. I was under the impression it was $4.5 million. The Senator said $4.8 million.

Mr. CHAFEE. I am sorry. I nearly got away with $300,000 more, Mr. President. It is $4.5 million, and that is what my notes say.

Mr. BYRD. I thank the Senator. I shall remain his friend.

Mr. CHAFEE. We would not like a friendship broken up over a mere $300,000.

I thank, again, my cosponsor, whom I have worked with, Senator REID, and the distinguished Senator from New Jersey, Senator LAUTENBERG, who has been very helpful and persistent in this. I must say we need lots of friends in the Endangered Species Act, and we have two good ones in those two distinguished Senators.

I yield the floor.

Mr. LAUTENBERG. Mr. President, I rise because I am actively supporting the amendment of the Senator from Nevada. I would like to take a few minutes to outline my reasons for doing so and to thank, in particular, Senator REID from Nevada, for his leadership on this amendment. I want to note that his battle has been a relatively long one, and fairly detailed, to protect the species that mean so much to all of us. It is not simply one bird, one fish, one insect of sorts, one shrub, or one plant; this problem of endangered species, long ignored, will endanger the well-being of the human race.

So I commend him and, of course, the distinguished chairman of the environmental committee, Senator CHAFEE. I also thank our perennial leader, with or without titles, for his distinguished service in the U.S. Senate for so many years, someone who always reminds us about our responsibilities, sometimes not often enough, to get the people's work done. And, of course, that is Senator BYRD from West Virginia, whom I have had the pleasure and opportunity to work with on so many things during his chairmanship of the Appropriations Committee, during his ranking standing on the Appropriations Committee, always with a guiding hand, and someone whose counsel and advice I treasure. I thank them all because this means a great deal to me.

I am delighted that there is a compromise of sorts that does lend more funding to the Endangered Species Act. I cosponsored this amendment. The bill, as it is written, includes drastic cuts in the endangered species program. And if those cuts are left to stand as they are, it would provoke rather than solve problems in the administration of the program. The cuts that are still there, despite the fact that we have been able to add $4.5 million to the program, will reduce the flexibility of the Department of the Interior to work cooperatively with landowners in complying with the Endangered Species Act and slow rather than speed the recovery of the species.

It is obvious that I support the Endangered Species Act, and I do so because it has worked successfully in many instances. Enacted over two decades ago, the Endangered Species Act was a bold attempt to halt the dangerous disappearance of an increasing number of species. The act does more than preserve species; it protects the human race, and it protects people by conserving the biological resources upon which we so much depend.

The act, as it stands, is not perfect, and the Environment and Public Works Committee, of which I am a member, is actively working to reauthorize the Endangered Species Act. Thusly, I think some of the actions being taken which preempt that legislation are precipitous in nature. And while we hope to address many of the faults that exist, we are still working to preserve the positive aspects of the act during the reauthorization process.

Mr. President, this bill would reduce funding for those activities that are considered to be the most positive aspects of the act. Over the last 2 months, the Environment and Public Works Committee has held five hearings on reauthorization. In those hearings, we have heard many different points of view—from those who want the program to be totally voluntary, to those who feel the program does not go far enough. However, most people support the conservation of threatened or endangered species, and most testify that the key to protecting threatened or endangered species is to provide incentives for private property owners to help them do the right thing.

Mr. President, last week, the Keystone Center, a conference group, issued its final report on "Incentives for Private Landowners to Protect Endangered Species," so titled. This report documents the consensus proposal of a diverse group of people involved in the review of the act.

They agreed that "it would be highly desirable to further the goal of conserving endangered species through greater voluntary participation and the involvement of the private sector and by providing positive incentives that reward landowners for taking action to protect or conserve endangered or threatened species and their habitat."

Now, we ought to take these recommendations to heart and ensure that private landowners and local governments do not alone bear the brunt of the cost of recovery.

Mr. President, I would be remiss if I did not state my firm opposition to bill language that implements a moratorium on listing and designation of critical habitat.

This moratorium, in my view, is damaging and harmful. Our endangered species will continue to be threatened and maybe even totally terminated. The costs of recovery will continue to mount. And the Fish and Wildlife Service will find itself paralyzed to effect any improvements in the administration of this act.

Last April, the Senate imposed a similar moratorium on listings while we considered the defense supplemental bill. While I opposed this provision, I understood that it would be in effect until the end of this fiscal year, September 30, 1995. Now, Mr. President, we see the moratorium extended for yet another year or until reauthorization. Now, I am pleased that the committee agreed to limit it for 1 additional year, but I must say that I

strongly disagree with the moratorium notion altogether.

However, this amendment does not touch the moratorium on listing and designation of critical habitat. Let me make it clear: It does not remove the moratorium.

The amendment simply increases the funding for prelisting activities—a little preventive medicine; consultation, which allows cooperation with landowners; and recovery programs to remove species from the list. Nothing more and nothing less.

Over the past few days, I received letters from organizations that are concerned with the slash in funding of the Endangered Species Act programs. Mr. President, I ask unanimous consent to have printed in the RECORD letters from the Western Urban Water Coalition, the Pacific Coast Federation of Fishermen's Associations, a joint letter from six religious organizations, a resolution from the Western States Land Commissioners Association all in support of increases in ESA funding. It is quite a diverse group.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WESTERN URBAN WATER COALITION,
Orem, UT, July 24, 1995.

Re Fiscal year 1996 Interior Appropriations for Administration of the Endangered Species Act.

Sen. MARK O. HATFIELD,
Chairman, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR SENATOR HATFIELD: On behalf of the Western Urban Water Coalition, I am writing to urge that funding for administration of the Endangered Species Act ("ESA") program by the Department of the Interior, and other agencies, not be unnecessarily reduced or restricted by the Senate Appropriations Committee. The Western Urban Water Coalition is a national association of water utilities for the largest cities in the Western United States. Together, these utilities supply water to over 30 million people in the West.

The Coalition agrees that the ESA should be amended to work in a more balanced and efficient manner, and has been actively involved in ESA reauthorization. A copy of our position paper on the ESA is enclosed. Until such amendments are in the law, however, FWS, NMFS, and other agencies must be given the current resources needed to do their jobs. If they cannot perform, the lack of staff and funding for technical work and cooperation with our utilities will cause ESA implementation problems to grow, and our water consumers, rather than the federal bureaucracy, will be penalized.

The Coalition members are involved in a wide variety of projects to provide water for Western cities. Many require ESA compliance. To fulfill their mission of providing a reliable water supply to their customers, the federal agencies charged with ESA responsibility on these projects must have adequate resources to carry out their required role in a timely and consistent manner. In the Coalition's view, the level of funding approved by the House for the FWS, the NMFS, and other agencies, for ESA implementation is inadequate. It runs unnecessarily high risks to our members ability to provide reliable future water supplies. We strongly urge the Senate to restore ESA implementation funds to a more reasonable level.

A few examples illustrate the nature of this problem. Several Coalition members are engaged in preparing Habitat Conservation Plans ("HCPs") to enable them to go forward with important water supply activities. These plans require extensive consultation with federal officials at FWS and/or NMFS. Only recently have sufficient staff become available to make these procedures workable and timely. If funding for ESA programs is cut, we fear that the HCP process will suffer, with negative impact on our long-term planning and on the ongoing projects that are necessary to supply water to our customers.

Consultation under section 7 also requires adequate support from federal officials. Although Coalition members have some concerns with the way the section 7 process is sometimes applied, the solution is not to rescind or dramatically reduce funding in advance of substantive amendments to the Act. Such an approach will only slow down the section 7 process to our detriment.

Similarly, recovery plans are essential to solving ESA problems in a way that does not adversely affect the public interest. As discussed in our position paper, the recovery planning process must be improved. Nonetheless, without adequate funds, recovery plans are likely to receive low priority and the necessary actions to carry these plans forward will be difficult or impossible to achieve.

Thank you for considering these concerns. We would be happy to meet with you or provide additional information on our concerns at the ESA appropriations level. Please call either me or Don Baur if we can be of further assistance.

Very truly yours.

GUY R. MARTIN,
National Counsel, Western Urban Water Coalition.

PACIFIC COAST FEDERATION OF FISHERMEN'S ASSOCIATIONS,
Sausalito, CA, August 4, 1995.

DEAR SENATOR: PCFFA is the largest organization of commercial fishermen on the west coast, representing the men and women of the Pacific fishing fleet who generate tens of thousands of fishing jobs for coastal and inland communities. Many of these fishermen are salmon fishermen.

Salmon are in collapse throughout the Northwest and Northern California to the point of requiring listing under the ESA in order to prevent many key runs from extinction. The salmon fishery is in a state of fishing emergency as declared by the Department of Commerce, and unless pre-listing recovery efforts are well funded coho salmon may be listed coastwide within the year. ESA recovery funds and pre-listing biological reviews are thus vitally important to restoring tens of thousands of salmon-dependent jobs on the west coast. In fact, the only open salmon fishery in the lower 48 is now open as a direct result of ESA-driven water reforms and habitat restoration in the California Central Valley.

We urge you to support the Reid Amendment to restore ESA recovery funds. Without these funds the salmon fishing industry cannot act to save the basic biological foundation upon which its job base depends. The salmon fishing industry in California, Oregon and Washington has already lost an estimated 72,000 family wage jobs in the last 20 years, almost 50,000 of them just since 1988. These jobs can be restored with appropriate ESA-driven recovery efforts—but not without appropriate funding.

Defunding ESA recovery efforts defunds all the solutions and leaves only the problems. Defunding recovery only makes those problems—as our job losses—worse. We urge you to support the Reid Amendment in order to restore those funds.

Sincerely,

GLEN H. SPAIN,
Northwest Regional Director, Pacific Coast Federation of Fishermen's Associations.

CHURCH OF THE BRETHREN,
Washington, DC, August 8, 1995.

DEAR SENATOR: Along with many others, we, the following faith communities, have a long history of support for the protection of species. We see this as a stewardship responsibility for all creation.

We also believe that safeguarding the wide variety of the world's species is good for people. As we protect wild species' ecosystems, we are preserving our own air and water. In addition, people rely on a wide variety of species for medicinal and agricultural breakthroughs. Finally, as many communities have experienced, the presence of species results in economic boons, due to sustained natural resources such as fish populations, tourism and recreation dollars, and because businesses prefer locations where the quality of life is high.

Since we strongly support the protection of species, we are very concerned about portions of the Interior appropriations bill (H.R. 1977) that significantly cut or place moratoriums on the operation of the Endangered Species Act. Such provisions will lead to further decline within species that are waiting to be listed or that need proactive protection from recovery plans, land acquisition, prelisting preventive activities, and so on. In addition, if the safeguarding of species is delayed, later actions to protect these species may be more expensive and burdensome.

We urge you to support amendments that will restore Endangered Species Act funding and life the ESA moratoriums. In addition, we urge you to oppose possible amendments that will seek to slash funding further.

We look forward to continued dialogue with you as you deal the Endangered Species Act issues. Thank you for considering our concerns.

Sincerely,

TIMOTHY A. MCELWEE,
The Church of the Brethren, Washington Office.

FATHER ROBERT J. BROOKS,
The Episcopal Church,

DARYL BYLER,
Mennonite Central Committee, Washington Office.

PAULA JOHNSON,
Lutheran Office of Governmental Affairs.

Presbyterian Church (USA) Washington Office.

RABBI DAVID SAPERSTEIN,
Religious Action Center of Reform Judaism, Union of American Hebrew Congregations.

Mr. LAUTENBERG. Mr. President, the offset that permits us to add $4.5 million comes from a decrease in funding for the Bureau of Mines

Now, I want to say this: The Bureau is one of the few agencies in the bill

that received the President's full request.

The House bill, on the other hand, eliminates the Bureau. I want to say this, particularly in the presence of my distinguished colleague and friend from West Virginia: This amendment does not eliminate the Bureau. I would not support that. I believe that the Bureau conducts important research on mine and worker safety. There has been no stronger advocate on concerns for miner health and well-being than the Senator from West Virginia.

Mr. President, we have struck a balance with some small adjustments here and there. It is a positive mood on behalf of our ecology, and frankly on the human race.

Mr. President, I urge adoption of this amendment. As I look at past history and think of what it costs us overall when mistakes are made in protecting the environment, mistakes like the *Exxon Valdez* spill, that cost over $1 billion, and numerous other oil spills that have almost decimated the ecology in a particular area, when we look here and we see that we are funding protection of endangered species with a $59 million appropriation, and that only because we are able to add $4.5 million—compared, by the way, to $69 million last year; a very significant decrease, about 15 percent if my arithmetic serves me—a budget request for the Endangered Species Act was $77.5 million. We are off almost 20 percent from there. These are huge cuts.

Mr. President, when I think of something like the Endangered Species Act, I cannot help but think of my grandchildren's faces and how delighted my children were when we would go on a trip into the mountains. We did a lot of travel and we would see a deer, or even small animals like a raccoon, or to see the larger animals like the trip we were able to take in which we saw lions, baboons, and elephants. It almost would bring tears to their eyes when we discussed what might happen to these species if they were left unprotected.

We see it happening all over the world. In America, where we value our ecology, where we value the inhabitants of our Earth, we ought not to be talking about how we stop the process, but rather how we encourage the process of protection.

When we look at the return of the bald eagle, it excites all of us. I have been to Alaska—one of the most beautiful places certainly in our country—to see the bald eagle recover from the days of earlier times when the species kept reducing. There are bald eagle pairs now seen in New Jersey, the most crowded State in the country. It is a thrill to see them.

In New Jersey now, sometimes some of it gets some of the neighborhood people disturbed, but we have sightings that confirm that there are at least 200 black bear and possibly up to as many as 600 in the State of New Jersey. This is a group of animals that was almost totally gone.

It is not good if they chew in your garbage and things of that nature, but when you ask the little kids whether they like the pictures of the black bear and so forth, they thrill to the opportunity.

Mrs. BOXER. Would the Senator yield for 30 seconds?

Mr. LAUTENBERG. It is always a pleasure to yield.

Mrs. BOXER. I want to thank my friend from New Jersey and my friend from Nevada for their leadership on this. It is my privilege to serve with both Senators on the Environment Committee. I feel so good about this amendment. I understand it will be accepted, which is wonderful.

We may have some differences among us on administering this program, but what we are doing here today is strengthening it, and I do agree that there is such support as the Senator has noted in the State of New Jersey for the underlying purpose of the Endangered Species Act.

I just want to thank the Senator. I guess in the end I did not have a question but a compliment for my friend from New Jersey and my friend from Nevada for their leadership on this issue.

Mr. LAUTENBERG. Thank you. No campaign is successful without a good army. The Senator from California is not only one of the best scouts but one of the strongest fighters, as well, in military terminology.

Mr. President, I close my remarks with just one little tale about what happens in the migratory seasons with birds as they pass through New Jersey, and the people that flock out there, along with the birds, at 4 and 5 o'clock in the morning to be ready to see the species traveling north to south and vice versa, depending on the season.

What a thrill. They hear a bunch of adults yelling, "Here it is," and they identify this remote species of a bird we have not seen in 20 years, and everybody is thrilled about it, and it reaches all the local newspapers. Maybe it is because we are such a crowded State that we in many ways are more protective of the species than, sometimes, perhaps, people who have such an abundance of them within their State.

Mr. President, I hope that we will adopt this amendment without any fuss or bother. I yield the floor.

Mr. LIEBERMAN. Mr. President, I rise in support of the amendment offered by Senators REID, CHAFEE, LAUTENBERG, myself, and others to partially restore Endangered Species Act funding.

It is understandable in this era of budget balancing that endangered species programs take their fair share of cuts. However, the committee report provides far deeper than average cuts to endangered species programs. Whereas most programs have endured 15- to 20-percent cuts, endangered species program cuts are far greater—as much as 50 percent in some cases or zeroed out completely. I don't think this is necessary or advisable at the present time.

A number of endangered species recovery programs are in progress and at a critical stage. They depend on actions by Federal, State, local, and private interests that will create and implement the most cost-effective and flexible solutions to species recovery. Our amendment provides a partial restoration of cuts to U.S. Fish and Wildlife programs that help State agencies through grants and assistance; technical assistance to private landowners; prelisting agreements that nip species declines in the bud and avoid the need for regulatory action; consultations between agencies; and habitat conservation plans that are now the preferred State-local-private approach for species recovery in complex cases.

Funds in these areas are designed to reduce headaches for landowners and affected agencies of Federal, State, and local government. This amendment does not change the committee moratorium on listings of new species or new critical habitat designation—even though I strongly disagree with this moratorium. If we pull the rug out from the recovery programs in progress—those that have already been the subject of extensive public hearings and economic analysis required under the law—we will only make it more difficult and expensive to enact them in the future. The irony of this is that we hurt the very people and organizations that these funding cuts may have inadvertently been designed to protect—private landowners, State, and local agencies.

We have had three very extensive reauthorization hearings in the last month on the Endangered Species Act. It is noteworthy that we have discovered very substantial common ground among many diverse interests on many issues. These include the need for positive incentives for those responsible for implementing on-the-ground programs, and the need for more State and local delegation. The amendment we offer today provides a partial restoration of funding for exactly these purposes. These funds will be highly leveraged by State, local, and private funds, and these depend on a certain amount of Federal coordination and seed money.

The old adage that an ounce of prevention is worth a pound of cure is certainly operative in the case of this amendment: A relatively modest amount of funding in these few areas for the Fish and Wildlife Service and their State and local partners will ensure that we avoid headaches and irreversible losses in the future. If we do not move forward and honor our practical and ethical commitments to recovery programs already in progress, particularly those at critical stages, we will be abandoning a pledge that I firmly believe the American people have asked us repeatedly to honor.

By cutting funds that are designed to resolve conflicts and provide State and local delegation and solutions, we are shooting ourselves in the foot. By restoring funds, at least partially, we stay ahead of the curve and give ourselves, our landowners, and our declining species of plants and animals a fighting chance. I think that we deserve it. I ask colleagues on both sides of the aisle to support this as a sensible, prudent, and necessary step.

Mr. GRAHAM. Mr. President, I rise today to express my strong support for the Reid/Chafee Amendment to restore funding for species conservation programs under the Endangered Species Act.

Twenty-two years ago, Congress passed the Endangered Species Act with large bipartisan majorities. Even at that time, hundreds of species had become extinct since the creation of the United States. Today, scientists estimate that we are losing up to 100 species a day around the world.

While I acknowledge that the act has significant problems, the ESA also has achieved remarkable success in recovering species. One of these is Florida's American alligator.

Today, of the 900 species that are listed in the United States as threatened or endangered, 238 of those are stable or improving, and 7 species have been delisted. Americans understand that by protecting species, the Endangered Species Act protects us—our economy, our health, and our longterm existence. While we are pulling away from the brink of crisis, we cannot afford to reduce our vigilance on this issue. We should correct the shortcomings of the act, and benefit from all our efforts thus far.

However, just as Congress is prepared to implement reforms to make the ESA work better, this appropriations bill undermines our efforts by cutting ESA science funding, outreach to landowners, and State assistance—the specific programs that will reduce conflicts. This budget would exacerbate rather than reduce problems we have identified with the ESA.

The Reid-Chafee amendment will restore part of the disproportionate cut made in committee to endangered species programs, bringing it more in line with funding reductions in Interior across the board.

More importantly, the Reid amendment invests money in the future of imperiled species, spending wisely now to save money in the long run. Two and one-half million dollars of the restored funds will go to prelisting programs that seek to conserve species before they reach the brink of extinction, forestalling the need for costly and sometimes controversial recovery efforts. In my own State, this funding will help prelisting activities to conserve the Florida black bear, to prevent it from going the way of the critically endangered Florida panther.

Another $2 million will go to consultation activities under section 7 of the ESA to help Federal agencies better fulfill their responsibilities under the ESA. Section 7 is a powerful tool for solving, and in many cases avoiding, conflicts between Federal agency activities and species conservation. In Florida, for example, Federal projects that may have gravely impacted the conservation of Florida panthers and West Indian manatees were modified through the section 7 process in ways that did not significantly interfere with the projects and actually benefitted the species. It is hard to find a program where the money is better spent.

Finally, $4 million would go to species recovery efforts. As Senator KEMPTHORNE has emphasized in his very productive subcommittee hearings on the reauthorization of the ESA, recovery is, or should be, the heart of the ESA. Species such as the grizzly bear, the peregrine falcon—and our national symbol, the bald eagle—are recovered or recovering steadily due to ESA recovery efforts. But the U.S. Fish and Wildlife Service need the resources to keep these successes coming. Again, expeditious recovery measures now will decrease the expense of recovery in the long run.

Throughout its history, the ESA has enjoyed bipartisan support. The act was signed into law by President Nixon. The harm regulation was promulgated during the Ford administration, which was revamped to its current form during the Reagan administration. Now the program is being defended by the Clinton administration. There are many good reasons for this historical support. Let us bear them in mind, and address the act's obvious problems with consideration for the benefits that it has produced thus far.

The Reid-Chafee amendment makes good fiscal sense, and will help conserve the endangered wildlife that all Americans value as part of this country's priceless natural heritage. I strongly urge my colleagues to join me in supporting it.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Mr. President, I would like to address for just a moment the consultation and the recovery functions for endangered species. The consultations which must be conducted so the projects can go forward, the consultation and the recovery functions of the Fish and Wildlife Service, were designed to make certain that species that are already on the list of threatened or endangered species are not in jeopardy, and to assure that they would come off of the list as rapidly as possible. The committee has funded these activities at about 60 percent of the budget estimate.

We have before us an amendment that restores approximately $4.5 million to these activities. This is an amendment that I can support so far as it speeds the process of removing species off of the list.

In hearings that I have held this year, it has been confirmed repeatedly that the failure to consult, the failure of agencies to meet deadlines, the failure of agencies to commit resources to consultation, have severely delayed projects and have resulted in unnecessary project costs and, in one instance, nearly resulted in economic disaster and threatened thousands of jobs in the State of Idaho.

The February 1995 issue of Conservation Biology said that there were huge delays in the writing of 314 recovery plans completed through August 1991. The average time that it took to write a recovery plan involving an animal was 11.3 years; for plants it took 4.1 years. The Director of the Fish and Wildlife Service stated at a recent hearing on the Endangered Species Act that their targeted goal was to reduce the time it takes to produce a recovery plan to 2½ years after a species is listed. It would be counterproductive for us to reduce the money available for them to accomplish this job.

Another reason I want this money available is to make certain that consultations such as those that will be required, now that the Bruneau Hot Springs snail is considered by the courts to be a listed species, can indeed go forward. For those who may not be familiar with this issue, the Bruneau snail was listed as endangered, removed from listing for procedural reasons, and recently reinstated to listed status by the courts.

During the months, and in fact even the years, it took, an entire regional economy in Idaho has been put on hold; consultations on farm loans and business loans and other projects that may affect the snail have been totally held up.

We must at this juncture make certain there is enough money to conduct the consultations on species like the Bruneau snail.

There is another example of why I support the increased funding for recovery and consultation. The recovery and ultimate delisting of the gray wolf, the controversial project of the administration, depends for its success on many things. One of the unknowns—a research problem with gray wolf—is the possible conflict between the wolf and another major predator, the mountain lion. The Honecker Institute is conducting important research into this issue. This research, that is funded out of this appropriation, must be done to resolve a major gray wolf issue.

Mr. President, I do join, then, with Senator REID, who is the ranking member of the subcommittee. I enjoyed working with him. I also want to state that there is a moratorium in place. The moratorium is in place so we can reauthorize, and in fact reform, the Endangered Species Act.

These funds must not be used contrary to the intent of that current moratorium. In fact, I support the extension of that moratorium.

Mr. President, I support the continuation of the moratorium on further listings and designations of critical habitat under the Endangered Species Act until the act is reauthorized.

Earlier this year, a 6-month moratorium on further listings was signed into law. I supported that amendment.

Unfortunately, since the moratorium took effect, courts have twice required the Department of the Interior to take actions counter to the moratorium's intent. The courts ordered the designation of critical habitat for the Mexican spotted owl throughout the Southwest and the reinstatement of the Bruneau Hot Springs snail on the endangered species list.

In those cases, and in similar cases over the years, the courts have stated they might have ruled differently had it not been for the wording of the Endangered Species Act, which leaves them no other choice but to supersede other laws—including the moratorium. We must reform the Endangered Species Act in such a way to make sure it does not become the super law that overrules all other laws of our Nation.

In my Drinking Water, Fisheries, and Wildlife Subcommittee, we have held eight hearings in Washington and field hearings in Oregon and Idaho on reauthorization and reform of the act. We have heard some honest and blunt testimony on the impacts of the act. We've heard from both advocates of the act and those who favor its reform. We have heard from the administration. While all witnesses may not agree on the future of the act, they do agree that the ESA is in need of reform. We've heard it from unemployed loggers in Idaho, environmentalists, and the Secretary of the Interior. The Endangered Species Act has failed and must be reformed.

For years, Secretary Babbitt insisted the ESA only needed some fine tuning. At one of our hearings he clearly and forcefully stated it is time to reform the act.

Continuing this moratorium gives us the time to do the job and do it right.

This is not a regional issue. It is not just a Western concern. Senators from North Carolina to Washington; Arizona to Virginia will tell you of the overreaching effect of the Endangered Species Act on their States. Whether you are talking about Texas, where more than 800,000 acres of land in more than 30 counties were proposed for critical habitat for the golden-cheeked warbler or Alabama where a relatively common sturgeon has been repeatedly proposed for listing—we are all affected.

Everyone agrees the Endangered Species Act must be reformed, and soon. I am committed to getting a reform bill passed by the Senate this year. Keeping this time out on further listings and designations of critical habitat in place will only help us get the job done soon, and get it done well. We need to lower the rhetoric and allow for rational discussion of the legitimate issues facing ESA reform. I believe by removing the potential for new listings of species and habitat for a while, we can proceed with meaningful ESA reform that will serve the best interests of private landowners, resource users, nature lovers, and the very species we are trying to save.

Mr. President, I commend Senator GORTON, who has been a leader on this whole issue of the Endangered Species Act, and thank Senator BYRD for his continual assistance on these matters as we move forward.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, before the Senator from Idaho leaves the floor, I want to extend my public appreciation again for the fair manner in which he has conducted the hearings and the studies that the committee has been engaged in, in arriving at the point where we can attempt to have legislation that will reauthorize the Endangered Species Act.

The Senator from Idaho and I on some occasions—not a lot of occasions—have disagreements about philosophy relating to the Endangered Species Act. He has conducted himself with the highest standards of government in the hearings he has held. I want him to know publicly how much I appreciate the work he has done in that subcommittee. He is an asset to the U.S. Senate.

I just want to say briefly, the money that is taken from the Bureau of Mines—it is the only program I think in this bill that was funded at the level the President asked, even though it is below last year's level. It is a real hit to the Bureau of Mines. We did, under the direction and guidance of the ranking member of the Appropriations Committee, Senator BYRD, limit any cuts to programs that would not include health and safety. So I appreciate, as others have stated here, the leadership of the Senator from West Virginia and the help and guidance of the Senator from Washington, who is managing the bill today.

I have no more speakers on this. If it is in keeping with the wishes of the manager of the bill, we could move forward with adoption of the amendment.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, indeed, the Senator from Nevada is correct. This amendment was modified, changed, and worked out to the satisfaction of all concerned and to my satisfaction and that of the Senator from West Virginia.

I believe at this point, unless there is further debate, we are prepared to accept it.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2308) was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON THE COMMITTEE AMENDMENT ON PAGE 9, LINE 23, AS AMENDED

The PRESIDING OFFICER. Is there further debate on the underlying committee amendment? If not, the question occurs on the amendment.

The amendment on page 9, line 23, as amended, was agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote.

Mr. KEMPTHORNE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, next in line will be the Senator from North Carolina. I believe, however, that his amendment is appropriately an amendment to one or both of the committee amendments on page 9 and page 10.

So, if he will permit me, I will ask that those amendments be called up and his amendment would be to those.

Mr. HELMS. I thank the Senator.

COMMITTEE AMENDMENT ON PAGE 10, LINE 12

The PRESIDING OFFICER. The Senator will be informed the Senate has agreed to the amendment on page 9. We are now on the amendment on page 10.

Mr. GORTON. Then I call up the amendment on page 10.

The PRESIDING OFFICER. That is the pending business.

Mr. GORTON. Mr. President, I ask unanimous consent that the amendment be accepted but it be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment on page 10, line 12, was agreed to.

The PRESIDING OFFICER. The Senator from North Carolina.

AMENDMENT NO. 2309

(Purpose: To Save the American Taxpayers $968,000)

Mr. HELMS. Mr. President, I believe I have an amendment at the desk. I ask it be stated.

The PRESIDING OFFICER. Without objection the remaining committee amendments will be set aside and the clerk will report the amendment.

The bill clerk read as follows:

> The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 2309.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 10, line 19, strike the word "Act." and insert: "Act: *Provided*, That no monies appropriated under this act shall be used to implement and carry out the Red Wolf reintroduction program and that the amount appropriated under this paragraph shall be reduced by $968,000."

Mr. HELMS. Mr. President, the pending amendment proposes to save the American taxpayers almost $1 million by eliminating funding for the so-called Red Wolf Program, which has created an enormous problem for the people of North Carolina. This Red Wolf Program is administered by the U.S. Fish and Wildlife Service.

Mr. President, 63 red wolves were released by the Fish and Wildlife Service onto Federal lands, but they just did not stay there. They have increasingly encroached on private property to the point that they have become hazardous and a menace to private property owners, their families, their animals, their livestock, and so on.

Mr. President, the Red Wolf Program was created in 1987. It has already cost the American taxpayers $5,224,500. According to a March 1995 report from the U.S. Fish and Wildlife Service, the 63 wolves originally released in eastern North Carolina in 1987 have multiplied. Today there are at least 170 or more wolves in eastern North Carolina. At least 70 wolves have been born in the wild during the past 8 years. That amounts to an increase of more than 100 percent in the population of red wolves in less than 8 years.

Since 1987 the Fish and Wildlife Service has conducted 934 monitoring flights over that entire area to monitor the location of these red wolves, at a cost of untold thousands of dollars—934 airplane flights to monitor these transplanted red wolves. And the administration has requested another $968,000 for this very same program for the coming year.

I am told that the States of Tennessee and South Carolina have the same difficulty with the red wolves because the Fish and Wildlife Service has transplanted and relocated red wolves in those two States as well.

Mr. President, these wolves are predatory animals, and they have become an exceedingly dangerous presence in eastern North Carolina. They slink onto private property, they attack and feed upon farm animals and livestock, and we have reports that at least one child has been bitten by a red wolf and had to undergo tetanus treatment.

We have received all sorts of mail from eastern North Carolina. We have mail from organizations such as the North Carolina Farm Bureau and the Hyde County, NC, officials, and from concerned citizens all over. They oppose vigorously this Red Wolf Program because it has become increasingly dangerous to the people, to their private property, and to their farm animals.

The chairman of the Board of Commissioners of Hyde County, NC, put it this way. And I quote him:

> Red wolves have caused a lot of hardship in Hyde, . . . endangered species have more land rights than the landowner paying the property taxes.

But the bottom line is that these red wolves have become such a dangerous problem that the Fish and Wildlife Service issued regulations on April 13 finally allowing property owners to shoot these predatory animals on their land. And the farmers and other landowners feel that they ought not to have to go to that extreme. They want an end to the program, and I think that it has served its purpose, if it ever had one.

In any case, for a long time authorities have been contending that reintroduction programs, which is what the Fish and Wildlife Service calls them, do not work very well.

I have in hand a report published by the New York Times on October 5, 1993, which emphasizes that these reintroduction programs are useless. Michael Phillips, the field coordinator for the Fish and Wildlife Service, was quoted by the New York Times as saying, and I am quoting him:

> Most things we have tried to orchestrate in the wild have not worked. The pairs we put out did not stay together and the families did not stay in the places we chose.

So, Mr. President, so the many good citizens in eastern North Carolina resent this waste of taxpayers' money. They do not want these predators roaming their property, attacking their farm animals and livestock, and being a peril to their children.

According to the committee report, private property owners in Idaho and Montana are experiencing the same sort of problems as a result of the gray wolf reintroduction program.

All of it indicates to me—and I address this specifically for myself and my State, the Red Wolf Program—that this red wolf program is a bad idea whose time never came. I hope that we will not waste any more of the taxpayers' dollars on it.

The pending amendment proposes to abolish the program by eliminating the proposed $968,000 for its continuance for 1 more year.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is not a sufficient second.

Mr. GORTON. Mr. President, this is more or less in the form of a notice that I have listened to the Senator from North Carolina. He is dealing with an issue which is almost exclusively contained within his own State. Personally, I defer to his judgment on the matter and tend to support him in his amendment. At the same time, I recognize—and I believe he recognizes—that this could well be considered to be a relatively controversial amendment that would require a rollcall.

So what I should like to do at this time is simply put Members on both sides of the aisle on notice that the Senator from North Carolina has spoken to the amendment, and we will deal with it much as we dealt with the amendment of the Senator from Idaho [Mr. CRAIG] this morning, and state that if there are those who are going to oppose the amendment, would they please notify us? Better than that, will they please come to the floor so they can debate the amendment?

If I may request of the Senator from North Carolina to withhold his request for the yeas and nays, and if no one comes to oppose the amendment in an hour or so, we will simply accept it by a voice vote. But if it is going to be opposed, we will certainly have a rollcall vote on it.

Mr. HELMS. Mr. President, the distinguished Senator made a proposition that I cannot refuse. As the Prince of Denmark was once reported to have said, it is a consummation devoutly to be wished.

I thank the Chair. I thank the manager of the bill.

Mr. GORTON. Mr. President, once again, this amendment by the Senator from North Carolina on the reintroduction of the red wolves is a significant amendment. If there are those who are going to debate the Senator from North Carolina on it or object to it, we would appreciate notice from them reasonably promptly.

Mr. President, we know that we have one other amendment that will be contested. It will be proposed by the Senator from Vermont [Mr. LEAHY] regarding the stewardship of an incentive program. We hope that we can get him to come to the floor as promptly as possible.

We have cleared a few other amendments for a wrap-up session. But it is now 3 o'clock in the afternoon. Most of these contentious amendments on this bill have been debated and voted on.

We urge Members to tell us now whether or not they want to have their amendments considered. And there is no better time to come and have an amendment considered than right now. If Members want that kind of consideration, would they come as promptly as possible?

With that, and waiting with bated breath the next Senator who wishes to speak, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MODIFICATION OF AMENDMENT NO. 2295

Mr. GORTON. Mr. President, I ask unanimous consent that amendment No. 2295, which was adopted last night, be modified by striking any reference to "December" and inserting in each such place "November".

This agreement is cleared on both sides and is necessary for the amendment to be internally consistent and also consistent with the assertions by its sponsors that it was a 90-day moratorium on the Secretary of Interior implementing any grazing regulations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GREGG). Without objection, it is so ordered.

COMMITTEE AMENDMENT ON PAGE 16, LINE 4

COMMITTEE AMENDMENT ON PAGE 21, LINE 24

COMMITTEE AMENDMENT ON PAGE 22, LINE 5

Mr. GORTON. Mr. President, I believe that there are three remaining committee amendments that have not been adopted. May I inquire whether that is correct?

The PRESIDING OFFICER. That is correct.

Mr. GORTON. Mr. President, I ask unanimous consent that those three committee amendments be considered en bloc and adopted en bloc and they be considered as original text for purpose of amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the committee amendments were agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I would ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I would ask unanimous consent that the pending amendment be set aside, and that I be allowed to offer an amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2310

(Purpose: To restore funding for Indian education)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], proposes amendment numbered 2310.

Mr. BINGAMAN. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 89, line 8, strike "$54,660,000" and insert "$81,341,000".

On page 136, between lines 12 and 13, insert the following:

SEC. 3. PRO RATA REDUCTION.

The amounts provided in this Act, not required for payments by law, are reduced by 2 percent on a pro rata basis. The reduction required by this section shall be made in a uniform manner for each program, project, or activity provided in this Act.

Mr. BINGAMAN. Mr. President, this amendment will restore $26.6 million for Indian education programs that are funded on a competitive basis through the Department of Education's Office of Indian Education.

Under the amendment, the office's programs would be maintained in 1996 at the 1995 level of $81 million. The committee has appropriated and has contained in this bill $54 million for this purpose already. And I appreciate that very much, but I do want my colleagues to know that this level of funding would represent more than a 30-percent cut from the current-year level. It would represent the complete elimination of the office's competitive grant program which specifically awards funding to Indian tribes and tribal organizations that work with the public schools and the community on a variety of education issues.

This funding is vitally needed because it supplements but it does not directly fund our Nation's public schools; and those are the schools, Mr. President, which educate 90 percent of our American Indian children.

Without the amendment and the restoration of the competitive grant program, we will be eliminating special services for Indian students in public schools. We will be eliminating training for their teachers and critically needed adult education and GED programs that are operated by Indian tribes and Indian people.

Mr. President, this is not fluff money. This is funding that is awarded on a highly competitive basis. It does not even come close to meeting the actual need which has been demonstrated.

In 1990 to 1994 this Office of Indian Education received a total of $75 million in competitive funding requests from Indian tribes and Indian organizations. It was able to fund less than 50 percent of the requests it received during that 4-year period. Only the programs of the highest quality were funded due to the very competitive nature of these grants.

I want to make sure that my colleagues understand this, that I am not offering an amendment that would allocate money out to school districts on a formula basis. The funding that is involved with this amendment is specifically designed to keep the Indian tribes and Indian people involved in the education of their own children, in the education of their own young people and the adults in those tribes and Indian organizations.

Mr. President, I have heard many speeches on this Senate floor about empowering people to do things for themselves. These funds that we are trying to restore in this amendment empower Indian tribes and Indian people to take a hand in educating their own children. That is the specific purpose of these funds. And it is for that reason that I believe it is important that we maintain the current level of funding. As I mentioned earlier, the funds enable tribes to operate GED classes and other adult education classes. It helps to train the teachers who will teach these Indian students. It provides fellowships and grants to Indian students who wish to pursue higher education and through a specific set-aside it funds several Indian control schools including schools in Wisconsin and in Minnesota and in the Dakotas.

Last year Indian-controlled schools in Minnesota received $1 and $2 million in competitive grant funding. That is two different schools in Minnesota. Unless the amendment that I am offering here is approved, these schools will not even have the opportunity to apply for funding in the upcoming year. They will get nothing because there will be no program through which we can fund them.

Mr. President, there are many types of programs funded under this program. Let me give a few examples. The Yaqui tribe in Arizona has a program for curriculum development for dropout prevention, for support systems, for students in those schools. In Washington State, the South Puget Intertribal Planning and Seattle Indian Center has a dropout intervention and GED program. That is funded through these funds.

In Alaska the Bristol Bay Native American Corps has a dropout and counseling and testing center that they fund. In Oklahoma there is a Cross Cultural Education Center that provides basic skills, classes and dropout prevention programs for Indian students.

In my own State, the Pueblo Zuni have programs in basic academic skills, enhancement and dropout prevention. New Mexico State University in the past has had a summer program for Indian youth in science and math which is funded through the funds that I am proposing to maintain with this amendment.

In Wyoming, there is the Northern Plains Education Foundation, also a dropout prevention program that they have there.

In Nevada, we have the Fallen Pauite Shoshoni Tribe and the Pyramid Lake Pauite Tribe. They have the basic skills and dropout prevention program as well.

Mr. President, my Indian constituents recently reminded me that the very first contract with America was between the Federal Government and the Indian people of this country.

In school districts such as the Gallop-McKinley school district in my State of New Mexico, Indian students need the services that this appropriation provides, and the school district serving them relies upon these Federal funds. These funds provide the services that enhance the cultural relevance and success of mainstream public education for students. They empower the Indian tribes and Indian people to remain involved in the education of their own children, even when these children are in public schools.

We ought not to be cutting programs that are essential for the very neediest in our society, and unless we adopt this amendment, that is exactly what we would be doing in this bill.

Mr. President, I think there are going to be many examples this year—we have already seen a few and we will see more when we come back from our August recess—where we are proposing to cut funding for education. As I go around my State of New Mexico and talk to people, that is not the priority that the people of my State have. They want us to maintain funding for education. In fact, if there is any additional funding to be used, they want it added to education.

Ninety percent of the Indian students in my State and in the country, in fact, get their education through the public schools, and the funds that are involved in this program are the funds that are helping those public schools to provide better education and are helping the Indian organizations and the tribal governments to participate in that.

Last Sunday, on July 30, Louis Gerstner, the CEO of IBM, told the Governors in their meeting in Vermont that America's top priorities should be setting "absolutely the highest academic standards and holding all of us accountable for results. Now. Immediately. This school year."

He went on to say, "Now if we don't do that, we won't need anymore goals, because we are going nowhere. Without standards and accountability, we have nothing."

Mr. President, I compliment Mr. Gerstner for his strong commitment to improving education. We need to demonstrate that same commitment in the U.S. Senate. This amendment will help us to do that.

The offset that I have identified in this amendment and which I am sure is not ideal, since no offset is ideal, but it is the least painful of those that I come up with, essentially involves a 2 percent prorated reduction in funding for all other accounts covered by this bill. With that kind of a 2-percent reduction on a prorated basis, we can have the necessary $26 million which is necessary to keep funding in 1996 at the same level that we have it in 1995 for these very important programs that help to educate Indian children in this country.

I urge my colleagues to support the amendment. I yield the floor, Mr. President.

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, with regret, I am going to have to oppose this amendment first, by saying that, again, if you focus on only one line item in this appropriations bill or in all appropriations bill, you reach one conclusion. If you take the budget of the United States as a whole, you come up with an entirely different conclusion. It is correct that this particular Indian education program is subjected to a $27 million reduction under the amount for the current year. In that, the Senator from New Mexico is entirely correct. But that is only one small part of the moneys which are devoted to Indian education.

For the Bureau of Indian Affairs and the schools that it conducts, a subject of the debate last night and early this morning, there is actually a small increase in the appropriation in this bill, one of a tiny handful of functions in the entire bill which is actually increased over 1995 in attempting to reach our goal of an 11-percent overall reduction.

But that figure pales to insignificance in comparison with the $470 million which goes into Indian education programs administered by the Department of Education outside of this appropriations bill.

Mr. President, I do not think Members know that Indian children are the subject of impact aid payments to the school districts that provide education for them. Impact aid is something with which every Member of this body is familiar. It is the added payments made by the Federal Government for people who live on or work on Federal reservations, for children in school, by reason of the tax exemption of the lands on those Federal reservations.

So, for example, a child who is in a military family, with a family living on a military reservation, entitles the school district educating that child to impact aid. Indian children get that impact aid exactly as everybody else that is its subject.

This bill includes $318 million, way more than the entire budget that we are talking about, in impact aid for Indian children. In fact, Indian children are doubly privileged, because they get all the impact aid and they get this program to which this amendment is an amendment, in addition. So we are not speaking about the only or even the principal program which provides educational assistance for Indian children. I simply want to repeat, other parts of the budget and the appropriations bill which we will adopt include $470 million for that purpose. It is infinitely more than what we are speaking about here.

But, Mr. President, at the same time, this amendment proposes to take money out of every other program covered by this bill, ironically including every other Indian program. So a significant portion of it will be transferred from other Indian programs.

I have already made the commitment to the distinguished Senator from Arizona, who chairs the Indian Affairs Committee, that when we arrive at a final amount of money for Indian programs, we will work with him for those internal priorities. This proposal sets those priorities by taking additional money from every other Indian program for this together with money from the National Park Service, which we have attempted to protect because of its obvious importance, for the National Endowment for the Arts, on which we have just had a long debate and a restoration of certain amounts of money, for energy programs, for our national forests, literally for everything else in this bill.

So everything in this bill, every program, every project, every agency, every responsibility is reduced by this amendment in order to deal with a single line item, which is far from the most important line item for the education of our children.

Mr. President, for that reason, I believe it should be rejected. I believe, also, that we would have a rollcall on it.

Does the Senator from New Mexico desire a rollcall vote?

Mr. BINGAMAN. Mr. President, I would desire a rollcall. I would like a few minutes to respond.

Mr. GORTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GORTON. Before the Senator from New Mexico speaks again, I will just say that we are going to attempt to stack the vote on this amendment with the vote on the amendment by the Senator from North Carolina on wolves and any other we may have. I hope perhaps we will settle with the Senator from Vermont.

Mr. LEAHY. If the Senator will indulge me for a moment, I understand that we may well have an agreement on mine. If we did, if it reaches that point, maybe we can take 15 seconds, and I would ask at that point that whatever is pending be set aside, and we can put all the statements in the RECORD and agree to it.

Mr. GORTON. I would be delighted.

Mr. BINGAMAN. Mr. President, let me take a few minutes to respond to the comments of the Senator. Let me give my perspective on where we find ourselves, because I think it is important to always identify the context.

In my view, the budget resolution that was approved by the Senate and the House of Representatives has in it a very misguided set of priorities, and that is part of what is driving us to debate cuts within this Interior appropriations bill at this point. We are seeing that we have a bill coming up again tomorrow on defense matters, where we are proposing, under that budget resolution, to add $7 billion to what the President has asked for and to what the Pentagon has asked for, primarily to fund Member-interest items, which is usually referred to in the public arena as "pork," at the same time that we are cutting funds for Indian education throughout this country.

So we have a very misguided set of priorities that have driven us to the situation that we find ourselves in today. For that reason, of course, I oppose that budget resolution.

Let me say that even within this bill I have great difficulty relating to the characterization that my colleague and friend from Washington made that the Indian students in this country are doubly privileged by getting impact aid funds plus other types of funds. The impact aid funds are clearly intended to make up for the loss of the local tax base. That is what that is. That is not free money. That is a result of the fact that local communities have no ability to tax locally, and, therefore, the Federal Government has said we will provide some level of assistance to offset the loss of revenue from the loss of that tax base.

The truth is that the Indian students in my State—at least, when I go around and visit schools, those schools are not luxurious; those are large classes, and those students do not have any kind of special privileges by virtue of being Indian students.

A principal of one of the schools in Gallup County came to see me—Karen Woods from Jefferson Elementary in Gallup-McKinley County. She said to me—and I think this is her perspective in trying to prepare for the new school year which will begin later this month—what she is facing is cuts in support for kindergarten. She is having to go from a full day down to a half day. There are cuts in counselors from the elementary school, cuts in bilingual education and funds for tutors, and cuts in chapter 1. She will have lost the first grade side-by-side program, as she explained it to me. Summer school for elementary students has been lost. Home school liaison program, which she had before, has been lost. Now we are proposing in this bill that the funds which she might have applied for to supplement public school funds to assist the Indian students, in particular, which the various tribes could have applied for, will also be cut.

So I think it represents a very misguided set of priorities. I hope very much that we can do this. I wish we did not have to take a 2 percent reduction in the other accounts in this bill in order to at least maintain level funding for this year in this vitally important program. But that is the only way that I can figure out how to do it.

I think, on balance, that is the right set of priorities. On balance, we should be putting our children first and putting the education of our children first. I think our obligation in the Federal Government is nowhere greater than in the education of the Indian children in this country.

For that reason, I urge my colleagues to support the amendment and vote for it when we come to a final vote.

Mr. GORTON. Mr. President, I thank the Senator from New Mexico for the promptness in dealing with this amendment. I ask unanimous consent that we return to consideration of the Helms amendment and that we hear from the distinguished Senator from Rhode Island on that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Rhode Island is recognized.

AMENDMENT NO. 2309

Mr. CHAFEE. Mr. President, I would like to discuss the Helms amendment that we have just returned to. What this amendment does is provide that no moneys appropriated under this act shall be used to implement or carry out the red wolf introduction program.

Mr. President, the amendment goes on to say, "and that the amount appropriated under this paragraph shall be reduced by $968,000."

It is agreeable with the Senator from North Carolina that that last phrase I just stated—"and that the amount appropriated under this paragraph shall be reduced by $968,000"—can be stricken.

Now, Mr. President, I presume that to have that amendment modified to that extent would have to come from the individual presenter of the amendment; am I correct?

The PRESIDING OFFICER. It can be done by unanimous consent.

Mr. CHAFEE. Well, the Senator from North Carolina might come back. If he does, I would prefer to have him do it. If he does not, at the conclusion of my remarks, I will ask unanimous consent to have that stricken.

I will proceed pending the return of the Senator from North Carolina, if he chooses to come back. He and I discussed this, and there is no doubt of his position on this particular clause.

Mr. President, a little review of the record. In 1967, which was 28 years ago, the red wolf was listed as endangered. By 1980, which was some 15 years ago, the red wolf was officially declared as extinct in the wild. It was gone, except in a few zoos.

In 1987, the Fish and Wildlife Service reintroduced red wolves into the Alligator River National Wildlife Refuge, which is in Dare County, NC. The red wolf population was determined to be what they call a "nonessential experimental population." In other words, they released these pairs of wolves with the hope that they would come back and repropagate. Nonetheless, they are not a strictly experimental population. By calling them "nonessential," it meant that if they trespass out of their areas and so forth, they could be shot by the local individuals in the area if they destroyed wildlife and so forth or farm animals.

Now, a minimum of 40 to 50 red wolves are known to exist in the area now. In 1991, the Fish and Wildlife Service initiated a second reintroduction effort in the Great Smoky Mountains National Park. Part of it is in North Carolina and part of it is in Tennessee.

In addition, there are some 200,000 acres of privately owned land that is part of the recovery program. I presume that the great bulk of that privately owned land is owned by timber companies, not by somebody with a plot of 2 to 5 acres, but instead hundreds, indeed, thousands of acres owned by the timber companies.

A bill to allow private landowners to trap and kill red wolves on private lands in certain parts of North Carolina was passed by the State legislature and went into effect in January of this year. Recently, the Fish and Wildlife Service promulgated a special rule providing more flexible management to private landowners. In other words, this is treated somewhat differently than strictly an endangered species. There is no taking. You cannot shoot, you cannot trap them.

Mr. President, I was interested to discover that there are two red wolves in a captive breeding program in Roger Williams Park Zoo in our capital city of Providence, RI. An effort is being made throughout the country to bring back this species that, indeed, was declared extinct in the wild, and considerable success has attended it.

With this amendment by the distinguished senior Senator, my longtime seatmate—we sit side by side and have for some 12 or 14 years—would provide that no moneys appropriated under this act—that is the Endangered Species Act—or the Interior appropriations, could be used in connection to implement or carry out the red wolf reintroduction program.

I think that is unfortunate, Mr. President. I know that the senior Senator from North Carolina has ticked off some occasions when red wolves have attacked livestock, but I think those are relatively rare situations.

What I worry about, Mr. President, is that each of us can come in and tick off individually these species that have been reintroduced in our States, and we do not want that.

We all know in the Senate there is what they call senatorial prerogatives—a privilege, a deference. Both Senators from North Carolina are Republicans. I presume that the traditional deference will be granted to them. It would not make any difference if they were both Democrats, or one Democrat and one Republican. Judicial deference will be granted by many, saying if that is what you want in your State, that is your business.

I think there is another view to this, Mr. President. I think it is to the advantage of all of us as a nation, as members of this society, as Americans, to have these populations come back. If they get out of hand, if we have wolves roaming all over the place and killing livestock—sheep and cattle, ducks, chickens, whatever it might be—there are ways of handling that. No question about it.

I do not think they represent a threat. I think the country is better off if we have some red wolves in these great national forests or great national parks or wildlife refuges, whatever they might be.

I might point out, Mr. President, that where these are taking place is in lands that belong to all of us. It is not just lands that belong to the folks in North Carolina or the folks in Tennessee. They belong to all of us.

Mr. President, I am sorry that this amendment has been presented. I suspect there will be considerable support for it. I indicated to the Senator from North Carolina that I would not be voting for it. I wanted to point out to others my feelings on it, and those that chose not to vote for it, obviously, I would be grateful for that likewise.

I think more than this particular case, Mr. President, yes, if we agree with red wolves, that is all right, the world will not come to a stop, but where do we go from here? What is next? What is after this?

Then, I believe, going after a grizzly or another type of wolf, no matter what it is. These have been declared endangered species, and in some cases extinct species, as in the case of the red wolf. Again, I want to express my appreciation to the distinguished Senator from North Carolina for taking out the last part dealing with the specific sums.

Now, why did he do that? He was gracious enough to do that because I pointed out to him that when he takes money from the recovery funds, it means that whole series of other animals and species and flora, there is less money for that recovery program.

There is a long list of things seeking to be protected under the recovery moneys which are very, very limited. I think total it is $36 million in all. This would cut that by nearly $1 million. An hour or so ago on this floor we managed, with the help of the distinguished managers of the bill, to increase that part in the recovery program by about $1.5 million. We are cutting it by $1 million. I am thankful, and I want to express my appreciation to Senator HELMS in that particular provision.

Mr. President, I do not see the Senator here. I know it is with his approval that I ask unanimous consent that the final clause in the amendment of the Senator which follows the word "program" be eliminated. That is, the clause that says "and that the amount appropriated under this paragraph shall be reduced by $960,000."

Mr. GORTON. Reserving the right to object, the Senator assures us this has been agreed to by the sponsor?

Mr. CHAFEE. No question about that, otherwise I would not be doing it.

Mr. GORTON. No objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2309), as modified, is as follows:

On page 10, line 19, strike the word "Act." and insert: "Act: *Provided*, That no monies appropriated under this act shall be used to implement and carry out the Red Wolf reintroduction program."

Mr. REID. Mr. President, I have been occupied across the hall, but I did have the opportunity to speak to the senior Senator from Rhode Island. I have to say that I do not agree with this amendment. I think that it sets a very bad precedent for us to start micromanaging what is going on in the Interior Department.

We already have established a moratorium with further listing of endangered species. Now we are coming in here with line-specific legislation dealing with a red wolf. I do not know about the red wolf. I do not think most people in this body know a great deal about the red wolf. I think that most of this body should agree we are not capable of legislating.

Because of the simple fact that one of the Senators, for whatever reason, decides he does not want something done with a specific animal or specie of plant in his State, he should not come in here and legislate something to be done or not done.

I think that we are legislating, of course, on an appropriations bill. This is a piecemeal approach, especially in light of the work that Senator KEMPTHORNE and I are engaged in to reauthorize the Endangered Species Act. On that matter, we have held five subcommittee hearings. There are more hearings scheduled for the recess a week from today. There is one in Casper, WY.

We intend to address the concerns of private landowners. The President, within the past 30 days, issued an Executive order that the Endangered Species Act basically does not apply to a private landowner owning less than 5 acres.

I just think this is wrong. I think it is a wrong way to legislate. This Interior appropriations bill is an important bill. I think this is wrong. I am not going to go into a lot more detail other than to say, Mr. President, that I move to table the Helms amendment and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GORTON. Could I inquire of the Senator from New Mexico whether he will be prepared to go to a vote on his amendment after the disposition of this vote?

Mr. BINGAMAN. Mr. President, I am.

I ask unanimous consent that the Senator from Hawaii, Senator INOUYE, be listed as a cosponsor of my amendment. I understand the yeas and nays have been ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Let me ask the Senator from Washington if it is appropriate to ask unanimous consent for 4 minutes in between to explain my amendment; he could have 2.

Mr. GORTON. It is certainly OK.

Mr. BINGAMAN. I prefer that.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The question is on the motion to table.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The result was announced—yeas 50, nays 48, as follows:

[Rollcall Vote No. 376 Leg.]

YEAS—50

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux

Bryan
Bumpers
Chafee
Cohen
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Gregg
Harkin

Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun

Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Roth
Sarbanes
Simon
Snowe
Specter
Wellstone

NAYS—48

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Byrd
Campbell
Coats
Cochran
Conrad
Coverdell
Craig
D'Amato
DeWine
Dole

Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott

Lugar
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Santorum
Shelby
Simpson
Smith
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—2

Bradley
Mack

So the motion to lay on the table the amendment (No. 2309), as modified, was agreed to.

Mr. CHAFEE. Mr. President, I move to reconsider the vote.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2310

The PRESIDING OFFICER. There are now 4 minutes equally divided on the Bingaman amendment.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I want to take a minute and then defer to the Senator from Washington, and then take the last minute to make a final plea for this amendment.

Mr. President, this amendment would restore $126.6 million for Indian education programs that are funded on a competitive basis. The funds go to Indian tribes and Indian tribal organizations.

The bill, as it presently stands, contemplates a 34-percent cut in these funds for Indian education. I think that is not a responsible course for us to follow.

The amendment has an offset, which essentially is a 2-percent reduction across the board in all other accounts covered by the bill. I know that is not a good result in the eyes of many people, but I do think that the priority of this Senate should be to put in funds for the education of our children and particularly the Indian children of this country who depend upon the Federal Government for support.

I will yield 2 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, this account represents no more than 10 percent of all of the money which goes into the education of Indian children. The great bulk of this account goes to school districts that educate Indian children. But those Indian children already get a credit through impact aid just as do other children on Federal reservations and the like.

I wish to repeat, impact aid applies to Indian children. This is over and above impact aid. The impact aid budget for this year is some five or six times greater than the amount that is included in this fund.

There is more than $470 million in the Department of Education for Indian education. The BIA line in this bill has more money for Indian education than it does for the current year, one of the tiny handful of programs that actually gets an increase.

And yet the Senator from New Mexico will take money, significant amounts of money from our National Park System, from our cultural institutions, from our scientific institutions, and ironically this cut will apply to all of the other Indian programs which were spoken of earlier today. They will also lose. The amendment I believe should be rejected.

Mr. BINGAMAN. Mr. President, let me just conclude by saying that this amendment goes to the funding which is intended for tribes and tribal organizations to assist in the education of their own children. These are the only funds anywhere in this bill or, as far as I know, anywhere in any of the appropriations bills that are intended to empower tribes to assist in the education of their own children.

We give a lot of speeches about empowering people to do things. I think this is a priority. I think we ought to fund this. I regret that we are having to reduce other accounts by 2 percent, but this is a higher priority. I would rather reduce those accounts 2 percent than this funding level here, 34 percent, which is what the present bill calls for.

Mr. President, I think the yeas and nays have been requested already.

Mr. GORTON. Mr. President, I move to table the Bingaman amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Bingaman amendment. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

Mr. LOTT. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The result was announced—yeas 68, nays 30, as follows:

[Rollcall Vote No. 377 Leg.]

YEAS—68

Abraham
Ashcroft
Bennett
Bond
Breaux
Brown
Bumpers
Byrd
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Dole
Exon
Faircloth
Ford
Frist
Glenn

Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatfield
Helms
Hollings
Hutchison
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
McConnell

Mikulski
Moseley-Braun
Moynihan
Murkowski
Nunn
Packwood
Pressler
Pryor
Reid
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thompson
Thurmond
Warner

NAYS—30

Akaka
Baucus
Biden
Bingaman
Boxer
Bryan
Burns
Campbell
Conrad
Daschle

Domenici
Dorgan
Feingold
Feinstein
Harkin
Hatch
Heflin
Inhofe
Inouye
Kerrey

Kerry
Kyl
McCain
Murray
Nickles
Pell
Robb
Simon
Thomas
Wellstone

NOT VOTING—2

Bradley
Mack

So the motion to table the amendment (No. 2310) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, I ask unanimous consent that a letter from the Secretary of the Interior to Senator HATFIELD on the subject of the Western Water Policy Review Commission be printed in the RECORD. This letter relates to language included in the Interior appropriations bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SECRETARY OF THE INTERIOR,
Washington, DC, August 9, 1995.

Hon. MARK O. HATFIELD,
Chairman, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I want to convey to you the Administration's commitment to establish the Western Water Policy Review Commission as called for in Public Law 102–575 by the end of September 1995. The Department will publish the Commission's Charter in the Federal Register by that date and constitute the Commission.

I look forward to working with you and other members of Congress on the important work of this Commission.

Sincerely,
BRUCE BABBITT.

AMENDMENTS NOS. 2311 THROUGH 2324, EN BLOC

Mr. GORTON. Mr. President, I believe at this point that we have no more contested amendments. We do have a few left that have not been completely cleared at this point. But in order to facilitate progress, I will now offer a series of amendments, en bloc, that have been cleared and ask for their immediate consideration:

An amendment, No. 2311, by Senator BYRD on the use of AML funds;

An amendment, No. 2312, by Senator CRAIG on Clearwater National Forest;

An amendment, No. 2313, by Senator JEFFORDS on indemnity provisions within the National Endowment for the Arts;

An amendment, No. 2314, by Senator KYL on the Indian arts and crafts board;

An amendment, No. 2315, by Senator MCCAIN on fossil energy research and development;

An amendment, No. 2316, by Senator SNOWE transferring National Park Service funds from land acquisition to the national recreation and preservation fund;

An amendment, No. 2317, by Senator HUTCHISON on the NBS aerial surveys;

An amendment, No. 2318, by Senator SPECTER on Kane Experimental Forest;

An amendment, No. 2319, by Senator BAUCUS on Lolo National Forest;

An amendment, No. 2320, by Senator DOMENICI on petroglyphs;

An amendment, No. 2321, by Senator MURKOWSKI on Denali North access;

An amendment, No. 2322, by Senator MURKOWSKI on stampede mine;

An amendment, No. 2323, by Senators MCCONNELL and FORD on the Department of Energy appliance standards;

An amendment, No. 2324, by Senator LEAHY on stewardship incentives program.

Mr. BYRD. Mr. President, all of these amendments have been cleared on this side of the aisle. I support the manager's request.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] proposes amendments numbered 2311 through 2324, en bloc.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2311

(Purpose: To clarify the availability of funds for abandoned mine environmental restoration)

On page 30, line 17, before the period, insert the following: ": *Provided further*, That funds made available to States under title IV of Public Law 95-87 may be used, at their discretion, for any required non-Federal share of the cost of projects funded by the Federal Government for the purpose of environmental restoration related to treatment or abatement of acid mine drainage from abandoned mines: *Provided further*, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act".

AMENDMENT NO. 2312

(Purpose: To provide that the adoption of an amendment to the resource management plan for the Clearwater National Forest under section 314(c)(2) of the bill will satisfy the requirement for revision referred to in the Stipulation of Dismissal dated September 13, 1993, relating to that national forest)

On page 118, between lines 2 and 3, insert the following:

"(7) On the signing of a record of decision or equivalent document making an amendment for the Clearwater National Forest pursuant to paragraph (2), the requirement for revision referred to in the Stipulation of Dismissal dated September 13, 1993, applicable to the Clearwater National Forest is deemed to be satisfied, and the interim management direction provisions contained in the Stipulation Dismissal shall be of no further effect with respect to the Clearwater National Forest.".

AMENDMENT NO. 2313

At the appropriate place (end of page 136) add the following new section:

Public Law 94-158 is modified to extend the scope of the Arts and Artifacts Indemnity Act to include exhibitions originating in the United States and touring the United States for indemnification subject to the availability of funds.

AMENDMENT NO. 2314

(Purpose: To provide for the continued operation of the Indian Arts and Crafts Board)

On page 31, line 15, strike "$997,221,000" and insert "$997,534,000".

On page 31, line 16, after "which" insert the following: "$962,000 shall be used for the continued operation of the Indian Arts and Crafts Board and an amount".

On page 43, line 1, strike "$58,109,000" and insert "$57,796,000".

Mr. KYL. Mr. President, this amendment would add $313,000 to the budget of the Indian Arts and Crafts Board at the Department of the Interior, bringing the total for the Board to $962,000 for the upcoming fiscal year. The funding would be offset by an equal reduction in the departmental management account.

My amendment will ensure that a small, but important arts agency, the Indian Arts and Crafts Board, can continue its operations. I want to make it clear to my colleagues, however, that even if the amendment is adopted, the Arts and Crafts Board will take a 10-percent cut from the current year level—a 20-percent cut from the President's budget request.

The work of the Indian Arts and Crafts Board is about creating opportunities for native American artisans, particularly young people who must decide whether to continue the historical and cultural traditions that are entailed in Indian art and craftmaking.

The Board helps to foster such opportunities for native American artisans, providing business advice and technical assistance to Indian individuals and organizations; helping to identify new markets for Indian craft businesses; and promoting Indian art in Board museums as well as outside exhibitions.

The most important function of the Board relates to implementation of the Indian Arts and Crafts Act of 1990, which directs the Board to assist native American artisans, tribes, or marketing organizations in obtaining trademarks for their products. Such marks of genuineness—trademarks—help develop markets for Indian products, as well as assure consumers that the products they buy are indeed genuine Indian. The act also establishes stiff penalties for misrepresentation of works as Indian produced when they are not. The 1990 act represents a free market approach to promoting economic development in Indian country.

In a nutshell, the 1990 act gives the Board authority to obtain trademarks for Indian artisans and thus help them distinguish their works in the marketplace. This also helps consumers determine genuineness. It strengthens criminal penalties for violations—counterfeiting of trademarks—and establishes new civil remedies against those who misrepresent works as Indian produced when they are not. In short, it cracks down on the fraud which is siphoning off a significant share of the market for native American artisans.

Prior to passage of the 1990 act, the Commerce Department had estimated that imported imitation Indian handcrafts were siphoning off 10 to 20 percent from genuine Indian artisans' markets. Commerce also found that much of the counterfeit market was made up of jewelry that undersold the genuine articles made by craftsmen such as the Navajo, Hopi, and Zuni, by as much as 50 percent.

That is significant because, if Indian artisans cannot make enough money due to competition from cheap fakes, they will abandon the arts, and rich native American traditions will die out as a result. Or, if they have to increase productivity at the expense of time-honored manufacturing techniques in order to compete with imitation products, an important part of their heritage will be compromised and lost.

Mr. President, for many Native Americans, their art is their sole source of income. These are not wealthy people. I met with one Navajo couple, for example, whose ability to produce more Navajo rugs was limited by their inability to raise more sheep. These people are struggling from day to day to make ends meet.

I am not asking in our amendment that Indian artisans get special treatment. We're proposing a funding level that represents a 10-percent cut from the fiscal year 1995 level. What I am asking is that the Indian Arts and Crafts Board be allowed to continue its work promulgating the regulations to implement and enforce the 1990 act; to continue its work on behalf of native American artisans.

Mr. President, I urge my colleagues to support this amendment.

AMENDMENT NO. 2315

(Purpose: To provide that any new fossil energy research and development project start shall be cost-shared with a private entity)

On page 77, line 12, before the period, insert the following: ": *Provided further*, That any new project start funded under this heading shall be substantially cost-shared with a private entity to the extent determined appropriate by the Secretary of Energy".

Mr. MCCAIN. Mr. President, this amendment would require that any new starts in the area of coal, gas, or oil research and development be cost shared with private industry.

Mr. President, at a time that we are cutting spending in programs across the board in order to gain control over the Federal budget, we must look very critically at those activities undertaken by the Federal Government which could and should be funded by private industry.

In fact, I believe we should not engage in any new starts and that we should consider very seriously turning over research and development activities intended to benefit particular industries, to those industries. Until that decision has been made, however, we should at the very least require private industry to put up a substantial cost share for any new research activities undertaken by the Department of Energy.

I trust that my colleagues will agree and that this amendment can be accepted.

AMENDMENT NO. 2316

(Purpose: To transfer certain funds from land acquisition to national recreation and preservation)

On page 18, line 17, strike "$38,051,000" and insert "38,094,000."

On page 19, line 26, strike "$43,230,000" and insert "$43,187,000."

AMENDMENT NO. 2317

(Purpose: To protect citizens' private property rights)

On page 16, line 17, strike the word "surveys" and insert the following: "surveys, including new aerial surveys.".

AMENDMENT NO. 2318

(Purpose: To provide funds for the acquisition of subsurface rights in the Kane Experimental Forest)

On page 69, line 11, after "expended" insert the following: ": *Provided*, That of the amounts made available for acquisition management, $1,000,000 may be made available for the purchase of subsurface rights in the Kane Experimental Forest".

Mr. SPECTER. Mr. President, my amendment would provide $1 million to the Forest Service for the acquisition of subsurface oil and gas rights beneath the Kane Experimental Forest to protect the vital research and experimentation programs in the forest. I am advised that if these subsurface rights are not purchased this year, the landowner is likely to allow the commencement of exploration for oil and gas under the forest.

Located on the eastern boundary of the Allegheny National Forest, the 1,737-acre Kane Experimental Forest is the field headquarters of the Allegheny Plateau Research Center of the U.S. Forest Service's Northeastern Forest Experimental Station. This research station has been a leader in the development of Allegheny hardwood management techniques since the 1930's. Over the years, the Forest Service has pursued an acquisition program of subsurface rights where important research would be adversely impacted by further oil and gas exploration. This program of acquisition has now moved to the Kane Experimental Forest, where new extraction activities are planned, some of which would likely eviscerate the vital research and experimental programs of the forest.

The Forest Service has requested a $1 million appropriation for fiscal year 1996 to allow the agency to purchase the subsurface oil and gas rights beneath the Kane Experimental Forest. These funds would allow the consolidation of surface and subsurface rights throughout the forest to continue while protecting invaluable forest research and data. This would also reduce the management costs that the Forest Service currently incurs by having to monitor the extraction activities in the Kane Forest.

Mr. President, I would note that my amendment makes these funds available for the purchase of these subsurface rights, but leaves the decision to the discretion of the Forest Service.

I urge the adoption of my amendment and yield the floor.

AMENDMENT NO. 2319

(Purpose: To provide that $275,000 shall be made available from the cash equalization account in the Land and Water Conservation Fund for the acquisition of Mt. Jumbo in the Lolo National Forest, Montana)

On page 69, line 11, insert ", of which $275,000 may be made available from the cash equalization account for the acquisition of Mt. Jumbo in the Lolo Natonal Forest, Montana" before the period.

AMENDMENT NO. 2320

(Purpose: To provide additional funding for the National Park Service land acquisition program)

On page 19, line 26, strike "$43,230,000" and insert "$45,230,000.

On page 2, line 11, strike "$565,936,000" and insert "$563,936,000.

On page 3, line 5, strike "$565,936,000" and insert "$563,936,000.

Mr. DOMENICI. Mr. President, I offer an amendment to provide $2 million to continue the acquisition of land at the Petroglyphs National Monument in Albuquerque, NM.

I offer this amendment today because these ancient Indian rock carvings continue to be directly threatened by development and urban encroachment.

The distinguished chairman and ranking member have done their best to address land acquisition requirements. The subcommittee has focused its efforts on acquisitions wherein funding will complete the Federal Government's obligation for land purchase.

While the $2 million in this amendment will not complete acquisition at the Petroglyphs National Monument, it will ensure that we continue our commitment to the landowners within the boundaries of the monument.

Many of these landowners have announced their intention to develop their property if no funding is made available to purchase their property next year. Several landowners have begun breaking ground on their property.

These landowners have worked in good faith with the city of Albuquerque, the National Park Service, and the Congress during the establishment of this monument, expecting to be compensated within a reasonable time.

Mr. President, the Petroglyphs National Monument stretches for more than 17 miles across Albuquerque's west side. Only 800 acres remain to be purchased within the boundaries of the monument. This $2 million will purchase property in the southern portion of the monument, most of which belongs to Westland Development.

Mr. Chairman, to ensure that the overall bill remains within the subcommittee's 602(b) allocation, I am fully offsetting this amendment by reducing by $2 million the Bureau of Land Management automated land and minerals records system. This fully offsets the outlays needed for the amendment.

AMENDMENT NO. 2321

(Purpose: To direct the National Park Service to conduct, within existing funds, a Feasibility Study to evaluate proposals for a northern access route into Denali National Park and Preserve)

At the appropriate place in the bill insert the following section:

SEC. . The National Park Service shall, within existing funds, conduct a Feasibility Study for a northern access route into Denali National Park and Preserve in Alaska, to be completed within one year of the enactment of this Act and submitted to the Senate Committee on Energy and Natural Resources and the House Committee on Resources. The Feasibility Study shall ensure that resource impacts from any plan to create such access route are evaluated with accurate information and according to a process that takes into consideration park values, visitor needs, a full range of alternatives, the viewpoints of all interested parties, including the tourism industry and the State of Alaska, and potential needs for compliance with the National Environmental Policy Act. The Study shall also address the time required for development of alternatives and identify all associated costs.

The Feasibility Study shall be conducted solely by National Park Service planning personnel permanently assigned to National Park Service offices located in the State of Alaska in consultation with the State of Alaska Department of Transportation.

Mr. MURKOWSKI. Mr. President, Denali National Park and Preserve is one of the Nation's most magnificent of natural resources. The park exemplifies Alaska's character as one of the world's last great frontiers for adventure. Every year, the park instills awe into the thousands of visitors who are lucky enough to see it.

Unfortunately, few ever have the opportunity to enter the park. The 1994 visitor season brought 490,149 visitors to the entrance of the park, only 241,995 of which were allowed to proceed past the entrance check point. The other 249,154 visitors were turned away. In other words Mr. President, 51 percent of the visitors intending to visit Denali National Park were not allowed to set foot in the grandeur of this 6 million acre park.

To some, 6 million acres may not sound like a significant piece of real estate, but once you realize that the park is equivalent in size of the State of Maryland, and that within this vast area there is only one 90-mile gravel road to accommodate a very limited number of park visitors, you can begin to realize some of my frustration with the management practices of the National Park Service.

The National Park Service sees nothing wrong with operating a park the size of the State of Maryland in a way that keeps the majority of visitors out of "their" park. Those fortunate enough to get past the entrance check point, complete with an armed guard, who I affectionately refer to as "check point Charley," the average park visitor is then confined to the narrow corridor of one gravel roadway, the length of which is less than a round trip from Washington to Baltimore.

I find this whole concept to be a fraud on the park visitor. The visitor in this case is bused 90 miles down a dusty road and then afforded the opportunity to return to "check point Charley" by exactly the same route. Thankfully, the NPS does not charge extra for this double look at the resource.

From a park management standpoint it makes little sense to crowd every visitor onto one length of existing roadway in a 6-million-acre park. The Park Service is now complaining that visitors are causing some compaction of soils along the side of the existing corridor. Now that is what I call a scientific discovery. It proves that there is some intelligent life within the Service. Someone has actually noticed that if you confine most of your visitors to a single pathway, eventually some soil compaction will take place. Mr. President, great strides are being taken here. Unfortunately, we are going the wrong way.

There is little movement to accommodate the increasing number of park visitors, only warnings that increased visitation will damage every singe acre of the 6-million-acre park.

Mr. President, from the very beginning, the national park equation included the accommodation of visitors. It is apparent that visitors are becoming less important in the park management scheme. It is high time that we balance the national park equation again by reestablishing visitors as important and desirable components of the system.

Mr. President, my amendment will assist the National Park Service in fulfilling their mandate: it will encourage the accommodation of park visitors. When enacted, my amendment would direct the Service to accomplish a feasibility study on a second access road into Denali National Park using a northern route which would carefully avoid any designated wilderness and would have little impact on the environment.

Mr. President, in all fairness, the National Park Service is looking at a southern location from which visitors will at least be able to see the mountain. The proposal calls for a visitors' site to be located on adjacent State land. But you may be certain that the road will stop at the park boundary. God forbid that anyone would let additional park visitors actually visit a park.

The visitor needs access, moreover, the visitors want access. Mr. President, imagine how disappointed you and your family would be, if after you had traveled thousands of miles to see the great vistas of Denali and Mount McKinley, "check point Charley" told you there was no room in the 6-million-acre park. I doubt that you would be overjoyed. Last year it happened to 51 percent of the visitors.

Mr. President, it is far more intelligent to provide additional access by a well planned alternative route than to continue turning away thousands of visitors and managing the rest in a way that results in damage to Denali's resources.

This amendment does not construct a highway, it only studies an alternative solution to accommodate park visitors. My amendment would require the National Park Service to complete a feasibility study, within available park funds.

The study would evaluate current proposals for a northern access route. It would ensure that the resource impacts from any plan to create a new access route are evaluated with accurate information and in a process that considers park values, visitor needs, a full range of alternatives, the viewpoints of all interested parties, including the tourist industry and the State of Alaska, and potential needs for compliance with the National Environmental Policy Act.

The study would also address the time required for development and all associated costs.

I urge my colleagues to support the amendment.

AMENDMENT NO. 2322

(Purpose: Within existing park funds to provide design and construction drawings for the replacement of buildings accidentally destroyed by the National Park Service, and for other purposes)

At the appropriate place in the bill insert the following section:

SEC. . Consistent with existing law and policy, the National Park Service shall, within the funds provided by this Act, at the request of the University of Alaska Fairbanks, enter into negotiations regarding a memorandum of understanding for the continued use of the Stampede Creek Mine property consistent with the length and terms of prior memoranda of understanding between the National Park Service and the University of Alaska Fairbanks: *Provided*, That within the funds provided, the National Park Service shall undertake an assessment of damage and provide the appropriate committees of the Senate and House of Representatives, no later than May 1, 1996, cost estimates for the reconstruction of those facilities and equipment which were damaged or destroyed as a result of the incident that occurred on April 30, 1987 at Stampede Creek within the boundaries of Denali National Park and Preserve: *Provided further*, That the National Park Service shall work with the University of Alaska Fairbanks to winterize equipment and materials, located on the Stampede Creek mine property in Denali National Park, exposed to the environment as a result of the April 30, 1987 incident.

Mr. MURKOWSKI. Mr. President, in 1987 an explosion rocked a mine in a remote region of Denali National Park and Preserve.

Newspaper reports were sketchy; few individuals could have read between the lines to realize that a man's life work was involved, that the U.S. Army, the University of Alaska, and the National Park Service were interested parties, and that no one was willing to accept blame.

Mr. President, the very short version of this story is that the National Park Service illegally took private property, and blew it up and in the process violated a number of environmental laws as well as the provisions of the Historic Preservation Act.

The Stampede Creek mine is 115 air miles southwest of Fairbanks, located in the Kantishna Hills region of Denali National Park and Preserve.

As early as 1915, the site was mined for antimony, a high-priced metal used for alloys and medicine. In 1942, Earl R. Pilgrim purchased the claims and under his hands-on direction the mine continued to operate and ship antimony until 1972. At one time, the mine was the second largest producer of antimony in the United States.

Located in an isolated section of the park preserve, The Stampede mine was found to be eligible for listing on the National Register of Historic Places on June 20, 1989. Today the mine site contains, or excuse me, did contain several historic structures. The site is rich in equipment, machinery, tools, and the myriad objects that make up the stuff of a mining camp. Many of these items are unique to Pilgrim's operation and reflect his own inventiveness and mechanical skills.

In 1979, Stampede Mines LTD. entered into negotiations with the National Park Service and the University of Alaska. As a result of those negotiations the mining company made a donation to the National Park Service of the surface rights including road access from the airstrip, the historic buildings, water rights, and stream banks.

It was thought at the time that the National Park Service possessed the wherewithal to better maintain and protect the valuable historic structures. Unfortunately, history would record that there was little merit to this line of thinking.

At the same time, the University of Alaska Fairbanks, School of Mineral Engineering was donated all the mineral rights, mining equipment and fixtures with mineral development restrictions for the education of students.

Mr. President, the mineral development restrictions included provisions which allowed for only educational use of the mineral estate. No commercial mining would be allowed, only small-scale educational mining, and even though the buildings, roads, trails, and air strip were owned by the Park Service, the university would be responsible for maintaining them.

The school of Mineral Engineering was most pleased with the arrangement and looked forward to providing their mining students a unique opportunity to learn first hand about past and present day mining operations and equipment. Given the chance, they would like the opportunity to conduct such an educational program in the future.

The educational program is consistent with the intent of the university's receipt of the property. The School of Mineral Engineering has developed a meaningful program that provides instruction-investigation about environmentally sound mineral exploration and mining techniques in a sensitive natural environment—as well as studying the geology, biology, and ecology of the area, and studying the historical aspects of Mr. Pilgrim's mine.

The program has already helped the mineral industry develop methods to explore for and develop minerals on lands located in sensitive areas throughout Alaska, even on land controlled by the Department of the Interior.

Mr. President, it was to be an absolute win for the National Park Service and a win in the field of education for the university. No one in their worst nightmares, would have believed that the National Park Service could blow this opportunity.

During 1986 to 1987 National Park Service personnel conducted field inspections of old mining sites located on their lands for the purposes of identifying potentially contaminated sites and hazardous conditions.

Toward the end of July 1986, the Stampede Creek site was examined. The inspectors recommended immediate action to examine the safety of old blasting caps and chemicals at the site. Before taking any action, the inspectors recommended that the ownership issue be resolved. In other words, someone actually considered private property. The matter was treated as serious, but not as an emergency or life-threatening situation. Nothing further occurred for 8 months.

Subsequently, National Park Service personnel and members of the U.S. Army's Explosive Ordinance Detonation Team arrived, unannounced, at the Stampede Mine site and on April 30, 1987 changed the configuration of the mine site and its historic structures.

Mr. President, they moved 4,000 pounds of ammonium nitrate—private property of the University—and placed it on top of the still frozen Stampede Creek. Ammonium nitrate may sound dangerous but in its packaged state it is nothing more than common fertilizer.

They piled 4,000 pounds of fertilizer on top of the creek and added several half gallon bottles of acid—more private property which they retrieved from the assay lab. Finally they added 45 points of high explosives—set the charge and left the area.

When the smoke cleared and all of the debris fell back to Earth, they found the explosion left a crater 28 feet wide and 8 feet deep in the creek. There was also a noticeable change in the mining site.

Mr. President, this is a picture of the Stampede Mine site prior to the arrival of the National Park Service. This is a picture of the mill upon their return to see if they had gotten rid of the fertilizer and chemicals.

In addition to the mine entrance and mill, damage occurred to other buildings, trees, landscape, and stream bed. The bombing also blew up a 5,000 ton tailings pile which, by using USGS records for the current price of metals, would be worth approximately $600,000 in place. Unfortunately the heavy metals of the tailings pile were last seen moving from the site and being scattered throughout the environment by the force of the blast.

One of the most telling reports concerning this debacle is from the U.S. Army incident report No. 176–23–87 which stated that the NPS personnel were aware that detonation would result in damage to the surrounding buildings and according to Sergeant Seutter "at no time was it relayed to me that damage—was unacceptable."

Mr. President, violations of the law are clear. There are violations of the Clean Water Act, the Historic Preservation Act, Section 404 of the Clean Water Act involving wetlands, not to mention the taking and destruction of private property.

Further, since the explosion, approximately $2 million worth of mining equipment—some historic—has been damaged or destroyed due to exposure to inclement weather and the normal Alaska freeze and thaw cycles.

What I find equally outrageous is the fact that no one from the National Park Service has said "I am sorry."

Mr. President, my amendment does not attempt to rectify all the wrong that has been done. My amendment would direct the Park Service to issue a 10 year special use permit to the University of Alaska so that they may continue their worthwhile education program with some assurance of program continuity and to ensure that the $20,000 they have invested and other monies they continue to invest will not be lost or be spent in vain.

My amendment also directs the Park Service, within appropriated park funds, to provide appropriate committees with cost estimates for the repair and or restoration of buildings and equipment damaged or destroyed by the National Park Service in this unfortunate incident, and to provide temporary shelter on site for any equipment and materials now exposed to the weather on the site.

I urge my colleagues to support this amendment.

Thank you, Mr. President. I yield the floor.

AMENDMENT NO. 2323

(Purpose: An amendment in regard to the Department of Energy Code and Standards Program)

On page 128, strike section 320, and insert the following: "None of the funds made available in this Act shall be used by the Department of Energy in implementing the Codes and Standards Program to propose, issue, or prescribe any new or amended standard: *Provided*, That this section shall expire on September 30, 1996: *Provided*, That nothing in this section shall preclude the Federal Government from promulgating rules concerning energy efficiency standards for the construction of new federally owned commercial and residential buildings.".

Mr. McCONNELL. Mr. President, just a couple weeks ago on this floor, we had an extensive debate on the issue of regulatory reform. A lot of amendments were offered, a lot of work was done, and a great many speeches were delivered—but in the end, nothing was delivered to the American people.

It became clear that the only regulatory reform that would be allowed to pass would be something so watered down that it was hardly worth passing at all. And the leadership wisely decided to pull the bill down.

Because of that, however, Americans today remain vulnerable to overzealous, overreaching Federal regulators. Consumers, businesses, and volunteer organizations are the easy prey of aggressive bureaucrats—who take the laws that we pass and twist them into absurd, extreme restrictions that impact the lives of everyday Americans.

The amendment I am offering today addresses one such instance of overreaching regulation. It is, if you will, a minor skirmish in the regulatory reform war. But in the balance are consumers' pocketbooks, as well as a huge number of jobs—in my State, and in many others as well.

Specifically, my amendment would put a 1-year moratorium on so-called energy efficiency regulations that the Department of Energy is preparing to issue under its Codes and Standards Program.

Now, let me make it very clear that my amendment is not hostile to the laudable goal of energy efficiency. Nor is it intended to shut down the regulatory process under DOE's Codes and Standards Program. No one disputes the fact the energy efficiency is important; or that DOE has played a key role in encouraging companies and products to be more energy efficient.

Nevertheless, as has happened all too often in the regulatory arena, DOE is on the brink of adopting new rules that would have tremendously adverse consequences on consumers and workers alike.

My amendment does not repeal the proposed regulations. Nor does it affect the enforcement of any existing energy efficiency regulations. What it does is impose a 1-year moratorium on the DOE ability to propose, issue, or prescribe any new regulations under the Codes and Standards Program, so that both their impact and their relative benefit can be better assessed.

I want to be quite clear on this point.

My amendment would not affect energy efficiency labeling of products. Consumers could continue to make well-informed choices about the relative energy consumption of various household appliances.

Further, DOE could continue to test products and measure their energy efficiency. All my amendment does is call a timeout in the middle of a regulatory process that is about to become horrendously burdensome for thousands of workers and millions of consumers.

If we do not pass this amendment, and the proposed DOE regulations are adopted, consumers will see their range of choices sharply limited—almost to the point of a legalized monopoly—and workers could see their plants shut down, almost overnight.

I should point out that the bill before us recognizes the seriousness of this problem by including a moratorium on enforcement of these regulations—but just for one product alone: fluorescent lamp ballasts. I agree that these regulations pose a serious threat to fluorescent lamp ballasts, but the problem is clearly much broader than that.

The new standards proposed by DOE would affect refrigerators, air-conditioning units, water heaters, pool heaters, and mobile home furnaces. Other products, like freezers, washing machines, clothes dryers, dishwashers, and electric motors, could also be hit hard by DOE regulations that are now under consideration.

Companies that make these basic household appliances are facing enormous costs because of the new standards. Manufacturing processes and product designs will have to be drastically altered. In some cases, entire product lines will simply be abandoned, and the employees who make them will be dumped out on the streets.

Moreover, consumers who rely on these kinds of basic household appliances will face a drastic reduction in choice, along with steep increases in price, as manufacturers scramble to meet the new standards coming out of Washington.

This is an all-too-common tale of regulation gone wild: overzealous bureaucrats, proposing pie-in-the-sky restrictions, which inflict heavy costs on American families who struggle to make ends meet.

Once again, the Federal regulatory apparatus is poised to disrupt a broad range of industries, and pass the costs on to middle-class consumers.

My amendment would give Congress the breathing room it needs to study the regulations, analyze their impact, and suggest alternatives that meet the goal of energy efficiency without threatening jobs or ratcheting up the price tag for basic household appliances.

I am pleased that the chairman of the Energy and Natural Resources Committee, Senator MURKOWSKI, has endorsed in a letter the approach taken by my amendment. In my view, the Energy Committee is best equipped to review the matter and recommend changes that are needed. I ask unanimous consent that Senator MURKOWSKI's letter on this subject be made part of the record.

I would also like to point out that the House, by a vote of 261 to 165, approved language that is virtually identical to what I am proposing now.

But ultimately, what matters to me is not what the House did or anything else: it is what the DOE regulations will do to thousands of employees in my home State, many of whom will lose their jobs at some point because of some bureaucratic decision made in Washington.

For example, the General Electric plant in Louisville is the largest single-site employer in my State.

I'm proud to say that the hard-working employees at the G.E. plant turn out some of the highest quality home appliances in the world. In fact, it's likely that just about everyone in this body—and most everyone watching C-SPAN today—has at one point or another owned a high quality home appliance that was made at G.E. in Louisville.

What do these pending Federal regulations mean to the workers at the G.E. plant?

The new energy efficiency standards—just for refrigerators—will cost the company $187 million, and that's only in the short term.

Possible new standards for clothes washers could force G.E. to shut down a brandnew $100 million facility, and hand out pink slips to up to 2,000 employees who work there.

Here we're trying to encourage investment and job creation—and these regulations could force a Kentucky plant to close down a state-of-the-art manufacturing operation and let go of thousands of employees.

All because some bureaucrats in Washington are designing their perfect world for the rest of the country to follow.

Similar effects will be felt by other players in the home appliance industry, across the country. Ask the workers in your State who manufacture home appliances. They will tell you that these regulations are economic poison in their industry.

In fact, there's only one manufacturer who supports these regulations; and not surprisingly, that one manufacturer is uniquely positioned to benefit from the regulations that this amendment seeks to delay.

It so happens that this one manufacturer already holds a 50-percent share in the clothes washer market.

But apparently, that is not enough. So what this one company hopes to do is use the Federal regulatory system to drive its competitors out of business.

It conveniently turns out that this company is the only one that makes a certain kind of clothes washer which some Federal bureaucrat likes. All other companies will have to radically change the way they make clothes washers, just to stay in the game.

Mr. President, Federal regulators should not be in the business of picking winners and losers in the clothes washer industry.

Buyers of clothes washers should not have their purchasing decisions made for them by Washington bureaucrats.

And Congress should not be sanctioning a proposed regulatory structure that in effect creates a legalized monopoly. Don't take my word for it; listen to the Assistant Attorney General for Antitrust Enforcement, Anne Bingaman. She wrote a letter to DOE concerning the anticompetitive effect these regulations would be likely to have on the marketplace.

In her letter, dated September 16, 1994, Ms. Bingaman said:

> For television sets, fluorescent lamp ballasts, and professional style or high end kitchen ranges, it is the Department's judgment based on the available evidence that significant anticompetitive effects are likely to occur.

In other words, these regulations are bad news for consumers—for American families.

The letter from Assistant Attorney General Anne Bingaman goes on to warn DOE of the negative impact this rulemaking would have on market competition, as well as on individual product lines.

Remarkably, DOE did nothing in response to this devastating assessment of its proposal. In fact, it was not until the House flatly suspended DOE's regulatory authority in this area that the agency finally acted.

Nevertheless, DOE's response was simply to terminate its rulemaking on television sets—an obviously weak half measure. None of the other pending regulations criticized by the Assistant Attorney General were suspended.

Mr. President, many appliance manufacturers are facing the second or third round of reregulation by DOE.

Each of these new sets of regulations imposes additional costs, which are directly paid by hard-working American families.

Sometimes, when the regulatory burden is too great, the company just abandons the product line altogether, and employees are sent home to look for other jobs.

This is no way to regulate. We need a timeout with regard to these pending regulations, to give Congress the time to take a good, hard look at how DOE has been regulating this segment of our economy.

As I said earlier, I have a letter from Senator MURKOWSKI, chairman of the Energy Committee, requesting that his committee be given the opportunity to evaluate the proposed standards.

Let's give the committee that opportunity, and try to restore some sanity to the regulatory process—at least in this one instance.

In closing, I want to remind everyone that no ground whatsoever would be lost by adopting my amendment. It does not invalidate any current energy efficiency regulations; it does not turn the clock back; it only looks toward the future.

The energy efficiency regulatory process has gotten off track, and it is time to get it back on the rails—before jobs are lost, competition is restricted, and basic consumer products are banned.

I want to thank all of my colleagues who have cosponsored this amendment: Senators FORD, HARKIN, GRASSLEY, MURKOWSKI, LOTT, HUTCHISON, and GRAMM.

And I hope we can come together and at least put a 1-year moratorium on regulations that have gone in a terribly wrong direction.

Mr. HARKIN. Mr. President, I have cosponsored the McConnell amendment. The amendment allows the DOE to do the planning work necessary to develop energy efficiency standards. But, it does not allow the Department to issue a rule or a notice of proposed rulemaking. I am a strong supporter of solid energy standards. But, I have become aware of some real concerns about how the Department of Energy is implementing the law in this area.

The Department is supposed to consider the initial and lifetime cost of appliances under these standards. And, the Department is supposed to consider the impact of new standards on the manufacturers. But, apparently, while they may be looking at those questions, DOE is not giving them the weight that I believe they should be given.

When we look at a family with $25,000 or $35,000 a year, the cost of an extra $200 for an appliance is significant. For someone who needs a new furnace in an old home, if only very high-efficiency furnaces are available, we need to not only look at the cost of the furnace, one also needs to consider the retrofitting costs for the flue that can be very considerable.

I am also concerned about a reduction in the number of companies making various types of appliances. As the cost of adjusting manufacturing plants costs to meet higher energy standards rises, the number of models of appliances may be reduced. That reduces competition and costs existing jobs. But, those costs can be mitigated. There are numerous ways that stronger energy standards can be promulgated in ways that will limit the cost of facility modifications and the effective obsolescence of existing facilities. Unfortunately, the models that the Department uses to attempt to figure out the impact of the effects of their rules on manufacturers, looks at an average manufacturer. Their analysis of the average company may be correct. But, smaller companies can and are very adversely impacted.

My State of Iowa has a number of quality appliance manufacturers who are relatively small compared to those that have the largest market share for specific appliances. They provide quality products and alternatives to consumers. They are the major employers in their communities where they are very good corporate citizens providing quality jobs.

And, many of them are noted for being leaders in energy-efficiency-offering appliances that are well ahead of what the energy-efficiency rules require. In spite of their leadership, they could be very adversely impacted if their concerns are not considered by new energy rules under consideration.

Originally, there was a legislative proposal to completely stop work toward improved standards. And, the House did agree with an amendment of that type. I had real concerns about that. The revised version of the amendment does allow DOE to do considerable work toward the development of new energy standards. That change allows them to proceed after the coming fiscal year with less than a year's lost time. And, I am hopeful that adjustments will be made that will allow us to proceed without further delay.

I hope that my concerns can be addressed during the coming fiscal year through improvements in the authorizing law or through improved procedures at the Department.

Mr. GRASSLEY. Mr. President, I rise today to cosponsor and support the McConnell amendment. This amendment establishes a 1-year moratorium on new standard-setting rulemakings by the Department of Energy.

This amendment is necessary to maintain the competitive nature of the U.S. appliance industry, which includes home appliances as well as heating and air-conditioning equipment.

New energy standards would threaten the viability of several U.S. manufacturers of appliances, including at least four in my State.

A 1-year moratorium will allow the Energy and Natural Resources Committee to review DOE's energy-efficiency standards program to determine what impacts these standards are having on competition, and on the consumers of these products.

Senator MURKOWSKI, the distinguished chairman of the Energy Committee, has already indicated his support for the moratorium and his willingness to conduct such a review.

Mr. President, I will just take a moment to highlight a few of the effects that new standard requirements will have on both the industry and the American consumer.

Energy standards currently exist for all major appliances. For example, manufacturers must meet these standards on such products as dishwashers, refrigerators, laundry machines, and heating and air-conditioning units.

The Department of Energy reviews the standards periodically and most products are already being considered for their second set of standards since 1990; some face their third set of standards during this period.

So these products already operate at a very high level of efficiency. If the DOE continues to increase these standards, many companies will be crippled by the burden of the capital investment necessary to meet additional standards.

Furthermore, these companies will be unable to invest in other product innovations which are absolutely vital for maintaining their competitiveness, both in the United States and in the global marketplace.

If further capital investment is required, it is likely that most of the cost will be passed on to the consumer in the form of higher prices for appliances.

Furthermore, companies will be forced to discontinue certain models and brands because they are no longer cost-effective to produce. So consumers will have fewer products to choose from and the products that are available will cost more.

We need to call a time out, take a step back, and consider whether all of this is necessary. This amendment allows Congress the opportunity to do just that.

Mr. President, it is also important to note exactly what this amendment will not do. This amendment will not affect existing energy standards in any way. This amendment will not alter the existing energy labeling program, which enables consumers to compare competing brands of appliances. And this amendment will not undermine the energy savings already achieved in these products.

Finally, Mr. President, this amendment protects the consumer's ability to purchase energy-efficient appliances at a competitive price.

For all these reasons, Mr. President, I urge my colleagues to support this amendment.

AMENDMENT NO. 2324

(Purpose: To provide funding for cooperative lands fire management and to increase funding for the stewardship incentive program, with an offset)

On page 66, lines 3 and 4, strike "$128,294,000, to remain available until expended, as authorized by law" and insert "$136,794,000, to remain available until expended, as authorized by law, of which not less than $16,100,000 shall be made available for cooperative lands fire management and not less than $7,500,000 shall be made available for the stewardship incentive program".

On page 66, line 15, strike "$1,256,043,000" and insert "$1,247,543,000".

Mr. LEAHY. Mr. President, I have an amendment that I would like to introduce for myself and Senators BURNS, CRAIG, JEFFORDS, MURRAY, LAUTENBERG, BOND, MCCONNELL, LIEBERMAN, SNOWE, and COHEN. It has the support of many Senators from both sides of the aisle.

Mr. President, I am disappointed by the move to eliminate one of the few financial incentives we have to help private landowners do the right thing for conservation—the Stewardship Incentives Program.

The Stewardship Incentives Program was created in the 1990 farm bill with broad bipartisan support to help forest owners improve wildlife habitat, protect water quality, improve forest management, and develop recreation opportunities.

Every Endangered Species Reform Act being considered by this Congress includes language to establish a program like the Stewardship Incentives Program. We need to put our money where our mouth is. If we are serious about moving from a regulatory conservation approach to a voluntary approach, we have to fund the voluntary programs we have on the books.

We know that landowners cannot always pay their property taxes by managing their land specially for wildlife and water quality. The Stewardship Incentives Program helps private landowners do the right thing with a nonregulatory, cost-incentive, State-grant program.

The amendment also includes funding for volunteer fire departments which are essential organizations to rural communities throughout the country. These organizations are often the first to respond to common kitchen fires and dangerous forest fires.

This amendment is supported by the National Association of State Foresters, the Izaak Walton League, the National Association of Conservation Districts, The Nature Conservancy, the Northern Forest Alliance, the American Forest & Paper Association, the International Association of Fish and Wildlife Agencies, the National Volunteer Fire Council, and many others.

Mr. President, this amendment has broad support on both sides of the aisle and broad support across the entire natural resource community. My staff has worked with the committee staff and the Forest Service to identify offsets. I hope the Senate can accept this amendment expeditiously given its broad base of support.

Mr. MCCONNELL. Mr. President, I rise in strong support of the amendment offered by my colleague from Vermont. The amendment restores funding for the Forestry Stewardship Incentives Program [SIP]. Landowners who sign up for the Forest Stewardship Program are often new to the practice of forest management, the cost-share components assists them in making land more productive more rapidly.

The SIP was designed to assist nonindustrial private landowners in implementing good management practices. Recent surveys indicate over 9 million private nonindustrial landowners; by contrast, the Nation has only over 2 million farmers. In Kentucky, we have over 300,000 private landowners who have over 10.9 million acres of forest land to manage.

This amendment preserves one of the only nonregulatory Federal programs in existence for nonindustrial private forest landowners.

The Kentucky Stewardship Incentive Program is a very successful program. It is a cooperative effort of Kentucky's environmental community. The cost share assistance helps private landowners in implementing a forest stewardship plan on rural land with existing tree cover and other lands including cropland, pasture land, surface mined land.

The Kentucky Stewardship Incentive Program:

Encourages private forest landowners to manage their forest lands for economic, environmental, and social benefits;

Complements and expands other forestry assistance programs;

Gives priority to tree planting, tree maintenance, and tree improvement practices;

Increases the quality and quantity of Kentucky's timber resources, and

Maintains and improves the habitat for a diverse mixture of native wildlife.

This is an extremely beneficial program that helps private forest landowners provide better land management and improve our natural resources.

I urge my colleagues to support this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments (No. 2311 through 2324) were agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote.

Mr. President, a few more are in the process of being cleared.

I suggest the absence of a quorum until they are ready.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VITIATION OF ACTION ON AMENDMENTS NOS. 2318, 2319, AND 2320

Mr. GORTON. Mr. President, I made a mistake on three of the amendments I just had agreed to that do not at this point have unanimous consent to adopt.

I ask unanimous consent that action on the amendments proposed by Senators BAUCUS, DOMENICI, and SPECTER be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2325

(Purpose: To reduce the energy costs of Federal facilities for which funds are made available under this Act)

Mr. GORTON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Does the Senator wish to ask unanimous consent to set aside pending amendments?

Mr. GORTON. Yes, I ask unanimous consent to set aside the pending amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Washington [Mr. GORTON] for Mr. BINGAMAN, proposes an amendment numbered 2325.

Mr. GORTON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . ENERGY SAVINGS AT FEDERAL FACILITIES.

(a) REDUCTION IN FACILITIES ENERGY COSTS.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from fiscal year 1995 levels, in the energy costs of the facilities used by the agency.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the head of each agency described in subsection (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved; and

(C) specify the actions that resulted in the reductions.

Mr. GORTON. Mr. President, this is the last agreed-upon amendment. It is on behalf of Senator BINGAMAN and deals with energy conservation in Federal facilities. It has been cleared on both sides.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2325) was agreed to.

Mr. GORTON. I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 2318, 2319, AND 2320 EN BLOC

Mr. GORTON. Mr. President, I believe we are now ready to deal with the three amendments that were withdrawn a few moments ago. In doing so, I ask unanimous consent that Senator BURNS be considered a prime cosponsor of the Baucus amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORTON. Mr. President, I ask that the three amendments, Specter, Baucus, Burns, and Domenici, be considered en bloc.

The PRESIDING OFFICER. The question is on agreeing to the amendments en bloc.

The amendments (Nos. 2318, 2319, and 2320) were agreed to en bloc.

Mr. GORTON. Mr. President, I move to reconsider the vote.

Mr. BYRD. Mr. President, I move to lay the motion to reconsider on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, we have a number of other colloquies but they are not ready yet. When they are, they will, I believe, be the last matters of business before final passage.

Awaiting their OK, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I rise in support of the Department of Interior and related agencies appropriations bill for fiscal year 1996.

I am concerned about the funding provided for Indian programs and have offered an amendment to restore $200 million for important Indian programs.

The Senate-reported bill provides $12 billion in new budget authority [BA] and $8.2 billion in new outlays to fund the programs of the Department of Interior, the U.S. Forest Service, Department of Energy fossil energy and energy conservation programs, and programs related to the arts and museum services.

All the funding in this bill is nondefense spending. This subcommittee received no allocation under the crime reduction trust fund.

When outlays from prior-year appropriations and other adjustments are taken into account, the Senate-reported bill totals $12.2 billion in BA and $13.2 billion in outlays for fiscal year 1996.

The subcommittee is essentially at its 602(b) allocation in BA and $6.5 million below in outlays.

The Senate-reported bill is $1.8 billion in BA and $1 billion in outlays below the President's budget request for these programs.

It is $68.5 million in BA above the House-passed bill, and $2.2 million in outlays below the House-passed bill. The Senate bill is $1.9 billion in BA and $0.8 billion in outlays below the 1995 level.

I appreciate the subcommittee's support for a number of ongoing projects and programs important to my home State of New Mexico as it has worked to keep the bill within its allocation.

I urge the adoption of the bill.

I ask unanimous consent the 1996 spending totals be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

INTERIOR SUBCOMMITTEE SPENDING TOTALS—SENATE-REPORTED BILL

[Fiscal year 1996, in millions of dollars]

	Budget authority	Outlays
Nondefense discretionary:		
Outlays from prior-year BA and other actions completed	146	5,001
H.R. 1977, as reported to the Senate	11,977	8,166
Scorekeeping adjustment		
Subtotal nondefense discretionary	12,123	13,168
Mandatory:		
Outlays from prior-year BA and other actions completed		24
H.R. 1977, as reported to the Senate	59	25
Adjustment to conform mandatory programs with Budget Resolution assumptions	6	6
Subtotal mandatory	65	55
Adjusted bill total	12,188	13,223
Senate Subcommittee 602(b) allocation:		
Defense discretionary		
Nondefense discretionary	12,123	13,174
Violent crime reduction trust fund		
Mandatory	65	55
Total allocation	12,188	13,229
Adjusted bill total completed to Senate Subcommittee 602(b) allocation:		
Defense discretionary		
Nondefense discretionary	−0	−6
Violent crime reduction trust fund		
Mandatory		
Total allocation	−0	−6

Note.—Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

FOSSIL ENERGY RESEARCH

Mr. BYRD. As the Senator from Washington is aware, the committee has recommended $21,953,000 for advanced research and technology development from the Department of Energy fossil energy research and development account.

Mr. GORTON. That is correct.

Mr. BYRD. As the Senator may know, there is an existing university-industry consortium, known as the Carbon Products Consortium, conducting ongoing efforts in these areas. Through these efforts, this consortium has developed an extensive foundation of background knowledge in these technologies. This consortium concentrates on the non-fuel uses of coal to produce coal-derived carbon materials. The early success of this consortium is encouraging, and the dollar-for-dollar cost sharing by the industrial partners shows their commitment to this work, and it is important that we continue developing these new, environmentally benign technologies from non-petroleum feedstocks.

Does the Senator agree that funding for the ongoing efforts of this consortium, due to its knowledge and experience in these matters, should be given priority consideration for a portion of this funding?

Mr. GORTON. Yes, I agree that the Carbon Products Consortium should be given priority consideration for funding from this account.

FOSSIL ENERGY RESEARCH

Mr. SIMPSON. I note that Senator GORTON and Senator BYRD are on the floor. I would like to ask them a question about fossil energy research and development. It is my understanding that, within this account, the Senators have agreed to shift $1,405,000 from fossil energy environmental restoration into cooperative research and development. Is is correct to say that the chairman has agreed to his shift in funding?

Mr. GORTON. The Senator's understanding is correct. The majority has agreed to this adjustment. Let me clarify that this does not increase the bill's overall appropriation, nor does it increase the appropriation for fossil energy research and development. It is merely a shift of funds from one account to another.

Mr. CONRAD. I would also like to indicate to the chairman and ranking member of the subcommittee my interest in this issue. I am pleased to hear of the chairman's intention. Would the ranking member of the subcommittee, Senator BYRD, tell us whether he agrees with Senator GORTON on this issue?

Mr. BYRD. I do agree with the chairman of the subcommittee. This will allow the cooperative research and development program to continue at its present level of funding. This increase is to be divided equally between WRI and UNDEERC.

Mr. DORGAN. As a member of the Senate Energy and Natural Resources Committee, I believe the work carried out under the cooperative research and development program is extremely important and is essential to meeting our country's energy needs. I am pleased with this shift in funding.

OIL TECHNOLOGY RESEARCH

Mr. NICKLES. I note that the full committee took action on the Department of the Interior and related agencies appropriations bill, fiscal year 1996 which reallocated funding under oil technology research. This reallocation significantly reduced funding for processing research and downstream operations, particularly impacting pollution prevention and environmental compliance programs. While the House bill cuts pollution prevention by $900,000 the Senate subcommittee reduction of $1.8 million was amended to a cut of $5.3 million. Environmental compliance was also reduced from the subcommittee reduction of $2.18 million to the amended reduction of $2.67 million. The House bill cut environmental compliance by $1.3 million.

The Senate bill results in a negative impact on the processing research and downstream operations fossil energy programs, and represents a vast disparity between the House and Senate allocations. I therefore appeal to the Senator from Washington to address this imbalance in conference and to seek funding more closely in line with the House funding.

Mr. GORTON. I recognize and appreciate the concern of the Senator from Oklahoma. While budget constraints necessarily entail reduced funding of nearly all programs, I recognize the importance of pollution prevention and environmental compliance, and will endeavor to address the Senator from Oklahoma's concerns for funding of these programs in the conference committee.

Mr. NICKLES. I thank the distinguished Senator from Washington.

MIDEWIN NATIONAL TALLGRASS PRAIRIE

Ms. MOSELEY-BRAUN. Mr. President, as we consider the fiscal year 1996 Interior and related agencies appropriations bill, I would like to call attention to a very important project for my State of Illinois, the Midewin National Tallgrass Prairie. The House provided $400,000 for the Forest Service to continue the development of a plan for preserving and managing the former Joliet Arsenal property in Illinois as a potential national tallgrass prairie. These funds were not included by the Senate Appropriations Committee, and I would like to take a moment to share with my colleagues the reasons why this project should receive funding.

Earlier this year, my distinguished senior colleague from Illinois, Senator SIMON, and I introduced S. 449, the Illinois Land Conservation Act. This bill transfers roughly 19,000 acres of land from the former Joliet Army ammunition plant to the Forest Service in order to establish a national grasslands. Our bill also turns over 900 acres to the Veterans Administration for a new national veterans cemetery, and converts over 3,400 acres of former munitions production areas at the arsenal to a variety of local purposes.

Illinois is known as the Prairie State. This name commemorates an earlier Illinois, a land of rolling prairies, butterflies, wildlife, and pioneers seeking out new lands to settle. At one time, more than 43,000 square miles of prairie existed in Illinois.

Over the course of 175 years, however, development has crept over these open lands. Today, only 0.01 percent of original prairie is left. Little evidence remains of, in the words of Charles Chamberlain, the author of the Illinois State song, this "Wilderness of Prairies."

The Illinois Land Conservation Act, once enacted, will give Illinois a rare opportunity to preserve one of its last remaining areas of natural prairie. It's a once-in-a-lifetime chance to set aside such a large, undeveloped tract of property for environmental and recreational purposes. In a sense, S. 449 helps to protect a slice of ecological history, and in doing so, creates a legacy for future generations of Illinoisans to study and enjoy.

S. 449 was recently incorporated into S. 1026, the fiscal year 1996 Defense Authorization bill, and we are hopeful that these provisions will be passed by Congress soon. In the meantime, we are working with the Forest Service to ensure that adequate funding is available to carry out this project.

It is for that reason that I ask that the committee consider language in the conference committee report which recognizes that the authorization of the Midewin National Tallgrass Prairie is nearing final passage by Congress, and that upon enactment, the Forest Service consider the need for a reprogramming request in order to proceed with the plan for preserving and managing the former arsenal property.

The Illinois Land Conservation Act is based upon a plan that has been carefully crafted by key representatives of the local community who have worked closely with Federal agencies and the State of Illinois. It deserves to move forward quickly, and I urge favorable consideration of this request.

Mr. GORTON. I thank the Senator from Illinois for her comments regarding the Midewin National Tallgrass Prairie planned for Illinois. I can assure the distinguished Senator that we will do all that we can to assist her in including her recommendation when this bill goes to conference.

NATIONAL TRAILS SYSTEM

Mr. KOHL. Mr. President, in previous years, the report accompanying the Interior appropriations bill has stressed the importance of funding for the National Trails System within the National Park Service budget. Although no such language is included in the fiscal year 1996 report, would the chairman and the ranking minority member of the Interior Appropriations Subcommittee agree that the National Park Service should continue to place a high level of importance on funding for the National Trails System?

Mr. BYRD. Yes, I agree. Further, I would state that it is my intention, as a manager of this fiscal year 1996 Interior appropriations bill, that the National Park Service should seek to fund the National Trails System as close as possible to the fiscal year 1995 levels, given the budget constraints facing the committee in fiscal year 1996. I would also ask my colleague from Washington, Senator GORTON, the chairman of the Interior Appropriations Committee, if he agrees with this statement.

Mr. GORTON. Yes, I concur, and thank the Senators for pointing out the importance of providing adequate funding for the National Trails System.

INPATIENT HEALTH FACILITY

Mr. KERREY. Mr. President, I would like to ask the distinguished chairman for assistance in dealing with an issue that is very important to me and to the Indian people in my State of Nebraska. The Indian Health Service has determined that there is a need for an inpatient health facility to serve the Indian people in eastern Nebraska. The existing facility at the Winnebago Reservation is old, dilapidated, and needs to be replaced. The tribes in the area have worked with the IHS for 8 years to reach the point where we are now. The 103d Congress appropriated funds for planning and design of the new hospital and that process is fully underway. A site has been selected for the new facility with the agreement of the tribes and the IHS has begun the design phase. Unfortunately, the Omaha Tribe broke off negotiations with the Winnebago Tribe on matters related to the future construction and management of the hospital; the reasons for this action are not entirely clear. While this division occurred early in July, efforts are underway to bring closure to whatever differences remain. In the meantime, unfortunately, language was included in the report on H.R. 1977 that would direct the reprogramming by IHS of the current year funds for the hospital, about $1.6 million. I believe this action is premature and respectfully ask the chairman to consider eliminating the reprogramming in conference with the House.

Mr. GORTON. I understand the Senator's concern and agree to consider deletion of the language in conference. In the meantime, I hope the Senator will continue to work with the IHS and the tribes to move forward on this project. Facility construction dollars are extremely scarce in the current fiscal climate and there are many worthy projects awaiting funding that have the unqualified support of local tribes. With this in mind, I will be happy to revisit this issue in conference.

Mr. KERREY. The procedure that my colleague has outlined is acceptable and I thank him for his courtesy in this matter.

DOE'S RETROFIT PROGRAM

Mr. JEFFORDS. Mr. President, at this time I would like to enter into a colloquy with the managers of this appropriations measure regarding funding for the Department of Energy's retrofit program and interagency agreement with the Department of Housing and Urban Development.

The buildings retrofit program within the Department of Energy's Office of Buildings Technology is currently undertaking an important initiative to save American taxpayers millions of dollars. The initiative, created 4 years ago under an agreement between the Department of Energy and the Department of Housing and Urban Development, works to reduce energy use at many of our Nation's public assisted housing developments. To cut off funding for this important program at this point would put to an end significant progress that has been made to date in reducing energy use in publicly funded low-income housing.

Would the managers of this legislation support the following request?

That within available funds in the Department of Energy's buildings programs, the Department of Energy be allowed to reprogram up to $3 million to continue implementation of the interagency agreement with the Department of Housing and Urban Development for public assisted housing and other low-income housing initiatives.

Mr. GORTON. I would not object to this proposal.

Mr. BYRD. I would not object to this proposal.

Mr. JEFFORDS. I thank the managers of this legislation for their assistance with this important matter.

NOXIOUS WEEDS

Mr. HATCH. Mr. President, I would like to discuss an issue with my good friend from Washington, the distinguished chairman of the Interior Appropriations Subcommittee, Senator GORTON, that is of the utmost importance to many western public lands States.

Last year, I raised the issue of the widespread infestation of noxious weeds on public lands managed by the Bureau of Land Management [BLM] located throughout the West and in Utah specifically. Many of Utah's lands were suffering from the presence of various kinds of noxious weeds, which is why I requested funding last year for the Richfield BLM District office in west central Utah to be utilized throughout the district to address the infestation. The total amount appropriated to the Richfield District was $100,000. I appreciated the subcommittee's recognition of this problem and its efforts to assist this outbreak on acreage highly visited by the public.

This year, the story is basically the same. These lands, as well as other lands, are again infested with noxious weeds. They are ravaging lands that are critical to the agricultural industry of Utah and playing havoc with those who utilize BLM lands for recreational purposes. As anyone who represents a public land State knows, once these weeds take hold of an acre of land, it is easy for them to spread to every acre that surrounds them, even if that surrounding land is private or State. Noxious weeds know no boundaries; and, therefore we must address them in every locale to protect the overall ecology and health of all lands. In my State, the Utah Department of Natural Resources is attempting to fight the noxious weed problem on State lands. So, I believe it behooves this body to provide funding to our various public land agencies, especially the BLM, to address this problem on our public lands.

It is my understanding that this year's Interior appropriations bill provides funding to the BLM for this year's noxious weed problem. Is that correct?

Mr. GORTON. If my colleague will yield, the fiscal year 1996 Department of the Interior appropriations bill provides $1.2 million to the BLM for noxious weed management. This funding is a part of the agency's range management account. My colleague will be pleased to know that the subcommittee recognizes the existing noxious weed problem plaguing Utah and directs $261,000 of the total account to the Utah State BLM Office to combat this problem. Like my colleague from Utah, I hope these funds will assist to properly address the noxious weed problem in our public lands States like Utah.

Mr. HATCH. I thank my colleague for that clarification. I share his hope that we can finally gain control of our noxious weed situation, and I appreciate his attention to this situation in my State of Utah.

OFFICE OF SURFACE MINING AND PUBLIC ROADS

Mr. HATCH. Mr. President, I would like to raise an issue with the chairman of the Interior Subcommittee, Senator GORTON, regarding the Office of Surface Mining [OSM] and its regulation of public roads. I am especially interested in the application of these regulations in States like Utah that have received a delegation of primacy for implementing the coal regulatory program pursuant to a State program. These regulations have, for several years, plagued public land States like Utah that have hundreds of miles of public roads located near surface mining operations. I wish to engage the chairman in a brief discussion on this critical matter.

Mr. GORTON. I understand this situation impacts several other Western States with an equivalent amount of public roads and significant surface mining activities.

Mr. HATCH. I thank my colleague. There has been a difference of opinion between OSM and the Utah State Division of Oil, Gas and Mining [UDOGM] as to permitting of public roads as a part of mining operations. OSM's regulation of the Surface Mining Control and Reclamation Act of 1977 [SMCRA] has led to differences of opinion on what constitutes a road and affected area, among other things, and has led to a number of Federal lawsuits and a series of unsuccessful rulemaking attempts since 1983. Clearly, there is little guidance in SMCRA on this issue. A literal interpretation of the act's wording would bring Interstate 70 and most of the State, county, and Forest Service roads located in central Utah under the Utah's regulatory program. Hopefully, no one is seriously suggesting that UDOGM, a division of the Utah

State Department of Natural Resources, require the permitting of the interstate. The problem is that neither the Federal nor Utah regulatory programs provide any clear guidance as to where the jurisdictional line must be drawn.

Although Utah's situation with regard to roads is no different from that of other States, this issue has been a recurring problem between Utah and OSM. Several meetings have been held in recent months, even with the Director of OSM, to address this situation. And, most recently, OSM agreed to a clarification of Utah's policy on road permitting that maintains the State's program intact, which I want to bring to my colleagues' attention. In regard to the Utah coal regulatory program, OSM has agreed that, under several basic criteria, the permitting of a public road would not be required. These criteria indicate that a public road involved in coal mining activities may not be required to be permitted if: First, it was properly acquired by a governmental entity, second, it was maintained with public funds or in exchange for publicly levied taxes or fees, third, it was constructed in a manner similar to other public roads of the same classification, and fourth, the impacts of mining are not significant in relation to other impacts on the road.

I, for one, do not believe it was Congress' intent that OSM or States receiving primacy on surface mining activities would attempt to regulate public roads in the jurisdictional control of some appropriately constituted public entity. Rather, it is my belief that the intent of Congress was that only roads outside the jurisdiction of any responsible entity would be subject to jurisdiction under the Federal or State coal regulatory program. OSM's recent action regarding Utah's program is reflective of this belief, and I feel of sufficient importance to inform my colleagues today. I intend to support modifications to SMCRA that clearly spell out Congress' original intent with SMCRA, but I am pleased with OSM's response to UDOGM's clarification of Utah State law. Based on the history of OSM's position on road permitting vis a vis the act, it is my opinion that this response is significant.

I thank my colleague for his indulgence and for his advice on this matter.

Mr. GORTON. I thank my colleague from Utah for his statement and for the information he has provided regarding OSM and its activities on road permitting. This is very useful for States with primacy in this area, and I am also pleased with OSM's action that suggests decisions on road permitting should rest in the hands of the States. I appreciate the Senator's efforts in this area.

CONSTRUCTION FUNDING FOR THE U.S. FISH AND WILDLIFE SERVICE

Mr. GORTON. Mr. President, I understand that the Senator from New Mexico would like to clarify an issue related to construction funding for the U.S. Fish and Wildlife Service, and I ask unanimous consent that Senator DOMENICI, Senator BYRD, and I be allowed to enter into a colloquy in that regard.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I realize that the Appropriations Committee has tried to include funding to complete construction and rehabilitate several Fish and Wildlife Service facilities. I thank the distinguished chairman and ranking member for recognizing the significant needs at the Bosque del Apache Wildlife Refuge in New Mexico. I appreciate the constraints that we have on funding of this nature, but I am also aware that there are ongoing construction projects that did not receive funding in this bill, including the Southwest Fisheries Technology Center, in New Mexico. The committee has not recommended that the Fish and Wildlife Service discontinue construction on these projects. It is my understanding that the committee intends to revisit these projects in the future, and will consider funding for fiscal year 1997. I ask the distinguished chairman of the subcommittee if this is correct?

Mr. GORTON. The Senator from New Mexico is correct. The committee understands the importance of these projects and intends to consider them again next year.

Mr. BYRD. I join my colleague from Washington in stating that the committee should review these ongoing projects next year.

Mr. DOMENICI. I thank the chairman and ranking member for clarifying the intent of the committee.

ENERGY INFORMATION ADMINISTRATION

Mr. JEFFORDS. Mr. President, I am concerned about the cuts this bill makes to the Energy Information Administration. The EIA maintains valuable and objective information on energy supply, consumption, production, and price. We must not lose this resource at a time when energy prices and supplies are so volatile and the country is becoming increasingly dependent on foreign oil.

Vermont's average petroleum price is the highest in the Nation and EIA information helps our State plan for and respond to energy emergencies.

This bill includes $63 million for EIA, a $21 million cut from last year. The House included $80 million for EIA. As we proceed, I hope we keep in mind the important role EIA serves.

NAVAL PETROLEUM AND OIL RESERVES

Mr. McCAIN. Mr. President, the administration's budget request included $101 million for the naval petroleum and oil reserves for fiscal year 1996. The House has proposed appropriations of $151 million. This bill proposes appropriations of $136 million for the Senate.

The administration's budget is based on a caretaker status and does not request funding for new initiatives. The administration's budget is based on the sale of the NPR No. 1, commonly referred to as the ELK Hills site. The budget resolution also assumes the sale of the reserve.

I understand and agree that the oil field must be maintained and operated at an adequate level regardless of whether or not the reserves are sold. However, the Department of Energy has indicated that the requested fiscal year 1996 funding level combined with uncosted balances from prior years and expected improvements in operational efficiencies by DOE are sufficient to operate the site in a responsible manner such that the value of the field is maintained. The General Accounting Office has provided data showing substantial uncosted balances exist for this purpose.

I am very concerned with this additional appropriation amount. I urge the conferees on this matter to look very closely at this and determine what is really needed to operate the reserve in an appropriate manner while preserving the value of the reserve for future sale to ensure that no taxpayer's dollars are wasted.

MONTEZUMA CREEK IHS FACILITY

Mr. BENNETT. I wish to bring to the attention of the chairman a matter that, while it may appear small, is of great importance to the Utah Navajo population. The Navajo area includes 6 hospitals and 18 outpatient facilities. Unfortunately, none of these facilities are currently located in Utah. In fact, the only IHS facility in the entire State of Utah is an outpatient facility at Fort Duchensne which is located over 350 miles away.

The need for an IHS clinic located in Montezuma Creek is clearly justifiable. It is the population center for the eastern portion of the Utah Navajo. Approximately 6,000 Navajo live in southeastern Utah and unfortunately, their health care needs are greatly underserved. In an effort to begin the process of replacing the dilapidated facility, I request that $30,000 be made available to IHS for the preliminary study and design of a satellite clinic located in Montezuma Creek.

Mr. GORTON. I am aware of the Senator's interest in the design of a facility to replace the Montezuma Creek, UT facility and I hope to work with the Senator to make certain the health care needs of the Utah Navajo's are met. To this end, I would agree that of the $1.9 million included in the bill to complete partially funded health care facility designs, $30,000 is available to the IHS for the study and preliminary design of a Red Mesa facility satellite clinic to be located at Montezuma Creek. This study should include an assessment of whether such arrangement is consistent with the existing IHS health care facility priority list system.

Mr. BENNETT. I thank the chairman and I would urge IHS to work closely with the State of Utah and the Navajo Nation to utilize these funds in the appropriate manner this fiscal year. This is a small amount, but it is certainly the right first step in resolving the longstanding problems of adequate health care delivery in southeastern Utah. Again, I thank the chairman for his leadership on this bill and his efforts to help resolve this issue.

THE UNITED STATES HOLOCAUST MEMORIAL COUNCIL

Mr. SPECTER. Mr. President, I seek recognition today in support of full funding for the United States Holocaust Memorial Council which funds among other things, the staffing of the Holocaust Museum. The funding request for fiscal year 1996 by the administration was $28.9 million. This request was approved by the House of Representatives. The request is being made after a momentous year during which attendance at the Holocaust Museum reached a cumulative total of 3,880,517. The attendance totals have been an overwhelming surprise to all those planning for the reception of the public. In fact, Mr. President, it exceeds by a factor of four the anticipated attendance at the museum. This circumstance has stretched the capacity of the museum and its professional and volunteer staff to welcome the American public. This response to the program of the museum came with another unanticipated burden, that of providing a higher level of security for the public seeking to learn the lessons of the Holocaust.

Mr. President, the appropriations request for fiscal year 1996 is an increase of $2.1 million from 1995 funding. I recognize the difficult choices my fellow Members are making during this process and join with them in making the hard choices. In this case, they have chosen to recommend an appropriation of $26.6 million. I urge, however, a higher level of funding.

In light of the hatred and ethnic cleansing now underway in Bosnia and Croatia, I would anticipate an even more exponential growth of interest by Americans. In the overwhelming demand and proven need to educate our youth of the folly of mindless hatred, I see the intense need to reflect a higher sense of urgency by accommodating the request for the full funding of the council, the museum, and their activities.

I would like to inform my fellow Senators of my intention to ask my colleagues to give every consideration to accepting the House mark when they go to conference.

I yield the floor.

NRSA

Mr. BINGAMAN. Mr. President, let me ask Senator GORTON a question concerning scientists currently employed by the National Resources Science Agency [NRSA] who had been transferred from the National Park Service in 1993.

Mr. GORTON. I would be delighted to engage in a colloquy with my friend from New Mexico. I know he has a concern with the budget impact of the Interior appropriations bill on those scientists within the NRSA who advise the Park Service on science-based natural resources management.

Mr. BINGAMAN. From my understanding, the National Park Service transferred about 100 knowledgeable scientists to the NRSA in 1993. These scientists provide long-term information that helps direct management decisions. I am concerned for those scientist positions that will have to be eliminated due to budget constraints. Is it the Senator's position that the National Park Service, in coordination with the NRSA, should be included in the National Resources Science Agency's priority setting efforts for National Park Service research.

Mr. GORTON. Yes, the Senator is correct. In fact, I believe it is in the long-term interest for the national parks to be able to rely on an established pool of scientific knowledge and less on managerial guesswork and to have input into the priority setting of the NRSA.

Mr. BINGAMAN. I thank the Senator for discussing this subject with me.

ELLIS ISLAND

Mr. D'AMATO. Mr. President, I rise to discuss with the chairman of the subcommittee an issue of importance to millions of Americans. I hope to clarify the intent of the subcommittee and keep intact the integrity of what, to many, is a solemn place.

Mr. President, over a period of 62 years, more than 12 million immigrants sailed into the gateway to the United States, Ellis Island, NY. They arrived from the four corners of the Earth with only a handful of possessions, uncertain of what they would find. From Ellis Island, these individuals spread into every part of our land, eager to explore the opportunities that our dynamic Nation presented.

Many Americans, including a number of our colleagues, can trace their heritage to Ellis Island. To those who passed through the great hall and to their descendants, Ellis Island is considered a hallowed place. It is not a place to be treated insignificantly, it is a place to be respected.

That is why, Mr. President, I am weary of anything relating to Ellis Island that could somehow cheapen its meaning. That is why I have repeatedly opposed constructing a permanent bridge linking the mainland to Ellis Island. Our ancestors did not arrive at Ellis Island by foot, by horse, by cart, or by automobile. Every one of them arrived by boat. A permanent bridge would violate the cultural and historical context of Ellis Island, and would only serve to trivialize and detract from the experience of how our ancestors came to pass through Ellis Island.

Therefore, I am sure that my colleague from Washington can understand my concern with language included in the bill before us that prevents the demolition of the current, temporary bridge that runs to Ellis Island. In addition, as I understand, the language makes this temporary structure available to pedestrians provided that proper safety measures are enacted and enforced.

Mr. GORTON. Mr. President, the Senator from New York is correct. This is language that was included in the House-passed version of this legislation. The other body voted 230 to 196 to include this language. Also, it is the intent of the subcommittee that this language will prevent a situation from arising that the Senator describes, mainly, the construction of a permanent bridge.

I understand and respect the concerns of the Senator from New York that vehicle traffic not disrupt the cultural and historical context of Ellis Island. Further, the committee is devoted to ensuring the safety of visitors to Ellis Island and will expect strict adherence to all relevant safety guidelines before any pedestrian traffic is allowed. It is my intention to follow the progress of the execution of this provision and will consult with the Senator from New York as to its effectiveness.

Mr. D'AMATO. I thank my friend and colleague for that clarification. As I stated, I become concerned when I feel the integrity of Ellis Island is put into question. Fortunately, the chairman's leadership has given me confidence that this provision will be given the utmost scrutiny. I look forward to working closely with him on this issue.

Mr. President, I would like to receive further clarification from the chairman of the subcommittee on another matter in relation to Ellis Island.

As I understand, the present bill language places a 30-day hold on implementing any plan to develop the southern end of Ellis Island until the Speaker of the House and the President of the Senate have been notified and given a full and comprehensive report on such development.

Mr. GORTON. The Senator is correct.

Mr. D'AMATO. I thank my friend. Ellis Island is a place that is of special interest to all Americans. Therefore, I believe that it is very important that any interested Member of Congress be notified before the National Park Service undergoes any attempt to redevelop the southern end of Ellis Island.

Mr. GORTON. Mr. President, I would say to my friend that I understand his concern that he or any Senator who is interested in the redevelopment of Ellis Island be made aware of any plans to do so. I would expect that the Park Service would honor any request to be so notified.

To be clear, it is not the intent of the subcommittee to allow such action without scrutiny. Further, the subcommittee would expect the National Park Service on its own, to be cognizant of the concerns of those Members of Congress who express an interest in the redevelopment of Ellis Island and take those concerns into consideration prior to entering into any such agreement.

Mr. D'AMATO. I thank the chairman for that clarification.

FEDERAL APPLIANCE ENERGY STANDARDS

Mr. BINGAMAN. I would like to engage in a colloquy on this amendment with the bill manager, Senator GORTON, and Senator FORD. Federal appliance efficiency standards were established because manufacturers wanted one Federal standard as opposed to 50 different, and perhaps inconsistent, standards. If the Department of Energy cannot implement Federal standards, the States might attempt to revive their individual programs. The appliance standards adopted to date will save consumers a net of $132 billion over the lifetime of the affected products. The Department has committed to work cooperatively with manufacturers to address concerns raised in current reviews of the appliance standards. Where industry has raised significant criticisms of DOE's analysis or approach, as with recent proposals concerning fluorescent lamp ballasts and electric water heaters, DOE has organized workshops and public meetings with manufacturers to solicit further input and work together to correct the problems. The consensus approach to revising standards should be continued.

Mr. FORD. We all recognize the value of appliance efficiency standards, the cost and energy savings that have been achieved with the existing standards. However, the manufacturers have raised concerns about the methodology and assumptions in the Department's current cost-benefit analysis. For example, the burden on firms with small market shares need to be addressed. We expect the Department to analyze the impact of any modifications to standards for both small and large manufacturers. The cumulative impact of regulations across product lines should also be incorporated into the analysis.

Mr. GORTON. This amendment will only affect the proposal, issuance, or prescription of new or amended standards. There will be no limits on analysis or information exchange. Nor will there be any prohibition or limits on planning by the Department of Energy. The Senate expects that the Department and the manufactures will spend the next year working together to analyze existing standards in order to conduct accurate economic analyses and impact assessments. The second part of the amendment also clarifies that the Department may proceed to establish efficiency standards for the construction of new federally owned commercial and residential buildings. The Department can and should establish minimum efficiency requirements for construction of new Federal facilities, such as military housing and office buildings.

Mr. BINGAMAN. I fully agree that, at a minimum, we have to be able to proceed with the rules affecting Federal facilities. Once built, the taxpayers will have to cover the energy bills for the life of a facility. These standards are required by the Energy Policy Act, which was overwhelmingly supported by the Senate. Furthermore, under the Federal budget situation, we have to do everything we can to minimize ongoing operating costs. To summarize the amendment, it is my understanding that this amendment will only preclude the proposal, issuance, or prescription of rules on new or amended appliance and equipment standards. Testing and labeling will continue. There will not be any limit on grants for State programs or the Home Energy Ratings Systems [HERS] pilot projects.

ORISKANY BATTLEFIELD

Mr. D'AMATO. Mr. President, I rise to seek the guidance of my friend, the Senator from Washington, with respect to undertaking a management plan for Oriskany Battlefield.

Oriskany Battlefield is a national historic landmark that designates the site of a major American Revolutionary War battle. On that site, American patriots fought British regulars, loyalists, and certain nations of the Iroquois Confederation. Of particular interest is the involvement of four of the six nations of the Confederation on the side of the British. The Oneida and Tuscarora Nations within the Iroquois Confederation chose to support the Americans over the British, leading, as is believed, to the dissolution of the 200 year-old Confederation.

The significance of the battlefield, its proximity to another historic and integrally linked national site, Fort Stanwix National Monument, and the circumstances surrounding the involvement of the combatants make Oriskany Battlefield an ideal candidate for possible inclusion in the National Park System. There is demonstrated interest on the part of citizens of the local community, New York State, and the Oneida Nation of New York to explore the option of a larger Federal role in the site. However, in order to do this, a general planning study must be undertaken.

Mr. GORTON. Mr. President, I am familiar with the request of the Senator from New York to have this study conducted by the Park Service. The subcommittee is confident that the Park Service will give due consideration to the Senator's request to include Oriskany Battlefield in the National Park System.

Mr. D'AMATO. I thank my friend.

INTERTRIBAL BISON COOPERATIVE

Mr. DASCHLE. Mr. President, I would like to take this opportunity to clarify the intent of the Senate Appropriations Committee regarding the funding for Bureau of Indian Affairs bison restoration projects.

As you may know, the Intertribal Bison Cooperative was formed 3 years ago with only nine tribes as members. ITBC's mission is to reestablish healthy bison populations on tribal lands in a manner that promotes economic development, cultural enhancement, ecological restoration, and spiritual revitalization.

The role of ITBC, as established by its membership, is to act as a facilitator in coordinating education and training programs, develop marketing strategies, coordinate the transfer of surplus buffalo from national parks to tribal lands, and provide technical assistance to its membership in developing management plans that will help each tribal herd become a successful and self-sufficient operation.

Today, the cooperative works with 36 member tribes spread across 15 States. The united efforts of cooperative member tribes to restore the Nation's bison population have created much-needed economic development for the member tribes through the sale of buffalo meat and other byproducts.

Last year, the Bureau of Indian Affairs put the cooperative's bison herd management program in jeopardy by distributing its limited fiscal year 1995 funds among any or all of the federally recognized Indian tribes. The effect of this action has the potential to undermine the cooperative spirit that ITBC has worked many years to achieve and that has fostered its success. I believe that the BIA's interpretation of congressional intent was clearly in error.

It has been consistently my belief that the ITBC, which has proven its success in achieving self-sufficiency, warrants investment by Congress. Of course, tribes wishing to qualify for Federal bison restoration funding are free to become members of the cooperative.

I would like to take this opportunity to inquire of my colleagues whether it is the intent of the Appropriations Committee to distribute fiscal year 1996 bison project funds specifically to the Intertribal Bison Cooperative and its member tribes.

Mr. BYRD. Mr. President, the Senator from South Dakota, Senator DASCHLE is correct.

Mr. DASCHLE. Mr. President, I would ask the chairman of the Interior Appropriations Subcommittee, Senator GORTON, if he concurs that my understanding that the fiscal year 1996 bison restoration project funds are to be solely designated for the Intertribal Bison Cooperative and its member tribes is correct?

Mr. GORTON. Mr. President, that is correct. It is the intent of the Appropriations Committee that fiscal year 1996 funding for bison restoration projects be distributed by the Bureau of Indian Affairs to the Intertribal Bison Cooperative and not to all federally recognized tribes.

Mr. DASCHLE. I want to thank my colleagues from the committee for this clarification.

Mr. STEVENS. Mr. President, I want to commend the chairman of the Appropriations Subcommittee on Interior and related agencies, Senator GORTON, and the ranking member, Senator BYRD, for the work that they and their staffs have done in shepherding the Interior appropriations bill through subcommittee and full committee. I would like to engage the senior Senators from West Virginia and Washington in a colloquy regarding the U.S. Holocaust Memorial Museum.

The subcommittee has funded the museum at the 1995 level of $26,609,000. As my colleagues know, the House-passed Interior bill appropriates $28,707,000. This is a $2,098,000 increase over fiscal year 1995. The added funds are needed for the institution to meet the extraordinary and unanticipated demand from visitors and the attendant heightened security and wear-and-tear on the building.

Let me just illustrate this point. Before opening to the public 2½ years ago, the museum estimated the likely visitation at 500,000 annually. Instead, the museum has had over 2,000,000 visitors each year instead of the 500,000 anticipated. I am especially heartened by who is coming to the Holocaust Museum. Four out of five visitors travel more than 100 miles to see the permanent exhibit. In 1955, more than 285,000 students will tour the museum as part of organized groups. The Holocaust Museum is a destination point in Washington, and is now one of the most visited museums in Washington.

And the museum's reach does not stop at the Potomac. The institution is assisting teachers, scholars, survivors, and our veterans in making sense of this dark hour in world history. It has responded to 70,000 requests from educators; its Internet mailbox, open less than 6 months, receives 15,000 inquiries a week; and its research institute has assisted 11,000 scholars and researchers and 14,500 survivors.

In short, the Holocaust Museum has done all that the Congress envisioned for it and more. This remarkable success, when coupled with its newness, makes its case especially persuasive. I ask my colleagues to give every consideration to accepting the House's mark when they go to conference.

Mr. GORTON. I recently met with the new Director of the Holocaust Museum, Dr. Walter Reich. I told him then that I am now a great supporter of his institution. I think it has made a powerful and necessary contribution to the Nation's education and remembrance.

As the Senator from Alaska knows, the committee had to make some painful choices during the markups. I have listened to his persuasive statement, and I want to assure him that I will review the facts and give every consideration to the House's funding level for the museum.

Mr. BYRD. This Nation has created a museum of memory, a memorial to the victims of the Holocaust. It teaches us the lessons of what happens when democracy is not preserved, when democratic practices are subverted, when the public will is subjugated. I, too, want to commend the museum on its efforts and successes, and I want to say to Senator STEVENS and other Members of this body that I will listen carefully and give the Senator from Alaska's proposal to fund the Holocaust Museum every consideration.

Mr. STEVENS. Mr. President, I would like to engage the senior Senators from West Virginia and Washington in a colloquy concerning a particular need in Alaska that just recently came to my attention and is not currently addressed in the bill.

Alaska Senator Robin Taylor has advised me of the need to provide funds in the U.S. Forest Service budget for some critical environmental studies related to construction of the American portion of a proposed public toll road from the Iskut River region of British Columbia, Canada to the Bradfield Canal near Wrangell, AK. This is called the Bradfield Road.

An environmental impact statement is required because the road must cross through the Tongass National Forest, which encompasses most of southeastern Alaska. The Tongass is the country's largest national forest at 16.7 million acres, an area larger than the States of West Virginia and Rhode Island combined. Because of its immense size, almost no road can be constructed to serve southeastern communities that does not traverse the Tongass National Forest.

Mr. GORTON. Why is the road needed?

Mr. STEVENS. With no existing road, Wrangell is currently economically isolated. It is served only by air and ferry. Until recently Wrangell's economy was largely dependent on the timber industry. However, last year the U.S. Forest Service unilaterally canceled Alaska Pulp Company's 50-year timber contract, resulting in the closure of the Wrangell sawmill. As a result, the unemployment rate has skyrocketed up to 40 percent and climbing. Unless a new economy develops, the city and its residents face a harsh winter ahead.

The proposed Bradfield Road would provide the shortest route to tidewater for several Canadian gold and copper mining operations. The nearest Canadian port to the mining district is roughly four times farther than Alaska's Bradfield Canal. The Bradfield Road would not only reduce transportation costs and the overall environmental impact of the project, but it would create American jobs in Wrangell. The people of Wrangell would be involved in constructing the road in the short-term, and in the long-term would have access to mining jobs in Canada and increased tourism opportunities in the area.

The Alaska State Legislature has already committed to pay the construction costs of the road through revenue bonds. Commercial and public traffic will pay a toll to use the road, which will finance its operation and maintenance. The only contribution required from the Federal Government is funds to conduct the EIS required by the National Environmental Policy Act.

I propose that $2.5 million of the funds provided in this bill to be allocated to region 10—the Alaska region—be allocated to conduct the EIS required by NEPA. The funds should be taken out of non-timber-producing accounts such as recreation and administration.

Mr. GORTON. Given the severe economic dislocation occurring in Wrangell as a result of the U.S. Forest Service's decision to terminate the contract which provided timber to the Wrangell mill, I agree that the Bradfield Road should be given priority. I concur with my good friend from Alaska that the Service should allocate the funds necessary to complete the environmental studies. The Service should be directed to fund this project out of accounts not designated to produce timber in region 10.

Mr. STEVENS. Does the distinguished Senator from West Virginia concur?

Mr. BYRD. Since the Alaska State Legislature has agreed to fund construction of the road and provide for its operation and maintenance, I support the concept of directing the Service to conduct the necessary environmental studies. The funds should be reallocated out of nontimber funds already budgeted for region 10.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I want to thank Senator GORTON and commend him for the great job he has done putting together a very difficult bill. There are important parts of this bill that will have a lasting impact. One of those is the extension of the Endangered Species Act moratorium which I sponsored, and was enacted, several months ago to try to wait until we have reauthorization of the Endangered Species Act so that future listings will have the stamp of congressional intent in a revised Endangered Species Act.

This moratorium is a very important part of the legislation before us. We have seen so many jobs lost, so many people devastated in their ability to use their land and farm and ranch and make their livelihoods, because of the Endangered Species Act being overzealously enforced.

I believe that the Endangered Species Act was passed with all the right intentions, and I think many of the things that are done by Fish and Wildlife are very good. But we have seen such excesses that the water supply of two cities in my State, Amarillo and San Antonio, have been endangered by bait fish, the Arkansas River shiner and the fountain darter in the Edwards aquifer.

We now see the same thing coming forward with the same Edwards aquifer, only this time it is three beetles that have now been proposed as endangered, despite the effect on the water supply of the 10th largest city in America.

So I do appreciate the fact that we are extending the moratorium until the earlier of reauthorization of the Endangered Species Act, or until the end of 1996, which will give Congress the time to set parameters for the Endangered Species Act that will assure that we have balanced the needs of people with species.

We added money to the Fish and Wildlife Service's budget during floor debate on this bill. I expect that the listing money will be used only to delist some of the endangered species that really should not be on the list, and the prelisting money for species conservation so that we will not have to list new endangered species. That would be a very good use of our taxpayer dollars.

The second thing that I think is very important that we put in this bill, and I want to thank Senator GORTON and Senator BYRD for agreeing to do it, is in the National Biological Survey language. We make sure that a private property owner must give permission for any new surveys under this act, and including aerial surveys.

We have had instances in my State and others where airplanes paid for by the National Biological Survey have flown over private property without permission taking pictures for habitat studies. That is now prohibited in this act. That is why I think it is very important that we pass the act and say, once again, that private property is protected by the Constitution of the United States.

I think the Congress is speaking today to make sure that everyone understands—that the people in Washington, in Government understand—that we are going to protect private property rights, and I think we have taken a step in the right direction today.

Thank you, Mr. President. I yield the floor.

Mrs. BOXER. Mr. President, I am disappointed that the fiscal year 1996 Interior Department appropriations bill as reported by the Senate Appropriations Committee does not earmark funds for land purchases within the Santa Monica Mountains National Recreation Area [SMMNRA]. I am greatly concerned that this remarkable national treasure—an island of green in an urban sea—now faces the prospect of increased development within its boundaries. We must not let this happen. Our continued support of this majestic recreation area is crucial.

The open spaces of the SMMNRA stretch over 50 miles from Elysian Park in downtown Los Angeles to Point Mugu State Park in Ventura County. The mountains climb from the Pacific Ocean to provide breathtaking vistas of the Los Angeles Basin, the blue Pacific, and the San Fernando Valley.

The Santa Monica Mountains are the only undeveloped pristine mountain range in the world that bisects a major city—in this case the Nation's second largest. In addition, the Los Angeles area has one of the lowest amounts of open parkland per capita in the United States.

This national recreation area provides recreational opportunities for more than 12 million people living in surrounding communities—including hikers, campers, picnickers, and nature lovers, young and old. The beauty of the recreation area leads many visitors to express amazement that they are just minutes from an urban area the size of Los Angeles. In the mountains, a variety of wildlife live and thrive, including mountain lions, deer, and a dozen endangered plants and animals. 369 bird species, 50 species of mammals, and 36 kinds of reptiles and amphibians call this area home.

The land that was to be purchased through funding in the fiscal year 1996 Interior appropriations bill includes undeveloped canyons, key wildlife corridors, and trailways that provide coastal access and link several major activity centers throughout the SMMNRA.

Significant progress on land acquisitions was made with the purchase of the Jordan Ranch, the largest acquisition in the park's history, but delays have escalated purchase costs and threaten opportunities to acquire key parcels that otherwise may be developed. Biologically significant areas could be lost if we do not act now.

Although I would have preferred a specific allocation for this request, there is still an opportunity to get funds from this bill. Of the $43.2 million appropriated by the bill for land acquisition by the National Park Service, approximately $6 million is designated for emergencies and hardships and inholdings. I intend to call on the Clinton administration to designate the Santa Monica Mountains project as a top priority for funding under these provisions.

We must continue our commitment to the Santa Monica Mountains National Recreation Area. We must do this for ourselves and our environment, and the name of future generations—so that they may enjoy the rich natural splendor of the southern California landscape.

Mr. JOHNSTON. Mr. President, earlier today, the Senate agreed to accept an amendment to this bill that imposes a 1-year moratorium on issuance of new or amended appliance efficiency standards. The amendment will not prevent engineering or economic analyses on efficiency standards, but it will stall issuance of new or amended rules for a year. This is a limited delay in the implementation process, only until September 30, 1996, so that appliance manufacturers can work out their concerns with the process with the Department of Energy [DOE]. The manufacturers and the Department are expected to resolve differences with the methodology and assumptions in the current analytical process. A process to mitigate the affect of any retooling modifications on small manufacturers should be worked out so that any potential for anticompetitive impacts will be resolved early in future rulemakings. Consensus and voluntary efforts are not affected and should proceed. Appliance testing and labeling will continue and no limits will be imposed on the State grant program or the home energy ratings system. The Department is also expected to proceed with issuance of rules on minimum efficiency standards for Federal-owned buildings as required in the Energy Policy Act.

The efficiency program authorized under the Energy Policy and Conservation Act [EPCA], as amended, has been one of our Nation's most effective programs at ensuring wiser energy use. The appliance efficiency standards currently in place will save consumers over $132 billion over the life of the products. In the 100th Congress, the National Appliance Energy Conservation Act of 1987 was enacted establishing minimum Federal appliance standards. Additional amendments were enacted in 1988. Both bills were reported unanimously by the Senate Energy and Natural Resources Committee. These two actions amended EPCA to require and set Federal standards and preempt a patchwork of State standards. Congress established minimum Federal standards by statute to take effect between 1988 and 1993, depending on the product. DOE was required to conduct follow up rulemakings to determine whether the standards established in the statute were adequate.

Under EPCA, the DOE standards rulemakings require very specific cost-benefit analyses. The criteria for prescribing new or amended standards specifically require the Secretary to determine that benefits exceed the burdens to the greatest extent practicable, considering the following: the economic impact on manufacturers and consumers; a determination of a positive net present value to the consumer of any increased price; any lessening of consumer utility or product performance; impact on competition as determined by the Attorney General; and any other factors considered relevant.

Any final rule will have to address all of the above issues. In addition, none of the new standards would go into effect for 3 to 5 years after the final rule is in effect.

The process followed under EPCA entails issuance of an advanced notice of proposed rulemaking [ANOPR] to solicit the necessary information to carry out cost-benefit and detailed engineering analyses of the feasibility of any proposed standard. A notice of proposed rulemaking [NOPR] is subsequently published with draft proposed standards, including the cost-benefit criteria and engineering analyses used in developing the proposal. The Department of Justice and all interested persons are asked to comment on the NOPR. EPCA requires the Secretary to hold a conference or informal procedure to allow interested parties an opportunity to question written or oral presentations of U.S. employees where facts are in dispute. DOE then drafts a proposed final rule based on the input received from the previous two rounds of public comment.

DOE is attempting to work collaboratively with the industry to develop the engineering and economic models. The Congress and the public have strongly supported this program in the past and after the opportunity for the Department and industry to come to closure on certain technical issues, the program will continue without interference as Congress intended.

IHS STUDY ON STAFFING DISTRIBUTION

Mr. BINGAMAN. Mr. President, I thank the floor managers, the distinguished Senator from Washington [Mr. GORTON], and the distinguished Senator for West Virginia [Mr. BYRD], and the members of their staffs, for working with me on this amendment. I am very pleased that they have agreed to accept it.

I offered this amendment to help ensure that the IHS meets the health care needs of the American Indians in an equitable, cost-efficient manner. The amendment requires the Secretary to submit a report to the Congress that contains a comparison and analysis of IHS staffing by health facility and service unit.

For several years, I have been very concerned about the inability of the Indian Health Service to fully meet the health care needs of American Indians in my home State of New Mexico and throughout the country. I am particularly apprehensive about the new IHS hospital in Shiprock, NM, which opened last year under-staffed and which remains understaffed today.

Too often in the past, the Federal Government has overlooked the health care needs of American Indians. As a result, the IHS currently meets only 45 percent of the total estimated health care need of our Nation's 1.3 million Indians and Alaska Natives.

I am concerned that in our zeal to lower the Federal budget deficit and cut waste from the system, we will do harm to Indian children and families if we do not develop strategies for dealing with existing and project funding and staffing shortfalls. We need to work together to streamline administrative services, eliminate bureaucratic waste, and maximize existing resources through the thoughtful, mandatory redistribution of personnel and equipment from areas of lesser need and low productivity to areas of greater need and potential.

This amendment will help us achieve these goals. Specifically:

First, distribution study and report: To ensure that the Indian Health Service meets the health care needs of the American Indians in an equitable manner, the Secretary is directed to submit to the Congress a report containing a comparative analysis of Indian Health Service staffing by health facility and Service Unit.

Such report and analysis shall:

First, intra-facility ratio: Compare the ratio of health care providers—by profession—to patients in each IHS hospital facility and clinic;

Second, Inter-facility ratio: Compare facility ratios throughout the IHS system to ensure that all areas of the country are being served equitably; and

Third, Overall staffing distribution: Analyze overall staffing and distribution levels, including all types of health professionals, support staff, and administrative staff.

Again, I thank the managers of the bill and their staffs for accepting this amendment.

KLAMATH NATIONAL WILDLIFE REFUGE PESTICIDE USE

Mrs. BOXER. Mr. President, as the Senate considers the fiscal year 1996 Interior appropriations bill, I want to express my concerns about language in the committee report that affects the natural resources and wildlife of California.

I am disappointed that the Senate Appropriations Committee added language to the bill that prohibits the U.S. Fish and Wildlife Service from enforcing its pesticide use policies in the Lower Klamath and Tule Lake National Wildlife Refuges in northern California and southern Oregon. Specifically, the language states that pesticide use can continue if the pesticide meets applicable Federal and State pesticide laws for use on non-Federal land. According to the Department of the Interior and the Fish and Wildlife Service, this language, if enacted, will significantly increase the risk of pesticide related deaths of migratory birds and endangered species on these protected lands. Mr. President, this land is federally owned but leased to private individuals, and this language would override the Fish and Wildlife Service's authority to restrict pesticide use on public land even when the pesticide endangers the wildlife the Service is directed to protect.

This requirement needlessly micromanages specific national wildlife refuges and undermines the conservation aims of the refuge system. Thirty-five herbicides, fungicides, insecticides, and nematocides made with chemicals known to have reproductive- and endocrine-disrupting effects will be allowed to be used in the next year as a result of this language.

Unfortunately, the language in the Senate bill may be the best option available to the Fish and Wildlife Service since the House Resources Committee has approved the National Wildlife Refuge Improvement Act of 1995, which permanently prohibits the Fish and Wildlife Service from enforcing its pesticide use policies in the Klamath and Tule Lake National Wildlife Refuges. A permanent ban on the enforcement of pesticide policies in these refuges is even more disturbing than a 1-year moratorium on enforcement.

The Department of the Interior and the Fish and Wildlife Service share my concerns about the language contained in the Interior appropriations bill, but believe that they will be able to work out a compromise with the parties involved in the next year. This negotiation and eventual resolution would remove the need for a permanent ban. I sincerely hope that all interested parties are able to resolve the questions surrounding the use of pesticides in our refuges in a timely manner. I will be monitoring this process closely and, if necessary, I will fight any permanent ban against enforcement of these pesticide use policies.

HIV-AIDS STUDY

Mr. BINGAMAN. Mr. President, over the past several months, I have met with several groups from New Mexico's Indian tribes to discuss the Indian Health Service and the health needs of American Indians. Many mentioned to me that, like the rest of the population in the United States, the incidences of HIV and AIDS is growing among native American populations. I learned recently that on the Navajo Nation, which includes parts of the States of New Mexico, Arizona, and Utah, 53 cases of HIV and AIDS have been reported to IHS. A few years ago, there were almost none.

Unfortunately, many of the people who care for HIV-AIDS-infected native Americans believe that the IHS has not begun taking aggressive steps to meet this growing—and potentially very costly—need. Current IHS policy is to treat HIV-AIDS-infected patients with general IHS service funds. The IHS is not funded through the Ryan White CARE Act, although I believe it should be. The result is that already insufficient funds are squeezed even tighter.

My amendment would simply require the IHS to do a little preplanning. It directs the IHS to undertake a study of the existing need and develop a plan for meeting the need. Specifically:

(I) Study: The Secretary is directed to report to Congress, by Service unit, on: (1) incidences of HIV–AIDS among the American Indians and Alaska Natives; (2) services provided under the PHS Act to HIV–AIDS-positive Indians; (3) unmet needs, including preventive educational needs, of Indians and Alaska Natives living with HIV–AIDS who use the IHS for primary health care; (4) capacity of each Service unit to meet the existing need; and (5) resources, including education, needed to meet existing and projected need.

(II) Plan: Based on the results of the study, the Secretary is directed to develop a plan meeting the existing and projected needs.

Mr. President, I want to thank the managers of the bill for accepting my amendment, and I look forward to working on this issue with them and other interested Members of Congress as the Interior appropriations bill goes to conference with the House. I believe we will be able to effectively deal with this amendment and its reporting requirements during the conference.

Mr. LEAHY. Mr. President, I want to congratulate the Chairman, the senior Senator from Washington, for doing an outstanding job on a very difficult bill. There are many divisive issues that lend themselves to one-sided partisanship in the interior appropriations bill. Senator GORTON presided over a balanced and responsible bill that maintained our commitment to good government and saved more than $1 billion. I want to commend him for his excellent work and thank him for the integrity and fairness of his efforts.

I also want to thank Senator BYRD, whose wisdom, experience, and fairness was a perennial asset in putting this bill together. I am very grateful for the bipartisanship represented in this bill, and look forward to working with the chairman and the ranking member as we go to conference.

There are a few programs that I want to highlight that were served very well by the chairman, such as the National Biological Survey [NBS]. Some interest groups and Members of Congress use the NBS as a hook to hang all sorts of fears and frustrations about natural resource management. In fact, the NBS is not comprised of new money, new employees, or new research objectives. It is simply a consolidated collection of all the research that has been going on for decades assembled under one, nonregulatory agency so that science can be served well. Chairman GORTON and Senator BYRD also took fair and balanced positions on endangered species act funding, the water institutes, the Appalachian Trail, the Park Service, and Federal land acquisition.

I want to thank the managers of the bill for making changes to the AmeriCorps language at the request of Senator MURRAY and myself. I also appreciate their willingness to work with me on the National Endowment for the Arts and on the Stewardship Incentive Program. I believe the revised language for the ecosystem management objectives for eastern Oregon and Washington is also a valuable improvement.

Finally, I want to express some disappointments that I wish we could have improved. In particular, I was sorry to see such substantial cuts in the weatherization program which is so important to frost belt States like my native State of Vermont. While the Senate mark is higher than the House, it still respresents a cut that will have a significant impact in Vermont. I hope in conference we can protect the Senate funding. I had also hoped to see stronger funding for Historic Preservation, the Advisory Council on Historic Preservation, and the National Capital Arts and Cultural Affairs program. Vermont leverages $28 for every Federal historic preservation dollar with our Main Street program. I was disappointed by a complete elimination of the Land and Water Conservation Fund State grant program and the 50 percent cut in the Forest Legacy program. Both of these items are critically important to my State. Last, I wish we could have continued our efforts to restore the Atlantic Salmon to the Connecticut River with a buy-out of foreign fishermen who harvest our hatchery stock on the high seas.

Nonetheless, as a former subcommittee chairman myself, I am well aware that the chairman and ranking member cannot make good on every request, especially in times like these. I hope that they will bear in mind my thoughts as we go to conference with the House. I want to thank both the managers for their leadership and congratulate them again on a difficult but successful Interior appropriations bill.

Mr. GORTON. Mr. President, most Members have been notified that we did not expect to have a rollcall vote on final passage of this bill. There has now been a request by a Member for a rollcall.

So, Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. GORTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ABRAHAM). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NOS. 2326 AND 2327, EN BLOC

Mr. GORTON. Mr. President, I send two amendments to the desk in behalf of Senator BINGAMAN, and I ask for their consideration en bloc.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Washington (Mr. GORTON), for Mr. BINGAMAN, proposes amendments numbered 2326 and 2327, en bloc.

Mr. GORTON. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2326

(Purpose: To provide for a comparative analysis of the Indian Health Service)

At the appropriate place, insert the following new section:

SEC. . DISTRIBUTION OF INDIAN HEALTH SERVICE PROFESSIONALS.

(a) IN GENERAL.—To ensure that the Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary"), acting through the Indian Health Service, is making efforts to meet the health care needs of Indian tribes (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)) in an equitable manner, the Secretary shall, not later than April 30, 1996, submit to the Congress a report that meets the requirements of subsection (b).

(b) CONTENTS OF REPORT.—The report prepared by the Secretary under this section shall—

(1) contain a comparative analysis of the Indian Health Service staffing that includes comparisons of health care facilities (including clinics) and service units (as defined in section 4(j) of the Indian Health Care Improvement Act (25 U.S.C. 1603(j));

(2) for each health care facility of the Indian Health Service (as determined by the Secretary), determine, for each health profession (as defined in section 4(n) of the Indian Health Care Improvement Act (25 U.S.C. 1603(n)), the ratio of—

(A) the number of members of that health profession that provide health services in that facility; to

(B) the number of patients served by the members of that health profession in that facility;

(3) provide a comparative nationwide analysis of health care facilities of the Indian Health Service based on the ratios determined under paragraph (2) in order to ascertain whether each service area (as defined in section 4(m) of the Indian Health Care Improvement Act (25 U.S.C. 1603(m)) is providing an equitable level of health services; and

(4) provide an analysis of—

(A) the overall levels of staffing of all types of health professions, support staff, and administrative staff at facilities referred to in paragraph (3); and

(B) the distribution of the staffing referred to in subparagraph (a) by service unit.

AMENDMENT NO. 2327

(Purpose: To provide for a program of HIV Prevention and Treatment in the Indian Health Service)

At the appropriate place, insert the following new section:

SEC. . HIV-AIDS PREVENTION AND TREATMENT PLAN.

(a) REPORT.—Not later than March 1, 1996, the Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary"), acting through the Indian Health Service and in consultation with Indian tribes (as defined in section 4(d) of the Indian Health Care Improvement Act (25 U.S.C. 1603(d)), shall prepare and submit to the Congress a report that evaluates,

(1) the incidences of HIV and AIDS among Indian tribes;

(2) the services provided under title XXVI of the Public Health Service Act to members of Indian tribes living with HIV and AIDS;

(3) the unmet needs, including preventive educational needs, of members of Indian tribes living with HIV and AIDS who use the Indian Health Service for their primary health care;

(4) the internal capacity of each service unit of the Indian Health Service to meet the existing need; and

(5) the resources, including education, needed to meet existing and projected need.

(b) SERVICE PLAN.—The Secretary, acting through the Indian Health Service and in consultation with Indian tribes, shall develop and implement a plan of action for meeting the existing and projected needs, which based on the evaluation conducted pursuant to subsection (a), are determined to be unmet.

Mr. GORTON. Mr. President, each of these amendments is for a study within the Indian Health Service.

We have not had time to deal with them to the point at which we have full confidence in them, though each of them appears to have a degree of merit.

I ask that they be agreed. But we will have to look at them very carefully on both sides during the course of the conference committee and see whether or not they are appropriate or need to be revised. But at this point we are willing to accept them.

Mr. BYRD. Mr. President, the amendments meet with approval on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from New Mexico, en bloc.

The amendments (Nos. 2326 and 2327) were agreed to.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, the only two matters that remain are a significant number of colloquies and third reading and final passage.

We will ask unanimous consent for the colloquies later. But in order to speed on with this evening, I ask for third reading. There will be no further amendments.

I do not believe there will be any further debate.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall the bill pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 92, nays 6, as follows:

[Rollcall Vote No. 378 Leg.]

YEAS—92

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—6

Heflin
Helms
McCain
Moseley-Braun
Simon
Wellstone

NOT VOTING—2

Bradley
Mack

So the bill (H.R. 1977), as amended, was passed.

Mr. GORTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GORTON. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives and that the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, the Presiding Officer (Mr. ABRAHAM) appointed Mr. GORTON, Mr. STEVENS, Mr. COCHRAN, Mr. DOMENICI, Mr. HATFIELD, Mr. BURNS, Mr. BENNETT, Mr. MACK, Mr. BYRD, Mr. JOHNSTON, Mr. LEAHY, Mr. BUMPERS, Mr. HOLLINGS, Mr. REID, and Mrs. MURRAY conferees on the part of the Senate.

Mr. GORTON. Mr. President, I want to take this opportunity to state the obvious, but an obvious that is all too often overlooked, and that is that there was no possibility of dealing with this bill either in the timeframe within which we dealt with it, nor the effectiveness, nor efficiency, nor the wisdom with which we have dealt with it without the help of a number of dedicated members of the staff:

Cherie Cooper, who is majority clerk; Sue Masica, the minority clerk; Carole Geagley; Kathleen Wheeler, who has worked on energy, BIA, the geological survey, land and water conservation accounts; Bruce Evans, who was formerly of my personal staff, who dealt with Fish and Wildlife Service, mines; Virginia James with NEH, which was, obviously, very controversial, and the Smithsonian; and Ted Milesnick, a detailee from the Bureau of Land Management to provide support service to all accounts; and my own staff member, Julie Kays, a legislative assistant on my staff who is tireless, fearless, and persuasive in all she does; and, once again, to thank Senator BYRD whose advice, counsel, and wisdom has been of great assistance, for that matter all of the members of my subcommittee, each of whom contributed significantly to this result.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I will take a few seconds to express my admiration for Mr. GORTON because of the remarkably superb job that he did in skillfully piloting the appropriations bill for the Department of the Interior through committee and through the Senate. He did an outstanding job, and I am grateful to him and for his fairness, his courtesy, and for his ability in moving this bill.

I also want to thank Sue Masica, my superb staff person, and Cherie Cooper is an equally superb staff person on the other side of the aisle. I think that this has been a preeminently fine display of skill and statesmanship on the part of Mr. GORTON on behalf of the Senate. I express all of our appreciation to him.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me thank my colleague from Washington, Senator GORTON, and also the distinguished Senator from West Virginia, Senator BYRD, for their expeditious action on a very important and a very, in some areas, contentious bill. They have disposed of the amendments, I think, in very good time.

Now we are prepared to move on to the next bill. Let me remind my colleagues, everything is on automatic pilot. The speech you do not make in the next 2 days means you will get out that much earlier. You can make the speech when you get home, and a lot of people have never heard it before and most of us have.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of H.R. 2002, the transportation appropriations bill.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes, which had been reported from the Committee on Appropriations with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

H.R. 2002

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes, namely:

TITLE I

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Salaries and Expenses

For necessary expenses of the Office of the Secretary, **[**$55,011,500**]** *$56,500,000*, of which not to exceed **[**$40,000**]** *$60,000* shall be available as the Secretary may determine for allocation within the Department for official reception and representation expenses: *Provided*, That notwithstanding any other provision of law, there may be credited to this appropriation up to $1,000,000 in funds received in user fees established to support the electronic tariff filing system: *Provided further*, That none of the funds appropriated in this Act or otherwise made available may be used to maintain **[**duplicate physical copies**]** *custody* of airline tariffs that are already available for public and departmental access at no cost; to secure them against detection, alteration, or tampering; **[**or open them**]** *and open* to inspection by the Department.

Office of Civil Rights

For necessary expenses of the Office of Civil Rights, **[**$6,554,000**]** *$12,083,000*, and in addition, $809,000, to be derived from "Federal-aid Highways" subject to the "Limitation on General Operating Expenses".

Transportation Planning, Research, and Development

For necessary expenses for conducting transportation planning, research, systems development, and development activities, to remain available until expended, **[**$3,309,000**]** *$9,710,000*.

Working Capital Fund

Necessary expenses for operating costs and capital outlays of the Department of Transportation Working Capital Fund associated with the provision of services to entities within the Department of Transportation, not to exceed **[**$102,231,000**]** *$104,364,000* shall be paid, in accordance with law, from appropriations made available to the Department of Transportation.

Payments to Air Carriers

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING RESCISSION OF CONTRACT AUTHORIZATION)

For liquidation of obligations incurred for payments to air carriers of so much of the compensation fixed and determined under subchapter II of chapter 417 of title 49, United States Code, as is payable by the Department of Transportation, **[**$15,000,000**]** *$26,738,536*, to remain available until expended and to be derived from the Airport and Airway Trust Fund: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs in excess of **[**$15,000,000**]** *$26,738,536* for the Payments to Air Carriers program in fiscal year 1996: *Provided further*, That none of the funds in this Act shall be used by the Secretary of Transportation to make payment of compensation under subchapter II of chapter 417 of title 49, United States Code, in excess of the appropriation in this Act for liquidation of obligations incurred under the "Payments to air carriers" program: *Provided further*, That none of the funds in this Act shall be used for the payment of claims for such compensation except in accordance with this provision: *Provided further*, That none of the funds in this Act shall be available for service to communities in the forty-eight contiguous States *and Hawaii* that are located fewer than **[**seventy**]** *seventy-five* highway miles from the nearest large or medium *or small* hub airport, or that require a rate of subsidy per passenger in excess of $200 unless such point is greater than two hundred **[**and ten**]** miles from the nearest large or medium hub airport: *Provided further*, That of funds provided for "Small Community Air Service" by Public Law 101–508, **[**$23,600,000**]** *$11,861,464* in fiscal year 1996 is hereby rescinded**[**: *Provided further*, That, notwithstanding any other provision of law, effective January 1, 1996 no point in the 48 contiguous States and Hawaii eligible for compensated transportation in fiscal year 1996 under subchapter II of chapter 417 of title 49, United States Code, including 49 U.S.C. 41734(d), shall receive such transportation unless a State, local government, or other non-Federal entity agrees to pay at least fifty percent of the cost of providing such transportation, as determined by the Secretary of Transportation: *Provided further*, That the Secretary may require the entity or entities agreeing to pay such amounts to make advance payments or provide other security to ensure that timely payments are made: *Provided further*, That, notwithstanding any other provision of law, points covered by the cost-sharing provisions under this head for which no State, local government, or non-Federal entity agrees to pay at least fifty percent of the cost of providing such transportation shall receive a reduced level of service in fiscal year 1996, to be determined by the Secretary as follows: The Secretary shall subtract from the funds made available in this Act so much as is needed to provide compensation to all eligible points for which a State, local government, or other non-Federal entity agrees to pay at least fifty percent of the cost of providing such transportation, and, with remaining funds, allocate to each other point an amount reduced by the ratio of the remainder calculated above to all funds made available in this Act: *Provided further*, That the Secretary shall allocate any funds that become unallocated as the year progresses to those points for which a State, local government, or other non-Federal entity does not agree to pay at least fifty percent of the cost of such transportation**]**.

Payments to Air Carriers

(RESCISSION)

Of the budgetary resources remaining available under this heading, $6,786,971 are rescinded.

Rental Payments

For necessary expenses for rental of headquarters and field space not to exceed 8,580,000 square feet and for related services assessed by the General Services Administration, **[**$130,803,000**]** *$139,689,000*: *Provided*, That of this amount, $1,897,000 shall be derived from the Highway Trust Fund, $41,441,000 shall be derived from the Airport and Airway Trust Fund, $836,000 shall be derived from the Pipeline Safety Fund, and $169,000 shall be derived from the Harbor Maintenance Trust Fund: *Provided further*, That in addition, for assessments by the General Services Administration related to the space needs of the Federal Highway Administration, **[**$17,099,000**]** *$17,685,000*, to be derived from "Federal-aid Highways", subject to the "Limitation on General Operating Expenses".

Minority Business Resource Center Program

For the cost of direct loans, $1,500,000, as authorized by 49 U.S.C. 332: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $15,000,000. In addition, for administrative expenses to carry out the direct loan program, $400,000.

Minority Business Outreach

For necessary expenses of the Minority Business Resource Center outreach activities, **[**$2,900,000**]** *$2,100,000*, of which **[**$2,642,000**]** *$1,842,000* shall remain available until September 30, 1997*: Provided, That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation.*

Interstate Commerce Commission Sunset

For necessary expenses, of the Office of the Secretary, not otherwise provided for, $4,705,000, to transfer residual rail and motor carriers functions from the Interstate Commerce Commission to the Department of Transportation.

COAST GUARD

Operating Expenses

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed five passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97–377, as amended (42 U.S.C. 402 note), and section 229(b) of the Social Security Act (42 U.S.C. 429(b)); and recreation and welfare; [$2,565,607,000] *$2,286,000,000*, of which $25,000,000 shall be derived from the Oil Spill Liability Trust Fund[; and of which $25,000,000 shall be expended from the Boat Safety Account]: *Provided*, That the number of aircraft on hand at any one time shall not exceed two hundred and eighteen, exclusive of aircraft and parts stored to meet future attrition: *Provided further*, That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States: *Provided further*, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109, except to the extent fees are collected from yacht owners and credited to this appropriation: *Provided further*, That the Commandant shall reduce both military and civilian employment levels for the purpose of complying with Executive Order No. 12839[: *Provided further*, That of the funds provided for operating expenses for fiscal year 1996, in this or any other Act, not less than $314,200,000 shall be available for drug enforcement activities].

Acquisition, Construction, and Improvements

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of acquisition, construction, renovation, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, [$375,175,000] *$366,800,000*, of which $32,500,000 shall be derived from the Oil Spill Liability Trust Fund; of which [$191,200,000] *$178,000,000* shall be available to acquire, repair, renovate or improve vessels, small boats and related equipment, to remain available until September 30, 2000; [$16,500,000] *$14,500,000* shall be available to acquire new aircraft and increase aviation capability, to remain available until September 30, 1998; [$42,200,000] *$47,600,000* shall be available for other equipment, to remain available until September 30, 1998; [$82,275,000] *$80,200,000* shall be available for shore facilities and aids to navigation facilities, to remain available until September 30, 1998; and [$43,000,000] *$46,500,000* shall be available for personnel compensation and benefits and related costs, to remain available until September 30, 1996: *Provided*, That funds received from the sale of the VC–11A and HU–25 aircraft shall be credited to this appropriation for the purpose of acquiring new aircraft and increasing aviation capacity[: *Provided further*, That the Secretary may transfer funds between projects under this head, not to exceed $50,000,000 in total for the fiscal year, thirty days after notification to the House and Senate Committees on Appropriations, solely for the purpose of providing funds for facility renovation, construction, exit costs, and other implementation costs associated with Coast Guard streamlining plans]: *Provided further*, That the Commandant shall dispose of surplus real property by sale or lease and the proceeds of such sale or lease shall be credited to this appropriation.

Environmental Compliance and Restoration

For necessary expenses to carry out the Coast Guard's environmental compliance and restoration functions under chapter 19 of title 14, United States Code, $21,000,000, to remain available until expended.

Port Safety Development

For necessary expenses for debt retirement of the Port of Portland, Oregon, $15,000,000 to remain available until expended.

Alteration of Bridges

For necessary expenses for alteration or removal of obstructive bridges, [$16,000,000] *$2,000,000*, to remain available until expended.

Retired Pay

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C. ch. 55), $582,022,000.

Reserve Training

For all necessary expenses for the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services; [$61,859,000] *$62,000,000*.

Research, Development, Test, and Evaluation

For necessary expenses, not otherwise provided for, for applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, [$18,500,000] *$20,000,000*, to remain available until expended, of which $3,150,000 shall be derived from the Oil Spill Liability Trust Fund: *Provided*, That there may be credited to this appropriation funds received from State and local governments, other public authorities, private sources, and foreign countries, for expenses incurred for research, development, testing, and evaluation.

Boat Safety

(AQUATIC RESOURCES TRUST FUND)

For payment of necessary expenses incurred for recreational boating safety assistance under Public Law 92–75, as amended, $20,000,000, to be derived from the Boat Safety Account and to remain available until expended.

Emergency Fund

(LIMITATION ON PERMANENT APPROPRIATION)

(OIL SPILL LIABILITY TRUST FUND)

Except as provided in emergency supplemental appropriations provided in other appropriations Acts for fiscal year 1996, not more than $3,000,000 shall be obligated or expended in fiscal year 1996 pursuant to section 6002(b) of the Oil Pollution Act of 1990 to carry out the provisions of section 1012(a)(4) of that Act.

FEDERAL AVIATION ADMINISTRATION

Operations

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including operations and research activities related to commercial space transportation, administrative expenses for research and development, establishment of air navigation facilities and the operation (including leasing) and maintenance of aircraft, and carrying out the provisions of subchapter I of chapter 471 of title 49, U.S. Code, or other provisions of law authorizing the obligation of funds for similar programs of airport and airway development or improvement, lease or purchase of four passenger motor vehicles for replacement only, [$4,600,000,000] *$4,550,000,000*, of which [$1,871,500,000] *$1,865,000,000* shall be derived from the Airport and Airway Trust Fund: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, foreign authorities, other public authorities, and private sources, for expenses incurred in the provision of [aviation] *agency* services, including *receipts for* the maintenance and operation of air navigation facilities and for issuance, renewal or modification of certificates, including airman, aircraft, and repair station certificates, or for tests related thereto, or for processing major repair or alteration forms *and in addition $10,000,000, to be credited to this appropriation from fees established and collected to cover the cost of safety and security regulation under the jurisdiction of the Federal Aviation Administration*: *Provided further*, That funds may be used to enter into a grant agreement with a nonprofit standard setting organization to assist in the development of aviation safety standards: *Provided further*, That none of the funds in this Act shall be available for new applicants for the second career training program: *Provided further*, That none of the funds in this Act shall be available for paying premium pay under 5 U.S.C. 5546(a) to any Federal Aviation Administration employee unless such employee actually performed work during the time corresponding to such premium pay*: Provided further, That none of the funds appropriated in this or any subsequent Act may be used to pay premium pay under 5 U.S.C. 5546a for any fiscal year beginning after September 30, 1995; except that, (i) for fiscal year 1996, such premium pay may be paid at 50 percent of the rate specified in 5 U.S.C. 5546a; and (ii) for fiscal year 1997, such premium pay may be paid at 25 percent of the rate specified in 5 U.S.C. 5546a: Provided further, That the unexpended balances of the appropriation "Office of Commercial Space Transportation, Operations and Research" shall be transferred to and merged with this appropriation: Provided further, That none of the funds derived from the Airport and Airway Trust Fund may be used to support the operations and activities of the Associate Administrator for Commercial Space Transportation.*

Facilities and Equipment

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities and equipment as authorized under part A of subtitle VII of title 49, U.S. Code, including initial acquisition of necessary sites by lease or grant; engineering and service testing, including construction of test facilities and acquisition of necessary sites by lease or grant; and construction and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; and the purchase, lease, or transfer of aircraft from funds available under this head; to be derived from the Airport and Airway Trust Fund, [$2,000,000,000] *$1,890,377,000*, of which [$1,784,000,000] *$1,674,377,000* shall remain available until September 30, 1998, [and] of which $216,000,000 shall remain available until September 30, 1996, *and of which $10,000,000, to remain available until expended, is for funding noncompetitive cooperative agreements with air carriers to assist them in acquiring and installing the following advanced security equipment: (1) hardened unit load devices, (2) explosive detection systems certified by the Federal Aviation*

Administration, and (3) computer-aided screener training and proficiency systems, in order to evaluate such equipment's operational feasibility and effectiveness in improving civil aviation security): *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities.

Facilities and Equipment

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, [$60,000,000] *$70,000,000* are rescinded.

Research, Engineering, and Development

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, as authorized under part A of subtitle VII of title 49, U.S.C., including construction of experimental facilities and acquisition of necessary sites by lease or grant, [$143,000,000] *$215,886,000*, to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 1998: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development.

Grants-in-Aid for Airports

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING RESCISSION OF CONTRACT AUTHORIZATION)

For liquidation of obligations incurred for grants-in-aid for airport planning and development, and for noise compatibility planning and programs as authorized under subchapter I of chapter 471 and subchapter I of chapter 475 of title 49, U.S. Code, and under other law authorizing such obligations, $1,500,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of [$1,600,000,000] *$1,250,000,000* in fiscal year 1996 for grants-in-aid for airport planning and development, and noise compatibility planning and programs, notwithstanding section 47117(h) of title 49, U.S. Code*: Provided further, That none of the funds in this Act shall be available for the planning and execution of programs the obligations for which are in excess of $20,000,000 for the "Military Airports Program" and $50,000,000 for the "Reliever Airports Program": Provided further, That of the available contract authority balances under this account, $5,000,000 are rescinded.*

Aviation Insurance Revolving Fund

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to 49 U.S.C. 44307, and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program for aviation insurance activities under chapter 443 of title 49, U.S. Code.

Aircraft Purchase Loan Guarantee Program

None of the funds in this Act shall be available for activities under this head the obligations for which are in excess of $1,600,000 during fiscal year 1996.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON GENERAL OPERATING EXPENSES

Necessary expenses for administration, operation, including motor carrier safety program operations, and research of the Federal Highway Administration not to exceed [$495,381,000] *$548,434,000* shall be paid in accordance with law from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: *Provided*, That [$190,667,000] *$248,909,000* of the amount provided herein shall remain available until September 30, 1998.

Highway-Related Safety Grants

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 402 administered by the Federal Highway Administration, to remain available until expended, [$10,000,000] *$13,000,000*, to be derived from the Highway Trust Fund: *Provided*, That not to exceed $100,000 of the amount made available herein shall be available for "Limitation on general operating expenses": *Provided further*, That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of [$10,000,000] *$13,000,000* in fiscal year 1996 for "Highway-Related Safety Grants".

Federal-Aid Highways

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of [$18,000,000,000] *$17,000,000,000* for Federal-aid highways and highway safety construction programs for fiscal year 1996.

Federal-Aid Highways

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For carrying out the provisions of title 23, United States Code, that are attributable to Federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursements for sums expended pursuant to the provisions of 23 U.S.C. 308, $19,200,000,000 or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended.

Right-of-Way Revolving Fund

(LIMITATION ON DIRECT LOANS)

(HIGHWAY TRUST FUND)

None of the funds under this head are available for obligations for right-of-way acquisition during fiscal year 1996.

Motor Carrier Safety Grants

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out 49 U.S.C. 31102, $68,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of [$79,150,000] *$75,000,000* for "Motor Carrier Safety Grants".

Surface Transportation Projects

For up to 80 percent, or as specified in authorizing legislation, of the expenses necessary for certain highway and surface transportation projects and parking facilities, including feasibility and environmental studies, that advance methods of improving safety, reducing congestion, or otherwise improving surface transportation, $39,500,000, to remain available until expended.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Operations and Research

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under part C of subtitle VI of title 49, United States Code, and chapter 301 of title 49, United States Code, [$73,316,570] *$71,261,000*, of which [$37,825,850] *$36,770,676* shall remain available until September 30, 1998[: *Provided*, That none of the funds appropriated by this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add to section 575.104 of title 49 of the Code of Federal Regulations any requirement pertaining to a grading standard that is different from the three grading standards (treadwear, traction, and temperature resistance) already in effect].

Operations and Research

(HIGHWAY TRUST FUND)

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under 23 U.S.C. 403 and section 2006 of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240), to be derived from the Highway Trust Fund, [$52,011,930] *$50,344,000*, of which [$32,770,670] *$31,716,720* shall remain available until September 30, 1998.

Operations and Research

(RESCISSIONS)

Of the amounts made available under this heading in Public Law 103–331, Public Law 102–388, and Public Law 101–516, $4,547,185 are rescinded from the national advanced driving simulator project.

Highway Traffic Safety Grants

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred carrying out the provisions of 23 U.S.C. 153, 402, 408, and 410, Chapter 303 of title 49, United States Code, and section 209 of Public Law 95–599, as amended, to remain available until expended, [$153,400,000] *$155,100,000*, to be derived from the Highway Trust Fund: *Provided*, That, notwithstanding subsection 2009(b) of the Intermodal Surface Transportation Efficiency Act of 1991, none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which, in fiscal year 1996, are in excess of [$153,400,000] *$155,100,000* for programs authorized under 23 U.S.C. 402 and 410, as amended, of which [$126,000,000] *$128,000,000* shall be for "State and community highway safety grants", [$2,400,000] *$2,100,000* shall be for the "National Driver Register" [(subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein)] *subject to authorization*, and $25,000,000 shall be for section 410 "Alcohol-impaired driving countermeasures programs": *Provided further*, That none of these funds shall be used for construction, rehabilitation or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures: *Provided further*, That none of these funds shall be used to purchase automobiles or motorcycles for state, local, or private usage: *Provided further*, That not to exceed [$5,153,000] *$5,211,000* of the funds made available for section 402 may be available for administering "State and community highway safety grants": *Provided further*, That not to exceed $500,000 of the funds made available for section 410 "Alcohol-impaired driving counter-measures programs" [may] *shall* be available for technical assistance to the States: *Provided further*, That not to exceed [$890,000] *$777,000* of the funds made available for the "National Driver Register" may be available for administrative expenses.

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, [$14,000,000] *$14,018,000*, of which $1,508,000 shall remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of a program making commitments to guarantee new loans under the Emergency Rail Services Act of 1970, as amended, and no new commitments to guarantee loans under section 211(a) or 211(h) of the Regional Rail Reorganization Act of 1973, as amended, shall be made: *Provided further*, That, as part of the Washington Union Station transaction in which the Secretary assumed the first deed of trust on the property and, where the Union Station Redevelopment Corporation or any successor is obligated to make payments on such deed of trust on the Secretary's behalf, including payments on and after September 30, 1988, the Secretary is authorized to receive such payments directly from the Union Station Redevelopment Corporation, credit them to the appropriation charged for the first deed of trust, and make payments on the first deed of trust with those funds: *Provided further*, That such additional sums as may be necessary for payment on the first deed of trust may be advanced by the Administrator from unobligated balances available to the Federal Railroad Administration, to be reimbursed from payments received from the Union Station Redevelopment Corporation.

RAILROAD SAFETY

For necessary expenses in connection with railroad safety, not otherwise provided for, [$49,940,660] *$49,105,000*, of which $2,687,000 shall remain available until expended.

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, [$21,000,000] *$25,775,000*, to remain available until expended.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

For necessary expenses related to Northeast Corridor improvements authorized by title VII of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended (45 U.S.C. 851 et seq.) and 49 U.S.C. 24909, [$100,000,000] *$130,000,000*, to remain available until September 30, 1998.

RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided*, That no new loan guarantee commitments shall be made during fiscal year 1996.

NATIONAL MAGNETIC LEVITATION PROTOTYPE DEVELOPMENT

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the planning or execution of the National Magnetic Levitation Prototype Development program as defined in subsections 1036(b) and 1036(d)(1)(A) of the Intermodal Surface Transportation Efficiency Act of 1991.

NEXT GENERATION HIGH SPEED RAIL

For necessary expenses for Next Generation High Speed Rail [technology development and demonstrations, $10,000,000, to remain available until expended] *studies, corridor planning, development, demonstration, and implementation, $20,000,000, to remain available until expended: Provided, That funds under this head may be made available for grants to States for high speed rail corridor design, feasibility studies, environmental analyses and track and signal improvements.*

TRUST FUND SHARE OF NEXT GENERATION HIGH SPEED RAIL

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For grants and payment of obligations incurred in carrying out the provisions of the High Speed Ground Transportation program as defined in subsections 1036(c) and 1036(d)(1)(B) of the Intermodal Surface Transportation Efficiency Act of 1991, including planning and environmental analyses, $5,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $5,000,000.

ALASKA RAILROAD REHABILITATION

To enable the Secretary of Transportation to make grants to the Alaska Railroad, $10,000,000 shall be for capital rehabilitation and improvements benefiting its passenger operations.

PENNSYLVANIA STATION REDEVELOPMENT PROJECT

For grants to the National Railroad Passenger Corporation, $25,000,000, to remain available until expended, for engineering, design and construction activities to enable the James A. Farley Post Office in New York City to be used as a train station and commercial center: Provided, That the Secretary may retain from these funds such amounts as the Secretary shall deem appropriate to undertake the environmental and historic preservation analyses associated with this project.

RHODE ISLAND RAIL DEVELOPMENT

For the costs associated with construction of a third track on the Northeast Corridor between Davisville and Central Falls, Rhode Island, with sufficient clearance to accommodate double stack freight cars, $2,000,000 to be matched by the State of Rhode Island or its designee on a dollar for dollar basis and to remain available until expended: Provided, That as a condition of accepting such funds, the Providence and Worcester (P&W) Railroad shall enter into an agreement with the Secretary to reimburse Amtrak and/or the Federal Railroad Administration, on a dollar for dollar basis, up to the first $7,000,000 in damages resulting from the legal action initiated by the P&W Railroad under its existing contracts with Amtrak relating to the provision of vertical clearances between Davisville and Central Falls in excess of those required for present freight operations.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation authorized by 49 U.S.C. 24104, [$628,000,000] *$605,000,000, to remain available until expended*, of which [$336,000,000] *$305,000,000* shall be available for operating losses and for mandatory passenger rail service payments, [$62,000,000] *$100,000,000* shall be for transition costs incurred by the Corporation, and [$230,000,000] *$200,000,000* shall be for capital improvements: *Provided*, That none of the funds under this head shall be made available until significant reforms (including labor reforms) in authorizing legislation are enacted to restructure the National Railroad Passenger Corporation: *Provided further*, That funding under this head for capital improvements shall not be made available before July 1, 1996: *Provided further*, That none of the funds herein appropriated shall be used for lease or purchase of passenger motor vehicles or for the hire of vehicle operators for any officer or employee, other than the president of the Corporation, excluding the lease of passenger motor vehicles for those officers or employees while in official travel status.

FEDERAL TRANSIT ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the Federal Transit Administration's programs authorized by chapter 53 of title 49, United States Code, [$39,260,000] *$42,000,000*.

FORMULA GRANTS

For necessary expenses to carry out 49 U.S.C. 5307, 5310(a)(2), 5311, and 5336, to remain available until expended, [$890,000,000] *$985,000,000*: *Provided*, That no more than [$2,000,000,000] *$2,105,850,000* of budget authority shall be available for these purposes: *Provided further*, That of the funds provided under this head for formula grants, no more than $400,000,000 may be used for operating assistance under 49 U.S.C. 5336(d): *Provided further, That the limitation on operating assistance provided under this heading shall, for urbanized areas of less than 200,000 in population, be no less than eighty percent of the amount of operating assistance such areas are eligible to receive under Public Law 103–331: Provided further, That before apportionment of funds under this heading, $29,325,031 shall be apportioned to areas of 200,000 or greater in population.*

UNIVERSITY TRANSPORTATION CENTERS

For necessary expenses for university transportation centers as authorized by 49 U.S.C. 5317(b), to remain available until expended, $6,000,000.

TRANSIT PLANNING AND RESEARCH

For necessary expenses for transit planning and research as authorized by 49 U.S.C. 5303, 5311, 5313, 5314, and 5315, to remain available until expended, [$82,250,000 of which $39,436,250 shall be for activities under 49 U.S.C. 5303, $4,381,250 for activities under 49 U.S.C. 5311(b)(2), $8,051,250 for activities under 49 U.S.C. 5313(b), $19,480,000 for activities under 49 U.S.C. 5314, $8,051,251 for activities under 49 U.S.C. 5313(a), and $2,850,000 for activities under 49 U.S.C. 5315] *$90,000,000*.

TRUST FUND SHARE OF EXPENSES

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out 49 U.S.C. 5338(a), $1,120,850,000, to remain available until expended and to be derived from the Highway Trust Fund: *Provided*, That [$1,110,000,000] *$1,120,850,000* shall be paid from the Mass Transit Account of the Highway Trust Fund to the Federal Transit Administration's formula grants account.

Discretionary Grants

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $1,665,000,000 in fiscal year 1996 for grants under the contract authority in 49 U.S.C. 5338(b): *Provided*, That there shall be available for fixed guideway modernization, $666,000,000; there shall be available for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities, $333,000,000; and[there shall be available for new fixed guideway systems, $666,000,000, to be available as follows], *notwithstanding any other provision of law, and except for fixed guideway modernization projects, $22,840,000 made available under Public Law 102–388 under "Federal Transit Administration, Discretionary Grants" for projects specified in that Act or identified in reports accompanying that Act, not obligated by September 30, 1995, shall be made available for new fixed guideway systems together with the $666,000,000 made available for new fixed guideway systems under this Act, to be available as follows*:

$42,410,000 for the Atlanta-North Springs project;

[$17,500,000] *$22,620,000* for the South Boston Piers (MOS–2) project;

$6,500,000 for the Canton-Akron-Cleveland commuter rail project (subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein);

$2,000,000 for the Cincinnati Northeast/Northern Kentucky rail line project (subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein);

$16,941,000 for the Dallas South Oak Cliff LRT project;

[$2,500,000] *$3,500,000* for the DART North Central light rail extension project [(subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein)];

[$5,000,000] *$7,000,000* for the Dallas-Fort Worth RAILTRAN project [(subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein)];

$10,000,000 for the Florida Tri-County commuter rail project [(subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein)];

$22,630,000 for the Houston Regional Bus project;

$12,500,000 for the Jacksonville ASE extension project;

[$125,000,000] *$45,000,000* for the Los Angeles Metro Rail (MOS–3);

[$10,000,000 for the Los Angeles-San Diego commuter rail project;

[$10,000,000] *$15,000,000* for the MARC commuter rail project;

[$3,000,000] *$22,630,000* for the Maryland Central Corridor LRT project;

$2,000,000 for the Miami-North 27th Avenue project [(subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein)];

$2,500,000 for the Memphis, Tennessee Regional Rail Plan (subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein);

[$75,000,000] *$85,500,000* for the New Jersey Urban Core-Secaucus project;

[$10,000,000 for the New Orleans Canal Street Corridor project] [(subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein);

[$114,989,000] *$160,000,000* for the New York Queens Connection project;

$5,000,000 for the Orange County Transitway project (subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein);

$22,630,000 for the Pittsburgh Airport Phase 1 project;

[$85,500,000] *$130,140,000* for the Portland Westside LRT project;

$2,000,000 for the Sacramento LRT extension project;

[$10,000,000] *$13,000,000* for the St. Louis Metro Link LRT project;

[$5,000,000] *$14,519,000* for the Salt Lake City light rail project[: *Provided*, That such funding may be available only for related high-occupancy vehicle lane and intermodal corridor design costs];

[$10,000,000] *$22,620,000* for the San Francisco BART [extension to the San Francisco airport] *extension/tasman corridor* project;

$15,000,000 for the San Juan, Puerto Rico Tren Urbano project (subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein);

[$1,000,000 for the Tampa to Lakeland commuter rail project (subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein);

$5,000,000 for the Whitehall ferry terminal, New York, New York (subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein); and

$14,400,000 for the Wisconsin central commuter project [(subject to passage hereafter by the House of a bill authorizing appropriations therefor, and only in amounts provided therein)];

$11,300,000 for the Burlington-Charlotte, Vermont commuter rail project; and

$5,000,000 for the Chicago central area circulator.

Mass Transit Capital Fund

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out 49 U.S.C. 5338(b) administered by the Federal Transit Administration, [$2,000,000,000] *$1,700,000,000* to be derived from the Highway Trust Fund and to remain available until expended.

Washington Metropolitan Area Transit Authority

For necessary expenses to carry out the provisions of section 14 of Public Law 96–184 and Public Law 101–551, [$200,000,000] *$170,000,000*, to remain available until expended.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year: *Provided, That, notwithstanding any other provision of law, no funds made available to the Saint Lawrence Seaway Development Corporation from the Harbor Maintenance Trust Fund may be obligated for fiscal year 1996, if the Saint Lawrence Seaway Development Corporation expends or obligates funds from the financial reserve fund of the Corporation for the design, development, or procurement of a global position system vessel traffic service system during that fiscal year: Provided further, That no funds made available to the Saint Lawrence Seaway Development Corporation from the Harbor Maintenance Trust Fund pursuant to this Act may be used by the Corporation during fiscal year 1996 for those purposes.*

Operations and Maintenance

(HARBOR MAINTENANCE TRUST FUND)

For necessary expenses for operation and maintenance of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation, [$10,190,500] *$10,150,000*, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99–662.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

Research and Special Programs

For expenses necessary to discharge the functions of the Research and Special Programs Administration, [$26,030,000] *$24,281,000*, of which $574,000 shall be derived from the Pipeline Safety Fund, and of which $7,606,000 shall remain available until September 30, 1998: *Provided*, That $2,322,000 shall be transferred to the Bureau of Transportation Statistics for the expenses necessary to conduct activities related to Airline Statistics, and of which $272,000 shall remain available until expended: *Provided further*, That up to $1,000,000 in fees collected under 49 U.S.C. 5108(g) shall be deposited in the general fund of the Treasury as offsetting receipts: *Provided further*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, for reports publication and dissemination.

Pipeline Safety

(PIPELINE SAFETY FUND)

For expenses necessary to conduct the functions of the pipeline safety program for grants-in-aid to carry out a pipeline safety program, as authorized by 49 U.S.C. 60107 and the Hazardous Liquid Pipeline Safety Act of 1979, as amended, and to discharge the pipeline program responsibilities of the Oil Pollution Act of 1990, [$29,941,000] *$32,973,000*, of which $2,698,000 shall be derived from the Oil Spill Liability Trust Fund and shall remain available until September 30, 1998; and of which [$27,243,000] *$30,275,000* shall be derived from the Pipeline Safety Fund, of which $19,423,000 shall remain available until September 30, 1998: *Provided*, That from amounts made available herein from the Pipeline Safety Fund, not to exceed [$1,000,000] *$1,500,000* shall be available for grants to States for the development and establishment of one-call notification systems.

Emergency Preparedness Grants

(EMERGENCY PREPAREDNESS FUND)

For necessary expenses to carry out 49 U.S.C. 5127(c), $400,000 to be derived from the Emergency Preparedness Fund, to remain available until September 30, 1998: *Provided*, That not more than [$8,890,000] *$9,200,000* shall be made available for obligation in fiscal year 1996 from amounts made available by 49 U.S.C. 5116(i) and 5127(d): *Provided further*, That no such funds shall be made available for obligation by individuals other than the Secretary of Transportation, or his designees.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, [$40,238,000] *$39,891,200*.

BUREAU OF TRANSPORTATION STATISTICS

For expenses necessary to conduct activities related to airline statistics, $2,200,000, of which $272,000 shall remain available until expended.

TITLE II

RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, [$3,656,000] *$3,500,000*: *Provided*, That, notwithstanding any other provision of law, there may be credited to this appropriation funds received for publications and training expenses.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS–18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901–5902), [$38,774,000] *$37,500,000*, of which not to exceed $1,000 may be used for official reception and representation expenses.

EMERGENCY FUND

For necessary expenses of the National Transportation Safety Board for accident investigations, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS–18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901–5902), [$160,802] *$360,802* to remain available until expended.

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Interstate Commerce Commission, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b), $13,379,000, of which $4,984,000 shall be for severance and closing costs: *Provided*, That of the fees collected in fiscal year 1996 by the Interstate Commerce Commission pursuant to 31 U.S.C. 9701, one-twelfth of $8,300,000 of those fees collected shall be made available for each month the Commission remains in existence during fiscal year 1996.

PAYMENTS FOR DIRECTED RAIL SERVICE

(LIMITATION ON OBLIGATIONS)

None of the funds provided in this Act shall be available for the execution of programs the obligations for which can reasonably be expected to exceed $475,000 for directed rail service authorized under 49 U.S.C. 11125 or any other Act.

PANAMA CANAL COMMISSION

PANAMA CANAL REVOLVING FUND

For administrative expenses of the Panama Canal Commission, including not to exceed $11,000 for official reception and representation expenses of the Board; not to exceed $5,000 for official reception and representation expenses of the Secretary; and not to exceed $30,000 for official reception and representation expenses of the Administrator, $50,741,000, to be derived from the Panama Canal Revolving Fund: *Provided*, That funds available to the Panama Canal Commission shall be available for the purchase of not to exceed 38 passenger motor vehicles for replacement only (including large heavy-duty vehicles used to transport Commission personnel across the Isthmus of Panama), the purchase price of which shall not exceed $19,500 per vehicle.

TITLE III

GENERAL PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901–5902).

SEC. 302. Funds for the Panama Canal Commission may be apportioned notwithstanding 31 U.S.C. 1341 to the extent necessary to permit payment of such pay increases for officers or employees as may be authorized by administrative action pursuant to law that are not in excess of statutory increases granted for the same period in corresponding rates of compensation for other employees of the Government in comparable positions.

SEC. 303. Funds appropriated under this Act for expenditures by the Federal Aviation Administration shall be available (1) except as otherwise authorized by [the Act of September 30, 1950 (20 U.S.C. 236–244)] *title VIII of the Elementary and Secondary Education Act of 1965, 20 U.S.C. 7701, et. seq.*, for expenses of primary and secondary schooling for dependents of Federal Aviation Administration personnel stationed outside the continental United States at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools, if any, available in the locality are unable to provide adequately for the education of such dependents, and (2) for transportation of said dependents between schools serving the area that they attend and their places of residence when the Secretary, under such regulations as may be prescribed, determines that such schools are not accessible by public means of transportation on a regular basis.

SEC. 304. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for an Executive Level IV.

SEC. 305. None of the funds for the Panama Canal Commission may be expended unless in conformance with the Panama Canal Treaties of 1977 and any law implementing those treaties.

SEC. 306. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 307. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.

SEC. 308. The Secretary of Transportation may enter into grants, cooperative agreements, and other transactions with any person, agency, or instrumentality of the United States, any unit of State or local government, any educational institution, and any other entity in execution of the Technology Reinvestment Project authorized under the Defense Conversion, Reinvestment and Transition Assistance Act of 1992 and related legislation: *Provided*, That the authority provided in this section may be exercised without regard to section 3324 of title 31, United States Code.

SEC. 309. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 310. (a) For fiscal year 1996 the Secretary of Transportation shall distribute the obligation limitation for Federal-aid highways by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways that are apportioned or allocated to each State for such fiscal year bear to the total of the sums authorized to be appropriated for Federal-aid highways that are apportioned or allocated to all the States for such fiscal year.

(b) During the period October 1 through December 31, 1995, no State shall obligate more than 25 per centum of the amount distributed to such State under subsection (a), and the total of all State obligations during such period shall not exceed 12 per centum of the total amount distributed to all States under such subsection.

(c) Notwithstanding subsections (a) and (b), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways that have been apportioned to a State;

(2) after August 1, 1996, revise a distribution of the funds made available under subsection (a) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those States having large unobligated balances of funds apportioned under sections 103(e)(4), 104, and 144 of title 23, United States Code, and under sections 1013(c) and 1015 of Public Law 102–240; and

(3) not distribute amounts authorized for administrative expenses and funded from the administrative takedown authorized by section 104(a), title 23 U.S.C., the Federal lands highway program, the intelligent vehicle highway systems program, and amounts made available under sections 1040, 1047, 1064, 6001, 6005, 6006, 6023, and 6024 of Public Law 102–240, and 49 U.S.C. 5316, 5317, and 5338: *Provided*, That amounts made available under section 6005 of Public Law 102–240 shall be subject to the obligation limitation for Federal-aid highways and highway safety construction programs under the head "Federal-Aid Highways" in this Act.

(d) During the period October 1 through December 31, 1995, the aggregate amount of obligations under section 157 of title 23, United States Code, for projects covered under section 147 of the Surface Transportation Assistance Act of 1978, section 9 of the Federal-Aid Highway Act of 1981, sections 131(b), 131(j), and 404 of Public Law 97–424, sections 1061, 1103 through 1108, 4008, and 6023(b)(8) and 6023(b)(10) of Public Law 102–240, and for projects authorized by Public Law 99–500 and Public Law 100–17, shall not exceed $277,431,840.

(e) During the period August 2 through September 30, 1996, the aggregate amount which may be obligated by all States [pursuant to paragraph (d)] shall not exceed 2.5 percent of the aggregate amount of funds apportioned or allocated to all States—

(1) under sections 104 and 144 of title 23, United States Code, and 1013(c) and 1015 of Public Law 102–240, and

(2) for highway assistance projects under section 103(e)(4) of title 23, United States Code,

which would not be obligated in fiscal year 1996 if the total amount of the obligation limitation provided for such fiscal year in this Act were utilized.

(f) Paragraph (e) shall not apply to any State which on or after August 1, 1996, has the amount distributed to such State under paragraph (a) for fiscal year 1996 reduced under paragraph (c)(2).

SEC. 311. None of the funds in this Act shall be available for salaries and expenses of more than one hundred [and ten] political and Presidential appointees in the Department of Transportation: *Provided*, That none of the personnel covered by this provision may be assigned on temporary detail outside the Department of Transportation.

SEC. 312. The limitation on obligations for the programs of the Federal Transit Administration shall not apply to any authority under 49 U.S.C. 5338, previously made available for obligation, or to any other authority previously made available for obligation under the discretionary grants program.

SEC. 313. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

SEC. 314. Such sums as may be necessary for fiscal year 1996 pay raises for programs funded in this Act shall be absorbed within the levels appropriated in this Act or previous appropriations Acts.

SEC. 315. Funds received by the Research and Special Programs Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training and for reports' publication and dissemination may be credited to the Research and Special Programs account.

SEC. 316. None of the funds in this Act shall be available to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than five miles wide between the Santa Barbara Traffic Separation Scheme and the San Francisco Traffic Separation Scheme.

SEC. 317. Notwithstanding any other provision of law, airports may transfer, without consideration, to the Federal Aviation Administration (FAA) instrument landing systems (along with associated approach lighting equipment and runway visual range equipment) which conform to FAA design and performance specifications, the purchase of which was assisted by a Federal airport aid program, airport development aid program or airport improvement program grant. The FAA shall accept such equipment, which shall thereafter be operated and maintained by the FAA in accordance with agency criteria.

SEC. 318. None of the funds in this Act shall be available to award a multiyear contract for production end items that (1) includes economic order quantity or long lead time material procurement in excess of $10,000,000 in any one year of the contract or (2) includes a cancellation charge greater than $10,000,000 which at the time of obligation has not been appropriated to the limits of the government's liability or (3) includes a requirement that permits performance under the contract during the second and subsequent years of the contract without conditioning such performance upon the appropriation of funds: *Provided*, That this limitation does not apply to a contract in which the Federal Government incurs no financial liability from not buying additional systems, subsystems, or components beyond the basic contract requirements.

SEC. 319. None of the funds provided in this Act shall be made available for planning and executing a passenger manifest program by the Department of Transportation that only applies to United States flag carriers.

SEC. 320. None of the funds made available in this Act may be used to implement, administer, or enforce the provisions of section 1038(d) of Public Law 102–240.

SEC. 321. Notwithstanding any other provision of law, and except for fixed guideway modernization projects, funds made available by this Act under "Federal Transit Administration, Discretionary grants" for projects specified in this Act or identified in reports accompanying this Act not obligated by September 30, 1998, shall be made available for other projects under 49 U.S.C. 5309.

SEC. 322. Notwithstanding any other provision of law, any funds appropriated before October 1, 1993, under any section of chapter 53 of title 49 U.S.C., that remain available for expenditure may be transferred to and administered under the most recent appropriation heading for any such section.

SEC. 323. None of the funds in this Act shall be available to implement or enforce regulations that would result in the withdrawal of a slot from an air carrier at O'Hare International Airport under section 93.223 of title 14 of the Code of Federal Regulations in excess of the total slots withdrawn from that air carrier as of October 31, 1993 if such additional slot is to be allocated to an air carrier or foreign air carrier under section 93.217 of title 14 of the Code of Federal Regulations.

SEC. 324. None of the funds made available by this Act may be obligated or expended to design, construct, erect, modify or otherwise place any sign in any State relating to any speed limit, distance, or other measurement on any highway if such sign establishes such speed limit, distance, or other measurement using the metric system.

SEC. 325. Notwithstanding any other provisions of law, tolls collected for motor vehicles on any bridge connecting the boroughs of Brooklyn, New York, and Staten Island, New York, shall continue to be collected for only those vehicles exiting from such bridge in Staten Island.

SEC. 326. None of the funds in this Act may be used to compensate in excess of 335 technical staff years under the federally-funded research and development center contract between the Federal Aviation Administration and the Center for Advanced Aviation Systems Development during fiscal year 1996.

SEC. 327. Funds provided in this Act for the Department of Transportation working capital fund (WCF) shall be reduced by [$10,000,000] *$5,000,000*, which limits fiscal year 1996 WCF obligational authority for elements of the Department of Transportation funded in this Act to no more than [$92,231,000] *$99,364,000*: *Provided*, That such reductions from the budget request shall be allocated by the Department of Transportation to each appropriations account in proportion to the amount included in each account for the working capital fund.

SEC. 328. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited respectively to the Federal Highway Administration's "Limitation on General Operating Expenses" account, the Federal Transit Administration's "Transit Planning and Research" account, and to the Federal Railroad Administration's "Railroad Safety" account, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

SEC. 329. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. 330. None of the funds in this Act shall be available to prepare, propose, or promulgate any regulations pursuant to title V of the Motor Vehicle Information and Cost Savings Act (49 U.S.C. 32901, et seq.) prescribing corporate average fuel economy standards for automobiles, as defined in such title, in any model year that differs from standards promulgated for such automobiles prior to enactment of this section.

SEC. 331. Notwithstanding 15 U.S.C. 631 et seq. and 10 U.S.C. 2301 et seq. as amended, the United States Coast Guard acquisition of 47-foot Motor Life Boats for fiscal years 1995 through 2000 shall be subject to full and open competition for all U.S. shipyards. Accordingly, the Federal Acquisition Regulations (FAR) (including but not limited to FAR Part 19), shall not apply to the extent they are inconsistent with a full and open competition.

SEC. 332. None of the funds in this Act may be used for planning, engineering, design, or construction of a sixth runway at the new Denver International Airport, Denver, Colorado: *Provided*, That this provision shall not apply in any case where the Administrator of the Federal Aviation Administration determines, in writing, that safety conditions warrant obligation of such funds.

SEC. 333. (a) Section 5302(a)(1) of title 49, United States Code, is amended by striking—

(1) in subparagraph (B), "that extends the economic life of the bus for at least 5 years"; and

(2) in subparagraph (C), "that extends the economic life of the bus for at least 8 years".

(b) The amendments made by this section shall not take effect before March 31, 1996.

SEC. 334. Notwithstanding 31 U.S.C. 3302, funds received by the Bureau of Transportation Statistics from the sale of data products, for necessary expenses incurred pursuant to the provisions of section 6006 of the Intermodal Surface Transportation Efficiency Act of 1991, may be credited to the Federal-aid highways account for the purpose of reimbursing the Bureau for such expenses: *Provided*, That such funds shall not be subject to the obligation limitation for Federal-aid highways and highway safety construction.

SEC. 335. Of the budgetary resources provided to the Department of Transportation [(excluding the Maritime Administration)] during fiscal year 1996, $25,000,000 are permanently canceled: *Provided*, That the Secretary of Transportation shall reduce the existing field office structure, and to the extent practicable [collocate] *consolidate* the Department's [surface transportation field offices] *administrative activities*: *Provided further*, That the Secretary may for the purpose of consolidation of offices and facilities other than those at Headquarters, after notification to and approval of the House and Senate Committees on Appropriations, transfer the funds made available by this Act for civilian and military personnel compensation and benefits and other administrative expenses to other appropriations made available to the Department of Transportation as the Secretary may designate, to be merged with and to be available for the same purposes and for the same time period as the appropriations of funds to which transferred: *Provided further*, That no appropriation shall be increased or decreased by more than ten per centum by all such transfers*: Provided further, That, notwithstanding 5 U.S.C. 905(b), the President may prepare and transmit to Congress not later than the date for transmittal to Congress of the Budget Request for Fiscal Year 1997, a reorganization plan pursuant to chapter 9 of title 5, United States Code, for the reorganization of the surface transportation activities of the Department of Transportation and the relationship of the Saint Lawrence Seaway Development Corporation to the Department.*

SEC. 336. The Secretary of Transportation is authorized to transfer funds appropriated [for any office of the Office of the Secretary] *in this Act* to "Rental payments" for any expense authorized by that appropriation in excess of the amounts provided in this Act: *Provided*, That prior to any such transfer, notification shall be provided to the House and Senate Committees on Appropriations.

SEC. 337. None of the funds in this Act may be obligated or expended for employee training which: (a) does not meet identified needs for knowledge, skills and abilities bearing directly upon the performance of official duties; (b) contains elements likely to induce high levels of emotional response or psychological stress in some participants; (c) does not require prior employee notification of the content and methods to be used in the training and written end of course evaluations; (d) contains any methods or content associated with religious or quasi-religious belief systems or "new age" belief systems as defined in Equal Employment Opportunity Commission Notice N-915.022, dated September 2, 1988; (e) is offensive to, or designed to change, participants' personal values or lifestyle outside the workplace; or (f) includes content related to human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) other than that necessary to make employees more aware of the medical ramifications of HIV/AIDS and the workplace rights of HIV-positive employees.

SEC. 337. None of the funds appropriated by this Act shall be made available for employee training unless such training is consistent with the provisions of 5 U.S.C. 4101 et seq., as amended.

SEC. 338. None of the funds in this Act may be used to enforce the requirement that airport charges make the as airport self-sustaining as possible or the prohibition against revenue diversion in the Airport and Airway Improvement Act of 1982 (49 U.S.C. 47107) against Hot Springs Memorial Field in Hot Springs, Arkansas, on the grounds of such airport's failure to collect fair market rental value for the facilities known as Kimery Park and Family Park: *Provided*, That any fees collected by any person for the use of such parks above those required for the operation and maintenance of such parks shall be remitted to such airport: *Provided further*, That the Federal Aviation Administration does not find that any use of, or structures on, Kimery Park and Family Park are incompatible with the safe and efficient use of the airport.

SEC. 339. (a) Except as provided in subsection (b) of this section, 180 days after attaining eligibility for an immediate retirement annuity under 5 U.S.C. 8336 or 5 U.S.C. 8412, an individual shall not be eligible to receive compensation under 5 U.S.C. 8105–8106 resulting from work injuries associated with employment with the Department of Transportation (excluding the Maritime Administration).

(b) An individual who, on the date of enactment of this Act, is eligible to receive an immediate annuity described in subsection (a) may continue to receive such compensation under 5 U.S.C. 8105–8106 until March 31, 1996.

(c) For the purposes of section (a), the time an individual has spent on the worker's compensation rolls shall be counted as regular employment time.

SEC. 340. None of the funds in this Act shall be available to pay the salaries and expenses of any individual to arrange tours of scientists or engineers employed by or working for the People's Republic of China, to hire citizens of the People's Republic of China to participate in research fellowships sponsored by the Federal Highway Administration or other modal administrations of the Department of Transportation, or to provide training or any form of technology transfer to scientists or engineers employed by or working for the People's Republic of China.

SEC. 341. None of the funds in this Act may be used to support Federal Transit Administration's field operations and oversight of the Washington Metropolitan Area Transit Authority in any location other than from the Washington, D.C. metropolitan area.

SEC. 342. In addition to the sums made available to the Department of Transportation, $8,421,000 shall be available on the effective date of legislation transferring certain rail and motor carrier functions from the Interstate Commerce Commission to the Department of Transportation: *Provided*, That such amount shall be available only to the extent authorized by law: *Provided further*, That of the fees collected pursuant to 31 U.S.C. 9701 in fiscal year 1996 by the successors of the Interstate Commerce Commission, one-twelfth of $8,300,000 of those fees shall be made available for each month during fiscal year 1996 that the successors of the Interstate Commerce Commission carry out the transferred rail and motor carrier functions.

SEC. 343. Notwithstanding any other law, the funds available for obligation to carry out the project in West Calcasieu Parish, Louisiana, authorized by section 149(a)(87) of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 101–17; 101 Stat. 194) shall be made available for obligation to carry out the project for Lake Charles, Louisiana, authorized by item 17 of the table in section 1106(a)(2) of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240; 105 Stat. 2038).

SEC. 344. Improvements identified as highest priority by section 1069(t) of Public Law 102–240 and funded pursuant to section 118(c)(2) of title 23, United States Code, shall not be treated as an allocation for Interstate maintenance for such fiscal year under section 157(a)(4) of title 23, United States Code, and sections 1013(c), 1015(a)(1), and 1015(b)(1) of Public Law 102–240: Provided further, any discretionary grant made pursuant to Public Law 99–663 shall not be subject to Section 1015 of Public Law 102–240.

SEC. 345. The Secretary, in consultation with the Secretary of Labor and the Administrator of the Environmental Protection Agency shall, within three months of the date of enactment of this Act, carry out research to identify successful telecommuting programs in the public and private sectors and provide for the dissemination to the public of information regarding the establishment of successful telecommuting programs and the benefits and costs of telecommuting. Within one year of the date of enactment of this Act, the Secretary shall report to Congress its findings, conclusions, and recommendations regarding telecommuting developed under this section.

SEC. 346. Notwithstanding section 1003(c) of Public Law 102–240, authorizations for the Indian Reservation Roads under Section 1003(a)(6)(A) of Public Law 102–240 shall be exempt from any reduction in authorizations for budget compliance.

SEC. 347. Notwithstanding any other provision of law, for fiscal year 1996, the Secretary shall allocate to a State an additional amount of funding for its Federal-aid highway programs on a dollar for dollar basis to the extent that prior year unobligated balances are withdrawn and canceled. Such funds are subject to the obligation ceiling for Federal-aid Highways set by annual appropriations Acts.

SEC. 348. Notwithstanding any other provision of law, for fiscal year 1996, a State may, at its option, transfer those funds authorized or appropriated for highway demonstration projects under Public Law 102–240, Public Law 100–17, Public Law 97–424, or under an applicable appropriations act for the Department of Transportation, to its apportionment under section 104(b)(1), (2), (3), (5), and 144 of title 23, United States Code: Provided, That demonstration projects upon which such funds are drawn have not gone to construction (although obligations may have been incurred for preliminary engineering or environmental studies). Funds transferred under this section shall be subject to the laws, regulations, policies, and procedures, relating to the apportionment to which they are transferred and shall be subject to the obligation ceiling for Federal-aid highways set by annual appropriations Acts.

SEC. 349. INTERSTATE COMPACT INFRASTRUCTURE BANKS.—Chapter 3 of title 49, United States Code, is amended by the addition of the following new section 334:

"SEC. 334. INTERSTATE COMPACT INFRASTRUCTURE BANKS.—(a) CONSENT TO INTERSTATE COMPACTS.—In order to increase public investment, attract needed private investment, and promote an intermodal transportation network, Congress grants consent to the States to enter into interstate compacts establishing transportation infrastructure banks to promote regional or multi-State investment in transportation infrastructure and thereby improve economic productivity.

"(b) ASSISTANCE FOR TRANSPORTATION PROJECTS, PROGRAMS, AND ACTIVITIES.—An Interstate Compact Transportation Infrastructure Bank (Infrastructure Bank) established under this section may make loans, issue debt under the authority of the Infrastructure Bank's State jurisdictions either jointly or separately as the Infrastructure Bank and its jurisdictions determine, and provide other assistance

to public or private entities constructing, or proposing to construct or initiate, transportation projects, programs, or activities that are eligible to receive financial assistance under—

"(1) title 23, United States Code, and the Intermodal Surface Transportation Efficiency Act of 1991; and

"(2) chapters 53 and 221 and subtitle VII, part B, of this title.

"(c) FORMS OF ASSISTANCE.—An Infrastructure Bank may loan or provide other assistance to a public or private entity in an amount equal to all or part of the cost of construction or capital cost of a qualifying project. The amount of any loan or other assistance received for a qualifying project under this section may be subordinated to any other debt financing for the project. For purposes of this subsection, the term 'other assistance' includes any use of funds for the purpose of credit enhancements, use as a capital reserve for bond or debt instrument financing, bond or debt instrument financing issuance costs, bond or debt issuance financing insurance, subsidizing of interest rates, letters of credit, credit instruments, bond or debt financing instrument security, other forms of debt financing that relate to the qualifying project, and other leveraging tools approved by the Secretary.

"(d) INTERSTATE COMPACT TRANSPORTATION INFRASTRUCTURE BANK REQUIREMENTS.—In order to qualify an Interstate Compact Transportation Infrastructure Bank for capitalization grants under this section, each participating State shall—

"(1) deposit into the Infrastructure Bank, from non-Federal or Federal sources other than this title or title 23, United States Code, an amount equal to 25 percent of each capitalization grant or, if lower because of the proportion of Federal lands in the State, the proportional non-Federal share that a State would otherwise pay on the basis of section 120(b) of title 23;

"(2) ensure that the Infrastructure Bank maintains on a continuing basis an investment grade rating on its debt issuances or has a sufficient level of bond or debt financing instrument insurance to maintain the viability of the fund;

"(3) ensure that investment income generated by the funds deposited into an Infrastructure Bank shall be—

"(A) credited to the Infrastructure Bank;

"(B) available for use in providing loans and other assistance to qualifying projects, programs, or activities from the Infrastructure Bank; and

"(C) invested in U.S. Treasury securities, bank deposits, or such other financing instruments as the Secretary may provide to earn interest to enhance the leveraging of qualifying transportation activities;

"(4) provide that the repayment of a loan or other assistance to a State from any loan under this section may be credited to the Infrastructure Bank or obligated for any purpose for which the loaned funds were available under this title or title 23;

"(5) ensure that any loan from an Infrastructure Bank shall bear any positive interest the Bank determines appropriate to make the qualifying project feasible;

"(6) ensure that repayment of any loan from an Infrastructure Bank shall commence not later than five years after the facility has opened to traffic or the project, activity or facility has been completed;

"(7) ensure that the term for repaying any loan shall not exceed 30 years from the date of obligation of the loan;

"(8) limit any assignment, transfer, or loan to an Infrastructure Bank to not more than the amount which a State is entitled to under subsection (f) of this section; and

"(9) require the Infrastructure Bank to make an annual report to the Secretary on its status no later than September 30 of each year.

"(e) SECRETARIAL REQUIREMENTS.—In administering this section, the Secretary shall—

"(1) ensure that federal disbursements for capital reserves shall be at a rate consistent with historic rates for the Federal-aid highway program; and

"(2) specify procedures and guidelines for establishing, operating, and making loans from an Infrastructure Bank.

"(f) AUTHORIZATION OF APPROPRIATIONS; CONTRIBUTIONS FROM TITLE 23 APPORTIONMENTS.—(1) There are authorized to be appropriated from the Airport and Airway Trust Fund established under section 9502 of the Internal Revenue Code of 1986 (26 U.S.C. 9502) to carry out this section not more than $250,000,000 in Fiscal Year 1996.

"(2) Notwithstanding the provisions of title 23, United States Code, and Public Law 102–240 (Intermodal Surface Transportation Efficiency Act of 1991), a State may contribute to an Infrastructure Bank up to 10 percent of federal funds apportioned under section 104(b) of title 23 that are subject to the annual Federal-aid Highways obligation limitation, except for interstate construction.

"(3) A state may disburse funds appropriated under paragraph (f)(1) of this subsection or contributed under (f)(2) of this subsection to an Infrastructure Bank at a rate that does not exceed the traditional rate of disbursement for the Airport Improvement Program or the Federal-aid Highway program, respectively.

"(g) STATE ALLOCATION.—The Secretary shall apportion to the chief executive of each State choosing to participate in an Infrastructure Bank the percentage allocation of the amount available under paragraph (e)(1) of this section on the first day of the fiscal year, as follows:

"State	Percentage
"Alabama	1.26
"Alaska	5.64
"Arizona	2.20
"Arkansas	0.74
"California	8.57
"Colorado	2.31
"Connecticut	0.74
"Delaware	0.04
"District of Columbia	0.01
"Florida	6.49
"Georgia	3.08
"Hawaii	2.54
"Idaho	0.75
"Illinois	3.92
"Indiana	1.46
"Iowa	0.95
"Kansas	0.68
"Kentucky	1.80
"Louisiana	1.34
"Maine	0.66
"Maryland	0.84
"Massachusetts	1.72
"Michigan	2.68
"Minnesota	1.59
"Mississippi	0.76
"Missouri	1.92
"Montana	1.10
"Nebraska	0.87
"Nevada	1.46
"New Hampshire	0.28
"New Jersey	1.16
"New Mexico	0.98
"New York	5.82
"North Carolina	2.92
"North Dakota	0.61
"Ohio	2.32
"Oklahoma	0.97
"Oregon	1.15
"Pennsylvania	3.29
"Rhode Island	0.39
"South Carolina	1.05
"South Dakota	0.55
"Tennessee	2.13
"Texas	7.64
"Utah	1.04
"Vermont	0.22
"Virginia	2.91
"Washington	1.78
"West Virginia	0.58
"Wisconsin	1.41
"Wyoming	0.74
"Puerto Rico	0.99

"(g) UNITED STATES NOT OBLIGATED.—The deposit of Federal apportionments into an Infrastructure Bank shall not be construed as a commitment, guarantee, or obligation on the part of the United States to any third party, nor shall any third party have any right against the United States for payment solely by virtue of the deposit. Furthermore, any security or debt financing instrument issued by an Infrastructure Bank shall expressly state that the security or instrument does not constitute a commitment, guarantee, or obligation of the United States.

"(h) MANAGEMENT OF FEDERAL FUNDS.—Sections 3335 and 6503 of title 31, United States Code, shall not apply to funds used as a capital reserve under this section.

"(i) PROGRAM ADMINISTRATION.—For each fiscal year, a State may contribute to an Infrastructure Bank an amount not to exceed two percent of the Federal funds deposited into that Infrastructure Bank by the State to provide for the reasonable costs of administering the fund.".

(b) RESCISSION OF CONTRACT AUTHORIZATION.—Of the available contract authority balances under the account entitled "Grants-In-Aid for Airports" in this Act, $250,000,000 are rescinded.

SEC. 350. (a) In consultation with the employees of the Federal Aviation Administration and such nongovernmental experts in personnel management systems as he may employ, and notwithstanding the provisions of title 5, United States Code, and other Federal personnel laws, the Secretary of Transportation shall develop and implement, not later than January 1, 1996, a personnel management system for the Federal Aviation Administration that addresses the unique demands on the agency's workforce. Such new system shall, at a minimum, provide for greater flexibility in the hiring, training, compensation, and location of personnel.

(b) The provisions of title 5, United States Code, shall not apply to the new personnel management system developed and implemented pursuant to subsection (a), with the exception of:

(1) Section 2302(b), relating to whistleblower protection;

(2) Section 7118(b)(7), relating to limitations on the right to strike;

(3) Section 7204, relating to antidiscrimination;

(4) Chapter 73, relating to suitability, security, and conduct;

(5) Chapter 81, relating to compensation for work injury; and

(6) Chapters 83–85, 87, and 89, relating to retirement and insurance coverage.

SEC. 351. (a) In consultation with such nongovernmental experts in acquisition management systems as he may employ, and notwithstanding provisions of Federal acquisition law, the Secretary of Transportation shall develop and implement, not later than January 1, 1996, an acquisition management system for the Federal Aviation Administration that addresses the unique needs of the agency and, at a minimum, provides for more timely and cost-effective acquisitions of equipment and materials.

(b) The following provisions of Federal acquisition law shall not apply to the new acquisition management system developed and implemented pursuant to subsection (a):

(1) Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252–266);

(2) The Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.);

(3) The Federal Acquisition Streamlining Act of 1994 (Public Law 103–355);

(4) The Small Business Act (15 U.S.C. 631 et seq.), except that all reasonable opportunities to be awarded contracts shall be provided to small business concerns and small business concerns owned and controlled by socially and economically disadvantaged individuals;

(5) The Competition in Contracting Act;

(6) Subchapter V of Chapter 35 of title 31, relating to the procurement protest system;

(7) The Brooks Automatic Data Processing Act (40 U.S.C. 759); and

(8) The Federal Acquisition Regulation and any laws not listed in (a) through (e) of this section providing authority to promulgate regulations in the Federal Acquisition Regulation.

SEC. 352. Section 40118(h)(2) of title 49, United States Code, is amended by striking the second sentence in that paragraph and inserting in lieu thereof the following: "After review and a public hearing, the Secretary may end any part of the authority of the agency to impose a passenger facility fee, except for that portion necessary to make payments for debt service due by the agency on indebtedness incurred to carry out an eligible airport-related project."

SEC. 353. Funds provided in this Act for bonuses and cash awards for employees of the Department of Transportation shall be reduced by $752,852, which limits fiscal year 1995 obligation authority to no more than $25,875,075: Provided, That this provision shall be applied to funds for Senior Executive Service bonuses, merit pay, and other bonuses and cash awards.

SEC. 354. Not to exceed $850,000 of the funds provided in this Act for the Department of Transportation shall be available for the necessary expenses of advisory committees.

SEC. 355. Notwithstanding any other provision of law, the Secretary may use funds appropriated under this Act, or any subsequent Act, to administer and implement the exemption provisions of 49 CFR 580.6 and to adopt or amend exemptions from the disclosure requirements of 49 CFR Part 580 for any class or category of vehicles that the Secretary deems appropriate.

SEC. 356. (a) The Federal Aviation Administration Technical Center located at the Atlantic City International Airport in Pomona, New Jersey, shall be known and designated as the "William J. Hughes Technical Center".

(b) Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal Aviation Administration Technical Center referred to in section (a) shall be deemed to be a reference to the "William J. Hughes Technical Center".

SEC. 357. None of the funds in this Act may be used to close any multi-mission small boat stations or subunits: Provided, That the Secretary may implement any management efficiencies within the small boat unit system, such as modifying the operational posture of units or reallocating resources as necessary to ensure the safety of the maritime public nationwide, provided that no stations or subunits may be closed.

SEC. 358. Notwithstanding any other provision of law, of the $29,596,000 available for obligation authorized by item 21 of the table in section 1105(f) of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240; 105 Stat. 2038), $6,000,000 shall be made available for obligation to carry out surface transportation projects in Louisiana. Of this amount, $5,000,000 shall be made available for completion of the I–10 and I–610 project in New Orleans, Louisiana and $1,000,000 shall be made available for three highway studies of which $250,000 is provided for a study to widen US 84/LA 6 traversing north Louisiana, $250,000 is provided for a study to widen La. Hwy 42 from US Hwy. 61 to La. Hwy. 44 and extend to I–10 in East Ascension Parish and $500,000 is provided for a study to connect Interstate 20 on both sides of the Ouachita River.

SEC. 359. TRANSFER OF CERTAIN FEDERAL PROPERTY IN NEW JERSEY.—The first section of the Act entitled "An Act transferring certain Federal property to the city of Hoboken, New Jersey", approved September 27, 1982 (Public Law 97–268, 96 Stat. 1140), is amended—

(1) in subsection (a), by adding "and" at the end, and

(2) by striking "Stat. 220), and" in subsection (b) and all that follows through "New Jersey; concurrent with" and inserting the following: "Stat. 220);
concurrent with".

TITLE IV—PROVIDING FOR THE ADOPTION OF MANDATORY STANDARDS AND PROCEDURES GOVERNING THE ACTIONS OF ARBITRATORS IN THE ARBITRATION OF LABOR DISPUTES INVOLVING TRANSIT AGENCIES OPERATING IN THE NATIONAL CAPITAL AREA

SECTION 401. SHORT TITLE.

This title may be cited as the "National Capital Area Interest Arbitration Standards Act of 1995".

SEC. 402. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) affordable public transportation is essential to the economic vitality of the national capital area and is an essential component of regional efforts to improve air quality to meet environmental requirements and to improve the health of both residents of and visitors to the national capital area as well as to preserve the beauty and dignity of the Nation's capital;

(2) use of mass transit by both residents of and visitors to the national capital area is substantially affected by the prices charged for such mass transit services, prices that are substantially affected by labor costs, since more than ⅔ of operating costs are attributable to labor costs;

(3) labor costs incurred in providing mass transit in the national capital area have increased at an alarming rate and wages and benefits of operators and mechanics currently are among the highest in the Nation;

(4) higher operating costs incurred for public transit in the national capital area cannot be offset by increasing costs to patrons, since this often discourages ridership and thus undermines the public interest in promoting the use of public transit;

(5) spiraling labor costs cannot be offset by the governmental entities that are responsible for subsidy payments for public transit services since local governments generally, and the District of Columbia government in particular, are operating under severe fiscal constraints;

(6) imposition of mandatory standards applicable to arbitrators resolving arbitration disputes involving interstate compact agencies operating in the national capital area will ensure that wage increases are justified and do not exceed the ability of transit patrons and taxpayers to fund the increase; and

(7) Federal legislation is necessary under Article I of section 8 of the United States Constitution to balance the need to moderate and lower labor costs while maintaining industrial peace.

(b) PURPOSE.—It is therefore the purpose of this Act to adopt standards governing arbitration which must be applied by arbitrators resolving disputes involving interstate compact agencies operating in the national capital area in order to lower operating costs for public transportation in the Washington metropolitan area.

SEC. 403. DEFINITIONS.

As used in this Title—

(1) the term "arbitration" means—

(A) the arbitration of disputes, regarding the terms and conditions of employment, that is required under an interstate compact governing an interstate compact agency operating in the national capital area; and

(B) does not include the interpretation and application of rights arising from an existing collective bargaining agreement;

(2) the term "arbitrator" refers to either a single arbitrator, or a board of arbitrators, chosen under applicable procedures;

(3) an interstate compact agency's "funding ability" is the ability of the interstate compact agency, or of any governmental jurisdiction which provides subsidy payments or budgetary assistance to the interstate compact agency, to obtain the necessary financial resources to pay for wage and benefit increases for employees of the interstate compact agency;

(4) the term "interstate compact agency operating in the national capital area" means any interstate compact agency which provides public transit services;

(5) the term "interstate compact agency" means any agency established by an interstate compact to which the District of Columbia is a signatory; and

(6) the term "public welfare" includes, with respect to arbitration under an interstate compact—

(A) the financial ability of the individual jurisdictions participating in the compact to pay for the costs of providing public transit services; and

(B) the average per capita tax burden, during the term of the collective bargaining agreement to which the arbitration relates, of the residents of the Washington, D.C. metropolitan area, and the effect of an arbitration award rendered pursuant to such arbitration on the respective income or property tax rates of the jurisdictions which provide subsidy payments to the interstate compact agency established under the compact.

SEC. 404. STANDARDS FOR ARBITRATORS.

(a) FACTORS IN MAKING ARBITRATION AWARD.—An arbitrator rendering an arbitration award involving the employees of an interstate compact agency operating in the national capital area may not make a finding or a decision for inclusion in a collective bargaining agreement governing conditions of employment without considering the following factors:

(1) The existing terms and conditions of employment of the employees in the bargaining unit.

(2) All available financial resources of the interstate compact agency.

(3) The annual increase or decrease in consumer prices for goods and services as reflected in the most recent consumer price index for the Washington, D.C. metropolitan area, published by the Bureau of Labor Statistics of the United States Department of Labor.

(4) The wages, benefits, and terms and conditions of the employment of other employees who perform, in other jurisdictions in the Washington, D.C. standard metropolitan statistical area, services similar to those in the bargaining unit.

(5) The special nature of the work performed by the employees in the bargaining unit, including any hazards or the relative ease of employment, physical requirements, educational qualifications, job training and skills, shift assignments, and the demands placed upon the employees as compared to other employees of the interstate compact agency.

(6) The interests and welfare of the employees in the bargaining unit, including—

(A) the overall compensation presently received by the employees, having regard not only for wage rates but also for wages for time not worked, including vacations, holidays, and other excused absences;

(B) all benefits received by the employees, including previous bonuses, insurance, and pensions; and

(C) the continuity and stability of employment.

(7) The public welfare.

(b) COMPACT AGENCY'S FUNDING ABILITY.—An arbitrator rendering an arbitration award involving the employees of an interstate compact agency operating in the national capital area may not, with respect to a collective bargaining agreement governing conditions of employment, provide for salaries and other benefits that exceed the interstate compact agency's funding ability.

(c) REQUIREMENTS FOR FINAL AWARD.—In resolving a dispute submitted to arbitration involving the employees of an interstate compact agency operating in the national capital area, the arbitrator shall issue a written award that demonstrates that all the factors set forth in subsections (a) and (b) have been considered and applied. An award may grant an increase in pay rates or benefits (including insurance and pension benefits), or reduce hours of work, only if the arbitrator concludes that any costs to the agency do not adversely affect the public welfare. The arbitrator's conclusion regarding the public welfare must be supported by substantial evidence.

SEC. 405. PROCEDURES FOR ENFORCEMENT OF AWARDS.

(a) MODIFICATIONS AND FINALITY OF AWARD.—In the case of an arbitration award to which section 404 applies, the interstate compact agency and the employees in the bargaining unit, through their representative, may agree in writing upon any modifications to the award within 10 days after the award is received by the parties. After the end of that 10-day period, the award, with any such modifications, shall become binding upon the interstate compact agency, the employees in the bargaining unit, and the employees' representative.

(b) IMPLEMENTATION.—Each party to an award that becomes binding under subsection (a) shall take all actions necessary to implement the award.

(c) JUDICIAL REVIEW.—Within 60 days after an award becomes binding under subsection (a), the interstate compact agency or the exclusive representative of the employees concerned may file a civil action in a court which has jurisdiction over the interstate compact agency for review of the award. The court shall review the award on the record, and shall vacate the award or any part of the award, after notice and a hearing, if—

(1) the award is in violation of applicable law;

(2) the arbitrator exceeded the arbitrator's powers;

(3) the decision by the arbitrator is arbitrary or capricious;

(4) the arbitrator conducted the hearing contrary to the provisions of this title or other statutes or rules that apply to the arbitration so as to substantially prejudice the rights of a party;

(5) there was partiality or misconduct by the arbitrator prejudicing the rights of a party;

(6) the award was procured by corruption, fraud, or bias on the part of the arbitrator; or

(7) the arbitrator did not comply with the provisions of section 404.

[TITLE V

[ADDITIONAL GENERAL PROVISIONS

[SEC. 501. None of the funds made available in this Act may be used for improvements to the Miller Highway in New York City, New York.]

This Act may be cited as the "Department of Transportation and Related Agencies Appropriations Act, 1996".

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, we are here today to discuss H.R. 2002, the fiscal year 1996 Department of Transportation and related agencies appropriations bill.

This bill has been a challenge—a challenge to meet the over arching goal of deficit reduction while at the same time providing the resources necessary to address the Nation's infrastructure needs. The 602(b) allocation for this bill is $12.4 billion in budget authority and $36.561 billion in outlays—$200 million less in budget authority and $386 million less in outlays than the House allocation. My colleagues should know that the bill as reported from the committee is right at its 602(b) allocation for both budget authority and outlays. So any amendment that affects either budget authority or outlays needs to be budget neutral.

A number of my colleagues are unhappy that we could not do more either for individual projects or for transportation in general.

I too wish that more could have been done.

The allocation was very restrictive; but, I want to make this very clear to the Members. The allocation for the subcommittee was higher than what was implied by the budget resolution that many have endorsed. If the committee had strictly adhered to the budget resolution's assumptions for Transportation, both budget authority and outlays would have been reduced even further. The budget resolution assumed approximately $20 million less in budget authority and $350 million less in outlays. The outlay assumption in the budget resolution would have been particularly difficult to satisfy. To accommodate the outlay assumptions of the resolution, the bill would have had to totally eliminate transit operating assistance, or to put it in perspective, reduce the Federal aid highway obligation ceiling by 13 percent.

I should point out to my colleagues, the Transportation Subcommittee has limited control over outlays in a given year. Over 69 percent of the total outlays are from prior years' commitments and on top of that another $330 million is outside the subcommittee's control because highway authorizing legislation has made the minimum allocation program and the highway demonstration projects exempt from any spending controls. The net effect is that over 70 percent of the bill's outlays occur regardless of what we do in the current year—and next year we will be further restricted in funding new programs.

Transportation is unique in another way because it pays for itself. This fiscal year, 1995, almost 76 percent of the budget is financed through the various trust funds. The bill before you maintains the user fee concept. However, in order to address the fiscal year 1996 constraints and to be in a better position for fiscal year 1997 there are a number of provisions included that deal with the financial operations of the Department and the need for capital and continued investment in the Nation's infrastructure, such as highway trust fund receipts are not increasing, yet demand for surface transportation is increasing, therefore, I am recommending the creation of State infrastructure banks; in order to assist the FAA better manage its personnel and equipment purchases, bill language on reforming those areas is included; to help States avoid a 20-percent reduction in new contract authority for highways in 1996, bill language is proposed to give States greater flexibility over the use of their highway dollars. And, finally there is direction to the FAA to recover fully the costs for providing services and for administrating various programs.

These proposals have a direct effect on the Department's financial wherewithal, which should be of great concern to all of us.

These proposals are not about jurisdiction. They are about providing the tools and the resources that the Department of Transportation needs now and more importantly for the future. We cannot idly sit by.

I hope that the financial and management proposals in this bill are supported by the full Senate. I welcome the debate that these proposals have generated. Because they are so important and affect all the modes of transportation, I thought that they needed consideration and input by the full Senate. As a colleague said, many of these are not new—some of the reforms proposed were first requested by former Secretary of Transportation, Elizabeth Dole.

Some of the committee's recommendations have already had the desired effect, and that is immediate consideration. I hope that the outcome will be that the authorizing committees in concert with the Appropriations Committee will propose legislation that makes changes in the way that the Department of Transportation currently does business.

I have been very encouraged by the time and energy that members of the Commerce Committee immediately gave to the proposals in the aviation area; and, I am hopeful that we can reach some agreement in that area. Some form of aviation financing legislation must be enacted this session. On the other provisions, which are offered in response to transportation's overall fiscal situation, I ask for your support.

I have also heard concerns expressed about the funding level for the ICC. The bill before you contains funding to pay for ICC functions that will transfer to DOT, $4.7 million; and funding to pay for ICC termination costs, $13.4 million. These funds were included without judgment as to what may succeed the present commission, which will be determined by authorizing legislation.

I want to say that, Mr. President, that we have worked concurrently and in close harmony with the authorizing committees, both the Commerce Committee and Environment and Public Works Committee. We worked most particularly with Senator CHAFEE, chairman of the Environment and Public Works Committee and with Senator MCCAIN, the subcommittee chairman, on aviation in the Committee on Commerce. We are hopeful that these matters will move speedily to a conclusion.

Again, I emphasize that we are not attempting to usurp jurisdiction, because it is not a jurisdictional question, it is a survival question, in many instances, and a question of what our future infrastructure is going to be.

Mr. President, I would like to yield to my close associate and former chairman of this subcommittee, Senator LAUTENBERG of New Jersey, for any opening statements he wishes to make relating to this bill. Then I will ask that the next moment be reserved for adopting the committee amendments, en bloc, and with a tabling motion followed on one of the committee amendments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. SNOWE). Without objection, it is so ordered.

Mr. LAUTENBERG. Madam President, before I discuss my view of the bill that is before the Senate, I want to take a moment to thank Chairman HATFIELD for the considerable work he has put into this bill.

This was tough. The entire Transportation Subcommittee recognizes that we are fortunate to have Senator HATFIELD as our new subcommittee chairman. Over the last several months, he has demonstrated a unique ability to provide balance to the discussion and to arrive at a consensus.

I am not totally satisfied with the outcome of the bill, and I believe that the chairman shares my views. Our concern raises principally because the resources are lacking to confirm our belief of what ought to be invested in the transportation infrastructure in this country.

We had several hearings, a thorough and complete set. The legislation before the Senate clearly demonstrates Senator HATFIELD's leadership in putting this delicately balanced bill together. It probably fails to satisfy almost everyone, and the reason that the bill will fail to please is due to the inadequacy of resources. That is a pure and simple fact.

I support H.R. 2002, the fiscal year 1996 Transportation appropriations bill. I do it, however, with obvious reluctance. My reluctance has nothing to do with the chairman's product or any single provision in the bill. Again, I cannot emphasize it too often, it is attributable entirely to the shrinking size of the bill itself. It contains $1 billion less than we spent in 1995.

Madam President, for the last 8 years, I stood before the Senate as chairman of the Transportation Subcommittee, and though I miss that role, I am nevertheless pleased to continue as the ranking member on the Transportation Subcommittee. I stood here and argued for an increase in balanced spending for transportation, and I make no apologies, none, for supporting spending that invests in our Nation's infrastructure, spending that boosts our efficiency, our competitiveness, and our productivity.

My view is no different than that of dozens of economists across the philosophical spectrum. While many things have changed here in Washington over the years, my views on transportation spending have not; neither have those of the dozens of economists that I refer to, who believe that investments in infrastructure pay off in so many areas in our society.

Infrastructure investment promotes efficiency. It can promote a better quality of life as we travel from work to home, home to recreation, or home to shopping or vacation. It affects us, obviously, in those ways. The amenities of life are considerably improved.

It also affects very directly our environmental condition. Nothing fouls the air more than the proliferation of automobiles, trucks, and machines that produce toxic chemicals into our air.

We ought not to have to deal with this in an advanced society like ours. By providing a balanced transportation network, we could avoid much of that grief and much of those problems.

We are short of resources. The bill before the Senate cuts our national investment in transportation by $1 billion. I continue to believe that cuts of this magnitude undermine our prosperity ultimately and harm the traveling public.

When I spoke in opposition to the budget resolution that passed the Senate, I did so as a member of the Budget Committee. What I had in mind when I voted in opposition were moments like these. We all support spending cuts that are prudent and well reasoned and in the national economic interest. But the budget resolution does not allow selectivity. It requires us to adopt slash-and-destroy tactics. A $1 billion cut in transportation demonstrates that fact.

Look at the questions raised by this bill, at the needs it does not address, at the problems it will cause. While air traffic continues to rise, we find ourselves required to cut the FAA's operating budget more than $150 million below the President's request. While our Nation's cities are struggling to clean the air, minimize congestion, we slash mass transit operating subsidies, cuts that will increase fares, decrease service, and push more commuters out on the highways in their cars.

After Amtrak has already gone through a painful series of service cuts and has reluctantly accepted a 23-percent cut in operating subsidies, we are now required to cut them even deeper and trigger yet another round of service reductions. I think that is ridiculous, for the United States, the leading economic power in the world, to have a railroad system that frankly compares to that in some of the developing countries. This Nation of ours is about 50th in per capita spending on infrastructure investments, and we rank way behind the countries that have the leading transportation systems, like France, like Germany, like Japan.

I find it an intolerable condition. By the way, so do most, if not all, of our colleagues in this Chamber and I believe on the other side of the Capitol as well. And, we see it by the requests that come in—to me, and I know to Chairman HATFIELD—by the dozens, from Members of the Senate who had specific projects that they wanted to be either initiated or continue. These were not in the tradition of what is commonly called bacon, or pork—whatever piece of the pig one chooses. The fact of the matter is, these requests were often very, very significant in terms of development of easier traffic routes and a more efficient economy in the region.

There again, I hear it from almost all the Senators here—perhaps Senator

HATFIELD has heard more because he is now the chairman. But when I was chairman, I would get requests from virtually every State in this country, certainly every region.

Here we have this incredible aviation system of ours. It handles millions of passenger miles each day. It works superbly. It is safe. But it is late, often. It is insufficient to meet the demands. As a consequence, we see the kind of pricing that I think could be lowered if we could expand the system to accommodate the growth.

When our Nation's air traffic controllers are working under incredibly stressful conditions, we are going to penalize them further. We are going to require a reduction in their annual take-home pay by 2.5 percent. It does not sound like a good idea, but we are forced into that position because of the inability to fund the needs for FAA.

We are making these cuts not because they represent solid policy choices; we are making them because the budget resolution gives us no choice. Certainly, the Appropriations Committee is not to blame for these cuts. The chairman has done the best that he could, and I consider it a privilege and a honor to work with him. It is the best he could do. We are from different parties and different regions of the country, but we share a common interest in investments in transportation infrastructure. The chairman has done the best he could under the insufficient funding that is available to us.

As chairman of this subcommittee for the last 8 years, even when times were better and more funding was available, I decried the budgets at those times because they were insufficient to keep up with the growth and demands of our Nation. Now, as the resources are reduced substantially—and, yes, I would like to see us balance the budget, but I would not like to see it at a pace that is perilous to the economic well-being of this country, nor would I like to see it in such a way that it deprives us of the opportunity to be the competitive nation that we ought to be.

I fought for larger investments in transportation infrastructure. It pained me to see the list of obsolete bridges that exist all over the country—a lot in my own State of New Jersey, the most densely populated State in the country, with very dense traffic. It pained me to see the inadequate roadways being ever more worn down by excessive traffic. I found it very difficult to accept the kind of intercity rail service and transit service that we see around our country when, again, we are the most prosperous nation in the world.

We have made mistakes, yes. But the fact is, we have the ability to finance these things. We have an aviation system straining to meet schedules and service requirements because we, once again, are not making adequate investments. Be that as it may, we are guided, as I said earlier, by the budget resolution, not by our desires nor our beliefs in what ought to be taking place.

This bill, as passed by the House of Representatives, included some substantial increases, especially in the areas of highway and airport grants and paid for those increases with severe cuts in mass transit and Amtrak. The Senate bill before us, however, is almost $400 million in outlays below the House bill. As a result, those programs that are treated most generously in the Senate are often frozen. Everything else has been cut.

It is my hope that when this bill reaches conference, our subcommittee allocation will rise to the level that is approved by the House and we will have more money to work with. At that time I hope we can address some of the most severe funding cuts in the bill.

Some of the most problematic provisions that I find in our bill include this provision I discussed, to cut the pay of our air traffic controllers. I know the incentive pay program, which is cut in this bill, was initially designed as a one-time initiative to bring the structure back. It was just after the illegal strike that took place, and it was designed to strengthen and fill the personnel requirements that we needed. But now, this is many years later, it is a basic element in every air traffic controller's compensation plan.

So it is my hope, when we get to conference and can add more funding to the FAA operations, we will be able to avoid a pay cut for our air traffic controllers. They work hard; they earn their money. We want their nerves to be good and calm, and we want them to be able focus on their job.

I am equally concerned with language in the bill which exempts the FAA system from many civil service rules and the language requiring workers on workers' comp to retire, saying to them, "You have to quit now because you are deriving benefits from workers' compensation." It is without, I think, an understanding that these people may be able to get back to work in the not-too-distant future and would probably like to have their positions back if they are able.

There is no question, no question in my mind at all, that we need serious reform at the FAA. But true reform has to be comprehensive.

I hope and I know that the chairman of the Commerce Committee, with me, will move forward with appropriate comprehensive reform legislation so that we do not need to take this kind of action in the final appropriations bill. I know that, if Senator HATFIELD was in a better position to provide more funding in the FAA's budget request, he would not be proposing some of these ideas in the appropriations bill. But he was forced to take an action, as they say, to balance the books.

Finally, I am concerned with the formula change in transit operating assistance. Simply put, the Federal Government has been the partner in the transit systems around the country and has provided some measure of funding. We find it in New Jersey, and I know we find it in States around the country. But this program is being cut now by 44 percent, which means that unless the States can come up with, or the local communities, or the metropolitan trading area authorities can come up with more money, fares are going to go up significantly.

This program is being cut 44 percent, the largest single cut of any major formula program in the bill. And make no mistake about it, the cuts will mean transit service reductions. People are going to have to pay more to get to work, to get to shopping, and to get around the community. So this is going to be painful when these increases finally arrive at home.

The formula has been changed, so that larger urban systems will have disproportionately larger cuts than the more rural, smaller systems. And it makes the problem even worse in many of the cities, including the cities in my State.

I know many people view this provision as a way to spare some of these transit agencies that are most dependent on Federal assistance. However, this provision can also be viewed as rewarding the very municipalities that have made the least local funding commitment to transit. I hope that this formula change will be reviewed or done away with during the conference committee action on the bill.

Despite all these reservations, Madam President, I once again commend my colleague and friend and chairman for his hard work on this bill. He has done an extraordinary job with the resources available. I thank him for the cooperative spirit and fair-mindedness that he has always maintained throughout the process.

I also want to thank the staff people who have been so helpful—on the chairman's side Pat McCann, Anne Miano, and Joyce Rose, people who were part of my staff when I was chairman. They have continued to do the work just as faithfully and just as expertly without any glitches as a result of the party change there, people who are committed to the assignment of transportation appropriations. And they do it well.

And I thank my own staff person, Peter Rogoff, for his continued assistance and his personal growth on the job; he has taken over more responsibility and has done more than well.

As the chairman has already noted, the bill before us is at its ceiling both in budget authority and outlays. So any amendments that are offered will have to be fully offset in both budget authority and outlays.

I want to join the chairman in our hope that any of those who have amendments will come to the floor as soon as possible so that we can continue progress on the bill.

PRIVILEGE OF THE FLOOR

Madam President, I ask unanimous consent that Joanne Horne, a congressional fellow with the Transportation Subcommittee, be granted privileges of the floor during the debate on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. With that, Madam President, I yield the floor.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Madam President, I thank the ranking member, Senator LAUTENBERG of New Jersey, who served ably as the former chairman of this subcommittee—and I had the privilege of working with him over a number of years—for his eloquent description of the bill and for his wonderful support and cooperation in bringing this bill to the floor. I made comments about that previously in my opening remarks. But he was at that time unable to be here on the floor present, and I wanted him to hear it directly from me.

COMMITTEE AMENDMENTS

Madam President, I have some unanimous consent requests that have been cleared on both sides.

First of all, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, except for section 352 of the bill, page 74, lines 1 through 8.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. I ask unanimous consent that they be considered as original text for the purpose of further amendment and that no points of order be waived thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Madam President, I move to table the committee amendment, section 352 on page 74, lines 1 through 8 at this time. And I might just briefly state this committee amendment that was to give authority to the airport agencies; that is, the local airport authorities, to raise the passenger fees from $3 to $5. We got a lot of response from those effected carriers and other interested parties. We think we have their attention.

So I now move to table.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. HATFIELD. Madam President, I move to reconsider the vote by which the motion was agreed to.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Madam President, I am happy at this time to yield to the Senator from Colorado, who I understand has some matters to bring before the body.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. BROWN. Madam President, I thank the Senator for yielding.

I want to express my thanks to the distinguished chairman and the ranking member for their efforts.

I rise to inquire about a concern I have with regard to the appropriations that are described on page 179 of the committee report under the title of "New Systems."

Madam President, my concern is specifically and my understanding is that our Federal statutes outline the process for the Department of Transportation to allocate funding for these new systems on, if you will, a merit basis; that is, after consideration in depth of the project, looking at the benefit it will have, and the cost it will have and the local participation it will have. Our Federal statutes anticipate that money would be allocated by the Department of Transportation on the merit basis.

Yet, in looking at the committee report and reviewing the bill, it appears to me that what has been done here is the committee has earmarked all of the money in that category, and virtually nothing would be left for the Transportation Department to allocate to projects based on their merit.

I raise that as a question, and ask the chairman if I have interpreted that correctly or if there are factors that I have not seen in reviewing it.

Mr. HATFIELD. Let me put this in context, if I might. A few years ago when we adopted the ISTEA legislation, before that time we had designated these various projects in report language. At that time, the authorizing committee identified those projects within the bill language legislating them into law. They identified a total of $666 million to be expended annually for those designated programs in locations, descriptions, and costs, full-funding agreements and so forth.

The President sends up his budget by which the Department of Transportation expresses its views as to those projects most able to undertake the construction, all of the preliminaries being completed, and agreements having been signed by the Department of Transportation with those local entities. When you get to a cap on a figure in any account, you obviously then are in a position to have to make selections and priorities.

We also find that when that legislative authorization has taken place, events tend to change those projects as you get down the road into them. As an example, Los Angeles has been having some recent difficulty in its project relating to its contractor, and as I understand that is under investigation. Therefore, things are kind of on hold.

If we did not have this earmarking, as the Senator calls it, which really more precisely to try to distinguish it from other kinds of earmarks, we set these priorities within that $660 million, we would not have $688 million this year. We were able to take some unobligated funds to add to that to do a little bit more.

By the way, we had $1.1 billion in requests from Members within this category of the $660 million cap. So what we have to do then is to identify those in dollars concurrent to those changing roles or changing rates of action and progress, and so forth. And that is why these are listed by certain number of dollars.

Let me take as another example both New York and Portland. In Portland, OR, my home State, there was a shortfall in the next to the last increment to complete the light rail system in my city of Portland. There were a couple of years of shortfalls in terms of the moneys appropriated by the House and Senate, and so forth, which put a time lag into that project that had full funding and contracting already established. And so by being able to add a little over the President's request of $106 million, this catches both Portland and New York City up to date, which means we can complete the Portland project with one last increment in 1997. Otherwise, we might be forced into 1998, which expands the costs, of course, because of the time extension.

So those are the kinds of judgments we are called upon as a committee to make to maximize the dollars for these programs that we are committed to by contract, authorized and designated in the ISTEA legislation.

Mr. BROWN. I understand the projects listed under fixed guideway modernization on 178 do total, or do involve the ISTEA presentation.

Mr. HATFIELD. Yes.

Mr. BROWN. Am I to understand that the ISTEA priority affects those in the new systems as well?

Mr. HATFIELD. Yes. Yes, that is correct. And there is a formula that you will find on the guideway modernization, fixed guideway modernization on page 178. Those are allocated on the basis of formula set by the Department and in the legislation, ISTEA legislation.

Mr. BROWN. I guess the concern I bring is the difficulty of falling into a circumstance where allocation of these funds is based on designation by legislative acts instead of what should be a merit focused formula that I understand section 5309 of our Federal law lays out. I am wondering if that objective criteria is what guides Congress in its selection here or if this involves simply an overriding objective criteria?

Mr. HATFIELD. I can assure you that the basis the committee has used is purely merit. I believe that we have similar capacity to executive agencies to establish priorities by merit within the body of the Congress. I do not assume that only the executive branch can set those standards by merit. You will also find that there is a great correlation between what has been determined as merit in the committee and what the administration has also declared on the basis of merit. In other words, our merit basis tends to affirm, one affirm the other.

Mr. BROWN. I understand the process that we have in the statute. I think the Senator can see my concern. The statute, as I understand, has with legislative authority laid out some fairly detailed guidelines as to how you would evaluate projects, and yet at least from the outside it appears that we use a different system in coming up with it.

What the Senator is telling me is the statute is used by the administration in what they recommend to the Congress, and that the committee presumably looks at those ratings in making their decision, although they are not bound by them.

Mr. HATFIELD. I am saying basically, yes, that the administration sends up its recommendations. Take my city of Portland, for instance—one of the highest because we are moving toward that completion offered by the administration. The addition between what the administration's level is and what we made on a basis of merit and maximizing the dollars and trying to complete the project within the existing contract was to add for the shortfalls of 2 previous years, and certainly I think that is within the prerogative of the congressional body and I think it is based on merit.

Mr. BROWN. I appreciate the Senator taking the time to go through this with me. I yield the floor.

Mr. HATFIELD. I thank the Senator.

AMENDMENT NO. 2328

(Purpose: To transfer additional funds for mass transit operating assistance)

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Madam President, I send an amendment to the desk on behalf of Senator SANTORUM and myself and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER], for himself and Mr. SANTORUM, proposes an amendment numbered 2328.

Mr. SPECTER. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 30, line 16 "$985,000,000" and insert $1,025,000,000".

On page 30, line 17, strike "$2,105,850,000" and insert $2,145,850,000".

On page 30, line 20, strike "$400,000,000" and insert "$440,000,000".

On page 2, line 6, strike "$56,500,000" and insert "$55,400,000".

On page 3, line 6, strike "$9,710,000" and insert "$6,336,667".

On page 6, line 13, strike "$139,689,000" and insert "$134,689,000".

On page 16, line 22, strike "$215,886,000" and insert "$205,886,000".

On page 16, line 14, strike "$70,000,000" and insert "$86,000,000".

On page 30 line 12, strike "$42,000,000" and insert "$39,260,000".

On page 54, line 5, strike "$5,000,000" and insert "$10,000,000".

On page 54, line 8, strike "99,364,000" and insert "94,364,000".

Mr. SPECTER. Madam President, at the outset, I add my words of commendation to those already articulated for the distinguished chairman of the full committee and the chairman of the subcommittee and the distinguished ranking member for an outstanding job which they have done and acknowledge the very grave difficulties in stretching a limited number of dollars to a great many important aspects of transportation.

I serve on the Transportation Subcommittee and advised the distinguished chairman at the markup on the subcommittee of a number of concerns I had, one of which was the mass transit operating expenditures, which have been reduced very materially from $710 million in Federal operating assistance to $400 million. These Federal funds are used to keep transit fares down and to maintain service.

The amendment which I have offered on behalf of Senator SANTORUM and myself would increase the funding by $40 million in budget authority and $24 million in outlays with a series of offsets which total $43.2 million in budget authority and $24 million in outlays.

This amendment is being offered to make some adjustment in operating assistance which is relatively minimal—a 10-percent increase but at least some effort to ameliorate and improve the tremendous losses which will be suffered across the country. These offsets have been very carefully calibrated to do the minimum amount of harm to the areas where the offsets are obtained.

For example, on GSA rental payments, there is a $5 million offset in both budget authority and outlays which still leaves the Senate at $134.6 million which is above the House figure; a $10 million reduction in budget authority and $6 million in outlays from FAA research and development, which still leaves the Senate $205.9 million ahead of the House figure of $143 million; DOT working capital fund, a $5 million offset in budget authority and $3 million in outlays, which leaves the Senate at $95.4 million compared to $92.2 million for the House; the Federal Transit Administration, administration expenses, a reduction in budget authority of $2.74 million and outlays of $2.47 million, which leaves the Senate at $39.2 million equal to the House $39.2 million; an offset of $1.1 million in budget authority and $1 million in outlays from the Secretary of Transportation salaries and expenses, noting a very small reduction; and $3.37 million in budget authority and $2.53 million in outlays from Transportation planning, research and development, which leaves the Senate still ahead of the House $6.3 million to $3.3 million.

I omitted the figure of the Secretary of Transportation salaries and expenses, which still leaves the Senate figure $55.4 million, ahead of the House figure of $55 million. This has been a very, very carefully calibrated reduction in a number of accounts which I think can be accommodated without any undue problems.

The information which has been provided to me from my Pennsylvania constituent group, the Pennsylvania Association of Municipal Transportation Authorities, and also provided to my distinguished colleague, Senator SANTORUM, shows the impact on transit authorities across the State which are very, very substantial.

For example, in Wilkes-Barre there would be a loss of $409,000, which would require an increase in fares of 104 percent, from $1.10 to $2.25 on fares, or a reduction of service of 39 percent, which would result in a customer loss of 680,000 riders.

In Indiana, PA, for example, an operating loss of $28,260 would cause a fare increase of 80 percent, from $1 to $1.80, or reduction in service of some 25 percent.

There would be losses across the board of a very substantial nature—Allentown, Altoona, Harrisburg, Lancaster, Scranton, State College. In addition to the ones already referred to, a loss to Pittsburgh of some $3.75 million, and Philadelphia, $11.5 million.

Now, this is minimal, as I say, Madam President. And I offer this modification with some fine-tuning to an excellent job already done by Senator HATFIELD and Senator LAUTENBERG, looking across the entire spectrum of expenses in the transportation account. But this is being offered in an effort to try to bring some help to the mass transit riders. There has been a reduction in the fares for urban areas of 43.7 percent, in rural transportation of 19.4 percent, which we had considered making it a modification and did not do so. But this I would consider minimal and necessary.

The point has already been made about mass transit being necessary for the elderly and for the working poor. And at a time when we are considering the changes in the welfare laws, we really need to keep people on the move in the Philadelphia area, for example. Keep people moving from center city to suburban areas and moving in all the towns across Pennsylvania. I am sure these figures are duplicated, really, across the country.

That states the essence of the position. And I would be delighted to yield at this time to my distinguished colleague, Senator SANTORUM.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Madam President. I will join my colleague from Pennsylvania in congratulating the chairman of the committee and the ranking member for their outstanding work on this bill. And I know how difficult it is.

The chairman of the committee is often in our meetings talking about how the discretionary funds continue to get cut, and to try to reallocate those resources is a brutal task and one that is a thankless job, and you have to make tough decisions and you are not going to make a lot of people happy in that case. And I also say no one fights to make sure that discretionary spending gets a fair allocation out of the budget process more than the Senator from Oregon.

I rise to join my colleague from Pennsylvania in what I agree with him is a modest amendment. If you look at what has happened over the last many years to mass transit funding in past Congresses, mass transit funding has suffered a disproportionate share in the cuts of the transportation budget for quite some time and continues in this round to suffer again a disproportionate share of the funding cuts.

I understand we have priorities, and this was an attempt by the committee to try to order those priorities. What we are trying to do with this amendment is to try to in some way give back or create a higher priority for mass transit.

I think the reason I am so enthusiastic in supporting this is because I strongly believe in mass transit and its role, not as just providing transportation to seniors who want to get to the store, which is obviously important, but the majority of riders on mass transit systems in this country use it to get to work.

When you look at what is happening with the reductions in Federal funding and the increase in fares and what that means to particularly low-income families who rely on mass transit to get to work. When I served in the Congress, I represented an area called the Mon Valley, an old steel valley outside Pittsburgh. There are communities there that are now almost ghost towns, unfortunately. But these communities had incredibly high unemployment rates, virtually no jobs. Most all of the mills that were in these towns have closed down years ago. And the only way they could get to work, because most of them could not afford a car, was to get on the port authority bus, PAT bus in Pittsburgh, and go into town or some other job center.

Well, because of cutbacks and the like, they had to discontinue services to a lot of these communities. So these people had absolutely no way to get to work. They could not afford a car. Unfortunately, in those areas crime was very high. Insurance rates were very high. Even if you could afford a car, in many cases you did not keep a car very long.

So it was a difficult task, and I became very sensitized to the importance of mass transit as a link to a lot of urban areas; in small towns, for that matter, the link for the people who live in these poor communities where the jobs do not exist anymore.

There are no jobs in North Philadelphia. They do not have many. If you want to get to work, you have got to somehow get into center city or out up into northeast or out in the suburbs. Those are the realities of living in urban areas today. And mass transit provides that very vital link.

I find it ironic we are discussing this the day after we were talking about welfare reform. I have been on the floor here the last couple days talking about welfare reform. And I was in Philadelphia a couple months ago. We talked with a group of welfare recipients as well as advocates. And one of the things that they highlighted most to me was the need to continue mass transit funding.

The response was, "Why so?" And it came back with, "Well, if you are expecting these people to go to work, they have to have some way to get to work."

Obviously, most welfare recipients do not own cars. They do not have the resources to get a car. Many of them do not have friends who have cars or relatives, and they have to use mass transit. As we continue to cut back or increase fares, which is going to be the result of the action here, we are going to affect the ability for these people to hold jobs, and in fact if we are going to make them have jobs on welfare, to get those jobs and collect those benefits.

So, that is why I rise in very strong support of this, I think, very minor reallocation of resources to recognize the importance of mass transportation for so many Americans who are trying to do what we want them to do, which is get to work, hold a job, and be responsible citizens, tax-paying citizens of our country.

I wanted to mention one place in particular just so you do not think this is a problem of the big cities. This bill is, in fact, kinder to populations of under 200,000 people. So the big cities get a little bigger hit in this bill than the smaller areas. Maybe that should be the case, because a lot of the smaller areas are more dependent upon the Federal subsidy because they do not have the base of support that a lot of the larger urban areas have.

But I wanted to pick up on what my colleague from Pennsylvania talked about. He talked about Indiana, PA. Indiana, PA, is famous—probably not famous to many people, a lot of people here—but it is famous because it is the birthplace of Jimmy Stewart. In fact, the Jimmy Stewart Airport—they just had a big commemoration of naming the airport after Jimmy Stewart. They opened up a museum there. Indiana, PA, is a town in western Pennsylvania that has just a tremendously tough time.

Indiana County has the highest unemployment rate in the State. It is over 20 percent. With these cuts, as was reported by my colleague from Pennsylvania, it would go from $1 to $1.80; either that or have a 25 percent reduction in service. That is going to be a big hardship on this community.

So what we are trying to do is just ease the pain a little bit by adding some money to this account. I hope that we can get the support of our colleagues and stand up in conference and look at the House numbers and try to do a little bit more in recognition of the importance of mass transit for the employment of so many people in our urban settings who need to get to work.

I want to congratulate my colleague from Pennsylvania for his amendment and his willingness to stand up and fight for what I believe is a very just cause. I am pleased to sponsor him and support him in his effort.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. LAUTENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AIRLINE FARES

Mr. DORGAN. Madam President, I will just take a moment to describe an amendment I have discussed with the chairman and the ranking member on this appropriations bill. I intend to offer an amendment that I hope they will accept this evening which calls for a study by the Department of Transportation on the subject of airline fares.

I come from North Dakota, which is not a heavily populated part of the country. All of us have understood, I suppose, from our own unique perspective what has happened with respect to airlines under deregulation. I can tell you what has happened to airlines under deregulation for some parts of the country. If you live in Chicago and fly to Los Angeles, it has been a wonderful, wonderful thing. You have multiple opportunities to call a number of carriers. You find robust competition and low prices.

If you live, however, in a smaller community, in a rural State, you call the airline and find out that you are paying more. I can get on an airplane and fly from here to London and it costs less than it costs to fly from here to Bismarck, ND. Let me say that again so people understand.

I can fly from here to London to see Big Ben for less money than it costs me to fly from here to see Salem Sue the Cow, the biggest cow in the world sitting on a hill near New Salem, ND, 30 miles from Bismarck airport.

Why should it cost me less to fly from here to London than from here to Bismarck? Because that is the way deregulation has worked. If you happen to live in areas where there are a lot of folks, you get a heck of a deal on airline fares, plenty of opportunities for different carriers and different flights and lower prices. If you live in a rural area, you are going to have less opportunity, fewer carriers, less competition, and higher prices.

I am going to bring some charts to the floor one of these days that will entertain the Senator from New Jersey, I hope. They will make a simple point about who pays what for airline travel in this country. The fact is, people who live in rural areas pay through the nose, and the folks who happen to live in New York, Chicago, Los Angeles get a wonderful deal from airline deregulation.

I want a definitive study done that demonstrates that is the case. I know it is the case, and most folks who live where I do know it is the case. I would like to see a DOT study done, and when that is done, I would like to talk with the folks in the Senate and the House about deregulation and what ought to be done to address some of these issues.

I want to mention one additional thing to the Senator from New Jersey, who is obviously now intently listening to this discussion. If you try in today's circumstances to start a new regional airline carrier to provide jet service in Maine or North Dakota or some State with a more rural population, what will happen is, you are going to get squashed like a little bug. In the old days, if you had a regional jet carrier, the major carriers were required to do code-sharing and offer joint fares. These days, of course, there is no such requirement. So a new jet carrier service begins to provide regional carrier service, and quickly finds the service they can provide is from one city to another and that is their only opportunity, because no big carrier is going to join with them for joint fares and code-sharing.

So very soon they will discover, for example, if you are providing service from Bismarck, ND, to Denver, which happens to be the case with the new regional jet carrier, you cannot if you are traveling from Bismarck to Los Angeles. The most direct route would be a jet from Bismarck to Denver and then on another jet from Denver to Los Angeles. You cannot do that, because the major carrier flying from Denver to Los Angeles says, "We don't offer joint fares. That is our judgment. We just don't do it."

What is the result of deregulation policy, a policy which would not have existed 20 or 30 years ago? We would not have allowed that to happen. What is the result? The result is, we will not see the emergence of robust, energetic, new jet service from regional carriers in this country until we decide to change the rules or maybe change the law and decide that deregulation must be adjusted in those certain circumstances.

The first step is to demonstrate with a definitive study about who gets the benefits and who bears the cost of airline deregulation, and then to take that study and use it to try to find some sensible solutions to it.

So I intend to offer an amendment that simply requires such a study. I hope that it will be acceptable to the Senators who are managing this legislation.

Mr. LAUTENBERG. I would like to respond to our distinguished colleague from North Dakota.

First of all, I was struck by a speech we heard the other day, one of the most illuminating and interesting speeches on the floor when the distinguished Senator from West Virginia, Senator BYRD, stood up and talked about his 14,000th vote, about two votes that he regretted. One of major magnitude was a vote that he made against the civil rights legislation in 1964. And he is a man whose knowledge is unchallengeable here. And the other was when he voted for airline deregulation.

Frankly, if I was here at the time, I would not have voted to deregulate, and I am very interested in all forms of transportation, particularly aviation. In a State like New Jersey, a critical part of our structure, our culture, our economy is the airport we have at Newark.

That does not mean that we have cheap fares, I say to my friend from North Dakota. As a matter of fact, if you want to fly from New Jersey to Washington, you often will pay more than you might to fly to Chicago or some further place. So we wound up with higher fares and worse service. At the same time airlines reduced their costs because they do not pay the wages they used to pay, and they do not have the services available that they used to. Now everybody crowds their luggage onto the airplanes, and if you ever traveled with a bunch of high school students and got hit in the head with backpacks as they walk up the aisle like a ball down bowling alley, you realize that is not something you are really fond of. I would not be surprised if somebody tried to bring a pet elephant or a donkey. But the crowding that you get on airplanes is almost insufferable.

I share the Senator's interests in having a study done. But, I think a study ought to be committed that would be a little more comprehensive. It should be the jurisdiction of the Commerce Committee and have a full review of what happened with airfares and with service. And some of the more rural places are just not going to get a lot of jet service because of the fact that it is so expensive to offer. But I believe that service to communities is an essential part of their survival. We had this debate over essential air service. For a lot of communities, if you get rid of the airline availability, you almost destroy the economic well-being of those communities. So I would like to share with the Senator from North Dakota the request for getting a study done. But I hope that we can do it with another committee, a committee that has authorizing jurisdiction and so forth. I will defer to my chairman here to see what his views are.

Mr. HATFIELD. Madam President, I would associate myself with the remarks of the Senator from New Jersey in responding to the Senator from North Dakota.

AMENDMENT NO. 2328

Mr. HATFIELD. Madam President, I would like to now respond to the amendment offered by the Senators from Pennsylvania, Mr. SPECTER and Mr. SANTORUM.

Madam President, first of all, I want to commend the Senators from Pennsylvania for the careful crafting of an amendment in which they took full responsibility to have reductions to offset the increase they are seeking for the transit operating fund. I wish that I could accept their amendment because I know they speak not only for their State of Pennsylvania, but for all States that have a system which depends so much an transit operating aid. I have one in my own State of Oregon, in the city of Portland.

Madam President, I have to say, in looking at the total picture as to what is happening to this fund, not only this year but in the previous year, 1995, it would be, in my view, offering less than full support, it would be raising false hope that we somehow are going to reverse the trend.

In 1995, that fund was reduced by 12 percent. In 1996, the President reduced it from $710 million down to $500 million. He suggested an across-the-board reduction which would turn out to be about a 30-percent reduction in transit operating aid to all systems. The House reduced it down to $400 million, which translates into about a 44-percent reduction across the board to all systems, large and small. The Senate suggested the same figure of $400 million that the House did. But we try to draw a distinction between small and large operations.

In small operations, on the average, their budget is supported by transit operational aid from 12 to 20 percent in their total budget. You take a large operation and, on the average, it is 4 percent of their total budget, supported by transit aid. So we took a figure of 200,000 population and said that under 200,000, it would be reduced by 20 percent. The lowest percentage of reduction between the President's suggested 30 and the House's suggested 44. We increased the reduction, of course, to offset that 20 percent consideration to the small operations by increasing the larger ones up to a 48-percent reduction.

Let me also add that the budget resolution we passed in this body has made very clear that we are phasing out that fund entirely over the life of the budget resolution. So when you look at all of those trend lines as it relates specifically to that particular account we are dealing with in this amendment, as much as I would like to be helpful and accommodate Pennsylvania and all the others that would be involved and affected, I really feel that I cannot do so.

Let me also say that all of those deductions that were taken in this amendment identified as offsets, those accounts have already taken heavy reductions in light of the total budget caps that we are working on. And I again say, almost apologetically, but within the context of my duty and responsibility to keep this appropriation bill and all 12 other appropriation bills within the caps, and to indicate a strong determination moving toward a balanced budget by the year 2002, we just have to come to grips with the fact that we have too little money for the demands and needs and for the justified requirements that are being asked here.

So I do not want to stop the discussion necessarily, but I will soon move to table the Specter-Santorum amendment.

Mr. SPECTER. If the Senator would allow me, I wanted to offer some documents.

I ask unanimous consent that a letter dated July 25 to me from James J. Lutz, from the Pennsylvania Association of Municipal Transit Authorities be printed in the RECORD, together with a survey of losses to cities in Pennsylvania, together with a document showing the offsets needed to increase mass transit.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PENNSYLVANIA ASSOCIATION OF MUNICIPAL TRANSPORTATION AUTHORITIES,
Harrisburg, PA, July 25, 1995.

Hon. ARLEN SPECTER,
U.S. Senate, Hart Building,
Washington, DC.

DEAR SENATOR SPECTER: The Pennsylvania Association of Municipal Transportation Authorities (PAMTA) urges your support to fund the federal transit program including operating assistance at the highest possible levels.

The funding levels included in the FY 1996 House Appropriations Bill include a 43.7% reduction in urban area operating assistance and a 19.4% reduction in rural transportation funding amount other reductions.

Pennsylvania's transit systems rely heavily on the federal program for both capital and operating needs. A recent survey of a cross section of medium and small urban systems and rural systems in Pennsylvania shows that fares would have to be increased 64% to make up for the operating assistance reductions in the House bill. Fare increases of this level would likely result in unprecedented losses in ridership forcing fares to go even higher. As an alternative to solving the problem through fare increases, these same systems would have to eliminate 26% of their services.

The public transit systems of Pennsylvania have a proud tradition of providing some of the most efficient services in the nation and a proud tradition of quality services to the citizens of the Commonwealth. Affordable fares and reasonable levels of service cannot be sustained to continue that proud tradition with the funding levels included in the House bill (H.R. 2002). For that reason, PAMTA urges your support for a Senate Appropriations bill that improves the levels of funding included in the House bill and provides increased operating assistance and greater flexibility to use formula funds for operating needs.

Thank you for continued support. Please contact me at (717) 397-5613 if you have questions or require additional information.

Sincerely,

JAMES J. LUTZ,
Vice President for
Legislative Affairs.

Enclosure.

PAMTA SURVEY, AUGUST 1995—EFFECTS OF FISCAL YEAR 1996 SENATE APPROPRIATIONS BILL

[Actions required to cover loss]

Systems	Operating loss	Fare increases (in percent)	(Current—required)	Or service reductions (in percent)	Customer loss	Population group [1]
Allentown (LANTA)	$1,238,000	48	($1.25–$1.85)	20	700,000	M
Altoona (AMTRAN)	144,746	73	(.73–1.00)	20	70,000	S
Harrisburg (CAT)	483,000	32	(1.10–1.45)	([2])	320,000	M
Indiana (ICTA)	28,260	80	(1.00–1.80)	25	([2])	R
Lancaster (RRTA)	502,810	48	(1.05–1.55)	16	250,000	S
Monesson (MMVTA)	138,233	51	(1.95–2.95)	50	54,000	L
Reading (BARTA)	487,145	32	(1.10–1.35)	15	400,000	S
Scranton (COLTS)	352,879	25	[3] (1.00–1.25)	[3] 20	425,000	M
State College (CATA)	66,927	18	(.85–1.00)	2	([2])	S
Wilkes-Barre (LCTA)	409,000	104	(1.10–2.25)	39	680,000	M
Averages	385,100	51.1	....	23	362,375	....
Pittsburgh—$3.75 million						
Philadelphia—$11.5 million						

[1] Large—Over 1 million; Medium—200,000–1 Million; Small—50,000–200,000; Rural—Under 50,000.

[2] Estimate not available.

[3] Fare increases and service combined.

Note.—PAT and SEPTA have not determined the specific actions that would be taken to make up for the significant loss of Federal operating funds included in the Senate Appropriations Bill.

OFFSETS NEEDED TO INCREASE MASS TRANSIT (OPERATING) BY $40 MILLION

To increase mass transit operating assistance by $40 million ($24 million in outlays), the following offsets are possible:

[In millions of dollars]

Account	House	Senate	Proposed reductions (Budget authority)	Proposed reductions (Outlays)
GSA Rental Payments (Covers)	130.8	139.6	−5	−5
FAA Research & Development	143	215.9	−10	−6
FAA Facilities and Equipment—(Rescission of unobligated balances from prior years)	[1] (60)	[1] (70)	[1] (16)	4
DOT Working Capital Fund	92.2	99.4	−5.0	−3
Federal Transit Administration—Administrative Expenses	39.2	42	−2.74	−2.47
Secretary of Transportation—Salaries and Expenses	55.0	56.5	−1.1	−1
Transportation Planning Research and Development	3.3	9.7	−3.37	−2.53
Totals			43.2	24

[1] Rescission.

Mr. SPECTER. By final comment, this increase in operating mass transit is necessary for the working poor, disabled, and the elderly.

I urge my colleagues to defeat the motion to table.

Mr. HATFIELD. Madam President, I move to table the amendment.

Mr. SPECTER. I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER (Mr. DEWINE). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 2328.

The clerk will call the roll.

The bill clerk called the roll.

Mr. LOTT. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 68, nays 30, as follows:

[Rollcall Vote No. 379 Leg.]

YEAS—68

Akaka
Ashcroft
Baucus
Bennett
Bingaman
Bond
Boxer
Breaux
Brown
Bryan
Bumpers
Byrd
Campbell
Coats
Cochran
Conrad
Coverdell
Craig
Daschle
Dole
Domenici
Dorgan
Exon
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kerrey
Kyl
Leahy
Lott
McCain
Murkowski
Murray
Nickles
Nunn
Packwood
Pressler
Pryor
Reid
Rockefeller
Roth
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thurmond

NAYS—30

Abraham
Biden
Burns
Chafee
Cohen
D'Amato
DeWine
Dodd
Feingold
Harkin
Kennedy
Kerry
Kohl
Lautenberg
Levin
Lieberman
Lugar
McConnell
Mikulski
Moseley-Braun
Moynihan
Pell
Robb
Santorum
Sarbanes
Simon
Specter
Thompson
Warner
Wellstone

NOT VOTING—2

Bradley
Mack

So the motion to table the amendment (No. 2328) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, if I could have the attention of the body, Mr. President, we are attempting at this time—the manager, Senator LAUTENBERG, and myself—to ascertain what amendments are being expected for the Transportation appropriations bill. I am told by the majority leader that we will expect to finish this appropriations bill tonight.

If we can now get the cooperation of our colleagues to indicate if they are expecting to offer an amendment, and if they are expecting to ask for a rollcall on such amendment, at this point in time I have five amendments that may be offered on our side of the aisle. Senator ROTH has two amendments listed.

I would estimate we may have rollcall votes tonight on completing some of these amendments. Senator LAUTENBERG and I have indicated that we want to move on those which we do not expect to have rollcall votes and take up time to complete those amendments. I am not saying there is a window because I do not have authority to establish the window. But, nevertheless, we will try to complete those first for which we do not expect and do not ask for a rollcall vote.

We are making inquiry of the majority leader if he could consider stacking votes for tomorrow, and we could offer a number of amendments yet to be offered and complete those amendments tonight. We do not have that information at this point.

So, Mr. President, I hope that Senator PRESSLER, Senator ROTH, Senator BYRD, and Senator CHAFEE might be willing to offer amendments now.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I ask unanimous consent that there be a time agreement of 20 minutes equally divided in consideration of the Harkin amendment, equally divided between Senator HARKIN and myself.

The PRESIDING OFFICER. Without objection——

Mr. PRYOR. Reserving the right to object, Mr. President, will the distinguished chairman please repeat the request.

Mr. HATFIELD. Senator HARKIN is going to offer an amendment now, and he said he would be willing to enter into a time agreement of 20 minutes equally divided.

Mr. PRYOR. Mr. President, I have no problems with that, and I do thank the chairman.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2329

(Purpose: To amend the Railway Labor Act regarding overseas domiciles regarding airline flight crews)

Mr. HARKIN. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2329.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At an appropriate place in the bill, add the following new section:

SEC. . Section 201 of the Railway Labor Act (45 U.S.C. 181) is amended by adding at the end the following: "As used in this title, the term 'foreign commerce' includes flight operations (excluding ground operations performed by persons other than flight crew members) conducted in whole or in part outside the United States (as defined by section 40102(a)(41) of title 49, United States Code) by an air carrier (as defined by section 40102(a)(2) of such title).".

EMPLOYEE

Section 202 of such Act (45 U.S.C. 182) is amended by adding at the end the following "As used in this title, the term 'employee' also includes flight crew members employed by an air carrier (as defined by section 40102(a)(2) of title 49, United States Code) while such flight crew members perform work in whole or in part outside the United States (as defined by section 40102(a)(41) of such title).".

The PRESIDING OFFICER. Who yields time?

The Senator from Iowa.

Mr. HARKIN. I thank the Chair.

Mr. President, this provision is intended to clarify the intent of Congress that title II of the Railway Labor Act, which governs airline labor/management relations, applies to flight crews employed by U.S. air carriers engaged in international operations.

In 1993, this same provision was included in the transportation bill for fiscal year 1994 and passed by the Senate. The House bill contained no provision on the subject. The Senate receded to the House but included the following language in the conference report:

> The conferees urge the authorizing committees with proper jurisdiction to report legislation during fiscal year 1994 clarifying that the Railway Labor Act extends to flight crew personnel employed by U.S. air carriers who are domiciled overseas and covered by a collective bargaining agreement.

No action was taken in response to the conferees in 1994 other than the House committee formerly known as the Public Works and Transportation Committee held a hearing in October 1994. The Senate Labor and Human Resources Committee has taken no action, nor do I know of any plans to consider this provision in the future.

I believe this is important to make certain that Congress intends that the basic statute which governs collective bargaining involving U.S. airline flight crews, namely the Railway Labor Act, applies equally to those flight personnel who are engaged in international as well as domestic flying. This provision would ensure that the long-established principle of maritime laws that applies to workers on board U.S. flagships, namely that the law follows the flag of the vessel, is also applied to those flight crew members who work aboard U.S. flag air carriers when operating in and out of foreign ports.

As our U.S. airlines expand their operations internationally, it is necessary, in my view, in the interest of uninterrupted air service and the stability of collective bargaining relationships, that the flight crews who are engaged in these international operations have the protection of U.S. law as it relates to their conditions of employment to the same extent as their counterparts in domestic operations.

Mr. President, let me very clearly state what this does not apply to. This does not apply to ground crew personnel. There was some mistake on that. It applies only to flight crews.

In over 50 years of international aviation, there has not been a single case of a foreign government attempting to assert jurisdiction over U.S. airline flight crews.

Let me state that again. In over 50 years, not one foreign government has attempted to assert jurisdiction over U.S. airline flight crews, nor has the United States ever attempted to assert jurisdiction over flight crews of foreign airlines transiting through the United States to other foreign points such as Canada, Mexico, or South America. Bilateral aviation treaties do not reference flight crews, only ground employees. The amendment does not apply to ground employees, only to flight crews. That is the pilots and the flight attendants.

Furthermore, if there is a remote chance that a foreign country desired to exercise some authority that could easily be negotiated by the U.S. pilots or the flight attendants' union and the airline for whom they work.

Again, this amendment tracks the same policy as maritime law for maritime employees. The law follows the flag of the vessel. There is absolutely no conflict-of-laws problem with this. It is simply to clarify the intent of the Railway Labor Act.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

If no one yields time, the time will be deducted equally from each side.

Mr. HARKIN. Mr. President, if there is no opposition and no one wants to speak, in the interest of time I would be willing to yield back my time—if no one else wants to speak.

Mr. President, I suggest the absence of a quorum with the time divided equally——

Mr. PRYOR addressed the Chair.

Mr. HARKIN. I withhold that.

Mr. PRYOR. If the distinguished Senator would please withhold that, I have a question I wish to propose to the distinguished Senator, my good friend from Iowa.

Mr. HARKIN. Who yields time?

The PRESIDING OFFICER. The Senator from Iowa controls the time.

Does the Senator from Iowa wish to yield time to the Senator from Arkansas?

Mr. HARKIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Iowa has 4 minutes and 45 seconds. The Senator from Oregon has 10 minutes.

Mr. HATFIELD. I would be happy to yield 2 minutes to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 2 minutes.

Mr. HARKIN. If he needs a couple more minutes, I will give it to him.

Mr. PRYOR. I thank the Chair and the distinguished chairman, Mr. President.

Mr. President, this amendment is a very, very complex and far-reaching amendment. It has just come to our attention it was going to be offered just a very few moments ago. This amendment is going to be one that basically, to the best of my understanding after a cursory look, is going to affect and impinge upon 28 commercial treaties that airlines now have with respect to countries.

Mr. President, further it is my understanding that in the Senate—perhaps in the House, I do not even know this—there has never been a hearing on the particular issue that our friend, the distinguished Senator from Iowa, is bringing before the Senate tonight. We are about, if this amendment passes, to extend our own labor laws to other foreign countries. And I do not know how we would react if other countries tried to extend their labor laws to this country.

So, Mr. President, I think the better part of discretion, I say respectfully, is to turn down this amendment at this moment and to try to see if we cannot work something out eventually. In September when we come back, we will have time to study this matter more thoroughly. And I urge, Mr. President, the defeat of the amendment offered by my good friend from Iowa, Senator HARKIN.

Mr. President, I yield the floor and yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Mr. President, I yield myself 2 minutes in response.

Mr. President, I say to my friend from Arkansas, if I could have his attention. I listened to his comments. Mr. President, it is my understanding, from having worked with this over 3 years now on these commercial treaties, that these treaties only impact ground crews. My amendment does not touch ground crews; only flight crews, not ground crews. Those commercial treaties only involve ground crews. My amendment does not even touch that.

Secondly, in response to your assertion that maybe this extends our labor laws to foreign countries, no, it does not. It does the same thing as our maritime law. If one of our ships is in a foreign port, for example, our maritime laws cover the people on that ship, not the laws of the foreign country.

This is well recognized in international law and always has been. As I said in my opening comments, in the 50 years of international aviation, there has not been a single case of a foreign government attempting to assert jurisdiction over U.S. flight crews, nor have we tried to assert jurisdiction over foreign flight crews.

All this amendment says is: If you are a pilot or flight attendant and you work for a United States airline and you are based in Tokyo or someplace like that, if you are a part of that bargaining unit with that airline, then you come under the same laws as your counterparts flying out of Los Angeles or Chicago or New York. If you are not a part of the bargaining unit, of course, then it does not apply to you. It applies only if you are part of that bargaining unit covered by the Railway Labor Act.

Mr. PRYOR. If I might ask my friend a question, has this been looked at and have hearings been held in the Labor Committee?

Mr. HARKIN. As I said earlier, the only hearing that was held was held by the House Public Works Committee in October of 1994.

Mr. PRYOR. Well, I do not have any additional time, but I really hope we could reconsider this issue at a later time.

Mr. HARKIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Two minutes twenty one seconds.

The Senator from Oregon has 8 minutes 14 seconds.

Mr. HARKIN. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator's time is reserved.

Who yields time?

Mr. HARKIN. I have how much time?

The PRESIDING OFFICER. Two minutes twenty one seconds.

Mr. HARKIN. I yield 1½ minutes to the Senator from New Jersey.

Mr. LAUTENBERG. Thank you. Mr. President, I appreciate the time. I want to support the Harkin amendment. This amendment has been passed by the Senate in the past. Its provision was included in the original subcommittee bill because the language had been cleared by the majority and the minority leadership of the Labor, Health and Human Resources Committee.

There was an objection raised. An objection was raised by other Senators on the provision. And then it was dropped by the full committee. So, Mr. President, simply, this provision provides for fairness for pilots that fly for U.S. carriers but does so between points that are outside the United States. The amendment extends the same collective bargaining rights that apply to the pilots that fly for U.S. carriers between domestic and foreign airports to pilots that fly for U.S. carriers from point to point outside the United States. They ought to be included. I support the Senator's amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. How much time do I have left?

The PRESIDING OFFICER. The Senator from Iowa has 1 minute 5 seconds.

Mr. HARKIN. I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Oregon has 8 minutes 14 seconds.

Mr. HATFIELD. Mr. President, at the appropriate time, when the discussion has been exhausted, I will move to table the Harkin amendment.

I think the Senator from Iowa realizes very clearly that it was included in the subcommittee chairman's mark. And the full committee took action to strike it following communications from the authorizers on that issue. This had been put in the bill 2 years ago, as I recall, and then under a threatened veto by President Bush, it was withdrawn. So, consequently, I think it is one of those matters that we ought to not try to incorporate in the bill at this point.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. I will use the remainder of my time. I yield myself the remainder of my time.

I just say that I do not know why this is such a problem. It only clarifies the intent of the Railway Labor Act and only covers those flight crews and only covers those flight crews that are part of the bargaining unit in foreign ports. It does not cover ground crews. It does not disturb the treaties. It passed the Senate 2 years ago. There was not any objection raised at the time. Regarding President Bush, if he objected to it, it was probably part of eight items in a bill that President Bush at that time said he would veto.

But it seems to me now is the time to go ahead and move on on this issue and put it behind us and clarify the intent of the Railway Labor Act. That is all we are trying to do.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator from Iowa is expired.

The Senator from Oregon had 7 minutes 40 seconds.

Mr. HATFIELD. Does anyone wish to be heard on this?

If not, Mr. President, I move to table the Harkin amendment.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. HATFIELD. I yield back.

The PRESIDING OFFICER. All time has expired.

Mr. HATFIELD. I move to table the Harkin amendment, and ask for the yeas and nays.

The PRESIDING OFFICER (Mr. FRIST). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. COVERDELL when his name was called. Present.

Mr. LOTT. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

Mr. FORD. I announce that the Senator from Nebraska [Mr. KERREY] is necessarily absent.

I also announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 63, nays 33, as follows:

[Rollcall Vote No. 380 Leg.]

YEAS—63

Abraham
Ashcroft
Baucus
Bennett
Bingaman
Bond
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Jeffords
Johnston
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Pryor
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—33

Akaka
Biden
Boxer
Campbell
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Harkin
Inouye
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Reid
Robb
Rockefeller
Sarbanes
Simon
Specter
Wellstone

ANSWERED "PRESENT"—1

Coverdell

NOT VOTING—3

Bradley
Kerrey
Mack

So the motion to table the amendment (No. 2329) was agreed to.

Mr. HATFIELD. I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I ask unanimous consent that Senator BINGAMAN be added as a cosponsor to the Domenici amendment regarding the Petroglyph National Monument during the consideration of the Interior bill and as adopted by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. HATFIELD. Mr. President, I ask unanimous consent that the following amendments be the only first-degree amendments in order to H.R. 2002 and that they be subject to relevant second degrees; that all amendments must be offered and debated tonight; and that any votes ordered with respect to these amendments be stacked to occur at 9:15 a.m. Thursday morning, with 4 minutes for debate to be equally divided between each succeeding rollcall vote, and all votes in the stacked sequence after the first vote to be limited to 10 minutes each, and any vote after the third vote, that there may be 10 minutes for debate.

I have a list of such amendments that have been given to the managers on both sides of the aisle.

The PRESIDING OFFICER. Is there objection to the request?

Mr. EXON. Reserving the right to object, may I ask my friend and colleague, I was trying to get to my friend the last 2 or 3 hours, but for some unexplained reason there has been such a crowd down there I was unable to break through.

I have an amendment that has been cleared, I believe, on all sides that I have not had a chance to talk to the Senator about. I think it will be agreed to by voice vote, but I will agree to just put my name down for an amendment, 10 minutes a side.

Mr. HATFIELD. If the Senator would yield, I have listed here an Exon amendment relating to the Rail Institute. Is that the amendment? One million for the Rail Institute?

Mr. EXON. That is right. I thank you.

I withdraw my reservation.

The PRESIDING OFFICER. Is there objection?

Mr. BINGAMAN. Mr. President, could I inquire if a Bingaman amendment is reserved?

Mr. HATFIELD. I have a Bingaman amendment relating to DOT on energy savings.

Mr. BINGAMAN. Thank you, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Reserving the right to object, Mr. President, are there one or two amendments for me?

Mr. HATFIELD. I have two amendments for the Senator from Arkansas.

The PRESIDING OFFICER. Is there objection?

Mr. ROTH. Reserving the right to object, am I on the list?

Mr. HATFIELD. I have two amendments for the Senator from Delaware, [Mr. ROTH].

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The list of amendments is as follows:

POSSIBLE AMENDMENTS TO H.R. 2002
TRANSPORTATION APPROPRIATIONS

Bumpers: essential air service; essential air service.

Dorgan: FAA study on airfares.

Ford: relevant.

Levin: relevant.

Simon: FAA.

Lautenberg: relevant.

Byrd: relevant.

Boxer: relevant.

Daschle: essential air service.

Burns: ICC; relevant.

Roth: strike committee amendment on FAA personnel reform; strike committee amendment on FAA procurement reform.

Jeffords: relevant.

Pressler: Sense of the Senate regarding the Government of Japan's violations against United States/Japan bilateral aviation agreements.

Warner: relevant.

Harkin: airline labor protection.

Chafee: technical amendment on the committee's section 1003 flexibility provisions.

Gregg: essential air service.

Coverdell: Georgia bridge.

MANAGERS' AMENDMENT

Technical: page 71, line 9, strike "(b)" insert.

Bingaman: on DOT energy savings.

Abraham: striking 3 advisory committees.

Inouye: striking in Hawaii under EAS Program.

Feinstein: on Orange County Toll Authority.

Exon: out of available funds $1 million for rail institution.

Mr. DOLE. Mr. President, let me indicate that we do have the agreement. All amendments must be debated tonight. The votes will start at 9:15 tomorrow morning. The first votes, if they are ordered, will occur at 9:15. Votes after that will be 10 minutes each. There will be 4 minutes between the stacked votes.

As I understand, after the third vote you can have up to 10 minutes, which I trust you would not use. We are on automatic pilot. As soon as everybody finishes making speeches, we can go home for the recess.

Mr. LEAHY. Did I understand the distinguished majority leader to say after the transportation bill is over?

Mr. DOLE. After two more.

AMENDMENT NO. 2330

(Purpose: To reduce the energy costs of Federal facilities for which funds are made available under this Act)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 2330.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . ENERGY SAVINGS AT FEDERAL FACILITIES.

(a) REDUCTION IN FACILITIES ENERGY COSTS.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5-percent reduction, from fiscal year 1995 levels, in the energy costs of the facilities used by the agency.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the head of each agency described in subsection (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved; and

(C) specify the actions that resulted in the reductions.

Mr. BINGAMAN. Mr. President, this is a very straightforward amendment, and I do not believe it is controversial. It calls for the head of each agency for which funds are made available under the act to take action to try and reduce by 5 percent the energy costs of the facilities used by that agency in the next fiscal year.

It is an amendment that is essentially identical to the amendment that we have offered to each of the appropriations bills this year.

I do not believe there is any objection to it on either the Republican or Democratic side. I urge my colleagues to support the amendment.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. HATFIELD. The amendment is clear on this side.

Mr. LAUTENBERG. It is also clear on this side. We commend the Senator from New Mexico for offering it.

Mr. HATFIELD. Mr. President, I urge adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2330) was agreed to.

Mr. HATFIELD. I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mrs. KASSEBAUM. Mr. President, although the Bingaman amendment was accepted by voice vote, I would like to be recorded in opposition to the amendment. I believe that this amendment could open a large loophole for the National Endowment for the Arts (NEA) to continue making grants to individuals that raise the ire of the American public.

The appropriations bill includes language from the authorization bill reported by the Committee on Labor and Human Resources which eliminates all direct NEA grants to individuals except literature fellowships. This amendment would add two more exceptions for awards honoring those who have excelled in American art forms and jazz music.

The issue of NEA grants to individuals has resurfaced as recent controversies have drawn new attention to the NEA's practice of awarding grants to individuals whose "art" offends so many of us. While the Labor Committee bill's increased oversight of the NEA's grant-making process and Chairman Alexander's administrative changes will be of some help in restoring public confidence in the Endowment, I believe that the time has come to draw the line on grants to individuals. Both the authorization and appropriations legislation provide that the only individuals eligible for direct NEA grants would be those applying for literature fellowships. I believe that the literature fellowships are the only worthwhile exception. Furthermore, during consideration of the authorization bill the Labor Committee defeated, by a vote of 7 to 9, an amendment to exempt 7 additional categories of grants to individuals.

While the preservation of Heritage Fellows and Jazz Masters grants would weaken the Labor Committee's strong stance on this issue, I admit that the grants the Senator from New Mexico seeks to protect are not necessarily part of the problem I have cited. I can understand the Senator's interest in maintaining these programs, which honor artists and musicians for their past achievements. However, I wonder why these awards need to provide grants at all. The cash awarded is a "thanks for a job well done," rather than a subsidy for an artist's first works. I would think that being honored by the NEA for past achievements would be sufficient, and would not require a cash payment. If the NEA had taken that route, there would be no need for this amendment.

AMENDMENT NO. 2331

(Purpose: To require the Secretary of Transportation to conduct a study of air fares)

Mr. HATFIELD. Mr. President, on behalf of Senator DORGAN I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for Mr. DORGAN, for himself, Ms. SNOWE, Mr. DOLE, and Mr. CONRAD proposes an amendment numbered 2331.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . STUDY OF AIR FARES.

(a) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) ADJUSTED AIR FARE.—The term "adjusted air fare" means an actual air fare that is adjusted for distance traveled by a passenger.

(2) AIR CARRIER.—The term—

(A) "air carrier" has the same meaning as in section 40102(a)(2) of title 49, United States Code; and

(B) the terms "regional commuter air carrier", and "major air carrier" shall have the meanings provided those terms by the Secretary.

(3) AIRPORT.—The term "airport" has the same meaning as in section 40102(9) of title 49, United States Code.

(4) COMMERCIAL AIR CARRIER.—The term "commercial air carrier" means an air carrier that provides air transportation for commercial purposes (as determined by the Secretary).

(5) HUB AIRPORT.—The term "hub airport" has the same meaning as in section 41731(a)(2) of title 49, United States Code.

(6) LARGE HUB AIRPORT.—The term "large hub airport"—

(A) shall have the meaning provided that term by the Secretary; and

(B) does not include a small hub airport (as such term is defined in section 41731(a)(5) of title 49, United States Code).

(7) NONHUB AIRPORT.—The term "nonhub airport" has the same meaning as in section 41731(a)(4) of title 49, United States Code.

(8) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(b) STUDY OF AIR FARES.—

(1) IN GENERAL.—The Secretary shall conduct a study to—

(A) compare air fares paid (calculated as both actual and adjusted air fares) for air transportation on flights conducted by commercial air carriers—

(i) between—

(I) nonhub airports located in small communities; and

(II) large hub airports; and

(ii) between large hub airports; and

(B) analyze—

(i) the extent to which passenger service that is provided from nonhub airports is provided on—

(I) regional commuter commercial air carriers; or

(II) major air carriers;

(ii) the type of aircraft employed in providing passenger service at nonhub airports; and

(iii) whether there is competition among commercial air carriers with respect to the provision of air service to passengers from nonhub airports.

(2) FINDINGS.—The Secretary shall include in the study conducted under this subsection findings made by the Secretary concerning—

(A) whether passengers who use commercial air carriers to and from rural areas (as defined by the Secretary) pay a disproportionately greater price for that transportation than do passengers who use commercial air carriers between urban areas (as defined by the Secretary);

(B) the nature of competition, if any in rural markets (as defined by the Secretary) for commercial air carriers;

(C) whether a relationship exists between higher air fares and competition among commercial air carriers for passengers travelling on jet aircraft from small communities (as defined by the Secretary) and, if such relationship exists, the nature of that relationship;

(D) the number of small communities that have lost air service as a result of the deregulation of commercial air carriers with respect to air fares;

(E) the number of small communities served by airports with respect to which, after the date on which the deregulation referred to in subparagraph (D) occurred, jet air service was replaced by turbo prop air service; and

(F) with respect to the replacement in service referred to in subparagraph (E), any corresponding decreases in available seat capacity for consumers at the airports referred to in that subparagraph.

(c) REPORT.—Upon completion of the study conducted under subsection (b), but not later than 60 days after the date of enactment of this Act, the Secretary shall submit a report on the study and the findings of the Secretary to the Committee on Commerce, Science, and Transportation of the Senate.

Mr. HATFIELD. Mr. President, this amendment, on behalf of Senator DORGAN, is requesting we set up a study on the problems relating to essential air services that many States are confronting today because of the diminishing resources available for that program. It has been cleared on this side.

Mr. LAUTENBERG. Mr. President, the amendment is cleared. It asks for a study that seems quite appropriate to see what has happened with fares in less populated areas.

This side accepts it.

Mr. HATFIELD. Mr. President, I urge the adoption of the Dorgan amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2331) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2332

(Purpose: To remove the State of Hawaii from an exclusion relating to payments to air carriers)

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for Mr. INOUYE, proposes an amendment numbered 2332.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 14, strike "and Hawaii".

Mr. HATFIELD. This amendment strikes Hawaii from the listing of essential air services. It has been cleared on both sides.

Mr. LAUTENBERG. We support the amendment on this side as well, Mr. President.

Mr. HATFIELD. Mr. President, I urge the adoption of the Inouye amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2332) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2333

Mr. HATFIELD. Mr. President, I send to the desk a technical amendment that has been cleared on both sides and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], proposes an amendment numbered 2333.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On bill page 71, line 9, strike "(b)" and insert "(j)".

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2333) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2334

Mr. HATFIELD. Mr. President, I send an amendment to the desk for Mr. BUMPERS of Arkansas and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for Mr. BUMPERS, proposes an amendment numbered 2334.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 21, insert after "* * * airport," "except for any such community in which is located an airline maintenance facility performing required Federal Aviation Regulation heavy engine heavy structural airframe maintenance work in accordance with Part 135.411(a)(2)."

Mr. HATFIELD. Mr. President, this is an amendment that modifies language relating to the essential air services offered by the Senator from Arkansas. It has been cleared on both sides.

Mr. LAUTENBERG. It is cleared on this side, Mr. President. I urge the adoption of the amendment.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2334) was agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LAUTENBERG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2335

(Purpose: To provide funding for the Institute of Railroad Safety)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON] proposes an amendment numbered 2335.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill add the following new section:

SEC. . THE RAILROAD SAFETY INSTITUTE.

Of the money appropriated to the U.S. Department of Transportation for Transportation Planning, Research and Development, $1 million shall be made available to establish and operate the Institute for Railroad Safety as authorized by the Swift Rail Development Act of 1994.

Mr. EXON. Mr. President, this amendment has been cleared on both sides. I have offered it, and I would like to have the comments of the two managers.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Nebraska.

The amendment (No. 2335) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LAUTENBERG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2336

(Purpose: To express the sense of the Senate that the action taken by the Government of Japan against United States air cargo and passenger carriers represents a clear violation of the United States/Japan bilateral aviation agreement that is having severe repercussions on United States air carriers and, in general, customers of these United States air carriers)

Mr. PRESSLER. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER), for himself, Mr. STEVENS, Mr. BAUCUS, Mr. BROWN, Mr. BUMPERS, Mr. COCHRAN, Mr. GORTON, Mr. HOLLINGS, Mr. LOTT, Mr. PELL, Mr. KERRY, and Mr. LAUTENBERG, proposes an amendment numbered 2336.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. . SENSE OF SENATE REGARDING UNITED STATES/JAPAN AVIATION DISPUTE.

(a) FINDINGS.—The Congress finds that—

(1) the Governments of the United States and Japan entered into a bilateral aviation agreement in 1952 that has been modified periodically to reflect changes in the aviation relationship between the two countries;

(2) in 1994 the total revenue value of passenger and freight traffic for United States air carriers between the United States and Japan was approximately $6 billion;

(3) the United States/Japan bilateral aviation agreement guarantees three U.S. carriers "beyond rights" that authorize them to fly into Japan, take on additional passengers and cargo, and then fly to another country;

(4) the United States/Japan bilateral aviation agreement requires that, within 45 days of filing a notice with the Government of Japan, the Government of Japan must authorize United States air carriers to serve routes guaranteed by their "beyond rights";

(5) United States air carriers have made substantial economic investment in reliance upon the expectation their rights under the United States/Japan bilateral aviation agreement would be honored by the Government of Japan;

(6) the Government of Japan has violated the United States/Japan bilateral aviation agreement by preventing United States air carriers from serving routes clearly authorized by their "beyond rights"; and

(7) the refusal by the Government of Japan to respect the terms of the United States/Japan bilateral aviation agreement is having severe repercussions on United States air carriers and, in general, customers of these United States air carriers.

(b) ACTION REQUESTED.—The Congress—

(1) calls upon the Government of Japan to honor and abide by the terms of the United States/Japan bilateral aviation agreement and immediately authorize United States air cargo and passenger carriers which have pending route requests relating to their "beyond rights" to immediately commence service on the requested routes;

(2) calls upon the President of the United States to identify strong and appropriate forms of countermeasures that could be taken against the Government of Japan for its egregious violation of the United States/Japan bilateral aviation agreement; and

(3) calls upon the President of the United States to promptly impose against the Government of Japan whatever countermeasures are necessary and appropriate to ensure the Government of Japan abides by the terms of the United States/Japan bilateral aviation agreement.

Mr. PRESSLER. Mr. President, this amendment is identical to a resolution I introduced several weeks ago. It is simple and straightforward. It calls on the Government of Japan to abide by the terms of the United States/Japan aviation agreement.

This amendment has a number of cosponsors. It has been floating around for some time while we negotiated with the Japanese so we tried to contact all cosponsors to reconfirm their support. We were unable to contact all of the cosponsors to notify them of this amendment so we have taken some of the cosponsors' names off of it. At this time, the amendment is for myself, Mr. STEVENS, Mr. BAUCUS, Mr. BROWN, Mr. BUMPERS, Mr. COCHRAN, Mr. LOTT, Mr. PELL, Mr. HOLLINGS, Mr. KERRY, and Mr. LAUTENBERG.

Mr. President, Let me say that for some time we have had an aviation dispute with Japan regarding the refusal of Japan to respect the right of several of our carriers to fly beyond Japan to countries throughout Asia. Several of our carriers—United Airlines, Federal Express, and Northwest Airlines—are guaranteed this right by the United States/Japan bilateral aviation agreement. Nonetheless, the Government of Japan refuses to recognize our carriers' right to initiate new service beyond Japan.

On June 20, the Government of Japan agreed to honor the United State/Japan bilateral aviation agreement with respect to the cargo dispute. This favorable development was due in large part to the leadership of Fred Smith, the chairman of Federal Express. Mr. Smith made the point, and I agree with him, that it is time that we get tough with the Japanese in terms of enforcing our bilateral aviation agreement.

Let me add that I think our Secretary of Transportation, Secretary Peña, has done a good job in this and other international aviation matters. He has done the best job he can despite tremendous political pressure to put the interests of individual carriers before the interests of our country.

Aviation relations between the United States and Japan are an important trade issue. The Japanese recognize the significant and growing air service market in the Pacific rim and they want to control all the air passenger service beyond Tokyo into China, Malaysia, Indonesia, and so forth. They also have a system of trying to control most of the air cargo transportation beyond Tokyo. The travel distances are so great on transpacific routes between the United States and Japan that it is very difficult for our carriers to overfly Japan. The Japanese know this and they are trying through protectionist tactics to prevent our carriers from serving the rapidly expanding Asian market.

Resolution of our cargo dispute several weeks ago was welcome news. Unfortunately, as I said at the time, the agreement on cargo issues did not put our aviation dispute with Japan over "beyond rights" completely behind us. The passenger carrier portion of the United States/Japan aviation dispute remains unresolved.

The Government of Japan continues to deny United Airlines the right to fly between Osaka and Seoul, Korea. As our Department of Transportation has said, this route is clearly authorized by the United States/Japan bilateral aviation agreement. United Airlines has patiently waited while United States negotiators focused on the cargo dispute. Now, it is imperative that the United States demand the Government of Japan honor the rights of our passenger carriers as well.

The passenger carrier issue must be redressed promptly. By failing to do so, we are sending the wrong message to countries around the world. Our silence on the passenger carrier dispute sends the dangerous signal that it is okay for foreign nations to pick and choose which, if any, provisions of an international aviation agreement with the United States with which they will comply. This is the wrong message. It sets an extremely dangerous precedent.

On June 20, I, along with 20 colleagues from both sides of the aisle, introduced a resolution calling on the Government of Japan to immediately honor the terms of the United States/Japan bilateral aviation agreement. On the floor the next day I told my colleagues I would press this issue if the Government of Japan continued to refuse to resolve the passenger carrier issue. Several weeks have passed. The passenger carrier dispute remains unresolved. This is why I today offer that same resolution as an amendment to the pending bill.

By passing this amendment, we will send the Government of Japan a strong and clear signal that the United States Senate expects it to immediately honor the terms of the United States/Japan aviation agreement. This is the purpose of my amendment. Simply put, selective compliance with international agreements must not be tolerated. The Government of Japan must honor the beyond rights of our passenger carriers. I urge adoption of this amendment on behalf of myself and my cosponsors.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. HATFIELD. Mr. President, we are willing to accept the sense-of-the-Senate amendment of the Senator from South Dakota on this side.

Mr. LAUTENBERG. I am a cosponsor. My name was crossed off because they were not able to get in touch with me, but I want to be sure that I am listed. I did ask that my name be included.

I support the amendment and urge its adoption.

Mr. PRESSLER. Some names have been crossed off. We are trying to contact those offices. We wanted to be sure, since we drafted the resolution a couple of months ago, that we did not list any cosponsors without their permission. But I think we will have close to 25 cosponsors.

I urge the Senators—whose offices are listening—to become cosponsors of this amendment because it is a signal to Japan that we are tired of their behavior under our bilateral air agreement. We are abiding by the terms of the United States/Japan bilateral aviation agreement. It is time the Government of Japan also honors that solemn agreement.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from South Dakota.

The amendment (No. 2336) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2337

(Purpose: To provide for the allocation to certain airports with respect to which commercial air service has been disrupted during the past 3 years, an annual subsidy under the essential air service program under subchapter II of chapter 417 of title 49, United States Code)

Mr. JEFFORDS. Mr. President, I have an amendment at the desk and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS], for himself and Mr. LEAHY, proposes an amendment numbered 2337.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 4, line 2, strike "$26,738,536" and insert "$27,738,536".

On page 4, line 12, insert after "That" the following: ", except if service is provided to the only hub airport in a State that is, as of the date of enactment of this Act, served under a program under subchapter II of chapter 417 of title 49, United States Code, and the service to that hub airport has been discontinued and then reinstated during the 36-month period preceding the date of enactment of this Act,".

On page 32, line 15, strike "$333,000,000" and insert "332,000,0000".

Mr. JEFFORDS. Mr. President, this amendment will allow two airports in my region to continue to receive funding under the essential air service program. There two airports, in Rutland, VT, and Keene, NH, depend on this important funding to maintain commercial air service to our region. Without this subsidy, commercial air service would halt immediately to these communities.

Mr. President, the city of Rutland is the second largest city in Vermont. Commercial air service is vital to ensure that Rutland can continue to expand its economy and reach out to businesses throughout the country interested in locating to this beautiful city. Two years ago, in August 1993, the small airlines serving this city went out of business. This left a major gap in the transportation infrastructure in Rutland. In December 1993, Colgan airlines revitalized the service to Rutland, recognizing that they would be assisted in their efforts to service this rural city by the essential air service funding.

According to many experts, it takes close to 4 years to develop a steady clientele to a small, regional airport. Colgan airlines has increased ridership in Rutland by 21 percent in the last year. But they are not close to breaking even and depend on the subsidy provided by the essential air service to maintain service. Colgan predicts that they will not need this subsidy for more than 1 year. If we could protect this small airline route for 1 year, we would be assured a viable commercial passenger air service to this region of Vermont and New Hampshire.

Mr. President, my amendment will grant Rutland and Keene 1 final year of essential air service subsidy. This amendment states that if a community has had their commercial air service interrupted during the last 24 months and is the only hub covered under the essential air service program in that State, then funding will continue for 1 final year.

Mr. President, this air service is too important to Rutland to lose at this point. I urge my colleagues to adopt this amendment. I thank the managers of this legislation for working with me on this important legislation.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. LAUTENBERG. Mr. President, we have a question on the amendment, and I would ask if we can withhold action until we clear up a question we have. If the Senator from Vermont will agree, perhaps we can move along to the next amendment while we chat about what we see here.

So I ask unanimous consent that the Jeffords amendment, for the moment, be set aside to consider other amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2338

Mr. HATFIELD. Mr. President, I send an amendment to the desk on behalf of Senator BOXER and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for Mrs. BOXER, proposes an amendment numbered 2338.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, line 15, after the words "States to" insert "establish State infrastructure banks and to".

On page 64, line 21, strike the word "An" and insert "A State or".

Mr. HATFIELD. This is a technical language correction relating to the State bank proposal within our bill, a technical amendment to that provision. It has been cleared on both sides.

Mr. LAUTENBERG. We have no objection.

The PRESIDING OFFICER. Is there further debate? If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2338) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2339

Mr. HATFIELD. Mr. President, I send an amendment to the desk on behalf of Senator PRESSLER and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for Mr. PRESSLER, proposes an amendment numbered 2339.

Mr. HATFIELD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 42, beginning on line 13, insert the following:

SALARIES AND EXPENSES

For necessary expenses of the Interstate Commerce Commission, $13,379,000 shall be for severance, closing costs, and other expenses.

Mr. HATFIELD. Mr. President, this is an amendment relating to the ICC providing severance pay and closing costs. It has no budgetary impact. It has been cleared on both sides.

Mr. LAUTENBERG. We have no objection.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment.

The amendment (No. 2339) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I should like to indicate that we are making progress on completing this list of amendments. We have not yet received clearance on one offered by Senator ABRAHAM, one offered by Senator CHAFEE, one offered by Senator FEINSTEIN, one to be offered by Senator GREGG, one by Senator WARNER—they either have not been cleared or they have not been offered—one by Senator COVERDELL, two by Senator ROTH, and one by Senator BURNS. Senator ROTH has reduced his from two to one.

As the unanimous-consent agreement did indicate and instructed the managers and the body, we had to complete all of these amendments tonight, and if a vote is required on any one of them, then that will be carried over until tomorrow. So if Senators have a desire to offer their amendments, we would urge them to come to the floor to do so.

I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 2340

(Purpose: To strike out sections 350 and 351, relating to waivers of the applicability of certain Federal personnel laws and procurement laws to the Federal Aviation Administration)

Mr. ROTH. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Delaware [Mr. ROTH], for himself, Mr. GLENN, Mr. COHEN, Mr. LEVIN, and Mr. PRYOR, proposes an amendment numbered 2340.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 71, strike out line 13 and all that follows through page 73, line 24.

Mr. ROTH. Mr. President, sections 350 and 351 of the bill now before the Senate would exempt the Federal Aviation Administration from all Federal procurement and personnel laws. While I understand and share in the committee's desire to reform the operations of the Federal Government, I strongly disagree with the approach embodied in these sections. In fact, as chairman of the Governmental Affairs Committee, I am working on a comprehensive reform of Government management structures and procedures. So while I support restructuring and reform, I join with Senators GLENN, COHEN, LEVIN, and PRYOR in proposing an amendment that would strike sections 350 and 351.

I want to specifically address the need for procurement reform and the approach taken by the bill. First, I agree with the need for acquisition reform, however, the laws are not primarily the cause of the problems at the FAA. The Federal Aviation Administration's troubles stem not from the constraints of Federal law but from poor program management decisions and lax management. In its reports on high risk, the General Accounting Office cited the FAA's air traffic control modernization project as a prime example of the failure of civilian agencies to improve contract management. The GAO stated the project "* * * failed because FAA did not recognize the technical complexity of the effort, realistically estimate the resources required, adequately oversee its contractors' activities, or effectively control system requirements." In 1992, the GAO reported on another FAA program, the microwave landing system. The GAO found the FAA's decision to move forward was premature "* * * because the capabilities and benefits of the [new system] may be provided by emerging alternative systems"—a failure to adequately define program requirements. The GAO also observed that "* * * the agency was committing an insufficient level of resources [for development]".

Last February, the GAO's report on a third program, the Safety Performance Analysis System, concluded that "* * * FAA's current cost estimates for * * * software are subjective, not supported by verifiable analysis, and therefore may not be reliable."

Mr. President, these problems cannot be attributed to either the personnel or acquisition laws. Rather, they are a result of poor management. Problems of this type can not be effectively addressed by exempting the agency experiencing them from laws that affect related activities of an agency.

Moreover, the FAA's problems are no different from other agencies. New weapon systems and virtually every major Federal computer system are experiencing large cost and schedule overruns, and technology is out of date by the time they will be fielded. The primary causes of the problems are poor program management and bureaucratic incentives. Consequently, the data suggest that the FAA will experience procurement problems whether or not the procurement laws are waived.

Mr. President, the current laws were put in place to address critical issues, such as how do contractors deal with the Government in executing a contract or getting paid. Without such system of transactions, there will be a proliferation of litigation on every aspect of the relationship between the FAA and its contractors. The result is that the FAA procurement will grind to a halt. The Competition in Contracting Act was created because sole-source contracts were driving costs of government contracts skyhigh and delivering poor quality products. Given the FAA's management problems, I am very concerned that lives will be at risk without the checks and balances provided by the procurement rules.

I would also like to emphasize that we continue to streamline the procurement system, including special authorities for the FAA. Last year's Federal Acquisition Streamlining Act removed many barriers to Government procurement of commercial items and services. It added streamlined procurement procedures and provided pay-for-performance incentives, which should both make it easier to acquire leading technologies and improve management incentives. Why should these be removed? Last Friday, the Senate passed Senator COHEN's amendment to the Defense authorization bill that will get rid of the so-called Brooks act and implement results-oriented management procedures. The Governmental Affairs, Armed Services, and Small Business Committees are working together to produce additional acquisition reforms. Our bill will be ready at the end of September.

Mr. President, in last year's procurement reform bill, special procurement authority was provided to the Administrator of the FAA to test waivers of each of the procurement laws that the appropriations bills identified. Why have a blanket exemption before we know the results of the test program? What additional flexibility is required?

As with the waiver of the existing procurement laws, equally troubling is section 350 of the bill which waives most provisions of title 5, the Civil Service personnel laws. This section would allow the FAA to unilaterally set up an entirely new personnel system, which sets up a terrible precedent for personnel policy reform. Clearly there is a need for a complete overhaul of our civil service system. A comprehensive reform package is something that I have a deep interest in moving through the Governmental Affairs Committee, the committee with jurisdiction over personnel and procurement laws. However, this provision would start us down the path of a piecemeal approach for civil service reform and allow for a completely new personnel system including a new pay structure, pension and health benefit formulations, hiring and firing practices.

Mr. President, there is no documentation or data to support such a drastic approach. A blanket waiver of Federal law is a dangerous precedent to set in an appropriations spending bills. I urge my colleagues to support the Roth-Glenn amendment to strike.

Mr. President, I yield back the floor.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I rise to support and cosponsor the amendment offered by Senator ROTH about which he just spoke. Senator ROTH is the chairman of the Governmental Affairs Committee, of course. This amendment will strike section 350 and 351 of the appropriations bill for the Department of Transportation. Now, if passed, these sections would waive civil service laws and procurement laws and regulations at the Federal Aviation Administration.

Before I even address the merits of these sections—though I feel they are premature, for as I understand it there are currently several proposals on the table to privatize the FAA—and some of those proposals include either or both civil service and procurement reforms. So there is just no logic to legislating in this area before the decision to restructure the FAA has even been made.

With that said, I do have some substantive objections to both of these provisions.

First, with respect to the waivers of civil service laws, section 350 of the bill would direct the Secretary of Transportation to create and implement a new personnel system for the Federal Aviation Administration by January 1, 1996, next January, without regard to title 5 or any other Federal personnel law.

Such a system shall, according to the bill's provisions, provide greater flexibility in hiring, training, compensating, and locating personnel.

The appropriations bill language contains no accountability to the public or to the Congress of conflict of interest laws and merit system hiring principles for this new personnel system.

It does not require public comments. It does not require public notice for this new system. It does not provide any role for the Office of Personnel Management to be involved in the creation of this new system.

Instead, I think the language of the bill is reckless. It simply demands that a new system be in place in less than 6 months. It just says, new system be in place in less than 6 months.

Well, do we want the employees under the new FAA to be subjected to conflict of interest laws? Do we want these employees to be subject to the ethics laws? I think we do. Do we want merit systems principles to be followed in hiring practices? I think we do.

I believe we can work cooperatively on legislation that builds these sorts of safeguards into a new personnel system for the FAA. But as the bill now stands there are no safeguards. The appropriations bill directs the Secretary of Transportation to offer flexibility in compensation without regard to title 5.

Employee compensation includes wages, includes health benefits, includes pension benefits. If the Secretary of Transportation were, let us say, to offer employees under FAA's new personnel system greater pension benefits than those enjoyed by other Federal employees, it could present a new tax burden to the American taxpayer.

In short, Mr. President, this sort of authorizing legislation has no place on an appropriations bill. I do not believe it has been thoughtfully examined or reviewed. With respect to the procurement side of things—and this gets even more sticky—this section is not only imprudent, I think it is haphazard, and I think it is without justification.

Section 351 waives several procurement laws and the Federal acquisition regulations.

This provision provides for the Secretary of Transportation, in consultation with nongovernmental experts in acquisition management, to go right ahead and develop and implement an acquisition management system for the FAA.

So, in essence, the companies who benefit from the FAA's largess would now be helping to develop the system under which they would continue to do business with the FAA. This is just flat wrong, especially when taxpayer dollars are involved, and there are going to be a lot of them involved.

Let me go through some of the following laws which would be waived. Let me go through them in full.

First, the Federal Property and Administrative Services Act of 1949. If exempted from this law, the FAA would no longer have to follow Government procurement procedures, including the Truth in Negotiations Act providing for cost data and pricing data for very high-priced procurements.

The Office of Federal Procurement Policy Act: The FAA could establish its own policy for acquiring the products and services it needs and would be exempt from the strict, yet very effective procurement integrity laws which bind both Government and industry.

They would be exempt from the Federal Acquisition Streamlining Act of 1994. This act was passed just last year. Among many other reforms, it specifically gave FAA the very broad pilot authority to free them from the procurement laws and give them the flexibility to move quickly, to implement new technology and ideas and bring in new contractors when needed. Congress has already bent over backward for them. The time is not ripe to abandon any organized acquisition system at the FAA.

I add, Mr. President, we spent over 3 years putting together that Federal Acquisition Streamlining Act, FASA, as it is called. We worked on the Governmental Affairs Committee about 2 years to put together the ideas of streamlining Federal procurement. We worked through the Armed Services Committee with the Pentagon to establish what is called an 800 panel that gave their recommendations on streamlining procurement. We worked with the National Performance Review of this administration when they came in. Working altogether in a collegial fashion, we put together what is an excellent, new Federal Acquisition Streamlining Act of 1994. That will get knocked out, even though we provided the flexibility FAA says that they want.

Another act that will be involved is the Small Business Act. The elimination of this section means the elimination of small business set-aside programs and assurances that small businesses are treated fairly in the award-decision process.

Mr. President, let me finish my statement and then I will yield the floor. I will be just about 2 or 3 more minutes.

Another one is the Competition in Contracting Act. With the waiver from CICA, the FAA would not have to conduct its acquisitions using the present standard of full and open competition which lets all offerors in at the outset of a procurement.

I think it is interesting to note that, as drafted, this section leaves the FAA subject to CICA's predecessor, 41 U.S. Code 5, the most basic procurement statute, under which the competition standard was "maximum practicable."

This statute requires that purchases and contracts be advertised, subject to exceptions, such as for urgency or being the only known source. The requirements for the exceptions to competition are less stringent than under CICA. Is this really what the appropriators intend? I do not think so.

Another one is GAO protest authority and the Brooks ADP Act. Under these sections, the FAA would be exempt from the GAO and GSBCA bid protest processes. That would leave the FAA subject to protests in court, a much more time-consuming and expensive process than either the GAO or the GSBCA. It would also take away GSA's delegation of procurement authority or for the FAA's acquisition of computer and other technology.

The Federal Acquisition Regulations: By waiving the FAR, the FAA would be exempt from all regulations pertaining to procurement.

By waiving all of these laws and regulations, there will be no hard and fast rules governing business between the Government and the contractor. How are we going to do business? How are contractors going to litigate disputes they have with the Government on ongoing contracts?

In short, Mr. President, this section of the proposed bill eliminates the current system of checks and balances which has developed in response to problems over the years.

I know that probably the proponents of this part of the legislation will say that we have a statement of administration policy that backs this up, but I quote from that statement of administration policy where it said that their support for this includes fast-track authority for a departmental reorganization plan and Federal Aviation Administration personnel and procurement reform which the administration has proposed as part of comprehensive FAA reform.

I do not quarrel with that. They do want some reform in this, but this is for a departmental reorganization, not for details of procurement we are talking about here.

I will add that we have asked them for a clarifying letter, and before there is a vote on this tomorrow morning, we will have that clarifying letter sent over to us from the Office of Federal Procurement Policy and, hopefully, from the Office of Management and Budget Office itself. So we will have that before there is a vote on that tomorrow morning.

So for all these reasons, Mr. President, I hope that we will have general support for the amendment by the distinguished chairman of the Governmental Affairs Committee, Senator ROTH, to strike this section.

I urge my colleagues to vote for Senator ROTH's amendment. I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

Mr. THURMOND. Mr. President, I call for the regular order with respect to the DOD authorization bill.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Dole amendment No. 2280, of a perfecting nature.

CLOTURE MOTION

Mr. THURMOND. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion, having been presented under rule XXII, the Chair directs the clerk to read the motion.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on S. 1026, the Department of Defense authorization bill:

Bob Dole, Dan Coats, Strom Thurmond, James Jeffords, Hank Brown, Ted Stevens, Fred Thompson, Mark Hatfield, Larry Pressler, Bill Frist, John Warner, John H. Chafee, Chuck Grassley, John Ashcroft, Slade Gorton, John McCain.

Mr. THURMOND. Mr. President, for the information of all Senators, this cloture vote will occur on Friday, if necessary.

Mr. President, I now ask unanimous consent that the Senate resume the transportation appropriations bill.

Mr. EXON. Reserving the right to object, I just want to clarify what I think I heard the Senator from South Carolina, my friend, say. The cloture motion that he filed tonight will not be voted on on Thursday, it will come up on Friday; is that correct?

Mr. THURMOND. That is correct, Mr. President.

Mr. EXON. Will that be the usual procedure of 1 hour after the Senate comes in? What is the parliamentary situation on that?

Mr. THURMOND. Under rule XXII, it is 1 hour after we convene.

Mr. EXON. On Friday?

The PRESIDING OFFICER. That is correct.

Mr. EXON. I have no objection. Thank you.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2340

Mr. McCAIN. Mr. President, I rise to speak on the pending Roth amendment, to strike language from the pending legislation.

Mr. President, I understand and appreciate the amendment of the Senator from Delaware. Clearly, it is very significant legislation on this appropriations bill. I do, however, want to point out that the action of the Appropriations Committee does have a certain logic associated with it. Right now, the amount of money that is going to be appropriated for 1996 is $8 billion; $6 billion of that comes from the aviation trust fund, which we know comes from fees, services, et cetera, and $2 billion comes from general revenues. The Appropriations Committee is required to come up with an additional $2 billion in revenues, which is what they are required to do in keeping with their obligations.

Mr. President, I can certainly understand why the Appropriations Committee would seek action on the part of the authorizers or take action on their own in order to streamline the procurement process, streamline the personnel process and bring about the necessary changes, so that they will not be required, in these years of ever-declining budgets and ever-increasing cuts in expenditures, to come up with that additional $2 billion.

I have had numerous conversations with the distinguished chairman of the committee, Senator HATFIELD. I have been working on a bill with his staff, with the Secretary of Transportation, with Senator FORD's staff, and others, in coming up with legislation which would be, I say to my friend from Delaware, sequentially referred to the Governmental Affairs Committee, because, clearly, the chairman of the Governmental Affairs Committee has oversight over procurement or personnel reform. But this would all be in the context of the reclamation of the Federal Aviation Administration.

So I appreciate what the Appropriations Committee has done in an attempt to rectify the imbalance of some $2 billion that has to be found. I thank the chairman of the Appropriations Committee, because I believe that if we get this legislation done, which will encompass more than just the revenues that the Appropriations Committee needs, but also a long, long overdue reformation of the Federal Aviation Administration. I do not want to talk too long because the hour is late.

In case you did not hear, today, again, there was a power outage in northern California. Hundreds of planes were grounded all over northern California. There was a certain risk—I do not know how much—because planes were flying around all over northern California not under radar control. This is only one of a series of outages in the last couple of months. There was also one in Chicago.

Clearly, there is something very wrong with the procurement process in the FAA when they are using vacuum tubes which they have to scour the country to get in their computers, and they are still writing down the name of an airplane and passing it to the person at the next radar scope. I do not want to go on very long because of the lateness of the hour, but it is clearly a compelling requirement to reform our procurement process as far as FAA is concerned and reform the personnel aspect of it and, very frankly, make them at least a quasi-independent agency.

Mr. President, I am not often in the business of defending the Appropriations Committee, but there was an article in the Congressional Monitor this morning that said, "Pork may shrink, but Senator BYRD still gets biggest slice." It goes on about how much money is appropriated in the transportation bill for the State of West Virginia.

Mr. President, that is incorrect. That was in the report language; it was not bill language. As we all know, report language is not mandatory. I hope that can be corrected in this and other periodicals. That is not the kind of earmarking that is alleged here and, very frankly, overall, I think this bill is largely free of that kind of thing. I think the chairman and ranking member of the committee are to be congratulated.

I, however, make two additional comments. One is concerning the Port of Portland. I will have a statement for the RECORD. I do not approve of $50 million to the Port of Portland to retire a debt, with an additional $10 million to make improvements in the shipyard.

One additional comment. While I was in the cloakroom, an amendment was accepted by Senator BUMPERS concerning essential air service, which, once you get through the language and match it up with the bill, basically carves out an exception for an airport. Obviously, that would not otherwise qualify for these funds. I object to that, obviously. But, also, I say that it is a reason why we should authorize these things rather than put them into appropriations bills.

I also want to say again, while the chairman of the Appropriations Committee is here, he and his staff have worked diligently in cooperation with me and my staff. I believe that significant improvements have been made, and I am pleased to note that most of the appropriations bills I have seen are largely the kind that I think Americans would be proud of.

Mr. President, I yield the floor.

Several SENATORS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I ask unanimous consent for 30 seconds so that I might propound a unanimous consent request.

The PRESIDING OFFICER. The Senator has that right.

UNANIMOUS CONSENT REQUEST—S. 1026

Mr. EXON. Mr. President, I had an inquiry of the Senator from South Carolina when he properly filed a cloture petition on the defense authorization bill for Friday. At the time, I was not aware that there was a previous DOD pending motion on cloture that might be called up tomorrow.

I ask unanimous consent that if a cloture vote is called for tomorrow on the defense authorization bill, the Senator from Nebraska be allowed 10 minutes preceding that vote for appropriate remarks.

Mr. McCAIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. PRESSLER. Mr. President, I have a matter I would like to discuss with the Members, with the manager of the bill.

Mr. HATFIELD. Mr. President, I hope the Senator from South Dakota will withhold on this third amendment question for a moment. I think the last speaker on this pending Roth amendment—and then I would like to take action on it—is the Senator from Michigan. He said he is going to be brief. I would like to complete this business before we turn to a new piece of business.

Mr. PRESSLER. OK.

AMENDMENT NO. 2340

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. LEVIN. Mr. President, I thank my good friend from Oregon.

Mr. President, sections 350 and 351 in the bill before us would exempt the Federal Aviation Administration from the application of Federal acquisition laws. Now, in particular, "Section 351 states that the following laws shall not apply to the FAA."

The bill before us says that the following laws will not apply to FAA acquisitions: competition in contracting; the FAA does not have to follow that one. Bid protest laws; the FAA does not have to follow that. Federal Procurement Policy Act; they are exempt from that one. Last year's Federal Acquisition Streamlining Act; they are exempt from that one. The Small Business Act. The Uniform Federal Acquisition Form Regulation.

Now, our acquisition laws that apply to every Federal agency to require competition, allow for bid protests that protect us from improper expenditures, such as expenditures on recreation, on advertising, FAA is going to be exempt from all of them. We are doing all this on an appropriations bill.

I think I understand the frustration of the appropriators—at least I try—in terms of getting a resolution of some of the procurement problems which the FAA has faced.

But there has been no request to the Governmental Affairs Committee, that I know of, and I believe that the chairman knows of, from the FAA, for exemption from our procurement law.

We adopt procurement laws for the Government. If the FAA has problems with it, they ought to come to the Governmental Affairs Committee and seek an exemption.

I make a parliamentary inquiry. My parliamentary inquiry is this: If a bill were filed to exempt the FAA from the procurement laws of the country, what committee would that bill be referred to?

The PRESIDING OFFICER. The Governmental Affairs Committee.

Mr. LEVIN. I thank the Chair.

As far as I know, there has not been a bill that has been introduced to exempt the FAA from procurement laws. These are serious laws. I really believe deeply that if there were a bill introduced to exempt the Defense Department from procurement laws, and on an appropriations bill, the Defense Department was suddenly going to be exempt from all of our competition laws, all of our laws that protect bid protests, our laws that stop expenses for entertainment, for advertising, all the work we have done for defense procurement, I think most of us would say, "Wait a minute, there are problems with procurement laws."

On an appropriations bill, to exempt the Defense Department even with its duty to secure the safety of our forces and security of this land, we cannot give a blanket exemption on an appropriations bill, as frustrating as it may be to the Defense Department all these years to be governed by a procurement act.

I am not familiar with the FAA procurement problems. Being a member of the Governmental Affairs Committee, I think this should have been brought to the attention of the Governmental Affairs Committee.

I ask unanimous consent that I be allowed to make an inquiry of the Senator from Delaware.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Could I ask the Senator from Delaware whether or not to his knowledge the Governmental Affairs Committee has been requested to exempt the FAA from the procurement laws of this country?

Mr. ROTH. I say to my distinguished colleague that I have no knowledge of such a request from the FAA.

Mr. MCCAIN. Mr. President, would the Senator yield?

Mr. LEVIN. I am happy to yield to the Senator.

Mr. MCCAIN. I would like to frame this in a form of a question. I do not know if the Senator from Michigan is aware that last week we did have a hearing in the Aviation Subcommittee concerning FAA reorganization, with all witnesses stating that procurement reform, as far as FAA is concerned, and personnel reform are two critical issues that need to be addressed.

So in deference to the chairman of the committee, it is an issue that has been raised by the Secretary of Transportation and the Administrator of the FAA.

Mr. LEVIN. No, no, I have no greater respect for any Member of this body than I do for the Senator from Oregon, so I know that this is a problem which he has had a headache with.

I have established, however, that the committee that has jurisdiction over the procurement law has not been asked by the FAA for an exemption from those laws. The hearing which my friend from Arizona is referring to is a hearing in front of the Commerce Committee.

My point is that the committee with jurisdiction over procurement laws, which is the Governmental Affairs Committee, has not had this problem brought to its attention.

Now, I know the Senator from Oregon has had plenty of material brought to his attention and there is a big problem here which he is trying very much to get some assistance on somewhere to bring to someone's attention to resolve. I respect that a good deal.

All I am simply saying is that the committee that has jurisdiction over the procurement laws has not had that problem or been made aware of the problem through no fault of the Senator from Oregon or anybody else, but it has just happened. No bill has been filed to exempt the FAA from the laws nor has the FAA come to the Governmental Affairs Committee to make a request for exemption from these laws.

Now, the administration has given us a statement of policy. I know that this was solicited from them and there is a good-faith effort here on the part of the managers to try to implement their request and carry it out.

The administration's written request says that they "support fast track authority for departmental reorganization plan," which is not before you as I understand it, "and Federal Aviation Administration personnel and procurement reform which the administration has proposed as part of comprehensive FAA reform."

We do not have the comprehensive FAA reform in front of the Senate. That is where they have said that they support personnel and procurement reform. It is that general. But it is only after part of a comprehensive FAA reform do they say that they have supported personnel and procurement.

Now, that puts the managers in a difficult position, which I can understand because the administration has asked for personnel and procurement reform but as part of a comprehensive FAA reform. We do not have the comprehensive FAA reform before us.

So the question is, what is the administration position on doing it separate and apart from comprehensive FAA reform? I suggest we are trying to find out. We hope to find out by the time dawn breaks on this Capitol of ours.

Let me close, then, by just simply saying that to give an agency on an appropriations bill a blanket exemption from our procurement laws really is a recipe for chaos. There is nothing to take their place. All that the bill says is that the Secretary of Transportation should develop an acquisition plan for the FAA. Anything goes. The rest of the Government is going to be governed by law.

This agency is going to have its own law as determined by its own Secretary, and anybody who wants to do business with this Government better start learning two sets of law: One is for the Government except the FAA, and another set of procurement laws is determined exclusively by the Secretary of Transportation—mind you, not by law, not by Congress, but by the Secretary of Transportation. People are going to have to learn that second set of what I would call regulations, because they surely are not laws.

Again, I said "finally" once, and this time I will really mean it, but I think a year or 2 years ago we established a pilot program for the FAA. I do want to emphasize this. I know the Senator from Delaware has pointed this out, but I want to emphasize just this fact: We have authorized the Secretary of Transportation to conduct a pilot test of innovative and alternative procurement procedures. We authorized a pilot program. We do not have the results from that program.

So, here it is that the agency got that authority, I believe, from the Commerce Committee in law, and the Federal acquisition specifically authorized the FAA to undergo this pilot study in the area of acquisition, and before the results are in we are exempting that agency from procurement law.

While I think I can feel at least part of the frustration which the chairman and ranking member feel, I do not feel this is the right way to go about giving them kind of a different criteria for their acquisition in the rest of the Government.

I thank my friend from Oregon for making it possible for me to give my remarks at this point before the Senator from South Dakota gave his. I yield the floor.

Mr. HATFIELD. Mr. President, I am going to make a response now to this amendment to complete the debate on this so we can put it in line for a vote tomorrow, and that I will move to table the amendment following my brief remarks.

Does the Senator wish recognition?

UNANIMOUS-CONSENT AGREEMENT—S. 1026

Mr. EXON. Could I ask unanimous consent for 10 seconds? My friend and colleague from Arizona has no objection that he had earlier.

I ask unanimous consent that if there is a cloture vote on the DOD authorization bill tomorrow that the Senator from Nebraska be allowed 10 minutes prior to the vote for the purposes of making appropriate remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I thank the Chair. I thank my friend from Arizona.

AMENDMENT NO. 2340

Mr. HATFIELD. I yield to the Senator from South Dakota. I would like to complete this particular issue, but if the Senator is raising another issue, I guess he would have to do it by unanimous consent anyway.

Mr. PRESSLER. I will do whatever the chairman says.

Mr. HATFIELD. If the Senator would bear with me for just a few moments, we are trying to proceed in an orderly fashion here and cleaning up these amendments as soon as possible.

Mr. President, just a brief response to the proponents of this amendment. Let me make clear first of all to the Senator from Michigan, we did not solicit this administration statement. The administration submits such a statement to every appropriations bill, so this was a part of a normal routine. This administration policy statement is dated as of August 9—which I believe is today, since August 10 is tomorrow, President Hoover's birthday.

Mr. President, I would like to say this. The administration approached us. Let me relate the story that the administration gave to us in desperation, to try to get some kind of help in a very serious situation. We are not talking about jurisdiction of one committee or another committee. That is important for our process. Nevertheless, the administration says to us that, for years—not just this year—but for years, one FAA administrator after another has talked about this, has pled to get out of the Federal personnel and procurement rules because they need to maintain the safety and the modernization of the whole operation. Over the last 2 years, Secretary Pena and Adminstrator Hinson have continued to focus on this as a major problem facing the FAA. They tell us this particular story. They say the FAA technology, the air traffic control system, is based on 30-year-old technology. I am greatly concerned when I think of the massive air transportation in our country today and throughout the world, that we are depending on 30-year-old technology.

The Senator from Arizona mentioned a moment ago about vacuum tubes. They told us the FAA is the largest consumer of vacuum tubes today, with funds in this bill designated to buy $7 million more of vacuum tubes, a technology that was thrown out by the private sector 20 years ago; 20 years ago.

I think that ought to give us a pretty major signal this is not just some effort to try to escape rules or regulations set down. Because, as I say, they approached us, really, in a state of desperation.

Let me illustrate it further, as they did to me. The Boeing 777 has as much computing power today as existed in the whole world a few decades ago—one airplane. As much or more than the whole world had in computing power, they now carry. I think we should have an ATC system just as advanced, helping to protect our planes and the people who fly in them.

They tell me that these changes that they gave us, in the technical language, to incorporate in this bill, would do much to help improve the situation that has reached this kind of a crisis. I think also, as we note in the committee report, we are facing tremendous budgetary pressures this year. We are going to face greater ones in 1997.

Let me repeat what I said earlier today in the presentation of this bill. In this bill, 70 percent of that funding is prior year commitment, and it is going to be greater in 1997. So we are squeezed down with the money, the demands for new technology, and the demand for greater safety continues to escalate. Also, the FAA tells us if they could have this kind of operational flexibility, they believe they could cut as much as 20 percent out of the procurement budget than what they are forced to spend today.

I have just here, August 9 dated, again, the Airport Report, which is a publication of the American Association of Airport Executives. The President, Mr. Charles Barclay, says:

> The existing governmental personnel and procurement rules serve as a straitjacket at FAA.

Now, there is no one who admires and respects our orderly procedures and our methods of procedure, our jurisdictions, more than I. But I have to say that in many instances over the time I have served in the Senate, when authorizing committees either have failed or where they have been not been able to move within their own committee, they have approached the Appropriations Committee as a vehicle to get the action accomplished. I remember when Senator THURMOND, of South Carolina, as chairman of the Judiciary Committee, came to me back a few years ago and said, "Would you take the crime bill and put it on an appropriations bill to get this before the body and get it passed?" I remember when Senator Percy, former Chairman of the Foreign Relations Committee said, "Would you put on the foreign assistance authorization bill?"

So, for years the committee has been approached by authorizers and by others as well to assist in moving something that had somehow bogged down, for whatever reasons. I am not faulting the authorizing committees. I have to say we gave notice we were going to take action on some of these things that were legislation on appropriations. I have indicated, also, we would like to see the kind of taking over of that, and we would be happy to relieve ourselves of that burden, within the conference committee, if we could see the substitution of the authorizers taking hold of something the administration has asked us to take emergency—what you would call emergency action on.

We have enough problems without reaching out, trying to do the authorizers' work. That is not our intent. But, nevertheless, I have to put it in that kind of context. That led us to take this particular action.

I have to, again, thank the Senator from Arizona for his kind remarks, and for clarifying again this relationship that we have with him as well as the chairman of the Senate Commerce Committee Subcommittee on Aviation. We have full confidence in our authorizers. We have full confidence in our Governmental Affairs Committee. But nevertheless, the administration approached us with this crisis and said, "Will you help?" And we responded by saying, "Yes, we will help."

Now, I do not want to cut off anyone on this.

Mr. LEVIN addressed the Chair.

Mr. HATFIELD. I am about ready to make a motion to table.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I would like to briefly comment to my friend from Oregon. First, the Governmental Affairs Committee has not bogged down on this issue. It has never been asked to modify the procurement laws for the FAA. It is not a bog down of the committee with jurisdiction. There has never been a request.

Second, I have to agree very strongly, this is not a question about which we should get involved with jurisdiction, because that is not the issue. The issue is the procurement laws and who they are intended to protect. They are intended to protect the taxpayers of this country.

The Defense Department, I can assure you, will tell you they could save 20 percent of their procurement budget if they did not have to follow any laws either. Every agency would love not to follow the laws. When my friend from Oregon says this agency has vacuum tubes—I think it is the only agency that does. And every other agency follows the procurement laws of this country. Why can FAA not get modern equipment like every other agency can? Why can they not use the laws, which gives them great flexibility?

I would like to point out to my good friend from Oregon, the Competition In Contracting Act. This is all the FAA has to do. Under the Competition In Contracting Act, which Senator COHEN and I authored, all they have to do to meet the act is to say "the head of the agency determines it is necessary in the public interest to use procedures other than competitive procedures in the particular procurement concerned."

Do you mean the head of the FAA, if he wants to get rid of the vacuum tubes, cannot say that it is necessary in the public interest to use other than competitive procedures? I mean, what is wrong with the administration of the FAA that they cannot get modern equipment if every other agency got rid of their vacuum tubes 20 years ago? Why could the FAA not get rid of their vacuum tubes 20 years ago using the same procurement laws as every other agency in this Government?

So I hope we would not simply give a blanket waiver here to the FAA. I happen to agree that if they need reform they ought to have some reform. But this is not reform. This just says throw out all the procurement laws. That is not reform. That just says you are not bound to the competition laws, you are not bound to all the other laws which protect the taxpayer. And what is going to be substituted for it? Whatever the Secretary wants. I think it is arbitrary and I think it is going to be very confusing and in the end it is going to be very, very expensive.

Mr. HATFIELD. I thank the Senator. I yield the floor. As soon as this is completed, I will then move to table.

Mr. LAUTENBERG. Mr. President, if I might just make a comment, I did not want to get into this dispute. But there is almost an insinuation that comes out of the remarks of the Senator from Michigan about FAA's inability to stay abreast of things.

I come out of the computer field, and I can tell you I was in shock when I saw the kinds of equipment they had. When I was in the computer business and when our equipment ran out of gas and was no longer worth keeping, we tried to give it away to charities and schools so they might use it for learning. And many times they turned us down because the cost of maintenance would have been far higher than the value of the asset that we were going to transfer to them.

When I went for my first visit to FAA in 1982 or 1983, I was shocked to see the equipment that we could not give away still being worked on and being used to operate the FAA system.

I point out to my friend from Michigan that there is one distinct difference. Leadership at the FAA turns over at an alarming rate. With every new Administrator comes changes in priorities and management structure. This almost constant disruption of the procurement process is something that is almost unique to the FAA. That is one of the things that I hope we will be looking at.

If the Senator wants to use the Defense Department as a shining example, then lets look at it. Toilet seats at $600 and a couple of hundred bucks for a pair of pliers. If that is the shining example of the way we ought to do procurement, then I pity those that follow that example.

I do not want to get into a long debate here. I simply want to support the chairman's comments. We were pushed into this, almost forced into it, to put a big enough pebble in some committee's shoe to say, "Take care of this thing. If all you are going to do is gripe and complain about it, then we are going to do something about it." Though it was late at night, we succeeded in getting some significant attention focused on this issue.

I respect the Senator from Delaware, the Senator from Michigan, the Senator from Ohio, and our colleague from Arizona and his response.

This is not simply a group of people sitting on their chairs and not doing anything to make the FAA's air traffic control system work. The FAA has handled an expanded volume with an incredibly good record on safety and maintenance. Though the service sometimes is late, the fact of the matter is we have the best aviation system by far. However, we would like for it to function a heck of a lot better. And that is the purpose of these parts of the bill.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I shall be brief because the hour is growing late. But I think it is important for the record to clearly show that the Federal Acquisition Streamlining Act of 1994 gave the Secretary of Transportation authority to test alternatives and innovative procurement procedures in carrying out acquisitions for one of the modernization programs under the Air Force capital investment plan. I point out that in part of this legislation, there is permitted a waiver of procurement regulations.

So the point I want to make is that authority last year was granted the Secretary of Transportation to take action irrespective of the procurement rules and regulations.

Unfortunately, I would also point out that early this year the GAO, in a February 1995 high-risk series, pointed out that the air traffic control modernization project, which covers all parts of the $36 billion effort to overhaul the Nation's air traffic control system, has failed because FAA did not recognize the technical complexity of the effort, realistically estimate the resources required, and oversee contractors' activities or effectively control system requirements.

So opportunity has been given but, unfortunately, the management of those efforts has not been successful.

Mr. President, I yield the floor knowing that the chairman wants to make a motion to table.

Mr. President, I urge adoption of the amendment.

Mr. HATFIELD. Mr. President, I move to table the motion to strike this language, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will occur under the previous order tomorrow.

AMENDMENT NO. 2341

(Purpose: To protect shippers in a captive shipper state)

Mr. BURNS. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana (Mr. BURNS) proposes an amendment numbered 2341.

Mr. BURNS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

SEC. 3 . DETERMINING OF MARKET DOMINANCE IN RAIL CARRIER RATE PROCEEDINGS

(a) In this section, "market dominance" means an absence of effective competition from other carriers or modes of transportation for the traffic to which a rate applies. Any agricultural shipper without economically competitive railroad or truck alternatives, shall be considered "captive" to the market dominant railroad. Further, any agricultural shipper or its representative, that does not have access to two or more competing railroads for shipping the same commodity from the same origin to the same market as other agricultural shippers shipping to the same market, shall be deemed 'captive' by a market dominant railroad. Competing railroads shall mean two railroads not under common control for rate making purposes.

(b) When a rate for transportation by a rail carrier that is subject to the jurisdiction of an appropriate regulatory federal agency, which is designated by Congress, and adequately funded to protect the interests of "captive" shippers, is challenged as being unreasonably high, the Agency shall determine, within 90 days after start of proceeding, whether the railroad carrier has market dominance over the transportation to which the rate applies. After a finding by the Agency that the carrier does have market dominance, the affected shipper and traffic shall be classified as "captive."

(c) When the Agency finds, in any proceeding that a shipper and associated traffic is captive, the Agency shall suspend the carrier established rates and set the maximum reasonable rates that may be charged by the market dominant railroad. The Agency shall set the maximum reasonable rate at that level which will return fair and reasonable profit to the carrier that would have occurred had there been effective transportation competition for the market dominant traffic. This maximum reasonable rate level determination shall be completed within 120 days of the initiation of the proceeding. The Agency shall not set the maximum reasonable rates any higher than earnings for traffic having similar transportation characteristics with rail-to-rail competition moving distances. In any event, the Agency will not set the maximum rates higher than 180% of railroad systemwide variable cost of the movement as determined by the Agency.

(d) A market dominant carrier will be required to provide its full common carrier obligation on rates and services to a captive shipper without prejudice or preference, and without any economic penalty to captive shippers. In addition, this carrier shall offer identical or substantially similar transportation services to captive shippers that it offers to any other shipper moving a similar product on the market dominant railroad carrier system.

Mr. BURNS. Mr. President, this amendment should be inserted after line 22 on page 7. ÷

This is no transfer of money. This is not asking for any money. This is really a pretty simple and straightforward kind of an amendment.

We are slowing phasing out the ICC. When we phase out the ICC, we also phase out quite a lot of rules and regulations with regard to rail shipping. I think there are only a couple of States that fall in the same category as the State of Montana. We are captive shippers. If should something happen in the conference committee where we may have quite a debate about the phaseout of the ICC, this language can be struck. But basically it sets up the safeguards of those agricultural shippers located in captive shipper States. Montana happens to be one of those. If you do not think it does not have an impact on you, the rate of shipping a carload of wheat from Omaha, NE, to Portland, OR, is cheaper than you can ship it from Montana to Portland. So we have a problem as far as moving our grain to the ports.

So I ask that this language be considered. It is just a safeguard; that should the ICC completely go out of business, this sets a parameter of which we deal with States that are regarded as captive shippers.

I want to add a little footnote to the last discussion and associate myself with the chairman of the committee. When he said the Boeing 777 had more computing power than all the computers put together in the world just as near as 10 years ago, one has to realize that our technology is so advanced now that there is an airplane that was completely designed on a computer and every part in it designed on the computer. There was never a mockup. There was never a prototype. It was built strictly by computer, one of the great airplanes, of course, on the cutting edge of civil aviation.

I ask that this language be accepted and considered. Both sides of the aisle may have to look at this and then render a judgment tomorrow whether we have a receipt or not or work on the language, whichever would be proper. But I hope it would be accepted because we do need some safeguards or a safety net for captive shippers, and the State of Montana falls in that category.

I thank the Chair and the managers. I yield the floor.

Mr. HATFIELD. Mr. President, I say to the Senator from Montana we still do not have a copy of the amendment.

Mr. President, I ask unanimous consent to temporarily lay aside the Burns amendment in order to complete the Pressler amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

LOCAL RAIL FREIGHT ASSISTANCE

Mr. PRESSLER. Mr. President, I shall be fairly brief.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. LAUTENBERG. Mr. President, if the Senator from South Dakota is offering an amendment, it is not on this list. I would think it unfair to those who made requests earlier in the day for additional amendments, to whom we denied this opportunity, to now at this hour of the night suddenly open up the gate and take an amendment about which we know very little and that—

Mr. PRESSLER. If I could just say something.

Mr. LAUTENBERG. Has not been agreed to. Frankly, I would like to see it. I object to its being offered.

Mr. PRESSLER. I have not offered an amendment. If I could get a word in edgewise.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Earlier today and throughout the day my staff has been discussing an amendment with the staff of the Appropriations Committee, and we thought we had it on the list. In fact, discussions were held throughout the day with Anne Miano. We called the cloakroom and said, please, put it on the list. I think there has been an error made, a good-faith error, and I would very much like to offer this amendment because as chairman of the Senate Commerce, Science and Transportation Committee, several of my members wanted a chance to vote on this amendment.

I will not take much time, but I am not trying to do anything by sleight of hand. There has been a genuine slip-up, so to speak, and I am not blaming anyone. I am not here to blame staff at this hour of the night. But we did intend to have this on the list. It was our intention. We discussed it throughout the day with members of the staff.

I would like to ask unanimous consent—first of all, let me explain, if necessary. I am not going to get into a tit for tat about what is on and what is not. I will spend some time explaining what is in the amendment.

As you know, on the Commerce Committee, we try very hard to work with various critical transportation modes—rail, passenger. Indeed, I went out of my way to help with the Amtrak bill this year even though my State has no Amtrak. There is assistance for different types of transportation in this country. My State frequently does not share as generously as some other States, but I have fought hard for things that the Senator from New Jersey believes in. I know there is Amtrak in his State, and I could have blocked the Amtrak funding in the Commerce Committee. But I did not choose to do so because I think there is a national interest.

There is one area of service that is not included, and that is the local rail freight assistance program and the section 511 loan guarantee programs. These programs are critical to addressing our Nation's rail freight infrastructure needs. While billions of dollars have been invested in Amtrak over the years and now high speed rail initiatives are receiving increased focus, little has been invested in the rail freight lines serving our smaller cities and rural areas.

Indeed, capital investment needed to maintain our secondary rail lines far outpaces supply. In my view, Federal involvement in rail service should not be limited to rail passenger service. Certainly Amtrak and high speed rail are important. However, to smaller-city States such as mine, which has no Amtrak service and will never benefit from high speed rail, freight rail is even more important.

As my colleagues know, H.R. 2002 provides a good deal of money to fund rail passenger service. Certainly a limited amount of funding should be provided to meet very serious rail freight needs. Even limited Federal involvement will help to rebuild and improve the rail lines serving our smaller cities and rural areas. These lines, run mainly by short-line regional railroads, are critical to the survival of rural America's economy, yet the capital needed to maintain these secondary rail lines is very limited.

Mr. President, the LRFA program has proved to play a vital role in our Nation's rail transportation system. Created in 1973, the LRFA provides matching funds to help States save rail lines that otherwise would be abandoned. For instance, over the past few years, several rail improvement projects in my State and other States have been made possible. And I know we have been unable to reach the Senator from Iowa tonight, but he has worked on this. In fact, one of the east coast Senators wished to have a chance to speak on this tonight.

Without LRFA, our freight funding needs would go largely unmet. Of particular importance is how LRFA's matching requirements enable limited Federal, State and local resources to be leveraged. Indeed, LRFA's success has been in part due to its ability to promote investment partnerships, thus maximizing very limited Federal assistance.

Historically, LRFA has received only a very modest level of Federal funding. For example, $17 million was provided for LRFA in fiscal 1995. But a substantial portion of this very limited appropriations, $6.5 million, was rescinded recently by Public Law 104–6.

In fiscal year 1995, 31 States requested LRFA assistance for 59 projects totaling more than $32 million in funding requests. Unfortunately, less than one-third of the funding was available to meet these rail infrastructure needs. With continued railway structuring, these legitimate funding needs will only increase. LRFA is a worthy program and should be funded.

As my colleagues may already know, oftentimes small railroads face unique problems and difficulties securing needed financing. Unlike other businesses that need short-term loans, smaller railroads need long-term financing for big-ticket items, ranging anywhere from equipment to track rehabilitation. Yet, I understand most financial institutions will not make loans that are not repaid within 7 or 8 years. These loans and loan arrangements simply do not work for smaller railroads. And 511 loans were permanently authorized to address these problems and should be funded.

In this era of significant budgetary pressures, the 511 program provides a cost-effective method of ensuring modest infrastructure investment on a repayable basis. We should support programs like the 511 program and the LRFA that provide an excellent leverage of our limited Federal dollars.

The 511 railroad guarantee program is permanently authorized at $1 billion, of which approximately $980 million currently is available for commitment. The Credit Reform Act rules require appropriation for the 511 program to cover the anticipated loss to the Government over the life of each loan.

Based on a fiscal year 1994 appropriation for a 511 project in New York State—the first 511 application processed under the rules of the Credit Reform Act—5 percent of the total loan obligation must be appropriated. Several regional and short-line railroads are ready to submit loan applications as soon as the program is appropriated funding.

My amendment provides $10 million to enable up to $100 million in loans.

Mr. President, I wish to be up front regarding the offsets I have proposed. A portion of this funding is taken from the Department of Transportation's working capital fund. Another portion is being off set by reducing the next generation high speed rail account for planning and design.

However, more than one-half of that account will still remain. Let me be clear. I am not opposed to the high-speed rail program. However, we are still waiting for two reports from the administration on high-speed rail. One is on the commercial feasibility of high-speed ground transportation. It will be submitted to Congress by the end of the year. The other report due next year is to provide the administration policy directions and a perspective on high-speed rail.

They are two very important reports. They will lay out the technological feasibility of where we should go in the next 20 years with high-speed rail. Certainly we can delay some funding for this until we have a firm foundation and vision on high-speed rail.

Of course, I am willing to entertain any other suggestions for offsets and invite my colleagues to provide an alternative.

So, Mr. President, in conclusion, let me say that I stand here as a Senator from a State where we do not have passenger rail service. We are, I believe, one of two States in the United States that do not have Amtrak. We have no prospect of getting high-speed rail. But I have been a supporter and a helper in those areas on the authorizing committee.

Just the other day I assisted Senator LOTT in working out the package that involved Amtrak. And I rise in good faith. I would ask that my amendment be considered. And I would ask unanimous consent that it be considered, and that we have a vote on it.

The PRESIDING OFFICER. Is there objection?

Mr. LAUTENBERG. I do object.

Mr. President, I think it is a fair and appropriate courtesy that the Senator from South Dakota and I and the chairman of the subcommittee have a chance to talk about it.

The PRESIDING OFFICER. The objection is heard.

The Senator from South Dakota does not lose the floor.

Mr. LAUTENBERG. That is true.

Mr. PRESSLER. I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I know the position that my friend from New Jersey and my friend from Oregon, the managers of the bill, find themselves in. I have found myself in similar positions during long, tedious sessions of the Senate when we try and make appropriate cutoffs at certain times. And they would be fully within their rights, and maybe it is their final determination not to consider the amendment offered by my friend and colleague from South Dakota.

I happen to feel that this was one of those very legitimate oversights where the chairman of the Commerce Committee, on which I have had the opportunity to serve with the Senator from South Dakota since we both came to this Senate 17 years ago—I know he has always been helpful and understanding on a whole series of matters. Therefore, I think the decision is up to the managers of the bill, but I would simply suggest that this was, I am certain, a very innocent error. I believe the Senator really felt that his amendment had been included.

To make the point, if we would go back to the managers of the bill when they were reading the bill, the various amendments that have been offered, the RECORD will show the Senator from Nebraska rose and asked if his amendment would be included. And I was properly corrected by my good friend, the chairman of the Appropriations Committee, to the fact that the amendment offered by the Senator from Nebraska was indeed listed. So I was protected. There are occasions when we are not sure whether we are protected or not. And in this particular case I was.

I simply say that I believe this was a simple oversight. And I was just wondering, is there any way we could possibly resolve this matter by considering some other kind of an offset of the funding that the Senator from South Dakota has used to finance the measure that he has requested? I do not know whether that is one of the problems or not.

I have no dog in this fight except to say that fully understanding the problems that the managers of the bill have, I think this was a very legitimate error. If the wishes of the Senator from South Dakota could be accommodated, I think it would be fair. If there is any problem with the measure itself, you could always have a vote on it. Is it possible that there may be some other form of offset we might be able to work out?

I yield the floor.

Mr. PRESSLER. If my friend would yield for a question.

I begin my question by thanking him very, very much for his fair statement that in our 20-some years together on the Commerce Committee—I believe 18 years we were together on the Commerce Committee—he has always been fair and thoughtful to me.

I would certainly consider some other offset. As I mentioned, my State is, I believe, one of two States that does not get Amtrak. I have been a supporter of Amtrak to help out in other areas. And my State does not get high-speed rail. And I have been a supporter of high-speed rail. So, I am trying to help out. I am not trying to send any signals here, just that maybe it was another offset. These are hard to find. But I would like to offer my amendment. I know some other Senators who are not in the Chamber tonight who are very interested in this amendment. And so that is what I am trying to accomplish.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. The discussion that evolves is one that often is decided in this kind of a forum when the pressure is on to close out a bill. And we look at new ideas that have not been considered. And I regard my relationship with the Senator from South Dakota, as well as the Senator from Nebraska, as good and friendly. And I certainly do not want to be contentious.

But, Mr. President, the fact that suddenly now we are discussing Amtrak, and whether it is in New Jersey. We do not have essential air services in New Jersey.

Mr. President, that will not resolve the issue as far as this Senator is concerned. We want to discuss it. I am absolutely amenable to discussing it.

I do think that out of respect for those of us who have been working on this Transportation appropriations bill, after the budget resolution zeroed out local rail freight, that we ought to have a chance to discuss it.

I do not want to diminish the opportunity for either of the proponents of this amendment. It is to service their States. That is something that is always kept in front of us.

However, I think it is fair to say that adding this at the end, and before we clear the other amendments that have to be considered, is an inappropriate thing to do at this time. People want to close up shop. And that is not the primary reason for doing anything. But there is a precedent. Others have managed to get their amendments in place. And I would like to have a chance to discuss it before I even agree to accepting the amendment, Mr. President.

So that is my request. And I hope that we are not going to get a balance sheet here with what was done for one or done for the other. We are discussing the Transportation Subcommittee bill. There are lots of things that benefit all of us: highways, rail service, air service, and transit service. All benefit different parts of America differently. But, we can never get the scales to be exactly equal.

So, Mr. President, I would note the absence of a quorum until we resolve the couple of issues that are outstanding here.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2342

(Purpose: To provide for a technical correction to Public Law 102–388)

Mr. HATFIELD. Mr. President, I send an amendment to the desk on behalf of Senator FEINSTEIN and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for Mrs. FEINSTEIN, proposes an amendment numbered 2342.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate point in the bill insert:

"SEC. . The Secretary of Transportation is hereby authorized and directed to enter into an agreement modifying the agreement entered into pursuant to Section 339 of the Department of Transportation and Related Agencies Appropriations Act, 1993 (Public Law 102–388) to conform such agreement to the provisions of Section 336 of the Department of Transportation and Related Agencies Appropriations Act, 1995 (Public Law 103–331). Nothing in this section changes the amount of the previous appropriation in section 339, and the line of credit provided for shall not exceed an amount supported by the previous appropriation. In implementing either Section 339 or Section 336, the Secretary may enter into an agreement requiring an interest rate that is higher than that specified therein."

Mr. HATFIELD. Mr. President, this is a simple, straightforward amendment that would allow formerly appropriated funds to be used in a backup on a bond matter. This has been cleared on both sides.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2342) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2343

(Purpose: To eliminate certain highway safety advisory committees)

Mr. HATFIELD. Mr. President, I send an amendment to the desk on behalf of Senator ABRAHAM and Senator INHOFE and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

The Senator from Oregon [Mr. HATFIELD], for Mr. ABRAHAM, for himself and Mr. INHOFE, proposes an amendment numbered 2343.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title III, insert the following:

SEC. 3 . ELIMINATION OF CERTAIN HIGHWAY SAFETY ADVISORY COMMITTEES.

(a) NATIONAL HIGHWAY SAFETY ADVISORY COMMITTEE.—

(1) IN GENERAL.—Section 404 of title 23, United States Code, is repealed.

(2) CONFORMING AMENDMENT.—The analysis for chapter 4 of title 23, United States Code, is amended by striking the item relating to section 404.

(b) COMMERCIAL MOTOR VEHICLE SAFETY REGULATORY REVIEW PANEL.—

(1) IN GENERAL.—Section 31134 of title 49, United States Code, is repealed.

(2) CONFORMING AMENDMENTS.—

(A) The analysis for subchapter III of chapter 311 of title 49, United States Code, is amended by striking the item relating to section 31134.

(B) Section 31140 of title 49, United States Code, is amended—

(i) in subsection (a), by striking "and the Commercial Motor Vehicle Safety Regulatory Review Panel"; and

(ii) in subsection (b)—

(I) in paragraph (2), by striking "the Panel or"; and

(II) by striking "the Panel" each place it appears and inserting "the Secretary".

(C) Section 31141 of title 49, United States Code, is amended—

(i) by striking subsection (b) and inserting the following:

"(b) ANNUAL ANALYSIS BY THE SECRETARY.—The Secretary annually shall analyze State laws and regulations and decide which of the laws and regulations are related to commercial motor vehicle safety."; and

(ii) in subsection (c)—

(I) in paragraph (1), by striking "The Secretary" and all that follows through "shall—" and inserting "Not later than 18 months after the date on which the Secretary makes a decision under subsection (b) that a State law or regulation is related to commercial motor vehicle safety or 18 months after the date on which the Secretary prescribes a regulation under section 31136, whichever is later, the Secretary shall—"; and

(II) in paragraph (5), by striking "(5)(A) In" and all that follows through "(B) In" and inserting "(5) In".

Mr. INHOFE. Mr. President, in further demonstration of our resolve to downsize Government and eliminate needless departments, agencies, commissions, boards, and councils, I offer this amendment along with Senator ABRAHAM to terminate the National Driver Registration Advisory Committee and the Commercial Motor Vehicle Safety Regulatory Review Panel.

The National Highway Safety Advisory Committee was established under the Highway Safety Act of 1986 to advise the Secretary on matters relating to highway safety. Moneys have not been appropriated for this committee since 1986.

The commercial motor vehicle safety regulatory review panel. The purpose of this panel is to conduct a study to evaluate the need for the Federal assistance to the States to enforce specific regulations issued by the Secretary of Transportation. The panel was created by the Motor Carrier Safety Act of 1984 and is not currently funded.

Although these cuts are merely symbolic, they are illustrative of the type of needless activity that have outlived their usefulness. These types of programs drain the Government of its efficiency and clutter its structure with organizational deadwood.

This amendment promotes the type of reform which is supported by the GAO, the CBO, and in some cases, the President. It terminates two committees whose jobs are finished. While it may not achieve savings in the millions of dollars, it is an important step in complying with the demands of the American people who told us on November 8, 1994, to balance the budget, and cut the size of Government. It is important that we demonstrate that resolve by reviewing even the most insignificant or inexpensive programs as well as the more prominent ones. Let us show the public we are serious and eliminate these useless panels.

Mr. HATFIELD. Mr. President, this is a repeal of two existing committees within the Department of Transportation, and it has been cleared on both sides. These are two advisory committees.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2343) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I would like to indicate precisely where we are on the list of amendments. One was reserved for Senator GREGG of New Hampshire. I am informed Senator GREGG has departed the Hill. So, obviously, he will not be offering his amendment. We had one for Senator COVERDELL, and we now have a colloquy that will replace that slot for amendment.

Therefore, we are waiting the arrival of Senator WARNER, and on behalf of Senator CHAFEE and Senator BAUCUS, Senator WARNER will offer an amendment.

And then I say, from my list that I have, that completes all the amendments that were incorporated in the unanimous-consent agreement.

If there is any information relating to Senator GREGG, I would be very happy to receive it. But if he is not here at the time we finish these other amendments and the amendment has not been offered, that closes the list.

Mr. LAUTENBERG. Mr. President, there remains a colloquy between the Democratic leader and myself which we will have printed in the RECORD. As far as I can see, I think that takes care of it, with the exception of the two matters——

Mr. HATFIELD. And Senator BURNS. There is, I believe, a pending amendment by Senator BURNS of Montana, which is being checked out on the Democratic side.

Mr. PRESSLER. Will my friend yield for a question?

Mr. LAUTENBERG. Yes.

Mr. PRESSLER. I have staff working ferociously to find other offsets that might be more agreeable, but I may be offering potentially a second-degree to the Burns amendment, if he were to concur in that. I just wish the managers to know of that intention.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Mr. President, I believe now that the last amendment we have before us is to be offered by Senator WARNER on behalf of Senator CHAFEE and Senator BAUCUS.

Mr. PRESSLER. If the Senator will yield for a question. I will be offering an amendment to second-degree another matter. I will be offering a second-degree amendment later this evening.

Mr. HATFIELD. To what?

Mr. PRESSLER. To the Burns amendment.

Mr. WARNER. Mr. President, I thank the distinguished managers for permitting me at this late hour to offer this amendment. I will do so on behalf of the distinguished chairman of the committee, Mr. CHAFEE, and the ranking member, Senator BAUCUS.

I ask unanimous consent that the pending amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2344

(Purpose: To delay the effective date of a restriction on the availability of certain highway funds and to provide for National Highway System designation)

Mr. WARNER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for himself, Mr. CHAFEE, and Mr. BAUCUS, proposes an amendment numbered 2344.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. 3. DELAY OF RESTRICTION ON AVAILABILITY OF CERTAIN HIGHWAY FUNDS; NATIONAL HIGHWAY SYSTEM DESIGNATION.

(a) DELAY OF RESTRICTION OF AVAILABILITY OF CERTAIN HIGHWAY FUNDS.—Section 103(b) of title 23, United States Code, is amended—

(1) in paragraph (3)(B), by striking "1995" and inserting "1997"; and

(b) NATIONAL HIGHWAY SYSTEM DESIGNATION.—Section 103 of title 23, United States Code, is amended by inserting after subsection (b) the following:

"(c) NATIONAL HIGHWAY SYSTEM DESIGNATION.—

"(1) DESIGNATION.—The most recent National Highway System (as of the date of enactment of this subsection) as submitted by the Secretary of Transportation pursuant to this section is designated as the National Highway System.

"(2) MODIFICATIONS.—

"(A) IN GENERAL.—At the request of a State, the Secretary may—

"(i) add a new route segment to the National Highway System, including a new intermodel connection; or

"(ii) delete a route segement in existence on the date of the request and any connection to the route segment; if the total mileage of the National Highway System (including any route segment or connection proposed to be added under this subparagraph) does not exceed 165,000 miles (265,542 kilometers).

"(B) PROCEDURES FOR CHANGES REQUESTED BY STATES.—Each State that makes a request for a change in the National Highway System pursuant to subparagraph (A) shall establish that each change in a route segment or connection referred to in the subparagraph has been identified by the State, in cooperation with local officials, pursuant to applicable transportation planning activities for metropolitan areas carried out under section 134 and statewide planning processes carried out under section 135.

"(3) APPROVAL BY THE SECRETARY.—The Secretary may approve a request made by a State for a change in the National Highway System pursuant to paragraph (2) if the Secretary determines that the change—

"(A) meets the criteria established for the National Highway System under this title; and

"(B) enhances the national transportation characteristics of the National Highway System.".

Page 69, line 3: At the end thereof insert the following: "and congestion mitigation and air quality program funds. *Provided*, That a State shall not deposit funds that are suballocated under title 23 or Public Law 102–240."

Page 63, line 16: At the end thereof insert the following: "*Provided*, That prior year unobligated balances may not be withdrawn and canceled that were suballocated under title 23 or Public Law 102–240 or were made available under the congestion mitigation and air quality program."

Mr. WARNER. Mr. President, I rise to offer an amendment on behalf of myself, Senator CHAFEE and Senator BAUCUS to ensure that States receive their

National Highway System and Interstate Maintenance apportionments on schedule by October 1, 1995.

As my colleagues will recall, the Senate devoted 6 days of debate on legislation I am sponsoring, S. 440, to designate the National Highway System. As required by the Intermodal Surface Transportation Efficiency Act of 1991 [ISTEA], the Congress must enact the National Highway System before States receive $6.5 billion in 1996 highway dollars.

I am pleased that the Senate acted promptly and passed legislation to meet the timetable established in ISTEA.

At this time, however, I am very concerned that Congress will not meet this requirement and the States will be penalized because the Congress has failed to do its job.

I offer this amendment today in the hopes that it is not necessary and that the Congress does enact legislation to designate this critical transportation system by September 30.

This amendment accomplishes three purposes. First, it delays the sanction in ISTEA which prevents highway funds from being allocated to the States until the National Highway System is designated. Second, it extends for 2 years the deadline for Congress to complete its work on the NHS bill in conjunction with our schedule to reauthorize the Intermodal Surface Transportation Efficiency Act in 1997. Third, it designates the National Highway System as submitted by the Department of Transportation which was developed in cooperation with our States.

As chairman of the Environment and Public Works Subcommittee on Transportation and Infrastructure, my first priority for this Congress has been to enact the National Highway System. The subcommittee held four hearings on the NHS and reported S. 440 to the Senate on May 10. The full Senate soon took action and approved this legislation on June 22, 1995.

I am also pleased that this amendment designates the system by approving the NHS map of 159,000 miles. For over 2 years, the Federal Highway Administration worked closely with all States and local governments to determine those most important roads which provide for the efficient travel of people and goods and enhances our intermodal transportation system.

Mr. President, it is my strong view that the Congress should enact an individual NHS bill because of the other important transportation issues which were approved by the Senate. I am equally committed, however, that our States receive these funds on schedule so that contracts can be awarded and urgent transportation projects can proceed without delay.

Mr. President, I understand that this amendment is in the nature of a technical amendment which is acceptable on both sides.

The PRESIDING OFFICER. Is there objection?

Mr. McCAIN. Mr. President, I think it would be fair for the Senator from Virginia to describe what this amendment is. It is a very significant amendment. It is now 10:40 at night, and it is far more than a technical amendment. I understand that it has been agreed to by other important members. But I say to the Senator from Virginia, an amendment of this impact, under normal circumstances, should be hotlined before it is agreed to.

I do not intend to object, but I think we ought to be clear about the impact of the amendment. It is not technical, and under normal circumstances, one of this impact would be hotlined before it would be adopted.

I yield the floor.

Mr. WARNER. Mr. President, I simply say to my distinguished colleague from Arizona that this amendment relates to the need for a certain relief under the ISTEA legislation, whereby States can begin to receive highway funds in the next fiscal year in the event the House does not send a bill here and that bill is conferenced and adopted by both Chambers. It is a matter of extreme urgency by highway governors and officials across America. It applies to all 50 States equally; also, the need for the adoption of the national highway map, such that planning can get underway for the future enlargement of the Nation's highway systems.

Mr. McCAIN. Mr. President, I understand the amendment better now. I thank the Senator from Virginia. He just made my argument, that it is not exactly a technical amendment. I now better understand how important it is.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2344) was agreed to.

Mr. WARNER. I move to reconsider the vote.

Mr. LAUTENBERG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LAUTENBERG. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. I send to the desk two amendments on behalf of the distinguished chairman of the Environment Committee, Mr. CHAFEE.

The PRESIDING OFFICER. The clerk will report.

Mr. HATFIELD. Parliamentary inquiry. I want to make sure it is clearly understood that these are technical amendments that were not incorporated in the unanimous-consent agreement.

Mr. WARNER. That is correct.

I apologize to my distinguished colleague. I now find that the amendment that was just considered by the Chair contained the two technical amendments and were considered en bloc, so the two amendments have already been accepted.

I thank the Chair. I thank the managers.

AMENDMENT NO. 2341

Mr. HATFIELD. Mr. President, the pending business is the Burns amendment?

The PRESIDING OFFICER. The Senator from Oregon is correct.

Mr. HATFIELD. Mr. President, we have not been able to clear the Burns amendment on both sides.

Therefore, I suggest that we provide for the yeas and nays on disposing of the Burns amendment in the context of tomorrow's actions.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. I say to my colleague and comanager, on the written amendments that we have on our list, that concludes all of those amendments.

Mr. GREGG. A recurring theme of this Congress is to find commonsense solutions to national problems. One of these is to create practical ways to promote recycling of waste material. This requires developing applications and processes in which benign waste performs, as well as, or better than, and at the same or lower cost as traditional materials. Experts at the University of New Hampshire have stressed to me that this requires integrating appropriate tests for long-term physical performance with a thorough understanding of the long-term environmental implications. The committee provides $14,622,000 to FHWA for technology assessment and deployment and expresses its support for the priority technologies initiative funded under the section 6005 program. Would the committee consider evaluation of environmental and physical results of using benign waste materials in transportation infrastructure and helping AASHTO to incorporate those results into their construction standards to be a priority technology under the section 6005 program?

Mr. HATFIELD. Yes, the committee believes this is a priority technology and encourages FHWA to fund this type of research which is important to the future of our Nation's infrastructure.

SIDNEY LANIER BRIDGE

Mr. COVERDELL. I would like to thank the chairman for his leadership in crafting this Transportation appropriations bill before us. In light of the budgetary restriction placed upon all of these projects, I think the chairman has done a skillful job of handling many divergent interests.

Mr. HATFIELD. I thank the Senator.

Mr. COVERDELL. I would also like to thank the Senator for his assistance in attempting to remedy funding difficulties we have experienced with the Sidney Lanier Bridge in Brunswick, GA. As the chairman knows, the Sidney Lanier Bridge is in need of replacement. This bridge has been authorized by Congress as a hazard to navigation because of the 10 lives that have recently been lost there. In addition, the State of Georgia has matched every Federal dollar spent on this project since 1992, which to date, has been nearly $12 million. Given our current budget realities, I understand from the chairman that Sidney Lanier was not funded in the Senate under the project's traditional source, the Truman Hobbs Act. Am I also to understand from the chairman that the committee is aware of the importance of this project?

Mr. HATFIELD. The Senator is correct. The Sidney Lanier Bridge is a project of great importance to Georgia's growing ports industry not only for safety concerns, but also for commercial reasons.

Mr. COVERDELL. I thank the Senator. With this recognition, would the chairman be willing to give every consideration to the House position of $8 million through the Truman Hobbs Act for continued funding of the Sidney Lanier Bridge.

Mr. HATFIELD. Every consideration will be given to the House position in regard to the Sidney Lanier Bridge. The Senator is to be commended for his diligence on behalf of this important project and we will attempt to facilitate him in the conference committee.

Mr. COVERDELL. I thank the chairman for his efforts on behalf of this project.

FAA MILITARY ASSISTANCE PROGRAM

Mr. DOMENICI. Mr. President, I rise in support of the Department of Transportation and related agencies appropriations bill for fiscal year 1996.

I commend the distinguished chairman of the Appropriations Committee for bringing us a balanced bill considering the current budget constraints.

The Senate-reported bill provides $12.6 billion in new BA and $11.7 billion in new outlays to fund the programs of the Department of Transportation, including Federal-aid highway, mass transit, aviation, and maritime activities.

When outlays from prior-year budget authority and other completed actions are taken into account, the bill totals $13.0 billion in budget authority [BA] and $37.1 billion in new outlays.

The subcommittee is essentially at its 602(b) allocation in both BA and outlays.

The Senate-reported bill is $526 million in outlays below the President's 1996 request. The bill does not incorporate the President's request for consolidating all capital transportation programs into one Unified Transportation Infrastructure Investment Program.

The Senate-reported bill is $201 million in BA and $386 million in outlays below the House version of the bill.

I am concerned about one provision in the bill concerning the FAA Military Assistance Program [MAP]. The bill has set an arbitrary figure for the MAP Program, reducing its funding below the amount the statutory formula requires under the Airport Improvement Program [AIP]

I do, however, support the bill, and I urge its adoption.

Mr. President, I ask unanimous consent to have printed in the RECORD the spending totals.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TRANSPORTATION SUBCOMMITTEE SPENDING TOTALS—SENATE-REPORTED BILL

[Fiscal year 1996, in million of dollars]

	Budget authority	Outlays
Nondefense discretionary:		
Outlays from prior-year BA and other actions completed	382	25,376
H.R. 2002, as reported to the Senate	12,017	11,185
Scorekeeping adjustment		
Subtotal nondefense discretionary	12,399	36,561
Mandatory:		
Outlays from prior-year BA and other actions completed		60
H.R. 2002, as reported to the Senate	582	521
Adjustment to conform mandatory programs with Budget Resolution assumptions	2	−0
Subtotal mandatory	584	581
Adjusted bill total	12,983	37,142
Senate Subcommittee 602(b) allocation:		
Defense discretionary		
Nondefense discretionary	12,400	36,561
Violent crime reduction trust fund		
Mandatory	584	581
Total allocation	12,984	37,142
Adjusted bill total compared to Senate Subcommittee 602(b) allocation:		
Defense discretionary		
Nondefense discretionary	−1	−0
Violent crime reduction trust fund		
Mandatory		
Total allocation	−1	−0

Note.—Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

FAA MILITARY AIRPORT PROGRAM

Mr. DOMENICI. Mr. President, I rise to speak briefly on the impact of this bill on funding for the FAA Military Airport Program [MAP] within the Airport Improvement Program [AIP].

MAP is a 2.5-percent set-aside with AIP for current or former military airfields. Grants are issued to airport sponsors of current military airfields where there are joint use agreements with the military department controlling the airfield. MAP grants are used for projects that are most needed by eligible airports converting from military to civilian use. Current AIP discretionary funds cannot be used for most of these activities.

The need for MAP funding is growing each year. With the Defense Department closing an unprecedented number of military airfields since 1988, coupled with the current and projected growth in commercial and general aviation, more and more MAP sites across the country will become eligible for these funds. The FAA has identified almost 40 airports nationwide in which MAP funds may be used in future years for the conversion of military airfields to civilian use.

MAP funds play a vital role in New Mexico. In 1995, Albuquerque International Airport received $1 million for airports improvements related to the airport's shared facilities with Kirtland Air Force Base. In 1996, MAP funds will be used, in conjunction with other federal and local funds, for the rehabilitation of one of Albuquerque's main runways.

Mr. President, as a member of the Senate Appropriations Subcommittee on Transportation, I support passage of H.R. 2002. This bill is within the subcommittee's 602(b) allocation, and Chairman HATFIELD has crafted a bill to meet the needs of all modes of transportation within a reduced allocation for transportation.

However, I am concerned about the committee's action to arbitrarily cap MAP funding for 1996 by not allowing the full 2.5-percent set-aside for MAP. Under the committee's action of setting the AIP program at $1.25 billion for 1996, MAP should receive $26.4 million. However, the committee's action to cap this program at $20 million means that MAP will receive $6.4 million less than mandated under current law under an AIP program at $1.25 billion.

It is in this respect I would like to engage the distinguished chairman of both the Appropriations Committee and the Subcommittee on Transportation, Senator HATFIELD, in a discussion. Let me first ask my colleague, if it is correct that the committee has capped the Military Airport Program at $20 million for 1996?

Mr. HATFIELD. The distinguished chairman of the Budget Committee is correct. The committee has capped the MAP program at $20 million for 1996. The committee has also capped another AIP set-aside program, the Reliever Airport Program, at $50 million.

As the chairman of the Budget Committee knows, our committee was forced to make difficult decisions in order to fund our nation's top infrastructure needs for 1996. As Congress, under the direction of the budget resolution, moves to balance the Federal budget by 2002, our committee will be faced with even more difficult choices over the next few years.

One of the most difficult choices our committee faced was setting the obligation limitation for the AIP program. In 1995, funding for AIP was set at $1.45 billion. The Senate-reported bill has set this figure at $1.25 billion. Because of this lower AIP level, the bill has capped both MAP and the Reliever Airport Program.

Mr. DOMENICI. I appreciate the comments from the chairman. While I understand his position on this issue, might I ask the chairman if he intends, within the confines of the final joint House and Senate 602(b) allocation for the Transportation Subcommittee, to work for a higher AIP funding level during the House-Senate conference on H.R. 2002? And in addition, if a higher AIP figure can be achieved in conference, will the chairman allow MAP funds to be distributed at 2.5 percent, as required by law?

Mr. HATFIELD. At this point, without knowing our final 602(b) allocation for the Transportation Subcommittee, it is hard to predict a final AIP or MAP figure. However, I stand ready to work in conference with the distinguished Senator from New Mexico on achieving the highest funding possible for AIP and in turn, working for the highest possible level of funding for MAP.

AIR TRAFFIC CONTROLLER PAY

Mr. COCHRAN. Mr. President, it has come to my attention that our bill may have the effect of reducing air traffic controller pay by as much as 2.5 percent. I am also advised that this action could impose additional burdens on our air traffic control system at a time when air traffic is undergoing rapid growth. Therefore, I hope the chairman will provide some assurance that these issues will be carefully examined and reconsidered prior to conference with the House.

Mr. HATFIELD. I thank the Senator for bringing his concerns to my attention. This action was only taken because of our difficult budget situation. As the Senator knows the House bill does not contain a similar provision and I am hopeful that in conference a satisfactory solution can be reached on this issue.

Mr. COCHRAN. I thank the distinguished chairman for his willingness to take another look at this matter, and I know that with his leadership we will see a favorable resolution of the issue in the final conference agreement.

TITLE INFORMATION SYSTEM PILOT PROJECT

Mr. LAUTENBERG. I would like to clarify a point in the committee's report concerning funding for a title information system pilot project. It is my understanding that the States frequently issue new titles for vehicles that were reported stolen in other States. To prevent that from continuing, the Anti-Car Theft Act of 1992 required the Transportation Department to establish an instant title verification check prior to the issuance of new titles. Congress required this system to be up and running by January 1 of next year.

The House provided $1 million from the budget for the National Highway Traffic Safety Administration to help a pilot group of States to modify their computer software and get the system started. Here in the Senate, the committee disagreed with this earmark. The reason stated in the committee report is that the system cannot work until all the States use uniform definitions and titling procedures.

However, the Motor Vehicle Administrators' Association tells me that nationwide uniformity is not necessary for such a system to be effective. If a car is stolen, it is stolen. States simply cannot verify documents from other States. With the proposed system, they will be able to know instantly that the vehicle is stolen. In addition, the National Driver Register, an electronic system on which the title information system is modelled, has helped keep habitual drunk drivers from obtaining drivers' licenses, even though the States have widely varying terminology and definitions for "drunk driving," "driving under the influence," and so forth.

My question to the Chair is this: Should the Committee not give serious consideration to this provision in the House bill when we go to conference?

Mr. HATFIELD. I thank the Senator for focusing our attention on this issue. All of us are concerned about auto theft, and we recognize the problems the States face in trying to cope with it. I agree we will thoroughly review the merits of the House initiative during the conference.

Mr. LAUTENBERG. I thank the chairman.

AIP FUNDING

Mr. ROBB. Mr. President, I would pose a question for the distinguished Chairman of the Committee. Would the Senator agree that airports which serve communities with a large number of displaced aerospace workers from defense base closures ought to be given a priority in the receipt of airport improvement grants which would encourage and promote commercial development, through the expansion of taxiways and aircraft parking ramps, which could employ a significant amount of displaced workers?

Mr. HATFIELD. I would agree.

Mr. ROBB. Would the Senator agree that if a more robust funding level for AIP grant funding was possible that these priorities would have been established?

Mr. HATFIELD. I would agree.

Mr. WARNER. Would the Senator agree that the Aviation Research Park at the Newport News/Williamsburg International Airport would qualify as a priority project because of the pending closure of the Naval Aviation Depot, Norfolk.

Mr. HATFIELD. Under the circumstances as the Senator describes them as the Senator knows, I would have provided more AIP funds if the budget would have allowed, and not forced such difficult decisions in allocatting AIP funding. I would agree.

Mr. ROBB. I thank the distinguished Senate.

Mr. WARNER. I thank the distinguished Senator.

Mr. HATFIELD. Mr. President, I believe the Senator from South Dakota wishes to proceed.

Mr. LAUTENBERG. As far as I am concerned, if I may, Mr. President, I am removing the objection that I had put forward before so that the Senator from South Dakota can offer an amendment.

There are a couple of questions that I would like to deal with, so if the Senator would not mind, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. Parliamentary inquiry. I believe that the Jeffords amendment has not been disposed of, is that correct?

The PRESIDING OFFICER. The Senator from Oregon is correct.

Mr. HATFIELD. Mr. President, I now move to table the Jeffords amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HATFIELD. I inquire once more of the Chair, have all amendments now been disposed of that have been either presented or temporarily laid aside or any other action?

The PRESIDING OFFICER. There are three amendments that have been offered and laid aside. All the other amendments have been disposed of.

Mr. HATFIELD. Would the Chair enumerate the author of those amendments?

The PRESIDING OFFICER. The first amendment is the Burns amendment numbered 2341; the second amendment is the Roth amendment numbered 2340; and the third amendment is the Jeffords amendment numbered 2337.

Mr. HATFIELD. I thank the Chair.

Mr. PRESSLER. The staff are rewriting so that the offsets will be pleasing to the various Members.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Mr. President, first I ask unanimous consent that Senator Frist be added as original cosponsor for an earlier amendment I offered, No. 2336, regarding a U.S.-Japan bilateral agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2345

(Purpose: To provide funding for rail freight infrastructure improvements)

Mr. PRESSLER. Mr. President, under an agreement I have reached, I am going to send an amendment to the desk and not debate it or say anything about it and tomorrow morning some of the numbers we are going to modify. This involves the local rail freight assistance. We are finding other offsets that may be acceptable or may not be acceptable to some other Members of the Senate.

Mr. HATFIELD. Mr. President, if the Senator will withhold, I ask unanimous consent that Senator PRESSLER be authorized to offer an amendment tonight and be able to modify that amendment tomorrow in the sequence of the amendments to be taken up tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, I would like, if we can, to amend that unanimous-consent agreement that was just propounded by asking further under unanimous consent that the 10 minutes that may be available for debate be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRESSLER. Parliamentary inquiry: I would also like to ask unanimous consent that Senator HARKIN be added as an original cosponsor first, after all.

The PRESIDING OFFICER. To this amendment?

Mr. PRESSLER. Yes.

The PRESIDING OFFICER. Will the Senator offer the amendment?

Mr. PRESSER. Mr. President, I send the amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Dakota [Mr. PRESSLER], for himself, Mr. EXON, and Mr. HARKIN, proposes an amendment numbered 2345.

Mr. PRESSLER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

On page 26, line 15, strike "1996." and insert "1996, except for not more than 50,000,000 in loan guarantee commitments during such fiscal year (and 5,000,000 is hereby made available for the cost of such loan guarantee commitments).".

On page 26, between lines 15 and 16, insert the following:

LOCAL RAIL FREIGHT ASSISTANCE

For necessary expenses for rail assistance under section 5(q) of the Department of Transportation Act, $12,000,000.

On page 3, line 6 strike "9,710,000" and insert "$6,300,000".

On page 6, line 13, strike "$139,689,000:" and insert "$134,689,000".

On page 54, line 8 strike $99,364,000 and insert $94,364,000.

Mr. PRESSLER. Without making a speech on this amendment, I ask unanimous consent that tomorrow morning I be allowed to modify the amendment after consulting with my cosponsors.

The PRESIDING OFFICER. The Senator from South Dakota should note that that is already part of the agreement. And that we would not ask for the yeas and nays tonight, but I would hope to ask for the yeas and nays tomorrow morning unless we get it agreed to.

The PRESIDING OFFICER. That is part of the agreement.

Does the Senator from South Dakota want to have Mr. HARKIN added as an original cosponsor?

Mr. PRESSLER. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATFIELD. I just want to make sure that I have made no commitment about the action tomorrow on this amendment. My unanimous consent did not involve all the procedures that will be open to handle this amendment tomorrow.

The PRESIDING OFFICER. The amendment can be disposed of either with an up-or-down vote or a motion to table.

UNANIMOUS-CONSENT AGREEMENT

Mr. HATFIELD. Mr. President, I ask unanimous consent that the voting order for amendments tomorrow morning be as follows: The motion to table the Roth amendment 2340, to be followed by a vote on or in relation to the Burns amendment 2341, to be followed by a vote on or in relation to the Jeffords amendment 2337, to be followed by action on the Pressler amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. HATFIELD. Mr. President, I ask unanimous consent there now be a period for the transaction of morning business with Senators permitted to speak up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

AN ILLINOIS HERO AND ILLINOIS LEADER, JUDGE ABRAHAM LINCOLN MAROVITZ CELEBRATES HIS 90TH BIRTHDAY

Ms. MOSELEY-BRAUN. Mr. President, a real Illinois hero, a real Illinois leader, Judge Abraham Lincoln Marovitz, celebrates his 90th birthday on August 10th of this year. Unfortunately, my Senate duties prevent me from being in Illinois with Judge Marovitz tomorrow, so I want to take this opportunity to tell him how much I think of him, how much he has helped me, and how much he means to the people of Illinois.

I am very proud that Judge Marovitz took the time to act as my mentor. He always had time for me. He always made time for me. I feel very fortunate to have had the benefit of his counsel and advice throughout my career.

I first met Judge Marovitz as a young Assistant U.S. attorney. Even though he was a Federal District Judge, he went out of his way to help me become a good trial lawyer. He virtually walked me through my first trial, and the special attention he gave me helped convince me that I had made the right choice in becoming a lawyer.

What is really so remarkable about Judge Marovitz, however, was that the special attention he gave me was an everyday thing for him. He treated everyone as special. He made a major difference in my life, and in my career—I probably would not be in the United States Senate today if not for his help all through my career—I am but one of the many, many people he has helped.

He has always found the time to encourage the good in people. He is never too busy to care, or to give real attention to personal need.

At the outset of my remarks, I stated that Judge Marovitz was a real hero. He was a World War II marine veteran, but his heroism was not limited to his years in military service; it encompasses his entire life. His is a heroism based on commitment to principle, on always living and acting on those principles, and perhaps most of all, on his untiring efforts to make this a better America for every American.

As Steve Neal said in his column entitled "Marovitz: A Legacy of Citizenship" in today's Chicago Sun-Times, "Marovitz is a believer in the American Dream because he has lived it." To that, I would only add, that Judge Marovitz has made it his life's work to try to see that every American can live that dream.

He has had a distinguished career as a jurist. And I have to say that Judge Abraham Lincoln Marovitz is very well named; he has always dispensed justice, as President Lincoln said in his second inaugural address "with malice towards none, with charity for all, with firmness in the right as God gives us to see the right * * *."

Judge Abraham Lincoln Marovitz has been a leader all his life, and has been the best kind of leader, one whose leadership is based on his own life of excellence, of principle, and of commitment to others. He has served as a judge for most of his professional life, and he is still building on the superb record he has created.

I wish him the happiest of birthdays, and I want him to know that, whether the Senate is in session or not, I intend to be at the party celebrating his 100th birthday.

Mr. President, I ask unanimous consent that a copy of the Steve Neal column on Judge Marovitz be printed at this point in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Chicago Sun-Times, Aug. 9, 1995]

MAROVITZ: A LEGACY OF CITIZENSHIP

(By Steve Neal)

The federal courtroom was packed.

Senior Judge Abraham Lincoln Marovitz asked the multiethnic group of men and women, young and old, to stand and take the oath of U.S. citizenship.

Standing behind the bench in the courtroom that bears his name, Marovitz asks the new citizens to renounce in unison their allegiances or loyalty "to any foreign prince, potentate, state or sovereignty," and to defend the Constitution of the United States.

He is a man for all people. Marovitz performs this ceremony twice a month, as he has for more than 30 years. For Marovitz, who celebrates his 90th birthday Thursday, the induction ceremony has a special significance. He is a believer in the American dream because he has lived it. His father, a Lithuanian immigrant, took the same oath of citizenship in 1894.

"Every time I perform the induction ceremony I think of my father," says Marovitz, who is wearing cuff links with portraits of his parents. He talks with love and pride of the legacy of Joseph and Rachel Marovitz. The U.S. Immigration Department has given Marovitz an award for administering the citizenship oath to more naturalized Americans than any other member of the federal bench.

Nearly everywhere Marovitz goes, he is approached by a man or woman who took the citizenship oath in his courtroom. His door is always open to the people whose lives he has touched.

Marovitz talks with nostalgia about the immigrant world in which he grew up. He is a West Sider from the old Maxwell Street neighborhood. His father had a tailor shop, and his mother ran a candy store in front of the family's three-room apartment. "It was a large Jewish community and we learned the importance of hard work, loyalty and fairness," said Marovitz.

His path to prominence wasn't easy. Marovitz still remembers the hurt, anger and humiliation he felt as a teenager when he was fired from his job in a Michigan Avenue clothing store after his employer learned that he was Jewish. "My father told me that anti-Semitism is an old story, but that one day I would do something about it," Marovitz recalled. The elder Marovitz lived to see his son become the youngest assistant state's attorney in Cook County history, and the first Jewish Illinois state senator.

A Marine veteran of World War II, Marovitz has served on the bench for half of his life. In the mid-1950's, he nearly became the Democratic nominee for governor of Illinois. But Marovitz recalled Tuesday that his mother told him not to quit the court because no office is more important than judge. Marovitz took her advice. He has no regrets.

TRIBUTE TO THE LATE ARTHUR MAGILL, AUGUST 9, 1995

Mr. THURMOND. Mr. President, one of the unique aspects of the American business community is the concept of the "corporate neighbor". The belief that business leaders and heads of companies need to be involved in their communities and give something back to the cities, States, and Nation which have allowed their enterprises to prosper. Some of the leading philanthropic and charitable organizations in the Nation were started by the men who made their fortunes in business. Ford, Carnegie, and Rockefeller—among many others—are familiar names gracing endowments and foundations that support the arts and other noble causes. I rise today to pay tribute to a man, who in my home State of South Carolina, was a person who excelled in business and gave generously back to the city and State that he loved—Mr. Arthur Magill.

Born in Philadelphia, Arthur Magill moved to South Carolina in 1954 after inheriting the textile business his father started, Her Majesty Industries. Three of the company's mills were located in South Carolina and Arthur chose to settle in the upstate city of Greenville, a historic community that was at the heart of much of the South's textile manufacturing. In the 41 years between Arthur's arrival in South Carolina and his death earlier this week, he became known as a gifted businessman, a civically concerned individual, and a supporter and pioneer of culture in South Carolina.

Many organizations benefitted from the generosity of Arthur Magill and the foundation he and his wife started, including the Greenville County Library, the Greenville Little Theater, the Greenville Symphony, and the South Carolina State Museum. Perhaps Arthur's most well known contribution to the arts community was his purchase of a large collection of Andrew Wyeth paintings and drawings, which he placed on loan to the Greenville Museum. Though he eventually sold this collection, the display of these items not only brought recognition and acclaim both to the museum and to Mr. Magill, but they served as an impetus to involve others in the arts community.

A man of many talents and much energy, Arthur Magill pursued many interests outside of his company. He was instrumental in starting a Furman University summer program geared toward high school students called "School of the Arts," even serving as its director; he was the author of four books; served as the director of the Friends of the American Art in Religion; and, he was an adjunct professor of economics at Furman University. Truly an impressive set of accomplishments for any one person, let alone a man who had to shoulder the considerable pressures and responsibilities of running a corporation.

Mr. Magill's charitable efforts were not limited to the art world. Through a substantial donation to the Medical University of South Carolina, the Arthur and Holly Magill Refractive and Laser Center was established at the Storm Eye Institute. These facilities greatly enhance the research, treatment, and instruction that is conducted at MUSC and they help to ensure that South Carolinians are able to see to enjoy all that life has to offer, including art.

Mr. President, Arthur Magill passed away this past Sunday at the age of 88, after enduring a lengthy illness. While he will be greatly missed by those who knew him and those who benefitted from his endeavors, his lifelong commitment to improving the quality of life in our State and Nation ensures that his memory and legacy shall live on for generations to come. His wife, Holly, and daughter Holly Melosi, have my deepest sympathies on the occasion of the death of their husband and father.

WAS CONGRESS IRRESPONSIBLE? LOOK AT THE ARITHMETIC

Mr. HELMS. Mr. President, more than 3 years ago I began these daily reports to the Senate to make a matter of record the exact Federal debt as of close of business the previous day.

As of the close of business Monday, August 8, the Federal debt stood at exactly $4,945,212,125,332.53. Computed on a per capita basis, every man, woman, and child in America owes $18,772.11 as his or her share of the Federal debt.

It is important to bear in mind, Mr. President, that the Senate this year missed an opportunity to implement a balanced budget amendment to the U.S. Constitution. Regrettably, the Senate failed by one vote in its first attempt to bring the Federal debt under control.

There will be another opportunity in the months ahead to approve such a constitutional amendment.

OSEOLA McCARTY

Mr. COCHRAN. Mr. President, the Hattiesburg American newspaper in my State carried two articles earlier this week about a remarkable woman and her generous gift to students in financial need at the University of Southern Mississippi.

Ms. Oseola McCarty, who was born on March 7, 1908, in Mississippi, and saved the money she earned from washing and ironing clothes for others for over 60 years, has decided that the bulk of her estate, $150,000, should be given to the University for scholarship assistance to African-American students.

The story was aired on NBC Nightly News by Tom Brokaw.

The President of the University, Dr. Aubrey K. Lucas, said, "I don't know that I have ever been as touched by a gift to the University as I am by this one."

Ms. McCarty said, "I just want the scholarship to go to some child who needs it, to whoever is not able to help their children."

Mr. President, as we struggle here to rewrite the welfare laws, we can learn, with humility, and deep respect for Ms. Oseola McCarty, that our country would benefit greatly from her example of hard work, frugality, and concern for the needs of others.

I ask unanimous consent that the two articles from the Hattiesburg American be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

LOCAL WOMAN MAKES EXTRAORDINARY DONATION TO USM

(By Sharon Wertz)

Oseola McCarty's lined, brown hands, now gnarled with arthritis, bear mute testimony to a lifetime spent washing and ironing other people's clothes.

Less evident is how this quiet, 87-year-old woman came to donate $150,000 to the University of Southern Mississippi.

"I want to help somebody's child go to college," McCarty said "I just want it to go to someone who will appreciate it and learn. I'm old and I'm got going to live always."

McCarty's gift establishes an endowed Oseola McCarty Scholarship, with "priority consideration given to those deserving African-American students enrolling at the University of Southern Mississippi who clearly demonstrate a financial need."

"This is just extraordinary," said USM President Aubrey Lucas. "I don't know that I have ever been as touched by a gift to the university as I am by this one. Miss McCarty has shown great unselfishness and sensitivity in making possible for others the education she never had."

Bill Pace, executive director of the USM Foundation, which will administer McCarty's gift, said "This is by far the largest gift ever given to USM by an African American. We are overwhelmed and humbled by what she has done."

McCarty's gift has astounded even those who believe they know her well. The customers who have brought their washing and ironing to her modest frame home for more than 75 years read like the social register of Hattiesburg. She has done laundry for three generations of some families. In the beginning, she said, she charged $1.50 to $2 a bundle but, with inflation, the price rose.

"When I started making $10 a bundle—I don't remember when—sometimes after the war—I commenced to save money," she recalled. "I put it in savings. I never would take any of it out. I just put it in. It just accumulated."

Actually, she started saving much earlier. McCarty, seated in her small, neat living room—the linoleum floor gleaming, a spotless pink bedspread pinned carefully over the sofa—related her story quietly and matter-of-factly.

Born in Wayne County on March 7, 1908, she was raised by her mother, Lucy, who moved to Hattiesburg when Oseola was very very young. Her mother, she recalls, worked hard to support her young daughter.

"She cooked for Mr. J.S. Garraway, who was Forrest County Circuit Clerk, and—she would go to the schoolhouse and sell candy to make money. She would leave me alone. I was scared, but she didn't have no choice. I said then that when I could, I would save money so I could take care of my grandmother."

Young Oseola went to school at Eureka Elementary School. Even as a young child, she worked, though, and her savings habit started early.

"I would go to school and come home and iron. I'd put money away and save it. When I got enough, I went to First Mississippi National Bank and put it in. The teller told me it would be best to put it in a savings account. I didn't know. I just kept on saving."

When Oseola was in the sixth grade, her childless aunt had to go the hospital, and McCarty said, "I had to go and wait on her. When she came out of the hospital, she couldn't walk, and she needed me."

McCarty never returned to school. "All my classmates had gone off and left me," she said, "so I didn't go back. I just washed and ironed."

Over the years, she put money into several local banks. While banks merged and changed names and management, McCarty's savings grew.

Her grandmother died in 1944, her mother dies in 1964, her aunt died in 1967, "and I've been havin' it by myself since then," she said. Her mother and her aunt each left her some money, which she added to her savings. In 1947 her uncle gave her the house in which she still lives.

Bank personnel, realizing that McCarty was accumulating sizable savings, advised her to put her money into CD's, conservative mutual funds and other accounts where it would work for her.

Meanwhile, McCarty washed and ironed and lived frugally. She never had a car and still walks everywhere she goes. She shows a visitor the shopping cart she pushes to Big Star, more than a mile away, to get groceries. For the visitor's benefit, she turns on the window air conditioner bank personnel only recently persuaded her to get.

Nancy Odman and Ellen Vinzant of Trustmark Bank have worked with McCarty for several years, not only helping her manage her money but helping look after her personally. It was they who helped her get the air conditioner. They also were concerned about what the future held for her.

"We both talked with her about her funds and what would happen to her if something happened," said Odam. "She knew she needed someone to take care of her."

McCarty, who never married, said, "After my aunt died, I began to think, I didn't have nobody. I began to think about what to do with what little I had. I wanted to leave some to some cousins and my church. But I had been thinking for a long time . . . since I was in school . . . I didn't know how to fix it, but I wanted to give it to the college (USM). They used to not let colored people go out there, but now they do, and I think they should have it."

Odom and Vinzant referred McCarty to Paul Laughlin, Trustmark's assistant vice president and trust officer.

"In one of our earliest meetings, I talked about what we could do for her," Laughlin said. "We talked about providing for her if she's not able. Then we turned naturally to what happens to her estate after she dies.

"She said she wanted to leave the bulk of her money to USM, and she didn't want (anybody) to come in and change her mind. I called Jimmy Frank McKenzie, her attorney—she's done laundry for him for years—and he talked to her. He made sure it was her idea. Then I met with her to let her decide how to divide her money up."

Mr. Paul laid out dimes on the table to explain how to divide it up," McCarty said.

Laughlin said, "I got 10 dimes (to represent percentages). I wrote on pieces of paper the parties she wanted to leave her money to and put them on the table. Then I asked how she wanted her money to be split up. She put one dime on her church and one each for several relatives. Then she said she wanted the rest—six dimes—to go to the college. She was quite definite about wanting to give 60 percent to USM. To my knowledge, she has never been out there, but she seems to have the best of the students in mind. The decision was entirely hers."

"I just want the scholarship to go to some child who needs it, to whoever is not able to help their children," McCarty said. "I too old to get an education, but they can."

McCarty signed an irrevocable trust agreement stating her wishes for her estate and giving the bank the responsibility for managing her funds.

"Mr. Paul gives me a check, and I can go get money anytime I need it. My lawyer gave them permission to take care of me if something happens to me."

Laughlin said the bank normally keeps such transactions in strictest confidence, but because of the uniqueness of McCarty's story, he asked for her permission to make it public.

"Well, I guess that would be all right," she said with her typical calm acceptance.

"She seems wonderfully at peace with where she is and who she is," Laughlin said.

McCarty's arthritis in her hands forced her to retire from washing and ironing in December 1994, at the age of 86. Now she spends her days cleaning house, and she still walks everywhere she goes. But she said, "If I ever get able to, I want to go back to work."

She is taking others' excitement over her gift with the same quiet grace that she has taken all the bad and good that have come into her life.

"I can't do everything," she said, "but I can do something to help. And what I can do I will do. I wish I could do more."

HEARTFELT GIFT TO STUDENTS MOTIVATES PUBLIC

(By Ronnie Agnew)

The way Oseola McCarty figures it, her best years are behind her.

The 86-year-old Hattiesburg woman doesn't get around like she used to. The hands that once washed and ironed millions of pieces of clothing are now failing her.

The desire to get up in the morning and begin another 12-hour day has subsided. McCarty is slowly getting used to her new life, even if it comes without the endless line of customers knocking at her door. Even if it comes without the work that has consumed most of her 86 years.

She is a woman who believes that she has served her time. She has worked hard, she will tell you. But she also flashes a smile that says she enjoyed every minute of it.

McCarty's recent donation of $150,000 to the University of Southern Mississippi is but a small part of a fascinating life, a life without frills and perks. A life painfully primitive to most people—she still washes clothes by hand—but a satisfying life to McCarty.

Her donation continues to both shock and motivate people.

In fact, there is a move within the Hattiesburg area business community to donate

$150,000 to USM to match McCarty's gift, which will provide scholarships after her death.

Bill Pace, executive director of the USM foundation, said the university is putting together a plan so the public may match McCarty's gift. Moneys donated by the public would be put into the Osecola McCarty Scholarship fund and used for scholarships now.

The rest of the money, the $150,000 McCarty donated, would be available to the university upon her death, as stated in an irrevocable trust.

USM President Ambrey Lucas calls it the most heart-rendering donation the school has ever received. He marveled at how a woman whose sole income was washing and ironing clothes could amass a small fortune and then give it all away.

It was only in December that McCarty closed her business. There is crippling arthritis in her right hand now. Years of ironing has nearly rendered useless the hand that literally fed her. "It's gone dead on me," she says.

I would be working now if my hand hadn't started hurting. Some people thought I stopped a long time ago," she said.

So difficult are some tasks, that she now washes her laundry in her bathtub, using a plunger to clean soiled clothing.

But because of her donation, scores of needy black students will be able to go to college because of the hours she spent washing and ironing other people's clothes. Not for a moment does she covet the tens of thousands she earned as a laundress. She doesn't know what's in her bank account—doesn't know, doesn't care. It's estimated her donation is about 60 percent of what she has in the bank.

"The bank people take care of all my business," she says, "my bills, my groceries, everything."

She is a simple woman with simple values and a simple lifestyle.

She's lived in the same house for 70 years. She only recently was persuaded to buy two air conditioners for her small wood frame home. A 12-inch black and white TV sits virtually unused in a corner of her living room. The Bible that she reads daily is tattered and held together with scotch tape. She doesn't have a favorite verse, she says, she just opens the good book and lets the Lord have his way.

Such simplicity comes from a woman born before World War I, a woman who lived through the Great Depression, and who has seen the administrations of 17 U.S. presidents. McCarty is tiny—she stands about five feet tall and weighs little more than 100 pounds—and until last week, she lived in relative obscurity. Only regular customers of her wash-and-iron business were privy to the small details that are locked up inside her.

She doesn't mind talking about details. She's just a little surprised that anyone would care to know. Once they do, she shares her story, little by little, in a voice as soft as a whisper. It is a story about a woman who was introduced to work when she was a toddler.

It is a story about a woman who quit school three months shy of finishing the sixth grade to help take care of an ailing grandmother. It is the story of a woman who never married because there was simply too much work to do and not enough time. It is the story of a woman who has lived alone since 1967 when her aunt died.

It is also a story of a person who believes life should be lived at its most basic level. The air conditioning, or "fan" as she calls it, is only turned on when a visitor is present. The shoes she wears around the house have been cut out to give her toes more breathing room. The 12-inch black and white TV that she seldom watches only picks up one channel.

But McCarty isn't looking for sympathy. In her view, she lives a full and prosperous life. Never mind that she could purchase a new car and home without even a hint of a financial strain. She never learned to drive so what good would a new car do any way, she reasons. She wouldn't dream of leaving the home she has lived in since she was a young girl.

She wants the money she has earned to educate children, "so that they won't have to work as hard as I did. I just worked and worked and worked and worked. That's all I ever knew.

Each week, McCarty would take her earnings from her laundry business to what is now Trustmark Bank. During the early years, she would charge customers $2 a bundle. But in later years, the bill was $10 and up. Every penny went to the bank. That's where it went and that's where it still sits.

The teller asked me about 3 years ago, "Miss McCarty, anybody ever talk to you about investing?" I told her I didn't know how to do it. I didn't understand it. I don't understand it now."

Paul Laughlin, an assistant vice president and trust officer at Trustmark Bank, has been one of several bank representatives to advise Miss McCarty. He fondly recalls his conversation with her when she decided to let the bank set up a trust account.

"I said, 'Miss McCarty, where do you want the money to go after you pass on?' She said, 'Well, I want most of it to go to the college.' Since we have two and I wanted to be absolutely sure, I asked her which college. She said, 'Mississippi Southern.'"

"All her life she put her money away," Laughlin said. "It's now such a large amount, she really doesn't appreciate how much money that is."

Since her money is being invested, McCarty can now talk a little about maturing CD accounts. She has no idea that she has enough saved to buy her way out of the low-income neighborhood where she resides. The power of money alludes her. In her mind, cab fares are still too expensive and the bus just doesn't run often enough.

But she does know that the amount of money she saved "just popped up" and she wants it to help somebody. "I just don't know how it happened," she says, shaking her head. "I was trying to save for my old days when I wouldn't have to work so hard."

She made her money from loyal customers—lawyers, doctors, teachers, police and military personnel. It was the only business she knew. Her mother, grandmother and aunt all were a part of it. But after each of their deaths, more of the work fell to her. She comes from a farming family from Shubata, Miss., a small town outside of Meridian.

Her family left the farm and moved to Hattiesburg when they grew tired of farming. It was then that the laundry business was born. McCarty says no one really taught her how to work. But being an only child around "grown folk all the time" forced her to grow up fast.

"I didn't have no brothers or no sisters. Whatever I saw the grown people do, I tried to do myself. You don't know what you can do until you try," she said.

Now all she wants is to give young black students a chance; a chance she says she didn't have. She has no ties to USM. She has never visited the campus, only passed by it on occasion. But her demeanor turns serious when she thinks about what her donation might do.

"Our race goes to that school," she says. "Used to be that we couldn't. I want to do the children some good. It won't do me no good because I'm old."

USM's Lucas knows the many students that McCarty's gift will reach. But he said he is as touched by the person as he is by her gift.

"She lives a simple life," he said. "Her enjoyment comes from being independent, saving her resources and not wasting them. She enjoys the simple things in life, going to church, talking to friends. She feels very fulfilled."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 883. A bill to amend the Federal Credit Union Act to enhance the safety and soundness of federally insured credit unions, to protect the National Credit Union Share Insurance Fund, and for other purposes (Rept. No. 104-133).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. FAIRCLOTH (for himself, Mr. FRIST, Mr. BENNETT, and Mr. SHELBY):

S. 1132. A bill to amend the Fair Housing Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. McCONNELL (for himself, Mr. HARKIN, and Mr. HATCH):

S. 1133. A bill to amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase nutritional supplements of vitamins, minerals, or vitamins and minerals, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. NICKLES (for himself, Mr. GRAMS, Mr. DOLE, Mr. COATS, Mr. FAIRCLOTH, Mr. KEMPTHORNE, Mr. COVERDELL, Mr. SHELBY, Mr. MACK, Mr. THURMOND, Mr. GRAMM, Mr. SANTORUM, Mr. SMITH, Mr. KYL, Mr. THOMPSON, Mr. INHOFE, Mr. CRAIG, Mr. BENNETT, Mr. BROWN, and Mr. LOTT):

S. 1134. A bill to provide family tax relief; to the Committee on Finance.

By Mr. CRAIG (for himself and Mr. KEMPTHORNE):

S. 1135. A bill to amend the Federal Crop Insurance Act to include seed crops among the list of crops specifically covered under the noninsured crop disaster assistance program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HATCH (for himself, Mr. LEAHY, Mr. THURMOND, Mr. BROWN, Mr. KYL, Mr. ABRAHAM, and Mrs. FEINSTEIN):

S. 1136. A bill to control and prevent commercial counterfeiting, and for other purposes; to the Committee on the Judiciary.

By Mr. THOMAS (for himself and Mr. BROWN):

S. 1137. A bill to amend title 17, United States Code, with respect to the licensing of music, and for other purposes; to the Committee on the Judiciary.

By Mr. GRASSLEY:

S. 1138. A bill to amend title XVIII of the Social Security Act to provide that certain health insurance policies are not duplicative, and for other purposes; to the Committee on Finance.

By Mr. LOTT (for himself, Mr. STEVENS, Mrs. HUTCHISON, Ms. SNOWE, Mr. HOLLINGS, Mr. INOUYE, Mr. BREAUX, and Ms. MIKULSKI):

S. 1139. A bill to amend the Merchant Marine Act, 1936, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. EXON (for himself, Mr. HOLLINGS, and Mr. INOUYE):

S. 1140. A bill to amend title 49, United States Code, to terminate the Interstate Commerce Commission and establish the United States Transportation Board within the Department of Transportation, and to redistribute necessary functions within the Federal Government, reduce legislation, achieve budgetary savings, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PRESSLER (for himself and Mr. BURNS):

S. 1141. A bill to authorize appropriations for the activities of the Under Secretary of Commerce for Technology, and for Scientific Research Services and Construction of Research Facilities activites of the National Institute of Standards and Technology, for fiscal years 1996, 1997, and 1998, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. PRESSLER (for himself, Mr. HOLLINGS, Mr. STEVENS, Mr. BURNS, and Mr. BREAUX):

S. 1142. A bill to authorize appropriations for the National Oceanic and Atmospheric Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH:

S. 1143. A bill to amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase nutritional supplements, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FAIRCLOTH (for himself, Mr. FRIST, Mr. BENNETT, and Mr. SHELBY):

S. 1132. A bill to amend the Fair Housing Act, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE FAIR HOUSING REFORM AND FREEDOM OF SPEECH ACT OF 1995

• Mr. FAIRCLOTH. Mr. President, today I am introducing the Fair Housing Reform and Freedom of Speech Act of 1995.

Mr. President when I ran for the Senate in 1992, one of the themes of my campaign was that I wanted a return to common sense in Washington, DC. The purpose of the bill I am introducing today is to bring a little common sense to our nation's housing policy, and particularly the way the Clinton administration has conducted housing policy.

First, this bill would overturn the recent Supreme Court ruling in City of Edmonds versus Oxford House. In that case, a home for 10 to 12 recovering drug addicts and alcoholics was located in a single family neighborhood. The city tried to have the house removed because it violated the city's local zoning code that placed limits on the number of unrelated persons living together. the Supreme Court ruled that the Fair Housing Act was violated by this zoning law.

I think the Supreme Court ruled incorrectly in this case. The Congress clearly intended an exemption from the Fair Housing Act regarding the number of unrelated occupants living together. My bill would clarify that localities can continue to zone certain areas as single family neighborhoods, by limiting the number of unrelated occupants living together. In my opinion, I think families should be able to live in neighborhoods without the threat that groups homes—unsuitable for single family neighborhoods—can move in next door and receive the protection of the Fair Housing Act.

But the most important point is this one; decisions about zoning should be made in cities and towns and not in Washington. If a locality wants to permit groups homes in a certain area—it can do so without HUD interfering in the decision.

Mr. President, my bill would also correct the abuses of the Fair Housing Act by the Clinton administration. In the past year, HUD has taken to suing people under the Fair Housing Act who have protested group homes coming into their neighborhoods. The most well known of these cases was the incident involving three residents in Berkeley, CA. HUD's actions were a blatant violation of their right to freedom of speech. HUD's abuse was so bad, that they dropped the suit and promised they wouldn't do it again. HUD even issued new guidelines on the subject so it couldn't happen again.

But, just recently—HUD has done it again. This time HUD is suing five Californians who went to court to get a restraining order against a group home for the developmentally disabled that was planned for their neighborhood.

Mr. President, the issue is not whether the location for this group home is proper, that issue can be decided by the courts. The issue is freedom of speech. I believe anybody has the right to speak their mind and to take legal action against what they think is an injustice. HUD won't even let them do that.

HUD takes the opposite view. They want to intimidate people into submission. They want to use the Fair Housing Act as a weapon to silence legitimate speech, not discrimination. In the process, they have trivialized real discrimination. They have made a laughing stock of the Fair Housing Act—that it could actually be used to silence legal protest. This is wrong and it has to stop.

Mr. President, I hope that we can make these reforms to the Fair Housing Act. We need to preserve this act to prevent real discrimination, but we do not need to use the act to pursue a far, far left agenda that defies common sense, and silences free speech.•

By Mr. McCONNELL (for himself, Mr. HARKIN, and Mr. HATCH):

S. 1133. A bill to amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase nutritional supplements of vitamins, minerals, or vitamins and minerals, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP LEGISLATION

• Mr. McCONNELL. Mr. President, today I am introducing legislation that would give food stamp recipients greater flexibility to balance their diets by permitting food stamp purchases of vitamins and mineral supplements.

The Food Stamp Program is the U.S. Department of Agriculture's largest income security program. Its goal of providing all Americans access to healthy, nutritious diets is pursued by increasing the food purchasing power of more than 27 million low-income Americans in 11 million households each day.

While it is possible to receive optimum levels of nutrients through a careful selection of foods, the fact is that most people do not. A government survey of 21,000 Americans showed that not a single person surveyed obtained 100 percent of the recommended daily allowance [RDA] for all of the essential vitamins and minerals. Scientific research shows that many nutrients play an important role in reducing the risk of various common and chronic diseases. So, it is no surprise that millions of Americans regularly take vitamin and mineral supplements to assure that they receive appropriate levels of these essential nutrients.

Unfortunately, food stamp recipients have not been permitted to use their food stamps to purchase vitamin and mineral supplements. Therefore, the legislation I am proposing would permit Food Stamp Program recipients the option of spending the few pennies a day it costs to purchase vitamin and mineral supplements.

Mr. President, this legislation would help the people who need nutritional help the most—the poor—especially women of childbearing age, young children, and the elderly. Their access to vitamin and mineral supplements can help them assure they are receiving a nutritious diet. I urge my colleagues to consider the positive contribution to public health that can be achieved through permitting low-income Americans access to vitamin and mineral supplements.

My legislation is simple, it permits vitamin and mineral supplements to be purchased with food stamp coupons. It helps the people who need nutritional food the most, the poor and elderly. If food stamp recipients are permitted to use their food stamps to buy nutritional supplements, everybody will be helped. Vitamin and mineral supplements are considered an accessory food and therefore would have no effect on the number of stores participating in the Food Stamp Program. I urge all of my colleagues to take a look at this legislation and consider the positive health benefits that vitamin and mineral supplements can add to a healthy diet.•

• Mr. HARKIN. Mr. President, I am pleased to join Senator MCCONNELL and Senator HATCH in introducing legislation today that will allow the use of food stamps for the purchase of nutritional supplements. I believe this important legislation can contribute substantially to improving the nutrition and health of a segment of our society that too often falls below adequate levels of nutrient consumption.

Scientific evidence continues to mount showing that good nutrition is essential for normal growth and cognitive development in children, and for improved health and the prevention of a variety of conditions and illnesses. That knowledge is the underlying basis for our Federal nutrition assistance programs.

Studies have also shown, unfortunately, that many Americans do not have sufficient dietary intakes of a number of important nutrients. Insufficient dietary intakes are especially critical for children, pregnant women, and the elderly.

A recent study conducted by the Tufts University School of Nutrition, and based on government data, showed that millions of poor children in the United States have dietary intakes that are well below the Government's recommended daily allowance for a number of important nutrients. The study found that major differences exist in the intakes of poor versus nonpoor children for 10 out of 16 nutrients—food energy, folate, iron, magnesium, thiamin, vitamin A, vitamin B6, vitamin C, Vitamin E, and zinc. Moreover, the proportion of poor children with inadequate intakes of zinc is over 50 percent; for iron, over 40 percent; and for vitamin E, over 33 percent. For some nutrients, such as vitamin A and magnesium, the proportion of poor children with inadequate intakes is nearly six times as large as for nonpoor children.

Pregnant women also have high nutritional needs. For example, after years of concern about inadequate folate intake by pregnant women, the Public Health Service has issued a recommendation regarding consumption of folic acid by all women of childbearing age who are capable of becoming pregnant for the purpose of reducing the incidence of spina bifida or other neural tube defects.

Millions of Americans, including myself, take dietary supplements to improve their health, prevent illness, and ensure that they and their families are consuming sufficient levels of key nutrients.

This legislation would enable low-income people to have greater access to nutritional supplements to improve their diet. Currently, recipients of food stamps are not allowed to use those resources to purchase nutritional supplements. This restriction clearly serves as an impediment to adequate nutrition for low-income people who may need supplements to ensure they are consuming sufficient levels of nutrients.

The current restriction also prevents food stamp recipients from exercising their own responsibility and choice to use food stamps for purchasing nutritional supplements that they determine are important for the health of their children or themselves. It is a glaring inconsistency that food stamps may currently be used to purchase a variety of non-nutritious or minimally nutritious foods but not to purchase nutritional supplements—to purchase diet soft drinks having no nutritive value, but not to purchase folic acid which may prevent a fatal birth defect.

Opponents of this legislation will argue that food stamps are most effectively used to improve nutrition through purchasing food rather than nutritional supplements, and that if food stamps may be used for nutritional supplements, households will be less able to stretch their resources to purchase sufficient quantities of food. The available evidence indicates, however, that food stamp households actually make more careful and effective use of their resources in purchasing nutritious foods than consumers in general. Since food stamp households necessarily have a limited amount of money to spend on food—and generally already find it difficult to meet their food needs—they simply cannot afford to make unwise or unnecessary purchases of nutritional supplements using food stamps which would otherwise be used for food. So I believe the concerns that food stamps will be wasted or unwisely used for nutritional supplements is unfounded.

Mr. President, I hope that my colleagues will join in supporting this legislation designed to improve opportunities for low-income Americans to ensure adequate nutrition and improved health for their families and themselves.•

By Mr. NICKLES (for himself, Mr. GRAMS, Mr. DOLE, Mr. COATS, Mr. FAIRCLOTH, Mr. KEMPTHORNE, Mr. COVERDELL, Mr. SHELBY, Mr. MACK, Mr. THURMOND, Mr. GRAMM, Mr. SANTORUM, Mr. SMITH, Mr. KYL, Mr. THOMPSON, Mr. INHOFE, Mr. CRAIG, Mr. LOTT, and Mr. BENNETT):

S. 1134. A bill to provide family tax relief; to the Committee on Finance.

THE AMERICAN FAMILY TAX RELIEF ACT OF 1995

• Mr. NICKLES. Mr. President, when the Senate returns from the August recess we will begin the long, hard budget reconciliation process. We have already come a long way toward our goal of balancing the Federal budget, but reconciliation is the real test of our leadership and our commitment. The spending cuts we will enact will not come without sacrifice from many people. Fortunately, that sacrifice will not go unrewarded, because we intend to cut spending enough to balance the budget, plus provide tax relief to Americans.

Today I am pleased to introduce legislation which represents a key portion of our promise to reduce taxes on American families. The American Family Tax Relief Act will provide a $500 per child tax credit to benefit 52 million children in 35 million families nationwide.

I am also pleased to say that my legislation is being cosponsored by many of my colleagues, several of which have worked for years to enact a family tax credit. My cosponsors include longtime family credit sponsors Senator GRAMS and Senator COATS, the Majority Leader Senator DOLE, Senator FAIRCLOTH, Senator KEMPTHORNE, Senator COVERDELL, Senator MACK, Senator THURMOND, Senator GRAMM, Senator SANTORUM, Senator SMITH, Senator KYL, Senator THOMPSON, and Senator INHOFE.

Mr. President, the Balanced Budget Resolution we passed earlier this year promised that if we do our job, that is if we enact spending cuts sufficient to balance the budget by fiscal year 2002, the economy will reward us with a fiscal dividend sufficient to reduce the tax burden on our citizens by up to $245 billion over 7 years. While many critics have complained that a tax cut of that magnitude is too generous, consider the following facts. Over the next 7 years the Federal Government will take more than $11.4 trillion out of the pockets of American families and businesses. A tax cut of $245 billion is barely 2 percent of that amount.

With that $245 billion, we are going to reverse the trend of tax increases which have marked the past several years, reduce taxes on families and businesses, and increase savings and investment. I firmly believe, however, that the priority should be on families. At least 60 to 70 percent of our fiscal dividend should be family friendly, and that is why I am introducing this legislation.

Why is family tax relief important, Mr. President? Primarily because today's families with children are overtaxed. In 1948, the average American family paid only 3 percent of its income in Federal taxes. Today, the same family pays over 25 percent. This mounting tax burden is caused by many factors, but particularly damaging are heavy payroll taxes and the eroding value of the personal and dependent exemption. In 1948, the dependent exemption equaled 42.1 percent of per capita personal income, effectively shielding that income from taxation. Today's dependent exemption of $2,500 equals only 10.9 percent of per capita personal income. Congress would have raise the exemption to $9,657 to provide the same benefit as 1948. Payroll taxes hit families with children particularly hard because most of their income comes in the form of wages. Nearly three-fourths of all taxpayers now pay more in payroll taxes than income taxes.

Another reason to enact family tax relief is that it can make our tax system more progressive and literally remove the IRS from the lives of millions of families. A study by the Heritage Foundation based on IRS and Bureau of the Census data estimates that a $500 per child tax credit would: eliminate all Federal income tax liability for families of four earning between $17,000 and $24,000 per year, cut by 50 percent the income tax burden of a family earning $30,000 per year, cut by 30 percent the income tax burden of a family earning $40,000 per year, cut by 6.8 percent the income tax burden of a family earning $100,000 per year, and cut by 2.6 percent the income tax burden of a family earning $200,000 per year.

Heritage further estimates that the typical congressional district has 117,000 children in families eligible for a $500 credit, meaning $59 million per year in lower taxes which families can spend on their own priorities. Families in the state of Oklahoma stand to gain over $322 million. I have no doubt that those Oklahoma parents can spend that money much more wisely than the Federal bureaucracy.

Mr. President, the American Family Tax Relief Act is nearly identical to the family tax credit passed by the House earlier this year as part of the Contract with America. The only difference between our proposals is that my bill has no income limit. Because the President and our Democrat colleagues have shown a near rabid desire to turn any tax cut initiative into a class war, I have no doubt that we will discuss this issue at length in the Senate Finance Committee and on the Senate floor. However, there is absolutely no economic or tax policy justification to limit the family tax credit to certain income levels. The only reasons are political, ones, and even those pale when you realize that almost all children, 94 percent, live in families with incomes below $100,000.

I thank my colleagues, and I encourage those who have not already done so to join me in this important initiative.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1134

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "American Family Tax Relief Act of 1995".

SEC. 2. FAMILY TAX CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 22 the following new section:

"SEC. 23. FAMILY TAX CREDIT.

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to $500 multiplied by the number of qualifying children of the taxpayer.

"(b) QUALIFYING CHILD.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualifying child' means any individual if—

"(A) the taxpayer is allowed a deduction under section 151 with respect to such individual for such taxable year,

"(B) such individual has not attained the age of 18 as of the close of the calendar year in which the taxable year of the taxpayer begins, and

"(C) such individual bears a relationship to the taxpayer described in section 32(c)(3)(B) (determined without regard to clause (ii) thereof).

"(2) EXCEPTION FOR CERTAIN NONCITIZENS.—The term 'qualifying child' shall not include any individual who would not be a dependent if the first sentence of section 152(b)(3) were applied without regard to all that follows 'resident of the United States'.

"(c) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—In the case of a taxable year beginning in a calendar year after 1996, the $500 amount contained in subsection (a) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)3 for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof.

"(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

"(d) CERTAIN OTHER RULES APPLY.—Rules similar to the rules of subsections (d) and (e) of section 32 shall apply for purposes of this section."

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 22 the following new item:

"Sec. 23. Family tax credit."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

THE AMERICAN FAMILY TAX RELIEF ACT—TECHNICAL DESCRIPTION

FAMILY CREDIT

The American Family Tax Relief Act would provide a maximum, non-refundable credit against income tax liability of $500 for each qualifying child.

In calendar years after 1996, the maximum credit amount is indexed annually for inflation, with rounding to the nearest multiple of $50.

QUALIFYING CHILD

A qualifying child must satisfy the following tests:

Relationship test: the child must be a son, stepson, daughter, or stepdaughter of the taxpayer, a descendent of a son or daughter of the taxpayer, or a foster or adopted child of the taxpayer.

Dependency test: the child must be a dependent of the taxpayer with respect to whom the taxpayer is entitled to claim a dependency deduction. The child must also be a resident of the United States, except that a non-resident adopted child who lived with the taxpayer for the entire taxable year would satisfy this test.

Age test: the child must be under age 18 at the end of the calendar year in which the taxpayer's taxable year begins.

FILING STATUS

Married individuals must file a joint return to claim the credit, unless they lived apart from their spouse for the last six months of the taxable year and the individual claiming the credit (1) maintains the household for the qualifying child for more than half of the year and (2) furnishes over half of the cost of maintaining that household.

EFFECTIVE DATE

These provisions are effective for taxable years beginning after December 31, 1995.

• Mr. COATS. Mr. President, I am pleased that Majority Leader DOLE and Senator ROD GRAMS and myself to ensure the passage of a $500 per child tax credit by introducing the American Family Tax Relief Act of 1995. Many of my colleagues are already familiar with the Family's First legislation that I introduced earlier this year. The centerpiece of this legislation is the $500 per child tax credit which I have been proposing for the last 3 years.

The $500 per child tax credit already has cleared the House. The introduction of this legislation with strong leadership support is great news for the hard working families of America. With Majority Leader DOLE's support and leadership on this issue, I am now confident that the Senate will include a $500 per child tax credit in the reconciliation bill later this year.

The time has come to show families that they are a priority—for too long we have ignored their cries of help. The federal tax burden on the typical American family has become overwhelming. In 1948, the average American family of four paid just 3 percent of its income to the Federal Government. By 1992, that tax bill has skyrocketed to 24.5 percent of family earnings.

This dramatically increased tax burden complicates the family's role—to provide for the social and moral education of children. Family tax reform is more than a matter of money. It will help restore the family to an economic position that allows it to fulfill its most vital responsibilities.

In 1993, the bipartisan Commission on America's Urban Families found that "the trend of family fragmentation drives the nation's most pressing social problems: crime, educational failure, declining mental health, drug abuse, and poverty. These, in turn, further fragment families."

The Commission continued, "To date, the nation's basic response has been policies that attempt to address the negative consequences of this trend. This response has been insufficient. Our principal national goal must be to reverse the trend of family fragmentation."

One of the key policy recommendations of the commission was to "increase the self-sufficiency and economic well-being of families by either significantly increasing the personal exemption * * * or a child tax credit for all children through age 18."

The findings of the National Commission on Urban Families were remarkably similar to those advocated 3 years earlier by the Democratic Progressive Policy Institute. In an impressive report entitled "Putting Children First: A Progressive Family Policy for the 1990s", this group found:

> America is the only country among the eighteen rich democracies in the world that does not have a family allowance or some other sort of government subsidy per child. Western European countries recognize that nurturance has a great societal value. . . [T]hese societies have acknowledged that there are some things that only families can do and that if families are placed under so much stress that they cannot raise children effectively, the rest of society cannot make up the difference in later years.
>
> The United States used to have a form of family allowance; we just did not call it that. In 1948 there was a pro-family government policy based on a simple notion: the government should not tax away that portion of a family's income that is needed to raise children.

The Progressive Policy Institute concluded, "We believe that a primary goal of our tax policy should be to bolster families who are raising children."

When families fail, the cost to society is enormous. As we have learned in the past decades, programs aimed at fixing the failures are not only expensive, they are often ineffective.

I believe that it is time to reassess our priorities. We need to direct our focus, and our funds, to strengthen the family. I believe this legislation takes us on the right course.

Obviously, government's role in preserving the family is limited but it is not insignificant. Perhaps the single most important thing government can accomplish is to alleviate the economic stress on the family.

Economist Eugene Steurle noted that in 1948 the personal exemption was $600 and the median family income was $3,187. This meant that a family of four paid only 3 percent of its income in federal income taxes. He noted that the net result of the ensuing erosion of the personal exemption has been that "tax-exempt levels for households without dependents have been moving closer and closer to tax-exempt levels for households with dependents."

In 1948, the personal exemption shielded 42 percent of family income from taxes. By 1992, that tax bill had skyrocketed to 24.5 percent of family earnings, and the value of that exemption has eroded to 11 percent of income. In order for the personal exemption to provide the same benefit as it did in 1948 it would have to be raised from $2,500 to $9,657.

With rising costs and the seemingly never-ending tax burden, it is nearly impossible for American families to get ahead today. Families are working harder today than ever before. Many Hoosiers continually tell me that its just harder and harder to make ends meet. Sometimes one or both parents are working two jobs which takes more time away from the family just to pay the tax man.

In my home state of Indiana the median income for a family of four is $34,082. Of that, nearly $11,000 is devoted to federal, state, and local taxes. The average family in Indiana pays more in taxes than it does in housing, food, and clothing expenses combined. The Tax Foundation has stated that Indiana families worked 117 days this year until April 27 to pay Uncle Sam.

Some have said that $500 will not go far. To them I say, you have been inside the beltway for too long. Economists have noted, that invested over the life of the child, it is enough today for a state college education. It means $80 of grocery money each month. And it may buy time for parents to spend with their children, time to instill the values of love and discipline that are critical in the formation of citizens of character.

Fifty-two million children are eligible for this credit, and 86 percent of this tax relief would go to families making less than $75,000 per year.

The American social fabric is seriously strained. When families fail, the cost to society is enormous. That failure is measured in lost dollars and in lost lives, the lessons learned from decades of social spending are clear. Government cannot effectively stay the hand of despair and destruction. Strong families can. We simply cannot afford to ignore the evidence before us. Family preservation must be paramount in our Federal policy. I am pleased that the Majority Leader and Senator NICKLES have joined the family tax relief effort. I look forward to working with them this fall to enact the $500 per child tax credit this year.•

By Mr. CRAIG (for himself and Mr. KEMPTHORNE):

S. 1135. A bill to amend the Federal Crop Insurance Act to include seed crops among the list of crops specifically covered under the noninsured crop disaster assistance program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SEED CROPS LEGISLATION

• Mr. CRAIG. Mr. President, my purpose here today is to introduce a bill that would amend the Federal Crop Insurance Act to include seed crops among the list of crops specifically covered under the noninsured crop disaster assistance program.

It was my understanding that seed crops were to be covered under the Federal Crop Insurance Corporation [FCIC] changes that were implemented as part of the USDA reorganization in the 103d Congress. Since my understanding differs from the current implementation, I urge my colleagues to accept this amendment and rectify the situation.

As the origin of all crop production, a stable supply of seeds is an absolute necessity. If seed producers are to continue supplying a valuable product, they must have access to risk management tools, which includes insurance coverage. In my State of Idaho, we are proud to produce the Nation's largest supply of seed for sweet corn, field beans, garden beans, and teff. In addition, Idaho is among the top producers of alfalfa, popcorn, and turf grasses.

Mr. Chair, I urge my colleagues to join me in enabling this industry to utilize the insurance coverage that is provided to other agricultural commodities.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1135

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NONINSURED CROP DISASTER ASSISTANCE COVERAGE OF SEED CROPS.

Section 519(a)(2)(B) of the Federal Crop Insurance Act (7 U.S.C. 1519(a)(2)(B)) is amended by inserting "seed crops," after "turfgrass sod,". •

• Mr. KEMPTHORNE. Mr. President, the Idaho delegation today is taking steps to right a wrong. Senator CRAIG and I are joining our colleagues in the House, Representatives CRAPO and CHENOWETH in introducing legislation to clarify congressional intent regarding the Federal crop insurance program reform that the 103d Congress completed.

Implementing crop insurance reform has not always been the smoothest process, as Idaho's agriculture producers can attest. While that reform was a much needed step forward in streamlining the Federal crop insurance program, there is still work to be done. This bill tackles one part of that remaining effort.

When the Federal crop insurance reforms were implemented last year, the agency interpreted the law to be strictly limited to commodities that are consumed directly as foodstuffs. Such an interpretation ignores some crops which had traditionally been covered under the crop insurance umbrella. Among those are seed crops.

I am here today as someone who supported Federal crop insurance reform, to say that such an exclusion was not the intent of Congress. The bill Senator CRAIG and I are introducing today will set the record straight.●

By Mr. HATCH (for himself, Mr. LEAHY, Mr. THURMOND, Mr. BROWN, Mr. KYL, Mr. ABRAHAM, and Mrs. FEINSTEIN):

S. 1136. A bill to control and prevent commercial counterfeiting, and for other purposes; to the Committee on the Judiciary.

THE ANTICOUNTERFEITING CONSUMER PROTECTION ACT OF 1995

Mr. HATCH. Mr. President, I am pleased to be joined today by my colleagues, Senators LEAHY, THURMOND, BROWN, KYL, ABRAHAM, and FEINSTEIN, in introducing legislation to confront a rapidly growing threat to American industry and to the public: trademark counterfeiting. Stated simply, it is time we knock-out the knock-off industry.

We contacted some selected U.S. industries and found that the impact of counterfeiting losses are substantial. Companies invest heavily in developing and maintaining their reputations. And, the jobs of millions of American workers depend on the competitiveness of their employers.

Sales of pirated motion pictures cause losses equal to 8 percent of all movie sales revenue. The pirates are so efficient that tapes of the recently released "Apollo 13" were available the day after the movie's release in theaters. And tapes of the much-hyped "Waterworld", composed mainly of outtakes, was available before the movie's theatrical release.

The software industry is particularly affected, with sales of pirated software accounting for more than 40 percent of total revenues. Some analysts suggest that is more than the industry's total profits.

Perhaps most troubling, however, is the widespread threat counterfeiting poses to public health and safety. Automobile parts are commonly made of substandard material and pose serious risks to consumers. The San Francisco Chronicle reported that a counterfeit GM brake lining composed of wood chips was responsible for an accident that claimed the life of a mother and her child.

Media reports on the seizures in 16 States of a counterfeit version of the popular infant formula Similac underscore our vulnerability. This bogus formula could kill children who may be allergic to it.

Unfortunately, few Americans truly appreciate the significance, scope, or consequences of this crime. Only yesterday, Committee investigators purchased a fake Cartier watch and bogus Ray Ban sunglasses one block from the Capitol. It is hard to perceive the relationship between a cheap, fake watch or handbag and public health risks, money laundering, murder, and—if media reports are true—terrorism. But it is there.

Those who traffic in counterfeit goods can be ruthless members of dangerous businesses, and organized crime is increasingly involved. The leader of the "Born to Kill" crime gang in New York City made an estimated $13 million a year selling fake Cartier and Rolex watches. This revenue stream was probably useful in financing other nefarious business, as well as being profitable in itself. For the criminal, the lure of counterfeiting is not just the billions of dollars in illegal profit. It is the fact that the risk of being caught, prosecuted, and imprisoned is not high.

The time has come to make sure that the law provides the tools necessary to fight today's sophisticated counterfeiters. Our bill will do just that. It is called the "Anticounterfeiting Consumer Protection Act of 1995." I like to call it the "Knock-Out the Knock-Offs" bill.

First, it increases criminal penalties by making trafficking in counterfeit goods or services a RICO offense, thereby providing for increased jail time, criminal fines, and asset forfeiture.

Second, our bill allows greater involvement by all Federal law enforcement in fighting counterfeiting, including enhanced authority to seize counterfeit goods and the tools of the counterfeiter's trade.

Third, it makes it more difficult for these goods to reenter the stream of commerce once they have been seized.

Fourth, our bill also adds teeth to existing statutes by providing for further civil remedies, including civil fines pegged to the value of genuine goods and statutory damage awards of up to $1,000,000 per mark.

The time has come for us to send the message to the public that counterfeiting is a serious crime that involves domestic and international organized crime rings. It is a crime that robs all Americans. It is time to knock-out the knock-offs.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1136

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Anticounterfeiting Consumer Protection Act of 1995".

SEC. 2. FINDINGS.

The counterfeiting of trademarked and copyrighted merchandise—

(1) has been connected with organized crime;

(2) deprives legitimate trademark and copyright owners of substantial revenues and consumer goodwill;

(3) poses health and safety threats to American consumers;

(4) eliminates American jobs; and

(5) is a multibillion-dollar drain on the United States economy.

SEC. 3. COUNTERFEITING AS RACKETEERING.

Section 1961(1)(B) of title 18, United States Code, is amended by inserting ", section 2318 (relating to trafficking in counterfeit labels for phonorecords, computer programs or computer program documentation or packaging and copies of motion pictures or other audiovisual works), section 2319 (relating to criminal infringement of a copyright), section 2320 (relating to trafficking in goods or services bearing counterfeit marks)" after "sections 2314 and 2315 (relating to interstate transportation of stolen property),".

SEC. 4. APPLICATION TO COMPUTER PROGRAMS, COMPUTER PROGRAM DOCUMENTATION, OR PACKAGING.

Section 2318 of title 18, United States Code, is amended—

(1) in subsection (a), by inserting "a computer program or computer program documentation or packaging or" after "copy of";

(2) in subsection (b)(3), by inserting "'computer program,'" after "'motion picture,'"; and

(3) in subsection (c)(3), by inserting "a copy of a computer program or computer program documentation or packaging," after "enclose,".

SEC. 5. TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES.

Section 2320 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(e) Beginning with the first year after the date of enactment of this subsection, the Attorney General shall include in the report of the Attorney General to Congress on the business of the Department of Justice prepared pursuant to section 522 of title 28, on a district by district basis, for all actions involving trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, copies of motion pictures or other audiovisual works (as defined in section 2318 of title 18), criminal infringement of copyrights (as defined in section 2319 of title 18), or trafficking in goods or services bearing counterfeit marks (as defined in section 2320 of title 18, an accounting of—

"(1) the number of open investigations;

"(2) the number of cases referred by the United States Customs Service;

"(3) the number of cases referred by other agencies or sources; and

"(4) the number and outcome, including settlements, sentences, recoveries, and penalties, of all prosecutions brought under section 2318, 2319, and 2320 of title 18.".

SEC. 6. SEIZURE OF COUNTERFEIT GOODS.

Section 34(d)(9) of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1116(d)(9)), is amended by striking the first sentence and inserting the following: "The court shall order that service of a copy of the order under this subsection shall be made by a Federal law enforcement officer (such as a United States marshal or an officer or agent of the United States Customs Service, Secret Service, Federal Bureau of Investigation, or Post Office) or may be made by a State or local law enforcement officer, who, upon making service, shall carry out the seizure under the order.".

SEC. 7. RECOVERY FOR VIOLATION OF RIGHTS.

Section 35 of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1117), is amended by adding at the end the following new subsection:

"(c) In a case involving the use of a counterfeit mark (as defined in section 34(d) (15 U.S.C. 1116(d)) in connection with the sale, offering for sale, or distribution of goods or services, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits under subsection (a), an award of statutory damages for any such use in the amount of—

"(1) not less than $500 or more than $100,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just; or

"(2) if the court finds that the use of the counterfeit mark was willful, not more than $1,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just.".

SEC. 8. DISPOSITION OF EXCLUDED ARTICLES.

Section 603(c) of title 17, United States Code, is amended in the second sentence by striking "as the case may be;" and all that follows through the end and inserting "as the case may be.".

SEC. 9. DISPOSITION OF MERCHANDISE BEARING AMERICAN TRADEMARK.

Section 526(e) of the Tariff Act of 1930 (19 U.S.C. 1526(e)) is amended—

(1) in the second sentence, by inserting "destroy the merchandise. Alternatively, if the merchandise is not unsafe or a hazard to health, and the Secretary has the consent of the trademark owner, the Secretary may" after "shall, after forfeiture,";

(2) by inserting "or" at the end of paragraph (2);

(3) by striking ", or" at the end of paragraph (3) and inserting a period; and

(4) by striking paragraph (4).

SEC. 10. CIVIL PENALTIES.

Section 526 of the Tariff Act of 1930 (19 U.S.C. 1526) is amended by adding at the end the following new subsection:

"(f)(1) Any person who directs, assists financially or otherwise, or is in any way concerned in the importation of merchandise for sale or public distribution that is seized under subsection (e) shall be subject to a civil fine.

"(2) For the first such seizure, the fine shall be equal to the value that the merchandise would have had if it were genuine, according to the manufacturer's suggested retail price, determined under regulations promulgated by the Secretary.

"(3) For the second seizure and thereafter, the fine shall be equal to twice the value that the merchandise would have had if it were genuine, as determined under regulations promulgated by the Secretary.

"(4) The imposition of a fine under this subsection shall be within the discretion of the United States Customs Service, and shall be in addition to any other civil or criminal penalty or other remedy authorized by law.".

SEC. 11. PUBLIC DISCLOSURE OF AIRCRAFT MANIFESTS.

Section 431(c)(1) of the Tariff Act of 1930 (19 U.S.C. 1431(c)(1)) is amended—

(1) in the matter preceding subparagraph (A), by inserting "vessel or aircraft" before "manifest";

(2) by amending subparagraph (D) to read as follows:

"(D) The name of the vessel, aircraft, or carrier.";

(3) by amending subparagraph (E) to read as follows:

"(E) The seaport or airport of loading."; and

(4) by amending subparagraph (F) to read as follows:

"(F) The seaport or airport of discharge.".

SEC. 12. CUSTOMS ENTRY DOCUMENTATION.

Section 484(d) of the Tariff Act of 1930 (19 U.S.C. 1484(d)) is amended—

(1) by striking "Entries" and inserting "(1) Entries"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary, in prescribing regulations governing the content of entry documentation, shall require that entry documentation contain such information as may be necessary to determine whether the imported merchandise bears an infringing trademark in violation of section 42 of the Act of July 5, 1946 (60 Stat. 440, chapter 540; 15 U.S.C. 1124) or any other applicable law, including a trademark appearing on the goods or packaging.".

SEC. 13. UNLAWFUL USE OF VESSELS, VEHICLES, AND AIRCRAFT IN AID OF COMMERCIAL COUNTERFEITING.

Section 80302(a) of title 49, United States Code, is amended—

(1) by striking "or" at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting "; or"; and

(3) by adding at the end the following new paragraph:

"(6)(A) A counterfeit label for a phonorecord, computer program or computer program documentation or packaging or copy of a motion picture or other audiovisual work (as defined in section 2318 of title 18);

"(B) a phonorecord or copy in violation of section 2319 of title 18; or

"(C) any good bearing a counterfeit mark (as defined in section 2320 of title 18).".

SEC. 14. REGULATIONS.

Not later than 6 months after the date of enactment of this Act, the Secretary of the Treasury shall prescribe such regulations or amendments to existing regulations that may be necessary to implement and enforce this Act.

ANTICOUNTERFEITING CONSUMER PROTECTION ACT OF 1995—SECTION-BY-SECTION ANALYSIS

The Anticounterfeiting Consumer Protection Act of 1995 proposes a number of statutory amendments to strengthen this country's anticounterfeiting laws in three important areas: criminal law enforcement, civil lawsuits, and Customs Service interdiction. A brief section-by-section analysis of the Act follows.

Section 1. Short title.—The proposed legislation is entitled the "Anticounterfeiting Consumer Protection Act of 1995."

Section 2. Findings.—Section 2 summarizes the significant harms associated with counterfeiting, including the link between counterfeiting and organized crime, the resulting losses in revenues and goodwill to U.S. copyright and trademark owners, the threat to consumer health and safety, the loss of American jobs, and the overall drain on the U.S. economy.

Section 3. Counterfeiting as racketeering.—Section 3 would make the following crimes "predicate acts" for purposes of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. §1961: (i) trafficking in counterfeit labels for phonorecords, computer programs or computer program documentation or packaging and copies of motion pictures or other audiovisual works, as defined in 18 U.S.C. §2318[1]; (ii) criminal infringement of a copyright in violation of 18 U.S.C. §2319; and (iii) trafficking in counterfeit goods or services, as defined in 18 U.S.C. §2320. This amendment to the RICO statute would allow law enforcement officials in appropriate cases to seize not only counterfeit goods, but also the nonmonetary assets, including both personal and real property (*e.g.*, raw materials, tools, equipment, and manufacturing or storage facilities), associated with the criminal counterfeiting enterprise, just as they now can do for a host of other criminal enterprises. *See* 18 U.S.C. §1963.

Section 4. Application to computer programs, computer program documentation, or packaging.—Section 4 would extend the criminal prohibitions and penalties of 18 U.S.C. §2318 to trafficking in counterfeit labels affixed or designed to be affixed to copies of a computer program or computer program documentation or packaging. This amendment would recognize and address the widespread counterfeiting of computer software and international trafficking in counterfeit labels, holograms and other computer software documentation and packaging. Moreover, the amendment would update existing criminal counterfeiting provisions directed at labels for phonorecords and videos to take into account the significant advancements in technology and thereby empower federal law enforcement agencies to combat the growing counterfeiting trade in computer programs.

Section 5. Trafficking in counterfeit goods or services.—Section 5 would amend 18 U.S.C. §2320, the statute govering trafficking in counterfeit goods or services, to require the Attorney General to obtain from all United States Attorney's Offices certain statistical information relating to all criminal counterfeiting actions involving (i) trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, copies of motion pictures or other audiovisual works; (ii) criminal infringement of copyrights; or (iii) trafficking in goods or services bearing counterfeit marks. The information must then be incorporated into the Attorney General's annual report to Congress mandated by Section 522 of Title 28. This reporting requirement will enable Congress and the American public to assess the extent to which commercial counterfeiting is being vigilantly investigated and prosecuted by our nation's U.S. Attorneys.

Section 6. Seizure of counterfeit goods.—Section 6 would amend 15 U.S.C. §1116 to make clear that, in addition to U.S. marshals and state and local law enforcement officers, *any* federal law enforcement officer may assist in conducting an *ex parte* seizure of counterfeit trademarked merchandise (including, by way of example, an officer or agent of the U.S. Customs Service, Secret Service, Federal Bureau of Investigation, or

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[1] Section 4 would amend 18 U.S.C. §2318 to prohibit trafficking in counterfeit labels affixed to copies of computer programs or computer program documentation or packaging.

Post Office). The present statute provides that seizures of counterfeit merchandise may be conducted by "a United States marshal or other law enforcement officer." 15 U.S.C. §1116(d)(9). Clarification of this provision to include other federal law enforcement officers is necessary to ensure that *ex parte* seizure orders are executed in a timely manner. At present, significant delays often occur because the Marshal's Service often lacks the manpower to promptly conduct an *ex parte* seizure. Moreover, the language "other law enforcement officer" has been interpreted to mean only state and local police officers, who are not subject to federal judicial mandate and thus cannot be compelled to execute seizure orders granted under federal trademark law. The amendment would avoid this delay by expressly extending seizure authority to any other federal law enforcement officer.

Section 7. Recovery for violation of rights.—Section 7 would amend 15 U.S.C. §1117 to provide statutory damages as an alternative to actual damages in cases involving the use of counterfeit trademarks. The option to elect statutory damages in counterfeit cases ensures that trademark owners are adequately compensated and that counterfeiters are justly punished, even in cases where the plaintiff is unable to prove actual damages because, for example, the defendant engages in deceptive record-keeping. Section 7 provides that a plaintiff may elect, and a court may approve, statutory damages ranging from $500 to $100,000 per mark for each type of merchandise involved, or up to $1,000,000 per mark for each type of merchandise if the violation is willful.

Section 8. Disposition of excluded articles.—Section 8 would amend 17 U.S.C. §603(c) to eliminate the provision allowing the U.S. Customs Service to re-export piratical merchandise, thus ensuring that such goods are not allowed back into the global marketplace where they continue to violate the rights of American copyright owners and endanger American consumers.

Section 9. Disposition of merchandise bearing American trademark.—Section 9 would amend 19 U.S.C. §1526(e) to require the U.S. Customs Service to destroy all counterfeit merchandise that it seizes, unless the trademark owner consents to some other disposition of the merchandise and the merchandise is not a threat to consumer health or safety.

Section 10. Civil penalties.—Section 10 would add a new subsection to 19 U.S.C. §1526 authorizing the U.S. Customs Service to impose a civil fine on persons who are in any way involved in the importation of counterfeit goods for sale or public distribution. For first offenses, the fine would be equal to the market value that the merchandise would have had if it were genuine, according to the manufacturer's suggested retail price. For repeat offenses, the fine would be double that value. The imposition of the fine would be subject to the discretion of the U.S. Customs Service, and would be in addition to any other civil or criminal penalty or other remedy authorized by law.

Section 11. Public disclosure of aircraft manifests.—Section 11 would amend section 431(c)(1) of the Tariff Act, 19 U.S.C. §1431(c)(1), to make clear that existing manifest disclosure requirements also extend to information found in aircraft manifests. Under existing regulations, the U.S. Customs Service discloses on a routine basis information relating to shipments by sea, but is not required to disclose information within its possession concerning shipments by air. As a result of this distinction between sea and air information, an entire category of shipping information is shielded from public scrutiny, making it much more difficult to detect and stop numerous counterfeiters and other infringers who ship their merchandise by air. In order to close this informational gap, this amendment would expressly extend these manifest disclosure requirements to aircraft manifests and thus require the Customs Service to amend its regulations accordingly.

Section 12. Customs entry documentation.—Section 12 would amend 19 U.S.C. §1484(d) to require the Secretary of the Treasury, in prescribing regulations governing customs entry documentation, to require importers to disclose on that documentation such information as may be necessary to determine whether the imported merchandise bears an infringing trademark, including, for example, any trademarks appearing on the goods or their packaging. Presently, importers have no obligation to disclose to the Customs Service the identity of any trademark appearing on imported merchandise. By requiring the disclosure of any such trademark or related information, this amendment would facilitate the identification of infringing goods by Customs officials and trademark owners and thus enhance border enforcement of intellectual property rights.

Section 13. Unlawful use of vessels, vehicles, and aircraft in aid of commercial counterfeiting.—Section 13 would amend the definition of "contraband" in 49 U.S.C. App. §781 to include (i) a counterfeit label for a phonorecord, computer program or computer program documentation or packaging or copy of a motion picture or other audiovisual work, as defined in 18 U.S.C. §2318; (ii) a phonorecord or copy in violation of 18 U.S.C. §2319; or (iii) goods bearing counterfeit marks, as defined in 18 U.S.C. §2320. This amendment would allow law enforcement officials to seize the vehicles used by counterfeiters in transporting counterfeit merchandise, just as they are currently allowed to do with respect to counterfeit currency and government securities.

Section 14. Regulations.—Section 14 would require the Secretary of the Treasury to prescribe, within six months after the date of enactment, such regulations or amendments to existing regulations as may be necessary to implement and enforce the provisions of the Act.

By Mr. THOMAS (for himself and Mr. BROWN):

S. 1137. A bill to amend title 17, United States Code, with respect to the licensing of music, and for other purposes; to the Committee on the Judiciary.

SMALL BUSINESS LEGISLATION

• Mr. THOMAS. Mr. President, I introduce legislation designed to help small business owners by exempting them from paying licensing fees for music copyrights relating to radios and televisions used in their establishments. This bill is common-sense approach which would level the playing field for business owners who currently are faced with having to pay huge fees for the incidental broadcast of music played in their business.

The issue of licensing fees for copywritten music is extremely complex. No one disputes the right of performers to be properly compensated for their music or compositions. However, the current law regarding music licensing causes confusion and hardship for many business owners in my State and across the country. Every year, thousands of business owners are charged fees by the performing rights societies for the television and radio programming they present in their establishments. Unfortunately, many times these fees are charged in a confusing or ambiguous manner, without any oversight or controls.

I have heard for folks across Wyoming and the Nation who have experienced trouble with the music licensing organizations. Often the fees charged by the organizations for playing radios or televisions vary greatly from year to year. In addition, businesses are often threatened with legal action or harassed for doing something they did not realize was against the law.

The legislation I am introducing today would exempt these small business operators from being charged fees for playing radios and televisions in their establishments. The bill is designed to address a unique problem these folks are experiencing. It clarifies the law so these individuals can operate their businesses without fear of costly litigation. It is also important to note this bill only deals with performances which are incidental to the main purpose of the establishment. Records, tapes jukeboxes or video recordings are not covered by my bill.

Finally, this legislation would also require the performing rights societies to offer radio broadcasters a per programming period license to perform nondramatic musical works in the repertoire of the performing rights society. Currently, many specialty radio broadcasters such as religious and classical stations are forced to purchase a blanket license for radio broadcasts although they only play a small portion of the repertoire of the performing rights society. My bill would solve this problem and allow these broadcasters to pay for the copywritten music that is actually played, rather than a broad blanket fee which is unnecessary.

Mr. President, the bottom line is this legislation is designed to help small business owners solve a very difficult and confusing problem. This bill will help clarify the law and make it understandable for everyone across the Nation. The time has come to address this confusing issue and solve this problem for thousands of folks across the country.•

By Mr. GRASSLEY:

S. 1138. A bill to amend title XVIII of the Social Security Act to provide that certain health insurance policies are not duplicative, and for other purposes; to the Committee on Finance.

THE MEDICARE CONSUMER PROTECTION ACT OF 1995

• Mr. GRASSLEY. Mr. President, today I am introducing a bill which, if enacted, would correct a serious problem created by the Medicare anti-duplication provisions contained in the Social Security Act Amendments of 1994 (P.L. 103-432) and by subsequent interpretations of those provisions by the Health Care Financing Administration.

The genesis of this problem is to be found in provisions included in OBRA 1990. Those provisions were designed to prohibit the sale of Medicare Supplemental Insurance Policies [Medigap policies] to Medicare beneficiaries already covered by another Medigap policy. Even though those provisions were clearly designed to apply only to duplicative Medigap policies, they could be interpreted, and were interpreted by many, as prohibiting the sale of any other health insurance product that might duplicate benefits available under Medicare to Medicare beneficiaries.

The Social Security Act Amendments of 1994 contained provisions designed to clarify the intent of the OBRA 1990 provisions. Unfortunately, the statute, and recent interpretations of it by the Health Care Financing Administration, have led to further confusion and potential disruption of the long term care insurance market as well as the market for other private, non-Medigap, health insurance sold to Medicare beneficiaries.

Rather than determine the extent of actual duplication, HCFA has arbitrarily deemed all private insurance to be duplicative without actual findings of Medicare duplication. A legislative correction is necessary because HCFA was fully aware of the legislative history and nevertheless issued a notice clearly in conflict with the legislative intent.

For private long term care policies, HCFA's interpretation implies that those which coordinate with Medicare are not permitted. Ironically, coordination of private long term care insurance with Medicare is consistent with an emerging national policy that duplicative coverages should be discouraged. Most of the health care reform bills that addressed long term care required such coordination. And almost all the congressional proposals that would clarify the tax treatment of long term care insurance have consistently required coordination with Medicare.

Under the 1994 amendments, hospital indemnity policies, or policies that pay benefits to policy holders upon the occurrence of a specific disease, may be sold to Medicare beneficiaries only if they contain a statement to the effect that they duplicate Medicare. However, such policies do not duplicate Medicare. State insurance commissioners have for years advised that consumers be told that such policies are not broad-based health insurance like Medicare or MediGap policies. That is, that they are not, by their very nature, a type of policy that duplicates Medicare. Furthermore, they pay a cash benefit when triggered by a specific event, such as hospitalization, or treatment for a particular disease, regardless of other coverage. Thus, the policy holder receives a direct cash payment even when the medical services received were paid by Medicare. The direct cash payment is not a payment for those medical services and may be used by the recipient for any purpose.

Any number of circumstances would lead an individual to desire such additional coverage. For instance, it is frequently the case that treatment of serious diseases generate other, out-of-pocket, expenses not covered by Medicare against which a Medicare beneficiary may wish to be protected. Or, an individual may lose wages due to hospitalization and wish to be protected against that loss.

Requiring confusing disclosure statements may discourage the sale of such policies to Medicare beneficiaries. This despite the fact that the beneficiary may be inclined to purchase such a policy, and despite the fact that the individual may clearly ultimately benefit from holding such a policy.

The bill I am introducing today to correct these problems follows a bill sponsored by Senators PACKWOOD and Bentsen (S. 2318) which passed the Senate but was vetoed as part of H.R. 11, the 1992 tax bill. And last year the Ways and Means Committee included in their version of the Health Security Act a similar "safe harbor" for policies that always pay benefits. My bill would:

Restore a "safe harbor" for those policies that always pay benefits regardless of other coverage; and

Provide a "safe harbor" for long term care and similar policies that coordinate benefits to prevent Medicare duplication.

Mr. President, I ask unanimous consent that a summary of the bill be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF MEDICARE CONSUMER PROTECTION ACT OF 1995

1. Continues current Medigap rules.—Prohibits the sale of more than one Medigap policy (unless replacement). Continues current law provisions that also require signed statements from Medicare consumers before replacing Medigap policies.

2. Continues anti-duplication rules.—Prohibits "duplication" of Medicare benefits by private insurance. Continues current law provision intended to protect Medicare consumers from purchasing private insurance that duplicates Medicare.

3. Safeharbor for policies that always pay.—Continues the original 1980 safeharbor for policies that "always pay" (also follows the 1992 Bentsen-Packwood proposal, and the 1994 Rangel proposal to H.R. 3600). Permits the sale of private health insurance policies that pay benefits regardless of other coverage so Medicare consumers always receive benefits for premiums paid.

4. Safeharbor for LTC, home health, other policies.—Establishes a new safeharbor for long-term care, home-health, other similar policies that "coordinate" or offset with Medicare to prevent duplication (also requires "notice" in outline of coverage). Permits the sale of private health insurance policies covering benefits for only long-term care, nursing home, home health, community-based care, or a combination. Permits continuation of Robert Wood Johnson Partnership plans.

5. Clarifies confusing, wrong interpretation.—Removes misleading HCFA disclosure statements published in a June 12 "notice" that declares all private insurance to be "duplicative" of Medicare. The statements were established without factual findings of duplication and outside federal rulemaking requirements; will confuse beneficiaries over what really "duplicates" Medicare; will conflict with current state/NAIC disclosure rules that such policies do not supplement Medicare; and needlessly discourage choice and purchase of private health insurance supplements.

6. Clarifies Federal-State role.—Establishes duplication of Medicare as a federal issue. Provides federal penalties to be the exclusive remedy; provides exclusive federal interest in preventing Medicare duplication; and continues State regulation of all other matters relating to health insurance policies under current State law.

7. Clarifies effective date.—Establishes safeharbor (only for policies meeting standards) from legal action based on "unsettled," unintended law prior to 1995 and after 1990 drafting "error." This also: prevents frivolous lawsuits that will cost consumers and benefit only lawyers; and provides needed certainty in the marketplace due to misinterpretations of intent and law.•

By Mr. LOTT (for himself, Mr. STEVENS, Mrs. HUTCHISON, Ms. SNOWE, Mr. HOLLINGS, Mr. INOUYE, Mr. BREAUX, and Ms. MIKULSKI):

S. 1139. A bill to amend the Merchant Marine Act, 1936, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE MARITIME REFORM AND SECURITY ACT OF 1995

Mr. LOTT. Mr. President, I am pleased to introduce the Maritime Reform and Security Act of 1995.

Maritime reform is vital to our Nation's national and economic security. From our beginning history, America has been a maritime nation reliant on secure ocean passage and transport for commerce and military strength.

From the sea battles of the American Revolution through the Persian Gulf, our seafarers and merchant marine courageously supplied and sustained our troops in combat and conflict.

The U.S. flag fleet and merchant marine carried our troops and cargo through World War I, II, Korea, Vietnam, and the Persian Gulf.

In World War II, more than 6,000 merchant mariners were killed and thousands more were wounded.

After World War II, the Supreme Allied Commander, Dwight D. Eisenhower, declared:

> The officers and men of the merchant marine, by their devotion to duty in the face of enemy action, as well as the material dangers of the sea, have brought to us the tools

to finish the job. Their contribution to final victory will long be remembered.

Following the Persian Gulf, Chairman of the Joint Chiefs of Staff, Colin Powell, stated:

> Since I became Chairman of the Joint Chiefs of Staff, I have to appreciate firsthand why our merchant marine has long been called the Nation's fourth arm of defense. The American seafarer provides an essential service to the well-being of the Nation, as was demonstrated so clearly during Operations Desert Shield and Desert Storm.

In relation to our Nation's economic security, Rear Adm. (Ret.) Tom Patterson recently wrote in the Journal of Commerce:

> Throughout history, the Nation that ruled the seas controlled the world's economy. In their time, Egypt, Greece, Phoenicia, Carthage, and Rome, then Spain, Portugal, and Great Britain came and went as the leading naval and commercial powers. When they lost their maritime dominance, they quickly became second rate in terms of economic success and political influence.
>
> The United States is in grave danger of going down that same road if it has not done so already. Our perceived economic decline in recent years has been accompanied by an almost suicidal approach to our maritime policy—and specifically to the future of merchant shipping under the American flag . . .

Over the last 20 years, Congress has failed to pass an effective maritime policy. As a result, we have seen a dangerous decline of the U.S. flag fleet, merchant marine, and shipbuilding.

Now, we face a situation where if we fail to act in this Congress, our national security and international competitiveness will be seriously and irreversibly harmed.

We could easily lose our U.S.-flag fleet and with it our merchant marine.

If that occurs, our military readiness and our sealift capacity will be dealt a blow.

Numerous jobs would be lost related to the maritime industry and our balance of payments and international competitiveness will suffer.

In times of international crisis or war, our historical and successful reliance on the U.S. Flag Fleet and merchant marine would come to an end.

Personally, I do not want to be a part of that. We have a sobering opportunity to do something about it. In introducing this legislation, I believe that this Congress and this administration will successfully enact maritime reform legislation.

Secretary Peña, on behalf of the administration, early this year introduced the Maritime Security Act of 1995. He continues to advocate and express the high priority that the administration places on maritime reform.

The House National Security Committee has already reported out, H.R. 1350, The Maritime Security Act of 1995.

I look forward to working with the Members of the Senate, the House, the administration as well as the carriers, shipbuilders, and labor in working to enact maritime reform in this Congress.

As I introduce this legislation, I would like to state as simply as possible what my objectives are.

I want to maintain and promote a U.S. flag fleet, built in U.S. shipyards and manned by U.S. crews in the most cost effective and flexible manner possible.

When I go home to Pascagoula, I want to see the greatest amount possible of Mississippi agricultural products—rice, cotton, soybeans, catfish, chicken and forest products and other exports moving on U.S.-flagged ships built in America.

In times of national emergency or war, I want to know that we will continue the finest tradition of the U.S. flag fleet and merchant marine—secure in the knowledge that our sealift capability is assured and confident that our troops will be supplied.

The Maritime Reform and Security Act of 1995 will help achieve these objectives by establishing a new maritime security program. The bill terminates the previous program, reducing costs by 50 percent. In its place, a more efficient and flexible program will continue the successful private commercial partnership with the Departments of Transportation and Defense. A partnership which will help promote and preserve a modern U.S. flag fleet and merchant marine and one that will serve our national security in time of war or emergency.

To promote our Nation's underlying shipbuilding infrastructure and capacity, this legislation reforms the title XI loan guarantee program. A program which effectively stimulates U.S. shipbuilding, competitiveness, and jobs.

This maritime reform legislation will promote our Nation's national and economic security. I thank my colleagues who have joined as cosponsors and look forward to working with the full Senate on this important legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1139

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Maritime Reform and Security Act of 1995".

TITLE I—MARITIME SECURITY

SEC. 101. MARITIME SECURITY PROGRAM.

Title VI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1171 et seq.) is amended—

(1) by striking the title heading and inserting the following:

"TITLE VI—VESSEL OPERATING ASSISTANCE PROGRAMS

"Subtitle A—Operating-Differential Subsidy Program";

and

(2) by adding at the end the following new subtitle:

"Subtitle B—Maritime Security Fleet Program

"ESTABLISHMENT OF FLEET

"SEC. 651. (a) IN GENERAL.—The Secretary of Transportation shall establish a fleet of active, militarily useful, privately-owned vessels to meet national defense and other security requirements and maintain a United States presence in international commercial shipping. The Fleet shall consist of privately owned, United States-flag vessels for which there are in effect operating agreements under this subtitle, and shall be known as the Maritime Security Fleet.

"(b) VESSEL ELIGIBILITY.—A vessel is eligible to be included in the Fleet if the vessel is self-propelled and—

"(1)(A) is operated by a person in that person's capacity as an ocean common carrier (as that term is used in the Shipping Act of 1984 (46 U.S.C. App. 1701 et seq.));

"(B) whether in commercial service, on charter to the Department of Defense, or in other employment, is either—

"(i) a roll-on/roll-off vessel with a carrying capacity of at least 80,000 square feet or 500 twenty-foot equivalent units; or

"(ii) a LASH vessel with a barge capacity of at least 75 barges; or

"(C) any other type of vessel that is determined by the Secretary to be suitable for use by the United States for national defense or military purposes in time of war or national emergency;

"(2)(A)(i) is a United States-documented vessel; and

"(ii) on the date an operating agreement covering the vessel is first entered into under this subtitle, is—

"(I) a LASH vessel that is 25 years of age or less; or

"(II) any other type of vessel that is 15 years of age or less;

except that the Secretary of Transportation may waive the application of clause (ii) if the Secretary, in consultation with the Secretary of Defense, determines that the waiver is in the national interest; or

"(B) it is not a United States-documented vessel, but the owner of the vessel has demonstrated an intent to have the vessel documented under chapter 121 of title 46, United States Code, if it is included in the Fleet, and the vessel will be less than 10 years of age on the date of that documentation; and

"(3) the Secretary of Transportation determines that the vessel is necessary to maintain a United States presence in international commercial shipping or, after consultation with the Secretary of Defense, determines that the vessel is militarily useful for meeting the sealift needs of the United States with respect to national emergencies.

"OPERATING AGREEMENTS

"SEC. 652. (a) IN GENERAL.—The Secretary of Transportation shall require, as a condition of including any vessel in the Fleet, that the owner or operator of the vessel enter into an operating agreement with the Secretary under this section. Notwithstanding subsection (g), the Secretary may enter into an operating agreement for, among other vessels that are eligible to be included in the Fleet, any vessel which continues to operate under an operating-differential subsidy contract under subtitle A or which is under charter to the Department of Operation.

"(b) REQUIREMENTS FOR OPERATION.—An operating agreement under this section shall require that, during the period a vessel is included in the agreement—

"(1) the vessel—

"(A) shall be operated exclusively in the foreign trade or in mixed foreign and domestic trade allowed under a registry endorsement issued under section 12105 of title 46, United States Code, and

"(B) shall not otherwise be operated in the coastwise trade; and

"(2) the vessel shall be documented under chapter 121 of title 46, United States Code.

"(c) REGULATORY RELIEF.—A contractor of a vessel included in an operating agreement under this subtitle may operate the vessel in the foreign commerce of the United States without restriction, and shall not be subject to any requirement under section 801, 808, 809, or 810 of this Act. Participation in the program established by this subtitle shall not subject a contractor to section 805 or to any provision of subtitle A of title VI of this Act.

"(d) EFFECTIVENESS AND ANNUAL PAYMENT REQUIREMENTS OF OPERATING AGREEMENTS.—

"(1) EFFECTIVENESS.—The Secretary of Transportation may enter into an operating agreement under this subtitle for fiscal year 1996. The agreement shall be effective only for 1 fiscal year, but shall be renewable, subject to the availability of appropriations or amounts otherwise made available, for each subsequent fiscal year through the end of fiscal year 2005. The Secretary shall renew an operating agreement under this subtitle if sufficient amounts are appropriated or otherwise made available to fund that agreement.

"(2) ANNUAL PAYMENT.—An operating agreement under this subtitle shall require, subject to the availability of appropriations and the other provisions of this section, that the Secretary of Transportation pay each fiscal year to the contractor, for each vessel that is covered by the operating agreement, an amount equal to $2,300,000 for fiscal year 1996 and $2,100,000 for each fiscal year thereafter in which the agreement is in effect. The amount shall be paid in equal monthly installments at the end of each month. The amount shall not be reduced except as provided by this section.

"(e) CERTIFICATION REQUIRED FOR PAYMENT.—As a condition of receiving payment under this section for a fiscal year for a vessel, the owner or operator of the vessel shall certify, in accordance with regulations issued by the Secretary of Transportation, that the vessel has been and will be operated in accordance with subsection (b)(1) for at least 320 days in the fiscal year. Days during which the vessel is drydocked, surveyed, inspected, or repaired shall be considered days of operation for purposes of this subsection.

"(f) OPERATING AGREEMENT IS OBLIGATION OF UNITED STATES GOVERNMENT.—An operating agreement under this subtitle constitutes a contractual obligation of the United States Government to pay the amounts provided for in the agreement to the extent of actual appropriations.

"(g) LIMITATIONS.—The Secretary of Transportation shall not make any payment under this subtitle for a vessel with respect to any days for which the vessel is—

"(1) subject to an operating-differential subsidy contract under subtitle A or under a charter to the United States Government, other than a charter pursuant to section 653;

"(2) not operated or maintained in accordance with an operating agreement under this subtitle; or

"(3) more than 25 years of age, except that the Secretary may make such payments for a LASH vessel for any day for which the vessel is more than 25 years of age if that vessel—

"(A) is modernized after January 1, 1994,

"(B) is modernized before it is 25 years of age, and

"(C) is not more than 30 years of age.

"(h) PAYMENTS.—With respect to payments under this subtitle for a vessel included in an operating agreement, the Secretary of Transportation—

"(1) except as provided in paragraph (2), shall not reduce any payment for the operation of a vessel to carry military or other preference cargoes under section 2631 of title 10, United States Code, the Act of March 26, 1934 (46 U.S.C. App. 1241–1), section 901(a), 901(b), or 901b of this Act, or any other cargo preference law of the United States;

"(2) shall not make any payment for any day that a vessel is engaged in transporting more than 7,500 tons of civilian bulk preference cargoes pursuant to section 901(a), 901(b), or 901b that is bulk cargo; and

"(3) shall make a pro rata reduction in payment for each day less than 320 in a fiscal year that a vessel covered by an operating agreement is not operated in accordance with subsection (b)(1), with days during which the vessel is drydocked or under-going survey, inspection, or repair considered to be days on which the vessel is operated.

"(i) PRIORITY FOR AWARDING AGREEMENTS.—Subject to the availability of appropriations, the Secretary shall enter into operating agreements according to the following priority:

"(1) VESSELS OWNED BY CITIZENS.—

"(A) PRIORITY.—First, for any vessel that is—

"(i) owned and operated by persons who are citizens of the United States under section 2 of the Shipping Act, 1916; or

"(ii) less than 10 years of age and owned and operated by a corporation that is—

"(I) eligible to document a vessel under chapter 121 of title 46, United States Code; and

"(II) affiliated with a corporation operating or managing for the Secretary of Defense other vessels documented under the chapter, or chartering other vessels to the Secretary of Defense.

"(B) LIMITATION OF NUMBER OF OPERATING AGREEMENTS.—The number of vessels for which operating agreements may be entered into by the Secretary under the priority in subparagraph (A)—

"(i) for vessels described in subparagraph (A)(i), may not, for a person, exceed the sum of—

"(I) the number of United States-documented vessels the person operated in the trade described by subsection (b)(1)(A) of this section on May 17, 1995; and

"(II) the number of United States-documented vessels the person chartered to the Secretary of Defense on that date; and

"(ii) for vessels described in subparagraph (A)(ii), may not exceed 5 vessels.

"(C) TREATMENT OF RELATED PARTIES.—For purposes of subparagraph (B), a related party with respect to a person shall be treated as the person.

"(2) OTHER VESSELS OWNED BY CITIZENS AND GOVERNMENT CONTRACTORS.—To the extent that amounts are available after applying paragraph (1), any vessel that is owned and operated by a person who is—

"(A) a citizen of the United States under section 2 of the Shipping Act, 1916, that has not been awarded an operating agreement under the priority established under paragraph (1); or

"(B)(i) eligible to document a vessel under chapter 121 of title 46, United States Code; and

"(ii) affiliated with a corporation operating or managing other United States-documented vessels for the Secretary of Defense or chartering other vessels to the Secretary of Defense.

"(3) OTHER VESSELS.—To the extent that amounts are available after applying paragraphs (1) and (2), any other eligible vessel.

"(j) TRANSFER OF OPERATING AGREEMENTS.—A contractor under an operating agreement may transfer the agreement (including all rights and obligations under the agreement) to any person eligible to enter into that operating agreement under this subtitle after notification of the Secretary, unless the transfer is disapproved by the Secretary within 90 days that the date of that notification. A person to whom an operating agreement is transferred may receive payments from the Secretary under the agreement only if each vessel to be included in the agreement after the transfer is an eligible vessel under section 651(b).

"(k) REVERSION OF UNUSED AUTHORITY.—The obligation of the Secretary to make payments under an operating agreement under this subtitle shall terminate with respect to a vessel if the contractor fails to engage in operation of the vessel for which such payment is required—

"(1) within one year after the effective date of the operating agreement, in the case of a vessel in existence on the effective date of the agreement, or

"(2) within 30 months after the effective date of the operating agreement, in the case of a vessel to be constructed after that effective date.

"(l) PROCEDURE FOR CONSIDERING APPLICATION; EFFECTIVE DATE FOR CERTAIN VESSELS.—

"(1) PROCEDURES.—No later than 30 days after the date of enactment of the Maritime Reform and Security Act of 1995, the Secretary shall accept applications for enrollment of vessels in the Fleet and, within 90 days after receipt of an application for enrollment of a vessel in the Fleet, the Secretary shall enter into an operating agreement with the applicant or provide in writing the reason for denial of that application.

"(2) EFFECTIVE DATE.—Unless an earlier date is requested by the applicant, the effective date for an operating agreement with respect to a vessel which is, on the date of entry into an operating agreement, either subject to a contract under subtitle A or on charter to the United States Government, other than a charter under section 653, shall be the expiration or termination date of the contract under subtitle A or of the Government charter covering the vessel, respectively, or any earlier date the vessel is withdrawn from that contract or charter.

"(m) EARLY TERMINATION.—An operating agreement under this subtitle shall terminate on a date specified by the contractor if the contractor notifies the Secretary, by not later than 60 days before the effective date of the termination, that the contractor intends to terminate the agreement. Vessels included in an operating agreement terminated under this subsection shall remain documented under chapter 121 of title 46, United States Code, until the date the operating agreement would have terminated according to its terms. A contractor who terminates an operating agreement pursuant to this subsection shall continue to be bound by the provisions of section 653 until the date the operating agreement would have terminated according to its terms. All terms and conditions of an Emergency Preparedness Agreement entered into under section 653 shall remain in effect until the date the operating agreement would have terminated according to its terms, except that the terms of such Emergency Preparedness Agreement may be modified by the mutual consent of the contractor and the Secretary of Transportation, in consultation with the Secretary of Defense.

"(n) TERMINATION FOR LACK OF FUNDS.—If, by the first day of a fiscal year, insufficient funds have been appropriated under the authority provided by section 655 for that fiscal year, the Secretary of Transportation shall notify the Congress that operating agreements authorized under this subtitle for which insufficient funds are available will be terminated on the 60th day of that fiscal year if sufficient funds are not appropriated or otherwise made available by that date. If funds are not appropriated under the authority provided by section 655 or otherwise made available for any fiscal year by the 60th day of that fiscal year, then each vessel included in an operating agreement under this subtitle for which funds are not available is thereby released from any further obligation under the operating agreement, the operating agreement shall terminate, and the vessel owner or operator may transfer and register such vessel under a foreign registry deemed acceptable by the Secretary of Transportation, notwithstanding any other provision of law. If section 902 is applicable to such vessel after registry under such a registry, the vessel is available to be requisitioned by the Secretary of Transportation pursuant to section 902.

"(o) AWARD OF OPERATING AGREEMENTS.—

"(1) IN GENERAL.—The Secretary of Transportation, subject to paragraph (4), shall award operating agreements within each priority under subsection (i) (1), (2), and (3) under such regulations as may be prescribed by the Secretary, but the failure to promulgate such regulations shall not provide a basis for denial of an application for enrollment of a vessel in the Fleet.

"(2) NUMBER OF AGREEMENTS AWARDED.—Regulations under paragraph (1) shall provide that if appropriated amounts are not sufficient for operating agreements for eligible vessels within a priority under subsection (i) (1), (2), or (3), the Secretary shall award to each person, with respect to eligible vessels within such priority for which such person has submitted an application for an operating agreement, a number of operating agreements that bears approximately the same ratio to the total number of eligible vessels in the priority for which timely applications have been made as the amount of appropriations available for operating agreements for eligible vessels in the priority bears to the amount of appropriations necessary for operating agreements for all eligible vessels in the priority.

"(3) TREATMENT OF RELATED PARTIES.—For purposes of paragraph (2), a related party with respect to a person shall be treated as the person.

"(4) PREFERENCE FOR U.S.-BUILT VESSELS.—In awarding operating agreements for vessels within a priority under subsection (i) (1), (2), or (3), the Secretary shall give preference to a vessel that was constructed in the United States, to the extent such preference is consistent with establishment of a fleet described in the first sentence of section 651(a) (taking into account the age of the vessel, the nature of services provided by the vessel, and the commercial viability of the vessel).

"(p) NOTICE TO U.S. SHIPBUILDERS REQUIRED.—The Secretary shall include in any operating agreement under this subtitle a requirement that the contractor under the agreement shall, by not later than 30 days after soliciting any bid or offer for the construction of any vessel in a foreign shipyard and before entering into a contract for construction of a vessel in a foreign shipyard, provide notice of the intent of the contractor to enter into such a contract to the Secretary of Transportation. The Secretary shall, by appropriate means, inform shipyards in the United States capable of constructing the vessel of such notice.

"NATIONAL SECURITY REQUIREMENTS

"SEC. 653. (a) EMERGENCY PREPAREDNESS AGREEMENT.—

"(1) REQUIREMENT TO ENTER AGREEMENT.—The Secretary of Transportation shall establish an Emergency Preparedness Program under this section that is approved by the Secretary of Defense. Under the program, the Secretary of Transportation shall include in each operating agreement under this subtitle a requirement that the contractor enter into an Emergency Preparedness Agreement under this section with the Secretary. The Secretary shall negotiate and enter into an Emergency Preparedness Agreement with each contractor as promptly as practicable after the contractor has entered into an operating agreement under this subtitle.

"(2) TERMS OF AGREEMENT.—An Emergency Preparedness Agreement under this section shall require that upon a request by the Secretary of Defense during time of war or national emergency, an owner or operator of a vessel included in an operating agreement under this subtitle shall make available commercial transportation resources (including services). The basic terms of the Emergency Preparedness Agreement shall be established pursuant to consultations among the Secretary, the Secretary of Defense, and Maritime Security Program contractors. In any Emergency Preparedness Agreement, the Secretary of Transportation, in consultation with the Secretary of Defense, and a contractor may agree to additional or modifying terms appropriate to the contractor's circumstances.

"(b) RESOURCES MADE AVAILABLE.—The commercial transportation resources, including services, to be made available under an Emergency Preparedness Agreement shall include vessels or capacity in vessels, intermodal systems and equipment, terminal facilities, inter modal and management services, and other related services, or any agreed portion of such nonvessel resources for activation as the Secretary may determine to be necessary, seeking to minimize disruption of the contractor's service to commercial shippers.

"(c) COMPENSATION.—

"(1) IN GENERAL.—The Secretary of Transportation, in consultation with the Secretary of Defense, shall provide in each Emergency Preparedness Agreement for fair and reasonable compensation for all commercial transportation resources, including services, provided pursuant to this section.

"(2) SPECIFIC REQUIREMENTS.—Compensation under this subsection—

"(A) shall not be less than the contractor's commercial market charges for like transportation resources, including services;

"(B) shall include all the contractor's costs associated with provision and use of the contractor's commercial resources, including services to meet emergency requirements;

"(C) in the case of a charter of an entire vessel, shall be fair and reasonable;

"(D) shall be in addition to and shall not in any way reflect amounts payable under section 652; and

"(E) shall be provided from the time that a vessel or resource is diverted from commercial service until the time that it reenters commercial service.

"(d) TEMPORARY REPLACEMENT VESSELS.—Notwithstanding any other provision of this subtitle or of other law to the contrary—

"(1) a contractor may operate or employ in foreign commerce a foreign-flag vessel or foreign-flag vessel capacity, as a temporary replacement for a United States-documented vessel or United States-documented vessel capacity that is activated under an Emergency Preparedness Agreement; and

"(2) such replacement vessel or vessel capacity shall be eligible during the replacement period to transport preference cargoes subject to section 2631 of title 10 United States Code, the Act of March 26, 1934 (46 U.S.C. App. 1241-1), and sections 901(a), 901(b), and 901b of this Act to the same extent as the eligibility of the vessel or vessel capacity replaced.

"(3) REDELIVERY AND LIABILITY OF U.S. FOR DAMAGES.—

"(1) IN GENERAL.—All commercial transportation resources activated under an Emergency Preparedness Agreement shall, upon termination of the period of activation, be redelivered to the contractor in the same good order and condition as when received, less ordinary wear and tear, or the Government shall fully compensate the contractor for any necessary repair or replacement.

"(2) LIMITATION ON LIABILITY OF UNITED STATES.—Except as may be expressly agreed to in an Emergency Preparedness Agreement, or as otherwise provided by law, the Government shall not be liable for disruption of a contractor's commercial business or other consequential damages to a contractor arising from activation of commercial transportation resources, including services, under an Emergency Preparedness Agreement.

"(3) LIMITATION ON APPLICATION OF OTHER REQUIREMENTS.—Sections 902 and 909 of this Act shall not apply to a vessel while it is included in an Emergency Preparedness Agreement under this subtitle. Any Emergency Preparedness Agreement entered into by a contractor shall supersede any other agreement between that contractor and the Government for vessel availability in time of war or national emergency.

"DEFINITIONS

"SEC. 654. In this subtitle:

"(1) FLEET.—The term 'Fleet' means the Maritime Security Fleet established pursuant to section 651(a).

"(2) LASH VESSEL.—The term 'LASH vessel' means a lighter aboard ship vessel.

"(3) UNITED STATES-DOCUMENTED VESSEL.—The term 'United States-documented vessel' means a vessel documented under chapter 121 of title 46, United States Code.

"(4) BULK CARGO.—The term 'bulk cargo' means cargo that is loaded and carried in bulk without mark or count.

"(5) CONTRACTOR.—The term 'contractor' means an owner or operator of a vessel that enters into an operating agreement for the vessel with the Secretary of Transportation under section 652.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 655. There are authorized to be appropriated for operating agreements under this subtitle, to remain available until expended, $100,000,000 for fiscal year 1996 and such sums as may be necessary, not to exceed $100,000,000, for each fiscal year thereafter through fiscal year 2005.".

SEC. 102. TERMINATION OF OPERATING-DIFFERENTIAL SUBSIDY PROGRAM.

(a) LIMITATION ON PAYMENTS FOR OLDER VESSELS.—Section 605(b) of the Merchant

Marine Act, 1936 (46 U.S.C. App. 1175(b)), is amended to read as follows:

"(b) No operating-differential subsidy shall be paid for the operation of a vessel after the calendar year the vessel becomes 25 years of age, unless the Secretary of Transportation has determined, before the date of enactment of the Maritime Reform and Security Act of 1995, that it is in the public interest to grant such financial aid for the operation of such vessel.".

(b) WIND-UP OF PROGRAM.—Subtitle A of such Act (46 U.S.C. App. 1171 et seq.), as designated by the amendment made by section 2(1), is further amended by adding at the end the following new section:

"SEC. 616. (a) After the date of enactment of the Maritime Reform and Security Act of 1995, the Secretary of Transportation shall not enter into any new contract for operating-differential subsidy under this subtitle.

"(b) Notwithstanding any other provision of this Act, any operating-differential subsidy contract in effect under this title on the day before the date of enactment of the Maritime Reform and Security Act of 1995 shall continue in effect and terminate as set forth in the contract, unless voluntarily terminated at an earlier date by the parties (other than the United States Government) to the contract.

"(c) The essential service requirements of section 601(a) and 603(b), and the provisions of sections 605(c) and 809(a), shall not apply to the operating-differential subsidy program under this subtitle effective upon the earlier of—

"(1) the date that a payment is made, under the Maritime Security Program established by subtitle B to a contractor under that subtitle who is not party to an operating-differential subsidy contract under this subtitle, with the Secretary to cause notice of the date of such payment to be published in the Federal Register as soon as possible; or

"(2) with respect to a particular contractor under the operating-differential subsidy program, the date that contractor enters into a contract with the Secretary under the Maritime Security Program established by subtitle B.

"(d)(1) Notwithstanding any other provision of law, a vessel may be transferred and registered under a foreign registry deemed acceptable by the Secretary of Transportation if—

"(A) the operator of the vessel receives an operating-differential subsidy pursuant to a contract under this subtitle which is in force on October 1, 1994, and the Secretary approves the replacement of such vessel with a comparable vessel, or

"(B) the vessel is included in an operating agreement under subtitle B, and the Secretary approves the replacement of such vessel with a comparable vessel for inclusion in the Maritime Security Fleet established under subtitle B.

"(2) Any such vessel may be requisitioned by the Secretary of Transportation pursuant to section 902.".

SEC. 103. NONCONTIGUOUS DOMESTIC TRADES.

(a)(1) Except as otherwise provided in this section, no contractor or related party shall receive payments pursuant to this subtitle during a period when it participates in a noncontiguous domestic trade, except upon written permission of the Secretary of Transportation. Such written permission shall also be required for any material change in the number or frequency of sailings, the capacity offered, or the domestic ports called by a contractor or related party in a noncontiguous domestic trade. The Secretary may grant such written permission pursuant to written application of such contractor or related party unless the Secretary finds that—

(A) existing service in that trade is adequate; or

(B) the service sought to be provided by the contractor or related party—

(i) would result in unfair competition to any other person operating vessels in such non-contiguous domestic trade, or

(ii) would be contrary to the objects and policy of this Act.

(2) For purposes of this subsection, "written permission of the Secretary" means permission which states the capacity offered, the number and frequency of sailings, and the domestic ports called, and which is granted following—

(A) written application containing the information required by paragraph (e)(1) by a person seeking such written permission, notice of which application shall be published in the Federal Register within 15 days of filing of such application with the Secretary;

(B) holding of a hearing on the application under section 554 of title 5, United States Code, in which every person, firm or corporation having any interest in the application shall be permitted to intervene and be heard; and

(C) final decision on the application by the Secretary within 120 days following conclusion of such hearing.

(b) Subsection (a) shall not apply in any way to provision by a contractor of service within the level of service provided by that contractor as of the date established by subsection (c) or to provision of service permitted by subsection (d).

(c) The date referred to in subsection (b) shall be August 9, 1995, provided, however, that with respect to tug and barge service to Alaska the date referred to in subsection (b) shall be July 1, 1992.

(d) A contractor may provide service in a trade in addition to the level of service provided as of the applicable date establish by subsection (c) in proportion to the annual increase in real gross product of the noncontiguous State or Commonwealth served since the applicable date established by subsection (c).

(e)(1) A person applying for award of an agreement under this subtitle shall include with the application a description of the level of service provided by that person in each noncontiguous domestic trade served as of the date applicable under subsection (c). The application also shall include, for each such noncontiguous domestic trade: a list of vessels operated by that person in such trade, their container carrying capacity expressed in twenty-foot equivalent units (TEUs) or other carrying capacity, the itinerary for each such vessel, and such other information as the Secretary may require by regulation. Such description and information shall be made available to the public. Within 15 days of the date of an application for an agreement by a person seeking to provide service pursuant to subsection (b) and (c) of this section, the Secretary shall cause to be published in the Federal Register notice of such description, along with a request for public comment thereon. Comments on such description shall be submitted to the Secretary within 30 days of publication in the Federal Register. Within 15 days after receipt of comments, the Secretary shall issue a determination in writing either accepting, in whole or part, or rejecting use of the applicant's description to establish the level of service provided as of the date applicable under subsection (e), provided that notwithstanding the provisions of this subsection, processing of the application for an award of an agreement shall not be suspended or delayed during the time in which comments may be submitted with respect to the determination or during the time prior to issuance by the Secretary of the required determination, and provided further, that if the Secretary does not make the determination required by this paragraph within the time provided by this paragraph, the description of the level of service provided by the applicant shall be deemed to be the level of service provided as of the applicable date until such time as the Secretary makes the determination.

(2) No contractor shall implement the authority granted in subsection (d) of this section except as follows—

(A) An application shall be filed with the Secretary which shall state the increase in capacity sought to be offered, a description of the means by which such additional capacity would be provided, the basis for applicant's position that such increase in capacity would be in proportion to or less than the increase in real gross product of the relevant noncontiguous State or Commonwealth since the applicable date established by subsection (c), and such information as the Secretary may require so that the Secretary may accurately determine such increase in real gross product of the relevant noncontiguous State or Commonwealth.

(B) Such increase in capacity sought by applicant and such information shall be made available to the public.

(C) Within 15 days of the date of an application pursuant to this paragraph the Secretary shall cause to be published in the Federal Register notice of such application, along with a request for public comment thereon.

(D) Comments on such application shall be submitted to the Secretary within 30 days of publication in the Federal Register.

(E) Within 15 days after receipt of comments, the Secretary shall issue a determination in writing either accepting, in whole or part, or rejecting, the increase in capacity sought by the applicant as being in proportion to or less than the increase in real gross product of the relevant non-contiguous State or Commonwealth since the applicable date established by subsection (c), provided that, notwithstanding the provisions of this section, if the Secretary does not make the determination required by this paragraph within the time provided by this paragraph, the increase in capacity sought by applicant shall be permitted as being in proportion to or less than such increase in real gross product until such time as the Secretary makes the determination.

(f) With respect to provision by a contractor of service in a noncontiguous domestic trade not authorized by this section, the Secretary shall deny payments under the operating agreement with respect to the period of provision of such service but shall deny payments only in part if the extent of provision of such unauthorized service was de minimis or not material.

(g) Notwithstanding any other provision of this subtitle, the Secretary may issue temporary permission for any United States citizen, as that term is defined in section 2 of the Shipping Act, 1916, to provide service to a noncontiguous State or Commonwealth upon the request of the Governor of such noncontiguous State or Commonwealth, in circumstances where an Act of God, a declaration of war or national emergency, or any other condition occurs that prevents ocean transportation service to such noncontiguous State or Commonwealth from being provided by persons currently providing such service. Such temporary permission shall expire 90 days from date of grant, unless extended by the Secretary upon written request for the Governor of such State or Commonwealth.

(h) As used in this section:

(1) "level of service provided by a contractor" in a trade as of a date means—

(A) with respect to service other than service described in (B), the total annual capacity provided by the contractor in that trade for the 12 calendar months preceding that date, provided that, with respect to unscheduled, contract carrier tug and barge service between points in Alaska south of the Arctic Circle and points in the contiguous 48 States, the level of service provided by a contractor shall include 100 percent of the capacity of the equipment dedicated to such service on the date specified in subsection (c) and actually utilized in that service in the two-year period preceding that date, excluding service to points between Anchorage, Alaska and Whittier, Alaska served by common carrier service unless such scheduled service is only for carriage of oil or pursuant to a contract with the United States military, and provided further that, with respect to scheduled barge service between the contiguous 48 states and Puerto Rico, such total annual capacity shall be deemed as such total annual capacity plus the annual capacity of two additional barges, each capable of carrying 185 trailers and 100 automobiles; and

(B) With respect to service provided by container vessels, the overall capacity equal to the sum of—

(i) 100 percent of the capacity of vessels operated by or for the contractor on that date, with the vessels' configuration and frequency of sailing in effect on that date, and which participate solely in that noncontiguous domestic trade; and

(ii) 75 percent of the capacity of vessels operated by or for the contractor on that date, with the vessels' configuration and frequency of sailing in effect on that date, and which participate in that noncontiguous domestic trade and in another trade, provided that the term does not include any restriction on frequency, or number of sailings, or on ports called within such overall capacity.

(2) The level of service set forth in paragraph (1) shall be described with the specificity required by subsection (e)(1) and shall be the level of service in a trade with respect to the applicable date established by subsection (c) only if the service is not abandoned thereafter, except for interruptions due to military contingency or other events beyond the contractor's control.

(3) "Participates in a noncontiguous domestic trade" means directly or indirectly owns, charters, or operates a vessel engaged in transportation of cargo between a point in the contiguous 48 states and a point in Alaska, Hawaii, or Puerto Rico, other than a point in Alaska north of the Arctic Circle.

(4) "Related party" means—

(A) a holding company, subsidiary, affiliate, or associate of a contractor who is a party to an operating agreement under subtitle A of title VI of the Merchant Marine Act, 1936; and

(B) an officer, director, agent, or other executive of a contractor or of a person referred to in subparagraph (A).

TITLE II—OPERATING FLEXIBILITY AND REGULATORY RELIEF

SEC. 201. OPERATIONAL FLEXIBILITY.

(a) IN GENERAL.—Section 804 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1222) is amended by adding at the end the following new subsection:

"(f) The provisions of subsection (a) shall not preclude a contractor receiving assistance under subtitle A or B of title VI, or any holding company, subsidiary, or affiliate of the contractor, or any officer, director, agent, or executive thereof, from—

"(1) owning, chartering, or operating any foreign-flag vessel on a voyage or a segment of a voyage that does not call at a port in the United States;

"(2) owning, chartering, or operating any foreign-flag vessel in line haul service between the United States and foreign ports if—

"(A) the foreign-flag vessel was owned, chartered, or operated by, or is a replacement for a foreign-flag vessel owned, chartered, or operated by, such owner or operator, or any holding company, subsidiary, affiliate, or associate of such owner or operator, on the date of enactment of the Maritime Reform and Security Act of 1995;

"(B) the owner or operator, with respect to each additional foreign-flag vessel, other than a time chartered vessel, has first applied to have that vessel included in an operating agreement under subtitle B of title VI, and the Secretary has not awarded an operating agreement with respect to that vessel within 90 days after the filing of the application; or

"(C) the vessel has been placed under foreign documentation pursuant to section 9 of the Shipping Act, 1916 (46 U.S.C. App. 808) or section 616(d) or 652(n) of this Act, except that any foreign-flag vessel, other than a time chartered vessel, a replacement vessel under section 653(d), or a vessel owned, chartered, or operated by the owner or operator on the date of enactment of the Maritime Reform and Security Act of 1995, in line haul service between the United States and foreign ports is registered under the flag of a foreign registry deemed appropriate by the Secretary of Transportation, and available to be requisitioned by the Secretary of Transportation pursuant to section 902 of this Act;

"(3) owning, chartering, or operating foreign-flag bulk cargo vessels that are operated in foreign-to-foreign service or the foreign commerce of the United States;

"(4) chartering or operating foreign-flag vessels that are operated solely as replacement vessels for United States-flag vessels or vessel capacity that are made available to the Secretary of Defense pursuant to section 653 of this Act; or

"(5) entering into time or space charter or other cooperative agreements with respect to foreign-flag vessels or acting as agent or broker for a foreign-flag vessel or vessels.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to a contractor under subtitle B of title VI of the Merchant Marine Act, 1936, as amended by this Act, upon enactment of this Act, and shall apply to a contractor under subtitle A of title VI of that Act, upon the earlier of—

(1) the date that a payment is made, under the Maritime Security Program under subtitle B of that title to a contractor under subtitle B of that title who is not party to an operating-differential subsidy contract under subtitle A of that title, with the Secretary of Transportation to cause notice of the date of such payment to be published in the Federal Register as soon as possible; or

(2) with respect to a particular contractor under the operating-differential subsidy program under subtitle A of that title, the date that contractor enters into a contract with the Secretary under the Maritime Security Program established by subtitle B of that title.

SEC. 202. REGISTRATION REFORM.

Section 9 of the Shipping Act, 1916 (46 U.S.C. App. 808) is amended by adding at the end the following:

"(e) Notwithstanding subsection (c)(2), the Merchant Marine Act, 1936, or any contract entered into with the Secretary of Transportation under that Act, a vessel may be placed under a foreign registry, without approval of the Secretary, if—

"(1)(A) the Secretary determines that at least one replacement vessel of a capacity that is equivalent or greater, as measured by deadweight tons, gross tons, or container equivalent units, as appropriate, is documented under chapter 121 of title 46, United States Code, by the owner of the vessel placed under the foreign registry; and

"(B) the replacement vessel is not more than 10 years of age on the date of that documentation;

"(2)(A) an application for an operating agreement under subtitle B of title VI of the Merchant Marine Act, 1936 has been filed with respect to a vessel which is eligible to be included in the Maritime Security Fleet under section 651(b)(1) of that Act; and

"(B) the Secretary has not awarded an operating agreement with respect to that vessel within 90 days after the date of that application;

"(3) a contract covering the vessel under subtitle A of title VI of the Merchant Marine Act, 1936 has expired, and that vessel is more than 15 years of age on the date the contract expires; or

"(4) an operating agreement covering the vessel under subpart B of title VI of the Merchant Marine Act, 1936 has not been renewed.".

SEC. 203. RESTRICTION REMOVAL.

Title V of the Merchant Marine Act, 1936 (46 U.S.C. App. 1151 et seq.) is amended by adding at the end the following new section:

"SEC. 512. LIMITATION ON RESTRICTIONS.

"Notwithstanding any other provision of law or contract, all restrictions and requirements under sections 503, 506, and 802 applicable to a liner vessel constructed, reconstructed, or reconditioned with the aid of construction-differential subsidy shall terminate upon the expiration of the 25-year period beginning on the date of the original delivery of the vessel from the shipyard.".

SEC. 204. VESSEL STANDARDS.

(a) A liner vessel which is not documented under chapter 121 of title 46, United States Code, on the date of enactment of this Act and which the Secretary of Transportation determines to meet the criteria of section 651(b) of the Merchant Marine Act, 1936, shall be eligible for a certificate of inspection if it is eligible under chapter 121 of title 46, United States Code, to be documented as a United States-flag vessel after the Secretary determines that—

(1) the vessel is classed by and designed in accordance with the rules of the American Bureau of Shipping or other classification society accepted by the Secretary; and

(2) the vessel complies with applicable international agreements and associated guidelines, as determined by the requirements of the country in which the vessel was registered prior to documentation in the United States if, at the time the Secretary makes those determinations, that country has not been identified by the Secretary as inadequately enforcing international vessel regulations.

(b) A vessel documented as a United States-flag vessel under this section continues to be eligible for a certificate of inspection by complying with the applicable international agreements and associated guidelines.

(c) The Secretary may rely upon a certification from the American Bureau of Shipping or other classification society accepted by the Secretary to establish that a vessel is in compliance with the requirements of subsection (a) and (b).

(d) As used in this section, "liner vessel" means a cargo carrying vessel which is not a tank vessel and which is either a roll-on/roll-off vessel, a containership, a LASH vessel, or a vessel which is operated in ocean common carriage within the meaning of the Shipping Act of 1984 (46 U.S.C. App. 1701 et seq.), or if not employed in such service, determined by the Secretary to be capable of employment in such service.

TITLE III—LOAN GUARANTEES AND SHIP REPAIR

SEC. 301. TITLE XI LOAN GUARANTEES.

Title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271 et seq.) is amended—

(1) in section 1101(b), by striking "owned by citizens of the United States";

(2) in section 1104B(a), in the material preceding paragraph (1), by striking "owned by citizens of the United States"; and

(3) in section 1110(a), by striking "owned by citizens of the United States".

SEC. 302. VESSEL LOAN GUARANTEE PROGRAM.

(a) RISK FACTOR DETERMINATIONS.—Section 1103 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273) is amended by adding at the end the following new subsection:

"(h)(1) The Secretary shall—

"(A) establish in accordance with this subsection a system of risk categories for obligations guaranteed under this title, that categorizes the relative risk of guarantees made under this title with respect to the risk factors set forth in paragraph (3); and

"(B) determine for each of the risk categories a subsidy rate equivalent to the average annual cost of obligations in the category, expressed as a percentage of the average annual aggregate amount guaranteed under this title for obligations in the category.

"(2)(A) Before making a guarantee under this section for an obligation, the Secretary shall apply the risk factors set forth in paragraph (3) to place the obligation in a risk category established under paragraph (1)(A).

"(B) The Secretary shall consider the aggregate amount available to the Secretary for making guarantees under this title to be reduced by the amount determined by multiplying—

"(i) the amount guaranteed under this title for an obligation, by

"(ii) the subsidy rate for the category in which the obligation is placed under subparagraph (A) of this paragraph.

"(C) The estimated long-term cost to the Government of a guarantee made by the Secretary under this title for an obligation is deemed to be the amount determined under subparagraph (B) for the obligation.

"(D) The Secretary may not guarantee obligations under this title after the aggregate amount available to the Secretary under appropriations Acts for the cost of loan guarantees is required by subparagraph (B) to be considered reduced to zero.

"(3) The risk factors referred to in paragraphs (1) and (2) are the following:

"(A) If applicable, the country risk for each eligible export vessel financed or to be financed by an obligation.

"(B) The period for which an obligation is guaranteed or to be guaranteed.

"(C) The portion of an obligation, which is guaranteed or to be guaranteed, in relation to the total cost of the project financed or to be financed by the obligation.

"(D) The financial condition of an obligor or applicant for a guarantee.

"(E) If applicable, any guarantee under this title for an associated project.

"(F) If applicable, the projected employment of each vessel or equipment to be financed with an obligation.

"(G) If applicable, the projected market that will be served by each vessel or equipment to be financed with an obligation.

"(H) The collateral provided for a guarantee for an obligation.

"(I) The management and operating experience of an obligor or applicant for a guarantee.

"(J) Whether a guarantee is or will be in effect during the construction period of the project financed with the proceeds of a guaranteed obligation.

"(4) In this subsection, the term 'cost' has the meaning given that term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).".

(b) APPLICATION.—Subsection (h)(2) of section 1103 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1273), as amended by subsection (a) of this section, shall apply to guarantees that the Secretary of Transportation makes or commits to make with amounts that are unobligated on or after the date of enactment of this Act.

(c) GUARANTEE FEES.—Section 1104A(e) of title XI of the Merchant Marine Act, 1936 (46 U.S.C. App. 1274(e)) is amended to read as follows:

"(e)(1) Except as otherwise provided in this subsection, the Secretary shall prescribe regulations to assess in accordance with this subsection a fee for the guarantee of an obligation under this title.

"(2)(A) The amount of a fee under this subsection for a guarantee is equal to the sum determined by adding the amounts determined under subparagraph (B) for the years in which the guarantee is in effect.

"(B) The amount referred to in subparagraph (A) for a year is the present value (determined by applying the discount rate determined under subparagraph (F)) of the amount determined by multiplying—

"(i) the estimated average unpaid principal amount of the obligation that will be outstanding during the year (determined in accordance with subparagraph (E)), by

"(ii) the fee rate established under subparagraph (C) for the obligation for each year.

"(C) The fee rate referred to in subparagraph (B)(ii) for an obligation shall be—

"(i) in the case of an obligation for a delivered vessel or equipment, not less than one-half of 1 percent and not more 1 percent, determined by the Secretary for the obligation under the formula established under subparagraph (D); or

"(ii) in the case of an obligation for a vessel to be constructed, reconstructed, or reconditioned, or of equipment to be delivered, not less than one-quarter of 1 percent and not more than one-half of 1 percent, determined by the Secretary for the obligation under the formula established under subparagraph (D).

"(D) The Secretary shall establish a formula for determining the fee rate for an obligation for purposes of subparagraph (C), that—

"(i) is a sliding scale based on the creditworthiness of the obligor;

"(ii) takes into account the security provided for a guarantee under this title for the obligation; and

"(iii) uses—

"(I) in the case of the most creditworthy obligors, the lowest rate authorized under subparagraph (C) (i) or (ii), as applicable; and

"(II) in the case of the least creditworthy obligors, the lowest rate authorized under subparagraph (C) (i) or (ii), as applicable.

"(E) For purposes of subparagraph (B)(i), the estimated average unpaid principal amount does not include the average amount (except interest) on deposit in a year in the escrow fund under section 1108.

"(F) For purposes of determining present value under subparagraph (B) for an obligation, the Secretary shall apply a discount rate determined by the Secretary of the Treasury taking into consideration current market yields on outstanding obligations of the United States having periods to maturity comparable to the period to maturity for the obligation with respect to which the determination of present value is made.

"(3) A fee under this subsection shall be assessed and collected not later than the date on which amounts are first advanced under an obligation with respect to which the fee is assessed.

"(4) A fee paid under this subsection is not refundable. However, an obligor shall receive credit for the amount paid for the remaining term of guaranteed obligation if the obligation is refinanced and guaranteed under this title after such refinancing.

"(5) The amount guaranteed by the Secretary under this title shall include the amount of the fee paid under this subsection.".

(d) FISHING VESSEL LOAN GUARANTEES.—Notwithstanding any other provision of law, for purposes of section 1101(n) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1271(n)), the Secretary of Transportation shall be deemed the "Secretary" with respect to loan guarantee applications to finance the construction, reconstruction, or reconditioning of fishing vessels intended for the export commerce. Any fishing vessel financed with a Department of Transportation export loan guarantee shall be prohibited from engaging in any fishery within the United States exclusive economic zone.

SEC. 303. VESSEL REPAIR AND MAINTENANCE PILOT PROGRAM.

(a) IN GENERAL.—The Secretary of Transportation shall conduct a pilot program to evaluate the feasibility of using long-term contracts for the maintenance and repair of outported vessels in the Ready Reserve Force to enhance the readiness of those vessels. Under the pilot program, the Secretary, subject to the availability of appropriations and within 6 months after the date of the enactment of this Act, shall award 9 contracts for this purpose.

(b) USE OF VARIOUS CONTRACTING ARRANGEMENTS.—In conducting a pilot program under this section, the Secretary of Transportation shall use contracting arrangements similar to those used by the Department of Defense for procuring maintenance and repair of its vessels.

(c) CONTRACT REQUIREMENTS.—Each contract with a shipyard under this section shall—

(1) subject to subsection (d), provide for the procurement from the shipyard of all repair and maintenance (including activation, deactivation, and drydocketing) for 1 vessel in the Ready Reserve Force that is outported in the geographical vicinity of the shipyard; and

(2) be effective for 3 years.

(d) Limitation of Work Under Contracts.—A contract under this section may not provide for the procurement of operation or manning for a vessel that may be procured under another contract for the vessel to which section 11(d)(2) of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1774(d)(2)) applies.

(e) Geographic Distribution.—The Secretary shall seek to distribute contract awards under this section to shipyards located throughout the United States.

(f) Reports.—The Secretary shall submit to the Congress—

(1) an interim report on the effectiveness of each contract under this section in providing for economic and efficient repair and maintenance of the vessel included in the contract, no later than 20 months after the date of the enactment of this Act; and

(2) a final report on that effectiveness no later than 6 months after the termination of all contracts awarded pursuant to this section.

TITLE IV—MISCELLANEOUS

SEC. 401. MERCHANT MARINER BENEFITS.

(a) Part G of subtitle II, title 46, United States Code, is amended by adding at the end the following new chapter:

"CHAPTER 112—MERCHANT MARINER BENEFITS

"Sec.
"11201. Qualified service.
"11202. Documentation of qualified service.
"11203. Eligibility for certain veterans' benefits.
"11204. Processing fees.

"11201. Qualified service

"For purposes of this chapter, a person engaged in qualified service if, between August 16, 1945, and December 31, 1946, the person—

"(1) was a member of the United States merchant marine (including the Army Transport Service and the Naval Transportation Service) serving as a crewmember of a vessel that was—

"(A) operated by the War Shipping Administration or the Office of Defense Transportation (or an agent of the Administration or Office);

"(B) operated in waters other than inland waters, the Great Lakes, other lakes, bays, and harbors of the United States;

"(C) under contract or charter to, or property of, the Government of the United States; and

"(D) serving the Armed Forces; and

"(2) while so serving, was licensed or otherwise documented for service as a crewmember of such a vessel by an officer or employee of the United States authorized to license or document the person for such service.

"11202. Documentation of qualified service

"(a) The Secretary shall, upon application—

"(1) issue a certificate of honorable discharge to a person who, as determined by the Secretary, engaged in qualified service of a nature and duration that warrants issuance of the certificate; and

"(2) correct, or request the appropriate official of the Federal Government to correct, the service records of the person to the extent necessary to reflect the qualified service and the issuance of the certificate of honorable discharge.

"(b) The Secretary shall take action on an application under subsection (a) not later than one year after the Secretary receives the application.

"(c) In making a determination under subsection (a)(1), the Secretary shall apply the same standards relating to the nature and duration of service that apply to the issuance of honorable discharges under section 401(a)(1)(B) of the GI Bill Improvement Act of 1977 (38 U.S.C. 106 note).

"(d) An official of the Federal Government who is requested to correct service records under subsection (a)(2) shall do so.

"11203. Eligibility for certain veterans' benefits

"(a) The qualified service of an individual who—

"(1) receives an honorable discharge certificate under section 11202 of this title, and

"(2) is not eligible under any other provision of law for benefits under laws administered by the Secretary of Veterans Affairs, is deemed to be active duty in the Armed Forces during a period of war for purposes of eligibility for benefits under chapters 23 and 24 of title 38.

"(b) The Secretary shall reimburse the Secretary of Veterans Affairs for the value of benefits that the Secretary of Veterans Affairs provides for an individual by reason of eligibility under this section.

"(c) An individual is not entitled to receive, and may not receive, benefits under this chapter for any period before the date on which this chapter takes effect.

"11204. Processing fees

"(a) The Secretary shall collect a fee of $30 from each applicant for processing an application submitted under section 11202(a) of this title.

"(b) Amounts received by the Secretary under this section shall be credited to appropriations available to the Secretary for carrying out this chapter.".

(b) The table of chapters at the beginning of subtitle II of title 46, United States Code, is amended by inserting after the item relating to chapter 111 the following:

"112. Merchant Mariner Benefits 11201".

SEC. 402. REEMPLOYMENT RIGHTS FOR CERTAIN MERCHANT SEAMEN.

(a) In General.—Title III of the Merchant Marine Act, 1936 (46 U.S.C. App. 1131) is amended by inserting after section 301 the following new section:

"Sec. 302. (a) An individual who is certified by the Secretary of Transportation under subsection (c) shall be entitled to reemployment rights and other benefits substantially equivalent to the rights and benefits provided for by chapter 43 of title 38, United States Code, for any member of a Reserve component of the Armed Forces of the United States who is ordered to active duty.

"(b) An individual may submit an application for certification under subsection (c) to the Secretary of Transportation not later than 45 days after the date the individual completes a period of employment described in subsection (c)(1)(A) with respect to which the application is submitted.

"(c) Not later than 20 days after the date the Secretary of Transportation receives from an individual an application for certification under this subsection, the Secretary shall—

"(1) determine whether or not the individual—

"(A) was employed in the activation or operation of a vessel—

"(i) in the National Defense Reserve Fleet maintained under section 11 of the Merchant Ship Sales Act of 1946, in a period in which that vessel was in use or being activated for use under subsection (b) of that section;

"(ii) that is requisitioned or purchased under section 902 of this Act; or

"(iii) that is owned, chartered, or controlled by the United States and used by the United States for a war, armed conflict, national emergency, or maritime mobilization need (including for training purposes or testing for readiness and suitability for mission performance); and

"(B) during the period of that employment, possessed a valid license, certificate of registry, or merchant mariner's document issued under chapter 71 or chapter 73 (as applicable) of title 46, United States Code; and

"(2) if the Secretary makes affirmative determinations under paragraph (1) (A) and (B), certify that individual under this subsection.

"(d) For purposes of reemployment rights and benefits provided by this section, a certification under subsection (c) shall be considered to be the equivalent of a certificate referred to in paragraph (1) of section 4301(a) of title 38, United States Code.".

(b) Application.—The amendment made by subsection (a) shall apply to employment described in section 302(c)(1)(A) of the Merchant Marine Act, 1936, as amended by subsection (a), occurring after the date of enactment of this Act.

(c) Regulation.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Transportation shall issue regulations implementing this section.

SEC. 403. EXTENSION OF WAR RISK INSURANCE AUTHORITY.

Section 1214 of the Merchant Marine Act, 1936 (46 U.S.C. App. 1294) is amended by striking "June 30, 1995" and inserting "June 30, 2000".

SEC. 404. AMENDMENT TO THE MERCHANT SHIP SALES ACT.

Section 11(b)(2) of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1744(b)(2)) is amended by striking "Secretary of the Navy," and inserting "Secretary of Defense,".

SEC. 405. REPORTING REQUIREMENT REDUCTION.

Section 308(c) of title 49, United States Code, is amended by inserting "even-numbered" after "each".

• Mr. HOLLINGS. Mr. President, I support this legislation to revitalize and stabilize our maritime industry. It is long past time for legislation to stop the flight away from the U.S. flag. The United States has a long and honorable maritime heritage and tradition, but we are facing the prospect that our maritime industry might only be heritage and tradition and not part of our future.

The United States relies on ocean transportation for international trade purposes, and also to protect our national security interests. The continued presence of an active maritime industry ensures that the United States will not have to rely on the kindness of other nations to achieve important national objectives.

The United States is the world's only remaining superpower, but we could be put in the position of sending U.S. troops into war with the promise that we would supply them, provided that the Department of Defense (DOD) can charter vessels willing to deliver cargo into the war zone. This position would be simply unacceptable. Ironically, DOD has spent billions of dollars in the construction of surge sealift vessels, and billions of dollars in maintaining a Reserve Fleet of vessels. However, DOD has neglected the most important component in marine transportation: who will navigate those ships and deliver the cargo. The commercial U.S.-flag industry provides a labor pool of experienced personnel capable of contributing to any defense logistical support need.

Attempts to formulate a maritime reform bill over the years have had bipartisan support, and I look forward to continued efforts with my colleagues to revitalize our maritime industry.•

• Mr. INOUYE. Mr. President, I take this opportunity to congratulate Senator LOTT for his fine work in drafting a maritime bill with bipartisan support. I look forward to working with him to complete the effort that we initiated last year to reform our maritime laws, and look forward to the enactment of legislation preserving our maritime industrial base.

The United States has a long and illustrious maritime history from the privateer fleet of the early eighteenth century, to the fast clipper ships of the mid-eighteenth century, to the incredible buildup of Liberty and Victory ships so integral to our victory in World War II. In the past, when we called on the U.S. merchant marine, they delivered the goods.

Absent some Government action, we are facing the prospect of not being able to call on the merchant marine again. For years, we have heaped requirements on the U.S.-flag operators. These requirements have made it more expensive to operate as U.S. flag. Meanwhile, foreign-flag competitors have been allowed to take advantage of regulatory regimes that have less stringent safety, tax, and labor law requirements.

The United States is the world's only remaining super power. However, we may be facing the prospect of having to charter foreign-flag vessels for U.S. military support. This may put us in the position of hoping that the next military conflict is internationally supported and provides an opportunity for the safe transportation of foreign-flag chartered vessels. The Department of Defense has spent billions of dollars building up a reserve fleet of cargo vessels. Unfortunately, a policy to cost-effectively crew those vessels has not been developed. As I speak, U.S. marines on Ready Reserve Force vessels are performing transportation missions in support of Operation Quick Lift, the United States Government's contribution to the United Nations Reaction Force for Bosnia, while under fire in Croatia. I question whether foreign shipping interests would be interested in evacuating military personnel and supplies from the war zone.

Without the passage of this legislation we will be facing the prospect of relying on foreign shipping to achieve our national security and economic security objectives.•

By Mr. EXXON (for himself, Mr. HOLLINGS, and Mr. INOUYE):

S. 1140. A bill to amend title 49, United States Code, to terminate the Interstate Commerce Commission and establish the United States Transportation Board within the Department of Transportation, and to redistribute necessary functions within the Federal Government, reduce legislation, achieve budgetary savings, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE INTERSTATE COMMERCE COMMISSION SUNSET ACT OF 1995

• Mr. EXON. Mr. President, I introduce landmark legislation to eliminate the Interstate Commerce Commission (ICC) and to transfer its responsibilities to the independent United States Transportation Board (USTB) which will be organized under the U.S. Department of Transportation.

This bill builds on successful legislation I introduced in recent years to bring fairness, efficiency and productivity to the transportation sector. The Negotiated Rates Act, for example, approved in 1993 has already saved American businesses billions of dollars in so-called undercharge claims and litigation, by relieving small businesses and charities of undercharge liability and providing for fair and expeditious settlement of all other undercharge claims. In addition, the Trucking Regulatory Reform Act of 1994 enacted dramatic and revolutionary federal regulatory reform in truck and bus transportation. These measures combined with the intra-state truck rate and route deregulation provision contained in the 1994 Airport Improvement Program Reauthorization bill represent a body of law which comprises one of the most important, dramatic, productive and meaningful regulatory reforms in modern times.

As a long time defender and supporter of an independent Interstate Commerce Commission, I introduce this legislation with some sadness because as one of the few Members of Congress with regular contact with America's oldest independent regulatory agency, I know well the dedication, commitment, and hard work of the Commission and all of its employees. In a different time, with different fiscal realities, it might have been possible to maintain a strong independent regulatory agency.

That being said, I introduce this legislation with a great deal of pride and enthusiasm. Not only is this legislation a tribute and compliment to earlier efforts made by the Congress to introduce competition into the bus, truck, and rail sectors through the Bus Act, the Motor Carrier Act, and the Staggers Act, this legislation opens a new chapter in Federal transportation policy.

Mr. President, this bill can serve as a model for other agencies to achieve the efficiencies that the people demand, but also do the work that the people expect.

One might ask why there is a need for a successor agency to the ICC. Simply put, if there were no forum to resolve disputes, oversee standard contract terms, review rail mergers and abandonments, establish national standards, and assure fair treatment for shippers and communities America's great, efficient, and productive surface transportation sector will spin into chaos. Each State would develop its own rules and transportation companies would become entangled in needless, complicated litigation. The United States Transportation Board (USTB) will assure that there is continuity in transportation policy.

The new USTB—an independent board within the Department of Transportation will continue to be the fair referee between shippers, carriers and communities. It will provide interested parties one stop shopping and administer a significantly streamlined body of law which would assure that the public interest is protected in transportation policy.

This transfer of responsibility and streamlining of authority will reduce costs both to taxpayers and the private sector and assure that key transportation safety responsibilities do not "fall between the cracks."

I am hopeful that this legislation represents only a first step to even greater consolidation and efficiency of transportation regulation and dispute resolution. My vision for the new USTB is that it become a fair forum for all modes of transportation. I strongly support the incorporation of the Federal Maritime Commission's (FMC's) duties into the responsibilities of the USTB as well as aviation dispute resolution duties administered by the Federal Aviation Administration (FAA).

Senator INOUYE is the Senate's leading expert on maritime issues and I look forward to working with him and others to promote this intermodal concept.

In a real sense, the introduction of this legislation represents the first step in a long journey but a necessary one.

Mr. President, our nation takes for granted the blessings of America's great transportation system. Every part of the nation has accessible transportation service. As the Congress continues its efforts to keep regulation to the minimum necessary to protect the public interest, let us not forget what a valuable asset we have and how critically important it is that the Congress carefully choose the correct course.

I urge my colleagues to study this proposal and look forward to working with members from both sides of the aisle to assure that the Congress continue its responsible modernization of American transportation policy.●

By Mr. PRESSLER (for himself and Mr. BURNS):

S. 1141. A bill to authorize appropriations for the activities of the Under Secretary of Commerce for Technology, and for scientific research services and construction of research facilities activities of the National Institute of Standards and Technology, for fiscal years 1996, 1997, and 1998, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE TECHNOLOGY ADMINISTRATION AUTHORIZATION ACT OF 1995

Mr. PRESSLER. Mr. President, I rise to introduce the Technology Administration Authorization Act of 1995. I am pleased to have Senator BURNS, chairman of the Subcommittee on Science, Technology, and Space, join me as an original cosponsor. This bill provides a 3-year authorization for the Commerce Department's Technology Administration and its National Institute of Standards and Technology [NIST]. Specifically, the bill provides $755 million for fiscal year 1996 and $750 million for each of fiscal years 1997 and 1998 for those programs.

As part of our effort to streamline the Department of Commerce, the fiscal year 1996 authorization for the Commerce Department's Technology Administration represents a 13-percent cut from the fiscal year 1995 level of $864 million. To that end, the bill also directs the Department to establish a plan for eliminating the largely redundant Office of Technology Policy during fiscal year 1996, transferring any essential functions to NIST. The bill also makes substantial cuts in funding for the Technology Administration. However, with the exception of the Office of Technology Policy, the bill continues all of the Technology Administration's major programs.

With regard to NIST, the bill provides $750 million for each of fiscal years 1996, 1997, and 1998. This authorization is a 12-percent cut from the fiscal year 1995 level of $854 million. The bill provides $263 million for the NIST internal research programs and standards activities. NIST's standards work may be its most important function. Increasingly, standards are being used by foreign governments to close their markets to U.S. industries. There is little question that standards will become an increasingly potent trade weapon used to hinder market entry by U.S. firms or retaliate against the United States. In recognition of this, the bill fully funds NIST's lab and standards programs from fiscal year 1996 through fiscal year 1998 at their fiscal year 1995 funding level.

The bill also provides strong support for NIST's Industrial Technology Services [ITS] account, which funds the agency's Advanced Technology Program and the manufacturing extension partnership. The bill authorizes $427 million a year from fiscal year 1996 through fiscal year 1998 for the ITS account, a cut of 19 percent from the fiscal year 1995 appropriation of $526 million.

The bill leaves it to the discretion of the agency how to allocate funding among ATP, MEP, and the quality programs within the ITS account. However, the bill makes clear it does not authorize any funding for ATP grants after October 1, 1995. This limitation reflects the belief that, since it was first funded in fiscal year 1990, the ATP has grown too big, too fast, without demonstrating clear benefits to U.S. industry. Many critics of ATP have rightly pointed out that, too often, ATP grants have gone to Fortune 500 companies like IBM, Dupont, and Texas Instruments instead of the small high-technology ventures for which the ATP was intended.

Regardless of the merits of the program, I believe that ATP-type grant programs cannot boost U.S. competitiveness alone. Rather, they must be a part of a larger national strategy including appropriate deregulation, tax incentives, and antitrust and product liability reform. Accordingly, the bill only authorizes support for existing grants while Congress has a chance to evaluate more closely the value of ATP in our competitiveness strategy.

To conduct quality research, you need quality facilities. In that connection, the bill also provides $60 million for each of the 3 fiscal years for the construction of facilities account to fund needed new construction and renovation at NIST.

Mr. President, it is disturbing to this Senator that less populated States, like South Dakota, have had difficulty getting any help from NIST in the area of manufacturing assistance. I know of at least two instances in my home State where attempts to obtain assistance from NIST have fallen on deaf ears. If these programs are continued in any form, they must benefit the entire country and not just high-technology corridors or revitalized Rust Belt areas in the East and West. To that end, the bill authorizes $10 million in fiscal year 1996 and $15 million in fiscal year 1997 and fiscal year 1998 for a new program at NIST called the Experimental Program to Stimulate Competitive Technology [EPSCOT]. Modeled after similar programs at the National Science Foundation and other science agencies, EPSCOT will provide grants for research and outreach work in rural States like my home State of South Dakota. Indeed, at our August 1 Commerce Committee hearing on the future of the Commerce Department, Secretary Brown endorsed the idea of starting an EPSCOT program at NIST. Our rural States want to contribute to the technological revolution. EPSCOT will help them do so.

Finally, Mr. President, the bill would make technical changes to the Fastener Quality Act recommended by the Fastener Advisory Committee. In 1992, the Fastener Advisory Committee determined that implementing the act in its present form—without these changes—would have imposed costs close to $1 billion on the industry. The changes address the concerns of the Fastener Advisory Committee regarding metal chemistry testing, commingling of fasteners in distribution, and acceptance of nonconforming fasteners. For the past 3 years, NIST has delayed its implementation of the current law in the hope that Congress would correct the glaring problems in the current law. The specific language in the bill was developed by NIST and the fastener industry. The fastener-related provisions in this bill are similar to changes passed by the Senate, but not enacted, in 1994 as part of the National Competitiveness Act.

As chairman of the Senate Commerce Committee, I believe that by providing a 3-year authorization, our bill lends strength and stability to the Department of Commerce's important technology and research programs. At the same time, because of the tight budget environment we face, the bill forces the Technology Administration to carry out its goals and missions with less funding than before. I am hopeful the reduced funding level will motivate the Department of Commerce to eliminate unnecessary functions such as the Office of Technology Policy and operate more efficiently while ensuring all America has the opportunity to benefit from its programs. If we are going to reinvent the programs of the Commerce Department, the Technology Administration is an excellent starting point. This bill starts us on that path.

By Mr. PRESSLER (for himself, Mr. HOLLINGS, Mr. STEVENS, Mr. BURNS, and Mr. BREAUX):

S. 1142. A bill to authorize appropriations for the National Oceanic and Atmospheric Administration, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AUTHORIZATION ACT OF 1995

Mr. PRESSLER. Mr. President, today I am introducing the National Oceanic and Atmospheric Administration Authorization Act of 1995. This bill provides a 3-year authorization for the National Oceanic and Atmospheric Administration [NOAA]. Specifically, the bill provides $1.81 billion for FY96 $2.02 billion for FY97, and $2.03 billion for FY98. I am pleased to have join me as original cosponsors on this legislation: Senator HOLLINGS, Ranking Member of the Commerce Committee and Senators STEVENS, BURNS, and BREAUX.

One of my goals in developing this legislation was to review current programs to see if they could be restructured while improving their functions. Over the last several months, I have heard people calling for major changes at the Department of Commerce. As Chairman of the Committee on Commerce, Science, and Transportation, I conducted a hearing on August 1, 1995, and invited Secretary of Commerce Ronald Brown to testify. His comments, as well as others', have helped in developing a bill that answers that call. This bill downsizes bureaucracy. It consolidates duplicative programs. It transfers functions to other agencies that can manage them better. It terminates unnecessary programs. Overall, the bill is a 7-percent decrease from the FY95 appropriations level of $1.95 billion and a 14-percent decrease from the Administration's FY96 request.

The mission of NOAA is to explore, map, and chart the global ocean and its living resources as well as to manage, use, and conserve these resources; to describe, monitor, and predict conditions in the atmosphere, ocean, sun, and space environments; to issue warnings against impending destructive natural events; to assess the consequences of inadvertent environmental modification over several scales of time; and to manage and disseminate long-term environmental information.

Mr. President, as a Senator representing an agricultural state, I cannot overstate the importance of NOAA's weather warnings and forecasts to our farmers and ranchers. My colleagues on the Commerce Committee who represent coastal states also know the great value of weather warnings as well as the value of NOAA's ocean and fishery programs. Therefore, I believe that the core functions of NOAA need to stay together as a single entity. The National Oceanic and Atmospheric Administration Authorization Act of 1995 authorizes just such an entity.

Mr. President, let me outline the specifics of the bill:

TITLE I: NOAA ATMOSPHERIC AND SATELLITE PROGRAMS

Section 101 authorizes the operations and research activities of the National Weather Service (NWS) at $477,207,000 (FY96), $491,523,000 (FY97), and $484,278,000 (FY98). These activities include meteorological, hydrological, and oceanographic public warnings and forecasts, as well as applied research in support of such warnings and forecasts.

Section 102 authorizes $131,335,000 (FY96), $222,000,000 (FY97), and $225,500,000 (FY98) to develop, acquire, and implement public warning and forecast systems. These systems include: (1) the Next Generation Weather Radar (NEXRAD), which use Doppler technology to provide more accurate forecasts and warnings; (2) the Automated Surface Observing Systems (ASOS), which will relieve NWS staff from the manual collection of weather observations; (3) the Advanced Weather Interactive Processing System (AWIPS), which will provide NWS meteorologists with integrated radar, satellite, and ground data for the first time; and (4) the Advanced Computer Technology to enable the development of improved computer weather forecast models.

Section 103 authorizes $113,252,000 (FY96), $115,918,000 (FY97), and $119,396,000 (FY98) for NOAA to carry out its climate and air quality research activities. It continues support for NOAA programs designed to develop the capability to predict interannual (year-to-year) and seasonal climate changes over North America and improves NOAA's ability to do long-term climate and air quality research and high performance computing.

Section 104 authorizes $46,850,000 for each of FY96, FY97, and FY98 for atmospheric research activities. These activities include efforts to improve observational and predictive capabilities for atmospheric processes, with special emphasis on solar disturbances and their effects on the Earth.

Section 105 authorizes $449,000,000 for FY96 and $535,000,000 in each of FY97 and FY98 for the operation of NOAA's current geostationary (GOES) weather satellites and for NOAA's polar orbiting (POES) environmental satellites as well as for NOAA's related ground station systems. The bill also authorizes funds for the ongoing procurement and launch of replacement satellites. The weather satellites support the forecast and warning activities of the NWS. The environmental satellites are used for global change monitoring and research, for the monitoring of distress signals over land and sea through the Search and Rescue Satellite Aided Tracking (SARSAT) program, and for the monitoring of driftnets in the North Pacific.

Section 106 authorizes $40,000,000 for each of the three fiscal years for NOAA's data and information products, services, and assessments. These climate, ocean, geophysical, and environmental data services are used by all of NOAA's programs.

Section 107 describes the four core responsibilities of the National Weather Service (NWS) in its duty of protecting life and property and enhancing the national economy as: (1) the sole official source of weather warnings; (2) the issuance of storm warnings; (3) the collection, exchange, and distribution of meteorological, hydrological, climatic, and oceanographic data and information; and (4) the preparation of hydrometeorological guidance and core forecast information.

Section 108 authorizes the procurement of up to four additional Geostationary Operational Environmental NEXT (GOES I-M) satellites and support systems from the developer of previous GOES-NEXT satellites.

Finally, section 109 amends the Land Remote Sensing Act of 1992 to direct the Landsat Program Management Member to retain fees collected from foreign ground stations, and for Landsat 7 data sales to offset the system's operating costs. It also directs the Secretary of Commerce (the Secretary) to examine how NOAA might procure and operate its Landsat 7 ground segment in a more inexpensive fashion. It authorizes Landsat 7 operations at $10,000,000 annually.

TITLE II: NOAA OCEAN AND COASTAL PROGRAMS

Section 201 authorizes $44,917,000 (FY96), $47,652,000 (FY97), and $46,265,000 (FY98) for the National Ocean Service's (NOS) mapping, charting, and geodesy activities, including geodetic data collection and analysis. Observation and assessment activities are authorized at $66,591,000 (FY96), $68,589,000 (FY97), and $70,646,000 (FY98), of which $10,943,000 (FY96), $11,271,000 (FY97), and $11,609,000 (FY98) are authorized for Coastal Ocean Program (COP) activities. The COP efforts contribute to three major elements of NOAA's strategic plan by improving: prediction and knowledge of factors influencing our abilities to build and maintain sustainable fisheries; prediction of coastal hazards to protect human life and personal property; and prediction of coastal ocean pollution to help correct and prevent degradation.

Section 202 authorizes $9,506,000 (FY96), $9,791,000 (FY97), and $10,085,000 (FY98) for Ocean and Great Lakes research activities.

Section 203 authorizes not more than $53,300,000 (FY96), $54,899,000 (FY97), and $56,546,000 (FY98) for the National Sea Grant College Program. This funding goes to the network of 29 Sea Grant institutions engaged in research, education, and advisory/extension services.

Section 204 authorizes a maximum of $12,000,000 (FY96), $12,360,000 (FY97), and $12,731,000 (FY98) for the National Undersea Research Program's (NURP) undersea research activities. These funds are to be used only to fund the ongoing operations of existing undersea research centers, each of which is to receive, at a minimum, thirteen percent of annual appropriations made under this section.

Finally, section 205 authorizes programs under the Coastal Zone Management Act. Specifically, monies for Protection of Coastal Waters (section 6217) are authorized at $5,000,000 for each of FY96, FY97, and FY98. Grants for developing coastal zone management programs (section 305) are authorized not to exceed $750,000 per grant in each of FY96, FY97, and FY98. Those grants for funding, improving, and enhancing coastal zone programs (section 305, 306A, and 309 grants) are authorized not to exceed $45,500,000 (FY96), $46,865,000

(FY97), and $48,271,000 (FY98). The section also authorizes amounts not to exceed $3,350,000 (FY96), $3,451,000 (FY97), and $3,554,000 (FY98) for section 315 grants (National Estuarine Research Reserves), and such sums, not to exceed $10,000,000 per fiscal year, for FY96, FY97, and FY98 for section 310 (Technical Assistance) grants. Authorization for expenses incident to administering the Coastal Zone Program are limited to the lesser of either $5,000,000 or eight percent of the total appropriated amount under this Act, with the additional restriction that administrative monies are not be used to augment grants made under other sections of this Act.

TITLE III: NOAA MARINE FISHERIES PROGRAMS

Section 301 authorizes a total of $99,928,000 (FY96), $102,926,000 (FY97), and $106,014,000 (FY98) for NOAA National Marine Fisheries Service (NMFS) Programs. This includes $49,340,000 (FY96), $50,820,000 (FY97), and $52,345,000 (FY98) for Fisheries Information, Collection, and Analysis; $28,183,000 (FY96), $29,028,000 (FY97), and $29,899,000 (FY98) for Fisheries Conservation and Management, and $22,405,000 (FY96), $23,077,000 (FY97), and $23,769,000 (FY98) for State and Industry Cooperative Fisheries Programs.

Section 302 authorizes the construction of a fisheries research facility at Fort Johnson, South Carolina and the consolidation of fishery research facilities on Auke Cape near Juneau, Alaska.

Finally, section 303 provides reform to the fisheries loan guarantee program by limiting the loan amount to no more than $25,000,000 annually and by prohibiting these loans for vessels that will increase harvesting capacity within the U.S. exclusive economic zone.

TITLE IV: PROGRAM ADMINISTRATION AND SUPPORT

Section 401 authorizes $72,847,000 (FY96), $75,032,000 (FY97), and $77,283,000 (FY98) for executive direction and administrative activities. Acquisition, construction, maintenance, and operation of NOAA facilities are authorized at $54,163,000 for each of FY96, FY97, and FY98. Marine services activities, including ship operations, maintenance, and support are authorized at $60,000,000 for each of FY96, FY97, and FY98. Aircraft service activities, including aircraft operations, maintenance, and support are authorized at $9,500,000 for each of FY96, FY97, and FY98.

Section 402 requires the Secretary to reduce the Full Time Equivalents (FTEs) of NOAA by at least 2,318 from the FY93 FTE base. This 16 percent reduction is to be completed by the end of FY99. This section also calls for the reduction of active duty officers of the NOAA Commissioned Officer Corps and additional language to facilitate that downsizing.

TITLE V: COST SAVINGS AND STREAMLINING

Section 501 transfers the NOAA Aeronautical Charting and Cartography Office's responsibilities for functions that are necessary or incidental for performance by or under the Administration of the Federal Aviation Administration (FAA) to the FAA.

Section 502 directs the Secretary to review regulations issued by NOAA prior to January 1, 1995 and to reduce the volume by 45 percent by December 31, 1997.

Section 503 requires the Secretary to submit a revised fleet modernization plan to the appropriate committees of the Senate and the House of Representatives. The plan should include proposals for a 50 percent reduction from the current fleet size, including the elimination of three existing vessels in fiscal year 1997 and three in fiscal year 1998; a 50 percent reduction from the construction costs submitted in the 1993 fleet modernization plan; the use of chartering and contracting out; and the sale of decommissioned vessels where feasible.

Section 504 directs the Secretary to review all congressionally mandated reporting requirements and to recommend legislation by March 31, 1996 to eliminate at least 50 percent of such reporting requirements that were in effect on January 1, 1995.

Section 505 authorizes the Secretary to develop a laboratory consolidation plan for underutilized facilities.

Section 506 authorizes the Secretary to convey the NMFS Gloucester, Massachusetts laboratory to the Commonwealth of Massachusetts for use by the Commonwealth's Division of Marine Fisheries resource management program. The Secretary is authorized to enter into a memorandum of understanding with the Commonwealth to allow NMFS to continue to occupy part of the laboratory for a period not to exceed five years. A reversionary clause is included.

Section 507 includes a provision authorizing the Secretary of Commerce to execute agreements with State and local governments to clean up land and property formerly owned by NOAA on the Pribilof Islands, Alaska.

Finally, section 508 requires amounts received by the United States in settlement of, or judgment for, damage claims arising from a past accident where a moored NOAA vessel was hit by another vessel to be deposited as offsetting collections in the NOAA Operations, Research, and Facilities account. Such funds may not exceed $518,757.09.

Mr. President, I would like to commend the ranking member, Senator HOLLINGS, for his assistance in the development of this bill. Our desire to work in a bipartisan fashion does indeed help in providing the best work product possible.

I also would like to commend the efforts of Senator STEVENS and Senator BURNS, the respective Chairmen of our Oceans and Fisheries Subcommittee and our Science, Technology, and Space Subcommittee, and their Ranking Members Senator KERRY and Senator ROCKEFELLER. Working together we can restore some of the needed fiscal austerity to our Federal Government—making it smaller, less costly, yet more efficient. This bill moves us in that direction.

Mr. STEVENS. Mr. President, I am pleased to join Senators PRESSLER and HOLLINGS in introducing the National Oceanic and Atmospheric Administration Authorization Act of 1995.

The bill reauthorizes for three years a number of NOAA programs under the jurisdictions of the Senate Subcommittee on Oceans and Fisheries (which I chair) and Senate Subcommittee on Science, Technology and Space (chaired by Senator BURNS).

The bill proposes significant reductions to the size and cost of NOAA which will help in meeting the massive reductions in Federal spending that we must achieve.

Even with the proposed reductions, however, I believe the legislation will strengthen NOAA and the programs within NOAA that have functioned very well together.

The bill mandates that NOAA reduce its overall workforce by 2,318 by the end of FY1999. This represents a 17-percent reduction from the FY93 level.

It requires a 50-percent reduction in the size of the NOAA research fleet over the next 10 years, including the decommissioning of at least 6 vessels within the next two years, which will represent a 25-percent reduction in the first two years.

The bill allows NOAA to partially make up for this reduction in fleet capability through charters with private vessels.

The bill also requires that the proposed cost of modernizing the vessels that are kept in the fleet be reduced by 50 percent.

The bill authorizes the National Undersea Research Program (NURP) for the first time, but caps this program at $12 million per year, which is $6 million less than was appropriated by Congress in FY95.

We've required that NOAA transfer its aeronautical charting functions to the Federal Aviation Administration to eliminate the duplication of functions between these two agencies.

The bill would require the Administrator of NOAA to identify and eliminate all redundant or obsolete regulations issued by the agency within the next two years.

The bill calls on NOAA to review all Congressionally-mandated reporting requirements, and to recommend legislation by March of 1996 to reduce these reporting requirements by 50 percent.

Many of the reports that Congress has required of NOAA are no longer beneficial yet we have not discontinued them.

The bill calls on NOAA to prepare a plan by March of 1996 to consolidate its laboratories to eliminate duplicative functions and to reduce costs.

The bill would cap the amount of fishing vessel and fishing facility loans that NOAA can guarantee, and allows the agency to pay for the administrative costs of the Fishing Vessel Obligation Guarantee Program with the percentage fees that are already being charged to loan guarantee recipients.

The bill would prohibit new loan guarantees for the construction of fishing vessels if the construction of the vessel would increase the harvesting capacity within the U.S. exclusive economic zone.

A provision has been included in the bill at my request to allow NOAA to consolidate its personnel and functions in Juneau, Alaska under one roof.

NOAA does not currently have its own facility in Juneau, and this new facility will help the agency save the cost of leasing space in various Juneau buildings over the long run.

The new facility can only be built if NOAA does not have to pay for the property it is built on.

The bill also authorizes the Secretary of Commerce to clean up property formerly owned by NOAA on the Pribilof Islands.

Our proposal will allow for the continued modernization of the National Weather Service and the vital functions provided by that agency.

The bill authorizes 12 percent less in fiscal year 1996 that was requested in the Administration's fiscal year 1996 NOAA budget.

In fiscal years 1997 and 1998, the amount authorized for NOAA will increase slightly to cover the out-year costs of the NWS modernization.

I urge my colleagues to support the quick passage of this legislation when we return from the August recess.

By Mr. HATCH:

S. 1143. A bill to amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase nutritional supplements, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE FOOD STAMP ACT AMENDMENT ACT OF 1995

Mr. HATCH. Mr. President, I rise today to introduce S. 1143, a bill to amend the Food Stamp Act to allow participants to use food stamp benefits to purchase dietary supplements.

This is a slightly broader measure than the McConnell-Harkin bill just introduced today, which I also am pleased to support.

My legislation would allow purchases with food stamps of all dietary supplements, including vitamins, minerals, herbs, and amino acids. The McConnell bill, companion to Chairman EMERSON's H.R. 236 in the House, would cover vitamins and minerals only.

If we are to allow food stamps purchases of vitamins and minerals, which I agree is a good idea, I feel it is also wise to cover all dietary supplements.

There is ample evidence to show the nutritional benefits of dietary supplements. I direct my colleagues' attention to Senate Report 103–410, which accompanied the Dietary Supplement Health and Education Act [DSHEA] in which we provided abundant references for such studies.

Americans use dietary supplements to ensure that their basic nutritional requirements are met, to support their health during periods of special risk, and to help protect against chronic disease.

In fact, studies have shown that more than 100 million Americans regularly use dietary supplements.

Increasingly, Americans are using herbal supplements to enhance their diets with substances found in plants and vegetables. Modern diets lack many novel constituents found only in herbal products. In addition, research has shown that many foodstuffs and substances found in human tissues and cells, such as amino acids, also contain compounds beneficial to health.

Mr. President, there is an ample body of evidence to show that Americans simply are not consuming healthy diets, and this is true for children, women, and men.

In one Government study of the eating habits of more than 21,000 people, not a single person got the full recommended daily allowance of 10 key vitamins and minerals.

Many other studies have shown that the poor and elderly in our country are especially likely to have low nutrient intakes, often with significant health consequences. For example, a 1992 study by a world-renowned authority on immune function reported that giving a modest multivitamin with minerals to a group of men and women over the age of 65 for a period of 1 year cut the number of sick days in this group in half compared to an unsupplemented group.

Perhaps the best example is folic acid, which the Food and Drug Administration steadfastly resisted revealing to America's women as a significant protector against birth defects in newborns.

For this reason, I think it is entirely appropriate, indeed warranted, that any participant in the Food Stamp Program who wants to improve his or her health be allowed to purchase dietary supplements.

I know that some are concerned that allowing food stamps to be used for nutritional supplements will in some way divert from the purpose of the Food Stamp Program, which is to improve the nutrition of people in need.

In fact, at a July 25 hearing before the House Agriculture Subcommittee on Department Operations, in arguing against the Emerson bill, a representative of the United Fresh Fruit and Vegetable Association [UFFVA] testified that "The fundamental purpose of the Food Stamp Program is to provide to people in need purchasing power to buy foods."

I would suggest that the Congress has already recognized that dietary supplements are considered food, and I direct the UFFVA to section 3 of the Dietary Supplement Health and Education Act of 1994—Public Law 103–417—which clearly reiterates that dietary supplements are to be considered as foods within the meaning of the Federal Food, Drug and Cosmetic Act. I would also question what the purpose is in allowing people in need to purchase foods if not to improve their nutrition? And improving nutrition is the goal of the legislation we are introducing today.

Another witness at the House hearing, Ms. Yvette Jackson, Deputy Administrator of the Food Stamp Program at the Department of Agriculture, said that "Substituting supplements for food weakens the time-honored link between nutrition benefits and agricultural production, a link that this Committee has traditionally fought to preserve." It is interesting to find that the Agriculture Department seems to consider food stamps an agricultural price support, rather than a nutritional support.

I have found from my study of this issue over the years that people who use dietary supplements are often those who are most interested in improving or maintaining their health. I think this shows that food stamps which are used to buy dietary supplements would go for good use.

Mr. President, one final point. Many supporters of this legislation point out that, at present, food stamps can be used to purchase so-called junk food.

Given the choice between a Twinkie or a vitamin, I hope that the vitamin would win out every time.

But that is not a choice afforded to participants of the Food Stamp Program.

Only through legislation such as that we are introducing today can this deficiency in the Food Stamp Program be corrected. I invite my colleagues to join me in supporting this bill.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1143

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress finds that—

(1) the dietary patterns of Americans do not result in nutrient intakes that fully meet Recommended Dietary Allowances (RDAs) of vitamins and minerals;

(2) the elderly often fail to achieve adequate nutrient intakes from diet alone;

(3) pregnant women have particularly high nutrient needs, which they often fail to meet through dietary means alone;

(4)(A) many scientific studies have shown that nutritional supplements that contain folic acid (a B vitamin) can prevent as many as 60 to 80 percent of neural tube birth defects;

(B) the Public Health Service, in September 1992, recommended that all women of childbearing age in the United States who are capable of becoming pregnant should consume 0.4 mg of folic acid per day for the purpose of reducing their risk of having a pregnancy affected with spina bifida or other neural tube birth defects; and

(C) the Food and Drug Administration has also approved a health claim for folic acid to reduce the risk of neural tube birth defects;

(5) infants who fail to receive adequate intakes of iron may be somewhat impaired in their mental and behavioral development; and

(6) a massive volume of credible scientific evidence strongly suggests that increasing intake of specific nutrients over an extended period of time may be helpful in protecting against diseases or conditions such as osteoporosis, cataracts, cancer, and heart disease.

SEC. 2. AMENDMENT OF THE FOOD STAMP ACT OF 1977.

Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking "or food product" and inserting ", food product, or dietary supplement (as defined in section 201(ff) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(ff)))".

ADDITIONAL COSPONSORS

S. 141

At the request of Mrs. KASSEBAUM, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 141, a bill to repeal the Davis-Bacon Act of 1931 to provide new job opportunities, effect significant cost savings on Federal construction contracts, promote small business participation in Federal contracting, reduce unnecessary paperwork and reporting requirements, and for other purposes.

S. 851

At the request of Mr. JOHNSTON, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 851, a bill to amend the Federal Water Pollution Control Act to reform the wetlands regulatory program, and for other purposes.

S. 924

At the request of Mr. GREGG, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 924, a bill to amend the Internal Revenue Code of 1986 to provide a reduction in the capital gains tax for assets held more than 2 years, to impose a surcharge on short-term capital gains, and for other purposes.

S. 948

At the request of Mr. DORGAN, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 948, a bill to encourage organ donation through the inclusion of an organ donation card with individual income refund payments, and for other purposes.

S. 959

At the request of Mr. HATCH, the names of the Senator from Iowa [Mr. GRASSLEY], the Senator from Idaho [Mr. CRAIG], the Senator from Tennessee [Mr. FRIST], the Senator from Texas [Mrs. HUTCHISON], the Senator from Alaska [Mr. STEVENS], the Senator from Tennessee [Mr. THOMPSON], the Senator from New Hampshire [Mr. SMITH], the Senator from Texas [Mr. GRAMM], the Senator from Wyoming [Mr. SIMPSON], the Senator from Delaware [Mr. ROTH], the Senator from Colorado [Mr. CAMPBELL], the Senator from Ohio [Mr. DEWINE], the Senator from Indiana [Mr. LUGAR], the Senator from Mississippi [Mr. LOTT], the Senator from Missouri [Mr. ASHCROFT], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Arizona [Mr. MCCAIN], the Senator from Kentucky [Mr. MCCONNELL], the Senator from Colorado [Mr. BROWN], the Senator from Wyoming [Mr. THOMAS], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Montana [Mr. BURNS], the Senator from Alabama [Mr. SHELBY], the Senator from New Hampshire [Mr. GREGG], the Senator from South Dakota [Mr. PRESSLER], and the Senator from Arizona [Mr. KYL] were added as cosponsors of S. 959, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 1039

At the request of Mr. ABRAHAM, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1039, a bill to require Congress to specify the source of authority under the United States Constitution for the enactment of laws, and for other purposes.

S. 1115

At the request of Mr. THURMOND, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1115, a bill to prohibit an award of costs, including attorney's fees, or injunctive relief, against a judicial officer for action taken in a judicial capacity.

SENATE CONCURRENT RESOLUTION 11

At the request of Ms. SNOWE, the names of the Senator from Pennsylvania [Mr. SANTORUM] and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Concurrent Resolution 11, a concurrent resolution supporting a resolution to the longstanding dispute regarding Cyprus.

SENATE RESOLUTION 149

At the request of Mr. AKAKA, the names of the Senator from Alaska [Mr. STEVENS] and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of Senate Resolution 149, a resolution expressing the sense of the Senate regarding the recent announcement by the Republic of France that it intends to conduct a series of underground nuclear test explosions despite the current international moratorium on nuclear testing.

SENATE RESOLUTION 152

At the request of Mr. ABRAHAM, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of Senate Resolution 152, a resolution to amend the Standing Rules of the Senate to require a clause in each bill and resolution to specify the constitutional authority of the Congress for enactment, and for other purposes.

AMENDMENT NO. 2280

At the request of Mr. DOLE the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of amendment No. 2280 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2296

At the request of Mr. WELLSTONE his name was added as a cosponsor of amendment No. 2296 proposed to H.R. 1977, a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

AMENDMENTS SUBMITTED

THE DEPARTMENT OF THE INTERIOR APPROPRIATIONS ACT FOR FISCAL YEAR 1996

CRAIG (AND BURNS) AMENDMENT NO. 2303

Mr. CRAIG (for himself and Mr. BURNS) proposed an amendment to the bill (H.R. 1977) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes; as follows:

At the appropriate place, insert the following:

SEC. .

Section 1864 of title 18, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (2), by striking "twenty" and inserting "40";

(B) in paragraph (3), by striking "ten" and inserting "20";

(C) in paragraph (4), by striking "if damage exceeding $10,000 to the property of any individual results," and inserting "if damage to the property of any individual results or if avoidance costs have been incurred exceeding $10,000, in the aggregate,"; and

(D) in paragraph (4), by striking "ten" and inserting "20";

(2) in subsection (c) by striking "ten" and inserting "20";

(3) in subsection (d), by—

(A) striking "and" at the end of paragraph (2);

(B) striking the period at the end of paragraph (3) and inserting "; and"; and

(C) adding at the end the following:

"(4) the term 'avoidance costs' means costs incurred by any individual for the purpose of—

"(A) detecting a hazardous or injurious device; or

"(B) preventing death, serious bodily injury, bodily injury, or property damage likely to result from the use of a hazardous or injurious device in violation of subsection (a)."; and

(4) by adding at the end thereof the following:

"(e) Any person injured as the result of a violation of subsection (a) may commence a civil action on his own behalf against any person who is alleged to be in violation of subsection (a). The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, in such civil actions. The court may award, in addition to monetary damages for any injury resulting from an alleged violation of subsection (a), costs of litigation, including reasonable attorney and expert witness fees, to any prevailing or substantially prevailing party, whenever the court determines such award is appropriate.".

JEFFORDS (AND OTHERS) AMENDMENT NO. 2304

Mr. JEFFORDS (for himself, Mr. LEAHY, Mr. SIMPSON, Mr. PELL, Mr. BUMPERS, Mr. KENNEDY, Mr. DODD, Mr. LAUTENBERG, Mr. AKAKA, and Ms. MOSELEY-BRAUN) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 2, line 11, strike "$565,936,000" and insert "$564,938,000".

On page 2, line 24, strike "$27,650,000" and insert "$27,273,000".

On page 3, line 5, strike "$565,936,000" and insert "$564,938,000".

On page 3, line 11, insert before the period at the end thereof the following: ": *Provided further*, That not more than $44,879,000 of the total amount appropriated under this heading shall be used for administrative support for work force and organizational support".

On page 9, line 23, strike "$496,978,000" and insert "$496,792,000".

On page 10, line 19, insert before the period at the end thereof the following: ": *Provided further*, That not more than $13,442,000 of the total amount appropriated under this heading shall be used for general administration and for the Central Office Administration of the Fish and Wildlife Service".

On page 16, line 13, strike "$145,965,000" and insert "$145,762,000".

On page 17, line 14, insert before the period at the end thereof the following: ": *Provided further*, That not more than $14,655,000 of the total amount appropriated under this heading shall be used for the administration of the Natural Resource Science Agency".

On page 21, line 22, strike "$577,503,000" and insert "$577,157,000".

On page 24, line 13, insert before the period at the end thereof the following: ": *Provided further*, That not more than $25,027,000 of the total amount appropriated for the United States Geological Survey shall be used for the general administration of the United States Geological Survey".

On page 24, line 23, strike "$182,169,000" and insert "$181,725,000".

On page 26, line 14, insert before the period at the end thereof the following: ": *Provided further*, That not more than $32,099,000 of the amount appropriated shall be used for administrative operations and general administration and for the Minerals Management Service".

On page 27, line 10, strike "$132,507,000" and insert "$132,216,000".

On page 28, line 6, insert before the period at the end thereof the following: ": *Provided further*, That not more than $21,024,000 of the amount appropriated shall be used for the general administration of the Bureau of Mines".

On page 28, line 14, strike "$95,470,000" and insert "$95,316,000".

On page 29, line 6, insert before the period at the end thereof the following: ": *Provided further*, That not more than $11,135,000 of the amount appropriated under this heading shall be used for the general administration of the Office of Surface Mining Reclamation and Enforcement".

On page 29, line 12, strike "$170,441,000" and insert "$170,374,000".

On page 30, line 17, insert before the period at the end thereof the following: ": *Provided further*, That not more than $4,820,000 of the amount appropriated under this heading shall be used for the general administration of the Abandoned Mine Reclamation Fund".

On page 66, line 15, strike "$1,256,043,000" and insert "$1,252,291,000".

On page 67, line 3, insert before the period at the end thereof the following: ": *Provided further*, That not more than $271,248,000 of the amount appropriated under this heading shall be used for the general administration of the National Forest System for the Department of Agriculture".

On page 77, line 9, strike "$376,181,000" and insert "$376,027,000".

On page 77, line 12, insert before the period at the end thereof the following: ": *Provided further*, That not more than $11,167,000 of the amount appropriated under this heading shall be used for headquarters program direction and fossil energy research and development for the Department of Energy".

On page 78, line 3, strike "$146,028,000" and insert "$135,938,000".

On page 78, line 7, insert before the period at the end thereof the following: ": *Provided further*, That not more than $6,510,000 of the amount appropriated under this heading shall be used for the program direction of the Naval Petroleum Reserve for the Department of Energy".

On page 78, line 10, strike "$576,976,000" and insert "$576,661,000".

On page 79, line 2, insert before the period at the end thereof the following: ": *Provided further*, That not more than $22,741,000 of the amount appropriated under this heading shall be used for the technical and financial assistance management for energy conservation for the Department of Energy".

On page 95, line 19, strike "$82,259,000" and insert "$92,753,000".

On page 96, line 23, strike "$96,494,000" and insert "$92,000,000".

On page 97, line 21, strike "$21,000,000" and insert "$22,000,000".

At the appropriate place, add the following:

"SEC. . Notwithstanding any other provision of law, none of the funds authorized to be appropriated pursuant to this Act may be used to promote, disseminate, sponsor or produce materials or performances which denigrate the objects or beliefs of the adherents of a particular religion."

At the appropriate place, add the following:

"SEC. . Notwithstanding any other provision of law, none of the funds made available to the National Endowment for the Arts under this Act may be used to promote, disseminate, sponsor, or produce materials or performances that depict or describe, in a patently offensive way, sexual or excretory activities or organs."

BINGAMAN (AND OTHERS) AMENDMENT NO. 2305

Mr. BINGAMAN (for himself, Mr. PELL, and Mr. SIMON) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 135, line 25, insert before the period at the end thereof the following: ", National Heritage Fellowship, or American Jazz Masters Fellowship".

SIMON (AND OTHERS) AMENDMENT NO. 2306

Mr. SIMON (for himself, Mr. MCCAIN, Ms. MOSELEY-BRAUN, and Mr. PELL) proposed an amendment to the bill H.R. 1977, supra; as follows:

AMENDMENT 2306

At the end of the bill, insert the following:

TITLE ___—NATIONAL AFRICAN AMERICAN MUSEUM

SEC. ___01. SHORT TITLE.

This title may be cited as the "National African American Museum Act".

SEC. ___02. FINDINGS.

The Congress finds that—

(1) the presentation and preservation of African American life, art, history, and culture within the National Park System and other Federal entities are inadequate;

(2) the inadequate presentation and preservation of African American life, art, history, and culture seriously restrict the ability of the people of the United States, particularly African Americans, to understand themselves and their past;

(3) African American life, art, history, and culture include the varied experiences of Africans in slavery and freedom and the continued struggles for full recognition of citizenship and treatment with human dignity;

(4) in enacting Public Law 99-511, the Congress encouraged support for the establishment of a commemorative structure within the National Park System, or on other Federal lands, dedicated to the promotion of understanding, knowledge, opportunity, and equality for all people;

(5) the establishment of a national museum and the conducting of interpretive and educational programs, dedicated to the heritage and culture of African Americans, will help to inspire and educate the people of the United States regarding the cultural legacy of African Americans and the contributions made by African Americans to the society of the United States; and

(6) the Smithsonian Institution operates 15 museums and galleries, a zoological park, and 5 major research facilities, none of which is a national institution devoted solely to African American life, art, history, or culture.

SEC. ___03. ESTABLISHMENT OF THE NATIONAL AFRICAN AMERICAN MUSEUM.

(a) ESTABLISHMENT.—There is established within the Smithsonian Institution a Museum, which shall be known as the "National African American Museum".

(b) PURPOSE.—The purpose of the Museum is to provide—

(1) a center for scholarship relating to African American life, art, history, and culture;

(2) a location for permanent and temporary exhibits documenting African American life, art, history, and culture;

(3) a location for the collection and study of artifacts and documents relating to African American life, art, history, and culture;

(4) a location for public education programs relating to African American life, art, history, and culture; and

(5) a location for training of museum professionals and others in the arts, humanities, and sciences regarding museum practices related to African American life, art, history, and culture.

SEC. ___04. LOCATION AND CONSTRUCTION OF THE NATIONAL AFRICAN AMERICAN MUSEUM.

The Board of Regents is authorized to plan, design, reconstruct, and renovate the Arts and Industries Building of the Smithsonian Institution to house the Museum.

SEC. ___05. BOARD OF TRUSTEES OF THE MUSEUM.

(a) Establishment.—There is established in the Smithsonian Institution the Board of Trustees of the National African American Museum.

(b) Composition and Appointment.—The Board of Trustees shall be composed of 23 members as follows:

(1) The Secretary of the Smithsonian Institution.

(2) An Assistant Secretary of the Smithsonian Institution, designated by the Board of Regents.

(3) Twenty-one individuals of diverse disciplines and geographical residence who are committed to the advancement of knowledge of African American art, history, and culture, appointed by the Board of Regents, of whom 9 members shall be from among individuals nominated by African American museums, historically black colleges and universities, and cultural or other organizations.

(c) Terms.—

(1) In general.—Except as provided in paragraph (2), members of the Board of Trustees shall be appointed for terms of 3 years. Members of the Board of Trustees may be reappointed.

(2) Staggered terms.—As designated by the Board of Regents at the time of initial appointments under paragraph (3) of subsection (b), the terms of 7 members shall expire at the end of 1 year, the terms of 7 members shall expire at the end of 2 years, and the terms of 7 members shall expire at the end of 3 years.

(d) Vacancies.—A vacancy on the Board of Trustees shall not affect its powers and shall be filled in the manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of the member was appointed shall be appointed for the remainder of the term.

(e) Noncompensation.—Except as provided in subsection (f), members of the Board of Trustees shall serve without pay.

(f) Expenses.—Members of the Board of Trustees shall receive per diem, travel, and transportation expenses for each day, including travel time, during which such members are engaged in the performance of the duties of the Board of Trustees in accordance with section 5703 of title 5, United States Code, with respect to employees serving intermittently in the Government service.

(g) Chairperson.—The Board of Trustees shall elect a chairperson by a majority vote of the members of the Board of Trustees.

(h) Meetings.—The Board of Trustees shall meet at the call of the chairperson or upon the written request of a majority of its members, but shall meet not less than 2 times each year.

(i) Quorum.—A majority of the Board of Trustees shall constitute a quorum for purposes of conducting business, but a lesser number may receive information on behalf of the Board of Trustees.

(j) Voluntary Services.—Notwithstanding section 1342 of title 31, United States Code, the chairperson of the Board of Trustees may accept for the Board of Trustees voluntary services provided by a member of the Board of Trustees.

SEC. ___06. DUTIES OF THE BOARD OF TRUSTEES OF THE MUSEUM.

The Board of Trustees shall—

(1) recommend annual budgets for the Museum;

(2) consistent with the general policy established by the Board of Regents, have the sole authority to—

(A) loan, exchange, sell, or otherwise dispose of any part of the collections of the Museum, but only if the funds generated by such disposition are used for additions to the collections of the Museum or for additions to the endowment of the Museum;

(B) subject to the availability of funds and the provisions of annual budgets of the Museum, purchase, accept, borrow, or otherwise acquire artifacts and other property for addition to the collections of the Museum;

(C) establish policy with respect to the utilization of the collections of the Museum; and

(D) establish policy regarding programming, education, exhibitions, and research, with respect to the life and culture of African Americans, the role of African Americans in the history of the United States, and the contributions of African Americans to society;

(3) consistent with the general policy established by the Board of Regents, have authority to—

(A) provide for restoration, preservation, and maintenance of the collections of the Museum;

(B) solicit funds for the Museum and determine the purposes to which such funds shall be used;

(C) approve expenditures from the endowment of the Museum, or of income generated from the endowment, for any purpose of the Museum; and

(D) consult with, advise, and support the Director in the operation of the Museum;

(4) establish programs in cooperation with other African American museums, historically black colleges and universities, historical societies, educational institutions, and cultural and other organizations for the education and promotion of understanding regarding African American life, art, history, and culture;

(5) support the efforts of other African American museums, historically black colleges and universities, and cultural and other organizations to educate and promote understanding regarding African American life, art, history, and culture, including—

(A) the development of cooperative programs and exhibitions;

(B) the identification, management, and care of collections;

(C) the participation in the training of museum professionals; and

(D) creating opportunities for—

(i) research fellowships; and

(ii) professional and student internships;

(6) adopt bylaws to carry out the functions of the Board of Trustees; and

(7) report annually to the Board of Regents on the acquisition, disposition, and display of African American objects and artifacts and on other appropriate matters.

SEC. ___07. DIRECTOR AND STAFF.

(a) In General.—The Secretary of the Smithsonian Institution, in consultation with the Board of Trustees, shall appoint a Director who shall manage the Museum.

(b) Applicability of Certain Civil Service Laws.—The Secretary of the Smithsonian Institution may—

(1) appoint the Director and 5 employees of the Museum, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service; and

(2) fix the pay of the Director and such 5 employees, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

SEC. ___08. DEFINITIONS.

For purposes of this title:

(1) Arts and Industries Building.—The term "Arts and Industries Building" means the building located on the Mall at 900 Jefferson Drive, S.W. in Washington, the District of Columbia.

(2) Board of Regents.—The term "Board of Regents" means the Board of Regents of the Smithsonian Institution.

(3) Board of Trustees.—The term "Board of Trustees" means the Board of Trustees of the National African American Museum established in section ___05(a).

(4) Museum.—The term "Museum" means the National African American Museum established under section ___03(a).

SEC. ___09. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary only for costs directly relating to the operation and maintenance of the Museum.

SNOWE (AND COHEN) AMENDMENT NO. 2307

(Ordered to lie on the table.)

Ms. SNOWE (for herself and Mr. Cohen) submitted an amendment intended to be proposed by her to the bill H.R. 1977, supra; as follows:

On page 18, line 17, strike "$38,051,000" and insert "$38,093,500".

On page 19, line 26, strike "$43,230,000" and insert "$43,187,500".

REID (AND OTHERS) AMENDMENT NO. 2308

Mr. REID (for himself, Mr. Chafee, Mr. Lautenberg, Mr. Lieberman, and Mrs. Boxer) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 9, lines 23 through 25, strike "$496,978,000, to remain available for obligation until September 30, 1997," and insert "$501,478,000, to remain available for obligation until September 30, 1997, of which not less than $3,800,000 shall be made available for prelisting activities, $18,297,000 shall be made available for consultation activities, and $36,500,000 shall be made available for recovery activities, and".

On page 27, line 10, strike "$132,507,000" and insert "$128,007,000".

On page 27, line 11, before the period, insert the following: ": *Provided*, That none of the reduction below the FY 1996 budget request shall be applied to the health and safety budget activity".

HELMS AMENDMENT NO. 2309

Mr. HELMS proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 10, line 19, strike the word "Act." and insert: "Act: *Provided*, That no monies appropriated under this act shall be used to implement and carry out the Red Wolf reintroduction program and that the amount appropriated under this paragraph shall be reduced by $968,000."

BINGAMAN (AND OTHERS) AMENDMENT NO. 2310

Mr. BINGAMAN (for himself, Mr. INOUYE, and Mr. WELLSTONE) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 89, line 8, strike "$54,660,000" and insert "$81,341,000".

On page 136, between lines 12 and 13, insert the following:

SEC. 3 . PRO RATA REDUCTION.

The amounts provided in this Act, not required for payments by law, are reduced by 2 percent on a pro rata basis. The reduction required by this section shall be made in a uniform manner for each program, project, or activity provided in this Act.

BYRD AMENDMENT NO. 2311

Mr. GORTON (for Mr. BYRD) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 30, line 17, before the period, insert the following: ": *Provided further*, That funds made available to States under Title IV of Public Law 95–87 may be used, at their discretion, for any required non-Federal share of the cost of projects funded by the Federal government for the purpose of environmental restoration related to treatment or abatement of acid mine drainage from abandoned mines: *Provided further*, That such projects must be consistent with the purposes and priorities of the Surface Mining Control and Reclamation Act".

CRAIG AMENDMENT NO. 2312

Mr. GORTON (for Mr. CRAIG) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 118, between lines 2 and 3, insert the following:

"(7) On the signing of a record of decision or equivalent document making an amendment for the Clearwater National Forest pursuant to paragraph (2), the requirement for revision referred to in the Stipulation of Dismissal dated September 13, 1993, applicable to the Clearwater National Forest is deemed to be satisfied, and the interim management direction provisions contained in the Stipulation of Dismissal shall be of no further effect with respect to the Clearwater National Forest.".

JEFFORDS AMENDMENT NO. 2313

Mr. GORTON (for Mr. JEFFORDS) proposed an amendment to the bill H.R. 1977, supra; as follows:

At the appropriate place (end of p. 136) add the following new section:

Public Law 94–158 is modified to extend the scope of the Arts and Artifacts Indemnity Act to include exhibitions originating in the United States and touring the United States for indemnification subject to the availability of funds.

KYL AMENDMENT NO. 2314

Mr. GORTON (for Mr. KYL) proposed an amendment to the bill, H.R. 1977, supra; as follows:

On page 31, line 15, strike "$997,221,000" and insert "$997,534,000".

On page 31, line 16, after "which" insert the following: "$962,000 shall be used for the continued operation of the Indian Arts and Crafts Board and an amount".

On page 43, line 1, strike "$58,109,000" and insert "$57,796,000".

MCCAIN AMENDMENT NO. 2315

Mr. GORTON (for Mr. MCCAIN) proposed an amendment to the bill, H.R. 1977, supra; as follows:

On page 77, line 12, before the period, insert the following: ": *Provided further*, That any new project start funded under this heading shall be substantially cost-shared with a private entity to the extent determined appropriate by the Secretary of Energy".

SNOWE (AND COHEN) AMENDMENT NO. 2316

Mr. GORTON (for Ms. SNOWE, for herself and Mr. COHEN) proposed an amendment to the bill, H.R. 1977, supra; as follows:

On page 18, line 17, strike "$38,051,000" and insert "$38,094,000".

On page 19, line 26, strike "$43,230,000" and insert "$43,187,000".

HUTCHISON AMENDMENT NO. 2317

Mr. GORTON (for Mrs. HUTCHISON) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 16, line 17, strike the word "surveys" and insert the following: "surveys, including new aerial surveys,".

SPECTER AMENDMENT NO. 2318

Mr. GORTON (for Mr. SPECTER) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 69, line 11, after "expended" insert the following: ": *Provided*, That of the amounts made available for acquisition management, $1,000,000 may be made available for the purchase of subsurface rights in the Kane Experimental Forest".

BAUCUS (AND BURNS) AMENDMENT NO. 2319

Mr. GORTON (for Mr. BAUCUS, for himself and Mr. BURNS) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 69, line 11, insert ", of which $275,000 may be made available from the cash equalization account for the acquisition of Mt. Jumbo in the Lolo National Forest, Montana" before the period.

DOMENICI (AND BINGAMAN) AMENDMENT NO. 2320

Mr. GORTON (for Mr. DOMENICI, for himself and Mr. BINGAMAN) proposed an amendment to the bill, H.R. 1977, supra; as follows:

On page 19, line 26, strike "$43,230,000" and insert "$45,230,000".

On page 2, line 11, strike "$565,936,000" and insert "$563,936,000".

On page 3, line 5, strike "$565,936,000" and insert "$563,936,000".

MURKOWSKI AMENDMENTS NOS. 2321–2322

Mr. GORTON (for Mr. MURKOWSKI) proposed two amendments to the bill H.R. 1977, supra; as follows:

AMENDMENT NO. 2321

At the appropriate place in the bill insert the following section:

"SEC. . The National Park Service shall, within existing funds, conduct a Feasibility Study for a northern access route into Denali National Park and Preserve in Alaska, to be completed within one year of the enactment of this Act and submitted to the Senate Committee on Energy and Natural Resources and the House Committee on Resources. The Feasibility Study shall ensure that resource impacts from any plan to create such access route are evaluated with accurate information and according to a process that takes into consideration park values, visitor needs, a full range of alternatives, the viewpoints of all interested parties, including the tourism industry and the State of Alaska, and potential needs for compliance with the National Environmental Policy Act. The Study shall also address the time required for development of alternatives and identify all associated costs.

This Feasibility Study shall be conducted solely by National Park Service planning personnel permanently assigned to National Park Service offices located in the State of Alaska in consultation with the State of Alaska Department of Transportation."

AMENDMENT NO. 2322

At the appropriate place in the bill insert the following section:

"SEC. . Consistent with existing law and policy, the National Park Service shall, within the funds provided by this Act, at the request of the University of Alaska Fairbanks, enter into negotiations regarding a memorandum of understanding for the continued use of the Stampede Creek Mine property consistent with the length and terms of prior memorandum of understanding between the National Park Service and the University of Alaska Fairbanks: *Provided*, That within the funds provided, the National Park Service shall undertake an assessment of damage and provide the appropriate committees of the Senate and House of Representatives, no later than May 1, 1996, cost estimates for the reconstruction of those facilities and equipment which were damaged or destroyed as a result of the incident that occurred on April 30, 1987 at Stampede Creek within the boundaries of Denali National Park and Preserve; *Provided further*, That the National Park Service shall work with the University of Alaska Fairbanks to winterize equipment and materials, located on the Stampeede Creek mine property in Denali National Park, exposed to the environment as a result of the April 30, 1987 incident."

McCONNELL (AND OTHERS) AMENDMENT NO. 2323

Mr. MCCONNELL (for himself, Mr. HARKIN, Mr. GRASSLEY, Mr. FORD, Mr. MURKOWSKI, Mr. LOTT, Mrs. HUTCHISON, and Mr. GRAMM) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 128, strike section 320, and insert the following: "None of the funds made available in this Act shall be used by the Department of Energy in implementing the Codes and Standards Program to propose, issue, or prescribe any new or amended standard, *Provided*, That this section shall expire on September 30, 1996; *Provided further*, That nothing in this section shall preclude the Federal Government from promulgating rules concerning energy efficiency standards for the construction of new Federally owned commercial and residental buildings.".

LEAHY (AND OTHERS) AMENDMENT NO. 2324

Mr. GORTON (for Mr. LEAHY, for himself, Mr. BURNS, Mr. CRAIG, Mrs. MURRAY, Mr. JEFFORDS, Mr. LAUTENBERG, Mr. BOND, Mr. MCCONNELL, Mr. LIEBERMAN, Ms. SNOWE, and Mr. COHEN) proposed an amendment to the bill H.R. 1977, supra; as follows:

On page 66, lines 3 and 4, strike "$128,294,000, to remain available until expended, as authorized by law" and insert "$136,794,000, to remain available until expended, as authorized by law, of which not less than $16,100,000 shall be made available for cooperative lands fire management and not less than $7,500,000 shall be made available for the stewardship incentive program".

On page 66, line 15, strike "$1,256,043,000" and insert "1,247,543,000".

BINGAMAN AMENDMENTS NOS. 2325–2327

Mr. GORTON (for Mr. BINGAMAN) proposed three amendments to the bill H.R. 1977, supra; as follows:

AMENDMENT NO. 2325

At the appropriate place, insert the following:

SEC. . ENERGY SAVINGS AT FEDERAL FACILITIES.

(a) REDUCTION IN FACILITIES ENERGY COSTS.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from fiscal year 1995 levels, in the energy costs of the facilities used by the agency.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the head of each agency described in subsection (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved; and

(C) specify the actions that resulted in the reductions.

At the appropriate place, insert the following new section:

AMENDMENT NO. 2326

SEC. . DISTRIBUTION OF INDIAN HEALTH SERVICE PROFESSIONALS.

(a) IN GENERAL.—To ensure that the Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary"), acting through the Indian Health service, is making efforts to meet the health care needs of Indian tribes (as defined in section 4(e) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e)) in an equitable manner, the Secretary shall, not later than April 30, 1996, submit to the Congress a report that meets the requirements of subsection (b).

(b) CONTENTS OF REPORT.—The report prepared by the Secretary under this section shall—

(1) contain a comparative analysis of the Indian Health Service staffing that includes comparisons of health care facilities (including clinics) and service units (as defined in section 4(j) of the Indian Health Care Improvement Act (25 U.S.C. 1603(j));

(2) for each health care facility of the Indian Health Service (as determined by the Secretary), determine, for each health profession (as defined in section 4(n) of the Indian Health Care Improvement Act (25 U.S.C. 1603(n)), the ratio of—

(A) the number of members of that health profession that provide health services in that facility; to

(B) the number of patients served by the members of that health profession in that facility;

(3) provide a comparative nationwide analysis of health care facilities of the Indian Health Service based on the ratios determined under paragraph (2) in order to ascertain whether each service area (as defined in section 4(m) of the Indian Health Care Improvement Act (25 U.S.C. 1603(m) is providing an equitable level of health services; and)

(4) provide an analysis of—

(A) the overall levels of staffing of all types of health professions, support staff, and administrative staff at facilities referred to in paragraph (3); and

(B) the distribution of the staffing referred to in subparagraph (A) by service unit.

AMENDMENT NO. 2327

At the appropriate place, insert the following new section:

SEC. . HIV-AIDS PREVENTION AND TREATMENT PLAN.

(a) REPORT.—Not later than March 1, 1996, the Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary"), acting through the Indian Health Service and in consultation with Indian tribes (as defined in section 4(d) of the Indian Health Care Improvement Act (25 U.S.C. 1603(d)), shall prepare and submit to the Congress a report that evaluates,

(1) the incidences of HIV and AIDS among Indian tribes;

(2) the services provided under title XXVI of the Public Health Service Act to members of Indian tribes living with HIV and AIDS;

(3) the unmet needs, including preventive educational needs, of members of Indian tribes living with HIV and AIDS who use the Indian Health Service for their primary health care;

(4) the internal capacity of each service unit of the Indian Health Service to meet the existing need; and

(5) the resources, including education, needed to meet existing and projected need.

(b) SERVICE PLAN.—The Secretary, acting through the Indian Health Service and in consultation with Indian tribes, shall develop and implement a plan of action for meeting the existing and projected needs, which based on the evaluation conducted pursuant to subsection (a), are determined to be unmet.

THE TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

SPECTER (AND SANTORUM) AMENDMENT NO. 2328

Mr. SPECTER (for himself and Mr. SANTORUM) proposed an amendment to the bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

On page 30, line 16, strike "$985,000,000" and insert '$1,025,000,000".

On page 30, line 17, strike "$2,105,850,000" and insert '$2,145,850,000".

On page 30, line 20, strike "$400,000,000" and insert '$440,000,000".

On page 2, line 6, strike "$56,500,000" and insert '$55,400,000".

On page 3, line 6, strike "$9,710,000" and insert '$6,336,667".

On page 6, line 13, strike "$139,689,000" and insert '$134,689,000".

On page 16, line 22, strike "$215,886,000" and insert '$205,886,000".

On page 16, line 14, strike "$70,000,000" and insert '$86,000,000".

On page 30, line 12, strike "$42,000,000" and insert '$39,260,000".

On page 54, line 5, strike "$5,000,000" and insert '$10,000,000".

On page 54, line 8, strike "$99,364,000" and insert '$94,364,000".

HARKIN AMENDMENT NO. 2329

Mr. HARKIN proposed an amendment to the bill H.R. 2002, supra; as follows:

At an appropriate place in the bill, add the following new section:

SEC. . Section 201 of the Railway Labor Act (45 U.S.C. 181) is amended by adding at the end the following: "As used in this title, the term 'foreign commerce' includes flight operations (excluding ground operations performed by persons other than flight crew members) conducted in whole or in part outside the United States (as defined by section 40102(a)(41) of title 49, United States Code) by an air carrier (as defined by section 40102(a)(2) of such title).".

EMPLOYEE

Section 202 of such Act (45 U.S.C. 182) is amended by adding at the end the following: "As used in this title, the term 'employee' also includes flight crew members employed by an air carrier (as defined by section 40102(a)(2) of title 49, United States Code) while such flight crew members perform work in whole or in part outside the United States (as defined by section 40102(a)(41) of such title).".

BINGAMAN AMENDMENT NO. 2330

Mr. BINGAMAN proposed an amendment to the bill H.R. 2002, supra; as follows:

At the appropriate place in the bill, insert the following:

SEC. . ENERGY SAVINGS AT FEDERAL FACILITIES.

(a) REDUCTION IN FACILITIES ENERGY COSTS.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from fiscal year 1995 levels, in the energy costs of the facilities used by the agency.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the head of each agency described in subsection (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved; and

(C) specify the actions that resulted in the reductions.

DORGAN (AND OTHERS) AMENDMENT NO. 2331

Mr. HATFIELD (for Mr. DORGAN, for himself, Ms. SNOWE, Mr. DOLE, and Mr. CONRAD) proposed an amendment to the bill H.R. 2002, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . STUDY OF AIR FARES.

(a) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) ADJUSTED AIR FARES.—The term "adjusted air fare" means an actual air fare that is adjusted for distance traveled by a passenger.

(2) AIR CARRIER.—The term—

(A) "air carrier" has the same meaning as in section 40102(a)(2) of title 49, United States Code; and

(B) the terms "regional commuter air carrier", and "major air carrier" shall have the meanings provided those terms of the Secretary.

(3) AIRPORT.—The term "airport" has the same meaning as in section 40102(9) of title 49, United States Code.

(4) COMMERCIAL AIR CARRIER.—The term "commercial air carrier" means an air carrier that provides air transportation for commercial purposes (as determined by the Secretary).

(5) HUB AIRPORT.—The term "hub airport" has the same meaning as in section 41731(a)(2) of title 49, United States Code.

(6) LARGE HUB AIRPORT.—The term "large hub airport"—

(A) shall have the meaning provided that term by the Secretary; and

(B) does not include a small hub airport (as such term is defined in section 41731(a)(5) of title 49, United States Code).

(7) NONHUB AIRPORT.—The term "nonhub airport" has the same meaning as in section 41731(a)(4) of title 49, United States Code.

(8) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(b) STUDY OF AIR FARES.—

(1) IN GENERAL.—The Secretary shall conduct a study to—

(A) compare air fares paid (calculated as both actual and adjusted air fares) for air transportation on flights conducted by commercial air carriers—

(i) between—

(I) nonhub airports located in small communities; and

(II) large hub airports; and

(ii) between large hub airports; and

(B) analyze—

(i) the extent to which passenger service that is provided from nonhub airports is provided on—

(I) regional commuter commercial air carriers; or

(II) major air carriers;

(ii) the type of aircraft employed in providing passenger service at nonhub airports; and

(iii) whether there is competition among commercial air carriers with respect to the provision of air service to passengers from nonhub airports.

(2) FINDINGS.—The Secretary shall include in the study conducted under this subsection findings made by the Secretary concerning—

(A) whether passengers who use commercial air carriers to and from rural areas (as defined by the Secretary) pay a disproportionately greater price for that transportation than do passengers who use commercial air carriers between urban areas (as defined by the Secretary);

(B) the nature of competition, if any in rural markets (as defined by the Secretary) for commercial air carriers;

(C) whether a relationship exists between higher air fares and competition among commercial air carriers for passengers travelling on jet aircraft from small communities (as defined by the Secretary) and, if such relationship exists, the nature of that relationship;

(D) the number of small communities that have lost air service as a result of the deregulation of commercial air carriers with respect to air fares;

(E) the number of small communities served by airports with respect to which, after the date on which the deregulation referred to in subparagraph (D) occurred, jet air service was replaced by turbo prop air service; and

(F) with respect to the replacement in service referred to in subparagraph (E), any corresponding decreases in available seat capacity for consumers at the airports referred to in that subparagraph.

(c) REPORT.—Upon completion of the study conducted under subsection (b), but not later than 60 days after the date of enactment of this Act, the Secretary shall submit a report on the study and the findings of the Secretary to the Committee on Commerce, Science, and Transportation of the Senate.

INOUYE AMENDMENT NO. 2332

Mr. HATFIELD (for Mr. INOUYE) proposed an amendment to the bill H.R. 2002, supra; as follows:

On page 4, line 14, strike "and Hawaii".

HATFIELD AMENDMENT NO. 2333

Mr. HATFIELD proposed an amendment to the bill H.R. 2002, supra; as follows:

On bill page 71, line 9, strike "(b)" and insert "(j)".

BUMPERS AMENDMENT NO. 2334

Mr. HATFIELD (for Mr. BUMPERS) proposed an amendment to the bill H.R. 2002, supra; as follows:

On page 4, line 21, insert after ". . . airport," "except for any such community in which is located an airline maintenance facility performing required Federal Aviation Regulation heavy engine heavy structural airframe maintenance work in accordance with Part 135.411(a)(2)."

EXON AMENDMENT NO. 2335

Mr. EXON proposed an amendment to the bill H.R. 2002, supra; as follows:

At the appropriate place in the bill add the following new section:

SEC. . THE RAILROAD SAFETY INSTITUTE.

Of the money appropriated to the U.S. Department of Transportation for Transportation Planning, Research and Development, $1 million shall be made available to establish and operate the Institute for Railroad Safety as authorized by the Swift Rail Development Act of 1994.

PRESSLER (AND OTHERS) AMENDMENT NO. 2336

Mr. PRESSLER (for himself, Mr. STEVENS, Mr. BAUCUS, Mr. BROWN, Mr. BUMPERS, Mr. COCHRAN, Mr. HOLLINGS, Mr. LOTT, Mr. PELL, Mr. LAUTENBERG, Mr. GORTON, Mr. KERRY, Ms. MOSELEY-BRAUN, and Mr. FRIST) proposed an amendment to the bill H.R. 2002, supra; as follows:

At the appropriate place insert the following:

SEC. . SENSE OF SENATE REGARDING UNITED STATES/JAPAN AVIATION DISPUTE.

(a) FINDINGS.—The Congress finds that—

(1) the Governments of the United States and Japan entered into a bilateral aviation agreement in 1952 that has been modified periodically to reflect changes in the aviation relationship between the two countries;

(2) in 1994 the total revenue value of passenger and freight traffic for United States air carriers between the United States and Japan was approximately $6 billion;

(3) the United States/Japan bilateral aviation agreement guarantees three U.S. carriers "beyond rights" that authorize them to fly into Japan, take on additional passengers and cargo, and then fly to another country;

(4) the United States/Japan bilateral aviation agreement requires that, within 45 days of filing a notice with the Government of Japan, the Government of Japan must authorize United States air carriers to serve routes guaranteed by their "beyond rights";

(5) United States air carriers have made substantial economic investment in reliance upon the expectation their rights under the United States/Japan bilateral aviation agreement would be honored by the Government of Japan;

(6) the Government of Japan has violated the United States/Japan bilateral aviation

agreement by preventing United States air carriers from serving routes clearly authorized by their "beyond rights"; and

(7) the refusal by the Government of Japan to respect the terms of the United States/Japan bilateral aviation agreement is having severe repercussions on United States air carriers and, in general, customers of these United States air carriers.

(b) ACTION REQUESTED.—The Congress—

(1) calls upon the Government of Japan to honor and abide by the terms of the United States/Japan bilateral aviation agreement and immediately authorize United States air cargo and passenger carriers which have pending route requests relating to their "beyond rights" to immediately commence service on the requested routes;

(2) calls upon the President of the United States to identify strong and appropriate forms of countermeasures that could be taken against the Government of Japan for its egregious violation of the United States/Japan bilateral aviation agreement; and

(3) calls upon the President of the United States to promptly impose against the Government of Japan whatever countermeasures are necessary and appropriate to ensure the Government of Japan abides by the terms of the United States/Japan bilateral aviation agreement.

JEFFORDS (AND LEAHY) AMENDMENT NO. 2337

Mr. JEFFORDS (for himself and Mr. LEAHY) proposed an amendment to the bill, H.R. 2002, supra; as follows:

On page 4, line 2, strike "$26,738,536" and insert "$27,738,536".

On page 4, line 12, insert after "That" the following: ",except if service is provided to the only hub airport in a State that is, as of the date of enactment of this Act, served under a program under subchapter II of chapter 417 of title 49, United States Code, and the service to that hub airport has been discontinued and then reinstated during the 36-month period preceding the date of enactment of this Act,".

On page 32, line 15, strike "$333,000,000" and insert "332,000,000".

BOXER AMENDMENT NO. 2338

Mr. HATFIELD (for Mrs. BOXER) proposed an amendment to the bill, H.R. 2002, supra; as follows:

On page 64, line 15, after the words "States to" insert "establish State infrastructure banks and to".

On page 64, line 21, strike the word "An" and insert "A State or".

PRESSLER AMENDMENT NO. 2339

Mr. HATFIELD (for Mr. PRESSLER) proposed an amendment to the bill H.R. 2002, supra; as follows:

On Page 42, beginning on line 13, insert the following:

SALARIES AND EXPENSES

For necessary expenses of the Interstate Commerce Commission, $13,379,000 shall be for severance, closing costs, and other expenses.

ROTH (AND OTHERS) AMENDMENT NO. 2340

Mr. ROTH (for himself, Mr. GLENN, Mr. COHEN, Mr. LEVIN, and Mr. PRYOR) proposed an amendment to the bill H.R. 2002, supra; as follows:

Beginning on page 71, strike out line 13 and all that follows through page 73, line 24.

BURNS AMENDMENT NO. 2341

Mr. BURNS proposed an amendment to the bill H.R. 2002, supra; as follows:

At the appropriate place insert the following:

SEC. 3 . DETERMINING OF MARKET DOMINANCE IN RAIL CARRIER RATE PROCEEDINGS.

(a) In this section, "market dominance" means an absence of effective competition from other carriers or modes of transportation for the traffic to which a rate applies. Any agricultural shipper without economically competitive railroad or truck alternatives, shall be considered "captive" to the market dominant railroad. Further, any agricultural shipper or its representative, that does not have access to two or more competing railroads for shipping the same commodity from the same origin to the same market as other agricultural shippers shipping to the same market, shall be deemed "captive" by a market dominant railroad. Competing railroads shall mean two railroads not under common control for rate making purposes.

(b) When a rate for transportation by a rail carrier that is subject to the jurisdiction of an appropriate regulatory federal agency, which is designated by Congress, and adequately funded to protect the interests of "captive" shippers, is challenged as being unreasonably high, the Agency shall determine, within 90 days after start of proceeding, whether the railroad carrier has market dominance over the transportation to which the rate applies. After a finding by the Agency that the carrier does have market dominance, the affected shipper and traffic shall be classified as "captive."

(c) When the Agency finds, in any proceeding that a shipper and associated traffic is captive, the Agency shall suspend the carrier established rates and set the maximum reasonable rates that may be charged by the market dominant railroad. The Agency shall set the maximum reasonable rate at that level which will return fair and reasonable profit to the carrier that would have occurred had there been effective transportation competition for the market dominant traffic. This maximum reasonable rate level determination shall be completed within 120 days of the initiation of the proceeding. The Agency shall not set the maximum reasonable rates any higher than earnings for traffic having similar transportation characteristics with rail-to-rail competition moving similar distances. In any event, the Agency will not set the maximum rates higher than 180% of railroad systemwide variable cost of the movement as determined by the Agency.

(d) A market dominant carrier will be required to provide its full common carrier obligation on rates and service to a captive shipper without prejudice or preference, and without any economic penalty to captive shippers. In addition, this carrier shall offer identical or substantially similar transportation services to captive shippers that it offers to any other shipper moving a similar product on the market dominant railroad carrier system.

FEINSTEIN AMENDMENT NO. 2342

Mr. HATFIELD (for Mrs. FEINSTEIN) proposed an amendment to the bill H.R. 2002, supra; as follows:

At the appropriate point in the bill insert:

"SEC. . The Secretary of Transportation is hereby authorized and directed to enter into an agreement modifying the agreement entered into pursuant to Section 339 of the Department of Transportation and Related Agencies Appropriations Act, 1993 (Public Law 102–388) to conform such agreement to the provisions of Section 336 of the Department of Transportation and Related Agencies Appropriations Act, 1995 (Public Law 103–331). Nothing in this section changes the amount of the previous appropriation section 339, and the line of credit provided for shall not exceed an amount supported by the previous appropriation. In implementing either Section 339 or Section 336, the Secretary may enter into an agreement requiring an interest rate that is higher than that specified therein."

ABRAHAM (AND INHOFE) AMENDMENT NO. 2343

Mr. HATFIELD (for Mr. ABRAHAM for himself and Mr. INHOFE) proposed an amendment to the bill H.R. 2002, supra; as follows:

At the appropriate place in title III, insert the following:

SEC. 3 . ELIMINATION OF CERTAIN HIGHWAY SAFETY ADVISORY COMMITTEES.

(a) NATIONAL HIGHWAY SAFETY ADVISORY COMMITTEE.

(1) IN GENERAL.—Section 404 of title 23, United States Code, is repealed.

(2) CONFORMING AMENDMENT.—The analysis for chapter 4 of title 23, United States Code, is amended by striking the item relating to section 404.

(b) COMMERCIAL MOTOR VEHICLE SAFETY REGULATORY REVIEW PANEL.—

(1) IN GENERAL.—Section 31134 of title 49, United States Code, is repealed.

(2) CONFORMING AMENDMENTS.—

(A) The analysis for subchapter III of chapter 311 of title 49, United States Code, is amended by striking the item relating to section 31134.

(B) Section 31140 of title 49, United States Code, is amended—

(i) in subsection (a), by striking "and the Commercial Motor Vehicle Safety Regulatory Review Panel"; and

(ii) in subsection (b)—

(I) in paragraph (2), by striking "the Panel or"; and

(II) by striking "the Panel" each place it appears and inserting "the Secretary".

(C) Section 31141 of title 49, United States Code, is amended—

(i) by striking subsection (b) and inserting the following:

"(b) ANNUAL ANALYSIS BY THE SECRETARY.—The Secretary annually shall analyze State laws and regulations and decide which of the laws and regulations are related to commercial motor vehicle safety."; and

(ii) in subsection (c)—

(I) in paragraph (1), by striking "The Secretary" and all that follows through "shall—" and inserting "Not later than 18 months after the date on which the Secretary makes a decision under subsection (b) that a State law or regulation is related to commercial motor vehicles safety or 18 months after the date on which the Secretary prescribes a regulation under section 31136, whichever is later, the Secretary shall—"; and

(II) in paragraph (5), by striking "(5)(A) In" and all that follows through "(B) In" and inserting "(5) In".

WARNER (AND OTHERS) AMENDMENT NO. 2344

Mr. WARNER (for himself, Mr. CHAFEE, and Mr. BAUCUS) proposed an amendment to the bill H.R. 2002, supra; as follows:

At the appropriate place, insert the following:

SEC. 3 . DELAY OF RESTRICTION ON AVAILABILITY OF CERTAIN HIGHWAY FUNDS; NATIONAL HIGHWAY SYSTEM DESIGNATION.

(a) DELAY OF RESTRICTION ON AVAILABILITY OF CERTAIN HIGHWAY FUNDS.—Section 103(b) of title 23, United States Code, is amended—

(1) in paragraph (3)(B), by striking "1995" and inserting "1997"; and

(b) NATIONAL HIGHWAY SYSTEM DESIGNATION.—Section 103 of title 23, United States Code, is amended by inserting after subsection (b) the following:

"(c) NATIONAL HIGHWAY SYSTEM DESIGNATION.—

"(1) DESIGNATION.—The most recent National Highway System (as of the date of enactment of this subsection) as submitted by the Secretary of Transportation pursuant to this section is designated as the national Highway System.

"(2) MODIFICATIONS.—

"(A) IN GENERAL.—At the request of a State, the Secretary may—

"(i) add a new route segment to the National Highway System, including a new intermodal connection; or

"(ii) delete a route segment in existence on the date of the request and any connection to the route segment; if the total mileage of the National Highway System (including any route segment or connection proposed to be added under this subparagraph) does not exceed 165,000 miles (265,542 kilometers).

"(B) PROCEDURES FOR CHANGES REQUESTED BY STATES.—Each State that makes a request for a change in the National Highway System pursuant to subparagraph (A) shall establish that each change in a route segment or connection referred to in the subparagraph has been identified by the State, in cooperation with local officials, pursuant to applicable transportation planning activities for metropolitan areas carried out under section 134 and statewide planning processes carried out under section 135.

"(3) APPROVAL BY THE SECRETARY.—The Secretary may approve a request made by a State for a change in the National Highway System pursuant to paragraph (2) if the Secretary determines that the change—

"(A) meets the criteria established for the National Highway System under this title; and

"(B) enhances the national transportation characteristics of the National Highway System.".

On page 69, line 3: At the end thereof insert the following: "and congestion mitigation and air quality program funds. *Provided*, That a State shall not deposit funds that are suballocated under title 23 or Public law 102–240."

On page 63, line 16: At the end thereof insert the following: "*Provided*, That prior year unobligated balances may not be withdrawn and canceled that were suballocated under title 23 or Public Law 102–240 or were made available under the congestion mitigation and air quality program."

PRESSLER (AND OTHERS) AMENDMENT NO. 2345

Mr. PRESSLER (for himself, Mr. EXON, and Mr. HARKIN) proposed an amendment to the bill H.R. 2002, supra; as follows:

At the appropriate place in the bill insert the following:

On page 26, line 15, strike "1996." and insert "1996, except for not more than $50,000,000 in loan guarantee commitments during such fiscal year (and $5,000,000 is hereby made available for the cost of such loan guarantee commitments).".

On page 26, between lines 15 and 16, insert the following:

LOCAL RAIL FREIGHT ASSISTANCE

For necessary expenses for rail assistance under section 5(q) of the Department of Transportation Act, $12,000,000.

On page 3, line 6, strike "$9,710,000" and insert "$6,300,000".

On page 6, line 13, strike "$139,689,000" and insert "$134,689,000".

On page 54, line 8, strike "$99,364,000" and insert "$94,364,000."

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. GORTON. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, August 9, 1995, for purposes of conducting a full committee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider S. 1054, to provide for the protection of southeast Alaska jobs and communities, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. GORTON. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, August 9, 1995, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. GORTON. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, August 9, 1995, beginning at 9:30 a.m., in 106 of the Dirksen Senate Office Building on S. 487, a bill to amend the Indian Gaming Regulatory Act, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. GORTON. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, August 9, 1995, at 9:30 a.m. to hold a joint open hearing with the Foreign Relations Committee on War Crimes in the Balkans.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT AND THE DISTRICT OF COLUMBIA

Mr. GORTON. Mr. President, I ask unanimous consent that the Subcommittee on Oversight of Government Management and the District of Columbia, Committee on Governmental Affairs, be permitted to meet during a session of the Senate on Wednesday, August 9, 1995, at 2 p.m., to hold a hearing on H.R. 2108, the District of Columbia Convention Center and Sports Arena Authorization Act of 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

REMARKS BY HADASSAH LIEBERMAN, A U.S. DELEGATE TO THE 50TH ANNIVERSARY COMMEMORATION OF THE LIBERATION OF AUSCHWITZ

• Mr. DODD. Mr. President, earlier this year, the world commemorated the 50th anniversary of the liberation of the Auschwitz concentration camp. A delegation of Americans, along with delegations from all over the world, attended memorial services at Auschwitz and in Birkeneau—services to remember those who had died, not just the individuals, but the entire peoples, and the disgust of their torture and annihilation.

But the tragedy of the Holocaust is one we must remember every day, not just on the anniversaries of its specific elements. Because the survivors of this horror, and their children, live with it every day. Soon, they will be gone. We must remember for them. And we, the greatest democracy on Earth, must remember for the world. Only if we remember, will the Holocaust occur never again.

So today, Mr. President, I wish to share with my colleagues and the American people the remarks of Hadassah Lieberman, who was one of the U.S. delegates to the 50th anniversary commemoration. Most of us know Hadassah as the wife of our good friend and my fellow Senator from Connecticut. But Hadassah is also the daughter of Holocaust survivors. Her father escaped; her mother was liberated from Auschwitz. They survived to tell the stories. Millions did not.

Mr. President, no matter how many times one listens to accounts of atrocities committed during the Holocaust, the stories remain just as awful, just as horrid, as the first time they are heard. I remember the outrage I felt, sitting around the dinner table, at stories recounted in letters from my father, who served as the executive trial counsel at the Nuremberg trials. So we should be grateful to Hadassah for writing about her intensely personal feelings as she reflected on her mother's stories, the crimes endured by her people, and her triumph in being alive 50 years later.

Indeed, I am glad Hadassah is present to share her experience with us, and I ask to have her accounting printed in the RECORD.

The material follows:

JOURNEY TO THE PLANET OF DEATH—A DAUGHTER OF SURVIVORS VISITS THE HEARTH OF THE HOLOCAUST

(By Hadassah Freilich Lieberman)

It was a Thursday morning, January 19th, and I was at work when the call came from the White House. Would I join the American delegation to the 50th anniversary of the liberation of Auschwitz? The invitation took my breath away, and in a cracked voice I responded, "If I can go...I have to go."

My first thoughts were of my schedule, job, six-year old daughter Hana, and my husband, Joe. The delegation was leaving in just five days. Not much time to prepare for what might be the most important journey of my life, for my mother, Ella Wieder Freilich, is an Auschwitz survivor.

From childhood, I had heard her intersperse stories of that distant, horrific concentration camp in our everyday American lives. I always listened deeply, although she may have thought from my body language that I was removed. I was always afraid she might cry too much if she continued her dark memories...but the dreadful story would end abruptly and we would continue the usual discourse about meals, or clothes, or schools. The stories were seemingly disconnected, plucked at random from her memory, but I had the feeling there was much more there, left unsaid, in the dark, behind curtains—memories that she could not, and perhaps still cannot, find herself.

As for my father, Rabbi Samuel Freilich, he was headed for Auschwitz when he organized an escape of 20 men from a forced march of slave laborers. He confronted memories of the Holocaust head on, and wrote a book about it called "The Coldest Winter." But the experience of putting the story on paper seemed to drain him of life, and he died soon after its publication.

He and my mother survived Auschwitz. Most of their relatives and friends did not.

Yet when the call came, I had not been thinking about the upcoming anniversary. I don't spend my life contemplating these things all the time, despite (or because of?) the fact I am the daughter of survivors. My very existence is a testimony to survival, and there has always been an undercurrent of striving to be strong and successful in my life (a trait I've seen in many children of survivors). But the specific thought of the Holocaust is not often at the front of my mind. I had never been to any of the camps, and had not planned to go. The only place I did visit was Czechoslovakia, because I wanted to go to places where my family had lived and where I was born. I didn't have a desire to go to the places where my family was sent to die.

So the invitation took me by surprise. The mundane logistical problems associated with a major trip mixed with the painful memories, made it difficult to decide whether to go. I called my mother, who now lives in Riverdale, New York, and she was very apprehensive. She feared for my safety. Who will go with you? Who will you stand with at the ceremony? Why is it necessary for you to go?

But in the end I concluded that she is why it was necessary for me to go. She and my father and their relatives and friends. As I said when the call first came: I had to go.

These were my thoughts along the way:

TUESDAY, JANUARY 24: IN-FLIGHT TO FRANKFURT

The last few days, the only preparation time I have, I cry often. I call Auschwitz survivors, friends of my mother, for words of support and connection. For the most part, they remain quiet, saying simply, "Go in peace. Bring back peace."

I am on a Delta flight and I've just finished reading some articles from the U.S. Holocaust Memorial in Washington—excruciating material—describing concentration camps in the vicinity of Auschwitz and Birkeneau. I wipe the tears from my eyes, mesmerized by this world of cruelty and torture, realizing I am soon to visit this symbol of all evil.

The descriptions of the concentration camps are incomprehensible—they are of another world, another place. The screen above me plays out O.J. Simpson's trial, Japan's earthquake. I watch the survivors from Japan and wonder, how can you not feel for these people? How can you not feel for their homelessness, their cold, their devastation...and I don't understand what happened in these camps.

I find myself looking at a picture of Joe in The Washington Post...sweet darling...The picture make me feel stronger. Now Newt Gingrich on the screen. And Chris Dodd. The world is so intrusive and me...makes it hard to come back...so I drink another glass of wine.

Before I left, my mother asked me to bring back dirt from Auschwitz. Nearly all of her family was burnt and pulverized into that dirt, that stinking evil earth. . . .do you bring it home? Is this their grave, entire families? Where are they buried? The ovens? The crematoria? The pits? Fifty years later the stench and screams will not be there.

How evil can people be? Watch the news and you see in small snippets: Chechnya, Bosnia, the Middle East. But the sheer enormity of this evil that I am traveling to witness is incomprehensible. The enormity and the organization of it all. I know there are criminals who do ugly, horrible things every day. But the Holocaust was the product of a whole criminal society, a society of people who were educated, literate, loved music, loved art, loved literature. And look what they did with such efficiency, with so little evidence of guilt.

WEDNESDAY, JANUARY 25: FRANKFURT, GERMANY AND WARSAW, POLAND

A 3-hour layover in the morning in Frankfurt at the new, empty airport. So empty and antiseptic it is somehow scary to me. All the signs are in German. It is my first time in Germany, and I'm feeling guarded inside myself. I speak mostly with a woman from the State Department, telling her about my background, my mother. I pick up the newspaper, the Frankfurter, Allgemeine, Zeitung, and there is a picture of Hitler. It was taken in 1944, and he looked tired, old. It shows him viewing something with a magnifying glass. He knew then his war was failing. But he pushed on with the Final Solution, as furiously as ever. It was 1944 that my mother was herded to the camps. Even as the war effort was faltering, the Nazis pressed on to kill the Jews because it was an ideology, to them, a mission above and beyond the war itself.

In the afternoon, we fly to Warsaw and are picked up by embassy people there and brought to the Marriott hotel, where delegates from around the world are also arriving. That evening, I go to a reception at the residence of the U.S. Ambassador to Poland, Nicholas Rey, along with some of the other members of our delegation, including: Miles Lerman of the United States Holocaust Memorial Council and his wife Chris, an Auschwitz survivor; Ambassador John Kordek, now with DePaul University; and Jan Nowak, director of the Polish American Congress. The head of our delegation. Mobel Peace Prize winner Elie Wiesel, and Assistant Secretary of State Richard Holbrooke are to join us the next day.

We begin to talk about the controversy surrounding the ceremony planned for Friday. Since the Communists left, the Poles have been more open about the Jews in the camps. But Auschwitz was initially for Polish political prisoners. Poles look at Auschwitz as a national shrine and museum. And it seems as though they wanted the commemoration to be more of a generic event, with no special emphasis on Jewish deaths. No praying of the Kaddish. In response, some are planning an alternative service on Thursday at Birkeneau. Preposterous, but true, Elie's words "not all victims were Jews, but all Jews were victims" need to be repeated over and over again.

I am concerned about the controversy but, at the same time, I do not want to lose sight of the larger reason for our being there. I am moved to say that I understand there's controversy around us. But we should not forget how incredible it is that we're all here together, from all over the world, to commemorate something that happened 50 years ago that, at the time, nobody wanted to hear about. We need to talk about the details, but we should not lose sight of the fact that we're here as representatives of our country, bearing witness to what happened to so many people.

We decide that those of us who wanted to go to alternative service will meet the next morning in a hotel lobby. I have mixed feelings. As a Jew and the daughter of survivors, I want to go to Birkeneau. As a member of the official American delegation, I am worried that it might detract from protocol if I deviate from the schedule, which includes a ceremony at Jagiellonian University in Krakow. But everyone assures me that the American delegation will be sufficiently represented at the university.

THURSDAY, JANUARY 26: WARSAW, KRAKOW, BIRKENEAU, AUSCHWITZ

We arrive in Krakow, a city left untouched by bombing. Some say it is a "small Prague." Krakow; over 25% of its population was Jewish and 90% of its Jews were annihilated. Now tours are advertised to show where Spielberg filmed in the Jewish "ghetto" area. The Ariel Cafe is booming with Eastern European/Jewish foods and Yiddish music. The synagogue is old—dating back to the 1400's. Stone markers from Jewish cemeteries are preserved as part of the wall.

I check into the Forum Hotel in the city. Leaders from all over the world are arriving. . . Ambassadors, Presidents, Kings, Prime Ministers. Security measures are being put into place. Metal detectors put together. Dogs were brought in. I find real irony in the contrast: here it is fifty years later, and all the forces of authority are being marshalled for our protection, whereas before they would have come to seep us up.

All the security precautions also remind me of my mother's concerns for my safety. I don't personally feel threatened, but I begin to realize what she was talking about. I understand we have to be careful, and I know what she felt about my coming here, and how horrible it would be if something happens to me where so much had happened to her. The double-suicide bombing in Israel occurred just days before, reminding us that, for Jews, the world can still be a very dangerous place.

News of the alternative ceremony has been spreading by word-of-mouth, and interest in it grows. Originally planned by Jewish organizations and Israelis, it takes on a life of its own, and suddenly includes everyone. Not only the American Ambassador and other delegates from the American group, but every delegation from around the world decides to send representatives.

And so I go to Birkeneau, 50 years after my mother left.

No one bombed the tracks then. No one "knew." No one seemed to care, or reach out. And now, all the nations of the world are represented as the buses travel to Birkeneau. We travel with the Israeli delegation in front of us, escorted by heavy security. Elie Wiesel, Ambassador and Mrs. Rey, Jan Nowak (who tells me he will go because he must go as a Pole and a Catholic. He was one of the first to alert British leaders to the tragedy of the Holocaust in World War II).

Our bus pulls into a large parking area and we exit along with hundreds and hundreds of others. We begin to walk in our own groups. I walk with Elie Wiesel, the Ambassador and his wife, and the others over the rocky, muddy ground. I am arm in arm with Sigmund Strochlitz of Birkeneau and Connecticut, a friend of Elie's. He reminds me a little bit of my father.

Where are we? I look around and there are mobs of people around us walking in stony silence. We were warned about the coldness of the camps. But the weather is warm in Krakow . . . until we walk further into the camps and then the coldness begins to set in—a different kind of coldness, eerie . . . heavy. Suddenly, I realize we are walking near railroad tracks and Sigmund begins to speak. "This was where the train ran into the camp. The train was able to take people straight to the end—to the crematoria." This is Birkeneau, a death camp. An enormously vast space that was devoted to murder. I thought again of what my mother had told me, vague disorganized references to gassings, chimneys, SS, Kappos. Her entire family exterminated . . . sweet nieces and nephews murdered.

My mother's house was one of the homes the Germans occupied in the 1940's. They put phone lines into the walls and set up headquarters for that Carpathian mountain town of Rachov. They posted notes throughout the small town telling its Jewish inhabitants that they were to report to a local public school. They could take whatever they could carry in their hands.

They then left for the Hungarian ghetto Mateszalka, where she remembered a German beating her sister's head. They were then told to line up alphabetically to board trains to Koschow. When some of the local people saw them as the trains went by, they shouted "You'll never return." She still remembers the children's screams for food on the four day train ride. They wanted to throw her off the train and a woman who now lives in New Jersey asked them to "Let her be, she is a beautiful young woman." Today my mother says, "Half of me doesn't want to remember so that I can remain alive."

She told me that when they came to Auschwitz, some of the Jews who worked at the trains said in Yiddish "You are fools to have come here." She remembers how they sent her family in different directions; she was sent one way and the rest of the family went the other way. As soon as her mother realized, she sent an older sister for "Ella." "Find her." And when the older sister found Ella she joined her in the line of life and the two of them remained alive. They sheared everyone's hair . . . she remembers the screams when they were sent to a shower that they thought would be gas and there was a "mistake" and they remained alive. She remembers the piles of bodies left in their clothes, a Kappo's beating, the heads and the feet in the bunkers. She remembers falling deathly ill from eating soup that had human bones in the bowl.

Auschwitz was not, for my mother, a final destination. She was sent to the Stuttgart vicinity, to the Wehrmacht Fabrik, where they worked as slave laborers at night and slept during the day. When a Nazi asked her what her greatest wish was . . . she was surprised to answer "sleeping one night". He put her into the office to work with other women who knew different languages. Eventually, she was liberated from a sub-camp of Dachau, and took a train back to Prague. In the days following her return, she and hundreds of others would run to the train station whenever a new train pulled in, desperately searching for family, friends, familiar faces. But they were never there. And then she stopped running. For two years or more thereafter, she would go to the basement and cry until she couldn't cry anymore. She met my father in post-war Prague and they soon married. Not long after I was born, they traveled to America, sensing—correctly—that the new Communist rulers would not be kind to the Jews.

I knew all of this—the nightmares, the casual references like "They all died," the guilt in remaining a survivor, the questions. I think again of the soil she wants me to bring back. "They have no graves," she told me. "It would have been better if the mothers were separated from the children so they didn't have to see them murdered in front of their eyes." So, I should have been prepared, no? I should have been ready. Although we never talked in great detail about the camps, I was totally aware. I always knew about my background. I was always so aware of the Holocaust. I bear some of the hidden scars of a survivor's child. And so, why was I so shocked? Why? Why is the walk into Birkeneau so terrifying? Let me take you with me.

First, we crowd together as delegates for the most part, others from the survivors community. I notice a group with a banner that seemed odd. I ask Sigmund and he tells me that this is the banner of "Mengele's children," the survivors of Mengele's experiments—his "children" and "children's children." Then Sigmund shows me where Mengele had stood to make his selection. He shows me the women's and men's barracks. We keep walking forward. The "survivor" in me stands in awe of what kind of world my parents had lived through.

I have arrived at a different planet. This is not the moon. The moon has been explored. This is a distant planet and those who journeyed there for the entire trip are now dead ashes near the crematoria. The others had to repress, to black out, to forget, in order to go on. This planet is one of surrealistic impressions. The smoke stacks. The endless fields with numbered barracks. The latrine house with round holes for toilets in two rows, each nearly touching the other but with enough space for a sadistic Kappo to walk down the middle and whip the women who took too long to defecate. The bunks with beds . . . eight or nine in each small slab. And we continue to walk.

I feel the people around me, walking down this frightful road. The American Ambassador to Poland had chosen to walk with us for this "unofficial" event. The American in me, yearning to believe and hope that the world will stand united against cruelty of this proportion. The Jew in me, fearful of the repetitions of history . . . the Israeli flag . . . a refuge . . . a homeland. . . . The wife of a United States Senator, proud to be part of the American delegation, led by Elie Wiesel, bearing witness to history.

We continue our walk until we arrive at the crematoria. What can I say? I hold Sigmund's arm tightly. What can I say? I came unequipped to the planet of death, of torture, of "endless nights" as our delegation leader describes it. Everything in front of me told me you could never believe anything after this place. "Where was God?" I remember my father asking. "Where was God?" and he, a Rabbi, believed deeply in Him. How could you ever believe again? "Faith was the cornerstone of our existence," he wrote in his memoirs. "It was inconceivable to us that a merciful father could ignore the pitiful pleas of his children. When we were delivered to the Nazis and the redemption did not occur, we fell into despair; life lost meaning . . . We became an orphan people without a heavenly father."

All of these people around me walk with us in silence. The program takes place, people speak, people shout. Kaddish is said and we think perhaps it would have been better to keep our silence—just Kaddish and no words. But then we sing Hatikvah and march back to the buses.

Auschwitz is next. A tour of one hour. I find a stone for Dad's grave. I decide not to bring the soil back with me. I had brought a plastic bag, thinking I might. But I decide no. I will not bring soil from the planet of death. Several people tell me about the bones found in the soil 50 years later, some of them the bones of babies. If one is a believer, then the souls have ascended to heaven and what is left should be left behind in peace on Earth. These people, the unsuspecting, the victims, the K'doshim (the holy) were not left behind in peace. I will not take their soil. I don't want any part of that soil.

Yet a rock endures from the beginning. It waits silently, protectively, coldly. The rock was there before, and the rock is there after and the rock bears witness. This egg-shaped rock will go on my father's grave. It is small, Daddy, but it is tough, like you. It survives. And remember, in your memoirs, when you asked "who should say the mourner's Kaddish?" Daddy, we said Kaddish as we stood at Birkeneau * * * our voices, the young, the old, the victims, the onlookers stood together.

Elie Wiesel's friend, Pierre of France goes with me to Auschwitz. A burly large man, somewhat irreverent, quite cynical and sarcastic, takes me to his father's place at Auschwitz. Block 11—the death bunker was the destination of his father who knew 12 languages and served as schreiber (translator) for the place. He tells me about his father's story. When his Hungarian father was in Auschwitz, a young beautiful woman was brought in. He helped her for the night. Somehow they managed to fall in love and as she left she told him where she was from in Paris and that she would meet him in Paris after the war. When he survived he went to the address. She was there, they met, they married.

Short stories, sweet stories, bitter and unreal. We are shown an enormous room filed with suitcases that are all labeled with the names of the people to whom they once belonged. We see piles of hair. Eyeglasses. Wooden legs. Prayer shawls. It reminds me of the United States Holocaust Memorial Museum in Washington, where similar exhibits exist. I would wonder from time to time why Washington should be the site for such a museum? What is appropriate about the nation's capital? But here in Auschwitz, I see the answer. I understand the importance of keeping evidence of the evil on display, and I also understand that there is a better chance of such a museum remaining open in Washington than in almost any other place in the world. Who knows what will happen here at Auschwitz in years to come? We already know how the Communists kept a lid on the enormity of crimes against the Jews. We do not know what the future will hold, and so it is right for us to have a museum of the Holocaust at the center of the world's oldest, greatest, strongest democracy.

Thursday night, we are taken to a concert at the Slowacki Theater in Krakow, where we hear an orchestral piece written in Poland for the occasion. It is so jagged and jarring—deliberately created so, because it was about the camps—that I want to get out of there. I had gotten through the day but now I need to run. It's so stifling. Finally, it's over, and we think, "oh God, let's just sit down and have some life." So we go to the Ariel Cafe. Let me sit here and be part of life again. Elie Wiesel is here and I recall how often he talks about night, and now we're in the land of night and we have to keep a certain part of ourselves in the night so that we don't lost it. Elie writes from that darkness, yet wants us to hope for the future, for our children. Surrounded by the light and life and sights and sounds of the Ariel Cafe, I want to be lively and have hope, but it is so hard.

FRIDAY, JANUARY 27: AUSCHWITZ

On Friday we take buses that go directly to the crematoria area at Auschwitz. I see Vaclav Havel on my bus. When we arrive, there are so many people packed together, walking forward, that it's hard to stand without being pushed. I think to myself, irreverently, that after 50 years, people are still pushing to get to the front of the line! I think, too, that we could have been those people 50 years ago, told to undress and have our hair cut! They were people like us who walked into this camp.

I see all the world's media gathered together, pushing for position, for the best views, wanting to hear every word, and I think, "where were you 50 years ago when you were truly needed?" How different things might have been had videotapes been smuggled out and played on television screens around the world!

After a few minutes, the crowd settles in. I stand near Richard Holbrooke and Jan Nowak. The program features representatives from many delegations and religions, including our own delegation leader, Elie Wiesel. I am moved when I hear the ceremony begin—after all—with Kaddish and another Hebrew prayer for the dead, El Maleh. It is a change in the program resulting from a meeting Elie had with Polish President Lech Walesa the day before, as was a reference to Jewish deaths in Walesa's speech.

The formal tribute begins in the growing cold air. A poignant moment occurs when the Boy Scouts and Girl Scouts of Poland walk around to give the people hot coffee. The elderly, in particular, reach out for cups. Watching these very young children working so charitably 50 years after the Holocaust gives us a warm feeling about the present and the future, even as it conjures up memories of all the other young children, in different kinds of uniforms, who died in the past at this place. There was the story of the little boy who jumped off a train bound for concentration camp with an apple in his hand. The train was at a station, and the SS caught him, took him by his legs and bashed him against the train until he was dead. A few minutes later, one of the murderers was seen casually eating the apple. And there was the story my own father told me of the parents who tossed their babies from the trains into the arms of strangers along the side of the tracks hoping against hope that those families would make a new home for their children.

Tears come to my eyes as I contrast the moments. An international display of solidarity, tribute, apology. Late, painful and yet a moment of hope. Then, it is over, and together we walk to our buses in the mud, past those in prison uniforms, national costumes and mostly, plain street clothes. All shoes and boots are covered with mud.

FRIDAY NIGHT AND SATURDAY, JANUARY 27 & 28: SHABBAT, KRAKOW

When I learned before the trip that I had to remain in Poland for Shabbat, the Jewish day of rest, alone and far from my family and synagogue, I worried about what I would do. But I am not alone, and, as it turns out, staying in Krakow becomes one of the most special Shabbats I have ever experienced. After the marches, the ceremonies, the journey to the other planet, to stop for Shabbat and to share the special moment with people from all over the world gives meaning to us all. And so we sit together on Friday night with the chief rabbis of England, Poland, Ukraine, Italy, and Jews from England, Germany, Krakow, Warsaw, Israel, America. Rabbi Avi Weiss is with us, the activist who protested the original plans for the ceremony and who has become so much of a celebrity that when the police arrested him in Poland for tearing down a sign that said "Protect the cross against Jews and Masons," they asked to take his picture and have his autograph!

We all sing and pray together and tell stories. Particularly poignant are the stories of the young Eastern European Jews sitting around the tables. Since the fall of Communism, they are learning of their Jewishness. Their family trees are deeply fractured by the Holocaust; many have no grandparents. Some were born to parents who were hidden with Polish Catholic families when their parents were sent to their death. Another learned just three years ago that he was Jewish. Perhaps some of them are descended from the babies tossed from the death trains. How ironic that Hitler's criteria for determining who was Jewish—in some instances, quite remote—is the same relationship many of these children have to Judaism.

The next day, on our way to services, I walk behind Rabbi Weiss and see him with his prayer shawl over his jacket. People along the way, not accustomed to seeing Jews, stop and stare. Some take pictures. And I think, "is it gaudy, is it showy, is it obnoxious for our group to be so obvious in such a place?" That is my first reaction, but then I remember Auschwitz and the hanging prayer shawls taken from the Jews who were annihilated, and now the descendants are alive and walking to the synagogue, and it seems right.

Our Shabbot services in the hotel are, strangely enough, joyous. We are all happy to be together, to be alive. We feel the history of the tragedy in our depths. We share our common history, common pain. We all have questions and no real answers. As we call out in our prayers, rising above and beyond the evil planet of Auschwitz and Birkeneau, the planet that bears witness to our people's destruction, we all turn to the very God that has not answered the prayers of our parents and their parents as the crematoria burnt their bodies into ashes.

Nothing on that planet gives you faith, hope or answers. Nothing there gives you hope for mankind. And yet, as I walked with my fellow travellers that day, as I felt their bodies near me, heard their feet in the mud and stone, walking silently, I knew our walk was a prayer. Our walk might defy—bear witness. Our walk might challenge any evils as great as powerful as wicked, and so, on Friday night, we all felt history around us. We were defying Hitler and his henchmen. I thought back to 1988, when I joined my husband on his first visit to the historic chamber of the Senate, where the historian lectured us about the famous figures in American history who had occupied these seats. I looked at Joe and asked him what he was thinking and he talked about how proud and honored he was to be part of this rich history. "What about you? What are you thinking?" he asked. "About Hitler," I replied. "About how he tried to annihilate all the Jews, and here I am on the floor of the Senate, the wife of a Senator. I am thinking about throwing my fist up in the air in defiance of Hitler."

That is the feeling I had again, more powerfully than ever before, at Birkeneau and Auschwitz. We were rising above the defiled and tortured and abandoned. We were free Jews singing to God, responsible for one another.

Am yisrael chai. The people of Israel live. The Israeli flag was around us and we knew how great our need for a place of refuge; wanting to trust, yet learning the bitter lessons of history. We Americans know how special our country is, a country where a Jew could become a Senator, and where his wife, a survivor, can be chosen by the President to participate in a commemoration of the liberation—the destruction—of the planet of death.

I had to go there. No matter how much you read, and how much you hear about it, and how much you talk to your family and parents—even if you are as close to the Holocaust as the child of survivors—you have to go there and see this horrendously evil, evil, evil place that stinks in its profanity, that is so ugly it shakes your belief in everything, your belief in mankind, your faith in God. You will not understand. But you will know.

Now, home with my family, I look forward to the day when I will travel to my father's grave in New Jersey and place the stone from Auschwitz on the ground that contains his earthly remains, confident that this spirit survives in eternity, never again to live on a planet of death. Never again.•

TRIBUTE TO THE COLORADO STATE FOOTBALL TEAM AND COACH SONNY LUBICK

• Mr. BROWN. Mr. President, I would like to recognize the Colorado State football team and Coach Sonny Lubick.

Last year, Coach Lubick and the CSU Rams finished their season with a 10-and-2 record, the most wins in school history. The team also claimed the school's first Western Athletic Conference championship and its first trip to the Holiday Bowl. Coach Lubick was named the Western Athletic Conference's coach of the year and Sports Illustrated's national coach of the year.

His players have distinguished themselves as well. Ten players over the last 2 years have earned first-team all-WAC honors. Demonstrating excellence in the classroom as well as on the field, six were named to the WAC's all-academic team.

For the first time since 1978, a Ram—Safety Greg Myers—was named first-team All-American. Greg goes into the season ranked by the Sporting News as one of the top five safeties in the Nation.

Their success has not gone unnoticed. CSU reports a school-record 8,000 season tickets sold this year. While that success will bring new challenges, I am confident Coach Lubick and his team will continue to reach new heights.

As the USA Today wrote: "In '94, the Rams found a way to win tough ones." That spirit, more than anything, defines the Colorado spirit.•

JOSEF GINGOLD

• Mr. LIEBERMAN. Mr. President, I rise today to honor the late violinist Josef Gingold and his family.

Mr. Gingold was a world-renowned violinist and a music professor at Indiana University who selflessly devoted his life to teaching music. His distinguished career in the musical arts and his devotion to teaching serves as an example of a life of tireless dedication. His legacy continues; many of his students have gone on to careers as conductors, musicians, and teachers in major symphonies and schools throughout the world. He also built the program at Indiana University's School of Music to become recognized internationally as one of the most respected curriculums for the world's next generation of violinists.

The Gingold family is a model of strong morals and family values in their cohesiveness and unity in crisis. Despite having encountered struggles since Mr. Gingold's passing, they have shown dignity and perseverence in coming together to grieve and to console one another.

Mr. Gingold's son and daughter-in-law, George and Anne Gingold, who are residents of the State of Connecticut, have graciously donated a collection of Mr. Gingold's books, music, letters, pictures, competition notes, and other materials to be available to teachers, musicians, and historians at the Library of Congress.

Josef Gingold lived a life that should be an example to all of us. He loved and provided for his family while as a professor of music at Indiana University. He will long be remembered as a man who touched many and helped countless others through his dedication and devotion to music and his passion for teaching.•

CODES AND STANDARDS PROGRAM

• Mr. BINGAMAN. Mr. President, today I rise in support of the Codes and Standards Program as mandated under the Energy Policy Act of 1992. Federal appliance efficiency standards were established because manufacturers wanted one Federal standard as opposed to 50 different, and perhaps inconsistent, standards.

The consumer benefits from the Codes and Standards Program. The program establishes minimum energy conservation standards for a variety of electrical components, electrical consumer goods and building codes.

The effects of the Codes and Standards Program are significant. For example, new energy standards for clothes washers have the potential to save consumers up to two-thirds of their current energy and water costs before the end of the decade.

The appliance standards adopted to date will save consumers a net of $132 billion over the lifetime of the affected products.

What is good for the consumer is good for the industry. The further benefits of this program are: The standards also decrease pressure on utilities to build new power plants; preserve precious natural fuel resources; promote greater water conservation in drought stricken states; make U.S. products more competitive in domestic markets against foreign competition.

I know that the industry has raised significant criticisms of the Department of Energy. As a result, the Department has organized workshops and public meetings with manufacturers to work towards consensus. I support continuing a consensus approach to revising standards.

Today, the Senate has accepted an amendment that will preclude the proposal, issuance, or prescription of rules on new or amended appliance and equipment standards for 1 year. After this limited time period for technical review, I urge my colleagues to remain firmly in support of the Codes and Standards Program.•

SEYBOURN H. LYNNE FEDERAL COURTHOUSE

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 170, S. 369.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 369) designating the Federal courthouse in Decatur, Alabama, as the "Seybourn H. Lynne Federal Courthouse," and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HEFLIN. Mr. President, I rise today to thank the Senate and the Senate Committee on Environment and Public Works for the unanimous support given toward the passage of S. 369, a bill which will rename the Federal Courthouse in Decatur, AL, in honor of Senior Judge Seybourn Harris Lynne.

This bill, which is cosponsored by Senator RICHARD SHELBY honors a distinguished Alabama jurist. Judge Lynne has contributed 45 years of dedicated service to the Federal bench, serving on the U.S. District Court for the northern District of Alabama.

Judge Lynne is a native for Decatur, AL, where he graduated from Decatur High School in 1923. He attended the Alabama Polytechnic Institute, the present-day Auburn University, and he graduated from this outstanding university with highest distinction. Judge Lynne then went on to earn his law degree from the University of Alabama School of Law in 1930. While he was in law school, he served as track coach and assistant football coach at the university. Upon graduation from law school, Judge Lynne practiced law in a partnership formed with his father, Mr. Seybourn Arthur Lynne.

In 1934, Judge Lynne was elected Judge of the Morgan County Court. He remained in that position until January 1941, when he took over the elected duties of judge of the Eighth Judicial Circuit of Alabama. On June 16, 1937, he married Katherine Donaldson Brandau of Knoxville, TN. In December of 1942, he resigned from the bench to voluntarily enter the military. After earning the rank of lieutenant colonel, he was relieved of active duty in November of 1945 and awarded the Bronze Star Medal for meritorious service in operations against the enemy.

When an opening occurred on the Federal bench, Alabama Senators Lister Hill and John Bankhead were called upon to provide an appropriate individual to be considered by the White House for this judgeship. After discussions and a reveiw of Judge Lynne's background, the decision was made to put forward his name. However, one important factor should be noted, namely that as he was being considered for a Federal judgeship, Judge Lynne was still serving his country in the South Pacific. In these days of self-serving rhetoric, it is refreshing to know that the outstanding reputation and attributes of Judge Lynne were already being recognized by his peers.

In January 1946, President Harry S. Truman appointed Judge Lynne to the United States District Court for the Northern District of Alabama. In 1953, he became the Chief Judge, and in 1973 he became Senior Judge.

As Chief Judge for the Northern District of Alabama, Judge Lynne was known as an outstanding leader. His knowledge and management skills ensured a solid, working relationship between the Federal bench and the bar. The Northern District was not burdened with a stale and over-ripe docket and the court's caseload was kept timely and up-to-date thanks to the leadership of Judge Lynne.

In addition to this leadership responsibilities, Judge Lynne worked hard and carried a full caseload. In fact, even in senior status, he continues to work long hours and keeps a complete docket of cases. Over the years, Judge Lynne has been recognized as an outstanding mediator who often was able to reconcile competing interests in order to forge a thoughtful compromise. A number of businesses and individuals in Alabama are growing and thriving today due to Judge Lynne's abilities as an arbiter who was able to settle complex and difficult disputes.

In addition to his life on the bench, Judge Lynne has been very active in church, civic, school and professional activities. He has served his church, Southside Baptist Church—Birmingham, AL, As a Deacon, A men's bible class teacher, and a trustee. He has also served both the Crippled Children's Clinic of Birmingham and the eye Foundation Hospital of Birmingham as trustee. In 1967, he served as the president of the University of Alabama law school Alumni Association.

Therefore, I believe that the naming of this Federal Courthouse is a fitting tribute to Judge Seybourne Harris Lynne for his tireless work on behalf of the State and Federal bench.

Mr. HATFIELD. I ask unanimous consent that the bill be considered and deemed read the third time, passed, and the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 369) was deemed read the third time and passed, as follows:

S. 369

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal Courthouse in Decatur, Alabama, is designated as the "Seybourn H. Lynne Federal Courthouse".

SEC. 2. LEGAL REFERENCES.

Any reference in any law, regulation, document, record, map, or other paper of the United States to the building referred to in section 1 is deemed to be a reference to the Seybourn H. Lynne Federal Courthouse.

BRUCE R. THOMPSON U.S. COURTHOUSE AND FEDERAL BUILDING

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 171, S. 734.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 734) to designate the United States Courthouse and Federal building to be constructed at the Southeastern corner of Liberty and South Virginia Streets in Reno, Nevada, as the "Bruce R. Thompson United States Courthouse and Federal Building," and for other purposes.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the bill be considered and deemed read the third time, passed, and the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 734) was deemed read the third time and passed, as follows:

S. 734

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled

SECTION 1. DESIGNATION OF BRUCE R. THOMPSON UNITED STATES COURTHOUSE AND FEDERAL BUILDING.

The United States courthouse and Federal building to be constructed at the southeastern corner of Liberty and South Virginia Streets in Reno, Nevada, shall be known and designated as the "Bruce R. Thompson United States Courthouse and Federal Building".

SEC. 2. LEGAL REFERENCES.

Any reference in a law, regulation, document, record, map, or other paper of the United States to the courthouse and Federal building referred to in section 1 shall be deemed to be a reference to the "Bruce R. Thompson United States Courthouse and Federal Building".

ALBERT V. BRYAN UNITED STATES COURTHOUSE

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 172, S. 965.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 965) to designate the United States Courthouse for the Eastern District of Virginia in Alexandria, Virginia as the "Albert V. BRYAN United States Courthouse."

Mr. HATFIELD. Mr. President, I ask unanimous consent that the bill be considered and deemed read the third time, passed, and the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 965) was deemed read the third time and passed, as follows:

S. 965

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF ALBERT V. BRYAN UNITED STATES COURTHOUSE.

(a) NEW COURTHOUSE.—

(1) IN GENERAL.—The Federal building located at Courthouse Square South and Jamieson Avenue in Alexandria, Virginia, shall be known and designated as the "Albert V. Bryan United States Courthouse".

(2) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building referred to in paragraph (1) shall be deemed to be a reference to the "Albert V. Bryan United States Courthouse".

(b) OLD COURTHOUSE.—

(1) IN GENERAL.—The Federal building located at 200 South Washington Street in Alexandria, Virginia, shall not be known and designated as the "Albert V. Bryan United States Courthouse".

(2) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the Federal building known and designated prior to the effective date of this section as the "Albert V. Bryan United States Courthouse" shall be deemed to be a reference to the Federal building referred to in paragraph (1).

(c) EFFECTIVE DATE.—This section shall become effective on the date of the completion of the construction of the Federal building referred to in subsection (a)(1).

FRANCIS J. HAGEL BUILDING

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 173, S. 1076.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1076) to designate the Western Program Service Center of the Social Security Administration located at 1221 Nevin Avenue, Richmond, California, as the "Francis J. Hagel Building," and for other purposes.

Mr. HATFIELD. I ask unanimous consent that the bill be considered and deemed read the third time, passed, and the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 1076) was deemed read the third time and passed, as follows:

S. 1076

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION OF FRANCIS J. HAGEL BUILDING.

The Western Program Service Center of the Social Security Administration located at 1221 Nevin Avenue, Richmond, California, shall be known and designated as the "Francis J. Hagel Building".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in section 1 shall be deemed to be a reference to the "Francis J. Hagel Building".

CORNING NATIONAL FISH HATCHERY CONVEYANCE ACT

Mr. HATFIELD. Mr. President, I now ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 174, H.R. 535.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the bill.

The legislative clerk read as follows:

A bill (H.R. 535) to direct the Secretary of the Interior to convey the Corning National Fish Hatchery to the State of Arkansas.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HATFIELD. I ask unanimous consent that the bill be deemed considered, read the third time, and the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 535) was deemed read the third time, and passed.

FAIRPORT NATIONAL FISH HATCHERY CONVEYANCE ACT

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 175, H.R. 584.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 584) to direct the Secretary of the Interior to convey a fish hatchery to the State of Iowa.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the bill be considered and deemed read the third time, passed, and the motion to reconsider be laid upon the table; and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 584) was deemed read the third time and passed.

NEW LONDON NATIONAL FISH HATCHERY CONVEYANCE ACT

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 176, H.R. 614.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 614) to direct the Secretary of the Interior to convey to the State of Minnesota the New London National Fish Hatchery production facility.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the bill be considered and deemed read the third time, passed, and the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 614) was deemed read the third time and passed.

GEORGE J. MITCHELL POST OFFICE BUILDING

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2077, just received from the House.

The PRESIDING OFFICER. The clerk will report the bill.

The legislative clerk read as follows:

A bill (H.R. 2077) to designate the United States Post Office building located at 33 College Avenue in Waterville, Maine, as the "George J. Mitchell Post Office Building."

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HATFIELD. Mr. President, I ask unanimous consent that the bill be deemed read the third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 2077) was deemed read the third time and passed.

ORDERS FOR THURSDAY, AUGUST 10, 1995

Mr. HATFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:10 a.m. on Thursday, August 10, 1995, former President Herbert Hoover's birthday; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day; that the Senate immediately resume consideration of the transportation appropriations bill, with 4 minutes for debate remaining on the Roth amendment, with the vote occurring on or in relation to the Roth amendment following that debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. HATFIELD. Mr. President, for the information of all Senators, the Senate will resume consideration of the transportation appropriations bill at 9:10 a.m. tomorrow, with a rollcall vote occurring at approximately 9:15 or 9:20 a.m. Additional rollcall votes have been stacked, with the remaining stacked votes limited to 10 minutes in length. Also, the Senate will consider the DOD authorization bill and the DOD appropriations bill. All Members should expect a late night session on Thursday in order to make progress and possibly complete action on all of these bills.

RECESS UNTIL 9:10 A.M. TOMORROW

Mr. HATFIELD. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 11:17 p.m., recessed until Thursday, August 10, 1995, at 9:10 a.m.

SENATE—*Thursday, August 10, 1995*

(Legislative day of Monday, July 10, 1995)

The Senate met at 9:09 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Lord of all life, we thank You that You are concerned about all aspects of our life as a nation. Therefore, no problem we face is too big for You and no detail too small to escape Your attention. That is a great assurance, Lord. We can ask for Your wisdom for our most momentous deliberations and also receive Your guidance in the most mundane decisions. We are responsible to You for how we appropriate the money entrusted to us for the welfare and good of this Nation. You have made this Senate a steward of Your resources. Bless the Senators as they deal with practical matters of transportation—roads, airlines, and railroads, and concerns about defense. Grant them a sense of partnership with You in seeking Your best for all phases of our life. Throughout this day keep them mindful of Your presence and receptive to Your power. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader is recognized.

SCHEDULE

Mr. DOLE. Mr. President, for the information of all Senators, the Senate is immediately resuming the consideration of the Transportation appropriations bill this morning.

Following 4 minutes of debate, the Senate will begin several consecutive rollcall votes on or in relation to the pending amendments to the Transportation appropriations bill. Following the disposition of the Transportation bill, it may be the intention of the majority leader to resume consideration of the DOD authorization bill. There can also be a cloture vote on the DOD authorization bill. But I will not set a time for that until I have a chance to consult with the Democratic leader. I understand they have a meeting this morning. I am certain we will work it out to everybody's satisfaction.

Senators should therefore expect further rollcall votes and a late-night session. As a reminder, a cloture motion was filed yesterday on the DOD authorization bill. Therefore, Senators may file first-degree amendments up to the hour of 1 p.m. today.

I yield 1 minute to the Senator from Alaska.

The PRESIDENT pro tempore. The Senator from Alaska is recognized.

(The remarks of Mr. MURKOWSKI pertaining to the introduction of S. 1144 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 2002, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

Pending:

(1) Jeffords-Leahy amendment No. 2337, to provide for the allocation to certain airports with respect to which commercial air service has been disrupted during the past 3 years, an annual subsidy under the essential air service program under subchapter II of chapter 417 of title 49, United States Code.

(2) Roth amendment No. 2340, to strike out sections 350 and 351, relating to waivers of the applicability of certain Federal personnel laws and procurement laws to the Federal Aviation Administration.

(3) Burns amendment No. 2341, to protect shippers in a captive shipper state.

(4) Pressler amendment No. 2345, to provide funding for rail freight infrastructure.

The Senate resumed consideration of the bill.

The PRESIDING OFFICER (Mr. ASHCROFT). The pending question is amendment No. 2340. Two minutes to a side have been allocated for debate prior to the vote.

The yeas and nays have been ordered. Who yields time?

AMENDMENT NO. 2337 WITHDRAWN

Mr. DOLE. Mr. President, before we have the debate, I ask that the Jeffords amendment be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the amendment (No. 2337) was withdrawn.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

AMENDMENT NO. 2340

Mr. ROTH. Mr. President, the Roth-Glenn amendment would strike the waiver that would free the FAA from being required to comply with Federal personnel and procurement policies. This waiver is bad policy; it sets a bad precedent; it is legislation of a most unfortunate type on an appropriation bill. With this waiver, the FAA could ignore Federal personnel and procurement policies and create whatever policies it sees fit. It could pay as little or as much as it wants; create new pensions; ignore such laws as competition in contracting.

Make no mistake, this waiver would result in serious controversy and litigation.

Mr. President, Senator GLENN and I are the ranking member and chairman of the Governmental Affairs Committee, which is the committee of jurisdiction on personnel and procurement policies. We stand ready to work with the FAA in reforming these policies, as we believe reform is necessary. But, we have received no request for any such waiver from the FAA.

In fact, last year, we gave the FAA authority to test waivers of procurement laws. But, this bill proposes a blanket exemption before we know the results of that test. Moreover, the GAO found the FAA's problems are not the procurement or personnel laws, but a lack of adequate management. The FAA cannot properly define what it wants to buy, estimate its costs, or administer its contracts.

If the Glenn-Roth amendment fails, mark my words, today is the day that the Senate gives birth to the next major procurement horror story. We are rewarding incompetent managers with more money and no accountability. We are putting both billions of dollars and lives at risk. I encourage my colleagues to defeat the motion to table this amendment.

Mr. President, I reserve the remainder of my time.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, very briefly, I would like to indicate the reason the Appropriations Committee brought this language to the floor. This was at the behest of the FAA and the administration saying we have a crisis, a very serious crisis in air safety, because the FAA, as administrators, for years have said they needed to get some kind of change in these rules. Secretary Peña and Administrator Hinson face this today.

One example: The FAA is the world's largest consumer of vacuum tubes and

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

there is, in this bill, a requirement to use $7 million to buy more when the private sector has thrown this technology out 20 years ago. Consequently, we have to recognize that it is a safety factor that involves this language. We did not make up this language.

Last night, there was discussion and debate saying, well, what is the role of the administration? We ought to get a clarification. Government Operations people said they have been ready to talk. Let me give you a recitation. We have a second letter. We had a letter from OMB supporting this. Secretary Peña sends us a second letter reiterating the vital importance to give them this kind of support.

DOT says they have talked to Governmental Affairs. DOT does support the committee provision. The National Performance Review, headed by Vice President GORE, specifically called for a special exemption for the FAA given its crisis situation.

So it is a very clear picture here because of whatever—I am not making any criticism to any committee. Senator LAUTENBERG and I have been following the support and the requests of the administration to help them out of this crisis for the sake of safety of our national airlines. Therefore, we will drop this language in conference if we can work out the solution.

In the meantime, I urge that we vote to table the Roth amendment.

The PRESIDING OFFICER. The question is on the motion to table the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 40, as follows:

[Rollcall Vote No. 381 Leg.]

YEAS—59

Ashcroft
Bennett
Boxer
Breaux
Bryan
Burns
Campbell
Coats
Cochran
Conrad
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Feinstein
Frist
Gorton
Graham
Gramm
Grams
Gregg
Harkin
Hatch
Hatfield
Helms
Hollings
Hutchison
Inhofe
Jeffords
Johnston
Kempthorne
Kerrey
Kerry
Lautenberg
Leahy
Lott
Lugar
Mack
McConnell
Mikulski
Moynihan
Murkowski
Murray
Nickles
Packwood
Pressler
Reid
Robb
Rockefeller
Santorum
Sarbanes
Shelby
Simon
Simpson
Thomas
Thurmond
Warner

NAYS—40

Abraham
Akaka
Baucus
Biden
Bingaman
Bond
Brown
Bumpers
Byrd
Chafee
Cohen
Daschle
Dodd
Dorgan
Exon
Faircloth
Feingold
Ford
Glenn
Grassley
Heflin
Inouye
Kassebaum
Kennedy
Kohl
Kyl
Levin
Lieberman
McCain
Moseley-Braun
Nunn
Pell
Pryor
Roth
Smith
Snowe
Specter
Stevens
Thompson
Wellstone

NOT VOTING—1

Bradley

So the motion to table the amendment (No. 2340) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2341

The PRESIDING OFFICER. On amendment No. 2341, there are now 4 minutes equally divided.

Who yields time?

The Chair informs the Senate that time is running for both sides.

Mr. HATFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BURNS. Mr. President, the next amendment is my amendment that we talked about last night.

Mr. BYRD. Mr. President, may we have order in the Senate so we can understand what the amendment is about?

May we have order?

The PRESIDING OFFICER. The Senate will suspend.

Mr. BYRD. Mr. President, I hope the Senator will not begin his explanation until we get order and we can hear what he says.

The PRESIDING OFFICER. The Senate will be in order.

Mr. BURNS. The amendment was nothing but language that would protect those States who are captive shippers if we phase out the ICC. I understand that was the intent of the budget resolution, and that is the route that we are taking. This language does nothing but protect those States who are captive shippers because in my State of Montana, I think there is only one, or maybe two, that would fall under that definition, because right now we have a circumstance where the freight rates on wheat shipping and on agricultural commodities shipped from Montana to Portland cost more than it does to ship from Omaha to Portland—to the same point—at a longer distance.

I understand there is some confusion. I visited with the chairman of the Appropriations Committee and have been assured that there will be money enough for a transition from the ICC to the Department of Transportation. If that be the case, then I would consider withdrawing this amendment altogether.

Mr. HATFIELD. I respond to the Senator from Montana by indicating two points: The first is the transition has yet to be blueprinted by the authorizing committee. Second, the House has $21 billion in theirs and we have $18 billion in ours for that orderly transition. We feel that by the time, hopefully, that we go to conference, we will have a little more clearer signal of how the transition is going to occur. We are willing to certainly have adequate figures, if that means yielding to the House for the figures for the transition.

Mr. BURNS. I think that would be the proper way, and that gives the Commerce Committee time enough. I know there is some concern by the ranking member and the chairman of the Commerce Committee. That would be the proper way to do it. I would rather do it through the authorizing committee than this way. But what I was afraid of is that I did not want to leave my farmers and people who ship agricultural commodities exposed during that transition because we are in that kind of a situation of being a captive shipper.

The PRESIDING OFFICER. Under the previous order, time for debate has expired.

AMENDMENT NO. 2341 WITHDRAWN

Mr. BURNS. Mr. President, I ask unanimous consent to withdraw this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the amendment (No. 2341) was withdrawn.

Mr. BURNS. I yield the floor.

AMENDMENT NO. 2345

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota, Senator PRESSLER, No. 2345. There are 10 minutes equally divided for debate.

Who yields time?

The Senator from South Dakota.

AMENDMENT NO. 2345, AS MODIFIED

Mr. PRESSLER. Mr. President, I send a modification to the desk.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The amendment is so modified.

The amendment (No. 2345), as modified, is as follows:

At the appropriate place in the bill insert the following:

On page 26, line 15, strike "1996." and insert "1996, except for not more than $50,000,000 in loan guarantee commitments during such fiscal year (and $5,000,000 is hereby made available for the cost of such loan guarantee commitments).".

On page 54, line 5, strike "$5,000,000" and insert "$12,500,000."

On page 54, line 8, strike "$99,364,000" and insert "$91,864,000".

On page 26, between lines 15 and 16, insert the following:

LOCAL RAIL FREIGHT ASSISTANCE

For necessary expenses for rail assistance under section 5(q) of the Department of Transportation Act, $12,000,000.

On page 3, line 6, strike "$9,710,000" and insert "$6,336,667".

On page 6, line 13, strike "$139,689,000" and insert "$134,689,000".

On page 18, line 1, strike "$5,000,000" and insert "$9,600,000".

Mr. PRESSLER. Mr. President, I would first like to extend my appreciation to the managers of the bill, Senators HATFIELD and LAUTENBERG, for agreeing to permit me to offer this amendment. We spent a good deal of time last night working in good faith to reach an agreement on proceeding forward on my proposal. I very much appreciate their assistance and that of their staffs and the staffs of several other Senators.

My perseverance on this matter is because of its great importance to my State and almost every other State. My amendment would provide funding for the Local Rail Freight Assistance Program and the Section 511 Loan Guarantee Program. These programs are critical to addressing our Nation's rail freight infrastructure needs.

Adequate investment in our Nation's transportation infrastructure makes for wise use of our very limited Federal resources. Therefore, as we consider this appropriations bill, we must determine funding priorities for our entire national transportation system. In that effort, we must not forget about one very critical transportation mode—rail freight service.

The appropriators were unable to fund the LRFA Program or the section 511 Loan Guarantee Program. I know they have worked hard to consider many funding requests. However, funding for these programs was not allocated. Yet these are the only Federal programs that provide for infrastructure investments in short-line and regional railroads.

As my colleagues know, H.R. 2002 provides a good deal of money to fund rail passenger service. I am proposing we not overlook the importance of rail freight service. Even limited Federal involvement will help to rebuild and improve the raillines serving our smaller cities and rural areas. These secondary raillines are critical to the survival of rural America's economy, but the capital to maintain them is extremely limited.

We have invested billions of dollars in Amtrak as well as high-speed rail initiatives, yet little has been invested in the rail freight lines serving our smaller communities. Federal involvement in rail service should not be limited to rail passenger transportation. Certainly, Amtrak and high-speed rail are important. However, for States like South Dakota, which has no Amtrak service and will never benefit from high-speed rail, funding for freight rail infrastructure is even more important.

The LRFA Program has proven to play a vital role in our Nation's rail transportation system. This program was created in 1973 and has helped States save raillines that otherwise would be abandoned. LRFA's matching requirements enable limited Federal, State, and local resources to be leveraged. Most of LRFA's success has been due to its ability to promote investment partnerships, thus, maximizing very limited Federal assistance.

Historically, LRFA has received only a very modest level of Federal funding. Only $17 million was provided for LRFA in fiscal year 1995, and then $6.5 million of that amount was rescinded by Public Law 104-6. Yet, LRFA remains very popular.

In fiscal year 1995, 31 States requested LRFA assistance for 59 projects—totaling more than $32 million in funding requests. But less than one-third of funding was available to meet these rail infrastructure needs. With continued railroad restructuring, these legitimate funding needs will only increase.

On July 20, the Senate Commerce Committee approved legislation to permanently authorize LRFA at $25 million annually.

As my colleagues may already know, oftentimes, small railroads face unique problems and difficulties securing needed financing. Unlike other businesses that need short-term loans, smaller railroads need long-term financing for big ticket items, ranging anywhere from equipment to track rehabilitation. Yet, I understand most financial institutions will not make loans that are not repaid within 7 or 8 years. These loan arrangements simply do not work for smaller railroads. Section 511 loans were permanently authorized to address these problems and should be funded.

In this era of significant budgetary pressures, the 511 Program provides a cost effective method of ensuring modest infrastructure investment on a repayable basis. We should support programs like the 511 Program and LRFA that provide excellent leverage of our limited Federal dollars.

The 511 Railroad Loan Guarantee program is permanently authorized at $1 billion, of which approximately $980 million currently is available for commitment. The Credit Reform Act rules require an appropriation for the 511 Loan Program to cover the anticipated loss to the Government over the life of each loan. Based on a fiscal year 1994 appropriation for a 511 project in New York State—the first 511 application processed under the rules of the Credit Reform Act—5 percent of the total loan obligation level must be appropriated.

Several regional and short-line railroads are ready to submit loan applications as soon as the program is appropriated funding. My amendment provides $10 million to enable up to $100 million in loans.

I have worked to find the least painful offset possible. The managers and their staffs, as well as the staffs of several other Senators, helped me in that effort. These programs would be offset by reductions in administrative expenses. I believe we have accomplished a reasoned approach.

Mr. President, LRFA and the 511 Program are worthy programs and should be funded. I urge my colleagues to support my amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. HATFIELD. Mr. President, as much as I would like to respond to the request of the Senator from South Dakota, I have to report to the body of the Senate this account has expired. It is not authorized.

The authorization in the Amtrak bill that was reported ordered out of the Commerce Committee in July has not been filed with any report, so consequently we cannot say it is authorized.

We rescinded the 1995 amount left in their unexpended budget in the rescissions package.

The budget resolution terminated the program in the assumptions of the budget resolution.

So consequently, as much as we might be prone to help, we are doing this within that kind of a framework and therefore, as the Committee on Appropriations tries to follow the authorizers and tries to accommodate to the authorizers, this does not really authorize the program.

So I would move to table the Pressler amendment under those circumstances, unless there is someone else who wants to use some of my time to make further comment.

I might also say it offsets some very vital programs of the next generation of rail and similar such programs in which we have already made commitments in this budget in allocating money for those programs.

I move to table the Pressler amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Pressler amendment 2345, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER (Mr. INHOFE). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 382 Leg.]

YEAS—56

Bennett
Biden
Boxer
Breaux
Brown
Bryan
Chafee
Coats
DeWine
Dodd
Domenici
Feinstein
Ford
Frist
Gorton
Graham
Gramm
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Levin
Lieberman
Mack
McCain
Mikulski
Moseley-Braun
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pryor
Reid
Robb
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Thomas
Thompson
Warner

NAYS—43

Abraham
Akaka
Ashcroft
Baucus
Bingaman
Bond
Bumpers
Burns
Byrd
Campbell
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
Dole
Dorgan
Exon
Faircloth
Feingold
Glenn
Grams
Grassley
Gregg
Harkin
Hatch
Kassebaum
Kempthorne
Kerrey
Leahy
Lott
Lugar
McConnell
Murray
Pressler
Rockefeller
Snowe
Specter
Stevens
Thurmond
Wellstone

NOT VOTING—1

Bradley

The motion to table the amendment (No. 2345) was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, I ask unanimous consent that two letters from Alice Rivlin relating to the issue we have voted on on the Roth amendment be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, August 10, 1995.

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, DC.

DEAR SENATOR HATFIELD: I understand concerns have been raised about language in the Department of Transportation appropriations bill that would exempt the Federal Aviation Administration from federal personnel and procurement rules, outside the context of the Administration's proposal to make the FAA a government corporation. The Administration is on record as supporting personnel, procurement, and budget reform in the FAA.

The Adminstration's view is that the FAA has a special situation in terms of personnel, procurement, and budget laws, due to its operating demands. The Administration's views should not be considered as a precedent for our views on other possible proposals to exempt government organizations from personnel and procurement rules.

Sincerely,

ALICE M. RIVLIN.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, August 10, 1995.

Hon. MARK HATFIELD,
Chairman, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Administration strongly supports reform of the personnel and procurement practices of the Federal Aviation Administration.

The Administration called for such reforms in the comprehensive FAA reform legislation submitted on March 30, 1995, to create an Air Traffic Control Corporation. Air traffic control is unlike any other government function, in that it is the only 24-hour-a-day, 365-days-a-week government operation that activities of an entire industry. Moreover, the budget constraints we face in the coming years requires that we take actions now to give the Department and the FAA the flexibility it needs to staff and operate critical safety functions. There are urgent needs for ensuring the safety and effectiveness or our air traffic control system as we move into the next century. We greatly appreciate your attention and the attention of the Senate Commerce Committee to this central issue.

Sincerely,

ALICE M. RIVLIN.

COMMITTEE RECOMMENDATION FOR TRANSIT

Mr. DOMENICI. Mr. President, I seek recognition to engage in a colloquy with the distinguished chairman and ranking member of the Appropriations Committee regarding the funding provided through the Federal Transit Administration for section 3 projects.

Mr. HATFIELD. I will be pleased to discuss this matter with the Senator from New Mexico.

Mr. LAUTENBERG. I am pleased to join in the colloquy.

Mr. DOMENICI. Mr. President, the State of New Mexico, like many of our Western States, has more highway transportation than rail or transit. Very seldom do I receive a request for assistance from a town or city for assistance with their local transit systems.

However, after the Senate Appropriations Committee considered this bill, I did receive a request from the city of Taos, NM for funding through the section 3 program of the Federal Transit Administration for a small amount to support maintenance facilities and ADA-equipped buses.

As the chairman knows, the retrofitting requirements for buses and other transportation systems under the Americans With Disabilities Act is very costly for small jurisdictions in particular.

I realize that the committee has fully subscribed the section 3 program in the bill. I would hope, however, that should the full amount currently in the bill not be utilized in conference, that the committee might give this important request its consideration for inclusion in the final bill.

Mr. HATFIELD. Although it is difficult to anticipate the disposition of the section 3 funding in conference, I believe the conferees would be willing to consider this request at the appropriate time.

Mr. LAUTENBERG. I, too, think the conferees could consider this request when it considers the section 3 funding.

Mr. DOMENICI. I would appreciate review and consideration of this matter in conference. I thank the distinguished chairman and ranking member for their time.

ESSENTIAL AIR SERVICE

Mr. DASCHLE. Mr. President, Senator PRESSLER and I would like to engage the distinguished chairman of the Appropriations Subcommittee on Transportation, Senator HATFIELD, and the distinguished ranking member of the subcommittee, Senator LAUTENBERG, in a colloquy on H.R. 2002, the fiscal year 1996 transportation appropriations bill and essential air service [EAS].

Mr. HATFIELD. Mr. President, Senator LAUTENBERG and I would be happy to discuss the EAS provisions in the appropriations bill with the Democratic leader, Senator DASCHLE, and the distinguished chairman of the Commerce Committee, Senator PRESSLER.

Mr. PRESSLER. Mr. President, before discussing the EAS provisions in the bill, I would like to take this opportunity to commend the chairman and the ranking member on the Transportation Appropriations Subcommittee for the fine work they did on this bill. As chairman of the Commerce Committee, I understand the difficult choices they had to make and the limited resources they had at their disposal.

Mr. HATFIELD. Mr. President, I thank the distinguished chairman of the Commerce Committee for his kind remarks.

Mr. DASCHLE. Mr. President, Senator PRESSLER and I understand the fiscal year 1996 transportation appropriations bill, as approved by the Appropriations Committee, limits EAS subsidies for those communities that, first, are located fewer than 75 highway miles from the nearest large, medium, or small hub airport; and, second, require a rate of subsidy per passenger in excess of $200, when that community is less than 200 miles from a large or medium hub.

Mr. LAUTENBERG. Mr. President, the Senator is correct.

Mr. HATFIELD. Mr. President, that is also my understanding.

Mr. DASCHLE. Mr. President, under those restrictions using 1993 data, it is our understanding that Brookings, SD and Mitchell, SD would no longer be eligible for EAS subsidies because they are located more than 75 miles from the Sioux Falls airport. As my colleagues on the Appropriations Subcommittee on Transportation know, under data compiled by the Department of Transportation in 1993, the Sioux Falls airport was determined to be a small hub.

Mr. HATFIELD. Mr. President, the Senator is correct. The Department of Transportation determined that the Sioux Falls airport was a small hub in 1993.

Mr. LAUTENBERG. Mr. President, that is also my understanding.

Mr. PRESSLER. Mr. President, Senator DASCHLE and I also understand that preliminary data compiled by the Department of Transportation for 1994 indicates that enplanements have declined at the Sioux Falls airport to such an extent that it will no longer be considered a small hub.

Mr. LAUTENBERG. Mr. President, it is our understanding that the Sioux Falls airport, in fact, will no longer be considered a small hub according to preliminary data compiled by the Department of Transportation for 1994.

Mr. PRESSLER. Mr. President, it is our understanding that since the Sioux Falls airport will not be considered a small hub, Brookings and Mitchell, SD will be further than 75 miles from a large, medium, or small hub and, consequently, will continue to be eligible for EAS subsidies.

Mr. HATFIELD. Mr. President, the Senator is correct. The administration will be using the most current data that they have available when administering the program in fiscal year 1996.

Mr. LAUTENBERG. Mr. President, that is also my understanding.

Mr. PRESSLER. I want to thank the chairman and the ranking member of the Appropriations Subcommittee on Transportation for their clarification and assurance.

Mr. DASCHLE. Mr. President, I, too, would like to thank my distinguished colleagues for this clarification.

Mr. WARNER. Mr. President, I rise to discuss my concerns with some legislative provisions in this appropriations bill and to pledge to continue working with my colleagues on the Appropriations Committee to correct these deficiencies.

First, I must state that I regret that the committee recommends $1 billion less for highway programs than Congress approved in 1995. These funds are available in the highway trust fund and must be fully utilized so that our States can maintain an efficient transportation system, one able to compete in a global marketplace.

This bill also contains legislative provisions that are under the purview of the Committee on Environment and Public Works. I concur with the committee's recommendation, with some technical adjustments, to provide States with increased flexibility to address the section 1003 provision in ISTEA which could result in a 13-percent reduction in State apportionments in Federal-aid highway funds in 1996. This fix will allow States to trade in unobligated balances from prior years to restore fiscal year 1996 apportionments.

As the chairman of the Environment and Public Works Subcommittee on Transportation and Infrastructure, I can assure my colleagues that we have been working on a resolution to this situation for the past several months. When the Senate was considering S. 440 to designate the National Highway System, there was no consensus among the States and the Department of Transportation on how best to fix the section 1003 problem. This compromise clearly addresses a critical problem the States will be facing at the beginning of the new fiscal year, on October 1. For this reason, I support its addition to the appropriations bill.

However, I do not support the provision which provides for regional infrastructure banks as currently drafted. No emergency situation exists which requires the Congress to prematurely adopt this proposal. I am generally favorable to innovative finance solutions which would allow States to leverage their funds to address the backlog of infrastructure needs. Several provisions were incorporated into the National Highway System legislation to grant States new authority in this area.

The regional infrastructure bank proposal put forth in this legislation is unworkable for our States and unlikely to achieve its intended purpose. Primarily, I strongly oppose the requirement that State infrastructure banks be regional before a State can have access to airport funds. The Federal Highway Administration advises me that their interpretation of this provision requires that there be multistate banks before any of these funds could be utilized.

While I believe there is merit to voluntary State infrastructure banks where States determine if their highway funds should be used for this purpose, I fundamentally reject the comingling of airport and highway funds as permitted in this proposal. Highway trust fund dollars are collected by a tax motorists pay on gasoline for the direct purpose of constructing and maintaining our surface transportation system. We would be breaking faith with our citizens each time they buy a gallon of gasoline if we allow these funds to be used for airport purposes.

As I have previously mentioned, it appears that this provision will be very difficult for our States to implement. There are only a few large States that currently have the ability to take advantage of this provision. Many States would have to change their State constitutions or State laws to create these regional infrastructure banks to allow the mixing of multistate funds.

Mr. President, it is my hope that the chairman of the Appropriations Committee will continue to work with us on this very complex and important matter which could change the direction of financing our Nation's infrastructure needs. When the Senate goes to conference on the National Highway System legislation, it is my intention to address the need for voluntary State infrastructure banks, in cooperation with State departments of transportation and other users of our surface transportation system.

Mr. BINGAMAN. Mr. President, I rise today to commend the two floor managers of the bill, the distinguished Senator from Oregon, Senator HATFIELD, and the distinguished Senator from New Jersey, Senator LAUTENBERG, and their staff, for their excellent and efficient management of the fiscal year 1996 Appropriations Act for the Department of Transportation.

I would like to take a few moments to discuss an amendment I offered last night, which passed by voice vote without objection. My amendment encourages agencies funded under the bill to become more energy efficient and directs them to reduce facility energy costs by 5 percent. The agencies will report to the Congress at the end of the year on their efforts to conserve energy and will make recommendations for further conservation efforts. I have offered this amendment to every appropriations bill that has come before the Senate this year, and it has been accepted to each one.

I believe this is a common-sense amendment: The Federal Government spends nearly $4 billion annually to heat, cool, and power its 500,000 buildings. The Office of Technology Assistance and the Alliance to Save Energy, a nonprofit group which I chair with Senator JEFFORDS, estimate that Federal agencies could save $1 billion annually if they would make an effort to become more efficient and conserve energy.

Mr. President, I hope this amendment will encourage agencies to use new energy savings technologies when making building improvements in insulation building controls, lighting, heating, and air-conditioning. The Department of Energy has made available for government-wide agency use streamlined energy saving performance contracts procedures, modeled after private sector initiatives. Unfortunately, most agencies have made little progress in this area. This amendment is an attempt to get Federal agencies to devote more attention to energy efficiency, with the goal of lowering overall costs and conserving energy.

As I mentioned, Mr. President, this amendment has been accepted to every appropriations bill the Senate has passed this year. I am pleased my colleagues support it, and again, I thank the floor managers for their assistance. Thank you.

TERMINAL DOPPLER WEATHER RADAR (TDWR)

Mr. JOHNSTON. Mr. President, windshear remains the primary weather-related threat to airline safety. The FAA originally established a requirement for 102 TDWR systems for the U.S. airports that have significant risks from windshear—severe weather exposure. To date, 47 TDWR systems have been purchased; 55 systems remain to be acquired and installed.

The Senate Appropriations Committee was under severe budget restrictions, but did add funding of $2,500,000 above the FAA request for the installation of a previously purchased TDWR at Las Vegas and for the environmental impact statement process in New York. The House added funding for five new TDWR's.

Baton Rouge and Shreveport have been identified as airports in need of TDWR systems to identify windshear. Both the chairman and ranking Member spoke of the need for additional funding for worthy projects. While I fully understand the budget constraints on all of the appropriations bills, I would encourage the conferees to review the potential for saving lives that these systems bring to those of us who travel, or have loved ones who travel by air.

LOW ROLLING RESISTANCE AND TIRE GRADING STANDARDS

Mr. GLENN. Mr. President, I rise today to address a question raised by the committee during its consideration.

A provision included in the House passed bill provides that none of the funds appropriated by the act may be obligated or expended to plan, finalize, or implement any rulemaking to add to section 575.104 of title 49 of the Code of Federal Regulations any requirement pertaining to a grading standard that is different from the three grading standards—treadwear, traction, and temperature, already in effect.

The Senate subsequently struck this provision. While I appreciate the committee's position on this provision and understand the difficulty faced by the committee as it deals with the regulatory process, I wanted to make clear my concerns about the proposed regulations regarding tire grading standards.

As part of a response to the President's Climate Change Action Plan, the National Highway Traffic Safety Administration [NHTSA] has issued a notice of proposed rulemaking to amend the uniform tire quality grading standards [UTQS] to replace the temperature resistance grade with a rolling resistance/fuel economy standard.

This proposal is currently under consideration by NHTSA and if implemented, tire manufacturers are required to add a new rolling resistance grading standard whose value I believe is questionable.

The proposed regulation assumes that lower rolling resistance will reduce fuel consumption. While there is some validity to the premise, in practice it is uncertain and other factors beyond rolling resistance contribute. If low rolling resistance does not effectively reduce fuel consumption then any demonstrated environmental impact is diminished.

Tire design is a matter of tradeoffs. For every positive feature some allowance may be made for a reduction in other characteristics. Lower rolling resistance can compromise traction or treadwear and therefore safety. I believe that these tradeoffs have not been adequately reviewed.

I am concerned that the cost to both industry and the consumer will outweigh any benefit. I understand that the additional cost of each tire is estimated to be $22 and that even after potential fuel savings are included, the consumer will not pay for the investment.

Tire manufacturing is already a globally competitive industry. Additional costs could impact that competitiveness. This rule would also raise a question regarding nontariff trade barriers.

I raise these concerns so that the committee will be fully aware of these issues as it proceeds to conference and that these questions can be considered as it continues its work on this bill.

Mrs. BOXER. Mr. President, this appropriations bill providing funds for the agencies of the Department of Transportation is truly bittersweet for this Senator from California.

Although there is much in this bill that will benefit my State, however, the budget cuts are deeply disturbing. The bill is $1 billion less in total spending for transportation over funding for the current fiscal year. These cuts were foreseen when the Senate voted for the Republican budget resolution. I opposed the budget resolution, in part because of how these drastically lower budget levels would block our progress in repairing and improving our infrastructure and reinvigorating our economy. This is a budget largely in retreat from the challenges ahead.

Our air traffic control system is in crisis. Wednesday's power failure of two of the three power generators—while the third was off line for maintenance—at the Air Route Traffic Control Center at Oakland, CA, was only the latest failure of our aging, 1950's and 1960's era air traffic control system. The Oakland center lost all radar, flight data processing and communications system power. Power was restored in just over an hour but only after causing serious disruptions and threats to air safety for about 60 to 70 aircraft in the area.

Sufficient funding for critical air traffic control improvements must be a priority. The bill provides $8 million for air traffic management technology which was not funded by the House. This funding is key to avoid delays in the development of new traffic flow management capabilities for the air traffic control system. At $12 million, the bill maintains the current year's level of funding for system capacity, planning and improvements, but it is double the House level. Air safety technology is increased overall from $30 million by the House to $40.5 million in the Senate.

However, I am concerned that neither the House nor the Senate funded the administration's request for $1 million in cabin safety technology research. As the former chair of the House Government Activities and Transportation Subcommittee, I can attest to the ongoing need for Federal efforts for improved cabin safety, particularly in reducing flammability and improved exiting.

I also join with the ranking member, Senator LAUTENBERG, in deploring the cuts in incentive pay for our overworked air traffic controllers. I support his efforts to try and restore some of these funds in conference with the House.

Despite tough budget cuts, we have cause to praise other elements of this bill that deserve recognition. In recognizing the scarcity of transportation project funds, the committee crafted an innovative financing plan based on the administration proposals. Although the plan is not as well funded from the Federal side as I had hoped, it will permit California to obtain attractive, private sector financing for major infrastructure improvements.

The bill creates State and regional infrastructure banks, providing $250 million in Federal general revenue funds and permitting States to allocate up to 10 percent of their Federal highway dollars. Funds deposited in these banks will capitalize a revolving loan program and enable the States to obtain a substantial line of credit. The infrastructure banks will assist a variety of projects, including freight rail, aviation and highway projects. This assistance would be in the form of financing for construction loans, pooling bond issues, refinancing outstanding debt and other forms of credit enhancement.

California will receive $21 million for this purpose, the highest of any State.

I am pleased that the Senate unanimously accepted my amendment to ensure that California, and other States which already have authorized State infrastructure banks, could participate and not be required to form multi-State compacts as provided in the bill. This will help the State move quickly on a financing program.

I am also pleased that the committee, at my request, cited in its report the Alameda Transportation Corridor project to improve the rail and highway access to the Port of Los Angeles and Long Beach as a fine example of a project that could benefit from this financing. I hope that the State will decide to use this option to help the Alameda Corridor project. This financing could also benefit the efforts in San Diego to reopen the 108-mile San Diego and Arizona Eastern Railway, providing San Diego companies direct access to El Centro-based rail networks to the Eastern United States and the interior of Mexico.

These are important infrastructure projects of both State and national significance and will help expand trade and create jobs.

California benefitted from several individual projects in this bill.

In particular, I had personally urged members to support the President's request for $22.6 million for the bay area rail program. This funding is vital for the airport expansion project of the Bay Area Rapid Transit District and the light rail program along the Tasman Corridor in Santa Clara. Not only did the Senate more than double the level provided by the House, but the funding is directed for the bay area program and not limited to BART. This is an important distinction. The bay area program is a careful regional compromise to provide needed passenger rail transportation improvements. The House funding directed only to BART is an inappropriate interference with this local program.

Unfortunately, the bill also severely under funds the Metro Red Line [MOS-3] extension in Los Angeles. The $45 million is drastically below the $159 million requested by the President and $125 million set by the House.

However, despite my urging for the committee to approve the President's request, I am not surprised by the cut. The problems in subway construction, particularly the lack of adequate oversight and maintenance of construction standards, combined with the disunity among local officials resulted in this severe cut. I am hopeful that we can persuade the House and Senate conferees to at least meet halfway to provide $85 million for the program.

Despite this cut, the committee nearly doubled the House level for the Gateway Intermodal Center in Los Angeles, providing $12 million to complete the facility which will house the central connections for the subway, commuter rail and interstate passenger rail traffic.

I am also pleased at the $8 million set aside for the Advanced Technology Transit Bus, the so-called stealth bus that uses the expertise that Northrop developed for the stealth fighter into a high-tech urban transit bus for the next century. This funding—above the President's request—will ensure that we will have prototypes ready to roll in the fall of 1996.

The bill includes my request for $4.5 million to the bay area transit systems to help them implement the Americans with Disability Act requirements. These improvements include fixed-route improvements for the Contra Costa Transit District, a replacement van for Western Contra Costa County Transit Authority, 25 vans for San Francisco Muni, and 20 paratransit vehicles, signs and bus stop improvements for the Santa Clara County Transit District.

There is $10 million that I requested for a San Diego-Mexico border bus/highway center. The San Ysidro Intermodal Transportation Center operated by the Metropolitan Transit District Board will provide improved traffic circulation improvements at this major United States-Mexico border crossing.

There is $10.56 million that I requested for the San Joaquin Rapid Transit District in Stockton. The district has an extensive bus replacement program for this rapidly growing area with serious air quality problems. Funding will help provide seven replacement and 10 expansion buses using Compressed Natural Gas technology. Another 17 replacement and 6 expansion buses are needed for demand response services and 25 vans for alternative transportation services.

The bill also provides $3 million to the Long Beach Transit District for its bus replacement and parts program.

Mr. President, although this bill hardly provides everything we need in California to erase our infrastructure deficit, at least California received a fair share of the funds provided and provides tools for leveraging scarce Federal dollars.

Mr. MCCAIN. Mr. President, I want to applaud the Appropriations Subcommittee on Transportation for its good work on the fiscal year 1996 transportation appropriations bill. They produced a relatively pork-free bill and for that they deserve much credit.

I did want to specifically note two provisions in the bill which do cause me concern.

The bill mandates that $15,000,000 for debt retirement of the Port of Portland, OR. I strongly object to this earmark being included in the bill.

There are many communities around the country which have outstanding bonds and debt which they must pay. Those cities and localities are working hard to better their fiscal condition. But they are doing it on their own initiative. They are not receiving a Federal bailout. And, Mr. President, that is exactly what this provision is: a Federal bailout.

It is unfair to those many communities that we are using the Federal largesse to help one specific city on the basis of less than compelling factors.

Additionally, the bailout is not truly necessary.

Proponents of the bailout claim the port is owed this money because a proposed change in law included in the Alaska Power Administration Sale Act which is pending in Congress, will adversely affect the port's financial viability and alter a longstanding Federal-State agreement. While it is true that we are proposing to change the law, such a change, I believe will not adversely affect the Port of Portland in the long run.

Under current law, Alaskan oil is carried by U.S.-flag ships from Alaska to the Port of Portland. Because of the large amount of ship traffic, the port has stayed relatively busy. Port officials are concerned, however, that if these same ships are allowed to carry this oil across the Pacific that they will have their repairs done in Asia, which will result in a loss of business for the Port of Portland.

I believe this fear to be unfounded and thus the bailout not truly necessary. United States law requires that Alaskan oil must be carried in U.S.-flag ships. Additionally, these tankers must pay a 50-percent duty for any repairs made in a foreign port. This is a strong disincentive for such operators to have repair done outside the United States. As a matter of fact, the additional wear and tear on these ships generated by their extensive travel may result in an even greater use of the Port of Portland in the long run.

Additionally, close examination of the port's financial reports show that the shipyard's fiscal strength began to decline in the mid-1980's. Therefore, it is hard to believe passage of any legislation in 1995 would be responsible for a 10-year slow decline of the port's business.

Further, while the shipyard has been in decline, other assets held by the port have been rapidly growing. The Port of Portland controls and operates a seaport, Portland International Airport, and several real estate holdings in the Portland area. Portland International Airport is one of the fastest growing airports in the Nation. In 1994, the number of passengers using the airport increased by 16 percent and the amount of freight increased 14 percent. The shipping activities of the seaport have also been growing—outpacing the growth of all other seaports on the west coast. There is no reason to believe that this growth will not continue to occur.

These booming holdings of the Port of Portland should be more than able to help the port during any further economic decline, and thus there is no need for Federal assistance to this local—not Federal—entity.

I also want to note my dismay over a provision added to the bill that would mandate that the General Services Administration and the Department of Agriculture transfer Federal land to the city of Hoboken, NJ.

Mr. President, I raise this not to debate whether the land in Hoboken should or should not be transferred to the city. I am told by GSA that they would not oppose such a transfer and that the Federal Government has no further use for the land.

I raise this issue because there is an administrative procedure in place that governs the disposal of excess or unneeded Federal property. That administrative procedure is designed to ensure that all parties are treated fairly, and that the Government's—and the taxpayer's—best interests are paramount. By adding a provision to this bill to mandate the immediate disposal of this Federal land, the proper process is being circumvented. Elected officials, and the public, have no way to know if we are doing the right thing when the proper, open process is circumvented. We can only speculate that this transfer is truly in the public's interest, not to mention that bypassing appropriate procedures invites others to do the same which is neither fair nor in the public interest.

Both of the provisions I have mentioned should not be in this bill and I would hope they would both be dropped in conference.

I yield the floor.

Mr. HATFIELD. I believe the Senator from Arizona, [Mr. McCAIN], desires to have a brief colloquy before we go to final passage.

Mr. McCAIN. Mr. President, I will say to the Senator from Oregon, the distinguished chairman, in light of the failure of the tabling motion of this language concerning the FAA procurement and personnel reform, I ask unanimous consent that there be language inserted that that would not take effect until the 1st of April, as we have discussed before, in order that the authorizing committees might have an opportunity to act in an overall broad reformation of the FAA and the funding.

I seek that unanimous-consent request from the chairman of the Appropriations Committee.

Mr. HATFIELD. Mr. President, the Senator is correct. This was a discussion yesterday and last evening as well. We are very happy to join in that unanimous-consent request.

Mr. LAUTENBERG. Mr. President, I agree. I think it is a wise decision and I appreciate the fact that the Senator from Arizona recommended it. It will give the committees an opportunity to do what we wanted them to do in the first place, very frankly, and the reason for the language in the bill. So I think it is a good idea.

Mr. McCAIN. Mr. President, I ask unanimous consent that language be inserted at the appropriate point in a technical fashion, a technical amendment, in order to make the effective date of procurement reform, personnel reform of the FAA effective as of April 1.

The PRESIDING OFFICER. Is there objection? Will the Senator send his amendment to the desk?

Mr. McCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 1087

Mr. DOLE. Mr. President, while we are waiting, I ask unanimous consent that upon disposition of H.R. 2002, the Department of Transportation and related agencies appropriations bill, the Senate turn to consideration of S. 1087, the DOD appropriations bill. This has been cleared on the other side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, let me just say for the information of all Senators, the Senate will begin consideration of the DOD appropriations bill after disposition of the pending matter. In the meantime, various Senators are still negotiating ABM language that has blocked the Senate from concluding action on the DOD authorization bill.

As soon as that language has been agreed to on both sides, if agreed to, it will be my intention to call for the regular order with respect to the DOD authorization bill and complete action on that very necessary authorization bill. Once that has been completed, the Senate will resume the DOD appropriations bill and remain on that item until disposed of. If they do not get an agreement, we will finish the DOD appropriations bill.

There are also a number of nominations we have had a number of inquiries about. Depending on what else happens, we may be able to accommodate some of those requests. I know the Secretary of the Treasury, Secretary Rubin, is very, very concerned about Larry Summers, a Treasury Department nominee. As I understand, there are at least 25 holds on that nomination. I am not certain we will be able to accommodate Secretary Rubin. We will be checking on this side of the aisle to see if there is any opportunity.

Mr. STEVENS. Will the leader yield? I wonder if we can get an agreement that there will be no amendment in order on the Defense appropriations bill dealing with the controversy that surrounds the authorization bill, the ABM Treaty. It makes no sense to go on the appropriations bill if we are going to bring to the floor the people who are negotiating to finally resolve the problem on the authorization bill. I hope there will be an agreement our bill will not have any amendment pertaining to the ABM controversy.

Mr. DOLE. I think we will wait until we get to the bill first.

Mr. STEVENS. I just want everyone to know that while they are here. I am reluctant to take up the bill and get involved in the ABM controversy. As I said, it will bring the people out of the office who are hoping to get that resolved. I will wait, however.

Mr. DOLE. We will wait until we get to the bill.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, we did not object to going to Defense appropriations since it is understood that we can come back to the Defense authorization bill, which we really ought to pass before we pass Defense appropriations.

As I understand it, we will come back to it just as soon as resolution is reached on the question of ABM. Senator NUNN of Georgia, the ranking member, I believe is working hard on that, and others are working from our side. We hope to be able to reach an agreement on that.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2348

Mr. McCAIN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. McCAIN] proposes an amendment numbered 2348.

Mr. McCAIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 72, after line 15, insert: "(c) This section shall take effect on April 1, 1996."

On page 73, after line 24, insert: "(c) This section shall take effect on April 1, 1996."

The PRESIDING OFFICER. Is there objection to the amendment? Without objection, the amendment is agreed to.

So the amendment (No. 2348) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROBB. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATFIELD. Mr. President, we are prepared to go to third reading.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read the third time.

The bill was read the third time.

Mr. STEVENS. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I expect to detain the Senate for a few minutes.

Mr. President, I commend the chairman of the full Appropriations Committee, Mr. HATFIELD, for assuming the chairmanship of the Transportation Subcommittee.

May I say to Senators I expect to speak 10 or 15 minutes. I do that with some apologies, but I think this is a very important bill, and I will not overly detain my friends. This will not be one of my long speeches. Cicero was asked which of the orations of Demosthenes he liked most. Cicero answered, "the longest." This will not be my longest. However, I have a few things I want to say about this bill.

I have been a member of the subcommittee for many years and have long been an advocate for increased and sustained funding for our Nation's transportation infrastructure. This is fundamental to the economic health of this Nation.

I know that Senator HATFIELD agrees that our Nation's economic prosperity depends heavily on the adequacy of our highways, our airports, our railroads, and transit systems. And as such, Mr. President, H.R. 2002, the Transportation appropriations bill, is a critically important bill for the overall economic health of our Nation. I also want to congratulate not only Senator HATFIELD but also the former chairman of the Transportation Subcommittee, Senator LAUTENBERG, for the expeditious manner in which this bill has been reported to the floor. The bill was passed by the House of Representatives just 2 weeks ago. The Senate Transportation Subcommittee met to report its recommendations to the full committee just 1 week later. The full Appropriations Committee reported the bill to the Senate this past Friday, and the Senate is about to approve the bill.

Senator HATFIELD and Senator LAUTENBERG wasted no time in preparing and advancing a bill once the House of Representatives completed its work. In addition to thanking the managers of the bill, I want to recognize the contributions of the staff of the Transportation Subcommittee, Pat McCann, Anne Miano and Joyce Rose of the majority staff, as well as Peter Rogoff of the minority staff, for their hard work on this bill.

Unfortunately, the House bill, as well as the bill before us, is substantially below a freeze in both discretionary budget authority and outlays. Indeed, the bill before us is a full $1 billion in outlays below a fiscal year 1995 freeze. As such, I fear that this bill continues a trend of Federal disinvestment in our Nation's physical infrastructure. That is why I have taken the valuable time of Senators at this point. I want to make us all aware again of the fact that we have an investment deficit in this country and have had. I pleaded that case when I was at the summit in 1990. I urged that we spend more money on America—on America's people, on America's infrastructure. We not only have a trade deficit, we not only have a Federal budget deficit, we also have an investment deficit. Since 1980, the investment in physical infrastructure has declined, both as a percentage of all Federal spending, and as a percentage of our Nation's gross domestic product. The cuts embodied in this bill only exacerbate this trend—a trend that is both shortsighted and unwise.

Any businessman will tell you that a business cannot prosper for very long if the necessary investments are not continually made in the tools and machinery that provide the engine for that prosperity.

The owner of a small manufacturing plant can, perhaps, delay investments in new tools and machinery for a brief period of time. He may be able to piece that machinery together using temporary fixes. He may be able to cannibalize and hold out for a little while. But over the long haul, more often than not, the failure to adequately invest in that machinery and equipment will prove to be a very expensive mistake. And, in the end, that machinery must be replaced, often at a cost that proves to be considerably higher than the cost of continued and steady maintenance and investment. If it is not, then the plant will fall further and further behind its competitors, and eventually the businessman will go bankrupt. The same is true for our Nation's investment and maintenance of its infrastructure. But, increasingly, in recent years, we have embodied this penny-wise and pound-foolish frugality when it comes to our Nation's transportation infrastructure.

Now, there is a place for frugality, and I am all for that. For the last several months, we have heard much debate on the Senate floor regarding the tragic maladies that are brought about by the Federal budget deficit, maladies that should not be passed on to our grandchildren. The danger of continued budget deficits are very evident, but it is equally true that a less than robust economy only exacerbates our national deficit problem. I would like to take a moment to recount some of the maladies that we will also pass on to the next generation if we continue to fail to adequately invest in our transportation infrastructure.

According to the Department of Transportation, there are currently more than 234,000 miles of the nearly 1.2 million miles of paved, nonlocal roads which are in such bad condition that they require capital improvements either immediately or within the next 5 years. The Nation's backlog in the rehabilitation and maintenance of our Nation's bridges currently stands at $78 billion. According to the Federal Highway Administration, 118,000 of the Nation's 575,000 bridges—more than one of five—are structurally deficient. While most are not in danger of collapse, they do require that heavier trucks be prohibited from using them—an action that has an immediate adverse impact on the Nation's productivity. Another 14 percent of the Nation's bridges are functionally obsolete, meaning that they do not have the land and shoulder widths or vertical clearance to handle the traffic that they bear.

Fully 70 percent of the Nation's interstate highways and metropolitan areas are congested during peak travel times. Such traffic congestion costs the economy $39 billion a year in wasted fuel and low productivity for both passengers and commercial traffic. Congestion also undermines our ability to clean up our Nation's air, since more than 70 percent of the carbon monoxide emitted into the atmosphere comes from motor vehicles. To make matters worse, the Department of Transportation continues to estimate increased road and vehicle use that will put us in even worse shape. It has been estimated that the number of vehicles on our Nation's highways will grow about 8 percent by the year 2000. However, over the same period, freight tonnage carried by our Nation's trucks will grow by more than 30 percent. Yet, under this year's Transportation appropriations bill, and it can be anticipated for each of the next 7 years, we will be required to cut rather than increase our investment in maintaining our Nation's transportation system.

As Mr. HATFIELD, the distinguished chairman of this subcommittee and of the full Appropriations Committee, has said more than once in recent days, as we have marked up our appropriations bill, "You ain't seen nothing yet. If you think it is tough this year, wait until next year." He has said that. He is right.

Just as our Federal funding patterns have ignored the anticipated growth in highway use, so, too, are we ignoring the anticipated growth in airport use. According to the Federal Aviation Administration, the number of enplanements expected at our Nation's airports will grow almost 60 percent over the next decade. If no new runways are added, the number of severely congested major airports will grow by 250 percent. The Federal Aviation Administration estimates that in order to bring existing airports up to current design standards, as well as provide sufficient capacity to meet the projected demand, it will cost no less than $30 billion over the next several years.

Now, Mr. President, we talk about our grandchildren, passing on this great deficit to them. I have grandchildren. I want us to do whatever we reasonably can do to reduce the deficit and to ameliorate the burden that we are going to pass on to those children and those grandchildren.

But we do ourselves and our grandchildren no favor by ignoring these trends and by balancing the Federal budget on the back of critical domestic investments, and at the same time we are talking about passing on to the American people $250 billion in tax cuts. What folly, utter folly.

How can we hope to ensure a prosperous future for our children's children, if we leave the next generation with a transportation network so dilapidated, unsafe, and inefficient that it is a national embarrassment rather than a source of national pride? Unfortunately, the funding allocation granted to the transportation subcommittee is not close to sufficiently accommodate the necessary investments to enable us to even begin to meet the backlog of highway, bridge and aviation needs that exist throughout this nation. How can we hope to bring the budget into balance if we destroy the efficiency and productivity of private industry with a transportation network so seriously inadequate as to cost billions in lost hours and lost profits.

With the ill-advised funding levels contained in this bill, we have put the nation's vital needs on hold. I am sorry to have to impose on the Senator at this time, but I cannot help but contrast this bill with the profligate spending contained in the defense appropriations and authorization bills which this body is considering and is about to consider later today. It has been considering the authorization bill and is about to consider the appropriations bill later today. I can only come to the sad conclusion that we have turned our national priorities on their head and enacted appropriations that reflect the paranoia of the past and not the priorities of the future.

I close with the words of Daniel Webster when he spoke at the laying of the cornerstone of the Bunker Hill Monument on June 17, 1825:

> Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered.

I thank all Senators. I yield the floor.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question, the yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 98, nays 1, as follows:

[Rollcall Vote No. 383 Leg.]

YEAS—98

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Dole
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NAYS—1

Heflin

NOT VOTING—1

Bradley

So the bill (H.R. 2002), as amended, was passed.

Mr. HATFIELD. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, I would like to take just a moment to do two things. First of all, I would like to pay commendation to an extraordinary staff which worked so long and so diligently on this bill: Pat McCann and Anne Miano and Carole Geagley and Peter Rogoff.

I want to also point out a special situation surrounding our staff person, Joyce Rose. This body has listened to the chairman of the Appropriations Committee over many years, and the ranking member, discuss the uniqueness of our staffs on our Appropriations Committee.

I know that we are served well by staff on all committees. But I want to share with my colleagues a very special happening during the markup last Wednesday during the readout of our bill on transportation.

Joyce Rose, who is a mother of a 10-year-old boy, that boy fell out of a tree and broke both arms, broke his nose and was badly bruised. She spent the time at the hospital, and then appeared on the scene to perform her duties at night when we were doing the readout; back to the hospital, back to her committee functions. I think it not only is the demonstration of a very dedicated and devoted person maintaining her duties as a mother as well as her role as a staff person, but even through the crises and problems that she faced with her child, she was able to—using more hours of the day than anyone else—cover both bases and still perform her duties here on our staff.

I just want to pay her this tribute, and through her example, such tribute to our entire staff.

Mr. President, I move that the Senate insist on its amendments and request a conference with the House on the disagreeing votes of the two Houses and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. INHOFE) appointed Mr. HATFIELD, Mr. DOMENICI, Mr. SPECTER, Mr. GRAMM, Mr. BOND, Mr. GORTON, Mr. LAUTENBERG, Mr. BYRD, Mr. HARKIN, Ms. MIKULSKI, and Mr. REID conferees on the part of the Senate.

Mr. HATFIELD. Mr. President, I thank the Chair.

I also thank my colleagues for assisting us in disposing of No. 6 of the 13 appropriations bills, 6 of the 13.

Now Senator STEVENS will hold forth on presenting the seventh that we hope will be completed expeditiously so that when we leave on our recess—when I leave on recess beginning tomorrow afternoon, I would like to feel that maybe we will all be in that similar position, under the leadership of Senator STEVENS and ably assisted by Senator INOUYE, the ranking member.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that I be allowed to speak on morning business for not to exceed 12 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from North Carolina is recognized.

Mr. FAIRCLOTH. I thank the Chair.

(The remarks of Mr. FAIRCLOTH pertaining to the introduction of S. 1145 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. FAIRCLOTH. I thank you, Mr. President, and I yield the remainder of my time.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

The PRESIDING OFFICER. The clerk will report S. 1087.

The bill clerk read as follows:

A bill (S. 1087) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The Senator from Alaska.

PRIVILEGE OF THE FLOOR

Mr. STEVENS. Mr. President, I ask unanimous consent that the following individuals be given privilege of the floor during consideration of this bill: Susan Hogan, Sujata Millick, and Joe Fengler.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Will the Senator yield?

Mr. STEVENS. Yes, I yield.

Mr. INOUYE. I ask my colleague to add Bobby Scherb and Ryan Henry to that list.

Mr. STEVENS. I so ask, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President we are now going to begin consideration of what I hope will be the last bill before the recess, assuming that we take up and pass the authorization bill first, and we are prepared to yield at any time to the committee when they are here with a time agreement to finish their bill.

This is the 1996 Department of Defense appropriations bill. The Senate should be aware that we are moving quickly this year on this bill. The House has just started their consideration of the bill and will complete their action when they return in September.

In the Senate, as I have just mentioned, the negotiations on the authorization bill are continuing, but this bill before the Senate now is an original bill. We have to take this procedure. It is somewhat unusual. But that is to enable us to move this bill so it will be ready to pass on to the President before the end of the fiscal year.

We have sought to accommodate to the maximum extent possible the initiatives that have been recommended by the Armed Services Committee in their bill as reported. We have faced a more difficult challenge, though, than any of the other three committees that deal with defense matters in the Congress. We are subject to the budget resolution to an extent that does not apply to the other three. The 602(b) allocation for this bill provided $1.4 billion less in new budget authority than was available to the House, and I am sure that the Senate realizes we are subject to a point of order in complying with section 602(b) allocations, that the point of order does not lie against any bill other than ours.

Compared to the amounts authorized, our allocation is nearly $1 billion less than the amount that was reported by the Armed Services Committee. As a result, there are many matters that were brought before us, requested by Members in particular, that we simply could not accommodate. If there is some reallocation of budget authority as we go through conference, we will, of course, work very hard to address those matters that cannot be considered today.

This bill and the committee report have been available to all Members of the Senate since July 31. Every Member has had full opportunity to review the matters in the bill, and I personally have spoken with many Members of the Senate on specific matters and answered many inquiries that were delivered to us in writing. Those were answered in writing. Senator INOUYE and I worked very closely during the consideration of this bill, as we have since we first began our partnership in considering this matter as either chairman or ranking member. We have each served in both capacities.

We have jointly proposed a package of managers' amendments that will modify the bill to reflect many of the actions that have been taken to adjust the authorized accounts, and we will offer that package at a later time.

However, all budget authority and outlays under our allocation have been consumed. Let me repeat that. We do not have room for any additional budget authority amendments or allocations which will lead to outlays. All funding amendments presented to this bill will require offsets.

Mr. President, this bill does not contain the legislative initiatives that are included in the authorization bill. The legislation that is here before us now is an appropriations bill. After discussions with the ranking member and the leaders, it is our intention to move to table legislative amendments that are presented to this bill. The Defense authorization bill should be completed, as I indicated, hopefully, before we vote final passage on this bill. And the State Department authorization bill will come back to the Senate after the recess. We do not want legislative matters pertaining to those two bills to be considered in connection with this bill. In conference, we are going to have the most difficult time we have ever had. We do not need to try to carry to our conference on appropriations the disputes that pertain to the authorizations bills for the Department of Defense and Department of State.

We hope we can preserve, incidentally, as much of the recess as possible. I am very hopeful we will finish this bill tomorrow so that I can be on a plane joining my family in Alaska tomorrow night. However, I wish to tell the Senate I am prepared to stay here into next week if it is necessary. I do not believe in letting an appropriations bill for defense just hang over the recess. We are prepared to finish this bill. The leader has indicated that he wants to have this bill finished, and I urge the Members of the Senate to accommodate us and help us get this bill finished.

There is just no reason to repeat the debates on amendments that were offered to the authorization bill just this last week or amendments that are still in off-the-floor conferences that are being carried on on the authorization bill.

I urge every Member of the Senate to be considerate about others now as we consider this bill and try to get it finished in order that we may all get on our airplanes or in our automobiles, for those who are lucky enough to be able to drive home, and enjoy part of August, as we should have been there last week as a matter of fact.

Now, Mr. President, title 1 of this bill recommends $68.881 billion to fully fund the authorized active duty end-strength and the proposed military pay raise.

The recommendation also fully funds the authorized increases in the basic allowance for quarters. There is an additional $100 million to address increased overseas-station allowance costs faced by military families deployed overseas because of the fluctuation in the value of the dollar.

For operation and maintenance activities, the recommendation provides $79.930 billion, fully funding the proposed OPTEMPO for military training and readiness.

There are no funds in this bill for contingency operations such as Bosnia. The House bill, as reported, does provide funding for operations such as Iraq. That issue will be considered in conference again depending on how we handle the allocation, but there is just not money available for those contingencies at this time in our consideration.

We do fully fund the proposed civilian personnel pay raise that was recommended in the budget by the President.

To authorize the shortfall and inadequate stock of barracks housing for single military personnel, our committee recommends an increase of $322 million for the renovation and refurbishment of existing barracks. This is only a downpayment, Mr. President. It will permit the services to make progress on one of the key quality-of-life issues that we have discussed with the Joint Chiefs of Staff.

The bill also addresses several critical National Guard priorities. Full funding and legislative direction is provided to sustain the Air National Guard Tactical Fighter Force at 15 aircraft per squadron. A floor is set for civilian technicians, to maintain readiness support for the Guard. I point out to the Senate how much the Guard is involved in an active-duty partnership now in many areas throughout the world, including training in our own country.

There is $100 million added for Army Guard operations and maintenance, to address partially the severe backlog in real property maintenance at Guard facilities and installations.

Our bill provides an additional $5.8 billion for procurement, to sustain critical modernization programs.

The committee based these decisions on the guidance provided, once again, by the military service chiefs. We sought to follow closely their recommendations and the recommendations given to us by the Armed Services Committee.

Mr. President, $777 million is the authorized level provided for National Guard equipment. We have no specific earmarks. The bill language is included mandating that the Reserve and Guard component chiefs report their modernization priorities by December 1, 1995. We believe that the chiefs should make that allocation of these funds.

The recommendation fully funds the ballistic missile defense initiative reported by the Armed Services Committee. And an additional $600 million is included.

Mr. President, $300 million is provided to accelerated development and deployment of a national missile defense system. These are two of the items currently being discussed off the floor by the authorization committee.

An additional $200 million is recommended to restore funds cut in the budget to continue the development of the F-22 for the Air Force.

To address medical research priorities, $100 million is recommended for the Department of Defense research on breast cancer. These funds are to be available only for use to address the needs of military medical beneficiaries.

Under the terms of the budget resolution conference, defense appropriations must relate to defense functions. We believe there are a great many women and women dependents in the military, and there is adequate reason to provide this money to the Department of Defense to continue their initiatives with regard to breast cancer. The House has structured their breast cancer initiative differently. Of course, that matter will be discussed in conference.

Again, I have mentioned my good friend from Hawaii, Senator INOUYE. The Senate should know that this bill reflects our joint views, as you will hear shortly. We continue to work closely on a strictly—not even bipartisan—nonpartisan basis. We see matters of defense I believe from the same point of view, from the point of view of those who served in World War II, Mr. President. And having that background, we are trying to maintain our military to meet the needs of the future.

Again, I want to commend my good friend, who is our cochairman. We have both been chairman, and at times we forget who is chairman. I think that is the best way to run this subcommittee that deals so much with the needs of the military services and the men and women who serve us in the Armed Forces.

We can, I think, complete this bill today with the cooperation of the Members of the Senate. We have already heard of several of the amendments that are coming. I personally discussed with those Members the opportunity to have a time agreement in advance so that the Senate will know how long we will take on these amendments, and if possible we will stack some of these amendments so we can have as much opportunity to not require Members to come back and forth to the floor so often.

We will have several votes on this bill today, however, Mr. President. We hope to accommodate Members of the Senate, and urge their cooperation with us.

Now, Mr. President, I yield the floor to my good friend from Hawaii.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, let me first begin by congratulating my subcommittee chairman, Senator STEVENS, for recommending this bill to the Senate. And I would like to also thank my colleague from Alaska for his very generous comments.

The bill that is now being presented to the Senate by the Appropriations Committee will protect critical military readiness programs. We hear much about readiness. This bill addresses that. It will fully fund the needs of our men and women in uniform and also provide a much needed increase in the modernization of our forces.

In the long tradition of the Appropriations Committee, this bill was crafted in a bipartisan, or as the chairman has noted, a nonpartisan manner. I have had the privilege of working closely with Chairman STEVENS in formulating this bill, as we have in the past. In some areas, the committee was constrained by authorization limitations which caused Chairman STEVENS and I to recommend less than some of our colleagues might have wanted for certain programs such as defense conversion, the *Seawolf* submarine, or the B-2 bomber. But the chairman and I agreed that we would live within the limitations recommended by the Armed Services Committee.

Mr. President, I want to point out to my colleagues on this side of the aisle that this bill provides no policy statement on the ABM Treaty. I think that should be repeated. This bill does not contain any language or any policy statement on the ABM Treaty, nor does it have any limitation on the President of the United States in foreign affairs, and no other major policy issues.

Adhering strictly to the rules of the Senate, this bill addresses spending priorities, not legislation. In fact, my colleagues should know that the chairman stripped 90 legislative provisions from the defense bill that was passed by this body last year. This is a very clear bill, a very clean bill, which addresses the spending needs of the Defense Department. And, Mr. President, I am proud to support it.

The bill before the Senate provides nearly $80 billion for operations and maintenance to protect the readiness of our forces. It supports the military personnel levels requested by the President. It funds a 2.4-percent pay raise for our military personnel and increases their basic allowance substantially—all consistent with authorization recommendations. The bill also raises procurement spending by nearly $6 billion, up to $44.5 billion.

To those who suggest that the bill provides too much for modernization, I note that even with these increases, we are still spending less than half of the amount the Senate recommended for procurement 10 years ago. I might add that Chairman STEVENS and I asked each of the military Chiefs of Staff to meet with the Defense Subcommittee to review the needs of their respective services.

The recommendations for procurement spending matched these requirements.

The bill funds a very robust ballistic missile defense program, adding $300 million for national missile defense research and development. While some might disagree with this recommendation, it is the same amount already approved by the Senate; and it is $150 million less than recommended by the House. Research and development spending in total will increase by more than $1 billion compared to the present request.

Mr. President, I believe it is essential that we invest in the readiness, quality-of-life, and modernization programs funded by this bill.

As my colleagues know very well, only a very small percentage of Americans served in the military. Less than 1 percent of us have come forward to say that they are willing to stand in harm's way for the Nation. And so I believe it is our responsibility to make certain that we provide these dedicated men and women fair pay, decent living conditions, and the best equipment available. Those who choose to serve are our best deterrent of war and the means if necessary to defeat any adversary and safeguard our freedoms. And so we must support their needs, and I believe that this measure does just that.

Mr. President, may I repeat that I am in full support of this legislation. It is a good, a fair, and a very important bill, and so I encourage all of my colleagues to support it.

One of the major issues in this measure will be the increases that this committee has recommended in procurement. Yes, these are some programs that were not requested officially by the President of the United States, but these decisions were reached as a result of our consultation with the senior military officers and the senior civilians responsible for our defense.

For example, we have added two DDG–51 destroyers at a cost of $1.4 billion. The question may be asked, Why did we do this? The President's program calls for four destroyers. However, it calls for two at this moment and two at a later time, about 3 years from now. If we followed the administration's recommendation, that amount, $1.4 billion, would be increased by nearly $400 million. We can get a better deal by purchasing four at this time.

There is another large item, the LHD–7 amphibious assault ship. It is $1.3 billion—a whole lot of money—but even this is in the program that the Defense Department has.

We have decided to procure these items at this moment and not at a later date so that we can avoid the peaks and valleys that we usually experience. We have tried to level off our spending programs so that we will not be faced suddenly 2 years from now with a huge peak and then 2 years after that with a valley.

We have added, as the chairman noted, $777 million for National Guard equipment. These are requested by the adjutants general of the 50 States. Yes, there was a time when National Guard troops were riot-control experts, or they filled sandbags for flood control, they did civilian work. But today, as they did in Desert Storm, we have men piloting aircraft in the Bosnia theater. In Desert Storm, there were thousands of National Guard officers, men and women. So they are no longer local troops that take part in our national endeavors.

We also added 12 F/A–18 Navy fighters, $487 million. This is beyond the President's request, but here again, the President's program, the Defense Department program, calls for the acquisition of these aircraft at a later date. And if you want to have a better contract deal, now is the time to purchase this.

There is $300 million for Coast Guard. The Coast Guard has now gone beyond just guarding our coast. They have participated in Bosnia, and they still do; they participated in Desert Storm, and on top of that, we have directed the Coast Guard to conduct certain missions that were not heretofore part of their responsibility. They have a major responsibility in drug interdiction. The Coast Guard account, which is in the Treasury account, is not quite sufficient to meet all the payments, so we decided in the defense bill, because it is true defense work, to pick up part of the tab.

We are appropriating $241 million to purchase a WC–130 Hurricane aircraft. I hope that my colleagues will be able to convince our friends who live in Alabama, Georgia, North Carolina, South Carolina, Florida, Louisiana, and Texas that this aircraft is not necessary. This is the aircraft that gives citizens of these areas advance notice that something horrendous is coming along. Yes, it is expensive, but we need this aircraft.

The Army asked for one thing. It was not in the President's request: Comanche, $174 million. This is a helicopter program.

What I have listed represents about 6 billion dollars' worth. Mr. President, if my colleagues carefully study what we have done, I am certain they will go along with the subcommittee. This is not fat, this is not pork, and if I may be a bit parochial and personal about this, none of these items are purchased in Alaska or Hawaii. We do not have the plants that build the fighter planes. We do not have the plants and the shipyards that build these ships and destroyers. The chairman and I believe that this equipment is absolutely essential at this time if we are to modernize our forces and to present to them the best we can in equipment.

If these men, representing less than 1 percent of our population, are willing to step forward and say to us, "We are willing to risk our lives and shed our blood for you," the least we can do is to provide them with the best protection. This will do it.

So, Mr. President, I hope that my colleagues on both sides of the aisle will go along with the recommendations that Senator STEVENS and I are now presenting.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

AMENDMENTS NOS. 2350 THROUGH 2362, EN BLOC

Mr. STEVENS. Mr. President, I send to the desk a series of amendments that are technical, conforming and incidental. One is on Corps SAM; one LMT; one a study amendment; there is a pentaborane amendment; BIC; Hydra-70; the JTF; JAMIP; troops to cops; troops to teachers; energy savings; and the helicopter conversion amendment.

These have been examined by Senator INOUYE and by myself. I ask unanimous consent that it be in order that they be offered en bloc and adopted en bloc, and with a paragraph before each one explaining the action we have taken. These are to conform, basically, with the authorization bill request of Members or amendments that have been adopted each time we brought the bill to the floor.

May I state for the record that both our staffs, and both of us, have studied these amendments very carefully, and we have no objection.

The PRESIDING OFFICER. The clerk will report the amendments en bloc.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes amendments numbered 2350 through 2362, en bloc.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2350

On page 29, before the period on line 13, insert: ": *Provided further*, That of the funds appropriated in this paragraph, $35,000,000 shall be available for the Corps Surface-to-Air Missile (Corps SAM) program".

AMENDMENT NO. 2351

On page 29, before the period on line 13, insert: ": *Provided further*, That of the funds appropriated in this paragraph, $3,000,000 shall be available for the Large Millimeter Telescope project".

AMENDMENT NO. 2352

On page 29, before the period on line 13, insert: ": *Provided*, That of the funds appropriated in this paragraph, not more than $48,505,000 shall be available for the Strategic Environmental Research Program program element activities and not more than $34,302,000 shall be available for Technical Studies, Support and Analysis program element activities".

AMENDMENT NO. 2353

(Purpose: To place a condition on the use of funds for destruction of certain pentaborane)

At the appropriate place in the bill add the following:

SEC.

None of the funds appropriated or otherwise made available under this Act may be used for the destruction of pentaborane currently stored at Edwards Air Force Base, California, until the Secretary of Energy certifies to the congressional defense committees that the Secretary does not intend to use the pentaborane or the by-products of such destruction at the Idaho National Engineering Laboratory for—

(1) environmental remediation of high level, liquid radioactive waste; or

(2) as a source of raw materials for boron drugs for Boron Neutron Capture Therapy.

Mr. KEMPTHORNE. Mr. President, I want to thank the distinguished managers of the bill for including my amendment on pentaborane into the managers' amendment. My amendment will prohibit the Department of Defense from destroying a material, known as pentaborane, until the Secretary of Energy certifies that the material will not be used by the Idaho National Engineering Laboratory for remediation of high level, liquid radioactive waste or as a source for boron drugs for the boron neutron capture therapy.

I am told that it will cost the Air Force a little more than $1 million to maintain the pentaborane material for 1 more year while the scientists and experts at the Idaho National Engineering Laboratory determine if this material can be used effectively in waste management or boron neutron capture therapy.

The energy and water appropriations bill passed by the Senate includes $1 million for the Idaho National Engineering Laboratory to make its assessment of the use of pentaborane. At present, the Air Force considers pentaborane a waste. My amendment directs the Air Force to maintain this material for 1 more year while pentaborane's possible uses by the Department of Energy are assessed.

I want to once again thank the managers of the bill, the senior Senator from Alaska, Chairman STEVENS and the senior Senator from Hawaii, Senator INOUYE, for their consideration of my amendment.

AMENDMENT NO. 2354

On page 29, before the period on line 13, insert: ": *Provided further*, That of the $475,470,000 appropriated in this paragraph for the Other Theater Missile Defense, up to $25,000,000 may be available for the operation of the Battlefield Integration Center".

AMENDMENT NO. 2355

On page 28, before the period on line 4, insert: ": *Provided*, That of the funds appropriated in this paragraph for the Other Missile Product Improvement Program program element, $10,000,000 is provided only for the full qualification and operational platform certification of Non-Developmental Item (NDI) composite 2.75 inch rocket motors and composite propellant pursuant to the initiation of a Product Improvement Program (PIP) for the Hydra-70 rocket".

AMENDMENT NO. 2356

(Purpose: To make funds available for the Life Science Equipment Laboratory, Kelly Air Force Base, Texas, for support of the Joint Task Force—Full Accounting)

On page 8, line 13, strike out "Act." and insert in lieu thereof "Act: *Provided further*, That of the funds provided under this heading, $500,000 shall be available for the Life Sciences Equipment Laboratory, Kelly Air Force Base, Texas, for work in support of the Joint Task Force—Full Accounting.".

AMENDMENT NO. 2357

On page 11, before the period on line 9, insert: ": *Provided further*, That of the funds appropriated in this paragraph, $11,200,000 shall be available for the Joint Analytic Model Improvement Program".

AMENDMENT NO. 2358

On page 11, before the period on line 9, insert: ": *Provided further*, That of the funds appropriated in this paragraph, $10,000,000 shall be available for the Troops-to-Cops program".

AMENDMENT NO. 2359

On page 11, before the period on line 9, insert: ": *Provided further*, That of the funds provided under this heading, $42,000,000 shall be available for the Troops-to-Teachers program".

AMENDMENT NO. 2360

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. (a) ENERGY SAVINGS AT FEDERAL FACILITIES.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from fiscal year 1995 levels, in the energy costs of the facilities used by the agency.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the head of each agency described in subsection (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved; and

(C) specify the actions that resulted in the reductions.

Mr. BINGAMAN. Mr. President, I rise today to commend the two floor managers of the bill, the distinguished Senator from Alaska, Senator STEVENS, and the distinguished Senator from Hawaii, Senator INOUYE, and their staff, for their management of the Fiscal Year 1996 Appropriations Act for the Department of Defense.

I would like to take a few moments to discuss an amendment I have proposed, which has been cleared by both sides. My amendment encourages agencies funded under the bill to become more energy efficient and directs them to reduce facility energy costs by 5 percent. The agencies will report to the Congress at the end of the year on their efforts to conserve energy and will make recommendations for further conservation efforts. I have offered this amendment to every appropriations bill that has come before the Senate this year, and it has been accepted to each one.

I believe this is a common-sense amendment: the Federal Government spends nearly $4 billion annually to heat, cool, and power its 500,000 buildings. The Office of Technology Assistance and the Alliance to Save Energy, a nonprofit group which I chair with Senator JEFFORDS, estimate that Federal agencies could save $1 billion annually if they would make an effort to become more energy efficient and conserve energy.

Mr. President, I hope this amendment will encourage agencies to use new energy savings technologies when making building improvements in insulation, building controls, lighting, heating, and air conditioning. The Department of Energy has made available for governmentwide agency use streamlined "energy saving performance contracts" procedures, modeled after private sector initiatives. Unfortunately, most agencies have made little progress in this area. This amendment is an attempt to get Federal agencies to devote more attention to energy efficiency, with the goal of lowering overall costs and conserving energy.

As I mentioned, Mr. President, this amendment has been accepted to every appropriations bill the Senate has passed this year. I am pleased my colleagues support it, and again, I thank the floor managers for their assistance. Thank you.

AMENDMENT NO. 2361

(Purpose: To revise the availability of funds for loan guarantees for the defense dual-use assistance extension program)

On page 29, strike out the period at the end of line 13 and insert in lieu thereof ": *Provided*, That the funds made available under the second proviso under this heading in Public Law 103-335 (108 Stat. 2613) shall also be available to cover the reasonable costs of the administration of loan guarantees referred to in that proviso and shall be available to cover such costs of administration and the costs of such loan guarantees until September 30, 1998.".

AMENDMENT NO. 2362

(Purpose: To make $5,000,000 available for conversion of surplus Department of Defense helicopters for procurement by State and local law enforcement agencies for counter-drug activities)

On page 32, line 19, strike out "*Provided*," and insert in lieu thereof "*Provided*, That of the funds provided under this heading, $5,000,000 shall be available for conversion of surplus helicopters of the Department of Defense for procurement by State and local governments for counter-drug activities: *Provided further*,".

The PRESIDING OFFICER. If there is no objection, the amendments are considered and agreed to, en bloc.

So the amendments (Nos. 2350 through 2362) were agreed to, en bloc.

Mr. STEVENS. Mr. President, I am informed Senator MCCAIN may have some objection. If he raises an objection, or any other Senator does, we will withdraw it and reconsider it. I believe we ought to just get along with these technical, conforming amendments.

Therefore, I ask unanimous consent that they be adopted as I indicated, en bloc.

The PRESIDING OFFICER. That has been done.

Mr. STEVENS. I think the Senator from Iowa has an amendment.

Mr. INOUYE. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, the Senator from Iowa has an amendment which we have examined. It continues a policy we started last year at his request. I ask unanimous consent that he take 3 minutes and we will take 2 minutes to consider his amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa.

AMENDMENT NO. 2363

(Purpose: To improve the financial accountability of the Department of Defense)

Mr. GRASSLEY. Mr. President, I will not even bother to take the 3 minutes. I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes an amendment numbered 2363.

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. (a)(1) Not later than October 1, 1995, the Secretary of Defense shall require that each disbursement by the Department of Defense in an amount in excess of $1,000,000 be matched to a particular obligation before the disbursement is made.

(2) Not later than September 30, 1996, the Secretary of Defense shall require that each disbursement by the Department of Defense in an amount in excess of $500,000 be matched to a particular obligation before the disbursement is made.

(b) The Secretary shall ensure that a disbursement in excess of the threshold amount applicable under subsection (a) is not divided into multiple disbursements of less than that amount for the purpose of avoiding the applicability of such subsection to that disbursement.

(c) The Secretary of Defense may waive a requirement for advance matching of a disbursement of the Department of Defense with a particular obligation in the case of (1) a disbursement involving deployed forces, (2) a disbursement for an operation in a war declared by Congress or a national emergency declared by the President or Congress, or (3) a disbursement under any other circumstances for which the waiver is necessary in the national security interests of the United States, as determined by the Secretary and certified by the Secretary to the congressional defense committees.

(d) This section shall not be construed to limit the authority of the Secretary of Defense to require that a disbursement not in excess of the amount applicable under subsection (a) be matched to a particular obligation before the disbursement is made.

Mr. GRASSLEY. Mr. President, my amendment is not controversial. I believe it has been cleared on both sides.

My amendment addresses the $30 billion unmatched disbursement problem at the Department of Defense or DOD.

My amendment continues to ratchet down the thresholds at which DOD must match a disbursement with an obligation before making a payment.

Under Section 8137 of last year's bill, Public Law 103–335, any disbursement over $5 million has to be matched with its corresponding obligation before a payment could be made.

The $5 million threshold took effect about a month ago, on July 1, 1995.

We know that the DOD Comptroller, Mr. John Hamre, is wrestling with the problem. We know he is doing his very best to comply with the law.

He tells us he is doing it.

And there is no reason why he cannot do it.

We know, for example, that one of the major DOD contract payment centers, the one at Columbus, OH, processes about 2,200 invoices per year that exceed $5 million.

There is no reason in the world why DOD's vast army of bookkeepers cannot make the necessary matches on 2,200 payments per year.

That is a small number.

It is a modest threshold.

Well, on October 1, 1995, the law ratchets the threshold down even further.

On that date, any payment over $1 million must be matched with its corresponding obligation before a payment is made.

That threshold just keeps us marching in the right direction, toward the zero threshold goal.

That is where all DOD disbursements are matched with their corresponding obligations before payment.

That is where DOD needs to be.

At the $1 million threshold, DOD has to make matches on about 12,300 invoices.

Mr. President, with 25,834 employees, I think DFAS, the Defense Finance and Accounting Service, should be able to make matches on 12,300 invoices.

We need to keep the pressure on.

DOD must develop a capability to match all disbursements with obligations in advance of making payments.

We must keep marching down the road toward that goal.

My amendment today would lower the threshold one more notch, to $500,000, effective October 1, 1996.

That is one year from now.

That is plenty of time to automate the linkages between DOD's check writing machine and the accounting ledgers and contracting books.

There is a breakdown of electronic communications between DOD disbursing and accounting.

That is the problem Mr. Hamre is trying to fix. He is trying to integrate the two operations.

We want to help him do it, but at the same time, we need to keep the pressure on.

At the $500,000 level, DOD will need to make payments on about 25,000 invoices per year.

His interim Electronic Data Interchange System should be up and running by the time the $500,000 threshold kicks in.

Matching 25,000 invoices should then be a piece of cake.

Mr. President, I have raised so much fuss over the unmatched disbursement problem for one reason.

The $30 billion in unmatched disbursements tells me there are no effective internal controls over a big chunk of the DOD budget.

This means that those accounts are vulnerable to theft and abuse.

The recent cases at Reese Air Force Base, TX, and the DFAS Center in Norfolk, VA, brought this problem home hard.

Two crooks were able to tap into the DOD money pipe undetected and steal millions of dollars over a period of several years.

Both individuals were caught only by chance because of outrageous personal behavior.

They were able to steal millions of dollars for one simple reason.

DOD does not do very basic accounting work before making a payment.

The check writing machine is on autopilot.

The money goes out the door. Then DOD begins to worry about matching.

DOD tries to make the matches after the fact, often long after the fact.

By waiting months or even years to make the matches, supporting documentation disappears.

It is missing. Or worse, it does not exist.

Either way, without supporting documentation, DOD does not know whether the payment is legitimate. Without documentation, it could be fraudulent.

Until the matches are made, we do not know whether a payment is legitimate or fraudulent.

So it was easy for the crooks in Texas and Virginia to operate undetected.

Mr. President, that is why we need to take the next step and put the $500,000 threshold in place.

If we go step by step, we will eventually get to the point were there are effective, but very basic, internal control devices in place.

I thank my friend from Alaska, Senator TED STEVENS, and my friend from Hawaii, Senator INOUYE, for backing me up on this issue.

Their support is crucial to getting the job done. They have been behind me 100 percent. I appreciate all the good support.

They held a hearing on the issue on May 23. They understand it and know how important it is.

A year from now we can review the situation and make adjustments if needed.

Mr. President, I hope the committee is prepared to accept my amendment.

I simply want to thank the chairman and the ranking members, not only for their cooperation this year but this is building on cooperation I had from the chairman and ranking member last year on my attempts to bring some discipline to the matching of disbursements with checks being written. This does build on what we did last year, I think in a very responsible way.

I suppose the taxpayers might say it is too timid of a way, that we have a major problem, and we will work at it slowly to get it accomplished. This amendment is one more step. I thank the managers for their cooperation.

Mr. STEVENS. We took up this matter during the hearing on this bill with Dr. Hamre, the comptroller of Defense Department. We have worked with him. We were pursuing the matter at the request of the Senator from Iowa last year. That furthers the concept that we are going to try and make certain that we have the identification of the invoice of disbursement. It is not always as easy as it sounds, since disbursement could take place literally in Italy and the invoice could be located somewhere in a small town in Iowa. But, as a practical matter, we are going to try to make sure that they marry up through the computer process. The Senator is right. I am prepared to accept the amendment.

Mr. INOUYE. Mr. President, I would like to congratulate the Senator in this process. This is a continuation of the process that was started last year, and we commend the author.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2363) was agreed to.

Mr. GRASSLEY. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, we have no other amendments pending. I have some 80 amendments on the list on my desk here. We would like to proceed. If Senators do not want to come and offer their amendments, I will be happy to make a motion to go to third reading quickly.

I think we have a good bill. This bill provides the lowest level of spending of any of the authorizations on the DOD bill, as I have indicated, because of the limitations on the committee due to the allocation and the budget process, but we have met the real requirements of the bill. We have discussed this with the administration, and there is some indication of the dissatisfaction, but we believe we can explain to the administration why we have done what we have done. This bill should be accepted for the purpose of funding the activities of the Department in the next year.

I ask unanimous consent that a summary of this bill be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF FISCAL YEAR 1996 DOD APPROPRIATIONS BILL

Total funding.—The subcommittee allocation provides $242.483 billion in new budget authority, and $243.069 billion in outlays. The markup package fully consumes all budget authority and outlays set for the subcommittee. In new budget authority, this level is about $1.4 billion below the House subcommittee, and is about $800 million below the estimated new budget authority levels reflected in the Senate reported DoD authorization bill.

Contingency operations.—Bill does *not* provide any funding or authority for U.S. military operations or deployments to Bosnia.

Personnel.—$68.881 billion.

Recommendation fully funds authorized military end-strength for 1996. Fully funds requested pay raise for military personnel, and the authorized increase in the Basic Allowance for Quarters. Also provides an additional $100 million to cover increased overseas station allowance costs due to the decline in the value of the dollar versus the budget estimates.

Operation and maintenance.—$79.930 billion.

Recommendation fully funds proposed OPTEMPO level for military services. Fully funds civilian personnel pay raise. Provides an additional $322 million for the renovation and refurbishment of barracks for enlisted personnel. Increases ship repair funding by $150 million. Freezes funding for Environmental Restoration activities at the 1995 level. Reduces funding for assistance to Russia by −$46 million. Eliminates Administration request of $65 million for payments to the U.N. for Peacekeeping from DoD.

National Guard and Reserves.—Directs that Primary Assigned Aircraft (PAA) levels for fighter squadrons remain at 15, and provides necessary O&M and Personnel funding to sustain those units. Directs the civilian technician workforce levels not be reduced, and provides necessary funding to maintain current levels. Adds $100 million for Army National Guard O&M to address Real Property Maintenance backlog. Recommendation provides authorized level of $777 million for National Guard and Reserve Equipment, and identifies priority items.

Procurement.—$44.460 billion.

Provides $5.8 billion over the budget request to restore critical modernization programs. Highlights include: +$82 million for Apache helicopter multi-year procurement; Funds to continue UH–60 Blackhawk helicopter procurement; +$120 million for OH–58 "KIOWA WARRIOR" upgrades; Funds for multi-year procurement of the M1–A2 tank upgrades; Includes for Army medium and heavy trucks/HMWVV; Funds for 24 F–18C/D Navy aircraft; Funds for 8 AV–8B aircraft upgrades; Fully funds V–22 procurement; Funds LHD–7 Amphibious assault ship; Funds four DDG–51 class AEGIS destroyers; Advance procurement for two new Attack Submarines; Continued funding for the SSN–23 SEAWOLF; Funds 6 additional F–16 aircraft; Funds 6 additional F–15 aircraft; Fully funds C–17 program/advance procurement for 1997; Provides additional $75 million for the NDAA airlift program; Funds 5 WC–130 aircraft; Provides funding for HAVE NAP, AGM–130 precision munitions; and Provides funding for B–1 upgrades and advanced munitions.

Research and development.—$35.474 billion.

Provides $343 million over the budget request for weapons research, development and testing. Highlights include: Full funding for authorized Ballistic Missile Defense program; BMDO level includes +$300 million for National Missile Defense; +$174 million for the RAH–66 "COMANCHE" helicopter; +$200 million for the F–22; Full funding for F–18E/F development; Reduced TRP to authorization level; Includes +$100 million for Breast Cancer research; Includes +$20 million for AIDS/HIV research; Increases funding for Marine Corps Amphibious Assault vehicle; Increases funding for Marine Corps UH–1/AH–1 upgrades; and Reduces FFRDC spending by −$90 million to authorized level.

Other accounts.—SEALIFT: Fully funds sealift procurement, adds $50 million for "national defense features" as authorized; DBOF: Adds $300 million for supplies for Coast Guard for defense/counternarcotics missions; INTELLIGENCE PROGRAMS: Provides funding consistent with levels reported by the Senate Intelligence Committee; and COUNTERNARCOTICS: Provides authorized level of $680 million for DoD drug interdiction missions.

Mr. STEVENS. I yield to my good friend, the chairman of the authorization committee.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I want to commend the able chairman of the committee for the fine job he has done and the able ranking member for the good job he has done. It is a very difficult situation to work these things out. I think they both have shown great wisdom and shown tremendous dedication in working this bill out. I am anxious to see the Senate pass it.

Mr. STEVENS. We are grateful to the chairman of the authorization committee not only for his comments but for his presence on the floor as we consider these amendments. We look to him for guidance and support as far as this process is concerned.

Mr. President, I will soon suggest the absence of a quorum and hope that amendments will be presented. I am perfectly able to make a motion to proceed to third reading. I do not see anybody here on the floor that would object to that. I hope we get amendments pretty quickly.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask each of the Cloakrooms to put out the notice that if we do not have an amendment by 11:50 a.m., I am going to move to third reading.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. Mr. President, I was hoping to obtain clarification from the distinguished Senator from Alaska with regard to language on page 191 of Senate Report 104–124, under the heading "Mission recorders." This language implies that a digital version of the AN/USH–42 recorder is currently in use by the Navy.

Mr. STEVENS. I thank the Senator from Louisiana for pointing this out. A more precise rendering of the language will be as follows:

> The Committee urges the Director of DARO to evaluate the requirement and potential utilization of Digital Video Tape Recorders on both manned and unmanned tactical reconnaissance systems. This assessment should consider the potential benefit of a small, lightweight, low-cost, digital variant of the AN/USH–42 video recorder.

Mr. INOUYE. I agree with the language proposed by my friend from Alaska.

Mr. BREAUX. Thank you.

Mr. KENNEDY. I want to take this opportunity to commend the chairman and ranking member of the Subcommittee on Defense for their support for the Defense Department's Financial Management Training and Educational Program.

This program, strongly supported by the Department of Defense, will establish urgently needed programs to give the Department's financial managers and accountants the necessary training that their private sector counterparts take for granted. This program will provide the educational resources to make these workers more effective and efficient and thereby help the Defense Department save millions of taxpayers' dollars.

In its report, the committee provides for full funding of the training program operations in fiscal year 1996. It also states that the committee expects the Defense Department to accommodate any long-term leasing costs for the planned facility within the amounts appropriated in the account for operations and maintenance, defensewide.

I believe that the Department will accommodate these costs in the manner suggested. I would like, therefore, to clarify the view of the Appropriations Committee. Is it the understanding of the committee that once the Department meets the reporting requirements contained in the Defense authorization bill for fiscal year 1996 on the necessity for establishing a Center for Financial Management Training and Education, the Department will be free to enter into a capital lease for the establishment of the center without seeking further appropriation of funds or reprogramming authority?

Mr. STEVENS. Yes; that is my understanding. The committee acknowledges the justification for the training and education program, to ensure that the Defense Department's financial managers receive the necessary professional training. As stated in its report, the committee intends the Department have the authority to enter into a capital lease for the Center for Financial Management, Education, and Training, using funds appropriated in the operations and maintenance account.

Mr. INOUYE. I concur with my colleague, the chairman of the Defense Subcommittee. The Defense Department has the authority to proceed with this worthwhile project, once the requirements contained in the fiscal year 1996 Defense Authorization Act are met.

Mr. KENNEDY. I thank the Senators for their comments.

Mr. McCAIN. Mr. President, I would like to make a few remarks about the pending legislation. I say to my friend from Alaska that I have basically three amendments. I think two of them may be acceptable in talking with the staff.

Mr. STEVENS. Mr. President, the Senator is correct; the first two amendments are agreeable. We would be pleased to consider those and get them out of the way.

We are going to accept two of the amendments. Senator INOUYE and I have agreed. The third amendment we will request a rollcall.

Mr. McCAIN. If it is OK with the Senator from Alaska, I will make my remarks, do the first two, and then the third, if that is agreeable.

First, Mr. President, I congratulate both the Senator from Alaska and the Senator from Hawaii. This bill has been a dramatic reduction in the so-called earmarks, from some $6 billion last year to about $820 million this year. A lot of the previous bill language that was obligating funds has been moved to report language. Obviously, that is a significant improvement.

I also would like to talk about the overall aspects of the bill, which I think are extremely laudatory. The bill increases funding for force modernization by nearly $7 billion above the budget request.

Additional funding is provided for tactical aircraft, DDG–51, missile defense and other important programs recommended by the Armed Services Committee. The bill terminates many nondefense and low-priority military programs such as DOD support for the National Science Foundation antarctic research program, U.N. peacekeeping assessments, Nunn-Lugar funding for activities other than weapons demilitarization, and more than half the requested funding for the technology reinvestment program.

The bill does provide an additional $777 million for unrequested Guard and Reserve equipment, with which I strongly disagree, but unlike the Armed Services Committee bill, it provides the funding in generic categories and leaves the decisions on specific items to the Guard and Reserves' component themselves. I very much favor this approach to prioritize among programs.

Last year, I advised the Appropriations Committee that I object to bill provisions in proposing amendments which violate four basic criteria; namely, funding which is unauthorized, locality-specific earmarks, research facility earmarks, and other earmarks that circumvent the normal competitive award process, unrequested add-ons that would be subject to a point of order, and transfer disposal of Federal property or items in a manner that circumvent existing laws.

In addition to conference reports, items added in conference which were in neither bill I would consider objectionable. Unfortunately, this bill includes provisions which violate some of those criteria.

There are five provisions in the bill language which, in my view, are in variance with at least one of the criteria outlined above. One is the earmark of $15 million for environmental remediation at National Presto Industries. No authorization exists for this program. This matter is the subject of an ongoing dispute between the Army and National Presto Industries as to liability for contamination at the site.

This is a matter which I believe should be resolved between the parties, which may end up involving litigation. A legislative solution at this time, in my view, is not appropriate.

Second, authority to spend $20 million to transfer federally owned educational facilities on military installations to local education agencies. No authorization exists for these expenditures, nor has the Armed Services Committee reviewed and approved such a policy.

Third, $1 million earmarked for the Marine and Environmental Research and Training Station. No authorization exists for this spending and no direction is provided concerning the type of research to be conducted or the need for that research. I understand that the Navy does not want to continue doing business with this organization because of the difficulty of dealing with them in the past.

Fourth, authority for the Coast Guard to draw $300 million from the defense business operations fund, known as DBOF. This is an unauthorized appropriation and a new authority not considered in the Armed Services Committee. Expenditure of DOD funds for

Coast Guard activities have been a recurring problem in past years, and this provision would greatly expand the ability of the Coast Guard to draw on DOD funds.

Finally, addition of $25 million for the environmental remediation trust fund at Kaho'olawe Island.

Certainly, DOD has responsibility to clean up this site, but adding funds to a trust fund which already totals a great deal of money I believe is a rejiggering of the defense priorities and a waste of scarce defense resources.

These provisions I do not believe have a place on this bill and should be subjected to the full review of the Armed Services Committee. The amendment I will be offering would not strike the provisions in the bill, it would merely subject them to the review of the authorizing committee and require a specific, separate authorization before the funds could be expended to implement the provisions.

Let me emphasize, the amendment would require authorization rather than just strike the funding, because there may be a difference of view as to the necessity for the expenditure of those funds.

SEAWOLF FUNDING

In addition, section 8080 of the bill contains a number of funding transfers, including allocation of additional funds for the *Seawolf* submarine.

Last year, the Congress imposed a legislative cap on procurement costs for the first two *Seawolf* submarines. The cap could automatically increase for inflation adjustments as well as changes in labor and other laws. It did not permit, however, an automatic adjustment for other cost increases, such as change orders or contractor claims.

In the fiscal year 1995 ship cost adjustment request, the Navy identified cost increases in the *Seawolf* program of $65.9 million.

Only $34 million of this increase—the amount attributable to inflation—is allowable under the legislative cost cap.

Therefore, to ensure that the *Seawolf* program cost remains with the legislative cost cap, the Navy identified $31.9 million in offsetting reductions.

Unfortunately, in the bill before the Senate, the Appropriations Committee did not include the recommended rescission of $13.6 million in fiscal year 1991 shipbuilding funds to keep the *Seawolf* program within the legislative cost cap.

I am offering an amendment which would add this rescission into the committee bill, ensuring that the *Seawolf* cost cap is not breached only 1 year after it was imposed.

REPORT LANGUAGE PROBLEMS

Throughout the committee's report language, there are additional earmarks and set-asides for special interest projects. While report language is not amendable in the Senate, it still carries weight with the Department of Defense in allocating funds among programs. Therefore, I believe it is inappropriate to include earmarks for specific facilities or locations in the report language.

Let me list just a few of the items in the report language which I find objectionable.

MEDICAL EARMARKS

The sum of $5 million is earmarked in report language—I want to emphasize report language—for research on "elastin-based biomaterial, polymerized by human enzymes and capable of injection molding and other tissue replacement application"; additional funds are earmarked "to conduct biologic implantation to evaluate immunological responses and healing and to prepare data for FDA submission preparatory to human clinical trials" I will not bother to ask the managers what that means.

Earmarks of unrequested funds for a number of medical research programs: $425,000 for serum cholesterol, $2.025 million for nutrition research, $1 million for dengue fever, and $3.878 million for "Medteams";

The sum of $11.2 million for unrequested program to "demonstrate a transportable plasma waste treatment system at the Western Environmental Technology Office";

For spinal/brain research $5 million, and $20 million for the DOD/VA "core" medical research programs;

Additional $120 million for AIDS and breast cancer research;

"* * * the committee urges the Department to provide not less than $8,000,000 in financial and technical support toward the study of neurofibromatosis";

"* * * the committee urges the Department to provide not less than $1,000,000 in financial and technical support toward the study of Paget's and related bone diseases";

The sum of $5 million earmarked for the Military Nursing Research Program.

Other earmarks are: $5.4 million in unrequested funding "to continue ongoing efforts with an established small business development center to be administered as in previous years, focused on developing agricultural-based services, such as bioremediation. The committee supports targeted research and development projects and agricultural development activities in zones surrounding military installations";

The sum of $1 million for the Mississippi Resource Development Corporation for "continued research and development programs at the National Center for Physical Acoustics, centering on ocean acoustics";

Earmarks for continuing research: $5 million for the Center for Astronomical Adaptive Optics, $650,000 for National Solar Observatory, and $3 million for Pacific Software Research Center;

The sum of $8 million to be "competitively awarded to a qualified Washington, DC, region-based institution of higher education with expertise and programs in computational sciences and informatics capable of conducting research and development that will further efforts to establish an effective metacomputing testbed";

Three million dollars of theater missile defense funds earmarked for operation of Kauai test facility; and

Earmark of unlimited counterdrug funding for Southwest border information system, to "permit acquisition of automated systems by Federal, State, and local law enforcement offices involved in this program."

There are a number of other provisions which bear mentioning, because they are so egregious: $3.85 million for family housing and wastewater treatment plans for Hawaii; over $40 million for Pacific missile range improvements and support; $2.6 million to transfer Bryant Army Heliport to the Army National Guard at Fort Richardson, AK; additional $10 million earmarked for C–130 operations, and an unauthorized add of $88 million for unrequested C–130 aircraft; $30 million for the Allegheny Ballistics Lab, which was specifically rejected by the Armed Services Committee; $2 million for a natural gas boiler demonstration; $11.5 million for a training satellite for Air Force Academy cadets; another $15 million of unrequested funding for the High Altitude Auroral Research Program in Alaska; another $15 million for research on electric vehicle technology; $1 million for brown tree snake research; authority to procure computer terminals for local law enforcement officials participating in Southwest border control programs.

Mr. President, there are others. I will stop.

First of all, I emphasize this is report language, not bill language. But, for the life of me, I do not know what a number of these projects have to do with defending our vital national security interests. I can imagine that the brown tree snake is a threat to the very vitals of this Nation, but I do not know, nor have I ever heard, that the brown tree snake posed a threat to our national security.

As I say, there are many others that are very worthwhile programs, such as breast cancer research, AIDS—I do not know very much about the study of neurofibromatosis, but I have not heard yet in testimony before the Armed Services Committee that neurofibromatosis is a threat or a consideration of the Pentagon.

Paget's and related bone diseases, I am sure are also another that deserve our attention, but I do not think in this bill.

I do congratulate my colleagues for their restraint and their understanding that these defense dollars are becoming less and less, and that they have exercised significant restraint. Therefore, I would like to offer the first two amendments to my colleagues, that are acceptable, in order. Then I will go to the third, move to the third amendment.

AMENDMENT NO. 2372

(Purpose: To limit the total amount that may be obligated or expended for procurement of the SSN-21, SSN-22, and SSN-23 *Seawolf* class submarines)

Mr. MCCAIN. Mr. President, I send an amendment to the desk for myself and Senator DODD and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] for himself and Mr. DODD, proposes an amendment numbered 2372.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. (a) Except as provided in subsection (b), the total amount obligated or expended for procurement of the SSN-21, SSN-22, and SSN-23 Seawolf class submarines may not exceed $7,223,695,000.

(b) The amount of the limitation set forth in subsection (a) is increased after fiscal year 1995 by the following amounts:

(1) The amounts of outfitting costs and post-delivery costs incurred for the submarines referred to in such subsection.

(2) The amounts of increases in costs attributable to economic inflation after fiscal year 1995.

(3) The amounts of increases in costs attributable to compliance with changes in Federal, State, or local laws enacted after fiscal year 1995.

Mr. MCCAIN. Mr. President, in behalf of myself and Senator DODD, I will be brief.

Last year, the Congress adopted an amendment to the fiscal year 1995 Defense authorization bill which capped the procurement cost of the first two *Seawolf* submarines at $4.759 billion, the total amount identified by DOD as necessary to complete construction of these two boats.

The amendment was necessary to control escalating costs of the program.

When the total cost of the *Seawolf* program is taken into account, the cost per submarine is over $4.3 billion.

The procurement-only cost of the first two *Seawolf* submarines has risen $1.4 billion since the contracts were signed.

In December 1983, the Secretary of the Navy set a procurement cost ceiling for SSN-21 of $1.655 billion; current costs are almost $2.433 billion. The initial cost estimated for the SSN-22 was $1.718 billion; current costs are almost $2.236 billion.

SSN-23 is currently estimated to cost a total of $2.4 billion, although just last year the Navy was estimating $2.3 billion.

In September 1993 and again in May 1994, Navy officials confirmed the cost of the first two *Seawolf* submarines at $4.673 billion, which was the amount I included in my original amendment to establish a cost cap. But then, on June 9, 1994, the Navy wrote to me indicating that the cost of the first two *Seawolf* submarines would go up another $126 million. The final cost cap amount allowed only approximately $86 million of these increases, because they were deemed to be truly uncontrollable—inflation and labor law changes.

Early this year, the Navy replaced the *Seawolf* program management team, allegedly because of escalating costs above the legal cap—perhaps as much as $40 to $70 million. The new management arrangement seems to be working well and is structured to allow the Navy to keep a close eye on costs, and hopefully, no further taxpayer dollars will be required to finish the first two submarines. I wonder, though, why the program was allowed to escalate out of control for so many years.

Therefore, I offer an amendment to expand the existing cost cap to include the third *Seawolf* submarine. The provision establishes a procurement cost cap of $7.2 billion on the three *Seawolf* submarines. This includes an additional $2.4 billion for the third submarine, as well as an increase of approximately $34 million for inflation since the enactment of the cost cap last year.

The provision allows for the same automatic increases for inflation and labor law changes as the existing cap. It also exempts the future costs of outfitting and post-delivery for the submarines. These are costs which will undergo congressional review and require authorization and appropriations in the future.

When the Defense budget has declined 35 percent since 1985, with a projected decrease of nearly 10 percent by the end of the decade, Congress should insist on fiscal responsibility for every dime of taxpayer dollars we are asked to approve.

We cannot allow a return to the uncontrollable cost escalation that we have seen on the first two submarines, and I believe that imposing the same strict cost controls on the third *Seawolf* would be to the advantage of the American taxpayer.

Mr. President, I yield the floor on this amendment.

Mr. STEVENS. Mr. President, I will limit myself at this time to the Senator's pending amendment. I will answer the comments he has made at a later time.

I believe Senator INOUYE will concur. We have examined this amendment dealing with the *Seawolf*. We have no objection. It carries out a limitation. I might add, however, that it does precisely what the Senator is objecting to. It is an appropriations bill. Providing the necessary oversight and limitation on expenditures of funds is what we have done throughout the bill and in the report. We have, with regard to the *Seawolf*, this time not totally funded the *Seawolf*. We have incrementally funded the *Seawolf* in order that we may have the funds available from outlays for dealing with other projects which are in the bill, which the Senator from Arizona, I think, has rightfully acknowledged was a pretty good idea.

We have no problem with this. It puts a limitation on the expenditure for the *Seawolf* on the calendar year basis, which is what we intended to do. I think we do in the report.

Senator INOUYE and I are prepared to accept this amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from Arizona.

The amendment (No. 2372) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2374

(Purpose: To add a rescission recommended by the Department of Defense)

Mr. MCCAIN. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN), for himself and Mr. DODD, proposes an amendment numbered 2374.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 71, between lines 11 and 12, insert the following:

"Shipbuilding and Conversion, Navy, 1991/1995", $13,570,000.

Mr. MCCAIN. Mr. President, I want to say to my colleague that the reason I proposed the last amendment—I had not intended to—was because of the situation regarding the authorization bill.

I think there is significant question as to whether there will be a defense authorization bill this year. I included it in the Defense authorization bill.

But the reason I put it on this bill was because of the enormous uncertainty as to whether there will be an authorization bill in light of the continuing failure to reach agreement on the ballistic missile defense issue.

Last year, the Congress imposed a legislative cap on procurement costs for the first two *Seawolf* submarines. The cap could automatically increase for inflation adjustments as well as changes in labor and other laws. It did not permit, however, an automatic adjustment for other cost increases, such as change orders or contractor claims.

In the fiscal year 1995 ship cost adjustment request, the Navy identified cost increases in the *Seawolf* program of $65.9 million.

Only $34 million of this increase—the amount attributable to inflation—is allowable under the legislative cost cap.

Therefore, to ensure that the *Seawolf* program cost remains within the legislative cost cap, the Navy identified $31.9 million in offsetting reductions.

Unfortunately, in the bill before the Senate, the Appropriations Committee did not include the recommended rescission of $13.6 million in fiscal year 1991 shipbuilding funds to keep the *Seawolf* program within the legislative cost cap.

The amendment would incorporate this rescission into the committee bill, ensuring that the *Seawolf* cost cap is not breached only 1 year after it was imposed.

Mr. President, I yield the floor.

Mr. STEVENS. Mr. President, I understand the Navy has expressed no objection to this amendment. It is a matter of moneys that are there that could be rescinded at this time. It totally rescinds $13.57 million in the Navy accounts that are there from 1991 to 1995. I have no objection if the Senator wishes to offer this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Arizona.

The amendment (No. 2374) was agreed to.

Mr. MCCAIN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2375

(Purpose: To prohibit use of funds for programs and activities for which appropriations have not been authorized)

Mr. MCCAIN. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN) proposes an amendment numbered 2375.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. (a) Funds available to the Department of Defense for fiscal year 1996 may not be obligated or expended for a program or activity referred to in subsection (b) except to the extent that appropriations are specifically authorized for such program or activity in an Act other than an appropriations Act.

(b) Subsection (a) applies to the following programs and activities:

(1) Environmental remediation at National Presto Industries, Inc., Eau Claire, Wisconsin.

(2) Transfer of federally owned educational facilities on military installations to local education agencies.

(3) Activities at the Marine and Environmental Research and Training Station.

(4) Support for Coast Guard activities from the Defense Business Operations Fund.

(5) Contribution to the Kaho'olawe Island Restoration Trust Fund.

Mr. MCCAIN. Mr. President, I want to emphasize that this amendment would be to require authorization for the expenditure of these funds before the funds are expended as outlined in the appropriations bill.

It would not strike the language. It would simply add language requiring that authorization be obtained for these programs.

The first—I have discussed these before—is the earmark for $15 million for environmental remediation at the National Presto Industries for which, as I pointed out, there is no authorization for the program. In addition to that, there is an ongoing dispute between the Army and this corporation as to liability for the contamination of the site.

The second one is the authority to expend $20 million to transfer federally owned educational facilities on military installations to local education agencies. There is simply no authority for that.

The third is the $5 million earmarked for the Marine and Environmental Research and Training Station. No authorization exists for this.

Finally, the authority for the Coast Guard to draw $300 million from the Defense Business Operations Fund, and the addition of $25 million for the Environmental Remediation Trust Fund for the Kaho'olawe Island.

Mr. President, I have discussed these at some length in my previous remarks.

So, therefore, I yield the floor.

Mr. STEVENS. Mr. President, I believe that the Senator from Arizona has presented his point of view ably. I thank him for the comments he has made concerning the bill as a whole.

We have a difference of opinion with regard to the functions of the Appropriations Committee as compared to the Armed Services Committee. It is my feeling that it is our responsibility to look over the request for money to be spent by the Department of Defense to try to allocate it within functions within the Department and within the various services to the best of our ability, keeping in mind that the Department has a request for many things.

The Armed Services Committee deals with the broader general defense policies and with the confirmation of the particular persons that are nominated to carry out the Commander in Chief's functions through the Department of Defense. They have the oversight of planning. They have the oversight of a great many matters, and they basically authorize general functions.

In recent years, there has been a tendency of some members of the Armed Services Committee to try to get down to the point where I think they would like to limit the number of paper clips that each agency can buy. We are inclined to oppose that. We are at that point now because we believe we have the right to put limitations on the expenditures of moneys or to allocate the moneys to particular functions when they are dealing with categories of line items, and the line items in this instance are important.

Take, for instance, National Presto. That is the environmental remediation site at Eau Claire, WI. It was first addressed in the 1988 defense bill. This year we have language that limits the funds only to implement the Army's agreement on that site.

Now, under the circumstances, that is limiting the expenditure of funds that we have authorized. It is a limitation on expenditures which is entirely our responsibility and not the responsibility of the authorization bill. This was offered by Senator COCHRAN in our subcommittee and voted on by the subcommittee, approved by the full committee, and has been brought to the floor as our recommendation on the limit of expenditure of funds contained in this bill. I think that is a good example of what we are all about.

With regard to the transfer of funds for the support of the Coast Guard activities from the Defense Business Operations Fund, we plead guilty. The Coast Guard is a defense entity in times of war. In order to keep it so that it can be a defense entity, we have since 1981 provided a substantial amount of defense funds either directly or through the use of funds appropriated to the Department of Defense for the purchase of fuel or supplies that can be used. They acquire them in this instance from the Navy facilities.

We have authorized the Coast Guard under this bill to draw services and logistics support for defense missions from the Navy. Now, they have had a whole series of defense missions, whether it is Haiti or the Cuban refugee concept or some of their activities in the blockade of Iraq.

There is a whole series of things the Coast Guard is doing. As a matter of fact, in my opinion, it ought to be 10 times this amount to repay the Coast Guard for what they are doing. But this ensures the Coast Guard can participate in these missions. They are also involved in the counternarcotics mission with the Navy in both the Atlantic and southern commands, and they have really I think had an impact on their overall readiness for their other activities that are very important in areas such as law enforcement, safety inspections, et cetera. They have to reduce their effectiveness in dealing with their civilian role during peacetime in order to participate in peacetime in semi-military activities.

This $300 million is a bare minimum. I wish to serve notice to the Senate that next year it will be more. If anyone believes it is wrong, the bill you have just voted on, transportation, assumes that this $300 million is there.

If the Senator from Arizona wants to help the Coast Guard, if he does not want it here, then he should offer the amendment, in my opinion, to the Coast Guard. Those of us who support the Department of Defense—and I am sure the Senator from Arizona does, as I do—ought to realize that the Coast Guard is one of the echelons of the Department of Defense even in peacetime now.

I think that this, as I said, is a very small payment of what it should be for them. Incidentally, they come under the jurisdiction of the subcommittee that I chair in the Commerce Committee, and my friend from Arizona serves on the Commerce Committee similarly. This is a great problem for us because of the fact we cannot today increase the funding for the Coast Guard through the authorization that has been given to us in the Commerce Committee. This is the one way we can assure that the Coast Guard will not decrease its effectiveness in dealing with civilian operations because of its overwhelming ongoing semi-military and military operations in peacetime.

I also want to say to my friend with regard to the matter of the federally owned educational facilities on military installations, we have over a period of time now fostered a concept of transferring the educational facilities on military installations to the local school districts.

We ran into a problem not only in my State but other States where the school districts said they could not take over those and operate them because they did not meet State standards. So we have over a period of years now funded it. In 1993, 1994, 1995, we funded the upgrade of those federally owned and operated schools so that they would reach the level that would meet State law. The understanding at the time was they would be transferred to the school districts in the various States, and the main reason is, under their laws they cannot operate in schools on property owned by somebody else.

This is a formality now to carry out agreements that have been in effect, in my opinion, for some 3 to 4 years. They are really not earmarked, incidentally, I say to my friend from Arizona. We have recognized the priority list established by the Department of Defense, and we have funded it according to their priority list. As the schools have been upgraded to meet State standards, they have in fact been transferred. I think this is almost the last of them. I am not sure we are totally at the last of them.

I think, again, it is within the prerogative of the Appropriations Committee to do exactly that, to pursue a policy to reduce costs to the Federal Government. We have pursued that by seeking to transfer these schools to local operations. We had to meet the obligations to upgrade them so they would meet State fire and safety codes, and now we have done that. So this says that they should be transferred upon completion of the repairs that we have already financed and we continue to finance in this bill.

Similarly, I have to say, Mr. President, if the Senate wants to look at the details of the Department of Defense health program, it begins on page 199 of the report. I am proud of this. I think that we have within the Department of Defense a series of dedicated people. Again, it is peacetime. There is no war ongoing. They have some tremendous capabilities to do research. They are the ones who got us the various vaccines over the years starting with malaria, hepatitis. You name it, it was the Defense Department's research group that has really been at the cutting edge of research in this country, and that includes AIDS.

As early as 1982, we started a fund to try to deal with AIDS. Why, Mr. President? We found an increasing number of people in the services were contracting AIDS throughout the world, and we had an increasing problem. We had people enlisting and after they were enlisted, they had AIDS. We had to have some basic funding for research to determine how to deal with that issue.

As I said before about breast cancer, we have literally thousands of young women coming on now into the Department of Defense, and they have to have that kind of medical attention. Based upon that medical attention, we should have the capability of giving the Department of Defense the money to continue research to help to deal with that disease that afflicts so many young women of childbearing age.

Those are the people enlisted in the Army, the Navy and the Air Force. And the Department has willingly taken on the task of being a partner in this type of research. I say I would oppose the Senator's amendment, if for no other reason than that.

I stood here and tried to limit the involvement of our defense funds to meet legitimate problems that the Department of Defense is concerned with. But this money is being dedicated, I think, to research that is needed.

Go through it. We have disaster management training. There is no question about it, we need that. We have funds for the support of the comprehensive health care system. We are looking at neurofibromatosis. That is a study that has, I think, the Department's full backing. We are developing a regional center for advanced cancer detection.

Again, Mr. President, if we are attracting the best of our young people, the people, as Senator INOUYE says, who come forward and are willing to place themselves in harm's way, one of the harm's, unfortunately, that they get in the way of is different forms of diseases. And we have within our Department of Defense the capability to conduct research, not only assisting those individuals who develop these diseases, but using those people to help us better understand the way those diseases affect the younger people of America.

I cannot think of a thing in that health care section of our report that I would want to change or that I would want to see the Senate delete. There is another item here—I do not know whether the Senator from Hawaii wants to talk about it—with regard to the contribution of the Kaho'olawe Island restoration fund. That is a fund that we created—no, that is a contribution. The funds have already been created to remediate an area of Hawaii that was severely impacted by the use of live ammunition, as I recall. I cannot understand why we should not use Federal money for that.

Mr. MCCAIN. May I respond?

Mr. STEVENS. I have to tell the Senate, I hope the Senate will join with us. I am going to move to table the Senator's amendment as soon as he has had a chance to explain it.

If my friend wishes to chat about it, I will be glad to yield to the Senator from Hawaii. Mr. President, there are two things I will close with. One is that the Senator from Arizona and I have a disagreement over the role of the Appropriations Committee vis-a-vis the Armed Services Committee. There is no question about that.

But with regard to this amendment, it goes further than that. This says that the Senator from the Armed Services Committee can ask us to delete these items without having sat in the hearings, without having sat in the meetings we have had, the subcommittee and full committee consideration, bipartisan review of every item that he has here.

I point out that there was no objection in either the subcommittee or the full committee to any one of these items from anyone. I believe they are examples of the kinds of limitations we should put on Federal funds or on those functions that receive Federal funds.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. INOUYE. Mr. President, if I may respond to the bill that was just submitted by my dear friend from Arizona.

First, on the Kaho'olawe Island restoration. Kaho'olawe is an island in the Hawaiian chain. Soon after the election of President Eisenhower, the President felt that the military of the United States required considerable training and upgrading. The Korean war had indicated that our troops were not trained properly and that our Navy was insufficiently supplied.

Therefore, he called upon the territory of Hawaii—we were not a State at that time—and requested the use of this island. The Governor of that island and the legislature consented. The President issued an Executive order that said, when we find that we are no longer in need of this island as a target island, we will return it to the people of Hawaii in a habitable condition. That is what it says, "habitable condition."

Soon after the island was transferred to the Federal Government for use as set forth in the Executive order, that island was just bombarded with everything from bombs to 18-inch shells, grenades, et cetera. This became the major training area in the Pacific Ocean, and it continued until about 5 years ago. All of our Navy pilots, Air Force pilots, Navy ships, and oftentimes ships from other countries, at our invitation, used this island for target purposes. They were not duds, they were live ammunition. So this island is just inundated with unexploded ordnance.

About 5 years ago, the U.S. Government decided that this island was not necessary for target practices. But then they looked over the island and they felt that if we were to return this island to the people of Hawaii in a habitable condition, it would cost possibly a couple billion dollars.

And so once again the people of Hawaii said to the Federal Government, we will set aside certain areas of this island and let us clean them up. We realize that to clean the whole island would cost billions of dollars. So this Congress authorized the expenditure of $400 million to partially clean the island.

Mr. President, it should be noted that all these years from 1953, our Government used that island and did not pay even $1 a year. No other State would have provided land for that purpose for less than market value. We got no pay. And so now the time comes to return the island, and the Senator says the cleanup should not proceed.

Mr. President, it should be also noted that this island just happens to be the most sacred island for our native Hawaiians. The most important temple, Heiau, is located on this island. This island also was the focal island for the trips to Tahiti. Long before Columbus ever set sail in the Atlantic Ocean, Hawaiians were traveling from Polynesia to the Hawaiian Islands, and this island was a focal island. So this is a very important island.

This Congress authorized this money. Granted, the authorization was not initiated by the Armed Services Committee. But this Congress did authorize it.

The Senator from Arizona also mentioned the brown tree snake. There is $1 million for the eradication of the brown tree snake. I do not see it in the bill, but he mentioned that.

The brown tree snake was first discovered on the Solomon islands. Soon after World War II—and this is in the record—a military cargo ship, because it was not appropriately cleaned up, carried a few brown tree snakes when it landed on the island of Guam. The brown tree snake just flourished to the point where six species of birds have been wiped out there. They are no longer in existence because these snakes love birds. They eat eggs and eat birds.

Furthermore, as a result of this colony of brown tree snakes on Guam, the people of Guam experienced brownouts almost every night. These snakes like these electrical towers. There are brownouts all the time.

Obviously, the people of Hawaii fear the brown tree snake, and we have found that the few brown tree snakes that have been located on Hawaii have come through the military, through the aircraft. We recently found one in Scofield barracks.

Mr. President, we pride ourselves in being the home for many of the exotic birds. The few that remain on this globe are found in Hawaii. If this brown tree snake ever found a home there, then the endangered species program we have would have to be set aside because they will just wipe our birds out.

Mr. President, there is $1 million to the military, and they want this so that they can set up a program to make certain that these snakes do not travel from Guam to Hawaii.

The other measure that my friend from Arizona mentioned, which is not here, is the Pacific missile range facility. This program was requested by the Navy. The title, the name and designation of this facility is misleading. It says "missile range." The major purpose of this facility is a submarine training and target facility. Up until recently, it was a highly classified activity. You do not see much of it because it is under water.

All of our training facilities to date are deep-water facilities. The Pacific missile range is deep water, but it is also shallow water. It is the only shallow-water testing and targeting facility in the United States.

In today's possible warfare, we must excel in the skill of fighting in shallow waters. This is what it is.

It is true, it was not authorized by the Armed Services Committee, but it was requested by the military, and we believe that request was justified.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, on the issue of the Kaho'olawe cleanup, let us make it clear that we want it cleaned up. But the fact is, there is right now $116 million already in the account to clean up this island. And by the way, for some reasons that are not clear to me, 10 percent of everything appropriated goes to the State of Hawaii, but that is not the initial point here.

Right now, there is $50 million remaining available in Navy environmental cleanup accounts, another $66.75 million remaining in the trust fund, more than sufficient to proceed with 1996 planned efforts. The Navy expects to spend $26 million during 1996 for cleanup activities. That would leave approximately $90-some million left in the account.

The reason why I say it is not necessary at this time, not that we do not want the island cleaned up, but there are many other areas in America that need to be cleaned up as well. I do not know how many Superfund sites there are in America or how many bases, including one in my own State, that still needs to have funding to be cleaned up.

As far as the Eau Claire Ordnance Works is concerned, in 1988, the Army entered into an agreement with this company, NPI, concerning the funding and the cleanup of the Eau Claire site. The Army agreed to request authorization for $5 million for site-related environmental restoration costs incurred by NPI or NDC after January 1, 1984, for past production-related activities. Although the agreement provided for Army funding of cleanup costs, it also specifically denied any acknowledgment of liability or fault with respect to any matter arising out of or relating to the site. These two aspects of the agreement cause the document to be contradictory on its face.

According to the Army, the fundamental premise of the 1988 agreement to request environmental restoration funding was that the Eau Claire facility would "continue to be an integral part of the Army's mobilization base." It is the Army's position that further funding requests were contingent upon the continued mobilization status of the Eau Claire site. NDC or NPI could terminate that status at will. The Army maintains that with no reciprocal obligation to continue participating as part of the Army's mobilization base, it would be difficult for NDC to argue that the Army agreed to incur an obligation to continue to request additional funding regardless of NDC/NPI mobilization status.

In 1988, $5 million was appropriated but not authorized. Most of the original appropriation was expended for studies and an alternative water system for a nearby town. Pursuant to the

1988 agreement, funding in excess of the $5 million was expressly conditioned on congressional authorization.

In 1992, the Army determined that the Eau Claire facility was no longer a critical national defense need. Then in 1993, $7 million was appropriated but not authorized. The Army unsuccessfully challenged this earmark. The $7 million was expended for studies, combined water system installation, bottled water and groundwater treatment.

In 1995, $2.3 million was earmarked for environmental restoration of the Eau Claire site in the Department of Defense appropriations conference report. There was no authorization for this purpose. According to the Army general counsel's office, that conference report earmark does not have the force of law. The Army comptroller has not released the money.

The Army believes that it has no liability for contamination of the Eau Claire site under the Comprehensive Environmental Response, Compensation and Liability Act, known as CERCLA. The Eau Claire facility is a formerly used defense site owned by the Government from 1942 to 1948. The Army Corps of Engineers has completed a PRP study concluding that there is no evidence related to disposal of hazardous substances at the site during the period the Government owned the property. According to Army general counsel, the Army did not exercise the degree of site control from 1978 to 1992 such as to warrant concluding that it was a PRP during that period.

To date, the Army has expended about $12 million for Eau Claire site remediation. NPI has requested another $15 million for environmental remediation of Eau Claire, citing the 1988 agreement as the legal basis for such funding.

The Army signed the 1988 agreement that established an obligation to request Eau Claire site remediation funding in the amount of $5 million initially, and to request additional authorizations.

The Army did not clearly identify the underlying premise of its agreement as a condition precedent to additional requests for authorization for remediation funding.

The Army's expressed willingness to request funding authorization for site remediation suggests that the Army has historically acknowledged some level of liability but now wishes to alter that position.

The 1988 agreement also denied liability or default with respect to any matter arising out of or relating to the Eau Claire site.

The sub rosa purpose for the 1988 agreement was to keep NPI financially afloat so that it could maintain its mobilization status on behalf of the Army.

The Army's PRP study indicated that the Army had no CERCLA liability with the Eau Claire site.

To continue to compel the Army to fund the Eau Claire site for remediation simply based on a contractual relationship that it shared with NPI, sets a very bad precedent for the Department of Defense.

The factual basis for this claim is ripe for litigation, not legislation.

What would be most beneficial in this situation is to encourage the parties to work out their differences as they agreed to do in the context of the 1988 agreement. I might add that the Army opposes earmarking funds for this site remediation.

Mr. President, I do not know if the $20 million to transfer federally owned educational facilities on military installations to local education agencies is good or bad. It has never been brought up to the authorizing committee.

As far as the Coast Guard to draw $300 million from DBOF, if they are for contingency funds for Haiti and others, I suggest they come out of funds which are for ongoing contingencies, and their operations would be part and parcel for that.

The Senator from Alaska is right that we do not agree on the respective roles of the appropriations and authorization committees, and I am sure that we will continue to have that sometimes intense but always respectful difference of opinion. But I say to my friend from Alaska, his authority to limit expenditures is something that I see exercised in the breech and the exercising of his authority to increase spending is something that I see exercised with great frequency. Therein lies much of our difference of opinion.

Mr. President, I want to say that I appreciate enormously the dedicated effort that the Senator from Alaska has made for many, many, many years, long before I was a Member of this body, to ensure that we had an adequate and strong national defense. And my sentiments are the same for the Senator from Hawaii and his dedicated efforts. I know that the Senator from Alaska and the Senator from Hawaii know I will continue my efforts to avoid earmarking and unauthorized expenditures of funds. I will also admit to the Senator from Alaska that there are bound to be certain gray areas in which there is an open and honest difference of opinion as to what needs to be authorized and what needs to be appropriated.

So I thank my colleague from Alaska for his indulgence on this issue. I am prepared to accept a voice vote on this amendment.

Mr. COCHRAN. Mr. President, I simply want to point out, as the managers have already so capably done, that these provisions are included after a review by the committee and a decision by the committee that the allocations of the funds were justified. I suggested that we approve the provision relating to the Eau Claire, WI, site where environmental remediation is obviously needed, and has been agreed to by the Army in a previous written agreement that goes back to 1988.

The fact is that that agreement has not been kept on the part of the U.S. Army. So the funds are available in this bill for that purpose, and the committee report spells out that they are, much like the committee report did in 1993, where it concludes with this language: "The Department of the Army has not fulfilled its commitments under this agreement." The Department is encouraged, and the funds are made available, to complete the obligation and keep its part of this bargain. It is a difference of agreement.

I urge the Senate to go along with the recommendations of the managers of this legislation.

Mr. STEVENS. Mr. President, I ask for a vote on this amendment.

The PRESIDING OFFICER. Is there further debate?

The question is on agreeing to the amendment.

The amendment (No. 2375) was rejected.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DORGAN addressed the Chair.

Mr. STEVENS. Will the Senator yield for a question?

Mr. DORGAN. Yes.

Mr. STEVENS. Is there a possibility that we can limit the time on this amendment?

Mr. DORGAN. I would be agreeable to a time limit. I know there are likely to be people who will want to speak on this. On the other hand, we have debated missile defense issues generally on the Defense authorization bill in recent days for some 8 or 9 hours.

Mr. STEVENS. Mr. President, I will serve notice to the Senate that when the Senator completes his remarks I will move to table the amendment.

This has been debated on the Armed Services Committee bill, and it is part of an item that is in conference now. I hope the Senator will understand that we want to move this bill along. It is a matter that was debated at length on the other bill.

It is my intention to move to table at the completion of the Senator's remarks.

Mr. DORGAN. I am more than amenable to having a short time limit, but I would like an up-or-down vote on the amendment.

Mr. STEVENS. I will be happy to have an up-or-down vote if we have a time agreement.

Mr. DORGAN. I would be happy to do that. I understand we want to try to avoid recorded votes between 1 and 2.

Mr. STEVENS. We can postpone the time. Others are standing in line.

Mr. DORGAN. I would be amenable to a 1-hour time agreement equally divided.

Mr. STEVENS. I believe that is agreeable. With the vote to take place at a time to be mutually agreed upon following completion?

Mr. DORGAN. Yes. That would include no second-degree amendments.

Mr. STEVENS. No second-degree amendments.

Mr. BINGAMAN. Mr. President, can I ask the Senator from Alaska if he would add to that one-half hour for the amendment that I will offer after the Senator from North Dakota on my side, and one-half hour in opposition, also without no second-degree and with an up-or-down vote? It would be the amendment I just gave the Senator.

Mr. STEVENS. With regard to the amendment of the Senator from New Mexico, there would be no second-degree amendments prior to the motion to table. If the Senator's amendment is not tabled, it would be subject to a second-degree amendment.

Mr. BINGAMAN. Mr. President, I see very little percentage in me agreeing to a time limit under those circumstances.

Mr. STEVENS. I will make the same offer. I intend to move to table any amendment that was debated on the Armed Services Committee bill.

Mr. President, has the time agreement been entered into on the amendment of the Senator from North Dakota?

The PRESIDING OFFICER. No unanimous-consent request has been made.

UNANIMOUS-CONSENT AGREEMENT

Mr. STEVENS. Mr. President, I ask unanimous consent that there be 1 hour, equally divided, with no amendments in the second degree, and we will have an up-or-down vote at a time to be agreed upon following the expiration of the hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota is recognized.

AMENDMENT NO. 2377

(Purpose: To reduce the amount authorized to be appropriated for national missile defense.)

Mr. DORGAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. BRADLEY, Mr. LEAHY, Mr. BINGAMAN, and Mr. FEINGOLD, proposes an amendment numbered 2377.

Mr. DORGAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, beginning on line 12, strike out "$9,196,784,000, to remain available for obligation until September 30, 1997.", and insert in lieu thereof "$8,896,784,000, to remain available for obligation until September 30, 1997: *Provided*, That, of the amount appropriated under this heading, not more than $357,900,000 shall be available for national missile defense.".

Mr. DORGAN. Mr. President, I have agreed to a time agreement even though this is an enormously important issue, because we have spent many, many hours debating the general issue in recent days on the Defense authorization bill. My amendment would eliminate the $300 million additional funding that was added in the appropriations bill for something called national missile defense. It was added to the Defense authorization bill, and now added to the appropriations bill.

We already had a debate on this on the authorization bill, and I lost by three votes in stripping out the $300 million extra that was written into the bill that the Secretary did not ask for. This is not money the Secretary said we need, that he wanted. This is $300 million extra that was put in the Defense authorization bill, and now put in the Defense appropriations bill, for a national missile defense program.

Let me try to describe what all of this means. We can go back to the mid to early 1980's and President Reagan's announcement one evening at a press conference of his idea to build an astrodome over America—star wars, it was called. If you kind of put an astrodome over our country in the form of star wars defense, you create a shield against incoming intercontinental ballistic missiles from the Soviet Union. It was a very expensive proposition, but at a time when we were in the middle of the cold war with the Soviet Union, the Reagan administration pushed very hard to initiate a star wars program, to create a shield over this country that incoming missiles could not penetrate because they would be shot down.

A lot has happened since 1983. The Soviet Union no longer exists. It is a name consigned to the ash bin of history. The Soviet Union is gone. Since 1983, we have entered into arms agreements with the Soviet Union that result now in having missiles cut up and destroyed in the Soviet Union that previously were sitting in silos with nuclear warheads aimed at American targets. Those missiles are now being taken out of the silos, dismantled, and destroyed under our arms agreement, initially made with the Soviet Union, and now continuing to be carried out with Russia and the Republics.

But one thing has not changed in the intervening period, and that is the appetite for folks who are invested in an arms program to continue to build that program.

The Soviet Union is gone. The cold war is over. We are now allies with Russia in a whole range of areas. We just had our astronauts up in space with the Russians, cavorting around the space lab.

The Russians are now taking their missiles out of their silos and cutting them up and destroying them, and the American taxpayers are helping pay for that destruction because it is part of arms control and it makes a lot of sense.

It makes a lot more sense to pay for the destruction of missiles that were previously aimed at the United States than for us to build a new weapons program with all of the tens of billions of dollars that costs.

One thing has not changed; that is the appetite to build the programs that were started. So we come to 1995 and something called national missile defense, ergo, star wars. New title, new description. But look on page 186 of the report before the Senate on the defense appropriations bill:

> National Missile Defense. The committee has provided $670.6 million, an increase of $300 million over the budget request. The committee has taken this action to accelerate the development of a national missile defense system. The committee endorses the realignment and augmentation of funding for BMDO and endorses the realignment and funding for 1996. The committee shares the commitment articulated in the report on the defense authorization bill that adequate resources should be made available to facilitate the deployment of an operational national missile defense system at the earliest possible time that can fully protect all 50 States.

Now, what does this mean? What this means is the Secretary of Defense, in asking Congress for the money he thinks is necessary for the security of this country, asked for $371 million to continue to do research and development on a national missile defense program in the event that in the ensuing years, a threat develops that would persuade the Department of Defense authorities that they might want to deploy a national missile defense system.

What did the Congress do? Well, those who were beating their chests day after day earlier this year about the Federal budget deficit, the fact that this country is up to its neck in debt and has enormous yearly budget deficits, have changed their tune. Those same folks who were bellowing and crowing and beating their chests about the budget deficit said, "You know, what we would like to do is to add $300 million more to this account that the Secretary says he does not want and does not need."

In fact, this is just a small part of it. They actually said, in this entire bill, we will add $7 billion that the Secretary did not ask for. We will buy trucks, ships, and planes that the Secretary of Defense did not ask for, because we think it is in the national interest. Seven billion dollars was added in the authorization bill, and most of it is in the appropriations bill, that the Secretary of Defense said he does not want and does not need.

Included in that $7 billion is $300 million for star wars. Some will object and say this is not star wars. Well, read it.

This bill says the following: First of all, we ought to deploy a new national missile defense system by 1999. That is 4 short years from now. Second, it ought to be a multiple-site system; that, by definition, means we want to break the ABM Treaty.

The ABM Treaty is the foundation for the arms control agreement that now results today in Russia in the destruction of missiles that used to be aimed at us. They are torn up, cut apart, and destroyed.

Those arms treaties result in that. That is progress. That is success. I say when you have thousands of missiles and you are destroying rather than building more, that is success.

But to deploy a new multisite national missile defense system immediately abrogates the ABM Treaty. Then this bill says that as a component part of that system, we will have a space-based component. Well, putting weapons in space violates the ABM Treaty too. So all of that simply abrogates the ABM Treaty.

Some may want to do that, and think the treaty is irrelevant and ought to be changed. I think it is the foundation that has led us to a position where rather than building new missiles, we are helping to destroy old ones that used to be aimed at us.

I suppose of all the folks in this Chamber who ought to be supporting this, it ought to be me. One of the likeliest sites for national missile defense is northeastern North Dakota. Most everybody says that would be one of the first sites because that is where the only ABM system was ever built.

In the early 1970's, this country built an antiballistic missile system, and spent billions of dollars doing it. Within 30 days of it being declared operational, it was mothballed. Within 30 days of this antiballistic missile system being declared ready and operational it was closed and mothballed.

The ABM Treaty provides if we have another ABM site, it shall be in that same State. If anybody in this Chamber probably would be expected to support this because it is likely in part to be built in North Dakota, I suppose it would be me. But I do not support it because I do not think this country ought to spend money it does not have on things it does not need.

That is the case with star wars. It is out of step. It is out of time. It makes no sense in the current circumstances to initiate the development of a new $48 billion program, according to the Congressional Budget Office statistics—$300 million this year, yes, but it would cost an estimated $48 billion in total.

Now, what is the threat and what is the administration's policy? Well, let me read a statement of the administration's policy. These are the folks who run the Defense Department. "The bill would direct the development for deployment by 2003," and the bill also says the initial deployment in 1999, "of a multiple-site system for national missile defense that, if deployed, would be a clear violation of the ABM Treaty. The bill would severely strain U.S./Russian relations and would threaten continued Russian implementation of the START I treaty and further Russian consideration of the START II treaty."

Incidentally, they are involved in the issue of consideration of ratifying the START II treaty at this point. This could not come at a worse time and could not be, in my judgment, a worse policy. "These two treaties will eliminate strategic launchers carrying two-thirds of the nuclear warheads that confronted the Nation during the cold war."

We are saying that the treaty which was the foundation for all this arms control progress is a treaty we now essentially ought to violate.

Now let me read a statement from Secretary Perry, the Secretary of Defense:

> The bill's provisions would add nothing to DOD's ability to pursue our missile defense programs and would needlessly cause us to incur excess costs and serious security risks.

I do not know how you can say it more clear than that. You have a Secretary of Defense that says you do this and you cause this country additional security risks. You have a Secretary of Defense that says he does not want this $300 million, and a bunch of folks that call themselves conservatives saying not only do we not care if you do not want it, we insist we give it to you and you spend it. This makes no sense to me.

Now, some will stand up in this Chamber and say, "You do not understand anything about defense. You oppose all these things." I support a strong defense. I supported many weapons programs which I think are necessary for the country. I have also been willing to stand up and confront some programs that I think are complete total boondoggles, this among them.

Some will say, well, you do not understand; maybe it is not Russia, maybe it is not the cold war, but it is a new threat, they tell us. In fact, several stood on the floor of the Senate recently in the last week and said: It is a new threat; you do not understand. It is Iraq, it is Saddam Hussein, it is the country of Iran, it is Muammar Qadhafi and Libya; it is North Korea, in fact. That is what they say. They bring charts out and they show big pictures of missiles that North Korea is developing.

Well, all the credible experts in intelligence tell us there is no credible threat to this country in the next decade from a terrorist nation delivering a nuclear warhead with an intercontinental ballistic missile. It is far more likely that a terrorist nation, if it managed to get sufficient materials with which to produce a nuclear bomb, would threaten this country with a suitcase bomb, or with a bomb in the trunk of a rusty old car parked at a dock in New York City; or perhaps with a small glass vial of deadly biological agents smuggled into this country.

But that, unfortunately, does not augur for a defense mechanism that would allow one to build a $48 billion program with jobs all over the country to construct a new missile program and relight the torch of the arms race at exactly the time we have started to make progress, to see the destruction of missiles that used to be aimed at us.

No, it is hard to dim the appetite in these Chambers for weapons programs. It does not matter what year it is. You just change the argument. It does not matter that the Soviet Union does not exist; just debate Korea. Just say Korea has some missiles now.

Listen to some defense experts; in fact, maybe listen to the folks back home. Listen to the taxpayers. Do you want to talk about a threat to this country? Maybe the threat to this country ought to be best described as debt and deficits, a $5 trillion debt and nearly $200 billion in annual deficits.

In a circumstance where when we debate that, the very folks who now tell us that they want to stuff the Pentagon's pockets with $300 million this year that the Pentagon does not want, and up to $48 billion in the future, to build a star wars system, the very same people who say that they are the warriors in confronting the budget deficit become wallflowers when the defense budget comes to the floor of the Senate because they are the ones who are the wild-eyed, reckless spenders. They are the ones who say it does not matter to us that we do not need it, it does not matter to us that nobody asked for it. We insist, in fact we demand that we build it and spend it.

We have already had a vote on this issue: $300 million for early development, 1999, a new star wars national missile defense program. We already had a vote on it. I lost, 51 to 48. That was in the defense authorization bill.

This is the appropriations bill. Someone might argue, "Well I voted to authorize it but I really did not vote to spend the money." Here is where we are going to decide who is willing to vote to spend the money on something we do not need. This is when we find out who is really the steward of the taxpayers' dollar.

As I finish this discussion I cannot help but also point out there is a tendency in this Chamber—and it is probably a tendency that has been around for a long, long while—to say if you do not support this sort of thing you do not support a strong defense. In fact, someone stood up on the other side of the aisle last week and said: You know, what the folks who do not want to build the star wars system are saying is let us protect everyone else but America. Let us not protect America.

What a bunch of babble. What a lot of babble coming from folks who talk that way. We spend $260 to $300 billion on defense in this country. We build bombers and fighters and tanks and trucks and we build weapons, sophisticated and unsophisticated. The fact is, we spend so much more than any other country in the world on defense that you are embarrassed to see the ratio. You can add up all the rest of the expenses by all of our allies and we still spend more than all of them by far.

So for anybody to suggest if you do not swallow this minnow, if you are not willing to build this project, start a new star wars and abrogate the ABM Treaty, somehow you do not care about this country—I say that is the kind of debate that largely renders thoughtfulness irrelevant in this Chamber.

I do not mind if somebody stands up and prints a cardboard cutout of some hyperinflated missile threat from North Korea. If they really want to do that, they have every right to do that. But it does not comport with what the intelligence experts say.

I do not mind if somebody says, you know, it is true we cannot afford to have poor kids at school have an entitlement to a hot lunch because we do not have the money; it is true we cannot afford to fully fund Medicare for the elderly because we do not have the money; and it is true we have to make it more difficult for kids to go to college and for their parents to pay for it because we do not have the money for student financial aid—that is all true, but then they say it is not true we are short of funds when it comes to building star wars.

I respect the debate about priorities. Those folks who believe that, that this is wrong and that is right, that investment in human potential is not what helps our country but investment in the Star Wars program when the Soviet Union is gone, they think that is the right priority—I respect that difference. But I have minimum high regard for those who stand on the floor and say those of us who would oppose a new Star Wars program that will cost up to $48 billion somehow do not want to protect America. The best way to protect America, in my judgment, is to not spend money we do not have on something we do not need; and not abrogate the ABM Treaty. This treaty is a vital part of arms control, and it is arms control agreements that have put us where we are now with now, helping to destroy missiles that were previously aimed at us.

I intend to ask for a record vote. I want people to register how they feel about spending this extra $300 million, and consigning us to spend an extra $48 billion, reignite the arms race and abrogate the ABM Treaty with this kind of foolishness.

With that, Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. KYL). Who yields time?

The Senator from Hawaii.

Mr. INOUYE. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INOUYE. Mr. President, at the outset, I believe the record should show that a week ago, when this amendment was proposed to the authorization bill, I did support with some reluctance this amendment. Today I stand before my colleagues as one of the managers of the appropriations measure. In the past week, several things have happened which places this amendment in a different light.

First, this measure has been voted upon after an 8-hour debate and the vote was close, 51 to 48. Second, the underlying proposition, which is the possible abrogation of the ABM Treaty, is now very seriously negotiated by our leadership, Mr. DOLE and Mr. DASCHLE, by members of the State and Defense Departments, and by the senior members of the Armed Services Committee. At this moment, Mr. WARNER, Mr. COHEN, Mr. NUNN, and Mr. LEVIN are very seriously discussing this matter.

Many of us have been assured that this negotiation process is moving along in a very fruitful fashion; that we can anticipate some sort of resolution. And therefore it is with that understanding that the appropriating committee came forward and presented our bill. There is an understanding that, if a resolution is reached, we would be set aside and the authorizers will come into the picture.

Third, this $300 million is for research and development. The amount of $48 billion has been mentioned. The $48 billion is a possibility in the future, if—and I say if—this country should decide to establish an antiballistic missile system, setting up bases all over the United States. That decision has not been made and I believe that at this stage it is very unlikely that a decision of that nature would be adopted by this Government, or by this Congress. Therefore, I hope my colleagues here will be a bit more patient and wait until the negotiators have concluded their meetings, wait until our Defense and State Department officials have expressed their views, and wait until the authorization measure is taken up in the appropriate fashion and votes are taken to make their final decision.

Therefore, I must advise my colleagues that on this vote I will be voting with my chairman which would be against the proposition.

Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator has consumed 4 minutes and 15 seconds.

Mr. INOUYE. I yield the floor.

Mr. DORGAN. Mr. President, let me make a couple of additional comments.

There is no one for whom I have higher regard in the Chamber than the Senator from Hawaii. I regret that he will not be able to vote for the amendment. But I want to make a couple of additional points.

There are negotiations going on right at the moment. I have been at a number of meetings today on this subject. Frankly, I doubt very much whether those negotiations are going to be able to bridge the gap. Some of us essentially want a multiple-site missile program, with a space-based component, both of which will violate the ABM Treaty. Others of us believe this is a gold-plated boondoggle, it wastes the taxpayers' money, and it will commit us to spending $48 billion for a national missile defense system that probably does not work and that we certainly do not need.

But I point out that the $300 million that is in this bill is $300 million specifically in the authorization bill designed to lead to deployment. It is not as innocent as just research. If it were, I maybe would not be on the floor in quite this manner. But it is designed to lead to deployment of this system. That is the dilemma.

I fully understand the appropriators who bring this to the floor generally would support what they have written in the appropriations bill. But I want to make one final point.

The fact that something has been authorized does not necessarily mean that it must be appropriated. Any number of things have been authorized by Congress. But then, any number of times, we decided subsequently that maybe we could do that but when you looked at all the priorities we did not have the money and we were not going to fund it. The decision here is, are we going to fund it? Are we going to pay for it?

I ask my colleagues, all of those who believe that we ought to deploy a new star wars program, where are you going to get the money? Where does the money come from? What are you going to cut to fund it? Which taxes are you going to raise to pay for it? Those are a series of questions that ought to be answered if we commit ourselves to spending this kind of money on a project that I think this country does not need.

Mr. President, I yield the floor and I reserve the remainder of my time.

Mr. STEVENS. How much time remains?

The PRESIDING OFFICER. The Senator has 25 minutes and 40 seconds. The

Senator from North Dakota as 8 minutes and 53 seconds.

Mr. STEVENS. Mr. President, I know the Senator from Hawaii has already spoken. I shall not repeat what he said. I say to the Senate, when are we going to decide whether this bill is going to pass? This amendment was debated before, as the Senator from Hawaii has indicated. It was a matter within the jurisdiction of the Armed Services Committee, not our committee. There are times when we debate something in that jurisdiction, but this is not one of the times.

I just say simply to the Senate that, if this amendment is not tabled, as far as I am concerned I am going to ask the majority leader to pull the bill down. I see no reason for us to debate once again hour after hour after hour comments that were considered by the Senate in connection with the Armed Services Committee.

The Senator has every right to offer this amendment. Unfortunately, I feel I have the duty to move to table it. We had an agreement to vote up or down. That is even worse really. But it is worth the price. We must have the support of the Senate to defeat the amendment. I am prepared to yield back my time if the Senator is.

We have an understanding, I might say to the leader, that we will not vote before 2 o'clock. But we will have other amendments that are ready to go. So we will proceed with other amendments right away.

The Senator has some additional time, Mr. President. It is I hope going to be a precedent for the Senate that we determine not only now but for future considerations of this bill that if there are amendments considered in connection with the Armed Services Committee bill it will not be considered on this bill.

The PRESIDING OFFICER. The Chair might advise the Senator that there is a vote scheduled on this but the Chair understands there has not been an agreement yet as to what time that will be.

Mr. DORGAN. Mr. President, I would say to the majority leader and the managers of the bill that I have no intention of delaying. That is why I agreed to a rather short time period. I would have no objection to setting a time for the vote at 2 o'clock. I would have no objection to moving to other amendments. There are some who may wish to use the remaining time, if we could simply provide the remaining 8 or 9 minutes if there is someone between now and 2 o'clock who wants to come to claim that on this side of the issue. I would have no objection to doing it. I have no objection to getting to a vote here at a time specific.

Mr. STEVENS. If the Senator will yield for an inquiry. What is the time situation now?

The PRESIDING OFFICER. The Senator from Alaska has 3½ minutes and the Senator from North Dakota has 8 minutes.

Mr. STEVENS. Mr. President, I ask unanimous consent that we each retain 8 minutes and let us put this amendment aside.

Mr. DORGAN. No objection. I would ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. I asked for that because I do not know if someone on this side might wish to answer the Senator. I do not think so. Whenever the leader wishes to call this back up, there is a possibility of 16 minutes definitely before the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Each side will retain 8 minutes.

Mr. STEVENS. Mr. President, the Senator from New Mexico [Mr. BINGAMAN] has an amendment that he indicated he wishes to offer. We are prepared for that, and the Senator from Vermont [Mr. JEFFORDS] is here with an amendment. There are several amendments coming.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. The Senator from North Dakota indicated to me that he would be willing to vote at 2 o'clock unless you want to stack the next amendment and his at the same time. That would save some time, too.

Mr. STEVENS. We are happy to hold this amendment whenever it is, at the leader's convenience.

Mr. DOLE. I would suggest that, if we are going to have another amendment by Senator BINGAMAN which might require a rollcall, we have two at once.

Let me indicate to my colleagues who are not here—the managers are here and they are prepared to discuss amendments—that it looks as though now this will be the last bill to come up before we go home. So when it is over, it is over, if we get a very tight time agreement on the DOD authorization bill. If we cannot get that time agreement, we will be back to DOD. But if we get a very tight time agreement, which would not take more than 4 or 5 hours when we come back, we would do that on Tuesday the 5th and then go to welfare reform.

So for those people who have come to me and left notes under the door saying "Let's get out of here," and all of these things, here is their opportunity to come to the floor and offer their amendments and enter into a very short time agreement. It will speed up the process and make the managers very happy, and many others will be pleased, I might add.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from West Virginia is recognized.

Mr. BYRD. I thank the Chair.

(The remarks of Mr. BYRD pertaining to the submission of Senate Resolution 162 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. BYRD. Mr. President, I yield the floor.

Mr. BURNS. Mr. President, parliamentary inquiry. Are we in a period of morning business?

The PRESIDING OFFICER. No.

Mr. BURNS. I ask unanimous consent that I may speak as if in morning business for such time as to introduce several bills.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BURNS. I thank the Chair.

(The remarks of Mr. BURNS pertaining to the introduction of legislation are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BURNS. I thank the Chair, and yield the floor.

Mr. STEVENS. Mr. President, I thank the Senator from Montana.

MARINE CORPS MPS ENHANCEMENT PROGRAM

Mr. SMITH. Mr. President, I wonder if I might engage the distinguished chairman and ranking member of the Defense Subcommittee in a brief colloquy.

Mr. STEVENS. Certainly, the Senator from New Hampshire may proceed.

Mr. SMITH. First of all I want to commend the Senators from Alaska and Hawaii for their fine work in formulating this appropriations bill. I know that the subcommittee was confronted by some significant fiscal challenges, and I appreciate their outstanding work in balancing resources with our military requirements.

One issue that I am concerned with, however, is the Marine Corps Maritime Preposition Ship [MPS] Enhancement Program. As my colleagues know, the MPS Enhancement Program would add an additional ship to each of three Marine Corps preposition squadrons. These ships would be loaded with an expeditionary airfield, two M1A1 tank companies, a fleet hospital, Navy mobile construction equipment, a command element package, and additional statement. These assets will provide tremendous flexibility for crisis response and contingency operations.

Last year, under the leadership of the Senators from Alaska and Hawaii, the committee appropriated $110 million for the first ship in the MPS Enhancement Program. This was an important statement of support for the preposition concept in general, and the Marine Corps program in particular. The Armed Services Committee has sustained the momentum on the MPS Enhancement Program by authorizing $110 million in fiscal year 1996 for the second ship in the program.

In reviewing the legislation before us, I am unclear as to what the recommendation of the committee was with respect to the second MPS enhancement ship. I wonder if the Senators from Alaska and Hawaii could comment on this issue.

Mr. STEVENS. The Senator from New Hampshire is correct in his review of the legislative record on this issue. The Appropriations Committee did fund the first ship last year, and is supportive of the Marine Corps MPS Enhancement Program. At the time the committee marked up its legislation for fiscal year 1996, it was unclear whether the Navy was moving forward with the program established in the fiscal year 1995 authorization and appropriations bills. The committee was concerned over the lack of noticeable progress in acquiring and converting the first ship under the program. The committee was also confronted by some significant funding shortfalls in the shipbuilding and conversion accounts.

However, the committee did direct that the Secretary of Navy may obligate appropriations up to $110 million for the procurement of a second MPS ship in fiscal year 1996.

Mr. INOUYE. Let me assure the Senator from New Hampshire that the committee did carefully consider this matter. It is the view of Senator STEVENS and myself that the language in our legislation provides authority to move forward with the second ship in the MPS Enhancement Program. I expect this issue will be further explored during conference, as well.

Mr. SMITH. I thank the distinguished chairman and ranking member for their comments. I gather from their statements that the Appropriations Committee continues to support the Marine Corps Maritime Pre-position Ship Enhancement Program, but is concerned over delays by the Navy in moving forward to implement the program established last year in the authorization and appropriations bills. Is it fair to say that if the Navy can convince the committee that their program is sound, and that they can demonstrate that they are fully exploring means to reduce overall program costs, such as multiple ship contracts, that the committee would be inclined to support a second ship in fiscal year 1996?

Mr. STEVENS. I think that is an accurate description.

Mr. INOUYE. Yes. That is correct.

Mr. SMITH. I thank my colleagues for their comments, and fine work on this bill. I look forward to working with them on this important program.

Mr. BOND. Mr. President, I would like to discuss with the distinguished chairman of the Senate Appropriations Defense Subcommittee a matter of importance to our Army National Guard Forces.

Mr. STEVENS. I would be pleased to learn of my colleague's thoughts on this matter.

Mr. BOND. Chairman STEVENS, this year, as in the past, your subcommittee has demonstrated its continued commitment to insuring the Army National Guard remains adequately supplied with modern and effective combat equipment. Currently, the Army Guard is wrestling with how best to modernize its artillery inventory. A key component of this modernization plan is the upgrade of 51 battalions and 7 additional batteries with the M109A6 Paladin system. The initial cost estimates of this modernization effort are prohibitive.

I suggest an affordable altnernative—one that is already endorsed by the Senate Armed Services Committee. I suggest that the Army develop an upgrade of the M109A5 currently in use by the Army National Guard, using components of the Paladin system. This upgrade would include digital and survivability enhancements which would significantly improve the combat performance of this weapon system. I would encourage the Department of the Army to evaluate this upgrade project and urge the committee to establish an M109A5 upgrade RDT&E program element with funds from the Paladin line to enable the Army to procure and evaluate a platoon of four M109A5 upgrade systems for use by the Army National Guard.

Mr. STEVENS. Mr. President, my colleague raises an excellent point. I understand that $3,000,000 would be required by the Army to acquire and evaluate an M109A5 upgrade system. I will work in conference to make funds available for this program.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2356, AS MODIFIED

Mr. STEVENS. I would call the attention of the clerk to amendment No. 2356. On page 1 of that amendment, on line 3 there is a "shall." I would like to strike "shall" and insert in lieu of that "may." This is a technical correction to amendment 2356.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 2356), as modified, is as follows:

On page 8, line 13, strike out "Act." and insert in lieu thereof "Act: *Provided further*, That of the funds provided under this heading, $500,000 may be available for the Life Sciences Equipment Laboratory, Kelly Air Force Base, Texas, for work in support of the Joint Task Force—Full Accounting.".

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

REGULATION OF TOBACCO

Mr. FORD. Mr. President, the President of the United States just held a press conference as it relates to the regulation of tobacco. I will make a few remarks in response to that.

The President's announcement today is very disappointing. After weeks of attempting to arrive at a solution with the White House, offering proposal after proposal, my farmers lost out to the zealots. We had agreed to almost everything the White House proposed, with ways to put teeth into that agreement. I know that, because I have been attempting to negotiate since day one. No one, to my knowledge, was attempting to block the President's position of reducing underage smoking. We were offering a fair and enforceable way to get there.

Mr. Kessler wanted a scalp on his belt, and the White House was determined to give it to him. Even Representative RON WYDEN of Oregon, a strong antitobacco advocate, asked the President to basically agree with our offer. The administration has chosen litigation over compromise, delay over action. The President has chosen a press conference instead of a negotiating conference. He has chosen a process that reaches his goals later rather than sooner.

I am not only disappointed, Mr. President, but I am hurt. My first thought was to be vindictive, use every means I have available to me—and there are several—to get back at the White House. But I have decided not to take that course. I will, however, try to seek out people of reason to help work through this problem.

I have never been one who thought it wise to appoint a person to your administration from another, especially if he or she was of a different party. Mr. Kessler is a carryover from the Bush administration, and I am not sure he is doing this administration any favors.

The President said he wants to work to pass legislation that would accomplish these goals. I will introduce such a bill when we return in September and believe it will be acceptable to the White House. The FDA is so far behind now in making important decisions and with the attempt to acquire additional work, I believe the people of this country will be ill-served to a much greater degree by this decision.

Mr. President, I have five grandchildren. Three of those grandchildren are teenagers. None of my grandchildren smoke, thanks to their parents, because they have seen to it that they did not.

I am not advocating teenage smoking. All I am trying to do here is to put into place an agreement with the White House so that we may proceed and do those things that are necessary, because today suits have been filed all over the country as it relates to the proposed regulations. So now we have confrontation where we could have had an agreement. I am very hopeful that when we come back in September, those who are reasonable and fair will join with me in accomplishing the purpose of reducing or eliminating smoking among teenagers and do it in a very fast and appropriate manner.

I yield the floor.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2390

(Purpose: To meet the highest priority of the Secretary of Defense for additional funding, namely, funding for ongoing operations in Iraq, Cuba, and Bosnia, and to save $111,900,000 for the taxpayers by postponing procurement of the LHD–7)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Mr. LAUTENBERG, Mr. EXON, and Mr. KERREY, proposes an amendment numbered 2390.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 81, strike out lines 16 through 23, and insert in lieu thereof the following:

SEC. 8082. (a) In addition to the amounts appropriated in title I for military personnel, funds are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1996, for purposes and in amounts as follows:

(1) For military personnel, Army, an additional amount of $9,800,000.

(2) For military personnel, Navy, an additional amount of $39,400,000.

(3) For military personnel, Marine Corps, an additional amount of $6,000,000.

(4) For military personnel, Air Force, an additional amount of $61,200,000.

(5) For reserve personnel, Navy, an additional amount of $2,700,000.

(b) In addition to the amounts appropriated in title II for operation and maintenance, funds are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1996, for purposes and in amounts as follows:

(1) For operation and maintenance, Army, an additional amount of $171,300,000.

(2) For operation and maintenance, Navy, an additional amount of $210,400,000.

(3) For operation and maintenance, Marine Corps, an additional amount of $8,000,000.

(4) For operation and maintenance, Air Force, an additional amount of $645,100,000.

(5) For operation and maintenance, Defensewide, an additional amount of $25,800,000.

(6) For operation and maintenance, Navy Reserve, an additional amount of $1,000,000.

(c) In addition to the amount appropriated in title VI under the heading "DEFENSE HEALTH PROGRAM", funds are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1996, for expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law, an additional sum in the amount of $7,400,000 for operation and maintenance.

(d)(1) The total amount appropriated in title III under the heading "SHIPBUILDING AND CONVERSION, NAVY" is hereby reduced by $1,300,000,000.

(2) None of the funds appropriated in title III under the heading "SHIPBUILDING AND CONVERSION, NAVY" may be obligated or expended for the LHD–1 amphibious assault ship program.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the amendment reflect that Mr. LAUTENBERG, Mr. EXON, and Mr. KERREY from Nebraska are listed as cosponsors of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, this amendment does several things. Let me describe what those are. It provides over a billion dollars—in fact, $1.63 billion—for ongoing military operations which the Secretary of Defense stated was his highest priority for funding if we were able to find any additional funds to use this year in addition to the President's requested budget. It does so by striking the expenditures in the bill by $1.3 billion for the LHD–7 amphibious assault ship. It also, Mr. President, strikes two other provisions of the bill, which I think need to be stricken, and which I will explain as I go forward.

Mr. President, prior to the Armed Services Committee markup of the bill, we had a breakfast in the Armed Services Committee with Secretary Perry and General Shalikashvili to discuss what the needs of the Department of Defense were. The Secretary at that time told the committee that he would need $1.188 billion in fiscal year 1996 to fund ongoing operations in Iraq—on Iraq's borders, that is, and at Guantanamo Bay and in Bosnia. He stated that if these operations were not funded in the authorization and appropriations bills that we pass this year, then he would be forced to come back to Congress with a supplemental next year asking for this exact amount of money—at least this amount of money. He indicated that he knew for a fact we were going to have to be spending this much in these different areas.

Mr. President, this chart, I think, captures the essence of what the Secretary has asked for. Under Iraq, we have two ongoing activities there at the present time which are well known to those who follow the news in that part of the world. We have what we call the "provide comfort" activity in northern Iraq and the "southern watch" activity in southern Iraq. The first of those, the Secretary indicated, will cost a minimum of $143 million in 1996. The second of those in southern Iraq will cost a minimum of $504 million in the next fiscal year.

So, in addition to Iraq, we have ongoing refugee support at Guantanamo. We are all aware of the fact that the military is having to expend funds to deal with the refugee problem in Guantanamo. The figure the Secretary gave us—again, this is a minimum figure as he presented it to us—is that the Department of Defense will have to expend $178 million, minimum, in the next fiscal year to carry through as they were directed by the President.

In Bosnia, if we do nothing more than we are presently doing—and there has been criticism on the Senate floor that we are doing too little—if we do nothing more than we are presently doing, that is, offering humanitarian support and the "deny flight" activity there, the estimate the Secretary gave us is that we will spend a minimum of $363 million next year.

Quite frankly, Mr. President, I think these are low figures. The Secretary himself indicated he thinks these are low figures. But he says he knows for a fact that we are going to have to spend at least this much on ongoing operations. These are not contingencies; these are not things which might or might not happen; these are ongoing. It is not an emergency that we are responding to here. We know for a fact that these are expenses we are going to have in the next fiscal year.

Despite the Secretary's plea to us, Mr. President, the authorization committee chose to meet only $125 million of the Secretary's request. That is about enough to fund these operations for 37 days and get us through to the 7th of November. The funding which the Secretary proposes for the operations was a minimum, as I indicated. We have added to this bill $7.1 billion above what the Pentagon requested. The Pentagon's request was $245.8 billion. We added $7.1 billion to that. But in adding all of that money, we have not funded what the Secretary says is his top priority request for additional funding.

Last fall, and earlier this year, the issue of near-term readiness of our active duty forces was the central issue in the defense debate. I heard many Senators coming forward and saying we have to do more about readiness, we have to do better by our troops. President Clinton, at Secretary Perry's urging, added funding to the defense budget to address the problem, and both the Armed Services Committee and the Appropriations Committee have now essentially endorsed the Pentagon's operations and maintenance budgets for the next year. However, because of a long history, which I understand began during the Vietnam war—it goes back at least that far—the Pentagon did not include in its original request the necessary operations and maintenance for these ongoing operations.

So that is what we are trying to correct with this amendment. Secretary Perry has promised in all future years to include the minimum cost that he can see for ongoing operations in the budget request that is sent to the Congress at the first of the year. Funding for new contingencies is not discussed in my amendment. Certainly, I agree with those who will say we do not know what additional costs we might have in Bosnia. I would be amazed, Mr. President, if we got through 1996 only spending $363 million in Bosnia. I think most of us would be amazed. If Saddam Hussein again makes a feint toward Kuwait, obviously, we will need additional expenditures there. If the United States has to deploy ground forces in Bosnia, clearly, that will be a very, very major expense for which the Secretary would have to come back to Congress with a request.

But, Mr. President, I think for us to add $7 billion to this bill and still not provide the funds the Secretary and administration have asked for for ongoing operations is really dishonest with the American people, because we know that we are going to have to pay for these items. There is no question about that. We ought to go ahead and pay for them in this bill, and that is what I am trying to get accomplished with this amendment.

Now, the offset that I have identified is the LHD-7. This is an amphibious assault ship which is not in the Navy's budget request until the year 2001. A great deal is being made of the fact that it is in the FYDP. For those people who have been around Washington too long, they know what that means. The FYDP is the 5-year defense plan that the military gives us each year. They say this is what we want next year and, by the way, here are the things we would also like in the 4 years after that. That changes every year. Things that are in the 5th year of the 5-year plan may not be in next year's 5-year plan, or they may. We just do not know.

But the committee has chosen, in the case of this amphibious assault ship, the LHD-7, to move the procurement from 2001, where it appears in the long-term plan of the Defense Department, up to next year. I think that is a mistake. I think the question that we need to be addressing in this amendment, and we are addressing in this amendment, is: Should we fund the top priority of the Secretary of Defense for next year, or should we begin next year to buy a ship which the Secretary says he may in fact want us to buy for the Navy in the year 2001? To my mind, it is very clear that we should go ahead and put this money in these ongoing operations instead.

There was a discussion we had before the Armed Services Committee earlier this year and General Sheehan, who is the commander of USA Com said in that discussion, "The force that we have in the inventory right now is a quality force."

This was his response to questions being raised by my colleague from Mississippi, Senator LOTT. "The real issue is what we can afford. This Nation very frankly has got to manage risk in a better way than we have in the past because we just cannot afford to buy everything we need."

Mr. President, that is why my argument with regard to the LHD-7—I am not opposed to buying another amphibious assault ship at some stage if the need is still there, and I understand also the argument which will be made by the proponents of maintaining that funding, that we can save money if we buy it now.

Mr. President, when I first came to Washington I was startled to see that they were having enormous sales out at all of the department stores one weekend. On Friday I picked up the paper and it seemed to me that every major department store was having a great big sale that next day. I thought how fortunate I am to have discovered or to have been in town on the day when all these department stores are having a sale.

Now I have been here 13 years, and I notice every Friday they are having enormous sales at all the department stores the next day. That is exactly what we are faced with here.

The contractor on this project has indicated they will give us a better price if we go ahead and buy this now than in the year 2001. I say that there is no defense contractor that has ever been in business that would not make a similar pledge in order to get business committed at an early stage.

Mr. President, I need to make another point which I think is obvious to most who try to follow defense-related issues. We have in this bill, and it is admitted in the committee report accompanying the authorization bill, we have in this bill more defense than we are able to afford under the budget resolutions, the budget plan, that has been adopted in this Congress for the next 7 years.

It is clear to me that we do not have the resources and are not going to have the resources in these outyears to buy everything that is in these defense bills.

I think it is also clear to those who are proponents of this additional LHD-7 amphibious assault ship, that they know that the getting is better now than it is likely to be 2 years from now or 4 years from now, and they want to get this ship authorized and appropriated now while there is still money to be had in the defense budgets.

Mr. President, as I say, I have no particular dislike for that ship. I think it is a question of priorities. I think it is clear that if this amendment is adopted we will do several things: We will fund the ongoing operations which the Secretary of Defense has said is his top priority for any additional funding that we can find.

We will save taxpayers over $100 million because, in fact, the savings by not going ahead and purchasing this ship next year, will fund all of these ongoing operations and, in addition, save us $111 million. That is the estimate I have been given. It does those two things.

Let me say there is also another very good part of my amendment which I want to call to the attention of my colleagues.

When looking at this bill which we are now dealing with, there are some provisions in there, Mr. President, which I have great difficulty understanding, and I propose to strike those provisions out.

I call my colleagues' attention to section 8082 on page 81 of the bill. It provides "None of the funds available to the Department of Defense shall be available to make progress payments based on costs to large business concerns at rates lower than 75 percent on contract solicitations issued after enactment of this act."

That is one provision, Mr. President. Let me just focus as to what this language means. I am proposing in my amendment to strike that language. I want to tell people why.

Essentially, that is saying that the present practice of paying 75 percent progress payments of total amount due as progress payments, that is going to be changed in the case of large businesses, large defense contractors, up to 85 percent.

In other words, the government is going to start paying money faster to large contractors. Not to all of its contractors, but just to those that meet this definition of large business—whatever a large business is.

Mr. President, I certainly am not arguing that we should not pay our bills. We should pay our bills. We should pay them promptly. There is no doubt about that.

I have great difficulty understanding why we need to be paying 85 percent of progress payments instead of 75 percent as we historically have.

I have tried to keep some general knowledge about the financial performance of some of our defense contractors. I am pleased to say that they are doing very well, thank you. I have here a chart that is entitled "Financial Performance of Top 20 Department of Defense Contractors for the First Quarter of 1995."

We can go right down the list. McDonnell Douglas reports profits of $189 million; Lockheed Martin, $137 million; General Motors, $2.154 billion; Raytheon, $173 million.

Each of these companies is doing quite well in its profit reports and its financial performance, Mr. President. I wish them well. I think it is important that we have successful, profitable, defense contracts in this country.

I cannot understand why we are putting a provision in law here saying we have to pay them 85 percent progress payments rather than 75 percent progress payments.

Let me also focus my colleagues' attention on the other provision that I am proposing to strike as part of this amendment. That is section 8083. It says in this provision "Notwithstanding any other provision of law, the Department of Defense shall execute payment in not more than 24 days after receipt of a proper invoice."

Mr. President, the practice throughout the business community as far as I am aware and the practice throughout government as far as I am aware is to pay your bills within 30 days. I think that is a reasonably good practice. I certainly believe we should pay our bills and do so promptly.

I cannot understand why we are separating out the Department of Defense for a different standard and saying, no, no, when we are dealing with defense contractors, we do not want to use the general provision that applies to all other contractual arrangements the Federal Government makes. When we are dealing with defense contractors, instead of paying them in 30 days we have to pay them in 24 days. That is exactly what this provision calls for.

Mr. President, I have proposed to strike the provision in the bill that says we have to go to 85 percent progress payments rather than 75. I have also proposed to strike the provision which says that we have to go to 24 days for payment of all of our bills, rather than 30 days.

I have proposed to fund all of the ongoing operations, the remainder of the ongoing operations that the Secretary of Defense has indicated are his top priority for funding and which we all know—every Member of this body—knows that we are going to pay the bill that is being identified here.

It is a question of whether we do it in a straightforward above-board way in this bill or whether we put it off until next year and come back to the American people and say, by the way, we had an emergency, unexpected contingency came up and we will have to spend this money.

The truth is, we know we have to spend this money. The Secretary of Defense has said it is his top priority. Mr. President, I urge my colleagues to support the amendment. I think it is a very straightforward amendment which will return over $100 million to the taxpayers of the country.

In addition, we will see to it that our priorities are straight in this legislation.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from Alaska.

Mr. STEVENS. Mr. President, I am about ready to make a motion to table. Is the Senator from Mississippi wishing to talk for a while?

Mr. COCHRAN. Can I make a couple points?

Mr. STEVENS. Can we have an agreement on time? Can I yield to the Senator from Mississippi for 5 minutes and then I be recognized again?

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. I am easy to yield, but I want to get to this motion to table soon. Upon the completion of that, if someone else wants time for a reasonable period, I will be glad to do it.

Mr. BINGAMAN. I did not hear the request.

The PRESIDING OFFICER. The request was to yield to the Senator from Mississippi for 5 minutes and then move to table.

Mr. STEVENS. No, to come back to me, that I be recognized at that point.

Mr. BINGAMAN. If there is a request, I ask I be given 5 minutes to summarize my arguments before we go to a final vote.

Mr. STEVENS. I will be more than willing to enter into a time agreement on the amount of time between now and the time we would vote. I intend to make a motion to table.

I see the Senator from Nebraska. Could I inquire how much time these Senators wish?

Mr. EXON. Mr. President, 4 minutes is adequate.

Mr. BINGAMAN. I would like 5 minutes to sum up my position before we go to a final vote.

Mr. STEVENS. Mr. President, could we have it, then, 12 minutes on a side? I might want to make a comment myself before I make the motion to table. I ask unanimous consent there be 12 minutes on a side controlled by Senator BINGAMAN on his side and by me on my side. Is that agreeable?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I yield 5 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 5 minutes.

Mr. COCHRAN. Mr. President, my remarks are going to be directed to the issue of taking the funds that are appropriated in this bill for the LHD-7 and transferring them to the account suggested by the Senator from New Mexico.

The Senate should understand that the funds in this bill for this ship have been authorized by the bill as reported from the Senate Armed Services Committee. They have also been funded fully in this bill. And the reason is simple. It is to try to save about $700 million in the costs of our shipbuilding program.

Right now, the Navy has a contract, an agreement to construct this ship. If it does not fund and complete the construction of this ship, it is going to cost, according to the Secretary of the Navy in a memorandum he sent to the Secretary of Defense the other day, the sum of $415 million in constant-year dollars.

This is a cost-effective provision in this bill. According to Admiral Boorda, the Chief of Naval Operations; General Mundy, then Commandant of the Marine Corps when he testified before our committee; the Secretary of Defense; the Secretary of the Navy—this is a ship the Navy wants, the Navy needs, in order to fill out the 12 amphibious battle groups that rely upon this ship as its centerpiece.

This is the amphibious ready group that is called upon in case of serious problems that may break out anywhere in the world. They are the ones that are called on to provide the quick—quick response.

Senators will remember, last May, for example, it was the U.S.S. *Kearsarge*, LHD-4, that provided the force that launched the mission to rescue Capt. Scott O'Grady after his F-16 had been shot down over Bosnia.

In Haiti, last August there was the U.S.S. *Inchon* that led an amphibious ready group to that area just a matter of a couple of weeks, 2 weeks, after coming back from spending 6 months off Bosnia and then Somalia. It was an amphibious ready group that stood off the coast of Somalia, that guaranteed the safe withdrawal of U.N. forces from Somalia.

There is no doubt about it, according to the testimony from senior military and Navy officials, the LHD-7 is an essential part of our fleet, and it ought to be constructed as soon as possible. The additional funds that are provided in this bill are sufficient to fund the construction of this ship. The budget did not request it for this year because of the fact that the budget simply did not have the funds that were then provided in the budget resolution that passed the Congress, that was approved by the Congress.

So it makes sense to use these funds. It saves the Government substantial sums. The ship is needed, according to everybody's testimony, to sustain the ability of our country to provide the forward presence and the war-fighting capability that we need.

I urge the Senate to reject this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a memorandum for the Secretary of Defense from John Dalton, dated August 2, 1995.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE NAVY,
Washington, DC, August 2, 1995.

Memorandum for the Secretary of Defense.
Subject LHD 7.

1. I am following up on your question to me concerning Congressional action on the LHD 7. Both the Senate Armed Services Committee and the Senate Appropriations Committee have recommended funding the LHD 7 in fiscal year 1996.

2. As you know, the Future Years Defense Program (FYDP) contains funding for buying the LHD 7. Because of funding limitations, we were not able to buy the LHD 7 until the end of the FYDP. By accelerating the procurement of the LHD 7, we will be able to avoid an expensive break in production and save an estimated $415m in Constant Year Dollars. Bringing forward the program will also free up shipbuilding funds at the end of the FYDP which we will need to resource submarine construction and other shipbuilding requirements.

3. There is no question we do need to procure the LHD 7 at some point in order to sustain twelve Amphibious Readiness Groups (ARGs). The LHD 7 is the last of the LHD 1 WASP class amphibious assault ships planned to meet the 12 "Big Deck" (LHA/LHD) amphibious ships necessary to meet the Defense Planning Guidance and the CINCs' requirements.

JOHN H. DALTON.

The PRESIDING OFFICER. Who yields time?

Mr. BINGAMAN. Mr. President, I yield 4 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 4 minutes.

Mr. EXON. Mr. President, I rise as a cosponsor of the Bingaman amendment. The amendment takes the funds added into the Defense appropriations bill for an unrequested $1.3 billion LHD–7 assault ship and shifts them to the readiness accounts to cover the cost of ongoing United States operations in Bosnia and Iraq.

As I stated earlier in my opening remarks on the defense authorization bill, the cost of the 1996 defense budget to the taxpayer is not complete at the committee-passed funding level of $264.7 billion. Members of the Senate as well as those at home watching this debate should be aware that there is a built-in cost overrun in the appropriation bill before the Senate. In the rush to fund unrequested and unnecessary weapons programs totaling billions of dollars, the committee did not fund the anticipated expenses for ongoing Department of Defense operations in crisis spots such as Iraq and Bosnia. This unfunded expense, the cost of which will in the mean time come out of Pentagon operations accounts, will come due next calendar year and I warn my colleagues to not be surprised when this $1 billion cost overrun is covered in part by more domestic spending cuts.

Ironically, this built-in cost overrun is nearly identical to the cost of the LHD–7 assault ship added on to the administration's budget request. I find to interesting that the so-called readiness debate we used to hear so much about is dead after only 1 year. This year, the funding increases in the bill are going to new ships, planes, and weapons systems the administration has not asked for. The operation and maintenance accounts we watched so many in Congress wring their hands over last year are now being undercut in this year's multibillion-dollar arms spending spree. The committee decided to shortchange the Pentagon's readiness funding in order to feed the large appetite of home State defense contractors. I believe this is fundamentally wrong. I support the Bingaman amendment because it corrects this upside-down order to defense funding priorities. The Bingaman amendment places the operations funding of our troops in the field above the cost of building an unneeded naval vessel, as is appropriate.

We have heard that the LHD–7 is part of the Pentagon's future years defense program and therefore is a legitimate requirement. We have also been told that by buying the LHD–7 earlier than anticipated it will cost us less. Both of these points are true.

But this is true of everything we ever buy. If we buy it now, it is going to be cheaper than if we buy it next year. That is because of inflation. It is common sense that this money will be saved by buying something today rather than 5 years from now—it is just not sound budgeting. Does that mean we should accelerate the funding for every future ship in the 1996 budget, under the assumption and for the reason that if we buy it now, we will save money in the future? That is like my wife going to a sale and being forced to buy a dress because of the amount of money she has saved. Of course, such a proposal would be foolish. So the question remains, why the $1.3 billion LHD–7?

The present 6-year shipbuilding would have us purchase the LHD–7 in the year 2001, 5 years from now. Under the committee bill, we are leapfrogging it over all other ships to be bought during this time period. Also, why should this accelerated purchase and the resulting $1.3 billion add-on to the budget request take precedence over the readiness needs of our troops overseas, in the field, participating in ongoing operations in Iraq and Bosnia. In my opinion, first things first. We should fund the readiness needs of our military before we start looking into next century and start picking out pet projects for certain home States and buying them well in advance of their military need.

Mr. President, I simply say the amendment offered by the Senator from New Mexico is a very sound one. Ordinarily I would be for these additional ships as needed on down the line but I do see no reason whatsoever to be moving them up in the priorities now, especially when we would definitely be hurting readiness.

I urge Senators to vote for Bingaman amendment and eliminate the billion-dollar cost overrun hidden in this bill.

Mr. President, I yield the floor.

Mr. LOTT. Mr. President, will the Senator yield some time?

Mr. STEVENS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. STEVENS. I yield the Senator 6 minutes.

Mr. LOTT. Mr. President, I thank the distinguished Senator from Alaska for yielding this time.

Mr. President, the Bingaman amendment has three problems:

First, it creates an authorized slush fund for ongoing military operations in Iraq, Cuba, and Bosnia—operations Congress has not approved; removes funding for a ship that we need and is in the Defense Department's procurement plan; and will ultimately require additional $700 million to buy the ship in 2001;

CONTINGENCY FUND

Second, Congress should not preauthorize money for military operations. We did not do this for Somalia or Haiti—and we should not do it now.

Creating a preauthorized slush fund creates a huge outlay imbalance. Ship construction money pays out over 5–7 years. The Bingaman amendment will outlay $1.2 billion almost immediately.

REQUIREMENT FOR THE SHIP

Third, a valid military requirement exists for this ship. Military leadership across the board has endorsed the need for the ship.

Adoption of the Bingaman amendment will increase the cost of the ship by $700 million. Competitively awarded firm fixed-price contract option exists for the LHD now. If you wait until 2001, the price increases $700 million.

The Secretary of Defense does not support using LHD funds for military contingency funding.

LHDS AND RECENT EXPERIENCE

LHD–3 U.S.S. *Kearsarge* rescue of downed pilot, Capt. Scott O'Grady in Bosnia—June 1993; LHD–2 U.S.S. *Essex* March 1995 Somalia withdrawal; and LHD–1 U.S.S. *Wasp* September 1994 Haiti operations.

LHD CAPABILITIES

Carries 2,000 marines; 14 tiltrotor aircraft; 8 Harrier jump jets; 7 Sea Stallion helicopter; 5 Cobra helicopters, and 2 Huey helicopters.

It also has a 600 bed hospital, 6 operating rooms, 22,000 square feet of vehicle space, and 100,000 square feet of cargo space.

CONCLUSION

Someone once said: "To be always ready for war is the best way to avoid it."

Buying the LHD–7 now makes sense. We need it and should buy it when it costs the least.

As General Wilhelm commander of marine forces in the Atlantic said, the LHD–7 "can be regarded as either a ship of war or a ship of peace, with a degree of versatility absolutely unrivaled by any other ship afloat."

Buying the LHD–7 is one of the best ways to ensure that the United States is always ready to fight and win. Being ready to fight is perhaps the best way to avoid it.

Mr. President, I rise in opposition to the Bingaman amendment. This matter was considered in the Armed Services Committee. We had a considerable debate about what to do with these contingency funds for the ongoing operations, and the committee really felt that we should not authorize these slush funds for ongoing or anticipated military operations whether they be in Iraq, Cuba, or Bosnia.

Congress has this one way of keeping the control and insisting on information about what is happening with these ongoing operations or future operations.

Not since Vietnam—I want to emphasize that to my colleagues on the other side of the aisle. That is when this funding in advance of activities was really stopped. We have not done this sort of thing. We should not move into a program now where we give hundreds of millions of dollars in sort of a honey pot to be used for these ongoing operations. We need to keep a close check on what is happening with this money, and what is happening with these operations.

Conversely, the Bingaman amendment removes funding for a ship that we need, and is in the Department of Defense procurement plan for the future. If we delay this acquisition, it will cost us hundreds of millions of dollars more to buy a ship that we must have. Congress should not get into this position of preauthorizing money for military operations, and we should not take an action to pay for it that will wind up costing us even more money.

I have before me letters from the administration emphasizing how strongly they feel about the LHD, one from the Secretary of the Navy, John Dalton, in which he says:

> The LHD–7 is the last of the LHD–1 WASP class amphibious assault ships planned to meet the 12 "Big Deck". . . amphibious ships necessary to meet the Defense Planning Guidance and the CINC's requirements.

Then there is a letter received by the Senator from New Mexico from Secretary of Defense Perry who responded through Comptroller John Hamre to this effect. He said:

> Secretary Dalton correctly relayed to the Secretary that the LHD–7 is in our future year defense plans.

And:

> If offsets are needed in your amendment, we would ask that you first consider those programs the Committee added that are not in our future year defense plans.

So I think that this amendment should not go forward. I thought we would probably have a chance to consider it as a part of the authorization bill. But that has been delayed. Now here we are considering it on an appropriations bill.

The leaders of this committee have done excellent work. The Senators from Alaska and Hawaii have come up with a proper balance for shipbuilding and for the future defense of our country. They are very hesitant to get into funding these operations before we even know exactly what is happening with them.

And, therefore, I urge that we defeat this amendment overwhelmingly.

I yield any time I might not have used back to the distinguished Senator.

Mr. STEVENS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes and 45 seconds.

Mr. STEVENS. I ask unanimous consent that we add about 5 minutes on each side because we have had an additional request for time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, on that basis, does the Senator wish to use his time now?

Mr. BINGAMAN. I defer to the Senator from South Carolina.

Mr. STEVENS. Mr. President, how much time remains altogether?

The PRESIDING OFFICER. Ten minutes and twenty-six seconds.

Mr. STEVENS. I yield 4 minutes each to the Senator from South Carolina and the Senator from Maine, if I may.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 4 minutes.

Mr. THURMOND. Mr. President, in April of this year I sent a letter to the distinguished chairman of the Senate Budget Committee, Senator DOMENICI, in which I expressed my concerns about this year's defense budget and requested additional funding for a number of specific initiatives. Among other observations, I noted a continuing decline in procurement funding over the past 10 years and highlighted its current level, the lowest since 1950. I also commented on the unfortunate consequences. Critical new systems had been pushed into the future, while aging equipment imposed relentlessly increasing demands for maintenance support.

The observations of this letter evolved into markup guidance for the subcommittee chairmen. Evaluating the markup results, I think that the Seapower Subcommittee followed this guidance with great care. Its recommendation to authorize the amphibious assault ship, LHD–7, is a case in point.

There is clearly a commanding requirement for this ship, justified by a series of studies and testimony by a long list of senior defense officials and military commanders. Despite this compelling requirement and an opportunity to buy LHD–7 now at a good price or pay $700 million more under the future years defense plan, funding constraints have kept it in the out years. The superb capability that the LHD class can bring to bear was amply demonstrated by U.S.S. *Kearsarge* (LHD–4), whose embarked marines rescued Capt. Scott O'Grady after he was shot down in Bosnia.

Conversely, because it has been unable to procure LHD–7, the Navy has been forced to keep an old ship, USS *Guam*, in service will beyond its scheduled retirement date at a great cost in terms of lost capability and maintenance. *Guam* and her sister ships were built in the mid-1960's, are manpower intensive, have an inadequate command and control capability by today's standards, and for years have imposed an inordinate maintenance burden to keep them operational.

While I do not deny that ongoing contingency operations with which Congress concurs should be funded, there are established procedures to obtain it that begin with submission of a supplemental request by the Department of Defense. No such request has been received. I acknowledge the letter that the Secretary of Defense sent immediately prior to our markup. However, it has no formal standing with our Senate Appropriations Committee, which, as you all know, is very sensitive that established procedures should be followed. It is a fact that the $125 million that we added for support of such contingency operations during our markup was not supported by the Appropriations Committee in its markup. Until the Department of Defense has been able to work out an agreement with Congress that revises existing procedures, there is no reason to believe that the diversion of funds proposed by this amendment would not meet a similar fate.

Mr. President, on the one hand I have the committee markup, which matches available resources to an urgent requirement for procurement of LHD–7. On the other hand I have an amendment that would ship them off to an uncertain future, leave the requirement for an amphibious assault ship unsatisfied, and cost the taxpayer at least $700 million more in the long run. I have no difficulty with that choice. I strongly urge my colleagues to join me in opposing this amendment.

Mr. President, I yield the floor and yield back any time.

Mr. STEVENS. Mr. President, I yield time to the Senator from Maine. I am trying to save 2 minutes.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6½ minutes.

Mr. STEVENS. Mr. President, I yield 4½ minutes to the Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized for 4½ minutes.

Mr. COHEN. Thank you, Mr. President.

Mr. President, the argument has been made to support this amendment that this ship is not in the President's budget. The fact is that the President's budget is lower than the budget approved by the U.S. Senate. So, because the President's budget is smaller, the argument is we have to reduce down what we think is required for the national security interests of this country. We fundamentally disagree with the President on this issue. We think we have to do more in the way of procurement, not less. We cannot continue to go on any kind of a procurement holiday, as some in the military have expressed. We have had a shortfall in readiness. We have tried to measure up to that shortfall. But we are now compromising on procurement. In fact, our procurement budget as a percentage of that budget is lower now than it was back 45 years ago. We cannot go down any lower. So we decided that we have to do more.

Some have argued that this is like buying a dress. We are not talking about dresses. We are talking about warships. We are talking about warfighting capability. This is a war-fighting capable ship. It is the kind of ship that we are going to have to deploy to those amphibious operations that we are talking about off the coast of Iraq, or Iran, or the Mediterranean, the Persian Gulf and Haiti, and elsewhere; Bosnia. Those are the kinds of deployments that this ship is going to be used for.

Is there no need for this ship? The President says there is a need in the 6-year plan. They just do not want it in this year's plan.

So that is the argument made by my colleagues from Mississippi. We can buy this now, and the reason to buy it now and not later is to save $700 million. That is the reason we are buying it now. We are not buying an unneeded dress, or an unneeded ship. We need the ship, and we provide the money to pay for the ship.

So the notion somehow that this is unnecessary, this is simply window dressing, so to speak, that we do not really need this kind of capability is absurd. We need the ship. We ought to pay for it this year. We can save money in doing so. There is not a person in this country who said if you have a requirement for it that you ought not to buy it at the best possible price. This is the best way to achieve savings for the American people.

Mr. President, I hope that when it comes time for this motion to table that we will listen to the Senator from Alaska, who has looked at this, and to the Senator from Hawaii who has looked at this, and the Armed Services Committee which has looked at this and said this is a requirement that the Navy has. It has expressed this. Two consecutive CNO's have said we need this capability. What the Senate would like to do, if you follow this amendment, is to defer it to the future. Well, if you defer it to the future, there is a chance you might not have the money in the future.

If you defer it to the future, it is going to cost you another three-quarters of a billion dollars. That is the kind of economics I think has brought this country to a point where it no longer is willing to support what is necessary for strong national defense.

So I hope at the conclusion of the debate the Senator from Alaska makes a motion to table and our colleagues will resoundingly move to table and defeat the amendment.

Mr. STEVENS. How much time remains?

The PRESIDING OFFICER. The Senator from Alaska has 2 minutes and 13 seconds.

Mr. STEVENS. I yield 1½ minutes to my friend from Hawaii.

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 1½ minutes.

Mr. INOUYE. Mr. President, I support my chairman, and I am opposed to this amendment. No. 1, the Marines want it and need it. It is of the highest priority. No. 2, the master plan of the Defense Department calls for the acquisition of this 12th LHD. And No. 3, there is no question that we have a good deal at this time. If we do not buy according to the contract of this day, we purchase it in the year 2000, we are looking at a $2 billion tab.

The PRESIDING OFFICER. Who yields time?

Mr. BINGAMAN. Mr. President, how much time remains on my side?

The PRESIDING OFFICER. The Senator from New Mexico has 12 minutes and 41 seconds.

Mr. BINGAMAN. Mr. President, how much remains for the opposition?

The PRESIDING OFFICER. The opposition has 2 minutes and 24 seconds.

Mr. BINGAMAN. I yield myself all but 2½ minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. BINGAMAN. Mr. President, we have heard a great many arguments as to why this amendment should not be adopted.

Let me try to go through several of them. First, the argument has been made that this ship is sorely needed by the military.

I earlier erred when I was describing the request of the Department of Defense. I thought they had asked for this in the last year of the 5-year plan. It used to be they referred to the 5-year plan. The FYDP was an abbreviation for the 5-year defense plan. They have now gone, I am informed, to a 6-year defense plan, and now the FYDP stands for future year defense plan, and this ship is not requested in the 5 years; it is requested in the 6th year of the 6-year plan. So clearly there is a request, but it is way in the future, as far in the future as you can get and still be requesting.

As I understand it, we just had the launching of one of these amphibious ships in February of this year. We have two more that are under construction at this very time. This will be the 12th of these amphibious ships if we go ahead and fund it as proposed in the bill.

Mr. President, I do not doubt that in a perfect world it would be nice to buy a 12th amphibious assault ship and to do so in 1997 rather than the year 2001. But we have to exercise some discipline in this body and some sense of priorities. The priorities of this administration are to put the funds in ongoing operations where the Secretary of Defense has said we need them.

Here is a quotation from the letter that the Secretary sent to our chairman of the Armed Services Committee, Senator THURMOND. He says, "I suggest that you fund these contingencies first if you decide to increase the DOD budget this year."

Mr. President, we have decided, the Congress has decided to increase the DOD budget this year by over $7 billion, and yet we are not funding these ongoing operations. Not only are we not funding them first, we are not funding them. We are saying to the American people, "Do not pay attention; we will come back next year and ask for this money next year, and we will tell you then that it is an emergency. And so, then you ought to be willing to accept it."

Mr. President, that is not responsible. We should not be doing that. We should go ahead and pay for those things we know need to be paid for in this bill.

I also want people to recognize that the debate has shifted very dramatically in this Senate on defense spending. I remember when we started the year I heard a drumbeat from my colleagues on the other side of the aisle about how we had a shortfall in readiness, how we had been neglecting readiness, how the Clinton administration had not asked for enough money for readiness and the operations and maintenance of our troops.

Mr. President, the administration is asking for funding for readiness. Anyone who votes against this amendment needs to desist from further requests for funding for readiness, because, quite frankly, we have a very direct request here, and anyone who is not willing to fund it is being given a very good chance to do so.

Let me just summarize what we are doing in the amendment. I think it should be clear to my colleagues, but let me summarize it again. We are adding $1.188—$1,188,000,000—to pay for known bills for ongoing operations in northern and southern Iraq, in Cuba, and in Bosnia. This is not a honeypot that we are creating here. I heard my colleague from Mississippi say we are creating a honeypot. These are ongoing operations. These bills are coming due every day, and they will be coming due every day as we get into this new fiscal year as well.

So we need to provide these funds. We are providing the $1.3 billion for the LHD–7 amphibious assault ship not because it is a good ship but because it has been requested in year six of the future year defense plan, and it is something we need to put off until someday when we can afford it. We cannot afford it this year.

In addition, this amendment strikes two provisions of the bill which I believe really cannot be justified. I have noticed that none of the comments on the other side in opposition to the amendment have even addressed these issues because there is really no argument to be made.

I am striking two provisions in the bill that increase outlays by $1.238 billion by forcing the Pentagon to pay large contractors 85 percent rather than 75 percent progress payments and to pay bills in 24 days instead of 30-days. We do not require that anywhere else in the Government. We do not require it of any other Department of Government. We are saying to the Department of Defense, you have to pay these defense contractors faster than you have paid them in the past. You have to give them a higher progress payment than you have given them in the past or than we give to anyone else who does business with the Government.

General Sheehan when he testified to our committee did not equivocate on this. He said it would be nice to buy these things, but we cannot afford everything. And that is essentially the point of our amendment here today. We cannot afford everything.

The claim that we are going to save $700 million by going ahead and buying this LHD–7 right now is pure speculation. Nobody knows what the bidding climate is going to be in the year 2001. I tend to think that there may be some defense contractors out there who are very willing to give us a good deal in the year 2001 just like they are willing to give us a good deal this year. So I do not buy the argument that we are saving money and we are necessarily going to have to spend more later if we put this off as the Department of Defense is requesting.

There are higher priorities for this country this year than buying a 12th amphibious assault ship. One of those priorities—in fact, the first of those priorities in the eyes of the Secretary of Defense—is to fund these ongoing operations. That is what we are trying to do in this amendment. I think it is clearly the responsible thing to do. It is what the American people want us to do.

I urge my colleagues to take this opportunity to put our priorities in order in this legislation, to go ahead and adopt the amendment, fund the ongoing operations which all know have to be paid for, and then do so by putting off, as the Department of Defense requested, any funding for this additional ship.

Mr. President, how much time remains on my side?

The PRESIDING OFFICER. The Senator has 4 minutes 50 seconds.

Mr. BINGAMAN. Is there any additional discussion on the other side? I will ask the Senator from Alaska if he wishes to conduct any at this time.

Mr. STEVENS. My answer is no.

Mr. BINGAMAN. Mr. President, let me just summarize very briefly.

I think the first question you ask when you go to put a defense budget together, or any budget, is, what is your top priority? Here we know what the top priority of the Secretary of Defense is if there is any additional money for defense. He has made it very clear. I am just arguing that we should do the responsible thing and fund that top priority.

It will be dishonest, Mr. President, for us to put this off and then come back to the American people next year and say, Surprise. All of a sudden we have discovered that it costs us money in 1996 to operate this operation down in Guantanamo. Surprise. We find it is costing us money to do these activities over in Iraq. Surprise. We find it is costing us some money to do what we are doing in Bosnia, and, therefore, we have got an emergency and we need to pass a supplemental appropriations bill to add to the defense bill that we passed last year.

So it is not just what the President requested for the 1996 defense bill. Is not just that. It is not just the $7 billion extra. It is that plus the $7 billion, plus what we ask for in the supplemental which we know is going to come if we turn down this amendment.

Mr. President, I urge my colleagues to adopt this amendment, pay our bills as we go. You hear a lot of talk about the importance of pay as you go around here. That is what we are asking people to do: Pay as we go; fund the top priority of the Department of Defense, and do so by putting off the purchase of this ship, which we will have 5 more years in which to consider whether or not we want to go ahead with this 12th amphibious assault ship. I think during that time we can make a much better judgment than we are making today.

Mr. President, how much time remains on my side?

The PRESIDING OFFICER. The Senator from New Mexico has 2 minutes 33 seconds.

Mr. BINGAMAN. Mr. President, I reserve the remainder of my time.

Mr. STEVENS. I now ask unanimous consent that the time remaining on each side be carried forward and it be in order for me to move to table the amendment.

It was the request of Senator BYRD, and others, that we have some time in between these stacked votes so that the proponents and opponents might be able to explain just briefly the subject matter for those who are not on the floor at the time. That is the reason for the request.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I ask for the yeas and nays on the tabling motion.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. I thank the Senator from New Mexico for his courtesy.

Mr. President, I note the Senator from Colorado is on his feet. I know he has an amendment. I would like to inquire if he would consider a time limitation before action is taken in regard to his amendment.

Mr. BROWN. Mr. President, I will be happy to agree to a time limitation. I will be guided by what the distinguished chairman wants. My belief is the problems have been worked out on this and it will not require an extended debate.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I am slightly without words because I do not know what the subcommittee involved. This is an amendment which really should be placed on the foreign assistance bill. It pertains to the Department of State; am I not correct?

Mr. BROWN. Well, the reason the initial NATO Transition Act was on this bill last year was because it was specific with the military aspects of it. And I believe this is the place that we always planned to offer it. I think it does work out. It is specifically with NATO transition in the military that appears therein.

Mr. STEVENS. I will just do this, Mr. President.

If I may put the Senate on notice that this is an amendment that has very broad impact on the NATO forces, as I understand it. I am prepared to listen to the Senator from Colorado and determine what the position of our committee would be with regard to taking it to conference. I have discussed it with my friend from Hawaii.

We are prepared to have a time limitation of 15 to 20 minutes on a side, if that is acceptable to the Senator from Colorado.

Mr. BROWN. That would certainly be acceptable to me.

Mr. INOUYE addressed the Chair.

I just heard from the leadership that it now requires the attention of Senator NUNN and Senator PELL.

Mr. STEVENS. It would be my intention to move to table the amendment at the end of that time. If we lose, we lose. But would the Senator like to wait for the time limitation, too?

Mr. INOUYE. Yes.

Mr. STEVENS. I ask the Senator if he wishes to proceed. We can discuss the time limitation at a later time.

Mr. BROWN. I will proceed. I will be happy to observe the guidance of the Chair and do not want to monopolize the time on the bill.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 2391

(Purpose: To amend the NATO Participation Act of 1994 to expedite the transition to full membership in the North Atlantic Treaty Organization of European countries emerging from Communist domination)

Mr. BROWN. Mr. President, I rise to offer an amendment and I ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to setting aside the pending Bingaman amendment?

Without objection, it is so ordered.

Mr. BROWN. I offer this on behalf of myself, Senator SIMON, Senator DOLE, Senator MIKULSKI, Senator SANTORUM, Senator LIEBERMAN, Senator ROTH, Senator MCCAIN, Senator MCCONNELL, Senator WARNER, Senator NICKLES, Senator CRAIG, Senator HUTCHISON, Senator INHOFE, and Senator DOMENICI.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN], for himself, Mr. SIMON, Mr. DOLE, Ms. MIKULSKI, Mr. SANTORUM, Mr. LIEBERMAN, Mr. ROTH, Mr. MCCAIN, Mr. MCCONNELL, Mr. WARNER, Mr. NICKLES, Mr. CRAIG, Mrs. HUTCHISON, Mr. INHOFE, and Mr. DOMENICI, proposes an amendment numbered 2391.

Mr. BROWN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. BROWN. Mr. President, this amendment is a followup to the NATO Participation Act which was enacted last year as an amendment to this bill. It follows up with further clarification on the process of including the Central European powers, specifically Poland, Hungary, the Czech Republic, and the Slovak Republic, in NATO, defining their transition and dealing with the kind of transition assistance and cooperation that is essential to completion of that process.

In the process of developing this amendment, we held extensive discussions with Members of the Senate and others, and the administration. In that process, a number of Members had suggestions, and the suggestions boiled down to a variety of ones by the administration to expand the discretion given to the President in this process. Those are principally embodied by Senator LUGAR.

We had a number of members in the Foreign Relations Committee make recommendations in that area. And to respond to that, to answer those concerns, an amendment to the bill, or this concept, was produced. Senator LUGAR was the primary contributor to this, and it contains much of his work.

Mr. President, so that we could incorporate those changes that Senator LUGAR suggested and that other members of the Foreign Relations Committee suggested, I offer a second-degree amendment to my amendment at this time.

This amendment is proposed by myself, Senator SIMON, Senator DOLE, Senator LUGAR, Senator MIKULSKI, Senator MCCAIN, Senator MCCONNELL, Senator DOMENICI, Senator WARNER, Senator NICKLES, Senator CRAIG, Senator HUTCHISON, Senator INHOFE, Senator SANTORUM, and Senator JEFFORDS.

Mr. President, I offer that second-degree amendment, and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection to offering the second-degree amendment?

Mr. STEVENS. Reserving the right to object, Mr. President.

I am just going through this amendment, and I want to put the Senator from Colorado on notice and the Senate on notice, I think this is getting into a very wide area and, if it leads to extended debate, could really lead us to being here next week.

Mr. BROWN. If I might——

Mr. STEVENS. I want to reserve the right to object later. I do not know how I am going to do it. Right now I cannot object to offering a second-degree amendment, but I do think this is a very broad issue to get involved in.

The PRESIDING OFFICER. The Chair informs the Senator, you cannot reserve the right to object.

Mr. STEVENS. I understand that. But somehow in the RECORD I want the Senate to understand we are getting to a very broad subject now dealing with foreign assistance, coming out of an appropriations that is not subject to our subcommittee. This is subject to a point of order. And I really think—I hope my friend from Colorado will understand that it is inappropriate for us to get into this now.

This is a very broad-range foreign assistance program, some $60 million out of a bill I do not manage. I am very uneasy about that. If the Senator wishes to offer his amendment, again, I hope the Senate will stand by the managers of the bill to keep this bill clean of things that involve controversy that will take us into next week. I cannot object at this time.

The PRESIDING OFFICER. Is there objection?

Mr. BINGAMAN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BROWN. If I might inquire of the Senator before a final determination is made on his part, the perfecting amendment that is offered is one that is designed to suit the concerns of a number of Members on his side of the aisle. It was put together primarily by Senator LUGAR, and it reflects the concerns the administration had. So the perfecting amendment is meant to respond to the concerns that people had. It is not meant to strengthen the amendment. It is meant to make it acceptable to both sides. I have offered it in this fashion, that is the first amendment and the second, so Members might understand that what is offered is a compromise.

Mr. BINGAMAN. Mr. President, in response to my friend from Colorado, I still need to object. The Democratic leader has asked that we protect the rights of people to offer second-degree amendments. This would block that, if I understand what is being requested.

AMENDMENT NO. 2391, AS MODIFIED

Mr. BROWN. Mr. President, I appreciate the point the Senator has made. I believe there is an easy way to accommodate that point. It certainly would not be my intention to block second-degree amendments if anyone should have them. I am not aware of them. I appreciate the Senator's point. I believe there is an easy way to handle that. Therefore, I modify my first-degree amendment with the changes that have been sent to the desk, and I ask unanimous consent that such modification be allowed.

The PRESIDING OFFICER (Mr. THOMPSON). Is there objection to the request?

Mr. STEVENS. I only object to state that, as I understand it, the Senator has a right to modify his amendment at any time. I will state, though, to my friend, we have now contacted the chairman of the Foreign Operations Subcommittee, who is a sponsor with the Senator from Colorado, and he indicates to this Senator that this matter will be dealt with in the markup of the Foreign Operations Subcommittee in the first week of September, and he intends to support it there.

I urge the Senator not to bring it to our bill. The chairman of the Foreign Ops Subcommittee is prepared to hear this the first week we are back in September. It is something foreign here, and I just smell a controversy coming at me. I also smell fish coming into the Alaska rivers, and I want to get home. This is not consistent with finishing this bill before tomorrow evening.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. His amendment is so modified.

The amendment (No. 2391), as modified, is as follows:

At the appropriate place in the bill, insert the following new title:

TITLE ___—NATO PARTICIPATION ACT AMENDMENTS OF 1995

SECTION 1. SHORT TITLE.

This title may be cited as the "NATO Participation Act Amendments of 1995".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Since 1949, the North Atlantic Treaty Organization (NATO) has played an essential role in guaranteeing the security, freedom, and prosperity of the United States and its partners in the Alliance.

(2) NATO has expanded its membership on three different occasions since 1949.

(3) The sustained commitment of the member countries of NATO to mutual defense of their security ultimately made possible the democratic transformation in Central and Eastern Europe and the demise of the Soviet Union.

(4) NATO was designed to be and remains a defensive military organization whose members have never contemplated the use of, or used, military force to expand the borders of its member states.

(5) While the immediate threat to the security of the United States and its allies has been reduced with the collapse of the Iron Curtain, new security threats, such as the situation in Bosnia and Herzegovina, are emerging to the shared interests of the member countries of NATO.

(6) NATO remains the only multilateral security organization capable of conducting effective military operations to protect Western security interests.

(7) NATO has played a positive role in defusing tensions between NATO members and, as a result, no military action has occurred between two NATO member states since the inception of NATO in 1949.

(8) NATO is also an important diplomatic forum for the discussion of issues of concern to its member states and for the peaceful resolution of disputes.

(9) America's security, freedom, and prosperity remain linked to the security of the countries of Europe.

(10) Any threat to the security of the newly emerging democracies in Central Europe would pose a security threat to the United States and its European allies.

(11) The admission to NATO of European countries that have been freed from Communist domination and that meet specific criteria for NATO membership would contribute to international peace and enhance the security of the region.

(12) A number of countries have expressed varying degrees of interest in NATO membership, and have taken concrete steps to demonstrate this commitment.

(13) Full integration of Central and East European countries into the North Atlantic Alliance after such countries meet essential criteria for admission would enhance the security of the Alliance and, thereby, contribute to the security of the United States.

(14) The expansion of NATO can create the stable environment needed to successfully complete the political and economic transportation envisioned by European states emerging from communist domination.

(15) In recognition that not all countries which have requested membership in NATO will necessarily qualify at the same pace, the accession date for each new member will vary.

(16) Nothing in this title should be construed as precluding the eventual NATO membership of European countries never under communist domination, namely, Austria, Finland, and Sweden.

(17) The provision of NATO transition assistance should include those countries most ready for closer ties with NATO and should be designed to assist other countries meeting specified criteria of eligibility to move forward toward eventual NATO membership.

(18) The evaluation of future membership in NATO for countries emerging from communist domination should be based on the progress of those nations in meeting criteria for NATO transition assistance and evolving NATO criteria, which require enhancement of NATO's security and the approval of all NATO members.

SEC. 3. UNITED STATES POLICY.

It should be the policy of the United States—

(1) to join with the NATO allies of the United States to redefine the role of the NATO Alliance in the post-Cold War world;

(2) to actively assist European countries emerging from communist domination in their transition so that such countries may eventually qualify for NATO membership; and

(3) to work to define the political and security relationship between an enlarged NATO and the Russian Federation.

SEC. 4. REVISIONS TO PROGRAM TO FACILITATE TRANSITION TO NATO MEMBERSHIP.

(a) ESTABLISHMENT OF PROGRAM.—Subsection (a) of section 203 of the NATO Participation Act of 1994 (title II of Public Law 103-447; 22 U.S.C. 1928 note) is amended to read as follows:

"(a) ESTABLISHMENT OF PROGRAM.—The President is authorized to provide expanded security assistance and other related assistance to countries designated under subsection (d) to facilitate their transition to full NATO membership.".

(b) ELIGIBLE COUNTRIES.—

(1) ELIGIBILITY.—Subsection (d) of section 203 of such Act is amended to read as follows:

"(d) DESIGNATION OF ELIGIBLE COUNTRIES.—

"(1) PRESIDENTIAL REVIEW AND REPORT.—Within 60 days of the enactment of the NATO Participation Act Amendments of 1995, the President shall transmit to the Congress an evaluation of Poland, Hungary, the Czech Republic, Slovakia, as well as Estonia, Latvia, Lithuania, Slovenia, Bulgaria, Romania and Albania, in accordance with the criteria in paragraph (3) and specifically designate one or more of these countries to be eligible to receive assistance under the program established in subsection (a). The President shall provide a report of the country-by-country evaluation as well as an evaluation of each designated country's progress toward conformance with criteria for full NATO membership.

"(2) OTHER EUROPEAN COUNTRIES EMERGING FROM COMMUNIST DOMINATION.—In addition to the country or countries designated pursuant to paragraph (1), the President may designate other European countries emerging from communist domination. The President may make such a designation in the case of any such country only if the President determines, and reports to the designated congressional committees, that such country meets the criteria specified in paragraph (3).

"(3) CRITERIA.—The criteria referred to in paragraph (2) are, with respect to each country, that the country—

"(A) has made or is making significant progress toward establishing—

"(i) shared values and interests;

"(ii) democratic governments;

"(iii) free market economies;

"(iv) civilian control of the military, of the police, and of intelligence services;

"(v) adherence to the values, principles, and political commitments embodied in the Helsinki Final Act of the Organization on Security and Cooperation in Europe; and

"(vi) more transparent defense budgets and is participating in the Partnership For Peace defense planning process;

"(B) has made public commitments—

"(i) to further the principles of NATO and to contribute to the security of the North Atlantic area;

"(ii) to accept the obligations, responsibilities, and costs of NATO membership; and

"(iii) to implement infrastructure development activities that will facilitate participation in and support for NATO military activities;

"(C) is not ineligible for assistance under section 563 of Public Law 103-306, with respect to transfers of equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act; and

"(D) could, within five years of the determination of the President under paragraph (1) or (2), be in a position to further the principles of the North Atlantic Treaty and to contribute to its own security and that of the North Atlantic area.

"(4) PROHIBITION ON FUNDING FOR PARTNERSHIP FOR PEACE ACTIVITIES OR ON FUNDING FOR THE WARSAW INITIATIVE.—Effective 60 days after the date of enactment of the NATO Participation Act Amendments of 1995, no funds authorized to be appropriated under any provision of law may be obligated or expended for activities associated with the Partnership for Peace program or the Warsaw Initiative until the President has designated at least one country to participate in the transition program established under subsection (a).".

(2) CONFORMING AMENDMENTS.—

(A) Subsections (b) and (c) of section 203 of such Act are amended by striking "countries described in such subsection" each of the two places it appears and inserting "countries designated under subsection (d)".

(B) Subsection (e) of section 203 of such Act is amended—

(i) by striking "subsection (d)" and inserting "subsection (d)(2)"; and

(ii) by inserting "(22 U.S.C. 2394)" before the period at the end.

(C) Section 204(c) of such Act is amended by striking "any other Partnership for Peace country designated under section 203(d)" and inserting "any country designated under section 203(d)(2)".

(c) Types of Assistance.—Section 203(c) of such Act is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively; and

(2) by inserting after subparagraph (D) (as redesignated) the following new subparagraphs:

"(E) Assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the Economic Support Fund).

"(F) Funds appropriated under the 'Nonproliferation and Disarmament Fund' account".

"(G) Assistance under chapter 6 of part II of the Foreign Assistance Act of 1961 (relating to peacekeeping operations and other programs).

"(H) Authority for the Department of Defense to pay excess defense articles costs for countries designated for both grant lethal and nonlethal excess defense articles.

"(I) Authority to convert FMF loans to grants, and grants to loans, for eligible countries.".

(3) by inserting "(1)" immediately after "Type of Assistance.—"; and

(4) by adding at the end the following new paragraphs:

"(2) For fiscal years 1996 and 1997, in providing assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 for the countries designated under subsection (d), the President shall include as an important component of such assistance the provision of sufficient language training to enable military personnel to participate further in programs for military training and in defense exchange programs.

"(3) Of the amounts made available under chapter 5 of part II of the Foreign Assistance Act of 1961 (relating to international military education and training), $5,000,000 for fiscal year 1966 and $5,000,000 for fiscal year 1997 should support—

"(A) the attendance of additional military personnel of countries designated under subsection (d)(1) or (d)(2), particularly Poland, Hungary, the Czech Republic, and Slovakia, at professional military education institutions in the United States in accordance with section 544 of such Act; and

"(B) the placement and support of United States instructors and experts at military educational centers within the foreign countries designated under subsection (d) that are receiving assistance under that chapter.".

SEC. 5. ASSISTANCE FOR NATO PARTICIPATION ACT DESIGNEES.

The President is authorized to obligate and expend $60,000,000 from funds made available under the Foreign Assistance Act of 1961 in support of countries designated to receive transition assistance under section 203(a) of the NATO Participation Act, as follows:

(1) Poland: $20,000,000.

(2) Czech Republic: $10,000,000.

(3) Hungary: $5,000,000.

(4) Slovakia: $5,000,000.

(5) Other European countries designated under subsection (d)(1) or subsection (d)(2): $20,000,000.

SEC. 6. TERMINATION OF ELIGIBILITY.

Section 203(f) of the NATO Participation Act of 1994 (title II of Public Law 103–447; 22 U.S.C. 1928 note) is amended to read as follows:

"(f) Termination of Eligibility.—(1) The eligibility of a country designated under subsection (d) for the program established in subsection (a) shall terminate 60 days after the President makes a certification under paragraph (2) unless, within the 60-day period, the Congress enacts a joint resolution disapproving the termination of eligibility.

"(2) Whenever the President determines that the government of a country designated under subsection (d)—

"(A) no longer meets the criteria set forth in subsection (d)(2)(A);

"(B) is hostile to the NATO alliance; or

"(C) poses a national security threat to the Untied States,

then the President shall so certify to the appropriate congressional committees.

"(3) Nothing in this Act shall affect the eligibility of countries to participate under other provisions of law in programs described in this Act.

(b) Congressional Priority Procedures.—Section 203 of such Act is amended by adding at the end the following new subsection:

"(g) Congressional Priority Procedures.—

"(1) Applicable procedures.—A joint resolution described in paragraph (2) which is introduced in a House of Congress after the date on which a certification made under subsection (f)(2) is received by Congress shall be considered in accordance with the procedures set forth in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98–473 (98 Stat. 1936)), except that—

"(A) references to the 'resolution described in paragraph (1)' shall be deemed to be references to the joint resolution; and

"(B) references to the Committee on Appropriations of the House of Representatives and to the Committee on Appropriations of the Senate shall be deemed to be references to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

"(2) Text of joint resolution.—A joint resolution under this paragraph is a joint resolution the matter after the resolving clause of which is as follows: 'That the Congress disapproves the certification submitted by the President on _______ pursuant to section 203(f) of the NATO Participation Act of 1994.'.".

SEC. 7. REPORTS.

(a) Annual Report.—Section 206 of the NATO Participation Act of 1994 (title II of Public Law 103–447; 22 U.S.C. 1928 note), as redesignated by section 5(1) of this Act, is amended—

(1) by inserting "**ANNUAL**" in the section heading before the first word;

(2) by inserting "annual" after "include in the" in the matter preceding paragraph (1);

(3) in paragraph (1), by striking "Partnership for Peace" and inserting "European"; and

(4) by striking paragraph (2) and inserting instead the following new paragraph:

"(2) In the event that the President determines that, despite a period of transition assistance, a country designated under section 203(d) has not, as of January 10, 1999, met criteria for NATO membership set forth by the North Atlantic Council, the President shall transmit a report to the designated congressional committees containing an assessment of the progress made by that country in meeting those standards.".

SEC. 8. DEFINITIONS.

The NATO Participation Act of 1994 (title II of Public Law 103–447; 22 U.S.C. 1928 note), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 207. DEFINITIONS.

"For purposes of this title:

"(1) NATO.—The term 'NATO' means the North Atlantic Treaty Organization.

"(2) Designated congressional committees.—The term 'designated congressional committees' means—

"(A) The Committee on International Relations, the Committee on National Security, and the Committee on Appropriations of the House of Representatives; and

"(B) the Committee on Foreign Relations, the Committee on Armed Services, and the Committee on Appropriations of the Senate.

"(3) European countries emerging from communist domination.—The term 'European countries emerging from Communist domination' includes, but is not limited to, Albania, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Moldova, Poland, Romania, Slovakia, Slovenia, and Ukraine.".

Mr. BROWN. Mr. President, let me say to the distinguished chairman, it is my intent to cooperate with him in every way possible. It is not my intent to add controversy to the bill. I believe the problems and concerns have been met and modified. I believe it is the kind of policy of which the Senator would be very strongly supportive.

Let me simply outline quickly what has changed in the effect of this amendment.

The original version, before the establishment of the program for NATO transition, the compromise that is before the body now simply authorizes that. The difference is, this is simply an authorization so the President can move ahead with it if he wishes.

Second, the original version determined that Poland, Hungary, the Czech Republic, and the Slovak Republic were members of the program; that is, the transition program. The compromise version requires the President to evaluate those countries but does not require that they be named in the transition program. It also gives the President the option then to name those that he would like to have participate in the transition program.

Third, the original amendment did not authorize funds in response to the administration and others. This does authorize funds for countries at the transition level that are included in the transition level, and it is basically comparable to what was included in the President's Warsaw initiative in terms of those powers.

Last, Mr. President, this measure urges participation of the old version, which urged participation of the North Atlantic Council countries in NATO. That is deleted in the compromise version. I believe every concern that has been raised or expressed, that we are aware of, has been dealt with in the compromise version. It is clearly a step forward.

Mr. President, let me last of all indicate this. This does clearly relate to

NATO and military matters and the matters before the body. While this does not divert the funding priority that the distinguished committee has put forward, it does carry a very significant symbolic message, and that message is this: That we believe that countries who believe in democracy and will stand up for freedom in Central Europe that were subject to the horrors of World War II and the horrors of Soviet domination in the cold war, if they want to join free men and women in standing up for freedom, that we ought to welcome them.

This is not simply a technical issue; it is an issue that goes right to the heart of what free men and women want for their lives, for their children and for their future. These are people who want to join arms with us and want to stand up for freedom and want to pledge their security with our security. They want to join hands with us.

Mr. President, at the end of World War II, this country turned to the countries in Europe and Japan, and we did a number of things. First, we not only extended a hand of friendship, but we extended a hand of assistance.

Second, we opened up our trade markets to let them earn their way out of the tragedy that had befallen them.

And third, and most significant of all, we extended an umbrella of protection for their mutual security.

What happened at the end of the cold war to those countries that had been victimized by Soviet occupation was that the European Economic Community did not open their markets to them, although they are in negotiations to do so. That move to open their markets, which would have done more for the Central European countries than perhaps any single thing that can be done, is still being worked out, and, frankly, membership in NATO is viewed as a key way to accomplish that objective. If you look at the transition for Greece and others who joined the common market, it was exactly the door of NATO that helped bring them in.

So opening markets was not done for Central Europe. And frankly, assistance was not done, although there have been some minor programs and they have not pushed hard for it, but the kind of assistance we gave with the Marshall Plan has not been offered and not really asked for.

Last, and maybe most important, we have not done that which they ask for the most, and that is to join hands with them in pledging mutual protection for each other.

Those three things that were so important for turning Japan and Europe around have not been done for Central Europe. This would move forward in terms of allowing those people to join hands with us in transitioning to NATO membership. The idea and the concept and the symbol are terribly important for the security of Central Europe.

Mr. President, I ask unanimous consent to add Senator HELMS as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, I retain the remainder of my time.

I ask unanimous consent to print in the RECORD letters supporting this amendment from former Secretary of State Henry Kissinger and from President Carter's National Security Adviser, Mr. Brzezinski.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

HENRY A. KISSINGER,
July 27, 1995.

Hon. HANK BROWN,
Senate Foreign Relations Committee,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR BROWN: Thank you for bringing to my attention the Brown-Simon "NATO Participation Act Amendments of 1995".

In my view, continuing security in Europe hinges upon a stable NATO alliance open to early membership by countries like Poland, Hungary, and the Czech Republic. Ambiguous Western security arrangements for the heart of Europe will not serve the cause of peace there. Rather, they will generate uncertainty and instability.

As you know, I was solidly in favor of the 1994 NATO Participation Act. It sent a strong indication of United States support for the countries emerging from communist domination in Central and Eastern Europe. Accordingly, I was disappointed by President Clinton's decision not to act on his authority. A valuable opportunity was missed to enhance the security of Europe.

The "NATO Participation Act Amendments of 1995" seek to correct this mistake by requiring the Administration to extend to these fledgling democracies some of the most important security benefits U.S. law extends to existing NATO members. This action will speed their transition into NATO. Furthermore, this measure sends a clear signal in part from its specific designation of Poland, Hungary, the Czech Republic, and Slovakia as eligible countries.

I strongly support the Brown-Simon amendment and urge your colleagues of both parties to join in passing them at the earliest opportunity.

Sincerely,

HENRY A. KISSINGER.

CENTER FOR STRATEGIC & INTERNATIONAL STUDIES,
Washington, DC, July 31, 1995.

Hon. HANK BROWN,
U.S. Senate,
Hart Senate Office Building, Washington, DC.

DEAR SENATOR BROWN: Thank you for notifying me about the Brown-Simon "NATO Participation Act Amendments of 1995" and your intention to offer them as amendments.

From my perspective, the United States and her allies have arrived at a unique juncture in history. An excellent opportunity now exists to contribute to the creation of a stable and secure Europe. An important element to that region's long-term peace is our continued commitment to a strong NATO open to early membership to countries like Poland, Hungary, the Czech Republic, and Slovakia.

For this reason, I strongly support the "NATO Participation Act Amendments of 1995." These proposals would strengthen the 1994 NATO Participation Act by requiring the Clinton Administration to implement a transition program to help eligible countries move closer toward the high standards of NATO membership. This action surely will accelerate the inclusion of these nations into this key security alliance.

I urge your colleagues to join in support of the Brown-Simon amendments.

Sincerely,

ZBIGNIEW BRZEZINSKI.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I can only, once again, ask my friend from Colorado to cooperate by withdrawing the amendment and presenting it as it will be presented in the Foreign Operations Subcommittee bill. If this remains in our bill, when we get to conference with the House, we have to conference with two separate subcommittees. They will not conference with us on the foreign operations matters when we have the Defense Subcommittees meeting.

This is going to delay getting us our bill. I happen to be one who is in the forefront in support of what the Senator from Colorado is doing. I believe in expansion of NATO. I believe we may have some trouble with regard to the extent of our capabilities to provide the assurance that we will come to the defense of any of these nations in the current circumstance over there, but I am more than willing to explore how we can do that, because I think it is right to do. But I believe it is going to open up this bill now to a very wide-ranging debate and that every Senator is going to want to talk about it and we are going to be here tomorrow morning.

I urge the Senator to listen to the chairman of the Foreign Relations subcommittee, who has committed that it will be brought up at his subcommittee in the first week of September and be carried through from there. It does not belong on this bill. We are not capable of handling this in conference. I hate to take something to conference which means that when we are in conference, we have to step aside and let other subcommittee members from either side come in and handle an issue not within our competence. I do not believe it ought to be on this bill.

I urge the Senator—he made his point, and I think there will be an overwhelming support for his proposition once everyone has expressed their point of view here today, probably. But it does not belong on this bill.

Mr. BROWN. Mr. President, let me respond to the very thoughtful concerns of the chairman. Let me assure him that if this becomes a burden for his bill or untimely delays it, I am going to be with him in trying to find another avenue for it. I hope the Senator does not feel compelled to oppose this effort if indeed we have addressed those concerns.

Mr. President, I at this point ask that Senator MOSELEY-BRAUN from Illinois be added as a cosponsor of the amendment.

I believe Senator SIMON at this point would like the opportunity to address the measure. I will yield to him.

Mr. STEVENS. Mr. President, that is the problem. Every Senator wants to talk about this amendment that does not belong on my bill. We ought to find some way to test this. It is my intent to make a motion to table this amendment very soon, because I say we are going to go home, and the way we are going to get home is not standing here talking about something that belongs on another bill.

The Foreign Relations subcommittee will report their bill the second week in September, and that is when it should be considered. The Senate is going to have a chance to make up its mind whether it is going to finish this day or not. I am not going to make the motion now. I want to confer with the Senator from Colorado. I believe we ought to be listened to. This is not something that belongs on this bill. We are not capable of handling the subject matter. We cannot conference with the Defense subcommittee on the other side.

While I support the intent, it is not something we ought to be dealing with. It is legislation on an appropriations bill, and it should not be here. The way to answer that is to either make a point of order against it or move to table it. I will do one or the other before too long.

Mr. SIMON. Mr. President, I will just take 2 minutes. I want to assure the Senator from Alaska that in terms of making a point of order, that precedent has been set and this is in order. There is no question about that.

The question is, Is this significant enough that we ought to put this on this piece of legislation? And I think the answer is yes. It will add to stability in Central Europe. I think the answer is clearly yes. The language is so couched that I hope we can accept it very quickly.

I want to get out of here as much as the Senator from Alaska wants to get out of here. A simple way of getting out of here is to accept this amendment and move forward. I think this is in everyone's best interest.

Let me add one other point. There are those who say somehow this will offend Russia. The reality is that the time may come when Russia can become a part of NATO. Ultimately, the threat to Russia does not come from the West, it comes from China, in the long term.

So I think this does make sense, and I am pleased to support the amendment of Senator BROWN.

Mr. HELMS. Mr. President, the distinguished Senator from Colorado [Mr. BROWN], has demonstrated his customary fine leadership in offering his amendment to bring a possible NATO membership one step closer for friends of the United States in Central Europe.

Now, nations from Latvia to the Czech Republic have bitter memories of the period following World War II when they were left in a security vacuum. Some 50 years of Communist captivity ensued.

I ask unanimous consent to be identified as a cosponsor on the Brown amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, the amendment provides incentive for continued reform in countries of that region by offering closer integration with the West for countries that meet the fundamental criteria of democracy and economic reform.

While some countries have taken more steps than others in fulfilling the criteria outlined in the Brown amendment, reform efforts are so fluid and governments evolve so often that I do not believe it is fair to prejudge any one country, or set of countries, for that matter, at this time. It would certainly not be honest to make the judgment that Slovakia, for example, has made more progress in fulfilling the criteria in this bill than have Estonia or Slovenia. While I support Slovakia's independence and the people of that country, the Government of that country has backed away, I am sorry to say, from privatization and has interpreted democracy to mean total control by the ruling political party of the country.

The Brown amendment offers a real blueprint for forging closer relations with the free nations of Central Europe. We should not content ourselves with the Clinton administration's tepid approach to our victory in the cold war. To this day, the administration has failed to define the process by which Central European countries can become NATO members. The Brown amendment will right this unfocused approach by concentrating our assistance on those countries taking brave steps to reform their political, economic and military systems and tie their future to NATO.

I firmly believe that NATO enlargement to countries which prove themselves capable of contributing to the NATO Alliance is in the U.S. national interest. Spreading NATO ideals to Central Europe at this time aligns these countries in a defense-oriented posture which must be more comforting to Russia than the current undefined security situation in Central Europe.

I would encourage the President to take the bold step of making all the countries in this bill eligible for much of the NATO transition assistance provided in this amendment.

I urge the adoption of this amendment.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATO ENLARGEMENT

Mr. ROTH. Mr. President, I rise today as one who has been a longstanding supporter of NATO. For this reason, I am a cosponsor of the Brown amendment, the NATO Participation Act Amendments of 1995.

Mr. President, no other issue is more crucial to European security than NATO's relationship with Central and Eastern Europe. Today, we are in the midst of an historical era, an era of transition, the so-called post-cold-war era. It is a phase in which the strategic landscape of Europe is particularly malleable. It is a phase that will not last forever and which will end sooner rather than later.

How the alliance manages its relationship with the nations of this region during this period will determine whether or not Europe will ultimately benefit from an enduring and stable peace.

Careful, gradual, but undeterred enlargement of NATO should be the geopolitical priority of America's Europe policy. The alliance is uniquely qualified to provide the institutional foundation for regional security and peace. No other institution, including the European Union and the Organization for Security and Cooperation, combine the two necessary requisites to serve in this role: a transatlantic dimension and proven operational capability.

The Brown amendment explicitly endorses and facilitates a process of NATO expansion. If passed, this amendment would authorize the President to establish programs to facilitate the integration of Poland, the Czech Republic, Slovakia, and Hungary as well as other Central and Eastern European nations into the alliance.

Passage of this amendment would be an important step toward establishing a system of European security consisting of two pillars: an enlarged NATO and a strategic partnership between the alliance and Russia.

With the end of the Cold War, Central and Eastern Europe once again find themselves outside of any viable security structure. The region is, in essence, a security vacuum between NATO's eastern frontier and Russia. Both recent- and long-term history show us that the region's strategic vulnerability has been a source of instability on the continent—with calamitous consequences that drew the United States into two World Wars.

Extending the alliance's membership to the nations of Central and Eastern Europe, beginning with the nations of Poland, Czechia, Slovakia, and Hungary, will help transform this region from a source of instability into a cornerstone of peace.

NATO enlargement would help facilitate the economic and political integration of this region into the West. The absence of a stable security environment only exacerbates fears and insecurities that jeopardize the political and economic reform necessary for integration to occur.

NATO enlargement would project greater stability into Eastern and Central Europe and thereby enable the region's nations to more confidently focus on their internal challenges. Mr. President, security is not an alternative to reform, but it is essential for reform to occur.

I must add, Mr. President, that the adoption of this amendment would send a much-needed signal of American support to the nations of Central and Eastern Europe and the reform efforts within them. It has been over 5 years since the collapse of the Warsaw Pact and nearly 5 years since the implosion of the Soviet Union. Many in Central and Eastern Europe have been disillusioned with the West and the United States for our failure to more aggressively embrace these nations into the transatlantic community.

Mr. President, passage of this amendment would demonstrate the America's commitment to consolidating an enlarged Europe, and it would give more incentive to all the nations of Central and Eastern Europe to continue their reforms.

Second, two great European powers, Germany and Russia, are now undergoing very complex and sensitive transformations. Their outcomes will be significantly shaped by the future of Central and Eastern Europe. The extension of NATO membership to Central and Eastern Europe, beginning with Poland, Czechia, Slovakia, and Hungary, would positively influence the evolution of these two great powers.

Germany, as a consequence of the collapse of the Warsaw Pact and German reunification, has become more concerned about developments beyond its new eastern frontiers. And today, Germany is more capable of independently addressing her relations with Central and Eastern Europe.

Failure to adequately realize the integration of this region into the West is likely to foster a more nationalist security policy in Germany. In fact, this is a fear that Bonn's politicians and experts openly articulate. NATO enlargement would further lock German interests into a transatlantic security structure and consolidate the positive role Bonn plays in European affairs.

NATO enlargement would also assist Russia's democratic evolution. It would do so by enhancing Russia's own security and by bringing Europe closer to Russia.

Of all of Europe's reborn nations, Russia is experiencing the most revolutionary and difficult transformation. Following the collapse of the Soviet Union, Russia is adjusting to the unraveling of an empire and the return to frontiers dating back to the 16th century.

By enhancing and reinforcing stability in Eastern Europe, NATO enlargement would make unrealistic the calls by Moscow's extremists for Russia's westward expansion. Greater stability along Russia's frontiers will enable Moscow to direct more of its energy toward the internal challenges of political and economic reform.

There are two other geopolitical dangers consequent to the perpetuation of isolation and insecurity in Central and Eastern Europe:

Isolation not only fosters the nationalization of the foreign and security policies of Germany and Russia, but also of the nations within the region.

Additionally, Eastern Europe's institutional separation from Europe and the West certainly sustains Russia's sense of isolation and thereby risks revitalizing its historic sense of alienation from European affairs. These dynamics could well present unfortunate opportunities, if not incentives, for great power revanchism.

Mr. President, allow me to address some of the key arguments being made against NATO enlargement:

Moscow's sensitivities are frequently highlighted as arguments against NATO enlargement. Proponents of this view claim that because Russia perceives NATO enlargement as part of an effort to isolate her from the rest of Europe, we risk prompting a more aggressive and dangerous Russian foreign policy.

It is absolutely essential that Russia not be given the false impression that NATO enlargement is designed to isolate Moscow from Europe. That is why I support the establishment of a strategic partnership between the alliance and Russia. This intent is reiterated clearly and forthrightly in the Brown amendment.

At the same time we must not overreact to outdated Russian sensitivities at the expense of strategic realities and objectives central to the interests of the alliance, as well as the United States.

The fact is that Russia is far from being an isolated nation. Today, Moscow benefits from special bilateral relationships with the nations of the transatlantic community, especially the United States and Germany. It is a member of the U.N. Security Council, an active participant of the OSCE, and has recently become a member of NATO's Partnership for Peace program. Russia is a chief recipient of foreign assistance from the United States and the European Union, not to mention the IMF and World Bank.

In many ways, Russia enjoys far greater engagement with the West than is now enjoyed by any of our Central and East European neighbors.

Let me emphasize that it will not be NATO enlargement that will shape Russia's relationship with the alliance, but Moscow's reaction to enlargement. If Moscow resists the process through intimidation or aggression, NATO enlargement will more likely be directed against Russia.

On the other hand, if Russia respects the rights of other nations to determine their own geopolitical destinies, if Russia recognizes the objective benefits of NATO enlargement, and ultimately works with the alliance in this process, NATO enlargement will contribute to a broad process of engagement and integration that will bring Europe and Russia closer together.

A second argument against NATO enlargement is that it risks creating new and destabilizing lines within Central and Eastern Europe.

The fact is that our legislation works to eliminate lines from a bygone era by replacing them with a process of inclusion reaching out to all the nations of Central and Eastern Europe. Those nations that would not be in the first group of states admitted to NATO would benefit in two ways:

These nations would end up less isolated from the Alliance. They would no longer be left on the distant fringes of a gray zone in European security. Geographically, they would be closer to NATO, if not bordering the alliance. Most importantly, they would be part of a region being actively integrated into the West.

A third argument one hears against our legislation is that it smacks of American unilateralism in Europe and would undermine NATO cohesion.

Mr. President, this legislation endorses a vision of European security. It does not impose it upon our allies. It in no way undermines the Washington Treaty and its chapters governing the accession of new members. It does require the President to undertake programs that will help the nations of Central and Eastern Europe prepare themselves for the responsibilities of NATO membership.

I can think of no European Ally that would oppose any of these programs. By enabling the nations of Central and Eastern Europe to more effectively cooperate with the Allies, we are assisting the interests of all our Allies.

Mr. President, let me close by emphasizing that NATO enlargement is not a unique historical step. It has already occurred on three separate occasions since 1949 with nations whose levels of democratic development at that time are clearly matched by that found today among the nations of Central and Eastern Europe.

Enlargement is a process for which the alliance has always been geared. Indeed, article 10 of the Washington Treaty provides for the enlargement of the alliance to any European state "in a position to further the principals of this Treaty and to contribute to the security of the North Atlantic area."

Mr. President, current policy is overly concerned with Russia's psychological well-being and insufficiently focused on central objectives. America's policies toward Europe must be structured to shape a strategic landscape that enhances economic, political, and military stability in all parts of Europe. That should be our national interest—and that is the intent of the NATO Participation Act Amendments.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I ask unanimous consent the Brown amendment be set aside temporarily so we may proceed with another Bingaman amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2392

(Purpose: To strike out section 8082, relating to progress payments)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 2392.

On page 81, strike out lines 16 through 20.

Mr. BINGAMAN. Mr. President, this is a very simple amendment which I do not think anyone should have any difficulty understanding. It relates to the earlier amendment I offered only in one respect, in that I did propose to amend this same section there as well. But this does not relate, I would point out to my colleagues who are here on the floor, to the LHD–7. It does not relate to ongoing operations. It does not relate to any specific funding program or any specific project in the defense bill.

What it does is it says this provision which was included in the bill to require the Department of Defense to make 85-percent progress payments, rather than 75-percent progress payments as does the rest of the Federal Government, should be stricken from the bill.

This is a particularly bad provision. This is section 8082 on page 81 of the bill. It says:

> None of the funds available to the Department of Defense shall be made available to make progress payments based on costs to large business concerns at rates lower than 85 percent on contract solicitation issued after enactment of this act.

This provision, which I am proposing we eliminate from the bill, is particularly objectionable because it is limited to large business concerns. Why do we want to make 85-percent payments to large business concerns and retain the 75-percent progress payment to any other business concern, as is presently the case? Why do we want to have one set of rules which are more advantageous for defense contractors than the set of rules we have for all other contractors?

I have great difficulty understanding the rationale for this. I am not just raising this as a philosophical issue. According to the figures we have been given, these five lines in the defense bill cost the American taxpayer $488 million. This is $488 million that the Department of Defense is going to have to spend in the 1996 fiscal year more than otherwise would be the case because of these five lines.

All I am saying is we have some other needs in this country besides speeding up the rate at which we pay defense contractors. We need to pay these defense contractors. They need to be profitable. We do not want to fall behind on our payments. I agree with all of that. But I do not see why it is in the best interests of the people I represent in New Mexico, or the general public in this country, for us to spend $488 million in this way in the next fiscal year.

So I think clearly the merits are on changing this to just eliminating this provision, allow us to continue the present arrangement where we pay defense contractors just as we pay others, particularly these large business concerns which are talked about in this language.

Mr. President, in discussing the earlier amendment I also went over this issue to some extent and pointed out that these so-called large business concerns—I assume that term, although that is a fairly new term, at least in any bill I have seen—I assume that within that definition of a large business concern you would include the 20 top defense contractors that do business with the Federal Government. Just as in the previous debate I asked then to have printed in the RECORD a copy of the financial performance of the top 20 Department of Defense contractors during the first quarter of 1995, I again ask unanimous consent we print that as part of this debate.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FINANCIAL PERFORMANCE OF TOP 20 DEPARTMENT OF DEFENSE CONTRACTORS

[1st quarter 1995]

Company	Profits (millions)	Sales (millions)	Assets (millions)	Return on assets (percent)	Return on sales (percent)
McDonnell Douglas	$159.0	$3,333	$12,026	5.3	4.8
Lockheed-Martin	137.0	5,644	8,961	6.1	2.4
Martin Marietta (See Lockheed-Martin)					
General Motors	2,154.0	43,285	188,201	4.6	5.0
Raytheon	173.90	2,387	7,258	9.6	7.3
United Technologies	135.0	5,344	15,618	3.5	2.5
Northrop	54.0	1,617	2,919	7.4	3.3
General Dynamics	60.0	753	2,635	9.1	8.0
Loral	94.8	1,459	3,228	11.7	6.5
Grumman (See Northrup-Grumman)					
Boeing	181.0	5,037	20,450	3.5	3.6
General Electric	1,372.0	15,126	251,506	2.2	9.1
Westinghouse Electric	15.0	2,024	10,553	0.6	0.7
Litton Industries	28.6	694	3,834	3.0	4.1
National Steel & Shipbuilding	44.7	753	2,304	7.8	5.9
Rockwell International	191.4	3,361	9,885	7.7	5.7
TRW	114.7	2,596	5,336	8.6	4.4
Texas Instruments	230.0	2,862	5,993	15.4	8.0
Textron	109.0	2,387	19,658	2.2	4.6
Tenneco	153.0	2,163	15,373	4.0	7.1

Source: Business Week Corporate Data.

Mr. BINGAMAN. Mr. President, when you go down this list it is a list of some of our best corporations. They do a superb job in supplying products and services for the Department of Defense: McDonnell Douglas, Lockheed-Martin, Martin Marietta, General Motors, Raytheon, United Technologies, Northrop, General Dynamics, Loral, Grumman, Boeing, General Electric, Westinghouse Electric, Litton Industries, National Steel & Shipbuilding, Rockwell International, TRW, Texas Instruments, Textron, Tenneco.

Mr. President, I do not believe that these companies should get any worse treatment than any other company that does business with the Government. I think they should be treated well. The Government should pay its bills on time. The Government should pay its bills promptly.

I think it is appropriate we make the customary progress payments as they complete work on a contract. The customary progress payments are 75 percent—you get paid for 75 percent of the work completed—then there is some portion held back to ensure that the entire job is done well and you can pay the rest at the end of the contract. That is the customary way in which contracting is done.

I do not think it is worth $488 million to the American people to change that, just for this next fiscal year, and begin paying them an extra 10 percent as part of these progress payments. It just makes no sense to me.

I argued long and hard yesterday to try to get support from my colleagues for $26 million in funding for Indian education. This was not new money. This was to try to keep the 1995 level of funding again in 1996. We were turned down. People said there is not enough money, we cannot do it.

In light of that, if those are the circumstances we face, if we do not have enough money, if we are trying to balance the budget, and clearly there is a legitimate desire to get to a balanced budget by many Members of this body, then clearly people should support this effort to cut out this $488 million from the bill. So I urge my colleagues to support the amendment. I think it speaks for itself. I do not believe we will need additional time.

Mr. President, I address a question to the manager of the bill, the Senator from Alaska. If the Senator from Alaska could respond to a question, if he would like to have the same kind of arrangement of 2 minutes for and 2 minutes against prior to a vote on this, I would have no objection to that course of action.

Mr. STEVENS. I join in asking unanimous consent that when I make the motion to table there be an understanding that before that vote there will be 2 minutes on each side—2 minutes for the Senator from New Mexico and 2 minutes for someone to oppose this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, it is my hope we will have another amendment to present soon here. So we can hopefully stack the votes and have a vote sometime around 4:30, hopefully, on all four of these amendments.

We are looking for one other. We know there is one other that will take about half hour on each side.

Let me say on this one that I understand the Senator from New Mexico. It is a very technical issue that he has raised. Actually, the current progress payment level that the Department is using now is 75 percent.

This is a regulation that is trying to force the Department of Defense to keep their progress payments at a specific level that deals with outlays. That is why I say it is very technical. We have outlays when we authorize funds. We authorize $1 million for one project. They actually might spend half of that the first year. That would be an outlay of 50 percent. If we have another project and they only spend 25 percent the first year, it would be an outlay of 25 percent for the first year.

This is dealing with the outlays, and progress payments are related to those outlays in the current year. We have raised it to 85 percent because we have a surplus of outlays for 1996 as compared to authorization. Therefore, that will force the Department to keep its payments up to make sure that we are not carrying over until the next year payments that should be made this year. If they were not made this year and carried over to the next year, it would mean we might not be able to use the authorizations that we have for the next year in order to bring about outlays in 1997.

Under the circumstances, I oppose the Senator's amendment, because the fair way to keep the contractors coming to the Department of Defense to do work is to see that they are assured that they will not get less than a specific amount on their progress payments per a time period of the year. If they do not get the progress payments, they have to go out and borrow money to continue their operation, and it increases the cost in the next year because, by definition, that becomes a cost to the contract. And we are much better off when we have the outlays available to force the Department to make their payments on time and, therefore, reduce the amount of money that contractors borrow and later charge us the interest on the borrowing.

When interest rates are low, we are not that compelled to do this. But when they get higher, there is an absolute compulsion to do it. That is why I say we are dealing with a current regulation of 75 percent. We put this in. This is a provision of our bill that goes up to 85 percent. It will keep the contractors, particularly the smaller contractors, as the Senator from New Mexico mentioned—I disagree with him on his conclusion—this means smaller contractors will be more attracted to doing business with the Department of Defense.

The PRESIDING OFFICER. The Senator's 2 minutes has expired.

Mr. STEVENS. That is a misunderstanding, Mr. President. The 2 minutes applies to the time after I have made the motion to table. We want the opportunity for the Senator from New Mexico to explain his amendment just before the vote.

There will be a series of votes. Under this, there will be the third vote that we will have stacked. The Senator will have 2 minutes, and I or someone here will have 2 minutes to respond. I apologize to the Chair for the misunderstanding.

But, again I say to the Senator, what we are doing is not only assisting the smaller contractors who want to work on defense business this time. The normal payment, everyone realizes, would be 100 percent. If you have a progress payment concept in your contract, you get 100 percent of your progress payments.

The Department of Defense was not keeping up with those payments. So we said, "You have to pay at least 75 percent. You can never fall behind more than 25 percent in any progress payment period." Now we have told them, "You have to go to 85 percent," because that forces them to assure contractors that they will get 85 percent of the progress payments they are entitled to under the contract in 1996.

Again, I say to my friend, it is very technical. It is related to the Senator's first amendment because his first amendment would be subject to a point of order if it was not possible to have outlays available, and this amendment makes those outlays available. If the first amendment were to carry, the second amendment would have to carry, too. At least that is my understanding of the intertwining of them.

He also has a principle involved. I appreciate the principle. There is a disagreement between the two of us over what is accomplished by a progress payment mandate.

I would be happy to let the Senator proceed. I do not know of anyone else on this side who wants to have time. He understands that I will make a motion to table when he has finished with his remarks.

Mr. BINGAMAN. Mr. President, I appreciate the courtesy of the Senator from Alaska. I will make just a few more remarks to clarify.

First of all, this amendment strikes a provision that sets up a different procedure for progress payments to large business concerns. That is what the statute says. It does not say small business. It says large business concerns. We set up a requirement for 85 percent progress payments for large business concerns. The 75 percent which is customary in the industry remains the procedure for all others.

So this is not a way to help small businesses; this is a way to help large defense contractors.

To my knowledge, Mr. President, I do not believe anybody could come to the floor and critique or disagree with me on this.

Mr. STEVENS. I would like to disagree. This is the second time the Senator made the point. The Senator realizes that under our provision, progress payments for small business will rise to 90 percent and progress payments for small disadvantaged businesses will rise to 95 percent because we have not changed the formula under existing law which forces the Department to pay small businesses higher than the larger concerns. So if we set the larger concerns at 85, under existing procedures the small business automatically is at 90, and the small disadvantaged at 95.

So the Senator has implied that this does not apply to small business. To the contrary, it applies to a greater extent to small business.

Does he understand that?

Mr. BINGAMAN. Mr. President, I appreciate that clarification. The language I am trying to strike out is limited to large business concerns, and there may be some provision elsewhere that applies to smaller businesses and their progress payments.

But let me again make the point that I was making initially. That is, we do not have a problem with the profitability of our large defense contractors. They are all profitable today. They are all reporting record profits today. Their stocks reflect that. In all respects they are doing extremely well. And I wish them well. I have no problem with that.

I think the suggestion that the Senator from Alaska made that the normal practice is to make 100 percent progress payments is just not in my recollection of how business is done. I have been in Government a while. But I can remember before I got in the Government hiring contractors to do some simple things like building an office building for me. I had a contract where I made progress payments as that office building was completed. There was no suggestion by any contractor that I should make 100 percent progress payments as we went forward. The understanding was we would keep back some of the money until the project was completed, and that was an incentive to the contractor to complete the project on time and to my specifications.

So I can remember building an office project or an office building in Santa Fe, NM, and the progress payments there were 75 percent. I cannot believe that these various defense contractors whose names I read off before, which are some of the largest, most successful, most profitable corporations in the country, are not used to doing business on the same basis.

So the argument that we have to raise these progress payments this year in order to look out for the financial well-being of these large defense contractors is somewhat hard for me to believe. I strongly believe that we have here $488 million that we could save in this bill.

I think the simple truth is, this bill as it came out of the committee has in it nearly $1.3 billion of outlays; that the budget resolution, as I understand it, has about $1.3 billion of outlays that are not needed, and, therefore, we have provisions like this in the bill to try to soak up some of those outlays.

Mr. President, I do not believe it is reasonable to tell the American people we are going to charge them $488 million next year in order that we can advance these progress payments or increase them to 85 percent for major defense contractors. We have other needs in this country for some of this money. Clearly, if we have an extra $488 million, we ought to spend it on some of those other needs and not be spending it on this kind of provision.

So I do hope that my colleagues will support the effort to strike the provision when it comes to a vote later.

Mr. STEVENS. Mr. President, that again shows our disagreement. The Senator is correct. We have an allocation to our subcommittee of more outlays than we can use with the budget authority that was given us because a lot of the budget authority was taken away and used in areas where they do not have the outlays that we might have had.

We looked at this and we saw that there was a group of contracts out there and if they increased the rate of compliance with existing contract provisions now, they would use those outlays this year. If they do not comply with the contract provisions, it shifts the money into next year, where we might then have to use money under these contracts and not be able to pay for the costs of whatever it might be—the DDG–51's, the pay raise that is coming, whatever it might be. We are asked now not to use this money because the rate of payment of bills is too slow. We are saying you must get at least an 85 percent level of compliance with your own contracts now in making payments for defense contractors.

And again, when we say that it is based on the cost of large businesses, that automatically means that for small businesses it is 5 percent higher, and for disadvantaged small businesses it is 5 percent higher than that. So what we are saying is use this money now. We do not want you to stretch these contracts out because in doing so you cause the contractors to borrow money which goes on the next year's bill.

In addition to that, what it means is we are denied the ability to meet the schedule for bringing on-line these other items that are being authorized by the authorization committee. We will have to tell the authorization committee, if we do not do this, next year we will have to tell them we are sorry, we did not use the outlays last year; we have shifted them to next year, and although you have been authorized this money we cannot allow you to spend it because we do not have the outlays to allocate to you.

This is an accounting principle, and the Senator is very astute in finding it because most people would not find it. But we have done that for the purpose of assuring that we do not fail to keep up with the rate of payment.

Incidentally, I am just a country lawyer. As far as I am concerned, if I submit a bill, they ought to pay 100 percent of it, right? And we find they are not even paying 75 percent. This says you must pay at least 85 percent of the progress payments that are presented to you that are due and payable within the year 1996.

So based upon the understanding that we have, I do move to table the Senator's amendment with the understanding that we will have 2 minutes on each side prior to the time that it will come to a vote, and we expect that vote to come sometime, I would say, around 4:20, 4:30, because we are going to have another couple of amendments brought up here.

I do make that motion to table with that understanding. Is that agreeable?

Mr. BINGAMAN. Mr. President, I have no objection to that.

The PRESIDING OFFICER. The Senator has allowed 2 minutes to a side.

Mr. STEVENS. I thank the Chair.

STRIKING OF SECTION 8078

Now, Mr. President, I understand the Senator from Vermont has a statement. But I also understand the Senator from Oklahoma has worked out an amendment with the Senator from Hawaii. If he wants to offer that at this time, may we get this out of the way, I ask the Senator?

Mr. JEFFORDS. Yes. I am going to offer an amendment and withdraw it.

Mr. STEVENS. This will just take a minute.

Mr. INHOFE. This will just take a minute.

Let me compliment both the Senator from Hawaii and the Senator from Alaska for being understanding and looking at an amendment with which I have a problem. I believe the section, which is 8078, clearly violates the current statutory 60–40 relationship between contract and private maintenance, inhouse depot maintenance.

I also believe that this section would violate the intent of the whole BRAC process.

I appreciate very much the willingness of the Senator from Hawaii to pull out section 8078, and I inquire of the chairman of the committee, is it necessary to propose it as an amendment?

Mr. STEVENS. Mr. President, I ask unanimous consent that section 8078 be deleted from the bill.

The PRESIDING OFFICER. Is there objection?

Mr. INOUYE. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. INHOFE. I thank the Chair.

Mr. NICKLES. Mr. President, this section would have allowed the Air Force to compete core workload. The Pentagon and the Congress have indicated that core workload is so critical to America's readiness to go to war that this work must be done by the Pentagon in its depots.

In addition to this, the GAO has a draft report on this very issue that indicates that competing the workload addressed in this section does not make sense based on the excess capacity in the Air Force Depots.

By striking this section of the bill, core workload is retained in the Pentagon's depot system as outlined in Pentagon policy and title 10 of the U.S. Code. It also follows the recommendations of the GAO report.

The effort to get this section stricken from the bill was truly a team effort on the part of myself and my State colleague, Mr. INHOFE.

I want to thank my friend Mr. INHOFE for his efforts. I also want to thank the Defense Appropriations Subcommittee staff, as well as Senators STEVENS and INOUYE who have managed this bill in their customary fair and open manner.

Mr. STEVENS. Mr. President, I understand there is some misunderstanding. I did move to table the first Bingaman amendment. If there is any misunderstanding, for the RECORD, I again move to table the Bingaman amendment with the understanding that there are 8 minutes on a side for debate on that amendment when it first comes up.

AMENDMENT NO. 2393

(Purpose: To provide funding for certain impact aid)

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the existing pending amendment be set aside temporarily for the purpose of offering an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEFFORDS. The amendment is at the desk, I believe.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. JEFFORDS] proposes an amendment numbered 2393.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. FUNDING FOR CERTAIN IMPACT AID.

(a) IN GENERAL.—Of the funds appropriated by the provisions of this Act, $400,000,000 shall be available for carrying out programs of financial assistance to local educational agencies authorized by title VIII of the Elementary and Secondary Education Act of 1965, of which—

(1) $340,000,000 shall be for payments under section 8003(b) of that Act;

(2) $20,000,000 shall be for payments under section 8003(d) of that Act; and

(3) $40,000,000 shall be for payments under section 8003(f) of that Act, which amount shall remain available until expended.

(b) LIMITATIONS ON AVAILABILITY OF FUNDS.—(1) Funds available under subsection (a) shall be used only for payments on behalf of children described in subparagraph (A)(ii), (B), and (D) of section 8003(a)(1) of that Act.

(2) Such funds may not be used for payments under section 8003(e) of that Act.

(3) Such funds shall be governed by the provisions of title VIII of that Act.

(c) PAYMENT AMOUNTS.—(1) Payment amounts for local educational agencies shall be calculated by the Secretary of Education under the provisions of title VIII of that Act based on the total amounts provided to the Department of Education and the Department of Defense for Impact Aid.

(2) The Secretary of Defense shall distribute funds to local educational agencies based on calculations under paragraph (1).

(d) OFFSET.—The amount made available by subsection (a) shall be derived from a reduction in the amounts appropriated by this Act. In achieving the reduction, a reduction of an equal percentage shall be made from each account (other than the amount from which the funds under subsection (a) are made available) for which funds are appropriated by this Act.

Mr. JEFFORDS. Let us step back for a moment and think about the big picture here. Our job is to set the priorities for the Nation, and in doing so, restore the economic health of our Nation by putting the budget on the path towards balance. If we fail to make spending cuts, our children will pay a terrible price. And if we make those cuts inappropriately, or by some strict formula without regard to merit, they will pay an equally harsh price. Our job is to prioritize, to carefully scrutinize the relative value of the various functions of Government and to decide how a shrinking resource base should best be divided.

To do this exercise properly requires the ability to examine each area of the budget on its own merit and to move funds appropriately. Personally, I believe that the construction of firewalls hinders that ability. Firewalls separate off certain areas of the budget and remove them from consideration, forcing us to make tradeoffs within certain limited areas of the budget. However, I am aware that the Senate went on record again last week in support of retaining the firewalls between defense and domestic spending. And while I disagree with this decision, since it has prevailed, we must look carefully at the full implications of that policy.

The premise of firewalls is that the Department of Defense should not have to pick up the tab for nondefense spending. And should not the reverse also then apply—that other departments should not be picking up the tab for costs incurred by the Department of Defense? I believe so, and I think the majority of my colleagues will agree with me.

One area where the Department of Defense has traditionally enjoyed a reprieve from carrying its full weight is that of impact aid. Current law recognizes that local communities surrounding military installations incur costs in the education of military dependents that are not collectable in the traditional manner of local governments because the installations do not pay taxes to the towns. Impact aid was designed to offset these costs and ensure that military children are not relegated to a second-rate education.

But, Mr. President, the funding for impact aid currently comes entirely out of the Department of Education. Yet, this is clearly a cost incurred by the Department of Defense. DOD has accepted the responsibility of bearing the full costs of educating military dependents overseas—why should it be allowed to shirk its responsibility for offsetting the costs that it incurs at home?

The amendment that I am offering on behalf of myself and Senators HARKIN and SIMON does not increase Federal spending by one dime. Nor does it effect in any way the formula devised for distributing aid to impacted communities. All it does is to ensure that DOD pick up the costs it incurs instead of continuing to pass those costs off to the Department of Education. If we are to have firewalls, Mr. President, then it is only fair that they be respected in each direction.

It is important that my colleagues recognize the backdrop against which we are operating. While defense spending has declined in the past decade, it has done so only moderately, particularly in the context of a greatly reduced threat to the security of the United States. The disappearance of our chief adversary entitles the American people to reap some of the fruits of this hard won victory. And this must translate into being able to direct some of our national investment away from armaments and into the real bulwarks of national defense—a sound economy, a vibrant technological base and a top-notch educational system.

But this is not what we see happening here. Federal spending for education has been cut. Since 1983, education's share of total Federal expenditures decreased by more than 25 percent, falling at a time when poverty is on the rise. More than one-quarter of all our future front-line workers are now growing up in poverty, a statistic unparalleled among advanced industrialized nations.

And compared to these competitors, our students are failing. Thirteen-year-olds in the United States are at the bottom in math and science performance, subjects which are key to our future economic viability, scoring lower than 15 competitor nations. We have already begun to see the consequences as our students fall farther behind. Over the past 20 years, real income in the United States has grown at a rate 5 times slower than in Canada, 6 times slower than in Germany, 7 times slower than in Italy, France, and Japan, and 8 times slower than the United Kingdom.

More than half a trillion dollars in GDP is lost each year because we fail to educate our people. We spend $208 billion in welfare expenditures and $200 billion for employment training. In addition, the fact that 50 percent of adults in this country are functionally illiterate costs the marketplace $225 billion in lost wages each year.

Thus, this amendment goes beyond the Washington rhetoric of arcane budgetary terms such as fire walls. This goes to the heart of the defense of our country—our education.

Mr. President, I offer this amendment because I think it is an incredibly important issue of concern to a great number of Members. However, let me inform my colleagues that it is my intention to withdraw the amendment and to propose it on the authorization bill when it comes up later. I am confident that there will be general support for this issue when it is fully understood.

As I have said previously, my first concern is with education. I am not going to speak at length, as I have to my colleagues in the past, about the serious problems this Nation faces with respect to its educational programs. I only point out that our deficiencies seriously threaten our economic capacity and our ability to have the best trained people engaged in the defense of this Nation. Instead, I would like to talk about the children of military personnel and about the history of what this Nation did to make sure the communities in which they reside and are educated are not punished by a loss of property tax revenue.

Some 40 years ago or more, I believe back as far as 1949, impact aid was designed to assist local communities educate the children of our military personnel.

Impact aid makes payments to local education agencies to make up for the shortfall of funds to the communities in which they reside. The purpose, therefore, was to help military kids. After the creation of the Department of Education, funding for impact aid was transferred to the Department. However, the payments still are made to the local educational agencies.

So I believe the history is clear that these costs are incurred by Department of Defense personnel, and the fact that it is now funded out of the Department of Education does not change that. I believe upon further study of this issue my colleagues will agree with my conclusion that this is not a firewalls issue.

The House has made roughly a 10-percent cut in impact aid. Those of us who represent not only military children but all of the children of this country are going to look at areas where we can, under the force of the budget, shift the funding responsibilities for those programs which rightfully belong in other departments. There is no question that history establishes the obligation for impact aid with the Department of Defense.

At this particular time in our history, to quote a very fine editorial from David Broder, it is "just plain dumb" to be cutting educational funds, whether those funds are used for establishing the necessary standards to make sure we are competitive worldwide or whether they are used for the general education and the general health of the Nation. It is just plain dumb to be cutting our investments in human capital—which would otherwise increase our revenues and decrease our social costs—while attempting to eradicate the deficit.

So, Mr. President, I would like to say that it is an obligation of the Department of Defense to take care of its own children. They do that now in the DOD schools. They send direct payments to the DOD schools. The DOD also sends direct payments to local educational agencies, but those funds are being cut back. They are not, however, cutting back the funding for DOD schools. Hence, my goal is to ensure equal provisions for the education for the children of our military personnel. It is a perfectly legitimate issue to raise. Please note, though, that we are not discussing or considering other impact aid provisions which should rightfully be the responsibility of the Department of Education.

Mr. President, I do not intend to speak much longer, but I want to reiterate that I do not believe this is a question of firewalls or anything else. This is a question of making sure that the Department of Defense lives up to its obligation, created in 1949, to pay for the cost and the impact of military children on local districts.

I hope that we will consider this issue at the appropriate time and vote to ensure that DOD takes its money to help the children of its military personnel. That is my intent. At the appropriate time I will offer the amendment again.

Mr. STEVENS. Mr. President, I believe the Senator from Vermont raised a very complex and meaningful issue. It involves not only the subject he raised, but also involves the complexity of payment in lieu of taxes that are paid to communities because of nontaxable Federal property within their jurisdiction.

It does seem to me that we have to particularly now as we enter into, I hope, a long peacetime era where there are going to be fewer of these installations and less impact, really, on schools, that we try to find a more fair way to deal with those situations where the children of military dependents do have an adverse impact on school districts. The impact aid concept was created for that purpose.

Now, we actually have communities competing for these bases. It is difficult, on the one hand, to have people competing for bases, and then when they get them, for us to be in the position where the taxpayers should provide the assistance for programs such as impact aid.

I think the Senator—my feeling is we should have really some dialogue between the committee on which he serves and the authorization committee, chaired by the Senator from South Carolina, and the Senator from Hawaii and myself, to see how we can find a way to transition this money to the Department of Defense.

We do not want to get to the position where once it is not coming out of your budget, that your committee feels that you can raise this standard higher and higher because it is coming out of the Department of Defense funds. On the other hand, we do agree, when we are living under a cap, that the Defense impact should be met from Defense funds.

I am prepared to make a commitment to the Senator that we will work with him and with the Armed Services Committee to try to fashion a program that will give us the advice of those who do have the oversight on education assistance from the Federal Government, while at the same time striking the proper balance between authorization and those of us who must find the money to pay the bill.

I appreciate the willingness of the Senator to withdraw the amendment and congratulate him for bringing the issue forward, because it can be very meaningful to generations of children whose parents are serving in the armed services.

Mr. JEFFORDS. I thank the Senator for his remarks. I know we are both concerned about this issue and want to make sure that all the young people of this country, including the children of military personnel, receive the best education possible. And that can only be done if we all work together and share costs in an equitable fashion. I look forward to working with the Senator on this issue.

As I said, I also intend to offer this amendment before the authorizing committee at the appropriate time to stimulate a similar discussion and perhaps pursue it further.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 2393) was withdrawn.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. JEFFORDS. I will be happy to yield.

Mr. THURMOND. I want to commend the able Senator from Vermont for bringing up this question. In some cases school districts are put at a great disadvantage where they have large numbers of schoolchildren and do not get impact aid. I think it is a matter we have got to consider in some way, somewhere, by somebody. I want to commend the Senator for bringing this question forward and commend him for withdrawing it so it can receive careful consideration by all the people considered.

Mr. JEFFORDS. I thank the Senator and yield the floor.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 2394

(Purpose: To strike out section 8083 relating to payment of invoices)

Mr. BINGAMAN. Mr. President, if it is appropriate at this time, I will send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 2394.

Mr. BINGAMAN. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 81, strike out lines 21 through 23.

Mr. BINGAMAN. Mr. President, this is in some ways a companion amendment to the one that I just offered a few minutes ago. The lines 21 through 23 on page 81, which I am proposing to strike, read as follows:

Section 8083. Notwithstanding any other provision of law, the Department of Defense shall execute payment in not more than 24 days after receipt of a proper invoice.

Mr. President, to the uninitiated that seems like a very apple pie kind of a proposal. Who could argue with that? The problem with that proposal, Mr. President, is that it will cost the American taxpayers, in fiscal year 1996, $750 million to advance payment by 6 days from what has been the custom in government and in industry throughout the Western World. So, Mr. President, this is a concern.

Let me go to the bottom line here. We are requiring the Department of Defense to spend an extra $750 million next year by paying its bills in 24 days rather than in 30 days. We are saying by the language that I am trying to strike out of the bill here—if the language stays in there, we are saying that paying our bills 6 days earlier is a higher priority than providing funds for education, even funds for education of military personnel, such as the Senator from Vermont was talking about just a few minutes ago. We are saying that paying these bills a few days early is a higher priority than funding health care. We are saying that this is a better use of funds than anything else we have been able to come up with.

Mr. President, the simple fact is, the provision in the bill that I am trying to strike out, it is not a serious provision to try to speed up payment of Government bills. If the Appropriations Committee wanted to speed up payment of Government bills by the Department of Defense and require the Department of Defense to pay its bills more quickly than any other agency of Government, then clearly what they would do is provide additional funds, additional staffing to our various contracting centers so they could gear up to do this.

If this became law, this would put a significant burden on those contracting centers which no other agency of the Federal Government has to deal with and, in fact, which no private firm has to deal with. I do not believe there is a private firm in this country that has a policy of paying its bills in 24 days rather than 30 days.

Let me explain to my colleagues what, with this requirement of paying bills within 24 days rather than 30 days, really is going on here.

Earlier this year, much of the discussion about our defense spending was that the problem we had in our defense spending was inadequate funds for readiness. We had hearings in the Armed Services Committee, and we had speeches given saying that we had neglected readiness; the Clinton administration had neglected readiness. So the Budget Committee added both budget authority and outlays for the defense accounts, assuming that some of that would go to operations and maintenance, which is what we use to fund our readiness accounts.

Instead, all of the additional funds that we are adding to this bill, this $7 billion, in fact, and in the authorization bill, all goes to procurement and R&D instead of to readiness. So they have $1.238 billion in outlays left over.

These two provisions, the one that my previous amendment addressed and the one that this amendment is addressing, are provisions that are simply put in this bill to soak up those outlays and to preserve those until they get to conference, so that they can go to conference and have those available to be spent by the conferees on other activities.

Obviously, they are not going to keep this provision in law. There is no intention to do so. I believe this is not good policy. It would be much better to strike these out and admit that the budget resolution made a mistake. If we are not going to put the money into readiness, as we originally thought we would at the time the budget resolution was written, if the problem now is weapons modernization, what we see reflected in the defense bill, the defense appropriations bill as well, then let us shift these outlays to the domestic subcommittees.

We can use these funds in the Labor-HHS Subcommittee, we can use them in the VA-HUD Subcommittee, we can use them in the Interior Subcommittee, which we had a very difficult time with yesterday when we were considering it on the floor because of the drastic cuts which were required to be made in the accounts that are under the jurisdiction of those subcommittees.

So, Mr. President, that is what is really going on here. There is no legitimate effort to try to speed up the payment of bills by the Department of Defense. What we are doing is we have some provisions in here—this one that I am trying to deal with in this amendment will cost the Department of Defense $750 million. So if it is dropped in conference, then there will be $750 million of outlays available for use somewhere else by the committee conferees.

I think we are much better off, the American people are much better off, if we recognize we do not need these outlays, given our change in the situation as we see it. We do not need these outlays in the Department of Defense for these purposes and, accordingly, they should be spent elsewhere, or they should be applied to the deficit.

There are a lot of people out there in the country who figure if you do not need to be spending that $750 million, you should not spend it. That is a hard thing for me to argue with, Mr. President. I do think the better part of valor would be for us to adopt this amendment and that way not have to explain to people in our home States why it was worth $750 million to them for the Department of Defense to pay its bills 6 days early.

Mr. President, I yield the floor. I know others wish to debate the amendment.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Alaska.

Mr. STEVENS. Mr. President, again, it is a difference of agreement here, but this is money that is owed to private entities, individuals, by the Department of Defense. President Bush ordered that all such payments must be made within 23 days once they are declared to be due and payable. That was moved back to 30 days because of the need for outlays in a bill in 1994. It was not done by this committee; I think it was done by the authorization committee. Someone did it.

The impact of it is that, to the contrary of what the Senator from Mexico says, the further they push out, the sooner the interest is due and payable. This is not a situation where this will save the Government any money by delaying them. To the contrary. It is a budget calculation that you save the money for a particular period, but it becomes due later and, as a matter of fact, it pyramids. So that in the next year, you owe more money and you have to have greater outlays available to make the payments.

If the DOD pays valid invoices in a timely manner, it reduces the cost to the taxpayers and it is a simple thing. When you get a bill from a credit card—how many have credit cards? What does it say? Pay it in 30 days or you pay interest. Now, that is exactly what our law says: Pay it in 30 days or you pay interest. But beyond that, if you pay it sooner, you do not have to have the problem of carrying over, in some instances, into the next year. This amendment has the effect of $750 million, that if you take it out and put it back in the 30 days, it means theoretically you do not have to spend $750 million in fiscal year 1996. But guess what? You have to pay that same $750 million out in the next year and you have to have a greater amount of outlays allocated to you to accomplish that and pay other bills that are also due in 1997.

We are moving back toward a concept of simply saying, "The Department of Defense, pay your contractors within the 30-day period." As a matter of fact, we are calculating that they should pay them within 24 days, and if we do that, this provision will help small businesses, again, because they will be able to survive with the DOD as a customer since they know their bills will be paid promptly.

If they are paid promptly, then they do not have to go down, again, and borrow money to carry over until the Defense Department pays their bills.

When that happens, on the next bid, the small businessman or person has to increase the cost to the Government to pay for the cost of carrying their business because they were not paid on time. It is $150 million a day that theoretically you do not have to have outlays for, but guess what? It is not something that goes into a savings account, because it does have to be paid. We are saying pay these invoices on time, pay them in a timely manner, reduce the cost of doing business with the United States and you will get a better price as we go on, and that has been proven.

I do hope the Senate will support us with the concept that is involved here. Again, I have to confess, and I congratulate the Senator from New Mexico on his work and his staff's work, we would not be able to do this if we did not end up with a year that we had outlays that cannot be used because we do not have the budget authority. But since we do that, if we move them now to 24 days, we do not have to do anything next year. There is no savings or loss by keeping that schedule. You have a savings or loss where you change it for the purpose of increasing the outlays or decreasing outlays. We have the outlays available to get this back on time.

I say it is a good place to allocate those outlays. They are going to spend money by paying bills that are due promptly. That cannot hurt the economy.

As a matter of fact, I was raised to pay them when they come in the door and not wait the 30 days. The assumption is they are going to wait at least 24 days before they make the payment on a bill that is presented for payment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Let me just respond very briefly. I am not arguing we should not pay our bills promptly. I pay my bills promptly. I am sure the Senator from Alaska pays his bills promptly. All of the commercial practice that I am aware of calls for people to pay their bills within 30 days. That is the practice in the Department of Defense; that is the practice in the Department of Commerce; that is the practice in the Senate; that is the practice of VISA, Mastercard, and anyplace else you look. I think there is no problem with that. I am not trying to disturb that.

All I am saying is that we can save $750 million in outlay for use somewhere else in the budget by not having this provision in here that artificially says let us speed up the payments in the Department of Defense. There is not a serious effort to speed up payments in the Department of Defense. If there was a serious effort, if it was really a priority for the Congress to get these bills paid in the Department of Defense in 24 days rather than 30, like everybody else in the Western World—and maybe the Eastern World, too—I would say put some money into these contracting centers; give them additional people. Let us tell them to get these things out the door. I have heard no complaints in my office about them not paying their bills on time. I am just saying, here is $750 million in outlays that can be better used somewhere else in the Federal budget. We cannot get the smallest amounts of funding added to for these activities.

The Senator from Vermont was here talking about the importance of education. I have heard so many speeches about the importance of education. You ask your colleagues to support adding $20 million to education and you would think you asked for Fort Knox. Here we have $750 million of budget authority—$750 million that is in this bill simply to speed up the payment of our bills out of the Department of Defense. It is not a priority, Mr. President. It is something we ought to strike out of here. I hope my colleagues will support the efforts to do so.

As I understand it from the earlier statements of the Senator from Alaska, he intends to move to table this amendment. We will have 2 minutes of debate on each side prior to the final vote, is that correct?

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I must oppose this amendment. Much has been said, but there are two items. One, it is the policy of this Nation—and we have an act that says we shall promptly pay our debts; that is the law of the land and the policy of the land, to make prompt payments.

Second, among the many reasons we used to justify this change was a very simple one. We have gone through a very painful period in the history of our Defense Department, a period of BRAC. As a result, many fine companies, many manufacturing plants have had to close their doors or to send yellow slips to their employees. And we felt that by speeding up the payment process, we would save them money and provide them the resources to recoup.

Mr. President, it is true that when we went from 30 days to 24 days, we knew it would cost the Government about $700 million. We could have amended the Prompt Payment Act and gone from 30 to 36 days, and we would have saved—if that is the argument—$750 million. But we felt that the time had come that with this pain that we are inflicting upon the people of the United States, we should do whatever we can to provide some relief. Keep in mind that for each large procurement—take the B-2—it is not the big companies that are involved; there are 200 small subcontractors. They are the ones who want prompt payment; they are the ones who will suffer, and they are the ones who send out the pink slips.

So, Mr. President, I must oppose this amendment.

Mr. STEVENS. Mr. President, some of the centers have a policy to pay in 10 days. But the overall rate is somewhere around 29, 30 days. We are moving it back because of the reasons stated by the Senator from Hawaii. For 2 years, by the way, a study showed that they actually paid in an average of 23 days. It was faster than we are requiring now, but it was slipped because of the pressure of trying to obtain outlays.

So, Mr. President, I ask unanimous consent that we have a period of 2 minutes for Senator BINGAMAN to explain his position, and 2 minutes on our side to explain the opposition to Senator BINGAMAN's amendment.

I make a motion to table his amendment based upon that unanimous-consent request.

The PRESIDING OFFICER. Did the Senator from Alaska ask for 2 minutes and 1 minute?

Mr. STEVENS. No, 2 minutes on each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator move to table the Bingaman amendment?

Mr. STEVENS. Yes.

I now ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I understand the Senator from North Carolina wishes to comment. And the Senator from Arkansas is here to offer another amendment. When he finishes his amendment, we will try to have a vote on all five of the amendments that will be available for us to vote on at that time. I have not been able to determine from the Senator from Arkansas how long he will take. We will do that soon and announce to the Senate when we expect to vote on the five amendments that will be stacked.

Mr. HELMS. Mr. President, I have been in three successive meetings all afternoon long, each dealing with a different aspect of foreign policy. I have lost track of what is going on the floor. Am I to understand that you have four amendments in line now? I make that parliamentary inquiry.

The PRESIDING OFFICER. Five amendments have been set aside for votes.

Mr. HELMS. Is the amendment of the distinguished Senator from Colorado [Mr. BROWN] one of the five?

The PRESIDING OFFICER. It is.

Mr. STEVENS. It is one of those set aside but not set for a vote as yet.

The PRESIDING OFFICER. No time has been set for any vote, but the Brown amendment, as I understand, has been called up and set aside.

Mr. STEVENS. Mr. President, I will try to clarify the situation as I understand it. We have the Dorgan amendment, three Bingaman amendments, and the Bumpers amendment to come.

Mr. INOUYE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, on behalf of the distinguished majority leader, Mr. DOLE, Senators LIEBERMAN, and MCCAIN, and myself, I shall momentarily send a bill to the desk to be read for the first time and appropriately referred.

I will pause here just a moment, Mr. President, to ask a parliamentary inquiry. Inasmuch as what I am to discuss—and Senator DOLE will be here momentarily to make his comments. We are introducing a bill to be properly referred. Is it necessary that we ask unanimous consent to lay aside any amendment?

The PRESIDING OFFICER. The introduction of a bill is in order only during morning business, so the Senator should request unanimous consent to proceed as in morning business.

Mr. HELMS. Mr. President, on behalf of the majority leader and myself, I ask unanimous consent in that regard.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I will defer to the majority leader because he has another appointment that he needs to make.

Mr. STEVENS. Reserving the right to object, and I will not object, will the Senator allow me to make a unanimous-consent request on what will happen after?

Mr. HELMS. Certainly.

Mr. STEVENS. I ask unanimous consent, on an amendment offered by Senator BUMPERS, there be a 1-hour time limit, 45 minutes for the Senator from Arkansas, and 15 minutes for the opponents.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. That will follow the introduction of the bill by the distinguished leader, and the Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

(The remarks of Mr. DOLE and Mr. HELMS pertaining to the introduction of S. 1157 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. HELMS. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that after the Bumpers amendment I be able to offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Arkansas.

AMENDMENT NO. 2395

(Purpose: To reduce the amount of total contingent liability of the United States for defense export loan guarantees)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 2395.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 69, strike line 3 and insert in lieu thereof the following: "section may not exceed $5,000,000: *Provided further*, That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country involved and shall not be financed as part of the loan guaranteed by the United States,".

Mr. BUMPERS. Mr. President, I do not know what the people were thinking last fall when they swept the Democrats out of Congress and turned it over to the Republicans. But I can tell you one thing that I do not think they were thinking. I do not think they intended for us to design yet one more way to sell arms in the international market. We have four methods on the books right now; four—count them. We have four ways that the arms merchants of this country can finance arms sales to other nations. You would think that would be enough. Obviously it is not. We have a fifth one in this bill.

No. 1, most people do not know it but the President can guarantee any loan from any company to any country. That is a powerful thing for the President. He does not often exercise the power. But he has it. Then every year when we pass our foreign operations bill—the bill that the ordinary man on the street in this country thinks is going right down a rat hole—a good big portion of that is for weapons, $1.5 billion for Egypt, $1.5 billion for Israel. If anybody wants some weapons, stand in line. We will give them to you. If you cannot afford them, we will finance them for you. That is called the Foreign Military Financing Program; No. 2.

No. 3, securities assistance: The Securities Assistance Program I think is also in the foreign operations program. I am not sure. But that is where we finance a country-to-country sale. I assume we take weapons out of our stock, out of our inventory, to sell to somebody else, and we finance it; No. 3.

No. 4, 3 years ago I fought like a saber-toothed tiger to keep the Eximbank out of the arms financing business, and succeeded marginally. We kept the Export-Import Bank from selling tanks, howitzers, airplanes, and lethal weapons. But they now are permitted to finance nonlethal military equipment. I guess that means tents and blankets and anything that will not explode.

Now here is the fifth one in the DOD authorization bill.

I get too loud when I am on the floor of the Senate. But I feel so strongly about these things I guess it is irresistable to express my contempt for the United States to be the leading arms merchant of the world, and now we are setting up yet another program to make it easier for countries to buy all the weapons they want. Do you know who most of these countries are? They are people that are starving their own people to buy weapons. That is the moral dimension to arms sales.

But here is the financial dimension. This bill that we have before us right now provides for 15 billion dollars' worth of credits to sell arms to foreign countries. I am going to tell you this is a real enigma to me. I do not understand it nor has anybody been able to explain it to me. They say it will work just like the Export-Import Bank works. You pay a fee. You bear in mind that this is not set up yet. The authorization bill directs the Department of Defense to set this program up and to guarantee loans from arms manufacturers in this country to about 37 different nations. Turkey, for example, who cannot afford a turkey sandwich will be eligible. I do not mean to demean Turkey. They have been a reliable ally of ours. But they are a poor nation. They cannot afford it. But here is $15 billion in this bill.

Just so you will know. I did not drag that figure out of thin air. On page 68 of the bill, section 8067, "To the extent authorized in law, the Secretary of Defense shall issue loan guarantees in support of U.S. defense exports not otherwise provided for, provided, that the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed $15 billion."

My colleagues, all you tight-fisted budget balancers who ran last year and promised the American people how you were going to balance the budget, go home and tell them that there is $15 billion in this bill that is not even scored, and does not count for anything.

When I sit down I want the managers of this bill to tell us how we can assume $15 billion in contingent liabilities and it not cost us one penny. In my 21 years in the Senate I have never heard—my staff tells me there are a couple of examples like that—but I have never personally heard of us assuming a $15 billion liability and it does not cost us anything. It sounds like the good old days of the S&L's in the late 1980's to me.

So how does this work? An arms manufacturer comes to the Defense Department and says, "We have country A and they want to buy 500 million dollars' worth of weapons from us, and we sure would like to sell them because we have 3,000 people working in plants that will produce this 500 million dollars' worth of weapons."

The DOD which wants to set this program up will say, "Well, you have to pay a fee."

"How much?"

"One percent." What is 1 percent of $500 million? The authorization bill says this will be paid either by the country that is buying the weapons or by the company that is selling them.

I strike company in my amendment. Do you know why? Everybody here knows that a company will say, "Look. This is really $500 million." But you do not have $5 million to pay the fee. "We will pay it for you." And the sale price will be $505 million. So instead of charging them $500 million, they charge $505 million. And they get their $505 million, and they turn around and put $5 million of it in the DOD treasury as the guarantee.

I say if we are going to do it—you all know we debated this the other night. I tried to strike this in the authorization bill. I think I got 40 votes, and when you have 100 Senators and you only get 40 votes, you lose. I lost.

But I am saying that if you are going to go forward with this program, which I deplore, at least make the purchasing country put up the fee. If they do not have enough to pay a 1- or 2-percent fee, whatever it happens to be, they certainly have no business obligating themselves for such massive amounts—98 percent and 99 percent—more than they can come up with even for the guarantee.

Mr. President, right after Desert Storm we had a field day. In 1993, 1994, and 1995, we sold 54.5 billion dollars' worth of weapons. Incidentally, some of these countries we sell these weapons to American men often get the opportunity to face those weapons because those weapons last longer than our friendships. I was in Iran in 1976 when the Shah was trying to buy every single weapon we would sell him.

I went to an airport in Tehran. It was loaded with F–16's. And he could hardly wait for us to produce the F–18. He wanted that one, too. And the Shah wanted weapons and a strong military not because of an exterior threat but because that was the way he solidified his power. Now, unhappily, he was replaced with a government that was just as bad, but all these dictators want weapons to make sure nobody challenges their authority. And he was no exception.

So now one of the people we classify as one of the most likely adversaries of the United States is Iran. Iran has a big arsenal of weapons that we sold them, and they are considered one of the four most likely adversaries we will ever have to face.

Vietnam, what an arsenal we left when we left there. The Vietnamese were rich with American weapons, and they sold them to the contras. They sold them to Cuba. I never liked the idea of selling the Afghans Stinger missiles. One Stinger missile can hold any international airport in the world hostage. A terrorist can simply say: We have a Stinger missile. Any airliner coming into this country and into this airport is going to get it at some point. The whole city and the whole country is terrified as a result.

I am not sure how many Stingers we sold to Afghanistan. I voted no, no, no, and yes. It came up constantly because we felt the Afghans could make the Soviets losses so great they would pull out. And let us face it; it pretty much worked. But there is a problem. We do not know what happened to all the Stingers. Iran —I mention Iran again—got 35 of them, so I am told.

So Iran, which is considered a terrorist nation, is in a position to hold 35 international airports hostage thanks to Uncle Sugar.

That is all just a way of coming back from whence I started. This program has not even been set up. My amendment says it is not likely to be set up and very many sales made before we argue these points again next year. My amendment says, therefore, let us cut this $15 billion authority to $5 billion. We are only planning on selling 10 billion dollars' worth of weapons in foreign sales this year which, incidentally, will probably be about 52 percent of all arms sales in the world except France made a couple of big airplane deals so they have quite a few weapons to sell this year. They will be a player. But today we sell 52 to 53 percent of all the weapons sold in international commerce, and by the turn of the century we will be up to 59 percent.

Let me ask my colleagues, for a brand new program, never been tried, we do not know how it is going to work, do you think it makes more sense to start with a $5 billion authority or a $15 billion authority when we are only likely to sell a total of $10 billion from all sources in the coming year? And that will include foreign military, the foreign military sales program that is in the foreign aid bill, the securities assistance programs, the Export-Import Bank program, any arms weapons that the President guarantees the price of. Do you not think $5 billion is going to be enough?

But here is the real clinker in this whole thing. How do we guarantee $5 billion or $15 billion with no liability? As I say, that beats the S&L crisis. We are going to take a fee from these people to sell weapons and if they default, as Egypt did in 1990 to the tune of $7.1 billion, DOD has to pay it. Where do they get it? Congress gives it to them. Where does Congress get it? Right out of the pocket of the old taxpayer.

I have been through this defense bill for 20 years. This is one of the most bizarre things I have ever seen. They put $15 billion in there as though it is chump change and say sell 15 billion dollars' worth of weapons and, Congress, do not worry; do not score it; it does not count on the deficit. If all these people default, you have to cough up $15 billion, but we will worry about that later.

It is the height of irresponsibility to pass something like this. But I have already tried to kill the program without success. So now I am saying for God sakes, do not put $15 billion in a brand new program that nobody has a clue as to how it is going to work. I feel like the most magnanimous person in the world by saying $5 billion is enough.

When the managers of this bill take issue with this amendment, I do not want them to overlook telling my colleagues in the Senate how you put $15 billion in authority here to finance 50 billion dollars' worth of weapons, a good portion of which we will wind up paying for because these countries will default on. Only the least creditworthy countries are going to opt for this. I want you to tell my colleagues where the money is coming from.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. I send a modification of my amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, is as follows:

On page 69, strike line 3 and insert in lieu thereof the following: "section may not exceed $5,000,000,000: *Provided further*, That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country or company involved and shall not be financed as part of the loan guaranteed by the United States;".

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. BUMPERS. Mr. President, if the Senator from Hawaii will yield, just for edification we inadvertently put in $5 million instead $5 billion.

Mr. INOUYE. I have been advised the Senator from Connecticut wished to be recognized to speak against the amendment.

Does the Senator from Connecticut wish to be recognized?

Mr. President, may I yield 5 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. Five minutes are yielded to the Senator from Connecticut.

Mr. LIEBERMAN. I thank the Chair.

Mr. President, I rise to speak in opposition to the amendment offered by my friend and colleague from Arkansas.

Mr. President, there is a sense of deja vu about this because we did, as the Senator from Arkansas has indicated, argue this out in an amendment he submitted to the Department of Defense authorization bill on the subject, which was an attempt to actually do away with the program entirely. Here in this amendment he aims to diminish the guarantee authority from $15 billion down to $5 billion.

I was pleased to initiate this proposal with my colleague from Connecticut, Senator DODD, and with my colleague from Idaho, Senator KEMPTHORNE. I believe Senator KEMPTHORNE is on his way to the floor to speak against the amendment that has been offered.

There is a basic point here to which I do want to go back, which is that we are talking here about a way to make sure that the American defense industry can compete on a level playing field with the defense industries of other countries that are competing in the area of arms sales around the world.

Mr. President, part of why we feel this is necessary and why it is a decent investment—in fact, a cost-free investment—is because all the fees are paid by those who are beneficiaries of the program. We obviously are in a time where the resources we are devoting to defense are shrinking. There have been some arguments here about whether we are spending too much in the defense authorization bill or in the appropriations bill for defense purposes before us now as others have said before me. We are spending for defense at a percentage of GDP that is historically low. And the world, with the cold war over, remains a troubled world.

But let us leave that macroeconomic data aside. The fact is that each of us knows—and I can speak to this with painful intimacy coming from the State of Connecticut—our defense industries are cutting back. Thousands of people are being laid off who had good jobs and are having trouble providing for their families. That, of course, is just the worst experience for them.

But what is at risk is the capacity of our country to maintain an industrial base for defense purposes so that we are capable of at least turning out a reasonable, if not minimum, number of weapons systems and equipment that we can use to defend our national security, but also to preserve these defense factories, to keep them alive, even if at a drastically reduced level, so that in case of some future conflict or crisis we will have the ability to surge, to build more; we will not have to recreate these industries.

One way to do it, frankly, is for American defense companies to be involved in arms sales throughout the world. This is not a case of America sort of pushing arms on people who do not want them. This is a case of a demand for arms that will be satisfied either by American companies making weapons, made by American workers, or that demand for arms will be satisfied by foreign defense companies employing foreign defense workers. And what our companies find increasingly is that they are losing contracts to other defense companies from other countries because their governments have defense loan guarantee systems.

This is the basic principle of the Eximbank which has been so important to American exporters generally, which, generally speaking, the American defense industry is prohibited from employing that we are now attempting, through the creation of this program, to extend in a limited way without risk here, limiting the number of countries that can be supplied with weapons. And when we went through this before, my friend from Arkansas cited many countries. But let us be very clear about it. The only countries that can participate are NATO allies, our major non-NATO allies, or qualified Central European and APEC non-Communist countries in Asia. That is a total of 37 countries. The program mechanics that are set up are structured so that defaults are highly unlikely and a country that has any record of risk will have to pay very high administrative fees.

Mr. President, this is a 2-year program. Reports are required on the cost, benefits and recommendation for modification. The $15 billion limit which is in the defense appropriations bill that is before us now perhaps will not be reached, although the truth is that in this area $1 billion is a sale number that recurs over and over again. So we have to see what develops.

The authorizing language in the Department of Defense bill requires that a fee be paid incrementally in proportion to the amount of the guarantee issued. And I think that is in its way a response to the second part of the amendment offered for my friend from Arkansas.

I saw an article in the paper the other day. I say, finally, Mr. President, unfortunately I did not cut it out, and I do not have it with me. But it said in one category, in a large category of arms sales, that last year the French actually replaced the United States in sales. French sales doubled. American sales were cut in half. And that is a significant development which has implications for the jobs of thousands of workers here in our country and in defense plants and has implications, as I indicated, for our industrial base.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LIEBERMAN. I thank the Chair and look forward to returning as the debate continues.

I urge my colleagues to defeat the amendment as they did defeat a similar amendment on the DOD authorization bill.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, Senator BUMPERS' amendment will limit the ability of the Government to guarantee loans for defense exports to $5 billion.

Now, that seems reasonable at first blush. But this is the situation. I am told that we are in a period of reduced spending for domestic requirements for defense systems and defense equipment. At this time defense exports make a significant contribution not only to the preservation of U.S. jobs and industrial base, but to the extent they are successful, actually lower the unit cost of the defense production that we must acquire if there is a wider market throughout the world for the produce that comes out of our major defense industries.

Now, we have found that in the international defense export market, it is a very competitive market and one that is very difficult for a U.S. defense company to deal with, unless it can offer the same kind of proposal that its competitors can offer.

Particularly this is so because the market financing is one of the main factors, a decisive factor, in what is the cost of the loans. These guarantees give our U.S. industrial base the opportunity to be on a level playing field with industries from governments that do not just guarantee loans, they actually loan their industry money.

Now, the Department of Defense has indicated to me that it strongly supports this program because it gives the U.S. industrial base the opportunity to compete in the world market and will reduce the cost of our acquisition of systems in the future.

This amendment was proposed to the Senate Armed Services Committee last week. That was defeated by a substantial amount. I do believe that the Senate should be reminded we voted against this amendment just last week by a vote of 41 to 58. Now, it is our intention to oppose the amendment and to make a motion to table when all time has expired.

How much time remains?

The PRESIDING OFFICER. The Senator has 7 minutes 7 seconds.

Mr. STEVENS. I see the Senator—— How much time? Five minutes?

Mr. KEMPTHORNE. Five minutes.

Mr. STEVENS. I yield the Senator 5 minutes.

Mr. KEMPTHORNE addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. KEMPTHORNE. Thank you. And I want to thank the floor manager.

I rise in opposition to the amendment offered by my friend from Arkansas. The Bumpers amendment proposes to limit the amount available for the self-financing—I stress the self-financing—export loan guarantee program at the Department of Defense.

As the Senator from Alaska pointed out, last week we dealt with this very issue. The amendment was defeated 41–58. The program provides financing for defense sales to a very selected list of countries that meet all the existing export controls and nonproliferation policies of this administration. It grants the administration the authority, but it is not a requirement that they must utilize this program.

It is also important to note that the authority is not limited strictly to arms. In many cases American companies lose bids to maintain or upgrade previously sold military equipment because they cannot offer financing.

The program in the defense authorization bill will allow U.S. companies and American workers to compete on a level playing field with our international competitors. Today almost every major arms exporter provides financing to support the export of their domestic products and services.

Indeed, some purchasers now make financing a requirement before a company can bid on a proposed purchase.

The program is financed by fees paid by the buyer or the seller. Based upon the exposure fees charged by the Export-Import Bank, the fee is determined by the creditworthiness of the buyer. Therefore, a high-risk buyer is excluded by the high-exposure fee which makes the loan too expensive for them to even enter into.

The list of eligible countries is limited to our NATO allies, nonmajor allies, Central European countries moving toward democracy, and selected members of the Asian Pacific economic cooperation group.

Of the 185 members of the United Nations, only 37 countries would be eligible for this program.

Mr. President, I ask unanimous consent that the list of those 37 countries be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

THE LIST OF ELIGIBLE COUNTRIES

1. Albania.
2. Australia.
3. Belgium.
4. Brunei.
5. Bulgaria.
6. Canada.
7. Czech.
8. Denmark.
9. Egypt.
10. France.
11. Germany.
12. Greece.
13. Hong Kong.
14. Hungary.
15. Iceland.
16. Indonesia.
17. Israel.
18. Italy.
19. Japan.
20. Luxembourg.
21. Malaysia.
22. Netherlands.
23. New Zealand.
24. Norway.
25. Philippines.
26. Poland.
27. Portugal.
28. Romania.
29. Singapore.
30. Slovakia.
31. Slovenia.
32. South Korea.
33. Spain.
34. Taiwan.
35. Thailand.
36. Turkey.
37. U.K.

Mr. KEMPTHORNE. Mr. President, as a result of our defense downsizing, American companies continue to lay off thousands of U.S. defense workers every month. This program will help us avoid paying unemployment for the defense workers of America and help us preserve the United States defense industrial base.

It makes sense to sell U.S. defense systems and services to our friends and our allies, assuming those countries qualify for the equipment under our existing export controls.

The House-passed defense authorization bill includes similar language, and in a strong bipartisan vote, the House voted 276 to 152 to keep this language in the bill.

Mr. President, in conclusion, I stress again this certainly is far more advantageous than us paying unemployment benefits to American workers who are unemployed. It allows us to keep our defense base in production. It allows us to have capacity, should we need it, to again provide for the needs for this country. This program goes through the existing safeguards that are in place for nonproliferation, and it is an authority. It is not requiring the administration to do so. It is a tool that can help our allies, that can help our friends, but it also is significantly going to help the American worker.

With that, I yield my time back to the floor manager and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. How much time do I have remaining?

The PRESIDING OFFICER. Twenty-seven minutes and eighteen seconds.

Mr. BUMPERS. I yield such time as the Senator from Illinois may require.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. SIMON. Mr. President, I thank my colleague from Arkansas, and I thank him for this amendment.

There is only one flaw with this amendment, and that is it still has $5 billion in it. It should not have anything.

Do you know what the total amount owed by all countries through the years, the accumulated amount right now is? The total amount owed by other countries right now is $16 billion. This will, for all practical purposes, double.

We do from time to time forgive loans to other countries, and I have voted for them. I am not critical of this. But when we make these loans for weapons—Egypt, for example, we forgave $7 billion. I voted for it. Poland, I forget what the amount was we forgave. That did not happen to have any weapons in it. Jordan we forgave.

I note the presence on the floor of Senator LIEBERMAN from Connecticut who was mentioned, that this came as a suggestion from Senator LIEBERMAN and Senator DODD. They are two of the finest Members of this body. But even a fine Member can be wrong, and the State of Connecticut which has a lot of defense industry happens to have the highest per capita income of any State in the Nation. We should not shed too many tears for people in Connecticut, and certainly should not burden the taxpayers of the United States of America with $15 billion worth of debt.

We are already far in excess of where we ought to be in this defense appropriation. We are spending more than the next eight countries combined. If you look back to 1973, I say to my colleague from Arkansas, put the inflation factor on and we are spending more today than we were in 1973 on defense. Then we were in Vietnam, we had twice as many troops in Europe, we had a cold war, we had a totally different situation. And here, through the back door—and that is really what is going to happen—through the back door, the Defense Department and the U.S. taxpayers are going to guarantee $15 billion worth of weapons to any country that defaults. Guess who automatically, not through a vote here—at least in the case of Egypt, the case of Poland, the case of Jordan, we had to have a vote on the floor of the United States Senate. Now it will just be automatic for any country that defaults.

I think it is not sound policy. We talk about deficits, and we let something like this get out and we will pick up a huge, huge burden.

Let me ask my colleague from Arkansas a question. If Ford wants to sell some Fords to some other country, do the U.S. taxpayers guarantee those sales?

Mr. BUMPERS. Mr. President, the answer to that is "yes," under certain conditions, the Export-Import Bank would finance it.

Mr. SIMON. The Export-Import Bank would finance it only to the extent that there may be a risk to that government.

Mr. BUMPERS. Absolutely.

Mr. SIMON. It is not this kind of a guarantee.

Mr. BUMPERS. I might also say that is not a 100-percent guarantee either.

Mr. SIMON. Right. In fact, we will say to the defense industry, "You are going to get preferential treatment over Ford, Chrysler, and General Motors. You are going to get preferential treatment over farmers who want to sell grain." Any nonmilitary exporter, you are in the second tier. The preferential treatment goes to the defense industry. That does not make sense.

As I said in my opening remarks, there is only one thing wrong with this amendment. He leaves $5 billion in there. I wish we did not have the $5 billion in, but I know the Senator from Arkansas is trying to be practical.

What we are doing, if we approve this—there is no question for those who say this will be great for the defense industry, they are right. This will not be great for the taxpayers of America. I commend my colleague from Arkansas.

Mr. BUMPERS. Mr. President, I thank my very distinguished colleague and good friend from Illinois for his comments. When he leaves the Senate, there is going to be a great big void. He has been the conscience of this place on so many occasions.

I cannot say that particularly about myself, but I do not know who has fought many more laudable but losing causes than I have, unless it is the Senator from Illinois.

I say to my colleague, it is tough to shape this place up, is it not?

Let me just close with a few remarks. First of all, my good friend from Alaska, the chairman of the committee, said the administration supported this. Here is what, 10 days ago, the White House said in its Statement of Administration Policy:

> The bill would require the Secretary of Defense to establish a program to issue loan guarantees ensuring against losses arising from the financing of Defense exports to certain countries. The administration opposes this program because the administration has not found it necessary given the availability of existing authority for transactions of this type and the substantial American presence in international markets for military equipment.

So we are not alone. The administration also opposes this.

No. 2, let me just remind my colleagues—because our memories grow dim around here in about 2 days—George Santayana said, "Those who do not understand history are doomed to repeat it." Voltaire, a long time before that, said, "History does not repeat itself; men do."

We never seem to learn around here. We just keep making the same mistakes and paying heavy prices. But I agree with Bill Perry: We do not need this program. Let me ask you this. Who here wants the United States to guarantee arms loans to Albania? Who here wants to guarantee arms sales to Bulgaria? Who here wants to guarantee loans to the Philippines? Then there are Hungary, Slovakia, Slovenia and Romania. They are fine countries. But are they good credit risks? How many of you want to stand up and say, I think this is a jim-dandy idea to finance weapons to those countries? People are starving in the streets in some of them. It is almost obscene to encourage them to buy weapons.

Do you remember the big agricultural loan program to Iraq? We really did not want Iraq or Iran, either one, to win the war, and it looked for a time as though Iran might have a little of the upper hand, so we started financing agricultural sales to Iraq. It went the same way as when our weapons are turned against us. Look where Iraq is now—a mortal enemy, and we are paying off $2 billion in agricultural loans that we guaranteed to Iraq. But that has been 10 years ago, and the Senate just cannot remember that far back.

The Senator from Illinois, a moment ago, said that we are spending more money than our eight most likely adversaries. I hesitate to correct my good friend, but the truth is that we spend twice as much as our eight most likely adversaries, including Russia, China, Iraq, Iran, North Korea, the whole schmear—twice as much as all of them combined.

What has been the record on the four programs we have in existence right now in arms sales? I am not absolutely sure of this, but I think Norway and Israel are the only two nations that have been totally reliable in paying their debts to us. Already this year, we have forgiven Jordan $300 million they owe us for arms, and I was for it because they have been instrumental in the Middle Eastern peace process. But $300 million where I come from "ain't bean bag." I also voted to forgive Egypt the $7.1 billion in 1990, because they are an important ally. But you are going to be voting for a lot more of those if you pass this thing.

The worst argument I know of for arms exports is jobs. Let me say to the Senator from Connecticut right now, you vote against this program and I will vote for whatever you want up to a billion dollars to attract industry to Connecticut.

Did you see where Virginia just got a new deal for a chip manufacturing company? It did cost Virginia some money, $165 million. But compared to financing $500 million worth of weapons and guaranteeing them to a poor country that can't afford them, that is the best deal Virginia will ever pull off, and it is the best deal for the United States Government.

So, when it comes to jobs, I promise you, with what we are going to wind up paying out of this program, we could create three times as many jobs as the arms industry is going to get out of this program.

Another argument is: "If we do not do it, somebody else will." The one thing my father told me when I was a kid is, "I do not want you to be like others. I do not want you to do things just because everybody else is doing it." I suspect I am not the only Member of the Senate whose parents ever admonished him on that point. He expected more of me. But, above all, he wanted me to think for myself and do what I thought was right, not just because somebody else was doing it. And we are going to sell these weapons because if we do not, somebody else will. Let them. Why should we be immoral just because somebody else is immoral?

Finally, Mr. President, I know, after my 21 years in the Senate, what this is; this is a foot in the door. You get this program firmly in place, and next year it will not be 37 countries eligible, it will be 50. And the year after that, it will be 60. I have never, in 21 years, seen that prediction fail. It is the nose under the tent.

So, Mr. President, I have done my best to talk sense on this issue—I am sure to no avail. The Senator from Alaska will move to table. Some Members will walk in that door not having a clue as to what was said in this debate, and they will vote however he tells them to vote. Serious indictment, but true. And they will go home to the Chamber of Commerce, and if there is an industry in that town that has an overseas sale, they will take credit for it. And if the taxpayers wind up having to pay that loan off, you will never hear that mentioned in the same Chamber of Commerce banquet.

Let me tell you a little anecdote that has nothing to do with this debate. But I have chided the Senator from Idaho about the amendment he offered the other night on the hard rock mine law reform that said mining companies will be required to pay the fair-market value for the land. I squealed like a pig under a gate, and you could have heard me in Charleston, AR, about what a sham that was. The truth of the matter is that the land has no value; $10 per acre will cover most of it. It was the billions of dollars worth of gold under that ground I was talking about.

Anybody that voted for that, who does not come from a mining State, can go home, and if somebody asks him a question in a town-hall meeting, "How come you voted to give away $15.5 billion worth of gold the other night to the richest mining companies in America," he can say, "I also voted to make them pay fair-market value." They will not tell you it was just for the surface and not the minerals. Who in that room is going to know the difference?

Mr. STEVENS. Mr. President, I point out to my good friend from Arkansas that section 8067 says, "To the extent authorized in law, the Secretary of Defense shall issue loan guarantees in support of U.S. defense exports not otherwise provided for."

We go on to say that total contingent liable, "the total guarantees under this authority may not exceed $15 billion." We are putting a limitation on existing law. The law, by the way, is contained in the authorization bill that has not passed yet. We are really putting in this section a limitation on a law that may be enacted in September.

It is a total outstanding guarantee and cannot exceed $15 billion. In view of the amount that we do, in fact, procure ourselves, that is really not an extensive amount in the worldwide scene to try to make sure that our allies and those who are aligned with the United States are able to provide the defense that we rely upon them to provide.

Does the Senator from Connecticut desire to speak?

Mr. LIEBERMAN. I ask for the Senator to yield the remaining time.

Mr. STEVENS. I yield.

Mr. LIEBERMAN. Two points. The Senator from Alaska made the point, I think convincingly, about why the $15 billion was chosen.

Second, the Senator from Arkansas keeps talking about leading some programs to conclude that we are granting money, these billions of dollars to foreign nations.

These are loan guarantees. Every other loan guarantee program, and the fees, are paid by those who use the program, and they have default rates that are extremely low. The State of California has operated a program like this for 10 years. The default rate is just under 1 percent.

Finally, to my friend from Illinois, it is true we have the highest average income in Connecticut, but believe me, it is not based on those who work in the defense industry. They are losing their jobs. This bill will save thousands of those jobs and keep those workers and their families at a decent level.

A final example, in the State of Connecticut the Norden defense industry operation was forced to move some of its production to Canada in order to qualify for the Canadian export defense loan guarantee program to allow Norden, a Connecticut company, to sell to a foreign buyer. Mr. President, 72 jobs leave Connecticut.

This bill will turn that around.

Mr. BUMPERS. How much time is remaining?

The PRESIDING OFFICER. Eleven minutes are remaining.

Mr. BUMPERS. I will take just a minute, Mr. President, to remind my colleagues of one thing: The bill allows the company selling the weapons to pay the guarantee fee.

Think about that. They can either add it to the price of weapons and then finance the entire thing, thereby financing effectively the fee that they have paid, or they can have such a cushy profit in whatever they are selling they will say we will sell them for $16 million apiece and we will pay the fee. If the fee is 1 percent and their cost is $12 million for that product, they still have a bonanza.

I want Members to think about this: Here is a loan program that is going to make every other program pale because the company—if you do not vote for this amendment—the company can pay the fee and finance it as part of the loan that is guaranteed by the taxpayers.

So everybody that wants weapons and do not have the money to pay for the weapons, and do not even have the money to pay a fee of 1 percent or 2 percent, the company will pay it. And Uncle Sugar is going to be held for the principal of the loan.

I still do not understand how we can obligate ourselves for $15 billion in this bill and not have a dime scored against the deficit or against this bill. It is in the bill—$15 billion. The Senator from Alaska says we have not authorized that yet; that is only because we have not passed the Defense Authorization Bill yet. Passing that is as certain as the sun coming up in the morning.

I am not even trying to kill the program. I have tried that already and got 41 votes. I am trying to reduce our liability from $15 billion to $5 billion just for 1 year. They do not need $15 billion. They have not even got the program in place yet.

Colleagues, for God's sake, do your duty. I yield the floor.

Mr. STEVENS. Mr. President, I ask that we proceed with the amendments that have been set aside, calling up first the Dorgan amendment for final consideration, with time for an explanation.

This amendment would cut national defense spending by $300 million. The arguments have taken place. The spending here in this bill is consistent with the levels in the Senate Armed Services authorization bill.

The same amendment was defeated by a vote of 51 to 48 last week.

The PRESIDING OFFICER. If there is no objection, the amendments will be considered in the order they were offered.

Mr. STEVENS. I yield 5 minutes to the Senator from Oklahoma.

Mr. BUMPERS. Will the Senator from Oklahoma yield for just a second? I failed to yield back the balance of my time and I am prepared to do that.

AMENDMENT NO. 2377

Mr. STEVENS. I yield 3 minutes on the Dorgan amendment to the Senator from Oklahoma.

Mr. INHOFE. I thank the Senator from Alaska for yielding this time.

At the risk of sounding redundant, I do not feel badly about that because the Senator from North Dakota has been redundant in his discussion of this effort to take the money out of our national defense system.

I think what we need to do is be sure we understand that we have voted on this amendment before. This amendment has failed before. This is the same amendment. It is not changed at all. It is taking $300 million out of what we feel is necessary to put ourselves in a position to have a national missile defense system of some sort by the time the threat is here by the year 2000.

The assumption from the Senator from North Dakota is that there is no threat out there, that the cold war is over and the threat is no longer there. Yet at the same time, the former security adviser to the President of the United States, Jim Woolsey, has said we know between 20 and 25 countries that have developed or are developing weapons of mass destruction either nuclear or chemical or biological, and they are developing the missile means of delivering those weapons. Five of those countries are North Korea, Iraq, Iran, Libya, and Syria.

We learned in the Persian Gulf war that the technology of the short-range missiles is there. It is a reality. It works. The Scud missiles were aimed at Israel and Saudi Arabia and our United States troops. In fact, 28 of our troops, the largest single casualty in one incident, was the result of a Scud attack.

The CIA has now said the Taepo-Dong I intercontinental missile should be ready by the year 2000, and it is ironic that the two managers this afternoon are from Hawaii and Alaska. The Taepo-Dong I intercontinental missile would have the capability of reaching both of those States by the year 2000.

It is something that is here. It is upon us now. Even though the CIA came out and said a long-range missile is not likely, not likely by the year 2005, not likely is not enough security for me to ignore the fact that we have a $38 billion investment in a system that could be ready for deployment in the year 2000.

We have talked about this before, but the threat is very real. The intelligence community agrees that the threat is real.

As I asked the Senator from North Dakota when we debated this earlier, what if you are wrong? What if it is the year 2000 instead of the year 2005? We have an opportunity right now. This is not Star Wars. This is not a fantasy. This is a technology that is here today, with a combination of land-based missiles, Aegis missiles, the 22 ships we have that are ready for the upgrades.

This is a system that can be improved upon now. We can come up with at least a modest method of defending ourselves by the year 2000.

For those who may have seen on television from my home State of Oklahoma the devastation that took place with the Murrah Federal Building, standing outside as I was, on April 19, 20, and 21, not knowing how many people were alive and dead in that building, and you multiply that disaster by 1,000, that is what we are potentially faced with.

All we are trying to do is keep the $671 million to keep the development going so we can be ready by the year 2000 in the event the threat is there at that time. It is very reasonable.

I urge my colleagues to vote against it as they did before on the Dorgan amendment.

Mr. STEVENS. Mr. President, I yield the remainder of time on our side on the Dorgan amendment.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, on behalf of Senator DORGAN, I yield the remainder of his time.

The PRESIDING OFFICER. The question now occurs on the Dorgan amendment.

Mr. STEVENS. Mr. President, may I make a statement before we start? It is our intention, following this amendment, to have a dialog concerning further amendments after this amendment.

I ask unanimous consent the votes to follow this amendment, there are four others that will come immediately thereafter, will be limited to 10 minutes each.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Reserving the right to object, I understood from the Senator from Alaska there would be a 4-minute hiatus between each vote to be equally divided between the proponents and opponents of each amendment, 2 minutes each.

Mr. STEVENS. The Senator is correct. That may be extended in some instances. But the request I have just made limits the time within which to take the rollcall. It limits the time of the rollcall, not the time preceding the rollcall. I renew my request.

Mr. BUMPERS. Will the Senator consider making that a part of the request, for 4 minutes in between each vote?

Mr. STEVENS. I say to the Senator from Arkansas, there are at least 2 minutes on each side before each vote. I have been informed there may be a request for additional time before one or two of the votes, and we are prepared to yield that if it is necessary.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON AMENDMENT NO. 2377

The PRESIDING OFFICER. The question now occurs on agreeing to the Dorgan amendment No. 2377.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER (Mr. BENNETT). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 45, nays 54, as follows:

[Rollcall Vote No. 384 Leg.]

YEAS—45

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Chafee
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Gregg
Harkin
Hatfield
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NAYS—54

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Grassley
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Bradley

So the amendment (No. 2377) was rejected.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. I call attention to the fact that this next vote will be a 10-minute vote, and under the agreement we will have now a series of votes. Just before the votes we have 2 minutes on each side to explain the amendment.

Senator BINGAMAN has 2 minutes.

It can be yielded back.

AMENDMENT NO. 2390

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BINGAMAN. I thank the Chair.

Mr. President, this amendment is sponsored by myself, Senator LAUTENBERG, Senator EXON, and Senator KERREY from Nebraska.

The purpose of this amendment is to provide in this bill funds for the highest priority that the Secretary of Defense has identified if we are in a position to provide any additional funds in this defense bill.

As everybody here knows, the administration asked for a certain level of funding, and this body is adding $7 billion to that pursuant to the budget resolution. The Secretary told us in the Armed Services Committee that if we had any additional money—not if we had $7 billion, but if we had anything extra—we should fund what he considered ongoing operations. Those are the two operations going on in Iraq—one in northern Iraq and one in southern Iraq—we should fund the refugee support at Guantanamo, which is ongoing, and we should fund the humanitarian support and the deny-flight activities in Bosnia. He said at a very minimum next year he is going to have to spend a total of $1.188 billion on those activities.

We did not in this bill fund that, and what I am proposing in this amendment is that we go ahead and fund that as he requested. In addition, we reduce the outlays in the total bill by $111 million.

Now, the offset is to cancel, at least for this year, or put off, I should say, the funding of an amphibious assault ship, the LHD-7. This is a ship which the Department of Defense said they would like to come to Congress and request funds for 6 years from now, in the year 2001—not 1996, the year 2001.

The appropriators have taken the request for the 6th year and moved it forward into this next year. We do not need this ship next year. This would be the 12th LHD amphibious assault ship that we are buying. There are two under construction now. We just christened one in February of this year.

Mr. President, it is not a priority for the Pentagon. It was not requested by the Pentagon in this year's budget, and it was added by the appropriators. We should delete the funding for that and spend it on the top priority of the Department of Defense. That is what the amendment does. I hope my colleagues will support the amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STEVENS. Mr. President, this does subtract $1.3 billion for the LHD-7. It is the top priority for the Marine Corps and the Navy. The Secretary of Navy has reaffirmed support of the LHD-7. It is authorized in the authorization bill.

I have moved to table. I yield back the remainder of my time. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a suffered second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on agreeing to the Bingaman amendment No. 2390. The yeas and nays have been ordered.

Mr. STEVENS. This is a 10-minute rollcall.

The PRESIDING OFFICER. The Chair reminds the Senate this is a 10-minute rollcall.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 73, nays 26, as follows:

[Rollcall Vote No. 385 Leg.]

YEAS—73

Abraham
Akaka
Ashcroft
Bennett
Biden
Bond
Breaux
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Dole
Domenici
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerry
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—26

Baucus
Bingaman
Boxer
Bryan
Bumpers
Conrad
Daschle
Dorgan
Exon
Feingold
Graham
Harkin
Kerrey
Kohl
Lautenberg
Leahy
Levin
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Rockefeller
Simon
Wellstone

NOT VOTING—1

Bradley

The motion to table the amendment (No. 2390) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS CONSENT AGREEMENT—NOMINATION OF LAWRENCE H. SUMMERS

Mr. STEVENS. Mr. President, as in executive session, I ask unanimous consent that when the Senate proceeds to the consideration of Executive Calendar No. 254, Lawrence Summers, to be Deputy Secretary of the Treasury, there be a 10-minute limit on debate equally divided between the majority and minority leaders, or their designees; that following the expiration of that time, the Senate proceed to vote immediately on the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask for the yeas and nays on that nomination.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, that vote will be one of those that are stacked for the next time.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT 1996

The Senate continued with the consideration of the bill.

Mr. STEVENS. Mr. President, we are going to proceed to the next Bingaman amendment. Senator BINGAMAN has asked for the right to have 2 minutes before the second and third amendments. He would like to use four amendments now and have the two amendments run without any intervening debate. I so ask unanimous consent.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from New Mexico is recognized for 4 minutes.

AMENDMENT NOS. 2392 AND 2394

Mr. BINGAMAN. Mr. President, I yield myself 3 of the 4 minutes. If I can be notified at the end of that time, then I will yield the last minute to the Senator from Ohio.

Mr. President, these two provisions, which are the subject of the next two amendments, are provisions which are hard to understand unless you understand the context.

The first of these amendments strikes a provision that is in the bill that increases progress payments to defense contractors from 75 percent to 85 percent. It is for large defense contractors. There is clearly no need for us to do this. All of these contractors are profitable. There has been no complaint about the current procedure where we pay 75 percent in progress payments. This provision is in the bill not to address a need. It is in the bill simply to soak up $488 million in outlays which the Defense Subcommittee did not want to leave unused.

This provision would also deny all discretion to contracting officers on whether or not to make these payments, even if the contractor is not performing. They would have to make 85 percent progress payments if this provision remained in the bill, which it will not. This provision will be dropped in conference, and the funds that are protected here, as outlays, will be used for other purposes. That is the whole idea of having this provision in the bill.

There are better uses for this $488 million in outlays. We could use it for deficit reduction, we could use it for some domestic accounts. Clearly, I urge my colleagues to vote to strike the provision.

Let me also address the second of these. The second provision is also designed to soak up outlays in the bill—$750 million of outlays, to be specific. It requires the Pentagon to pay its bills in 24 days instead of in 30 days like everybody else in the commercial world and in Government. There is not a serious effort to speed up payment. When added to the previous provision, what it does is it protects in this defense appropriations bill $1.238 billion in outlays.

Mr. President, what happened here, very simply, is that this bill was marked up, it was sent to CBO; CBO came back to the committee and said, "You have not spent all your money." And they said, "OK, in order to spend the rest, we will put these provisions in and we will drop them in conference and spend it on something else." That is exactly what is going on here. I think we ought to strike these provisions and use this money—keep this money for future needs. It will certainly be needed after this famous train wreck we are all expecting to occur around here in October.

I yield the remaining minute to the Senator from Ohio.

Mr. GLENN. Mr. President, the Senator from New Mexico described this very well. I do not know of any other place where we have said in the past that we would make progress payments that would not be below a certain amount. They are putting this up. We usually go at 75 percent. We are putting this up and saying you cannot pay them below that no matter what the status is at that point. That does not make sense. The second part of this is requiring that we pay within 24 days. That is how we got in some trouble a couple years ago under the Prompt Payment Act, where we forced people in rapid payment and they made mistakes, and we wound up having to get back $1.4 billion from contractors that had been erroneously overpaid because of the short payment time.

So I support the Senator from New Mexico, and I hope everybody supports his amendment.

I reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. Mr. President, we are dealing, first, with an amendment that says that the Department of Defense should make payments at the rate of at least 85 percent on progress payments that are due under a contract. Mind you, they are due. The current level, by law, is 75 percent for major businesses, 80 percent for small businesses, and 85 percent for disadvantaged small businesses. What we are saying is that they should make the payments required by these contracts not less than 85 percent. They should be making them 100 percent, but the law says you only have to make 75 percent. We say they should do at least 85 percent. By the way, if the Bingaman amendment is adopted, it will increase outlays for this year.

The second one is the prompt payment amendment. The Department of Defense used to pay their bills with a maximum, by law, of not more than a 30-day delay on bills that are due and payable. Again, that is the prompt payment legislation. They were paying their bills within 23 days. Now they moved it to 30 days. That means that in this period of time, small businesses, in particular, are forced to go out and borrow money. So they will have to increase the cost to the Government in the next contract if they are forced to borrow the money. This requires the Department of Defense to pay these businesses as soon as possible, and we assume they will pay them within 24 days rather than 30 days.

Now, it is true that it affects outlays, and it means it is a good place to put money. By the way, if we do not use the outlays this year, we will have to make the payments next year. That pyramids the outlays and decreases the 5-year budget scheme. I made a motion to table each of these amendments. These will be two 10-minute votes back-to-back, with no intervening debate.

Mr. BINGAMAN. Mr. President, do I have remaining time?

The PRESIDING OFFICER. The Senator has 4 seconds.

Mr. BINGAMAN. I will yield it back.

Mr. STEVENS. Have the yeas and nays been requested?

The PRESIDING OFFICER. The yeas and nays have not been requested on the motion to table the second amendment, No. 2394.

Mr. STEVENS. I ask for the yeas and nays on the motions to table both Bingaman amendments.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 2392

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Bingaman amendment No. 2392.

The yeas and nays have been ordered. The clerk will call the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 62, nays 37, as follows:

[Rollcall Vote No. 386 Leg.]

YEAS—62

Abraham
Ashcroft
Bennett
Bond
Breaux
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Dole
Domenici
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Johnston
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Mack
McCain
McConnell
Mikulski
Murkowski
Nickles
Packwood
Pressler
Reid
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—37

Akaka
Baucus
Biden
Bingaman
Boxer
Bryan
Bumpers
Byrd
Conrad
Daschle
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Grassley
Harkin
Jeffords
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lugar
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—1

Bradley

So the motion to table the amendment (No. 2392) was agreed to.

VOTE ON MOTION TO TABLE AMENDMENT NO. 2394

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the motion to table the Bingaman amendment numbered 2394. The yeas and nays have been ordered.

The clerk will call the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 62, nays 37, as follows:

[Rollcall Vote No. 387 Leg.]

YEAS—62

Abraham
Ashcroft
Bennett
Bond
Breaux
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Dole
Domenici
Faircloth
Feinstein
Ford
Frist
Gorton
Gramm
Grams
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Johnston
Kempthorne
Kyl
Lieberman
Lott
Mack
McCain
McConnell
Mikulski
Murkowski
Nickles
Packwood
Pressler
Reid
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—37

Akaka
Baucus
Biden
Bingaman
Boxer
Bryan
Bumpers
Byrd
Conrad
Daschle
Dorgan
Exon
Feingold
Glenn
Graham
Grassley
Harkin
Jeffords
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lugar
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—1

Bradley

So the motion to table the amendment (No. 2394) was agreed to.

Mr. STEVENS. Mr. President, this is the last of the stacked votes. We intend now to go to a series of amendments. We encourage Senators to raise them.

We will have another session where we will have votes that have been stacked sometime after 9 o'clock. Senator BUMPERS is entitled to some time before this amendment.

But let me state that I hope there will be no objection. We would like to ask unanimous consent that all remaining first-degree amendments be offered by 8:30 this evening. They will be subject to relevant second-degree amendments.

I ask unanimous consent.

The PRESIDING OFFICER. Is there objection?

Mr. GRAMM. Reserving the right to object, is there any way that we could have this debate tonight and come back in the morning?

Mr. STEVENS. That is precisely what we are trying to set up for you. We hope to have some debate between now and 9. We want to look at those amendments in the interim between the time we will have the next series of votes. Then we will have debate on the remaining amendments and have the votes on them tomorrow morning, and that will be the last of this bill.

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Reserving the right to object.

Mr. STEVENS. The Summers matter will be taken up later.

The Senator from Arkansas is entitled to 2 minutes.

The PRESIDING OFFICER. Is there objection to the request?

Mr. BUMPERS. Reserving the right to object, did the Senator from Alaska say we will vote, debate, or both in the morning?

Mr. STEVENS. It is our request that we ask that all amendments be filed by 8:30. We will look those over. We are going to have a series of amendments between now and, say, 9 o'clock. We will vote on amendments that have been debated before 9 o'clock, and then after 9 o'clock, we will take up the remaining amendments. We will stay here as long as people want to explain their amendments.

Tomorrow morning, at about 9 or 9:30, we will start voting on all the remaining amendments, and we will vote until they are done and go home.

Mr. BUMPERS. Further reserving the right to object, does the Senator have any idea how many amendments are expected to be filed?

Mr. STEVENS. I might say we had some, I think, 80 amendments when we started. We are now down to, I think, no more than 20. We have taken care of a lot of them. We expect to be able to take care of a lot of those filed by 8:30. The remaining amendments that are not voted on by 9 o'clock will be voted on tomorrow morning.

I believe that is the understanding that everyone has agreed to.

The PRESIDING OFFICER. Will the Senator from Alaska restate the unanimous consent request?

Mr. STEVENS. I ask unanimous consent that all first-degree amendments be offered by 8:30 this evening and that they be subject to relevant second-degree amendments.

Mr. BINGAMAN. Mr. President, reserving the right to object, is the unanimous-consent request that the amendments be offered or that the amendments be filed? It has been stated both ways.

Mr. STEVENS. Offer them, and we will set them aside. You can offer them, as many as you want, whatever you want. They will be offered, and we will look at them and determine how we allocate them, whether we ought to take them up now. You can offer them now and debate them after 9 o'clock.

Mr. BINGAMAN. My own view would be it is reasonable to request they be filed or sent to the managers by 8:30, and it is probably not reasonable to ask us to actually call them up for debate here in the Senate.

Mr. STEVENS. If the Senator wishes to do so, I will be happy to have a request that all amendments be brought to either the Senator from Hawaii or myself by 8:30. That is fine with me. Unless they are in our hands by 8:30, then I would like to set up a procedure where we get through.

I yield to the leader.

Mr. DASCHLE. Mr. President, let me just respond. I think this is a very appropriate way to handle this process. We have done it before. We want to expedite to the extent we can to accommodate all Senators. It is not too much to ask to have these amendments offered. I will be as supportive as anyone in setting aside whatever business we have to accommodate Senators who want to have these amendments offered.

I would like to know what amendments are out there. If we do not have them offered, we are not going to know what amendments are there.

So it is very important I think that we try to accommodate the schedule. Let us lay down the amendments. We can agree to time limits later on. But this will give us a good indication of what we have left to do as anything I know.

So I hope we can work with the managers and get the job done and determine what the schedule is after that.

Mr. WELLSTONE. Mr. President, if I could ask the manager, is there a particular reason why—the Senator from New Mexico was quite correct; we could have a vote. And I have an amendment which will take some time. I do not know if there would be enough time for them to offer them. But they can file them. Is there a particular reason why, at 9 o'clock, you want to get more votes as opposed to stacking them and having the votes tomorrow? I am trying to figure out why.

Mr. STEVENS. Mr. President, the reason is that we think everyone should be on notice as to what is going to be called up while you are not here. We do have a provision for relevant second-degree amendments. Before you go home, you ought to know what they are. We will be happy to disclose them to you. If you have a reason to offer the second-degree amendment, that means they have been filed. You may then tell us that you have a second-degree amendment, and we will protect you. But we cannot protect you if they are brought up and filed and we do not know what they are. We could have second-degree amendments coming off the wall.

Mr. WELLSTONE. My second question was, having the vote after 9 o'clock as opposed to debate and having the amendments offered and having the votes tomorrow morning, stacked votes, is there a particular reason?

Mr. STEVENS. There has been a request that we have sort of a time here where people want to go to dinner. We have some votes that are ready to go right now. We have one more called for, but we have others that we could call up. For instance, we thought we would wait and let people go to dinner and have one more set of votes any time you want. But we picked 9 o'clock so we can look at the 8:30 filings and inform Senators at that time what kind of agenda we have for tomorrow morning.

Mr. WELLSTONE. My only question is, is there a reason you have to vote after 9 o'clock? Could the amendments be offered, debated, and stack the votes tomorrow? That is the question, why votes after 9?

Mr. STEVENS. The main reason is as a matter of fairness so people will understand what is here in case they want to offer second-degree amendments. You cannot come in tomorrow morning and offer second-degree amendments if we have already closed off debate and said that there is no longer any debate on that amendment.

Mr. BUMPERS. Mr. President, I do not want to be obstreperous and I will not object to this. But I would say to the Senator from Alaska that it seems to me that we are making eminent good sense to ask for a unanimous-consent agreement that all amendments be offered by 8:30, look and see how many you have and how many you think are serious, and then go to another unanimous-consent request by 9 o'clock on how you want to dispose of those. If you have 20 serious amendments—I have an amendment that I had anticipated asking an hour on. I assume others have that. I do not think there is any way to get all of this done tonight and start voting in the morning. If we have to come tomorrow morning for votes, why not do some debating?

Mr. STEVENS. We will do all the debating tonight and vote tomorrow morning because people want to leave. Beyond that, my friend, you said precisely why we want to come back at 9. We will know by 8:30 what is there. You will have a chance to protect yourself for second-degree amendments if you wish to do so. And we will be proceeding through the night. Senator INOUYE and I have agreed to stay here. Anyone who wants to debate these can. We have not asked for the time yet specifically when we start voting tomorrow. But after that, there will be no more debate.

Mr. BUMPERS. I would anticipate that under this agreement, we could plan to be having breakfast in the Senate dining room in the morning.

Mr. GRAMM. If you want to debate, you will. If you do not want to debate, you will not.

Mr. STEVENS. That is interesting. I did ask, as chairman of the Rules Committee, it be open tomorrow morning.

I renew my request.

The PRESIDING OFFICER. Will the Senator from Alaska revise his request to say filed with the managers of the bill?

Mr. STEVENS. The leader has asked me to stay with the original agreement that has been agreed to between the two leaders, and that is that we have first-degree amendments offered by 8:30; second-degree amendments can be offered to any of those that are offered by 8:30. No amendments may be called up after 8:30.

The PRESIDING OFFICER. Is there any objection?

Mr. HARKIN. Reserving the right to object. I wish to make sure that I am protected in my amendments. Let this Senator understand it correctly. If I have four amendments, they have to be submitted prior to 8:30?

Mr. STEVENS. Offered. We did this several times before. All you have to do is just come in and say, "I offer this amendment." We say, "Fine," and set it aside.

Mr. HARKIN. And there is no time limit.

Mr. STEVENS. We have no time limit on these amendments. There will be a time limit in the sense that we are going to listen to you all night if you want to talk, but tomorrow morning we are going to start voting and there will be no more debate.

Mr. HARKIN. Well, at what time tomorrow morning?

Mr. STEVENS. We have not agreed to that. That is why we are coming back at 9 o'clock.

Mr. HARKIN. Maybe this Senator does not want to stay up all night.

Mr. STEVENS. Then come back at 9 o'clock and object then.

Mr. HARKIN. So there could be debate tomorrow?

Mr. STEVENS. There could be depending what agreement we reach after 9 o'clock. We cannot determine what kind of agreement to make until we see these amendments.

Mr. HARKIN. Is the unanimous consent just to have all the amendments filed by 8:30?

Mr. STEVENS. Offered.

Mr. HARKIN. Offered.

Mr. STEVENS. That is all it is, with the understanding in the agreement that they are subject to second-degree amendments. We have not waived second-degree amendments.

I renew my request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. STEVENS. The Senator from Arkansas is entitled to be recognized for 2 minutes.

Mr. DOLE. Before we do that, if I could just say a word.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. DOLE. There is a good chance we can complete our work here if everybody cooperates and does not take too much time.

We have listened to two or three Senators all afternoon and they have more amendments. That is certainly their right. I wish they would understand there are Members on each side who have other ideas for tomorrow. One idea is not staying here all day. So if they would like to talk, as I said, go home and make the speech. A lot of people at home never hear the speeches. We hear them every day.

AMENDMENT NO. 2395, AS MODIFIED

Mr. STEVENS. May we have order so we may listen to the Senator from Arkansas for 2 minutes?

The PRESIDING OFFICER. The Senate is not in order.

The Senator from Arkansas has the floor and is entitled to be heard.

The Senator from Arkansas.

Mr. BUMPERS. Mr. President, last week on the Defense authorization bill we voted to add a fifth method of financing arms sales to foreign countries. We have four programs right now. This bill appropriates for that fifth method—an Arms Export Loan Guarantee Program.

This bill says the Department of Defense can accumulate liability up to $15 billion in this brand new loan guarantee program—shades of S&L's of the 1980's. I handed most of you the talking points and a list of 37 countries that are going to be eligible to buy these weapons with loans guaranteed by the U.S. Government—15 billion dollars worth.

I lost the other night when I tried to kill the program. It is still intact. What this amendment does is to cut the taxpayers liability from $15 billion to $5 billion. This program has not even been set up yet. The committees in the Congress have not approved it. Why in the name of all that is good and holy would we put $15 billion in a program that is just a gleam in somebody's eye?

We will be here next year. We will sell 10 billion dollars worth of weapons this year. Under this program, starting next year we can sell weapons with guaranteed loans to Slovenia, Slovakia, Albania, Bulgaria, the Philippines, just to name a few of the eligible countries. Many of them are very poor countries. So the bill allows the American that wants to sell weapons to pay the risk fee on behalf of the country that will buy them. Now, how do you like that?

Do you think countries that cannot even give you a 2 or 3 percent fee are worthy of millions and billions of dollars' worth of credit guaranteed by the taxpayers of this country? I plead with you. All I am saying is let us not start off exposing the taxpayers of this country to $15 billion in liability. For Pete's sake, let us keep it at $5 billion.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STEVENS. What this simply does is put a limit of $15 billion on loan guarantees that may be authorized by the armed services bill. It is not authorized yet. This sets a limit of $15 billion, period.

I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the Bumpers amendment No. 2395, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The result was announced—yeas 53, nays 46, as follows:

[Rollcall Vote No. 388 Leg.]

YEAS—53

Abraham
Ashcroft
Bennett
Bond
Breaux
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Dole
Ford
Frist
Gorton
Grams
Gregg
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Jeffords
Kempthorne
Lieberman
Lott
Mack
McConnell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Robb
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—46

Akaka
Baucus
Biden
Bingaman
Boxer
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Glenn
Graham
Gramm
Grassley
Harkin
Hatfield
Hollings
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lugar
McCain
Mikulski
Moseley-Braun
Murray
Pryor
Reid
Rockefeller
Roth
Sarbanes
Simon
Wellstone

NOT VOTING—1

Bradley

The motion to table the amendment (No. 2395) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

The Senator from Minnesota, under a previous order, was to be recognized.

Mr. WELLSTONE. I thank the Chair. Mr. President, I talked with the Senator from Texas, the Senator from Arkansas, and the Senator from Iowa, and I am pleased to let them offer their amendments. I understand we will set them aside and go to my amendment.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 2396

(Purpose: To provide for the management of defense nuclear stockpile resources)

Mrs. HUTCHISON. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Texas [Mrs. HUTCHISON] proposes an amendment numbered 2396.

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that my amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that all amendments filed under this procedure be set aside until they are called up, so we do not have to have delay as we are going to be yielding time now, if that is agreeable.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I also ask unanimous consent when there is a time agreement, if a Senator yields for the purpose of presenting an amendment in order to comply with the unanimous-consent agreement, that that time not come out of the time of the person who is speaking.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Reserving the right to object, will the Senator amend his unanimous-consent request to say unless the managers have agreed to the amendment and you can dispose of it instead of laying everything aside?

Mr. STEVENS. I agree with what the Senator said. We are going to be proceeding under a unanimous-consent agreement. If the Senator has the floor and yields to someone to call up an amendment, I do not intend to try to handle that amendment at the time.

The Senator from Minnesota has the floor, and I invite people to come in and comply with the unanimous-consent agreement by presenting their amendments. But I do not want to handle them—I agree with what the Senator says. I do ask unanimous consent, as he indicates, that the amendments will not be set aside if the managers are prepared to accept them at the time they are offered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask the Senator from Minnesota if he will yield to me for the purpose of offering one amendment which has been agreed to and another one which I would like to file and lay down and set aside.

The PRESIDING OFFICER. Does the Senator still yield?

Mr. WELLSTONE. I am pleased to yield to the Senator from Arkansas.

AMENDMENT NO. 2397

(Purpose: To prohibit the financing of risk fees as part of the Defense Export Loan Guarantee Program)

Mr. BUMPERS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for himself and Mr. SIMON, proposes an amendment numbered 2397.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 69, at the end of line 3 insert the following: "That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States;".

Mr. STEVENS. Mr. President, I agree with the Senator's amendment, but it has not been cleared on this side yet. I am prepared to accept it when it is cleared.

Mr. BUMPERS. I am sorry?

Mr. STEVENS. I agree with the Senator's amendment. It has not been cleared. There is one person who registered objection. We are visiting with him now. I will be able to deal with it later.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2398

(Purpose: To reduce the amount of money provided for the Trident II missile program)

Mr. BUMPERS. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 2398.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 22, strike lines 1-2 and insert in lieu thereof the following: "tor-owned equipment layaway: $1,651,421,000, to remain available for obligation until September 30, 1998: *Provided*, That of the funds appropriated in this paragraph, none shall be obligated for any D-5 missiles, D-5 missile components, ship modifications and ship components that are associated with backfitting any Trident I submarines to carry D-5 Trident II missiles."

Mr. BUMPERS. Mr. President, I ask unanimous consent that the amendment be laid aside temporarily.

The PRESIDING OFFICER. Under the previous order, the amendment is set aside.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENTS NOS. 2399, 2400, 2401, AND 2402

Mr. HARKIN. Mr. President, I ask the Senator from Minnesota to yield to me for the purpose of offering four amendments, under the unanimous consent agreement of the manager of the bill.

The PRESIDING OFFICER. The clerk will report.

Mr. HARKIN. Mr. President, I send four amendments to the desk.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes amendments numbered 2399, 2400, 2401, and 2402.

Mr. HARKIN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2399

(Purpose: To limit indirect costs regarding compensation)

SEC. . RESTRICTION ON REIMBURSEMENT OF COSTS.

(a) None of the funds authorized to be appropriated in this Act for fiscal year 1996 may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation (including bonuses and other incentives) at a rate in excess of $250,000 per year.

AMENDMENT NO. 2400

(Purpose: To strike $125,000,000 appropriated for Aircraft Procurement, Army, for upgrade of Kiowa Warrior light scout helicopters.)

On page 18, line 7, strike out "$1,498,623,000" and insert in lieu thereof "$1,373,623,000".

AMENDMENT NO. 2401

(Purpose: To strike $70,000,000 appropriated for Research, Development, Test and Evaluation, Defense-Wide, for support technologies/follow-on technologies advanced development, specifically provided for the Space-Based Laser Program)

On page 29, line 12, strike out "$9,196,784,000" and insert in lieu thereof "$9,126,784,000".

AMENDMENT NO. 2402

(Purpose: To strike $30,000,000 appropriated for Research, Development, Test and Evaluation, Defense-Wide, for the ASAT Anti-Satellite Weapon program)

On page 29, line 12, strike out "$9,196,784,000" and insert in lieu thereof "$9,166,784,000".

Mr. HARKIN. Mr. President, I ask unanimous consent that the amendments be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, I also ask if the Senator from Minnesota will allow me to send an amendment to the desk for consideration, and then I will lay it aside so he can proceed with his own amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 2403

(Purpose: To reduce funding for the TOW 2B (by $20,000,000), Hellfire II (by $40,000,000), and CBU-87 (by $30,000,000), which are munitions that have been determined by the Inspector General of the Department of Defense as being excess to the requirements of the Armed Forces)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 2403.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 82, between lines 11 through 12, insert the following:

SEC. 8087. (a) The total amount appropriated in title III under the heading "MISSILE PROCUREMENT, ARMY" is hereby reduced by $60,000,000.

(b) The total amount appropriated in title III under the heading "OTHER PROCUREMENT, AIR FORCE" is hereby reduced by $30,000,000.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the amendment be set aside until after completion of the presentation by the Senator from Minnesota.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Minnesota is recognized.

Mr. STEVENS. Will the Senator yield at this point?

Mr. WELLSTONE. I will be pleased to yield.

Mr. STEVENS. Mr. President, I believe the Senator is prepared to enter into a time agreement. It is my understanding he will agree to 20 minutes on a side on his amendment.

Mr. WELLSTONE. I understand the Senator to say 40 minutes equally divided?

Mr. STEVENS. I ask unanimous consent that there be 40 minutes equally divided before a motion pertaining to his amendment.

Mr. WELLSTONE. Mr. President, I wonder whether I could ask the Senator from Alaska, included in this agreement would be that I could have 2 minutes to summarize before the vote.

Mr. STEVENS. I ask unanimous consent that all amendments treated in this period now have 2 minutes before the vote, or more if it is requested specifically.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 2404

(Purpose: To reduce by $3,200,000,000 the total amount to be appropriated)

Mr. WELLSTONE. Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself, Mr. FEINGOLD, Mr. HARKIN, Mr. BUMPERS and Mr. SIMON, proposes an amendment numbered 2404.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 34, between lines 13 and 14, insert the following:

SEC. 8000. REDUCTION IN TOTAL AMOUNT TO BE APPROPRIATED.

Notwithstanding any other provision of this Act, the total amount appropriated for fiscal year 1996 under the provisions of this Act is hereby reduced by $3,200,000,000, with the total amount of such reduction to be used exclusively for reducing the amount of the Federal budget deficit.

Mr. WELLSTONE. Mr. President, my amendment is designed as a follow-up or a follow-on to a close vote we took in this body last week on an amendment to the DOD authorization bill from the Senator from Wisconsin, Senator KOHL, and the Senator from Iowa, Senator GRASSLEY, which I cosponsored.

That amendment would have reduced by $7 billion the total authorized defense spending provided for in this bill. The same amount of defense spending provided for in the Senate version of the budget resolution passed earlier this year.

Mr. President, during consideration of the budget resolution in May, a bipartisan majority of 60 Senators voted against an amendment which would have increased defense spending above the level requested by the Clinton administration. To my surprise, some of those Senators switched last week and voted to support the bill even with this huge increase, which they had opposed just a few months earlier.

My amendment seeks to find the middle ground by cutting a modest $3.2 billion from the amount appropriated in the bill overall, without identifying specific programs to be reduced.

Unlike the Kohl amendment, which I supported, and which would have reduced total spending in the bill by $7 billion, the amount requested by the administration for this year, this amendment would simply cut the overall total by $3.2 billion, leaving a total of about $240 billion to be spent next year on defense.

Mr. President, that is still about $3.2 billion more than the Pentagon itself requested for next year. As outrageous as this may seem to Americans who were listening, especially those who consider programs like job training and education and student loans and Medicare, programs that are being slashed in both the House and the Senate, this defense bill, in its current form, provides $6.4 billion more than the President, more than the Secretary of Defense and more than the Joint Chiefs of Staff have requested for this year—an amount, I believe, Mr. President, already vastly more than is necessary to defend our Nation.

With the Kohl amendment, not only has the Senate gone on record as wanting to hold the defense budget completely harmless as we work to reduce the deficit, but it has even gone on record as opposing attempts to scale back defense spending to the administration's request. Sadly, the Kohl amendment to cut $7 billion was defeated by a close margin last week.

This amendment will test how far Senators are willing to go back toward the principle that all sectors of our society, including defense contractors, ought to bear some modest share of the deficit reduction burden. From that earlier vote, I conclude that there are 48 Senators who believe that the Pentagon budget provided for in this bill is too high and should be lowered as we move forward in the budget debates this year.

Mr. President, while the amendment does not designate specific programs to be cut, I will be discussing specific examples of programs that were not requested by the administration and that should be removed from it. Some have been focused on by Senator BINGAMAN, Senator MCCAIN and others already. They are mostly weapons systems included in this bill to satisfy various Defense Committee members and military contractors but that were not judged to be needed by the administration. Some were ships or planes that were not scheduled to be bought by the Pentagon until after the turn of the century, but which were accelerated by 6 or 7 years, at a time when we are supposed to be doing deficit reduction. Others were rejected by the Pentagon, altogether as ineffective or too costly, but they are included in this appropriations bill.

If we pass this bill without my amendment, my Minnesota constituents will continue to pay their taxes to bolster the treasuries of bloated defense contractors, who are building ships, planes, and weapons systems that we do not need and cannot use and that will not make our Nation any more secure.

So that there is no mistake, Mr. President, let me repeat that for those who are listening, we are considering today a defense spending bill that spends a full $6.4 billion more than the President requested in his budget. We are doing this despite the fact that there is no sudden extraordinary threat to justify such an increase and many of those in this body who are pressing for such a huge increase are precisely the same people who are out on the floor day after day, week after week, month after month, howling about how we simply have to get this deficit under control. They are doing this while at the same time larding defense bills with billions in spending for the local shipyard or weapons contractor, or plane manufacturer. Have we no shame, Mr. President? Is there no sense of limits in this body when it comes to wasteful and unnecessary weapons programs? Mind you, this $3.2 billion is all for deficit reduction.

Now, controlling the deficit is important, and I have supported responsible, fair-minded deficit reduction proposals totaling hundreds of billions of dollars. But I cannot allow this debate to move forward without observing a few of the blatant incongruities here. Mr. President, while virtually every other agency of the Federal Government is taking huge cuts in order to help reduce the deficit and programs that actually serve millions of people in our States are being scaled back or shut down altogether, the Pentagon budget is actually growing by leaps and bounds. As I said the other day, Mr. President, this is one of the craziest things I have seen during my time in the Senate. Even during the defense budget of the 1980's, Congress was not pressing more spending on the Pentagon than it had requested, as this bill would do. Make no mistake, Mr. President, the post-cold-war defense budget is becoming less and less focused on our real national security needs and more and more on the needs of particular Members of Congress to sustain jobs in their home States.

American taxpayers are paying for costly, obsolete, fantastically expensive cold war era weapons systems that are no longer justifiable, basically to preserve the political health of certain Members of Congress.

Mr. President, that is the sad, unvarnished truth. Many of the weapons systems we are still paying for were initiated during the 1980's defense buildup and have little or no relation to the changed strategic situation we now face in the post-cold-war era. Yet, we continue to fund them, terrified that scaling the spending back modestly will cost precious jobs in our States. And it is particularly troubling that the Armed Services Committee has proposed these hefty increases at the same time that the Defense Department is being called to task for not being able to account for billions of dollars—over $13 billion, Mr. President, at last count, in its own spending.

In May of this year, the Pentagon's own spending watchdog, its Comptroller General, John Hamre, conceded that the DOD could not account for over $13 billion of spending. Their own report says that they could not account for $13 billion of spending. We now have here $6 billion more than was in budget.

Mr. President, it has just been lost in the ocean of paperwork at the Pentagon, and this $13 billion will never be sorted out. In fact, the Comptroller has all but given up trying to find out what happened to most of the money, arguing that it would be more expensive than it would be to track it down. So here we have a report, $13 billion of wasteful money, expenditure of money that we cannot even account for. Now we have $6 billion more in this appropriations bill than requested, and this amendment says just cut that in half and, for God's sake, can we not use that for deficit reduction?

I see my colleague here on the floor. He will be part of the discussion on this amendment.

Mr. KERRY. I thank my colleague for his courtesy. Actually, I not only wanted to be part of the discussion, I wanted to ask my colleague for the forbearance to put an amendment in so that I could be covered by the 8:30 curfew.

Mr. WELLSTONE. Mr. President, I am pleased to yield to my colleague to make sure that none of his time would be taken.

MOTION TO RECOMMIT

Mr. KERRY. Mr. President, I send a motion to the desk and ask for its appropriate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] moves to recommit S. 1087 to the Committee on Appropriations with instructions to report back to the Senate legislation that does not appropriate funds to the Department of Defense in excess of the President's request for fiscal year 1996.

Mr. KERRY. I will quickly explain this motion because it complements the amendment of the Senator from Minnesota. The Senator is seeking a $3 billion reduction. This amendment seeks to recommit the bill on the basis that we should not be requesting more money than the President of the United States has requested.

I think the Senator from Minnesota has most appropriately focused on a series of problems within the accounting process, in spending procurement process, of the Defense Department.

In addition to that, Mr. President, I know the Senator feels this very strongly. We ought to be making decisions around here based on the real needs of the country, not on wish lists.

It is very, very difficult when we look a the level of teenage pregnancy, when we look at the fact that last year 36 percent of the high school graduates in America graduated with a below basic reading level capacity. Fifty percent of minorities in this country graduated with a below basic reading level capacity.

This means last year we put 750,000 people in the work force in America with a skill level for jobs that disappeared 50 years ago.

That, Mr. President, is something we really ought to be focusing on. I can go through a list of items in this bill, including $564 million increase on fighter planes or $125 million increase on the request for the Kiowa Warrior Scout Helicopter and other things.

I am all for upgrading and keeping up with a defense that is second to nobody in this planet. I believe, Mr. President, $236 billion will do that. There is not a compelling need to spend $242 billion-plus.

Now, I think when we measure all of the things we have done, the Goals 2000 in education, we will cut substance abuse prevention money, we will cut safety schools and drug money, we are making it harder for kids to go to college, yet we are going to come along with a series of expenditures here ranging from the post 1996 D-5 missile production.

If we have good enough START II implementation, and we get the Duma in Russia to ratify it and we continue downward, there is no reason to build D-5's after 1996. We have money for that in here.

We could increase burden sharing by the Republic of Korea. We can procure the most cost-effective airlifter, C-17's or commercial. There are many things we could do, Mr. President.

I have $37 billion worth of reductions I think we could find. All we are looking for is $6 billion. I do not think at this time in the United States choice-making here in Washington, where we are seeking to find the things we need to do for the country that we ought to be filling some extraordinary wish list, when this golden moment in international affairs is staring us in the face. We could really make, I think, a tougher set of choices.

I yield the floor back to the Senator.

I simply think we ought to have a vote here before we put this bill away as to whether or not the President was not well advised to suggest to the U.S. Senate that $236 billion will do the job, and why it is that we must spend this additional $6 billion this year and a lot more over the next 5 years and beyond.

Mr. WELLSTONE. Mr. President, will the Senator yield?

Mr. KERRY. I am happy to yield to the Senator.

Mr. WELLSTONE. I thank the Senator. I would have outlined some of the same weapon systems the Senator enumerated.

Is the Senator aware of the fact that in May during consideration of the budget resolution, a bipartisan majority of 60 Senators voted against an amendment which would have increased defense spending above the level requested by the Clinton administration?

Mr. KERRY. That is correct.

Mr. WELLSTONE. So, not that many months ago, a short period of time ago, Senators went on record saying certainly in this time of tight budgets, when we are talking about deficit reduction and lots of people are being asked to tighten their belt, and we are making cuts in education, and as the Senator said, in substance abuse programs, treatment programs and in job training and low-income energy assistance, the Senate went on record.

Now all of a sudden we see contrary to the advice of the administration, the Joint Chiefs of Staff, the Pentagon itself—I cannot remember a time where we are now talking about an appropriations bill that is $6 billion above the request.

Mr. KERRY. Let me answer that by saying to my friend I think there are three great issues that most Americans are concerned about.

The first is their decline in income. It is the increasing anxiety of the workplace, the fear that people will lose a job, or that if they get a job, they cannot raise their standard of living, they cannot, even by working harder, make ends meet. That is the first and foremost priority of people in this country.

I cannot point to very much—maybe some of my colleagues can do a better job than I can—but I cannot find anything that the Senate has worked on yet this year that will address that issue in a profound way.

The second great issue that faces Americans is the question of whether or not they can walk out of their house and go out at night to a restaurant without fear of not finding their car when they come out of the restaurant, or maybe being hit over the head, or whether their kids can go out and play in a neighborhood.

There is nothing that we have done, yet, that fundamentally addresses that need, except reduce the expenditures for substance abuse—the greatest problem in America being drugs—and target for attack the idea of putting more cops on our streets, which was the great issue of last year.

The third great issue that I think Americans are concerned about is education. I just spoke about it. Our school systems are falling apart. In city after city, community after community, teachers are demoralized, people are not paid enough, the curriculum stinks.

We have a whole host of problems, and here we are with Russia, at odds about whether or not to ratify the START treaty with a moment where we could be greater leaders in the world with respect to proliferation, with respect to our capacity to have intrusive inspection, and what are we doing?

We are cutting Head Start. We are cutting substance abuse. We are targeting the program that puts police on the streets. We have not addressed one of those three profound needs, but we are going to spend more than the Joint Chiefs of Staff think we ought to, and that the Commander in Chief has asked us to, does not make sense, Mr. President.

I thank my colleague for allowing me to put my amendment in at the appropriate time. I yield the floor.

Mr. WELLSTONE. Mr. President, I thank the Senator from Massachusetts for his amendment and also for his words here on the floor of the Senate.

AMENDMENT NO. 2404

Mr. WELLSTONE. Mr. President, I would like to summarize, and I will get a chance to summarize for my colleagues again.

Here we have a situation—and I want to be clear about what this amendment does—here we have a situation where we have in this appropriations bill $6.4 billion more than requested by the administration, by the Pentagon, by the Joint Chiefs of Staff—over budget.

This amendment says, can we not at least cut half of that, $3.2 billion, and all of that goes for deficit reduction? Mr. President, I do not designate what weapon system to be cut, though I raised questions about many of those weapon systems and the value of them, as has the Senator from Massachusetts.

What I do know, Mr. President, is that it seems to me in a time when we say we are for deficit reduction and we are calling for sacrifice among people in the country and we are putting into effect some really serious cuts—not just in programs but in programs that have a critical impact on the quality or lack of quality of the lives of people—educational opportunities for children, food, nutrition programs, Head Start, early childhood development programs, Women, Infants, and Children, low-income energy assistance program, job training program, making sure that young people can afford higher education—I just say to my colleagues, why in God's name when we are making cuts in all of those programs, and now what we are doing is we have $6 billion more over budget, $6 billion more than requested by the administration—I do not think there is any standard of fairness to this. Surely we can make some cuts here as well, Mr. President. That is what this amendment calls for.

Mr. President, I urge my colleagues to vote aye on this amendment to reduce, by $3.2 billion, the total spending in this bill. That will still leave about $240 billion in this bill to be spent on defense next year and over $260 billion in total, when you add in Energy Department weapons programs and military construction projects provided for in the DOD authorization bill.

Vote to at least bring the defense budget more closely in line with what the President and the Secretary of Defense have requested, I say to my colleagues, a figure that is already too high, in my view. And especially to those Senators, 60 in all, who voted for lower defense spending numbers on the budget resolution, I appeal to you, vote to restore some sanity to defense budgets that have gone dangerously awry. Vote aye on this amendment.

Mr. President, I, for the moment, yield the floor and I retain the remainder of my time.

Might I ask how much time I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator from Minnesota has 6 minutes 10 seconds.

Mr. AKAKA addressed the Chair.

The PRESIDING OFFICER (Mr. DEWINE). Who yields time? The Senator from Hawaii.

AMENDMENT NO. 2405

(Purpose: To require the Secretary of Defense and the Secretary of the Army to reconsider the decision not to include the infantry military occupational specialty among the specialties for which special pays are provided under the Selected Reserve Incentive Program)

Mr. AKAKA. Mr. President, to meet the requirements of the chairman of the committee, I have an amendment to offer. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Hawaii [Mr. AKAKA] proposes an amendment numbered 2405.

Mr. AKAKA. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 83, between lines 11 and 12, insert the following:

SEC. 8087. The Secretary of Defense and the Secretary of the Army shall reconsider the decision not to include the infantry military occupational specialty among the military skills and specialties for which special pays are provided under the Selected Reserve Incentive Program.

Mr. AKAKA. Mr. President, I ask it be laid aside for further consideration.

The PRESIDING OFFICER. Under the previous order, it may be laid aside.

AMENDMENT NO. 2406

(Purpose: To express the sense of the Senate regarding underground nuclear testing)

Mr. AKAKA. Mr. President, I have another amendment to send to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Hawaii [Mr. AKAKA] proposes an amendment numbered 2406.

Mr. AKAKA. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following:

SEC. 1062. SENSE OF SENATE REGARDING UNDERGROUND NUCLEAR TESTING.

(a) FINDINGS.—The Senate makes the following findings:

(1) The President of France stated on June 13, 1995, that the Republic of France plans to conduct eight nuclear test explosions over the next several months.

(2) The People's Republic of China continues to conduct underground nuclear weapons tests.

(3) The United States, France, Russia, and Great Britain have observed a moratorium on nuclear testing since 1992.

(4) A resumption of testing by the Republic of France could result in the disintegration of the current testing moratorium and a renewal of underground testing by other nuclear weapon states.

(5) A resumption of nuclear testing by the Republic of France raises serious environmental and health concerns.

(6) The United Nations Conference on Disarmament presently is meeting in Geneva, Switzerland, for the purpose of negotiating a Comprehensive Nuclear Test Ban Treaty (CTBT), which would halt permanently the practice of conducting nuclear test explosions.

(7) Continued underground weapons testing by the Republic of France and the People's Republic of China undermines the efforts of the international community to conclude a CTBT by 1996, a goal endorsed by 175 nations at the recently completed NPT Extension and Review Conference (the conference for the extension and review of the Nuclear Non-Proliferation Treaty).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Republic of France and the People's Republic of China should abide by the current international moratorium on nuclear test explosions and refrain from conducting underground nuclear tests in advance of a Comprehensive Test Ban Treaty.

Mr. AKAKA. I ask it be set aside for further consideration, and I yield back my time.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, article I, section 8, of the Constitution of the United States states the following:

> Congress shall have the Power To * * * raise and support Armies * * * To provide and maintain a Navy; To make rules for the Government and Regulation of the land and naval Forces; To provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections, and repel Invasions.

Mr. President, I cite the Constitution because in the debate today we have heard on several occasions that the President did not approve this or the President did not ask for appropriations, that the President did not have this in his budget request.

Mr. President, the Constitution of the United States does not say that the President shall have the power to raise and support armies or that the President has the power to provide and maintain a navy. It is the Congress that has the power. And what we are doing today, and this evening, is to exercise that power and authority that has been granted to the people of the United States and to their representatives in the House and the Senate.

If we abide with some of the suggestions made by my colleagues, I would say the Constitution should read that the Congress of the United States will be the rubberstamp of the President. I do not believe that was ever the intention of our Founding Fathers.

Second, throughout the debate today, the sum of $7 billion has been heard on several occasions. It represents sums of moneys that this committee has recommended for the purchase of certain equipment. It is true that what I am about to list were not specifically requested by the President. But in the exercise of our authority as set forth in article I, section 8, of the Constitution, we felt that the best interests of this Nation would be served if we did exercise this authority. So, if I may, I would like to go down the list so my colleagues will know what is involved.

The so-called master plan of the Department of Defense states that, by the year 2000, we will purchase 15 DDG–51 destroyers. These are the latest destroyers, the most powerful on the seven seas. The President requested two. We decided for the sake of economies, we should have four.

In the scheme of contracting and building, I think it is common knowledge that if one purchases in larger quantities the purchase price would be less—$1.4 billion. Before we made this decision we conferred with the Chief of Naval Operations, we conferred with the Secretary of the Navy. They considered this to be of high priority.

Just a few moments ago this Congress, this Senate, by a vote of 72 to 27, approved the appropriation of $1.3 billion for the purchase of an LHD–7 amphibious assault ship. That ship was not requested by the President of the United States, but it is part of the master plan of the Department of Defense. It is scheduled to be purchased in about 3 years. But, in checking with the shipyards of this Nation, we found that this year would be the year to make that contract. This is one of the highest priorities for the U.S. Marines.

We call upon the Marines almost every year, unfortunately, to send their men in harm's way. They are the first on the beach. They are the first to shed blood. And they want to make certain, if they are going to be first, they do so with the best of equipment, best of survival facilities—and this ship will provide that survivability.

Mr. President, $770 million for the National Guard. The President of the United States did not request $770 million for the National Guard equipment, but every adjutant general of the 50 States begged the Congress for assistance in this area. It is common knowledge among us that, up until now, the National Guard gets all the leftovers. When the regular services get new equipment, they get the old equipment. When the M1A2 tank comes out, they will get the M1A1 tanks. They put up the sand bags for floods. They are involved in Bosnia. They were in Desert Storm. They were in Somalia. And they will be going to the next place wherever it is. And if we are calling upon the National Guard, the citizen soldiers, to stand in harm's way, I think it is only reasonable for the Congress to provide them with the necessary equipment.

That was $777 million.

This bill has 12 FNA–18 aircraft, $484 million. The master plan calls for the purchase of 24. The administration had requested 12. We added 12. Here again, it was a matter of economies, and by economies I am talking about big economies. By doing this, we would have saved over $250 million.

A high priority for the military are the F–15's and F–16's; $370 million for 12 of them.

A few hours ago this Senate, by an overwhelming vote, approved the funding of $300 million for the national missile defense research and development. That was not requested by the President. We added the $300 million.

We also added $300 million for the Coast Guard. The Coast Guard, as you know, Mr. President, is funded through the Department of the Treasury. They are not part of the Defense Department. For all intents and purposes, the Coast Guard is now part of the U.S. Armed Forces. They were deeply involved in Desert Storm. They suffered casualties like all the other services. They are presently involved in the blockade in Bosnia. They are also involved very deeply working with the Navy in drug interdiction.

So the Treasury Subcommittee came to us, and they did so about 3 years ago, to provide a helping hand with the Coast Guard. And we have been doing this. The Senate knows that, the House knows that, and the President knows that.

The sum of $174 million for the Comanche helicopter; if one should look over the whole appropriations measure—and I say so as a former Army person—the Army was the one that was shortchanged. The Navy got their ships, and the Air Force got their aircraft. This is the one thing that the Army wanted, the Comanche helicopter, $174 million.

This bill also has $250 million for five hurricane aircraft. Mr. President, they were not requested by the President of the United States. But I hope my colleagues will be able to confer with the Governors of the coastal States and the gulf States and ask their opinion—all of those. Every moment at this time of the year there is some hurricane popping around in the Caribbean or in the Atlantic. And we have heroic men and women 24 hours a day up in the air checking these things out. The least we can do is to give them adequate equipment and the best of aircraft. This will provide it, Mr. President.

There is no pork in here. Listening to the debate, one gets the impression that this is all waste, this is all pork. And as I said earlier this day, I do not wish to sound personal and parochial. But there is not a single item in here that is made in Alaska or Hawaii. There is no pork in here for our two States. But we feel as chairman and ranking member of the subcommittee that these are absolutely essential.

We know that this is a very painful period, Mr. President. I, too, would like to see more money being spent for the homeless, for the poor, and the hungry, and for those who are not receiving appropriate education. But we have not arrived at the millennium that we pray for. There are still people outside our borders and inside our borders that would relish the thought of destroying us. This is not paranoia, Mr. President. This is the real world.

So, Mr. President, I hope that my colleagues will look over the list that I have just set forth for you, sir. And if they can tell us that they do not need the destroyer, they do not need the hurricane aircraft, they do not wish to have the National Guard fully equipped, they do not wish to have the Coast Guard better equipped, then we might think otherwise. But no one has come forth telling us to cross out the F–22, cross out the F–15, cross out the F–15 and the F–16. No. Mr. President, it has been $7 billion.

I do not often speak on the floor. But I just want my colleagues to know that making decisions such as this is not an easy chore. I can assure you that this is a lean and mean defense bill. If there is fat, it is almost negligible. And it is not in this list, sir.

Thank you.

Mr. STEVENS. Mr. President, I think the Senator from Arizona wants to file an amendment. I yield to him for that purpose.

AMENDMENT NO. 2407

(Purpose: To place a limitation on the use of funds for Former Soviet Union Threat Reduction)

Mr. KYL. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 2407.

Mr. KYL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.

(a) LIMITATION.—Of the funds available under title II under the heading "FORMER SOVIET UNION THREAT REDUCTION" for dismantlement and destruction of chemical weapons, not more than $52,000,000 may be obligated or expended for that purpose until the President certifies to Congress the following:

(1) That the United States and Russia have completed a joint laboratory study evaluating the proposal of Russia to neutralize its chemical weapons and the United States agrees with the proposal.

(2) That Russia has, with the assistance of the United States (if necessary), prepared a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(3) That the United States and Russia are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(b) DEFINITIONS.—In this section:

(1) The term "1989 Wyoming Memorandum of Understanding" means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics regarding a bilateral verification experiment and data exchange related to prohibition on chemical weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

(2) The term "1990 Bilateral Destruction Agreement" means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and non-production of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed on June 1, 1990.

The PRESIDING OFFICER. Under the previous order, the amendment will be set aside.

AMENDMENT NO. 2404

Mr. STEVENS. Mr. President, how much time remains now?

The PRESIDING OFFICER. The Senator from Alaska has 5 minutes 12 seconds.

Mr. STEVENS. Does the Senator from Minnesota have any time?

The PRESIDING OFFICER. The Senator from Minnesota has 6 minutes 4 seconds.

Mr. STEVENS. Mr. President, I will make one comment for the consideration of my friend from Minnesota, and that is to tell him that of the three other bills pertaining to the Department of Defense for 1996, compared to the three other bills this is the lowest level of spending in any of the DOD authorization or appropriations bills. We are below the authorization in the House, we are below the authorization in the Senate, and we are below the appropriations in the House. How can we be so far off the mat as I have been hearing?

I reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time?

Mr. WELLSTONE. Mr. President, for my colleagues I would like to read from a letter from the administration.

> The administration does not support the committee 202(b) allocation, or the level of funding provided by the committee bill, which is nearly $6.5 billion above the President's request. By providing an increase for defense programs that are neither wanted nor justified, the bill would seriously undermine the President's goal of achieving a balanced budget while increasing investment programs essential to a higher standard of living for all Americans.
>
> As reflected in his budget, the President firmly believes that it is possible to maintain a strong defense without sacrificing critical investments. The committee's allocation raises serious concerns about the overall priorities reflected in the appropriation process.
>
> For this reason and other concerns discussed below, the President's senior advisers would recommend the President veto the bill if it were presented to him in the current form.

I have a tremendous respect for my colleague from Hawaii, and he is not on the floor now, but just in response, I do not think the Chairman of the Joint Chiefs of Staff is a millenniest. I do not think that the Chairman of the Joint Chiefs of Staff does not make very rigorous decisions about national security.

Again, one more time, we are talking about deficit reduction. We are talking about cuts in education, child nutrition, low-income housing, low-income energy assistance programs, health care programs, you name it. And at the same time we are going $6.4 billion above budget, and this amendment just says can we not cut $3.2 billion in budget authority and use that for deficit reduction?

Mr. President, it just seems to me that people in Minnesota and people around the country are saying, sort out your priorities. We are spending billions of dollars renewing cold war relics like Star Wars, the antimissile defense system, the B-2 bomber, new generations now of attack helicopters and airplanes, more destroyers, more carriers, more expensive weaponry.

It is like the sky is the limit. All of my colleagues who talk so much about deficit reduction over and over and over again, they seem to be great when it comes to reducing an investment in children and in health care and in job training and in reducing violence in our communities, but when it comes to the military contractors, it goes on and on and on and on.

In all due respect, I do not think the Pentagon, I do not think the Chairman of the Joint Chiefs of Staff, I do not think these are the kinds of people who do not make rigorous analysis about what is in our national defense.

But enough is enough. Enough is enough. It seems to me we can communicate a message to people in this country that there is going to be some little deficit reduction here in this Pentagon budget. Forty-nine Senators voted for this proposition. That was $7 billion. I cut this in half. I am hoping to have the support of my colleagues.

Finally, I would say to my colleagues on the other side—not all of my colleagues on the other side—I think there comes a point in time we are going to have to redefine national security. And part of national security is surely the security of our local communities—that is what the Senator from Massachusetts was trying to say, I say to my colleague from New Mexico—the security of local communities, where there is less violence, where there are opportunities for children, where there is affordable child care, where there is decent housing, when people are trained for jobs, when there are jobs available. This is all part of national security, too.

This amendment just says cut $3.2 billion—that is it—of the $6.4 billion over budget and use that for deficit reduction.

I yield the floor.

Mr. President, how much time did I have remaining?

The PRESIDING OFFICER. The Senator from Minnesota has 1 minute 28 seconds.

Mr. WELLSTONE. I reserve the remainder of my time.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. In the interest of time, I again will not comment very long on this.

Again, I point out that we have a real problem in the sense we do not have the allocation that the other bills have, and yet we are being criticized for having the level which is the lowest spending level that has been presented to the Congress during this session by any of the four bills.

I say this to my friend from Minnesota. If you look at the 5-year to 7-

year trend, the President's budget comes down and then goes back up. We have a budget level which is almost a straight line going through the 7-year period. The difference between the President's bill and ours is that we use the money such as on the LHD–7 or on the extra two DDG–51's to spend it wisely so we get a savings.

There is nothing in this bill that is not in the President's program ultimately in the same 7-year period. But we are getting it at a different pace, and we are using our head about when to continue a line and when to shut it down. The LHD–7 for instance funded in this bill now will save us $700 million over this period of the 7 years. We save a similar amount of money by starting the funding on the DDG–51's.

I cannot understand why we are criticized for getting more for less money. Again, I want to state that. We spent less money than any of the other three bills, and we get more for defense, meet more of the objectives, and I believe that you will see the Department of Defense recognizing that.

I yield to my friend from Arkansas. And I see the Senator from South Dakota here, too, to qualify amendments.

Mr. WELLSTONE. Mr. President, if my colleague will yield for a moment——

Mr. PRYOR. The curtain is about to fall.

Mr. WELLSTONE. I am sorry. I was going to say we will be done in 1½ minutes.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. PRYOR. Mr. President, I ask unanimous consent that the Wellstone amendment be temporarily laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2408

(Purpose: To provide for the testing of theater missile defense interceptors)

Mr. PRYOR. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR] proposes an amendment numbered 2408.

Mr. PRYOR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

(a) APPROVAL BEYOND LOW-RATE INITIAL PRODUCTION.—The Secretary of Defense may not approve a theater missile defense interceptor program beyond the low-rate initial production acquisition stage until the Secretary certifies to the congressional defense committees that the program—

(1) has successfully completed initial operational test and evaluation; and

(2) involves a suitable and effective system.

(b) CERTIFICATION REQUIREMENTS.—(1) In order to be certified under subsection (a), the initial operational test and evaluation conducted with respect to a program shall include flight tests—

(A) that were conducted with multiple interceptors and multiple targets in the presence of realistic countermeasures; and

(B) the results of which demonstrate the achievement of baseline performance thresholds by such interceptors.

(2) The Director of Operational Test and Evaluation shall specify the number of flight tests required with respect to a program under paragraph (1) in order to make a certification referred to in subsection (a).

(3) The Secretary may utilize modeling and simulation validated by ground and flight testing in order to augment flight testing to demonstrate weapons system performance for purposes of a certification under subsection (a).

(c) REPORTS.—(1) The Director of Operational Test and Evaluation and the head of the Ballistic Missile Defense Organization shall include in the annual reports to Congress of such officials plans to test adequately theater missile defense interceptor programs throughout the acquisition process.

(2) As each theater missile defense system progresses through the acquisition process, the officials referred to in paragraph (1) shall include in the annual reports to Congress of such officials an assessment of the extent to which such programs satisfy the planned test objectives for such programs.

(d) DEFINITION.—For purposes of this section, the baseline performance thresholds for a program are the weapon system performance thresholds specified in the baseline description for the weapon system established pursuant to section 2435(a)(1) of title 10, United States Code, before the program centered into the engineering and manufacturing development stage.

AMENDMENT NO. 2409

(Purpose: Relating to interim leases of property approved for closure or realignment)

Mr. PRYOR. Mr. President, I have an additional amendment I send to the desk at this time.

The PRESIDING OFFICER. The previous amendment will be set aside. The clerk will report this amendment.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. PRYOR] proposes an amendment numbered 2409.

Mr. PRYOR. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place add the following:

SEC. . INTERIM LEASES OF PROPERTY APPROVED FOR CLOSURE OR REALIGNMENT.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

"(4)(A) Notwithstanding the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the scope of any environmental impact analysis necessary to support an interim lease of property under this subsection shall be limited to the environmental consequences of activities authorized under the proposed lease and the cumulative impacts of other past, present, and reasonably foreseeable future actions during the period of the proposed lease.

"(B) Interim leases entered into under this subsection shall be deemed not to prejudice the final property disposal decision, even if final property disposal may be delayed until completion of the interim lease term. An interim lease under this subsection shall not be entered into without prior consultation with the redevelopment authority concerned.

"(C) The provisions of subparagraphs (A) and (B) shall not apply to an interim lease under this subsection if authorized activities under the lease would—

"(i) significantly effect the quality of the human environment; or

"(ii) irreversibly alter the environment in a way that would preclude any reasonable disposal alternative of the property concerned.".

The PRESIDING OFFICER. This amendment will be set aside.

Mr. PRYOR. Mr. President, I thank the Chair.

AMENDMENTS NOS. 2410 THROUGH 2424

Mr. STEVENS. Mr. President, I make a similar offer on behalf of the managers. I file a series of amendments to be considered later under the agreement.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes amendments numbered 2410 through 2424.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 2410

(Purpose: To limit indirect costs regarding compensation)

SEC. . Restriction on reimbursement of costs.

"(a) None of the funds provided in this Act may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation at a rate in excess of $250,000 per year."

AMENDMENT NO. 2411

At the appropriate place, insert:

SEC. . The Secretary of Defense shall develop and provide to the congressional defense committees an Electronic Combat Master Plan to establish an optimum infrastructure for electronic combat assets no later than March 31, 1996.

AMENDMENT NO. 2412

(Purpose: To prohibit the expenditure of funds for the pay and allowances of military personnel convicted of serious crimes)

At the appropriate place in the bill insert the following new section:

SEC. . Prohibition of pay and allowances for military personnel convicted of serious crimes.

"(a) Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be obligated for the pay or allowances of any member of the Armed Forces who has been sentenced by a court-martial to any sentence that includes confinement for one year or more, death, dishonorable discharge, bad-conduct discharge, or dismissal during any period of confinement or parole.

"(b) In a case involving an accused who has dependents, the convening authority or other person acting under title 10, section 860, may waive any or all of the forfeitures of pay and allowances required by subsection (a) for a period not to exceed six months. Any amount of pay or allowances that, except for a waiver under this subsection, would be forfeited shall be paid, as the convening authority or other person taking action directs, to the dependents of the accused.

"(c) if the sentence of a member who forfeits pay and allowances under subsection (a) is set aside or disapproved or, as finally approved, does not provide for a punishment referred to in subsection (a), the member shall be paid the pay and allowances which the member would have been paid, except for the forfeiture, for the period during which the forfeiture was in effect."

AMENDMENT NO. 2413

(Purpose: To provide for termination of Project ELF of the Navy)

On page 9, line 4, after "30, 1997" insert the following: ": *Provided further*, That, of the funds appropriated under this heading, not more than $12,200,000 shall be available only for paying the costs of terminating Project ELF".

AMENDMENT NO. 2414

On page 29, before the period on line 13, insert: ": *Provided further*, That of the funds appropriated in this paragraph for the Ballistic Missile Defense Organization, $10,000,000 shall only be available to continue program activities and launch preparation efforts under the Strategic Target System (STARS) program".

AMENDMENT NO. 2415

On page 17, increase the amount on line 3 by $40,000,000.

On page 10, reduce the amount on line 19 by $40,000,000.

AMENDMENT NO. 2416

(Purpose: To place limitations on the obligation of funds for procurement of certain attack submarines)

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. (a) If, on February 18, 1996, the Secretary of the Navy has not certified in writing to the Committees on Appropriations of the Senate and the House of Representatives that—

(1) the Secretary has restructured the new attack submarine program to provide for—

(A) procurement of the lead vessel under the program from General Dynamics Corporation Electric Boat Division (hereafter in this section referred to as "Electric Boat Division") beginning in fiscal year 1998 (subject to the price offered by Electric Boat Division being determined fair and reasonable by the Secretary),

(B) procurement of the second vessel under the program from Newport News Shipbuilding and Drydock Company beginning in fiscal year 1999 (subject to the price offered by Newport News Shipbuilding and Drydock Company being determined fair and reasonable by the Secretary), and

(C) procurement of other vessels under the program under one or more contracts that are entered into after competition between Electric Boat Division and Newport News Shipbuilding and Drydock Company for which the Secretary shall solicit competitive proposals and award the contract or contracts, on the basis of price, and

(2) the Secretary has directed, as set forth in detail in such certification that—

(A) no action is to be taken to terminate or to fail to extend either the existing Planning Yard contract for the Trident class submarines or the existing Planning Yard contract for the SSN–688 Los Angeles class submarines except by reason of a breach of contract by the contractor or an insufficiency of appropriations.

(B) no action is to be taken to terminate any existing Lead Design Yard contract for the SSN–21 Seawolf class submarines or for the SSN–688 Los Angeles class submarines, except by reason of a breach of contract by the contractor or an insufficiency of appropriations.

(C) both Electric Boat Division and Newport News Shipbuilding and Drydock Company are to have access to sufficient information concerning the design of the new attack submarine to ensure that each is capable of constructing the new attack submarine, and

(D) no action is to be taken to impair the design, engineering, construction, and maintenance competencies of either Electric Boat Division or Newport News Shipbuilding and Drydock Company to construct the new attack submarine,

then, funds appropriated in title III under the heading "SHIPBUILDING AND CONVERSION, NAVY" may not be obligated for the SSN–21 attack submarine program or for the new attack submarine program (NSSN–1 and NSSN–2).

(b) Funds referred to in subsection (a) for procurement of the lead and second vessels under the new attack submarine program may not be expended during fiscal year 1996 for the lead vessel under that program (other than for class design) unless funds are obligated or expended during such fiscal year for a contract in support of procurement of the second vessel under the program.

AMENDMENT NO. 2417

At the appropriate place in the bill, add the following new section:

SEC. . None of the funds available to the Department of Defense during fiscal year 1996 may be obligated or expended to support or finance the activities of the Defense Policy Advisory Committee on Trade.

AMENDMENT NO. 2418

On page 28 line 19, insert the following before the period:

": *Provided further*, That of the funds appropriated under this heading, $45,458,000 shall be made available for the Intercooled Recuperative Turbine Engine Project."

AMENDMENT NO. 2419

At the appropriate place in the bill add the following:

SEC. . Six months after the date of enactment of this Act the General Accounting Office shall report to the Committees on Appropriations of the Senate and the House of Representatives on any changes in Department of Defense commissary access policy, including providing reservists additional or new privileges, and addressing the financial impact on the commissaries as a result of any policy changes.

AMENDMENT NO. 2420

At the appropriate place in the bill add the following:

SEC. . None of the funds made available in this Act under the heading "Procurement of Ammunition, Army" may be obligated or expended for the procurement of munitions unless such acquisition fully complies with the Competition in Contracting Act.

AMENDMENT NO. 2421

Strike on page 49 between lines 3–12, Sec. 8024, and insert in lieu therof:

"SEC. 8024. During the current fiscal year, none of the funds available to the Department of Defense may be used to procure or acquire (1) defensive handguns unless such handguns are the M9 or M11 9mm Department of Defense standard handguns, or (2) offensive handguns except for the Special Operations Forces: *Provided*, That the foregoing shall not apply to handguns and ammunition for marksmanship competitions."

AMENDMENT NO. 2422

(Purpose: Rescission of Berthing Barges)

On page 71, line 12 insert:

"Shipbuilding and Conversion, Navy, 1993/1997", $32,804,000.

AMENDMENT NO. 2423

(Purpose: Rescission of Berthing Barges)

On page 71, line 12 insert:

"Shipbuilding and Conversion, Navy, 1993/1997", $32,804,000.

"Shipbuilding and Conversion, Navy, 1994/1998", $19,911,000.

AMENDMENT NO. 2424

(Purpose: Rescission of Berthing Barges)

On page 71, line 12 insert:

"Shipbuilding and Conversion, Navy, 1994/1998", $19,911,000.

The PRESIDING OFFICER. Who yields time?

AMENDMENT NO. 2404

Mr. WELLSTONE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Minnesota has 1 minute and 31 seconds.

Mr. WELLSTONE. Mr. President, I yield the remainder of my time to the Senator from North Dakota and ask unanimous consent that he be included as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, I rise to support the amendment that is offered by my colleague from Minnesota. It is important that we all understand what he has offered.

What the Senator from Minnesota is saying is that we should not buy things for which the Pentagon has not asked. We should not spend money that the Department of Defense has not requested. We should not decide to be wild-eyed big spenders when it comes to this bill for things that no one has said we need.

This bill spends $7 billion more than the Department of Defense asked for on trucks, planes, ships, helicopters, submarines—all for things for which the Pentagon has not asked.

It is strange to me that after all of these months agonizing about the debt and the deficit, and saying we must tighten our belts when it comes to health care for seniors, education for kids from middle-income families, nutrition for poor kids, all of a sudden, when this bill comes to the floor of the Senate, not a word, not one word about the Federal deficit. In fact, just the opposite. We are told that we should spend money we do not have on things we do not need. We should spend $7 billion more than the Secretary of Defense has asked this Congress for.

Now, why not a word about the Federal budget deficit? What is the biggest threat to this country? In my judgment, debt and deficit. That is why I support the amendment offered by the Senator from Minnesota to cut $3.2 billion back to the President's request.

The PRESIDING OFFICER. All time has expired of the Senator from Minnesota.

The Senator from Alaska now has 2 minutes and 54 seconds.

Mr. STEVENS. Mr. President, I told the Senator from Minnesota if he needed additional time I would be happy to yield to him. I will be happy to let him use the remainder of my time.

Mr. WELLSTONE. Mr. President, I thank the Senator from Alaska for his graciousness. I think that we have had the debate and I do not need any more time.

Mr. STEVENS. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired.

Mr. STEVENS. I move to table the amendment under the same arrangement—we have 2 minutes on each side before the vote.

I ask unanimous consent on that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I ask for the yeas and nays now, too.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. I now ask the amendment be set aside until we vote on amendments sometime around 9.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

AMENDMENT NO. 2403

Mr. BINGAMAN. Mr. President, I earlier sent an amendment to the desk. I ask that it be called up at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment No. 2403.

The legislative clerk read as follows:

> The Senator from New Mexico [Mr. BINGAMAN] proposes an amendment numbered 2403.

Mr. BINGAMAN. Mr. President, let me just state for my colleagues the purpose for this amendment, and it is stated here on the amendment that I submitted. The purpose is——

Let me first clarify, Mr. President. Is there any time agreement on this?

The PRESIDING OFFICER. There is no time agreement at this time.

Mr. BINGAMAN. There is no time agreement. I advise the Senator from Alaska it will take 10 to 15 minutes on my part and whatever time the Senator would ask. I do not need a time agreement.

Mr. STEVENS. That is perfectly understandable. I would be pleased to put one down so people would know they should come in a period of time.

Mr. BINGAMAN. We can indicate it will take no more than 30 minutes equally divided.

Is that reasonable? That would get us to 9.

Mr. STEVENS. The Senator will have 15 minutes and we have 5 on this side; and a 20-minute time limit.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, the purpose, as it is stated here in the amendment, is to reduce funding for the TOW 2B by $20 million; the Hellfire II by $40 million; and the CBU–87 by $30 million, which are munitions that have been determined by the inspector general of the Department of Defense as being excess to the requirements of the Armed Forces.

Mr. President, this issue first came to our attention because Ed McGaffigan, who works on defense issues for me, was reading Defense Week, the July 17 edition of Defense Week. There is an article on the front page of that publication. By way of compliment to them, I think they do good work in keeping us apprised of defense issues.

This headline says, "IG"—or inspector general—says "Services Miscount Future Munitions Needs by $15 Billion." The first sentence of the article says:

> The Army, Navy and Air Force have overstated by $15.5 billion their respective requirements for anti-armor munitions planned for purchase between fiscal years 1996 and beyond 2001, the Pentagon's Inspector General has concluded in a new classified report.

Mr. President, obviously that report, since it is classified, I am not in a position to go into the detail of that report, except to recount what the press has reported.

But the simple fact is, we have got three types of munitions, two types of missiles, and then in addition to the two types of missiles, we have got the bombs.

So let me just say very briefly the TOW 2B is a ground-to-ground missile which is intended to target tanks. The Hellfire is an air-to-ground missile that is shot from helicopters, again targeting tanks. And then the CBU–87, of course, is a bomb. It is a combined-effect munitions bomb.

The simple fact is, Mr. President, that none of these items were requested by the Department of Defense in the budget they sent to us. None of these items are in the so-called future-year defense plan. Always before in the earlier amendments that I have heard offered here on this bill, people say, well, maybe it is not requested for next year but it is requested for a future year. None of these are requested for any future year, even 6 years out. None of these are needed, according to the inspector general of the Department of Defense.

So, let me just briefly say that the inspector general has done a study of this in depth. Congress received that study on June 29. And the report summarizes a whole series of ongoing work that the inspector general has done. The report essentially says that each of the Services, especially the Army, but each of them, has or is planning to have more munitions than it needs to carry out its responsibilities under the two-major-regional-contingency scenario which is presently what we are planning for in the Bottom-Up Review.

The reason is that the Army was planning to fight the war by itself and planning to kill every piece of armor in both theaters in these two regional contingencies.

Other Services were also planning to fight the war essentially by themselves. When the capabilities of the other Services are taken into account, we are planning to buy much more in munitions than we need. But even the Department of Defense is not planning to buy these. They did not request them. Once we saw this article, we wrote a letter to the inspector general, on July 27, to ask whether the add-ons in the bill, which, as I said before several times, were not requested, whether those add-ons were consistent with the inspector general's findings.

I received an answer on the 2d of August. Let me read the second paragraph of that letter to you, Mr. President. This is the inspector general of the Department of Defense saying—this is a quotation:

> Based on use of the fiscal year 1996 requirements data, the Army and Air Force inventories of TOW 2B missiles and CBU–87 bombs significantly exceed the amounts of those two munitions that the Services project they would use in two major regional contingencies. The Army inventory of Hellfire II missiles will equal the amount of munitions that would be expended in the contingencies after the Army received the missiles currently on contract. Further, the Services have significant quantities of previous configurations of the TOW and Hellfire missile systems, as well as significant quantities of cluster bombs that were replaced by CBU–87 bombs. We are not aware of any compelling need to procure more of those weapons than the Department requested for fiscal year 1996.

Mr. President, the inspector general says they are not aware of any compelling need to procure what is in this bill and what my amendment would propose to delete.

Mr. President, I cannot think of a clearer example for this Senate to deal with than the one that is presented by this amendment. It is a question of whether the Senate is willing to save $90 million of taxpayer money by refusing to spend it on excess munitions that the Pentagon says they do not need, that the inspector general of the

Pentagon says they do not need, that nobody has requested, and that have been added into this bill by the subcommittee as they marked up the bill.

I think the only responsible course is to adopt the amendment which I am offering here and to cancel the planned expenditure of this $90 million, Mr. President. The defense bill cannot be seen by the American people as a jobs bill. We cannot just look to which Senator has some defense contractor that they want to do a favor for. We do not need these munitions. There is no justification for buying them. We should not use hard-earned taxpayer dollars to purchase these munitions. And I know of no argument to the contrary.

Mr. President, I ask how much of my time remains?

The PRESIDING OFFICER. The Senator from New Mexico has 7 minutes 35 seconds.

Mr. BINGAMAN. Mr. President, let me reserve the remainder of my time and allow the Senator from Alaska, or anybody else, to respond, if they would like.

The PRESIDING OFFICER. The Senator from Alaska controls 5 minutes.

Mr. STEVENS. Mr. President, in our meetings, and as the Senator from Hawaii indicated, we met with each one of the Service chiefs. They highlighted their priorities. Munitions was the top priority in terms of readiness. This has been proven to be a very effective munition. It was vital in the gulf war. The systems were fully included in the authorization bill from the Armed Services Committee, and we have followed precisely the authorization contained in that bill. The Pentagon has not conveyed to us any objection to these items. To the contrary, we understood that they were sought by the Service chiefs.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Will the Senator yield?

Mr. President, the Senator is absolutely correct. We have been contacted by the acquisition people in the Army, and they are fully supportive—for one reason; they support $5 million of this request because of the need for what they call a cold weather fix.

Some of these weapons had been damaged as a result of storage and cold weather, and there is a retrofit required for that.

The other $15 million they believe is essential for the replenishment of those that eventually have to be retired. It is also important to note that the Army will be providing TOW 2B's to the U.S. Marine Corps. While the focus is on the Army, we have to remember some of these missiles will be going to the U.S. Marine Corps.

As the Senator from Alaska said, this is the premier tank killer in the inventory. There is not anything like it. It is the best in the world. Clearly, since it is the desire to use the $20 million as indicated, I believe the committee's position ought to be supported.

I thank the chairman for yielding.

Mr. STEVENS. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Alaska has 3 minutes and 5 seconds.

Mr. STEVENS. Mr. President, I say to my friend, I am prepared to yield back the remainder of my time, but I leave it to the Senator to finish his time if he wishes.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, let me just take another few minutes to conclude my argument in favor of this amendment, which I do think is a very straightforward amendment.

The Senator from Arizona says he has been contacted by acquisition people in the Army who favor procurement of more of these weapons. I am not familiar with who might have contacted him. All I know is the Department of Defense did not request them; the Inspector General of the Department of Defense says they are not needed. There is no indication that we received in the Armed Services Committee that they are in any way needed. I grant you they are authorized in the authorization bill, and that is just as egregious a mistake as appropriating the money for them is in this bill.

I think there is really no argument that I know of that any of the Services feel they have an insufficient quantity of the TOW 2B or the Hellfire or this bomb. So I think, clearly, the need is not there.

Let me also say, I do not disagree with anything that the Senator from Alaska or the Senator from Arizona said about the value of these weapons. There is no dispute about that. They are excellent missiles. They are excellent bombs. The only question is, when are we going to quit buying them? How many do we have to have in excess? How big does the inventory have to be before we finally say, "Fine, we have plenty, we have enough to fight two regional conflicts at the same time," which is a fairly major statement in and of itself.

Mr. President, at some point, we have to be honest with the American people and say, "As stewards of your tax money, we are going to only spend that money on things that are needed." These are not needed. That is the simple fact of it. They are not requested. They are not needed. They are not anywhere in this 6-year defense plan that the Department of Defense has sent to us. As I say, I cannot go into much more detail about what is in the classified report that we have on this issue from the Inspector General. Quite frankly, I think it is classified because the facts contained in it would probably be an embarrassment to the Department. For whatever reason, it is classified.

We do have one page which is unclassified from the report. Let me just make reference to that. It says in here:

> The Services' processes for determining quantitative requirements for munitions to defeat armored targets needed improvement.

There is a euphemism if you ever heard a euphemism, Mr. President. Defense Week says that the IG report says that they have overestimated their need by $15 billion. This unclassified page from the report says that their ways of determining quantitative requirements needed improvement.

I agree, they do need improvement.

They say here that the Services' processes needed improvement because

> * * * the Services used incorrect quantities of threat systems that were in the hands of potential enemies.

That is, they have misassessed potential threats. They say that their processes need improvement because of their uncoordinated shares of threat systems that each Service would be responsible for defeating.

To put that in plain English, Mr. President, we had each of the Services preparing to fight the war by themselves. When the Department of Defense finally stepped in and said, "Let's audit this situation, let's look at what the whole inventory is," they said, "We do not need the Army to have enough to fight the next war, and the Air Force enough to fight the next war, and the Navy enough to fight the next war. We just need enough to fight the next war." So that is basically the conclusion.

I will cite one other statement in this unclassified page from the classified report. It says:

> As reported in our separate audit reports to the Army, the Navy, the Air Force and the Marine Corps, the above conditions resulted in the Services overstating their quantitative requirements for antiarmor munitions by more than $15.5 billion.

Mr. President, it is unconscionable for us to sit here and add more money for munitions that are not requested, that are not needed, that we have excess inventories of already. And that is precisely what this bill calls for today.

My amendment will correct that. It will save the taxpayers of the country $90 million. I know $90 million does not sound like a lot of money in Washington, but it is a reasonable amount of money for most Americans. And most Americans would say, "If you don't need to spend that $90 million for additional missiles and bombs of this type, then why should you spend it?" And that is basically the point of my amendment. I hope very much my colleagues will support the amendment.

If the Senator from Alaska is ready to yield back his time, then I will yield back mine.

Mr. President, I address a question, if I can, to the Senator from Alaska and ask if we can have the same agreement with regard to the 2 minutes of explanation on both sides, once we do have a few Senators, if he is to stack the votes.

Mr. STEVENS. That will be my request, and I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. All time is yielded back.

Mr. STEVENS. I make the motion to table the amendment on the same basis as before, 2 minutes on each side. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, I ask unanimous consent that that amendment be set aside so we can proceed to Senator HARKIN's amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2410

Mr. HARKIN. I call up amendment No. 2410 and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself and Mrs. BOXER, proposes an amendment numbered 2410.

Mr. HARKIN. Mr. President, I say to the manager of the bill, this is the one that was agreed upon.

Mr. STEVENS. If the Senator wishes to make a brief explanation, we are pleased to accept this amendment.

Mr. HARKIN Mr. President, this amendment maintains for another year the existing provision placed into law last year as a part of the fiscal year 1995 Defense appropriations bill. It provides that the Federal Government share of the cost of a company's operation should not include its share of anyone's pay in excess of $250,000. It does not stop a company from paying an executive more than $250,000. There are many costs that are not allowable: hunting lodges, alcoholic beverages, etcetera, perhaps 50 disallowable items.

This amendment says that in these difficult budget times, one of the limits should be on employee compensation over $250,000.

In an analysis done by DOD several years ago, it showed that DOD alone very often paid more than a million dollars for just DOD's share of one executive's work.

Now, we see that the Pentagon may be picking up $31 million in bonuses and other benefits to top executives of Lockheed and Martin-Marietta because of the deals made regarding their merger. Why should the Federal Government be paying $31 million of this $90 million cost. If the stockholders are willing to make those payments, that is one thing. For the taxpayers to make them when we are cutting so many needed programs would be outrageous.

Let me say it again. Children are not getting the basics and the Defense Department may pay millions in gold-laden gifts to the executives. That should not be a taxpayer's expenses

Our budget are getting tighter. I have often fought for fairly small sums for what I view as very necessary Government expenditures as we all have. And, our ability to fund programs needed to provide for needy children, the disabled and elderly is being cut to the bone.

I urge that the amendment be agreed to.

Mrs. BOXER. Mr. President, this amendment will cap taxpayer reimbursement for the salaries of defense contractor executives at $250,000 per year for contracts consummated in fiscal year 1996. It will extend a similar provision contained in the fiscal year 1995 Defense Appropriation Act.

I began investigating this issue after hearing reports of multimillion-dollar bonuses awarded as a result of the Lockheed-Martin Marietta merger. As a result of that merger, $92 million in bonuses will be awarded—$31 million of which will be paid by the taxpayers.

I think it is wrong that corporate executives make so much money at a time when their employees are struggling just to make ends meet. What makes it even worse in this case is that these multimillion-dollar bonuses were given as a reward for a business deal resulting in 12,000 layoffs nationwide.

So the taxpayers buy rich executives $31 million worth of champagne and caviar, while laid-off defense workers struggle just to feed their families. I think the defense industry employees—in California and across their Nation—are the ones who deserve a bonus. The CEO's and multimillionaire executives are doing just fine.

As I investigated this issue further, I discovered that the problem was not limited to mergers or bonuses. Top defense industry executives routinely earn more than $1 million per year—sometimes even more than $5 million. And the taxpayers pick up most of the tab.

This amendment sets a $250,000 maximum for compensation that is reimbursable by the taxpayers. It applies to all forms of compensation including bonuses and salary.

It is important to understand that my bill sets no limit on the compensation that an executive can receive. That is an issue best left to the stockholders and directors of each company. If the stockholders believe that the Lockheed-Martin merger was such a fine business decision that they want to award their CEO a $9 million bonus—or for that matter a $90 million bonus—that is fine with me. All my legislation would do is stop them from passing the check to the taxpayers.

Mr. STEVENS. Mr. President, this was the subject of the bill last year. We had several comments at the time. I am not sure the House is willing to accept it. We will take it to conference. I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2410) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. HARKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2401

(Purpose: To strike $70,000,000 appropriated for Research, Development, Test and Evaluation, Defense-Wide, for support technologies/follow-on technologies advanced development, specifically provided for the Space-Based Laser Program)

Mr. HARKIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2401.

On page 29, line 12, strike out "$9,196,784,000" and insert in lieu thereof "$9,126,784,000".

Mr. STEVENS. Would the Senator consider a 20-minute time agreement, equally divided?

Mr. HARKIN. Make it 30. If I do not use it all, I will yield my time.

Mr. STEVENS. I ask unanimous consent that there be 15 minutes on the Senator's side and 5 minutes on our side on this amendment before we have action on or in relation to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. If the Senator will yield, that means we should be voting sometime around 5 minutes after 9. It will be my intention at that time to proceed in order to call up the amendments that have been stacked.

Mr. HARKIN. If the Senator will yield, I have one other amendment after this. We can do it quickly. It will be shorter than this one.

Mr. STEVENS. I will withdraw the request at this time, and we will see what happens. We should vote around 9:15.

Mr. HARKIN. Mr. President, well, it is back again, and I am not talking about "Freddy from Elm Street," I am talking about star wars. Let me point out that we had a $7 billion add-on on this, as you know, more than what the Pentagon wanted. The amendment offered by Senator KOHL, as you know, last week failed on a 51 to 48 vote to take out all of that $7 billion add-on. But it is my opinion that we should at least cut some of the most egregious add-ons, and perhaps the most egregious add-on is the one that puts money in for a star wars weapons system called the space-based laser.

I am talking about star wars, Mr. President, a system of at least 12 space stations upon each of which is mounted a huge laser weapon. This laser is powered by combustion of hydrogen and fluorine. It is a chemical laser. It is not an x-ray laser, not a neutral particle-beam laser, and it is not a space-based kinetic kill vehicle. It is a concentrated beam of light.

This laser beam of concentrated light is designed to produce 2.2 million watts of energy. It is this Nation's most powerful and, by far, most expensive military laser on the design mode. Yet, it is obviously not completely developed, experts say. The needed power level for this weapon to work is somewhere between 5 and 10 million watts, or by a factor of 5 over what the design is of this one.

The light produced by this laser is not visible to the human eye but is in the infrared part of the electromagnetic spectrum.

This infrared light is effective only in space. It can be used only in space because the infrared light can penetrate the Earth's atmosphere in space only to a height of 5 or 6 miles above the ground.

You can think of it as a giant, deadly flashlight, able to zap up to 100 missiles with the amount of fuel on board, or zap a maximum of 5 to 10 theater-range missiles launched simultaneously, or maybe zap 15 to 20 ICBM's launched simultaneously. To collect the light from each laser, there is a reflective mirror of more than 35 feet in diameter. To give an idea of the size of that, it would be just about the size perhaps to fit in this Senate Chamber.

This mirror, which collects the laser beam and focuses, is flexible. So you have to think of this laser as a flashlight held in one position steadily, pointing into a large mirror. The mirror can pivot to reflect the light from the laser toward the target. So the mirror collects the light, focuses the light into a beam, and points the beam to a target hundreds or thousands of miles away and, of course, that target is moving.

Originally, this mirror had very heavy systems of cooling water to prevent the extreme heat of the laser from shattering the reflective material. But one item developed in the last few years was coatings that make the mirrors so reflective that they need no cooling.

In fact, these reflective coatings for the mirror were actually tested almost exactly a year ago.

Daniel R. Wildt, an advanced systems manager at TRW, who works on the space-based laser, was quoted in the New York Times as saying about the new reflective coating, "What this means is immense weight savings. It is a breakthrough." The Times article goes on to say that it would take one or two large rockets to loft each laser battle station into orbit. And a dozen or so of these would be needed. Experts say such a complex of 12 orbiting battle stations might cost about $30 billion to $48 billion.

Mr. President, if this all sounds kind of familiar, yes, we have talked about it before, back during the time when President Reagan was in office. We talked about putting all of these battle stations up and all of these lasers and they are going to zap all these missiles. We finally got off of that. But it is still alive. That snake has not been killed yet, and it is coming back again. That is what this amendment seeks to do, to take out that $70 million.

Think about it as just the first step toward a $30 billion expenditure of money—$30 billion that we do not have, to add to the national debt.

Are we serious about committing this kind of money to a weapons system that may or may not work?

The Armed Services Committee in its report notes that of the Pentagon ballistic missile requests, only 6 percent is allocated to advanced follow-on technology development.

The committee then proceeds to recommend that every bit of this $70 million that goes to support technology should go into the space-based laser program. I find it a little hard to believe that of all of the support technologies, all of it is shuffled into space-based laser. Nothing for any other kind of program is given an increase—just this. Concerning the space-based laser, the committee directs the Secretary of Defense to "reinvigorate this program and to ensure that sufficient funds are provided in the outyears to continue a robust effort."

To those who think this may be a little bit, this $70 million, for a little experiment, read the language. This is the first step, and next year even more and more toward the very thing that this Congress said no to over 10 years ago, even during the height of the cold war. But now that the Soviet Union is no threat, well, we are still going to go ahead with it.

Well, my amendment would delete this $70 million. Again, I do not think it is just $70 million we are talking about. If we proceed, we are talking about starting down that road of spending $30 billion for space-based lasers.

Well, I have five reasons why I think this is a bad idea.

First, the $30 billion cost is way too much for us to afford. We simply cannot afford it, given the kinds of threats that our country faces today.

Second, space-based lasers are not cost effective. They are not cost effective, No. 1, because the threat from the Soviet Union has all but disappeared. Long-range Chinese missiles are few in number and not considered threatening. Only rogue nations can constitute the present threat. They may or may not have the capability of launching long-range weapons, but there are other ways to get nuclear warheads into the United States, such as smuggling them in, or by a cruise missile, or on a submarine. That would be much more likely for a rogue nation than launching a long-range ballistic missile.

The intelligence community cannot identify threats of long-range ballistic missiles to the continental United States within the next 10 to 15 years. A lot can be done in those years to provide other safeguards.

The third reason this is a bad spending of money is that space-based laser systems violate article V of the 1972 ABM Treaty. This article V specifically bans any antiballistic weapon from being based in space, period. That is what doomed it before. And yet, I cannot imagine that right now we are going down that road one more time.

The fourth reason this is a bad expenditure of money is the space-based laser just may not work. There are a lot of problems of great technological difficulty.

The tests of the chemical laser to date have consisted of only tests on the ground, with the laser held in position and not free to move as in space. The laser has only been fired in very short bursts. Components act differently in space. An enormous ground-based complex that is used to fire the laser is yet to be packaged into a much smaller space-based system.

The Large Aperture Mirror Program and the Large Obstacle Segment have been claimed to be easily built and assembled in space, but this is not true because the Hubble telescope has shown that large mirrors can have flaws and are not totally testable before operation in space.

After only a few seconds of firing of this chemical laser, the entire space-based laser battle station will be so violently shaken by the chemical reaction used to make the laser beam that it would no longer be aligned for multiple firings.

Again, this has been the dream of some Star Wars' enthusiasts for a long time. I think they saw too many of the Star Wars movies. I like Star Wars movies. I happen to be a science fiction buff myself. I read science fiction. I like those movies.

Somebody down there thinks we can build those things now that send out the beam of light and zaps things. Theoretically, it is possible and maybe sometime 200 or 300 years from now, God forbid, maybe the weapons will be used. Now it is a ridiculous waste of money to try to build this space-based laser system.

Using a much smaller system, the Pentagon has shown that missile targets can be acquired and tracked from space, and that a small laser can be fired accurately. The problem is complicated enormously by the size and the multiplicity of targets in using this big mirror in space. Millions of lines of computer code must be written. One little mistake and that would spell the end.

The Star LITE option test has shown that the key components can fit together, but it does not compare with constructing and assembling, in space, this huge system.

Mr. President, it is not worthy, not worth $70 million, to continue down the road of building and trying to test a space-based laser system. It is too costly, violates the ABM Treaty, and it is not cost effective, considering the threats that face us in the next 10–15 years.

Mr. President, there really is one final argument why this expenditure is so ridiculous. In the beginning of my remarks I mentioned that there had been designed a reflective coating material that they will put on this big mirror so you do not have to use all the cooling system, so when the laser beam hits the mirror and is reflected, this reflective mirror will not heat up as much.

They have designed that and tested it. They say now we have solved the problems of all the weight that goes on in this big mirror in space. Well, Mr. President, it is only a matter of time before anyone who wishes to launch an ICBM will just coat that ICBM with the same reflective material so the laser hits the mirror—assuming they have it fixed up—that mirror, thousands of miles away, sends the beam down to the missile with the same reflective material, and the beam just bounces.

It is the same old story. It has been true since time immemorial. Build an offensive weapon system, costs a lot of money, and someone can usually build a deterrent or something to stop that at much less money. That is true here.

So I think we ought to save the $70 million this year and save us from once again going down that road of spending $30 to $48 billion for this space-based laser system.

Mr. STEVENS. I yield 2 minutes to the Senator from Arizona.

Mr. KYL. There are points to be made in a program that the United States has invested over $1 billion over the last decade. It is one of the most successful programs that has ever been run by the Defense Department in terms of meeting schedule and cost rules.

In fact, the GAO has indicated that it has met every one of the technical milestones. I really do not think anybody has criticized this program on technical grounds. In fact, the Senator from Iowa has discussed some of the really unique and highly technical aspects of the program.

I am sure he would agree that there have been great strides made in the development of this kind of a program, although he has other objections to the expenditure of this money.

In my view, Mr. President, it is important to have a very highly leveraged, highly technical kind of program like this. We will not deploy this kind of a program, perhaps ever, but at least not in the foreseeable future.

It is important to have this kind of a program, the only one of its kind, the only directed energy program, that still exists in our arsenal, as one of those hedges. That is frankly what this program is at this time.

The 70 million in funding here does not provide any kind of deployment decision or anything of that sort. We are just in the research stage. It keeps that research alive. So it would be a tragedy to kill this program after the amount of money that has been spent and the technology that has been developed.

Quickly, to respond to the arguments made by the Senator from Iowa. The notion that it will cost $30 billion to deploy—of course, nobody is talking about deployment. We are not close to a deployment decision. This is simply ongoing technology. I do not think that is an argument against the expenditure of this research money.

Second, it is not cost effective. It is too premature to evaluate that. We all know that a boost phase intercept is the way to go. We would like to have that. This is the only boost phase intercept program we are talking about now, and it is not something that ought to be eliminated. We would be left with nothing, in that event.

To the third argument that it is an ABM Treaty violation, I know the Senator from Iowa knows there is nothing in the ABM Treaty that precludes us from developing or from researching, weapons of this sort. Obviously, we would face that question if and when we got ready to demonstrate or deploy it. We are not at that stage for many, many years.

The fourth argument, it may not work. Again, Mr. President, no one has ever criticized this program on technical grounds. The GAO, as I said, has said it is one of the best run programs, and we are a long way from having exactly what we need to actually deploy this kind of a program.

Finally, to the idea of the Senator from Iowa that the Russians or somebody else could make the same kind of reflective material on their missiles, their ICBM's, and defeat the laser, he indicated he was a reader of science fiction, and that is pretty good science fiction, but nobody figured how to do that.

You have weight considerations, heat considerations. The Russians have not even discovered the same kind of material yet, so that is something, obviously, for the scientists to think about, but not a reason for us not to expend the money.

As a matter of fact, it is probably a reason to do continued research, to ensure that we could defeat any kind of similar research.

This is a very good program. We are only talking about research money. We are a long way from any decision to deploy. It is the kind of program we need as a hedge against the kind of presence that may exist now or in the future. I hope the committee's position is supported.

Mr. INOUYE. I yield myself 1 minute.

Mr. President, I realize I cannot say much in a minute, but just to remind ourselves, about 30 years ago as a result of the debate of this nature the Congress appropriated a few dollars, a few million dollars, and as a result came up with this business called laser.

Up until then, lasers were just theory. Since then, the laser has been helpful in medicine, in mathematics—it has been a boon for mankind.

I just hope that we will not have to use this in warfare. As I have indicated, as others have, we have not arrived at the millennium, so sadly we must prepare ourselves that if such a time should come, we are prepared.

This is for research; it is not to build the systems. I hope that my colleagues will oppose this amendment.

Mr. STEVENS. Is there time remaining?

The PRESIDING OFFICER. The Senator from Alaska has 47 seconds and the Senator from Iowa has 2 minutes and 27 seconds.

Mr. STEVENS. I will use my 47 seconds by saying I hope everyone keeps in mind we are talking about a question of pursuing a promising technology.

This is strictly research. There is no money procurement. This is strictly the use of a facility that costs us $1 billion, and this is $70 million to see if we can demonstrate some of the technology—nothing in space. It is all on the ground as far as this phase is concerned.

Mr. HARKIN. Mr. President, I will not take all my time. I will just ask unanimous consent to have printed at this point an article from the New York Times stating that, "From fantasy to facts, space-based laser nearly ready to fly." It says:

> "Like it or hate it, this is reality," a weapons expert says. "This is not theoretical."

I am telling you, they are going down the road. We are going to build this. I have nothing bad to say about lasers. They are used in medicine and everything else. That is not what this is about. This is about building a space-based laser. It is going to cost billions of dollars, putting battle stations in space. We have been through this debate in the past and I do not think any more needs to be said about it. We should put our money someplace else.

Mr. President, I yield the remainder of my time, and I ask unanimous consent to have the entire article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FROM FANTASY TO FACT: SPACE-BASED LASER NEARLY READY TO FLY

(By William J. Broad)

It's back. Adored by military contractors and lambasted by civilian skeptics, fired into the political stratosphere by President Ronald Reagan and dragged back to earth by the Clinton Administration, "Star Wars" is prominent again as the newly empowered Republicans began to push for deployment of a national system of antimissile defense and gird for ideological warfare with Democrats on the topic of placing arms in the heavens.

Surprisingly, this turn in the nation's 35-year, love-hate relationship with antimissile research finds the technology less speculative than before. For the first time, it is mature enough that one class of advanced weapons could be put into space relatively quickly, a fact that is likely to electrify this round of the antimissile debate.

The weapon is the chemical laser, which gets its energy from the combustion of fuels similar to those in rocket engines. Though much of its energy is lost as heat, significant amounts can be extracted by mirrors and resonant chambers, emerging as a concentrated beam of light that in theory can flash across space to zap speeding missiles thousands of miles away.

In particular, the new maturity centers on a chemical laser known as Alpha, which the Federal Government has quietly been developing for more than 15 years at a cost of about $1 billion. In a scheduled valley near San Juan Capistrano, Calif., the sprawling test site for Alpha includes a 50-foot high chamber that mimics the vacuum of space.

Angelo M. Codevilla, a senior research fellow at the Hoover Institution at Stanford University in California and a former staffer on the Senate Intelligence Committee who helped get Alpha started in 1978, said the device was all but ready for deployment in orbit to defend the United States.

"Like it or hate it, this is real," said Mr. Codevilla, who would like to see a dozen or so laser battle stations circling the earth. "It's not theoretical. It's not some scientist fantasizing about X-ray lasers."

But critics deride the whole idea, saying a fleet of Alpha type weapons in orbit would violate the Antiballistic Missile Treaty which was signed in 1972 by the United States and the Soviet Union and bars the deployment of antimissile arms in space. The treaty allows the orbital testing of research lasers as long as they are too weak to shoot down long-range missiles. But critics say Alpha, even as a research tool, is so powerful it would fail this legal test and violate the treaty, thus probably touching off a political storm if testing were to advance into space.

And full-blown battle stations, critics assert, are dubious since they would fail to protect the United States completely.

"It's either too much or not enough," said John E. Pike who is in charge of space policy for the Federation of American Scientists a private group based in Washington. Ground-based interceptors are better for knocking out short-range missiles, he said, and space lasers, at best would be leaky shields against a concerted attack at long-range missiles.

"Imperfect defenses are worthless," Mr. Pike added, because the destructiveness of a single nuclear blast is so great.

Right or wrong, good or bad, Alpha is unique in the antimissile world by virtue of its staying power and steady evolution. It get started before the 1983 "Star Wars" speech in which President Reagan called for work on a way of rendering enemy missiles "impotent and obsolete," and it survived the program's subsequent ups and downs.

In 1993, the Clinton Administration declared Star Wars dead, in a move that was largely symbolic. Some programs were cut back, but the antimissile research is still being funded at about $3 billion a year, bringing its total cost for the decade to about $35 billion.

Alpha and allied programs, their budgets now tight, got enough money to keep evolving and growing through the rise and fall of a host of futuristic alternatives for space armaments like X-ray lasers, neutral particle beams and space-based kinetic kill vehicles. In short, Alpha is the death ray that refused to die.

"This program has survived lots and lots of turmoil because it has a very high potential payoff," said Daniel R. Wildt, an advanced systems manager at TRW Inc., Alpha's main contractor, in an interview.

The principal allure of chemical lasers is that they require no electricity drawing their power instead from simple chemical reactions. Alpha's lasing action is produced by the combustion of hydrogen and fluorine, a toxic, corrosive, yellowish gas that is the most reactive of the elements. To avoid handling problems, the fluorine is made instants before combustion in a precursor reaction of nitrogen triflouride, deuterium and helium.

Alpha got a slow start as Congress fought over its fate and allowed only limited funding for design studies. Mr. Reagan's 1983 speech opened the budgetary floodgates, and contractors broke ground for the Alpha test site in 1984.

The first full-scale ground tests of the lightweight laser began under tight security in December 1987, when gas was released into the combustion chamber but not ignited. An accident delayed the first firing until April 1989. The explosive zap came after a tense two-day countdown that required synchronization among a maze of fuel tanks, pipes, pumps, valves and switches, similar in some respects to a space-shuttle countdown.

The laser's beam of concentrated light is designed to produce 2.2 million watts of energy, making it the nation's most powerful military laser, experts outside the Government say. Officially, the power of the beam is secret, with contractors saying only that it is not enough to melt metal and that the energy intensity at the core of the laser is several times that of the surface of the sun.

To date, Alpha has been fired 11 times, most recently in August.

The main challenge with Alpha was to turn chemical-laser technology that had been proven on the ground into a device light enough to be launched into space. Thus, the laser is largely aluminum.

Among the laser's heavier components were its mirrors, which had ponderous systems of cooling water to prevent extreme heat from shattering them. One item developed over the past few years and tested during the August firing were coatings that make mirrors so reflective they need no cooling.

"What that means is immense weight savings," said Mr. Wildt. "It's a breakthrough." Lots of uncooled mirrors are now planned for Alpha and its affiliated systems.

Currently, the laser is being linked to a system of mirrors known as LAMP, for Large Advanced Mirror Program, its biggest circular mirror is 13-feet in diameter and the LAMP apparatus is housed in a separate vacuum chamber at the San Juan Capistrano site. LAMP is to take the raw Alpha beam and simulate how it could be focused and directed across space to hit enemy missiles.

Dr. Grant A. Hosack, who is in charge of laser programs at TRW, said budget cuts would delay the first firing of the integrated system until 1997. And retrenchments forced the cancellation of plans to keep firing and testing Alpha in the interim.

"We've had to cut back on manpower, too," Dr. Hosack said, "We've a lot of blood and guts in this. When we see the cuts so deep, it really hurts.

TRW officials said that if money were no impediment about five years would be needed to prepare a laser weapon for deployment in space. Power levels would have to rise to about 5 million to 10 million watts from the current 2 million watts, private experts say. In theory, given the optic breakthroughs and weight reductions, it would take one or two large rockets to loft a laser battle station into orbit.

Operating at a wavelength of 2.7 microns, which is in the infrared part of the electromagnetic spectrum and invisible to the human eye, an Alpha-type weapon would be effective only in space and would be able to penetrate into the earth's atmosphere no deeper than five or six miles above the ground.

"We can't start fires," said Dr. Hosack, "We kill the missiles as soon as they penetrate the cloud tops."

Promising to speed this kind of work is the resurgence of the Republicans, who have vigorously backed Star Wars from the start. Moreover, the Republican "Contract With America," a manifesto developed by Representative Newt Gingrich of Georgia and signed by more than 300 Republican House candidates before the election landslide in November, explicitly calls for the rapid deployment of antimissile arms.

The National Security Restoration Act, one of the contract's ten proposals, says the Defense Department should "develop for deployment at the earliest possible date a cost-effective, operational anti-ballistic missile defense system to protect the U.S. against ballistic missile threats." Republicans have pledged to bring the bills up for a vote in the first 100 days of the new Congress, which starts in January.

The contract does not specify whether the defense should be based on the ground or in space, but analysts note that the Republicans have always tended to back space-based systems. And Star Wars advocates argue that only a space-based system would be "cost effective," as called for in the contract.

"There's not enough money in the budget for anything else," said Frank J. Gaffney, Jr., a Pentagon official in the Reagan Administration who now directs the Center for Security Policy, a private Washington group.

Experts say a dozen or so space-based laser battle stations might cost $50 billion or more.

Critics contend such huge expenditures are foolish since antimissile systems are all but useless against many of the kinds of attacks that might threaten the United States now that the cold war has ended. For instance, terrorists armed with nuclear weapons would never entrust a warhead to a rocket but would most likely smuggle it into a major city, following in the footsteps of the World Trade Center bombers.

"Missiles and nuclear weapons are proliferating," Mr. Codevilla said. "It's best to defend ourselves as the technology allows. As de Gaulle used to say, 'The future lasts a long time.'"

Both foes and friends of space lasers agree that such weapons run afoul of the Antiballistic Missile Treaty. Boosters of the treaty say it is a bulwark against a renewal of the nuclear arms race and should be preserved at all costs, while its detractors say it has outlived its usefulness.

"If I'm right," said Mr. Gaffney, the former Pentagon official, "we've got a problem that's not going to be resolved by arms-control agreements. We need to defend ourselves."

The PRESIDING OFFICER. All time has expired.

Mr. STEVENS. Mr. President, on the basis of the previous agreement, I ask unanimous consent for 2 minutes on each side prior to the vote on the motion to table the Harkin amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I move to table the Harkin amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, I ask that be set aside so we might hear from the Senator from Iowa.

Does the Senator have another amendment?

Mr. HARKIN. I have another amendment. This one will not be as long.

Mr. DOLE. How long?

Mr. HARKIN. Can I have 10 minutes on my side?

Mr. STEVENS. Which one is it?

Mr. HARKIN. This is the ASAT.

Mr. STEVENS. May we have an agreement, Mr. President, that the Senator can have 10 minutes on his side, 5 minutes on this side, prior to a motion to table?

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2402

Mr. HARKIN. Mr. President, I call up amendment 2402.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 2402.

Mr. HARKIN. Mr. President, my amendment will eliminate the $30 million added to the Pentagon request to fund the tactical antisatellite weapons program.

This is one of the most unnecessary programs that this committee has ever pulled from its pork barrel.

Mr. President, my amendment eliminates funding for the Army's kinetic energy antisatellite [ASAT] weapon program.

The Army itself tried to cancel this cold war weapon for several years.

The Bush administration continued the program, even though the Pentagon did not want it.

The Clinton administration has zeroed the program. But the Senate Armed Services Committee has included $30 million to keep this cold war weapon alive.

My amendment would eliminate this wasteful spending on an unnecessary weapon, and save the taxpayer's money.

Proponents of ASAT weapons argue that if we build weapons to shoot down airplanes, why not build a weapon to shoot down space satellites?

Mr. President, there is a big difference between battles in the air and battles in outer space.

The debris of the battle will fall to the ground immediately after an air battle, and commercial air liners can still fly after hostilities end.

Not so in outer space.

The collision of one ASAT kinetic kill vehicle with one enemy satellite would create thousands of pieces of space junk.

The space battle debris continues to orbit the earth at speeds of 17,000 miles per hour.

At lower altitudes, from 100 to 200 miles up, air molecules will gradually slow the debris until it falls and burns up on reentry to the atmosphere.

Above 300 miles up, space debris will remain in orbit for many years.

At higher altitudes, debris can continue to orbit the Earth for decades or centuries.

Every piece of space debris is a lethal weapon, traveling at speeds of 17,000 miles an hour.

This debris could damage any rocket or satellite crossing its path.

It would be uncharted, and give no warning.

If space debris were to hit an astronaut, it would probably be fatal.

If an ASAT weapon were to be used successfully, vast orbital bands of space would be rendered unusable for years, decades, or even centuries.

This is not a theoretical conjecture.

We have examples of such debris creation from old Soviet ASAT space tests.

Several Soviet ASAT tests did create thousands of detectable pieces of junk that are still in orbit after 25 years.

The Soviet Union launched Cosmos 249 and detonated it as an ASAT weapons tests on October 29, 1968.

This explosion in space created 109 identifiable objects at the intercept altitude of 525 kilometers.

Because the Cosmos 249 ASAT was in a highly elliptical orbit, this lethal debris spends most of its time at higher altitudes.

As a result, this debris has survived longer than expected.

Today, 55 pieces of detectable junk are still orbiting the earth, 27 years after the ASAT explosion in space.

In total, 371 detectable pieces of orbiting junk still survive today from various Soviet ASAT weapons tests.

Similarly, U.S. Air Force direct ascent ASAT tests in 1985 created 285 pieces of orbiting space junk at an altitude of 350 miles.

Today, nine detectable pieces of this experiment are still in orbit, threatening peaceful TV and telephone satellites of many commercial ventures.

Near Earth space is too commercially valuable to even permit tests of ASAT weapons.

However, I agree that the military has a need to deny a rogue nation the use of a reconnaissance satellite.

Spy satellites in space can be effectively jammed, or, better yet, false information can be fed to the receiving stations.

We presently have the technology to jam and to feed false information to enemy satellite ground stations.

There is no need to shoot down a satellite in space, because it can easily be rendered ineffective or even turned to our advantage.

Jamming and spoofing an enemy satellite is certainly more cost effective than wasting money developing a cold war ASAT weapon.

Electronic counter-measures will not create the space junk that shooting down a satellite will create.

It is true that satellite reconnaissance is a vital capability in war.

But Iraq, Iran, North Korea, and any other potential enemy do not have, and will not have for many years, any satellite, much less a military reconnaissance satellite.

If any potential enemy were to start making a reconnaissance satellite, then perhaps there could be a need for an antisatellite weapon.

But the time needed for a rogue nation to make a satellite would give us the time to develop effective countermeasures.

We do not need to make this weapon now.

There is no threat, and no perceived threat.

There is a real question of just whose satellite we would be willing to destroy.

Only friendly countries have satellites in orbit now.

If time on a military reconnaissance satellite were leased to a rogue nation by a friendly country, would we really want to shoot that satellite down?

We cannot afford to waste $30 million on such a remote possibility as Iraq, Iran, or North Korea getting access to a military reconnaissance satellite at some indefinite point in the future.

Only when the threat is apparent do we need to develop an antisatellite weapon.

So let us not waste our taxpayers' dollars on this unnecessary antisatellite weapons system. Let us save the taxpayers $30 million.

I reserve the remainder of my time.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I now ask unanimous consent that all amendments qualified by the 8:30 p.m. timeframe, as a result of the previous agreement be debated tonight, and that any votes ordered or in relation to the amendments or motions to occur beginning at 9:30 a.m. tomorrow, with 4 minutes equally divided for an explanation on each amendment prior to the vote, and after the third consecutive vote, the time for explanation be extended to 10 minutes equally divided on one amendment that Senator HARKIN will have—he will have 15 minutes and we will have 5 minutes—and that all votes in the voting sequence after the first vote be limited to 10 minutes in length.

That will wrap up this bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. STEVENS. I now yield to the Senator from Arizona for the reply to the Harkin amendment.

Mr. KYL. Thank you. I thank the chairman for yielding.

Mr. President, the first primary argument of the Senator from Iowa on this is that we have an effective antisatellite weapon, and if we have to use this, it will create space junk.

Mr. STEVENS. If the Senator will yield, I do not want to take up time. But this agreement will mean, however, that there will be four votes as soon as we finish the debate on this. Following those four votes, all other votes will occur tomorrow morning at 9:30 a.m.

Mr. KYL. Mr. President, again, this is an amendment to eliminate some of the funding for research on an antisatellite program in the event the United States should ever need that. It is a contingency program. We are not talking about deploying anything.

But the primary argument of the Senator from Iowa was that if this was ever utilized, obviously, these satellites might be blown apart and that would create space junk. I suppose that might be true, but I find that not to be a very persuasive argument that we should be denied a weapon that we would need in time of war. It is a little like lamenting the rubble that may exist after the necessary bombing of downtown Baghdad. It may be too bad that there is some rubble there, but the fact of matter is, that is a consequence of war. If we needed an antisatellite weapon, obviously that would be the last of our concerns.

As the Armed Services Committee stated in its report, the United States military has spent billions of dollars on the spectrum of multi-service and joint war-fighting space requirements. We spent billions, too, on a broad mix of space and ground-based capabilities that will serve us both in time of peace and war. In the event of a conflict, the United States would be faced by a wide array of capabilities by our potential adversaries in space and with the access to space-derived data that comes from that.

As a member of the Intelligence Committee, I am very concerned about the ability of the United States to counter these technological gains by potential adversaries as a result of the massive decontrol of the technologies of satellite weaponry and satellite reconnaissance and sensing.

These products are being sold now commercially and are being purchased around the world. The sensing and reconnaissance space-based technologies will have proliferated by the time we may be faced by an adversary, which will require that we have some capability to counter it.

If we do not continue to do the research on this kind of a program, we will be denied that capability when the time comes.

China, France, Italy, Spain, and Israel have satellite reconnaissance capability, in addition, of course, to Russia and China. India, Japan, North Korea, and other countries are moving toward developing such a capability.

As the reconnaissance and space-based technology spreads with the sale or lease to Third World countries of satellites over time, the satellites will obviously spread as well.

The funds recommended by the committee for the tactical antisatellite program would provide the United States with a contingency capability. That is all we are talking about. That would enable the United States, if necessary, to influence the use of these technologies in a conflict and to prevent the misuse or denial of space systems and access to space by the United States.

During the Persian Gulf war, the U.S. and its coalition allies had almost total domination of space and used unprecedented space-dependent military capabilities to achieve victory. Preventing the misuse or denial of space systems and access to space is vital to United States national security.

The history of the space advantage enjoyed by the United States and its coalition allies I hope will not be forgotten. Future adversaries such as a rogue nation with access to a nuclear weapon or, for that matter, a ballistic missile with a conventional payload could use space to generate a theater atmospheric disturbance, electromagnetic pulse, disrupt signal propagation and, frankly, destroy much of our military communications system.

We have to have a hedge against potential adversaries from misusing space and causing great harm to our satellites and our critical intelligence sensors. This $30 million in the defense bill for the tactical antisatellite contingency capability is that hedge.

So it is critical that we support the Armed Services Committee and the committee's position on this by tabling the Harkin amendment.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. How much time remains?

The PRESIDING OFFICER. The Senator has 2 minutes and 32 seconds, and the Senator from Alaska has 32 seconds.

Mr. HARKIN. Mr. President, I will respond to my friend from Arizona again by saying first of all that the Army tried to handle this weapon several years ago. The Pentagon did not even want it during the Bush administration. The Clinton administration zeroed it out. Nobody thinks there is any necessity for this.

My friend from Arizona cannot name one rogue nation that even has a satellite, let alone the means to get it up there and keep it in orbit. No one has even the remotest possibility of doing this right now, No. 1.

Second, it is much cheaper to jam them electronically than it is to build an antisatellite weapons system and go up there and blast it out of space. We have technology right now to jam any satellite and electronically blind any of those satellites that are there. So it is much cheaper. We already have that technology.

Third, yes, I respond to my friend from Arizona by saying we have to do whatever we can to keep antisatellite weapons from outer space. I do not care who uses it. Even if we were to use them in the future, it would deny us accessibility to space.

The Senator from Arizona said to use that argument is like saying we should not bomb Baghdad, an enemy stronghold, because there would be rubble there. But that would not deny us access to a city or to an area because it all falls to the ground. But in outer space, with this junk orbiting for hundreds of years, it denies us that access to space. So while it might blast that satellite out, it also keeps us from using that availability in space either for military purposes or for domestic purposes.

So I just think this is $30 million that we ought to save for the taxpayers.

I yield the remainder of my time.

Mr. STEVENS. I yield back our time.

The PRESIDING OFFICER. All time is yielded back.

Mr. STEVENS. I move to table the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, I ask that this amendment be set aside and that we proceed to vote on the first amendment, the Wellstone amendment, to reduce the proliferation level by $3.2 million.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. The motion to table has already been made, and the yeas and nays have been ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Mr. WELLSTONE. Mr. President, I might ask the Senator from Alaska, I thought we would have 2 minutes. Is that correct?

Mr. STEVENS. That is correct. The Senator is entitled to his 2 minutes, if he asks for it.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 2 minutes.

Mr. WELLSTONE. I thank the Chair.

Mr. President, I say to my colleagues that back in May we had a vote that was an amendment to raise the DOD appropriations above the administration's request. That amendment was voted down 60 to 40, a bipartisan vote. Then, a week ago we had a Kohl-Grassley amendment on the authorization bill which essentially eliminated the $7 billion, which was over the administration's request. That was the amendment. That amendment was defeated. So there were effectively 48 votes for the Kohl-Grassley amendment.

What I have done is pegged the $6.4 billion in this appropriations bill over the administration's request, over the Chairman of Joint Chiefs of Staff, over the Pentagon's request, and I have just simply cut this in half.

So this amendment just says the Senators who have voted for this before, really a reduction, $3.2 billion from the $6.4 billion over what the administration requested, and this $3.2 billion would be used solely for deficit reduction.

Mr. President, as my colleague from North Dakota said, we do not need to spend money we do not have for things we do not need. And if we are going to be serious about deficit reduction, $3.2 billion of the $6.4 billion over budget request is not too much to ask.

This is on behalf of myself, Senators FEINGOLD, HARKIN, SIMON, BUMPERS, and DORGAN.

Mr. STEVENS. Mr. President, regardless of what has been said, of the four bills pertaining to defense, this has the least spending, I regret to say.

I have moved to table.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired. The question is on agreeing to the motion to table the Wellstone amendment 2404. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 56, nays 42, as follows:

[Rollcall Vote No. 389 Leg.]

YEAS—56

Abraham
Ashcroft
Bennett
Bond
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Frist
Gorton
Gramm
Grams
Gregg
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—42

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Brown
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Grassley
Harkin
Hatfield
Hollings
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—2

Bradley
Mack

The motion to table the amendment (No. 2404) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2403

Mr. STEVENS. Mr. President, the next amendment is a Bingaman amendment. Once again, the Senator from New Mexico has 2 minutes to explain this amendment.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, this is a very straightforward amendment to cut $90 million from the bill. This was added to fund three antiarmor munitions. There is $20 million for the TOW 2B antiarmor missile, $40 million for the Hellfire II, and $30 million for the CBU-87 combined-effect munitions bomb.

These three munitions have one thing in common, Mr. President. That is: There was no money requested for them in this 1996 defense budget; there was no money requested for them in any of the next 6 years or any time, to our knowledge. The inspector general has issued a report and sent us a letter indicating that they are not needed; and they are excess.

Let me read one short paragraph from the report. It says:

> Based on . . . the requirements data, the Army and Air Force inventories of TOW 2B's missiles and CBU-87 bombs significantly exceed the amounts of those two munitions that the services project they would use in two major regional contingencies.

The same thing is said down here about the Hellfire II.

Mr. President, this is a very clear choice. People are choosing between the taxpayers of the country and a few defense contractors. There is no need for these weapons.

In some of the earlier amendments we have dealt with, the argument has been made that maybe they are not asked for next year, but sometime, 5, 6 years from now, the Department would like to have them. These are not requested at any time. They are excess. We do not need them. We have enough. If there has ever been an amendment where people have a clear choice between the taxpayer and a few defense contractors, this is the amendment. I hope the Senate will not table this amendment and will vote to save this $90 million.

I yield the floor, Mr. President.

Mr. STEVENS. Mr. President, these are the three most effective munitions. The Chiefs of Staff, when they met with us, put these munitions as their top priority. This is funding a specific authorization in the authorization bill which we will approve in September.

I already moved to table and have asked for the yeas and nays.

I yield back the remainder of my time.

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on agreeing to the motion to lay on the table the amendment No. 2403. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER (Mr. SANTORUM). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 59, nays 39, as follows:

[Rollcall Vote No. 390 Leg.]

YEAS—59

Abraham
Ashcroft
Bennett
Bond
Breaux
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran

Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Feinstein
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Johnston
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Rockefeller
Roth
Santorum
Shelby
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—39

Akaka
Baucus
Biden
Bingaman
Boxer
Bryan
Bumpers
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Ford
Glenn
Graham
Harkin
Hatfield
Jeffords
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Sarbanes
Simon
Snowe
Wellstone

NOT VOTING—2

Bradley
Mack

So the motion to lay on the table the amendment (No. 2403) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, we are going to the Harkin amendment. The Senator has 2 minutes to explain his amendment. It is an amendment to strike the theater missile defense money.

The Senator has his 2 minutes on this amendment.

AMENDMENT NO. 2401

The PRESIDING OFFICER. The pending question is amendment 2401 offered by the Senator from Iowa.

Mr. HARKIN. Mr. President, I understand I have 2 minutes, is that right?

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. HARKIN. I thank the Chair.

Mr. President, this is a $70 million add-on by the committee for the space-based laser. This is the old star wars program. It goes back 10 years or more.

We thought we had kind of killed this snake some time ago. Now it is back again. Basically, this is to build this big mirror in space with a laser, a chemical laser.

Quite frankly, it violates the ABM Treaty. Article 5 of the ABM Treaty states specifically that we will not build space-based weapons systems, and that is exactly what this is.

Second, it is not cost-effective. There are other ways of thwarting any other kind of missiles or nuclear warheads coming into this country. Most of the rogue nations we know about now would not build a ballistic missile. They would smuggle it in. They bring it in on a submarine or something else like that rather than building a big intercontinental ballistic missile.

Third, this laser can be countered by the very coating they are now putting on the mirror which they can put on the missiles themselves.

It is basically to save $70 million for the taxpayers of this country and to make us still compliant with the ABM Treaty.

Mr. STEVENS. I believe Senator KYL will respond for 1 minute.

Mr. KYL. Mr. President, this is an important program. According to the GAO, the space-based laser program has met every technical milestone. No one has criticized it on technical grounds.

The Senator from Iowa has asserted it is a violation of the ABM Treaty. That is not accurate. The ABM Treaty does not prohibit research. That is what this is. This is a research program, nowhere near deployment. In fact, it may never be deployed.

It is important for our country to have a very highly leveraged, highly technical program such as this. This is the last of the directed energy programs, and it is the kind of program that we need to continue to do the research as a hedge against the kind of future threat that we may have to face. It is not a threat anywhere near deployment—only research money. I hope the motion to table is agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment numbered 2401.

Yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 57, nays 41, as follows:

[Rollcall Vote No. 391 Leg.]

YEAS—57

Abraham
Ashcroft
Bennett
Biden
Bond
Brown
Burns
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—41

Akaka
Baucus
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Chafee
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Harkin
Hatfield
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—2

Bradley
Mack

So the motion to lay on the table the amendment (No. 2401) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, will the Senate be in order?

The PRESIDING OFFICER. The Senate will please be in order. The Senator from Alaska.

Mr. STEVENS. Mr. President, we are about ready to have the last vote of the evening. The Harkin amendment is next. We will have our first vote tomorrow morning at 9:30. We anticipate four to five votes at the most tomorrow morning. We have a series of amendments we are going to take this evening, and we believe the amendments that will be left for short debate and vote will be four to five amendments at most.

The Senator from Iowa has 2 minutes on his amendment, if he wishes to use it at this time?

The PRESIDING OFFICER. The Senator from Iowa is recognized for 2 minutes.

AMENDMENT NO. 2402

Mr. HARKIN. Mr. President, this is an amendment to, again, strike the $30 million. We could not get the $70 million out. There were 41 votes on this. This is $30 million out of the space-based laser. This is $30 million the Pentagon did not want. No one wanted it. It was added on in committee for an antisatellite weapons testing.

Again, this is something this body has voted against in the past. It was not requested by the Pentagon. Three things:

First, we know what will happen if we use antisatellite weapons to shoot down satellites. It will put a lot of space junk into orbit.

Second, there is a cheaper and more effective way and that is by jamming electronically any satellites that are put up there to spy. We can do that and do it a lot cheaper than building an antisatellite weapons system to shoot them down.

Third, there is not any nation out there today that has a satellite—whose satellite are we going to shoot down? No country, whether it is North Korea, Iraq, Iran, or any other country has a satellite, let alone the delivery systems to get them in orbit. Our intelligence community recognizes no threat of any nation like that having that capability in the foreseeable future.

It is $30 million. It is not needed. We voted this down in the past. Let us save our taxpayers at least $30 million and save this money from research on the antisatellite weapons.

Mr. STEVENS. The Senator will yield to the Senator from New Hampshire for 2 minutes.

The PRESIDING OFFICER. The Senator from New Hampshire is recognized for 2 minutes.

This is the final 2 minutes before the vote. The Senate will please come to order. The Senator from New Hampshire.

Mr. SMITH. Mr. President, I thank the Senator from Alaska for yielding me this time.

Numerous potentially hostile nations now do have indigenous satellite capabilities, contrary to what has been said. Adversaries can use space assets for intelligence, communication, navigation, weather and, yes, targeting.

U.S. military commanders, including General Horner, the man who ran the air campaign in Desert Storm, have stated unequivocally ASAT capability is essential to protect our forces in the field. It is a contingency capability. And to say on the floor of the U.S. Senate we should not use ASAT technology because it is going to create space debris is simply incorrect. It does not create space debris. It disables the satellite. It does not blow it up. That is simply wrong, I say to the Senator from Iowa. It is totally wrong to make that kind of representation on the floor of the Senate.

Beyond a shadow of a doubt, we have demonstrated in Desert Storm that space will forever be an asset that is essential in military warfare. We have to preserve it. This program is essential to preserving the security of our forces and to say we would expose our forces, for the sake of not creating space debris—which it does not create in the first place—is really remarkable, that such a statement would be made.

That is exactly why the kinetic energy ASAT program is so important. It is the capability to enable us to literally blind our adversaries, protect our troops, and ensure we can decisively prevail in future conflicts.

I urge my colleagues to please pay very careful attention to what they are doing and please table this amendment.

The PRESIDING OFFICER. The question occurs on the motion to table amendment No. 2402.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 57, nays 41, as follows:

[Rollcall Vote No. 392 Leg.]

YEAS—57

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—41

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Harkin
Hatfield
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—2

Bradley
Mack

So the motion to lay on the table the amendment (No. 2402) was agreed to.

Mr. BROWN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2391, WITHDRAWN

Mr. BROWN. Mr. President, the amendment that I had offered in the Chamber earlier, the NATO Participation Act, sent a strong signal of this Nation of the determination to make sure that the countries of Central Europe that want to be free, that want to stand beside us, and that want to revitalize their economy along a free and democratic line have an extended helping hand in the United States and of comradeship in terms of mutual defense. Those countries bring to NATO an enormous potential in terms of additional protection from the North Atlantic.

We have incorporated a number of amendments which I believe have strengthened the measure. There have been other thoughtful suggestions made by other Members in this Chamber and requests from the very distinguished senior Senator from Georgia. He has some excellent ideas that he wants to add to it, and has some thoughts that are appropriate to enter into the debate.

So to accommodate his request, and I think the potential of improving the measure even further, it is my intention to have that measure considered by other appropriations subcommittees so that it may come before the Chamber at a later time allowing the Senator from Georgia and others who wish to make an issue to put into it to do that, and have time to prepare for that measure.

So, Mr. President, I am heartened by the very strong bipartisan support that the NATO Participation Act has. I believe it will have even stronger support when it comes to the floor on a future bill.

At this point, to accommodate those who wish to add that additional consideration, I will withdraw the amendment.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment.

So the amendment (No. 2391) was withdrawn.

AMENDMENT NO. 2421

Mr. STEVENS. Mr. President, it is our intention now to move to the amendments that were in the managers' package, to explain them and to make a record of why we are prepared to proceed with these amendments.

I call up amendment 2421.

The PRESIDING OFFICER. The question occurs on amendment 2421.

Mr. STEVENS. Mr. President, this amendment proposes to change section 8024 based on consultations with the Department of Defense regarding the procurement of M-11 9 millimeter handguns for naval aviators. In addition, this amendment proposes that the Armed Services be allowed to procure .38 and .45 caliber ammunition until such time as the services have converted to the 9 millimeter handgun.

I believe Senator INOUYE is in agreement with me that this is an amendment that we should accept. I ask for its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment?

The amendment (No. 2421) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2417

Mr. STEVENS. Mr. President, I call up amendment No. 2417 for Senator ABRAHAM.

The PRESIDING OFFICER. The question occurs on amendment No. 2417.

Mr. ABRAHAM. Mr. President, in further demonstration of our resolve to downsize the government and eliminate needless departments, agencies, commissions, boards, and councils, this amendment which I offer along with Senators INHOFE and GRAMS, will prohibit funding for the Defense Policy

Committee on Trade. This is the third such amendment offered by myself and the other GOP freshman Senators to the appropriations bills to eliminate unnecessary and wasteful functions of government.

The Defense Policy Advisory Committee on Trade was established under the Trade Act of 1974 to serve both the Department of Defense and the Office of the U.S. Trade Representative by providing the Secretary and Trade Representative with policy advice and information regarding defense trade policy issues and domestic industrial base uses, specifically with regards to prohibitions on the transfer of dual-use technologies to the Soviet Union and its former client states. The thirty-five member committee meets twice each year. The committee received an estimated $4,405 in 1994.

The Office of Management and Budget has proposed repealing Section 3151(c) of the National Defense Authorization Act of 1991, P.L. 101-510, which authorized the technical committee. The committee's report was provided to Congress on October 7, 1991, thereby terminating the responsibilities of the committee. This committee is a Cold War anachronism and is no longer applicable to our national security needs. Furthermore, the issues of arms control, disarmament, and dual-use technology have changed markedly since the establishment of this committee, and the thrust of verification techniques no longer is directed toward mutually verifiable procedures.

This amendment promotes the type of reform which is supported by the GAO, the CBO, and in some cases the President. It terminates funding for a committee, the job of which is complete. While it may not achieve savings in the millions of dollars, it is an important step in complying with the demands of the American people who told us on November 8, 1994, to balance the budget and cut the size of the Government. It is important that we demonstrate that resolve by reviewing even the most insignificant or inexpensive programs as well as the more prominent ones. Let us show the public we are serious and eliminate this useless panel.

Mr. President, I yield the floor.

Mr. STEVENS. This is an amendment that is offered to eliminate needless departments, agencies, reports and commissions. It deals with the Defense Policy Committee on Trade. This amendment would eliminate that advisory committee.

I am prepared to recommend adoption of the amendment.

Mr. INOUYE. No objection.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2417) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ANTITANK AMMUNITION

Mr. GRAMS. Will the Chairman yield?

Mr. STEVENS. I yield to my friend, the Senator from Minnesota.

Mr. GRAMS. I congratulate the Chairman on the efforts of the Defense Appropriations Subcommittee which the Senator chairs, and those of the Armed Services Committee, in addressing the problems caused by inadequate funding of ammunition programs. Correcting the current shortages in modern, preferred munitions is key to ensuring military readiness.

Mr. STEVENS. I thank the Senator, and I agree that these shortages must be corrected.

Mr. GRAMS. There is one shortage in a modern, preferred munition used by our M1 tanks—the M830A1 high-explosive anti-tank round—which is not addressed in your bill. Although the budgets of the Army and the Marine Corps contained no requests for this round because of overall funding constraints, the Armed Services Committee has authorized M830A1 for both Services.

Reports indicate that the total number of M830A1 rounds the Army has on hand and on order is approximately one-half of its actual inventory objective, and that absent continued funding our industrial capability to produce this kind of modern tank ammunition will rapidly disappear. If that happens, filling the other half of the inventory at some point in the future will take much longer, be much more difficult, and cost much more than continuing production now at a modest level. Given this, I have strongly urged the Senate to consider funding for the M830A1, and I continue to do so.

I am sure that these issues are know to the Chairman, and I also recognize the difficult task he faced in prioritizing many vital but unbudgeted programs. It would appear that a conference with the House of Representatives on the defense appropriations bill ies well in the future. In the interim, new information or changed circumstances may develop which may warrant assigning a higher priority to funding for the M830A1.

Mr. STEVENS. That is a possibility.

Mr. GRAMS. I ask that the Chairman remain open to that possibility, and that reconsideration in conference of funding for the M830A1 remain an option.

Mr. STEVENS. Should circumstances at the time warrant, such reconsideration will be an option.

Mr. GRAMS. I thank the chairman.

MARITIME PATROL AIRCRAFT FORCE

Mr. COHEN. I would like to engage the distinguished chairman of the Appropriations Subcommittee on Defense regarding our Maritime Patrol Aircraft [MPA] force. As my colleague knows, the P-3 squadrons which comprise our Maritime Patrol force make an invaluable contribution to anti-submarine warfare missions.

Mr. STEVENS. I am fully aware of the role our P-3 aircraft play in our national security and I would be happy to engage the senior Senator from Maine in a colloquy regarding this issue.

Mr. COHEN. I am very concerned about the loss in operational capability of our Maritime Patrol Aircraft force. The services of P-3 squadrons are historically in very high demand by the unified commanders. In recent years, that demand has increased dramatically as the ability of the P-3 aircraft to carry out littoral warfare missions has become more apparent. Simultaneously, however, budget pressures have forced the Navy to cut P-3 force structure in its budget request. The current maritime patrol aircraft force structure consists of 22 squadrons, 13 active and 9 reserve squadrons. The Navy has reduced the number of active and reserve P-3 squadrons from 24 active squadrons in 1990 to 13 active and 9 reserve in 1994. The fiscal year 1996 budget request would support Navy plans to reduce MPA force structure to 20 squadrons, 12 active and 8 reserve squadrons.

There is strong justification for maintaining no less than 13 active and 9 reserve squadrons. The Unified Commanders need to maintain at least 22 squadrons. In a letter dated February 4, 1995, Navy Secretary Dalton informed the Senate Armed Services Committee that, "at the proposed fiscal year 1996 MPA aircraft force levels, it is not possible to meet the unified commanders' minimum maritime patrol forward presence requirement of 40 aircraft with only active Maritime Patrol Aircraft assets." It is expected that the Unified Commanders' minimum MPA requirements will be met in 1999.

Mr. STEVENS. I understand that the Senate Armed Services Committee recognized the contribution the P-3's make in meeting our maritime patrol mission.

Mr. COHEN. That is correct. The Armed Services Committee also recognized that Maritime Patrol Aircraft are ideally suited to meet a variety of mission requirements for littoral operations very effectively and efficiently and authorized an additional $35 million to sustain the MPA force structure at 13 active and 9 reserve squadrons in fiscal year 1996. The Secretary of the Navy, the Chief of Naval Operations, and the Unified Commanders have all expressed their support for the action taken by the Senate Armed Services Committee.

Mr. STEVENS. I assure that I share his concerns and intend to raise this issue in the Joint House/Senate Appropriations Conference.

Mr. COHEN. I thank the chairman of the Appropriation's Subcommittee on Defense.

AMENDMENT NO. 2412

Mr. STEVENS. Mr. President, I now call up amendment 2412. I ask the Senator from Hawaii if he wishes to present this amendment.

The PRESIDING OFFICER. The question occurs on amendment No. 2412.

The Senator from Hawaii.

Mr. INOUYE. Mr. President, this amendment denies pay and allowances for military prisoners and provides authority for the Department of Defense to provide for their dependents.

We have discussed this matter. There are no objections.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2412) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2420

Mr. STEVENS. Mr. President, I call up amendment 2420 for Mr. LUGAR.

The PRESIDING OFFICER. The question occurs on amendment No. 2420.

Mr. STEVENS. Mr. President, on behalf of the committee, we recommend that funds in relation to the procurement of ammunition for the Army be withheld unless the acquisition fully complies with the Competition and Contracting Act.

This is the effect of this amendment. I ask for adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If no, the question is on agreeing to the amendment.

The amendment (No. 2420) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2413

Mr. STEVENS. Mr. President, we now call up amendment 2413. I ask the Senator from Hawaii if he would like to explain this for Mr. FEINGOLD.

Mr. INOUYE. Mr. President, this is an amendment to eliminate the Project ELF.

Mr. STEVENS. This is an amendment which was accepted on the authorization bill, and we accept it on this bill.

PROJECT ELF

Mr. FEINGOLD. Mr. President, This amendment, for myself and Senator KOHL, will terminate a military program in our own state. I understand the amendment will be accepted by the managers and I appreciate their cooperation on this matter. The amendment involves Project ELF, the Navy's Extremely Low Frequency communications project located in Clam Lake, Wisconsin, and Republic, Michigan. This is a program that is ineffective, out of date, and unwanted by most residents in my state, even though it does employ Wisconsinites.

The members of the Wisconsin delegation have fought hard for years to close down Project ELF; I have introduced legislation three times to terminate it; and I have recommended it for closure to the Defense Base Closure and Realignment Commission.

This time, I am offering an amendment which would limit funds appropriated in this bill to termination costs to mothball Project ELF. The Navy has estimated that it will cost $12.2 million to shut down and deactivate the ELF system.

For a Congress supposedly in hot pursuit of spending cuts, one would think Project ELF could be eliminated. Instead, as if it were some kind of pet project of a home state Senator, it lingers like a blot in our budget.

Description of ELF

Project ELF is a one-way, primitive messenger system designed to signal to—not communicate with—deeply submerged Trident submarines. It is a "bell ringer," a pricey "beeper" system, used to tell the submarine when to rise to the surface to get a more detailed message through real communications systems. It was designed at a time when the threat of detection to our submarines was real. But ELF was never developed to an effective capacity, and the demise of the Soviet threat has certainly rendered it unnecessary.

The concept of extremely low frequency was first introduced when submarines started going so far beneath the surface ordinary radios could not reach them. In its first incarnation, in the mid-1960's, Project ELF was Project Sanguine: an elaborate—and vulnerable—network of 6200 miles of cable and over 100 ELF transmitter towers spread over 40 percent of northern Wisconsin. It was abandoned when it proved too expensive, too susceptible, and too controversial in the community. Years later, after much debate, false starts, budget constrictions, and resident antagonism, Project ELF was whittled down to a total of 84 miles of cable and two transmitters over two states. It was hoped that once it was started, it could grow: a typical bureaucratic "let's-get-our-foot-in-the-door" program.

Strategic argument

But the project has had a hard time gaining momentum exactly because it is impractical. Even in its optimum construction, it has no nuclear survivability or dependability, and therefore little wartime efficacy.

In 1979, the General Accounting Office had recommended "that the Secretary of Defense terminate any plans to construct an extremely low frequency transmitter system * * * since it is not needed * * * [the system] enhances communications capability only marginally at best."

In 1980, the Navy agreed, stating that there was no threat that required the development of ELF. It was only in 1981, when Secretary of Defense Casper Weinberger overruled the Navy and declared that Project ELF should proceed.

It was a bad plan then, and an obsolete one today.

The Navy's recent brief on ELF also acknowledges that there is no current threat precipitating ELF's continuation: it says, "Even though our submarines are currently, to the best of our knowledge, virtually invulnerable to the present anti-submarine threat, the ELF system is a hedge against future developments by our potential enemies." That is, Mr. President, ELF is only operating in case of a future development, but not for current protection.

That is why my amendment provides for the mothballing of project ELF. For example, in the unlikely event that a threat emerges in 5 years, we could restart ELF, but have saved the $60 million plus in the interim in which it was unnecessary.

ELF is inefficient

In actuality, if ELF served a strategic purpose, this would not be a burdensome investment. But Project ELF does not serve such a strategic purpose. Even at its best, ELF has been a weapon in search of a mission at the right time—but that time has yet to come.

Health and environment

Finally, Mr. President, let me add a word about the health and environmental effects of ELF as well, because if you are a resident of northern Wisconsin, this is something which has been of concern. The Navy continues to insist that there are no environmental effect or health hazards associated with the electromagnetic fields ELF emits: it's just that after $25 million of study, there has been no conclusive evidence one way or the other. I certainly understand any fears the Wisconsin residents must have.

In fact, in 1984 a U.S. District Court, ruling on State of Wisconsin vs. Weinberger ordered Project ELF closed because the Navy paid inadequate attention to ELF's possible health effects and violated the National Environmental Policy Act. Interestingly, an appeals court threw out the ruling arguing that the national security threat from the Soviets at the time was more important. The premise of that ruling today is obviously outdated. It should be reconsidered in light of realities in 1995.

Conclusion

ELF is not worth any money because it doesn't have a mission.

If it is a first-strike weapon, then it is de-stabilizing and threatening, which hardly increases our security. If it is merely a communications system, it is inadequate. A weapon or a communications device designed to keep deeply submerged submarines submerged is no longer necessary. It is not protecting us against any capable enemy, but it is using money that could be.

As columnist Jack Anderson noted earlier this year, this is an exemple of a cut that the delegation wants the Congress to make. We are asking the Congress to take our program.

We came very close to it earlier this year with the rescissions bill. The Senate Appropriations Committee had recommended it for a cut, and the full Senate had agreed.

During conference, there seemed to be a concern that the Navy had come up with a newly invented "highly classified" justification for ELF. There appears to have been some confusion about this project and I have been told there is no new justification for ELF.

So, I would urge my colleagues to support this amendment, and fund ELF's termination this year, not its continuation.

Mr. KOHL. Mr. President, I am a cosponsor of this amendment to try yet again to cut a cold war relic located in Wisconsin: the Extremely Low Frequency or ELF system.

I thank my colleague from Alaska for his willingness to offer this amendment.

It is astonishing to me that we must continue to come forward to offer up this program for the chopping block. We are well aware that this may have a negative impact in our state, but we are willing to make the tough decision to eliminate a program we no longer need and can no longer afford.

If we truly want to reduce the deficit, we must start somewhere and make the necessary cuts.

As Senator FEINGOLD has detailed, ELF contributes little to our national security. All it can do is signal submarines to come to the surface, thus, it is not a particularly useful or effective communications system.

Even if one could make the case that it might have some strategic value down the road—something I sincerely doubt—it is such a cumbersome obvious system that it would be an easy target. I cannot support putting citizens of the region at risk for no good reason.

Earlier this year, the Senate passed a Defense supplemental bill which eliminated the ELF program. However, during the conference on the Defense supplemental, the Senate position to eliminate ELF was defeated. During the conference, the House brandished new and classified information from an eleventh hour Navy briefing that supposedly revealed that ELF is essential to our national security.

When the defense supplemental came back from conference, Senator FEINGOLD and I decided not to go forward with a planned amendment to cut the program and he sought this highly classified briefing by the Navy. To our surprise, the Navy said that it had no highly classified briefing on ELF. Perhaps there was some confusion, they said, and opponents of cutting ELF were confusing it with EHF?

Mr. President, the Navy has to do better than this. Last minute secret justifications for creaky low technology projects are just not enough to justify millions of dollars in spending. I am certain that my colleagues in the Senate will agree.

Our amendment mothballs the ELF system so that it could be started up again if necessary. We don't think it ever will be necessary, but this amendment should address the concerns of our colleagues who take a more cautious approach to these matters.

Mr. President, I urge the Senate to cut this program in our state of Wisconsin. It is not often that Senators try to kill a $12 million program in their own state, and I want to commend my colleague from Wisconsin, Senator FEINGOLD, for his work on this issue. The Senate has cut ELF before. I urge my colleagues to do so again.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 2413.

The amendment (No. 2413) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2419

Mr. STEVENS. Mr. President, I now call up amendment No. 2419 for Mr. MCCONNELL.

The PRESIDING OFFICER. The question occurs on amendment No. 2419.

Mr. STEVENS. The purpose of this amendment is to ensure that the General Accounting Office reports to the Congress on any proposed changes to the Department of Defense commissary access policy and address the financial impact of the commissaries as a result of any proposed policy changes.

We agree to accept the amendment. I ask for its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2419) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2411

Mr. STEVENS. I now call up amendment No. 2411.

The PRESIDING OFFICER. The question occurs on amendment 2411.

Mr. STEVENS. Mr. President, has the amendment been adopted?

The PRESIDING OFFICER. It has not.

Mr. STEVENS. We ask for adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2411) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ELECTRONIC COMBAT MASTER PLAN AMENDMENT

Mr. GRAHAM. Mr. President, my good friend and fellow Senator from Florida [Mr. MACK] and I would like to engage in a colloquy with the distinguished chairman regarding a matter of fiscal and military importance. In 1994, the House Armed Services Committee directed the Department of Defense to develop a master plan for future consolidations of DOD-wide electronic combat [EC] test and evaluation assets in the interest of reducing infrastructure costs. Unfortunately, to date, such a report has not been developed nor forwarded to Congress. The BRAC Commission, recognizing the delay by DOD to issue this report, recommended acceptance of the Air Force proposal to realign some of its electronic combat assets, and recommended that the master plan be used to establish the infrastructure for optimum asset utilization.

In fact, during the June deliberations of the BRAC Commission, this issue was carefully considered by the Commission. The Commission's analysis demonstrated that the move would "never net a return on investment," nor was it a part of a master plan to consolidate EC assets in a cost-effective manner. The Commission, in desiring to see a master plan developed, felt that by endorsing the Air Force proposal, they would prompt DOD to finally move ahead with the master plan.

Mr. President, during any discussion of downsizing and consolidation there is no disagreement regarding the fact that all such decisions must be made in an intelligent and cost-efficient fashion. It is my, and my fellow Florida colleague's hope that the early completion of the master plan will allow DOD and the Congress to proceed according to these considerations.

In that light, we would like to direct a few questions to the chairman to ensure that the committee's intent is clear with regards to the master plan and EC asset consolidation.

Mr. STEVENS. I would be happy to respond to the questions that my friends from Florida wish to ask.

Mr. GRAHAM. Is it the committee's desire to see that the master plan is completed so that the services can go forward with optimum and cost-efficient asset utilization?

Mr. STEVENS. The senior Senator from Florida is correct. The committee has long supported such planning which saves taxpayers' dollars. This is even more important in our current fiscal climate in which we struggle to meet our military requirements.

Mr. MACK. Mr. President, it is my understanding that no funds have been requested nor provided in fiscal year 1996 for the realignment of EC equipment. I ask, is this the chairman's understanding?

Mr. STEVENS. Yes, this is, in fact, the case. If a formal reprogramming request would be necessary, I would be pleased to work with the Senators from Florida at that time.

Mr. GRAHAM. Given the chairman's response, I ask that he send to the desk an amendment on my behalf, cosponsored by my colleague from Florida, which requires DOD to complete and submit to the congressional defense committees an EC master plan no later than March 31, 1996.

We thank the chairman for his cooperation, and look forward to working with him in the future on this matter.

RADIO COMMUNICATIONS SYSTEMS FOR THE LPD–17 CLASS

Mr. HOLLINGS. Mr. President, I would like to call to the attention of my distinguished colleague, the Chairman of the Defense Appropriations Subcommittee, Senator STEVENS, an issue that I know is of mutual interest.

I note that our colleagues in the other body have included in the House Defense Appropriations Bill, funding for a new class of Amphibious Transport Dock ships, the so called LPD–17 class of Amphibious ships. In our own deliberations, while recognizing the need for replacing the aging *Austin* class of such ships, other priorities, and allocation constraints did not allow us to fund this vessel.

Mr. STEVENS. Mr. President, my colleague is correct. While we recognize the need to modernize our amphibious capabilities by replacing the older LPD's now in service, funding constraints did not allow us to do that this year.

Mr. HOLLINGS. Mr. President, I have a related concern that I want to bring to my colleague's attention, should the conferees or any future deliberations determine that funding for the LPD–17 can be made available. As my colleagues may remember, the FY 93 Base Realignment and Closure Commission recommended, and the Congress approved, the consolidation of all Department of Navy in service engineering support for Command, Control and Ocean Surveillance systems at the Navy facility in Charleston, South Carolina. In reorganizing to carry out this action, the Navy has developed a mission statement for this facility in Charleston, called NISE–EAST, identifying it as the lead facility for all engineering, analysis, design, testing, installing, upgrading, and training support for all shore based, mobile, and afloat Navy communications systems. I want to insure that should the conferees, or any future deliberations result in funding being made available for the LPD–17, that the NISE-East facility in Charleston be designated as the appropriate facility to perform in service engineering support for the radio communications systems associated with that class of vessels. Any attempt to divert that workloading elsewhere would be an unwarranted intrusion into internal workloading processes in the Navy, and would seriously undermine the Base Closure and Realignment process.

Mr. STEVENS. Mr. President, I believe my colleague from South Carolina has expressed an appropriate concern. All of us have a shared interest in insuring that our actions do not either directly or indirectly undermine the Base Closure process. While I cannot determine at this time if funding might be made available for the LPD–17, I will request that the Conferees endorse the Senator from South Carolina's proposal, if the Conference funds the LPD–17.

AMENDMENT NO. 2418

Mr. STEVENS. Mr. President, I now call up amendment No. 2418.

The PRESIDING OFFICER. The question occurs on amendment No. 2418.

Mr. STEVENS. The committee provided $45,458,000 for the intercooled recouperative turbine, the ICR project, of the Advanced Surface Machinery Program. The funds were provided for development and testing of the ICR. This is an amendment for Senator SPECTER and Senator SANTORUM.

The PRESIDING OFFICER. Is there further debate? Without objection, the amendment is agreed to.

So the amendment (No. 2418) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2405

Mr. STEVENS. I call up amendment No. 2405.

The PRESIDING OFFICER. The question occurs on amendment No. 2405.

Mr. AKAKA. Mr. President, I rise today to offer an amendment to the Fiscal Year 1996 Department of Defense Appropriations Bill. My amendment requires the Secretary of Defense and the Secretary of the Army to review the need for the Selected Reserve Incentive Program (SRIP) for infantry reservists.

Due to the Army's agreement which placed all CONUS-based infantry units in the National Guard system, the famed 100th Battalion in Hawaii is the only remaining infantry unit in the Army Reserves. The 100th Battalion has been designated as a round-out unit—one of the units that constitutes the 29th Infantry Enhanced Brigade. As part of the enhanced brigade, the 100th Battalion is required to recruit and retain 125 percent of the required personnel end-strength. Currently, the 100th Battalion is 157 enlisted soldiers short of their required strength. The lack of the SRIP for reservists in the Career Management Field (CMF) 11 has contributed to this shortfall. As a result, the 100th Battalion has been placed at a disadvantage in competing for qualified personnel.

Mr. President, my amendment directs the Secretary of Defense and the Secretary of the Army to review this situation to ensure that the only infantry reserve unit left in the Army Reserves is treated fairly. I appreciate the support of the managers of this bill, Senator STEVENS and Senator INOUYE, and their staffs, particularly Mr. Charlie Houy and Ms. Sid Ashworth, for their assistance.

Mr. INOUYE. I ask unanimous consent that this amendment be adopted.

The PRESIDING OFFICER. Is there further debate on the amendment?

I not, without objection, the amendment is agreed to.

So the amendment (No. 2405) was agreed to.

Mr. STEVENS. I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2414

Mr. STEVENS. I call up amendment 2414.

This is an amendment for Senator INOUYE and Senator DOMENICI dealing with the strategic targeting system.

Does the Senator wish to explain?

Mr. INOUYE. I have an explanation.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. This has been approved.

Mr. STEVENS. It provides $10 million, the budget request amount, for the strategic target system program, known as Stars. The amendment directs that these funds are available only to continue the Stars program. The Stars program can provide critical test support to theater and national missile defense programs. The committee endorses continuation of this important program.

I ask for the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the amendment is agreed to.

So this amendment (No. 2414) was agreed to.

Mr. STEVENS. I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2409

Mr. STEVENS. I call up amendment No. 2409 for Mr. PRYOR.

Mr. INOUYE. I this is an amendment to eliminate an obstacle to the quick redevelopment of closing military bases.

Mr. PRYOR. Mr. President, I rise to offer an amendment to help eliminate a current obstacle to the quick redevelopment of closing military bases.

My amendment will give the military services greater flexibility to negotiate longer interim leases for the reuse of base property where the military is preparing for its departure. It will do so in a responsible way that does not eliminate vital environmental safeguards.

This amendment will hopefully solve many interim leasing problems that are occurring at closing bases nationwide.

At Eaker Air Force Base in Blytheville, Arkansas, Cotton Growers Inc. approached the local redevelopment authority about storing cotton in an old B-52 hanger until cotton prices improved. Upon learning from the Air Force that they could receive only a one year lease with a 30-day cancellation clause, Cotton Growers Inc. decided not to locate at Eaker.

At Alameda Naval base in Alameda, California, AEG Transportation is seeking a ten year lease to obtain use of base property to refurbish rail cars for the San Francisco-based BART public transit company. The BART contract is for 10 years, and AEG desires a 10-year commitment before spending millions of dollars on capital improvements to Alameda property. Unfortunately, the Department of the Navy is thus far unwilling to enter into a lease agreement longer than 5 years. This stalemate could result in the loss of an attractive tenant for Alameda.

The military services have informed my office that the inability to offer longer interim leases is due primarily to their fear of a lawsuit over requirements from the National Environmental Protection Act of 1969, the so-called NEPA. This amendment attempts to address this problem without degrading the environment or fully exempting interim leases from NEPA.

I ask unanimous consent that a summary of this amendment be placed in the RECORD immediately following my remarks.

In recent years, Congress and the Clinton Administration have made substantial progress in removing the obstacles that have blocked past efforts to redevelop bases. This amendment will help remove yet another barrier.

It will give the military services greater flexibility to negotiate with interested tenants. It also ensures that our effort to create jobs and economic activity on base does not come at the expense of the environment.

I thank the distinguished chairman and the ranking member for accepting this amendment.

I also thank the Department of Defense, the Departments of Army, Navy and Air Force, the Council on Environmental Quality, the Environmental Protection Agency, Senators CHAFEE, BAUCUS, LAUTENBERG, and BOXER from the Senate Environment and Public Works Committee and Senators NUNN and THURMOND from the Senate Armed Services Committee who contributed greatly to the adoption of this amendment.

Mr. President, I yield the floor.

Mr. STEVENS. I ask for the adoption of the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2409) was agreed to.

Mr. STEVENS. I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2416

Mr. STEVENS. Mr. President, I call up amendment No. 2416.

The PRESIDING OFFICER. The question occurs on amendment No. 2416.

Mr. STEVENS. Mr. President, this was offered by Senator WARNER, for himself, Senator LIEBERMAN, Senator DODD, and Senator ROBB, to ensure essential elements of a nuclear attack submarine agreement, which was included in the defense authorization bill, are included in this appropriations bill.

They have offered this amendment to ensure fair, equitable treatment and maintenance of both nuclear-capable shipyards.

I ask for the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

So the amendment (No. 2416) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2415

Mr. STEVENS. Mr. President, I ask for consideration now of amendment No. 2415.

The PRESIDING OFFICER. The question occurs on amendment No. 2415.

Mr. INOUYE. Mr. President, this amendment appeared in the authorization bill. There is no opposition.

Mr. STEVENS. Mr. President, this is a zero sum transfer of $40 million from O&M, defensewide, to the humanitarian assistance program. This amendment would provide a total of $60 million for humanitarian assistance in the bill and subject to conference.

The PRESIDING OFFICER. Is there further debate? If not, without objection, the amendment is agreed to.

So the amendment (No. 2415) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2397

Mr. STEVENS. Mr. President, I now call up amendment No. 2397.

The PRESIDING OFFICER. The question occurs on amendment No. 2397.

Mr. STEVENS. Mr. President, this is the amendment that was offered by Senator SIMON, for himself and Mr. BUMPERS, to modify the loan guarantee provision which was previously subject to debate.

This amendment requires that the exposure fees charged and collected by the Secretary of Defense for each defense export loan guarantee be paid by the country involved and not be financed as part of the guaranteed loan on the part of the United States.

We are prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, without objection, the amendment is agreed to.

So the amendment (No. 2397) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2407

Mr. STEVENS. Mr. President, I call up amendment No. 2407 for Senator KYL.

The PRESIDING OFFICER. The question occurs on amendment No. 2407.

Mr. STEVENS. Mr. President, this amendment fences all but $52 million of the funds provided for the former Soviet Union threat reduction, which was $365 million, until three conditions are certified by the President as having been met:

First, United States-Russia completed joint LAB study regarding Russian proposal to neutralize CW and United States agrees with proposal;

Second, Russia has prepared plan to manage dismantlement-destructions of Russia CW stockpile;

Third, United States-Russia committed to resolving outstanding issues regarding 1989 Wyoming MOU and 1990 bilateral destruction agreement.

AMENDMENT NO. 2407, AS MODIFIED

Mr. STEVENS. Mr. President, I send to the desk a modification of the amendment.

The PRESIDING OFFICER. The Senator has a right to modify the amendment.

The amendment, as modified, is as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.

(a) LIMITATIONS.—Of the funds available under title II under the heading "FORMER SOVIET UNION THREAT REDUCTION" for dismantlement and destruction of chemical weapons, not more than $52,000,000 may be obligated or expended for that purpose until the President certifies to Congress the following:

(1) That the United States and Russia have completed a joint laboratory study evaluating the proposal of Russia to neutralize its chemical weapons and the United States agrees with the proposal.

(2) That Russia is in the process of preparing, with the assistance of the United States as necessary, a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(3) That the United States and Russia are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(b) DEFINITIONS.—In this section:

(1) The term "1989 Wyoming Memorandum of Understanding" means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

(2) The term "1990 Bilateral Destruction Agreement" means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and non-production of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed on June 1, 1990.

Mr. STEVENS. I ask for the adoption of the amendment.

Mr. INOUYE. No objection.

Mr. STEVENS. This was cleared personally by me with Senator NUNN and Senator KYL.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, without objection, the amendment, as modified, is agreed to.

So the amendment (No. 2407), as modified, was agreed to.

The PRESIDING OFFICER. Does the Senator wish to reconsider the vote?

Mr. INOUYE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2406

Mr. INOUYE. Mr. President, I call up amendment No. 2406.

The PRESIDING OFFICER. The question occurs on amendment No. 2406.

Mr. AKAKA. Mr. President, my amendment to the Defense appropriations bill is similar to a sense of the Senate resolution I introduced last month regarding France's decision to conduct a series of eight underground nuclear explosions in the South Pacific. This action by France is in contravention of the current international moratorium on nuclear testing. The amendment I offer today expresses the sense of the Senate that the Republic of France should abide by the current international moratorium on underground nuclear testing.

I am offering this amendment to S. 1087 because I believe it is imperative that the Senate go on record on this issue before the August recess. News reports over the past few days indicate that France has readied four of the eight nuclear devices to be exploded in the Pacific, and it is likely that the first device will be detonated later this month.

My original resolution, Senate Resolution 149, is cosponsored by Senators INOUYE, KERRY, JEFFORDS, FEINSTEIN, LEVIN, SIMON, HARKIN, LEAHY, LAUTENBERG, MOSELEY-BRAUN, KASSEBAUM, BUMPERS, EXON, BINGAMAN, DASCHLE, THOMAS, MURRAY, WELLSTONE, STEVENS, HATFIELD, and GRAHAM. I am grateful for the positive response I have received in a short period of time from so many of my colleagues.

I would like to thank the distinguished chairman and ranking member of the Defense Appropriations Subcommittee for their courtesy in entertaining this amendment. I would note that they are both cosponsors of Senate Resolution 149, and I appreciate their support on this issue. I would also like to acknowledge the Members of the other body who have taken the lead on this issue, including Congressmen ENI FALEOMAVAEGA, BEN GILMAN, chairman of the International Relations Committee, Congressman ED MARKEY, and Congressman JIM LEACH.

To briefly review events, on June 13, 1995, French President Jacques Chirac announced that the Republic of France planned to resume nuclear testing in the South Pacific. A series of eight underground tests are planned, ending in May, 1996, at Mururoa Atoll in French Polynesia.

Following the French announcement, I contacted the White House to urge President Clinton to convey the concerns of the United States and the Pacific island nations to France over its resumption of nuclear testing. We in the Pacific, more than any other region in the world, know the ramifications of nuclear testing. We only have to look at what happened to Bikini, Enewetak, or Rongelap Atolls in the Marshall Islands to understand the long-term damage to humans and the environment that can occur as a result of nuclear testing.

Earlier last week, the 19-nation ASEAN Regional Forum, which includes the United States as a dialogue partner, called for an immediate end to nuclear testing during its security conference in Brunei. The governments of Australia, New Zealand, Japan, and other Asian and Pacific rim nations have strongly condemned the resumption of nuclear testing. International protests by government, business, civic and community groups continue to accelerate and proliferate as the first testing date approaches. France is reaping the whirlwind of international indignation, extending far beyond the nations and people of the Pacific and Asia, for it decision. Governments and world opinion recognize how the continuation or resumption of nuclear testing jeopardizes international efforts to curb the proliferation of nuclear weapons.

Mr. President, this past May, the world's five declared nuclear powers—the United States, France, Russia, China, and Britain—persuaded all NPT-member nations to extend indefinitely the Treaty of Non-Proliferation of Nuclear Weapons, NPT. To win that consensus, the five countries promised to sign a Comprehensive Test Ban Treaty by the end of next year. Yet, less than 2 months after pledging to exercise utmost restraint, the French Government reneged on its commitment to the NPT.

The French decision to resume testing seriously undermines the credibility of the NPT and complicates international efforts to negotiate a comprehensive test ban treaty. The United States, recognizing that the benefit of nuclear testing is outweighed by the harm it would cause our leadership on nonproliferation issues, has extended our ban on testing through September 1996.

We cannot ignore the resumption of nuclear testing by France. By adopting this resolution, the Senate will strongly encourage France to abide by the current international moratorium on nuclear testing and refrain from proceeding with its announced intention of conducting a series of nuclear tests in advance of a Comprehensive Test Ban Treaty.

I urge the adoption of the amendment.

Mr. INOUYE. Mr. President, this has been cleared on both sides. There are no objections to this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, without objection, the amendment is agreed to.

So the amendment (No. 2406) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Are there any amendments we have dealt with that we have failed to reconsider?

The PRESIDING OFFICER. No.

Mr. STEVENS. Are there any amendments adopted today that were not reconsidered.

The PRESIDING OFFICER. No.

Mr. STEVENS. Are there any amendments voted on today that were not reconsidered?

The PRESIDING OFFICER. No.

LIFE SCIENCES EQUIPMENT LAB

Mr. DOLE. Mr. President, I thank my friend the chairman, Senator STEVENS for offering an amendment on my behalf. The amendment sets aside $500,000 for the Air Force's Life Sciences Equipment Lab.

The Lab is a unique facility within the Department of Defense, and is probably the only facility of its kind anywhere. Established in 1983, it meets three primary functions: (1) provide scientific support to aircraft mishap investigation boards; (2) train personnel in life sciences equipment investigation; and (3) process the everyday technical problems on such equipment, while also conducting related design work and test programs.

Additionally, the Lab has assisted Joint Task Force—Full Accounting (JTF–FA) as it endeavors to determine the status of air crew personnel in Southeast Asia, providing JTF–FA with technical support—involving research into the formal identification of suspected life sciences equipment; artifact analysis to indicated the survival outcome of individuals involved with the equipment; and technical training of personnel being assigned to JTF–FA, to familiarize them with Southeast Asia era equipment and how to conduct scientific investigations.

In short, Mr. President, this funding will help ensure the fullest possible accounting of those lost in Southeast Asia, while also ensuring the lab's continued attention to investigating military aircraft mishaps and ensuring the effectiveness of the equipment designed to help ensure the safety of our military's air crews.

I believe the amendment has been cleared by both sides, and I thank both Senator STEVENS and Senator INOUYE for their assistance in this matter.

B–52

Mr. CONRAD. Mr. President, I am very concerned about the national security implications of the Administration's decisions with regard to strategic bombers under the Nuclear Posture Review. The Nuclear Posture Review recommends retiring 28 B–52H bombers during the coming fiscal year. I believe it would be a serious mistake to unilaterally send a large number of dual capable bombers to the boneyard. B–52's provide combat-proven conventional capability and a credible nuclear deterrent—something no other weapon system can now match.

I understand that the Defense Appropriations Subcommittee was working under very tight budgetary constraints this year. Nonetheless, I am very concerned that the bill before us does not contain additional funding above the Administration's request to ensure that we maintain four combat squadrons of B–52's. At a time when bombers have become increasingly important to our conventional warfighting strategy, we need every bomber we have. A strong B–52 force helps us retain a ready defense that can quickly project power around an increasingly uncertain world, and has been vigorously supported by senior military officers.

It is my understanding that the House bill contains an additional $180 million to meet B–52 mission requirements. Consequently, I expect that this issue will be addressed in conference. I know my friend from Hawaii, the distinguished ranking member of the subcommittee, shares my view that a strong bomber force is essential to our national security. I was wondering whether he would be willing to discuss his view of how funding for B–52's should be resolved in the conference?

Mr. INOUYE. I thank the Senator from North Dakota for his remarks on this important issue. I want to assure him that I continue to support a strong bomber force. A strong bomber force is vital in today's world, and we should not unnecessarily give up the highly cost-effective combat capability of our B–52 force. As the Senator for North Dakota noted, the subcommittee this year was working under tight budgetary restrictions and was unable to provide funding in the Senate bill for additional B–52's. I am pleased that the House was able to do so, and I can assure the Senator from North Dakota that I will work hard in conference to make sure that the final bill that goes to the President has sufficient funding to maintain a highly capable B–52 bomber force which can accomplish its assigned missions.

Mr. CONRAD. I thank the distinguished ranking member for that assurance.

Mr. DOMENICI. Mr. President, I rise in strong support of S. 1087, the 1996 Department of Defense appropriations bill.

I commend the distinguished chairman and ranking member for bringing the Senate a bill that meets the most critical needs of the U.S. military for the defense of our Nation.

The committee has achieved this significant accomplishment even though the Defense Subcommittee contributed additional defense spending authority to both the Energy and Water Development Appropriations Subcommittee, which I chair, and the Military Construction Subcommittee. These subcommittees also fund vital programs related to our national defense.

Mr. President, the Senate version of the Defense appropriations bill provides a total of $242.7 billion in budget authority and $163.6 billion in new outlays for the programs of the Department of Defense in fiscal year 1996.

When outlays from prior-year budget authority and other completed actions are taken into account, the Senate-reported Defense appropriations bill totals $242.7 billion in budget authority and $243.3 billion in outlays for fiscal year 1996.

The Senate bill is within its section 602(b) allocation for both budget authority and outlays. Any significant funding amendments would necessarily have to be offset with savings from within the bill.

Mr. President, I ask unanimous consent that a table showing the relationship of the pending bill to the subcommittee's 602(b) allocation pursuant to the 1996 budget resolution be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

DEFENSE SUBCOMMITTEE SPENDING TOTALS—SENATE-REPORTED BILL

[Fiscal year 1996, in millions]

	Budget Authority	Outlays
Defense discretionary:		
Outlays from prior-year BA and other actions completed	–$50	$79,678
S. 1087, as reported to the Senate	242,534	163,350
Scorekeeping adjustment	—	—
Subtotal defense discretionary	242,484	243,029
Nondefense discretionary:		
Outlays from prior-year BA and other actions completed	—	40
S. 1087, as reported to the Senate	—	—
Scorekeeping adjustment	—	—
Subtotal nondefense discretionary	—	40
Mandatory:		
Outlays from prior-year BA and other actions completed	—	—
S. 1087, as reported to the Senate	214	214
Adjustment to conform mandatory programs with budget resolution assumptions	0	0
Subtotal mandatory	214	214
Adjusted bill total	242,698	243,282
Senate Subcommittee 602(b) allocation:		
Defense discretionary	242,486	243,029
Nondefense discretionary	—	40
Violent crime reduction trust fund	—	—
Mandatory	214	214
Total allocation	242,700	243,283
Adjusted bill total compared to Senate Subcommittee 602(b) allocation:		
Defense discretionary	–2	–0
Nondefense discretionary	—	–0
Violent crime reduction trust fund	NA	NA
Mandatory	—	—
Total allocation	–2	–1

Note: Details may not add to totals due to rounding. Totals adjusted for consistency with current scorekeeping conventions.

Mr. DOMENICI. Mr. President, I thank the distinguished chairman and ranking member for their consideration of several important items that I brought to the subcommittee's attention.

I urge my colleagues to expedite action on this bill. I urge the Senate to adopt the bill.

FASA

Mr. JOHNSTON. Mr. President, last Congress we passed and the President signed into law the Federal Acquisition Standards Act, or FASA. That Act generally seeks to promote efficiencies and cost savings through competition in contracting services. It provides, among other things, that contracts for Advisory or Assistance Services above certain thresholds must have multiple awards. The theory was that a series of smaller contract awards would generally be more cost effective that one large contract.

At the same time, we recognized that not all contracts would benefit by multiple awards. This could result either because of the specialized subject matter of the contract itself, or because the nature of the contract indicates that a single award would be more efficient. For that reason, we put in place a specific provision for a waiver from the multiple contract award provision.

Mr. President, just last week, the Department of the Army issued its first solicitation for Contractor Advisory and Assistance Services since FASA was passed. This particular solicitation was for a series of support and integration services for the Chemical Weapons Demilitarization program. It would take the current integration and support contract and divide it into five component parts in an effort to comply with FASA.

The Chemical Weapons Demilitarization program has been slow to show progress since we first directed Disposal of those weapons in 1986. Nevertheless, progress is beginning to make itself apparent. Facility testing has begun at Tooele, UT, and the next facility at Anniston, AL is scheduled to begin construction in 1996.

Mr. President, disposing of our chemical weapons stockpile is a high-priority mission, and one which is very highly specialized. I question whether this particular mission lends itself to multiple integration contract awards. I am concerned that because this is the first contract to be let for Contractor Advisory and Assistance Services since FASA was passed, the Army might have felt compelled to call for multiple contract awards rather than seeking the exemption.

I would like to ask the distinguished bill managers whether they share my opinion that Chemical Weapons Demilitarization is precisely the kind of specialized contract which led to our including the exemption provisions in FASA.

Mr. STEVENS. I absolutely share the opinion of the Senator from Louisiana. As the Senator knows, the subcommittee indicated strong support for the Army's decision to transfer oversight responsibilities for this program to the Assistant Secretary for Research Development and Acquisition. Our specific interest in this transfer was the cost accounting and control which would be put in place by treating this program more as an acquisition program than as a construction program. However, Chemical Weapons Demilitarization is not an acquisition program in the traditional sense. Rather, it is a very highly specialized program which places a premium on integration and communication. By indicating our support for additional cost accounting and controls we by no mans meant to indicate that the FASA exemption from multiple contract awards was not available to the Army in this instance.

Mr. INOUYE. Mr. President, I share the opinion of the Senator from Alaska in response to the question from the Senator from Louisiana. The Chemical Weapons Demilitarization Program is a sequential construction program which depends very heavily on transmitting what is learned at one facility to the rest of those facilities in the complex. Program integration, environmental permitting, facility oversight and public outreach are all integral parts of that mission. Given that fact, the Army has every right to avail itself of the waiver provisions of FASA.

Mr. JOHNSTON. I take it that both of the distinguished managers of this bill agree with me that the Army should consider the waiver provisions of FASA as being completely available in the case of this particular contract award. Is it the intention of the managers to make that clear in the Statement of Managers which would accompany the Conference report on this legislation?

Mr. STEVENS. That would certainly be my intention.

Mr. INOUYE. It would be mine as well.

Mr. JOHNSTON. I thank the distinguished managers and yield the floor.

MARINE CORPS RESERVE END STRENGTH

Mr. DOMENICI. Mr. President, Senator HUTCHISON and I had intended to offer an amendment to add $12.8 million to the Marine Corps Reserve personnel end strength account. The Senate Defense Authorization bill includes authorization for this purpose. It is our understanding that a significant number of the 274 additional authorized personnel would be used to stand up two F/A18 squadrons in Texas and Georgia.

Last year, the Chairman assisted me by including report language that directed that the deactivation of the Marine Reserve jet squadrons be delayed until a formal review and report is received by the Committees on Appropriations. That report has not been received. Am I correct?

Mr. STEVENS. I assisted the Senator from New Mexico with this language and he is correct that we have not received a copy of the report.

Mrs. HUTCHISON. I understand that when the report is released it may say that rather than having two F/A18 squadrons, the Marine Corps Reserve is considering a squad with a different mix of Harriers, Cobras and Hueys. The problem is, Mr. President, there remains a question of funding the nearly $280 million necessary to implement this new mix.

Furthermore, I understand that even if they were able to find $280 million to pay for these aircraft, they still have not addressed the increased training costs that would be caused by basing these aircraft in North Carolina, as some have suggested.

When the F/A18 squadrons are activated they will be based in major metropolitan areas where the demographic pool for potential reservists is larger. Standing up two F/A18 squadrons in the Marine Corps Reserves achieves two objectives. First, it assures that Marine Expeditionary Forces have enough dedicated airborne firepower. Second, it achieves this necessary goal at the least cost possible.

Mr. DOMENICI. And for myself and Mrs. HUTCHISON, let me ask the Chairman—this is a very important issue to the Marine Corps Reserves and to us—would he join us in the conference on this bill in fully addressing this issue?

Mr. STEVENS. I appreciate the Senators' concerns and I will join them in the conference on this bill in addressing this issue.

STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM

Mr. LEVIN. Mr. President, I would like to engage the distinguished manager of the bill in a brief colloquy regarding the Strategic Environmental Research and Development Program [SERDP]. As he knows, these funds have been and continue to be used for investigating and demonstrating innovative environmental clean-up technologies. He may also know that the U.S. Army Corps of Engineers Research Laboratory [USACERL] has been a very active component of DOD's efforts in this area. Through USACERL's work, many of these private/public sector technologies are now available for commercialization, stimulating small company creation, economic development and environmental protection.

I would urge that the committee support continuation of USACERL's excellent work, particularly remediation activities at the army production plants.

Mr. STEVENS. I am aware of the application of innovative remediation technologies at numerous DOD sites throughout the country. I appreciate the Senator from Michigan's thoughtful comments on the Army Corps' work and bringing it to my attention.

Mr. LEVIN. Very briefly, I would like to provide the Senator from Alaska with two specific examples that demonstrate just how effective USACERL has been.

The first example is an innovative air control technology being implemented at the Lake City Army Ammunition Plant in Independence, MO. A full-scale demonstration biofilter is being installed that will reduce air emissions by more than 80 percent. This will allow the plant to double production and continue to emit less than its current air quality control requirements.

The second example is a manufactured wastewater treatment project at the Radford Army Ammunitions Plant in Radford, VA. This is a full-scale demonstration of granular activated carbon-fluidized scale demonstration of granular activated carbon-fluidized bed technology for treating DNT by-products in wastewater. This type of wastewater has proven resistant to any other type of treatment technology available today.

I hope the committee will continue to support the development of cost-effective technologies, such as these, for treating DOD wastes.

Mr. STEVENS. The technologies the Senator has mentioned sound promising. I commend DOD and USACERL for their work in this area and encourage the Department to continue such innovative work.

HISPANIC SERVING INSTITUTIONS

Mr. DOMENICI. Mr. President, I want to commend the Chairman for the leadership he has displayed in bringing the fiscal year 1996 Department of Defense appropriations bill to the floor. I particularly want to bring attention to the historically black colleges and universities and minority institutions program element.

Mr. STEVENS. I would say to my friend from New Mexico that I am familiar with the HBCU/MI program and the important contribution that these schools make to the research efforts and capabilities of the Department of Defense. The bill before us includes $14,800,000 to continue these activities in fiscal year 1996.

Mr. DOMENICI. I thank the Chairman. In addition to the language already included by the Committee, I would like to ask that your committee, during conference, include report language recognizing hispanic serving institutions' ability to make relevant contributions to Department of Defense missions. There are several hispanic academic centers for research and education that have developed exemplary programs related to science and technology.

With the hispanic population being the fastest growing minority population in the country, persons from this community undoubtedly will be called upon to provide the leadership and expertise needed for the next century. More importantly, hispanic serving institutions that are leading our nation's efforts to educate and train persons from this population can provide invaluable assistance and opportunities for advanced collaborations to meet these challenges. With this in mind, we need to send a strong signal to the Department to take advantage of the human and academic resources available at these institutions, and to provide resources needed for enhanced collaborations related to national security interests.

Mr. STEVENS. I know of the efforts underway at many of the hispanic serving institutions and agree with you in acknowledging the critical role they can play in helping the Department of Defense address emerging national security interests. I would ask that you share the recommended report language with me or my committee staff, and I will work to address this matter during the conference on this bill.

Mr. DOMENICI. I thank the Senator.

THE CASTING EMISSION REDUCTION PROGRAM

Mrs. FEINSTEIN. Mr. President, I wish to engage the Senator from Alaska in a colloquy.

Mr. STEVENS. I am happy to engage in a colloquy with the Senator from California.

Mrs. FEINSTEIN. As the Senator knows, the Casting Emission Reduction Program is a vital part of the dual-use-reuse process at McClellan Air Force Base. The CERP Program uses a new casting process developed to meet Clean Air Act requirements; $12 million is needed to fund the 3d year of this 5-year program. Would the Senator agree that the Defense Department should consider the importance of this program when making funding decisions regarding this program?

Mr. STEVENS. I would agree with the Senator and note that she makes a very strong case for funding of the CERP Program. I do understand the importance of funding the program and am happy to recognize the Senator's interest in CERP.

Mrs. FEINSTEIN. I thank the distinguished Senator from Alaska.

FUNDING IMPACT AID IN THE DEFENSE APPROPRIATIONS BILL

Mr. DOMENICI. Mr. President, the Jeffords amendment No. 2393 would fund $400 million of the Impact Aid Program from the Defense appropriations bill. It would breach the firewalls between defense and nondefense.

I do not rise in opposition to the Impact Aid Program. It is an important program and Congress should provide sufficient funding to meet the Federal Government's responsibilities in this area.

Since impact aid is classified as nondefense discretionary spending, this amendment would be scored as affecting nondefense discretionary budget authority and outlays and would be subject to a budget point of order because it would cause this subcommittee to exceed its budget allocation for nondefense spending.

The Impact Aid Program has been classified as a nondefense expenditure since 1990. The conference report on the 1990 Budget Enforcement Act clearly lists this program in the nondefense category in the jurisdiction of the Labor, HHS Subcommittee.

The 1996 budget resolution's caps on defense and nondefense spending were based on the 1990 classification. The budget resolution assumed funding for the Impact Aid Program as a nondefense program.

If scored as defense funding, the effect of this amendment will be to penalize the Defense subcommittee for $400 million and to free up $400 million in spending for the Labor, HHS Subcommittee.

I fear that scoring this amendment as defense spending would make the firewalls between defense and nondefense spending meaningless. The defense budget would be eroded by efforts to fund popular nondefense items.

Maybe impact aid was improperly classified. If this is the case, and I am not suggesting it is, then we should consider reclassifying this program to the defense category.

If we reclassify impact aid, however, we need to make sure the caps are held harmless. Such a reclassification would involve shifting $400 million associated with a portion of the impact aid account to the defense category. Next, we would increase the defense cap by $400 million and reduce the nondefense category by the same amount.

Absent such a reclassification, funding for impact aid will be scored as nondefense expenditure regardless of which bill funds the program.

MARINE CORPS MPS ENHANCEMENT PROGRAM

Mr. SMITH. Mr. President, I wonder if I might engage the distinguished chairman and ranking member of the Defense Subcommittee in a brief colloquy.

Mr. STEVENS. Certainly, the Senator from New Hampshire may proceed.

Mr. SMITH. First of all I want to commend the Senators from Alaska and Hawaii for their fine work in formulating this appropriations bill. I know that the subcommittee was confronted by some significant fiscal challenges, and I appreciate their outstanding work in balancing resources with our military requirements.

One issue that I am concerned with, however, is the Marine Corps maritime preposition ship [MPS] enhancement program. As my colleagues know, the MPS enhancement program would add an additional ship to each of three Marine Corps preposition squadrons. These ships would be loaded with an expeditionary airfield, two M1A1 tank companies, a fleet hospital, Navy mobile construction equipment, a command element package, and additional statement. These assets will provide tremendous flexibility for crisis response and contingency operations.

Last year, under the leadership of the Senators from Alaska and Hawaii, the committee appropriated $110 million for the first ship in the MPS enhancement program. This was an important statement of support for the preposition concept in general, and the Marine Corps program in particular. The Armed Services Committee has sustained the momentum on the MPS Enhancement program by authorizing $110 million in fiscal year 1996 for the second ship in the program.

In reviewing the legislation before us, I am unclear as to what the recommendation of the committee was with respect to the second MPS enhancement ship. I wonder if the Senators from Alaska and Hawaii could comment on this issue.

Mr. Stevens. The Senator from New Hampshire is correct in his review of the legislative record on this issue. The Appropriations Committee did fund the first ship last year, and is supportive of the Marine Corps MPS enhancement program. At the time the committee marked up its legislation for fiscal year 1996, it was unclear whether the Navy was moving forward with the program established in the fiscal year 1995 authorization and appropriations bills. The committee was concerned over the lack of noticeable progress in acquiring and converting the first ship under the program. The committee was also confronted by some significant funding shortfalls in the shipbuilding and conversion accounts.

However, the committee did direct that the Secretary of the Navy may obligate appropriations up to $110 million for the procurement of a second MPS ship in fiscal year 1996.

Mr. Inouye. Let me assure the Senator from New Hampshire that the committee did carefully consider this matter. It is the view of Senator STEVENS and myself that the language in our legislation provides authority to move forward with the second ship in the MPS enhancement program. I expect this issue will be further explored during conference, as well.

Mr. Smith. I thank the distinguished chairman and ranking member for their comments. I gather from their statements that the Appropriations Committee continues to support the Marine Corps maritime preposition ship enhancement program, but is concerned over delays by the Navy in moving forward to implement the program established last year in the authorization and appropriations bills. Is it fair to say that if the Navy can convince the committee that their program is sound, and that they can demonstrate that they are fully exploring means to reduce overall program costs, such as multiple ship contracts, that the committee would be inclined to support a second ship in fiscal year 1996?

Mr. Stevens. I think that is an accurate description.

Mr. Inouye. Yes. That is correct.

Mr. Smith. I thank my colleagues for their comments, and fine work on this bill. I look forward to working with them on this important program.

REVISE THE AVAILABILITY OF FUNDS FOR DEFENSE CONVERSION LOAN GUARANTEES

Mrs. FEINSTEIN. Mr. President, my amendment would make statutory changes to the Defense Conversion Loan Guarantee Program authorized last year. These revisions are necessary to optimize the program's task of providing financial and technical assistance to small, defense-dependent firms adversely impacted by defense downsizing.

The Defense Conversion Loan Guarantee Program is a joint Small Business Administration/Department of Defense program which provides loan guarantees and technical assistance to small firms adversely affected by defense reductions. This program would provide SBA guaranteed businesses and communities adversely affected by defense downsizing and base closures.

In order to fully maximize this important program, there are three areas in the existing law which need to be modified:

First, the portion of DOD funds used for salaries and expenses;

Second, the current restrictive eligibility requirements which limit the number of participants in the program; and

Third, the duration of the program.

My amendment would implement these statutory changes without requiring any new appropriation of funds.

In the wake of extensive U.S. Defense downsizing and military base closures, this program is both necessary and vital to helping small businesses retain the jobs of Defense workers and create new employment opportunities in communities affected by economic dislocation. I am pleased to offer this amendment and thank my colleagues for their support.

THE DEFENSE DEPARTMENT'S FINANCIAL MANAGEMENT TRAINING PROGRAM

Mr. KENNEDY. I want to take this opportunity to commend the chairman and ranking member of the Subcommittee on Defense for their support for the Defense Department's Financial Management Training and Education Program.

This program, strongly supported by the Department of Defense, will establish urgently needed programs to give the Department's financial managers and accountants the necessary training that their private sector counterparts take for granted. This program will provide the educational resources to make these workers more effective and efficient and thereby help the Defense Department save millions of taxpayers' dollars.

In its report, the committee provides for full funding of the training program operations in fiscal year 1996. It also states that the committee expects the Defense Department to accommodate any long-term leasing costs for the planned facility within the amounts appropriated in the account for operations and maintenance, defensewide.

I believe that the Department will accommodate these costs in the manner suggested. I would like, therefore, to clarify the view of the Appropriations Committee. Is it the understanding of the committee that once the Department meets the reporting requirements contained in the Defense authorization bill for fiscal year 1996 on the necessity for establishing a center for financial management training and education, the Department will be free to enter into a capital lease for the establishment of the center without seeking further appropriation of funds or reprogramming authority?

Mr. STEVENS. Yes, that is my understanding. The committee acknowledges the justification for the training and education program, to ensure that the Defense Department's financial managers receive the necessary professional training. As stated in its report, the committee intends the Department have the authority to enter into a capital lease for the center for financial management, education, and training, using funds appropriated in the operations and maintenance account.

Mr. INOUYE. I concur with my colleague, the chairman of the Defense Subcommittee. The Defense Department has the authority to proceed with this worthwhile project, once the requirements contained in the fiscal year 1996 Defense Authorization Act are met.

Mr. KENNEDY. I thank the Senators for their comments.

SURPLUS DOD HELICOPTERS

Mrs. FEINSTEIN. Mr. President, this amendment will set aside $5 million for the conversion of surplus Defense Department helicopters for counter-drug activities. This funding is needed to upgrade these helicopters with new radio and avionics equipment, search lights, upgraded landing gear and other improvements.

There is currently a program at DOD that provides surplus military equipment to local law enforcement agencies for counter-drug purposes. However, no funding is currently available to convert the military equipment for use by local law enforcement. Localities simply do not have the funds necessary to implement this important program.

This funding is critical to allow local law enforcement agencies to respond to increased drug trafficking. For example, in Sacramento, there have been several large arrests made of drug transporting thousands of pounds of marijuana and heroin. The city plans to use the surplus helicopters for interdiction of traffickers through their area.

This $5 million appropriation will make a huge difference in the ability of localities to utilize these surplus helicopters. I thank my colleagues for their support in adopting this very important amendment.

Mr. DOLE. Mr. President, before we conclude consideration of the Fiscal Year 1996 Defense Appropriations Bill, I want to commend Chairman STEVENS and Senator INOUYE for all of their work in preparing this bill. This is perhaps one of the most important appropriations bills we pass each year. With the largest share of defense spending, this bill funds such critical accounts as operation & maintenance, procurement, research & development, and military pay and personnel. Mr. President, I am pleased to support this bill.

This year, again, the President submitted to Congress a defense budget which was woefully inadequate. As I am sure most of my colleagues know, long-term readiness is funded through the Procurement and R&D accounts, but under the President's budget, the procurement accounts were down 67.4 percent from their fiscal year 1985 peak. Additionally, the Research, Development Test & Evaluation accounts had fallen every year since hitting an FY 1988 high. Under the President's budget, these accounts would continue to plummet for the next 5 years. For all the administration's rhetoric, procurement spending and procurement rates are at their lowest levels in 45 years. Despite the administration's promises to enhance force capabilities, modernization has come to a virtual standstill. The bottom line is that under the Clinton administration, our forces have simply become smaller, but not more capable.

However, the Republican controlled Congress has kept faith with our promise to the American people to restore our national security. We refuse to continue down the path which would lead us back to a hollow military. We have added $7 billion in overall defense spending, turning the corner on defense spending. The Defense Appropriations Subcommittee, under the direction of Senator STEVENS has worked to ensure that these additional funds were allocated to ensure not only our near-term readiness, but also to ensure that our forces were prepared to prevail in any future battle. This bill not only increases funding for accounts such as operation and maintenance but also for the Procurement and Research & Development accounts.

Let me be clear. This year's increase does not fix all of the Department's funding problems. In fact, the burden for ensuring the readiness of our military again shifts back to the administration and the Department of Defense. In preparing next year's defense budget, the administration should follow the lead of this Congress.

In closing, I again thank the chairman and ranking member for their hard work in shaping this defense bill and I am pleased to support it.

Mr. STEVENS. Mr. President, I know that the Senator from Nebraska is here to speak, and I am sorry to delay him.

I want the clerk to clear with me, and see if the desk is in agreement with me, that we now have pending before the Senate under the procedure adopted for amendments filed by 8:30. I have the Bumpers amendment No. 2398, Harkin amendment No. 2400, and the Kerry motion to recommit; is that correct?

The PRESIDING OFFICER. The Senator is correct. But there are additional amendments beyond those.

Mr. STEVENS. I ask the clerk provide us with a copy of those amendments.

Mr. STEVENS. I am in error. I forgot to list the Hutchison amendment No. 2396. I know that is pending.

AMENDMENT NO. 2399 WITHDRAWN

Mr. STEVENS. Amendment No. 2399 is a duplicative amendment, Mr. President. That was already considered in another form as an amendment submitted by Mr. HARKIN.

I withdraw this amendment.

The PRESIDING OFFICER. The Senator has that right.

The amendment is withdrawn.

So the amendment (No. 2399) was withdrawn.

AMENDMENTS NOS. 2422 AND 2423 WITHDRAWN

Mr. STEVENS. Mr. President, I withdraw amendments Nos. 2422 and 2423, which were proposed by me.

The PRESIDING OFFICER. The amendments are withdrawn.

So the amendments (Nos. 2422 and 2423) were withdrawn.

AMENDMENT NO. 2408

Mr. STEVENS. Mr. President, I call up amendment No. 2408 for Mr. PRYOR.

This is an amendment offered by Senator PRYOR dealing with certain certification requirements and approval beyond low-rate initial production for the theater missile defense interceptors.

We have discussed this matter with the Senator from Arkansas and are prepared to accept it. It may have to be modified in conference, but we wish to accept it in its present form.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

So the amendment (No. 2408) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, if I might have the attention of the managers of the bill, I must make a statement that I had not intended to make, but because of a very recent development I have a responsibility to advise the Senate that I have just been advised that the junior Senator from the State of Texas has filed an amendment to the Defense appropriations bill before the Senate that would duplicate the provisions in the Defense authorization bill allocating up to $50 million for hydronuclear testing.

It has not been generally known, I guess, but it should be established now that this Senator has been the principle proponent of a move to block passage of the Defense authorization bill until after the recess, primarily because the authorization for such tests that are also in the authorization bill on which we had a debate last week was a very close vote.

I had agreed after many people on this side of the aisle in talking to me, I had agreed not to press this issue and thereby to not delay passage of the Defense appropriations bill that is now before the Senate and is generally thought to be ready for passage sometime tomorrow.

If the Senator from Texas persists with her amendment in that regard, I withdraw my understanding not to interrupt passage of the appropriations bill.

Mr. President, earlier in the day I had written some thoughts that I am going to deliver now that were aimed primarily at the Defense authorization bill, but much of my objection to the Defense authorization bill is also incorporated in the appropriations bill that I had not intended, until the action by the Senator from Texas, to bring up until some other time.

To fully explain this to the Senate, and I have been under a lot of pressure from those on this side to not take the stand that I must take because I think a very important principle is involved, and I might say that there are many Senators on this side of the aisle and some, including the chairman of the Appropriations Committee, who agreed with me.

Mr. President, I am advising the Senate that I will do everything reasonably within my power to block passage of the Department of Defense authorization bill that is still before the Senate and under the new action by the Senator from Texas that has now expanded to include the Defense appropriations bill, as well.

This is, indeed, a sharp departure from the norm by this Senator. For the first time in my 17 years here, I am diametrically opposed to the package of a Department of Defense authorization bill and the appropriations bill, as well.

There is still time to make some significant changes necessary that may allow for passage of the appropriations bill, but time is wasting. My remarks apply to both the defense authorization and the appropriations bills.

There are many specific provisions in the Defense authorization bill and the appropriations bill that are, in my opinion, absurd and fraught with deficiencies with regard to the legitimate national security interests of the United States of America.

Equally appalling are the parts of this bill that clearly rebuke our Nation's stated policies, our treaty obligations, and our responsibilities as a leader of the free world. In many respects this bill is an abomination from the standpoint of our Nation's thoughtful policies concerning the security of mankind tomorrow and well into the next century.

If ever there was a clear example of the United States sticking its head in the sand to escape reality in the most thoughtless manner, this is it.

Obviously, Defense policy and foreign affairs go hand and hand. The net result of the Defense authorization and to a considerable extent, the appropriations bill, as presently written, is that we are simply throwing up our hands in applause of short-sighted isolationism.

For the purpose of this discussion, allow me to concentrate on only two of the most glaring potential disasters in the legislation as it has come out of committee, each of which has been affirmed by relatively close votes on the floor of the Senate last week.

They both have to do with nuclear weapons initiative. They both dramatically reverse existing national policies. I speak of the provisions in the Defense authorization bill concerning the violation of the antiballistic missile ABM Treaty and the related matter that the United States resume nuclear weapons testing which would likely end any chance of successfully concluding a comprehensive test ban treaty agreement.

Mr. President, this Senator has been pressing the administration for a firm statement on this policy. This is necessary more than ever because of the recent announcements by the French that they are continuing nuclear testing again, and now that is causing great political unrest against the Government in France because of that action as has been quite prominently displayed in the press.

Likewise, the Chinese are doing additional nuclear testing. If the United States of America begins any kind of nuclear testing, and I emphasize any kind, it is going to eliminate any chance that we could have a real comprehensive nuclear test ban treaty.

The unilateral break out of the ABM Treaty was thoroughly debated on the floor last week and the Senate's final disposition of the issue remains unresolved. There can be no question that the President will veto this bill as it is written. There has been some progress towards correcting some of the most onerous provisions with regard to the ballistic missile treaty.

I am studying those at the present time, but I wish to focus tonight on a controversy that is in the long run maybe even more damaging to world peace. That is the resumption of nuclear testing and its affect on the comprehensive test ban negotiations.

While both arms control matters are extremely important, the ABM Treaty issue involves only two countries: The United States and Russia.

On the other hand, the comprehensive test ban treaty involves almost every country in the world, regardless of their size or nuclear capability today and in the future.

I have reason to believe that in the very immediate future the Clinton administration is going to take a very strong stand on this matter that will clearly indicate that the Senate did the right thing 3 years ago, when the Hatfield-Exon-Mitchell amendment was agreed to. And the Senate did the wrong thing when it reported out of the Armed Services Committee the beginning of tests all over again.

In Friday's debate on the nuclear testing issue, there were gross misstatements about the Exon-Hatfield et al amendment to delete the $50 million funding authorization to resume testing reported out by the Armed Services Committee. This proposal would violate the carefully crafted Hatfield-Exon-Mitchell nuclear testing law of 3 years ago.

The gross distortion of facts I refer to, possibly unwittingly but nevertheless untrue, contributed to the narrow vote overturning our Nation's nuclear testing policy. I refer primarily to the series of false statements made by the opposition to our amendment on the recent report of the Jasons group. The Jasons group is a collection of the most renowned and best informed scientists from our three national laboratories, including noted physicist Sidney Drell, regarding the resumption of so-called small nuclear tests at our Nevada test site.

While I inserted the complete text of the JASON report—the executive summary of the JASON report into the CONGRESSIONAL RECORD on Friday, I ask unanimous consent that the Washington Post article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Whether intentional or not, what the opponents of our amendment did was distort, for their own purpose, the latest report from the JASON group. I quote briefly from the article from the Washington Post that I just referenced. The story opens with this statement:

> A group of eminent U.S. physicists and nuclear weapons designers has concluded that the military has neither "a present nor anticipated" need for small nuclear weapons tests that a Senate majority voted last week to spend $50 million to prepare for.

Mr. President, it goes on in the next paragraph:

> The scientific group concluded after a six-week study for the Department of Energy that conducting the small explosives would not add measurably to the safety and reliability of the U.S. nuclear arsenal, which the scientists said has been solidly established by more than 1,000 nuclear explosions.

Then, Mr. President, I go to the last paragraph of the story which sums it up.

> This summary [that I have been referencing] stated that the group's detailed findings "are consistent with [a] U.S. agreement to enter into a Comprehensive Test Ban Treaty of unending duration" provided that the treaty allows the country to withdraw if warranted by "supreme national interests."
>
> I believe that this study represents the views of a very diverse and experienced scientific community,

said Drell, the Panel's chairman.

Now, Mr. President, I hope and I expect that the Members of the United States Senate will study very carefully this whole issue, before we rush ahead. That is why I strenuously object to the inclusion of this matter in the appropriations bill, where it was left out during the considerations of that committee.

So I repeat, whether intentional or not, these false statements that the opponents used against our amendment distorted for their own purposes the latest report of the JASON group, by confusing the justification for non-nuclear "hydro-dynamic" testing with that of low-yield nuclear detonations associated with "hydro-nuclear tests," which is what is authorized in the defense authorization bill.

By generally falsifying the report's conclusions and selectively lifting statements, the opponents of the Exon-Hatfield amendment were able to buttress their ill-advised and false arguments.

Mr. President, I hope this statement and the following report from the Washington Post and other events that are likely to occur in the immediate future will make it clear to all Senators who may have been unfortunately misled by the debate on the Exon-Hatfield amendment by the opponents that what the true findings of the JASON report are might study it, might change their minds.

I hope certain Members will reconsider their positions in light of this clarification and vote to overturn the committee provisions at some time in the future.

To protect that possibility I must reemphasize once again that I will do everything reasonably within my power to make certain that that is not authorized, the $50 million is not authorized as the JASON committee and others say it is not necessary. It is a waste of money.

So I thought I had the obligation tonight, since I just found out about this, to advise the Senate and especially the two leaders of the Appropriations Committee, whom I have great respect for, because I did not want to blindside them.

I yield the floor.

EXHIBIT 1

[From the Washington Post, Aug. 9, 1995]

PHYSICISTS SAY SMALL NUCLEAR TESTS BACKED BY SENATE ARE UNNECESSARY

(By R. Jeffrey Smith)

A group of eminent U.S. physicists and nuclear weapons designers has concluded that the military has neither a "present nor anticipated" need for the small nuclear weapons tests that a Senate majority voted last week to spend $50 million to prepare for.

The scientific group concluded after a six-week study for the Department of Energy that conducting the small explosions would not add measurably to the safety and reliability of the U.S. nuclear arsenal, which the scientists said has been solidly established by more than 1,000 test nuclear explosions.

"The United States can, today, have high confidence in the safety, reliability, and performance margins of the nuclear weapons that are designated to remain in the enduring stockpile," said a summary of the group's report. It was signed by several of the country's veteran bomb designers under the auspices of JASONS, a group of academic scientists who consult for the government on national problems.

The report, which has been presented to Secretary of Defense William J. Perry, Secretary of Energy Hazel R. O'Leary and other top administration officials, was issued during a growing debate in Congress and within the administration over the merits of additional nuclear testing.

The Clinton administration has been unable for months to decide whether to propose additional nuclear tests, due to disagreement between testing proponents at the Pentagon and opponents at the Energy Department, Arms Control and Disarmament Agency, and the office of the White House science adviser.

On Friday, the Senate voted 56 to 44 to keep $50 million to prepare for so-called hydronuclear tests, even though the administration has said it does not plan to conduct any during 1996.

Proponents of additional nuclear testing, largely from the Republican majority, have argued that more explosions are needed to ensure that weapons remain safe and reliable. The administration, in negotiations being conducted in Geneva on a global accord barring all nuclear testing, has similarly insisted on the right to continue setting off extremely small-scale nuclear explosions for the purpose of maintaining the U.S. arsenal.

The group's report was endorsed by four of the principal designers of the U.S. nuclear arsenal: John Kammerdiener and John Richter of the Los Alamos National Laboratory in New Mexico, Robert Peurifoy of the Sandia National Laboratories in New Mexico, and Seymour Sack of the Livermore National Laboratory in California.

The 14-member group also included noted Princeton physicist Freeman Dyson, IBM scientist Richard Garwin, University of California physicist Marshal Rosenbluth and Stanford physicist Sidney Drell, each of whom has worked on aspects of U.S. nuclear weaponry for more than three decades.

Besides challenging the merits of the hydronuclear tests, which would have an explosive yield equivalent to about 4 pounds of TNT, the report also challenges the prevailing Pentagon view that conducting larger nuclear explosions is also essential to ensuring that U.S. nuclear weapons will continue to operate.

It states that while such tests would doubtless provide interesting data, the country should pursue other, better routes to maintaining the nuclear arsenal, such as supporting an extensive program of weapons surveillance and a "significant industrial infrastructure" to maintain aging weapons components.

The summary stated that the group's detailed findings "are consistent with [a] U.S. agreement to enter into a Comprehensive Test Ban Treaty (CTBT) of unending duration" provided that the treaty allows the country to withdraw if warranted by "supreme national interest."

"I believe that this study represents the views of a very diverse and experienced scientific community," said Drell, the panel's chairman.

Mr. STEVENS. We are awaiting temporarily for what we would call the wrap-up.

So I ask, as in morning business, Mr. President, to make this statement.

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

COMMUNITY INVESTMENT PROGRAM

Mr. BAUCUS. Mr. President, while efforts to address the needs of our less-developed communities have often come up short, innovation from the private sector has been instrumental in locating problems and providing successful solutions. Past experience shows that successful community development can only be achieved through an equal partnership between the public and private sector.

Each year, on behalf of the Federal Housing Finance Board [FHFB] and Federal Home Loan Bank System [FHLBS], 12 financial institutions from around the country are recognized for exemplary efforts in the revitalization of America's communities. I am pleased to announce that three financial institutions in Montana that are part of Glacier Bancorp, Inc. have been chosen by the Federal Home Loan Bank of Seattle to receive the Community Partnership Award for 1995. They include Glacier Bank, F.S.B. of Kalispell, the First National Bank of Whitefish, and the First National Bank of Eureka.

Glacier Bank and its two affiliates were recognized for developing innovative ways of using the Affordable Housing Program [AHP] and the Community Investment Program [CIP] funds to create homeownership opportunities for low- and moderate-income families, and for working with numerous nonprofit partners and local governments to help meet community needs.

These institutions hold $84 million in regular advances and have used Federal Home Loan Bank funding programs to assemble a full range of single and multifamily loan products, many of which would not have been possible without FHLB funding. In addition, they also used advances to match fund their FHA/VA loans and developed a portfolio loan product called BOB that is also funded with advances.

While using the Affordable Housing Program, Glacier Bancorp, Inc., and its institutions have sponsored three successful AHP projects receiving $301,000 in targeted grants. Glacier Bank and the city of Kalispell are responsible for devising an innovative financing package to preserve an apartment complex in downtown Kalispell for very low-income and homeless individuals. Under the same program, Glacier Bank was awarded AHP funds for a homeownership project to help low- and moderate-income households purchase homes in distressed neighborhoods. Without Glacier's commitment to relax their underwriting standards for these homes, the project would not have been possible. These projects will create affordable housing for 64 households.

Under the Community Investment Program, the institutions have used $17 million in CIP funds for homeowner programs benefiting 3000 households.

These examples of civic responsibility and the spirit of community are only a few of Glacier Bancorp, Inc. efforts to create affordable housing for less developed communities. This institutions' achievements should serve as a reminder of what is possible when the private sector acts locally in an innovative alliance with the Government.

INCOME TAX TREATIES

Mr. DORGAN. Mr. President, today I rise to share my thoughts about several income tax treaties now pending before the Senate. I'm very must opposed to the income tax treaties that are now awaiting action in the Senate. But my opposition stems more from the Treasury Department's stated interpretation of the pending treaties than the actual language in the treaties themselves.

Treasury Department officials interpret one article in each of these treaties as preventing the United States from scrapping its outdated arm's length enforcement approach on corporate income tax and replacing it with the simple and time-proven formula method, which is now the norm between the States. In my judgment, this interpretation by the Treasury Department is wrong-headed and is ill-advised.

I believe that the Federal Government is losing billions of dollars in revenues because the IRS uses the so-called arm's-length method to enforce our corporate tax laws. In my judgment, this IRS enforcement tool is unworkable and results in massive tax avoidance by international firms operating here. It keeps our tax officials in the Dark Ages as they work to ensure that multinational firms doing business here pay their fair share of U.S. taxes.

There is evidence to suggest a massive hemorrhaging of tax revenues because of transfer pricing abuses and because of the flawed arm's-length pricing method employed by the IRS. The General Accounting Office [GAO] has reported that more than 73 percent of the foreign firms doing business in this country pay no U.S. taxes, despite generating hundreds of billions of dollars in revenues every year.

There are also several independent studies of the problem that estimate U.S. revenue losses ranging from $2 billion to $40 billion a year. I happen to think that this country is losing between $10 and $15 billion in revenues from foreign-based firms alone. But I recognize that there hasn't been a comprehensive and official government study that attempts to pinpoint the true size of the U.S. tax gap caused by transfer pricing abuses and to map out the best approach to plug the gap.

I have in recent days been working with Treasury officials on this matter. In response to my request, Treasury Department has now agreed to formally conduct a joint conference and study with the State governments to evaluate the U.S. tax revenues lost due to transfer pricing abuses, especially from foreign firms doing business in the United States. In addition, this initiative will examine the issue of implementing a Federal formulary apportionment system to enforce our international tax laws.

This joint Treasury/State initiative will, I hope, finally answer the questions of how much money we are now losing from transfer pricing abuses, and how we can take steps to prevent it.

COSPONSORSHIP OF S. 1120, AS AMENDED

Mr. DOMENICI. Mr. President, I ask that my name be added as a cosponsor to S. 1120, the Work Opportunity Act of 1995. I want to congratulate the distinguished Republican leader and his chief of staff for all the hard work and effort they have devoted to producing a welfare reform bill this year.

Many years ago a distinguished professor wrote a book entitled: "Why Welfare is so Hard to Reform." That was nearly 25 years ago. Reforming our welfare system has not gotten any easier over that time period as the Republican leader has surely discovered.

Let me be clear, I know that there are issues that still have not been fully resolved in Leader DOLE's bill. I continue to be concerned about some of those issues and during the upcoming recess I will meet with New Mexicans who have, like I, concerns about child care and other provisions in the bill. I reserve the right to recommend further changes to the bill and offer amendments to it when we begin consideration in September.

But I support the major principles embodied in the leader's proposal and therefore am pleased to cosponsor the legislation today. I support first and foremost the principle that we must break the cycle of dependency in our current welfare system, and we should strive to help those who are trapped in this system break the bonds of dependency.

I support the principle that States should be provided flexibility in designing programs that best serve needy individuals and families in their individual States.

I support the principle that those who receive assistance should seek work and that employment of welfare recipients should increase significantly from the low levels that now exist in many States. I support the principle that States should be allowed to terminate benefits when those who are required to work—refuse work.

I support the principle that single parents with young children should not be penalized if they are unable to find work and particularly if affordable child care services are not available to them. I support the principle that individuals seeking to better their lives through vocational education and training should be encouraged in their vocation in order to avoid dependency later in their lives.

I support the principle that the Federal Food Stamp Program and School Lunch Program should continue as Federal entitlement programs so as to provide a basic nutrition safety net to all low-income families and their children.

Finally, I believe that we can reform our welfare system based on these principles, protect those most in need of assistance, and at the same time do this while achieving some savings to hard-pressed State and Federal budgets. The Dole bill does all these things and at the same time begins a down payment on the Federal deficit. A Federal deficit that is the biggest sign of dependency and the biggest threat to the creation of jobs for all Americans—particularly the poor. We will not turn our backs on those down on their luck, but we will not give a handout when what is needed is a hand-up.

Welfare reform is a contentious issue. What we do here needs to be done carefully, and that is why I have made recommendations to the leader and others to modify S. 1120 in ways that I think will improve it. I may have other recommendations once I meet with people in my State. But for today I congratulate the Republican leader and offer my support to reform the welfare system based on the broad principles encompassed in the Work Opportunity Act of 1995.

SECURITIES LITIGATION REFORM SETTING THE RECORD STRAIGHT

Mr. DOMENICI. Mr. President, in June, we passed S. 240, the Private Securities Litigation Reform Act of 1995 by a 69-to-30 margin. It started out as a Domenici-Dodd bill with 51 cosponsors and then Chairman D'AMATO and the Banking Committee worked hard to improve it. It is a bill supported by Senators with vastly differing political philosophies. Senators KENNEDY, MIKULSKI, HARKIN, HELMS, GRAMM, and LOTT were among the 69 Senators voting for the Senate bill.

Mr. President, I am going to spend time discussing some of the misstatements about this bill, but first I want to tell you that 69 Senators voted for this bill because it is good for our economy and job creation, for our capital markets and all investors.

Mr. President, S. 240 creates a better system for investors 12 ways:

First, S. 240 requires that investors be notified when a lawsuit has been filed so that all investors can decide if they really want to bring a lawsuit. Frivolous shareholder suits hurt companies by diverting resources from productive purposes, and thus, harm shareholders. The shareholder-owners of the company, not some entrepreneurial lawyer, should decide if a lawsuit is necessary. Most investors know that stock volatility is not stock fraud, yet a stock price fluctuation is all that lawyers need to file a case.

Second, the bill puts lawyers and clients on the same side. By changing the economic incentives behind bringing and settling these suits, investors will benefit.

Third, it reforms an oppressive liability so that companies can attract capable board members, and hire the best accountants, underwriters, and other professionals. The two-tier liability system contained in the bill is perhaps the most misunderstood provision of the bill. I will go through the details later in my speech.

Fourth, the bill prohibits special $15,000 to $20,000 bonus payments to named plaintiffs. These side-agreements between lawyers and their professional plaintiffs are unfair to shareholders not afforded the opportunity to act as the pet plaintiff. By prohibiting bonus payments, the bill will put more money in the pockets of all aggrieved investors. It stops brokers from selling investors' names to plaintiffs' lawyers. This practice is at least unethical, and should not be part of our judicial system.

Fifth, S. 240 contains several provisions which will put the investors with a real financial stake in the company, and not the lawyers, in control of these cases in an effort to restore the traditional lawyer-client relationship that currently does not exist in securities class actions.

Under the current system lawyers hire individual professional plaintiffs who own a few shares of stock to act as the lead plaintiff in these cases. These individuals own a few shares in every company publicly traded on the various stock exchanges so they can always be a plaintiff. These individuals sell their names of the class action lawyer in exchange for a $15,000 or $20,000 bonus payment. These pet plaintiffs then allow the attorneys to exercise complete control over the litigation. Because there is no real plaintiff-client to exercise control over the lawyer, settlements in these cases are often extremely generous to the lawyers. According to SEC Chairman Levitt, the current system is characterized as one where "class counsel may have incentives that differ from those of the underlying class members." According to Chairman Levitt, this means that class action lawyers "may have a greater incentive than the members of the class to accept a settlement that provides a significant fee and eliminates any risk of failure to recoup funds already invested in the case." Chairman Levitt is absolutely correct, and S. 240 will realign the interests of the lawyers with those of their clients, the class of investors.

In these multimillion dollar class action cases, S. 240 requires the court to appoint a willing investor with a significant financial interest in the outcome of the litigation as the lead plaintiff. The objective is to have real clients with real financial interests making the decisions about these cases. I view this as a little adult supervision over these entrepreneurial lawyers.

As such, S. 240 encourages institutional investors—the people who we trust to mange pension funds and mutual funds on behalf of thousands of retirees and small investors—to take charge of these multimillion dollar cases. This doesn't mean that the small investor will not be able to file a securities suit on their own behalf. Under S. 240, anyone still may file a securities class action. However, if a case is going to be a class action suit, the people we trust to manage the pension funds will be encouraged to take a more active role in these cases, instead of the plaintiffs' lawyers. Why? Because they have a fiduciary duty—a very high level of trust—to look out for the best interest of all the investors and retirees. Because they have the greatest responsibility in these cases, institutional investors will be in a position to maximize the amount of money made available to compensate the group of investors. Because they can negotiate fees up front, attorneys' fees will be reasonable, leaving more money for the people who should benefit from these cases—the investors. Because they have the greatest interest in the outcome, institutional investors will closely scrutinize settlement offers and they will reject the ones that benefit lawyers to the detriment of shareholders. This will lead to larger awards for investors when a case has merits.

Sixth, the bill provides for simpler disclosure of settlement terms to investors, including how much investors will receive on a per share basis, and how much the lawyers have requested in attorneys' fees and costs. Currently settlement disclosures are shrouded in boilerplate legalese, making them difficult for investors to understand.

Seventh, the bill prohibits settlements under seal, where attorneys can keep their fees a secret. Investors should know how much they have paid for legal services, and should be able to challenge them if they are excessive.

Eighth, the bill also limits attorneys' fees to a reasonable percentage of the settlement fund as a result of the attorneys' efforts. Currently, courts and attorneys use a confusing formula called the lodestar.

Ninth, S. 240 creates an environment where CEO's or chairmen of the board can, and will, speak freely about their company's future without fear of lawsuits if their predictions do not materialize. This will put more information in the hands of investors, who seek forward-looking projections in order to make informed investment decisions. This is another provision that has been misunderstood.

Tenth, S. 240 provides a uniform rule about what constitutes a legitimate lawsuit. The pleading reforms will ensure that cases filed in different parts of the country will be subject to the same rules. Predictability and uniformity are two hallmarks of an effective justice system, and the pleading reforms make the system more effective and predictable.

The bill includes litigation cost containment provisions. A typical tactic of plaintiff lawyers is to request an extensive list of documents and to schedule an ambitious agenda of sworn testimony-taking that distracts the company CEO and other key officers and directors. These discovery costs comprise 80 percent of the expense of defending a securities class action lawsuit. To minimize the in terrorem impact of the frivolous cases, the bill would require the court to limit requests for documents during the pendency of any motion to dismiss unless factfinding is needed to preserve evidence or prevent undue prejudice. A stay of discovery puts such requests for documents and deposition taking on hold until the judge rules on whether the case should be kicked out of court.

Eleventh, S. 240 will weed out frivolous cases while giving lawyers and judges more time to protect truly defrauded investors. By ending the race to the courthouse, cases are often filed within hours of when a company's stock price falls, this bill will ensure that the frivolous cases are dismissed quickly, giving companies more time and resources to focus on running the company. Investors will get higher stock prices and bigger dividends.

The bill's attorney sanctions for filing frivolous securities fraud suits builds upon the existing rules of the Federal courts. Frivolous securities suits filed with little or no research into their merits can cost companies millions of dollars in legal fees and company time. According to a sample of cases provided by the National Association of Securities and Commercial Law Attorneys [NASCAT], 21 percent of the class action securities cases were filed within 48 hours of a triggering event, usually the announcement of a missed earnings projection.

Innocent companies pay millions of dollars defending these frivolous cases. Even when firms are exonerated they have large defense attorney's bills to pay. Our current system is a winner pays system.

Attorneys should be required to exercise due diligence before they file these expensive lawsuits. They should be sanctioned if they fail to exercise proper care. Accordingly, the Senate bill requires the judge, at the end of the case, to make specific findings regarding whether attorneys complied with the Court's rules, specifically, rule 11(b) of the Federal Rules of Civil Procedure. Rule 11 provides sanctions for filing frivolous lawsuits. The bill requires the judge to discipline lawyers if the judge finds that the lawyer violated the rule. Under the bill, the judge would require an offending attorney to pay all the reasonable attorney's fees and costs of the innocent party as the consequence for filing a frivolous lawsuit if the case is kicked out of court on a motion to dismiss. This is the first step a defendant could take when he things the lawsuit is frivolous. For the defendant to win, the judge must rule that: first, the complaint failed to state a claim upon which relief can be granted and second, the complaint is frivolous on its face. The judge can sanction a defense lawyer who files frivolous motions.

Twelfth, the bill will make the merits matter so that strong cases recover more than weak cases. It will ensure that people committing fraud compensate victims. It will ensure greater detection of fraud by requiring that professional advisors report corporate crime.

By constructing a system which put investors, not the lawyers, in control of these cases and by making a greater share of the settlement fund available to defrauded investors, S. 240 will put an end to the current class action system that consumer rights advocates have called a joke and the Wall Street Journal called a Class Action Shakedown.

I would like to talk about some of the stories that appeared about this bill and set the record straight. The press has a very important role in reporting. As Justice Brandeis once said:

> The function of the press is very high. It is almost holy. It ought to serve as a forum for the people, through which the people may know freely what is going on. To misstate or suppress the news is a breach of trust.

As this bill moves to conference, I hope that the press will take a more careful look at this bill so that the people can know freely what is going on with securities litigation reform. This bill will benefit investors, and they ought to know it.

If some press accounts about the bill were true no Senator would have cosponsored it. But 51 Senators did cosponsor S. 240, and 69 Senators voted for it. These numbers are evidence that some press accounts must have missed the point on S. 240.

In fact, during the debate on the floor my colleague, the chairman of the Banking Committee Senator D'AMATO noted with some consternation that if we held the press to the same recklessness standard that we hold participants in our capital markets, then the press would not be able to print anything about our bill.

If you read some of the articles printed during the floor debate on S. 240, you would think that the bill completely repealed the Federal securities laws. In actuality, the bill's primary focus is changes to a totally court-created type of lawsuit—the implied private right of action under section 10(b) of the Securities and Exchange Act. The courts created the private lawsuit under section 10(b) and yet recently, every time the Supreme Court has had a section 10(b) issue before it, the Court has scaled back the amount and scope of litigation that could be brought. I read the recent Supreme Court cases to be saying, "Congress, we, the Supreme Court, created this type of lawsuit, but after several decades of experience we don't like how our court-created law is being abused, so fix it, Congress." That is what S. 240 does. It stops some of the abuses.

On June 23, a Denver Post editorial said: "Senate bill would give free ride to securities fraud." This editorial also stated that "If S. 240 goes into effect, Americans will no longer have the option of suing cheats who run sophisticated investment schemes." S. 240 neither alters who can sue nor the standard of liability under the Federal securities laws. None of the 69 Senators who voted for this bill would give a free ride to securities fraud. The Sacramento Bee made a similar mistake in its July 13 editorial, and the Baltimore Sun repeated the mistake on June 26.

Under current law, people who engage in securities fraud are jointly and severally liable. If a person is 1 percent responsible he can be required to pay for 100 percent of the damages. Former SEC Chairman Richard Breeden called joint and several liability inverted disproportionate liability. Former SEC Commissioner Carter Beese said that joint and several liability is unfair. The bill creates a two-tier liability system. It retains joint and several liability for people whose conduct is knowing. The bill goes a step further and requires that small investors be made whole.

Those individuals found incidentally involved, are proportionately liable. For example, if a person is fond to be incidentally involved and 5 percent liable, he/she must pay 5 percent of the damages. This is called proportionate liability. Every former SEC Commissioner who testified at our hearings supported the concept of proportionate liability. Breeden testified, "Paying your fair share, but no more than your fair share, of liability is hardly a radical proposal."

We created the two-tier system to stop plaintiffs' lawyers from naming people as defendants merely because they are deep pockets. We learned at our hearings that if a professional, like an accountant or underwriter is named as a defendant it adds one-third to the settlement value of the case regardless of whether or not the professional did anything wrong. Naming a lawyer, or an outside director also adds to the settlement value regardless of their role.

A lot was said about Charles Keating. His name was mentioned over and over and over on the Senate floor and in the media during the debate on S. 240.

On July 28 a St. Louis Post-Dispatch editorialized that under S. 240, Keating and his advisors would have gone free while investors would get no relief. The Post-Dispatch printed that under S. 240, "joint and several liability would be abolished, which means that if the deceiving company has gone bankrupt, investors can't recover damages from the accounting firms, lawyers or stockbrokers who helped perpetrate the fraud." This is one statement with three errors. Error 1, the two-tier liability system does not abolish joint and several liability for people who commit knowing fraud. Error 2, accounting firms, lawyers, and others who are incidentally involved in the fraud will have to pay their share of the losses that their conduct caused—proportionate liability—the second tier of S. 240's liability scheme. Error 3, involves bankrupt codefendants. The bill provides that in the case of a bankrupt codefendant, the other codefendants are required to contribute an extra amount up to an additional 50 percent of their share to make up the uncollectible share. The bill also makes small investors whole.

The St. Louis Dispatch editorial also states that "accountants who detect fraud and keep quiet about it also would be helped" by S. 240. The opposite is true. S. 240 requires auditors to speak up and expose corporate fraud. The bill requires accountants to report corporate fraud to the top management of the companies they audit. If management fails to expose and correct the fraud, the bill requires auditors to report the fraud to the Securities and Exchange Commission of face liability.

This bill has nothing to do with Keating. No one in the Senate would support a bill that would allow an individual like Keating to get away with fraud. Keating knowingly lied and told investors that the junk bonds he sold were backed by the Federal Government. He should have been punished, and he was punished. Nothing in S. 240 would prevent that from happening. It is also important to note that Keating was sued under many provisions of both Federal and State law—laws untouched by S. 240.

Instead, this bill has everything to do with a small coterie of securities class action attorneys who have become very rich by filing securities lawsuits against high-technology and other high-growth companies whenever their stock price drops or the company announces that it will be unable to meet analysis' earnings projections. Information provided during the 12 congressional hearings on this issue showed that there are approximately 300 securities lawsuits filed each year and that these suits normally settle for around $8.6 million each. Currently, the lawsuits take at least one-third of the settlement fund in the typical case, making the securities class action business a $2.4 billion industry for these entrepreneurial lawyers.

If you don't believe in that these lawyers are entrepreneurs, just look at how the typical securities class action suit gets started. Unlike the typical lawyer-client relationship, the lawyers hire their clients. These lawyers maintain a list of professional plaintiffs or pet plaintiffs who own a couple of shares of every stock traded on our stock exchanges. The lawyer agrees to pay the pet plaintiff a bonus of $10,000 or $15,000 if the person agrees to let the lawyer file the case on his/her behalf. Often within hours after a stock's price drops as a result of a missed earnings projection, these lawyers file a lawsuit on behalf of a pet plaintiff. Some of these pet plaintiffs have appeared over and over again in these cases. By using these professional plaintiffs, the lawyers, not the investors, maintain control of the case. The lawyers decide who to sue, when to sue and when to settle. No wonder one of the most prominent securities class action attorneys told Forbes magazine "I have the greatest practice of law in the world, I have no clients."

Despite the fact that these lawyers admit that they have no clients, whenever Congress attempts to address the abuses the class action lawyers claim that if Congress enacts any legal reform, future Keatings could not be sued for damages. But as one plaintiff told us, she felt ripped off twice—once by the company and again by the class action lawyer.

In the typical case, the real victims receive around 6 cents on the dollar of their claimed loss, while the lawyers take the lion's share of the settlement fund as their fee award.

In an interview with "CNN," a prominent class action attorney, the same one who said he had no clients, settled a case for $12 million and asked for the entire amount as his share. When asked whether he had a responsibility to his clients to justify his fee request, he responded "no." Instead, he said that he has a responsibility to the court to justify the request.

The Boston Globe stated that "S. 240 requires that plaintiffs pick up the costs of the defendant companies if a suit fails." S. 240 contains no such English rule, no loser pays provision, or no fee shifting provision. Under the Senate bill, no investor could be required to pay the legal fees of an innocent company in the event that the judge determines that the suit lacked merit. Instead, the bill, as passed by the Senate, builds on the existing rules of the court, in particular rule 11 of the Federal Rules of Civil Procedure. The bill requires judges to sanction attorneys who bring frivolous cases. In the most egregious situations the judge could require the attorney to pay the companies fees. This incrementally addresses the current winner pays system, which requires innocent companies to spend millions of dollars to get frivolous cases dismissed. At one point in legal history it was against the law for lawyers to promote unnecessary litigation and this attorney sanction provision takes a step toward ensuring that lawyers will only file cases which possess some merit.

The Las Cruces Bulletin in my home State of New Mexico stated that Domenici's bill contains a provision which restricts the rights of small investors by setting financial standards for who may or may not file class action suits. Nothing in S. 240 as introduced, or as passed by the Senate limits the right of anyone to bring a securities lawsuit. Under S. 240, as under current law, anyone may bring a securities suit.

Most small investors are senior citizens and support the reforms contained in S. 240. A National Investor Relations Institute Study, in March 1995, found that 81 percent of senior citizens would like to see mandatory penalties for lawyers who bring frivolous lawsuits. The bill does this. Seventy-nine percent say defendants should only pay damage awards according to their percentage of fault. The bill does this, but retains joint and several liability for fraud instigators and if necessary to fully compensate small investors; 87 percent are concerned that companies are spending millions of dollars defending themselves in lawsuits—money that could be spent on further research of new products. The current system does this, but the bill should weed out the cases lacking merit. And 88 percent are concerned that even when the lawsuits are settled, it is not the consumers who benefit but the attorneys. S. 240 seems to be on the same waive length as these senior citizen investors.

On June 26, during the floor debate, the Miami Herald charged that S. 240 grants a safe harbor to all statements of a forward-looking nature and essentially tells companies and brokers: Go ahead, lie about the future. As long as you're not misrepresenting the past, you can fleece investors in any way that your imagination allows. This statement is good prose but bad reporting. Nothing in S. 240 gives executives, brokers or anyone else connected to publicly traded companies safe harbor protection if they intentionally lie about the corporation's future prospects.

There is, however, a problem with the flow of information in the marketplace particularly information in the form of predictions about the future. CEO's who make predictions about the future get sued if their predictions don't materialize—regardless of the reason. After news that an earnings projection won't be met, the stock price drops for a couple of weeks and the lawsuit gets filed. Consequently, CEO's are making fewer and fewer predictions. This is a very serious problem—not only for high-technology company CEO's, but also for our securities markets. Our securities laws are based on disclosure of information, yet the chill on information about the future caused by these lawsuits is undermining the efficiency of our markets.

These lawsuits divert resources from companies' research and development budgets to their legal departments. One of these lawsuits costs as much as developing and bringing to market a high-technology product line. Jobs that should have been created aren't created, and we lose out to our international competitors. The race to innovate becomes a race to the courthouse. It is a costly detour increasing the cost of capital, professional services, and officers and directors' liability insurance. Some have called it a litigation tax.

S. 240 restores the ability of CEO's to make available information about their companies' future. It protects from lawsuit abuse predictions about the future made by the company as long as the statements are clearly identified as forward-looking projections—a Miranda warning to investors: "This is a prediction about the future and because the future is uncertain it may not come true"—and were not made with the purpose and intent to deceive investors. Simply put, the Senate bill's safe harbor protects only the good guys and encourages disclosure. It is neither a license to lie, nor a license to steal. It is an opportunity to disclose for the company and restores the investors right-to-know. The bill does recognize that a projection about the future is a prediction, not a promise, or an adequate basis upon which to bring a multimillion dollar lawsuit. The bill does take away the class action lawyers' license to extort a settlement when a prediction about the future doesn't quite materialize.

My good friend and fellow Democratic sponsor of this bill, Senator DODD, recently had to endure an op-ed in his home State's Hartford Courant in which a well-known consumer advocate condemned him for supporting securities lawsuit reform. The same piece alleged that the bill changed the standard of liability, when, in fact, the Senator had been the champion for retaining the current law standard.

Mr. President, people can disagree on whether we need more lawsuits or more investors but we can all agree that we need more good reporting. I hope I have clarified what this bill does and does not do.

Mr. President, I ask unanimous consent that op-eds written by Carter Beese, Ed McCracken, Jonathan Dickey, Robert Gilbertson, and J. Kenneth Blackwell appear in the RECORD following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 27, 1995]

STOP CHOKING WALL STREET

(By J. Carter Beese)

WASHINGTON.—A bill to reform the nation's securities litigation system is moving toward a vote in the Senate. Critics argue that it will allow corporate America to take small investors to the cleaners. Nothing could be further from the truth.

As a former commissioner of the Securities and Exchange Commission, I believe that strict enforcement of securities laws is vital for investors and the integrity of the market. But today's litigation machine harms the very investors that opponents of reform profess to help.

A majority of the high-tech firms in the Silicon Valley have been sued at least once by vociferous plaintiffs' lawyers in class-action fraud lawsuits. One of the every eight companies on the New York Stock Exchange is sued for securities fraud every five years. Is fraud really that rampant among our most successful public companies? Or is the system allowing, even encouraging, the initiation of litigation, even when there is no evidence of wrongdoing?

Under current law, there is little downside to frivolous litigation, while the potential rewards are enormous—the deep pockets of corporations and their advisers.

The prevailing legal doctrine of joint and several liability, which makes all defendants fully liable for what may or may not have been their wrongdoing, adds to the potential pot.

Meanwhile, the huge costs of litigation give defendants an equally powerful incentive to settle. Though there may be a high probability of winning in court, settling is often a bottom-line business decision made in the best interest of investors.

As a result, most cases are settled on a formulaic basis, with plaintiffs collecting a small fraction of their alleged loss and with legal fees consuming the remainder of the settlement account.

The ultimate costs are passed on to all investors in lower earnings and lower share prices. These costs also weigh heavily on productivity and competitiveness. Every dollar spent on frivolous litigation is a dollar less for research, innovation, capital investment and jobs.

The critics of this bill claim that its main purpose is to protect corporate officials who peddle overly optimistic predictions of profitability. Under today's rules, however, any positive forecast that does not materialize can and will be held against you in court. Companies have thus become reluctant to disseminate forward-looking projections crucial to investment decision-making.

The changes in securities law before the Senate would not prevent defrauded investors from seeking redress. They would simply require any action involving misleading statements to specify each such statement, thereby eliminating the vague, sweeping claims that characterize so many meritless cases.

They would begin to hold plaintiffs' lawyers accountable for the lawyers' actions by requiring the court to make specific findings about whether the suit was frivolous.

Finally, they would establish legal protections for forward-looking information unless that information was misleading or fraudulent.

These measured reforms are surely a better deal for investors and the economy. By addressing the imbalance in our system, separating the serious from the frivolous, we will have a tort system that provides protection from fraud without subverting fairness and free enterprise.

[From the San Francisco Chronicle, June 28, 1995]

THE NEW THREAT TO HIGH-TECH FIRMS

(By Ed McCracken)

William Weinberger looked like any other retiree in Pompano Beach, Fla. No one would have guessed that he was part of an effort to undermine California's high-tech industry.

But by the time he died in 1992, he had set a remarkable record: He had been the plaintiff in an astounding 90 lawsuits in just under three years. Weinberger was what is known as a "professional plaintiff," merely a consenting name on a lawsuit instigated and filed by a law firm chasing dollar signs rather than principle. The pieces of litigation filed in his name were securities or "strike" suits, in which one profits from a company's misfortune—that is, a down-turn in the stock market.

This new breed of corporate raider claims stock fraud when there is little or no evidence of wrongdoing—that is, deliberate false or misleading statements by the company about its potential—then tied a company up in litigation long enough to force a profitable settlement. It is a practice that costs people jobs and divert millions from research and development, and California has felt the impact more than any other state.

The high-tech firms of Silicon Valley and the Bay Area's bio-tech companies are the No. 1 target of these schemes, because cutting-edge research and the risks inherent in development make their stock prices volatile.

The facts speak for themselves: More than one-third of the state's computer companies have been sued at least once. And while the list of victims reads like a who's who of California's high-tech industry—Intel, Hewlett Packard, Sun Microsystems, Apple, Silicon Graphics Computers—some of the smaller, startup firms that are the growth companies of tomorrow are being driven into bankruptcy.

Silicon Graphics has over the years been the subject of no less than four securities class-action lawsuits. None of these suits had merit. Of the four, two were dismissed one resulted in summary judgment in Silicon Graphics favor after years of litigation, and one was settled for a nominal amount after having been initially dismissed. By way of example, the last suit was trigged by a disappointing quarter caused by the short-tem economic upheaval arising from the Gulf War.

These cases have cost Silicon Graphics well above $5 million in expenses, and countless hours of management time has been diverted. The wasted time and money could have been devoted to increasing business and adding jobs at a faster pace.

To end this kind of abuse, the U.S. Senate has stepped forward with a bipartisan bill, The Securities Litigation Reform Act. John Kerry, Democrat-Mass., has declared that "speculative suits based on no evidence of wrongdoing are an unwarranted threat to young growth companies."

Congress recently heard testimony stating that only a handful of strike suits ever actually come to trial because most companies cannot spend the time and money to defend their innocence, and are ultimately forced to settle instead. The people behind the suits know this, and are happy to walk off with unfair bounty. It is what one prominent CEO has called "legalized extortion."

The new bill, if passed, would make it more difficult to bring such suits without just cause. We applaud the efforts of the senators and others who have worked to bring this bill forward, and we urge California Senators Dianne Feinstein and Barbara Boxer to join in supporting it.

If the bill passes, attorneys filing securities suits without proper evidence would be subject to sanctions, their fees would be limited and profit-seeking plaintiffs would be discouraged. Still, some have voiced concern over the bill and worry that it limits the ability of investors to bring suit in the event of actual stock fraud. It does not. The bill makes any and all who engage in securities fraud fully liable. It also explicitly protects the small investor—anyone with a net worth under $200,000—leaving intact the full range of options for seeking damages from fraudulent companies. What this bill takes away, however, is the incentive for a greedy few to launch frivolous lawsuits.

Meanwhile, the bill's passage will enable California's high-tech companies to freely pursue the ground-breaking technologies and new products that launched them to the forefront of the industry. Our entrepreneurs will have one less worry as they make their way in the marketplace. And the money saved could be put into the jobs and opportunities Californians so desperately need, which is far better than losing millions to the wallets of a wealthy few.

[From the San Francisco Examiner and Chronicle, July 23, 1995]

FINAL INNING FOR "STRIKE SUITS"?

(By Jonathan Dickey)

Securities fraud "strike suits" have overrun Silicon Valley in the past decade—and for the past two years, Silicon Valley has been fighting back. Now, legal reforms curtailing these "strike suits" are about to become a reality.

Late last month, 70 members of the United States Senate joined a broad coalition of industry trade groups, Silicon Valley CEO's, securities industry representatives, and institutional investors to finally bring sanity back to our federal securities laws. The reform of those laws is aimed at preventing further proliferation of "strike suits" alleging securities fraud against public companies.

In these suits, plaintiffs' lawyers make millions by bringing frivolous securities claims with a high "ransom" value to the companies forced to defend them. In just two years, these strike suits have generated settlements totaling over $1.3 billion, a huge percentage of which was paid by California-based high-tech companies.

The action in the Senate followed a lopsided vote earlier this year in the House of Representatives approving a similar reform bill, where Republicans and Democrats joined together in large numbers to reject amendments offered by lobbyists for plaintiffs' lawyers designed to weaken the bill, or kill it altogether. Similar eleventh-hour lobbying efforts occurred during the Senate debate.

Contrary to many stories circulating in the business press, the securities law reform legislation will not open the floodgates to fraud, or deprive investors of their day in court in cases of real fraud. In fact, the legislation passed by the Senate contains several "proinvestor" provisions, including:

Restoring SEC authority to pursue "aiders and abettors." It used to be common practice to sue individuals, accountants, and legal and financial advisors whose indirect involvement in a company's securities offerings was alleged to have made the company's "fraud" possible. Last year, the U.S. Supreme Court ruled that the SEC did not have the power to bring such claims under the main statute of the Securities Exchange Act. The Senate bill would expressly authorize such suits.

Authorizing auditors to report accounting irregularities to the SEC. Under existing accounting rules, auditors who discover irregularities in a company's financial statements are required to report such items to the company's audit committee, but not to the public. The Senate bill would allow auditors to "blow the whistle" to the SEC if the company's board of directors fails to take corrective action when irregularities are reported.

Preventing companies from destroying critical evidence. The Senate bill includes a "preservation of evidence" provision which would make it a violation of federal law if a company that is sued subsequently fails to preserve company records relevant to the suit.

Allowing courts to sanction lawyers who engage in bad faith tactics in litigation. Investors sometimes complain about the long wait for a case to be resolved. Defense lawyers who engage in conduct which is found by the court to unnecessarily delay or needlessly increase the cost of the litigation may be forced to pay the plaintiffs' lawyers' legal fees.

Giving investors the right to determine who should represent their interests in any litigation. Currently, plaintiffs' lawyers engage in an unseemly "race to the courthouse" to be the first to sue a company which reports an earnings surprise. The first lawyer to sue normally gets the "lead counsel" position, and the lion's share of the fees.

The Senate bill would abolish this practice, and authorize investors to decide who their legal representative should be.

Protecting small investors by requiring "joint and several" liability if the target defendant is bankrupt. The Senate bill adopts a "proportionate fault" standard of liability, which says that where multiple defendants are sued, each will pay according to his or its share of the blame. But the Senate bill will protect small investors if the main "bad guy" is bankrupt, and will require the solvent defendants to make up the difference.

Likewise, the House bill passed earlier this year—part of the "Contract with America"—contained several "pro-investor" provisions, including:

Establishing plaintiff "steering committees" to supervise litigation. The House bill allows shareholders with a significant financial stake in the company to form a committee, and make decisions on the conduct of the case. Right now, plaintiffs' lawyers make all these decisions by themselves.

Eliminating any legal requirement that investors need to prove reliance on fraudulent statements. The House bill would codify the so-called "fraud on the market" doctrine, which presumes that everything a company says is absorbed by the market, and reflected in the stock price. Investors can't be thrown out of court because they haven't read a company's press releases, analyst reports, and the like.

Setting a standard of liability which requires only proof of recklessness, not actual intent to defraud. The House bill also codifies a rule that investors don't have to prove actual fraud. They only have to establish that a company departed from "standards of ordinary care" in some extreme way.

What is it, then, that makes business groups, and Silicon Valley in particular, so happy about the reform legislation? As a lawyer who defends technology companies in these suits, I see three major benefits to the legislation:

Stronger protection to companies which issue earnings projections or other "forward looking" statements.

A higher standard for pleading fraud claims in court, requiring courts to give more careful scrutiny to borderline cases, and to dismiss those that are clearly frivolous.

A more national standard for determining damages in these cases, instead of the wide-open, "anything goes" manner in which losses are currently computed.

Will the legislation end securities strike suits? Not entirely. What the legislation hopefully will do is level the playing field, and allow companies to litigate appropriate cases, instead of settling cases out of fear of catastrophic, runaway jury verdicts.

Ironically, some of the stronger criticisms of the reform legislation have come from lawyers who defend companies in these suits. Nationally, technology companies wonder about this. In their view, lawyers who defend public companies should embrace these reforms.

Personally, I support any reform which will change the current litigation climate, which forces many boards of directors to spend millions of dollars to settle these cases rather than gamble with a jury. The current laws foster this climate by allowing too many meritless cases to be brought. Although the legislation now pending in Congress is far from perfect. I am convinced it will substantially reduce the number of strike suits brought against technology companies which experience momentary—and innocent—stock price declines. At the same time, the legislation still will allow legitimate fraud cases to be brought.

Although the plaintiffs' lawyers so far have struck out in Congress, the game isn't over. The Senate and House still have to work out a compromise bill to send to President Clinton for signature. No one should underestimate the possibility that back-room politics will undo some of the more important reforms before they reach the president's desk. The next few months will see plaintiff's lawyers "swinging for the seats" as the strike suit game heads into the final innings.

[From the Hartford Currant (CT), July 13, 1995]

YES: BILL WOULD PROTECT GROWING COMPANIES

(By Robert G. Gilbertson)

For investors and businesses, the Senate's overwhelming 69-30 vote for the Domenici-Dodd bill to crack down on frivolous securities lawsuits is a light at the end of the tunnel.

For too long, baseless lawsuits have eroded earnings potential and restricted business expansion by diverting money from productive resources to legal fees and by cutting off options for raising capital.

Too many publicly traded companies have been sued for no greater offense than that their stock price dropped. Virtually all these lawsuits were filed by a small group of law firms. Virtually none of the lawsuits came to trial, but fighting such lawsuits distracted managers and cost millions of dollars in legal fees.

The threat of frivolous securities lawsuits has been one of the biggest obstacles to growth for many ambitious companies.

At a time when Connecticut has lost so many jobs, we need to encourage companies to expand jobs and opportunities. The legal system has the exact opposite effect. Many companies have even decided to forgo the capital that could be raised by selling stock to the public for fear of being caught in a senseless legal system that can bankrupt emerging companies even though they have done nothing wrong.

Now—thanks to U.S. Sen. Christopher J. Dodd, the initial cosponsor of the Senate bill, and his colleagues in both parties—our economy may soon be free from meritless securities lawsuits. That means businesses such as mine can again consider selling stock to the public to finance expansion. It also means shareholders' investments will rise and fall on their own merits—without fear that a frivolous lawsuit will cramp growth.

I know. I am chief executive officer of CMX Systems, a small high-tech company in Wallingford that manufactures precision measuring devices for the disk drive and semiconductor industry. By any objective measure, CMX has been ripe for expansion for some time.

We grew more than 2,000 percent in the four years from 1990 through 1993, and our sales exceeded $8.6 million in 1993. To continue this extraordinary growth, CMX needed to sell stock to the public in early 1994 to finance a $4 million research-and-development plan. However, we were deterred from this option after watching other small companies get whiplashed by frivolous securities lawsuits.

Therefore, we were forced to scale back in 1994. This cost jobs, profits and taxes to Connecticut and the U.S. government.

Most new public companies, especially in the volatile high-tech industry, experience wide swings in profitability. The sharp moves in revenues and earnings often lead to similar volatility in stock prices.

Under the existing securities litigation system, those stock-price movements have been the signal for a small group of specialized lawyers to file class-action lawsuits alleging fraud. Filed without any evidence of wrongdoing other than stock-price movements, these lawsuits expose the companies to millions of dollars impossible damages. In addition, fighting even the weakest lawsuit requires staggering legal fees that can themselves reach or exceed the $1 million mark.

Pursued to trial, such lawsuits can run for years—drawing hundreds of thousands of dollars from the corporate treasury and thousands of hours of management time. Faced with that reality, most companies find it cheaper to pay large settlements to make the lawyers go away.

The Domenici (Sen. Pete Domenici, R-N.M.)-Dodd bill, approved by the Senate on June 28, would greatly reduce the probability of such frivolous lawsuits—and free companies such as mine to enter the equity markets for needed investment capital. That means economic growth and more jobs in Connecticut and throughout the United States.

The bill bans the bounty payments that some lawyers use to entice shareholders to file lawsuits. It requires lawsuits to include specific evidence of fraud. It empowers judges to terminate frivolous lawsuits before enormous legal fees exhaust the resources of small companies. Finally, it restores vital investor protection by giving control of class-action lawsuits to shareholders.

Where real fraud exists, shareholders will retain the ability to pursue legal redress. But where the only winners are likely to be plaintiffs' lawyers (who have taken in as much as $250 million a year in questionable securities lawsuits), the Senate bill gives shareholders the power to pull the plug on that kind of frivolous litigation.

Connecticut business leaders and investors owe a debt to Dodd for having the courage to consider the merits of securities litigation reform—and not discard it for solely partisan reasons. All Americans owe thanks to the senators of both parties who put common sense ahead of partisanship and voted to restore sanity to the securities litigation systems.

[From the Washington Times, June 28, 1995]

THE URGENCY OF SECURITIES LAW REFORM

(By J. Kenneth Blackwell)

Orange County's recent bankruptcy is making the nation's public funds and pension-fund managers mighty concerned about the riskiness of their investments. I know; I'm one of them. In 1988, I was a trustee for the $800 million Cincinnati Employees Retirement System Fund. And today I'm Ohio's State Treasurer with custodial responsibilities covering five state pension funds valued at more than $105 billion.

But the kind of bad investments that devastated Orange County isn't what keeps me up at night. What worries me—and what should worry the millions of retirees who have money in stock funds—is what might happen to the good investments of public-pension-fund managers. Those stocks, and the sound, well-managed companies they represent, are increasingly vulnerable to frivolous and baseless lawsuits. Which is why the Senate is now debating securities litigation reform: to protect such companies—and their ordinary investors. It's good, necessary legislation. I hope it passes.

The securities litigation system was initially designed to protect investors from corporate fraud. In percentage terms, it produces only a small fraction of the nation's multi-million-dollar lawsuit annual federal caseload. But as a financial and administrative matter, securities class-action suits filed against public companies are a monster. One of every eight stocks traded on the New York Stock Exchange has been subject to class-action challenge. Most high-tech firms in California's Silicon Valley—companies that produce a disproportionate share of America's job and profit growth, making them obviously attractive pension fund investments—have been targets of such lawsuits.

Defending such a lawsuit is often a nightmare. Securities litigation is unusually complicated. The discovery process it involves is long and arduous. Individual cases can take years to resolve in court, and even when a sued company wins, its liability insurance premiums generally go up—a lot. So it's become standard practice for securities class-action defendants to settle these lawsuits pre-emptively, in a struggle to avoid massive legal expenses and business distractions.

Settlement still hurts, of course. A study by the National Venture Capital Association found that companies embroiled in securities litigation—whether they settle or go to court—must spend an average of nearly $700,000 and 1,055 hours of management time. But they really have no choice, because the merits of an individual securities class-action suit are, at least under current law, essentially irrelevant. Innocence is no protection against a lawsuit. And real fraud too often goes unpunished; genuinely guilty companies are encouraged to settle, too.

Rules of legal standing in the securities field are very broad—and very thin. Acceptable evidence of corporate wrongdoing barely extends beyond an unexpected stock price change; roughly 20 percent of securities suits are filed within 48 hours of a major stock decline. Or a stock increase, for that matter—since it's not unknown for lawyers to file suite against a company whose market position has improved, claiming that information about a merger or expansion has been fraudulently withheld.

Given such juicy opportunities for standing, it's no surprise that speculative securities litigation has become a lucrative subspecialty in the American plaintiffs' bar. The small group of lawyers who concentrate on such law made a 1994 average of $1.4 million in fees and expenses on every case. But America's pension funds who are shareholders in these companies and in whose interest our securities laws are intended to protect, get stuck with the short end of the stick.

Lead attorneys—usually the first lawyer to sign up a single "defrauded" shareholder and rush his papers to the courthouse—are generally granted wide latitude over pretrial procedure. They're allowed to set settlement terms and establish their own contingency fee rates with minimal consultation and judicial supervision. After all expenses are accounted for, plaintiff shareholders, even "successful" ones, generally receive just a tiny fraction of the market loss their lawyers claim for them: pennies on the dollar, in fact. And when the process is concluded, shareholder investments are very often in worse shape then when it began. The companies involved are out big money, and their business plans have been distorted by a tortuous legal entanglement.

The life of a careful fund manager is seriously complicated by the frivolous securities lawsuit phenomenon. If lawyers are so broadly encouraged to seize on predictive corporate earnings statements as "evidence" of an intention to mislead, corporate officers will have a huge incentive to dumb those statements down—or stop talking about future profits at all. In Silicon Valley in particular, for example, the trend is minimal disclosure. But intelligent investment strategy requires maximum possible disclosure. And if I'm not offered frank assessments of various companies' future potential how can I rest assured that Ohio's pensioners' hard-earned money is being invested wisely?

My fiduciary responsibility compels me to act. And the U.S. Senate also should act. As the final days of this debate wind down, trial lawyers are digging in their heels and calling in old chits. Securities litigation remains a fat chunk of their practice, one they dearly want to protect. But Congress is charged with protection of the public interest generally. And the public interest, in this case, is best advanced in simple and straightforward fashion.

We must make deliberate acts of corporate fraud clearly illegal, and easier and less costly to pursue. And we must make high-dollar, meritless securities lawsuits—legal devices that are threatening the retirement savings of millions of ordinary Americans, and acting as a brake on the engine of American economic growth—vastly more difficult to pursue.

The American system of law should be our country's greatest treasure. But one part of that treasure is now mortgaged to the narrow financial interest of a small group of specialized attorneys. Enough is enough. The Senate reform legislation has 50 co-sponsors from both parties. Not one of them should waver.

FRENCH NUCLEAR TESTING IN THE SOUTH PACIFIC

Mr. THOMAS. Mr. President, as the chairman of the Senate Subcommittee on East Asian and Pacific Affairs, I come to the floor today to respond briefly to French President Jacques Chirac's decision to conduct a series of underground nuclear test explosions in the South Pacific between September of this year and May 1996.

I strongly believe that President Chirac's decision to conduct these tests will be damaging to international efforts to curb the proliferation of nuclear weapons. The Soviet Union began a test moratorium in October 1990; France initiated its own in April 1992, although it had not exploded a device since 1991, and the United States and Great Britain have similarly observed a moratorium since 1992. Continuing the trend toward minimizing the nuclear threat, in May of this year the world's five declared nuclear powers extended indefinitely the Nuclear Non-Proliferation Treaty [NPT].

On June 13 of this year, however, President Chirac—citing the need to check the reliability and safety of France's existing nuclear arsenal—announced that country would conduct eight nuclear tests at its site at Mururoa Atoll in the South Pacific. That decision is unfortunate for three principal reasons. First, it is likely that a resumption of testing by France will result in the disintegration of the current testing moratorium and a renewal of underground testing by other states. Moratoria are like truces—they are only good as long as all the parties to them observe their provisions. Second, it calls into serious question France's commitment to the NPT extension. In May, the world's five nuclear powers—the United States, France, Russia, China, and Britain—persuaded the rest of the world to extend indefinitely the Nuclear Non-Proliferation Treaty. To win that consensus, the five countries promised to sign a comprehensive test ban treaty by the end of next year. The resumption of French nuclear testing though, only 4 months after France signed this agreement, I believe calls into question France's commitment to the CTBT and consequently undermines these international efforts to curb the proliferation of nuclear weapons. Japan's Prime Minister, Murayama Tomiichi, has accused France of betraying nonnuclear countries, while Minister of Science and Technology Tanaka has stated that "Nations that possess nuclear weapons must show their wisdom and set an example to countries that do not have nuclear weapons."

Third, Mr. President, the French decision to test is vehemently opposed by most, if not all, of the countries along the Pacific rim, most of which have publicly condemned the decision. I have been visited by the Ambassadors of Australia, New Zealand, Papua New Guinea, Micronesia, among others, all of whom have conveyed their Governments' opposition to nuclear testing in their "backyards." Australia's Prime Minister recently summed up his country's position in an article in the German daily Die Welt:

> Australia and its citizens, and the peoples and governments of many other countries, are outraged about the French Government's announcement that it intends to resume nuclear testing in Mururoa. I believe the French people will understand such feelings very well.
>
> The mood in the South Pacific countries is general: If France has to test these weapons, it should do so on its internal territory. Whatever the French Government intends to achieve with these actions, they are seen by the overwhelming majority of the people in this region as a big nation's attack on the rights of smaller ones. The decision to resume the tests is inevitably regarded as a return to old colonial attitudes. This is all the more tragic since most recently France's relations with the countries in the region have become much more positive and fruitful.
>
> Neither Australia nor the other countries in the region want France to withdraw from the Pacific. On the contrary, we want to cooperate closely and well with it. However, it is one of the lamentable consequences of this decision that many people in the region now doubt the legitimacy of France's role.
>
> * * * * *
>
> Australia's concern is increased further by the additional responsibility that arises this year from our role as chairman of the 15

members in the South Pacific Forum. In this function we speak on behalf of all countries in the region; many of them are small and economically vulnerable and all of them have a deep material and spiritual relationship with the Pacific Ocean.

I am convinced that I speak for the members of the Forum when I continue to urge France to rescind its decision and when I stress that in this case it would gain considerable prestige not only in the South Pacific countries but among all the peoples in the world.

The French Government has mentioned the safety of the environment with regard to the tests in Mururoa. However, we are most deeply concerned about the possibility of accidents. And no one can foresee the long-term dangers that arise from a potential destruction of the sensitive atoll structures during the tests.

Australia's reaction is neither precipitate nor a mere reflex. Australia can point to a long history of responsible diplomatic efforts with regard to nuclear issues. Together with the other South Pacific countries, in the 1970's Australia opposed France's atmospheric tests and, upon our initiative, the South Pacific nuclear-free zone was established in 1985.

Australia has also been active regarding nuclear issues in the United Nations and in other international forums. Often, we acted in close cooperation with France, in particular since President Mitterrand's highly welcome decision to declare a nuclear test moratorium in 1992. These efforts were combined on 11 May with the decision by the international community to extend the Nuclear Nonproliferation Treaty [NPT] for an unlimited period—an important element for the safety of our two countries.

Neither Australia nor any other country has the right to define France's security; however, given the circumstances, the French will certainly permit me to explain why, in our view, France's action is not good for France or for the world.

We believe that these tests endanger our efforts to preserve the effectiveness of the NPT and to achieve universal membership. For the unlimited extension of this treaty it was decisive that a "declaration of principles and goals on nonproliferation and disarmament" was simultaneously negotiated and adopted by all states involved, including the nuclear states.

This declaration announced the speedy conclusion by 1996 at the latest—of a comprehensive nuclear test ban treaty. And until such a treaty comes into effect the nuclear states have committed themselves to "extreme restraint."

However, "extreme restraint" regarding nuclear tests hardly applies to a program of eight tests. France's decision will certainly make many non-nuclear states wonder about the honesty of all nuclear states.

This will harm the treaty's credibility, which must be preserved if some states, which have not yet signed it, are to be persuaded to do so.

The decision will also increase the problems in the negotiations on a comprehensive nuclear test ban treaty. Despite President Chirac's gratifying statement that France will sign such a treaty, there is the serious danger that the very difficult treaty negotiations that we are facing in Geneva will become even more difficult.

In particular France's position as a responsible and leading power in the world means that any new French test will play into the hands of potential arms dealers and that any test will make many of those countries hesitate whose support we need to conclude a comprehensive treaty.

We know the arguments for France's nuclear capacity and the strategic dimensions of a nuclear power very well. We argue not merely on the basis of emotions when we say that the biggest responsibility for us all is the one to keep alive the hope for a nuclear-free world, which was born when the Cold War ended. The burden of this responsibility rests most heavily on the nuclear states, particularly after the unlimited extension of the NPT.

And in view of the nuclear experiences in Europe, the biggest challenge for leadership certainly is right in front of Europe's own door. The damaged Chernobyl reactor may have been encased in a sarcophagus, but there are still another 20 reactors with similar design flaws on the territory of the former Soviet Union. Dozens of nuclear powered submarines of the former Soviet fleet are now idle. Nuclear material and nuclear expert knowledge are leaking from the former Soviet Union into illegal markets.

These dangers, as well as the stocks of dismantled nuclear weapons and contaminated areas, are not precisely banished by the development of further nuclear weapons capacities. But France's top international skills in nuclear science and technology could help. How much more respect would France gain and how much more useful would it be if the country were not to concentrate its skills and energy on countering a purely hypothetical threat but on meeting a real threat!

I do not doubt that the Australians want to make it known in France that their attitude is in no way determined by hostility toward the French people or the French nation. Our opposition specifically refers to the French Government's decision to resume the nuclear tests in the Pacific.

In the past Australia's attitude was sometimes understood as an expression of some kind of Anglo-Saxon hostility toward France. However, Australia is certainly not an Anglo-Saxon enclave in the Asia-Pacific region. As the many French who live in Australia can confirm, Australia is a rich multicultural society, in which half of the immigrants come from Asian countries. It is clear that many of these French inhabitants of Australia think that the French Government should rescind its decision.

If they live on Australia's east coast, they know that there is an enormous difference between studying a map of the Pacific in Europe and actually living on the shores of the ocean in Sydney or Brisbane or Auckland. The map shows these places to be far away from Mururoa. However, if one lives in these places, one knows that the South Pacific—no matter how gigantic it is constitutes a single environment and links everyone who participates in it.

The community spirit that the Pacific Ocean gives us is similar to the one given to France by the idea of "Europe." It is the fundamental reason for our opposition to France's decision to resume the tests and for the fact that Australia and its partners in the South Pacific Forum will not stop emphatically presenting our views to the French Government and conveying to the French people, if we can, the depth of our feelings.

Mr. President, it is my understanding that Senator AKAKA intends to introduce an amendment to the Department of Defense authorization bill this week expressing the sense of the Senate that France must abide by the current international moratorium on nuclear test explosions, and refrain from proceeding with its announced intention of conducting a series of nuclear tests in advance of a comprehensive test ban treaty. I support that amendment, and hope that the French will reconsider their position on conducting these tests and that the CTBT will be signed by the end of next year.

DEFECTIONS FROM IRAQ

Mr. PELL. Mr. President, as many of my colleagues may have heard, there have been dramatic developments in the Middle East today.

Two major Iraqi government figures—both members of Saddam Hussein's circle of power—have defected from Iraq and are now in Jordan.

One of the defectors, Lt. Gen. Hussein Kamel Hassan, was in charge of military industrialization in Iraq. The other, Lt. Col. Saddam Kamel Hassan, was in charge of Saddam Hussein's guards. Both—this is really the curious thing—coincidentally, are married to daughters of Saddam Hussein and are thus his sons-in-law.

The development is significant for a number of reasons. Just last week, Ambassador Madeleine Albright testified to the Foreign Relations Committee that Saddam's base of support has been shrinking. Today's events illustrate that point in an extraordinary way. On a more fundamental level, the defections demonstrate the soundness of United States containment policy toward Iraq, which is designed in part to encourage internal change. It is still too early to assess how the defections will affect Saddam's grip on power; it is clear, however, that there is considerable turmoil in Baghdad's inner sanctum.

As a final note, Mr. President, I would like to add a word of appreciation for Jordan's King Hussein. It is no small gesture for King Hussein to welcome the defectors and provide them safe haven. As unpredictable as Saddam Hussein can be, the King's actions could well provoke an Iraqi response.

President Clinton has said that the United States stands ready to support the King, who by today's actions has shown true courage in defiance of Saddam. I support the President's statement and join him in expressing gratitude to King Hussein.

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, the skyrocketing Federal debt, which long ago soared into the stratosphere, fueled by bureaucratic hot air, is sort of like the weather—everybody talks about it but almost nobody did much about it until immediately after the elections last November.

But when the new 104th Congress convened in January, the U.S. House of

Representatives quickly approved a balanced budget amendment to the U.S. Constitution. On the Senate side, all but one of the 54 Republicans supported the balanced budget amendment—that was the good news. The bad news is that only 13 Democrats supported it. Since a two-thirds-vote—67 Senators—is necessary to approve a constitutional amendment, the proposed Senate amendment failed by one vote. There will be another vote either this year or next.

Here is today's bad debt boxscore:

As of the close of business Wednesday, August 9, the Federal debt—down to the penny—stood at exactly $4,942,218,005,858.98 or $18,760.74 for every man, woman, and child on a per capita basis.

THE MYSTERIOUS V-CHIP

Mr. DOLE. Mr. President, there's been a lot of hype recently about the so-called V-chip.

President Clinton has endorsed the chip, touting it as an antidote to the gratuitous violence and sexual innuendo that now permeate prime-time television. A majority of the Senate has voted to require that every new television set contain the V-chip. And the House of Representatives has joined the V-chip bandwagon, by including a V-chip mandate in the recently passed telecommunications bill.

With all this support, one would think that the V-chip has been tested and tested in laboratories throughout the country. But guess what? The V-chip doesn't even exist—and it may never exist. It is purely a drawing-board scheme that may make sense in theory—but it is anybody's guess whether it will ever work in practice. We have never seen one.

According to an article appearing in USA Today, "There Is No Such Thing as a V-chip. And There Probably Never Will Be." The San Francisco Chronicle reports that—

> No company makes the V-chip, nor has any company expressed an interest in doing so. In fact, the chip isn't a chip at all. It's really an idea for special circuitry for television, but "V-circuitry" doesn't sound quite as omnipotent as V-chip.

Is development of V-chip technology just around the hi-tech corner? Well, perhaps not. According to experts cited in the USA Today article, it—

> Could take 10 years before a V-chip TV is designed, built, marketed, and sold into enough homes to make a difference.

And, in fact, it is likely that the so-called V-chip technology will be overtaken by existing software systems—developed as a direct result of consumer demand—that will give parents more control over what their children watch on television.

So, Mr. President, seeing is believing—and perhaps, just perhaps, the White House may want to reconsider its threat to veto any telecommunications bill that fails to include a V-chip mandate. After all, this bill is the key to our Nation's future economic success.

Mr. President, I ask unanimous consent that the USA Today and San Francisco Chronicle articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From USA Today]

ONE TEENSY LITTLE PROBLEM WITH THIS NEW V-CHIP

(By Kevin Maney)

There is no such thing as a v-chip. And there probably never will be.

"I don't think Intel's doing it," says Howard High at computer chipmaker Intel. "Our plate's full."

"Not at TI," says Neil McGlone at Texas Instruments. "If our customers tell us it's important, we'll take a look at it."

Congress is demanding that every new TV set contain a v-chip. The provision is in a telecommunications bill passed Friday by the House and in June by the Senate. Computerized chips installed in TVs would have to be able to detect shows that are violent by reading a signal carried along with each show. The signal would tell the chip the rating of the show—similar to movie ratings. Parents could program the chip to block out shows with certain ratings, keeping those shows from their children's eyes.

Great, except nobody's ever made a v-chip. It's like passing a law requiring cars to have air bags before air bags were even invented.

"The v-chip is a theory and a warning flag" to makers of violent TV programs, says Rob Agee, editor of Interactive Television Report. "But it doesn't exist."

In fact, Agee and others say a v-chip for TVs will be overtaken by parental control software built into cable systems or interactive TV networks. It could take 10 years before a v-chip TV is designed, built, marketed and sold into enough homes to make a difference. Some of the software controls already are on the market or being tested. Among them:

TV Guide On Screen, an interactive onscreen version of the magazine, lets parents lock out channels or individual shows. It also could lock out programs by time—say, no TV until after homework is done. The software will be loaded into upgraded 500-channel cable TV systems starting this fall. "It's parental control as opposed to governmental control," says Larry Miller, vice president of marketing.

The Sega Channel, which lets users play Sega games over cable TV lines, gives parents the option of blocking out games that carry certain ratings. The channel is available on some cable systems.

In Bell Atlantic's tests of TV over phone lines, the viewer has to enter a personal identification number to order movies, games or items from home-shopping channels. The programming can be blocked by rating.

Those companies and others are pushing parental control into their systems because consumers are demanding it, Agee says. "The v-chip is a moot point."

[From the San Francisco Chronicle, July 28, 1995]

V-CHIP STILL ONLY A VISION—DESPITE ALL THE TALK, IT DOESN'T EXIST

(By Michelle Quinn)

The V-chip seems like the perfect use of one technology to solve a problem caused by another—children watching television shows that serve up violence and sex.

In coming weeks, the House of Representatives will consider making the V-chip mandatory in all television sets over 13 inches. Last month, the Senate voted to do so in an amendment to the Telecommunications Act.

But those with a tool belt eager to install the chip into a television set will be disappointed. The chip doesn't exist. No company makes it, nor has any company expressed an interest in doing so. In fact, the chip isn't a chip at all. It's really an idea for special circuitry for television, but "V-Circuitry" doesn't sound quite as omnipotent as V-chip.

All technology starts with ideas. But unlike the creation of the food processor, the electric shaver or the Macintosh computer, the V-chip has sprung mostly from the brow of political imagination and is gaining momentum in an election year.

It started when Representative Edward Markey, D-Mass., asked the Electronic Industries Association, a trade association based in Arlington, Va., that represents electronics equipment manufacturers, to come up with ideas for putting captioning on television sets for people who are deaf or hard of hearing. In 1990, Markey's legislation passed, making it mandatory for television sets to have captioning.

Two years later, Markey asked the trade association to come up with another technology idea, this time for screening out television violence, said Gary Shapiro, group vice president with the association.

Again, the trade association obliged, coming up with a laundry list of how a violence screener might work. Markey dubbed the idea "V-chip" and a political football was born.

The rough plans were that parents should consult a ratings guidebook, and with a remote control, block certain shows. The television industry would come up with the ratings.

The electronics trade association began to work on how the technology might work—and began to take heat from its members, such as television set manufacturers, who said it would be too expensive to rejigger televisions.

Markey attempted to introduce a bill about the V-chip last year but the electronics trade association said the idea wasn't ready. The association occasionally seems ready to drop the V-chip idea, said David Moulton, Markey's chief of staff, perhaps buckling under pressure from members who say it would be too expensive.

"Even now, I can no longer get a firm grasp on when the standards will be done," Moulton said.

So while the V-chip languished on the drawing board, politics took over.

Last month, Senate majority leader Bob Dole took on Hollywood as part of his presidential campaign and denounced movies and television shows with "mindless violence and loveless sex."

Soon after, Senator Kent Conrad, D-N.D., introduced the V-chip as an amendment to the Telecommunications Act. A political stampede took place, with the majority of the Senate shifting its vote at the last minute to pass the amendment 73 to 26.

Even President Clinton got in on the V-chip, telling a Nashville conference on families and the media this month that he supported the new technology.

Broadcasters and cable operators began denouncing the V-chip, saying it would be impossible to agree on a rating system that the chips could read.

Capital Cities/ABC Inc. said it was censorship. "A chip takes choice out of parents' hands and puts it in the hands of government," said a company press release.

Next week, Markey intends to introduce an amendment to the Telecommunications Act in the House making it mandatory for televisions over 13 inches. The industry association contends Markey is breaking a promise by making the V-chip mandatory." There were no promises, no letters," Moulton said.

Once TV set manufacturers have to include the V-chip, they will be glad for it, Moulton said. They'll "advertise new parent-friendly blocking technology," said Markey's spokesman. "This will be a new reason to buy TV sets."

For Shapiro of the trade association, the V-chip is no longer in his control. Politicians, he said, "see political advantage in it. The V-chip makes a good sound bite."

The V-chip standards could have been ready by early 1996. But with TV set manufacturers and broadcasters fighting it, the V-chip is years off.

And even then, the V-chip won't be foolproof, Shapiro added.

"A smart kid will unplug the television set," he said, "and reset all the ratings."

ANTICOUNTERFEITING CONSUMER PROTECTION ACT OF 1995—S. 1136

Mr. LEAHY. Mr. President, I am pleased to join Chairman HATCH as an original cosponsor of the "Anti-counterfeiting Consumer Protection Act of 1995." We are seeking to give law enforcement additional tools to combat counterfeiting crimes that cost our Nation's companies billions of dollars each year.

Increasingly, we suspect that the lost revenue to legitimate U.S. companies is going into the pockets of international crime syndicates and organized criminals, who manufacture, import and distribute counterfeited goods to fund their criminal enterprises. No enterprise is safe from counterfeiters.

We are a nation of innovators. We lead the world when it comes to intellectual property and high technology. Our companies trademarks indicate quality around the world. Domestic and international counterfeiters are ripping off these companies, picking their pockets, and defrauding the consuming public.

Vermont, with one of the lowest violent crime rates in the Nation, is home to businesses that benefit from a strong work ethic and dedication to quality. That is part of the reason that Vermont products are trusted and respected across the nation and around the world.

Vermont maple syrup producers comply with stringent standards so that syrup lovers around the world are not disappointed. They have to be constantly vigilant against counterfeiters who use the Vermont label to get a free ride on the reputation for excellence syrup from my State enjoys.

Burton Snowboards of Burlington faces the same problem. This company is the world leader in making snowboard equipment, but loses an estimated $1 million annually to copycat boots made in Korea.

The IBM facility in Essex Junction makes 16 and 64 megabyte memory chips, known as DRAM [dynamic random access memory chips]. These memory chips, which can be used in medical equipment and computers, are likewise the subject of counterfeiting.

This bill takes important steps to address the problem of counterfeiting in several ways. It seeks to expand our existing racketeering law to cover crimes involving counterfeiting and copyright infringement and to give our law enforcement officers additional, needed authority to seize counterfeit merchandise and impose fines on counterfeiters. As a former prosecutor, I know that penalties and punishment can deter crime and this bill moves in the right direction.

We must make our laws more effective in combatting counterfeiting crimes here at home and also confront the international nature of the problem. Copycat goods with the labels of legitimate, American companies are manufactured, distributed and sold in foreign cities around the globe. We should insist that our trading partners take action against all kinds of intellectual property violations: Whether counterfeiting or copyright piracy, it amounts to theft and fraud on the consuming public. We cannot tolerate our trading partners and international allies acting as safe havens for pirates.

Trademark counterfeiting is not a joke. It costs in jobs, tax revenue, markets, and credibility. Many products being counterfeited can lead to health and safety hazards and even cost lives.

I look forward to our proceeding with prompt hearing on this important measure and to its early consideration and passage.

THE AMERICAN FAMILY TAX RELIEF ACT OF 1995

Mr. DOLE. Mr. President, I am proud to be an original cosponsor of the American Family Tax Relief Act of 1995.

The American Family Tax Relief Act would provide tax cuts where they are needed most—to families with dependent children. These families have seen their Federal tax burden skyrocket over the years—from 3% of their income in 1948 to well over 20 percent today.

The current tax law is designed to counter a rising tax burden on families with automatic increases in the personal exemption to account for inflation. These inflation adjustments have not been enough, though, to counter the growing tax burden on families.

The American Family Tax Relief Act addresses this concern by providing a $500 tax credit for each dependent child up to age 18. The act will provide substantial and valuable benefits to thousands of families with children in each State. There are an average of 117,000 children in each congressional district whose families would be eligible for a $500 family tax credit under this bill. That is an average tax benefit of $59 million for each congressional district.

Of course, the benefits to each State are substantially larger. In Kansas alone, there are over 650,000 eligible children whose families would receive more than $325 million in family tax credits each year under this bill.

Enacting pro-family tax relief, together with balancing the Federal budget, are critical to the well-being of the family and the country. One of the most important things we can do for our children is to stop mortgaging their future—and balancing the budget will do just that. We will cease deficit spending and shrink the size of the government, so the tax burden on Americans can be reduced.

When we pass budget reconciliation legislation this year, we will substantially reduce the tax burden on families. We will provide tax credits for families with children, tax credits to defray the costs to adopt a child, and other pro-family measures to increase the amount of after-tax dollars in the pockets of American families.

The introduction of the American Family Tax Relief Act of 1995 is an important step forward toward reducing the tax burden on American families. I urge my colleagues to join in cosponsoring this bill to show their support for children and family. And I thank the groups that are promoting this effort, including Concerned Women For America, Christian Coalition, Eagle Forum, Family Research Council, and Traditional Values Coalition.

U.S. GEOLOGICAL SURVEY EXTERNAL RESEARCH GRANTS PROGRAM RELATED TO EARTHQUAKE HAZARDS AND MITIGATION

Mrs. BOXER. As every Member of this body knows, earthquakes represent a severe threat and devastating reality to my State of California. California is by no means alone in facing this danger. The U.S. Geological Survey has identified 41 States and U.S. territories in the moderate, high or very high categories of seismic risk. While earthquakes can not be prevented, there are important steps that we can take to minimize the damage caused by these disasters and to improve our ability to respond to them. Through the multi-agency National

Earthquake Hazards Reduction Program [NEHRP], several Federal agencies are involved in precisely such efforts.

The Interior appropriations bill provides the funding for one of the agencies engaged in this work, the U.S. Geological Survey [USGS]. Unfortunately, as passed by the Senate Appropriations Committee, the bill sends a conflicting message with regard to one vitally important aspect of the USGS contribution to earthquake hazard reduction—university earthquake research. In fiscal year 1995, USGS provided $8 million in funding for external grants related to earthquake hazards and mitigation. The university program provides the knowledge base on which the broader NEHRP program rests. It plays a critical role in amplifying USGS resources and manpower by leveraging additional funds from States, universities and foundations. It also provides USGS with access to the leading researchers and state-of-the-art facilities and equipment in which to conduct earthquake research.

Unfortunately, as I have already noted, the report accompanying the Senate version of this legislation takes two conflicting directions with regard to university funded research. While the committee notes the unique role that university research plays in the NEHRP program, it also specifically cuts $4,000,000 from the funding available for this purpose—a 50-percent reduction. I should note that this is an improvement from the House bill, which eliminated such university research altogether.

Mr. President, I would like to ask my distinguished colleague, Senator GORTON, who is chair of the Appropriations Subcommittee on Interior and Related Agencies, whether he would be willing to answer a question regarding the report language on this issue?

Mr. GORTON. I would be pleased to respond to the Senator's question.

Mrs. BOXER. The Committee which you chair has clearly recognized the tremendously valuable contribution that university earthquake research makes to the NEHRP program. I would therefore ask my colleague from Washington whether it would not be more reasonable to direct the USGS to distribute a cut in funding across its entire program rather than specifically from the university earthquake research component?

Mr. GORTON. I thank my colleague from California for bringing this issue to my attention. I would support spreading the $4 million cut currently called for in earthquake research grants to universities across the entire USGS Earthquake Hazards Reduction Program.

Mrs. BOXER. I thank the Senator for his willingness to address this important issue. I am hopeful that the bill that emerges from conference will contain the smallest possible cut in the USGS Earthquake Hazards Reduction Program and that funding reductions will not target university research.

TRIBUTE TO DR. JOHN M. LONG

Mr. HEFLIN. Mr. President, I am pleased to pay tribute today to an outstanding leader in the musical field—Dr. John M. Long. Dr. Long, director of bands at Troy State University in Troy Alabama for 30 years, is one of the most distinguished and influential figures in the history of this university. The school will be honoring him on Saturday, October 28, at its homecoming football game against the University of Alabama at Birmingham with a celebration entitled "All That Jazz: a Salute to Dr. John M. Long." In reflecting upon just a few of the highlights of his illustrious career, one can easily see why he is so appreciated by those who know him best and why he is so deserving of this special honor.

Dr. John Long is a nationally known guest conductor, clinician, and adjudicator who has served throughout North America and Europe. In 1969, he was named by School Musician magazine as one of the top ten outstanding band directors in the United States and Canada. He is past state chairman of the Alabama School Band Directors Association and in 1977, became the first active bandmaster elected to the Alabama Bandmasters' Hall of Fame. In 1972, he was presented the Citation of Excellence by the National Band Association. He is a past president of the prestigious American Bandmasters Association.

Dr. Long's service to Troy State University has extended far beyond its music program. He is dean of the School of Fine Arts and for 20 years was dean of the College of Arts and Sciences. In addition to currently serving as the director of bands, he is a distinguished professor of music.

John Long was born in Guntersville, Alabama on December 28, 1925. He received his bachelor's degree from Jacksonville State University in Jacksonville, Alabama and his master's from the University of Alabama. Jacksonville State awarded him an honorary doctor of laws degree.

Today, over 200 former students of Dr. Long's are active high school band directors or college music educators throughout the nation. One of his former students, Colonel John R. Bourgeois, is currently the director of the well-known United States Marine Corps Band based here in Washington.

I am pleased to commend and congratulate Dr. John Long on his many years of service to his community, state, and nation. William Shakespeare wrote in "The Merchant of Venice":

> The man that hath no music in himself,
> Nor is not mov'd with concord of sweet sounds,
> Is fit for treasons, stratagems, and spoils;
> The motions of his spirit are dull as night,
> And his affections dark as Erebus:

I join his many friends in saying "thanks" to Dr. Long for all the sweet sounds with which he has filled our lives and brightened our spirits.

TRIBUTE TO ROBERT V. SELTZER

Mr. LAUTENBERG. Mr. President, I rise today to pay tribute to Robert V. Seltzer, my legislative director, who is leaving the Senate after many years of distinguished service.

Mr. President, there are few people more knowledgeable about the Senate, or more committed to this great institution, than Bob Seltzer. I have benefitted greatly from his special expertise and commitment, and his contributions to my office will be felt for many years to come.

Bob's roots in the United States Senate are deep and long-lasting. He came to the Senate in 1979 to work with Senator CARL LEVIN after serving as his campaign manager and after leaving his post of ten years as professor of Rhetoric at Detroit University. Bob served as Senator LEVIN's Chief of Staff and helped to lay the groundwork for many legislative accomplishments by my friend from Michigan.

After a brief period off the Hill, Bob returned to the Senate to serve as legislative director to former Senator Brock Adams. When Senator KOHL was elected to his Senate seat in 1989, he wisely chose Bob to head up his legislative department as his legislative director. In 1993, Bob came to work for me and for the people of the State in which he was born, New Jersey.

Mr. President, Bob has provided invaluable service to me, to the people of New Jersey, and to the Senate. He has an impressive work ethic, and his commitment to public service is unmatched.

Along with his hard work and dedication, Bob has a great sense of humor and an ability to lift the spirits and morale of others. His daily summaries of floor action almost invariably provided our staffers with a quick chuckle. Bob's humor helped the staff tolerate numerous late night sessions and the inevitable chaos of life in the Senate. His quick wit and lighthearted nature will be missed by this Senator, his coworkers and his colleagues around the Hill.

Mr. President, Bob's departure from the Senate will allow him more time to pursue his love of literature and music, while permitting him to spend more time with his wife, Helen. I am sure that as he pursues new horizons beyond the Senate, he will continue to excel, just as he has in my office.

In conclusion, Mr. President, I want to express my sincere thanks to Bob for his contribution to my office and to the Senate. I know my colleagues who know him will join me in wishing him the best of luck in all of his future endeavors.

FISCAL YEAR 1996 DEPARTMENT OF TRANSPORTATION APPROPRIATIONS BILL

Mr. PRESSLER. Mr. President, as Chairman of the Senate Committee on Commerce, Science, and Transportation, I wish to discuss several provisions included in the Fiscal Year 1995 Department of Transportation Appropriations bill of significant importance to the committee. A number of the authorizing provisions in this bill are within the jurisdiction of our committee which is the proper forum for their consideration.

Mr. President, I raised jurisdictional concerns with the Chairman of the Appropriations Committee last week prior to the Transportation subcommittee's markup of this legislation. I understand other members of my committee also raised similar concerns and objections. In fact, the very afternoon this legislation was marked up by the subcommittee, the Commerce Committee's Aviation Subcommittee held a 3½ hour hearing on the issue of reform of the Federal Aviation Administration (FAA) and the Air Traffic Control (ATC) System.

Several of the authorizing provisions in H.R. 2002 which I objected to related to FAA and ATC reform. Other objectional provisions related to matters such as airport funding which my committee is also considering. As shown by the lengthy debate relating to the Roth amendment to strike several provisions in the legislation dealing with FAA procurement and personnel reform, these are very complex issues which require the careful and thoughtful consideration that my committee has been undertaking.

The importance of the FAA and ATC reform debate is very significant. The safety of the air traveling public is at stake. Also, the efficiency of our air transportation system, which is the envy of the world, should not be put at risk by hasty actions of the Congress. For these reasons, the steady and careful pace which my committee has taken in developing legislative solutions to adequately address these problems is appropriate.

The Subcommittee Chairman on Aviation, Senator MCCAIN, and other members of the committee plan to introduce comprehensive reform legislation to safeguard the traveling public and improve the FAA and its activities. In fact, Senator MCCAIN worked nonstop to try to bring a bill for the Committee's consideration during our markup session of today, August 10. Unfortunately, negotiations with the Administration and the FAA to develop bipartisan legislation which the Administration could endorse was not achievable prior to today's session. However, our Committee continues to work diligently with Administration officials to craft this legislation.

Therefore, I am pleased the managers of the bill agreed to postpone the effective date on the FAA procurement and personnel reforms included in the bill until April 1, 1996. This will give the Senate necessary time to achieve a consensus on how best to proceed in this most important area.

Mr. President, I would also like to clarify for the record another matter regarding action by the Commerce Committee that was brought up during the Senate's consideration on this bill.

During the short debate earlier today regarding my amendment to fund the Local Rail Freight Assistance (LRFA) program and the Section 511 loan guarantee program, the Chairman of the Appropriations Committee argued against my amendment, opposing it because the Commerce Committee has not reported a bill to the Senate to authorize funding for LRFA. I want to explain to my colleagues why this bill, which we approved on July 20th, has not been filed since. I did not have an opportunity to rebut the opposition prior to the vote.

On July 20th, the Commerce Committee approved a measure to reauthorize Amtrak and to permanently authorize LRFA. This approved bill has been available to the public since the Committee's approval. The Committee's authorization levels for Amtrak and LRFA have been readily available. To date, the Congressional Budget Office (CBO) has not provided a budget estimate to our Committee which must be included in the report. It is my understanding CBO has been inundated with scoring requests because of the ongoing work on the appropriations bills.

Again, the Committee approved the measure three weeks ago today. The report is ready to go as soon as we receive this information from CBO.

I should reiterate that the LRFA reauthorization included in a bill that also reauthorizes Amtrak. A great deal of funding was provided for Amtrak in this appropriations bill, even though the bill has not been reported. Further, the 511 program is permanently authorized, but no funding was allocated.

AMENDMENT NO. 2390

Mr. LAUTENBERG. Mr. President, I am pleased to join with the Senator from New Mexico in offering this amendment. The amendment itself is simple: it would appropriate the funds that the Pentagon will need to cover the costs of ongoing operations in Iraq, Bosnia, and Guantanamo for fiscal year 1996.

This amendment is offered to deal fiscally responsibly with existing commitments and to address a vital readiness issue.

Now some may be surprised by the omission of such an appropriation in this bill. It is, after all, a bill to appropriate funds for fiscal year 1996 for military activities of the Department of Defense.

The operations in Iraq, Bosnia, and Guantanamo are certainly "military activities." They are activities which we know will be conducted in fiscal year 1996. Yet the bill before us does not provide funding for those operations.

There is, unfortunately, a precedent for such omissions. For several years, the Congress and Presidents from both parties have gotten into the habit of paying for these continuing military operations by going outside the regular budget process. Although the Department of Defense knew that it would have to pay the bills for these existing operations, it did not budget for them as I believe it should. Consequently, the Congress did not step up to the problem either. We did not include funding for them in our authorization and appropriations bills. Instead, typically, a few months after the fiscal year began, administrations would come to Congress and ask for supplemental funding for the operations. And Congress would provide the funds.

In the past, that was an easier decision to make. Supplemental spending was often added to the deficit. But the rules have changed, Mr. President. Supplemental requests, we have decided, ought not just be added to the tab. They have to be offset by reductions elsewhere. Simply put, they have to be paid for.

So, within the context of the Budget Resolution and the 602(b) allocations which flow from it, the Pentagon must pay for these ongoing operations in Iraq, Bosnia, and Guantanamo. They can plan to pay for it now, in an orderly fashion in this bill. Or it will be paid for later, by reprogramming or rescinding DOD funds.

Senator BINGAMAN and I are proposing that it makes better fiscal and military sense to plan to pay for it now.

Delaying a decision will be, as it has been in the past, confusing, painful and costly.

Identifying lower priority programs to eliminate in the middle of the year as an alternative to deficit spending has been contentious, time consuming, and problematic.

The result is that the Congress and the administration have wrung their hands and quibbled over which "low priority" programs can be sacrificed at that time to pay these bills. The Department of Defense has been forced, at times, to dip into precious readiness accounts. As a result, the readiness of our troops has been compromised.

We can and should do better.

This year, the Defense Department is asking the Congress to do better. It is asking us to provide funding to cover the costs of these ongoing operations as part of the fiscal year 1996 Department of Defense Authorization bill and the fiscal year 1996 DOD Appropriations bill.

Rather than deferring a decision about how to pay bills we already know will come due later in the year, the Pentagon is asking us to be fiscally responsible and include them in the fiscal year 1996 budget now. We should do that. And this amendment will do it.

It is true, Mr. President, that the Administration did not request this funding in its official budget request for fiscal year 1996. However, before the Senate Armed Services Committee considered the authorization bill for fiscal year 1996 and before the Senate Appropriations Subcommittee acted, Secretary Perry wrote a letter to the Chairman asking the Committee to provide funding for these operations if the defense budget was increased above the President's request.

Secretary Perry's letter is clear. Regarding ongoing operations in Bosnia, Iraq, and on Guantanamo, it says "I suggest that you fund these contingencies first if you decide to increase the DOD budget this year."

In a subsequent letter, Secretary Perry said "the importance of avoiding any negative effect on readiness of U.S. forces argues for funding them earlier than can be accomplished if we wait for supplemental funding next year." I ask unanimous consent that copies of Secretary Perry's letters be included in the RECORD.

To its credit, Mr. President, the Senate Armed Services Committee did authorize $125 million for these ongoing operations as part of the $7 billion it added to the President's budget for defense. But that won't do the trick. The Pentagon estimates that it will need $1.2 billion to cover the cost of ongoing operations in fiscal year 1996. The appropriations bill provides nothing for the ongoing operations, although it increases defense spending by $6.4 billion above the President's budget request.

We will still have more than a billion dollars worth of bills to pay later—bills which will need to be paid then, as we suggest they should be paid now, by finding other defense offsets.

Mr. President, I urge my colleagues to support this amendment in the name of fiscal responsibility. We know now that we have more than a billion dollars worth of bills to pay this year for ongoing operations and we should include those funds in the fiscal year 1996 budget.

In addition to being fiscally irresponsible, deferring a decision about how to pay these bills until later in the year runs the risk of putting the readiness of our troops in danger. Our service men and women, as well as the American people, expect and deserve better.

For their sake, we should fix our priorities now—as this amendment attempts to do—and include funding for contingency operations in the fiscal year 1996 budget now.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. D'AMATO, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 1147. An original bill to extend and reauthorize the Defense Production Act of 1950, and for other purposes (Rept. No. 104-134).

By Mr. ROTH, from the Committee on Governmental Affairs, without amendment:

H.R. 2108. A bill to permit the Washington Convention Center Authority to expend revenues for the operation and maintenance of the existing Washington Convention Center and for preconstruction activities relating to a new convention center in the District of Columbia, to permit a designated authority of the District of Columbia to borrow funds for the preconstruction activities relating to a sports arena in the District of Columbia and to permit certain revenues to be pledged as security for the borrowing of such funds, and for other purposes.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Con. Res. 22. A concurrent resolution expressing the sense of the Congress that the United States should participate in Expo '98 in Lisbon, Portugal.

EXECUTIVE REPORTS OF COMMITTTEES

The following executive reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs:

Beth Susan Slavet, of Massachusetts, to be a Member of the Merit Systems Protection Board for the term of seven years expiring March 1, 2002.

William H. LeBlanc III, of Louisiana, to be a Commissioner of the Postal Rate Commission for a term expiring November 22, 2000.

Jerome A. Stricker, of Kentucky, to be a Member of the Federal Retirement Thrift Investment Board for a term expiring September 25, 1998.

Jacob Joseph Lew, of New York, to be Deputy Director of the Office of Management and Budget.

Sheryl R. Marshall, of Massachusetts, to be a Member of the Federal Retirement Thrift Investment Board for a term expiring October 11, 1998.

Stephen D. Potts, of Maryland, to be Director of the Office of Government Ethics for a term of five years.

(The above nominations were reported with the recommendation that they be confirmed.)

By Mr. HELMS, from the Committee on Foreign Relations:

Bette Bao Lord, of New York, to be a Member of the Broadcasting Board of Governors for a term of two years.

Alberto J. Mora, of Florida, to be a Member of the Broadcasting Board of Governors for a term of two years.

Marc B. Nathanson, of California, to be a Member of the Broadcasting Board of Governors for a term of three years.

Joseph A. Presel, of Rhode Island, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during his tenure of service as Special Negotiator for Nagorno-Karabakh.

Carl Spielvogel, of New York, to be a Member of the Broadcasting Board of Governors for a term of one year.

Mark D. Gearan, of Massachusetts, to be Director of the Peace Corps.

David W. Burke, of New York, to be a Member of the Broadcasting Board of Governors for a term of three years.

Tom C. Korologos, of Virginia, to be a Member of the Broadcasting Board of Governors for a term of three years.

Edward E. Kaufman, of Delaware, to be a Member of the Broadcasting Board of Governors for a term of two years.

Cheryl F. Halpern, of New Jersey, to be a Member of the Broadcasting Board of Governors for a term of one year.

Lee F. Jackson, of Massachusetts, to be United States Director of the European Bank of Reconstruction and Development.

Stanley Tuemler Escudero, of Florida, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Uzbekistan.

Nominee: Stanley T. Escudero.

Post: Uzbekistan.

Contributions, amount, date, and donee:

1. Self, none.
2. Spouse, none.
3. Children and spouses names, S. Alexander C. Escudero (unmarried), none; W. Benjamin P. Escudero (unmarried), none.
4. Parents names, Estelle T. Damgaard, none; Stanley D. Escudero (father, deceased).
5. Grandparents names, William Tuemler, deceased; Mary Tuemler, deceased; Manuel Escudero, deceased; Mabel Escudero, deceased.
6. Brothers and spouses names, none.
7. Sisters and spouses names, none.

William Harrison Courtney, of West Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Georgia.

Nominee: William H. Courtney.

Post: Ambassador to Georgia.

Contributions, amount, date, and donee:

1. Self, none.
2. Spouse, none.
3. Children and spouses names, none.
4. Parents names, none.
5. Grandparents names, none.
6. Brothers and spouses names, none.
7. Sisters and spouses names, none.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation:

John Goglia, of Massachusetts, to be a Member of the National Transportation Safety Board for the term expiring December 31, 1998.

Robert Talcott Francis, II, of Massachusetts, to be a Member of the National Transportation Safety Board for the term expiring December 31, 1999, vice John K. Lauber, term expired, to which position he was appointed during the last recess of the Senate.

Jay C. Ehle, of Ohio, to be a Member of the Advisory Board of the Saint Lawrence Seaway Development Corporation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

REPORTS OF A COMMITTEE

The following executive reports of a committee were reported on August 10, 1995:

By Mr. HELMS, from the Committee on Foreign Relations:

Treaty Doc. 103–29 Treaty Convention on Income Tax with Sweden (Exec. Rept. 104–4).

TEXT OF THE COMMITTEE-RECOMMENDFD RESOLUTION OF ADVICE AND CONSENT

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of Sweden for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Stockholm on September 1, 1994, together with a related exchange of notes (Treaty Doc. 103–29).

Treaty Doc. 103–30, Treaty Doc. 104–11, Treaty Convention on Income Tax with Ukraine (Exec. Rept. 104–5).

TEXT OF THE COMMITTEE-RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of Ukraine for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, with Protocol, signed at Washington on March 4, 1994 (Treaty Doc. 103–30); and the Exchange of Notes Dated at Washington May 26 and June 6, 1995, Relating to the Convention Between the Government of the United States of America and the Government of Ukraine for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, Together With a Related Protocol, signed at Washington on March 4, 1994, (Treaty Doc. 104–11).

Treaty Doc. 103–31, Treaty Convention on Income Tax with Mexico (Additional Protocol Modifying) (Exec. Rept. 104–6).

TEXT OF THE COMMITTEE-RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Additional Protocol that Modifies the Convention between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income signed at Washington on September 18, 1992. The Additional Protocol was signed at Mexico City on September 8, 1994 (Treaty Doc. 103–31).

Treaty Doc. 103–32, Treaty Convention on Income Tax with the French Republic (Exec. Rept. 104–7).

TEXT OF THE COMMITTEE-RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, signed at Paris on August 31, 1994, together with two related exchanges of notes (Treaty Doc. 103–32). The Senate's advice and consent is subject to the following declaration, which shall not be included in the instrument of ratification to be signed by the President:

That is is the Sense of the Senate that the tax relief available under paragraph 5(b) of Article 30 of the proposed Convention, which exempts certain interest payments to French subsidiaries from United States tax to the extent that United States tax is imposed on such payments under subpart F of Part III of subchapter N of chapter 1 of subtitle A of the Internal Revenue Code ("subpart F"), should be automatically available to any French subsidiary that is a controlled foreign corporation under Section 957 of the Internal Revenue Code to the extent that such payments are taxed under subpart F. The Treasury Department and the Internal Revenue Service shall negotiate with their Dutch counterparts an application of Paragraph 8 of Article 12 of the U.S.-Netherlands Tax Treaty consistent with the French Treaty as described above and grant a long-term exemption from United States tax for interest paid to Dutch subsidiaries to the extent such interest is taxed under subpart F.

Treaty Doc. 103–34, Treaty Convention on Income Tax with the Portugal (Exec. Rept. 104–8).

TEXT OF THE COMMITTEE-RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein) That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Portuguese Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, together with a related Protocol, signed at Washington on September 6, 1994 (Treaty Doc. 103–04). The Senate's advice and consent is subject to the following two understandings, both of which shall be included in the instrument of ratification to be signed by the President and the following two declarations, neither of which shall be included in the instrument of ratification to be signed by the President:

(a) Understanding: That if the Portuguese Republic changes its internal policy with respect to government ownership of commercial banks in a manner that has the effect of exempting from U.S. tax the U.S.-source interest paid to Portuguese commercial banks under paragraph 3(b) of Article 11, the Government of Portugal shall no notify the Government of the United States and the two Governments shall enter into consultations with a view to restoring the balance of benefits under the proposed Convention;

(b) Understanding: That the second sentence of paragraph 2 of article 2 of the proposed Convention shall be understood to include the specific agreement that the Portuguese Republic regularly shall inform the Government of the United States of America as to the progress of all negotiations with and actions taken by the European Union or any representative organization thereof, which may affect the application of paragraph 3(b) of article 10 of the proposed Convention;

(c) Declaration: That the United States Department of the Treasury shall inform the Senate Committee on Foreign Relations as to the progress of all negotiations with and actions taken by the European Union or any representative organization thereof, which may affect the application of paragraph 3(b) of article 10 of the proposed Convention; and

(d) Declaration: That it is the Sense of the Senate that

(1) the effect of the Portuguese Substitute Gift and Inheritance Tax is to provide for nonreciprocal rates of tax between the two parties;

(2) such nonreciprocal treatment is a significant concession by the United States that should not be viewed as a precedent for future U.S. tax treaties, and, could in fact be a barrier to Senate advice and consent to ratification of future treaties;

(3) the Portuguese Government should take appropriate steps to insure that interest and dividend income beneficially owned by residents of the United States is not subject to higher effective rates of taxation by Portugal than the corresponding effective rates of taxation imposed by the United States on such income beneficially owned by residents of Portugal; and

(4) the United States should communicate this Sense of the Senate to the Portuguese Republic.

Treaty Doc. 104–4, Treaty Convention on Income Tax with Canada (Revised Protocol) (Exec. Rept. 104–9).

TEXT OF THE COMMITTEE-RECOMMENDED RESOLUTION OF ADVICE AND CONSENT

Resolved, (two-thirds of the Senators present concurring therein, That the Senate advise and consent to the ratification of a Revised Protocol Amending the Convention between the United States and Canada with Respect to Taxes on Income and on Capital signed at Washington on September 26, 1980, as Amended by the Protocols signed on June 14, 1983 and March 28, 1984. The Revised Protocol was signed at Washington on march 17, 1995 (Treaty Doc. 104–4). The Senate's advice and consent is subject to the following declaration, which shall not be included in the instrument of ratification to be signed by the President:

That the United States Department of the Treasury shall inform the Senate Committee on Foreign Relations as to the progress of all negotiations with and actions taken by Canada that may affect the application of paragraph 3(d) of article XII of the Convention, as amended by article 7 of the proposed Protocol.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MURKOWSKI:

S. 1144. A bill to reform and enhance the management of the National Park System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. FAIRCLOTH (for himself, Mr. DOLE, and Mr. ABRAHAM):

S. 1145. A bill to abolish the Department of Housing and Urban Development and provide for reducing Federal spending for housing and community development activities by consolidating and eliminating programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LEAHY (for himself, Mr. COHEN, Mr. D'AMATO, Mr. JEFFORDS, Mr. KERRY, Mr. LIEBERMAN, and Mr. MOYNIHAN):

S. 1146. A bill to amend the Internal Revenue Code of 1986 to clarify the excise tax treatment of draft cider; to the Committee on Finance.

By Mr. D'AMATO:

S. 1147. An original bill to extend and reauthorize the Defense Production Act of 1950, and for other purposes; from the Committee on Banking, Housing, and Urban Affairs; placed on the calendar.

By Mr. HOLLINGS:

S. 1148. A bill to revitalize the American economy and improve enforcement of the trade laws of the United States, and for other purposes; to the Committee on Finance.

By Mr. SANTORUM:

S. 1149. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel BABS, and for other purposes; to the Committee on Commerce, Science, and Transportation.

S. 1150. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the Marshall Plan and George Catlett Marshall; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BURNS (for himself and Mr. CRAIG):

S. 1151. A bill to establish a National Land and Resources Management Commission to review and make recommendations for reforming management of the public land, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BURNS (for himself, Mr. CRAIG, and Mr. MURKOWSKI):

S. 1152. A bill to amend the Endangered Species Act of 1973 with common sense amendments to strengthen the Act, enhance wildlife conservation and management, augment funding, and protect fishing, hunting, and trapping; to the Committee on Environment and Public Works.

By Mr. BURNS:

S. 1153. A bill to authorize research, development, and demonstration of hydrogen as an energy carrier, and a demonstration-commercialization project which produces hydrogen as an energy source produced from solid and complex waste for on-site use fuel cells, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1154. A bill to authorize the construction of the Fort Peck Rural County Water Supply System, to authorize assistance to the Fort Peck Rural County Water District, Inc., a nonprofit corporation, for the planning, design, and construction of the water supply system, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. COCHRAN (for himself, Mr. PRYOR, Mr. COVERDELL, Mr. HELMS, Mr. WARNER, Mr. CRAIG, Mr. NUNN, Mr. LOTT, Mr. JOHNSTON, Mr. BREAUX, Mr. THURMOND, Mr. MACK, Mr. INOUYE, Mr. AKAKA, Mr. BUMPERS, and Mr. MCCONNELL):

S. 1155. A bill to extend and revise agricultural price support and related programs for certain commodities, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BURNS:

S. 1156. A bill to direct the Secretary of Agriculture to make a land exchange in the State of Montana, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HELMS (for himself, Mr. DOLE, Mr. LIEBERMAN, and Mr. MCCAIN):

S. 1157. A bill to authorize the establishment of a multilateral Bosnia and Herzegovina Self-Defense Fund; to the Committee on Foreign Relations.

By Mr. KERRY (for himself and Mr. KENNEDY):

S. 1158. A bill to deauthorize certain portions of the navigation project for Cohasset Harbor, Massachusetts, and for other purposes; to the Committee on Environment and Public Works.

By Mr. INOUYE (for himself, Mr. SIMON, Mr. CAMPBELL, and Mr. CONRAD):

S. 1159. A bill to establish an American Indian Policy Information Center, and for other purposes; to the Committee on Indian Affairs.

By Mr. ROCKEFELLER:

S. 1160. A bill to amend the Internal Revenue Code of 1986 to provide that the depreciation rules which apply for regular tax purposes also shall apply for alternative minimum tax purposes; to the Committee on Finance.

By Mr. BAUCUS:

S. 1161. A bill to amend the Internal Revenue Code of 1986 to exempt small manufacturers, producers and importers from the firearms excise tax; to the Committee on Finance.

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S. 1162. A bill to amend the Internal Revenue Code of 1986 to treat academic health centers like other educational institutions for purposes of the exclusion for employer-provided housing; to the Committee on Finance.

By Mr. LEAHY (for himself, Mr. GREGG, Mr. JEFFORDS, Mr. COHEN, and Ms. SNOWE):

S. 1163. A bill to implement the recommendations of the Northern Stewardship Lands Council; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ROCKEFELLER:

S. 1164. A bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HATCH:

S. 1165. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for adoption expenses and an exclusion for employer-provided adoption assistance; to the Committee on Finance.

By Mr. LUGAR (for himself, Mr. PRYOR, Mrs. KASSEBAUM, Mr. INOUYE, Mr. COCHRAN, Mr. KERREY, Mr. DOLE, Mr. HEFLIN, Mr. GORTON, and Mr. BREAUX):

S. 1166. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act, to improve the registration of pesticides, to provide minor use crop protection, to improve pesticide tolerances to safeguard infants and children, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PRESSLER:

S. 1167. A bill to amend the Wild and Scenic Rivers Act to exclude the South Dakota segment from the segment of the Missouri River designated as a recreational river, and for other purposes; to the Committee on Energy and Natural Resources.

S. 1168. A bill to amend the Wild and Scenic Rivers Act to exclude any private lands from the segment of the Missouri River designated as a recreational river, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. KEMPTHORNE:

S. 1169. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize construction of facilities for the reclamation and reuse of wastewater at McCall, Idaho, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. PRESSLER (for himself and Mr. BAUCUS):

S. 1170. A bill to limit the applicability of the generation-skipping transfer tax; to the Committee on Finance.

By Mr. MCCONNELL (for himself and Mr. FORD):

S. 1171. A bill to amend the Internal Revenue Code of 1986 to modify the application of the passive loss limitations to equine activities; to the Committee on Finance.

By Mr. ROTH (for himself, Mr. HATCH, and Mr. BAUCUS):

S. 1172. A bill to amend the Revenue Act of 1987 to provide a permanent extension of the transition rule for certain publicly traded partnerships; to the Committee on Finance.

By Mr. GREGG (for himself and Mr. SMITH):

S. 1173. A bill to amend the Internal Revenue Code of 1986 to allow a corporation to elect the pooling method of determining foreign tax credits in certain cases, and for other purposes; to the Committee on Finance.

S. 1174. A bill to amend the Wild and Scenic Rivers Act to designate certain segments of the Lamprey River in New Hampshire as components of the National Wild and Scenic Rivers System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MOYNIHAN (for himself, Mr. D'AMATO, Mr. BRADLEY, and Mr. LAUTENBERG):

S. 1175. A bill to suspend temporarily the duty for personal effect of participants in certain world athletic events; to the Committee on Finance.

By Mr. KYL (for himself and Mr. MCCAIN):

S. 1176. A bill to direct the Secretary of the Interior to make certain modifications with respect to a water contract with the city of Kingman, Arizona, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATCH:

S. 1177. A bill to amend the Social Security Act and the Internal Revenue Code of 1986 to provide improved access to quality long-term care services, to obtain cost savings through provider incentives and removal of regulatory and legislative barriers, to encourage greater private sector participation and personal responsibility in financing such services, and for other purposes; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. MACK, Mr. THURMOND, Mr. PELL, Mr. BUMPERS, and Mr. LIEBERMAN):

S. 1178. A bill to amend title XVIII of the Social Security Act to provide for coverage of colorectal screening under part B of the medicare program; to the Committee on Finance.

By Mr. ROCKEFELLER:

S. 1179. A bill to amend the Internal Revenue Code of 1986 to provide reductions in required contributions to the United Mine Workers of America Combined Benefit Fund, and for other purposes; to the Committee on Finance.

By Mrs. KASSEBAUM:

S. 1180. A bill to amend title XIX of the Public Health Service Act to provide for health performance partnerships, and for other purposes; to the Committee on Labor and Human Resources.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BYRD:

S. Res. 162. A resolution to require each accredited member of the Senate Press Gallery to file an annual public report with the Secretary of the Senate disclosing the member's primary employer and any additional sources of earned outside income; to the Committee on Rules and Administration.

By Mr. PELL (for himself, Mr. STEVENS, and Mr. FORD):

S. Con. Res. 24. A concurrent resolution authorizing the use of the rotunda of the Capitol for a dedication ceremony incident to the placement of a bust of Raoul Wallenberg in the Capitol; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MURKOWSKI:

S. 1144. A bill to reform and enhance the management of the National Park System, and for other purposes; to the Committee on Energy and Natural Resources.

THE NATIONAL PARK SERVICE ENHANCEMENT ACT

Mr. MURKOWSKI. Mr. President, I rise today to introduce the National Park Service Enhancement Act.

This legislation, when enacted, will revamp the National Park Concession Policy Act by creating a true and equal private/public partnership while offering more competition, less regulation, consistent inter- and intra-agency policies and at the same time increase returns to the Federal Government.

This legislation also addresses fee increases to our national parks, needed improvements to land management employee housing, and the establishment of strict criteria by which areas are considered for national park status.

Finally, the bill sets forth a simplified and cost-saving mechanism by which the Federal Government determines the fee schedules for ski operators who use portions of lands under the jurisdiction of the National Forest System.

The 1916 Organic Act creating the National Park Service gave the agency a dual mission—to care for the Nation's parks in such a way as to preserve the resources for future generations while at the same time providing for public use and enjoyment of the same resources. I must say, Mr. President, that after hearing the General Accounting Office report on the current state of the National Park System, the Service needs major assistance in meeting their legislative mandate and they need to improve their accountability as well. I offer the National Park Service Enhancement Act as a way to help the National Park Service to: First, reap the benefits of viable partnerships with the private sector; second, become more user-friendly; and third, begin the long road back to being the flagship conservation system that was once the envy of the world.

Mr. President, on March 7 of this year, the General Accounting Office testified at a hearing before the Subcommittee on Parks, Historic Preservation and Recreation that the National Park System is in failing health. The addition of numerous new areas to the System, increased visitation, and unfunded mandates have stretched the financial resources of the Service so far that basic visitor services are being cut, infrastructure maintenance is deferred, and accountability is sorely lacking.

In addition, the National Park Service has other problems it cannot solve under existing law. Many park employees live in Government housing that most of us, even those with Spartan tastes, would find unacceptable as decent living quarters. Yet these employees are afraid that if their housing is brought up to standard, their rent will go beyond the range of their ability to pay. Private companies acting as partners with the National Park Service and other land management agencies to provide needed accommodations, facilities and services to park visitors are subject to ridiculous regulation and redtape under existing laws. With this legislation, I propose to correct this problem. Simply put, if we can't afford to take care of the caretakers, how can we hope to take care of the resources under their charge?

The current park admission and special use fee systems need revamping so that fees are fair for all types of visitors, whether they bring their own car into the parks or arrive by commercial bus.

Mr. President, I would like to give a brief outline of provisions of the National Park Service Enhancement Act, which I believe will solve the problems I just described.

Title I of the bill reforms National Park Service concessions policy. It provides clear definitions of concessioners and commercial use contractors and establishes similar procedures for awarding and managing contracts with both types of businesses. An example of how ridiculous the existing system is comes from my home State of Alaska. At Glacier Bay National Park, commercial cruise ships that come into the bay between June and August operate under 100-page concession contracts; the rest of the year they operate under 2-page commercial use licenses. Two sets of paperwork for one kind of service. The problem is further exacerbated from region to region and from park to park. There is no consistency for the issuance of a simple permit. This legislation, when enacted, provides uniformity and user-friendly systems.

In addition, this title will relieve the National Park Service of having to approve a concessioner's rates and charges for every single sales item and service where nearby competition will allow market forces to set a reasonable price. This alone should free National Park Service concessions specialists from spending weeks deciding what a hot dog should cost at Padre Island National Seashore, only to reach a determination that there is no hot dog to compare it to. My bill, when enacted, will correct this sort of overregulation.

Other key provisions in title I include possessory interest, probably the most controversial aspect of concessions reform. Other legislation introduced would do away with possessory interest. As a former banker, I have to wonder what financial institution is going to loan funds to a business for real estate improvements which are not expected to hold their value? What sense does it make to amortize possessory interest so that all assets constructed or improved by concessioners would eventually be owned by the Government? The National Park Service, by its own admission, has billions of dollars in infrastructure maintenance backlog. Why would we want to add to the backlog when everyone on this floor knows the National Park Service cannot afford to maintain what it already has?

On the issue of competition, discussion has focused on the current preferential right of renewal. I feel very strongly that it is in the best interest of both the National Park Service and the visiting public to maintain continuity where existing concessioners have a track record of good service. My bill creates incentive for high quality service by awarding good concessioners with a credit of extra points to apply toward the total points that the Secretary may award proposals submitted by bidders. There is no reason to have turnover for the sake of turnover—continuation of high quality service only makes sense, and it is good business.

The combination of provisions in title I of this bill should result in higher franchise fees offered by bidders because they know that their investment in improvements will not be depreciated to zero for non-tax purposes, and that they will have incentive to provide superior services to the public. Commercial use contractors will be less subject to inconsistent application of Park Service policy and enjoy the benefits of a binding contract, just as concessioners do.

These provisions add up to good business sense for the private sector, the public, and the National Park Service. Ultimately, they will add up to good sense for the U.S. Forest Service, the Bureau of Land Management, and the U.S. Fish and Wildlife Service as they are directed to adopt consistent regulations for substantially similar commercial and nonrecreational uses on lands within their jurisdiction.

Title II amends the Land and Water Conservation Fund Act sections relating to admission, recreation, and special use fees. It is only realistic that actual park users shoulder more responsibility for maintaining the national parks and visitor services provided in the parks than those who are not users. This bill raises fees to a reasonable level for the Golden Eagle Passport, the annual park pass, and establishes a uniform per-visit fee at parks that charge admission fees.

Commercial tour use fees will be set solely according to vehicle capacity, without the addition of a per person charge. This flat fee rate relieves the ranger at the gate to Yosemite National Park from holding up a commercial motor coach for 15 minutes in order to see which riders have Golden Age, Access or Eagle Passports exempting them from additional entrance fees. Multipassenger commerical vehicles will no longer be penalized for what should be recognized as an environmentally sound practice—providing a national park experience to many people at one time while using only a single vehicle. The results are less pollution and less congestion in our busier parks.

Reforming National Park Service fee programs will not make the agency self-supporting. That is not the intent of my legislation. However, current admission fees are below what anyone would reasonably expect. Fees should be more uniformly applied across the System and should contribute to offset diminished appropriations. To that end this bill removes many of the prohibitions on collecting admission fees at certain types of National Park System units. If we are to restore the System, everyone must contribute. Exceptions must be extremely limited or eliminated. What is fair is fair for everyone.

Title III of the National Park Service Enhancement Act relates to ski area permits on national forest lands. It would establish a ski area permit fee that returns fair value to the United States. The fee formula outlined in the bill is simple, equitable, and consistent, and will simplify the administrative burdens on both the ski area permittees and the Forest Service personnel who administer the permits.

Title IV will make it much more difficult to add units to the National Park System without careful consideration. The National Park System should be a collection of the finest and most fitting examples of our national heritage, maintained accordingly. Dilution of the System by less than suitable sites threatens to bring the National Park System down to the lowest common denominator.

The National Park Service will develop a comprehensive plan to guide the direction of the National Park System into the next century. The plan will include clarification of the Park Service role and mission in preserving our national heritage in concert with other such efforts by Federal, State, and local entities. New criteria for inclusion of areas in the System will be developed. Topics and themes not represented in the System will be identified and a priority list for representation developed.

I mentioned the need for housing reform earlier. Title V of the bill will give the Secretaries of Interior and Agriculture greater authority to provide housing for their employees, both within and outside of national park boundaries.

For employees at Dry Tortugas National Park, who live for 8 days at a time on a tiny island, the bill will enable the National Park Service to rent housing on the Florida mainland for them to use when they come off the island for their days off. In the past, rangers and other employees were forced to rent motel rooms at tourist season rates or sleep in their cars just to be able to wash their clothes and buy groceries before going back out to their remote duty stations.

Agencies will be able to work with the private sector to construct, develop, rehabilitate, manage, and lease housing for their employees. This proposal has the potential to remove huge financial and administrative burdens from those agencies. In addition, employees will be assured that their rent, as paid to their Government landlords, will not be more than a reasonable percentage of their pay.

Title VI establishes a system for disposition of receipts collected by the National Park Service as admission, recreation, special use, and franchise fees. As allowed now, parks collecting admission and recreation fees may retain amounts equal to their direct costs of collecting such fees to cover those costs. Receipts equal to those currently going into the General Treasury will continue to be deposited there, as well as half the additional receipts. The other 50 percent of additional receipts will go into a newly established National Park Service account in the Treasury, known as the park improvement fund.

Moneys in the park improvement fund will go back to the national parks to take care of operational and project needs. Seventy-five percent of fund receipts collected at a specific park as part of a particular fee program will go back to that park. The remaining 25 percent will be distributed among other parks that may not collect that type of fee. To ensure accountability, parks must submit requests for spending their returned funds for approval by the Secretary of the Interior, who in turn forwards them to Congress for review.

The final title of the bill renews the recently expired authority for the National Park System Advisory Board and charges it with conducting two important studies. Within a year of enactment of this legislation, the advisory board, working in consultation with the National Park Service, must review most units of the National Park System to determine whether greater or equal resource protection and visitor use could be achieved through alternative management of those areas. Additionally, as part of this study, the advisory board will use the organic legislation of the National Park Service and of its units to develop criteria to guide the Congress and the Secretary of Interior in establishing and supporting new additions to the National Park System. The second task of the advisory board is to review existing visitor services at each unit of the National Park System for adequacy and to identify specific park needs for new or additional services.

Mr. President, I offer this legislation as a way to help the National Park Service, other land management agencies, and even Congress to do the right thing. The National Park System is strained to the breaking point by poorly conceived additions. We must reexamine the definition of a worthy unit and ensure that any additions to the System meet the new definition.

We must assist the National Park Service and other agencies in establishing businesslike, and mutually beneficial relationships with partners in the private sector, including park concessioners and others who provide needed commerical services on public lands. Often these agencies operate with a rather one-sided view of what partnership means. A partnership is a two-way street—this legislation takes us down that road.

Mr. President, the National Park Service Enhancement Act is a course correction which will help the National Park Service get back on track in preserving and protecting our national heritage and allowing and encouraging opportunities for people to enjoy that heritage.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1144

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Park Service Enhancement Act".

TITLE I—CONCESSION REFORM

SEC. 101. FINDINGS

In addition to the findings and policy stated in Public Law 89-249 (79 Stat. 969; 16 U.S.C. 20-20G), entitled "An Act relating to the establishment of concession policies in the areas administered by the National Park Service and for other purposes" (hereinafter referred to as the "1965 Act"), the Congress finds that—

(1) provisions of accommodations, facilities, and services to the public in units of the National Park Service by concessioners and commercial use contractors, as defined in section 102(a), will be enhanced by revising the existing policies and procedures for soliciting proposals for concession and commercial use contracts, selecting bidders, and evaluating concession and commercial use operations;

(2) such revisions will result in quality accommodations, services and facilities for public use and enjoyment at reasonable rates if there are proper incentives for capital investment in the construction, rehabilitation and maintenance of those facilities and equipment in the national parks which are for the primary use of concessioners operating therein and that such investment should be provided by private funds to the maximum extent practicable; and

(3) encouragement of such private capital investment requires that a concessioner be accorded a compensable possessory interest in such facilities and equipment.

SEC. 102. AMENDMENTS TO THE 1965 ACT

(a) DEFINITIONS.—Section 2 of the 1965 Act (P.L. 89-249 (79 Stat. 969); 16 U.S.C. 20a) is renumbered as section 2, with the following new section inserted before it:

"SEC. 2. As used in this Act,

"(a) 'bidder' means a person, corporation or other entity who has submitted, or may submit, a proposal, whether or not such bidder is also the concessioner or commercial use contractor, respecting the accommodations, facilities or services which are the subject of such proposal;

"(b) 'commercial use contractor' means a person, corporation, or other entity acting under a contract for recurring commercial activities which are generally initiated and terminated outside the park, and are not conducted from permanent facilities within the park: *Provided*, That permanent facilities do not include cabins, tent platforms or other similar structures possessed by commercial use contractors used in connection with guided or outfitted activities;

"(c) 'contract' means a formal, written agreement between the Secretary and the concessioner or commercial use contractor to provide accommodations, facilities, or services at a park;

"(d) 'concessioner' means a person, corporation, or other entity operating from permanent facilities within a park and acting under a contract with the Secretary;

"(e) 'franchise fee' means the fee required by a contract to be paid to the United States, which may be expressed as, but not required to be, a percentage of gross receipts derived therefrom, and which shall be in addition to fees required to be paid to the United States for the use of federally-owned buildings or facilities;

"(f) 'park' means a unit of the National Park System;

"(g) 'proposal' means the complete proposal for a contract offered by a bidder in response to the solicitation for such contract issued by the Secretary;

"(h) 'prospectus' means a document or documents issued by the Secretary and included with a solicitation setting forth the minimum requirements for the award of a contract;

"(i) 'renewal incentive' means a credit of points toward the score awarded by the Secretary to a concessioner or commercial use contractor performing above the satisfactory performance level on such concessioner's commercial use contractor's proposal submitted in response to a solicitation for the renewal of such contract;

"(j) 'Secretary' means the Secretary of the Interior, unless otherwise noted;

"(k) 'selected bidder' means the bidder selected by the Secretary for the award of a concession or commercial use contract until such bidder becomes the concessioner or commercial use contractor under such contract;

"(l) 'solicitation' means a request by the Secretary for proposals in response to a prospectus; and

"(m) 'sound value' means the value of any structure, fixture or improvement, determined upon the basis of reconstruction cost less depreciation evidenced by its condition and prospective serviceability in comparison with a new unit of like kind, but not to exceed fair market value.".

(b) Section 3 of the 1965 Act (P.L. 89-249) (79 Stat. 969); 16 U.S.C. 20a) is further amended by striking "and corporations (hereinafter referred to as 'concessioners')" and replacing it with ", corporations and other entities."

(c) Existing section 3(a) is amended by renumbering it as section 4(a) and by striking "may" from the first and second sentences and replacing it with "shall".

(d) Section 3(b) is renumbered as section 4(b).

(e) RATES AND CHARGES TO THE PUBLIC.—Section 3(c) of the 1965 Act (P.L. 89-249 (79 Stat. 969); 16 U.S.C. 20b(c)) is renumbered as section 4(c) and amended to read as follows:

"(c) In general, rates and charges to the public shall be set by the concessioner or commercial use contractor. A concessioner's or commercial use contractor's rates and charges to the public shall be subject to the approval of the Secretary only in those instances where the Secretary determines that sufficient competition for such facilities and services does not exist within or in close proximity to the park in which the concessioner or commercial use contractor operates. In those instances, the contract shall state that the reasonableness of the concessioner's or commercial use contractor's rates and charges to the public shall be reviewed and approved by the Secretary primarily by comparison with those rates and charges for facilities and services of comparable character under similar conditions, with due consideration for length of season, seasonal variations, average percentage of occupancy, accessibility, availability and costs of labor and materials, type of patronage, and other factors deemed significant by the Secretary.".

(f) METHOD OF DETERMINING FRANCHISE FEES.—Section 3(d) of the 1965 Act (P.L. 89-249 (79 Stat. 969); 16 U.S.C. 20b(d)) is renumbered as section 4(d) and amended to read as follows:

"(d) Franchise fees, however stated, shall be fixed at the time of commencement of the contract as stated in the selected proposal. The Secretary shall determine the suggested minimum franchise fee in any prospectus in a manner that will provide the concessioner or commercial use contractor with a reasonable opportunity to realize a profit under the contract taken as a whole, commensurate with the capital invested and the obligations assumed. The Secretary may temporarily or permanently reduce franchise fees under a contract if the Secretary determines that such reduction is equitable under the circumstances."

(g) NEW OR ADDITIONAL SERVICES.—Section 4 of the 1965 Act (P.L. 89-249 (79 Stat. 969); 16 U.S.C. 20c) is renumbered as section 5 and amended by striking ", other than the concessioner holding a preferential rights," from the last sentence.

(h) REPEAL OF EXISTING RENEWAL PREFERENCE.—Section 5 of the 1965 Act (P.L. 89-249 (79 Stat. 969); 16 U.S.C. 20d) is repealed: *Provided*, That the renewal of contracts entered into before enactment of this title (including the renewal of expired contracts where the concessioner or commercial use contractor has continued to operate under a temporary extension) shall be subject to such section 5 for the first renewal which becomes effective after the date of enactment of this title.

(i) PROTECTION OF CONCESSIONER'S POSSESSORY INTEREST.—Section 6 of the 1965 Act (P.L. 89-249 (79 Stat. 969); 16 U.S.C. 20e) is amended by:

(1) replacing the fifth sentence with "Just compensation shall be an amount equal to the sound value of such structure, fixture, or improvement at the time of taking by the United States or expiration of the contract."; and

(2) striking the last sentence and designating the existing text as subjection (a) and by adding the following subsection (b):

"(b) Not less than twelve months before the expiration of any contract which recognizes a possessory interest, if the amount of compensation shall not have previously been agreed between the Secretary and the concessioner, the concessioner shall submit to the Secretary an independent appraisal of the sound value of the structures, fixtures or improvements in which the concessioner has an investment interest. Such appraisal must be performed by an appraiser with significant experience in the appraisal of assets similar to those valued thereunder, and be conducted and dated as of a date not earlier than eighteen months before the expiration of the concession contract or as of the date of taking, if earlier. In determining the fair market value of any such structure, fixture or improvement which is primarily used for the production of income, such appraiser shall employ the income approach to valuation in a manner consistent with the procedures and assumptions then generally employed for similar income-producing assets by appraisers who are members of the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers: *Provided*, That such appraisal shall assume a future franchise fee equal to the average annual franchise fee payable by the concessioner during the term of such concessioner's existing contract. With respect to any structure, fixture or improvement which is not primarily used for the production of income, the fair market value shall be equal to the reconstruction cost of such structure, fixture, or improvement, less depreciation evidenced by its condition and prospective serviceability in comparison with a new unit of like kind. Any structures, fixtures, or improvements acquired or constructed after the date of such appraisal in which the concessioner holds an investment interest shall be deemed to have sound values as of the date of such acquisition or construction equal to the concessioner's original cost. The amount to be paid to the concessioner for the concessioner's investment interest on the date of taking by the United States or at the expiration of the contract shall equal the appraised sound value or the concessioner's original cost for newly-constructed or acquired structures, fixtures or improvements, as applicable, increased by the percentage increase in the Consumer Price Index—All Urban Consumers reported by the United States Department of Labor from the month including the date of such appraisal (or the date of construction or acquisition of structures, fixtures or improvements acquired or constructed after the date of such appraisal) to and including the month prior to the date of taking by the United States or expiration of the contract. If the Secretary disagrees with the appraisal submitted by the concessioner, he may present the concessioner with an independent appraisal performed by an appraiser with significant experience in the appraisal of assets similar to those valued thereunder, dated as of the same date as the concessioner's appraisal and prepared in a manner consistent with the manner of preparation of the concessioner's appraisal, as specified above, not less than three months after receipt of the concessioner's appraisal. If the concessioner and the Secretary are unable to agree on the sound value of the concessioner's possessory interest, the Secretary and the concessioner may agree to direct the Secretary's appraiser and the concessioner's appraiser to choose a third appraiser, who shall recommend either the concessioner's appraisal or the Secretary's appraisal as the more accurate appraisal of such sound value to the Secretary. The concessioner shall pay the cost of the concessioner's appraiser and the United States shall pay the cost of the Secretary's appraiser, if any. If a third appraiser is selected as provided above, the cost of such appraiser shall be shared equally by the concessioner and the United States.".

(j) TECHNICAL AMENDMENTS.—The 1965 Act (P.L. 89-249 (79 Stat. 969); 16 U.S.C. 20) is amended by renumbering existing sections 7 through 9 as sections 11 through 13 accordingly.

(k) COMPETITIVE SELECTION PROCESS, CONTRACTS, AND PERFORMANCE EVALUATION.—The 1965 Act (P.L. 89-249 (79 Stat. 969); 16 U.S.C. 20) is amended by adding a new section 7, 8, 9, and 10 as follows:

"SEC. 7. (a) Except as provided in subsections (b) and (c), and consistent with the provisions of subsection (h), any contract entered in to pursuant to the National Park Service Enhancement Act shall be awarded to the person, corporation or other entity submitting the best proposal as determined by the Secretary, through a competitive selection process. Within 180 days after the date of enactment of the National Park Service Enhancement Act, the Secretary shall promulgate appropriate regulations establishing such process. The regulations shall include provisions for establishing a method or procedure for the resolution of disputes between the Secretary and a concessioner or commercial use contractor in those instances where the Secretary has been unable to meet conditions or requirements or provide such services, if any, as set forth in a prospectus as described below.

"SEC. 7. (b) The provisions in this Act shall be subject to any limitation or special provision contained in the Alaska National Interest Lands Conservation Act (16 U.S.C. 3101 et seq.). Subject to the provisions of section 1307 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3197), a priority shall be given to commercial use contractors operating cruise ships (defined as motor vessels at or over 6,000 gross tonnage [International Convention System], providing overnight accommodations for all passengers, and operating with itineraries of 3 or more days) who provide tours in Glacier Bay national park which originate in Southeast Alaska.

"(c) Notwithstanding the provisions of subsection (a), the Secretary may award on a noncompetitive basis: (1) a temporary contract for a term of not more than two years if the Secretary determines such an award to be necessary in order to avoid interruption of services to the public at a park or (2) a contract which the Secretary estimates will result in annual gross receipts of no more than $2,000,000, if the Secretary determines that continuity and quality of service, administrative savings, or the lack of potential bidders do not require the solicitation of proposals. Prior to making a determination to award a temporary contract, the Secretary shall take all reasonable and appropriate steps to consider alternative actions to avoid interruption of services.

"(d) Prior to making a solicitation for a contract, other than a contract subject to the provisions of subsection (c) of this section, the Secretary shall prepare a prospectus for such solicitation, shall publish a notice of its availability at least once in such local or national newspapers or trade publications as the Secretary determines appropriate, and shall make such prospectus available upon request to all interested parties. The prospectus shall include, but need not be limited to, the following information: the suggested minimum requirements for such contract, including the minimum suggested fee, which shall provide the selected bidder with a reasonable opportunity to realize a profit on the selected bidder's operation under the contract; the terms and conditions of the existing contract awarded for such park, if any, including all fees and other forms of compensation provided to the United States by the concessioner or commercial use contractor; other authorized facilities or services which may be included in the proposal; facilities and services to be provided by the Secretary to the concessioner or commercial use contractor, if any, including but not limited to, public access, utilities, and buildings; minimum public services to be offered within a park by the Secretary, including but not limited to, interpretive programs, campsites, and visitor centers; and such other information related to the concession operation or commercial use activity available to the Secretary which is not privileged or otherwise exempt from disclosure under Federal law, as the Secretary determines is necessary to allow for the submission of competitive proposals.

"(e) The Secretary may reject any proposal, notwithstanding the amount of fees offered, even if such proposal meets the minimum requirements established by the Secretary, if he determines that the person, corporation, or entity making such proposal is not qualified, or is likely to provide unsatisfactory services, or that the proposal is not sufficiently responsive to the objectives of protecting and preserving park resources and of providing necessary and appropriate facilities or services to the public at reasonable rates. The Secretary may consider a proposal made by a bidder which fails to meet the suggested minimum requirements included in the prospectus, but shall not award a contract to such a bidder if one or more other proposals have met such minimum requirements unless all such other proposals are rejected. If all proposals submitted are rejected by the Secretary, he shall establish new suggested minimum contract requirements and re-initiate the competitive selection process.

"(f) In selecting the best proposal, the Secretary shall consider the following primary factors: the responsiveness of the proposal to the objectives of protecting and preserving park resources, of providing high quality service to the public, and of providing necessary and appropriate accommodations, facilities and services to the public at reasonable rates; the experience and related background of the bidder, including, but not limited to, such bidder's performance and expertise in providing the same or similar accommodations, facilities or services, in each case taking into account the experience and related background of any entities which are affiliated with the bidder; and the financial capability of the bidder submitting the proposal. The Secretary may also consider such secondary factors as the Secretary deems appropriate, including the proposed franchise fee: Provided, That consideration of revenue to the United States shall be subordinate to the primary factors as set forth above.

"(g) The Secretary shall submit any proposal contract with anticipated annual gross receipts in excess of $5,000,000 or a duration in excess of 10 years to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives. The Secretary shall not ratify any such proposed contract until at least 60 days subsequent to the submission thereof to both Committees.

"(h) To provide proper incentives for concessioners and commercial use contractors to operate in a manner which exceeds the minimum performance requirements of the contract, each concessioner or commercial use contractor who meets the requirements set forth below shall receive an automatic credit of an additional 10% of the maximum points which are available to be awarded by the Secretary to any proposal which is submitted in response to a solicitation for the renewal of such contract or license. In order to receive this renewal incentive, the concessioner or commercial use contractor must have received a performance rating of "good" pursuant to section 9(a) for at least fifty percent of the years of the contract term and must not have received an unsatisfactory rating under such contract during any of the five years prior to the renewal thereof. Concessioners and commercial use contractors operating under temporary contract, license or permit extensions granted by the Secretary after expiration of their original contract, license or permit term at the time of enactment of this section shall retain any renewal incentive described above earned under the original contract.

"(i) Notwithstanding the provisions of subsection (h), the Secretary shall grant a preferential right of renewal to a commercial use contractor for a contract which primarily authorizes a such contractor to provide outfitting, guide, river running, or other similar services within a park, and which the Secretary estimates will have annual gross revenues of no more than $1,000,000: *Provided;* That the commercial use contractor has received a performance rating of "good" pursuant to section 9(a) for at least fifty percent of the years of the contract term and must not have received an unsatisfactory rating under such contract during the any of the five years prior to the renewal thereof. Commercial use contractors operating under temporary contract, license or permit extensions granted by the Secretary after expiration of their original contract, license or permit term at the time of enactment of this section shall retain any preferential right of renewal described above earned under the original contract.

"SEC. 8. (a) A contract entered into subsequent to enactment of the National Park Service Enhancement Act shall be awarded for a term not to exceed 10 years except that the Secretary may award a contract for a longer term, not to exceed 30 years, if the Secretary determines that it is in the public interest. Where a concessioner or commercial use contractor is required to make substantial investments in structures, fixtures, or improvements in the park, the Secretary shall provide for a contract term that is commensurate with such investments.

"(b) No contract may be transferred, assigned, sold, or otherwise conveyed by a concessioner or commercial use contractor without prior written notification to, and approval of, the Secretary, who shall not unreasonably withhold or delay such approval but shall not approve the transfer, assignment, sale, or conveyance of a contract to any individual, corporation or other entity if the Secretary determines that: (1) such individual, corporation or entity is, or is likely to be, unable to completely satisfy all of the requirements, terms, and conditions of the contract or (2) such transfer, assignment, sale, or conveyance is not consistent with the objectives of protecting and preserving park resources, providing high quality service to the public, and of providing necessary and appropriate facilities or services to the public at reasonable rates. If the Secretary decides to approve a transfer, assignment, sale, or other conveyance of a contract with gross receipts for the most recently completed calendar year in excess of $5,000,000, or with a remaining term in excess of 10 years, he shall notify the Committee on Energy and Natural Resources of the United States Senate and Committee of Resources of the House of Representatives of the request, including, but not limited to, the names of the parties involved in the request. The approval by the Secretary shall not take effect until 60 days subsequent to the notification of both Committees.

"(c) A successor concessioner or commercial use contractor to whom a contract has been transferred, assignee, sold or conveyed shall be entitled to the benefit of any "good" ratings received by the prior concessioner or commercial use contractor during the term of the contract.

"SEC. 9. (a) Within 180 days after the date of enactment of the National Park Service Enhancement Act, the Secretary shall publish regulations establishing reasonable general standards and criteria for evaluating the performance of a concessioner or commercial use contractor on its overall operation under a contract which shall provide for rating of "unsatisfactory", "'satisfactory", and "good". The evaluation regulations shall address both operational performance and contract compliance and shall identify both positive and negative aspects of the operation. The standards and criteria for a good rating shall require a level of performance which clearly exceeds the minimum requirements under the contract but which is reasonably attainable by a competent concessioner of commercial use contractor based upon the nature of such concessioner's or commercial use contractor's operation. Prior to entering into a contract, the Secretary and selected bidder will jointly develop rating criteria and standards for each rating under the contract, consistent with such regulations, against which the concessioner or commercial use contractor will be evaluated annually.

"(b) The Secretary shall annually conduct an evaluation of each concessioner and commercial use contractor or commercial use contractor and shall assign an overall rating for each concessioner or commercial use contractor for each year. The procedure for any performance evaluation shall be provided in advance to each concessioner and commercial use contractor, and each shall be entitled to a complete explanation of any rating given. If the Secretary's performance evaluation for any year results in an unsatisfactory rating of the concessioner or commercial use contractor, the Secretary shall so notify the concessioner or commercial use contractor in writing, and shall provide the concessioner or commercial use contractor with a list of the minimum requirements necessary to receive a rating of satisfactory. The Secretary may terminate a contract if the concessioner or commercial use contractor fails to correct and meet the minimum requirements identified by the Secretary within the limitations established by the Secretary at the time notice of the unsatisfactory rating is provided to the concessioner or commercial use contractor. If the Secretary terminates a contract pursuant to this section, the outgoing concessioner may be required to pay for costs incurred by the Secretary associated with prospectus development and bidder proposal evaluation, as well as the difference between the new contract's franchise fee and that paid by the outgoing concessioner, if the new franchise fee is lower.

"(c) The Secretary shall notify the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives of each unsatisfactory rating and of each contract terminated pursuant to this section.

"SEC. 10. Notwithstanding any other provision of law, each contract awarded by the Department of the Interior for concessioner or commercial use contractor-provided visitor services performed in whole or in part of a State which is not contiguous with another State and has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor shall include a provision requiring the concessioner or commercial use contractor to employ, for the purpose of performing that portion of the contract in such State this is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills."

SEC. 103. ISSUANCE OF CONTRACTS AND NON-RECURRING COMMERCIAL/NONRECREATIONAL USE PERMITS BY OTHER LAND MANAGEMENT AGENCIES.

Within two years of the date of enactment of this title, and to the extent practicable, the Secretary of the Interior and Secretary of Agriculture shall adopt procedures consistent with those established by this title for the National Park Service for issuing contracts and nonrecurring commercial/nonrecreational use permits as described herein for substantially similar services and activities taking place on federal lands managed by the United States Forest Service, Bureau of Land Management, and United States Fish and Wildlife Service.

TITLE II—NATIONAL PARK FEES

SEC. 201. FEES.

(a) ADMISSION FEES.—Section 4(a) of the Land and Water Conservation Fund Act of 1965 (P.L. 88–578; 16 U.S.C. 4601–6a(a)), is further amended as follows:

(1) By deleting "fee-free travel areas" and "lifetime admission permit" from the title of this section.

(2) In the first sentence of paragraph (1)(a)(I), by striking "$25" and inserting "$50".

(3) By inserting at the end of clause (ii) of paragraph (1)(A) the following: "Such receipts shall be made available, subject to appropriation, for authorized resource protection, rehabilitation and conservation projects as provided for by subsection (I), including projects to be carried out by the Public Land Corps or any other conservation corps pursuant to the Youth Conservation Corps Act of 1970 (16 U.S.C. 1701 and following), or other related programs or authorities, on lands administered by the Secretary of the interior and the Secretary of Agriculture.".

(4) In paragraph (a)(1)(B), by striking "$15" and inserting "$25".

(5) In paragraph (a)(2), by striking the fifth and sixth sentences, and by amending the fourth sentence to read as follows: "The fee for a single-visit permit at any designated area shall be not more than $6 per person.".

(6) In paragraph (a)(3), by inserting the word "Great" in the third sentence before "Smoky", and by striking the last sentence.

(7) In paragraph (a)(4), by striking the second sentence in its entirety and inserting in lieu thereof, "Such permit shall be nontransferable, shall be issued for a one-time charge of $10, and shall entitle the permittee to free admission into any area designated pursuant to this subsection.".

(8) In paragraph (a)(4), by amending the third sentence to read as follows: "No fees of any kind shall be collected from any persons who have a right of access for hunting or fishing privileges under a specific provision of law or treaty or who are engaged in the conduct of official Federal, State, or local government business.".

(9) In paragraph (a)(5), by striking it in its entirety and insert in lieu thereof: "The Secretary of the Interior and the Secretary of Agriculture shall establish procedures providing for the issuance of a lifetime admission permit to any citizen of, or person legally domiciled in, the United States, if such citizen or person applies for such permit and is permanently disabled. Such procedures shall assure that such permit shall be issued only to persons who have been medically determined to be permanently disabled. Such permit shall be nontransferable, shall be issued without charge, and shall entitle the

permittee and one accompanying individual to general admission into any area designated pursuant to this subsection, notwithstanding the method of travel.''.

(10) In paragraph (a)(6)(A), by striking the paragraph in its entirety and inserting in lieu thereof: ''No later than 18 months after the enactment date of this sentence, the Secretary of the Interior shall submit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the House of Representatives a report on the admission fees proposed to be charged at units of the National Park System. The report shall include a list of units of the National Park System and the admission fee proposed to be charged at each unit. The Secretary of the Interior shall also identify areas where such fees are authorized but not collected, including an explanation of the reasons that such fees are not collected.''.

(11) By striking paragraph (a)(9) in its entirety and by renumbering current paragraph (10) as ''(9)''.

(12) In paragraph (a)(11), by striking all but the last sentence and renumbering it as ''(a)(10)''.

(13) By renumbering paragraph (a)(12) as ''(a)(11)''.

(b) Recreation Fees.—Section 4(b) of the Land and Water Conservation Fund Act of 1965 (P.L. 88–578; 16 U.S.C. 460*l*–6a(b)), as amended, is further amended as follows:

(1) By striking ''fees for Golden Age Passport permittees'' from the title;

(2) By striking ''personal collection of the fee by an employee or agent of the Federal agency operating the facility,'';

(3) By striking ''Any Golden Age Passport permittee, or'' and insert in lieu thereof ''Any''.

(c) Criteria, Posting and Uniformity of Fees.—Section 4(d) of the Land and Water Conservation Fund Act of 1965 (P.L. 88–578; 16 U.S.C. 4601–6a(d)) is amended by deleting from the first sentence, ''recreation fees charged by non-Federal public agencies,'' and inserting in lieu thereof ''fees charged by other public and private entities,''.

(d) Penalty.—Section 4(e) of the Land and Water Conservation Fund Act of 1965 (P.L. 88–578; 16 U.S.C. 4601–6a(e)) is amended by deleting ''of not more than $100.'' and inserting in lieu thereof, ''as provided by law.''.

(e) Technical Amendments.—Section 4(h) of the Land and Water Conservation Fund Act of 1965 (P.L. 88–578; 16 U.S.C. 4601–6a(h)), as amended, is further amended—

(1) by striking ''Bureau of Outdoor Recreation'' and inserting in lieu thereof, ''National Park Service''

(2) by striking ''Natural'' in ''Committee on Natural Resources of the House of Representatives''; and

(3) by striking ''Bureau'' and inserting in lieu thereof, ''National Park Service''.

(f) Time of Reimbursement.—Section 4(k) of the Land and Water Conservation Fund Act of 1965 (P.L. 88–578; 16 U.S.C. 4601–6a(k)) is amended by striking the last sentence in its entirety.

(g) Charges for Transportation Provided by the National Park Service.—Section 4(*l*)(1) of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601–6a(1)) is amended by striking the word ''viewing'' from the section title and inserting in lieu thereof ''visiting'', and by striking the word ''view'' from the first sentence of subparagraph (1) and inserting ''visit'' in lieu thereof.

(h) Commercial Tour Use Fees.—Section 4(n) of the Land and Water Conservation Fund Act of 1965 (P.L. 88–578; 16 U.S.C. 4601–6a(n)), as amended, is further amended—

(1) by striking the first sentence of subsection (n)(1) and inserting ''In the case of each unit of the National Park System for which an admission fee is charged under this section, the Secretary of the Interior shall establish, by October 1, 1995, a commercial tour use fee in lieu of a per person admission fee to be imposed on each vehicle entering the unit for the purpose of providing commercial tour services within the unit.''.

(2) by striking the period at the end of subsection (n)(3) and inserting ''with written notification of such adjustments provided to commercial tour operators twelve months in advance of implementation.''.

(i) Fees for Special Uses.—Section 4 of the Land and Water Conservation Fund Act of 1965 (P.L. 88–578; 16 U.S.C. 4601–6a)), as amended, is further amended by adding the following at the end thereof:

''(o) Fees for Commercial/Non-Recreational Uses.—Using the criteria established in section 4(d) (16 U.S.C. 4601–6a(d)), the Secretary of the Interior shall establish reasonable fees for non-recurring commercial or non-recreational uses of National Park System units that require special arrangements, including permits. At a minimum, such fees will cover all costs of providing necessary services associated with such use, except that at the Secretary's discretion, the Secretary may waive or reduce such fees in the case of any organization using an area within the National Park System for activities which further the goals of the National Park Service. Receipts equal to the cost of providing the necessary services associated with such use may be retained at the park unit in which the use takes place, and remain available to cover such costs.''.

(j) Conforming Amendments.—The following Public Laws shall be amended as described below—

(1) Section 3 of Public Law 70–805 (45 Stat. 1300), as amended, is further amended by striking the last sentence;

(2) Section 5(e) of Public Law 87–657 (76 Stat. 540; 16 U.S.C. 459c–5), as amended, is hereby repealed;

(3) Section 3(b) of Public Law 87–750 (76 Stat. 747; 16 U.S.C. 398e(b)) is hereby repealed;

(4) Section 4(e) of Public Law 92–589 (86 Stat. 1299; 16 U.S.C. 460bb–3), as amended, is further amended by striking the first sentence;

(5) Section 6(j) of Public Law 95–348 (92 Stat. 487) is hereby repealed;

(6) Section 207 of Public Law 96–199 (94 Stat. 77) is hereby repealed;

(7) Section 106 of Public Law 96–287 (94 Stat. 600) is amended by striking the last sentence;

(8) Section 5 of Public Law 96–428 (94 Stat. 1843) is hereby repealed;

(9) Section 204 of Public Law 96–287 (94 Stat. 601) is amended by striking the last sentence; and

(10) Public Law 100–55 (101 Stat. 371) is hereby repealed.

SEC. 202. CHALLENGE COST-SHARE AGREEMENTS.

The Secretary of the Interior is authorized to negotiate and enter into challenge cost-share agreements with any State or local government, public or private agency, organization, institution, corporation, individual, or other entity for the purpose of sharing costs or services in carrying out any authorized functions and responsibilities of the Secretary with respect to any unit of the National Park System (as defined in section 2(a) of the Act of August 8, 1953 (16 U.S.C. 1c(a)), any affiliated area, or designated National Scenic or Historic Trail.

SEC. 203. COST RECOVERY FOR DAMAGE TO NATIONAL PARK RESOURCES.

Public Law 101–337 is amended as follows:

(1) In section 1 (16 U.S.C. 19jj), by amending subsection (d) to read as follows:

''(d) 'Park system resource' means any living or nonliving resource that is located within the boundaries of a unit of the National Park System, except for resources owned by a non-Federal entity.''.

(2) In section 1 (16 U.S.C. 19jj), by adding at the end thereof the following:

''(g) 'Marine or aquatic park system resource' means any living or non-living resource that is located within or is a living part of a marine or aquatic regimen within the boundaries of a unit of the National Park System, except for resources owned by a non-Federal entity.'.

(3) In section 2(b) (16 U.S.C. 19jj–1(b)), by striking ''any park'' and inserting in lieu thereof ''any marine or aquatic park''.

TITLE III—SKI AREA PERMITS ON NATIONAL FOREST SYSTEM LANDS

SEC. 301. FINDINGS AND PURPOSE.

(a) Findings.—The Congress finds that—

(1) Although ski areas occupy less than one-twentieth of one percent of National Forest System lands nationwide, in many rural areas of the United States, ski areas and investments by ski area permittees on National Forest System lands form the backbone of the local economy and a preponderance of the employment base.

(2) Ski area operations and their attendant communities provide revenues to the United States in the form of permit fees, income taxes, and other revenues which are extremely significant in proportion to the limited Federal acreage and Forest Service administration and contractual obligations required to support such operations.

(3) In addition to alpine skiing, many ski area permittees provide multiseason facilities and enhanced access to National Forest System lands, that result in greater public use and enjoyment of such lands than would otherwise occur;

(4) Unlike many other private sector users of Federal Lands, ski areas in almost all cases assume the risk to finance, construct, maintain, and market all recreational facilities and improvements on such lands.

(5) Many ski areas on National Forest System lands operate in an extremely competitive environment with similar facilities located on private or State lands, which requires ski area permittees to maintain a high level of capital investment to upgrade existing facilities and install new facilities (such as lifts, trails, snowmaking and trail grooming equipment, restaurants, and day care centers) to serve the public.

(6) Despite an outward appearance of economic well-being resulting from an intensive capital infrastructure, many ski area operations are marginally profitable due to the competition and capital investments referred to in paragraph (5), weather conditions, insurance premiums, the national economy, and other factors beyond the control of the ski area permittee.

(7) Because of the contributions of ski areas to the economies of the United States and the rural communities in which they are located, and the enhanced use and enjoyment of National Forest System lands resulting from ski areas, it is in the national interest for the United States, where consistent with national forest management objectives, to take actions to promote the long-term economic health and stability of ski areas and associated communities.

(8) The National Forest Ski Area Permit Act of 1986 (U.S.C. 497b) has been of assistance to ski area operations on National Forest System lands by providing longer term lease tenure and contractual stability to ski area permittees, but further adjustments and policy direction and warranted to address problems related to permit fees and fee calculations and conflicts with certain mineral activities.

(b) PURPOSE.—In light of the findings of subsection (a), it is the purpose of this title—

(1) To legislate a ski area permit fee that returns fair market value to the United States and at the same time—

(A) provides ski area permittees and the United States with a simplified, consistent, predictable, and equitable fee formula that is commensurate with long-term planning, financing, and operational needs of ski areas; and

(B) simplifies bookkeeping and other administrative burdens on ski area permittees and Forest Service personnel; and

(2) to prevent future conflicts between ski area operations and mining and mineral leasing programs by withdrawing lands within ski area permit boundaries from the operation of mining and mineral leasing laws.

SEC. 302. SKI AREA PERMIT FEES AND WITHDRAWAL OF SKI AREAS FROM OPERATION OF MINING LAWS.

The National Forest Ski Area Permit Act of 1986 (16 U.S.C. 497b) is amended by adding at the end the following new sections:

"SEC. 4. SKI AREA PERMIT FEES.

"(a) SKI AREA PERMIT FEE.—After the date of enactment of this section, the fee for all ski area permits on National Forest System lands shall be calculated, charged, and paid only as set forth in subsection (b) in order to—

"(1) return fair market value to the United States and provide ski area permittees and the United States with a simplified, consistent, predictable, and equitable permit fee;

"(2) simplify administrative, bookkeeping, and other requirements currently imposed on the Secretary of Agriculture and ski area permittees on national forest lands; and

"(3) save costs associated with the calculation of ski area permit fees.

"(b) METHOD OF CALCULATION.—

"(1) DETERMINATION OF ADJUSTED GROSS REVENUE SUBJECT TO FEE.—The Secretary of Agriculture shall calculate the ski area permit fee (SAPF) to be charged a ski area permittee by first determining the permittee's adjusted gross revenue (AGR) to be subject to the permit fee. The permittee's adjusted gross revenue (AGR) is equal to the sum of the following:

"(A) The permittee's adjusted gross revenues from alpine lift ticket and alpine season pass sales plus revenue from alpine ski school operations (LTA+SSA), with such total multiplied by the permittee's slope transport feet percentage (STFP) on National Forest System lands.

"(B) The permittee's adjusted gross revenues from Nordic ski use pass sales and Nordic ski school operations (LTN+SSN), with such total multiplied by the permittee's percentage (NR) of Nordic trails on National Forest System lands.

"(C) The permittee's gross revenues from ancillary facilities (GRAF) physically located on National Forest System lands, including all permittee or subpermittee lodging, food service, rental shops, parking, and other ancillary operations.

"(2) DEPICTION OF FORMULA.—Utilizing the abbreviations indicated in paragraph (1), the calculation of the adjusted gross revenue (AGR) of a ski area permittee is illustrated by the following formula:

"AGR=((LTA+SSA)STFP)+((LTN+SSN)NR) +GRAF

"(3) DETERMINATION OF SKI AREA PERMIT FEE.—The Secretary shall determine the ski area permit fee (SAPF) to be charged a ski area permittee by multiplying adjusted gross revenue determined under paragraph (1) for the permittee by the following percentages for each revenue bracket and adding the total for each revenue bracket:

"(A) 1.5 percent of all adjusted gross revenue below $3,000,000.

"(B) 2.5 percent of all adjusted gross revenue between $3,000,000 and $15,000,000.

"(C) 2.75 percent for adjusted gross revenue between $15,000,000 and $50,000,000.

"(D) 4.0 percent for the amount of adjusted gross revenue that exceeds $50,000,000.

"(4) SLOPE TRANSPORT FEET PERCENTAGE.—In cases where ski areas are only partially located on National Forest System lands, the slope transport feet percentage on national forest land referred to in paragraph (1) is hereby determined to most accurately reflect the percent of an alpine ski area permittee's total skier service capacity which is located on National Forest System land. It shall be calculated as generally described in the Forest Service Manual in effect as of January 1, 1992.

"(5) ANNUAL ADJUSTMENT OF ADJUSTED GROSS REVENUE.—In order to insure that the ski area permit fee set forth in this subsection remains fair and equitable to both the United States and ski area permittees, the Secretary shall adjust, on an annual basis, the adjusted gross revenue figures for each revenue bracket in subparagraphs (A) through (D) of paragraph (3) by the percent increase or decrease in the national Consumer Price Index for the preceding calendar year.

"(c) MINIMUM RENTAL FEE.—In cases where an area of National Forest System land is under a ski area permit but the permittee does not have revenue or sales qualifying for fee payment pursuant to subsection (a), the permittee shall pay an annual minimum rental fee of $2 for each acre of National Forest System land under permit. Rental fees imposed under this subsection shall be paid at the time specified in subsection (d).

"(d) TIME FOR PAYMENT.—Unless otherwise mutually agreed to by the ski area permittee and the Secretary, the ski area permit set forth in subsection (b) shall be paid by the permittee by August 31 of each year and cover all applicable revenues received during the 12-month period ending on June 30 of that year. To simplify bookkeeping and fee calculation burdens on the permittee and the Forest Service, the Secretary shall no later than March 15 of each year provide each ski area permittee with a standardized form and worksheets (including annual fee calculation brackets and rates) to be used for fee calculation and submitted with the fee payment.

"(e) EXCLUSION OF REVENUE OBTAINED OUTSIDE OF NATIONAL FOREST LANDS.—Under no circumstances shall ski area permittee revenue or subpermittee revenue (other than lift ticket, area use pass, or ski school sales) obtained from operations physically located on non-national forest land be included in the ski area permit fee calculation.

"(f) DEFINITIONS.—To simplify bookkeeping and administrative burdens on ski area permittees and the Forest Service, as used in this section, the terms "revenue" and "sales" shall mean actual income from sales. Such terms shall not include sales of operating equipment, refunds, rent paid to the permittee by sublessees, sponsor contributions to special events or any amounts attributable to employee gratuities, discounts, complimentary lift tickets, or other goods or services (except for bartered goods) for which the permittee does not receive money.

"(g) EFFECTIVE DATE FOR FEES.—The ski area permit fees required by this section shall become effective on July 1, 1995 and cover receipts retroactive to July 1, 1994. If a ski area permittee has paid fees for the 12-month period ending on June 30, 1995, under the graduated rate fee system formula in effect prior to the date of the enactment of this section, such fees shall be credited toward the new ski area permit fee due for that period under this section.

"(h) TRANSITIONAL SKI AREA PERMIT FEES.—

"(1) DETERMINATION OF AVERAGE FEES.—In order to minimize in any one year the effect of converting individual ski areas from the fee system in existence on the date of enactment of this section to the ski area permit fee required by subsection (a), each ski area permittee subject to the new fee shall determine the permittee's average existing fees (AEF) for each year of the three-year period ending on June 30, 1994, and the permittee's proforma average ski area permit fee (ASF) under subsection (a) for each year of that period. Both (AEF) and (ASF) shall be determined by adding together the fee payment made by the ski area or the estimated payment that would have been paid under subsection (a) for each year of that period and dividing by three.

"(2) DETERMINATION OF TRANSITIONAL FEES.—To calculate the ski area permit fee required by subsection (a) for each year in the five-year period ending on June 30, 1999, the Secretary of Agriculture shall divide the ski area permit fee required by subsection (a) by the ASF and then multiply by the AEF. The resulting fee shall be called the Adjusted Base Fee (ABF). After June 30, 1999, all ski areas will pay the ski area permit fee required by subsection (a) without regard to previous fees or rates paid.

"(3) EFFECT OF LOW ABF.—Should the ABF be less than the ski area permit fee required by subsection (a), the ski area permittee shall pay the lesser of the fee required by subsection (a) or the ABF, which shall be adjusted by multiplying the ABF by—

"(A) 1.1 for the fee required to be paid by August 31, 1995;

"(B) 1.2 for the fee required to be paid by August 31, 1996;

"(C) 1.3 for the fee required to be paid by August 31, 1997;

"(D) 1.4 for the fee required to be paid by August 31, 1998; and

"(E) 1.5 for the fee required to be paid by August 31, 1999.

"(4) EFFECT OF HIGH ABF.—Should the ABF be greater than the ski area permit fee required by subsection (a), the ski area permittee shall pay the greater of the fee required by subsection (a) or the ABF, which shall be adjusted by multiplying the ABF by—

"(A) 0.9 for the fee required to be paid by August 31, 1995;

"(B) 0.8 for the fee required to be paid by August 31, 1996;

"(C) 0.7 for the fee required to be paid by August 31, 1997;

"(D) 0.6 for the fee required to be paid by August 31, 1998; and

"(E) 0.5 for the fee required to be paid by August 31, 1999.

"SEC. 5. WITHDRAWAL OF SKI AREAS FROM OPERATION OF MINING LAWS.

"Subject to valid existing rights, all lands located within the boundaries of ski area permits issued prior to, on, or after the date of enactment of this section pursuant to the authority of the Act of March 4, 1915 (16 U.S.C. 497), the Act of June 4, 1897 (16 U.S.C. 473 et seq.), or section 3 of this Act are hereby and henceforth automatically withdrawn from all forms of appropriation under the mining laws and from disposition under all laws pertaining to mineral and geothermal leasing and all amendments to such laws. Such withdrawal shall continue for the full term of the permit and any modification, reissuance, or renewal of the permit. Such withdrawal shall be canceled automatically upon expiration or other termination of the permit. Upon cancellation of the withdrawal, the land shall be automatically restored to all appropriation not otherwise restricted under the public land laws."

SEC. 303. STUDY OF SKI AREAS FOR POTENTIAL SALE.

The Secretary of Agriculture shall conduct a study of ski areas on National Forest System lands to determine the feasibility and suitability of selling all or a portion of such lands to the current permittees or other interested parties. The study shall determine and identify whether any continuing need for Federal retention of such lands exists. It shall identify the cost savings and revenues to the Federal government which might accrue as a result of such sales as well as other benefits which might result from the disposal of such lands. In addition, the study shall identify criteria which should be used in considering the sale of such assets. The Secretary shall complete the study within one year from the date of enactment of this title and shall transmit a report to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives.

TITLE IV—NATIONAL PARK SYSTEM REFORM

SEC. 401. PREPARATION OF NATIONAL PARK SYSTEM PLAN.

(a) PREPARATION OF PLAN.—The Secretary of the Interior (hereinafter in this title referred to as the "Secretary"), acting through the Director of the National Park Service, and in consultation with the National Park System Advisory Board, shall prepare a National Park System Plan (hereinafter in this title referred to as the "plan") to guide the direction of the National Park System into the next century. The plan shall include each of the following:

(1) Detailed criteria to be used in determining which natural and cultural resources are appropriate for inclusion as units of the National Park System.

(2) Identification of what constitutes adequate representation of a particular resource type and which aspects of the national heritage are adequately represented in the existing National Park System or in other protected areas.

(3) Identification of appropriate aspects of the national heritage not currently represented in the National Park System.

(4) Priorities of the themes and types of resources which should be added to the National Park System in order to provide more complete representation of our Nation's heritage.

(5) A statement of the role of the National Park Service with respect to such topics as preservation of natural areas and ecosystems, preservation of industrial America, preservation of non-physical cultural resources, and provision of outdoor recreation opportunities.

(6) A statement of what areas constitute units of the National Park System and the distinction between units of the system, affiliated areas, and other areas within the system.

(b) CONSULTATION.—During the preparation of the plan under subsection (a), the Secretary shall consult with other Federal land management agencies, State and local officials, the National Park System Advisory Board, resource management, recreation and scholarly organizations and other interested parties as the Secretary deems advisable. These consultations shall also include appropriate opportunities for public review and comment. The plan shall take into consideration the results and recommendations in the management systems report conducted by the National Park System Advisory Board as provided in section 702(a) of this Act.

(c) TRANSMITTAL TO CONGRESS.—Prior to the end of the second complete fiscal year commencing after the date of enactment of this title, the Secretary shall transmit the plan developed under this section to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the House of Representatives.

SEC. 402. STUDY OF THE NEW PARK SYSTEM AREAS.

Section 8 of the Act of August 18, 1970, entitled "An Act to improve the Administration of the National Park System by the Secretary of the Interior, and to clarify the authorities applicable to the system, and for other purposes" (P.L. 91-383, 84 Stat. 825; 16 U.S.C. 1a–1 and following) as amended, is further amended as follows:

(1) By inserting "GENERAL AUTHORITY.—" after "(a)".

(2) By striking the second through the sixth sentences of subsection (a).

(3) By striking "Natural" from "Committee on Natural Resources of the United States House of Representatives" in the eighth sentence.

(4) By redesignating the last two sentences of subsection (a) as subsection (e) and inserting in such sentence before the words "For the purpose of carrying" the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—".

(5) By inserting the following after subsection (a):

"(b) STUDIES OF AREAS FOR POTENTIAL ADDITION.—(1) At the beginning of each calendar year, the Secretary shall submit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the House of Representatives a list of areas recommended for study for potential inclusion in the National Park System.

"(2) In developing the list to be submitted under this subsection, the Secretary shall give consideration to those areas that have the greatest potential to meet the established criteria of national significance, suitability, and feasibility. The Secretary shall give special consideration to themes, sites, and resources not already adequately represented in the National Park System as identified in the National Park System Plan to be developed under title IV, section 401 of the National Park Service Enhancement Act. No study of the potential of an area for inclusion in the National Park System may be initiated after the date of enactment of this section, except as provided by specific authorization of an Act of Congress. Nothing in this Act shall limit the authority of the National Park Service to conduct preliminary resource assessments, gather data on potential study areas, provide technical and planning assistance, prepare or process nominations for administrative designations, update previous studies, or complete reconnaissance surveys of individual areas requiring a total expenditure of less than $25,000. Nothing in this section shall be construed to apply to or affect or alter the study of any river segment for potential addition to the national wild and scenic rivers system or to apply to or to affect or alter the study of any trail for potential addition to the national trails system.

"(c) REPORT.—The Secretary shall complete the study for each area for potential inclusion into the National Park System within three complete fiscal years following the date of enactment of specific legislation providing for the study of such area. Each study under this section shall be prepared with appropriate opportunity for public involvement, including at least one public meeting in the vicinity of the area under study, and reasonable efforts to notify potentially affected landowners and State and local governments. In conducting the study, the Secretary shall consider whether the area under study—

"(1) possesses nationally significant natural or cultural resources, or outstanding recreational opportunities, and that it represents one of the most important examples of a particular resource type in the country; and

"(2) is a suitable and feasible addition to the system; and

"(3) what the additional fiscal and personnel costs will be if the area were added to the system.

"Each study shall consider the following factors with regard to the area being studied: the rarity and integrity; whether similar resources are already protected in the National Park System or in other Federal, state or private ownership; the public use potential; the interpretive and educational potential; costs associated with acquisition, development and operation; the socioeconomic impacts of any designation; the level of local and general public support; and whether the unit is of appropriate configuration to ensure long term resource protection and visitor use. Each study shall also consider whether direct National Park Service management or alternative protection by other agencies or the private sector is appropriate for the area. Each such study shall identify what alternative or combination of alternatives would, in the professional judgment of the Director of the National Park Service, be most effective and efficient in protecting significant resources and providing for public enjoyment. The letter transmitting each completed study to Congress shall contain a recommendation regarding the Administration's preferred management option for the area and detail the fiscal and personnel costs if the preferred option is federal management.

"(d) LIST OF AREAS.—At the beginning of each calendar year, along with the annual budget submission, the Secretary shall submit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Natural Resources of the House of Representatives a list of areas which have been previously studied which contain primarily cultural or historical resources and a list of areas which have been previously studied which contain primarily natural resources in numerical order of priority for addition to the National Park System. In developing the list, the Secretary should consider threats to resource values, cost escalation factors, and other factors listed in subsection (c) of this section.".

TITLE V—LAND MANAGEMENT AGENCY HOUSING

SECTION 501. DEFINITIONS.

As used in this title, the term—

(1) "public lands" means Federal lands administrated by the Secretary of the Interior or the Secretary of Agriculture;

(2) "Secretaries" means the Secretary of the Interior and the Secretary of Agriculture;

(3) "housing" means residential housing available for rent or lease to Federal employees in or near a park or public lands and its associated infrastructure; and

(4) "employee" means an employee of the Federal government and their families who by necessity reside in or near a park or public lands for the purposes of the management of those lands, including temporary and seasonal employees and volunteers.

SEC. 502. EMPLOYEE HOUSING.

(a) AUTHORITY.—(1) To promote the recruitment and retention of qualified personnel necessary for the effective management of public lands, the Secretaries are authorized to—

(A) make employee housing available, subject to the limitation set forth in paragraph (2), on or off public lands, and

(B) rent or lease such housing to employees of the respective Department at a reasonable value.

(2)(A) Housing made available to employees on public lands shall be limited to those areas designated for administrative use.

(B) No private lands or interests therein outside of the boundaries of Federally administered areas may be acquired by any means for the purposes of this title except with the consent of the owner thereof.

(b) DEFINITIONS.—The Secretaries shall provide such housing in accordance with this title and section 5911 of Title 5, United States Code, except that for the purposes of this title, the term—

(1) "availability of quarters" (as used in this title and subsection (b) of section 5911) means the existence, within thirty miles of the employee's duty station, of well-constructed and maintained housing suitable to the individual and family needs of the employee, for which the rental rate as a percentage of the employee's annual gross income does not exceed the most recent Census Bureau American Housing Survey median monthly housing cost for renters inclusive of utilities, as a percentage of current income, whether paid as part of rent or paid directly to a third party;

(2) "contract" (as used in this title and subsection (b) of section 5911) includes, but is not limited to, "Build-to-Lease", "Rental Guarantee", "Joint Development", or other lease agreements entered into by the Secretary, on or off public lands, for the purposes of sub-leasing to Departmental employees; and

(3) "reasonable value" (as used in this title and subsection (c) of section 5911) means the lease rental rate comparable to private rental rates for comparable housing facilities and associated amenities: *Provided*, That the base rental rate as a percentage of the employee's annual gross income shall not exceed the most recent American Housing Survey median monthly housing cost for renters inclusive of utilities, as a percentage of current income, whether paid as part of rent or paid directly to a third party.

(c) Subject to appropriation, the Secretaries may enter into contracts and agreements with public and private entities to provide housing on or off public lands.

(d) The Secretaries may enter into cooperative agreements or joint ventures with local governmental and private entities, either on or off public lands, to provide appropriate and necessary utility and other infrastructure facilities in support of employee housing facilities provided under this Act.

SEC. 503. SURVEY OF RENTAL QUARTERS.

The Secretaries shall conduct a survey of the availability of quarters at field units under each Secretary's jurisdiction at least every five years. If such survey indicates that government owned or suitable privately-owned quarters are not available as defined in section 502(b)(1) of this title for the personnel assigned to a specific duty station, the Secretaries are authorized to provide suitable quarters in accordance with the provisions of this title. For the purposes of this section, the term "suitable quarters" means well-constructed, maintained housing suitable to the individual and family needs of the employee.

SEC. 504. SECONDARY QUARTERS.

(a) If the Secretary of the Interior or the Secretary of Agriculture determines that secondary quarters for employees who are permanently duty stationed at remote locations and are regularly required to relocate for temporary periods are necessary for the effective administration of an area under the jurisdiction of the respective agency, such secondary quarters are authorized to be made available to employees, either on or off public lands, in accordance with the provisions of this title.

(b) Rental rates for such secondary facilities shall be established so that the aggregate rental rate paid by an employee for both primary and secondary quarters as a percentage of the employee's annual gross income shall not exceed the Census Bureau American Housing Survey median monthly housing cost for renters inclusive of utilities as a percentage of current income, whether paid as part of rent or paid directly to a third party.

SEC. 505. SURVEY OF EXISTING FACILITIES.

(a) HOUSING SURVEY.—Within two years after the date of enactment of this title, the Secretaries shall survey all existing government-owned employee housing facilities under the jurisdiction of the Department of the Interior and the Department of Agriculture, to assess the physical condition of such housing and the suitability of such housing for the effective prosecution of the agency mission. The Secretaries shall develop an agency-wide priority listing, by structure, identifying those units in greatest need of repair, rehabilitation, replacement or initial construction, as appropriate. The survey and priority listing study shall be transmitted to the Committees on Appropriations and Energy and Natural Resources of the United States Senate and the Committees on Appropriations and Resources of the United States House of Representatives.

(b) PRIORITY LISTING.—Unless otherwise provided by law, expenditure of any funds appropriated for construction, repair or rehabilitation shall follow, in sequential order, the priority listing established by each agency. Funding available from other sources for employee housing repair may be distributed as determined by the Secretaries.

SEC. 506. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $3,000,000 each year for fiscal years 1996 through 2001 for the purposes of this title.

TITLE VI—DISPOSITION OF FEES

SEC. 601. SPECIAL ACCOUNT.

A special account is hereby established in the Treasury of the United States that shall be called the Park Improvement Fund (hereinafter referred to in this title as "the fund").

SEC. 702. COVERING OF FEES INTO PARK IMPROVEMENT FUND.

Notwithstanding section 4(i) of the Land and Water Conservation Fund Act of 1965 (P.L. 88-578; 16 U.S.C. 460*l*-6a(i)), beginning in fiscal year 1996 and in each fiscal year thereafter, fifty percent of all revenues received by the Federal government in excess of the amount that would have been received in 1995 without enactment of this Act from franchise fees, admission, special recreation, commercial tour use, and commercial/non-recreational use fees shall be covered into the fund; however, the Secretary of the Interior may withhold from the fund such portion of all receipts collected from fees imposed by titles I and II of this Act in such fiscal year as the Secretary determines to be equal to the fee collection costs for the immediately preceding fiscal year: *Provided*, That such costs shall not exceed 15 percent of all receipts collected from fees imposed under titles I and II of this Act in such immediately preceding fiscal year.

SEC. 603. ALLOCATION AND USE FEES.

(a) ALLOCATION.—Notwithstanding section 4(j) of the Land and Water Conservation Fund Act of 1965 (P.O. 88-578; 16 U.S.C. 460*l*-6a(j)), receipts in the fund from the previous fiscal year shall be available to the Secretary without further appropriation and shall be allocated as follows: each fiscal year, beginning in 1997, seventy-five percent of the total receipts deposited in the fund for the previous fiscal year from each unit of the National Park System collecting franchise, admission, special recreation, commercial tour use or commercial/non-recreational use fees shall be available for expenditure only by that unit. The remaining receipts in the fund may be allocated among units of the National Park System, including those not collecting such fees, as determined by the Secretary.

(b) USE.—Expenditures from the fund shall be used solely for infrastructure and operational needs by units of the National Park System. By January 1 of each year, the Secretary shall provide to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the House of Representatives a list of proposed expenditures from the fund for each unit for that fiscal year and a report detailing expenditures, by unit, for the previous fiscal year.

TITLE VII—NATIONAL PARK SYSTEM ADVISORY BOARD

SEC. 701. NATIONAL PARK SYSTEM ADVISORY BOARD.

Section 3 of the Act of August 21, 1935 (49 Stat. 667; 16 U.S.C. 463) is amended as follows:

(1) In section 3(a) by striking the first three sentences and inserting in lieu thereof, "There is hereby established a National Park System Advisory Board, whose purpose shall be to advise the Secretary on all matters pertaining to the National Park System. The Board shall advise the Secretary on matters submitted to the Board by the Secretary as well as any other issues identified by the Board. The National Park System Advisory Board, appointed by the Secretary for a term not to exceed four years, shall be comprised of no more than nine persons from among citizens of the United States having a demonstrated commitment to the National Park System. Board members shall be selected to represent various geographic regions, including each of the seven administrative regions of the National Park Service, and to ensure

that the Board contains expertise in natural or cultural resource management, recreation use management, land use planning, financial management, and business management. The Board shall include one individual who is a locally elected official representing an area adjacent to a national park system unit, and one individual who owns land inside the boundary of a national park system unit. The Board shall hold its first meeting by no later than the date that is 30 days after the date on which all members of the Advisory Board who are to be appointed have been appointed. Any vacancy in the Board shall not affect its powers, but shall be filled in the same manner in which the original appointment was made. The Board may adopt such rules as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel. All members of the Board shall be reimbursed for travel and per diem in lieu of subsistence expenses during the performance of duties of the Board while away from home or their regular place of business, in accordance with chapter 1 of chapter 57 of title 5, United States Code. With the exception of travel and per diem as noted above, a member of the Board who is otherwise an officer or employee of the United States Government shall serve on the Board without additional compensation.".

(2) By renumbering section 3(b) as 3(f) and by striking from the first sentence thereof, "1995" and inserting in lieu thereof, "2006".

(3) By renumbering section 3(c) as 3(g).

(4) By adding the following new sections 3(b) through (e):

"SEC. 3. (b)(1) Subject to such rules and regulations as may be adopted by the Board, the Board shall have the power to—

"(A) appoint, terminate, and fix the compensation (without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, or of any other provision of law, relating to the number, classification, and General Schedule rates) of an Executive Director of the Advisory Board and of such other personnel as the Board deems advisable to assist in the performance of the duties of the Board, at rates not to exceed a rate equal to the maximum rate of GS–18 of the General Schedule under section 5332 of such title; and

"(B) procure, as authorized by section 3109 of title 5, United States Code, temporary and intermittent services to the same extent as is authorized by law for agencies in the executive branch, but at rates not to exceed the daily equivalent of the maximum annual rate of basic pay in effect for grade GS–18 of such General Schedule.

"(2) Service of an individual as a member of the Board shall not be considered as service or employment bringing such individual within the provisions of any Federal law relating to conflicts of interest or otherwise imposing restrictions, requirements, or penalties in relation to the employment of persons, the performance of services, or the payment or receipt of compensation in connection with claims, proceedings, or matters involving the United States. Service as a member of the Board, or as an employee of the Board, shall not be considered service in an appointive or elective position in the Government for purposes of section 8344 of title 5, United States Code, or comparable provisions of Federal law.

"(c)(1) The Board is authorized to—

"(A) hold such hearings and sit and act at such times,

"(B) take such testimony,

"(C) have such printing and binding done,

"(D) enter into such contracts and other arrangements,

"(E) make such expenditures, and

"(F) take such other actions,

as the Board may deem advisable. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board.

"(2) The Board is authorized to establish task forces which include individuals appointed by the Board who are not members of the Board only for the purpose of gathering information on specific subjects identified by the Board as requiring the knowledge and expertise of such individuals. Any task force established by the Board shall be chaired by a voting member of the Board who shall preside at any task force hearing authorized by the Board. No compensation may be paid to members of a task force solely for their service on the task force, but the Board may authorize the reimbursement of members of a task force for travel and per diem in lieu of subsistence expenses during the performance of duties while away from the home, or regular place of business, of the member, in accordance with subchapter 1 of chapter 57 of title 5, United States Code. The Board shall not authorize the appointment of personnel to act as staff for the task force, but may permit the use of Board staff and resources by a task force for the purpose of compiling data and information.

"(d) The provisions of the Federal Advisory Committee Act shall not apply to the Board established under this section.

"(e)(1) The Board is authorized to secure directly from any office, department, agency, establishment, or instrumentality of the Federal Government such information as the Board may require for the purpose of this section, and each such officer, department, agency, establishment, or instrumentality is authorized and directed to furnish, to the extent permitted by law, such information, suggestions, estimates, and statistics directly to the Board, upon request made by a member of the Board.

"(2) Upon the request of the Board, the head of any Federal department, agency, or instrumentality is authorized to make any of the facilities and services of such department, agency, or instrumentality available to the Board and detail any of the personnel of such department, agency, or instrumentality to the Board, on a nonreimbursable basis, to assist the Board in carrying out its duties under this section.

"(3) The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States."

SEC. 702. ADVISORY BOARD STUDIES.

(a) MANAGEMENT SYSTEM STUDY.—(1) The Advisory Board, in consultation with the National Park Service, shall conduct a review of each unit of the National Park System, except for those units designated as national parks, to determine whether there are management alternatives that would result in equal or better levels of resource protection, interpretation, and visitor access, use, and enjoyment. The Advisory Board shall review the organic legislation, and history of the National Park Service and its units and shall develop criteria to guide the Congress and the Secretary in the addition of new units to the National Park System. The Advisory Board shall complete its review within one year from the date of enactment of this title and shall transmit its report and recommendations to the Secretary, the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives.

(b) VISITOR SERVICES STUDY.—The Advisory Board, in consultation with the National Park Service, shall conduct an analysis and evaluation of the current conditions and future needs of each unit of the National Park System for adequate visitor service programs. Such analysis and evaluation shall include, but not be limited to, the adequacy of information, education, and concession-provided services, and shall identify those units of the National Park System where new or additional services should be provided. The Advisory Board shall complete its evaluation within one year from the date of enactment of this title and shall transmit its report to the Secretary, the Committee on Energy and Natural Resources of the United States Senate, and the Committee on Resources of the United States House of Representatives.

(c) CONCESSION OVERSIGHT.—The National Park System Advisory Board shall periodically monitor the performance evaluation process as conducted annually by the Secretary for concessioners and commercial use contractors for effectiveness and objectivity and summarize their findings in an annual report to the Secretary, the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the United States House of Representatives.

SEC. 703. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the National Park System Advisory Board $700,000 per year to carry out the provisions of this title, in addition to $275,000 for the preparation of the management systems study referred to in section 702(a) of this title and $275,000 for preparation of the visitor services study referred to in section 702(b) of this title.

NATIONAL PARK SERVICE ENHANCEMENT ACT—SECTION-BY-SECTION ANALYSIS

TITLE I—NATIONAL PARK CONCESSIONS REFORM

Section 101 sets forth Congressional findings.

Section 102 amends sections of Public Law 89-249 (79 Stat. 969; 16 U.S.C. 20–20g), entitled "An Act relating to the establishment of concession policies administered in the areas administered by the National Park Service and for other purposes".

Subsection (a) renumbers section 2 of the 1965 Act as section 3 and inserts a new section 2 into the 1965 Act which defines terms used in the Act.

Subsection (b) amends section 3 to conform with the definitions in the previous subsection.

Subsection (c) renumbers existing subsection 3(a) as 4(a) and directs the Secretary of the Interior to include certain terms and conditions in contracts.

Subsection (d) renumbers existing subsection 3(b) as 4(b).

Subsection (e) renumbers existing subsection 3(c) as 4(c) and amends it to allow concessioners and commercial use contractors to set their own rates and charges to the public in national parks where sufficient competition for provided facilities and services exists either within or near the park in which the concessioner or commercial use contractor operates. If the Secretary determines that such competition does not exist, the contract will include the mechanism included in the existing law that rates and charges will be compared to those for the nearest comparable facilities and services.

Subsection (f) renumbers existing subsection 3(d) as 4(d) and amends it to fix the franchise fees at the amount stated in the selected proposal at the commencement of the contract and authorizes the Secretary to reduce the franchise fee during the contract term if deemed necessary. The suggested minimum franchise fee will be included by the Secretary in the bid solicitation prospectus, as indicated in subsection 102(k).

Subsection (g) renumbers existing section 4 as section 5 and removes the reference to the renewal preference under prior law which is deleted from this title.

Subsection (h) repeals existing section 5 of the 1965 Act, thereby eliminating preferential right of renewal with the exception of contracts entered into prior to enactment of this title.

Subsection (i) amends section 6 by removing the definition of "sound value" as redundant with new text, requires that compensation be paid based on sound value, deletes the last sentence, designates the existing text of the section as subsection (a) and adds a subsection (b). The new subsection outlines the process for determining the value of the concessioner's possessor interest if the value of such interest was not previously agreed upon by the concessioner and the Secretary. The concessioner is directed to submit an independent appraisal of the sound value of the structures, fixtures, or improvements in which the concessioner has an investment interest. If the Secretary disagrees with the appraisal submitted by the concessioner, he may present the concessioner with an independent appraisal. For the concessioner's income-producing structures, fixture, or improvement, the method to be used by the concessioner's appraiser and the Secretary's appraiser, when necessary, shall be the income approach to valuation as is generally used by real estate appraisers; for any structure, fixture or improvement not primarily used for the production of income, the fair market value is calculated as reconstruction cost less depreciation to tie it to the sound value definition, since an income approach is not applicable. If in disagreement over the sound value, the Secretary and the concessioner may direct their appraisers to choose a third appraiser, who will recommend to the Secretary one of the two appraisals as the more accurate. A CPI adjustment is made to cover the period between the date of the appraisal and the date of payment.

Subsection (j) renumbers sections 7 through 9 as sections 11 through 13, respectively.

Subsection (k) adds four new sections, numbered 7 through 10. The new section 7 establishes the selection process for concessioners and commercial use contractors.

Section 7(a) states that a contract shall be awarded to the bidder submitting the best proposal as determined by the Secretary, through a competitive selection process. The Secretary is required to develop regulations establishing the selection process as well as a dispute resolution process where the Secretary has been unable to meet certain conditions or requirements.

Subsection (b) preserves the provisions of the Alaska National Interest Lands Conservation Act (ANILCA), such as those granting preference to Native Corporations and locals for the provision of commercial visitor services in National Park System units in Alaska, and states that subject to rights of operation guaranteed by Section 1307 of ANILCA, a priority shall be given to commercial use contractors operating cruise ships who provide tours in Glacier Bay National Park which originate in Southeast Alaska.

Subsection (c) authorizes the Secretary to award small and temporary contracts noncompetitively.

Subsection (d) outlines the steps used by the Secretary to distribute a prospectus and lists the minimum information to be included in such prospectus, including the minimum suggested franchise fee.

Subsection (e) authorizes the Secretary to consider a proposal which does not meet the suggested minimum requirements but requires that certain conditions be met for the Secretary to award a contract to a bidder submitting such a proposal. The Secretary is authorized to reject proposals which meet the requirements if it is determined that the bidder is not qualified, or is likely to provide unsatisfactory services. If all proposals are rejected, the Secretary must establish new minimum suggested requirements and reinitiate the competitive selection process.

Subsection (f) outlines primary factors for the Secretary's consideration in selecting the best proposal. The proposed franchise fee shall be considered a secondary factor in selecting a bidder.

Subsection (g) requires Congressional notification for any proposed contract over 10 years in length or with projected annual gross receipts greater than $5 million.

Subsection (h) establishes a renewal incentive for concessioners and commercial use contractors who receive performance evaluations, as conducted annually by the Secretary, exceeding the satisfactory level for at least 50% of the years of the contract's terms. Under these provisions, such renewal incentive consists of an automatic credit of an additional 10% of the maximum points that the Secretary may award to a proposal submitted for renewal for a contract.

Subsection (i) provides a preferential right of renewal for commercial use contractors for contracts which primarily provide outfitting, guide, river running, or other similar services and which are expected to produce gross revenues of no more than $1,000,000. In order to receive this preferential right of renewal, such commercial use contractors must receive performance evaluations, as conducted annually by the Secretary, exceeding the satisfactory level for at least 50% of the years of the contract's term, with no unsatisfactory ratings received for any of the five years prior to contract renewal.

The new section 8 relates to length and transferability of contracts. Subsection 8(a) establishes the basic contract term as ten years but authorizes longer terms if the Secretary finds it to be in the public interest. For concessioners required to make substantial investments in structure, fixtures and improvements in a park, the Secretary is required to award a contract term commensurate with the investments made.

Subsection (b) describes the Secretary's reasonable right to approve transfers of contracts, based on the competence and financial capability of the transferee. Congressional notification is required for certain transfers.

Subsection (c) states that in cases of transfer or other contract conveyance, successor concessioners and commercial use contractors are entitled to any "good" performance ratings received by the prior holder of the contract.

The new section 9 establishes an annual performance appraisal system for concessioners and commercial use contractors. Subsection 9(a) directs the Secretary to publish regulations for developing reasonable general standards and criteria for evaluating concessioners and commercial use contractors. Performance categories will consist of "unsatisfactory", "satisfactory", and "good". The Secretary and selected bidder will jointly develop specific rating criteria and standards for the contract prior to finalizing the contract.

Subsection (b) directs the Secretary to conduct annual performance evaluations. The Secretary must provide concessioners or commercial use contractors receiving unsatisfactory ratings with written notification, including requirements for improving performance. Contracts may be terminated by the Secretary if a concessioner or commercial use contractor fails to improve performance to the satisfactory level. Should a contract be terminated for continued poor performance, the outgoing concessioner may be required to pay for the cost to the Secretary for a new bid solicitation and evaluation, plus the difference between the old and new franchise fees, if the new fee is lower.

Subsection (c) requires Congressional notification by the Secretary for each unsatisfactory rating and each terminated contract.

The new section 10 directs the Secretary to include local hiring preference provisions in contracts to provide visitor services in noncontiguous states which have unemployment rates exceeding the national average.

Section 103 states that within two years of enacting this title, the Secretaries of Agriculture and the Interior will establish uniform procedures for issuing contracts and nonrecurring commercial/non-recreational use permits for substantially similar activities on Federal lands managed by the U.S. Forest Service, U.S. Fish and Wildlife Service and Bureau of Land Management which are consistent with this title.

TITLE II—NATIONAL PARK FEES

Section 201 amends the Land and Water Conservation Fund Act of 1965 (P.L. 88–578; 16 U.S.C. 460*l*) to make several modifications to the fee program.

Subsection (a) amends Section 4(a) of the LWCF Act relating to admission fees.

Subparagraph (1) deletes "fee-free travel areas" and "lifetime admission permit" from the section title as they were previously stricken from the text.

Subparagraph (2) increases the maximum cost the Golden Eagle Passport from $25 to $50;.

Subparagraph (3) authorizes the use of Golden Eagle Passport receipts for authorized protection, rehabilitation, and conservation projects and notes authorization for their use by the Youth Conservation Corps and others.

Subparagraph (4) increases the maximum cost of an annual pass for entry into a single park from $15 to $25;

Subparagraph (5) sets a maximum entrance fee into a park at $6 per person, instead of the present system of charging on a per car basis;

Subparagraph (6) corrects the name of Great Smoky Mountains National Park and removes the prohibition on collection entrance fees at urban units of the National Park System that provide significant outdoor recreational opportunities and have multiple access points.

Subparagraph (7) limits use of the Golden Age Passport, which allows a person 62 years of age or older lifetime free admission into all parks, to the passport holder only, instead of allowing free admission for all persons accompanying the passport holder in a non-commercial vehicle.

Subparagraph (8) prohibits collection of fees from persons with right of access for fishing and hunting privileges under a specific law or treaty or who are engaged in official Federal, State, or local government business.

Subparagraph (9) limits coverage under the Golden Access Passport for the disabled to the individual and one companion, regardless of method of travel.

Subparagraph (10) directs the Secretary to provide to Congress within 18 months after enactment a report outlining the changes to be implemented.

Subparagraph (11) deletes (a)(9), which states specific areas where fees will not be charged. This provides an opportunity to review those areas for possible collection of fees, but does not guarantee that fees will be established.

Subparagraph (12) deletes that portion of (a)(11) which established special rates for Grand Teton, Yellowstone, and Grand Canyon National Parks.

Subparagraph (13) renumbers remaining sections accordingly.

Subsection (b) amends section 4(b) of the LWCF Act to remove personal collection of fees by an employee or agent of the Federal agency from the list of criteria used in determining whether a fee can be charged at a campground, and removes the 50% discount in use fees for those 62 and over, but retains that discount for the disabled.

Subsection (c) amends section 4(d) of the LWCF Act to include comparable recreation fees charged by other public and private entities in the list of criteria for setting recreation fees at Federally managed areas.

Subsection (d) amends section 4(e) of the LWCF Act to change the $100 cap on fines to comply with the Criminal Fine Improvement Act of 1987 (P.L. 100–185), which established maximum fine levels for all Federal petty offenses.

Subsection (e) amends section 4(h) of the LWCF Act to change committee and bureau names to reflect current titles and conditions.

Subsection (f) amends section 4(k) of the LWCF Act to clarify that the non-Federal sale of Golden Eagle Passports may be conducted on a consignment basis.

Subsection (g) amends section 4(*l*) of the LWCF Act by changing the term "viewing" to "visiting".

Subsection (h) amends section 4(n) of the LWCF Act by directing the Secretary to establish a per vehicle admission fee, based on vehicle occupancy, in lieu of a per person charge for commercial tours and by requiring the Secretary to notify commercial tour operators of changes in the per vehicle fee one year in advance.

Subsection (i) amends section 4 of the LWCF Act to add a new subsection (o). The subsection directs the Secretary to establish reasonable fees for uses of park areas that require special arrangements, such as the filming of movies of television shows. The fee shall at least cover the costs of providing necessary services associated with such use, and the amount covering such costs will remain in the park where such use occurs. The Secretary may reduce or waive the fee for organizations whose activities further the goals of the National Park Service.

Subsection (j) amends a number of Public Laws to lift prohibitions on admission fees at the following units of the National Park System: War in the Pacific National Historical Park; Virgin Islands National Park; Golden Gate National Recreation Area; Statute of Liberty National Monument; Martin Luther King National Historic Site; Point Reyes National Seashore; Biscayne National Park; Dry Tortugas National Park; Channel Islands National Park; and Mount Rushmore National Memorial.

Section 202 authorizes the Secretary to negotiate and enter into challenge cost-share agreements.

Section 203 amends Public Law 101–337, the National Park System Resource Protection Act, to provide for cost recovery for damages at additional units of the National Park System. Public Law 101–337 limited recovery for such damages to marine resources. As amended by section 203, that Act would allow for cost recovery for damages to any living or non-living resource within any park unit.

TITLE III—SKI AREA PERMITS ON NATIONAL FOREST LANDS

Section 301 sets forth Congressional findings and purpose. The purpose of the title is to legislate a ski area permit fee that returns fair market value to the United States and to prevent future conflicts between ski area operations and mining and mineral leasing programs.

Section 302 amends the National Forest Ski Area Permit Act of 1986 (P.L. 99–522, 100 Stat. 3000; 16 U.S.C. 497b) by adding the following new sections as described below.

Section 4(a), as added to Public Law 99–522, states that ski area permit fees shall be calculated, charged, and paid as described in subsection (b) in order to return fair market value to the United States, provide ski area permittees with a simplified, consistent, predictable and equitable permit fee, simplify administrative, bookkeeping and other requirements currently imposed on the Secretary of Agriculture ("Secretary" in this title) and ski area permittees, and to save costs associated with the calculation of ski area permit fees.

Subsection (b), as added to Public Law 99–522, outlines the method of calculating the ski area permit fee.

Subparagraph (b)(1) directs the Secretary to calculate the ski area permit fee by first determining the permittee's adjusted gross revenue (AGR) to be subject to the fee. The adjusted gross revenue is equal to the sum of the following: The permittee's gross revenues from alpine lift tickets and alpine season pass sales plus alpine ski school operations (LTA+SSA), which are multiplied by the permittee's slope transport fee percentage (STFP) on National Forest System lands where a ski area is partially on federal land and partially on private land. To that, add the sum of gross revenues from Nordic ski use pass sales and Nordic ski school operations (LTN+SSN), which have been multiplied by the percentage of the Nordic trails on National Forest System lands where operations are partially on federal land and partially on private land. To that total, add the permittee's gross revenues from ancillary facilities (GRAF) physically located on National Forest System lands.

Subparagraph (b)(2) uses the previous abbreviations to depict the formula as follows: AGR=((LTA+SSA) x STFP)+((LTN+SSN) x NR)+GRAF.

Subparagraph (b)(3) directs the Secretary to determine the ski area permit fee (SAPF) to be charged a ski area permittee by multiplying the adjusted gross revenue (AGR) as determined above, by percentages based on the ranges in which the AGR falls and by adding the total for each revenue range.

Subparagraph (b)(4) outlines the procedure for calculating the fee for ski areas that are only partially located on National Forest System lands.

Subparagraph (b)(5) directs the Secretary to annually adjust the adjusted gross revenue figures for each revenue bracket by the percent increase or decrease in the national Consumer Price Index for the preceding calendar year.

Subsection (c), as added to Public Law 99–522, states that in cases where an area of National Forest System land is under a ski area permit, but the permittee does not have revenue or sales qualifying for fee payment as outlined above, the permittee shall pay an annual rental fee of $2 for each acre of National Forest System land under permit. Payment shall be made in accordance with the following subsection.

Subsection (d), as added to Public Law 99–522, states that unless otherwise arranged with the Secretary, the ski area permittee shall pay the permit fee by August 31 of each year and cover all applicable revenues received during the 12-month period ending on June 30 of that year. The Secretary is directed to provide each ski area permittee with a standardized form, worksheets, and annual fee calculation brackets and rates.

Subsection (e), as added to Public Law 99–522, excludes ski area permittee or subpermittee revenue generated by operations not located on National Forest System lands from the permit fee calculation.

Subsection (f), as added to Public Law 99–522, defines "revenue" and "sales" as actual income from sales, excluding sales of operating equipment, refunds, rent paid by sublessees, sponsor contributions, or any amounts attributable to employee gratuities, discounts, complimentary lift tickets, or other goods or services (except for bartered goods) for which the permittee does not receive money.

Subsection (g), as added to Public Law 99–522, establishes July 1, 1995 as the effective date for ski area permit fees as described by this section, to cover receipts retroactive to July 1, 1994. If a ski area permittee has paid fees for the period ending June 30, 1995 under the prior graduated rate fee system formula, such fees will be credited toward the new permit fee due for that period under this section.

Subsection (h), as added to Public Law 99–522, describes transitional ski area permit fees.

Subparagraph (h)(1) states that to minimize the effect of converting individual ski areas from the existing fee system to the one described in this title, each permittee subject to the new fee shall determine their average existing fees (AEF) for each year of the three-year period ending on June 30, 1994, and the permittee's proforma average ski area permit fee (ASF) under subparagraph (a) for each of the three years. Both shall be determined by adding the fee payment made by the ski area or the estimated payment that would have been made under subparagraph (a) for each year of that period and dividing by three.

Subparagraph (h)(2) states that to calculate the ski area permit fee required by subparagraph (a) for each year in the five-year period ending on June 30, 1999, the Secretary shall divide the ski area permit fee required by subparagraph (a) by the ASF and then multiply by the AEF. The resulting fee is called the Adjusted Base Fee (ABF). After June 30, 1999, permittees shall pay the permit fee required by subparagraph (a) without regard to previous fees or rates paid.

Subparagraph (h)(3) states that if the ABF is less than the ski area permit fee required by subparagraph (a), the permittee shall pay the lesser of the fee required by subparagraph (a) or the ABF as adjusted using provided multipliers ranging from 1.1 to 1.5.

Subparagraph (h)(4) states that if the ABF is greater than the fee required by subparagraph (a) or the ABF as adjusted using provided multipliers ranging from 0.5 to 0.9.

Section 5, as added to Public Law 99-522, withdraws all lands located within the boundaries of ski area permits from all forms of appropriation under the mining laws and from disposition under laws pertaining to mineral and geothermal leasing. Withdrawal continues for the full term of the permit, as well as reissuance and renewal. Termination or expiration of the permit shall cancel such withdrawal and restore the land to all appropriation not otherwise restricted under other public land laws.

Section 303 directs the Secretary of Agriculture to conduct a study of ski areas on National Forest System lands to determine the feasibility and suitability of selling all or a portion of such lands to permittees or other interested parties. The study is to include a determination and identification of continuing need for Federal retention of such lands, cost savings, revenues, and other benefits from their sale or disposal, and criteria to be used if the sale of such lands is considered. The Secretary is directed to provide a report to the Senate Committee on Energy and Natural Resources and House Committee on Resources within one year of enactment of this title.

TITLE IV—NATIONAL PARK SYSTEM REFORM

Section 401 describes the preparation of a National Park System Plan (the "plan" as referred to in this title).

Subsection (a) directs the Secretary of the Interior ("Secretary" in this title) to prepare a National Park System Plan to guide the future direction of the National Park System ("System" as referred to in this title). The plan shall include the following: (1) detailed criteria to determine which natural and cultural resources are appropriate for inclusion as units in the System; (2) identification of what constitutes adequate representation of a particular resource type and which aspects of the national heritage are adequately represented as System units or other protected areas; (3) identification of aspects of the national heritage not represented in the system; (4) priorities of themes and resources which would provide more complete representation of the national heritage if added to the System; (5) a statement of the role of the National Park Service in preserving natural and cultural resources and providing outdoor recreation opportunities; and (6) a statement of what areas constitute units of the National Park System and a distinction between such units, affiliated areas, and other areas within the System.

Subsection (b) directs the Secretary to consult with other Federal agencies, State and local officials, the National Park System Advisory Board, resource management, recreation and scholarly organization and other interested parties as deemed appropriate by the Secretary in preparing the plan, and to include appropriate opportunities for public review and comment.

Subsection (c) directs the Secretary to transmit the plan to the Senate Committee on Energy and Natural Resources and the House Committee on Resources prior to the end of the second complete fiscal year after enactment of this title.

Section 402 amends Public Law 91-383 (16 U.S.C. 1a-1 and following), "An Act to improve the Administration of the National Park System by the Secretary of the Interior, and to clarify the authorities applicable to the system, and for other purposes" (the "1970 Act" as referred to in this title) by modifying existing subsections (a) and (b) and adding new sections (c) through (e).

Subparagraph (1) inserts the heading "GENERAL AUTHORITY" after (a).

Subparagraph (2) strikes the second through sixth sentences of subsection (8)(a) of the 1970 Act regarding reports made to Congress by the Secretary on new area studies.

Subparagraph (3) corrects the name of the Committee on Resources of the United States House of Representatives.

Subparagraph (4) redesignates the last two sentences of subsection (a) and (e) and provides a heading, "AUTHORIZATION OF APPROPRIATIONS" for (e).

Subparagraph (4) strikes subsection (8)(b) of the 1970 Act and replaces it. New subsection (8)(b) directs the Secretary to submit annually to the Senate Committee on Energy and Natural Resources and the Committee on Resources of the House a list of areas recommended for study for potential inclusion in the System. The subsection further directs the Secretary to give consideration to areas meeting established criteria of national significance, suitability, and feasibility and to themes, sites, and resources not already represented in the National Park System, as noted in section 401 of this Act. Following enactment of this title, studies of potential areas to be included in the System must be authorized by Congress. The National Park Service will retain authority to conduct preliminary assessments, gather data on potential study areas, provide technical and planning assistance, prepare or process nominations for administrative designations, update previous studies, or complete reconnaissance surveys of individuals requiring a total expenditure of less than $25,000. This subsection does not apply to or affect studies on potential additions to the wild and scenic rivers system or the national trails system.

New subsection (8)(c) requires the Secretary to complete each new area study authorized by Congress within three fiscal years of authorization. Public involvement is required during preparation of each study. The Secretary is directed to consider an area's national significance of resources or outstanding recreational opportunities, suitability, feasibility, and costs to administer such an area if added to the System. Additional considerations include: rarity and integrity; existing representation in the System or protection by other agencies or entities; public use, educational, and interpretive potential; acquisition, development and operational costs; socioeconomic impact of any designation; level of public support; and appropriate configuration to ensure long term protection and enjoyment. Each study will also consider whether such area should be managed by the National Park Service or another agency or entity, with a recommendation for protecting resources and providing public use of the area. Each study transmitted to Congress shall include the Administration's preferred management option and projected fiscal and personnel costs if managed by the Federal government.

New subsection (8)(d) directs the Secretary to submit annually to the Senate Committee on Energy and Natural Resources and the House Resources Committee two prioritized lists of areas previously studied, one for areas with primarily natural resources, and one with primarily cultural resources, for possible addition to the National Park System. The Secretary is directed to consider threats to resource values, cost escalation factors and those listed in subsection (c) in developing the lists.

TITLE V—LAND MANAGEMENT AGENCY HOUSING

Section 501 defines certain terms used in the bill.

Section 502(a)(1) authorizes the Secretary of the Interior and the Secretary of Agriculture (the "Secretaries") to make employee housing available, subject to the limitations in set forth in paragraph (2) on or off public lands (defined as lands administered by either Secretary), and to rent or lease such housing to employees of the respective Department at a reasonable value.

Paragraph (a)(2) provides that housing made available on public lands shall be limited to those areas designated for administrative use and that no private lands or interests therein outside the boundaries of Federally administered areas may be acquired for the purposes of this title without the consent of the owner.

Subsection (b) directs the Secretaries to provide such housing in accordance with this title and section 5911 of Title 5, United States Code, except that the terms "availability of quarters," "contract," and "reasonable value" shall have the meanings set forth in this subsection. Significantly, "reasonable value" is defined to mean the base rental rate comparable to private rental rates for comparable housing facilities and associated amenities, so long as the rate (as a percentage of the employee's annual gross income) shall not exceed the median monthly housing cost for renters as a percentage of current income, listed in the Census Bureau's American Housing Survey.

Subsection (c) authorizes the Secretaries, subject to appropriation, to enter into contracts and agreements with public and private entities to provide employee housing on or off public lands.

Subsection (d) permits the Secretaries to enter into cooperative agreements or joint ventures with local governmental and private entities, on or off public lands, to provide appropriate and necessary utility and other infrastructure facilities in support of employee housing.

Section 503 directs the Secretaries to conduct a survey of the availability of quarters at field units under each Secretary's jurisdiction at least every five years. If such survey indicates that government-owned or suitable privately-owned quarters are not available (as that term is defined in section 502(b)(1) for the personnel assigned to a specific duty station, the Secretaries are authorized to provide suitable quarters in accordance with the provisions of this title.

As used in this section, the term "field units" includes administrative units that are located in national parks, national wildlife refuges, national forest districts, BLM resource areas, and other similar field areas. Specifically excluded from the definition are central offices, such as Washington, D.C. headquarters offices and regional and state offices.

Section 504(a) authorizes the Secretaries to make secondary quarters available to employees who are permanently stationed at remote locations and are regularly required to relocate for temporary periods (such as at Channel Islands National Park or Dry Tortugas National Park).

Subsection (b) states that rental rates for such secondary facilities shall be established so that the aggregate rental rate paid by the employee for both primary and secondary quarters as a percentage of the employee's annual gross income shall not exceed the median monthly housing cost for renters as a percentage of current income, listed in the Census Bureau's American Housing Survey.

Section 505(a) requires the Secretaries, within two years after the date of enactment of this title, to survey all existing government-owned employee housing facilities under the jurisdiction of the Department of the Interior and the Department of Agriculture to assess the physical condition of such housing and the suitability of such housing for the effective prosecution of the agency mission. The Secretaries are required to develop an agency-wide priority listing, by structure, identifying those units in greatest need for repair, rehabilitation, replacement or initial construction. The survey is to be transmitted to the appropriate Congressional Committees.

Subsection (b) provides that expenditures of any funds appropriated for construction, repair or rehabilitation shall follow in sequential order the priority listing established in subsection (a), unless otherwise provided by law.

Section 506 authorizes $3,000,000 each year for fiscal years 1996–2001.

TITLE VI—DISPOSITION OF FEES

Section 601 establishes a special account in the Treasury called the Park Improvement Fund ("the fund" as used in this title).

Section 602 states that beginning in fiscal year 1996 and in each following fiscal year, 50% of all revenues received by the Federal government over the amount that would have been received in 1995 without enactment of this Act from franchise fees, admission, special recreation, commercial tour use, and commercial/non-recreation use fees shall be covered into the fund. The Secretary of the Interior ("Secretary" as used in this title) is authorized to withhold from the fund the portion of fees equal to fee collection costs for the previous fiscal year, not to exceed 15% of the total fees collected in accordance with title I and II of this Act.

Section 603(a) states that receipts in the fund from the previous fiscal year shall be available to the Secretary without further appropriation. The allocation is a 75/25% split, with 75% of the total receipts deposited from each unit of the National Park System collecting the types of fees noted above made available to that unit for expenditure. The remaining 25% may be allocated among all units of the National Park System, including those not collecting such fees.

Subsection (b) states that fund expenditures shall only be for infrastructure and operational needs of units of the National Park System, and directs the Secretary to compile a list of proposed expenditures from the fund for each unit that fiscal year by January 1 of each year. Such list and a report of expenditures for the previous fiscal year, by unit, shall be provided to the Senate Committee on Energy and Natural Resources and the House Committee on Resources.

TITLE VII—NATIONAL PARK SYSTEM ADVISORY BOARD

Section 701 amends section 3 of Public Law 74–292 (44 Stat. 666; 16 U.S.C. 463) as amended, to establish National Park System Advisory Board, as described below.

Amended section 3(a) establishes a National Park System Advisory Board, with 9 members selected by the Secretary for terms not to exceed 4 years. The section outlines the general composition of the Board, and authorizes the Board to establish rules and procedures. Board members shall not receive compensation except for travel and per diem reimbursement when traveling to perform Board-related duties.

Existing section 3(b) is renumbered as 3(f) and changed to reflect January 1, 2006 as the termination date for the Board.

Existing section 3(c) is renumbered as 3(g).

The new section 3(b) outlines the powers of the Board which include authorization to appoint an executive director and other staff as needed to carry out the duties of the Board.

The new section 3(c) authorizes the Board to hold hearings, enter into contracts, make such expenditures, and establish task forces.

The new section 3(d) exempts the Board from the provisions of the Federal Advisory Committee Act.

The new section 3(e) authorizes the Board to secure information from any office, department, agency, establishment or instrumentality of the Federal government and directs such Federal entities to provide such requested information to the extent permitted by law. This subsection also authorizes the head of any Federal department, agency or instrumentality to make facilities, services, and personnel of such department, agency or instrumentality available to the Board on a nonreimbursable basis, and authorizes the Board to use the United States mails in conducting its duties.

Section 702 outlines studies and annual reports that the Board is charged with conducting and providing to Congress and the Secretary of the Interior.

Subsection (a) directs the Board in consultation with the National Park Service, to conduct a management system study, to be completed one year from enactment of this title and transmitted to the Secretary, the Senate Committee on Energy and Natural Resources, and the House Resources Committee. The study shall consist of a review of each unit of the National Park System, excepting units designated as national parks to determine if alternative management would result in equal or better visitor services and resource protection. The Board is also directed to review the organic legislation and history of the National Park Service and its units and to develop criteria to guide the Congress and the Secretary in adding new units to the National Park System.

Subsection (b) directs the Board, in consultation with the National Park Service, to analyze and evaluate the current conditions and future needs of each unit of the National Park System for adequate visitor services. The Board is also directed to identify units where new or additional services should be provided. This evaluation is to be completed and referred to the Secretary, the Senate Committee on Energy and Natural Resources, and the House Committee on Resources within one year after the enactment of this section.

Subsection (c) directs the Board to monitor the effectiveness and objectivity of the Secretary's program of annual performance evaluations for concessioners and commercial use contractors operating under contracts in units of the National Park System and to provide their summarized findings to the Secretary, the Senate Committee on Energy and Natural Resources, and the House Committee on Resources on an annual basis.

Section 703 authorizes an annual appropriation of $700,000, in addition to $275,000 to conduct the management system study and $275,000 to conduct the visitor services study.

By Mr. FAIRCLOTH (for himself, Mr. DOLE, and Mr. ABRAHAM):

S. 1145. A bill to abolish the Department of Housing and Urban Development and provide for reducing Federal spending for housing and community development activities by consolidating and eliminating programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

THE HOUSING OPPORTUNITIES AND EMPOWERMENT ACT

Mr. FAIRCLOTH. Mr. President, on this day 30 years ago, the Department of Housing and Urban Development was created. Today, however, I have introduced legislation, along with Senators DOLE and ABRAHAM that will dramatically reform our Nation's housing policy and in the process, eliminate the Department of Housing and Urban Development.

Mr. President, HUD was created in 1965. When it was created, the purpose of this Department was to revitalize our urban areas and provide safe, decent housing for all Americans.

Mr. President, in short, HUD has been an enormous failure. Since 1965, HUD has spent hundreds of billions of dollars. Yet today, despite this massive spending, we are no better off.

Mr. President, when considering whether we should reinvent HUD or end it, each of us has to ask ourselves these questions: Are our inner cities better off than they were 30 years ago?

Is the state of public housing better today than it was 30 years ago?

Is housing more affordable today?

Has homelessness been reduced? In my view it was not even a problem 30 years ago.

The answers to these questions is no—absolutely no to all of them.

In fact our cities are more decayed and more dangerous today than ever.

Solving these problems was supposed to be HUD's mission. In each, it has failed miserably.

Imagine if we applied a performance standard like this in the private sector. Would any business that had not met its goals in 30 years still be in business. No, of course not, it would have gone out of business long ago, and HUD should have gone.

HUD is a massive bureaucracy with over 11,000 employees. It has over 240 housing programs—so many that the Secretary of HUD did not even know he had that many. HUD has over $192 billion in unused budget authority.

HUD has even entangled the American taxpayer in 23,000 long-term contracts that run until the year 2020. These are contingent liabilities that will have to be met by the taxpayers of this country.

HUD's spending is increasing so rapidly that by the year 2000, housing assistance will be the largest discretionary spending function in our budget.

Frankly, knowing all of this, I do not think we can afford not to abolish HUD. We have to stop it and soon. We have to end it and we need to do it soon.

The bill I am introducing today will save $17 billion in budget authority over the next 5 years. We need these kind of real savings if we have any hope of reducing this deficit. When compared to the Cisneros budget figures, I am told by the Congressional Budget Office that this bill will save $88 billion as compared to its reinvention.

Mr. President, beyond eliminating HUD, this bill reforms housing policy that, in my opinion, will dramatically improve the state of housing in the United States.

This bill ends subsidies to public housing, but provides housing vouchers to individuals. This way, people will no longer be trapped in substandard public housing, instead they can choose to live where they want—in the kind of housing they want.

They will, for the first time, have the freedom to choose, and this is what the vouchers will do.

The legislation will also create block grants for housing, community development, and special populations. The critical element here is that there will not be a HUD in Washington that will micromanage everything the States and localities do with the funds. Because of this, the money will be better spent.

Finally, Mr. President, the bill will reform FHA so that it must risk share with the private sector. This will avoid FHA problems of the past, like fraud, and putting people in homes they cannot afford, knowing they cannot afford them when they put them in those houses, but that are 100-percent insured by the taxpayers.

Now, the private sector's money will be at stake, and because of this, FHA will function better.

Mr. President, on this day, 30 years ago, August 10, 1965, President Johnson signed the bill creating HUD.

When he signed the bill, he said the new HUD "would defeat the enemy of decay that exists in our inner cities."

Thirty years later, this much we know—the enemy of decay is not a $26 billion bureaucracy in Washington, which is what HUD is.

To end decay in our cities we need hard work, traditional values, and two-parent families and not government handouts. These things will fight decay in our Nation's cities—not HUD.

I want to thank my colleagues, especially Senator DOLE who has been a leader on this issue, and Senator ABRAHAM. I would urge my colleagues to join us on this bill so that we can really reform housing policy—not just tinker with it on the margins. This bill will do it, and I ask for the support of my colleagues.

By Mr. LEAHY (for himself, Mr. COHEN, Mr. D'AMATO, Mr. JEFFORDS, Mr. KERRY, Mr. LIEBERMAN, and Mr. MOYNIHAN):

S. 1146. A bill to amend the Internal Revenue Code of 1986 to clarify the excise tax treatment of draft cider; to the Committee on Finance.

EXCISE TAX LEGISLATION

Mr. LEAHY. Mr. President, today I am introducing tax legislation designed to stimulate the apple industry in the United States. I am pleased that Senators COHEN, D'AMATO, JEFFORDS, KERRY, LIEBERMAN, and MOYNIHAN are joining me as original cosponsors of this bill. This legislation contains a couple of technical changes to a bill I introduced earlier this year, S. 401.

This bill will revise the Federal excise tax on hard apple cider, more commonly known as draft cider, to beer tax rates. As the ranking member of the Senate Agriculture Committee, I believe this small tax change will be of great benefit to cider makers and apple growers across the country.

Draft cider is one of the oldest categories of alcoholic beverages in North America. Back in colonial times, nearly every innkeeper served draft cider to his or her patrons during the long winter. In fact, through the 19th century, beer and draft cider sold equally in the United States.

Recently, draft cider has made a comeback in the United States and around the world. Our tax law, however, unfairly taxes draft cider at a much higher rate than beer despite the two beverages sharing the same alcohol level and consumer market. This tax treatment, I believe, creates an artificial barrier to the growth of draft cider. My legislation will correct this inequity.

Present law taxes draft cider, regardless of its alcohol level, as a wine at a rate of $1.07 per gallon. My bill would clarify that draft cider containing not more than 7 percent alcohol would be taxed at the beer rate of 22.6 cents per gallon.

I believe this tax change would allow draft cider producers to compete fairly with comparable beverage makers. As draft cider grows in popularity, apple growers around the Nation should prosper because draft cider is made from culled apples, the least marketable apples.

The growth of draft cider should convert these least marketable apples, which account for about 20 percent of the entire U.S. apple production, into a high value product, helping our struggling apple growers. Indeed, I have received letters from officials at 10 State agriculture departments—Arizona, Connecticut, Georgia, Maine, Massachusetts, New Hampshire, New York, Pennsylvania, Vermont and Virginia—supporting the taxing of draft cider at the beer rate because this change would allow apple farmers in their States to reap the benefits of an expanded culled apple market.

I have also heard from the Northeast McIntosh Apple Growers Association, the New York Apple Association, the New England Apple Council and many apple farmers, processors and cider producers that support revising the excise tax on draft cider.

I believe this small tax change will have a large positive impact on the Nation's apple industry. I urge my colleagues to support it.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1146

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CLARIFICATION OF TAX TREATMENT OF DRAFT CIDER.

(a) DRAFT CIDER CONTAINING NOT MORE THAN 7 PERCENT ALCOHOL TAXED AS WINE.—Subsection (b) of section 5041 of the Internal Revenue Code of 1986 (relating to imposition and rate of tax) is amended by adding at the end the following new paragraph:

"(6) On draft cider derived primarily from apples or apple concentrate and water, containing no other fruit product, and containing at least one-half of 1 percent and not more than 7 percent of alcohol by volume, 22.6 cents per wine gallon."

(b) EXCLUDED FROM SMALL PRODUCER CREDIT.—Paragraph (1) of section 5041(c) of the Internal Revenue Code of 1986 (relating to credit for small domestic producers) is amended by striking "subsection (b)(4)" and inserting "paragraphs (4) and (6) of subsection (b)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply on and after the date of the enactment of this Act.

By Mr. HOLLINGS:

S. 1148. A bill to revitalize the American economy and improve enforcement of the trade laws of the United States, and for other purposes; to the Committee on Finance.

THE ECONOMIC REVITALIZATION ACT OF 1995

Mr. HOLLINGS. Mr. President, I rise today to introduce a bill to revive the economy and restore our preeminence in manufacturing. During the cold war, this Nation willingly subordinated its economic interests in order to maintain the Western alliance against communism. Forty-five years of commitment and sacrifice paid off when the Berlin Wall collapsed and democracy triumphed over totalitarianism.

Now we have entered a new era of global competition in which power and influence will be derived from economic strength, not through the barrel of a gun or the tip of a missile. This Nation now faces fierce competition for market share in the international economy. To compete in the global marketplace, we must devote the same degree of commitment and sacrifice to restoring our economic strength as we devoted to the cold war.

At the beginning of the cold war, President Truman had the vision and foresight to create the institutions that would unify the West and stand as a bulwark for freedom. To coordinate policy, the National Security Council would serve as the broker between the Departments of State and Defense.

Now in the post-cold war era where economic competition is preeminent, we need to have the same coordination as our economic policy. That is why this legislation creates an Economic Security Council to set the course for U.S. economic policy.

Mr. President, restoring our economic strength will also require that we rethink the failed policies of the past. Last week, the last American manufacturer of television sets was sold to South Korea's LG Industries. The sale was the culmination of two decades of failed trade policy. To no avail, Zenith tried to use our antidumping laws to half the predatory pricing by their competition. They tried to use the antitrust laws and faced the unseemly specter of the Justice Department appearing on behalf of the foreign manufacturer. Despite promising developments in high definition television, Zenith succumbed after 6 straight years of losses. Now HDTV will be produced by the Koreans. In this new era of economic competition, we can no longer afford to sit idly by while American industry withers under the relentless assault of foreign predatory trade practices.

Mr. President, a cost structure revolution has taken place in the international marketplace. In industry after industry, markets have been cartelized. By controlling distribution networks and reaping monopoly rewards in home markets, foreign companies have engaged in relentless dumping into our market. By holding down their fixed costs, these companies have been driving American companies out of business.

To attack these predatory trade practices, this bill class on us to improve our antidumping laws to prevent the circumvention of dumping orders and to make it easier for industries to prevail in threat cases. it also updates the enforcement of the antitrust laws. The antitrust laws were written to prevent the Carnegies, Morgans and Mellons from dominating the economy. In a global economy, the concentration of economic power stretches across borders. My bill amended the antitrust laws to enable U.S. companies to attack the anticompetitive practices that keep them out of foreign markets.

Mr. President, not all the problems that afflict our economy are the product of foreign competition. Many of our wounds are self-inflicted. Our securities laws need to be updated to emphasize the creation of patient capital—long-term shareholders who will stick with a company over the long haul. With that in mind, my bill calls for the elimination of quarterly reporting requirements which force U.S. companies to focus on short-term investments to enhance shareholder value rather than long-term investment to improve competitiveness.

Furthermore, this bill attacks the enemy within—those former U.S. Government officials who turn around and represent foreign interests at the expense of U.S. workers. As a remedy, this bill places a 5-year ban on lobbying by former officials who work for foreign interests. And to jumpstart research and development spending which now lags behind our competitors, the bill reestablishes the permanent research and development tax credit. It is paid for by imposing an import surcharge to eliminate our enormous trade deficits.

Finally, I need to say a word about reorganization of Government. Some have come to Washington with one goal in mind—to tear down the Government. Our mission should not be to tear it down but to make it work. For example, there are those who advocate eliminating the Commerce Department. But in this new era of global competition, that would be the same as eliminating the Department of Defense during the cold war.

Instead of destroying the Commerce Department, we should be strengthening the Department and turn it into a real Department of Trade and Industry. We should move the Export-Import Bank and the Overseas Private Investment Corporation into the Department to provide exporters with one-stop shopping. This would create a powerful export promotion agency to compete with the economic powerhouses on the Pacific rim.

Mr. President, for 20 years real wages have stagnated in America. We have lost 2 million manufacturing jobs and lost an edge in critical technologies. Once the land of opportunity, America is now a country with the worst income distribution in the industrial world.

Unless we wake up from our economic daydream, we will find ourselves a two-tiered society divided between rich and poor. Let's go to work to rebuild our economy and renew the American dream.

Mr. President, I ask unanimous consent that the full text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Economic Revitalization Act".

SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Economic Security Council.

TITLE I—ANTIDUMPING AND COUNTERVAILING DUTY LAWS

Sec. 101. Proprietary information.
Sec. 102. Downstream dumping.
Sec. 103. Application of the countervailing duty law to nonmarket economies.
Sec. 104. Determinations of injury in antidumping and countervailing investigations.
Sec. 105. Circumvention of antidumping and countervailing duty orders.
Sec. 106. Private right of action.
Sec. 107. Annual report on antidumping and countervailing duty program.

TITLE II—ADJUSTMENT TO IMPORT COMPETITION

Sec. 201. Import relief.

TITLE III—INTERNATIONAL UNFAIR TRADE PRACTICES

Sec. 301. Identification of trade liberalization priorities.
Sec. 302. Annual review of trade agreements.
Sec. 303. National Trade Estimate.

TITLE IV—PROVISIONS RELATING TO IMPORTS

Sec. 401. Child labor.
Sec. 402. Slave labor.

TITLE V—NEGOTIATING AUTHORITY

Sec. 501. Negotiation of agreements regarding tariff barriers.
Sec. 502. Repeal of fast track procedures.
Sec. 503. Applicability of National Environmental Policy Act.
Sec. 504. Representations on advisory committees.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601. Scofflaw penalties for multiple customs law offenders.
Sec. 602. Authority to establish manufacturing subzones.
Sec. 603. Congressional disapproval resolution.
Sec. 604. Representation or advising of foreign persons.
Sec. 605. Payment of certain customs duties.
Sec. 606. Application of antitrust laws.
Sec. 607. Elimination of quarterly reports.
Sec. 608. Secretary of Labor to publish quarterly reports of runaway plants.
Sec. 609. Mandatory Exon-Florio review of sale of critical technology company.
Sec. 610. Additional IRS agents for transfer pricing cases.
Sec. 611. Transfer of ITC functions to Commerce Department; Termination of ITC.
Sec. 612. Transfer of Overseas Private Investor Corporation and Export-Import Bank to Commerce Department.
Sec. 613. Establishment of NOAA as Independent Agency.
Sec. 614. Surcharge on imports; research and development tax credit.

SEC. 3. ECONOMIC SECURITY COUNCIL.

(a) ESTABLISHMENT.—There is established in the Executive Office of the President a council to be known as the Economic Security Council (hereinafter in this section referred to as the "Council").

(b) MEMBERSHIP OF THE COUNCIL.—(1) The Council shall be composed of—

(A) the President;
(B) the Vice President;
(C) the Secretary of State;
(D) the Secretary of the Treasury;
(E) the Secretary of Defense;
(F) the Secretary of Agriculture;
(G) the Secretary of Commerce;
(H) the Secretary of Labor;
(I) the United States Trade Representative; and
(J) any other appropriate Federal official appointed by the President to serve on the Council.

(2) The President shall preside over meetings of the Council. In the President's absence, the President may designate a member of the Council to preside in the President's place.

(c) Functions of the Council.—The Council shall advise the President with respect to the integration of national and international policies relating to economics and trade so as to enable the President and the departments and agencies of the Federal Government to cooperate more effectively.

(d) Employees of the Council.—The Council shall have a staff to be headed by an Executive Secretary who shall be appointed by the President. The Executive Secretary, subject to the direction of the Council and in accordance with the provisions of title 5, United States Code, may appoint and fix the compensation of such personnel as may be necessary to perform such duties as may be prescribed by the Council in connection with the performance of its functions.

(e) Recommendations and Reports.—

(1) In general.—The Council shall, from time to time, make such recommendations and such other reports to the President as the Council considers to be appropriate or as the President may require.

(2) Annual testimony before Senate committees.—The Executive Secretary shall present testimony not less often than once each year before the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, and the Committee on Finance of the Senate, on a date and topic to be established by the committees.

TITLE I—ANTIDUMPING AND COUNTERVAILING DUTY LAWS

SEC. 101. PROPRIETARY INFORMATION.

Section 777 of the Tariff Act of 1930 (19 U.S.C. 1677f) is amended—

(1) by striking subsection (b)(1)(B)(ii) and inserting the following:

“(ii) a statement that the information should not be released under administrative protective order.”;

(2) by striking subparagraph (A) of subsection (c)(1) and inserting the following:

“(A) In general.—Upon receipt of an application (before or after receipt of the information requested), which describes with particularity the information requested and sets forth the reasons for the request, the administering authority and the Commission may make proprietary information submitted by any other party to the investigation available under a protective order described in subparagraph (B).”;

(3) by striking subparagraphs (C), (D), and (E) of subsection (c)(1);

(3) by inserting after “paragraph (1),” in subsection (c)(2) the following: “or the Commission denies a request for proprietary information submitted by the petitioner or an interested party in support of the petitioner concerning the domestic price or cost of production of the like product,”; and

(5) by striking subsections (d) and (e) and redesignating subsections (f) through (i) as (d) through (g), respectively.

SEC. 102. DOWNSTREAM DUMPING.

(a) In General.—Subtitle D of title VII of the Tariff Act of 1930 (19 U.S.C. 1677 et seq.) is amended by inserting immediately after section 771B the following:

SEC. 771C. DOWNSTREAM DUMPING.

“(a) Definitions.—As used in this section—

“(1) Downstream Dumping.—The term ‘downstream dumping’ means a course of conduct in which a product is routinely used as a significant part, component, assembly, subassembly, or material in the manufacture or production of merchandise subject to investigation under subtitle B, and such product is purchased at a price that—

“(A) is lower than the generally available price of the product in the country of manufacture or production, or

“(B) is lower than the price at which the product would be generally available in the country of manufacture or production but for the artificial depression of such general available price by reason of any subsidy or other sales at below foreign market value.

“(2) Significant part.—The term ‘significant part’ means a part the cost of which constitutes not less than 20 percent of the total cost of the product.

“(b) Inclusion of Amount Attributable to Downstream Dumping.—If the administering authority determines, during the course of such an investigation, that downstream dumping is occurring or has occurred with respect to any such product, the administering authority, in calculating the amount of any antidumping duty on such merchandise, shall include an amount equal to the difference between—

“(1) the price at which the product was purchased, and

“(2) either—

“(A) the generally available price (referred to in subsection (a)(1)) of the product, or

“(B) the price (referred to in subsection (a)(2)) of the product that would pertain, but for the artificial depression,

whichever is appropriate.

“(c) Scope of Inquiry of Administering Authority.—The administering authority is not required, in undertaking such an investigation, to consider the presence of downstream dumping, beyond that state in the manufacture or production of the class or kind of merchandise that immediately precedes the final manufacturing or production stage before export to the United States, unless reasonably available information indicates that such dumping has occurred or is occurring before such immediately preceding stage and is having or has had a substantial effect on the price of the merchandise.”.

(b) Imposition of Antidumping Duties.—Section 731(2) of the Tariff Act of 1930 (19 U.S.C. 1673(2)) is amended—

(1) by striking “or” at the end of subparagraph (A)(ii);

(2) by inserting “or” at the end of subparagraph (B); and

(3) by inserting after subparagraph (B) the following:

“(C) an industry producing a product used in the manufacture or production of the foreign merchandise has been materially injured or threatened with material injury, or the establishment of such an industry in the United States has been materially retarded,”.

(c) Definition of Interested Party.—Subparagraphs (C), (D), (E), and (F) of section 771(9) of the Tariff Act of 1930 (19 U.S.C. 1677(9) (C), (D), (E), and (F)) are each amended by inserting immediately after “product” the following: “or a product that is used in the manufacture or production of a like product”.

(d) Conforming Amendment.—The table of contents for title VII of the Tariff Act of 1930 is amended by inserting immediately after the item relating to section 771B the following:

“Sec. 771C. Downstream dumping.”.

SEC. 103. APPLICATION OF THE COUNTERVAILING DUTY LAW TO NONMARKET ECONOMIES.

Section 771(5) of the Tariff Act of 1930 (19 U.S.C. 1677(5)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C);

(2) by striking “subparagraph (A)” in subparagraph (C), as so redesignated, and inserting “subparagraphs (A) and (B)”; and

(3) by inserting immediately after subparagraph (A) the following:

“(B) Subsidies in nonmarket economy countries.—Benefits that would constitute a countervailable subsidy under subparagraph (A) shall be treated as a subsidy if provided to an enterprise or industry, or group of enterprises or industries, in a nonmarket economy country. In such cases, the amount of the subsidy is equal to the difference between the price at which the merchandise under investigation is sold in the United States, and the weighted average of the prices at which such or similar merchandise, for market economy countries selected by the administering authority as being at a stage of economic development comparable to that of the country under investigation, is sold either—

“(i) for consumption in the home market of those countries, or

“(ii) to other countries, including the United States,

as such prices are established by public and private statistical information, by information supplied by cooperating industries in such selected countries, and by price information submitted by the petitioner and not rebutted by the foreign producer.”.

SEC. 104. DETERMINATIONS OF INJURY IN ANTIDUMPING AND COUNTERVAILING DUTY INVESTIGATIONS.

(a) Impact on Affected Domestic Industry.—Section 771(7)(C)(iii) of Tariff Act of 1930 (19 U.S.C. 1677(7)(C)(iii)) is amended—

(1) by striking “(B)(iii)” and inserting in lieu thereof “(B)(i)(III)”; and

(2) by striking the last sentence and inserting in lieu thereof the following: “In evaluating such factors, the Commission shall consider what effect other factors, including the existence of a national economic recovery, have had upon such factors, and whether an increase in the sale of imports compared to sales of domestic products indicates that there is a likelihood that such declines will occur.”.

(b) Standard for Material Injury Determination.—Section 771(7)(E)(ii) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(E)(ii)) is amended by striking the period at the end and inserting the following: “; except that factors other than those enumerated in subparagraph (B)(i) shall not alone be the basis for a determination of the Commission that there is no material injury or threat of material injury to United States producers.”.

(c) Threat of Material Injury.—Section 771(7)(F)(i) of the Tariff Act of 1930 (19 U.S.C. 1677(7)(F)(i)) is amended—

(1) by striking “and” at the end of subclause (VIII);

(2) by striking the period at the end of subclause (IX); and

(3) by adding at the end thereof the following:

“(X) capital formation and capital market constraints that result from dumping.”.

SEC. 105. CIRCUMVENTION OF ANTIDUMPING AND COUNTERVAILING DUTY ORDERS.

(a) Merchandise Completed or Assembled in United States.—Section 781(a) of the Tariff Act of 1930 (19 U.S.C. 1677j(a) is amended—

(1) by adding “and” at the end of paragraph (1)(A)(iii);

(2) by striking “and” at the end of paragraph (1)(B);

(3) by striking paragraphs (1)(C) and (1)(D);

(4) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);

(5) by redesignating subparagraphs (B) and (C) of paragraph (2) as subparagraphs (C) and (D), respectively; and

(5) by inserting immediately after paragraph (2)(A), as redesignated, the following new subparagraph:

"(B) the value of the imported parts and components referred to in paragraph (1)(B) or the value of imported parts and components from another country that were utilized in the production or manufacture of the merchandise which was the subject of such order or finding,".

(b) MERCHANDISE COMPLETED OR ASSEMBLED IN OTHER FOREIGN COUNTRIES.—Section 781(b) of the Tariff Act of 1930 (19 U.S.C. 1677j(b)) is amended—

(1) by adding "and" at the end of paragraph (1)(B);

(2) by striking paragraphs (1)(C) and (1)(D);

(3) by redesignating subparagraph (E) as subparagraph (C);

(4) by striking paragraph (2) and redesignating paragraph (3) as paragraph (2);

(5) by redesignating subparagraphs (B) and (C) of paragraph (2), as redesignated, as subparagraphs (C) and (D), respectively; and

(5) by inserting immediately after paragraph (2)(A), as redesignated, the following new subparagraph:

"(B) the value of the imported parts and components referred to in paragraph (1)(B) or the value of imported parts and components from another country that were utilized in the production or manufacture of the merchandise which was the subject of such order or finding,".

SEC. 106. PRIVATE RIGHT OF ACTION.

(a) UNFAIR COMPETITION.—(1) Section 801 of the Act of September 8, 1916 (15 U.S.C. 72), is amended to read as follows:

"SEC. 801. (a) No person shall import or sell within the United States any article manufactured or produced in a foreign country if—

"(1) such article is imported or sold within the United States at a United States price which is less than the foreign market value or constructed value of such article; and

"(2) such importation or sale—

"(A) causes or threatens material injury to industry or labor in the United States; or

"(B) prevents, in whole or in part, the establishment or modernization of any industry in the United States.

"(b) Any interested party who shall be injured in his business or property by reason of an importation or sale in violation of this section may bring a civil action in the district court of the District of Columbia or in the Court of International Trade against any manufacturer or exporter of such article or any importer of such article into the United States who is related to such manufacturer or exporter.

"(c) In any action brought under subsection (b), upon a finding of liability on the part of the defendant, the plaintiff shall—

"(1)(A) be granted such equitable relief as may be appropriate, which may include an injunction against further importation into, or sale or distribution within, the United States by such defendant of the articles in question, or (B) if such injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

"(2) recover the costs of the action, including reasonable attorney's fees.

"(d) The standard of proof in any action filed under this section is a preponderance of the evidence. Upon a prima facie showing of the elements set forth in subsection (a), or upon a final determination adverse to the defendant by the Department of Commerce or the United States International Trade Commission under section 735 of the Tariff Act of 1930 (19 U.S.C. 1673d) relating to imports of the article in question for the country in which the manufacturer of the article is located, which final determination shall be considered a prima facie case for purposes of this Act, the burden of rebutting such prima facie case shall be upon the defendant.

"(e) Whenever it shall appear to the court that justice requires that other parties be brought before the court, the court may cause them to be summoned, without regard to where they reside, and the subpoenas for such purpose may be served and enforced in any district of the United States.

"(f) The acceptance by any foreign manufacturer, producer, or exporter of any right or privilege conferred upon him to sell his products or have his products sold by another party in the United States shall be deemed equivalent to an appointment by the foreign manufacturer, producer, or exporter of the District Director of the United States Customs Service of the Department of the Treasury for the port through which the article is commonly imported to be the true and lawful agent upon whom may be served all lawful process in any action brought under this section.

"(g)(1) An action may be brought under this section only if such action is commenced within four years after the date on which the cause of action accrued.

"(2) The running of the statute of limitations provided in paragraph (1) shall be suspended while any administrative proceedings under section 731, 732, 733, 734, or 735 of the Tariff Act of 1930 (19 U.S.C. 1673–1673d) relating to the importations in question, or any appeal of a final determination in such proceeding, is pending and for one year thereafter.

"(h) If a defendant in any action brought under subsection (b) fails to comply with any discovery order or other order or decree of the court, the court may—

"(1) enjoin the further importation into, or the sale or distribution within, the United States by such defendant of articles which are the same as, or similar to, those articles which are alleged in such action to have been sold or imported under the conditions described in subsection (b) until such time as the defendant complies with such order or decree; or

"(2) take any other action authorized by law or by the Federal Rules of Civil Procedure, including entering judgment for the plaintiff.

"(i)(1) Except as provided in paragraph (2), the confidential or privileged status accorded by law to any documents, evidence, comments, or information shall be preserved in any action under this section.

"(2) The court in any action brought under this section may—

"(A) examine, in camera, any confidential or privileged material;

"(B) accept depositions, documents, affidavits, or other evidence under sale; and

"(C) disclose such material under such terms and conditions as the court may order.

"(j) Any action brought under this section shall be advanced on the docket and expedited in every way possible.

"(k) For purposes of this section—

"(1) The terms "United States price', 'foreign market value', 'constructed value', 'subsidy', and 'material injury', shall have the meaning given such terms by title VII of the Tariff Act of 1930.

"(2) If—

"(A) a subsidy is provided to the manufacturer, producer or exporter of any article, and

"(B) such subsidy is not included in the foreign market value or constructed value of such article (but for this paragraph), the foreign market value of such article or the constructed value of such article shall be increased by the amount of such subsidy.

"(l) The court shall permit the United States to intervene in any action, suit, or proceeding under this section, as a matter of right. The United States shall have all the rights of a party.

"(m) Any order by a court under this section is subject to nullification by the President pursuant to the President's authority under section 203 of the International Emergency Economic Powers Act (50 U.S.C. 1702).".

(2) Section 1 of the Clayton Act (15 U.S.C. 12) is amended by inserting immediately after "nineteen hundred and thirteen;" the following: "section 801 of the Act of September 8, 1916, entitled 'An Act to raise revenue, and for other purposes' (15 U.S.C. 72);".

(b) PRIVATE ENFORCEMENT ACTION.—(1) Chapter 95 of title 28, United States Code, is amended by adding at the end the following:

"§1586. Private enforcement action.

"(a) Any interested party who shall be injured in his business or property by a fraudulent or grossly negligent violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)) may bring a civil action in the district court of the District of Columbia or in the Court of International Trade, without respect to the amount in controversy.

"(b) Upon proof by an interested party that he has been damaged by a fraudulent or grossly negligent violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)), such interested party shall—

"(1) be granted such equitable relief as may be appropriate, which may include an injunction against further importation into the United States of the articles or products in question; or

"(2) if such injunctive relief cannot be timely provided or is otherwise inadequate, recover damages for the injuries sustained; and

"(3) recover the costs of suit, including reasonable attorney's fees.

"(c) For purposes of this section—

"(1) The term 'interested party' means—

"(A) a manufacturer, producer, or wholesaler in the United States of a like product or competing product; or

"(B) a trade or business association a majority of whose members manufacture, produce, or wholesale a like product or competing product in the United States.

"(2) The term 'like product' means a product which is like, or in the absence of like, most similar in characteristics and uses to products being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

"(3) The term 'competing product' means a product which competes with or is a substitute for products being imported into the United States in violation of section 592(a) of the Tariff Act of 1930 (19 U.S.C. 1592(a)).

"(d) The court shall permit the United States to intervene in any action, suit, or proceeding under this section, as a matter of right. The United States shall have all the rights of a party.".

(2) The chapter analysis of chapter 95 of title 28, United States Code, is amended by adding immediately after the item relating to section 1585 the following:

"1856. Private enforcement action.".

SEC. 107. ANNUAL REPORT ON ANTIDUMPING AND COUNTERVAILING DUTY PROGRAM.

(a) REPORT TO CONGRESS.—The Secretary of Commerce, with the assistance of the Commissioner of Customs, shall submit to Congress an annual report on the antidumping and countervailing duty program.

(b) CONTENTS.—(1) The annual report submitted under subsection (a) shall include—

(A) information based on Department of Commerce and United States Customs Service data, concerning (i) the status of the antidumping and countervailing duty program, (ii) the status of individual antidumping and countervailing duty orders, (iii) key problems with the program, and (iv) agency plans for improvement; and

(B) reports on progress toward achieving the objectives listed in paragraph (2).

(2) The objectives referred to in paragraph (1)(B) are as follows:

(A) The revamping of Department of Commerce and United States Customs Service program goals and management controls to provide effective means for measuring the performance of the antidumping and countervailing duty program.

(B) The establishment by the Customs Service of management controls to provide oversight of the performance of Customs Service field offices with respect to the antidumping and countervailing duty program.

(C) The completion by the Customs Service of planned software enhancements to provide automated antidumping and countervailing duty data on final duty assessments, liquidations, billings, payments, and warehouse withdrawals.

(D) The standardization and improvement of the creation, maintenance, and use of the paper files at the Customs Service that pertain to the antidumping and countervailing duty program.

(E) The elimination by the Customs Service and Department of Commerce of their liquidation, billing protest, and scope determination backlogs.

(F) With respect to the determination of the scope of an antidumping and countervailing duty order—

(i) the establishment of a 30-day deadline for the Department of Commerce to issue preliminary or final scope determinations;

(ii) the issuance of a national directive by the Customs Service on handling imports subject to a pending scope determination at the Department of Commerce; and

(iii) the establishment by the Customs Service of a national policy of suspending liquidation and assessing duties on imports apparently within the scope of an antidumping or countervailing duty order, unless otherwise instructed by the Department of Commerce.

(G) Improvement of procedures for Harmonized Tariff Schedule classifications involving imports subject to an antidumping or countervailing duty order or to a pending dispute regarding the scope of such an order.

(H) Completion by the Customs Service of its work to replace its accounting software, strengthen its financial controls, and implement the debt collection reforms recommended in the 1990 Customs Revenue Accounting Study.

(I) Correction of the Customs Service importer identification database to eliminate multiple identification numbers for single importers.

(J) Institution of Customs Service procedures to prevent importers from obtaining new or additional identification numbers where the importers, or their affiliates or predecessors, have delinquent debts to the Customs Service.

(K) Establishment of Customs Service management controls to ensure that its field offices issue timely bills for the collection of antidumping or countervailing duties.

(L) Streamlining of Department of Commerce procedures for handling billing protests in a timely manner, together with establishment of effective Customs Service procedures for monitoring such protests.

(M) Establishment of policies and procedures within the Department of Commerce and Customs Service for prompt response by their personnel to United States industry requests for information on antidumping or countervailing duty activities.

(N) Implementation of policies and procedures at the Department of Commerce and Customs Service for the prompt investigation of complaints by United States industry concerning antidumping or countervailing duty enforcement.

TITLE II—ADJUSTMENT TO IMPORT COMPETITION

SEC. 201. IMPORT RELIEF.

(a) SECRETARY OF COMMERCE TO ASSUME ITC FUNCTIONS.—Section 202 of the Trade Act of 1974 (19 U.S.C. 2252) is amended by striking "the Commission" each place it appears and inserting "the Secretary of Commerce".

(b) PETITIONS AND ADJUSTMENT PLANS.—Section 202(a) of the Trade Act of 1974 (19 U.S.C. 2252(a)) is amended—

(1) by striking "the Office of the United States Trade Representative and" in paragraph (3);

(2) by striking "and the United States Trade Representative (hereafter in this chapter referred to as the 'Trade Representative')" in paragraph (4); and

(3) by striking "Trade Representative" the first four times it appears in paragraph (5) and inserting "the Secretary of Commerce"; and

(4) by striking "Trade Representative" the last time it appears in that paragraph and inserting "Secretary of Commerce".

(c) SUBSTANTIAL CAUSE DETERMINATIONS.—Section 202(c)(1)(C) of the Trade Act of 1974 (19 U.S.C. 2252(c)(1)(C)) is amended by inserting before the period at the end the following: ", or a significant reduction in market share, profits, employment, investment, or research and development which would not have occurred in the absence of increased quantities of imports, even though similar reductions due to other causes might have occurred".

(d) DETERMINATION OF AFFECTED DOMESTIC INDUSTRY.—Section 202(c)(4) of the Trade Act of 1974 (19 U.S.C. 2252(c)(40) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) shall, in a case involving a broad range of related products, many or all of which are produced by the same domestic producers, treat as such domestic industry the producers of such products, even though the products may not be like or directly competitive with one another.".

(e) SECRETARY OF COMMERCE RECOMMENDATIONS.—Section 202(e) of the Trade Act of 1974 (19 U.S.C. 2252(e)) is amended—

(1) by striking "203(e)" in paragraph (3) and inserting "203(d)";

(2) by striking clauses (ii) and (iii) of paragraph (5) and inserting the following:

"(ii) the extent to which workers and firms in the domestic industry are—

"(I) benefiting from adjustment assistance and other manpower programs, and

"(II) engaged in worker retraining efforts,

"(iii) the efforts being made, or to be implemented, by the domestic industry (including the efforts included in any adjustment plan or commitment submitted to the Secretary of Commerce under section 201(b)) to make a positive adjustment to import competition,";

(3) by striking "and" at the end of paragraph (5)(B)(iv);

(4) by striking the period at the end of paragraph (5)(B)(v) and inserting in lieu thereof a comma; and

(5) by adding at the end of paragraph (5)(B) the following:

"(vi) the extent to which there is diversion of foreign exports to the United States market by reason of foreign restraints,

"(vii) the potential for circumvention of any action taken under this section, and

"(viii) the national security interests of the United States.".

(f) LIMITATIONS ON INVESTIGATIONS.—Section 202(h) of the Trade Act of 1974 (19 U.S.C. 2252(h)) is amended by striking "section 203(a)(3)(A), (B), (C), or (E)" and inserting the following: "section 202(e)(2)(A), (B), or (C), or section 202(e)(4)(A) with respect to orderly marketing agreements,".

TITLE III—UNFAIR INTERNATIONAL TRADE PRACTICES

SEC. 301. IDENTIFICATION OF TRADE LIBERALIZATION PRIORITIES.

(a) EXTENSION OF PERIOD FOR IDENTIFICATION.—Section 310 of the Trade Act of 1974 (19 U.S.C. 2420) is amended—

(1) by striking "By no later than the date that is 30 days after the date in calendar year 1989, and also the date in calendar year 1990, on which the report required under section 181(b) is submitted to the appropriate Congressional committees," in subsection (a)(1) and inserting "By no later than September 30 of each calendar year,";

(2) by striking "such report" in subsection (B) and inserting "the most recent report submitted under section 181(b)";

(3) by inserting ", Committee on Commerce, Science, and Transportation, Committee on Banking, Housing, and Urban Affairs, and Committee on Foreign Relations" in subsection (a)(1)(D) after "Finance"; and

(4) by inserting ", Committee on Commerce, Committee on Banking, Urban Affairs, and Committee on International Relations" in subsection (a)(1)(D) after "Ways and Means"; and

(5) by adding at the end the following new subsection:

"(e) PETITIONS BY CONGRESSIONAL COMMITTEES.—If the Committee on Finance, Committee on Commerce, Science, and Transportation, Committee on Banking, Housing, and Urban Affairs, or Committee on Foreign Relations of the Senate, or the Committee on Ways and Means, Committee on Commerce, Committee on Banking, Urban Affairs, or Committee on International Relations of the House of Representatives, determines (by a resolution adopted by such Committee) that an investigation under this chapter should be initiated with respect to any barriers and market distorting practices of any foreign country that such Committee determines to be a country that maintains a consistent pattern of import barriers or market distorting practices, such Committee shall be eligible to file a petition under section 302(a) and shall file a petition under section 302(a) with respect to such barriers and practices.".

(b) MANDATORY ACTION.—(1) Section 301(a)(1) of the Trade Act of 1974 (19 U.S.C. 2411(a)(1)) is amended—

(A) by striking "or" at the end of subparagraph (A);

(B) by inserting "or" at the end of subparagraph (B)(ii); and

(C) by inserting after subparagraph (B)(ii), the following new subparagraph:

"(C) a priority practice—

"(i) identified under section 310, or

"(ii) with respect to a priority foreign country identified under section 310,

constitutes an act, policy, or practice of a foreign country which is unreasonable or discriminatory and burdens or restricts United States Commerce;".

(2) Section 304(a)(1)(A)(ii) of the Trade Act of 1974 (19 U.S.C. 2414(a)(1)(A)(ii)) is amended by striking "(a)(1)(B)" and inserting "(a)(1)(B), (a)(1)(C),".

(c) ESTIMATION OF BARRIERS TO MARKET ACCESS.—Section 181(a)(1)(C) of the Trade Act of 1974 (19 U.S.C. 2241(a)(1)(C)) is amended—

(1) by striking ", if feasible,"; and

(2) by striking the period at the end and inserting the following: "; and if it is not feasible to make an estimate under this subparagraph, the Trade Representative shall provide an explanation of why such estimate is not feasible.".

SEC. 302. ANNUAL REVIEW OF TRADE AGREEMENTS.

(a) IN GENERAL.—Chapter I of title III of the Trade Act of 1974 (19 U.S.C. 2411 et seq.) is amended by inserting immediately after section 306 the following new section:

"SEC. 306A. ANNUAL REVIEW OF TRADE AGREEMENTS.

"(a) REQUEST FOR REVIEW.—

"(1)(A) An interested person may file with the Trade Representative a written request for a review to determine whether a foreign country is in compliance with any trade agreement such country has with the United States. Such request may be filed at any time after the date which is within 30 days after the anniversary of the effective date of such agreement, but not later than 90 days before the date of expiration of such agreement.

"(B) A written request filed under subparagraph (A) shall—

"(i) identify the person filing the request and the interest of that person which is affected by the noncompliance of a foreign country with a trade agreement with the United States;

"(ii) describe the rights of the United States being denied under such trade agreement; and

"(iii) include information reasonably available to the person regarding the failure of the foreign country to comply with such trade agreement.

"(C) For purposes of this subsection—

"(i) the term 'interested person' means a person with a significant economic interest that is affected by the failure of a foreign country to comply with a trade agreement.

"(ii) The term 'trade agreement' means an agreement with the United States and does not include multilateral trade agreements such as the General Agreement on Tariffs and Trade.

"(b) REVIEW AND DETERMINATION.—

"(1) Upon the filing of a request under subsection (a), the Trade Representative shall commence the requested review. In conducting the review, the Trade Representative may, as the Trade Representative determines appropriate, consult with the Secretary of Commerce, the Secretary of Agriculture, or the head of any other relevant Federal agency.

"(2)(A) On the basis of the review conducted under paragraph (a), the Trade Representative shall determine whether any act, policy, or practice of the foreign country that is the subject of the review is in material noncompliance with the terms of the applicable trade agreement. Such determination shall be made no later than 90 days after the request for review was filed under subsection (a).

"(B) In making a determination under paragraph (1) with respect to a foreign country's compliance with a trade agreement, the Trade Representative shall take into account, among other relevant factors—

"(i) achievement of the objectives of the agreement,

"(ii) adherence to commitments given, and

"(iii) any evidence of actual patterns of trade that do not reflect patterns of trade which would reasonably be anticipated to flow from the concessions or commitments of such country based on the international competitive position and export potential of a United States industry.

"(C) The Trade Representative may seek the advice of the Commission when considering the factors described in subparagraph (B).

"(c) FURTHER ACTION.—

"(1) If the Trade Representative determines under subsection (b) that an act, policy, or practice of a foreign country is in material noncompliance with the applicable trade agreement, the Trade Representative shall determine what further action to take under section 301(a).

"(2) For purposes of section 301, any determination made under subsection (b) shall be treated as a determination made under section 304(a)(1).

"(3) In determining what further action (including possible sanctions) to take under paragraph (1), the Trade Representative shall seek to minimize any adverse impact on existing business relations or economic interests of United States persons, including consideration of taking action with respect to future products for which a significant volume of current trade does not exist.".

(b) CONFORMING AMENDMENT.—The table of contents of chapter 1 of title III of the Trade Act of 1974 is amended by inserting immediately after the item relating to section 306 the following new item:

"Sec. 306A. Annual review of trade agreements.".

(c) INTERNATIONAL OBLIGATIONS.—The amendments made by this section shall not be construed to require actions inconsistent with the international obligations of the United States, including the General Agreement on Tariffs and Trade.

SEC. 303. NATIONAL TRADE ESTIMATE.

(a) REPORT TO APPROPRIATE COMMITTEES OF SENATE.—Section 181(b)(1) of the Trade Act of 1974 (19 U.S.C.2241 (b)(1)) is amended by striking the comma after "President" and "the Committee on Finance of the Senate, and appropriate committees of" and inserting "and to the appropriate committees of the Senate and the".

(b) REPORT TO INCLUDE TOP 10 TRADE DEFICITS.—Section 181(b) of such Act (19 U.S.C. 2241(b)) is amended—

(1) by redesignating paragraph (3) as (4); and

(2) by inserting after paragraph (2) the following:

"(3) The National Trade Estimate shall include an enumeration of the 10 most significant trade deficits between the United States and other countries on an industry-by-industry basis.".

TITLE IV—PROVISIONS RELATING TO IMPORTS

SEC. 401. CHILD LABOR.

(a) FINDINGS; PURPOSE; POLICY.—

(1) FINDINGS.—The Congress finds the following:

(A) Principle 9 of the Declaration of the Rights of the Child proclaimed by the General Assembly of the United Nations on November 20, 1959, states that "* * * the child shall not be admitted to employment before an appropriate minimum age; he shall in no case be caused or permitted to engage in any occupation or employment which would prejudice his health or education, or interfere with his physical, mental, or moral development * * *".

(B) According to the International Labor Organization, worldwide an estimated 200,000,000 children under age 15 are working, many of them in dangerous industries like mining and fireworks.

(C) Children under age 15 constitute approximately 11 percent of the workforce in some Asian countries, 17 percent in parts of Africa, and a reported 12-to-26 percent in many countries in Latin America.

(D) The number of children under age 15 who are working, and the scale of their suffering, increase every year, despite the existence of more than 20 International Labor Organization conventions on child labor and laws in many countries which purportedly prohibit the employment of underage children.

(E) In many countries, children under age 15 lack either the legal standing or means to protect themselves from exploitation in the workplace.

(F) The employment of children under age 15 commonly deprives the children of the opportunity for basic education and also denies gainful employment to millions of adults.

(G) The prevalence of child labor in many developing countries is rooted in widespread poverty that is attributable to unemployment and underemployment, precarious incomes, low living standards, and insufficient education and training opportunities.

(H) The employment of children under age 15, often at pitifully low wages, undermines the stability of families and ignores the importance of increasing jobs, aggregate demand, and purchasing power among adults as a catalyst to the development of internal markets and the achievement of broad-based, self-reliant economic development in many developing countries.

(I) Adult workers in the United States and other developed countries should not have their jobs imperiled by imports produced by child labor in developing countries.

(2) PURPOSE.—The purpose of this section is to curtail worldwide employment of children under age 15 by—

(A) eliminating the role of the United States in providing a market for foreign products made by underage children; and

(B) encouraging other nations to join in a ban on trade in such products.

(3) POLICY.—It is the policy of the United States—

(A) to discourage actively the employment of children under age 15 in the production of goods for export or domestic consumption;

(B) to strengthen and supplement international trading rules with a view to renouncing the use of underage children in production as a means of competing in international trade;

(C) to amend United States law to prohibit the entry into commerce of products resulting from the labor of underage children; and

(D) to offer assistance to foreign countries to improve the enforcement of national laws prohibiting the employment of children under age 15 and to alleviate the underlying poverty that is often the cause of the commercial exploitation of children under age 15.

(b) PROPOSAL FOR WORLDWIDE TRADE BAN.—In pursuit of the policy set forth in this section, the President is urged to propose, as soon as possible, to the United Nations Economic and Social Rights Committee that the Convention for the Rights of the

Child, which is to be submitted to the General Assembly of the United Nations, include a worldwide ban on trade in products of child labor.

(c) IDENTIFICATION OF FOREIGN COUNTRIES PERMITTING USE OF CHILD LABOR.—

(1) PERIODIC REVIEWS.—The Secretary of Labor shall undertake periodic reviews (and the first such review shall be undertaken within 180 days after the date of enactment of this Act) to identify any foreign country that—

(A) has not adopted, or is not enforcing effectively, prohibitions against the use of child labor in the production of products within the country (including designated zones therein); and

(B) has on a continuing basis exported products of child labor of the country to the United States.

(2) PETITION.—

(A) Any person may file a petition with the Secretary of Labor requesting that a particular foreign country be identified under paragraph (1). The petition must set forth the allegations in support of the request.

(B) Within 90 days after receiving a petition under subparagraph (A), the Secretary of Labor shall—

(i) decide whether or not the allegations in the petition warrant further action by the Secretary of Labor under paragraph (1) with regard to the foreign country; and

(ii) notify the petitioner of the decision under clause (i) and the facts and reasons supporting the decision.

(3) PRE-IDENTIFICATION PROCEDURE.—Before identifying a foreign country under paragraph (1), the Secretary of Labor shall—

(A) consult with the United States Trade Representative, the Secretary of State, and the Secretary of the Treasury regarding such an action;

(B) publish notice in the Federal Register stating that such an identification is being considered and inviting the submission within a reasonable time of written comment from the public; and

(C) take into account the information obtained under subparagraphs (A) and (B).

(4) WITHDRAWAL OF IDENTIFICATION.—

(A) Subject to subparagraph (B), the Secretary of Labor may withdraw the identification of any foreign country under paragraph (1) if information available to the Secretary indicates that such action is appropriate.

(B) No withdrawal under subparagraph (A) may take effect earlier than the 60th day after the date on which the Secretary submits to the Congress a written report—

(i) stating that in the opinion of the Secretary of Labor the foreign country concerned has adopted, and is effectively enforcing, laws prohibiting the production of products with child labor within the country (including designated zones therein); and

(ii) stating the facts on which such opinion is based and any other reason why the Secretary of Labor considers the withdrawal appropriate.

(C) No withdrawal under subparagraph (A) may take effect unless the Secretary of Labor—

(i) publishes notice in the Federal Register that such a withdrawal is under consideration and inviting the submission within a reasonable time of written comment from the public on such a withdrawal; and

(ii) takes into account the information received under clause (i) before preparing the report required under subparagraph (B).

(5) PUBLICATION OF DECISIONS; MAINTENANCE OF LIST.—The Secretary of Labor shall—

(A) promptly following an identification decision under paragraph (1) publish in the Federal Register—

(i) the name of each foreign country so identified, and

(ii) the text of each decision made under paragraph (2)(B)(i) and a statement of the facts and reasons supporting the decision;

(B) promptly following a withdrawal decision under paragraph (4) publish the name of each foreign country regarding which an identification is so withdrawn; and

(C) maintain in the Federal Register a current list of all foreign countries identified under paragraph (1).

(6) REPORT.—In furtherance of paragraph (1), the Secretary of Labor shall transmit to the Congress, within 180 days after the date of enactment of this Act, and not later than March 1 of each subsequent year, a full and complete report with respect to the national laws and practices of foreign countries pertaining to the commercial exploitation of children. In preparing such a report, the Secretary shall consult with those officials listed in paragraph (3)(A). The Secretary shall use all available information regarding the commercial exploitation of children, including information made available by the International Labor Organization, international trade union secretariats, trade unions, children's advocacy organizations, religious groups, and human rights organizations. Each report shall include entries on all foreign countries, shall describe which countries condone the commercial exploitation of children by law or in practice, and shall describe which countries by law and in practice effectively discourage the commercial exploitation of children, including the domestic mechanisms for the enforcement of laws and penalties intended to deter the commercial exploitation of children. Wherever possible, each report shall also identify those industries within particular foreign countries in which there is demonstrable evidence of commercial exploitation of children.

(d) RESTRICTIONS ON ENTRY OF CERTAIN ARTICLES.—

(1) ENTRY PROHIBITED.—

(A) Except as provided in subparagraph (B), during the effective identification period for a foreign country the Secretary of the Treasury may not permit the entry of any manufactured article that is a product of that country.

(B) Subparagraph (A) does not apply to the entry of a manufactured article—

(i) for which a certification that meets the requirements of paragraph (2) is provided;

(ii) that is entered under any subheading in subchapter IV or VI of chapter 98 (relating to personal exemptions) of the Harmonized Tariff Schedule of the United States; or

(iii) that was exported from the foreign country and was en route to the United States before the first day of the effective identification period for such country.

(2) DOCUMENTATION.—

(A) The Secretary of the Treasury shall prescribe the form and content of documentation, for submission in connection with the entry of a manufactured article, that satisfies the Secretary of the Treasury that the importer of the article has undertaken reasonable steps to ensure, to the extent practicable, that the article is not a product of child labor.

(B) The documentation required by the Secretary of the Treasury under subparagraph (A) shall include written evidence that the agreement setting forth the terms and conditions of the acquisition or provision of the imported article includes the condition that the article not be a product of child labor.

(e) PROHIBITIONS; PENALTIES.—

(1) PROHIBITION.—It is unlawful—

(A) during the effective identification period applicable to a foreign country, to attempt to enter any manufactured article that is a product of that country if the entry is prohibited under subsection (d)(1)(A); or

(B) to violate any regulation prescribed under subsection (f).

(2) CIVIL PENALTY.—Any person who commits any unlawful act set forth in paragraph (1) is liable for a civil penalty of not to exceed $25,000.

(3) CRIMINAL PENALTY.—In addition to being liable for a civil penalty under paragraph (2), any person who intentionally commits any unlawful act set forth in paragraph (1) is, upon conviction, liable for a fine of not less than $10,000 and not more than $35,000, or imprisonment for 1 year, or both.

(4) APPLICATION OF CUSTOMS LAW ENFORCEMENT PROVISIONS.—The violations set forth in paragraph (1) shall be treated as violations of the customs laws for purposes of applying the enforcement provisions of the Tariff Act of 1930, including—

(A) the search, seizure, and forfeiture provisions;

(B) section 592 (relating to penalties for entry by fraud, gross negligence, or negligence); and

(C) section 619 (relating to compensation to informers).

(f) REGULATIONS.—The Secretary shall prescribe regulations that are necessary or appropriate to carry out this section.

(g) SPECIAL RULES; DEFINITIONS.—For purposes of this section—

(1) A manufactured article shall be treated as being a product of child labor if the article—

(A) was fabricated, assembled, or processed, in whole or part,

(B) contains any part that was fabricated, assembled, or processed, in whole or part, or

(C) was mined, quarried, pumped, or otherwise extracted,

by one or more children who engaged in the fabrication, assembly, processing, or extraction—

(i) in exchange for remuneration (regardless to whom paid), subsistence, goods or services, or any combination of the foregoing;

(ii) under circumstances tantamount to involuntary servitude; or

(iii) under exposure to toxic substances or working conditions otherwise posing serious health hazards.

(2) The term "child" means an individual who has not attained age 15.

(3) The term "effective identification period" means, with respect to a foreign country, the period that—

(A) begins on the date of that issue of the Federal Register in which the identification of the country is published under subsection (c)(5)(A); and

(B) terminates on the date of that issue of the Federal Register in which the withdrawal of the identification referred to in clause (i) is published under subsection (c)(5)(B).

(4) The term "entered" means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States.

(5) The term "foreign country" includes any foreign instrumentality. Any possession or territory of a foreign country that is administered separately for customs purposes shall be treated as a separate foreign country.

(6) The term "manufactured article" means any good that is fabricated, assembled, or processed. The term also includes

any mineral resource (including any mineral fuel) that is entered in a crude state. Any mineral resource that at entry has been subjected to only washing, crushing, grinding, powdering, levigation, sifting, screening, or concentration by flotation, magnetic separation, or other mechanical or physical processes shall be treated as having been processed for the purposes of this section.

SEC. 402. SLAVE LABOR.

(a) IN GENERAL.—Section 307 of the Tariff Act of 1930 (19 U.S.C. 1307) is amended to read as follows:

"SEC. 307. PROHIBITION ON IMPORTATION OR TRANSPORTATION OF PROHIBITED PRODUCTS.

"(a) FINDINGS AND POLICY.—

"(1) FINDINGS.—The Congress finds that—

"(A) some states in the international community employ various forms of convict labor, forced labor, indentured labor, and involuntary labor;

"(B) these forms of labor are used for several purposes, including political coercion, education or punishment, economic development, labor discipline, or racial, social, national, or religious discrimination;

"(C) goods, wares, articles, and resources produced or extracted by these forms of labor are exported, directly or indirectly, to other states in the international community, including the United States;

"(D) the use of forced or compulsory labor constitutes disrespect for basic human rights and fundamental freedoms, as set forth in the Universal Declaration of Human Rights, the Charter of the United Nations, and other international covenants;

"(E) the Universal Declaration of Human Rights recognizes the 'right to work, to free choice of employment, to just and favorable conditions of work' and prohibits slavery and the slave trade 'in all their forms';

"(F) the United States, as a sovereign state in the international community, has pledged itself to protect and defend human rights within its territory and to protect and promote human rights, including the rights of individuals, to be free from forced labor and involuntary servitude, throughout the world; and

"(G) this commitment to human rights, generally, and to the termination of forced labor and involuntary servitude, specifically, is consistent with the basic principles on which the United States was founded, as embodied in such documents as the Declaration of Independence and the Bill of Rights, with the population against slavery in the Thirteenth Amendment, and with the historical traditions of the United States as a humanitarian nation; and

"(H) the Senate demonstrated the commitment of the United States to the termination of forced labor and involuntary servitude on May 14, 1991, when the Senate gave its advice and consent to the ratification of the Convention Concerning the Abolition of Forced Labor (Convention No. 105), adopted by the International Labor Conference (40th session) at Geneva, Switzerland, on June 25, 1957.

"(2) POLICY.—It is the policy of the United States to—

"(A) take measures, to the maximum extent practicable, to protect the rights of individuals to be free from force labor and involuntary servitude;

"(B) enable the citizens of the United States to be free from unknowingly supporting or subsidizing the policies of states in the international community which employ forced labor and involuntary servitude; and

"(C) deny United States economic support, by consumer purchase, investment, lending, or otherwise, to states in the international community which use forced labor.

"(b) PROHIBITION ON IMPORTATION OR TRANSPORTATION.—

(1)(A) Except as provided in subparagraph (B), no prohibited product may be imported into the United States nor transported in interstate commerce.

"(B) The provisions of subparagraph (A) shall not apply to items vital to national security.

"(2) No United States national or any other person subject to the jurisdiction of the United States may invest in, or make loans to, a foreign joint venture involving the use of forced labor.

"(3) The Secretary of the Treasury shall prescribe such regulations as may be necessary for the enforcement of this subsection.

"(4) For purposes of this subsection—

"(A) the term 'forced labor' means all work or service which is exacted from any person under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily;

"(B) the term 'prohibited product' means any goods, wares, articles, merchandise, natural resources, and services produced, mined, extracted, manufactured, or provided wholly or in part in any foreign country by forced labor; and

"(C) the term 'United States national' means—

"(i) a natural person who is a citizen of the United States; and

"(ii) a corporation or other legal entity which is organized under the laws of the United States or of any State, the District of Columbia, the Commonwealth of Puerto Rico, or the Commonwealth of the Northern Mariana Islands, if natural persons who are citizens of the United States own, directly or indirectly, 50 percent or more of the outstanding capital stock or other beneficial interest of such corporation or entity.

"(c) PENALTIES.—(1) With respect to any violation of subsection (b)(1) or (2), an order under this section shall require the person or entity to pay a civil penalty of—

"(A) $10,000 for one violation;

"(B) $100,000 in the case of a person or entity previously subject to one order under this section; or

"(C) $1,000,000 in the case of a person or entity previously subject to more than one order under this section.

"(2)(A) Before imposing an order described in paragraph (1) against a person or entity for a violation of subsection (b)(2), the Secretary of the Treasury shall provide the person or entity with notice and, upon request made within a reasonable time (of not less than 30 days, as established by the Secretary of the Treasury) of the date of the notice, a hearing respecting the violation.

"(B) Any hearing so requested shall be conducted before an administration law judge. The hearing shall be conducted in accordance with the requirements of section 554 of title 5, United States Code. The hearing shall be held at the nearest practicable place to the place where the person or entity resides or of the place where the alleged violation occurred. If no hearing is so requested, the Secretary of the Treasury's imposition of the order shall constitute a final and unappealable order.

"(C) If the administrative law judge determines, upon the preponderance of the evidence received, that a person or entity named in the complaint has violated subsection (b)(1) or (2), the administrative law judge shall state his findings of fact and issue and cause to be served on such person or entity an order described in paragraph (1).

"(3) The decision and order of an administrative law judge shall become the final agency decision and order of the Secretary of the Treasury unless, within 30 days, the Secretary of the Treasury modifies or vacates the decision and order, in which case the decision and order of the Secretary of the Treasury shall become a final order under this subsection. The Secretary of the Treasury may not delegate his authority under this paragraph.

"(4) A person or entity adversely affected by a final order respecting an assessment may, within 45 days after the date the final order is issued, file a petition in the Court of Appeals for the appropriate circuit for review of the order.

"(5) If a person or entity fails to comply with a final order issued under this subsection against the person or entity, the Attorney General shall file a suit to seek compliance with the order in any appropriate circuit court of the United States. In any such suit, the validity and appropriateness of the final order shall not be subject to review.

"(d) ENFORCEMENT BY PRIVATE PERSONS.—(1) The prohibitions contained in subsection (b)(1) and (2) may be enforced by civil actions in appropriate United States district courts without regard to the amount in controversy and in appropriate State or local courts of general jurisdiction. A civil action shall be commenced within 1 year after plaintiff obtains knowledge of the alleged violation of subsection (b)(1) has occurred, or reasonably should have obtained knowledge, except that the court shall continue such civil case brought pursuant to this section from time to time before bringing it to trial if an administrative hearing pursuant to subsection (c)(2) has commenced and is being diligently conducted so as to reach an expeditious conclusion.

"(2)(A) Except as provided in paragraph (3)—

"(i) any person to whom any prohibited product has been offered for purchase or in reasonable likelihood will be offered for purchase, or

"(ii) any public interest group or human rights organization, may commence a civil suit on behalf of that person, group, or organization—

"(I) to enjoin any person, including the United States and any other governmental instrumentality or agency (to the extent permitted by the Eleventh Amendment to the Constitution), who is alleged to be in violation of any provision of this section or regulation issued under the authority of this section;

"(II) to compel the Secretary of the Treasury to enforce any prohibitions specified in subsection (b)(1) or (2) through an order for penalties under subsection (c); or

"(III) to compel the Secretary of the Treasury to perform any act or duty under subsection (b)(1) or (2) which is not discretionary with the Secretary and which the Secretary has failed to carry out.

"(B) The district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce any such provision or regulation, or to order the Secretary to perform such act or duty, as the case may be.

"(3) No action may be commenced under paragraph (2)(A)—

"(A) if 60 days have not elapsed after written notice of the violation has been given to the Secretary of the Treasury, and to any alleged violator of this section or any regulation issued under this section;

"(B) if the Secretary of the Treasury has commenced an action to impose a penalty pursuant to subsection (c); or

"(C) if the United States has commenced and is diligently prosecuting a criminal action in a court of the United States or State to address a violation of any such provision or regulations.

"(e) TREBLE DAMAGES.—Any person in competition with a person importing or transporting items, or investing or loaning funds, in violation of subsection (b)(1) or (2), who is injured as a result of such violation, may bring an action in a United States district court and shall recover three-fold the amount of the damages sustained by such violation.".

(b) REPEALS.—Sections 1761 and 1762 of title 18, United States Code, are repealed.

TITLE V—NEGOTIATING AUTHORITY

SEC. 501. NEGOTIATION OF AGREEMENTS REGARDING TARIFF BARRIERS.

(a) IN GENERAL.—Section 1102(a) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902(a)) is amended to read as follows:

"(a) AGREEMENTS REGARDING TARIFF BARRIERS.—Whenever the President determines that one or more existing duties or other import restrictions or any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and the purposes, policies, and objectives of this title will be promoted thereby, the President before June 1, 1993, may enter into trade agreements with foreign countries.".

(b) CONFORMING AMENDMENT.—Section 1105(a)(2) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2904(a)(2)) is amended by striking "proclamation or" each place it appears.

SEC. 502. REPEAL OF FAST TRACK PROCEDURES.

(a) REPEAL OF PROCEDURES IN TRADE ACT OF 1974.—Sections 151 through 154 of the Trade Act of 1974 (19 U.S.C. 2191–2194) are repealed.

(b) REPEAL OF PROVISIONS IN OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988.—

(1) Subsections (b), (c), (d), and (e) of section 1103 of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2903) are repealed.

(2) Paragraph (4) of section 1102(c) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2902(c)) is repealed.

(3) Paragraph (4) of section 1107(a) of the Omnibus Trade and Competitiveness Act of 1988 (19 U.S.C. 2906(a)) is repealed.

SEC. 503. APPLICABILITY OF NATIONAL ENVIRONMENTAL POLICY ACT.

Section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) is amended by inserting "including bilateral and multilateral negotiations with other countries on trade with other matters)" immediately after "human environment".

SEC. 504. REPRESENTATION ON ADVISORY COMMITTEES.

(a) ADVISORY COMMITTEE FOR TRADE POLICY AND NEGOTIATIONS.—Section 135(b)(1) of the Trade Act of 1974 (19 U.S.C. 2155)(B)(1)) is amended by inserting "environmental interests, health and safety interests," immediately after "retailers,".

(b) GENERAL POLICY ADVISORY COMMITTEES.—Section 135(c)(1) of the Trade Act of 1974 (19 U.S.C. 2155(c)(1)) is amended by inserting "environmental, consumer, health and safety," immediately after "defense," each place it appears.

(c) SECTORAL AND FUNCTIONAL ADVISORY COMMITTEES.—Section 135(c)(2) of the Trade Act of 1974 (19 U.S.C. 2155(c)(2)) is amended by inserting "environmental, consumer, health and safety," immediately after "agricultural,".

TITLE VI—MISCELLANEOUS PROVISIONS

SEC. 601. SCOFFLAW PENALTIES FOR MULTIPLE CUSTOMS LAW OFFENDERS.

(a) ORDER BY SECRETARY OF TREASURY.—

(1) The Secretary of the Treasury shall by order prohibit any person who is a multiple customs law offender from—

(A) introducing, or attempting to introduce, foreign goods into the customs territory of the United States; and

(B) engaging, or attempting to engage, any other person for the purpose of introducing, on behalf of the multiple customs law offender, foreign goods into such customs territory. If the multiple customs law offender is a firm, corporation, or other legal entity, the order shall apply to all officers and principals of the entity. The order shall also apply to any employee or agent of the entity if that employee or agent was directly involved in the violations of the customs laws concerned.

(2) The prohibition contained in the order issued under paragraph (1) shall apply during the period which begins on the 60th day after the date on which the order is issued and ends on the 3rd anniversary of such 60th day.

(b) NOTIFICATIONS BY AGENCIES.—Each Federal agency shall notify the Secretary of the Treasury of all final convictions and assessments made incident to the enforcement of the customs laws under the jurisdiction of such agency.

(c) PENALTIES.—Whoever violates, or knowingly aids or abets the violation of, an order issued by the Secretary of the Treasury under this section shall be fined not more than $250,000 or imprisoned not more than 10 years, or both.

(d) RULEMAKING.—The Secretary of the Treasury shall prescribe rules to carry out this section, including rules governing the procedures to be used in issuance of orders under subsection (a). Such rules shall also include a list of the customs laws.

(e) DEFINITIONS.—For purposes of this section, the term—

(1) "customs laws" means any Federal law providing a criminal or civil penalty for an act, or failure to act, regarding the introduction of, or the attempt to introduce, foreign goods into the customs territory of the United States, including sections 496 and 1001 (but only with respect to customs matters), and any section of chapter 17 of title 18, United States Code, and section 592 of the Tariff Act of 1930 (19 U.S.C. 1592); and

(2) "multiple customs law offender" means a person that, during any period of seven consecutive years after the date of enactment of this act, was either convicted of, or assessed a civil penalty for, three separate violations of one or more customs laws finally determined to involve fraud or criminal culpability.

SEC. 602. AUTHORITY TO ESTABLISH MANUFACTURING SUBZONES.

The Foreign Trade Zones Act (19 U.S.C. 81a et seq.) is amended by adding at the end the following new section:

"SEC. 22. (a) After the date of enactment of this section, the Board shall not authorize the establishment of a subzone for manufacturing unless the Board finds, based on clear and convincing evidence, that the establishment of such a subzone will result in—

"(1) significant net public benefits, taking into account significant adverse effects;

"(2) additional substantial exports from the United States;

"(3) the encouragement of activity related to import displacement or substitution;

"(4) the generation or sustaining of employment and investment in the United States;

"(5) no negative effect on a remedial action or program instituted by the United States to counter an international unfair trade practice; and

"(6) no material harm to an existing industry in the United States.

"(b) Decisions by the Board with respect to the establishment of a subzone described in subsection (a) shall be made by the Board members in their personal capacities, and authority to make such decisions shall not be delegated except in extraordinary circumstances.".

SEC. 603. CONGRESSIONAL DISAPPROVAL RESOLUTION.

Subsection (f) of section 232 of the Trade Expansion Act of 1962 (19 U.S.C. 1862) is repealed.

SEC. 604. REPRESENTATION OR ADVISING OF FOREIGN PERSONS.

(a) FARA DEFINITIONS.—

(1) Section 1(c) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(c)) is amended—

(A) by striking "agent of a foreign" and inserting in lieu thereof "representative of a foreign";

(B) by striking "an agent of a foreign" and inserting in lieu thereof " a representative of a foreign"; and

(C) by adding at the end the following new sentence: "For purposes of clause (1), a foreign principal shall be considered to control a person in major part if the foreign principal holds 50 percent or more equitable ownership in such person.".

(2) Section 1(j) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(j)) is amended by striking "propaganda" and inserting in lieu thereof "promotional material".

(3)(A) Section 1(d) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(d)) is amended by striking "agent" each plane it appears and inserting in lieu thereof "representative".

(B) Section 1(o) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(o)) is amended by striking "propaganda" and inserting in lieu thereof "promotional material".

(C) Section (2)(a) and (f)) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612(a) and (f), is amended by striking "an agent" each place it appears and inserting in lieu thereof "a representative".

(D) Section 2 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 612), as amended by subparagraph (C) of this paragraph, is further amended by striking "agent" each place it appears and inserting in lieu thereof "representative".

(E) Section 3 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 613) is amended—

(i) by striking "agent" and inserting in lieu thereof "representative"; and

(ii) in subsection (f)—

(I) by striking "an agent" and inserting in lieu thereof "a representative"; and

(II) by striking "any agent" and inserting in lieu thereof "representative".

(F) Section 4 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 614) is amended—

(i) by striking "an agent" each place it appears and inserting in lieu thereof "representative";

(ii) by striking "propaganda" each place it appears and inserting in lieu thereof "promotional material";

(iii) by striking "such agent" each place it appears and inserting in lieu thereof "such representative";

(iv) by striking "agent" and inserting in lieu thereof "representative"; and

(v) by striking "any agent" and inserting in lieu thereof "any representative".

(G) Section 5 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 615) is amended—

(i) by striking "Every agent" and inserting in lieu thereof "Every representative";

(ii) by striking "an agent" and inserting in lieu thereof "a representative"; and

(iii) by striking "every agent" and inserting in lieu thereof "every representative".

(H) Section 6 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 616) is amended—

(i) by striking "propaganda" each place it appears and inserting in lieu thereof "promotional material"; and

(ii) by striking "agent" and inserting in lieu thereof "representative".

(I) Section 7 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 617) is amended—

(i) by striking "an agent" each place it appears and inserting in lieu thereof "a representative"; and

(ii) by striking "such agent" each place it appears and inserting in lieu thereof "such representative".

(J) Section 8 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 618) is amended—

(i) by striking "propaganda" and inserting in lieu thereof "promotional material";

(ii) by striking "an agent" each place it appears and inserting in lieu thereof "any representative".

(iii) by striking "any agent" each place it appears and inserting in lieu thereof "any representative"; and

(iv) by striking "such agent" and inserting in lieu thereof "such representative".

(K) Section 11 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 621) is amended by striking "propaganda" and inserting in lieu thereof "Promotional material".

(b) EXEMPTIONS.—

(1) Section 3(d) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 613(d)) is amended by inserting immediately before the semicolon at the end the following proviso: ": *Provided*, That any person relying on this subsection shall notify the Attorney General of such reliance in such manner and form as the Attorney General may prescribe by regulation".

(2) Section 3(g) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 613(g)) is amended by striking "or any agency" and all that follows except the period at the end.

(3) Section 1(q) of the Foreign Agents Registration Act of 1938 (22 U.S.C. 611(q)) is amended—

(A) by striking "and" at the end of clause (ii) of the proviso; and

(B) by inserting immediately before the period at the end the following: ", and (iv) such activities do not involve the representation of the interests of the foreign principal before any agency or official of the Government of the United States other than providing information in response to requests by such agency or official or as a necessary part of a formal judicial or administrative proceeding, including the initiation of such a proceeding".

(c) CIVIL PENALTIES; SUBPOENA POWER.—Section 8 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 618) is amended by adding at the end the following new subsection:

"(i)(1) Any person who is determined, after notice and opportunity for an administrative hearing—

"(A) to have failed to file when such filing is required, a registration statement under section 2(a) or a supplement thereto under section 2(b),

"(B) to have omitted a material fact required to be stated therein, or

"(C) to have made a false statement with respect to such a material fact,

shall be required to pay a civil penalty in an amount not less than $2,000 or more than $5,000 for each violation committed. In determining the amount of the penalty, the Attorney General shall give due consideration to the nature and duration of the violation.

"(2)(A) Whenever the Attorney General has reason to believe that any person may be in possession, custody, or control of any documentary material relevant to an investigation regarding any violation of paragraph (1) or of section 5, the Attorney General may, before bringing any civil or criminal proceeding thereon, issue in writing, and cause to be served upon such person, a civil investigative demand requiring such person to produce such material for examination.

"(B) Civil investigative demands issued under this paragraph shall be subject to the applicable provisions of section 1968 of title 18, United States Code.".

(d) ANNUAL REPORT.—Section 11 of the Foreign Agents Registration Act of 1938 (22 U.S.C. 621) is amended by striking "shall, from time to time, make a report" and inserting in lieu thereof "shall report annually".

(e) SEPARATE SECTION OF CRIMINAL DIVISION, DEPARTMENT OF JUSTICE.—There is established within the Criminal Division of the Department of Justice a separate section which shall enforce the provisions of the Foreign Agents Registration Act of 1938 and chapter 11 of title 18, United States Code, as amended by this section, and the provisions of all other laws relating to lobbying activities in the United States.

(f) AMENDMENTS TO CHAPTER 11 OF TITLE 18, UNITED STATES CODE.—

(1)(A) Chapter 11 of title 18, United States Code, is amended by inserting immediately after section 207 the following new section:

"§207a. Limitation on the representation or advising of foreign persons by certain former Federal officers and employees and members of the uniformed services

"(a)(1) Except as provided in subsection (d), any person who serves as an officer or employee, or a member of a uniformed service, described in subsection (c), may not, during the period specified in paragraph (2), knowingly act as an agent or attorney for or otherwise represent or advise, for compensation—

"(A) a government of a foreign country or a foreign political party;

"(B) a person outside of the United States, unless such person is an individual who is a citizen of the United States; or

"(C) a partnership, association, corporation, organization, or other combination of persons organized under the laws of or having its principal place of business in a foreign country, if the representation or advice relates directly to a matter in which the United States is a party or has a direct and substantial interest. For purposes of this paragraph, the term 'compensation' means any payment, gift, benefit, reward, favor, or gratuity which is provided, directly or indirectly, for services rendered.

"(2) The period referred to in paragraph (1)—

"(A) in the case of a person who is an officer or employee described under subsection (c)(1), (2), or (3), is the five-year period after that persons's service as such officer or employee has ceased; and

"(B) in the case of a person who is an officer or employee described under subsection (c)(4) or 5, is the two-year period after that person's service as such officer or employee has ceased.

"(b) Any person described in subsection (c) who violates subsection (a) shall be punished as provided in section 216 of the title.

"(c) The prohibitions set forth in subsection (a) apply to—

"(1) the President of the United States;

"(2) the Vice President of the United States;

"(3) an individual who serves in a position in levels I and II of the Executive Schedule as listed in sections 5312 and 5313 of title 5, United States Code;

"(4) an individual who—

"(A) is appointed by the President under section 105(a)(2)(A) of title 3, United States Code;

"(B) is appointed by the Vice President under section 106(a)(1)(A) of such title 3;

"(C) is not described in paragraph (3) or subparagraph (A) or (B) and serves in a position in level I, level II, level III, level IV, or level V of the Executive Schedule; or

"(D) is a member of a uniformed service in a pay grade of 0–7 or higher and is serving on active duty; and

"(5) each Member of Congress.

"(d) The prohibitions set forth in subsection (a) shall not apply to a person described under subsection (c) to the extent the person is engaging only in—

"(A) the soliciting or collecting of funds and contributions within the United States to be used only for medical aid and assistance, or for food and clothing to relieve human suffering, if such solicitation or collection of funds and contributions is in accordance with applicable law;

"(B) activities in furtherance of bona fide religious, charitable, scholastic, academic, or scientific pursuits or of the fine arts; or

"(C) activities in furtherance of the purposes of an international organization of which the United States is a member.

"(e)(1) For purposes of subsection (c)(4)(D), the term 'uniformed service' means the Army, Navy, Air Force, Marine Corps, Coast Guard, National Oceanic and Atmospheric Administration, and the Public Health Service.

"(2) For purposes of this section, the service of a member or former member of a uniformed service shall be considered to have ceased upon such member's discharge or release from active duty.".

(B) The table of sections at the beginning of chapter 11 of title 18, United States Code, is amended by inserting immediately after the item relating to section 207 the following new item:

"207a. Limitation on the representation or advising of foreign persons by certain former Federal officers and employees and members of the uniformed services.".

(2) Section 216 of title 18, United States Code, is amended by inserting "207a," immediately after "207," each place it appears.

(3)(A) Subject to subparagraph (B), this subsection and the amendments made by this subsection take effect January 1, 1996.

(B) The amendments made by this subsection do not apply to a person whose service as an officer or employee to which such amendments apply terminated before the effective date of such amendments.

(C) Subparagraph (B) does not preclude the application of the amendments made by this subsection to a person with respect to service as an officer or employee by that person on or after the effective date of such amendments.

SEC. 605. PAYMENT OF CERTAIN CUSTOMS DUTIES.

(a) TRANSACTION VALUE OF IMPORTED MERCHANDISE.—

(1) Section 402(b)(1) of the Tariff Act of 1930 (19 U.S.C. 1401a(b)(1)) is amended—

(A) in subparagraph (D), by striking "and";

(B) in subparagraph (E), by striking the period and inserting in lieu thereof a semicolon;

(C) by adding at the end the following:

"(F) the cost of transporting the merchandise to the port of entry in the United States; and

"(G) the cost of insuring the merchandise prior to entry into the United States."; and

(D) by striking "(A) through (E)" and inserting in lieu thereof "(A) through (G)".

(2) Section 402(b)(4)(A) of the Tariff Act of 1930 (19 U.S.C. 1401a(b)(4)(A)) is amended by striking "exclusive of" and inserting in lieu thereof "including".

(b) DEDUCTIVE VALUE.—Section 402(d)(3)(A) of the Tariff Act of 1930 (19 U.S.C. 1401a(d)(3)(A)) is amended—

(1) by striking clause (ii); and

(2) by redesignating clauses (iii) through (v) as clauses (ii) through (iv), respectively.

(c) COMPUTED VALUE.—Section 402(e)(1) of the Tariff Act of 1930 (19 U.S.C. 1401a(e)(1)) is amended—

(1) by striking "and" in subparagraph (C);

(2) by striking the period in subparagraph (D) and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following:

"(E) the costs of transporting the merchandise to the port of entry in the United States; and

"(F) the cost of insuring the merchandise prior to entry into the United States.".

SEC. 606. APPLICATION OF ANTITRUST LAWS.

(a) EXPORT FORECLOSURE.—

(1) IN GENERAL.—The Attorney General shall take appropriate action to initiate export foreclosure antitrust cases under section 7 of the Sherman Act (15 U.S.C. 6a), and under any other appropriate antitrust law. The Attorney General shall develop and maintain a list of practices that are to be the subject of such actions and the countries in which those practices occur, organized in order of priority based upon the economic impact of the practices.

(2) REPORT.—The Attorney General shall, from time to time, publish the list developed and maintained under paragraph (1).

(b) BEST EVIDENCE RULE WAIVED FOR UNREASONABLE FAILURE OF FOREIGN DEFENDANTS TO COMPLY WITH DISCOVERY ORDERS IN EXPORT FORECLOSURE ANTITRUST CASES.—If the defendant in an export foreclosure antitrust case unreasonably fails to respond to a discovery request, then the application of Rule 1002 of the Federal Rules of Evidence shall be waived with respect to proof of the contents of a writing, recording, or photograph that is the subject of the request.

(c) UNRELATED HOME MARKET ARRANGEMENTS MAY BE TAKEN IN ACCOUNT IN DETERMINING PREDATORY PRICING.—In an export foreclosure antitrust case brought under section 1 of the Sherman Act (15 U.S.C. 1) against a foreign defendant for predatory pricing, the court may take into account the amount, reasonableness, and relationship to fair-market-value of rents received by the defendant in its home market for the purpose of determining whether the plaintiff has established the recoupment element.

(d) DEFINITIONS.—For purposes of this section—

(1) EXPORT FORECLOSURE ANTITRUST CASE.—The term "export foreclosure antitrust case" means an action brought under the antitrust laws of the United States against a person engaged in antitrust competitive acts or practices outside the United States that cause harm to the United States export trade without regard to whether the United States consumers are directly injured by such acts or practices.

(2) ANTITRUST LAWS.—The term "antitrust laws" has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)).

(3) FOREIGN DEFENDANT.—The term "foreign defendant" means a defendant not—

(A) a citizen or lawful resident of the United States;

(B) a corporation organized under the laws of the United States or of any State; or

(C) a proprietorship, partnership, joint venture, or other form of business organization not organized in the United States or of any State.

SEC. 607. ELIMINATION OF QUARTERLY REPORTS.

(a) IN GENERAL.—

(1) Section 13(a)(2) of the Securities Exchange Act of 1934 (15 U.S.C 78m(a)(2)) is amended by striking "and such quarterly reports (and such copies thereof),".

((2) Notwithstanding any other provision of law or regulation to the contrary, including section 240.13a–13 of title 17, Code of Federal Regulations, neither the Securities Exchange Commission nor any other agency or department of the United States may require an issuer of securities required to file an annual report under section 13 of the Securities Exchange Act of 1934 (15 U.S.C. 78m) to file quarterly reports.

(b) EFFECTIVE DATE.—Subsection (a) takes effect with respect to the first calendar quarter beginning more than 45 days after the date of enactment of this Act.

SEC. 608. SECRETARY OF LABOR TO PUBLISH QUARTERLY REPORTS OF RUNAWAY PLANTS.

Section 283 of the Trade Act of 1974 (19 U.S.C. 2394) is amended by adding at the end the following:

"(c) The Secretary of Labor shall publish a quarterly report of notices received under subsection (a).".

SEC. 609. MANDATORY EXON-FLORIO REVIEW OF SALE OF CRITICAL TECHNOLOGY COMPANY.

Section 721(b) of the Defense Production Act of 1950 (50 U.S.C. App. 2170(b)) is amended—

(1) by inserting after "United States." the following: "The President or the President's designee shall also make such an investigation in any instance in which any person seeks to engage in a merger, acquisition, or takeover which could result in control of a person doing business in interstate commerce in the United States engaged in critical technologies."; and

(2) by striking "Such investigation" and inserting "An investigation under this subsection".

SEC. 610. ADDITIONAL IRS AGENTS FOR TRANSFER PRICING CASES.

The Secretary of the Treasury shall increase the number of officers and employees of the Internal Revenue Service whose primary responsibility is the determination of taxable income substantially affected by transfer pricing between related entities.

SEC. 611. TRANSFER OF ITC FUNCTIONS TO COMMERCE DEPARTMENT; TERMINATION OF ITC.

(a) TRANSFER OF FUNCTIONS.—There are transferred from the International Trade Commission to the Secretary of Commerce—

(1) the personnel employed in connection with those functions transferred to the Secretary by this Act; and

(2) the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, or used in connection with the functions transferred to the Secretary under this Act, arising from such functions or available, or to be made available, in connection with such functions. Unexpended funds transferred pursuant to this subsection shall be used only for the purpose for which the funds were originally appropriated.

(b) TERMINATION.—

(1) IN GENERAL.—Upon the transfer of functions, as specified herein, to the Secretary of Commerce, the International Trade Commission shall terminate.

(2) SAVINGS PROVISIONS.—

(A) All orders, determinations, rules, regulations, licenses, and privileges which are in effect at the time this section takes effect, shall continue in effect according to their terms, insofar as they involve regulatory functions to be retained by this section, until modified, terminated, superseded, set aside, or revoked in accordance with law by the Secretary or by a court of competent jursidction, or by operation of law.

(B) The provisions of this section shall not affect any proceedings or any application for any license pending before the International Trade Commission at the time this section takes effect, insofar as those functions are retained and transferred by this section; but such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) TRANSITION REGULATIONS.—The Secretary may promulgate regulations providing for the orderly transfer of pending proceedings from the International Trade Commission.

(4) PENDING LITIGATION.—Except as provided in paragraph (6)—

(A) the provisions of this section shall not affect suits commenced prior to the date this section takes effect, and,

(B) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this section had not been enacted.

(5) NO ABATEMENT.—No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the International Trade Commission, insofar as those functions are transferred by this section, shall abate by reason of the enactment of this section. No cause of action by or against the International Trade Commission, insofar as functions are transferred

by this section, or by or against any officer thereof in his official capacity, shall abate by reason of enactment of this section.

(6) Continuation.—Any suit by or against the International Trade Commission begun before the effective date of this section shall be continued, with the Secretary substituted for the Commission.

(c) Reference.—With respect to any functions transferred by this section and exercised after the effective date of this section, reference in any other Federal law to the International Trade Commission shall be deemed to refer to the Secretary of Commerce.

(d) Effective Date.—This section shall take effect 90 days after the date of enactment of this Act.

SEC. 612. TRANSFER OF OVERSEAS PRIVATE INVESTOR CORPORATION AND EXPORT-IMPORT BANK TO COMMERCE DEPARTMENT.

(a) Overseas Private Investor Corporation.—

(1) Transfer to commerce department.—The Overseas Private Investor Corporation is transferred to, and shall be deemed to be a part of, the Department of Commerce, but shall retain its organization, management, and status as a corporation.

(2) Secretary of commerce to be chairman of board of directors.—Section 233 of the Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is amended by striking "Administrator of the Agency for International Development" and inserting "Secretary of Commerce".

(3) Conforming amendments.—Section 239 of that Act (22 U.S.C. 2199) is amended by striking "Agency for International Development" in subsections (e) and (h) and inserting "Department of Commerce".

(b) Export-Import Bank.—

(1) Transfer.—Notwithstanding section 3(a) of the Act of July 31, 1945 (59 Stat. 517; 12 U.S.C. 635a(a)), the Export-Import Bank of the United States shall constitute an independent agency of the United States within the Department of Commerce.

(2) Secretary of commerce to be chairman of board of directors.—Section 3(c) of that Act (12 U.S.C. 635a(c)(1)) is amended—

(A) by striking "President of the Export-Import Bank of the United States who shall serve as Chairman, the First Vice-President who shall service as Vice Chairman," in paragraph (1) and inserting "the Secretary of Commerce who shall serve as Chairman, ex officio, the President of the Export-Import Bank of the United States who shall service as Vice Chairman, and the First Vice-President,";

(B) by inserting "other than the Secretary of Commerce," after "Board," in paragraph (2); and

(C) by inserting "other than the Secretary of Commerce," after "President," in paragraph (8)(B).

(c) Technical and Conforming Changes.—The Secretary of Commerce shall, within 30 days after the date of enactment of this Act, submit to the appropriate committees of the Congress a draft of any technical, conforming, or other changes in existing law necessary to effectuate fully and effectively the transfers made by subsections (a) and (b).

(d) Effective Date.—This section shall take effect 90 days after the date of enactment of this Act.

SEC. 613. ESTABLISHMENT OF NOAA AS INDEPENDENT AGENCY.

(a) In General.—The National Oceanic and Atmospheric Agency is hereby established as an independent agency of the United States. Neither the Agency nor any of its functions, powers, or duties shall be transferred to or consolidated with any other department, agency, or corporation of the Government unless the Congress shall otherwise by law provide.

(b) Transfer of Functions.—There are transferred from the Department of Commerce to the Agency—

(1) the personnel employed in connection with those functions of the Agency on the date of enactment of this Act; and

(2) the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, or used in connection with the functions transferred to the Agency under this Act, arising from such functions or available, or to be made available, in connection with such functions.

Unexpended funds transferred pursuant to this subsection shall be used only for the purpose for which the funds were originally appropriated.

(3) Savings provisions.—

(A) All orders, determinations, rules, regulations, licenses, and privileges which are in effect at the time this section takes effect, shall continue in effect according to their terms, insofar as they involve regulatory functions to be retained by this section, until modified, terminated, superseded, set aside, or revoked in accordance with law by the Agency or by a court of competent jurisdiction, or by operation of law.

(B) The provisions of this section shall not affect any proceedings or any application pending before the Agency at the time this section takes effect, insofar as those functions are retained and transferred by this section; but such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this section had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(3) Transition regulations.—The Agency may promulgate regulations providing for the orderly transfer of pending proceedings from the Department of Commerce.

(4) Pending litigation.—Except as provided in paragraph (6)—

(A) the provisions of this section shall not affect suits commenced prior to the date this section takes effect, and,

(B) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this section had not been enacted.

(5) No abatement.—No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Commerce, insofar as those functions are transferred by this section, shall abate by reason of the enactment of this section. No cause of action by or against the Department of Commerce, insofar as functions are transferred by this section, or by or against any officer thereof in his official capacity, shall abate by reason of enactment of this section.

(6) Continuation.—Any suit by or against the Department of Commerce begun before the effective date of this section shall be continued, with the Agency substituted for the Secretary of Commerce.

(c) Reference.—With respect to any functions transferred by this section and exercised after the effective date of this section, reference in any other Federal law to the Agency as a part of the Department of Commerce shall be deemed to refer to the Agency as an independent agency.

(d) Effective Date.—This section shall take effect 90 days after the date of enactment of this Act.

SEC. 614. SURCHARGE ON IMPORTS; RESEARCH AND DEVELOPMENT TAX CREDIT.

(a) Surcharge on Imports.—

(1) Surcharge imposed.—There is hereby imposed on the importation of any good that is the product of another country an import surcharge of 10 percent of the duty otherwise chargeable under the Harmonized Tariff Schedule.

(2) Effective date.—The increase in duty imposed by paragraph (1) applies to goods entered or withdrawn from warehouse more than 30 days after the date of enactment of this Act.

(b) Research and Development Tax Credit.—

(1) Increase in percentage.—Section 41(a)(1) of the Internal Revenue Code of 1986 (relating to general rule for credit for increasing research activities) is amended by striking "20 percent" each place it appears and inserting "25 percent".

(2) Credit made permanent.—Section 41 of such Code (relating to credit for increasing research activities) is amended by striking subsection (h).

(3) Effective date.—The amendments made by this subsection apply to any amount paid or incurred after June 30, 1995.

By Mr. SANTORUM:

S. 1149. A bill to authorize the Secretary of Transportation to issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel *Babs*, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CERTIFICATE OF DOCUMENTATION LEGISLATION

• Mr. SANTORUM. Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1149

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CERTIFICATE OF DOCUMENTATION.

Notwithstanding section 27 of the Merchant Marine Act, 1920 (46 U.S.C. App. 883), section 8 of the Act of June 19, 1886 (24 Stat. 81, chapter 421; 46 U.S.C. App. 289), and section 12106 of title 46, United States Code, the Secretary of Transportation may issue a certificate of documentation with appropriate endorsement for employment in the coastwise trade for the vessel BABS, United States official number 1030028.•

By Mr. SANTORUM:

S. 1150. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the Marshall Plan and George

Catlett Marshall; to the Committee on Banking, Housing, and Urban Affairs.

THE GEORGE C. MARSHALL COMMEMORATIVE COIN ACT

• Mr. SANTORUM. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "George C. Marshall Commemorative Coin Act".

SEC. 2. COIN SPECIFICATIONS.

(a) DENOMINATIONS.—The Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") shall mint and issue the following coins in commemoration of the 50th anniversary of the Marshall Plan and George Catlett Marshall:

(1) ONE DOLLAR SILVER COINS.—Not more than 700,000 one dollar coins, each of which shall—

(A) weigh 26.73 grams;

(B) have a diameter of 1.500 inches; and

(C) contain 90 percent silver and 10 percent copper.

(2) HALF DOLLAR CLAD COINS.—Not more than 500,000 half dollar coins each of which shall—

(A) weigh 11.34 grams;

(B) have a diameter of 1.205 inches; and

(C) be minted to the specifications for half dollar coins contained in section 5112(b) of title 31, United States Code.

(b) LEGAL TENDER.—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

(c) NUMISMATIC ITEMS.—For purposes of section 5134 of title 31, United States Code, all coins minted under this Act shall be considered to be numismatic items.

SEC. 3. SOURCES OF BULLION.

The Secretary shall obtain silver for minting coins under this Act only from stockpiles established under the Strategic and Critical Materials Stock Piling Act.

SEC. 4. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS.—

(1) IN GENERAL.—The design of the coins minted under this Act shall be emblematic of the 50th anniversary of the Marshall Plan, which gave Europe's war-ravaged countries the economic strength by which they might choose freedom, and George C. Marshall, the author of the plan.

(2) DESIGNATION AND INSCRIPTIONS.—On each coin minted under this Act there shall be—

(A) a designation of the value of the coin;

(B) an inscription of the year "1997"; and

(C) inscriptions of the words "Liberty", "In God We Trust", "United States of America", and "E Pluribus Unum".

(3) OBVERSE SIDE.—The obverse side of each coin minted under this Act shall bear the likeness of George C. Marshall.

(b) SELECTION.—The design for the coins minted under this Act shall be—

(1) selected by the Secretary after consultation with the George C. Marshall Foundation, the Friends of George C. Marshall, and the Commission of Fine Arts; and

(2) reviewed by the Citizens Commemorative Coin Advisory Committee.

SEC. 5. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only 1 facility of the United States Mint may be used to strike any particular combination of denomination and quality of the coins minted under this Act.

(c) COMMENCEMENT OF ISSUANCE.—The Secretary may issue coins minted under this Act beginning January 1, 1997.

(d) TERMINATION OF MINTING AUTHORITY.—No coins may be minted under this Act after December 31, 1997.

SEC. 6. SALE OF COINS.

(a) SALE PRICE.—The coins issued under this Act shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;

(2) the surcharge provided in subsection (d) with respect to such coins; and

(3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) BULK SALES.—The Secretary shall make bulk sales of the coins issued under this Act at a reasonable discount.

(c) PREPAID ORDERS.—

(1) IN GENERAL.—The Secretary shall accept prepaid orders for the coins minted under this Act before the issuance of such coins.

(2) DISCOUNT.—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

(d) SURCHARGES.—All sales shall include a surcharge of—

(1) $12 per coin for the one dollar coin; and

(2) $4 per coin for the half dollar coin.

SEC. 7. GENERAL WAIVER OF PROCUREMENT REGULATIONS.

(a) IN GENERAL.—Except as provided in subsection (b), no provision of law governing procurement or public contracts shall be applicable to the procurement of goods and services necessary for carrying out the provisions of this Act.

(b) EQUAL EMPLOYMENT OPPORTUNITY.—Subsection (a) shall not relieve any person entering into a contract under the authority of this Act from complying with any law relating to equal employment opportunity.

SEC. 8. DISTRIBUTION OF SURCHARGES.

(a) IN GENERAL.—All surcharges received by the Secretary from the sale of coins issued under this Act shall be promptly paid by the Secretary in equal portions to—

(1) the George C. Marshall Foundation for the purpose of supporting the Foundation's educational and outreach programs to promote the ideals and values of George C. Marshall; and

(2) the Friends of George C. Marshall for the sole purpose of constructing and operating the George C. Marshall Memorial and Visitor Center in Uniontown, Pennsylvania.

(b) AUDITS.—The Comptroller General of the United States shall have the right to examine such books, records, documents, and other data of the George C. Marshall Foundation and the Friends of George C. Marshall as may be related to the expenditures of amounts paid under subsection (a).

SEC. 9. FINANCIAL ASSURANCES.

(a) NO NET COST TO THE GOVERNMENT.—The Secretary shall take such actions as may be necessary to ensure that minting and issuing coins under this Act will not result in any net cost to the United States Government.

(b) PAYMENT FOR COINS.—A coin shall not be issued under this Act unless the Secretary has received—

(1) full payment for the coin;

(2) security satisfactory to the Secretary to indemnify the United States for full payment; or

(3) a guarantee of full payment satisfactory to the Secretary from a depository institution whose deposits are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

By Mr. BURNS (for himself and Mr. CRAIG):

S. 1151. A bill to establish a National Land and Resources Management Commission to review and make recommendation for reforming management of the public land, and for other purposes; to the Committee on Energy and Natural Resources.

THE FEDERAL LANDS MANAGEMENT ACT OF 1995

Mr. BURNS. Mr. President, on behalf of myself and Senator CRAIG of Idaho, I rise to introduce legislation to help solve a problem that has increasingly plagued public lands States such as my own State of Montana and Senator CRAIG's State of Idaho.

For over the past 100 years the Congress has passed many laws regarding the use and management of our public lands. These lands were critical to the development of our country, and especially to the development of the West. Therefore, early legislation focused on the production of commodities from these lands. And they did produce; they produced much of the minerals, timber, food products, and energy that enabled our ancestors to build this great Nation. They provided the lands and materials to develop our transportation and communications systems. And they provided lands for homesteading and for building our communities. Very special areas were also set aside in perpetuity as national parks, national monuments, and wildlife refuges.

For the last 30 years the emphasis has been on environmental protection, conservation, and nonconsumptive uses. We have greatly expanded our national park and refuge systems from these lands. We have preserved millions of acres under special designations such as wilderness, wild and scenic rivers, and conservation areas. We have protected additional millions of acres for conservation purposes under special designations such as withdrawals, exclosures, and areas of critical environmental concern. We have enacted numerous pieces of legislation that require these lands be managed to protect environmental values in general, such as the National Environmental Protection Act, the Federal Land Policy and Management Act, the National Forest Management Act, and the Forest Management Practices Act. We have enacted legislation which protects individual environmental values such as air and water quality, soil stability, fish and wildlife, and endangered species. We have passed legislation which requires public land managers to control hazardous and toxic materials and protect the public health and safety. And we have passed legislation which subjects these lands to

State law and oversight. In many instances these laws are not well-crafted, and conflict with one another.

We have been one busy group of legislators. These laws were developed and passed with very good intentions—to serve the public interest. After we completed our efforts, the Federal agencies went to work. And they have been busy too. The regulatory agencies have created a morasse of regulations, some of which attempt to establish their authorities as the ultimate priority for management of the public lands. Some of which abuse their authority by extending the interpretation of the laws beyond anything that Congress intended.

During our debates on Federal agency abuse of regulation under regulatory reform, and other proposals, we have heard seemingly unending examples of such regulatory abuse. I need mention only a few of these laws to bring images of such abuse to mind—the Endangered Species Act, Superfund, and the Clean Water Act. These laws, and the regulations developed to implement them, have been used by the regulatory agencies and others to styme or prevent the legitimate use of our public lands for purposes that are supported by the public and approved by the Congress. Even where the intention of the laws were fulfilled in regulation, agencies often found conflicting requirements when attempting to implement them. Let me give you just one example. The Federal land management agencies find themselves gridlocked by the Clean Water Act and hazardous materials requirements in trying to mitigate environmental problems on old, abandoned mine sites. They would like to correct the water quality problems on these sites, which is their responsibility under the Clean Water Act. Up until now they have resisted, and rightly so. To do this would expose them, and thus the taxpayer, to liability for hazardous waste cleanup. Under the hazardous materials laws, that is the responsibility of the mine operator.

Land management agencies complain of confused priorities and colliding mandates under their own authorities. This situation is the same as with the regulatory agencies—there is some justification for this claim, but in part it is a monster of their own creation. For example, land management agencies have had considerable trouble managing tracts of land for uses such as grazing and timber production while at the same time providing recreational opportunities. The reasons for this are many. To some extent it results from external factors such as conflicts, or perceived conflicts, between competing uses. To some extent it is the result of agency procedures, such as a complex, expensive, time-consuming planning process. These agencies go through the planning effort, which frequently results in an atmosphere of confrontation and divisiveness among the user and interest communities, and usually find their efforts subject to further successful challenge. In many cases the plans are never implemented as written.

Even though the agencies have similar mandates, unless otherwise directed these agencies have usually created their regulations independently. Their interpretations of the same piece of legislation may be different, and their requirements under a given act well may be entirely different if not in conflict. Such problems have become so widely recognized that multiple use of public lands is under legitimate challenge as a viable management concept.

Because of all of this we see a public that is understandably disenchanted over complex and conflicting laws and regulations. And they are increasingly vocal in their frustration over their inability to make reasonable use of their own lands and natural resources. Instead of fulfilling a widely supported and legally established goal of providing products and services from our public lands under the reasonable requirements of sustained yield and multiple use, we have natural resource management gridlock. And in this era of restructuring of government to improve our performance, there is a wide recognition of duplication of effort, inefficiency, and ineffectiveness of the multiple-use agencies in managing our natural resources.

With this in mind, I am offering today, legislation which proposes to revamp the way the public's multiple-use lands are managed. This bill, if approved, will create a commission to evaluate and report to the Congress and the President changes to be made to improve the management of these lands to better meet the public's needs, desires, and expectations. The commission is directed to evaluate and make recommendations in three general areas of land management. They will look into improving the efficiency and effectiveness of current management practices. They are to evaluate the land ownership patterns and make recommendations to consolidate Federal holdings into a more rational pattern. And they are to propose how multiple-use agencies might be combined into one agency for the management of Federal multiple-use lands.

In looking at ways to improve the efficiency and effectiveness of management practices the commission will evaluate several areas in particular. They will address ways to reduce costs of administrative overhead by 50 percent, and to reduce the cost of managing the lands overall by at least 30 percent. They are to evaluate ways to dedicate more agency resources to providing service to the public, and to improve the services which they offer to the public. They will propose ways to simplify the planning and appeals processes. They will review and recommend changes to improve the withdrawal process. And they will recommend ways to consolidate the laws under which the agencies operate. These are all areas that we have attempted to deal with in the past. We address the budget and service items in almost every appropriations bill. This bill provides us an opportunity to take a consolidated approach to dealing with these issues. And the time to do it has arrived.

The commission will review and recommend rational changes to land ownership and jurisdiction patterns. They will make recommendations as to lands which more properly belong in private ownership or under State jurisdiction. Land ownership patterns alone have been the source of many of the problems and controversies, and much of the unnecessary expense, associated with the management of public lands. With the exception of administrative sites, these agencies have little reason to hold lands within city limits, but it is the situation in many western communities. Federal requirements for such lands are frequently in conflict with community development plans and desires. This causes needless problems for the management agencies and the communities involved.

Similarly, there are many areas in the West where Federal holdings are intermingled with other ownerships. One good example of this is the checkerboard ownership patterns along the old railroad grant corridors. The ownership changes hands every other square mile. For a Federal agency or private landowner trying to manage their holdings this is an impossible situation, and we can and must do something to correct it.

The commission will evaluate and recommend the actions needed to combine multiple-use management of public lands under one agency. The Congress has recognized the need, and has made unsuccessful attempts, to do this in the past. The reasons for previous failure are many. But the timing for this has never been more appropriate. We are seeing the public adamantly demand the elimination of waste, and improved efficiency, from their Federal Government. We in the Congress are making a wide-reaching attempt to find rational, reasonable ways to balance the budget and reduce regulatory burden. And the administration is restructuring the bureaucracy to reduce it's size and improve it's services to the public. This proposal will serve all of these goals.

Finally, the commission is charged to prepare the report and legislation to implement their recommendations, for the consideration of the President and the Congress.

The bill contains a fast-track provision. If the Congress can agree to the need to create this commission, and to the substance of the report and legislation that the commission is to prepare, then there should be little reason to delay consideration of the legislation needed to get this job done. To delay would only result in continuing the present inefficiencies, costs, conflicts, and duplication that we now see in the management of these public lands and resources.

A plan is needed to bring these agencies within budget constraints. We have the opportunity to provide the public with efficiently managed lands while doing so. The recent election was a clear message that the public is ready for these changes. I hope that you will join me in approving this legislation to fulfill that public demand.

By Mr. BURNS (for himself and Mr. MURKOWSKI):

S. 1152. A bill to amend the Endangered Species Act of 1973 with commonsense amendments to strengthen the act, enhance wildlife conservation and management, augment funding, and protect fishing, hunting, and trapping; to the Committee on Environment and Public Works.

THE COMMON SENSE AMENDMENTS FOR ALL ENDANGERED SPECIES ACT

Mr. BURNS. Mr. President, I rise today to introduce the Common Sense Amendments for All Endangered Species Act.

The purpose of the bill is to change specific features of the statute so that the ESA cannot be used to attack and diminish wildlife conservation programs, sport hunting opportunities, and traditional wildlife management. A better ESA and enhanced support for endangered species protection from America's traditional conservationists—hunters and anglers—will be the result of these amendments.

Current law does not require that the consequences of listing and other actions on hunting and wildlife management be specifically examined. The National Environmental Policy Act mandates review of general environmental effects via environmental impact statements, but no specific review of effects on hunting is directed.

This bill directs the U.S. Fish and Wildlife or Marine Fisheries Service to review the impacts on hunting, fishing, and fish and wildlife management. Simply put, ESA actions must consider effects on hunters.

In addition, the current law prohibits the taking of protected species. Taking means harass, harm, et cetera. Harm is defined by FWS to prohibit any unintentional acts, including habitat modification, which annoys protected species. FWS determined that under this definition, alterations of habitat can be prohibited even if no listed animal suffers harm. This definition can result in the criminalization of innocent activities.

My commonsense bill amends the Endangered Species Act to ensure wildlife management programs and operators are protected from unwarranted prosecution.

Another aspect to the ESA which needs to be addressed is CITES [Convention on International Trade of Endangered Species]. The role that sport hunting plays in conservation is not recognized in CITES. FWS has failed to accept the determinations of countries of origin of which the animals are properly available for hunting and exporting or importing.

The bill I am introducing today provides direction to FWS for the administration of the ESA and CITES. The bill reflects the positive role of hunting. The bill also requires that the United States will accept the determination of other countries.

Section 5 of the bill addresses how other countries' laws interact with U.S. law. It is unclear whether an individual must comply with a country's Federal and provincial requirements to be in compliance with U.S. law. Under present law, all foreign violations can be treated as criminal acts in the United States—even if the American doesn't have knowledge of the violation.

The commonsense bill provides only those laws which are related to wildlife conservation, and can be clearly understood, should carry criminal consequences within the United States.

One issue which must be addressed in the authorization is subspecies and population criteria. The ESA directs that species which are threatened or endangered be listed as protected under the terms of this act. The term "species" includes any subspecies and, in the case of vertebrate species, any distinct population segment which interbreeds when mature. This license to list subspecies and population segments is problematic, because it can result in protection of subspecies and populations that are still abundant generally. This splitting of the term "species" into a virtually infinite number of subclassifications often results in the application of the ESA to situations in which it originally was not intended to apply. This coupled with the look alike rules could severely diminish domestic hunting opportunities.

This bill amends the ESA to direct the Department of the Interior to establish specific criteria to determine when a group of animals is sufficiently distinct to qualify as a subspecies or population.

If we really want decisions related to the ESA to be made on sound science, peer review must be included. Under the current listing process, the Secretary of the Interior may decide to list a species as threatened or endangered, or any interested person can petition the Secretary to do so. In either case, the Secretary makes the decision on whether or not to list a species based upon determinations generated internally by the FWS. There are often no public hearings in this decisionmaking process wherein the FWS data is open to scrutiny and challenge.

There is also no provision for peer review of the FWS data by qualified outside experts. Because the guts of the listing process is effectively closed to the public and to scientific peer review, its credibility can be suspect. The lack of genuine public scrutiny and scientific evaluation can undermine public support for listing decisions. The Department is also limited by this process. In very difficult issues, the lack of any adjudicative procedures or peer review process makes it hard to get the best scientific data available.

The bill I am introducing today authorizes the Secretary to employ, at his discretion, an adjudicative process wherein the public has an opportunity to scrutinize, evaluate, and challenge the decision to list a species. Public participation can ensure that all relevant factors are considered, proper weight is given to each factor, and the impact of listing or not listing is given due consideration and effect.

Finally, this bill begins to address the funding problem we face. With more environmental awareness, there has been an increasing cry for more funding of the Federal endangered species program. The hunting and fishing sector has traditionally developed its own mechanisms, such as excise taxes to fund such programs. The lion's share of the funding is derived from license sales, hunting and fishing stamps, and other sportsmen financed measures. Efforts should be made to develop similar programs which ensure that other wildlife supporters, including nonhunters, can financially support an enhanced ESA.

The commonsense bill directs a study toward developing a funding program patterned after those supported by sportsmen. The policy would provide that augmented ESA funding would not draw on moneys generated by hunting and fishing activities.

This bill is designed for sportsmen. These are the true conservationists. I believe we need to consider hunting and fishing activities when we discuss the reauthorization of the ESA.

Also, I am a cosponsor of S. 768 which was introduced by Senator GORTON and others earlier this month. I believe S. 768 is a good bill. I think the commonsense bill I am introducing today, in conjunction with S. 768, should be considered as the reauthorization of the Endangered Species Act moves forward.

By Mr. BURNS:

S. 1154. A bill to authorize the construction of the Fort Peck Rural County Water Supply System, to authorize assistance to the Fort Peck Rural

County Water District, Inc., a nonprofit corporation, for the planning, design, and construction of the water supply system, and for other purposes; to the Committee on Energy and Natural Resources.

THE FORT PECK RURAL WATER SUPPLY ACT OF 1995

Mr. BURNS. Mr. President, I rise today to introduce legislation designed to meet a critical need in a very rural area of my State of Montana. The bill I am introducing would authorize a rural water system for the area around Fort Peck, MT.

Despite the fact that Fort Peck lies near one of the largest water reservoirs on the Missouri River, residents in this part of my State either rely on deep wells or they carry the water they need. In addition, the Fort Peck Indian Reservation lacks potable water.

This bill would allow for the construction of a water system that will meet many of the water needs of that part of my State.

By Mr. COCHRAN (for himself, Mr. PRYOR, Mr. COVERDELL, Mr. HELMS, Mr. WARNER, Mr. CRAIG, Mr. NUNN, Mr. LOTT, Mr. JOHNSTON, Mr. BREAUX, Mr. THURMOND, Mr. MACK, Mr. INOUYE, Mr. AKAKA, Mr. BUMPERS, and Mr. MCCONNELL):

S. 1155. A bill to extend and revise agricultural price support and related programs for certain commodities, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE AGRICULTURAL COMPETITIVENESS ACT OF 1995

• Mr. COCHRAN. Mr. President, today I am introducing the Agricultural Competitiveness Act of 1995.

The future of U.S. agriculture depends upon its ability to compete in the world market. This year, U.S. agricultural exports are expected to have a value of nearly $50 billion. Agricultural exports will account for more than 1 million American jobs. By carefully balancing our policy concerns with fiscal restraint, this bill should enhance our overall economic health, ensure that U.S. agriculture remains competitive, and contribute to the elimination of the deficit of the Federal Government.

The Agricultural Competitiveness Act makes substantial changes in current farm programs while dramatically increasing flexibility for farmers.

This bill extends and seeks to improve farm policy including the marketing loan, which has allowed U.S. agriculture to remain competitive in the face of heavily subsidized foreign competition. Those foreign subsidies can be expected to continue under terms of the GATT Uruguay Round.

This legislation also make significant changes in commodity programs that will ensure the American public of a continued source of affordable, safe and high quality food and fiber. Farmers will have greatly expanded cropping flexibility—through the modification and expansion of provisions first incorporated in the 1990 Farm Bill.

Farmers and agriculture related businesses face new and complex uncertainties in the international marketplace, due in part to foreign government subsidies. To ensure fair play and to counteract the effect of unfair trade practices and governmental actions that put our farmers and national interests at a disadvantage, the U.S. Government must continue to play a partnership role with U.S. farmers.

Senators should appreciate that previous reforms have caused Commodity Credit Corporation outlays for farm programs to decline from a high of $26 billion in fiscal year 1986 to less than $9 billion in fiscal year 1995, a reduction of 65 percent. According to the Congressional Budget Office, farm program outlays are projected to remain below this level for the next 7 years, even if no changes are made in current law. In considering changes in farm policies, Congress must consider: the high level of productivity that currently exists in U.S. agriculture, the narrowing profit margins faced by farmers and processors, the precarious nature of land values, the interdependence of rural economies and agriculture and the absolute necessity that a farm must secure financing to stay in business.

The bill expands cropping flexibility from 25 percent to 100 percent. It allows farmers to respond to market conditions and grow virtually any crop they choose on their farms—without providing unnecessary financial incentives for production shifts. This bill goes beyond traditional flexibility. Farmers will have the opportunity to expand their production of program crops beyond their historical planting area through the use of traditional soybean acres. This innovative proposal not only will enhance market responsiveness, but will help farmers implement crop rotations, yielding conservation and other environmental benefits. Modified acreage reduction requirements included in this Act will also enhance crop rotation by removing disincentives currently limiting double-cropping.

This legislation requires that agriculture will again contribute its share of the savings necessary to achieve a balanced budget through modifications of existing programs, and it increases non-paid base program crop acres from 15 percent to 25 percent, significantly reducing outlays over the next 7 years, according to the Congressional Budget Office.

The peanut program is substantially revised. It further opens the program to new producers and more closely ties production limits to market demand. The sugar program is also reformed to allow U.S. sugar policy to continue to operate at "no cost" to the U.S. Treasury. In order to meet the new minimum import obligations require by the GATT and remain no cost, a system requiring private industry to equitably carry surplus stocks is proposed which is more market oriented and more reliable than current policy.

The Agricultural Competitiveness Act of 1995 represents cost effective and comprehensive reform. I urge my colleagues to support it.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

THE AGRICULTURAL COMPETITIVENESS ACT OF 1995—SECTION-BY-SECTION SUMMARY

SEC. 1. SHORT TITLE; TABLE OF CONTENTS

Section 1 provides that this act may be cited as the Agricultural Competitiveness Act of 1995 and sets out a table of contents for the bill.

SEC. 2. FINDINGS, POLICY AND PURPOSE

Section 2 sets out certain findings of Congress and states the purpose of the bill, namely to establish agricultural price support and production adjustment programs for the 1996 through 2002 crop years that provide a structure for a sound agricultural economy.

SEC. 3. SENSE OF CONGRESS ON ENDING THE FEDERAL DEFICIT

Section 3 provides that it is the Sense of Congress that significant Federal budget deficits harm the economic well-being of the United States and are detrimental to effective agricultural policy. The section states that agricultural programs should be implemented in a manner that is consistent with the goals of ending Federal budget deficits and should be modified as necessary to ensure that the programs comply with applicable budget reconciliation instructions. Such modifications should adhere to the policy set out in section 306 of the concurrent resolution on the budget for fiscal year 1996.

TITLE I—WHEAT

SEC. 101. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996-2002 CROPS OF WHEAT

Section 101 amends section 107B of the Agricultural Act of 1949 (the "1949 Act") to provide for a production adjustment and price support program for the 1996–2002 crops of wheat as follows:

LOANS AND PURCHASES

Section 107B of the 1949 Act provides that the Secretary of Agriculture shall make loans and purchases available to producers of each of the 1996 through 2002 crops of wheat, using harvested wheat as collateral. The statutory minimum loan rate shall not be less than 85 percent of the simple average price received by producers of wheat for the previous 5 crops of wheat, dropping the high and low years. The loan rate cannot be reduced by more than 5 percent from the previous year's rate.

MARKETING LOANS

The Secretary shall permit producers to repay a wheat price support loan at the world market price (adjusted to U.S. quality and location) if it is below the loan level or the Secretary may permit the wheat loan to be repaid at such level as will minimize loan forfeitures and make U.S. wheat competitive. Loan deficiency payments are available to producers who agree to forgo obtaining such a loan.

DEFICIENCY PAYMENTS

Section 101B(c) of the 1949 Act requires the Secretary to make deficiency payments available to producers of each of the 1996–2002 crops of wheat. Deficiency payments received by producers are the product of a national payment rate, the producer's program payment yield, and the producer's payment acres. The established (target) price for wheat shall not be less than $4.00 per bushel. Deficiency payments are to be made on the higher of the difference between the average market price for the crop year, or the average price for the first 5 months plus 10 cents per bushel, or the loan level.

PAYMENT ACRES

Deficiency payments are made available with respect to payment acres. Payment acres are the lesser of the acreage planted to wheat or 75% of the wheat acreage base less any reduced acreage (the ARP). This has been reduced from 85% in current law.

0/85 PROGRAM

Producers who underplant (or plant to selected other crops) their maximum wheat payment acres may receive deficiency payments on a portion of their under planted acres through the 0–85/92 program. The 0/92 program is in place for prevented plantings, failed acres and certain other crops.

PROGRAM YIELDS

Payment yields remain frozen as in the 1990 Act.

ACREAGE REDUCTION PROGRAMS

The Secretary may require an acreage reduction program (ARP) on wheat if supplies are judged to be excessive in the absence of such a program. If the Secretary estimates the wheat stocks-to-use ratio to be more than 40%, the ARP shall be between 10–20%; if the stocks-to-use ratio is equal or less than 40%, the ARP can be no more than 15%. The ARP shall be announced no later than June 1 of the preceding calendar year, and adjustments can be made no later than July 31.

SEC. 102. NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

Section 102 provides that sections 379d through 379j of the Agricultural Adjustment Act of 1938 (the "1938 Act") shall not be applicable to wheat processors or exporters during the 1996–2002 crop years. The provisions pertain to the "domestic use" and export certificates.

SEC. 103. SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS

Section 103 suspends several sections of the 1938 Act requiring land use penalties, marketing allocations and wheat certificates for the 1996–2002 crops.

SEC. 104. SUSPENSION OF CERTAIN QUOTA PROVISIONS

Section 104 suspends wheat marketing quotas established by a joint resolution and the 1938 Act for the 1996–2002 crops.

SEC. 105. NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949

Section 105 provides that the Wheat Program under section 107 of the Agricultural Act of 1949 is not applicable to the 1996–2002 crops of wheat.

TITLE II—FEED GRAINS

SEC. 201. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996–2002 CROPS OF FEED GRAINS

Section 201 amends section 105B of the Agricultural Act of 1949 (the "1949 Act") to provide for a production adjustment and price support program for the 1996–2002 crops of feed grains as follows:

LOANS

The Secretary shall make price support loans and purchases available to producers of the 1996 through 2002 crops of feed grains. Authority is retained to establish the corn loan level at the higher of 85% of average price received in last 5 years (dropping the high and the low), but may not be reduced by more than 5% from the previous year's level. Other feed grain loan rates are established relative to corn. The Secretary is authorized to reduce the loan rate by up to 10% based on stocks/use ratio and by an additional 10% to maintain a competitive market position. If the world market price for feed grains is less than the loan level, the Secretary shall allow producers to repay the loan at the adjusted world price or at such level as will minimize loan forfeitures and maintain competitiveness.

ESTABLISHED (TARGET) PRICE

The established (target) price shall be $2.75/bushel for corn; $2.61/bushel for grain sorghum; and not less than $1.45/bushel for oats. The established price for barley shall not be less than 85.8% of the established price for corn.

DEFICIENCY PAYMENTS

Participating producers are eligible to receive a deficiency payment based on the difference between the established (target) price and the higher of the loan rate or the average price received.

0/85 PROGRAM

Producers who underplant (or plant to selected other crops) their maximum feed grain payment acres may receive deficiency payments on a portion of their under planted acres through the 0–85/92 program. The 0/92 program is in place for prevented plantings, failed acres and certain other crops.

PROGRAM YIELDS

Payment yields remain frozen as in the 1990 Act.

ACREAGE REDUCTION PROGRAM

Section 105B(e) of the 1949 Act provides that the Secretary is authorized to establish an acreage reduction program for corn of 0 to 12.5% if previous year's stocks-to-use ratio is less than or equal to 25% and 10 to 20% if stocks-to-use ratio is greater than 25%.

FARMER-OWNER RESERVE

The Secretary has authority to open the farmer-owner reserve under specific conditions which may be mandatory or discretionary, depending on trigger.

PAID LAND DIVERSION

The Secretary is authorized to offer a paid-land diversion.

TITLE III—COTTON

SEC. 301. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996–2002 CROPS OF UPLAND COTTON

Section 301 amends section 103B of the Agricultural Act of 1949 (the "1949 Act") to provide for a production adjustment and price support program for the 1996–2002 crops of upland cotton as follows:

LOANS

Section 103B(a) of the 1949 Act provides that the Secretary shall make available market based, non-recourse loans to producers of upland cotton for the 1996–2002 crops. The loan shall be for an initial term of 10 months. The base loan rate shall be the lower of (1) 85% of the 5-year moving average U.S. spot market price for upland cotton (dropping the high and the low) or 90% of the 15-week average of the 5 lowest priced growths of upland cotton quoted for Northern Europe. The loan rate may not be reduced by more than 5% from the previous year's rate and may not be less than 50 cents per pound. The loan level must be announced by November 1 of the year preceding the marketing year for the crop and the loan term may be extended for an additional 8 months if monthly average U.S. cotton prices are not more than 130% of the average price for upland cotton during the previous 36 months.

MARKETING LOANS

In order to ensure that U.S. upland cotton maintains a competitive market position, the Secretary shall allow producers to repay an upland cotton price support loan at the adjusted world price for upland cotton, as determined by the Secretary. Loans may be repaid at the adjusted world price or at any level between the loan rate and 70% of the loan rate if the adjusted price is below the market-based U.S. loan level.

If the Secretary further determines U.S. cotton to be uncompetitive in international markets, section 103B(a)(5)(c), (D) and (E) of the 1949 Act provide for a three-step competitiveness plan whereby U.S. cotton will maintain its competitiveness in world and domestic markets. Under these steps (1) the Secretary may adjust the adjusted world price in order to enhance U.S. competitiveness, (2) if U.S. cotton is uncompetitive by more than 1.25 cents per pound for a consecutive 4 week period, the Secretary may issue marketing certificates to domestic users and exporters of cotton in order to restore competitiveness, and (3) if U.S. prices are not competitive for a consecutive 10 week period, the Secretary may open a special import quota.

SEED COTTON LOAN

The Secretary shall make a recourse loan program available to producers of seed cotton.

LOAN DEFICIENCY PAYMENTS

Section 103B(b) of the 1949 Act authorizes the Secretary to make loan deficiency payments available to producers who agree to forgo obtaining a price support loan. Loan deficiency payments are equal to the difference between the upland cotton price support loan rate and the applicable loan repayment rate.

DEFICIENCY PAYMENTS

Section 103B(c) of the 1949 Act requires the Secretary to make deficiency payments available to producers of each of the 1996–2002 crops of upland cotton. Deficiency payments are determined on the basis of the difference between the established price for upland cotton and the calendar year weighted price received (or the loan rate if higher than the calendar year weighted price received). Deficiency payments are determined by multiplying the payment rate by the payment acres for the crop for the farm by the farm program payment yield. The established price for upland cotton shall not be less than 72.9 cents per pound for the 1996–2002 crops (the current level).

PAYMENT ACRES

Deficiency payments are made available only with respect to payment acres. Payment acres equal the acreage planted to upland cotton within the crop acreage base, less the reduced acreage (ARP), less 25% of the crop acreage base.

50/85 PROGRAM FOR UPLAND COTTON

Section 103B(c)(1)(D) of the 1949 Act provides that if an uplands cotton acreage reduction program is in effect, a producer of upland cotton may devote a portion of the producers' permitted upland cotton acreage to conserving or other specified crops but still eligible to receive deficiency payments on up to 85% of the producer's permitted cotton acreage. There is a 50% planting requirements. The deficiency payment rate under this section cannot be less than that estimated at the time of sign-up for the upland cotton program. A special 0/92 option is available to producers who, due to disastrous weather, were prevented from meeting the 50% planting requirement.

FARM PROGRAM PAYMENT YIELDS

Farm program payment yields are frozen at the levels established in 1985.

ACREAGE REDUCTION PROGRAMS

Section 103B(e) of the 1949 Act provides that if the Secretary determines that the total supply of upland cotton will be excessive, the Secretary may implement an acreage reduction program (ARP) for any of the 1996–2002 crops of upland cotton. Under the ARP, the Secretary may require producers to idle up to 25% of the crop acreage base for upland cotton in any one crop year. The Secretary shall implement an ARP program in such a way as to achieve a stocks to use ratio of 29.5% for the 1996 crop and 29% for each of the 1997–2000 crops. The Secretary shall announce the preliminary ARP by November 1 of the year preceding the marketing year for the crop and must announce that final ARP by the following January 1.

CROP ACREAGE BASES

Crop acreage bases are established under title V of the 1949 but are established as the avarage of the acreage planted and considered planted to upland cotton during the most recent 3 crop years. Further, no upland cotton acreage base may be increased for any year the farm is enrolled in the upland cotton program.

ACREAGE DEVOTED TO CONSERVATION USES

Under the ARP, producers must agree to devote a number of acres on the farm to conservation uses ("reduced acres"), in accordance with regulations issued by the Secretary. Such regulations shall ensure protection of the acreage from weeds and wind and water erosion. The Secretary may also authorize the planting of approved crops on up to ½ of such acres. If such approved crops are planted, the Secretary shall adjust the producer's level of deficiency payments. Haying grazing may be allowed on reduced acreage except during any 5 month between April and September designated by the local State Consolidated Farm Service Agency committee.

TARGETED OPTION PAYMENTS

Section 103B(e)(3) of the 1949 Act authorizes the Secretary to allow producers to adjust any ARP announced upward by 10–25% or downward by 50%. If a producer is allowed to adjust the applicable ARP under this program, the producer's applicable established price shall be adjusted by the Secretary in order to ensure this program is operated in a budget neutral manner.

LAND DIVERSION PAYMENTS

The Secretary may make land diversion payments available to upland cotton producers if it is determined that such payments are necessary to adjust the total national acreage planted to upland cotton to desirable goals. The land diversion program is a voluntary program. In return for a payment offered by the Secretary, producers would agree to idle a specified amount of their upland cotton base. The land diversion payment rates may not be less than 35 cents per pound if ending stocks are projected to be above 8 million bales. Land diversion offers may not exceed 15% of the upland cotton crop acreage base for the farm.

PARTICIPATION AGREEMENTS

Producers on a farm desiring to participate in the upland cotton program will enter into a contract with the Secretary setting out the terms and conditions of participation no later than a date specified by the Secretary.

INVENTORY REDUCTION PAYMENTS

Section 103B(f) of the 1949 Act provides that the Secretary may make payments available to producers who voluntarily forgo deficiency payments and loans for upland cotton. The producers who take advantage of this provision may reduce their ARP requirement by 50% and retain eligibility for loan deficiency payments.

CROSS AND OFFSETTING COMPLIANCE

Cross and offsetting compliance may not be required as a condition of eligibility for loans, purchases or payments for a crop of upland cotton.

LIMITED GLOBAL IMPORT QUOTA

Section 103b(n) of the 1949 Act provides for the establishment of a special limited global import quota for cotton whenever the average monthly price for U.S. cotton exceeds 130 percent of the average price for cotton during the preceding 36 months. The special limited quota shall be established for 90 days and shall be equal to 21 days of domestic mill consumption for upland cotton. The quota established by subsection (n) and the quota established under subsection (a) may not be opened at the same time.

SEC. 302. EXTRA LONG STAPLE COTTON

Section 302 amends section 103(h) of the 1949 act to extend the program for extra long staple cotton through the 2002 crop.

SECS. 303 AND 304. SUSPENSION OF CERTAIN MISCELLANEOUS COTTON PROVISIONS

Section 303 and 304 suspend certain provisions of the Agricultural Adjustment Act of 1938 and the 1949 Act from application to any of the 1996–2002 crops of upland cotton.

SEC. 305. SKIPROW COTTON

Section 305 amends section 374(a) of the Agricultural Adjustment Act of 1938 to provide that, for the 1996–2002 crops of upland cotton, to continue the Secretary to allow 30-inch rows to be taken into account for classifying the acreage planted to cotton and the area skipped.

SEC. 306. PRELIMINARY ALLOTMENTS UNDER THE AGRICULTURAL ADJUSTMENT ACT OF 1938

Section 306 establishes preliminary allotments for the 2003 crop at the levels previously established for the 1977 crop of upland cotton as provided in section 379 of the Agricultural Adjustment Act of 1938.

SEC. 307. COTTONSEED OIL ASSISTANCE PROGRAM

Section 307 authorizes the continuation of the Cottonseed Oil Assistance program at levels consistent with the GATT 1994 agreement.

SEC. 308. EXTENSION OF COTTON STATISTICS AND ESTIMATES ACT

Section 308 extends authorities contained in the section 3a of the Act of March 3, 1927 (commonly known as the "Cotton Statistics and Estimates Act").

TITLE IV—RICE

SEC. 401. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1996–2002 CROPS OF RICE.

Section 401 amends section 101B of the 1949 Act to provide a rice program for the seven year period 1996–2002 (with essentially the same terms and conditions as current law) as follows:

LOANS AND PURCHASES

The amended section 101B(a) provides for 9 months nonrecourse loans during each year of the period 1996–2002 at the greater of $6.50 per cwt. or 85% of the average prices received by producers during the preceding 5 years, excluding the years with the highest and lowest price. Announcement of the loan level and target price must be made no later than January 31 of the year in which the crop is to be harvested. For the 1996 crop, the announcement must be made as soon as practicable after enactment of this Act.

MARKETING LOANS

The amended section 101B(a) also provides that the loans shall be marketing loans which permit the producer to repay the loan at the lesser of the loan level or the prevailing world market price but not less than 70% of the loan level. The Secretary is required to prescribe a formula to determine the world market price that does not take into account prices for sales of U.S. produced rice and arrange for periodic announcements of the world price.

The amended subsection also authorizes the Secretary to require producers to buy transferable marketing certificates redeemable in cash or CCC owned commodities equal in value to ½ the difference between the loan value and the loan repayment rate.

If the prevailing world market price is below the loan repayment level, CCC is required to make payments to producers participating in the program through the issuance of transferable marketing certificates redeemable in CCC owned commodities or cash as necessary to make U.S. rice available at competitive world prices. The value of the certificates is equal to the difference between the loan level and the world price.

LOAN DEFICIENCY PAYMENTS

The amended section 101B(b) provides for loan deficiency payments for those producers who are eligible to obtain a loan but wish to forgo the loan. The payment is equal to the quantity of rice for which the producer wishes to forgo a loan multiplied by the difference between the loan rate and the loan repayment rate. The Secretary is authorized to make up to ½ the payment in the form of marketing certificates.

DEFICIENCY PAYMENTS

The amended section 101B(c) provides for deficiency payments to be made available to producers for each of the years 1996–2002. The amount of the payment is equal to the payment rate multiplied by the payment acres and the program yield. The payment rate is the difference between the established (target) price (not less than $10.71 per cwt.) and the greater of a computed market price or the loan level. The computed market price used in this formula is the lesser of national average market price received by producers during the calendar year that includes the first months of the marketing year, or the national average market price received by producers during the first five months of the marketing year plus a factor considered fair and equitable in relation to wheat and feed grains.

PAYMENT ACRES

Deficiency payments are made available only with respect to payment acres. Payment acres are the lesser of the acreage planted to rice or 75% of the rice acreage base less any reduced acreage (the ARP). This has been reduced from 85% in current law.

50/85 PROGRAM

The section also provides for a continuation of the 50/85 program if there is an acreage limitation program in effect. If producers devote more than 15% of their maximum payment acres to conservation uses, the amount so devoted in excess of 15% is considered planted to rice and eligible for payment. To be eligible, the producer must plant at least 50% of the maximum payment acres to rice unless there is a quarantine on the planting of rice or unless the producer is prevented from planting or has a reduced yield because of a natural disaster.

In the event the producer is prevented from planting or has a reduced yield, he may devote to conservation uses or to certain alternative crops more than 8 percent of the maximum payment acres and receive a payment as if the acreage were planted to rice. This program is familiarly known as the 0/92 program. The alternative crops are limited to crops for industrial use for which there is no substantial domestic production or market.

CROP INSURANCE

It is also provided that producers on the farm must obtain catastrophic risk protection insurance coverage as a condition of eligibility for loans and payments.

PAYMENT YIELDS

Section 101B(d) of the 1949 Act provides that farm program yields shall be determined under title V, in the same manner as in current law.

ACREAGE REDUCTION PROGRAMS

Amended section 101B(e) provides authority for a rice acreage reduction program if the supply of rice will likely be excessive, and requires the Secretary to conduct an acreage reduction program so as to result in carry-over stocks being equal to 16.5–20 percent of the average of the total disappearance of rice for the 3 preceding marketing years. If there is an acreage reduction program, a preliminary announcement of the program, including the uniform percentage reduction of the rice acreage base (between 0 and 35%) must be made by December 1 of the year preceding the year in which the crop is harvested, and a final announcement must be made by the following January 31. If there is an acreage reduction program in effect, producers who exceed their permitted acreage of rice are not eligible for loans or payments.

The reduction in the base required by the acreage reduction program must be devoted to conservation uses or up to ½ of the reduced acres may be devoted to certain designated crops as specified in section 504(b)(1) in which event the deficiency payment received by the producer must be reduced accordingly.

TARGETED OPTION PAYMENTS

The subsection also proves authority for targeted option payments if there is in effect an acreage reduction program of 20% or less. Under this option, producers may receive an increase in the target price if they increase the acreage limitation percentage (up to 5%) or a decrease in the target price if they decrease the acreage limitation percentage (up to ½ the acreage limitation percentage. If offered, the option may not result in any additional program outlays.

CONSERVING USE ACRES

The acreage required to be devoted to conservation uses must be protected from weeds and water erosion. Haying and grazing is permitted on the conservation use acreage except during a five consecutive month period between April and October unless there is a natural disaster. Conservation use acreage may also be converted to water storage uses, subject to specified terms and conditions. The reduced acreage and any additional diverted acreage may be devoted to wildlife habitat.

LAND DIVERSION PROGRAM

The Secretary is also authorized to provide for a land diversion program to assist in adjusting the acreage of rice to desirable goals. Payments may be determined through the submission of bids or other means the Secretary deems appropriate.

INVENTORY REDUCTION PAYMENTS

Amended section 101B(f) provides authority for the Secretary to make inventory reduction payments available to producers in the form of marketing certificates if they forgo obtaining a loan and deficiency payment and reduce their rice acreage by ½ the acreage required to be diverted.

MISCELLANEOUS

Amended sections 101B (g) to (n) contain the same miscellaneous provisions as in current law. They provide authority for equitable relief to producers who fail fully to comply with the program, as well as for assignment of payments, protection of tenants and sharecroppers, the sharing of payments, and prohibits cross-compliance nonrecourse, among others.

TITLE V—OILSEEDS

SEC. 501. PRICE SUPPORT PROGRAM FOR THE 1996–2002 CROPS OF OILSEEDS.

Section 501 amends section 205 of the Agricultural Act of 1949 (the "1949 Act") to provide for a price support program for the 1996–2002 crops of oilseeds as follows:

LOANS

Section 205 of the 1949 Act is amended to require the Secretary to make available loans and purchases to producers of soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds for the 1996 through 2002 crops.

Loan and purchase levels shall be not less than the greater of either 85% of average prices received by producers in three of the previous five years (disregarding the high and low years) or $5.50 per bushel for soybeans and $9.75 hundredweight for sunflower seed, canola, rapeseed, and flaxseed. Loan and purchase levels for other oilseeds are required to be established in relation to the level for soybeans, except that the level for cottonseed may not be lower than the level for soybeans on a per-pound basis.

ADJUSTMENT IN LOAN LEVEL

If the Secretary determines that the loan and purchase level for an oilseed crop will result in outlays in the form of loan deficiency payments, the Secretary is required to reduce the loan and purchase level for the crop in that year to a level that will result in payments not being made. However, the loan and purchase levels may not be established at less than $5.00 per bushel for soybeans and $8.90 per hundredweight for sunflower seed, canola, rapeseed, and flaxseed.

If the Secretary adjusts the level of loan and purchases from an oilseed, the Secretary is required to submit a report to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry certifying that the adjustment is necessary to reduce outlays in the form of loan deficiency payments and describing the production, stocks, and price circumstances under which the adjustment is needed. Any reduction in the loan and purchase level for an oilseed crop will not be considered in determining the loan and purchase level for a future crop of that oilseed.

MARKETING LOANS

Section 205(d) of the 1949 Act provides that the Secretary shall permit producers to repay loans at the lesser of the loan and purchase level for the crop and either the prevailing world price for the oilseed, adjusted to United States quality and location, as determined by the Secretary, or such other level not in excess of the loan and purchase level that the Secretary determines will minimize potential loan forfeitures, accumulation of oilseed stocks by the Federal Government, and the cost of storing oilseeds by the Federal Government, and allow oilseeds produced in the United States to be marketed freely and competitively, both domestically and internationally. The Secretary is required to prescribe by regulation a formula for determining, and a mechanism for periodically announcing, the world market price for oilseeds.

LOAN DEFICIENCY PAYMENTS

The Secretary is required to offer eligible producers who agree to forgo obtaining loans and purchases the option to receive loan deficiency payments. Payments shall be determined by multiplying the loan and purchase payment rate by the quantity of oilseeds for which an eligible producer forgoes the option to place under loan. The loan and purchase rate shall be the difference between the loan and purchase level for the crop and the level at which the loan may be repaid. Payments may be made in the form of certificates redeemable for agricultural commodities owned by the Commodity Credit Corporation. Certificates shall be made available to the extent necessary to minimize the accumulation of oilseed stocks by the CCC.

MARKETING YEAR

The marketing year for soybeans shall be the one-year period beginning on September 1 and ending on August 31. The marketing years for other oilseeds shall be prescribed by the Secretary by regulation. The Secretary shall announce the loan and purchase level for a crop of oilseeds not later than [15 days prior to the first day of the marketing year] in the calendar year in which the crop is harvested.

LOAN MATURITY

A loan made for a crop of oilseeds shall mature on the last day of the 9th month following the month in which application for the loan is made, except that the loan may not mature later than the last day of the fiscal year in which the application is made.

MISCELLANEOUS PROVISIONS

The Secretary shall not require participation in any production adjustment program for oilseeds or any other commodity as a condition of eligibility for loans and purchases for oilseeds. The Secretary may not authorize payments to producers to cover the cost of storing oilseeds. Oilseeds may not be considered an eligible commodity for any reserve program.

The Secretary is authorized to issue such regulations as determined necessary to carry out this section, and shall carry out the program authorized by this section through the Commodity Credit Corporation.

Section 205, as amended, shall be effective only for the 1996 through 2002 crop of oilseeds.

TITLE VI—PEANUTS

SEC. 601. SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS

Section 601 of the bill makes section 358(a) through (j)[1], section 358a(a) through (j)[2] section 359(a), (b), (d), and (e), section 371[3], and Part I of subtitle C of title III[4], of the Agricultural Adjustment Act of 1938 inapplicable to the 1996 through 2002 crops of peanuts.

SEC. 602. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS

Section 602 of the bill makes various changes to the current provisions of section 358–1 of the Agricultural Adjustment Act of 1938 as follows:

The bill directs the Secretary to estimate the quantity of peanuts and peanut products to be imported into the United States for the marketing year as part of the required annual estimate of domestic consumption.

The bill repeals the current floor (minimum level) at which the national poundage quota may be established for any marketing year.

The bill repeals the authority to increase farm poundage quotas based on undermarketings (the quantity by which a farm poundage quota for a marketing year exceeds the actual peanuts produced and marketed on the farm) from previous years.

The bill repeals the provisions authorizing a special poundage quota allocation process for Texas.

The bill authorizes the Secretary to annually allocate temporary quota to each peanut producer for purposes of acquiring seed for planting the producer's crop of peanuts for that year.

The bill tightens the eligibility criteria for the purposes of determining if a farm's poundage quota should be "considered produced" by allowing quota to either be voluntarily released or leased (but not both)[6] during 1 of the 3 previous years.

The bill repeals the current limitation[7] on the allocation of farm poundage quota that has been reduced or voluntarily released to farms with no quota. The amended provision requires the reallocation to farms without quota to be limited only by the average production history of the farms.

SEC. 603. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA

Section 603 of the bill makes various changes to the current quota transfer provisions of section 358b of the Agricultural Adjustment Act of 1938 as follows:

The bill allows farm poundage quota to be transferred to another farm across county lines but within the same State if both farms have been in common ownership or control for the 3 previous years or if both farms are located in a State with 10,000 tons or more quota (subject to an annual and an overall limitation on the amount of quota that is eligible for an out of county transfer).

The bill allows farm poundage quota to be transferred after the normal planting season (fall lease transfer) to another farm across county lines but within the same State.

SEC. 604. MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

Section 604 of the bill extends the effective period of the current provisions of section 358e of the Agricultural Adjustment Act of 1938[8] to include the 1996 through 2002 crops and expands the application of the current penalty for reentry of exported additional peanuts to include peanut products.

SEC. 605. EXPERIMENTAL AND RESEARCH PROGRAMS

Section 605 of the bill extends the effective period of section 358c of the Agricultural Adjustment Act of 1938[9] to include the 1996 through 2002 crops.

SEC. 606. PRICE SUPPORT PROGRAM

Section 606 amends section 108B of the 1949 Act to extend for 7 years the current law requirements for the Secretary to provide price support to producers of peanuts through loans, purchases, and other operations through the 2002 crop of peanuts.

The bill limits the allowable amount of decrease (as well as increase) that may be made in the national average quota support rate for a crop of peanuts to not more than 5 percent of the rate for the preceding crop.

The bill limits the eligibility for entry into or participation in the New Mexico area marketing association established pools to peanuts produced within the State of New Mexico.

The bill repeals the provision of current law that require losses in one production area quota pool to be offset by gains or profits from pools in other production areas (area cross compliance). The bill adds a requirement that losses in an area quota pool must be offset by any gains from the sale of additional peanuts by any producer that is in the quota pool.

The bill adds a provision to clarify that all peanuts in the domestic market, including imported peanuts, must comply with all quality standards, and that importers must comply with inspection, handling, storage, and processing requirements, under Marketing Agreement No. 146. The bill also adds a provision to require peanuts produced for export to comply with inspection, handling, storage, and processing requirements under Marketing Agreement No. 146.

The bill extends the requirement for the Secretary to provide for the collection of a marketing assessment, applicable to each of the 1996 through 2002 crops of peanuts, equal to 1.2 percent of the national average support rate.

TITLE VII—SUGAR

Title VII of the bill amends section 206 of the Agriculture Act of 1949 to authorize and direct the Secretary to provide price support for the 1996 through 2002 crops of sugar beets and sugar cane. Section 902 of the Food Security Act of 1985 provides that such sugar programs are to be operated in a manner so as to be no cost to the U.S. Government; this provision continues unamended. Title VII also provides for the amendment of part VII of the Agricultural Adjustment Act of 1938 to establish marketing assessment bases for sugarcane and sugar beet processors and cane sugar refiners.

SEC. 701. SUGAR PRICE SUPPORT

Section 701 of the bill amends section 206 of the Agriculture Act of 1949 as follows:

LOAN AND PRICE SUPPORT

Section 206, as amended, provides that the price of each of the 1996 through 2002 crops of sugar beets and sugarcane must be supported by the Secretary of Agriculture and fixes the support level for the price of domestically grown sugarcane for this period at 18 cents per pound for raw cane sugar, and for domestically grown sugar beets at the basic loan rate level for the 1994 crop of sugar beets. The price support is implemented through nonrecourse loans provided by the Commodity Credit Corporation. Section 206, as amended, provides the Secretary with authority to adjust these fixed price support levels for each of the 1997 through 2002 crops of sugarcane and sugar beets when the Secretary deems it appropriate, taking into account such factors as changes in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

MARKET ASSESSMENTS

Section 206, as amended, also establishes market assessments for raw cane sugar, beet sugar, and imported sugar. Two tiers of assessment are established in subsection 206(i). The tier 1 assessment is applicable to the first processor of sugarcane and sugar beets for raw cane sugar and beet sugar which fall within the processor's base as established by the Secretary under the Agricultural Adjustment Act of 1938, as amended by this bill, and to imported raw cane sugar. The assessment rate in tier 1 for marketings of raw cane sugar processed from domestically produced sugarcane or sugarcane molasses marketed during the 1997 through 2003 fiscal years is equal to 1.1% of the loan level established by the Secretary to support the price of domestically grown sugar cane (but not more than 0.198 cents per pound of raw cane sugar); the tier 1 assessment for beet sugar processed from domestically produced sugar beets or sugar beet molasses marketed during the 1997 through 2003 fiscal years is equal to 1.1794% of the loan level established by the Secretary to support the price of domestically grown sugar beets (but not more than 0.2123 cents per pound of beet sugar). These tier 1 assessments apply only to marketed beet sugar and raw cane sugar within the processor's base. For imported raw cane sugar, the tier 1 assessment which must be paid by each holder of a certificate of quota eligibility for such sugar imported into the United States is the same amount that would be applicable to the first processor of U.S. produced sugarcane during the fiscal year. For refined sugar, whether from sugar beets or sugarcane, imported into the United States, each holder of a certificate of quota eligibility must pay a tier 1 assessment in the amount applicable to the first processor of U.S. produced sugar beets during the fiscal year. In all cases, the assessment is paid to the Commodity Credit Corporation, and the assessment is nonrefundable.

The tier 2 non-refundable marketing assessment established under subsection 206(i) is applicable to marketings of raw cane sugar or beet sugar during the 1997 through 2003 fiscal years which are in excess of the processor's or the cane sugar refiner's assessment base as established by the Secretary under the Agricultural Adjustment Act of 1938, as amended by this bill. The tier 2 assessment for fiscal 1997 is an amount equal to 100% of the loan level established for marketings of raw cane sugar or beet sugar in fiscal 1997. For each fiscal year thereafter through fiscal year 2001, the assessment rate is reduced by three percentage points per year, so that the assessment rate is 97% of the applicable loan level for marketings for the 1998 fiscal year, 94% for the 1999 fiscal year, 91% for the 2000 fiscal year, and 88% for the fiscal years 2001 through 2003. The first processor of sugarcane or sugar beets, or the refiner of cane sugar, as the case may be, must remit the assessment to the Commodity Credit Corporation.

SUPPLY OF RAW CANE SUGAR

Subsection 206(j) of the 1949 Act, as amended, authorizes the Secretary to assure the U.S. supply of raw cane sugar. It provides that whenever for 7 consecutive market days the price for raw cane sugar for the nearest future contract month averages more than 128 percent of the loan rate specified for raw cane sugar, the Secretary must, within 3 market days, use all available authorities to increase the supply of raw cane sugar, in increments of not less than 50,000 tons, to a level sufficient to reduce the average price for raw cane sugar to equal to or less than 128 percent of the loan rate.

There is an exception to the authority of the Secretary to take this action. The Secretary must not take any action if, for the same 7 consecutive market days in which the price for raw cane sugar for the nearest future contract month averages more than 128 percent of the loan rate for raw cane sugar, the average bulk, FOB factory net price for refined beet sugar reported by all sellers is more than 128 percent of such average price for raw cane sugar for such nearest future contract month.

SEC. 702. MARKETING ASSESSMENT BASES FOR PROCESSORS AND REFINERS

Section 702 of the bill amends part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa *et seq.*) (the "1938 Act"), effective October 1, 1996, to provide for marketing assessment bases for sugar processors and refiners as follows:

ESTABLISHMENT OF MARKETING ASSESSMENT BASES

Section 359b of the 1938 Act, as amended, requires that the Secretary impose, for each of the fiscal years 1997 through 2003, marketing assessment bases for processors of sugar processed from domestically produced sugarcane and sugar beets and for cane sugar refiners. The marketing assessment bases are to be based on the Secretary's estimate of sugar consumption in the United States for such fiscal year.

CALCULATION OF MARKETING ASSESSMENT BASES

Section 359c of the 1938 Act, as amended, provides for the calculation of marketing assessment bases and requires the Secretary to establish marketing assessment bases for sugar in each of the fiscal years 1997 through 2003. The Secretary must first establish the overall quantity of sugar to be distributed for the fiscal year, referred to as the overall base. This overall base is to be set on the basis of the Secretary's estimate of sugar consumption for the fiscal year, and must be adjusted to the maximum extent practicable to prevent the acquisition of sugar by the Commodity Credit Corporation.

Section 359c requires that once the overall base quantity is established for a fiscal year, it must be distributed among sugar derived from sugar beets and sugar derived from sugarcane in the proportion of 47% for sugar derived from sugar beets; and 53% sugar derived from sugarcane, including raw cane sugar imported from foreign countries for consumption in the United States.

Subsection (d) of Section 359c provides that this initial distribution of the base between sugar derived from sugar beets and sugar derived from sugarcane is subject to a required further distribution to establish three bases. The first of these bases is the base for sugar derived from sugar beets, which for a fiscal year is a quantity equal to the product of multiplying the overall base quantity for the fiscal year by 47%. The second base is a base for sugar derived from sugarcane, which for a fiscal year is the quantity obtained by subtracting 1,257,000 short tons, raw value, from the quantity equal to the product of multiplying the overall base quantity for the fiscal year by 53%. The third base is the base for refined cane sugar, which is the quantity equal to the product of multiplying the overall base quantity for the fiscal year by 53%.

Section 359c further provides that the base for sugar derived from sugarcane must be distributed among the five States in the United States (considering Puerto Rico as a "State" for this purpose) in which sugarcane is produced in a fair and equitable manner on the basis of past marketings of sugar processed from sugarcane in the 2 highest years of production from each States from the 1990 through 1994 crops), processing capacity, and the ability of processors to market the sugar covered under the base.

Section 359c also provides for the adjustment of the marketing assessment bases. Whenever the weighted average bulk, FOB factory/refinery net price (including the price of representative consumer and industrial products, adjusted to a bulk basis) reported by all sellers of refined sugar for any week is more than 111 per cent of the average bulk, FOB factory price for refined beet sugar for the fiscal years 1990 through 1994, the Secretary may increase the marketing assessment bases of cane sugar refiners and sugar beet processors. Whenever the weighted average bulk FOB factory/refinery net price (including the price of representative consumer and industrial products, adjusted to a bulk basis) reported by all sellers of refined sugar for any week is less than 104 percent of the average FOB factory price for refined beet sugar for the fiscal years 1990 through 1994, the Secretary must decrease the marketing assessment bases of cane sugar refiners, sugar beet processors, and cane sugar processors, but must maintain the minimum access level for imports of sugar set forth in the Harmonized Tariff Schedules of the United States.

DISTRIBUTION OF MARKETING ASSESSMENT BASES

Section 359d of the 1938 Act, as amended, provides for the distribution of marketing assessment bases to individual processors and refiners. The Secretary must distribute each of the three bases provided for under subsection (d) of section 359c for each of the fiscal years 1997 through 2003 among the processors or cane sugar refiners covered by the base in a fair, efficient and equitable manner. In the case of distributing the cane sugar assessment base among processors, the Secretary is required to take into consideration processing capacity, past marketings of sugar, and the ability of each processor to market sugar covered by that proportion of the base distributed. Further, with respect to distribution the beet sugar assessment base among processors of sugar beets, the Secretary is required to assign processor bases in accordance with each processor's highest amount of sugar produced in any year from sugar beets produced from the 1990 through the 1994 crops. In making these distributions to processors and refiners from the assessments bases, the Secretary is also required to make reasonable provisions for new processors and refiners.

REASSIGNMENT OF DEFICITS

Section 359e of the 1938 Act, as amended, provides for the reassignment of any deficits in the marketing of an assessment base. If the Secretary determines that any sugarcane processor who has received a share of a State cane sugar assessment base will be unable to market the processor's share of the State's cane sugar base for the fiscal year, the Secretary must first reassign the estimated quantity of the deficit to the bases for other processors within that State; if after such reassignments the deficit cannot be completely eliminated, the Secretary must then reassign the remaining part of the estimated quantity of the deficit proportionately to the bases for other cane sugar States; and finally, if after these second reassignments, the deficit still cannot be completely eliminated, the Secretary is to reassign the remainder to imports. With respect to beet sugar, if the Secretary determines that a sugar beet processor who has received a share of the beet sugar assessment base will be unable to market its share, the Secretary must first reassign the estimated quantity of the deficit to the bases for other sugar beet processors; if after such reassignments the deficit cannot be completely eliminated, the Secretary must reassign the remainder to imports. If the Secretary determines that a cane sugar refiner who has received a share of the cane sugar assessment base will be unable to market that share, the Secretary must reassign the estimated quantity of the deficit to the bases of other refiners, as the Secretary deems appropriate.

PROVISIONS APPLICABLE TO PRODUCERS

Section 359f of the 1938 Act directs the Secretary, for each of the fiscal years 1997 through 2003, to obtain from processors such assurances as the Secretary deems adequate that the assessment base will be shared among producers served by the processors in a fair and equitable manner that adequately reflects producers' production histories, and to resolve through arbitration by the Secretary on the request of either party any dispute between a processor and a producer, or group of producers, with respect to the sharing of the processor's allocation.

Section 359f also directs the Secretary, in any case in which a State share of an assessment base is established under subsection (e) of section 359c and there are in excess of 250 producers in the State to which it applies, to make a determination, for each such State share of an assessment base, whether the production of sugar, in the absence of proportionate shares, will be greater than the quantity needed to enable processors to fill the State share of the assessment base and provide a normal carryover inventory. If the Secretary determines this to be the case for a fiscal year, considering the amount of sugar processed from all crops by all processors covered by such State base, then the Secretary must establish a proportionate share for each sugarcane producing farm that limits the acreage of sugarcane that may be harvested on the farm for sugar or seed during the fiscal year, with each such proportionate share subject to adjustment for natural disaster or other condition beyond the control of producers.

SEC. 703. PREVENTION OF SUGAR LOAN FORFEITURES

Section 703 of title VI amends section 902(c)(2)(A) of the Food Security Act of 1985—which provides that the Secretary is to report to the President any sugar imports from Cuba by certain countries exporting sugar to the United States—by extending its applicability to August 1, 2002.

TITLE VIII—GENERAL COMMODITY PROVISIONS

Significant adjustments have been made in the General Provisions to increase planting flexibility and comply with deficit reduction targets. Increased flexibility is provided in two ways: (1) by expanding so-called optimal flex acres from 10% of permitted acres to 100% of permitted acres and (2) by providing new authority to allow producers to plant up to 25% of their historical oilseed acreage to a program crop. In both cases, the crop "flexed" would be eligible for loan but not deficiency payments.

SEC. 801. DEFICIENCY AND LAND DIVERSION PAYMENTS

Section 801 amends section 114 of the 1949 Act to continue the authority of the Secretary of Agriculture to make advance deficiency payments.

SEC. 802. ADJUSTMENT OF ESTABLISHED PRICES

Section 802 extends the authority contained in section 402(b) of the 1949 Act through the 2002 crops.

SEC. 803. ADJUSTMENT OF SUPPORT PRICES

Section 803 extends the authority contained in section 403(c) of the 1949 Act through the 2002 crops.

SEC. 804. PROGRAM OPTION FOR THE 1003 AND SUBSEQUENT CROPS

Section 804 amends section 406 of the 1949 Act to provide the Secretary with the authority to offer optional programs for the 2003 and subsequent crop years that are similar to those provided in the 1949 Act for the 2002 crops.

SEC. 805. APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

Section 805 amends section 408(k)(3) of the 1949 Act to make its terms applicable to the 1996–2002 crops.

SEC. 806. ACREAGE BASE AND YIELD SYSTEM

Title V of the 1949 Act is basically extended and made applicable to the 1996 through 2002 crops of wheat, feed grains, upland cotton and rice. Section 806 changes current law governing planting flexibility as follows:

Increases current planting flexibility from 25% to 100%. Producers can effectively respond to market signals by planting alternative crops on up to 100% of their crop acreage base without penalty and without market-distorting financial incentives; and

Provides producers with ability to plant program crops on up to 25% of their historical soybean acreage, without losing program eligibility and without market-distorting financial incentives. Any program crop planted under this provision will retain loan eligibility.

SECS. 811. PAYMENT LIMITATIONS

Section 811 extends the application of payment limitations as provided in title X of the Food Security Act of 1985 to the 1996 through 2002 crops.

SEC. 812–831. MISCELLANEOUS AND CONFORMING AMENDMENTS

Sections 812 through 831 of the bill contain various miscellaneous and conforming amendments either extending certain provisions of law or making necessary modifications to current law to conform with the provisions of the agricultural Competitiveness act of 1995.

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[1] Section 358 of the Agricultural Adjustment Act of 1938 requires the Secretary to establish and apportion a national marketing quota and a national acreage allotment for the production of peanuts.

[2] Section 358a of the Act provides for the sale, lease, and transfer of peanut acreage allotments.

[3] Section 371 of the Act provides for the adjustment of marketing quotas and acreage allotments for cotton, rice, peanuts, or tobacco based on the supply of the commodity involved.

[4] Part I provides for the publication and review of marketing quotas and acreage allotments for tobacco, corn, wheat, cotton, peanuts, and rice.

[5] Section 358–1(a)(1) of current law prohibits the secretary from establishing the national poundage quota for a marketing year at less than 1,350,000 tons.

[6] Section 358–1(b)(4) of the Act provides that quota will be considered produced if it is either voluntarily released during 1 of the 3 previous years or leased during 1 of the 3 previous years (or both).

[7] Section 358–1(b)(6)(B) of the Act provides that not more than 25 percent of such quota may be reallocated to farms for which no quota was established for the preceding year.

[8] Section 358e of the Act provides for the handling and disposal of peanuts and establishes penalties for the marketing of peanuts in excess of the established poundage quota.

[9] Section 358c of the Act authorizes the Secretary to permit not more than 1 tenth of 1 percent of the basic quota for a State to be utilized for experimental and research purposes.

KEY PROVISIONS OF THE AGRICULTURAL COMPETITIVENESS ACT OF 1955

Maintains the current basic structure of our highly successful farm programs (contains the freeze on target prices and maintains from marketing loan program for wheat, feedgrains, cotton, and rice).

Requires farm policies to be modified in order to meet the Balanced Budget Reconciliation Instruction—Increases non-paid base acres from 15% to 25%.

Allows for 100% flexibility; increases the Optional Flex Acres (OFA) from 10% to 100% of program crop acreage base. This will allow producers to more effectively respond to market signals by being able to plant eligible alternative crops on up to 100% of their program base acres without being penalized by having their base acreage reduced in the following crop year.

Provides farmers the option for up to 25% two-way flexibility. This will enable farmers to produce program crops on up to 25% of historical soybean acres. In essence, this provision further allows farmers to respond to market signals by enabling them to plant up to 25% of their historical soybean acres to program crops which will be eligible for loan participation.

Allows the Secretary to increase soybean and minor oilseed marketing loan rates up to 85% of their 5 year average market price or $5.50 per bushel and $9.75 per hundred weight, respectively, if the Secretary determines that these rates will be budget neutral. The minimum market loan rate for soybeans and minor oilseeds are increased to $5.00 per bushel and $8.90 per hundred weight respectively.

Eliminates any ARP requirements for oilseeds which are double cropped with program crops.

The Peanut program is reformed to move it toward no government cost, further opening the program to new producers and more closely tying production limits to market demand. Removes the limitations on the Secretary to control the cost of the program by giving the Secretary full discretion to adjust the amount of peanuts eligible for domestic price support so production will better equal market demand. Undermarketings are eliminated (the current practice of allowing unproduced quota to be produced the following year). Program benefits to producers will be reduced, but government costs will be dramatically reduced and the program made more responsible to imports and market demand.

The Sugar program is reformed to allow U.S. Sugar policy to continue its 1985 mandate to operate at a "no cost" to the U.S. Treasury. Marketing assessments imposed beginning in 1991 on sugar sales would continue at current levels and extended to imports, providing over $30 million per year toward federal deficit reduction. There are no payments to sugar producers. The 18 cent per pound loan rate for raw sugar remains at the 1985 level. In order to meet the new minimum import obligations required by the GATT and remain no cost, a system requiring private industry to equitably carry surplus stocks is proposed which is more market oriented and more reliable than current policy. The reform proposal also includes new consumer price projections.•

• Mr. PRYOR. Mr. President, I join my distinguished colleague from Mississippi, Senator COCHRAN, in cosponsoring the Agricultural Competitiveness Act of 1995. This legislation represents stability in the most important business sector of this Nation. Farmers and ranchers of this country continue to produce the most affordable and abundant food and fiber supply in the world and this bill helps to ensure they persist in this role for the next 7 years and beyond.

Senator COCHRAN and I have cosponsored legislation many times in past farm bill debates. As agriculture is so important to the States of Arkansas and Mississippi, we have always strived to put forth policy ideas that provide agriculture the necessary fundamental tools to survive. The legislation we are introducing today accomplishes this consistent goal.

Mr. President, the farmers and ranchers in Arkansas have made one very important point to me as we enter this year's farm bill debate—U.S. agriculture policy has served America very well. The consumers of this country spend less of their disposable income on food than any other country in the world. Farm programs, that represent only 0.6 percent of the Federal budget, guarantee a reliable supply of food and fiber products at the best prices.

However, with an ever increasing global marketplace, the success of farms in the delta of Arkansas is becoming more dependent on policies in Canada, the European Union, or even Japan. Because of these increasing uncertainties and the willingness of competitor countries to heavily subsidize, we must have policies in place to assist our farmers who are directly competing against foreign treasuries. This legislation addresses this important point and helps to protect the food and fiber security of our country.

Mr. President, the legislation we are introducing today also provides significant but responsible change. Flexibility, being the buzz word in this year's farm bill debate, is expanded. Farmers can respond to a changing market by planting alternative crops on up to 100 percent of their crop acreage base without being penalized by losing base acres in the following crop year. Additionally, our flexibility is provided as a choice to the farmer without market-distorting financial incentives.

This farmer-oriented legislation also addresses the continuing budget pressures faced by the government. Although I did not support the balanced budget amendment or the budget resolution this year because I believe they went too far too fast, I obviously recognize that there will have to be some reductions. However, I believe this should be done in a responsible fashion. when faced with painful budget cutting choices, farmers have generally preferred an increase in nonpaid acres rather than other more drastic approaches.

Our legislation prudently increases nonpaid acres from 15 to 25 percent over the next 7 years, significantly reducing Federal outlays. Further, the bill recognizes the budget reconciliation instructions the Agriculture Committee will have to consider. I still believe the cuts being forced on agriculture are far too drastic and don't recognize the fact that we have paid more than our fair share and will continue to support efforts to reduce this financial burden during the budget reconciliation process. However, in working to find responsible ways for farmers and ranchers to contribute their fair share, this bill does address a responsible way of meeting certain budget obligations.

In summary, Mr. President, this legislation improves upon policies that have served this country well. With these improvements, agriculture will better be able to meet the new challenges of a world economy.•

• Mr. COVERDELL. Mr. President, it has become increasingly apparent that the 1995 farm bill will be a comprehensive debate on the future of American agriculture not only in the face of tight Federal budget constraints, but also under new competitive realities brought on by the passage of the NAFTA and GATT trade agreements. In this debate, my colleagues and I are challenged to design a plan that will protect production agriculture and the fragile rural economies it supports while meeting necessary spending reductions that will eventually bring us to our imperative goal of a balanced federal budget.

In order to meet the competitive challenges we face in regard to our Nation's commodity programs, my distinguished colleague from Mississippi, Senator COCHRAN, has carefully crafted a bill titled the Agricultural Competitiveness Act of 1995. For his leadership in this regard, I would like to commend the Senator and join his effort by cosponsoring this legislation. This bill, of which I am a coauthor, will provide a steady direction for production agriculture over the next 7 years. It also offers a commitment to programmatic changes necessary to meet all spending reductions required by the Senate Agriculture Committee.

Production leaders of each commodity program contained in this bill have actively participated in its formulation and have been extremely cooperative in working toward our goals. Particular credit should go to our leaders in the peanut industry who have accepted the challenge to reform and have delivered a significant product. It could be argued that the peanut industry has made more substantive changes in its program than any other commodity program we currently administer. Our reformed peanut title was taken directly from the positions established by the National Peanut Growers Group, the Nation's largest grower organization, who labored over several months to make the tough decisions required of them.

A review of our title will indicate substantive change. We have moved the program toward no Government cost, opened the opportunities for greater participation and have become more market oriented. It should be mentioned that these peanut title reforms do not come without pain for our growers. This legislation will represent a nearly 30-percent decrease in peanut farmer income. In addition, USDA has estimated that we will save at least $500 million over the life of this bill from the difficult changes we have made. And, it is these very changes that represent our true commitment to budgetary responsibility.

We have eliminated almost all government cost and responded to competitive demands with the following five program changes:

First, elimination of the statutory minimum quota floor.

The Secretary of Agriculture is granted the authority to set the amount of quota peanuts eligible for domestic price support equal to market demand. This provision it will eliminate the recent Government surpluses of peanuts that must be crushed for oil at tremendous losses to the American taxpayer.

Second, elimination of undermarketings.

This provision will help ensure government cost reductions by ending carry-over of quota to future crop years. It has been estimated that if undermarketings had been eliminated in the 1994 crop year, we would have saved $60 million.

Third, price support to decrease with farm production cost decreases.

The price support for peanut growers would be allowed to decrease up to 5 percent with reductions in farm production costs. Currently, the cost of production model allows only for increases in prices support. This is a market-oriented measure designed to keep the support price competitive and reduce Government cost.

Fourth, provide all peanut growers with quota for seed.

Fairness is the issue here. Our quota growers have agreed to provide any peanut grower with quota equal to the approximate amount of seed they plant each year. This addresses the concerns about seed costs of some farmers who grow peanuts primarily for the export market.

Fifth, allowance of cross-county line sale and transfer of quota.

This provision would allow 40 percent of our total quota to be transferred or sold across county lines over the life of the bill. Allowing nearly half of our Nation's quota to go to the most efficient growing areas is good policy from a production standpoint. This change is also a strong argument against those critics saying the peanut program operates behind closed doors.

These positive changes offered in this bill by our peanut producers, coupled with our cotton growers commitment to meeting necessary spending requirements, are strong signs of their commitment to the future of not only Georgia agriculture, but our Nation's as a whole. Again, I commend my colleague from Mississippi for his leadership in this process and look forward to working with him in crafting a final product that will sustain the future of rural America.•

Mr. HELMS. Mr. President, no other legislation likely to come before Congress this year will have more direct impact on my State of North Carolina, and the people who live there, than the 1995 farm bill. For an agriculture State that ranks third as the most diversified agribusiness State in the country, the farm bill is critically important legislation.

I commend the Senator from Mississippi [Mr. COCHRAN] for leading the way in maintaining the support of the agricultural commodities that give American consumers peace of mind by providing the safest, most affordable, and most abundant food supply in the world.

Mr. President, when Congress begins the debate on this legislation, it is essential that we focus on fundamental reform. The time for farm program facelifts is rapidly approaching—and overdue in some instances. It is time for real change, change that will return farm programs to their fundamental and original mission: helping family farmers survive and prosper. Today, along with the other cosponsors of this commodity title of the 1995 farm bill, I can report that there is real reform for the peanut program.

Permit me to highlight a few of the significant changes that have been made to the peanut program:

First, it eliminates Government cost through reducing the amount of peanuts subject to government support.

Second, allows the sale and transfer of quota across country lines.

Third, provides all growers quota to cover seed requirements.

Fourth, allows the support level to fluctuate with cost of production.

These sacrifices will cost at least $110 million annually in income to our growers.

Mr. President, much of a negative nature has been said about peanuts this year. The peanut portion of the commodity title addresses major changes that the growers have supported wholeheartedly. The peanut program is one of the most important programs not only to my State, but to all Southern States.

Critics have asserted, mistakenly, that the peanut program costs consumers hundreds of millions of dollars each year in higher prices. This is simply not true. In fact, according to the USDA, 74 percent of the consumer cost is added to a jar of peanut butter after farmers have sold their peanuts.

So contrary to the myth that farmers are reaping huge profits from the peanut program, it is, in fact, the manufacturers of peanut products who reap the sizable profits.

The 1990 farm bill extended the peanut program through the 1995 crop. But this year, peanut growers had to reevaluate their program; we have included their reform in this legislation. This reform package is the first step in providing a safety net for our farmers while addressing the new demands of the North American Free Trade Agreement [NAFTA] and the General Agreement on Tariffs and Trades [GATT]. This legislation will carry our farmers into a more market-oriented 21st century.

In the current budget-driven atmosphere in Washington, urban Members of Congress often mistakenly view phasing out farm programs as a simple solution to our budget problems. Its easy for politicians who have no peanut producers in their States to take cheap shots at the livelihoods of those who earn their livings in the peanut industry.

The peanut program is an investment in the business of farming. It means 150,000 U.S. jobs, $200 million in U.S. exports, $1 billion in U.S. farm revenue, and $6 billion in U.S. economic activity each year.

This commodity title includes peanut reform provisions that make solid changes to the current program. This reform package will be an alternative that will turn this program toward a market-oriented plan that will ensure U.S. competitiveness in global markets, will operate at no net cost to the taxpayer, and will provide a safety net for farmers.

Farmers and their families have contributed so much to the growth of our country. Today, according to USDA, the United States is the third largest producer of peanuts in the world. Elimination of the peanut program would mean an immediate loss of 37,000 U.S. jobs, as well as $350 million in lost farm revenue, $50 million in lost exports, and $25 million in lost tax revenues.

Everyone in the peanut industry, from the growers to the shellers and manufacturers, realizes the program must be reformed as part of the 1995 farm bill.

The peanut farmers of my State of North Carolina and throughout the Nation have taken a responsible voluntary approach of cutting their budgets. They are willing to make major sacrifices and reforms in order to eliminate government cost and make the peanut program more market-oriented. Again, I commend the able Senior Senator from Mississippi [Mr. COCHRAN] for his diligent efforts to address the issues of real reform.

By Mr. HELMS (for himself, Mr. DOLE, Mr. LIEBERMAN, and Mr. McCAIN):

S. 1157. A bill to authorize the establishment of a multilateral Bosnia and Herzegovina Self-Defense Fund; to the Committee on Foreign Relations.

THE MULTILATERAL BOSNIA AND HERZEGOVINA SELF-DEFENSE FUND

Mr. DOLE. Mr. President, I am pleased to cosponsor the Multilateral Bosnia and Herzegovina Self-Defense Fund. In the aftermath of the overwhelming votes to lift the arms embargo in the Senate and the House, this legislation is the logical next step in a policy designed to put the future of Bosnia back in Bosnian hands. This legislation will create an international fund for the defense of Bosnia, and will provide for a leadership role for the United States, not only in establishing the fund, but in chairing it.

I would like to commend the distinguished chairman of the Foreign Relations Committee in taking the lead and forging legislation to address the critical issue of supporting the Bosnian Government militarily once the arms embargo is lifted—and it will be lifted. I would also add that the chairman has brought together a bipartisan group of distinguished Senators, including Senator LIEBERMAN, in this important effort.

During our debates on lifting the arms embargo on Bosnia administration officials have snidely criticized our legislation as lift and pray—alleging to the press and even to the Bosnians that there is no support in the Congress for providing military assistance to them. This bill makes it absolutely clear that we are serious—that we are ready to follow-through.

The reality is that the administration's approach is don't lift and pray—pray that the American people will be fooled into thinking that there is a U.S. policy and pray that the Croatian government will get the international community off the hook.

Well, the American people are not fooled. They know that the administration does not have a policy.

As for the recent Croatian military action—Croatia's ability to retake its territory has demonstrated that with arms, the victims of aggression can successfully take matters into their own hands. In 4 days, Croatian forces accomplished what the United Nations could not do in 4 years. And, they had no help—the NATO no-fly zone was not enforced as Serb jets bombed Croatian towns.

The undeniable lesson of the past week is that the arms embargo and the U.N. presence has prolonged the war in the former Yugoslavia by keeping areas of Croatia and Bosnia and Herzegovina under occupation.

Another allegation made by administration officials is that lifting the embargo would Americanize the war. We know from the large votes in support of Bosnia's right to self-defense in the U.N. General Assembly and from discussions with international leaders that this assertion is simply not true.

This rhetoric is part of the scare tactics employed by the Pentagon and State Department in order to try to persuade members of Congress that somehow, if the arms embargo is lifted, we alone would be providing aid to the Bosnians.

This fund will provide a mechanism for countries, other than just the United States, to provide the Bosnians with military assistance—and to do so before the arms embargo is lifted. I would add, however, that the actual delivery of weapons will not occur until the U.S. arms embargo is lifted which would occur after U.N. forces withdraw.

I want to talk for a moment about cost. This bill provides for a $50 million payment to the fund and authorization for $50 million in Department of Defense drawdown authority for defense articles and services—for a total package of $100 million, far less than we are currently spending on a failed approach. This year, we are being billed around a half a billion dollars for our share of the U.N. peacekeeping operation. Our share for UNPROFOR next year will probably be closer to $600 million. We are also providing indirect support to this operation—for example, through NATO—which amounts to about $250 million annually. And, we do not get any discount when UNPROFOR is unable to do its job.

The bottom line is that keeping the U.N. in Bosnia is not cost-free. Indeed it is far more expensive than helping the Bosnians help themselves. Furthermore, we have to look at the costs of this failure to our credibility and our principles.

As we introduce this legislation today, President Clinton is poised to veto S. 21, the Dole-Lieberman legislation to lift the arms embargo on Bosnia.

Administration officials are reportedly in Europe devising new ways to divide Bosnia and Herzegovina and to bribe Serbian President Milosevic, while Ambassador Albright is briefing the Security Council on evidence that more than 2,000 people were buried in mass graves in the wake of the Bosnian Serb take over of Srebrenica.

No doubt about it, the international community is partially responsible for these war crimes. It has refused to protect the Bosnians and denied the

Bosnians the means to protect themselves.

How can America, the leader of the free world, continue to be a part of this immoral embargo? Administration officials even publicly acknowledge that it is immoral. As for the embargo's practical effect, it has been a total failure at achieving its goal of limiting violence and ending the war.

America should be leading the way toward a moral and rational policy that has some chance of resulting in a just and stable settlement. Instead, America is following an ineffective, failed approached based on appeasement.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1157

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Multilateral Bosnia and Herzegovina Self-Defense Fund Act".

SEC. 2. BOSNIA AND HERZEGOVINA SELF-DEFENSE FUND.

(a) AUTHORITY FOR ESTABLISHMENT.—(1) Subject to the other provisions of this section, the President is authorized to enter into an international agreement with eligible countries for the establishment of a fund to assist the self-defense of Bosnia and Herzegovina, which may be known as the "Multilateral Bosnia and Herzegovina Self-Defense Fund".

(2) The Secretary of State is authorized—

(A) to pay the United States contribution to the Fund out of amounts made available pursuant to section 3; and

(B) to transfer to the custody of the international board having responsibility for the Fund military equipment that has been drawn down in accordance with section 4.

(b) PURPOSE.—The purpose of the Fund shall be to provide an international mechanism for the procurement of military equipment and training for transfer to the Government of Bosnia and Herzegovina for the exercise of its right to self defense under Article 51 of the United Nations Charter, and to facilitate the achievement of a just and equitable peace settlement by enabling the government of Bosnia and Herzegovina to protect its population and territory.

(c) REQUIREMENTS.—An agreement referred to in subsection (a) shall meet the following requirements:

(1) UNITED STATES REPRESENTATION.—The United States will chair any international board having responsibility for the Fund.

(2) MEMBERSHIP OF THE INTERNATIONAL BOARD.—Membership of any international board having responsibility for the Fund will include, at a minimum, one representative of the Government of Bosnia and Herzegovina and one representative from the Government of Croatia.

(3) CONTROL OF MILITARY EQUIPMENT.—The agreement will provide procedures for the control of military equipment received by the international board having responsibility for the Fund.

(4) COMMITMENT BY THE GOVERNMENT OF BOSNIA AND HERZEGOVINA.—Before any military equipment or training purchased or otherwise acquired through the Fund, or held by the international board responsible for the Fund, may be transferred to the Government of Bosnia and Herzegovina that Government will provide written assurances that the equipment or training will not be used to take reprisals against any civilians in Bosnia and Herzegovina.

(5) IMPLEMENTATION.—No military equipment or training purchased or otherwise acquired through the Fund, or held by the international board responsible for the Fund, will be transferred to the Government of Bosnia and Herzegovina before the date of termination of the United States arms embargo against the Government of Bosnia and Herzegovina if such a transfer would violate the embargo.

(d) DEFINITIONS.—As used in this section:

(1) ELIGIBLE COUNTRIES.—The term "eligible countries" includes any foreign country other than a country the government of which the Secretary of State has determined, in accordance with section 6(j)(1)(A) of the Export Administration Act of 1979, repeatedly provides support for acts of international terrorism.

(2) FUND.—The term "Fund" means the fund established as provided in section 2(a).

(3) GOVERNMENT OF BOSNIA AND HERZEGOVINA.—The term "Government of Bosnia and Herzegovina" includes any agency, instrumentality, or forces of the Government of Bosnia and Herzegovina.

(4) UNITED STATES ARMS EMBARGO OF THE GOVERNMENT OF BOSNIA AND HERZEGOVINA.—The term "United States arms embargo of the Government of Bosnia and Herzegovina" means the application to the Government of Bosnia and Herzegovina of—

(A) the policy adopted July 10, 1991, and published in the Federal Register of July 19, 1991 (58 FR 33322) under the heading "Suspension of Munitions Export Licenses to Yugoslavia"; and

(B) any similar policy being applied by the United States Government as of the date of completion of withdrawal of UNPROFOR personnel from Bosnia and Herzegovina, pursuant to which approval is denied for transfers of defense articles and defense services to the former Yugoslavia.

SEC. 3. UNITED STATES CONTRIBUTION TO THE FUND.

Of the amounts made available for fiscal year 1996 to carry out the Foreign Military Financing Program under section 23 of the Arms Export Control Act, $50,000,000 shall be available only for payment to the Fund of the United States contribution authorized by section 2(a)(2)(A).

SEC. 4. DRAW DOWN AUTHORITY.

(a) AUTHORITY.—The President is authorized to transfer, subject to the regular notification procedures of the Committees on Appropriations of the House and the Senate, to the custody of the international board having responsibility for the Fund, without reimbursement, defense articles from the stocks of the Department of Defense and defense services of the Department of Defense of an aggregate value not to exceed $50,000,000 in fiscal year 1996.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for defense articles provided under this section.

SEC. 5. REPORT.

Sixty days after the date of enactment of this Act, the President shall submit a report to the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives on what steps the President and the Secretary of State have taken to carry out section 2(a).

SEC. 6. STATUTORY CONSTRUCTION.

Nothing in this Act shall be interpreted as authorization for deployment of United States forces in the territory of Bosnia and Herzegovina for any purpose, including training, support, or delivery of military equipment.

Mr. HELMS. Mr. President, I thank the majority leader for his statement and for his support, as I thank the other cosponsors.

Now, the purpose of this legislation is to correct an injustice that is burdening the conscience of millions of Americans, as well as citizens of all civilized countries around the world.

I refer, of course, to what so many Senators properly consider an imperative responsibility both personally and as a nation to move to untie the hands of the Bosnian people, thereby enabling them to acquire the means to defend themselves against Serbia's cruel genocide designed to achieve an illegal conquest of the sovereign nation of Bosnia.

Mr. President, on behalf of the distinguished majority leader [Mr. DOLE] Senators LIEBERMAN, MCCAIN, and myself, I shall momentarily send a bill to the desk to be read the first time.

The purpose of this legislation is to correct an injustice that is burdening the conscience of millions of Americans as well as citizens of all civilized countries around the world.

I refer of course to what so many Senators properly consider an imperative responsibility to move to untie the hands of the Bosnian people, thereby enabling them to acquire the means to defend themselves against Serbia's cruel genocide designed to achieve an illegal conquest of the sovereign nation of Bosnia.

Mr. President, in a joint hearing conducted yesterday by the Senate's Foreign Relations and Intelligence Committees to investigate war crimes in the former Yugoslavia, a distinguished witness asserted that the difference between the conduct of a great nation and the conduct of a mighty nation is that, while both are capable of shaping events far beyond their borders, a great nation is guided by deep sense of moral principle.

The greatest expression of that moral principle, as practiced by our Nation in the past, has been the enduring commitment that never again will we stand silent while a people fall victim to crimes against humanity—as did the Jews in World War II.

Could it be that that enduring commitment must today seem an empty one to the people of Bosnia?

Instead of protecting the Bosnian people, the United Nations—the very body created years ago to make certain that such genocide would never happen again—has served instead to render the Bosnian people defenseless in the face of Serbia's annihilation of their country.

And the United States, the leader of the Atlantic alliance, has done scarcely more than sit on the sidelines and watch as an entire nation of people is slowly exterminated.

Mr. President, we can no longer sit on the sidelines. The shameful policy of neutrality in the face of genocide must be brought to an end. There must be a policy, once and for all, that distinguishes clearly between victim and aggressor, and which puts the diplomatic, military, and financial resources of the United States squarely behind the victim.

No one doubts the magnitude of the abuse against the Bosnian people. Today's Washington Post discloses the Clinton administration has openly acknowledged that crimes against humanity are being committed this very moment in the center of Europe.

Yet the administration continues to deny the Bosnian victims any hope of defending themselves. The President of the United States—fully aware of these crimes—intends to veto the legislation Congress has passed to restore Bosnia's right of self-defense. This veto is wrong, it is unfair, it is unjust, and it must be overridden.

There are many in both the House and the Senate who have pledged to the people of Bosnia that we will do everything in our power to make sure Congress overrides that veto. And we will fight to pass legislation not only to lift this brutal embargo, but to help provide the Bosnian people with the means to defend themselves, their families and their sovereign nation.

Mr. President, it is time the United States began treating the Bosnian people the same way we treated the contras in Nicaragua and the mujahadeen in Afghanistan—as freedom fighters engaged in a war for the liberation of their country. We must help arm them and train them and to help them defend themselves against Serbian genocide.

The legislation we are introducing today will do just that. It will establish a multilateral fund to collect and hold donations by countries seeking to assist in the self-defense of Bosnia until the arms embargo is lifted.

The bill authorizes an initial U.S. contribution of $50 million in foreign military financing, and the transfer of up to $50 million in U.S. defense stocks. Moreover, it proposes to create the means to coordinate the efforts of nations such as Turkey, Malaysia, Jordan, and Saudi Arabia, who are eager to assist the Bosnians in a similar fashion.

Our bill will ensure that, upon the withdrawal of the failed United Nations mission, the Serb military will be unable to take advantage of any lag in the arming of the Bosnian people. The multilateral fund will allow the Bosnian Government to coordinate contributions—and to begin procurement by proxy—of the weapons they need for their national self-defense. The Bosnians will be able to ensure the necessary support and transport are available for immediate delivery of weapons after the lifting of the embargo. And finally, Bosnian soldiers will be travel to third countries to acquire training for the use of donated weapons.

Our legislation is consistent with the legislation to repeal the arms embargo in that it postpones the actual delivery of weaponry until the conclusion of the peacekeeping effort. But it will provide the Bosnian Government a running start as the arms embargo is lifted.

The President claims that the recent success of the Croatian military has created a new balance of power in the region, thereby giving us an opportunity for a political settlement. The President ignores the lessons of the last half-century. There can be no lasting peace built on weakness; there can only be peace through strength. Let us have no illusions that Serbia's recent defeats have taken away their craving for territorial expansion—Serbia's appetite for war, destruction and conquest is far from satisfied.

What the success of the recent Croatian offensive does show, however, is that the Serb aggression can be successfully confronted and defeated, and that Serbs can be driven from land they have unlawfully conquered. If a real and lasting peace is to come to Bosnia, we must help the Bosnians achieve it by forcing the Serbs to evacuate the land they have occupied in Bosnia. We must recognize that there can be no peace in that troubled region until the Bosnian people can defend themselves against aggression. We must help them restore their nation so that they can negotiate from a position to strength.

The lifting of the unlawful and unjust arms embargo on the Bosnian people is long overdue. And it will be lifted. The time has come to end America's silence in the face of the unspeakable injustices in Bosnia. The time is overdue to lift the embargo and help arm the Bosnian Moslems. I hope the Senate will vote to allow the Bosnian people to defend themselves at long last.

By Mr. KERRY (for himself and Mr. KENNEDY):

S. 1158. A bill to deauthorize certain portions of the navigation project for Cohasset Harbor, Massachusetts, and for other purposes; to the Committee on Environment and Public Works.

THE COHASSET HARBOR NAVIGATION PROJECT ACT

Mr. KERRY. Mr. President, I am pleased to introduce today with Senator KENNEDY the Cohasset Harbor Navigation Project Act.

This is a simple and straightforward bill that will enable an important navigation project in the harbor at Cohasset, MA to move ahead. Its purpose is to make a series of technical changes in the coordinates for the Army Corps of Engineers' Cohasset Harbor project that will enable the dredging project to proceed. The changes are necessary because of shoaling that has taken place since the harbor was last fully dredged in 1960. The shoaling led the Coast Guard in the Spring of 1994 to remove Cohasset Harbor from its previously recognized status as a "safe harbor" for storm refuge for certain vessels at sea. The Coast Guard now routinely sets and resets channel buoys which practically lay on their sides at low tide. Marine engineers and the Coast Guard agree that an offshore storm of any substantial magnitude will most probably cause the channel to be blocked completely by the transport of bottom sediment carried in storm surge waters.

The situation is having a damaging effect on our commercial fishing fleet, and the safe boating environment of Cohasset's portion of Massachusetts Bay. Most of Cohasset's racing and recreational vessels of any significant size cannot move into or out of the Harbor within 2 hours of low tide. The Town of Cohasset has worked closely with all parties to expedite the dredging of the inner and outer portions of the Harbor. The necessary permits are in place and the funding of $1.415 million, of which the Federal share is 85 percent, is in place. All that is needed for the project to proceed are the technical corrections in the coordinates which this legislation will provide. No further funding is needed.

I look forward to working with my colleagues on the relevant Committees to move this legislation forward. I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1158

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DEAUTHORIZATION OF NAVIGATION PROJECT, COHASSET HARBOR, MASSACHUSETTS.

The following portions of the project for navigation, Cohasset Harbor, Massachusetts, authorized by section 2 of the Act entitled "An Act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved March 2, 1945 (59 Stat. 12), or carried out pursuant to section 107 of the River and Harbor Act of 1960 (33 U.S.C. 577), are deauthorized: A 7-foot deep anchorage and a 6-foot deep anchorage; beginning at site 1, starting at a point N453510.15, E792664.63, thence running south 53 degrees 07 minutes 05.4 seconds west 307.00 feet to a point N453325.90, E792419.07, thence running north 57 degrees 56 minutes 36.8 seconds west 201.00 feet to a point N453432.58, E792248.72, thence running south 88 degrees 57 minutes 25.6 seconds west 50.00 feet to a point N453431.67, E792198.73, thence running north 01 degree 02 minutes 52.3 seconds west 66.71

feet to a point N453498.37, E792197.51, thence running north 69 degrees 12 minutes 52.3 seconds east 332.32 feet to a point N453616,30, E792508.20, thence running south 55 degrees 50 minutes 24.1 seconds east 189.05 feet to point of origin; then site 2, starting at a point, N452886.64, E791287.83, thence running south 00 degrees 00 minutes 00.0 seconds west 56.04 feet to a point, N452830.60, E791287.83, thence running north 90 degrees 00 minutes 00.0 seconds west 101.92 feet to a point, N452830.60, E791185.91, thence running north 52 degrees 12 minutes 49.7 seconds east 89.42 feet to a point, N452885.39, E791256.58, thence running north 87 degrees 42 minutes 33.8 seconds east 31.28 feet to point of origin; and site 3, starting at a point, N452261.08, E792040.24, thence running north 89 degrees 07 minutes 19.5 seconds east 118.78 feet to a point, N452262.90, E792159.01, thence running south 43 degrees 39 minutes 06.8 seconds west 40.27 feet to a point, N452233.76, E792131.21, thence running north 74 degrees 33 minutes 29.1 seconds west 94.42 feet to a point, N452258.90, E792040.20, thence running north 01 degree 03 minutes 04.3 seconds east 2.18 feet to point of origin.

Mr. KENNEDY. Mr. President, I am pleased to join my colleague from Massachusetts, Senator KERRY, in sponsoring this bill for an important navigation project for Cohasset Harbor. This bill is intended to make minor adjustments to the limits of Federal navigation and anchorage, in order to expedite the dredging planned by the U.S. Army Corps of Engineers.

The dredging is urgently needed. The harbor was last fully dredged in 1960, and shifting shoals have made the current channel unsafe for many vessels during several hours of each day at low tide. Cohasset depends on access to its harbor for commercial fishing and recreational vessels.

The proposed adjustment to the current limits for Federal navigation and anchorage in Cohasset Harbor was prepared by the Army Corps, working in close conjunction with town. The Coast Guard has strongly requested that this dredging project proceed promptly in order to restore the port's status as a "recommended harbor of refuge" during bad weather. I urge my colleagues to approve this legislation, which is of great importance to the people of Cohasset, their safety and the local economy.

By Mr. INOUYE (for himself, Mr. SIMON, Mr. CAMPBELL, and Mr. CONRAD):

S. 1159. A bill to establish an American Indian Policy Information Center, and for other purposes; to the Committee on Indian Affairs.

THE AMERICAN INDIAN POLICY INFORMATION CENTER ACT OF 1995

• Mr. INOUYE. Mr. President, I introduce a measure that reflects the culmination of a 4-year effort which has examined the feasibility of and has clearly documented the need for the establishment of the entity that this bill addresses.

Mr. President, over the course of the last few months, as the Senate has given consideration to broad reform proposals, we have once again found ourselves confronted with the challenge of securing accurate information with regard to the manner in which such proposals would affect Indian country.

For instance, in the context of welfare reform, we quickly learned that there was no central source from which we could secure the relevant information with regard to the Indian proportion of the population served by programs that are the subject of block grant proposals or with respect to unemployment rates in the respective reservation communities.

Nor is there a central source of data with regard to program administration or service delivery systems in Indian country, so that we might ascertain how best to assure that Federal programs which are block granted to the States address the social and economic conditions in Indian country. In light of a 200-year history of a Federal Indian government-to-government relationship that for the most part does not involve the State governments, how should the Congress provide for the administration of programs in Indian country under a State block grant system?

To effectively answer this question, we should have a range of policy and programmatic options to consider, but there is no existing body with the expertise and knowledge of Indian country that we can call upon to identify and analyze such options.

Mr. President, in most of Indian country policy-related information is very scarce. If tribal governments are to effectively participate in the decisonmaking process associated with reform proposals and other Federal actions, they too must have access to information and analyses that will assist them in doing so. It is these imperatives that this bill seeks to address.

The central purpose of the American Indian Policy Information Center that would be established under the bill would be one of making information and analyses available to agencies of the Federal Government, to the Congress, and to tribal and other governments that are not otherwise readily available to them. In addition to providing information collected from a variety of sources, the policy information center would be authorized to conduct or commission research to meet policy information needs and to conduct or sponsor forums to identify and explore policy issues.

The bill would establish a successor to the demonstration project now authorized as the National Indian Policy Center, and the activities proposed are among those that have been carried out as elements of the demonstration. The bill is a revision of a bill approved by the Senate Committee on Indian Affairs during the 103d Congress, but it has been modified on the basis of the experience of the current demonstration. In revising this measure, I have also drawn upon a bill drafted during the 103d Congress by Senator CRAIG THOMAS.

Mr. President, I am hopeful that my colleagues will give this measure their careful consideration and will join me in seeking its approval by the full Senate.•

By Mr. ROCKEFELLER:

S. 1160. A bill to amend the Internal Revenue Code of 1986 to provide that the depreciation rules which apply for regular tax purposes also shall apply for alternative minimum tax purposes; to the Committee on Finance.

THE ALTERNATIVE MINIMUM TAX DEPRECIATION RELIEF ACT OF 1995

• Mr. ROCKEFELLER. Mr. President, today I am introducing a relatively modest tax measure that could provide significant relief to capital intensive industries that show little to no profits and pay income taxes under the Alternative Minimum Tax [AMT]. This will eliminate a disincentive in tax policy towards key investment in industries that are vital to the country's economic competitiveness, job base, and industrial strength. This is one of the ways to help the employers, workers, and families in my state of West Virginia.

As a tax measure designed to enhance the competitiveness of industries that range from steel, to paper and wood products, autos, chemicals, and mining, this bill will result in a cost in the form of less revenue collected. But I am introducing the AMT Depreciation Relief Act of 1995 to serve as a practical, affordable option to consider along with the versions of AMT reform that have already passed the House and have been introduced earlier this year in the Senate. And I believe this bill addresses a real problem that Congress must work together to overcome.

Many manufacturers want to see a complete repeal of the AMT. Some especially want reform to address the problems which result from being effectively stuck in AMT status, such as the accumulation of credits and past investments in plants and equipment modernization, which I think merit serious attention.

This bill focuses specifically on the problem of the way the AMT treats the depreciation of assets, which is a root cause of why many companies remain stuck in AMT status. If and when a resolution is worked out to deal with the problem in the way depreciation is calculated, we will go a long way to getting companies out of AMT status, with the result that then they would be able to use their accumulated credits.

As my colleagues know, the corporate AMT was created in the 1986 Tax Act in response to the problem raised when companies would report profits to stockholders, but then claim losses to the IRS. However, the subsequent action taken in this area as part of that historic effort to "simplify" the code had the unintended consequence of penalizing low-profit, capital-intensive companies, because the AMT treats depreciation as an adjustment (or increase in income). As Tom Usher, the chairman and CEO of USX explained to the House Ways and Means Committee in January 1995: "under the AMT, most steel making assets are subject to a 15-year capital cost recovery period and a 150-percent declining balance method, compared to 7 years and 200 percent under the regular tax." What that means is that compared to other countries, after 5 years, a U.S. steelmaker under AMT recovers only 37 percent on its investment in new plant and equipment, versus the recovery for companies in other countries, that include 58 percent in Japan, 81 percent in Germany, 90 percent in Korea, and 100 percent in Brazil.

What it comes down to is that under the regular tax system, depreciation adjustments are designed to encourage investment. However, the AMT has had the unintended consequence of, if anything, discouraging investment in new plants and equipment. This is precisely the wrong signal to send to our Nation's capital intensive industries.

At its heart, this is an issue for how well our companies can compete on the world stage. For years, I have focused on how trade laws are used to ensure that our domestic industries can compete with unfairly sold imports. However, the present AMT policies have created a situation which hinders that competitive position.

The fix I am suggesting would eliminate depreciation as a adjustment under the alternative minimum tax. Quite simply, that means that depreciation for companies in an AMT status would be treated in precisely the same way as for companies in a regular tax status.

This is a simple, two-page, bill. It proposes a modest change in the tax code that will have a very beneficial impact on the bottom line of some of America's most important industries and employers. I am looking forward to bipartisan support for this change, and hope it can be made quickly. I urge my colleagues to join me as cosponsors.•

By Mr. BAUCUS:

S. 1161. A bill to amend the Internal Revenue Code of 1986 to exempt small manufacturers, producers and importers from the firearms excise tax; to the Committee on Finance.

EXCISE TAX LEGISLATION

• Mr. BAUCUS. Mr. President, today I am introducing legislation which will exempt custom gunsmiths who manufacture, produce or import fewer than 50 guns a year from the Federal excise tax on firearms.

In 1982, this body passed legislation which was subsequently signed into law which was intended to relieve custom gunsmiths from the excise tax.

Apparently we were not clear enough. Notwithstanding that legislation, the Internal Revenue Service and the Bureau of Alcohol, Tobacco and Firearms continue to attempt to collect the excise tax from custom gunsmiths.

Mr. President, the custom gunsmith is a small operator. While ignorance of the law is no excuse, many of these small operators do not know that an excise tax is owed until they receive a visit from the IRS or the BATF. Because the number of custom gunsmiths is small and because they produce few guns, the revenue raised from the imposition of the excise tax is insubstantial. In fact, the BATF has indicated that the cost to the BATF of collecting the tax may well exceed the revenue raised from the tax.

For all of these reasons, Congress attempted to relieve custom gunsmiths from the firearms excise tax in 1982.

The bill I introduce today completes that job.•

By Mr. MOYNIHAN (for himself and Mr. D'AMATO):

S. 1162. A bill to amend the Internal Revenue Code of 1986 to treat academic health centers like other educational institutions for purposes of the exclusion for employer-provided housing; to the Committee on Finance.

EMPLOYER-PROVIDED HOUSING LEGISLATION

Mr. MOYNIHAN. Mr. President, I rise today on behalf of myself and Senator D'AMATO to introduce a bill that would correct an anomaly, by extending to faculty at independent academic health centers an exclusion from income tax for employer-provided housing that is enjoyed by faculty at university-affiliated health centers. In 1986, Congress enacted a provision allowing employees of educational institutions to exclude from income the excess of the fair market value of the university-provided housing over the rent actually paid. This exclusion permits universities to attract faculty and staff with the necessary expertise to meet the university's needs. The availability of this exclusion is especially vital to those institutions located in high-cost housing areas like New York City.

Currently, faculty at academic health centers that are not affiliated with a university are not allowed to exclude the excess value of their employer-provided housing. This is the case despite the fact that independent academic health centers perform the same function as university-affiliated institutions, and that the situation of their employees is likewise identical to that of their counterparts. Many of the tenants of center-owned housing are employees pursuing advanced training at the academic health center, often at substantial financial hardship. Because of the difference in tax treatment, independent institutions are placed at a competitive disadvantage in terms of their ability to attract these highly qualified employees. Academic health centers are an important national resource, performing essential research and providing other significant contributions to our Nation's health care. By enacting this bill, Congress would ensure the continued ability of independent academic health centers to pursue their missions of patient care, education, and research.

Our bill is narrowly drawn to focus only on this competitive disadvantage. Under the proposed amendment, the academic health center must, first, qualify as a tax-exempt hospital or medical research organization eligible to receive charitable contributions; second, it must receive Federal funding for graduate medical education; and third, it must engage in and teach basic and clinical medical science and research with the organization's own faculty. The bill would have negligible impact on revenue.

We believe that this legislation would rectify the inequitable treatment currently accorded the faculty of independent academic health centers, ensuring fair tax treatment for these employees and the continued excellence of the institutions for which they work.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1162

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF HOUSING PROVIDED TO EMPLOYEES BY ACADEMIC HEALTH CENTERS.

(a) IN GENERAL.—Paragraph (4) of section 119(d) of the Internal Revenue Code of 1986 (relating to lodging furnished by certain educational institutions to employees) is amended to read as follows:

"(4) EDUCATIONAL INSTITUTION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'educational institution' means—

"(i) an institution described in section 170(b)(1)(A)(ii), or

"(ii) an academic health center.

"(B) ACADEMIC HEALTH CENTER.—For purposes of subparagraph (A), the term 'academic health center' means an entity—

"(i) which is described in section 170(b)(1)(A)(iii),

"(ii) which receives (during the calendar year in which the taxable year of the taxpayer begins) payments under subsection (d)(5)(B) or (h) of section 1886 of the Social Security Act (relating to graduate medical education), and

"(iii) which has as one of it principal purposes or functions the providing and teaching of basic and clinical medical science and research with the entity's own faculty."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1994.

By Mr. LEAHY (for himself, Mr. GREGG, Mr. JEFFORDS, Mr. COHEN, and Ms. SNOWE):

S. 1163. A bill to implement the recommendations of the Northern Stewardship Lands Council; to the Committee on Agriculture, Nutrition, and Forestry.

THE NORTHERN FOREST STEWARDSHIP ACT

Mr. LEAHY. Mr. President, today I am proud to introduce the Northern Forest Stewardship Act of 1995, a bill that represents the highest standards of the legislative process. The legislation we are introducing is founded on extensive research, open discussion, consensus decisions, and visionary problem solving. The goal of this bill is to capture perfectly the vision of Northern Forest Lands Council and northern communities.

The Northern Forest Lands Council process was initiated to avoid the divisive conflicts that have torn communities apart in some regions of our country. Too often we have seen parties fuel conflicts for political gain, exacerbate conflicts with misinformation, or prolong conflicts in hopes of a one-sided windfall. Over the past 4 years, the Northern Forest communities made dedicated effort to steer clear of divisive conflict to chart a future for themselves. They have worked hard to develop a consensus vision. We owe it to them to deliver the requests they have made.

This legislation delivers these requests. It goes no further than the Council's recommendations and nor does it fall short. This bill includes a package of technical and financial assistance programs that I believe this Congress can and should support. Sometimes studies are commissioned primarily to delay solution or pacify a problem. The Council's study was driven by a desire to achieve something. The northern forest delegation will not let this study sit on a shelf. Between the Family Forestland Preservation Act (S. 692) and the Northern Forest Stewardship Act, Congress can achieve for the people of the Northern Forest the requests they have made of us.

The legislation embodies the conservation ethic of the 1990's—non-regulatory incentives and assistance to realize community-based goals for sustainable economic and environmental prosperity. The rights and responsibilities of landowners are emphasized, the primacy of the state is reinforced, and the traditions of the region are protected. And yet, the bill also promotes new ways of achieving our goals and a common vision that did not exist several years ago. Moving ahead with the Council's work, we will pursue enhanced forest management, land protection that supports the recreational and wildlife needs of the region, integrated research and decisionmaking, and increased productivity in the traditional industries and new compatible industries. Through this bill, I hope to boost sustainable development and protect the ecological integrity of biological resources across the landscape. The Nation has taken notice of this highly successful effort as a model for meeting the conservation challenges of the country, and I am confident of its inevitable success.

I welcome the constructive input of people who will compare this legislation with the recommendations, research, and public participation in the Northern Forest Lands Council.

It is my goal to create a perfect representation of the future described in the report to Congress Finding Common Ground: Conserving the Northern Forest. Most of all, I want the Council's solutions to work, and work well. I hope all affected citizens will take advantage of the opportunity to shape the final product of their hard work.

I want to congratulate the members of the Council for their success, and most importantly the people of the Northern Forest for their enthusiasm for this process. Thousands of people took time from their busy lives to drive down to a school auditorium, local restaurant, or hotel auditorium to share their views on the Northern Forest. Hundreds more put pen to paper or picked up the phone to register their thoughts. Without their effort, this would be an empty process. It is a vibrant process and the will of the majority produced a brilliant piece of work.

I will include a short section-by-section summary of the bill for the RECORD that emphasizes the Council recommendation that inspired each provision. I also want to thank Senators GREGG, JEFFORDS, COHEN, and SNOWE for their contributions to this draft, and I look forward to working with entire delegation to refine this legislation if necessary, and move it through the Senate in the upcoming months.

Mr. President, the Council's process has the highest integrity, the recommendations reflect the true consensus vision of the Northern Forest communities, and I believe we owe it to Northern New England to follow through on their expectations.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION SUMMARY

OVERVIEW

The Northern Forest Stewardship Act takes the specific consensus proposals of the Northern Forest Lands Council that require Congressional action and translates them into legislation. The Council's proposals reflect four years of research and public input refined and condensed by the diverse membership of the Council. This bill, together with the Family Forestland Preservation Act (S. 692), goes no further than, nor falls short of, the Council's proposals for the Northern Forest lands. Affected parties are encouraged submit constructive comments to their Congressional delegation to make this a perfect representation of the Council's consensus vision. The authorities in this bill are voluntary opportunities for technical and financial assistance to states, landowners, businesses and scientists to work in partnership with the federal government and each other to achieve stewardship goals.

SECTION 1: TITLE—NORTHERN FOREST STEWARDSHIP ACT

SECTION 2: DECLARATIONS

The first ten principles are lifted from the Council's fundamental principles on page 15 of the report to Congress. The eleventh one is added to make them relevant to this bill.

SECTION 3: MARKETING COOPERATIVES

Section 3 implements recommendation #23 to facilitate the formation of forestry cooperatives. Timber growers are eligible to form cooperatives under the Capper-Volstead Act of 1922, but few cooperative efforts in New England have been successful. This provision directs the Secretary to provide assistance and evaluate the opportunities to increase profitability and improve forest management through cooperatives.

SECTION 4: PRINCIPLES OF SUSTAINABILITY

Section 4 implements recommendations #10 and #11 to define measurable benchmarks for sustainability and facilitate the formation of best management practice to achieve sustainability. The principles of sustainability for Sec (4)(b) are lifted from page 42 of the Council's report.

SECTION 5: NORTHERN FOREST RESEARCH COOPERATIVE

Section 5 implements recommendations #33 to form a research cooperative much like Senator Gorton's "Blue Mountain Institute" in the 1990 Farm Bill with objectives defined on page 86 of the Council's report.

SECTION 6: INTERSTATE COORDINATION STRATEGY

Section 6 implements the recommendation on page 95 to facilitate continued dialogue between the four states. Section 6 names representatives to an interstate working group with wide flexibility to include state roundtables.

SECTION 7: LABOR SAFETY AND TRAINING

Section 7 implements recommendation #27 to improve worker safety and thereby reduce operating costs for forest products companies.

SECTION 8: LAND CONSERVATION

Section 8 implements recommendations #16 and #17 to improve funding opportunities for public land acquisition by both the states and the federal government. This creates a new authority to protect important recreation and conservation land but does not guarantee increased funding. Section 8 also establishes a public process for prioritizing public acquisition.

SECTION 9: LANDOWNER LIABILITY EXEMPTION

Section 9 expresses the sense of the Senate that states should enact laws to reduce the liability of landowners who make their lands available for free public use as requested in recommendation #26.

SECTION 10: NONGAME CONSERVATION

Section 10 expresses the sense of the Senate that a mechanism is needed to protect nongame wildlife using a user fee similar to the Wallop-Breaux and Pittman-Robertson programs as requested in recommendation #14. A full legislative proposal may be ready within the year and it should be considered after it has been introduced.

SECTION 11: AUTHORIZATION FOR APPROPRIATIONS/RURAL DEVELOPMENT

Section 11 provides such sums as necessary for implementation and authorizes targeted rural development funding for the Northern Forest states through the Rural Development Through Forestry program.

By Mr. ROCKEFELLER:

S. 1164. A bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 with respect to inventions made under cooperative research and development agreements, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE TECHNOLOGY TRANSFER IMPROVEMENTS ACT OF 1995

• Mr. ROCKEFELLER. Mr. President, I am pleased today to introduce the 1995 version of the Technology Transfer Improvements Act, a bill I first introduced in 1993. This legislation will help facilitate and speed technology cooperation between companies and Federal laboratories, and thus will benefit our economy and citizens.

It does so by giving both companies and Federal laboratories clear guidelines regarding intellectual property rights to technology developed under cooperative research projects—guidelines that will reduce negotiating time and reduce the uncertainty that can deter companies from working with the Government.

Specifically, the bill amends the Stevenson-Wydler Technology Innovation Act, which since 1986 has allowed Federal laboratories to enter into cooperative research and development agreements [CRADA's] with industry and other collaborating parties. The laboratories can contribute people, facilities, equipment, and ideas, but not funding, and the companies contribute people and funding.

Even under the current law, the CRADA provision has been a success. Hundreds of these agreements have been signed and carried out in recent years, making expertise and technology that the Federal Government has already paid for through its mission-related work available to the wider economy. But we also have seen a problem. Currently, the law provides little guidance on what intellectual property rights a collaborating partner should receive from a CRADA. The current law gives agencies very broad discretion on this matter, which provides flexibility but also means that both companies and laboratory executives must laboriously negotiate patent rights each time they discuss a new CRADA. Neither side has much guidance as to what constitutes an appropriate agreement regarding intellectual property developed under the CRADA. Options range from assigning full patent title to the company all the way to providing the firm with only a nonexclusive license for a narrow field of use.

In conversations with company executives, we learned that this uncertainty—and the time and effort involved in negotiating intellectual property from scratch in each CRADA—was often a barrier to working with government laboratories. Companies are reluctant to enter into a CRADA, or, equally important, to commit additional resources to commercialize a CRADA invention, unless they have some assurance they will control important patent rights.

In 1993, I began working with Congresswoman CONNIE MORELLA on possible ways to reduce the uncertainty and negotiating burden facing companies, while still ensuring that the Government interest remains protected. To begin legislative discussion on this matter, I introduced S. 1537 on October 7, 1993, for myself and Senator DeConcini, then chairman of the Senate Patent Subcommittee. That bill would have directed Federal laboratories to assign to the collaborating party—the company—title to any intellectual property arising from a CRADA, in exchange for reasonable compensation to the laboratory and certain patent safeguards.

S. 1537 also contained a second provision—an additional incentive for Federal scientists to report and develop inventions that might have commercial as well as Government value. The General Accounting Office [GAO] had recommended that Federal inventors receive more of the royalties received by laboratories as Government compensation under CRADA's. My bill incorporated that recommendation.

Soon after Senator DeConcini and I introduced our bill, Congresswoman MORELLA introduced the companion House bill, H.R. 3590. In subsequent House and Senate hearings, the bill received strong support from industry, professional societies, trade associations, and the administration. At that point, we also began working closely with Commerce Department Under Secretary for Technology Mary Good and her staff, who helped us obtain detailed technical suggestions from executive branch agencies and other patent experts. We made major progress during the 103d Congress, but in 1994 ran out of time to complete action on the legislation.

Now we are back with a similar bill that incorporates suggestions made by the experts. Through her position as Chair of the House Science Committee's Subcommittee on Technology, Congresswoman MORELLA has worked closely with us and the administration to produce a revised version of the bill which I believe is strongly supported by all interested parties. The revised bill continues to focus on the twin issues of company rights under a CRADA and royalty sharing for Federal investors.

The revised bill would give a collaborating party a statutory option to choose an exclusive license for a field of use for any such invention created under the agreement. Agencies may still assign full patent title to the company; the agencies we consulted felt they needed to retain that flexibility, and our new bill allows them to do so. But the important point is that a company will now know that it is assured of having no less than an exclusive license in a field of use of its choosing. This statutory guideline will give companies real assurance that they will get important intellectual property out any CRADA they fund. In turn, that assurance will give those companies both an extra incentive to enter into a CRADA and the knowledge that they can safely invest further in the commercialization of that invention, knowing they have an exclusive claim on it.

In return, the Government may negotiate for reasonable compensation, such as royalties. And the Government retains minimal rights to use the invention under unusual but important circumstances, such as when the invention is needed to meet health and safety needs that are not reasonably satisfied by the collaborating party.

In sum, the bill continues to carry out the original purpose we envisioned in 1993—providing guidelines that simplify the negotiation of CRADA's and, in the process, give companies greater assurance they will share in the benefits of the research they fund. We expect that this change will increase the number of CRADA's, reduce the time and effort required to negotiate them, and thus speed the transfer of laboratory technology and know-how to the broader economy.

The revised version also contains a slightly revised version of the provision regarding royaltysharing for Federal inventors. Under the new bill, agencies each year must pay a Federal inventor the first $2,000 in royalties received because of that person's inventions, plus at least 15 percent of any additional annual royalties. By rewarding Federal inventors, we will give them an incentive to report inventions and work in CRADA's. The bill involves no Federal spending; all rewards would be from royalties paid to the Government by companies and others.

Mr. President, Mrs. MORELLA introduced the House version of the revised bill last Friday, August 4. It is H.R. 2196. Cosponsors include House Science Committee Chairman BOB WALKER, House Science Committee Ranking Member GEORGE BROWN, and Technology Subcommittee Ranking Member JOHN TANNER. Today I am proud to introduce the same bill in the Senate.

This bill is a concrete step toward making our Government's huge investment in science and technology—an investment made primarily to carry out important Government missions—more useful to commercial companies and our economy. If we do it right, the end result will be new technologies, new products, and new jobs for Americans. I look forward to continuing to work with my House and Senate colleagues and with the administration to enact this valuable, focused piece of legislation.

Mr. President, I ask unanimous consent that a summary sheet prepared by Mrs. MORELLA's office and the text of the bill itself be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Technology Transfer Improvements Act of 1995".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Bringing technology and industrial innovation to the marketplace is central to the economic, environmental, and social well-being of the people of the United States.

(2) The Federal Government can help United States business to speed the development of new products and processes by entering into cooperative research and development agreements which make available the assistance of Federal laboratories to the private sector, but the commercialization of technology and industrial innovation in the United States depends upon actions by business.

(3) The commercialization of technology and industrial innovation in the United States will be enhanced if companies, in return for reasonable compensation to the Federal Government, can more easily obtain exclusive licenses to inventions which develop as a result of cooperative research with scientists employed by Federal laboratories.

SEC. 3. USE OF FEDERAL TECHNOLOGY

Subparagraph (B) of section 11(e)(7) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(e)(7)(B)) is amended to read as follows:

"(B) A transfer shall be made by any Federal agency under subparagraph (A), for any fiscal year, only if the amount so transferred by that agency (as determined under such subparagraph) would exceed $10,000.".

SEC. 4. TITLE TO INTELLECTUAL PROPERTY ARISING FROM COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS.

Subsection (b) of section 12 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710a(b)) is amended to read as follows:

"(b) ENUMERATED AUTHORITY.—(1) Under an agreement entered into pursuant to subsection (a)(1), the laboratory may grant, or agree to grant in advance, to a collaborating party patent licenses or assignments, or options thereto, in any invention made in whole or in part by a laboratory employee under the agreement, for reasonable compensation when appropriate. The laboratory shall ensure that the collaborating party has the option to choose an exclusive license for a field of use for any such invention under the agreement or, if there is more than one collaborating party, that the collaborating parties are offered the option to hold licensing rights that collectively encompass the rights that would be held under such an exclusive license by one party. In consideration for the Government's contribution under the agreement, grants under this paragraph shall be subject to the following explicit conditions:

"(A) A nonexclusive, nontransferable, irrevocable, paid-up license from the collaborating party to the laboratory to practice the invention or have the invention practiced throughout the world by or on behalf of the Government. In the exercise of such license, the Government shall not publicly disclose trade secrets or commercial or financial information that is privileged or confidential within the meaning of section 552(b)(4) of title 5, United States Code, or which would be considered as such if it had been obtained from a non-Federal party.

"(B) If a laboratory assigns title or grants an exclusive license to such an invention, the Government shall retain the right—

"(i) to require the collaborating party to grant to a responsible applicant a nonexclusive, partially exclusive, or exclusive license to use the invention in the applicant's licensed field of use, on terms that are reasonable under the circumstances; or

"(ii) if the collaborating party fails to grant such a license, to grant the license itself.

"(C) The Government may exercise its right retained under subparagraphs (B)(ii) and (iii) only if the Government finds that—

"(i) the action is necessary to meet health or safety needs that are not reasonably satisfied by the collaborating party;

"(ii) the action is necessary to meet requirements for public use specified by Federal regulations, and such requirements are not reasonably satisfied by the collaborating party; or

"(iii) the collaborating party has failed to comply with an agreement containing provisions described in subsection (c)(4)(B).

"(2) Under agreements entered into pursuant to subsection (a)(1), the laboratory shall ensure that a collaborating party may retain title to any invention made solely by its employee in exchange for normally granting the Government a nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention or have the invention practiced throughout the world by or on behalf of the Government for research or other Government purposes.

"(3) Under an agreement entered into pursuant to subsection (a)(1), a laboratory may—

"(A) accept, retain, and use funds, personnel, services, and property from a collaborating party and provide personnel, services, and property to a collaborating party;

"(B) use funds received from a collaborating party in accordance with subparagraph (A) to hire personnel to carry out the agreement who will not be subject to full-time-equivalent restrictions of the agency; and

"(C) to the extent consistent with any applicable agency requirements or standards of conduct, permit an employee or former employee of the laboratory to participate in an effort to commercialize an invention made by the employee or former employee while in the employment or service of the Government.

"(4) A collaborating party in an exclusive license in any invention made under an agreement entered into pursuant to subsection (a)(1) shall have the right of enforcement under chapter 29 of title 35, United States Code.

"(5) A Government-owned, contractor-operated laboratory that enters into a cooperative research and development agreement pursuant to subsection (a)(1) may use or obligate royalties or other income accruing to the laboratory under such agreement with respect to any invention only—

"(A) for payments to inventors;

"(B) for purposes described in clauses (i), (iii), and (iv) of section 14(a)(1)(B); and

"(C) for scientific research and development consistent with the research and development missions and objectives of the laboratory.".

SEC. 5. DISTRIBUTION OF INCOME FROM INTELLECTUAL PROPERTY RECEIVED BY FEDERAL LABORATORIES.

Section 14 of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710c) is amended—

(1) by amending subsection (a)(1) to read as follows:

"(1) Except as provided in paragraphs (2) and (4), any royalties or other payments received by a Federal agency from the licensing and assignment of inventions under agreements entered into by Federal laboratories under section 12, and from the licensing of inventions of Federal laboratories under section 207 of title 35, United States Code, or under any other provision of law, shall be retained by the agency whose laboratory produced the invention and shall be disposed of as follows:

"(A)(i) The head of the agency or laboratory, or such individual's designee, shall pay each year the first $2,000, and thereafter at least 15 percent, of the royalties or other payments to the inventor or coinventors.

"(ii) An agency or laboratory may provide appropriate incentives, from royalties or other payments, to employees of a laboratory who contribute substantially to the technical development of licensed or assigned inventions between the time that the intellectual property rights to such inventions are legally asserted and the time of the licensing or assigning of the inventions.

"(iii) The agency or laboratory shall retain the royalties and other payments received from an invention until the agency or laboratory makes payments to employees of a laboratory under clause (i) or (ii).

"(B) The balance of the royalties or other payments shall be transferred by the agency to its laboratories, with the majority share of the royalties or other payments from any invention going to the laboratory where the invention occurred. The royalties or other payments so transferred to any laboratory may be used or obligated by that laboratory during the fiscal year in which they are received or during the succeeding fiscal year—

"(i) to reward scientific, engineering, and technical employees of the laboratory, including developers of sensitive or classified technology, regardless of whether the technology has commercial applications;

"(ii) to further scientific exchange among the laboratories of the agency;

"(iii) for education and training of employees consistent with the research and development missions and objectives of the agency or laboratory, and for other activities that increase the potential for transfer of the technology of the laboratories of the agency;

"(iv) for payment of expenses incidental to the administration and licensing of intellectual property by the agency or laboratory with respect to inventions made at that laboratory, including the fees or other costs for the services of other agencies, persons, or organizations for intellectual property management and licensing services; or

"(v) for scientific research and development consistent with the research and development missions and objectives of the laboratory.

"(C) All royalties or other payments retained by the agency or laboratory after payments have been made pursuant to subparagraphs (A) and (B) that is unobligated and unexpended at the end of the second fiscal year succeeding the fiscal year in which the royalties and other payments were received shall be paid into the Treasury.";

(2) in subsection (a)(2)—

(A) by inserting "or other payments" after "royalties"; and

(B) by striking "for the purposes described in clauses (i) through (iv) of paragraph (1)(B) during that fiscal year or the succeeding fiscal year" and inserting in lieu thereof "under paragraph (1)(B)";

(3) in subsection (a)(3), by striking "$100,000" both places it appears and inserting "$150,000";

(4) in subsection (a)(4)—

(A) by striking "income" each place it appears and inserting in lieu thereof "payments";

(B) by striking "the payment of royalties to inventor" in the first sentence thereof and inserting in lieu thereof "payments to inventors";

(C) by striking "clause (i) of paragraph (1)(B)" and inserting in lieu thereof "clause (iv) of paragraph (1)(B)";

(D) by striking "payment of the royalties," in the second sentence thereof and inserting in lieu thereof "offsetting the payments to inventors,"; and

(E) by striking "clauses (i) through (iv) of"; and

(5) by amending paragraph (1) of subsection (b) to read as follows:

"(1) by a contractor, grantee, or participant, or an employee of a contractor, grantee, or participant, in an agreement or other arrangement with the agency, or".

SEC. 6. EMPLOYEE ACTIVITIES.

Section 15(a) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710d(a)) is amended—

(1) by striking "the right of ownership to an invention under this Act" and inserting in lieu thereof "ownership of or the right of ownership to an invention made by a Federal employee"; and

(2) by inserting "obtain or" after "the Government, to".

SEC. 7. AMENDMENT TO BAYH-DOLE ACT.

Section 210(e) of title 35, United States Code, is amended by striking ", as amended by the Federal Technology Transfer Act of 1986,".

THE TECHNOLOGY TRANSFER IMPROVEMENTS ACT OF 1995—OUTLINE SUMMARY

STATUTORY AUTHORITY

The Act amends the Stevenson-Wydler Technology Innovation Act of 1980 and the Federal Technology Transfer Act of 1986 by crating incentives to promote technology commercialization and for other purposes. The Act would impact upon technology transfer policies in both Government-owned, Government-operate, laboratories (GOGOs) and Government-owned, Contractor-operated laboratories (GOCOs).

SPECIFIC BILL OBJECTIVES

(1) Provides assurances to United States industry that they will be granted sufficient rights to justify prompt commercialization of resulting inventions arising from CRADAs with Federal laboratories; (2) Provides important new incentives to Federal laboratory personnel who create new inventions, and (3) Provides several clarifying amendments to strengthen the current law.

THE TWO MAJOR SECTIONS OF THE BILL

Title to intellectual property arising from CRADAs (Section 4). Guarantees of collaborating partner from industry, in a CRADA, the option to choose an exclusive license for a field of use for any such invention created under the agreement. This is an important change because it permits industry to select which option of rights to the invention makes the most sense under the CRADA, in order for industry to commercialize promptly.

Distribution of income from intellectual property received by Federal labs—Royalties (Section 5). Responds to criticism made by the GAO and witnesses at previous Committee hearings that agencies are not sufficiently providing incentives and rewarding laboratory personnel. The change is significant because it comes at a time that both Federal laboratories and industry need to work closer together for their mutual benefit and our national competitiveness. Requires that agencies must pay Federal inventors each year the first $2,000, and thereafter at least 15% of the royalties, received by the agency for the inventions made by the employee. It also allows for rewarding other lab personnel involved in the project, permits agencies to pay for related administrative and legal costs, and provides a significant new incentive by allowing the laboratory to use royalties for related research in the laboratory.

EFFECT UPON CRADA PARTNER UNDER THE ACT

Right to choose exclusive or non-exclusive license in a field of use for resulting CRADA invention.

Assurance that privileged and confidential information will be protected when CRADA invention is used by the Government.

EFFECT UPON GOVERNMENT UNDER THE ACT

Right to use invention for legitimate governmental needs with minimum statutory rights to the invention.

March-in rights to require license to others for public health, safety, or regulatory reasons.

March-in rights to require license to others for failure to manufacture resulting technologies in the United States.

Clarifies contributions laboratories can make in a CRADA; continues current prohibition of direct Federal funds to CRADA.

Clarifies that agencies may use royalty revenue to hire temporary personnel to assist in the CRADA or in related projects.

Permits agencies to use royalty revenue for related research in the laboratory, and related administrative & legal costs.

Would return all unused royalty revenue to the Treasury after the completion of the second fiscal year.

EFFECT UPON FEDERAL SCIENTIST/INVENTOR UNDER THE ACT

Inventors would receive the first $2,000 each year and thereafter at least 15% of the royalties.

Restates current law permitting the Federal employee to work on the commercialization of their invention.

Clarifies that the inventor has rights to his or her invention when the Government chooses not to pursue it.●

By Mr. HATCH:

S. 1165. A bill to amend the Internal Revenue Code of 1986 to allow a tax credit for adoption expenses and an exclusion for employer-provided adoption assistance; to the Committee on Finance.

THE FAIRNESS FOR ADOPTING FAMILIES ACT

Mr. HATCH. Mr. President, I rise to introduce the Fairness for Adopting Families Act. This act reimburses legitimate adoption expenses through a nonrefundable tax credit and permits companies to offer adoption benefits to their employees as a tax-free fringe benefit.

We should be grateful, Mr. President, that many parents in America today form their families through adoption. Our laws should help alleviate the cost barriers associated with an adoption. Many Americans are unaware of the enormous costs associated with an adoption. It's not uncommon for the adopting family to pay thousands in legal expenses, prenatal care for the birth mother, and the cost of the adopted child's hospital delivery. And none of these expenses is tax deductible.

If an employer helps to pay an employee's pregnancy expenses by funding an insurance policy or paying the fees for an employee to join an HMO, these expenses are treated as tax-free fringe benefits. But if an employer decides to help his or her employees form families through adoption, it will have to pay these expenses in after-tax dollars. Mr. President, this is just not fair.

Our tax system should encourage families to adopt children. Adoption is an option that can relieve some of the suffering and loneliness that too many young children face. Adoption is vitally important to millions of couples and to children wanting to belong to a family of their own. In America today, Mr. President, an estimated 36,000 adoptable children remain in foster care or institutions, often bereft of the nurturing, guidance, and security that all children need, because of public and private barriers to adoption. Mr. President, a majority of these children have special physical, emotional, or mental needs; or they may have reached school age, have brothers and sisters with whom they must be adopted, or be of various ethnic backgrounds.A stable home and strong role models are especially important for these at-risk youngsters.

The Fairness for Adopting Families Act provides adopting families with a desperately needed tax credit, needed by children who are waiting to be adopted and needed by families who are sacrificing to finance the ever-increasing costs of adopting a child. In today's changing society, we must continue to express our support for the family unit. Mr. President, with the increase in teenage pregnancy, broken homes, and children born out of wedlock, adoption can provide many of these children with a chance to succeed in life. We all agree that strong families are the key to a strong America. A true pro-family policy would assist families being formed through adoption.

Mr. President, to many families wishing to adopt a child, the costs associated with such a procedure are simply prohibitive. Prospective parents are often required to pay not only court and attorney fees but also expenses for maternity home services, hospital and physician costs, and, at times, prenatal care for the birth mother. Data provided by the National Council for Adoption show that the actual costs connected with legal adoptions can easily exceed $15,000.

Mr. President, one family in my home State of Utah illustrates the financial burden an adoption can place on a family. This family was in the process of adopting an infant. All of the paperwork had been filed with the appropriate agencies when they discovered that they were required to pay a lump sum of $13,000 within a short period of time. This was a significant amount of money for this middle-class family, Mr. President. Their insurance company would reimburse them for $3,000, but only after the adoption was finalized. Tragically, this heartbroken family simply could not afford to continue with the adoption and had to discontinue the proceeding. Situations like this should not have to happen. Family wealth should not be the determining factor in adopting a child.

This bill recognizes the importance of the family unit by alleviating some of the cost barriers associated with adoption. This legislation has two major features.

First, it provides a nonrefundable tax credit of up to $5,000 for legitimate adoption expenses. One of the problems with most nonrefundable tax credits, Mr. President, is that they can only help families with sizeable tax liabilities. If a family spends $5,000 on an adoption but only owes $2,000 in Federal income taxes, $3,000 of credit would ordinarily be lost under a nonrefundable system.

To help lower-income families who may not owe much in Federal income taxes, this bill would allow any unused adoption credit to be carried forward for up to 5 years. This will avoid some of the problems that have unfortunately arisen with the only refundable credit currently in the personal income tax, the earned income tax credit.

Second, the bill would exclude from an employee's gross income up to $5,000 for adoption expenses paid by an employer; those who participate in the military's adoption expense reimbursement program would also receive this exclusion. This feature of my bill provides fair treatment for adopting families. Many of America's employers have recognized the importance of adoption, and this bill's provisions build upon that recognition. Corporations such as Dow Chemical, Wendy's Inc., IBM, Digital Equipment, and Honeywell currently offer adoption benefits. This legislation will encourage more employers to establish these pro-family plans.

These tax provisions are specifically aimed to help families who otherwise might not be able to afford to adopt; for that reason, they phase out for families with taxable incomes above $60,000. Using taxable income rather than adjusted gross income further focuses the credit's purpose. It ensures that large families with moderate incomes will remain as eligible as smaller families with lower incomes. A family earning $65,000 but raising four children would hardly qualify as well-off; they should be just as able to adopt a child as a smaller, less affluent family. Using taxable (post-deduction) income to calculate eligibility will level the playing field for larger families.

I want to point out, Mr. President, that this legislation does not provide an exclusion or credit for expenses for adoptions administered through illegal practices, such as through a baby broker. Many adopting parents in my own State of Utah and in other States have sadly been defrauded by such schemes.

This legislation will actually result in less Government spending, Mr. President. The National Council for Adoption has shown savings in two ways. First, the bill would move thousands of children, who might otherwise have lingered in foster care, into permanent, loving homes. Second, the tax credit encourages the shifting of medical costs to the adopting family and away from the more expensive AFDC and Medicaid programs.

I strongly encourage my colleagues to support this legislation. We are representatives of a society that professes a commitment to the success of the family. The Tax Code should demonstrate that commitment by allowing for the fair tax treatment of adoption expenses.

At a time when our Nation is experiencing a tragic increase in crime, teenage pregnancies, disease, and violence, we cannot afford to let even one child fall through the cracks. We must work together to bring children into permanent, secure, and loving families. We must work together to eliminate the barriers that discourage adoption.

The most important resource America has is its families. We must do everything in our power to ensure their continued growth and success. A relatively small dollar investment in this bill will move us a long way toward strengthening the American family.

Mr. President, I ask unanimous consent that the text of the bill be included in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1165

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fairness for Adopting Families Act".

SEC. 2. CREDIT FOR ADOPTION EXPENSES.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to nonrefundable personal credits) is amended by inserting after section 22 the following new section:

"SEC. 23. ADOPTION EXPENSES.

"(a) Allowance of Credit.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) Limitations.—

"(1) Dollar limitation.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

"(2) Income limitation.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's taxable income exceeds $60,000, bears to

"(B) $40,000.

"(3) Denial of double benefit.—

"(A) In general.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) Grants.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

"(C) Reimbursement.—No credit shall be allowed under subsection (a) for any expense to the extent that such expense is reimbursed and the reimbursement is excluded from gross income under section 137.

"(c) Carryforwards of Unused Credit.—If the credit allowable under subsection (a) for any taxable year exceeds the limitation imposed by section 26(a) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such taxable year. No credit may be carried forward under this subsection to any taxable year following the fifth taxable year after the taxable year in which the credit arose.

"(d) Qualified Adoption Expenses.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(e) Married Couples Must File Joint Returns.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section."

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 22 the following new item:

"Sec. 23. Adoption expenses."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 3. EXCLUSION OF AMOUNTS RECEIVED UNDER EMPLOYER'S ADOPTION ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of such Code (relating to items specifically excluded from gross income) is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. ADOPTION ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—Gross income of an employee does not include amounts paid or expenses incurred by the employer for qualified adoption expenses in connection with the adoption of a child by an employee if such amounts are furnished pursuant to an adoption assistance program.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount excludable from gross income under subsection (a) for all taxable years with respect to the legal adoption of any single child by the taxpayer shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount excludable from gross income under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so excludable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's taxable income (determined without regard to this section) exceeds $60,000, bears to

"(B) $40,000.

"(c) ADOPTION ASSISTANCE PROGRAM.—For purposes of this section, an adoption assistance program is a plan of an employer—

"(1) under which the employer provides employees with adoption assistance, and

"(2) which meets requirements similar to the requirements of paragraphs (2), (3), and (5) of section 127(b).

An adoption reimbursement program operated under section 1052 of title 10, United States Code (relating to armed forces) or section 514 of title 14, United States Code (relating to members of the Coast Guard) shall be treated as an adoption assistance program for purposes of this section.

"(d) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' has the meaning given such term by section 23(d).".

(b) CLERICAL AMENDMENT.—The table of sections for such part III is amended by striking the item relating to section 137 and inserting the following:

"Sec. 137. Adoption assistance programs.

"Sec. 138. Cross reference to other Acts.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

By Mr. LUGAR (for himself, Mr. PRYOR, Mrs. KASSEBAUM, Mr. INOUYE, Mr. COCHRAN, Mr. KERREY, Mr. DOLE, Mr. HEFLIN, Mr. GORTON, and Mr. BREAUX):

S. 1166. A bill to amend the Federal Insecticide, Fungicide,and Rodenticide Act, to improve the registration of pesticides, to provide minor use crop protection, to improve pesticide tolerances and safeguard infants and children, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE FOOD QUALITY PROTECTION ACT OF 1995

• Mr. LUGAR. Mr. President, I introduce bipartisan legislation that will help ensure that continued availability of a safe, affordable, and abundant food supply in our Nation.

This bill reforms the scientifically outdated Delaney clause. The continuation of and strict enforcement of the Delaney clause enacted in 1958 could have a significant negative impact on our Nation's farmers and ranchers.

The Federal Food, Drug and Cosmetic Act [FFDCA] establishes rules for setting tolerances for pesticide residues on food which differ for raw and processed commodities. Residues in raw commodities are subject to section 408 of the FFDCA which requires that residue tolerances be set for raw food commodities at levels necessary to protect public health considering the need for an adequate, wholesome, and economic food supply. Thus risk and benefits are balanced in determining an acceptable tolerance level. This approach allows EPA to determine what level of risks are acceptable and to set tolerance levels accordingly. Such an approach is scientifically defensible. Balancing risk and benefits is a fundamental component in any decisionmaking process, whether it concerns pesticides or any other product in the marketplace.

When pesticide residues concentrate in processed foods above levels of sanctioned on raw commodities, they are treated as food additives under section 409. The Delaney clause in section 409 prohibits granting a residue tolerance for any food additive that has been found to cause cancer in humans or animals, no matter how low the estimated risk might be. Thus, for processed foods, no pesticide residue is permitted, if the pesticide is a possible carcinogen and is concentrated above the level permitted on or in the raw food.

Advances in science and technology improving our ability to detect small quantities of substances, to parts per trillion in some cases, have shown that the Delaney clause enacted in 1958 is scientifically outdated. As has been stated by EPA Administrator Browner, the pesticides impacted by the Delaney clause do not pose an unacceptable risk to public health.

This is not a partisan issue, as evidenced by the strong show of support from the cosponsors of this bill today. This group of Senators agrees: The Delaney clause needs modernization.

The scientific evidence is clear. Almost a decade ago, the National Research Council's Board on Agriculture of the National Academy of Sciences recommended the use of a single negligible risk standard for approving acceptable levels of pesticide residues in both raw and processed foods. This recommendation appeared in the NRC's 1987 report, "Regulating Pesticides in Food: The Delaney Paradox."

This bill implements the recommendations of the National Academy of Sciences report by establishing a negligible risk standard for both raw and processed foods. Under current procedures, Federal regulators must deal with two distinct and conflicting standards for pesticide residues on raw and processed foods.

Despite many years of acknowledging the need for Delaney reform, Congress has failed to pass legislation. After the Environmental Protection Agency [EPA] in 1988 articulated its de minimis policy for interpreting Delaney, the agency was sued. In 1992, the U.S. Court of Appeals for the Ninth Circuit ruled in favor of strict enforcement of Delaney. A consent decree in another case, agreed to by EPA this year, establishes an expedited schedule of review of all pesticides impacted by Delaney. Reform can no longer be delayed.

Continuation of the Delaney clause and its strict enforcement could impact the international competitiveness of U.S. agriculture. The judicious use of pesticides has enabled our Nation's farmers to improve yields and efficiency and become high quality and competitive producers for the global marketplace. Researchers at the National Center for Food and Agricultural Policy have estimated that strict enforcement of Delaney could result in an increase in production costs of $175 million in the first year and yield losses totaling $212 million per year.

This bill also addresses concerns that have been raised following another report of the National Research Council of the National Academy of Sciences, "Pesticides in the Diets of Infants and Children." This legislation directs EPA, the Department of Agriculture, and the Department of Health and Human Services to coordinate the development and implementation of procedures to ensure that pesticide tolerances adequately safeguard the health of infants and children based on this report released in 1993.

Providing regulatory relief for minor use pesticides is also important in helping to ensure the availability of minor use pesticides for farmers and an abundant and varied food supply for our Nation. Minor use pesticides are generally used on relatively small acreage or for regional pest or disease problems. Because there is a significant cost to develop scientific data to register or reregister these products and there is a limited market potential once approved, many minor use pesticides are not being supported or are being voluntarily canceled for economic, not safety reasons. This bill offers several incentives for manufacturers to maintain and develop new safe and effective pesticides for minor uses without compromising food safety or adversely affecting the environment.

This bill is similar to legislation that I cosponsored in the last Congress and to legislation now being considered within the House of Representatives. Legislation in the 103d Congress gained the support of 21 of my Senate colleagues while legislation pending in the House this year has already garnered 192 cosponsors.

I have a long history of involvement in these often complex and challenging food safety and pesticide issues. As chairman of the Senate Agriculture Committee, I am hopeful that this year we will be able to finally see much needed reform of these food safety and pesticide statutes. I urge my colleagues to cosponsor this bill and to recognize that the Delaney clause is far too rigid. We need to move toward the future in a scientifically sound way by removing the unduly restrictive Delaney clause.

I ask unanimous consent that a summary and copy of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1166

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Food Quality Protection Act of 1995".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
TITLE I—AMENDMENTS TO THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT
Sec. 101. Reference.
Subtitle A—Registration of Pesticides
Sec. 111. Tolerance reevaluation as part of reregistration.
Sec. 112. Scientific advisory panel.
Sec. 113. Coordination of cancellation.
Subtitle B—Minor Use Crop Protection
Sec. 121. Definition of minor use.
Sec. 122. Exclusive use of minor use pesticides.
Sec. 123. Time extensions for development of minor use data.
Sec. 124. Minor use waiver.
Sec. 125. Expedition of minor use registrations.
Sec. 126. Utilization of data for voluntarily canceled chemicals.
Sec. 127. Minor use programs.
Subtitle C—Conforming Amendments
Sec. 131. FIFRA table of contents.
TITLE II—DATA COLLECTION AND IMPROVED PROCEDURES TO ENSURE THAT TOLERANCES SAFEGUARD THE HEALTH OF INFANTS AND CHILDREN
Sec. 201. Implementation of NAS report.
Sec. 202. Collection of pesticide use information.
Sec. 203. Integrated pest management.
TITLE III—AMENDMENTS TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT
Sec. 301. Reference.
Sec. 302. Definitions.
Sec. 303. Prohibited acts.
Sec. 304. Adulterated food.
Sec. 305. Tolerances and exemptions for pesticide chemical residues.
Sec. 306. Authorization for increase monitoring.

TITLE I—AMENDMENTS TO THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

SEC. 101. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

Subtitle A—Registration of Pesticides

SEC. 111. TOLERANCE REEVALUATION AS PART OF REREGISTRATION.

Section 4(g)(2) (7 U.S.C. 136a-1(g)(2)) is amended by adding at the end the following:

"(E) As soon as the Administrator has sufficient information with respect to the dietary risk of a particular active ingredient, but in any event not later than the date on which the Administrator makes a determination under subparagraph (C) or (D) with respect to a pesticide containing a particular active ingredient, the Administrator shall—

"(i) reassess each associated tolerance and exemption from the requirement for a tolerance issued under section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a), taking into account available information and reasonable assumptions concerning the dietary exposure levels of food consumers (and major identifiable subgroups of food consumers, including infants and children) to residue of the pesticide in food and available information and reasonable assumptions concerning the variability of the sensitivities of major identifiable groups, including infants and children;

"(ii) determine whether the tolerance or exemption meets the requirements of the Act;

"(iii) determine whether additional tolerances or exemptions should be issued;

"(iv) publish in the Federal Register a notice setting forth the determinations made under this subparagraph; and

"(v) commence promptly such proceedings under this Act and section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a) as are warranted by the determinations.".

SEC. 112. SCIENTIFIC ADVISORY PANEL.

Section 25(d) (7 U.S.C. 136w(d)) is amended—

(1) in the first sentence, by striking "(d) SCIENTIFIC ADVISORY PANEL.—The Administrator shall" and inserting the following:

"(d) SCIENTIFIC ADVISORY PANEL.—

"(1) IN GENERAL.—The Administrator shall"; and

(2) by adding at the end the following:

"(2) SCIENCE REVIEW BOARD.—

"(A) There is established a science review board consisting of 60 scientists who shall be available to the scientific advisory panel to assist in reviews conducted by the panel.

"(B) The scientific advisory panel shall select the scientists from 60 nominations submitted by each of the National Science Foundation and the National Institutes of Health.

"(C) A member of the board shall be compensated in the same manner as a member of the panel.".

SEC. 113. COORDINATION OF CANCELLATION.

Section 2(bb) (7 U.S.C. 136(bb)) is amended—

(1) by striking "means any unreasonable risk" and inserting "means—

"(1) any unreasonable risk"; and

(2) by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(2) a human dietary risk from residue that results from a use of a pesticide in or on any food inconsistent with the standard the Administrator determines is adequate to protect the public health under section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a).".

Subtitle B—Minor Use Crop Protection

SEC. 121. DEFINITION OF MINOR USE.

Section 2 (7 U.S.C. 136) is amended by adding at the end the following:

"(hh) MINOR USE.—The term 'minor use' means the use of a pesticide on an animal, on a commercial agricultural crop or site, or for the protection of public health if—

"(1)(A) in the case of the use of the pesticide on a commercial agricultural crop or site, the total quantity of acreage devoted to the crop in the United States is less than 300,000 acres, as determined by the Secretary; or

"(B) the Administrator, in consultation with the Secretary of Agriculture, determines that, based on information provided by an applicant for registration or a registrant—

"(i) the use does not provide a sufficient economic incentive to support the initial registration or continuing registration of a pesticide for the use; and

"(ii)(I) there are not a sufficient number of efficacious alternative registered pesticides available for the use; or

"(II) any 1 of the alternatives to the pesticide pose a greater risk to the environment or human health than the pesticide; or

"(III) the pesticide plays, or will play, a significant part in managing pest resistance; or

"(IV) the pesticide plays, or will play, a significant part in an integrated pest management program; and

"(2) the Administrator does not determine that, based on data existing on the date of the determination, the use may cause unreasonable adverse effects on the environment.".

SEC. 122. EXCLUSIVE USE OF MINOR USE PESTICIDES.

Section 3(c)(1)(F) (7 U.S.C. 136a(c)(1)(F)) is amended—

(1) in clause (i)—

(A) by striking "(i) With respect" and inserting "(i)(I) With respect";

(B) by striking "a period of ten years following the date the Administrator first registers the pesticide" and inserting "the exclusive data use period determined under subclause (II)"; and

(C) by adding at the end the following:

"(II) Except as provided in subclauses (III) and (IV), the exclusive data use period under subclause (I) shall be 10 years beginning on the date the Administrator first registers the pesticide.

"(III) Subject to subclauses (IV), (V), and (VI), the exclusive data use period under subclause (II) shall be extended 1 year for each 3 minor uses registered after the date of enactment of this subclause and before the date that is 7 years after the date the Administrator first registers the pesticide, if the Administrator in consultation with the Secretary of Agriculture, determines that, based on information provided by an applicant for registration or a registrant—

"(aa) there are not a sufficient number of efficacious alternative registered pesticides available for the use; or

"(bb) any 1 of the alternatives to the pesticide pose a greater risk to the environment or human health than the pesticide; or

"(cc) the pesticide plays, or will play, a significant part in managing pest resistance; or

"(dd) the pesticide plays, or will play, a significant part in an integrated pest management program.

"(IV) Notwithstanding subclause (III), the exclusive data use period established under this clause may not exceed 13 years.

"(V) For purposes of subclause (III), the registration of a pesticide for a minor use on a crop grouping established by the Administrator shall be considered 1 minor use for each representative crop for which data are provided in the crop grouping.

"(VI) An extension under subclause (III) shall be reduced or terminated if the applicant for registration or the registrant voluntarily cancels the pesticide or deletes from the registration a minor use that formed the basis for the extension, or if the Administrator determines that the applicant or registrant is not actually marketing the pesticide for a minor use that formed the basis for the extension."; and

(2) by adding at the end the following:

"(iv) The period of exclusive use provided under clause (i)(III) shall not take effect until 1 year after enactment of this clause, except where an applicant or registrant is applying for the registration of a pesticide containing an active ingredient not previously registered.

"(v) With respect to data submitted after the date of enactment of this clause by an applicant or registrant to support an amendment adding a new use to an existing registration that does not retain any period of exclusive use, if the data relate solely to a minor use of a pesticide, the data shall not, without the written permission of the original data submitter, be considered by the Administrator to support an application for a minor use by another person during the period of 10 years following the date of submission of the data. The applicant or registrant at the time at which the new minor use is requested shall notify the Administrator that, to the best of the applicant's or registrant's knowledge, the exclusive use period for the pesticide has expired and that the data pertaining solely to the minor use of a pesticide are eligible for exclusive use protection under this paragraph. If the minor use registration that is supported by data submitted pursuant to this subsection is voluntarily canceled or if the data are subsequently used to support a nonminor use, the data shall not be subject to the exclusive use protection provided under this paragraph but shall instead be considered by the Administrator in accordance with clause (i), as appropriate.".

SEC. 123. TIME EXTENSIONS FOR DEVELOPMENT OF MINOR USE DATA.

(a) IN GENERAL.—Section 3 (7 U.S.C. 136a) is amended by adding at the end the following:

"(g) TIME EXTENSION FOR DEVELOPMENT OF MINOR USE DATA.—

"(1) SUPPORTED USE.—In the case of a minor use, the Administrator shall, on the request of a registrant and subject to paragraph (3), extend the time for the production of residue chemistry data under subsection (c)(2)(B) and subsections (d)(4), (e)(2), and (f)(2) of section 4 for data required solely to support the minor use until the final date under section 4 for submitting data on any other use established not later than the date of enactment of this subsection.

"(2) NONSUPPORTED USE.—

"(A) If a registrant does not commit to support a minor use of a pesticide, the Administrator shall, on the request of the registrant and subject to paragraph (3), extend the time for taking any action under subsection (c)(2)(B) or subsection (d)(6), (e)(3)(A), or (f)(3) of section 4 regarding the minor use until the final date under section 4 for submitting data on any other use established not later than the date of enactment of this subsection.

"(B) On receipt of the request from the registrant, the Administrator shall publish in the Federal Register a notice of the receipt of the request and the effective date on which the uses not being supported will be deleted from the registration under section 6(f)(1).

"(3) CONDITIONS.—Paragraphs (1) and (2) shall apply only if—

"(A) the registrant commits to support and provide data for—

"(i) any use of the pesticide on a food; or

"(ii) any other use, if all uses of the pesticide are for uses other than food;

"(B)(i) the registrant provides a schedule for producing the data referred to in subparagraph (A) with the request for an extension;

"(ii) the schedule includes interim dates for measuring progress; and

"(iii) the Administrator determines that the registrant is able to produce the data referred to in subparagraph (A) before a final date established by the Administrator;

"(C) the Administrator determines that the extension would not significantly delay issuance of a determination of eligibility for reregistration under section 4; and

"(D) the Administrator determines that, based on data existing on the date of the determination, the extension would not significantly increase the risk of unreasonable adverse effects on the environment.

"(4) MONITORING.—If the Administrator grants an extension under paragraph (1) or (2), the Administrator shall—

"(A) monitor the development of any data the registrant committed to under paragraph (3)(A); and

"(B) ensure that the registrant is meeting the schedule provided under paragraph (3)(B) for producing the data.

"(5) NONCOMPLIANCE.—If the Administrator determines that a registrant is not meeting a schedule provided by the registrant under paragraph (3)(B), the Administrator may—

"(A) revoke any extension to which the schedule applies; and

"(B) proceed in accordance with subsection (c)(2)(B)(iv).

"(6) MODIFICATION OR REVOCATION.—The Administrator may modify or revoke an extension under this subsection if the Administrator determines that the extension could cause unreasonable adverse effects on the environment. If the Administrator modifies or revokes an extension under this paragraph, the Administrator shall provide written notice to the registrant of the modification or revocation.".

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c)(2)(B) (7 U.S.C. 136a(c)(2)(B)) is amended by adding at the end the following:

"(vi) Subsection (g) shall apply to this subparagraph.".

(2) Subsections (d)(4), (e)(2), and (f)(2) of section 4 (7 U.S.C. 136a–1) are each amended by adding at the end the following:

"(C) Section 3(g) shall apply to this paragraph.".

(3) Subsections (d)(6) and (f)(3) of section 4 (7 U.S.C. 136a–1) are each amended by striking "The Administrator shall" and inserting "Subject to section 3(g), the Administrator shall".

(4) Section 4(e)(3)(A) (7 U.S.C. 136a–1(e)(3)(A)) is amended by striking "If the registrant" and inserting "Subject to section 3(g), if the registrant".

SEC. 124. MINOR USE WAIVER.

Section 3(c)(2) (7 U.S.C. 136a(c)(2)) is amended by adding at the end the following:

"(E) In the case of the registration of a pesticide for a minor use, the Administrator may waive otherwise applicable data requirements if the Administrator determines that the absence of the data will not prevent the Administrator from determining—

"(i) the incremental risk presented by the minor use of the pesticide; and

"(ii) whether the minor use of the pesticide would have unreasonable adverse effects on the environment.".

SEC. 125. EXPEDITION OF MINOR USE REGISTRATIONS.

Section 3(c)(3) (7 U.S.C. 136a(c)(3)) is amended by adding at the end the following:

"(C)(i) As expeditiously as practicable after receipt, the Administrator shall review and act on a complete application that—

"(I) proposes the initial registration of a new pesticide active ingredient, if the active ingredient is proposed to be registered solely for a minor use, or proposes a registration amendment to an existing registration solely for a minor use; or

"(II) for a registration or a registration amendment, proposes a significant minor use.

"(ii) As used in clause (i):

"(I) The term 'as expeditiously as practicable' means the Administrator shall, to the greatest extent practicable, complete a review and evaluation of all data submitted with the application not later than 1 year after submission of the application.

"(II) The term 'significant minor use' means—

"(aa) 3 or more proposed minor uses for each proposed use that is not minor;

"(bb) a minor use that the Administrator determines could replace a use that was canceled not earlier than 5 years preceding the receipt of the application; or

"(cc) a minor use that the Administrator determines would avoid the reissuance of an emergency exemption under section 18 for the minor use.

"(iii) Review and action on an application under clause (i) shall not be subject to judicial review.

"(D) On receipt by the registrant of a denial of a request to waive a data requirement under paragraph (2)(E), the registrant shall have the full time period originally established by the Administrator for submission of the data, beginning on the date of receipt by the registrant of the denial.".

SEC. 126. UTILIZATION OF DATA FOR VOLUNTARILY CANCELED CHEMICALS.

Section 6(f) (7 U.S.C. 136d) is amended—

(1) in paragraph (1)(C)(ii) by striking "90-day" and inserting "180-day" each place it appears;

(2) in paragraph (3)(A) by striking "90-day" and inserting "180-day"; and

(3) by adding at the end the following:

"(4) UTILIZATION OF DATA FOR VOLUNTARILY CANCELED CHEMICALS.—The Administrator shall process, review, and evaluate the application for a voluntarily canceled pesticide as if the registrant had not canceled the registration, if—

"(A) another application is pending on the effective date of the voluntary cancellation for the registration of a pesticide that is—

"(i) for a minor use;

"(ii) identical or substantially similar to the canceled pesticide; and

"(iii) for an identical or substantially similar use as the canceled pesticide;

"(B) the Administrator determines that the minor use will not cause unreasonable adverse effects on the environment; and

"(C) the applicant under subparagraph (A) certifies that the applicant will satisfy any outstanding data requirement necessary to support the reregistration of the pesticide, in accordance with any data submission schedule established by the Administrator.".

SEC. 127. MINOR USE PROGRAMS.

The Act is amended—

(1) by redesignating sections 30 and 31 (7 U.S.C. 136x and 136y) as sections 33 and 34, respectively; and

(2) by inserting after section 29 (7 U.S.C. 136w–4) the following:

"SEC. 30. ENVIRONMENTAL PROTECTION AGENCY MINOR USE PROGRAM.

"(a) ESTABLISHMENT.—The Administrator shall establish a minor use program in the Office of Pesticide Programs.

"(b) RESPONSIBILITIES.—In carrying out the program established under subsection (a), the Administrator shall—

"(1) coordinate the development of minor use programs and policies; and

"(2) consult with growers regarding a minor use issue, registration, or amendment that is submitted to the Environmental Protection Agency.

"SEC. 31. DEPARTMENT OF AGRICULTURE MINOR USE PROGRAM.

"(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a minor use program.

"(b) RESPONSIBILITIES.—In carrying out the program established under subsection (a), the Secretary shall coordinate the responsibilities of the Department of Agriculture related to the minor use of a pesticide, including—

"(1) carrying out the Inter-Regional Research Project Number 4 established under section 2(e) of Public Law 89–106 (7 U.S.C. 450i(e));

"(2) carrying out the national pesticide resistance monitoring program established under section 1651(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5882(d));

"(3) supporting integrated pest management research;

"(4) consulting with growers to develop data for minor uses; and

"(5) providing assistance for minor use registrations, tolerances, and reregistrations with the Environmental Protection Agency.

"SEC. 32. MINOR USE MATCHING FUND PROGRAM.

"(a) ESTABLISHMENT.—The Secretary of Agriculture, in consultation with the Administrator, shall establish and administer a minor use matching fund program.

"(b) RESPONSIBILITIES.—In carrying out the program, the Secretary shall—

"(1) ensure the continued availability of minor use pesticides; and

"(2) develop data to support minor use pesticide registrations and reregistrations.

"(c) ELIGIBILITY.—Any person that desires to develop data to support a minor use registration shall be eligible to participate in the program.

"(d) PRIORITY.—In carrying out the program, the Secretary shall provide a priority for funding to a person that does not directly receive funds from the sale of a product registered for a minor use.

"(e) MATCHING FUNDS.—To be eligible for funds under the program, a person shall match the amount of funds provided under the program with an equal amount of non-Federal funds.

"(f) OWNERSHIP OF DATA.—Any data developed through the program shall be jointly owned by the Department of Agriculture and the person that receives funds under this section.

"(g) STATEMENT.—Any data developed under this subsection shall be submitted in a statement that complies with section 3(c)(1)(F).

"(h) COMPENSATION.—Any compensation received by the Department of Agriculture for the use of data developed under this section shall be placed in a revolving fund. The fund shall be available, without fiscal year limitation, to carry out the program.

"(i) AUTHORIZATION FOR APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each fiscal year.".

Subtitle C—Conforming Amendments

SEC. 131. FIFRA TABLE OF CONTENTS.

The table of contents in section 1(b) (7 U.S.C. prec. 121) is amended—

(1) by adding at the end of the items relating to section 2 the following:

"(hh) Minor use.";

(2) by adding at the end of the items relating to section 3 the following:

"(g) Time extension for development of minor use data.
"(1) Supported use.
"(2) Nonsupported use.
"(3) Conditions.
"(4) Monitoring.
"(5) Noncompliance.
"(6) Modification or revocation.";

(3) by adding at the end of the items relating to section 6(f) the following:

"(4) Utilization of data for voluntarily canceled chemicals.";

(4) by striking the item relating to section 25(d) and inserting the following:

"(d) Scientific advisory panel.
"(1) In general.
"(2) Science review board.";

and

(5) by striking the items relating to sections 30 and 31 and inserting the following:

"Sec. 30. Environmental Protection Agency minor use program.
"(a) Establishment.
"(b) Responsibilities.
"Sec. 31. Department of Agriculture minor use program.
"(a) Establishment.
"(b) Responsibilities.
"Sec. 32. Minor use matching fund program.
"(a) Establishment.
"(b) Responsibilities.
"(c) Eligibility.
"(d) Priority.
"(e) Matching funds.
"(f) Ownership of data.
"(g) Statement.
"(h) Compensation.
"(i) Authorization for appropriations.
"Sec. 33. Severability.
"Sec. 34. Authorization for appropriations.".

TITLE II—DATA COLLECTION AND IMPROVED PROCEDURES TO ENSURE THAT TOLERANCES SAFEGUARD THE HEALTH OF INFANTS AND CHILDREN

SEC. 201. IMPLEMENTATION OF NAS REPORT.

(a) IN GENERAL.—The Administrator of the Environmental Protection Agency, the Secretary of Agriculture, and the Secretary of Health and Human Services shall coordinate the development and implementation of procedures to ensure that pesticide tolerances adequately safeguard the health of infants and children, based on the conclusions and recommendations contained in the report entitled "Pesticides in the Diets of Infants and Children" of the National Research Council of the National Academy of Sciences.

(b) PROCEDURES.—To the maximum extent practicable, the procedures referred to in subsection (a) shall include—

(1) collection of data on food consumption patterns of infants and children;

(2) improved surveillance of pesticide residues, including guidelines for the use of comparable analytical and standardized reporting methods, the increased sampling of foods most likely consumed by infants and children, and the development of more complete information on the effects of food processing on levels of pesticide residues;

(3) toxicity testing procedures that take into account the vulnerability of infants and children;

(4) methods of risk assessment that take into account unique characteristics of infants and children; and

(5) other appropriate measures considered necessary by the Administrator to ensure that pesticide tolerances adequately safeguard the health of infants and children.

SEC. 202. COLLECTION OF PESTICIDE USE INFORMATION.

(a) IN GENERAL.—The Secretary of Agriculture shall collect data of Statewide or regional significance on the use of pesticides to control pests and diseases of major crops and crops of dietary significance, including fruits and vegetables.

(b) COLLECTION.—The data shall be collected by surveys of farmers or from other sources offering statistically reliable data.

(c) COORDINATION.—The Secretary shall, as appropriate, coordinate with the Administrator of the Environmental Protection Agency in the design of the surveys and make available to the Administrator the aggregate results of the surveys to assist the Administrator in developing exposure calculations and benefits determinations with respect to pesticide regulatory decisions.

SEC. 203. INTEGRATED PEST MANAGEMENT.

(a) DEFINITION.—In this section, the term "integrated pest management" means a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools in a way that minimizes economic, health, and environmental risks.

(b) IMPLEMENTATION.—The Secretary of Agriculture, in cooperation with the Administrator of the Environmental Protection Agency, shall implement research, demonstration, and education programs to support adoption of integrated pest management.

(c) FEDERAL AGENCIES.—Federal agencies shall use integrated pest management techniques to carry out pest management activities and shall promote integrated pest management through procurement and regulatory policy and through other activities.

(d) INFORMATION.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency shall make information on integrated pest management widely available to pesticide users, including Federal agencies that use pesticides.

TITLE III—AMENDMENTS TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

SEC. 301. REFERENCE.

Whenever in this title an amendment is expressed in terms of an amendment to a section or other provision, or refers to a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.).

SEC. 302. DEFINITIONS.

(a) PESTICIDE, CHEMICAL; PESTICIDE CHEMICAL RESIDUE.—Section 201(q) (21 U.S.C. 321(q)) is amended to read as follows:

"(q)(1) The term 'pesticide chemical' means—

"(A) any substance that is a pesticide within the meaning of section 2(u) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 (u)),

"(B) any active ingredient of a pesticide within the meaning of section 2(a) of the Federal Insecticide, Fungicide, and Rodenticide Act. (7 U.S.C. 136(a)), or

"(C) any inert ingredient of a pesticide within the meaning of section 2(m) of the Federal Insecticide, Fungicide, and Rodenticide Act. (7 U.S.C. 136 (m)).

"(2) The term 'pesticide chemical residue' means a residue in or on raw agricultural commodity or processed food of—

"(A) a pesticide chemical, or

"(B) any other added substance that is present in the commodity or food primarily as a result of the metabolism or other degradation of a pesticide chemical.

"(3) Notwithstanding subparagraphs (1) and (2), the Administrator may by regulation except a substance from the definition of 'pesticide chemical' or 'pesticide chemical residue' if—

"(A) the substance's occurrence as a residue on a raw agricultural commodity or processed food is attributable primarily to natural causes or to human activities not involving the use of any substances for a pesticidal purpose in the production, storage, processing, or transportation of any raw agricultural commodity or processed food, and

"(B) the Administrator, after consultation with the Secretary, determines that the substance more appropriately should be regulated under one or more provisions of this Act other than sections 402(a)(2)(B) and 408.".

(b) FOOD ADDITIVE.—Subparagraphs (1) and (2) of section 201(s) (21 U.S.C. 321(s)) are amended to read as follows:

"(1) a pesticide chemical residue in or on a raw agricultural commodity or processed food; or

"(2) a pesticide chemical; or".

(c) PROCESSED FOOD; ADMINISTRATOR.—Section 201 (21 U.S.C. 321) is amended by adding at the end the following new subsections:

"(gg) The term 'processed food' means any food other than a raw agricultural commodity and includes any raw agricultural commodity that has been subject to processing, such as canning, cooking, freezing, dehydration, or milling.

"(hh) The term 'Administrator' means the Administrator of the United States Environmental Protection Agency.".

SEC. 303. PROHIBITED ACTS.

Section 301(j) (21 U.S.C. 331(j)) is amended by inserting before the period at the end of the first sentence the following: ", or the violation of section 408(g) or any regulation issued under that subsection".

SEC. 304. ADULTERATED FOOD.

Section 402(a)(2) (21 U.S.C. 342(a)(2)) is amended to read as follows: "(2)(A) if it bears or contains any added poisonous or added deleterious substance (other than a substance that is a pesticide chemical residue in or on a raw agricultural commodity or processed food, a food additive, a color additive, or a new animal drug) that is unsafe within the meaning of section 406; (B) if it bears or contains a pesticide chemical residue that is unsafe within the meaning of section 408(a); or (C) if it is or if it bears or contains (i) any food additive that is unsafe within the meaning of section 409 or (ii) a new animal drug (or conversion product thereof) that is unsafe within the meaning of section 512; or".

SEC. 305. TOLERANCES AND EXEMPTIONS FOR PESTICIDE CHEMICAL RESIDUES.

Section 408 (21 U.S.C. 346a) is amended to read as follows:

"SEC. 408. TOLERANCES AND EXEMPTIONS FOR PESTICIDE CHEMICAL RESIDUES.

"(a) REQUIREMENT FOR TOLERANCE OR EXEMPTION.—

"(1) DEFINITION.—For the purposes of this section, the term 'food', when used as a noun without modification, means a raw agricultural commodity or processed food.

"(2) GENERAL RULE.—Except as provided in paragraph (3) or (4), any pesticide chemical residue in or on a food shall be deemed unsafe for the purpose of section 402(a)(2)(B) unless—

"(A) a tolerance for such pesticide chemical residue in or on such food is in effect under this section and the concentration of the residue is within the limits of the tolerance; or

"(B) an exemption from the requirement of a tolerance is in effect under this section for the pesticide chemical residue.

"(3) PROCESSED FOOD.—Notwithstanding paragraph (2), the following provisions shall apply with respect to processed food:

"(A) TOLERANCE REQUIREMENT.—If a tolerance is in effect under this section for a pesticide chemical residue in or on a raw agricultural commodity, a pesticide chemical residue that is present in or on a processed food because the food is made from that raw agricultural commodity shall not be considered unsafe within the meaning of section 402(a)(2)(B) despite the lack of a tolerance for the pesticide chemical residue in or on the processed food if the concentration of the pesticide chemical residue in the processed food when ready for consumption or use is not greater than the tolerance prescribed for the pesticide chemical residue in the raw agricultural commodity.

"(B) EXEMPTION FROM TOLERANCE REQUIREMENT.—If an exemption from the requirement for a tolerance is in effect under this section for a pesticide chemical residue in or on a raw agricultural commodity, a pesticide chemical residue that is present in or on a processed food because the food is made from that raw agricultural commodity shall not be considered unsafe within the meaning of section 402(a)(2)(B).

"(4) RESIDUES OF DEGRADATION PRODUCTS.—If a pesticide chemical residue is present in or on a food because the residue is a metabolite or other degradation product of a precursor substance that itself is a pesticide chemical or pesticide chemical residue, the residue shall not be considered to be unsafe within the meaning of section 402(a)(2)(B) despite the lack of a tolerance or exemption from the need for a tolerance for the residue in or on the food if—

"(A) the Administrator has not determined that the degradation product is likely to pose any potential health risk from dietary exposure that is of a different type than, or of a greater significance than, any risk posed by dietary exposure to the precursor substance; and

"(B) either—

"(i) a tolerance is in effect under this section for residues of the precursor substance in or on the food, and the combined level of residues of the degradation product and the precursor substance in or on the food is at or below the stoichiometrically equivalent level that would be permitted by the tolerance if the residue consisted only of the precursor substance rather than the degradation product; or

"(ii) an exemption from the need for a tolerance is in effect under this section for residues of the precursor substance in or on the food; and

"(C) the tolerance or exemption for residues of the precursor substance does not state that the tolerance or exemption applies only to particular named substances or states that the tolerance or exemption does not apply to residues of the degradation product.

"(5) EFFECT OF TOLERANCE OR EXEMPTION.—While a tolerance or exemption from the requirement for a tolerance is in effect under this section for a pesticide chemical residue with respect to any food, the food shall not by reason of bearing or containing any amount of such a residue be considered to be adulterated within the meaning of section 402(a)(1).

"(b) AUTHORITY AND STANDARD FOR TOLERANCES.—

"(1) AUTHORITY.—The Administrator may issue regulations establishing, modifying, or revoking a tolerance for a pesticide chemical residue in or on a food—

"(A) in response to a petition filed under subsection (d); or

"(B) on the Administrator's initiative under subsection (e).

"(2) STANDARD.—

"(A) IN GENERAL.—A tolerance may not be established for a pesticide chemical residue in or on a food at a level that is higher than a level that the Administrator determines is adequate to protect the public health.

"(B) MODIFICATION OR REVOCATION OF A TOLERANCE.—The Administrator shall modify or revoke a tolerance if the tolerance is at a level higher than the level that the Administrator determines is adequate to protect the public health.

"(C) DETERMINATION FACTORS.—In making a determination under this paragraph, the Administrator shall take into account, among other relevant factors, the validity, completeness, and reliability of the available data from studies of the pesticide chemical residue, the nature of any toxic effects shown to be caused by the pesticide chemical in the studies, available information and reasonable assumptions concerning the relationship of the results of the studies to human risk, available information and reasonable assumptions concerning the dietary exposure levels of food consumers (and major identifiable subgroups of food consumers, including infants and children) to the pesticide chemical residue, and available information and reasonable assumptions concerning the variability of the sensitivities of major identifiable subgroups, including infants and children, and shall consider other factors to the extent required by subparagraph (F).

"(D) NEGLIGIBLE DIETARY RISK STANDARD.—For purposes of subparagraph (A), a tolerance level for a pesticide chemical residue in or on a food shall be deemed to be adequate to protect the public health if the dietary risk posed to food consumers by the level of the pesticide chemical residue is negligible. The Administrator shall by regulation set forth the factors and methods, including tests that are appropriate for the determination of dietary risk and most likely dietary exposure, for the determination of negligible dietary risk.

"(E) INFANTS AND CHILDREN.—Procedures shall be developed and implemented that ensure that pesticide tolerances adequately safeguard the health of infants and children.

"(F) CALCULATION OF DIETARY RISK.—Where reliable data are available, the Administrator shall calculate the dietary risk posed to food consumers by a pesticide chemical on the basis of the percent of food actually treated with the pesticide chemical and the actual residue levels of the pesticide chemical that occur in food. In particular, the Administrator shall take into account aggregate pesticide use and residue data collected by the Department of Agriculture.

"(G) EXCEPTIONS TO THE NEGLIGIBLE DIETARY RISK STANDARD.—For purposes of subparagraph (A), a level of a pesticide chemical residue in or on a food that poses a greater than negligible dietary risk to consumers of the food shall be considered to be adequate to protect the public health if the Administrator determines that the risk is not unreasonable because—

"(i) use of the pesticide that produces the residue protects humans or the environment from adverse effects on public health or welfare that would, directly or indirectly, result in a greater risk to the public or the environment than the dietary risk from the pesticide chemical residue;

"(ii) use of the pesticide avoids risks—

"(I) to workers, the public, or the environment that would be expected to result from the use of another pesticide or pest control method on the same food; and

"(II) that are greater than the risks that result from dietary exposure to the pesticide chemical residue; or

"(iii) the availability of the pesticide would maintain the availability to consumers of an adequate, wholesome, and economical food supply taking into account national and regional effects.

In making the determination under this subparagraph, the Administrator shall not consider the effects on any pesticide registrant, manufacturer, or marketer of a pesticide.

"(3) LIMITATIONS.—

"(A) ISSUANCE OF TOLERANCE.—A tolerance may be issued under the authority of paragraph (2)(G) only if the Administrator has assessed the extent to which efforts are being made to develop either an alternative method of pest control or an alternative pesticide chemical for use on such commodity or food that would meet the requirements of paragraph (2)(D).

"(B) ESTABLISHMENT OF A TOLERANCE.—A tolerance for a pesticide chemical residue in or on a food shall not be established by the Administrator unless the Administrator determines, after consultation with the Secretary, that there is a practical method for detecting and measuring the levels of the pesticide chemical residue in or on the food.

"(C) ESTABLISHMENT OF A TOLERANCE LEVEL.—A tolerance for a pesticide chemical residue in or on a food shall not be established at a level lower than the limit of detection of the method for detecting and measuring the pesticide chemical residue as determined by the Administrator under subparagraph (B).

"(4) INTERNATIONAL STANDARDS.—In establishing a tolerance for a pesticide chemical residue in or on a food, the Administrator shall take into account any maximum residue level for the chemical in or on the food that has been established by the Codex Alimentarius Commission. The Administrator shall determine whether the Codex maximum residue level is adequate to protect the health of consumers in the United States and whether the data supporting the maximum residue level are valid, complete, and reliable. If the Administrator determines not to adopt a Codex level, the Administrator shall publish a notice in the Federal Register setting forth the reasons for the determination.

"(c) AUTHORITY AND STANDARD FOR EXEMPTIONS.—

"(1) AUTHORITY.—The Administrator may issue a regulation establishing, modifying, or revoking an exemption from the requirement for a tolerance for a pesticide chemical residue in or on a food—

"(A) in response to a petition filed under subsection (d), or

"(B) on the Administrator's initiative under subsection (e).

"(2) STANDARD.—

"(A) IN GENERAL.—An exemption from the requirement for a tolerance for a pesticide chemical residue in or on a food may be established only if the Administrator determines that a tolerance is not needed to protect the public health, in view of the levels of dietary exposure to the pesticide chemical residue that could reasonably be expected to occur.

"(B) REVOCATION OF EXEMPTION.—An exemption from the requirement for a tolerance for a pesticide chemical residue in or on a food shall be revoked if the Administrator, in response to a petition for the revocation of the exemption, or at the Administrator's own initiative, determines that the exemption does not satisfy the criterion of subparagraph (A).

"(C) DETERMINATION FACTORS.—In making a determination under this paragraph, the Administrator shall take into account, among other relevant factors, the factors set forth in subsection (b)(2)(C).

"(3) LIMITATION.—An exemption from the requirement for a tolerance for a pesticide chemical residue in or on a food shall not be established by the Administrator unless the Administrator determines, after consultation with the Secretary—

"(A) that there is a practical method for detecting and measuring the levels of the pesticide chemical residue in or on the food; or

"(B) that there is no need for such a method, and states the reasons for the determination in the order issuing the regulation establishing or modifying the regulation.

"(d) PETITION FOR TOLERANCE OF EXEMPTION.—

"(1) FILING.—Any person may file with the Administrator a petition proposing the issuance of a regulation—

"(A) establishing, modifying, or revoking a tolerance for a pesticide chemical residue in or on a food; or

"(B) establishing or revoking an exemption from the requirement of a tolerance for such a residue.

"(2) PETITION CONTENTS.—

"(A) IN GENERAL.—A petition under paragraph (1) to establish a tolerance or exemption for a pesticide chemical residue shall be supported by such data and information as are specified in regulations issued by the Administrator, including—

"(i)(I) an informative summary of the petition and of the data, information, and arguments submitted or cited in support of the petition; and

"(II) a statement that the petitioner agrees that the summary or any information the summary contains may be published as a part of the notice of filing of the petition to be published under this subsection and as part of a proposed or final regulation issued under this section;

"(ii) the name, chemical identity, and composition of the pesticide chemical residue and of the pesticide chemical that produces the residue;

"(iii) data showing the recommended amount, frequency, method, and time of application of that pesticide chemical;

"(iv) full reports of tests and investigations made with respect to the safety of the pesticide chemical, including full information as to the methods and controls used in conducting the tests and investigations;

"(v) full reports of tests and investigations made with respect to the nature and amount of the pesticide chemical residue that is likely to remain in or on the food, including a description of the analytical methods used;

"(vi) a practical method for detecting and measuring the levels of the pesticide chemical residue in or on the food, or a statement why such a method is not needed;

"(vii) practical methods for removing any amount of the residue that would exceed any proposed tolerance;

"(viii) a proposed tolerance for the pesticide chemical residue, if a tolerance is proposed;

"(ix) all relevant data bearing on the physical or other technical effect that the pesticide chemical is intended to have and the quantity of the pesticide chemical that is required to produce the effect;

"(x) if the petition relates to a tolerance for a processed food, reports of investigations conducted using the processing method or methods used to produce that food;

"(xi) such information as the Administrator may require to make the determination under subsection (b)(2)(E); and

"(xii) such other data and information as the Administrator requires by regulation to support the petition.

If information or data required by this subparagraph is available to the Administrator, the person submitting the petition may cite the availability of the information or data in lieu of submitting the information or data. The Administrator may require a petition to be accompanied by samples of the pesticide chemical with respect to which the petition is filed.

"(B) MODIFICATION OR REVOCATION.—The Administrator may by regulation establish the requirements for information and data to support a petition to modify or revoke a tolerance or to revoke an exemption from the requirement for a tolerance.

"(3) NOTICE.—A notice of the filing of a petition that the Administrator determines has met the requirements of paragraph (2) shall be published by the Administrator within 30 days after such determination. The notice shall announce the availability of a description of the analytical methods available to the Administrator for the detection and measurement of the pesticide chemical residue with respect to which the petition is filed or shall set forth the statement of the petitioner of why such a method is not needed. The notice shall include the summary required by paragraph (2)(A)(i).

"(4) ACTIONS BY THE ADMINISTRATOR.—The Administrator shall, after giving due consideration to a petition filed under paragraph (1) and any other information available to the Administrator—

"(A) issue a final regulation (which may vary from that sought by the petition) establishing, modifying, or revoking a tolerance for the pesticide chemical residue or an exemption of the pesticide chemical residue from the requirement of a tolerance;

"(B) issue a proposed regulation under subsection (e), and thereafter either issue a final regulation under subsection (e) or an order denying the petition; or

"(C) issue an order denying the petition.

"(5) EFFECTIVE DATE.—A regulation issued under paragraph (4) shall take effect upon publication.

"(6) FURTHER PROCEEDINGS.—

"(A) OBJECTIONS.—Not later than 60 days after a regulation or order is issued under paragraph (4), subsection (e)(1), or subsection (f)(1), any person may file objections thereto with the Administrator, specifying with particularity the provisions of the regulation or order considered objectionable and stating reasonable grounds therefore. If the regulation or order was issued in response to a petition filed under paragraph (1), a copy of each objection filed by a person other than the petitioner shall be served by the Administrator on the petitioner.

"(B) PUBLIC EVIDENTIARY HEARING.—An objection may include a request for a public evidentiary hearing upon the objection. The Administrator shall, upon the initiative of the Administrator or upon the request of an interested person and after due notice, hold a public evidentiary hearing if and to the extent the Administrator determines that the public hearing is necessary to receive factual evidence relevant to material issues of fact raised by the objections. The presiding officer in the hearing may authorize a party to obtain discovery from other persons and may upon a showing of good cause made by a party issue a subpoena to compel testimony or production of documents from any person. The presiding officer shall be governed by the Federal Rules of Civil Procedure in making any order for the protection of the witness or the content of documents produced and shall order the payment of reasonable fees and expenses as a condition to requiring testimony of the witness. On contest, the subpoena may be enforced by a Federal district court.

"(C) ISSUANCE OF AN ORDER.—After receiving the arguments of the parties, the Administrator shall, as soon as practicable, issue an order stating the action taken upon each such objection and setting forth any revision to the regulation or prior order that the Administrator has found to be warranted. If a hearing was held under subparagraph (B), the order and any revision to the regulation or prior order shall, with respect to questions of fact at issue in the hearing, be based only on substantial evidence of record at the hearing, and shall set forth in detail the findings of facts and the conclusions of law or policy upon which the order or regulation is based.

"(D) EFFECTIVE DATE OF AN ORDER.—An order issued under this paragraph ruling on an objection shall not take effect before the 90th day after the publication of the order unless the Administrator finds that emergency conditions exist necessitating an earlier effective date, in which event the Administrator shall specify in the order the findings of the Administrator as to such conditions.

"(7) JUDICIAL REVIEW.—

"(A) FILING.—In a case of actual controversy as to the validity of any order issued under paragraph (6) or any regulation that is the subject of such an order, any person who will be adversely affected by the order or regulation may obtain judicial review by filing in the United States Court of Appeals for the circuit wherein that person resides or has its principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, not later than 60 days after publication of such order, a petition praying that the order or regulation be set aside in whole or in part.

"(B) FILING OF RECORD OF PROCEEDINGS.—A copy of the petition shall be forthwith transmitted by the clerk of the court to the Administrator, or any officer designated by the Administrator for that purpose, and thereupon the Administrator shall file in the court the record of the proceedings on which the Administrator based the order or regulation, as provided in section 2112 of title 28, United States Code. Upon the filing of the petition, the court shall have exclusive jurisdiction to affirm or set aside the order or regulation complained of in whole or in part. The findings of the Administrator with respect to questions of fact shall be sustained only if supported by substantial evidence when considered on the record as a whole.

"(C) ADDITIONAL EVIDENCE.—If a party applies to the court for leave to adduce additional evidence, and shows to the satisfaction of the court that the additional evidence is material and that there were reasonable grounds for the failure to adduce the evidence in the proceeding before the Administrator, the court may order that the additional evidence (and evidence in rebuttal thereof) shall be taken before the Administrator in the manner and upon the terms and conditions the court deems proper. The Administrator may modify prior findings as to the facts by reason of the additional evidence so taken and may modify the order or regulation accordingly. The Administrator shall file with the court any such modified finding, order, or regulation.

"(D) FINAL JUDGMENT.—The judgment of the court affirming or setting aside, in whole or in part, any order under paragraph (6) and any regulation that is the subject of the order shall be final, subject to review by the Supreme Court of the United States as provided in section 1254 of title 28 of the United States Code. The commencement of proceedings under this paragraph shall not, unless specifically ordered by the court to the contrary, operate as a stay of a regulation or order.

"(E) LIMITATIONS ON JUDICIAL REVIEW.—Any issue as to which review is or was obtainable under paragraph (6) and this paragraph shall not be the subject of judicial review under any other provision of law.

"(e) ACTION ON ADMINISTRATOR'S OWN INITIATIVE.—

"(1) GENERAL RULE.—The Administrator may issue a regulation—

"(A) establishing, modifying, or revoking a tolerance for a pesticide chemical or a pesticide chemical residue;

"(B) establishing or revoking an exemption of a pesticide chemical residue from the requirement of a tolerance; or

"(C) establishing general procedures and requirements to implement this section.

A regulation issued under this paragraph shall become effective upon the publication of the regulation.

"(2) NOTICE.—Before issuing a final regulation under paragraph (1), the Administrator shall issue a notice of proposed rulemaking and provide a period of not less than 60 days for public comment on the proposed regulation, except that a shorter period for comment may be provided if the Administrator for good cause finds that it would be in the public interest to do so and states the reasons for the finding in the notice of proposed rulemaking. The Administrator shall provide an opportunity for a public hearing during the rulemaking under procedures provided in subsection (d)(6)(B).

"(f) SPECIAL DATA REQUIREMENTS.—

"(1) REQUIRING SUBMISSION OF ADDITIONAL DATA.—If the Administrator determines that additional data or information is reasonably required to support the continuation of a tolerance or exemption that is in effect under this section for a pesticide chemical residue on a food, the Administrator shall—

"(A) issue a notice requiring the persons holding the pesticide registrations associated with the tolerance or exemption to submit the data or information under section 3(c)(2)(B) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(c)(2)(B));

"(B) issue a rule requiring that testing be conducted on a substance or mixture under section 4 of the Toxic Substances Control Act (15 U.S.C. 2603); or

"(C) publish in the Federal Register, after first providing notice and an opportunity for comment of not less than 90 days' duration, an order—

"(i) requiring the submission to the Administrator by one or more interested persons of a notice identifying the person or persons who will submit the required data and information;

"(ii) describing the type of data and information required to be submitted to the Administrator and stating why the data and information could not be obtained under the authority of section 3(c)(2)(B) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(c)(2)(B)) or section 4 of the Toxic Substances Control Act (15 U.S.C. 2603);

"(iii) describing the reports to the Administrator required to be prepared during and after the collection of the data and information;

"(iv) requiring the submission to the Administrator of the data, information, and reports referred to in clauses (ii) and (iii); and

"(v) establishing dates by which the submissions described in clauses (i) and (iv) must be made.

The Administrator may revise any such order to correct an error.

"(2) NONCOMPLIANCE.—If a submission required by a notice issued in accordance with paragraph (1)(A) or a rule issued under paragraph (1)(B) is not made by the time specified in the notice or the rule, the Administrator may by order published in the Federal

Register modify or revoke the tolerance or exemption in question.

"(3) REVIEW.—An order issued under this subsection shall be effective upon publication and shall be subject to review in accordance with paragraphs (6) and (7) of subsection (d).

"(g) CONFIDENTIALITY AND USE OF DATA.—

"(1) GENERAL RULE.—Data and information that are submitted to the Administrator under this section in support of a tolerance shall be entitled to confidential treatment for reasons of business confidentiality and to exclusive use and data compensation, to the same extent provided by sections 3 and 10 of the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 136a and 136h).

"(2) EXCEPTIONS.—Data that are entitled to confidential treatment under paragraph (1) may nonetheless be disclosed to the Congress, and may be disclosed, under such security requirements as the Administrator may provide by regulation, to—

"(A) employees of the United States who are authorized by the Administrator to examine the data in the carrying out of their official duties under this Act or other Federal statutes intended to protect the public health; or

"(B) contractors with the United States authorized by the Administrator to examine the data in the carrying out of contracts under such statutes.

"(3) SUMMARIES.—Notwithstanding any provision of this subsection or other law, the Administrator may publish the informative summary required by subsection (d)(2)(A)(i) and may, in issuing a proposed or final regulation or order under this section, publish an informative summary of the data relating to the regulation or order.

"(h) STATUS OF PREVIOUSLY ISSUED REGULATIONS.—

"(1) REGULATIONS UNDER SECTION 406.—Regulations affecting pesticide chemical residues in or on raw agricultural commodities promulgated, in accordance with section 701(e), under the authority of section 406(a) upon the basis of public hearings instituted before January 1, 1953, shall be deemed to be regulations issued under this section and shall be subject to modification or revocation under subsections (d) and (e).

"(2) REGULATIONS UNDER SECTION 409.—Regulations that established tolerances for substances that are pesticide chemical residues on or in processed food, or that otherwise stated the conditions under which such pesticide chemicals could be safely used, and that were issued under section 409 on or before the date of the enactment of this paragraph, shall be deemed to be regulations issued under this section and shall be subject to modification or revocation under subsection (d) or (e).

"(3) REGULATIONS UNDER SECTION 408.—Regulations that established tolerances or exemptions under this section that were issued on or before the date of the enactment of this paragraph shall remain in effect unless modified or revoked under subsection (d) or (e).

"(i) TRANSITIONAL PROVISION.—If, on the day before the date of the enactment of this subsection, a substance that is a pesticide chemical was, with respect to a particular pesticidal use of the substance and any resulting pesticide chemical residue in or on a particular food—

"(1) regarded by the Administrator or the Secretary as generally recognized as safe for use within the meaning of the provisions of section 408(a) or 201(s) as then in effect; or

"(2) regarded by the Secretary as a substance described by section 201(s)(4), such a pesticide chemical residue shall be regarded as exempt from the requirement for a tolerance, as of the date of enactment of this subsection. The Administrator shall by regulation indicate which substances are described by this subsection. An exemption under this subsection may be revoked or modified as if the exemption had been issued under subsection (c).

"(j) HARMONIZATION WITH ACTION UNDER OTHER LAWS.—

"(1) LIMITATION.—Notwithstanding any other provision of this Act, a final rule under this section that revokes, modifies, or suspends a tolerance or exemption for a pesticide chemical residue in or on a food may be issued only if the Administrator has first taken any necessary action under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.) with respect to the registration of the pesticide or pesticides whose use results in the residue to ensure that any authorized use of the pesticide in producing, storing, processing, or transporting food that occurs after the issuance of the final rule under this section will not result in pesticide chemical residues on the food that are unsafe within the meaning of subsection (a).

"(2) REVOCATION OF TOLERANCE OR EXEMPTION FOLLOWING CANCELLATION OF ASSOCIATED REGISTRATIONS.—

"(A) IN GENERAL.—If the Administrator, acting under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.), cancels the registration of each pesticide that contains a particular pesticide chemical and that is labeled for use on a particular food, or requires that the registration of each such pesticide be modified to prohibit the use of the pesticide in connection with the production, storage, or transportation of the food, due in whole or in part to dietary risks to humans posed by residues of the pesticide chemical on that food, the Administrator shall revoke any tolerance or exemption that allows the presence of the pesticide chemical, or any pesticide chemical residue that results from the use of the pesticide chemical, in or on the food. The Administrator shall use the procedures set forth in subsection (e) in taking action under this paragraph.

"(B) EFFECTIVE DATE.—A revocation under this paragraph shall become effective not later than 180 days after—

"(i) the date by which each such cancellation of a registration has become effective; or

"(ii) the date on which the use of the canceled pesticide becomes unlawful under the terms of the cancellation,

whichever is later.

"(3) SUSPENSION OF TOLERANCE OR EXEMPTION FOLLOWING SUSPENSION OF ASSOCIATED REGISTRATIONS.—

"(A) SUSPENSION.—If the Administrator, acting under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.), suspends the use of each registered pesticide that contains a particular pesticide chemical and that is labeled for use on a particular food, due in whole or in part to dietary risks to humans posed by residues of the pesticide chemical on the food, the Administrator shall suspend any tolerance or exemption that allows the presence of the pesticide chemical, or any pesticide chemical residue that results from the use of the pesticide chemical, in or on that food. The Administrator shall use the procedures set forth in subsection (e) in taking action under this paragraph. A suspension under this paragraph shall become effective not later than 60 days after the date by which each such suspension of use has become effective.

"(B) EFFECT OF SUSPENSION.—The suspension of a tolerance or exemption under subparagraph (A) shall be effective as long as the use of each associated registration of a pesticide is suspended under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.). While a suspension of a tolerance or exemption is effective the tolerance or exemption shall not be considered to be in effect. If the suspension of use of the pesticide under such Act is terminated, leaving the registration of the pesticide for the use in effect under such Act, the Administrator shall rescind any associated suspension of a tolerance or exemption.

"(4) TOLERANCES FOR UNAVOIDABLE RESIDUES.—In connection with action taken under paragraph (2) or (3), or with respect to pesticides whose registrations were canceled prior to the effective date of this paragraph, if the Administrator determines that a residue of the canceled or suspended pesticide chemical will unavoidably persist in the environment and thereby be present in or on a food, the Administrator may establish a tolerance for the pesticide chemical residue at a level that permits such unavoidable residue to remain in or on the food. In establishing such a tolerance, the Administrator shall take into account the factors set forth in subsection (b)(2)(C) and shall use the procedures set forth in subsection (e). The Administrator shall review a tolerance established under this paragraph periodically and modify the tolerance as necessary so that the tolerance allows only that level of the pesticide chemical residue that is unavoidable.

"(5) PESTICIDE RESIDUES RESULTING FROM LAWFUL APPLICATION OF PESTICIDE.—Notwithstanding any other provision of this Act, if a tolerance or exemption for a pesticide chemical residue in or on a food has been revoked, suspended, or modified under this section, an article of the food shall not be considered unsafe solely because of the presence of the pesticide chemical residue in or on the food if it is shown to the satisfaction of the Secretary that—

"(A) the residue is present as the result of an application or use of a pesticide at a time and in a manner that was lawful under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.); and

"(B) the residue does not exceed a level that was authorized at the time of the application or use to be present on the food under a tolerance, exemption, food additive regulation, or other sanction then in effect under this Act,

unless, in the case of any tolerance or exemption revoked, suspended, or modified under this subsection or subsection (d) or (e), the Administrator has issued a determination that consumption of the legally treated food during the period of the likely availability of the food in commerce will pose an unreasonable dietary risk.

"(k) FEES.—The Administrator shall by regulation require the payment of such fees as will in the aggregate, in the judgment of the Administrator, be sufficient over a reasonable term to provide, equip, and maintain an adequate service for the performance of the functions of the Administrator under this section. Under the regulations, the performance of the services or other functions of the Administrator under this section, including—

"(1) the acceptance for filing of a petition submitted under subsection (d);

"(2) the promulgation of a regulation establishing, modifying, or revoking a tolerance or establishing or revoking an exemption from the requirement of a tolerance under this section;

"(3) the acceptance for filing of objections under subsection (d)(6); or

"(4) the certification and filing in court of a transcript of the proceedings and the record under subsection (d)(7),

may be conditioned upon the payment of the fees. The regulations may further provide for waiver or refund of fees in whole or in part when in the judgment of the Administrator the waiver or refund is equitable and not contrary to the purposes of this subsection.

"(l) NATIONAL UNIFORMITY OF TOLERANCES.—

"(1) QUALIFYING PESTICIDE CHEMICAL RESIDUE.—For purposes of this subsection, the term 'qualifying pesticide chemical residue' means a pesticide chemical residue resulting from the use, in production, processing, or storage of a food, of a pesticide chemical that is an active ingredient and that—

"(A) was first approved for such use in a registration of a pesticide issued under section 3(c)(5) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(c)(5)) on or after April 25, 1985, on the basis of data determined by the Administrator to meet all applicable requirements for data prescribed by regulations in effect under such Act on April 25, 1985; or

"(B) was approved for such use in a reregistration eligibility determination issued under section 4(g) of such Act on or after the date of enactment of the Food Quality Protection Act of 1995.

"(2) QUALIFYING FEDERAL DETERMINATION.—For purposes of this subsection, the term 'qualifying Federal determination' means—

"(A) a tolerance or exemption from the requirement for a tolerance for a qualifying pesticide chemical residue that was—

"(i) issued under this section after the date of enactment of the Food Quality Protection Act of 1995; or

"(ii) issued (or, pursuant to subsection (h) or (i), deemed to have been issued) under this section prior to the date of enactment of the Food Quality Protection Act of 1995, and determined by the Administrator to meet the standard under subsection (b)(2) (in the case of a tolerance) or (c)(2) (in the case of an exemption); and

"(B) any statement, issued by the Secretary, of the residue level below which enforcement action will not be taken under this Act with respect to any qualifying pesticide chemical residue, if the Secretary finds that the pesticide chemical residue level permitted by the statement during the period to which the statement applies protects human health.

"(3) LIMITATION.—The Administrator may make the determination described in paragraph (2)(A)(ii) only by issuing a rule in accordance with the procedure set forth in subsection (d) or (e) and only if the Administrator issues a proposed rule and allows a period of not less than 30 days for comment on the proposed rule. Any such rule shall be reviewable in accordance with paragraphs (6) and (7) of subsection (d).

"(4) STATE AUTHORITY.—Except as provided in paragraph (5), no State or political subdivision may establish or enforce any regulatory limit on a qualifying pesticide chemical residue in or on any food if a qualifying Federal determination applies to the presence of the pesticide chemical residue in or on the food, unless the State regulatory limit is identical to the qualifying Federal determination. A State or political subdivision shall be deemed to establish or enforce a regulatory limit on a pesticide chemical residue in or on food if the State or political subdivision purports to prohibit or penalize the production, processing, shipping, or other handling of a food because the food contains a pesticide residue (in excess of a prescribed limit), or if the State or political subdivision purports to require that a food containing a pesticide residue be the subject of a warning or other statement relating to the presence of the pesticide residue in the food.

"(5) PETITION PROCEDURE.—

"(A) IN GENERAL.—Any State may petition the Administrator for authorization to establish in such State a regulatory limit on a qualifying pesticide chemical residue in or on any food that is not identical to the qualifying Federal determination applicable to the qualifying pesticide chemical residue.

"(B) PETITION REQUIREMENTS.—Any petition made by a State under subparagraph (A) shall—

"(i) satisfy any requirements prescribed, by rule, by the Administrator; and

"(ii) be supported by scientific data about the pesticide chemical residue that is the subject of the petition or about chemically related pesticide chemical residues, data on the consumption within the State of food bearing the pesticide chemical residue, and data on exposure of humans within the State to the pesticide chemical residue.

"(C) ORDER.—Subject to paragraph (6), the Administrator may, by order, grant the authorization described in subparagraph (A) if the Administrator determines that the proposed State regulatory limit—

"(i) is justified by compelling local conditions;

"(ii) would not unduly burden interstate commerce; and

"(iii) would not cause any food to be in violation of Federal law.

"(D) CONSIDERATION OF PETITION AS PETITION FOR TOLERANCE OR EXEMPTIONS.—In lieu of any action authorized under subparagraph (C), the Administrator may treat a petition under this paragraph as a petition under subsection (d) to revoke or modify a tolerance or to revoke an exemption. If the Administrator determines to treat a petition under this paragraph as a petition under subsection (d), the Administrator shall thereafter act on the petition pursuant to subsection (d).

"(E) REVIEW OF ORDER.—Any order of the Administrator granting or denying the authorization described in subparagraph (A) shall be subject to review in the manner described in paragraphs (6) and (7) of subsection (d).

"(6) RESIDUES FROM LAWFUL APPLICATION.—No State or political subdivision may enforce any regulatory limit on the level of a pesticide chemical residue that may appear in or on any food if, at the time of the application of the pesticide that resulted in the residue, the sale of the food with the residue level was lawful under this Act and under the law of the State, unless the State demonstrates that consumption of the food containing the pesticide residue level during the period of the likely availability of the food in the State will pose an unreasonable dietary risk to the health of persons within the State.".

SEC. 306. AUTHORIZATION FOR INCREASED MONITORING.

There are authorized to be appropriated an additional $12,000,000 for increased monitoring by the Secretary of Health and Human Services of pesticide residues in imported and domestic food.

SUMMARY—THE FOOD QUALITY PROTECTION ACT OF 1995

DATA COLLECTION AND IMPROVED PROCEDURES TO ENSURE THAT TOLERANCES SAFEGUARD THE HEALTH OF INFANTS AND CHILDREN

Implementation of the NAS report.—EPA, USDA, and HHS are directed to coordinate the development and implementation of procedures to ensure that pesticide tolerances adequately safeguard the health of infants and children based on the report "Pesticides in the Diets of Infants and Children" of the National Research Council of the National Academy of Sciences. Guidelines are provided to aid in the development of these procedures.

Collection of pesticide use information.—USDA is directed to collect data on the use of pesticides on food. In collecting the information, USDA is required to coordinate with EPA to ensure that such information is useful in pesticide regulatory decisions.

Integrated pest management.—USDA, in cooperation with EPA, is directed to implement research, demonstration, and education programs to support the adoption of IPM.

AMENDMENTS TO THE FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

Minor uses of pesticides.—Incentives are offered for manufacturers to maintain and develop minor uses without compromising food safety or adversely affecting the environment. Provisions include:

Establishes a minor use definition.

The current 10 year exclusive use protection for registrants of new chemicals could be extended one year for each three minor uses which a manufacturer registers by year 7, up to a maximum of three additional years for nine or more minor uses registered by EPA.

The time necessary for the development of residue chemistry data for a minor use could be extended.

EPA may waive minor use data requirements in certain circumstances.

EPA is to review and act on minor use registration applications within 1 year if the active ingredient is to be registered solely for a minor use, or if there are three or more minor uses proposed for every non-minor use, or if the minor use would serve as a replacement for any use that has been canceled within 5 years of the application or if the approval of the minor use would avoid the reissuance of an emergency exemption.

If a minor use waiver of data requirements is submitted to EPA and subsequently denied, the registrant would be given the full time period for supplying the data to EPA.

As a transition measure, the effective date of the voluntary cancellation of minor uses by a registrant could coincide with the due date of the final study required in the reregistration process for those uses being supported by the registrant.

EPA can consider data from a pesticide which has been voluntarily canceled in support of another minor use registration that is identical or similar and for a similar use.

A minor use program within EPA's Office of Pesticide Programs would be established.

A minor use program within USDA would be established. This would include a minor use matching fund for the development of scientific data to support minor uses.

Tolerance reevaluation as part of reregistration.—EPA is required to conduct a reevaluation of tolerances and exemptions from tolerances once a pesticide has completed reregistration or as soon as sufficient information on dietary risks of the pesticide have been collected.

Coordination of cancellation.—The term unreasonable risk would also include a human dietary risk from residues that result from use of a pesticide on food inconsistent with the standard adequate to protect human health under Section 408 of the FFDCA.

Scientific advisory panel.—A Science Review Board is established to assist the FIFRA Scientific Advisory Panel in its scientific review function.

AMENDMENTS TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

A consistent framework for pesticide tolerance regulation is created by:

Establishing a single narrative negligible risk standard for pesticide residues in both raw and processed food, putting an end to the pesticide "double standard."

Requiring EPA, where reliable data are available, to calculate dietary risk on the basis of the percent of food actually treated with the pesticide and the actual residue levels of the pesticide that occurs on food.

Retaining EPA's power to consider benefits in regulatory actions involving tolerances for pesticide residues on raw agricultural commodities and would extend that power to the tolerances for pesticide residues on processed food.

Promoting international harmonization of pesticide tolerances by requiring EPA to take into consideration whether a maximum residue level has been established for the chemical by the Codex Alimentarious Commission [CODEX].

Providing for national uniformity of tolerances for pesticides when such pesticides have been registered under current data requirements. States are permitted to petition EPA to establish a different regulatory limit based on compelling local conditions.

Authorization for Increased Monitoring.—Authorizes an increase of $12 million in appropriations for monitoring pesticide residues on domestic and imported food.•

By Mr. PRESSLER:

S. 1167. A bill to amend the Wild and Scenic Rivers Act to exclude the South Dakota segment from the segment of the Missouri River designated as a recreational river, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. PRESSLER:

S. 1168. A bill to amend the Wild and Scenic Rivers Act to exclude any private lands from the segment of the Missouri River designated as a recreational river, and for other purposes; to the Committee on Energy and Natural Resources.

NIOBRARA RECREATIONAL RIVER LEGISLATION

Mr. PRESSLER. Mr. President, earlier this year I spoke on the Senate floor regarding the visit to Washington, DC, of an outstanding South Dakota family—the Talsmas. Georgia and Larry Talsma, from Springfield, SD, made their first trip ever to Washington, DC, by car.

The Talsmas came to Washington to tell their story of how the Federal Government is intruding on their land and threatening to take over their private property. In its drive to protect a small portion of the Missouri River as a recreational river, the National Park Service appears intent on trampling private property rights.

During their visit, I arranged for the Director of the National Park Service to come to my office and listen to the Talsmas. At that meeting I told the Director that I intended to introduce legislation to undo the designation in South Dakota. This is an effort the Talsmas and other South Dakotans strongly support.

As a result of the Talsmas' visit, the Director agreed to push back the deadline for a preferred alternative to no earlier than August 1, 1995, assured the Talsmas there would be at least a 60-day comment period on any preferred alternative, and if more time is needed, Director Kennedy said he would be willing to provide such time.

All in all, quite a success story for a family's first trip to Washington, DC, to convince the Federal Government that they were going to far.

Well, it was just a few weeks since the Talsmas returned to South Dakota, that I received a letter from Georgia. It appeared that the new plans of the Director fell on deaf ears out in the regional office. At the next public meeting the Talsmas were told there had been no communication from the Director of the Park Service to the regional office. In addition, the Park Service representative told the Talsmas that the Director of the National Park Service was not well informed. I find this lack of communication between the regional and D.C. offices very disturbing. It certainly does little for the Talsma's hope that government can work to solve problems.

As I told the Director at the meeting, I was prepared to introduce legislation designed to protect property owners in South Dakota. The legislation I am introducing today will do just that.

The first bill would "undesignate" the 39-mile stretch of the Missouri River as a recreational river. The second bill would exempt private property from any boundary of a recreational river. The second bill is necessary should the bill undesignating the river not pass.

All too often we hear of reports of the Federal bureaucracy out of control. Frankly, Congress helped create this problem by designating the recreational river. However, I am sure that Congress never intended to trample private property rights.

The right thing to do is to undesignate the river, or, at the very least, exempt private property from the designation.

The Talsmas and other South Dakota landowners want to see that their property and their rights are fully protected. They want to see Government work to respond to the needs of property owners when Government is overreaching. That is why the Talsmas traveled to Washington. They are right.

The bills I am introducing today will achieve that goal.

By Mr. KEMPTHORNE:

S. 1169. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize construction of facilities for the reclamation and reuse of wastewater at McCall, Idaho, and for other purposes; to the Committee on Energy and Natural Resources.

THE MCCALL AREA WASTEWATER RECLAMATION AND REUSE PROJECT AUTHORIZATION ACT OF 1995

• Mr. KEMPTHORNE. Mr. President, I am introducing a bill today that will enable the Federal Government to carry through on its commitments and its responsibilities to improve water quality associated with Federal facilities. Specifically, the bill authorizes the Bureau of Reclamation to participate financially in a Federal, State, local, and private sector project to correct severe water quality problems in Cascade Reservoir, which is owned and operated by the Bureau of Reclamation.

The water quality problems in Cascade Reservoir are so severe that at various times we have had both major fish kills and the death of some cattle. The primary culprit appears to be large amounts of phosphorus in the water, which result in algae blooms that are both aesthetically displeasing and occasionally toxic. Last year, when the National Marine Fisheries Service commanded Cascade Reservoir water to help flush migrating endangered salmon toward the ocean, the water quality problems got even worse and disrupted what has been an ongoing effort to improve water quality.

Cascade Reservoir is now formally listed as water quality limited under section 303 of the Clean Water Act. Surrounding communities are under court orders to fix the problems, and the clock is running out.

The community is identifying every means it can to reduce phosphorus loadings going into the north fork of the Payette River and Cascade Reservoir. Studies show that somewhere between 6 and 11 percent of the phosphorus comes from the city of McCall's wastewater treatment plant, which discharges effluent into the north fork of the Payette River.

Using its authority under the Reclamation Wastewater and Groundwater Study and Facilities Act, the Bureau of Reclamation has identified the McCall, ID, situation has an opportunity for the Bureau to facilitate the reclamation and reuse of wastewater. Under a proposal that has been developed by the State of Idaho, the city of McCall, and the Payette Lakes Water and Sewer District with the Bureau of Reclamation, a project would be constructed to use the wastewater presently discharged into the north fork to irrigate agricultural land.

Direct irrigation would take place during the summer months, with the effluent being stored during the winter months for application during the growing season. The arrangement will allow wastewater to be reclaimed and reused in a way that both improves water quality and meet farmers needs for both water and crop nutrients.

The total cost of the project is roughly $11.3 million, of which the Bureau of Reclamation will provide roughly $5.6 million. While most of that commitment is intended for phase II of the project in fiscal year 1997, expenditures of a portion of that amount in fiscal year 1996 would go a long way toward strengthening the State, local, Federal, and private sector partnership that has been established here. The bill limits the Federal cost share on the project to 50 percent of the total capital costs, and prohibits the use of the funds for operations and maintenance.

Mr. President, Cascade Reservoir is a Federal facility under the jurisdiction of the Bureau of Reclamation. It is therefore appropriate that it participate in solving the water quality problems of the reservoir.

I commend the regional director, John Keys, and his personnel, who have recognized the Federal responsibility in this area. And, I appreciate all of those individuals who have worked so hard to develop this part of the solution to the reservoir's water quality problems. They have committed financially to this effort, and I hope Congress will act expeditiously to enact this bill to authorize the McCall Wastewater Reclamation and Reuse project so the Federal Government can follow through with its financial commitment.

By Mr. PRESSLER (for himself and Mr. BAUCUS):

S. 1170. A bill to limit the applicability of the generation-skipping transfer tax; to the Committee on Finance.

THE GENERATION-SKIPPING TRANSFER TAX CORRECTION ACT OF 1995

Mr. PRESSLER. Mr. President, I am proud to introduce a bill today that would correct an unintended consequence of changes in the generation-skipping transfer [GST] tax that were made as part of the 1986 Tax Reform Act. As the law currently stands, individuals are discouraged from establishing charitable trusts in certain circumstances due to the tax treatment of such trusts. My bill would correct this discrepancy, thereby opening the option of contributing to charity through this instrument to those who otherwise would not do so.

The corrections in my bill relate to the predeceased parent exclusion of the GST tax. As my colleagues know, the GST tax prevents individuals from avoiding estate and gift taxes by circumventing the first generation heir and passing the assets along to a second generation heir, thereby skipping a generation. The exclusion provides that the GST tax is not applied to direct gifts or bequests made by a grandparent to a grandchild where the grandchild's parent—the transferor's child—is deceased at the time of the transfer. In this situation, clearly there is no intent to circumvent the tax by skipping a generation, as that generation no longer exists.

My bill would correct two problems in the current law. First, as the law is currently written, childless individuals are treated differently than those who have lineal descendants. An individual who outlives his or her own generation—siblings and cousins—and the subsequent generation—nieces and nephews—cannot transfer property to his or her grandnieces and grandnephews without being hit by the punitive GST tax.

This seems to be an inequitable, and unintended, situation which needs to be resolved so that these individuals can transfer property to their closest living relatives. My bill would amend the exclusion to make it applicable to collateral heirs in this situation.

Second, current law limits the predeceased parent exclusion to direct gifts and bequests only; it does not apply to any type of transfer from a trust. Unfortunately, the effect of this limitation is to strongly discourage individuals, whose direct gifts or bequests would otherwise be covered by the exclusion, from establishing a charitable trust for some period of years before distributing the property to qualifying family members.

Trusts of this nature are very important to charities in South Dakota and across the country. Because of this discriminatory treatment of trusts, many South Dakotan charitable groups stand to lose potential funding sources. As volunteer and charitable service groups are vital for our communities, I find it unproductive to have excessive rules in the tax code such as this that chill charitable giving, and do not serve the ends that the GST was established to achieve.

In this era of tight budgetary constraints on the federal budget, we need to do all that we can to encourage private charitable giving that helps those who are less fortunate within our communities. This bill lifts an unnecessary restriction on giving and I urge my colleagues to join me in support of this bill to change these rules so that charitable giving may continue to flourish.

By Mr. MCCONNELL (for himself and Mr. FORD):

S. 1171. A bill to amend the Internal Revenue Code of 1986 to modify the application of the passive loss limitations to equine activities; to the Committee on Finance.

PASSIVE LOSS LEGISLATION

Mr. McCONNELL. Mr. President, on behalf of myself and Senator FORD, I rise today to introduce a bill to amend the Internal Revenue Code to modify application of passive loss limitations to horse activities.

The horse industry is extremely important for my State, and for the thousands of Kentuckians who actively participate in horse-related activities—whether it is owning, breeding, or racing horses, or simply enjoying an afternoon trail ride or horse show. However, the horse industry has been adversely impacted by the changes made in the Tax Reform Act of 1986 with job losses occurring at racetracks and horse farms. Hundreds of breeding farms have gone out of business.

The horse industry is a $15.2 billion industry that employs and supports hundreds of thousands of workers. In Kentucky alone, a study done by the University of Kentucky found that $5 billion annually can be attributed to the direct and indirect effects of the horse industry. The study also emphasized that the majority of people involved in breeding horses operate small, family run farms, a detail that garners little attention. The equine industry is an extremely labor-intensive industry employing hundreds of thousands of people to do everything from exercising horses to track, employees to trainers. In Kentucky, over 80,000 jobs are related to the horse industry.

What supports the horse industry, including the job base, the breeding farms and the revenue stream in the form of taxes to all levels of Government, is the investment in the horses themselves. The horse industry relies on outside investment to operate, just as other businesses do. Without owners willing to buy, breed, and race horses, the hundreds of thousands who are employed fulltime by the industry cannot work. Without such investment, jobs and revenue are lost.

Since the Tax Reform Act of 1986, the horse industry has experienced a near devastating decline. Most horse owners and breeders believe that the limits on passive losses was a major reason for the decline, and chilled the interest of investors in horses. Since the mid-1980's, the number of horses bred and registered has decreased—leading to losses in jobs and revenues for states.

The 1986 act indicates that in order to satisfy the material participation requirement, a person's involvement must be regular, continuous, and substantial. The passive loss rules are difficult for many to satisfy because this is such a unique industry. It is difficult for many owners to ride, train, breed, or show their horses because of the expertise and physical ability that is required. This would alter these requirements to make them fair, workable, and enforceable.

By Mr. ROTH (for himself, Mr. HATCH, and Mr. BAUCUS):

S. 1172. A bill to amend the Revenue Act of 1987 to provide a permanent extension of the transition rule for certain publicly traded partnerships; to the Committee on Finance.

PUBLICLY TRADED PARTNERSHIPS LEGISLATION

Mr. ROTH. Mr. President, I am pleased to introduce, along with my Finance Committee colleagues, Mr. BAUCUS and Mr. HATCH, a bill to correct what I believe was a mistake made in the Omnibus Budget Reconciliation Act of 1987 relating to publicly traded partnerships, or PTP's, as they are commonly known. PTP's are limited partnerships traded as units on public stock exchanges or over the counter. They are regulated by the SEC comparably to other public companies. Many investors, large and small, find PTP units to be safe, liquid investments.

The 1987 act included a change to the Tax Code which arbitrarily limited the future life of certain PTP's to no more than 10 years. The purpose of our amendment is to eliminate that change and permit this small group of PTP's that were in existence back in 1987 to continue operating as partnerships as long as they wish. We believe that a mistake was made in 1987. If the mistake is not corrected in the very near future, these companies will be forced to undertake an expensive and disruptive conversion to corporate form, or some other operating form. No public purpose will be served by such forced conversions.

PTP's first came into being in the early 1980's as a new means to raise capital for industries that had traditionally done business in partnership form. At the time, a number of corporations decided that the PTP structure better suited their operations. A few years later, Congress became concerned that the opportunity to become a PTP might erode the corporate tax base and decided, in 1987, to limit the extent to which new PTP's could be created. The law restricted future PTP operating status to companies in the energy, real estate, and natural resources sectors.

For reasons that were not clear at the time, and still are not clear from the committee reports explaining the 1987 act, all companies then operating as PTP's outside the protected sectors were to be "sunsetted," or terminated, within 10 years. Unless the law is changed, this provision, sometimes referred to as the "PTP grandfather provision," will punish 27 American companies who played by the rules. Unless changed, this provision of law will compel them to convert by January 1, 1998.

Our amendment would stop this punitive process in its tracks. Our amendment recognizes the positive contribution that these companies make to their communities, to their employees, and to the unit holders. Our amendment is consistent with many precedents which have changed tax law prospectively, and left alone those who relied on prior law for major business decisions.

Our amendment also strikes a blow for fairness. After all, companies that converted to PTP form went through a complex, expensive, and time-consuming process. In so doing, they relied on the expectation that they would be able to operate as partnerships as long as they wanted. If they ever wished to convert to corporate form, or to become a nontraded partnership, they could do so when it was in their best interests. Some firms have converted voluntarily during the intervening years for business reasons unrelated to the sunset. However, to force such a conversion arbitrarily is totally unfair, and will require the investment of significant resources and managerial time far better devoted to strengthening these companies.

There were only about 120 PTP's in existence in 1987; nearly three-fourths of which were in lines of business untouched by the new restrictions. Today, their are still 27 "grandfathered" PTP's in operation. They are in such businesses as nursing homes, restaurants, hotels and motels, investment management and financial advisory services, cable television, home, and office services such as carpet cleaning, lawn maintenamce and pest control, and even Macadamaia nuts.

They operate in all 50 states and employ more than 225,000 people nationwide—from fewer than 200 people in Alaska, South Dakota, and Vermont, to more than 10,000 people in California, Illinois, Ohio, Pennsylvania, and Texas. There are more than 300,000 unit holders nationwide from as few as 500 in North Dakota to as many as 30,000 in California.

These are the people with the greatest stake in this amendment—the employees and unit holders of the affected PTP's. Unless our amendment is enacted into law, the value of units will decline. The investors will suffer—most of whom are average, middle-class Americans who purchased their PTP's, oftentimes through an individual retirement account, because of the attractive yield, safety, and liquidity. As PTP units decline in value, a company's ability to expand will be negatively affected and the employees will suffer. Employees who are also unit holders—tens of thousands of individuals nationwide—face a "double whammy."

I hope my colleagues will agree that this punitive provision of the tax code is unfair, counterproductive, and contrary to the objectives of capital formation and jobs growth. Our amendment would fix the problem, so I urge its inclusion in this year's tax bill.

Mr. HATCH. Mr. President, I am pleased to join with my distinguished colleague from Delaware, Senator ROTH, in introducing legislation that would prevent publicly traded partnerships [PTP's] from becoming subject to the double taxation of corporate tax status. This bill extends permanently the tax law that recognizes these entities as ordinary partnerships for tax purposes. As a result, they will escape the unfair consequences that would occur if this bill is not passed.

The Omnibus Budget Reconciliation Act [OBRA] of 1987 changed the tax law so that all PTP's would be treated, for tax purposes, as corporations. However, those partnerships established prior to this legislation were grandfathered. For the past 8 years, these grandfathered PTP's have been taxed as partnerships, but the grandfather protection provided by OBRA '87 will expire at the end of 1997. In order to continue this needed protection from double taxation, it is necessary to extend this provision permanently.

At the time OBRA '87 was enacted, the Congress commissioned the Treasury Department to study the effect that this change in the taxation of PTP's would have on Federal revenue. However, the 1991 Treasury study on large partnerships did not address this issue directly. This suggests to me the possibility of invalid reasoning behind OBRA '87 provision that taxes newly formed PTP's as corporations. This apparent lack of justification in taxing newly formed publicly traded partnerships as corporations clearly makes switching the grandfathered PTP's to this tax status unfair.

Mr. President, the world recognizes America as a land of business opportunity. In order to preserve these partnerships from penalties and taxes that were unforeseen at the time of their establishment—and to prevent negative repercussions for workers, investors, customers, and suppliers—I urge my colleagues to join us in supporting this legislation.

By Mr. MOYNIHAN (for himself, Mr. D'AMATO, Mr. BRADLEY, and Mr. LAUTENBERG):

S. 1175. A bill to suspend temporarily the duty for personal effect of participants in certain world athletic events; to the Committee on Finance.

FOREIGN ATHLETES LEGISLATION

Mr. MOYNIHAN. Mr. President, I rise today to introduce legislation to facilitate the entry of foreign athletes into the United States to participate in the 1998 Goodwill Games. The New York metropolitan area has assumed the honor of hosting the 1998 games, with events to be held in both New York and New Jersey. I am pleased to be joined by Senator D'AMATO, BRADLEY, and LAUTENBERG in this effort. The House Ways and Means Subcommittee on Trade approved an identical measure last week.

The United States has routinely granted duty-free entry for such events in the past. Last year, Congress granted temporary customs duty waivers to the 1994 World Cup, the 1996 Summer Olympics, and three other international sporting events. Before that, to the World University Games held in 1993 in Buffalo, NY. Without this bill, teams, athletes and officials would suffer an extensive Customs paperwork process and pay duties for their equipment and personal effects. They would receive refunds of these duties only upon their departure from the United States. Furthermore, handling the sheer volume of participants who will enter the United States would pose a serious burden on U.S. Customs officials, who have many other important responsibilities. Foreign nations, without exception, assure hassle-free entry for U.S. athletes participating in similar events, and we should continue to reciprocate the courtesy.

New York is much looking forward to hosting the 1998 Goodwill Games, which, since they follow the 1998 Winter Olympic Games in Nagano, Japan, should be the final major gathering of nations in the 20th century. This is fitting because the games were founded with the vision of promoting international cooperation through world-class competition. Moscow hosted the inaugural games in 1986—the cold war still persisting and only 2 years after the Soviets boycotted the 1984 Summer Olympics in Los Angeles—and the world witnessed 91 national 8 European, and 6 world records broken. The 1990 games in Seattle were the largest cultural and business-to-business exchange in United States-Soviet history, and the 1994 games in St. Petersburg, Russia were the first international event in Democratic Russia. Organizers anticipate the 1998 games in New York to attract 3,000 athletes from over 70 countries, and I expect them to be a worthy addition to this impressive history.

By Mr. KYL (for himself and Mr. MCCAIN):

S. 1176. A bill to direct the Secretary of the Interior to make certain modifications with respect to a water contact with the city of Kingman, Arizona, and for other purposes; to the Committee on Energy and Natural Resources.

WATER CONTRACT LEGISLATION

• Mr. MCCAIN. Mr. President, I join today with my colleague from Arizona, Senator KYL, in introducing legislation to help resolve a problem that affects the water supplies of more than 120,000 of our constituents in Mohave County, AZ.

Representative BOB STUMP (R–AZ), whose Third Congressional District includes Mohave County, recently introduced a similar bill cosponsored by all Arizona House Members.

The purpose of the bill is to require the Secretary of the Interior to take three actions with respect to a contract that provides for the Secretary to deliver 18,500 acre-feet of Colorado River water to the city of Kingman, AZ.

First, the measure directs the Secretary to amend the contract by extending its term from December 31, 1995, to December 31, 2001.

Second, the bill directs the Secretary, within 60 days of receiving a request from Kingman, to approve the assignment of the amended contract to the Mohave County Water Authority, a corporation organized pursuant to State law.

Third, the bill directs the Secretary to further amend the contract so as to make water available for permanent service, consistent with a plan developed by the city in consultation with the U.S. Bureau of Reclamation.

Mr. President, enactment of this legislation is necessary to implement a regional plan for meeting existing and future water needs of the city of Kingman and other fast-growing communities in Mohave County. The most significant element of this plan is the assignment of Kingman's contract for Colorado River water to the Mohave County Water Authority.

In 1968, Kingman entered into a contract with the Secretary of the Interior providing for the annual delivery of 18,500 acre-feet of Colorado River water for use by the city's municipal and industrial customers. Under this contract, the United States reserved the right to terminate the contract if Kingman did not "order, divert, transport, and apply to water for use by the city" by November 13, 1993.

In the early 1970's, the city began studying various alternatives to facilitate direct use of its entitlement to Colorado River water.These studies consistently indicated that the capital expenditures required for water transportation and treatment make direct use of the water prohibitively expensive.

In May 1993, the city adopted a water adequacy study that set forth a long-term water resource management plan. The plan is based largely on a hydrological analysis of the Hualapai Basin, which is Kingman's primary groundwater source. This analysis concluded that there is more than enough groundwater in the basin to meet the city's needs for the next century. Accordingly, the study recommended that the city's Colorado River entitlement be exchanged for funds to develop its groundwater resources, and to pursue effluent reuse and conservation projects.

Subsequently, Kingman solicited statements of interest from entities that would be interested in an exchange of the city's contractual entitlement to Colorado River water. In a response that reflects the great need in the region for water, seven entities expressed an interest in obtaining more than 45,000 acre-feet of water annually.

In September 1993, the Bureau of Reclamation extended Kingman's contract to provide additional time for the city and other Mohave County communities to develop a regional approach to putting Kingman's entitlement to beneficial use. Public meetings and discussions by the Colorado River Ad Hoc Water Users Group/Mojave Ad Hoc Committee, Kingman, Bullhead City, Lake Havasu City, Golden Shores Water Conservation District, the Mojave Valley Irrigation and Drainage District, the Mohave Water Conservation District, and others, led to a consensus that a county water authority should be created. This new authority would also satisfy Reclamation's expressed interest in having a single entity to work with in coordinating efforts to meet the needs of water contractors in Mohave County.

In January 1994, Mohave County's representatives in the State legislature introduced legislation to establish a Mohave County Water Authority. Governor Fife Symington signed the bill into law on April 8, 1994, and the Arizona Department of Water Resources recommended that the Bureau of Reclamation initiate the process to effect the transfer of Kingman's water to the authority. To provide the time needed to complete this process, the Bureau again extended the contract to December 31, 1995.

In March 1995, just days before Kingman, the authority and Reclamation were to sign the documents necessary to assign the city's water to the authority, the Interior Department abruptly directed Reclamation to "temporarily suspend" the proceedings. It was later learned that the reason for this suspension was a last-minute decision by the Department to look at possibly using the Kingman water to settle Indian water rights claims in Arizona.

The Arizona delegation has always recognized that water from many sources will be needed to complete settlements of the remaining tribal claims in our State. However, at no time has the delegation or the State of Arizona regard the Kingman water allocation as a necessary part of any overall Indian water settlement plan. To the contrary, as noted in the preceding paragraphs, the delegation has worked to assist Kingman and other Mohave County communities in the their efforts to develop the kind of regional solution that the new county water authority represents.

Mr. President, over the past 12 years, Arizona congressional delegations have worked with previous administrations and the current administration in seeking to settle Indian water rights claims by negotiation, not litigation. A high level of cooperation and communication has characterized these efforts, which thus far have resulted in

Congress enacting six water settlements involving Arizona tribes. Settling the remaining water rights claims of Arizona tribes will require similar efforts, and involve completion of the allocation of Arizona's finite water sources.

Regrettably, the Department's action in aborting the lengthy process by which the Kingman water was to be allocated was contrary to all previous representations and commitments by the Department regarding the Kingman water. It effectively disregarded the extensive efforts by Mohave County, the Arizona Department of Water Resources, the Arizona legislature, and the local communities and citizens who, with the active cooperation and support by the Bureau of Reclamation, developed the Mohave County Water Authority.

Mr. President, I strongly believe that the agreements that were to have been concluded in March that would have assigned the Kingman water contract to the Mohave County Water Authority should be signed and implemented. The legislation that Senator KYL and I introduce today will simply ensure that the assignment will occur as planned.

I am hopeful that the Congress can consider and approve this legislation in an expeditious manner. I am also hopeful that the Department will support this legislation in an effort to reestablish the kind of cooperation and communication that is so essential to concluding and implementing the complex agreements that comprise any water rights settlement.•

By Mr. HATCH:

S. 1177. A bill to amend the Social Security Act and the Internal Revenue Code of 1986 to provide improved access to quality long-term care services, to obtain cost savings through provider incentives and removal of regulatory and legislative barriers, to encourage greater private sector participation and personal responsibility in financing such services, and for other purposes; to the Committee on Finance.

THE QUALITY CARE FOR LIFE ACT

Mr. HATCH. Mr. President, I rise today to introduce S. 1177, the Quality Care for Life Act, which offers ideas on how we can deal with an important and necessary aspect of our health care delivery system—long-term care.

One of the most frequent concerns I hear from citizens of Utah is the fear of having to impoverish themselves and their loved ones in order to obtain much needed long-term care services.

Clearly, long-term care is an issue of vital concern to our constituents and to Members of this body as well.

But, the issue of long-term care always presents this body with a dilemma.

On the one hand, Senators wish very much that we can offer some kind of help to many, many American families that face the human and financial struggle of needing long-term care.

On the other hand, a public program to provide and/or pay for long-term care, if not designed properly, could prove enormously expensive and become just another promise that we cannot keep.

At a time when this country faces budget deficits so massive that they affect the future viability of our country, I do not think that we can afford any enormously expensive new program. That is not my intent in putting this bill forward today.

Indeed, I hope that this measure will offer a useful starting point in the Senate for discussions on long-term care and related issues, including the appropriate Federal role. Obviously, any final measure we adopt must be crafted very carefully in close consultation with the Congressional Budget Office, so that it does not add unduly to the deficit.

In the interim, I think it is important that the Senate indicate its commitment to resolving the long-term care dilemma which faces so many Americans.

The extent of the proposals we consider, and their costs, are factors, but they should not become obstacles. Because we cannot do it all for everyone, we must not settle for doing nothing for anyone.

It is only by taking action now to lay the foundations for a public/private partnership that our society will be prepared 10, 20, and 30 years hence to meet the long-term care needs of a growing elderly population.

I am putting forth this legislative proposal, the Quality Care for Life Act, in order to provoke a national dialogue on our Nation's long-term care needs and how they can best be addressed.

In drafting S. 1177, I attempted to widen and strengthen the long-term care safety net with appropriate reliance on private sector resources.

Last year, this body considered health care reform legislation that would have created a new Federal long-term care program offering Federal and State payment for long-term care services to the functionally disabled.

Many of us agreed with the intent of that program, but had serious concerns about whether it embodied the best approach for addressing our Nation's long-term care needs.

First, such a program would have been far too expensive. It is clear that we are going to have to invest greater resources in long-term care. However, in making that investment, we must make sure that we invest wisely, and that we offer solutions that address the need in a constructive manner.

Second, such a program would not have embodied true reform; it would only have created yet more government programs modeled after previous and ineffective government programs.

The legislation I am introducing today meets the same goals as the more ambitious and expensive legislation that we considered last year, yet it accomplishes them through a more targeted and cost-effective approach.

For the edification of my colleagues, I would like to describe the problems that my legislation seeks to remedy, and outline how the bill addresses those areas.

THE NEED FOR CHANGE IN LONG-TERM CARE FINANCING

Our society, individually and collectively, has not made adequate provisions for financing the costs of long-term care. Individuals and families are not saving for, or insuring themselves against, the costs of long-term care. The Federal/State Medicaid Program is stretched to the breaking point. Families and governments are going broke.

Without action to address these problems, our growing elderly population will come to rely much more heavily on Medicaid to pay for long-term care. In 1993, Medicaid accounted for approximately 52 percent of all long-term care payment—and about 69 percent of all nursing facility residents—in the United States. If current trends continue unchecked, Medicaid will be burdened with an ever increasing share of the nation's long-term care costs as the baby boomers reach retirement.

But these current trends cannot continue. Federal and State budgets—already strained badly by current Medicaid long-term care obligations—cannot bear such costs. Nor would the elderly be well served by an overwhelmed Medicaid Program.

February 1993 Gallup organization survey results indicated that 76 percent of Americans agree that "government should pay the cost of nursing home care only for those who cannot afford it." In order to meet the Nation's growing long-term care needs without both emptying the public purse and sacrificing quality of care, our society cannot afford to rely solely on government.

Instead, we must encourage and enforce an expectation of personal responsibility on the part of those with the means to plan for and pay for potential long-term care costs. Government can—and must—help in the effort by working to see that individuals have the information and resources needed to accept responsibility for meeting their own long-term care needs.

LONG-TERM CARE COSTS ARE IMPOVERISHING SENIOR CITIZENS

Most elderly Americans are unaware of the magnitude of long-term care costs and of the limits of government assistance. Most Americans do not foresee needing long-term care. Most probably do not realize how costly months or years of long-term care can be.

Many Americans wrongly assume that government programs of their general health insurance will cover the cost of any long-term care services they might need. For all these reasons, individuals and families face long-term care costs for which they have not planned and which they cannot afford.

The costs of long-term care can quickly wipe out the assets even of those who have worked and saved for a lifetime. The cost of 1 year of nursing home care is more than triple the average annual income for an elderly American.

But the Nation's current long-term care policy does not promote personal planning, saving, or the purchase of insurance against the financial risk of long-term care costs. Nor does our Nation provide comprehensive social insurance against the financial catastrophe of long-term care costs. Only after a long-term care recipient has been impoverished does government assistance become available through Medicaid—a welfare program.

MEDICAID IS IMPOVERISHING THE FEDERAL AND STATE GOVERNMENTS

According to the Health Care Financing Administration (HCFA), total Medicaid payments (State and Federal) have nearly doubled over recent years—from $54.5 billion in fiscal year 1989 to $101.7 billion in fiscal year 1993. The countless court battles over Medicaid reimbursement, and the protracted battle over "provider specific taxes" well illustrate the strain that Medicaid is putting on State and Federal resources. This strain jeopardizes the availability and quality of both acute and long-term care for those who must depend on Medicaid.

Clearly, if current long-term care needs have stretched Federal and State budgets to their limits, the future needs of a burgeoning population of elderly will overwhelm our current arrangements for long-term care financing. Therefore, the Nation must look to sources other than government for additional resources to meet the future long-term care needs.

I believe that long-term care reform should have the following goals: providing appropriate access to the full continuum of long-term care services; ensuring that all Americans have the means to meet the cost of long-term care; moving individuals and families away from dependence on government welfare; programs for long-term care financing; and addressing the Nation's long-term care needs in a fiscally responsible way.

THE ROLE OF PRIVATE LONG-TERM CARE INSURANCE

Results from the March 1993 Gallup organization survey indicate that 79 percent of Americans agree that "to keep government costs as low as possible, private insurance should play a more active role in paying for nursing home bills for most Americans."

Private insurance, so useful in protecting individuals and families from such costly misfortunes as accidents and illness, has great potential for marshaling private sector resources to meet long-term care costs.

Insurance offers a very good means to preserve an individual's choice from among various long-term care arrangements and competing providers. Its expanded use would make an appropriate private/public long-term care cost burden that the graying of America will otherwise put on the American taxpayer.

To date, private insurance accounts for less that 2 percent of all payments for long-term care services. I am confident, however, that with appropriate changes in Federal policies private long-term care insurance can and will take on a larger role of private insurance, a number of things must change. Chiefly, long-term care insurance policies must have value to consumers.

Many States are interested in encouraging residents to purchase private long-term care insurance because they see an opportunity to slow the growth of their Medicaid spending by shifting a significant share of long-term care costs to private insurance. We are now beginning to see evidence of how much long-term care insurance can save the Medicaid Program. Publishing in Health Affairs in the fall of 1994, Marc Cohen, Nanda Kumar, and Stanley Wallack estimated that having a long-term care insurance policy reduces the probability of spending down to Medicaid eligibility levels by some 39 percent. The authors estimate that, in the aggregate, Medicaid expenditures would be reduced by $7,945 to $15,519 for every nursing home entrant who had a long-term care insurance policy. According to the analysis of Cohen, Kumar, and Wallack, this translates into cutting what Medicaid pays per nursing home entrant in half for long-term care purchasers.

The Quality Care for Life Act would make the laws tighter on asset transfers so that people cannot avoid their personal responsibilities by protecting unreasonable amounts of their personal funds from legitimate nursing home expenses, thus shifting the burden to taxpayers.

FEDERAL LONG-TERM CARE INSURANCE STANDARDS AND CONSUMER PROTECTIONS

Appropriate Federal standards and consumer protections for long-term care insurance would inspire consumer confidence, foster growth of the private long-term care insurance market, and ensure that elderly consumers are spared the problems that once plagued the Medigap insurance business. Accordingly, S. 1177 would establish Federal standards to ensure appropriate policy design and sales practices.

CLARIFICATION OF THE FEDERAL TAX STATUS OF PRIVATE LONG-TERM CARE INSURANCE

The Quality Care for Life Act would make the following clarifications to the tax treatment of long-term care insurance: treatment of long-term care insurance premiums paid by individuals in the same manner as accident and health insurance premiums; treatment of benefits received under long-term care insurance contracts for long-term care services in the same manner as benefits received under accident and health insurance; treatment of employer plans providing long-term care services in the same manner as accident or health plans; treatment of life insurance benefits paid to a terminally ill individual in the same manner as death benefits; inclusion of long-term care options as preferred employee benefits in employer programs, including cafeteria plans; and clarification of the allowance of tax deduction for additions to an insurer's long-term care insurance reserves.

The private long-term care insurance market is growing and improving. Products have evolved and improved. Insurance companies, have gained experience and expertise in designing and pricing policies. Sales have been rising by 30 to 35 percent a year over recent years. There have been some two million long-term care policies purchased. I believe that the private long-term care insurance market is on the way to realizing its potential. With the right kind of Federal standards, consumers will come to understand the value of long-term care insurance. Private insurance can then become a full partner in a private/public long-term care partnership.

EXPANSION OF HOME AND COMMUNITY BASED LONG-TERM CARE

Today, about 6 million older Americans living at home need assistance as a result of their disabilities. As we in Congress debate a health care system that addresses our current inequities in access and costs, we must lay the foundation for addressing our long-term care demands of today and tomorrow.

The Quality Care for Life Act would establish a home and community based service program for disabled persons who either need assistance with three activities of daily living or who suffer from Alzheimer's disease or a related cognitive disorder.

S. 1177 also revises the reimbursement system to create a payment level for subacute care in nursing home, thus increasing access for those patients who need that level of care but are unable to get that care in community nursing facilities because the costs for providing the service are much higher than the current skilled nursing home daily rate. Currently, these services are provided by hospitals at a much higher cost. Finally, the bill provides for a prospective payment system for nursing facilities.

By the year 2030, there will be more elderly than young people, and the population age 85 and over is expected to more than triple in size between 1980 and 2030. My home State of Utah has the fastest growing population over 80 in the country.

We simply do not have the necessary Federal resources to provide all Americans every benefit they need. An aging population will significantly increase demand for long-term care services. Planning today will save us from bankruptcy and lack of services tomorrow.

I believe the greatest barrier to enacting long-term care legislation has been its substantial cost. Although any proposal will entail new costs, I have constructed the Quality Care for Life Act to place maximum reliance upon the private sector wherever possible, in order to leverage our resources since we will be providing new services. It is true that my bill will entail new spending in the short-run, but these funds are an investment which will achieve greater savings over the long-run.

Some of the costs will be incurred because we are establishing a floor for home health services, so that the most frail and sick of our elderly population are guaranteed home care now. Currently, many fall through the cracks of our care system. They lack adequate home care and are denied access to adequate nursing home services.

We all know that the amount and duration of home care services varies from State to State and also varies within State areas between urban and rural areas. But this is not fair to our frail elderly, and we have a responsibility to see that all Americans, regardless of where they live, can receive the home care services they need and deserve.

If we help our elderly now, and provide the kinds of home care services they need, they may never need to be in a nursing home and may never be a long-term drain on scarce Federal financial resources. We can do the right thing, and do it now. If we do not act soon, we will be mortgaging our children's future to pay for our own long-term care needs.

I intend to work with the other Members of this body so that we can provide our Nation's elderly the care they so badly need and deserve. I think that the Quality Care for Life Act proposal will go a long way in meeting that goal, and I hope my colleagues will give it serious consideration. I certainly welcome their suggestions.

By Mr. CHAFEE (for himself, Mr. MACK, Mr. THURMOND, Mr. PELL, Mr. BUMPERS, and Mr. LIEBERMAN):

S. 1178. A bill to amend title XVIII of the Social Security Act to provide for coverage of colorectal screening under part B of the Medicare program; to the Committee on Finance.

THE CANCER SCREENING AND PREVENTION ACT OF 1995

• Mr. CHAFEE. Mr. President, today, I am introducing the Cancer Screening and Prevention Act of 1995. This bill targets colorectal cancer, one of this Nation's leading causes of death by cancer, by providing coverage under Medicare for prevention and early detection of colorectal cancer services. Medicare already provides for the treatment of colorectal cancer, but the treatment of this disease in its later stages is much more expensive than finding it early and treating it early.

Last year, a Senate amendment—offered by my colleague from Utah, Mr. HATCH—was adopted during the health reform debate with strong bipartisan support. It directed that colorectal cancer screening benefits consistent with the guide to clinical preventive services, recommended by the U.S. Preventive Services Task Force, be included in any health care reform comprehensive benefits package. An amendment virtually identical to the bill I am introducing today, was passed with strong bipartisan support last year by the relevant House committees. A companion bill was introduced again this year in the House and has well over 40 cosponsors. I am hopeful our bill will receive similar strong support. I believe it is important for the Congress to act on this bill in order to stop the deaths this disease causes without prevention screening.

In 1995 alone, 55,300 people are expected to die from colorectal cancer, and 138,200 new cases will be found. Colorectal cancer is the second leading cause of cancer death in this Nation—far more men and women die each year of colorectal cancer than with breast cancer or prostate cancer. In fact, colorectal cancer strikes men and women equally but is easily treated when found early.

If colorectal cancer is not found early, the 5-year survival rate is 60 percent or lower. Early detection, however, can boost patients' 5-year survival rate to 91 percent. That differential is astonishing when measured in terms of lives and dollars saved. In recent years, colon cancers have become almost completely preventable by using techniques which became readily available only during the past decade. The vast majority of those afflicted with colorectal cancer are over the age of 50. Unfortunately, Medicare does not specifically cover colorectal cancer screening and prevention services and it should.

In recent years, scientific developments have made clear that colorectal cancer can be eradicated. Just as Medicare now covers other preventive services such as mammography screening and flu shots, its time to add colorectal screening and prevention services.

Several years ago, we moved aggressively to ensure that women took appropriate steps to prevent cervical cancer. It is time now to move aggressively to provide the preventive services necessary to eradicate this lethal cancer in the population most at risk.

A study recently published in the Journal of the National Cancer Institute evaluated the effect of various factors on the costs of colon and other cancers. Not surprisingly, the study found that the costs associated with initial care of colon cancer was higher than when the cancer was first detected in its later stages. Based on these findings, the study concluded that interventions that prevent colon cancer will afford the greatest immediate cost savings.

Under this act, all Medicare recipients will be eligible for limited cancer screening or preventive services. For certain high risk individuals a more comprehensive examination is available.

The legislation enables early detection of colon cancer by providing for an annual fecal occult blood test. This low-cost, noninvasive blood-screening test allows for early detection of colorectal cancer. Research shows that this test, as well as a followup exam of a positive result, reduces cancer risks from 33 to 43 percent. The average cost of this test is only $5.

Second, this legislation includes limited coverage of a flexible sigmoidoscopy exam which enables a doctor to inspect the lower part of the colon where 50 to 60 percent of polyps and cancers occur. This preventive service would be available no more than once every 4 years and is an essential component of the basic screening regimen recommended by the American Cancer Society for all asymptomatic, average risk Americans over the age of 50.

Third, this act would allow individuals at high risk for getting colon cancer to receive a screening colonoscopy exam no more than once every 2 years. A screening colonoscopy allows a doctor to inspect the entire colon. This procedure also enables doctors contemporaneously to perform biopsies and to remove potentially precancerous polyps.

The Cancer Screening and Prevention Act of 1995 specifically delineates those individuals at high risk for colon cancer, and allows the Secretary of Health and Human Services the authority to revise the category of high risk individuals. An individual faces a high risk of colon cancer if he or she has a history of cancer, suspicious polyps, or chronic digestive diseases such as inflammatory bowel disease, Crohn's disease, or ulcerative colitis, or if the individual has any gene markers for colorectal cancer present, or has a family history of colon cancer.

The preventive screening services in this act are all standard medical procedures which are recommended by the American Cancer Society, the National Cancer Institute, the American College of Gastroenterology, the American Gastroenterological Association, and the American College of Physicians.

Patient and professional groups alike support this legislation. The American College of Gastroenterology worked closely in providing scientific and technical information. This bill also enjoys the strong support of the American Gastroenterological Association, and the American Society for Gastrointestinal Endoscopy. It is strongly supported by consumer groups including the Crohn's and Colitis Foundation, the United Ostomy Association, and the other 10 patient care groups which comprise the Digestive Disease National Coalition.

It is my understanding that a group of radiologists are concerned that their diagnostic procedures are not named as a covered service in this legislation. It is my hope that should this bill move through the Finance Committee and the Senate, we will work with these groups to resolve this issue.

Several of my colleagues have indicated their strong support by sending a letter urging other Members to support this legislation. I ask unanimous consent that the letter of Senators MACK and LIEBERMAN be included in the RECORD.

I urge my colleagues to cosponsor the Cancer Screening and Prevention Act.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COLORECTAL CANCER SCREENING SHOULD BE COVERED UNDER MEDICARE

Colorectal cancer screening should be added to the clinical preventive services now covered under Medicare.

Leading scientific organizations recommend colorectal cancer screening services for normal risk individuals beginning at age 50. Three types of tests should be covered: Annual fecal occult blood test (FOBT) for normal risk patients age 50 and over; flexible sigmoidoscopy for normal risk patients 50 and over, once every 3–5 years; and colonoscopy exams for high risk patients.

Currently, Medicare coverage of preventive services is limited to screening for cervical and breast cancer, pneumococcal vaccines and hepatitis B vaccines. Yet, colorectal cancer is the No. 2 cancer killer and is one of the most preventable types of cancer and curable when detected early.

Colorectal cancer screening services should be covered because:

Colorectal cancer is the second deadliest cancer right after lung cancer.

About 138,000 new cases of colorectal cancer will be diagnosed and about 55,300 people will die from the disease in 1995. The disease is most common in people over 50 and strikes men and women in almost equal numbers. In fact, the average age of colorectal cancer patients at time of diagnosis is 71.

It is one of the most preventable types of cancer and curable when detected early.

Most colorectal cancers develop from benign polyps. Finding and removing these polyps reduces the risk of colon cancer by 90 percent.

Detection and prevention strategies are well documented and highly effective.

Screening has long been recommended by many organizations, including American Cancer Society, National Cancer Institute, American College of Physicians, and the Blue Cross and Blue Shield Association in their guidelines.

The nation's leading expert panel—the U.S. Preventive Services Task Force—is releasing their report in September of 1995 and it is expected to recommend screening (FOBT and sigmoidoscopy). An April 1995 study done by the Office of Technology Assessment shows colorectal screening to be cost-effective.

Colorectral screening services are provided to most Federal employees.

Every major Federal employee health care plan recognizes the effectiveness of colorectal cancer screening services and provides coverage for these services.

U.S. SENATE,
Washington, DC, August 10, 1995.

DEAR COLLEAGUE: Even though we face many competing priorities this year, we think it is critically important that we make progress in addressing the No. 2 cancer killer in the United States—colorectal cancer. This year, 149,000 new cases of colorectal cancer will be detected and about 55,300 people will die from the disease, making it second only to lung cancer in causing cancer deaths. It predominantly strikes individuals over the age of 50, most of whom are senior citizens. The average age at the time of diagnosis is 71.

Today our colleague, Senator John Chafee, is introducing the Cancer Screening and Prevention Act of 1995. This bill provides Medicare coverage of preventive services which will enable the detection and early treatment of colon cancer. Its preventive measures track the screening recommendations of the American Cancer Society (ACS), the National Cancer Institute (NCI), the National Institutes on Health (NIH), the American College of Gastroenterology (ACG), the American Gastroenterological Association (AGA), and the American Medical Association (AMA).

We know that early detection of colorectal cancer saves lives. Colon cancer is nearly completely preventable using techniques that have been available for over a decade. Recent research bears this out.

Research published by Dr. Sidney Winawer and colleagues in the New England Journal of Medicine (December 1993) found that removal of precancerous polyps reduced the incidence of colon cancer by 90 percent and mortality by over 95 percent. This work proved conclusively that timely removal of polyps will eliminate most colon cancers.

The way to reduce colorectal cancer is very simple—promote screening. The ACS, the NCI, the ACG, and the AGA recommend that individuals at age 50 be screened annually for colorectal cancer by fecal occult blood tests and by flexible sigmoidoscopic examination every three to five years. High risk individuals should have a more thorough test—colonoscopic surveillance—available every two years. Colorectal cancer screening reduces cancer risk and is at least as cost-effective as other preventive health care services.

The NCI conducted a cost analysis of screening the U.S. population from ages 50 to 80 that demonstrated a beneficial cost-effectiveness ration relative to other preventive services. Scientific evidence is well established to demonstrate that screening of our elderly population for colorectal cancer will save lives and is cost-effective.

Given the prevalence of this disease in older Americans and the overwhelming evidence that screening is effective, these preventive benefits should be covered under Medicare. A recent analysis and estimate of the cost of this legislation, prepared by Peter McMenamin, Ph.D., a former Health Care Financing Administration official, projects the full cost of this legislation to be $429 million over four years, which means an average of $107 million annually.

Please join us as original cosponsors of the Cancer Screening and Prevention Act of 1995. To become a cosponsor or for further information, please call Doug Guerdat of Senator Chafee's staff at 224–2921.

Sincerely,
CONNIE MACK.
JOSEPH I. LIEBERMAN.•

• Mr. MACK. Mr. President, I am pleased to join my colleague, Senator JOHN CHAFEE in introducing the Medicare Cancer Screening and Prevention Act of 1995. The legislation provides for Medicare coverage of preventive care specifically aimed at the early detection, prevention, and treatment of colorectal cancer.

This bill, when enacted, will close a significant gap that currently exists in the preventive services covered by Medicare. Under current law, Medicare does not reimburse for preventive colorectal screening services. A beneficiary must have a presenting condition, such as bleeding, or must already have colorectal cancer before services are provided through Medicare. These are very costly diseases, which Medicare will pay to treat. However, I believe it is in the best interests of patients and the Medicare system to provide for coverage of tests which will identify colorectal cancer at its earliest stages. Medicare currently provides coverage for other preventive services such as mammography screening for breast cancer and flu shots. This legislation will send the message to all beneficiaries that colorectal cancer is curable if detected early.

This legislation will ensure that Medicare beneficiaries will be eligible to receive the basic colorectal cancer screening tests which are recommended by the American Cancer Society for all Americans over the age of 50. As my colleagues will recall, these basic tests were used successfully to detect and successfully treat former President Ronald Reagan's cancerous colon polyps in 1985.

Colorectal cancer is one of the most widely contracted forms of cancer, with higher incidence rates than either breast cancer or prostate cancer. In 1995 alone, according to the American Cancer Society, more than 138,000 new cases of colorectal cancer will be diagnosed. Tragically, more than 55,000 Americans will die from the disease this year. My home State of Florida has been disproportionately affected by colorectal cancer with the third highest estimated number of new cases and deaths associated with this form of cancer.

Scientific data clearly show preventive services can successfully combat many cases of colorectal cancer. If colorectal cancer goes undetected, the 5-year survival rate is approximately 60 percent or less. If, however, colorectal cancer is detected at its earliest stages, then the 5-year survival rate increases dramatically to 87 percent for rectal cancer and 93 percent for colon cancer. The legislation we are introducing today will not only address the early detection of colorectal cancer, but it will also aid in the prevention of colorectal cancer in many Americans over the age of 50.

At a time when the Board of Trustees of Social Security and Medicare warns that the Hospital Insurance, or Medicare part A, trust fund will become insolvent by the year 2002, Congress should enact laws to prevent hospitalization and reduce long-term health care costs. This legislation will greatly enhance this effort by focusing on preventive services which have been shown to be cost-effective. For example, a National Cancer Institute study found the costs of screening for colorectal cancer are favorable as compared to other preventive services. The study also found the costs of medical treatment of advanced colorectal cancer far outweigh the costs of prevention and early treatment. In addition, the onset of this tragic form of cancer leads to lost productivity, lost income, and lost tax revenues.

The scientific evidence supporting the benefits of early detection and screening is clear. The technology to prevent colorectal cancer has been available for more than a decade. Now is the time to increase the accessibility of these services to the population of Americans who are at highest risk of contracting colorectal cancer—our senior citizens. The American Cancer Society, along with physician organizations such as the American College of Gastroenterology, and consumer groups such as the Crohn's and Colitis Foundation of America are unified in their strong support and advocacy for this important legislation. Enactment of this bill is prudent, cost-effective, and humane.

My wife, our daughter, my mother, and I are each alive today because of the early detection of cancer. I've been told that our Nation can see a 50-percent increase in cancer survival rates if only Americans would follow the screening recommendations of the American Cancer Society. The need is great. The cost-effectiveness of these tests is conclusive. I am proud to join in introducing the Medicare Cancer Screening and Prevention Act of 1995. I ask all of my colleagues to join us in this effort.●

By Mr. ROCKEFELLER:

S. 1179. A bill to amend the Internal Revenue Code of 1986 to provide reductions in required contributions to the United Mine Workers of America Combined Benefit Fund, and for other purposes; to the Committee on Finance.

THE SMALL NONCOAL PRODUCING COMPANY RELIEF ACT

Mr. ROCKEFELLER. Mr. President, today, I am introducing a bill to provide relief to small, non-coal producing companies that are experiencing difficulty in meeting their financial obligations under the 1992 Coal Industry Retiree Health Benefit Act. I want to see this bill enacted into law so a group of small companies will get the help needed to preserve and pay for the health care coverage of their former workers. These companies want to make sure miners' health care benefits are protected, just as I do. But they need some help to do it.

I will talk more about why I think it is so important that the Senate act on this legislation, but first, I think it's equally important for everyone to understand what brought me to this place. The context for the introduction of a bill is important, and in this case, the context is the history of the coal fields. So, first some background before I discuss my proposal for small company relief:

Almost 50 years ago, the President of the United States, Harry S. Truman, ended a national coal strike that had forced him to seize the mines. That action established a unique relationship between the Federal Government, miners, and operators in the coal industry. In that 1946 strike, health care was a central issue. And coal miners' health care benefits remain central to labor relations in the coal industry today.

Through the years since that 1946 strike, coal miners and their families have traded or foregone other benefits to preserve the decent health care benefits upon which they depend because illness and injury are so endemic to coal mining. In fact, the health program that exists for current and retired miners today derives from the one established when President Truman seized the mines.

In the 1950's, a grand compact was reached between labor and management in the coal industry. In return for health and pension security, labor agreed to mechanization of the mines, which led to the elimination of 300,000 jobs in Appalachia alone. This leads to today's situation, because it is largely the retirees of that vast industrial restructuring whose health care was in jeopardy before passage of the 1992 Coal Industry Retiree Health Benefit Act, now simply known as the Coal Act. Those coal miners created the might of modern industrial America. They fueled our Nation's economic progress. In 1992, when Congress passed the Coal Industry Retiree Health Benefit Act, we told those miners that their tremendous contributions and sacrifices mattered and the promises made to them will be kept. We must not forsake that promise now or ever.

The urgent need for legislation to protect miners' health care benefits became increasingly clear during the fall of 1989, when another coal strike broke out, where health care benefits were, once again, a central issue. In that year, I introduced my first bill to prevent collapse of the trust funds that provide health care for retired coal miners. The dwindling base of contributors resulting from bankruptcies and the failure of some companies to keep paying into the funds, along with exploding health care inflation, put the health trust funds in jeopardy. Then-Secretary of Labor Elizabeth Dole appointed a mediator to assist in settlement of the strike. When the settlement was reached, she announced appointment of a commission to recommend a long-term solution to the crisis of the health trust funds. That Commission became known as the Coal Commission.

Secretary Dole explained that during negotiation of the settlement of that strike, which involved a single company, "it became clear to all parties involved that the issue of health care benefits for retirees affects the entire industry."

"A comprehensive, industry wide solution is desperately needed," Secretary Dole then said.

Secretary Dole's Coal Commission submitted its final report in November, 1990. The Commission observed that health benefits are an emotional subject in the coal industry, not only because coal miners have been promised and guaranteed health care benefits for life, but also because coal miners in their labor contracts have traded lower pensions over the years for better health care benefits. The Commission said it firmly believes that the retired miners are entitled to the health care benefits that were promised and guaranteed them and that such commitments must be honored. To quote from that 1990 report—

> Retired coal miners have legitimate expectations of health care benefits for life; that was the promise they received during their working lives and that is how they planned their retirement years. That commitment should be honored.

The Coal Commission also considered the fairest way to ensure that the health fund did not collapse. They recommended that companies that employed miners, current signatories and former signatories alike, share the costs of providing benefits to miners whose employers went out of business. And, in the words of the Dole Commission, the best way to finance the health benefits promised miners was the "imposition of a statutory obligation to contribute on current and past signatories, mechanisms to prevent future dumping of retiree health obligations".

Collective bargaining cannot work when companies are not around to bargain because they are bankrupt or have walked away from their responsibilities, sometimes through legal loopholes created by dozens of conflicting court decisions. Moreover, the orphan retirees whose last employers were gone faced the prospect that when the collective-bargaining agreement expired in 1993, no one would have been responsible for their health care. The miners' health program's shrinking funding base and spiraling costs made continuation of the old program unworkable. The task Congress and the administration had in 1992 when we passed the Coal Act was to do the best we could to assign responsibility for funding the health program, recognizing that there was not then, nor is there now, a perfect solution.

And so, in 1992, Congress met its national responsibility to protect miners' health benefits. I was proud to author that legislation, the Coal Industry Retiree Health Benefit Act, or the Coal Act. It was attached to the Energy Policy Act of 1992. I worked on that legislation with an outstanding group of Members whose invaluable contributions were essential to securing passage of the Act—my esteemed colleagues Senators BYRD and FORD, Senators SPECTER, Wallop, and others from the Finance and Energy Committees. The Coal Act would not have become law without their work and without strong bipartisan cooperation. We did our work and miners' benefits were saved. That makes me enormously proud.

Those miners today, on average, are 73 years old. Most worked in the mines for 20, 30, 40 years, or more. Every day many rode a rail car a mile underground, stooped in a crawlspace 4 feet high with ice cold water up to their knees, and made their mines productive and their employers rich. For them, the legacy of that work is black lung disease, asthma, cancer, back pain, and chronic respiratory disease. Their health benefits remain a matter of life and death. The Coal Act protected their benefits into the future. But in the 104th Congress, some want to take away the health care security of miners. I don't intend to let that happen.

But there are big mining companies still looking for a way to walk from the promise made to these miners nearly 50 years ago. These companies have spent millions to oppose the implementation of the Coal Act. So far, they have not succeeded in robbing miners of the health security the Coal Act provides.

But this year, they are at it again, seeking what amounts to nothing more than a tax break for a select group of special interest companies.

If they succeed, the health benefits of 30,000 West Virginia miners, widows, and orphans will be in jeopardy. Thousands of people like them in other States will face the same peril. If those people lose their health care coverage, we will have a disastrous health care crisis in West Virginia, with miners and widows being forced to sell their homes to pay for the medication and treatment they now receive. Retirees in every State will be in the same desperate straits, and the other coal States where most miners have retired would all face the same health care tragedy.

We must remember that the promise of coal miners' health is not just another entitlement program. These benefits have been earned by a lifetime in the mines—a lifetime of deferred wages as the price paid for health care coverage. Some big companies who are, or were, in the coal business, and who can afford to pay for these benefits, continue to say they do not want to meet their responsibilities. And I am sad to have to report that there are bills in both the Senate and the House which seek to amend the Coal Act and let these companies walk away from their commitment to miners.

Some Members of Congress are supporting a bill to let big coal companies abandon retired miners. Some would like to see such a bill included in this year's budget reconciliation bill, hiding the fate of more than 92,000 retired miners and their dependents as a tiny provision in a massive bill. If Congress is not careful, a cut in coal miners' health benefits may be snuck through in the bill needed to make sure the Federal Government can operate.

What's especially troubling is how many of these companies are using exaggerated claims of a huge surplus in the health fund to bolster their contention that there is sufficient money with which to give them a tax break. The problem is the big surplus which they project is not supported by the independent actuarial analysis commissioned (by the fund's trustees) to review the financial health of the fund. The Ernst and Young analysis, conducted by Guy King, a former chief actuary at HCFA, advises Congress to be very cautious about any changes to the Act which expend the fund's reserves. Guy King's report said that the most likely scenario is there will be a $39 million deficit in the health funds in the year 2003. The General Accounting Office told Congress on May 25, 1995, that "it now appears that annual deficits—instead of surpluses—are likely to occur, which would erode the current surplus over time." That means that there's not a lot of extra money, available to help pay for this proposed tax break.

This tells me we have to be very, very thoughtful about doing anything which would destabilize the health fund—which a big tax break would most certainly do.

While we are seeing all the efforts of the millions- and billion-dollar mining conglomerates who are looking to the courts and to legal fine print for a way out of keeping their promise to retired coal miners and their widows—these companies are certainly not focused on how smaller businesses are affected by the Act.

These large companies are hoping Congress will give them a big tax break, but small businesses in financial need would not be helped under their plans to amend the Coal Act.

I think that's wrong. The Coal Act ensures retired miners and their dependents will receive the health benefits they were promised. That's what it was intended to do. And it's working.

But over the last year or two, as I have monitored the implementation of the Act, I have been hearing from and meeting with small companies who are very troubled. They tell me it is difficult for a number of them to do what is required under the provisions of the Coal Act. They tell me that they need some relief. As you know, the Coal Act requires small and large businesses to contribute to the miners' health funds on behalf of their former employees. But that requirement may be more doable for large companies than it is for small ones.

While holding small businesses legitimately responsible for the health benefits of their former workers is fair, the burden of making those payments may be difficult for some. That's why I am introducing a bill which would amend the Coal Act to help small, non-coal producing businesses make their premium payments under the Act.

I think this legislation is a way we can provide some relief to small companies, who are no longer in the coal business, and yet still maintain the stable financing structure of the Act.

It doesn't make sense to me to bankrupt a viable small company because it cannot meet its full premium obligations under the Act, especially if the company has an ability to make payments consistently over time. I want to make it easier for these small businesses, which create jobs in West Virginia, Pennsylvania, Ohio, and across the Nation, to stay in business and make reasonable premium payments under the Act.

An important point to underscore: the financial condition of the fund is not such that forgiving the health care liability assigned any one group of companies under the Act is possible. Miners' benefits would be at risk. What I think we can do is limit, or cap, the liability of small, non-coal producing companies in a way which provides meaningful assistance. That is what my bill attempts to do. Again, it's not perfect, but it offers relief that could make a real difference to small companies.

The group of small, non-coal producing companies which I have been working with committed themselves to a long process in which we sat down and together figured out a way that small companies could get help while miners' benefits are protected. We struggled with the numbers, and we struggled with the constraints—practical, political, some philosophical.

Keeping in mind our shared goal of protecting miners benefits and doing something concrete to help small companies—something which could actually be signed into law—together, we negotiated the piece of legislation I am introducing today.

This is not necessarily the only way to provide a group of small companies with targeted relief from their obligations under the Coal Act. Others may suggest different approaches. But I firmly believe that this approach is one which can pass, and be signed into law, if we keep this relief package directed at the small companies most in need of financial assistance. I am working on one or two other minor adjustments to the Act, one of particular interest to West Virginia, which I also hope to have ready for the Senate's consideration in the near future.

Another word of caution: If companies with an ability to pay, but with a desire to avoid their responsibilities, want to use a small company relief package as momentum for their efforts, it could be that we go another year or many years without small company relief. I, for one, do not want a bunch of big companies with the ability and obligation to keep promises to miners to get in the way of small company relief along the lines of what I have proposed here. I hope my colleagues don't either. One thing I do know, if efforts to pile on some megatax break or relief for companies that do not need or deserve it are successfully attached to this proposal in the legislative process, I will not be able to recommend to the President that he sign such a bill. I cannot support anything that puts miners' health benefits at risk. I hope we can avoid that scenario.

The small company relief bill which I am introducing is enactable. It will go a long way to helping meet the needs of the small companies which I have been working with—and they are a cross-section of small companies from all over the country. This is the product of many, many, months of negotiations. I have consulted with Rich Trumka, the President of the United Mine Workers of America [UMW] about this package. He agrees that there may be a need to address the needs of small companies that truly can't afford to pay. The members of the Bituminous Coal Operators Association [BCOA] also understand my strong desire to see this type of relief enacted this year, and they know what is in this bill and why. With those two disparate interests in agreement that it is appropriate for me to pursue small company relief, I am confident that we can actually make this small company relief a reality this year.

All parties—the small companies, the BCOA, and the UMW—agree that we cannot know today, with any precision, the exact dollar impact of these provisions on the long-term financial health of the fund. As the financial impact comes into better focus, under no circumstances will we move ahead with this amendment if it would cause the fund surplus to fall below a level that protects the benefits.

A sacred promise was made to coal miners, their widows and dependents, and Congress took historic, bipartisan action in 1992 to keep that promise. These guaranteed health benefits cannot be sold off or traded away. But small companies can get some meaningful relief to help them meet their obligations under the 1992 Coal Act without jeopardizing miners' health benefits through the bill I am submitting today. I urge my colleagues to carefully consider this legislation, and to work with me in enacting and achieving its objective.

Mr. President, I ask unanimous consent that the complete text of the Small Non-Coal Producing Company Relief Act of 1995 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1179

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Non-Coal Producing Company Relief Act".

SEC. 2. REDUCTION IN CONTRIBUTIONS OF CERTAIN PERSONS TO COAL MINERS COMBINED BENEFIT FUND.

(a) IN GENERAL.—Part II of subchapter B of chapter 99 of the Internal Revenue Code of 1986 (relating to financing of Combined Benefit Fund) is amended by inserting after section 9704 the following new section:

"SEC. 9704A. REDUCTIONS IN ANNUAL PREMIUMS OF CERTAIN ASSIGNED OPERATORS.

"(a) GENERAL RULE.—The annual premium of an assigned operator under section 9704(a) shall—

"(1) in the case of an eligible small assigned operator, be reduced as provided in subsection (b), and

"(2) in any case in which there is a surplus in the Combined Fund to which subsection (c) applies, be reduced as provided in subsection (c).

"(b) REDUCTIONS FOR ELIGIBLE SMALL ASSIGNED OPERATORS.—

"(1) IN GENERAL.—If this subsection applies to an eligible small assigned operator for any plan year of the Combined Fund, the annual premium under section 9704(a) for such operator for such plan year shall not exceed 5 percent of the operator's average annual taxable income for purposes of chapter 1 for the 5-taxable year period ending with the operator's most recent taxable year ending before the beginning of the plan year.

"(2) YEARS TO WHICH SUBSECTION APPLIES.—

"(A) IN GENERAL.—This subsection shall apply to any plan year of the Combined Fund—

"(i) which begins before October 1, 1998,

"(ii) which begins after September 30, 1998, and before October 1, 2003, but only if the Combined Fund has a surplus as of the close of the plan year ending September 30, 1998, equal to or greater than $150,000,000, or

"(iii) which begins after September 30, 2003, but only if the Combined Fund has a surplus as of the close of the plan year ending September 30, 2003, equal to or greater than $100,000,000.

"(B) COORDINATION WITH SURPLUS REDUCTIONS.—This subsection shall not apply to any eligible small assigned operator for any plan year for which no annual premium is imposed on such operator by reason of subsection (c).

"(3) ELIGIBLE SMALL ASSIGNED OPERATORS.—For purposes of this section—

"(A) IN GENERAL.—The term 'eligible small assigned operator' means any assigned operator—

"(i) the average annual gross income of which for purposes of chapter 1 for the 5-taxable year period ending with the operator's most recent taxable year ending before October 1, 1993, did not exceed $25,000,000, and

"(ii) which is not engaged in the production of coal for the plan year for which the determination is being made.

For purposes of this subparagraph, production by a related person shall be treated as production by the assigned operator.

"(B) PRODUCTION OF COAL.—For purposes of subparagraph (A), an assigned operator or related person shall be treated as engaged in the production of coal if it has employed employees in—

"(i) the extraction of coal, or

"(ii) the preparation, processing, or changing of coal for sale.

"(4) AGGREGATION RULES.—In determining gross income or taxable income for purposes of this section, an assigned operator and any related persons shall be treated as 1 person.

"(c) REDUCTIONS BASED UPON FUND SURPLUS.—

"(1) ASSIGNED OPERATORS.—If, as of the close of any plan year ending after September 30, 1997, the Combined Fund has a surplus equal to or greater than 50 percent of the net expenses of the Combined Fund for the plan year, no annual premium shall be imposed under section 9704(a) on any eligible small assigned operator for the succeeding plan year.

"(2) OTHER OPERATORS.—If, as of the close of any plan year ending after September 30, 1997, the Combined Fund has a surplus equal to or greater than 100 percent of the net expenses of the Combined Fund for the plan year, the annual premium under section 9704(a) for the succeeding plan year of any assigned operator other than an eligible small assigned operator shall be reduced by an amount which bears the same ratio to the surplus in excess of 100 percent of the net expenses of the Combined Fund for the plan year as—

"(A) such assigned operator's applicable percentage (expressed as a whole number), bears to

"(B) the sum of the applicable percentages (expressed as whole numbers) of all assigned operators other than eligible small assigned operators.

"(d) OVERALL LIMITATION.—

"(1) IN GENERAL.—In no event shall the total reductions in annual premiums payable to the Combined Fund under this section for any plan year exceed $5,000,000.

"(2) CALCULATION OF REDUCTIONS.—For purposes of paragraph (1), the total reductions in annual premiums for any plan year shall not include any reductions under this section in premiums payable by an eligible small assigned operator who, prior to the date of the enactment of this section, has not paid at least 50 percent of the premiums assessed such assigned operator for the period October 1, 1994, through June 30, 1995.

"(3) ORDERING RULE.—Any decrease in premium reductions under this section for any plan year by reason of paragraph (1) shall be applied first against the reductions under subsection (b) and then against reductions under subsection (c). Any such decreases shall be made ratably among operators.

"(e) COMPUTATION OF SURPLUS.—For purposes of this section, any determination of a surplus in the Combined Fund—

"(1) shall be calculated on an accrual basis,

"(2) shall be made and certified by an independent auditor retained by the trustees, and

"(3) once so certified, shall be reviewable by a court of law only to determine if such determination is reasonable.

A determination shall be considered reasonable for purposes of paragraph (3) if it is made in accordance with generally accepted accounting principles and is based on assumptions which, in the aggregate, are reasonable."

(b) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 99 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 9704 the following new item:

"Sec. 9704A. Reductions in annual premiums of certain assigned operators."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after January 31, 1993.

SEC. 3. WAIVER OF PENALTIES.

(a) IN GENERAL.—In the case of an eligible small assigned operator (as defined in section 9704A(b)(3) of the Internal Revenue Code of 1986, as added by section 1), no penalty shall be imposed under section 9707 of such Code on any failure of such operator to pay any installment of a premium due under section 9704 of such Code before January 1, 1996, if the operator pays such installment before such date. For purposes of this subsection, the amount of the installment shall be determined after application of the amendments made by section 1.

(b) COMPLIANCE.—An operator shall not be treated as failing to meet the requirements of subsection (a) with respect to any installment if—

(1) the failure to pay the installment before January 1, 1996, was due to reasonable cause and not to willful neglect, and

(2) the failure is corrected within 90 days of the later of—

(A) notice of the failure, or

(B) a final administrative or judicial determination of the amount of the installment which is not reviewable or appealable.

By Mrs. KASSEBAUM:

S. 1180. A bill to amend title XIX of the Public Health Service Act to provide for health performance partnerships, and for other purposes; to the Committee on Labor and Human Resources.

THE SAMHSA REAUTHORIZATION FLEXIBILITY ENHANCEMENT AND CONSOLIDATION ACT OF 1995

Mrs. KASSEBAUM. Mr. President, I rise today to introduce the SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act of 1995. An important aim of this legislation is to increase state flexibility in the use of mental health and substance abuse block grant funds while improving program accountability.

The Substance Abuse and Mental Health Services Administration [SAMHSA] programs address the nation's major substance abuse and mental illness health problems. The SAMHSA programs have greatly improved the quality and availability of substance abuse prevention and treatment and mental health services for our citizens.

The fields of substance abuse treatment and prevention and mental health have changed considerably since the last reauthorization in 1992—so must our approach in addressing these major public health issues.

One important feature of the reauthorization legislation I am proposing is its focus on establishing new partnership block grant arrangements with the states. The performance partnerships will utilize state selected "benchmarks" to help us learn what works. They will also facilitate the ability of state and local communities to improve the health of their people. These partnership block grants are a unique blend of categorical and block grants.

I believe performance partnerships will increase state flexibility and streamline Federal management while they also will retain accountability. The performance partnerships would also lead to the development and enhancement of national and state data collection systems and provide for justification of future funding.

Another major issue addressed in my proposal is that of the mentally ill homeless. My proposal to enhance outpatient treatment for the gravely disabled mentally ill who are committed would ensure that these individuals receive needed treatment in the least restrictive setting.

Concerns have been raised about my approach which I would like to address. First, some believe my proposal would not allow a sufficient transition time to develop meaningful partnerships between the Federal Government and the state around the implementation of performance partnerships.

Second, some believe my proposal should not retain any of the set-asides because this does not allow for flexibility for the states.

Third, others perceive the current data systems to be inadequate and irrelevant to measure performance on national and state-local levels.

To address these concerns, the legislation would:

First, establish a minimum 2-year transition period before performance partnerships are implemented;

Second, provide states the option to opt-out of the current set-aside requirements; and

Third, require states to report only on performance for which they have current and relevant data systems.

Mr. President, I realize there are issues which others may continue to raise regarding the performance partnership block grants and the commitment of the mentally ill homeless. The introduction of this proposal today should serve as the starting point for further discussions of these issues.

As discussion of these issues develops, I would welcome any suggestions my colleagues or others may have for improving this legislation. I ask unanimous consent that a summary of this bill and the text of the legislation be made a part of the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1180

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE, REFERENCES, AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act of 1995".

(b) REFERENCES IN ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 201 et seq.).

(c) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title, references, and table of contents.

TITLE I—MENTAL HEALTH

Sec. 101. Replacement of State plan program with performance partnerships.
Sec. 102. Review by planning council of State's report.
Sec. 103. State opportunity to correct or mitigate failure to maintain effort.
Sec. 104. Funding for organizations that are for-profit.
Sec. 105. Authorization of appropriation.
Sec. 106. Data collection, technical assistance, and evaluations.
Sec. 107. Projects for assistance in transition from homelessness.
Sec. 108. Priority mental health needs of regional and national significance.
Sec. 109. Repeals.
Sec. 110. Comprehensive community services for children with a serious emotional disturbance.
Sec. 111. Reauthorization of the Access Program.

TITLE II—SUBSTANCE ABUSE

Sec. 201. Replacement of State plan program with performance partnerships.
Sec. 202. Allocations regarding primary prevention and womens programs.
Sec. 203. Tuberculosis and HIV.
Sec. 204. Group homes for recovering substance abusers.
Sec. 205. State substance abuse prevention and treatment planning council.
Sec. 206. Additional agreements.
Sec. 207. State opportunity to correct or mitigate failure to maintain effort.
Sec. 208. Funding for organizations that are for-profit.
Sec. 209. Authorization of appropriations.
Sec. 210. Data collection, technical assistance, and evaluations.

Sec. 211. Priority substance abuse prevention and treatment needs of regional and national significance.
Sec. 212. Repeals.

TITLE III—GENERAL PROVISIONS

Sec. 301. Reporting by States on performance.
Sec. 302. On site performance reviews.
Sec. 303. Additional year for obligation by State.
Sec. 304. Definitions.
Sec. 305. Repeal of obsolete provisions concerning allocations.
Sec. 306. Repeal of obsolete addict referral provisions.
Sec. 307. Regulations.
Sec. 308. Advisory councils.
Sec. 309. Report on development of partnerships and use of grants.

TITLE IV—REAUTHORIZATION OF PROTECTION AND ADVOCACY FOR MENTALLY ILL INDIVIDUALS ACT OF 1986

Sec. 401. Short title.
Sec. 402. Reauthorization.
Sec. 403. Allotment formula.

TITLE V—REAUTHORIZATION OF CERTAIN INSTITUTES

Sec. 501. Reauthorization of certain Institutes.

TITLE VI—TRANSITION PROVISIONS AND EFFECTIVE DATES

Sec. 601. Transition provisions and effective dates.

TITLE I—MENTAL HEALTH

SEC. 101. REPLACEMENT OF STATE PLAN PROGRAM WITH PERFORMANCE PARTNERSHIPS.

(a) ELIMINATION OF STATE PLAN PROGRAM REQUIREMENTS.—Subpart I of Part B of title XIX (42 U.S.C. 300x-1 et seq.) is amended by repealing sections 1911, 1912, and 1913.

(b) PERFORMANCE PARTNERSHIP FRAMEWORK.—Subpart I of Part B of title XIX (as amended by subsection (a) is further amended by inserting after the subpart heading the following new sections:

"SEC. 1911. PERFORMANCE PARTNERSHIP GOALS AND OBJECTIVES.

"(a) GOALS.—

"(1) IN GENERAL.—It is the goal of this subpart for the States and the Federal Government, working together in a partnership, to improve the quality of life of adults with a serious mental illness and children with a serious emotional disturbance, and to improve the overall mental health of United States citizens, by—

"(A) promoting access to comprehensive community mental health services for adults with a serious mental illness and children with a serious emotional disturbance; and

"(B) increasing the development of systems of integrated comprehensive community based services for adults with a serious mental illness and children with a serious emotional disturbance.

"(2) SYSTEMS OF INTEGRATED COMPREHENSIVE COMMUNITY BASED SERVICES.—As used in paragraph (1)(B), the term 'systems of integrated comprehensive community based services' means integrated systems of care that would enable children and adults to receive care appropriate for their multiple needs. With respect to children, such integrated systems of care shall ensure the provision, in a collaborative manner, of mental health, substance abuse, education and special education, juvenile justice, health, and child welfare services. With respect to adults, such integrated systems of care shall ensure the provision, in a collaborative manner, of mental health, vocational rehabilitation, housing, criminal justice, health, and substance abuse services.

"(b) PERFORMANCE PARTNERSHIP OBJECTIVES.—

"(1) ESTABLISHMENT.—Not later than October 1 of the fiscal year prior to the fiscal year in which this section becomes effective as provided for in section 601(c) of the SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act of 1995, the Secretary, in consultation with the States, local governments, Indian tribes, health care providers, consumers, and families, shall establish, and as necessary, periodically revise—

"(A) a list of performance partnership objectives to carry out the goals of this subpart, and

"(B) a core set of not more than five of such objectives that address mental health problems of national significance.

"(2) REQUIREMENTS.—Each performance partnership objective established under paragraph (1) shall include—

"(A) a performance indicator;

"(B) the specific population being addressed;

"(C) a performance target; and

"(D) a date by which the target level is to be achieved.

"(3) PRINCIPLES.—In establishing the performance partnership objectives under paragraph (1), the Secretary shall be guided by the following principles:

"(A) The objectives should be closely related to the goals of this subpart, and be viewed as important by and understandable to State policymakers and the general public.

"(B) Objectives should be results-oriented, including a suitable mix of outcome, process and capacity measures.

"(C) In the case of an objective that has suitable outcome measures, measurable progress in achieving the objective should be expected over the period of the grant.

"(D) In the case of an objective that has suitable process or capacity measures, such objective should be demonstrably linked to the achievement of, or demonstrate the potential to achieve, a mental health outcome.

"(E) Data to track the objective should, to the extent practicable, be comparable for all grant recipients, meet reasonable statistical standards for quality, and be available in a timely fashion, at appropriate periodicity, and at reasonable cost.

"(c) DEFINITIONS.—

"(1) ESTABLISHMENT BY SECRETARY OF DEFINITIONS; DISSEMINATION.—For purposes of this subpart, the definitions established on May 20, 1993, for the terms 'adults with a serious mental illness' and 'children with a serious emotional disturbance' shall apply unless such definitions are revised by the Secretary. The Secretary shall disseminate the definitions to the States.

"(2) STANDARDIZED METHODS.—The Secretary shall establish standardized methods for applying the definitions in paragraph (1). A funding agreement for a grant under this subpart for the State is that the State will utilize such methods in making such estimates.

"(3) DATE CERTAIN FOR COMPLIANCE BY SECRETARY.—Not later than 90 days after the date of the enactment of this section, the Secretary shall establish the standardized methods described in paragraph (2).

"SEC. 1912. STATE PERFORMANCE PARTNERSHIP PROPOSAL.

"(a) IN GENERAL.—To be eligible to receive a grant under this subpart, a State shall, in accordance with this section, prepare and submit to the Secretary a performance partnership proposal.

"(b) ELEMENTS RELATED TO PERFORMANCE OBJECTIVES.—A State proposal submitted under subsection (a) shall contain—

"(1) a list of one or more objectives (derived from the performance partnership objectives established under section 1911(b)), including at least one objective in the children's area, toward which the State will work and a performance target for each objective which the State will seek to achieve by the end of the partnership period;

"(2) a rationale for the State's selection of objectives, including any performance targets, and timeframes;

"(3) a statement of the State's strategies for achieving the objectives over the course of the grant period and evidence that the actions taken under a partnership agreement will have an impact on the objective;

"(4) a statement of the amount to be expended to carry out each strategy; and

"(5) an assurance that the State will report annually on all core performance objectives established under section 1911(b)(1)(B) (regardless of whether it is working toward those objectives) and the specific objectives toward which the State will work under the performance partnership.

A State may select an objective that is not an established performance partnership objective under section 1911 if the State demonstrates to the Secretary that the objective relates to a significant mental health problem in the State that would not otherwise be appropriately addressed. The Secretary may require that objectives and requirements be developed by the State in a manner consistent with the requirements of paragraphs (2) and (3) of section 1911(b).

"(c) TRANSITION PROVISION.—A State may select objectives under this section which have solely process or capacity measures until such time as data sets are determined by the Secretary to be readily available, sufficient, and relevant under section 601(a) of the SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act of 1995, to make outcome measurements for objectives developed by the Secretary.

"SEC. 1913. FEDERAL-STATE PERFORMANCE PARTNERSHIP.

"(a) NEGOTIATIONS CONCERNING STATE PROPOSAL.—

"(1) REASONABLE EFFORTS TO AGREE.—A State submitting a proposal under section 1912 and the Secretary shall make all reasonable efforts to agree on a performance partnership pursuant to which the State shall expend amounts received under a grant provided under this subpart.

"(2) DUTIES OF SECRETARY.—In negotiations conducted under paragraph (1) concerning the proposal of a State, the Secretary shall consider the extent to which the proposed objectives, performance targets, timeframes, and strategies of the State are likely to address appropriately the most significant mental health problems (as measured by applicable indicators) within the State.

"(b) PARTNERSHIP PERIOD.—The Secretary, in consultation with a State receiving a grant under this subpart, shall set the duration of the partnership with the State. Initial and subsequent partnership periods shall not be less than 3 nor more than 5 years, except that the Secretary may agree to a partnership period of less than 3 years where a State demonstrates to the satisfaction of the Secretary that such shorter period is appropriate in light of the particular circumstances of that State.

"(c) ASSESSMENT AND ADJUSTMENT.—

"(1) ASSESSMENTS.—The Secretary shall annually assess—

"(A) the progress achieved nationally toward each of the core objectives established under section 1911(b)(1)(B); and

"(B) in consultation with each State, the progress of the State toward each objective agreed upon in the performance partnership under subsection (a);

and make such assessment publicly available.

"(2) STATE ASSESSMENTS.—In carrying out paragraph (1)(B), the Secretary shall take into consideration such qualitative assessments of performance as may be provided by each State pursuant to section 1942(a)(3).

"(3) ADJUSTMENTS.—With respect to a performance partnership under subsection (a), the Secretary and the State may at any time in the course of the partnership period renegotiate, and revise by mutual agreement, the elements of the partnership to account for new information or changed circumstances (including information or changes identified during assessments under paragraph (1)).

"(d) GRANTS TO STATES; USE OF FUNDS.—

"(1) GRANTS.—The Secretary shall award a grant to each State that—

"(A) has reached a performance partnership agreement with the Secretary under subsection (a); and

"(B) is carrying out activities in accordance with the terms of such partnership;

in an amount that is equal to the allotment of the State under section 1918. Grants shall be awarded for each fiscal year for which the partnership is in effect.

"(2) USE OF FUNDS.—Funds paid to a State under a grant described in paragraph (1) may be used by the State only for the purpose of carrying out this subpart (including related data collection, evaluation, planning, administration, and educational activities).".

(c) ADDITIONAL GENERAL PROVISIONS CONCERNING PARTNERSHIPS.—Section 1917 (42 U.S.C. 300x-6) is amended—

(1) by striking the section heading;

(2) by striking "application" each place that such term appears and inserting "proposal";

(3) in subsection (a)—

(A) in the subsection heading, by striking "(a) IN GENERAL.—" and all that follows through paragraph (1) and inserting "(d) ADDITIONAL ELEMENTS.—A State proposal is in accordance with this subsection if—";

(B) in paragraph (3), by inserting "proposed performance partnership and" before "agreements";

(C) in paragraph (5), by striking "the application contains the plan required in section 1912(a),";

(D) in paragraph (7), by striking "including the plan under section 1912(a))";

(E) by redesignating paragraphs (2) through (4), and paragraphs (6) and (7) as paragraphs (1) through (5), respectively; and

(F) by transferring such subsection to section 1912 (as added by subsection (b)) and inserting such subsection at the end of such section; and

(4) in subsection (b)—

(A) by transferring such subsection to section 1913 (as added by subsection (b));

(B) by inserting such subsection at the end of such section 1913; and

(C) by redesignating such subsection as subsection (e).

(d) DEFINITIONS.—Section 1919 (42 U.S.C. 300x-8) is amended by adding at the end thereof the following new paragraphs:

"(3) The term 'performance indicator' means a quantifiable characteristic used as a measurement.

"(4) The term 'performance target' means a numerical value sought to be achieved within a specified period of time.".

(e) CONFORMING AMENDMENTS.—Title XIX is amended—

(1) in the heading to subpart I of part B (42 U.S.C. 300x-1), by striking "**Block**" and inserting "**Performance Partnership**";

(2) in section 1914(b)(1) (42 U.S.C. 300x-3(b)(1)), by striking "plans" each place that such appears and inserting "performance partnerships";

(3) in section 1915(a) (42 U.S.C. 300x-4(a))—

(A) in the subsection heading, by striking "PLAN" in the subsection heading and inserting "PERFORMANCE PARTNERSHIP"; and

(B) by striking "plan" each place that such appears and inserting "performance partnership";

(4) in subpart III of part B (300x-51 et seq.), by striking "section 1911" each place that such appears, and inserting "subpart I".

(5) in section 1941 (42 U.S.C. 300x-51)—

(A) in the section heading, by striking "**PLANS**" and inserting "**PERFORMANCE PARTNERSHIPS**"; and

(B) by striking "plan" each place that such appears and inserting "performance partnership";

(6) in section 1944(b)(3) (42 U.S.C. 300x-54(b)(3)), by striking "1912(d) or"; and

(7) in section 1945(d)(2)(A) (42 U.S.C. 300x-55(d)(2)(A)), by striking "the condition established in section 1912(d) and".

(f) CONFORMING AMENDMENT TO TITLE V.—Section 520(b) (42 U.S.C. 2900bb-31(b)) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraphs (6) through (14) as paragraphs (5) through (13), respectively.

SEC. 102. REVIEW BY PLANNING COUNCIL OF STATE'S REPORT.

Section 1915(a)(1) (42 U.S.C. 300x-4(a)(1)) is amended by inserting "(and the report of the State under section 1942(a) concerning the preceding fiscal year)" after "to the grant".

SEC. 103. STATE OPPORTUNITY TO CORRECT OR MITIGATE FAILURE TO MAINTAIN EFFORT.

Section 1915(b)(3)(A) (42 U.S.C. 300x-4(b)(3)(A)) is amended by striking the second sentence and inserting the following new sentences: "If the Secretary determines that a State has failed to maintain such compliance, the Secretary may permit the State, not later than 1 year after notification, to correct or mitigate the noncompliance. If the State does not carry out a correction or mitigation as specified by the Secretary (or if the Secretary decided it was not appropriate to provide that opportunity), the Secretary shall reduce the amount of the grant under this subpart for the State for the current fiscal year by an amount equal to the amount constituting such failure.".

SEC. 104. FUNDING FOR ORGANIZATIONS THAT ARE FOR-PROFIT.

Section 1916(a)(5) (42 U.S.C. 300x-5(a)(5)) is amended by inserting before the period the following: ", unless the State determines that it is appropriate and beneficial for a for-profit private entity to receive assistance to facilitate the integration of the State Medicaid program or mental health managed care programs under title XIX of the Social Security Act)".

SEC. 105. AUTHORIZATION OF APPROPRIATION.

Section 1920(a) (42 U.S.C. 300x-9(a)) is amended by striking "$450,000,000" and all that follows through the end thereof and inserting "$280,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 1999.".

SEC. 106. DATA COLLECTION, TECHNICAL ASSISTANCE, AND EVALUATIONS.

(a) RESERVED FUNDS.—Section 1920(b) (42 U.S.C. 300x-9(b)) is amended to read as follows:

"(b) RESERVED FUNDS.—

"(1) IN GENERAL.—The Secretary shall reserve 5 percent of the amounts appropriated for a fiscal year under subsection (a)—

"(A) to carry out sections 505 (providing for data collection) and 1948(a) (providing for technical assistance to States) with respect to mental health; and

"(B) to conduct evaluations concerning programs supported under this subpart.

The Secretary may carry out activities funded pursuant to this subsection directly, or through grants, contracts, or cooperative agreements.

"(2) DATA COLLECTION INFRASTRUCTURE.—In carrying out this subsection, the Secretary shall make available grants and contracts to States for the development and strengthening of State core capacity (including infrastructure) for data collection and evaluation.".

(b) DATA COLLECTION AUTHORITY.—Section 505(a) (42 U.S.C. 290aa-4(a)) is amended—

(1) in paragraph (1), by striking "and" at the end thereof;

(2) in paragraph (2), by striking the period at the end thereof and inserting "; and"; and

(3) by adding at the end the following:

"(3) other factors as needed to carry out part B of title XIX.

The Secretary may conduct activities under this subsection directly, or through grants, contracts, or cooperative agreements.".

(c) CONFORMING AMENDMENT.—Section 1948(a) (42 U.S.C. 300x-58(a)) is amended by striking "through contract, or through grants" and inserting "or through grants, contracts, or cooperative agreements".

SEC. 107. PROJECTS FOR ASSISTANCE IN TRANSITION FROM HOMELESSNESS.

(a) PURPOSE OF GRANTS.—Section 522(b) of the Public Health Service Act (42 U.S.C. 290cc-22(b)) is amended—

(1) in paragraph (10)—

(A) in subparagraph (F), by striking "and" at the end thereof; and

(B) by adding at the end thereof the following new subparagraph:

"(H) providing ongoing assistance for rental payments and the costs of living in such settings when such housing is considered to be integral for the treatment of mentally ill homeless individuals committed to treatment in outpatient settings; and";

(2) by redesignating paragraph (11) as paragraph (12); and

(3) by inserting after paragraph (10), the following new paragraph:

"(11) education of the judiciary regarding the manifestations of mental illness which are indications for committing the mentally ill homeless to inpatient or outpatient treatment in accordance with existing State commitment statutes for the mentally ill; and".

(b) INCENTIVE GRANTS.—Part C of title V of the Public Health Service Act (42 U.S.C. 290cc-21 et seq.) is amended—

(1) by inserting after the part heading the following:

"SUBPART I—FORMULA GRANTS FOR MEDICAL AND SUPPORTIVE SERVICES FOR THE MENTALLY ILL HOMELESS";

and

(2) by inserting after section 529 (42 U.S.C. 290cc-29) the following:

SUBPART II—INCENTIVE GRANTS FOR STATE TO IMPROVE THEIR OUTPATIENT COMMITMENT TREATMENT SYSTEMS AND COMMITMENT LAWS

"SEC. 529A. INCENTIVE GRANTS FOR STATE TO IMPROVE THEIR OUTPATIENT COMMITMENT TREATMENT SYSTEMS AND COMMITMENT LAWS.

"(a) IN GENERAL.—Beginning in fiscal year 1998, the Secretary may make a grant to or enter into a contract with a State or territory under this section for the purpose of providing the services described in subsection (b) to individuals who—

"(1) are suffering from serious mental illness; and

"(2) have been committed to outpatient treatment in accordance with State or territory commitment laws for the mentally ill because such individuals have been found to be gravely disabled as a result of their mental illness.

"(b) SPECIFICATION OF SERVICES.—The services described in this subsection are—

"(1) mental health services in outpatient settings;

"(2) outreach services; and

"(3) case management to assure that individuals remain in treatment and to assist individuals with supportive and supervisory residential settings.

"(c) APPLICATION.—To be eligible to receive a grant or contract under this section, a State or territory shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require, including—

"(1) an agreement that the State or territory will ensure that payments under the grant will be expended by the State or territory or through grants made by the State or territory to political subdivisions of the State or territory and to nonprofit private entities;

"(2) a description of the performance objectives that the project to be funded under the grant will be measured against, and that a recipient of the grant under this section shall meet; and

"(3) an assurance that the State or territory will meet information requirements as specified by the Secretary.

"(d) SPECIAL RULE.—

"(1) IN GENERAL.—The Secretary may not award a grant or contract to a State or territory under this subpart unless the State or territory involved has in effect on the date of the award a law—

"(A) which provides for the commitment of the gravely disabled; and

"(B) that provides for intensive case management to monitor compliance and reconnect the gravely disabled to treatment services, a court hearing prior to a gravely disabled individual being re-committed to an inpatient or outpatient setting, or the involvement of outpatient mental health care providers in the initial treatment planning as well as the monitoring and case management aspects of follow-up care for the gravely disabled individual.

"(2) DEFINITION.—For the purpose of this section, the term 'gravely disabled' means an individual who, as a result of mental illness, fails to meet his or her essential needs including the need for food, clothing, shelter or medical care, to the degree that such individual poses a real, present and substantial threat of serious physical harm to self, except that the failure of an individual to meet essential needs shall not, in and of itself, be sufficient grounds to establish that such person is mentally ill.

"(e) ADMINISTRATIVE EXPENSES.—The Secretary may not award a grant or contract to a State or territory under this section unless the State or territory involved agrees that not more than 4 percent of the amounts received under the award will be expended for administrative expenses regarding the amounts.

"(f) MAINTENANCE REQUIREMENTS.—

"(1) MAINTENANCE OF EFFORT.—The Secretary may not award a grant or contract to a State or territory under this section unless the State involved agrees that the State or territory will maintain State or territory expenditures for services described in subsection (b) at a level that is not less than the average level of such expenditures maintained by the State or territory for the 2-year period preceding the fiscal year for which the State or territory is applying to receive such an award.

"(2) MATCHING FUNDS.—The Secretary may require that a State or territory that applies for a grant or contract under this section provide non-Federal matching funds, as appropriate, to ensure the State or territory commitment to the programs funded under this section. Such non-Federal matching funds may be provided directly or through donations from public or private entities and may be in cash or in-kind, fairly evaluated, including plant, equipment, or services.

"(g) GENERALLY APPLICABLE PROVISIONS.—

"(1) COMPETITIVE BASIS.—The Secretary shall ensure that grants and contract are awarded under this section on a competitive basis, as appropriate, to States or territories that demonstrate a potential to retain, or a history of retaining, the gravely disabled mentally ill who have been committed to outpatient treatment in accordance with court ordered treatment plans.

"(2) TERMS.—The period under which payments are made under a grant or contract under this section may not exceed 5 years. Such payments shall be subject to annual approval by the Secretary and subject to the availability of appropriations for the fiscal year involved. Nothing in this paragraph shall be construed as limiting the number of awards that may be made to a State or territory under this section.

"(3) PEER REVIEW.—An application received by the Secretary under this section shall be submitted to a peer review group for an evaluation of the merits of the proposals made in the application. The Secretary may not approve such an application unless a peer review group has recommended the application for approval.

"SUBPART III—GENERALLY APPLICABLE PROVISIONS".

(c) FUNDING.—Section 535(a) of the Public Health Service Act (42 U.S.C. 290cc–35(a)) is amended—

(1) by striking "this part" and inserting "section 521"; and

(2) by striking "$75,000,000" and all that follows through the period and inserting "$29,000,000 for each of the fiscal years 1996 and 1997, and $50,000,000 for each of the fiscal years 1998 and 1999. With respect to amounts appropriated under this subsection for fiscal year 1998, the Secretary shall allocate such amounts between subparts I and II based on the ratio of the amounts allocated under section 521 and under sections 520A(e) and 506(e) for the program known as the 'Access to Community Care and Effective Services and Supports' (ACCESS) program for fiscal year 1997.".

(d) REPEAL.—Effective on October 1, 1997—

(1) section 506 (42 U.S.C. 290aa–5) is repealed; and

(2) the Secretary shall not allocate funds under section 520A (as amended by section 108) (42 U.S.C. 290bb–32) or under any other authority for the program known as the "Access to Community Care and Effective Services and Supports" (ACCESS) program.

SEC. 108. PRIORITY MENTAL HEALTH NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

Section 520A (42 U.S.C. 290bb–32) is amended to read as follows:

"SEC. 520A. PRIORITY MENTAL HEALTH NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

"(a) GRANTS.—The Secretary shall address priority mental health needs of regional and national significance through—

"(1) the provision of—

"(A) training; or

"(B) demonstration projects for prevention, treatment, and rehabilitation; and

"(2) the conduct or support of evaluations of such demonstration projects.

In carrying out this section, the Secretary may make grants to, or enter into cooperative agreements with, States, political subdivisions of States, Indian Tribes and tribal organizations, and public or private nonprofit entities.

"(b) PRIORITY MENTAL HEALTH NEEDS.—Priority mental health needs of regional and national significance shall include child mental health services, and may include managed care, systems and partnerships, client-oriented and consumer-run self-help services, training, and other priority populations and conditions as determined appropriate by the Secretary.

"(c) REQUIREMENTS.—

"(1) IN GENERAL.—Recipients of grants, cooperative agreements, and contracts under this section shall comply with information and application requirements determined appropriate by the Secretary.

"(2) PAYMENTS.—With respect to a grant, cooperative agreement, or contract awarded under this section, the period during which payments under such award are made to the recipient may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Secretary and the availability of appropriations for the fiscal year involved. This paragraph may not be construed as limiting the number of awards under the program involved that may be made to an entity.

"(3) MATCHING FUNDS.—The Secretary may require that an entity that applies for a grant, contract, or cooperative agreement under this section provide non-Federal matching funds, as determined appropriate by the Secretary, to ensure the institutional commitment of the entity to the projects funded under the grant, contract, or cooperative agreement. Such non-Federal matching funds may be provided directly or through donations from public or private entities and may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(4) MAINTENANCE OF EFFORT.—With respect to activities for which a grant, cooperative agreement, or contract is awarded under this section, the Secretary may require that the recipient agree to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the entity for such fiscal year preceding the fiscal year for which the entity receives such a grant, contract, or cooperative agreement.

"(5) APPLICATION AND FUNDING AGREEMENTS.—

"(A) APPLICATION.—An application for a grant, contract, or cooperative agreement under this section shall ensure that amounts received under such grant, contract, or agreement will not be expended—

"(i) to provide inpatient services;

"(ii) to make cash payments to intended recipients of services;

"(iii) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment; or

"(iv) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(B) FUNDING AGREEMENT.—A funding agreement for a grant, contract, or cooperative agreement under this section is that the entity involved will not expend more than 10 percent of the grant, contract, or agreement for administrative expenses with respect to the grant, contract, or agreement.

"(d) REDUCTION IN PAYMENTS.—The Secretary, at the request of a State or a political subdivision of a State, or a public or private nonprofit entity, may reduce the amount of payments under this section by—

"(1) the fair market value of any supplies or equipment furnished the State, political subdivision of the State, or a public or private nonprofit entity; and

"(2) the amount of the pay, allowances, and travel expenses of any officer, fellow, or employee of the Government when detailed to the State, a political subdivision of the State, or a public or private non-profit entity, and the amount of any other costs incurred in connection with the detail of such officer, fellow, or employee;

when the furnishing of such officer, fellow, or employee is for the convenience of and at the request of the State, political subdivision of the State, or public or private nonprofit entity and for the purpose of conducting activities described in this section. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to have been paid to the State, political subdivision of the State, or public or private non-profit entity.

"(e) EVALUATION.—The Secretary shall evaluate each project carried out under section (a)(1)(B) and shall disseminate the findings with respect to each such evaluation to appropriate public and private entities.

"(f) INFORMATION AND EDUCATION.—

"(1) IN GENERAL.—The Secretary shall establish information and education programs to disseminate the findings of the demonstration and training programs under this section to the general public and to health professionals.

"(2) DISSEMINATION.—The Secretary shall take such action as may be necessary to insure that all methods of dissemination and exchange of information are maintained between the Substance Abuse and Mental Health Services Administration and the public, and such Administration and other scientific organizations, both nationally and internationally.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $50,000,000 for each of the fiscal years 1996 and 1997, $30,000,000 for fiscal year 1998, and such sums as may be necessary for fiscal year 1999.".

SEC. 109. REPEALS.

(a) IN GENERAL.—The following provisions of the Public Health Service Act are repealed:

(1) Subsections (a), (c), and (d) of section 303 (42 U.S.C. 242a(a), (c), and (d)) relating to clinical training and AIDS training.

(2) Section 520B (42 U.S.C. 290bb–33) relating to AIDS demonstrations.

(3) Section 612 of the Stewart B. McKinney Homeless Assistance Act.

(b) CONFORMING AMENDMENT.—Section 303 (42 U.S.C. 242a) as amended by subsection (a)(1), is further amended by striking the remaining subsection designation.

SEC. 110. COMPREHENSIVE COMMUNITY SERVICES FOR CHILDREN WITH A SERIOUS EMOTIONAL DISTURBANCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 565(f)(1) (42 U.S.C. 290ff–4(f)(1)) is amended—

(1) by striking "and" after "1993"; and

(2) by inserting before the period the following: ", $60,000,000 for fiscal year 1996, and such sums as may be necessary for each of the 3 succeeding fiscal years".

(b) FLEXIBILITY FOR INDIAN TRIBES AND TERRITORIES.—Section 562(c) (42 U.S.C. 290ff–1(c)) is amended by adding at the end the following new flush sentence:

"The Secretary may waive one or more of the requirements of the preceding sentence (for a public entity that is an Indian Tribe or tribal organization, or American Samoa, Guam, the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, or the United States Virgin Islands) if the Secretary determines, after peer review, that the system of care is family-centered and uses the least restrictive environment that is clinically appropriate.".

TITLE II—SUBSTANCE ABUSE

SEC. 201. REPLACEMENT OF STATE PLAN PROGRAM WITH PERFORMANCE PARTNERSHIPS.

(a) REPEALS.—Section 1921 (42 U.S.C. 300x–21) is repealed.

(b) PERFORMANCE . PARTNERSHIP FRAMEWORK.—Subpart II of part B of title XIX (42 U.S.C. 300x–21 et seq.) (as amended by subsection (a)) is further amended by inserting after the subpart heading the following new sections:

"SEC. 1921. PERFORMANCE PARTNERSHIP GOALS AND OBJECTIVES.

"(a) GOALS.—It is the goal of this subpart for the States and the Federal Government, working together in a partnership—

"(1) to reduce the incidence and prevalence of substance abuse and dependence;

"(2) to improve access to appropriate prevention and treatment programs for targeted populations;

"(3) to enhance the effectiveness of substance abuse prevention and treatment programs; and

"(4) to reduce the personal and community risks for substance abuse.

"(b) PERFORMANCE PARTNERSHIP OBJECTIVES.—

"(1) ESTABLISHMENT.—Not later than October 1 of the fiscal year prior to the fiscal year in which this section becomes effective as provided for in section 601(c) of the SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act of 1995, the Secretary, in consultation with the States, local governments, Indian tribes, providers, and consumers, and in accordance with paragraph (4), shall establish, and as necessary, periodically revise—

"(A) a list of performance partnership objectives to carry out the goals of this subpart; and

"(B) a core set of not more than five of such objectives that address substance abuse problems of national significance.

"(2) REQUIREMENTS.—Each performance partnership objective established under paragraph (1) shall include—

"(A) a performance indicator;

"(B) the specific population being addressed;

"(C) a performance target; and

"(D) a date by which the target level is to be achieved.

"(3) PRINCIPLES.—In establishing the performance partnership objectives under paragraph (1), the Secretary shall be guided by the following principles:

"(A) The objectives should be closely related to the goals of this subpart, and be viewed as important by and understandable to State policymakers and the general public.

"(B) Objectives should be results-oriented, including a suitable mix of outcome, process and capacity measures.

"(C) In the case of an objective that has suitable outcome measures, measurable progress in achieving the objective should be expected over the period of the grant.

"(D) In the case of an objective that has suitable process or capacity measures, such objective should be demonstrably linked to the achievement of, or demonstrate a potential to achieve, a substance abuse treatment outcome.

"(E) Data to track the objective should, to the extent practicable, be comparable for all grant recipients, meet reasonable statistical standards for quality, and be available in a timely fashion, at appropriate periodicity, and at reasonable cost.

"SEC. 1921A. STATE PERFORMANCE PARTNERSHIP PROPOSAL.

"(a) IN GENERAL.—To be eligible to receive a grant under this subpart, a State shall, in accordance with this section, prepare and submit to the Secretary a performance partnership proposal in accordance with the provisions of this subpart .

"(b) ELEMENTS RELATED TO PERFORMANCE OBJECTIVES.—A State proposal submitted under subsection (a) shall contain—

"(1) a list of one or more objectives (derived from the performance partnership objectives specified under section 1921(b)) toward which the State will work and a performance target for each objective which the State will seek to achieve by the end of the partnership period;

"(2) a rationale for the State's selection of objectives, including any performance targets, and timeframes;

"(3) a statement of the State's strategies for achieving the objectives over the course of the grant period and evidence that the actions taken under a partnership agreement will have an impact on the objective;

"(4) a statement of the amount to be expended to carry out each strategy; and

"(5) an assurance that the State will report annually on all core performance objectives established under section 1921(b)(1)(B) (regardless of whether it is working toward those objectives) and the specific objectives toward which the State will work under the performance partnership.

A State may select an objective that is not an established performance partnership objective under section 1921 if the State demonstrates to the Secretary that the objective relates to a significant health problem related to substance abuse in the State that would not otherwise be addressed appropriately. The Secretary may require that objectives developed by the State under this subsection be consistent with the requirements of paragraphs (2) and (3) of section 1921(b).

"(c) TRANSITION PROVISION.—A State may select objectives under this section which solely have process or capacity measures until such time as data sets are determined by the Secretary to be readily available, sufficient, and relevant under section 601(a) of the SAMHSA Reauthorization, Flexibility Enhancement, and Consolidation Act of 1995, to make outcome measurements for objectives developed by the Secretary.

"SEC. 1921B. FEDERAL-STATE PERFORMANCE PARTNERSHIP.

"(a) NEGOTIATIONS CONCERNING STATE PROPOSAL.—

"(1) REASONABLE EFFORTS TO AGREE.—A State submitting a proposal under section 1921A and the Secretary shall make all reasonable efforts to agree on a performance partnership pursuant to which the State shall expend amounts received under a grant provided under this subpart.

"(2) DUTIES OF SECRETARY.—In negotiations conducted under paragraph (1) concerning the proposal of a State, the Secretary shall consider the extent to which the proposed objectives, performance targets, timeframes, and strategies of the State are likely to address appropriately the most significant health problems associated with substance abuse (as measured by applicable indicators) within the State, including the health problems associated with substance abuse of vulnerable populations (such as pregnant women, women with dependent children, and crack-cocaine and injecting drug users).

"(b) PARTNERSHIP PERIOD.—The Secretary, in consultation with a State receiving a grant under this subpart, shall set the duration of the partnership with the State. Initial and subsequent partnership periods shall not be less than 3 nor more than 5 years, except that the Secretary may agree to a partnership period of less than 3 years where a State demonstrates to the satisfaction of the Secretary that such shorter period is appropriate in light of the particular circumstances of that State.

"(c) ASSESSMENT AND ADJUSTMENT.—

"(1) ASSESSMENTS.—The Secretary shall annually assess—

"(A) the progress achieved nationally toward each of the core objectives established under section 1921(b)(1)(B); and

"(B) in consultation with each State, the progress of the State toward each objective agreed upon in the performance partnership under subsection (a);

and make such assessment publicly available

"(2) STATE ASSESSMENTS.—In carrying out paragraph (1)(B), the Secretary shall take into consideration such qualitative assessments of performance as may be provided by each State pursuant to section 1942(a)(3).

"(3) ADJUSTMENTS.—With respect to a performance partnership under subsection (a), the Secretary and the State may at any time in the course of the partnership period renegotiate, and revise by mutual agreement, the elements of the partnership to account for new information or changed circumstances (including information or changes identified during assessments under paragraph (1)).

"(d) GRANTS TO STATES; USE OF FUNDS.—

"(1) GRANTS.—The Secretary shall award a grant to each State that—

"(A) has reached a performance partnership agreement with the Secretary under subsection (a); and

"(B) is carrying out activities in accordance with the terms of such partnership;

in an amount that is equal to the allotment of the State under section 1933. Grants shall be awarded for each fiscal year for which the partnership is in effect.

"(2) USE OF FUNDS.—Funds paid to a State under a grant described in paragraph (1) may be used by the State only for the purpose of carrying out this subpart (including related data collection, evaluation, planning, administration, and educational activities).".

(c) ADDITIONAL GENERAL PROVISIONS CONCERNING PARTNERSHIPS.—Section 1932 (42 U.S.C. 300x-32) is amended—

(1) by striking the section heading;

(2) by striking "application" each place that such term appears and inserting "proposal";

(3) in subsection (a)—

(A) in the subsection heading, by striking "(a) IN GENERAL.—" and all that follows through paragraph (1) and inserting "(c) ADDITIONAL ELEMENTS.—A State proposal is in accordance with this subsection if—";

(B) in paragraph (3), by inserting "proposed performance partnership and" before "agreements";

(C) by striking paragraphs (5) and (6);

(D) in paragraph (7), by striking "including the plan under section paragraph (6)";

(E) by redesignating paragraphs (2) through (4), and paragraph (7) as paragraphs (1) through (4), respectively; and

(F) by transferring such subsection to section 1921A (as added by subsection (b)) and inserting such subsection at the end of such section; and

(4) in subsection (c)—

(A) by transferring such subsection to section 1921B (as added by subsection (b));

(B) by inserting such subsection at the end of such section 1921B; and

(C) by redesignating such subsection as subsection (h); and

(5) by striking subsections (b) and (d).

(d) DEFINITIONS.—Section 1934 (42 U.S.C. 300x-34) is amended—

(1) by redesignating paragraphs (3) through (7) as paragraphs (5) through (9), respectively; and

(2) by inserting after paragraph (2), the following new paragraphs:

"(3) The term 'performance indicator' means a quantifiable characteristic used as a measurement.

"(4) The term 'performance target' means a numerical value sought to be achieved within a specified period of time.".

(e) CONFORMING AMENDMENTS.—Title XIX is amended—

(1) in the heading of subpart II of part B (42 U.S.C. 300x-21 et seq) by striking "**Block**" and inserting "**Performance Partnership**";

(2) in subpart II of part B (42 U.S.C. 300x-21 et seq.), by striking "section 1921" each place that such appears and inserting "this subpart";

(3) in section 1933(a)(1)(A)) 42 U.S.C. 300x-33(a)(1)(A)), by inserting "(as in effect on January 1, 1995)" after "section 1918(a)"; and

(4) in subpart III of part B (42 U.S.C. 300x-51 et seq.), by striking "section 1921" each place that such appears and inserting "subpart II".

SEC. 202. ALLOCATIONS REGARDING PRIMARY PREVENTION AND WOMENS PROGRAMS.

Section 1922 (42 U.S.C. 300x-22) is amended—

(1) by striking subsection (a);

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively; and

(3) in subsection (b) (as so redesignated)—

(A) by striking paragraph (1) and inserting the following new paragraph:

"(1) IN GENERAL.—A funding agreement for a grant under section 1921 for a fiscal year is that in the case of a grant for fiscal year 1996, or a subsequent fiscal year, the State will expend not less than an amount equal to the amount expended by the State for fiscal year 1995 to increase the availability of treatment services designed for pregnant women and women with dependent children (either by establishing new programs or expanding the capacity of existing programs)."; and

(B) by adding at the end thereof the following new paragraph:

"(4) INSUFFICIENT AMOUNTS.—If the Secretary determines that, as a result of a reduction in the amount of Federal funds provided to State under this subpart, a State will be unable to meet the requirement of paragraph (1), the Secretary shall permit the State to prorate amounts provided under such paragraph based on the amount provided to the State under this subpart in fiscal year 1995.".

SEC. 203. TUBERCULOSIS AND HIV.

(a) TUBERCULOSIS.—Section 1924(a) (42 U.S.C. 300x-24(a)) is amended—

(1) in paragraph (1), to read as follows:

"(1) IN GENERAL.—A funding agreement for a grant under section 1921 is that the State involved will—

"(A)(i) directly or through arrangements with other public or nonprofit private entities, ensure that activities are routinely carried out under subparagraphs (A) and (B) of paragraph (2); and

"(ii) ensure that arrangements are made with other public or nonprofit private entities to make available tuberculosis services, including services under subparagraphs (C) and (D) of paragraph (2), to each individual receiving treatment for substance abuse under this subpart; and

"(B) require that any entity receiving amounts from the grant for operating a program of treatment for substance abuse, in the case of an individual in need of such treatment who is denied admission to the program on the basis of the lack of the capacity of the program to admit the individual, will refer the individual to another provider of tuberculosis services.

Nothing in subparagraph (A)(ii) shall be construed to require that the State expend funds under this Act to make available such services.";

(2) in paragraph (2)—

(A) by redesignating subparagraph (C) as subparagraph (D); and

(B) in subparagraph (B), to read as follows:

"(B) tuberculosis testing, based on the risk assessment conducted by the State, to determine whether the individual has contracted such disease, such testing to be based on usual standards as determined to be appropriate by the State health director in cooperation with State and local health agencies for tuberculosis and with other relevant private nonprofit entities;

"(C) testing to determine the form of treatment for the disease that is appropriate for the individual; and"; and

(3) by adding at the end thereof the following new paragraph:

"(3) COUNSELING.—For purposes of paragraph (2), the term 'counseling' with respect to an individual means—

"(A) the provision of information to individuals or communities about risk factors for tuberculosis; and

"(B) conducting tuberculosis risk assessments to determine if tuberculosis testing is required.".

(b) HIV.—Section 1924(b) (42 U.S.C. 300x-24(b)) is amended—

(1) in paragraph (1)(A), insert "routinely" after "projects to";

(2) in paragraph (2), by striking "10" and inserting "15"; and

(3) in paragraph (7)(B)(ii), by inserting before the semicolon the following: ", such testing to be based on usual standards as determined to be appropriate by the State health director in cooperation with State and local health agencies for HIV and with other relevant private nonprofit entities; and";

(c) EXPENDITURE.—Section 1924(c) (42 U.S.C. 300x-24(c)) is amended—

(1) in the subsection heading, by striking "AGREEMENTS" and inserting "PARTNERSHIPS"; and

(2) in paragraph (1), by striking "agreements" and inserting "partnerships".

(d) PAYOR OF LAST RESORT.—Section 1924 (42 U.S.C. 300x-24) is amended by adding at the end thereof the following new subsection:

"(f) PAYOR OF LAST RESORT.—Amounts made available under this section may only be used as a payment of last resort for tuberculosis and may not be used for the medical evaluation and treatment of such disease.".

SEC. 204. GROUP HOMES FOR RECOVERING SUBSTANCE ABUSERS.

(a) IN GENERAL.—Section 1925 (42 U.S.C. 300x-25) is amended—

(1) in subsection (a), by striking "For fiscal year 1993" and all that follows through the colon and inserting "Except as provided in subsection (d), for each of the fiscal years 1996 through 1999, the Secretary may make a grant under section 1921 only if the State involved has established and is providing for the ongoing operation of a revolving fund as follows:"; and

(2) by adding at the end thereof the following new subsection:

"(d) NONAPPLICATION OF SECTION.—

"(1) IN GENERAL.—The requirements of this section shall not apply to a State that is not, as of the date of enactment of this subsection, utilizing a revolving fund under this section. Such a State shall not be required to maintain such a fund after such date of enactment.

"(2) USE OF FUNDS.—A State described in paragraph (1), may use amounts set aside under this section, or amounts remaining in the revolving fund, to provide other services under this part.".

(b) REPEAL.—Section 1925 (42 U.S.C. 300x-25) shall be repealed effective on September 30, 1998.

SEC. 205. STATE SUBSTANCE ABUSE PREVENTION AND TREATMENT PLANNING COUNCIL.

Subpart II of part B of title XIX is amended by inserting after section 1927 (42 U.S.C. 300x-27) the following new section:

"SEC. 1927A. STATE SUBSTANCE ABUSE PREVENTION AND TREATMENT PLANNING COUNCIL.

"(a) IN GENERAL.—A funding agreement for a grant under this subpart is that the State involved will establish and maintain a State substance abuse prevention and treatment planning council in accordance with the conditions described in this section.

"(b) DUTIES.—A condition under subsection (a) for a council is that the duties of the council are—

"(1) to review performance partnerships and related reports provided to the council by the State involved and to submit to the State any recommendations of the council for modifications;

"(2) to serve as an advocate for individuals suffering from substance abuse; and

"(3) to monitor, review, and evaluate, not less than once each year, the allocation and adequacy of substance abuse prevention and treatment services within the State.

"(c) MEMBERSHIP.—

"(1) IN GENERAL.—A condition under subsection (a) for a council is that the council be composed of residents of the State, including representatives of—

"(A) the principal State agencies with respect to—

"(i) substance abuse prevention and treatment, education, vocational rehabilitation, criminal justice, housing, and social services; and

"(ii) the development of the plan submitted pursuant to title XIX of the Social Security Act;

"(B) public and private entities concerned with the need, planning, operation, funding, and use of substance abuse prevention and treatment services and related support services;

"(C) individuals who are receiving (or have received) substance abuse prevention or treatment services; and

"(D) the families of such individuals.

"(2) LIMITATION ON STATE EMPLOYEES AND PROVIDERS.—A condition under subsection (a) for a council is that not less that 50 percent of the members of the council are individuals who are not State employees or providers of substance abuse prevention or treatment services.

"(d) REVIEW OF STATE PERFORMANCE PARTNERSHIP BY PLANNING COUNCIL.—The Secretary may make a grant under this subpart only if—

"(1) the performance partnership submitted under this subpart with respect to the grant (and the State's report under section 1942(a) concerning the preceding fiscal year) has been reviewed by the council; and

"(2) the State submits to the Secretary any recommendations received by the State from the council for modifications to the performance partnership (without regard to whether the State has made the recommended modifications).

"(e) WAIVERS.—In the case of a State that has other existing processes for complying with the duties required under subsection (b), the Secretary, upon the request of the State, may waive the requirements of such subsection. Such waiver shall be deemed to be granted if the Secretary fails to act within 90 days of the date of the submission of such a request.".

SEC. 206. ADDITIONAL AGREEMENTS.

Section 1928 (42 U.S.C. 300x-28) is amended—

(1) by striking subsections (a) and (d); and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 207. STATE OPPORTUNITY TO CORRECT OR MITIGATE FAILURE TO MAINTAIN EFFORT.

Section 1930(c)(1) (42 U.S.C. 300x-30(c)(1)) is amended by striking the second sentence and inserting the following new sentences: "If the Secretary determines that a State has failed to maintain such compliance, the Secretary may permit the State, not later than 1 year after notification, to correct or mitigate the noncompliance. If the State does not carry out a correction or mitigation as specified by the Secretary (or if the Secretary decided it was not appropriate to provide that opportunity), the Secretary shall reduce the amount of the grant under this subpart for the State for the current fiscal year by an amount equal to the amount constituting such failure.".

SEC. 208. FUNDING FOR ORGANIZATIONS THAT ARE FOR-PROFIT.

Section 1931(a) (42 U.S.C. 300x-31(a)) is amended—

(1) in paragraph (1)(E), by inserting before the semicolon the following: ", unless the State determines that it is appropriate and beneficial for a for-profit private entity to receive assistance to facilitate the integration of the State Medicaid program or substance abuse managed care programs under title XIX of the Social Security Act)"; and

(2) by adding at the end thereof the following new paragraph:

"(4) FOR-PROFIT RESTRICTIONS.—For purposes of providing assistance to a for-profit entity under paragraph (1)(E), the State shall ensure that—

"(A) such an entity is certified or licensed by the State;

"(B) all profits earned by such entity as a result of assistance provided under this subpart are redistributed by the entity to the community served by the entity for the provision of treatment or prevention services; and

"(C) in the case of an entity that is a private for-profit entity, such entity is the only available provider of substance abuse treatment in the area served.".

SEC. 209. AUTHORIZATION OF APPROPRIATIONS.

Section 1935(a) (42 U.S.C. 300x-35(a)) is amended by striking "$1,500,000,000" and all that follows through the end thereof and inserting "$1,300,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 1999.".

SEC. 210. DATA COLLECTION, TECHNICAL ASSISTANCE, AND EVALUATIONS.

Section 1935(b) (42 U.S.C. 300x-35(b)) is amended to read as follows:

"(b) RESERVED FUNDS.—

"(1) IN GENERAL.—The Secretary shall reserve 5 percent of the amounts appropriated for a fiscal year under subsection (a)—

"(A) to carry out sections 505 (providing for data collection) and 1948(a) (providing for technical assistance to States) with respect to substance abuse;

"(B) to carry out section 515(d) (providing for a performance substance abuse data base); and

"(C) to conduct evaluations concerning programs supported under this subpart.

The Secretary may carry out activities funded pursuant to this paragraph directly, or through grants, contracts, or cooperative agreements.

"(2) DATA COLLECTION INFRASTRUCTURE.—In carrying out this subsection, the Secretary shall make available grants and contracts to States for the development and strengthening of State core capacity (including infrastructure) for data collection and evaluation.

"(3) PREVENTION.—Of the amounts reserved under paragraph (1) for a fiscal year, the Secretary shall ensure that 20 percent of such amounts shall be used for activities related to prevention.".

SEC. 211. PRIORITY SUBSTANCE ABUSE PREVENTION AND TREATMENT NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

Section 510 (42 U.S.C. 290bb-3) is amended to read as follows:

"SEC. 510. PRIORITY SUBSTANCE ABUSE PREVENTION AND TREATMENT NEEDS OF REGIONAL AND NATIONAL SIGNIFICANCE.

"(a) GRANTS.—The Secretary shall address the substance abuse health needs of regional and national significance through—

"(1) the provision of

"(A) training; or

"(B) demonstration projects for prevention and treatment; and

"(2) the conduct or support of evaluations of such demonstration projects.

In carrying out this section, the Secretary may make grants to, or enter into cooperative agreements with, States, political subdivisions of States, Indian Tribes and tribal organizations, and public or private nonprofit entities.

"(b) Substance Abuse Health Needs.—Substance abuse health needs of regional and national significance shall include prevention activities and may include managed care, systems and partnerships, client-oriented services, and other priority populations (including pregnant substance abusers, women with dependent children, and crack cocaine and injecting drug users) and conditions as determined appropriate by the Secretary.

"(c) Requirements.—

"(1) In general.—Recipients of grants, cooperative agreements, and contracts under this section shall comply with information and application requirements determined appropriate by the Secretary.

"(2) Payments.—With respect to a grant, cooperative agreement, or contract awarded under this section, the period during which payments under such award are made to the recipient may not exceed 5 years. The provision of such payments shall be subject to annual approval by the Secretary and the availability of appropriations for the fiscal year involved. This paragraph may not be construed as limiting the number of awards under the program involved that may be made to an entity.

"(3) Matching funds.—The Secretary may require that an entity that applies for a grant, contract, or cooperative agreement under this section provide non-Federal matching funds, as determined appropriate by the Secretary, to ensure the institutional commitment of the entity to the projects funded under the grant, contract, or cooperative agreement. Such non-Federal matching funds may be provided directly or through donations from public or private entities and may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(4) Maintenance of effort.—With respect to activities for which a grant, cooperative agreement, or contract is awarded under this section, the Secretary may require the recipient to agree to maintain expenditures of non-Federal amounts for such activities at a level that is not less than the level of such expenditures maintained by the entity for such fiscal year preceding the fiscal year for which the entity receives such a grant, contract, or cooperative agreement.

"(5) Application and funding agreements.—

"(A) Application.—An application for a grant, contract, or cooperative agreement under this section shall ensure that amounts received under such grant, contract, or agreement will not be expended—

"(i) to provide inpatient services;

"(ii) to make cash payments to intended recipients of services;

"(iii) to purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment; or

"(iv) to satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(B) Funding agreement.—A funding agreement for a grant, contract, or cooperative agreement under this section is that the entity involved will not expend more than 10 percent of the grant, contract, or agreement for administrative expenses with respect to the grant, contract, or agreement.

"(d) Reduction in Payments.—The Secretary, at the request of a State or a political subdivision of a State, or a public or private nonprofit entity, may reduce the amount of payments under this section by—

"(1) the fair market value of any supplies or equipment furnished the State, political subdivision of the State, or a public of private nonprofit entity; and

"(2) the amount of the pay, allowances, and travel expenses of any officer, fellow, or employee of the Government when detailed to the State, a political subdivision of the State, or a public or private non-profit entity, and the amount of any other costs incurred in connection with the detail of such officer, fellow, or employee;

when the furnishing of such officer, fellow, or employee is for the convenience of and at the request of the State, political subdivision of the State, or public or private nonprofit entity and for the purpose of conducting activities described in this section. The amount by which any payment is so reduced shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be deemed to have been paid to the State, political subdivision of the State, or public or private non-profit entity.

"(e) Evaluation.—The Secretary shall evaluate each project carried out under section (a)(1)(B) and shall disseminate the findings with respect to each such evaluation to appropriate public and private entities.

"(f) Information and Education.—

"(1) In general.—The Secretary shall establish information and education programs to disseminate the findings of the research, demonstration, and training programs under this section to the general public and to health professionals.

"(2) Dissemination.—The Secretary shall take such action as may be necessary to insure that all methods of dissemination and exchange of information are maintained between the Substance Abuse and Mental Health Services Administration and the public, and the Administration and other scientific organizations, both nationally and internationally.

"(g) Authorization of Appropriations.—There are authorized to be appropriated to carry out this section, $352,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 1999.".

SEC. 212. REPEALS.

The following provisions of the Public Health Service Act are repealed:

(1) Section 508 (42 U.S.C. 290bb–1) relating to residential treatment programs for pregnant women.

(2) Section 509 (42 U.S.C. 290bb–2) relating to outpatient treatment programs for pregnant and postpartum women.

(3) Section 511 (42 U.S.C. 290bb–4) relating to substance abuse treatment in State and local criminal justice systems.

(4) Section 512 (42 U.S.C. 290bb–5) relating to training in the provision of treatment services.

(5) Paragraph (5) of section 515(b) (42 U.S.C. 290bb–21(b)(5)) relating to the activities of the Office of Substance Abuse Prevention. Paragraphs (6) through (10) of such section shall be redesignated as paragraphs (5) through (9), respectively.

(6) Section 516 (42 U.S.C. 290bb–22) relating to community prevention programs.

(7) Section 517 (42 U.S.C. 290bb–23) relating to high risk youth demonstrations.

(8) Section 518 (42 U.S.C. 290bb–24) relating to employee assistance programs.

(9) Section 571 (42 U.S.C. 290gg) relating to the National Capital Area Demonstration Program.

(10) Section 1943(a)(1) (42 U.S.C. 300x–53(a)(1)) relating to peer review.

(11) Section 1971 (42 U.S.C. 300y) relating to categorical grants to States.

TITLE III—GENERAL PROVISIONS

SEC. 301. REPORTING BY STATES ON PERFORMANCE.

Section 1942(a) (42 U.S.C. 300x–52(a)) is amended—

(1) in paragraph (1), by striking "and" at the end thereof;

(2) in paragraph (2), by striking the period and inserting "; and"; and

(3) by adding at the end thereof the following:

"(3) the performance of the State in relation to the objectives specified or agreed upon under sections 1912(b)(5) or section 1921A(b)(5), as applicable.".

SEC. 302. ON SITE PERFORMANCE REVIEWS.

Section 1945(g)(1) (42 U.S.C. 300x–55(g)(1)) is amended by striking "in fiscal year 1994" and all that follows through the end thereof and inserting ", not more frequently than once every 3 nor less frequently than once every 5 years, conduct an on-site performance review of a State's activities supported under this part.".

SEC. 303. ADDITIONAL YEAR FOR OBLIGATION BY STATE.

Section 1952(a) (42 U.S.C. 300x–62(a)) is amended by striking "until the end" and all that follows through the end thereof and inserting "and expenditure until the end of the fiscal year following the fiscal year for which the amounts were paid.".

SEC. 304. DEFINITIONS.

Section 1954(b) (42 U.S.C. 300x–64(B)) is amended by adding the following new paragraphs at the end thereof:

"(5) The term 'performance indicator' means a quantifiable characteristic used as a measurement.

"(6) The term 'performance target' means a numerical value sought to be achieved within a specified period of time.".

SEC. 305. REPEAL OF OBSOLETE PROVISIONS CONCERNING ALLOCATIONS.

(a) In General.—Section 1933 (42 U.S.C. 300x–33) is amended—

(1) by striking subsection (b);

(2) in subsection (c)(2)—

(A) in subparagraph (A), by adding "and" at the end thereof;

(B) in subparagraph (B), by striking "; and" at the end of subparagraph (B) and inserting a period; and

(C) by striking subparagraph (C); and

(3) by redesignating subsections (c) and (d) as subsection (b) and (c), respectively.

(b) Conforming Amendment.—Section 1923(h) (as so redesignated by section 201(c)(4)(A)) is amended by striking "section 1933(c)(2)(B)" and inserting "section 1933(b)(2)(B)".

SEC. 306. REPEAL OF OBSOLETE ADDICT REFERRAL PROVISIONS.

(a) Repeal of Obsolete Public Health Service Act Authorities.— Part E of title III (42 U.S.C. 257 et seq.) is repealed.

(b) Repeal of Obsolete NARA Authorities.—Titles III and IV of the Narcotic Addict Rehabilitation Act of 1966 are repealed.

(c) Repeal of Obsolete Title 28 Authorities.—

(1) In general.—Chapter 175 of title 28, United States Code, is repealed.

(2) Table of contents.—The table of contents to part VI of title 28, United States

Code, is amended by striking the items relating to chapter 175.

SEC. 307. REGULATIONS.

Section 1949 (42 U.S.C. 300x–59) is amended to read as follows:

"SEC. 1949. REGULATIONS.

"The Secretary shall promulgate regulations as the Secretary determines are necessary to carry out this part.".

SEC. 308. ADVISORY COUNCILS.

Section 502(b)(3)(A) (42 U.S.C. 290aa–1(b)(3)(A)) is amended by inserting "and leading representatives from State and local governments" after "sciences)".

SEC. 309. REPORT ON DEVELOPMENT OF PARTNERSHIPS AND USE OF GRANTS.

Not later than January 1, 1999, the Secretary of Health and Human Services shall prepare and submit to the appropriate committees of Congress a report that contains—

(1) information concerning the adequacy of outcome data sets to measure State performance with respect to amounts received by the State under subparts I and II of part B of title XIX of the Public Health Service Act (as amended by this Act);

(2) information concerning the range and types of performance partnership objectives and measures utilized by the State under such subparts; and

(3) a plan, if determined by the Secretary to be feasible after considering information received under such subparts, for the implementation of incentive-based performance partnership grants that shall include a disclosure of public comments.

TITLE IV—REAUTHORIZATION OF PROTECTION AND ADVOCACY FOR MENTALLY ILL INDIVIDUALS ACT OF 1986

SEC. 401. SHORT TITLE.

The first section of the Protection and Advocacy for Mentally Ill Individuals Act of 1986 (Public Law 99–319) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Protection and Advocacy for Individuals With Mental Illnesses Act'.".

SEC. 402. REAUTHORIZATION.

Section 117 of the Protection and Advocacy for Individuals With Mental Illnesses Act (as amended by section 401) (42 U.S.C. 10827) is amended by striking "1995" and inserting "1999".

SEC. 403. ALLOTMENT FORMULA.

(a) MINIMUM AMOUNT.—Section 112(a)(2) of the Protection and Advocacy for Mentally Ill Individuals Act (as amended by section 401) (42 U.S.C. 10822(a)(2)) is amended to read as follows:

"(2)(A) The minimum amount of the allotment of an eligible system shall be the product (rounded to the nearest $100) of the appropriate base amount specified in subparagraph (B) and the factor specified in subparagraph (C).

"(B) For purposes of subparagraph (A), the appropriate base amount—

"(i) for American Samoa, Guam, the Marshall Islands, the Federated States of Micronesia, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, and the Virgin Islands, is $139,300; and

"(ii) for any other State, is $260,000.

"(C) For purposes of subparagraph (A), the factor specified in this subparagraph is the ratio of the amount appropriated under section 117 for the fiscal year for which the allotment is being made to the amount appropriation under such section for fiscal year 1995.".

(b) TECHNICAL AMENDMENTS.—Section 112(a) of such Act (42 U.S.C. 10822(a)) is amended—

(1) in paragraph (1)(B), by striking "Trust Territory of the Pacific Islands" and inserting "Marshall Islands, the Federated States of Micronesia, the Republic of Palau"; and

(2) by striking paragraph (3).

TITLE V—REAUTHORIZATION OF CERTAIN INSTITUTES

SEC. 501. REAUTHORIZATION OF CERTAIN INSTITUTES.

(a) NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM.—Section 464H(d)(1) (42 U.S.C. 285m(d)(1)) is amended by striking "for fiscal year 1994" and inserting "for each of the fiscal years 1994 through 1996".

(b) NATIONAL INSTITUTE ON DRUG ABUSE.—

(1) IN GENERAL.—Section 464L(d)(1) (42 U.S.C. 285o(d)(1)) is amended by striking "for fiscal year 1994" and inserting "for each of the fiscal years 1995 and 1996".

(2) MEDICATION DEVELOPMENT PROGRAM.—Section 464P(e) (42 U.S.C. 285o–4(e)) is amended by striking "and $95,000,000 for fiscal year 1994" and inserting "$95,000,000 for fiscal year 1994, and such as may be necessary for each of the fiscal years 1995 and 1996".

(c) NATIONAL INSTITUTE OF MENTAL HEALTH.—Section 464R(f)(1) (42 U.S.C. 285p(f)(1)) is amended by striking "for fiscal year 1994" and inserting "for each of the fiscal years 1994 through 1996".

TITLE VI—TRANSITION PROVISIONS AND EFFECTIVE DATES

SEC. 601. TRANSITION PROVISIONS AND EFFECTIVE DATES.

(a) OBJECTIVE AND DATA DEVELOPMENT PROCESS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (hereafter referred to in this section as the "Secretary") shall develop and implement a process to—

(A) establish a model set of mental health and substance abuse prevention and treatment objectives that, to the extent practicable, meet the requirements of sections 1911 and 1921 of the Public Health Service Act (as amended by sections 101(b) and 201(b) of this Act);

(B) determine the availability, relevancy, and sufficiency of data necessary to measure capacity, process, or outcomes with respect to such model set of objectives; and

(C) establish a plan to improve the availability, relevancy, and sufficiency of data if the data sets that are available at the time such process is being developed are determined to be inadequate.

(2) CONSULTATION.—In carrying out paragraph (1), the Secretary shall consult with representatives from State and local governments, Indian Tribes, mental health and substance abuse service providers, consumers and families, researchers, and other individuals who have technical relevancy with respect to the development of the process under such paragraph.

(3) IMPLEMENTATION.—In implementing the process under paragraph (1), the Secretary may award a contract to an independent entity for—

(A) the conduct of a technical analysis of the availability, relevancy, and sufficiency of data sets existing on the date on which such contract is awarded; and

(B) the development of a data strategy if such existing data sets are determined to be insufficient to measure the model set of mental health and substance abuse prevention and treatment objectives developed under paragraph (1)(A).

(b) GENERAL EFFECTIVE DATE.—Except as provided in subsection (c), this Act shall take effect on the date of enactment of this Act or October 1, 1995, whichever occurs later.

(c) EXCEPTIONS.—

(1) PERFORMANCE PARTNERSHIPS.—The amendments made by sections 101 and 201 shall take effect on the date on which the Secretary of Health and Human Services determines that the model set of objectives and the data sets described in subsection (a) have been developed and are sufficient and available to measure process/capacity or outcomes, but in no event earlier than October 1, 1997.

(2) PREPARATION AND NEGOTIATION.—The Secretary of Health and Human Services may consult with the States, and others, in preparing for the implementation of the performance partnership grants under the amendments made by this Act. In no event shall such Secretary require a State to begin the negotiation process for the implementation of a performance partnership grant for a fiscal year prior to fiscal year 1998.

(3) SPECIFIC EFFECTIVE DATES.—Sections 103 and 207 (relating to maintenance of effort), sections 104 and 208 (relating to for-profit eligibility), section 203 (relating to tuberculosis and HIV), section 204 (relating to group home revolving loan funds), and section 303 (relating to the additional year for obligation), shall become effective as if enacted on October 1, 1994.

(4) MANDATORY EXEMPTIONS.—

(A) IN GENERAL.—Effective on the date on which the Secretary of Health and Human Services determines that the objectives and data described in subsection (a) have been developed and are relevant, sufficient, and available to measure performance in each State, a State shall be exempt from the requirements described in subparagraph (C). If the Secretary determines, using data with respect to the intended purpose of any such requirement, that the State has a significant need to improve the outcomes related to the intended purposes of any such requirements, the Secretary may require the State to utilize an objective that addresses the intended purpose of any such requirement.

(B) CONSULTATION PROCESS.—Until the Secretary makes the determination described in subparagraph (A), a State shall—

(i) comply with the requirements described in subparagraph (C); or

(ii) select objectives to be measured that would address the intended purpose of each of such requirements.

(C) REQUIREMENTS.—The requirements described in this subparagraph are the requirements contained in the following:

(i) Section 1922(b) (42 U.S.C. 300x–21) (as amended by this Act), relating to minimum allocation of funds for services to pregnant women and women with dependent children.

(ii) Section 1923 (42 U.S.C. 300x–23), relating to whether injecting drug users have timely access to treatment upon request.

(iii) Section 1924 (42 U.S.C. 300x–24), relating to requirements related to tuberculosis and HIV.

(iv) Section 1926 (42 U.S.C. 300x–26), relating to curtailing the sale of tobacco products to persons under the age of 18.

(v) Section 1927 (42 U.S.C. 300x–27), relating to preference in the admission of pregnant women for treatment.

(vi) Section 1929 (42 U.S.C. 300x–29), relating to the needs assessments.

(d) EXISTING PROJECTS.—A project that receives support for fiscal year 1996, 1997, 1998, or 1999 under section 506 or 520A of the Public Health Service Act (as amended by section 108 or 109(2), respectively), and that previously received support under title V of the Public Health Service Act for fiscal year 1995, shall be subject to the requirements to which that project was subject to for fiscal year 1995 unless the Secretary of Health and Human Services determines otherwise.

(e) WAIVERS.—Notwithstanding any other provision of this Act, or an amendment made by this Act, the Secretary of Health and Human Services may grant a State a waiver to permit such State to operate a performance partnership program prior to fiscal year 1998. Such programs shall be operated under the requirements described in the amendments made by sections 101 and 201 and shall be funded using amounts appropriated for the fiscal year involved under part B of title XIX of the Public Health Service Act.

THE SAMHSA REAUTHORIZATION, FLEXIBILITY ENHANCEMENT, AND CONSOLIDATION ACT OF 1995—SUMMARY

MENTAL HEALTH

1. Reauthorize the mental health block grant as a Performance Partnership Block Grant (PPG). Under this provision, each State and the Federal Government would work in a partnership to develop goals and performance objectives to improve the mental health of adults with serious mental illness and children with serious emotional disturbances. Each State would submit a performance partnership proposal based on the State selected goals and objectives which the State would be held accountable. Funding for this PPG would be authorized at $280,000,000.

2. Establish a Transition Provision for implementing the PPGs. Under this provision, States would begin the PPGs no sooner than October 1, 1997. This minimum two-year transition period would allow for the development of partnerships between the Federal government and the states to: (1) develop the menu of objectives; (2) carry out a technical analysis of the availability, relevancy, and sufficiency of existing data sets; and (3) develop a plan to address insufficient data systems. This process would include individuals from states, local governments, consumers, and others who have technical expertise in this area.

3. Eliminate set-asides. This section would repeal the 10 percent set-aside to provide services for children with serious emotional disturbances.

4. Repeal the current (4) separate demonstration authorities and establish a transition funding period for the current mental health demonstration programs. This section repeals separate categorical authorities for programs relating to: (1) clinical training and AIDS training, (2) community support programs; (3) homeless demonstrations; and (4) AIDS demonstrations. Each current demonstration grant would continue under the same terms and conditions until the expiration of the grant period.

5. Establish a general authority for priority mental health needs of regional and national significance. Through this single demonstration authority, the SAMHSA could provide technical assistance, conduct applied research, or conduct demonstration projects to address compelling mental health prevention and treatment needs of regional and national importance. All support for a specific problem would be time-limited to five years. Once successful solutions are developed, the SAMHSA would work with States to incorporate these solutions through the use of the State's performance partnership grant.

Funding for this authority would be authorized at $50,000,000 for each fiscal year 1996-1997 and $30,000,000 for fiscal year 1998. This accounts for the repeal of the ACCESS Program in fiscal year 1998. This funding level represents a ten-percent reduction from the combined totals of the three demonstration programs consolidated. In the event of reductions in the appropriations for the demonstration and training programs, the Secretary would decide which existing programs to reduce or eliminate.

6. Establish a separate authority for the Children's Mental Health Services Program. Through this single demonstration authority, appropriate community services for children suffering from severe mental disorders would continue as provided for under current law. Funding for this authority would be authorized at $60,000,000—equal to fiscal year 1995 appropriations.

7. Permit States to provide funding to for-profit organizations in order to facilitate integration of services. This provision would provide flexibility for States to utilize the service of mental health managed care programs to operate Medicaid managed mental health programs. This would facilitate integration of mental health services within each State to achieve standardization of care and cost reductions.

8. Permit the Secretary to reserve up to 5 percent for data collection, technical assistance, and evaluations. This provision would permit the Secretary to reserve up to 5 percent of the amount appropriated in any fiscal year for necessary data collection, technical assistance, and program evaluation. Also, the Secretary could use these funds to assist States with developing and strengthening their capacity for data collection.

SUMMARY OF MENTALLY ILL HOMELESS PROVISION

Generally, the purpose of this proposal would be to improve the mental health treatment—and thus the living conditions—of the mentally ill homeless who are gravely disabled as a result of their illness. It would also continue to fund treatment and support systems for the mentally ill homeless who are not gravely disabled.

1. Reauthorize the current PATH provisions as a new Part I of the PATH program. This will retain a focus on the expansion of services for the mentally ill homeless. The major problem currently facing the mentally ill homeless, regardless of whether they receive outpatient commitment or not, is the lack of adequate treatment capacity. Continuation of the PATH program would assure that services for the mentally ill homeless are either maintained or expanded. Funding for this block grant would be authorized at $29 million—equal to FY 1995 appropriations.

2. Create a second part to the PATH program for incentive grants to states to improve and operate outpatient commitment treatment programs for the gravely disabled mentally ill homeless. The purpose of this grant would be to improve the treatment capacity, which is often inadequate, for individuals with severe mental illness. In addition, these grants could encourage state mental health agencies to work with judges to help assure the consistent enforcement and appropriate use of state commitment statutes for the gravely disabled mentally ill.

Funding for this provision would be provided from funds currently used to support the ACCESS program. Because the current ACCESS grantees are funded for two more years, these incentive grants would become available beginning in fiscal year 1998.

As a condition of receiving a categorical grant under this program, a state would be required to have a statute providing for the commitment of the gravely disabled mentally ill homeless. The state would also be required to provide for intensive case management monitoring and follow-up care, and a hearing prior to recommitment of a gravely disabled individual.

In addition, the grants would be made to states which successfully bring, or which have the greatest chance to bring, the gravely disabled mentally ill homeless into treatment and which show that such individuals remain in treatment. These funds would be used to provide treatment, outreach, and case management services to individuals who have been committed to an outpatient setting because they have been determined to be gravely disabled as a result of their mental illness.

3. Allow the new Part I PATH funds to fund supportive housing for homeless mentally ill individuals who are committed to or were previously committed to outpatient treatment. This would help improve treatment outcomes for these individuals. Supportive housing is critical to the treatment of the gravely disabled mentally ill.

4. Permit the new Part I PATH funds to be used to educate the judiciary regarding mental illness and the appropriateness of outpatient commitment for the gravely disabled mentally ill homeless. Many experts believe that successful implementation of grave disability commitment laws for the mentally ill homeless will require education of the judges. This education is needed because judges are not often prepared to rule on the mental status of the homeless.

SUBSTANCE ABUSE PREVENTION AND TREATMENT

1. Reauthorize the substance abuse prevention and treatment services block grant as a Performance Partnership Block Grant (PPG). Under this provision, each State and the Federal Government would work in a partnership to develop goals and performance objectives. The State Needs Assessments could be utilized to assist States in selection of their objectives. Each State would submit a performance partnership proposal. Through a negotiated process the State and the Federal government would agree to objectives which would: 1) reduce the incidence and prevalence of substance abuse and dependence; 2) improve access to appropriate prevention and treatment programs for targeted populations; 3) enhance the effectiveness of substance abuse prevention and treatment programs; and 4) reduce the personal and community risks for substance abuse. Funding for this authority would be authorized at $1,300,000,000.

2. Establish a Transition Provision for implementing the PPGs. Under this provision, States would begin the PPGs no sooner than October 1, 1997. This minimum two-year transition period would allow for the development of partnerships between the Federal government and the states to: 1) develop the menu of objectives; 2) carry out a technical analysis of the availability, relevancy, and sufficiency of existing data sets; and 3) develop a plan to address insufficient data systems. This process would include individuals from states, local governments, consumers, and others who have technical expertise in this area.

3. Repeal set-asides for alcohol and drugs under the block grant. To allow States the flexibility to plan and implement services specific to their drug and alcohol treatment and prevention needs, set-asides for alcohol and drugs are repealed.

4. Establish a "mandatory exemption" provision as a transition to eliminating the set-asides in the PPGs. Under this provision, States would be required either to follow

current law for set-asides or to select an objective which meets the intent of the set-aside. This process would remain in place until the menu of objectives and the data sets have been developed and are relevant, sufficient, and readily available to measure outcomes in each state. Then, using outcome data, the Secretary may require a state to select an objective which meets the intent of the set-aside if the Secretary determines that the State has a significant problem in an area previously addressed by the set-aside.

5. Maintain requirements that States spend certain amounts for primary prevention and for programs providing treatment services to pregnant women and women with dependent children under the block grant. The reauthorization bill will continue to provide a 20 percent set-aside for primary prevention activities and the development of effective substance abuse prevention strategies, programs, and systems to reduce drug and alcohol use and abuse.

6. Increase the minimum threshold from 10 per 100,000 cases of AIDS to 15 per 100,000 for a State to be required to carry out HIV Early Intervention services and repeal the provision of treatment requirement for tuberculosis under the block grant. The higher AIDS case rate threshold requirement for the provision of HIV Early Intervention services would allocate resources to States with the greatest need in addressing co-morbid conditions of substance abusers. Also, the higher threshold rate will moderately reflect proportionately the change in the increase number of AIDS cases since the CDC AIDS surveillance case definition was changed (in 1993). Requirement for HIV Early Intervention Services would remain as in current law. Requirements for TB have been streamlined to include only counseling and testing/screening.

7. Repeal the current (7) demonstration authorities and establish a transition funding period for the current substance abuse and prevention demonstration programs. This section would repeal separate categorical authorities for programs relating to: 1) residential treatment programs for pregnant women, 2) demonstration projects of national significance, 3) substance abuse treatment in State and local criminal justice systems, 4) training in the provision of treatment services, 5) community prevention programs, 6) clinical training of substance abuse prevention professionals; and 7) high risk youth and national capital area demonstrations. Also, this provision provides for a transition funding period of these programs. Each current demonstration grant would continue under the same terms and conditions until the expiration of the grant period.

8. Establish a general authority for priority substance abuse prevention and treatment needs of regional and national significance. Through this single demonstration authority, the SAMHSA could provide technical assistance, conduct applied research, or conduct demonstration projects to address compelling substance abuse prevention and treatment needs of regional and national importance. Substance abuse health needs would include prevention activities as a priority. All support for a specific problem would be time-limited to five years. Once successful solutions are developed, the SAMHSA would work with States to incorporate these solutions through the use of the State's performance partnership grant.

Funding for this authority would be authorized at $352,000,000. This funding level represents a ten-percent reduction from the combined total of the 14 demonstration programs consolidated in this authority. In the event of reductions in the appropriations for the demonstration and training programs, the Secretary would decide which existing programs to reduce or eliminate.

9. Maintain the state based loan funds used to establish group homes for recovering substance abusers only for States that have utilized such funds. To allow for greater flexibility to the States, this provision would apply only to States that have current obligations under the revolving loan fund. States which are not currently providing from their loan funds would be exempt from maintaining such loan funds. States would use funds established under this provision to provide other substance abuse treatment services. The requirement for such funds to be maintained in any State would be repealed on September 30, 1998.

10. Permit States to provide funding to for-profit organizations in order to facilitate integration of services. This provision would provide flexibility for States to utilize the services of substance abuse treatment managed care programs to operate Medicaid managed substance abuse treatment programs. The provision would facilitate integration of substance abuse treatment services within each State to achieve standardization of care and cost reductions. However, for-profit organizations would have to agree to fulfill certain requirements in order to qualify for funds under this Act.

11. Permit the Secretary to reserve up to 5 percent of funding for data collection, technical assistance and evaluations. This provision would permit the Secretary to reserve up to 5 percent of the amount appropriated in any fiscal year for necessary data collection, technical assistance and program evaluation. Also, the Secretary could use these funds to assist states with developing and strengthening their capacity for data collection.

GENERAL PROVISIONS, PROTECTION AND ADVOCACY, AND INSTITUTES OF THE NATIONAL INSTITUTES OF HEALTH

1. Require States to report on performance. This provision would require each State to submit an annual report and to include data concerning its performance in relation to the core set of partnership objectives, including the State's objectives and performance targets.

2. Require State Review. This provision would replace current peer review requirements but establishes reviews by States in accordance with their existing accreditation and certification standards.

3. Require on site performance reviews. This provision would replace current requirements for annual investigations by the Secretary in at least 10 States with a new requirement for on site performance reviews in each State every two to three years.

4. Provide an additional year for obligation by State. This provision would allow States an additional year in which to obligate grant funds.

5. Repeal of Addict Referral Provisions. This section would repeal authority for Federal judges to refer drug addicts in the criminal justice system to the Surgeon General of the Public Health Service for treatment in lieu of prosecution for a criminal offense.

6. Reauthorize Protection and Advocacy for Mentally Ill Individuals. This reauthorization would reauthorize this program for three years and amends the name of the act to "Protection and Advocacy for Individuals with Mental Illnesses Act of 1986."

7. Reauthorize the National Institute on Alcohol Abuse and Alcoholism (NIAA), National Institute on Drug Abuse (NIDA) and the National Institute of Mental Health (NIMH). This provision reauthorizes each of the Institutes and programs for only one year in order to correspond with the reauthorization of the entire NIH next year.

ADDITIONAL COSPONSORS

S. 304

At the request of Mr. SANTORUM, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 304, a bill to amend the Internal Revenue Code of 1986 to repeal the transportation fuels tax applicable to commercial aviation.

S. 559

At the request of Mrs. BOXER, her name was added as a cosponsor of S. 559, a bill to amend the Lanham Act to require certain disclosures relating to materially altered films.

S. 789

At the request of Mr. CHAFEE, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 789, a bill to amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly-traded stock to certain private foundations, and for other purposes.

S. 851

At the request of Mr. JOHNSTON, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 851, a bill to amend the Federal Water Pollution Control Act to reform the wetlands regulatory program, and for other purposes.

S. 854

At the request of Mr. LUGAR, the name of the Senator from Vermont [Mr. JEFFORDS] was added as a cosponsor of S. 854, a bill to amend the Food Security Act of 1985 to improve the agricultural resources conservation program, and for other purposes.

S. 885

At the request of Mr. SIMPSON, the names of the Senator from Alabama [Mr. SHELBY], the Senator from Pennsylvania [Mr. SANTORUM], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Florida [Mr. MACK], the Senator from Arkansas [Mr. PRYOR], the Senator from Oklahoma [Mr. NICKLES], the Senator from Alabama [Mr. HEFLIN], the Senator from Iowa [Mr. HARKIN], the Senator from South Carolina [Mr. THURMOND], the Senator from Oregon [Mr. PACKWOOD], the Senator from New Hampshire [Mr. SMITH], the Senator from Utah [Mr. HATCH], the Senator from Indiana [Mr. COATS], the Senator from Kansas [Mr. DOLE], the Senator from Kentucky [Mr. FORD], the Senator from Louisiana [Mr. BREAUX], the Senator from Utah [Mr. BENNETT], the Senator from North Dakota [Mr. CONRAD], the Senator from Maine [Ms. SNOWE], the Senator from Mississippi

[Mr. LOTT], and the Senator from Minnesota [Mr. GRAMS] were added as cosponsors of S. 885, a bill to establish United States commemorative coin programs, and for other purposes.

S. 895

At the request of Mr. BOND, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 895, a bill to amend the Small Business Act to reduce the level of participation by the Small Business Administration in certain loans guaranteed by the Administration, and for other purposes.

S. 955

At the request of Mr. HATCH, the names of the Senator from Maryland [Ms. MIKULSKI], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 955, a bill to clarify the scope of coverage and amount of payment under the medicare program of items and services associated with the use in the furnishing of inpatient hospital services of certain medical devices approved for investigational use.

S. 979

At the request of Mrs. BOXER, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 979, a bill to protect women's reproductive health and constitutional right to choice, and for other purposes.

S. 1000

At the request of Mr. BURNS, the names of the Senator from New Hampshire [Mr. SMITH], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1000, a bill to amend the Internal Revenue Code of 1986 to provide that the depreciation rules which apply for regular tax purposes shall also apply for alternative minimum tax purposes, to allow a portion of the tentative minimum tax to be offset by the minimum tax credit, and for other purposes.

S. 1002

At the request of Mr. CHAFEE, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1002, a bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 1006

At the request of Mr. PRYOR, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 1006, a bill to amend the Internal Revenue Code of 1986 to simplify the pension laws, and for other purposes.

S. 1014

At the request of Mr. NICKLES, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 1014, a bill to improve the management of royalties from Federal and Outer Continental Shelf oil and gas leases, and for other purposes.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from Maine [Ms. SNOWE] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

S. 1032

At the request of Mr. ROTH, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1032, a bill to amend the Internal Revenue Code of 1986 to provide nonrecognition treatment for certain transfers by common trust funds to regulated investment companies.

S. 1035

At the request of Mr. DASCHLE, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1035, a bill to permit an individual to be treated by a health care practitioner with any method of medical treatment such individual requests, and for other purposes.

S. 1052

At the request of Mr. HATCH, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1052, a bill to amend the Internal Revenue Code of 1986 to make permanent the credit for clinical testing expenses for certain drugs for rare diseases or conditions and to provide for carryovers and carrybacks of unused credits.

S. 1086

At the request of Mr. DOLE, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 1086, a bill to amend the Internal Revenue Code of 1986 to allow a family-owned business exclusion from the gross estate subject to estate tax, and for other purposes.

S. 1120

At the request of Mr. DOMENICI, his name was added as a cosponsor of S. 1120, a bill to enhance support and work opportunities for families with children, reduce welfare dependence, and control welfare spending.

SENATE RESOLUTION 117

At the request of Mr. ROTH, the names of the Senator from Kentucky [Mr. FORD], the Senator from Pennsylvania [Mr. SANTORUM], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of Senate Resolution 117, a resolution expressing the sense of the Senate that the current Federal income tax deduction for interest paid on debt secured by a first or second home located in the United States should not be further restricted.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of Senate Resolution 146, a resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1996, as "National Family Week", and for other purposes.

SENATE RESOLUTION 147

At the request of Mr. THURMOND, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of Senate Resolution 147, a resolution designating the weeks beginning September 24, 1995, and September 22, 1996, as "National Historically Black Colleges and Universities Week", and for other purposes.

SENATE RESOLUTION 149

At the request of Mr. AKAKA, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of Senate Resolution 149, a resolution expressing the sense of the Senate regarding the recent announcement by the Republic of France that it intends to conduct a series of underground nuclear test explosions despite the current international moratorium on nuclear testing.

AMENDMENT NO. 2336

At the request of Mr. MURKOWSKI, his name was added as a cosponsor of amendment No. 2336 proposed to H.R. 2002, a bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

At the request of Mr. PRESSLER, the names of the Senator from Oregon [Mr. PACKWOOD], the Senator from Illinois [Mr. SIMON], the Senator from California [Mrs. FEINSTEIN], the Senator from Delaware [Mr. ROTH], and the Senator from California [Mrs. BOXER] were added as cosponsors of amendment No. 2336 proposed to H.R. 2002, supra.

SENATE CONCURRENT RESOLUTION 24—RELATIVE TO A BUST OF RAOUL WALLENBERG

Mr. PELL (for himself, Mr. STEVENS, and Mr. FORD) submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

S. CON. RES. 24

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. DEDICATION CEREMONY AND PLACEMENT OF A BUST OF RAOUL WALLENBERG IN THE CAPITOL

The rotunda of the Capitol may be used on November 2, 1995, for a ceremony incident to the placement of a bust of Raoul Wallenberg in the Capitol as previously authorized by Congress.

SEC. 2. SECURITY AND PHYSICAL PREPARATIONS.

The Capitol Police Board shall take such action with respect to security as may be necessary to carry out section 1. The Architect of the Capitol shall make appropriate physical preparations for the ceremony referred to in section 1.

SENATE RESOLUTION 162–RELATIVE TO THE SENATE PRESS GALLERY

Mr. BYRD submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 162

Whereas the media are a powerful force within our system of government;

Whereas the media have unequaled influence over the dissemination of information to the American people;

Whereas public trust of the media is essential to the health and proper functioning of our republican form of government;

Whereas the media have no industrywide ethical standards regarding the acceptance of earned outside income;

Whereas members of the media could appear to compromise their objectivity by receiving compensation from the same groups they cover; and

Whereas it is in the best interests of the American people and the media that any appearance of a conflict of interest regarding a member of the media's receipt of outside earned income be removed: Now, therefore, be it

Resolved, That (a) not later than May 15 of each year, each accredited member of any of the Senate press galleries who was an accredited member in the preceding year shall file a report for the preceding year with the Secretary of the Senate disclosing the identity of—

(1) the primary employer of the member during the preceding year; and

(2) the identity of any additional sources of earned outside income received by the member, together with the amounts received from each such source, during the preceding year.

(b) For purposes of this resolution

(1) the term "Senate press galleries" means—

(A) the Senate Press Gallery;

(B) the Senate Radio and Television Correspondents Gallery;

(C) the Senate Periodical Press Gallery; and

(D) the Senate Press Photographers Gallery; and

(2) the term "earned outside income" means any earned income received from sources other than a member's primary employer but does not include interest or dividends received on stocks, bonds, savings accounts, or other forms of passive investment or income from inheritances or rental activities.

(c) A report filed pursuant to this resolution shall be filed with the Secretary of the Senate and available for public inspection as provided in section 103 of the Ethics in Government Act of 1978 for financial reports filed by Members and employees of the Senate.

(d) An accredited member of any of the Senate press galleries who fails to file a report as required by this resolution shall be subject to the loss of the member's accreditation or such other penalties as the member's Senate press gallery deems appropriate.

Mr. BYRD. Mr. President, on July 20, 1995, this body adopted an amendment I proposed which expressed support for public disclosure of certain types of earned income by members of the press in order for them to receive accreditation in the Senate press galleries. By a vote of 60–39, the Senate voiced its concern over the public perception of a press corps that largely lacks any ethical standards to guide its members. Today I am offering a resolution that, if adopted, will require such disclosure from the press.

I know that this is a controversial and somewhat delicate matter. I am aware of the concerns that the fourth estate has with requiring its members to reveal such information. Some members of the media will certainly object to any outside attempt to encourage even a limited code of ethical standards. I believe that those objections are misguided.

This resolution is not intended to be a punitive or vindictive exercise designed to punish, inconvenience or embarrass reporters. When poll after poll records alarming losses of public faith in our traditional institutions, I simply believe that responsible efforts must be made to address that erosion of public trust.

The general perception is that the politicians are corrupt, that judges cannot be entirely trusted, and that the media are biased and unscrupulous. I believe that it is time to take serious steps to restore public credibility in these institutions.

The Senate took one such step in 1991 when it adopted legislation which I sponsored to prohibit its members from receiving honoraria. I believe that action has proved to be meritorious and constructive.

More recently, I offered a sense-of-the-Senate amendment calling on members of the judiciary to take another look at their rather lax regulations governing gifts and travel. The amendment passed by a vote of 75 to 23. Again, my intent was to help restore confidence and some measure of accountability to governmental officials and institutions.

Although not a formal governmental institution, the importance of the media in a representative democracy cannot be overstated. The role of the press as interpreter and sole purveyor of the news conveys with it a solemn duty to the public it serves. No single elected official or group of officials can so profoundly affect the focus and tone of the vital daily information which the public digests, believes, and relies upon. The press have an awesome responsibility in our form of government—one that far outweighs any slight inconvenience like filing a list of one's speaking fees. Regrettably, the activities of some—not all, some—members of the press have called into question the ability of the media to be consistently fair and unbiased. As with every institution, most journalists do a good job, providing balanced information that fosters an informed populace. Unfortunately, the perception remains that some reporters' stories are slanted in a particular way or skewed toward a specific interest. It is these perceptions that have to be addressed. My hope, all along, has been that journalists would recognize the need to address this problem themselves. They should do that. That is the way it should be done. As of now, I see little evidence that this will happen.

So today, I am submitting this measure in an effort to jump start the process and begin the frank public discourse which will be necessary in order to meet the justifiable expectations of the American people, whom we all serve. The Senate Rules Committee has jurisdiction over this area. I have spoken with its chairman, Senator STEVENS, some time ago and he is willing to hold hearings on the bill. These hearings will provide an excellent opportunity for all interested parties to come together and offer their varying perspectives and viewpoints. I look forward to a thorough airing of the views of any and all participants who wish to come.

This country is at a critical crossroads. The American people's trust of government has been replaced with a cynicism that is deeply disturbing. If the public continues to lose faith in the traditional institutions which form the bedrock of our Republic, before long the very institutions themselves will start crumbling. To avoid such a calamity, we all must work together to try and rebuild confidence in our basic institutions. I firmly believe that this critical need outweighs any one individual's particular concerns and transcends what may be viewed as certain personal prerogatives. All of us involved in this process have a responsibility to make it work. Often a small sacrifice—a good-faith gesture can do wonders toward restoring credibility. The Senate, as it did in 1991, when it adopted my amendment banning honoraria—some Senators did not like that, and we also banned honoraria to our staffs—has led the way and set an example. It is my hope that this resolution will serve the excellent and laudable purpose of encouraging renewed faith in our hallowed fourth estate and in the objectivity of its reporting.

I shall send the resolution to the desk, where it will be appropriately referred.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

AKAKA AMENDMENT NO. 2346

(Ordered to lie on the table.)

Mr. AKAKA submitted an amendment intended to be proposed by him to the bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of

Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

On page 371, after line 21, add the following:

SEC. 1062. SENSE OF SENATE REGARDING UNDERGROUND NUCLEAR TESTING.

(a) FINDINGS.—The Senate makes the following findings:

(1) The President of France stated on June 13, 1995, that the Republic of France plans to conduct eight nuclear test explosions over the next several months.

(2) The People's Republic of China continues to conduct underground nuclear weapons tests.

(3) The United States, France, Russia, and Great Britain have observed a moratorium of nuclear testing since 1992.

(4) A resumption of testing by the Republic of France could result in the disintegration of the current testing moratorium and a renewal of underground testing by other nuclear weapon states.

(5) A resumption of nuclear testing by the Republic of France raises serious environmental and health concerns.

(6) The United Nations Conference on Disarmament presently is meeting in Geneva, Switzerland, for the purpose of negotiating a Comprehensive Nuclear Test Ban Treaty (CTBT), which would halt permanently the practice of conducting nuclear test explosions.

(7) Continued underground weapons testing by the Republic of France and the People's Republic of China undermines the efforts of the international community to conclude a CTBT by 1996, a goal endorsed by 175 nations at the recently completed NPT Extension and Review Conference (the conference for the extension and review of the Nuclear Non-Proliferation Treaty).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Republic of France and the People's Republic of China should abide by the current international moratorium on nuclear test explosions and refrain from conducting underground nuclear tests in advance of a Comprehensive Test Ban Treaty.

SARBANES (AND MIKULSKI) AMENDMENT NO. 2347

(Ordered to lie on the table.)

Mr. SARBANES (for himself and Ms. MIKULSKI) proposed an amendment to the bill S. 1026, supra; as follows:

On page 411, line 6, strike out "$2,058,579,000" and insert in lieu thereof "$2,068,579,000"

On page 412, between lines 6 and 7, insert the following:

(7) For the construction of the Large Anechoic Chamber, Phase I, at the Patuxent River Naval Warfare Center, Maryland, authorized by section 2201(a) of the Military Construction Authorization Act for Fiscal Year 1993 (Public Law 102-484), as amended by section 2702 of this Act, $10,000,000.

THE DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

MCCAIN AMENDMENT NO. 2348

Mr. MCCAIN proposed an amendment to the bill (H.R. 2002) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1996, and for other purposes; as follows:

On page 72, after line 15, insert: "(c) This section shall take effect on April 1, 1996."

On page 73, after line 24, insert: "(c) This section shall take effect on April 1, 1996."

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

AKAKA AMENDMENT NO. 2349

(Ordered to lie on the table.)

Mr. AKAKA submitted an amendment intended to be proposed by him to the bill S. 1026, supra; as follows:

On page 277, after line 25, insert the following:

SEC. 650. SELECTED RESERVE INCENTIVE FOR INFANTRY SPECIALTY.

The Secretary of Defense and the Secretary of the Army shall reconsider the decision not to include the infantry military occupational specialty among the military skills and specialties for which special pays are provided under the Selected Reserve Incentive Program.

THE DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

STEVENS AMENDMENTS NOS. 2350–2352

Mr. STEVENS proposed three amendments to the bill (S. 1087) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes; as follows:

AMENDMENT NO. 2350

On page 29, before the period on line 13, insert: ": *Provided further*, That of the funds appropriated in this paragraph, $35,000,000 shall be available for the Corps Surface-to-Air Missile (Corps SAM) program".

AMENDMENT NO. 2351

On page 29, before the period on line 13, insert: ": *Provided further*, That of the funds appropriated in this paragraph, $3,000,000 shall be available for the Large Millimeter Telescope project".

AMENDMENT NO. 2352

On page 29, before the period on line 13, insert: ": *Provided*, That of the funds appropriated in this paragraph, not more than $48,505,000 shall be available for the Strategic Environmental Research Program program element activities and not more than $34,302,000 shall be available for Technical Studies, Support and Analysis program element activities".

KEMPTHORNE AMENDMENT NO. 2353

Mr. STEVENS (for Mr. KEMPTHORNE) proposed an amendment to the bill, S. 1087, supra; as follows:

At the appropriate place in the bill add the following:

SEC. .

None of the funds appropriated or otherwise made available under this Act may be used for the destruction of pentaborane currently stored at Edwards Air Force Base, California, until the Secretary of Energy certifies to the congressional defense committees that the Secretary does not intend to use the pentaborane or the by-products of such destruction at the Idaho National Engineering Laboratory for—

(1) environmental remediation of high level, liquid radioactive waste; or

(2) as a source of raw materials for boron drugs for Boron Neutron Capture Therapy.

SHELBY AMENDMENTS NOS. 2354 AND 2355

Mr. STEVENS (for Mr. SHELBY) proposed two amendments to the bill, S. 1087, supra; as follows:

AMENDMENT NO. 2354

On page 29, before the period on line 13, insert: ": *Provided further*, That of the $475,470,000 appropriated in this paragraph for the Other Theater Missile Defense, up to $25,000,000 may be available for the operation of the Battlefield Integration Center".

AMENDMENT NO. 2355

On page 28, before the period on line 4, insert: ": *Provided*, That of the funds appropriated in this paragraph for the Other Missile Product Improvement Program program element, $10,000,000 is provided only for the full qualification and operational platform certification of Non-Developmental Item (NDI) composite 2.75 inch rocket motors and composite propellant pursuant to the initiation of a Product Improvement Program (PIP) for the Hydra-70 rocket".

DOLE AMENDMENT NO. 2356

Mr. STEVENS (for Mr. DOLE) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 8, line 13, strike out "Act." and insert in lieu thereof "Act: *Provided further*, That of the funds provided under this heading, $500,000 shall be available for the Life Sciences Equipment Laboratory, Kelly Air Force Base, Texas, for work in support of the Joint Task Force—Full Accounting.".

STEVENS AMENDMENTS NOS. 2357–2359

Mr. STEVENS proposed three amendments to the bill, S. 1087, supra; as follows:

AMENDMENT NO. 2357

On page 11, before the period on line 9, insert: ": *Provided further*, That of the funds appropriated in this paragraph, $11,200,000 shall be available for the Joint Analytic Model Improvement Program".

AMENDMENT NO. 2358

On page 11, before the period on line 9, insert: ": *Provided further*, That of the funds appropriated in this paragraph, $10,000,000 shall be available for the Troops-to-Cops program".

AMENDMENT NO. 2359

On page 11, before the period on line 9, insert: ": *Provided further*, That of the funds provided under this heading, $42,000,000 shall be available for the Troops-to-Teachers program".

BINGAMAN AMENDMENT NO. 2360

Mr. STEVENS (for Mr. BINGAMAN) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. (a) ENERGY SAVINGS AT FEDERAL FACILITIES.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from fiscal year 1995 levels, in the energy costs of the facilities used by the agency.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the head of each agency described in subsection (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reduction achieved; and

(C) specify the actions that resulted in the reductions.

FEINSTEIN AMENDMENTS NOS. 2361–2362

Mr. STEVENS (for Mrs. FEINSTEIN) proposed two amendments to the bill, S. 1087, supra; as follows:

AMENDMENT NO. 2361

On page 29, strike out the period at the end of line 13 and insert in lieu thereof ": *Provided*, That the funds made available under the second proviso under this heading in Public Law 103–335 (108 Stat. 2613) shall also be available to cover the reasonable costs of the administration of loan guarantees referred to in that proviso and shall be available to cover such costs of administration and the costs of such loan guarantees until September 30, 1998.".

AMENDMENT NO. 2362

On page 32, line 19, strike out "*Provided,*" and insert in lieu thereof "*Provided*, That of the funds provided under this heading, $5,000,000 shall be available for conversion of surplus helicopters of the Department of Defense for procurement by State and local governments for counter-drug activities: *Provided further*,".

GRASSLEY AMENDMENT NO. 2363

Mr. GRASSLEY proposed an amendment to the bill, S. 1087, supra; as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. (a)(1) Not later than October 1, 1995, the Secretary of Defense shall require that each disbursement by the Department of Defense in an amount in excess of $1,000,000 be matched to a particular obligation before the disbursement is made.

(2) Not later than September 30, 1996, the Secretary of Defense shall require that each disbursement by the Department of Defense in an amount in excess of $500,000 be matched to a particular obligation before the disbursement is made.

(b) The Secretary shall ensure that a disbursement in excess of the threshold amount applicable under subsection (a) is not divided into multiple disbursements of less than that amount for the purpose of avoiding the applicability of such subsection to that disbursement.

(c) The Secretary of Defense may waive a requirement for advance matching of a disbursement of the Department of Defense with a particular obligation in the case of (1) a disbursement involving deployed forces, (2) a disbursement for an operation in a war declared by Congress or a national emergency declared by the President or Congress, or (3) a disbursement under any other circumstances for which the waiver is necessary in the national security interests of the United States, as determined by the Secretary and certified by the Secretary to the congressional defense committees.

(d) This section shall not be construed to limit the authority of the Secretary of Defense to require that a disbursement not in excess of the amount applicable under subsection (a) be matched to a particular obligation before the disbursement is made.

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

EXON AMENDMENTS NOS. 2364–2369

(Ordered to lie on the table.)

Mr. EXON submitted six amendments intended to be proposed by him to the bill, S. 1026, supra; as follows:

AMENDMENT NO. 2364

On page 557, between liens 9 and 10, insert the following:

SEC. 3144. TRANSPORTATION AND STORAGE OF SPENT NAVAL NUCLEAR FUEL AT IDAHO NATIONAL ENGINEERING LABORATORY.

(a) REQUIREMENT.—Notwithstanding any other provision of law, the Secretary of Energy and the Secretary of the Navy shall—

(1) transport to Idaho National Engineering Laboratory, Idaho, such spent nuclear fuel from naval reactors as the Secretary of the Navy determines appropriate in order to protect the national security interests of the United States; and

(2) store at the laboratory the spent nuclear fuel transported to the laboratory under paragraph (1).

(b) STANDARDS.—The Secretary of the Navy shall determine the spent nuclear fuel to be transported to the Idaho National Engineering Laboratory under subsection (a), and the manner of the transportation of such spent nuclear fuel, in accordance with standards and practices utilized by the Secretary in shipping spent nuclear fuel from naval reactors to the laboratory before the date of the enactment of this Act.

(c) TERMINATION OF TRANSPORTATION AND STORAGE.—The Secretary of Energy and the Secretary of the Navy shall continue the transportation and storage of spent nuclear fuel at the Idaho National Engineering Laboratory under subsection (a) until the date of the issuance by a United States court of appeals of a final ruling in—

(1) any litigation challenging the environmental impact statement issued by the Department of Energy and the Department of the Navy in April 1995 regarding the management of spent nuclear fuel from naval reactors; or

(2) any litigation challenging the record of decision issued by the Department of Energy on June 1, 1995, regarding the management of spent nuclear fuel from naval reactors.

(d) DEFINITION.—In this section, the term "spent naval fuel" has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

AMENDMENT NO. 2365

On page 331, strike out line 21 and all that follows through page 333, line 3.

AMENDMENT NO. 2366

On page 39, strike out line 22 and all that follows through page 40, line 6, and insert in lieu thereof the following:

(a) FUNDING.—Of the funds authorized to be appropriated to the Department of Defense under section 201(4), $114,500,000 shall be available for the Counterproliferation Support Program, of which $6,300,000 shall be available for research and development of technologies for Special Operations Command (SOCOM) counterproliferation activities.

AMENDMENT NO. 2367

On page 567, strike out line 22 and all that follows through page 568, line 20.

AMENDMENT NO. 2368

On page 548, between lines 20 and 21, insert the following into Section 3135:

(c) LIMITATIONS.—Nothing in this Act shall be construed as an authorization to conduct a nuclear weapon test as defined in Section 507 of Public Law 102–377. Furthermore, nothing in this Act shall be construed as amending or repealing the requirements of Section 507 of Public Law 102–377.

AMENDMENT NO. 2369

On page 53, between lines 14 and 15, insert the following into Section 233:

(7) pursue the deployment of a national missile defense system that will not jeopardize the successful implementation of the START I Treaty and the successful ratification and implementation of the START II Treaty.

STEVENS AMENDMENTS NOS. 2370–2371

(Ordered to lie on the table.)

Mr. STEVENS submitted two amendments intended to be proposed by him to the bill, S. 1026, supra; as follows:

AMENDMENT NO. 2370

At the appropriate place in the bill, insert the following new section:

SEC. . SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.

Notwithstanding any other provision of law, funds authorized under this Act shall not be used prior to May 1, 1996 to implement regulations under section 34(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 430(b)) which include either section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) or section 2631 of title 10, United States Code, on any list promulgated under such section.

AMENDMENT NO. 2371

On page 305, beginning on line 1, strike all through line 10 and insert in lieu thereof the following:

SEC. 802. PROCUREMENT NOTICE POSTING THRESHOLDS AND SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.

(a) PROCUREMENT NOTICE POSTING THRESHOLDS.—Section 18(a)(1)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 416 (a)(1)(B)) is amended—

(1) by striking out "subsection (f)—" and all that follows through the end of the subparagraph and inserting in lieu thereof "subsection (b); and"; and

(2) by inserting after "property or services" the following: "for a price expected to exceed $10,000, but not to exceed $25,000,".

(b) SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.—Notwithstanding any other provision of law, neither section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) nor section 2631 of title 10, United States Code, shall be included prior to May 1, 1996 on any list promulgated under section 34(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 430(b)).

THE DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

MCCAIN (AND DODD) AMENDMENT NO. 2372

Mr. MCCAIN (for himself and Mr. DODD) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. (a) Except as provided in subsection (b), the total amount obligated or expended for procurement of the SSN-21, SSN-22, and SSN-23 Seawolf class submarines may not exceed $7,223,695,000.

(b) The amount of the limitation set forth in subsection (a) is increased after fiscal year 1995 by the following amounts:

(1) The amounts of outfitting costs and postdelivery costs incurred for the submarines referred to in such subsection.

(2) The amounts of increases in costs attributable to economic inflation after fiscal year 1995.

(3) The amounts of increases in costs attributable to compliance with changes in Federal, State, or local laws enacted after fiscal year 1995.

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

LEVIN AMENDMENT NO. 2373

(Ordered to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

At the appropriate point in the bill, insert the following new section:

"SEC. . BUDGETING AND ACCOUNTING FOR OVERHEAD.

"(a) The Secretary shall include in the budget justification submitted each year to the Committees on Appropriations of both Houses of Congress—

"(1) amounts requested for overhead expenses;

"(2) the appropriation accounts from which the amounts are to be paid; and

"(3) a description of the efforts taken by the Department to reduce overhead expenses in the preceding fiscal year.

"(b) For the purpose of this section, the term "overhead expenses" includes costs incurred for the following:

"(1) travel and transportation of civilian personnel;

"(2) transportation of things (other than military equipment);

"(3) rental payments, communications expenses (not including expenses for the development, acquisition, maintenance and operation of military command, control and communications systems), utilities and miscellaneous charges;

"(4) printing and reproduction;

"(5)(A) services not directly related to the development, acquisition, maintenance and operation of military equipment or the operations of troops in the field;

"(B) purchase of goods other than military equipment;

"(C) acquisition of capital assets other than military equipment; and

"(6) storage of inventory.

THE DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

MCCAIN (AND DODD) AMENDMENT NO. 2374

Mr. MCCAIN (for himself and Mr. DODD) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 71, between lines 11 and 12, insert the following: "Shipbuilding and Conversion, Navy, 1991/1995", $13,570,000.

MCCAIN AMENDMENT NO. 2375

Mr. MCCAIN proposed an amendment to the bill, S. 1087, supra; as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. (a) Funds available to the Department of Defense for fiscal year 1996 may not be obligated or expended for a program or activity referred to in subsection (b) except to the extent that appropriations are specifically authorized for such program or activity in an Act other than an appropriations Act.

(b) Subsection 9a) applies to the following programs and activities:

(1) Environmental remediation at National Presto Industries, Inc., Eau Claire, Wisconsin.

(2) Transfer of federally owned educational facilities on military installations to local education agencies.

(3) Activities at the Marine and Environmental Research and Training Station.

(4) Support for Coast Guard activities from the Defense Business Operations Fund.

(5) Contributions to the Kaho'olawe Island Restoration Trust Fund.

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

STEVENS AMENDMENT NO. 2376

(Ordered to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 1026, supra; as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.

No funds are authorized in this Act to implement regulations under section 34(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 430(b)) which list either section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) or section 2631 of title 10, United States Code, prior to May 1, 1996.

THE DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

DORGAN AMENDMENT NO. 2377

Mr. DORGAN proposed an amendment to the bill, S. 1087, supra; as follows:

On page 29, beginning on line 12, strike out "$9,196,784,000, to remain available for obligation until September 30, 1997.", and insert in lieu thereof "$8,896,784,000, to remain available for obligation until September 30, 1997: *Provided*, That, of the amount appropriated under this heading, not more than $357,900,000 shall be available for national missile defense.".

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

HELMS AMENDMENT NO. 2378

(Ordered to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

On page 422, in the table preceding line 1, in the matter relating to the Special Operations Command at Fort Bragg, North Carolina, strike out "$8,100,000" in the amount column and insert in lieu thereof "$9,400,000".

On page 424, line 22, increase the amount by $1,300,000.

On page 424, line 25, increase the amount by $1,300,000.

DOLE AMENDMENT NO. 2379

(Ordered to lie on the table.)

Mr. DOLE submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

On page 31, after line 22, insert the following:

SEC. 133. JOINT PRIMARY AIRCRAFT TRAINING SYSTEM PROGRAM.

Of the amount authorized to be appropriated under section 103(1), $54,968,000 shall be available for the Joint Primary Aircraft Training System program for procurement of up to eight aircraft.

LOTT AMENDMENT NO. 2380

(Ordered to lie on the table.)

Mr. LOTT submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

Beginning on page 20, line 24, strike out "reviewed" and all that follows through page

21, line 2, and insert in lieu thereof "qualified for operational use and platform certification have been completed for full qualification of an alternative composite rocket motor and propellant.".

ROBB AMENDMENT NO. 2381

(Ordered to lie on the table.)

Mr. ROBB submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

On page 137, after line 24, insert the following:

SEC. 389. REPORT ON PRIVATE PERFORMANCE OF CERTAIN FUNCTIONS PERFORMED BY MILITARY AIRCRAFT.

(a) REPORT REQUIRED.—Not later than May 1, 1996, the Secretary of Defense shall submit to Congress a report on the feasibility, including the costs and benefits, of using private sources for satisfying, in whole or in part, the requirements of the Department of Defense for VIP transportation by air, airlift for other personnel and for cargo, in-flight refueling of aircraft, and performance of such other military aircraft functions as the Secretary considers appropriate to discuss in the report.

(b) CONTENT OF REPORT.—The report shall include a discussion of the following:

(1) Contracting for the performance of the functions referred to in subsection (a).

(2) Converting to private ownership and operation the Department of Defense VIP air fleets, personnel and cargo aircraft, and inflight refueling aircraft, and other Department of Defense aircraft.

(3) The wartime requirements for the various VIP and transport fleets.

(4) The assumptions used in the cost-benefit analysis.

(5) The effect on military personnel and facilities of using private sources, as described in paragraphs (1) and (2), for the purposes described in subsection (a).

WARNER (AND OTHERS) AMENDMENT NO. 2382

(Ordered to lie on the table.)

Mr. WARNER (for himself, Mr. KEMPTHORNE, and Mr. CRAIG) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra; as follows:

On page 570, between lines 10 and 11, insert the following:

SEC. 3168. SENSE OF SENATE ON NEGOTIATIONS REGARDING SHIPMENTS OF SPENT NUCLEAR FUEL FROM NAVAL REACTORS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Defense, the Secretary of Energy, and the Governor of the State of Idaho should continue good faith negotiations for the purpose of reaching an agreement on the issue of shipments of spent nuclear fuel from naval reactors.

(b) REPORT.—(1) Not later than September 1, 1995, the Secretary of Defense shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a written report on the status or outcome of the negotiations urged under subsection (a).

(2) The report shall include the following matters:

(A) If an agreement is reached, the terms of the agreement, including the dates on which shipments of spent nuclear fuel from naval reactors will resume.

(B) If an agreement is not reached—

(i) the Secretary's evaluation of the issues remaining to be resolved before an agreement can be reached;

(ii) the likelihood that an agreement will be reached before October 1, 1995; and

(iii) the steps that must be taken to insure that the Navy can meet the national security requirements of the United States.

THURMOND AMENDMENT NO. 2383

(Ordered to lie on the table.)

Mr. THURMOND submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

On page 69, line 25, decrease the amount by $10,000,000.

On page 70, line 5, strike out "$1,472,947,000" and insert in lieu thereof "$1,482,947,000".

GLENN (AND OTHERS) AMENDMENT NO. 2384

(Ordered to lie on the table.)

Mr. GLENN (for himself, Mrs. FEINSTEIN, Mr. PELL, and Mr. MOYNIHAN) submitted an amendment intended to be proposed by them to the bill, S. 1026, supra; as follows:

On page 49, between lines 14 and 15, insert the following:

SEC. 224. JOINT SEISMIC PROGRAM AND GLOBAL SEISMIC NETWORK.

To the extent provided in appropriations Acts, $9,500,000 of the unobligated balance of funds available to the Air Force for research, development, test, and evaluation for fiscal year 1995 for the Defense Support Program shall be available for continuation of the Joint Seismic Program and Global Seismic Network.

HARKIN (AND OTHERS) AMENDMENT NO. 2385

(Order to lie on the table.)

Mr. HARKIN (for himself, Mr. SHELBY, Mr. CAMPBELL, Mr. ROBB, Mr. HEFLIN, and Mr. BINGAMAN) submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

On page 72, between lines 18 and 19, insert the following:

SEC. 305. INCREASE IN FUNDING FOR THE CIVIL AIR PATROL.

(a) INCREASE.—(1) The amount of funds authorized to be appropriated by this Act for operation and maintenance of the Air Force for the Civil Air Patrol Corporation is hereby increased by $5,000,000.

(2) The amount authorized to be appropriated for operation and maintenance for the Civil Air Patrol Corporation under paragraph (1) is in addition to any other funds authorized to be appropriated under this Act for that purpose.

(b) OFFSETTING REDUCTION.—The amount authorized to be appropriated under this Act for Air Force support of the Civil Air Patrol is hereby reduced by $2,900,000. The amount of the reduction shall be allocated among funds authorized to be appropriated for Air Force personnel supporting the Civil Air Patrol and for Air Force operation and maintenance support for the Civil Air Patrol.

BROWN AMENDMENT NO. 2386

(Ordered to lie on the table.)

Mr. BROWN submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

At the appropriate place in the bill add the following

"SEC. . STUDY ON CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—(1) The Secretary of Defense shall conduct a study to assess the risk associated with transportation of the unitary stockpile, any portion of the stockpile to include drained agents from munitions and munitions, from one location to another within the continental United States. Also, the Secretary shall include a study of the assistance available to communities in the vicinity if the Department of Defense facilities co-located with continuing chemical stockpile and chemical demilitarization operations which facilities are subject to closure, realignment, or reutilization.

(2) The review shall include an analysis of—

(A) the results of the physical and chemical integrity report conducted by the Army on existing stockpile;

(B) a determination of the viability of transportation of any portion of the stockpile, to include drained agent from munitions and the munitions;

(C) the safety, cost-effectiveness, and public acceptability of transporting the stockpile, in its current configuration, or in alternative configurations;

(D) the economic effects of closure, realignment, or reutilization of the facilities referred to in paragraph (1) on the communities referred to in that paragraph; and

(E) the unique problems that such communities face with respect to the reuse of such facilities as a result of the operations referred to in paragraph (1).

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study carried out under subsection (a). The report shall include recommendations of the Secretary on methods for ensuring the expeditions and cost-effective transfer or lease of facilities referred to in paragraph (1) of subsection (a) to communities referred to in paragraph (1) for reuse by such communities."

JEFFORDS AMENDMENT NO. 2387

(Ordered to lie on the table.

Mr. JEFFORDS submitted an amendment intended to be proposed by him to the bill, S. 1026, supra; as follows:

On page 137, after line 24, add the following:

SEC. 389. FUNDING FOR CERTAIN IMPACT AID.

(a) IN GENERAL.—Of the funds authorized to be appropriated under this title, $400,000,000 shall be available for carrying out programs of financial assistance to local educational agencies authorized by title VIII of the Elementary and Secondary Education Act of 1965, of which—

(1) $340,000,000 shall be for payments under section 8003(b) of that Act;

(2) $20,000,000 shall be for payments under section 8003(d) of that Act; and

(3) $40,000,000 shall be for payments under section 8003(f) of that Act, which amount shall remain available until expended.

(b) LIMITATIONS ON AVAILABILITY OF FUNDS.—(1) Funds available under subsection (a) shall be used only for payments on behalf of children described in subparagraphs (A)(ii), (B), and (D) of section 8003(a)(1) of that Act.

(2) Such funds may not be used for payments under section 8003(d) of that Act.

(3) Such funds shall be governed by the provisions of title VIII of that Act.

(c) PAYMENT AMOUNTS.—(1) Payment amounts for local educational agencies shall be calculated by the Secretary of Education under the provisions of title VIII of that Act based on the total amounts provided to the Department of Education and the Department of Defense for Impact Aid.

(2) The Secretary of Defense shall distribute funds to local educational agencies based on calculations under paragraph (1).

PRYOR AMENDMENTS NOS. 2388–2389

(Ordered to lie on the table.)

Mr. PRYOR submitted two amendments intended to be proposed by him to the bill, S. 1026, supra; as follows:

AMENDMENT No. 2388

On page 468, after line 24, add the following:

SEC. 2825. INTERIM LEASES OF PROPERTY APPROVED FOR CLOSURE OR REALIGNMENT.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

"(4)(A) Notwithstanding the National Environmental Policy Act of 1969, the scope of any environmental impact analysis necessary to support an interim lease of property under this subsection shall be limited to the environmental consequences of activities authorized under any such lease proposal and the cumulative impacts of other past, present, and reasonably foreseeable future proposed leasehold, so long as the lease would not irreversibly alter the environment in a way that reasonable disposal alternatives would be precluded.

"(B) Interim leases entered into under this subsection that will not have a significant effect on the quality of the human environment shall, in consultation with the local redevelopment authority, be deemed not to prejudice the final property disposal decision, even though final property disposal may be delayed until completion of the interim lease term, unless authorized activities under the lease would irreversibly alter the environment in a way that reasonable disposal alternatives would be precluded.".

AMENDMENT No. 2389

On page 69, between lines 9 and 10 insert the following:

SEC. 242. TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

(a) SENSE OF THE SENATE.—The Senate strongly supports the rapid development and deployment of a theater missile defense capability that protects American Service personnel in theaters around the world. The importance of developing and fielding an effective and suitable theater missile defense system on a timely basis is of paramount importance to the Senate. The complexity and unique requirements for the theater missile defense systems and the implication of any delays in fielding a theater missile defense capability strongly concern the Senate. Therefore, the Senate strongly desires to be informed on the progress of each theater missile defense acquisition program and its integration into a system that will effectively defend our forward deployed and expeditionary forces, friends and allies.

"(b) TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.—(1) The Secretary of Defense may not approve a theater missile defense interceptor program proceeding beyond the low-rate initial production acquisition stage until the Secretary certifies to the Congressional defense committees that such program has successfully completed initial operational test and evaluation, and is found to be a suitable and effective system.

"(2) In order to be certified under paragraph (b) as having been successfully completed, the initial operational test and evaluation conducted with respect to an interceptors program must have included flight tests—

"(A) that were conducted with multiple interceptors and multiple targets in the presence of realistic countermeasures; and

"(B) the results of which demonstrate the achievement by the interceptors of the baseline performance thresholds.

"(3) For purposes of this subsection, the baseline performance thresholds with respect to a program are the weapons systems performance thresholds specified in the baseline description for the system established (pursuant to section 2435(a)(1) if title 10, United States Code) before the program entered the engineering and manufacturing development stage.

"(4) The number of flight tests described in paragraph (2) that are required in order to make the certification under paragraph (1) shall be a number determined by the Director, Operational Test and Evaluation to be sufficient for the purposes of this section.

"(5) The Secretary may augment flight testing to demonstrate weapons system performance goals for purposes of the certification under paragraph (1) through the use of modeling and simulation that is validated by ground and flight testing.

"(6) The Director, Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress plans to adequately test theater missile defense interceptor programs throughout the acquisition process. As these theater missile defense systems progress through the acquisition process, the Director, Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress an assessment of how these programs satisfy planned test objectives."

THE DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

BINGAMAN (AND OTHERS) AMENDMENT NO. 2390

Mr. BINGAMAN (for himself, Mr. LAUTENBERG, Mr. EXON, and Mr. KERREY) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 81, strike out lines 16 through 23, and insert in lieu thereof the following:

SEC. 8082. (a) In addition to the amounts appropriated in title I for military personnel, funds are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1996, for purposes and in amounts as follows:

(1) For military personnel, Army, an additional amount of $9,800,000.

(2) For military personnel, Navy, an additional amount of $39,400,000.

(3) For military personnel, Marine Corps, an additional amount of $6,000,000.

(4) For military personnel, Air Force, an additional amount of $61,200,000.

(5) For reserve personnel, Navy, an additional amount of $2,700,000.

(b) In addition to the amounts appropriated in title II for operation and maintenance, funds are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1996, for purposes and in amounts as follows:

(1) For operation and maintenance, Army, an additional amount of $171,300,000.

(2) For operation and maintenance, Navy, an additional amount of $210,400,000.

(3) For operation and maintenance, Marine Corps, an additional amount of $8,000,000.

(4) For operation and maintenance, Air Force, an additional amount of $645,100,000.

(5) For operation and maintenance, Defense-wide, an additional amount of $25,800,000.

(6) For operation and maintenance, Navy Reserve, an additional amount of $1,000,000.

(c) In addition to the amount appropriated in title VI under the heading "DEFENSE HEALTH PROGRAM", funds are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1996, for expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law, an additional sum in the amount of $7,400,000 for operation and maintenance.

(d)(1) The total amount appropriated in title III under the heading "SHIPBUILDING AND CONVERSION, NAVY" is hereby reduced by $1,300,000,000.

(2) None of the funds appropriated in title III under the heading "SHIPBUILDING AND CONVERSION, NAVY" may be obligated or expended for the LHD–1 amphibious assault ship program.

BROWN (AND OTHERS) AMENDMENT NO. 2391

Mr. BROWN (for himself, Mr. SIMON, Mr. DOLE, Ms. MIKULSKI, Mr. SANTORUM, Mr. LIEBERMAN, Mr. ROTH, Mr. MCCAIN, Mr. MCCONNELL, Mr. WARNER, Mr. NICKLES, Mr. CRAIG, Mrs. HUTCHISON, Mr. INHOFE, Mr. DOMENICI, Mr. HELMS, Ms. MOSELEY-BRAUN, and Mr. D'AMATO) proposed an amendment to the bill, S. 1087, supra; as follows:

AMENDMENT NO. 2391

At the appropriate place in the bill, insert the following new title:

TITLE ___—NATO PARTICIPATION ACT AMENDMENTS OF 1995

SEC. ___01. SHORT TITLE.

This title may be cited as the "NATO Participation Act Amendments of 1995".

SEC. ___02. FINDINGS.

The Congress makes the following findings:

(1) Since 1949, the North Atlantic Treaty Organization (NATO) has played an essential role in guaranteeing the security, freedom, and prosperity of the United States and its partners in the Alliance.

(2) NATO has expanded its membership on three different occasions since 1949.

(3) The sustained commitment of the member countries of NATO to mutual defense of their security ultimately made possible the democratic transformation in Central and Eastern Europe and the demise of the Soviet Union.

(4) NATO was designed to be and remains a defensive military organization whose members have never contemplated the use of, or used, military force to expand the borders of its member states.

(5) While the immediate threat to the security of the United States and its allies has been reduced with the collapse of the Iron Curtain, new security threats, such as the situation in Bosnia and Herzegovina, are emerging to the shared interests of the member countries of NATO.

(6) NATO remains the only multilateral security organization capable of conducting effective military operations to protect Western security interests.

(7) NATO has played a positive role in defusing tensions between NATO members and, as a result, no military action has occurred between two NATO member states since the inception of NATO in 1949.

(8) NATO is also an important diplomatic forum for the discussion of issues of concern to its member states and for the peaceful resolution of disputes.

(9) America's security, freedom, and prosperity remain linked to the security of the countries of Europe.

(10) Any threat to the security of the newly emerging democracies in Central Europe would pose a security threat to the United States and its European allies.

(11) The admission to NATO of Central and East European countries that have been freed from Communist domination and that meet specific criteria for NATO membership would contribute to international peace and enhance the security of the region.

(12) A number of countries have expressed varying degrees of interest in NATO membership, and have taken concrete steps to demonstrate this commitment.

(13) Full integration of Central and East European countries into the North Atlantic Alliance after such countries meet essential criteria for admission would enhance the security of the Alliance and, thereby, contribute to the security of the United States.

(14) The expansion of NATO can create the stable environment needed to successfully complete the political and economic transformation envisioned by Eastern and Central European countries.

(15) In recognition that not all countries which have requested membership in NATO will necessarily qualify at the same pace, the date for membership of each country will vary.

(16) The provision of NATO transition assistance should include those countries most ready for closer ties with NATO, such as Poland, Hungary, the Czech Republic and Slovakia and should be designed to assist other countries meeting specified criteria of eligibility to move toward eventual NATO membership, including Lithuania, Latvia, Estonia, Ukraine, Romania, Bulgaria, and Slovenia.

(17) Lithuania, Latvia, and Estonia have made significant progress in preparing for NATO membership and should be given every consideration for inclusion in programs for NATO transition assistance.

SEC. ___03. UNITED STATES POLICY.

It should be the policy of the United States—

(1) to join with the NATO allies of the United States to redefine the role of the NATO Alliance in the post-Cold War world;

(2) to actively assist European countries emerging from communist domination in their transition so that such countries may eventually qualify for NATO membership;

(3) to use the voice and vote of the United States to urge observer status in the North Atlantic Council for countries designated under section 203(d) of the NATO Participation Act of 1994 (as amended by this title) as eligible for NATO transition assistance; and

(4) to work to define the political and security relationship between an enlarged NATO and the Russian Federation.

SEC. ___04. REVISIONS TO PROGRAM TO FACILITATE TRANSITION TO NATO MEMBERSHIP.

(a) ESTABLISHMENT OF PROGRAM.—Subsection (a) of section 203 of the NATO Participation Act of 1994 (title II of Public Law 103-447; 22 U.S.C. 1928 note) is amended to read as follows:

"(a) ESTABLISHMENT OF PROGRAM.—The President shall establish a program to assist countries designated under subsection (d) in the transition to full NATO membership.".

(b) ELIGIBLE COUNTRIES.—

(1) ELIGIBILITY.—Subsection (d) of section 203 of such Act is amended to read as follows:

"(d) DESIGNATION OF ELIGIBLE COUNTRIES.—

"(1) SPECIFIC COUNTRIES.—The following countries are hereby designated for purposes of this title: Poland, Hungary, the Czech Republic, and Slovakia.

"(2) OTHER EUROPEAN COUNTRIES EMERGING FROM COMMUNIST DOMINATION.—In addition to the countries designated in paragraph (1), the President may designate other European countries emerging from Communist domination to receive assistance under the program established under subsection (a). The President may make such a designation in the case of any such country only if the President determines, and reports to the designated congressional committees, that such country—

"(A) has made significant progress toward establishing—

"(i) shared values and interests;

"(ii) democratic governments;

"(iii) free market economies;

"(iv) civilian control of the military, of the police, and of intelligence services;

"(v) adherence to the values, principles, and political commitments embodied in the Helsinki Final Act of the Organization on Security and Cooperation in Europe; and

"(vi) more transparent defense budgets and is participating in the Partnership For Peace defense planning process;

"(B) has made public commitments—

"(i) to further the principles of NATO and to contribute to the security of the North Atlantic area;

"(ii) to accept the obligations, responsibilities, and costs of NATO membership; and

"(iii) to implement infrastructure development activities that will facilitate participation in and support for NATO military activities;

"(C) meets standards of the NATO allies to prevent the sale or other transfer of defense articles to a state that has repeatedly provided support for acts of international terrorism, as determined by the Secretary of State under section 6(j)(1)(A) of the Export Administration Act of 1979; and

"(D) is likely, within five years of such determination, to be in a position to further the principles of the North Atlantic Treaty and to contribute to its own security and that of the North Atlantic area.".

(2) CONFORMING AMENDMENTS.—

(A) Subsections (b) and (c) of section 203 of such Act are amended by striking "countries described in such subsection" each of the two places it appears and inserting "countries designated under subsection (d)".

(B) Subsection (e) of section 203 of such Act is amended—

(i) by striking "subsection (d)" and inserting "subsection (d)(2)"; and

(ii) by inserting "(22 U.S.C. 2394)" before the period at the end.

(C) Section 204(c) of such Act is amended by striking "any other Partnership for Peace country designated under section 203(d)" and inserting "any country designated under section 203(d)(2)".

(c) TYPES OF ASSISTANCE.—Section 203(c) of such Act is amended—

(1) by redesignating paragraphs (1) through (4) as subparagraphs (A) through (D), respectively; and

(2) by inserting after subparagraph (D) (as redesignated) the following new subparagraphs:

"(E) Assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the Economic Support Fund).

"(F) Funds appropriated under the 'Nonproliferation and Disarmament Fund' account".

"(G) Funds appropriated under chapter 6 of part II of the Foreign Assistance Act of 1961 (relating to peacekeeping operations and other programs).".

(3) by inserting "(1)" immediately after "TYPE OF ASSISTANCE.—"; and

(4) by adding at the end the following new paragraphs:

"(2) For fiscal years 1996 and 1997, in providing assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 for the countries designated under subsection (d), the President shall include as an important component of such assistance the provision of sufficient language training to enable military personnel to participate further in programs for military training and in defense exchange programs.

"(3) Of the amounts made available under chapter 5 of part II of the Foreign Assistance Act of 1961 (relating to international military education and training), not less than $5,000,000 for fiscal year 1996 and not less than $5,000,000 for fiscal year 1997 shall be available only for—

"(A) the attendance of additional military personnel of Poland, Hungary, the Czech Republic, and Slovakia at professional military education institutions in the United States in accordance with section 544 of such Act; and

"(B) the placement and support of United States instructors and experts at military educational centers within the foreign countries designated under subsection (d) that are receiving assistance under that chapter.".

SEC. ___05. PARTICIPATION IN THE NORTH ATLANTIC COUNCIL.

The NATO Participation Act of 1994 (title II of Public Law 103-447; 22 U.S.C. 1928 note) is amended—

(1) by redesignating section 205 as section 206; and

(2) by inserting after section 204 the following:

"SEC. 205. PARTICIPATION IN THE NORTH ATLANTIC COUNCIL.

"The President should, at all bilateral and international fora, use of the voice and vote of the United States to urge observer status in the North Atlantic Council for countries designated under section 203(d) commensurate with their progress toward attaining NATO membership.".

SEC. ___06. TERMINATION OF ELIGIBILITY.

Section 203(f) of the NATO Participation Act of 1994 (title II of Public Law 103-447; 22 U.S.C. 1928 note) is amended to read as follows:

"(f) TERMINATION OF ELIGIBILITY.—(1) The eligibility of a country designated under subsection (d) for the program established in subsection (a) shall terminate 60 days after the President makes a certification under paragraph (2) unless, within the 60-day period, the Congress enacts a joint resolution disapproving the termination of eligibility.

"(2) Whenever the President determines that the government of a country designated under subsection (d)—

"(A) no longer meets the criteria set forth in subsection (d)(2)(A);

"(B) is hostile to the NATO alliance; or

"(C) poses a national security threat to the United States,

then the President shall so certify to the appropriate congressional committees.".

(b) CONGRESSIONAL PRIORITY PROCEDURES.—Section 203 of such Act is amended by adding at the end the following new subsection:

"(g) CONGRESSIONAL PRIORITY PROCEDURES.—

"(1) APPLICABLE PROCEDURES.—A joint resolution described in paragraph (2) which is introduced in a House of Congress after the date on which a certification made under subsection (f)(2) is received by Congress shall be considered in accordance with the procedures set forth in paragraphs (3) through (7) of section 8066(c) of the Department of Defense Appropriations Act, 1985 (as contained in Public Law 98-473 (98 Stat. 1936)), except that—

"(A) references to the 'resolution described in paragraph (1)' shall be deemed to be references to the joint resolution; and

"(B) references to the Committee on Appropriations of the House of Representatives and to the Committee on Appropriations of the Senate shall be deemed to be references to the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

"(2) TEXT OF JOINT RESOLUTION.—A joint resolution under this paragraph is a joint resolution the matter after the resolving clause of which is as follows: 'That the Congress disapproves the certification submitted by the President on __________ pursuant to section 203(f) of the NATO Participation Act of 1994.'.".

SEC. ___07. REPORTS.

(a) ANNUAL REPORT.—Section 206 of the NATO Participation Act of 1994 (title II of Public Law 103-447; 22 U.S.C. 1928 note), as redesignated by section ___05(1) of this title, is amended—

(1) by inserting "annual" in the section heading before the first word;

(2) by inserting "annual" after "include in the" in the matter preceding paragraph (1);

(3) in paragraph (1), by striking "Partnership for Peace" and inserting "European"; and

(4) by striking paragraph (2) and inserting instead the following new paragraph:

"(2) In the event that the President determines that, despite a period of transition assistance, a country designated under section 203(d) has not, as of January 10, 1999, met the standards for NATO membership set forth in Article 10 of the North Atlantic Treaty, the President shall transmit a report to the designated congressional committees containing an assessment of the progress made by that country in meeting those standards.".

SEC. ___08. DEFINITIONS.

The NATO Participation Act of 1994 (title II of Public Law 103-447; 22 U.S.C. 1928 note), as amended by this title, is further amended by adding at the end the following new section:

"SEC. 207. DEFINITIONS.

"For purposes of this title:

"(1) NATO.—The term 'NATO' means the North Atlantic Treaty Organization.

"(2) DESIGNATED CONGRESSIONAL COMMITTEES.—The term 'designated congressional committees' means—

"(A) the Committee on International Relations, the Committee on National Security, and the Committee on Appropriations of the House of Representatives; and

"(B) the Committee on Foreign Relations, the Committee on Armed Services, and the Committee on Appropriations of the Senate.

"(3) EUROPEAN COUNTRIES EMERGING FROM COMMUNIST DOMINATION.—The term 'European countries emerging from Communist domination' includes, but is not limited to, Albania, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, and Ukraine.".

BINGAMAN AMENDMENT NO. 2392

Mr. BINGAMAN proposed an amendment to the bill, S. 1087, supra; as follows:

On page 81, strike out lines 16 through 20.

JEFFORDS AMENDMENT NO. 2393

Mr. JEFFORDS proposed an amendment to the bill, S. 1087, supra; as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. FUNDING FOR CERTAIN IMPACT AID.

(a) IN GENERAL.—Of the funds appropriated by the provisions of this Act, $400,000,000 shall be available for carrying out programs of financial assistance to local educational agencies authorized by title VIII of the Elementary and Secondary Education Act of 1965, of which—

(1) $340,000,000 shall be for payments under section 8003(b) of that Act;

(2) $20,000,000 shall be for payments under section 8003(d) of that Act; and

(3) $40,000,000 shall be for payments under section 8003(f) of that Act, which amount shall remain available until expended.

(b) LIMITATIONS ON AVAILABILITY OF FUNDS.—(1) Funds available under subsection (a) shall be used only for payments on behalf of children described in subparagraphs (A)(ii), (B), and (D) of section 8003(a)(1) of that Act.

(2) Such funds may not be used for payments under section 8003(e) of that Act.

(3) Such funds shall be governed by the provisions of title VIII of that Act.

(c) PAYMENT AMOUNTS.—(1) Payment amounts for local educational agencies shall be calculated by the Secretary of Education under the provisions of title VIII of that Act based on the total amounts provided to the Department of Education and the Department of Defense for Impact Aid.

(2) The Secretary of Defense shall distribute funds to local educational agencies based on calculations under paragraph (1).

(d) OFFSET.—The amount made available by subsection (a) shall be derived from a reduction in the amounts appropriated by this Act. In achieving the reduction, a reduction of an equal percentage shall be made from each account (other than the account from which the funds under subsection (a) are made available) for which funds are appropriated by this Act.

BINGAMAN AMENDMENT NO. 2394

Mr. BINGAMAN proposed an amendment to the bill, S. 1087, supra; as follows:

On page 81, strike out lines 21 through 23.

BUMPERS AMENDMENT NO. 2395

Mr. BUMPERS proposed an amendment to the bill, S. 1087, supra; as follows:

On page 69, strike line 3 and insert in lieu thereof the following: "section may not exceed $5,000,000: Provided further, That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country involved and shall not be financed as part of the loan guaranteed by the United States;"

HUTCHISON AMENDMENT NO. 2396

Mrs. HUTCHISON proposed an amendment to the bill, S. 1087, supra; as follows:

Insert at the appropriate place:

DIVISION C—DEPARTMENT OF ENERGY NATIONAL SECURITY AUTHORIZATIONS AND OTHER AUTHORIZATIONS

TITLE XXXI—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

Subtitle A—National Security Programs Authorizations

SEC. 3101. WEAPONS ACTIVITIES.

(a) STOCKPILE STEWARDSHIP.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile stewardship in carrying out weapons activities necessary for national security programs in the amount of $1,624,080,000, to be allocated as follows:

(A) For core stockpile stewardship, $1,386,613,000, to be allocated as follows:

(A) For operation and maintenance, $1,305,308,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $81,305,000, to be allocated as follows: Project 96-D-102, stockpile stewardship facilities revitalization, Phase VI, various locations, $2,520,000.

Project 96-D-103, Atlas, Los Alamos National Laboratory, Los Alamos, New Mexico, $8,400,000.

Project 96-D-104, processing and environmental technology laboratory (PETL), Sandia National Laboratories, Albuquerque, New Mexico, $1,800,000.

Project 96-D-105, contained firing facility addition, Lawrence Livermore National Laboratory, Livermore, California, $6,600,000.

Project 95-D-102, Chemical and Metallurgy Research Building upgrades, Los Alamos National Laboratory, New Mexico, $9,940,000.

Project 94-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase V, various locations, $12,200,000.

Project 93-D-102, Nevada support facility, North Las Vegas, Nevada, $15,650,000.

Project 90-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase III, various locations, $6,200,000.

Project 88-D-106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations, $17,995,000.

(2) For inertial fusion, $230,667,000, to be allocated as follows:

(A) For operation and maintenance, $193,267,000.

(B) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto), $37,400,000:

Project 96-D-111, national ignition facility, location to be determined.

(3) For Marshall Islands activities and Nevada Test Site dose reconstruction, $6,800,000.

(b) STOCKPILE MANAGEMENT.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for stockpile management in carrying out weapons activities necessary for national security programs in the amount of $2,035,483,000, to be allocated as follows:

(1) For operation and maintenance, $1,911,858,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $123,625,000, to be allocated as follows:

Project GPD-121, general plant projects, various locations, $10,000,000.

Project 96-D-122, sewage treatment quality upgrade (STQU), Pantex Plant, Amarillo, Texas, $600,000.

Project 96-D-123, retrofit heating, ventilation, and air conditioning and chillers for ozone protection, Y-12 Plant, Oak Ridge, Tennessee, $3,100,000.

Project 96-D-125, Washington measurements operations facility, Andrews Air Force Base, Camp Springs, Maryland, $900,000.

Project 96-D-126, tritium loading line modifications, Savannah River Site, South Carolina, $12,200,000.

Project 95-D-122, sanitary sewer upgrade, Y-12 Plant, Oak Ridge, Tennessee, $6,300,000.

Project 94-D-124, hydrogen fluoride supply system, Y-12 Plant, Oak Ridge, Tennessee, $8,700,000.

Project 94-D-125, upgrade life safety, Kansas City Plant, Kansas City, Missouri, $5,500,000.

Project 94-D-127, emergency notification system, Pantex Plant, Amarillo, Texas, $2,000,000.

Project 94-D-128, environmental safety and health analytical laboratory, Pantex Plant, Amarillo, Texas, $4,000,000.

Project 93-D-122, life safety upgrades, Y-12 Plant, Oak Ridge, Tennessee, $7,200,000.

Project 93-D-123, complex-21, various locations, $41,065,000.

Project 88-D-122, facilities capability assurance program, various locations, $8,660,000.

Project 88-D-123, security enhancements, Pantex Plant, Amarillo, Texas, $13,400,000.

(c) PROGRAM DIRECTION.—Subject to subsection (d), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for program direction in carrying out weapons activities necessary for national security programs in the amount of $118,000,000.

(d) ADJUSTMENTS.—The total amount authorized to be appropriated pursuant to his section is the sum of the amounts authorized to be appropriated in subsections (a) through (c) reduced by the sum of—

(1) $25,000,000, for savings resulting from procurement reform; and

(2) $86,344,000, for use of prior year balances.

SEC. 3102. ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT.

(a) CORRECTIVE ACTIVITIES.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for corrective activities in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $3,406,000, all of which shall be available for the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto):

Project 90-D-103, environment, safety and health improvements, weapons research and development complex, Los Alamos National Laboratory, Los Alamos, New Mexico.

(b) ENVIRONMENTAL RESTORATION.—Subject to subsection (i) funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for environmental restoration for operating expenses in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,550,926,000.

(c) WASTE MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for waste management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $2,386,596,000, to be allocated as follows:

(1) For operation and maintenance, $2,151,266,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $235,330,000, to be allocated as follows:

Project GPD-171, general plant projects, various locations, $15,728,000.

Project 96-D-400, replace industrial waste piping, Kansas City Plant, Kansas City, Missouri, $200,000.

Project 96-D-401, comprehensive treatment and management plan immobilization of miscellaneous wastes, Rocky Flats Environmental Technology Site, Golden, Colorado, $1,400,000.

Project 96-D-402, comprehensive treatment and management plan building 374/774 sludge immobilization, Rocky Flats Environmental Technology Site, Golden, Colorado, $1,500,000.

Project 96-D-403, tank farm service upgrades, Savannah River, South Carolina, $3,315,000.

Project 96-D-405, T-plant secondary containment and leak detection upgrades, Richland, Washington, $2,100,000.

Project 96-D-406, K-Basin operations program, Richland, Washington, $41,000,000.

Project 96-D-409, advanced mixed waste treatment facility, Idaho National Engineering Laboratory, Idaho, $5,000,000.

Project 96-D-410, specific manufacturing characterization facility assessment and upgrade, Idaho National Engineering Laboratory, Idaho, $2,000,000.

Project 95-D-402, install permanent electrical service, Waste Isolation Pilot Plant, New Mexico, $4,314,000.

Project 95-D-405, industrial landfill V and construction/demolition landfill VII, Y-12 Plant, Oak Ridge, Tennessee, $4,600,000.

Project 95-D-406, road 5-01 reconstruction, area 5, Nevada Test Site, Nevada, $1,023,000.

Project 94-D-400, high explosive wastewater treatment system, Los Alamos National Laboratory, Los Alamos, New Mexico, $4,445,000.

Project 94-D-402, liquid waste treatment system, Nevada Test Site, Nevada, $282,000.

Project 94-D-404, Melton Valley storage tanks capacity increase, Oak Ridge National Laboratory, Oak Ridge, Tennessee, $11,000,000.

Project 94-D-407, initial tank retrieval systems, Richland, Washington, $9,400,000.

Project 94-D-411, solid waste operations complex project, Richland, Washington, $5,500,000.

Project 94-D-417, intermediate-level and low-activity waste vaults, Savannah River, South Carolina, $2,704,000.

Project 93-D-178, building 374 liquid waste treatment facility, Rocky Flats Plant, Golden, Colorado, $3,900,000.

Project 93-D-182, replacement of cross-site transfer system, Richland, Washington, $19,795,000.

Project 93-D-183, multi-tank waste storage facility, Richland, Washington, $31,000,000.

Project 93-D-187, high-level waste removal from filled waste tanks, Savannah River, South Carolina, $34,700,000.

Project 92-D-171, mixed waste receiving and storage facility, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,105,000.

Project 92-D-188, waste management environmental, safety and health (ES&H) and compliance activities, various locations, $1,100,000.

Project 90-D-172, aging waste transfer lines, Richland, Washington, $2,000,000.

Project 90-D-177, RWMC transuranic (TRU) waste characterization and storage facility, Idaho National Engineering Laboratory, Idaho, $1,428,000.

Project 90-D-178, TSA retrieval containment building, Idaho National Engineering Laboratory, Idaho, $2,606,000.

Project 89-D-173, tank farm ventilation upgrade, Richland, Washington, $800,000.

Project 89-D-174, replacement high-level waste evaporator, Savannah River, South Carolina, $11,500,000.

Project 86-D-103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, California, $8,885,000.

Project 83-D-148, nonradioactive hazardous waste management, Savannah River, South Carolina, $1,000,000.

(d) TECHNOLOGY DEVELOPMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for technology development in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $505,510,000.

(e) TRANSPORTATION MANAGEMENT.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for transportation management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $16,158,000.

(f) NUCLEAR MATERIALS AND FACILITIES STABILIZATION.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for nuclear materials and facilities stabilization in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $1,596,028,000, to be allocated as follows:

(1) For operation and maintenance, $1,463,384,000.

(2) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $132,644,000, to be allocated as follows:

Project GPD-171, general plant projects, various locations, $14,724,000.

Project 96-D-458, site drainage control, Mound Plant, Miamisburg, Ohio, $885,000.

Project 96-D-461, electrical distribution upgrade, Idaho National Engineering Laboratory, Idaho, $1,539,000.

Project 96-D-462, health physics instrument laboratory, Idaho National Engineering Laboratory, Idaho, $1,126,000.

Project 96-D-463, central facilities craft shop, Idaho National Engineering Laboratory, Idaho, $724,000.

Project 96-D-464, electrical and utility systems upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $4,952,000.

Project 96-D-465, 200 area sanitary sewer system, Richland, Washington, $1,800,000.

Project 96-D-470, environmental monitoring laboratory, Savannah River Site, Aiken, South Carolina, $3,500,000.

Project 96-D-471, chlorofluorocarbon heating, ventilation, and air conditioning and chiller retrofit, Savannah River Site, Aiken, South Carolina, $1,500,000.

Project 96-D-472, plant engineering and design, Savannah River Site, Aiken, South Carolina, $4,000,000.

Project 96-D-473, health physics site support facility, Savannah River Site, Aiken, South Carolina, $2,000,000.

Project 96-D-474, dry fuel storage facility, Idaho National Engineering Laboratory, Idaho, $15,000,000.

Project 96-D-475, high level waste volume reduction demonstration (pentaborane), Idaho National Engineering Laboratory, Idaho, $5,000,000.

Project 95-D-155, upgrade site road infrastructure, Savannah River, South Carolina, $2,900,000.

Project 95-D-156, radio trunking system, Savannah River, South Carolina, $10,000,000.

Project 95-D-454, 324 facility compliance/renovation, Richland, Washington, $3,500,000.

Project 95-D-456, security facilities upgrade, Idaho Chemical Processing Plant, Idaho National Engineering Laboratory, Idaho, $8,382,000.

Project 94-D-122, underground storage tanks, Rocky Flats, Golden, Colorado, $5,000,000.

Project 94-D-401, emergency response facility, Idaho National Engineering Laboratory, Idaho, $5,074,000.

Project 94-D-412, 300 area process sewer piping system upgrade, Richland, Washington, $1,000,000.

Project 94-D-415, medical facilities, Idaho National Engineering Laboratory, Idaho, $3,601,000.

Project 94-D-451, infrastructure replacement, Rocky Flats Plant, Golden, Colorado, $2,940,000.

Project 93-D-147, domestic water system upgrade, Phase I and II, Savannah River, South Carolina, $7,130,000.

Project 93-D-172, electrical upgrade, Idaho National Engineering Laboratory, Idaho, $124,000.

Project 92-D-123, plant fire/security alarms system replacement, Rocky Flats Plant, Golden, Colorado, $9,560,000.

Project 92-D-125, master safeguards and security agreement/materials surveillance task force security upgrades, Rocky Flats Plant, Goldern, Colorado, $7,000,000.

Project 92-D-181, fire and life safety improvements, Idaho National Engineering Laboratory, Idaho, $6,883,000.

Project 91-D-127, criticality alarm and production annunciation utility replacement, Rocky Flats Plant, Golden, Colorado, $2,800,000.

(g) Compliance and Program Coordination.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for compliance and program coordination in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $81,251,000, to be allocated as follows:

(1) For operation and maintenance, $66,251,000.

(2) For the following plant project (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and land acquisition related thereto), $15,000,000:

Project 95-E-600, hazardous materials training center, Richland, Washington.

(h) Analysis, Education, and Risk Management.—Subject to subsection (i), funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1966 for analysis, education, and risk management in carrying out environmental restoration and waste management activities necessary for national security programs in the amount of $80,022,000.

(i) Adjustments.—The total amount authorized to be appropriated pursuant to this section is the sum of the amounts specified in subsections (a) through (h) reduced by the sum of—

(1) $276,942,000, for use of prior year balances; and

(2) $37,000,000 for recovery of overpayment to the Savannah River Pension Fund.

SEC. 3103. OTHER DEFENSE ACTIVITIES.

(a) Other Defense Activities.—Subject to subsection (b) funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for other defense activities in carrying out programs necessary for national security in the amount of $1,408,162,000, to be allocated as follows:

(1) For verification and control technology, $430,842,000 to be allocated as follows:

(A) For nonproliferation and verification research and development, $226,142,000.

(B) For arms control, $162,364,000.

(C) For intelligence, $42,336,000.

(2) For nuclear safeguards and security, $83,395,000.

(3) For security investigations, $25,000,000.

(4) For security evaluations, $14,707,000.

(5) For the Office of Nuclear Safety, $15,050,000.

(6) For worker and community transition, $100,000,000.

(7) For fissile materials disposition, $70,000,000.

(8) For naval reactors development, $682,168,000, to be allocated as follows:

(A) For operation and infrastructure, $659,168,000.

(B) For plant projects (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, and land acquisition related thereto), $23,000,000, to be allocated as follows:

Project 95-D-200, laboratory systems and hot cell upgrades, various locations, $11,300,000.

Project 95-D-201, advanced test reactor radioactive waste system upgrades, Idaho National Engineering Laboratory, Idaho, $4,800,000.

Project 93-D-200, engineering services facilities, Knolls Atomic Power Laboratory, Niskayuna, New York, $3,900,000.

Project 90-N-102, expended core facility dry cell project, Naval Reactors Facility, Idaho, $3,000,000.

(b) Adjustment.—The total amount that may be appropriated pursuant to this section is the total amount authorized to be appropriated in subsection (a) reduced by $13,000,000, for use of prior year balances.

SEC. 3104. DEFENSE NUCLEAR WASTE DISPOSAL.

Funds are hereby authorized to be appropriated to the Department of Energy for fiscal year 1996 for payment to the Nuclear Waste Fund established in section 302c) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10222(c)) in the amount of $198,400,000.

SEC. 3105. PAYMENT OF PENALTIES ASSESSED AGAINST ROCKY FLATS SITE.

The Secretary of Energy may pay to the Hazardous Substance Superfund established under section 9507 of the Internal Revenue Code of 1986 (26 U.S.C. 9507), from funds appropriated to the Department of Energy for environmental restoration and waste managements activities pursuant to section 3102, stipulated civil penalties in the amount of $350,000 assessed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9601 et seq.) against the Rocky Flats Site, Golden, Colorado.

Subtitle B—Recurring General Provisions

SEC. 3121. REPROGRAMMING.

(A) In General.—Until the Secretary of Energy submits to the congressional defense committees the report referred to in subsection (b) and a period of 30 days has elapsed after the date on which such committees receive the report the Secretary may not use amounts appropriated pursuant to this title for any program—

(1) in amounts that exceed, in a fiscal year—

(A) 110 percent of the amount authorized for that program by this title; or

(B) $1,000,000 more than the amount authorized for that program by this title; or

(2) which has not been presented to, or requested of, Congress.

(b) Report.—(1) The report referred to in subsection (a) is a report containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(2) In the computation of the 30-day period under subsection (a), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(c) Limitations.—(1) In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

(2) Funds appropriated pursuant to this title may not be used for an item for which Congress has specifically denied funds.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS.

(a) In General.—The Secretary of Energy may carry out any construction project under the general plant projects authorized by this title if the total estimated cost of the construction project does not exceed $2,000,000.

(b) Report to Congress.—If, any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $2,000,000, the Secretary shall immediately furnish a complete report to the congressional defense committees explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS.

(a) In General.—(1) Except as provided in paragraph (2), construction on a construction project may not be started or additional obligations incurred in connection with the project above the total estimated cost, whenever the current estimated cost of the construction project, which is authorized by sections 3101, 3102, and 3103, or which is in support of national security programs of the Department of Energy and was authorized by any previous Act, exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to Congress.

(2) An action described in paragraph (1) may be taken if—

(A) the Secretary of Energy has submitted to the congressional defense committees a report on the actions and the circumstances making such action necessary; and

(B) a period of 30 days has elapsed after the date on which the report is received by the committees.

(3) In the computation of the 30-day period under paragraph (2), there shall be excluded any day on which either House of Congress is not in session because of an adjournment of more than 3 days to a day certain.

(b) EXCEPTION.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY.

(a) TRANSFER TO OTHER FEDERAL AGENCIES.—The Secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title to other federal agencies for the performance of work for which the funds were authorized. Funds so transferred may be merged with and be available for the same purposes and for the same period as the authorizations of the Federal agency to which the amounts are transferred.

(b) TRANSFER WITHIN DEPARTMENT OF ENERGY; LIMITATIONS.—(1) Subject to paragraph (2), the secretary of Energy may transfer funds authorized to be appropriated to the Department of Energy pursuant to this title between any such authorizations. Amounts of authorizations so transferred may be merged with and be available for the same purposes and for the same period as the authorization to which the amounts are transferred.

(2) Not more than 5 percent of any such authorization may be transferred between authorizations under paragraph (1). No such authorization may be increased or decreased by more than 5 percent by a transfer under such paragraph.

(3) The authority provided by this section to transfer authorizations—

(A) may only be used to provide funds for items relating to weapons activities necessary for national security programs that have a higher priority than the items from which the funds are transferred; and

(B) may not be used to provide authority for an item that has been denied funds by Congress.

(c) NOTICE TO CONGRESS.—The Secretary of Energy shall promptly notify the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives of any transfer of funds to or from authorizations under this title.

SEC. 3125. AUTHORITY FOR CONCEPTUAL AND CONSTRUCTION DESIGN.

(A) REQUIREMENT FOR CONCEPTUAL DESIGN.—(1) Subject to paragraph (2) and except as provided in paragraph (3), before submitting to Congress a request for funds for a construction project that is in support of a national security program of the Department of Energy, the Secretary of Energy shall complete a conceptual design for that project.

(2) If the estimated cost of completing a conceptual design for a construction project exceeds $3,000,000, the Secretary shall submit to Congress a request for funds for the conceptual design before submitting a request for funds for the construction project.

(3) The requirement in paragraph (1) does not apply to a request for funds—

(A) for a construction project the total estimated cost of which is less than $2,000,000; or

(B) for emergency planning, design, and construction activities under section 3126.

(b) AUTHORITY FOR CONSTRUCTION DESIGN.—(1) Within the amounts authorized by this title, the Secretary of Energy may carry out construction design (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such design does not exceed $600,000.

(2) If the total estimated cost for construction design in connection with any construction project exceeds $600,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY PLANNING DESIGN, AND CONSTRUCTION ACTIVITIES.

(A) AUTHORITY.—The Secretary of Energy may use any funds available to the Department of Energy pursuant to an authorization in this title, including funds authorized to be appropriated under sections 3101, 3102, and 3103 for advance planning and construction design, to perform planning, design, and construction activities for any Department of Energy national security program construction project that, as determined by the Secretary, must proceed expeditiously in order to project public health and safety, meet the needs of national defense, or to protect property.

(b) LIMITATION.—The Secretary may not exercise the authority under subsection (a) in the case of any construction project until the Secretary has submitted to the congressional defense committees a report on the activities that the Secretary intends to carry out under this section and the circumstances making such activities necessary.

(c) SPECIFIC AUTHORITY.—The requirement of section 3125(b)(2) does not apply to emergency planning, design, and construction activities conducted under this section.

(d) REPORT.—The Secretary of Energy shall report to the congressional defense committees any exercise of authority under this section.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY.

Subject to the provisions of appropriations Acts and section 3121 of this title, amounts appropriated pursuant to this title for management and support activities and for general plant projects are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. AVAILABILITY OF FUNDS.

When so specified in an appropriation Act, amounts appropriated for operating expenses, plant projects, and capital equipment may remain available until expended.

Subtitle C—Program Authorizations, Restrictions, and Limitations

SEC. 3131. TRITIUM PRODUCTION.

(a) TRITIUM PRODUCTION.—Of the funds authorized to be appropriated to the Department of Energy under section 3101, not more than $50,000,000 shall be available to conduct an assessment of alternative means of ensuring that the tritium production of the Department of Energy is adequate to meet the tritium requirements of the Department of Defense. The assessment shall include an assessment of various types of reactors and an accelerator.

(b) LOCATION OF NEW TRITIUM PRODUCTION FACILITY.—The Secretary of Energy shall locate the new tritium production facility of the Department of Energy at the Savannah River Site, South Carolina.

(c) TRITIUM TARGETS.—Of the funds authorized to be appropriated to the Department of Energy under section 3101, not more than $5,000,000 shall be available for the Idaho National Engineering Laboratory for the test and development of nuclear reactor tritium targets for the various types of reactors to be assessed by the Department under subsection (a).

SEC. 3132. FISSILE MATERIALS DISPOSITION.

Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3103(a)(7), $70,000,000 shall be available only for purposes of completing the evaluation of, and commencing implementation of, the interim- and long-term storage and disposition of fissile materials (including plutonium, highly enriched uranium, and other fissile materials) that are excess to the national security needs of the United States, of which $10,000,000 shall be available for plutonium resource assessment.

SEC. 3133. TRITIUM RECYCLING.

(a) IN GENERAL.—Except as provided in subsection (b), the following activities shall be carried out at the Savannah River Site, South Carolina:

(1) All tritium recycling for weapons, including tritium refitting.

(2) All activities regarding tritium formerly carried out at the Mound Plant, Ohio.

(b) EXCEPTION.—The following activities may be carried out at the Los Alamos National Laboratory, New Mexico:

(1) Research on tritium.

(2) Work on tritium in support of the defense inertial confinement fusion program.

(3) Provision of technical assistance to the Savannah River Site regarding the weapons surveillance program.

SEC. 3134. MANUFACTURING INFRASTRUCTURE FOR REFABRICATION AND CERTIFICATION OF ENDURING NUCLEAR WEAPONS STOCKPILE.

(a) MANUFACTURING PROGRAM.—The Secretary of Energy shall carry out a program for purposes of establishing within the Government a manufacturing infrastructure that has the following capabilities as specified in the Nuclear Posture Review:

(1) To develop a stockpile surveillance engineering base.

(2) To refabricate and certify weapon components and types in the enduring nuclear weapons stockpile, as necessary.

(3) To design, fabricate, and certify new nuclear warheads, as necessary.

(4) To support nuclear weapons.

(5) To supply sufficient tritium in support of nuclear weapons to ensure an upload hedge in the event circumstances require.

(b) REQUIRED CAPABILITIES.—The manufacturing infrastructure established under the program under subsection (a) shall include the following capabilities (modernized to attain the objectives referred to in that subsection):

(1) The weapons assembly capabilities of the Pantex Plant.

(2) The weapon secondary fabrication capabilities of the Y–12 Plant, Oak Ridge, Tennessee.

(3) The tritium production and recycling capabilities of the Savannah River Site.

(4) A weapon primary pit refabrication/manufacturing and reuse facility capability

at Savannah River Site (if required for national security purposes).

(5) The non-nuclear component capabilities of the Kansas City Plant.

(c) NUCLEAR POSTURE REVIEW.—For purposes of subsection (a), the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or subsequent such reports.

(d) FUNDING.—Of the funds authorized to be appropriated under section 3101(b), $143,000,000 shall be available for carrying out the program required under this section, of which—

(1) $35,000,000 shall be available for activities at the Pantex Plant;

(2) $30,000,000 shall be available for activities at the Y-12 Plant, Oak Ridge, Tennessee;

(3) $35,000,000 shall be available for activities at the Savannah River Site; and

(4) $43,000,000 shall be available for activities at the Kansas City Plant.

SEC. 3135. HYDRONUCLEAR EXPERIMENTS.

Of the funds authorized to be appropriated to the Department of Energy under section 3101, $50,000,000 shall be available for preparation for the commencement of a program of hydronuclear experiments at the nuclear weapons design laboratories at the Nevada Test Site which program shall be for the purpose of maintaining confidence in the reliability and safety of the enduring nuclear weapons stockpile.

SEC. 3136. FELLOWSHIP PROGRAM FOR DEVELOPMENT OF SKILLS CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) IN GENERAL.—The Secretary of Energy shall conduct a fellowship program for the development of skills critical to the ongoing mission of the Department of Energy nuclear weapons complex. Under the fellowship program, the Secretary shall—

(1) provide educational assistance and research assistance to eligible individuals to facilitate the development by such individuals of skills critical to maintaining the ongoing mission of the Department of Energy nuclear weapons complex;

(2) employ eligible individuals at the facilities described in subsection (c) in order to facilitate the development of such skills by these individuals; or

(3) provide eligible individuals with the assistance and the employment.

(b) ELIGIBLE INDIVIDUALS.—Individuals eligible for participation in the fellowship program are the following:

(1) Students pursuing graduate degrees in fields of science or engineering that are related to nuclear weapons engineering or to the science and technology base of the Department of Energy.

(2) Individuals engaged in postdoctoral studies in such fields.

(c) COVERED FACILITIES.—The Secretary shall carry out the fellowship program at or in connection with the following facilities:

(1) The Kansas City Plant, Kansas City, Missouri.

(2) The Pantex Plant, Amarillo, Texas.

(3) The Y-12 Plant, Oak Ridge, Tennessee.

(4) The Savannah River Site, Aiken, South Carolina.

(d) ADMINISTRATION.—The Secretary shall carry out the fellowship program at a facility referred to in subsection (c) through the stockpile manager of the facility.

(e) ALLOCATION OF FUNDS.—The Secretary shall, in consultation with the Assistant Secretary of Energy for Defense Programs, allocate funds available for the fellowship program under subsection (f) among the facilities referred to in subsection (c). The Secretary shall make the allocation after evaluating an assessment by the weapons program director of each such facility of the personnel and critical skills necessary at the facility for carrying out the ongoing mission of the facility.

(f) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3101(b), $10,000,000 may be used for the purpose of carrying out the fellowship program under this section.

SEC. 3137. EDUCATION PROGRAM FOR DEVELOPMENT OF PERSONNEL CRITICAL TO THE DEPARTMENT OF ENERGY NUCLEAR WEAPONS COMPLEX.

(a) IN GENERAL.—The Secretary of Energy shall conduct an education program to ensure the long-term supply of personnel having skills critical to the ongoing mission of the Department of Energy nuclear weapons complex. Under the program, the Secretary shall provide—

(1) education programs designed to encourage and assist students in study in the fields of math, science, and engineering that are critical to maintaining the nuclear weapons complex;

(2) programs that enhance the teaching skills of teachers who teach students in such fields; and

(3) education programs that increase the scientific understanding of the general public in areas of importance to the nuclear weapons complex and to the Department of Energy national laboratories.

(b) FUNDING.—Of the funds authorized to be appropriated to the Department of Energy for fiscal year 1996 under section 3101(a), $10,000,000 may be used for the purpose of carrying out the education program under this section.

SEC. 3138. LIMITATION OF USE OF FUNDS FOR CERTAIN RESEARCH AND DEVELOPMENT PURPOSES.

Funds appropriated or otherwise made available to the Department of Energy for fiscal year 1996 under section 3101 may be obligated and expended for activities under the Department of Energy Laboratory Directed Research and Development Program or under Department of Energy technology transfer programs only if such activities support the national security mission of the Department.

SEC. 3139. PROCESSING OF HIGH LEVEL NUCLEAR WASTE AND SPENT NUCLEAR FUEL RODS.

(a) ELECTROMETALLURGICAL PROCESSING ACTIVITIES.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, not more than $2,500,000 shall be available for electrometallurgical processing activities at the Idaho National Engineering Laboratory.

(b) PROCESSING OF SPENT NUCLEAR FUEL RODS AT SAVANNAH RIVER SITE.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, $30,000,000 shall be available for operating and maintenance activities at the Savannah River Site, which amount shall be available for the development at the canyon facilities at the site of technological methods (including plutonium processing and reprocessing) of separating, reducing, isolating, and storing the spent nuclear fuel rods that are sent to the site from other Department of Energy facilities and from foreign facilities.

(c) PROCESSING OF SPENT NUCLEAR FUEL RODS AT IDAHO NATIONAL ENGINEERING LABORATORY.—Of the amount authorized to be appropriated to the Department of Energy under section 3102, $15,000,000 shall be available for operating and maintenance activities at the Idaho National Engineering Laboratory, which amount shall be available for the development of technological methods of processing the spent nuclear fuel rods that will be sent to the laboratory from other Department of Energy facilities.

(d) SPENT NUCLEAR FUEL DEFINED.—In this section, the term "spent nuclear fuel" has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

SEC. 3140. DEPARTMENT OF ENERGY DECLASSIFICATION PRODUCTIVITY INITIATIVE.

Of the funds authorized to be appropriated to the Department of Energy under section 3103, $3,000,000 shall be available for the Declassification Productivity Initiative of the Department of Energy.

SEC. 3141. AUTHORITY TO REPROGRAM FUNDS FOR DISPOSITION OF CERTAIN SPENT NUCLEAR FUEL.

(a) AUTHORITY TO REPROGRAM.—Notwithstanding any other provision of law and subject to subsection (b), the Secretary of Energy may reprogram funds available to the Department of Energy for fiscal year 1996 under section 3101(b) or 3102(b) to make such funds available for use for storage pool treatment and stabilization or for canning and storage in connection with the disposition of spent nuclear fuel in the Democratic People's Republic of Korea, which treatment and stabilization or canning and storage is—

(1) necessary in order to meet International Atomic Energy Agency safeguard standards with respect to the disposition of spent nuclear fuel; and

(2) conducted in fulfillment of the Nuclear Framework Agreement between the United States and the Democratic People's Republic of Korea dated October 21, 1994.

(b) LIMITATION.—The total amount that the Secretary may reprogram under the authority in subsection (a) may not exceed $5,000,000.

(c) DEFINITION.—In this section, the term "spent nuclear fuel" has the meaning given such term in section 2(23) of the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10101(23)).

SEC. 3142. PROTECTION OF WORKERS AT NUCLEAR WEAPONS FACILITIES.

Of the funds authorized to be appropriated to the Department of Energy under section 3102, $10,000,000 shall be available to carry out activities authorized under section 3131 of the National Defense Authorization Act for Fiscal Years 1992 and 1993 (Public Law 102–190; 105 Stat. 1571; 42 U.S.C. 7274d), relating to worker protection at nuclear weapons facilities.

Subtitle D—Review of Department of Energy National Security Programs

SEC. 3151. REVIEW OF DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS.

(a) REPORT.—Not later than March 15, 1996, the Secretary of Defense shall, in consultation with the Secretary of Energy, submit to the congressional defense committees a report on the national security programs of the Department of Energy.

(b) CONTENTS OF REPORT.—The report shall include an assessment of the following:

(1) The effectiveness of the Department of Energy in maintaining the safety and reliability of the enduring nuclear weapons stockpile.

(2) The management by the Department of the nuclear weapons complex, including—

(A) a comparison of the Department of Energy's implementation of applicable environmental, health, and safety requirements with the implementation of similar requirements by the Department of Defense; and

(B) a comparison of the costs and benefits of the national security research and development programs of the Department of Energy with the costs and benefits of similar programs sponsored by the Department of Defense.

(3) The fulfillment of the requirements established for the Department of Energy in the Nuclear Posture Review.

(C) DEFINITION.—In this section, the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

Subtitle E—Other Matters

SEC. 3161. RESPONSIBILITY FOR DEFENSE PROGRAMS EMERGENCY RESPONSE PROGRAM.

The Office of Military Applications under the Assistant Secretary of Energy for Defense Programs shall retain responsibility for the Defense Programs Emergency Response Program within the Department of Energy.

SEC. 3162. REQUIREMENTS FOR DEPARTMENT OF ENERGY WEAPONS ACTIVITIES BUDGETS FOR FISCAL YEARS AFTER FISCAL YEAR 1996.

(a) IN GENERAL.—The weapons activities budget of the Department of Energy shall be developed in accordance with the Nuclear Posture Review, the Post Nuclear Posture Review Stockpile Memorandum currently under development, and the programmatic and technical requirements associated with the review and memorandum.

(b) REQUIRED DETAIL.—The Secretary of Energy shall include in the materials that the Secretary submits to Congress in support of the budget for a fiscal year submitted by the President pursuant to section 1105 of title 31, United States Code, a long-term program plan, and a near-term program plan, for the certification and stewardship of the enduring nuclear weapons stockpile.

(c) DEFINITION.—In this section, the term "Nuclear Posture Review" means the Department of Defense Nuclear Posture Review as contained in the Report of the Secretary of Defense to the President and the Congress dated February 19, 1995, or in subsequent such reports.

SEC. 3163. REPORT ON PROPOSED PURCHASES OF TRITIUM FROM FOREIGN SUPPLIERS.

(a) REQUIREMENT.—Not later than May 30, 1997, the President shall submit to the congressional defense committees a report on any plans of the President to purchase from foreign suppliers tritium to be used for purposes of the nuclear weapons stockpile of the United States.

(b) FORM OF REPORT.—The report shall be submitted in unclassified form, but may contain a classified annex.

SEC. 3164. REPORT ON HYDRONUCLEAR TESTING.

(A) REPORT.—The Secretary of Energy shall direct the joint preparation by the Lawrence Livermore National Laboratory and the Los Alamos National Laboratory of a report on the advantages and disadvantages for the safety and reliability of the enduring nuclear weapons stockpile and permitting alternative limits to the current limits on the explosive yield of hydronuclear tests. The report shall address the following explosive yield limits:

(1) 4 pounds (TNT equivalent).

(2) 400 pounds (TNT equivalent).

(2) 4,000 pounds (TNT equivalent).

(2) 40,000 pounds (TNT equivalent).

(b) FUNDING.—The Secretary shall make available funds authorized to be appropriated to the Department of Energy under section 3101 for preparation of the report required under subsection (a).

SEC. 3165. PLAN FOR THE CERTIFICATION AND STEWARDSHIP OF THE ENDURING NUCLEAR WEAPONS STOCKPILE.

(a) REQUIREMENT.—Not later than March 15, 1996, and every March 15 thereafter, the Secretary of Energy shall submit to the Secretary of Defense a plan for maintaining the enduring nuclear weapons stockpile.

(b) PLAN ELEMENTS.—Each plan under subsection (a) shall set forth the following:

(1) The numbers of weapons (including active weapons and inactive weapons) for each type of weapon in the enduring nuclear weapons stockpile.

(2) The expected design lifetime of each weapon system type, the current age of each weapon system type, and any plans (including the analytical basis for such plans) for lifetime extensions of a weapon system type.

(3) An estimate of the lifetime of the nuclear and non-nuclear components of the weapons (including active weapons and inactive weapons) in the en-during nuclear weapons stockpile, and any plans (including the analytical basis for such plans) for life-time extensions of such components.

(4) A schedule of the modifications, if any, required for each weapon type (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile, and the cost of such modifications.

(5) The process to be used in recertifying the safety, reliability, and performance of each weapon type (including active weapons and inactive weapons) in the enduring nuclear weapons stockpile.

(6) The manufacturing infrastructure required to maintain the nuclear weapons stockpile stewardship management program.

BUMPERS (AND SIMON) AMENDMENT NO. 2397

Mr. BUMPERS (for himself and Mr. SIMON) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 69, at the end of line 3 insert the following: "That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States;".

BUMPERS AMENDMENT NO. 2398

Mr. BUMPERS proposed an amendment to the bill, S. 1087, supra; as follows:

On page 22, strike lines 1–2 and insert in lieu thereof the following: "tor-owned equipment layaway: $1,651,421,000, to remain available for obligation until September 30, 1998: Provided, that of the funds appropriated in this paragraph, none shall be obligated for any D-5 missiles, D-5 missile components, ship modifications and ship components that are associated with backfitting any Trident I submarines to carry D-5 Trident II missiles."

HARKIN (AND BOXER) AMENDMENT NO. 2399

Mr. HARKIN (for himself and Mrs. BOXER) proposed an amendment to the bill, S. 1087, supra; as follows:

At the appropriate place, insert:

SEC. . RESTRICTION ON REIMBURSEMENT OF COSTS.

"(a) None of the funds authorized to be appropriated in this Act for fiscal year 1996 may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation (including bonuses and other incentives) at a rate in excess of $250,000 per year."

HARKIN AMENDMENTS NOS. 2400–2402

Mr. HARKIN proposed three amendments to the bill, S. 1087, supra; as follows:

AMENDMENT NO. 2400

On page 18, line 7, strike out "$1,498,623,000" and insert in lieu thereof "$1,373,623,000".

AMENDMENT NO. 2401

On page 29, line 12, strike out "$9,196,784,000" and insert in lieu thereof "$9,126,784,000".

AMENDMENT NO. 2402

On page 29, line 12, strike out "$9,196,784,000" and insert in lieu thereof "$9,166,784,000".

BINGAMAN AMENDMENT NO. 2403

Mr. BINGAMAN proposed an amendment to the bill, S. 1087, supra; as follows:

On page 82, between lines 11 through 12, insert the following:

SEC. 8087. (a) The total amount appropriated in title III under the heading "MISSILE PROCUREMENT, ARMY" is hereby reduced by $60,000,000.

(b) The total amount appropriated in title III under the heading "OTHER PROCUREMENT, AIR FORCE" is hereby reduced by $30,000,000.

WELLSTONE (AND OTHERS) AMENDMENT NO. 2404

Mr. WELLSTONE (for himself, Mr. FEINGOLD, Mr. HARKIN, Mr. BUMPERS, Mr. SIMON, and Mr. DORGAN) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 34, between lines 13 and 14, insert the following:

SEC. 8000. REDUCTION IN TOTAL AMOUNT TO BE APPROPRIATED.

Notwithstanding any other provision of this Act, the total amount appropriated for fiscal year 1996 under the provisions of this Act is hereby reduced by $3,200,000,000, with the total amount of such reduction to be used exclusively for reducing the amount of the Federal budget deficit.

AKAKA AMENDMENT NO. 2405

Mr. AKAKA proposed an amendment to the bill, S. 1087, supra; as follows:

On page 83, between lines 11 and 12, insert the following:

SEC. 8087. The Secretary of Defense and the Secretary of the Army shall reconsider the decision not to include the infantry military occupational specialty among the military skills and specialties for which special pays are provided under the Selected Reserve Incentive Program.

AKAKA (AND PELL) AMENDMENT NO. 2406

Mr. AKAKA (for himself and Mr. PELL) proposed an amendment to the bill, S. 1087, supra; as follows:

At the appropriate place in the bill, add the following:

SEC. 1062. SENSE OF SENATE REGARDING UNDERGROUND NUCLEAR TESTING.

(a) FINDINGS.—The Senate makes the following findings:

(1) The President of France stated on June 13, 1995, that the Republic of France plans to conduct eight nuclear test explosions over the next several months.

(2) The People's Republic of China continues to conduct underground nuclear weapons tests.

(3) The United States, France, Russia, and Great Britain have observed a moratorium on nuclear testing since 1992.

(4) A resumption of testing by the Republic of France could result in the disintegration of the current testing moratorium and a renewal of underground testing by other nuclear weapons states.

(5) A resumption of nuclear testing by the Republic of France raises serious environmental and health concerns.

(6) The United Nations Conference on Disarmament presently is meeting in Geneva, Switzerland, for the purpose of negotiating a Comprehensive Nuclear Test Ban Treaty (CTBT), which would halt permanently the practice of conducting nuclear test explosions.

(7) Continued underground weapons testing by the Republic of France and the People's Republic of China undermines the efforts of the international community to conclude a CTBT by 1996, a goal endorsed by 175 nations at the recently completed NPT Extension and Review Conference (the conference for the extension and review of the Nuclear Non-Proliferation Treaty).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Republic of France and the People's Republic of China should abide by the current international moratorium on nuclear test explosions and refrain from conducting underground nuclear tests in advance of a Comprehensive Test Ban Treaty.

KYL AMENDMENT NO. 2407

Mr. KYL proposed an amendment to the bill, S. 1087, supra; as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.

(a) LIMITATION.—Of the funds available under title II under the heading "FORMER SOVIET UNION THREAT REDUCTION" for dismantlement and destruction of chemical weapons, not more than $52,000,000 may be obligated or expended for that purpose until the President certifies to Congress the following:

(1) That the United States and Russia have completed a joint laboratory study evaluating the proposal of Russia to neutralize its chemical weapons and the United States agrees with the proposal.

(2) That Russia has, with the assistance of the United States (if necessary), prepared a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(3) That the United States and Russia are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(b) DEFINITIONS.—In this section:

(1) The term "1989 Wyoming Memorandum of Understanding" means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

(2) The term "1990 Bilateral Destruction Agreement" means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and non-production of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed on June 1, 1990.

PRYOR AMENDMENT NO. 2408

Mr. PRYOR proposed an amendment to the bill, S. 1087, supra; as follows:

At the appropriate place, insert the following:

SEC. . TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

(a) APPROVAL BEYOND LOW-RATE INITIAL PRODUCTION.—The Secretary of Defense may not approve a theater missile defense interceptor program beyond the low-rate initial production acquisition stage until the Secretary certifies to the congressional defense committees that the program—

(1) has successfully completed initial operational test and evaluation; and

(2) involves a suitable and effective system.

(b) CERTIFICATION REQUIREMENTS.—(1) In order to be certified under subsection (a), the initial operational test and evaluation conducted with respect to a program shall include flight tests—

(A) that were conducted with multiple interceptors and multiple targets in the presence of realistic countermeasures; and

(B) the results of which demonstrate the achievement of baseline performance thresholds by such interceptors.

(2) The Director of Operational Test and Evaluation shall specify the number of flight tests required with respect to a program under paragraph (1) in order to make a certification referred to in subsection (a).

(3) The Secretary may utilize modeling and simulation validated by ground and flight testing in order to augment flight testing to demonstrate weapons system performance for purposes of a certification under subsection (a).

(c) REPORTS.—(1) The Director of Operational Test and Evaluation and the head of the Ballistic Missile Defense Organization shall include in the annual reports to Congress of such officials plans to test adequately theater missile defense interceptor programs throughout the acquisition process.

(2) As each theater missile defense system progresses through the acquisition process, the officials referred to in paragraph (1) shall include in the annual reports to Congress of such officials an assessment of the extent to which such programs satisfy the planned test objectives for such programs.

(d) DEFINITION.—For purposes of this section, the baseline performance thresholds for a program are the weapon system performance thresholds specified in the baseline description for the weapon system established pursuant to section 2435(a)(1) of title 10, United States Code, before the program entered into the engineering and manufacturing development stage.

PRYOR (AND OTHERS) AMENDMENT NO. 2409

Mr. PRYOR (for himself, Mrs. BOXER, and Mrs. FEINSTEIN) proposed an amendment to the bill, S. 1087, supra; as follows:

At the appropriate place, add the following:

SEC. . INTERIM LEASES OF PROPERTY APPROVED FOR CLOSURE OR REALIGNMENT.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

"(4)(A) Notwithstanding the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the scope of any environmental impact analysis necessary to support an interim lease of property under this subsection shall be limited to the environmental consequences of activities authorized under the proposed lease and the cumulative impacts of other past, present, and reasonably foreseeable future actions during the period of the proposed lease.

"(B) Interim leases entered into under this subsection shall be deemed not to prejudice the final property disposal decision, even if final property disposal may be delayed until completion of the interim lease term. An interim lease under this subsection shall not be entered into without prior consultation with the redevelopment authority concerned.

"(C) The provisions of subparagraphs (A) and (B) shall not apply to an interim lease under this subsection if authorized activities under the lease would—

"(i) significantly effect the quality of the human environment; or

"ii) irreversibly alter the environment in a way that would preclude any reasonable disposal alternative of the property concerned.".

HARKIN (AND BOXER) AMENDMENT NO. 2410

Mr. STEVENS (for Mr. HARKIN, for himself and Mrs. BOXER) proposed an amendment to the bill, S. 1087, supra; as follows:

At the appropriate place, insert:

SEC. . RESTRICTION ON REIMBURSEMENT OF COSTS.

"(a) None of the funds provided in this Act may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation at a rate in excess of $250,000 per year."

GRAHAM (AND MACK) AMENDMENT NO. 2411

Mr. STEVENS (for Mr. GRAHAM, for himself and Mr. MACK) proposed an amendment to the bill, S. 1087, supra; as follows:

At the appropriate place, insert:

SEC. . The Secretary of Defense shall develop and provide to the congressional defense committees an Electronic Combat Master Plan, to establish an optimum infrastructure for electronic combat assets, no later than March 31, 1996.

BOXER AMENDMENT NO. 2412

Mr. STEVENS (for Mrs. BOXER) proposed an amendment to the bill. S. 1087, supra; as follows:

At the appropriate place in the bill insert the following new section:

SEC. . PROHIBITION OF PAY AND ALLOWANCES FOR MILITARY PERSONNEL CONVICTED OF SERIOUS CRIMES.

"(a) Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be obligated for the pay or allowances of any member of the Armed Forces who has been sentenced by a court-martial to any sentence that includes confinement for one year or more, death, dishonorable discharge, bad-conduct discharge, or dismissal during any period of confinement or parole.

"(b) In a case involving an accused who had dependents, the convening authority or other person acting under title 10, section 860, may waive any or all of the forfeitures of pay and allowances required by subsection (a) for a period not to exceed six months. Any amount of pay or allowances that, except for a waiver under this subsection, would be forfeited shall be paid, as the convening authority or other person taking action directs, to the dependents of the accused.

"(c) If the sentence of a member who forfeits pay and allowances under subsection (a) is set aside or disapproved or, as finally approved, does not provide for a punishment referred to in subsection (a), the member shall be paid the pay and allowances which the member would have been paid, except for the forfeiture, for the period during which the forfeiture was in effect."

FEINGOLD (AND KOHL) AMENDMENT NO. 2413

Mr. STEVENS (for Mr. FEINGOLD, for himself and Mr. KOHL) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 9 on line 4 after "30, 1997" insert the following: ": *Provided further*, That, of the funds appropriated under this heading, not more than $12,200,000 shall be available only for paying the costs of terminating Project ELF".

DOMENICI (AND INOUYE) AMENDMENT NO. 2414

Mr. STEVENS (for Mr. DOMENICI, for himself and Mr. INOUYE) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 29, before the period on line 13, insert: ": *Provided further*, That of the funds appropriated in this paragraph for the Ballistic Missile Defense Organization, $10,000,000 shall only be available to continue program activities and launch preparation efforts under the Strategic Target System (STARS) program".

GLENN AMENDMENT NO. 2415

Mr. STEVENS (for Mr. GLENN) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 17, increase the amount on line 3 by $40,000,000.

On page 10, reduce the amount on line 19 by $40,000,000.

WARNER (AND DODD) AMENDMENT NO. 2416

Mr. STEVENS (for Mr. WARNER, for himself and Mr. DODD) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 82, between lines 11 and 12, insert the following:

SEC. 8087. (a) If, on February 18, 1996, the Secretary of the Navy has not certified in writing to the Committees on Appropriations of the Senate and the House of Representatives that—

(1) the Secretary has restructured the new attack submarine program to provide for—

(A) procurement of the lead vessel under the program from General Dynamics Corporation Electric Boat Division (hereafter in this section referred to as "Electric Boat Division") beginning in fiscal year 1998 (subject to the price offered by Electric Boat Division being determined fair and reasonable by the Secretary),

(B) procurement of the second vessel under the program from Newport News Shipbuilding and Drydock Company beginning in fiscal year 1999 (subject to the price offered by Newport News Shipbuilding and Drydock Company being determined fair and reasonable by the Secretary), and

(C) procurement of other vessels under the program under one or more contracts that are entered into after competition between Electric Boat Division and Newport News Shipbuilding and Drydock Company for which the Secretary shall solicit competitive proposals and award the contract or contracts on the basis of price, and

(2) the Secretary has directed, as set forth in detail in such certification that—

(A) no action is to be taken to terminate or to fail to extend either the existing Planning Yard contract for the Trident class submarines or the existing Planning Yard contract for the SSN–688 Los Angeles class submarines except by reason of a breach of contract by the contractor or an insufficiency of appropriations,

(B) no action is to be taken to terminate any existing Lead Design Yard contract for the SSN–21 Seawolf class submarines or for the SSN–688 Los Angeles class submarines, except by reason of a breach of contract by the contractor or an insufficiency of appropriations,

(C) both Electric Boat Division and Newport News Shipbuilding and Drydock Company are to have access to sufficient information concerning the design of the new attack submarine to ensure that each is capable of constructing the new attack submarine, and

(D) no action is to be taken to impair the design, engineering, construction, and maintenance competencies of either Electric Boat Division or Newport News Shipbuilding and Drydock Company to construct the new attack submarine,

then, funds appropriated in title III under the heading "SHIPBUILDING AND CONVERSION, NAVY" may not be obligated for the SSN–21 attack submarine program or for the new attack submarine program (NSSN–1 and NSSN–2).

(b) Funds referred to in subsection (a) for procurement of the lead and second vessels under the new attack submarine program may not be expended during fiscal year 1996 for the lead vessel under that program (other than for class design) unless funds are obligated or expended during such fiscal year for a contract in support of procurement of the second vessel under the program.

ABRAHAM (AND OTHERS) AMENDMENT NO. 2417

Mr. STEVENS (for Mr. ABRAHAM, for himself, Mr. INHOFE, and Mr. GRAMS) proposed an amendment to the bill, S. 1087, supra; as follows:

At the appropriate place in the bill, add the following new section:

SEC. . None of the funds available to the Department of Defense during fiscal year 1996 may be obligated or expended to support or finance the activities of the Defense Policy Advisory Committee on Trade.

SPECTER (AND SANTORUM) AMENDMENT NO. 2418

Mr. STEVENS (for Mr. SPECTER, for himself and Mr. SANTORUM) proposed an amendment to the bill, S. 1087, supra; as follows:

On page 28 line 19, insert the following before the period: ": *Provided further*, That of the funds appropriated under this heading, $45,458,000 shall be made available for the Intercooled Recuperative Turbine Engine Project".

McCONNELL AMENDMENT NO. 2419

Mr. STEVENS (for Mr. MCCONNELL) proposed an amendment to the bill, S. 1087, supra; as follows:

At the appropriate place in the bill add the following:

SEC. . Six months after the date of enactment of this Act the General Accounting Office shall report to the Committees on Appropriations of the Senate and the House of Representatives on any changes in Department of Defense commissary access policy, including providing reservists additional or new privileges, and addressing the financial impact on the commissaries as a result of any policy changes.

LUGAR AMENDMENT NO. 2420

Mr. STEVENS (for Mr. LUGAR) proposed an amendment to the bill, S. 1087, supra; as follows:

At the appropriate place in the bill add the following:

SEC. . None of the funds made available in this Act under the heading "Procurement of Ammunition, Army" may be obligated or expended for the procurement of munitions unless such acquisition fully complies with the Competition in Contracting Act.

STEVENS AMENDMENTS NOS. 2421–2424

Mr. STEVENS proposed four amendments to the bill, S. 1087, supra; as follows:

AMENDMENT NO. 2421

Strike on page 49 between lines 3–12, Sec. 8024, and insert in lieu thereof:

"SEC. 8024. During the current fiscal year, none of the funds available to the Department of Defense may be used to procure or acquire (1) defensive handguns unless such handguns are the M9 or M11 9mm Department of Defense standard handguns, or (2) offensive handguns except for the Special Operations Forces: *Provided*, That the foregoing shall not apply to handguns and ammunition for marksmanship competitions."

AMENDMENT NO. 2422

On page 71, line 12 insert: "Shipbuilding and Conversion, Navy, 1993/1997", $32,804,000".

AMENDMENT NO. 2423

On page 71, line 12 insert: "Shipbuilding and Conversion, Navy, 1993/1997", $32,804,000".

"Shipbuilding and conversion, Navy, 1994/1998", $19,911,000".

AMENDMENT No. 2424

On page 71, line 12 insert: "Shipbuilding and Conversion, Navy, 1994/1998", $19,911,000".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Thursday, August 10, 1995 session of the Senate for the purpose of conducting an executive session and markup.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. STEVENS. Mr. President, I ask unanimous consent for the Full Committee on Environment and Public Works to conduct a hearing Thursday, August 10, at 10 a.m., to receive testimony from Greta Joy Dicus, nominated by the President to be Member, Nuclear Regulatory Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, August 10, 1995, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. STEVENS. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, August 10, at 10 a.m. for a markup.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. STEVENS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, August 10, 1995, at 10 a.m., to hold a hearing on "United States Sentencing Commission and Cocaine Sentencing Policy".

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER DEVELOPMENT CORPORATION AND RELATED MATTERS

Mr. STEVENS. Mr. President, I ask unanimous consent that the Special Committee to Investigate Whitewater Development Corporation and Related Matters be authorized to meet during the session of the Senate on Thursday, August 10, 1995, to conduct a hearing on the handling of the documents in Deputy White House Counsel Vincent Foster's office after his death.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FOREST AND PUBLIC LAND MANAGEMENT

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, August 10, 1995, for purposes of conducting a Subcommittee hearing which is scheduled to begin at 9:30 a.m. The purpose of this oversight hearing is to review the implementation of Section 2001 of the fiscal year 1995 Emergency Appropriations and Funding Rescissions bill, the section dealing with emergency salvage of diseased dead timber on Federal forest lands.

The PRESIDING OFFICER. Without objection it is so ordered.

ADDITIONAL STATEMENTS

AFFIRMATIVE ACTION

• Mr. ASHCROFT. Mr. President, I call my colleagues' attention to an important addition to the debate concerning preferential policies in America. Former Secretary of Housing and Urban Development Jack Kemp recently published in the Washington Post an article that I believe goes to the heart of our troubles with affirmative action. Mr. Kemp first notes that affirmative action based on racial quotas and racial preferences is "wrong in principle and ruinous in practice." He goes on to issue a call for policymakers to come forward with truly positive proposals—affirmative efforts—to replace it. Mr. Kemp has spent his public career valiantly fighting for an opportunity society. In this article, he continues that fight, arguing for school vouchers, tax and regulatory reforms, and other programs aimed at giving every American the chance to work for a decent education and a decent job in our free market economy.

Mr. President, I commend Secretary Kemp's article to all our colleagues. In conjunction with Senator LIEBERMAN, I will be presenting legislation in a few weeks aimed at furthering the cause of equal opportunity. By reducing taxes and regulations, particularly in distressed areas denoted enterprise zones, this bill will encourage economic opportunity. By providing for school choice in these same areas it will promote educational opportunities. In sum, it is an attempt to make the opportunity society a reality, particularly for America's inner cities and other distressed areas.

I request that the following be entered into the RECORD:

[From the Washington Post, Aug. 6, 1995]

AFFIRMATIVE ACTION: THE "RADICAL REPUBLICAN" EXAMPLE

(By Jack Kemp)

The scene is Washington: a Republican President, new to the White House, defiantly throwing down the gauntlet to a Republican Congress, saying he will veto any bill that proposes to do more for "black Americans" than for "whites." This is not some fast-forward vision of 1997 and the first days of a new Republican White House. It's a flashback to 1866. The agency to be vetoed was the Freedman's Bureau, established in President Lincoln's administration to "affirmatively" assist the recently emancipated African Americans. The president—Andrew Johnson, Lincoln's successor—worried that any "affirmative action" would hurt the white population by specifically helping "Negroes."

I offer this page from history not to prove once again that politically, there is not much new under the sun but to illustrate that the issues of race and equality are woven into the essence of our American experience. While our present-day passions on the subject of affirmative action open old wounds, they also summon us to moral leadership of Lincolnesque proportions.

Thus far the summons goes unanswered by both liberals and conservatives alike. The unreconstructed liberal notion of endless racial reparations and race-based preferences is doubly guilty: wrong in principle and ruinous in practice. President Clinton's much-vaunted affirmative action review produced more of a bumper sticker than a policy; Clinton's focus-group-fashioned "mend it, not end it" slogan makes a far better rhyme than reason.

The same, however, is true of the new affirmative action "abolitionist" position, which heralds equality but seldom addresses the way to truly give all people an equal footing. Critics are right in asserting that "affirmative action" quotas have contributed to the poisoning of race relations in this country. But critics must offer much more than just opposition and reproach. We know what they are against, but what are they for?

"A colorblind society," comes their response. Of course, the goal of equal opportunity is paramount and a worthy destiny to seek. But to say that we have arrived at that goal is simply not true. My friends on the right call for a colorblind society and then quote Martin Luther King's inspirational "I have a dream" speech, in which he imagined a nation in which every American would be judged not on the color of his or her skin but on the "content of his character." All too often, though, they neglect to quote the end of his speech, where he describes the painful plight of minority America: "The Negro," King said, "lives on a lonely island of poverty in the midst of a vast ocean of material prosperity."

Much has changed in the 30 years since King stood on the steps of the Lincoln Memorial. Minority enterprises have begun to gain a foothold, although there are far too few of them. But can anyone venture to the crumbling brick and mortar of Cabrini Green Public Housing, or the fear-ridden projects of Bed-Stuy or the streets lined with the unemployed in South Central LA or East St. Louis and believe that what he sees there today would pass as progress since Dr. King's day?

This is not to negate the gains made by so many in the black and minority communities. But for large numbers the situation has not only not improved in 30 years, it has grown dramatically worse—with a welfare system that entraps rather than empowers, punishes work and marriage and prevents access to capital, credit and property.

Reality requires that we admit two things—difficult admissions for both liberals and conservatives. First, that a race conscious policy of quotas and rigid preferences has helped make matters worse. Second, and more important, the Good Shepherd reminds all of us that our work is not done, and as we think about moving into the 21st century, we must not leave anyone behind.

Sound policy begins with strong principles. Affirmative action based on quotas is wrong—wrong because it is antithetical to the genius of the American idea: individual liberty. Counting by race in order to remedy past wrongs or rewarding special groups by taking from others perpetuates and even deepens the divisions between us. But race-based politics is even more wrong and must be repudiated by men and women of civility and compassion.

Instead, like the "radical Republicans" of Lincoln's day, who overrode President Johnson's veto on the Freedman's Bureau, we would honor the past by creating a future more in keeping with our revolutionary founding ideals of equality. In this way, the eventual ending of affirmative action is only a beginning—the political predicate of a new promise of outreach in the name of greater opportunity for access to capital, credit, prosperity, jobs and educational choice for all.

The time has definitely come for a new approach an "affirmative action" based not just on gender or race or ethnicity but ultimately based on need. "Affirmative" because government authority must be employed to remove the obstacles to upward mobility and human advancement. "Action" because democratic societies must act positively and create real equality of opportunity—without promising equality of reward.

Affirmative opportunity in America begins with education. America's schools, particularly our urban public schools, are depriving minority and low-income children of the education that may be their passport out of poverty. Even the poorest parent must have the option more affluent families enjoy; the right to send their children to the school of their choice. Affirmative effort means ending the educational monopoly that makes poor public school students into pawns of the educational bureaucracy. And we should be paving the way to a voucher and magnet school system of public and private school choice.

Opportunity means an entryway into the job market. That mean removing barriers for job creation and entrepreneurship and expanding access to capital and credit. According to the Wall Street Journal, from 1982 to 1987, the number of black-owned firms increased by nearly 38 percent, about triple the overall business growth rate during that period. Hispanic-owned businesses soared by 57 percent, and their sales nearly tripled.

Even so, of the 14 million small businesses in existence across the United States today, fewer than 2 percent are black-owned. And of $27 to $28 trillion of capital in this country, less than one percent is in black ownership. Affirmative effort would take aim at expanding capital and credit as the lifeblood of business formation and job creation—including an aggressive effort to end the red-lining of our inner cities and a radical redesign of our tax code to remove barriers to broader ownership of capital, savings and credit.

Opportunity means the ability to accumulate property. Affirmative effort would mean an end to every federal program that penalizes the poor for managing to save and accumulate their own assets. An AFDC mother's thrift and foresight in putting money away for a child's future should not be penalized by the government welfare system as fraud as is currently the case.

Finally, real opportunity for racial and ethnic reconciliation requires an expanding economy—one that invites the effort and enterprise of all Americans, including minorities and women. A real pro-growth policy must include policies ranging from enterprise zones in our cities to a commitment to lowering barriers to global trade. It should also offer relief from red tape and regulation and freedom from punitive tax policies. Each is part of an affirmative action that can "move America forward without leaving anyone behind."

Now that we have opened a somewhat hysterical dialogue on affirmative action, we can never go back—only forward. Our challenge is to put aside the past—abandon the endless round of recrimination and a politics that feeds on division, exclusion, anger and envy. We must reaffirm, as Lincoln did at his moment of maximum crisis, a vision of the "better angels of our nature," a big-hearted view of the nation we were always meant to become and must become if we are to enter the 21st century as the model of liberal democracy and market-oriented capitalism the world needs to see.●

MARYLAND ATHLETES VICTORIOUS AT OLYMPIC FESTIVAL

● Ms. MIKULSKI. Mr. President, I want to share with my colleagues my pride in the accomplishments of Maryland's athletes in the recent Olympic Festival.

As my colleagues know, the Olympic Festival is one of the premiere events for Olympic-caliber athletes. Many of the more than 3,500 American athletes who participated in the festival will go on to compete in next year's summer Olympics in Atlanta and in the winter games in Nagano, Japan. They truly are America's finest.

I am proud to note that two dozen Maryland athletes were awarded gold medals. I salute them for their dedication to their sport and to the pursuit of excellence. I look forward to hearing of their future achievements.

The names of Maryland's gold medal winners follow:

MARYLAND'S GOLD MEDAL WINNERS

Peggy Boutillier of Baltimore, gold medal in field hockey.

Sonia Chase of Baltimore, gold medal in basketball.

John Criscione of Baltimore, gold medal in canoe/kayak—slalom, c-2 team.

Dana Rucker of Baltimore, gold medal in boxing—middleweight.

Jennifer Hearn of Bethesda, gold medal in canoe/kayak—slalom, k-1 team.

William Hearn of Bethesda, gold medal in canoe/kayak—slalom, c-1 team.

Steven Jennings of Bethesda, gold medal in field hockey.

Brian Parsons of Bethesda, gold medal in canoe/kayak—slalom, k-1 team.

Brent Wiesel of Bethesda, gold medal in canoe/kayak—slalom, k-1 team.

David Briles Jr. of Bowie, gold medal in soccer.

Clint Peay of Columbia, gold medal in soccer.

Zach Thornton of Edgewood, gold medal in soccer.

Carolyn Schwarz of Gaithersburg, gold medal in field hockey.

Kendra Cameron of Gambrills, gold medal in bowling—team.

Catherine Hearn of Garrett Park, gold medal in canoe/kayak—slalom, k-1 team.

Paul Dulebohn of Germantown, gold medal in figure skating—pairs.

Louis Bullock of Laurel, gold medal in basketball.

Tricia Burdt of Olney, gold medal in field hockey.

Joseph Criscione of Perry Hall, gold medal in canoe/kayak—slalom, c-2 team.

Kira Orr of Poolesville, gold medal in basketball.

Julie I-Wei Lu of Potomac, gold medal in table tennis.

Todd Sweeris of Rockville, gold medal in table tennis, singles.

Anthony Wood of Rockville, gold medal in soccer.

Amy Jun Feng of Wheaton, gold medal in table tennis—doubles and singles.●

RETIREMENT OF OFFICER WILLIAM DENNIS BAGIS

● Mr. KEMPTHORNE. Mr. President, during my first 2½ years as a U.S. Senator, I have had the privilege of getting to know many of the Capitol Hill Police officers. They are an exceptional group of men and women who enjoy what they do and are good at it.

At this time, I want to pay special tribute to Officer William Bagis who will retire from the Capitol Hill Police Force after 24 years of distinguished service.

Officer Bagis has served under six Presidents, from Nixon to Clinton, five Speakers, from Albert to GINGRICH; and five chiefs of police, from Powell to Abrecht. He has been a part of several firsts in the history of the Capitol: The first female officer hired by Capitol Police—1974; the first Presidential helicopter landing on the east front—Nixon, 1974; the first Presidential inauguration on the west front—Reagan, 1981; the first President to be sworn in in the rotunda—Reagan, 1985; the first time the Statue of Freedom was taken down in 130 years—1993.

He has served during the Vietnam demonstrations, Watergate, and the farmers' demonstration.

In my conversations with Officer Bagis, he has told me of his appreciation for the opportunity to have served Congress over these past 24 years.●

KEN HECHLER

● Mr. ROCKEFELLER. Mr. President: I rise today to salute a true Renaissance man, a great light in both national and West Virginia history: former Congressman Ken Hechler. Having recently celebrated the 50th anniversary of the World War II crossing of the Ludendorff Bridge at Remagen, Germany, it is fitting now to honor this combat historian and decorated officer who enshrined his memories of the victory in our hearts forever. However, heroism was not only his to behold and chronicle. Winning five battle stars and a Bronze Star in the European theater of the war, Ken Hechler is a hero of the West Virginia people.

A dedicated servant of the United States in time of war and peace, he left both a Princeton teaching career and his talented pen to serve under Presidents Roosevelt and Truman as researcher and speechwriter, then joined the Stevenson campaign. Serving in Congress from 1959 to 1977, Congressman Hechler was, in a short time, heralded for his integrity and noted by many as one of the most effective and insightful Members in the House. It should be noted that, although born in New York, in adopting West Virginia as his new native State, he demonstrated that he was very wise as well.

Ken Hechler gave voice to the voiceless among his West Virginia constituents. Fighting tirelessly for the rights of impoverished miners in the Appalachian coal fields, he decried the terrible conditions in the mines, calling them criminal. He struggled for mine safety legislation, unwilling to appease others unwilling to work toward change. After the Farmington and other mine disasters, arising from the tears of miners' widows, he helped enact the Mine Safety and Health Act of 1969.

His criticism of the mining conditions did not end there, however, as he became a strong advocate of environmental protection, railing against rampant pollution in West Virginia and strengthening legislation to improve air quality in the Nation. He crusaded against strip mining, helped protect wilderness areas, and in perhaps his greatest achievement, saved West Virginia's New River, the oldest river in North America, from a proposed dam project.

With a profound sense of history, love of honor, and independence of thought, Congressman Hechler throughout his career inspired many with his character and endeavors. After leaving Congress, he resumed teaching at Marshall University, served twice as a delegate to the Democratic National Convention, and began to write again. In 1984, he was elected secretary of state of West Virginia, a position he still holds today.

It is not often that we have the opportunity to laud such a great public figure as Ken Hechler. A consummate politician, he has been a consummate citizen as well. West Virginia is grateful to Dr. Hechler: he has kept hope in the hearts of the downtrodden and toiled for election reform for the public interest. The needs, financial and emotional, of his electorate were foremost in his social conscience. A true maverick, his life of selfless service is legend.•

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD:)

ISSUANCE OF THE ALICE PAUL STAMP

• Mr. BRADLEY. Mr. President, I rise today to celebrate the tremendous achievements of Alice Paul, a New Jerseyan, suffragist and dedicated believer in social justice. On August 18, 1995 the Alice Paul Centennial Foundation and the U.S. Postal Service will join together to celebrate a First Day of Issue Ceremony dedicating a new postal stamp that features Alice Paul.

Alice Stokes Paul, born in Mount Laurel, NJ in 1885, gave birth to the woman's rights movement, facilitating some of the most important political and legal achievements made by women in the 20th century. The date of August 26, 1995 marks the 75th anniversary of the passage of the 19th amendment, which granted women the right to vote. Accordingly, I am extremely pleased that it is at this time that the U.S. Postal Service has selected Alice Paul for their 78 cent stamp. Alice Paul's contributions to women's suffrage made possible the increased advancement and recognition of women in our society and throughout the world.

After graduating from Swarthmore College in 1905 as a social worker, Alice Paul studied in England for a doctoral degree in economics. It was there that she became involved in the British women's suffrage movement led by the Parkhursts. Those 3 years in England showed Alice that women would have to adopt revolutionary methods that would take the vote, not wait passively for it to be given.

Upon her return to America, Alice Paul reenergized the battle to win the right to vote for American women. In 1916, she founded the National Woman's Party, which worked to gain suffrage at the Federal level through a constitutional amendment. Proving to be an extraordinary organizer, fund-raiser, and politician, Alice Paul allowed nothing into her life that did not have a direct bearing on suffrage. In her later years, Alice often reminisced that she lived in a cold room so that she wouldn't be tempted to read novels late at night.

Alice Paul fostered an incredible solidarity in those around her. She organized massive demonstrations, picketing rallies, conventions, and hunger strikes that raised the profile of the suffragist movement, revitalized other women's rights groups and awakened the consciousness of the entire Nation to the women's suffrage issue.

Once the vote was won, when most suffragists believed that their work had ended, Alice Paul was just beginning her crusade. In 1923, 3 years after suffrage was granted, she authored the equal rights amendment, stipulating that neither the Federal Government nor States could abridge any rights on the basis of sex. From the date of its inception to its final passage by Congress for State ratification in 1972, Alice Paul kept the issue of the ERA alive before the Congress and State legislators for 54 years.

In addition to her efforts on behalf of the right to vote and the equal rights amendment, Alice Paul successfully campaigned to make the non-discrimination clause based on sex part of the 1964 Civil Rights Act. This clause granted women Federal protection for the first time in the realm of equal job protection and pay in the workplace. Furthermore, she worked to include equal rights clauses in the United Nations Charter and the United Nation's Declaration of Human Rights.

In 1977, Alice Paul died in Moorestown, NJ, leaving behind a legacy of dedication to women's rights and social justice. To the very end, she worked with the fervent desire to see the equal rights amendment become Federal law. Even at the age of 88, she was directing the struggle for the passage of the ERA in the Maine Legislature—from the telephone of a nursing home. Her life exemplified what she once said in response to a question about her unwavering steadiness in the cause of women's rights: "Well, I always thought once you put your hand on the plough you don't remove it until you get to the end of the row."

In the case of Alice Paul, this simple resolve left a legacy that has forever changed the lives of men and women throughout the world.•

THE DEATH OF A WORLD WAR II HERO, CAPT. CHARLES ASHLEY AUSTIN, JR.

• Mr. DODD. Mr. President, before Congress adjourns for recess, I ask my colleagues to join me in honoring a young World War II American pilot—Capt. Charles Ashley "C.A." Austin, Jr.—whose final acts of courage and sacrifice, while legendary in a little village in France, are largely unknown to most Americans. In her quest to reveal her fallen husband's heroism, Etta Rizzo Austin Lepore, who lives in Connecticut, has sought from the Army the posthumous bestowal of the full range of military honors on Captain Austin.

A choice of incredible valor ended the life of Capt. C.A. Austin. Jr., 50 years ago. On July 4, 1944, following a successful tactical bombing mission of German-occupied France, Captain Austin's P–47 Thunderbolt airplane was shot down by enemy fire. His disabled aircraft careened directly toward the French village of Limetz-Villet—to the horror of the villagers watching from the ground. Miraculously, it veered off its course of destruction and crashed in a nearby cornfield. Captain Austin was killed in the crash. The villagers of Limetz were convinced that Captain Austin could have bailed out and saved himself. But Austin chose to stay with the plane and, by maneuvering it from its burning trajectory, save the lives of the helpless people of Limetz. Those who witnessed Captain Austin's final moments have never forgotten the young man who traded his own life for the lives of their families and neighbors. In fact, the people of Limetz-Villet defied their Nazi occupiers when they buried Austin with full honors.

Because Captain Austin's plane had been separated from the squadron he commanded when it was hit by German antiaircraft fire, the returning pilots in his squadron did not know their captain's fate. He was reported missing in action. There were no official recommendations for Captain Austin to be awarded the highest military honors, namely, the Medal of Honor, the Distinguished Flying Cross, or the Bronze Star Medal, because no American serviceman had direct knowledge of the extraordinary circumstances of his death. In a letter from the mayor of Limetz, written in broken English a year after Captain Austin's death, Mrs. Lepore learned of the details of her husband's fate. The mayor wrote:

> (i)n a supreme effort the pilot succeed to place his airship in straight line and by wonderful bend . . . avoid the village . . . reaching a small plain far from many. . .

The people and descendants of those whose lives and homes Captain Austin spared revere him to this day, and his story has been woven into the lore of Limetz. Recently, on the 50th anniversary of Captain Austin's death, the villagers erected a monument in his memory. A stolen propeller from the wreckage of Captain Austin's plane, the Etta II, serves as the centerpiece of this memorial.

We Americans have spent much of this year commemorating and reflecting upon World War II—its battles and its strategy, its causes and consequences. We have questioned—as only latter generations can—the course it took. We have interpreted its drama in broad conceptualized strokes. Captain Austin's story brings into focus the reality that World War II—like all wars—consisted of the acts of individuals, either combined in the maelstrom of battling armies or—in the case of Captain Austin, singled out, separated from the confidence of the group, in places of extremity where private conscience provided the only compass.

Captain Austin's single act of grace stands out in the human consciousness. It fortifies a belief that something worthy of hope in the human spirit survives even the most brutal conflagrations of civilization. His is a story that ought to be told and woven into the American lore. Perhaps of all the characterizations of the American role in World War II, this is the most relevant: Hundreds of thousands of American soldiers sacrificed their lives for strangers—Capt. C.A. Austin not the least among them. And in this truth, Americans may glimpse a noble piece of our national identity.•

TRIBUTE TO JERRY GARCIA AND REX FOUNDATION

• Mr. ABRAHAM. Mr. President, I rise to discuss private arts funding in this country as envisioned under my proposal to privatize the Endowments, and at the same time to pay tribute to one of the Nation's most beloved and most philanthropic artists, Jerry Garcia. Jerry Garcia, acoustic guitarist, artist, and the spirit and soul of the Grateful Dead, died early yesterday morning.

As is well known, especially in light of the outpouring of grief across the country yesterday, Garcia and his band have attracted perhaps the most loyal and dedicated fans of any rock group. What is less well known, and is to the band's credit, is that Garcia's band also donated millions of private dollars to charitable causes—particularly to offbeat and undiscovered artists, through the Grateful Dead's philanthropic arm, the Rex Foundation.

The leader of that band died yesterday and I would like to pay tribute to Jerry Garcia and his spirit of genuine philanthropy by discussing one of his many charitable ventures, the Rex Foundation.

The Rex Foundation is precisely the sort of private philanthropy that opponents of my bill believe cannot exist, or will not exist in sufficient numbers to make up the 2 percent of private funding of the arts that the NEA now provides. Well, this one rock-and-roll band provided a million dollars a year to struggling artists, composers, and other charitable causes. And unlike NEA grants, Rex Foundation grants came with no strings attached.

Rex was established as an independent charity in the early eighties, what some call the decade of greed. The profits from the band's charity concerts—about $1 million a year—are funnelled into the Rex Foundation, named for road manager Donald Rex Jackson, who died in a car crash in 1976.

The Grateful Dead have played as many as five benefits a year for the Rex Foundation. Half of the royalties from the Ben & Jerry's ice-cream flavor "Cherry Garcia" go to the Rex Foundation. The rest of the foundation's money mainly comes from private donations. The band absorbs almost all of the administrative and personnel costs.

Rex money has had perhaps its greatest impact on modern symphonic music. Since its inception, the foundation has spent over $100,000 commissioning and recording works by avant-garde composers.

Composer Robert Simpson was much acclaimed but poorly remunerated for his work during a long career. At 73 years old, many of his works remained unrecorded. One day, he received a $10,000 money order from the Rex Foundation, out of the blue. The composer used the grant to help record his ninth symphony.

In addition to supporting obscure composers, the Rex Foundation has assisted saxophonist Pharaoh Sanders, bought uniforms for the finacially-strapped Lithuanian Olympic basketball team, set up scholarships that have enabled Salvadoran refugees to go to camp and Sioux women to study medicine, and financed programs to eradicate blindness in Nepal, clean up rivers in Alabama, protect striped bass in California and feed the homeless in Boston.

Rex Foundation money was used to record the prison gospel choir of San Quentin. In 1991, Grateful Dead drummer, Mickey Hart, helped bring the Gyoto Tantric Choir Tibetan monks to America. As the monks passed San quentin in a van, they said they felt the presence of trapped souls within.

They wanted to go right in, but Hart informed them that that might be a little difficult. When the monks later performed at San Quentin through the Rex Foundation they were able to see the prison's gospel choir perform. According to Hart, one prison guard began playing the drums and another played the organ. Guards and inmates were mixing and singing sacred songs.

The album, titled "He's All I Need," peaked at No. 28 on the Billboard gospel charts. All proceeds went to a fund earmarked for victims of the inmates.

And it's not just musical events the Rex Foundation has funded. Another recipient of Rex Foundation Funds was the Blue Moon, the historic University District tavern in Seattle which received a grant from the Rex Foundation to support three projects: Words on Wednesdays, the Pym Cup cash prize and "Point-No-Point," a literary journal.

Just a month ago, on July 30, 1995, the band performed a show at Deer Creek Music Center in Indiana and donated all the net proceeds—about $300,000—to the Rex Foundation. Some of the beneficiaries of that show were local charities: Hoosier Hills Food Bank; Broadway United Methodist Church, for a day camp program; Pleasant Run Children's Home; Health Net Community Health Centers; Horizon House; Prevention of Child Abuse, Indiana; Gleaners Food Bank; Habitat for Humanity.

The Rex Foundation has few hard and fast rules—the Grateful Dead have never been strict rule-followers for themselves or for anyone else. The Rex Foundation has no endowment, no fund-raising campaigns, and no paid staff. It solicits no grant proposals, rarely advertises its good works and raised almost all its money at rock concerts at which the Grateful Dead perform. Most of the 60 to 100 grants awarded each year go to recipients nominated by a body called the Circle of Deciders. It is composed of band members and their families, its 50 employees, and friends.

Of course, I cannot list every grant the Rex Foundation has ever made—and if I could there might well be some I would not like. But that is one of the greatest virtues of a private philanthropy such as the Rex Foundation: No Senator, Congressman or Government bureaucrat's approval is required.

So while we debate the appropriations to be afforded the Government agencies charged with funding arts and humanities, and debate as well as restrictions that must be attached to any Government distribution of taxpayer money, I think it is worth reflecting on the contributions to the arts and humanities made by Jerry Garcia's band, the Grateful Dead over the past 12 years—contributions made without taxpayer money, without offense to the people whose money is used, and—most strikingly—without self-congratulatory fanfare.

And also I would like to give my condolences to Jerry Garcia's family, friends, and fans, who mourn the passing of the artist, musician and generous spirit, Jerry Garcia.•

CONGRATULATIONS TO RAYMOND KNAPE FOR RECEIVING THE AQUINAS COLLEGE REFLECTION AWARD

• Mr. LEVIN. Mr. President, I rise today to pay tribute to Raymond E. Knape. In so doing, I join with the members of his community who are honoring Ray Knape on Wednesday, September 6, 1995, with the third annual Aquinas College Reflection Award.

This award is presented to Ray as someone who reflects the values of Grand Rapids, Michigan's Aquinas College. These values include commitment, vision, service, loyalty, integrity, and trust.

Ray is a native of Grand Rapids, MI. He graduated from Catholic Central High School in 1949 and Georgetown University in 1953 with a bachelor's degree in business administration. Ray proceeded to enter the University of Michigan and earn both a masters degree in business and a law degree.

Ray has served his country by joining the U.S. Naval Reserves in 1951. He went on active duty after his graduation from the University of Michigan. He served as an attorney at the Pensacola Naval Air Station in Florida and retired from the Naval Reserves as a captain in 1984.

In 1962 Ray joined Knape & Vogt Manufacturing, founded by his grandfather in 1898. Knape & Vogt is the largest manufacturer of adjustable wall shelving in the world and holds one third of the market. It is also the second largest manufacturer of drawer slides for wood office furniture and kitchen and utility cabinet makers. Ray became president of Knape & Vogt in 1985 and in 1989 attained his current position as chairman of the board.

Ray has been a community-oriented person throughout his life. He has generously contributed both his time and talents with many organizations including the Sierra Club of America, Junior Achievement, Aquinas and Davenport Colleges, Saint Mary's Hospital, the Grand Rapids Employers Association, the Grand Rapids Chamber of Commerce, the Symphony Board, and many others. He has been an active fund-raiser and tireless worker on behalf of his parish, St. Stephen's Church, and the Roman Catholic Diocese of Grand Rapids.

Mr. President, I ask you along with all of my colleagues in the Senate to join with me in extending our heartfelt congratulations to Raymond E. Knape in receiving the Aquinas College Reflection Award.•

TO DELAY IMPLEMENTATION OF THE ADMINISTRATION'S RANGELAND REFORM PROPOSAL

• Mr. THOMAS. Mr. President, the bipartisan amendment I am offering today addresses an issue that is critical to ranching families in my State of Wyoming and throughout the West. The initiative would put in place a 90-day moratorium on implementation of Secretary of Interior Bruce Babbitt's rangeland reform proposal, which is scheduled to take effect August 21, 1995. Soon after the Secretary released his plan on February 22, 1995, Senators PETE DOMENICI and LARRY CRAIG introduced S. 852, the Public Rangelands Management Act of 1995—of which I am an original cosponsor—to amend Bruce Babbitt's initiative. However, faced with a full legislative agenda and time constraints, the Congress was not able to take up and debate this issue before its scheduled summer recess.

As a result, a group of western Senators, myself included, met with Secretary Babbitt just this morning to ask him to refrain from putting his final rule in place administratively. Unfortunately, the Secretary was unwilling to work with us and grant additional time, which left no other alternative than to offer this amendment.

Mr. President, I believe this entire discussion comes down to a matter of fairness. If Bruce Babbitt's proposal would not have completely dismantled the way livestock grazing is conducted on public lands there would not be a need for action. As many will remember, 2 years ago the Secretary of Interior proposed a plan soundly rejected by people throughout the West because it would have forced many small-to medium-sized ranchers out of business. Congress sent a clear message to Mr. Babbitt by defeating his plans. Now, however, the Secretary intends to carry out his ideas administratively and believes Members of Congress should no longer have a voice in this issue.

I strongly disagree. What we are talking about here are the livelihoods of thousands of ranchers in my State and across the West. Folks everywhere tell me that if they are forced to live under the rules outlined in Bruce Babbitt's initiative, they could lose their business. I am not going to let that happen. We have made great progress on the Public Rangelands Management Act. It passed the Senate Energy and Natural Resources Committee with bipartisan support, and I am certain that with an additional 90 days the Senate will also pass this measure with the support of Republicans and Democrats alike. I would like to thank my colleagues who cosponsored this important amendment and I urge its adoption.•

THE 50TH ANNIVERSARY OF INDONESIAN INDEPENDENCE

• Mr. JOHNSTON. Mr. President, on August 17th, the Republic of Indonesia, one of America's strongest and best allies, will celebrate the 50th anniversary of its declaration of independence. It was on this day 50 years ago that this great friend ended 300 years of colonial rule by the Dutch. The United States, I am pleased to say, was the first to recognize Indonesia.

Since that momentous day one half century ago our two nations have enjoyed a warm and mutually supportive relationship. Indeed, Indonesia has proved this friendship time and time again in matters as diverse as votes in the United Nations and support of the United States position during the Vietnamese war.

Mr. President, on this anniversary it is also appropriate to pay tribute to President Soeharto under whose leadership, truly astonishing progress has been made. President Soeharto assumed control of the country in 1965 and was named Acting President by the national legislature 2 years later and was then formally elected to office in 1968.

Today, the adult illiteracy rate has been cut by two-thirds and primary education is now universal throughout the islands. Per capita income is over $900 a year, putting Indonesia at the edge of membership in the tigers groups. Life expectancy at birth has increased by 20 years, or 50 percent, and the rate of infant mortality has plummeted.

Perhaps the most telling measure of all, overall poverty rates, best illustrates the economic miracle which has occurred in Indonesia. From a rate of 60 percent in 1967, today less than 15 percent of the total population is now considered to live in poverty.

Indonesia's remarkable growth and development has affected every sector of society, every geographic area of this island nation, and all ethnic groups.

There is no question in my mind that these wise economic and social achievements have helped build and nurture this relatively new nation, and that the nation of Indonesia now rests on a solid foundation.

We in the United States along with our many friends in Asia and elsewhere have also benefited from the stability which has emerged in Indonesia. This stability has enabled Indonesia to move away from the earlier years of konfontasi and toward the regional leadership role Indonesia has asserted in promoting the peaceful resolution of disputes in Southeastern Asia including Cambodia and the Sprattlys. Indonesia has become an important voice of reason throughout Asia and the third world, and is a key part of a peaceful stable Pacific.

Mr. President, I know I am joined by my colleagues in sending our very best wishes to our great friend and ally, the Republic of Indonesia, and in sending our heartiest congratulations to its distinguished President.•

R&D INVESTMENT AND THE FUTURE OF THE U.S. ECONOMY

• Mr. LIEBERMAN. Mr. President, the Institute for the Future has completed an important report on the future of research and development in this country. This report makes the critical connection between research and development investment and the competitiveness of American industry. This important link between R&D and our economy must not be underestimated. Without sufficient investment in R&D today, we are destined to be losers in the global economic battles of tomorrow. Government and the private sector need to work as partners to make sure that our business remains competitive, bringing jobs and prosperity to our economy.

Congress is currently contemplating a major shift in our R&D policy. In their zeal to balance the budget, many Members have forgotten why we are striving to balance the budget. The reason we need to balance the budget is to increase our economic prosperity. Therefore, it is counterproductive to balance the budget by cutting spending in areas that are adding to our economic prosperity. We are on the verge of making the mistake of cutting investments in the very areas that we are trying to stimulate. R&D is one of those areas. We are making unprecedented cuts in R&D, departing from an R&D policy that has enjoyed bipartisan support for 50 years, since the end of World War II.

I have been working hard in support of research and development initiatives in Congress to promote many of the objectives put forth in the report from the Institute for the Future. We are currently engaged in a battle to save the Department of Commerce, business' seat at the Cabinet table. Those in Congress who seek to dismantle the Department of Commerce have not recognized that Government has a role to play in partnership with private industry to stimulate the technology development that will be the foundation of the next generation of products in the global marketplace. The Department of Commerce also performs the basic science that is required to set standards that are the critical benchmarks of modern industry. Other programs educate small- and mid-size industry in state-of-the-art technologies that allow them to compete in an increasingly fierce international competition for consumers. In addition to its R&D functions, the Department of Commerce performs trade functions that promote and protect our interests abroad.

Government also has the responsibility of providing an economic environment that promotes R&D in the private sector. I am currently involved in legislation in two areas that will have a significant impact on R&D investment. I am working on a bipartisan basis to draft legislation to make the R&D tax credit permanent and more inclusive. Business cannot function in an uncertain economic environment. To make good business decisions, particularly investment in R&D, business needs to have reliable and well defined tax laws regarding R&D tax credits. A permanent R&D tax credit will provide business with this certainty. I have also introduced a bill with Senator HATCH which provides a 50-percent across-the-board exclusion on capital gains with an increased exclusion for qualified small businesses. The bill has a dozen cosponsors, spanning the range of the Senate's political spectrum. This change in capital gains taxes should encourage capital investment, including investment in new businesses which are bringing new technologies to market, and new jobs to our work force.

These efforts are particularly important in the current economic climate. Decreasing product life-cycles and increasing competition is forcing industry to focus on shorter time scales, not the longer time horizons required for high risk R&D. We must make sure that there are incentives that encourage investment in long-range, high-risk R&D. These private sector programs, however, are only a complement, not a replacement for federally funded R&D efforts. The Government's role in science and technology tends to be longer term and in areas where industry does not invest. Industry is not prepared to undertake the risk that longer term R&D entails. Private sector R&D tends to be increasingly short-term, and focused on areas where there will be a clear short-term return. We need increasing investment in both Government and private sector R&D, yet we are faced with declining private sector R&D investment and major cuts by the new Congress in Government's R&D. Both of these problems must be addressed if the United States is to retain its economic leadership. Our competitors are increasing their investments in both R&D arenas.

I applaud the Institute for the Future in their efforts to research the current R&D climate and to delineate goals for the future. As partners, private industry and Government can lay the groundwork for effective investments in our future. At a recent event to introduce the report from the Institute for the Future, Dr. Mary Good, Under Secretary for Technology, U.S. Department of Commerce, and Richard J. Kogan, president and chief operating officer, Schering-Plough Corp., made statements concerning the critical role that research and development plays in our economy. I ask that these statements be printed in the RECORD.

The statements follow:

COMMENTS ON "THE FUTURE OF AMERICA'S RESEARCH-INTENSIVE INDUSTRIES," PREPARED BY THE INSTITUTE FOR THE FUTURE

(By Mary L. Good, Under Secretary for Technology, U.S. Department of Commerce, July 24, 1995)

First, let me say how pleased I am to have an opportunity to participate in this News Conference which announces the publication of the report entitled "The Future of America's Research-Intensive Industries". The Institute for the Future and the sponsors of this report are to be congratulated for their foresight and commitment to the long-term health of the U.S. economy. Clearly, the U.S. research-intensive industries have been one of the major vehicles for the country's economic growth since World War II. They have played a disproportionate role in the improvement of our standard of living, in the development of our industrial infrastructure, and particularly in establishing the United States as the world's leader in high-technology development. In many ways they have been the motivation for the creation of the world's leading higher education system because they generated the jobs that required high-quality graduate training in science and engineering. They appreciated and utilized the research output from our research universities, the national laboratories, and the mission agencies of the government, particularly Defense, NASA, and Energy. Less well recognized, they played a vital role in the success of entrepreneurial, high-tech startup companies that utilized the people and technology that was nurtured in their major research centers but did not meet their internal criteria for further inhouse development. Many of our successful high-tech startups over the last 30 years or so can trace their ancestry back to "parents" or "grandparents" in the research-intensive companies who grew and flourished in the years after World War II. In addition, they have provided the market for thousands of small companies, first, second and third tier suppliers who have flourished over the same period of time.

The success of this industry, as so capably defined by this report, has been the result of both government and business foresight in the development of a research and development infrastructure in the private sector, the government, and academia. This infrastructure provided the intellectual capital required for our industry to excel. However, it was developed at a time when the government motivation was substantially based on defense needs. The industry had a world competitive position that encouraged long-term investment in R&D that benefited it directly, and indirectly spilled over to provide great social benefit ranging from the creation of entirely new industries to the development of technology based, civilian infrastructure.

As the report documents, the end of the Cold War and the rise of many able competitors all over the world have changed dramatically the position and behavior of both the government and the industry in their role in the R&D infrastructure which has sustained them over the last 50 years. The questions addressed by the report are vital to our country's future and the ability of our children and grandchildren to enjoy the same opportunities and quality of life that we have. The conclusions of the report and their implications for public policy must not be ignored. The recommendations require active government participation with the industry in working out the new paradigm for R&D infrastructure which is appropriate for the 21st century. To suggest that the solution to these problems belongs to the industry alone and that it is time for the government to provide significantly less resources and investment in this area so vital to economic growth is to declare defeat in the economic security battles that are raging around the world today. Our future depends on the realignment of a greater share of our government funded R&D effort to civilian industries; the continued support of university research, both basic and applied science and engineering; the cultivation of a core of the "best and the brightest" students to seek an education in science and engineering; and the encouragement of industrial R&D growth over time. The global market of today may well create the forces which cause individual companies to realign and adjust their R&D resources to be economically successful. However, those same forces may cause the United States as a country to under-invest in the future where our R&D intensive industries are world players but not the overall contributors to the nation's well-being that they have been in the past. Thus, public policy must be developed which maintains the results of our Cold War policies but which is focused on programs and resource allocation which are appropriate for the new post-Cold War environment of today.

Let me conclude by commenting on each of the five recommendations for public policy listed in the conclusion of the report.

MAINTAIN FEDERAL SUPPORT FOR BASIC RESEARCH

This is a major priority for going forward. Not only must we maintain the portfolio in the universities funded by the civilian agencies like NSF and NIH, we must continue at least the current level of support from the mission agencies like Defense, NASA, Energy, and Agriculture. This university research includes a significant amount of applied and engineering research which must not be removed on the fallacious argument that the government's role should be limited to "basic research".

In addition, the role of a segment of the government laboratories in fundamental research must be re-examined and strengthened to provide facilities and long-term programs which support and supplement both the civilian industry and academic efforts.

ENCOURAGE LONG-TERM PRIVATE INVESTMENT FOR R&D

An environment must be created that induces both U.S. industry and U.S. subsidiaries of foreign-owned firms to invest in R&D and high-level manufacturing within the United States. Future high-paying and intellectually challenging jobs depend on this environment. Tax and investment policies which provide these incentives must be part of any public "technology policy".

LOWER GOVERNMENT-GENERATED RISK ASSOCIATED WITH INNOVATION

Public policy must address regulatory and litigation issues so that public interests are balanced against innovation incentives. The lost value of innovations *not done* because of regulatory and legal disincentives must be considered in the overall context of the optimization of public protection vs. private industry activities.

PROTECT INTELLECTUAL PROPERTY

In the market place, intellectual property is a major part of the competitive edge which justifies R&D expenditures. Without world-wide protection of that intellectual property, companies cannot capture the full value of their R&D investment through global sales with appropriate margins. As products and services become more knowledge-based and software intensive, the need for new paradigms in the protection of intellectual property will become more urgent. Clearly, public policy must focus on international trade relations as well as on domestic legislation if our companies can continue to reap the benefits of extensive R&D investments.

SUPPORT INDUSTRY COOPERATION ON R&D

As product live cycles continue to decrease and private industry spends less on enabling and emerging pre-competitive technologies, the need for better bridges between university and government research and the industrial sector become more urgent. Joint ventures and government-private partnerships provide rapid technology transfer and continue to technological infrastructure that has served us so well in the past. These activities must not be lost by ideological attacks on so-called "corporate welfare" and arguments about the government's role in industrial innovation. Programs which have been developed over the past five or six years such as the Advanced Technology Program in the Department of Commerce and the CRADA programs in the Department of Energy must be strengthened and continued. Overall a 5–10% portion of the federal R&D budget should be reserved for these partnership programs. They should encourage both government and academic interaction with industrial R&D and foster the kind of relationships where emerging technologies can develop and spin off new industries in a competitive time frame and new enabling technologies can be rapidly assimilated by the industry.

The response to these recommendations by today's policy makers and legislators will determine the quality of our country's future. The investments called for must be made in an era of great need to reduce the overall federal deficit and where the need for investments in education and continued support for the needy and the elderly must be found. Thus it is a time when a thoughtful review of government R&D activities is in order to prioritize the expenditures to meet the recommendations of today's report. Current budget resolutions in the House and Senate project a decrease of at least one-third of all federal government R&D expenditures by the year 2002 and a prohibition on all R&D partnership activities where the federal government funds any part of an industrial firm's civilian technology development. The appropriation process which is now underway for 1996 budgets would indicate that the plan is on track. Some $5–6 billion of the $34 billion or so of civilian R&D have been identified for reduction and most of the newer partnership programs have been severely reduced or eliminated. The Advanced Technology Program has been eliminated, the Technology Reinvestment Program in the Defense Department has almost been eliminated and the DOE CRADA budget has been reduced to a few million dollars. The report before us outlines why the industry will not and can not replace these activities. The discontinuity which will be caused by these budget actions, the consequent loss of thousands of R&D jobs, and the effect it will have on academic research departments will not be amenable to "quick fixes" next year or in the foreseeable future. We can only hope that this report and other current analyses will convince the public and the Congress that this approach is suicidal. A balanced budget will only be achieved by *both* government reductions *and* strategic investments in labor, capital and technology which will provide the economic growth and jobs of the future. This report goes a long way to explaining in clear terms why that is true.

Thank you.

"THE FUTURE OF AMERICA'S RESEARCH-INTENSIVE INDUSTRIES"

(By Richard J. Kogan, President and Chief Operating Officer, Schering-Plough Corp.)

Members of the Administration and Congress, distinguished scientists and professors, ladies and gentlemen:

Good morning. As the Institute's researchers have noted, pharmaceuticals and biotechnology are one of this nation's "top eight" R&D-based industries examined for their ability to continue their innovation track record.

Certainly, major challenges lie ahead for our industry. With biopharmaceutical industry R&D costs rising, it's increasingly difficult to repeat our previous innovation achievements that have made America the worldwide technological leader in medicine. Just as we cannot return to yesterday's markets, we cannot replicate our former R&D expenditures. Growth in industry R&D spending today is less than half the level of the early 1980s.

Schering-Plough in the 15-year period 1979–1994 spent almost $500 million to develop our recombinant alpha interferon, plunging ahead even when it initially appeared the drug would help only a handful of cancer patients. It took nearly 14 years of work before we saw a penny of return on that investment. Today, such an effort might not be made—nor our subsequent discovery that the drug can treat 16 cancer and viral diseases.

For pharmaceutical and biotech firms, the burning issue now is not only whether we can continue bringing products to patients that treat unconquered diseases, but whether we can continue covering the expenditure for leading-edge research. Our industry is currently responsible for more than 90 percent of all new U.S. drug discoveries.

Today's diseases—Alzheimer's, AIDS, heart and kidney disease, prostate cancer and arthritis—are far more complex than those successfully treated in the past. Moreover, many of today's most prevalent diseases—primarily chronic and degenerative conditions—are at the high-cost stage in the innovation cycle. If we cut investment in medical progress today, the consequence may be irrevocable and society may rue that decision for years to come.

The annual medical costs of only seven major uncured diseases account for about half of today's health care bill. However, many of those diseases are within reach of effective pharmaceutical control or cure. As biomedical technology progresses to that point, the total cost of treating these major ailments should drop sharply. If the cycle of innovation is disrupted, we run the risk of being trapped with today's higher-cost, less-effective options.

Today's rapidly changing health care market signals the continuing sense of urgency for optimal patient care and cost containment. By the same token, we must constantly remind ourselves that medical innovation is the most viable, long-term solution for cost-effective quality care—as the findings of the Institute study attest.

In 1995, an urgent task before U.S. policymakers should be to assure that the path of innovation remains open, unobstructed and attractive to investors. And, that statement applies across the aboard—from our industry that has cured polio, tuberculosis, measles and diphtheria to our fellow industries that have brought the world the laser, fiber optics, lightweight alloys, integrated circuits, the CAT scanner, and that have taken us into outer space.

Thank you.•

BOB SELTZER

• Mr. LEVIN. Mr. President, I want to take a few minutes of the Senate's time this evening to salute the career of one of the best among us. Tomorrow, Bob Seltzer is turning off his Senate computer terminal for the last time, analyzing his last floor debate, perhaps writing his last perceptive piece of policy analysis. After spending much of the last 17 years serving three different Senators, Bob is leaving Capitol Hill for less hectic pursuits. Along with the many people who have had the privilege of working with him, I will miss him very much.

Bob was teaching college in Detroit when I was lucky enough to get him to manage my first campaign for the U.S. Senate in 1978. Despite the odds against a city councilman like me winning his first statewide race, Bob maneuvered me into winning and followed me to Washington as the chief of my staff. We both dove into the challenges and opportunities of this institution, and he was at my side throughout my first 4 years. He set up my office, hired my staff, shaped my legislative program, wrote some speeches for me and endorsed me in many aspects of my job. Even after moving on to other challenges, Bob came back when I needed him for another stint on my staff as my communications director.

We learned the ways of Washington together, and we both developed a deep love for the Senate. He was as fascinated as I with its traditions and procedures, and he became one of a handful of students of the Senate who have a deep understanding of how and why things happen here the way they do. His unique, wry and creative sense of humor helped me and all those he worked with survive the many strains of Senate life. He enjoyed poking fun at himself. I relied on his political instincts and insights, and on his ability to tell me things straight. His grasp of the fundamental principles of what makes our complex society function and his incredible ability to analyze and explain a problem and argue for a solution to it were invaluable assets to this Senator.

That ability to paint word pictures of people and problems and their solutions which Bob has is truly remarkable. He can write about virtually any subject and bring it to vivid life, creating memorable images that stay with the listener or the reader. I remember, for example, the way he once described his suspicions about someone's guilt: "There may not be a smoking gun, but there's a trail of spent shells leading to his door." Even his internal office memos describing the most mundane administrative matters, which he claimed to be terrible at dealing with, contained priceless paragraphs of prose and self deprecating humor.

I would be less than truthful if I did not point out, however, that Bob did have a weakness in his writing style, a tendency toward excessive alliteration. Perhaps this grows out of his interest in literature, which he is going to pursue in the years ahead by opening a bookstore. One of his close friends and former coworkers, Chuck Cutolo, who also recently moved on from the Senate, called to say that if Bob were writing his own headline for the story of this departure, it would probably read something like "Seltzer Severs Senatorial Services; Banks on Books to Bring Him a Breather."

But this one weakness did not stop Bob from getting two other Senators to make him a key advisor after he left my staff. Senator HERB KOHL made Bob his legislative director, and he most recently has served Senator FRANK LAUTENBERG in that same capacity. They probably don't know it, but Bob continued to help me, in his spare time. He continued to be a political strategist and advisor, and I hope he continues to give me the benefit of his extraordinary skills and his trenchant wisdom.

When we came here together he was a young man. He's now old enough to be beloved. And that he is.•

NOMINATION OF JOHN J. CALLAHAN

• Mr. PRYOR. Mr. President, on July 21, 1995, the Senate Committee on Finance favorably reported the nomination of John J. Callahan for the position of Assistant Secretary for Management and Budget and Chief Financial Officer (ASMB/CFO) for the Department of Health and Human Services. I support Dr. Callahan's nomination and feel his expertise would be advantageous to this Department. The importance of this Department and its role in our society is immeasurable. For this reason it is crucial that this Department, like every other, be served by outstanding people such as Dr. Callahan.

For more than 25 years, John J. Callahan has had an exemplary public service record. He served in the United States Senate for over 15 years. During that period he served as Staff Director for the U.S. Senate Governmental Affairs Subcommittee on Intergovernmental Relations and the Subcommittee on Government Efficiency, Federalism, and the District of Columbia. His service also includes serving as Deputy Staff Director of the Senate Budget Committee and Chief of Staff to my good friend from Tennessee, former Senator Jim Sasser. Dr. Callahan's vast Congressional and budget experience should help him tremendously as he wrestles with the issues that HHS deals with every day.

Earlier in Dr. Callahan's public service career he was a Director at the National Conference of State Legislatures (NCSL). During that time he had the opportunity to conduct studies that helped State legislatures review their school finance plans to meet with educational mandates. Working for the State governments has given him the background needed to better link state and national government agencies, and to better interpret the effect of Federal requirements on State and local governments.

As Chief Financial Officer, Dr. Callahan will have the responsibility of handling the more than $300 billion budget that is allocated annually to HHS programs. He is ably credentialed for this task. Dr. Callahan's work at the Senate Budget Committee included assisting in the preparation of more than 20 Committee hearings and in the development and passage of two budget reconciliation bills (which together reduced projected deficits by nearly $1 trillion).

HHS is considered by many to be one of the most crucial entities of our government. This Department affects all Americans at some point or another in their lives. From childhood immunization programs to the supervision of Medicare, we will all eventually benefit from the services of this agency. The Assistant Secretary of Management and Budget has many responsibilities that help to make this a productive Department. John Callahan has the expertise and track record to run this office efficiently and purposefully. In a recent meeting with Dr. Callahan, we discussed his role in designing more efficient programs. John Callahan brings with him to this important post not only new and innovative ideas but invaluable experience that has taken him many years to acquire.

When it comes to the health of the people of the United States, we must make education and public awareness a top priority. John J. Callahan is a devoted student, having earned his Bachelor's Degree in Political Science at Fordham University, his Master's Degree in Regional Planning at Syracuse University and his Ph.D. in Social Science also at Syracuse. John has served as an Assistant Professor of Education and Planning at the University of Virginia and an adjunct professor at the USDA Graduate School and American University.

Further, John J. Callahan is a devoted family man. He is very supportive of his wife and three children. He wants to ensure a health future for his children as well as the children of our entire Nation.

I would like to conclude by saying that the Department of Health and Human Services has played a key role in today's health care debate. I have no doubt that our great Nation will pull together to find solutions to the problems that have been identified. The solutions will come from individuals like John Callahan, one who has devoted his lifetime to education, research and public service.

It is again my honor and pleasure to declare my full support for John J. Callahan's nomination to be the Assistant Secretary for Management and Budget and Chief Financial Officer of the Department of Health and Human Services.

I would like to thank Jeffrey C. Lederman for his capable work on development of this statement. Mr. Lederman is a medical student at the University of Medicine and Dentistry of New Jersey-School of Osteopathic Medicine who ably assisted by Aging Committee staff as a fellow over the last 2 months. We are grateful to Mr. Lederman for his service to the Committee. •

U.S. AIR FORCE AIR MOBILITY COMMAND

• Mr. BOND. Mr. President, I rise today to congratulate the Secretary, the Chief of Staff of the U.S. Air Force and the officers, men and women of the United States Air Force Air Mobility Command for their performance during the recently concluded reliability, maintainability, and availability evaluation of the C–17 Globemaster III. This aircraft, though controversial at the start has more than proven itself under intense scrutiny by the USAF testers, but most importantly it has proven itself to the men and women who load it, fly it, and maintain it.

During the RM&A evaluation, the C–17 and their crews transported 5,500 tons of Air Force and Army equipment, airdropped nearly 770,000 pounds, including Sheridan tanks and accommodated over 3,000 paratroopers of the 82d Airborne from Fort Bragg, NC and I send my congratulations to them as well. The C–17 flew more than 2,250 flight hours and 500 sorties with a 99-percent launch reliability rate.

We look for jointness in many of our procurements, the C–17 was built with this in mind. Its load capacity has been designed to carry Patriots, helicopters, humvees, main battle tanks, multiple launcher rocket systems and the Army's huge communications vans. These items can not only be transported but driven on and driven off of the aircraft * * * and in an austere environment. It can take the mission essential equipment to where the troops need it. It truly can carry the fight to the enemy * * * wherever he is.

And so Mr. President, I hope this puts to rest those critics of the C–17 who look to less flexible, limited commercial freight haulers to support the combat requirements of this Nation's military personnel. Again, I pass my congratulations and "a job well done" to all those involved in the C–17 program.•

LAURA HUDSON

• Mr. JOHNSTON. Mr. President, for almost 23 years I have been privileged to serve in the U.S. Senate. For some 20 of those years I have been blessed with the able assistance of Laura Hudson, who completes her Senate service this week, as my legislative director and indispensable right hand.

In so many ways, Laura personifies the best tradition of Senate service—beginning in one capacity and growing into so many more. The young history post-graduate, who took a legislative-correspondent position in my office in 1975, quickly grew beyond that and has been my invaluable counsel on a variety of legislative challenges over the years.

Her knowledge of the budgetary process is legendary among her colleagues. And her command of the appropriations process has no equal among those who serve on personal staffs in the Senate.

There are parks and preservation projects, in Louisiana and beyond which exist solely because of the personal commitment and legislative skill of Laura Hudson, whole regions of the globe, such as Micronesia, routinely neglected by many in the Congress, receive a respect and recognition in Washington due heavily to Laura's devotion. That component Closeup Program, which brings hundreds of students and teachers each year from the former Trust Territories of Micronesia, is but one example of Laura's passion.

Moreover, I am convinced that the relationship between our country and many of the developing and emerging economies of the world, such as China, Viet Nam, and Indonesia, profit in immeasurable ways from the understanding and leadership of staff persons such as Laura.

This is a woman, Mr. President, who has forsaken many opportunities in the private sector because of a deep belief in the merits of public service, and a belief in the simple tenet that she could make a difference. More than we often acknowledge, it is the Laura Hudsons who made a qualitative difference in our daily work product.

I know that Laura will continue to contribute, as only she can, to public policy. But I will miss her in a way immediate and direct, as will so many of her longtime colleagues in the Senate. But I know they join me in expressing appreciation and best wishes as Laura enters an exciting new chapter of her life.•

JUNEAU DRILL TEAM WORLD CHAMPIONS

Mr. STEVENS. Mr. President, the drill team from Juneau-Douglas High School in the capital of my State recently won the world championship International Dance-Drill Competition in Nagoya, Japan.

In recognition of their accomplishment, I ask that articles from the Juneau Empire detailing the team's achievements be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Juneau Empire, August 6, 1995]

DRILL TEAM WORLD CHAMPS!—JUNEAU GIRLS SWEEP ALL THREE CATEGORIES IN JAPAN

(By Mike Sica)

They're the best on the planet.

The Juneau-Douglas High School Drill Team dazzled the world, performing the best show, military and prop routines at the International Dance-Drill Competition today in Nagoya, Japan.

The girls also received a special award from the mayor of Nagoya.

Drill team head coach Leslie Dahl said it was hard to understand what was being said because it was all in Japanese.

"All I know is the mayor thinks we're the best," Dahl said.

So did the panel of judges who ranked the Juneau girls ahead of hundreds of other competitors spanning the globe.

The JDHS drill team finished ahead of two Japanese squads in the show routine, beat California and Australia in the military march, and topped Japan and California in the prop routine.

"This is beyond our wildest imaginations," an excited Dahl said over the phone just minutes after the announcement of the winners. "The girls had to push Jennifer Frederick (team captain) forward because she thought she had heard wrong, she just couldn't believe it."

Neither could Craig Dahl, Leslie's husband and a member of the Drill Team Dads. He didn't expect the girls to win the show routine, only because they had few props compared to their competitors in that category.

"I'm sure they drew the crowd into their routine," he figured. "It's exactly what they did in Long Beach (Calif.), when they won the three national titles" earlier this year.

Craig Dahl said the girls must have turned it on under pressure, captivating the audience with their energy and enthusiasm.

"It's absolutely fantastic, they're as good as we think they are," he added.

Juneau made the finals, making the first cut with their preliminary performances on Saturday. Leslie Dahl knew they were strong in the prop routine but thought they were shaky in the military march.

She was also concerned about the show routine because Juneau did not have props that the other teams from Japan had. Dahl said it was time to be daring.

"We decided to go for it in finals, show them what we really can do," she said. "We had nothing to lose."

There were about 7,000 people jam-packed in the huge arena in Nagoya, and they responded to the Juneau girls.

"It felt like we were in the Olympics, with the lighting turned down and spotlights flashing," Leslie Dahl said. "It was unbelievable, especially the way the people supported us."

The drill team will head back to Juneau on Monday. But they were off to a reception today, ready to exchange gifts and trade T-Shirts.

"A lot of Japanese students want to take pictures of the girls," she said. "They're not used to seeing girls so tall."

Craig Dahl said the sweep in the International competition was the drill team's way of thanking Juneau for its generosity.

"The whole community supported the girls and they repayed the town with three world titles," he said.

Leslie Dahl agreed.

"The girls worked so hard, and so did the community," she said before rushing to a bus that would take the Juneau girls to the reception honoring them.

"Juneau should be proud!"

So should Alaska and the United States.

[From the Juneau Empire, August 9, 1995]

THE CHAMPS RETURN—ENTHUSIASTIC CROWD GREETS DRILL TEAM AT AIRPORT

(By Mike Sica)

About 400 people celebrated the Juneau-Douglas High School Drill Team as most of its members returned home after winning three world championship trophies at an international competition in Japan.

The enthusiastic crowd at the Juneau Airport Tuesday carried balloons, flowers and placards. One sign said, "World's Greatest!" Another read, "JDHS Drill Team—The Pride of Alaska, The Pride of the USA."

And there was one that said, "The Best on the Planet," which has become the team's rallying cry.

Family, friends and fans waited anxiously for the team to arrive.

"I'm here to support my sister," 16-year-old James Roberts said of Jodi Timothy. "I want to congratulate her and give her a Coke."

Drill Team dad Jay Boone paced the floor, waiting to see his daughter Gretchen.

And Charlie and Barbara Mitchell joked about living with a world champion.

"We'll have to open our double doors wide enough to fit her head through," Barbara Mitchell said. "But really, we're just very proud of them all. They worked very hard and deserve this."

Linda Egan said she was excited for her daughter Leslie and the rest of the girls, "not just for winning but for the chance to meet people of different nationalities."

Charlotte Richards said her daughter Erin called about 4 a.m. Sunday (Alaska Standard Time), saying Saturday was the "the greatest day of her life."

"She wasn't talking about winning as much as meeting kids from other countries," the proud mother explained. "The amazing thing is that on the same day they won, Japan was observing the end of World War II.

"It's neat that the grandchildren of former enemies can enjoy each other so much."

Bart Rozell made the trip to Japan with his two daughters, Mariah and Rebecca. He said the Japanese were wonderful hosts.

"The atmosphere was so friendly and receptive," he said. "They treated our kids like celebrities, asking for autographs and wanting to have pictures taken with them.

"The girls had to pinch themselves, making sure it wasn't a dream."

There were lots of hugs, kissing and tears as the girls entered the airport lounge. The crowd then moved to the Taku Room for brief presentations.

Mayor and drill team parent Dennis Egan told the girls the city, state and country are proud of them. He then told a story about a fax he sent to his daughter Leslie.

"I told her, You still had to clean up your room when you get back, it looks exactly like it did when you left," Egan said.

The Juneau mayor announced a special community reception for the drill team will be held next Wednesday at 7 p.m. in Centennial Hall

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[From the Juneau Empire, August 9, 1995]

CAPTAIN'S COMEBACK HIGHLIGHTS RETURN—DRILL TEAM GETS WARM WELCOME IN RETURN HOME

(By Mike Sica)

Jennifer Frederick typifies the never-say-die attitude of the Juneau-Douglas High School Drill Team, going from wheelchair to world champ in less than a year and helping her teammates become "the best on the planet."

That phrase—which has become the team's slogan since it won world championships in the show, military and prop routines at the International Dance-Drill Competition in Nagoya, Japan last week—was repeated time and again Tuesday evening at the Juneau Airport as the Drill Team returned home to a hero's welcome.

A crowd of about 700 people made up of friends, family members and well-wishers packed the airport to congratulate the Drill Team.

Frederick, who almost died in a car wreck last September, was full of life as she addressed the huge crowd Tuesday night at the Juneau Airport.

"Thank you very much from our hearts for giving us this opportunity to go (to Japan)", said Frederick, who is the drill team captain. "It was amazing and wonderful, and we couldn't have done it without you."

The team raised about $60,000—mostly in Juneau—to pay for the trip.

Carrying three big trophies and a special award from Nagoya's mayor, they stepped into the departure lounge from the Alaska Airlines jet that brought them home.

The crowd cheered each team member individually, from coaches Leslie Dahl and Evonne Noonan to 16 of the 20 girls who competed in Japan. Four other drill team members stayed in the Lower 48 on family vacations.

Longtime high school basketball coach Jim Hamey was one of many people on the evening to remark in disbelief about the team's success.

"I've seen them quite a bit and they know I'm a big fan," he said. "They work so hard and are disciplined. The staff and students at the high school are very proud of them."

Hamey said whenever he's concerned about the work ethic of his basketball players, he tells them to go watch the drill team practice. He then joked about wishing he coached the drill team after seeing the huge crowd welcoming them home at the airport.

After being introduced as the coach of the "best drill team on the plant," Leslie Dahl praised the community for its generosity.

"The people in Japan asked us how many years it took to raise the money for our trip," she said.

It took less than two months to collect the $60,000.

Dahl said the Japanese treated the Juneau girls "like heroes."

Erin Richards said the Korean and Japanese kids followed the Drill Team everywhere.

"The asked me about my hobbies, kept touching my hair and wanted me to sing a song," she explained. I sang 'The Rose,' by Bette Midler. They said I had beautiful eyes and that I looked like a movie star.

"They were the sweetest people on earth * * * it's the nicest I've ever been treated by people who didn't know me."

For team captain Frederick, the Japan trip was the culmination of an incredible comeback.

She suffered 19 fractures and punctured a lung in a car crash on September 6. She took 18 units of blood and was put on a ventilator as she laid unconscious for several days at Seattle's Harborview Medical Center.

Her mother Susan said the first thing her daughter talked about when she came out of her coma was the drill team.

"She woke up in intensive care asking if Leslie and her teammates knew about the accident," said her mother Susan.

Her father David said the coaches and girls were responsible for his daughter's amazing recovery.

"I can't say enough things about Leslie, Evonne and the girls," David Frederick said. They really pulled her through, making her feel like she belonged to the team and was needed.

"There's no doubt in my mind that they made her more determined to recover."

"I knew I'd be back on the drill team again," Jennifer Frederick said Monday night. "My coaches, my teammates, my family and the community helped me get better faster."

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR TOMORROW

Mr. STEVENS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9 a.m. on Friday, August 11, and following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and the Senate then immediately resume consideration of the defense appropriations bill, with 15 minutes of debate remaining on the Bumpers amendment, No. 2398, with 10 minutes allocated to Senator BUMPERS and 5 to myself, to be followed by 15 minutes of debate on the Harkin amendment, No. 2400, with 10 reserved for Senator HARKIN and 5 for myself, to be followed by 4 minutes of debate equally divided on the Kerry motion to recommit; provided further that following the debate, the Senate proceed immediately to a vote on or in relation to the Bumpers amendment, No. 2398, to be followed by a vote on or in relation to the Harkin amendment, No. 2400, to be followed by a vote on or in relation to the Kerry motion to recommit. And I further ask unanimous consent that the votes on the second and third amendments be limited to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 83–420, as amended by Public Law 99–371, appoints the following Senator to the Board of Trustees of Gallaudet University: The Senator from Arizona, [Mr. MCCAIN].

The Chair, on behalf of the Vice President, pursuant to 93–642, appoints the following Senators to be members of the Harry S. Truman Scholarship Foundation Board Trustees: The Senator from Missouri, [Mr. BOND] and The Senator from Montana [Mr. BAUCUS].

PROGRAM

Mr. STEVENS. Mr. President, for the information of all Senators, the Senate will resume consideration of the Defense appropriations bill at 9 a.m. tomorrow with a series of consecutive rollcall votes occurring at approximately 9:30. Additional amendments will still be pending following the three previously mentioned votes. Therefore, additional votes are possible.

Also, for the information of our colleagues, if an agreement has not been reached on the Department of Defense authorization bill, a cloture vote would occur on the Defense authorization bill during Friday's session.

I now ask unanimous consent that the cloture vote scheduled to occur on that bill, the Department of Defense authorization bill, be postponed to occur at a time to be determined by the majority leader, after consultation with the Democratic leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. All Members should be on notice that rollcall votes are expected throughout Friday's session. Also, Senators are reminded that under rule XXII, Members have 1 hour prior to the cloture vote in order to file second-degree amendments to the Department of Defense authorization bill.

Again, Senators are reminded that a serious of rollcall votes will begin at approximately 9:30 a.m. tomorrow.

RECESS UNTIL 9 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there is no further business to come before the Senate—I see none and I hear none—I ask that the Senate now stand in recess under the previous order.

There being no objection, the Senate at 11:25 p.m. recessed until tomorrow, Friday, August 11, 1995, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate August 10, 1995:

SOCIAL SECURITY ADMINISTRATION

WILLIAM C. BROOKS, OF MICHIGAN, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD FOR A TERM OF 2 YEARS EXPIRING SEPTEMBER 30, 1996. (NEW POSITION.)

HARLAN MATHEWS, OF TENNESSEE, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD FOR A TERM OF 6 YEARS EXPIRING SEPTEMBER 30, 2000. (NEW POSITION.)

GERALD M. SHEA, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE SOCIAL SECURITY ADVISORY BOARD FOR A TERM OF 4 YEARS EXPIRING SEPTEMBER 30, 1998. (NEW POSITION.)

DAVID C. WILLIAMS, OF ILLINOIS, TO BE INSPECTOR GENERAL, SOCIAL SECURITY ADMINISTRATION. (NEW POSITION.)

LINDA COLVIN RHODES, OF PENNSYLVANIA, TO BE DEPUTY COMMISSIONER OF SOCIAL SECURITY FOR THE TERM EXPIRING JANUARY 19, 2001. (NEW POSITION.)

HARRY S TRUMAN SCHOLARSHIP FOUNDATION

MEL CARNAHAN, OF MISSOURI, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE HARRY S TRUMAN SCHOLARSHIP FOUNDATION FOR A TERM EXPIRING DECEMBER 10, 1999, VICE TERRY EDWARD BRANSTAD, TERM EXPIRED.

THE JUDICIARY

BRUCE D. BLACK, OF NEW MEXICO, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF NEW MEXICO, VICE JUAN GUERRERO BURCIAGA, RETIRED.

SUSAN J. DLOTT, OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF OHIO, VICE S. ARTHUR SPIEGEL, RETIRED.

HUGH LAWSON, OF GEORGIA, TO BE U.S. DISTRICT JUDGE FOR THE MIDDLE DISTRICT OF GEORGIA, VICE WILBUR D. OWENS, JR., RETIRED.

HILDA G. TAGLE, OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF TEXAS, VICE A NEW POSITION CREATED BY PUBLIC LAW 101–650, APPROVED DECEMBER 1, 1990.

KIM MCLANE WARDLAW, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA, VICE DAVID V. KENYON, RETIRED.

E. RICHARD WEBBER, OF MISSOURI, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF MISSOURI, VICE EDWARD L. FILIPPINE, RETIRED.

JAMES MADISON MEMORIAL FELLOWSHIP FOUNDATION

ZELL MILLER, OF GEORGIA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE JAMES MADISON FELLOWSHIP FOUNDATION FOR A TERM EXPIRING NOVEMBER 6, 1995, VICE CARROLL A. CAMPBELL, JR., TERM EXPIRED.

ZELL MILLER, OF GEORGIA, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE JAMES MADISON FELLOWSHIP FOUNDATION FOR A TERM EXPIRING NOVEMBER 6, 2001. (REAPPOINTMENT.)

DEPARTMENT OF JUSTICE

D.W. BRANSOM, JR., OF TEXAS, TO BE U.S. MARSHALL FOR THE NORTHERN DISTRICT OF TEXAS FOR THE TERM OF 4 YEARS, VICE W. BRUCE BEATY.

FRANK POLICARO, JR., OF PENNSYLVANIA, TO BE U.S. MARSHAL FOR THE WESTERN DISTRICT OF PENNSYLVANIA FOR THE TERM OF 4 YEARS, VICE EUGENE V. MARZULLO.

STATE JUSTICE INSTITUTE

JOSEPH FRANCIS BACA, OF NEW MEXICO, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE STATE JUSTICE INSTITUTE FOR A TERM EXPIRING SEPTEMBER 17, 1998. (REAPPOINTMENT.)

DAVID ALLEN BROCK, OF NEW JERSEY, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE STATE JUSTICE INSTITUTE FOR A TERM EXPIRING SEPTEMBER 17, 1998. (REAPPOINTMENT.)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HAL C. DE CELL III, OF MISSISSIPPI, TO BE AN ASSISTANT SECRETARY OF HOUSE AND URBAN DEVELOPMENT, VICE WILLIAM J. GILMARTIN.

ELIZABETH K. JULIAN, OF TEXAS, TO BE AN ASSISTANT SECRETARY OF HOUSE AND URBAN DEVELOPMENT, VICE ROBERTA ACHTENBERG, RESIGNED.

KEVIN G. CHAVERS, OF PENNSYLVANIA, TO BE PRESIDENT, GOVERNMENT NATIONAL MORTGAGE ASSOCIATION, VICE DWIGHT P. ROBINSON.

DEPARTMENT OF TRANSPORTATION

NANCY E. MCFADDEN, OF CALIFORNIA, TO BE GENERAL COUNSEL OF THE DEPARTMENT OF TRANSPORTATION, VICE STEPHEN H. KAPLAN, RESIGNED.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

ELI J. SEGAL, OF MASSACHUSETTS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE FOR THE REMAINDER OF THE TERM EXPIRING FEBRUARY 8, 1999, VICE JAMES A. JOSEPH.

LEGAL SERVICES CORPORATION

HULETT HALL ASKEW, OF GEORGIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION FOR A TERM EXPIRING JULY 13, 1998. (REAPPOINTMENT.)

EDNA FAIRBANKS-WILLIAMS, OF VERMONT, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION FOR A TERM EXPIRING JULY 13, 1998. (REAPPOINTMENT.)

U.S. INSTITUTE OF PEACE

CHESTER A. CROCKER, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 1999. (REAPPOINTMENT.)

THEORDORE M. HESBURGH, OF INDIANA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 1999. (REAPPOINTMENT.)

MAX M. KAMPELMAN, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 1999. (REAPPOINTMENT.)

IN THE ARMY

THE FOLLOWING NAMED OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 3383 AND 12203(A):

ARMY PROMOTION LIST

To be colonel

DAVID G. BARTON [redacted]
HOWARD G. BECKER [redacted]
TROY L. BOOKER [redacted]
WILLIAM J. HAWES [redacted]
MICHAEL HESS [redacted]
VANCE R. HIGHSMITH [redacted]
ROBERT R. JORDAN [redacted]
DENNIS W. KELLY [redacted]
CHARLES J. KIBERT [redacted]
JAMES R. LEE [redacted]
CHARLES R. MILLAR [redacted]
NICK MONTEFORTE [redacted]
RONALD G. PEARSON [redacted]
NESTOR D. RAMIREZCUEBAS [redacted]
MICHAEL N. RAY [redacted]
TERRELL W. ROWAN [redacted]
STANALAND A. SEERY [redacted]
JERRY J. SHOEMAKER [redacted]
DAVID J. SUTHERLAND [redacted]

To be lieutenant colonel

ROBERT G. ANISKO [redacted]
DANIEL L. JOLING [redacted]
LARRY T. KIMMICH [redacted]
RANDY W. KING [redacted]
NORRIS R. MIKEAL [redacted]
CHARLES R. NEARHOOD [redacted]
MARK D. NYVOLD [redacted]
COLLEEN P. PARKER [redacted]
ROBERT REINKE, JR. [redacted]
WILLIAM J. SIMMONS [redacted]
JACK I. WIER, JR. [redacted]

CHAPLAIN CORPS

To be colonel

JOHNNIE L. DICKSON [redacted]
DAVID L. FLEMING [redacted]

EVERETT L. WRIGHT [redacted]

MEDICAL CORPS

To be lieutenant colonel

PAUL W. SUTHERLAND, JR [redacted]

DENISE L. WINLAND [redacted]

SENATE—*Friday, August 11, 1995*

(Legislative day of Monday, July 10, 1995)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND.]

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Let us pray:

Gracious God, You have been faithful to help us when we have asked for Your guidance and strength. May we be as quick to praise You for what You have done for us in the past, as we are to ask You to bless us in the future. We have come to You in crises, and difficulties; You have been on time and in time in Your interventions. Thank You Lord for Your providential care of this Senate as it has dealt with an immense load of work.

Now, as a much-needed recess is taken, we thank You for all the people who make it possible for the Senate to function effectively. Especially we thank You for the Senators' staffs and all those here in the Senate chambers who work cheerfully and diligently for long hours to keep the legislative process moving smoothly. Help us to take no one for granted and express our gratitude to each one.

Lord, when this day's work is done, give us refreshment of mind, spirit, and body. Watch over us as we are absent from each other and bring us back in September with renewed dedication to You and this great Nation we serve. Amen.

RECOGNITION OF ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Alaska is recognized.

THE CHAPLAIN'S PRAYER

Mr. STEVENS. Mr. President, we thank the Senate Chaplain for those words of guidance. We must make sure the days of rest do not pass too quickly.

SCHEDULE

Mr. STEVENS. Mr. President, this morning, the leader has asked to reserve the time for both leaders. The Senate will immediately resume consideration of the Defense appropriations bill. There are allotted times of debate. There will be three consecutive votes that should begin approximately at 9:30 this morning.

I yield briefly to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I ask unanimous consent for 2 minutes to introduce a piece of legislation.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(The remarks of Mr. HATFIELD pertaining to the introduction of S. 1183 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. HATFIELD. I thank my colleagues for yielding.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

The PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1087, which the clerk will report.

The assistant legislative clerk read as follows:

> A bill (S. 1087) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

(1) Hutchison amendment No. 2396, to provide for the management of defense nuclear stockpile resources.

(2) Bumpers amendment No. 2398, to reduce the amount of money provided for the Trident II missile program.

(3) Harkin amendment No. 2400, to delete funding for the upgrade of the Kiowa Warrior light scout helicopters.

(4) Stevens amendment No. 2424, to rescind funds for berthing barges.

(5) Kerry motion to recommit the bill to the Committee on Appropriations with instructions.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Alaska.

Mr. STEVENS. There is now time allotted for the Senator from Arkansas, 10 minutes for the Senator from Arkansas and 5 minutes in opposition, to be followed by a similar period for Senator HARKIN, an equal number of minutes on each side, and then the time sought by Senator KERRY on a motion to recommit.

AMENDMENT NO. 2398

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum for about 2 minutes.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I seriously considered not offering this amendment because obviously I will not win. As a matter of fact, I do not think a single amendment that has been proposed to change this bill has prevailed.

It causes me a great deal of despair to think about how we almost relish cutting education, the arts, public broadcasting—just about everything in nondefense discretionary spending—but you cannot take a penny out of this bill despite the fact it contains almost $7 billion more than the Pentagon requested. And when you ask: "Why are we putting $7 billion more in it than our President and military leaders want?" the answer is, essentially, "What do they know?"

So here I am offering an amendment that I have offered for the last 2 years—this will be the third year—a chance to save well over $4 billion, $4.5 billion to be precise, and I might get 30, possibly 40 votes, despite the fact that people in the Navy itself and in the Defense Department will tell you that the logic of this amendment is unassailable.

We have eight Trident submarines in the Pacific Ocean. We have 10 in the Atlantic. The ones in the Atlantic fleet are equipped with a missile called the D–5 or the Trident II missile. The eight submarines in the Pacific are equipped with a missile called the C–4, or Trident I missile. This amendment simply prevents the Navy from starting to spend money in 1996 to backfit the eight submarines in the Pacific to carry the D–5 missile.

We are testing C–4 missiles every year. And they are just fine. The tests are perfectly satisfactory. But here is the key to this amendment. Here is what Martin Meth, Director of the DOD Weapon Support Improvement Group, said on November 9, 1992. Now, this is as good an authority as you can get on C–4 and D–5 missiles and on the Trident submarines.

Listen to this:

> There are no obvious life limiting modes or logistics barriers to extending the service life of the currently deployed C–4 missiles to the year 2016. Therefore, I would recommend that any Navy plans for either restoring the C–4 missiles or D–5 missile backfit should not be supported.

We are getting ready to backfit, take the C–4's off those Trident submarines in the Pacific and replace them with D–

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

5's, despite the fact that the C–4 missile will last as long as the submarines they are on.

And what do you get? What are you going to get for this $4.5 billion? Listen to this. The C–4 has an unclassified range of 4,000 nautical miles. It can hit any place you want to hit. The D–5 has something in excess of 4,000 miles. The C–4 has what we call a circular error probability of 300 meters. That means if you fire it, the warheads, half of them will fall within 300 meters of the target.

Let me restate that. On the C–4—the C–4—50 percent of the warheads will hit within 300 meters of the target. And the D–5 will hit within 150 meters.

So for $4.5 billion, with a 100-kiloton warhead that will destroy everything for miles around, you get a warhead that will hit 150 meters closer to the target, 450 feet.

It is the most asinine thing I can imagine, to spend $4.5 billion to replace a missile that is that accurate, that has that life expectancy. And, incidentally, they are only going to backfit four of the Trident I subs. They will take the other four out of service. And the four they will backfit will be out of service by the year 2016, and, as I said, the Pentagon says the C–4 missiles will last just as long.

You just cannot find enough places to put money to satisfy most Members of the Senate, as long as it explodes. You cannot get 10 cents around here for something that will not explode.

And I will tell you what we are going to wind up with. We are going to wind up with a nation exploding with ignorance because of our misplaced priorities.

I will tell you what is despairing, what is so depressing. It is that you study these issues, you attend committee meetings, you listen to the chiefs of the military services. They tell you what is doable, what is not doable, what they want, what they do not want. We mark up the bill and we bring it to the floor. And no matter how meritorious your amendment may be, if it conflicts with the bill, the distinguished chairman of the committee—who is my friend, he has a right to do it—he just gets up and says, "I move to table the amendment." People walk through that door over there. He gives them the signal to vote "aye" or to vote "no." Many do not have a clue to what the amendment is about.

These are complicated subjects. I admit that. But you cannot get anybody's attention on these issues. I have been given 10 minutes this morning to explain an immensely complex amendment that would save $4.5 billion. If all 100 Senators were sitting on the floor, I might be able to convince them. But otherwise we will never get this budget under control until we have campaign finance reform. Here is $4.5 billion you might as well throw off the Washington Monument. It will do you just as much good.

So, Mr. President, I am not going to belabor the point. Here is just another case. We have had case after case since we have been on this bill where the Pentagon says, "No, we do not want to do it." Now, I admit, the Navy wants to do this. The Navy wants to backfit. But the people who understand the weaponry say it is a waste. The sum of $4.5 billion to retrofit four submarines, which in all probability, if we ever get to START III, we will even have to take out of service before their service life expectancy ends.

You know, if we had somebody to shoot at, maybe this would make some sense. I have said a half dozen times on the floor, and it is worth repeating, if I had made the offer to my colleagues 10 years ago, What would you give in defense spending to get rid of the Soviet Union? I daresay the least percentage that anybody would have given me is to say we could cut Defense by 30 percent if we did not have the Soviet Union.

Now, the Soviet Union's bombers, the Russian bombers, are not on alert. Their missiles are not targeted at us. And they are destroying ballistic missile submarines and ICBM silos. And what are we doing? We are putting $7 billion more in the Defense budget than the Pentagon asked for, and continuing to spend twice as much money as our eight most likely adversaries combined.

On a personal note, this morning at breakfast my wife said, "What are you going to do, Dale?" I said, "I am going to fight another fight with the windmills. I love jousting with windmills."

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUMPERS. I ask for an additional 2 minutes, Mr. President?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. BUMPERS. "Go down there and find a battle." I said, "I probably won't even offer it or I will withdraw it." On the way down I thought, "No. Let's just let everybody vote for another $4.5 billion. Maybe, if this whole thing will get so bad, the President will veto the bill."

So, Mr. President, I am not going to withdraw it. I am going to let everybody vote on it. And they can go home and tell folks about how those old Russians used to be the Soviet Union, now the Russians or North Koreans or somebody else is going to come up the Potomac River and get us. I have listened to that for 21 years. I heard that every year since I have been here.

Everybody wonders why we have a $4.5 trillion debt and why we have such a terrible time getting our deficit under control. And in the last 20 years—you listen to this, colleagues—nondefense discretionary spending—immunization of children, education, law enforcement, highways, everything that goes in the making us a decent, civilized nation—has gone down. You think of that. The budget is about three times higher than it was in 1970, and nondefense domestic discretionary spending has gone down. And defense spending is up about 100 percent. I think the first budget I saw when I came here in 1975 was $145 billion.

And so many Senators get up here and say, oh, defense spending has gone down in real dollars. When we wake up and realize the security of this Nation does not just depend on how many tanks and planes and guns and bombs we have, it will be too late.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUMPERS. I yield the floor.

The PRESIDING OFFICER. Under the order, the Senator from Alaska has 5 minutes.

The Senator from Hawaii.

Mr. INOUYE. Mr. President, it does not give me any pleasure to speak in opposition, because my friend is always eloquent and impressive. But most sincerely, I believe my friend is not correct in this instance.

First of all, there is no buildup in the U.S. nuclear forces; 8 years ago, when we began our drawdown, we also retired a few of our submarines. In fact, we retired 50 of them. As a result, 30 Poseidon and Trident I submarines are now in drydock.

Second, one would conclude that from this presentation there must be cost savings. This amendment calls for the deletion of $150 million. It is a whole lot of money, but if this amendment is adopted then we will have to add $250 million to close up the production and to provide for replacement parts—$250 million.

Is the D–5 necessary? I have a letter dated August 11, 1995, from the Department of the Navy, Secretary of the Navy, and I am going to read the last paragraph:

> The D–5 missile, currently in production, has greater range, better reliability, much improved accuracy and most importantly, twice the design life of its predecessor, the C–4, which ceased production in 1987. Even with an aggressive and expensive sustainment program, the C–4 cannot be expected to last the projected life of the submarines which carry them. Therefore, the C–4 will require substantial and costly life extension efforts or replacement by another missile. The most sensible and cost-effective approach to this issue is to continue procurement of D–5 missiles and continue planning for backfit for four submarines.
>
> Your continued support is appreciated. John H. Dalton, Secretary of the Navy.

If we end the production, it could also reduce incentives for Russia to implement both START and START II. While there is every indication that START I and START II will ultimately enter into force, I think it is both premature and unwise to make major force structure decisions, such as immediately stopping D-5 missile production.

Terminating production of the D-5 at this time will severely degrade the capability of our strategic forces. The D-5 missile provides for better accuracy, as the Secretary stated and, therefore, Mr. President, I hope that my colleagues will oppose this amendment and support the management of the bill.

The PRESIDING OFFICER. Does the Senator yield his remaining time?

Mr. STEVENS. How much time remains?

The PRESIDING OFFICER. There is 1 minute.

Mr. INOUYE. I yield back time.

Mr. STEVENS. Is there any time for the Senator from Arkansas?

The PRESIDING OFFICER. No; his time has expired.

Mr. STEVENS. Mr. President, we have been requested not to start the next amendment until 9:30. That was the understanding. If the Senator from Arkansas would like a few more minutes, we will be happy to let him speak.

Mr. BUMPERS. I thank the Senator very much, if I may take a few minutes.

Mr. STEVENS. Mr. President, I ask unanimous consent that there be 2 minutes for the Senator from Arkansas and the remainder to the Senator from Hawaii, and then we will start the vote at 9:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, let me clarify one thing. My amendment takes the $120 million out that starts us down the road to backfitting these Trident submarines. Bear in mind it is always that way, the first $120 million does not amount to much. When you vote against this amendment, you are voting to go ahead and do the backfit. You are talking about $4.5 billion. But all this amendment does is postpone the decision on whether to embark on this program or not. We have at least 3 years to make this decision.

My good friend, the Senator from Hawaii, has said that this will close the line down. I do not understand that argument because there are six D-5 missiles in this bill, and I do not touch them. I am not trying to stop the production of those six D-5 missiles, so there is no threat of closing the line down.

All I am saying is, let us postpone the decision on whether we are going to backfit these missiles for at least a couple of years, because if the Russians do ratify START II, we are going to be right off on START III and Trident submarines are going to be a part of the START III talks.

So, Mr. President, it is an opportunity to jeopardize defense not one whit and make a sensible decision that later on may save us $4.5 billion.

As I say, let me point out one more time, that even the Navy will tell you the C-4 missiles, which are on these submarines right now, will last as long as the submarines will. So when you start on this $4.5 billion program, I will tell you what you get. You get a warhead that will land 150 meters closer to its target, and when you are talking about a 100-kiloton weapon, who cares?

Mr. President, I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Hawaii.

Mr. INOUYE. Mr. President, once again, I note for my colleagues that we have received a letter from the Secretary of the Navy, dated this morning, requesting our support for continued D-5 missile production.

I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, DC, August 11, 1995.

Hon. TED STEVENS,
Chairman, Subcommittee on Defense, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Last year's comprehensive Nuclear Posture Review recommended a START II compliant strategic deterrent force for the United States which the President approved. The continuing importance of our strategic TRIAD in providing a survivable, responsive, and flexible deterrent was reaffirmed in the force structure defined by the review.

When START II enters into force, the fourteen TRIDENT submarines which comprise the Navy portion of the TRIAD will represent our only day-to-day survivable leg of the TRIAD. Only ten submarines have been or will be completed with the newer 5-D missile. Four of the remaining eight ships require backfit to carry the D-5. In concluding that backfit of these submarines was the proper course for the nation, the Nuclear Posture Review recognized the improved military effectiveness and reliability of the D-5, the operational and fiscal efficiencies which accrue from maintaining only one strategic missile in the fleet, and the need to ensure that missile service life is matched to that of the submarines which carry them.

The D-5 missile, currently in production, has greater range, better reliability, much improved accuracy, and most importantly, twice the design life of its predecessor, the C-4, which ceased production in 1987. Even with an aggressive and expensive sustainment program, the C-4 cannot be expected to last the projected life of the submarines which carry them. Therefore, the C-4 will require substantial and costly life extension efforts or replacement by another missile. The most sensible and cost-effective approach to this issue is to continue procurement of D-5 missiles and continue planning for backfit for four submarines.

Your continued support is appreciated.

Sincerely,

JOHN H. DALTON,
Secretary of the Navy.

Mr. STEVENS. Mr. President, we do understand the feelings of the Senator from Arkansas. However, I remind the Senate that missile production continues in Russia. We still have this force to maintain, and we are following the request of the Navy which, as the Senator from Hawaii has indicated, is really more cost-effective than doing what the Senator from Arkansas wants.

He would require not only the $250 million to cancel the existing contract, but then we would have to go back, as the Secretary of the Navy points out, and recondition and modernize the C-4 before its lifespan is over.

Mr. President, I move to table the Bumpers amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, there was to be an intervening amendment. At the request of the sponsor, he urges that we go ahead and vote on this amendment and then Senator HARKIN will take his time on his amendment. That will be followed by a vote on his amendment.

Then we will take the time on Senator KERRY's amendment and proceed in that fashion in order to accommodate the sponsors. If it takes unanimous consent to change the request from last night, I ask unanimous consent the order be as I just stated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The question occurs on agreeing to the motion to lay on the table the Bumpers amendment No. 2398. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from Wyoming [Mr. SIMPSON] is necessarily absent.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 67, nays 31, as follows:

[Rollcall Vote No. 393 Leg.]

YEAS—67

Abraham
Ashcroft
Bennett
Biden
Bingaman
Bond
Brown
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Dole
Domenici
Exon
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grams
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Johnston
Kassebaum
Kempthorne
Kennedy
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Santorum
Shelby

Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—31

Akaka
Baucus
Boxer
Breaux
Bumpers
Byrd
Conrad
Daschle
Dorgan
Feingold
Grassley
Harkin
Hatfield
Jeffords
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Snowe
Wellstone

NOT VOTING—2

Bradley
Simpson

So the motion to lay on the table the amendment (No. 2398) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will come to order.

AMENDMENT NO. 2396

Mr. STEVENS. Mr. President, there is one amendment not covered by our agreement last night, No. 2396, Senator HUTCHISON's amendment. There is 2 minutes on either side.

I ask unanimous consent we yield her the full 4 minutes prior to her withdrawal of that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Texas.

Mr. STEVENS. May we have order, please?

Mrs. HUTCHISON. Mr. President, I put an amendment on the floor in the open body of the Senate about 6:45 last night. About 10:30 I saw the senior senator from Nebraska protesting that I had put an amendment in that he had just now heard about.

This was not some new amendment. This was an amendment that embodied language that has already been passed by this body. Every sentence in it has already been voted on and passed by the U.S. Senate.

So what does the amendment do? Because we are being held up in the Defense authorization bill, I wanted to make sure that the very important language that we had already passed would be part of the appropriations bill. It is important because it is a key issue between the Republicans and the Democrats. I think that has become very clear because that is now why we know that the authorization bill is being held up and the threat of holding up this bill has now been made.

What does the amendment do? The amendment provides for Department of Energy to maintain and enhance of our nuclear deterrent capabilities. The bill provides further direction to the DOE to make necessary decisions to clean up nuclear waste sites.

The PRESIDING OFFICER. The Senate will come to order, please. The Senator deserves to be heard.

Mrs. HUTCHISON. It makes sure we have new reactor options for disposition of fissile materials. Why do we need this amendment? We need this amendment because the Department of Energy's published 5-year budget plan calls for cuts in the weapons activities of up to 40 percent in fiscal year 1997 and beyond. The DOE portion of the Defense authorization bill should be used for its intended purpose, to meet the nuclear deterrent capability and the security needs of this country. The issue is not testing of new weapons. It is about assuring U.S. nuclear deterrence. If we are going to maintain a credible nuclear weapons capability in our country, we must assure the safety——

Mr. EXON. Mr. President, the Senate is not in order.

Mrs. HUTCHISON. And reliability of our existing stockpile. Unless we have the ability to continue experiments and testing, we cannot assure either. Hydronuclear testing will not violate any U.S. treaty commitment nor our self-imposed moratorium on nuclear testing.

This is a key issue for the future of this country. We now know there are nuclear capacities in as many as 16 countries around the world. The idea that we would not maintain our nuclear stockpile and have the ability to test and make sure that we can defend this country is one I will never understand.

So, Mr. President, this is a key issue. I am going to withdraw my amendment because I want to have a Defense bill so the armed services of this country will have the money they need, after October 1, to defend our country. But this issue will not go away.

This is an issue of our future and the safety of our future generations. It is clear from the delays and the hold up in completing action on the Defense authorization bill for the first time in at least 10 years and maybe more, and the threat to overturn this bill that we have worked so hard on for the last 2 days—it is clear we have a philosophical difference between the Democrats and Republicans in this Senate.

I am not going to hold up the bill but, Mr. President, we will not back away from protecting our future generations. I will bring this bill up again and again and again, until we make sure that we can do what we need to do to preserve our future.

The PRESIDING OFFICER. The time under the unanimous consent has expired.

Mr. STEVENS. Does the Senator from Texas withdraw her amendment?

Mrs. HUTCHISON. Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2396) was withdrawn.

AMENDMENT NO. 2424 WITHDRAWN

Mr. STEVENS. Mr. President, I will withdraw amendment 2424.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2424) was withdrawn.

Mr. STEVENS. There is now time for the Senator from Iowa?

AMENDMENT NO. 2400

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Iowa. Under the order there are 10 minutes allotted to the Senator from Iowa, 5 minutes under the control of the Senator from Alaska.

The Senator from Iowa.

Mr. HARKIN. Mr. President, I call up my amendment at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. That is the pending question.

Mr. HARKIN. Mr. President, do I have 10 minutes?

The PRESIDING OFFICER. The Senator controls 10 minutes.

Mr. HARKIN. Mr. President, I thought last night it was a 15-minute agreement.

Mr. STEVENS. It is 15; you have 10, I have 5.

The PRESIDING OFFICER (Mr. INHOFE). That is 15 minutes total. The Senator has 10 minutes.

Mr. HARKIN. Mr. President, this amendment is to reduce the amount provided in excess of the Pentagon's request to produce the Kiowa helicopters by——

The PRESIDING OFFICER. The Senate is not in order. The Senator deserves to be heard. The Senate is not in order.

The Senator from Iowa.

Mr. HARKIN. Mr. President, this is to reduce the request for the Kiowa helicopters by $125 million. Again, this was not a request by the Pentagon. It was not a request by the Army. It was put in there. And I think this is, again, the amount of money we could save our taxpayers. We do not need it. The armed Kiowa Warrior OH-58D helicopter is used for light attack and reconnaissance. It has a two-man crew, and is used in missions by itself or, more usually, together with the Apache helicopters.

In combination with the Apaches, the armed Kiowa Warrior would locate and designate a target with a laser beam. Apaches would then fire a Hellfire missile at a ground target. However, the armed Kiowa Warrior itself carries up to four Hellfire missiles, plus it has a .50-caliber machinegun.

I have no problem with the armed Kiowa Warrior in its history as a helicopter. It served our country well in the gulf war. It searched out Iraqi patrol boats. However, I want to emphasize the primary role of the Kiowa now is as a scout helicopter.

The Army requested $71.334 million for 33 of these helicopters. The committee added another $125 million for 20 more. Mr. President, this works out to be about $2.16 million per helicopter for the Army-requested Kiowa, and about $6 million per helicopter for the committee-added Warriors.

Again, there is another way, basically, of taking care of the problem that we have in terms of getting the reconnaissance, the scout missions. That is by using what is called a UAV, an unmanned aerial vehicle known as the UAV.

The military magazines, such as Aviation Week & Space Technology, have devoted whole sections to the UAV's.

The UAV is a small airplane. It is remote controlled. It does not have a pilot on board. It has all the instrumentation such as low-light TV cameras, laser rangefinders, thermal sensors, and optical boresights. It has everything that a scout helicopter has except people on board.

The Army has battle tested the UAV's. Both the Hunter UAV and the Predator UAV have shown they can better fill the scout role in recent tests in Bosnia.

So again we are moving into a whole new era of information gathering on the battlefield.

So why now put another $125 million into taking a helicopter that basically has been built since 1968—and it is an old frame. Obviously, as I said, it worked well in the past. But it seems like we are spending $125 million to take all these old helicopters, fix them up to be not only a scout but Kiowa Warrior helicopter, when, in fact, we have a cheaper, more cost-effective way of getting the information to the battlefield. And the UAV, the Hunter UAV, works out to be about $2.5 million per vehicle if you include the share of the ground system, whereas the Kiowa is coming in at over $6 million per vehicle. And, I repeat, no lives are put at risk. Recently we lost one young pilot and had another captured by the North Koreans. They were piloting a helicopter over North Korea. That would not have happened if we had used a UAV instead.

So, in short, what I am saying is there is a revolution going on in this kind of technology, and we are funding UAV technology heavily in this bill. So it does not seem to me to make sense to then take another $125 million and put it into, as I said, this old airframe that goes back to 1968 and to waste this money on an outdated helicopter. For anything that is that far out of date, the more you try to fix it up, the more it costs. That is really what is going on here.

So, again I point out, the Army has not requested it, and the Pentagon has not requested it. They put the money in there for the 20 additional, and I think we could save that $125 million. If the committee saw fit to put that much more into the UAV technology, this Senator probably would have no objection to it.

Mr. STEVENS. Mr. President, this upgrade will make the Kiowa Warrior night- and armed-reconnaissance capable. It also will give it the ability to be converted to a medical evacuation helicopter for night use while it is armed.

It is a very vital necessity, according to the Army people that we have dealt with. And I would only disagree with my friend on one item. The Army listed this as being its most critical aviation deficiency. That is why we have funded it.

I am prepared to yield the remainder of my time.

Mr. HARKIN. Mr. President, do I have any time left?

The PRESIDING OFFICER. The Senator from Iowa has 5 minutes remaining.

Mr. HARKIN. Mr. President, I just cannot resist commenting on the statement by my friend from Alaska about the use of some of these for medical evacuation. That is a new one I had not heard of. But I would point out that there is an article from Flight International of late last year that the military is now giving away—giving away—giving away over 2,000 helicopters to be used for medical evacuation by the National Guard and police forces, and everybody else, I guess. The District of Columbia police force is going to get some, too. If they want medical evacuation, they are giving away 2,000 of them. That is a new one I had not heard of before.

But, again I still think the basic reason for this is the scout helicopter, and I think we ought to move ahead in the new technology we have.

Mr. STEVENS. The Senator is correct. This is a two-place helicopter, a converter, to become a medical evacuation helicopter, I am informed, for night use. It is very critical.

If the Senator is prepared to yield back his time, I am prepared to yield the remainder of my time.

Mr. President, I move to table the Harkin amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. Mr. President, I now ask that be set aside temporarily so that we might hear from the Senator from Massachusetts for a motion to recommit the bill, following which there is 2 minutes to either side on that matter. As far as I am concerned, the Senator can have the full 4 minutes if he would like.

We will then proceed to vote on both amendments. I might say to the Senate at that time those will be the last two amendments that I know of on this bill. We will then follow with third reading after that.

The PRESIDING OFFICER. Without objection, it is so ordered.

On the motion to recommit, the Senator from Massachusetts is recognized.

MOTION TO RECOMMIT

Mr. KERRY. Mr. President, I thank the Senator for yielding me this time, which is obviously a sign of how truly contentious this amendment is and where it may wind up.

But I just would like to suggest to my colleagues that, if we stand back from the norm that has governed the way in which we have passed the Defense authorization and the Defense appropriations bills in the past, measure it against the needs of the country, measure it against the needs of the military, and measure it against reality, you really cannot help but ask yourself: How is it when last year we enacted a $241 billion budget, that this year where the President requested, with the consent of the Joint Chiefs of Staff, a $236 billion budget, we are, nevertheless, increasing the Defense budget? We are increasing it in the face of extraordinary cuts in almost every other portion of the budget. We are cutting safe schools and drug-free schools. We are cutting substance abuse money. We are even targeting Cops in the Street money. Yet, here we are with the end of the cold war incapable of finding a 2-percent reduction in the military budget.

Now, I think I am as sensitive as anybody here to having a military that is second to nobody in the world. But I would respectfully suggest to my colleagues that with creative approaches, for instance, encouraging private ownership of industrial assets used in defense production—something that should appeal to everybody here—with a procurement of the most cost-effective airlift, the C–17's, or commercial, with the repeal of something as wasteful and as ancillary as the civilian marksmanship program, if we were simply to scale back the production level and maintenance activities at DOE to support an arsenal level of 4,000 warheads, which is above START II, all of these things would leave us with an adequate deterrent capacity—and all of these things would not threaten our defense capacity one iota—we could find a 2-percent reduction in this budget.

So this is a vote really about our own creativity and our own thoughtfulness and our own capacity to try to show Americans that as we reduce 15, 20, 8, or 10 percent in all the other sectors of the budget that affect Americans equally, we ought to be able to find the 2-percent reduction in this budget.

We are instead raising this overall level over 1995, and we are raising it beyond the President's proposal. The difference is $6 billion.

I would respectfully suggest that in the pipeline itself you can find hundreds of millions of dollars that would allow us to share the sacrifice that we are asking all Americans to bear. If we are going to ask them to bear a $270 billion reduction in Medicare so that we can give them back money in a tax reduction, we ought to at least be able to find 2 percent in this budget.

So my amendment does not presume to tell people how to do it. It does not cut any one program. It simply says to the Armed Services Committee, take this back, be more creative, come back to us, show us a 2-percent reduction measured against the reductions in all of the rest of the budget.

I think that is a fair and a sensible way to approach deficit reduction as well as the responsibilities of sharing the sacrifice.

I yield back my time.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. STEVENS. Mr. President, I am constrained to say anything about the *Seawolf*.

I move to table this motion and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, before the vote is commenced, I want to try to alert my colleagues about what could happen after this.

I understand we are going to third reading which is as far as you can go because the House has not passed the bill.

I want to first commend the managers of this DOD appropriations bill. They have done an outstanding job. We may or may not file cloture. There may be a vote on cloture on the DOD authorization bill. There may be a vote on the Summers nomination. There will be a vote, if we reach an agreement on the Summers nomination. There will be very little debate on that nomination. But it depends on the agreement we get on the DOD authorization bill.

When we started the negotiating, we had 8 amendments, and then I got 37 yesterday from one side and 15 from one side. We are not going to accept that agreement if we cannot get a good agreement. A lot of Members who had amendments on the DOD bill and then put them on the appropriations bill, then dreamed up some more to put on the authorization bill, the same amendments.

I thought we were operating in good faith. And if not, then we will have a cloture vote later today, and we are not going to release any nominees—not one, not one Ambassador, not one judge, not anybody else—until we get a satisfactory agreement.

That is what this was all about. It was all about good faith. And I just ask my colleagues, I think we played the game and we hoped you would.

There are a lot of these amendments that have already been offered, and Members dreamed up some other amendments to put back on DOD again.

We are not going to bring up DOD authorization unless we can do it in 3 or 4 hours when we get back. Welfare reform is going to be on the floor, and it is going to stay on the floor for 4 or 5 days. We are not going to be interrupted by 2 or 3 days, the same people making the same speeches they have made on DOD appropriations on DOD authorization.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER (Mr. KYL). The Senator from Kentucky.

Mr. FORD. I appreciate the remarks of the distinguished majority leader, and I say to him we are working as hard as we can. Your people are here in the Cloakroom now and amendments are being peeled off and an agreement is imminent, I think. So I would hope that we all understand we are doing as well as we can on both sides.

So when the majority leader says there is 15 additional amendments on that side and you are trying to cut those down, maybe we have twice that many, we will cut those down. But we are getting very close.

I want Senators to know everything is being done in good faith. There is not any bad faith here. It is all being done in good faith, and I hope that we will have an agreement that everyone will accept and have it shortly.

I thank the Chair.

Mr. STEVENS. Mr. President, under the agreement from last evening, these are 10-minute votes.

VOTE ON MOTION TO TABLE AMENDMENT NO. 2400

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment of the Senator from Iowa [Mr. HARKIN]. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 64, nays 35, as follows:

[Rollcall Vote No. 394 Leg.]

YEAS—64

Abraham
Ashcroft
Bennett
Bond
Boxer
Breaux
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Feinstein
Ford
Frist
Glenn
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Packwood
Pell
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—35

Akaka
Baucus
Biden
Bingaman
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Graham
Harkin
Hatfield
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone

NOT VOTING—1

Bradley

The motion to table the amendment (No. 2400) was agreed to.

Mr. STEVENS. I move to reconsider the vote, if it has been announced.

Mr. KERRY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON THE MOTION TO TABLE THE MOTION TO RECOMMIT

The PRESIDING OFFICER. The question is on agreeing to the motion to table the motion to recommit offered by the Senator from Massachusetts [Mr. KERRY].

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Illinois [Mr. SIMON] is necessarily absent.

I also announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 60, nays 38, as follows:

[Rollcall Vote No. 395 Leg.]

YEAS—60

Abraham
Akaka
Ashcroft
Bennett
Bond
Breaux
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Gregg
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Packwood
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—38

Baucus
Biden
Bingaman
Boxer
Brown
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Grassley
Harkin
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Wellstone

NOT VOTING—2

Bradley Simon

So the motion to table the motion to recommit was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DISPOSAL OF BONAIRE HOUSING

Mr. COHEN. I would like to bring to the manager's attention a problem with the disposal of surplus property in Presque Isle, ME, from the former Loring Air Force Base. The designated local reuse authority is having difficulty with the Department of the Interior in the disposal of the Federal property known as the BonAire Housing Complex. I understand that it is the intention of the chairman to assist the Maine delegation in resolving this matter.

Mr. STEVENS. The Senator from Maine is correct. I will be pleased to work to address this issue in an appropriate manner.

Mr. COHEN. I thank the distinguished chairman for his assistance on this matter.

GEAR INFAC

Ms. MOSELEY-BRAUN. Mr. President, I would like to discuss with the distinguished chairman and ranking member of the Senate Appropriations Defense Subcommittee a matter of importance to my constituents and a key element of the defense industrial base.

Mr. STEVENS. I would be pleased to discuss such a matter with my colleague.

Mr. BOND. As Chairman STEVENS and Senator INOUYE know, the committee has provided funds in the past to continue work performed under a program referred to as the Instrumented Factory for Gears, or GEAR INFAC. As a primary purchaser and user of precision gears, the Army has endorsed and supported this program.

Mr. INOUYE. The Senator is correct. The committee added $8,500,000 in fiscal year 1995 to continue the GEAR INFAC Program. The funds were included in the research, development, test and evaluation, Army account, effecting the transfer of this program to the Army from the Office of the Secretary of Defense.

Ms. MOSELEY-BRAUN. I thank the Senator from Hawaii.

The Army provided documents to my office indicating that the fiscal year 1996 DOD budget included $6,000,000 for GEAR INFAC. However, new documents make it unclear whether the Army has allocated adequate funds to continue this important program. I would ask the chairman and ranking member to discuss this matter with the Army to determine what is available and what is required for GEAR INFAC. Furthermore, I would ask the chairman to ensure that adequate funds are available in the conference agreement on the DOD Appropriations Act, 1996, for GEAR INFAC.

Mr. STEVENS. Mr. President, I assure the Senator that we will discuss this matter with the Army. I will work in conference to address the fiscal year 1996 requirement for funds to support GEAR INFAC.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

ORDER FOR VOTE ON SEPTEMBER 5, 1995

Mr. STEVENS. Mr. President, I ask unanimous consent that the vote take place at 5 p.m. on September 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I ask unanimous consent that if the Senate votes in the affirmative on S. 1087, it be held at the desk until the Senate receives H.R. 2126 from the House; that at that time, the bill, H.R. 2126, be deemed to be called up, read twice, and all after the enacting clause be stricken, and that the text of S. 1087, as passed by the Senate, be inserted in lieu thereof, that the bill, as amended, be deemed read for the third time, and passed, and that the motion to reconsider that vote be laid upon the table.

I further ask unanimous consent that the Senate insist on its amendments, request a conference with the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

I further ask unanimous consent that, upon completion of above action, S. 1087 be indefinitely postponed.

Mr. BYRD. Reserving the right to object, and I will not object. I just hope to keep the Senate mindful of the Senate rules. Does the Senator, in setting a time specific for a final vote on the bill, include in his unanimous-consent request a waiver of paragraph 4 of rule XII of the Standing Rules of the Senate?

Mr. STEVENS. The Senator is correct. I ask unanimous consent that that be included in the request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I want to thank the Senate for its cooperation. I particularly express, once again my great pleasure in being able to work with my friend, Senator INOUYE. We are cochairmen of this subcommittee. I appreciate him very much and feel very deeply my affection for him. I thank him for all his help in getting this bill passed.

Let me thank also our staff members, particularly Steve Cortese on this side and Charlie Houy on that side, and others who worked with us so well on this bill.

I thank the leader.

Mr. INOUYE. Mr. President, I thank my leader for his kind words. I wish to thank the Senator from Alaska for his masterful management of this bill. I would like to also note three individuals who have been of great assistance to us by providing timely and correct information regarding the many amendments that have been offered: Bobbie Sherb, an Army lieutenant colonel and a nurse, who has monitored health care matters for the subcommittee; Ryan Henry, a Navy captain on detail with the subcommittee, who has monitored many of the details of this bill; Emelie East of the subcommittee staff; and last, but not least, Charlie Houy. I thank the Chair.

EXECUTIVE SESSION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate go in executive session to consider Calendar No. 254, the nomination of Lawrence H. Summers, with 10 minutes of debate to be equally divided.

The PRESIDING OFFICER Without objection, it is so ordered.

Mr. DOLE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have already been ordered.

Mr. DOLE. I thank the Chair.

NOMINATION OF LAWRENCE H. SUMMERS, OF MASSACHUSETTS, TO BE A DEPUTY SECRETARY OF THE TREASURY

The legislative clerk read the nomination of Lawrence H. Summers of Massachusetts to be Deputy Secretary of the Treasury.

The PRESIDING OFFICER. There will now be 10 minutes of debate, equally divided, on the nomination.

Who yields time?

Mr. MOYNIHAN. Mr. President, I thank the Chair.

Mr. President, I rise in support of the nomination of Lawrence H. Summers to be Deputy Secretary of the Treasury. Dr. Summers is now Under Secretary and has been for more than 2 years. He has carried out complex and important negotiations in international finance and international trade.

He was very instrumental in the recent World Trade Organization negotiations concerning financial services. He has a long and distinguished career for a person still relatively young. He was Vice President of the World Bank from 1991 to 1993.

From 1983 until 1993 he was the Nathaniel Ropes Professor of Political Economy at Harvard and his credentials also include a stint as domestic policy economist at the Council of Economic Advisers serving President Reagan.

There is so much else that might be said, but I believe it is well known. I yield back the balance of my time, noting that the Finance Committee voted this out by voice vote with 3 Senators asking to be recorded in the negative and 17 affirmed.

I yield the floor.

Mr. DOLE. Mr. President, I yield back the time.

Mr. D'AMATO. Mr. President, I stand in opposition to the confirmation of Lawrence Summers to the Office of Deputy Secretary of the Treasury.

It is fair to say that most people are aware of my strong feelings in opposition to the Mexican bailout. We should not be using $20 billion in American taxpayer money to bail out a mismanaged Mexican Government and global speculators, and it was wrong for the administration to bypass Congress. Mr. Summers is the chief architect of the administration's bailout of Mexico.

Mr. President, several weeks ago I released a chronology as well as internal Treasury Department documents revealing that key administration officials, including Under Secretary Summers, were not candid and forthcoming about the true condition of Mexico's economy during 1994.

These documents make clear that Mr. Summers knew about Mexico's deteriorating economic condition as early as February 1994. But Mr. Summers did not warn Congress or the American public. Instead, he and other key administration officials repeatedly painted a rosy public picture of the Mexican economy.

Mr. Summers has had a distinguished career, and he is a decent man. But I have a difficult time reconciling the private and public statements by Mr. Summers and other top administration officials—who were advised by Mr. Summers—regarding Mexico during 1994.

Let me cite a few highlights from my chronology.

As early as February 15, 1994, an internal Treasury Department report warned that "Mexico's balance of payments situation may be fragile because of its large dependence on portfolio investments which are potentially volatile." However, on February 17, 1994—2 days later—Secretary Bentsen stated that Mexico "has become an example for all of Latin America" because of its economic policies.

On March 24, 1994, Mr. Summers was informed that the Mexican Government "is looking for some comforting Treasury words to soothe the press." Then, despite Mexico's falling international reserves and growing current account deficit, Secretary Bentsen issued a statement saying: "We have every confidence that Mexico is on the right economic path."

On April 26, 1994, Mr. Summers sent Secretary Bentsen a memo stating: "Mexico's dependency on the financing of its large current account deficit from largely volatile foreign portfolio investments remains a serious problem." Once again, however, on that very same day Mr. Summers told CNBC that "Mexico is fundamentally sound and has a fundamentally sound currency. We are very encouraged about the situation in Mexico."

Finally, on November 21, 1994—despite the administration's growing concerns about Mexico's economy—Mr. Summers informed Secretary Bentsen that "the Mexicans would very much like for you to make a statement today." Mr. Summers informed the Secretary that he had worked out a statement with the Mexican Government which not only failed to disclose any of the administration's concerns, but instead hailed "Mexico's strong economic fundamentals." Less than a month later, Mr. President, Mexico was forced to devalue its currency.

Mr. President, I agree with A.M. Rosenthal of the New York Times, who wrote on April 4, 1995, in a column entitled "Cover-Up Chronology": "Real concern for Mexico would have meant public warnings from Washington as soon as trouble was discovered. Legitimate confidentiality does not include deceiving the world."

Mr. President, at his confirmation hearing before the Finance Committee, Mr. Summers conceded that mistakes had been made in the handling of the Mexican crisis. He admitted that he and other officials should have used more care in choosing the words for their public statements. He agreed to improve communications between Congress and the administration and endorsed my recommendation for private consultations with key congressional committees when future financial threats begin to emerge.

Nevertheless, Mr. President, these admissions cannot erase the serious errors made by Mr. Summers in his handling of the Mexican economic crisis. Therefore, I must vote against his confirmation.

Mr. PACKWOOD. Mr. President, Lawrence Summers has been nominated by President Clinton to be the Deputy Secretary of the Treasury. On July 21, 1995, the Senate Finance Committee approved Larry Summers' nomination on a voice vote. I am pleased that the Senate is able to consider Mr. Summers' nomination today. Frank Newman, who is the current Deputy Secretary of the Treasury, is leaving at the end of this month. The Deputy Secretary's slot is a very important position and needs to be filled quickly.

Larry Summers is a qualified individual who has held numerous important government and academic positions. Mr. Summers is currently the Treasury Under Secretary for International Affairs. Before coming to the Treasury Department he served as Vice President of the World Bank for 2 years—1991–93. Before that, Summers taught economics at Harvard University for over 10 years and also worked for almost a year for the Council of Economic Advisors during the Reagan Presidency.

I am aware that some Members of the Senate have concern over Mr. Summers' role during the Mexican currency crisis. While I understand their concern, I also believe that the President of the United States should be able to choose the key members of his administration if the nominee is qualified for the position. I believe that Larry Summers is qualified for the Deputy Secretary of the Treasury position. I support his nomination and urge the Senate to approve his nomination.

Mr. ABRAHAM. Mr. President, I would like to explain briefly the reasons behind my vote against the nomination of Lawrence Summers to be Deputy Secretary of the Treasury. As I have stated before, I generally will oppose a nominee only if there are serious questions as to the nominee's character, activities, or credibility.

In Mr. Summers' case, troubling questions of credibility persist. Specifically, Senator D'AMATO's investigation of the Treasury Department's role in the collapse of the Mexican peso has yielded reason to suspect that Mr. Summers has not been entirely forthcoming about his actions with respect to the origins of that crisis. We still do not know, for example, the degree to which Mr. Summers encouraged the Mexican Government to devalue their peso as a means, albeit misguided, of reducing Mexico's trade deficit. Thus, given the serious questions that still exist as to Mr. Summers' advocacy of a fatal and plainly misguided policy for Mexico, I cannot support his nomination at this time.

Mr. DOLE. I know many Members would like to relocate. This would be the last vote. We have not reached the agreement on the DOD authorization. We are not certain whether any other nominees will be cleared. There is no need holding Members here. It will not require votes. It will either agree or not agree.

This will be the last vote until September 5 at 5 p.m.

Mr. PRYOR. Mr. President, may I ask a question of the distinguished majority leader?

Are we going to do the judges today? Are they going to come before the Senate?

Mr. DOLE. It is my hope that all the nominees—I am not certain about all the Ambassadors—but we will do all the nominees.

It depends on whether we get an agreement on the DOD authorization bill. We are not there yet. We are working on it. There is no reason to hold

Members here for votes. This will be the last vote.

Mr. PRYOR. Mr. President, I thank the leader.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Lawrence H. Summers, of Massachusetts, to be Deputy Secretary of the Treasury? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LOTT. I announce that the Senator from New Mexico [Mr. DOMENICI] is necessarily absent.

Mr. FORD. I announce that the Senator from California [Mrs. BOXER], the Senator from Georgia [Mr. NUNN], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I also announce that the Senator from New Jersey [Mr. BRADLEY] is absent because of illness in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 74, nays 21, as follows:

[Rollcall Vote No. 396 Ex.]

YEAS—74

Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Breaux
Bryan
Bumpers
Byrd
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Daschle
DeWine
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Frist
Glenn
Gorton
Graham
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Lieberman
Lugar
Mack
McCain
Mikulski
Moseley-Braun
Moynihan
Murray
Nickles
Packwood
Pell
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Snowe
Specter
Stevens
Thompson
Thurmond
Wellstone

NAYS—21

Abraham
Brown
Burns
Campbell
Craig
D'Amato
Dole
Faircloth
Grams
Helms
Hollings
Kempthorne
Kyl
Levin
Lott
McConnell
Murkowski
Pressler
Smith
Thomas
Warner

NOT VOTING—5

Boxer
Bradley
Domenici
Nunn
Simon

So the nomination was confirmed.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the President be immediately notified of the Senate's action.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

MORNING BUSINESS

Mr. LOTT. I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

REGULATORY REFORM

Mr. REID. Mr. President, I come to the floor today to talk about regulatory reform and to hopefully revive the discussion on regulatory reform. We have had a number of debates over the past 5 or 6 weeks about regulation reform and what should be done about it. I think those debates were healthy. I do not think there was anything wrong with the debate, but I think we have kind of lost over the last week or so the spirit, the genuine spirit, of regulatory reform.

I say that because earlier this year an amendment was offered by the senior Senator from Oklahoma and the Senator from Nevada to have real regulation reform. It was an effort to do something about the longstanding problems we have had in this country where the regulators, the bureaucrats, have promulgated regulations that we simply have been unable to live with, small business in particular.

So the Senator from Oklahoma and the Senator from Nevada offered an amendment that passed this Chamber by a vote of 100 to 0 that in effect said that if there is a regulation promulgated by a Federal agency that has a financial impact of more than $100 million, it would not become effective for 45 days. This would allow the Congress the opportunity to review that regulation, and, in fact, if we did not like it, we could rescind it.

Mr. President, the same would apply to regulations promulgated under $100 million in financial impact; for those regulations, they would become effective immediately. But Congress would have 45 days to look at that regulation, and if we did not like it, we could in effect veto it.

That made good enough sense that we passed it by a vote of 100 to 0 here.

Mr. President, this was a compromise. We all recognize that. This was a compromise because we had received from the other body a moratorium basically on all regulations.

I said then and I say now, our regulatory reform proposal, that is, the one Senator NICKLES and this Senator offered, is a sensible approach to Government oversight. As is evident in the intense debate that we all experienced this last month or 6 weeks, there are many who consider regulatory reform as essential to improving Government. There are some, Mr. President, who many believe do not want any reform. I think that is a significant minority, but there are some who want no reform in this area.

We should not allow the entire process to end with so many small business owners, homebuilders, manufacturers, retailers, anyone doing business with the Government relying on the regulation that we now have. There should be a better way of doing what is now in effect. The Nickles-Reid measure is a way to do that.

Just as Congress may pass a law only to have Federal regulation turn simple laws into complex regulation, the Reid-Nickles compromise was recently swallowed up in the complex regulatory reform package recently debated in the Chamber.

Mr. President, we do a disservice to the Government and the citizens of this Government who sent us here when our reform has the potential for grave negative effects that conceivably could outweigh the intended positive.

I do not want to get into that today, but I am saying inaction is no action. Inaction is doing the country a great disservice.

So what I say, Mr. President, is that we should realize we have the ability to reform the way we handle regulations in this country. It has already passed the Senate. And so I say to my friends in the House, appoint conferees so that we can go to conference on this issue and come up with reasonable regulation reform. It may not be what everyone wants but certainly it is a significant step in the right direction.

PRIVILEGE OF THE FLOOR

Mr. SANTORUM. Mr. President, I ask unanimous consent that James Dunn, a congressional fellow in my office, be granted privileges of the floor during my statement in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. SANTORUM pertaining to the introduction of S. 1188 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The majority leader.

UNANIMOUS CONSENT AGREEMENT—VETO MESSAGE ON S. 21

Mr. DOLE. Mr. President, the veto message arrived from the White House with respect to S. 21, the Bosnian Self-Defense Act.

I ask unanimous consent that the veto message be temporarily laid aside, to be brought before the Senate by the majority leader, after notification of the Democratic leader, and that the veto message be spread upon the Journal.

The PRESIDING OFFICER. Without objection, it is so ordered.

Without objection, the veto message on S. 21 will be considered as read.

The text of the President's message follows:

REPORT OF THE DISAPPROVAL OF THE BOSNIA AND HERZEGOVINA SELF-DEFENSE ACT OF 1995—MESSAGE FROM THE PRESIDENT—PM 76

To the Senate of the United States:

I am returning herewith without my approval S. 21, the "Bosnia and Herzegovina Self-Defense Act of 1995." I share the Congress' frustration with the situation in Bosnia and am also appalled by the human suffering that is occurring there. I am keenly aware that Members of Congress are deeply torn about what should be done to try to bring this terrible conflict to an end. My Administration will continue to do its utmost with our allies to guide developments toward a comprehensive political settlement acceptable to all the parties. S. 21, however, would hinder rather than support those efforts. It would, quite simply, undermine the chances for peace in Bosnia, lead to a wider war, and undercut the authority of the United Nations (U.N.) Security Council to impose effective measures to deal with threats to the peace. It would also attempt to regulate by statute matters for which the President is responsible under the Constitution.

S. 21 is designed to lead to the unilateral lifting by the United States of the international arms embargo imposed on the Government of Bosnia and Herzegovina. Although the United States has supported the lifting of the embargo by action of the U.N. Security Council, I nonetheless am firmly convinced that a unilateral lifting of the embargo would be a serious mistake. It would undermine renewed efforts to achieve a negotiated settlement in Bosnia and could lead to an escalation of the conflict there, including the almost certain Americanization of the conflict.

The allies of the United States in the U.N. Protection Force for Bosnia (UNPROFOR) have made it clear that a unilateral lifting of the arms embargo by the United States would result in their rapid withdrawal from UNPROFOR, leading to its collapse. The United States, as the leader of NATO, would have an obligation under these circumstances to assist in that withdrawal, thereby putting thousands of U.S. troops at risk. At the least, such unilateral action by the United States would drive our allies out of Bosnia and involve the United States more deeply, while making the conflict much more dangerous.

The consequences of UNPROFOR's departure because of a unilateral lifting of the arms embargo must be faced squarely. First, the United States would immediately be part of a costly NATO operation to withdraw UNPROFOR. Second, after that operation is complete, the fighting in Bosnia would intensify. It is unlikely the Bosnia Serbs would stand by waiting while the Bosnian government received new arms and training. Third, under assault, the Bosnian government would look to the United States to provide arms and air support, and, if that failed, more active military support. Unilateral lift of the embargo would lead to unilateral American responsibility. Fourth, intensified fighting would risk a wider conflict in the Balkans with far-reaching implications for regional peace. UNPROFOR's withdrawal would set back fresh prospects for a peaceful, negotiated solution for the foreseeable future. Finally, unilateral U.S. action under these circumstances would create serious divisions between the United States and its key allies, with potential long-lasting damage to these important relationships and to NATO.

S. 21 would undermine the progress we have made with our allies and the United Nations in recent weeks to strengthen the protection of the safe areas in Bosnia and improve the provision of humanitarian assistance. NATO has agreed to the substantial and decisive use of air power to protect Gorazde, Sarajevo, and the other safe areas. The U.N. Secretary General has delegated his authority to the military commanders on the ground to approve the use of air power. The British and French, with our support, are deploying a Rapid Reaction Force to help open land routes to Sarajevo for convoys carrying vital supplies, strengthening UNPROFOR's ability to carry out its mission. These measures will help provide a prompt and effective response to Serb attacks on the safe areas. This new protection would disappear if UNPROFOR withdraws in response to the unilateral lifting of the embargo.

Events over the past several weeks have also created some new opportunities to seek a negotiated peace. We are actively engaged in discussions with our allies and others on these prospects. Unilaterally lifting the arms embargo now would jeopardize these ongoing efforts.

Unilaterally disregarding the U.N. Security Council's decision to impose an arms embargo throughout the former Yugoslavia also would have a detrimental effect on the ability of the Security Council to act effectively in crisis situations, such as the trade and weapons embargoes against Iraq or Serbia. If we decide for ourselves to violate the arms embargo, other states would cite our action as a pretext to ignore other Security Council decisions when it suits their interests.

S. 21 also would direct that the executive branch take specific actions in the Security Council and, if unsuccessful there, in the General Assembly. There is no justification for bringing the issue before the General Assembly, which has no authority to reconsider and reverse decisions of the Security Council, and it could be highly damaging to vital U.S. interests to imply otherwise. If the General Assembly could exercise such binding authority without the protection of the veto right held in the Security Council, any number of issues could be resolved against the interests of the United States and our allies.

Finally, the requirements of S. 21 would impermissibly intrude on the core constitutional responsibilities of the President for the conduct of foreign affairs, and would compromise the ability of the President to protect vital U.S. national security interests abroad. It purports, unconstitutionally, to instruct the President on the content and timing of U.S. diplomatic positions before international bodies, in derogation of the President's exclusive constitutional authority to control such foreign policy matters. It also attempts to require the President to approve the export of arms to a foreign country where a conflict is in progress, even though this may well draw the United States more deeply into that conflict. These encroachments on the President's constitutional power over, and responsibility for, the conduct of foreign affairs, are unacceptable.

Accordingly, I am disapproving S. 21 and returning it to the Senate.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 11, 1995*.

UNANIMOUS-CONSENT AGREEMENT—S. 1026

Mr. DOLE. Mr. President, I ask unanimous consent that the following be the only first-degree amendments remaining in order, except those amendments cleared by the managers, to the defense authorization bill, and that they be subject to relevant second-degree amendments.

And I will read the amendments:

Pentagon renovation by Senator BINGAMAN; another amendment by Senator BINGAMAN, Los Alamos community assistance; Senator BINGAMAN, strike section 1082; Senator BROWN, Fitzsimons; BYRD, relevant; Senator EXON, nuclear testing, 90 minutes of debate for EXON, 30 minutes for Senator THURMOND; Senator EXON, START I and II; Senator FEINSTEIN, land conveyance; Senator HARKIN, relevant; Senator JOHNSTON, relevant; Senator KEMPTHORNE, relevant; Senator LAUTENBERG, relevant; Senator LEVIN, SOS chemical weapons, Start II; Senator LEVIN, Army leasing of commercial utility vehicles; Senator ROBB, pilots rescue radio; Senator SARBANES, Anechoic Chamber, Pax River; Senator SIMON, volunteer contingency force; Senator SIMON, land exchange; Senator WELLSTONE, relevant, 60 minutes for debate; Senator THURMOND, relevant; Senator WARNER relevant; and on the top here, the bipartisan missile defense amendment, too.

I will send these to the desk.

Provided further, that if a Senator succeeds in amending the Defense appropriations bill with an amendment from the original list of Defense authorization amendments, then that Senator may offer his amendment to the Defense authorization bill under this agreement; further, that if the bipartisan missile defense amendment is agreed to, that it be in order for the managers to offer an amendment to make conforming modifications in the previously adopted Nunn amendment and the previously adopted Cohen amendment (amendments Nos. 2078 and 2089); further, that there be a time limitation for debate of 1 hour on the bill; there be a time limitation of 3 hours for debate on the bipartisan missile defense amendment, 2 hours for Senator NUNN and 1 hour for Senator THURMOND; that there be a time limitation on all remaining, except where noted, first and second degree amendments of 30 minutes, with all of the above time limitations equally divided in the usual form.

I further ask unanimous consent that no other amendments regarding land mines or gays in the military be in order unless cleared by unanimous consent.

I further ask unanimous consent that following the disposition of the above-listed amendments and the expiration of time, the Senate proceed to third reading and immediately proceed to discharge the Armed Services Committee and proceed to immediate consideration of H.R. 1530; that all after the enacting clause be stricken and the text of S. 1026, as amended, be inserted, the bill be advanced to third reading and final passage occur, all without intervening action or debate.

Finally, I ask unanimous consent that no motion to recess or adjourn be in order during Tuesday's session of the Senate prior to final disposition of H.R. 1530, except one made by the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the agreement is as follows:

Ordered further, that the following amendments be the only first degree amendments remaining in order to S. 1026, except those amendments cleared by the managers, and that they be subject to relevant second degree amendments:

Bipartisan—Missile Defense (Nunn 2 hours/Thurmond 1 hour).

Bingaman—Pentagon Renovation.

Bingaman—Los Alamos Community Assistance.

Bingaman—Strike Section 1082.

Brown—Fitzsimmons.

Byrd—Relevant.

Exon—Nuclear Testing (Exon 90 min./Thurmond 30 min.).

Exon—START I and II.

Feinstein—Land Conveyance.

Harkin—Relevant.

Johnston—Relevant.

Kempthorne—Relevant.

Lautenberg—Relevant.

Levin—SOS Chemical Weapons/START II.

Levin—Army Leasing of Commercial Utility Vehicles.

Sarbanes—Anechoic Chamber, Pax River.

Simon—Volunteer Contingency Force.

Simon—Land Exchange.

Thurmond—Relevant.

Warner—Relevant.

Wellstone—Relevant (60 min.)

Ordered further, that if a Senator succeeded in amending the Defense Appropriations Bill with an amendment from the original list of Defense Authorization amendments, it be in order for that Senator to offer his or her amendment to the Defense Authorization Bill pursuant to this agreement.

Ordered further, that if the Bipartisan Missile Defense amendment is agreed to, it be in order for the Managers to offer an amendment making conforming modifications to the previously adopted Nunn and Cohen amendments (numbers 2078 and 2089).

Ordered further, that there be one hour for debate on the Bill and 30 minutes for debate on each first and second degree amendment, except where noted differently above, with all time equally divided in the usual form, except where noted differently above.

Ordered further, that no other amendments regarding Land Mines or Gays in the Military be in order unless cleared by unanimous consent.

Ordered further, upon disposition of the above listed amendments and the expiration of any time remaining on the Bill, the Bill be read for the third time, and that the Armed Services Committee be immediately discharged from further consideration of H.R. 1530 and that the Senate proceed to the immediate consideration of H.R. 1530, that all after the enacting clause of H.R. 1530 be stricken and that the text of S. 1026 as amended be inserted in lieu thereof, that H.R. 1530 be read a third time and final passage occur, all without intervening action or debate.

Ordered further, that no motion to recess or adjourn be in order during Tuesday September 5, 1995 session of the Senate prior to final disposition of H.R. 1530 with the exception of a motion made by the Majority Leader.

August 11, 1995.

Mr. DOLE. Mr. President, let me indicate, the reason for the last request, and it is supported by the Democratic leader, is we want to finish this bill. We think there are too many amendments on it now. We already spent a great deal of time on this bill.

It means we will have to delay discussion of welfare reform probably 1 full day. This is the best we can do. We will take up this bill at 9 o'clock on Tuesday, September 5. I urge my colleagues, if they want to take up their amendments, they better be here, because the managers will be here, or someone designated by the managers will be here, throughout the day. It is my belief most of these amendments can be accepted, but there could be as many as five rollcall votes, plus the rollcall vote on final passage, and there will be a 5 o'clock vote on the Defense appropriations bill on Tuesday, September 5.

So it will not be "the day after Labor Day," it will be a workday in the U.S. Senate, with a lot of votes, because we are going to complete action on this. It is going to delay us 1 day on welfare reform. We will be on welfare reform Wednesday, Thursday, Friday, and there may be a day or two in the next week, and I will be speaking about that later on this afternoon. I want to thank the Democratic leader, Senator NUNN, Senator THURMOND, Senator WARNER and members of their staffs who have been working to get this agreement. I hope we can now complete action on the DOD authorization bill on that date.

Mr. THURMOND. Mr. President, I wish to express my appreciation to the able majority leader for all he did to reach this unanimous-consent agreement. It took a lot of work, a lot of coordinating, a lot of compromising, and I am very pleased we have been able to reach that.

Now we can go forward with this Defense authorization bill and get it passed. If we cannot pass it in 1 day, we will get on it and stay on it that day and all night, if necessary. We have to get this Defense bill passed, and we want it to be passed before the Defense appropriations bill is passed.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, on behalf of the Armed Services Committee, we thank our distinguished chairman for his leadership throughout this process to gain this very, very important time agreement and unanimous-consent agreement, such that this bill can move forward in that manner, to be coupled with the appropriations bill which earlier today the Senate considered.

Mr. THURMOND. Mr. President, I express my appreciation to Senator WARNER for all he did in connection with this bill. He was one of the negotiators on the bill, along with the distinguished Senator from Maine, and who worked with Senator NUNN and Senator LEVIN on the Democratic side. I just want to thank Senator WARNER.

Mr. WARNER. Mr. President, I thank the distinguished chairman. Indeed, Senator MCCAIN was instrumental in helping to get this time agreement, as was Senator KEMPTHORNE.

Mr. THURMOND. I thank Senator MCCAIN and all those who assisted in this matter.

Mr. President, I rise to support the compromise that has been worked out regarding the missile defense portion of the Defense authorization bill. Although this compromise weakens the bill as reported out of committee, it does address all of the concerns that were raised on the floor last week. As such, this compromise should provide the basis for broad bipartisan support, as it did during a meeting I called with the Republican members of the Senate Armed Services Committee.

Before I comment on the substance of the compromise, let me express my gratitude to Senators WARNER, COHEN, NUNN, and LEVIN for their hard work and dedication. The task they undertook in working out this package was a very difficult one and they handled it well.

While I do support the missile defense substitute as a means to advance the Defense authorization bill, I want to make clear my view that a compromise was not needed. The committee-reported bill was strong and worthy of the Senate's support. Senators had a full debate on the subject and several amendments were offered and voted on. It is a sad and unfortunate state of affairs when those on the losing side of an amendment are willing to kill a bill as important as the Defense authorization bill before it has even gotten to conference.

During last week's debate on missile defense, many arguments were raised against the Missile Defense Act of 1995. In my view these were either incorrect or exaggerated. Nonetheless, we leaned over backward to accommodate the concerns that were raised. I believe that the outcome should be satisfactory to an overwhelming majority of Senators.

While the missile defense compromise deals with virtually every aspect of the Missile Defense Act, I would like to address the two major issues that were focused on.

On section 238, to so-called theater missile defense demarcation provision, the compromise makes clear that we are not attempting to constrain the President's ability to negotiate arms control agreements. It remains clear, however, that theater missile defense systems are not and should not be limited by the ABM Treaty. We retain a funding limitation, consistent with Congress' constitutional power of the purse. This provision would prevent the executive branch from implementing any agreement that would set a demarcation that is inconsistent with the standard originally contained in section 238. The new language also prohibits the use of funds to implement any restriction on U.S. theater missile defense systems unless the restriction is subsequently authorized by Congress, is consistent with the approved demarcation standard, or is part of an agreement submitted to the Senate for advice and consent.

This means that the United States cannot implement a TMD agreement which includes performance limitations—such as interceptor velocity, deployment limitations—such as geographical constraints, or operational limitations—such as restrictions on the use of external sensors, without getting explicit congressional approval, either through a subsequent act or through advice and consent to a treaty.

The second major area of concern in the compromise has to do with national missile defense and the ABM Treaty. The committee bill called for the deployment of a multiple-site NMD system by 2003, but did not specifically address the issue of amending the ABM Treaty. The compromise says that the United States will develop such a system for deployment, and that it is the policy of the United States to seek amendments to the ABM Treaty to accomplish this end. In the compromise, it is clear that the United States has not yet made a deployment decision, but that we are clearly on the path to deploying a multiple-site NMD system.

Mr. President, I want to make it clear that Republicans have given up quite a bit in order to achieve this compromise. Amendments to weaken the Missile Defense Act were defeated in markup and on the floor. Our members feel that the bill reported by the committee was solid and did not need any change. Nonetheless, we have shown a good faith effort to listen and accommodate. I hope that our compromise will now clear the path for the Defense authorization bill to proceed through conference and to the President's desk for signature.

Mr. WARNER. Mr. President, the first amendment was the bipartisan missile defense amendment. It may be that the distinguished ranking member of the committee, the Senator from Georgia, at some point today would wish to submit that into the RECORD. In the event he does so, there would be statements by myself, possibly the Senator from Maine, [Mr. COHEN], and the Senator from Michigan, [Mr. LEVIN]. Therefore, I ask unanimous consent, thereafter in the appropriate place in the RECORD such statements relating thereto, as other Senators wish to make, can be placed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I cannot express my appreciation too much to all, particularly the distinguished majority leader, the distinguished Democratic leader and others who made this agreement possible. It is just absolutely essential for this country that we move forward in a timely way on issues relating to our national security. And, indeed, this bill is a landmark bill in that effort. It reflects, I hope, a strong bipartisan consensus, which consensus is always needed to support the men and women of the Armed Forces and the security policies of our country. I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senate from Minnesota is recognized.

MAXIMUM SECURITY

Mr. GRAMS. Mr. President, there is a new Federal facility in the town of Florence, CO—about 100 miles southwest of Denver—that I wish to tell you about.

It was dedicated only last January, without a lot of fanfare, and most people have probably never heard of it. But if you are invited for a visit, it is a request you cannot refuse, and an experience you will likely never forget.

This new complex is the U.S. Penitentiary Administrative Maximum Facility—or the Super Max, for short—and already, it has become known as the Alcatraz of the Rockies.

It is a place where the guests check in, but they do not check out, at least not on their own.

The Super Max is the most secure prison in the Nation. A $60 million, state-of-the-art, high-technology fortress of steel, concrete, and barbed wire.

It is where the worst of the worst are shipped to when society decides they can no longer be tolerated. It is a place where these most violent offenders are strictly controlled. It is a place where everyone is watched; where everyone is monitored.

To call the Super Max cold and unfriendly would be a profound understatement. Visitors to the highest-security prison in the Nation first notice the fences—12-foot fences crowned with razor wires. They see the six guard towers, and the rolls of razor wire, and the armed guards who are not only authorized to use their weapons, but are instructed to shoot to kill.

To enter the facility itself, the walls of which are reinforced with seven layers of steel and cement, visitors must pass through metal detectors. Their hands are stamped with a secret code in ultraviolet dye—that is to keep inmates from escaping by impersonating visitors.

Mr. President, this is what you will find in a prison that has been labeled "the end of the line" for the Nation's hardcore offenders.

You might think that the incredible security measures undertaken at the Colorado Super Max would be unique among Federal facilities. After all, where else except a maximum security prison, home to some of society's most malicious predators, would such intense restrictions need to be in effect?

If you thought that, however, you would be wrong. There is another Federal compound with a security arrangement that is equally complex. There are armed guards with dogs, cement barriers, an extensive network of closed-circuit TV monitors, marked and unmarked pursuit vehicles, metal detectors and x ray scanners, signs, and barricades.

But the guests who spend time in this Federal complex are not Mafia bosses, they are not convicted spies, hit men, drug kingpins, or arms smugglers. They are not dangerous, either, and they certainly do not deserve the intense security measures they are subjected to.

They are average Americans who come here, to the U.S. Capitol Building, to see their Government at work and visit us, their representatives in Congress.

And look how we greet them—not with signs of welcome, but with security arrangements which rival those of the Super Max, the most security-conscious prison in America.

Mr. President, earlier this week, my staff made an informal survey around the Capitol and the Senate office buildings. We wanted to see this place through the eyes of a tourist, one of the 15 million Americans who visit us every year.

And what we found was shocking and disappointing: 27 armed police officers, one with a dog, patrolling the grounds, checking identification, and searching car trunks; 33 retractable traffic barriers, designed to allow only certain vehicles access to Capitol Hill parking areas; 26 portable concrete barricades—when these are in place, no vehicles can get past; 34 portable traffic signs, labeled "Stop" or "Do Not Enter"; 4 permanent guard boxes staffed with armed sentries; police cruisers, marked and unmarked; dozens of metal racks stamped "U.S. Government" blocking areas of the Capitol terrace once open to visitors; yards of rope, limiting access between sections of the Capitol grounds; yards of yellow tape reading "Police Line—Do Not Cross"; and perhaps ugliest of all, 758 enormous, round, concrete barricades thinly disguised as flower pots, rimming the entire Capitol complex.

That is just outside. Once inside our buildings, tourists will find: Checkpoints at 20 entrances where their handbags and personal belongings are analyzed by x ray scanners.

A battery of 30 metal detectors through which visitors must pass. If metal is found—and often it is, but mostly keys and coins—our guests are subjected to an embarrassing search with a hand-held metal detector—a search I have heard many women complain about.

There were 9 plainclothed officers, guarding the entrances to the House and Senate floors and visitors galleries; uniformed police officers—58 of them the day we checked—armed with guns and batons, watching everyone; and a video surveillance network that watches everyone, too.

Mr. President, that is how we welcome visitors to their own Capitol: not with open arms, but by daring them to come.

And just what are we trying to say to the American people when the battery of security measures used to control them as tourists rival the harsh measures used to control the most dangerous prisoners at the Nation's highest-security prison?

What are we afraid of, Mr. President? Terrorists? Unfortunately, these security arrangements—many of which have been upgraded in the wake of the tragic bombing in Oklahoma City—would have little effect against a well-planned terrorist attack. I am afraid that we are perhaps using the horror of the Oklahoma City bombing as an excuse to further restrict the access of average Americans to their government, and if we are, well, that is wrong.

Who suggested such an unwarranted assault on our visitors? Who put such a gestapo plan into effect? And most importantly, who in the administration or here in the Senate approved such a plan to barricade Capitol Hill, adding hundreds of new, armed guards?

Let me just say how much respect I have for the men and women of the Capitol Police force, and for the incredible effort they put forth each and every day. As individuals, and as a department, they have and deserve our deepest thanks.

My concerns are not directed at them. I want to quote Sgt. Dan Nichols, spokesman for the Capitol Police, when he was asked about the new security arrangements. Sergeant Nichols said:

> People need access to their government. But they also need to be protected. There is a saying we go by—free access and security are basically opposing concepts. You can only increase one at the expense of the other.

Sergeant Nichols is exactly right. I believe we have erred too far on the side of security. With every new fence we put up, and every armed officer we station in front of it, we jeopardize a little bit more of the freedom symbolized by this great building.

This gleaming "jewel on the hill" is ever so slowly being transformed into Alcatraz on the Potomac.

What are we afraid of?

Very few Americans will ever be offered a guided tour of the U.S. Penitentiary Administrative Maximum Facility in Florence, CO. But once they have visited Washington, DC, and make the trip to Capitol Hill, they will have a very good sense of the daily atmosphere at a maximum-security prison.

And that realization, Mr. President, ought to make them heartsick.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. COVERDELL). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DEWINE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE. Mr. President, I thank the Chair.

(The remarks of Mr. DEWINE pertaining to the introduction of S. 1190 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I thank the Chair.

(The remarks of Mr. DEWINE pertaining to the introduction of S. 1197 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. DEWINE. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF WILLIAM SESSIONS

Mr. LEAHY. Mr. President, there should be various confirmations by the Senate within the next few hours. I am hoping that one of those who will be confirmed will be William Sessions of Vermont to be a Federal District Judge. I am fairly confident that this will happen, so let me say a couple of things about Bill Sessions.

Mr. President, Bill Sessions is one of the most respected attorneys I have known in the years that I have practiced law in Vermont. I became a member of the bar of Vermont well over 30 years ago. Since that time I have seen hundreds of lawyers, men and women, who are some of the best I have seen in any part of the country. We are blessed in a small State like ours with having lawyers of extraordinary capability. But throughout that time there has always been a small cadre of the very, very best. Bill Sessions has always been on that list. He is considered one of the finest trial attorneys this year or any year in Vermont.

He is treated with great respect by both the plaintiff and defense bars, and by both the prosecution and the defendant bars. I have heard from prosecutors who had to face him in court and lost, who tell me that they have the utmost respect for him because of his honesty, his integrity, and his ability. And I have heard from people, over and over again, who have either been co-counsel with him or opposing counsel, who have equal praise, as do the Judges of Vermont.

We have had an extraordinary circumstance where all of the Federal

Judge positions in Vermont became vacant through an elevation and retirements. We have had to replace one Judge on the second circuit court of appeals and two federal district judges.

I have had the privilege of recommending to President Clinton a person to be appointed to the second circuit court of appeals, Judge Fred Parker, who now serves there with distinction. I then had the privilege to recommend to the President Gar Murtha of Dummerston who now serves with distinction as the chief Federal Judge in Vermont.

I have now had the privilege of recommending to President Clinton the name of William Sessions to be a federal district judge. The President has nominated him, the Judiciary Committee has met on him and approved him, and now the Senate is poised to act on his nomination.

Mr. President, I told President Clinton that he could rest assured that Bill Sessions would serve with great distinction, and that the President could look at him as an appointment of which he could be proud.

I know that Vermonters will join me in welcoming Bill Sessions' confirmation as a federal district judge. I know Vermonters look forward to him serving on the bench.

I must say to Bill Sessions and his family that it is a singular honor to be able to recommend him. It is an honor to join in his confirmation. This nomination is an honor he has earned, and it is an honor that he and his family should all share. It is an honor that Vermont will be able to share.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

Mr. LEVIN. Mr. President, I send to the desk an amendment on behalf of Senators NUNN, WARNER, myself, and Senator COHEN, and ask unanimous consent that it be printed in the RECORD.

(The text of amendment No. 2425 is printed in today's RECORD under "Amendments Submitted.")

Mr. LEVIN. I yield the floor.

Mr. NUNN. Mr. President, at the request of the majority and minority leaders, Senators COHEN, LEVIN, WARNER, and I have been meeting intensively for the past several days to address issues raised by the proposed Missile Defense Act of 1995, as set forth in S. 1026, the pending national defense authorization bill. The goal of our effort was to develop an amendment establishing a missile defense policy that could be supported by a broad bipartisan group of Senators. Today, we have filed a bipartisan substitute amendment reflecting our best efforts to meet that objective.

I want to begin by expressing my thanks to my three colleagues for the diligence, tolerance, and goodwill each of them showed throughout the long and, at times, difficult negotiations that have led to the agreement embodied in the substitute amendment. I believe the amendment is a significant improvement to the version in the bill, and I support its adoption.

The bill as reported set forth a proposed policy for future national missile defenses. It also proposed a demarcation between theater and anti-ballistic missile defenses. In my judgment, however, and that of many other Senators, the proposal addressed these vital issues in a manner that unnecessarily presented major difficulties in terms of arms control and constitutional considerations.

Mr. President, I support the development of national missile defense. I have supported a missile defense system against limited, accidental, or unauthorized attacks since the early 1980's when I called for a development of ALP's—an accidental launch protection system. I will support the deployment of a system to defend against limited, accidental, or unauthorized missile attacks, assuming that the system meets the deployment decision criteria set forth in this amendment—it must be affordable and operationally effective; an appropriate response to the threat, and we must weigh carefully any ABM Treaty considerations that could affect a deployment decision.

The revised version of the Missile Defense Act of 1995, as set forth in the bipartisan substitute amendment, addresses these issues in a manner that serves three important functions:

First, it clarifies the intent of the United States with respect to decisions about future missile defenses;

Second, it defuses a potential constitutional contest between the Executive and Legislative branches; and

Third, it makes clear to the international community our policy toward the ABM Treaty.

Let me try to highlight these accomplishments by comparing what was in the bill as reported and what the bipartisan substitute amendment would provide, if adopted. Section 233 of the bill as reported would set forth a policy to "deploy" a multisite national missile defense system. The same section of the bill as reported also stated that the system, "will be augmented * * * to provide a layered defense against larger and more sophisticated [missile] attacks." This phrasing confused the stated objective—to have an effective defense against accidental, unauthorized, or limited attacks—with the concept of a thicker missile defense system to defend against larger attacks. It is important to keep the system focused on the appropriate objective—defending against limited, accidental, or unauthorized attacks.

The substitute version of section 233 in the bipartisan amendment makes the following changes:

The policy is no longer stated as a binding commitment to deploy a national missile defense system. That is a decision that will be made in the future. Instead, the national missile defense policy in section 233(2) of the bipartisan substitute amendment is to "develop for deployment."

The substitute adds several important qualifiers, such as:

The system must be "affordable and operationally effective." This requirement appears in section 233(2) and is reemphasized throughout the amendment.

The system is limited to addressing only "accidental, unauthorized, or limited attacks." That qualification, which is set forth in section 233(2), is repeated throughout the amendment.

There is no commitment to deploy an augmented system. It depends on the threat.

Under section 233(2) of the substitute, any development of an "augmented" system will also be confined to augmenting a defense capability to address "limited, unauthorized, or accidental" missile attacks.

One of the most important qualifications under the substitute is the requirement in section 233(3) for "congressional review, prior to a decision to deploy the system developed for deployment * * * of: (a) the affordability and operational effectiveness of such a system; (b) the threat to be countered by such a system, and (c) ABM Treaty considerations with respect to such a system." These vital issues will all be considered before we take any step in the future to authorize and appropriate funds for the deployment of a national missile defense system.

Section 235(e)(2) of the bipartisan substitute amendment specially requires the Secretary of Defense to provide an assessment as to whether deployment is affordable and operationally effective"; and

Perhaps the most important qualification, both in terms of arms control and the separation of powers is section 233(8), which requires the Secretary of Defense to carry out the policies, programs, and requirements of the entire Missile Defense Act "through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty."

The revised version also contains language taken from the Cohen amendment which was approved by a 69 to 26 vote last week, and which is largely incorporated into the substitute amendment in sections 233(2) and 237. Collectively, the Cohen provisions encourage the President to undertake negotiations with the Russian Federation to provide modifications or amendments to allow us to deploy a multisite national missile defense in compliance with the Treaty, and, if the negotiations are not successful, they call for consultations with the Congress to review our options, including our legal right to withdraw.

Section 235(a) of the bill as reported required achievement of an initial operational capability [IOC] for a multisite national missile defense system in 2003. The substitute provision in the bipartisan amendment calls for development on a timetable that would make it, "capable of attaining" such an IOC, if there is a decision to deploy such a system.

Finally, Mr. President, let me address the theater missile demarcation provisions briefly. Section 238 of the bill as reported would have established in permanent law a specific demarcation between theater and strategic missile defenses, and would have prohibited the President from negotiations or other actions concerning the clarification or interpretation of the ABM Treaty and the line between theater and strategic missile defenses. The bipartisan substitute amendment strikes all of section 238, and provides a limited funding restriction in section 238(c), with the following provisions:

The funding restriction that applies only for fiscal year 1996;

This substitute restriction applies only to the implementation of an agreement with the successor states to the Soviet Union, should one be reached, concerning:

A demarcation between theater and strategic defenses for the purposes of the ABM Treaty; and

Additional restrictions on theater missile defense systems going beyond those in the demarcation.

In addition, to being limited to one year, the substitute funding limitation in section 238(c) has three exceptions. The limitation does not apply:

"To the extent provided" in a subsequent Act;

To "implement that portion of any such agreement that implements" the specific terms of the demarcation set forth in the amendment; and

To "implement an agreement that is entered into pursuant to the Treaty-making power of the President under the Constitution."

Mr. President, there are many other changes for the better in the bipartisan substitute amendment. I ask unanimous consent that a line-in-line-out version of the amendment, comparing the amendment to the bill as reported, be printed in the RECORD. I believe the bipartisan substitute amendment provides a useful statement of Congressional policy and intent, presented in a framework that makes clear that we seek a negotiated set of changes with the Russian Federation to allow for more effective defenses against limited missile attacks than either side is permitted today. I believe the bipartisan substitute amendment is not, and should not be seen by Russia as a threat by the United States either to abandon the ABM Treaty or to reinterpret the Treaty unilaterally to our advantage. Both we and Russia face a threat of ballistic missile attacks; the threats may differ somewhat, but the need for defenses should be clear to both sides. What we have to do is to arrange for both sides to be able to deploy more effective defenses than exist today, against accidental, unauthorized and limited strikes, while maintaining overall strategic stability.

There being no objection, the bipartisan amendment was ordered to be printed in the RECORD, as follows:

BIPARTISAN AMENDMENT CONCERNING THE MISSILE DEFENSE ACT OF 1995

Text from S. 1026, the National Defense Authorization Act for Fiscal Year 1996, Subtitle C of Title II (the Missile Defense Act of 1995) with additions in italic and deletions bracketed.

On page 49, strike out line 15 and all that follows through line 9 on page 69 and insert the following in lieu thereof:

Subtitle C—Missile Defense

SEC. 231. SHORT TITLE.

This subtitle may be cited as the "Missile Defense Act of 1995".

SEC. 232. FINDINGS.

Congress makes the following findings:

(1) The threat that is posed to the national security of the United States by the proliferation of ballistic and cruise missiles is significant and growing, both quantitatively and qualitatively.

(2) The deployment of *effective* Theater Missile Defense systems *can* [will] deny potential adversaries the option of escalating a conflict by threatening or attacking United States forces, coalition partners of the United States, or allies of the United States with ballistic missiles armed with weapons of mass destruction to offset the operational and technical advantages of the United States and its coalition partners and allies.

(3) The intelligence community of the United States has *estimated* [confirmed] that (A) the missile proliferation trend is toward longer range and more sophisticated ballistic missiles, (B) North Korea may deploy an intercontinental ballistic missile capable of reaching Alaska or beyond within 5 years, and (C) although a new indigenously developed ballistic missile threat to the continental United States is not forecast within the next 10 years *there is a danger that* [there are ways for] determined countries *will* [to] acquire intercontinental ballistic missiles in the near future and with little warning by means other than indigenous development.

(4) The deployment by the United States and its allies of effective defenses against ballistic missiles of all ranges, as well as against cruise missiles, *can* [will] reduce the incentives for countries to acquire such missiles or to augment existing missile capabilities.

(5) The Cold War distinction between strategic ballistic missiles and nonstrategic ballistic missiles and, therefore, the ABM Treaty's distinction between strategic defense and nonstrategic defense, *has changed because of technological advancements and should be reviewed.* [is technologically and geostrategically outdated.]

(6) The concept of mutual assured destruction, which *was one of the major philosophical rationales* [rationale] for the ABM Treaty [and continued reliance on an offense only form of deterrence, is adversarial and bipolar in nature and is not], *is now questionable as* a [suitable] basis for stability in a multipolar world [and one] in which the United States and the states of the former Soviet Union are seeking to normalize relations and eliminate Cold War attitudes and arrangements.

(7) [By undermining the credibility of, and incentives to pursue, destabilizing first strike strategies, theater] *Theater* and national missile defenses can contribute to the maintenance of [strategic] stability as missile threats proliferate and as the United States and the former Soviet Union significantly reduce the number of strategic nuclear forces in their respective inventories.

(8) Although technology control regimes and other forms of international arms control can contribute to nonproliferation, such measures *alone* are inadequate for dealing with missile proliferation, and should not be viewed as alternatives to missile defenses and other active and passive defenses.

(9) Due to limitations in the ABM Treaty which preclude deployment of more than 100 ground-based ABM interceptors at a single site, the United States is currently prohibited from deploying a national missile defense system capable of defending the continental United States, Alaska, and Hawaii against even the most limited ballistic missile attacks.

SEC. 233. MISSILE DEFENSE POLICY.

It is the policy of the United States to—

(1) deploy as soon as possible [highly] *affordable and operationally* effective theater missile defenses capable of countering existing and emerging theater ballistic missiles;

(2)*(A) develop for deployment* [deploy] a multiple-site national missile defense system that: [(A)] *(i)* is [highly] *affordable and operationally* effective against limited, *accidental, and unauthorized* ballistic missile attacks on the territory of the United States;[,] and [(B)] *(ii) can* [will] be augmented over time *as the threat changes* to provide a layered defense against *limited, accidental, or unauthorized* [larger and more sophisticated] ballistic missile threats;

(B) initiate negotiations with the Russian Federation as necessary to provide for the national missile defense systems specified in section 235; and

(C) consider, if those negotiations fail, the option of withdrawing from the ABM Treaty in accordance with the provisions of Article XV of the Treaty, subject to consultations between the President and the Senate;

(3) ensure congressional review, prior to a decision to deploy the system developed for deployment under paragraph (2), of: (A) the affordability and operational effectiveness of such a system; (B) the threat to be countered by such a system; and (C) ABM Treaty considerations with respect to such a system.

(4) [(3)] improve existing cruise missile defenses and deploy as soon as practical defenses that are [highly] *affordable and operationally* effective against advanced cruise missiles;

(5) [(4)] pursue a focused research and development program to provide follow-on ballistic missile defense options;

(6) [(5)] employ streamlined acquisition procedures to lower the cost and accelerate the pace of developing and deploying theater missile defenses, cruise missile defenses, and national missile defenses; [and]

(7) [(6)] seek a cooperative transition to a regime that does not feature mutual assured destruction and an offense-only form of deterrence as the basis for strategic stability; *and* [.]

(8) carry out the policies, programs, and requirements of subtitle C of title II of this Act through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

SEC. 234. THEATER MISSILE DEFENSE ARCHITECTURE.

(a) Establishment of Core Program.—To implement the policy established in section 233, the Secretary of Defense shall establish a top priority core theater missile defense program consisting of the following systems:

(1) The Patriot PAC–3 system, *with* [which shall have] a first unit equipped (FUE) in fiscal year 1998.

(2) The Navy Lower Tier (Area) system, *with* [which shall have] a user operational evaluation system (UOES) capability in fiscal year 1997 and an initial operational capability (IOC) in fiscal year 1999.

(3) The Theater High-Altitude Area Defense (THAAD) system, *with* [which shall have] a user operational evaluation system (UOES) capability in fiscal year 1997 and an initial operational capability (IOC) no later than fiscal year 2002.

(4) The Navy Upper Tier (Theater Wide) system, *with* [which shall have] a user operational evaluation system (UOES) capability in fiscal year 1999 and an initial operational capability (IOC) in fiscal year 2001.

(b) Interoperability and Support of Core Systems.—To maximize effectiveness and flexibility, the Secretary of Defense shall ensure that core theater missile defense systems are interoperable and fully capable of exploiting external sensor and battle management support from systems such as the Navy's Cooperative Engagement Capability (CEC), the Army's Battlefield Integration Center (BIC), air and space-based sensors including, in particular, the Space and Missile Tracking System (SMTS).

(c) Termination of Programs.—The Secretary of Defense shall terminate the [following programs:

[(1) The Corps Surface to Air Missile system (Corps SAM).

[(2) The] Boost Phase Interceptor (BPI) program.

(d) Follow-on Systems.—(1) The Secretary of Defense shall develop an affordable development plan for follow-on theater missile defense systems which leverages existing systems, technologies, and programs, and focuses investments to satisfy military requirements not met by the core program.

(2) Before adding new theater missile defense systems to the core program from among the follow-on activities, the Secretary of Defense shall submit to the congressional defense committees a report describing—

(A) the requirements for the program *and the specific threats to be countered;*

(B) how the new program will relate to, support, and leverage off existing core programs;

(C) the planned acquisition strategy; and

(D) a preliminary estimate of total program cost and budgetary impact.

(e) Report.—*(1)* Not later than *the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code* [than 60 days after the date of the enactment of this Act], the Secretary of Defense shall submit to the congressional defense committees a report detailing the Secretary's plans for implementing the guidance specified in this section.

(2) For each deployment date for each system described in subsection (a), the report required by paragraph (1) of this subsection shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a).

SEC. 235. NATIONAL MISSILE DEFENSE SYSTEM ARCHITECTURE.

(a) In General.—To implement the policy established in section 233, the Secretary of Defense shall develop an affordable and operationally effective national missile defense system *to counter a limited, accidental, or unauthorized ballistic missile attack, and which is capable of attaining* [which will attain] initial operational capability (IOC) by the end of 2003. *Such system* [The national missile defense system to be developed for deployment] shall include the following:

(1) Ground-based interceptors *capable of being* deployed at multiple sites, the locations and numbers of which are to be determined so as to optimize the defensive coverage of the continental United States, Alaska, and Hawaii against limited, *accidental, or unauthorized* ballistic missile attacks.

(2) Fixed ground-based radars and space-based sensors, including the Space and Missile Tracking system, the mix, siting and numbers of which are to be determined so as to optimize sensor support and minimize total system cost.

(3) Battle management, command, control, and communications (BM/C3).

(b) Interim Operational Capability.—To provide a hedge against the emergence of near-term ballistic missile threats against the United States and to support the development and deployment of the objective system specified in subsection (a), the Secretary of Defense shall develop an interim national missile defense [capability] *plan that would give the United States the ability to field a limited operational capability by the end of 1999 if required by the threat.* [, consistent with the technical requirements and schedule of such objective system to be operational by the end of 1999.] In developing this *plan* [capability] the Secretary shall make use of—

(1) developmental, or user operational evaluation system (UOES) interceptors, radars, and battle management, command, control, and communications (BM/C3), to the extent that such use directly supports, and does not significantly increase the cost of, the objective system specified in subsection (a);

(2) one or more of the sites that will be used as deployment locations for the objective system specified in subsection (a);

(3) upgraded early warning radars; and

(4) space-based sensors.

(c) Use of Streamlined Acquisition Procedures.—The Secretary of Defense shall prescribe and use streamlined acquisition procedures to—

(1) reduce the cost and increase the efficiency of developing the national missile defense system specified in subsection (a); and

(2) ensure that *any* [the] interim national missile defense capabilities developed pursuant to subsection (b) are operationally effective and on a path to fulfill the technical requirements and schedule of the objective system.

(d) Additional Cost Saving Measures.—In addition to the procedures prescribed pursuant to subsection (c), the Secretary of Defense shall employ cost saving measures that do not decrease the operational effectiveness of the systems specified in subsections (a) and (b), and which do not pose unacceptable technical risk. The cost saving measures should include the following:

(1) The use of existing facilities and infrastructure.

(2) The use, where appropriate, of existing or upgraded systems and technologies, *except that Minuteman boosters may not be used as part of a National Missile Defense architecture.*

(3) Development of systems and components that do not rely on a large and permanent infrastructure and are easily transported, emplaced, and moved.

(e) Report on Plan for Deployment.—Not later than *the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code* [60 days after the date of the enactment of this Act], the Secretary of Defense shall submit to the congressional defense committees a report containing the following matters:

(1) The Secretary's plan for carrying out this section.

(2) For each deployment date in subsections (a) and (b), the report shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a) or (b). *The report shall also describe the specific threat to be countered and provide the Secretary's assessment as to whether deployment is affordable and operationally effective.*

(3) [(2)] An analysis of options for supplementing or modifying the national missile defense architecture specified in subsection (a) before attaining initial operational capability, or evolving such architecture in a building block manner after attaining initial operational capability, to improve the cost-effectiveness or the operational effectiveness of such system by adding one or a combination of the following:

(A) Additional ground-based interceptors at existing or new sites.

(B) Sea-based missile defense systems.

(C) Space-based kinetic energy interceptors.

(D) Space-based directed energy systems.

SEC. 236. CRUISE MISSILE DEFENSE INITIATIVE.

(a) In General.—The Secretary of Defense shall undertake an initiative to coordinate and strengthen the cruise missile defense programs, projects, and activities of the military departments, the Advanced Research Projects Agency and the Ballistic Missile Defense Organization to ensure that the United States develops and deploys [highly effective] *affordable and operationally effective* defenses against existing and future cruise missile threats.

(b) Actions of the Secretary of Defense.—In carrying out subsection (a), the Secretary of Defense shall ensure that—

(1) to the extent practicable, the ballistic missile defense and cruise missile defense efforts of the Department of Defense are coordinated and mutually reinforcing;

(2) existing air defense systems are adequately upgraded to *provide an affordable and operationally effective defense* [defend] against existing and near-term cruise missile threats; and

(3) the Department of Defense undertakes a high priority and well coordinated technology development program to support the future deployment of systems that are [highly] *affordable and operationally* effective

against advanced cruise missiles, including cruise missiles with low observable features.

(c) IMPLEMENTATION PLAN.—Not later than *the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code* [60 days after the date of the enactment of this Act], the Secretary of Defense shall submit to the congressional defense committees a detailed plan, in unclassified and classified forms, as necessary, for carrying out this section. The plan shall include an assessment of—

(1) the systems that currently have cruise missile defense capabilities, and existing programs to improve these capabilities;

(2) the technologies that could be deployed in the near- to mid-term to provide significant advances over existing cruise missile defense capabilities, and the investments that would be required to ready the technologies for deployment;

(3) the cost and operational tradeoffs, if any, between upgrading existing air and missile defense systems and accelerating follow-on systems with significantly improved capabilities against advanced cruise missiles; and

(4) the organizational and management changes that would strengthen and further coordinate the cruise missile defense efforts of the Department of Defense, including the disadvantages, if any, of implementing such changes.

SEC. 237. POLICY REGARDING THE ABM TREATY.

(a) Congress makes the following findings:

(1) Article XIII of the ABM Treaty envisions "possible changes in the strategic situation which have a bearing on the provisions of this treaty".

(2) Articles XIII and XIV of the ABM Treaty establish means for the Parties to amend the Treaty, and the Parties have employed these means to amend the Treaty.

(3) Article XV of the ABM Treaty establishes the means for a party to withdraw from the Treaty, upon 6 months notice, "if it decides that extraordinary events related to the subject matter of this treaty have jeopardized its supreme interests."

(4) The policies, programs, and requirements of subtitle C of title II of this Act can be accomplished through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

(b) [(a)] SENSE OF CONGRESS.—In light of the findings and policies provided in this subtitle, it is the sense of Congress that—

(1) Given the fundamental responsibility of the Government of the United States to protect the security of the United States, the increasingly serious threat posed to the United States by the proliferation of weapons of mass destruction and ballistic missile technology, and the effect this threat could have on the options of the United States to act in a time of crisis—

(A) it is in the vital national security interest of the United States to defend itself from the threat of a limited, accidental, or unauthorized ballistic missile attack, whatever its source; and

(B) the deployment of a national missile defense system, in accord with section 233, to protect the territory of the United States against a limited, accidental, or unauthorized missile attack can strengthen strategic stability and deterrence; and

(2)(A) the Senate should [(A)] undertake a comprehensive review of the continuing value and validity of the ABM Treaty with the intent of providing additional policy guidance on the future of the ABM Treaty during the second session of the 104th Congress; and

(B) upon completion of the review, the Committee on Foreign Relations, in consultation with the Committee on Armed Services and other appropriate committees, should report its findings to the Senate.

[(B) consider establishing a select committee to carry out the review and to recommend such additional policy guidance on future application of the ABM Treaty as the select committee considers appropriate; and

[(2) the President should cease all efforts to modify, clarify, or otherwise alter United States obligations under the ABM Treaty pending the outcome of the review.

[(b) ABM TREATY NEGOTIATING RECORD.—(1) To support the comprehensive review specified in subsection (a), the Secretary of Defense, in consultation with other appropriate officials of the executive branch, shall provide the Senate with a complete, declassified version of the ABM Treaty negotiating record, including—

[(A) within 30 days after the date of the enactment of this Act, an index of the documents comprising the negotiating record; and

[(B) within 60 days after the date of the enactment of this Act, the documents comprising the negotiating record in unclassified form.

[(2) If the Secretary considers it necessary to do so, the Secretary may submit the documents referred to in paragraph (1)(B) in classified form when due under that paragraph. If the Secretary does so, however, the Secretary shall submit the documents in unclassified form within 90 days after the date of the enactment of this Act.

[(c) WAIVER.—The Secretary of Defense, after consultation with any select committee established in accordance with subsection (a)(1)(B) or, if no select committee, the Committee on Armed Services of the Senate, may waive the declassification requirement under subsection (b) on a document by document basis.]

SEC. 238. PROHIBITION ON FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.

(a) FINDINGS.—Congress makes the following findings:

(1) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 provides that the ABM Treaty does not apply to or limit research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles, regardless of the capabilities of such missiles, unless those systems, system upgrades, or system components are tested against or have demonstrated capabilities to counter modern strategic ballistic missiles.

(2) Section 232 of the National Defense Authorization Act for Fiscal Year 1995 provides that the United States shall not be bound by any international agreement that would substantially modify the ABM Treaty unless the agreement is entered into pursuant to the treaty making power of the President under the Constitution.

(3) the demarcation standard described in subsection (b)(1) is based upon current technology.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) unless a missile defense system, system upgrade, or system component, including one that exploits data from space-based or other external sensors, is flight tested against a ballistic missile target that exceeds a range of 3,500 kilometers or a velocity of 5 kilometers per second, such missile defense system, system upgrade, or system component has not been tested in an ABM mode nor deemed to have been given capabilities to counter strategic ballistic missiles, and

(2) any international agreement that would limit the research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles in a manner that would be more restrictive than the criteria in paragraph (1) should be entered into only pursuant to the treaty making powers of the President under the Constitution.

(c) PROHIBITION ON FUNDING.—Funds appropriated or otherwise made available to the Department of Defense for fiscal year 1996 may not be obligated or expended to implement an agreement with any of the independent states of the former Soviet Union entered into after January 1, 1995 that would establish a demarcation between theater missile defense systems and anti-ballistic missile systems for purposes of the ABM Treaty or that would restrict the performance, operation, or deployment of United States theater missile defense systems except: (1) to the extent provided in an act enacted subsequent to this Act; (2) to implement that portion of any such agreement that implements the criteria in subsection (b)(1); or (3) to implement such an agreement that is entered into pursuant to the treaty making power of the President under the Constitution.

[SEC. 238. STANDARD FOR ASSESSING COMPLIANCE WITH THE ABM TREATY.

[(a) POLICY CONCERNING SYSTEMS SUBJECT TO ABM TREATY.—Unless and until a missile defense or air defense system, system upgrade, or system component, including one that exploits data from space based or other external sensors (such as the Space and Missile Tracking System, which can be deployed as an ABM adjunct, or the Navy's Cooperative Engagement Capability), is flight tested in an ABM qualifying flight test (as defined in subsection (c)), such system, system upgrade, or system component—

[(1) has not, for purposes of the ABM Treaty, been tested in an ABM mode nor been given capabilities to counter strategic ballistic missiles; and

[(2) therefore is not subject to any application, limitation, or obligation under the ABM Treaty.

[(b) PROHIBITIONS.—(1) Appropriated funds may not be obligated or expended by any official of the Federal Government for the purpose of—

[(A) prescribing, enforcing, or implementing any Executive order, regulation, or policy that would apply the ABM Treaty (or any limitation or obligation under such Treaty) to research, development, testing, or deployment of a missile defense or air defense system, system upgrade, or system component, including one that exploits data from space based or other external sensors; or

[(B) taking any other action to provide for the ABM Treaty (or any limitation or obligation under such treaty) to be applied to research, development, testing, or deployment of a missile defense or air defense system, system upgrade, or system component, including one that exploits data from space based or other external sensors.

[(2) This subsection shall cease to apply with respect to a missile defense or air defense system, system upgrade, or system component, including one that exploits data from space based or other external sensors, when that system, system upgrade, or system component has been flight tested in an ABM qualifying flight test.

[(c) ABM QUALIFYING FLIGHT TEST DEFINED.—For purposes of this section, an ABM qualifying flight test is a flight test against a ballistic missile which, in that flight test, exceeds (1) a range of 3,500 kilometers, or (2) a velocity of 5 kilometers per second.

[(d) ACTIONS OF THE SECRETARY OF DEFENSE.—Not later than 60 days after the date of the enactment of this Act, and each year thereafter in the annual report of the Ballistic Missile Defense Organization, the Secretary of Defense shall certify to Congress that no United States missile defense or air defense system, system upgrade, or system component is being limited, modified, or otherwise constrained pursuant to the ABM Treaty in a manner that is inconsistent with this section.

[(e) CONGRESSIONAL REVIEW OF RANGE AND VELOCITY PARAMETERS.—Congress finds that the range and velocity parameters set forth in subsection (c) are based on a distinction between strategic and nonstrategic ballistic missiles that is technically and geostrategically outdated, and, therefore, should be subject to review and change as part of the Senate's comprehensive review under section 237.]

SEC. 239. BALLISTIC MISSILE DEFENSE PROGRAM ELEMENTS.

(a) ELEMENTS SPECIFIED.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year after fiscal year 1996 (as submitted in the budget of the President under section 1105(a) of title 31, United States Code), the amount requested for activities of the Ballistic Missile Defense Organization shall be set forth in accordance with the following program elements:

(1) The Patriot system.

(2) The Navy Lower Tier (Area) system.

(3) The Theater High-Altitude Area Defense (THAAD) system.

(4) The Navy Upper Tier (Theater Wide) system.

(5) Other Theater Missile Defense Activities.

(6) National Missile Defense.

(7) Follow-On and Support Technologies.

(b) TREATMENT OF NON-CORE TMD IN OTHER THEATER MISSILE DEFENSE ACTIVITIES ELEMENT.—Funding for theater missile defense programs, projects, and activities, other than core theater missile defense programs, shall be covered in the "Other Theater Missile Defense Activities" program element.

(c) TREATMENT OF CORE THEATER MISSILE DEFENSE PROGRAMS.—Funding for core theater missile defense programs specified in section 234, shall be covered in individual, dedicated program elements and shall be available only for activities covered by those program elements.

(d) BM/C3I PROGRAMS.—Funding for programs, projects, and activities involving battle management, command, control, communications, and intelligence (BM/C3I) shall be covered in the "Other Theater Missile Defense Activities" program element or the "National Missile Defense" program element, as determined on the basis of the primary objectives involved.

(e) MANAGEMENT AND SUPPORT.—Each program element shall include requests for the amounts necessary for the management and support of the programs, projects, and activities contained in that program element.

SEC. 240. ABM TREATY DEFINED.

For purposes of this subtitle, the term "ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed at Moscow on May 26, 1972, and includes the Protocols to that Treaty, signed at Moscow on July 3, 1974.

SEC. 241. REPEAL OF MISSILE DEFENSE PROVISIONS.

The following provisions of law are repealed:

(1) The Missile Defense Act of 1991 (part C of title II of Public Law 102–190; 10 U.S.C. 2431 note).

(2) Section 237 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

(3) Section 242 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

(4) Section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 613; 10 U.S.C. 2431 note).

(5) Section 225 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 614).

(6) Section 226 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 101 Stat. 1057; 10 U.S.C. 2431 note).

(7) Section 8123 of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 102 Stat. 2270–40).

(8) Section 8133 of the Department of Defense Appropriations Act, 1992 (Public Law 102–172; 105 Stat. 1211).

(9) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1595; 10 U.S.C. 2431 note).

(10) Section 235 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2701; 10 U.S.C. 221 note).

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia.

Mr. WARNER. This amendment, of course, is the first one recited in the agreement just reached less than an hour ago by the U.S. Senate regarding the procedures by which the Senate will address the authorization bill for 1996. This particular amendment entitled "bipartisan amendment," is the result of negotiation by myself; the distinguished Senator from Maine, Mr. COHEN; the ranking member of the Armed Services Committee, Mr. NUNN; and the distinguished Senator from Michigan, Mr. LEVIN.

We should note that we have served together some 17 years on this committee. And the four of us from time to time have often been tasked to work through difficult issues, particularly issues relating to international matters. It happened many times under the chairmanship of Senators Stennis and Tower and Senator Goldwater and, indeed, going as far back as Senator Jackson.

Mr. COHEN and Mr. NUNN initiated many of the discussions which led up to this particular negotiation. And during the course of their discussions there was a decision of the majority leader, together with the chairman of the Armed Services Committee, Mr. THURMOND, and indeed the Democratic leader, Senator DASCHLE, that the four of us should try to resolve what appeared to be at that time a very difficult gap. And indeed, at that time, it was questionable whether that gap could be bridged. That has now been done.

By way of background, I simply want to say, Mr. President, this is an issue which has concerned this Senator for many, many years. I was in the Department of Defense at the time the ABM agreement was negotiated, and by virtue of my office as Secretary of the Navy at that time and my responsibility as the principal negotiator of the Incidents at Sea Agreement, I was in Moscow in May 1972 with President Nixon, Dr. Kissinger, and others at the time the ABM agreement was signed between the United States and the Soviet Union.

I simply note that footnote of history to underline my personal knowledge that the ABM Treaty was never, never, never envisioned by the drafters or the signatories to apply to theater missile systems. It has long been my goal, together with many others here in the Senate, to make certain that the ABM Treaty is not reinterpreted or amended or in any other way revised so as to put a limitation on the ability of the scientific expertise of this country to devise systems to deter and then, if deterrence fails, defend against theater missile ballistic systems.

What better evidence for the necessity of these defensive systems than what we saw in the gulf war where we, the United States, took the single largest number of casualties at any time during that conflict, from a single theater ballistic missile, a Scud missile sent by Saddam Hussein and his armed forces onto a barracks housing many U.S. military personnel.

This amendment goes a long way, perhaps not as far as this Senator and other Senators might have desired, but nonetheless it goes a long way toward making it clear that the administration, as it addresses changes, modifications or clarifications to the ABM Treaty, will do so in a manner consistent with our Constitution, namely, to come to the Senate of the United States under the advice-and-consent clause, to make certain that such amendments as may be adopted in the future—particularly ones clarifying the demarcation between what is a theater missile defense system and what is an antiballistic missile system; together with others relating to range, velocity, the number of deployment sites and the like relating to theater defense systems—are all submitted to the Senate so that the Senate is a full partner to any decisions by this Nation with respect to future systems for theater missile defense. That was the main thrust here.

In other areas of this amendment we address the clear intention of the United States to deploy both a national system as well as a theater system. That is consistent with the overwhelming desire of the American people that we move forward in this area. Many people in America, the vast majority according to polls, think we already have in place systems that will protect this great country of ours from an accidental attack, an unintentional attack, or a limited attack. But, unfortunately, that is not the case. And, likewise, with the theater missile defense systems, we should have in place more modernized, more effective systems than the current Patriot.

I believe that the bipartisan amendment on missile defense is a significant step forward. As with all such negotiated amendments, neither side ended up with everything it wanted. But the result of this effort by Senators is a Missile Defense Act of 1995, a substitute to the original one in the bill, which sets a clear path to the deployment—and I stress the word deployment—of effective missile defenses, both theater and national, to protect the territory, citizens, and forward-deployed forces of the United States.

This revised Missile Defense Act of 1995 establishes a policy of developing for deployment a multiple-site national missile defense system capable of defending the United States; and prohibits any final effort by the administration to impose limitations, without the consent of the Senate, on the development and deployment of U.S. theater missile defense systems by virtue of new interpretations of the ABM Treaty of 1972. This treaty was never intended to apply to theater systems of deterrence and defense.

The principal focus of my remarks today is on the changes made to section 238 of the Missile Defense Act of 1995—the so-called Warner amendment which was incorporated by the Armed Services Committee into the bill. As it originally appeared, section 238 used the Senate's power of the purse to impose a broad and absolute prohibition on the administration's ability to take any action which would impose ABM Treaty restrictions on the development and deployment of theater missile defense systems. These systems are urgently needed to protect the lives of the men and women of the Armed Forces, United States and allied, who are forward deployed into hostile situations.

The bipartisan amendment achieves our goal—namely, to prohibit the administration from implementing any agreement with Russia which would impose limitations, including performance, operational or deployment limitations, on theater missile defense systems, unless the Senate exercises, pursuant to a Presidential submission of such agreement, its constitutional right of advise and consent.

Mr. President, as I said last week during the Senate's original debate on the Missile Defense Act of 1995, I have long believed that we must accelerate the development and deployment of operationally effective theater missile defense systems for our troops—defenses that are not improperly constrained by the ABM Treaty. Likewise we must, in the interest of the American people, make a clear statement of our national determination to proceed to a national defense system to protect against the threats enunciated in this bipartisan amendment.

The threat that theater missiles pose to our forces is clear—30 nations have such systems, and more are acquiring the same capability. The gulf war should have caused all Americans to unite behind this missile defense effort. What can be more terrifying than the thought of U.S. citizens—both at home and deployed overseas—defenseless against the type of weapons of terror used by Saddam Hussein? And yet, here we are 5 years after that conflict, and our troops are still not adequately protected from ballistic missile attacks, and there are those who still resist efforts to move forward in this area.

Mr. President, it became evident to me, earlier this year, that our crucial effort to develop and deploy the most capable theater missile defense systems was in danger of being unacceptably hampered by the administration's desire to achieve a demarcation agreement with the Russians. They were actively negotiating toward that goal. Several of the negotiating positions either proposed or accepted by the administration would have severely limited the technological development of U.S. theater missile defense systems, and would have resulted in an international agreement imposing major new limitations on the United States. Consequently, I have taken actions in 1994 and now in 1995 to prohibit such actions by the administration.

Mr. President, previously I have tried other avenues to have the Senate's voice heard on the issue of ABM/TMD demarcation. My preferred option—and the one which I tried last year—was simply to require the President to present to the Senate for advice and consent any demarcation agreement which would substantively modify the ABM Treaty. The Congress adopted my views and made them part of the fiscal year 1995 Defense Authorization Act.

However, despite that legal requirement, the administration has made it abundantly clear that it does not intend to submit any such demarcation agreement, pursuant to the Constitution, to the Senate for advice and consent. Although the administration was negotiating an agreement that would, in effect, make the ABM Treaty a TMD Treaty, administration officials believed that there was no need for the Senate to exercise its constitutional right to provide advice and consent to that agreement.

It was clear that a new approach was needed. Therefore, I focused on the Congress' power of the purse to ensure that the views of the Senate were considered in the demarcation negotiations.

The bipartisan missile defense amendment preserves this approach. Section 238 prohibits the expenditure of funds for fiscal year 1996 to implement an agreement that would establish a demarcation between theater missile defense systems and ABM systems or that would restrict the performance, operation or deployment of U.S. theater missile defense systems, unless that agreement is entered into pursuant to the treaty making powers of the President, or to the extent provided in an Act subsequently enacted by the Congress. In other words, for the coming fiscal year the prohibition stands unless the Senate takes an affirmative act to change or remove that prohibition.

In addition, this provision establishes as a sense-of-the-Congress the generally accepted demarcation standard between TMD and ABM systems. Section 238(b)(1) states that "unless a missile defense system, system upgrade, or system component, including one that exploits data from space-based or other external sensors, is flight tested against a ballistic missile target that exceeds a range of 3,500 kilometers or a velocity of 5 kilometers per second, such missile defense system, system upgrade, or system component has not been tested in an ABM mode nor deemed to have been given capabilities to counter strategic ballistic missiles." This was the standard used by the Clinton administration at the beginning of the demarcation negotiations in November 1993. The administration would be well-advised to return to that standard.

Mr. President, I would have preferred a prohibition that would have remained in effect for more than one fiscal year. I would have preferred a demarcation standard adopted in a binding form, rather than as a sense-of-the-Congress. But I believe that the essence of my original amendment was preserved in this compromise package.

This legislation represents a significant step forward in the effort to provide the men and women of the Armed Forces with the most effective theater missile defense systems that our great nation is capable of producing. I urge my colleagues to support the amendment.

Finally Mr. President, I wish to acknowledge my special appreciation and respect for Senator COHEN's very valuable contribution to the negotiations leading up to the bipartisan amendment. We have worked together for 17 years on the Armed Services Committee, and I value his advise and counsel.

I also I wish to commend a number of Members of the Senate, of the Armed Services Committee. Senator SMITH was very active, and Senator KYL, who is not a member of the committee, was very active in all of these negotiations. And I think we have reached a result which is in the best interest of the Senate.

And finally, this agreement would not have been possible without the outstanding work of a number of dedicated staff members. In particular, Eric Thoemmes of the majority staff of the Senate Armed Services Committee was instrumental to the successful conclusion of these negotiations. In my 17 years on the Armed Services Committee, I have not seen a finer job done by a Professional Staff Member. I thank him for all he has done for the Nation's defense. In addition, I would like to acknowledge the outstanding contributions of Bill Hoehn, Andy Effron and Rick DeBobes of the minority staff of the Armed Services Committee, Richard Fieldhouse of Senator LEVIN's staff, and Judy Ansley and Les Brownlee of my staff. A lot of hard work by both Senators and staff resulted in a package of which we can all be proud.

I thank again my distinguished colleague from Michigan for his valuable contribution to this effort.

I yield the floor.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Mr. LEVIN. I know my good friend from Virginia must leave, but on his way out, I do want him to hear my own feelings about his contribution to this institution and to this Nation, and more specifically to this agreement.

A number of us worked day after day after day, and Senator WARNER is really extraordinary in his commitment to resolving difficult issues in fair ways. I just want to tell him, again, what a pleasure it is to work with the Senator from Virginia.

Mr. WARNER. Mr. President, I thank my distinguished colleague.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Mr. LEVIN. Mr. President, when we debated the national missile defense and the antiballistic missile language in the defense authorization bill, a number of us felt that the bill was severely flawed in a number of ways.

First, we argued that the provisions in the bill would seriously damage our relationship with Russia by stating that we will deploy a national missile defense system. Such a statement of commitment to deploy would violate our treaty with the Russians, which says that neither party will deploy a multiple site system.

Our good friend from Virginia is, of course, right. The Antiballistic Missile Treaty did not cover theater missiles or short-range missiles. The missiles which are covered by this treaty are the longer-range missiles. But we have a treaty, and that treaty has been an important part of a stable relationship when we had a cold war, and the preservation of our word now is particularly important when we are attempting to have a normal relationship with Russia.

The language in the underlying bill which said that it was our decision to deploy a system which would violate a treaty with Russia was the most troublesome of the language in this bill.

Those of us who opposed that language and sought to strike it urged on the Senate that this was a reckless course of action which could jeopardize the nuclear weapons reductions now taking place in the START I Treaty, and would also jeopardize the ratification of the START II Treaty. Those treaties are going to eliminate thousands of Russian nuclear warheads. Those treaties are going to reduce the number of Russia's warheads to 3,000, instead of the 8,000 warheads that they otherwise would have. That is a huge benefit for the security of the United States.

A decision to undermine the agreement and threaten the reductions which it has made possible is very serious business, indeed. That is what the Secretary of Defense told us, that is what the Secretary of State told us, that is what the Chairman of the Joint Chiefs of Staff, General Shalikashvili, told us.

They expressed grave doubts about the bill's language which would threaten our relationship with Russia. Those of us who strongly opposed the bill's provisions, relative to the ABM Treaty and national missile defense, also pointed out that the language unilaterally declared in law what the dividing line is between a long-range missile, which is covered by the Antiballistic Missile Treaty, and a short-range missile, or theater missile, which is not covered by the treaty.

Senator WARNER is exactly right, theater missiles are not covered by the ABM Treaty; only the long-range or strategic missiles are covered by that treaty. But what is the precise dividing line between the two? There is great bipartisan support in this body for having defenses against theater missiles. That is allowed by the treaty, and it is a real threat. But what is the dividing line between the two? That is the subject of negotiations, because it is part of a treaty that was negotiated.

But under the bill language, there was a unilateral declaration as to what the dividing line was, and there was a prohibition on the President negotiating any other dividing line. It is threatening enough to a negotiating partner to unilaterally declare something which is the subject of discussions and negotiations. It is particularly unsettling when the party that is representing us, the President, is not even allowed to negotiate anything other than what we declare unilaterally to be the dividing line. And the language in the bill, for which this language would substitute, actually prohibits the President or the President's representatives from sitting down and talking about what the dividing line should be. There was a funding prohibition which does not allow any funds to be spent even to negotiate, to talk, to discuss anything other than the dividing line, which we unilaterally declared in the Senate.

That is extremely unsettling to the negotiator on the other side of the table, and it makes it impossible to even discuss the subject because the language in this bill prevents anyone on our side to even talk to the other side about it.

Our amendment removes some of these very troublesome provisions. As the body well knows, we spent a long time debating this issue. My amendment, which would have struck some of the language which I have just described, lost by two votes. Subsequent to that, Senator COHEN, the Senator from Maine who has been a major contributor of just knowledge and background in this area, offered a sense-of-the-Senate resolution which was adopted by the Senate but which also raised some issues then about the underlying language. And then the President, or at least his advisers, indicated that the President would veto this bill based on a number of problems that they saw. But a major problem that they pointed out as a cause for the recommendation to veto the bill was the language relative to national missile defense.

So, at that point, what the majority leader, the Democratic leader, the chairman of the committee and the ranking member of the committee did was appoint Senators WARNER and COHEN on the Republican side, and Senator NUNN and myself on the Democratic side to see if we could negotiate a substitute version.

We have done that. We are going to be presenting it to the Senate for its consideration immediately following the recess, and I believe that our substitute cures a number of the defects in the underlying language.

First, the substitute amendment is explicit that there is no decision in this bill to deploy the national system. For instance, section 233(3) says that it is the policy of the United States "to ensure congressional review prior to a decision to deploy the system developed for deployment under paragraph (2)."

I repeat this language because it is, to me, some of the most critical language in our substitute: That it is the policy of the United States "to ensure congressional review prior to a decision to deploy the system developed for deployment under paragraph (2) of"—this is congressional review of—"the affordability and operational effectiveness of such a system; (B) the threat to be countered by such a system; and (C) ABM Treaty considerations with respect to such a system."

So the substitute is explicit on issues of affordability, military effectiveness, the impact on the ABM Treaty, and an assessment of the threat that must be made before any deployment decision is made.

Our substitute amendment allows the President to negotiate the demarcation between long-range and short-range missiles. Funds are restricted in this substitute for 1 year to implement an agreement which sets a different demarcation line, which our sense-of-the-Senate language feels is the right demarcation line. But the President is permitted to negotiate and, as provided for by our language, is told that if there is a different line provided for by those negotiations, then the President must come back to us for the funding to implement a different demarcation line.

Now, our substitute does some other important things. It recognizes the ABM Treaty in a number of places and in a number of ways. While the bill that we seek to amend with this substitute provided for the deployment of a multisite system—no ifs, ands, or buts, the ABM Treaty be damned—our substitute amendment provides that the development of a system for deployment can take place. The development of a system takes place, but with plenty of ifs, ands, and buts—before any decision to deploy is made.

I previously made reference to the fact that our substitute recognizes the ABM Treaty in a number of places and in a number of ways. Let me just briefly mention one of them. In section 233, subsection 8, our substitute states that it is the policy of the United States to carry out the policy's programs and requirements of subtitle C of title II of the act—and these next words are important for my point—"through processes specified within or consistent with the ABM Treaty, which anticipates the need and provides the means for amendment to the treaty."

Finally, Mr. President, let me say this. Even current law provides for the development for a deployment of a multisite system. But the current law attached conditions before any such deployment occurs. That is current law. Our substitute also provides that it is the policy to develop for the deployment of such a system. But it also attaches conditions to any deployment.

So the substitute amendment, Mr. President, does not commit the United States to deploying an ABM system, multisite or otherwise. It calls for development of such a system, which is already what we are doing, and explicitly requires Congress to review the program "prior to a decision" to deploy such a system. It also says that the system shall be "capable of being deployed" at multiple sites but not that it must be deployed at multiple sites.

This substitute amendment limits the scope very clearly of any national missile defense system, so that it is intended for use only to defend against limited, accidental, and unauthorized missile attacks. That is very different from the what the star wars system was intended to be.

This substitute amendment is the product of bipartisan negotiation. It is a significant improvement, in many respects—and I have only enumerated some—over the original version. It was discussed and debated by the four of us at great length over a period of a week. I particularly thank Senators NUNN, COHEN, WARNER, and all of our staffs who spent not only day after day, but night after night negotiating this bipartisan substitute. I hope it finds favor with the entire Senate when we present it as an amendment to the defense authorization bill upon our return.

Mr. President, I ask unanimous consent that two documents that I prepared, the first called "Missile Defense Act Provisions: Old Versus New," and the second, entitled "Missile Defense Act of 1995: Substitute Amendment," be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

MISSILE DEFENSE ACT PROVISIONS: OLD V. NEW

Here are two critical questions concerning the Missile Defense Act, and a comparison between the original bill and the new substitute amendment.

(1) Does the Act commit the U.S. to deploy a national missile defense (NMD) system?

Answer: The original bill (S. 1026) does commit the U.S. to deploy a multiple site national missile defense system by the end of 2003, and an interim system by 1999.

The substitute amendment does not commit the U.S. to deploy a national missile defense system. It explicitly requires a congressional review of the program "prior to a decision to deploy" an NMD system. (It makes it the policy of the U.S. to "develop" an NMD system for deployment.)

Before Congress makes any decision to deploy a national missile defense system, it must first review four issues: the affordability and operational effectiveness of the system, the threat to be countered by the system, and ABM Treaty considerations.

(2) Does the Act require the U.S. to violate the ABM Treaty?

Answer: The original bill does require the U.S. to violate the ABM Treaty by requiring the U.S. to deploy a multi-site NMD system by 2003, perhaps as early as 1999. And it declares it the policy of the U.S. to deploy a multiple-site NMD system.

The substitute amendment does not require the U.S. to violate the ABM Treaty. It states that U.S. policy is to carry out the provisions of the Missile Defense Act according to or consistent with the ABM Treaty.

MISSILE DEFENSE ACT OF 1995: SUBSTITUTE AMENDMENT

Side-by-side comparison of the Missile Defense Act in S. 1026 and the substitute amendment of August 10, 1995.

SEC. 233. POLICY

The bill asserted that the policy of the U.S. was:

—to "deploy a multiple site" national missile defense system that "will be" augmented to provide a larger defense in the future.

The substitute amendment has as the policy:

—to develop for deployment a national missile defense system that can be augmented.

—to negotiate with Russia to provide for such a system, based on the ABM Treaty.

—to consider, if those negotiations fail, the option of withdrawing from the ABM Treaty.

—the purpose of the system is to defend only against limited, accidental and unauthorized missile attacks a new provision in the substitute amendment states the policy that:

—Congress shall review the affordability, the operational effectiveness and the threat to be countered by the national missile defense system, and ABM Treaty considerations, prior to deciding whether to deploy the system.

The last new policy provision:

—to carry out the policies, programs and requirements of the Missile Defense Act through processes specified in or consistent with the ABM Treaty.

SEC. 234. THEATER MISSILE ARCHITECTURE

The Bill requires the Pentagon to meet certain dates for the specified programs.

The substitute amendment:

—relaxes the requirement to meet those dates,

—requires a report for each program/date explaining the cost and technical risk of meeting those dates,

—and requires a report on the specific threats to be countered by each TMD system.

SEC. 235. NATIONAL MISSILE DEFENSE ARCHITECTURE

The Bill requires the Pentagon to develop a national missile defense system which will be operational first in 2003. It requires the system to include ground-based interceptors "deployed at multiple sites".

The substitute amendment requires the Pentagon to develop a national missile defense system that is capable of being first operational by the end of 2003. It states that the system shall include ground-based interceptors capable of being deployed at multiple sites.

Interim capability:

The bill required the Pentagon to develop an interim capability to be operational by 1999.

The substitute amendment requires the Pentagon to develop a plan instead of a capability, and that it would give the U.S. the ability to have such an interim capability in place by 1999 if required by the threat.

The substitute amendment also requires a report that would include information on the cost of the program, the specific threat to be countered, and the Defense Secretary's assessment of whether deployment is affordable and operationally effective.

SEC. 237. POLICY REGARDING THE ABM TREATY

The Bill has sense of Congress language that:

—the Senate should conduct a review of the ABM Treaty,

—the Senate should consider establishing a Select Committee to conduct the review, and

—the President should cease all efforts to "modify, clarify, or otherwise alter" our obligations under the ABM Treaty.

The Bill requires the Secretary of Defense to provide a declassified record of the ABM Treaty negotiations. The substitute amendment adds findings related to the ABM Treaty, including that the policies, programs and requirements of the Missile Defense Act can be accomplished in accordance or consistent with the ABM Treaty.

The substitute amendment:

—strikes the proposal to establish a Select Committee

—strikes the proposal that the President cease all efforts to modify or clarify our obligations under the ABM Treaty

—strikes the entire provision calling for a declassified treaty negotiating record

—states that the Foreign Relations and Armed Services committees should conduct the review of the Treaty.

SEC. 238. PROHIBITION ON FUNDS TO IMPLEMENT A TMD DEMARCATION AGREEMENT

The Bill:

—states the policy that "unless and until" a missile defense system is tested against a target missile with a range greater than 3,500 km or a velocity greater than 5 km per second, it has not been tested "in an ABM mode" nor "been given capabilities to counter strategic ballistic missiles" (both of which are prohibited by the ABM Treaty), and therefore is not subject to ABM Treaty application or restrictions.

—prohibits any appropriated funds from being obligated or expended by any official of the federal government to apply the ABM Treaty to TMD systems, or for "taking any other action" to have the ABM Treaty apply to TMD systems. (This would prevent any discussion or negotiation by federal officials with the Russians to consider any other demarcation than the one specified in the bill.)

The substitute amendment strikes Sec. 238 and replaces it with:

—two findings that restate items from previous Acts

—sense of the Congress language defining the TMD demarcation (3,500 km/ 5kps), and stating that unless a TMD system is tested above the demarcation threshold, the system has not been tested in an ABM mode, nor deemed to have been given capabilities to counter strategic ballistic missiles".

—sense of Congress language saying that any agreement with Russia that would be more restrictive than the demarcation provided should require ratification.

—Binding prohibition on funding: FY 96 DOD funds cannot be used to implement a demarcation agreement unless: provided in a subsequent act (majority vote), or if the agreement goes through the ratification process.

Mr. COHEN. Mr. President, in June, when the Armed Services Committee marked up the Defense authorization bill, the committee voted to put the United States on the path to deployment of a highly effective system to defend the American people against limited missile attacks.

Because we want to and must defend all Americans, not just those in a particular region of the country, we called for a multiple-site defense. And, because we can expect the threat to evolve to become ever more sophisticated, we called for a defensive system that would also evolve and a research and development program to provide options for the future. Since the national missile defense program approved by the committee goes beyond that being pursued by the administration, we added $300 million above the $371 million requested.

We also called for deployment of highly effective systems to defend our forward deployed forces and key allies and, to ensure this result, reorganized the administration's theater missile defense effort. A related matter involved negotiations being conducted with Moscow to define the line distinguishing TMD from ABM systems. Over the last year and a half, the Clinton administration has drifted toward accepting Russian proposals to limit TMD systems in unacceptable ways—in effect, to subject TMD systems to the ABM Treaty, which was never intended to cover theater defenses. The committee addressed this troubling situation with two steps. First, we voted to write into law the Clinton administration's initial negotiating position on what constitutes an ABM system. And second, we adopted bill language to prevent the administration from implementing any agreement that would have the effect of applying ABM Treaty restrictions to TMD systems.

Last week, when the defense authorization act came to the floor, the committee's judgment was challenged. One amendment was offered to delete the additional $300 million provided for national missile defense. And another amendment was offered to eliminate the policy to deploy a multiple-site national defense system, eliminate the statutory demarcation between TMD and ABM systems, and eliminate the ban on applying the ABM Treaty to TMD systems.

As was the case during the committee's markup, these efforts failed in relatively close votes.

Mr. President, I have been on the Armed Services Committee since 1979 and have spent most of that time in the majority. It has not been our practice for the majority to use its position to impose its views on the minority. Instead, we have usually sought to develop as broad a consensus as possible on important issues of national security.

In this spirit, Members of the majority also offered amendments on the floor to move beyond close, partisan votes toward a broader consensus.

Senator KYL offered an amendment expressing the sense of the Senate that all Americans should be protected from accidental, intentional, or limited ballistic missile attack. His amendment setting forth this basic principle, which was the basis for the Armed Services Committee's action, was approved overwhelming, 94 to 5.

And to address the concerns of some Senators that the committee was advocating abrogation of the ABM Treaty, I offered an amendment affirming that the multiple-site defense we endorsed can be deployed in accordance with mechanisms provided for in the ABM Treaty—such as negotiating an amendment—and urging the President to negotiate with Moscow to obtain the necessary treaty amendment. My amendment was also approved by a very large margin, 69 to 26.

I highlight that vote margin because the bipartisan amendment we have negotiated would change even the language of the Cohen amendment, which was adopted overwhelmingly by the full Senate. I think this a clear indication of how far the majority has been willing to go in accommodating the minority in order to build a broader consensus.

THE BIPARTISAN AMENDMENT

The result of the negotiations that have occurred is the bipartisan amendment, which is being cosponsored by the four senators designated by the two leaders to resolve this issue. In order to reach agreement on this amendment, both sides made concessions, although it should be noted that many of the agreed upon changes are less concessions than clarifications of the Armed Services Committee's intent.

Senators interested in this matter can read the bipartisan amendment and compare it to current text of the bill. Our negotiations involved debate over almost every single word in subtitle C. For reasons of time, I will merely try to summarize the most important issues.

MISSILE DEFENSE POLICY

In section 233, which addresses missile defense policy, we have made a number of changes to clarify the intent of the committee's language.

The bipartisan text states that "it is the policy of the United States to develop for deployment a multiple-site national missile defense system." The difference with the original text is that it substitutes the words "develop for deployment" for the word "deploy." While I do not believe there was anything inappropriate with the committee's language, this change is consistent with the fact that what we are funding in this bill is research and development on national missile defense, not procurement. There will be a number of authorization and appropriations bills to be acted upon before we begin to fund the actual deployment of the system. I would note that the words "develop for deployment" were in the committee-approved bill, in the NMD architecture section, and so this clarification is consistent with the committee's intent.

Moreover, I would emphasize that the policy section clearly states—as did the committee bill—that the system we are pursuing is a multiple-site system. As the findings make clear, a multiple-site system is essential if we are to defend all of the U.S. and not just part of the country. This is also made clear in the NMD architecture section, which states that the system must be optimized to defend all 50 States against limited, accidental or unauthorized ballistic missile attacks.

This is further bolstered by the new language inserted by the compromise at various places that the system must be "affordable and operationally effective." An NMD system confined to a single ground-based site would not be operationally effective, as noted in the ninth finding.

The bipartisan text also states in the policy section that the NMD system will be one that "can be augmented over time as the threat changes to provide a layered defense against limited, accidental, or unauthorized ballistic missile threats." This passage was of great importance to many Members on this side who are concerned about the ability of the system to remain effective in the face of an evolving threat.

The committee-approved language stated that the NMD system "will be augmented over time to provide a layered defense." There were strong feelings on our side about the words "will be augmented." In the end, we agreed to change this to "can be augmented." Again, while the committee's language had much to commend it, funding for deployment of other defensive layers will not be appropriated for several years.

The other changes to this passage, such as the inclusion of the words "limited, accidental, or unauthorized" clarify the ballistic missile threat for which a layered defense would be required, reflect the intent of the committee's bill.

At the suggestion of the other side, a new paragraph was added to the policy calling for congressional review, prior to a decision to deploy the NMD system. This is fully consistent with the committee's intent and the realities of the congressional budget process. Funds to begin deployment of the NMD system are not in the bill before the Senate. Thus, when such funds are requested, that request will pass through the regular process of committee hearings and mark-ups, floor consideration, and conference action.

Another change to the policy section was the inclusion of several portions of the amendment that I offered and that was approved by the Senate last week. This states that it is U.S. policy to "carry out the policies, programs and requirements of (the Missile Defense Act of 1995) through processes specified within, or consistent with the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty."

It also states that it is U.S. policy to initiate negotiations with the Russian Federation as necessary to provide for the NMD systems specified in the NMD architecture section. At the urging of Congress in the Missile Defense Act of 1991, President Bush initiated such negotiations with Moscow. It is my understanding that tentative agreement was reached to provide for the deployment of ground-based multiple-site NMD systems. But the Clinton administration discontinued those negotiations. Under this legislation, it would be U.S. policy to once again engage Moscow in negotiations to amend the ABM Treaty or otherwise allow for multiple-site NMD systems.

The policy section then states that "it is the policy of the U.S. to * * * consider, if those negotiations fail, the option of withdrawing from the ABM Treaty in accordance with the provisions of Article XV of the Treaty, subject to consultations between the President and the Senate."

I would note that both amendment to the Treaty, as provided for in Articles XIII and XIV, and withdrawal from the Treaty, as provided for in Article XV, are "processes specified within the ABM Treaty."

Contrary to the concerns of some, the Armed Services Committee never advocated abrogation of the Treaty and the bill reported out by the committee neither required nor supported abrogation. The debate that took place during the committee markup made it clear that there was absolutely no intent to abrogate.

These provisions regarding the ABM Treaty and negotiations with Moscow taken from the Cohen amendment and incorporated into the bipartisan amendment reaffirm what was always the intent of the committee.

Mr. President, I want to emphasize that these provisions and the other language in the section 233 clearly state that these policies are "the policy of the United States." Not the policy of the Senate or the policy of the Congress. I say this because I have heard that an administration official has said that, once this bill becomes law, the administration will declare that these statements of U.S. policy are not its policy but merely the sense of the Congress.

The bill makes a clear distinction between statements of U.S. policy and expressions of the sense of Congress. We have spent a great deal of effort negotiating exactly what statements will fall into the policy section and which will be in the form of sense of the Congress. In fact, these negotiations began with Senator NUNN urging that the Cohen amendment be strengthened from being the sense of the Congress to a statement of U.S. policy.

Mr. President, I would merely note the obvious fact that once the bill becomes U.S. law, then the bill's statements of policy are U.S. policy.

NMD ARCHITECTURE

The bipartisan amendment also provides changes and clarifications regarding the architecture of the national missile defense system.

The committee's bill stated that the NMD system "will attain initial operational capability by the end of 2003." The bipartisan amendment states that the NMD system will be "capable of attaining initial operational capability by the end of 2003." This is a useful clarification because while Congress can mandate many things, we cannot dictate with certainty that engineers will accomplish specific tasks within a specific period of time.

In subsection (b) of section 235, our side did make a significant concession. The committee's bill directed the Secretary of Defense "to develop an interim NMD capability * * * to be operational by the end of 1999." In order to achieve agreement with the other side, we have modified this to require the Secretary "to develop an interim NMD plan that would give the U.S. the ability to field a limited operational capability by the end of 1999 if required by the threat." In both versions, the interim capability would have to not interfere with deployment of the full up NMD system by 2003.

Mr. President, I would also note that the bipartisan amendment retains the portion of section 235 that calls for a report by the Secretary of Defense analyzing "options for supplementing or modifying the NMD system * * * by adding one or a combination of * * * sea-based missile defense systems, space-based kinetic energy interceptors, or space-based directed energy systems." As I discussed earlier, such options for layered defenses are of considerable interest to many Members.

To summarize, Mr. President, the bipartisan amendment both clarifies and changes the committee bill's provisions on national missile defense. It keeps us on the path toward a ground-based, multiple-site NMD system with options for layered defenses as the threat changes. But it recognizes that requests for NMD procurement funds will not be made for several years.

TMD DEMARCATION

The other issue that required much discussion was what is commonly referred to as the theater missile defense demarcation question. Senator WARNER will discuss this at greater length, but I would like to summarize the resolution that was achieved in section 238, which was completely rewritten with the assistance of many Senators.

The section has findings noting that the ABM Treaty "does not apply to or limit" theater missile defense systems. The findings also note that "the U.S. shall not be bound by any international agreement that would substantially modify the ABM Treaty unless the agreement is entered into pursuant to the treaty making powers of the President under the Constitution." What this means is that any agreement that would have the effect of applying limits on TMD systems under the ABM Treaty must be approved as a treaty by the Senate.

Section 238 then states the sense of Congress that a defensive system has been tested in an ABM mode, and therefore is subject to the ABM Treaty, only if it has been tested against a ballistic missile target that has a range in excess of 3,500 kilometers or a velocity in excess of 5 kilometers per second. This threshold is the one defined by the administration and proposed in its talks with Moscow on this subject.

Finally, section 238 has a binding provision that prohibits implementation during fiscal year 1996 of an agreement with the countries of the former

Soviet Union that would restrict theater missile defenses. This prohibition would not apply to the portion of an agreement that implements the 3500 kilometer or 5 kilometer per second criteria nor to an agreement that is approved as a treaty by the Senate.

But it would apply to all portions of an agreement that sought to impose any restrictions other than the 3500 kilometer or 5 kilometer per second criteria. Various other potential restrictions have been discussed, such as limits on the number of TMD systems or system components, geographical restrictions on where TMD systems can be deployed, restrictions on the velocity of TMD interceptor missiles, and restrictions on the volume of TMD interceptors missiles. Under section 238 of the bipartisan amendment, during fiscal year 1996, the administration is barred from implementing any of these potential restrictions or any other restrictions on the performance, operation, or deployment of TMD systems, system components, or system upgrades.

At the same time, Mr. President, there are no constraints on the ability of the President to engage in negotiations on the demarcation issue, which I know was an issue of concern to some. What section 238 controls is the implementation of any restrictions on TMD systems.

Mr. President, I want to acknowledge the efforts of the many Senators who contributed to the drafting of this amendment. Every member of the Armed Services Committee played a role, as did the two leaders, and key Senators off the committee. Senator KYL played a very constructive role, offering language that formed the basis for the resolution on section 238 and providing useful suggestions on the NMD portions of the bill. The chairman of the Armed Services Committee is to be especially commended for providing strong guidance to the negotiators and the committee, as a whole, and facilitating the talks along the way.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CHAFEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, as I understand, we are in morning business, and I am permitted to speak for 10 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. CHAFEE. Mr. President, I ask unanimous consent that I might proceed for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. I thank the Chair.

REFORMING THE MEDICAID PROGRAM

Mr. CHAFEE. Mr. President, when the Congress returns from the August recess we are going to begin work in earnest on a very difficult part of the balanced budget effort which we are all dedicated to achieving, certainly on this side of the aisle.

Mr. President, I enthusiastically support our efforts to achieve the balanced budget by the year 2002. It is absolutely essential that we get Federal spending under control.

The 1996 budget resolution, the orders that came down from the Budget Committee to the Finance Committee, said that the Finance Committee must reduce spending within its programs by $530 billion over the next 7 years.

That is not a cut from existing levels, it is a reduction from where the spending otherwise would have gone—$530 billion in 7 years. That is a monstrous task to achieve. Then the Budget Committee made some suggestions—not mandates, but suggestions—on how that $530 billion reduction in what otherwise would have been spent can be achieved.

The Budget Committee recommended that there be a reduction in the rate of growth of Medicaid by $182 billion over the 7-year period. The remainder of the Finance Committee's objectives would be achieved by slowing the growth in other programs such as Medicare, AFDC, and other spending programs.

Now, the resolution from the Budget Committee did not specifically require or call for Medicaid being transferred into a block grant. However, many believe that we cannot achieve these savings of the $182 billion without converting the program into a block grant.

Mr. President, I do not share that conclusion. I will spend a few minutes discussing the challenges confronting us as we attempt to achieve those reductions in growth.

First, a little bit about Medicaid. What is Medicaid? Who does it serve? Medicaid is a means-tested entitlement program, jointly financed by the States and the Federal Government, based on a formula that has the maximum contribution by the States being 50 percent in some wealthier States and going down as low as 20 percent in some States such as Mississippi, for example.

This is a program, financed jointly by the Federal Government and by the States, which is fully administered by the States.

Federal law requires States to cover certain groups of individuals and to provide certain benefits to those individuals. States receive matching payments based on a per capita income.

Now, not all individuals who are poor qualify for Medicaid. There is a belief if you are poor you get Medicaid. That is not necessarily so. The eligibility for Medicaid is limited to the following: Low-income families who receive cash assistance under programs such as AFDC; or children and pregnant women who do not qualify for AFDC but whose family incomes are at or near the poverty level.

Now, note this is not an adult male whose earnings are at or below the poverty level. He is not covered under this program. It is children and pregnant women who do not qualify for AFDC but whose families are at or near the poverty level.

Another group, the acute and long-term care costs of persons with disabilities—the disabled communities. In addition, certain health care services for the elderly.

Now, what are these? Medicaid pays the cost of Medicare part B premium. This is part of Medicare. The premium normally is paid by the beneficiary, but in very, very low-income Medicaid beneficiaries the part B premium is paid by Medicaid.

What about for that same group of people on Medicaid, those over 65 in most instances, who have to pay the deductibles or the copayments? If the individual is, again, a low-income individual, elderly, Medicaid pays those deductibles or copayments.

Medicaid also pays for services not covered by Medicare in some instances. For example, prescription drugs for our poorest senior citizens are paid for by Medicaid. Medicaid also pays to sustain three out of every four persons in nursing homes. That is a startling figure. Mr. President, 75 percent of the people, residents of nursing homes in the United States of America, are being paid for by Medicaid.

Now, I have here, Mr. President, a chart and it looks a little busy but I will explain it. This is the population of the Medicaid beneficiaries, recipients.

Mr. President, 50 percent of the Medicaid population, those receiving benefits under Medicaid, are children. This shows the population percentage in Medicaid; this shows the expenditures for that population. For example, although 50 percent of Medicaid recipients are children, they only absorb 15 percent of the moneys spent by Medicaid.

Or another case, adults receiving—the pregnant mother I talked about—adults constitute 23 percent of the population receiving Medicaid, but only consume 12 percent of the funds.

This group I have just described, the pregnant mother with her children who are receiving AFDC or are poor—below the poverty level—constitute 73 percent of those receiving Medicaid, but they only consume 27 percent of the moneys.

The blind and disabled constitute 15 percent of the Medicaid population, but consume 31 percent of the money. The elderly constitute 12 percent of the population but consume 28 percent of the money.

The elderly and the disabled constitute 27 percent of the population, yet they consume 60 percent of the moneys. That is very important to bear in mind as we move through this little discussion.

Now, let me return to the budget issue. Republican Governors appear to be advocating that Congress enact legislation to convert the Medicaid program to a block grant to meet the savings targets contained in the budget resolution. This approach has been seized upon by many Republicans in Congress as a panacea to our Medicaid problems. This is a great way to solve everything—just block grant it.

The advocates of block grant propose that Congress repeal all Federal requirements with respect to eligibility, benefits, and quality standards. In other words, we would not have those anymore under the Medicaid program under a block grant.

Moreover, the proposal frequently made by this group is that the Federal dollars flow out with no State contribution.

As I previously mentioned, the program currently is partly State, partly Federal. In most on average the Federal share would be about 55 percent and the State share about 45 percent. That is what we call maintenance of effort, that the State has to continue to contribute.

The proposal is that we do not require that anymore. That the Federal Government turn over $773 billion with only one requirement over the 7-year period. Mr. President, $773 billion of Federal money would go out to the States with only one requirement on the States—that these moneys be spent on health care for low-income citizens. It does not define who would be eligible. It does not define health care services. It does not define what the quality standards. This is a very, very, dramatic proposal.

I think this approach is fraught with problems. First and foremost, I am concerned that States will be forced to make drastic reductions in services and eligibility to live within the 4-percent growth cap that is envisioned under the budget resolution. Under the budget resolution, we provide the States with money we gave them in 1994 and then we go up by 4 percent, realizing the Medicaid population will probably increase over that period.

What I am worried about is the effect there would be more Americans without any type of health insurance. Already in our Nation, there are about 38 million people who are uninsured. I am very reluctant to see that pool of Americans without health insurance increase.

Even more troubling is my concern that there will be an attempt to reduce the rate of growth in Medicaid even more than that required in the budget resolution. As I say, the Finance Committee has a lot of flexibility here. We do not have to reduce Medicaid by $182 billion. We can reduce it by $190 or $200 billion. And, unquestionably, there will be a tendency, when we look at the large target of savings that have to be achieved under Medicare, to say, "$270 billion out of Medicare, that is a lot. Let us just increase the savings somewhat in Medicaid"—Medicare being the program for those over 65, Medicaid being for that group that I previously discussed, primarily low-income families and low-income seniors.

If the Finance Committee adopts the budget resolution recommendations, Medicare growth rates are 7 percent and Medicaid 4 percent. These already, it seems to me, are disproportional, and any attempts to further reduce the rate of growth in Medicaid would cause me great concern.

Second, I am concerned about the complete lack of accountability, with no kind of strings attached to this block grant proposal. Surely we ought to have some guarantees that these funds will be spent for their intended purpose. How do we do that? That is left undescribed, so far.

A third, but very real, problem is the formula. This is a huge amount of money. How is it to be equitably divided among the States? We have wrestled with that in welfare, but that is really the minor leagues compared to the expenditures and problems that come up with Medicaid. In Medicaid, we are dealing with hundreds of billions of dollars—not the tens of billions of dollars that we have so struggled with in determining a correct formula under AFDC. I would like to touch on each of those matters just briefly in a little more detail.

Living within the block grant: The budget resolution recommends the growth rate be brought down and leveled off at 4 percent by 1998. We can grow a little more in Medicaid next year, 7 percent, but by 1998 it has to be at 4 percent. That translates, as I said before, to a $182 billion reduction in the rate of growth over the next 7 years.

Under the block grant approach, each State would receive a fixed allocation. If there are more people eligible for Medicaid —which might be because of a recession or something similar—the States would either have to make up the difference or cut back on services and eligibility. The Governors who advocate the block grant assured Congress they would live within this absolute cap. It is true a number of States have begun enrolling families with children into managed care. That seems to be the solution that is proposed. States argue that they can achieve these savings by enrolling the Medicaid population into managed care. And, indeed, those States that have tried it have had some success.

However, Mr. President, here we get back to the percentage of eligibles in each category compared with the spending. Yes, you can use managed care with the 73 percent of the Medicaid population, the children and adults. It is possible to enroll this population in managed care and achieve savings. But the trouble is, you are only dealing with 27 percent of the expenditures. What about managed care for the elderly, and those up here, who constitute 27 percent of the population but are consuming 60 percent of the moneys?

The reality is that States have little or no managed care experience when it comes to long-term care. These folks, the elderly, this group—they are in nursing homes, for the most part. Arizona is the only State which has its entire Medicaid population in managed care. Its growth rate over 13 years of experience averages 7 percent, not the 4 percent we are trying to achieve. Mr. President, 7 percent is a long ways from 4 percent.

What about other administrative efficiencies? Some say we can do it under the block grant by repealing the so-called Boren amendment, which is a Federal requirement that State payments to providers under Medicaid be "reasonable and adequate."

The view is that you can repeal the Boren amendment and there will be tremendous savings. Yet, the Congressional Budget Office estimates that repeal of the Boren amendment would only yield $7 billion over this 7-year period—about $1 billion a year.

June O'Neill, director of CBO, in recent testimony before the House Commerce Committee, said the following:

> Improving the efficiency by itself almost certainly could not achieve reductions in the rate of growth in the order of magnitude being discussed. [She is talking about the delivery of services under Medicaid.] Some combination of cutbacks in eligibility, covered services or payments to providers [the nursing homes, the doctors, the hospital] would be necessary.

In testimony before the Finance Committee last month, Governor Lawton Chiles, our former colleague here, U.S. Senator for 12 years, now Governor of Florida, said under the block grant approach he would have no choice but to cut back on services and eligibility.

As States are forced to ration finite resources under a block grant, Governors and legislators would be forced to choose among three very compelling groups of beneficiaries.

Who are they? Children—here they are right here—children, the elderly, and the disabled. They are the groups that primarily they would have to choose amongst. Unfortunately, I suspect in that children would be the ones who would lose out.

My second concern is the issue of accountability. As I mentioned earlier, block grant proponents are pressing for a "no strings" approach—give us the money and do not tell us how we are going to spend it. As Governor Engler of Michigan made clear in testimony before the House Commerce Committee:

> * * * any financing mechanism that continues a Federal matching formula is not acceptable. I repeat: Not acceptable.

In other words, they do not want this so-called maintenance of effort.

I am confident that many States would use block grant funds appropriately. However, those who are familiar with the Medicaid Program need look no further than the so-called disproportionate share hospital program to find examples of diversion of funds, of Medicaid funds. I suspect the American public would be shocked to hear how many miles of highway have been paid for with Federal Medicaid dollars, or that at least one college stadium is reportedly known as the "Medicaid Dome."

As a former Governor, I am sympathetic to the urgent pleas of the National Governors Association for more flexibility. Every Governor wants that. Most of us would agree that the Medicaid Program could be greatly improved by repealing some of the more complex and burdensome requirements. However, I find the concept of completely abandoning all Federal standards troubling.

What are some of the standards that would be lost under the "no strings" approach of the block grant method?

What are we talking about when we are talking standards? Federal nursing home standards, for one.

During the 1980's, many nursing homes were warehouses for the elderly. Residents were left tied to their beds lying, in some instances, in their own filth. During the 1970's, we saw managed care plans in California receiving huge sums of Medicaid dollars for health care services they never provided. It turned out that one managed care plan in California had a 24-hour emergency number, and that turned out to be a phone booth on a street corner.

Under current Medicaid law, physicians and other providers of health care services are required to be licensed and hospitals have to be accredited. I think these are important quality standards. Perhaps some States would enact their own laws to address these concerns. But when we are dealing with hundreds of billions of dollars and millions of lives, I hate to take anything for granted.

It is perhaps because of my own experience as a Governor that I know the value of making Federal funds contingent upon a sizable State contribution.

I just want to relate a little anecdote. When I was Governor of Rhode Island, I went out with our director of public works driving over a new interstate highway we had just built. I saw a lot of lights along the highway. Immediately my thought was, What are all these lights doing there? That has to be terribly expensive. So I turned to the director of the department of public works. "What about all those lights? Why do you have them?" "Oh, do not worry. That is 90–10 money," meaning the Federal Government pays 90 cents and the State only paid 10 cents. So why should we worry about some unnecessary frills such as this abundance of lights? I found that a perfectly acceptable explanation. Why not take it, 90–10?

But from that lesson, I realized that unless there is a sizable contribution percentagewise by the States, then there is a casualness in the expenditure of Federal dollars.

My last concern deals with how we go about allocating funds among the States under the block grant. We had, as I mentioned before, great struggles on the welfare bill that we are dealing with now on the allocation of funds. If we adopt the formula based on current Federal spending on Medicaid in each State, all States would get about a 19-percent decrease below the levels anticipated under current law. And reducing that rate of growth to achieve the $182 billion of savings would require every State to go down under its present allocation about 19 percent from where they otherwise would be.

What do we do with those States that are anticipating high population growth? There are many factors that could be taken into account. Some suggest that the allocation should be based upon population. Under this scenario we would see a massive shifting of funding from the Northeast, from Pennsylvania, Connecticut, New York, and Rhode Island, a shift from those States to the South and to the West.

The State of Rhode Island would see a 42-percent reduction in Medicaid funds from what it otherwise would have received. New York would see a 50-percent reduction if we use the formula based on population and projected population growth. Utah would see a 30-percent increase in Medicaid money. Oregon would receive an 11-percent increase. I chose Oregon, New York, Utah, and Rhode Island because all of those States have representation on the Finance Committee. You can see right away that a major battle would ensue.

Having voiced my concern about the block grant, I would like to outline an alternative approach which I am currently working on to meet the savings targets contained in the budget resolution. Whatever we do, I am going to stick by those targets. As far as I am concerned nothing can come out of the Finance Committee wherein we do not meet our targets.

But here is another way of doing it which would provide the additional flexibility the Governors need to make their systems more efficient. Two steps could go a long way—not all the way but a long way—toward meeting our reconciliation responsibilities with respect to Medicaid.

First, a per capita cap on Federal spending for each beneficiary; x amount of dollars for every beneficiary. That would encourage the States to provide more cost-effective care, without sacrificing access to additional Federal funds in times of recession, as would result under a block grant approach.

Second, let us reduce and redirect the so-called Federal disproportionate share payments going to hospitals. I am not going to go into a great deal of description of disproportionate share. All I can say is it is fraught with abuse.

These two options that I mentioned—the per capita cap on Federal spending and reducing and redirecting disproportionate share payments to hospitals—could yield between $100 and $130 billion savings over the next 7 years.

Our second objective of giving the Governors additional flexibility to achieve efficiency could be realized. What can we do to help the Governors?

One, eliminate the requirements that States obtain Federal waivers before moving forward to implement managed care. Get away from this waiver business.

Two, repeal the payment requirements, such as the Boren amendment and its so-called reasonable-cost reimbursement.

Three, replace what is known as the Qualified Medicare Beneficiary [QMB] Program, which requires States to pay Medicare premiums and cost sharing for low-income seniors, and replace this with a more rational federally financed system.

In conclusion, Mr. President, we have two choices. We can convert the Medicaid Program to a block grant and send out the checks, tell the States, "You are on your own. Take care of health care for low income. That is it." Or, Mr. President, we can acknowledge that the Federal Government has a greater responsibility in this than just sending the checks off in the mail. In partnership with the States, I think we have a responsibility to provide health care services to low-income seniors, children and the disabled.

The point I wish to make today is that with work and tough choices, we can meet our budget responsibilities without throwing this Federal-State partnership overboard as would result in the block grant approach. Certainly, that will be my preference between now and September 22, when the authorizing committees—in this instance the Finance Committee—must report their reconciliation legislation.

I intend to continue to explore ways to reform the Medicaid Program. In that regard, I welcome input. My tilt, as you know, is away from the block grant approach.

We need help. It is a tremendous goal that is set out, not only for the Medicaid Program but the Medicare likewise. The Finance Committee has tremendous challenges before us.

So, Mr. President, I thank you for this.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to title 46, section 1295(b) of the United States Code, as amended by Public Law 101-595, appoints the following Senators to the Board of Visitors of the U.S. Merchant Marine Academy:

The Senator from South Dakota [Mr. PRESSLER], ex officio, as chairman of the Committee on Commerce, Science, and Transportation;

The Senator from Mississippi [Mr. LOTT], from the Committee on Commerce, Science and Transportation.

The Chair, on behalf of the Vice President, pursuant to title 14, section 194(a) of the United States Code, as amended by Public Law 101-595, appoints the following Senators to the Board of Visitors of the U.S. Coast Guard Academy:

The Senator from South Dakota [Mr. PRESSLER], ex officio as chairman of the Committee on Commerce, Science, and Transportation;

The Senator from Missouri [Mr. ASHCROFT], from the Committee on Commerce, Science and Transportation;

The Senator from South Carolina [Mr. HOLLINGS], from the Committee on Commerce, Science and Transportation;

The Senator from Washington [Mrs. MURRAY], at large.

THE PRC'S MISSILE TESTS

Mr. THOMAS. Mr. President, as the chairman of the Subcommittee on East Asian and Pacific Affairs, I am dismayed to report to my colleagues this morning that the People's Republic of China has announced that it will conduct a new series of guided missile tests in the East China Sea between August 15 and 25. What dismays me about the announcement is that the tests—staged by the People's Liberation Army—will be the second series in less than a month to be conducted just off the coast of southeastern Zhejiang Province, and that the southern perimeter of the test area is only 90 miles north of Taiwan.

The People's Republic of China conducted similar tests of six air-to-air missiles from July 21 to 26 in an area only 60 kilometers north of Taiwan's Pengchiayu Island. The missiles test-fired consisted mainly of Dongfeng-31 intercontinental ballistic missiles and M-class short-range tactical missiles. At the same time, the PLA mobilized forces in coastal Fujian Province and moved a number of Jian-8 aircraft to the coast. It is likely that this new round of tests and exercises will be similar.

These tests clearly have a political purpose, and are meant as a warning to Taiwan to cease its efforts at expanding its international recognition. Although the People's Republic of China's Foreign Ministry, through its spokesman Shen Guofeng, has repeatedly denied any such purpose, I would remind them of one of their own sayings: "Listen to what a person says, but watch what he does." These are the actions which call into serious question in my mind the validity of Mr. Shen's statement. The tests are being conducted within as close a proximity of Taiwanese territory as possible. While similar tests are a usual part of the annual training exercises of the Chinese 2d Artillery Corps, these are the only times in many years that the tests have been announced publicly. The tests follow closely on the heels of the private visit of President Lee Tang-hui to Cornell University, and amid a flurry of mainland Chinese invective denouncing the visit and President Lee. In conjunction with the tests, Taiwan intelligence reported that the People's Republic of China was planning on conducting a joint sea-air military exercise codenamed "Jiu-wu-qi" and that on July 16 the People's Republic of China Air Force stationed a number of F–7 or F–8 aircraft at airports located within 250 nautical miles of Taiwan—a highly unusual and provocative move.

The PLA is clearly the principal force pushing for the tests. At a time when the jockeying for position in the People's Republic of China's transitional post-Deng Government continues, taking what can be perceived as a soft stance toward either the United States or Taiwan is considered by many to be the equivalent of political suicide. When the Party and military hierarchy were assured by the Foreign Ministry that the United States would never allow President Lee to visit, only to have the visa approved a few days later, it caused a serious "we-told-you-so" backlash from the hardline conservative PLA leadership. In order to maintain credibility with the military, and continue to enjoy their support, the political hierarchy has decided to react strongly—one would almost say overreact—to President Lee's visit and other perceived threats.

Mr. President, although the Taiwan Government and people have shown remarkable restraint in calmly facing these latest antagonisms, I am sure that a continuation of the mainland's provocations cannot go unanswered for long. This is especially true in light of statements such as a recent pronouncement by Chinese Defense Minister Chi Haotian, reported by the Chinese official news agency Xinhua on July 31, that the PLA will not undertake to give up the use of force in settling the Taiwan issue. Certainly, as the perceived threat to Taiwan increases, so too will their reaction. The People's Republic of China's tests are clearly behind an August 2 statement by Lt. General Ju Kai-sheng, President of Taiwan's Army Artillery Training School, that Taiwan is ready to establish antimissile systems to beef up its defensive capabilities. Toward that end, Taiwan has struck a deal with the Massachusetts-based Raytheon Corp. to purchase approximately $796 million worth of Patriot missiles.

If the Beijing government continues in this antagonistic posture, it will only end up shooting itself in the foot. I would remind the Beijing Government that pursuant to the three joint communiqués and the Taiwan Relations Act, the United States can supply defensive military technology to Taiwan. While we have not been predisposed over the last few years to exercise that right, continuing threatening military displays aimed at Taiwan will, I am sure, have an effect on that posture that the People's Republic of China will likely not appreciate.

SAVINGS AND BENEFITS OF THE "DIRECT LENDING" REFORM FOR COLLEGE STUDENT LOANS

Mr. KENNEDY. Mr. President, 2 years ago, after a major battle with special interest groups, Congress enacted a far-reaching reform of the College Student Loan Program. We did so with strong bipartisan support, because the reform was so clearly beneficial to colleges and students alike.

The reform is called direct lending, because it permits college students to obtain their loans directly from the Federal Government through their colleges, rather than through assorted banks and guaranty agencies under the complex and costly Government Guaranteed Loan Program.

The 1993 reform brought major advantages to students. It cut student loan fees in half, reduced interest rates on all student loans, and created more flexible repayment terms. According to estimates by the Congressional Budget Office at that time for the 5-year period 1994 to 1998, direct lending as phased in by the 1993 legislation yields $2 billion in savings for the 4 million college students who rely on student loans to finance their education, and it yields $4.3 billion in savings to taxpayers over the same period.

Direct lending also addresses the need for a more efficient and streamlined Federal Government. The Guaranteed Loan Program—far from being a private sector enterprise—operates through a system of Federal subsidies and Federal loan guarantees to 7,000 lenders and 41 guaranty agencies, as well as 25 secondary markets, which are entities that buy loans in bulk from lenders and then process the loan payments made by the students. The guaranty agencies alone have over 5,000 employees—25 percent more than the entire Department of Education and 10 times more than the 450 Department employees who would manage a full Direct Lending Program. Taxpayers—not the private sector—pay for the gross inefficiencies of the complex Guaranteed Loan Program.

Despite the obvious advantages to students, colleges, and taxpayers of the direct loan system, there was a major battle in 1993 to enact this reform. Banks, guaranty agencies, and other middlemen in the Guaranteed Loan Program did not want to give up the profits they made.

The key to breaking the deadlock and enacting direct lending was the savings to the Federal budget. My own preference at the time would have been to use the full $6.3 billion in estimated savings to benefit students. But the compromise enacted—allocation of $2 billion to students and $4.3 billion to deficit reduction—was acceptable because it ensured the enactment of the reform.

Under the Student Loan Reform Act of 1993, direct lending is being phased in over a 5-year period—5 percent of student loan volume in the first year, 40 percent in this, the second year, 50 percent in the third and fourth years, and 60 percent in the fifth year. Beginning in 1996, direct lending is permitted to exceed these percentages if a larger number of colleges and universities decide to participate in the program. This gradual phase-in enables the Department of Education to implement the program in a sensible and efficient manner, and it permits all colleges and universities to decide whether to participate in direct lending.

The Direct Student Loan Program is now entering its second year of operation on college campuses across the country, and it is an outstanding success. Colleges and universities participating in direct lending are virtually unanimous in their praise for the program. As the financial aid director of the University of Idaho put it:

> How do we measure the success or failure of our program? It's obvious. The students. Our students continue to praise the program for its simplicity and ability to provide loan funds to them in a short period of time.

A college president in New York writes:

> With our first year of experience in direct lending behind us, I can say confidently that this is a system that works. It is more efficient for us, far better for the students, and it saves the taxpayers a significant amount of money.

But the banks, guaranty agencies, and other middlemen who profit from the Guaranteed Student Loan Program have never accepted the direct lending reform. They have constantly sought to undermine it and undo it in order to restore their special interest profits, even if it means higher costs and more redtape for colleges and students. Now they have found their opportunity—as part of the antieducation budget adopted by the new Republican majority in Congress.

This budget contains the largest education cuts in U.S. history. Federal aid to college students will be slashed by $30 billion over 7 years—a one-third cut by the year 2002. Individual students face an increase in their student loan debt of up to 50 percent.

The Republican budget resolution passed last spring also contained a special interest provision designed to lay the groundwork for eliminating direct lending. It orders the Congressional Budget Office to recalculate the cost of student loan programs under new guidelines intentionally skewed to make direct lending seem more expensive than guaranteed loans.

Congressmen GOODLING and KASICH released the new CBO estimates last month. Predictably, they assert that direct lending no longer saves taxpayers money. They claim taxpayers will save $1.5 billion over the next 7 years by eliminating direct lending and returning to the Guaranteed Loan Program that the banks and guaranty agencies prefer.

Nothing could be farther from the truth. CBO's 1993 estimates, showing that direct lending would save $2 billion for students and $4.3 billion for taxpayers over 5 years, were based on budget rules adopted on a bipartisan basis in 1990 and signed into law by President Bush as part of a comprehensive, congressionally mandated reform of Federal credit programs. These rules applied to all 60 loan programs of the Federal Government, not just the Student Loan Program.

The rules adopted in 1990 were designed to calculate the real costs of all Federal loan programs more accurately—including both direct loans and guaranteed loans. There was no intention to slant the figures one way or another. The goal was to provide greater accuracy in budget estimates for all Federal credit programs.

However, the 1993 estimates inadvertently disadvantaged the Guaranteed Loan Program compared to the Direct Loan Program in one respect—the manner in which the administrative costs of the programs are calculated. An adjustment was needed to provide a more accurate comparison of the costs of the two programs.

But the special rule prescribed in the Republican budget is not an honest adjustment—it is a rule designed to put the Direct Student Loan Program at a disadvantage when the costs are compared.

Under that rule, all Federal administrative costs related to specific loans in the Direct Lending Program are included in the cost of direct lending. These costs include default management, collection of loans, oversight, and printing and processing loan forms. These same costs, however, are not included in the new CBO estimate of the cost of guaranteed loans.

In addition, one of the major costs of guaranteed loans as compared to direct loans—administrative payments to guaranty agencies amounting to $175 million per year—is also excluded from the new CBO estimates of guaranteed loan costs.

In other words, the special rule adopted in the Republican budget resolution is a flagrant attempt to stack the deck in favor of guaranteed loans. I do not blame CBO for this slant. CBO is simply providing estimates required by the rule devised by the Republican majority. I do not know whether this devious rule was adopted innocently at the instigation of lobbyists for the Guaranteed Loan Program, or whether it was adopted intentionally in order to slant the estimates. But I do know that the rule must be changed, so that a fair comparison can be made between the two programs.

If the figures are adjusted honestly, the Direct Loan Program is still much cheaper to administer than the Guaranteed Loan Program and still brings substantial savings to students and taxpayers.

According to preliminary estimates I have obtained from the Office of Management and Budget, under a fair rule, the savings from direct lending are cut in half, but direct loans are still 20 percent cheaper than guaranteed loans. If direct lending is eliminated entirely, it will not save $1.5 billion over the next 7 years, as Congressmen GOODLING and KASICH claim. Instead it will cost the taxpayer $1.5 to $2 billion over that period.

I have asked the Department of Education and OMB to work with CBO to provide a fair estimate in time for the battle in Congress in September between direct loans and guaranteed loans. But the bottom line already seems clear. Direct loans save money compared to guaranteed loans, and are a major benefit to colleges and students.

In addition, included in the alleged Republican savings of $1.5 billion from the repeal of direct lending are excessive cuts in management and oversight functions for both the Guaranteed Loan Program and the Direct Loan Program. If enacted, these cuts would seriously strain the ability of the Department of Education to manage student loans—whether direct loans or guaranteed loans. Ultimately, the taxpayer will pay—in the form of increased loan defaults, and increased fraud and abuse by unscrupulous institutions. Preliminary estimates based on studies by the congressional General Accounting Office and the Inspector General of the Department of Education suggest that these oversight and management cuts could cost the taxpayer up to $4 billion over 7 years in increased defaults, fraud, and abuse.

Finally, in order to prepare its estimates under the special budget rule, CBO had to recalculate overall Federal spending to reflect $6 billion in additional costs assigned to direct lending for the period 1996 to 2002. In other words, for the banks and guaranty agencies to get their way, the Republican majority had to quietly add $6 billion to the Federal deficit for the next 7 years. This fact goes unmentioned in the distorted analysis used by Congressmen GOODLING and KASICH to compare direct lending and guaranteed loans. In their zeal to repeal the Direct Loan Program, they are willing to accept a $6 billion addition to the Federal deficit.

I intend to do all I can to see that Congress rejects this unseemly Republican assault on direct lending. If the assault succeeds, it will result in higher up-front fees for student loans and higher interest rates on the loans. Repayment conditions for students will be harsher. The debts of individual students will go up. Students and colleges will once again be forced to endure excessive redtape. Colleges will have to wait for tuition payments well into the semester while students try to obtain loans from various lenders.

Under direct lending, students and colleges are the clear winners. Under this misguided Republican attack, banks and guaranty agencies will win—and colleges and students will lose. It is unconscionable for the Republican majority to make the widely respected CBO an accomplice in this scheme by cooking the budget numbers. This attempted giveaway to banks and guaranty agencies is corporate welfare of the worst kind, and it ought to be soundly repudiated by Congress.

Mr. President, I ask unanimous consent that two graphs be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHAT'S FAIR AND WHAT'S UNFAIR ABOUT THE REPUBLICAN SPECIAL RULE FOR COMPARING COSTS OF DIRECT LOANS VERSUS GUARANTEED LOANS

FAIR

To calculate Direct Loan costs on the same basis as Guaranteed Loans.

UNFAIR

To include Federal administrative costs for specific loans in cost of Direct Loans and not in cost of Guaranteed Loans.

To exclude from cost of Guaranteed Loans Federal payments to guaranty agencies.

RESULT

Direct Loans appear more expensive than Guaranteed Loans, when in fact they are 20 percent less expensive.

WHO WINS ON PROPOSAL TO ELIMINATE DIRECT LENDING?

Republican claim: $1.5 billion savings over 7 years.

True cost to taxpayers over 7 years: $1.5 to $2 billion cost using fair budget rule; up to $4 billion cost in increased defaults, fraud, and abuse from cuts in oversight and management of guaranteed loan program; $6 billion cost from increase to deficit caused by special budget rule.

A MESSAGE TO CROATIA

Mr. PELL. Mr. President, I wish to encourage President Clinton to ensure that Croatia's recent military offensive in Krajina will not result in wide scale human rights violations or lead to a wider war.

At first glance, it may appear counterintuitive to criticize Croatia for its victory over the Serbs, who it is generally agreed, were the original aggressors. "Finally," it is natural to think, "someone is willing to stand up to the Serbs." While I am in no way questioning Croatia's legitimate right to the nearly one third of its territory that had been controlled by the Serbs, I do believe we need to look a bit deeper.

While I sympathize completely with Croatia's now fulfilled desire to recover its territory, I am deeply concerned and disappointed by Croatia's military foray into Krajina. Croatia eschewed diplomacy and pursued a military campaign instead of diplomatic negotiations which had a good chance of success. In so doing, the Croatian Army has apparently in some cases, abused civilians as well as U.N. personnel. This much is for certain: Croatia has unleashed the largest single refugee flow in the 4-year-old conflicts in former Yugoslavia.

I am equally concerned about what comes next. What will happen to the tens of thousands of newly created refugees? How will Croatia treat the civilians left behind? How solid is Croatia's commitment to its Bosnian allies? What are Croatia's intentions with regard to an overall peaceful settlement? I believe that we should make clear to Croatia that we expect their actions in these areas to be transparent, forthcoming, and respectful of human rights.

We do, after all, have significant leverage. Croatia's leaders want to integrate Croatia into the rest of Europe. They want to rebuild the parts of Croatia damaged by the war and to see Croatia thrive economically. That, of course, will require a good deal of international support. I believe that we should make it clear to Croatia's leaders that if they wish to achieve these goals, they will have to take on certain responsibilities. They will have to prove that Croatia is a country that respects the human rights of all people living in Croatia; that Croatia lives up to its international commitments, particularly the Washington Agreement of March 1994; and that Croatia is committed to a peaceful solution to both the Bosnian and Croatian conflicts.

I agree with President Clinton that the Croatian victory could provide a window of opportunity to resolve the Bosnian and Croat conflicts diplomatically. Whether or not that occurs, however, will depend to a very large part on Croatia. Accordingly, we must let Croatia know what we expect.

BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, as of the close of business yesterday, Thursday 10, the Federal debt stood at $4,943,017,430,508.20. On a per capita basis, every man, woman, and child in America owes $18,763.78 as his or her share of that debt.

CLINTON ADMINISTRATION CONTINUES FOREIGN AID TO NICARAGUAN CONFISCATORS

Mr. HELMS. Mr. President, on July 26, Secretary of State Christopher waived the prohibition on United States foreign aid to the Nicaraguan Government—on what he called national interest grounds—even though the Nicaraguan Government has failed to resolve the claims of properties stolen from Americans. Nicaragua has not resolved even one-third of the cases involving confiscation of properties owned by American citizens.

In order to comply with United States law, the Government of Nicaragua has four options: First, it can return the properties to the rightful owners, second, compensate the owners, third, develop a viable process to resolve claims, or fourth, submit cases to international arbitration. Despite this considerable statutory latitude, the Nicaraguan Government has nonetheless failed miserably in meeting the criterion required by United States law before any United States aid can properly be provided.

Since November 1994, following elections in which the Democrats lost control of both the United States House and the United States Senate, the Nicaraguan Government did pick up a bit of occasional speed and resolved in 6 months twice as many cases as were resolved in the previous 4 years, proving that the problem is not the Nicaraguan Government's inability to resolve these cases and thereby comply with United States law; no, it is the Nicaraguan regime's unwillingness to do so.

This is a problem of political will. So the Nicaraguans prevailed upon the Clinton administration to bail them out. Secretary of State Christopher dutifully complied so that United States foreign aid would continue to flow to the Chamorro regime which is still largely under the control of the Communist Sandinistas who brought ruin to Nicaragua while they were in control of the government in Managua.

Thus Secretary Christopher and the Clinton administration rewarded Nicaragua, claiming that foreign aid to that country is in the United States national interest.

Mr. President, I have received scores of letters from American citizens whose properties in Nicaragua were confiscated by the Sandinistas. These citizens reject the nonsense that assistance to the Nicaraguan Government is in the national interest of the United States taxpayer. In fact, they assert, it is the height of folly to send further foreign aid to a government that refuses to return their properties to them or fairly compensate them.

Mr. President, I ask unanimous consent that 20 of these letters be printed in the RECORD at the conclusion of my remarks. The others are available for inspection by anyone desiring to see them.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 31, 1995.

Hon. JESSE HELMS,
Chairman, U.S. Senate Foreign Relations Committee, Washington, DC.

DEAR SENATOR HELMS: We were appalled to learn of the Waiver to Section 527 of the Department of State Authorization Act exercised by Secretary Warren Christopher.

Progress on the resolution of property claims of U.S. citizens does not justify this waiver, as there are still over one thousand cases after 5 years of the Chamorro Administration.

We urge you to extend our protest to the Department of State.

Sincerely,

PETER R. SENGELMANN.

GLENDALE, CA,
July 31, 1995.

Senator JESSE HELMS,
Senate Foreign Relations Committee.
Att: Elizabeth Demoss

DEAR SENATOR HELMS: Our American property that was confiscated illegally by the Nicaraguan government in 1979 has not been returned yet. We have done everything they have asked us to do for the last 16 years, and nothing has happened. Just dilatory tactics and lies, pure lies.

As long as we keep giving them money, the American Properties will not ever be returned. Please DO NOT send them any more money. I work very hard to pay my taxes, please do not give them away.

I beg you.

Sincerely yours,

RENE CARDENAS AND JILMA CARDENAS.

MANAGUA, NICARAGUA,
August 1, 1995.

Mr. JESSE HELMS,
U.S. Senator,
Washington, DC.

DEAR SENATOR HELMS: I have been learning that you are one of the best friends of the American-Nicaraguan Citizens who were expropriated or confiscated by the Sandinista Government.

This petition is sent to you, asking for your continuous effort to intervene before the U.S. Congress, so that the Nicaraguan government activates the due process of all of the U.S. Citizens who are still awaiting for a favorable resolution of our expropriated properties.

I have been claiming since 1990 and doing what I think I have to do to get my property back. At the moment, I could not find the way to get my problem solved.

Once more, I want to let you know how grateful all American citizens are knowing that you and our Republican party are interested in bringing back the justice to Nicaragua and its people, as well. Thank you for your time and hope for success.

Sincerely yours,

LILIANA ARGUELLO DE VARGAS.

MIAMI, FL,
July 31, 1995.

Hon. JESSE A. HELMS,
U.S. Senate,
Washington, DC.

DEAR SENATOR: It is appalling to hear that aid has again been released to the corrupt government of Nicaragua.

My property was stolen from me by the previous Sandinista regime and to date, I have not been able to recover my house. I don't understand how the Clinton administration can continue to send my tax dollars to the thieves that are using what rightfully belongs to me.

I, along with numerous other Americans, feel betrayed by Clinton and his inept people in the Department of State that are contributing to the coverup of the Nicaraguan reality.

CHARLES W. KETTEL.

KEY BISCAYNE, FL,
August 1, 1995.

Hon. JESSE HELMS,
Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: President Clinton's decision to grant a waiver to Nicaragua demonstrates a blatant betrayal to US citizens like myself who have been struggling for the last 17 years to recuperate properties that were confiscated by the Sandinistas and blatantly stolen by Chamorro's government.

This letter is in total support of any legislation that will enable Congress and not the President to have the authority to grant any future aid to Nicaragua. The Clinton Administration has its own agenda and the protection of rights of American citizens is obviously not a part of it. What President Clinton has forgotten is that he in an elected official placed in such office by our votes. His granting this waiver to Nicaragua denotes his blatant disregard for the safety and wellbeing of US citizens abroad. Such move will not only affect him but his entire Democratic Party as well. Hopefully Congress will wake up and realize we are the voters.

Sincerely,

ANNA SOLORZANO RIVERO.

CARROLLTON, TX,
August 1, 1995.

Hon. JESSE HELMS,
U.S. Senate, Washington, DC.
Att: Elizabeth deMoss

DEAR SENATOR HELMS: My wife and I are among the many U.S. citizens owning property in Nicaragua which has been expropriated by the ex-Sandinista government. We urge you not to support the Clinton administration's attempt to continue aid to that country until it demonstrates a willingness to return these properties to their lawful owners.

Respectfully,

WILLIAM T. CRISWELL.

MANAGUA,
August 1, 1995.

Hon. JESSE HELMS,
Chairman of the Foreign Relations Committee, Washington, DC.

DEAR SENATOR HELMS: It is amazing that my Government seems satisfied with the "progress" that the Nicaraguan Government said it is doing returning the properties to U.S. citizens living in Nicaragua.

I personally appreciate your efforts and dedication you have given to the problem of American properties in Nicaragua. My Government has to realize that what you are doing is protecting your constituents, as the law requires from every Senator and Congressman of the United States, who have been elected for that purpose.

With my utmost respect,

EDITH COHEN.

PENSACOLA, FL,
August 1, 1995.

Hon. JESSE HELMS,
U.S. Senate Committee on Foreign Relations.

DEAR SENATOR HELMS: I regret to inform you the Nicaraguan Government has not returned my properties after years of worthless red tape, aggravations, and thousands of dollars of expenses. I was in Managua the week of February 27, 1995, met with various Government officials in charge of resolving property claims, and to date nothing has been resolved. I have received promises they are going to look into the claims, and they talk about issuing worthless bonds, which are unacceptable. No Foreign Aid should be given to the Nicaraguan Government till U.S. citizen's properties are returned!

Sincerely,

RICHARD J. BROCKMANN.

BETHESDA, MD,
July 31, 1995.

Hon. JESSE HELMS,
Chairman, U.S. Senate, Foreign Relations Committee, Washington, DC.

DEAR SENATOR HELMS: As a United States citizen, I am writing you as Chairman of the Senate Foreign Relations Committee to request your continued support to resolve the issue of U.S. citizen's property that was illegally confiscated by the Nicaraguan government in 1979.

As an effected party, my request for assistance is clear: Withhold financial aid to Nicaragua until the property of U.S. citizens has been returned or that just, adequate and effective compensation has been provided.

Unfortunately, the Chamorro administration, as did her predecessors, The Sandinista regime, continues to use the property issue as a political tool, disregarding the legal owner's rights in favor of attempting to "legalize" the illicit confiscations by them and their political allies.

It is clear that only by denying the aid package can there be any real pressure placed on the Nicaraguan government to proceed to a just resolution of this problem. Until this issue is satisfied there will never be true justice or democracy, weakening their fragile economy and needing more and more aid in the future.

Please continue to use the means that would return the properties back to their rightful owners. I as a U.S. citizen want justice for me and my family.

Sincerely yours,

EDUARDO J. SEVILLE S.

COCONUT GROVE, FL,
August 2, 1995.

Hon. JESSE HELMS,
U.S. Senate, Chairman, Foreign Relations Committee, Washington, DC.

DEAR SENATOR HELMS: I am writing to you in response to the distressing news that the U.S. State Department is going to go ahead and give foreign aid to Nicaragua.

As long as there are unresolved property claims of American citizens this aid should not be granted.

I am one of many U.S. citizens that still have such claims against the Government of Nicaragua and I refuse to see my tax money go to that Government.

I know that you will not allow such a misallocation of tax revenue occur.

Sincerely,
THELMA R. KNOEPFFLER.

ALTAMONTE SPRINGS, FL,
August 1, 1995.

Hon. JESSE HELMS,
Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR HELMS: As an American whose property was confiscated by the Nicaraguan government, I appreciate your continued efforts to stop aid to Nicaragua. It is incredible that hundreds of millions of dollars have been given to a government which confiscated the property of U.S. citizens. Thank you for your work in trying to resolve this issue.

Sincerely,
FRANCISCO JOSE SOMARRIBA.

HATTIESBURG, MS,
July 31, 1995.

Hon. JESSE HELMS,
Chairman, Senate Foreign Relations Committee, U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: As an American citizen and in light of the decision made by President Clinton to give aid to the government of Nicaragua, I feel outraged and betrayed with such decision. The government of Nicaragua continues to illegally hold American citizens' properties. My property named "Nagualapa" continues to be in the hand of a Salvadorian national, with the blessing of the Nicaraguan government, in spite that the Nicaraguan Judiciary court has already ruled on my favor on three occasions. I strongly feel that as long as the Nicaraguan government maintains its position of indifference and refuses to resolve and return the lands to their lawful owners, no aid must be given to this government. Given this aid only sends a message to the current government that they can hold American citizens hostage to the whims of this government and fearful to make any claims on their properties. Allowing this aid is a slap on the face of all law abiding citizens of this great country.

Respectfully yours,
ERNESTINA S. DE ARANA.

BETHESDA, MD,
July 31, 1995.

Re Waiver to Nicaragua a mockery to United States citizens' rights.

Hon. JESSE HELMS,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: President Clinton's decision to grant a waiver to Nicaragua, a country that has repeatedly shown defiance in returning confiscated properties to U.S. citizens as myself, clearly denotes this administration's ignorance of Nicaraguan politics as well as a lack of respect for the rights of U.S. citizens who have suffered by Chamorro's government.

As stated in previous letters, the Nicaraguan government has not made any efforts at all at resolving claims that have been pending for many years. There is no need for Nicaragua to comply with the devolution of confiscated properties since they know for a fact that not even the United States abides by its own stance of denying aid to countries who confiscate properties of American citizens. If our own government does not follow through, why should they? This is a simple law of behavior, if negative behavior is positively reinforced (money) why should the negative behavior cease?

I would like to request that Congress and not the President have the authority to grant future waivers to continue foreign aid. President Clinton has consistently demonstrated a profound ignorance in Nicaraguan foreign policy. Unfortunately some of us have to pay dearly for his mistakes. The only consolation is that soon all of us confiscated citizens will certainly know how to vote in the upcoming U.S. presidential elections.

Sincerely,
PATRICIA SOLORZANO SOLLOCK,
MA, CPC.

MANAGUA,
July 31, 1995.

Hon. JESSE HELMS,
Chairman, of Foreign Relations Committee, U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: I have been an American citizen for forty years and my husband is an FSO (Foreign Service Officer) already retired, who worked for the State Department abroad for thirty two years. I was confident that my Government was going to back me in my properties' claim. Even though the Nicaraguan Government gave me the resolution wanting to give me bonds, I did not accept them because they are worthless. My property has illegally been taken (my farm Sapoa) by Eduardo Hollmann Chamorro, nephew of Mrs. Violeta Chamorro, President of Nicaragua.

Thanking you in advance for all you've done for us, American citizens living in Nicaragua, I am,

Respectfully yours,
YOLANDA MARROQUIN.

EDISON, NJ,
July 31, 1995.

Hon. JESSE HELMS,
Chairman, Foreign Relations Committee, U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: Although we don't oppose humanitarian aid to the Nicaraguan people, we do object to illegal steps taken by the Administration in granting U.S. aid to the Nicaraguan Government in contradiction to U.S. legislative measures previously taken. Moreover, no verification has been made regarding the pre-requisite set by U.S. Congress to that aid. We not only appreciate but also support wholeheartedly hour fight on behalf of the property rights of Americans in Nicaragua, whose assets have been illegally taken or confiscated.

Very truly yours,
EMMADE LUGO

MANAUGA,
July 31, 1995.

Hon. JESSE HELMS,
Chairman, Foreign Relations Committee, U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: In view of the illegal and unwarranted action taken by the Administration, granting additional help to the Government of Nicaragua, in violation of the terms of the Gonzalez-Helms Amendment to Section 527, I protest against that action and demand that the U.S. Government properly defend the human rights of hundreds of American citizens whose properties have been illegally taken and/or confiscated by the Government of Nicaragua without proper and adequate compensation.

We greatly appreciate all your noble efforts and urge you to go on working and fighting for your fellow Americans.

Respectfully yours,
CLARISA C. DEREED.

MANAGUA,
July 30, 1995.

Hon. JESSE HELMS,
Chairman, Foreign Relations Committee, U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: How can my Government give aid to the Nicaraguan Government when most of the properties of U.S. citizens in Nicargua have not been returned?

I am not opposed to the aid to Nicaragua, but before that aid is given, my Government should be more responsible and make it its business to find out the truth regarding the return of the properties of U.S. citizens.

Thanking you and your staff for all the help and support you have given us, I remain

Sincerly yours,
PAUL H. GULKE.

SAN FRANCISCO, CA,
July 31, 1995.

Re your letter February 21, 1995.

Hon. JESSE HELMS,
Foreign Relations Committee, U.S. Senate, Washington, DC.

DEAR SENATOR HELMS: The Chamorro-Sandinista government in Nicaragua has been unable to resolve my property claim. The government confiscated my properties for the only reason of being an American citizen living in this country since 1970. The following is a list of property claims I have against the Nicaraguan Government.

1.—Urban lot, part of the urban farm commonly known as "La China" with an extension of 27,914.69 varas cuadradas and registered with number 33448, Tomo CDLV, Folio 99/100 asiento 2;

2.—Urban lot, part of the urban farm commonly known as "La China" with an extension of 65,134.89 varas cuadradas and registered with number 33448, Tomo CDLV, Folio 92 asiento 30;

3.—Vacant lot located on Barrio Bolonia, olla El Nogal #167, registered with #51576, Tomo DCCLXV, folio 122 asiento 3; and

4.—House located in barrio Monsenor Lazcano, registered with #37750, Tomo DIV, folio 228, asiento 1.

Senator Helms stand firm. U.S. aid should not be given to Nicaragua until all property claims are solved in a just manner.

Sincerely,
CLOTILDE CARCAMO.

MANAGUA,
August 1, 1995.

Hon. JESSE HELMS,
Senate Office Building,
Washington, DC.

DEAR SENATOR HELMS: We have been astonished to find out that the Nicaraguan Government is receiving United States help, despite their noncompliance to the US Congress mandate to protect and defend all US citizen's property.

This petition is being sent to you, asking for your continuous effort to intervene before the US Congress, so that the Nicaraguan

Government activates the due process of all the US citizens, who are still waiting for a favorable resolution of their confiscated properties.

You, and your Republican colleagues are the only ones interested in helping American Citizen, confiscated by the Nicaraguan Sandinista Government. Once more, we respectfully ask you, for your help and support.

After five years of continuous to recuperate our inherited assets, up to now, has not been any success for a positive resolution. Please help us in this regard.

Sincerely yours,
Segundo J. Montoya.
Agnes Montoya.

Managua,
July 31, 1995.

Hon. Jesse Helms,
Chairman, Foreign Relations Committee, U.S. Senate, Washington, DC.

Dear Senator Helms: We challenge the appropriateness of the Administration's action, relinquishing US aid funds to the Government of Nicaragua, since it has not been met the requirement established by US law, as to the return of American properties taken or confiscated by the Government of Nicaragua, or adequate compensation being afforded to American citizens. You and the supporters of the Gonzalez-Helms Amendment are the only ones to defend the rights of American citizens in Nicaragua and for this reason we entirely back your position and action in this matter.

Respectfully and gratefully yours,
Valeria Romion L.

FUNDRAISING LETTER

Mr. SIMPSON. Mr. President, one of my nicest colleagues, some months ago, drew my attention to a most intriguing document that had been sent, unsolicited, to his splendid wife. This little gem of an item was sent by an organization with which I have, alas, become too well acquainted: The National Committee to Preserve Social Security and Medicare.

I was most intrigued by this missive, and come the merciful end of these remarks, I trust that my colleagues will understand why. Most of them, I believe, already know that I have been reviewing the activities and structure of the American Association of Retired Persons, [AARP].

Let me simply say here that I had chosen to review the AARP, alone among seniors' groups, for a variety of reasons—ranging from Federal grant receipts, to failure to pay appropriate taxes, to hiding a massive business empire behind the glossy veneer of nonprofit social welfare law.

But, I took pains to point out, there is no law against distorting the truth. They may say some outrageous things, but there is no law against that. When they do that, using their first amendment rights, I would simply use mine to set the record straight—as I see it.

No, Mr. President, there is no law against uttering untruths, but neither is there a law against pointing out untruths when they are uttered. And this pathetic document, from the National Committee to Preserve Social Security and Medicare, is a case study in distortion, fear-mongering, sophistry, and yes, outright falsehoods. It is a shameful and disgraceful exercise, concocted with only one nefarious purpose: to frighten senior citizens out of their money.

Let me be directly, unmistakably clear to all out there who might be listening. If you are part of an organization like this, an organization dedicated to bilking seniors' out of their money in this way, please hear this: Do not take heart in my earnest review of the AARP. Do not assume that this is an open invitation for you to twist and to distort and to otherwise capitalize on the travails of your behemoth rival.

Because I certainly believe that this sort of wretched activity is also worthy of a congressional hearing. I know that the Aging Committee has looked at these mail-order practices before. Perhaps it will again. Perhaps I will do so in my Social Security Subcommittee: The topic will be "Deceptive Tactics Employed in Fundraising." And this item will be exhibit A in that hearing.

Now, let me give a little historical background about this particular document:

Some weeks ago, I met in my office with Martha McSteen, the president of the national committee, along with Max Richmann of the same group. This meeting occurred because I felt they had reneged on a promise they had made to me. They had come before the Finance Committee, and I had criticized them severely for their distortion of the "notch" issue—they had been perpetuating a notion without factual foundation, an idea that individuals in the "notch" had somehow been "shortchanged."

At that time, they promised me that they would not continue to raise the "notch" issue. They conceded that the Notch Commission had correctly concluded that there was "no legislative remedy." And so I was chagrined to see the "notch issue" raised yet again in a National Committee fundraising letter. So I asked them into my office to explain this.

They were very contrite, and most eager to please. They assured me that they would not continue to beat the drum on the "notch" issue, and then made me another promise. I had challenged them to employ a little honesty in communications with their members. I had said to them, "I hope you will not say that we are cutting or reducing benefits when we are only proposing to slow increases." And they replied, "Oh, no, Senator. We aim to be very truthful in that regard, unlike other rival groups. We will not employ that scare tactic."

That is the way this group works. They come before the Congress and they smile, and they are accommodating, and then they send out these vicious, inflammatory, false statements to their membership.

Let me read from this document to my colleagues. I have made numerous notes on my copy, including occasional exclamations of "H.S."—initials for a phrase I shall not spell out here in this public forum.

For example, the national committee is particularly insistent in drawing a line between "earned entitlements" and "welfare." We can't do anything to address spending on Medicare, they say, because they have all been "paid for." They even go so far as to talk about the monthly part B premium and to say, "None of these benefits are handouts. You've earned * * * them through your * * * payments into the system."

That is a flat-out lie. Medicare part B is not paid for with payments into the system. It is a direct benefit, unearned, it has no trust fund, and it goes directly from the general taxpayer's contributions to beneficiaries. Unlike part A, it is not financed by payroll tax contributions. The premium collected under part B is paid upon voluntarily joining the program, and accounts for only a small fraction of cost. Part B is a transfer of resources—like any welfare program—pure and simple.

Then they go on to say that their experienced, skillful lobbyists, "helped convince Members of Congress to defeat the proposed balanced budget amendment because it did not include adequate assurances that Social Security would be protected." And further, "Actual savings to Seniors * * * at least $1,000 per year." They go on to say that "our political activism saved seniors a total of $4,521 in future retirement benefits."

Again, that is so much malarkey. First, they reached that figure by lumping in various Medicare measures and then saying that they had saved over $4,000 in retirement benefits. Medicare is a not a retirement program, it is a health care program. Seniors who are not retired can receive Medicare. So the lion's share of the claim of $4,521 in savings disappears right there.

And the rest of it disappears, too, because there was never a suggestion that Social Security benefits would be cut because of a balanced budget amendment. In fact, we recently passed a budget resolution that meets the terms of that balanced budget amendment, and it does not cut 1 cent in Social Security benefits.

So the claim by the National Committee that they had somehow saved seniors from over $1,000 in Social Security cuts annually is an outright lie. We proceeded with our resolution precisely as if the BBA had passed, and no such cuts are contained in it.

The kicker, though, is that the reader is urged to send them some more money, so that they can save Social Security all over again. Another quote:

"No one else is fighting for"—enter name of the recipient—"in the same way the National Committee is today." This letter tells seniors that this committee is the only thing standing between them and the loss of their benefits.

Outrageous, despicable, contemptible.

I could go on—there is so much more. But let me turn to the poll that is contained in this letter. Here is a good one: "Would you be able to maintain the retirement standard of living you're planning on if Congress cut Social Security and Medicare benefits by 20 percent?"

Here is another one: "Would your other insurance and savings be sufficient to cover any hospital costs you may expect to incur during retirement if Congress severely reduces the amounts currently paid under Medicare part A?"

I cannot imagine how anyone—including my colleagues on the other side of the aisle—could find any factual basis for these questions. Even the severest critics of Republican budget plans do not allege that we are planning to "reduce the amounts currently paid"—everyone on both sides agrees that it is only a question of how fast per capita Medicare expenses will rise. The latest figures are that they will go up from $4,800 to $6,700. Even the harshest critics contend only that benefits will not rise fast enough to meet expenses. For the committee to imply that anyone is plotting to reduce current benefits is an out-and-out lie.

Here is the final one that has to make you grab your sides: "Before receiving this package today, were you aware that the National Committee's work has saved seniors thousands of dollars in future retirement benefits, such as the $4,521 you learned about in the letter?" Well, as we have seen, that figure is a fiction, a falsehood.

I want my colleagues to imagine the "average" recipient of this letter, who is not here in Washington, does not follow our budget debates, but depends upon Social Security. This letter just might induce them to part with what they can barely spare—to be saved from destruction and send it to the National Committee. And that is indeed the intention of this letter.

This mailing was sent out by people preying upon our senior citizens, who have so little in the way of moral scruples that they seek to profit by using lies and fear to shake money out of them. Then they come here, before us, and they purport to care about the welfare of our elderly. What hypocritical, contemptible rubbish.

So I will indeed consider expanding the scope of the hearings in my Social Security Subcommittee, the chairman permitting. Perhaps the subject of unethical, untruthful tactics in fundraising is something that deserves closer attention from us. And if and when I go forward with such hearings, these people will be my first subjects of inquiry.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD.

I thank my colleagues and I yield the floor.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL RETIREMENT SECURITY POLL

Important!

You have been selected to represent your hometown of —— in our National Retirement Security Poll.

Your participation in this important national poll today will help protect what is rightfully yours. But before you begin, let me ask you one crucial question:

Do you know how much you now have at stake in Social Security and Medicare?

DEAR CONCERNED AMERICAN: If you've never taken the time to add up your contributions over the years, the answer to my question above could really shock you.

For example, if hard-working people are now making between $20,000 and $40,000 a year, their annual contribution to Social Security and Medicare is between $2,000.00 and $3,000.00. And if they are lucky enough to be making around $60,000 a year, the amount soars to more than $4,500.00.

That's how much will be deducted from their gross pay this year—just for Social Security and Medicare!

Of course, it may not seem that high because the money is withheld from them in small amounts throughout the year.

It could be $100.00, $200.00. $300.00, even more—each and every month—for Social Security and Medicare.

Before you fill out the enclosed National Retirement Security Poll, I wanted to get you thinking about how much you really have at stake through the investment you have been making in Social Security and Medicare.

Check after check. Month after month. Year after year. You never see it. But it's real money.

And now that you're approaching retirement age, those benefits have become more important to you than they've ever been before.

You see, even though you've been putting all that money into the system throughout your entire working life, the odds are increasing every day that the Social Security and Medicare benefits you're counting on for your retirement years are being looked at by some politicians who want to use Social Security for other causes—like deficit reduction and balancing the budget.

That is why your participation in the National Retirement Security Poll is so important today.

Your views are critical to the National Committee's mission—right now—to protect your investment in Social Security and Medicare. The results will be tabulated confidentially and then distributed to the news media and your representatives in Washington:

Senator John W. Warner.

Senator Charles S. Robb.

Representative James P. Moran.

Your immediate help in our current efforts to protect your retirement security is needed. You see, your elected representatives really have not heard enough from people like you—people who will be retiring soon * * * and unless we stop certain politicians in Washington today, you could end up with Social Security and Medicare changes being made that would affect you and your retirement security.

But the only way the politicians can get away with that, is if you allow them to do it * * * if you don't take a stand * * * if you don't participate in our National Poll and help us protect what is rightfully yours.

I'm sure you've been keeping up with all the threats to Social Security and Medicare that have been popping up as the Clinton Administration and Congress keep wrestling with the budget deficit.

(You've probably even read recently that many Americans believe in the likelihood of UFOs more than they do the likelihood of receiving future Social Security benefits!)

The alarming truth is, people are losing faith in our great Social Security program. And why?

Because they keep hearing about budget tinkerers who think Social Security causes the deficit and want to restructure the programs in ways that would seriously undermine them.

Still others want to subject your benefit payments to a stringent "means-test" that would penalize you for working hard and doing well—a proposal that would turn Social Security into nothing more than a new welfare program!

Your Social Security is an earned entitlement, unlike welfare, and has not contributed one cent to the federal debt.

Your monthly deductions have been building up your eligibility for automatic inpatient hospital care when you reach age 65 through Medicare Part A. You also will be able to receive medical insurance for doctors' services and other outpatient care at a very reasonable monthly premium (currently $46.10) through Medicare Part B.

None of these benefits are hand-outs! You've earned and qualified for them through your lifetime of hard work and payments into the system.

But still, your investment in Social Security and Medicare is under attack today and we must be vigilant in order to protect these programs.

And something that you've invested so heavily in deserves the strongest protection you provide for it.

Let me remind you, once again, that thousands of dollars of your future retirement benefits could be at stake right now!

That is why I am contacting you today on behalf of the National Committee to Preserve Social Security and Medicare and asking you to participate in our National Retirement Security Poll.

The National Committee is America's largest and most successful organization devoted exclusively to protecting your retirement benefits through the political process.

Over the past 10 years alone, we have helped win more than a dozen major battles to protect Social Security and Medicare benefits.

Just this year we staged a massive, organized protest that helped convince members of Congress to defeat the proposed Balanced Budget Amendment because it did not include adequate assurances that Social Security would be protected.

Actual savings to seniors in future benefits: at least $1,000.00 per year.

In 1990, we set our sights on a budget proposal that would have raised Medicare premium deductibles and co-payments by $29,000,000,000.

After three weeks of massive protest by our members, the final budget reduced increases in Medicare premiums and deductibles by two-thirds of what was originally called for * * * saving seniors as much as $817.00 over five years in future benefits.

In response to an earlier proposal to permanently reduce the Social Security COLA (Cost-of-Living Adjustment), our staff delivered more than 8,000,000 signed Petitions of Protest to Congress the proposal was withdrawn * * * and we saved seniors about $2,064.00 over five years in future benefits.

On another occasion we overturned a Congressional attempt to push through a Medicare benefit cut that would have cost individual seniors about $640.00 over five years.

The National Committee has done all this—and much, much more—for seniors through the 13 years it has been in existence.

In just the four examples above, our political activism saved seniors a total of $4,521.00 in future retirement benefits.

And there have been many other times that we helped save seniors enormous amounts of money * * * money maybe not known to be at risk of being taken away.

Why do we do it?

Because if we don't, who will? Unlike other organizations that include political measures as one part of their service to seniors, our sole focus is on using the political process to secure your future.

After working your whole life, the approach of your retirement is no time to have the rug pulled out from under you * * * just because our nation's budget problems have gotten out of control.

So the National Committee goes to bat for you here in Washington every day.

We make sure that the deficit mess isn't worked out on the backs of people like you who have worked hard all their lives.

We protect what is rightfully yours. It's that simple.

How do we do it?

We use the power of numbers. Big numbers. Today the National Committee enjoys the "clout" of over 6,000,000 Members and Supporters. When we speak, the politicians know that we are talking for millions of voters. And you can bet they listen!

I've always said, "I'll put the voices of a million hard-working, regular citizens up against a million dollars of special interest money any day!"

Yes, we have won our battles over the years because we have been able to bring millions of people together in a massive show of force against any messing around with their earned benefits.

We make the politicians pay attention to you. It's that simple.

That's why we've been able to protect your retirement benefits—so far.

But now the threat is more dire than it has ever been before. The pressure to cut government spending is growing stronger every single day on Capitol Hill and throughout official Washington.

And to make sure it doesn't start with your retirement benefits, just when you're counting on them, we have to become even larger and more powerful than we've ever been before.

We have to make sure that your single biggest retirement asset, the money you have contributed to the Social Security program, is not placed right up front on the sacrificial altar of budget cutting.

We have to stand together.

Us—the people who have contributed so much to the system.

Against them—those who are looking at our retirement income as money they can use to solve other problems.

Here's what you can do right now to protect your future.

First, please take the time to fill in the enclosed National Retirement Security Poll. Your answers will provide our lobbyists with the information they need to educate your elected representatives about what voters in their districts and states think and want—especially those of you they haven't heard from before!

It also helps us prepare our message to the public when we go on TV or speak to the newspapers.

And we must get the right message out, because * * *

* * * to hear some of the politicians and press talking about our generation today, you'd think we were asking for a hand-out.

Well, you and I know that's just not true. And it's certainly unfair that we have to fight so hard just to get back what we have already invested in the system.

But we have no choice * * *

* * * we have to fight. And we have to do it in the same way that our opponents do: through the political process.

Our experienced lobbyists fan out over Capitol Hill to convince officials not to tamper with your economic security—not now, when you're just getting ready to enjoy retirement.

So, what could be a better investment in your retirement years than the few minutes it will take you to complete your Poll right now?

We have the legislative experience and political savvy to make it all work. And we depend on the critical participation of affected individuals, like you, to make it all happen.

We are totally independent of Congress, every government agency, and all political parties.

We rely on concerned individuals, like you, who are willing to get involved in the struggle to make sure our nation keeps its commitment to Social Security and Medicare.

That's why, in addition to your critical participation in the National Retirement Security Poll, I would like to ask you to please consider supporting the National Committee's work protecting your retirement benefits by becoming a member.

All it takes is a single dues payment of $10!

By joining the National Committee now, when we need you most, you will be taking the most forceful step you can take to protect your Social Security and Medicare benefits before they are reduced or taxed more heavily or capped.

Only $10. Think about it * * *

* * * think about how small an amount this is when you consider the thousands of dollars the National Committee has already protected for you—and what it still must do to preserve your economic security throughout the glorious years now stretching out before you.

And in addition to knowing the National Committee is fighting to protect your Social Security and Medicare every day, your Membership also provides you with this slate of valuable benefits:

A one-year subscription to Secure Retirement, the news magazine for mature Americans that's packed cover to cover with information on how Social Security, Medicare and other programs can help you enjoy a more secure and happy retirement;

Legislative Alerts to fast-breaking news of Washington developments that involve your retirement benefits,

An exclusive toll-Free Telephone Hotline you can call 24 hours a day, 7 days a week, for the very latest Social Security and Medicare news from Washington; and,

A non-transferable Membership Card that names you as a Member of the National Committee—which, among other privileges, gives you a vote in the National Committee's annual election of its Board of Directors and on other issues submitted to the Membership for a formal vote:

And when you join, you do so with the confidence of knowing you may cancel your Membership for a full refund of your $10 if you become unhappy with the organization at any time. No questions asked.

Just $10 is all it takes to help keep our full-time lobbying force present, vocal and effective on Capitol Hill. It also helps us recruit new members like you—keeping us strong in numbers and political clout.

In fact, our goal is to add at least 5,000 new members from your state within the next month. And your Membership dues today will get us off to a good start * * *

* * * helping lead the charge toward our next million-member plateau and making us that much stronger in our political representation on your behalf throughout Washington.

No one else is fighting in the same way the National Committee is today.

Now, please take your first major step toward protecting your retirement benefits by turning to your official response form for the National Retirement Security Poll.

We need your opinions to show Congress just how harmful their actions might be to someone in your position.

Then, please—if you possibly can—help us protect your future by joining the National Committee today with your $10 dues payment. We really need your help.

And I think you need ours too.

I'll be watching for your reply in the enclosed pre-addressed return envelope. And thanks for getting involved.

Sincerely,

MARTHA A. MCSTEEN,
President.

P.S. We haven't asked for your help before—while we have been helping save Seniors thousands of dollars—because you weren't quite close enough to retirement. But now that that time is approaching, all we ask is that you participate in our National Retirement Security Poll and, if you possibly can, make a modest investment of $10 and join the National Committee today. Please help us help you preserve and protect the thousands of dollars you have been paying into the system every year. It could easily be one of the wisest investments you ever make.

P.P.S. If yours is among the first 50 responses received from your state, you will receive a free portable calculator similar to the one pictured on the flap of the enclosed reply envelope.

Before deciding whether or not to make a contribution to our work today, please think long and hard about the thousands of dollars you have been paying into the system throughout your working life. That's your money, every penny of it. Please help make sure you get what's coming to you by making a generous contribution to our work on your behalf today. Thank you for reading my letter.

NATIONAL RETIREMENT SECURITY POLL

(Commissioned by the National Committee to Preserve Social Security and Medicare)

1. Before receiving this package today, were you aware of the total amount you have been contributing to Social Security and Medicare every year? ☐ Yes. ☐ No.

2. If you answered "No" above, were you surprised at the size of the amount you have been putting into the system? ☐ Yes. ☐ No.

3. Do you expect Social Security benefits to provide a significant portion of your retirement income? ☐ Yes. ☐ No.

4. What percentage of your retirement income do you expect to be provided for by Social Security benefits? ☐ Less than 25%; ☐ Between 25% and 50%; ☐ Between 50% and 75%; and ☐ Between 75% and 100%.

5. Would you be able to maintain the retirement standard of living you're planning on if Congress cut Social Security and Medicare benefits by 20% ☐ Yes. ☐ No. ☐ Don't Know.

6. Would your expected retirement standard of living be eroded if Congress increased the level at which the benefits you have already earned are taxed? ☐ Yes. ☐ No. ☐ Don't Know.

7. Would your other insurance and savings be sufficient to cover any hospital costs you may expect to incur during retirement if Congress severely reduces the amounts currently paid under Medicare part A? ☐ Yes. ☐ No. ☐ Don't Know.

8. Would your retirement income be sufficient to pay for all the outpatient costs now covered by Medicare Part B for the low monthly premium of $46.10 that is currently in force? ☐ Yes. ☐ No. ☐ Don't Know.

9. How soon do you plan to retire? ☐ Within 1 year. ☐ Within 3 years. ☐ Within 5 years. ☐ Within 10 years.

10. Before receiving this package today, were you aware that the National Committee's work has saved Seniors thousands of dollars in full retirement benefits, such as the $4,521.000 you learned about in the letter? ☐ Yes. ☐ No.

11. Are you willing to become a Member of the National Committee to help us continue to use the political process to protect and defend your retirement benefits in the future? ☐ Yes. ☐ No.

CONTRIBUTION REPLY FORM

DEAR MRS. MCSTEEN: ☐ Yes, I've worked very hard and expect to have Social Security and Medicare benefits when I retire. I'm counting on these benefits and that's why I want to become a Member of the National Committee, to join the fight to protect my retirement benefits through the political process in Washington.

My check for just $10 is enclosed. Please enroll me immediately for all the benefits you told me about in your letter. I understand that I may cancel my Membership any time I am dissatisfied for a full refund of my $10.

Please make your check payable to NCPSSM (or National Committee to Preserve Social Security and Medicare). (Dues include $3.00 for annual subscription to Secure Retirement magazine.)

Contributions or gifts to the National Committee are not tax-deductible.

NYU SCHOOL OF LAW'S TRIBUTES TO FIRST LADY HILLARY RODHAM CLINTON

Mr. KENNEDY. Mr. President, the 1995 Annual Survey of American Law, published by the New York University School of Law, is dedicated to First Lady Hillary Rodham Clinton and contains a series of tributes that emphasize her remarkable ability, leadership, and contributions to public service throughout her career.

I believe that the tributes will be of interest to all of us in Congress who have worked with Mrs. Clinton and to millions of others throughout the country who admire her service to the Nation. She is a powerful voice for justice and opportunity, and I ask unanimous consent that the tributes may be printed in the RECORD.

There being no objection, the tributes were ordered to be printed in the RECORD, as follows:

[Tributes to First Lady Hillary Rodham Clinton, 1995 Annual Survey of American Law, New York University School of Law]

DEDICATION TO HILLARY RODHAM CLINTON

(Introductory remarks on behalf of the *Annual Survey* Board of Editors at the Hillary Rodham Clinton Dedication Ceremony, April 25, 1995, by Lauren Aguiar, Managing Editor, 1994–95)

I don't have the advantage of the previous speakers, all of whom possess a unique and personal vantage point on Hillary Rodham Clinton. Yet even though I don't know her, it still seems possible somehow to speak about her with equal passion and conviction. When someone like Hillary Rodham Clinton is the object of praise, someone who is so much a part of our national consciousness and culture, it is easy to pay tribute.

In explaining what prompted the Editors of *Annual Survey* to invite Hillary Rodham Clinton to be our Dedicatee, I'd like to share with you a book which I read several years ago by anthropologist Mary Catherine Bateson, the daughter of Margaret Mead. The book, entitled *Composing A Life*, explores the act of creation that engages us all—the composition of our own lives. Through the comparative biographies of five women, Bateson develops a novel theory about how to assess and value contemporary living.

The author invites us to view life as an improvisational art form: that transitions, diverse priorities, and challenges are not merely a part of our lives, but should be seen as a source of wisdom and empowerment. The book explains how, in modern times, it is no longer possible to follow the paths of previous generations. Our energies are often not narrowly focused on achieving a single goal, but are more divided needing to be continually rebalanced and redefined.

I refer to this book, and Bateson's theory, to illustrate the strength and diversity of Hillary Rodham Clinton's life. The Editors selected her as this year's Dedicatee because she serves as an example of the successful composition of a life, and as a role-model for those who will encounter the complexities of modern-day living.

When faced with needing to divide her energies—between family, work, and public service—Hillary Rodham Clinton has inevitably achieved an artful balance. She has managed priorities and combined her multiple commitments.

Because we live in a society which is often recalcitrant to accept change, people are frequently admonished for innovation and self-reformation. In our estimation, though, this flexibility demonstrates strength of character and wisdom. Hillary Rodham Clinton has adjusted quickly, finding ways to affirm herself and her skills in new environments.

In order to advance her convictions, she has remained flexible in the complex world of politics and the law, while holding firm in her fundamental resolve. Certain that her values and her choices are important, she has adhered to the goals of improving education for children, establishing legal services for the poor, creating opportunities for women, and providing health care for all.

Rather than pursuing a route already defined and established, she has practiced stepping off the expected road and cutting herself a new path. By redefining traditional notions of women and their place in this world, Hillary Rodham Clinton has neither played it safe, nor lived a life free of risk. In doing so, she has emerged not only successful and productive, but as an essential figure in the unabating struggle for equality.

Although Hillary Rodham Clinton's accomplishments and choices may be particularly encouraging and motivational for women, they are equally applicable to all people. Each of us has something to learn from how she has composed her life; she upholds her values and pursues her aspirations in a way which serves as an inspiration to us all.

In many ways, law school teaches us to play it safe, to make calculated and planned decisions about our lives and to execute that plan. The model for an ordinary, successful life offered to us is one of a single rising trajectory, and of focused ambition that follows a predetermined track. After graduating from law school, we are expected to take a job that symbolizes the first step on a sole, ascending ladder. In this day and age, though, I am not convinced that these assumptions will be, or should be, valid for many of us. As our lives unfold, we need a new and fluid way to imagine the future, and looking to the life of Hillary Rodham Clinton helps us to gain this insight.

From her example, we can draw an appreciation of a lawyer who has not been afraid to change or explore new prospects. She has worn many professional labels, always proceeding to new situations with graceful transitions. As a member of the faculty at Arkansas she made contributions to the academic and clinical world of law, as a member of a prominent firm she excelled in private practice, and as a mother she managed a home and cared for her family. As an advocate for children, she has continually sought the public good, and as First Lady of the United States, she has navigated the world of politics, the media, and policy making.

When young people so often lament the scarcity of positive role models, Hillary Rodham Clinton is someone from whom we can learn, and derive empowerment to realize our possibilities.

As *Annual Survey*'s 52nd Dedicatee, Hillary Rodham Clinton joins the esteemed company of Harry Blackmun, Barbara Jordan, William Wayne Justice, Judith Kaye and Thurgood Marshall, to name just a few.

In dedicating this year's volume to Hillary Rodham Clinton, we not only note her achievements, but praise her courage and conviction.

I am honored to introduce to you a woman who has composed a revolutionary life in many ways—as attorney, public servant, mother, policy maker, and First Lady—Hillary Rodham Clinton.

REMARKS OF PROFESSOR RICHARD ATKINSON, LEFLAR LAW CENTER, UNIVERSITY OF ARKANSAS

The work and heart of Hillary Rodham Clinton are happily coincident in her chief contributions to the law in Arkansas. The interests of women and children hold a primary claim on her emotions, and it is precisely in these areas that her legal legacy to the state is most significant. Her public commitment to these concerns has a long history and promises to extend indefinitely into the future.

By 1972, when she was still a law student, Hillary had already worked one summer with the Children's Defense Fund and had begun her association with the Yale Child Study Center. Twenty-three years later and less than a month prior to this writing, with her daughter at her side and the world's attention upon them both, Hillary was in Asia, still in the process of educating both herself and others about the problems faced by women and children.

In 1975 Hillary and Bill met me at the airport on my first trip to Fayetteville, Arkansas, and immediately took me to a volleyball tournament involving law faculty and students. Between games, students were sharing their excitement about participating in the University of Arkansas Legal Clinic, a newly-instituted program which gave law students hands-on experience and provided counsel to students and representation to people unable to afford an attorney.

Though the clinic was on the drawing board before she arrived, Hillary, as its first director, gave it life. Without diminishing the clinic's effectiveness, she skillfully designed the structure to minimize the opposition voiced by some members of the local bar who viewed it as a potential competitor for fees. Through the professionalism and thoroughness she inspired in the students, she won over the judges who were initially concerned about allowing students to be advocates in their courts. The program also benefitted from the reputation she quickly established, through her own court appearances, as an extraordinarily effective lawyer.

The windows of my law school office face the handsome building into which the clinic has recently moved. I more than occasionally glance at the folks entering the clinic and enjoy the thought that for more than two decades these clients, predominately women, have been finding assistance from an institution Hillary helped to shape. I could duplicate the experience if I were across town, observing the activity at Ozark Legal Services. There, too, she played a critical role in its inception while on the law faculty. Later, in 1976, President Carter appointed Hillary to the board of the Legal Services Corporation. She pushed hard for expanded access by the poor to legal assistance, drawing heavily on her experience in setting up both the University of Arkansas Legal Clinic and Ozark Legal Services. Now, in part because of her efforts, in country after country across the nation, the scene from my window is, at least for the moment, daily repeated.

In addition to such institutional impact, she also significantly influenced the law through the attitudinal changes she engendered. Many of her students have now assumed significant leadership roles as judges, lawyers and legislators, and none passed through her classroom unaffected, especially in regard to two areas. First, her high expectations of the students raised their expectations of themselves. Hillary was no less demanding of herself then, without the pressure of the White House glare, as she is now. And by both example and exhortation, she made it clear that she expected others to push toward their potential as well. In particular she had no patience with the argument, occasionally voiced then, that she was importing standards which were inappropriate for Arkansans, and I believe that she succeeded in dispelling, in most instances, that pernicious notion.

Second, she was a role model. There, I've said it, though award that the phrase is daily less fashionable. But we're talking the seventies here, and for anyone who was there, that is exactly what she was. Word was out that she was a tough litigator, that she had played a significant role in the Watergate hearings, that she had a Yale law degree, and that she could have gotten virtually any legal job she wanted. They saw that she was smart as hell and was in complete control of both her classroom and her subject matter. Their contact with Hillary was for many of these students, male and female alike, a catalyst that triggered a rethinking of the roles they assigned to "lady lawyers".

When Bill was elected Attorney General in 1976, they moved to Little Rock, and the lawyers and judges there were no more immune to her ability to confound conceptions than were their counterparts in Fayetteville. She joined the Rose Law Firm and consciously set out to hone further her skills as a litigator. In short order she became the firm's first female partner and helped to create opportunities for other women lawyers across the state.

Ultimately specializing in commercial litigation, Hillary savored its competitiveness, appreciated the living it provided, and both enjoyed and deeply respected her colleagues at the firm. That work, however, did not fully engage her emotionally. It was not her mission. She continued to take cases involving children's rights, devoted considerable energy to the formation of Arkansas Advocates for Children and Family, took a leadership role on the board of the Children's Defense Fund, and actively participated with her husband in thinking about how they could help address the significant social and economic problems Arkansas faced.

In November 1980, Bill was seeking election to his second term as governor. On election day, Hillary came to Fayetteville to vote and to work the five o'clock shift change at the Standard Register Company. I drove her back to the airport. Unsuspecting of the impending defeat. Hillary was tired, ready for the campaign to be concluded, and eager, she said, to get back to work. The work she had in mind was not her law practice, though she was thankful it would be there. Rather it was for her the reviving process of using her talents to improve the lives of women and children.

After an electorally enforced two-year hiatus, Bill returned to the governor's office, and Hillary began the work that would become, in my opinion, her single greatest contribution to Arkansas. In his inaugural address in January 1983, Bill singled out educational reform as the critical component in any plan to improve Arkansas' economic future. He then appointed Hillary as the chairperson of the Arkansas Education Standards Committee, a commission he created to devise a set of minimum standards for public schools. Her task was two-fold: to craft the standards and to create a public consensus about their desirability in order to make a tax increase to implement them politically feasible.

She held hearings across the state, both gathering information and dispensing it. If there is a high school gym in Arkansas where she did not meet the public, I am unaware of it. Her extraordinary knowledge, her exceptional skills as a facilitator, and, most important, the depth of her conviction about the rightness of this project galvanized public opinion. Less than eleven months after the creation of the standards committee. Arkansans passed a sales tax increase to fund the standards, which included minimum class sizes (no more, for example, than twenty students in a kindergarten class), a longer school year, a much lower counselor/student ratio, and enhanced curricular offerings, especially in the areas of science and math.

Back to my office window. A month ago, before the leaves intervened, I could see, to the left of the Clinic and a few hundred yards behind it, Leverett Elementary School. There too, Hillary is still at work.

In 1985 Hillary brought to Arkansas a preschool program that had impressed her on a trip to Israel five years earlier. The Home Instruction Program for Preschool Youngsters, known as HIPPY, was a logical extension of her work on the standards. She had found that a critical determinate of a child's performance in school is the educational level of the mother. HIPPY involves home visitations by teams of educators to show impoverished mothers how best to teach their preschool children in the home. It continues to be an enormously successful program.

Hillary has a good friend, Dr. Robert A. Leflar, who was her former law faculty colleague and who has a special connection to New York University. In fact, she lived in his Fayetteville home one summer when he was teaching, as he did for decades, at NYU's Appellate Judges Seminar, which he was instrumental in creating. At 94, he is the towering figure in the history of legal education and reform in Arkansas and ranks respectably among the great legal minds of the nation in this country. His autobiography, ONE LIFE IN THE LAW, modestly recounts his immersion in those pursuits. The definitive biography of Hillary will surely recount a similar immersion and a similar effectiveness.

The nation is now the beneficiary of the intellect, spirit, and commitment that continues to enrich Arkansas through the people and institutions Hillary Rodham Clinton touched. "How do these decisions affect women and children?" has become a refrain in the Clinton Administration. This is not an accident.

REMARKS OF LLOYD M. BENTSEN, FORMER SECRETARY OF THE TREASURY AND UNITED STATES SENATOR

It's a privilege to join in this tribute to Mrs. Clinton, a First Lady Americans know for her first-rate intellect, her engaging personality, and her commitment to serving the public.

B.A. and I have known eight First Ladies. I think each one has felt her job was the best job in America.

Over the last 40 years, each has followed a great tradition, using her special office to highlight a need in our country or help others improve their lot. They've all made contributions, as Americans would expect them to.

But I can't recall ever seeing anyone so committed to an issue and anyone work with the intensity and feeling that Mrs. Clinton and the President did this past year on health care. When Congress reforms this country's health care system, we'll have Mrs. Clinton to thank.

The President often says we live in a time of change, and Mrs. Clinton—because she's been a working mother and an extraordinary lawyer—has changed the role of a First Lady.

She still maintains the great traditions. I've seen her at State Dinners, serve as a gracious hostess in America's most honored home. I've seen her raise funds for charities, and work with children who need special help, as every other First Lady before her has done.

But she also has taken on added responsibilities. I had never been in a policy meeting with a First Lady, until Mrs. Clinton entered the White House. I watched the President, in his moments of decision making, turn to her for advice and counsel in areas she's the expert on.

They're partners. They're a team. And their collective wisdom guides our country.

In a different time, this may not have worked. If Mrs. Clinton wasn't as talented as she is, it may not have worked. Knowing human nature, some of the people in the room would probably have played to her, thinking through her, they can get to the President.

I believe as more couples have two careers, and as more women enter public service, Mrs. Clinton serves as an inspiration to them.

She has a huge fan club in this country, and B.A. and I are proud to be among the admirers. You've picked a very worthy lady and lawyer to honor.

REMARKS OF DIANE D. BLAIR, PROFESSOR OF POLITICAL SCIENCE, UNIVERSITY OF ARKANSAS

In Carol Shield's recent novel The Stone Diaries, one character observes, "Life is an endless recruiting of witnesses." When Hillary Rodham moved to Fayetteville in 1975, to teach at the University of Arkansas, nobody was consciously "recruiting witnesses." Rather, as two of only a handful of female faculty members, she in law and I in political science, we quickly discovered many strong mutual interests (books, politics, children, education, the status of women) which drew us together and have sustained our relationship ever since.

However, as the friend with whom I once batted worn tennis balls in the city park and rode in a truck moving furniture became a national figure (and a media obsession), I have frequently been called by the press to share my memories and observations. At first, I was eager to do so: when one is familiar with and enthusiastic about a subject, sharing is a pleasure. And so I happily recalled instances of Hillary's devotion to her own daughter and her abiding interest in my five children; of her concern for her parents (and, again, for mine); and of her knack for thoughtful acts of friendship. I gave the inquiring press vivid vignettes illustrating her determination to bring out the best from each of her students when she was a teacher, and then her resolve to excel in the courtroom as well as the classroom. I gladly recounted the courage and wisdom and tenacity she demonstrated in leading the battle for better schools in Arkansas, working to upgrade Arkansas Children's Hospital, and helping establish Arkansas Advocates for Children and Families, and a statewide Single Parent Scholarship Fund.

Little of which was ever reported, or even—I began to suspect—recorded. As I enthused on about this attentive parent, devoted daughter, fun-loving friend, supportive spouse, talented teacher, advocate extraordinaire, the clicking computer keys of my interviewer would slow, and finally grow silent. And then, often, would come the question: "Yes, but what is she really like?"

It may well take future historians, more interested in telling the truth than in "exposing" imaginary evils, to offer the complete portrait of Hillary Rodham Clinton; but perhaps this dedication issue, contributed to by those who actually know her work and her life, is a good contemporary beginning. So, for the record, here are a few moments I have "witnessed" since my friend became First Lady, and what I think those incidents signify.

President Clinton's first State of the Union Address, in February, 1993, was a home-run, a thrilling triumph. Afterwards, when aides and friends gathered in the Solarium to toast a very sweet success, someone called for a special salute to the First Lady, for whom the standing ovation from Congress had seemed especially heartfelt and fervent. Hillary was not there to receive the tribute, however. Upon returning to the White House she learned that Chelsea needed help with her homework, and so she had quickly excused herself from the celebration and hastened to her daughter's side.

In September, 1993, the national media gave rave reviews to Hillary's marathon, flawless, sequential presentations before U.S. Congressional Committees on health care reform. While I was delighted to see some positive press for my friends in the White House, two things struck me about these stories. First, there was something almost insulting, certainly patronizing, about the seeming astonishment (no staff! no notes!! complete and thoughtful sentences!!!) that a woman, a mere spouse, could execute so excellently on so public a stage. Second, what seemed so impressive to me about Hillary's achievement was that on the day preceding her unprecedented performance, (a day when most of us would have been demanding seclusion, cramming information, snarling at subordinates, and putting our families on hold), Hillary traveled to New York because it was important to the President that she be present for his first address to the United Nations, then rushed home for a school meeting where her presence was important to Chelsea. Only then, late at night, did she have time to fully focus and prepare.

None of these, or countless other daily juggling acts, makes Hillary Rodham Clinton eligible for martyrdom. Rather, as she would be the very first to point out, they simply illustrate the lives that most of the women who are her contemporaries are now living: trying to meet and balance all of our responsibilities, and find ways to usefully exercise all our talents.

The press grows impatient, I think, because they want an easily identifiable image, a simple story, someone who either cares about making herself and the White House look good, or cares about health care and women's rights. But most of the women I know (and surely many women in the media, which makes some of the strange stories especially bewildering) care about all those things, and many more besides. Few of us today have the luxury of choosing this *or* that, homemaker *or* professional, wife *or* worker. We are all those things, because they all must be done. Hillary Rodham Clinton simply happens to be the first of our First Ladies who has dared to do them all openly, and well, and without apology.

When I was a schoolchild I was both fascinated and horrified by stories of the canaries who were carried down into the mines as early warning systems for the miners; if poisonous gases started seeping into the mineshafts, the canaries would quickly expire, thereby giving warning to the men in the mines. I wonder now whether Hillary is playing the risky part of national canary for the women of America. If she can survive the distortions and misrepresentations, the poisonous slurs and constant criticisms, it will be easier breathing for us, and our daughters, and all the millions of women who are coming on behind. The smart money is on the canary.

REMARKS OF DR. ERNEST L. BOYER, PRESIDENT, THE CARNEGIE FOUNDATION FOR THE ADVANCEMENT OF TEACHING

In every generation, since the United States began, notable women have turned their talents to great causes, often becoming advocates for the least advantaged. Going beyond mere good works, and private acts of benevolence, these leaders, of great competence and conviction, profoundly influenced the public-policy issues of their day.

Consider, for example, Dorothea Dix, the Unitarian school teacher in Massachusetts, who led a national mental health crusade. By the time of the Civil War, in large part through her labors, twenty-eight states, four cities, and the federal government constructed public institutions to treat, more humanely, the mentally disabled.

In 1889, Jane Addams, with Ellen Gates Starr, founded Hull House in a dilapidated mansion, in a crowded Chicago neighborhood. Addams, combined a remarkable capacity for human sympathy with a brilliant gift of theoretical insights, derived from personal experience. Far from being a naive do-gooder, Jane Addams viewed settlement houses as a way to help new immigrants become empowered.

Earlier in 1882, Florence Kelly, a graduate of Cornell University, was refused admission to the University of Pennsylvania law school. Still, with her formidable political and legal skills, she crusaded against child labor—investigating, for example, the shocking working conditions of children, including the glass-bottle factories of Alton, Illinois, where boys as young as seven and eight worked from dawn to dusk, carrying trays of red-hot glass bottles through-out the factories.

At a time when protecting wildlife was gaining national attention, Kelley angrily noted the paradoxical neglect of children. "Why," she demanded, "are seals, bears, reindeer, fish, . . . buffalo [and] migratory birds all found suitable for federal protection, and not children?"

Largely through Kelley's efforts, the Illinois legislature, in 1893, prohibited child labor. In 1912, Congress created a federal Children's Bureau, through her influence. And then, six years after Kelley's death, Congress finally banned child labor.

Josephine Baker, a physician in New York City at the turn of the century, understood the link between health and learning. She aggressively promoted school nurse programs and basic health services for needy children that became routine throughout the country.

All of these women possessed a passion for the downtrodden. They also brought sharp wits, political skill, and, not least, infinite patience and persistence, in the face of setbacks. They overcame the prejudicial barriers of their times, pursuing self-fashioned careers that helped shape, profoundly, the history of this nation.

Hillary Rodham Clinton is a part of this great tradition. Her intelligence and determination, brilliant flashes of humor, plus an unswerving commitment to human justice, and most especially, to children, make her a worthy successor to Dorothea Dix, Jane Addams, Florence Kelley, Josephine Baker, and a host of other leaders who have made America a more just and caring country.

Hillary Clinton is, above all, a consensus builder. In her commencement address, upon graduating from Wellesley, she told the audience: "The challenge now is to practice politics as the art of making what appears to be impossible, possible. . . . It is such a great adventure. If the experiment in human living doesn't work, in this country, in this age, it is not going to work anywhere."

Years ago, I followed, with great admiration, Hillary Rodham Clinton's remarkably successful efforts to implement as the First

Lady of Arkansas, Governor Clinton's comprehensive plan for school renewal. She conducted meetings in every one of the state's 75 counties, and eloquently asserted a common sense reform strategy that raised academic standards, tested teachers, increased salaries, and improved performance.

More recently, I have been struck time and time again, that key ideas in our work at The Carnegie Foundation could be traced to the State of Arkansas where Governor and Mrs. Clinton pursued a shared vision of excellence for all.

This leadership became dramatically apparent at the National Education Summit Meeting in 1989. On that historic occasion, Governor Clinton argued forcefully, and with success, that the nation's first and most essential education goal should be school readiness for all children. The Governor credited Mrs. Clinton for articulating the importance of the early years. The Carnegie Foundation, persuaded by the importance of this first national goal, issued a report in 1991 called Ready to Learn: A Mandate for the Nation.

While preparing that report, I kept hearing about the HIPPY program in the state of Arkansas—which stands for the Home Instruction Program for Preschool Youngsters. This program, which Hillary Clinton brought from Israel to Arkansas, has spread nationwide. It's now in twenty-four states reaching 20,000 families.

On yet another front of child advocacy, Hillary Rodham Clinton confronted the agonizing problem of teenage pregnancy, moving the infant mortality rate in Arkansas, from one of the highest, to one of the lowest in the nation.

Our most recent Carnegie Foundation report called The Basic School, brought us to the state of Arkansas once again. We learned that through Hillary Clinton's supportive leadership, the state mandated, in 1991, counselors for every elementary school, which has become a model for the nation.

As First Lady of the United States, Hillary Rodham Clinton's commitment to children has remained energetically unchanged, beginning with health. She brought common sense to an enormously complicated problem. And we have no choice as a nation but to achieve reform, not for political or even fiscal reasons, but for the sake of all Americans and, most especially, our children.

Today, when the climate seems particularly unreceptive to calls for caring and compassion, Hillary Clinton reminds us, with elegance, about our obligations to the coming generation. "There is no such thing," she said, "as other people's children. There are only the hopes and dreams all parents share, which we must do everything in our power to preserve and strengthen."

In accepting the Lewis Hine Award, Hillary Rodham Clinton said: "No matter how much work we do, from the White House to the courthouse, up and down every street in every large city and every small town, what children need more than anything else are adults who care abut them and love them, teach them, and discipline them, and are willing to stand up and fight for them in a world that is often cruel and unfair."

One of my favorite American authors, James Agee, wrote on one occasion, "With every child who is born, under no matter what circumstances, the potentiality of the human race is born again."

Hillary Rodham Clinton has devoted a lifetime to affirming both the dignity, and the potential, of all the nation's children.

Remarks of Dr. John Brademas, Chairman, President's Committee on the Arts and the Humanities, President Emeritus, New York University

I have the honor for a third time of paying public tribute to the First Lady of the United States, Hillary Rodham Clinton. The first occasion was in March 1992 when, as President of New York University, I introduced Mrs. Clinton as principal speaker when the New York University School of Law marked its "Celebration of 100 Years of Women Graduates." As a woman who is herself a highly regarded lawyer, Mrs. Clinton was a most appropriate and distinguished speaker at a salute to the education of women in the law and recognition of their achievements in the legal profession.

Since then, of course, Mrs. Clinton has become our First Lady and has elevated her long-time advocacy of children's rights, public schools and universal health care to the level of national debate and attention.

On September 21, 1994, President Clinton did me the honor of appointing me Chairman of the President's Committee on the Arts and the Humanities while asking the First Lady to serve as Honorary Chair. At a reception at the White House that day, Mrs. Clinton spoke eloquently about this responsibility. She said then:

"We want to support and nurture our artists and humanists and the traditions that they represent. And we want also to bring those traditions alive for literally millions and millions of children who too often grow up without opportunities for creative expression, without opportunities for intellectual stimulation, without exposure to the diverse cultural traditions that contribute to our identity as Americans."

Too often today, instead of children discovering the joyful rewards of painting, or music, or sculptering, or writing, or testing a new idea, they express themselves through acts of frustration, helplessness, hopelessness and even violence.

. . . We hope that among the contributions this Committee makes, it will be thinking of and offering ideas about how we can provide children with safe havens to develop and explore their own creative and intellectual potentials.

The arts and humanities have the potential for being such safe havens. In communities were programs already exist, they are providing soul-saving and life-enhancing opportunities for your people. And I am delighted that as one of its major endeavors, this Committee will be considering ways of expanding those opportunities to all of our children.

Last month I had the privilege of being at the United Nations to hear the First Lady speak of the challenge to men and women everywhere, and particularly women, actively to participate in promoting social progress. Clearly Mrs. Clinton has been inspired by the life of her eminent predecessor as First Lady, Eleanor Roosevelt. And like Eleanor Roosevelt before her, Hillary Clinton breaks new ground in public service.

Like Eleanor Roosevelt, Hillary Rodham Clinton has been criticized for undertaking responsibilities some consider inappropriate for First Ladies, indeed, for women in general. But like Eleanor Roosevelt, Hillary Clinton has persevered. Hers is an unwavering voice on behalf of the rights and needs of human beings, especially children, not only in our own country but around the world.

In recognizing the responsibility of women in helping shape America's future, Hillary Rodham Clinton has earned, and continues to earn, our admiration and our respect. I am proud to join in this tribute to her.

Remarks of Rev. Dr. Joan Brown Campbell, General Secretary, National Council of the Churches of Christ in the USA

Day by day, Hillary Rodham Clinton is building an enduring contribution to our national life that can be discerned even amid the rush and tumult of current events. She is serving the nation in one of its defining moments and when historians place these events in perspective, surely she will be given a prominent place. By her style, her sensitivity, her presence and her competence, Mrs. Clinton has already expanded the nation's understanding of the role of the First Lady. Never again will it be limited to the single role of national hostess and helpmate. Called by circumstance and equipped with the extraordinary gifts of grace and intelligence, she has broken that mold—a task that has often placed her in an unenviable position and that places all those who follow in her debt.

This is what history may say, but for those who identify themselves as people of faith we acknowledge Hillary Rodham Clinton today, and in all the days to follow, as a woman of faith.

The New Testament urges believers to "be doers of the word and not merely hearers" (NRSV James 1:22). Hillary Rodham Clinton has taken this admonition to heart, as is evident from the way her many achievements have contributed to the common good.

In the language of theology I salute her as an incarnational person, in that her words become incarnate in deeds. Throughout her life she has been deeply involved in work that protects children, that upholds the dignity of women, that supports families in concrete, meaningful ways and that seeks health and wholeness for all people.

As a very busy attorney, she showed her commitment by giving time and energy as an active director of the Children's Defense Fund, advocating a morally grounded and highly practical approach to caring for all children, and especially for the very young who suffer from the effects of material and spiritual poverty. As First Lady, her work toward health care reform in this nation combined passionate caring with knowledge and skill. Because of the sacrifices she made to pursue this work, the issue was raised to a level that it had never been raised to before and in a way that ensures it can never be removed from the American agenda. Most recently I admired her role at the United Nations Social Summit in Copenhagen where she spoke eloquently on behalf of the people of the United States on the issue of social development and the role of women in that process.

Examples abound of the care and high seriousness with which she takes every assignment that life gives her. More testaments to her grace, integrity and competence could be shared in a lengthier forum. Taken together, her work provides a powerful model for women everywhere. She is the image of a woman with expertise, poise, and credibility. In recasting the role of First Lady she helps all women to be taken seriously, and at the same time, she demonstrates those qualities that have been traditionally held up as womanly virtues. We see her as wife, as life companion, as loving protective mother, as daughter, and as empathetic friend. Both in the focus of her work and in her personal demeanor she shows a concern for the comfort and well-being of others. She extends a sense of hospitality to all around her, thus she carries a vision of what a woman can be—for the sake of her own daughter and for the sake of all women and their daughters. Such a visible model is also a lightning rod for criticism by those who do not share this vision. Mrs. Clinton has borne this criticism with courage and without rancor.

Mrs. Clinton is truly a "doer" in every sense of the word. The book of James quoted earlier also promises that those who "persevere, being not hearers who forget but doers who act—they will be blessed in their doing." So to you, friend and faithful servant, Hillary Rodham Clinton, all God's blessings in your life and work.

REMARKS OF MARION WRIGHT EDELMAN, PRESIDENT AND FOUNDER, CHILDREN'S DEFENSE FUND

I have known First Lady Hillary Rodham Clinton for more than two and a half decades. I first met her when she was a student at Yale Law School—even then interested in figuring out ways to help families provide for the basic needs of children. I have known her in the intervening years as a gifted advocate—in court, in the legislature, and in public education; an inspiring and insightful author; a loving, concerned, and attentive mother; a supportive wife; a dutiful and loving daughter; a warm and loyal friend; an effective leader of the Children's Defense Fund's board of directors; a dedicated friend for children; and a tireless First Lady.

At a time when many women, but particularly women in the public eye, have been faced with the difficult challenge of juggling career and family, the First Lady has balanced those dual demands with courage, grace, and humor. She has held her family together with love and resiliency in the face of extraordinary professional and political demands.

The First Lady is a committed, persistent, thoughtful, and *balanced* advocate for children and families. Since she was a law student, she has understood the crucial need to nurture families as they struggle to rear the children who will be our future parents, voters, employees, entrepreneurs, and leaders. The First Lady has cared deeply that low- and moderate-income working families and children have access to decent childcare so that they can develop to their fullest potential; she has cared that children have access to the preventive healthcare services necessary to long-term individual health and reduced national healthcare costs; she has striven to ensure that children have access to quality education and early childhood development opportunities necessary to productive adulthoods.

In each of her many roles, the First Lady has excelled. Perhaps most importantly, she has never lost sight of her spiritual commitment to values that transcend self and partisanship. I am constantly grateful to have had her as a friend and colleague, and we as a Nation are extraordinarily lucky to have her as our First Lady.

REMARKS OF ARTHUR S. FLEMMING, CHAIR, SAVE OUR SECURITY COALITION, FORMER SECRETARY OF HEALTH, EDUCATION, AND WELFARE

Hillary Rodham Clinton has dedicated her life to helping her fellow human beings deal with the hazards and vicissitudes of life. She has kept at the center of her life the Commandment that is at the center of our Judeo-Christian religion: "Thou shalt love thy neighbor as thyself."

Her dedication to others has been shown in many ways, such as her outstanding contributions to the Legal Services Corporation and the Children's Defense Fund.

This dedication reflected itself in a dramatic way when she committed her talents to the cause of universal coverage of health care.

She immersed herself in the issue. Some of the finest leaders in the health care field provided her with advice. She emerged with a plan that not only set forth the goal of universal coverage but recommended to the Nation a comprehensive plan for achieving that goal.

Then along with her husband, the President of the United States, Mrs. Clinton became one of the most effective advocates for universal coverage that this Nation has ever known. The Nation became well acquainted with here as an effective advocate. As she traveled throughout the Nation she was not content with speaking. She listened to real people discuss their real problems. They were the persons that convinced her that our present system for the delivery of health care has broken down. They were the persons that convinced her that without universal coverage they and their children faced premature death and unnecessary suffering.

As a result of Mrs. Clinton's dedication, 1994 was the greatest year in the history of this Nation in the area of health care.

Never before had we had the in-depth national dialogue on health care that we had in 1994. As a result of that dialogue, poll after poll showed that 75–80 percent of our people believe that we must have universal coverage. A real concern developed throughout the Nation about the breakdown of our present health delivery system.

We are now in a position as a national community to add universal coverage for health care and roundout President Roosevelt's concern for a complete system of Social Security. If we build on the accomplishment of 1994 we will reach our goal.

We can and will reach this goal because of the dedication of Hillary Rodham Clinton to the people of this Nation. Her deep-seated concern is one of our Nation's great treasures. The Annual Survey of American Law's recognition of this fact is deeply appreciated.

REMARKS OF DR. DAVID HAMBURG, PRESIDENT, THE CARNEGIE FOUNDATION OF NEW YORK

It is a privilege to write about Hillary Rodham Clinton from the perspective of her lifelong dedication to children. As First Lady, she has established a track record in the great tradition of Eleanor Roosevelt as a tireless exemplar of humane, compassionate, democratic values and creative problem-solving. In this capacity, she has played a highly significant role in expanding the reach of immunization while also broadening the scope and enhancing the quality of Head Start. She also facilitated a new federal initiative on the school-to-work transition for youth. In her travels as First Lady, at home and abroad, she has called attention to innovative ways of strengthening healthy child development. In the years ahead, millions of today's children will live better lives as a consequence of her efforts.

She was the First Lady of Arkansas for twelve years, during which time she worked thoughtfully on behalf of children and youth. For example, she chaired an education committee that set public school standards in Arkansas. Indeed, she exemplified in her own life as well as her professional work the complex integration of family, work and public service that is so precious in modern democracies.

My own distinctive view of her work on behalf of children comes from her relationship with the Carnegie Corporation of New York over almost a quarter of a century.

While a student at Yale Law School, she developed her strong concern for protecting the interests of children and their families. In 1993, when speaking at Yale about very young children, she made a few remarks about the meaning of the Yale experience. "I got this rather odd idea when I was at the Yale Law School that I wanted to know more about children's development. . . . particularly in the early years, and to really find out what I can about how their needs are met or not met, and particularly what role the legal system plays in both a positive and negative way in helping children and families."

One of her earliest professional positions was on the staff of the Carnegie Council on Children, starting in the Spring of 1972. She had already been involved in civil rights law, children's advocacy, and work in Head Start. The Council took a very broad view of our nation's children, their problems and ways to improve their opportunities.

The Carnegie file from 1972 contains a letter from Professor Kenneth Kenniston, the Chairman of the Council. He wrote, "I am very happy with this staff which is young, lively, committed, iconoclastic, open and energetic. They are going to be hard to handle." I don't know whether he was talking about Hillary in referring to that brilliant, iconoclastic, hard-to-handle staff, but there is no doubt she made valuable contributions. In that period, she published a landmark paper, "Children Under the Law," in the Harvard Educational Review.

In 1980, she came back into the Carnegie orbit again as the founder and president of Arkansas Advocates for Children and Families. Carnegie made a grant to that organization to improve services for children and families. Her long and thoughtful dedication to the Children's Defense Fund is well known, from a staff job in the early 1970s to her chairmanship of the board in recent years.

In the late 1980s, Hillary served on the W.T. Grant Foundation's Commission on Youth, Work, and Family, that produced a very important report, "The Forgotten Half," emphasizing the school-to-work transition for students who do not go on to college. She pursued this interest later with Carnegie support, relating it to the Commission on the Skills of the American Workforce. She thought creatively about ways to implement an effective school-to-work transition in the United States, where we lag so far behind Europe and other countries. She paid particular attention to the role of the states in this process. So there are many manifestations of her devotion to children, youth, and families—from the youngest children through late adolescence.

In 1994, she spoke at the opening of a Carnegie Conference on the first three years of life. In eloquent terms and with deep insight, she clarified ways of meeting the essential requirements for healthy child development in the earliest years. She has seen to it that the national discourse on health care reform can never again leave out children and youth.

For decades to come, Hillary Rodham Clinton's clear voice will be heard on behalf of America's, and the world's, children. The life chances of children everywhere will be improved as a consequence of her actions. If there is a more important contribution anyone can make, I wonder what it could be.

REMARKS OF EDWARD M. KENNEDY, UNITED STATES SENATOR, COMMONWEALTH OF MASSACHUSETTS

In 1993, America welcomed an impressive and extraordinarily talented woman to the White House, Hillary Rodham Clinton. In the time since then, all of us who knew her in earlier years and were impressed by her ability and commitment to public service have come to admire her even more, especially her grace under pressure—her courage—in enduring the controversies that have swirled around her as she redefines the role of the modern First Lady.

I have had the privilege of working closely with her in the past two years on an issue I have been especially committed to—the ongoing struggle to bring health security to all Americans. In the years I have been involved in this important effort, I have never met anyone more committed to the cause than Hillary Rodham Clinton. We came closer to success in the past Congress than ever before, and the progress we made was primarily the result of the energy, intelligence, and political skill she brought to the battle.

I vividly remember our first Senate hearing on the comprehensive health reform package proposed by President Clinton. It was held on September 29, 1993, in the historic Senate Caucus Room. The First Lady was the only witness. For several hours, she answered the toughest questions seventeen Senators could throw at her, and she did so with an eloquence and persuasiveness that impressed Democrats and Republicans alike. If we could have taken the bill to the full Senate in the days after that hearing, I believe we could have passed it.

Powerful vested interest groups and partisan tactics of obstruction designed to deny President Clinton a legislative victory succeeded in blocking action by the past Congress. Bipartisan efforts are now under way in the current Congress to adopt the most needed reforms, and whatever progress we make will in large measure be due to the groundwork Mrs. Clinton laid. She is an effective advocate for making the fundamental right to health care a basic right for all, not just an expensive privilege to the few, and I have been proud to stand with her.

Mrs. Clinton has also been a tireless advocate on children's issues. As First Lady of Arkansas, she successfully led efforts for education reform and for increased investment in early childhood development. She discovered a model home-visiting, parenting-training, early childhood and school readiness program in Israel, adapted it to Arkansas, and implemented it across the state. This program has become a national model and has been replicated in communities across the country.

In addition, as chairperson of the Board of Directors of the Children's Defense Fund for several years, Mrs. Clinton was at the forefront of numerous major initiatives to improve the lives of children and families. Her causes have included expanding access to Head Start, encouraging childhood immunization, and shaping a "one-stop-shopping" approach to reduce bureaucracy and streamline the delivery of services to families and children. In May 1991, in an earlier impressive appearance on Capitol Hill, she testified at a hearing by the Senate Committee on Labor and Human Resources on these and other children's issues, and reminded us that the heart of these serious problems is not lack of resources but lack of will.

I know that in the years ahead, Hillary Rodham Clinton will continue to be a powerful voice for justice and opportunity and a role model for millions of Americans. This tribute by the Annual Survey of American Law is a well-deserved honor, and it is a privilege to participate in it.

REMARKS OF C. EVERETT KOOP, M.D., FORMER SURGEON GENERAL OF THE UNITED STATES

Hillary Rodham Clinton and I first met when President Clinton asked me to advise Mrs. Clinton on the ways that her Task Force on Health Care Reform might respond to the growing opposition of the medical profession to the Clinton health care reform plan. After only a few minutes of conversation with Hillary Clinton, I was delighted to discover that any negative impressions generated by the media's caricature of her were dispelled immediately. I found her to be a woman of great sensitivity, keen intellect, and a delightfully winsome charm. Since I shared the Clintons' desire to bring equitable reform to our health care system, with special attention to the needs of the uninsured, I agreed with the President's suggestion that I moderate a series of forums between the First Lady and the medical profession.

Convened in several cities across the nation, these forums provided a much-needed dialogue between physicians and the head of the Task Force on Health Care Reform. The medical profession saw first-hand the sincerity and dedication of the First Lady, and they achieved her sympathetic understanding of the ways in which certain provisions of the Health Security Act disturbed the medical profession. She was able to assure the physicians that, as long as the main thrust of reform was not threatened, the language of the reform would be altered to meet their concerns. Hillary Clinton quickly demonstrated that she was able to see the many facets of the President's health care reform plan through the eyes of physicians who were dedicated—above all—to caring for their patients and acting as their advocates.

I have met no one who has a better grasp of the American health care system—or nonsystem, which might be a more accurate term—than Hillary Rodham Clinton. Yet, she was already ready to learn more, to accommodate a nuance not clear before, to adjust to a new wrinkle in the complicated tapestry of health care delivery.

The President's plan failed in Congress for many reasons, but mostly because the nation had not been prepared for changes as sweeping as those proposed. The last major reform health care, the Medicare and Medicaid programs, came in the midst of the reforming zeal of the Great Society, and they were preceded by several years of national education and debate.

Politics aside, the health care reform plan failed because each of us was being asked to do something for all of us. And each of us may have feared that what was best for all of us was not necessarily best for each of us. It was that simple. It was that complicated.

The President's plan for health care reform provided a diagnosis of the problems with our health care system, and then it proposed a series of remedies. The Congress and the people may have rejected the proposed remedy, but they have not challenged the diagnosis. No one can fault Hillary Clinton's diagnosis of the health care system's ailments. Her diagnosis was far-reaching, comprehensive, and right on target. Her diagnosis will be the springboard for the next round of the debate on health care reform.

REMARKS OF PHILIP R. LEE, M.D., ASSISTANT SECRETARY FOR HEALTH, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Hillary Rodham Clinton is a woman of extraordinary intelligence, understanding, compassion and commitment. In more than thirty years of involvement in health policy at the federal, state, and local levels, I have never met an individual who was able to grasp the complexities of health care organization, delivery, and financing as well as Mrs. Clinton. She not only has this extraordinary ability to grasp complex information, but she was able to communicate it to a range of audiences, professional, and public, more clearly and accurately than anyone in my experience. While these talents are important, even more important is her capacity to listen to individuals and families about their experiences in order to learn fully how the system does and does not operate. Her deep compassion was evident as she listened to individuals and families throughout the country—from tribal chiefs in Montana, to parents in a children's hospital in Washington, to a broad range of citizens in Lincoln, Nebraska, to sick patients in nursing homes, parents of disabled children, and to citizens of the broadest range across the country. She read the thousands of letters sent to her by people from throughout the nation in order to better understand what health care meant to people and what needed to be done to assure everyone in the United States access to a decent level of health care.

These are all great qualities and ones to be admired, but I think, even more, I admire Hillary Rodham Clinton's integrity and strength of character. She has a clear sense of who she is, what her values are, and what she believes. She does not wet her finger, stick it up to the wind, and determine what she will believe on a particular issue at a particular moment in time.

Finally, Mrs. Clinton has been an inspiration for many of us who have had the opportunity to work with her as Presidential employees. When the times are toughest, when the road is most rocky, when the tasks seem insurmountable, she has been a source of not only encouragement, but energy and inspection. While many of us have been beneficiaries, directly and individually, of her support, her knowledge, her understanding, her commitment and her incredible energy, all of the American people benefit from her extraordinary qualities, but most of all from her integrity.

REMARKS OF LORETTA MCLAUGHLIN, OP-ED COLUMNIST, BOSTON GLOBE

As we honor our distinguished and endearing First Lady, Hillary Rodham Clinton, do not expect faint praise from me.

I belong to that vast company of Americans, women and men, who are openly admirous of this woman who has such an enormous and difficult job, balancing countless demands on her time and talent along with myriad points of view—and yet who handles it all with uncommon grace and seeming ease.

People who work on the line in my business—on newspapers, radio, and television—are especially drawn to her.

She's our kind of person, our kind of woman. An activist. Approachable. Quick-witted, quick study. Absorbing. Serious. Informed. Expressive. We genuinely like her. We honestly respect her.

And I, from the vantage point of long experience, worry for her. I don't want her hurt needlessly, don't want her feelings trammeled by shallow detractors.

She simply thrills American women. She appeals to all women who work for wages, women on payrolls, salaried women. Women who earn money in the workplace. And she inspires young professional women who are combining jobs, husbands, children, Parent

Teacher Association meetings, dentist and doctor visits, car pools, community activities, and the whole nine yards of today's lifestyles for families trying to cope with everything at once.

All these women see a small piece of themselves in her. They see her obviously trying hard to do a good job, as they are. They see her performing so well, doing them proud—doing all women proud who are trying to keep a house, hold a job and contribute meaningfully to society.

They love her because she, like them, went out to compete in the real marketplace and tested her mettle in the way that American business demands. She earned money; her work was valued enough to be compensated; she bolstered the family income.

My daughter-in-law has urged me to "please tell Mrs. Clinton how much we would like to be like her. She's so articulate. So focused. So prepared. So effective." It is no small accomplishment to have a new generation—in your own time—want to become like you. It is the highest of compliments.

In Mrs. Clinton's case, it is well-deserved. She is new generation. She is tomorrow. More than highly intelligent and finely educated, she is capable and competent and absorbing.

And she keeps getting stronger as she moves fully into this new role. Two years into the Presidency, she has set a standard of excellence on par with Eleanor Roosevelt for health and social services and civil rights, with Jacqueline Kennedy Onassis for arts and the humanities, and with Bess Truman for honesty and personal loyalty. The nation remains intrigued by Mrs. Clinton.

The Washington Post calls her "the first lady of paradox. . . . both old-fashioned and post-modern. . . . a contradiction of perceptions." That is her gift; she is sensible and sensitive at the same time.

However, we should be mindful that she occupies the White House at a time of extreme transition. The paradox of being both old-fashioned and post-modern applies to our society as well. Despite the rock-em, sock-em, depictions of American life that glut our television screens, as a people we remain quite traditional.

With the dawning of a new age, a new century, a new millennium, we are even more demanding of our leaders on both fronts. We want them to respect and retain the formalities and rituals of office and we want them to master and reflect each new technology, technique and trend that comes along.

We have empathy for every First Lady—each woman, wife, mother who has to live in full public view in the nation's most scrutinized residence. But history must concede it has fallen to Mrs. Clinton to break new ground. She is a pioneer First Lady, the first to be a credentialed and active lawyer, qualified as a member of the American bar, a professional person fully in her own right.

She and the President serve at a time when the nation has profound problems that cry out for expert attention. Instead of allowing the Presidency with its vast network of advisors to provide a setting for quiet, thoughtful and comprehensive analysis, the office is constantly being distracted by those who flood the halls of government with foolish partisan themes and empty political ploys.

Such tactics make it difficult for all of us to concentrate on what we need to do as citizens. And they threaten to blunt the enthusiasm and energy, the resiliency that Hillary and Bill Clinton have brought to the White House. It is shameful that Mrs. Clinton who has sincerely tried to be helpful is made the butt of cheap jokes by rightwing extremists preaching provincialism and zealotry. What the Clintons would have us do is to seek greatness again.

Others will speak of Mrs. Clinton's work on behalf of children and education and in pursuit of better opportunities to lead productive and useful lives for all Americans. It is for me to speak of Mrs. Clinton in connection with health care reform—my favorite issue and one near and dear to her.

That is the ground upon which she and I first met in Boston and continue to meet. It is the legislative turf that she made most her own during the first half of the Clinton Presidency.

Since the Congressional election last November, it is considered journalistically chic in many quarters to criticize Mrs. Clinton for what some in the press like to label her failure to enact health care reform.

But Mrs. Clinton didn't fail at this. She did her job. She researched the problem, pinned down the facts, and outlined a solution. Her recommendations were consistent with the President's oft-expressed view that health care coverage should be universal, comprehensive, job-linked, and cost-controlled. He proposed a national health care plan based on a managed competition model. But he and she made it clear from the beginning that the plan was open for negotiation.

The failure to come to grips with any part of health care reform—not even to grasp the urgent need for it—lies with a very confused and lethargic 103rd United States Congress.

The immobility of its members was abetted by the multi-million dollar lobbying effort staged by health insurers and others on the business end of the health care industry. To maintain the status quo on health care, a trillion-dollar-a-year industry in the United States, the lobbyists generously fed campaign kitties around the country for Congressional candidates standing for re-election.

Mrs. Clinton was clear about what was needed. She made stellar appearances on the Hill, testifying before House and Senate committees more extensively than any previous First Lady.

We can all agree there is room for differences of opinion on the Clinton-proposed solution as to how best to achieve an equitable and affordable system of universal health care. But we should bear in mind that the facts speak for themselves when we examine the existing patchwork of health care delivery in this country and the vagaries of its funding.

Mrs. Clinton learned all there is to know about our unevenly delivered and inadequately funded health care non-system. And she now knows, as do experts in the field, that it cannot be fixed piecemeal—despite the partisan rhetoric to the contrary.

What a happy surprise it was to see the front-page headline in the New York Times on a recent Sunday saying that "now it's Republicans who see a health care crisis looming" and they now want to persuade the public that the crisis is real. Too bad they couldn't see it last year when Mrs. Clinton needed them.

It comes as no surprise, however, that when Mrs. Clinton looked at the situation she saw as the most serious problem within the heath care dilemma the number (now 41 million) of Americans with no coverage.

But even at this late date, the Republican majority is obsessed with proposals to trim the Medicare budget. Medicare is the program that pays for medical care for 37 million Americans over 65 years of age or disabled.

It figures, doesn't it, that the new Newtonian-style Republican reformers would want to meddle with a group of Americans who already have the most solid coverage. But, as Willy Sutton well knew, that's where the money is. Medicare currently spends about $170 billion a year. While we could agree on the need to conserve Medicare dollars and discuss the pluses and minuses of moving the elderly into managed care plans, the real point is that doing so would also pour billions of Medicare dollars—that now directly buy health care—into the coffers of private health insurance companies.

This is not what Mrs. Clinton and the President had in mind when they set out to make all Americans medically secure. And I am convinced he and she will yet see that goal achieved. Health care reform remains a top tier concern of the American public.

Congress's failure to enact health care reform does not mean that the problem has gone away. To the contrary. The most recent analyses indicate that since 1993, every facet of health care coverage continues to worsen. More Americans than ever before are uncovered; and those with coverage are getting less for their money and must spend more out-of-pocket for medical care.

Meanwhile, let us see the First lady in her own light. Let us put away the old vie of First Ladies. You know, the one where she figuratively and actually stands slightly behind and slightly below the President.

In the wonderful new world of this accomplished couple, let us have the First Lady and the President stand on level ground as all enlightened men and women should. Not in confrontation, but side by side, looking out together from the same perspective but with individual insight.

In the long run, defining anew the role of First Lady, carefully and distinctively, may prove to be her most arduous but most outstanding accomplishment. I salute you, Mrs. Clinton.

REMARKS OF HER MAJESTY QUEEN NOOR OF JORDAN

I was very pleased to be asked to write a few words of dedication about Hillary Rodham Clinton, because it allowed me to express some of my thoughts about a truly remarkable person, who has also become a good friend.

Hillary Clinton, in many ways, has enhanced the importance of the challenging roles of public servant and First Lady through her unfaltering personal courage and sense of compassion, her unwavering support for social justice and human rights, and her dedication to the welfare of American society, particularly to those whose voices are too seldom heard, such as children. Those qualities, coupled with Mrs. Clinton's education, legal experience and political and social awareness, have enabled her to be an articulate champion of issues of concern to many throughout the world.

But it is Mrs. Clinton's personal integrity, her intellectual honesty and commitment to dialogue and understanding in international relations that have impressed me most.

In the past year, Jordan has witnessed some of the most critical and momentous events in its history. In July of 1994, the Washington Declaration, signed on the South Lawn of the White House, ended 46 years of conflict between the State of Israel and the Hashemite Kingdom of Jordan. Mrs. Clinton was more than simply a gracious and generous hostess; she was a partner in Jordan and Israel's shared hopes for a better future for the Middle East and all its peoples.

Like a mirror of her country, the United States, she was our partner in peace.

REMARKS OF LETTY COTTIN POGREBIN, AUTHOR

As a professional scribbler, I usually find it hard to write about Hillary Clinton because of the journalistic imperative to avoid superlatives. Thankfully, no such rule applies at the Annual Survey of American Law, which means your tribute book will likely reflect a more authentic view of this remarkable woman than has been evident in the average "objective" media profile.

The fact is, one cannot talk about Hillary Rodham Clinton without using superlatives. The National Law journal listed her among the "100 most influential lawyers in America" (one of only four women), and she appears in Best Lawyers in America, Who's Who in American Law, and the World Who's Who of Women. What interests me far more than her professional honors is the way her friends and colleagues talk about her, their recollections of her personal warmth, her lifelong commitment to justice, her breathtaking intellect, the balance of mind and heart, dazzling eloquence and down-home humor that make this woman so unique.

Hillary Clinton is not a recent invention of First Ladyhood; she has been who she is for more than 25 years. Her Wellesley classmates remember her as a pre-eminent intellectual but also as the kindest, most principled student leader on campus, totally focused, a gifted mediator, well-centered, and mature beyond her years. Several of her Yale contemporaries have told me she was not simply an editor of the Review of Law and Social Action, but the smartest person (not woman, person) at the Yale Law School—and unselfconscious to boot.

Sara Ehrman, veteran Democratic activities who ran George McGovern's 1972 presidential campaign in south Texas, first met Hillary Rodham when she came to San Antonio as a volunteer. Ehrman remembers being bowled over by the young law student's grasp of arcane election law, but says the reason the two became friends and remain close to this day is because "Hillary's the best company in the world." In 1974, while she was serving on the impeachment Inquiry staff of the Judiciary Committee working on the Watergate proceedings, Hillary Rodham was Sara Ehrman's houseguest for nine months.

As Ehrman tells it: "She was brilliant, she was a star, she could have done anything in Washington. When she came home one night and told me she'd decided to teach at the University of Arkansas and make a life with Bill Clinton, I said, 'Are you out of your mind going to this godforsaken place to marry this country lawyer?!' She just looked at me and said, 'Sara, I love him.' So I drove her to Arkansas, which was the most raucous, wonderful journey of my life. We laughed all the way through the Blue Ridge Mountains and the Shenandoah Valley. It took us four days because every 20 miles we stopped to go shopping."

Ambassador Mickey Kantor, now U.S. Trade Representative, joined the Legal Services Corporation Board in 1978 when Hillary Clinton was its Chair. "I can't say enough good things about her," he begins. "She had a tremendous dedication to local programs and a deep commitment to making justice accessible to poor people in everything from spousal abuse cases to landlord-tenant or wage disputes. Plus, she could always balance conflicting interests, ideologies, and personalities on the Board and among the lawyers and staff. The Corporation was never in better shape than when she chaired it."

Kantor, a friend for 17 years, believes the media has trouble capturing Hillary Clinton because she is so multi-dimensional. He describes her as a terrific wife, mother, daughter, sister, lawyer, public servant, and friend; someone with a great sense of humor, who has contributed so much to her community, is "extremely well-organized, speaks in perfect paragraphs, knows how to take complicated issues and break them down into manageable pieces, and operates as every good lawyer should—zealously on behalf of the client."

Not only has she always been willing to take on intractable issues whether related to the legal system, quality education, or health care, but, Kantor says, by the example of her own strength and dignity "she is blazing a trail for future First Ladies—or First Husbands. She is a fascinating combination of talents. For once, all the superlatives are true."

Elaine Weiss was Executive Director of the ABA Commission on Women in the Profession when Hillary Clinton was its Chair. "Hillary was instrumental in getting the American Bar Association to take an activist voice in advancing women's status," says Weiss. "She saw women's issues as economic issues. She'd go into a room full of predominantly white guys and their body language bespoke their discomfort. But she had this incredible ability to break down barriers and get men to listen to the problems of women. She came across very mainstream, and sounded so reasonable, and presented herself as a working lawyer just like them. And she got them to embrace change because of her leadership."

Under Hillary Clinton, the Commission held national hearings on the status of women in the profession. It published a report on gender bias in law schools, government, courtrooms, and Bar Associations. It identified the double barriers experienced by minority women lawyers. It developed policy manuals to guide law firms on how to better deal with parental leave, part-time work, or sexual harassment.

"A woman lawyer anywhere in the country, not just a Wall Street magister, could take this manual to a partner and say, 'Look, we can work this out.' The Commission really made a difference for me because she was a role model of a successful woman who never sacrificed her family or friends. Working for her was the best part of my life."

When Elinor Guggenheimer brought Hillary Rodham Clinton onto the board of the Child Care Action Campaign, on which I also served, I remember thinking Guggenheimer must have recruited her for show, because she was cute, young, blonde, and the wife of an up-and-coming governor. To my surprise, at the first meeting she attended, Hillary Clinton offered the most knowledgeable, clear-headed assessment of this country's child care crisis I'd ever heard in one mouthful. During the years we served together, I developed an abiding respect for her problem-solving skills and her genuine dedication to guaranteeing quality care to every American child.

"Hillary always approached the child care problem with passion but not emotionalism," says Guggenheimer. "She's not one of those simplistic 'I just love little children' types; she looks at what legislation is needed, what policy changes, what strategies. She brings cerebral power to her caring."

To Ellie Guggenheimer, there's much more to Hillary Clinton than her brains. "I never recognize her when I read about her in the press. They miss her whimsy and her sensitivity. Whenever she stayed over at our apartment in New York, we put her up on a convertible couch. She was First Lady of Arkansas at the time but she refused to be waited on by anyone. My husband Randy fell in love with her and he's a Republican. After one visit, she sent us a picture of herself and Randy on which she'd inscribed, "Hope the tabloids don't find out about us."

Hillary Clinton's eloquence is the eighth wonder of the world. "She never speaks from notes and she never says er, ah, or um, no matter how complex the subject," says Guggenheimer. "I don't know how she does it."

I've marveled at the same phenomenon. In the summer of 1991, I organized a week-long series on family issues at the Chautauqua Institute and invited Hillary Clinton to speak on the challenge of blending marriage, work, and childrearing. When she took to the podium in front of 5,000 people with not a shred of paper in hand, my heart stopped, but of course she gave a speech of great substance, an inspiring mix of personal experience and policy analysis—and did so, indeed, without a stammer.

Leon Friedman remembers a recent Eighth Circuit Judicial Conference in Colorado Springs at which the speakers and panelists included Supreme Court Justices Byron White, John Paul Stevens, and Harry Blackmun, plus various Circuit and District Judges, a United States Senator and Congressman, the head of the Central Intelligence Agency, and a passel of professors. Friedman, a Hofstra Law School professor, and Hillary Clinton of the Rose Law Firm, did joint service on a panel on "Recent Developments in the Area of Civil Rights." He took race, age, and disability, and she took sex discrimination.

"I was awed by her technical legal experience," says Friedman, "but what really blew me away was the impromptu keynote address she gave earlier in the day when she was asked to stand in for her husband, the Governor, who was called away on state business. She had no time to prepare, yet she got up there and, without a single note, gave a talk that was so perfectly parsed, so well-organized and elegantly presented that Justice Blackmun just kept raving, 'Wasn't Hillary wonderful? Wasn't she great?!'

"I remember how she summoned this very distinguished audience of 500 lawyers and judges to think about the well-being of the nation's children. She said we must start at the bottom, with attitudes and education. She cited a survey that asked Americans and Europeans, 'What is more important to your child's success: hard work or innate ability?' The Europeans said hard work, the Americans said innate ability. She speculated that America's sports culture may cause us to give too much credit to innate ability and we must do things at all levels of society to inspire education and hard work so every child can perform to his or her best potential.

"Most people are not used to hearing a woman do public policy analysis. Wives, especially, aren't supposed to effect policy. Wives are supposed to be there to open up the garden in the spring. But we lawyers can recognize intellectual excellence when we see it, and you couldn't miss it with Hillary. I came home and told everyone 'Watch out for this woman. You're going to hear more from her.'"

Hillary Rodham Clinton is a great national resource, a fine legal mind, an inspiration to aspiring women, a model of the loving yet autonomous wife, a consistent champion of children, and a good soul. I look forward to hearing more from her in the years to come.

Remarks of Ronald F. Pollack, Executive Director, Families, USA

When I was eleven years old, I had the opportunity to listen to a speech by, and then spend precious moments with, Eleanor Roosevelt. As part of the multiple celebrations that year marking the tenth anniversary of the United Nations, my mother organized a remarkable evening for several thousand New Yorkers, featuring Mrs. Roosevelt.

My mother organized the event on an unpaid, voluntary basis, but she decided to retain two "perks" for her family. First, she made sure that her only child would go on stage to present a bouquet of roses to the former First Lady immediately upon the conclusion of her speech. Then, she made sure that we would transport Mrs. Roosevelt from the event in our family car—an arrangement that undoubtedly presaged the need for a tighter and more protective Secret Service.

That evening, 40 years ago, is etched indelibly in my memory. Mrs. Roosevelt was eloquent and compassionate, dignified and warm, purposeful and friendly. She inspired a genuine sense of goodness about public life.

Years later, I carefully observed my daughter's reactions when she met—and when she watched television interviews with—another very remarkable First Lady, Hillary Rodham Clinton. My daughter, Sarah, who (unlike her younger brothers) is not particularly awed by famous people, has an unmistakable glow when she listens to the First Lady. On one such occasion, during the Presidential campaign, Sarah declared most emphatically: "Hillary Clinton makes me feel very good!"

As Sarah later explained to me, Hillary makes her feel good to be a woman. Sarah finds inspiration and reaffirmation from women who are strong and gentle, determined and kind, and who have a finely-tuned, life-affirming social conscience. It is those qualities that Hillary enlivens in Sarah.

Above the din of shrill acrimony and demonization that passes as political discourse these days, Sarah—through Hillary's example—has gained a much better understanding about the positive potentialities of public service.

Sarah's perceptions about the First Lady are well grounded. Of Hillary's many fine qualities that abundantly substantiate Sarah's impressions, three are particularly salient for me.

First, empathy. Although the First Lady's virtuosity in testifying before five Congressional committees on health reform was properly chronicled, her interactions in meetings with ordinary people were, in my judgment, even more impressive. For people experiencing unfathomable emotions watching loved ones bear the direct consequences of an inequitable health system, Hillary was a reassuring presence. She listened. She consoled. She explained. She gave hope. She infused strength, and she seemed to gain strength in return.

Second, an indomitable spirit. No one can deny that the First Lady has had to confront difficult, and undoubtedly emotional, moments of a profound adversity during the past four years. But, even during the most troubled periods of the campaign, and the denouement of the health reform fight, and this past November's elections, the First Lady demonstrated a resiliency that is truly remarkable. She remains focused. She moves on. Through her example, and with her words of encouragement, she helps us to find the next, highest ground.

Third, her unswerving support for low-income and other vulnerable constituencies. Time and again, throughout her career and her ascendancy to national leadership, Hillary Clinton has been a steady, reliable and thoughtful voice for people who are poor and deserve a helping hand. At the Legal Services Corporation, in the fight for universal health coverage, as an eloquent spokesperson for America's children, and in the quest for improved educational opportunities, Hillary Clinton has effectively opened doors and championed new possibilities for "the other America." In so doing, she has enriched us all.

Sarah instinctively knows why I and our family's best friends, felt overjoyed on the night of November 8, 1992. For so many of us, it was an opportunity to dream once again. Although we now know better how difficult it will be to achieve our dreams, Hillary Rodham Clinton's vitality, inspiration and encouragement will keep us going, keep us working, keep us fighting—and keep us dreaming.

Remarks of Robert Rubin, United States Secretary of the Treasury

Hillary Rodham Clinton is an unusual woman who has spent her life doing extraordinary things.

She graduated from law school at a time when few women chose law as a profession. Since then, she has balanced with grace the demands of public life with the pressures of protecting and nurturing a child being raised in the national spotlight. And with great effect, she has used her personal and professional experiences as an advocate for women, children, and families, and to advance their rights in the eyes of the law.

There is no constitutionally defined job description for the role of First Lady. She can look to tradition, to the times in which she lives, to the demands placed upon her by the President and her family. But the women who have made the greatest impact on our nation are the ones who have blazed a trail that is uniquely their own.

This is the course Hillary Rodham Clinton has followed so remarkably these last two and one-half years.

As First Lady, she has opened the White House to more Americans than have visited the First Family's residence in our history. On health care, she opened the policymaking process to victims of disease, families haunted by extraordinary health care expenses, and to the community of healers, practitioners and administrators. As a result, we are closer today than ever before to reforming our nation's health care system.

Most of all, she has opened the minds and hearts of Americans about the role, the pressures and the opportunities that come with being a First Lady, a mother, and a President's partner at this important time in our history.

As a member of the President's Cabinet, and as a former member of the President's staff, it has been my privilege to know and admire Hillary Rodham Clinton. She is a wise counselor, an enormously sensitive, decent and compassionate person, and someone to whom we have well entrusted the role of First Lady in our national life.

Remarks of Elie Wiesel, Andrew W. Mellon Professor in the Humanities, Boston University, Nobel Peace Laureate, 1986

Hillary Rodham Clinton is worth knowing better. The more closely one observes her, the more impressed one is by her intellectual curiosity and human sensitivity.

A woman with a mind of her own, deeply committed to social values, she sets high standards for others and ever higher ones for herself.

She does what she says and says what she wants to say—not what others want to hear.

Whatever she does, she does well, with genuine though subdued enthusiasm.

Her language is clear, her words precise, her initiatives courageous. She knows what she wants, though she also knows that one cannot obtain everything one wants.

I wish she were appointed by the President of the United States to the unpaid cabinet position of Secretary for Human Rights—a field in which she could do wonders for all those who need an intercessor.

Hillary Rodham Clinton Biographical Data

Born: October 26, 1947, in Chicago, Illinois.

Husband: President William Jefferson Clinton.

Daughter: Chelsea Victoria Clinton.

Education: B.A. Wellesley College, 1969; J.D. Yale Law School, Yale University, 1973.

Law Practice and Professional Associations: Admitted to Arkansas Bar, 1973; U.S. District Court (Eastern and Western districts of Arkansas); U.S. Court of Appeals (8th Circuit); U.S. Supreme Court, 1975; Children's Defense Fund, Cambridge, MA and Washington, D.C., and Carnegie Council on Children, New Haven, CT, 1973–74; Counsel, Impeachment Inquiry Staff, Judiciary Committee, U.S. House of Representatives, Washington, D.C., 1974; Chair, American Bar Association Commission on Women in the Profession, 1987–91; Chair, Legal Services Corporation, Washington, D.C., 1978–80; Member, Board of Directors, 1977–81; Partner, Rose Law Firm, Little Rock, AR, 1977–92.

Law Teaching: Assistant Professor of Law and Director of the Legal Aid Clinic; University of Arkansas School of Law at Fayetteville, 1974–76; Assistant Professor of Law, University of Arkansas School of Law at Little Rock, 1979–80.

Publications: "Children Under the Law," Harvard Educational Review, January 1974;

Hillary Rodham, Book Note, Children's Policies: Abandonment and Neglect, 86 Yale L.J. 1522 (1977) (reviewing Steiner: The Children's Cause) (1976);

"Handbook on Legal Rights for Arkansas Women," Carolyn Armbrust [et al.], a project of the Governor's Commission on the Status of Women, 1977, 1987 editions;

"Children's Rights: A Legal Perspective," Children's Rights, Teachers College Press, New York, 1979;

"Teacher Education: Of the People, By the People and For the People," Beyond the Looking Glass: Papers from a National Symposium on Teacher Education Policies, Practices, and Research, March 1985 and Journal of Teacher Education, January–February 1985;

"The Fight Over Orphanages," Newsweek, January 1995;

"The War on America's Children," New York Newsday, March 12, 1995;

"Investing in Sisterhood," The Washington Post, May 14, 1995.

Honors and Awards:

Honorary Doctor of Law: University of Arkansas at Little Rock, 1985; Arkansas College, Batesville, Arkansas, 1988; Hendrix College, Conway, Arkansas, 1992; University of Michigan, 1993; University of Pennsylvania, 1993; University of Sunderland, England, 1993; University of Illinois, 1994; University of Minnesota, 1995; San Francisco State University, 1995.

Honorary Doctor of Public Service: The George Washington University, 1994; Who's Who in the World, 1995; Who's Who in America, 1995; Who's Who in American Law, 1994–95; Who's Who of Emerging Leaders in America, 1993–94; Who's Who of American Women, 1993–94; International Who's Who, 1994–95.

Honorary Life Member, The Honor Society of Phi Kappa Phi

Arkansas Bar Association and Arkansas Bar Foundation Award, 1985

Arkansas Woman of the Year, 1983

Phi Delta Kappa Award for Outstanding Layman of the Year, 1984

Pulaski County Bar Association Lawyer Citizen Award, 1987

Gayle Pettus Pontz Award, Women's Law Student Association, University of Arkansas at Fayetteville, 1989

Director's Choice Award, National Women's Economic Alliance Foundation, 1991

Outstanding Lawyer-Citizen Award, Arkansas Bar Association, 1992

Lewis Hine Award, National Lawyer and Child Labor Committee, January 26, 1993

Albert Schweitzer Leadership Award, Hugh O'Brian Youth Foundation, May 10, 1993

The Iris Cantor Humanitarian Award, July 19, 1993

1993 Charles Wilson Lee Citizen Service Award, Committee for Education Funding

1993 Awareness Achievement Award, National Breast Cancer Awareness Month

Claude D. Pepper Award, The National Association for Home Care, October 19, 1993

Distinguished Service Award, National Center for Health Education, November 18, 1993

Healthcare Advocacy Award, National Symposium of Healthcare Design, November 19, 1993

National Public Service Award 1993, The Bar Association of the District of Columbia, December 4, 1993

Fannie Lou Hamer Human Rights Award, Clergy and Laity Concerned, December 16, 1993

Distinguished Pro Bono Service Award, San Diego Volunteer Lawyer Program, 1994

Commitment to Life Award, AIDS Project Los Angeles, January 27, 1994

Distinguished Service Health Education & Prevention Award, National Center for Health Education, February 2, 1994

First Annual Eleanor Roosevelt Freedom Fighter Award, Alachua County Democratic Executive Committee, March 21, 1994

Social Justice Award, United Auto Workers, March 22, 1994

Brandeis Award, School of Law, University of Louisville, April 1, 1994

Benjamin E. Mays Award, A Better Chance, Inc., April 4, 1994

Ernie Banks Positivism Trophy, Emil Verban Memorial Society, April 6, 1994

Humanitarian Award, Alzheimer's Association, April 11, 1994

Elie Wiesel Foundation Award, April 14, 1994

International Broadcasting Award, Hollywood Radio and Television Society, April 26, 1994

Ellen Browning Scripps Award, Scripps College, April 26, 1994

Legislator of the Year Award, The American Physical Therapy Association, April 27, 1994

HIPPY USA Award, May 6, 1994

Women of the Year Award, Yad B'Yad Award, May 7, 1994

C. Everett Koop Medical for Health Promotion and Awareness, American Diabetes Association, May 17, 1994

Distinguished Pro Bono Service Award, San Diego Lawyer's Program, May 17, 1994

Humanitarian Award, Chicago Chapter, Hadassah Medical Organization, May 26, 1994

Coalition of Labor Union Women 20th Anniversary Award, May 20, 1994

Women of Distinction Award, National Conference for College Women Student Leaders, June 2, 1994

Mary Hatwood Futrell Award, National Education Association, June 14, 1994

Woman of Achievement Award, B'nai B'rith Women, June 15, 1994

Claude Pepper Award, National Association for Home Care Board of Directors, June 19, 1994

Women's Legal Defense Fund Award, June 23, 1994

Shining Star Award, Starlight Foundation, August 2, 1994

Martin Luther King, Jr. Award, Progressive National Baptist Convention, Inc., August 12, 1994

Children's Diabetes Foundation Brass Ring Award, October 28, 1994

Women's Media Group Award, Women's Media Group, November 1, 1994

American Academy of Matrimonial Lawyers Family Advocate of the Year Award, Greenfield & Murphy, November 4, 1994.

Woman of Distinction Award, Women's League for Conservative Judaism, November 13, 1994

30th Anniversary of Women at Work Award in Public Policy, National Commission on Working Women, December 6, 1994

Boehm Soaring Eagle Award for Excellence in Leadership, National Women's Economic Alliance Foundation, December 12, 1994

National Woman's Law Center Award, 1994

Award for Excellence in Communication, Capital Speakers Club, January 18, 1995

National Federation of Black Women Business Owners Black Women of Courage Award to Hillary Rodham Clinton, February 8, 1995

Greater Washington Urban League Award, March 8, 1995

Golden Acorn Award, Child Development Center, March 9, 1995

Servant of Justice Award, New York Legal Aid Society, March 23, 1995

Health Educator of the Year Award, The Ryan White Foundation, April 8, 1995

Golden Image Award, Women at Work, April 9, 1995

1995 Outstanding Mother Award, National Mother's Day Committee, April 13, 1995

Eleanor Roosevelt Award, Citizen's Committee For Children of New York, Inc., April 24, 1995

United Cerebral Palsy Humanitarian Award, 1995

World Health Award, American Association for World Health, World Health Day, April 24, 1995

Brooklyn College, Presidential Medal, 1995

Memberships and Associations:

Member, Arkansas Bar Association

Member, Arkansas Trial Lawyers Association

Member, Pulaski County Bar Association

Founder and President, Arkansas Advocates for Children and Families, Founder, President and Member of Board of Directors, 1977–84

Chair, Arkansas Rural Health Committee, 1979–80

Chair, Board of Directors, Children's Defense Fund, Washington, D.C., 1986–91, Member, Board of Directors, 1976–92

Chair, Arkansas Education Standards Committee, 1983–84

Yale Law School Executive Committee, New Haven, CT, 1983–88, Treasurer, 1987–88

Member, Southern Governors Association Task Force on Infant Mortality, 1984–85

Member, Commission on Quality Education, Southern Regional Education Board, 1984–1992

Member, Youth and America's Future: The William T. Grant Foundation Commission on Work, Family, and Citizenship, 1986–88

Board of Directors, Wal-Mart Stores, Inc., 1986–92

Board of Directors, Child Care Action Campaign, New York, NY, 1986–92

Board of Directors, Southern Development Bancorporation, 1986–92

Chair, Board of Directors, New World Foundation, New York, 1987–88, Member, Board of Directors, 1983–88

Board of Directors, Co-Chair for Implementation, Commission on Skills of the American Work Force, National Center for Education and the Economy, 1987–92

Board of Directors, "I Have a Dream" Foundation, 1988–89

Board of Directors, Arkansas Children's Hospital, 1988–92

Board of Directors, New Futures for Little Rock Youth, 1988–92

Member, HIPPY USA Advisory Board, 1988–92

Board of Directors, Franklin and Eleanor Roosevelt Institute, 1988–93

Charter Member, Business Leadership Council, Wellesley College, 1989

Board of Directors, Children's Television Workshop, 1989–92

Board of Directors, TCBY Enterprises, Inc., 1989–92

Board of Directors, National Alliance of Business Center for Excellence in Education, 1990–91

Board of Directors, Public/Private Ventures, 1990–92

Arkansas Business and Education Alliance, 1991–92

President, Board of Directors, Arkansas Single Parent Scholarship Fund Program, 1990–92

Chair, National Board of the Claudia Company, 1991–93

Honorary President of the Girl Scouts of America, 1993-present

Member, Visiting Committee, University of Chicago Law School, 1991–92

Alumnae Trustee, Wellesley College, 1992–93

DEDICATEES OF ANNUAL SURVEY OF AMERICAN LAW

1942 Harry Woodburn Chase
1943 Frank H. Sommer
1944 Manley O. Hudson
1945 Carl McFarland
1946 Robert M. LaFollette, Jr., A.S. Mike Monroney, George B. Galloway
1947 Roscoe Pound
1948 Arthur T. Vanderbilt
1949 Herbert Hoover
1950 Bernard Baruch
*1951 Robert P. Pattersonn
1952 Phanor J. Eder
1953 Edward S. Corwin
1954 Arthur Lehman Goodhart
1955 John Johnston Parker
1956 Henry T. Heald
1957 Herbert F. Goodrich
1958 Harold H. Burton
1959 Charles E. Clark
1960 Whitney North Seymour
1961 Austin Wakeman Scott
1962 Fred H. Blume
1963 Laurence P. Simpson
*1964 Edmond Cahn
1965 Charles S. Desmond
1966 Tom C. Clark
1967 Francis J. Putman

1968/69 Russell D. Niles
1969/70 Jack L. Kroner
*1970/71 Frank Rowe Kenison
1971/72 Robert A. Leflar
1972/73 Justine Wise Polier
1973/74 Walter J. Derenberg
1974/75 Robert B. McKay
1976 Herbert Peterfreund
1977 Charles D. Breitel
1978 Henry J. Friendly
1979 David L. Bazelton
1980 Edward Weinfeld
1981 William J. Brennan, Jr.
1982 Shirley M. Hufstedler
1983 Thurgood Marshall
1984 Hans A. Linde
1985 J. Skelly Wright
1986 William Wayne Justice
1987 Frank M. Johnson, Jr.
1988 Bernard Schwartz
1989 Barbara Jordan
1990 Harry A. Blackmun
1991 Martin Lipton
1992/93 John Paul Stevens
1994 Judith S. Kaye
1995 Hillary Rodham Clinton
*In memoriam.

SOUTH PACIFIC NUCLEAR-FREE ZONE TREATY [SPNFZ]

Mr. PELL. Mr. President, I was gratified yesterday by the French announcement in support of a complete ban on nuclear testing next year. Unfortunately, at present, France intends to conduct a series of nuclear tests in the South Pacific during the remainder of this year and the first part of next year.

The decision of the new French Government has brought about a storm of protest from Pacific nations who had fervently hoped that they would never see nuclear testing in their region.

So far, the United States, Britain, and France have maintained a relatively united public position with regard to nuclear testing. This changed with the decision of the French to resume testing while Britain and the United States have placed a moratorium on their own nuclear testing.

Mr. President, it is very important that the world understand that we were very serious about our commitment at the Non-Proliferation Treaty Review Conference in New York this spring in negotiation of a comprehensive test ban. We must not lose sight of that goal. A good step in that direction now would be an affirmation to the nations of the South Pacific that we stand with them in their desire that there be no further nuclear testing in their region.

Mr. President, today Senator THOMAS and I sent a letter to the President to urge that he take the positive and important step of seeking Senate advise and consent to ratification of three protocols to the South Pacific Nuclear-Free Zone Treaty. This treaty, known as the Treaty of Rarotonga, took effect in 1986. Parties include Australia, the Cook Islands, Fiji, Kiribati, Nauru, New Zealand, Niue, Papua New Guinea, Western Samoa, the Solomon Islands, and Tuvalu.

Countries in the region are united in their opposition to the proposed French tests. The chairman of the South Pacific Forum, the Prime Minister of Australia, P.J. Keating, expressed the forum's "unequivocal opposition of France's decision" to resume testing. In a separate statement, Keating went on to say that the tests were viewed as "an assault upon the rights of small nations by a large one."

Papua New Guinean Prime Minister Julius Chan described France's decision as "deplorable and unacceptable." He argued that the decision is "not only counter-productive to the conduct of friendly relations between Metropolitan France and Island Governments, but must be condemned." Chan went on to say that "France's total lack of sensitivity of the issue" is a major problem for the entire region.

Several countries in the region expressed concern that the French tests would set back nonproliferation efforts around the world. New Zealand Prime Minister Bolger cited the South Pacific's "sense of outrage" and argued that the tests run "directly counter to the worldwide trend away from the development and use of nuclear weapons and puts at risk all that has been achieved in nuclear disarmament since the end of the cold war." Keating noted that "France's very position as a responsible and leading power in the world means that each new test by France will give comfort to would-be proliferations, and each test will give pause to many of those countries whose support we will need to conclude the CTBT."

The sentiment of the region was perhaps best expressed by Keating, who said that the overwhelming majority of countries in the region felt that "if France must test these weapons, let her test them in metropolitan France."

Mr. President, I hope very much that the administration will decide to show support for the desires and resolve of the inhabitants of the South Pacific with regard to nuclear testing. It will serve to reinforce our commitment at the Non-Proliferation Treaty Review Conference to achievement in 1996 of a complete ban on nuclear testing. Moreover, Presidential action would demonstrate that we are willing to stand with those nations desiring to take strong positions with regard to nuclear nonproliferation.

MEASURE WOULD FOSTER MARINE AQUACULTURE

Mr. PELL. Mr. President, I rise as a cosponsor of the Marine Aquaculture Act of 1995, a measure sponsored by the junior Senator from Massachusetts (Mr. KERRY) to foster the growth of our marine aquaculture industry.

Senator KERRY, the ranking member of the Commerce Committee Oceans and Fisheries Subcommittee, has done an excellent job in drafting this legislation to promote marine aquaculture research and the development of an environmentally sound marine aquaculture industry in the United States.

The bill would create a coastal and marine aquaculture research and development program under the National Sea Grant College Program Act. As one of the fathers of the sea grant system, I am delighted that this new measure builds upon the sound and proven base of the sea grant.

I know that this measure is designed to promote marine aquaculture, as distinct from other general aquaculture measures. This is an area that has been largely overlooked and underdeveloped in the United States, but that has become increasingly competitive in the international market.

The United States cannot long afford to ignore the potential of marine aquaculture, because many of our fisheries already are overfished and nearing collapse. The groundfish stock off New England shores already has collapsed and the closures of our fisheries have hit hard.

Marine aquaculture may not be a panacea, but it has the potential to provide both new employment opportunities and to bring some relief to our fisheries by developing alternate sources.

I commend this measure to the attention of my colleagues and I congratulate Senator KERRY for his excellent work.

RELIGIOUS ORGANIZATIONS AND SOCIAL SERVICE AGENCIES CALL ON CONGRESS TO REMEMBER THE POOR IN MAKING DECISIONS ON WELFARE REFORM

Mr. DASCHLE. Mr. President, as the Senate prepares to begin its August recess, it is clear that much business awaits our return. One of the first issues we will return to will be reform of our Nation's welfare system. As we reflect over the coming weeks on how our policy choices made here will affect our Nation's neediest, and American society as a whole, I would ask my colleagues on both sides of the aisle to consider the powerful statement made this week by 47 leaders of our Nation's major religious denominations and social service agencies.

This week, in an unprecedented and moving way, 47 leaders from the Catholic, Protestant, Jewish, and Moslem communities signed a letter that was delivered to every Member of the Senate. The letter called on Congress to remember the poor as it makes decisions on welfare reform.

Citing the verse in Proverbs 31:9, "Speak up, judge righteously, champion the poor and the needy," the leaders called on Congress to reaffirm a federally guaranteed safety net for those in our Nation who are most vulnerable.

The letter also focused on the drastic effects of current proposals on the ability of the religious social service organizations to provide for the poor.

Mr. President, these religious leaders wrote that they are motivated not only from their faith-based ethics, but also from their years of experience in serving poor families in the churches, synagogues, mosques, temples, and service agencies across the country. I was particularly moved by the consensus found among America's many and diverse religious communities with regard to the obligation of all of us to care for all of our citizens, especially our children.

I urge my colleagues to reflect on the points raised in this important letter from our Nation's religious leaders.

I ask unanimous consent that the text of the letter and the list of 47 signatories be printed in the CONGRESSIONAL RECORD.

DEAR SENATORS DOLE, DASCHLE, PACKWOOD and MOYNIHAN: We write on behalf of the religious organizations we represent to urge you to make the well-being of women, children and families your primary objective as you seek to reform the nation's welfare system. As the Congress sorts through fiscal, political, and ideological pressures to construct real reform, the decisions you make will be a test of our nation's values, of our commitment to "the least among us," and of our willingness to offer genuine help and opportunity to our poorest families.

We are commanded in Proverbs 31:9, "Speak up, judge righteously, champion the poor and the needy." We are called to share God's wealth with those of God's children who cannot provide for themselves. The moral test of any nation is how well it fulfills this Biblical mandate.

As leaders of many of this nation's religious faith communities and religious social service organizations, we are called to stand with, and seek justice for, people who are poor. We share a conviction that welfare reform must not focus on eliminating programs, but on eliminating poverty and the damage it inflicts upon children (who comprise 2/3 of all recipients of cash assistance), on their parents, and on the rest of society. Genuine reform must provide the disadvantaged with the tools they need to become self-sufficient.

Specifically, we advocate reform that: Strengthens families; Preserves a federally guaranteed safety net for the vulnerable; Protects human life and human dignity; Encourages and rewards work; Creates jobs, strengthens job training and improves child care; Improves aid to all needy children, regardless of the circumstances of their birth; Maintains current support for legal immigrants; and Builds public/private partnerships to overcome poverty.

In particular, we urge policy makers not to abandon the concept of "entitlement:" i.e. that there are certain categories of vulnerable people who are entitled to protection. The existing guaranteed support, in the form of support for poor children and the disabled, school lunch programs, and food stamp programs, must remain priorities for our nation.

Current proposals for block grants eliminate the structure of guaranteed support and leave our country's needy at risk from natural disasters and economic downturns. This system of block grants would also create annual budget battles over funding, which could further cripple the welfare safety net. If the Senate enacts block grant proposals despite these very troubling concerns, we strongly urge the inclusion of "maintenance of effort" requirements, which will guarantee that states will continue to do their part in supporting the poor. With the existing requirements that states must match federal funding, the states currently provide 45% of support for America's poor. Without "maintenance of effort" provisions, states could slash their funding to dangerously low levels, especially financially disadvantaged states where assistance is most needed.

The needs of children of unwed mothers under 18 years of age and of mothers already on welfare are just as legitimate as the needs of all other children, and they must not suffer as a result of their parents' circumstances or choices. Therefore, we urge you to vote against family caps and child exclusion provisions. Such measures have never been proven to be effective, and only succeed in encouraging women to have abortions or forcing children to live in extremely deprived conditions.

In addition to our faith-based ethics, these principles are based on years of experience in serving poor families in our churches, synagogues, mosques, temples, and service agencies. Many religious social service providers have a strong track record in developing programs that achieve independence from welfare. We seek to work with the Congress to shape policies that build on these successes.

We are gravely concerned that some current proposals rely on the idea that the religious community can provide for those who will "fall through the cracks" of the safety net, cracks created by proposed reforms now before Congress. In fact, over the last decade, our social service providers have experienced a marked increase in the demand for our services, which are now operating at full capacity. Many of these services, in fact, are currently a partnership between government and religious bodies, dependent upon government funding. A recent study on the effect of the proposed budgetary reforms by Independent Sector reveals that charitable contributions would have to double over the next seven years in order to compensate for the massive cuts proposed by the House. Since the present system severely challenges the religious community's ability to meet the needs of the country's poor, we fear that the current proposals would completely overwhelm our resources for serving the needy.

We support a stronger partnership between the religious community and the government in serving and empowering poor families. For this crucial public-private partnership to survive, it is imperative that Congress pass welfare reform legislation that maintains an effective and helpful role for the federal government to care for our nation's needy.

Sincerely,

The Catholic Community:

Bishop John Ricard, S.S.J., Chair of the Domestic Policy Committee of the U.S. Catholic Bishops Conference;

The Very Reverend Gerald L. Brown, S.S.J., President, Roman Catholic Conference of Major Superiors of Men's Institutions;

Andree Fries, C.P.P.S., President, Leadership Conference of Women Religious;

Reverend Fred Kammer, S.J. President, Catholic Charities USA;

Reverend Michael Linden, S.J. Associate, Jesuit Conference USA, National Office of Jesuit Social Ministries;

Kathy Thornton, RSM, National Coordinator, NETWORK: A National Catholic Social Justice Lobby.

The Protestant Community:

Reverend Dr. Joan Brown Campbell, General Secretary, National Council of Churches of Christ;

Reverend Dr. Gordon L. Sommers, President, National Council of Churches, and President, Moravian Church, Northern Province;

Archbishop Khajag Barsamian, the Diocese of the Armenian Church of America;

Bishop Edmond L. Browning, Presiding Bishop of the Episcopal Church; Bishop Herbert W. Chilstrom, Evangelical Lutheran Church in America; Reverend Donald M. Hallberg, Lutheran Social Services of Illinois; Reverend Elenora Giddings Ivory, Presbyterian Church USA, Washington Office; Larry Jones, President, Feed the Children; Reverend Dr. Donald E. Miller, General Secretary, Church of the Brethren; Reverend Dr. Paul H. Sherry, President of the United Church of Christ; Ronald J. Sider, President, Evangelicals for Social Action; Bishop Melvin G. Talbert, Secretary, Council of Bishops, United Methodist Church; Reverend Robert Tiller, Director, American Baptist Churches USA, Office of Governmental Relations.

Historical Black Churches: Bishop H. Hartford Brookins, African Methodist Episcopal Church; Bishop William H. Grazes, Christian Methodist Episcopal Church, First Episcopal District; Dr. E. Edward Jones, President, National Baptist Convention of America; Dr. Henry Lyons, President, National Baptist Convention USA, Inc.; Reverend H. Michael Lemmons, Executive Director, Congress of National Black Churches; Dr. B.W. Smith, President, Progressive National Baptist Convention; Bishop Roy L.H. Winbush, Church of God and Christ; Chair, Congress of National Black Churches.

Quakers and Unitarians: Kara Newell, Executive Director, American Friends Service Committee; Joe Volk, Executive Secretary, Friends Committee on National Legislation; Richard S. Scobie, Executive Director, Unitarian Universalist Service Committee.

Religious Public Policy Organizations: David Beckmann, President, Bread for the World.

Muslim Community: Abdurahman Alamoudy, Executive Director, American Muslim Council.

Jewish Community: Rabbi Alexander Schindler, President, Union of American Hebrew Congregations; Rabbi Paul Menitoff, Executive Vice President, Central Conference of American Rabbis; Rabbi David Saperstein, Director, Religious Action Center of Reform Judaism; Alan Ades, President, United Synagogue of Conservative Judaism; Rabbi Jerome Epstein, Executive Vice President, United Synagogue of Conservative Judaism; Rabbi Alan Silverstein, President, Rabbinical Assembly; Rabbi Joel Meyers, Executive Vice President, Rabbinical Assembly; Dr. Ismar Schorsch, Chancellor, Jewish Theological Seminary; Michael Cohen, President, Reconstructionist Rabbinical Association (RRA); Yael Shuman, Executive Director, RRA; Jane Susswein, President, Federation of Reconstructionist Congregations and Havurot (FRCH); Rabbi Mordechai Leibling, Executive Director, FRCH; Rabbi David A. Teutsch, President, Reconstructionist Rabbinical College; Dr. Mandell I. Ganchrow, President, Union of Orthodox Jewish Congregations; Martin S. Kraar, Executive Vice President, Council of Jewish Federations; Lynn Lyss, Chair, National Jewish Community Relations Advisory Council.

FOURTH WORLD CONFERENCE ON WOMEN

Mr. KERRY. Mr. President, next month the Fourth World Conference on Women will take place in Beijing. During Senate consideration of S. 908, the foreign Relations Revitalization Act, last month, there was some discussion about this conference. At that time, an amendment offered by Senator HUTCHISON was adopted on a voice vote by Senator HELMS and me, as the managers of the bill. That amendment expressed the sense of the Congress on the goals that the United States delegation should promote at Beijing including ensuring that the traditional family is upheld as a fundamental unit of society and defining gender as the biological classification of male and female.

I would like to point out that I agreed to accept this amendment in the interest of moving the legislation process forward. I would also add that the underlying legislation, S. 908, was returned to the calendar because cloture was not invoked.

As Senator BOXER noted accurately in her comments on the Senate floor on the amendment, some of the language seems to raise questions or at least be unnecessary. We all know that there are only two genders, male and female. Why we need to insturct our delegation in that basic fact of biology is unclear to me. Also, the language about promoting the family as the fundamental unit of society raises questions in my mind as to whether a single woman constitutes a family with the right of protection by society. Are we saying that every woman must be married and have children to be protected? I would hope not because no woman should be denied rights simply because she chooses not to marry or if she is divorced. Unfortunately, Senator HUTCHISON was not on the Senate floor to address these questions at the time they were raised by Senator BOXER. Therefore, the real intent of her amendment, which to the best of my recollection only two Members of the Senate—the managers—agreed to, remains unclear.

Mr. President, on August 2, Ambassador Albright spoke to the Center for National Policy about the Women's Conference. In that address, she dicussed the U.S. goals at that conference. I ask that her remarks be printed in the RECORD.

The remarks follow:

AMBASSADOR MADELEINE ALBRIGHT, U.S. PERMANENT REPRESENTATIVE TO THE UNITED NATIONS, CONCERNING THE FOURTH WORLD CONFERENCE ON WOMEN CENTER FOR NATIONAL POLICY BREAKFAST—WASHINGTON, DC

Good Morning. I am pleased to be here. I may be prejudiced, but I think the Center for National Policy is a great organization, and I appreciate its willingness to sponsor this timely event.

The Fourth World Conference on Women will convene in China in 33 days and, let there be no doubt, the United States will be there.

We will be there because this conference is a rare opportunity to chart further gains in the status and rights of more than half the people on earth.

As leader of the American delegation, I am confident that U.S. goals will have strong support. These include—

promoting and protecting the human rights of women and ending violence against women;

expanding the participation of women in political and economic decisionmaking;

assuring equal access for women to education and health care throughout their lives;

strengthening families through efforts to balance the work and family responsibilities of both women and men; and

recognizing the increased role of nongovernmental organizations (NGO's) in building strong communities—at the local, national and international levels.

The conference in Beijing will be the fourth in a series begun 20 years ago in Mexico City. These gatherings have spurred legal, social and political reforms that have enhanced the lives of women and girls around the globe. Our goal now is to build on past gains and to hasten the removal of continuing obstacles to the full and equal participation of women in society.

As someone whose family was driven from its home twice when I was a child, first by Hitler, then by Stalin, I believe it is the responsibility of every free person to do what he or she can to advance the freedom of others. And I intend to see that the U.S. delegation to the Women's Conference serves as an unabashed advocate for freedom and human rights.

Unfortunately, today, in countries around the world, appalling abuses are being committed against women. These include coerced abortions and sterilizations, children sold into prostitution, ritual mutilations, dowry murders and official indifference to violence.

The Clinton Administration will use the conference in Beijing to underline the truth that violence against women is no one's prerogative; it is not a cultural choice; it is not an inevitable consequence of biology—it is a crime that we all have a responsibility to condemn, prevent, punish and stop.

Now, there are those who say that we should withdraw from the Women's Conference because of human rights policies of the host country. Those suggestions are well-motivated, but they miss the main point. American withdrawal would not stop the conference or cause it to be moved; it would lead, instead, to a conference in which 130 million American women would be unrepresented and in which American influence and leadership would not be felt.

It just does not make sense, in the name of human rights, to boycott a conference that has, as a primary purpose, the promotion of human rights.

The way to help women, in China and elsewhere, is not to abandon the field to others, but rather to attend this conference, to debate head-on the differences of philosophy and ideology that exist, to lay out before the world the abuses we want to halt and the obstacles to progress we want to remove, and to gain commitments to change from the societies most in need of change. That is what leadership and a commitment to free and open discussion are all about.

With respect to Harry Wu, our position is clear. He should be released immediately and unharmed. His case is a top priority for the United States. I can understand why some would want to tie conference participation to Mr. Wu's release, but that assumes falsely that our attendance would be some sort of favor to Beijing. We have no cause to believe that our approach to the conference will have any impact on China's decisions concerning Mr. Wu.

We do have reason, however, to hope that the conference will have a positive effect on the status of women in China.

Conference preparations already have contributed to a heightened awareness within China of women's issues. There is public discussion of previously taboo subjects, including violence against women. Chinese returning from the preparatory meetings have described their heightened sensitivity to the treatment of women in the media and to the economic exploitation of women. It matters a great deal that more than 5,000 Chinese women will participate in the NGO forum and will take their impressions back to their communities.

Given the nature of China's human rights record, I do not mean to exaggerate the impact of this one conference. But as a former board member of the National Endowment for Democracy, I know that one of the best ways to promote democratic thinking is to expose people to new ideas on matters that relate directly to their own lives.

Exposure to such thinking matters to us not only in China, but around the world, because countries in which women have a fair share of power tend to be more stable, democratic, prosperous and just than those in which women are marginalized and repressed.

The Women's Conference will contribute to a freer and more equitable world. As its recommendations are implemented, it will also strengthen families around the world. We know from our own experience that when families are strong, children are cared for, socially constructive values are taught and an environment is created in which civility and law may thrive.

So we want momentum to build around the idea that women and men should share fairly in the responsibilities of family life; we want to see girls valued to the same degree as boys; we want parents and prospective parents to be able to make informed judgments as they plan their families; and we want to see domestic violence curtailed and condemned.

Each of these is a central element of the Conference draft Platform for Action. And effective action on each will help families and communities everywhere.

Despite recent gains, women remain an undervalued and underdeveloped human resource. This is not to say that women have trouble finding work; in many societies—especially in rural, agriculturally-based areas—they do the vast majority of the work; but they don't own the land, they are not taught to read, they can't obtain personal or business loans and they are denied equal access to the levers of political decisionmaking.

It is no accident that most of those in the world who are abjectly poor are women, often caring for children without the help of the children's father; many trapped from an early age in a web of abuse, discrimination, ignorance and powerlessness from which only a few are able to escape.

We cannot be indifferent. It is reported that, in Angola, one-third of all homicides are perpetrated against women, usually by their spouse.

In Thailand, child prostitution is growing because clients believe older prostitutes are more likely to be infected by HIV.

In Senegal, females receive less than one-third the schooling received by males.

In Sierra Leone, women perform much of the subsistence farming and all of the child rearing and have little opportunity for education.

And almost everywhere, women are restricted by discriminatory attitudes and social and economic structures that are unjust.

The Women's Conference will not solve these problems overnight, but it will call attention to them and promote remedial action. Women the world over are prepared to be full partners in sustainable development, but they need access to education and health care; they need access to credit; and they need equality under the law. Releasing the productive capacity of women is one key to breaking the cycle of poverty; and that will contribute, in turn, to higher standards of living for all nations.

Since the first Women's Conference 20 years ago, opportunities for women have expanded throughout the world. It is no longer a question of whether women from all countries will have a strong voice in controlling their destinies, but only when and how that goal will be achieved.

But building inclusive societies is still a work in progress. The United States has been working on it for two centuries. For more than half our nation's history, until 75 years ago this month, American women could not even vote. Many traditional or authoritarian societies still have a very long way to go. The Fourth Women's Conference will offer guidelines and promote commitments for every state to move forward, whatever current practices and policies may be.

In preparing for this conference, I was reminded of an old Chinese poem in which a father says to his young daughter:

We keep a dog to watch the house;
A pig is useful, too;
We keep a cat to catch a mouse;
But what can we do
With a girl like you?

For me, the Women's Conference will be a success if it brings us even a little closer to the day when girls all over the world will be able to look ahead with confidence that their lives will be valued, their individuality respected, their rights protected and their futures determined by their own abilities and character.

In such a world, the lives of all of us—men and women, boys and girls—will be enriched.

And it is to make progress towards such a world that the United States will be participating actively, forcefully and proudly in Beijing.

Thank you very much. Now, I would be happy to respond to any questions you might have.

1995 SUMMER PAGES

• Mr. FRIST. Mr. President, I ask unanimous consent that the names of the summer 1995 pages be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Ryan Scott Rudominer, Adam Thompson, Sarah Goffinet, Nicole Didier, Clay Ford, Ryan Hilley, Gilbert Winn, Robert Parker, Kristy Moss, Jeff Faberman, Kathryn Tucker, Blake Rutherford, Toby Bendor, Dean Tsilikas, Jonathan Rosen, Deborah Gordon, Alex Winnick, Sarina Sasson, Jennifer Heyman, Jonathan Weisman, Stephen Cohen, Michael Boland, Annie Singleton, Tyler Blitz, Cristin Gunther, Max Coslov, Lauren McCray, Adam Laxalt, Rebecca Long, Erika Benke, Casey Smith, Jane Gingrich, Tracie Souza, Elisa Varen, John Tuck, Kirk Fistick.•

EMERGENCY MEDICAL SERVICES FOR CHILDREN [EMSC] 10th ANNIVERSARY

Mr. INOUYE. Mr. President, it gives me great pleasure to congratulate the Emergency Medical Services for Children [EMSC] Grant Program on its 10th anniversary, and acknowledge the progress it has made in meeting the emergency care needs of our Nation's children. Before the authorization legislation was passed in 1984 most emergency care training focused on adult care while the needs of children were underrecognized. Little was known regarding appropriate drugs and dosages for children, and pediatric equipment was not readily available in emergency departments nor in ambulances. Now, more than 40 States have received funding to improve the emergency care provided to acutely ill and seriously injured children, and training in pediatric emergency health care has been greatly expanded nationwide.

It is a tremendous source of pride for me, as I am sure it is for Senator HATCH and Senator KENNEDY, to have introduced this legislation in the Congress a decade ago and to witness the dedication of those who have worked so diligently toward implementation of the various EMSC programs across the country. Few people realize that emergency medical service systems are relatively new—in fact, development of a network of lifesaving resources and technology began a scant 30 years ago. Even fewer realize that these systems initially made no allowance for the unique medical needs of children. During the past 10 years, many people have striven to correct this situation, and EMSC has proven to be an investment in our children that has paid countless dividends in the form of lives saved.

Few of us will ever forget the images of innocent people suffering in the wake of the bombing of the Alfred P. Murrah building in Oklahoma City. Our Nation's collective emotion galvanized around the unforgettable image of the limp body of a child being carried by a firefighter. If that tragedy had occurred 4 years earlier, prior to an EMSC implementation grant awarded to the Department of Pediatrics at the University of Oklahoma Health Services Center, many lifesaving components would not have been in place. Each ambulance that responded to the incident was equipped with pediatric emergency care resources above the national standard. Firefighters, police, doctors, and nurses on the scene were able to assist children effectively because they were trained in pediatric emergency care. All of the these things were possible because of EMSC funding at the Federal level to the State of Oklahoma.

Because our children are our most precious resource, our challenge is to take the EMSC infrastructure that now exists and extend it everywhere so that the system works for all children. A recent Institute of Medicine report on pediatric emergency care documented many remaining gaps. Health care providers remain uninformed about emergency pediatric care, many communities lack even the basic elements of a functional system for emergency care, much of the public remains untrained in CPR and bystander care, and many injury prevention technologies have yet to be generally adopted. We still have much to learn. Research and evaluation are critical in identifying problems, assessing how effectively our strategies address those problems, and enhancing every aspect of care.

Join me in celebrating this important 10-year anniversary by pledging continued support for EMSC so that the special needs of vulnerable children will be met. I extend my best wishes for the future as EMSC reaches for its goal to serve every region of our country and to provide our children with the highest quality emergency care possible. I would also like to recognize the outstanding contributions of Dr. Jean Athey, the current program administrator, and my long-time friend, Dr. Cal Sia, a visionary among pediatricians, who have been so vital to the success of this invaluable program. Congratulations, EMSC, for 10 years of dedicated service.

RESPONSE TO THE PRESIDENT'S SATURDAY RADIO ADDRESS

Mr. COCHRAN. Mr. President, I have prepared and taped for broadcast the Republican response to President Clinton's national radio address. My comments address the need to reform our Nation's welfare system. The August recess should give all Senators the opportunity to discuss with our constituents their views on welfare reform. When we return in September, I look forward to the passage of a welfare reform bill that will be signed by President Clinton.

I ask that my remarks be printed in the RECORD.

The remarks follow:

THE REPUBLICAN RESPONSE TO THE PRESIDENT'S SATURDAY RADIO ADDRESS

If there is any area of government activity that cries out for radical change it is our welfare programs. While the President has talked about changing the system, it was the Republican leadership that stepped forward with specific proposals for reform.

As a Presidential candidate, Bill Clinton promised to "end welfare as we know it." Yet for the first two years of the Clinton Administration—when the Democrats controlled not only the White House but both Houses of Congress—nothing was done.

In the State Houses and in Congress, Republicans are making things happen. We have had legislation introduced in the Senate by Bob DOLE to replace the current welfare system with a fundamentally new approach. That approach rests on several key ideas.

First, we want to give the states the flexibility to manage their own programs. The states have been successful in developing new programs that put able bodied people to work. Governor Thompson of Wisconsin, for example, has worked closely with his legislature and put in place a very different welfare program that is working by emphasizing work. The welfare roles in Wisconsin have been cut by 27 percent with a monthly savings of 17 and a half million dollars. Those are the kinds of results we can expect with greater flexibility at the state level.

Secondly, our approach gets local administrators and case workers to concentrate on moving the welfare caseload off welfare and into the workforce. Most importantly, by stressing employment, it gets able bodied welfare recipients to support themselves and their families. Our plan requires welfare recipients to be working after two years and it limits the duration of eligibility for benefits.

Last week, Democrats in the Senate finally introduced their welfare bill. That bill not only keeps welfare as a federal entitlement, but expands the range of benefits. Furthermore, it flatly ignores pleas from the Nation's Governors to give them more flexibility in designing and managing their own welfare-to-work programs. To continue believing that Washington "can do it better" is to ignore the experience of the past sixty years.

The real tragedy with the current system is the effect it is having on children. In Los Angeles, 62 percent of the children are on welfare. In Chicago, 43 percent of the children are on welfare. In Detroit, the rate is 73 percent. Clearly, we have a system that is not working, and it is even making matters worse.

Today, too many welfare recipients have a greater incentive to remain on welfare than to work. We must change the incentives and break the cycle of dependency. Most who are living under these conditions want a much different life for themselves and their children. But there has been very little encouragement, and too many have no hope at all.

We can change directions; but we must have a program that emphasizes parental support for children, the value of work, and individual responsibility. The Republican leadership plan does that.

Enacting real welfare reform is one of the greatest challenges facing Congress and the Administration. Your Congressmen and Senators will be back in their states during the August recess. Let them know how you feel about this issue. We believe our approach is much closer to the kind of change the American people want. Please support our effort if you agree.

SPECTRUM REFORM

Mr. PRESSLER. Mr. President, I rise today to call attention to the historic action taken in the House of Representatives on August 4. Our colleagues in the other body, under the able leadership of chairmen TOM BLILEY and JACK FIELDS and ranking minority member JOHN DINGELL, overwhelmingly approved, on a broad bipartisan vote of 305 to 117, H.R. 1555, a companion bill to S. 652, the Senate telecommunications reform bill. As my colleagues will recall, in June the Senate overwhelmingly approved the Telecommunications Competition and Deregulation Act of 1995 by a vote of 81 to 18. We have moved in record time—through both houses of Congress—the most comprehensive rewrite of America's telecommunications laws in over 60 years.

Since the 1970's, Congress has considered broad based legislation to modernize our laws governing the telecommunications industry. Nothing, however, has been enacted into law. The Telecommunications Competition and Deregulation Act of 1995 will make dramatic and long needed changes in the Government's regulatory oversight of the telecommunications industry. It promotes unprecedented competition among the various providers of telecommunications products, services, and technologies and dramatically reduces costly and counterproductive regulation of this vitally important sector of American industry.

The changes made in the legislation are long overdue. The dramatic enhancements in technology over the last few years have vastly outstripped the existing regulatory process. A major overhaul of this process is essential if we want competition and its results: better jobs, more exports, greater choice and lower prices. That is exactly what the telecommunications reform bill does.

In moving forward to pass reform legislation, we are shunning the old way of doing business. Instead of splitting the difference between warring commercial interests and special pleaders, we must keep our focus on a free-market outcome that will benefit consumers and taxpayers across the country.

Americans trust this country's free enterprise system. Consumers know there is far too much regulation in much of American business. We have witnessed a burgeoning computer industry develop over the past decade precisely because it has been unfettered by excessive Government regulation. Many parts of the telecommunications sector have been less dynamic, because of excessive Government regulation and micromangement. Consumers know that more competition means more choices, lower prices, better quality and more technological innovation. That is what the Telecommunications Competition and Deregulation Act of 1995 is all about.

The bill affirms the tenets of the American free enterprise system by establishing that the marketplace shall determine the winners and losers, not those companies who have demonstrated prowess in protecting markets through the courts and the regulatory process.

Mr. President, passage of telecommunications reform legislation is but one step in moving America forward in the information age of the 21st century. As a next step forward, I intend to press ahead with dramatic radio spectrum reform.

Mr. President, many Americans are aware that wireless technology provides the magic of radio broadcasting and the miracle of television. What is not as well known, but equally important, is that the radio spectrum also enables consumers to receive and transmit a wide variety of wireless voice, data, graphic and video information over the airwaves. At a hearing of the Committee on Commerce, Science, and Transportation Committee, which I chaired on July 27, Members saw demonstrations of a variety of advanced spectrum services.

Wireless communications often are overlooked by many experts in the policy community who rely far too heavily on a high fiber diet. This is unfortunate. Wireless communications is a rapidly expanding multi-billion dollar industry that is transforming modern American life as profoundly as the landline telephone system did at the beginning of this century.

This is especially important in parts of our country dominated by small cities and towns such as in my home State of South Dakota. Such places experience a significant cost differential between wireless and wireline communications—and wireless is far less expensive. Wireless technology could provide solutions to universal service problems we face currently.

Equally profound is the effect wireless communications will have on the once-sacrosanct local wireline telephone monopoly. The introduction of radio technologies into the long distance segment of the telecommunications market in the 1950's led directly to the breakup of the monopoly for long distance services. New generations of wireless telephones will work the same transformation in the local exchange market. This, of course, is one of the fundamental purposes of S. 652.

Today, two out of every three requests for new telephone service are wireless. There are 25 million cellular telephone subscribers and 20 million users of paging technology. Direct Broadcast Satellite DBS service is providing over 200 digital video and audio channels in competition with cable TV. This is only the beginning.

Mr. President, America—indeed the world—is on the cusp of a golden wireless age of communications. Just yesterday I had the great privilege of making the first PCS call in America—to my mother in South Dakota. PCS, or personal communications service, is a fully digital, wireless communications system with advanced features. The launching of PCS service in America is an especially important milestone in our march to the wireless age.

While many people talk about how telecommunications promotes productivity, mobile radio services provide positive proof. Moreover, radio frequency systems are important from a social policy perspective. Mobile radio is a liberating technology. Wireless communications also play an important role against crime, saving lives and promoting public safety. There are over a half-million wireless calls per month to 911 nationwide.

On July 27, the Commerce Committee saw demonstrations of advanced products, services and technologies utilizing the radio frequency spectrum. We also heard witnesses present an informative discussion of new spectrum policy reform initiatives to increase American competitiveness and consumer options. To spark a major reform of our Nation's spectrum use, I will promote legislation for more auctions of spectrum and for more flexibility in spectrum use as part of the reconciliation process.

The spectrum is an enormously valuable, yet finite resource. Unless a reform plan is developed that creates a more effective and efficient use of the spectrum, as well as a more stable supply of spectrum for private sector use, a vast array of new spectrum-based products, services, and technologies will go unrealized.

Such a prospect is particularly disheartening when one considers the benefits that are derived from current spectrum-based technology. The example of cellular telephone technology is a cautionary example. In 1962, AT&T was operating its first experimental cellular telephone system. It was not until 20 years later that the first cellular licenses were handed out by the FCC. Bureaucratic delay and inefficient regulation hampered the development and availability of cellular phones for years. Today, the cellular industry generates about $14.2 billion in revenues a year.

From its very beginning, wireless communications has played a vital role in protecting lives and property and, subsequently—through the development of radio and television broadcasting—in delivering information and entertainment programming to the public at large. More recently, there has been a realization that wireless, spectrum-based telecommunications services, products and technologies are indispensable enablers or drivers of productivity and economic growth, as well as international competitiveness.

The use of spectrum, however, is determined through bureaucratic licensing rules, regulations and procedures first developed in the 1920's. Under this Byzantine system, the Federal Communications Commission [FCC] determines the general uses for the radio spectrum, allocates bands of frequencies to each of those uses, and then issues/assigns licenses for the use of frequencies in each band for specific uses. Spectrum utilized by Federal Government agencies is managed by the National Telecommunications and Information Administration [NTIA] of the Department of Commerce.

Compared to that of most other countries, the U.S. spectrum management system allows for some degree of private sector involvement in spectrum. Yet, the system involves a central Government planning scheme by Federal regulators and bureaucrats. It is, in short, electromagnetic industrial policy. The FCC must determine which services, which frequencies and the conditions under which they will be provided, and often the specific technology to be used.

The spectrum management system currently utilized in the U.S. tends to result in an inefficient use of the spectrum resource. Federal regulators—rather than consumers—decide whether taxis, telephone service, broadcasters, or foresters are in greatest need of spectrum.

Most importantly, new services, products and technologies face inordinate delays which impose tremendous costs on society. It typically takes many years to get a new service approved by the FCC. The lengthy delay in making cellular telephone service available, as noted earlier, imposed a huge cost on the economy. One recent study estimated the delay cost our economy $86 billion.

In addition, the system constrains competition. One of the most important determinants of a competitive industry is the ability of new firms to enter the business. The allocation process typically provides for a set number of licenses for each service, precluding additional competitors. Only two cellular franchises, for instance, are allowed in each market. This takes on added significance when one considers the important role wireless services will play in bringing competitive alternatives to the wireline telephone system.

Changes in new communications technologies, especially the digitization phenomenon, are making the bureaucratic system even more unworkable. New wireless communications technologies, services and products are being developed at an ever accelerating rate. Even if the FCC were able to weigh the needs and merits of the relatively few spectrum-based services which existed in the 1930's, it is simply not able to do so today. Even if it could, the lengthy delays associated with the allocation and assignment processes, while perhaps acceptable in a slow-changing analog world, are seriously out of step with the fast-changing digitized world of today.

Spectrum auctions employing competitive bidding for spectrum would give applicants for spectrum the right incentives. Applicants would have incentives to bid only for that amount they truly need, and to use it in the most efficient manner possible. The Government would be compensated at a fair market value for granting an applicant the use of the spectrum. There is already a vigorous private market for spectrum rights. The only difference between the private auctions and FCC auctions is that taxpayers, rather than lucky lottery or comparative hearing winners, receive the revenue.

In addition to expanded auctioning authority, I also intend to pursue spectrum flexibility reforms. Historically, when Government allocated a portion of the spectrum was allocated, they have done so for one and only one use. More flexible use of spectrum would be more productive. Since the 1980's, the FCC has allowed the cellular industry to use its spectrum for alternative purposes. As a result of this increased flexibility, we have seen the advent of data services. The recently passed Telecommunications Competition and Deregulation Act of 1995, S. 652, contains provisions for spectrum flexibility for broadcasters. Now is the time to expand on this important spectrum reform.

Recent digital technological developments make other applications of flexible spectrum use feasible. Smart radios using microprocessor technology now make continuous communications possible on tiny slivers of shifting, noncontiguous spectrum. Such spread spectrum technologies also make it possible to program a cellular telephone to operate on different frequencies based on the part of town from which it is transmitting, or even on the time of day.

Mr. President, our country's future hinges on our ability to maintain our leadership in telecommunications, computing and information technology and innovation. The growth in jobs, productivity and international competitiveness will come in the telecommunications, computing and information sector if the Government gets out of the way. By passing a major overhaul and deregulation of telecommunications, and following this with reform of the spectrum system, this Congress can make a major contribution toward greater consumer choices, jobs creation and U.S. competitiveness in global markets.

A TRIBUTE TO THE RELIEF VOLUNTEERS OF THE OKLAHOMA CITY BOMBING

Mr. NICKLES. Mr. President, it is with great sadness and yet tremendous pride that I look back to the tragic events in Oklahoma City which have impacted Oklahomans as well as all Americans. Etched in our memory is what happened on Wednesday, April 19, at 9:02 a.m. when Oklahoma was stunned by an explosion at the Alfred P. Murrah Federal Building in downtown Oklahoma City. As we reflect on our devastating loss, we realize that the old adage is true—every cloud does have a silver lining. The silver lining we found in Oklahoma City was the outpouring of love, selfless effort, and resources.

We are, forever, indebted to those volunteers who created that silver lining, and they have our utmost respect and gratitude. The individuals are innumerable, but none is forgotten. Each remains as an example for us to emulate. We have learned many lessons from them: lessons of compassion, charity, cooperation, perseverance, and bravery.

First of all, I have been touched by the loving compassion that has motivated the volunteers. The reflections of Dr. Robert C. Bjorklund, a local pastor from Oklahoma City, captured the compassionate spirit found among the rescue workers. He recounted for me his experience while providing counseling assistance at the site just days after the bombing. He had been debriefing the rescue workers as they started and finished their shifts where they were exposed to incredible and tragic images. He expressed how moved he was by the caring and compassion of the rescue workers who seemed more concerned about his condition than their own. Dr. Bjorklund was right when he suggested that the tragedy has been overshadowed by the community's spirit of mutual care and concern. He learned from them firsthand as the rest of us are learning from their example.

The phenomenal generosity of the private donors, rescue workers, and large corporations have also made them models of charity. I was amazed by the immediate and enthusiastic response of citizens donating food, flashlights, batteries, and other supplies to the rescue crews. One young man named Chris Gross from Santa Clara, CA, has given up his salary for 1 year to start the Children of Oklahoma City Scholarship Fund. The selfless rescue workers, such as Dr. Hernando Garzon and his rescue crew from Sacramento, CA, came from far and wide and worked around the clock.

So many sacrificed their time, money, and talents to the cause. The Oklahoma Restaurant Association was especially generous by donating thousands of meals to families and volunteers. For instance, Pizza Hut donated free meals for more than a month to 300 affected families while Cain's Coffee provided 24-hour service to rescue crews. Companies and individuals in Oklahoma and around the country such as Southwestern Bell, Kerr-McGee, Phillips Petroleum, Bridgestone/Firestone, Anheuser Busch, Conoco, Boatman's Bank, American Airlines, Presbyterian Health Foundation, Koch Oil Co., C.R. Anthony, Henry Kravis, Ford Motor Co., Liberty National Bank, Chubb Insurance, ONEOK Employees Credit Union, the Lloyd Noble Center, Branson Cares Benefit, the Burlington County Times, the Xerox Corp., and countless others made significant donations for the relief effort.

I have also learned a lesson from the cooperation that unified all the workers into one efficient force. I was struck by the number of people successfully working simultaneously on many different tasks in order to accomplish the same goal. We have their coordinated effort to thank for the rescue of the survivors and the care of many grievers. Specifically, Amateur Radio provided an essential service to rescue operations. Within minutes of the attack, operators were on the scene providing an emergency communication network that allowed for the organization of supplies as well as firemen, policemen, and rescue crews from countless communities. Their contribution of 360 hours of service was made possible by donations from electronics companies such as the Oklahoma Community Center.

Not only did companies contribute time and money, but charity organizations made it possible for every citizen to become involved. Scores of organizations set up relief funds or served as dropoff locations for donated items. The Salvation Army, Feed the Children, and the American Red Cross were vital in the distribution of foods and goods. Federal, State, and local officials, as well as citizens of all ages, aided in the effort. The Oklahoma National Guard contacted families while fifth grade students from Anadarko Mission School donated relief items. Others contributed to the relief network by setting up centers for counseling and pastoral care for victims' relatives. Members of the Oklahoma funeral directors aided in contacting, consoling, and making funeral arrangements for families. The First Christian Church, for example, arranged a group of 75 volunteer clergy members, psychologists, and social workers to ease the mourning. These measures significantly assisted rescue efforts and provided outlets for individual participation.

The toll of lives would have been even greater without the quick and coordinated response by emergency agencies, including the police, fire departments, and the paramedics of the Oklahoma Emergency Medical Services Authority supplied by American Medical Response of Oklahoma [OEMSA/AMR]. OEMSA/AMR had 24 medical personnel in seven ambulances rolling to the scene within 90 seconds of the explosion. Within 3 minutes they were treating the injured; within the first hour, 210 patients were transported to hospitals and within the first 90 minutes, a total of 517 injured persons were treated, transported or both. The people of EMSA/AMR mobilized 66 ambulances and other vehicles during the response and integrated 29 additional emergency vehicles into the Oklahoma City rescue operation.

Certainly the volunteers have been models of bravery. Our heartfelt thanks goes out to each fireman, policeman, and rescue worker who selflessly searched to locate survivors and recover the victims. Eleven Urban Search and Rescue Teams, including teams from Fairfax County and Montgomery County in the Washington area, were invaluable as they utilized their expert knowledge and training to conduct the rescue effort. Their courageous efforts in conditions that were extremely perilous, and at times shocking, are to be commended. Each time these individuals entered the building, they were risking their lives so that others might find some element of comfort, whether that be the discovery of a survivor or the recovery of a victim.

These valiant volunteers have also demonstrated their exemplary perseverance. They had faith when there was little tangible reason for hope. For instance, the Oklahoma Nurses Association continued to contribute countless hours at hospitals even after losing one of their own, Rebecca Anderson, who was fatally injured while aiding in the rescue effort at the Murrah Building. The rescue crews were not disheartened by the tedious process nor daunted by the rain. We appreciate their patience, as do the people whose lives they saved and assisted.

All these volunteers, from whom we have learned so much, are true heroes. In the face of tragedy, their compassion and effectiveness have offered solace to the State of Oklahoma and the Nation. Their heroism fills me with deep appreciation and admiration. We thank them and look up to them in ways that words cannot express.

THE WESTERN AREA POWER ADMINISTRATION SHOULD NOT BE SOLD

Mr. DASCHLE. Mr. President, the tough part of the budget process is about to commence. Up until now, budget balancing has been all talk. Now comes the time for action.

For example, the Senate Energy and House Natural Resources Committees have now been presented a budget blueprint and must move to make the hard choices that meet their spending targets. Their job is to decide what to cut and what to keep.

There is no disagreement that we need to cut Government spending and eliminate the deficit. The real argument is over how to get there.

Are we going for quick fixes that make the numbers add up, but are blind to the underlying policy problems that cause the deficit?

Will we opt for a politically expedient formula that gets us to the bottom line now, and asks questions later?

Or are we going to consider carefully all the consequences of our options before making final decisions?

Mr. President, today, I would like to highlight one example that illustrates the dilemma we face, and demonstrates the need to look a little harder at some of the items on the chopping block.

Earlier this year, President Clinton recommended in his fiscal year 1996 budget that three Power Marketing Administrations be sold to private industry. He projected that this sale would save the Treasury over $4 billion.

A number of Senators representing States served by these PMA's—and whose constituents' electric rates would likely rise significantly if the sale goes through—protested this proposal vigorously. I am one of those Senators.

We have visited the President to make our case against the PMA sale. We have spoken on the Senate floor. And we have lobbied our colleagues on the Senate Budget Committee.

Nonetheless, the Senate and House Budget Committees, eager to cobble together a plan that balances the Federal budget within 7 years, endorsed the President's idea and incorporated it into the congressional budget resolution. Why? Because it made their daunting challenge $4 billion easier.

Where does that leave the opponents of the PMA firesale? It leaves us with the task of convincing the members of the Senate Energy Committee that the sale does not make sense, and that it does not save money.

My State of South Dakota is served by the Western Area Power Administration [WAPA], which is one of the three power marketing administrations the President and the Budget Committees want to sell. The budget resolution passed by Congress will ask most South Dakotans to pay higher electric rates in order to fund another tax break for the wealthiest Americans.

Meanwhile, the reality is that the sale of WAPA is a bookkeeping gimmick that helps make the numbers add up, but unnecessarily hurts working families. And it does nothing to address the underlying budget problem facing our country.

The sale of WAPA is bad economic policy. It is not fair to South Dakota. And, in the long run, it does not even save any money.

Let us look at the facts.

First, WAPA pays its own way. In South Dakota, it guarantees a dependable and affordable supply of electricity for nearly half the people of my State. It is on solid financial ground, covering its operating expenses every year and paying off the original construction expense, with interest.

If other Federal programs were as successful as WAPA, we would not have a deficit to deal with. The proposed sale simply would allow the Federal Government to collect the construction debt faster. But since that debt is now being paid back with interest, the sale will not result in any long-term financial benefit to the Government. Long-term revenue losses from the sale will offset any short-term revenue gains.

Second, WAPA is a promise made to the people of South Dakota. Our State made a deal with the Federal Government, and WAPA is the Government's end of the bargain.

The State of South Dakota sacrificed prime land to the construction of the mainstem dams along the Missouri River to provide critical flood control. Every year there is more erosion and more land lost. Affordable power is South Dakota's compensation for the loss of the land as well as the flood control it provides.

A deal is a deal, and selling WAPA to private industry, with the inevitable rate increases that would follow, would mean the Federal Government is reneging on its commitment.

Mr. President, my colleagues and I have been making this case with anyone who will listen, and I am pleased that our arguments have not fallen entirely on deaf ears. The final version of the fiscal year 1996 congressional budget resolution concedes that selling WAPA is not necessary to meet deficit reduction objectives.

And our case keeps getting stronger. Since this scheme was first proposed, further evidence of its flaws have come to light.

First there is the issue of river management. This year, South Dakota experienced much more rain than normal, causing flooding throughout the State and resulting in record levels of water accumulating behind the dams on the Missouri River. These high water levels caused considerable property damage and threaten to cause additional damage as water is released from the dams. Managing the water levels and releases on the river is a monumentally difficult and complicated task, where often competing economic and environmental issues must be balanced to minimize damage to property and land, and to maximize national benefits. Selling WAPA would complicate this already contentious process by increasing pressure to generate electricity at the expense of other objectives, so that the new owners of the system could maximize their profits.

Second, it is my understanding that much of the thousands of miles of transmission lines that make up the WAPA system cross private lands. The rights-of-way held by the Federal Government for this purpose in many cases would revert to the private landowners if the WAPA system is sold into private ownership. Therefore, the sale could result in the need for the new owners to renegotiate many of the rights-of-way with private landowners, some off whom might be reluctant to do so.

This added complication could diminish the value of the system to potential buyers, leading to less revenue than the Federal Government expects.

And third, there is the problem of potential cherry-picking. The WAPA system is expansive, covering 14 States, and includes many different components. As these components are broken up for sale, what is to prevent some buyers from purchasing only the best and most profitable parts, leaving behind the older, less valuable parts, and thus preventing the Federal Government—and the taxpayers—from getting the full value from the system?

In conclusion, Mr. President, the sale of WAPA is a bad deal for its current customers, and it is a bad deal for the American taxpayers. Beyond that are some very real practical problems with the execution of the sale of WAPA. These issues alone should be enough to sink the deal.

No one will win if WAPA is sold, except perhaps a few select private interests who could exploit first the Federal Government, and later their customers to maximize profit.

Since I have been in Congress, I have seen a lot of proposals that did not make sense for South Dakota. Selling WAPA is one of the worst. I urge my colleagues to join with me in this battle and do the right thing by the energy consumers of South Dakota and other Western States, and the right thing for the taxpayers of the Nation.

THE CHALLENGES OF THE 1995 FARM BILL

Mr. DASCHLE. Mr. President, the 1995 farm bill got off to a good start recently when the Senate Agriculture Committee drafted significant parts of the legislation, including the research, farm credit, rural development and trade sections. Taken as a whole, I am optimistic these first four provisions will benefit rural America by helping beginning farmers get started and putting renewed focus on the production of value-added agricultural products.

While progress was indeed made and such a good beginning is encouraging, I walked out of the committee room after voting feeling a bit like a farmer watching his fields in early spring. It is always nice when your crop gets off to a good start, but experience suggests we should not get overly confident until it has been harvested and sold at a fair price.

There is still a long and difficult path to travel before we can declare any sort of victory for the American farmer.

My highest priority in the coming months will be to tackle those parts of the farm bill that will have the most immediate impact on the income of family farms and ranches. I have talked to hundreds of producers across South Dakota in the last few months about the importance of this farm bill. They all tell me the same, very simple thing: "Go back to Washington and write a farm bill that will allow us to get a fair price for the food we produce."

They ask for nothing more—and nothing less.

I have been very pleased by the bipartisan nature in which we were able to work out the fine details of these first provisions, and hope this cooperation will continue as we take up the issues that are most important to farm and ranch families across South Dakota. Make no mistake—increasing net farm income will not come without a fight, but those of us in Congress who have been waiting for years to draft a farm bill that puts the farming family above the farming corporations are ready and eager for the debate.

To this point, the Senate Agriculture Committee has taken action on four sections of the farm bill:

The research provisions include my proposal to require that USDA allocate 40 percent of competitive research dollars to applied research that will have a tangible, positive impact on the daily lives of producers and the economic health of our rural communities. I also fought for a provision that requires USDA to include full-time farmers as members of their research advisory board. Many of the decisions made by the Secretary of Agriculture are based in part on the advice of this board. It simply does not make sense to have it packed with bureaucrats.

The farm credit provisions improve the guarantee program by increasing the protection afforded to banks if they lend to a beginning farmer or refinance the loan of an existing direct USDA borrower. Also, the direct loan program is reformed to increase its focus on beginning farmers and on those in need of only temporary assistance.

The trade title sets workable, concrete goals for trade expansion, increases the percentage of our exports that must be used for high-value and value-added products, and creates new procedures that will help enforce recently signed international trade agreements.

Finally, the rural development title in the committee-approved bill will give States the flexibility they need to pursue innovative projects to revitalize our small communities by allocating a portion of the funds for State-specific projects.

There are many reasons to be optimistic about the progress achieved to date. These first few provisions address important issues facing our future—beginning farmers, meaningful applied research, expanded trade and new markets. We now need to reenforce the point that if we do not do something about declining farm income in the present, there may not be a future.

We also need to remember that no one gets the prize for a good start. My sights are now set on continuing this initial momentum on through to the finish line. Our goal is a farm bill that will improve net farm income, simplify farm programs and bolster our rural economies. The stakes of this race are nothing less than the future of rural America.

THE DIETARY GUIDELINES FOR AMERICANS

Mr. DASCHLE. Mr. President, last year Congress reauthorized and improved several important nutrition programs under the National School Lunch Act and the Child Nutrition Act. The legislation strengthened access to good nutrition for some of our Nation's most vulnerable children. I was pleased to be a cosponsor of the bill.

As part of that legislation, Congress directed the Department of Agriculture to bring schools into compliance with specified "dietary guidelines" by the 1996–97 school year rather than the 1998–99 school year, as originally stipulated by USDA. These guidelines establish a 30-percent limit on daily dietary fat, and a 10-percent limit on saturated fat.

Compliance with the dietary guidelines will have a real impact on the health of children who participate in the school meals program. It should be aggressively pursued. At the same time, however, I appreciate the effort it takes to implement such an extensive rule as well as the importance of providing schools sufficient time to comply with it. I realize that not all schools may be able to comply with the dietary guidelines by 1996.

In an effort to make the 1996–97 school year date achievable for compliance, Public Law 103–448 provides that schools may elect to use a food-based system of menu planning and preparation. It also offers an exemption from the requirement. Schools that encounter difficulty with the 1996 compliance date will be able to apply for a waiver from their own State departments of education. If compliance is truly problematic, the State may grant a 2-year extension.

Our objective is not to force compliance at any cost. Rather, it is to encourage aggressiveness on this initiative and make clear that Congress is serious about delivering healthy meals to our youth. Schools that have the ability to implement the dietary guidelines before 1998 should do so.

One organization that has been particularly closely involved in the development of these regulations is the American School Food Service Association [ASFSA]. ASFSA members are on the front lines of the effort to provide nutritious meals to school children.

On July 19, 1995, the ASFSA executive board passed a resolution that emphasizes the organization's commitment to encouraging and assisting schools in the implementation of the dietary guidelines and that underscores ASFSA's view of the importance of USDA providing maximum flexibility for local food authorities in meeting the guidelines. I commend ASFSA's commitment to promoting timely implementation of the dietary guidelines and support their call for flexibility, as long as that flexibility serves the objectives outlined above.

Mr. President, I ask unanimous consent that the ASFSA executive board resolution be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas: the Dietary Guidelines for Americans represent a consensus of scientific thought on dietary advice for the general population, including children;

Whereas: diet has been identified as a risk factor for five of the ten leading causes of death in Americans, including coronary heart disease and some types of cancer;

Whereas: Healthy People 2000 established the implementation of the Dietary Guidelines for Americans in at least ninety percent (90%) of the schools by the year 2000 as a national goal;

Whereas: the American School For Food Service Association has supported the Dietary Guidelines for Americans since their inception in 1980;

Whereas: the Healthy Meals for Healthy Americans Act (P.L. 103–448) requires schools participating in the National School Lunch Program and School Breakfast Program to implement the Dietary Guidelines for Americans; and

Whereas: the Congress of the United States is considering legislation that would reduce the amount of federal financial support provided to school nutrition programs: Therefore be it

Resolved: That ASFSA shall make its best effort to encourage and assist schools to implement the Dietary Guidelines for Americans; and be it finally

Resolved: That the ASFSA shall seek from the U.S. Department of Agriculture the maximum flexibility on how local food authorities may achieve the Dietary Guidelines for Americans so as to minimize any cost impact associated with the implementation of the Dietary Guidelines for Americans.

FRENCH NUCLEAR TESTING

Mr. KERRY. Mr. President, on Thursday, August 10, the distinguished Senator from Hawaii, Mr. AKAKA, offered an amendment—number 2406—to the fiscal year 1996 Defense appropriations bill expressing concern regarding France's decision to conduct further nuclear tests in the South Pacific, and strongly encouraging France to abide by the current international moratorium on nuclear testing and to refrain from proceeding with its announced testing intentions. As a cosponsor of the similar freestanding resolution the Senator from Hawaii had earlier introduced, it was my intention to speak in favor of the amendment. But in their energetic efforts to expedite Senate action on this legislation, the managers of the bill quickly indicated their approval of the amendment, and it was approved by a voice vote before I was able to speak.

Even though I cannot speak prior to the Senate's favorable action on this amendment, I nonetheless would like to provide my endorsement of this amendment and to explain my reasons for supporting it.

In May of this year the world took an important step toward stopping the spread of nuclear weapons and reducing the future threat from these weapons, when the Nuclear Non-Proliferation Treaty was indefinitely extended.

The next step will be negotiation and ratification of a Comprehensive Test Ban Treaty to finally and permanently end all nuclear testing. When we reach this goal, the world will breathe a collective sigh of relief as the era of nuclear explosions becomes part of history.

I hope and believe that we can complete such a treaty by the end of next year.

Unfortunately, the recent French decision to resume their nuclear testing program with eight explosions in the South Pacific flies in the face of the world's nonproliferation efforts. The French decision, coupled with the continued Chinese testing program, makes it extremely difficult to convince nonnuclear states of the sincerity of promises by the nuclear powers to end testing and reduce stockpiles.

The Chinese demonstrated the height of arrogance by detonating a nuclear explosion four days after the Non-Proliferation Treaty was indefinitely extended. Now the French have decided to abandon the self-imposed testing moratorium to which they, Russia, the United States, and Great Britain have adhered since 1992. This is a huge mistake.

The French argue that they need these eight tests to guarantee the safety and reliability of their deterrent forces. These are the same arguments always used to justify continued testing. The idea that without testing reliability will decrease enough to affect deterrence is absolutely absurd.

Warhead designs for the nuclear powers are proven and reliable and no nation would dare to test that reliability in a way that would risk nuclear retaliation. Deterrence will not be undermined by the absence of testing.

If this argument had merit we would not need to worry about North Korea, Pakistan, or India possessing nuclear weapons because they have never had a test program. Obviously the horror of nuclear weapons and the fear of their use is enough deterrence. It is not necessary to constantly test in order to engender that fear.

The question of safety is an important one but relying on this rationale means a nuclear state can never stop testing. There will always be some level of uncertainty, some new safety measure or some new technology that the weapons builders would like to incorporate.

In reality the current level of stockpile safety is adequate even though the United States, Great Britain, France, and Russia have refrained from testing since 1992. If continued safety requires computer simulation, then we should complete the development of such programs.

But the 2,000 tests conducted by the five nuclear powers, including more than 200 by the French, provide a more than adequate empirical data base to move this technology forward. If the French need additional data, as they claim, or other assistance in developing their own stockpile stewardship program, then the United States should offer that assistance.

This is no excuse for continuing nuclear testing.

It is all too easy to rationalize additional tests or different types of tests, such as the hydronuclear tests proposed by some here in the United States, as necessary for reliability or safety. In doing this we focus to narrowly on technical questions and miss the larger point that as long as the nuclear powers insist on continuing their programs the nuclear specter will hang over the world, and other nations will feel compelled to pursue development of their own weapons.

It is disingenuous for the nuclear powers to say to the rest of the world that after more than 2,000 tests over 40 years, we are finally going to negotiate a comprehensive test ban and then immediately begin more tests.

The real threat facing the world is not the lack of safety and reliability of nuclear stockpiles, it is the threat of the continued spread of nuclear weapons.

The French decision is a mistake for other reasons as well. The eight proposed tests will take place in the colony of French Polynesia far from the French homeland and without any regard for the feelings of the residents or the neighboring states. Australia, New Zealand, and nations all around Pacific Rim have condemned the decision.

Earlier this month, 2 days before the 50th anniversary of the bombing of Hiroshima, the Japanese Diet joined other Pacific nations in calling for France to stop the testing.

Studies repeatedly have detected contamination from the test site despite French claims to the contrary. Radioactive iodine, cesium 134, and plutonium all have leaked from the lagoon at the test site.

By ignoring the concerns of the natives and neighbors, France invokes the memory of the worst of the colonial period. The people of this region do not want their backyard used as nuclear test bed and waste dump.

The amendment offered by the distinguished Senator from Hawaii reflects the concerns of the citizens of his State, but also reflects the concerns of many others. I supported his amendment, and am pleased the Senate acted to add it to the Defense appropriations bill.

MESSAGES FROM THE PRESIDENT

Messages from the President were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate a message from the President submitting a nomination which was referred to the Committee on Labor and Human Resources.

(The nomination received today is printed at the end of the Senate proceedings.)

REPORT OF THE DISAPPROVAL OF THE BOSNIA AND HERZEGOVINA SELF-DEFENSE ACT OF 1995—MESSAGE FROM THE PRESIDENT—PM 76

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was ordered to lie on the table:

To the Senate of the United States:

I am returning herewith without my approval S. 21, the "Bosnia and Herzegovina Self-Defense Act of 1995." I share the Congress' frustration with the situation in Bosnia and am also appalled by the human suffering that is occurring there. I am keenly aware that Members of Congress are deeply torn about what should be done to try to bring this terrible conflict to an end. My Administration will continue to do its utmost with our allies to guide developments toward a comprehensive political settlement acceptable to all the parties. S. 21, however, would hinder rather than support those efforts. It would, quite simply, undermine the chances for peace in Bosnia, lead to a wider war, and undercut the authority of the United Nations (U.N.) Security Council to impose effective measures to deal with threats to the peace. It would also attempt to regulate by statute matters for which the President is responsible under the Constitution.

S. 21 is designed to lead to the unilateral lifting by the United States of the international arms embargo imposed on the Government of Bosnia and Herzegovina. Although the United

States has supported the lifting of the embargo by action of the U.N. Security Council, I nonetheless am firmly convinced that a unilateral lifting of the embargo would be a serious mistake. It would undermine renewed efforts to achieve a negotiated settlement in Bosnia and could lead to an escalation of the conflict there, including the almost certain Americanization of the conflict.

The allies of the United States in the U.N. Protection Force for Bosnia (UNPROFOR) have made it clear that a unilateral lifting of the arms embargo by the United States would result in their rapid withdrawal from UNPROFOR, leading to its collapse. The United States, as the leader of NATO, would have an obligation under these circumstances to assist in that withdrawal, thereby putting thousands of U.S. troops at risk. At the least, such unilateral action by the United States would drive our allies out of Bosnia and involve the United States more deeply, while making the conflict much more dangerous.

The consequences of UNPROFOR's departure because of a unilateral lifting of the arms embargo must be faced squarely. First, the United States would immediately be part of a costly NATO operation to withdraw UNPROFOR. Second, after that operation is complete, the fighting in Bosnia would intensify. It is unlikely the Bosnian Serbs would stand by waiting while the Bosnian government received new arms and training. Third, under assault, the Bosnian government would look to the United States to provide arms and air support, and, if that failed, more active military support. Unilateral lift of the embargo would lead to unilateral American responsibility. Fourth, intensified fighting would risk a wider conflict in the Balkans with far-reaching implications for regional peace. UNPROFOR's withdrawal would set back fresh prospects for a peaceful, negotiated solution for the foreseeable future. Finally, unilateral U.S. action under these circumstances would create serious divisions between the United States and its key allies, with potential long-lasting damage to these important relationships and to NATO.

S. 21 would undermine the progress we have made with our allies and the United Nations in recent weeks to strengthen the protection of the safe areas in Bosnia and improve the provision of humanitarian assistance. NATO has agreed to the substantial and decisive use of air power to protect Gorazde, Sarajevo, and the other safe areas. The U.N. Secretary General has delegated his authority to the military commanders on the ground to approve the use of air power. The British and French, with our support, are deploying a Rapid Reaction Force to help open land routes to Sarajevo for convoys carrying vital supplies, strengthening UNPROFOR's ability to carry out its mission. These measures will help provide a prompt and effective response to Serb attacks on the safe areas. This new protection would disappear if UNPROFOR withdraws in response to the unilateral lifting of the embargo.

Events over the past several weeks have also created some new opportunities to seek a negotiated peace. We are actively engaged in discussions with our allies and others on these prospects. Unilaterally lifting the arms embargo now would jeopardize these ongoing efforts.

Unilaterally disregarding the U.N. Security Council's decision to impose an arms embargo throughout the former Yugoslavia also would have a detrimental effect on the ability of the Security Council to act effectively in crisis situations, such as the trade and weapons embargoes against Iraq or Serbia. If we decide for ourselves to violate the arms embargo, other states would cite our action as a pretext to ignore other Security Council decisions when it suits their interests.

S. 21 also would direct that the executive branch take specific actions in the Security Council and, if unsuccessful there, in the General Assembly. There is no justification for bringing the issue before the General Assembly, which has no authority to reconsider and reverse decisions of the Security Council, and it could be highly damaging to vital U.S. interests to imply otherwise. If the General Assembly could exercise such binding authority without the protection of the veto right held in the Security Council, any number of issues could be resolved against the interests of the United States and our allies.

Finally, the requirements of S. 21 would impermissibly intrude on the core constitutional responsibilities of the President for the conduct of foreign affairs, and would compromise the ability of the President to protect vital U.S. national security interests abroad. It purports, unconstitutionally, to instruct the President on the content and timing of U.S. diplomatic positions before international bodies, in derogation of the President's exclusive constitutional authority to control such foreign policy matters. It also attempts to require the President to approve the export of arms to a foreign country where a conflict is in progress, even though this may well draw the United States more deeply into that conflict. These encroachments on the President's constitutional power over, and responsibility for, the conduct of foreign affairs, are unacceptable.

Accordingly, I am disapproving S. 21 and returning it to the Senate.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *August 11, 1995.*

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEVENS (for himself and Mr. FRIST):

S. 1181. A bill to provide cost savings in the medicare program through cost-effective coverage of positron emission tomography (PET); to the Committee on Finance.

By Mr. LEVIN:

S. 1182. A bill entitled the "Burt Lake Band of Ottawa and Chippewa Indians Act of 1995"; to the Committee on Indian Affairs.

By Mr. HATFIELD (for himself, Mr. PACKWOOD, Mr. D'AMATO, Mr. CAMPBELL, Mr. SPECTER, Mr. SANTORUM, and Mr. STEVENS):

S. 1183. A bill to amend the Act of March 3, 1931 (known as the Davis-Bacon Act), to revise the standards for coverage under the Act, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. ASHCROFT:

S. 1184. A bill to provide for the designation of distressed areas within qualifying cities as regulatory relief zones and for the selective waiver of Federal regulations within such zones, and for other purposes; to the Committee on Governmental Affairs.

By Mr. PRESSLER:

S. 1185. A bill to authorize the Secretary of the Interior to enter into an agreement with the State of South Dakota providing for maintenance, operation, and administration by the State, on a trial basis during a period not to exceed 10 years, of 3 National Park System units in the State, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BURNS:

S. 1186. A bill to provide for the transfer of operation and maintenance of the Flathead Irrigation and Power Project; and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MURKOWSKI:

S. 1187. A bill to convey certain real property located in Tongass National Forest to Daniel J. Gross, Sr., and Douglas K. Gross, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SANTORUM (for himself, Mr. LUGAR, and Mr. BROWN):

S. 1188. A bill to provide marketing quotas and a price support program for the 1996 through 1999 crops of quota and additional peanuts, to terminate marketing quotas for the 2000 and subsequent crops of peanuts, and to provide a price support program for the 2000 through 2002 crops of peanuts, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DEWINE (for himself and Mr. GRAHAM):

S. 1189. A bill to provide procedures for claims for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products; to the Committee on the Judiciary.

By Mr. DEWINE (for himself and Mr. GLENN):

S. 1190. A bill to establish the Ohio & Erie Canal National Heritage Corridor in the State of Ohio, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. PRYOR:

S. 1191. A bill to provide for the availability of certain generic human and animal drugs, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. KERRY (for himself, Mr. PELL, and Mr. INOUYE):

S. 1192. A bill to promote marine aquaculture research and development and the development of an environmentally sound marine aquaculture industry; to the Committee on Commerce, Science, and Transportation.

By Mr. HARKIN:

S. 1193. A bill to reduce waste and abuse in the Medicare program; to the Committee on Finance.

By Mr. AKAKA (for himself and Mr. LOTT):

S. 1194. A bill to amend the Mining and Mineral Policy Act of 1970 to promote the research, identification, assessment, and exploration of marine mineral resources, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DOMENICI:

S. 1195. A bill to provide for the transfer of certain Department of the Interior land located in Grant County, New Mexico, to St. Vincent DePaul Parish in Silver City, New Mexico, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRAIG:

S. 1196. A bill to transfer certain National Forest System lands adjacent to the Townsite of Cuprum, Idaho; to the Committee on Energy and Natural Resources.

By Mr. MACK (for himself, Mr. FRIST, Mr. D'AMATO, Mr. SHELBY, Mr. ABRAHAM, Mr. SANTORUM, Mr. DEWINE, and Mr. FAIRCLOTH):

S. 1197. A bill to amend the Federal Food, Drug, and Cosmetic Act to facilitate the dissemination to physicians of scientific information about prescription drug therapies and devices, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. COATS (for himself and Mr. GREGG):

S. 1198. A bill to amend the Federal Credit Reform Act to improve the budget accuracy of accounting for Federal costs associated with student loans, to phase-out the Federal Direct Student Loan Program, to make improvements in the Federal Family Education Loan Program, and for other purposes; to the Committee on Labor and Human Resources.

By Mrs. BOXER (for herself and Mrs. FEINSTEIN):

S. 1199. A bill to amend the Internal Revenue Code of 1986 to permit tax-exempt financing of certain transportation facilities; to the Committee on Finance.

By Ms. SNOWE (for herself and Ms. MIKULSKI):

S. 1200. A bill to establish and implement efforts to eliminate restrictions on the enclaved people of Cyprus; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mrs. BOXER:

S. Res. 163. A resolution to require the Select Committee on Ethics of the Senate to hold hearings in any case involving a Senator in which the committee determines that there is substantial credible evidence which provides substantial cause to conclude that a violation within the jurisdiction of the Select Committee has occurred; to the Select Committee on Ethics.

By Mr. DOLE (for himself and Mr. DASCHLE):

S. Res. 164. A resolution expressing the sense of the Senate that America's World War II veterans and their families are deserving of this nation's respect and appreciation on the 50th anniversary of the end of the war in the Pacific; considered and agreed to.

By Mr. PACKWOOD (for himself and Mr. MOYNIHAN):

S. Res. 165. A resolution commending the 60th anniversary of the Social Security Act; considered and agreed to.

By Mr. DOLE (for himself, Mr. LIEBERMAN, and Mr. HELMS):

S. Res. 166. A resolution expressing support for cooperation between the Governments of Croatia and Bosnia and Herzegovina; to the Committee on Foreign Relations.

By Ms. SNOWE (for herself, Ms. MOSELEY-BRAUN, Mr. D'AMATO, and Mr. SARBANES):

S. Con. Res. 25. A concurrent resolution concerning the protection and continued viability of the Eastern Orthodox Ecumenical Patriarchate; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENS (for himself and Mr. FRIST):

S. 1181. A bill to provide cost savings in the Medicare Program through cost-effective coverage of positron emission tomography [PET]; to the Committee on Finance.

THE MEDICARE PET COVERAGE ACT OF 1995

Mr. STEVENS. Mr. President, in our quest for a balanced budget, it is incumbent on Congress to mobilize every weapon at its disposal.

This is particularly true in Federal health care programs, which are targeted by the budget resolution for the lion's share of spending reductions.

Accordingly I am introducing today for myself and Senator FRIST the Medicare PET Coverage Act of 1995.

Regrettably this is one major cost reduction option that we are ignoring. This is the utilization of positron emission tomography [PET] to reduce the Nation's health care costs by avoiding unnecessary surgery.

Positron emission tomography [PET] is the latest advance in diagnosing diseases such as breast cancer, colon cancer, lung cancer, brain cancer, heart disease, and epilepsy.

Today, PET is emerging from its 20 year research and clinical research phase to widespread clinical use. With respect to Medicare alone, this would provide a net savings of approximately $1 billion a year.

PET technology is the only diagnostic technology that is able noninvasively to measure metabolic activity in living tissue. Identifying tumors is one example of its diagnostic value.

PET is able to diagnose the extent and severity of malignant tumors more accurately than existing clinical diagnostic techniques. Comparable improved diagnostic accuracy is also available for heart disease, epilepsy, and other neurological disorders.

PET's diagnostic accuracy translates into hundreds of thousands of fewer cases of surgery annually for cancer, heart disease, and other illnesses.

Recent peer research has identified over $5.3 billion in annual net savings to the Nation's total health care budget if PET is used clinically.

Critical to these cost savings are the hundreds of thousands of procedures that PET renders unnecessary every year.

Peer review scientific literature has identified that for lung cancer alone, over 91,000 CT scans, 10,000 surgeries, and 17,000 biopsies would be avoided each year.

For breast cancer almost 74,000 women per year would be spared the morbidity and cost associated with axillary lymph node dissection.

Similar cost and morbidity savings are available for other diseases.

These savings could start today.

PET has been performed clinically under appropriate State regulation. One million PET studies have been performed with no known negative reactions.

Patients have avoided unneeded surgery because of PET.

However, there will be no societal payback and no benefit to the average American from the use of PET under HCFA's current policy.

Despite the fact that CHAMPUS and private insurers like Blue Cross/Blue Shield currently reimburse for this safe, cost-effective procedure, Medicare and Medicaid do not.

HCFA effectively shelved any decision on reimbursement while the FDA decides whether and how to regulate PET compounds—something the States are already doing.

For over 7 years, the developers of PET have complied with HCFA and FDA procedures and requests only to have the rules changed and inquiries about progress met with minimal responses.

While there has been some recent movement on the part of the FDA, the fact remains that we have no consistent regulatory scheme that applies industrywide and to all applications.

It is time to move PET out of this needless bureaucratic quagmire.

New, proven medical procedures should not be held back by regulatory inertia.

This bill does not mandate the use of PET, but rather allow health care professionals to evaluate its usefulness. Easing the regulatory logjam has farreaching effects on reimbursement by private health plans and availability in the United States generally.

Because PET is safe and is both diagnostically effective and cost effective and because the policies of the FDA and HCFA have prohibited the delivery of PET to the general public, congressional action is necessary.

I am pleased to have the Senate's only surgeon join me in introducing this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1181

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This act may be cited as the "Medicare PET Coverage Act of 1995".

SEC. 2. CLARIFICATION OF MEDICARE COVERAGE OF, AND PAYMENT FOR, ITEMS AND SERVICES ASSOCIATED WITH POSITRON EMISSION TOMOGRAPHY (PET)

(a) IN GENERAL.—Nothing in title XVIII of the Social Security Act, or any other provision of law, regulation, policy, or interpretative statement, shall be construed to prohibit under parts A and B of such title coverage of, and payment for, items and services associated with the use of positron emission tomography (PET) for a covered medical indication (as defined in subsection (b)(1) where the use meets the following conditions:

(1) The PET is used as a substitute for other diagnostic procedures or to assist a physician in assessing whether exploratory surgery, surgical treatment, radiation, transplant, or any other diagnostic or therapeutic procedure is medically necessary.

The PET is performed at a facility that is licensed under (or otherwise operating in compliance with) State law.

(b) COVERED MEDICAL INDICATION DEFINED.—

(1) IN GENERAL.—For purposes of subsection (a), the term "covered medical indication" means—

(A) any medical indication described in paragraph (2), or

(B) any other medical indication where the carrier involved (or the Secretary of Health and Human Services) estimates that it will be less costly to the medicare program under such title (on average) to use the protocol using PET for the indication than to use any alternative protocol which has similar diagnostic accuracy and therapeutic outcome for that indication.

(2) SPECIFIC MEDICAL INDICATIONS COVERED.—The following are the medical indications described in this paragraph:

(A) Localization of epileptogenic focus in patients with complex partial seizure disorders.

(B) Differentiation of recurrent brain tumors from radiation necrosis in patients who have previously received radiation therapy treatment.

(C) Detection and assessment of tumors associated with breast cancer, lung cancer, or colorectal cancer.

(D) Determination of cardiac perfusion and viability in patients with left-ventricular dysfunction or cardiomyopathy.

(c) DEFINITIONS.—In this section:

(1) The terms "position emission tomography" and "PET" mean a diagnostic imaging technology used, in a manner generally accepted by the medical community and recognized in the medical literature, to measure biochemical and physiologic function in the human body.

(2) The term "protocol" means, with respect to a specific medical indication, a set of diagnostic procedures and resulting therapeutic procedures used in diagnosing and treating the indication.

(d) EFFECTIVE DATE.—This section shall apply to PET used on or after 30 days after the date of enactment of this Act, without regard to whether or not regulations to carry out this section have been promulgated by such date.

(e) REVISION OF NATIONAL COVERAGE DETERMINATION.—The Secretary of Health and Human Services shall revise the medicare national coverage decision relating to coverage of PET to be consistent with this section. Nothing in this section shall be construed as preventing the Secretary from expanding such coverage decision beyond the coverage required under this section.

By Mr. LEVIN:

S. 1182. A bill entitled the "Burt Lake Band of Ottawa and Chippewa Indians Act of 1995"; to the Committee on Indian Affairs.

THE BURT LAKE BAND OF OTTAWA AND CHIPPEWA INDIANS ACT OF 1995

• Mr. LEVIN. Mr. President, I introduce a bill to reaffirm the Federal recognition of the Burt Lake Band of Ottawa and Chippewa Indians. This legislation will reestablish the government-to-government relations of the United States and the Burt Lake Band. This bill is similar to legislation introduced last Congress by my friend, Senator RIEGLE. I cosponsored the legislation last year and I am honored to introduce it to the 104th Congress.

Federal recognition is vitally important for a variety of reasons. With this process completed the band can move on to the tasks of improving the economic and social welfare of its people. More importantly however, passage of this legislation will clarify that in the eyes of everyone, the Burt Lake Band is an historically independent tribe.

The band is named after Burt Lake, a small inland lake about 20 miles south of the Straits of Mackinac. The band already had deep roots in the area when a surveyor named Burt inspected the area in 1840. During the 1800's, the Burt Lake Band was a signatory to several Federal treaties, including the 1836 Treaty of Washington and the 1855 Treaty of Detroit. These treaties were enacted for the purpose of securing territory for settlement and development.

During the mid-1800's, the Federal Government turned over to the State of Michigan annuity moneys on the band's behalf in order to purchase land. This land was later lost by the band through tax sales, although trust land is nontaxable, and the band was evicted from their village. In 1911, the Federal Government brought a claim on behalf of Burt Lake against the State of Michigan. The autonomous existence of the band at this stage is clear.

Although the band has never had its Federal status legally terminated, the Bureau of Indian Affairs since the 1930's has not accorded the band that status nor treated the band as a federally recognized tribe. The Burt Lake Band, as well as the other tribes located in Michigan's lower peninsula were improperly denied the right to reorganize under the terms of the Indian Reorganization Act of 1934 even though they were deemed eligible to do so by the Indian Service at that time.

I am aware that a bipartisan group of my colleagues in the House of Representatives have sponsored a similar piece of legislation. I look forward to the consideration of this legislation by the respective committees in both the Senate and the House and its enactment into law. I also ask unanimous consent that a copy of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1182

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Burt Lake Band of Ottawa and Chippewa Indians Act of 1995".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the Burt Lake Band of Ottawa and Chippewa Indians are descendants and political successors to the Indians that signed the treaty between the United States and the Ottawa and Chippewa nations of Indians at Washington, D.C. on March 28, 1836, and the treaty between the United States and the Ottawa and Chippewa Indians of Michigan at Detroit on July 31, 1855;

(2) the Grand Traverse Band of Ottawa and Chippewa Indians, the Sault Ste. Marie Tribe of Chippewa Indians, and the Bay Mills Band of Chippewa Indians, whose members are also descendants of the Indians that signed the treaties referred to in paragraph (1), have been recognized by the Federal Government as distinct Indian tribes;

(3) the Burt Lake Band of Ottawa and Chippewa Indians consists of over 600 eligible members who continue to reside close to their ancestral homeland as recognized in the reservations of lands under the treaties referred to in paragraph (1) in the area that is currently known as Cheboygan County, Michigan;

(4) the Band continues to exist and carry out political and social activities with a viable tribal government;

(5) the Band, along with other Michigan Odawa and Ottawa groups, including the tribes described in paragraph (2), formed the Northern Michigan Ottawa Association in 1948;

(6) the Northern Michigan Ottawa Association subsequently submitted a successful land claim with the Indian Claims Commission;

(7) during the period between 1948 and 1975, the Band carried out many governmental functions through the Northern Michigan Ottawa Association, and at the same time retained control over local decisions;

(8) in 1975, the Northern Michigan Ottawa Association submitted a petition under the Act of June 18, 1934 (commonly referred to as the "Indian Reorganization Act") (48 Stat. 984 et seq., chapter 576; 25 U.S.C. 461 et seq.), to form a government on behalf of the Band;

(9) in spite of the eligibility of the Band to form a government under the Act of June 18, 1934, the Bureau of Indian Affairs failed to

act on the petition referred to in paragraph (8); and

(10) from 1836 to the date of enactment of this Act, the Federal Government, the government of the State of Michigan, and political subdivisions of the State have had continuous dealings with the recognized political leaders of the Band.

SEC. 3. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) Band.—The term "Band" means the Burt Lake Band of Ottawa and Chippewa Indians.

(2) Member.—The term "member" means any individual enrolled in the Band pursuant to section 7.

(3) Secretary.—The term "Secretary" means the Secretary of the Interior.

SEC. 4. FEDERAL RECOGNITION.

(a) Federal Recognition.—Congress hereby reaffirms the Federal recognition of the Burt Lake Band of Ottawa and Chippewa Indians.

(b) Applicability of Federal Laws.—Notwithstanding any other provision of law, each provision of Federal law (including any regulation) of general application to Indians or Indian nations, tribes, or bands, including the Act of June 18, 1934 (commonly referred to as the "Indian Reorganization Act") (48 Stat. 984 et seq., chapter 576; 25 U.S.C. 461 et seq.), that is inconsistent with any specific provision of this Act shall not apply to the Band or any of its members.

(c) Federal Services and Benefits.—

(1) In general.—The Band and its members shall be eligible for all services and benefits provided by the Federal Government to Indians because of their status as federally recognized Indians. Notwithstanding any other provision of law, those services and benefits shall be provided after the date of the enactment of this Act to the Band and its members without regard to—

(A) whether or not there is an Indian reservation for the Band; or

(B) whether or not a member resides on or near an Indian reservation.

(2) Service areas.—

(A) In general.—For purposes of the delivery of Federal services to the enrolled members of the Band, the area of the State of Michigan within a 70-mile radius of the boundaries of the reservation for the Burt Lake Band, as set forth in the seventh paragraph of Article I of the treaty between the United States and the Ottawa and Chippewa Indians of Michigan (done at Detroit on July 31, 1855) shall be deemed to be within or near an Indian reservation.

(B) Effect of establishment of an Indian reservation after the date of enactment of this Act.—If an Indian reservation is established for the Band after the date of enactment of this Act, subparagraph (A) shall continue to apply on and after the date of the establishment of that reservation.

(C) Provision of services and benefits outside the service area.—Unless prohibited by Federal law, the services and benefits referred to in paragraph (1) may be provided to members outside the service area described in subparagraph (A).

SEC. 5. REAFFIRMATION OF RIGHTS.

(a) In General.—To the extent consistent with the reaffirmation of the recognition of the Band under section 4(a), all rights and privileges of the Band and its members, which may have been abrogated or diminished before the date of the enactment of this Act, are hereby reaffirmed.

(b) Existing Rights of Tribe.—Nothing in this Act may be construed to diminish any right or privilege of the Band or its members that existed before the date of the enactment of this Act. Except as otherwise specifically provided, nothing in this Act may be construed as altering or affecting any legal or equitable claim the Band may have to enforce any right or privilege reserved by or granted to the Band that was wrongfully denied to the Band or taken from the Band before the date of enactment of this Act.

SEC. 6. TRIBAL LANDS.

The tribal lands of the Band shall consist of all real property held by, or in trust for, the Band. The Secretary shall acquire real property for the Band. Any property acquired by the Secretary pursuant to this section shall be held in trust by the United States for the benefit of the Band and shall become part of the reservation of the Band.

SEC. 7. MEMBERSHIP.

(a) In General.—Not later than 18 months after the date of enactment of this Act, the Band shall submit to the Secretary a membership roll consisting of all individuals currently enrolled for membership in the Band at the time of the submission of the membership roll.

(b) Qualifications.—The Band shall, in consultation with the Secretary, determine, pursuant to applicable laws (including ordinances) of the Band, the qualifications for including an individual on the membership roll.

(c) Publication of Notice.—The Secretary shall publish notice of receipt of the membership roll in the Federal Register as soon as practicable after receiving the membership roll pursuant to subsection (a).

(d) Maintenance of Roll.—The Band shall maintain the membership roll of the Band prepared pursuant to this section in such manner as to ensure that the membership roll is current.

SEC. 8. CONSTITUTION AND GOVERNING BODY.

(a) Constitution.—

(1) Adoption.—Not later than 2 years after the date of the enactment of this Act, the Secretary shall conduct, by secret ballot, elections for the purpose of adopting a new constitution for the Band. The elections shall be held according to the procedures applicable to elections under section 16 of the Act of June 18, 1934 (commonly referred to as the "Indian Reorganization Act") (48 Stat. 987, chapter 576; 25 U.S.C. 476).

(2) Interim governing documents.—Until such time as a new constitution is adopted under paragraph (1), the governing documents in effect on the date of the enactment of this Act shall be the interim governing documents for the Band.

(b) Officials.—

(1) Elections.—Not later than 180 days after the Band adopts a constitution and bylaws pursuant to subsection (a), the Band shall conduct elections by secret ballot for the purpose of electing officials for the Band as provided in the governing constitution of the Band. The elections shall be conducted according to the procedures described in the governing constitution and bylaws of the Band.

(2) Interim governments.—Until such time as the Band elects new officials pursuant to paragraph (1), the governing bodies of the Band shall include each governing body of the Band in effect on the date of the enactment of this Act, or any succeeding governing body selected under the election procedures specified in the applicable interim governing documents of the Band.•

By Mr. HATFIELD (for himself, Mr. Packwood, Mr. D'Amato, Mr. Campbell, Mr. Specter, and Mr. Santorum):

S. 1183. A bill to amend the act of March 3, 1931 (known as the Davis-Bacon Act), to revise the standards for coverage under the act, and for other purposes; to the Committee on Labor and Human Resources.

THE DAVIS-BACON ACT REFORM AMENDMENTS OF 1995

Mr. HATFIELD. Mr. President, for 64 years we have been working under the provisions of the Davis-Bacon Act, and that has become a highly controversial issue. Many times this Senate has attempted to repeal the Davis-Bacon Act.

A few years ago, the State of Oregon reached a compromise through a coalition of contractors, particularly in the trade unions, and for the last 6 months a similar coalition has been meeting in my office trying to come up with a reform of Davis-Bacon that would be acceptable to the two major parties, namely the building construction trade unions and the contractors' coalition.

This morning I am pleased to say that this has been completed, and I am introducing this bill, which I now send to the desk and ask for its printing, cosponsored by Senators Packwood, D'Amato, Campbell, Specter, and Santorum. I invite my colleagues to join in cosponsoring it.

Mr. President, the Davis-Bacon Act was passed 64 years ago to prevent federally funded construction projects from undermining the wages and working conditions of locally employed laborers and mechanics. At the time, lawmakers saw that large Government projects elicited destructive competition between the contractors who would use the local labor pool and those who could rely on remote, but cheaper, sources of labor. Congressman Bacon, for whom the act is named, introduced the legislation when builders in his New York district were underbid for a veterans' hospital project by southern contractors who brought in cheap southern labor. Congress, intent on sustaining a construction industry already ravaged by the economic instability of the Great Depression, reasoned that the destructive practices of the southern contractors would be best resolved by requiring that federally contracted labor be paid the locally prevailing wage, thereby halting the tendency of Government contractors to drive down workers' wages in order to win lucrative projects.

In the years after the Depression, many States have enacted analogous prevailing wage standards, dubbed little Davis-Bacon laws. As Governor of Oregon, I signed that State's little Davis-Bacon Act, S.185, into law on May 26, 1959. I have supported the intelligent use of the prevailing wage standard in Government contracts ever since. Other Members of this body have made numerous attempts to repeal the Davis-Bacon Act—despite its commendable purpose of preserving the middle-class livelihoods of American construction workers, but the proven necessity for the law has thus far prevailed.

Mr. President, the Davis-Bacon Act, as it now stands, indeed deserves some of the criticism that my distinguished associates level against it. Nevertheless, its purpose of protecting the jobs of our Nation's construction workers must persuade us to reform, rather than repeal, the act. A half year ago, an idea was spawned in Oregon, a compromise if you will, among the contractors and laborers at the local level to reform their relationship. This concept of Davis-Bacon reform between workers and laborers was brought to Washington, DC, where the idea advanced to the national level of contractors and laborers. I dare say that I was astounded by the conferees, longtime adversaries attended the negotiations, intent on brokering a Davis-Bacon reform package. I am today introducing the product of those long and arduous negotiations, a reform package to revise and update the Davis-Bacon Act of 1931. Last year, a compromise among Oregon legislators, contractors, and labor unions resulted in a reform bill very similar to this one. I am confident that reform of the Davis-Bacon Act can be successfully implemented at the Federal level, because it has already been so in my home State of Oregon.

Currently, the act requires that federally funded construction contracts exceeding $2,000 in value trigger application of the prevailing wage and conditions standard. The prevailing wage, as my colleagues know, is determined county-by-county by the Labor Department, which uses the highest wage earned by at least half of the local workers in the craft. The act, as it is now implemented, also requires that workers, regardless of their training, be paid at least the prevailing wage for the craft at which they are working. Further, the companion to the Davis-Bacon Act, the Copeland Act of 1934, mandates that government contractors submit detailed wage and benefit schedules at weekly intervals.

Critics of the Davis-Bacon Act rightly argue that the law impedes rather than facilitates fair wages and balanced competition. The low threshold value of contracts and the weekly reporting requirement hinder small, local, and minority-owned contractors in their competition with larger, often out-of-State contractors. Moreover, the application of the prevailing wage standard, since it does not calculate prevailing wages by level of experience, makes apprentices and other employees who require on-the-job training unrealistically expensive.

My bill offers several reforms that would resolve many or all of the difficulties of these acts that advocates of repeal find objectionable. There are three principal amendments to the existing statutes that would permit the Department of Labor to pursue the goals of the Davis-Bacon Act without the problems so often cited by critics. First, the threshold at which the act becomes applicable to Federal projects would be raised from $2,000 to $100,000. Second, the frequency with which contractors are required to file wage and benefit schedules would be changed from weekly to monthly. Third, trainees and apprentices would be excluded from the prevailing wage standard if they are enrolled in a training program that is registered with the Department of Labor.

Mr. President, critics who seek to repeal entirely rather than improve the Davis-Bacon Act contend that the act's problems are beyond repair and that this body must allow competition to devastate the middle class livelihoods of America's construction workers. They argue that the Davis-Bacon Act is obsolete, tremendously costly, and impractical, regardless of whatever changes might be made to it. I disagree, and feel that the costs of the Davis-Bacon Act are grossly overestimated, whereas the benefits that we would jeopardize with its repeal have been dangerously neglected.

The advocates of repealing the Davis-Bacon Act have not adequately demonstrated that enforcing the prevailing wage standard in federally funded contracts is, all things considered, untenably expensive. I feel that the act is relatively cost-effective now and will be all the more so with the changes I propose today. Critics of the Davis-Bacon Act frequently cite a CBO estimate of the savings that the Federal Government would enjoy if the act were repealed, but this estimate fails to consider the hidden costs of repeal. Although the Government might save money directly through lower construction wages, lost wages are likely to push an even greater number of formerly productive construction workers onto the rosters of the unemployed seeking Government assistance. Tax revenues, too, would decline, since the average construction worker would lose nearly $1,500 in annual income after the repeal of the Davis-Bacon Act.

Moreover, the evidence that the Government would save a substantial sum of money from cutting the wages paid to workers on Federal projects is dubious. Contractors' experiences repeatedly show that higher wages are positively correlated with higher productivity. Lower wages do not necessarily mean lower labor costs. Indeed, figures from a 1995 University of Utah study indicate that it costs less to build a mile of road in States with higher wages than in States with lower wages; the study revealed that, in States that have analogs to the Davis-Bacon Act, it has cost an average of almost $250,000 less per mile of road than in States that do not observe prevailing wage standards.

It is apparent, Mr. President, that the CBO study upon which critics of the Davis-Bacon Act rely overestimates the cost and impracticality of enforcing and complying with the act. The figures that CBO study uses for its estimate are 15 years old; they do not reflect the expansion of office technology that has occurred in the last decade. Advances in office technology have facilitated the periodic filing of wage and benefit schedules by Government contractors as well as the processing of those schedules by the Department of Labor. Furthermore, the proportion of all Federal contracts that would have to comply with the act would drop to less than half, if the higher threshold I propose were promulgated.

It is altogether unclear, therefore, whether the Federal Government can reasonably expect dramatic savings from an outright repeal of the Davis-Bacon Act. Even if the substantial savings that the CBO has predicted were possible with the repeal of the act, Mr. President, I would nevertheless urge my distinguished colleagues to consider the nonmonetary yet indispensable benefits of the act. A pressing concern of mine is the safety of America's builders. The 1995 University of Utah study to which I earlier referred indicates that the repeal of Davis-Bacon might lead to less training for construction workers and to more accidents and fatalities on work sites. That study examined nine States that repealed their own little Davis-Bacon laws. It reported that training declined in those States by 40 percent while occupational accidents rose by 15 percent. Better paid workers have fewer accidents and fewer fatalities—without the Davis-Bacon Act, better pay for workers will be the first cost that Government contractors cut. Is this body prepared to jeopardize the safety of American workers in pursuit of unproven savings? I myself am not.

Another benefit of the prevailing wage standard is its contribution to the maintenance of a pool of well trained and motivated construction workers. This has become increasingly difficult with plummeting wages and unstable demand for labor in the construction industry. There are few incentives for young people to undertake the long-term training necessary to be a competent craftsman or mechanic if they can look forward to earning little more than the minimum wage and no benefits. Permitting the Federal Government, which provides between 10 and 20 percent of the construction industry's revenues, to invite competition that would inevitably depress wages further than they already have been is to imperil this Nation's ability to maintain and expand its infrastructure when the need arises.

Mr. President, I cannot abide the repeal of the Davis-Bacon Act, although I do believe that it needs to be updated and revised. I am not convinced that repealing the act would permit the dramatic savings that have been predicted by critics of the act, primarily because the fiscal benefits of the act have been consistently underestimated or ignored. I understand, however, that the act as it is currently implemented is problematic and sometimes counterproductive in terms of its own purpose. This is why I have long supported, and propose today, fundamental reform of this absolutely vital law. The Davis-Bacon Act, with the correct revisions, can once again serve its purpose of protecting the livelihoods of America's builders and mechanics, preserving the sanctity of community standards, and ensuring that local contractors, young apprentices, and skilled workers have a chance to contribute to the growth and livelihood of both this Nation and their own families. Let us not confront this law with shortsighted and uninspired aspirations of abandoning it, but with the goal of rewriting it so that it can serve its original and laudable purpose.

I ask unanimous consent that a list of members of the contractors-labor coalition be printed in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD; as follows:

MEMBERS OF THE CONTRACTORS-LABOR COALITION

Irv Fletcher, Oregon AFL-CIO; Bob Shiprack, Building and Trades Council; William G. Bernard, Asbestos Workers; Charles W. Jones, Boilermakers; John T. Joyce, Bricklayers; Sigurd Licassen, Carpenters; Dominic Martell, Cement Masons (plaster); J.J. Barry, Electrical Workers; John N. Russell, Elevator Constructors; Jake West, Iron Workers; Arthur Coia, Laborers; Frank Hanley, Operating Engineers; A.L. Monroe, Painters, Earl J. Kruse, Roofers; Arthur Moore, Sheet Metal Workers; Ron Carey, Teamsters; Jarvin J. Boede, United Association.

Bill Supak, Kim Mingo, Sandy Barnes, Associated General Contractors Oregon-Columbia Chapter; Terry G. Bumpers, National Alliance for Fair Contracting; Stan Kolbe, Sheet Metal & Air Conditioning Contractors National Association; Robert White, National Electrical Contractors Association; Patricia Fink, Mechanical Contractors Association of America.

By Mr. ASHCROFT:

S. 1184. A bill to provide for the designation of distressed areas within qualifying cities as regulatory relief zones and for the selective waiver of Federal regulations within such zones, and for other purposes; to the Committee on Governmental Affairs.

THE URBAN REGULATORY RELIEF ZONE ACT OF 1995

Mr. ASHCROFT. Mr. President, it is a pleasure to rise today and discuss an opportunity to provide relief from many of the threats to the safety, security, and well-being of those individuals who populate our urban centers. Our cities today, especially our inner cities, have become areas of hopelessness and decay and despair.

Consider these facts: America's urban areas suffer a murder every 22 minutes, a robbery every 49 seconds, and an aggravated assault every 30 seconds. In a survey of first and second graders in Washington, DC, 31 percent reported having witnessed a shooting, 39 percent said they had seen dead bodies. In addition, 40 percent of low-income parents worried a lot about their children being shot, compared to 10 percent of all parents who worry about their children being shot; 1 out of every 24 black males in this Nation, 1 out of every 24 black males in America, will have his life ended by a homicide. A report in The New England Journal of Medicine stated that a young black man living in Harlem is less likely to live until the age of 40 than a young man in Bangladesh, perhaps the poorest country on Earth. These are tragedies too great to comprehend.

The roots of these pathologies are varied. They are partly cultural, partly economic, and partly social. Many people are born, live, and die without ever knowing what it is like to have a job, to feed a family, and to fulfill their dreams.

In a number of the high schools in central cities, for example, the dropout rate rises as high as 80 percent. In 1990, 81 percent of young high school dropouts living in distressed urban areas were unemployed. In that same year, more than 40 percent of all adult men in the distressed inner cities of America did not work, while a significant number worked only sporadically or part time. Today, half of all residents of distressed neighborhoods live below the federally defined poverty threshold—in 1993, $14,763 for a family of four.

Why do we have these problems in our inner cities? Well, as I have indicated, there are a variety of reasons. But I submit that one of the significant reasons for all of these facts is what I would call a "regulatory redlining" of our urban centers—a series of pervasive regulations promulgated by a variety of agencies that have literally driven jobs from the center of America's urban environments. As a matter of fact, the older the site is, the longer there has been industry, the longer there has been manufacturing, and the longer there has been industrial activity, the less likely the site is to qualify with and escape from the kind of onerous regulations which drive away jobs in these settings.

As well meaning as many regulations may have been, the reality is that they have destroyed opportunity in our inner cities.

There is a great debate about regulation and the regulatory burden in America. But the people who live in our inner cities bear not only their portion of the $600 billion in regulatory costs that are built into our products, they also experience and sustain a cost of regulation which is substantially higher in many circumstances. It is a cost of lost opportunity. It is a cost of poor health. It is a cost of the lack of personal security and safety. It is truly a major challenge.

I have spoken on the Senate floor of situations in both Kansas City and St. Louis, MO, where Federal regulations designed to protect health and safety actually hurt Missouri's cities by essentially prohibiting new jobs while simultaneously forcing existing jobs from the city. Every large city has countless numbers of similar stories.

Regulations, in particular environmental regulations, have attached so much liability to older industrial sites that, in many instances, these properties now have a negative market value—you'd have to pay someone else to take them. As a result, industries are headed for suburban and rural lands unspoiled by older industrial development. Tired of wading through open-ended regulations and liability laws that hold anyone even remotely responsible for cleanup costs, industries are moving to greener pastures.

Perhaps Kathy Milberg, executive director of the Southwest Detroit Environmental Vision Project, says it best:

> You've got industries building all these nice clean plants in our suburbs * * * while environmentalists are telling us we can't build—in the cities—because we don't have a pristine environment. We've got to stabilize this neighborhood economically as well as environmentally. * * * They talk about environmental justice, but where's the justice when the suburbs are getting all the new factories and new jobs while we're stuck with a bunch of fences covered with "Do not trespass" signs?

The rules and regulations that she laments make sense in certain areas, but frankly, the statistics tell us that the inhabitants of our urban centers are at far greater risk of the kind of lead poisoning that comes from a .38 than they are from the environmental concerns that drive so many jobs from the inner cities.

We have to find a way to bring jobs back into our cities. The risks associated with unemployment are enormous—far greater than the risks associated with a door that may be 36 instead of 38 inches wide, or that do not comply with a particular statute. The risk of being shot in a drive-by shooting is much more pressing and demanding and challenging than the risk of being contaminated by impure dirt beneath a parking lot.

Under the guise of noise abatement, we have merely exchanged the sounds of productivity for the sounds of silent factories. The crack of cocaine has been the only sound of productivity in our cities' centers. The wail of a family in the wake of a siren, the echoing clang of a cell door—those are the principal sounds of our inner cities. We need a common sense approach to risk in our inner cities.

We literally have a substantial group of people in this country at the core of our urban centers and in our cities, whose opportunities have been diminished, whose safety has been impaired, whose health has been undermined, whose security has been threatened, and whose longevity has been shortened because of well-meaning but misapplied regulations.

Our challenge is to find a way to make our urban centers places where people can thrive again.

That is why I am introducing The Urban Regulatory Relief Zone Act of 1995. The goal of the bill is this: to give the residents, government, and businesses of inner city areas the opportunity to restore their towns by reducing the often silly and senseless regulations that currently burden them.

This bill will provide an opportunity for the mayor of a city, any city over 200,000, to appoint an Economic Development Commission which could assess rules and regulations which they believe impair the health, safety and well-being of their residents by keeping jobs out of the area; and to weigh whether or not waiving those regulations could give rise to an influx of opportunity which would provide an improvement in the health, an improvement in the security, an improvement in the education, and an improvement in the longevity of the individuals in that zone. These Economic Development Commissions will give all members of the community the opportunity to participate and work closely with one another to bring about real change and progress in the community.

These Economic Development Commissions could then apply for modification or waiver of those rules. The Office of Management and Budget will process these requests and forward them to the appropriate Federal agencies. Ultimately we give the agencies the deference they deserve, and allow them to deny a waiver or modification request if the agency decides that the granting of the waiver would create a significant threat to human health and safety. I believe, however that the Economic Development Commissions will be able to readily identify those rules and regulations which prevent growth while achieving little or no benefit to the community.

We have to give cities a chance to say to individuals:

> You can come in here, you don't have to be responsible for all the past sins of industry here; you don't have to make sure the dirt under your parking lot is so clean that it could be eaten by an individual for his or her entire 70 years of existence. We want to have jobs here because we know that an employed person is safer than an unemployed person; that an employed person is healthier than an unemployed person; that where there is economic vitality and industry, there is a far greater chance that the young people will persist in their education, avoiding the dropout situation; and will upgrade what happens in our very inner cities.

The isolation of the distressed urban areas I have referred to conflicts with our national ideals. Equality of opportunity is a fundamental principle of American society and a right of all Americans. Extreme differences in the range of life chances between persons of one segment of American society and another, one racial or ethnic group and another, or one part of an urban area and another conflict harshly with this ethical standard. I believe the persistence of distressed urban areas is dangerous to America's future.

Mr. President, I thank you for the opportunity. It is my sincere belief that the Urban Regulatory Relief Zone Act which I introduce today can restore a sense of hope and real benefits in terms of economic opportunity and improved health and safety to our inner cities. I hope that we will have the good judgment to share with the people of the United States the opportunity to make sound decisions about improving the standing of those who are at peril in our inner cities, the core of our largest urban centers. I hope that we will give them the opportunity to get relief when that relief will increase their likelihood for safety, for health, for security, for productivity and for longevity. I hope that we will give them the opportunity to get relief when that relief will increase their likelihood for safety, for health, for security, for productivity, and for longevity.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1184

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Urban Regulatory Relief Zone Act of 1995".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the likelihood that a proposed business site will comply with many government regulations is inversely related to the length of time over which a site has been utilized for commercial or industrial purposes, thus rendering older sites in urban areas most unlikely to be chosen for new development and forcing new development away from the most areas most in need of economic growth and job creation; and

(2) broad Federal regulations often have unintended consequences in urban areas where such regulations—

(A) offend basic notions of common sense, particularly when applied to individual sites;

(B) adversely impact economic stability;

(C) result in the unnecessary loss of existing businesses;

(D) undermine new economic development, especially in previously used sites;

(E) create undue economic hardships while failing significantly to protect human health, particularly in areas where economic development is urgently needed to improve the health and welfare of residents over a long period of time; and

(F) contribute to social deterioration to such a degree that high unemployment, crime, and other economic and social problems create the greatest risk to the health and well-being of urban residents.

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) enable qualifying cities to provide for the general well-being, health, safety and security for their residents living in distressed areas by empowering such cities to obtain selective relief from Federal regulations that undermine economic stability and development in distressed areas within the city; and

(2) authorize Federal agencies to waive the application of specific Federal regulations in distressed urban areas designated as urban regulatory relief zones by an economic development commission—

(A) upon application through the Office of Management and Budget by an economic development commission established by a qualifying city under section 5; and

(B) upon a determination by the appropriate Federal agency that granting such a waiver will not substantially endanger health or safety.

SEC. 4. ELIGIBILITY FOR WAIVERS.

(a) ELIGIBLE CITIES.—The mayor or chief executive officer of a city may establish an economic development commission to carry out the purposes of section 5 if the city population is greater than 200,000 according to—

(1) the United States Census Bureau's 1992 estimate for city populations; or

(2) beginning 6 months after the date of the enactment of this Act, the United States Census Bureau's latest estimate for city populations.

(b) DISTRESSED AREA.—Any census tract within a city shall qualify as a distressed area if—

(1) 33 percent or more of the resident population in the census tract is below the poverty line;

(2) 45 percent or more of out-of-school males aged 16 and over in the census tract worked less than 26 weeks in the preceding year;

(3) 36 percent or more families with children under age 18 in the census tract have an unmarried parent as head of the household; or

(4) 17 percent or more of the resident families in the census tract received public assistance income in the preceding year.

SEC. 5. ECONOMIC DEVELOPMENT COMMISSIONS.

(a) PURPOSE.—The mayor or chief executive officer of a qualifying city under section 4 may appoint an economic development commission for the purpose of—

(1) designating urban regulatory relief zones in a city composed of—

(A) a distressed area;

(B) a combination of distressed areas; or

(C) one or more distressed areas with adjacent industrial or commercial areas; and

(2) making application through the Office of Management and Budget to waive the application of specific Federal regulations within such urban regulatory relief zones.

(b) COMPOSITION.—To the greatest extent practicable, an economic development commission shall include—

(1) residents representing a demographic cross section of the city population; and

(2) members of the business community, private civic organizations, employers, employees, elected officials, and State and local regulatory authorities.

(c) LIMITATION.—No more than one economic development commission shall be established or designated within a qualifying city.

SEC. 6. LOCAL PARTICIPATION.

(a) PUBLIC HEARINGS.—Before designating an area as an urban regulatory relief zone, an economic development commission established under section 5 shall hold a public hearing, after giving adequate public notice, for the purpose of soliciting the opinions and suggestions of those persons who will be affected by such designation.

(b) INDIVIDUAL REQUESTS.—The economic development commission shall establish a process by which individuals may submit requests to the commission to include specific Federal regulations in the commission's application to the Office of Management and Budget seeking waivers of Federal regulations.

(c) AVAILABILITY OF COMMISSION DECISIONS.—After holding a hearing under subsection (a) and before submitting any waiver applications to the Office of Management and Budget under section 7, the economic development commission shall make publicly available—

(1) a list of all areas within the city to be designated as urban regulatory relief zones, if any;

(2) a list of all regulations for which the economic development commission will request a waiver from a Federal agency; and

(3) the basis for the city's findings that the waiver of a regulation would improve the health and safety and economic well-being of the city's residents and the data supporting such a determination.

SEC. 7. WAIVER OF FEDERAL REGULATIONS.

(a) SELECTION OF REGULATIONS.—An economic development commission may select for waiver, within an urban regulatory relief zone, Federal regulations that—

(1)(A) are unduly burdensome to business concerns located within an area designated as an urban regulatory relief zone;

(B) discourages economic development within the zone;

(C) creates undue economic hardships in the zone; or

(D) contributes to the social deterioration of the zone; and

(2) if waived, will not substantially endanger health or safety.

(b) REQUEST FOR WAIVER.—(1) An economic development commission shall submit a request for the waiver of Federal regulations to the Office of Management and Budget.

(2) Such request shall—

(A) identify the area designated as an urban regulatory relief zone by the economic development commission;

(B) identify all regulations for which the economic development commission seeks a waiver; and

(C) explain the reasons that waiver of the regulations would economically benefit the urban regulatory relief zone and the data supporting such determination.

(c) REVIEW OF WAIVER REQUEST.—No later than 60 days after receiving the request for waiver, the Office of Management and Budget shall—

(1) review the request for waiver;

(2) determine whether the request for waiver is complete and in compliance with this Act, using the most recent census data available at the time each application is submitted; and

(3) after making a determination under paragraph (2)—

(A) submit the request for waiver to the Federal agency that promulgated the regulation and notify the requesting economic development commission of the date on which the request was submitted to such agency; or

(B) notify the requesting economic development commission that the request is not in compliance with this Act with an explanation of the basis for such determination.

(d) MODIFICATION OF WAIVER REQUESTS.—An economic development commission may submit modifications to a waiver request. The provisions of subsection (c) shall apply to a modified waiver as of the date such modification is received by the Office of Management and Budget.

(e) WAIVER DETERMINATION.—(1) No later than 120 days after receiving a request for waiver under subsection (c) from the Office of Management and Budget, a Federal agency shall—

(A) make a determination of whether to waive a regulation in whole or in part; and

(B) provide written notice to the requesting economic development commission of such determination.

(2) Subject to subsection (g), a Federal agency shall deny a request for a waiver only if the waiver substantially endangers health or safety.

(3) If a Federal agency grants a waiver under this subsection, the agency shall provide a written statement to the requesting economic development commission that—

(A) describes the extent of the waiver in whole or in part; and

(B) explains the application of the waiver, including guidance for business concerns, within the urban regulatory relief zone.

(4) If a Federal agency denies a waiver under this subsection, the agency shall provide a written statement to the requesting economic development commission that—

(A) explains the reasons that the waiver substantially endangers health or safety; and

(B) provides a scientific basis for such determination.

(f) AUTOMATIC WAIVER.—If a Federal agency does not provide the written notice required under subsection (e) within the 120-day period as required under such subsection, the waiver shall be deemed to be granted by the Federal agency.

(g) LIMITATION.—No provision of this Act shall be construed to authorize any Federal agency to waive any regulation or Executive order that prohibits, or the purpose of which is to protect persons against, discrimination on the basis of race, color, religion, gender, or national origin.

(h) APPLICABLE PROCEDURES.—A waiver of a regulation under subsection (e) shall not be considered to be a rule, rulemaking, or regulation under chapter 5 of title 5, United States Code. The Federal agency shall publish a notice in the Federal Register stating any waiver of a regulation under this section.

(i) EFFECT OF SUBSEQUENT AMENDMENT OF REGULATIONS.—If a Federal agency amends a regulation for which a waiver under this section is in effect, the agency shall not change the waiver to impose additional requirements.

(j) EXPIRATION OF WAIVERS.—No waiver of a regulation under this section shall expire unless the Federal agency determines that a continuation of the waiver substantially endangers health or safety.

SEC. 8. DEFINITIONS.

For purposes of this Act, the term—

(1) "industrial or commercial area" means any part of a census tract zoned for industrial or commercial use which is adjacent to a census tract which is a distressed area under section 5(b);

(2) "poverty line" has the same meaning as such term is defined under section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2));

(3) "qualifying city" means a city which is eligible to establish an economic development commission under section 4;

(4) "regulation"—

(A) means—

(i) any rule as defined under section 551(4) of title 5, United States Code; or

(ii) any rulemaking conducted on the record after opportunity for an agency hearing under sections 556 and 557 of such title; and

(B) shall not include—

(i) a rule that involves the internal revenue laws of the United States, or the assessment and collection of taxes, duties, or other revenues or receipts;

(ii) a rule relating to monetary policy or to the safety or soundness of federally insured depository institutions or any affiliate of such an institution (as defined in section 2(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(k))), credit unions, Federal Home Loan Banks, government sponsored housing enterprises, farm credit institutions, foreign banks that operate in the United States and their affiliates, branches, agencies, commercial lending companies, or representative offices (as those terms are defined in section 1 of the International Banking Act of 1978 (12 U.S.C. 3101)); or

(iii) a rule promulgated under the Communications Act of 1934 (47 U.S.C. 101 et seq.); and

(5) "urban regulatory relief zone" means an area designated under section 5.

By Mr. PRESSLER:

S. 1185. A bill to authorize the Secretary of the Interior to enter into an agreement with the State of South Dakota providing for maintenance, operation, and administration by the State, on a trial basis during a period not to exceed 10 years, of three National Park System units in the State, and for other purposes; to the Committee on Energy and Natural Resources.

THE SOUTH DAKOTA NATIONAL PARKS PRESERVATION ACT OF 1995

Mr. PRESSLER. Mr. President, I rise today to introduce legislation to allow South Dakota's national parks to be managed by the State of South Dakota.

Natural resources always have played a significant role in the heritage of my State. South Dakota is the proud home of three of our national treasures: Wind Cave National Park, Jewel Cave National Monument, and Mount Rushmore National Memorial, as well as a number of State parks, wildlife preserves, and recreation areas. It is not surprising that tourism is the second largest industry in the State. People travel thousands of miles to view South Dakota's natural wonders.

Located just south of Custer State Park, Wind Cave National Park is one of the Nation's oldest national parks. The park provides protection to hundreds of prairie wildlife, including bison, antelope, coyotes, elk, and prairie dogs. The cave itself is 70 miles of winding underground passageways. The natural formations of boxwork, flowstone, popcorn and frostwork combine with helictites and stalactites to amaze and educate visitors from around the world.

Northwest of Wind Cave, is Jewel Cave National Monument—the fourth longest cave in the world. Ninety miles of underground passageways have been mapped to date, but many more miles are left to be discovered. The cave takes its name from glittering jewel-like calcite crystals which line the walls of many of the cave's rooms and tunnels.

Finally, there is Mount Rushmore, set in the heart of the Black Hills National Forest. The Mount Rushmore National Memorial attracts more than 2 million visitors each year. It is truly America's Shrine of Democracy. The monument was designed in 1927 by Gutzon Borglum, the son of Danish immigrants. The Memorial is a shrine of American Presidential heroes: George Washington, father of the Nation; Thomas Jefferson, author of the Declaration of Independence; Theodore Roosevelt, conservationist and trustbuster; and Abraham Lincoln, the great emancipator and preserver of the Union. More than 65 years later, Mount Rushmore is still one of the most powerful symbols of America.

This year there has been a great deal of discussion about the ever diminishing funds for the National Park Service. In light of possible budget cuts, some even erroneously questioned whether the parks would be able to stay open.

Mr. President, I agree that like most Federal Government programs and agencies, the Park Service is due for some belt tightening. However, fiscal responsibility should not place at risk the effective management of our national parks. Our Nation has some of the most spectacular scenery in the world and we must carefully preserve this natural legacy that has been placed in our care.

The challenge that we face should not be the threat of a park closing. That is not an option. Such scare talk is no substitute for what is truly needed during these tough times—imagination. We need to consider new ways to do more with less. To paraphrase an adage used at dinner tables across America, we must learn to stretch our Park Service dollars.

That is exactly what I have done. In the past few weeks, I have worked closely with Bill Janklow, the distinguished Governor of South Dakota, to formulate a plan that would direct the National Park Service to enter into an agreement with the State of South Dakota to manage three of our four national parks—Mount Rushmore National Memorial, Wind Cave National Park, and Jewel Cave National Monument. However, Mr. President, I would like to emphasize that these parks would remain Federal property. Management of the parks would change hands, but ownership and title would remain with the Federal Government.

While the National Park System has managed these areas well, Governor Janklow has put forward an initiative that would allow the State to provide the same high quality management at less cost; and I commend his innovative cost-cutting ideas. I ask unanimous consent that a letter of support from Governor Janklow be printed in the RECORD following my statement. The legislation I am introducing today would give the State the opportunity to prove its ability to manage its national parks.

Specifically, this legislation would freeze funds for South Dakota's national parks at 1994 levels, and would transfer those moneys to the State. By combining Federal fiscal resources with the State's tested management of its own parks system, the State has the opportunity to demonstrate that it can maintain our parks responsibly and efficiently.

My legislation is a simple 10-year pilot project. After that time, the success of the management transfer would be evaluated for possible renewal.

This bill does not ask the State of South Dakota to perform a task it is unfamiliar with. The State administers its own vast park system, the largest unit being Custer State Park which is directly adjacent to Wind Cave National Park. In addition, Custer State Park headquarters are less than 20 miles from Mount Rushmore National Memorial and 28 miles from Jewel Cave National Monument. This close proximity would allow the State to consolidate resources, and generally streamline management responsibilities. The result? Overall efficient management of both State and National parks.

South Dakotans have a great history of stewardship of the land. South Dakota's department of game, fish and parks is representative of that deep commitment to our State's natural resources. South Dakota has more State parks than any other State. Thanks in great part to the State's efforts, tourism in South Dakota is now the second-largest industry. The success of this industry can be attributed to the diversity of natural resources and recreational activities which South Dakota provides in conjunction with the effective and successful management of those resources by the department of game fish and parks.

Mr. President, South Dakota is proof that Washington bureaucrats do not have a corner on the market of expertise to manage Federal lands. Washington could learn a thing or two from South Dakotans. Indeed, as in areas like welfare reform and law enforcement, we are seeing that Washington bureaucrats are too far removed to understand local problems and needs. The same applies to the National Park Service. Given South Dakota's tradition of effective stewardship, who could better manage South Dakota's park resources than the State itself?

Mr. President, Americans believe the time has come for the Federal Government to clean up its fiscal mess. Meeting this vital goal will require cost-effective innovation, not just from Washington, but from across the Nation. The State of South Dakota is ready to step up to the plate. My legislation would enable the National Park Service to control its budget by giving South Dakota creative authority to institute its cost-effective management practices on three national parks.

I have confidence this demonstration will prove to be a great success. It is my hope this project will set a precedent for future State management of our national parks. I urge my colleagues to study my legislation, and I look forward to working with the members of the Senate Energy and Natural Resources Committee to give South Dakota the opportunity to prove its ability to effectively and efficiently manage its national parks.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1185

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "South Dakota National Parks Preservation Act".

SEC. 2. MAINTENANCE, OPERATION, AND ADMINISTRATION OF NATIONAL PARK SYSTEM UNITS IN THE STATE OF SOUTH DAKOTA.

(a) DEFINITIONS.—In this section:

(1) DEPARTMENT.—The term "Department" means the Department of Game, Fish and Parks of the State of South Dakota.

(2) NATIONAL PARK SYSTEM UNITS.—The term "National Park System units" means Mount Rushmore National Memorial, Wind Cave National Park, and Jewel Cave National Monument, in the State of South Dakota.

(3) SECRETARY.—The term "Secretary" means the Secretary of the Interior, acting through the Director of the National Park Service.

(b) AGREEMENT.—The Secretary may enter into an appropriate form of agreement with the Secretary of the Department of Game, Fish and Parks of the State of South Dakota providing for the maintenance, operation, and administration of the National Park System units by the Department for a period not to exceed 10 years.

(c) PERFORMANCE.—An agreement under subsection (b) shall—

(1) establish performance standards to ensure that the National Park System units receive appropriate maintenance and provide appropriate levels of service to the public; and

(2) provide that if the Department fails to meet those standards, as determined by the Secretary, the agreement shall be terminated under such terms and conditions as the agreement may provide.

(d) REPORT TO CONGRESS.—An agreement under subsection (b) shall provide that not later than 2 years after the date of the agreement, and annually thereafter, the Department shall report to Congress on matters relevant to the carrying out of the agreement.

(e) FEE.—An agreement under subsection (b) may provide that the Secretary will pay the Department an annual fee in an amount not to exceed the amount expended by the Secretary during fiscal year 1994 for maintenance, operation, and administration of the National Park System units.

(f) USER FEES.—An agreement under subsection (b) may provide that if, after a number of years stated in the agreement, it appears that the annual cost to the Department of maintaining and operating the National Park System units has exceeded and will continue to exceed the amount of the annual payment under subsection (e), the Department will be permitted, notwithstanding any other law, to charge the public entrance fees and other fees for use of the National Park System units in reasonable amounts agreed to by the Secretary.

STATE OF SOUTH DAKOTA,
Pierre, SD, August 10, 1995.

Hon. LARRY PRESSLER,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR PRESSLER: Thank you for introducing legislation authorizing the Secretary of the Interior to enter into an agreement with the State of South Dakota for the management of Mount Rushmore National Memorial, Wind Cave National Park, Jewel Cave National Monument and Badlands National Park. I wholeheartedly support this effort. If such an agreement can be developed, both the state and the nation can benefit from reduced costs of operation.

The proposal the State of South Dakota submitted to Secretary of the Interior Bruce Babbit on June 29, 1995, originates from the sincere belief that our own Department of Game, Fish and Parks has the experience, the expertise, and the dedication to manage what Secretary Babbitt has called "America's secular cathedrals." South Dakota is committed to meeting the high level of visitor expectation associated with our national parks, while providing those services to the taxpayer in the most efficient and effective manner possible. The State of South Dakota is confident that it can meet these standards. For federal bureaucrats to suggest otherwise demonstrates the lunacy and arrogance of Washington.

As Abraham Lincoln once said, the time has come to think anew and act anew. Regardless of what happens in Congress in the weeks and months ahead, it is reasonable to anticipate that the federal government's budget will probably be leaner in the years ahead. We welcome the National Park Service to join our state in a new partnership that will answer our citizens' clarion call for a smaller federal government—a government that works to empower the states to assume duties traditionally run inside the Beltway.

Once again, thank you for your efforts in introducing this legislation.

Sincerely,

WILLIAM J. JANKLOW.

By Mr. BURNS:

S. 1186. A bill to provide for the transfer of operation and maintenance of the Flathead Irrigation and Power Project; and for other purposes; to the Committee on Energy and Natural Resources.

FLATHEAD IRRIGATION LEGISLATION

• Mr. BURNS. Mr. President, this bill transfers the authority to operate and maintain the Flathead Irrigation and Power Project to the irrigation districts which it serves. Initially constructed and operated by the predecessor of the Bureau of Reclamation, this project unlike almost all others in the West has remained the responsibility of the Federal Government for almost 70 years.

It is located on the Flathead Indian Reservation in northwest Montana. In 1904, pursuant to General Allotment Act policies, Congress opened the reservation to nonmember entry and settlement under the general homestead, mining, and townsite laws of the United States. Congress authorized the construction of the project to provide water to these settlers and tribal member irrigators in 1908 and included a provision for the transfer of project operation and maintenance to the landowners served by the project. In 1926, Congress required and authorized the formation of irrigation districts under the laws of Montana to represent these landowners, both tribal members and nonmembers, in dealing with the Federal Government.

As a result of Congress' actions opening the reservation to nonmember, according to the 1993 census about 21,259 people live within the reservation exterior boundaries and only 3,000 are tribal members. Similarly, of the 127,000 acres delivered water by the project, 113,000 are within the irrigation districts, which, under State law, have taxing, lien and foreclosure authority, power to operate irrigation systems, and to hire employees and agents. The land subject to District authority and responsibility is owned by tribal members, about 10 percent, and nonmembers. These farmers' democratically elected governments, the districts, can run the project more efficiently than the BIA.

Early on, the Federal Government wanted to transfer responsibility for the project to the districts but they were not ready for the responsibility. In the 1960's, the districts and the Government negotiated a contract to transfer the operation and management responsibility to the districts for the project, both the irrigation division, including its reservoirs, dams and hundreds of miles of canals, and the power division, which is a power distribution network supplying power to reservation residents.

At the conclusion of negotiations, however, when they thought the deal was done, the Federal Government backed out. For almost 30 years since that time the districts, which represents about 2,000 family farms, have been attempting to get solid answers from the Department of the Interior about when it will transfer the operation and management of the project to them. After decades of stonewalling, they deserve action by Congress to resolve this matter.

This bill does that.

There will be opposition. The Department, particularly the Bureau of Indian Affairs, will oppose the diminishment of its authority. The local tribes will call it an outrage. Let's look at the facts.

Ownership of all land and property remains in the United States.

Transfer of operational authority will not affect water rights or the environment, because the districts will operate the project under the same legal constraints under which it now operates.

Transfer of the O&M would remove Federal inefficiencies and enhance the profitability or irrigation without affecting fish and wildlife adversely. Simply because of economies from different personnel policies, the districts can operate the project at a significant savings without changing operating policies and practices at all.

Almost all other similar Federal projects in the West which can, if operated efficiently, sustain irrigation, have been transferred to irrigation districts or similar water user associations.

Local irrigators are among the most efficient in the West at making the paltry amount of water they receive, about 0.5 to 0.7 per acre-foot for $18.65 per acre, perform well for them.

The irrigation districts have a proven record of trying to positively address environmental issues and water efficiency issues.

The time has come to put the people directly served by and dependent on this project in charge of it. Federal inefficiencies are more than local farmers can continue to shoulder. A Federal study of the project 10 years ago found that of the more than $2 million paid each year by irrigators to the BIA to operate the project, 74 percent of that goes to personnel costs. In comparison, that study found other irrigation projects in the region typically have personnel cost of 60 percent. This means irrigators pay about $280,000 more each year on personnel costs than they should have to. This is reflected in operation and maintenance rates, which skyrocketed from $7.38 per acre in 1981 to their current level of $18.45. At the same time water deliveries dropped, the Project has further deteriorated, and farm product prices have not increased to keep up with O&M rates.

In its own study 10 years ago the Department of the Interior recognized that economically the only way for farmers to survive is for the operation and management to be transferred to the districts. It found that even at 1985 O&M rates, $10 per acre, irrigators "cannot afford to pay the assessment rate." It concluded, "the transfer of the operation and maintenance of the irrigation system to water users may, in the end, be the only long term, viable solution from an economic standpoint."

But the Department has steadfastly refused. That is why this bill is necessary and just.●

By Mr. MURKOWSKI:

S. 1187. A bill to convey certain real property located in Tongass National Forest to Daniel J. Gross, Sr., and Douglas K. Gross, and for other purposes; to the Committee on Energy and Natural Resources.

THE TONGASS NATIONAL FOREST ACT OF 1995

● Mr. MURKOWSKI. Mr. President, I introduce legislation which would convey certain property located in the Tongass National Forest to Mr. Daniel J. Gross, Sr., and his brother, Mr. Douglas K. Gross. I introduced similar legislation in the 102d and 103d Congresses.

Mr. President, in the early 1930's Mr. William Lee Gross and his wife Bessie Knickson Gross homesteaded 160.8 acres of land at Green Point on the Stikine River. The Gross family lived at Green Point for several years and have claimed titled to the land since the 1930's. Unfortunately, the legal documents that conveyed title of the land to the Gross family were destroyed when their home burned to the ground in Wrangell during the winter of 1935–36.

Mr. President, the Gross family should not be punished because the title to their land was destroyed in a fire. No one living in the Stikine area doubts the claims of the Gross brothers. Dan and Doug Gross are old timers from Alaska who have been seeking title to their land for decades. Despite overwhelming support from the local community, and substantial evidence submitted by the Gross family, the Forest Service continues to refuse to convey title of the land at Green Point to Doug and Dan.

For this reason, I am introducing legislation to resolve this issue. Doug and Dan Gross are ordinary people who have come up against a bureaucracy that threatens to dismiss over 50 years of their family history. I cannot allow this to happen.●

By Mr. SANTORIUM (for himself, Mr. LUGAR, and Mr. BROWN):

S. 1188. A bill to provide marketing quotas and a price support program for the 1996 through 1999 crops of quota and additional peanuts, to terminate marketing quotas for the 2000 through 2002 crops of peanuts, and for other purposes; to the Committee on Agriculture, Nutrition and, Forestry.

PRICE SUPPORT PROGRAM LEGISLATION

Mr. SANTORUM. Mr. President, I rise today to introduce a bill which I hope will be a compromise on an issue that we are going to be bringing up when the farm bill hits the floor, and that is the peanut program. There are bills introduced in the Senate to eliminate the peanut program immediately. I do not believe that, frankly, is going to be fair to the farmers.

What we are trying to do is put in a program that is a 5-year phaseout that gives people plenty of notice and ability for people to be able to adjust to the gradual phaseout, gradually reduce the support price, which I will get into in a moment. Our bill provides a glidepath for peanut farmers in this country to get back to a market-based system which I think is needed. In fact, we are going to talk this morning about how horribly bureaucratic and inefficient the current peanut program is.

For those who are not familiar with the peanut program, let me run through it on this chart. The top half of this chart is how the peanut program works. You would think that you grow peanuts and you just give them to somebody and they sell them.

In fact, the next chart I have—I will come back to this one—is for another crop that is grown underground, a potato. There is no Government program for potatoes. You just grow them, sell them to someone who will get them to the store or make potato chips, but this is it. This is the entire marketing of a potato.

However, in peanuts, we have a little different story because of this program created during the Great Depression. Congress created this very complex system of contracting for peanuts and having the Government, frankly, be there to support peanut growers with a fixed price for their peanuts irrespective of what the market price is. They will be paid a fixed price. Today, the price of peanuts grown in the United States by quota peanut holders is $678 per ton. If you are not a quota peanut grower—those are called additional peanuts, you can only sell them for export on the world market. You cannot sell them in the United States. You are not allowed to. You can grow them here, but you cannot sell them here. You have to sell them overseas at the world market price which is roughly half of what the quota price is.

If you want to sell your peanuts, this is how you have to go through this process. You grow peanuts. In many cases, the quota peanuts are purchased by the Government. It is called a nonrecourse loan. What does that mean? That means that the peanuts are the collateral for the loan, and if they are not worth the $678 a ton, the Government loses money, not the peanut grower. So you sell them to the Government. The Government pays you for those, and what the Government does with them, if they cannot sell them for $678, which in many cases they cannot, the Government loses money, not the peanut farmer. Only quota holders can do this.

If you grow peanuts and you do not have a quota, then you have to contract with somebody, whether it is a foreign interest or whatever the case may be, and you get the world price, but if you cannot contract before the peanuts are harvested, you sell them to the Government for noncontract additionals.

Now, remember, quota peanuts get $678 a ton. Noncontract additionals get $123 a ton. They are the same peanuts. They are grown right next to each other, same quality, but they get a fifth of the price because they do not have this quota.

Now, you may say, what is this quota? It is a poundage that has been passed down since 1941—that was distributed back in 1941—to generation after generation of people who have the rights to grow a certain amount of peanuts in a particular State in a particular county of that State. If you have a quota to grow peanuts in Carroll County, GA, you cannot take that quota and sell it to somebody to grow peanuts in Cobb County, GA. You have to grow them in Carroll County or that quota is not worth anything.

That is how the system works. It is handed down. And you would say, "Well, that's good. We are giving people a little bit more money for their product." Well, that is not necessarily true.

Who owns these quotas? What you will find is that most of the quotas are held by a very few people. In fact, 80 percent of the poundage that is owned in quota peanuts is owned by 6,182 quota holders. Then you have 20 percent of the poundage owned by 22,000 people. It is not surprising that there are a lot of very big interests that are concerned about keeping their quota poundage at a high level because they own a lot.

Now, are these the farmers? That is the next question. The answer is no, these are not the farmers. People who live in Atlanta get $1 million from rural peanut farmers because they own the quotas there in the city. They have been passed on from generation to generation. It is just like a stock they pass on from generation to generation, and they get the money for people paying them rent.

Now, what do they get for these quotas? Well, remember, the price of a ton of peanuts is $678 for quota peanuts. The world price is about $350. How much do they rent these quota rights for? Oh, roughly $250. So all the profit from owning the quota does not go to the people who farm the land. It goes to the people who own the quota, who are not even the farmers.

In fact, of all the quota holders, only about 30 percent actually farm. The rest are owned by others who do not farm. Seventy percent of these quotas are owned by people who do not farm the land, but they just own this interest that has been passed on through generations and then they lease it out to folks who go out there and farm for basically the same income they could get growing additional peanuts. This is a feudal system. You have got a bunch of lords who sit in the castle who have these rights, who then go out and lease them out to people to go out and grow peanuts for them so they can make money.

This is not a profarmer provision. This is a system that is set up to enrich people from all over the country. Peanuts are grown basically in this area of the country, right down here in the South and Southwest, obviously, Georgia being the biggest.

But you can see, people from 46 States own quotas in Georgia. They do not even live in Georgia but they own quotas there. They get paid money by people who farm under their quota. In fact, if you go to the next chart you can see that it is not just people in the United States that are enriched by the quota program. There is quota rent going to foreign countries. You can see, Argentina, Great Britain, and Japan and Hong Kong and all these other countries around the world. People own these quotas from the United States. These are just for North Carolina, Georgia, Alabama, and Texas where these quota holders are from across the country and the world.

You can say, well, this program is a pretty low-cost program and the support price is not really that out of line with other support prices. Well, that is not true. If you look at what has happened in the support programs, you see that the support price for rice, milk, corn, and wheat all have decreased in the last 10 years. The only price that has gone up is peanuts, and it has gone up by 21 percent. It has grown. The support price of peanuts has gone up while the world price has not, further enriching quota holders, again, not farmers. Because as the price goes up, the quota price goes up, they just charge more for their quota. Farmers still get pretty much the same with or without the quota.

We have a peanut grower who is quoted in a farm magazine and says the 1995 crop could have a $200 million loss to the Government. In his words, "It's not a pretty picture and won't win us any friends in Washington." Well, I will assure him of that. It will not win him any friends in Washington to cost $200 million in a program that does not go predominantly to farmers; it goes to wealthy people who own these quotas in the big cities. You have got a lot of small farmers out there basically in a feudal system growing peanuts for them.

Again, I want to show you the world price in graphic terms and what that means. Remember, if you want to buy peanuts in the United States, you have to buy them at $678 a ton. If you are a candy manufacturer and you want to buy peanuts for Snickers bars, you have to pay this. If you want to produce those Snickers bars in Canada, you pay $350 a ton.

The PRESIDING OFFICER. The Senator's 10 minutes has expired.

Mr. SANTORUM. I ask unanimous consent for an additional 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. I thank the Chair.

And so what happens? Well, not surprisingly, what is happening is we are losing jobs. We are enriching a very few people who own the majority of these quotas who do not farm the land, with Government dollars and higher prices. You pay about 20 cents to 30 cents more for a jar of peanut butter because of these high prices. And we lose jobs. We have a company that wrote me from Pennsylvania. They are one of many small candy manufacturers in Pennsylvania. I will quote. Pennsylvania Dutch Company is the name of it:

> Our Katherine Beecher Candies Division located in Manchester, PA, is a primary manufacturer of sugar-coated peanuts. The product contains approximately 60 percent peanuts and 40 percent sugar by weight. We employ 40 to 50 workers at this location, and have struggled for years to keep them employed year round. As part of this effort, we established a pretty nice volume market in Canada many years ago. Then a Canadian operator began to make the identical product, and we were no longer competitive with the Canadian folks using world price sugar—

That is another story—

> at $.16 a pound while we are paying about $.27 a pound here in the United States, because of another quota program here in Washington, DC—and we were paying about $.90 a pound for peanuts while the export prices were around $0.60. So, to continue to serve our customers and not lose this share of the market, we sold a technical know-how license to a friend of ours in Canada so he could supply peanuts to our former customers [in Canada] * * *. In all probability, we exported about three full time equivalent jobs.

That is going on all across the country. As peanut prices stay artificially high, we are losing jobs in manufacturing to other places around the world who can buy peanuts at almost half the price. It is no wonder we lose those jobs. And we are losing jobs here, too, because of it.

We have just in, the last few years without reform: Shelling plants closed since 1990—these are plants that take the peanuts and shell them, take the shells off of them—Greenwood, FL, Graceville, FL, Cordele, GA, Donalsonville, GA, Sylvania, GA, Opp, AL. All those places have closed. Why? Because of the peanut program is killing domestic demand.

What happens? They make their peanuts into peanut butter. When peanut butter manufacturing shifts overseas demand for U.S. peanuts falls, and we lose jobs because the product is not made here. Why? Because peanut butter is too expensive here when you are paying $670 a ton of peanuts. You just cannot produce it here anymore.

Peanut butter plants that have closed since 1990: Portsmouth, VA, Cairo, GA, Birmingham, AL, Albany, GA, Wyoming, MI, Chaska, MN, Woodbury, GA, Brooklyn, NY, and Santa Fe Springs, CA. This is a widespread problem of closures of shelling and peanut butter plants.

Mr. President, we have a quota price for peanuts of $678 a ton and a price for nonquota peanuts of $350 a ton.

What does that mean? I was talking about peanut butter and the influx of peanut butter. Here is what we have seen over the last 5 years in the amount of peanut butter coming into this country because it is so much cheaper to take world price peanuts, turn them into peanut butter, and send them into our country.

Because of NAFTA, there are Canadian imports coming into this country. Those are jobs that used to be in the United States, now in Canada. Mexico is preparing to do the same thing right now as a result of Mexico being added.

We imported 40 million pounds of Canadian peanut butter in 1994. As a result, what is happening is that—in fact, I got a letter from a small candy manufacturer, a very small candy manufacturer, who sent a letter to me and an invoice from Argentina, for Argentine peanut butter. He paid 67.5 cents a pound delivered for the peanut butter. Had he bought it in the United States, he would have paid about $1 a pound, and he went on to say, "The quality of the product is excellent."

So we are losing jobs. This program is not helping farmers and it is costing jobs.

By the year 2000, under GATT and NAFTA, we are going to have to allow the import of more than 10 percent of our peanuts for domestic use. Our borders are going to start to open. We have this artificially set price of peanuts and have more imports coming in. We are going to have to import 130,000 tons of fresh peanuts under GATT and NAFTA.

I will tell you, there are a lot of growers out there who realize this is a problem coming down the road, this is a train heading right in the direction of growth.

I will quote a Virginia peanut grower, who said:

> I am a grower from Southhampton County, VA. I am also a holder of peanut quota poundage. The peanut program has worked for many years. However, with the passage of GATT and NAFTA, as a result of that, our peanuts are priced too high.

He underlined "too high."

> While I am vigorously in support of the peanut price support program, we cannot grow or even sustain our market share at the level of price support we are at today . . . I realize many of my farmer friends are opposed to a cut in price support, but not to do so will put many growers out of business. Create a larger influx of imports, and eventually put us growers out of business.

He is absolutely right.

This is a program that needs reform. In our bill we are gradually lowering the price of peanuts back down to the world marketplace over a 5-year period. We think that is fair. We believe that the industry today will be doomed and, really, the program does not help the farmer.

In fact, the next chart I want to show here is the cost of the program to the farmer—not to the quota holder, but the farmer. Here is the quota rent. About 16 percent of the cost of growing peanuts and selling peanuts is the quota rent they have to pay. Then they have another roughly 8 percent for renting the land, and the land values increase because of the quota. You have a quota that makes the value of the land that you are leasing much, much more expensive.

Finally—and this is something I had not mentioned—if you want to grow peanuts in the United States, you can do it. You have to have a quota to sell them here. But you cannot get your seeds just from anywhere. The seeds for peanuts have to be quota seeds. So you have to buy your seeds from people who grow quota peanuts. So you have an additional cost that you have to buy your seeds from quota holders, which, of course, is twice the world price of peanuts. So you have to buy very expensive seeds.

The peanut program comprises 28 percent of the cost of growers. I will quote from Forbes magazine of last year:

> Don't want to make profits the hard way? For as little as 5 times the earnings, you can buy peanut growing rights. An owner who doesn't have to be a farmer can sell or rent the rights.

These are traded. It is your money—taxpayers dollars going to support these folks who play in this peanut game.

What Senator LUGAR, and now Senator BROWN, and I are proposing is a gradual phaseout of the program. We would eventually reduce the price support level. It is a market-oriented approach. It reduces the level, as I said, over a period of 5 years. It eliminates the minimum quota immediately. The present rules set a floor on quota issued of 1.35 million tons. Domestic consumption is less than this, even without counting imports. That is why the farmer I quoted earlier projects the high cost to the Government this year. We are allowing people to grow peanuts we know they cannot sell to anyone but the Government. So we are going to just open up the market place, allow people who want to grow peanuts to do it. Given the market price, obviously they can be competitive because people grow them now at the market price. They would not be doing it if they cannot make a profit.

Additionally, we get rid of this quota seed requirement, and you can plant whatever seeds you want for growing peanuts.

There are other proposals under discussion for the peanut program. One set of changes has been put forward by the quota holders. Their proposal is not reform. It removes the budget impact of the program, but does not address the trade or price issues. If adopted, the quota holder's proposal would doom the industry. Consumption has declined by 15 percent since last farm bill and imports are way up. This problem would only get worse if the quota holder's proposal were to be enacted.

Senators BROWN and BRADLEY introduced a bill that would eliminate the program immediately. Given how bad this program is, immediate elimination is probably justified. However, immediate elimination would create some transition problems.

In recognition of this, Senator LUGAR and I propose a compromise, which Senator BROWN has agreed to cosponsor. Under our bill, quota is gradually eliminated by a reduction of the price support level each year, until in the fifth year it is at the world price. In the fifth year, the quota system is eliminated. The transfer of quotas across county and State lines is allowed under our bill. The minimum level on the total of the quotas is eliminated. The artificially high prices from the program decreased domestic demand so sharply that the minimums that were viewed in 1990 just as a precaution by 1994 became a guarantee of overproduction and Government purchases.

Our bill will immediately remove some of the worst inequities of the present program. Under our bill additional peanuts may be used as seed. Under our bill, the Government may buy additional peanuts for nutrition programs, defense, prison meals, and other uses, saving the taxpayers millions. We would change the rules for the loan programs, so that additional growers would not have to offset losses of quota program.

After 2000, the quota system is ended. Farmers will not be left defenseless in a terrible year, because a recourse loan will be available with the loan level at 70 percent of the estimated market price. This provides a safety net, without the market distortions of the present program.

Our bill is real reform. It is also market oriented. It gets the Government out of the market place and lets the farmers farm.

Opponents of reform will contend that reform will destroy local economies in peanut areas. But with over half of the benefits going to quota owners who rent to others, the program mainly helps the wealthy—at the expense of farmers, consumers, and taxpayers. Most of the economic benefits of the system leave the local area and often the State. As I mentioned earlier, for farmers who rent, quota rent is biggest single cost—16 percent—and program increases the cost of seed and land—another 12 percent. In all, 28 percent of a renter's production costs are attributable to quota. The quota is mainly held by big farmers. The small farmers receive few of the benefits. In fact, 23 percent of farmers do not use quota. Either they have no access or they do not find renting quota worth the trouble.

This bill is strong medicine for an ailing program, but it will have benefits compared with current law. USDA analysis of a phase-down versus an extension of the status quo shows that by 2005/2006 under the status quo imports will be 124 million pounds but under a phase-down they will be 25 million pounds. Their analysis further shows that with the status quo, the effective price, that is the price that a quota renter would get after subtracting the quota rent would be 22.13 cents per pound, while with a phase-down it would be 26.35 cents per pound. These numbers do not include changes in seed or land costs, which make a phase-down look even more attractive. The bottom line is that phasing down quota and price supports will increase farmers income by $164 million over the next 5 years. Wealthy investors, the quota holders, are the only losers. They lose $310 million in quota rent.

Mr. President, the peanut program is Government gone wrong. The main support for program is by quota owners—most of whom are not peanut farmers. For them the program creates a lucrative return on their investment. This lucrative return comes directly from the farmers, who the program was supposed to help. This program treats farmers unfairly. Some farmers own quota, and get all the benefits of the artificially high price. Most must rent quota and must pay someone else to get access to the high price. Finally, some farmers have no access to quota and are excluded from the program. Instead they must sell their peanuts for export or to be crushed. In either case, the price is much lower than the quota price.

The existing program penalizes consumers. Unreformed, it would increase prices to first buyers by at least $1.5 billion over next five years. The program costs U.S. jobs and wastes Government money. In the absence of serious reform, the program may kill the goose that laid the golden egg by undermining the economics of domestic peanuts until the demand for domestic peanuts is too low to support handlers.

Mr. President, the evidence is clear that the peanut program no longer benefits farmers or rural communities in the way that was originally intended. In fact, continuing the program without substantial changes will hurt farmers and poor, rural communities by making American peanuts uncompetitive in an increasingly global economy.

If our products cannot compete, then real Americans lose jobs.

If we do not change this program now, there will be no peanut industry left to save by the next farm bill. It is time to reform this terrible program. This is the bill to do it.

By Mr. DEWINE (for himself and Mr. GRAHAM):

S. 1189. A bill to provide procedures for claims for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products; to the Committee on the Judiciary.

THE RICKY RAY HEMOPHILIA RELIEF FUND ACT OF 1995

Mr. DEWINE. Mr. President, I rise today to introduce, along with my distinguished colleague Senator GRAHAM of Florida, the Ricky Ray Hemophilia Act of 1995. This legislation will serve as the counterpart to similar legislation introduced in the House of Representatives by Representative GOSS of Florida.

Mr. President, the purpose of this legislation is to offer some measure of relief to families that have suffered serious medical and financial setbacks because of their reliance on the Federal Government's protection of the blood supply.

Last month, the Institute of Medicine released the findings of a major investigation into how America's hemophilia community came to be decimated by the HIV virus.

In the early 1980's, America's blood supply was contaminated with HIV. Many Americans have become HIV-positive by transfusions of the HIV-tainted blood.

One particular group of Americans has been extremely hard-hit by this public health disaster. There are approximately 16,000 Americans who require lifelong treatment for hemophilia, a genetic condition that impairs the ability of blood to clot effectively.

In the early 1980's, more than 90 percent of the Americans suffering from Severe hemophilia were infected by the HIV virus.

More than 90 percent.

That is a major human tragedy. And the IOM report has alarming things to say about the level of Federal Government culpability for this disaster.

Point One. The Federal agencies responsible for blood safety did not show the appropriate level of diligence in screening the blood supply.

In January 1983, scientists from the Center for Disease Control recommended that blood banks use donor screening and deferral to protect the blood supply. According to the IOM report, and I quote, "it was reasonable"—based on the scientific evidence available in January 1983—"to require blood banks to implement these two screening procedures."

The report says—and I quote—that "Federal authorities consistently chose the least aggressive option that was justifiable" on donor screening and deferral.

The report's conclusion is—and I quote:

> The FDA's failure to require this is evidence that the agency did not adequately use its regulatory authority and therefore missed opportunities to protect the public health.

By January 1983, epidemiological studies by the Center for Disease Control strongly suggested that blood products transmitted HIV. First of all, it was becoming clear that blood recipients were getting AIDS—even though the recipients were not members of a known high-risk group. Second, the epidemiological pattern of AIDS was similar to that of another blood-borne disease (hepatitis).

According to the report, these two facts should have been enough of a tip-off to the public health authorities. As early as December 1982, the report says,

> [p]lasma collection agencies had begun screening potential donors and excluding those in any of the known risk groups.

The report says that Federal authorities should have required blood banks to do the same.

Point Two. The Federal agencies did not move as quickly as they should have to approve blood products that were potentially safer.

The IOM report says that certain heat treatment processes—processes that could have prevented many cases of AIDS in the hemophilia community—could have been developed earlier than 1980. I quote:

> In the interval between the decisions of early 1983 and the availability of a blood test for HIV in 1985, public health and blood industry officials became more certain that AIDS among hemophiliacs and transfused patients grew. As their knowledge grew, these officials had to decide about recall of contaminated blood products and possible implementation of a surrogate test for HIV. Meetings of the FDA's Blood Product Advisory Committee in January, February, July and December 1983 offered major opportunities to discuss, consider, and reconsider the limited tenor of the policies.

I say again, Mr. President: Major opportunities.

Major opportunities to change the course of the Government's blood-protection policies.

The report continues, and I quote:

> For a variety of reasons, neither physicians . . . nor the Public Health Service agencies actively encouraged the plasma fractionation companies to develop heat treatment measures earlier.
>
> Despite these opportunities and others to review new evidence and to reconsider earlier decisions, blood safety policies changed very little during 1983.

Mr. President, I cannot avoid agreeing with the conclusion of this report: "[T]he unwillingness of the regulatory agencies to take a lead role in the crisis" was one of the key factors that "resulted in a delay of more than one year in implementing strategies to screen donors for risk factors associated with AIDS."

Point Three. The Federal Government did not warn the hemophilia community, when the Government knew—or should have known—that there were legitimate concerns that the blood supply might not be safe.

According to the report, "a failure of [government] leadership may have delayed effective action during the period from 1982 to 1984. This failure led to less than effective donor screening, weak regulatory actions, and"—this is the key, Mr. President—"insufficient communication to patients about the risks of AIDS."

As a result, Mr. President, and I am again quoting from the report: "individuals with hemophilia and transfusion recipients had little information about risks, benefits, and clinical options for their use of blood and blood products." The response of "policymakers" was "very cautious and exposed the decisionmakers and their organizations to a minimum of criticism."

In effect, Mr. President, the inertial reflex of bureaucratic caution led to a serious failure to protect the public health.

The Americans suffering from hemophilia were relying on their Government to exercise due care about the safety of the blood supply. It is my view, in light of the very important report released by the IOM, that the Government failed to meet its responsibilities to the hemophilia community.

The Government's failure caused serious harm to real people—people who were counting on the Government to meet its responsibilities.

A woman in Grove City, OH, lost her husband to AIDS and hemophilia two years ago. She writes—and I would like to quote this: "[He] was a young man who died of AIDS from bad factor"—

Factor, Mr. President, is a product that helps blood to clot—a crucially important medical product for people who suffer from hemophilia.

She writes: He "died of AIDS from bad factor, something . . . which we thought was saving his life, only to find that it would be a death sentence."

This woman is speaking for every person in the hemophilia community who has lost a loved one because of the tainted blood supply.

A young woman from Jackson County, OH, tells a similar story. Her father was a farmer who had hemophilia. She writes:

> When a blood product (Factor IV) to help stop his bleeding came along, it opened up so many doors for him. He could now do his work not in pain . . . it would now be easier to just walk around. This medicine was thought to be a miracle. But things began to unravel, when I was 18, I found out my father

was HIV positive, he had been infected from contaminated factor IV. He died approx. 1½ years later but not before he was stripped of self esteem, dignity, and the ability to do anything that made him who he was. . . .

He lost his ability to trust.

Trust, Mr. President. That is what this legislation is all about. A substantial number of citizens trusted the Government to exercise due vigilance, and the Government let them down. It is only right that the Government try to offer them some measure of relief.

Let me say a few words about the actual legislation I am introducing today. Mr. President, I recognize the budgetary realities we have to confront. As we move through the process, we will have to address the issue of compensation. I think it is absolutely essential that we begin this process—now.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1189

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ricky Ray Hemophilia Relief Fund Act of 1995".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the Federal Government through the Secretary of Health and Human Services has the authority to protect the safety of the blood supply and blood products sold in this country;

(2) according to the 1995 Institute of Medicine Study entitled "HIV and the Blood Supply", the failure of the Federal Government to use its authority with regard to the safety of the blood supply and the blood products led to missed opportunities to prevent the spread of the human immunodeficiency virus (HIV) through blood and blood products;

(3) blood-clotting agents, called antihemophilic factor, that are used in the treatment of hemophilia are manufactured from the blood plasma of 10,000 to 20,000 or more donors, placing persons with hemophilia at particularly high risk for HIV during the period of 1980 to 1987;

(4) the failure of the Federal Government and the blood products industry to develop and implement known viral hepatitis inactivation processes prior to 1983 resulted in the exposure of the blood supply and blood products to HIV;

(5) although heat treatment of blood-clotting products became available in 1983, the Federal Government did not require the recall of nonheat treated products until 1989;

(6) as evidence became available concerning the transmission of HIV through the blood supply and blood products, the Federal Government did not take necessary and prompt action; failing to either require the blood industry to implement donor screening and deferral practices or to require the automatic recall of products linked to donors with or suspected of having AIDS;

(7) the Federal Government did not require the blood products industry to communicate directly with individuals with blood-clotting disorders regarding treatment options and the risks associated with contaminated blood products, nor did the Federal Government attempt to communicate fully to such individuals regarding these risks and possible treatment options;

(8) although a blood test for HIV became available in 1985, the Federal Government did not appropriately propose recommendations for a "lookback", the process of tracing recipients of possibly infected blood products, until 1991;

(9) individuals with blood-clotting disorders, such as hemophilia, who have HIV infections incur annual medical costs that often exceed $150,000, due to the expense of the necessary medications and the complications caused by the combination of the 2 illnesses;

(10) Ricky Ray was born with hemophilia and, like his 2 younger brothers and thousands of others, became infected with the deadly HIV through use of contaminated blood-clotting products;

(11) Ricky Ray and his family have brought national attention to the suffering of individuals with blood-clotting disorders, such as hemophilia, and their families, who have been devastated by HIV; and

(12) Ricky Ray died at the age of 15 on December 13, 1992, of hemophilia-associated AIDS, and this Act should bear his name.

(b) PURPOSE.—It is the purpose of this Act to establish a procedure to make partial restitution to individuals who were infected with HIV after treatment, during the period beginning in 1980 and ending in 1987, with contaminated blood products.

SEC. 3. TRUST FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a trust fund to be known as the "Ricky Ray Hemophilia Relief Fund", which shall be administered by the Secretary of the Treasury.

(b) INVESTMENT OF AMOUNTS IN FUND.—Amounts in the Fund shall be invested in accordance with section 9702 of title 31, United States Code, and any interest on and proceeds from any such investment shall be credited to and become part of the Fund.

(c) AVAILABILITY OF FUND.—Amounts in the Fund shall be available only for disbursement by the Attorney General under section 5.

(d) TERMINATION.—The Fund shall terminate upon the expiration of the 5-year period beginning on the date of the enactment of this Act. If all of the amounts in the Fund have not been expended by the end of the 5-year period, investments of amounts in the Fund shall be liquidated, the receipts of such liquidation shall be deposited in the Fund, and all funds remaining in the Fund shall be deposited in the miscellaneous receipts account in the Treasury of the United States.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Fund to carry out this Act $1,000,000,000.

SEC. 4. CLAIMS RELATING TO BLOOD-CLOTTING DISORDERS AND HIV.

Any individual who submits to the Attorney General written medical documentation that the individual has an HIV infection shall receive $125,000, from amounts available in the Fund, if each of the following conditions is met:

(1) CHARACTERISTICS OF INDIVIDUAL.—The individual is described in 1 of the following subparagraphs:

(A) The individual has any form of blood-clotting disorder, such as hemophilia, and was treated with blood-clotting agents (in the form of blood components or blood products) at any time during the period beginning on January 1, 1980, and ending on December 31, 1987.

(B) The individual—

(i) is the lawful spouse of an individual described in subparagraph (A); or

(ii) is the former lawful spouse of an individual described in subparagraph (A) and was the lawful spouse of the individual at any time after a date, within the period described in such subparagraph, on which the individual was treated as described in such subparagraph.

(C) The individual acquired the HIV infection through perinatal transmission from a parent who is an individual described in subparagraph (A) or (B).

(2) CLAIM.—A claim for the payment is filed with the Attorney General by or on behalf of the individual.

(3) DETERMINATION.—The Attorney General determines, in accordance with section 5(b), that the claim meets the requirements of this Act.

SEC. 5. DETERMINATION AND PAYMENT OF CLAIMS.

(a) ESTABLISHMENT OF FILING PROCEDURES.—The Attorney General shall establish procedures under which individuals may submit claims for payment under this Act. The procedures shall include a requirement that each claim filed under this Act include written medical documentation that the relevant individual described in section 4(1)(A) has a blood-clotting disorder, such as hemophilia, and was treated as described in such section.

(b) DETERMINATION OF CLAIMS.—For each claim filed under this Act, the Attorney General shall determine whether the claim meets the requirements of this Act.

(c) PAYMENT OF CLAIMS.—

(1) IN GENERAL.—The Attorney General shall pay, from amounts available in the Fund, each claim that the Attorney General determines meets the requirements of this Act.

(2) PAYMENTS IN CASE OF DECEASED INDIVIDUALS.—

(A) IN GENERAL.—In the case of an individual referred to in section 4 who is deceased at the time that payment is made under this section on a claim filed by or on behalf of the individual, the payment shall be made to the estate of the individual, if such an estate exists. If no such estate exists, the payment may be made only as follows:

(i) If the individual is survived by a spouse who is living at the time of payment, the payment shall be made to such surviving spouse.

(ii) If the individual is not survived by a spouse described in clause (i), the payment shall be made in equal shares to all children of the individual who are living at the time of the payment.

(iii) If the individual is not survived by a person described in clause (i) or (ii), the payment shall be made in equal shares to the parents of the individual who are living at the time of payment.

(B) FILING OF CLAIM BY ESTATE OR SURVIVOR.—If an individual eligible for payment under section 4 dies before filing a claim under this Act—

(i) the estate of the individual, if such an estate exists, may file a claim for payment under this Act on behalf of the individual; or

(ii) if no such estate exists, a survivor of the individual may file a claim for payment under this Act on behalf of the individual if the survivor may receive payment under subparagraph (A).

(C) DEFINITIONS.—For purposes of this paragraph:

(i) The term "spouse" means an individual who was lawfully married to the relevant individual.

(ii) The term "child" includes a recognized natural child, a stepchild who lived with the relevant individual in a regular parent-child relationship, and an adopted child.

(iii) The term "parent" includes fathers and mothers through adoption.

(3) TIMING OF PAYMENT.—The Attorney General may not make a payment on a claim under this Act before the expiration of the 90-day period beginning on the date of the enactment of this Act or after the expiration of the 5-year period beginning on the date of the enactment of this Act.

(4) CHOICE OF PAYMENT METHODS.—An individual whom the Attorney General determines to be entitled to a payment under subsection (c)(1) may choose to receive the payment in the form of—

(A) a lump sum of $125,000, which shall be paid not later than 90 days after the Attorney General determines that the individual is entitled to receive payment under subsection (c)(1); or

(B) 4 subpayments, of which—

(i) the 1st subpayment shall consist of $50,000 and shall be paid not later than 90 days after the Attorney General determines that the individual is entitled to receive payment under subsection (c)(1); and

(ii) the 2d, 3d, and 4th subpayments shall each consist of $25,000 and shall each be paid upon the expiration of the 6-month period beginning on the date of the preceding subpayment.

(d) ACTION ON CLAIMS.—The Attorney General shall complete the determination required by subsection (b) regarding a claim not later than 90 days after the claim is filed under this Act.

(e) PAYMENT IN FULL SETTLEMENT OF CLAIMS AGAINST UNITED STATES.—Payment under this Act, when accepted by an individual described in section 4 or by the estate of or a survivor of such an individual on behalf of the individual, shall be in full satisfaction of all claims of or on behalf of the individual against the United States (but not against any other person or entity) that arise out of both an HIV infection and treatment, at any time during the period beginning on January 1, 1980, and ending on December 31, 1987, with blood-clotting agents (in the form of blood components or blood products).

(f) ADMINISTRATIVE COSTS NOT PAID FROM FUND.—No costs incurred by the Attorney General in carrying out this Act may be paid from the Fund or set off against, or otherwise deducted from, any payment made under subsection (c)(1).

(g) TERMINATION OF DUTIES OF ATTORNEY GENERAL.—The duties of the Attorney General under this section shall cease when the Fund terminates.

(h) TREATMENT OF PAYMENTS UNDER OTHER LAWS.—A payment under subsection (c)(1) to an individual or an estate—

(1) shall be treated for purposes of the internal revenue laws of the United States as damages received on account of personal injuries or sickness; and

(2) shall not be included as income or resources for purposes of determining the eligibility of the individual to receive benefits described in section 3803(c)(2)(C) of title 31, United States Code, or the amount of such benefits.

(i) USE OF EXISTING RESOURCES.—The Attorney General should use funds and resources available to the Attorney General to carry out the functions of the Attorney General under this Act.

(j) REGULATORY AUTHORITY.—The Attorney General may issue regulations necessary to carry out this Act.

(k) TIME OF ISSUANCE OF REGULATIONS, GUIDELINES, AND PROCEDURES.—The initial regulations, guidelines, and procedures to carry out this Act shall be issued not later than 90 days after the date of the enactment of this Act.

(l) JUDICIAL REVIEW.—An individual whose claim for compensation under this Act is denied may seek judicial review solely in a district court of the United States. The court shall review the denial on the administrative record and shall hold unlawful and set aside the denial if the denial is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law.

SEC. 6. LIMITATION ON TRANSFER AND NUMBER OF CLAIMS.

(a) CLAIMS NOT ASSIGNABLE OR TRANSFERABLE.—A claim under this Act shall not be assignable or transferable.

(b) 1 CLAIM WITH RESPECT TO EACH VICTIM.—With respect to each individual described in subparagraph (A), (B), or (C) of section 4(1), the Attorney General may not pay more than 1 claim filed to receive compensation under this Act for the harm suffered by the individual.

SEC. 7. LIMITATIONS ON CLAIMS.

The Attorney General may not pay any claim filed under this Act unless the claim is filed within 3 years after the date of the enactment of this Act.

SEC. 8. CERTAIN CLAIMS NOT AFFECTED BY PAYMENT.

A payment made under section 5(c)(1) shall not be considered as any form of compensation, or reimbursement for a loss, for purposes of imposing liability on the individual receiving the payment, on the basis of such receipt, to repay any insurance carrier for insurance payments or to repay any person on account of worker's compensation payments. A payment under this Act shall not affect any claim against an insurance carrier with respect to insurance or against any person with respect to worker's compensation.

SEC. 9. LIMITATION ON AGENT AND ATTORNEY FEES.

Notwithstanding any contract, the representative of an individual may not receive, for services rendered in connection with the claim of an individual under this Act, more than 5 percent of a payment made under this Act on the claim. Any such representative who violates this section shall be fined not more than $50,000.

SEC. 10. DEFINITIONS.

For purposes of this Act:

(1) The term "AIDS" means acquired immune deficiency syndrome.

(2) The term "Fund" means the Ricky Ray Hemophilia Relief Fund.

(3) The term "HIV" means human immunodeficiency virus.

• Mr. GRAHAM. Mr. President, I am pleased to be announcing the introduction of the Ricky Ray Hemophilia Relief Fund Act of 1995 with Senator DEWINE in the U.S. Senate. This legislation is a companion to H.R. 1023, which was introduced by Florida Congressman PORTER GOSS and now has 115 cosponsors.

The introduction of this bill comes less than a month after the release of a report by the National Academy of Sciences's Institute of Medicine [IOM] entitled "HIV and the Blood Supply: An Analysis of Crisis Decisionmaking."

The report, issued on July 13, 1995, came about as a result of a request in April 1993 from Senator KENNEDY, Congressman GOSS and me to Secretary of Health and Human Services Donna Shalala to open an investigation into the events leading to the transmission of HIV to persons with hemophilia from the use of contaminated blood products regulated by the U.S. Government.

Secretary Shalala commissioned the study by the IOM. The report was the final product of an 18-month extensive review by an independent, scientific panel of experts of the events between 1982 and 1986 that lead to the infection of over 8,000 persons with hemophilia with HIV through the use of blood products.

The IOM report is critical in understanding how this tragedy came to be and what actions need to be taken to change the system and better protect the blood supply in the future from other unforeseen viruses. The report's chronology of events tells a tragic story when the first case of immune deficiency linked to blood products was reported in a Floridian with hemophilia in January 1982.

As also documented in Randy Shilt's book "And the Band Played On: Politics. People and the AIDS Epidemic," evidence grew over the year that others with hemophilia were being infected and at least two transfusion-related AIDS cases were also reported. In June 1982, the first warning was issued by the Centers for Disease Control [CDC] to clotting-concentrate manufacturers, other Federal health agencies and the National Hemophilia Foundation.

According to Harvey M. Sapolsky and Stephen L. Boswell in "The History of Transfusion AIDS: Practice and Policy Alternatives," "Weighing this evidence, the CDC epidemiologists began warning representatives of the several blood-banking organizations that the blood supply was possibly being contaminated with AIDS. These discussions culminated in a meeting in Atlanta in early January 1983, at which proposals were presented to screen out from the blood donor pool members of high-risk groups."

Sapolsky and Boswell add, "The opposition of the whole-blood collectors delayed governmental action intended to reduce the risks of AIDS transmission through transfusions. It was not until March 1983 that the Centers for Disease Control made public the recommendations for widespread screening." Moreover, it was not until even February 1984 that manufacturers included warnings about AIDS on their blood products—over 18 months after CDC's original warning.

Calls for blood testing for evidence of hepatitis B with a core antibody test were also being made during the period. According to Sapolsky and Boswell, "The Food and Drug Administration's Blood Products Advisory Committee studied the issues pertaining to screening the blood supply in early 1984, concluding that surrogate testing, and most specifically the hepatitis B core antibody test, was not appropriate as a means of identifying those at high risk for developing AIDS because it screened out too much of the blood supply." While some testing did occur like that at Stanford University Blood Bank, it was far from pervasive.

In March 1985, the FDA licensed and put into place the first blood test for HIV antibodies. Meanwhile, due to the fact that clotting factors are made from pooled plasma lots composed of thousands of donors, approximately one-half of the estimated 20,000 Americans with hemophilia contracted AIDS. The result was, as Michael McLeod reports in his article "Bad Blood" which was printed in the Orlando Sentinel on December 19, 1993, "a quiet death march, caused by one of the worst medically induced calamities in history—one that has claimed more than 1,600 Americans already, with at least 8,000 more sure to follow."

With respect to some of the clear steps that could have been taken in the early 1980's to protect the blood supply, the IOM writes:

> "* * * preference for the status quo under the prevailing conditions of uncertainty and danger led decision makers to underestimate the threat of AIDS for blood recipients. The Committee concluded that when confronted with a range of options for using donor screening and deferral to reduce the probability of spreading HIV through the blood supply, blood bank officials and federal authorities consistently chose the least aggressive option * * * The FDA's failure tc require [the implementation of screening procedures] is evidence that the agency did not adequately use its regulatory authority and therefore missed opportunities to protect the public health.

A passage from Michael Crichton's book "The Andromeda Strain" is particularly relevant to this report. It reads:

> * * * I think it is important that the story be told. This country supports the largest scientific establishment in the history of mankind. New discoveries are constantly being made, and many of these discoveries have important political and social overtones. In the near future, we can expect more crises on the pattern of Andromeda. Thus I believe it is useful for the public to be made aware of the way in which scientific crises arise, are dealt with.

As a result, I urge the Government Affairs Committee and Labor and Human Resources Committee to closely review this report, to learn from past mistakes, and to move quickly to enact the 14 recommendations made by the IOM to improve the safety of our Nation's blood supply.

In recommendation No. 3, the IOM panel proposes a no-fault compensation program prospectively for future victims who suffer adverse consequences from the use of blood and blood products. Although the IOM panel felt that the question of what to do about past victims were outside its purview, the IOM suggests that its protective recommendation "might serve to guide policymakers as they consider whether to implement a compensation system for those infected in the 1980's."

As a result, I urge my colleagues to review the Ricky Ray Hemophilia Relief Fund Act, which establishes a compensation program for the victims of HIV infection from blood products in the 1980's. It is based on the premise that the Federal Government shares responsibility for what happened. As the IOM writes, "* * * public concern about the inherent risks of blood and blood products has led the federal government through the agencies of the U.S. Public Health Service to take the lead in ensuring blood safety."

Unfortunately for the hemophilia community, the Federal Government through the Food and Drug Administration [FDA] failed to adequately protect the blood supply in the early 1980's because it "did not adequately use its regulatory authority," did not heed the warnings made by the Centers for Disease Control and Prevention [CDC] about the danger to the blood supply, "consistently chose the least aggressive option that was justifiable" and overly relied on the blood industry "for analysis of data and modeling of decision making."

The IOM concludes in its executive summary that:

> The National Blood Policy of 1973 charges the Public Health Service (including the CDC, the FDA, and the NIH) with responsibility for protecting the nation's blood supply. The Committee has come to believe that a failure of leadership may have delayed effective action during the period from 1982 to 1984. This failure led to less than effective donor screening, weak regulatory actions, and insufficient communication to patients about the risks of AIDS.

As for the title of this bill, it is named after a victim from the State of Florida. On December 13, 1992, Ricky Ray, a teenage boy in east Orange County, FL, died at home after his 6-year battle against AIDS and 15-year or lifelong battle with hemophilia. I attended Ricky's funeral later that week and read a letter from then President-elect Bill Clinton who, like I, was profoundly affected by this incredible human being and his family.

In remembering Ricky, words such as perseverance and wisdom come to mind. Ricky and his family have, since that revelation in 1986, lived with the pain and questions caused by this horrible virus called AIDS. If that is not enough, there was also the pain of being banned from school in 1987, having their home burned down by an arsonist shortly thereafter, and spending a tremendous amount of time in court fighting with the DeSoto County School District and the pharmaceutical companies that sold the Ray family the contaminated blood products.

Despite it all, Ricky was committed to teach others about his disease. His mother, Louise Ray, said of Ricky in an article written by Monica Davey at the St. Petersburg Times, "He believed that his track in life was to educate people about a disease that nobody knew about. He believed that was his purpose." His father Clifford added, "Ricky was a very old soul. He had a wisdom about him."

Like others with hemophilia and AIDS, Ricky was interested in answers to the questions of why. Why did this happen and why was not more done to prevent this tragedy? As a result, it is in his name that the request for the IOM report was made and that this bill is named.

As Harold L. Dalton, an editor of "AIDS Law Today: A New Guide for the Public," writes:

> . . . we should remember that just as the law frames society's response to the AIDS epidemic, the society as a whole shapes the law. Like it or not, we must decide what kind of society we will be: mean-spirited, shortsighted, and judgmental or compassionate, clearheaded, and accepting. In the end, society will determine where the burden of AIDS—social, financial, and emotional—will fall. We can make the choice consciously and purposely, or we can make it by indirection or default, but make it we will.

When Ricky saw the headline that "Ryan White loses battle with AIDS," he was very upset. As quoted by McLeod, he said to his mother, "If I die, don't let them write that about me. Don't let them say that I lost. Just because you die, that doesn't mean you gave up. That doesn't mean you lost." Ricky is right because his call for answers, help for those with AIDS and fight for the safety of the blood supply lives on.●

By Mr. DEWINE (for himself and Mr. GLENN):

S. 1190. A bill to establish the Ohio & Erie Canal National Heritage Corridor in the State of Ohio, and for other purposes; to the Committee on Energy and Natural Resources.

NORTHEAST CORRIDOR LEGISLATION

Mr. DEWINE. Mr. President, I rise today to introduce legislation that will establish an 87-mile section of the Ohio and Erie Canal between Cleveland and Zoar, OH, as a National Heritage Corridor.

Mr. President, the people of northeast Ohio are committed to preserving the rich historical heritage of this part of our State.

I think the kind of Federal protection envisioned by this legislation is long overdue.

In 1991, Congress funded a study by the National Park Service to explore the proposed corridor area—and to examine various suggestions on how to make the best possible use of this terrific resource.

The Park Service's research concluded that this area was suitable for inclusion in the National Park System as an affiliated area.

The bill I am introducing would act on that recommendation.

This bill would establish funding for the project through a cost-shared public-private partnership with the Department of the Interior. It requires that every Federal dollar be matched—one-for-one—by money from local investors.

Mr. President, knowing the great enthusiasm that exists for this project in the numerous affected communities in northeast Ohio, I am extremely confident about the response we can expect to this system of matching funds.

The bill provides for up to $250,000 per year for 3 years in funding for the management entity of this historic corridor.

In addition, it provides for development grants of $1.5 million per year for up to 6 years. These grants would require a 70-percent non-Federal match.

Mr. President, Ohio is ready to grant one of its most beautiful and historic areas the measure of respect and protection it truly deserves. I agree with the National park Service—and with the people of Ohio—on this issue. And that's why I am proposing this legislation today.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1190

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ohio & Erie Canal National Heritage Corridor Act of 1995".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the Ohio & Erie Canal, which opened for commercial navigation in 1832, was the first inland waterway to connect the Great Lakes at Lake Erie with the Gulf of Mexico via the Ohio and Mississippi Rivers and a part of a canal network in Ohio that was one of America's most extensive and successful systems during a period in history when canals were essential to the Nation's growth;

(2) the Ohio & Erie Canal spurred economic growth in the State of Ohio that took the State from near bankruptcy to the third most economically prosperous State in the Union in just 20 years;

(3) a 4-mile section of the Ohio & Erie Canal was designated a National Historic Landmark in 1966 and other portions of the Ohio & Erie Canal and many associated structures were placed on the National Register of Historic Places;

(4) in 1974, 19 miles of the Ohio & Erie Canal were declared nationally significant under National Park Service new area criteria with the designation of Cuyahoga Valley National Recreation Area;

(5) the National Park Service found the Ohio & Erie Canal nationally significant in a 1975 study entitled "Suitability/Feasibility Study, Proposed Ohio & Erie Canal";

(6) a 1993 Special Resources Study of the Ohio & Erie Canal Corridor conducted by the National Park Service entitled "A Route to Prosperity" has concluded that the corridor is eligible as a National Heritage Corridor; and

(7) local governments, the State of Ohio and private sector interests have embraced the heritage corridor concept and desire to enter into partnership with the Federal Government to preserve, protect, and develop the corridor for public benefit.

(b) PURPOSES.—The purposes of this Act are—

(1) to preserve and interpret for the educational and inspirational benefit of present and future generations the unique and significant contributions to our national heritage of certain historic and cultural lands, waterways, and structures within the 87-mile Ohio & Erie Canal Corridor between Cleveland and Zoar;

(2) to encourage within the corridor a broad range of economic opportunities enhancing the quality of life for present and future generations;

(3) to provide a management framework to assist the State of Ohio, political subdivisions of the State, and nonprofit organizations, or combinations thereof, in preparing and implementing an integrated Corridor Management Plan and in developing policies and programs that will preserve, enhance, and interpret the cultural, historical, natural, recreation, and scenic resources of the corridor; and

(4) to authorize the Secretary to provide financial and technical assistance to the State of Ohio, political subdivisions of the State, and nonprofit organizations, or combinations thereof, in preparing and implementing a Corridor Management Plan.

SEC. 3. DEFINITIONS.

In this Act:

(1) ADVISORY COMMISSION.—The term "Advisory Commission" means the Ohio & Erie Canal National Heritage Corridor Advisory Commission established under section 5.

(2) CORRIDOR.—The term "corridor" means the Ohio & Erie Canal National Heritage Corridor established under section 4.

(3) CORRIDOR MANAGEMENT PLAN.—The term "Corridor Management Plan" means the management plan developed under section 9.

(4) FINANCIAL ASSISTANCE.—The term "financial assistance" means funds made available by Congress, and made available to the management entity, for the purposes of preparing and implementing a Corridor Management Plan.

(5) MANAGEMENT ENTITY.—The term "management entity" means the State of Ohio, political subdivisions of the State, and private nonprofit organizations, or any combination thereof, as designated by the Secretary pursuant to section 7(a) to receive, distribute, and account for Federal funds made available for the purposes of this Act.

(6) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(7) TECHNICAL ASSISTANCE.—The term "technical assistance" means any guidance, advice, help, or aid, other than financial assistance, provided by the Secretary.

SEC. 4. OHIO & ERIE CANAL NATIONAL HERITAGE CORRIDOR.

(a) ESTABLISHMENT.—There is established in the State of Ohio the Ohio & Erie Canal National Heritage Corridor.

(b) BOUNDARIES.—

(1) IN GENERAL.—The boundaries of the corridor shall be composed of the lands that area generally follow the route of the Ohio & Erie Canal from Cleveland to Zoar, Ohio, as depicted in the 1993 National Park Service Special Resources Study, "A Route to Prosperity", subject to paragraph (2). The specific boundaries shall be the boundaries specified in the management plan submitted under section 9. The Secretary shall prepare a map of the area which shall be on file and available for public inspection in the office of the Director of the National Park Service.

(2) CONSENT OF LOCAL GOVERNMENTS.—No privately owned property shall be included within the boundaries of the corridor unless the municipality in which the property is located agrees to be so included and submits notification of the agreement to the Secretary.

(c) ADMINISTRATION.—The corridor shall be administered in accordance with this Act.

SEC. 5. OHIO & ERIE CANAL NATIONAL HERITAGE CORRIDOR ADVISORY COMMISSION.

(a) ESTABLISHMENT.—The Secretary is authorized to establish the Ohio & Erie Canal National Heritage Corridor Advisory Commission whose purpose shall be to assist Federal, State, and local authorities and the private sector in the preparation and implementation of an integrated Corridor Management Plan.

(b) MEMBERSHIP.—The Advisory Commission shall be comprised of 21 members, as follows:

(1) 4 individuals appointed by the Secretary, after consideration of recommendations submitted by the Greater Cleveland Growth Association, the Akron Regional Development Board, the Stark Development Board, and the Tuscarawas County Chamber of Commerce, who shall include 1 representative of business and industry from each of the Ohio counties of Cuyahoga, Summit, Stark, and Tuscarawas.

(2) 1 individual appointed by the Secretary, after consideration of recommendations submitted by the Director of the Ohio Department of Travel and Tourism, who is a director of a convention and tourism bureau within the corridor.

(3) 1 individual appointed by the Secretary, after consideration of recommendations submitted by the Ohio Historic Preservation Officer, with knowledge and experience in the field of historic preservation.

(4) 1 individual appointed by the Secretary, after consideration of recommendations submitted by the Director of the National Park Service, with knowledge and experience in the field of historic preservation.

(5) 3 individuals appointed by the Secretary, after consideration of recommendations submitted by the county or metropolitan park boards in the Ohio counties of Cuyahoga, Summit, and Stark.

(6) 8 individuals appointed by the Secretary, after consideration of recommendations submitted by the county commissioners or county chief executive of the Ohio counties of Cuyahoga, Summit, Stark and Tuscarawas, including from each county—

(A) 1 representative of the planning offices of the county; and

(B) 1 representative of a municipality in the county.

(7) 2 individuals appointed by the Secretary, after consideration of recommendations submitted by the Governor of Ohio, who shall be representatives of the Directors of the Ohio Department of Natural Resources and the Ohio Department of Transportation.

(8) The Superintendent of the Cuyahoga Valley National Recreation Area, as an ex officio member.

(c) APPOINTMENTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), members of the Advisory Commission shall be appointed for terms of 3 years and may be reappointed.

(2) INITIAL APPOINTMENTS.—The Secretary shall appoint the initial members of the Advisory Commission not later than 30 days after the date on which the Secretary has received all recommendations pursuant to subsection (b). Of the members first appointed—

(A) the members appointed pursuant to subsection (b)(6)(B) shall be appointed to a term of 2 years and may not be reappointed to a consecutive term; and

(B) the member appointed pursuant to subsection (b)(2) shall be appointed to a term of 2 years and may not be reappointed to a consecutive term.

(d) CHAIRPERSON AND VICE CHAIRPERSON.—The chairperson and vice chairperson of the Advisory Commission shall be elected by the members of the Advisory Commission. The terms of the chairperson and vice chairperson shall be 2 years.

(e) VACANCY.—A vacancy in the Advisory Commission shall be filled in the manner in which the original appointment was made. Any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of the member was appointed shall be appointed only for the remainder of the term. Any member of the Advisory Commission appointed for a definite term may serve after the expiration of the term of the member until the successor of the member has taken office.

(f) COMPENSATION AND EXPENSES.—A member of the Advisory Commission shall serve without compensation for the service of the member on the Advisory Commission.

(g) QUORUM.—Eleven members of the Advisory Commission shall constitute a quorum.

(h) MEETINGS.—The Advisory Commission shall meet at least quarterly at the call of the chairperson or at least 11 members of the Advisory Commission. Meetings of the Advisory Commission shall be subject to section 552b of title 5, United States Code.

(i) TERMINATION OF ADVISORY COMMISSION.—The Advisory Commission shall terminate on the date occurring 6 years after the Commission is established by the Secretary.

SEC. 6. POWERS OF ADVISORY COMMISSION.

(a) HEARINGS.—The Advisory Commission may, for the purpose of carrying out this Act, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Advisory Commission considers appropriate. The Advisory Commission may not issue subpoenas or exercise any subpoena authority.

(b) BYLAWS.—The Advisory Commission may make such bylaws and rules, consistent with this Act, as the Commission considers necessary to carry out this Act.

(c) POWERS OF MEMBERS AND AGENTS.—Any member or agent of the Advisory Commission, if so authorized by the Advisory Commission, may take any action that the Advisory Commission is authorized to take under this Act.

SEC. 7. DUTIES OF ADVISORY COMMISSION.

(a) MANAGEMENT ENTITY.—On public solicitation of proposals from entities representing the State of Ohio, political subdivisions of the State, and nonprofit organizations, or combination thereof, the Advisory Commission shall, not later than 90 days after the first meeting of the Commission, submit a recommendation to the Secretary for designation of a management entity for the corridor pursuant to section 8.

(b) CORRIDOR MANAGEMENT PLAN.—On submission of a draft Corridor Management Plan to the Advisory Commission from the management entity, the Advisory Commission shall, not later than 60 days after submission, review the plan for consistency with the purposes of this Act and endorse the plan or return the plan to the management entity for revision. On endorsement of the Corridor Management Plan, the Advisory Commission shall submit the plan to the Secretary for approval pursuant to section 9.

(c) REVIEW OF BUDGET.—The Advisory Commission shall review on an annual basis the proposed expenditures of Federal funds by the management entity for consistency with the purpose of this Act and the Corridor Management Plan.

SEC. 8. MANAGEMENT ENTITY.

(a) DESIGNATION.—Not later than 30 days after the date on which the recommendation of the Advisory Commission is received pursuant to section 7(a), the Secretary shall designate the management entity.

(b) ELIGIBILITY.—To be eligible for designation as the management entity of the corridor, an entity must possess the legal ability to—

(1) receive Federal funds for use in preparing and implementing the management plan for the corridor;

(2) disburse Federal funds to other units of government or other organizations for use in preparing and implementing the management plan for the corridor;

(3) account for all Federal funds received or disbursed; and

(4) sign agreements with the Federal Government.

(c) FEDERAL FUNDING.—

(1) AUTHORIZATION TO RECEIVE.—The management entity is authorized to receive Federal funds made available to carry out this Act.

(2) DISQUALIFICATION.—If a management plan for the corridor is not submitted to the Secretary as required under section 9 within the time specified, the management entity shall cease to be eligible to receive Federal funding under this Act until such a plan regarding the corridor is submitted to the Secretary.

(d) AUTHORITIES OF MANAGEMENT ENTITY.—The management entity of the corridor may, for purposes of preparing and implementing the management plan for the area, use Federal funds made available under this Act—

(1) to make grants and loans to the State of Ohio, political subdivisions of the State, nonprofit organizations, and other persons;

(2) to enter into cooperative agreements with, or provide technical assistance to Federal agencies, the State of Ohio, political subdivisions of the State, nonprofit organizations, and other persons;

(3) to hire and compensate staff;

(4) to obtain funds from any source under any program or law requiring the recipient of the funds to make a contribution to receive the funds; and

(5) to contract for goods and services.

(e) DURATION OF ELIGIBILITY FOR FINANCIAL ASSISTANCE.—The management entity for the corridor shall be eligible to receive funds made available to carry out this Act for the following periods:

(1) OPERATIONS.—In the case of operating costs described in section 15(a)(1), for a period of 3 years beginning on the date the Secretary has designated the management entity pursuant to subsection (c).

(2) DEVELOPMENT.—In the case of development costs described in section 15(a)(2), for a period of 6 years beginning on the date the Secretary has designated the management entity pursuant to subsection (c).

(f) PROHIBITION OF ACQUISITION OF REAL PROPERTY.—The management entity for the corridor may not use Federal funds received under this Act to acquire real property or any interest in real property.

SEC. 9. DUTIES OF MANAGEMENT ENTITY.

(a) CORRIDOR MANAGEMENT PLAN.—

(1) SUBMISSION FOR REVIEW BY ADVISORY COMMISSION.—Not later than 18 months after the date on which the Secretary has designated a management entity for the corridor, the management entity shall develop and submit for review to the Advisory Commission a management plan for the corridor.

(2) PLAN REQUIREMENTS.—A management plan submitted under this Act shall—

(A) present comprehensive recommendations for the conservation, funding, management, and development of the corridor;

(B) be prepared with public participation;

(C) take into consideration existing Federal, State, county, and local plans and involve residents, public agencies, and private organizations in the corridor;

(D) include a description of actions that units of government and private organizations are recommended to take to protect the resources of the corridor;

(E) specify existing and potential sources of funding for the conservation, management, and development of the area; and

(F) include, as appropriate—

(i) an inventory of the resources contained in the corridor, including a list of property in the corridor that should be conserved, restored, managed, developed, or maintained because of the natural, cultural, or historic significance of the property as the property relates to the themes of the corridor;

(ii) a recommendation of policies for resource management that consider and detail the application of appropriate land and water management techniques, including the development of intergovernmental cooperative agreements to manage the historical, cultural, and natural resources and recreational opportunities of the corridor in a manner consistent with the support of appropriate and compatible economic viability;

(iii) a program, including plans for restoration and construction, for implementation of the management plan by the management entity and specific commitments, for the first 6 years of operation of the plan by the partners identified in the plan;

(iv) an analysis of means by which Federal, State, and local programs may best be coordinated to promote the purposes of this Act; and

(v) an interpretive plan for the corridor.

(3) APPROVAL AND DISAPPROVAL OF THE CORRIDOR MANAGEMENT PLAN.—

(A) IN GENERAL.—On submission of the Corridor Management Plan from the Advisory Commission, the Secretary shall approve or disapprove the plan not later than 60 days after receipt. If the Secretary has taken no action 60 days after receipt, the plan shall be considered approved.

(B) DISAPPROVAL AND REVISIONS.—If the Secretary disapproves the Corridor Management Plan, the Secretary shall advise the Advisory Commission, in writing, of the reasons for the disapproval and shall make recommendations for revisions of the plan. The Secretary shall approve or disapprove the proposed revisions to the plan not later than 60 days after receipt. If the Secretary has taken no action 60 days after receipt, the plan shall be considered approved.

(b) PRIORITIES.—The management entity shall give priority to the implementation of actions, goals, and policies set forth in the management plan for the corridor, including—

(1) assisting units of government, regional planning organizations, and nonprofit organizations in—

(A) conserving the corridor;

(B) establishing and maintaining interpretive exhibits in the corridor;

(C) developing recreational opportunities in the area;

(D) increasing public awareness of, and appreciation for, the natural, historical, and cultural resources of the corridor;

(E) the restoration of historic buildings that are located within the boundaries of the corridor that relate to the themes of the corridor; and

(F) ensuring that clear, consistent, and environmentally appropriate signs identifying access points and sites of interest are installed throughout the corridor; and

(2) consistent with the goals of the management plan, encouraging economic viability in the affected communities by appropriate means.

(c) Consideration of Interests of Local Groups.—The management entity shall, in preparing and implementing the management plan for the corridor, consider the interests of diverse units of government, businesses, private property owners, and nonprofit groups within the geographic area.

(d) Public Meetings.—The management entity shall conduct public meetings at least quarterly regarding the implementation of the Corridor Management Plan.

(e) Annual Reports.—For any fiscal year in which the management entity receives Federal funds under this Act or in which a loan made by the entity with Federal funds under section 8(d)(1) is outstanding, the entity shall submit an annual report to the Secretary setting forth the accomplishments of the entity, the expenses and income of the entity, and the entities to which the entity made any loans and grants during the year for which the report is made.

(f) Cooperation With Audits.—For any fiscal year in which the management entity receives Federal funds under this Act or in which a loan made by the entity with Federal funds under section 8(d)(1) is outstanding, the entity shall—

(1) make available for audit by Congress, the Secretary, and appropriate units of government all records and other information pertaining to the expenditure of the funds and any matching funds; and

(2) require, for all agreements authorizing expenditure of Federal funds by other organizations, that the receiving organizations make available for the audit all records and other information pertaining to the expenditure of the funds.

SEC. 10. WITHDRAWAL OF DESIGNATION.

(a) In General.—The National Heritage Corridor designation shall continue unless—

(1) the Secretary determines that—

(A) the use, condition, or development of the corridor is incompatible with the purpose of this Act; or

(B) the management entity of the corridor has not made reasonable and appropriate progress in preparing or implementing the management plan for the corridor; and

(2) after making a determination referred to in paragraph (1), the Secretary submits to the Congress notification that the corridor designation should be withdrawn.

(b) Public Hearing.—Before the Secretary makes a determination referred to in subsection (a)(1) regarding the corridor, the Secretary shall hold a public hearing within the area.

(c) Time of Withdrawal of Designation.—

(1) In general.—The withdrawal of the corridor designation of the corridor shall become final 90 legislative days after the Secretary submits to Congress any notification referred to in subsection (a)(2) regarding the corridor.

(2) Legislative day.—For purposes of this subsection, the term "legislative day" means any calendar day on which both Houses of the Congress are in session.

SEC. 11. DUTIES AND AUTHORITIES OF FEDERAL AGENCIES.

(a) Duties and Authorities of the Secretary.—

(1) Technical assistance.—

(A) In general.—The Secretary may provide technical assistance to units of government, nonprofit organizations, and other persons, on request of the management entity of the corridor, regarding the management plan and the implementation of the plan.

(B) Prohibition of certain requirements.—The Secretary may not, as a condition of the award of technical assistance under this section, require any recipient of the technical assistance to enact or modify land use restrictions.

(C) Determinations regarding assistance.—The Secretary shall decide if the corridor shall be awarded technical assistance and the amount of the assistance. The decision shall be based on the relative degree to which the corridor effectively fulfills the objectives contained in the Corridor Management Plan and achieves the purposes of this Act. The decision shall give consideration to projects that provide a greater leverage of Federal funds.

(2) Provision of information.—In cooperation with other Federal agencies, the Secretary shall provide the general public with information regarding the location and character of the corridor.

(3) Other assistance.—On request, the Superintendent of Cuyahoga Valley National Recreation Area may provide to public and private organizations within the corridor (including the management entity for the corridor) such operational assistance as appropriate to support the implementation of the Corridor Management Plan, subject to the availability of appropriated funds. The Secretary is authorized to enter into cooperative agreements with public and private organizations for the purposes of implementing this paragraph.

(b) Duties of Other Federal Agencies.—Any Federal entity conducting any activity directly affecting the corridor shall consider the potential effect of the activity on the Corridor Management Plan and shall consult with the management entity of the corridor with respect to the activity to minimize the adverse effects of the activity on the corridor.

SEC. 12. LACK OF EFFECT ON LAND USE REGULATION AND PRIVATE PROPERTY.

(a) Lack of Effect on Authority of Governments.—Nothing in this Act modifies, enlarges, or diminishes any authority of Federal, State, or local governments to regulate any use of land as provided for by law (including regulations).

(b) Lack of Zoning or Land Use Powers.—Nothing in this Act grants powers of zoning or land use control to the Advisory Commission or management entity of the corridor.

(c) Local Authority and Private Property Not Affected.—Nothing in this Act affects or authorizes the Advisory Commission to interfere with—

(1) the rights of any person with respect to private property; or

(2) any local zoning ordinance or land use plan of the State of Ohio or a political subdivision of the State.

SEC. 13. FISHING, TRAPPING, AND HUNTING SAVINGS CLAUSE.

(a) No Diminishment of State Authority.—The designation of the corridor shall not diminish the authority of the State to manage fish and wildlife, including the regulation of fishing and hunting and trapping within the corridor.

(b) No Conditioning of Approval and Assistance.—The Secretary may not make limitations on fishing, hunting, or trapping a condition of the determination of eligibility for assistance under this Act. The Secretary and any other Federal agency may not make the limitations a condition for the receipt, in connection with the corridor, of any other form of assistance from the Secretary or the agencies.

SEC. 14. COST SHARE.

(a) Operating Costs.—The Federal contribution under this Act to the management entity for operations expenditures shall not exceed 50 percent of the annual operating costs of the entity attributed to preparation and implementation of the Corridor Management Plan. The non-Federal share of the support may be in the form of cash, services, or in-kind contributions, fairly valued.

(b) Development Costs.—The Federal contribution under this Act to the management entity to implement the Corridor Management Plan shall not exceed 30 percent of the annual development costs attributable to the implementation of the Corridor Management Plan. The non-Federal share of the support may be in the form of cash, services, or in-kind contributions, fairly valued.

SEC. 15. AUTHORIZATION OF APPROPRIATIONS.

(a) In General.—There is authorized to be appropriated to the management entity—

(1) $250,000 for each of fiscal years 1996 through 1998 for the operating costs of the management entity to carry out duties pursuant to section 9; and

(2) $1,500,000 for each of fiscal years 1996 through 2001 for planning, design, construction, grants, and loans to implement the approved Corridor Management Plan;

to remain available until expended.

(b) Availability of Funds Prior to Secretarial Approval of Management Plan.—Funds may be spent prior to Secretarial approval of the Corridor Management Plan for early actions that are important to the themes of the area and that protect resources that would be in imminent danger of irreversible damage without the early actions.

By Mr. PRYOR:

S. 1191. A bill to provide for the availability of certain generic human and animal drugs, and for other purposes; to the Committee on Labor and Human Resources.

THE CONSUMER ACCESS TO PRESCRIPTION DRUGS ACT

Mr. PRYOR. Mr. President, 2 months ago, I came to the floor to alert my colleagues to a two-pronged problem. This problem poses an unexpected threat to our implementation of the GATT treaty, as well as to our efforts to contain health care costs in the United States.

It has a complicated history, but it boils down to this: unless the Congress acts soon, the GATT treaty will be improperly implemented and consumers will foot a multibillion dollar windfall to a handful of underserving companies.

When the Congress passed the GATT treaty last year, we knew we were improving our country's standing in international trade. We knew the benefits would come in more exports and more jobs. We had no idea we were unintentionally forcing American consumers, HMO's, hospitals, and even the government to pay higher prices for a small number of prescription drugs.

We included "transition provisions" in the GATT treaty to accomplish two things. First, the treaty gives current patent holders a patent extension. Second, those generic competitors which had been planning and investing to go to market on the original date of patent expiry may do so as long as they paid compensation to the patent holders. We saw this as an elegant compromise which satisfied all of the commercial interests at stake.

But despite the intent of both the Congress and the U.S. Trade Representative [USTR] to apply these provisions to all industries in an equitable fashion, the prescription drug industry was inadvertently excluded from their scope. This came about due to a simple mistake. We failed to change the language of an obscure but vitally important law regulating prescription drugs, known as the Hatch-Waxman amendments. The mistake has had some costly and unnecessary consequences.

Our unintentional error forced the Food and Drug Administration [FDA] to rule that they could not allow equivalent but lower-cost generic drugs onto the market until the patent extension ended. In other words, a small number of drug manufacturers receive a patent extension but avoid facing generic competition during that time. This is unprecedented and unparalleled among the dozens of other industries and thousands of other companies affected by the GATT treaty. This is simply unfair.

The Consumer Access to Prescription Drugs Act restores the universal scope of the GATT treaty in the United States. It does so without altering the treaty or amending the treaty's implementing legislation. It does not alter the new patents granted by the GATT treaty. It simply ensures that the prescription drug industry is subject to the GATT transitional provisions in the same manner as all other American industries.

Let me make clear that Congress also did not intend the current, disastrous state of affairs to occur. In fact, when the FDA was asked to look into the situation, they looked for direction from Congress. At the time of its passage, we had spent a tremendous amount of time discussing GATT. It was an issue of great importance. But when the FDA looked at the entirely of the record of our proceedings—our hearings, our report language and all of the floor debate in the House and the Sente—what did they find?

There were neither hearings nor a single word of debate on the floor of the House or Senate on the impact of the URAA on the 1984 Waxman-Hatch Amendments. Nor do the committee reports indicate that Congress understood that the URAA would both grant a patent term extension for certain pioneer products and block FDA from approving generic versions of those drugs until the extended patent terms have expired. Nonetheless, the language of the URAA directs that result.

In sum, the FDA concluded that the language of the URAA does not reflect the legislative intent which Congress desired.

Nor did the U.S. Trade Representative desire this abused outcome. On May 19, Ambassador Mickey Kantor wrote to emphasize that the "intention of the URAA language" was to encompass all industries and to permit generic pharmaceutical producers to market their products who had made substantial investments in anticipation of the expiration of the unextended patent terms. In other words, the current state of affairs was neither intended nor desired by our trade negotiators.

Nevertheless, current patent holders in the prescription drug industry are the only ones in the country which will benefit from the new URAA patent term but also be exempted from generic competition. It is clear that no one desired or anticipated this situation. We in Congress sought the GATT provisions applied universally. But now, according to the FDA and the U.S. Trade Representative, we have inadvertently jeopardized the true intention of GATT and upset the balancing of commercial interests in the free market.

What do I mean by the balance of commercial interests? The FDA found that the law as it stands threatens to upset the balance between the commercial interests of brandname companies and generic companies manifested in the Hatch-Waxman amendments. In response, the patent and Trademark Office [PTO] has taken a position on this issue. The PTO ruled on June 7 that those drugs which had previously received a patent extension under the Hatch-Waxman amendments could not receive the GATT patent extension. In spite of the PTO ruling, a small handful of manufacturers—including those of the blockbuster drugs Zantac and Capoten—are still poised to receive an unwarranted multibillion dollar windfall.

This is why I urge my colleagues to support the Consumer Access to Prescription Drugs Act. Not only is it the solution to an absurd and unwarranted problem, it will save large health care purchasers and individual consumers alike valuable resources. By some estimates, the Consumer Access to Prescription Drugs Act would save more than $1.8 billion in health care dollars. The elderly would save $517 million out of their pockets. The Federal Government would save $117 million while the States would save $88 million.

The act will also ensure that a simple mistake in legislative drafting does not disrupt the multimillion dollar investments, business plans and employment of generic drug companies who have planned all along to comply with the GATT treaty—but have been needlessly delayed from providing over-cost products to consumers by a legal loophole.

Most importantly, if we do not act, American consumers will pay unnecessarily high drug prices. At the same time, the Federal Government and the States will pay more for prescription drugs for older Americans, veterans, low-income families and children, and the active-duty military. Out of an annual $940 million prescription drug budget, the Department of Veterans Affairs has estimated that they will pay $211 million too much in the next 3 years alone.

That will come out of our taxes. We will be paying more taxes so that a few brandname drug companies can make more profits and block competition in the marketplace. Most important, I think, will be the effect on older Americans, Americans on fixed incomes and Americans without adequate health insurance. They will feel the hurt even more.

Mr. President, as I have said elsewhere, this is a textbook case of a loophole resulting in an unwarranted windfall. No single industry deserves special treatment under GATT, especially at the expense of consumers. I ask unanimous consent that a copy of the bill, a summary of the act's provisions and letters from the FDA, the Secretary of Veterans Affairs, the U.S. Trade Representative and the Generic Drug Equity Coalition be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1191

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as "The Consumer Access to Prescription Drugs Act of 1995".

SEC. 2. APPROVAL AND MARKETING OF GENERIC DRUGS.

(a) APPROVAL AND APPLICATIONS.—For purposes of acceptance and consideration by the Secretary of an application under subsections (b), (c), and (j) of section 505, and subsections (b), (c), and (n) of section 512, of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 (b), (c), and (j), and 360b (b), (c), and (n)), the expiration date of a patent that is the subject of a certification under section 505(b)(2)(A) (ii), (iii), or (iv), section 505(j)(2)(A)(vii) (II), (III), or (IV), or section 512(n)(1)(H) (ii), (iii), or (iv), respectively, made in an application submitted prior to June 8, 1995, or in an application submitted on or after that date in which the applicant certifies that substantial investment was made prior to June 8, 1995, shall be deemed to be the date on which such patent would have expired under the law in effect on the day preceding December 8, 1994.

(b) Right to Market.—The remedies of section 271(e)(4) of title 35, United States Code, shall not apply to acts which—

(1) were commenced or for which a substantial investment was made prior to June 8, 1995; and

(2) became infringing by reason of section 154(c)(1) of such title, as amended by section 532 of the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4983).

(c) Equitable Remuneration.—For acts described in subsection (b), equitable remuneration of the type described in section 154(c)(3) of title 35, United States Code, as amended by section 532 of the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4983) may be awarded to a patentee only if there has been—

(1) the commercial manufacture, use, offer to sell, or sale, within the United States of an approved drug that is the subject of an application described in subsection (a); or

(2) the importation into the United States of an approved drug that is the subject of an application described in subsection (a).

SEC. 3. DEFINITIONS.

(a) Acts Which Were Commenced.—The submission of an application for approval of a drug under section 505(b)(2), 505(j), 507, or 512(n), of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(b)(2) and (j), 357, and 360(n)) prior to June 8, 1995, or the subsequent making, using, offering to sell, selling, or importing of the drug which is the subject of the application, shall constitute acts which were commenced prior to June 8, 1995, as that term is used in this Act and in section 154(c)(2) of title 35, United States Code, as amended by section 532 of the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4983). A person who submits such application, and a person who supplied any active ingredient used by such person in such drug, shall be deemed to have performed acts which were commenced prior to June 8, 1995.

(b) Substantial Investment.—The development of a product formulation and the manufacture of an experimental batch of a drug that becomes the subject of an application, or the initiation of stability or bioequivalency studies, by an applicant referred to in section 505(b)(2), 505(j), or 512(n), or by a manufacturer of a drug referred to in section 507, of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(b)(2) and (j), 360b(n), and 357) shall constitute substantial investment, as that term is used in this Act and in section 154(c)(2)(A) of title 35, United States Code, as amended by section 532 of the Uruguay Round Agreements Act (Public Law 103–465; 108 Stat. 4983). A person who supplied any active ingredient used by such applicant in such drug or by such manufacturer in such drug shall be deemed to have made substantial investment by having supplied the active ingredient to such applicant or such manufacturer.

SEC. 4. APPLICABILITY.

(a) Applicability to Approval of Applications.—The provisions of this Act shall govern—

(1) the approval or the effective date of approval of applications under section 505(b)(2), 505(j), 507, or 512(n), of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 (b)(2) and (j), 357, and 360b(n)) submitted on or after the date of enactment of this Act; and

(2) the approval or effective date of approval of all pending applications that have not received final approval as of the date of enactment of this Act.

(b) Applicability in Judicial Proceedings.—The provisions of this Act shall apply in any action that—

(1) relates to the approval or marketing of a drug or the infringement of a patent; and

(2)(A) is brought in a Federal or State court on or after the date of enactment of this Act; or

(B) is brought in a Federal or State court prior to the date of enactment of this Act and pending on such date.

The Consumer Access to Prescription Drugs Act of 1995—Summary of Provisions

The Consumer Access to Prescription Drugs Act restores the universal scope of the General Agreements on Trade and Tariffs (GATT) in the United States. It neither amends the GATT implementing legislation, known as the Uruguay Round Agreement Act (URAA), nor alters the GATT treaty in any way. Instead, it ensures that the prescription drug industry is subject to the URAA transitional "grandfather" provisions in the same manner as all other American industries.

Despite the intent of both the Congress and the U.S. Trade Representative to apply the URAA transition provisions to all industries, the prescription drug industry was inadvertently excluded from their scope. The unintentional error led the FDA to rule that the agency is prevented from allowing generic drug manufacturers who made a "substantial investment" prior to June 8, 1995 from bringing their products onto the market on the pre-GATT dates of patent expiry, as was intended in the URAA.

To correct this problem, this Act explicitly applies the URAA transition provisions to the prescription drug industry. (The URAA transition provisions relate to ". . . acts which were commenced or for which substantial investment was made before" June 8, 1995.)

SECTION 1—SHORT TITLE

Short title of the Act is the "Consumer Access to Prescription Drugs Act of 1995."

SECTION 2—APPROVAL AND MARKETING OF GENERIC DRUGS

2(a) Approval of Application:

Section 2(a) fulfills the original intent of the URAA by permitting the use of pre-GATT dates of patent expiry in premarket applications to the FDA from the generic drug manufacturers qualifying under the URAA transition provisions.

This provision in no way alters the FDA's authority to review generic drug submissions. Generic manufacturers seeking to market during the period of GATT patent extension must meet the same standards of safety and effectiveness of any other generic company seeking FDA approval.

2(b) Right to Market:

Under the URAA transition provisions, generic manufacturers in all industries meeting the "substantial investment" test were protected from the traditional remedies against patent infringement authorized by sections 283, 284 and 285 of the patent code. In passing the URAA, however, Congress neglected to amend section 271(e)(4), which duplicates and provides for these traditional remedies solely in relation to prescription drugs.

Section 2(b) restores the intent of the URAA by withholding the remedies under section 271(e)(4) solely in the case of qualifying generic manufacturers.

2(c) Equitable Remuneration:

The URAA transition provisions require the payment of "equitable remuneration" to patent holders by generic manufacturers who have made a "substantial investment" and proceed to market on the pre-GATT date of patent expiry.

Prescription drug manufacturers are not permitted to market their products until FDA approval has been granted. Section 2(c) clarifies that "equitable remuneration" must be paid upon the marketing of qualifying generic drugs.

SECTION 3—DEFINITIONS

3(a) Acts Which Were Commenced Defined:

Section 3(a) includes the pre-June 8 submission of a generic drug premarket application to the FDA, as well as the subsequent manufacture and sale of the approved generic drug, within the scope of the URAA transition provisions.

3(b) Substantial Investment Defined:

Section 3(b) applies the URAA transition term "substantial investment" to the penultimate steps necessary for submissions of a generic drug premarket application to the FDA.

SECTION 4—EFFECTIVE DATE

4(a) Applicability in Proceedings on Applications:

Section 4(a) applies the provisions of this Act to all FDA actions relating to relevant, qualifying generic drug premarket applications.

4(b) Applicability in Judicial Proceedings:

Section 4(b) applies the provisions of this Act to any legal actions which, although unsubstantiated, would negate the intent of the URAA by needlessly delaying the marketing of qualifying generic drugs.

The U.S. Trade Representative,
Executive Office of the President,
Washington, DC, May 19, 1995.

Hon. David Kessler,
Commissioner, Food and Drug Administration,
Rockville, MD.

Dear Dr. Kessler: I am writing with respect to a decision that I understand you are about to make with respect to permitting generic pharmaceutical products to be marketed in a timely manner.

As you know, the Uruguay Round Agreements Act (URAA) provides that the term of patents in the United States will be switched from a 17-years from grant system to a 20-years from filing system. For those patents that have not expired on June 8, 1995, and those applications that are submitted by then and subsequently issued, the applicant will have the option of choosing the longer of 17-years from grant or 20-years from filing. As a result, some existing patents will be extended for up to approximately 20 months.

The URAA also provides that if a person has made substantial investment before June 8, 1995, in preparation of exploiting the technology once the old patent term expires, they will be able to use the patented technology during the extension period but must pay a reasonable royalty to the patent owner for doing so. The URAA exempts them from liability for injunctions, damages and attorney's fees.

However, it appears that the ability of manufacturers of generic pharmaceutical products to take advantage of this system (i.e., get the generic version of a patented drug on the market during the extension period but pay a royalty) is in question given provisions in the Federal Food, Drug and Cosmetic Act (FFDCA). The FFDCA apparently prevents the FDA from granting marketing approval to generic products until the patent on the underlying product expires. Without marketing approval, the generic manufacturer cannot bring its product on the market.

Resolving this difficult conflict has apparently fallen upon your shoulders. As you come to a decision on this matter, I ask that you give full consideration to the intention of the URAA language to permit generic pharmaceutical producers to market their products who had made substantial investments in anticipation the expiration of the unextended patent term.

Sincerely,

MICHAEL KANTOR.

DEPARTMENT OF HEALTH AND HUMAN SERVICES, FOOD AND DRUG ADMINISTRATION,

Rockville MD, May 25, 1995.

III. CONCLUSION

The 1984 Waxman-Hatch Amendments to the Federal Food, Drug, and Cosmetic Act represent a careful balance between the policies of fostering the availability of generic drugs and of providing sufficient incentives for research on breakthrough drugs. This landmark compromise between the interests of the generic drug companies and the pioneer companies was intended to grant a one-time patent term extension in exchange for the prompt availability of generic drug products. There is certainly a strong argument to be made that such a compromise should not be upset without hearings and careful deliberation as to the impact on the twin interests served by the Waxman-Hatch Amendments.

Here there were neither hearings nor a single word of debate on the floor of the House or Senate on the impact of the URAA on the 1984 Waxman-Hatch Amendments. Nor do the committee reports indicate that Congress understood that the URAA would both grant a patent term extension for certain pioneer products and block FDA from approving generic versions of those drugs until the extended patent terms have expired. Nonetheless, the language of the URAA directs that result.

Accordingly, for the reasons stated above, FDA grants your citizen petition in part and denies your citizen petition in part. FDA has determined that the URAA-extended patent term expiration dates will be the governing patent expiration dates with respect to NDA submissions and FDA publication of patent information on listed drugs and their uses; however, FDA will not publish the URAA-extended patent expiration dates until after they become effective on June 8, 1995. ANDA's and 505(b)(2) applications pending before the agency on June 8, 1995, must be amended to respond to the URAA-extended patent expiration dates, if information on the new expiration dates is submitted to the agency in a timely manner. ANDA's and 505(b)(2) applications submitted after June 8, 1995, similarly must provide patent certifications with respect to the URAA-extended patent expiration dates. After June 8, 1995, FDA will not approve any application that does not contain a correct certification with respect to a URAA-extended patent expiration date that was submitted in a timely manner to the agency. Finally, FDA cannot require that an applicant submit a paragraph IV certification as to a certain patent. The agency expects that an ANDA or 505(b)(2) applicant that wishes to market a generic version of a drug prior to the expiration of a URAA-extended patent, for which information was timely submitted to FDA, will file a paragraph IV certification with respect to that patent.

Sincerely yours,

WILLIAM B. SCHULTZ,
Deputy Commissioner for Policy.

THE SECRETARY OF VETERANS AFFAIRS,
Washington, DC, August 8, 1995.

Hon. DAVID PRYOR,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR PRYOR: I am writing in response to your inquiry regarding the potential effect of the Global Agreement on Tariffs and Trade (GATT) treaty and the resulting Uruguay Round Agreements Act (URAA) on the cost of prescription drugs purchased by the Veterans Health Administration (VHA).

VHA shares your concern about the cost impact of the agreement. As you know, VHA expends $940 million on pharmaceuticals annually. VHA now anticipates that the cost of drugs affected by URAA will remain high in light of the lack of generic competition. The total cost impact of the URAA provisions in terms of increased expenditures for VHA has been estimated to be $3.4 million in FY 95, $89.7 million in FY 96, and $117.9 million in FY 97.

For estimating purposes, VHA calculations were based on a three-year extension of the prior patent expiration date. A copy of VHA's analysis is enclosed for your information. New patent expiration dates will be published by FDA in the monthly supplements to "Approved Drug Products with Therapeutic Equivalence Evaluations" (the Orange Book). As that information becomes available, we will update our estimates.

Thank you for your interest in the health care provided to veterans.

Sincerely yours,

JESSE BROWN.

GENERIC DRUG EQUITY COALITION,
Washington, DC, August 8, 1995.

Hon. DAVID PRYOR,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR PRYOR: Consumers will pay higher prices for the popular high blood pressure medicine Capoten/Capozide beginning today because of a special interest loophole in the GATT legislation.

The empty pill bottle we are delivering to your office today symbolizes the problem facing consumers because of the absence of lower-priced generic drugs.

Capoten/Capozide is the first of a dozen drugs that will be affected by the special interest loophole in the GATT legislation. Generic substitutes for these drugs will be kept off the market for as long as 20 months. In 1994, almost 15 million prescriptions were written for Capoten/Capozide at an average wholesale price of $56.29.

The Generic Drug Equity Coalition (GDEC) estimates that the delay will cost consumers hundreds of thousands of dollars each and every day that the generic substitutes for Capoten/Capozide and other drugs are kept off the market and almost $2 billion overall for the twelve affected drugs.

The GATT legislation extends patents on U.S. products from 17 to 20 years. The legislation also includes transition rules for generic products that were ready to go to market under the old 17-year patent term. However, the Food and Drug Administration can not apply the transition rules to generic drugs.

GDEC is a coalition of consumer, senior, health care and industry groups. We urge you to pass legislation that would grant FDA the authority to allow generic drugs to go to market as had been intended in the GATT transition rules.

Sincerely,

JIM FIRMAN
President and CEO,
National Council on the Aging.

MEMBERS OF THE GENERIC DRUG EQUITY COALITION

National Council on the Aging.
Gray Panthers.
National Consumers League.
United Seniors Health Cooperative.
U.S. PIRG.
American College of Nurse Midwives.
Paraquad.
National Pharmaceutical Alliance, Manufacturers Division.
Consumers for Quality Care.
Novopharm.
Geneva Pharmaceuticals.
MOVA Laboratories.
People's Medical Society.
National Association of Pharmaceutical Manufacturers.
AIDS Action Council.
Royce Laboratories.
Public Citizen.
National Women's Health Network.
Citizen Advocacy Center.
United Homeowners Association.
Center For Health Care Rights.
Mylan.
National Council of Senior Citizens.
National Black Women's Health Project.
Center for Health Care Rights.
National Committee to Preserve Social Security and Medicare.
Generic Pharmaceutical Industry Association.

By Mr. KERRY (for himself, Mr. PELL, and Mr. INOUYE):

S. 1192. A bill to promote marine aquaculture research and development and the development of an environmentally sound marine aquaculture industry; to the Committee on Commerce, Science, and Transportation.

THE MARINE AQUACULTURE ACT OF 1995

• Mr. KERRY. Mr. President, today, with Senators PELL and INOUYE, I introduce the Marine Aquaculture Act of 1995, a bill of great interest to me both in my role as ranking member of the Commerce Committee's Oceans and Fisheries Subcommittee, and as a Senator from a State with a significant interest in the development of an environmentally sound marine aquaculture industry. The primary purpose of this bill is to promote marine aquaculture research and the development of an environmentally sound marine aquaculture industry in the United States.

The development of a marine aquaculture industry is also of great interest to my colleagues from Rhode Island and Hawaii, and I thank them for their cosponsorship. Indeed, most coastal States should have an interest in the growth of an economically and environmentally sound marine aquaculture industry for a number of reasons. First, in a time when many domestic fisheries are increasingly overexploited and management measures become ever more restrictive, marine aquaculture can provide alternative or additional employment opportunities for displaced fishermen and other entrepreneurs. Second, marine aquaculture could play a critical role in enhancing and restoring depleted fish stocks. Third, investment in marine aquaculture research and development activities can stimulate local and regional economies providing benefits reaching far beyond the original investment. Fourth, by providing high quality fish and seafood products for domestic consumption and export, a strong marine aquaculture industry can help reduce the multibillion dollar U.S. fisheries trade deficit.

The United States stands poised to tap into an ever-expanding global market for marine aquaculture products. The United Nations estimates that in the year 2010 an additional 19 million tons of fish protein will be needed annually to maintain consumption at current levels, assuming present population growth. Global harvests of fish continue to decline from their 1989 peak of 100 million tons. About 70 percent of the world's marine fish stocks are classified as fully exploited, overexploited, or recovering. Clearly, harvesting of wild fish and shellfish stocks will not be able to meet this shortfall. Therefore, more and more people are looking to aquaculture to make up this deficit.

In response, the marine aquaculture industry in many countries has grown rapidly, often heavily subsidized by foreign governments. In 1992, China was the leading aquaculture producer with 8.6 million metric tons, nearly 50 percent of the total world aquaculture production. The United States was a distant fifth, with only 400,000 metric tons, less than 4 percent of the world's acquaculture production. Worldwide, coastal, and marine acquaculture comprise approximately 40 percent of total aquaculture production. Many of these fish and seafood products are aggressively marketed in the United States. We have a significant opportunity to develop a globally competitive domestic marine aquaculture industry to meet future fish and seafood demand. The Marine Aquaculture Act provides the support necessary to make the best of this opportunity.

There is also a need for a bill that addresses the unique requirements of aquaculture development in the marine and coastal environment. Much of the private aquaculture industry has invested in and developed land-based aquaculture facilities on privately owned land. The coastal zone and marine waters of the United States, however, are not subject to private ownership and support a variety of public trust uses, including navigation, fishing, recreation, and national defense. Private investment in marine aquaculture is imperative, but must proceed without posing unreasonable constraints or other public trust uses of marine and coastal waters.

A recent National Research Council study concludes that constraints on the economic success of the marine acquaculture industry include: First, public concerns about a broad range of environmental, ecological, and aesthetic issues; and, second, conflicts with other uses of coastal and marine areas. The report also concludes that the current confusing system of Federal and State laws and regulations impedes growth of the marine aquaculture industry, and that additional scientific, technological, and engineering research is necessary to ensure more cost-effective and environmentally sound operations. The Marine Aquaculture Act clarifies the patchwork of regulatory authorities and makes funding more readily available for research and development.

The Department of Commerce, which has primary management authority for marine resource conservation and protection of the marine environment, and which through the National Marine Fisheries Service [NMFS] and Sea Grant has long been engaged in aquaculture research and development, is best equipped to coordinate and manage the development of an environmentally sound aquaculture industry in marine and coast waters.

Utilizing Department of Commerce expertise, the bill would, first, clear up the regulatory maze by making the Department of Commerce the one-stop-shop for permits to own, construct, or operate an offshore marine aquaculture facility in Federal waters; second, create a coastal and marine aquaculture research and development program under the National Sea Grant College Program Act; third, increase financial assistance for marine aquaculture ventures by making existing financial assistance programs for fishermen available for the first time to marine aquaculture development; fourth, ensure protection of the marine environment by requiring the Secretary of Commerce to establish environmental standards for offshore marine aquaculture facilities and, in consultation with other appropriate Federal and State agencies, to establish model environmental guidelines for marine aquaculture facilities within State waters.

In developing a marine aquaculture industry, we must also realize that the environmental problems facing marine aquaculture facilities are unique and potentially more difficult than those of land-based facilities. This bill addresses the need for environmental safeguards and would provide for the establishment of standards to minimize adverse impacts on the marine environment of offshore marine aquaculture facilities. These standards would include safeguards to, first, protect wild fish stocks from genetic contamination; second, prevent or minimize ecological or economic harm to marine ecosystems from introduction of nonindigenous marine species; third, prevent or minimize transmission of disease to wild stocks; fourth, maintain applicable Federal water quality standards; and fifth, ensure that efforts to control predation on cultivated stocks are environmentally and ecologically sound. Addressing environmental concerns associated with marine aquaculture activities is necessary to enhance the prospects of developing an economically—and environmentally—sustainable industry.

As an additional barrier to developing this industry, many of the traditional forms of financial assistance to fishermen through Department of Commerce programs have not been as widely available for the development of marine aquaculture facilities because of funding limitations and restrictions in authorizing legislation. To address that problem, The Marine Aquaculture Act restructures existing financial assistance programs available to fishermen, and promotes research and development in marine aquaculture and other disciplines related to the success of such ventures.

I am aware that my colleague, Senator AKAKA, has introduced a general aquaculture bill. I want to emphasize that the Marine Aquaculture Act deals solely with marine aquaculture and is intended to complement rather than compete with or displace Senator AKAKA's bill. I look forward to working with Senator AKAKA and all other Senators who have interest in this subject to develop a comprehensive program to promote aquaculture research and development on both private and public lands. I ask unanimous consent that the text of the bill be printed in full in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1192

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Marine Aquaculture Act of 1995".

SEC. 2. FINDINGS AND POLICY.

(a) FINDINGS.—The Congress finds the following:

(1) The annual demand for seafood products is expected to increase by 350 million pounds by the year 2000 as a result of population growth alone. This demand will be satisfied by a combination of United States harvests, fresh water and marine aquaculture, and imports.

(2) The marine fishery resources of the United States coastal zone, territorial sea, and exclusive economic zone are renewable, but finite. Sound fishery management programs cannot guarantee that the amount of marine fishery products available to the Nation from United States waters will meet consumer demand without supplementation from marine aquaculture.

(3) Worldwide there has been a major increase in marine aquaculture and many of these products have been aggressively marketed in the United States. Many of these programs are also heavily subsidized by foreign governments.

(4) In some foreign nations marine aquaculture has not been adequately controlled and, as a result, there have been undesirable changes to the marine ecosystem which have contributed to production failures from both artificial and natural stocks of fish.

(5) Within the United States private industry has primarily invested in and developed land-based aquaculture facilities, in part because these facilities are located on privately owned land, and in part because the potential environmental problems associated with these facilities are generally easier to control than those associated with marine facilities. Land-based facilities have also benefited from some of the traditional forms of economic assistance provided to farmers under programs administered by the Department of Agriculture.

(6) Private industry has not taken an equivalent initiative to invest in and develop marine aquaculture facilities within the United States, in part, because our marine waters are not susceptible to private ownership and because our marine waters also support other public trust uses, including navigation, fishing, recreation, and national defense. Additionally, marine aquaculture facilities present several environmental challenges requiring specialized scientific research and regulatory programs. Moreover, the traditional forms of economic assistance provided to fishermen under programs administered by the Department of Commerce have not been as widely available to marine aquaculture facilities because of restrictions in authorizing legislation and funding limitations.

(7) Further, incorporating environmental concerns in the development of marine aquaculture will enhance the prospects of an economically and environmentally sustainable industry.

(8) There exist within the Department of Commerce a number of agencies and programs essential to stimulate the private development of marine aquaculture facilities, rebuild depleted fishery resources and protect the marine ecosystem. Among these are programs of the National Marine Fisheries Service, the National Sea Grant College Program, the National Ocean Service, the National Institute of Standards and Technology, the Economic Development Administration, the Minority Business Development Administration, and the International Trade Administration.

(b) POLICY.—It is the policy of the United States—

(1) to encourage private enterprise to invest in and to develop new employment opportunities in marine aquaculture facilities by restructuring existing financial assistance programs and by safeguarding investments in marine aquaculture facilities;

(2) to promote research and development in marine aquaculture technology, marine biology, marine ecology, ocean engineering, economics, law, public policy and other disciplines that will contribute to the commercial success of new marine aquaculture facilities while safeguarding the marine ecosystem; and

(3) to ensure that the placement and operation of any new marine aquaculture facility within a State coastal zone, the territorial sea, or the United States exclusive economic zone, is economically and environmentally sound and does not pose unreasonable contraints on other public trust uses of marine waters, such as navigation, fishing, recreation, and national defense.

SEC. 3. DEFINITIONS.—

For the purposes of this Act—

(1) DIRECTOR.—The term "Director" means the Director of the National Sea Grant College Program.

(2) OFFSHORE MARINE AQUACULTURE FACILITY.—

(A) The term "offshore marine aquaculture facility" means any facility which is located in whole or in part in the United States exclusive economic zone, the purpose of which is to raise, breed, grow, or hold in a living state any marine or estuarine organism.

(B) Any vessel or other floating craft that forms all or part of an offshore marine aquaculture facility, or any vessel or other floating craft that discharges any material into an offshore marine aquaculture facility, shall not be deemed to be a "vessel or other floating craft" under section 502(12)(B) of the Clean Water Act (33 U.S.C. 1362 et al.). Any discharge of material directly into the waters of the facility or from the facility into the surrounding waters shall be considered a point source subject to that Act.

(3) SECRETARY.—The term "Secretary" means the Secretary of Commerce, acting through the Under Secretary of Commerce for Oceans and Atmosphere.

SEC. 4. MARINE AQUACULTURE RESEARCH AND DEVELOPMENT PROGRAM.

The National Sea Grant College Program Act (33 U.S.C. 1121 et seq.) is amended by inserting after section 206 the following:

"MARINE AQUACULTURE RESEARCH AND DEVELOPMENT PROGRAM

"SEC. 206A. (a) COASTAL AND MARINE AQUACULTURE RESEARCH AND DEVELOPMENT PROGRAM.—The National Sea Grant College Program provided for under section 204 shall include a national marine aquaculture research and development program under which the Secretary, acting through the Director, shall make grants and enter into contracts in accordance with this section, and engage in other activities authorized under this Act, to further research, development, education and technology transfer in coastal and marine aquaculture and accelerate the development and growth of a sustainable marine aquaculture industry.

"(b) PROGRAM SCOPE.—The marine aquaculture research and development program shall include research, development, education and technology transfer programs that address, but are not limited to, the following:

"(1) Fundamental biological knowledge needed for domesticating candidate species;

"(2) Environmentally safe technologies, methods and systems for culturing marine species in the coastal environment, encouraging sustainable aquaculture practices, and remediating environmental problems;

"(3) Aquaculture technologies that are compatible with other uses of the sea;

"(4) Application of marine biotechnology to marine aquaculture;

"(5) Methods for addressing and resolving conflicts between marine aquaculture and other competing users of the marine environment;

"(6) Comparative studies of State practices regarding the regulation and promotion of marine aquaculture so as to identify and resolve interstate conflicts and issues;

"(7) Education programs to foster understanding and awareness of the environmental and policy implications of aquaculture and marine aquaculture development, including the role of aquaculture in meeting consumer demand for seafood, and the role of aquaculture in rebuilding depleted fish stocks; and

"(8) Development of pilot projects for offshore aquaculture facilities.

"(c) SEA GRANT MARINE ADVISORY SERVICES.—The National Sea Grant College Program shall maintain, with the Marine Advisory Service, the capability to transfer relevant technologies and information to the marine aquaculture industry. Particularly emphasis shall be given to the matters referred to in subsection (b) (1) through (8).

"(d) ADMINISTRATION.—In carrying out the marine aquaculture research and development program, the Director shall—

"(1) coordinate and administer the relevant activities of the Sea Grant College and any advisory committee and review panel established under subsection (f);

"(2) consult with the directors of State Sea Grant programs and other organizations with interests in aquaculture to identify program priorities and needs and, to the extent possible, undertake collaborative efforts, and use this information to identify priorities for marine aquaculture research and planning;

"(3) provide general oversight to ensure that the marine aquaculture research and development program produces the highest quality research, education and technology transfer and leads to opportunities for business development and jobs creation.

"(e) GRANTS AND CONTRACTS.—

"(1) IN GENERAL.—The Director, subject to the availability of appropriations, shall award grants and contracts in accordance with procedures, requirements, and restrictions under Section 205 (c) and (d) for aquaculture research, education, technology transfer, and advisory proposals based on a competitive review of—

"(A) their respective scientific, technical, and educational merits; and

"(B) their likelihood of producing information and technology which lead to the growth and development of a sustainable marine aquaculture industry.

"(2) FUNDING.—Grants made and contracts entered into under this section shall be funded with amounts available from appropriations made pursuant to the authorization provided for under section 212(c), except that if the project under a grant or contract was considered and approved, in whole or in part, under grant or contract authority provided for under section 205 (a) or (b) or section 3 of the Sea Grant Program Improvement Act of 1976, the grant or contract shall be funded from amounts available to carry out that section.

"(f) MARINE AQUACULTURE ADVISORY AND REVIEW PANELS.—

"(1) ESTABLISHMENT.—The Director may establish such advisory committees and review panels as necessary to carry out this section, (or utilize any such existing committee that satisfies the requirements of this subsection).

"(2) MEMBERSHIP.—Members of advisory committees and review panels should be selected to have the professional expertise necessary to review grants received, and in general, should include representatives of relevant disciplines and professions such as fisheries scientists, environmental scientists, and representatives of the marine aquaculture and capture fishing industries.

"(3) ACCESS TO EVALUATIONS OF GRANTS AND CONTRACTS.—The Director shall provide to each advisory committee and review panel established under this subsection copies of appropriate grant and contract application evaluations prepared by directors of Sea Grant Colleges under Section (e)(2)(A).

"(g) AUTHORIZATION OF APPROPRIATIONS.—

"(1) GRANTS AND CONTRACTS.—There is authorized to be appropriated to carry out this section (other than for administration)—

"(A) $5,000,000 for each of fiscal years 1995 and 1996; and

"(B) $7,000,000 for each of fiscal years 1997 and 1998.

"(2) ADMINISTRATION.—There is authorized to be appropriated for the administration of this section—

"(A) $100,000 for each of fiscal years 1995 and 1996; and

"(B) $120,000 for each of fiscal years 1997 and 1998.".

SEC. 5. AQUACULTURE IN THE COASTAL ZONE.

The Coastal Zone Management Act of 1972 is amended—

(1) by adding at the end of section 306A(b) (16 U.S.C. 1455a(b)) the following:

"(4) The development of a coordinated process among State agencies and between the State and Federal Government, to regulate and issue permits for aquaculture and marine aquaculture facilities in the coastal zone."; and

(2) by adding at the end of section 309(a) (16 U.S.C. 1456b(a)) the following:

"(9) Adoption of procedures and policies to facilitate and evaluate the siting of public and private marine aquaculture facilities in the coastal zone which will assist States in formulating, administering, and implementing strategic plans for marine aquaculture.".

SEC. 6. OFFSHORE MARINE AQUACULTURE PERMITTING.

(a) OWNERSHIP, CONSTRUCTION, AND OPERATION OF OFFSHORE MARINE AQUACULTURE FACILITIES.—Notwithstanding subsection (n) of this section, no person may own, construct, or operate an offshore marine aquaculture facility except as authorized by a permit issued under this section.

(b) PERMIT ISSUANCE AND TERM.—

(1) IN GENERAL.—The Secretary may issue, amend, renew, or transfer in accordance with this section permits which authorize the ownership, construction, or operation of an offshore marine aquaculture facility.

(2) TERM.—The term for a permit under this section shall not exceed 10 years and may be renewed after such time.

(3) OWNERSHIP.—Whereas a facility's physical structure, the organisms stocked therein, and any business interests in an offshore marine aquaculture facility can be privately owned by the permittee, the area of ocean used by a marine aquaculture facility remains in public ownership, with only a revocable use permit being granted to the permittee.

(c) PERMIT PREREQUISITES.—The Secretary may not issue, amend, renew, or transfer a permit to a person under this section unless—

(1)(A) each of the officials referred to in subsection (e)(1) has certified to the Secretary that the activities to be conducted under the permit would comply with laws administered by the official; or

(B) the permit establishes the conditions transmitted under subsection (e)(3)(A) by each of those officials that does not make that certification and each of the remainder of those officials makes that certification;

(2) The Secretary determines that—

(A) construction and operation of a facility under the permit will comply with the environmental standards established by the Secretary under subsection (k) and will not significantly interfere with other public trust uses of the ocean, including recreational and commercial fishing, navigation, conservation, and aesthetic enjoyment;

(B) the site for the facility will not interfere with facilities previously permitted under this section or any other Federal law; and

(C) the person, upon revocation or surrender of the permit, will properly dispose of or remove the facility as directed by the Secretary; and

(3) the person provides the Secretary with a bond or other assurances to pay for all costs associated with removal of the facility.

(d) PUBLIC NOTICE AND COMMENT PERIOD.—

(1) NOTICE.—The Secretary shall publish in the Federal Register—

(A) notice of receipt of each application for a permit under this section; and

(B) notice of issuance of each permit issued, amended, renewed, or transferred under this section.

(2) PUBLIC COMMENT.—The Secretary shall provide a 60-day comment period regarding each application received by the Secretary for the issuance, amendment, renewal, or transfer of a permit under this section.

(e) AGENCY NOTICE AND COMMENT.—

(1) TRANSMISSION OF COPIES OF APPLICATIONS.—Not later than 30 days after receiving an application for a permit under this section, the Secretary shall forward a copy of this application to—

(A) the Secretary of the agency in which the Coast Guard is located;

(B) the Administrator of the Environmental Protection Agency;

(C) the Secretary of the Interior;

(D) the Chairman of the Regional Fishery Management Council under the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.) having authority over waters in which would occur the activities for which the permit is sought, or having authority over fish stocks which could be ecologically effected by construction or operation of such facility;

(E) the Secretary of Defense; and

(F) the Governor of each State—

(i) adjacent to the location specified by the permit or which would be ecologically affected by permit activities; and

(ii) which has an approved coastal zone management program under the Coastal Zone Management Act of 1972 (16 U.S.C. 1451 et seq.).

(2) CERTIFICATION OF COMPLIANCE.—Subject to paragraph (4), not later than 90 days after receiving a copy of a permit application transmitted under paragraph (1), the official shall certify to the Secretary whether or not the activities to be conducted under the permit would comply with the laws administered by the official.

(3) TRANSMITTAL OF REASONS FOR NONCOMPLIANCE AND PERMIT CONDITIONS.—If an official certifies under paragraph (1) that activities to be conducted under a permit is sought would not comply with a law—

(A) the official shall transmit to the Secretary the reasons for that noncompliance and any permit conditions that would ensure compliance; and

(B) the Secretary shall establish those conditions in any permit for the activity issued under this subsection.

(4) EXTENSION OF TIME FOR CERTIFICATION.—An official may request, in writing, that the Secretary extend by not more than 30 days the period for making certifications under paragraph (2). The Secretary may grant the extension for good cause shown.

(f) PERMIT REVOCATION OR SURRENDER.—

(1) REVOCATION.—The Secretary may revoke any permit issued under this section if the permittee is found to be in substantial violation of any term of the permit, this section, or any regulation promulgated pursuant to this section.

(2) SURRENDER.—A permittee may surrender a permit under this section to the Secretary at any time, subject to any safeguards or conditions established by the Secretary.

(g) PERMIT RENEWAL AND TRANSFER.—A permit under this section may be renewed or transferred in accordance with the procedures and requirements applicable to the issuance of a new permit. The term of a permit, upon renewal, shall not exceed 10 years.

(h) FEES.—The Secretary may assess permit fees not to exceed the cost of administering the program authorized by this section.

(i) CIVIL PENALTY.—The Secretary may assess a civil penalty of not more than $100,000 for each violation of a permit under this section.

(j) PROMULGATION OF REGULATIONS.—The Secretary shall promulgate regulations as necessary to carry out this section.

(k) ENVIRONMENTAL STANDARDS.—

(1) ESTABLISHMENT.—Within 2 years after the date of enactment of this Act, the Secretary shall issue regulations which establish minimum environmental standards with respect to offshore marine aquaculture facilities. Such standards shall be designed to minimize the potential for adverse impacts on the marine environment from such facilities and shall include—

(A) safeguards to conserve genetic resources, including methods to minimize genetic mixing of cultured stocks with natural marine stocks;

(B) safeguards to prevent or minimize ecological or economic harm to marine ecosystems by intentional or unintentional introductions of nonindigenous marine aquaculture species;

(C) safeguards to prevent or minimize transmission of disease to wild stocks;

(D) safeguards to maintain applicable Federal water quality standards;

(E) safeguards to ensure that any efforts to control predation on cultivated stocks are environmentally and ecologically sound; and

(F) other applicable measures to protect the marine environment.

(2) INCLUSION OF PERMIT TERMS.—The standards established under paragraph (1) shall be treated as part of the terms of each permit issued under this section.

(3) REVIEW.—The Secretary shall periodically review the standards established under paragraph (1) and revise the standards based on significant new information including results of the pilot project.

(l) CUMULATIVE EFFECTS.—The Secretary shall report to Congress 5 years after the enactment of this Act on all permits issued under this Act, including the cumulative effects of all permitted facilities on public trust uses of the ocean.

(m) OFFSHORE MARINE AQUACULTURE PILOT PROGRAMS.—

(1) IN GENERAL.—The Secretary in cooperation with other Federal and State agencies, acting through the National Sea Grant College Program, is authorized to conduct, to make grants for, or to contract for, projects to demonstrate sustainable approaches to development, installation, or operation of offshore marine aquaculture facilities. Such projects shall take into consideration any environmental guidelines developed by the Secretary, and shall, to the maximum extent practicable, meet the requirements of permits issued under this section.

(2) TERM.—Any pilot project authorized pursuant to this subsection shall be for a term not to exceed two years, and may be renewed after such time.

(3) PURPOSE.—Such projects shall demonstrate the technological and economic feasibility of various marine aquaculture technologies which will contribute substantially to the development of a sustainable marine aquaculture industry.

(4) ECOSYSTEM SAFEGUARDS.—The Secretary, in selecting projects under this subsection, shall be satisfied that any project authorized will not adversely affect the marine environment, and shall be designed to prevent or minimize ecological or economic harm to marine ecosystems by intentional or unintentional introductions of nonindigenous marine aquaculture species.

(5) CONTENTS OF PUBLIC ANNOUNCEMENTS.—The Secretary shall make a public announcement concerning—

(A) the title, purpose, intended completion date, identity of the grantee or contractor, and proposed cost of any grant or contract with a private or non-Federal agency for any research, demonstration, pilot project, study, or report under this subsection; and

(B) the results, findings, data, or recommendations made or reported as a result of such activities.

(6) TIME.—A public announcement required by paragraph (5)(A) shall be made within 30 days after making a grant or contract, and a public announcement required by paragraph (5)(B) shall be made within 90 days after the receipt of such results.

(7) PUBLICATION OF SUMMARIES OF RESULTS; SUBMISSION TO APPROPRIATE CONGRESSIONAL COMMITTEES.—The Secretary shall publish summaries of the results of activities carried out pursuant to this subsection not later than 90 days after the completion thereof. The Secretary shall submit to the Senate Committee on Commerce, Science, and Transportation copies of all such summaries.

SEC. 7. MODEL ENVIRONMENTAL GUIDELINES.

(a) MODEL ENVIRONMENTAL GUIDELINES.—

(1) Within two years after the date of enactment of this Act, the Secretary in consultation with other appropriate Federal and State agencies, shall develop and establish model environmental guidelines with respect to marine aquaculture facilities located within State waters.

(2) In order to carry out this section, the Secretary shall seek advice from representatives of relevant disciplines and professions such as fisheries scientists, environmental scientists, and representatives of the marine aquaculture and capture fishing industries, and may utilize any Marine Aquaculture Advisory and Review Panels established under section 206A(f) of the National Sea Grant College Program Act.

(3) The Secretary shall provide public notice in the Federal Register and allow for a 90 day comment period before finalizing its model guidelines.

(4) The guidelines should include best management practices to minimize the potential for damage to the marine ecosystem from marine aquaculture facilities, including, but not limited to—

(A) conserving genetic resources, including methods to minimize genetic mixing of cultured stocks with natural marine stocks;

(B) preventing or minimizing ecological or economic harm to marine ecosystems by intentional or unintentional introductions of nonindigenous marine aquaculture species;

(C) maintaining applicable Federal and State water quality standards by marine aquaculture facilities;

(D) minimizing "visual pollution" and other interference with public trust uses of the ocean from marine aquaculture facilities; and

(E) ensuring that any efforts to control predation on cultivated stocks are environmentally and ecologically sound.

(5) The Secretary shall also develop a program to promote voluntary compliance by the marine aquaculture industry with the guidelines.

(b) STATE AQUACULTURE MANAGEMENT.—Upon completion of environmental guidelines, the Secretary shall submit the environmental guidelines to State coastal zone management agencies, and other Federal and State agencies with a role in aquaculture, marine aquaculture or other coastal and marine resources. These State agencies shall review the environmental guidelines for marine aquaculture operations and consider incorporating processes where applicable.

SEC. 8. ECONOMIC DEVELOPMENT.

(a) COMPREHENSIVE REPORT.—The Secretary shall review all programs administered by the Department of Commerce through the National Oceanic and Atmospheric Administration, the National Institute of Standards and Technology, the Economic Development Administration, the Minority Business Development Administration, and the Intenational Trade Administration that pertain to the seafood industry. Within two years after the date of enactment of this Act, the Secretary shall report to Congress how the Department of Commerce programs have been employed to stimulate the development of commercial marine aquaculture facilities within the United States or the exclusive economic zone. The report shall include recommendations for changes in any Federal law or administrative procedure that, in the judgment of the Secretary, constitutes an unreasonable impediment to the growth of a commercially and environmentally sound marine aquaculture facility.

(b) ECONOMIC ASSISTANCE.—The Secretary shall make the financial assistance programs of the Department of Commerce fully available to qualified applicants seeking to construct marine aquaculture facilities in a State coastal zone or the U.S. exclusive economic zone. The programs shall include, but not be limited to, the Capital Construction Fund Program, the Fisheries Obligation Guarantee Program, the Saltonstall-Kennedy Grant Program, the Marine Fisheries Initiative Grant Program, and the programs of the Economic Development Administration. To the extent such projects are economically sound, the Secretary shall grant priority to applicants from those regions of the United States where marine fishery conservation requirements have led to reduced employment in the commercial or recreational fishing industry.●

By Mr. HARKIN:

S. 1193. A bill to reduce waste and abuse in the Medicare Program; to the Committee on Finance.

THE MEDICARE WASTE AND ABUSE REDUCTION ACT

● Mr. HARKIN. Mr. President, I am introducing today an important piece of legislation regarding Medicare. The Medicare Waste and Abuse Reduction Act of 1995 is the third in a series of bills I have introduced this year to save taxpayers and Medicare beneficiaries billions of dollars lost to waste and abuse in Medicare. All of these measures are the result of extensive hearings I have chaired in the Labor, Health and Human Services Appropriations Subcommittee over the past several years and on recommendations of the General Accounting Office, the inspector general of the Department of Health and Human Service and other private sector medical experts.

The two bills I introduced earlier this year would reduce waste and abuse in Medicare by providing for a greater investment in payment safeguards and requiring Medicare to use state-of-the-art private sector computer equipment to catch abusive and unnecessary Medicare billings. The General Accounting Office has endorsed both approaches in these measures as effective in reducing losses to the Medicare Program. In their May 5, 1995, report to me and to the Budget Committee, the GAO found that taxpayers are losing $2 million a day because of its inept system for detecting billing abuse. They said that we could conservatively save $600 million a year by utilizing the same computer software that most major private insurers already use to detect billing abuse.

The Medicare Waste and Abuse Reduction Act I am introducing today would take a number of additional steps to stop the pillaging of Medicare. First, it would put an end to completely unnecessary and often abusive Medicare payments for a range of items unrelated to providing quality health care to the elderly and disabled. These include: tickets to sporting and other entertainment events, gifts and donations, costs related to team sports, personal use of automobiles, fines and penalties resulting from violations of Federal, State, and local laws or regulations, and tuition and fees for spouses and other dependents of medicare providers.

All of these items were identified as being subject to abuse by the HHS inspector general. Some of the bills by providers for these items were completely outrageous and only serve to undermine public confidence not only in Medicare, but in Government in general.

Second, this legislation would require a cost-saving step that I have been advocating for years—competitive bidding for durable medical equipment, medical supplies, oxygen, and other related services. I believe this will significantly lower excessive Medicare payments for many of these items and services. The Veterans Administration and many private businesses already employ competitive bidding and their costs are significantly lower.

Third, it provides the Secretary the ability to target several specific items identified as subjects of abuse in our hearings—scooters, orthotic body jackets, and incontinence supplies. Again, we can significantly reduce the payment amounts and unnecessary utilization of these items.

Finally, this legislation would give the Medicare carriers authority they used to have to reduce payment levels for items they identify as subject to grossly excessive payments.

Mr. President, the budget resolution adopted by the new majority in the Congress calls for unprecedented cuts in Medicare. These cuts go far beyond that necessary to forestall problems with the hospital insurance trust fund. Much of these reductions will go to give huge new tax cuts to the wealthiest of Americans. That is just not fair.

For the savings that do need to be made to shore up the Medicare trust fund, we should first look to eliminating the massive amounts of fraud, waste, and abuse. Accordingly, I would urge the Finance Committee to include in its reconciliation recommendations the provisions of the three bills I have introduced and several others I will introduce shortly after we return in September. I look forward to working with my colleagues on this critically important issue. I will have a good deal more to say about Medicare and opportunities to reduce waste and abuse in the coming days.●

By Mr. AKAKA (for himself and Mr. LOTT):

S. 1194. A bill to amend the Mining and Mineral Policy Act of 1970 to promote the research, identification, assessment, and exploration of marine mineral resources, and for other purposes; to the Committee on Energy and Natural Resources.

THE MINING AND MINERAL POLICY AMENDMENTS ACT OF 1995

Mr. AKAKA. Mr. President, every American schoolchild can recite President Kennedy's famous challenge to reach the Moon before the decade of the 1960's ended. The success of our country's space program has become a source of great national pride. Far less attention has been given to the speech President Kennedy gave that same year in which he challenged Americans to explore the ocean depths.

Well, we have reached the Moon and our spacecraft have explored the solar system. Today, we know more about the surface of planets located millions of miles from Earth than we know about much of the ocean floor, which is the Earth's own basement. We have maps of Venus that are better than the map of our own exclusive economic zone [EEZ].

A recent Time magazine cover story on the mysteries of the deep raised similar concerns about how little we know about the last great unconquered place on Earth. As the article points out:

> More than 100 expeditions have reached Everest, the 29,028-foot pinnacle of the Himalayas; manned voyages to space have become commonplace; and robot probes have ventured to the outer reaches of the solar system. But only now are the deepest parts of the ocean coming within reach.

The U.S. exclusive economic zone covers more than 2.5 billion acres, an area slightly greater than that of the United States. Our EEZ is the largest under any nation's jurisdiction and contains a resource base estimated in the trillions of dollars. It is a vast, new ocean frontier.

Because 85 percent of these waters are in the Pacific, Hawaii will play a central role in EEZ research and development. Unfortunately, our new frontier remains largely unexplored. After 10 years, the United States has performed a detailed reconnaissance of less than 5 percent of our EEZ.

Today Senator LOTT and I have introduced legislation to encourage the investigation of the world's oceans, stimulate our country's scientific and economic growth, and further our Nation's industrial competitiveness.

Our bill would accelerate exploration, research, and assessment of the Nation's marine resources. Under this legislation, the Secretary of the Interior would foster partnerships among industry, government, and academia to explore our exclusive economic zone. These partnerships would act as incubators for the commercialization of the advanced technologies necessary to explore and develop responsibly our marine resources.

The bill responds to a 1992 report by the National Research Council which noted that the systematic exploration of the EEZ will require technologies that are fundamentally different from those used in the initial phase of EEZ reconnaissance. The National Research Council identified a need for new ships, advanced instrumentation, and remotely operated underwater vehicles that can be equipped with multiple data collecting sensors capable of mapping our EEZ resources with unprecedented speed.

Knowledge of our ocean and its resources has always grown in direct proportion to the tools available for marine exploration. As these tools have evolved and improved, our ability to explore, evaluate, and capitalize on our ocean resources has also advanced. If we want to comprehend fully the potential of our EEZ, the technology of ocean exploration must take another leap forward. The deployment of a new generation of undersea research vehicles with advanced data gathering equipment will be necessary to permit reconnaissance on a scale that begins to match the vastness of the ocean and its seafloor. The potential payoffs associated with the development of these ocean technologies will be very great.

In addition to improving our research capabilities, technology associated with ocean exploration can spawn new opportunities for economic development. We have seen major advances in our ability to survey, map, probe, sample, and monitor the ocean floor during the past decade. With the end of the cold war, the market for these systems is rapidly changing from military to civilian uses.

Advances in unmanned underwater vehicles and imaging systems are being employed to perform environmental monitoring of sewage outfalls, underwater pipelines, ocean dumping, and industrial and non-point source pollution. The ability of these technologies to facilitate environmental remediation and cleanup may soon follow. These technologies will also have broad application for deploying and repairing communications and electric power cables, or in other areas of scientific research and technology commercialization.

The opportunities for economic development from ocean resources and technologies cannot be taken for granted, however. The United States seriously risks being left behind other nations that are aggressively investing in the commercialization of ocean technologies. According to the Office of Technology Assessment, Japan, the United Kingdom, and France have major institutions devoted to developing ocean technologies. They have extensive private industry support and have government planning mechanisms to clearly define national ocean policies.

In an increasingly competitive world, countries which lead in the rapid development, commercialization, and application of new technologies will enjoy greater economic growth, higher employment, and better living standards. Nowhere will this principle have greater significance than in the field of ocean resources. Given the magnitude of potential economic opportunity, the United States must strengthen its commitment to ocean R&D.

We need only look to the space program for an appreciation of the economic opportunities generated from technology development. In the past 30 years, the U.S. space program has been the basis for more than 30,000 secondary products—better known as spinoffs, in health and medicine, food and agriculture, energy, the environment, recreation, and construction.

Some of the research has been adapted for use in monitoring and diagnosing illnesses. Devices such as electroencephalographs [EEG's], electrocardiograms [EKG's], rechargeable pacemakers, and medical scanners were developed from equipment built for the space program.

Solar energy, which was pioneered for the space program, has found wide use in heating, cooling, and the generation of electricity. The heat shield developed for the Apollo mission is now providing energy savings as insulation for homes and office buildings.

Remote sensing imagery developed for satellite surveys of the Earth is used by land managers today for long-term management and conservation of our natural resources.

Although estimates vary, applications in industry were found to contribute $22 billion toward the sale of new or improved products and nearly $316 million in savings. Rewards even greater than that derived from the space program may be realized from ocean research.

A commitment to ocean research and assessment embodied in this legislation can create new job opportunities, strengthen our scientific and industrial competitiveness, and produce economic benefits that far exceed the dollars invested.

I ask unanimous consent that a copy of the Time article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Time magazine, Aug. 14, 1995]

MYSTERIES OF THE DEEP—THE LAST FRONTIER

(By Michael D. Lemonick)

Sometime this fall, if all goes well, a revolutionary new undersea vessel will be lowered gently into the waters of Monterey Bay for its maiden voyage. Named *Deep Flight I*, the 14-ft-long, 2,900-lb vehicle is shaped like a chubby, winged torpedo but flies like an underwater bird. Compared with the hard-to-maneuver submersibles that now haul deep-sea explorers sluggishly around the oceans, *Deep Flight* is an aquatic F–16 fighter. It can perform barrel rolls, race a fast-moving pod of whales or leap vertically right out of the sea. With a touch on the controls, a skilled pilot—who lies prone in a body harness, his or her head protruding into the craft's hemispherical glass nose—can skim just below the ocean's surface or plunge thousands of feet below.

But *Deep Flight I* is just a pale prototype of what's to come. Back in their Point Richmond, California, workshop, the craft's designers have already drawn blueprints for its successor. *Deep Flight II*, an industrial strength submersible capable of diving not just a few thousand feet but as far as seven miles straight down, to the Mariana Trench—the aquatic equivalent of Mount Everest or the South Pole or the moon.

More than 35 years after the bathyscaphe *Trieste* took two men, for the first and last time, 35,800 ft. down to the deepest spot in the world—the Mariana Trench's Challenger Deep just off Guam in the western Pacific—undersea adventurers are preparing to go back. Last March a Japanese robot scouted a tiny section of the bottom of the 1.584-mile-long crevasse and sent back the first real-time video images of deepest-sea life. And in laboratories around the world, engineers are hard at work on an armada of sophisticated craft designed to explore—and in some cases exploit—the one great unconquered place on earth: the bottom of the sea.

The irony of 20th century scientists venturing out to explore waters that have been navigated for thousands of years is not lost on oceanographers. More than 100 expeditions have reached Everest, the 29,028-ft. pinnacle of the Himalayas; manned voyages to space have become commonplace; and robot probes have ventured to the outer reaches of the solar system. But only now are the deepest parts of the ocean coming within reach. "I think there's a perception that we have already explored the sea," says marine biologist Sylvia Earle, a former chief scientist at the National Oceanographic and Atmospheric Administration and a co-founder of Deep Ocean Engineering, the San Leandro, California, company where construction of *Deep Flight I* began: "The reality is we know more about Mars than we know about the oceans."

That goes not only for the sea's utter-most depths but also for the still mysterious middle waters three or four miles down, and even for the "shallows" a few hundred feet deep. For while the push to reach the very bottom of the sea has fired the imagination of some of the world's most daring explorers, it is just the most visible part of a broad international effort to probe the oceans' depths. It's a high-sea adventure fraught with danger, and—because of the expense—with controversy as well.

But the rewards could be enormous: oil and mineral wealth to rival Alaska's North Slope and California's Gold Rush; scientific discoveries that could change our view of how the planet—and the life-forms on it—evolved; natural substances that could yield new medicines and whole new classes of industrial chemicals. Beyond those practical benefits there is the intangible but real satisfaction that comes from exploring earth's last great frontier.

There's a lot to explore. Oceans cover nearly three-quarters of the planet's surface—336 million cu. mi. of water that reaches an average depth of 2.3 miles. The sea's intricate food webs support more life by weight and a greater diversity of animals than any other ecosystem, from sulfur-eating bacteria clustered around deep-sea vents to fish that light up like Times Square billboards to lure their prey. Somewhere below there even lurks the last certified sea monster left from pre-scientific times: the 64-ft.-long squid.

The sea's economic potential is equally enormous. Majestically swirling ocean currents influence much of the world's weather patterns, figuring out how they operate could save trillions of dollars in weather-related disasters. The oceans also have vast reserves of commercially valuable minerals, including nickel, iron, manganese, copper and cobalt. Pharmaceutical and biotechnology companies are already analyzing deep-sea bacteria, fish and marine plants looking for substances that they might someday turn into miracle drugs. Says Bruce Robison of the Monterey Bay Aquarium Research Institute (MBARI) in California: "I can guarantee you that the discoveries beneficial to mankind will far outweigh those of the space program over the next couple of decades. If we can get to the abyss regularly, there will be immediate payoffs."

Getting there, though, will force explorers to cope with an environment just as perilous as outer space. Unaided, humans can't dive much more than 10 ft. down—less than one three-thousandth of the way to the very bottom—before increasing pressure starts to build up painfully on the inner ear, sinuses and lungs. Frigid sub-surface water rapidly sucks away body heat. And even the most leathery of lungs can't hold a breath for more than two or three minutes.

For these reasons the modern age of deep-sea exploration had to wait for two key technological developments: engineer Otis Barton's 1930 invention of the bathysphere—essentially a deep-diving tethered steel ball—and the invention of scuba (short for "self-contained underwater breathing apparatus") by Jacques—Yves Cousteau and Emile Gagnan in 1943. Swimmers had been trying to figure out how to get oxygen underwater for thousands of years. Sponge divers in ancient Greece breathed from air-filled kettles; bulky-helmeted diving suits linked by hose to the surface first appeared in the 1800s. But it wasn't until scuba came along that humans, breathing compressed air, were able to move about freely underwater at depths of more than 100 ft.

Even the most experienced scuba divers rarely venture below 150 ft., however, owing to increasingly crushing pressure and the laborious decompression process required to purge the blood of nitrogen (which can form bubbles as a diver returns to the surface and case the excruciating and sometimes fatal condition known as the bends). And pressurized diving suits make it possible for humans to descend only to 1,400 ft.—far short of the deepest reaches of the oceans.

Underwater vehicles date back at least to 1620. But it wasn't until Barton's bathysphere came along that scientists could descend to any respectable depth. The *Bathysphere* eventaully took Barton and zoologist William Beebe to a record 3,028 ft. off Bermuda. But it wasn't at all maneuverable: it could only go straight down and straight back up again. Swiss engineer Auguste Piccard solved the mobility problem with the first true submersible, a dirigible-like vessel called a bathyscaphe, which consisted of a spherical watertight cabin suspended below a buoyant gasoline-filled pontoon. (A submersible is simply a small, mobile undersea vessel used for science.)

The *Trieste*, which took U.S. Navy Lieut. Don Walsh and Piccard's son Jacques into the Challenger Deep, was only the third bathyscaphe ever built, and unlike modern submersibles—which bristle with advanced underwater cameras, grabbers, collection baskets and manipulator arms—it carried nothing but its passengers. Its mission was to test whether humans could reach the abyss, the first step toward developing a fleet of manned submersibles. "At the time, people were still flying across the atlantic in prop planes," recalls Walsh, now a consultant on underwater technology. "criticizing the Trieste mission for not carrying cameras and other instruments is like chastising the Wright brothers for not carrying passengers."

In the wake of *Trieste*'s successful dive, the number of submersibles expanded dramatically. The Woods Hole oceanographic Institution's workhorse, the three-person *Alvin* (still in operation), was launched in 1964. And the first robots-on-a-tether—the so-called remotely operated vehicles, or ROVS—were developed several years later. The Soviet Union, France and Japan began building their own submersibles, either for military or scientific reasons, and for the first time scientists could systematically collect animals, plants, rocks and water samples rather than study whatever they could dredge up in collection baskets lowered from the surface.

Thus began a remarkable period of undersea discovery that transformed biology, geology and oceanography. Scientists have started to understand, for example, how year-to-year changes in wind patterns and ocean currents that lead to phenomena like the Pacific's El Niño can not only devastate populations of commercially valuable fish but also trigger dramatic shifts in weather patterns. Oceanic fluctuations over much longer time scales, combined with major currents like the Gulf Stream, may start (and bring to an end) planet-wide climatic changes like the Ice Ages.

Scientists have also learned that far from being a flat, featureless plain, the sea floor is rent and wrinkled with a topography that puts dry land to shame. Not only do the seas hold canyons deep enough to hide the Himalayas, but they are also the setting for what is by far the largest geologic feature on the planet: a single, globe-circling 31,000-mile-long mountain range that snakes its way continuously through the Atlantic, Pacific, Indian and Arctic oceans.

When geologists first visited the mid-ocean range in the late 1970s, they were convinced that it supported the then new theory of plate tectonics. According to this theory, the surface of the earth is not a single, rocky shell but a series of hard "plates." perhaps 50 miles thick and up to thousands of miles across, floating on a bed of partly molten rock. The mid-ocean ridges, geologists argued, were likely locations for planetary crust to be created: the new plate material would be pushed upward by forces from below before it settled back down to form the sea floor.

Rock samples from the Atlantic section of the range—which, when examined closely, proved to be newly formed—provided striking evidence that the theory is correct. But an even more dramatic confirmation came from the Pacific, where black clouds of superheated, mineral-rich water were discovered spewing from chimney-like mounds on the sea bottom—evidence that the rocks below still carried tremendous heat from their relatively recent formation.

These hot gushers, now known as hydrothermal vents, have since been found in many parts of the world, and because they occur at average depths of about 7,300 ft., oceanographers have been able to visit and study a dozen of them. The vents are essentially underwater geysers that work much the same way Old Faithful does. Seawater percolates down through cracks in the crust, getting progressively hotter. It doesn't boil, despite temperatures reaching up 750°F, because it is under terrific pressure. Finally, the hot water gushes back up in murky clouds that cool rapidly, dumping dissolved minerals, including zinc, copper, iron, sulfur compounds and silica, onto the ocean floor. The material hardens into chimneys, known as "black smokers" (one, nicknamed Godzilla, towers 148 ft. above the bottom).

The chemistry of the vents has provided answers to questions that have perplexed scientists for years. For example, marine geochemists could never understand why the amount of magnesium in seawater remained relatively constant, even though the element is continually eroding into the oceans from dry land. Now they know that magnesium is completely stripped from seawater as it passes through the hot rock—something all the water in the oceans will do every 10 million years.

While academics think of the vents as fascinating natural chemistry labs, capitalists view them as mini-refineries, bringing valuable metals up from the planet's interior and concentrating them in convenient locations. Oceanographers have long known that parts of the Pacific sea floor at depths between 14,000 ft. and 17,000 ft. are carpeted with so-called manganese nodules, potato-size chunks of manganese mixed with iron, nickel, cobalt and other useful metals. In the 1970s, Howard Hughes used the search for nodules as a cover for building the ship *Glomar Explorer*, which was used to salvage a sunken Soviet sub. Now several mining companies are drawing up plans to do with more up-to-date equipment what Hughes only pretended to do.

If the discovery of the vents was a major surprise, scientists were astronished to learn that at least some of these submerged geysers—whose hot, sulfurous environs bear more than a passing resemblance to hell—are actually bursting with life. Nobody had invited biologists along to study the vents because nobody imagined there would be anything to interest them. But on a dive off the Galapagos in 1977, researchers found the water around a vent teeming with bacteria and surrounded for dozens of feet in all directions with peculiar, 8-in.-long tube-shaped worms, clams the size of dinner plates, mussels and at least one specimen of a strange pink-skinned, blue-eyed fish.

Recalls biologist Holger Jannasch, at Woods Hole in Massachusetts: "I got a call through the radio operator at Woods Hole from the chief scientist . . . who said he had discovered big clams and tube worms, and I simply didn't believe it. He was a geologist, after all." Disbelief was quickly replaced by intense curiosity. What were these animals feeding on in the absence of any detectable food supply? How were they surviving without light? The answer, surprisingly, had been found by a Russian scientist more than 100 years earlier. He had shown that an underwater bacterium, *Beggiatoa*, lived on hydrogen sulfide, a substance that is highly toxic to most forms of life. The bacterium was chemosynthetic—as opposed to photosynthetic—getting its energy from chemicals rather than from the sun.

The bacteria around the vents, in turn, were living inside the mollusks and worms, breaking down other chemicals into usable food—an ecological niche nobody had suspected they could fill. Many biologists now believe that the very first organisms on earth were chemosynthetic as well, suggesting that the vents may well be the best laboratory available for studying how life on the planet actually began.

Do scientists expect even more surprises as they venture farther below the surface? The question is a crucial one, as both scientists and policymakers debate the finances of deep-sea exploration. Most everyone acknowledges that there is some value in studying the oceans. It's expensive, though, and because of generally tight budgets, even the few existing manned submersibles (which in any case are rated only for depths above 20,000 ft.) often have to sit idle. Building more strikes some as a waste of money.

That includes some scientists. Although he has never been to the very deepest trenches, ocean explorer Robert Ballard of Woods Hole, who is best known for discovering the wreck of the *Titanic* in 1985, is convinced that the action lies in the relative shallows. "I believe that the deep sea has very little to offer," he says. "I've been there. I've spent a career there. I don't see the future there." The French have decided not even to bother trying to break the 20.000-ft. barrier- the range of their deepest-diving submersible, the three-person *Nautile*. Says Jean Jarry, director of the Toulon-sur-Mer research center of IFREMER, France's national oceanographic institute: "We think that's a good depth because it covers 97% of the ocean. To go beyond that is not very interesting and is very expensive.

But that attitude is far from universal. Biologist Greg Stone, of the New England Aquarium in Boston, compares reaching the deepest abyss with Christopher Columbus' search for the New World. "Why should we care about the deepest 3% of the oceans, and why do we need to reach it?" he asks rhetorically. "For one, we won't know what it holds until we've been there. There will certainly be new creatures. We'll be able to learn where gases from the atmosphere go in the ocean. We'll be able to get closest to where the geological action is. We know very little about the details of these processes. And once we're there, I'm sure studies will open up whole sets of new questions."

Only the richest countries can afford to explore these questions, of course, and while most expeditions are made up of scientists from many lands, the world's deep-sea powers—the U.S., France, Japan and, until economic troubles all but ended its program, Russia—are always aware of who's ahead in the quest for the bottom. At the moment, it's probably Japan, not least because of the triumphant touchdown in the Challenge Deep last March of its 10.5-ton, $41.5 million ROV called Kaiko. The Japanese got into ocean research well after the French, Americans and Russians. But the country has made up for lost time. Says Brian Taylor, a marine geologist at the University of Hawaii and a sometime visiting scientist at the Japan Marine Science and Technology Center (JAMSTEC): "The Japanese are on the leading edge."

The Japanese, to be sure, are always interested in a new market opportunities. But they have a more compelling need to understand the ocean floor: the southern part of the island nation has the bad luck to sit on the meeting place of three tectonic plates. As these plates grind against each other, they generate about one-tenth of the world's annual allotment of earthquakes, including plenty of lethal quakes like the one that killed 5,500 people in Kobe in January and the famous 1923 Tokyo temblor in which more than 142.000 perished.

The desperate need to anticipate future quakes is one reason JAMSTEC built the *Shinkai 6500* submersible, which can go deeper than any other piloted craft in the world. On its very first series of missions in 1991, *Shinkai* found unsuspected deep fissures on the edge of the Pacific plate, which presses in on the island nation from the east. The vessel has also discovered the world's deepest known colony of clams (at a depth of more than 20,000 ft.) and a series of thickly populated hydrothermal vents.

Unlike the French and some Americans, though, the Japanese feel a need to go all the way to the deepest reaches of the ocean. A case in point was *Kaiko* dive to the bottom of the Challenger Deep. JAMSTEC engineers watched anxiously on a video screen, the robotic craft spent 35 min. at a depth of 35,798 ft.—2 ft. shy of *Trieste*'s 1960 record. But during that brief visit, *Kaiko* saw a sea slug, a worm and a shrimp, proof that even the most inhospitable place on earth is home to a variety of creatures. Next winter *Kaiko* will return to the deep to look for more signs of life.

Japan's latest success adds fuel to yet another debate about deep-sea exploration. Some scientists insist that remote-controlled, robotic craft are no substitute for having humans on the scene. Says BARI's Robison: "Whether you're a geologist or a biologist, being able to see with your own eyes is vital. That's a squiffy-sounding rationalization, but it's true." There are other advantages too, he notes. "The human eyes are connected to the best portable computer there is [the brain]. And when things go wrong, a person can often fix them faster, more easily and more efficiently than a robot can. Look at the Hubble Space Telescope repair mission."

But others argue that robots—whether tethered, like *Kaiko* or untethered, like the new generation of autonomous underwater vehicles known as AUVS—can do the job just as well. Not only are they much cheaper to build and run than human-operated submersibles, but they can also work for long periods under the most hazardous of conditions. Moreover, remotely operated vehicles such as *Kaiko* put scientists on the scene, at least in a virtual sense, through video images piped in real time through the fiber-optic cable. Researchers can gather around a monitor and discuss what they are seeing without distractions. "You're focused," says Ballard. "You're not thinking, 'Is there enough oxygen in here? I've got a headache. I just hit my head. I've got to go to the bathroom.'"

The cheapest way to explore the ocean floor, however, may be with the free-floating AUVS, which can roam the depths without human intervention for months on end. Although they cannot yet provide real-time pictures, they can stay on the bottom as long as a year, patiently accumulating data. Two American AUVS—a government- and university-funded craft called *Odyssey* and Woods Hole's Autonomous Benthic Explorer—have just completed tests off the coast of Washington and Oregon. Eventually, fleets of these robots could communicate among themselves to provide information in the most efficient way, periodically surfacing to beam their data to researchers on shore.

Most scientists think the ideal solution would be to use a mix of all three types of vehicles. There is no shortage of designs—but many may never be built. Even Japan's JAMSTEC, whose constantly growing research budget is reasonably secure for now, has its limitations. In the event of a severe economic slump, says Takeo Tanaka, a planning official for the agency, "we may not be able to get funding for new deep-sea probes." France has no plans to build more manned submersibles—and in fact may ask support from other European Union countries to help subsidize its own program, turning a national effort into a consortium much like the European Space Agency.

And in the U.S., once the leader in deep-sea research, the future looks bleak. The Federal Government is giving less and less money to civilian scientists, while the military considers mines in shallow waters a much greater threat than Russian submarines. Laments *Trieste* veteran Walsh: "If I had seen a Russian footprint instead of a fish on the bottom, the program might have gotten more support."

Even without further budget cuts, oceanographers are being forced to look for private funding to bolster their programs. A fifth of France's present oceanography budget comes from renting out the country's expertise. The *Nautile*, for example, was hired to retrieve artifacts from the *Titanic* in 1987, and last year the Rodederer Champagne company paid IFREMER for an ultimately unsuccessful attempt to find the sunken airplane of French author and aviator Antoine de Saint-Exupéry.

In the U.S., the most innovative new designs in underwater craft are coming from such private companies as Deep Ocean Engineering. Founded by Marine biologist Earle and British engineer Graham Hawkes in 1981 (they married in 1986 but have since divorced), the firm designs and builds undersea-exploration vehicles on commission, mostly for the oil and gas industry, various navies, universities and even film crews. The two *Deep Flight I* vehicles, which Hawkes began with the company but completed independently, were financed by several film and television firms and Scientific Search Project, a marine-archaeology company.

Paradoxically, forcing submersible design into the competitive marketplace may prove to be a boon to underwater research. A new version of *Shinkai 6500* would cost perhaps $100 million and require a new surface ship as well. Says Hawkes, who designed *Deep Flight* and will put it through its initial paces: "That's so expensive that they'll only build one, which means it could only be in one place at a time. *Deep Flight*, he says, could cut through this impasse. "If we're successful, it will show that we can access the bottom of the ocean in vehicles costing $5 million. They're so small and light, you can send them anywhere."

Hawkes' eventual goal is to give away the plans for *Deep Flight I* free to anyone who wants them. When *Deep Flight II* is finished, he hopes, trips to the deepest abyss could become almost routine. Today, the larger craft is still looking for a patron, but Hawkes is undaunted. "We'll get the funding," he says confidently. "After all, one *Deep Flight* costs less than what you need for an America's Cup campaign—and the payoff is 10 times as rewarding."

He is probably right. Despite the budget cuts, despite the inhospitable environment, despite the pressing danger, there is little doubt that humans, one way or the other, are headed back to the bottom of the sea. The rewards of exploring the coldest, darkest waters—scientific, economic and psychological—are just too great to pass up. Ultimately, people will go to the abyss for the same reason Sir Edmund Hillary climbed Everest; because it's there.

Mr. LOTT. Mr. President, today I am joining Senator AKAKA in introducing legislation which will continue a valuable marine minerals research program started less than a decade ago. With a relatively small input of Federal seed money, this unique program directs an aggressive and successful applied research effort at two universities. Already, it has delivered concrete accomplishments, as well as produced a cadre of enthusiastic and talented students, who are now trained with practical hands-on experience.

To date, achievements include low-cost, highly effective geophysical, geochemical, and geotechnical systems to survey America's Exclusive Economic Zone. These systems can remotely determine physical and chemical properties on and beneath the sea floor. This information is used by universities, offshore industries, and the government.

I want to mention just three ongoing research projects to illustrate how this academic approach is actually developing new technologies to meet our future economic needs:

First, an acoustical filter system to control dredging turbidity and to process industrial waste;

Second, a geophysical system to identify mineral deposits—even unexploded ordnance or sand for coastline stabilization; and

Third, a geochemical system to use sea floor chemistry for locating important minerals and assessing sediment pollutants.

It goes without saying that these efforts are of great value environmentally, economically, and strategically. Let me translate these efforts into a tangible example—beach replenishment. By making it more cost effective through a system which locates the right type of sand, the Government can fix more coastal communities with less financial resources, thus protecting this delicate environment that millions of Americans enjoy.

Another example is the Navy's ability to find unexploded ordnance in offshore ranges so the ordnance can be removed and the ranges decommissioned, thus making our coastal waters safer. These examples clearly make the point that this unique university-based approach should be continued.

These systems will enable America to access and harvest its vast mineral resources which are hidden at the bottom of the ocean.

These systems will offer solutions for major environmental problems, and not just those associated with the oceans.

These systems, at the same time they expand the technological envelope, will provide new jobs and new prosperity—all within a framework of environmental stewardship and responsibility.

I ask my colleagues to examine the merits of this research and support this exceptional cooperative program which involves universities dealing with applied problems in both marine resources and marine environments.

By Mr. DOMENICI:

S. 1195. A bill to provide for the transfer of certain Department of the Interior land located in Grant County, NM, to St. Vincent DePaul Parish in Silver City, NM, and for other purposes; to the Committee on Energy and Natural Resources.

THE FATHER AULL SITE TRANSFER ACT OF 1995

Mr. DOMENICI. Mr. President, I introduce the Father Aull Site Transfer Act of 1995, which will transfer a parcel of land from the Bureau of Land Management [BLM] to the St. Vincent DePaul Parish in Silver City, NM. This transfer is necessary to allow the parish to rehabilitate the historic structures at the site, and to provide for their future use and protection from destructive vandalism that is currently occurring.

Mr. President, Father Roger Aull was a German Jesuit priest, probably born about 1895. He served as a Catholic chaplain during the First World War, but due to ill health, he moved to the Southwest to take advantage of the dry climate. He first settled in San Lorenzo, near Silver City, where he built a beautiful stone house and chapel, before being asked to leave the property which did not belong to him. The structures at San Lorenzo are now listed on the New Mexico Register of Historic Sites.

After leaving San Lorenzo, he settled on a parcel of land near Central, believing that he had received clear title to the tract. Again he set out to establish a local parish, and built another beautiful monastery out of stone collected from the nearby hillsides. This monastery included a house for machines he invented for treating lung problems, the Halox Therapeutic Generator, along with a beautiful chapel, barns for the animals, and many exquisite grottos and gardens. Unfortunately, it was later discovered that this site was actually on public domain land, and Father Aull's assumption of clear title was again incorrect. The site has become historically significant to the Silver City community, and I ask unanimous consent to include in the RECORD, an article by local historian, Audrey H. Hartshorne, describing in greater detail the history of this man and his contributions to the Silver City area.

In March, 1993, the U.S. Forest Service Office in Silver City contacted Membres Resource Area personnel to report a trespass on BLM land. Apparently, a local man had moved his double-wide mobile home and installed improvements on public land adjacent to the Father Aull monastery. Because this is an isolated tract of the three million acres managed by the Membres Resource Area, no one in the Resource Area was aware of the monastery's existence until the trespass was investigated. The trespass case and the site drew national attention when the man refused to remove his mobile home from public land.

Vandalism, which has been a problem at the site for some time, has increased dramatically over the last few years. The beautiful structure is now being vandalized almost daily. A fire, set by vandals, destroyed the wooden roof, and the rock walls are being dismantled and the rocks carried away. The site has become a party place for local teens and cult worshipers, and new graffiti appears on the structures almost daily. Recently, a suicide was committed on the property. The local sheriff's department has informed the BLM that the calls to respond to disturbances at the site are becoming too frequent, and has asked for the BLM's assistance in this matter.

Unfortunately, there are several circumstances that limit the Bureau's ability to remedy the situation. A locked gate cannot be placed on the road leading into the property because the road is used by an elderly couple in ill health access their private property. Additionally, the site is some 50 miles from the nearest BLM office in Deming, and due to its isolation from other resources managed through this office, cannot receive the needed attention to prevent further problems at the site.

Mr. President, the bill I am introducing today will provide for a solution to this problem, and has been suggested to me by local BLM officials. A local church, the St. Vincent DePaul Parish in Silver City, has also raised concerns with the BLM, but in addition, have offered to provide a solution to the problems occurring at the site. This local church has offered to buy the property, but due to a limited budget, this would not allow them to begin restoring the buildings on the site for some time.

If, however, the property could be obtained by the church without a substantial expenditure, they would be able to begin to restore the buildings almost immediately. Under the proposal that the parish has presented, the area would be cleaned up, the chapel and other structures restored and used as a spiritual retreat and health center. The facilities would not be intended for providing for the homeless; however, no one would be turned away. It would not be a residence for the users, and no medical treatments would be conducted on the site, but would provide people suffering from various debilitating maladies a quiet retreat for reflection and renewal. Finally, the church would provide for a caretaker to live on-site, and it would work with the State Historical Society to restore the structures.

I believe this to be the best way to protect and use this small isolated tract of BLM land. The parish has the resources and people necessary to restore the site and protect the property from further destruction. The community would be involved in the protection of the site that has become so important to many local residents, but that is currently at great risk of continued vandalism.

Mr. President, I ask that the text of the bill be printed in the RECORD, and I urge my colleagues to support this legislation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1195

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Father Aull Site Transfer Act of 1995".

SEC. 2. FINDINGS.

Congress finds that—

(1) the buildings and grounds developed by Father Roger Aull located on public domain land near Silver City, New Mexico, are historically significant to the citizens of the community;

(2) vandalism at the site has become increasingly destructive and frequent in recent years;

(3) because of the isolated location and the distance from other significant resources and agency facilities, the Bureau of Land Management has been unable to devote sufficient resources to restore and protect the site from further damage; and

(4) St. Vincent DePaul Parish in Silver City, New Mexico, has indicated an interest in, and developed a sound proposal for the restoration of, the site, such that the site could be permanently occupied and used by the community.

SEC. 3. CONVEYANCE OF PROPERTY.

As soon as practicable after the date of enactment of this Act, and subject to valid existing rights, the Secretary of the Interior shall convey by patent to St. Vincent DePaul Parish in Silver City, New Mexico, without consideration, all right, title, and interest of the United States in and to the land (including improvements on the land) consisting of approximately 43.06 acres, located approximately 10 miles east of Silver City, New Mexico, and described as follows: T. 17 S., R. 12 W., Section 30: Lot 13, and Section 31: Lot 27 (as generally depicted on the map dated July 1995).

SEC. 4. RELEASES.

(a) IN GENERAL.—Upon the conveyance of any land or interest in land identified in section 3 to St. Vincent DePaul Parish, St. Vincent DePaul Parish shall assume any liability for any claim relating to the land or interest in the land arising after the date of the conveyance.

(b) NEPA.—The conveyance described in section 3—

(1) is deemed to have no significant impact on the environment; and

(2) shall not be subject to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

SEC. 5. MAP.

The map referred to in this Act shall be on file and available for public inspection in—

(1) the State of New Mexico Office of the Bureau of Land Management, Santa Fe, New Mexico; and

(2) the Las Cruces District Office of the Bureau of Land Management, Las Cruces, New Mexico.

FATHER ROGER AULL—SAINT, SINNER, OR SCIENTIST?

(By Audrey H. Hartshorne)

IN THE BEGINNING

There was a German Jesuit Priest, named Roger Aull. (Probably born about 1895.) He had received a good education for those days. He had college courses in medicine, chemistry, iridology, and dietetics. He had lectured at Notre Dame and St. Josephs. He served as a Catholic Chaplain in World War One. While in France he was gassed, which caused him to have abcessed lungs.

After the war he came to New York, trying to get doctors to help him with his respiratory problems. He was told he was a dying man and the best they could suggest was that he go to the Southwest where the climate would, at least, give him some relief during his final days.

He gave away or sold all of his belongings and headed, hobo style, for the southwest. He ended up in San Lorenzo in the 1930's. He had been a large man and was strong enough to work in spite of his breathing problems. He was skilled in trades such as masonry and carpentry. While in the San Lorenzo area he was befriended by a Mexican family named Morales. He built himself a beautiful stone house and a chapel. Some say it was on the property owned by Morales, others say it was actually owned by a Mr. Charles Giraud. He soon added to it with a place for chickens and a pig.

Among the people who helped him haul stones for these buildings were Joe and Francisco Dominguez. They say he was fussy about the stone. He always said they had to be from one certain area, and be a certain size, and be flat on two sides with an oval shape.

ON THE MIMBRES

In 1935 he met a mining engineer named Alex Raymond Morrison, who operated a gold and silver mine some distance to the north. Mr. Morrison for many years had been curious as to why his mining men never suffered from the common cold or other respiratory infections. He felt that the salts prevalent in his mine, which gave off a very peculiar smelling gas, were probably responsible. He finally decided, according to Mr. Caporaso in his book about Father Aull, "that static electricity in the ground separated or dissolved the components formed by the union of the salt concentrates and the mineral-laden water, automatically generating this gas." He dreamt of generating it for medicinal purposes.

Morrison invited Father Aull to visit the mine. The more often he visited, the better

Roger's abcessed lungs became. In return Father Aull said Mass for the miners every morning and even helped carry out ore.

During this period (late 1930's) Father Aull visited his mother in Illinois and an acquaintance there showed him a gas generator which the friend was working on to be used for therapeutic inhalation. When Aull returned to Grant County, he and Mr. Morrison began working on and improving the generator and combining it with their theory about how the chlorine gas was formed in the mine. They tested the resulting machine on animals. (Some say it was on dogs with colds, others say the dogs actually had distemper and it cured them.) Then, although Roger's lungs were almost cured, he tested it on himself. It seemed very successful. They christened the machine the "Halox Therapeutic Generator". People began coming for treatments. No charge was made, but donations were accepted.

In 1940 Mr. Morrison passed away. At about the same time, the owner of the land he had built on (Morales, or Giraud?) said they objected to all the traffic (and maybe secretly coveted Aull's neat little farm) and ordered him off the land (some say at gun point). Since the land had never actually been transferred into Aull's name, he had no choice but to pack up his machine and his Bible and head off, hobo style, once again.

ON A HILLSIDE IN CENTRAL

Friends came to his rescue. Albert Garrett (also a mining engineer) and his wife Lennie transferred to him official title to a portion of what they thought was their land in Central, New Mexico. This time title to the land was secured in his name, at the Silver City Courthouse.

Roger once again began building, stone-upon-stone to create a beautiful sanctuary for everyone who came to try his machine. He had a large room to house the machines for the treatments, a beautiful church, barns for the animals he loved so much, and many beautiful grottos and gardens, as well as some of the most beautiful scenery anyone could ask for. He still only accepted donations, but if you didn't have any money to donate, you could help with the building to pay your way. He never turned anyone away.

In 1940, a professional golfer named Anthony Caporaso, who had been sent to the southwest with an incurable lung problem came to try the cure. It worked! He became an avid backer of the program. He stayed on and worked on the rock walls and gardens to pay for his cure. In later years he wrote a book about Father Aull.

During this period, with many people coming for the cure, a woman who also had severe arthritis came and was cured of both her breathing problem and the arthritis. Word spread, and suddenly hundreds of people were searching him out to be cured. A company was formed to manufacture the Halox and Father Aull opened clinics in Carlsbad, Del Rio, El Paso, Denver, San Francisco and Tombstone, Arizona. Many doctors began using or recommending his Halox Generator, However, the A.M.A. never would accept it and endorse it. (They refused either because it was dangerous to mess with Chlorine gas or because they didn't stand to make any profit from it . . . . take your choice.)

IN TOMBSTONE

On August 4, 1948 while on a trip to his Clinic in Tombstone, Father Roger Aull suffered a heart attack and died. Most of the clinics closed and the group that had helped with the manufacture of his machines just folded up. Subsequently, Bob Stepp, a trader in Silver City, bought up many of the machines. One machine has been donated to the Silver City Museum.

People who came and were cured, called him a Saint. Some of this was possibly due to his skill in iridology. They were more impressed by his skill of looking into their eyes and telling them what their troubles were, than they were with the machine.

The IRS discovered $25,000 in his estate after his death. They called him a Sinner and confiscated the money.

Since many of the people who came were legitimately cured, perhaps he was a Scientist.

ITS NOT OVER 'TIL ITS OVER

When Reverend Roger Aull died, so did people's faith in the Halox Therapeutic Generator. The Clinics closed. (The Tombstone Clinic stayed open for a while under the direction of a Doctor Paul Zinn.) So strong had been the belief that the Reverend Aull had been personally responsible for the seemingly miraculous cures, that the machines never seemed as effective with him gone.

The Garretts took care of settling most of the property and the business. A Mr. Mrachek had been building the machines in his shop in Central and began to try to get rid of them. Some of the equipment seems to have ended up at the old T and M Dairy in Hanover. Many of the items from the Chapel were given to or taken by some of the local Catholic Churches.

After the Garretts passed away, an investigation of the property deeds revealed that the land Aull built on had actually been BLM property. The Three Brothers Mining Company did patent a claim on it, but this does not give them the surface rights to the buildings. For years the buildings had just sat there deteriorating, hurried along by intermittent vandalism. The roof of the medical room was burned, one wall was torn down to steal the rocks on it, and, in general garbage, etc. has been strewn around. A Mr. Wilguess moved a trailor home on the property and has tried to clean it up and to protect it, but the BLM says that is illegal and he had had to move off.

There seems to have been a renaissance of interest in Father Aull and his beautiful rock buildings and grottos. Perhaps the BLM will be able to restore, and protect the beautiful site. Who knows what another fifty years might bring.

By Mr. CRAIG:

S. 1196. A bill to transfer certain National Forest System lands adjacent to the townsite of Cuprum, ID; to the Committee on Energy and Natural Resources

THE CUPRUM TOWNSITE RELIEF ACT

• Mr. CRAIG. Mr. President, I introduce the Cuprum Townsite Relief Act of 1995.

In 1909, President William Taft accepted payment and granted a tract of land contained within the townsite of Cuprum, ID, to the occupants. Cuprum was a mining community and remains a community to this day. The quarter corner locating the community was established in 1891. A private survey of the town was done in 1899 for the purpose of providing a basis for a townsite patent. A townsite patent was issued in 1909 that was based on the private survey. A recent Federal survey of the area has discovered inconsistencies between the description contained in the patent and the updated survey. This has called into question the boundaries of several lots within the townsite that now are surveyed as extending into the National Forest System lands adjacent to the townsite.

This legislation will resolve the problem brought on by the incorrect description of the original boundaries granting the land. This legislation will allow the correction of the boundary of the Cuprum Townsite and place the boundary at the location that has been relied upon since the turn of the century. The citizens of Cuprum deserve to have this error corrected by speedy action of the Congress.•

By Mr. MACK (for himself, Mr. FRIST, Mr. D'AMATO, Mr. SHELBY, Mr. ABRAHAM, Mr. SANTORUM, Mr. DEWINE, and Mr. FAIRCLOTH):

S. 1197. A bill to amend the Federal Food, Drug, and Cosmetic Act to facilitate the dissemination to physicians of scientific information about prescription drug therapies and devices, and for other purposes; to the Committee on Labor and Human Resources.

HEALTH CARE COMMUNITY LEGISLATION

• Mr. MACK. Mr. President, today, I am introducing legislation to ensure that physicians and their patients have the best and most current information at their disposal when making medical treatment decisions. I am pleased Senator FRIST has agreed to join me in this effort. His firsthand experience as a distinguished surgeon has been invaluable as we worked to craft this legislation. Also joining us as cosponsors are Senators D'AMATO, SHELBY, ABRAHAM, SANTORUM, DEWINE, and FAIRCLOTH.

When the U.S. Food and Drug Administration [FDA] approves a new prescription drug or medical device, it does so for specified uses. Frequently, however, scientist discover the drug or device is also beneficial in treating other medical conditions. Physicians are free to prescribe prescription drugs and use medical devices for these new, off-label, uses.

However, since 1991, the FDA has prohibited the industry from distributing scientific articles about these important new uses. I have been told that as many as 40 percent of all prescriptions are for an off-label use. Accordingly, one has to question the wisdom of withholding such vital information about new uses.

Our legislation would permit the dissemination of certain information about off-label uses of FDA-approved prescription drugs and medical devices to physicians. It is important to emphasize that our legislation applies only to the dissemination of peer-reviewed articles from medical and scientific journals, textbooks, and similar publications. In so doing, it ensures the objectivity of the information. Furthermore, it would permit the distribution of information which is the subject of a scientific or educational program which is approved by an independent continuing medical education accrediting entity. Finally, the legislation would include peer-reviewed data on a pharmaceutical or device which is recognized under Federal law for purposes of third party coverage or reimbursement, such as Medicare.

Several other safeguards are built in to the legislation. First, our bill requires disclosure that the information being disseminated has not been approved by the Secretary of Health and Human Services, and also that the information is being disseminated at the expense of the drug's sponsor. Second, it requires disclosure of my financial arrangement between the authors of the data and the manufacturer of the subject drug or device.

The FDA's gag rule on the distribution of information about new uses of prescription drugs and medical devices inhibits the ability of a physician and his or her patient to make informed decisions about the patient's course of treatment. No physician, no matter how dedicated he or she might be, can possibly read every scientific journal or attend every medical seminar. This bill will maximize the ability of physicians to gain insight about new uses of approved therapies to treat a patient's illnesses or improve their quality of life.

The American Medical Association, in a letter to the FDA on the subject, stated, "the dissemination of accurate and unbiased information about off-label uses of approved drugs and medical devices to practicing physicians is essential to the provision of high quality medical care."

The current policy prohibiting the exchange of scientific data is another example of the Federal Government taking medical decisions out of the hands of physicians and patients and putting them in the hands of Government bureaucrats. In addition, the policy may be a violation of the first amendment to the Constitution.

Mr. President, five members of my family and I have each battled cancer. All but my brother, Michael, survived thanks in part to advances in medical science. I know from personal experience how important it is for physicians to have the data and information they need to make informed choices about a patient's course of treatment. I would hate to think that something more could be done for people like Michael but for the Government's unwarranted limitation on what a physician may be told about new treatments. The Congress of the United States must act now to ensure that physicians have access to the most current medical literature.

We look forward to working with Senator KASSEBAUM and members of the Senate Committee on Labor and Human Resources to ensure swift passage of this commonsense FDA reform legislation. We encourage our Senate colleagues to join us in this effort.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1197

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress finds that—

(1) fostering and protecting the highest possible standards of health care for the American people require—

(A) creative scientific inquiry and information exchanges in the medical sciences and the industries that serve the American people;

(B) dissemination and debate of the results of such inquiry within the medical community; and

(C) rapid development, testing, marketing approval, and accessibility of state-of-the-art health care products, such as drugs, biologics, and medical devices;

(2) traditionally, free-flowing information exchanges between health professionals and the producers of health care products, with respect to potentially beneficial new uses of existing products, have been a means to achieve scientific advances and medical breakthroughs;

(3) such information exchanges have been protected by law, but erroneous interpretation, application, and enforcement of existing law have inhibited and even foreclosed such information exchanges in recent years; and

(4) it is imperative to the health of the American people to enact legislation to clarify the intent of Congress and the existing state of the law to stimulate and encourage such educational and scientific information exchanges among industry and health care practitioners.

SEC. 2. INFORMATION EXCHANGE AMENDMENTS.

Chapter III of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 311. DISSEMINATION OF TREATMENT INFORMATION ON DRUGS AND BIOLOGICAL PRODUCTS.

"(a) DISSEMINATION OF TREATMENT INFORMATION.—

"(1) IN GENERAL.—Notwithstanding sections 301(d), 502(f), 505, and 507 and section 351 of the Public Health Service Act (42 U.S.C. 262), and subject to the requirements of paragraph (2) and subsection (b), a person may disseminate to any person that is a health care practitioner or other provider of health care goods or services, a pharmacy benefit manager, a health maintenance organization or other managed health care organization, or a health care insurer or governmental agency, written information, or an oral or written summary of the written information, concerning—

"(A) a treatment use for an investigational new drug or an investigational biological product approved by the Secretary for such treatment use; or

"(B) a use (whether or not such use is contained in the official labeling) of a new drug (including any antibiotic drug) or a biological product for which an approval of an application filed under section 505(b), 505(j), or 507, or a product license issued under the Public Health Service Act, is in effect.

"(2) REQUIREMENTS.—A person may disseminate information under paragraph (1)(B) only if—

"(A) the information is an unabridged—

"(i) reprint or copy of a peer-reviewed article from a scientific or medical journal that is published by an organization that is independent of the pharmaceutical industry; or

"(ii) chapter, authored by an expert or experts in the disease to which the use relates, from a recognized reference textbook that is published by an organization that is independent of the pharmaceutical industry;

"(B) the text of the information has been approved by a continuing medical education accrediting agency that is independent of the pharmaceutical industry as part of a scientific or medical educational program approved by such agency;

"(C) the information relates to a use that is recognized under Federal law for purposes of third-party coverage or reimbursement, and—

"(i) the text of the information has been approved by an organization referred to in such Federal law; or

"(ii) the information is part of a disease management program or treatment guideline with respect to such use; or

"(D) the information is an accurate and truthful summary of the information described in subparagraph (A), (B), or (C).

"(b) DISCLOSURE STATEMENT.—In order to afford a full and fair evaluation of the information described in subsection (a), a person disseminating the information shall include a statement that discloses—

"(1) if applicable, that the use of a new drug or biological product described in subparagraph (A) or (B) of subsection (a)(1) and the information with respect to the use have not been approved by the Food and Drug Administration;

"(2) if applicable, that the information is being disseminated at the expense of the sponsor of the drug or biological product;

"(3) if applicable, that one or more authors of the information being disseminated are employees of or consultants to the sponsor of the drug or biological product; and

"(4) the official labeling for the drug and biological product, or in the case of a treatment use of an investigational drug or biological product, the investigator brochure and all updates thereof.

"(c) DEFINITION.—As used in this section, the term 'expense' includes financial, in-kind, and other contributions provided for the purpose of disseminating the information described in subsection (a).

"(d) SPECIAL RULE.—In the case of a professional disagreement between the Secretary and other qualified experts with respect to the application of section 502(a), the Secretary may not use section 502 to prohibit the dissemination of information in the types of circumstances and under the conditions set forth in subsections (a) and (b).

"SEC. 312. DISSEMINATION OF INFORMATION ON DEVICES.

"(a) DISSEMINATION OF INFORMATION.—Notwithstanding sections 301, 501(f), 501(i), 502(a), 502(f), and 502(o), or any other provision of law, and subject to subsections (b) and (c), a person may disseminate to any person that is a health care practitioner or other provider of health care goods or services, a pharmacy benefit manager, a health maintenance organization or other managed health care organization, or a health care insurer or governmental agency, written or oral information (including information exchanged at scientific and educational meetings, workshops, or demonstrations) relating to a use, whether or not the use is described in the official labeling, of a device produced by a manufacturer registered pursuant to section 510.

"(b) DISCLOSURE STATEMENTS AND REQUIREMENTS.—

"(1) DISCLOSURE STATEMENTS.—To the extent practicable, the requirement with respect to a statement of disclosure under subsection (b) of section 311 shall apply to the dissemination of written and oral information under this section, except that this paragraph shall not apply to the dissemination of written or oral information with respect to the intended use described in the labeling of a device.

"(2) ADDITIONAL REQUIREMENTS.—A person may disseminate information under subsection (a) only if—

"(A) the information is an unabridged—

"(i) reprint or copy of a peer-reviewed article from a scientific or medical journal that is published by an organization that is independent of the medical device industry; or

"(ii) chapter, authored by an expert or experts in the medical specialty to which the use relates, from a recognized reference textbook that is published by an organization that is independent of the medical device industry;

"(B) the information has been approved by a continuing medical education accrediting agency that is independent of the medical device industry as part of a scientific or medical educational program approved by such agency;

"(C) the information relates to a use that is recognized under Federal law for purposes of third-party reimbursement, and—

"(i) the text of the information has been approved by an organization referred to in such Federal law; or

"(ii) the information is part of a disease management program or treatment guideline with respect to such use; or

"(D) the oral or written information is—

"(i) part of an exchange of information solely among health care practitioners, health care reimbursement officials, and the industry;

"(ii) exchanged for educational or scientific purposes; and

"(iii) presented at continuing medical education programs, seminars, workshops, or demonstrations.

"(3) APPLICABILITY.—The requirements under subsection (a)(1)(A) and (B) of section 311 shall not apply with respect to devices.

"(c) INFORMATION DISSEMINATION NOT EVIDENCE OF INTENDED USE.—Notwithstanding section 502(a), 502(f), 502(o), or any other provision of law, the written or oral dissemination of information relating to a new use of a device, in accordance with this section, shall not be construed by the Secretary as evidence of a new intended use of the device that is different from the intended use of the device set forth on the official labeling of the device. Such dissemination shall not be considered by the Secretary as labeling, adulteration, or misbranding of the device.".

SEC. 3. PRESERVATION OF CURRENT POLICY.

Nothing in this Act or the amendment made by this Act shall affect the ability of manufacturers to respond fully to unsolicited questions from health care practitioners and other persons about drugs, biological products, or devices.•

• Mr. FRIST. Mr. President, I join my distinguished colleague from Florida [Mr. MACK], in introducing legislation that will further liberate the American people, and specifically the health care community, from excessive, and destructive Government interference. Mr. President, before coming to this body as a citizen legislator, I worked as a heart and lung transplant surgeon, and experienced firsthand the way the Food and Drug Administration prohibits physicians from sharing information that could save their patients' lives. Mr. President, the bill that I'm introducing today will allow the free flow of information in the scientific and medical community about new uses for FDA-approved prescription drugs and devices.

Mr. President, this bill is vitally important for patients and their doctors. As a physician, I can only keep up to date on all treatment options available to my patients, if I have access to information about new research breakthroughs. Time is often of the essence, especially for my patients with terminal or life-threatening illnesses.

But today, the Food and Drug Administration [FDA] prohibits doctors and scientists from working together in this way. Let me explain, Mr. President, how the process is currently working. After the FDA finally approves a new prescription drug or medical device for certain uses, the drug or device is labeled to reflect that it has been found to be safe and efficacious for that use.

I should note, Mr. President, that many times this process takes so long that American citizens and companies are going abroad for safe and lifesaving drugs and devices. But after the drug or device has been approved in the United States, there are many times physicians and scientists discover that this drug or device is also beneficial in treating other medical conditions.

As a physician, I may legally prescribe FDA-approved products for these off-label uses. Yet, even in cases where the patient experiences spectacular results, the FDA prohibits the manufacturer from disseminating medical data about such discoveries.

That is exactly why I am introducing this legislation. To improve the free-flow information to benefit my patients and others. Today, the Federal Government intrudes on the practice of medicine by limiting the dissemination of information on breakthrough treatments for off-label uses of medications.

This sounds very technical, complex, and removed from the basic doctor-patient relationship. However, this has real-life, everyday applications.

I recall a complicated case, where the normal treatment practices did not do the job for one of my patients. He was experiencing recurrent episodes of organ rejection with increasing frequency. My treatment was already unconventional—using repeated treatments with a new immunosuppressive drug [OKT3]. However, the drug company had not approved it for that type of use. Instead, it was used only for treating single episodes of severe rejection. Therefore, my use of the drug was considered off-label.

But that radical drug protocol kept my patient alive until I found something that worked for him. My patient was fully reliant on my knowledge as a physician—on how up to date I was with the latest information. But, today, if I share my findings with the pharmaceutical company, they are then restricted by the FDA in sharing my success with other physicians.

When Congress returns from the August recess, the Committee on Labor and Human Resources will focus on needed reforms to the Food and Drug Administration. As a member of that committee, I hope to work with Chairman KASSEBAUM to incorporate these provisions to allow the flow of information about off-label uses of FDA-approved products to health care providers. I anticipate that we will be able to address this problem, and make yet another step in freeing the American people from the shackles of an arrogant and dysfunctional Government bureaucracy.•

By Mr. COATS (for himself and Mr. GREGG):

S. 1198. A bill to amend the Federal Credit Reform Act to improve the budget accuracy of accounting for Federal costs associated with student loans, to phase out the Federal Direct Student Loan Program, to make improvements in the Federal Family Education Loan Program, and for other purposes; to the Committee on Labor and Human Resources.

THE STUDENT LOAN PRIVATIZATION ACT

• Mr. COATS. Mr. President, today I am introducing the Student Loan Privatization Act to ensure that Americans will continue to enjoy unfettered access to higher education student aid. For the past 2 years, the Clinton administration has tried to turn the Department of Education into the biggest consumer bank in the country. If the administration succeeds, Americans will have nowhere else to turn but to the largess of the Department of Education when it comes time to finance their college education.

Under the Clinton plan, every single student loan would be approved, disbursed, serviced, and collected by the Department of Education. The administration has even considered calling in the IRS to do the collecting—as if we want the IRS collecting student loans, as well as taxes. The Federal Direct Student Loan Program—which provides college loans to students directly from Uncle Sam, rather than through private sector lenders as in the traditional guaranteed loan program—ranks among the largest Government expansion drives of the Clinton administration. This Grow the Government program would add 500 new bureaucrats to the Department of Education and is a complete contradiction to the will expressed by voters last November. The direct loan program ignores the fact that the private lending industry has improved service to families, improved efficiency, and substantially lowered default rates—all of which saves the taxpayers $1 billion per year.

Mr. President, when the administration asked the last Congress to authorize the direct loan program, we were told it would save $12 billion when compared to the traditional guaranteed loan program. Unfortunately, that savings estimate was produced by ignoring administrative costs and by applying budget loopholes. The fact is, Mr. President, that the Congressional Budget Office reported last month that when the two programs are scored on the same basis, the 7-year savings of the guaranteed loan program amounts to almost 10 times the Direct Loan savings.

The Student Loan Privatization Act will put an end to this expensive nonsense by phasing out the direct loan program, while at the same time enacting improvements to the guaranteed student loan program. It establishes a 4-year timetable to begin decreasing direct loan volume by requiring the Secretary to modify existing participation agreements with institutions that are currently participating in the program.

Mr. President, at a time when Congress is looking for savings to balance the budget, it makes no sense to continue funding a Federal program that costs more money than a better alternative in the private sector. In closing, Mr. President, I would say to my colleagues that if you believe that the Federal Government always acts more efficiently than private business, then you should continue to support the administration's efforts to nationalize student lending. On the other hand, I urge my colleagues who support limited Government and prudent fiscal restraint to cosponsor the Student Loan Privatization Act.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1198

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Student Loan Privatization Act of 1995".

SEC. 2. FINDINGS.

Congress finds the following:

(1) The Federal Direct Student Loan Program will result in an increase of at least 500 full-time equivalent employees at the Department of Education and in the hiring of over 15,000 Federal contract employees, assuming full implementation of the program.

(2) The involvement of private sector financial institutions and not-for-profit corporations chartered for purpose of providing or supporting Federal student assistance results in increased efficiency, maintenance of quality of service to students and institutions, and innovation in and the use of modern data processing technology.

(3) The Federal Family Education Loan Program is subject to excessive regulation resulting in burdensome administrative requirements for students, schools, and other program participants, the reduction of which would ease administrative burdens and improve program management.

(4) The program costs of the Federal Direct Student Loan Program are inaccurately reflected under the provisions of the Federal Credit Reform Act as in effect prior to the date of enactment of this Act due to the exclusion of accounting for certain administrative costs associated with the Act.

(5) The budget scoring of Federal student loans under the Federal Credit Reform Act as in effect prior to the date of enactment of this Act led to projections of savings which are highly unlikely to occur in reality for the Federal Direct Student Loan Program.

TITLE I—REFORMS TO IMPROVE THE ACCURACY OF THE FEDERAL CREDIT REFORM ACT

SEC. 101. AMENDMENTS TO THE FEDERAL CREDIT REFORM ACT.

Subparagraph (B) of section 502(5) of the Congressional Budget Act of 1974 is amended to read as follows:

"(B) The cost of a direct loan shall be the net present value, at the time when the direct loan is disbursed, of the following cash flows for the estimated life of the loan:

"(i) Loan disbursements.

"(ii) Repayments of principal.

"(iii) Payments of interest and other payments by or to the Government over the life of the loan after adjusting for estimated defaults, prepayments, fees, penalties, and other recoveries.

"(iv) Direct expenses, including—

"(I) activities related to credit extension, loan origination, loan servicing, management of contractors, other government entities, and program participants;

"(II) collection of delinquent loans; and

"(III) writeoff and closeout of loans.".

SEC. 102. EFFECTIVE DATE.

The amendment made by section 101 shall apply to all fiscal years beginning on or after October 1, 1995, and to statutory changes made on or after the date of enactment of this Act.

TITLE II—PHASE-OUT OF THE FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 201. PHASE-OUT OF PROGRAM.

Section 453 of the Higher Education Act of 1965 (20 U.S.C. 1087c) (hereafter referred to in this title and in title III as the "Act") is amended by adding at the end the following new subsection:

"(f) PHASE-OUT OF PROGRAM.—

"(1) GENERAL AUTHORITY.—The Secretary shall modify or phase-out agreements entered into with institutions of higher education pursuant to section 454(a) in accordance with paragraph (2).

"(2) MODIFICATION OR PHASE-OUT OF AGREEMENTS.—In order to ensure an expeditious and orderly phase-out of the programs authorized under this part, the Secretary shall modify or phase-out agreements entered into pursuant to section 454 with institutions of higher education to achieve the following results:

"(A) For academic year 1995-1996, loans made under this part shall represent not more than 40 percent of new student loan volume for such year.

"(B) For academic year 1996-1997 and all subsequent academic years, no loans shall be made pursuant to this part.

"(3) NEW STUDENT LOAN VOLUME.—For the purposes of this subsection, the term 'new student loan volume' has the same meaning given such term under subsection (a)(4).

"(4) MODIFICATION OF SOFTWARE AND SYSTEMS FOR PHASE-OUT OF DIRECT LOANS.—The Secretary shall not make system modifications or upgrades to software used in support of the program under this part after the date of enactment of this subsection.

"(5) REGULATIONS GOVERNING PHASE-OUT OF DIRECT LOANS.—Not later than 90 days after the date of enactment of this subsection, the Secretary shall promulgate regulations governing the phase-out of the Federal Direct Student Loan Program as provided for in this subsection. Such regulation shall not be subject to the provisions of the Master Calendar as specified under section 482. The provisions of this subsection shall be implemented notwithstanding the nonpublication of regulations required under this subsection by the Secretary.".

SEC. 202. DIRECT LOAN VOLUME LIMITS.

Section 453(a) of the Act (20 U.S.C. 1087c(a)) is amended by striking paragraphs (2) and (3).

SEC. 203. ADMINISTRATIVE EXPENSES.

Subsection (a) of section 458 of the Act (20 U.S.C. 1087h(a)) is amended to read as follows:

"(a) IN GENERAL.—Each fiscal year, there shall be available, from funds not otherwise appropriated, funds to be obligated for administrative costs under this part, and for certain expenditures in support of the program authorized under part B, not to exceed (from such funds not otherwise appropriated) $50,000,000 in fiscal year 1996, and $45,000,000 in fiscal year 1997. Beginning in fiscal year 1998, no funds shall be made available under this subsection unless carried over from a prior fiscal year. The total expenditures by the Secretary (from such funds not otherwise appropriated) under this subsection shall not exceed $700,000,000 for fiscal years 1994 through 1998. The Secretary may carry over funds available under this section for a subsequent fiscal year.".

SEC. 204. REPEAL.

Effective October 1, 1997, part D of title IV of the Higher Education Act, as amended by this title, is repealed.

TITLE III—IMPROVEMENTS TO THE FEDERAL FAMILY EDUCATION LOAN PROGRAM

SEC. 301. RECOVERY OF GUARANTY AGENCY RESERVES.

The last sentence of section 422(a)(2) of the Act (20 U.S.C. 1072(a)(2)) is amended by striking "Except as provided in section 428(c)(10)(E) or (F), such" and inserting in lieu thereof "Such".

SEC. 302. RESERVE FUNDS.

Section 422(g) of the Act (20 U.S.C. 1072(g)) is amended to read as follows:

"(g) DISPOSITION OF FUNDS RETURNED OR RECOVERED BY THE SECRETARY.—Any funds that are returned or otherwise recovered by the Secretary pursuant to this subsection shall be returned to the United States Treasury for purposes of reducing the Federal debt.".

SEC. 303. TERMINATION OF FDSL CONSOLIDATION LOAN AUTHORITY.

(a) PART B AUTHORITY.—Section 428C(b) of the Act (20 U.S.C. 1078-3(b)) is amended by striking paragraph (5).

(b) PART D AUTHORITY.—Section 455 of the Act (20 U.S.C. 1087e) is amended by striking subsection (g).

SEC. 304. CONSOLIDATION UNDER FFELP OF LOANS MADE PURSUANT TO PART D.

Section 428C(a)(4)(B) of the Act (20 U.S.C. 1087-3(a)(4)(B)) is amended by inserting "part D or" before "part E".

SEC. 305. ACCOUNTABILITY OF FUNDS FOR DIRECT LOAN ADMINISTRATIVE EXPENSES.

Section 458 of the Act (20 U.S.C. 1087h) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c), the following new subsection:

"(d) PROHIBITION ON CERTAIN EXPENDITURES.—Notwithstanding any other provision of law, funds available under this section shall not be used to support public relation activities (by Department of Education employees or pursuant to contracts with the Department) or marketing of institutions to encourage participation in the program authorized under this part.".

SEC. 306. SALE OF FDSL LOAN PORTFOLIOS.

Part D of title IV of the Act is amended by inserting after section 458 (20 U.S.C. 1087h) the following new section:

"SEC. 459. SALE OF FEDERAL DIRECT STUDENT LOAN PORTFOLIOS.

"(a) AUCTION SALES OF LOAN PORTFOLIOS.—The Secretary shall conduct auctions to sell the outstanding portfolios of loans made pursuant to this part. Such auctions shall consist of the sale of portfolios representative of the overall characteristics of the direct loans held by the Secretary. Auctions shall be held for portfolios of not less than $40,000,000 worth of loans per sale. The first sale of loans shall take place not later than 120 days after the date of enactment of this section, and shall not include Federal guarantees or reinsurance against the contingency of borrower default, death, or disability.

"(b) LOAN TERMS SUBJECT TO PROMISSORY NOTE.—Loans described in subsection (a) shall be subject to the terms and conditions as specified in the borrower promissory note, and shall not be subject to further Federal regulations pursuant to this Act.

"(c) ASSESSMENT OF AUCTION.—The Secretary, subsequent to holding of the auctions under subsection (a), shall prepare a report on the results of such actions. Such report shall include the following:

"(1) The opinion of the Secretary as to whether the results of the auction represent a true reflection of the Federal subsidy costs associated with federally supported student loans.

"(2) An estimate of the reductions in Federal administrative costs achieved through the elimination of future Federal oversight and administrative responsibilities of affected loans as a result of sale to the private sector.

"(d) TRANSMITTAL OF RESULTS TO CONGRESSIONAL BUDGET OFFICE AND OFFICE OF MANAGEMENT AND BUDGET.—The Secretary shall provide a copy of all reports and analyses prepared in connection with implementation of this section to the Director of the Congressional Budget Office and the Director of the Office of Management and Budget.

"(e) DISPOSITION OF PROCEEDS.—All proceeds received as a result of the auctions conducted under this section shall be returned to the Department of the Treasury after deduction of expenses incurred by the Department of Education in connection with the auctions required pursuant to this section.".

SEC. 307. EFFECTIVE DATE.

Except as otherwise specified herein, the amendments made by this title shall be effective 30 days after the date of the enactment of this Act.•

By Mrs. BOXER (for herself and Mrs. FEINSTEIN):

S. 1199. A bill to amend the Internal Revenue Code of 1986 to permit tax-exempt financing of certain transportation facilities; to the Committee on Finance.

THE ALAMEDA TRANSPORTATION CORRIDOR TAX-EXEMPT FINANCING ACT

• Mrs. BOXER. Mr. President, today my colleague, Senator FEINSTEIN, and I are introducing legislation critical to helping the largest port complex in the United States expand its trade with the countries of the Pacific Rim.

Our bill would help provide more efficient cargo transportation by granting tax exempt financing for the Alameda transportation corridor improvement project. These improvements will speed the transport of international cargo between the San Pedro Bay Ports of Los Angeles and Long Beach to the Interstate Highway System and the national railroad network.

Today, more than 25 percent of all U.S. waterborne, international trade depends on the Ports of Los Angeles and Long Beach to reach its market. Approximately 25 percent of the total U.S. Customs duty is generated through the San Pedro Bay Ports, with the accompanying economic impacts from the ports of $12.5 billion in Federal customs revenue and Federal income tax. But this trade reaches the port along more than 90 miles of rail and 200 rail-highway crossings. The Alameda corridor project consolidates three rail lines into a single 20-mile high capacity corridor separated from surface streets. The project also improves truck access and traffic flow paralleling the railroad tracks.

The estimated total cost of the project is $1.8 billion. The ports have already contributed $400 million through the purchase of all rights of way for the corridor. The balance will be available from a mix of public—the State of California and the Los Angeles County Metropolitan Transportation Authority—and private financing. Fees paid by shippers using the corridor will be used to retire the bonds issued to finance construction.

Our bill clarifies the scope of the current tax exemption for docks and wharves by specifically including related transportation facilities to ensure that State and local governments will be permitted to tax-exempt finance those transportation facilities which are reasonably required for the efficient use of publicly owned port infrastructure.

The bill provides that transportation facilities, including trackage and rail facilities, but not rolling stock, shall be treated as "docks and wharves" for purposes of the exempt facility bond rules if at least 80 percent of the annual use of such transportation facilities is to be in connection with the transport of cargo to or from docks or wharves. For example, rail facilities for transporting cargo from a port area to the major rail yard some miles away would qualify as an exempt port facility provided that 80 percent of the cargo transported on the facilities is bound for or arriving from the port. It is intended that use, for purposes of the 80-percent test, be computed in any reasonable fashion including, for example, on the basis of ton-miles or car-miles.

The bill provides that for purposes of the governmental ownership requirement for docks and wharves, related transportation facilities that are leased by a Government agency shall be treated as owned by such agency if the lessee makes an irrevocable election not to claim depreciation or an investment credit with respect to such facilities and the lessee has no option to purchase the facilities other than at fair market value.

This bill is a critical step needed to help provide the most efficient transportation network possible to these vital ports. The Alameda transportation corridor project will create a transportation system of truly national significance, bringing billions of dollars value in cargo and hundreds of millions of dollars of State and local tax benefits throughout the Nation.

This bill provides a significant element in the multifaceted approach to financing this project. The introduction of this legislation today also marks another major step in a tremendous amount of progress on the project in the past 10 months. I would like to take this opportunity to explain the progress to date on this project.

Beginning in 1983, Congress approved specific funding for right-of-way acquisition and improvements to separate the rail lines from the surface streets. Similar projects were also authorized in the 1987 and 1991 highway bills. In June 1990, California voters approved proposition 116 to provide $80 million in State bond financing for the project.

The complex project has involved negotiations with three railroads and 16 Government agencies. Agreements began falling into place late last year. On December 1, 1994, the California Transportation Commission approved the bond sale for $80 million in the proposition 116 funds. On December 29, 1994, the ports and three railroads signed the memorandum of understanding for the joint operating agreement and right-of-way purchase by the ports.

Because much of the previously authorized funding for the project was still not obligated, the Senate Appropriations Committee moved to rescind these funds from the 1983 and 1987 acts. Fortunately, that provision was dropped in the final supplemental appropriations and rescissions bill. In the meantime, at my urging, the local authorities were able to fully obligate those funds. I understand that additional funds authorized in the Intermodal Surface Transportation and Efficiency Act of 1991 [ISTEA] will be obligated by the end of fiscal year 1996.

In June, the Senate accepted my provision in the National Highway System Designation Act to include the route as a high priority corridor, making the project eligible for the Secretary of Transportation's revolving loan fund authorized under ISTEA.

In a colloquy with me in the Senate after passage of the highway bill on June 21, Senator JOHN CHAFEE, the distinguished committee chairman, said:

> The designation of the Alameda Transportation Corridor as a "high-priority corridor" reflects the committee's determination that the project merits an ongoing Federal role based upon the long-term potential benefits to interstate and international commerce. The Alameda corridor is, indeed, a project of national significance.

The Senate Appropriations Committee chose not to fund section 1105 in the Transportation appropriations bill, H.R. 2002, passed by the Senate on Thursday. However, I am hopeful that the Clinton administration will request funding for the Federal revolving loan fund in its fiscal year 1997 budget request.

Nevertheless, the committee did adopt the plan developed by the Clinton administration to permit State and regional infrastructure banks to develop various innovative financing plans to leverage State and Federal dollars in the private financial sector. And, the committee cited the Alameda corridor in its committee report regarding the proposed State infrastructure banks. According to the report, "the Committee considers the Alameda transportation corridor in Los Angeles County, CA, as an example of a project that would greatly benefit from the innovative financing option as provided in this bill."

California will receive $21 million in Federal seed money under the Senate appropriations bill, and the State of California may contribute up to 10 percent of its Federal highway funds.

Funds deposited in these banks will capitalize a revolving loan program and enable the States to obtain a substantial line of credit. The infrastructure banks will assist a variety of projects, including freight rail and highway projects. This assistance would be in the form of financing for construction loans, pooling bond issues, refinancing outstanding debt and other forms of credit enhancement. Most important, enactment of our tax-exempt financing bill will provide the Alameda Transportation Corridor Authority even greater financial advantages to finance the project through the infrastructure bank.

I am pleased that the Senate unanimously accepted my amendment to ensure that California, and other States which already have authorized State infrastructure banks, could participate and not be required to form multistate compacts as provided in the bill. This will help the State move quickly on a financing program.

The combined financial firepower of these two acts—the tax-exempt bonds and the infrastructure bank—should enable this project to be completed without further direct Federal construction funding.

This corridor will provide a vital link, connecting the largest port complex in the United States with key production centers throughout the country. The Ports of Los Angeles and Long Beach currently handle more than 100 million metric tons of cargo valued at $116 billion. Major transportation efficiencies are critical to the port's ability to capture the growing Pacific Rim trade which could increase tonnage to nearly 200 million tons by the year 2020.

The project is expected to generate 10,500 direct construction jobs. Of these, 1,500 are professional and technical jobs and the rest construction trade jobs. In addition, about 3,500 manufacturing, service, and transportation industry jobs will be generated in the Los Angeles region to supply materials and equipment. The construction work will stimulate, directly and indirectly, the creation of about 50,000 jobs in the regional economy.

Mr. President, what will the other States and our Nation as a whole receive in return for this help?

Nationwide, even if only 5 percent of the full projected impact of building the Alameda corridor is realized, by the end of the next decade the United States will gain 70,000 new jobs and $2.5 billion in additional Federal revenue. The actual impact could be as much as 20 times greater.

I would like to insert into the RECORD information that was provided to the ports in a study by BST Associates of Seattle, WA. This 1994 data shows the strong U.S. trade growth through the ports and a State-by-State break down on exports, imports, and tax revenue. The corridor project will accelerate this growth.

Mr. President, I believe this project is the premier trade-related public works project in the United States. Benefits to our national economy through more efficient shipping—high volume and fast—is key to tapping the emerging markets in the Pacific rim.

Mr. President, I ask unanimous consent that the text of the bill and additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1199

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAX-EXEMPT FINANCING OF CERTAIN TRANSPORTATION FACILITIES.

(a) IN GENERAL.—Subsection (c) of section 142 of the Internal Revenue Code of 1986 (relating to exempt facility bonds) is amended—

(1) by redesignating paragraph (2) as paragraph (3), and

(2) by inserting after paragraph (1) the following new paragraph:

"(2) RELATED TRANSPORTATION FACILITIES.—

"(A) IN GENERAL.—Transportation facilities (including trackage and related rail facilities, but not rolling stock) shall be treated as facilities described in paragraph (2) of subsection (a) if at least 80 percent of the use of the facilities (determined on an annual basis) is to be in connection with the transport of cargo to or from a facility described in such paragraph (without regard to this paragraph).

"(B) GOVERNMENTAL OWNERSHIP REQUIREMENT.—In the case of transportation facilities described in subparagraph (A), subsection (b)(1) shall apply without regard to subparagraph (B)(ii) thereof."

(b) CHANGE IN USE.—Section 150(b) of the Internal Revenue Code of 1986 (relating to change in use of facilities financed with tax-exempt private activity bonds) is amended by adding at the end the following new paragraph:

"(7) CERTAIN TRANSPORTATION FACILITIES.—In the case of any transportation facility—

"(A) with respect to which financing is provided from the proceeds of any private activity bond which, when issued, purported to be a tax-exempt bond described in paragraph (2) of section 142(a) by reason of section 142(c)(2), and

"(B) with respect to which the requirements of section 142(c)(2) are not met,

no deduction shall be allowed under this chapter for interest on such financing which accrues during the period beginning on the 1st day of the taxable year in which such facility fails to meet such requirements and ending on the date such facility meets such requirements."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to obligations issued after the date of the enactment of this Act.

NATIONAL ECONOMIC IMPACTS

Several trends underscore the efficiency and effectiveness of transportation facilities provided by the San Pedro Bay ports for firms located throughout the US. Most notably, the San Pedro ports have a stable or growing market share of dollar value and tonnage of both waterborne imports and exports. In addition, customs duty and shipping charges as measured by the Department of Commerce are also substantial and increasing through the Ports. San Pedro Bay ports are the primary window on the Pacific Rim for most U.S. importers and exporters. The Alameda Corridor project is a very important means to assure that the San Pedro Bay ports maintain the efficiencies so critical to US importers and exporters.

The following section summarizes several key findings of BST Associates evaluation of economic impacts:

Customs revenue assessed for cargo imported through the Ports of Los Angeles and Long Beach was estimated to be $4.9 billion in 1994.

State and local taxes (consisting of sales taxes, individual income taxes, corporate income taxes and other local taxes) were estimated to be $5.8 billion in 1994.

Federal income taxes were estimated to be $7.6 billion in 1994.

Direct employment was estimated to be 611,200 full time equivalent jobs in 1994.

Total employment was estimated to be 1.1 million full time equivalent jobs in 1994.

TABLE 1.—SUMMARY OF US IMPACTS

Category	Imports	Exports	Total
Associated Economic Impacts			
In billions of dollars:			
Customs Revenue	$4.9	....	$4.9
State and Local Taxes	4.3	$1.5	5.8
Federal Income Tax	5.2	2.4	7.6
In thousands:			
Direct Employment	473.9	137.4	611.2
Total Employment	744.0	326.9	1,070.9

Source: BST Associates

VALUE OF INTERNATIONAL WATERBORNE CARGO IMPORTS AND EXPORTS

The value of international waterborne cargo (i.e., imports and exports) moving through the Ports of Los Angeles and Long Beach accounts for more than 27% of the total value of international US waterborne trade. The value through the San Pedro Bay ports has grown from $86 billion in 1988 to $144 billion in 1994, faster than any other port region in the United States. San Pedro Bay ports have increased their market share of both exports and imports. (Graphs have been omitted.)

International waterborne cargo tonnage through the Ports of Los Angeles and Long Beach has grown consistently from 44 million tons in 1988 to 58.5 million tons in 1994. The San Pedro Bay ports jointly account for 5.7% of total international waterborne commerce, up from 4.8% in 1988. However, most of the cargo moving through these ports is very high valued and requires quick transit.

CUSTOMS DUTY ON INTERNATIONAL WATERBORNE CARGO IMPORTS ONLY

The customs duty imposed on cargo moving through the San Pedro Bay ports has grown from 3.0 billion in 1989 to $4.1 billion in 1994. Customs duty through these ports has consistently averaged between 24% and 25% of the total customs duty collected from all sources (i.e., ports, airports and overland crossings).

PORTS OF LOS ANGELES AND LONG BEACH—1994 DATA

Impacts at the State level:	Metric tons	Value of cargo	State and local taxes	Direct employment	Total employment
Exports—Alabama	90,642	$121,990,256	$5,365,863	792	1,874
Imports—Alabama	47,579	352,584,384	21,058,102	3,428	5,013
Total	138,221	474,574,640	26,423,966	4,220	6,887
Exports—Alaska	457	709,470	23,176	30	47
Imports—Alaska	36	134,525	4,394	1	1
Total	492	843,995	27,570	31	48
Exports—Arizona	111,180	361,160,859	23,288,013	2,421	5,261
Imports—Arizona	31,027	110,050,803	10,485,200	1,080	1,657
Total	142,207	471,211,662	33,773,214	3,502	6,918
Exports—Arkansas	21,667	54,887,914	2,618,812	344	733
Imports—Arkansas	58,146	453,086,382	33,604,058	4,325	6,437
Total	79,813	507,974,296	36,222,870	4,669	7,169
Exports—California	10,198,471	9,943,153,117	629,073,468	60,119	143,032
Imports—California	5,478,501	26,754,481,992	2,224,608,423	244,275	395,702
Total	15,676,972	36,697,635,109	2,853,681,891	304,395	538,733
Exports—Colorado	608,691	243,432,078	17,665,622	1,464	3,395
Imports—Colorado	21,117	111,814,045	9,532,818	1,111	1,737
Total	629,808	355,246,123	27,198,441	2,575	5,132
Exports—Connecticut	1,292,205	237,140,467	16,123,180	2,063	4,802
Imports—Connecticut	131,023	272,685,998	24,560,555	2,367	3,548
Total	1,423,229	509,826,464	40,683,735	4,430	8,350
Exports—Delaware	199,896	365,012,063	16,677,766	1,888	3,853
Imports—Delaware	1,334	3,811,761	174,163	35	50
Total	201,230	368,823,824	16,851,929	1,923	3,903
Exports—District of Columbia	7,578	176,864,910	15,190,043	1,139	1,321
Imports—District of Columbia	1,055	12,705,892	1,244,085	166	189
Total	8,633	189,570,802	16,434,127	1,305	1,509
Exports—Florida	109,692	234,852,824	11,497,925	1,722	3,289
Imports—Florida	133,410	706,667,671	58,457,670	6,560	9,885
Total	243,101	941,520,495	69,955,594	8,282	13,173
Exports—Georgia	144,062	300,047,132	18,615,524	1,818	4,306
Imports—Georgia	106,622	700,828,760	57,130,159	7,147	11,104
Total	250,684	1,000,875,892	75,745,683	8,965	15,411
Exports—Hawaii	6,856	15,145,934	869,589	82	120
Imports—Hawaii	8,793	16,122,295	1,648,618	158	233
Total	15,649	31,268,229	2,518,206	240	353
Exports—Idaho	27,564	19,333,700	1,136,029	117	212
Imports—Idaho	1,621	5,905,119	485,584	56	83
Total	29,185	25,238,818	1,621,613	173	295
Exports—Illinois	435,194	1,549,062,807	99,925,394	9,152	24,639
Imports—Illinois	432,072	2,713,615,940	216,999,726	26,771	42,489
Total	867,266	4,262,678,747	316,925,120	35,924	67,127
Exports—Indiana	47,694	206,186,568	11,373,045	1,216	3,175
Imports—Indiana	25,370	335,070,145	26,741,278	3,496	5,227
Total	73,064	541,256,712	38,114,323	4,713	8,402

PORTS OF LOS ANGELES AND LONG BEACH—1994 DATA—Continued

Impacts at the State level:	Metric tons	Value of cargo	State and local taxes	Direct employment	Total employment
Exports—Iowa	21,655	66,031,325	4,316,996	318	765
Imports—Iowa	2,725	25,000,847	2,081,046	283	413
Total	24,379	91,032,172	6,398,041	601	1,178
Exports—Kansas	2,218,525	301,385,563	18,549,679	1,574	3,810
Imports—Kansas	21,480	90,137,909	7,223,832	953	1,438
Total	2,240,005	391,523,472	25,773,511	2,528	5,248
Exports—Kentucky	359,121	355,918,293	18,090,971	1,648	4,003
Imports—Kentucky	35,820	223,432,312	18,846,490	2,310	3,416
Total	394,940	579,350,605	$33,937,461	3,957	7,419
Exports—Louisiana	36,883	90,178,038	3,863,670	266	548
Imports—Louisiana	36,223	74,475,334	4,222,520	774	1,123
Total	73,106	164,653,372	8,086,206	1,040	1,671
Exports—Maine	5,825	39,595,977	2,795,832	310	561
Imports—Maine	4,762	36,197,818	3,440,277	317	465
Total	10,586	75,793,795	6,236,109	627	1,025
Exports—Maryland	27,941	62,849,303	4,645,443	391	741
Imports—Maryland	15,338	94,358,770	8,336,692	919	1,409
Total	43,279	157,208,072	12,982,135	1,310	2,150
Exports—Massachusetts	80,178	145,095,028	10,754,008	1,062	2,474
Imports—Massachusetts	177,357	1,224,863,024	106,406,301	12,066	18,275
Total	257,535	1,369,958,052	117,160,309	13,127	20,749
Exports—Michigan	114,360	546,191,038	39,448,648	3,101	7,309
Imports—Michigan	121,333	733,146,533	67,131,295	7,245	10,447
Total	235,693	1,279,337,571	106,579,943	10,347	17,756
Exports—Minnesota	67,255	225,633,399	15,786,892	1,522	3,549
Imports—Minnesota	23,020	108,585,929	9,957,547	1,134	1,727
Total	90,275	334,219,328	25,744,439	2,656	5,276
Exports—Mississippi	9,203	22,226,477	857,720	155	377
Imports—Mississippi	6,113	23,030,734	1,566,965	235	342
Total	15,316	45,257,212	2,424,685	390	719
Exports—Missouri	120,231	382,977,778	20,482,418	2,104	4,650
Imports—Missouri	70,051	590,502,820	42,412,865	6,097	9,412
Total	190,282	973,480,598	62,895,283	8,201	14,063
Exports—Montana	127	244,269	17,105	1	2
Imports—Montana	110	399,304	27,962	4	6
Total	236	643,573	45,067	5	8
Exports—Nebraska	66,108	231,318,838	14,453,032	1,060	2,056
Imports—Nebraska	18,750	143,570,567	11,800,579	1,647	2,394
Total	84,859	374,897,406	26,253,611	2,707	4,450
Exports—Nevada	8,774	17,594,765	504,653	145	307
Imports—Nevada	17,658	19,047,749	1,095,112	164	233
Total	26,431	36,642,514	1,599,765	309	540
Exports—New Hampshire	1,306	2,748,292	187,321	22	45
Imports—New Hampshire	1,211	7,791,755	531,078	68	104
Total	2,517	10,540,046	718,399	90	149
Exports—New Jersey	429,166	985,210,107	70,473,064	6,588	16,848
Imports—New Jersey	540,842	4,464,960,252	405,436,251	36,957	57,749
Total	970,007	5,450,170,359	475,909,315	43,545	74,597
Exports—New Mexico	3,436	5,847,507	241,069	17	36
Imports—New Mexico	1,456	6,613,086	514,287	66	97
Total	4,893	12,460,594	755,356	83	133
Exports—New York	1,440,379	1,176,164,909	128,253,726	7,639	15,200
Imports—New York	579,591	4,210,171,022	512,828,302	38,545	54,372
Total	2,019,971	5,386,335,930	641,082,028	46,184	69,571
Exports—North Carolina	59,713	242,144,777	12,958,378	1,158	2,522
Imports—North Carolina	40,647	575,457,083	39,576,485	5,895	8,749
Total	100,359	817,601,860	52,534,863	7,053	11,271
Exports—North Dakota	2,389	14,539,883	621,754	67	132
Imports—North Dakota	8	32,666	2,086	0	1
Total	2,397	14,572,550	632,840	67	132
Exports—Ohio	170,227	566,154,786	36,085,008	3,207	8,202
Imports—Ohio	155,833	949,215,187	76,407,076	10,063	15,187

PORTS OF LOS ANGELES AND LONG BEACH—1994 DATA—Continued

Impacts at the State level	Metric tons	Value of cargo	State and local taxes	Direct employment	Total employment
Total	326,060	1,515,369,972	112,492,004	13,270	23,389
Exports—Oklahoma	18,425	$67,219,915	$3,383,178	345	822
Imports—Oklahoma	7,900	45,936,951	3,101,939	459	667
Total	26,324	113,156,867	6,485,117	802	1,489
Exports—Oregon	89,236	58,768,286	5,563,417	337	698
Imports—Oregon	39,088	140,024,718	13,255,720	1,313	2,012
Total	128,325	198,793,004	18,819,137	1,650	2.710
Exports—Pennsylvania	289,096	382,635,058	25,309,779	2,614	9.075
Imports—Pennsylvania	74,125	440,668,357	37,190,206	4,325	6,629
Total	363,222	823,303,415	62,499,985	6,938	15,704
Exports—Rhode Island	2,490	7,897,301	547,133	77	166
Imports—Rhode Island	14,689	50,992,237	4,470,846	509	759
Total	17,179	58,889,538	5,017,979	587	925
Exports—South Carolina	26,582	109,283,212	5,652,346	770	1,693
Imports—South Carolina	27,253	196,515,720	14,604,262	2,096	3,049
Total	53,835	305,798,933	20,256,609	2,866	4,742
Exports—South Dakota	190	1,994,777	87,463	12	21
Imports—South Dakota	107	682,444	44,883	8	11
Total	297	2,677,220	132,346	19	33
Exports—Tennessee	397,132	566,254,146	19,163,173	2,998	6,672
Imports—Tennessee	212,251	866,130,367	51,953,578	8,498	12,953
Total	609,383	1,432,392,514	71,116,750	11,496	19,624
Exports—Texas	1,083,095	1,764,979,567	74,409,774	7,616	20,477
Imports—Texas	392,621	2,604,377,397	169,362,662	24,520	39,070
Total	1,475,716	4,369,356,964	243,772,436	32,136	59,547
Exports—Utah	1,032,075	D982	2,244		
Imports—Utah	2,646	9,205,594	821,249	94	143
Total	1,034,721	176,774,341	11,413,940	1,076	2,387
Exports—Vermont	178	793,201	59,011	6	11
Imports—Vermont	422	2,837,081	250,423	28	40
Total	600	3,630,282	309,434	33	51
Exports—Virginia	169,253	344,514,894	22,324,910	2,207	4,828
Imports—Virginia	46,494	235,339,342	17,839,428	2,325	3,526
Total	215,747	579,854,237	40,164,338	4,532	8,354
Exports—Washington	397,406	228,715,614	7,193,106	1,177	2,472
Imports—Washington	48,229	168,993,059	13,029,027	1,575	2,421
Total	445,635	397,708,673	20,222,133	2,752	4,893
Exports—West Virginia	7,148	29,241,380	1,481,602	173	319
Imports—West Virginia	1,849	25,196,135	1,980,315	252	338
Total	8,997	54,437,515	3,461,910	426	657
Exports—Wisconsin	79,142	219,630,630	16,890,913	1,350	3,231
Imports—Wisconsin	24,924	106,837,813	10,457,071	1,128	1,658
Total	104,066	326,468,443	27,347,985	2,479	4,890
Exports—Wyoming	25	89,896	3,116	0	0
Imports—Wyoming	1	7,094	348	0	0
Total	26	96,990	3,464	0	1
Exports—Total	22,136,121	23,258,617,076	1,465,492,457	137,386	326,921
Imports—Total	9,240,632	51,044,316,721	4,341,941,847	473,850	743,989

• Mrs. FEINSTEIN. Mr. President, today, Senator BOXER and I are introducing legislation that will allow for the Alameda Corridor Transportation Authority to issue tax-free bonds to help construct the Alameda corridor, probably the most important transportation project currently under consideration anywhere in the United States.

The Alameda corridor is a $1.8 billion project that will allow the San Pedro Bay ports—Los Angeles and Long Beach—to expand and grow well into the 21st century. The project, in the years ahead, will require a Federal authorization of $700 million, the necessary Federal commitment. The ports have committed well over $400 million to purchase railroad rights-of-way.

But, initial construction will be funded by the issuance of bonds, and that is why this bill is so vital. Tax-free bonds can currently be issued for construction of harbor and port facilities, but under current law, the corridor would not apply since the major distribution center is 20 miles inland from the port. This legislation would extend the ability to issue tax-free bonds for transportation facilities, which would include trackage and rail facilities, if 80 percent of the cargo transported on the tracks is to and from the port, which is otherwise eligible for the issuance of tax-free bonds. Additionally, the facility must be publicly owned. This bill will reduce the cost of the corridor's construction by approximately $200 million.

Currently, to handle the cargo going in and out of the ports, according to the Alameda Corridor Transportation Authority, the San Pedro Bay ports now generate approximately 20,000 truck trips and 29 train movements per day. By the year 2020, truck traffic is projected to increase to 49,000 daily trips and 97 daily train movements.

Today, three railroads on three separate tracks serve the San Pedro Bay ports, with 90 miles of track and over 200 grade crossings between the ports and inland cargo dispersal sites. Santa Fe's railroad alone has 92 crossings within a 20 mile span. Trucks carrying goods from the ports to dispersal sites farther inland face numerous stops and traffic.

With the projected increase in trade and cargo transport needs, the current transportation system will simply be inadequate to handle future demands.

The Alameda corridor project would consolidate the existing railways into a single corridor that would be depressed, and all crossing streets would bridge over the top. This would avoid the terrible delays as a result of the grade crossings. The corridor would also accommodate truck traffic. Make no mistake, the Alameda corridor is a project of national significance.

The benefits of constructing the corridor will go far beyond the Los Angeles region, and well beyond the California borders. Every State in this Nation is impacted by the trade along the Pacific rim, and thus by the activities of Pacific ports. Trucks and trains must move the goods out of the ports. Workers must unload the goods from ships, put them on trains or trucks, and then once they arrive at a destination, more workers must unload these goods, before they are delivered to their final stop. Trade creates jobs in every sector of the economy.

Put simply, trade means jobs.

All of the Nation's coastal States understand the importance of trade, seagoing trade in particular. In 1992, the last year for which statistics are available, this Nation exported $158.4 billion worth of goods through its seaports, and imported $293.1 billion of goods through the same ports of entry.

The San Pedro Bay ports are the busiest containerport facility in the world. Combined, $109 billion worth of cargo moved through the Los Angeles and Long Beach Ports. Trade on the Pacific rim is only expected to grow.

We must be able to support the projected growth in international commerce, and the development of the Alameda corridor will help us insure that we do so.•

By Ms. SNOWE (for herself and Ms. MIKULSKI):

S. 1200. A bill to establish and implement efforts to eliminate restrictions on the enclaved people of Cyprus; to the Committee on Foreign Relations.

THE FREEDOM AND HUMAN RIGHTS FOR THE ENCLAVED PEOPLE OF CYPRUS ACT

• Ms. SNOWE. Mr. President, today I am introducing a bill to address the severe human rights violations that are occurring today against a small, remnant minority in an occupied region of their own country. I am pleased to be joined in introducing this bill by my distinguished colleague from Maryland, Senator MIKULSKI.

The human rights abuses addressed in this bill are little known outside the country in which they are occurring. The country is the island nation of Cyprus, which for 21 years has seen much of its territory under the illegal military occupation of neighboring Turkey.

Mr. President, two decades ago, Turkey's brutal invasion drove more than 200,000 Cypriots from their homes and reduced them to the status of refugees in their own land. More than 2,000 people are still missing, including 5 American citizens. The Turkish Army seized 40 percent of the land of Cyprus, representing 70 percent of the island's economic wealth. Today, Turkey continues to maintain 35,000 troops on the island, which forms the bedrock of the continuing political impasse.

During Turkey's invasion of northern Cyprus in 1974, the areas now under Turkish control suffered from a near-complete ethnic cleansing of the over 200,000 Greek-Cypriot majority population. There remains in northern Cyprus, however, a remnant population of 497 enclaved Greek-Cypriots. These Cypriot citizens are often simply referred to as the enclaved of Cyprus, because during 1974 they mostly resided in remote enclaves and thus were not able to flee the fighting and were not immediately expelled.

According to reports, this small population suffers from a series of severe human rights restrictions. These include:

Restrictions on the freedom to worship, including restrictions on times and places for such worship;

Restrictions on communication with individuals living outside of the area in which the enclaved reside, including a requirement that representative of the controlling power be present during any such communication;

Prohibition on the possession of telephones in homes;

A requirement that an enclaved individual receive permission from the controlling power before leaving the enclaved area;

Censorship of mail sent to and out from the enclaved area;

A requirement that enclaved males aged 18 to 50 report once a week to those in control;

Education restrictions such as a lack of educational opportunities beyond the elementary level, travel restrictions on those who must leave the region for middle and high school, and a prohibition on returning to those who leave for higher education;

Violation of property rights, including confiscation of property without compensation; and

Inadequate protection from physical abuse, including beatings, rape and murder.

Mr. President, the enclaved in northern Cyprus are forced to live under the kinds of extreme restrictions that were once the hallmarks of totalitarian states. Clearly, these severe human rights abuses are intended to achieve the complete ethnic cleansing of northern Cyprus through means just short of physical expulsion.

This bill does more than just raise awareness of the shocking human rights violations occurring today in Turkish-occupied northern Cyprus. It also calls on the President to use the influence of the United States to work to bring these abuses to an end. Among the means to be used are bringing the issue before the U.N. Human Rights Commission and the U.N. High Commissioner for Refugees, addressing the issue in the State Department's annual human rights report, and creating a humanitarian assistance program out of existing foreign assistance funds to directly assist the enclaved in northern Cyprus.

Mr. President, the measures called for in this bill are, frankly, the least we can do. While we work to address the human rights abuses against the enclaved, we must also be working separately to bring the long-standing dispute on Cyprus to an end in a manner that will entail the total withdrawal of Turkish troops—and possibly even the entire demilitarization of the island, as has been proposed by Cypriot President Glafcos Clerides—and a restoration of Cyprus' sovereignty over its entire territory with the full respect of the rights of all Cypriots.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1200

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Freedom and Human Rights for the Enclaved People of Cyprus Act".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The respect for fundamental freedom and human rights, especially in those countries that are allies of the United States, is a cornerstone of United States foreign policy.

(2) Among the purposes of United States foreign assistance is to promote human rights.

(3) United States foreign assistance should be utilized to end the imposition of restrictions on the freedoms and human rights of the enclaved people of Cyprus.

(4) Among the restrictions of freedom and human rights to which the enclaved people of Cyprus are subjected are the following:

(A) Restrictions on the freedom to worship, including restrictions on times and places for such worship.

(B) Restrictions on communication with individuals living outside the area of the enclaved, including a requirement that an individual from among those in control be present during any such communication.

(C) Prohibition on the possession of telephones in homes.

(D) A requirement that an enclaved individual receive permission from an individual from among those in control before leaving the enclaved area.

(E) Censorship of mail sent to and from the enclaved area.

(F) A requirement that enclaved males aged 18 to 50 report once a week to those in control.

(G) Restrictions on the provision of educational services, including—

(i) lack of replacement elementary school teachers and lack of educational facilities beyond elementary school;

(ii) a requirement that an enclaved individual who chooses to leave home for education beyond elementary school may return home not more than three times a year; and

(iii) a requirement that enclaved males 16 years of age or older and enclaved females 18 years of age or older who choose to leave home for education beyond elementary school may not return home at all.

(H) Violation of property rights, including confiscation of property without compensation.

(I) Lack of compensation for work performed.

(J) Harassment, beating, rape, and murder without adequate protection or investigation.

SEC. 3. UNITED STATES EFFORTS TO ALLEVIATE AND ELIMINATE THE RESTRICTIONS ON THE ENCLAVED PEOPLE IN CYPRUS.

(a) IN GENERAL.—The President shall take steps—

(1) to inform the United Nations, foreign governments, and the appropriate departments and agencies of the United States Government of the restrictions on the enclaved people of Cyprus,

(2) to enlist the United Nations and foreign governments in efforts to end restrictions on the freedom and human rights of the enclaved people of Cyprus, and

(3) to establish United States Government programs of assistance to the enclaved people of Cyprus, consistent with subsection (b), and to undertake efforts for the alleviation and elimination of restrictions on the enclaved.

(b) ESTABLISHMENT OF ASSISTANCE PROGRAMS.—

(1) IN GENERAL.—The President—

(A) shall, to the extent practicable, use funds allocated for a fiscal year to the government or ethnic community participating directly or indirectly in imposition of restrictions on the freedom and human rights of the enclaved people of Cyprus to assist such people, or

(B) in the absence of such funds, shall establish a foreign assistance program for the enclaved people of Cyprus.

(2) USE OF FUNDS.—Assistance for the enclaved people of Cyprus under paragraph (1) shall include—

(A) programs to eliminate specific aspects of the restrictions of freedom and human rights on the enclaved people of Cyprus; and

(B) programs to return ancestral homes and lands to the enclaved people, including United States citizens, who have been forcibly expelled, or those individuals who have fled the enclaved areas or other areas of Cyprus in fear of severe restrictions of freedom, human rights abuses, or violation of property rights.

(c) NOTIFICATION OF OPPOSITION TO RESTRICTIONS OF FREEDOM AND HUMAN RIGHTS ABUSES.—The President—

(1) shall notify in writing each fiscal year the head of government of any foreign country that is participating, directly or indirectly, in the restrictions on freedom and human rights of the enclaved people of Cyprus of the opposition by the United States to that government's participation in such restrictions; and

(2) shall urge the head of such government to cease participation in such restrictions and to work to eliminate such restrictions.

(d) MONITORING AND REPORTING REQUIREMENTS.—The Secretary of State shall include a report on the enclaved people of Cyprus as part of the annual Department of State's Country Reports on Human Rights Practices.

SEC. 4. UNITED NATIONS EFFORTS TO RESOLVE THE RESTRICTIONS ON THE ENCLAVED PEOPLE IN CYPRUS.

The President shall direct the United States representative to the United Nations—

(1) to urge the United Nations High Commissioner for Refugees to address and solve the plight of those enclaved on Cyprus; and

(2) to call upon the United Nations Human Rights Commissioner to investigate the plight of the enclaved on Cyprus and to implement appropriate and effective corrective action.●

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. BREAUX, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 12, a bill to amend the Internal Revenue Code of 1986 to encourage savings and investment through individual retirement accounts, and for other purposes.

S. 254

At the request of Mr. LOTT, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 254, a bill to extend eligibility for veterans' burial benefits, funeral benefits, and related benefits for veterans of certain service in the United States merchant marine during World War II.

S. 304

At the request of Mr. SANTORUM, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 304, a bill to amend the Internal Revenue Code of 1986 to repeal the transportation fuels tax applicable to commercial aviation.

S. 490

At the request of Mr. GRASSLEY, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 491

At the request of Mr. BREAUX, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 491, a bill to amend title XVIII of the Social Security Act to provide coverage of outpatient self-management training services under part B of the Medicare Program for individuals with diabetes.

S. 498

At the request of Mr. HELMS, his name was added as a cosponsor of S. 498, a bill to amend title XVI of the Social Security Act to deny SSI benefits for individuals whose disability is based on alcoholism or drug addiction, and for other purposes.

S. 508

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 508, a bill to amend the Internal Revenue Code of 1986 to modify certain provisions relating to the treatment of forestry activities.

S. 607

At the request of Mr. WARNER, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 607, a bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to clarify the liability of certain recycling transactions, and for other purposes.

S. 715

At the request of Mr. D'AMATO, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 715, a bill to provide for portability of health insurance, guaranteed renewability, high risk pools, medical care savings accounts, and for other purposes.

S. 743

At the request of Mrs. HUTCHISON, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 743, a bill to amend the Internal Revenue Code of 1986 to provide a tax credit for investment necessary to revitalize communities within the United States, and for other purposes.

S. 832

At the request of Mr. GRAHAM, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 832, a bill to require the Prospective Payment Assessment Commission to develop separate applicable percentage increases to ensure that Medicare beneficiaries who receive services from Medicare dependent hospitals receive the same quality of care and access to services as Medicare beneficiaries in other hospitals, and for other purposes.

S. 844

At the request of Mr. ASHCROFT, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 844, a bill to replace the Medicaid Program with a block grant to the States, and for other purposes.

S. 885

At the request of Mr. SIMPSON, the name of the Senator from Tennessee [Mr. FRIST] was added as a cosponsor of S. 885, a bill to establish United States commemorative coin programs, and for other purposes.

S. 939

At the request of Mr. SMITH, the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of S. 939, a bill to amend title 18, United States Code, to ban partial-birth abortions.

S. 954

At the request of Mr. HATFIELD, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 954, a bill to authorize the Architect of the Capitol to establish a Capitol Visitor Center under the East Plaza of the United States Capitol, and for other purposes.

S. 959

At the request of Mr. HATCH, the name of the Senator from Indiana [Mr. COATS] was added as a cosponsor of S. 959, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 986

At the request of Mr. D'AMATO, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 986, a bill to amend the Internal Revenue Code of 1986 to provide that the Federal income tax shall not apply to United States citizens who are killed in terroristic actions directed at the United States or to parents of children who are killed in those terroristic actions.

S. 990

At the request of Mr. INOUYE, the names of the Senator from Wisconsin [Mr. FEINGOLD], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. AKAKA], and the Senator from California [Mrs. BOXER] were added as cosponsors of S. 990, a bill to expand the availability of qualified organizations for frail elderly community projects (Program of All-inclusive Care for the Elderly [PACE]), to allow such organizations, following a trial period, to become eligible to be providers under applicable titles of the Social Security Act, and for other purposes.

S. 1051

At the request of Mr. HATFIELD, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1051, a bill to authorize appropriations for the American Folklife Center for fiscal years 1996, 1997, 1998, and 1999.

S. 1086

At the request of Mr. DOLE, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1086, a bill to amend the Internal Revenue Code of 1986 to allow a family owned business exclusion from the gross estate subject to estate tax, and for other purposes.

S. 1134

At the request of Mr. NICKLES, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1134, a bill to provide family tax relief.

S. 1136

At the request of Mr. HATCH, the names of the Senator from Wyoming [Mr. SIMPSON] and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 1136, a bill to control and prevent commercial counterfeiting, and for other purposes.

S. 1145

At the request of Mr. CRAIG, his name was added as a cosponsor of S. 1145, a bill to abolish the Department of Housing and Urban Development and provide for reducing Federal spending for housing and community development activities by consolidating and eliminating programs, and for other purposes.

S. 1146

At the request of Mr. LEAHY, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of S. 1146, a bill to amend the Internal Revenue Code of 1986 to clarify the excise tax treatment of draft cider.

SENATE CONCURRENT RESOLUTION 11

At the request of Ms. SNOWE, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of Senate Concurrent Resolution 11, a concurrent resolution supporting a resolution to the long-standing dispute regarding Cyprus.

SENATE RESOLUTION 147

At the request of Mr. THURMOND, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of Senate Resolution 147, a resolution designating the weeks beginning September 24, 1995, and September 22, 1996, as "National Historically Black Colleges and Universities Week," and for other purposes.

AMENDMENT NO. 2280

At the request of Mr. DOLE the names of the Senator from Kentucky [Mr. MCCONNELL], the Senator from Idaho [Mr. KEMPTHORNE], and the Senator from New Mexico [Mr. DOMENICI] were added as cosponsors of Amendment No. 2280 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2282

At the request of Mr. DASCHLE the names of the Senator from Louisiana [Mr. BREAUX], the Senator from Maryland [Ms. MIKULSKI], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from New York [Mr. MOYNIHAN], the Senator from Nevada [Mr. REID], the Senator from Nebraska [Mr. KERREY], the Senator from Kentucky [Mr. FORD], the Senator from North Dakota [Mr. CONRAD], the Senator from North Dakota [Mr. DORGAN], the Senator from Connecticut [Mr. DODD], the Senator from Massachusetts [Mr. KERRY], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Nevada [Mr. BRYAN], the Senator from Hawaii [Mr. INOUYE], the Senator from Virginia [Mr. ROBB], the Senator from Nebraska [Mr. EXON], the Senator from Washington [Mrs. MURRAY], the Senator from Wisconsin [Mr. FEINGOLD], the Senator from California [Mrs. BOXER], the Senator from Ohio [Mr. GLENN], the Senator from Hawaii [Mr. AKAKA], the Senator from Michigan [Mr. LEVIN], the Senator from California [Mrs. FEINSTEIN], the Senator from Arkansas [Mr. BUMPERS], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Arkansas [Mr. PRYOR], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Alabama [Mr. HEFLIN] were added as cosponsors of amendment No. 2282 proposed to H.R. 4, a bill to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

AMENDMENT NO. 2318

At the request of Mr. SPECTER the name of the Senator from Pennsylvania [Mr. SANTORUM] was added as a cosponsor of Amendment No. 2318 proposed to H.R. 1977, a bill making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

AMENDMENT NO. 2398

At the request of Mr. BRADLEY his name was added as a cosponsor of Amendment No. 2398 proposed to S. 1087, an original bill making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes.

SENATE RESOLUTION 163—RELATIVE TO THE SELECT COMMITTEE ON ETHICS

Mrs. BOXER submitted the following resolution; which was referred to the Select Committee on Ethics:

S. RES. 163

Resolved,

SECTION 1. ETHICS HEARINGS INVOLVING SERIOUS ETHICS VIOLATIONS BY MEMBERS.

Section 2(d)(5) of Senate Resolution 338, agreed to July 24, 1964, is amended by inserting after the first sentence the following: "The Select Committee shall hold hearings in any investigation conducted under subparagraph (A) that involves a complaint against a Member. The hearing requirement may be waived by the Select Committee by a recorded majority vote of the members of the Select Committee.".

SEC. 2. APPLICATION OF AMENDMENT.

The amendment made by section 1 shall apply to any investigation within the jurisdiction of the Select Committee on Ethics pending on the date of adoption of this resolution and any investigation commenced after the date of adoption.

• Mrs. BOXER. Mr. President, today I am submitting a resolution to require the Senate Select Committee on Ethics to hold hearings in any case involving a Senator to reach the final investigative stage. This proposal is identical to the amendment I offered to the Department of Defense authorization bill that was narrowly rejected by a vote of 48 to 52.

Since the Senate voted on this issue, new information has become available that strengthens the arguments for hearings in ethics cases. It is my hope that opponents of public hearings will reconsider their positions in light of this new information.

Mr. President, the Senate is not a private club; this is the people's Senate. We have an obligation to demonstrate to our constituents that we take seriously our constitutionally-mandated responsibility to police ourselves. By attempting to sweep our problems under the committee room's rug, we do the opposite. The committee should do what it has always done in cases to reach this final phase; it should hold public hearings to investigate the allegations.

This proposal is fair and reasonable. It allows the Ethics Committee to close its hearings in accordance with rule XXVI or to waive the hearing requirement altogether by a majority vote.●

SENATE RESOLUTION 164—RELATIVE TO WORLD WAR II

Mr. DOLE (for himself and Mr. DASCHLE) submitted the following resolution; which was considered and agreed to:

S. RES. 164

Whereas on August 14, 1945 the Japanese government accepted the Allied terms of surrender;

Whereas the formal documents of surrender were signed on September 2, 1945, thereby ending World War II;

Whereas 50 years have now passed since those events;

Whereas, the courage and sacrifice of the American fighting men and women who served with distinction in the Pacific and Asian theaters should always be remembered; now, therefore, be it

Resolved, The United States Senate joins with a grateful nation in expressing our respect and appreciation to the men and women who served in World War II, and their families. Further, we remember and pay tribute to those Americans who made the ultimate sacrifice and gave their lives for their country.

SENATE RESOLUTION 165—COMMENDING THE 60TH ANNIVERSARY OF THE SOCIAL SECURITY ACT

Mr. PACKWOOD (for himself and Mr. MOYNIHAN) submitted the following resolution; which was considered and agreed to:

S. RES. 165

Whereas on August 14, 1935, President Franklin D. Roosevelt signed the Social Security Act, which represents one of the most significant legislative achievements of the 20th century;

Whereas the Social Security Act represents a national commitment between the American Government and the people;

Whereas Social Security is one of our Nation's most popular and effective programs with a 60-year track record;

Whereas 141,000,000 persons, along with their employers, pay into the Social Security system;

Whereas Social Security is an earned benefit for workers and their families when a wage earner retires, becomes disabled, or dies;

Whereas over 44,000,000 persons, including 3,000,000 children, receive Social Security benefits that are automatically adjusted for inflation;

Whereas over 95 percent of those age 65 and over are eligible for Social Security benefits, 4 out of 5 workers have worked long enough so that they could get Social Security benefits if they become severely disabled, and 98 percent of today's children would receive a monthly Social Security benefit if a working parent died;

Whereas Social Security benefits provide a financial base for retirement, to be supplemented by private savings and pensions;

Whereas Social Security is the Nation's most successful antipoverty program, saving 15,000,000 people from poverty;

Whereas Social Security is viewed by the public as one of the most important Government programs and as a pillar of economic security;

Whereas Social Security benefits help to maintain the independence and dignity of all who receive such benefits;

Whereas the American public has rejected cutting Social Security to reduce the deficit;

Whereas Social Security is a self-financed program that in 1994 had over $436,000,000,000 in reserves;

Whereas reforms of Social Security benefits historically have been made only to strengthen the program's long-term integrity and solvency; and

Whereas Congress recently enacted legislation establishing the Social Security Administration as an independent agency so as to strengthen its ability to better serve beneficiaries: Now, therefore, be it

Resolved, That the Social Security Act is hereby commended on its 60th anniversary.

SENATE RESOLUTION 166—RELATIVE TO CROATIAN-BOSNIAN COOPERATION

Mr. DOLE (for himself, Mr. LIEBERMAN, and Mr. HELMS) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 166

Whereas, on July 21, 1992, the democratically-elected Governments of the Republic of Croatia and Bosnia and Herzegovina signed the Agreement on Friendship and Cooperation;

Whereas, on March 16, 1994, the Washington Agreement established the Bosniac-Croat Federation of Bosnia and Herzegovina, and provided for the confederal linking of this Federation to the Republic of Croatia;

Whereas, in the Split Declaration of July 22, 1995, the President of the Republic of Croatia, Dr. Franjo Tudjman, the President of the Republic of Bosnia and Herzegovina, Alija Izetbegovic, and the President of the Federation of the Republic of Bosnia and Herzegovina, Kresimir Zubak, pledged to widen and strengthen defense cooperation to defend the territorial integrity of the Republic of Croatia and the Republic of Bosnia and Herzegovina;

Whereas, the forces of the Republic of Croatia have reestablished government control and authority over three former U.N. protected areas under Serb militant control within the territory of the Republic of Croatia; Now, therefore, be it

Resolved, That the Senate—

(1) urges the Government of Croatia and the Government of Bosnia and Herzegovina to continue their military cooperation for the purpose of defending the territorial integrity of the Republic of Croatia and the Republic of Bosnia and Herzegovina;

(2) urges the Government of Croatia and the Government of Bosnia and Herzegovina to continue and strengthen their political and economic support for the Bosnia-Croat Federation;

(3) calls on the Government of the United States to: (i) provide full support to the Bosniac-Croat Federation, (ii) uphold as a top policy objective preserving the self-government and territorial integrity of the Republic of Croatia and of the Republic of Bosnia and Herzegovina and (iii) oppose any peace settlement that would undermine this objective.

Mr. DOLE. Mr. President, I rise today to submit this resolution which supports the continued political, military, and economic cooperation between the Governments of Croatia and Bosnia and Herzegovina. I am pleased to be joined by the distinguished Senator from Connecticut, Senator LIEBERMAN, and the distinguished chairman of the Foreign Relations Committee, Senator HELMS.

In my view, cooperation between Bosnia and Croatia is vital to the interests and future of both countries. While several agreements pledging cooperation have been reached since 1992—and as recently as July—the past few weeks have demonstrated the tangible benefits to be gained by this common approach.

This resolution urges continued military cooperation in order to defend the territorial integrity of both Croatia and Bosnia. It also urges that the Croatian and Bosnian Governments remain committed and supportive of the Bosniac-Croat Federation. Furthermore, the resolution calls on the United States Government to fully support the Bosniac-Croat Federation and to uphold as a top policy objective the preservation of the territorial integrity and self-government of the Republics of Croatia and Bosnia and Herzegovina. Finally, the resolution calls on the U.S. Government to oppose any peace settlement that would undermine this objective.

I believe that this resolution sends a relevant and timely message to the Croatian and Bosnian Governments and I urge my colleagues to adopt it.

SENATE CONCURRENT RESOLUTION 25—RELATIVE TO THE EASTERN ORTHODOX ECUMENICAL PATRIARCHATE

Ms. SNOWE (for herself, Ms. MOSELEY-BRAUN, Mr. D'AMATO, and Mr. SARBANES) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 25

Whereas the Ecumenical Patriarchate is the spiritual center for more than 250,000,000 Orthodox Christians worldwide, including approximately 5,000,000 in the United States;

Whereas in recent years there have been successive terrorist attempts to desecrate and destroy the premises of the Ecumenical Patriarchate in the Fanar area of Istanbul (Constantinople), Turkey;

Whereas attempts against the Ecumenical Patriarchate have intensified, including the following attempts:

(1) In July and August 1993, the Christian Orthodox cemetery in Yenikoy, near Istanbul, was attacked by vandals and desecrated.

(2) There has been a concerted effort throughout Turkey to convert the Church of Hagia (Saint) Sophia, one of the most sacred monuments of Greek Orthodox Christianity and currently used as a museum, into a mosque.

(3) On the night of March 30, 1994, 3 bombs were discovered in the building where the Patriarch lives.

(4) The Turkish press and some politicians have been launching a well-orchestrated campaign against the Ecumenical Patriarchate accusing it of trying to become an independent state or wishing to revive the Byzantine Empire. These accusations resulted in provoking dangerous reactions among the Moslem population in Turkey against the Ecumenical Patriarchate.

(5) Negative statements have been directed toward the Patriarchate by the Mayor of the Fatih District of Istanbul.

Whereas His All Holiness Patriarch Bartholomew and those associated with the Ecumenical Patriarchate are Turkish citizens and thus must be protected under Turkish law against blatant and unprovoked attacks toward ethnic minorities;

Whereas the Turkish Government arbitrarily closed the Halki Patriarchal School of Theology in 1971;

Whereas the closing of the Halki School of Theology is a serious concern for the Ecumenical Patriarchate;

Whereas Turkish law requires that the Patriarch, as well as all the clergy, faculty, and students be citizens of Turkey, and the Halki School of Theology is the only educational institution for Orthodox Christian leadership;

Whereas the unimpeded continued provocations against the Ecumenical Patriarchate and the closing of the Halki School of Theology are in violation of international treaties to which Turkey is a signatory, including the Treaty of Lausanne, the 1968 Protocol, the Helsinki Final Act—1975, the Charter of Paris, and the United Nations Charter;

Whereas these actions have severely compromised and threatened the safety and security of the Ecumenical Patriarchate and the future existence of this Orthodox Institution in Turkey; and

Whereas it is in the best interest of the United States to prevent further incidents regarding the Ecumenical Patriarchate, the spiritual leader of millions of American citizens, and in the overall goals of the United States to establish peaceful relations with and among the many important nations of the world that have substantial Orthodox Christian populations: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) the United States should use its influence with the Turkish Government and as a permanent member of the United Nations Security Council to suggest that the Turkish Government—

(A) ensure the proper protection for the Patriarchate and all Orthodox faithful residing in Turkey;

(B) assure that positive steps are taken to reopen the Halki Patriarchal School of Theology;

(C) provide for the proper protection and safety of the Ecumenical Patriarch and the Patriarchate personnel;

(D) establish conditions that would prevent the recurrence of past terrorist activities and vandalism and other personal threats against the Patriarch;

(E) establish conditions to ensure that the Patriarchate is free to carry out its religious mission; and

(F) do everything possible to find and punish the perpetrators of any provocative and terrorist acts against the Patriarchate.

(2) The President should report on an annual basis to the Congress regarding the status and progress of the concerns expressed in paragraph (1).

• Ms. SNOWE. Mr. President, today I am submitting a resolution concerning the fate of the Eastern Orthodox Ecumenical Patriarchate and the important of protecting its ability to carry on its vitally important religious mission. I am please to be joined in submitting this important resolution by three distinguished colleagues on both sides of the aisle, Senators MOSELEY-BRAUN, D'AMATO, and SARBANES.

With over 250 million faithful worldwide, the Orthodox Church deserves attention and respect as one of the world's major religious. Its nonpolitical Patriarchate in Istanbul, however, has often been hampered in its mission due to a misunderstanding or hostility toward its religious role.

This resolution is intended to raise awareness of the role of the Orthodox Patriarchate, and the importance of its receiving the protection necessary for it to remain a viable and respected world religious institution.

Mr. President, the protection of the Ecumenical Patriarchate is an issue of vital international interest. The Patriarchate, which is the epicenter of Christian Orthodoxy, is severely hampered in its ability to function as the preeminent Orthodox religious institution it was intended to be. This has come about due to the neglect and often outright hostility the institution is afforded in modern-day Turkey, particularly among Turkish fundamentalists.

Although the Islamic fundamentalist movement in Turkey is small, attempts have been made on the life of the Ecumenical Patriarch. The most recent incident occurred on March 30, 1994, when three bombs were discovered in the attic of the Patriarch's residence. On a separate occasion, the patriarchal complex was attacked with a Molotov cocktail, threatening the safety of all who worked there. There have also been incidents of desecration and vandalism of the Christian Orthodox Cemetery outside Istanbul.

While there is no indication that the Turkish Government, or most Turkish people supported these acts of violence, such acts should make clear to the Government the need to take steps to ensure the safety of this holy institution and the small Christian minority that still resides in Istanbul.

But the Turkish Government has taken some steps that do directly undermine the institution of the Patriarchate. One was Turkey's 1971 closing of the Patriarchate's Theological School, which this year would have celebrated its 150-year anniversary. This action was in violation of a variety of treaties and human rights accords that Turkey has signed before and after this action. The most important of these is the Treaty of Lausanne, which lays out the reciprocal duties of both Greece and Turkey to protect the rights of the Christian and Moslem minorities in each others country.

Until its abolition, hundreds of priests had been trained in the academy for religious service worldwide. The closing of the academy is a particularly serious matter for the long-term survival of the institution of the Patriarchate. Turkish law requires that the Patriarch and all other clergy in Turkey be Turkish citizens. The closing of the Patriarchate's Theological School now requires all candidates for the priesthood to be trained overseas, and many do not return to Turkey. As a result, there are fewer and fewer clergy in Turkey eligible to serve in the future as Orthodox Patriarch.

The resolution calls for the United States to use its influence to: encourage the proper protection for the Patriarch and all Orthodox faithful residing in Turkey; work toward the reopening of the Patriarchal School of Theology; encourage conditions that would prevent recurrence of past acts of violence against the institution and personnel of the Ecumenical Patriarchate; and help ensure that the Patriarchate is free to carry out its religious mission.

This resolution is a simple statement of the importance of religious freedom and human rights not only in Turkey, but for all of the world Christian Orthodox faithful. I am confident that the principles contained in the resolution are overwhelmingly supported by the American people, and they deserve similarly overwhelming support from the U.S. Senate.•

• Ms. MOSELEY-BRAUN. Mr. President, I am pleased to submit this resolution along with my distinguished colleague from the State of Maine, Senator SNOWE, regarding the protection and preservation of the Eastern Orthodox Ecumenical Patriarchate in Turkey.

This sense-of-the-Senate resolution is an important statement in support of religious freedom. The Patriarchate is the most important center of the Eastern Orthodox religion. The Patriarchate is to Eastern Orthodoxy what the Vatican is to Catholicism. In recent years, there have been a number of attempted terrorist attacks against the Patriarchate. In one incident in the summer of 1993, the Christian Orthodox cemetery in Yenikoy, near Istanbul, was desecrated by vandals. In another incident, during the night of March 30, 1994, three bombs were discovered in the building where the Patriarch, His Holiness Bartholomew, lives. There have also been effort to convert the Church of Saint Sophia, one of the most sacred monuments of Greek Orthodox Christianity, currently used as a museum, not a mosque. This resolution will ensure that the Senate puts its concerns for maintaining the integrity of the Patriarchate and religious freedom generally on the record.

This resolution also expresses the Senate's wish to see the Halki Patriarchal School of Theology reopen. This institution is where Orthodox bishops receive their most advanced training. This school functioned as a center of religious training and a symbol of religious freedom in Istanbul throughout the Ottoman Empire. It was closed by the Turkish Government in 1971. The continued closure of the Halki School of Theology impedes the ability of the present orthodox leadership to train the next generation of leaders. The absence of the highest order of religious training endangers the continued existence of Orthodox institutions in Turkey.

I want to commend the administration for its diplomatic efforts in this area. President Clinton has expressed his concerns about the Patriarchate directly to Prime Minister Ciller. Assistant Secretary Richard Holbrooke has visited the Patriarchate to demonstrate U.S. support for the institution and U.S. interest in preserving religious freedom. I know that the administration is fully committed to continue these diplomatic efforts to persuade the Government of Turkey to permit the reopening of the Halki Seminary, as well as other religious facilities throughout Turkey.

Mr. President, I believe it is very important for the Senate to go on record in support of these diplomatic efforts, and in support of the integrity of Orthodox institutions and religious freedom in Turkey.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

NUNN (AND OTHERS) AMENDMENT NO. 2425

(Ordered to lie on the table.)

Mr. LEVIN (for Mr. NUNN, for himself, Mr. WARNER, Mr. LEVIN, and Mr. COHEN) submitted an amendment intended to be proposed by them to the bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

On page 49, strike out line 15 and all that follows through line 9 on page 69 and insert the following in lieu thereof:

Subtitle C—Missile Defense

SEC. 231. SHORT TITLE.

This subtitle may be cited as the "Missile Defense Act of 1995".

SEC. 232. FINDINGS.

Congress makes the following findings:

(1) The threat that is posed to the national security of the United States by the proliferation of ballistic and cruise missiles is significant and growing, both quantitatively and qualitatively.

(2) The deployment of effective Theater Missile Defense systems can deny potential adversaries the option of escalating a conflict by threatening or attacking United States forces, coalition partners of the United States, or allies of the United States with ballistic missiles armed with weapons of mass destruction to offset the operational and technical advantages of the United States and its coalition partners and allies.

(3) The intelligence community of the United States has estimated that (A) the missile proliferation trend is toward longer range and more sophisticated ballistic missiles, (B) North Korea may deploy an intercontinental ballistic missile capable of reaching Alaska or beyond within 5 years, and (C) although a new indigenously developed ballistic missile threat to the continental United States is not forecast within the next 10 years there is a danger that determined countries will acquire intercontinental ballistic missiles in the near future and with little warning by means other than indigenous development.

(4) The deployment by the United States and its allies of effective defenses against ballistic missiles of all ranges, as well as against cruise missiles, can reduce the incentives for countries to acquire such missiles or to augment existing missile capabilities.

(5) The Cold War distinction between strategic ballistic missiles and nonstrategic ballistic missiles and, therefore, the ABM Treaty's distinction between strategic defense and nonstrategic defense, has changed because of technological advancements and should be reviewed.

(6) The concept of mutual assured destruction, which was one of the major philosophical rationales for the ABM Treaty, is now questionable as a basis for stability in a multipolar world in which the United States and the states of the former Soviet Union are seeking to normalize relations and eliminate Cold War attitudes and arrangements.

(7) Theater and national missile defenses can contribute to the maintenance of stability as missile threats proliferate and as the United States and the former Soviet Union significantly reduce the number of strategic nuclear forces in their respective inventories.

(8) Although technology control regimes and other forms of international arms control can contribute to nonproliferation, such measures alone are inadequate for dealing with missile proliferation, and should not be viewed as alternatives to missile defenses and other active and passive defenses.

(9) Due to limitations in the ABM Treaty which preclude deployment of more than 100 ground-based ABM interceptors at a single site, the United States is currently prohibited from deploying a national missile defense system capable of defending the continental United States, Alaska, and Hawaii against even the most limited ballistic missile attacks.

SEC. 233. MISSILE DEFENSE POLICY.

It is the policy of the United States to—

(1) deploy as soon as possible affordable and operationally effective theater missile defenses capable of countering existing and emerging theater ballistic missiles;

(2)(A) develop for deployment a multiple-site national missile defense system that: (i) is affordable and operationally effective against limited, accidental, and unauthorized ballistic missile attacks on the territory of the United States, and (ii) can be augmented over time as the threat changes to provide a layered defense against limited, accidental, or unauthorized ballistic missile threats;

(B) initiate negotiations with the Russian Federation as necessary to provide for the national missile defense systems specified in section 235; and

(C) consider, if those negotiations fail, the option of withdrawing from the ABM Treaty in accordance with the provisions of Article XV of the Treaty, subject to consultations between the President and the Senate;

(3) ensure congressional review, prior to a decision to deploy the system developed for deployment under paragraph (2), of: (A) the affordability and operational effectiveness of such a system; (B) the threat to be countered by such a system; and (C) ABM Treaty considerations with respect to such a system.

(4) improve existing cruise missile defenses and deploy as soon as practical defenses that are affordable and operationally effective against advanced cruise missiles;

(5) pursue a focused research and development program to provide follow-on ballistic missile defense options;

(6) employ streamlined acquisition procedures to lower the cost and accelerate the pace of developing and deploying theater missile defenses, cruise missile defenses, and national missile defenses;

(7) seek a cooperative transition to a regime that does not feature mutual assured destruction and an offense-only form of deterrence as the basis for strategic stability; and

(8) carry out the policies, programs, and requirements of subtitle C of title II of this Act through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

SEC. 234. THEATER MISSILE DEFENSE ARCHITECTURE.

(a) ESTABLISHMENT OF CORE PROGRAM.—To implement the policy established in section 233, the Secretary of Defense shall establish a top priority core theater missile defense program consisting of the following systems:

(1) The Patriot PAC-3 system, with a first unit equipped (FUE) in fiscal year 1998.

(2) The Navy Lower Tier (Area) system, with a user operational evaluation system (UOES) capability in fiscal year 1997 and an initial operational capability (IOC) in fiscal year 1999.

(3) The Theater High-Altitude Area Defense (THAAD) system, with a user operational evaluation system (UOES) capability

in fiscal year 1997 and an initial operational capability (IOC) no later than fiscal year 2002.

(4) The Navy Upper Tier (Theater Wide) system, with a user operational evaluation system (UOES) capability in fiscal year 1999 and an initial operational capability (IOC) in fiscal year 2001.

(b) Interoperability and Support of Core Systems.—To maximize effectiveness and flexibility, the Secretary of Defense shall ensure that core theater missile defense systems are interoperable and fully capable of exploiting external sensor and battle management support from systems such as the Navy's Cooperative Engagement Capability (CEC), the Army's Battlefield Integration Center (BIC), air and space-based sensors including, in particular, the Space and Missile Tracking System (SMTS).

(c) Termination of Programs.—The Secretary of Defense shall terminate the Boost Phase Interceptor (BPI) program.

(d) Follow-on Systems.—The Secretary of Defense shall develop an affordable development plan for follow-on theater missile defense systems which leverages existing systems, technologies, and programs, and focuses investments to satisfy military requirements not met by the core program.

(2) Before adding new theater missile defense systems to the core program from among the follow-on activities, the Secretary of Defense shall submit to the congressional defense committees a report describing—

(A) the requirements for the program and the specific threats to be countered;

(B) how the new program will relate to, support, and leverage off existing core programs;

(C) the planned acquisition strategy; and

(D) a preliminary estimate of total program cost and budgetary impact.

(e) Report.—(1) Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report detailing the Secretary's plans for implementing the guidance specified in this section.

(2) For each deployment date for each system described in subsection (a), the report required by paragraph (1) of this subsection shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a).

SEC. 235. NATIONAL MISSILE DEFENSE SYSTEM ARCHITECTURE.

(a) In General.—To implement the policy established in section 233, the Secretary of Defense shall develop an affordable and operationally effective national missile defense system to counter a limited, accidental, or unauthorized ballistic missile attack, and which is capable of attaining initial operational capability (IOC) by the end of 2003. Such system shall include the following:

(1) Ground-based interceptors capable of being deployed at multiple sites, the locations and numbers of which are to be determined so as to optimize the defensive coverage of the continental United States, Alaska, and Hawaii against limited, accidental, or unauthorized ballistic missile attacks.

(2) Fixed ground-based radars and space-based sensors, including the Space and Missile Tracking system, the mix, siting and numbers of which are to be determined so as to optimize sensor support and minimize total system cost.

(3) Battle management, command, control, and communications (BM/C3).

(b) Interim Operational Capability.—To provide a hedge against the emergence of near-term ballistic missile threats against the United States and to support the development and deployment of the objective system specified in subsection (a), the Secretary of Defense shall develop an interim national missile defense plan that would give the United States the ability to field a limited operational capability by the end of 1999 if required by the threat. In developing this plan the Secretary shall make use of—

(1) developmental, or user operational evaluation system (UOES) interceptors, radars, and battle management, command, control, and communications (BM/C3), to the extent that such use directly supports, and does not significantly increase the cost of, the objective system specified in subsection (a);

(2) one or more of the sites that will be used as deployment locations for the objective system specified in subsection (a);

(3) upgraded early warning radars; and

(4) space-based sensors.

(c) Use of Streamlined Acquisition Procedures.—The Secretary of Defense shall prescribe and use streamlined acquisition procedures to—

(1) reduce the cost and increase the efficiency of developing the national missile defense system specified in subsection (a); and

(2) ensure that any interim national missile defense capabilities developed pursuant to subsection (b) are operationally effective and on a path to fulfill the technical requirements and schedule of the objective system.

(d) Additional Cost Saving Measures.—In addition to the procedures prescribed pursuant to subsection (c), the Secretary of Defense shall employ cost saving measures that do not decrease the operational effectiveness of the systems specified in subsections (a) and (b), which do not pose unacceptable technical risk. The cost saving measures should include the following:

(1) The use of existing facilities and infrastructure.

(2) The use, where appropriate, of existing or upgraded systems and technologies, except that Minuteman boosters may not be used as part of a National Missile Defense architecture.

(3) Development of systems and components that do not rely on a large and permanent infrastructure and are easily transported, emplaced, and moved.

(e) Report on Plan for Deployment.—Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report containing the following matters:

(1) The Secretary's plan for carrying out this section.

(2) For each deployment date in subsections (a) and (b), the report shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a) or (b). The report shall also describe the specific threat to be countered and provide the Secretary's assessment as to whether deployment is affordable and operationally effective.

(3) An analysis of options for supplementing or modifying the national missile defense architecture specified in subsection (a) before attaining initial operational capability, or evolving such architecture in a building block manner after attaining initial operational capability, to improve the cost-effectiveness or the operational effectiveness of such system by adding one or a combination of the following:

(A) Additional ground-based interceptors at existing or new sites.

(B) Sea-based missile defense systems.

(C) Space-based kinetic energy interceptors.

(D) Space-based directed energy systems.

SEC. 236. CRUISE MISSILE DEFENSE INITIATIVE.

(a) In General.—The Secretary of Defense shall undertake an initiative to coordinate and strengthen the cruise missile defense programs, projects, and activities of the military departments, the Advanced Research Projects Agency and the Ballistic Missile Defense Organization to ensure that the United States develops and deploys affordable and operationally effective defenses against existing and future cruise missile threats.

(b) Actions of the Secretary of Defense.—In carrying out subsection (a), the Secretary of Defense shall ensure that—

(1) to the extent practicable, the ballistic missile defense and cruise missile defense efforts of the Department of Defense are coordinated and mutually reinforcing;

(2) existing air defense systems are adequately upgraded to provide an affordable and operationally effective defense against existing and near-term cruise missile threats; and

(3) the Department of Defense undertakes a high priority and well coordinated technology development program to support the future deployment of systems that are affordable and operationally effective against advanced cruise missiles, including cruise missiles with low observable features.

(c) Implementation Plan.—Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a detailed plan, in unclassified and classified forms, as necessary, for carrying out this section. The plan shall include an assessment of—

(1) the system that currently have cruise missile defense capabilities, and existing programs to improve these capabilities;

(2) the technologies that could be deployed in the near- to mid-term to provide significant advances over existing cruise missile defense capabilities, and the investments that would be required to ready the technologies for deployment;

(3) the cost and operational tradeoffs, if any, between upgrading existing air and missile defense systems and accelerating follow-on systems with significantly improved capabilities against advanced cruise missiles; and

(4) the organizational and management changes that would strengthen and further coordinate the cruise missile defense efforts of the Department of Defense, including the disadvantages, if any, of implementing such changes.

SEC. 237. POLICY REGARDING THE ABM TREATY.

(a) Congress makes the following findings:

(1) Article XIII of the ABM Treaty envisions "possible changes in the strategic situation which have a bearing on the provisions of this treaty".

(2) Articles XIII and XIV of the ABM Treaty establish means for the Parties to amend the Treaty, and the Parties have employed these means to amend the Treaty.

(3) Article XV of the ABM Treaty establishes the means for a party to withdraw

from the Treaty, upon 6 months notice, "if it decides that extraordinary events related to the subject matter of this treaty have jeopardized its supreme interests."

(4) The policies, programs, and requirements of subtitle C of title II of this Act can be accomplished through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

(b) SENSE OF CONGRESS.—In light of the findings and policies provided in this subtitle, it is the sense of Congress that—

(1) Given the fundamental responsibility of the Government of the United States to protect the security of the United States, the increasingly serious threat posed to the United States by the proliferation of weapons of mass destruction and ballistic missile technology, and the effect this threat could have on the options of the United States to act in a time of crisis—

(A) it is in the vital national security interest of the United States to defend itself from the threat of a limited, accidental, or unauthorized ballistic missile attack, whatever its source; and

(B) the deployment of a national missile defense system, in accord with section 233, to protect the territory of the United States against a limited, accidental, or unauthorized missile attack can strengthen strategic stability and deterrence; and

(2)(A) the Senate should undertake a comprehensive review of the continuing value and validity of the ABM Treaty with the intent of providing additional policy guidance on the future of the ABM Treaty during the second session of the 104th Congress; and

(B) upon completion of the review, the Committee on Foreign Relations, in consultation with the Committee on Armed Services and other appropriate committees, should report its findings to the Senate.

SEC. 238. PROHIBITION ON FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.

(a) FINDINGS.—Congress makes the following findings:

(1) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 provides that the ABM Treaty does not apply to or limit research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles, regardless of the capabilities of such missiles, unless those systems, system upgrades, or system components are tested against or have demonstrated capabilities to counter modern strategic ballistic missiles.

(2) Section 232 of the National Defense Authorization Act for Fiscal Year 1995 provides that the United States shall not be bound by any international agreement that would substantially modify the ABM Treaty unless the agreement is entered into pursuant to the treaty making power of the President under the Constitution.

(3) the demarcation standard described in subsection (b)(1) is based upon current technology.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) unless a missile defense system, system upgrade, or system component, including one that exploits data from space-based or other external sensors, is flight tested against a ballistic missile target that exceeds a range of 3,500 kilometers or a velocity of 5 kilometers per second, such missile defense system, system upgrade, or system component has not been tested in an ABM mode nor deemed to have been given capabilities to counter strategic ballistic missiles, and

(2) any international agreement that would limit the research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles in a manner that would be more restrictive than the criteria in paragraph (1) should be enacted into only pursuant to the treaty making powers of the President under the Constitution.

(c) PROHIBITION ON FUNDING.—Funds appropriated or otherwise made available to the Department of Defense for fiscal year 1996 may not be obligated or expended to implement an agreement with any of the independent states of the former Soviet Union entered into after January 1, 1995 that would establish a demarcation between theater missile defense systems and anti-ballistic missile systems for purposes of the ABM Treaty or that would restrict the performance, operation, or deployment of United States theater missile defense systems except: (1) to the extent provided in an act enacted subsequent to this Act; (2) to implement that portion of any such agreement that implements the criteria in subsection (b)(1); or (3) to implement any such agreement that is entered into pursuant to the treaty making power of the President under the Constitution.

SEC. 239. BALLISTIC MISSILE DEFENSE PROGRAM ELEMENTS.

(a) ELEMENTS SPECIFIED.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year after fiscal year 1996 (as submitted in the budget of the President under section 1105(a) of title 31, United States Code), the amount requested for activities of the Ballistic Missile Defense Organization shall be set forth in accordance with the following program elements:

(1) The Patriot system.

(2) The Navy Lower Tier (Area) system.

(3) The Theater High-Altitude Area Defense (THAAD) system.

(4) The Navy Upper Tier (Theater Wide) system.

(5) Other Theater Missile Defense Activities.

(6) National Missile Defense.

(7) Follow-On and Support Technologies.

(b) TREATMENT OF NON-CORE TMD IN OTHER THEATER MISSILE DEFENSE ACTIVITIES ELEMENT.—Funding for theater missile defense programs, projects, and activities, other than core theater missile defense programs, shall be covered in the "Other Theater Missile Defense Activities" program element.

(c) TREATMENT OF CORE THEATER MISSILE DEFENSE PROGRAMS.—Funding for core theater missile defense programs specified in section 234, shall be covered in individual, dedicated program elements and shall be available only for activities covered by those program elements.

(d) BM/C3I PROGRAMS.—Funding for programs, projects, and activities involving battle management, command, control, communications, and intelligence (BM/C3I) shall be covered in the "Other Theater Missile Defense Activities" program element or the "National Missile Defense" program element, as determined on the basis of the primary objectives involved.

(e) MANAGEMENT AND SUPPORT.—Each program element shall include requests for the amounts necessary for the management and support of the programs, projects, and activities contained in that program element.

SEC. 240. ABM TREATY DEFINED.

For purposes of this subtitle, the term "ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed at Moscow on May 26, 1972, and includes the Protocols to that Treaty, signed at Moscow on July 3, 1974.

SEC. 241. REPEAL OF MISSILE DEFENSE PROVISIONS.

The following provisions of law are repealed:

(1) The Missile Defense Act of 1991 (part C of title II of Public Law 102–190; 10 U.S.C. 2431 note).

(2) Section 237 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

(3) Section 242 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160).

(4) Section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 613; 10 U.S.C. 2431 note).

(5) Section 225 of the Department of Defense Authorization Act, 1986 (Public Law 99–145; 99 Stat. 614).

(6) Section 226 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100–180; 101 Stat. 1057; 10 U.S.C. 2431 note).

(7) Section 8123 of the Department of Defense Appropriations Act, 1989 (Public Law 100–463; 102 Stat. 2270–40).

(8) Section 8133 of the Department of Defense Appropriations Act, 1992 (Public Law 102–172; 105 Stat. 1211).

(9) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160; 107 Stat. 1595; 10 U.S.C. 2431 note).

(10) Section 235 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103–337; 108 Stat. 2701; 10 U.S.C. 221 note).

THE SMALL BUSINESS LENDING ENHANCEMENT ACT OF 1995

NUNN AMENDMENT NO. 2426

Mr. DOLE (for Mr. NUNN) proposed an amendment to the bill (S. 895) to amend the Small Business Act to reduce the level of participation by the Small Business Administration in certain loans guaranteed by the administration, and for other purposes; as follows:

To amend the Committee substitute; on page 14, add the following new section:

"SEC. . PILOT PREFERRED SURETY BOND GUARANTEE PROGRAM EXTENSION.

"Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking "September 30, 1995" and inserting "September 30, 1997.""

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Full Committee on Energy and Natural Resources. The purpose of the hearing is to receive testimony on H.R. 1266, to provide for the exchange of lands within Admiralty Island National Monument, known as the "Greens Creek Land Exchange Act of 1995."

The hearing will take place Tuesday, September 12, 1995, at 9:30 a.m. in SD–366 of the Dirksen Senate Office Building in Washington, DC.

Those wishing to testify or who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please contact Michael Flannigan of the Committee staff at (202) 224–6170.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI: Mr. President, I would like to announce for the public that a hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Thursday, September 14, 1995, at 9:30 a.m. in SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to review S. 1144, a bill to reform and enhance the management of the National Park Service, S. 309, a bill to reform the concession policies of the National Park Service, and S. 964, a bill to amend the Land and Water Conservation Fund Act of 1965 with respect to fees for admission into units of the National Park System.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, U.S. Senate, 364 Dirksen Senate Office Building, Washington, DC 20510–6150.

For further information, please contact Jim O'Toole of the committee staff at (202) 224–5161.

ADDITIONAL STATEMENTS

CHINESE MISSILE TESTS

• Mr. PRESSLER. Mr. President, between July 21 and July 26 China conducted a series of ballistic missile test firings 85 miles from Taiwan. The missiles were all MTCR class four short range and two intermediate range. All were modern, mobile, nuclear-capable. No country has ever held this level of field tests for nuclear capable missiles before.

The result was predictable—the stock market and the local currency in Taiwan fell precipitously.

Mr. President, yesterday China announced that a new round of ballistic missile tests are due to begin next week. Again the test range is very near Taiwan. And again, the same result—the stock market in Taiwan plunged this morning to a 20-month low and the local currency dropped to the lowest level in 4 years.

Mr. President, the United States is faced with three choices: First, we can do nothing. However, I believe that it is not in the national security interest of the United States to allow Asia to be dominated by a nondemocratic power.

Second, at the other extreme, we could interpose the United States Pacific Fleet between the Chinese coast and the Asian democracies. President Truman did so in 1950 but I believe that should be considered only as a last resort.

Finally, we can take what I believe is the wisest course. That is, the United States can provide the requisite material and political support so that the Asian democracies can resist aggression.

Mr. President, when we return there will be a number of legislative opportunities to address this issue. I believe we should do so, hopefully with the administration's cooperation, but if necessary, without it.

Mr. President, I ask that a number of wire service stories on this issue be printed in the RECORD at the conclusion of my remarks.

FEARS WIDESPREAD IN TAIWAN AS CHINA RENEWS TESTS

(By Joyce Liu)

TAIPEI, August 11.—Taiwan's financial markets plunged and the dollar tumbled to a four-year low on Friday amid fears roused by a second series of missile tests China is planning near the island.

Taiwanese officials tried to allay widespread concern over the tests, with Huang Yao-yu, director-general of Taiwan's ruling Nationalist Party's department of mainland operations, saying they were not a direct military threat but were politically motivated.

They saw the tests as an attempt to create instability before presidential elections next March.

"There should not be any situation which is out of control. It has not yet reached the level of real military actions," Huang said on state-funded television. "It (China) hopes our elections can meet its expectations."

China announced on Thursday it would hold the second round of guided-missile tests in less than a month in the East China Sea between August 15 and 25, just north of Taiwan.

Financial markets reacted sharply to the tests. On Friday, the stock market plunged 4.57 percent to 4,551.89, a 20-month low, and the Taiwan dollar tumbled to the lowest level since 1991 against the U.S. dollar at midday.

Taiwan has said it would hold a military exercise, described as a routine military inspection, in southern Taiwan before the island's National Day on October 10.

"Communist China holds exercises and Taiwan also wants to hold exercises. What is the government doing and what should we stock investors do?" said an angry middle-aged housewife at a Taipei brokerage.

As well as creating instability in Taiwan, China's motive is also seen by political analysts as cutting support for Taiwan President Lee Teng-hui, who is widely expected to run in the first presidential elections.

Analysts said that if China could not intimidate Taiwan, it might continue to increase tensions in the Taiwan Straits before the island's December parliamentary elections and the March presidential elections.

"It seems communist China wants to cross the middle line and start to use force to incite Taiwan," said Hu Fo, political science professor at National Taiwan University.

China has considered Taiwan a revel province since the Nationalists lost the civil war in 1949. Both say they want eventual reunification but on very different terms.

"It will be very dangerous if communist China thinks it can no longer solve the reunification issue with a peaceful method. Taiwan should handle the issue very carefully now," Hu said.

President Lee's landmark visit to the United States in June, although private, infuriated Beijing which interprets Lee's moves to promote the island's international image as advocating independence.

Relations soured after Lee's U.S. trip and China's last missile tests, between July 21 and 26 in the sea north of Taiwan, triggered fear throughout Taiwan, forcing the stock market and the dollar down.

Taiwan cabinet's Mainland Affairs Council, which sets the island's China policy, has blasted China over Thursday's missile test announcement, saying the tests were unfriendly and irresponsible.

CHINA MILITARY EXERCISE

(By Charlene L. Fu)

BEIJING.—China's decision to hole its second series of missile tests in a month will have little military value but is aimed at intimidating Taiwan, experts say.

The planned test firings of guided missiles and live artillery shells starting next week in the East China Sea north of Taiwan are the latest in as summer-long series of political and military tit-for-tats between China and the island it views as a renegade province.

Beijing has been wary of Taiwan President Lee Teng-hui's efforts to gain greater international recognition for the economic powerhouse and was alarmed when Washington allowed him to make a private visit.

China started a three-month military exercise on the coast opposite Taiwan soon after Lee's June visit, then increased the pressure with ballistic missile tests in mid-July.

The announcement Thursday of the next planned tests, due to start Tuesday and last for 10 days, came after Taiwan scheduled army, navy and air force exercises in October.

This series of exercises is meant to intimidate Taiwan," said Eric Arnett, a military technology expert at the Stockholm International Peace Research Institute.

Though usually secretive about its military, Beijing reported the latest planned tests the same way it announced the previous ones: in a brief dispatch from the government news agency and on the national TV news.

"The Chinese People's Liberation Army will conduct exercises of guided missile and artillery live ammunition firing," the official Xinhua News Agency said.

Ships and airplanes were warned to stay out of the designated waters and airspace in the target area, 60 miles north of Taiwan.

Experts say China tests missiles every year at this time, but normally notification is given quietly through diplomatic channels.

They also noted that there is little military intelligence to be gained by repeated firings of missiles. Six surface-to-surface ballistic missiles were fired in the last test.

In addition, China's military normally tests missiles on land—where greater secrecy can be maintained than in international waters—so little need exists for the target area to be so near Taiwan, the experts said.

"The East China Sea is a big ocean. They don't have to put it 100 clicks (kilometers) off Taiwan," said Bob Karnio, Asia-Pacific editor for Jane's Defense Weekly.

China's military is believed to have played a greater role in policy-making toward Taiwan and the United States since the Foreign Ministry failed to prevent Lee's U.S. visit.

Reports in the Hong Kong media, citing unnamed sources, have said China's top leaders have decided to keep the pressure on Lee and on Taiwan.

Presidential elections are scheduled for next year, and China worries that Lee or opposition leaders will win, spurring calls for Taiwan to declare independence.

Lee has moved his Nationalist Party away from its Cold War-era claim to sovereignty over all of China. The Nationalists took refuge on Taiwan after losing a civil war to Communist forces in 1949.

Taiwan's stock and currency markets reeled today from the announcement of the new tests. The stock market's main index plunged 4.57 percent and the Taiwan dollar hit a four-year low of 27.36 to the U.S. dollars.

CHINA TO HOLD MORE MISSILE TESTS IN EAST CHINA SEA

(By Benjamin Kang Lim)

BEIJING, August 10.—China stepped up its intimidation of rival Taiwan on Thursday, announcing a second round of rare guided missile tests in less than a month in the East China Sea, just north of the Nationalist-ruled island.

The People's Liberation Army would hold the tests of guided missiles and firing of live artillery in and over a sea area off the coast of southeastern Zhejiang province from August 15 to 25, the Ministry of Communications said.

The southernmost perimeter of the tests is just 150 km (90 miles) north of Taiwan, which Beijing considers a renegade province ruled by rebel Nationalist foes.

The test zone off Zhejiang is a few miles north of the area where China's military test-fired six surface-to-surface missiles from July 21 to 26, setting off panic in Taiwan as the stock market plunged and the Taiwan dollar tumbled.

"For the sake of safety, ships and airplanes of other countries and regions are requested not to enter the said sea area and airspace during the period," the announcement said.

Diplomats said China's military was clearly eager to pursue last month's show of strength with another display of military might aimed at placing Lee Teng-hui, president of arch-rival Taiwan, on the defensive.

China has said repeatedly its three-million-strong military, the world's biggest, cannot give up the threat of force to recapture rival Taiwan if the island abandons its avowed goal of reunification and declares independence.

In Taiwan, the Defense Ministry played down the latest tests, saying it would not raise or change combat readiness.

Taiwan has said it would hold a military exercise before its October 10 National Day and the Defense Ministry has described the exercise as a routine military inspection.

Taipei's Lee enraged Beijing in June after he boosted his international image by edging open an effective U.S. ban on all visits, even unofficial, by senior Taiwan officials when he won Washington's permission to make a private trip.

Beijing has since fired a relentless series of verbal volleys at Lee, accusing him of advocating independence for Taiwan and effectively ruling out the Taiwan president as a partner for negotiations on reunification.

China's communist rulers have considered Taiwan a rebel province since the Nationalists lost the civil war in 1949. Both say they want reunification but on very different terms.

The previous missile tests, which did not include live artillery fire, marked the first time China had announced such exercises in advance.

Diplomats saw the move as a warning to Taiwan, a virtual diplomatic pariah, not to try to boost its international status through more private visits overseas.

Taiwan's stock market plunged 3.82 percent to a 20-month low on Wednesday on nervousness over current military exercises off Zhejiang.

The East Sea 5 exercises along Zhejiang's coast have for the first time included mountain and urban warfare training, with paratroopers engaged in house-to-house combat, along with the more regular amphibious landings and air support, one military analyst said.

"This really worries me. Two missile tests in such a short time," Hu Fo, political science professor at National Taiwan University, told Reuters.

"It seems communist China's policy on Taiwan is turning harder and harder and its trust in Taiwan is decreasing day by day since President Lee visited the United States," Hu said.

CHINA-MILITARY EXERCISE

(By Charlene L. Fu)

BEIJING.—China on Thursday announced its second set of missile tests in a month—a move experts said was meant to intimidate Taiwan.

The planned test firings of guided missiles and live artillery shells in the East China Sea 60 miles north of Taiwan are the latest in a series of political and military tit-fortats this summer between China and the island it views as a renegade province.

Beijing has been wary of Taiwan President Lee Teng-hui's efforts to garner greater international recognition for his country, an economic powerhouse, and was alarmed when Washington allowed him to visit the United States in June.

China started a three-month military exercise on the coast opposite Taiwan soon after Lee's U.S. visit and then tried to ratchet up the pressure with ballistic missile tests in mid-July.

The announcement of the next planned tests, due to start Tuesday and last 10 days, came after Taiwan scheduled army, navy and air force exercises of October. The announcement was carried by the official news agency, Xinhua.

"This series of exercises is meant to intimidate Taiwan," said Eric Arnett, a military technology expert at the Stockholm International Peace Research Institute.

Experts say China tests missiles every year at this time, but normally notification is given quietly through diplomatic channels—not broadcast to the nation and beyond.

They also noted that little military intelligence was to be gained by repeated firings of missiles. Six surface-to-surface ballistic missiles were fired in the last test.

In addition, China's military normally tests missiles on land, where greater secrecy can be maintained.

"The East China Sea is a big ocean. They don't have to put it 100 clicks (100 kilometers or 62½ miles) off Taiwan," said Bob Karniol, Asia-Pacific editor for Jane's Defense Weekly.

The Nationalists took refuge on Taiwan after losing a civil war to Communist Party-led forces in 1949. Lee has moved his Nationalist Party away from its Cold War-era claim to sovereignty over all of China.

CHINA MISSILE TESTS SIGNAL MORE PRESSURE FOR TAIWAN

(By Jane Macartney)

BEIJING, August 11.—If anyone thought China's first missile tests off Taiwan were a coincidence which happened to spark panic in Taipei, those doubts evaporated with the announcement of more exercises, diplomats said on Friday.

But that raises more questions, diplomats say. What does China hope to achieve? Why the new aggressiveness? Will the strategy backfire?

Or do the manoeuvres reflect internal jockeying for prestige between President and Communist Party chief Jiang Zemin and the military of which he is the titular head?

The official Communist Party mouthpiece the People's Daily carried a front-page map clearly marking a diamond-shaped test area just off a sliver of Chinese coast and above a large outline of rival Taiwan occupying most of the map.

"We knew they were holding exercises from May to September off the coast of Zhejiang, but now it is clear that these tests as threats are not just media hype but a political reality," a Senior Western diplomat said.

China announced on Thursday a second round of guided missile tests in less than a month in the East China Sea, 150 km (90 miles) north of Taiwan, but this time expanded them to include firing of live artillery from August 15 to 25.

"We thought that they would stop after the first tests," said another diplomat, referring to the July 21-26 exercises, which were 10 km (six miles) nearer Taiwan. "But clearly they are gearing up again to put more heat on Taiwan."

Diplomats said China's message through its unprecedented advance announcements of the tests was a warning to Taiwan—viewed by Beijing as a renegade province ruled by rebel Nationalist foes—not to try to raise its world status.

"The point is Taiwan must not forget that China can use the forceful option," the senior Western diplomat said.

China has said repeatedly its three-million strong military, the world's biggest, cannot give up the threat of force to recapture rival Taiwan if the island abandons its avowed goal of reunification and declares independence.

China, and its powerful military, were enraged in June when Taiwanese President Lee Teng-hui made a landmark private visit to the United States.

"Lee has achieved something they have been unable to do," the senior diplomat said. "Jiang Zemin and (Premier) Li Peng want to go to the U.S., so what we are seeing here is a serious loss of face and that is terribly important to the Chinese."

The new aggressiveness might stem from confusion among China's communist leaders over how to deal with a new generation of Taiwan leaders, diplomats said.

"They had a reliable relationship with the old-style Nationalists of diehard adversaries. They had a solid basis for misunderstanding based on a common goal of reunification. Things are not so clear now," the senior diplomat said.

He said he expected the use of military intimidation, which has caused Taipei's stock market to plunge and the Taiwan dollar to tumble, to be repeated until the coastal Zhejiang exercises reach their scheduled end.

Few expect China to carry through with its threat to invade Taiwan, diplomats say.

But Beijing is nervous that if Taiwan wriggles away from reunification this could have ramifications for Beijing's ties with Chinese communities in the rest of Asia. "There are long-term issues at stake," he said.

Some diplomats said Beijing's strategy could trigger a rise in support for Lee. Presidential polls are scheduled for next March.

"Plus, it's not clear whose running the show," said one. "Is Jiang directing the military, or in fact does the military have the final voice on such matters?"

TAIWAN STOCK MARKET PLUNGES ON CHINA MISSILE TESTS

(By James Peng)

TAIPEI, August 11.—Taiwan's panic-striken stock market plunged again on Friday after China announced a second series of missile tests near the north of the island.

Taipei's weighted index fell 217.96 points or 4.57 percent to 4,551.89, a 20-month low, and securities analysts said they expected the index to seek new lows during the tests, to be held between August 15–25.

They said however that strong support would emerge at 4,100, with resistance at 4,700. The index has fallen 36 percent since the end of 1994, with significant losses in the past month.

Taiwan stocks have been badly hit in the past month with the unearthing of fraud in two financial institutions and an earlier round of Chinese missile tests.

The index was trading at around 5,400 points in mid-July, and started plunging when China first announced missile tests on July 19. The tests were held, without incident, on July 21 and 26, but the stock market indicator resumed its downward movement when the financial scandals came to light this month.

Trading on Friday reflected more of the past month's fears.

"Panic selling emerged right from the opening, although many believed the impact of a second series of missile tests should be smaller than the first," said George Hou, a fund manager of Jardine Fleming Securities.

After opening down 2.96 percent, the index slowed down its fall for a while then resumed its decline.

"If the stock market continues to plunge and the ruling party does not rescue it, I will put my money abroad," said a stock investor at the Yungli stock brokerage in central Taipei.

"We can attribute the stock plunges in recent days in a large part to rumours that several listed firms which have been deeply involved in stock investments have reported financial problems," said Ben Lee, senior analyst of Nomura Securities.

"People are really worried over a chain reaction in financial crises," Lee said.

Last week, a T$7.9 billion (US$293 million) run on deposits emerged at a credit union after reported allegations of embezzlement by the union's general manager. Later that week a bills finance firm reported a T$10 billion ($370 million) fraud scandal.

Analysts expected the selling to slow down in coming days.

"Sentiment should remain bearish for some time, and investors are expecting the government to announce some bullish news to boost the market," said Lin Long-hsien, assistant vice-president of United Securities.

But they did not expect any bullish news soon to be released by the government to effectively stop the downtrend.

"The government will likely announce some bullish news to boost the market soon, which may cause a small rebound, but then the index will fall again to seek new support level," Hou said.

Analysts forecast that any further sabre-rattling by China would have relatively less effect on the market.●

INDIA INDEPENDENCE DAY

● Ms. MIKULSKI. Mr. President, Next week we mark the 48th anniversary of the independence of India. I rise today to pay tribute to the proud legacy and bright future of the people of India and of the Indian community in the United States.

Indian patriots won independence in 1947, after long years of struggle and sacrifice. A new generation of Indians has inherited their courage—a generation dedicated to safeguarding and enlarging the gains of freedom both in India and in the United States.

The Indian people are committed to democracy, development, international cooperation and the advancement of human rights. India is also committed to economic growth and reform.

The Indian Community has greatly enriched the United States. They have achieved the highest levels of education; founded philanthropic, religious, and cultural organizations; pioneered scientific advances; and presented an informed voice to the American political process. The contributions of individual Americans of Indian descent—in business, medicine, academia and government—is extraordinary.

On Indian Independence Day, I ask my colleagues to join me in honoring the history and accomplishments of the Indian people —and in working toward continued friendship and cooperation between India and the United States.●

PRIVATE DREDGES—A BETTER DEAL FOR THE TAXPAYER

● Mr. FAIRCLOTH. Mr. President, before coming to the Senate, I spent 45 years in the private sector meeting a payroll a businessman and a farmer. I understand free enterprise and the ability of the private sector to meet the needs of the citizens of this country. Others, Mr. President, do not. They place their faith in government.

This wrongheaded reliance on government is clearly exhibited by the continued use and maintenance of Government-owned hopper dredges. Hopper dredges are the large seagoing vessels used to maintain ocean entrance channels to the Nation's ports and waterways. They are also used to maintain rapidly shoaling rivers.

This problem is that Government-owned and operated dredges charge the taxpayer 41 percent more to do their work than is charged by the privately owned dredges. That's according to a 1991 study done by the U.S. Army Corps of Engineers, the very same folks who operate and maintain these dredges.

Hopper dredges have historically been owned and operated by the Government. But in 1977 the Congress did the right thing by directing the corps to phase out Government-owned dredges and privatize the business of maintaining our Nation's ports and waterways. What a terrific policy that has been for the taxpayer. In 1977 there was a single private hopper dredge—today there are 15. Each one of them doing more work, more cheaply, more efficiently and with more expertise than was previously expected from Government-owned and operated dredges.

The job, however, is not yet done. The private sector has not yet been allowed to fully work its magic. Four Government-owned hopper dredges remain. These inefficient, costly, and antiquated old work horses are perhaps best characterized by the *McFarland*, a tired old lady whose day has passed. Berthed at Philadelphia Naval Ship Yard, the *McFarland* needs more than $20 million in repairs to even begin to meet the standards we have come to expect from private dredges. I don't think the taxpayer needs to subsidize the work these by-gone beasts of old. And surely we do not need to spend money to repair ships so that they can then go out perform work more expensively than would be the case with privately owned and operated vessels.

The private dredge industry would welcome the work now being conducted by the Government and Government vessels. Right now, one of the large private dredges is relegated to work overseas. That's unfortunate. Because the Government continues to devote 21 percent of available work to old Government dredges, work that accounts for fully 52 percent of available maintenance dredge funds, the private sector must go overseas to find jobs.

The supporters of Government-controlled dredging cite two reasons for their objection to privatization: national security and emergency response. These objections do not hold up under scrutiny. The private sector has proven its ability to respond when called on in an emergency, and its record can only improve with further privatization. As for national defense, a recent corps study concluded that the private dredges are fulfilling their role as reserve vessels for the corps, and will certainly perform as required in the case of an emergency.

As a member of the Environment and Public Works Committee, I filed an amendment several weeks back to the Water Resource Department Act that would establish a system by which these dredges would be phased out. The amendment was not offered because I agreed with the chairman, Senator CHAFEE, that perhaps it was a bit premature. The committee was not prepared to address the issue at that point. That's fine, Mr. President, but when the bill comes to the floor, it is my intention to offer the amendment or one very much like it. It is time we allowed the private sector to work its magic.

RESTRICTING COVERAGE FOR ABORTION IN FEDERAL EMPLOYEES HEALTH BENEFITS PLAN

• Mr. LIEBERMAN. Mr. President, I rise today to express my deep concern over an amendment to the Treasury Postal-Service Appropriations bill that passed the Senate by a narrow margin last Saturday. The amendment, offered by Senator NICKLES, would restrict coverage for abortion under the Federal Employees Health Benefits Plan [FEHBP], to cases of rape, incest, or where the life of the mother is endangered. The amendment effectively and unfairly limits access to a legal medical procedure for over 1 million women who are covered under the FEHBP. This policy discriminates against women who work for the Federal Government and that is why I voted against it.

Mr. President, we all have strong personal views about abortion. Some of us believe that no matter what our personal view are on abortion, a woman should have the legal right to choose under Roe versus Wade. I respect my colleagues who differ with me on this issue and I understand why they differ. But the debate over FEHBP coverage is not a debate over Roe versus Wade. The question we should be asking ourselves is this: should women who work for the Federal Government have the same effective choices as women who work for other employers? Two-thirds of women with health insurance have coverage for abortion. Removing abortion coverage from the FEHBP would effectively restrict the reproductive choices of the Federal employee—particularly the thousands of Federal employees with very modest salaries.

A woman who has limited resources but does have health care coverage through FEHBP and needs an abortion would be out of luck. She may delay her abortion until she has been able to come up with the extra money necessary for an abortion. Later term abortions are more dangerous and the delay would unnecessarily put the woman's health at risk.

Mr. President, opponents to the amendment argue that many Americans oppose abortion and that their tax dollars should not be used to support this medical procedure. But health benefits are earned benefits, they are a part of compensation package for all Federal employees. We do not judge the way Federal employees spend their earned income—it is their right to make that decision. Neither should we judge or restrict their choice of insurance plan. Taxpayer money goes to Federal workers to compensate them for the job they do. Part of that compensation is comprehensive health insurance that covers legal medical procedures.

Others speaking against this amendment have argued that those Federal employees who are morally opposed to abortion and should not have to contribute to plans that cover the service. They argue that providing coverage under the FEHBP forces federally employed abortion opponents to contribute to others' insurance coverage through their health insurance premiums. But only about half of the FEHBP plans provide coverage for this medical procedure, so those who do not want to participate in a plan that covers this reproductive health service have ample alternatives.

We should not, de facto, make reproductive health decisions for any woman who is employed by or is a dependent of an employee of the Federal Government. Her reproductive health decisions should be a decision made by her and her health professional. I regret the Senate adopted the Nickles amendment.•

FREDDIE MAC'S 25TH ANNIVERSARY

• Mr. D'AMATO. Mr. President, I rise to offer my congratulations to the Federal Home Loan Mortgage Corporation as it celebrates its 25th anniversary. The Federal Home Loan Mortgage Corporation, known as Freddie Mac, has served as a vital source of mortgage capital for 2½ decades.

Since its congressional charter in 1970, Freddie Mac has purchased over $1.2 trillion in mortgage loans. After purchase, mortgage loans are packaged into securities and sold to investors. Freddie Mac has developed an efficient and liquid secondary mortgage market that has ensured a continuous and reliable flow of funds to the primary mortgage market.

Freddie Mac steadfastly continues to fulfill its important mission to make a reality of the American dream of decent, safe and affordable housing. Since its creation, Freddie Mac has assisted 16 million hard working American families by financing one out of every six homes in the United States. This is a tremendous accomplishment which deserves our commendation.

Freddie Mac is working to enhance the existing mortgage finance delivery system through efforts to ensure fair lending, revitalize neighborhoods and expand affordable housing opportunities. These efforts should enable Freddie Mac to continue to serve Americans for generations to come.

It is with pleasure that I recognize the success story of the Federal Home Loan Mortgage Corporation. I applaud Freddie Mac for a job well done and wish them a happy anniversary.•

COMMEMORATION OF THE 75TH ANNIVERSARY OF WOMEN'S SUFFRAGE

• Mrs. FEINSTEIN. Mr. President, the enfranchisement of women 75 years ago contributed to remarkable changes in the lives and well being, not just of women in our society, but of our Nation as a whole.

On August 26 our Nation will celebrate the 75th anniversary of the 19th amendment to the Constitution. With the passage of this amendment, over a century after ratification of the U.S. Constitution, the right to vote was extended to women.

This occasion is a time to reflect upon the many contributions made by women as a result of being enfranchised to vote, and I am proud to say that I am both a beneficiary of this historic amendment and a product of its legacy.

In seeking the right to vote, the women who preceded me in political arena sought more than mere representation at the polls. Gaining the right to vote was the first critical step toward women becoming full and equal partners in every aspect of American society.

The 19th amendment, in addition to enfranchising women, was a tacit declaration of a woman's right to hold office. In the first elections held after the ratification of the 19th amendment, women won public office in 23 States.

The impact of women voting was felt even before the 19th amendment was ratified. In 1916, President Woodrow Wilson, embroiled in a hotly contested reelection campaign, faced the first known gender-gap in a Presidential election. At the time, there were 12 States which allowed women to vote, and the newly formed Women's Party had mounted an aggressive campaign in those States to defeat Wilson because of his stiff opposition to women's suffrage. In Illinois, the only State where votes were tallied by sex, women voted against Wilson by a ratio of 2 to 1. And, in California, another equal suffrage State, Wilson won by only .3 percent of the vote. The women's vote nearly cost Woodrow Wilson the election.

Although the Women's Party could not deny President Wilson a second term, an important goal had been accomplished—women were noticed as a significant force at the polls. Democrats put out as much campaign literature on women's suffrage that year as they did on peace.

Today, although still grossly underrepresented in numbers, women hold office in all levels of government.

Fifty-five women serve in Congress today, including 7 in the U.S. Senate. Women hold the office of mayor in 178 cities with populations larger than 30,000. And, since 1925, 13 women have served as Governor of their State.

In the past 75 years numerous women have broken the glass ceiling with many firsts. Janet Reno as the first woman Attorney General; Hazel O'Leary as the first woman Secretary of Energy; Jeane Kirkpatrick as the first woman Ambassador to the United Nations; Sandra Day O'Conner as the first woman Supreme Court Justice. I look forward to the day, however, when women no longer make news for being the first appointed, but for what they do. Then our Nation can say we have attained the level of equality the voters of 75 years ago began working toward.

As a Member of the U.S. Senate, I stand before you as a direct descendant of the tireless efforts of Alice Paul, Lucy Burns and Dorothy Day—women who went to prison for picketing for the right to vote. These trailblazers, and many others whose names have escaped the history books, devoted their lives to make women full and equal partners in American society.

I know that with every vote I cast as a Member of this body, I honor their legacy. It is in recognition of those women, and the progress made over the last 75 years, that we commemorate the 75th anniversary of the 19th amendment to the U.S Constitution.•

ACADEMY OF RESIDENTIAL CONSTRUCTION

• Mr. MACK. Mr. President, I rise today to support and recognize the significant achievements of the Academy of Residential Construction [ARC], a major training effort in my State to teach noncollege bound high school students a trade in the homebuilding industry. As ARC prepares for its second year of skilled carpentry framer training, it is refreshing to see a partnership that is free from Government funds and enthusiastically embraced by both the business community and educators.

ARC is an ambitious collaboration between William H. Turner Technical Arts High School, the Builders Association of South Florida, the Latin Builders Association, Inc., the Home Builders Institute, PAVE, and the Education and Training Foundation. Through ARC, secondary students, many of whom are disadvantaged, work with south Florida's leading educators, builders, manufacturers, and suppliers to learn homebuilding from the ground up. With the help of the Fannie Mae Foundation, these partners have developed the Nation's first and only high school construction training program designed by builders and educators specifically to meet builder's needs.

Students enrolled in ARC receive approximately 1,100 hours of multidimensional training which include classroom, shop, laboratory, and worksite instruction during grades 9 through 12. Having passed builder approved standards and upon graduation, ARC students are certified as skilled in carpentry framing.

It is refreshing to see a community and the entire homebuilding industry actively involved in a program that helps make students immediately employable once they graduate high school. I am very proud of Miami's ARC Program and the financial commitment made by the Fannie Mae Foundation to train the next generation of homebuilders.•

AMT DEPRECIATION RELIEF ACT OF 1995

• Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the full text of the AMT Depreciation Relief Act of 1995, S. 1160, as introduced on August 10, 1995, be printed in the RECORD.

The text of the bill follows:

S. 1160

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ALTERNATIVE MINIMUM TAX DEPRECIATION DETERMINED UNDER REGULAR TAX RULES.

(a) IN GENERAL.—Clause (i) of section 56(a)(1)(A) of the Internal Revenue Code of 1986 (relating to depreciation) is amended by inserting "and before January 1, 1995" after "December 31, 1986".

(b) ACE PREFERENCE.—Subparagraph (A) of section 56(g)(4) of such Code is amended by striking clause (iv), by redesignating clauses (i), (ii), and (iii) as clauses (ii), (iii), and (iv), respectively, and by inserting before clause (ii) the following new clause:

"(i) PROPERTY PLACED IN SERVICE BEFORE 1981 AND AFTER 1994.—In the case of property not described in clause (ii), (iii), or (iv), the amount allowable as depreciation or amortization with respect to such property shall be determined in the same manner as for purposes of computing taxable income."

(c) CONFORMING AMENDMENT.—Clause (ii) of section 56(g)(4)(A) of such Code, as redesignated by subsection (b), is amended—

(1) by inserting "and before 1995" after "after 1989" in the heading and the text, and

(2) by striking "after December 31, 1993" and inserting "during 1994".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 1994.•

INSTALLATION OF GEORGE SHAFFER AS PRESIDENT OF THE INDEPENDENT INSURANCE AGENTS OF AMERICA

• Mr. DOMENICI. Mr. President, I rise today to commend a fellow New Mexican and a dear friend, George Shaffer of Albuquerque, who will be installed as president of the Independent Insurance Agents of America [IIAA] next month in Las Vegas.

George has always been successful at any endeavor he sets out to accomplish. He has enjoyed a long and distinguished career as an independent insurance agent. His service to his State, community, national association and State association, and the Independent Insurance Agents of New Mexico, is equally long and impressive. After holding several elective offices in the New Mexico State association, George began his service to the national organization by serving as New Mexico's representative to IIAA's national board of State directors from 1982 to 1990.

He also served on IIAA's government affairs committee for 6 years, including 3 years as its chairman. In recognition of his outstanding personal contributions in government affairs arena, the IIAA presented him with its prestigious Sidney O. Smith Award in 1990. The Smith Award is presented to an individual in recognition of their outstanding personal contributions in government affairs activities.

George was elected to IIAA's executive committee in Chicago in 1990. In the time since, he has exhibited a spirit of dedication and concern for his 300,000 colleagues around the country.

George's selfless attitude also extends to his involvement in State and local community activities. He served as a New Mexico State senator, chairman of the State's Better Business Bureau, and a member of that group's executive committee. In addition, George served a 4-year term as the lay member of the New Mexico Real Estate Commission. For the past 15 years he has served as a trustee of the Albuquerque Academy, a 6th through 12th grade privately endowed school.

The members of the IIAA have a great leader to lead their organization, and it will be a distinct pleasure for me to work with George Shaffer over the coming year as he serves as president of the Nation's largest insurance association.

I have complete confidence that George will serve with distinction and provide strong leadership as president of the Independent Insurance Agents of America. I wish him all the best as IIAA president.•

WACO HEARINGS

• Mr. LIEBERMAN. Mr. President, I just wanted to take a few moments in morning business today to comment on the Waco hearings completed 2 weeks ago in the other body.

Whatever one thinks of the manner in which those hearings were conducted or, indeed, about what happened at Waco itself, several important facts bear noting. Federal law enforcement agents risked their lives there, as they do every day and four of them died enforcing a search warrant authorized by a Federal court order. These are the same Federal agents who walk the most dangerous streets in America investigating crimes and arresting violent, conscience-less thugs; these are the same agents who have infiltrated the most vicious organized crime groups and shut them down; these are the same agents who have captured kidnappers and rescued the kidnapped; these are the same agents to whom we look when terrorists construct bombs and explode them in our midst.

In our horror at the conflagration and deaths at Waco, we should not forget who those agents were and are.

In addition, in too many of the discussions of what happened at Waco, there seems to be a blurring of who set in motion the horrible cycle of violence and death. There is a tendency on the part of some to hold everyone equally responsible for those nightmarish hours because Federal law enforcement agents and their supervisors made mistakes—mistakes they have acknowledged and, most importantly, have taken steps not to repeat. We cannot forget that those mistakes were of an entirely different character and magnitude that those of David Koresh.

Indeed, the person who is most responsible for what happened at Waco is dead. His death should not justify discounting his responsibility for what happened and somehow equating his behavior with the actions of Federal law enforcement agencies.

It is David Koresh who stockpiled automatic weapons and established an arsenal large enough to start a war. It is he who fired first. It is he who abused some of his followers, psychologically and sexually, including a 10-year-old girl. It is he who shot and killed some of his followers and it is he who started the fire that killed so many others.

The hearings in the other body served some good purposes. It reminded people what kind of person the Federal agents on the scene were dealing with. It reminded everyone that these agents must make life-and-death decisions on a daily basis on limited, sometimes conflicting information. It reminded everyone that they are human, and so embody all the frailties and nobility of human beings of good will.

Somehow in the understandable concern about whether Federal agents had overreacted or acted too quickly at Waco, those points were too often overlooked. Our Federal law enforcement officers are some of the bravest, most extraordinary citizens I know. They deserve our respect and our gratitude.•

THE 25TH ANNIVERSARY OF FREDDIE MAC

• Mr. MACK. Mr. President, I am pleased to commemorate the 25th anniversary of what can only be described as a truly outstanding congressional success story. On July 24, 1970, Congress took a bold and innovative approach to helping millions of families across this Nation achieve the American dream of home ownership by creating the Federal Home Loan Mortgage Corporation, better known as Freddie Mac.

Freddie Mac was created to address fundamental problems in our mortgage markets which prevented middle-class working families from getting the credit essential to buying a home. There was a housing crisis in 1969 and 1970 created when the economy was facing both high inflation and escalating interest rates. Despite a high demand for new houses, the combination of higher inflation and escalating interest rates was choking off credit for home building. Rising housing costs were pushing home ownership out of reach for hard-working American families.

Inflation also forced many depositors to withdraw their savings from depository institutions in search of higher returns. Savings and loans—the country's major source of mortgage loans—were forced to reduce their mortgage lending activities.

The housing crisis was also caused by a geological mismatch in supply and demand for housing funds. Since deposits in savings and loans were the primary source of mortgage money, faster-growing areas of the Nation faced shortages in mortgage credit, while slower-growing regions experienced excess supplies.

Reliance on savings and loans for mortgage credit highlighted an inherent weakness in the housing finance market. Due to the illiquidity of the traditional mortgage instrument, there was no way to tap funds available in our Nation's capital markets. If mortgages were converted into securities, a major source of funds could be channeled to meet the needs of new home owners.

Twenty-five years ago, Congress concluded that the best way to ensure a continuous and reliable source of mortgage credit was to develop an efficient and liquid nationwide secondary mortgage market. The Freddie Mac Act, as it became known, established a company solely dedicated to fulfilling this mission.

Mr. President, Freddie Mac has worked hard to fulfill that mission every day for the past 25 years. Over that time, Freddie Mac has purchased over $1.2 trillion in mortgage loans helping 16 million families by financing 1 in every 6 American homes. By every measure, Freddie Mac is a great success. I am sure that my colleagues in Congress and the American people join me in expressing our appreciation and congratulations to Freddie Mac on its 25th anniversary.•

TRIBUTE TO KENNETH BICK

• Mr. FEINGOLD. Mr. President, I pay tribute today to Kenneth Bick, the former principal of Janesville Craig High School and a man who represented the values and character of that community.

Mr. Bick, who served the Janesville schools for 40 years, from 1929 to 1969, passed away Monday, August 7, at the age of 91 from complications arising from a head injury suffered in an automobile accident last month.

Mr. President, I am one of thousands of men and women who mourn his passing. Mr. Bick was a strand who found his way through every part of the fabric of the community where he and I both grew up. In addition to serving as teacher and principal in the Janesville schools, he was active in numerous community organizations, from the YMCA to the Sportsmen's Club to the Rotary.

He helped lead bond drives during World War II. In the 1960's, he headed Janesville's fundraising drive for the United Negro College Fund. He presided over Industries International, a corporation organized to promote contacts between foreign students studying in the United States and American industries interested in establishing a presence overseas. A basketball player in his younger days, was active in the Wisconsin Interscholastic Athletic Association and the Big Eight Conference.

As an educator, he would not allow himself to grow distant from his students; he was happy to lead cheers at the homecoming rally, dressed in bright red longjohns. If one of his charges, even years after graduation, was mentioned in a newspaper, any newspaper, sooner or later the clip would show up in the mailbox, with a congratulatory note from Mr. Bick.

Along the way, he collected accolades from several quarters, and the Kenneth Bick Scholarship Fund was established in 1984. He also collected the respect and affection of his entire community, even as its members spread across the country.

In many ways, Mr. President, Mr. Bick defined the idea of community in Janesville.

He was kind, funny, attentive and he never forgot you. When he thought it necessary, he herded you back into line if you strayed. He lived as well as taught the values and ideals I associate with my hometown.

Like a lot of people, I will always recall Ken Bick leading those homecoming rallies, a sexagenarian in red longjohns. Like a lot of people, I counted Ken Bick among my friends long after he was my principal at Janesville Craig. Like a lot of people, I will miss him sorely.•

AFFIRMATIVE ACTION

• Mr. ABRAHAM. Mr. President, I call my colleagues' attention to an important addition to the debate concerning preferential policies in America. Former Secretary of Housing and Urban Development Jack Kemp recently published in the Washington Post an article that I believe goes to the heart of our troubles with affirmative action. Mr. Kemp first notes that affirmative action based on racial quotas and racial preferences is "wrong in principle and ruinous in practice." He goes on to issue a call for policymakers to come forward with truly positive proposals—affirmative efforts—to replace it. Mr. Kemp has spent his public career valiantly fighting for an opportunity society. In this article, he continues that fight, arguing for school vouchers, tax and regulatory reforms, and other programs aimed at giving every American the chance to work for a decent education and a decent job in our free market economy.

Mr. President, I commend Secretary Kemp's article to all our colleagues. In conjunction with Senator LIEBERMAN, I will be presenting legislation in a few weeks aimed at furthering the cause of equal opportunity. By reducing taxes and regulations, particularly in distressed areas denoted enterprise zones, this bill will encourage economic opportunity. By providing for school choice in these same areas it will promote educational opportunities. In sum, it is an attempt to make the opportunity society a reality, particularly for America's inner cities and other distressed areas.

I request that the following be entered into the RECORD:

[From the Washington Post, Aug. 6, 1995]

AFFIRMATIVE ACTION: THE "RADICAL REPUBLICAN" EXAMPLE

(By Jack Kemp)

The scene is Washington: a Republican President, new to the White House, defiantly throwing down the gauntlet to a Republican Congress, saying he will veto any bill that proposes to do more for "black Americans" than for "whites." This is not some fast-forward vision of 1997 and the first days of a new Republican White House. It's a flashback to 1866. The agency to be vetoed was the Freedman's Bureau, established in President Lincoln's administration to "affirmatively" assist the recently emancipated African Americans. The president—Andrew Johnson, Lincoln's successor—worried that any "affirmative action" would hurt the white population by specifically helping "Negroes."

I offer this page from history not to prove once again that politically, there is not much new under the sun but to illustrate that the issues of race and equality are woven into the essence of our American experience. While our present-day passions on the subject of affirmative action open old wounds, they also summon us to moral leadership of Lincolnesque proportions.

Thus far the summons goes unanswered by both liberals and conservatives alike. The unreconstructed liberal notion of endless racial reparations and race-based preferences is doubly guilty: wrong in principle and ruinous in practice. President Clinton's much-vaunted affirmative action review produced more of a bumper sticker than a policy; Clinton's focus-group-fashioned "mend it, not end it" slogan makes a far better rhyme than reason.

The same, however, is true of the new affirmative action "abolitionist" position, which heralds equality but seldom addresses the way to truly give all people an equal footing. Critics are right in asserting that "affirmative action" quotas have contributed to the poisoning of race relations in this country. But critics must offer much more than just opposition and reproach. We know what they are against, but what are they for?

"A colorblind society," comes their response. Of course, the goal of equal opportunity is paramount and a worthy destiny to seek. But to say that we have arrived at that goal is simply not true. My friends on the right call for a colorblind society and then quote Martin Luther King's inspirational "I have a dream" speech, in which he imagined a nation in which every American would be judged not on the color of his or her skin but on the "content of his character." All too often, though, they neglect to quote the end of his speech, where he describes the painful plight of minority America: "The Negro," King said, "lives on a lonely island of poverty in the midst of a vast ocean of material prosperity."

Much has changed in the 30 years since King stood on the steps of the Lincoln Memorial. Minority enterprises have begun to gain a foothold, although there are far too few of them. But can anyone venture to the crumbling brick and mortar of Cabrini Green Public Housing, or the fear-ridden projects of Bed-Stuy or the streets lined with the unemployed in South Central LA or East St. Louis and believe that what he sees there today would pass as progress since Dr. King's day?

This is not to negate the gains made by so many in the black and minority communities. But for large numbers the situation has not only not improved in 30 years, it has grown dramatically worse—with a welfare system that entraps rather than empowers, punishes work and marriage and prevents access to capital, credit and property.

Reality requires that we admit two things—difficult admissions for both liberals and conservatives. First, that a race conscious policy of quotas and rigid preferences has helped make matters worse. Second, and more important, the Good Shepherd reminds all of us that our work is not done, and as we think about moving into the 21st century, we must not leave anyone behind.

Sound policy begins with strong principles. Affirmative action based on quotas is wrong—wrong because it is antithetical to the genius of the American idea: individual liberty. Counting by race in order to remedy past wrongs or rewarding special groups by taking from others perpetuates and even deepens the divisions between us. But race-based politics is even more wrong and must be repudiated by men and women of civility and compassion.

Instead, like the "radical Republicans" of Lincoln's day, who overrode President Johnson's veto on the Freedman's Bureau, we would honor the past by creating a future more in keeping with our revolutionary founding ideals of equality. In this way, the eventual ending of affirmative action is only a beginning—the political predicate of a new promise of outreach in the name of greater opportunity for access to capital, credit, prosperity, jobs and educational choice for all.

The time has definitely come for a new approach an "affirmative action" based not just on gender or race or ethnicity but ultimately based on need. "Affirmative" because government authority must be employed to remove the obstacles to upward mobility and human advancement. "Action" because democratic societies must act positively and create real equality of opportunity—without promising equality of reward.

Affirmative opportunity in America begins with education. America's schools, particularly our urban public schools, are depriving minority and low-income children of the education that may be their passport out of poverty. Even the poorest parent must have the option more affluent families enjoy; the right to send their children to the school of their choice. Affirmative effort means ending the educational monopoly that makes poor public school students into pawns of the educational bureaucracy. And we should be paving the way to a voucher and magnet school system of public and private school choice.

Opportunity means an entryway into the job market. That mean removing barriers for job creation and entrepreneurship and expanding access to capital and credit. According to the Wall Street Journal, from 1982 to 1987, the number of black-owned firms increased by nearly 38 percent, about triple the overall business growth rate during that period. Hispanic-owned businesses soared by 57 percent, and their sales nearly tripled.

Even so, of the 14 million small businesses in existence across the United States today, fewer than 2 percent are black-owned. And of $27 to $28 trillion of capital in this country, less than one percent is in black ownership. Affirmative effort would take aim at expanding capital and credit as the lifeblood of business formation and job creation—including an aggressive effort to end the red-lining of our inner cities and a radical redesign of our tax code to remove barriers to broader ownership of capital, savings and credit.

Opportunity means the ability to accumulate property. Affirmative effort would mean an end to every federal program that penalizes the poor for managing to save and accumulate their own assets. An AFDC mother's thrift and foresight in putting money away for a child's future should not be penalized by the government welfare system as fraud as is currently the case.

Finally, real opportunity for racial and ethnic reconciliation requires an expanding economy—one that invites the effort and enterprise of all Americans, including minorities and women. A real pro-growth policy must include policies ranging from enterprise zones in our cities to a commitment to lowering barriers to global trade. It should also offer relief from red tape and regulation and freedom from punitive tax policies. Each is part of an affirmative action that can "move America forward without leaving anyone behind."

Now that we have opened a somewhat hysterical dialogue on affirmative action, we can never go back—only forward. Our challenge is to put aside the past—abandon the endless round of recrimination and a politics that feeds on division, exclusion, anger and envy. We must reaffirm, as Lincoln did at his moment of maximum crisis, a vision of the "better angels of our nature," a big-hearted view of the nation we were always meant to become and must become if we are to enter the 21st century as the model of liberal democracy and market-oriented capitalism the world needs to see.●

MARITIME SECURITY ACT

● Ms. MIKULSKI. Mr. President, I rise as an original cosponsor and strong supporter of the Maritime Security Act of 1995. Mr. President, I support this legislation because I believe we need a strong U.S. merchant fleet for our military security and our economic competitiveness.

This legislation creates a Maritime Security Program to retain an active, privately owned U.S.-flag and U.S.-crewed vessel presence in our Nation's foreign commerce and military security.

In times of national emergency, there is no substitute for a strong U.S. merchant fleet. A number of times during the gulf war, foreign-flag ships refused to sail into the war zone. That never happened with a U.S.-flag ship. Our civilian merchant mariners have always been there for us in a national crisis. They have been patriots—reliable, consistent, and faithful. Without Americans manning the supply ships, we cannot guarantee that the U.S. military will be able to do its job.

Without some form of Government action, the United States will be forced to be almost totally reliant on foreign-flag vessels for international transportation and military sealift. Some say it is OK to rely on the good will of foreigners. But if we put our military materials under a foreign flag, then they would have command over the supplies necessary to back our troops.

We also need a U.S.-flag merchant marine to preserve our historic presence as a global economic power moving goods on the high seas. Most of all, we need American men and women to run those ships. This legislation is the most cost-effective way of guaranteeing that the merchant marine is there when we need it.

It is no secret that threats to national security are increasingly waged in the economic sphere. We are constantly hearing of predatory practices, dumping, and poaching. Without a U.S. presence on the high seas, who is to say that U.S. goods would not be victimized by foreign shipping companies loyal to the commercial interests in their own countries. Higher rates? Slower delivery? I think it is possible.

Finally, I believe in public sector-private sector cooperation to encourage Government savings. This program gives a lot of bang for a buck. It provides a service to the Department of Defense for less than if they did it in house. It also guarantees a loyalty that would not be there if they went foreign.

Mr. President, this legislation is smart, it is strategic, and it makes sense. I wholeheartedly endorse this bill and I stand by our merchant mariners who never gave up the ship.●

The PRESIDING OFFICER. The majority leader.

Mr. DOLE. Mr. President, are we in morning business?

The PRESIDING OFFICER. We are.

THE 2-YEAR ANNIVERSARY OF THE LARGEST TAX INCREASE IN AMERICAN HISTORY

Mr. DOLE. Mr. President, I had intended to make this statement yesterday. We were so busy until about 11:30 last night that I did not have the opportunity. But I did not want the 2-year anniversary of the largest tax increase in American history to go by unnoticed. That 2-year anniversary was August 10. That is the date that the largest tax increase in history was signed into law by President Clinton. The increase had been passed over the "no" votes of every Republican in the House and Senate.

While they may be celebrating this anniversary down at the White House, a quick look at what occurred these past 2 years makes it clear that there are not many other Americans who have reason to celebrate.

Let us begin with interest rates. The President assured us in 1993 that his tax hike would keep interest rates low. But the prime rate has grown from 6 percent in August, 1993, to 8.75 percent today, an increase of almost 50 percent. Treasury bills, 30-year bonds, and mortgage rates are all up. The bottom line is that Americans are paying more to buy a home, a car, and everything else they need to borrow money for.

The President said his tax hike would only hurt the so-called rich. The fact, however, is that average wages and salaries for all U.S. workers fell 2.3 percent from 1994 to 1995, the largest decline in 8 years.

In July 1993, just before the tax increase passed, 155,000 jobs were created. In July 1995, only 55,000 jobs were created—a 65 percent drop. Last month, factories actually cut 85,000 jobs, the largest drop in manufacturing jobs in more than 3 years.

I am sure all the working people who saw their wages drop or who lost a job are delighted to know that the President considered them to be rich.

Two years ago, the economy was chugging along at a healthy growth rate of 2.4 percent. In the second quarter of 1995, however, the economy grew by only 0.5 percent.

Wages are down. Job creation is down. Economic growth is down. And there is something else that has dropped since the tax increase, and that is the dollar. In the past 2 years, the dollar has dropped 13.2 percent against the Japanese yen and 17.8 percent against the German mark. This devaluation ultimately leads to a lower standard of living for all Americans.

Along with interest rates, there is another facet of the economy that is rising—the deficit. Under the President's first budget proposal, deficits are projected to increase from $175 billion in fiscal 1995 to $210 billion in 1996, and increase every year after that.

Mr. President, those are the facts. We can look back today and say that we were right. We were right to oppose the largest tax increase in the history of America. And 2 years from now, I believe we will be able to look back and say that this Congress was right to have done what we have done this year; we were right to set America on a path to a balanced budget; we were right to cut taxes for millions and millions of hard-working American families.

Mr. President, there could not be two more different bills than the President's big tax increase and our proposal which we hope will pass sometime this year for tax cuts, tax decreases.

So I think, after considering the impact the President's tax increase has had on the economy and on family incomes, the Republican budget cannot pass a moment too soon because it does contain significant tax relief for American working families.

THE 50TH ANNIVERSARY OF THE END OF THE WAR IN THE PACIFIC

Mr. DOLE. Mr. President, next week America will commemorate the 50th anniversary of the end of the Second World War in the Pacific.

As we mark this anniversary, we should pay tribute and remember the over 3 million American airmen, soldiers, sailors, and Marines who served in the Pacific and Asian theaters from 1941 to 1945. General Douglas MacArthur described those who fought in the Pacific with these words:

> He plods and groans, sweats and toils. He growls and curses. And at the end, he dies, unknown, uncomplaining, with faith in his heart, and . . . a prayer for victory on his lips.

The story of the Pacific and Asian theaters is a story of courage. It is a story of places like Iwo Jima, Okinawa, Guadalcanal, where American soldiers fought in some of the most brutal battles of the war. Their heroism and their sacrifice will live forever in the annals of history.

Mr. President, this anniversary has also stirred some debate over the wisdom of President Truman's decision to use the atomic bomb to bring the war to a conclusion.

Some revisionist historians have suggested that Japan was so weak in 1945 an allied victory could have been achieved through a military invasion.

The best response to that assertion comes from our colleague, Senator MARK HATFIELD. Senator HATFIELD was one of the first Americans to visit Hiroshima in the days following Japan's surrender, and he saw the weapons that would have been used to repel American soldiers invading Japan.

Senator HATFIELD was scheduled to participate in such an invasion, and he has said that as he looked at the weapons, he had no doubt that he, like countless thousands of other Americans, would have been killed, wounded, or somehow injured.

Mr. President, the veterans of the war in the Pacific and all Americans can take pride in the fact that Japan is now one of America's most important allies. America did not enter the war seeking territory. We entered to defend democracy. And when the war was finished, we set about the work of rebuilding a free and Democratic Japan.

In short, Mr. President, at war's end, we looked to the future with hope, instead of the past with recrimination. And that, perhaps, is the great lesson of World War II and the great lesson of this century, that as long as America is engaged and as long as America provides the leadership, then the future for nearly everyone in the world will be filled with hope.

Mr. President, at this time I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the resolution.

Mr. DOLE. I send it up on behalf of myself and the Democratic leader.

The assistant legislative clerk read as follows:

A resolution (S. Res 164) expressing the sense of the Senate that America's World War II veterans and their families are deserving of this Nation's respect and appreciation on the 50th anniversary of the end of the war in the Pacific.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DASCHLE. Mr. President, on August 14 we will mark the 50th anniversary of V–J Day, the end of the war in the Pacific. As much as the war in Europe, the American role in the Pacific war definitively created the modern-day role of the United States in the international community.

The attack without warning that Japan's military rulers launched against Pearl Harbor on December 7, 1941, had the effect, in the United States, of uniting Americans against the Axis Powers in the global conflict. The almost immediate declaration of war on the United States by the Nazi regime in Germany solidified that unity.

For the first time, Americans poured into recruiting centers to volunteer in the Armed Forces. From every city in the country, and every State in the Union, men—and many women—lined up to defend their Nation. The men and women of South Dakota, like those of all other States, did their share.

The war in the Pacific was a difficult conflict, unprecedented in human history. Never before had nations contended across such vast miles of open sea, over such small, scattered island groups. Until the development of carriers and air flight, a war like the Pacific war could not even be imagined.

Tragically enough, in our century, it came to pass, and at enormous cost in lives and treasure to all participants.

From the devastating loss of men and materiel at Pearl Harbor at the end of 1941, the United States struggled to regain momentum in the Pacific theater. The demands of the war in Europe competed with the needs of the men and women stranded on Pacific islands, and the whole weight of the Nation bent to the task of filling those needs.

It was not until the Battles of Midway and Coral Sea that the tide turned in the Pacific war. And it was not until after the use of the atomic weapon in Hiroshima and Nagasaki that Japan's military rulers were willing to concede and surrender.

The technology that gave mankind the power of the atom and ended the war in the Pacific has, understandably, overshadowed much of the history of the Pacific war. That is understandable, but it is unfortunate.

There are stories of heroism, bravery, courage in the face of incredible danger and sheer human endurance that deserve to be honored in our national memory.

Some of those stories are the stories of South Dakotans who served.

One South Dakotan, Joe Foss, returned to the United States to a successful career in politics, as State Governor and the first commissioner of the American Football League.

Joe Foss was a marine captain at age 28, in 1943. By then, he had won the Congressional Medal of Honor and the Distinguished Flying Cross. Captain Foss has the distinction of downing more enemy planes than any other combat pilot in the war. He equaled the record of the fabled Eddy Rickenbacker of World War I, with 26 kills, 23 of them during a grueling 34-day-long test of endurance in the sky over Guadalcanal.

In an interview, many years after the war, Joe Foss described a mission on which he was sent as a decoy against a Japanese battleship off Savo Island, with the goal of engaging the big ship's guns so that a second wave of torpedo bombers could have a clear path to come over and drop their armaments to sink the ship.

He talked about aiming the nose of his Grumman Wildcat almost directly down at the ship's smokestacks, knowing that an airplane at 12 o'clock makes the hardest target, but knowing, as well, that the moment a plane changes angles to pull out of a dive leaves it entirely vulnerable.

Twice, during dogfights, he found himself on a collision course with Japanese Zeros, heading directly into the Zeros' propellers, knowing that the first pilot who peeled away would expose his plane's underside to machinegun fire. He never turned, and those two Zeros were among his kills.

Joe Foss earned the Congressional Medal of Honor for conspicuous bravery in the face of the enemy, and his fellow South Dakotans rewarded him later by electing him Governor of the State. His story echoes many of those of others from South Dakota who served in the Pacific theater.

Another South Dakotan who distinguished himself in the Pacific theater is Philip LeBlanc. He was one of many native American Code Talkers. The Lakota-speakers of South Dakota and other States were formed into teams, who were dropped on isolated Pacific Islands and instructed to radio back reports of enemy activity that to help guide strategy.

They were known as "MacArthur's boys" and had priority over the airwaves, because so many American lives depended on their reports of enemy strength, landings, and shipping.

Their unique contribution was the use of Lakota, the language of their birth, which defied all code-breaking efforts. Their unique war experience included the fact that they often felt they faced more danger from American troops, by mistake, than from Japanese. Left on isolated islands, equipped with camouflage gear and caps, not helmets, native Americans were often subjected to rigorous interrogation by European Americans questioning their status as American combat soldiers.

Philip LeBlanc served with the 302d Reconnaissance Team in the 1st Cavalry Division from 1942 to 1945 in the Pacific theater. He served his entire term of service in the field without a single furlough.

LeBlanc served in New Guinea, where it was impossible to dig foxholes because the intense rainforest climate created a groundwater table that was barely 5 inches below the surface. He had to be ferried to medical care by Filipinos when he came down with malaria in the middle of Japanese-held territory, and he was finally felled when he was hit riding atop an armored car in the last days of the campaign to retake the Philippines. He carries shrapnel in his hip and a bullet scar on his chest.

But much more proudly, he has the right to carry on his chest four bronze battle stars, four major campaign medals, a Purple Heart, an Asiatic Pacific Campaign Medal, a bronze arrowhead and a Philippine Liberation Ribbon.

He is part of a proud and honorable tradition of native Americans who have served courageously and honorably in every U.S. conflict, from the Revolutionary War onward.

The outcome of the Second World War changed our world profoundly, with effects that still resonate today. It left the United States the sole undamaged world power. With that status came responsibilities that most Americans had not imagined at the outset. Victory also carried a price.

In the 50 post-war years, those responsibilities have demanded more in American treasure and lives than from any other participant. But by 1990, it is estimated that the total cost of the

Second World War to the United States had reached $4.6 trillion—including the post-war cost of veterans health care and benefits. The cost of that care and those benefits is a cost of war, and should be recognized as such, lest we forget, decades later, the price of war in the form of our greatest treasure—our young men and women who served.

In total, more than 16 million American men and women served their Nation in World War II. More than 291,000 paid the ultimate price on the field of combat; 113,000 others died of wounds, accidents, illness—all the risks and dangers that attend service in wartime. All told, more than 405,000 American lives were cut short by the war.

Another 670,000 Americans were casualties in that war—men and women who returned with their health damaged, their bodies scarred, their lives changed.

Every State in the Nation sent men and women to the Second World War. South Dakota, one of the Nation's least populous States, sent an estimated 60,000 men and women to fight. A post-war review in 1950 estimated that more than 10 percent of the South Dakotans who served earned citations for personal bravery, military valor and, in three cases, the highest military honor our Nation grants, the award for service "above and beyond the call of duty," the Congressional Medal of Honor.

We should honor those who fought for our Nation in the Pacific theater. But we should not allow the distance of time to let us forget that they served at incredible cost to their lives, their health, their well-being and, too often, their futures.

The Second World War is often sentimentally called the last good war. I understand what people mean by the term.

But for those who saw active duty—who saw friends and buddies die, who felt the sheer brutality of heavy artillery attack or the random terror of combat on unknown, rough terrain against a well-trained and ruthless opponent, who faced years of imprisonment in sometimes barbaric conditions, the men who endured the death march of the Kokoda Trail, the tortures of jungle imprisonment—there was no "good" war. There was a job to be done, often at a price that scarred their lives for decades afterward.

In victory, America has been magnanimous and generous to her former enemies. That is as it should be. Our ideals command no less. But in retrospect, let us not forget the terrible price that our own people paid for our victory. Let us not imagine that the historic graciousness of our Nation toward the conquered was something bought without pain and tears and terrible suffering.

Victory is a fine accomplishment. But its price is often beyond counting. Its price should never be forgotten.

Today, I hope Americans across the country will pause to consider the price of our victory, for those who served, those who died, those who suffered. We owe them a debt of remembrance, along with a debt of gratitude for their sacrifice.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 164) with its preamble is as follows:

Whereas on August 14, 1945 the Japanese government accepted the Allied terms of surrender;

Whereas the formal documents of surrender were signed on September 2, 1945, thereby ending World War II;

Whereas 50 years have now passed since those events;

Whereas, the courage and sacrifice of the American fighting men and women who served with distinction in the Pacific and Asian theaters should always be remembered: Now, therefore, be it

Resolved, the United States Senate joins with a grateful nation in expressing our respect and appreciation to the men and women who served in World War II, and their families. Further, we remember and pay tribute to those Americans who made the ultimate sacrifice and gave their life for their country.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. GRAMS). The Chair, in his capacity as a Senator from Minnesota, asks unanimous consent that the order for the quorum call be rescinded.

Without objection, it is so ordered.

RECESS

The PRESIDING OFFICER. Without objection, the Senate stands in recess until 3 p.m.

There being no objection, the Senate, at 2:11 p.m., recessed until 3:01 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. FRIST).

The PRESIDING OFFICER. The Chair in his capacity as a Senator from Tennessee suggests the absence of a quorum.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

KEEP THE TAX CUT PROMISE

Mr. ROTH. Mr. President, a major purpose of government is to provide an environment for economic growth—one in which jobs and opportunity bring security to our families and communities. History has shown us the blueprint for such an environment: low taxes. Treasury Secretary, Andrew Mellon slashed taxes 25 percent, ushering America into the roaring '20s. John Kennedy's tax cuts in the '60s created the longest peacetime economic expansion in history—that is up until President Reagan embraced Kemp-Roth in the 1980's.

The result of Kemp-Roth, as my friend, Jack Kemp, recalls, was "18 million new jobs and more than 4 million new businesses, an entrepreneurial boom unmatched in the 20th century."

This is what history teaches. But as they say, that was then, and this is now. One after another, Americans have suffered tax increases—each with the promise that it would eliminate the deficit. President Bush broke his pledge of "no new taxes," cooperated in a budget summit, signed the largest tax increase in history at that time, and lost his reelection because of it.

Then President Clinton, two years ago yesterday, signed his tax increase, which still earns the distinction as the largest in history. And now there is renewed talk of reneging on the $245 billion tax cut promised in the budget resolution that passed this spring.

The irony, Mr. President, is that the tax cuts—whether they were the Mellon cuts, the Kennedy cuts, or Kemp-Roth—always produced windfalls for the Federal Treasury. As one well-respected economist pointed out, "the Federal Government received hundreds of billions more tax dollars annually during the Reagan administration than ever before.

That is because the gross national product grew by nearly 80 percent over the 8 years when Ronald Reagan was President. Uncle Sam's cut was a slightly lower percentage, but the pie itself was much bigger. That was the whole point of supply-side economics. Then why is the national debt now at an all-time high, measured in trillions of dollars, instead of mere billions as before? Because Congress spent even more hundreds of billions than the massive new tax receipts pouring into Washington. Without spending restraints, no amount of new taxes will ever balance the budget."

And for those who believe cutting taxes only benefited the wealthy. Let the facts speak for themselves: In 1990, following Kemp-Roth, the wealthiest 5 percent of tax payers paid 43 percent of all taxes. In 1981, before the tax cuts, the wealthiest 5 percent was paying 36.4 percent.

You see, Mr. President, there is nothing inconsistent with our objective to cut taxes and to balance the budget. Americans want a balanced budget. The United States has not had a balanced budget since 1969. And Americans know that you cannot go year to year spending more than you take in.

They cannot do it with their checkbooks. And they believe Congress should not be able to do it, either. In fact, they feel so strongly about this issue that virtually every poll showed 70 percent to 80 percent of the country wanted the Balanced Budget Amendment approved and ratified by the States. Unfortunately, that was prevented from happening by roughly the same group of Senators who are now taking aim against our proposed $245 billion tax cut.

These are—give or take a few—the same men and women who, 2 years ago, supported President Clinton in a historic tax increase. And where has that increase gotten us? The President said his increase would keep interest rates low. Today the prime rate is 2.75 percent higher than it was last year at this time. Treasury Bills, 30-year bonds and mortgage rates * * * they are all up. Beyond this, average wages and salaries for U.S. workers have fallen 2.3 percent from 1994 to 1995, the largest decline in 8 years, Fewer jobs are being created, economic growth has come to a standstill, and the dollar is down.

This is where we are, Mr. President, and now the same people who brought you these statistics—the same people who voted against the American people on the balanced budget—are trying to kill a tax cut for the middle class—a tax cut that will offset President Clinton's record setting increase.

The tax proposal they are trying to kill is positive and important for economic growth. Thirty-five million families, raising 52 million children, will pay lower taxes. Seventy-four percent of these families have incomes below $75,000.

Families with children and incomes of less than $25,000 will pay no income tax at all. And the fact is, that 70 percent of all taxpayers who will benefit from the capital gains tax cut in our plan have incomes of less than $50,000.

Mr. President, this is how we bring America back. And it should be a bipartisan effort. Mellon, Kennedy, Reagan—no one party has a monopoly on the key to economic growth. I believe we can work together. For this reason, I have been active in my efforts to restore the power of the individual retirement account.

Toward this end, I have worked with former Senator Lloyd Bentsen and am now working with Senator JOHN BREAUX. In my efforts to reduce the threat of estate taxes on family-owned farms and businesses, Senator PRYOR and others have joined with Senator DOLE, me and Members on this side of the aisle.

The magnitude and importance of the objective before us requires no less than our willing and cooperative effort. The American people deserve no less. They have paid too much in taxes. Promises to reduce the deficit have not been kept.

Spending has continued to soar and government has grown overbearing and inefficient. We have proposed the first balanced budget in 26 years. The $245 billion tax cuts are completely paid for. Let us now work together to see these initiatives passed. In the strong economies and Treasury windfalls that came about from tax cuts in years gone by, we see our future. And working together, I believe we can achieve it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

HORROR IN THE NATION'S CAPITAL

Mr. DOLE. Mr. President, too often today, when we read and hear about the unspeakable violence that occurs on the streets of our country, we simply shrug it off as the price we pay for living in a free society. In a very real sense, we have begun to tolerate the intolerable.

This past weekend, however, a crime occurred just several city blocks from this building that, I believe, would send shivers down the spine of even the most jaded observer.

Three employees of a nearby McDonald's restaurant—18-year-old Marvin Peay, Jr.; 23-year-old Kevin Workman; and a 49-year-old grandmother named Lilian Jackson—were all shot dead while working the late shift. One of their co-workers was fortunately spared.

Here is how the Washington Post described this brutal crime:

> Because Kenneth Joel Marshall was a trusted co-worker, the four men and women working the closing shift at the McDonald's on the eastern edge of Capitol Hill opened the door for him when he showed up shortly before 2 a.m. * * * Minutes later, police said, Marshall pulled a gun, forced the manager to open a safe, herded his co-workers into a basement freezer and pumped bullets into the heads of three of them, a woman and two men. Bent on leaving no witnesses, police said, he turned to the fourth worker, a woman. Twice, he allegedly aimed his gun at her head and squeezed the trigger. Twice, the gun clicked but did not fire.

Apparently, the person who committed this unspeakably evil act fled the crime scene. He was subsequently arrested by the D.C. police department. According to newspaper accounts, the killer also had a prior criminal record, having been arrested by the D.C. police at least seven times since 1987 on both drug and weapons charges.

Mr. President, it is, of course, impossible to make any sense out of such senselessness.

I simply want to take this opportunity to express my own outrage at what has befallen three of our citizens—citizens of the Nation's Capital—and I know I speak for all my colleagues in the Senate when I extend our prayers and heartfelt sympathies to the families of the victims.

Mr. DOLE. Mr. President, all too often in our political discourse, we concentrate on the differences separating the two parties, rather than emphasizing those areas on which there is agreement or at least the potential for agreement.

Last week, the Democratic leadership council—through its think tank, the progressive policy institute—issued an important paper outlining its views on affirmative action. Although I do not agree with every point made in this paper, it does suggest that there is ample room for Republicans and open-minded Democrats to forge a new consensus on the meaning of equal opportunity.

I have three observations about the DLC paper that I would like to share now with my Senate colleagues.

One. The paper calls for the "phase-out" of mandatory preferences in contract set-asides, public jobs, and hiring by private firms that do business with the Government on the grounds that these preferences "put Government in the business of institutionalizing racial distinctions." The DLC says that these distinctions are "hardly a good idea for a democracy held together by common civic deals that transcend group identity."

This position is very similar, if not identical, to the principle underlying the Equal Opportunity Act of 1995, which I introduced late last month with Congressman CHARLES CANADY of Florida and more than 80 other Congressional Republicans. The Equal Opportunity Act would prohibit the Federal Government from granting preferences to anyone on the basis of race or gender in three key areas: Federal employment, Federal contracting, and federally conducted programs.

The DLC apparently supports this proposition, but wants a gradual phase-in of any ban on group preferences, not their immediate elimination.

In other words, our difference is one of timing, not one of principle.

It is my hope, however, that the DLC will come to understand that if discrimination is wrong, it is wrong today as well as tomorrow, and ought to be ended immediately.

In fact, the DLC goes much further than the Equal Opportunity Act by calling for the outright repeal of "Lyndon Johnson's 1965 Executive order requiring Federal contractors to adopt minority hiring goals and timetables." In its paper, the DLC argues that these guidelines "encourage employers to hire women and minorities on a rigidly proportional basis," a statement that is directly at odds with President Clinton's own affirmative action review.

In my view, it is appropriate for the Federal Government to require Federal contractors not to discriminate in employment. That was the original purpose of Executive Order 11246. Unfortunately, bureaucratic implementation of the Executive order has converted it from a program aimed at eliminating discrimination to one that relies on it in the form of preferences.

Our first priority should be to restore the original meaning and purpose of the Executive order, not to repeal it, as the DLC has suggested.

Second, the DLC argues that we need to replace Government preferences for groups with new public policies that empower individuals to get ahead regardless of race, gender, or ethnicity. The DLC argues that an empowerment agenda is critical to "striking a new bargain on racial equality and opportunity."

I happen to agree that we need to forge a new civil rights agenda for the 1990's, one rooted in policies that are relevant to the needs and challenges of our time. I do so, however, not as part of a bargain, as if one should be defensive about opposing discrimination in the form of preferences.

I support a new civil rights agenda simply because making Government policy by race is not only wrong, but a diversion from reality, an easy excuse to ignore the very serious problems that affect all Americans, whatever their race, or heritage, or gender may be.

Nearly 30 percent of our children are born out of wedlock. Only one-third of our high school graduates are proficient readers. And children routinely kill other children.

These are the realities of our time, and this is where our focus should be.

That is why Congressman J.C. WATTS and I recently took the step of offering a blueprint for a new civil rights agenda. This agenda includes: strengthening the family by reforming a corrupt welfare system that has substituted Government dependence for personal independence; investing crime-fighting resources in our inner-city communities and ensuring that those who commit violent crimes stay behind bars where they belong; giving low-income parents the opportunity to choose the school, public or private, that they consider most desirable for their children; removing regulatory barriers to opportunity; and, or course, enforcing the anti-discrimination laws that are already on the books.

Finally, the DLC has joined me and other Republicans in taking issue with the Clinton administration's position in the Piscataway case. In this case, the Justice Department has turned the principle of equal opportunity on its head by arguing that a school district may legally fire a teacher, solely because of her race, in order to maintain workforce diversity. The DLC is correct to point out that the Justice Department's position, taken to its logical extreme, would "sever the increasingly tenuous link between race-conscious remedies and specific acts of discrimination and wipe out the distinction between preferences and quotas."

Mr. President, I welcome the DLC's contribution to this debate. We may not agree on every point and on every issue, but we both agree that the group-preference status quo is no longer tenable.

Race should not be a wedge issue. If we keep our voices low and our intentions good, I am convinced that this long-overdue debate can, in fact, serve as a catalyst to unite the American people, not divide us.

1995 FARM BILL

Mr. DOLE. Mr. President, when Congress reconvenes in September, the race to write the 1995 farm bill will hit full stride. This year marks the ninth farm bill that I have been involved in.

Historically, agriculture stands at a crossroads every 5 years when Congress decides what direction it should go. This year, I believe there is agreement in this Chamber about which path to take. However, I would be remiss if I did not mention that there is significant disagreement about how best to get there.

When Senators return home over the next few weeks, they will hear from their rural constituents the need for an aggressive farm policy. No doubt, the American people will provide their Senators with practical suggestions regarding the farm policy choices now before Congress.

When we return in September, we will face several choices on farm policy. Three that come to mind are stay the course, reduction in support, and freedom to farm. Each choice has advantages; each choice has disadvantages.

The stay-the-course plan is piloted by my good friend from Mississippi Senator COCHRAN, who approaches the farm bill with the conviction that our work in 1985 was sound and that we should continue with this course while making changes necessary to balance the budget.

The reduction-in-support strategy was outlined by Chairman LUGAR early in the debate, and combines a reduction in target prices with the call for planting flexibility and elimination of set-asides—two points that are a priority in Kansas and much of the Midwest.

The freedom-to-farm concept is endorsed by my good friend and colleague Representative PAT ROBERTS. In typical Kansas fashion, he has taken the bull by the horns. In the Roberts freedom-to-farm plan, budget balancing is done with a cap on farm spending which guarantees farmers less income support but is coupled with full planting flexibility and regulatory relief.

I urge all Senators to take advantage of the August recess and reconnect with the concerns of rural Americans. Like many of my colleagues, I am still evaluating each of these approaches as well as other policy options. But I realize that we must reach agreement in September. In my view, there are certain guiding principles we must adhere to as we pursue that goal.

First, fiscal responsibility. We must achieve a balanced budget and do it in a manner that is fair and equitable to farmers. We have worked hard to balance the budget. The line-item veto was a first step toward that goal. A balanced budget amendment failed by just one vote. We hope we can pick up that vote in the next several months. In September, we will begin work on a plan to balance the Federal budget over the next 7 years. Farmers around the country remind me that they are taxpayers too. And as taxpayers, farmers want a balanced budget. All they ask is that spending cuts are fair and equitable. Everyone will take his or her fair share, whether it be food stamps or farm programs. And let me add that there will be equity in commodity program spending reductions and policy changes. The AG community will face its fair share of spending reductions as we move to fully implement a balanced budget.

Second, unleash our productive capacity. We must allow farmers to decide what and how much to plant each year. Planting restrictions and idling acreage based on budget mandates instead of supply management must end. Through the new markets and new opportunities opened by GATT and NAFTA, we must be able to meet demand. The farm policy that drives the U.S. into the 21st century should not be based on the supply management concepts of the 1930's. A framer's business decisions should not be based on Government policy, but instead on market signals, agronomic practices and personal choice.

Third, simplicity. Farm programs and environmental regulations should be simpler and more sensible. They should reflect a basic respect for private property rights and the work ethic of the family farmer. For several years now, as I traveled through Kansas and throughout the country, farmers have been telling me the same thing—keep it simple. All farm programs—and especially all regulations—must be simpler and less intrusive. Our efforts to provide regulatory relief for rural America have been blocked by those on the other side of the aisle. I hope that when my colleagues return to their States in August, they will listen to their constituents' pleas to rein in the Federal Government.

American agriculture does not operate in a vacuum. Rural Americans share the Republican conviction that Congress must balance the budget, and that we must provide tax relief, regulatory relief and health care reform. Rural Americans realize that there are important policies outside the farm bill that greatly affect their bottom lines. Mr. President, we are actively working to provide the needed relief that rural America is asking for. And we will not stop. The reconciliation debate in September will focus national attention on issues vital to rural America. This is our opportunity to make real progress.

When it comes to policy for rural America, I can not help but be reminded of the peanuts cartoon, where Lucy pulls the football away from Charlie Brown at the last minute.

Unfortunately, just like Charlie Brown, the American farmer keeps running at the ball and Congress keeps pulling it away. A workable policy for rural America is not achieved by taunting the American farmer. It is achieved by everyone—agriculture, Congress and USDA—playing together on the same team.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. There being no further morning business, morning business is closed.

FAMILY SELF-SUFFICIENCY ACT

Mr. DOLE. I call for regular order with respect to the welfare bill.

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

A bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence, which had been reported from the Committee on Finance.

The Senate resumed consideration of the bill.

AMENDMENT NO. 2280, AS FURTHER MODIFIED

Mr. DOLE. I have a modification at the desk. I have a right to modify my amendment, and I ask that it be so modified.

The PRESIDING OFFICER. The amendment is so modified.

So the amendment (No. 2280), as modified, is as follows:

On page 1, line 3, of the bill, after "SECTION 1.", strike all through the end and insert the following:

SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Work Opportunity Act of 1995".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Sec. 100. References to Social Security Act.
Sec. 101. Block grants to States.
Sec. 102. Services provided by charitable, religious, or private organizations.
Sec. 103. Limitations on use of funds for certain purposes.
Sec. 104. Continued application of current standards under medicaid program.
Sec. 105. Census data on grandparents as primary caregivers for their grandchildren.
Sec. 106. Conforming amendments to the Social Security Act.
Sec. 107. Conforming amendments to the Food Stamp Act of 1977 and related provisions.
Sec. 108. Conforming amendments to other laws.
Sec. 109. Study of effect of welfare reform on grandparents as primary caregivers.
Sec. 110. Disclosure of receipt of Federal funds.
Sec. 111. Secretarial submission of legislative proposal for technical and conforming amendments.
Sec. 112. Effective date; transition rule.

TITLE II—SUPPLEMENTAL SECURITY INCOME

Subtitle A—Eligibility Restrictions

Sec. 201. Denial of supplemental security income benefits by reason of disability to drug addicts and alcoholics.
Sec. 202. Limited eligibility of noncitizens for SSI benefits.
Sec. 203. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
Sec. 204. Denial of SSI benefits for fugitive felons and probation and parole violators.
Sec. 205. Effective dates; application to current recipients.

Subtitle B—Benefits for Disabled Children

Sec. 211. Definition and eligibility rules.
Sec. 212. Eligibility redeterminations and continuing disability reviews.
Sec. 213. Additional accountability requirements.

Subtitle C—Studies Regarding Supplemental Security Income Program

Sec. 221. Annual report on the supplemental security income program.
Sec. 222. Improvements to disability evaluation.
Sec. 223. Study of disability determination process.
Sec. 224. Study by General Accounting Office.

Subtitle D—National Commission on the Future of Disability

Sec. 231. Establishment.
Sec. 232. Duties of the Commission.
Sec. 233. Membership.
Sec. 234. Staff and support services.
Sec. 235. Powers of Commission.
Sec. 236. Reports.
Sec. 237. Termination.

Subtitle E—State Supplementation Programs

Sec. 241. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

TITLE III—FOOD STAMP PROGRAM

Subtitle A—Food Stamp Reform

Sec. 301. Certification period.
Sec. 302. Treatment of children living at home.
Sec. 303. Optional additional criteria for separate household determinations.
Sec. 304. Adjustment of thrifty food plan.
Sec. 305. Definition of homeless individual.
Sec. 306. State options in regulations.
Sec. 307. Earnings of students.
Sec. 308. Energy assistance.
Sec. 309. Deductions from income.
Sec. 310. Amount of vehicle asset limitation.
Sec. 311. Benefits for aliens.
Sec. 312. Disqualification.
Sec. 313. Caretaker exemption.
Sec. 314. Employment and training.
Sec. 315. Comparable treatment for disqualification.
Sec. 316. Cooperation with child support agencies.
Sec. 317. Disqualification for child support arrears.
Sec. 318. Permanent disqualification for participating in 2 or more States.
Sec. 319. Work requirement.
Sec. 320. Electronic benefit transfers.
Sec. 321. Minimum benefit.
Sec. 322. Benefits on recertification.
Sec. 323. Optional combined allotment for expedited households.
Sec. 324. Failure to comply with other welfare and public assistance programs.
Sec. 325. Allotments for households residing in institutions.
Sec. 326. Operation of food stamp offices.
Sec. 327. State employee and training standards.
Sec. 328. Exchange of law enforcement information.
Sec. 329. Expedited coupon service.
Sec. 330. Fair hearings.
Sec. 331. Income and eligibility verification system.
Sec. 332. Collection of overissuances.
Sec. 333. Termination of Federal match for optional information activities.
Sec. 334. Standards for administration.
Sec. 335. Work supplementation or support program.
Sec. 336. Waiver authority.
Sec. 337. Authorization of pilot projects.
Sec. 338. Response to waivers.
Sec. 339. Private sector employment initiatives.
Sec. 340. Reauthorization of appropriations.
Sec. 341. Reauthorization of Puerto Rico nutrition assistance program.
Sec. 342. Simplified food stamp program.
Sec. 343. Optional State food assistance block grant.
Sec. 344. Effective date.

Subtitle B—Anti-Fraud and Trafficking

Sec. 351. Expanded definition of coupon.
Sec. 352. Doubled penalties for violating food stamp program requirements.
Sec. 353. Authority to establish authorization periods.
Sec. 354. Specific period for prohibiting participation of stores based on lack of business integrity.
Sec. 355. Information for verifying eligibility for authorization.

Sec. 356. Waiting period for stores that initially fail to meet authorization criteria.
Sec. 357. Bases for suspensions and disqualifications.
Sec. 358. Disqualification of stores pending judicial and administrative review.
Sec. 359. Disqualification of retailers who are disqualified under the WIC program.
Sec. 360. Permanent debarment of retailers who intentionally submit falsified applications.
Sec. 361. Expanded criminal forfeiture for violations.
Sec. 362. Effective date.

TITLE IV—CHILD NUTRITION PROGRAMS

Subtitle A—Reimbursement Rates

Sec. 401. Termination of additional payment for lunches served in high free and reduced price participation schools.
Sec. 402. Value of food assistance.
Sec. 403. Lunches, breakfasts, and supplements.
Sec. 404. Summer food service program for children.
Sec. 405. Special milk program.
Sec. 406. Free and reduced price breakfasts.
Sec. 407. Conforming reimbursement for paid breakfasts and lunches.

Subtitle B—Grant Programs

Sec. 411. School breakfast startup grants.
Sec. 412. Nutrition education and training programs.
Sec. 413. Effective date.

Subtitle C—Other Amendments

Sec. 421. Free and reduced price policy statement.
Sec. 422. Summer food service program for children.
Sec. 423. Child and adult care food program.
Sec. 424. Reducing required reports to State agencies and schools.

Subtitle D—Reauthorization

Sec. 431. Commodity distribution program; commodity supplemental food program.
Sec. 432. Emergency food assistance program.
Sec. 433. Soup kitchens program.
Sec. 434. National commodity processing.
Sec. 435. Commodity supplemental food program.

TITLE V—NONCITIZENS

Sec. 501. State option to prohibit assistance for certain aliens.
Sec. 502. Deemed income requirement for Federal and federally funded programs.
Sec. 503. Requirements for sponsor's affidavit of support.
Sec. 504. Limited eligibility of noncitizens for SSI benefits.
Sec. 505. Treatment of noncitizens.

TITLE VI—CHILD CARE

Sec. 601. Short title.
Sec. 602. Amendments to the Child Care and Development Block Grant Act of 1990.
Sec. 603. Repeals and technical and conforming amendments.

TITLE VII—WORKFORCE DEVELOPMENT AND WORKFORCE PREPARATION ACTIVITIES

Subtitle A—General Provisions

Sec. 701. Short title.
Sec. 702. Findings and purposes.
Sec. 703. Definitions.

Subtitle B—Statewide Workforce Development Systems

CHAPTER 1—PROVISIONS FOR STATES AND OTHER ENTITIES

Sec. 711. Statewide workforce development systems established.
Sec. 712. State allotments.
Sec. 713. State apportionment by activity.
Sec. 714. State plans.
Sec. 715. State workforce development boards.
Sec. 716. Use of funds.
Sec. 717. Indian workforce development activities.
Sec. 718. Grants to outlying areas.

CHAPTER 2—LOCAL PROVISIONS

Sec. 721. Local apportionment by activity.
Sec. 722. Distribution for secondary school vocational education.
Sec. 723. Distribution for postsecondary and adult vocational education.
Sec. 724. Distribution for adult education.
Sec. 725. Special rule for minimal allocation.
Sec. 726. Redistribution.
Sec. 727. Local application for workforce education activities.
Sec. 728. Local partnerships, agreements, and workforce development boards.
Sec. 729. Construction.

CHAPTER 3—ADMINISTRATION

Sec. 731. Accountability.
Sec. 732. Incentives and sanctions.
Sec. 733. Unemployment trust fund.
Sec. 734. Authorization of appropriations.
Sec. 735. Effective date.

Subtitle C—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL PROVISIONS

Sec. 741. Purposes.
Sec. 742. Definitions.
Sec. 743. Authority of Governor.

CHAPTER 2—JOB CORPS

Sec. 744. General authority.
Sec. 745. Screening and selection of applicants.
Sec. 746. Enrollment and assignment.
Sec. 747. Job Corps centers.
Sec. 748. Program activities.
Sec. 749. Support.
Sec. 750. Operating plan.
Sec. 751. Standards of conduct.
Sec. 752. Community participation.
Sec. 753. Counseling and placement.
Sec. 754. Leases and sales of centers.
Sec. 755. Closure of Job Corps centers.
Sec. 756. Interim operating plans for Job Corps centers.
Sec. 757. Effective date.

CHAPTER 3—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

Sec. 759. Workforce preparation activities for at-risk youth.

Subtitle D—Transition Provisions

Sec. 761. Waivers.
Sec. 762. Flexibility demonstration program.
Sec. 763. Interim State plans.
Sec. 764. Applications and plans under covered Acts.
Sec. 765. Interim administration of school-to-work programs.
Sec. 766. Interim authorizations of appropriations.

Subtitle E—National Activities

Sec. 771. Federal Partnership.
Sec. 772. National Workforce Development Board and personnel.
Sec. 773. Labor market information.
Sec. 774. National Center for Research in Education and Workforce Development.
Sec. 775. National assessment of vocational education programs.
Sec. 776. Transfers to Federal Partnership.
Sec. 777. Transfers to other Federal agencies and offices.
Sec. 778. Elimination of certain offices.

Subtitle F—Repeals of Employment and Training and Vocational and Adult Education Programs

Sec. 781. Repeals.
Sec. 782. Conforming amendments.

TITLE VIII—WORKFORCE DEVELOPMENT-RELATED ACTIVITIES

Subtitle A—Amendments to the Rehabilitation Act of 1973

Sec. 801. References.
Sec. 802. Findings and purposes.
Sec. 803. Consolidated rehabilitation plan.
Sec. 804. Definitions.
Sec. 805. Administration.
Sec. 806. Reports.
Sec. 807. Evaluation.
Sec. 808. Declaration of policy.
Sec. 809. State plans.
Sec. 810. Individualized employment plans.
Sec. 811. Scope of vocational rehabilitation services.
Sec. 812. State Rehabilitation Advisory Council.
Sec. 813. Evaluation standards and performance indicators.
Sec. 814. Repeals.
Sec. 815. Effective date.

Subtitle B—Amendments to Immigration and Nationality Act

Sec. 821. Prohibition on use of funds for certain employment activities.

Subtitle C—Amendments to the National Literacy Act of 1991

Sec. 831. National Institute for Literacy.
Sec. 832. State literacy resource centers.
Sec. 833. National Workforce Literacy Assistance Collaborative.
Sec. 834. Family literacy public broadcasting program.
Sec. 835. Mandatory literacy program.

TITLE IX—CHILD SUPPORT

Sec. 900. Reference to Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

Sec. 901. State obligation to provide child support enforcement services.
Sec. 902. Distribution of child support collections.
Sec. 903. Rights to notification and hearings.
Sec. 904. Privacy safeguards.

Subtitle B—Locate and Case Tracking

Sec. 911. State case registry.
Sec. 912. Collection and disbursement of support payments.
Sec. 913. State directory of new hires.
Sec. 914. Amendments concerning income withholding.
Sec. 915. Locator information from interstate networks.
Sec. 916. Expansion of the Federal parent locator service.
Sec. 917. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

Sec. 921. Adoption of uniform State laws.
Sec. 922. Improvements to full faith and credit for child support orders.
Sec. 923. Administrative enforcement in interstate cases.
Sec. 924. Use of forms in interstate enforcement.

Sec. 925. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

Sec. 931. State laws concerning paternity establishment.
Sec. 932. Outreach for voluntary paternity establishment.
Sec. 933. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

Sec. 941. Performance-based incentives and penalties.
Sec. 942. Federal and State reviews and audits.
Sec. 943. Required reporting procedures.
Sec. 944. Automated data processing requirements.
Sec. 945. Technical assistance.
Sec. 946. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

Sec. 951. National Child Support Guidelines Commission.
Sec. 952. Simplified process for review and adjustment of child support orders.
Sec. 953. Furnishing consumer reports for certain purposes relating to child support.
Sec. 954. Nonliability for depository institutions providing financial records to State child support enforcement agencies in child support cases.

Subtitle G—Enforcement of Support Orders

Sec. 961. Internal Revenue Service collection of arrearages.
Sec. 962. Authority to collect support from Federal employees.
Sec. 963. Enforcement of child support obligations of members of the armed forces.
Sec. 964. Voiding of fraudulent transfers.
Sec. 965. Work requirement for persons owing child support.
Sec. 966. Definition of support order.
Sec. 967. Reporting arrearages to credit bureaus.
Sec. 968. Liens.
Sec. 969. State law authorizing suspension of licenses.
Sec. 970. Denial of passports for nonpayment of child support.
Sec. 971. International child support enforcement.

Subtitle H—Medical Support

Sec. 975. Technical correction to ERISA definition of medical child support order.
Sec. 976. Enforcement of orders for health care coverage.

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

Sec. 981. Grants to States for access and visitation programs.

Subtitle J—Effect of Enactment

Sec. 991. Effective dates.

TITLE X—REFORM OF PUBLIC HOUSING

Sec. 1001. Ceiling rents.
Sec. 1002. Definition of adjusted income for public housing.
Sec. 1003. Failure to comply with other welfare and public assistance programs.
Sec. 1004. Applicability to Indian housing.
Sec. 1005. Implementation.
Sec. 1006. Effective date.

TITLE XI—CHILD ABUSE PREVENTION AND TREATMENT

Sec. 1101. Short title.

Subtitle A—General Program

Sec. 1111. Reference.
Sec. 1112. Findings.
Sec. 1113. Office of Child Abuse and Neglect.
Sec. 1114. Advisory Board on Child Abuse and Neglect.
Sec. 1115. Repeal of interagency task force.
Sec. 1116. National Clearinghouse for Information Relating to Child Abuse.
Sec. 1117. Research, evaluation and assistance activities.
Sec. 1118. Grants for demonstration programs.
Sec. 1119. State grants for prevention and treatment programs.
Sec. 1120. Repeal.
Sec. 1121. Miscellaneous requirements.
Sec. 1122. Definitions.
Sec. 1123. Authorization of appropriations.
Sec. 1124. Rule of construction.
Sec. 1125. Technical amendment.

Subtitle B—Community-Based Child Abuse and Neglect Prevention Grants

Sec. 1131. Establishment of program.
Sec. 1132. Repeals.

Subtitle C—Family Violence Prevention and Services

Sec. 1141. Reference.
Sec. 1142. State demonstration grants.
Sec. 1143. Allotments.
Sec. 1144. Authorization of appropriations.

Subtitle D—Adoption Opportunities

Sec. 1151. Reference.
Sec. 1152. Findings and purpose.
Sec. 1153. Information and services.
Sec. 1154. Authorization of appropriations.

Subtitle E—Abandoned Infants Assistance Act of 1986

Sec. 1161. Reauthorization.

Subtitle F—Reauthorization of Various Programs

Sec. 1171. Missing Children's Assistance Act.
Sec. 1172. Victims of Child Abuse Act of 1990.

TITLE XII—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

Sec. 1201. Reductions.
Sec. 1202. Department of Health and Human Services.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 100. REFERENCES TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 101. BLOCK GRANTS TO STATES.

(a) REPEALS.—

(1) IN GENERAL.—Parts A and F of title IV (42 U.S.C. 601 et seq. and 682 et seq.) are hereby repealed.

(2) RULES AND REGULATIONS.—The Secretary of Health and Human Services shall ensure that any rules and regulations relating to the provisions of law repealed in paragraph (1) shall cease to have effect on and after the date of the repeal of such provisions.

(b) BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES WITH MINOR CHILDREN.—Title IV (42 U.S.C. 601 et seq.) is amended by inserting before part B the following:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES WITH MINOR CHILDREN

"SEC. 400. NO INDIVIDUAL ENTITLEMENT.

"Notwithstanding any other provision of law, no individual is entitled to any assistance under this part.

"SEC. 401. PURPOSE.

"The purpose of this part is to increase the flexibility of States in operating a program designed to—

"(1) provide assistance to needy families with minor children;

"(2) provide job preparation and opportunities for such families; and

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies, with a special emphasis on teenage pregnancies, and establish annual goals for preventing and reducing such pregnancies with respect to fiscal years 1996 through 2000.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that has submitted to the Secretary a plan that includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—A written document that outlines how the State intends to do the following:

"(A) Conduct a program designed to serve all political subdivisions in the State to—

"(i) provide assistance to needy families with not less than 1 minor child (or any expectant family); and

"(ii) provide a parent or caretaker in such families with work experience, assistance in finding employment, and other work preparation activities and support services that the State considers appropriate to enable such families to leave the program and become self-sufficient.

"(B) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) when the State determines the parent or caretaker is ready to engage in work, or after 24 months (whether or not consecutive) of receiving assistance under the program, whichever is earlier.

"(C) Satisfy the minimum participation rates specified in section 404.

"(D) Treat—

"(i) families with minor children moving into the State from another State; and

"(ii) noncitizens of the United States.

"(E) Safeguard and restrict the use and disclosure of information about individuals and families receiving assistance under the program.

"(F) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child protection program under the State plan approved under part B.

"(4) CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program under the State plan approved under part E.

"(5) CERTIFICATION THAT THE STATE WILL PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will participate in the income and eligibility verification system required by section 1137.

"(6) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—A certification by the chief executive officer of the State specifying which State agency or agencies are responsible for the administration and supervision of the State program for the fiscal year and ensuring that local governments and private sector organizations have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations.

"(7) CERTIFICATION THAT REQUIRED REPORTS WILL BE SUBMITTED.—A certification by the chief executive officer of the State that the State shall provide the Secretary with any reports required under this part.

"(8) ESTIMATE OF FISCAL YEAR STATE AND LOCAL EXPENDITURES.—An estimate of the total amount of State and local expenditures under the State program for the fiscal year.

"(b) CERTIFICATION THAT THE STATE WILL PROVIDE ACCESS TO INDIANS.—

"(1) IN GENERAL.—In recognition of the Federal Government's trust responsibility to, and government-to-government relationship with, Indian tribes, the Secretary shall ensure that Indians receive at least their equitable share of services under the State program, by requiring a certification by the chief executive officer of each State described in paragraph (2) that, during the fiscal year, the State shall provide Indians in each Indian tribe that does not have a tribal family assistance plan approved under section 414 for a fiscal year with equitable access to assistance under the State program funded under this part.

"(2) STATE DESCRIBED.—For purposes of paragraph (1), a State described in this paragraph is a State in which there is an Indian tribe that does not have a tribal family assistance plan approved under section 414 for a fiscal year.

"(c) DISTRIBUTION OF STATE PLAN.—

"(1) PUBLIC AVAILABILITY OF SUMMARY.—The State shall make available to the public a summary of the State plan submitted under this section.

"(2) COPY TO AUDITOR.—The State shall provide the approved entity conducting the audit under section 408 with a copy of the State plan submitted under this section.

"(d) DEFINITIONS.—For purposes of this part, the following definitions shall apply:

"(1) ADULT.—The term 'adult' means an individual who is not a minor child.

"(2) MINOR CHILD.—The term 'minor child' means an individual—

"(A) who—

"(i) has not attained 18 years of age; or

"(ii) has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training); and

"(B) who resides with such individual's custodial parent or other caretaker relative.

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(5) STATE.—Except as otherwise specifically provided, the term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"SEC. 403. PAYMENTS TO STATES AND INDIAN TRIBES.

"(a) GRANT AMOUNT.—

"(1) IN GENERAL.—Subject to the provisions of paragraphs (3) and (5), section 407 (relating to penalties), and section 414(g), for each of fiscal years 1996, 1997, 1998, 1999, and 2000, the Secretary shall pay—

"(A) each eligible State a grant in an amount equal to the State family assistance grant for the fiscal year; and

"(B) each Indian tribe with an approved tribal family assistance plan a tribal family assistance grant in accordance with section 414.

"(2) STATE FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—For purposes of paragraph (1)(A), a State family assistance grant for any State for a fiscal year is an amount equal to the total amount of the Federal payments to the State under section 403 for fiscal year 1994 (as such section was in effect during such fiscal year and as such payments were reported by the State on February 14, 1995), reduced by the amount (if any) determined under subparagraph (B).

"(B) AMOUNT ATTRIBUTABLE TO CERTAIN INDIAN FAMILIES SERVED BY INDIAN TRIBES.—

"(i) IN GENERAL.—For purposes of subparagraph (A), the amount determined under this subparagraph is an amount equal to the Federal payments to the State under section 403 for fiscal year 1994 (as in effect during such fiscal year) attributable to expenditures by the State under parts A and F of this title (as so in effect) for Indian families described in clause (ii).

"(ii) INDIAN FAMILIES DESCRIBED.—For purposes of clause (i), Indian families described in this clause are Indian families who reside in a service area or areas of an Indian tribe receiving a tribal family assistance grant under section 414.

"(C) NOTIFICATION.—Not later than 3 months prior to the payment of each quarterly installment of a State grant under subsection (a)(1), the Secretary shall notify the State of the amount of the reduction determined under subparagraph (B) with respect to the State.

"(3) SUPPLEMENTAL GRANT AMOUNT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—The amount of the grant payable under paragraph (1) to a qualifying State for each of fiscal years 1997, 1998, 1999, and 2000 shall be increased by an amount equal to 2.5 percent of the amount that the State received under this section in the preceding fiscal year.

"(B) INCREASE TO REMAIN IN EFFECT EVEN IF STATE FAILS TO QUALIFY IN LATER YEARS.—Subject to section 407, in no event shall the amount of a grant payable under paragraph (1) to a State for any fiscal year be less than the amount the State received under this section for the preceding fiscal year.

"(C) QUALIFYING STATE.—

"(i) IN GENERAL.—For purposes of this paragraph, the term 'qualifying State', with respect to any fiscal year, means a State that—

"(I) had an average level of State welfare spending per poor person in the preceding fiscal year that was less than the national average level of State welfare spending per poor person in the preceding fiscal year; and

"(II) had an estimated rate of State population growth as determined by the Bureau of the Census for the most recent fiscal year for which information is available that was greater than the average rate of population growth for all States as determined by the Bureau of the Census for such fiscal year.

"(ii) CERTAIN STATES DEEMED QUALIFYING STATES.—For purposes of this paragraph, a State shall be deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if the level of State welfare spending per poor person in fiscal year 1996 was less than 35 percent of the national average level of State welfare spending per poor person in fiscal year 1996.

"(iii) STATE MUST QUALIFY IN FISCAL YEAR 1997.—A State shall not be eligible to be a qualifying State under clause (i) for fiscal years after 1997 if the State was not a qualifying State under clause (i) in fiscal year 1997.

"(D) DEFINITIONS.—For purposes of this paragraph:

"(i) LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'level of State welfare spending per poor person' means, with respect to a State for any fiscal year—

"(I) the amount of the grant received by the State under this section (prior to the application of section 407); divided by

"(II) the number of the individuals in the State who had an income below the poverty line according to the 1990 decennial census.

"(ii) NATIONAL AVERAGE LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'national average level of State welfare spending per poor person' means an amount equal to—

"(I) the amount paid in grants under this section (prior to the application of section 407); divided by

"(II) the number of individuals in all States with an income below the poverty line according to the 1990 decennial census.

"(iii) POVERTY LINE.—The term 'poverty line' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(iv) STATE.—The term 'State' means each of the 50 States of the United States.

"(4) APPROPRIATION.—

"(A) STATES.—There are authorized to be appropriated and there are appropriated $16,795,323,000 for each fiscal year described in paragraph (1) for the purpose of paying—

"(i) grants to States under paragraph (1)(A); and

"(ii) tribal family assistance grants under paragraph (1)(B).

"(B) ADJUSTMENT FOR QUALIFYING STATES.—For the purpose of increasing the amount of the grant payable to a State under paragraph (1) in accordance with paragraph (3), there are authorized to be appropriated and there are appropriated—

"(i) for fiscal year 1997, $85,860,000;

"(ii) for fiscal year 1998, $173,276,000;

"(iii) for fiscal year 1999, $263,468,000; and

"(iv) for fiscal year 2000, $355,310,000.

"(5) MAINTENANCE OF EFFORT.—

"(A) IN GENERAL.—If a State does not expend amounts in fiscal year 1996 or 1997 under the State programs described in subparagraph (B) at a level at least equal to 75 percent of the level of historic State expenditures, the amount of the grant otherwise determined under paragraph (1) for fiscal year 1997 or 1998 (as applicable) shall be reduced by the amount by which the State's expenditures in the preceding fiscal year are less than such level.

"(B) PROGRAMS DESCRIBED.—The programs described in this subparagraph are—

"(i) the State program funded under this part; and "(ii) any program for low-income individuals.

For purposes of this subparagraph, the term 'low-income individual' means an individual who has an annual income at or below 240 percent of the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(C) HISTORIC STATE EXPENDITURES.—For purposes of this paragraph, the term 'historic State expenditures' means payments of cash assistance to recipients of aid to families with dependent children under the State plan under part A of title IV for fiscal year 1994, as in effect during such fiscal year.

"(D) DETERMINING STATE EXPENDITURES.—For purposes of this paragraph, State expenditures shall not include any expenditures from amounts made available by the Federal Government.

"(b) USE OF GRANT.—

"(1) IN GENERAL.—Subject to this part, a State to which a grant is made under this section may use the grant—

"(A) in any manner that is reasonably calculated to accomplish the purpose of this part; or

"(B) in any manner that such State used amounts received under part A or F of this title, as such parts were in effect before October 1, 1995.

"(2) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State to which a grant is made under this section may apply to a family some or all of the rules (including benefit amounts) of the program operated under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(3) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program operated under this part.

"(4) AUTHORITY TO OPERATE EMPLOYMENT PLACEMENT PROGRAM.—A State to which a grant is made under this section may use a portion of the grant to make payments (or provide job placement vouchers) to State-approved public and private job placement agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

"(5) TRANSFERABILITY OF GRANT AMOUNTS.—A State may use up to 30 percent of amounts received from a grant under this part for a fiscal year to carry out State activities under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) (relating to child care block grants).

"(c) TIMING OF PAYMENTS.—The Secretary shall pay each grant payable to a State under this section in quarterly installments.

"(d) FEDERAL LOAN FUND FOR STATE WELFARE PROGRAMS.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a revolving loan fund which shall be known as the 'Federal Loan Fund for State Welfare Programs' (hereafter for purposes of this section referred to as the 'fund').

"(2) DEPOSITS INTO FUND.—

"(A) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, $1,700,000,000 are hereby appropriated for fiscal year 1996 for payment to the fund.

"(B) LOAN REPAYMENTS.—The Secretary shall deposit into the fund any principal or interest payment received with respect to a loan made under this subsection.

"(3) AVAILABILITY.—Amounts in the fund are authorized to remain available without fiscal year limitation for the purpose of making loans and receiving payments of principal and interest on such loans, in accordance with this subsection.

"(4) USE OF FUND.—

"(A) LOANS TO STATES.—The Secretary shall make loans from the fund to any loan-eligible State, as defined in subparagraph (D), for a period to maturity of not more than 3 years.

"(B) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under subparagraph (A) at a rate equal to the Federal short-term rate, as defined in section 1274(d) of the Internal Revenue Code of 1986.

"(C) MAXIMUM LOAN.—The cumulative amount of any loans made to a State under subparagraph (A) during fiscal years 1996 through 2000 shall not exceed 10 percent of the State family assistance grant under subsection (a)(2) for a fiscal year.

"(D) LOAN-ELIGIBLE STATE.—For purposes of subparagraph (A), a loan-eligible State is a State which has not had a penalty described in section 407(a)(1) imposed against it at any time prior to the loan being made.

"(5) LIMITATION ON USE OF LOAN.—A State shall use a loan received under this subsection only for any purpose for which grant amounts received by the State under subsection (a) may be used including—

"(A) welfare anti-fraud activities; and

"(B) the provision of assistance under the State program to Indian families that have moved from the service area of an Indian tribe with a tribal family assistance plan approved under section 414.

"(e) SPECIAL RULE FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—

"(1) IN GENERAL.—The Secretary shall pay to each eligible Indian tribe for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the amount received by such Indian tribe in fiscal year 1995 under section 482(i) (as in effect during such fiscal year) for the purpose of operating a program to make work activities available to members of the Indian tribe.

"(2) ELIGIBLE INDIAN TRIBE.—For purposes of paragraph (1), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during such fiscal year).

"(3) APPROPRIATION.—There are authorized to be appropriated and there are hereby appropriated $7,638,474 for each fiscal year described in paragraph (1) for the purpose of paying grants in accordance with such paragraph.

"(f) SECRETARY.—For purposes of this section, the term 'Secretary' means the Secretary of the Treasury.

"SEC. 404. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following tables for the fiscal year with respect to—

"(1) all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	**The minimum participation rate for all families is:**
1996	25
1997	30
1998	35
1999	40
2000 or thereafter	50; and

"(2) with respect to 2-parent families receiving such assistance:

"If the fiscal year is:	**The minimum participation rate is:**
1996	60
1997 or 1998	75
1999 or thereafter	90.

"(b) CALCULATION OF PARTICIPATION RATES.—

"(1) FOR ALL FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(1), the participation rate for all families of a State for a fiscal year is the average of the participation rates for all families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for all families of the State for a month, expressed as a percentage, is—

"(i) the sum of—

"(I) the number of all families receiving assistance under the State program funded under this part that include an adult who is engaged in work for the month;

"(II) the number of all families receiving assistance under the State program funded under this part that are subject in such month to a penalty described in paragraph (1)(A) or (2)(A) of subsection (d) but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive);

"(III) the number of all families that received assistance under the State program under this part during the previous 6-month period that have become ineligible to receive assistance during such period because of employment and which include an adult who is employed for the month; and

"(IV) beginning in the first month beginning after the promulgation of the regulations described in paragraph (3) and in accordance with such regulations, the average monthly number of all families that are not receiving assistance under the State program funded under this part as a result of the State's diversion of such families from the State program prior to such families receipt of assistance under the program; divided by

"(ii) the total number of all families receiving assistance under the State program funded under this part during the month that include an adult receiving assistance.

"(2) 2-PARENT FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(2), the participation rate for 2-parent families of a State for a fiscal year is the average of the participation rates for 2-parent families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for 2-parent families of the State for a month, expressed as a percentage, is—

"(i) the total number of 2-parent families described in paragraph (1)(B)(i); divided by

"(ii) the total number of 2-parent families receiving assistance under the State program funded under this part during the month that include an adult.

"(3) REGULATIONS RELATING TO CALCULATION OF FAMILIES DIVERTED FROM ASSISTANCE.—

"(A) IN GENERAL.—Not later than 1 year after the date of the enactment of the Work Opportunity Act of 1995, the Secretary shall consult with the States and establish, by regulation, a method to measure the number of families diverted by a State from the State program funded under this part prior to such families receipt of assistance under the program.

"(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under such State's plan under the aid to families with dependent children program, as such plan was in effect on the day before the date of the enactment of the Work Opportunity Act of 1995.

"(4) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN.—For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families receiving assistance under a tribal family assistance plan approved under section 414. For purposes of the previous sentence, an individual who receives assistance under a tribal family assistance plan approved under section 414 shall be treated as being engaged in work if the individual is participating in work under standards that are comparable to State standards for being engaged in work.

"(5) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may, at its option, not require an individual who is the parent or caretaker relative of a minor child who is less than 12 months of age to engage in work and may exclude such an individual from the determination of the minimum participation rate specified for such fiscal year in subsection (a).

"(c) ENGAGED IN WORK.—

"(1) ALL FAMILIES.—For purposes of subsection (b)(1)(B)(i)(I), an adult is engaged in work for a month in a fiscal year if the adult is participating in work for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to a work activity:

"If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000	30
2001	30
2002	35
2003 or thereafter	35.

"(2) 2-PARENT FAMILIES.—For purposes of subsection (b)(2)(A), an adult is engaged in work for a month in a fiscal year if the adult is participating in work for at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to work activities described in paragraph (3).

"(3) DEFINITION OF WORK ACTIVITIES.—For purposes of this subsection, the term 'work activities' means—

"(A) unsubsidized employment;

"(B) subsidized employment;

"(C) on-the-job training;

"(D) community service programs;

"(E) job search (only for the first 4 weeks in which an individual is required to participate in work activities under this section); and

"(F) vocational educational training (not to exceed 12 months with respect to any individual).

"(d) PENALTIES AGAINST INDIVIDUALS.—If an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required under subsection (c)(1) or (c)(2), a State to which a grant is made under section 403 shall—

"(1) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

"(2) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(e) NONDISPLACEMENT IN WORK ACTIVITIES.—

"(1) IN GENERAL.—Subject to paragraph (2), an adult in a family receiving assistance under this part may fill a vacant employment position in order to engage in a work activity described in subsection (c)(3).

"(2) NO FILLING OF CERTAIN VACANCIES.—No adult in a work activity described in subsection (c)(3) shall be employed or assigned—

"(A) when any other individual is on layoff from the same or any substantially equivalent job; or

"(B) when the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with an adult described in paragraph (1).

"(3) NO PREEMPTION.—Nothing in this subsection shall preempt or supersede any provision of State or local law that provides greater protection for employees from displacement.

"(f) SENSE OF THE CONGRESS.—It is the sense of the Congress that in complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities.

"(g) DELIVERY THROUGH STATEWIDE SYSTEM.—

"(1) IN GENERAL.—Each work program carried out by the State to provide work activities in order to comply with this section shall be delivered through the statewide workforce development system established in section 711 of the Work Opportunity Act of 1995 unless a required work activity is not available locally through the statewide workforce development system.

"(2) EFFECTIVE DATE.—The provisions of paragraph (1) shall take effect—

"(A) in a State described in section 815(b)(1) of the Work Opportunity Act of 1995; and

"(B) in any other State, on July 1, 1998.

"(h) ENCOURAGEMENT TO PROVIDE CHILD CARE SERVICES.—An individual participating in a State community service program may be treated as being engaged in work under subsection (c) if such individual provides child care services to other individuals participating in the community service program in the manner, and for the period of time each week, determined appropriate by the State.

"SEC. 405. REQUIREMENTS AND LIMITATIONS.

"(a) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY CONTRACT WITH EACH FAMILY RECEIVING ASSISTANCE.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to have entered into a personal responsibility contract (as developed by the State) with the State.

"(b) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(1) IN GENERAL.—Except as provided under paragraphs (2) and (3), a State to which a grant is made under section 403 may not use any part of the grant to provide assistance to a family that includes an adult who has received assistance under the program operated under this part for the lesser of—

"(A) the period of time established at the option of the State; or

"(B) 60 months (whether or not consecutive) after September 30, 1995.

"(2) MINOR CHILD EXCEPTION.—If an individual received assistance under the State program operated under this part as a minor child in a needy family, any period during which such individual's family received assistance shall not be counted for purposes of applying the limitation described in paragraph (1) to an application for assistance under such program by such individual as the head of a household of a needy family with minor children.

"(3) HARDSHIP EXCEPTION.—

"(A) IN GENERAL.—The State may exempt a family from the application of paragraph (1) by reason of hardship.

"(B) LIMITATION.—The number of families with respect to which an exemption made by a State under subparagraph (A) is in effect for a fiscal year shall not exceed 15 percent of the average monthly number of families to which the State is providing assistance under the program operated under this part.

"(c) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—An individual shall not be considered an eligible individual for the purposes of this part during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

"(d) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(1) IN GENERAL.—An individual shall not be considered an eligible individual for the purposes of this part if such individual is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.

"(2) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Notwithstanding any other provision of law, a State shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of assistance under this part, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) such recipient—

"(i) is described in subparagraph (A) or (B) of paragraph (1); or

"(ii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within such officer's official duties.

"(e) STATE OPTION TO REQUIRE ASSIGNMENT OF SUPPORT.—At the option of the State, a

State to which a grant is made under section 403 may provide that an individual applying for or receiving assistance under the State program funded under this part shall be required to assign to the State any rights to support from any other person the individual may have in such individual's own behalf or in behalf of any other family member for whom the individual is applying for or receiving assistance.

"SEC. 406. PROMOTING RESPONSIBLE PARENTING.

"(a) FINDINGS.—The Congress makes the following findings:

"(1) Marriage is the foundation of a successful society.

"(2) Marriage is an essential institution of a successful society which promotes the interests of children.

"(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the wellbeing of children.

"(4) In 1992, only 54 percent of single-parent families with children had a child support order established and, of that 54 percent, only about one half received the full amount due. Of the cases enforced through the public child support enforcement system, only 18 percent of the caseload has a collection.

"(5) The number of individuals receiving aid to families with dependent children (hereafter in this subsection referred to as 'AFDC') has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

"(A)(i) The average monthly number of children receiving AFDC benefits—

"(I) was 3,300,000 in 1965;

"(II) was 6,200,000 in 1970;

"(III) was 7,400,000 in 1980; and

"(IV) was 9,300,000 in 1992.

"(ii) While the number of children receiving AFDC benefits increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

"(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within 10 years.

"(C) The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women. Between 1970 and 1991, the percentage of live births to unmarried women increased nearly threefold, from 10.7 percent to 29.5 percent.

"(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

"(A) It is estimated that the rate of nonmarital teen pregnancy rose 23 percent from 54 pregnancies per 1,000 unmarried teenagers in 1976 to 66.7 pregnancies in 1991. The overall rate of nonmarital pregnancy rose 14 percent from 90.8 pregnancies per 1,000 unmarried women in 1980 to 103 in both 1991 and 1992. In contrast, the overall pregnancy rate for married couples decreased 7.3 percent between 1980 and 1991, from 126.9 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

"(B) The total of all out-of-wedlock births between 1970 and 1991 has risen from 10.7 percent to 29.5 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock.

"(7) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented as follows:

"(A) Young women 17 and under who give birth outside of marriage are more likely to go on public assistance and to spend more years on welfare once enrolled. These combined effects of 'younger and longer' increase total AFDC costs per household by 25 percent to 30 percent for 17-year olds.

"(B) Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight.

"(C) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect.

"(D) Children born out-of-wedlock were more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

"(E) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage.

"(F) Children born out-of-wedlock are 3 more times likely to be on welfare when they grow up.

"(8) Currently 35 percent of children in single-parent homes were born out-of-wedlock, nearly the same percentage as that of children in single-parent homes whose parents are divorced (37 percent). While many parents find themselves, through divorce or tragic circumstances beyond their control, facing the difficult task of raising children alone, nevertheless, the negative consequences of raising children in single-parent homes are well documented as follows:

"(A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 46 percent of female-headed households with children under 18 years of age are below the national poverty level.

"(B) Among single-parent families, nearly ½ of the mothers who never married received AFDC while only ⅕ of divorced mothers received AFDC.

"(C) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children not born into families receiving welfare.

"(D) Mothers under 20 years of age are at the greatest risk of bearing low birth-weight babies.

"(E) The younger the single parent mother, the less likely she is to finish high school.

"(F) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time.

"(G) Between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000.

"(H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

"(I) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

"(J) Children of single-parent homes are 3 times more likely to fail and repeat a year in grade school than are children from intact two-parent families.

"(K) Children from single-parent homes are almost 4 times more likely to be expelled or suspended from school.

"(L) Neighborhoods with larger percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

"(M) Of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62,800,000 children in the Nation's resident population were living with both parents.

"(9) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important Government interests and the policy contained in provisions of this title is intended to address the crisis.

"(b) STATE OPTION TO DENY ASSISTANCE FOR OUT-OF-WEDLOCK BIRTHS TO MINORS.—At the option of the State, a State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a child born out-of-wedlock to an individual who has not attained 18 years of age, or for the individual, until the individual attains such age.

"(c) STATE OPTION TO DENY ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—At the option of the State, a State to which a grant is made under section 403 may provide that the grant shall not be used to provide assistance for a minor child who is born to—

"(1) a recipient of assistance under the program funded under this part; or

"(2) an individual who received such benefits at any time during the 10-month period ending with the birth of the child.

"(d) REQUIREMENT THAT TEENAGE PARENTS LIVE IN AN ADULT-SUPERVISED SETTING AND ATTEND SCHOOL.—

"(1) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual described in paragraph (2) if—

"(A) the individual and the minor child of the individual do not reside in—

"(i) a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home; or

"(ii) another adult-supervised setting; and

"(B) the individual does not participate in—

"(i) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(ii) an alternative educational or training program that has been approved by the State.

"(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who—

"(A) is under the age of 18 and is not married; and

"(B) has a minor child in his or her care.

"(e) STATE OPTION TO DENY ASSISTANCE IN CERTAIN SITUATIONS.—Nothing in this subsection shall be construed to restrict the authority of a State to exercise its option to limit assistance under this part to individuals if such limitation is not inconsistent with the provisions of this part.

"SEC. 407. STATE PENALTIES.

"(a) IN GENERAL.—Subject to the provisions of subsection (b), the Secretary shall deduct from the grant otherwise payable under section 403 the following penalties:

"(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—If an audit conducted under section 408 finds that an amount paid to a State under section 403 for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant otherwise payable to the State under such section for the immediately succeeding fiscal year quarter by the amount so used, plus 5 percent of such grant (determined without regard to this section).

"(2) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State has not, within 6 months after the end of a fiscal year, submitted the report required by section 409 for the fiscal year, the Secretary shall reduce by 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(3) FOR FAILURE TO SATISFY MINIMUM PARTICIPATION RATES.—

"(A) IN GENERAL.—If the Secretary determines that a State has failed to satisfy the minimum participation rates specified in section 404(a) for a fiscal year, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) on the basis of the degree of noncompliance.

"(4) FOR FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(5) FOR FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS UNDER PART D.—Notwithstanding any other provision of this Act, if the Secretary determines that the State agency that administers a program funded under this part does not enforce the penalties requested by the agency administering part D against recipients of assistance under the State program who fail to cooperate in establishing paternity in accordance with such part, the Secretary shall reduce by not more than 5 percent the amount of the grant that would (in the absence of this section) be payable to the State under section 403 for the immediately succeeding fiscal year.

"(6) FOR FAILURE TO TIMELY REPAY A FEDERAL LOAN FUND FOR STATE WELFARE PROGRAMS.—If the Secretary determines that a State has failed to repay any amount borrowed from the Federal Loan Fund for State Welfare Programs established under section 403(d) within the period of maturity applicable to such loan, plus any interest owed on such loan, then the Secretary shall reduce the amount of the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year quarter by the outstanding loan amount, plus the interest owed on such outstanding amount.

"(b) REQUIREMENTS.—

"(1) LIMITATION ON AMOUNT OF PENALTY.—

"(A) IN GENERAL.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

"(B) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (A) prevents the Secretary from recovering during a fiscal year the full amount of all penalties imposed on a State under subsection (a) for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant otherwise payable to the State under section 403 for the immediately succeeding fiscal year.

"(2) STATE FUNDS TO REPLACE REDUCTIONS IN GRANT.—A State which has a penalty imposed against it under subsection (a) shall expend additional State funds in an amount equal to the amount of the penalty for the purpose of providing assistance under the State program under this part.

"(3) REASONABLE CAUSE FOR NONCOMPLIANCE.—The Secretary may not impose a penalty on a State under subsection (a) if the Secretary determines that the State has reasonable cause for failing to comply with a requirement for which a penalty is imposed under such subsection.

"(c) CERTIFICATION OF AMOUNT OF PENALTIES.—If the Secretary is required to reduce the amount of any grant under this section, the Secretary shall certify the amount of such reduction to the Secretary of the Treasury and the Secretary of the Treasury shall reduce the amount paid to the State under section 403 by such amount.

"(d) EFFECTIVE DATES.—

"(1) IN GENERAL.—The penalties described in paragraphs (2) through (6) of subsection (a) shall apply with respect to fiscal years beginning on or after October 1, 1996.

"(2) MISUSE OF FUNDS.—The penalties described in subsection (a)(1) shall apply with respect to fiscal years beginning on or after October 1, 1995.

"SEC. 408. AUDITS.

"(a) IN GENERAL.—Each State shall, not less than annually, audit the State expenditures from amounts received under this part. Such audit shall—

"(1) determine the extent to which such expenditures were or were not expended in accordance with this part; and

"(2) be conducted by an approved entity (as defined in subsection (b)) in accordance with generally accepted auditing principles.

"(b) APPROVED ENTITY.—For purposes of subsection (a), the term 'approved entity' means an entity that—

"(1) is approved by the Secretary of the Treasury;

"(2) is approved by the chief executive officer of the State; and

"(3) is independent of any agency administering activities funded under this part.

"(c) AUDIT REPORT.—Not later than 30 days following the completion of an audit under this subsection, a State shall submit a copy of the audit to the State legislature, the Secretary of the Treasury, and the Secretary of Health and Human Services.

"(d) ADDITIONAL ACCOUNTING REQUIREMENTS.—The provisions of chapter 75 of title 31, United States Code, shall apply to the audit requirements of this section.

"SEC. 409. DATA COLLECTION AND REPORTING.

"(a) IN GENERAL.—Each State to which a grant is made under section 403 for a fiscal year shall, not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, transmit to the Secretary the following aggregate information on families to which assistance was provided during the fiscal year under the State program operated under this part:

"(1) The number of adults receiving such assistance.

"(2) The number of children receiving such assistance and the average age of the children.

"(3) The employment status of such adults, and the average earnings of employed adults receiving such assistance.

"(4) The age, race, and educational attainment at the time of application for assistance of the adults receiving such assistance.

"(5) The average amount of cash and other assistance provided to the families under the program.

"(6) The number of months, since the most recent application for assistance under the program, for which such assistance has been provided to the families.

"(7) The total number of months for which assistance has been provided to the families under the program.

"(8) Any other data necessary to indicate whether the State is in compliance with the plan most recently submitted by the State pursuant to section 402.

"(9) The components of any program carried out by the State to provide work activities in order to comply with section 404, and the average monthly number of adults in each such component.

"(10) The number of part-time job placements and the number of full-time job placements made through the program referred to in paragraph (9), the number of cases with reduced assistance, and the number of cases closed due to employment.

"(11) The number of cases closed due to section 405(b).

"(12) The increase or decrease in the number of children born out of wedlock to recipients of assistance under the State program funded under this part and the State's success in meeting its goals established under section 402(a)(1)(F).

"(13) The number of out-of-wedlock pregnancies in the State for the most recent fiscal year for which information is available and the total number of pregnancies in such State for such year.

"(b) AUTHORITY OF STATES TO USE ESTIMATES.—A State may comply with the requirement to provide precise numerical information described in subsection (a) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods.

"(c) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by subsection (a) for a fiscal year shall include a statement of—

"(1) the total amount and percentage of the Federal funds paid to the State under this part for the fiscal year that are used to cover administrative costs or overhead; and

"(2) the total amount of State funds that are used to cover such costs or overhead.

"(d) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by subsection (a) for a fiscal year shall include a statement of the total amount expended by the State during the fiscal year on the program under this part and the purposes for which such amount was spent.

"(e) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by subsection (a) for a fiscal year shall include the number of noncustodial parents in the State who participated in work activities during the fiscal year.

"(f) REPORT ON CHILD SUPPORT COLLECTED.—The report required by subsection (a) for a fiscal year shall include the total amount of child support collected by the

State agency administering the State program under part D on behalf of a family receiving assistance under this part.

"(g) Report on Child Care.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for child care under the program under this part, along with a description of the types of child care provided, including child care provided in the case of a family that—

"(1) has ceased to receive assistance under this part because of employment; or

"(2) is not receiving assistance under this part but would be at risk of becoming eligible for such assistance if child care was not provided.

"(h) Report on Transitional Services.—The report required by subsection (a) for a fiscal year shall include the total amount expended by the State for providing transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

"(i) Secretary's Report on Data Processing.—

"(1) In general.—Not later than 6 months after the date of the enactment of the Work Opportunity Act of 1995, the Secretary shall prepare and submit to the Congress a report on—

"(A) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under this part (whether in effect before or after October 1, 1995); and

"(B) what would be required to establish a system capable of—

"(i) tracking participants in public programs over time; and

"(ii) checking case records of the States to determine whether individuals are participating in public programs in 2 or more States.

"(2) Preferred contents.—The report required by paragraph (1) should include—

"(A) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in paragraph (1)(B); and

"(B) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

"SEC. 410. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) Research.—The Secretary may conduct research on the effects and costs of State programs funded under this part.

"(b) Development and Evaluation of Innovative Approaches To Employing Welfare Recipients.—The Secretary may assist States in developing, and shall evaluate, innovative approaches to employing recipients of assistance under programs funded under this part. In performing such evaluations, the Secretary shall, to the maximum extent feasible, use random assignment to experimental and control groups.

"(c) Studies of Welfare Caseloads.—The Secretary may conduct studies of the caseloads of States operating programs funded under this part.

"(d) Dissemination of Information.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"(e) Annual Ranking of States and Review of Most and Least Successful Work Programs.—

"(1) Annual ranking of states.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in placing recipients of assistance under the State program funded under this part into long-term private sector jobs, reducing the overall welfare caseload, and, when a practicable method for calculating this information becomes available, diverting individuals from formally applying to the State program and receiving assistance.

"(2) Annual review of most and least successful work programs.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(f) Annual Ranking of States and Review of Issues Relating to Out-of-Wedlock Births.—

"(1) Annual ranking of states.—

"(A) In general.—The Secretary shall annually rank States to which grants are paid under section 403 based on the following ranking factors (developed with information reported by the State under section 409(a)(13)):

"(i) Absolute out-of-wedlock ratios.—The ratio represented by—

"(I) the total number of out-of-wedlock births in families receiving assistance under the State program under this part in the State for the most recent fiscal year for which information is available; over

"(II) the total number of births in families receiving assistance under the State program under this part in the State for such year.

"(ii) Net changes in the out-of-wedlock ratio.—The difference between the ratio described in subparagraph (A)(i) for the most recent fiscal year for which information is available and such State's ratio determined for the preceding year.

"(2) Annual review.—The Secretary shall review the programs of the 5 States most recently ranked highest under paragraph (1) and the 5 States most recently ranked the lowest under paragraph (1).

"(g) Study on Alternative Outcomes Measures.—

"(1) Study.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of a State in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 404. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis.

"(2) Report.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study described in paragraph (1).

"SEC. 411. STUDY BY THE CENSUS BUREAU.

"(a) In General.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Work Opportunity Act of 1995 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low-income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock births, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) Appropriation.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000 to carry out subsection (a).

"SEC. 412. WAIVERS.

"(a) Continuation of Waivers.—

"(1) In general.—Except as provided in paragraph (2), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part is in effect or approved by the Secretary as of October 1, 1995, the amendments made by the Work Opportunity Act of 1995 shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the terms of the waiver.

"(2) Financing limitation.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall receive the payment described for such State for such fiscal year under section 403, in lieu of any other payment provided for in the waiver.

"(b) State Option To Terminate Waiver.—

"(1) In general.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

"(2) Report.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of such waiver.

"(3) Hold harmless provision.—

"(A) In general.—Notwithstanding any other provision of law, a State that, not later than the date described in subparagraph (B), submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the terms and conditions of such waiver.

"(B) Date described.—The date described in this subparagraph is the later of—

"(i) January 1, 1996; or

"(ii) 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Work Opportunity Act of 1995.

"(c) Secretarial Encouragement of Current Waivers.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue such waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of such waiver.

"(d) Continuation of Individual Waivers.—A State may elect to continue one or more individual waivers described in subsection (a)(1).

"SEC. 413. STATE DEMONSTRATION PROGRAMS.

Nothing in this part shall be construed as limiting a State's ability to conduct demonstration projects for the purpose of identifying innovative or effective program designs in 1 or more political subdivisions of the State.

"SEC. 414. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

"(a) PURPOSE.—The purpose of this section is—

"(1) to strengthen and enhance the control and flexibility of local governments over local programs; and

"(2) in recognition of the principles contained in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.)—

"(A) to provide direct Federal funding to Indian tribes for the tribal administration of the program funded under this part; or

"(B) to enable Indian tribes to enter into agreements, contracts, or compacts with intertribal consortia, States, or other entities for the administration of such program on behalf of the Indian tribe.

"(b) GRANT AMOUNTS FOR INDIAN TRIBES.—

"(1) IN GENERAL.—For each of fiscal years 1996, 1997, 1998, 1999, and 2000, the Secretary shall pay to each Indian tribe that has an approved tribal family assistance plan a tribal family assistance grant for the fiscal year in an amount equal to the amount determined under paragraph (2).

"(2) AMOUNT DETERMINED.—

"(A) IN GENERAL.—The amount determined under this paragraph is an amount equal to the total amount of the Federal payments to a State or States under section 403 for fiscal year 1994 (as in effect during such fiscal year) attributable to expenditures by the State or States under part A and part F of this title (as so in effect) in such year for Indian families residing in the service area or areas identified by the Indian tribe in subsection (c)(1)(C).

"(B) USE OF STATE SUBMITTED DATA.—

"(i) IN GENERAL.—The Secretary shall use State submitted data to make each determination under subparagraph (A).

"(ii) DISAGREEMENT WITH DETERMINATION.—If an Indian tribe or tribal organization disagrees with State submitted data described under clause (i), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under subparagraph (A) and the Secretary may consider such information before making such determination.

"(c) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(1) IN GENERAL.—Any Indian tribe that desires to receive a tribal family assistance grant shall submit to the Secretary a 3-year tribal family assistance plan that—

"(A) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with the purposes of this section;

"(B) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(C) identifies the population and service area or areas to be served by such plan;

"(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

"(2) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (1).

"(3) CONSORTIUM OF TRIBES.—Nothing in this section shall preclude the development and submission of a single plan by the participating Indian tribes of an intertribal consortium.

"(d) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under such grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 404(d).

"(e) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(f) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(g) TRIBAL PENALTIES.—For the purpose of ensuring the proper use of tribal family assistance grants, the following provisions shall apply to an Indian tribe with an approved tribal assistance plan:

"(1) The provisions of subsections (a)(1), (a)(6), and (b) of section 407, in the same manner as such subsections apply to a State.

"(2) The provisions of section 407(a)(3), except that such subsection shall be applied by substituting 'the minimum requirements established under subsection (d) of section 414' for 'the minimum participation rates specified in section 404'.

"(h) DATA COLLECTION AND REPORTING.—For the purpose of ensuring uniformity in data collection, section 409 shall apply to an Indian tribe with an approved tribal family assistance plan.".

"SEC. 415. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

"The programs under this part and part D of this title shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

"SEC. 416. LIMITATION ON FEDERAL AUTHORITY.

"The Secretary of Health and Human Services and the Secretary of the Treasury may not regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part.

"SEC. 417. APPEAL OF ADVERSE DECISION.

"(a) IN GENERAL.—The Secretary shall notify the chief executive officer of a State of any adverse decision or action under this part, including any decision with respect to the State's plan or the imposition of a penalty under section 407.

"(b) ADMINISTRATIVE REVIEW OF ADVERSE DECISION.—

"(1) IN GENERAL.—Within 60 days after the date a State receives notice of an adverse decision under this section, the State may appeal the decision, in whole or in part, to the Departmental Appeals Board established in the Department of Health and Human Services (hereafter referred to in this section as the 'Board') by filing an appeal with the Board.

"(2) PROCEDURAL RULES.—The Board shall consider a State's appeal on the basis of such documentation as the State may submit and as the Board may require to support the final decision of the Board. In deciding whether to uphold an adverse decision or any portion thereof, the Board shall conduct a thorough review of the issues and take into account all relevant evidence. The Board shall make a final determination with respect to an appeal filed under this paragraph not less than 60 days after the date the appeal is filed.

"(c) JUDICIAL REVIEW OF ADVERSE DECISION.—

"(1) IN GENERAL.—Within 90 days after the date of a final decision by the Board with respect to an adverse decision regarding a State under this section, the State may obtain judicial review of the final decision (and the findings incorporated into the final decision) by filing an action in—

"(A) the district court of the United States for the judicial district in which the principal or headquarters office of the State agency is located; or

"(B) the United States District Court for the District of Columbia.

"(2) PROCEDURAL RULES.—The district court in which an action is filed shall review the final decision of the Board on the record established in the administrative proceeding, in accordance with the standards of review prescribed by subparagraphs (A) through (E) of section 706(2) of title 5, United States Code. The review shall be on the basis of the documents and supporting data submitted to the Board.".

SEC. 102. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) IN GENERAL.—

(1) STATE OPTIONS.—Notwithstanding any other provision of law, a State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) PROGRAMS DESCRIBED.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 101).

(B) Any other program that is established or modified under this Act (other than programs established or modified under sections 104 through 108, or titles III, IV, V, VI, VII, VIII, and XI of this Act) that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to beneficiaries, as a means of providing assistance.

(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow religious organizations to contract, or to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—Religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2). Neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) RELIGIOUS CHARACTER AND FREEDOM.—

(1) RELIGIOUS ORGANIZATIONS.—Notwithstanding any other provision of law, any religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance, or form a separate, nonprofit corporation to receive and administer the assistance funded under a program described in subsection (a)(2); or

(B) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) NONDISCRIMINATION IN EMPLOYMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall be construed to modify or affect the provisions of any other Federal law or regulation that relates to discrimination in employment on the basis of religion.

(2) EXCEPTION.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), may require that employees rendering service pursuant to such contract, or pursuant to the organization's acceptance of certificates, vouchers, or other forms of disbursement adhere to—

(A) the religious tenets and teachings of such organization; and

(B) any rules of the organization regarding the use of drugs or alcohol.

(f) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(g) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(h) COMPLIANCE.—A religious organization which has its rights under this section violated may enforce its claim exclusively by asserting a civil action for such relief as may be appropriate, including injunctive relief or damages, in an appropriate State court against the entity or agency that allegedly commits such violation.

(i) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—If a beneficiary has an objection to the religious character of the organization or institution from which the beneficiary is receiving assistance funded under any program described in subsection (a)(2), each State shall provide such beneficiary assistance from an alternative provider the value of which is not less than the value of the assistance which the individual would have received from such organization or institution.

SEC. 103. LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.

No funds provided directly to institutions or organizations to provide services and administer programs described in section 102(a)(2) and programs established or modified under titles VI, VII, or VIII of this Act shall be expended for sectarian worship or instruction. This section shall not apply to financial assistance provided to or on behalf of beneficiaries of assistance in the form of certificates, vouchers, or other forms of disbursement, if such beneficiary may choose where such assistance shall be redeemed.

SEC. 104. CONTINUED APPLICATION OF CURRENT STANDARDS UNDER MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX (42 U.S.C. 1396 et seq.) is amended—

(1) in section 1931, by inserting "subject to section 1931(a)," after "under this title," and by redesignating such section as section 1932; and

(2) by inserting after section 1930 the following new section:

"CONTINUED APPLICATION OF AFDC STANDARDS

"SEC. 1931. (a) For purposes of applying this title on and after October 1, 1995, with respect to a State—

"(1) except as provided in paragraph (2), any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV of this Act, or a State plan under such part, shall be considered a reference to such provision or plan as in effect as of June 1, 1995, with respect to the State and eligibility for medical assistance under this title shall be determined as if such provision or plan (as in effect as of such date) had remained in effect on and after October 1, 1995; and

"(2) any reference in section 1902(a)(5) or 1902(a)(55) to a State plan approved under part A of title IV shall be deemed a reference to a State program funded under such part (as in effect on and after October 1, 1995).

"(b) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of June 1, 1995, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may, at the option of the State, continue to be applied in relation to this title after the date the waiver would otherwise expire.".

(b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61);

(2) by striking the period at the end of paragraph (62) and inserting "; and"; and

(3) by inserting after paragraph (62) the following new paragraph:

"(63) provide for continuing to administer eligibility standards with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.".

(c) CONFORMING AMENDMENTS.—(1) Section 1902(c) (42 U.S.C. 1396a(c)) is amended by striking "if—" and all that follows and inserting the following: "if the State requires individuals described in subsection (l)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title.".

(2) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1995.

SEC. 105. CENSUS DATA ON GRANDPARENTS AS PRIMARY CAREGIVERS FOR THEIR GRANDCHILDREN.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce (hereafter in this section referred to as the "Secretary"), in carrying out the provisions of section 141 of title 13, United States Code, shall expand the data collection efforts of the Bureau of the Census (hereafter in this section referred to as the "Bureau") to enable the Bureau to collect statistically significant data, in connection with its decennial census and its mid-decade census, concerning the growing trend of grandparents who are the primary caregivers for their grandchildren.

(b) EXPANDED CENSUS QUESTION.—In carrying out the provisions of subsection (a), the Secretary shall expand the Bureau's census question that details households which include both grandparents and their grandchildren. The expanded question shall be formulated to distinguish between the following households:

(1) A household in which a grandparent temporarily provides a home for a grandchild for a period of weeks or months during periods of parental distress.

(2) A household in which a grandparent provides a home for a grandchild and serves as the primary caregiver for the grandchild.

SEC. 106. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV or" before "an agency operating"; and

(B) by striking "A or D of title IV of this Act" and inserting "D of such title".

(2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is amended by inserting "under a State program funded under" before "part A of title IV".

(b) AMENDMENT TO PART B OF TITLE IV.—Section 422(b)(2) (42 U.S.C. 622(b)(2)) is amended by striking "under the State plan approved" and inserting "under the State program funded.".

(c) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A";

(B) by striking "such aid" and inserting "such assistance"; and

(C) by striking "402(a)(26) or".

(3) Section 452(a)(10)(F) (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking "aid under a State plan approved" and inserting "assistance under a State program funded"; and

(B) by striking "in accordance with the standards referred to in section 402(a)(26)(B)(ii)" and inserting "by the State".

(4) Section 452(b) (42 U.S.C. 652(b)) is amended in the first sentence by striking "aid under the State plan approved under part A" and inserting "assistance under a State program funded under part A".

(5) Section 452(d)(3)(B)(i) (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking "1115(c)" and inserting "1115(b)".

(6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking "aid is being paid under the State's plan approved under part A or E" and inserting "assistance is being provided under the State program funded under part A or aid is being paid under the State's plan approved under part E".

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking "aid was being paid under the State's plan approved under part A or E" and inserting "assistance was being provided under the State program funded under part A or aid was being paid under the State's plan approved under part E".

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking "who is a dependent child" and inserting "with respect to whom assistance is being provided under the State program funded under part A";

(B) by inserting "by the State agency administering the State plan approved under this part" after "found"; and

(C) by striking "under section 402(a)(26)" and inserting "with the State in establishing paternity".

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking "under section 402(a)(26)".

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking "aid" and inserting "assistance under a State program funded".

(11) Section 454 (42 U.S.C. 654)) is amended—

(A) in paragraph (5)(A)—

(i) by striking "under section 402(a)(26)"; and

(ii) by striking "except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;"; and

(B) in paragraph (6)(D), by striking "aid under a State plan approved" and inserting "assistance under a State program funded".

(12) Section 456 (42 U.S.C. 656) is amended—

(A) in subsection (a)(1), by striking "under section 402(a)(26)"; and

(B) by striking subsection (b) and inserting the following:

"(b) A debt which is a support obligation enforceable under this title is not released by a discharge in bankruptcy under title 11, United States Code.".

(13) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "402(a)(26) or".

(14) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded".

(15) Section 469(a) (42 U.S.C. 669(a)) is amended—

(A) by striking "aid under plans approved" and inserting "assistance under State programs funded"; and

(B) by striking "such aid" and inserting "such assistance".

(d) AMENDMENTS TO PART E OF TITLE IV.—(1) Section 470 (42 U.S.C. 670) is amended—

(A) by striking "would be" and inserting "would have been"; and

(B) by inserting "(as such plan was in effect on June 1, 1995)" after "part A".

(2) Section 471(17) (42 U.S.C. 671(17)) is amended by striking "plans approved under parts A and D" and inserting "program funded under part A and plan approved under part D".

(3) Section 472(a) (42 U.S.C. 672(a)) is amended—

(A) in the matter preceding paragraph (1)—

(i) by striking "would meet" and inserting "would have met";

(ii) by inserting "(as such sections were in effect on June 1, 1995)" after "407"; and

(iii) by inserting "(as so in effect)" after "406(a)"; and

(B) in paragraph (4)—

(i) in subparagraph (A)—

(I) by inserting "would have" after "(A)"; and

(II) by inserting "(as in effect on June 1, 1995)" after "section 402"; and

(ii) in subparagraph (B)(ii), by inserting "(as in effect on June 1, 1995)" after "406(a)".

(4) Section 472(h) (42 U.S.C. 672(h)) is amended to read as follows:

"(h)(1) For purposes of title XIX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect). For purposes of title XX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(2) For purposes of paragraph (1), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are made under this section.".

(5) Section 473(a)(2) (42 U.S.C. 673(a)(2)) is amended—

(A) in subparagraph (A)(i)—

(i) by inserting "(as such sections were in effect on June 1, 1995)" after "407";

(ii) by inserting "(as so in effect)" after "specified in section 406(a)"; and

(iii) by inserting "(as such section was in effect on June 1, 1995)" after "403";

(B) in subparagraph (B)(i)—

(i) by inserting "would have" after "(B)(i)"; and

(ii) by inserting "(as in effect on June 1, 1995)" after "section 402"; and

(C) in subparagraph (B)(ii)(II), by inserting "(as in effect on June 1, 1995)" after "406(a)".

(6) Section 473(b) (42 U.S.C. 673(b)) is amended to read as follows:

"(b)(1) For purposes of title XIX, any child who is described in paragraph (3) shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect) in the State where such child resides.

"(2) For purposes of title XX, any child who is described in paragraph (3) shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(3) A child described in this paragraph is any child—

"(A)(i) who is a child described in subsection (a)(2), and

"(ii) with respect to whom an adoption assistance agreement is in effect under this section (whether or nor adoption assistance payments are provided under the agreement or are being made under this section), including any such child who has been placed for adoption in accordance with applicable State and local law (whether or not an interlocutory or other judicial decree of adoption has been issued), or

"(B) with respect to whom foster care maintenance payments are being made under section 472.

"(4) For purposes of paragraphs (1) and (2), a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are being made under section 472.".

(e) AMENDMENT TO TITLE X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(f) AMENDMENTS TO TITLE XI.—

(1) Section 1109 (42 U.S.C. 1309) is amended by striking "or part A of title IV,".

(2) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "403,";

(iii) by striking the period at the end and inserting ", and"; and

(iv) by adding at the end the following new subparagraph:

"(B) costs of such project which would not otherwise be a permissible use of funds under part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part."; and

(B) in subsection (c)(3), by striking "under the program of aid to families with dependent children" and inserting "part A of such title".

(3) Section 1116 (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking "or part A of title IV,"; and

(B) in subsection (a)(3), by striking "404,".

(4) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking "403(a),";

(B) by striking "and part A of title IV,"; and

(C) by striking ", and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV".

(5) Section 1119 (42 U.S.C. 1319) is amended—

(A) by striking "or part A of title IV"; and

(B) by striking "403(a),".

(6) Section 1133(a) (42 U.S.C. 1320b–3(a)) is amended by striking "or part A of title IV,".

(7) Section 1136 (42 U.S.C. 1320b–6) is repealed.

(8) Section 1137 (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) any State program funded under part A of title IV of this Act;"; and

(B) in subsection (d)(1)(B)—

(i) by striking "In this subsection—" and all that follows through "(ii) in" and inserting "In this subsection, in";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(9) Section 1108 (42 U.S.C. 1308) is amended—

(A) in subsection (a)—

(i) in the matter preceding paragraph (1)—

(I) by inserting "(or paid, in the case of part A of title IV); and

(II) by striking "or, in the case of" and all that follows through "section 403(k)";

(ii) in paragraph (1)—

(I) in subparagraph (F), by striking "or";

(II) in subparagraph (G), by striking "the fiscal year 1989 and each fiscal year thereafter;" and inserting "each of the fiscal years 1989 through 1995, or"; and

(III) by inserting after subparagraph (G), the following new subparagraph:

"(H) $92,250,000 with respect to fiscal year 1996 and each fiscal year thereafter;";

(iii) in paragraph (2)—

(I) in subparagraph (F), by striking "or";

(II) in subparagraph (G), by striking "the fiscal year 1989 and each fiscal year thereafter;" and inserting "each of the fiscal years 1989 through 1995, or"; and

(III) by inserting after subparagraph (G), the following new subparagraph:

"(H) $3,150,000 with respect to fiscal year 1996 and each fiscal year thereafter;"; and

(iv) in paragraph (3)—

(I) in subparagraph (F), by striking "or";

(II) in subparagraph (G), by striking "the fiscal year 1989 and each fiscal year thereafter." and inserting "each of the fiscal years 1989 through 1995, or"; and

(III) by inserting after subparagraph (G), the following new subparagraph:

"(H) $4,275,000 with respect to fiscal year 1996 and each fiscal year thereafter."; and

(B) in subsection (d), by striking "(exclusive of any amounts" and all that follows through "section 403(k) applies)".

(g) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11), as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972 (42 U.S.C. 1382 note), is amended by striking "aid under the State plan approved" and inserting "assistance under a State program funded".

(i) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: "(A) a State program funded under part A of title IV,".

SEC. 107. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking "plan approved" and all that follows through "title IV of the Social Security Act" and inserting "program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995";

(2) in subsection (d)(5)—

(A) by striking "assistance to families with dependent children" and inserting "assistance under a State program funded"; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking "plan approved under part A of title IV of such Act (42 U.S.C. 601 et seq.)" and inserting "program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

(1) in subsection (c)(5), by striking "the State plan approved" and inserting "the State program funded";

(2) in subsection (e)—

(A) by striking "aid to families with dependent children" and inserting "benefits under a State program funded"; and

(B) by inserting before the semicolon the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(3) by adding at the end the following new subsection:

"(i) Notwithstanding any other provision of this Act, a household may not receive benefits under this Act as a result of the household's eligibility under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for the program.".

(c) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4)) is amended by striking "State plans under the Aid to Families with Dependent Children Program under" and inserting "State programs funded under part A of".

(d) Section 17 of such Act (7 U.S.C. 2026) is amended—

(1) in the first sentence of subsection (b)(1)(A), by striking "to aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "or are receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)"; and

(2) in subsection (b)(3), by adding at the end the following new subparagraph:

"(I) The Secretary may not grant a waiver under this paragraph on or after October 1, 1995. Any reference in this paragraph to a provision of title IV of the Social Security Act shall be deemed to be a reference to such provision as in effect on September 30, 1995.";

(e) Section 20 of such Act (7 U.S.C. 2029) is amended—

(1) in subsection (a)(2)(B) by striking "operating—" and all that follows through "(ii) any other" and inserting "operating any"; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(b)(1) A household" and inserting "(b) A household"; and

(ii) in subparagraph (B), by striking "training program" and inserting "activity";

(B) by striking paragraph (2); and

(C) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively.

(f) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–186; 7 U.S.C. 612c note) is amended by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(g) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(C)(ii)(II)—

(i) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(ii) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii)—

(I) by striking "an AFDC assistance unit (under the aid to families with dependent children program authorized" and inserting "a family (under the State program funded"; and

(II) by striking ", in a State" and all that follows through "9902(2)))" and inserting "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(ii) in subparagraph (B), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(2) in subsection (d)(2)(C)—

(A) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(B) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

(h) Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended—

(1) in subsection (d)(2)(A)(ii)(II)—

(A) by striking "program for aid to families with dependent children established" and inserting "State program funded"; and

(B) by inserting before the semicolon the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995";

(2) in subsection (e)(4)(A), by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(3) in subsection (f)(1)(C)(iii), by striking "aid to families with dependent children," and inserting "State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and with the".

SEC. 108. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (Public Law 94–566; 90 Stat. 2689) is amended to read as follows:

"(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

"(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)), or

"(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.".

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

(f) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

(g) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded"; and

(2) in subsection (c), by striking "aid to families with dependent children in the State under a State plan approved" and inserting "assistance in the State under a State program funded".

(h) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 404C(c)(3) (20 U.S.C. 1070a–23(c)(3)), by striking "(Aid to Families with Dependent Children)"; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(i) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking "the program for aid to dependent children" and inserting "the State program funded";

(2) in section 232(b)(2)(B) (20 U.S.C. 2341a(b)(2)(B)), by striking "the program for aid to families with dependent children" and inserting "the State program funded"; and

(3) in section 521(14)(B)(iii) (20 U.S.C. 2471(14)(B)(iii)), by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(j) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking "Aid to Families with Dependent Children Program" and inserting "State program funded under part A of title IV of the Social Security Act";

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking "the program of aid to families with dependent children under a State plan approved under" and inserting "a State program funded under part A of"; and

(3) in section 5203(b)(2) (20 U.S.C. 7233(b)(2))—

(A) in subparagraph (A)(xi), by striking "Aid to Families with Dependent Children benefits" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(B) in subparagraph (B)(viii), by striking "Aid to Families with Dependent Children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act".

(k) Chapter VII of title I of Public Law 99–88 (25 U.S.C. 13d–1) is amended to read as follows: "*Provided further*, That general assistance payments made by the Bureau of Indian Affairs shall be made—

"(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

"(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act,

except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment.".

(l) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.";

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking "eligibility for aid or services," and all that follows through "children approved" and inserting "eligibility for assistance, or the amount of such assistance, under a State program funded";

(3) in section 6103(*l*)(7)(D)(i) (26 U.S.C. 6103(*l*)(7)(D)(i)), by striking "aid to families with dependent children provided under a State plan approved" and inserting "a State program funded";

(4) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking "(relating to aid to families with dependent children)"; and

(5) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act".

(m) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking "State plan approved under part A of title IV" and inserting "State program funded under part A of title IV".

(n) The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) in section 4(29)(A)(i) (29 U.S.C. 1503(29)(A)(i)), by striking "(42 U.S.C. 601 et seq.)";

(2) in section 106(b)(6)(C) (29 U.S.C. 1516(b)(6)(C)), by striking "State aid to families with dependent children records," and inserting "records collected under the State program funded under part A of title IV of the Social Security Act,";

(3) in section 121(b)(2) (29 U.S.C. 1531(b)(2))—

(A) by striking "the JOBS program" and inserting "the work activities required under title IV of the Social Security Act"; and

(B) by striking the second sentence;

(4) in section 123(c) (29 U.S.C. 1533(c))—

(A) in paragraph (1)(E), by repealing clause (vi); and

(B) in paragraph (2)(D), by repealing clause (v);

(5) in section 203(b)(3) (29 U.S.C. 1603(b)(3)), by striking ", including recipients under the JOBS program";

(6) in subparagraphs (A) and (B) of section 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by striking "(such as the JOBS program)" each place it appears;

(7) in section 205(a) (29 U.S.C. 1605(a)), by striking paragraph (4) and inserting the following:

"(4) the portions of title IV of the Social Security Act relating to work activities;";

(8) in section 253 (29 U.S.C. 1632)—

(A) in subsection (b)(2), by repealing subparagraph (C); and

(B) in paragraphs (1)(B) and (2)(B) of subsection (c), by striking "the JOBS program or" each place it appears;

(9) in section 264 (29 U.S.C. 1644)—

(A) in subparagraphs (A) and (B) of subsection (b)(1), by striking "(such as the JOBS program)" each place it appears; and

(B) in subparagraphs (A) and (B) of subsection (d)(3), by striking "and the JOBS program" each place it appears;

(10) in section 265(b) (29 U.S.C. 1645(b)), by striking paragraph (6) and inserting the following:

"(6) the portion of title IV of the Social Security Act relating to work activities;";

(11) in the second sentence of section 429(e) (29 U.S.C. 1699(e)), by striking "and shall be in an amount that does not exceed the maximum amount that may be provided by the State pursuant to section 402(g)(1)(C) of the Social Security Act (42 U.S.C. 602(g)(1)(C))";

(12) in section 454(c) (29 U.S.C. 1734(c)), by striking "JOBS and";

(13) in section 455(b) (29 U.S.C. 1735(b)), by striking "the JOBS program,";

(14) in section 501(1) (29 U.S.C. 1791(1)), by striking "aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act";

(15) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded";

(16) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded"; and

(17) in section 701(b)(2)(A) (29 U.S.C. 1792(b)(2)(A))—

(A) in clause (v), by striking the semicolon and inserting "; and"; and

(B) by striking clause (vi).

(o) Section 3803(c)(2)(C)(iv) of title 31, United States Code, is amended to read as follows:

"(iv) assistance under a State program funded under part A of title IV of the Social Security Act".

(p) Section 2605(b)(2)(A)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i)) is amended to read as follows:

"(i) assistance under the State program funded under part A of title IV of the Social Security Act;".

(q) Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraphs (B) and (C).

(r) The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.)) is amended—

(1) in section 255(h) (2 U.S.C. 905(h), by striking "Aid to families with dependent children (75–0412–0–1–609);" and inserting "Block grants to States for temporary assistance for needy families;"; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (*l*) as subsection (k).

(s) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking "aid under a State plan approved under" each place it appears and inserting "assistance under a State program funded under";

(2) in section 245A(h) (8 U.S.C. 1255a(h))—

(A) in paragraph (1)(A)(i), by striking "program of aid to families with dependent children" and inserting "State program of assistance"; and

(B) in paragraph (2)(B), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking "State plan approved" and inserting "State program funded".

(t) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking "program of aid to families with dependent children under a State plan approved" and inserting "State program of assistance funded".

(u) Section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 92; 25 U.S.C. 639) is repealed.

(v) Subparagraph (E) of section 213(d)(6) of the School-To-Work Opportunities Act of 1994 (20 U.S.C. 6143(d)(6)) is amended to read as follows:

"(E) part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) relating to work activities;".

SEC. 109. STUDY OF EFFECT OF WELFARE REFORM ON GRANDPARENTS AS PRIMARY CAREGIVERS.

(a) In General.—The Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall conduct a study evaluating the impact of amendments made by this Act on grandparents who have assumed the responsibility of providing care to their grandchildren. In such study, the Secretary shall identify barriers to participation in public programs including inconsistent policies, standards, and definitions used by programs and agencies in the administration of medicaid, assistance under a State program funded under part A of title IV of the Social Security Act, child support enforcement, and foster care programs on grandparents who have assumed the care-giving role for children whose natural parents are unable to provide care.

(b) Report.—Not later than December 31, 1997, the Secretary shall submit a report setting forth the findings of the study described in subsection (a) to the Committee on Ways and Means and the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Finance, the Committee on Labor and Human Resources, and the Special Committee on Aging of the Senate. The report shall include such recommendations for administrative or legislative changes as the Secretary considers appropriate.

SEC. 110. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.

(a) In General.—Whenever an organization that accepts Federal funds under this Act or the amendments made by this Act makes any communication that in any way intends to promote public support or opposition to any policy of a Federal, State, or local government through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, such communication shall state the following: "This was prepared and paid for by an organization that accepts taxpayer dollars.".

(b) Failure To Comply.—If an organization makes any communication described in subsection (a) and fails to provide the statement required by that subsection, such organization shall be ineligible to receive Federal funds under this Act or the amendments made by this Act.

(c) Definition.—For purposes of this section, the term "organization" means an organization described in section 501(c) of the Internal Revenue Code of 1986.

(d) Effective Dates.—This section shall take effect—

(1) with respect to printed communications 1 year after the date of enactment of this Act; and

(2) with respect to any other communication on the date of enactment of this Act.

SEC. 111. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this Act.

SEC. 112. EFFECTIVE DATE; TRANSITION RULE.

(a) In General.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1995.

(b) Transition Rule.—

(1) STATE OPTION TO CONTINUE AFDC PROGRAM.—

(A) 9-MONTH EXTENSION.—A State may continue a State program under parts A and F of title IV of the Social Security Act, as in effect on September 30, 1995 (for purposes of this paragraph, the "State AFDC program") until June 30, 1996.

(B) Reduction of fiscal year 1996 grant.—In the case of any State opting to continue the State AFDC program pursuant to subparagraph (A), the State family assistance grant paid to such State under section 403(a) of the Social Security Act (as added by section 101 and as in effect on and after October 1, 1995) for fiscal year 1996 (after the termination of the State AFDC program) shall be reduced by an amount equal to the total Federal payment to such State under section 403 of the Social Security Act (as in effect on September 30, 1995) for such fiscal year.

(2) Claims, actions, and proceedings.—The amendments made by this title shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this title under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

(c) Sunset.—The amendment made by section 101(b) shall be effective only during the 5-year period beginning on October 1, 1995.

TITLE II—SUPPLEMENTAL SECURITY INCOME

Subtitle A—Eligibility Restrictions

SEC. 201. DENIAL OF SUPPLEMENTAL SECURITY INCOME BENEFITS BY REASON OF DISABILITY TO DRUG ADDICTS AND ALCOHOLICS.

(a) In General.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended by adding at the end the following:

"(I) Notwithstanding subparagraph (A), an individual shall not be considered to be disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.".

(b) Representative Payee Requirements.—

(1) Section 1631(a)(2)(A)(ii)(II) (42 U.S.C. 1383(a)(2)(A)(ii)(II)) is amended to read as follows:

"(II) In the case of an individual eligible for benefits under this title by reason of disability, if such individual also has an alcoholism or drug addiction condition (as determined by the Commissioner of Social Security), the payment of such benefits to a representative payee shall be deemed to serve the interest of the individual. In any case in which such payment is so deemed under this subclause to serve the interest of an individual, the Commissioner shall include, in the individual's notification of such eligibility, a notice that such alcoholism or drug addiction condition accompanies the disability upon which such eligibility is based and that the Commissioner is therefore required to pay the individual's benefits to a representative payee.".

(2) Section 1631(a)(2)(B)(vii) (42 U.S.C. 1383(a)(2)(B)(vii)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(3) Section 1631(a)(2)(B)(ix)(II) (42 U.S.C. 1383(a)(2)(B)(ix)(II)) is amended by striking all that follows "15 years, or" and inserting "described in subparagraph (A)(ii)(II)".

(4) Section 1631(a)(2)(D)(i)(II) (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by striking "eligible for benefits" and all that follows through "is disabled" and inserting "described in subparagraph (A)(ii)(II)".

(c) Conforming Amendments.—

(1) Section 1611(e) (42 U.S.C. 1382(e)) is amended by striking paragraph (3).

(2) Section 1634 (42 U.S.C. 1383c) is amended by striking subsection (e).

(3) Section 201(c)(1) of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 425 note) is amended—

(A) by striking "—" and all that follows through "(A)" the 1st place it appears;

(B) by striking "and" the 3rd place it appears;

(C) by striking subparagraph (B);

(D) by striking "either subparagraph (A) or subparagraph (B)" and inserting "the preceding sentence"; and

(E) by striking "subparagraph (A) or (B)" and inserting "the preceding sentence".

SEC. 202. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI BENEFITS.

Paragraph (1) of section 1614(a) (42 U.S.C. 1382c(a)) is amended—

(1) in subparagraph (B)(i), by striking "either" and all that follows through ", or" and inserting "(I) a citizen; (II) a noncitizen who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act for a period of not more than 5 years after the date of arrival into the United States; (III) a noncitizen who is admitted to the United States as a refugee under section 207 of such Act for not more than such 5-year period; (IV) a noncitizen, lawfully present in any State (or any territory or possession of the United States), who is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage or who is the spouse or unmarried dependent child of such veteran; or (V) a noncitizen who has worked sufficient calendar quarters of coverage to be a fully insured individual for benefits under title II, or"; and

(2) by adding at the end the following new flush sentence:

"For purposes of subparagraph (B)(i)(IV), the determination of whether a noncitizen is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. A noncitizen shall not be considered to be lawfully present in the United States for purposes of this title merely because the noncitizen may be considered to be permanently residing in the United States under color of law for purposes of any particular program.".

SEC. 203. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.".

SEC. 204. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 201(c)(1), is amended by inserting after paragraph (2) the following new paragraph:

"(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

SEC. 205. EFFECTIVE DATES; APPLICATION TO CURRENT RECIPIENTS.

(a) SECTIONS 201 AND 202.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by sections 201 and 202 shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) APPLICATION AND NOTICE.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by section 201 or 202, such amendments shall apply with respect to the benefits of such individual for months beginning on or after January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

(B) REAPPLICATION.—

(i) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subparagraph (A) who desires to reapply for benefits under title XVI of the Social Security Act, as amended by this title, shall reapply to the Commissioner of Social Security.

(ii) DETERMINATION OF ELIGIBILITY.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall determine the eligibility of each individual who reapplies for benefits under clause (i) pursuant to the procedures of such title.

(3) ADDITIONAL APPLICATION OF PAYEE REPRESENTATIVE REQUIREMENTS.—The amendments made by section 201(b) shall also apply—

(A) in the case of any individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act, on and after the date of such individual's first continuing disability review occurring after such date of enactment, and

(B) in the case of any individual who receives supplemental security income benefits under title XVI of the Social Security Act and has attained age 65, in such manner as determined appropriate by the Commissioner of Social Security.

(b) OTHER AMENDMENTS.—The amendments made by sections 203 and 204 shall take effect on the date of the enactment of this Act.

Subtitle B—Benefits for Disabled Children

SEC. 211. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by section 201(a), is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual";

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking "(D)" and inserting "(E)".

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) EFFECTIVE DATE; REGULATIONS; APPLICATION TO CURRENT RECIPIENTS.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) REGULATIONS.—The Commissioner of Social Security shall issue such regulations as the Commissioner determines to be necessary to implement the amendments made by subsections (a) and (b) not later than 60 days after the date of the enactment of this Act.

(3) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY DETERMINATIONS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits based on a disability under title XVI of the Social

Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the amendments made by subsection (a) or (b). With respect to any redetermination under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act;

(iii) the Commissioner shall give such redetermination priority over all continuing eligibility reviews and other reviews under such title; and

(iv) such redetermination shall be counted as a review or redetermination otherwise required to be made under section 208 of the Social Security Independence and Program Improvements Act of 1994 or any other provision of title XVI of the Social Security Act.

(B) Grandfather provision.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after January 1, 1997.

(C) Notice.—Not later than 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

SEC. 212. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.

(a) Continuing Disability Reviews Relating to Certain Children.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 211(a)(3), is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which may improve (or, which is unlikely to improve, at the option of the Commissioner).

"(II) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(b) Disability Eligibility Redeterminations Required for SSI Recipients Who Attain 18 Years of Age.—

(1) In general.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a), is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining the initial eligibility for applicants who have attained the age of 18 years.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) Conforming repeal.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) Continuing Disability Review Required for Low Birth Weight Babies.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b), is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

"(III) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(d) Effective Date.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) Tightening of Representative Payee Requirements.—

(1) Clarification of role.—Section 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is amended by striking "and" at the end of subclause (II), by striking the period at the end of subclause (IV) and inserting "; and", and by adding after subclause (IV) the following new subclause:

"(V) advise such person through the notice of award of benefits, and at such other times as the Commissioner of Social Security deems appropriate, of specific examples of appropriate expenditures of benefits under this title and the proper role of a representative payee.".

(2) Documentation of expenditures required.—

(A) In general.—Subparagraph (C)(i) of section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended to read as follows:

"(C)(i) In any case where payment is made to a representative payee of an individual or spouse, the Commissioner of Social Security shall—

"(I) require such representative payee to document expenditures and keep contemporaneous records of transactions made using such payment; and

"(II) implement statistically valid procedures for reviewing a sample of such contemporaneous records in order to identify instances in which such representative payee is not properly using such payment.".

(B) Conforming amendment with respect to parent payees.—Clause (ii) of section 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C)) is amended by striking "Clause (i)" and inserting "Subclauses (II) and (III) of clause (i)".

(3) Effective date.—The amendments made by this subsection shall apply to benefits paid after the date of the enactment of this Act.

(b) Dedicated Savings Accounts.—

(1) In general.—Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended by adding at the end the following new clause:

"(xiv) Notwithstanding clause (x), the Commissioner of Social Security may, at the request of the representative payee, pay any lump sum payment for the benefit of a child into a dedicated savings account that could only be used to purchase for such child—

"(I) education and job skills training;

"(II) special equipment or housing modifications or both specifically related to, and required by the nature of, the child's disability; and

"(III) appropriate therapy and rehabilitation.".

(2) Disregard of trust funds.—Section 1613(a) (42 U.S.C. 1382b) is amended—

(A) by striking "and" at the end of paragraph (9),

(B) by striking the period at the end of paragraph (10) the first place it appears and inserting a semicolon,

(C) by redesignating paragraph (10) the second place it appears as paragraph (11) and striking the period at the end of such paragraph and inserting "; and", and

(D) by inserting after paragraph (11), as so redesignated, the following new paragraph:

"(12) all amounts deposited in, or interest credited to, a dedicated savings account described in section 1631(a)(2)(B)(xiv).".

(3) Effective date.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

Subtitle C—Studies Regarding Supplemental Security Income Program

SEC. 221. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Title XVI is amended by adding at the end the following new section:

"SEC. 1636. ANNUAL REPORT ON PROGRAM.

"(a) Description of Report.—Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

"(1) a comprehensive description of the program;

"(2) historical and current data on allowances and denials, including number of applications and allowance rates at initial determinations, reconsiderations, administrative law judge hearings, council of appeals hearings, and Federal court appeal hearings;

"(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, work disabled adults, and children);

"(4) projections of future number of recipients and program costs, through at least 25 years;

"(5) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

"(6) data on the utilization of work incentives;

"(7) detailed information on administrative and other program operation costs;

"(8) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

"(9) State supplementation program operations;

"(10) a historical summary of statutory changes to this title; and

"(11) such other information as the Commissioner deems useful.

"(b) Views of Members of the Social Security Advisory Council.—Each member of the Social Security Advisory Council shall be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report under this section.".

SEC. 222. IMPROVEMENTS TO DISABILITY EVALUATION.

(a) Request for Comments.—

(1) In general.—Not later than 60 days after the date of the enactment of this Act, the Commissioner of Social Security shall issue a request for comments in the Federal Register regarding improvements to the disability evaluation and determination procedures for individuals under age 18 to ensure the comprehensive assessment of such individuals, including—

(A) additions to conditions which should be presumptively disabling at birth or ages 0 through 3 years;

(B) specific changes in individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations;

(C) improvements in regulations regarding determinations based on regulations providing for medical and functional equivalence to such Listing of Impairments, and consideration of multiple impairments; and

(D) any other changes to the disability determination procedures.

(2) Review and regulatory action.—The Commissioner of Social Security shall promptly review such comments and issue any regulations implementing any necessary changes not later than 18 months after the date of the enactment of this Act.

SEC. 223. STUDY OF DISABILITY DETERMINATION PROCESS.

(a) In General.—Not later than 90 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall make arrangements with the National Academy of Sciences, or other independent entity, to conduct a study of the disability determination process under titles II and XVI of the Social Security Act. This study shall be undertaken in consultation with professionals representing appropriate disciplines.

(b) Study Components.—The study described in subsection (a) shall include—

(1) an initial phase examining the appropriateness of, and making recommendations regarding—

(A) the definitions of disability in effect on the date of the enactment of this Act and the advantages and disadvantages of alternative definitions; and

(B) the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical and mental impairments;

(2) a second phase, which may be concurrent with the initial phase, examining the validity, reliability, and consistency with current scientific knowledge of the standards and individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, and of related evaluation procedures as promulgated by the Commissioner of Social Security; and

(3) such other issues as the applicable entity considers appropriate.

(c) Reports and Regulations.—

(1) Reports.—The Commissioner of Social Security shall request the applicable entity, to submit an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 18 months and 24 months, respectively, from the date of the contract for such study, and such additional reports as the Commissioner deems appropriate after consultation with the applicable entity.

(2) Regulations.—The Commissioner of Social Security shall review both the interim and final reports, and shall issue regulations implementing any necessary changes following each report.

SEC. 224. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1998, the Comptroller General of the United States shall study and report on the impact of the amendments made by, and the provisions of, this title on the supplemental security income program under title XVI of the Social Security Act.

Subtitle D—National Commission on the Future of Disability

SEC. 231. ESTABLISHMENT.

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this subtitle as the "Commission"), the expenses of which shall be paid from funds otherwise appropriated for the Social Security Administration.

SEC. 232. DUTIES OF THE COMMISSION.

(a) In General.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) Matters Studied.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) Recommendations.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

SEC. 233. MEMBERSHIP.

(a) Number and Appointment.—

(1) In general.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) Representation.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the diversity of individuals with disabilities in the United States.

(b) Comptroller General.—The Comptroller General shall serve on the Commission as an ex officio member of the Commission to advise and oversee the methodology and approach of the study of the Commission.

(c) Prohibition Against Officer or Employee.—No officer or employee of any government shall be appointed under subsection (a).

(d) Deadline for Appointment; Term of Appointment.—Members of the Commission shall be appointed not later than 60 days after the date of the enactment of this Act. The members shall serve on the Commission for the life of the Commission.

(e) Meetings.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(f) Quorum.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(g) Chairperson and Vice Chairperson.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(h) Continuation of Membership.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(i) Vacancies.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(j) Compensation.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(k) Travel Expenses.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 234. STAFF AND SUPPORT SERVICES.

(a) Director.—

(1) Appointment.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) Compensation.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) Staff.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) Applicability of Civil Service Laws.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

SEC. 235. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 236. REPORTS.

(a) INTERIM REPORT.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 237, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) FINAL REPORT.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) PRINTING AND PUBLIC DISTRIBUTION.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

SEC. 237. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

Subtitle E—State Supplementation Programs

SEC. 241. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

(a) IN GENERAL.—Section 1618 (42 U.S.C. 1382g) is repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply with respect to calendar quarters beginning after September 30, 1995.

TITLE III—FOOD STAMP PROGRAM

Subtitle A—Food Stamp Reform

SEC. 301. CERTIFICATION PERIOD.

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking "Except as provided" and all that follows and inserting the following: "The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly, disabled, or primarily self-employed. A State agency shall have at least 1 personal contact with each certified household every 12 months.".

SEC. 302. TREATMENT OF CHILDREN LIVING AT HOME.

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 303. OPTIONAL ADDITIONAL CRITERIA FOR SEPARATE HOUSEHOLD DETERMINATIONS.

(a) IN GENERAL.—Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by inserting after the third sentence the following: "Notwithstanding the preceding sentences, a State may establish criteria that prescribe when individuals who live together, and who would be allowed to participate as separate households under the preceding sentences, shall be considered a single household, without regard to the common purchase of food and preparation of meals.".

(b) CONFORMING AMENDMENT.—The second sentence of section 5(a) of the Act (7 U.S.C. 2014(a)) is amended by striking "the third sentence of section 3(i)" and inserting "the fourth sentence of section 3(i)".

SEC. 304. ADJUSTMENT OF THRIFTY FOOD PLAN.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking "shall (1) make" and inserting the following: "shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting "scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following: "Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following: "Columbia; and

"(4) on October 1, 1995, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1995, the Secretary may not reduce the cost of the diet in effect on September 30, 1995.".

SEC. 305. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting "for not more than 90 days" after "temporary accommodation".

SEC. 306. STATE OPTIONS IN REGULATIONS.

Section 5(b) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking "(b) The Secretary" and inserting the following:

"(b) UNIFORM STANDARDS.—Except as otherwise provided in this Act, the Secretary".

SEC. 307. EARNINGS OF STUDENTS.

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking "21" and inserting "19".

SEC. 308. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking paragraph (11); and

(2) by redesignating paragraphs (12) through (15) as paragraphs (11) through (14), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 5(k) of the Act (7 U.S.C. 2014(k)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "plan for aid to families with dependent children approved" and inserting "program funded"; and

(ii) in subparagraph (B), by striking ", not including energy or utility-cost assistance,"; and

(B) in paragraph (2)—

(i) by striking subparagraph (C); and

(ii) by redesignating subparagraphs (D) through (H) as subparagraphs (C) through (G), respectively;

(C) by adding at the end the following:

"(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

"(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a Federal or State law to provide energy assistance to a household shall be considered money payable directly to the household.

"(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e)(7), an expense paid on behalf of a household under a Federal or State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.".

(2) Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

(A) by striking "(f)(1) Notwithstanding" and inserting "(f) Notwithstanding";

(B) in paragraph (1), by striking "food stamps,"; and

(C) by striking paragraph (2).

SEC. 309. DEDUCTIONS FROM INCOME.

(a) IN GENERAL.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by striking subsection (e) and inserting the following:

"(e) Deductions From Income.—

"(1) Standard deduction.—

"(A) In general.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States of—

"(i) for fiscal year 1995, $134, $229, $189, $269, and $118, respectively;

"(ii) for fiscal year 1996, $132, $225, $186, $265, and $116, respectively;

"(iii) for fiscal year 1997, $130, $222, $183, $261, and $114, respectively;

"(iv) for fiscal year 1998, $128, $218, $180, $257, and $112, respectively;

"(v) for fiscal year 1999, $126, $215, $177, $252, and $111, respectively; and

"(vi) for fiscal year 2000, $124, $211, $174, $248, and $109, respectively.

"(B) Adjustment for inflation.—On October 1, 2000, and each October 1 thereafter, the Secretary shall adjust the standard deduction to the nearest lower dollar increment to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for items other than food, for the 12-month period ending the preceding June 30.

"(2) Earned income deduction.—

"(A) In general.—Except as provided in subparagraph (B), a household with earned income shall be allowed a deduction of 20 percent of all earned income (other than income excluded by subsection (d)), to compensate for taxes, other mandatory deductions from salary, and work expenses.

"(B) Exception.—The deduction described in subparagraph (A) shall not be allowed with respect to determining an overissuance due to the failure of a household to report earned income in a timely manner.

"(3) Dependent care deduction.—

"(A) In general.—A household shall be entitled, with respect to expenses (other than excluded expenses described in subparagraph (B)) for dependent care, to a dependent care deduction, the maximum allowable level of which shall be $200 per month for each dependent child under 2 years of age and $175 per month for each other dependent, for the actual cost of payments necessary for the care of a dependent if the care enables a household member to accept or continue employment, or training or education that is preparatory for employment.

"(B) Excluded expenses.—The excluded expenses referred to in subparagraph (A) are—

"(i) expenses paid on behalf of the household by a third party;

"(ii) amounts made available and excluded for the expenses referred to in subparagraph (A) under subsection (d)(3); and

"(iii) expenses that are paid under section 6(d)(4).

"(4) Deduction for child support payments.—

"(A) In general.—A household shall be entitled to a deduction for child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments.

"(B) Methods for determining amount.—The Secretary may prescribe by regulation the methods, including calculation on a retrospective basis, that a State agency shall use to determine the amount of the deduction for child support payments.

"(5) Homeless shelter deduction.—A State agency may develop a standard homeless shelter deduction, which shall not exceed $139 per month, for such expenses as may reasonably be expected to be incurred by households in which all members are homeless individuals but are not receiving free shelter throughout the month. A State agency that develops the deduction may use the deduction in determining eligibility and allotments for the households, except that the State agency may prohibit the use of the deduction for households with extremely low shelter costs.

"(6) Excess medical expense deduction.—

"(A) In general.—A household containing an elderly or disabled member shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess medical expense deduction for the portion of the actual costs of allowable medical expenses, incurred by the elderly or disabled member, exclusive of special diets, that exceeds $35 per month.

"(B) Method of claiming deduction.—

"(i) In general.—A State agency shall offer an eligible household under subparagraph (A) a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction in lieu of submitting information or verification on actual expenses on a monthly basis.

"(ii) Method.—The method described in clause (i) shall—

"(I) be designed to minimize the burden for the eligible elderly or disabled household member choosing to deduct the recurrent medical expenses of the member pursuant to the method;

"(II) rely on reasonable estimates of the expected medical expenses of the member for the certification period (including changes that can be reasonably anticipated based on available information about the medical condition of the member, public or private medical insurance coverage, and the current verified medical expenses incurred by the member); and

"(III) not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

"(7) Excess shelter expense deduction.—

"(A) In general.—A household shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

"(B) Maximum amount of deduction.—

"(i) Prior to September 30, 1995.—In the case of a household that does not contain an elderly or disabled individual, during the 15-month period ending September 30, 1995, the excess shelter expense deduction shall not exceed—

"(I) in the 48 contiguous States and the District of Columbia, $231 per month; and

"(II) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $402, $330, $280, and $171 per month, respectively.

"(ii) After September 30, 1995.—In the case of a household that does not contain an elderly or disabled individual, during the 15-month period ending December 31, 1996, the excess shelter expense deduction shall not exceed—

"(I) in the 48 contiguous States and the District of Columbia, $247 per month; and

"(II) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $429, $353, $300, and $182 per month, respectively.

"(C) Standard utility allowance.—

"(i) In general.—In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance that does not fluctuate within a year to reflect seasonal variations.

"(ii) Restrictions on heating and cooling expenses.—An allowance for a heating or cooling expense may not be used in the case of a household that—

"(I) does not incur a heating or cooling expense, as the case may be;

"(II) does incur a heating or cooling expense but is located in a public housing unit that has central utility meters and charges households, with regard to the expense, only for excess utility costs; or

"(III) shares the expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

"(iii) Mandatory allowance.—

"(I) In general.—A State agency may make the use of a standard utility allowance mandatory for all households with qualifying utility costs if—

"(aa) the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling; and

"(bb) the Secretary finds that the standards will not result in an increased cost to the Secretary.

"(II) Household election.—A State agency that has not made the use of a standard utility allowance mandatory under subclause (I) shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.

"(iv) Availability of allowance to recipients of energy assistance.—

"(I) In general.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating or cooling costs, the standard utility allowance shall be made available to households receiving a payment, or on behalf of which a payment is made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if the household still incurs out-of-pocket heating or cooling expenses in excess of any assistance paid on behalf of the household to an energy provider.

"(II) Separate allowance.—A State agency may use a separate standard utility allowance for households on behalf of which a payment described in subclause (I) is made, but may not be required to do so.

"(III) States not electing to use separate allowance.—A State agency that does not elect to use a separate allowance but makes a single standard utility allowance available to households incurring heating or cooling expenses (other than a household described in subclause (I) or (II) of subparagraph (C)(ii)) may not be required to reduce the allowance due to the provision (directly or indirectly) of assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

"(IV) Proration of assistance.—For the purpose of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) shall be considered to be prorated over the entire heating or cooling season for which the assistance was provided.".

(b) CONFORMING AMENDMENT.—Section 11(e)(3) of the Act (7 U.S.C. 2020(e)(3)) is amended by striking ". Under rules prescribed" and all that follows through "verifies higher expenses".

SEC. 310. AMOUNT OF VEHICLE ASSET LIMITATION.

The first sentence of section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking "through September 30, 1995" and all that follows through "such date and on" and inserting "and shall be adjusted on October 1, 1996, and".

SEC. 311. BENEFITS FOR ALIENS.

Section 5(i) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)) is amended—

(1) in the first sentence of paragraph (1)—

(A) by inserting "or who executed such an affidavit or similar agreement to enable the individual to lawfully remain in the United States," after "respect to such individual,"; and

(B) by striking "for a period" and all that follows through the period at the end and inserting "until the end of the period ending on the later of the date agreed to in the affidavit or agreement or the date that is 5 years after the date on which the individual was first lawfully admitted into the United States following the execution of the affidavit or agreement."; and

(2) in paragraph (2)—

(A) in subparagraph (C)(i), by striking "of three years after entry into the United States" and inserting "determined under paragraph (1)"; and

(B) in subparagraph (D), by striking "of three years after such alien's entry into the United States" and inserting "determined under paragraph (1)".

SEC. 312. DISQUALIFICATION.

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through the end of paragraph (1) and inserting the following:

"(d) CONDITIONS OF PARTICIPATION.—

"(1) WORK REQUIREMENTS.—

"(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

"(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required by the State agency;

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

"(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

"(v) voluntarily and without good cause—

"(I) quits a job; or

"(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

"(vi) fails to comply with section 20.

"(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

"(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

"(ii) 180 days.

"(C) DURATION OF INELIGIBILITY.—

"(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 1 month after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

"(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 3 months after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

"(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 6 months after the date the individual became ineligible;

"(III) a date determined by the State agency; or

"(IV) at the option of the State agency, permanently.

"(D) ADMINISTRATION.—

"(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

"(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

"(iii) DETERMINATION BY STATE AGENCY.—

"(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

"(aa) the meaning of any term in subparagraph (A);

"(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

"(cc) whether an individual is in compliance with a requirement under subparagraph (A).

"(II) NOT LESS RESTRICTIVE.—A State agency may not determine a meaning, procedure, or determination under subclause (I) to be less restrictive than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(v) SELECTING A HEAD OF HOUSEHOLD.—

"(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

"(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

"(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.".

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Act (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

(2) Section 20 of the Act (7 U.S.C. 2029) is amended by striking subsection (f) and inserting the following:

"(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.".

SEC. 313. CARETAKER EXEMPTION.

Section 6(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)) is amended by striking subparagraph (B) and inserting the following: "(B) a parent or other member of a household with responsibility for the care of (i) a dependent child under the age of 6 or any lower age designated by the State agency that is not under the age of 1, or (ii) an incapacitated person;".

SEC. 314. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (A)—

(A) by striking "Not later than April 1, 1987, each" and inserting "Each";

(B) by inserting "work," after "skills, training,"; and

(C) by adding at the end the following: "Each component of an employment and training program carried out under this paragraph shall be delivered through the statewide workforce development system established in section 711 of the Work Opportunity Act of 1995, unless the component is not available locally through the statewide workforce development system.";

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking the colon at the end and inserting the following: ", except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:";

(B) in clause (i), by striking "with terms and conditions" and all that follows through "time of application"; and

(C) in clause (iv)—

(i) by striking subclauses (I) and (II); and

(ii) by redesignating subclauses (III) and (IV) as subclauses (I) and (II), respectively;

(3) in subparagraph (D)—

(A) in clause (i), by striking "to which the application" and all that follows through "30 days or less";

(B) in clause (ii), by striking "but with respect" and all that follows through "child care"; and

(C) in clause (iii), by striking ", on the basis of" and all that follows through "clause (ii)" and inserting "the exemption continues to be valid";

(4) in subparagraph (E), by striking the third sentence;

(5) in subparagraph (G)—

(A) by striking "(G)(i) The State" and inserting "(G) The State"; and

(B) by striking clause (ii);

(6) in subparagraph (H), by striking "(H)(i) The Secretary" and all that follows through "(ii) Federal funds" and inserting "(H) Federal funds";

(7) in subparagraph (I)(i)(II), by striking ", or was in operation," and all that follows through "Social Security Act" and inserting the following: "), except that no such payment or reimbursement shall exceed the applicable local market rate";

(8)(A) by striking subparagraphs (K) and (L) and inserting the following:

"(K) Limitation on funding.—Notwithstanding any other provision of this paragraph, the amount of funds a State agency uses to carry out this paragraph (including under subparagraph (I)) for participants who are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of funds the State agency used in fiscal year 1995 to carry out this paragraph for participants who were receiving benefits in fiscal year 1995 under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)."; and

(B) by redesignating subparagraphs (M) and (N) as subparagraphs (L) and (M), respectively; and

(9) in subparagraph (L) (as redesignated by paragraph (8)(B))—

(A) by striking "(L)(i) The Secretary" and inserting "(L) The Secretary"; and

(B) by striking clause (ii).

(b) Effective Date.—The amendment made by subsection (a)(1)(C) shall take effect—

(1) in a State described in section 815(b)(1), on July 1, 1997; and

(2) in any other State, on July 1, 1998.

(c) Funding.—Section 16(h) of the Act (7 U.S.C. 2025(h)) is amended by striking "(h)(1)(A) The Secretary" and all that follows through the end of paragraph (1) and inserting the following:

"(h) Funding of Employment and Training Programs.—

"(1) In general.—

"(A) Amounts.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of—

"(i) for fiscal year 1996, $77,000,000;

"(ii) for fiscal year 1997, $80,000,000;

"(iii) for fiscal year 1998, $83,000,000;

"(iv) for fiscal year 1999, $86,000,000;

"(v) for fiscal year 2000, $89,000,000;

"(vi) for fiscal year 2001, $92,000,000; and

"(vii) for fiscal year 2002, $95,000,000.

"(B) Allocation.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary) that gives consideration to the population in each State affected by section 6(n).

"(C) Reallocation.—

"(i) Notification.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

"(ii) Reallocation.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

"(D) Minimum allocation.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 in each fiscal year.".

(d) Reports.—Section 16(h) of the Act (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking "(5)(A) The Secretary" and inserting "(5) The Secretary"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

SEC. 315. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(a) In General.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(1) by redesignating subsection (i) (as added by section 106) as subsection (o); and

(2) by inserting after subsection (h) the following:

"(i) Comparable Treatment for Disqualification.—

"(1) In general.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a welfare or public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

"(2) Application after disqualification period.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.".

(b) State Plan Provisions.—Section 11(e) of the Act (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking "and" at the end; and

(2) by adding at the end the following:

"(26) the guidelines the State agency uses in carrying out section 6(i);".

(c) Conforming Amendment.—Section 6(d)(2)(A) of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by striking "that is comparable to a requirement of paragraph (1)".

SEC. 316. COOPERATION WITH CHILD SUPPORT AGENCIES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 315) is further amended by inserting after subsection (i) the following:

"(j) Custodial Parent's Cooperation With Child Support Agencies.—

"(1) In general.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in obtaining support for—

"(i) the child; or

"(ii) the individual and the child.

"(2) Good cause for noncooperation.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services. The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

"(3) Fees.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(k) Non-Custodial Parent's Cooperation With Child Support Agencies.—

"(1) In general.—At the option of a State agency, subject to paragraphs (2) and (3), a putative or identified non-custodial parent of a child under the age of 18 (referred to in this subsection as 'the individual') shall not be eligible to participate in the food stamp program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in providing support for the child.

"(2) Refusal to cooperate.—

"(A) Guidelines.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

"(B) Procedures.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

"(3) Fees.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(4) Privacy.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.".

SEC. 317. DISQUALIFICATION FOR CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 316) is further amended by inserting after subsection (k) the following:

"(l) Disqualification for Child Support Arrears.—

"(1) In general.—At the option of a State agency, except as provided in paragraph (2), no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

"(2) Exceptions.—Paragraph (1) shall not apply if—

"(A) a court is allowing the individual to delay payment; or

"(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.".

SEC. 318. PERMANENT DISQUALIFICATION FOR PARTICIPATING IN 2 OR MORE STATES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 317) is further amended by inserting after subsection (l) the following:

"(m) Permanent Disqualification for Participating in 2 or More States.—An individual shall be permanently ineligible to participate in the food stamp program as a member of any household if the individual is found by a State agency to have made, or is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under the food stamp program.".

SEC. 319. WORK REQUIREMENT.

(a) In General.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 318) is further amended by inserting after subsection (m) the following:

"(n) Work Requirement.—

"(1) Definition of work program.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under section 6(d)(4) other than a job search program or a job search training program under clause (i) or (ii) of section 6(d)(4)(B).

"(2) Work requirement.—No individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12-month period, the individual received food stamp benefits for not less than 6 months during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly; or

"(B) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency.

"(3) Exception.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with responsibility for a dependent child; or

"(D) otherwise exempt under section 6(d)(2).

"(4) Waiver.—

"(A) In general.—On the request of a State agency, the Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 8 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) Report.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

(b) Transition Provision.—Prior to October 1, 1996, the term "preceding 12-month period" in section 6(n)(2) of the Food Stamp Act of 1977 (as amended by subsection (a)) means the preceding period that begins on October 1, 1995.

SEC. 320. ELECTRONIC BENEFIT TRANSFERS.

Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended by adding at the end the following:

"(j) Electronic Benefit Transfers.—

"(1) Applicable law.—

"(A) In general.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.

"(B) Definition of electronic benefit transfer system.—In this paragraph, the term 'electronic benefit transfer system' means a system under which a governmental entity distributes benefits under this Act or other benefits or payments by establishing accounts to be accessed by recipients of the benefits electronically, including through the use of an automated teller machine, a point-of-sale terminal, or an intelligent benefit card.

"(2) Charging for electronic benefit transfer card replacement.—

"(A) In general.—A State agency may charge an individual for the cost of replacing a lost or stolen electronic benefit transfer card.

"(B) Reducing allotment.—A State agency may collect a charge imposed under subparagraph (A) by reducing the monthly allotment of the household of which the individual is a member.

"(3) Optional photographic identification.—

"(A) In general.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

"(B) Other authorized users.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.".

SEC. 321. MINIMUM BENEFIT.

The proviso in section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ", and shall be adjusted" and all that follows through "$5".

SEC. 322. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 323. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by striking paragraph (3) and inserting the following:

"(3) Optional combined allotment for expedited households.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service or in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.".

SEC. 324. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (d) and inserting the following:

"(d) Reduction of Public Assistance Benefits.—

"(1) In general.—If the benefits of a household are reduced under a Federal, State, or local law relating to a welfare or public assistance program for the failure to perform an action required under the law or program, for the duration of the reduction—

"(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

"(B) the State agency may reduce the allotment of the household by not more than 25 percent.

"(2) Optional method.—In carrying out paragraph (1), a State agency may consider, for the duration of a reduction referred to under paragraph (1), the benefits of the household under a welfare or public assistance program before the reduction as income of the household after the reduction.".

SEC. 325. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN INSTITUTIONS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) Allotments for Households Residing in Institutions.—

"(1) In general.—In the case of an individual who resides in a homeless shelter, or in an institution or center for the purpose of a drug or alcoholic treatment program, described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

"(A) the institution as an authorized representative for the individual for a period that is less than 1 month; and

"(B) the individual, if the individual leaves the institution.

"(2) Direct payment.—A State agency may require an individual referred to in paragraph (1) to designate the shelter, institution, or center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.".

SEC. 326. OPERATION OF FOOD STAMP OFFICES.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(1) in subsection (e)—

(A) by striking paragraph (2) and inserting the following:

"(2)(A) that the State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in which a substantial number of members speak a language other than English.

"(B) In carrying out subparagraph (A), a State agency—

"(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the food stamp program;

"(ii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a food stamp office in person during office hours;

"(iii) shall consider an application filed on the date the applicant submits an application that contains the name, address, and signature of the applicant; and

"(iv) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State;";

(B) in paragraph (3) (as amended by section 309(b))—

(i) by striking "shall—" and all that follows through "provide each" and inserting "shall provide each"; and

(ii) by striking "(B) assist" and all that follows through "representative of the State agency;";

(C) by striking paragraph (14) and inserting the following:

"(14) the standards and procedures used by the State agency under section 6(d)(1)(D) to determine whether an individual is eligible to participate under section 6(d)(1)(A);"; and

(D) by striking paragraph (25) and inserting the following:

"(25) a description of the work supplementation or support program, if any, carried out by the State agency under section 16(b);"; and

(2) in subsection (i)—

(A) by striking "(i) Notwithstanding" and all that follows through "(2)" and inserting the following:

"(i) Application and Denial Procedures.—

"(1) Application procedures.—Notwithstanding any other provision of law,"; and

(B) by striking "; (3) households" and all that follows through "title IV of the Social Security Act. No" and inserting a period and the following:

"(2) Denial and termination.—Other than in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no".

SEC. 327. STATE EMPLOYEE AND TRAINING STANDARDS.

Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraphs (B) through (E).

SEC. 328. EXCHANGE OF LAW ENFORCEMENT INFORMATION.

Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) (as amended by section 315(b)) is further amended—

(1) in paragraph (8)—

(A) by striking "that (A) such" and inserting the following: "that—

"(A) the";

(B) by striking "law, (B) notwithstanding" and inserting the following: "law;

"(B) notwithstanding";

(C) by striking "Act, and (C) such" and inserting the following: "Act;

"(C) the"; and

(D) by adding at the end the following:

"(D) notwithstanding any other provision of law, the address, social security number, and, when available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

"(i) the member—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

"(II) has information that is necessary for the officer to conduct the official duties of the officer;

"(ii) the location or apprehension of the member is an official duty of the officer; and

"(iii) the request is being made in the proper exercise of the official duties of the officer; and

"(E) the safeguards shall not prevent compliance with paragraph (27);"; and

(3) by adding at the end the following:

"(27) that the State agency shall furnish the Immigration and Naturalization Service with the name of, address of, and identifying information on any individual the State agency knows is unlawfully in the United States; and".

SEC. 329. EXPEDITED COUPON SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking "five days" and inserting "7 business days"; and

(B) by inserting "and" at the end;

(2) by striking subparagraphs (B) and (C);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B) (as redesignated by paragraph (3)), by striking ", (B), or (C)".

SEC. 330. FAIR HEARINGS.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

"(p) Withdrawing Fair Hearing Requests.—A household may withdraw, orally or in writing, a request by the household for a fair hearing under subsection (e)(10). If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the request and providing the household with an opportunity to request a hearing.".

SEC. 331. INCOME AND ELIGIBILITY VERIFICATION SYSTEM.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) (as amended by section 330) is further amended by adding at the end the following:

"(q) State Verification Option.—Notwithstanding any other provision of law, a State agency shall not be required to use an income and eligibility verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7).".

SEC. 332. COLLECTION OF OVERISSUANCES.

(a) In General.—Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) Collection of Overissuances.—

"(1) In general.—Except as otherwise provided in this subsection, a State agency shall collect any overissuance of coupons issued to a household by—

"(A) reducing the allotment of the household;

"(B) withholding unemployment compensation from a member of the household under subsection (c);

"(C) recovering from Federal pay or a Federal income tax refund under subsection (d); or

"(D) any other means.

"(2) Cost effectiveness.—Paragraph (1) shall not apply if the State agency demonstrates to the satisfaction of the Secretary that all of the means referred to in paragraph (1) are not cost effective.

"(3) Hardships.—A State agency may not use an allotment reduction under paragraph (1)(A) as a means of collecting an overissuance from a household if the allotment reduction would cause a hardship on the household, as determined by the State agency.

"(4) Maximum reduction absent fraud.—If a household received an overissuance of coupons without any member of the household being found ineligible to participate in the program under section 6(b)(1) and a State agency elects to reduce the allotment of the household under paragraph (1)(A), the State agency shall reduce the monthly allotment of the household under paragraph (1)(A) by the greater of—

"(A) 10 percent of the monthly allotment of the household; or

"(B) $10.

"(5) Procedures.—A State agency shall collect an overissuance of coupons issued to a household under paragraph (1) in accordance with requirements established by the State agency for providing notice, electing a means of payment, and establishing a time schedule for payment."; and

(2) in subsection (d)—

(A) by striking "as determined under subsection (b) and except for claims arising from an error of the State agency," and inserting ", as determined under subsection (b)(1),"; and

(B) by inserting before the period at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(b) Conforming Amendment.—Section 11(e)(8) of the Act (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "and excluding claims" and all that follows through "such section"; and

(2) by inserting before the semicolon at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

SEC. 333. TERMINATION OF FEDERAL MATCH FOR OPTIONAL INFORMATION ACTIVITIES.

(a) In General.—Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended—

(1) by striking paragraph (4); and

(2) by redesignating paragraphs (5) through (8) as paragraphs (4) through (7), respectively.

(b) Conforming Amendment.—Section 16(g) of the Act (7 U.S.C. 2025(g)) is amended by striking "an amount equal to" and all that follows through "1991, of" and inserting "the amount provided under subsection (a)(5) for".

SEC. 334. STANDARDS FOR ADMINISTRATION.

(a) In General.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (b).

(b) Conforming Amendments.—

(1) The first sentence of section 11(g) of the Act (7 U.S.C. 2020(g)) is amended by striking "the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) or".

(2) Section 16(c)(1)(B) of the Act (7 U.S.C. 2025(c)(1)(B)) is amended by striking "pursuant to subsection (b)".

SEC. 335. WORK SUPPLEMENTATION OR SUPPORT PROGRAM.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) (as amended by section 334(a)) is further amended by inserting after subsection (a) the following:

"(b) Work Supplementation or Support Program.—

"(1) Definition.—In this subsection, the term 'work supplementation or support program' means a program in which, as determined by the Secretary, public assistance (including any benefits provided under a program established by the State and the food stamp program) is provided to an employer to be used for hiring and employing a new employee who is a public assistance recipient.

"(2) PROGRAM.—A State agency may elect to use amounts equal to the allotment that would otherwise be allotted to a household under the food stamp program, but for the operation of this subsection, for the purpose of subsidizing or supporting jobs under a work supplementation or support program established by the State.

"(3) PROCEDURE.—If a State agency makes an election under paragraph (2) and identifies each household that participates in the food stamp program that contains an individual who is participating in the work supplementation or support program—

"(A) the Secretary shall pay to the State agency an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

"(B) the State agency shall expend the amount paid under subparagraph (A) in accordance with the work supplementation or support program in lieu of providing the allotment that the household would receive but for the operation of this subsection;

"(C) for purposes of—

"(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

"(ii) section 8(b), the amount received under this subsection shall be considered to be the value of an allotment provided to the household; and

"(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation or support program.

"(4) OTHER WORK REQUIREMENTS.—No individual shall be excused, by reason of the fact that a State has a work supplementation or support program, from any work requirement under section 6(d), except during the periods in which the individual is employed under the work supplementation or support program.

"(5) MAXIMUM LENGTH OF PARTICIPATION.—A work supplementation or support program may not allow the participation of any individual for longer than 6 months, unless the Secretary approves a longer period.".

SEC. 336. WAIVER AUTHORITY.

Section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended—

(1) by striking "benefits to eligible households, including" and inserting the following: "benefits to eligible households. The Secretary may waive the requirements of this Act to the extent necessary to conduct a pilot or experimental project, including a project designed to test innovative welfare reform, promote work, and allow conformity with other Federal, State, and local government assistance programs, except that a project involving the payment of benefits in the form of cash shall maintain the average value of allotments for affected households as a group. Pilot or experimental projects may include"; and

(2) by striking "The Secretary may waive" and all that follows through "sections 5 and 8 of this Act.".

SEC. 337. AUTHORIZATION OF PILOT PROJECTS.

The last sentence of section 17(b)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(A)) is amended by striking "1995" and inserting "2002".

SEC. 338. RESPONSE TO WAIVERS.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

"(C) RESPONSE TO WAIVERS.—

"(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

"(I) approves the waiver request;

"(II) denies the waiver request and explains any modification needed for approval of the waiver request;

"(III) denies the waiver request and explains the grounds for the denial; or

"(IV) requests clarification of the waiver request.

"(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response under clause (i) not later than 60 days after receiving a request for a waiver, the waiver shall be considered approved.

"(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and the grounds for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 339. PRIVATE SECTOR EMPLOYMENT INITIATIVES.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by adding at the end the following:

"(m) PRIVATE SECTOR EMPLOYMENT INITIATIVES.—

"(1) ELECTION TO PARTICIPATE.—

"(A) IN GENERAL.—Subject to the other provisions of this subsection, a State may elect to carry out a private sector employment initiative program under this subsection.

"(B) REQUIREMENT.—A State shall be eligible to carry out a private sector employment initiative under this subsection only if not less than 50 percent of the households that received food stamp benefits during the summer of 1993 also received benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) during the summer of 1993.

"(2) PROCEDURE.—A State that has elected to carry out a private sector employment initiative under paragraph (1) may use amounts equal to the food stamp allotments that would otherwise be allotted to a household under the food stamp program, but for the operation of this subsection, to provide cash benefits in lieu of the food stamp allotments to the household if the household is eligible under paragraph (3).

"(3) ELIGIBILITY.—A household shall be eligible to receive cash benefits under paragraph (2) if an adult member of the household—

"(A) has worked in unsubsidized employment in the private sector for not less than the preceding 90 days;

"(B) has earned not less than $350 per month from the employment referred to in subparagraph (A) for not less than the preceding 90 days;

"(C)(i) is eligible to receive benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) was eligible to receive benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) at the time the member first received cash benefits under this subsection and is no longer eligible for the State program because of earned income;

"(D) is continuing to earn not less than $350 per month from the employment referred to in subparagraph (A); and

"(E) elects to receive cash benefits in lieu of food stamp benefits under this subsection.

"(4) EVALUATION.—A State that operates a program under this subsection for 2 years shall provide to the Secretary a written evaluation of the impact of cash assistance under this subsection. The State agency shall determine the content of the evaluation.".

SEC. 340. REAUTHORIZATION OF APPROPRIATIONS.

The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1995" and inserting "2002".

SEC. 341. REAUTHORIZATION OF PUERTO RICO NUTRITION ASSISTANCE PROGRAM.

The first sentence of section 19(a)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by striking "$974,000,000" and all that follows through "fiscal year 1995" and inserting the following: "$1,143,000,000 for each of fiscal years 1995 and 1996, $1,182,000,000 for fiscal year 1997, $1,223,000,000 for fiscal year 1998, $1,266,000,000 for fiscal year 1999, $1,310,000,000 for fiscal year 2000, $1,343,000,000 for fiscal year 2001, and $1,376,000,000 for fiscal year 2002"

SEC. 342. SIMPLIFIED FOOD STAMP PROGRAM.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) ELECTION.—Subject to subsection (c), a State agency may elect to carry out a Simplified Food Stamp Program (referred to in this section as a 'Program') under this section.

"(b) OPERATION OF PROGRAM.—

"(1) IN GENERAL.—If a State agency elects to carry out a Program, within the State or a political subdivision of the State—

"(A) a household in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall automatically be eligible to participate in the Program; and

"(B) subject to subsection (e), benefits under the Program shall be determined under rules and procedures established by the State under—

"(i) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(ii) the food stamp program (other than section 25); or

"(iii) a combination of a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and the food stamp program.

"(2) SHELTER STANDARD.—The State agency may elect to apply 1 shelter standard to a household that receives a housing subsidy and another shelter standard to a household that does not receive the subsidy.

"(c) APPROVAL OF PROGRAM.—

"(1) STATE PLAN.—A State agency may not operate a Program unless the Secretary approves a State plan for the operation of the Program under paragraph (2).

"(2) APPROVAL OF PLAN.—

"(A) IN GENERAL.—The Secretary shall approve any State plan to carry out a Program if the Secretary determines that the plan—

"(i) complies with this section; and

"(ii) would not increase Federal costs incurred under this Act.

"(B) DEFINITION OF FEDERAL COSTS.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

"(d) INCREASED FEDERAL COSTS.—

"(1) DETERMINATION.—

"(A) IN GENERAL.—The Secretary shall determine whether a Program being carried out by a State agency is increasing Federal costs under this Act.

"(B) NO EXCLUDED HOUSEHOLDS.—In making a determination under subparagraph (A), the Secretary shall not require the State agency to collect or report any information on households not included in the Program.

"(C) ALTERNATIVE ACCOUNTING PERIODS.—The Secretary may approve the request of a State agency to apply alternative accounting periods to determine if Federal costs do not exceed the Federal costs had the State agency not elected to carry out the Program.

"(2) NOTIFICATION.—If the Secretary determines that the Program has increased Federal costs under this Act for any fiscal year, the Secretary shall notify the State agency not later than January 1 of the immediately succeeding fiscal year.

"(3) RETURN OF FUNDS.—

"(A) IN GENERAL.—If the Secretary determines that the Program has increased Federal costs under this Act for a 2-year period, including a fiscal year for which notice was given under paragraph (2) and an immediately succeeding fiscal year, the State agency shall pay to the Treasury of the United States the amount of the increased costs.

"(B) ENFORCEMENT.—If the State agency does not pay an amount due under subparagraph (A) on a date that is not later than 90 days after the date of the determination, the Secretary shall reduce amounts otherwise due to the State agency for administrative costs under section 16(a).

"(e) RULES AND PROCEDURES.—

"(1) IN GENERAL.—Except as provided by paragraph (2), a State may apply—

"(A) the rules and procedures established by the State under—

"(i) the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) the food stamp program; or

"(B) the rules and procedures of 1 of the programs to certain matters and the rules and procedures of the other program to all remaining matters.

"(2) STANDARDIZED DEDUCTIONS.—The State may standardize the deductions provided under section 5(e). In developing the standardized deduction, the State shall give consideration to the work expenses, dependent care costs, and shelter costs of participating households.

"(3) REQUIREMENTS.—In operating a Program, the State shall comply with—

"(A) subsections (a) through (g) of section 7;

"(B) section 8(a), except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(C) subsections (b) and (d) of section 8;

"(D) subsections (a), (c), (d), and (n) of section 11;

"(E) paragraph (3) of section 11(e), to the extent that the paragraph requires that an eligible household be certified and receive an allotment for the period of application not later than 30 days after filing an application;

"(F) paragraphs (8), (9), (12), (17), (19), (21), and (27) of section 11(e);

"(G) section 11(e)(10) or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(H) section 16.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)) (as amended by sections 315(b) and 328) is further amended by adding at the end the following:

"(28) the plans of the State agency for operating, at the election of the State, a program under section 24, including—

"(A) the rules and procedures to be followed by the State to determine food stamp benefits;

"(B) how the State will address the needs of households that experience high shelter costs in relation to the incomes of the households; and

"(C) a description of the method by which the State will carry out a quality control system under section 16(c).".

(c) CONFORMING AMENDMENTS.—

(1) Section 8 of the Act (7 U.S.C. 2017) (as amended by section 325) is further amended—

(A) by striking subsection (e); and

(B) by redesignating subsection (f) as subsection (e).

(2) Section 17 of the Act (7 U.S.C. 2026) (as amended by section 339) is further amended—

(A) by striking subsection (i); and

(B) by redesignating subsections (j) through (m) as subsections (i) through (l), respectively.

SEC. 343. OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) (as amended by section 342) is further amended by adding at the end the following:

"SEC. 25. OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.

"(a) ESTABLISHMENT.—The Secretary shall establish a program to make grants to States in accordance with this section to provide—

"(1) food assistance to needy individuals and families residing in the State;

"(2) at the option of a State, wage subsidies and payments in return for work for needy individuals under the program;

"(3) funds to operate an employment and training program under section (g)(2) for needy individuals under the program; and

"(4) funds for administrative costs incurred in providing the assistance.

"(b) ELECTION.—

"(1) IN GENERAL.—A State may elect to participate in the program established under subsection (a).

"(2) ELECTION IRREVOCABLE.—A State that elects to participate in the program established under subsection (a) may not subsequently elect to participate in the food stamp program in accordance with any other section of this Act.

"(3) PROGRAM EXCLUSIVE.—A State that is participating in the program established under subsection (a) shall not be subject to, or receive any benefit under, this Act except as provided in this section.

"(c) LEAD AGENCY.—

"(1) DESIGNATION.—A State desiring to receive a grant under this section shall designate, in an application submitted to the Secretary under subsection (d)(1), an appropriate State agency that complies with paragraph (2) to act as the lead agency for the State.

"(2) DUTIES.—

"(A) IN GENERAL.—The lead agency shall—

"(i) administer, either directly, through other State agencies, or through local agencies, the assistance received under this section by the State;

"(ii) develop the State plan to be submitted to the Secretary under subsection (d)(1);

"(iii) in conjunction with the development of the State plan, hold at least 1 hearing in the State to provide to the public an opportunity to comment on the program under the State plan; and

"(iv) coordinate the provision of food assistance under this section with other Federal, State, and local programs.

"(B) DEVELOPMENT OF PLAN.—In the development of the State plan described in subparagraph (A)(ii), the lead agency shall consult with local governments and private sector organizations regarding the plan and design of the State plan so that services are provided in a manner appropriate to local populations.

"(d) APPLICATION AND PLAN.—

"(1) APPLICATION.—To be eligible to receive assistance under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall by regulation require, including—

"(A) an assurance that the State will comply with the requirements of this section;

"(B) a State plan that meets the requirements of paragraph (3); and

"(C) an assurance that the State will comply with the requirements of the State plan under paragraph (3).

"(2) ANNUAL PLAN.—The State plan contained in the application under paragraph (1) shall be submitted for approval annually.

"(3) REQUIREMENTS OF PLAN.—

"(A) LEAD AGENCY.—The State plan shall identify the lead agency.

"(B) USE OF BLOCK GRANT FUNDS.—The State plan shall provide that the State shall use the amounts provided to the State for each fiscal year under this section—

"(i) to provide food assistance to needy individuals and families residing in the State, other than residents of institutions who are ineligible for food stamps under section 3(i);

"(ii) at the option of a State, to provide wage subsidies and workfare under section 20(a) (except that any reference in section 20(a) to an allotment shall be considered a reference to the food assistance or benefits in lieu of food assistance received by an individual or family during a month under this section) for needy individuals and families participating in the program;

"(iii) to administer an employment and training program under section (g)(2) for needy individuals under the program and to provide reimbursements to needy individuals and families as would be allowed under section 16(h)(3); and

"(iv) to pay administrative costs incurred in providing the assistance.

"(C) GROUPS SERVED.—The State plan shall describe how the program will serve specific groups of individuals and families and how the treatment will differ from treatment under the food stamp program under the other sections of this Act of the individuals and families, including—

"(i) elderly individuals and families;

"(ii) migrants or seasonal farmworkers;

"(iii) homeless individuals and families;

"(iv) individuals and families who live under the supervision of institutions (other than incarcerated individuals);

"(v) individuals and families with earnings; and

"(vi) members of Indian tribes or tribal organizations.

"(D) ASSISTANCE FOR ENTIRE STATE.—The State plan shall provide that benefits under this section shall be available throughout the entire State.

"(E) NOTICE AND HEARINGS.—The State plan shall provide that an individual or family who applies for, or receives, assistance under this section shall be provided with notice of, and an opportunity for a hearing on, any action under this section that adversely affects the individual or family.

"(F) OTHER ASSISTANCE.—

"(i) COORDINATION.—The State plan may coordinate assistance received under this section with assistance provided under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(ii) PENALTIES.—If an individual or family is penalized for violating part A of title IV of the Act, the State plan may reduce the amount of assistance provided under this section or otherwise penalize the individual or family.

"(G) ASSESSMENT OF NEEDS.—The State plan shall assess the food and nutrition needs of needy persons residing in the State.

"(H) ELIGIBILITY LIMITATIONS.—The State plan shall describe the income and resource eligibility limitations that are established for the receipt of assistance under this section.

"(I) RECEIVING BENEFITS IN MORE THAN 1 JURISDICTION.—The State plan shall establish a system to verify and otherwise ensure that no individual or family shall receive benefits under this section in more than 1 jurisdiction within the State.

"(J) PRIVACY.—The State plan shall provide for safeguarding and restricting the use and disclosure of information about any individual or family receiving assistance under this section.

"(K) OTHER INFORMATION.—The State plan shall contain such other information as may be required by the Secretary.

"(4) APPROVAL OF APPLICATION AND PLAN.—The Secretary shall approve an application and State plan that satisfies the requirements of this section.

"(e) LIMITATIONS ON STATE ALLOTMENTS.—

"(1) NO INDIVIDUAL OR FAMILY ENTITLEMENT TO ASSISTANCE.—Nothing in this section—

"(A) entitles any individual or family to assistance under this section; or

"(B) limits the right of a State to impose additional limitations or conditions on assistance under this section.

"(2) CONSTRUCTION OF FACILITIES.—No funds made available under this section shall be expended for the purchase or improvement of land, or for the purchase, construction, or permanent improvement of any building or facility.

"(f) BENEFITS FOR ALIENS.—

"(1) ELIGIBILITY.—No individual shall be eligible to receive benefits under a State plan approved under subsection (d)(4) if the individual is not eligible to participate in the food stamp program under section 6(f).

"(2) INCOME.—The State plan shall provide that the income of an alien shall be determined in accordance with section 5(i).

"(g) EMPLOYMENT AND TRAINING.—

"(1) WORK REQUIREMENTS.—No individual or member of a family shall be eligible to receive benefits under a State plan funded under this section if the individual is not eligible to participate in the food stamp program under subsection (d) or (n) of section 6.

"(2) WORK PROGRAMS.—Each State shall implement an employment and training program under section 6(d)(4) for needy individuals under the program.

"(h) ENFORCEMENT.—

"(1) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this section and the State plan approved under subsection (d)(4).

"(2) NONCOMPLIANCE.—

"(A) IN GENERAL.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds that—

"(i) there has been a failure by the State to comply substantially with any provision or requirement set forth in the State plan approved under subsection (d)(4); or

"(ii) in the operation of any program or activity for which assistance is provided under this section, there is a failure by the State to comply substantially with any provision of this section;

the Secretary shall notify the State of the finding and that no further payments will be made to the State under this section (or, in the case of noncompliance in the operation of a program or activity, that no further payments to the State will be made with respect to the program or activity) until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

"(B) OTHER SANCTIONS.—In the case of a finding of noncompliance made pursuant to subparagraph (A), the Secretary may, in addition to, or in lieu of, imposing the sanctions described in subparagraph (A), impose other appropriate sanctions, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

"(C) NOTICE.—The notice required under subparagraph (A) shall include a specific identification of any additional sanction being imposed under subparagraph (B).

"(3) ISSUANCE OF REGULATIONS.—The Secretary shall establish by regulation procedures for—

"(A) receiving, processing, and determining the validity of complaints concerning any failure of a State to comply with the State plan or any requirement of this section; and

"(B) imposing sanctions under this section.

"(4) INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—The Secretary may withhold not more than 5 percent of the amount allotted to a State under subsection (l)(2) if the State does not use an income and eligibility verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7).

"(i) PAYMENTS.—

"(1) IN GENERAL.—For each fiscal year, the Secretary shall pay to a State that has an application approved by the Secretary under subsection (d)(4) an amount that is equal to the allotment of the State under subsection (l)(2) for the fiscal year.

"(2) METHOD OF PAYMENT.—The Secretary shall make payments to a State for a fiscal year under this section by issuing 1 or more letters of credit for the fiscal year, with necessary adjustments on account of overpayments or underpayments, as determined by the Secretary.

"(3) SPENDING OF FUNDS BY STATE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), payments to a State from an allotment under subsection (l)(2) for a fiscal year may be expended by the State only in the fiscal year.

"(B) CARRYOVER.—The State may reserve up to 10 percent of an allotment under subsection (l)(2) for a fiscal year to provide assistance under this section in subsequent fiscal years, except that the reserved funds may not exceed 30 percent of the total allotment received under this section for a fiscal year.

"(4) FOOD ASSISTANCE AND ADMINISTRATIVE EXPENDITURES.—In each fiscal year, of the Federal funds expended by a State under this section—

"(A) not less than 80 percent shall be for food assistance; and

"(B) not more than 6 percent shall be for administrative expenses.

"(5) PROVISION OF FOOD ASSISTANCE.—A State may provide food assistance under this section in any manner determined appropriate by the State to provide food assistance to needy individuals and families in the State, such as electronic benefits transfer limited to food purchases, coupons limited to food purchases, or direct provision of commodities.

"(6) DEFINITION OF FOOD ASSISTANCE.—In this section, the term 'food assistance' means assistance that may be used only to obtain food, as defined in section 3(g).

"(j) AUDITS.—

"(1) REQUIREMENT.—After the close of each fiscal year, a State shall arrange for an audit of the expenditures of the State during the program period from amounts received under this section.

"(2) INDEPENDENT AUDITOR.—An audit under this section shall be conducted by an entity that is independent of any agency administering activities that receive assistance under this section and be in accordance with generally accepted auditing principles.

"(3) PAYMENT ACCURACY.—Each annual audit under this section shall include an audit of payment accuracy under this section that shall be based on a statistically valid sample of the caseload in the State.

"(4) SUBMISSION.—Not later than 30 days after the completion of an audit under this section, the State shall submit a copy of the audit to the legislature of the State and to the Secretary.

"(5) REPAYMENT OF AMOUNTS.—Each State shall repay to the United States any amounts determined through an audit under this section to have not been expended in accordance with this section or to have not been expended in accordance with the State plan, or the Secretary may offset the amounts against any other amount paid to the State under this section.

"(k) NONDISCRIMINATION.—

"(1) IN GENERAL.—The Secretary shall not provide financial assistance for any program, project, or activity under this section if any person with responsibilities for the operation of the program, project, or activity discriminates with respect to the program, project, or activity because of race, religion, color, national origin, sex, or disability.

"(2) ENFORCEMENT.—The powers, remedies, and procedures set forth in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) may be used by the Secretary to enforce paragraph (1).

"(l) ALLOTMENTS.—

"(1) DEFINITION OF STATE.—In this section, the term 'State' means each of the 50 States, the District of Columbia, Guam, and the Virgin Islands of the United States.

"(2) STATE ALLOTMENT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), from the amounts made available under section 18 of this Act for each fiscal year, the Secretary shall allot to each State participating in the program established under this section an amount that is equal to the sum of—

"(i) the greater of, as determined by the Secretary—

"(I) the total dollar value of all benefits issued under the food stamp program established under this Act by the State during fiscal year 1994; or

"(II) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during each of fiscal years 1992 through 1994; and

"(ii) the greater of, as determined by the Secretary—

"(I) the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (h), respectively, of section 16 of this Act for fiscal year 1994; or

"(II) the average per fiscal year of the total amount received by the State for administrative costs and the employment and training program under subsections (a) and (h), respectively, of section 16 of this Act for each of fiscal years 1992 through 1994.

"(B) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of allotments to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the allotments for the fiscal year, the Secretary shall reduce the allotments made to States under this subsection, on a pro rata basis, to the extent necessary to allot under this subsection a total amount that is equal to the funds that will be made available.".

(b) RESEARCH ON OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) (as amended by section 339 and 342(c)(2)) is further amended by adding at the end the following:

"(m) RESEARCH ON OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.—The Secretary may conduct research on the effects and costs of a State program carried out under section 25.".

SEC. 344. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall become effective on October 1, 1995.

Subtitle B—Anti-Fraud and Trafficking

SEC. 351. EXPANDED DEFINITION OF COUPON.

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization card, cash or check issued as a coupon, or access device, including an electronic benefits transfer card or a personal identification number,".

SEC. 352. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i), by striking "six months upon" and inserting "1 year on"; and

(2) in clause (ii), by striking "1 year upon" and inserting "2 years on".

SEC. 353. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)) is amended by adding at the end the following:

"(3) AUTHORIZATION PERIODS.—The Secretary is authorized to issue regulations establishing specific time periods during which authorization to accept and redeem coupons under the food stamp program shall be valid.".

SEC. 354. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY.

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)) (as amended by section 353) is further amended by adding at the end the following:

"(4) PERIODS FOR PARTICIPATION OF STORES AND CONCERNS.—The Secretary may issue regulations establishing specific time periods during which a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied, or that has an approval withdrawn, on the basis of business integrity and reputation cannot submit a new application for approval. The periods shall reflect the severity of business integrity infractions that are the basis of the denials or withdrawals.".

SEC. 355. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting ", which may include relevant income and sales tax filing documents," after "submit information" ; and

(2) by inserting after the first sentence the following: "The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.".

SEC. 356. WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following: "A retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied because the store or concern does not meet criteria for approval established by the Secretary by regulation may not submit a new application for 6 months after the date of the denial.".

SEC. 357. BASES FOR SUSPENSIONS AND DISQUALIFICATIONS.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) by striking the section heading;

(2) by striking "SEC. 12 (a) Any" and inserting the following:

"SEC. 12. CIVIL MONEY PENALTIES AND DISQUALIFICATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

"(a) DISQUALIFICATION.—

"(1) IN GENERAL.—Any"; and

(3) in subsection (a), by adding at the end the following:

"(2) BASIS.—Regulations issued pursuant to this Act shall provide criteria for the finding of a violation, and the suspension or disqualification of a retail food store or wholesale food concern, on the basis of evidence that may include facts established through on-site investigations, inconsistent redemption data, or evidence obtained through transaction reports under electronic benefits transfer systems.".

SEC. 358. DISQUALIFICATION OF STORES PENDING JUDICIAL AND ADMINISTRATIVE REVIEW.

(a) AUTHORITY.—Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)) (as amended by section 357) is further amended by adding at the end the following:

"(3) DISQUALIFICATION PENDING REVIEW.—The regulations may establish criteria under which the authorization of a retail food store or wholesale food concern to accept and redeem coupons may be suspended at the time the store or concern is initially found to have committed a violation of a requirement of the food stamp program that would result in a permanent disqualification. The suspension may coincide with the period of a review under section 14. The Secretary shall not be liable for the value of any sales lost during a suspension or disqualification period.".

(b) REVIEW.—Section 14(a) of the Act (7 U.S.C. 2023(a)) is amended—

(1) in the first sentence, by striking "disqualified or subjected" and inserting "suspended, disqualified, or subjected";

(2) in the fifth sentence, by inserting before the period at the end the following: ", except that, in the case of the suspension of a retail food store or wholesale food concern under section 12(a)(3), the suspension shall remain in effect pending any judicial or administrative review of the proposed disqualification action, and the period of suspension shall be considered a part of any period of disqualification that is imposed"; and

(3) by striking the last sentence.

SEC. 359. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification of an approved retail food store and a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) notwithstanding section 14, shall not be subject to judicial or administrative review.".

SEC. 360. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) (as amended by section 359) is further amended by adding at the end the following:

"(h) FALSIFIED APPLICATIONS.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing for the permanent disqualification of a retail food store, or wholesale food concern, that knowingly submits an application for approval to accept and redeem coupons that contains false information about a substantive matter that was, or could have been, a basis for approving the application.

"(2) REVIEW.—A disqualification under paragraph (1) shall be subject to judicial and administrative review under section 14, except that the disqualification shall remain in effect pending the review.".

SEC. 361. EXPANDED CRIMINAL FORFEITURE FOR VIOLATIONS.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—The first sentence of section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CRIMINAL FORFEITURE.—Section 15 of the Act (7 U.S.C. 2024)) is amended by adding at the end the following:

"(h) CRIMINAL FORFEITURE.—

"(A) IN GENERAL.—Any person convicted of violating subsection (b) or (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall forfeit to the United States—

"(i) any food stamp benefits and any property constituting, or derived from, or traceable to any proceeds the person obtained directly or indirectly as a result of the violation; and

"(ii) any food stamp benefits and any property of the person used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the violation.

"(B) Sentence.—In imposing a sentence on a person under subparagraph (A), a court shall order that the person forfeit to the United States all property described in this subsection.

"(C) Procedures.—Any food stamp benefits or property subject to forfeiture under this subsection, any seizure or disposition of the benefits or property, and any administrative or judicial proceeding relating to the benefits or property, shall be governed by subsections (b), (c), (e), and (g) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), if not inconsistent with this subsection.

"(3) Excluded property.—This subsection shall not apply to property referred to in subsection (g).".

SEC. 362. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle shall become effective on October 1, 1995.

TITLE IV—CHILD NUTRITION PROGRAMS

Subtitle A—Reimbursement Rates

SEC. 401. TERMINATION OF ADDITIONAL PAYMENT FOR LUNCHES SERVED IN HIGH FREE AND REDUCED PRICE PARTICIPATION SCHOOLS.

(a) In General.—Section 4(b)(2) of the National School Lunch Act (42 U.S.C. 1753(b)(2)) is amended by striking "except that" and all that follows through "2 cents more".

(b) Effective Date.—The amendment made by subsection (a) shall become effective on July 1, 1996.

SEC. 402. VALUE OF FOOD ASSISTANCE.

(a) In General.—Section 6(e)(1) of the National School Lunch Act (42 U.S.C. 1755(e)(1)) is amended by striking subparagraph (B) and inserting the following:

"(B) Adjustments.—

"(i) In general.—The value of food assistance for each meal shall be adjusted each July 1 by the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year.

"(ii) Adjustments.—Except as otherwise provided in this subparagraph, in the case of each school year, the Secretary shall—

"(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the preceding school year;

"(II) adjust the resulting amount in accordance with clause (i); and

"(III) round the result to the nearest lower cent increment.

"(iii) Adjustment on January 1, 1996.—On January 1, 1996, the Secretary shall adjust the value of food assistance for the remainder of the school year by rounding the previously established value of food assistance to the nearest lower cent increment.

"(iv) Adjustment for 1996–97 school year.—In the case of the school year beginning July 1, 1996, the value of food assistance shall be the same as the value of food assistance in effect on June 30, 1996.

"(v) Adjustment for 1997–98 school year.—In the case of the school year beginning July 1, 1997, the Secretary shall—

"(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the value of food assistance for the school year beginning July 1, 1995;

"(II) adjust the resulting amount to reflect the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May for the most recent 12-month period for which the data are available; and

"(III) round the result to the nearest lower cent increment.".

(b) Effective Date.—The amendments made by subsection (a) shall become effective on January 1, 1996.

SEC. 403. LUNCHES, BREAKFASTS, AND SUPPLEMENTS.

(a) In General.—Section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended—

(1) by designating the second and third sentences as subparagraphs (C) and (D), respectively; and

(2) by striking subparagraph (D) (as so designated) and inserting the following:

"(D) Rounding.—Except as otherwise provided in this paragraph, in the case of each school year, the Secretary shall—

"(i) base the adjustment made under this paragraph on the amount of the unrounded adjustment for the preceding school year;

"(ii) adjust the resulting amount in accordance with subparagraphs (B) and (C); and

"(iii) round the result to the nearest lower cent increment.

"(E) Adjustment on January 1, 1996.—On January 1, 1996, the Secretary shall adjust the rates and factor for the remainder of the school year by rounding the previously established rates and factor to the nearest lower cent increment.

"(F) Adjustment for 24-month period beginning July 1, 1996.—In the case of the 24-month period beginning July 1, 1996, the national average payment rates for paid lunches, paid breakfasts, and paid supplements shall be the same as the national average payment rate for paid lunches, paid breakfasts, and paid supplements, respectively, for the school year beginning July 1, 1995, rounded to the nearest lower cent increment.

"(G) Adjustment for school year beginning July 1, 1998.—In the case of the school year beginning July 1, 1998, the Secretary shall—

"(i) base the adjustments made under this paragraph for—

"(I) paid lunches and paid breakfasts on the amount of the unrounded adjustment for paid lunches for the school year beginning July 1, 1995; and

"(II) paid supplements on the amount of the unrounded adjustment for paid supplements for the school year beginning July 1, 1995;

"(ii) adjust each resulting amount in accordance with subparagraph (C); and

"(iii) round each result to the nearest lower cent increment.".

(b) Effective Date.—The amendments made by subsection (a) shall become effective on January 1, 1996.

SEC. 404. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) In General.—Section 13(b) of the National School Lunch Act (42 U.S.C. 1761(b)) is amended—

(1) by striking "(b)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(b) Service Institutions.—

"(1) Payments.—

"(A) In general.—Except as otherwise provided in this paragraph, payments to service institutions shall equal the full cost of food service operations (which cost shall include the costs of obtaining, preparing, and serving food, but shall not include administrative costs).

"(B) Maximum amounts.—Subject to subparagraph (C), payments to any institution under subparagraph (A) shall not exceed—

"(i) $2 for each lunch and supper served;

"(ii) $1.20 for each breakfast served; and

"(iii) 50 cents for each meal supplement served.

"(C) Adjustments.—Amounts specified in subparagraph (B) shall be adjusted each January 1 to the nearest lower cent increment in accordance with the changes for the 12-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Each adjustment shall be based on the unrounded adjustment for the prior 12-month period.";

(2) in the second sentence of paragraph (3), by striking "levels determined" and all that follows through "this subsection" and inserting "level determined by the Secretary"; and

(3) by striking paragraph (4).

(b) Effective Date.—The amendments made by subsection (a) shall become effective on January 1, 1996.

SEC. 405. SPECIAL MILK PROGRAM.

(a) In General.—Section 3(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)) is amended by striking paragraph (8) and inserting the following:

"(8) Adjustments.—

"(A) In general.—Except as otherwise provided in this paragraph, in the case of each school year, the Secretary shall—

"(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the preceding school year;

"(ii) adjust the resulting amount in accordance with paragraph (7); and

"(iii) round the result to the nearest lower cent increment.

"(B) Adjustment on January 1, 1996.—On January 1, 1996, the Secretary shall adjust the minimum rate for the remainder of the school year by rounding the previously established minimum rate to the nearest lower cent increment.

"(C) Adjustment for 1996–97 school year.—In the case of the school year beginning July 1, 1996, the minimum rate shall be the same as the minimum rate in effect on June 30, 1996.

"(D) Adjustment for 1997–98 school year.—In the case of the school year beginning July 1, 1997, the Secretary shall—

"(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the minimum rate for the school year beginning July 1, 1995;

"(ii) adjust the resulting amount to reflect changes in the Producer Price Index for Fresh Processed Milk published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period for which the data are available; and

"(iii) round the result to the nearest lower cent increment.".

(b) Effective Date.—The amendment made by subsection (a) shall become effective on January 1, 1996.

SEC. 406. FREE AND REDUCED PRICE BREAKFASTS.

(a) In General.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended—

(1) in the second sentence of paragraph (1)(B), by striking ", adjusted to the nearest one-fourth cent" and inserting "(as adjusted pursuant to section 11(a) of the National School Lunch Act (42 U.S.C. 1759a(a))"; and

(2) in paragraph (2)(B)(ii)—

(A) by striking "nearest one-fourth cent" and inserting "nearest lower cent increment for the applicable school year"; and

(B) by inserting before the period at the end the following: ", and the adjustment required by this clause shall be based on the unrounded adjustment for the preceding school year".

(b) Effective Date.—The amendments made by subsection (a) shall become effective on July 1, 1996.

SEC. 407. CONFORMING REIMBURSEMENT FOR PAID BREAKFASTS AND LUNCHES.

(a) In General.—The last sentence of section 4(b)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)(B)) is amended by striking "8.25 cents" and all that follows through "Act)" and inserting "the same as the national average lunch payment for paid meals established under section 4(b) of the National School Lunch Act (42 U.S.C. 1753(b))".

(b) Effective Date.—The amendment made by subsection (a) shall become effective on January 1, 1996.

Subtitle B—Grant Programs

SEC. 411. SCHOOL BREAKFAST STARTUP GRANTS.

Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is amended by striking subsection (g).

SEC. 412. NUTRITION EDUCATION AND TRAINING PROGRAMS.

Section 19(i)(2)(A) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)(2)(A)) is amended by striking "$10,000,000" and inserting "$7,000,000".

SEC. 413. EFFECTIVE DATE.

The amendments made by this subtitle shall become effective on October 1, 1996.

Subtitle C—Other Amendments

SEC. 421. FREE AND REDUCED PRICE POLICY STATEMENT.

(a) School Lunch Program.—Section 9(b)(2) of the National School Lunch Act (42 U.S.C. 1758(b)(2)) is amended by adding at the end the following:

"(D) Free and reduced price policy statement.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

(b) School Breakfast Program.—Section 4(b)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)) is amended by adding at the end the following:

"(E) Free and reduced price policy statement.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

SEC. 422. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) Permitting Offer Versus Serve.—Section 13(f) of the National School Lunch Act (42 U.S.C. 1761(f)) is amended—

(1) by striking "(f) Service" and inserting the following:

"(f) Nutritional Standards.—

"(1) In general.—Service"; and

(2) by adding at the end the following:

"(2) Offer versus serve.—A school food authority participating as a service institution may permit a child attending a site on school premises operated directly by the authority to refuse not more than 1 item of a meal that the child does not intend to consume. A refusal of an offered food item shall not affect the amount of payments made under this section to a school for the meal.".

(b) Removing Mandatory Notice to Institutions.—Section 13(n)(2) of the Act is amended by striking "and its plans and schedule" and inserting "except that the Secretary may not require a State to submit a plan or schedule".

SEC. 423. CHILD AND ADULT CARE FOOD PROGRAM.

(a) Payments to Sponsor Employees.—Paragraph (2) of the last sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited, managed, or monitored.".

(b) Improved Targeting of Day Care Home Reimbursements.—

(1) Restructured day care home reimbursements.—Section 17(f)(3) of the Act is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following:

"(3) Reimbursement of family or group day care home sponsoring organizations.—

"(A) Reimbursement factor.—

"(i) In general.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

"(ii) Tier I family or group day care homes.—

"(I) Definition.—In this paragraph, the term 'tier I family or group day care home' means—

"(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the income eligibility guidelines for free or reduced price meals under section 9 and whose income is verified by the sponsoring organization of the home under regulations established by the Secretary.

"(II) Reimbursement.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(III) Factors.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

"(IV) Adjustments.—The reimbursement factors under this subparagraph shall be adjusted on August 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

"(iii) Tier II family or group day care homes.—

"(I) In general.—

"(aa) Factors.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1 for lunches and suppers, 30 cents for breakfasts, and 15 cents for supplements.

"(bb) Adjustments.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) Reimbursement.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(II) Other factors.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) Children eligible for free or reduced price meals.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) Ineligible children.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the income eligibility guidelines, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) INFORMATION AND DETERMINATIONS.—

"(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the income eligibility guidelines under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

"(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that sponsors the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the income eligibility guidelines under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

"(cc) Such other simplified procedures as the Secretary may prescribe.

"(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any necessary minimum verification requirements.".

(2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the Act is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1996.

"(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

"(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

"(bb) training and other assistance to family and group day care homes in the implementation of the amendments to subparagraph (A) made by section 423(b)(1) of the Work Opportunity Act of 1995.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State during fiscal year 1994 as a percentage of the number of all family day care homes participating in the program during fiscal year 1994.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1996 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A) (as amended by section 423(b)(1) of the Work Opportunity Act of 1995).".

(3) PROVISION OF DATA.—Section 17(f)(3) of the Act (as amended by paragraph (2)) is further amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide data for each elementary school in the State, or shall direct each school within the State to provide data for the school, to approved family or group day care home sponsoring organizations that request the data, on the percentage of enrolled children who are eligible for free or reduced price meals.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(4) CONFORMING AMENDMENTS.—Section 17(c) of the Act is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(c) DISALLOWING MEAL CLAIMS.—The fourth sentence of section 17(f)(4) of the Act is amended by inserting "(including institutions that are not family or group day care home sponsoring organizations)" after "institutions".

(d) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the Act is amended by striking subsection (k) and inserting the following:

"(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.".

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1), (3), and (4) of subsection (b) shall become effective on August 1, 1996.

SEC. 424. REDUCING REQUIRED REPORTS TO STATE AGENCIES AND SCHOOLS.

Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is amended by striking subsection (c) and inserting the following:

"(c) REPORT.—Not later than 1 year after the date of enactment of the Work Opportunity Act of 1995, the Secretary shall—

"(1) review all reporting requirements under this Act and the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) that are in effect, as of the date of enactment of the Work Opportunity Act of 1995, for agencies and schools referred to in subsection (a); and

"(2) provide a report to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that—

"(A) describes the reporting requirements described in paragraph (1) that are required by law;

"(B) makes recommendations concerning the elimination of any requirement described in subparagraph (A) because the contribution of the requirement to program effectiveness is not sufficient to warrant the paperwork burden that is placed on agencies and schools referred to in subsection (a); and

"(C) provides a justification for reporting requirements described in paragraph (1) that are required solely by regulation.".

Subtitle D—Reauthorization

SEC. 431. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) ADMINISTRATIVE FUNDING.—Section 5(a)(2) of the Act (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

SEC. 432. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) REAUTHORIZATION.—The first sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(b) PROGRAM TERMINATION.—Section 212 of the Act (Public Law 98-8; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

(c) REQUIRED PURCHASES OF COMMODITIES.—Section 214 of the Act (Public Law 98-8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (e), by striking "1995" each place it appears and inserting "2002".

(d) EXTENSION.—Section 13962 of the Omnibus Budget Reconciliation Act of 1993 (Public Law 103-66; 107 Stat. 680) is amended by striking "1994, 1995, and 1996" each place it appears and inserting "1994 through 2002".

SEC. 433. SOUP KITCHENS PROGRAM.

Section 110 of the Hunger Prevention Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of subsection (a), by striking "1995" and inserting "2002"; and

(2) in subsection (c)(2)—

(A) in the paragraph heading, by striking "1995" and inserting "2002"; and

(B) by striking "1995" each place it appears and inserting "2002".

SEC. 434. NATIONAL COMMODITY PROCESSING.

The first sentence of section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1995" and inserting "2002".

SEC. 435. COMMODITY SUPPLEMENTAL FOOD PROGRAM.

Section 5(d)(2) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "1995" and inserting "2002".

TITLE V—NONCITIZENS

SEC. 501. STATE OPTION TO PROHIBIT ASSISTANCE FOR CERTAIN ALIENS.

(a) IN GENERAL.—A State may, at its option, prohibit the use of any Federal funds received for the provision of assistance under any means-tested public assistance program for any individual who is a noncitizen of the United States.

(b) EXCEPTIONS.—Subsection (a) shall not apply to—

(1) any individual who is described in subclause (II), (III), (IV), or (V) of section 1614(a)(1)(B)(i) of the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(i)); and

(2) any program described in section 502(f)(2).

SEC. 502. DEEMED INCOME REQUIREMENT FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS.

(a) DEEMING REQUIREMENT. FOR FEDERAL AND FEDERALLY FUNDED PROGRAMS.—Subject to subsection (d), for purposes of determining the eligibility of an individual (whether a citizen or national of the United States or an alien) for assistance and the amount of assistance, under any Federal program of assistance provided or funded, in whole or in part, by the Federal Government for which eligibility is based on need, the income and resources described in subsection (b) shall, notwithstanding any other provision of law, be deemed to be the income and resources of such individual.

(b) DEEMED INCOME AND RESOURCES.—The income and resources described in this subsection include the following:

(1) The income and resources of any person who, as a sponsor of such individual's entry into the United States, or in order to enable such individual lawfully to remain in the United States, executed an affidavit of support or similar agreement with respect to such individual.

(2) The income and resources of the sponsor's spouse.

(c) LENGTH OF DEEMING PERIOD.—The requirement of subsection (a) shall apply for the period for which the sponsor has agreed, in such affidavit or agreement, to provide support for such individual, or for a period of 5 years beginning on the date such individual was first lawfully in the United States after the execution of such affidavit or agreement, whichever period is longer.

(d) LIMITATION ON MEASUREMENT OF DEEMED INCOME AND RESOURCES.—

(1) IN GENERAL.—If a determination described in paragraph (2) is made, the amount of income and resources of the sponsor or the sponsor's spouse which shall be attributed to the sponsored individual shall not exceed the amount actually provided, for a period beginning on the date of such determination and lasting 12 months or, if the address of the sponsor is unknown to the sponsored individual on the date of such determination, for 12 months after the address becomes known to the sponsored individual or to the agency (which shall inform such individual within 7 days).

(2) DETERMINATION.—The determination described in this paragraph is a determination by an agency that a sponsored individual would, in the absence of the assistance provided by the agency, be unable to obtain food and shelter, taking into account the individual's own income, plus any cash, food, housing, or other assistance provided by other individuals, including the sponsor.

(e) DEEMING AUTHORITY TO STATE AND LOCAL AGENCIES.—

(1) IN GENERAL.—Notwithstanding any other provision of law, but subject to an exception equivalent to that in subsection (d), the State or local government may, for purposes of determining the eligibility of an individual (whether a citizen or national of the United States or an alien) for assistance, and the amount of assistance, under any State or local program of assistance for which eligibility is based on need, or any need-based program of assistance administered by a State or local government other than a program described in subsection (a), require that the income and resources described in paragraph (2) be deemed to be the income and resources of such individual.

(2) DEEMED INCOME AND RESOURCES.—The income and resources described in this paragraph include the following:

(A) The income and resources of any person who, as a sponsor of such individual's entry into the United States, or in order to enable such individual lawfully to remain in the United States, executed an affidavit of support or similar agreement with respect to such individual.

(B) The income and resources of the sponsor's spouse.

(3) LENGTH OF DEEMED INCOME PERIOD.—Subject to an exception equivalent to subsection (d), a State or local government may impose a requirement described in paragraph (1) for the period for which the sponsor has agreed, in such affidavit or agreement, to provide support for such individual, or for a period of 5 years beginning on the date such individual was first lawfully in the United States after the execution of such affidavit or agreement, whichever period is longer.

(f) APPLICABILITY OF SECTION.—

(1) INDIVIDUALS.—The provisions of this section shall not apply to the eligibility of any individual who is described in subclause (II), (III), (IV), or (V) of section 1614(a)(1)(B)(i) of the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(i)).

(2) PROGRAMS.—The provisions of this section shall not apply to eligibility for—

(A) emergency medical services under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

(B) short-term emergency disaster relief;

(C) assistance or benefits under the National School Lunch Act;

(D) assistance or benefits under the Child Nutrition Act of 1966; and

(E) public health assistance for immunizations with respect to immunizable diseases and for testing and treatment for communicable diseases if the Secretary of Health and Human Services determines that such testing and treatment is necessary.

(g) CONFORMING AMENDMENTS.—

(1) Section 1621 of the Social Security Act (42 U.S.C. 1382j) is repealed.

(2) Section 1614(f)(3) of such Act (42 U.S.C. 1382c(f)(3)) is amended by striking "section 1621" and inserting "section 502 of the Work Opportunity Act of 1995".

SEC. 503. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) ENFORCEABILITY.—No affidavit of support may be relied upon by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) of the Immigration and Nationality Act unless such affidavit is executed as a contract—

(1) which is legally enforceable against the sponsor by the sponsored individual, by the Federal Government, and by any State, district, territory, or possession of the United States (or any subdivision of such State, district, territory, or possession of the United States) which provides any benefit described in clause (1)(A)(ii) of subsection (d), but not later than 10 years after the sponsored individual last receives any such benefit;

(2) in which the sponsor agrees to financially support the sponsored individual, so that he or she will not become a public charge, until the sponsored individual has worked in the United States for 40 qualifying quarters; and

(3) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (d)(2).

(b) FORMS.—Not later than 90 days after the date of enactment of this Act, the Secretary of State, the Attorney General, and the Secretary of Health and Human Services shall jointly formulate the affidavit of support described in this section.

(c) NOTIFICATION OF CHANGE OF ADDRESS.—

(1) IN GENERAL.—The sponsor shall notify the Attorney General and the State, district, territory, or possession in which the sponsored individual is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(1).

(2) PENALTY.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

(A) not less than $250 or more than $2,000, or

(B) if such failure occurs with knowledge that the sponsored individual has received any benefit described in section 241(a)(5)(C) of the Immigration and Nationality Act, not less than $2,000 or more than $5,000.

(d) REIMBURSEMENT OF GOVERNMENT EXPENSES.—

(1) IN GENERAL.—Upon notification that a sponsored individual has received any benefit described in paragraph (2), the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

(2) PROGRAMS DESCRIBED.—The programs described in this paragraph include the following:

(A) Assistance under a State program funded under part A of title IV of the Social Security Act.

(B) The medicaid program under title XIX of the Social Security Act.

(C) The food stamp program under the Food Stamp Act of 1977.

(D) The supplemental security income program under title XVI of the Social Security Act.

(E) Any State general assistance program.

(F) Any other program of assistance funded, in whole or in part, by the Federal Government or any State or local government entity, for which eligibility for benefits is based on need, except the programs specified in section 502(f)(2).

(3) REGULATIONS.—The Commissioner of Social Security shall prescribe such regulations as may be necessary to carry out paragraph (1). Such regulations shall provide for notification to the sponsor by certified mail to the sponsor's last known address.

(4) REIMBURSEMENT.—If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

(5) ACTION IN CASE OF FAILURE.—If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

(6) STATUTE OF LIMITATIONS.—No cause of action may be brought under this subsection later than 10 years after the sponsored individual last received any benefit under a program described in paragraph (2).

(e) JURISDICTION.—For purposes of this section, no State court shall decline for lack of jurisdiction to hear any action brought against a sponsor for reimbursement of the cost of any benefit under a program described in subsection (d)(2) if the sponsored individual received public assistance while residing in the State.

(f) DEFINITIONS.—For the purposes of this section—

(1) the term "sponsor" means an individual who—

(A) is a United States citizen or national or an alien who is lawfully admitted to the United States for permanent residence;

(B) is 18 years of age or over;

(C) is domiciled in any of the several States of the United States, the District of Columbia, or any territory or possession of the United States; and

(D) demonstrates the means to maintain an annual income equal to at least 200 percent of the Federal poverty line for the individual and the individual's family (including the sponsored individual), through evidence that shall include a copy of the individual's Federal income tax returns for his or her most recent two taxable years and a written statement, executed under oath or as permitted under penalty of perjury under section 1746 of title 28, United States Code, that the copies are true copies of such returns; and

(2) the term "Federal poverty line" means the level of income equal to the official poverty line (as defined by the Director of the Office of Management and Budget, as revised by the Secretary of Health and Human Services, in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981, 42 U.S.C. 9902) that is applicable to a family of the size involved.

(3) the term "qualifying quarter" means a three-month period in which the sponsored individual has—

(A) earned at least the minimum necessary for the period to count as one of the 40 calendar quarters required to qualify for social security retirement benefits;

(B) not received need-based public assistance; and

(C) had income tax liability for the tax year of which the period was part.

SEC. 504. LIMITED ELIGIBILITY OF NONCITIZENS FOR SSI BENEFITS.

(a) IN GENERAL.—Paragraph (1) of section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)) is amended—

(1) in subparagraph (B)(i), by striking "either" and all that follows through ", or" and inserting "(I) a citizen; (II) a noncitizen who is granted asylum under section 208 of the Immigration and Nationality Act or whose deportation has been withheld under section 243(h) of such Act for a period of not more than 5 years after the date of arrival into the United States; (III) a noncitizen who is admitted to the United States as a refugee under section 207 of such Act for not more than such 5-year period; (IV) a noncitizen, lawfully present in any State (or any territory or possession of the United States), who is a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage or who is the spouse or unmarried dependent child of such veteran; or (V) a noncitizen who has worked sufficient calendar quarters of coverage to be a fully insured individual for benefits under title II, or"; and

(2) by adding at the end the following new flush sentence:

"For purposes of subparagraph (B)(i)(IV), the determination of whether a noncitizen is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. A noncitizen shall not be considered to be lawfully present in the United States for purposes of this title merely because the noncitizen may be considered to be permanently residing in the United States under color of law for purposes of any particular program.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) APPLICATION AND NOTICE.—Notwithstanding any other provision of law, in the case of an individual who is receiving supplemental security income benefits under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits would terminate by reason of the amendments made by subsection (a), such amendments shall apply with respect to the benefits of such individual for months beginning on or after January 1, 1997, and the Commissioner of Social Security shall so notify the individual not later than 90 days after the date of the enactment of this Act.

(B) REAPPLICATION.—

(i) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, each individual notified pursuant to subparagraph (A) who desires to reapply for benefits under title XVI of the Social Security Act shall reapply to the Commissioner of Social Security.

(ii) DETERMINATION OF ELIGIBILITY.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall determine the eligibility of each individual who reapplies for benefits under clause (i) pursuant to the procedures of such title XVI.

SEC. 505. TREATMENT OF NONCITIZENS.

(a) IN GENERAL.—Notwithstanding any other provision of law, a noncitizen who has entered into the United States on or after the date of the enactment of this Act shall not, during the 5-year period beginning on the date of such noncitizen's entry into the United States, be eligible to receive any benefits under any program of assistance provided, or funded, in whole or in part, by the Federal Government, for which eligibility for benefits is based on need.

(b) EXCEPTIONS.—Subsection (a) shall not apply to—

(1) any individual who is described in subclause (II), (III), (IV), or (V) of section 1614(a)(1)(B)(i) of the Social Security Act (42 U.S.C. 1382c(a)(1)(B)(i)); and

(2) any program described in section 502(f)(2).

TITLE VI—CHILD CARE

SEC. 601. SHORT TITLE.

This title may be cited as the "Child Care and Development Block Grant Amendments Act of 1995".

SEC. 602. AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subchapter $1,000,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.".

(b) LEAD AGENCY.—Section 658D(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "State" and inserting "governmental or nongovernmental"; and

(B) in subparagraph (C), by inserting "with sufficient time and Statewide distribution of the notice of such hearing," after "hearing in the State"; and

(2) in paragraph (2), by striking the second sentence.

(c) APPLICATION AND PLAN.—Section 658E of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c) is amended—

(1) in subsection (b), by striking "implemented—" and all that follows through "plans." and inserting "implemented during a 2-year period.";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (iii) by striking the semicolon and inserting a period; and

(II) by striking "except" and all that follows through "1992."; and

(ii) in subparagraph (E)—

(I) by striking clause (ii) and inserting the following new clause:

"(ii) the State will implement mechanisms to ensure that appropriate payment mechanisms exist so that proper payments under this subchapter will be made to providers within the State and to permit the State to furnish information to such providers."; and

(II) by adding at the end thereof the following new sentence: "In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organization receiving assistance under this subchapter."; and

(iii) by striking subparagraphs (H) and (I); and

(B) in paragraph (3)—

(i) in subparagraph (C)—

(I) in the subparagraph heading, by striking "AND TO INCREASE" and all that follows through "CARE SERVICES";

(II) by striking "25 percent" and inserting "15 percent"; and

(III) by striking "and to provide before-" and all that follows through "658H)"; and

(ii) by adding at the end thereof the following new subparagraph:

"(D) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of payments received under this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all its functions and duties under this subchapter.".

(d) SLIDING FEE SCALE.—

(1) IN GENERAL.—Section 658E(c)(5) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(5)) is amended by inserting before the period the following: "and that ensures a representative distribution of funding among the working poor and recipients of Federal welfare assistance".

(2) ELIGIBILITY.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended by striking "75 percent" and inserting "100 percent".

(e) QUALITY.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "A State" and inserting "(a) IN GENERAL.—A State";

(B) by striking "not less than 20 percent of"; and

(C) by striking "one or more of the following" and inserting "carrying out the resource and referral activities described in subsection (b), and for one or more of the activities described in subsection (c).";

(2) in paragraph (1), by inserting before the period the following: ", including providing comprehensive consumer education to parents and the public, referrals that honor parental choice, and activities designed to improve the quality and availability of child care";

(3) by striking "(1) RESOURCE AND REFERRAL PROGRAMS.—Operating" and inserting the following:

"(b) RESOURCE AND REFERRAL PROGRAMS.—The activities described in this subsection are operating";

(4) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively;

(5) by inserting before paragraph (1) (as so redesignated) the following:

"(c) OTHER ACTIVITIES.—The activities described in this section are the following:"; and

(6) by adding at the end thereof the following:

"(5) BEFORE- AND AFTER-SCHOOL ACTIVITIES.—Increasing the availability of before- and after-school care.

"(6) INFANT CARE.—Increasing the availability of child care for infants under the age of 18 months.

"(7) NONTRADITIONAL WORK HOURS.—Increasing the availability of child care between the hours of 5:00 p.m. and 8:00 a.m.

"(d) NONDISCRIMINATION.—With respect to child care providers that comply with applicable State law but which are otherwise not required to be licensed by the State, the State, in carrying out this section, may not discriminate against such a provider if such provider desires to participate in resource and referral activities carried out under subsection (b).".

(f) REPEAL.—Section 658H of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858f) is repealed.

(g) ENFORCEMENT.—Section 658I(b)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(b)(2)) is amended—

(1) in the matter following clause (ii) of subparagraph (A), by striking "finding and that" and all that follows through the period and inserting "finding and may impose additional program requirements on the State, including a requirement that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options."; and

(2) by striking subparagraphs (B) and (C).

(h) REPORTS.—Section 658K of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i) is amended—

(1) in the section heading, by striking "ANNUAL REPORT" and inserting "REPORTS"; and

(2) in subsection (a)—

(A) in the subsection heading, by striking "ANNUAL REPORT" and inserting "REPORTS";

(B) by striking "December 31, 1992, and annually thereafter" and inserting "December 31, 1996, and every 2 years thereafter";

(C) in paragraph (2)—

(i) in subparagraph (A), by inserting before the semicolon "and the types of child care programs under which such assistance is provided";

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(D) by striking paragraph (4);

(E) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively;

(F) in paragraph (4), as so redesignated, by striking "and" at the end thereof;

(G) in paragraph (5), as so redesignated, by adding "and" at the end thereof; and

(H) by inserting after paragraph (5), as so redesignated, the following new paragraph:

"(6) describing the extent and manner to which the resource and referral activities are being carried out by the State;".

(i) REPORT BY SECRETARY.—Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended—

(1) by striking "1993" and inserting "1997";

(2) by striking "annually" and inserting "bi-annually"; and

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

(j) ALLOTMENTS.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(1) in subsection (c), by adding at the end thereof the following new paragraph:

"(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

"(A) REQUEST FOR USE OF FUNDS.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

"(B) DETERMINATION.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

"(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

"(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph."; and

(2) in subsection (e)—

(A) in paragraph (1), by striking "Any" and inserting "Except as provided in paragraph (4), any"; and

(B) by adding at the end thereof the following new paragraph:

"(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for with the grant or contract is made available, shall be reallocated by the Secretary to other tribes or organization that have submitted applications under subsection (c) in proportion to the original allocations to such tribes or organization.".

(k) DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting "or as a deposit for child care services if such a deposit is required of other children being cared for by the provider" after "child care services"; and

(2) in paragraph (5)(B)—

(A) by inserting "great grandchild, sibling (if the provider lives in a separate residence)," after "grandchild,";

(B) by striking "is registered and"; and

(C) by striking "State" and inserting "applicable".

(l) AUTHORITY TO TRANSFER FUNDS.—The Child Care and Development Block Grant

Act of 1990 (42 U.S.C. 9858 et seq.) is amended by inserting after section 658S the following new section:

"SEC. 658T. TRANSFER OF FUNDS.

"(a) AUTHORITY.—Of the aggregate amount of payments received under this subchapter by a State in each fiscal year, the State may transfer not more than 30 percent for use by the State to carry out the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(b) REQUIREMENTS APPLICABLE TO FUNDS TRANSFERRED.—Funds transferred under subsection (a) to carry out the State program specified in such subsection shall not be subject to the requirements of this subchapter, but shall be subject to the same requirements that apply to Federal funds provided directly under such program.".

SEC. 603. REPEALS AND TECHNICAL AND CONFORMING AMENDMENTS.

(a) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—The State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.) is repealed.

(b) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—The Child Development Associate Scholarship Assistance Act of 1985 (42 U.S.C. 10901 et seq.) is repealed.

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of the Congress and the Director of the Office of Management and Budget, the Secretary of Health and Human Services shall prepare and submit to the Congress a legislative proposal in the form of an implementing bill containing technical and conforming amendments to reflect the amendments and repeals made by this title.

(2) SUBMISSION TO CONGRESS.—Not later than 6 months after the date of enactment of this title, the Secretary of Health and Human Services shall submit the implementing bill referred to under paragraph (1).

TITLE VII—WORKFORCE DEVELOPMENT AND WORKFORCE PREPARATION ACTIVITIES

Subtitle A—General Provisions

SEC. 701. SHORT TITLE.

This title and title VIII may be cited as the "Workforce Development Act of 1995".

SEC. 702. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) increasing international competition, technological advances, and structural changes in the United States economy present new challenges to private businesses and public policymakers in creating a skilled workforce with the ability to adapt to change and technological progress;

(2) despite more than 60 years of federally funded employment training programs, the Federal Government has no single, coherent policy guiding employment training efforts;

(3) according to the General Accounting Office, there are over 100 federally funded employment training programs, which are administered by 15 different Federal agencies and cost more than $20,000,000,000 annually;

(4) many of the programs fail to collect enough performance data to determine the relative effectiveness of each of the programs or the effectiveness of the programs as a whole;

(5) because of the fragmentation, duplication, and lack of accountability that currently exist within and among Federal employment training programs it is often difficult for workers, jobseekers, and businesses to easily access the services they need;

(6) high quality, innovative vocational education programs provide youth with skills and knowledge on which to build successful careers and, in providing the skills and knowledge, vocational education serves as the foundation of a successful workforce development system;

(7) in recent years, several States and communities have begun to develop promising new initiatives such as—

(A) school-to-work programs to better integrate youth employment and education programs; and

(B) one-stop systems to make workforce development activities more accessible to workers, jobseekers, and businesses; and

(8) Federal, State, and local governments have failed to adequately allow for private sector leadership in designing workforce development activities that are responsive to local labor market needs.

(b) PURPOSES.—The purposes of this title are—

(1) to make the United States more competitive in the world economy by eliminating the fragmentation in Federal employment training efforts and creating coherent, integrated statewide workforce development systems designed to develop more fully the academic, occupational, and literacy skills of all segments of the workforce;

(2) to ensure that all segments of the workforce will obtain the skills necessary to earn wages sufficient to maintain the highest quality of living in the world; and

(3) to promote the economic development of each State by developing a skilled workforce that is responsive to the labor market needs of the businesses of each State.

SEC. 703. DEFINITIONS.

As used in this title and title VIII:

(1) ADULT EDUCATION.—

(A) IN GENERAL.—The term "adult education" means services or instruction below the college level for adults who—

(i) lack sufficient education or literacy skills to enable the adults to function effectively in society; or

(ii) do not have a certificate of graduation from a school providing secondary education (as determined under State law) and who have not achieved an equivalent level of education.

(B) ADULT.—As used in subparagraph (A), the term "adult" means an individual who is age 16 or older, or beyond the age of compulsory school attendance under State law, and who is not enrolled in secondary school.

(2) APPROPRIATE SECRETARY.—The term "appropriate Secretary" means, as determined under section 776(c)—

(A) the Secretary of Labor;

(B) the Secretary of Education; or

(C) the Secretary of Labor and the Secretary of Education, acting jointly.

(3) AREA VOCATIONAL EDUCATION SCHOOL.—The term "area vocational education school" means—

(A) a specialized secondary school used exclusively or principally for the provision of vocational education to individuals who are available for study in preparation for entering the labor market;

(B) the department of a secondary school exclusively or principally used for providing vocational education in not fewer than 5 different occupational fields to individuals who are available for study in preparation for entering the labor market;

(C) a technical institute or vocational school used exclusively or principally for the provision of vocational education to individuals who have completed or left secondary school and who are available for study in preparation for entering the labor market, if the institute or school admits as regular students both individuals who have completed secondary school and individuals who have left secondary school; or

(D) the department or division of a junior college, community college, or university that provides vocational education in not fewer than 5 different occupational fields leading to immediate employment but not necessarily leading to a baccalaureate degree, if the department or division admits as regular students both individuals who have completed secondary school and individuals who have left secondary school.

(4) AT-RISK YOUTH.—The term "at-risk youth" means an individual who—

(A) is not less than age 15 and not more than age 24; and

(B)(i) is determined under guidelines developed by the Federal Partnership to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; or

(ii) is a dependent of a family that is determined under guidelines developed by the Federal Partnership to be low-income, using such data.

(5) CHIEF ELECTED OFFICIAL.—The term "chief elected official" means the chief elected officer of a unit of general local government in a substate area.

(6) COMMUNITY-BASED ORGANIZATION.—The term "community-based organization" means a private nonprofit organization of demonstrated effectiveness that is representative of a community or a significant segment of a community and that provides workforce development activities.

(7) COVERED ACTIVITY.—The term "covered activity" means an activity authorized to be carried out under a provision described in section 781(b) (as such provision was in effect on the day before the date of enactment of this Act).

(8) DISLOCATED WORKER.—The term "dislocated worker" means an individual who—

(A) has been terminated from employment and is eligible for unemployment compensation;

(B) has received a notice of termination of employment as a result of any permanent closure, or any layoff of 50 or more people, at a plant, facility, or enterprise, or as a result of a closure or realignment of a military installation;

(C) is long-term unemployed;

(D) was self-employed (including a farmer and a rancher) but is unemployed due to local economic conditions;

(E) is a displaced homemaker; or

(F) has become unemployed as a result of a Federal action that limits the use of, or restricts access to, a marine natural resource.

(9) DISPLACED HOMEMAKER.—The term "displaced homemaker" means an individual who was a full-time homemaker for a substantial number of years, as determined under guidelines developed by the Federal Partnership, and who no longer receives financial support previously provided by a spouse or by public assistance.

(10) ECONOMIC DEVELOPMENT ACTIVITIES.—The term "economic development activities" means the activities described in section 716(e).

(11) EDUCATIONAL SERVICE AGENCY.—The term "educational service agency" means a regional public multiservice agency authorized by State statute to develop and manage a service or program, and provide the service or program to a local educational agency.

(12) ELEMENTARY SCHOOL; LOCAL EDUCATIONAL AGENCY; SECONDARY SCHOOL.—The

terms "elementary school", "local educational agency" and "secondary school" have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

(13) FEDERAL PARTNERSHIP.—The term "Federal Partnership" means the Workforce Development Partnership established in section 771, acting under the direction of the National Board.

(14) FLEXIBLE WORKFORCE ACTIVITIES.—The term "flexible workforce activities" means the activities described in section 716(d).

(15) INDIVIDUAL WITH A DISABILITY.—

(A) IN GENERAL.—The term "individual with a disability" means an individual with any disability (as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102)).

(B) INDIVIDUALS WITH DISABILITIES.—The term "individuals with disabilities" means more than 1 individual with a disability.

(16) LOCAL ENTITY.—The term "local entity" means a public or private entity responsible for local workforce development activities or workforce preparation activities for at-risk youth.

(17) LOCAL PARTNERSHIP.—The term "local partnership" means a partnership referred to in section 728(a).

(18) NATIONAL BOARD.—The term "National Board" means the National Board of the Federal Partnership.

(19) OLDER WORKER.—The term "older worker" means an individual who is age 55 or older and who is determined under guidelines developed by the Federal Partnership to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination.

(20) OUTLYING AREA.—The term "outlying area" means the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

(21) PARTICIPANT.—The term "participant" means an individual participating in workforce development activities or workforce preparation activities for at-risk youth, provided through a statewide system.

(22) POSTSECONDARY EDUCATIONAL INSTITUTION.—The term "postsecondary educational institution" means an institution of higher education, as defined in section 481(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)), that offers—

(A) a 2-year program of instruction leading to an associate's degree or a certificate of mastery; or

(B) a 4-year program of instruction leading to a bachelor's degree.

(23) RAPID RESPONSE ASSISTANCE.—The term "rapid response assistance" means workforce employment assistance provided in the case of a permanent closure, or layoff of 50 or more people, at a plant, facility, or enterprise, including the establishment of on-site contact with employers and employee representatives immediately after the State is notified of a current or projected permanent closure, or layoff of 50 or more people.

(24) SCHOOL-TO-WORK ACTIVITIES.—The term "school-to-work activities" means activities for youth that—

(A) integrate school-based learning and work-based learning;

(B) integrate academic and occupational learning;

(C) establish effective linkages between secondary education and postsecondary education;

(D) provide each youth participant with the opportunity to complete a career major;

(E) provide assistance in the form of connecting activities that link each youth participant with an employer in an industry or occupation relating to the career major of the youth participant; and

(F) are designed and carried out by local partnerships that include representatives of business and industry, education providers, and the community in which the activities are carried out.

(25) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(26) STATE BENCHMARKS.—The term "State benchmarks", used with respect to a State, means—

(A) the quantifiable indicators established under section 731(c) and identified in the report submitted under section 731(a); and

(B) such other quantifiable indicators of the statewide progress of the State toward meeting the State goals as the State may identify in the report submitted under section 731(a).

(27) STATE EDUCATIONAL AGENCY.—The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary or secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law.

(28) STATE GOALS.—The term "State goals", used with respect to a State, means—

(A) the goals specified in section 731(b); and

(B) such other major goals of the statewide system of the State as the State may identify in the report submitted under section 731(a).

(29) STATEWIDE SYSTEM.—The term "statewide system" means a statewide workforce development system, referred to in section 711, that is designed to integrate workforce employment activities, workforce education activities, flexible workforce activities, economic development activities (in a State that is eligible to carry out such activities), vocational rehabilitation program activities, and workforce preparation activities for at-risk youth in the State in order to enhance and develop more fully the academic, occupational, and literacy skills of all segments of the population of the State and assist participants in obtaining meaningful unsubsidized employment.

(30) SUBSTATE AREA.—The term "substate area" means a geographic area designated by a Governor that reflects, to the extent feasible, a local labor market in a State.

(31) TECH-PREP PROGRAM.—The term "tech-prep program" means a program of study that—

(A) combines at least 2 years of secondary education (as determined under State law) and 2 years of postsecondary education in a nonduplicative sequence;

(B) integrates academic and vocational instruction and utilizes worksite learning where appropriate;

(C) provides technical preparation in an area such as engineering technology, applied science, a mechanical, industrial, or practical art or trade, agriculture, a health occupation, business, or applied economics;

(D) builds student competence in mathematics, science, communications, economics, and workplace skills, through applied academics and integrated instruction in a coherent sequence of courses;

(E) leads to an associate degree or a certificate in a specific career field; and

(F) leads to placement in appropriate employment or further education.

(32) VETERAN.—The term "veteran" has the meaning given the term in section 101(2) of title 38, United States Code.

(33) VOCATIONAL EDUCATION.—The term "vocational education" means organized educational programs that—

(A) offer a sequence of courses that provide individuals with the academic knowledge and skills the individuals need to prepare for further education and careers in current or emerging employment sectors; and

(B) include competency-based applied learning that contributes to the academic knowledge, higher-order reasoning and problem-solving skills, work attitudes, general employability skills, and occupational-specific skills, of an individual.

(34) VOCATIONAL REHABILITATION PROGRAM.—The term "vocational rehabilitation program" means a program assisted under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.).

(35) WELFARE ASSISTANCE.—The term "welfare assistance" means—

(A) assistance provided under part A of title IV of the Social Security Act; and

(B) assistance provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

(36) WELFARE RECIPIENT.—The term "welfare recipient" means—

(A) an individual who receives assistance under part A of title IV of the Social Security Act; and

(B) an individual who—

(i) is not an individual described in subparagraph (A); and

(ii) receives assistance under the Food Stamp Act of 1977.

(37) WORKFORCE DEVELOPMENT ACTIVITIES.—The term "workforce development activities" means workforce education activities, workforce employment activities, flexible workforce activities, and economic development activities (within a State that is eligible to carry out such activities).

(38) WORKFORCE EDUCATION ACTIVITIES.—The term "workforce education activities" means the activities described in section 716(b).

(39) WORKFORCE EMPLOYMENT ACTIVITIES.—The term "workforce employment activities" means the activities described in paragraphs (2) through (8) of section 716(a), including activities described in section 716(a)(6) provided through a voucher described in section 716(a)(9).

(40) WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.—The term "workforce preparation activities for at-risk youth" means the activities described in section 759(b), carried out for at-risk youth.

Subtitle B—Statewide Workforce Development Systems

CHAPTER 1—PROVISIONS FOR STATES AND OTHER ENTITIES

SEC. 711. STATEWIDE WORKFORCE DEVELOPMENT SYSTEMS ESTABLISHED.

For program year 1998 and each subsequent program year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make allotments under section 712 to States to assist the States in paying for the cost of establishing and carrying out activities through statewide workforce development systems, in accordance with this subtitle.

SEC. 712. STATE ALLOTMENTS.

(a) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State with a State plan approved under section 714 an amount equal to the total of the amounts made available under subparagraphs (A), (B), (C), and (D) of subsection (b)(2), adjusted in accordance with subsection (c).

(b) ALLOTMENTS BASED ON POPULATIONS.—

(1) DEFINITIONS.—As used in this subsection:

(A) ADULT RECIPIENT OF ASSISTANCE.—The term "adult recipient of assistance" means a recipient of assistance under a State program funded under part A of title IV of the Social Security Act who is not a minor child (as defined in section 402(c)(1) of such Act).

(B) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(i) is not less than age 18;

(ii) is not more than age 64; and

(iii) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(C) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(2) CALCULATION.—Except as provided in subsection (c), from the amount reserved under section 734(b)(1), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership—

(A) using funds equal to 60 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State bears to the total number of such individuals in all States;

(B) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in all States;

(C) using funds equal to 10 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in all States; and

(D) using funds equal to 20 percent of such reserved amount, shall make available to each State an amount that bears the same relationship to such funds as the average monthly number of adult recipients of assistance (as determined by the Secretary of Health and Human Services for the most recent 12-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average monthly number of adult recipients of assistance (as so determined) in all States.

(c) ADJUSTMENTS.—

(1) DEFINITION.—As used in this subsection, the term "national average per capita payment", used with respect to a program year, means the amount obtained by dividing—

(A) the total amount allotted to all States under this section for the program year; by

(B) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in all States.

(2) MINIMUM ALLOTMENT.—Except as provided in paragraph (3), no State with a State plan approved under section 714 for a program year shall receive an allotment under this section for the program year in an amount that is less than 0.5 percent of the amount reserved under section 734(b)(1) for the program year.

(3) LIMITATION.—No State that receives an increase in an allotment under this section for a program year as a result of the application of paragraph (2) shall receive an allotment under this section for the program year in an amount that is more than the product obtained by multiplying—

(A) the total number of individuals who are not less than 15 and not more than 65 (as determined by the Federal Partnership using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made) in the State; and

(B) the product obtained by multiplying—

(i) 1.3; and

(ii) the national average per capita payment for the program year.

SEC. 713. STATE APPORTIONMENT BY ACTIVITY.

(a) ACTIVITIES.—From the sum of the funds made available to a State through an allotment received under section 712 and the funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) to carry out this title for a program year—

(1) a portion equal to 25 percent of such sum (which portion shall include the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act) shall be made available for workforce employment activities;

(2) a portion equal to 25 percent of such sum shall be made available for workforce education activities; and

(3) a portion (referred to in this title as the "flex account") equal to 50 percent of such sum shall be made available for flexible workforce activities.

(b) RECIPIENTS.—In making an allotment under section 712 to a State, the Secretary of Labor and the Secretary of Education, acting jointly, shall make a payment—

(1) to the Governor of the State for the portion described in subsection (a)(1), and such part of the flex account as the Governor may be eligible to receive, as determined under the State plan of the State submitted under section 714; and

(2) to the State educational agency of the State for the portion described in subsection (a)(2), and such part of the flex account as the State educational agency may be eligible to receive, as determined under the State plan of the State submitted under section 714.

SEC. 714. STATE PLANS.

(a) IN GENERAL.—For a State to be eligible to receive an allotment under section 712, the Governor of the State shall submit to the Federal Partnership, and obtain approval of, a single comprehensive State workforce development plan (referred to in this section as a "State plan"), outlining a 3-year strategy for the statewide system of the State.

(b) PARTS.—

(1) IN GENERAL.—The State plan shall contain 3 parts.

(2) STRATEGIC PLAN AND FLEXIBLE WORKFORCE ACTIVITIES.—The first part of the State plan shall describe a strategic plan for the statewide system, including the flexible workforce activities, and, if appropriate, economic development activities, that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the first part of the State plan, using procedures that are consistent with the procedures described in subsection (d).

(3) WORKFORCE EMPLOYMENT ACTIVITIES.—The second part of the State plan shall describe the workforce employment activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The Governor shall develop the second part of the State plan.

(4) WORKFORCE EDUCATION ACTIVITIES.—The third part of the State plan shall describe the workforce education activities that are designed to meet the State goals and reach the State benchmarks and are to be carried out with the allotment. The State educational agency of the State shall develop the third part of the State plan in consultation, where appropriate, with the State postsecondary education agency and with community colleges.

(c) CONTENTS OF THE PLAN.—The State plan shall include—

(1) with respect to the strategic plan for the statewide system—

(A) information describing how the State will identify the current and future workforce development needs of the industry sectors most important to the economic competitiveness of the State;

(B) information describing how the State will identify the current and future workforce development needs of all segments of the population of the State;

(C) information identifying the State goals and State benchmarks and how the goals and benchmarks will make the statewide system relevant and responsive to labor market and education needs at the local level;

(D) information describing how the State will coordinate workforce development activities to meet the State goals and reach the State benchmarks;

(E) information describing the allocation within the State of the funds made available through the flex account for the State, and how the flexible workforce activities, including school-to-work activities, to be carried out with such funds will be carried out to meet the State goals and reach the State benchmarks;

(F) information identifying how the State will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the statewide system;

(G) information identifying how any funds that a State receives under this subtitle will be leveraged with other public and private resources to maximize the effectiveness of such resources for all workforce development activities, and expand the participation of business, industry, labor, and individuals in the statewide system;

(H) information identifying how the workforce development activities to be carried out with funds received through the allotment will be coordinated with programs carried out by the Veterans' Employment and Training Service with funds received under title 38, United States Code, in order to meet the State goals and reach the State benchmarks related to veterans;

(I) information describing how the State will eliminate duplication in the administration and delivery of services under this title;

(J) information describing the process the State will use to independently evaluate and continuously improve the performance of the statewide system, on a yearly basis, including the development of specific performance indicators to measure progress toward meeting the State goals;

(K) an assurance that the funds made available under this subtitle will supplement and not supplant other public funds expended to provide workforce development activities;

(L) information identifying the steps that the State will take over the 3 years covered by the plan to establish common data collection and reporting requirements for workforce development activities and vocational rehabilitation program activities;

(M) with respect to economic development activities, information—

(i) describing the activities to be carried out with the funds made available under this subtitle;

(ii) describing how the activities will lead directly to increased earnings of nonmanagerial employees in the State; and

(iii) describing whether the labor organization, if any, representing the nonmanagerial employees supports the activities;

(N) the description referred to in subsection (d)(1); and

(O)(i) information demonstrating the support of individuals and entities described in subsection (d)(1) for the plan; or

(ii) in a case in which the Governor is unable to obtain the support of such individuals and entities as provided in subsection (d)(2), the comments referred to in subsection (d)(2)(B).

(2) with respect to workforce employment activities, information—

(A)(i) identifying and designating substate areas, including urban and rural areas, to which funds received through the allotment will be distributed, which areas shall, to the extent feasible, reflect local labor market areas; or

(ii) stating that the State will be treated as a substate area for purposes of the application of this subtitle, if the State receives an increase in an allotment under section 712 for a program year as a result of the application of section 712(c)(2); and

(B) describing the basic features of one-stop delivery of core services described in section 716(a)(2) in the State, including information regarding—

(i) the strategy of the State for developing fully operational one-stop delivery of core services described in section 716(a)(2);

(ii) the time frame for achieving the strategy;

(iii) the estimated cost for achieving the strategy;

(iv) the steps that the State will take over the 3 years covered by the plan to provide individuals with access to one-stop delivery of core services described in section 716(a)(2);

(v) the steps that the State will take over the 3 years covered by the plan to provide information through the one-stop delivery to individuals on the quality of workforce employment activities, workforce education activities, and vocational rehabilitation program activities, provided through the statewide system;

(vi) the steps that the State will take over the 3 years covered by the plan to link services provided through the one-stop delivery with services provided through State welfare agencies; and

(vii) in a case in which the State chooses to use vouchers to deliver workforce employment activities, the steps that the State will take over the 3 years covered by the plan to comply with the requirements in section 716(a)(9) and the information required in such section;

(C) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce employment activities;

(D) describing the workforce employment activities to be carried out with funds received through the allotment;

(E) describing the steps that the State will take over the 3 years covered by the plan to establish a statewide comprehensive labor market information system described in section 773(c) that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State;

(F) describing the steps that the State will take over the 3 years covered by the plan to establish a job placement accountability system described in section 731(d);

(G) describing the process the State will use to approve all providers of workforce employment activities through the statewide system; and

(H)(i) describing the steps that the State will take to segregate the amount allotted to the State from funds made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) from the remainder of the portion described in section 713(a)(1); and

(ii) describing how the State will use the amount allotted to the State from funds made available under such section 901(c)(1)(A) to carry out the required activities described in clauses (ii) through (v) of section 716(a)(2)(B) and section 773;

(3) with respect to workforce education activities, information—

(A) describing how funds received through the allotment will be allocated among—

(i) secondary school vocational education, or postsecondary and adult vocational education, or both; and

(ii) adult education;

(B) identifying performance indicators that relate to the State goals, and to the State benchmarks, concerning workforce education activities;

(C) describing the workforce education activities that will be carried out with funds received through the allotment;

(D) describing how the State will address the adult education needs of the State;

(E) describing how the State will disaggregate data relating to at-risk youth in order to adequately measure the progress of at-risk youth toward accomplishing the results measured by the State goals, and the State benchmarks;

(F) describing how the State will adequately address the needs of both at-risk youth who are in school, and out-of-school youth, in alternative education programs that teach to the same challenging academic, occupational, and skill proficiencies as are provided for in-school youth;

(G) describing how the workforce education activities described in the State plan and the State allocation of funds received through the allotment for such activities are an integral part of comprehensive efforts of the State to improve education for all students and adults;

(H) describing how the State will annually evaluate the effectiveness of the State plan with respect to workforce education activities;

(I) describing how the State will address the professional development needs of the State with respect to workforce education activities;

(J) describing how the State will provide local educational agencies in the State with technical assistance; and

(K) describing how the State will assess the progress of the State in implementing student performance measures.

(d) PROCEDURE FOR DEVELOPMENT OF PART OF PLAN RELATING TO STRATEGIC PLAN.—

(1) DESCRIPTION OF DEVELOPMENT.—The part of the State plan relating to the strategic plan shall include a description of the manner in which—

(A) the Governor;

(B) the State educational agency;

(C) representatives of business and industry, including representatives of key industry sectors, and of small- and medium-size and large employers, in the State;

(D) representatives of labor and workers;

(E) local elected officials from throughout the State;

(F) the State agency officials responsible for vocational education;

(G) the State agency officials responsible for postsecondary education;

(H) the State agency officials responsible for adult education;

(I) the State agency officials responsible for vocational rehabilitation;

(J) such other State agency officials, including officials responsible for economic development and employment, as the Governor may designate;

(K) the representative of the Veterans' Employment and Training Service assigned to the State under section 4103 of title 38, United States Code; and

(L) other appropriate officials, including members of the State workforce development board described in section 715, if the State has established such a board;

collaborated in the development of such part of the plan.

(2) FAILURE TO OBTAIN SUPPORT.—If, after a reasonable effort, the Governor is unable to obtain the support of the individuals and entities described in paragraph (1) for the strategic plan the Governor shall—

(A) provide such individuals and entities with copies of the strategic plan;

(B) allow such individuals and entities to submit to the Governor, not later than the end of the 30-day period beginning on the date on which the Governor provides such individuals and entities with copies of such plan under subparagraph (A), comments on such plan; and

(C) include any such comments in such plan.

(e) APPROVAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall approve a State plan if—

(1) the Federal Partnership determines that the plan contains the information described in subsection (c);

(2) the Federal Partnership determines that the State has prepared the plan in accordance with the requirements of this section, including the requirements relating to development of any part of the plan; and

(3) the State benchmarks for the State have been negotiated and approved in accordance with section 731(c).

(f) NO ENTITLEMENT TO A SERVICE.—Nothing in this title shall be construed to provide any individual with an entitlement to a service provided under this title.

SEC. 715. STATE WORKFORCE DEVELOPMENT BOARDS.

(a) ESTABLISHMENT.—A Governor of a State that receives an allotment under section 712 may establish a State workforce development board—

(1) on which a majority of the members are representatives of business and industry;

(2) on which not less than 25 percent of the members shall be representatives of labor, workers, and community-based organizations;

(3) that shall include representatives of veterans;

(4) that shall include a representative of the State educational agency and a representative from the State agency responsible for vocational rehabilitation;

(5) that may include any other individual or entity that participates in the collaboration described in section 714(d)(1); and

(6) that may include any other individual or entity the Governor may designate.

(b) CHAIRPERSON.—The State workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(c) FUNCTIONS.—The functions of the State workforce development board shall include—

(1) advising the Governor on the development of the statewide system, the State plan described in section 714, and the State goals and State benchmarks;

(2) assisting in the development of specific performance indicators to measure progress toward meeting the State goals and reaching the State benchmarks and providing guidance on how such progress may be improved;

(3) serving as a link between business, industry, labor, and the statewide system;

(4) assisting the Governor in preparing the annual report to the Federal Partnership regarding progress in reaching the State benchmarks, as described in section 731(a);

(5) receiving and commenting on the State plan developed under section 101 of the Rehabilitation Act of 1973 (29 U.S.C. 721);

(6) assisting the Governor in developing the statewide comprehensive labor market information system described in section 773(c) to provide information that will be utilized by all the providers of one-stop delivery of core services described in section 716(a)(2), providers of other workforce employment activities, and providers of workforce education activities, in the State; and

(7) assisting in the monitoring and continuous improvement of the performance of the statewide system, including evaluation of the effectiveness of workforce development activities funded under this title.

SEC. 716. USE OF FUNDS.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—Funds made available to a State under this subtitle to carry out workforce employment activities through a statewide system—

(A) shall be used to carry out the activities described in paragraphs (2), (3), and (4); and

(B) may be used to carry out the activities described in paragraphs (5), (6), (7), and (8), including providing activities described in paragraph (6) through vouchers described in paragraph (9).

(2) ONE-STOP DELIVERY OF CORE SERVICES.—

(A) ACCESS.—The State shall use a portion of the funds described in paragraph (1) to establish a means of providing access to the statewide system through core services described in subparagraph (B) available—

(i) through multiple, connected access points, linked electronically or otherwise;

(ii) through a network that assures participants that such core services will be available regardless of where the participants initially enter the statewide system;

(iii) at not less than 1 physical location in each substate area of the State; or

(iv) through some combination of the options described in clauses (i), (ii), and (iii).

(B) CORE SERVICES.—The core services referred to in subparagraph (A) shall, at a minimum, include—

(i) outreach, intake, and orientation to the information and other services available through one-stop delivery of core services described in this subparagraph;

(ii) initial assessment of skill levels, aptitudes, abilities, and supportive service needs;

(iii) job search and placement assistance and, where appropriate, career counseling;

(iv) customized screening and referral of qualified applicants to employment;

(v) provision of accurate information relating to local labor market conditions, including employment profiles of growth industries and occupations within a substate area, the educational and skills requirements of jobs in the industries and occupations, and the earnings potential of the jobs;

(vi) provision of accurate information relating to the quality and availability of other workforce employment activities, workforce education activities, and vocational rehabilitation program activities;

(vii) provision of information regarding how the substate area is performing on the State benchmarks;

(viii) provision of initial eligibility information on forms of public financial assistance that may be available in order to enable persons to participate in workforce employment activities, workforce education activities, or vocational rehabilitation program activities; and

(ix) referral to other appropriate workforce employment activities, workforce education activities, and vocational rehabilitation employment activities.

(3) LABOR MARKET INFORMATION SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a statewide comprehensive labor market information system described in section 773(c).

(4) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—The State shall use a portion of the funds described in paragraph (1) to establish a job placement accountability system described in section 731(d).

(5) PERMISSIBLE ONE-STOP DELIVERY ACTIVITIES.—The State may provide, through one-stop delivery—

(A) co-location of services related to workforce development activities, such as unemployment insurance, vocational rehabilitation program activities, welfare assistance, veterans' employment services, or other public assistance;

(B) intensive services for participants who are unable to obtain employment through the core services described in paragraph (2)(B), as determined by the State; and

(C) dissemination to employers of information on activities carried out through the statewide system.

(6) OTHER PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to provide services through the statewide system that may include—

(A) on-the-job training;

(B) occupational skills training;

(C) entrepreneurial training;

(D) training to develop work habits to help individuals obtain and retain employment;

(E) customized training conducted with a commitment by an employer or group of employers to employ an individual after successful completion of the training;

(F) rapid response assistance for dislocated workers;

(G) skill upgrading and retraining for persons not in the workforce;

(H) preemployment and work maturity skills training for youth;

(I) connecting activities that organize consortia of small- and medium-size businesses to provide work-based learning opportunities for youth participants in school-to-work programs;

(J) programs for adults that combine workplace training with related instruction;

(K) services to assist individuals in attaining certificates of mastery with respect to industry-based skill standards;

(L) case management services;

(M) supportive services, such as transportation and financial assistance, that enable individuals to participate in the statewide system;

(N) followup services for participants who are placed in unsubsidized employment; and

(O) an employment and training program described in section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)).

(7) STAFF DEVELOPMENT AND TRAINING.—The State may use a portion of the funds described in paragraph (1) for the development and training of staff of providers of one-stop delivery of core services described in paragraph (2), including development and training relating to principles of quality management.

(8) INCENTIVE GRANT AWARDS.—The State may use a portion of the funds described in paragraph (1) to award incentive grants to substate areas that reach or exceed the State benchmarks established under section 731(c), with an emphasis on benchmarks established under section 731(c)(3). A substate area that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(9) VOUCHERS.—

(A) IN GENERAL.—A State may deliver some or all of the workforce employment activities described in paragraph (6) that are provided under this subtitle through a system of vouchers administered through the one-stop delivery of core services described in paragraph (2) in the State.

(B) ELIGIBILITY REQUIREMENTS.—

(i) IN GENERAL.—A State that chooses to deliver the activities described in subparagraph (A) through vouchers shall indicate in the State plan described in section 714 the criteria that will be used to determine—

(I) which workforce employment activities described in paragraph (6) will be delivered through the voucher system;

(II) eligibility requirements for participants to receive the vouchers and the amount of funds that participants will be able to access through the voucher system; and

(III) which employment, training, and education providers are eligible to receive payment through the vouchers.

(ii) CONSIDERATIONS.—In establishing State criteria for service providers eligible to receive payment through the vouchers under clause (i)(III), the State shall take into account industry-recognized skills standards promoted by the National Skills Standards Board.

(C) ACCOUNTABILITY REQUIREMENTS.—A State that chooses to deliver the activities described in paragraph (6) through vouchers shall indicate in the State plan—

(i) information concerning how the State will utilize the statewide comprehensive labor market information system described in section 773(c) and the job placement accountability system established under section 731(d) to provide timely and accurate information to participants about the performance of eligible employment, training, and education providers;

(ii) other information about the performance of eligible providers of services that the State believes is necessary for participants receiving the vouchers to make informed career choices; and

(iii) the timeframe in which the information developed under clauses (i) and (ii) will be widely available through the one-stop delivery of core services described in paragraph (2) in the State.

(10) FUNDS FROM UNEMPLOYMENT TRUST FUND.—Funds made available to a Governor under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) for a program year shall only be available for workforce employment activities authorized under such section 901(c)(1)(A), which are—

(A) the administration of State unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law);

(B) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B); and

(C) carrying out the activities described in sections 4103, 4103A, 4104, and 4104A of title 38, United States Code (relating to veterans' employment services).

(b) WORKFORCE EDUCATION ACTIVITIES.—The State educational agency shall use the funds made available to the State educational agency under this subtitle for workforce education activities to carry out, through the statewide system, activities that include—

(1) integrating academic and vocational education;

(2) linking secondary education (as determined under State law) and postsecondary education, including implementing tech-prep programs;

(3) providing career guidance and counseling for students at the earliest possible age, including the provision of career awareness, exploration, planning, and guidance information to students and their parents that is, to the extent possible, in a language and form that the students and their parents understand;

(4) providing literacy and basic education services for adults and out-of-school youth, including adults and out-of-school youth in correctional institutions;

(5) providing programs for adults and out-of-school youth to complete their secondary education;

(6) expanding, improving, and modernizing quality vocational education programs; and

(7) improving access to quality vocational education programs for at-risk youth.

(c) FISCAL REQUIREMENTS FOR WORKFORCE EDUCATION ACTIVITIES.—

(1) SUPPLEMENT NOT SUPPLANT.—Funds made available under this subtitle for workforce education activities shall supplement, and may not supplant, other public funds expended to carry out workforce education activities.

(2) MAINTENANCE OF EFFORT.—

(A) DETERMINATION.—No payments shall be made under this subtitle for any program year to a State for workforce education activities unless the Federal Partnership determines that the fiscal effort per student or the aggregate expenditures of such State for workforce education for the program year preceding the program year for which the determination is made, equaled or exceeded such effort or expenditures for workforce education for the second program year preceding the fiscal year for which the determination is made.

(B) WAIVER.—The Federal Partnership may waive the requirements of this section (with respect to not more than 5 percent of expenditures by any State educational agency) for 1 program year only, on making a determination that such waiver would be equitable due to exceptional or uncontrollable circumstances affecting the ability of the applicant to meet such requirements, such as a natural disaster or an unforeseen and precipitous decline in financial resources. No level of funding permitted under such a waiver may be used as the basis for computing the fiscal effort or aggregate expenditures required under this section for years subsequent to the year covered by such waiver. The fiscal effort or aggregate expenditures for the subsequent years shall be computed on the basis of the level of funding that would, but for such waiver, have been required.

(d) FLEXIBLE WORKFORCE ACTIVITIES.—

(1) CORE FLEXIBLE WORKFORCE ACTIVITIES.—The State shall use a portion of the funds made available to the State under this subtitle through the flex account to carry out school-to-work activities through the statewide system, except that any State that received a grant under subtitle B of title II of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6141 et seq.) shall use such portion to support the continued development of the statewide School-to-Work Opportunities system of the State through the continuation of activities that are carried out in accordance with the terms of such grant.

(2) PERMISSIBLE FLEXIBLE WORKFORCE ACTIVITIES.—The State may use a portion of the funds made available to the State under this subtitle through the flex account—

(A) to carry out workforce employment activities through the statewide system; and

(B) to carry out workforce education activities through the statewide system.

(e) ECONOMIC DEVELOPMENT ACTIVITIES.—In the case of a State that meets the requirements of section 728(c), the State may use a portion of the funds made available to the State under this subtitle through the flex account to supplement other funds provided by the State or private sector—

(1) to provide customized assessments of the skills of workers and an analysis of the skill needs of employers;

(2) to assist consortia of small- and medium-size employers in upgrading the skills of their workforces;

(3) to provide productivity and quality improvement training programs for the workforces of small- and medium-size employers;

(4) to provide recognition and use of voluntary industry-developed skills standards by employers, schools, and training institutions;

(5) to carry out training activities in companies that are developing modernization plans in conjunction with State industrial extension service offices; and

(6) to provide on-site, industry-specific training programs supportive of industrial and economic development;

through the statewide system.

(f) LIMITATIONS.—

(1) WAGES.—No funds provided under this subtitle shall be used to pay the wages of incumbent workers during their participation in economic development activities provided through the statewide system.

(2) RELOCATION.—No funds provided under this subtitle shall be used or proposed for use to encourage or induce the relocation, of a business or part of a business, that results in a loss of employment for any employee of such business at the original location.

(3) TRAINING AND ASSESSMENTS FOLLOWING RELOCATION.—No funds provided under this subtitle shall be used for customized or skill training, on-the-job training, or company specific assessments of job applicants or workers, for any business or part of a business, that has relocated, until 120 days after the date on which such business commences operations at the new location, if the relocation of such business or part of a business, results in a loss of employment for any worker of such business at the original location.

(g) LIMITATIONS ON PARTICIPANTS.—

(1) DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—No individual may participate in workforce employment activities described in subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) until the individual has obtained a secondary school diploma or its recognized equivalent, or is enrolled in a program or course of study to obtain a secondary school diploma or its recognized equivalent.

(B) EXCEPTION.—Nothing in subparagraph (A) shall prevent participation in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6) by individuals who, after testing and in the judgment of medical, psychiatric, academic, or other appropriate professionals, lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(2) SERVICES.—

(A) REFERRAL.—If an individual who has not obtained a secondary school diploma or its recognized equivalent applies to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6), such individual shall be referred to State approved adult education services that provide instruction designed to help such individual obtain a secondary school diploma or its recognized equivalent.

(B) STATE PROVISION OF SERVICES.—Notwithstanding any other provision of this title, a State may use funds made available under section 713(a)(1) to provide State approved adult education services that provide instruction designed to help individuals obtain a secondary school diploma or its recognized equivalent, to individuals who—

(i) are seeking to participate in workforce employment activities described under subparagraph (A), (B), (C), (E), (G), (J), or (K) of subsection (a)(6); and

(ii) are otherwise unable to obtain such services.

SEC. 717. INDIAN WORKFORCE DEVELOPMENT ACTIVITIES.

(a) PURPOSE.—

(1) IN GENERAL.—The purpose of this section is to support workforce development activities for Indian and Native Hawaiian individuals in order—

(A) to develop more fully the academic, occupational, and literacy skills of such individuals;

(B) to make such individuals more competitive in the workforce; and

(C) to promote the economic and social development of Indian and Native Hawaiian communities in accordance with the goals and values of such communities.

(2) INDIAN POLICY.—All programs assisted under this section shall be administered in a manner consistent with the principles of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) and the government-to-government relationship between the Federal Government and Indian tribal governments.

(b) DEFINITIONS.—As used in this section:

(1) ALASKA NATIVE.—The term "Alaska Native" means a Native as such term is defined in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)).

(2) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—The terms "Indian", "Indian tribe", and "tribal organization" have the same meanings given such terms in subsections (d), (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

(3) INSTITUTION OF HIGHER EDUCATION.—The term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(4) NATIVE HAWAIIAN AND NATIVE HAWAIIAN ORGANIZATION.—The terms "Native Hawaiian" and "Native Hawaiian organization" have the same meanings given such terms in paragraphs (1) and (3), respectively, of section 9212 of the Native Hawaiian Education Act (20 U.S.C. 7912).

(5) TRIBALLY CONTROLLED COMMUNITY COLLEGE.—The term "tribally controlled community college" has the same meaning given such term in section 2(a)(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(a)(4)).

(6) TRIBALLY CONTROLLED POSTSECONDARY VOCATIONAL INSTITUTION.—The term "tribally controlled postsecondary vocational institution" means an institution of higher education that—

(A) is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or Indian tribes;

(B) offers a technical degree or certificate granting program;

(C) is governed by a board of directors or trustees, a majority of whom are Indians;

(D) demonstrates adherence to stated goals, a philosophy, or a plan of operation, that fosters individual Indian economic and self-sufficiency opportunity, including programs that are appropriate to stated tribal goals of developing individual entrepreneurships and self-sustaining economic infrastructures on reservations;

(E) has been in operation for at least 3 years;

(F) holds accreditation with or is a candidate for accreditation by a nationally recognized accrediting authority for postsecondary vocational education; and

(G) enrolls the full-time equivalent of not fewer than 100 students, of whom a majority are Indians.

(c) PROGRAM AUTHORIZED.—

(1) ASSISTANCE AUTHORIZED.—From amounts made available under section 734(b)(2), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts or cooperative agreements with, Indian tribes and tribal organizations, Alaska Native entities, tribally controlled community colleges, tribally controlled postsecondary vocational institutions, Indian-controlled organizations serving Indians or Alaska Natives, and Native Hawaiian organizations to carry out the authorized activities described in subsection (d).

(2) FORMULA.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to, or enter into contracts and cooperative agreements with, entities as described in paragraph (1) to carry out the activities described in paragraphs (2) and (3) of subsection (d) on the basis of a formula developed by the Federal Partnership in consultation with entities described in paragraph (1).

(d) AUTHORIZED ACTIVITIES.—

(1) IN GENERAL.—Funds made available under this section shall be used to carry out the activities described in paragraphs (2) and (3) that—

(A) are consistent with this section; and

(B) are necessary to meet the needs of Indians and Native Hawaiians preparing to enter, reenter, or retain unsubsidized employment.

(2) WORKFORCE DEVELOPMENT ACTIVITIES AND SUPPLEMENTAL SERVICES.—

(A) IN GENERAL.—Funds made available under this section shall be used for—

(i) comprehensive workforce development activities for Indians and Native Hawaiians;

(ii) supplemental services for Indian or Native Hawaiian youth on or near Indian reservations in Oklahoma, Alaska, or Hawaii; and

(iii) supplemental services to recipients of public assistance on or near Indian reservations or former reservation areas in Oklahoma or in Alaska.

(B) SPECIAL RULE.—Notwithstanding any other provision of this section, individuals who were eligible to participate in programs under section 401 of the Job Training Partnership Act (29 U.S.C. 1671) (as such section was in effect on the day before the date of enactment of this Act) shall be eligible to participate in an activity assisted under subparagraph (A)(i).

(3) VOCATIONAL EDUCATION, ADULT EDUCATION, AND LITERACY SERVICES.—Funds made available under this section shall be used for—

(A) workforce education activities conducted by entities described in subsection (c)(1); and

(B) the support of tribally controlled postsecondary vocational institutions in order to ensure continuing and expanded educational opportunities for Indian students.

(e) PROGRAM PLAN.—In order to receive a grant or enter into a contract or cooperative agreement under this section an entity described in subsection (c)(1) shall submit to the Federal Partnership a plan that describes a 3-year strategy for meeting the needs of Indian and Native Hawaiian individuals, as appropriate, in the area served by such entity. Such plan shall—

(1) be consistent with the purposes of this section;

(2) identify the population to be served;

(3) identify the education and employment needs of the population to be served and the manner in which the services to be provided will strengthen the ability of the individuals served to obtain or retain unsubsidized employment;

(4) describe the services to be provided and the manner in which such services are to be integrated with other appropriate services; and

(5) describe the goals and benchmarks to be used to assess the performance of entities in carrying out the activities assisted under this section.

(f) FURTHER CONSOLIDATION OF FUNDS.—Each entity receiving assistance under this section may consolidate such assistance with assistance received from related programs in accordance with the provisions of the Indian Employment, Training and Related Services Demonstration Act of 1992 (25 U.S.C. 3401 et seq.).

(g) NONDUPLICATIVE AND NONEXCLUSIVE SERVICES.—Nothing in this section shall be construed—

(1) to limit the eligibility of any entity described in subsection (c)(1) to participate in any program offered by a State or local entity under this title; or

(2) to preclude or discourage any agreement, between any entity described in subsection (c)(1) and any State or local entity, to facilitate the provision of services by such entity or to the population served by such entity.

(h) PARTNERSHIP PROVISIONS.—

(1) OFFICE ESTABLISHED.—There shall be established within the Federal Partnership an office to administer the activities assisted under this section.

(2) CONSULTATION REQUIRED.—

(A) IN GENERAL.—The Federal Partnership, through the office established under paragraph (1), shall develop regulations and policies for activities assisted under this section in consultation with tribal organizations and Native Hawaiian organizations. Such regulations and policies shall take into account the special circumstances under which such activities operate.

(B) ADMINISTRATIVE SUPPORT.—The Federal Partnership shall provide such administrative support to the office established under paragraph (1) as the Federal Partnership determines to be necessary to carry out the consultation required by subparagraph (A).

(3) TECHNICAL ASSISTANCE.—The Federal Partnership, through the office established under paragraph (1), is authorized to provide technical assistance to entities described in subsection (c)(1) that receive assistance under this section to enable such entities to improve the workforce development activities provided by such entities.

SEC. 718. GRANTS TO OUTLYING AREAS.

(a) GENERAL AUTHORITY.—Using funds made available under section 734(b)(3), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make grants to outlying areas to carry out workforce development activities.

(b) APPLICATION.—The Federal Partnership shall issue regulations specifying the provisions of this title that shall apply to outlying areas that receive funds under this subtitle.

CHAPTER 2—LOCAL PROVISIONS

SEC. 721. LOCAL APPORTIONMENT BY ACTIVITY.

(a) WORKFORCE EMPLOYMENT ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (1) and (3) of section 713(a) for workforce employment activities shall be made available to the Governor of such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 25 percent shall be reserved by the Governor to carry out workforce employment activities through the statewide system, of which not more than 20 percent of such 25 percent may be used for administrative expenses; and

(B) 75 percent shall be distributed by the Governor to local entities to carry out workforce employment activities through the statewide system, based on—

(i) such factors as the relative distribution among substate areas of individuals who are not less than 15 and not more than 65, individuals in poverty, unemployed individuals, and adult recipients of assistance, as determined using the definitions specified and the determinations described in section 712(b); and

(ii) such additional factors as the Governor (in consultation with local partnerships described in section 728(a) or, where established, local workforce development boards described in section 728(b)), determines to be necessary.

(b) WORKFORCE EDUCATION ACTIVITIES.—

(1) IN GENERAL.—The sum of the funds made available to a State for any program year under paragraphs (2) and (3) of section 713(a) for workforce education activities shall be made available to the State educational agency serving such State for use in accordance with paragraph (2).

(2) DISTRIBUTION.—Of the sum described in paragraph (1), for a program year—

(A) 20 percent shall be reserved by the State educational agency to carry out statewide workforce education activities through the statewide system, of which not more than 5 percent of such 20 percent may be used for administrative expenses; and

(B) 80 percent shall be distributed by the State educational agency to entities eligible for financial assistance under section 722, 723, or 724, to carry out workforce education activities through the statewide system.

(3) STATE ACTIVITIES.—Activities to be carried out under paragraph (2)(A) may include professional development, technical assistance, and program assessment activities.

(4) STATE DETERMINATIONS.—From the amount available to a State educational agency under paragraph (2)(B) for a program year, such agency shall determine the percentage of such amount that will be distributed in accordance with sections 722, 723, and 724 for such year for workforce education activities in such State in each of the following areas:

(A) Secondary school vocational education, or postsecondary and adult vocational education, or both; and

(B) Adult education.

(c) SPECIAL RULE.—Nothing in this subtitle shall be construed to prohibit any individual, entity, or agency in a State (other than the State educational agency) that is administering workforce education activities or setting education policies consistent with authority under State law for workforce education activities, on the day preceding the date of enactment of this Act from continuing to administer or set education policies consistent with authority under State law for such activities under this subtitle.

SEC. 722. DISTRIBUTION FOR SECONDARY SCHOOL VOCATIONAL EDUCATION.

(a) ALLOCATION.—Except as otherwise provided in this section and section 725, each State educational agency shall distribute the portion of the funds made available for any program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) by such agency for secondary school vocational education under section 721(b)(3)(A) to local educational agencies within the State as follows:

(1) SEVENTY PERCENT.—From 70 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 70 percent as the amount such local educational agency was allocated under section 1124 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333) for the preceding fiscal year bears to the total amount received under such section by all local educational agencies in the State for such year.

(2) TWENTY PERCENT.—From 20 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 20 percent as the number of students with disabilities who have individualized education programs under section 614(a)(5) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(a)(5)) served by such local educational agency for the preceding fiscal year bears to the total number of such students served by all local educational agencies in the State for such year.

(3) TEN PERCENT.—From 10 percent of such portion, each local educational agency shall be allocated an amount that bears the same relationship to such 10 percent as the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of such local educational agency for the preceding fiscal year bears to the number of students enrolled in schools and adults enrolled in training programs under the jurisdiction of all local educational agencies in the State for such year.

(b) MINIMUM ALLOCATION.—

(1) IN GENERAL.—Except as provided in paragraph (2), no local educational agency shall receive an allocation under subsection (a) unless the amount allocated to such agency under subsection (a) is not less than $15,000. A local educational agency may enter into a consortium with other local educational agencies for purposes of meeting the minimum allocation requirement of this paragraph.

(2) WAIVER.—The State educational agency may waive the application of paragraph (1) in any case in which the local educational agency—

(A) is located in a rural, sparsely-populated area; and

(B) demonstrates that such agency is unable to enter into a consortium for purposes of providing services under this section.

(3) REDISTRIBUTION.—Any amounts that are not allocated by reason of paragraph (1) or (2) shall be redistributed to local educational agencies that meet the requirements of paragraph (1) or (2) in accordance with the provisions of this section.

(c) LIMITED JURISDICTION AGENCIES.—

(1) IN GENERAL.—In applying the provisions of subsection (a), no State educational agency receiving assistance under this subtitle shall allocate funds to a local educational agency that serves only elementary schools, but shall distribute such funds to the local educational agency or regional educational agency that provides secondary school services to secondary school students in the same attendance area.

(2) SPECIAL RULE.—The amount to be allocated under paragraph (1) to a local educational agency that has jurisdiction only over secondary schools shall be determined based on the number of students that entered such secondary schools in the previous year from the elementary schools involved.

(d) ALLOCATIONS TO AREA VOCATIONAL EDUCATION SCHOOLS AND EDUCATIONAL SERVICE AGENCIES.—

(1) IN GENERAL.—Each State educational agency shall distribute the portion of funds made available for any program year by such agency for secondary school vocational education under section 721(b)(3)(A) to the appropriate area vocational education school or educational service agency in any case in which—

(A) the area vocational education school or educational service agency, and the local educational agency concerned—

(i) have formed or will form a consortium for the purpose of receiving funds under this section; or

(ii) have entered into or will enter into a cooperative arrangement for such purpose; and

(B)(i) the area vocational education school or educational service agency serves an approximately equal or greater proportion of students who are individuals with disabilities or are low-income than the proportion of such students attending the secondary schools under the jurisdiction of all of the local educational agencies sending students to the area vocational education school or the educational service agency; or

(ii) the area vocational education school, educational service agency, or local educational agency demonstrates that the vocational education school or educational service agency is unable to meet the criterion described in clause (i) due to the lack of interest by students described in clause (i) in attending vocational education programs in that area vocational education school or educational service agency.

(2) ALLOCATION BASIS.—If an area vocational education school or educational service agency meets the requirements of paragraph (1), then—

(A) the amount that will otherwise be distributed to the local educational agency under this section shall be allocated to the area vocational education school, the educational service agency, and the local educational agency, based on each school's or agency's relative share of students described in paragraph (1)(B)(i) who are attending vocational education programs (based, if practicable, on the average enrollment for the prior 3 years); or

(B) such amount may be allocated on the basis of an agreement between the local educational agency and the area vocational education school or educational service agency.

(3) STATE DETERMINATION.—

(A) IN GENERAL.—For the purposes of this subsection, the State educational agency may determine the number of students who are low-income on the basis of—

(i) eligibility for—

(I) free or reduced-price meals under the National School Lunch Act (7 U.S.C. 1751 et seq.);

(II) assistance under a State program funded under part A of title IV of the Social Security Act;

(III) benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.); or

(IV) services under title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.); and

(ii) another index of economic status, including an estimate of such index, if the State educational agency demonstrates to the satisfaction of the Federal Partnership that such index is a more representative means of determining such number.

(B) DATA.—If a State educational agency elects to use more than 1 factor described in subparagraph (A) for purposes of making the determination described in such subparagraph, the State educational agency shall ensure that the data used is not duplicative.

(4) APPEALS PROCEDURE.—The State educational agency shall establish an appeals procedure for resolution of any dispute arising between a local educational agency and an area vocational education school or an educational service agency with respect to the allocation procedures described in this

section, including the decision of a local educational agency to leave a consortium.

(5) SPECIAL RULE.—Notwithstanding the provisions of paragraphs (1), (2), (3), and (4), any local educational agency receiving an allocation that is not sufficient to conduct a secondary school vocational education program of sufficient size, scope, and quality to be effective may—

(A) form a consortium or enter into a cooperative agreement with an area vocational education school or educational service agency offering secondary school vocational education programs of sufficient size, scope, and quality to be effective and that are accessible to students who are individuals with disabilities or are low-income, and are served by such local educational agency; and

(B) transfer such allocation to the area vocational education school or educational service agency.

(e) SPECIAL RULE.—Each State educational agency distributing funds under this section shall treat a secondary school funded by the Bureau of Indian Affairs within the State as if such school were a local educational agency within the State for the purpose of receiving a distribution under this section.

SEC. 723. DISTRIBUTION FOR POSTSECONDARY AND ADULT VOCATIONAL EDUCATION.

(a) ALLOCATION.—

(1) IN GENERAL.—Except as provided in subsection (b) and section 725, each State educational agency, using the portion of the funds made available for any program year by such agency for postsecondary and adult vocational education under section 721(b)(3)(A)—

(A) shall reserve funds to carry out subsection (d); and

(B) shall distribute the remainder to eligible institutions or consortia of the institutions within the State.

(2) FORMULA.—Each such eligible institution or consortium shall receive an amount for the program year (from funds made available for the corresponding fiscal year, as determined under section 734(c)) from such remainder bears the same relationship to such remainder as the number of individuals who are Pell Grant recipients or recipients of assistance from the Bureau of Indian Affairs and are enrolled in programs offered by such institution or consortium for the preceding fiscal year bears to the number of all such individuals who are enrolled in any such program within the State for such preceding year.

(3) CONSORTIUM REQUIREMENTS.—In order for a consortium of eligible institutions described in paragraph (1) to receive assistance pursuant to such paragraph such consortium shall operate joint projects that—

(A) provide services to all postsecondary institutions participating in the consortium; and

(B) are of sufficient size, scope, and quality to be effective.

(b) WAIVER FOR MORE EQUITABLE DISTRIBUTION.—The Federal Partnership may waive the application of subsection (a) in the case of any State educational agency that submits to the Federal Partnership an application for such a waiver that—

(1) demonstrates that the formula described in subsection (a) does not result in a distribution of funds to the institutions or consortia within the State that have the highest numbers of low-income individuals and that an alternative formula will result in such a distribution; and

(2) includes a proposal for an alternative formula that may include criteria relating to the number of individuals attending the institutions or consortia within the State who—

(A) receive need-based postsecondary financial aid provided from public funds;

(B) are members of families receiving assistance under a State program funded under part A of title IV of the Social Security Act;

(C) are enrolled in postsecondary educational institutions that—

(i) are funded by the State;

(ii) do not charge tuition; and

(iii) serve only low-income students;

(D) are enrolled in programs serving low-income adults; or

(E) are Pell Grant recipients.

(c) MINIMUM AMOUNT.—

(1) IN GENERAL.—No distribution of funds provided to any institution or consortium for a program year under this section shall be for an amount that is less than $50,000.

(2) REDISTRIBUTION.—Any amounts that are not distributed by reason of paragraph (1) shall be redistributed to eligible institutions or consortia in accordance with the provisions of this section.

(d) SPECIAL RULE FOR CRIMINAL OFFENDERS.—Each State educational agency shall distribute the funds reserved under subsection (a)(1)(A) to 1 or more State corrections agencies to enable the State corrections agencies to administer vocational education programs for juvenile and adult criminal offenders in correctional institutions in the State, including correctional institutions operated by local authorities.

(e) DEFINITION.—For the purposes of this section—

(1) the term "eligible institution" means a postsecondary educational institution, a local educational agency serving adults, or an area vocational education school serving adults that offers or will offer a program that seeks to receive financial assistance under this section;

(2) the term "low-income", used with respect to a person, means a person who is determined under guidelines developed by the Federal Partnership to be low-income, using the most recent available data provided by the Bureau of the Census, prior to the determination; and

(3) the term "Pell Grant recipient" means a recipient of financial aid under subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

SEC. 724. DISTRIBUTION FOR ADULT EDUCATION.

(a) IN GENERAL.—Except as provided in subsection (b)(3), from the amount made available by a State educational agency for adult education under section 721(b)(3)(B) for a program year, such agency shall award grants, on a competitive basis, to local educational agencies, correctional education agencies, community-based organizations of demonstrated effectiveness, volunteer literacy organizations, libraries, public or private nonprofit agencies, postsecondary educational institutions, public housing authorities, and other nonprofit institutions that have the ability to provide literacy services to adults and families, or consortia of agencies, organizations, or institutions described in this subsection, to enable such agencies, organizations, institutions, and consortia to establish or expand adult education programs.

(b) GRANT REQUIREMENTS.—

(1) ACCESS.—Each State educational agency making funds available for any program year for adult education under section 721(b)(3)(B) shall ensure that the entities described in subsection (a) will be provided direct and equitable access to all Federal funds provided under this section.

(2) CONSIDERATIONS.—In awarding grants under this section, the State educational agency shall consider—

(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which an applicant will coordinate and utilize other literacy and social services available in the community; and

(C) the commitment of the applicant to serve individuals in the community who are most in need of literacy services.

(3) CONSORTIA.—A State educational agency may award a grant under subsection (a) to a consortium that includes an entity described in subsection (a) and a for-profit agency, organization, or institution, if such agency, organization, or institution—

(A) can make a significant contribution to carrying out the purposes of this title; and

(B) enters into a contract with the entity described in subsection (a) for the purpose of establishing or expanding adult education programs.

(c) LOCAL ADMINISTRATIVE COSTS LIMITS.—

(1) IN GENERAL.—Except as provided in paragraph (2), of the funds provided under this section by a State educational agency to an agency, organization, institution, or consortium described in subsection (a), at least 95 percent shall be expended for provision of adult education instructional activities. The remainder shall be used for planning, administration, personnel development, and interagency coordination.

(2) SPECIAL RULE.—In cases where the cost limits described in paragraph (1) will be too restrictive to allow for adequate planning, administration, personnel development, and interagency coordination supported under this section, the State educational agency shall negotiate with the agency, organization, institution, or consortium described in subsection (a) in order to determine an adequate level of funds to be used for non-instructional purposes.

SEC. 725. SPECIAL RULE FOR MINIMAL ALLOCATION.

(a) GENERAL AUTHORITY.—For any program year for which a minimal amount is made available by a State educational agency for distribution under section 722 or 723 such agency may, notwithstanding the provisions of section 722 or 723, respectively, in order to make a more equitable distribution of funds for programs serving the highest numbers of low-income individuals (as defined in section 723(e)), distribute such minimal amount—

(1) on a competitive basis; or

(2) through any alternative method determined by the State educational agency.

(b) MINIMAL AMOUNT.—For purposes of this section, the term "minimal amount" means not more than 15 percent of the total amount made available by the State educational agency under section 721(b)(3)(A) for section 722 or 723, respectively, for such program year.

SEC. 726. REDISTRIBUTION.

(a) IN GENERAL.—In any program year that an entity receiving financial assistance under section 722 or 723 does not expend all of the amounts distributed to such entity for such year under section 722 or 723, respectively, such entity shall return any unexpended amounts to the State educational agency for distribution under section 722 or 723, respectively.

(b) REDISTRIBUTION OF AMOUNTS RETURNED LATE IN A PROGRAM YEAR.—In any program year in which amounts are returned to the

State educational agency under subsection (a) for programs described in section 722 or 723 and the State educational agency is unable to redistribute such amounts according to section 722 or 723, respectively, in time for such amounts to be expended in such program year, the State educational agency shall retain such amounts for distribution in combination with amounts provided under such section for the following program year.

SEC. 727. LOCAL APPLICATION FOR WORKFORCE EDUCATION ACTIVITIES.

(a) In General.—

(1) In general.—Each eligible entity desiring financial assistance under this subtitle for workforce education activities shall submit an application to the State educational agency at such time, in such manner and accompanied by such information as such agency (in consultation with such other educational entities as the State educational agency determines to be appropriate) may require. Such application shall cover the same period of time as the period of time applicable to the State workforce development plan.

(2) Definition.—For the purpose of this section the term "eligible entity" means an entity eligible for financial assistance under section 722, 723, or 724 from a State educational agency.

(b) Contents.—Each application described in subsection (a) shall, at a minimum—

(1) describe how the workforce education activities required under section 716(b), and other workforce education activities, will be carried out with funds received under this subtitle;

(2) describe how the activities to be carried out relate to meeting the State goals, and reaching the State benchmarks, concerning workforce education activities;

(3) describe how the activities to be carried out are an integral part of the comprehensive efforts of the eligible entity to improve education for all students and adults;

(4) describe the process that will be used to independently evaluate and continuously improve the performance of the eligible entity; and

(5) describe how the eligible entity will coordinate the activities of the entity with the activities of the local workforce development board, if any, in the substate area.

SEC. 728. LOCAL PARTNERSHIPS, AGREEMENTS, AND WORKFORCE DEVELOPMENT BOARDS.

(a) Local Agreements.—

(1) In general.—After a Governor submits the State plan described in section 714 to the Federal Partnership, the Governor shall negotiate and enter into a local agreement regarding the workforce employment activities, school-to-work activities, and economic development activities (within a State that is eligible to carry out such activities, as described in subsection (c)) to be carried out in each substate area in the State with local partnerships (or, where established, local workforce development boards described in subsection (b)).

(2) Local partnerships.—

(A) In general.—A local partnership referred to in paragraph (1) shall be established by the local chief elected official, in accordance with subparagraphs (B) and (C), and shall consist of individuals representing business, industry, and labor, local secondary schools, local postsecondary education institutions, local adult education providers, local elected officials, rehabilitation agencies and organizations, community-based organizations, and veterans, within the appropriate substate area.

(B) Multiple jurisdictions.—In any case in which there are 2 or more units of general local government in the substate area involved, the chief elected official of each such unit shall appoint members of the local partnership in accordance with an agreement entered into by such chief elected officials. In the absence of such an agreement, such appointments shall be made by the Governor of the State involved from the individuals nominated or recommended by the chief elected officials.

(C) Selection of business and industry representatives.—Individuals representing business and industry in the local partnership shall be appointed by the chief elected official from nominations submitted by business organizations in the substate area involved. Such individuals shall reasonably represent the industrial and demographic composition of the business community. Where possible, at least 50 percent of such business and industry representatives shall be representatives of small business.

(3) Business and industry involvement.—The business and industry representatives shall have a lead role in the design, management, and evaluation of the activities to be carried out in the substate area under the local agreement.

(4) Contents.—

(A) State goals and state benchmarks.—Such an agreement shall include a description of the manner in which funds allocated to a substate area under this subtitle will be spent to meet the State goals and reach the State benchmarks in a manner that reflects local labor market conditions.

(B) Collaboration.—The agreement shall also include information that demonstrates the manner in which—

(i) the Governor; and

(ii) the local partnership (or, where established, the local workforce development board);

collaborated in reaching the agreement.

(5) Failure to reach agreement.—If, after a reasonable effort, the Governor is unable to enter into an agreement with the local partnership (or, where established, the local workforce development board), the Governor shall notify the partnership or board, as appropriate, and provide the partnership or board, as appropriate, with the opportunity to comment, not later than 30 days after the date of the notification, on the manner in which funds allocated to such substate area will be spent to meet the State goals and reach the State benchmarks.

(6) Exception.—A State that indicates in the State plan described in section 714 that the State will be treated as a substate area for purposes of the application of this subtitle shall not be subject to this subsection.

(b) Local Workforce Development Boards.—

(1) In general.—Each State may facilitate the establishment of local workforce development boards in each substate area to set policy and provide oversight over the workforce development activities in the substate area.

(2) Membership.—

(A) State criteria.—The Governor shall establish criteria for use by local chief elected officials in each substate area in the selection of members of the local workforce development boards, in accordance with the requirements of subparagraph (B).

(B) Representation requirement.—Such criteria shall require, at a minimum, that a local workforce development board consist of—

(i) representatives of business and industry in the substate area, who shall constitute a majority of the board;

(ii) representatives of labor, workers, and community-based organizations, who shall constitute not less than 25 percent of the members of the board;

(iii) representatives of local secondary schools, postsecondary education institutions, and adult education providers;

(iv) representatives of veterans; and

(v) 1 or more individuals with disabilities, or their representatives.

(C) Chair.—Each local workforce development board shall select a chairperson from among the members of the board who are representatives of business and industry.

(3) Conflict of interest.—No member of a local workforce development board shall vote on a matter relating to the provision of services by the member (or any organization that the member directly represents) or vote on a matter that would provide direct financial benefit to such member or the immediate family of such member or engage in any other activity determined by the Governor to constitute a conflict of interest.

(4) Functions.—The functions of the local workforce development board shall include—

(A) submitting to the Governor a single comprehensive 3-year strategic plan for workforce development activities in the substate area that includes information—

(i) identifying the workforce development needs of local industries, students, jobseekers, and workers;

(ii) identifying the workforce development activities to be carried out in the substate area with funds received through the allotment made to the State under section 712, to meet the State goals and reach the State benchmarks; and

(iii) identifying how the local workforce development board will obtain the active and continuous participation of business, industry, and labor in the development and continuous improvement of the workforce development activities carried out in the substate area;

(B) entering into local agreements with the Governor as described in subsection (a);

(C) overseeing the operations of the one-stop delivery of core services described in section 716(a)(2) in the substate area, including the responsibility to—

(i) designate local entities to operate the one-stop delivery in the substate area, consistent with the criteria referred to in section 716(a)(2); and

(ii) develop and approve the budgets and annual operating plans of the providers of the one-stop delivery; and

(D) submitting annual reports to the Governor on the progress being made in the substate area toward meeting the State goals and reaching the State benchmarks.

(5) Consultation.—A local workforce development board that serves a substate area shall conduct the functions described in paragraph (4) in consultation with the chief elected officials in the substate area.

(c) Economic Development Activities.—A State shall be eligible to use the funds made available through the flex account for flexible workforce activities to carry out economic development activities if—

(1) the boards described in section 715 and subsection (b) are established in the State; or

(2) in the case of a State that indicates in the State plan described in section 714 that the State will be treated as a substate area

for purposes of the application of this subtitle, the board described in section 715 is established in the State.

SEC. 729. CONSTRUCTION.

Nothing in this title shall be construed—

(1) to prohibit a local educational agency (or a consortium thereof) that receives assistance under section 722, from working with an eligible entity (or consortium thereof) that receives assistance under section 723, to carry out secondary school vocational education activities in accordance with this title; or

(2) to prohibit an eligible entity (or consortium thereof) that receives assistance under section 723, from working with a local educational agency (or consortium thereof) that receives assistance under section 722, to carry out postsecondary and adult vocational education activities in accordance with this title.

CHAPTER 3—ADMINISTRATION

SEC. 731. ACCOUNTABILITY.

(a) REPORT.—

(1) IN GENERAL.—Each State that receives an allotment under section 712 shall annually prepare and submit to the Federal Partnership, a report that states how the State is performing on State benchmarks specified in this section, which relate to workforce development activities carried out through the statewide system of the State. In preparing the report, the State may include information on such additional benchmarks as the State may establish to meet the State goals.

(2) CONSOLIDATED REPORT.—In lieu of submitting separate reports under paragraph (1) and section 409(a) of the Social Security Act, the State may prepare a consolidated report. Any consolidated report prepared under this paragraph shall contain the information described in paragraph (1) and subsections (a) through (h) of section 409 of the Social Security Act. The State shall submit any consolidated report prepared under this paragraph to the Federal Partnership, the Secretary of Agriculture, and the Secretary of Health and Human Services, on the dates specified in section 409(a) of the Social Security Act.

(b) GOALS.—

(1) MEANINGFUL EMPLOYMENT.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of assisting participants in obtaining meaningful unsubsidized employment opportunities in the State.

(2) EDUCATION.—Each statewide system supported by an allotment under section 712 shall be designed to meet the goal of enhancing and developing more fully the academic, occupational, and literacy skills of all segments of the population of the State.

(c) BENCHMARKS.—

(1) MEANINGFUL EMPLOYMENT.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(1), which shall include, at a minimum, measures of—

(A) placement in unsubsidized employment of participants;

(B) retention of the participants in such employment (12 months after completion of the participation); and

(C) increased earnings for the participants.

(2) EDUCATION.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure the statewide progress of the State toward meeting the goal described in subsection (b)(2), which shall include, at a minimum, measures of—

(A) student mastery of academic knowledge and work readiness skills;

(B) student mastery of occupational and industry-recognized skills according to skill proficiencies for students in career preparation programs;

(C) placement in, retention in, and completion of secondary education (as determined under State law) and postsecondary education, and placement and retention in employment and in military service; and

(D) mastery of the literacy, knowledge, and skills adults need to be productive and responsible citizens and to become more actively involved in the education of their children.

(3) POPULATIONS.—To be eligible to receive an allotment under section 712, a State shall develop, in accordance with paragraph (5), and identify in the State plan of the State, proposed quantifiable benchmarks to measure progress toward meeting the goals described in subsection (b) for populations including, at a minimum—

(A) welfare recipients (including a benchmark for welfare recipients described in section 3(36)(B));

(B) individuals with disabilities;

(C) older workers;

(D) at-risk youth;

(E) dislocated workers; and

(F) veterans.

(4) SPECIAL RULE.—If a State has developed for all students in the State performance indicators, attainment levels, or assessments for skills according to challenging academic, occupational, or industry-recognized skill proficiencies, the State shall use such performance indicators, attainment levels, or assessments in measuring the progress of all students served under this title in attaining the skills.

(5) NEGOTIATIONS.—

(A) INITIAL DETERMINATION.—On receipt of a State plan submitted under section 714, the Federal Partnership shall, not later than 30 days after the date of the receipt, determine—

(i) how the proposed State benchmarks identified by the State in the State plan compare to the model benchmarks established by the Federal Partnership under section 772(b)(2);

(ii) how the proposed State benchmarks compare with State benchmarks proposed by other States in their State plans; and

(iii) whether the proposed State benchmarks, taken as a whole, are sufficient—

(I) to enable the State to meet the State goals; and

(II) to make the State eligible for an incentive grant under section 732(a).

(B) NOTIFICATION.—The Federal Partnership shall immediately notify the State of the determinations referred to in subparagraph (A). If the Federal Partnership determines that the proposed State benchmarks are not sufficient to make the State eligible for an incentive grant under section 732(a), the Federal Partnership shall provide the State with guidance on the steps the State may take to allow the State to become eligible for the grant.

(C) REVISION.—Not later than 30 days after the date of receipt of the notification referred to in subparagraph (B), the State may revise some or all of the State benchmarks identified in the State plan in order to become eligible for the incentive grant or provide reasons why the State benchmarks should be sufficient to make the State eligible for the incentive grant.

(D) DETERMINATION.—After reviewing any revised State benchmarks or information submitted by the State in accordance with subparagraph (C), the Federal Partnership shall make a determination on the eligibility of the State for the incentive grant, as described in paragraph (6), and provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award a grant to the State under section 732(a).

(6) INCENTIVE GRANTS.—Each State that sets high benchmarks under paragraph (1), (2), or (3) and reaches or exceeds the benchmarks, as determined by the Federal Partnership, shall be eligible to receive an incentive grant under section 732(a).

(7) SANCTIONS.—A State that has failed to demonstrate sufficient progress toward reaching the State benchmarks established under this subsection for the 3 years covered by a State plan described in section 714, as determined by the Federal Partnership, may be subject to sanctions under section 732(b).

(d) JOB PLACEMENT ACCOUNTABILITY SYSTEM.—

(1) IN GENERAL.—Each State that receives an allotment under section 712 shall establish a job placement accountability system, which will provide a uniform set of data to track the progress of the State toward reaching the State benchmarks.

(2) DATA.—

(A) IN GENERAL.—In order to maintain data relating to the measures described in subsection (c)(1), each such State shall establish a job placement accountability system using quarterly wage records available through the unemployment insurance system. The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), in conjunction with the Commissioner of Labor Statistics, shall maintain the job placement accountability system and match information on participants served by the statewide systems of the State and other States with quarterly employment and earnings records.

(B) REIMBURSEMENT.—Each local entity that carries out workforce employment activities or workforce education activities and that receives funds under this subtitle shall provide information regarding the social security numbers of the participants served by the entity and such other information as the State may require to the State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B).

(C) CONFIDENTIALITY.—The State agency or entity within the State responsible for labor market information, as designated in section 773(c)(1)(B), shall protect the confidentiality of information obtained through the job placement accountability system through the use of recognized security procedures.

(e) INDIVIDUAL ACCOUNTABILITY.—Each State that receives an allotment under section 712 shall devise and implement procedures to provide, in a timely manner, information on participants in activities carried out through the statewide system who are participating as a condition of receiving welfare assistance. The procedures shall require that the State provide the information to the State and local agencies carrying out the programs through which the welfare assistance is provided, in a manner that ensures that the agencies can monitor compliance with the conditions regarding the receipt of the welfare assistance.

SEC. 732. INCENTIVES AND SANCTIONS.

(a) INCENTIVES.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may award incentive grants of not more than $15,000,000 per program year to a State that—

(A) reaches or exceeds State benchmarks established under section 731(c), with an emphasis on the benchmarks established under section 731(c)(3), in accordance with section 731(c)(6); or

(B) demonstrates to the Federal Partnership that the State has made substantial reductions in the number of adult recipients of assistance, as defined in section 712(b)(1)(A), resulting from increased placement of such adult recipients in unsubsidized employment.

(2) USE OF FUNDS.—A State that receives such a grant may use the funds made available through the grant to carry out any workforce development activities authorized under this title.

(b) SANCTIONS.—

(1) FAILURE TO DEMONSTRATE SUFFICIENT PROGRESS.—If the Federal Partnership determines, after notice and an opportunity for a hearing, that a State has failed to demonstrate sufficient progress toward reaching the State benchmarks established under section 731(c) for the 3 years covered by a State plan described in section 714, the Federal Partnership shall provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may reduce the allotment of the State under section 712 by not more than 10 percent per program year for not more than 3 years. The Federal Partnership may determine that the failure of the State to demonstrate such progress is attributable to the workforce employment activities, workforce education activities, or flexible workforce activities, of the State and provide advice to the Secretary of Labor and the Secretary of Education. The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may decide to reduce only the portion of the allotment for such activities.

(2) EXPENDITURE CONTRARY TO TITLE.—If the Governor of a State determines that a local entity that carries out workforce employment activities in a substate area of the State has expended funds made available under this title in a manner contrary to the purposes of this title, and such expenditures do not constitute fraudulent activity, the Governor may deduct an amount equal to the funds from a subsequent program year allocation to the substate area.

(c) FUNDS RESULTING FROM REDUCED ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may use an amount retained as a result of a reduction in an allotment made under subsection (b)(1) to award an incentive grant under subsection (a).

SEC. 733. UNEMPLOYMENT TRUST FUND.

(a) IN GENERAL.—Section 901(c) of the Social Security Act (42 U.S.C. 1101(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking clause (ii) and inserting the following:

"(ii) the establishment and maintenance of statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and"; and

(ii) in clause (iii), by striking "carrying into effect section 4103" and "carrying out the activities described in sections 4103, 4103A, 4104, and 4104A"; and

(B) in subparagraph (B)—

(i) in the matter preceding clause (i), by striking "Department of Labor" and inserting "Department of Labor or the Workforce Development Partnership, as appropriate,"; and

(ii) by striking clause (iii) and inserting the following:

"(iii) the Workforce Development Act of 1995,"; and

(2) in the first sentence of paragraph (4), by striking "the total cost" and all that follows through "the President determines" and inserting "the total cost of administering the statewide workforce development systems, to the extent the systems are used to carry out activities described in section 773, or in any of clauses (ii) through (v) of section 716(a)(2)(B), of the Workforce Development Act of 1995, and of the necessary expenses of the Workforce Development Partnership for the performance of the functions of the partnership under such Act, as the President determines".

(b) GUAM; UNITED STATES VIRGIN ISLANDS.—From the total amount made available under section 901(c)(1)(A) of the Social Security Act (42 U.S.C. 1101(c)(1)(A)) (referred to in this section as the "total amount") for each fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly, shall first allot to Guam and the United States Virgin Islands an amount that, in relation to the total amount for the fiscal year, is equal to the allotment percentage that each received of amounts available under section 6 of the Wagner-Peyser Act (29 U.S.C. 49e) in fiscal year 1983.

(c) STATES.—

(1) ALLOTMENTS.—

(A) IN GENERAL.—Subject to paragraphs (2) and (3), the Secretary of Labor and the Secretary of Education, acting jointly, shall (after making the allotments required by subsection (b)) allot the remainder of the total amount for each fiscal year among the States as follows:

(i) CIVILIAN LABOR FORCE.—Two-thirds of such remainder shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State as compared to the total number of such individuals in all States.

(ii) UNEMPLOYED INDIVIDUALS.—One-third of such remainder shall be allotted on the basis of the relative number of unemployed individuals in each State as compared to the total number of such individuals in all States.

(B) CALCULATION.—For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the most recent calendar year available, as determined by the Secretary of Labor and the Secretary of Education, acting jointly.

(2) MINIMUM PERCENTAGE.—No State allotment under this section for any fiscal year shall be a smaller percentage of the total amount for the fiscal year than 90 percent of the allotment percentage for the State for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this section, the Secretary of Labor and the Secretary of Education, acting jointly, shall determine the allotment percentage for each State for fiscal year 1984, which shall be the percentage that the State received of amounts available under section 6 of the Wagner-Peyser Act for fiscal year 1983. For the purpose of this section, for each succeeding fiscal year, the allotment percentage for each such State shall be the percentage that the State received of amounts available under section 6 of the Wagner-Peyser Act for the preceding fiscal year.

(3) MINIMUM ALLOTMENT.—For each fiscal year, no State shall receive a total allotment under paragraphs (1) and (2) that is less than 0.28 percent of the total amount for such fiscal year.

(4) ESTIMATES.—The Secretary of Labor and the Secretary of Education, acting jointly, shall, not later than March 15 of each fiscal year, provide preliminary planning estimates and shall, not later than May 15 of each fiscal year, provide final planning estimates, showing the projected allocation for each State for the following year.

(5) DEFINITION.—Notwithstanding section 703, as used in paragraphs (2) through (4), the term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, and United States Virgin Islands.

(d) EFFECTIVE DATE.—This section, and the amendments made by this section, shall take effect July 1, 1998.

SEC. 734. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title (other than subtitle C) $6,127,000,000 for each of fiscal years 1998 through 2001.

(b) RESERVATIONS.—Of the amount appropriated under subsection (a)—

(1) 92.7 percent shall be reserved for making allotments under section 712;

(2) 1.25 percent shall be reserved for carrying out section 717;

(3) 0.2 percent shall be reserved for carrying out section 718;

(4) 4.3 percent shall be reserved for making incentive grants under section 732(a) and for the administration of this title;

(5) 1.4 percent shall be reserved for carrying out section 773; and

(6) 0.15 percent shall be reserved for carrying out sections 774 and 775 and the National Literacy Act of 1991 (20 U.S.C. 1201 note).

(c) PROGRAM YEAR.—

(1) IN GENERAL.—Appropriations for any fiscal year for programs and activities under this title shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

(2) ADMINISTRATION.—Funds obligated for any program year may be expended by each recipient during the program year and the 2 succeeding program years and no amount shall be deobligated on account of a rate of expenditure that is consistent with the provisions of the State plan specified in section 714 that relate to workforce employment activities.

SEC. 735. EFFECTIVE DATE.

This subtitle shall take effect July 1, 1998.

Subtitle C—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL PROVISIONS

SEC. 741. PURPOSES.

The purposes of this subtitle are—

(1) to maintain a Job Corps for at-risk youth as part of statewide systems;

(2) to set forth standards and procedures for selecting individuals as enrollees in the Job Corps;

(3) to authorize the establishment of residential and nonresidential Job Corps centers in which enrollees will participate in intensive programs of workforce development activities;

(4) to prescribe various other powers, duties, and responsibilities incident to the operation and continuing development of the Job Corps; and

(5) to assist at-risk youth who need and can benefit from an unusually intensive program, operated in a group setting, to become more responsible, employable, and productive citizens.

SEC. 742. DEFINITIONS.

As used in this subtitle:

(1) AT-RISK YOUTH.—The term "at-risk youth" means an individual who—

(A) is not less than age 15 and not more than age 24;

(B) is low-income (as defined in section 723(e));

(C) is 1 or more of the following:

(i) Basic skills deficient.

(ii) A school dropout.

(iii) Homeless or a runaway.

(iv) Pregnant or parenting.

(v) Involved in the juvenile justice system.

(vi) An individual who requires additional education, training, or intensive counseling and related assistance, in order to secure and hold employment or participate successfully in regular schoolwork.

(2) ENROLLEE.—The term "enrollee" means an individual enrolled in the Job Corps.

(3) GOVERNOR.—The term "Governor" means the chief executive officer of a State.

(4) JOB CORPS.—The term "Job Corps" means the corps described in section 744.

(5) JOB CORPS CENTER.—The term "Job Corps center" means a center described in section 744.

SEC. 743. AUTHORITY OF GOVERNOR.

The duties and powers granted to a State by this subtitle shall be considered to be granted to the Governor of the State.

CHAPTER 2—JOB CORPS

SEC. 744. GENERAL AUTHORITY.

If a State receives an allotment under section 759, and a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755, the State shall use a portion of the funds made available through the allotment to maintain the center, and carry out activities described in this subtitle for individuals enrolled in a Job Corps and assigned to the center.

SEC. 745. SCREENING AND SELECTION OF APPLICANTS.

(a) STANDARDS AND PROCEDURES.—

(1) IN GENERAL.—The State shall prescribe specific standards and procedures for the screening and selection of applicants for the Job Corps.

(2) IMPLEMENTATION.—To the extent practicable, the standards and procedures shall be implemented through arrangements with—

(A) one-stop career centers;

(B) agencies and organizations such as community action agencies, professional groups, and labor organizations; and

(C) agencies and individuals that have contact with youth over substantial periods of time and are able to offer reliable information about the needs and problems of the youth.

(3) CONSULTATION.—The standards and procedures shall provide for necessary consultation with individuals and organizations, including court, probation, parole, law enforcement, education, welfare, and medical authorities and advisers.

(b) SPECIAL LIMITATIONS.—No individual shall be selected as an enrollee unless the individual or organization implementing the standards and procedures determines that—

(1) there is a reasonable expectation that the individual can participate successfully in group situations and activities, is not likely to engage in behavior that would prevent other enrollees from receiving the benefit of the program or be incompatible with the maintenance of sound discipline and satisfactory relationships between the Job Corps center to which the individual might be assigned and surrounding communities; and

(2) the individual manifests a basic understanding of both the rules to which the individual will be subject and of the consequences of failure to observe the rules.

(c) INDIVIDUALS ELIGIBLE.—To be eligible to become an enrollee, an individual shall be an at-risk youth.

SEC. 746. ENROLLMENT AND ASSIGNMENT.

(a) RELATIONSHIP BETWEEN ENROLLMENT AND MILITARY OBLIGATIONS.—Enrollment in the Job Corps shall not relieve any individual of obligations under the Military Selective Service Act (50 U.S.C. App. 451 et seq.).

(b) ASSIGNMENT.—

(1) IN GENERAL.—Except as provided in paragraph (2), the State shall assign an enrollee to the Job Corps center within the State that is closest to the residence of the enrollee.

(2) AGREEMENTS WITH OTHER STATES.—The State may enter into agreements with 1 or more States to enroll individuals from the States in the Job Corps and assign the enrollees to Job Corps centers in the State.

SEC. 747. JOB CORPS CENTERS.

(a) DEVELOPMENT.—The State shall enter into an agreement with a Federal, State, or local agency, which may be a State board or agency that operates or wishes to develop an area vocational education school facility or residential vocational school, or with a private organization, for the establishment and operation of a Job Corps center.

(b) CHARACTER AND ACTIVITIES.—Job Corps centers may be residential or nonresidential in character, and shall be designed and operated so as to provide enrollees, in a well-supervised setting, with access to activities described in section 748.

(c) CIVILIAN CONSERVATION CENTERS.—The Job Corps centers may include Civilian Conservation Centers, located primarily in rural areas, which shall provide, in addition to other training and assistance, programs of work experience to conserve, develop, or manage public natural resources or public recreational areas or to develop community projects in the public interest.

(d) JOB CORPS OPERATORS.—To be eligible to receive funds under this chapter, an entity who entered into a contract with the Secretary of Labor that is in effect on the effective date of this section to carry out activities through a center under part B of title IV of the Job Training Partnership Act (as in effect on the day before the effective date of this section), shall enter into a contract with the State in which the center is located that contains provisions substantially similar to the provisions of the contract with the Secretary of Labor, as determined by the State.

SEC. 748. PROGRAM ACTIVITIES.

(a) ACTIVITIES PROVIDED THROUGH JOB CORPS CENTERS.—Each Job Corps center shall provide enrollees assigned to the center with access to activities described in section 716(a)(2)(B), and such other workforce development activities as may be appropriate to meet the needs of the enrollees, including providing work-based learning throughout the enrollment of the enrollees and assisting the enrollees in obtaining meaningful unsubsidized employment on completion of their enrollment.

(b) ARRANGEMENTS.—The State shall arrange for enrollees assigned to Job Corps centers in the State to receive workforce development activities through the statewide system, including workforce development activities provided through local public or private educational agencies, vocational educational institutions, or technical institutes.

(c) JOB PLACEMENT ACCOUNTABILITY.—Each Job Corps center located in a State shall be connected to the job placement accountability system of the State described in section 731(d).

SEC. 749. SUPPORT.

The State shall provide enrollees assigned to Job Corps centers in the State with such personal allowances as the State may determine to be necessary or appropriate to meet the needs of the enrollees.

SEC. 750. OPERATING PLAN.

To be eligible to operate a Job Corps center and receive assistance under section 759 for program year 1998 or any subsequent program year, an entity shall prepare and submit, to the Governor of the State in which the center is located, and obtain the approval of the Governor for, an operating plan that shall include, at a minimum, information indicating—

(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the State plan for the State submitted under section 714;

(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) by the State.

SEC. 751. STANDARDS OF CONDUCT.

(a) PROVISION AND ENFORCEMENT.—The State shall provide, and directors of Job Corps center shall stringently enforce, standards of conduct within the centers. Such standards of conduct shall include provisions forbidding violence, drug abuse, and other criminal activity.

(b) DISCIPLINARY MEASURES.—To promote the proper moral and disciplinary conditions in the Job Corps, the directors of Job Corps centers shall take appropriate disciplinary measures against enrollees. If such a director determines that an enrollee has committed a violation of the standards of conduct, the director shall dismiss the enrollee from the Corps if the director determines that the retention of the enrollee in the Corps will jeopardize the enforcement of such standards or diminish the opportunities of other enrollees. If the director determines that an enrollee has engaged in an incident involving violence, drug abuse, or other criminal activity, the director shall immediately dismiss the enrollee from the Corps.

(c) APPEAL.—A disciplinary measure taken by a director under this section shall be subject to expeditious appeal in accordance with procedures established by the State.

SEC. 752. COMMUNITY PARTICIPATION.

The State shall encourage and cooperate in activities to establish a mutually beneficial relationship between Job Corps centers in the State and nearby communities. The activities may include the use of any local workforce development boards established in the State under section 728(b) to provide a mechanism for joint discussion of common problems and for planning programs of mutual interest.

SEC. 753. COUNSELING AND PLACEMENT.

The State shall ensure that enrollees assigned to Job Corps centers in the State receive counseling and job placement services, which shall be provided, to the maximum extent practicable, through the delivery of core services described in section 716(a)(2).

SEC. 754. LEASES AND SALES OF CENTERS.

(a) LEASES.—

(1) IN GENERAL.—The Secretary of Labor shall offer to enter into a lease with each State that has an approved State plan submitted under section 714 and in which 1 or more Job Corps centers are located.

(2) NOMINAL CONSIDERATION.—Under the terms of the lease, the Secretary of Labor shall lease the Job Corps centers in the State to the State in return for nominal consideration.

(3) INDEMNITY AGREEMENT.—To be eligible to lease such a center, a State shall enter into an agreement to hold harmless and indemnify the United States from any liability or claim for damages or injury to any person or property arising out of the lease.

(b) SALES.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary of Labor shall offer each State described in subsection (a)(1) the opportunity to purchase the Job Corps centers in the State in return for nominal consideration.

SEC. 755. CLOSURE OF JOB CORPS CENTERS.

(a) NATIONAL JOB CORPS AUDIT.—Not later than March 31, 1997, the Federal Partnership shall conduct an audit of the activities carried out under part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.), and submit to the appropriate committees of Congress a report containing the results of the audit, including information indicating—

(1) the amount of funds expended for fiscal year 1996 to carry out activities under such part, for each State and for the United States;

(2) for each Job Corps center funded under such part (referred to in this subtitle as a "Job Corps center"), the amount of funds expended for fiscal year 1996 under such part to carry out activities related to the direct operation of the center, including funds expended for student training, outreach or intake activities, meals and lodging, student allowances, medical care, placement or settlement activities, and administration;

(3) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part through contracts to carry out activities not related to the direct operation of the center, including funds expended for student travel, national outreach, screening, and placement services, national vocational training, and national and regional administrative costs;

(4) for each Job Corps center, the amount of funds expended for fiscal year 1996 under such part for facility construction, rehabilitation, and acquisition expenses; and

(5) the amount of funds required to be expended under such part to complete each new or proposed Job Corps center, and to rehabilitate and repair each existing Job Corps center, as of the date of the submission of the report.

(b) RECOMMENDATIONS OF NATIONAL BOARD.—

(1) RECOMMENDATIONS.—The National Board shall, based on the results of the audit described in subsection (a), make recommendations to the Secretary of Labor, including identifying 25 Job Corps centers to be closed by September 30, 1997.

(2) CONSIDERATIONS.—

(A) IN GENERAL.—In determining whether to recommend that the Secretary of Labor close a Job Corps center, the National Board shall consider whether the center—

(i) has consistently received low performance measurement ratings under the Department of Labor or the Office of Inspector General Job Corps rating system;

(ii) is among the centers that have experienced the highest number of serious incidents of violence or criminal activity in the past 5 years;

(iii) is among the centers that require the largest funding for renovation or repair, as specified in the Department of Labor Job Corps Construction/Rehabilitation Funding Needs Survey, or for rehabilitation or repair, as reflected in the portion of the audit described in subsection (a)(5);

(iv) is among the centers for which the highest relative or absolute fiscal year 1996 expenditures were made, for any of the categories of expenditures described in paragraph (2), (3), or (4) of subsection (a), as reflected in the audit described in subsection (a);

(v) is among the centers with the least State and local support; or

(vi) is among the centers with the lowest rating on such additional criteria as the National Board may determine to be appropriate.

(B) COVERAGE OF STATES AND REGIONS.—Notwithstanding subparagraph (A), the National Board shall not recommend that the Secretary of Labor close the only Job Corps center in a State or a region of the United States.

(C) ALLOWANCE FOR NEW JOB CORPS CENTERS.—Notwithstanding any other provision of this section, if the planning or construction of a Job Corps center that received Federal funding for fiscal year 1994 or 1995 has not been completed by the date of enactment of this Act—

(i) the appropriate entity may complete the planning or construction and begin operation of the center; and

(ii) the National Board shall not evaluate the center under this title sooner than 3 years after the first date of operation of the center.

(3) REPORT.—Not later than June 30, 1997, the National Board shall submit a report to the Secretary of Labor, which shall contain a detailed statement of the findings and conclusions of the National Board resulting from the audit described in subsection (a) together with the recommendations described in paragraph (1).

(c) CLOSURE.—The Secretary of Labor shall, after reviewing the report submitted under subsection (b)(3), close 25 Job Corps centers by September 30, 1997.

SEC. 756. INTERIM OPERATING PLANS FOR JOB CORPS CENTERS.

Part B of title IV of the Job Training Partnership Act (29 U.S.C. 1691 et seq.) is amended by inserting after section 439 the following section:

"SEC. 439A. OPERATING PLAN.

"(a) SUBMISSION OF PLAN.—To be eligible to operate a Job Corps center and receive assistance under this part for fiscal year 1997, an entity shall prepare and submit to the Secretary and the Governor of the State in which the center is located, and obtain the approval of the Secretary for, an operating plan that shall include, at a minimum, information indicating—

"(1) in quantifiable terms, the extent to which the center will contribute to the achievement of the proposed State goals and State benchmarks identified in the interim plan for the State submitted under section 763 of the Workforce Development Act of 1995;

"(2) the extent to which workforce employment activities and workforce education activities delivered through the Job Corps center are directly linked to the workforce development needs of the industry sectors most important to the economic competitiveness of the State; and

"(3) an implementation strategy to ensure that all enrollees assigned to the Job Corps center will have access to services through the one-stop delivery of core services described in section 716(a)(2) of the Workforce Development Act of 1995 by the State as identified in the interim plan.

"(b) SUBMISSION OF COMMENTS.—Not later than 30 days after receiving an operating plan described in subsection (a), the Governor of the State in which the center is located may submit comments on the plan to the Secretary.

"(c) APPROVAL.—The Secretary shall not approve an operating plan described in subsection (a) for a center if the Secretary determines that the activities proposed to be carried out through the center are not sufficiently integrated with the activities to be carried out through the statewide system of the State in which the center is located.".

SEC. 757. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter shall take effect on July 1, 1998.

(b) INTERIM PROVISIONS.—Sections 754 and 755, and the amendment made by section 756, shall take effect on the date of enactment of this Act.

CHAPTER 3—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

SEC. 759. WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH.

(a) IN GENERAL.—For program year 1998 and each subsequent program year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make allotments under subsection (c) to States to assist the States in paying for the cost of carrying out workforce preparation activities for at-risk youth, as described in this section.

(b) STATE USE OF FUNDS.—

(1) CORE ACTIVITIES.—The State shall use a portion of the funds made available to the State through an allotment received under subsection (c) to establish and operate Job Corps centers as described in chapter 2, if a center located in the State received assistance under part B of title IV of the Job Training Partnership Act for fiscal year 1996 and was not closed in accordance with section 755.

(2) PERMISSIBLE ACTIVITIES.—The State may use a portion of the funds described in paragraph (1) to—

(A) make grants to eligible entities, as described in subsection (e), to assist the entities in carrying out innovative programs to assist out-of-school at-risk youth in participating in school-to-work activities;

(B) make grants to eligible entities, as described in subsection (e), to assist the entities in providing work-based learning as a component of school-to-work activities, including summer jobs linked to year-round school-to-work programs; and

(C) carry out other workforce development activities specifically for at-risk youth.

(c) ALLOTMENTS.—

(1) IN GENERAL.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall allot to each State an amount equal to the total of—

(A) the amount made available to the State under paragraph (2); and

(B) the amounts made available to the State under subparagraphs (C), (D), and (E) of paragraph (3).

(2) ALLOTMENTS BASED ON FISCAL YEAR 1996 APPROPRIATIONS.—Using a portion of the funds appropriated under subsection (g) for a fiscal year, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State the amount that Job Corps centers in the State expended for fiscal year 1996 under part B of title IV of the Job Training Partnership Act to carry out activities related to the direct operation of the centers, as determined under section 755(a)(2).

(3) ALLOTMENTS BASED ON POPULATIONS.—

(A) DEFINITIONS.—As used in this paragraph:

(i) INDIVIDUAL IN POVERTY.—The term "individual in poverty" means an individual who—

(I) is not less than age 18;

(II) is not more than age 64; and

(III) is a member of a family (of 1 or more members) with an income at or below the poverty line.

(ii) POVERTY LINE.—The term "poverty line" means the poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)) applicable to a family of the size involved, using the most recent available data provided by the Bureau of the Census, prior to the program year for which the allotment is made, and applying the definition of poverty used by the Bureau of the Census in compiling the 1990 decennial census.

(B) TOTAL ALLOTMENTS.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall use the remainder of the funds that are appropriated under subsection (g) for a fiscal year, and that are not made available under paragraph (2), to make amounts available under this paragraph.

(C) UNEMPLOYED INDIVIDUALS.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the average number of unemployed individuals (as determined by the Secretary of Labor for the most recent 24-month period for which data are available, prior to the program year for which the allotment is made) in the State bears to the average number of unemployed individuals (as so determined) in the United States.

(D) INDIVIDUALS IN POVERTY.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of individuals in poverty in the State bears to the total number of individuals in poverty in the United States.

(E) AT-RISK YOUTH.—From funds equal to 33⅓ percent of such remainder, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, shall make available to each State an amount that bears the same relationship to such funds as the total number of at-risk youth in the State bears to the total number of at-risk youth in the United States.

(d) STATE PLAN.—

(1) INFORMATION.—To be eligible to receive an allotment under subsection (c), a State shall include, in the State plan to be submitted under section 714, information describing the allocation within the State of the funds made available through the allotment, and how the programs and activities described in subsection (b)(2) will be carried out to meet the State goals and reach the State benchmarks.

(2) LIMITATION.—A State may not be required to include the information described in paragraph (1) in the State plan to be submitted under section 714 to be eligible to receive an allotment under section 712.

(e) APPLICATION.—To be eligible to receive a grant under subparagraph (A) or (B) of subsection (b)(2) from a State, an entity shall prepare and submit to the Governor of the State an application at such time, in such manner, and containing such information as the Governor may require.

(f) WITHIN STATE DISTRIBUTION.—Of the funds allotted to a State under subsection (c)(3) for workforce preparation activities for at-risk youth for a program year—

(1) 15 percent shall be reserved by the Governor to carry out such activities through the statewide system; and

(2) 85 percent shall be distributed to local entities to carry out such activities through the statewide system.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle, $2,100,000,000 for each of fiscal years 1998 through 2001.

(h) EFFECTIVE DATE.—This chapter shall take effect on July 1, 1998.

Subtitle D—Transition Provisions

SEC. 761. WAIVERS.

(a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Notwithstanding any other provision of Federal law, and except as provided in subsection (d), the Secretary may waive any requirement under any provision of law relating to a covered activity, or of any regulation issued under such a provision, for—

(A) a State that requests such a waiver and submits an application as described in subsection (b); or

(B) a local entity that requests such a waiver and complies with the requirements of subsection (c);

in order to assist the State or local entity in planning or developing a statewide system or workforce development activities to be carried out through the statewide system.

(2) TERM.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each waiver approved pursuant to this section shall be for a period beginning on the date of the approval and ending on June 30, 1998.

(B) FAILURE TO SUBMIT INTERIM PLAN.—If a State receives a waiver under this section and fails to submit an interim plan under section 763 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997. If a local entity receives a waiver under this section, and the State in which the local entity is located fails to submit an interim plan under section 763 by June 30, 1997, the waiver shall be deemed to terminate on September 30, 1997.

(b) STATE REQUEST FOR WAIVER.—

(1) IN GENERAL.—A State may submit to the Secretary a request for a waiver of 1 or more requirements referred to in subsection (a). The request may include a request for different waivers with respect to different areas within the State.

(2) APPLICATION.—To be eligible to receive a waiver described in subsection (a), a State shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including information—

(A) identifying the requirement to be waived and the goal that the State (or the local agency applying to the State under subsection (c)) intends to achieve through the waiver;

(B) identifying, and describing the actions that the State will take to remove, similar State requirements;

(C) describing the activities to which the waiver will apply, including information on how the activities may be continued, or related to activities carried out, under the statewide system of the State;

(D) describing the number and type of persons to be affected by such waiver; and

(E) providing evidence of support for the waiver request by the State agencies or officials with jurisdiction over the requirement to be waived.

(c) LOCAL ENTITY REQUEST FOR WAIVER.—

(1) IN GENERAL.—A local entity that seeks a waiver of such a requirement shall submit to the State a request for the waiver and an application containing sufficient information to enable the State to comply with the requirements of subsection (b)(2). The State shall determine whether to submit a request and an application for a waiver to the Secretary, as provided in subsection (b).

(2) TIME LIMIT.—

(A) IN GENERAL.—The State shall make a determination concerning whether to submit the request and application for a waiver as described in paragraph (1) not later than 30 days after the date on which the State receives the application from the local entity.

(B) DIRECT SUBMISSION.—

(i) IN GENERAL.—If the State does not make a determination to submit or does not submit the request and application within the 30-day time period specified in subparagraph (A), the local entity may submit the request and application to the Secretary.

(ii) REQUIREMENTS.—In submitting such a request, the local entity shall obtain the agreement of the State involved to comply with the requirements of this section that would otherwise apply to a State submitting a request for a waiver. In reviewing an application submitted by a local entity, the Secretary shall comply with the requirements of this section that would otherwise apply to the Secretary with respect to review of such an application submitted by a State.

(d) WAIVERS NOT AUTHORIZED.—The Secretary may not waive any requirement of any provision referred to in subsection (a), or of any regulation issued under such provision, relating to—

(1) the allocation of funds to States, local entities, or individuals;

(2) public health or safety, civil rights, occupational safety and health, environmental protection, displacement of employees, or fraud and abuse;

(3) the eligibility of an individual for participation in a covered activity, except in a case in which the State or local entity can demonstrate that the individuals who would have been eligible to participate in such activity without the waiver will participate in a similar covered activity; or

(4) a required supplementation of funds by the State or a prohibition against the State supplanting such funds.

(e) ACTIVITIES.—Subject to subsection (d), the Secretary may approve a request for a waiver described in subsection (a) that would enable a State or local entity to—

(1) use the assistance that would otherwise have been used to carry out 2 or more covered activities (if the State or local entity were not using the assistance as described in this section)—

(A) to address the high priority needs of unemployed persons and at-risk youth in the appropriate State or community for workforce employment activities or workforce education activities;

(B) to improve efficiencies in the delivery of the covered activities; or

(C) in the case of overlapping or duplicative activities—

(i) by combining the covered activities and funding the combined activities; or

(ii) by eliminating 1 of the covered activities and increasing the funding to the remaining covered activity; and

(2) use the assistance that would otherwise have been used for administrative expenses relating to a covered activity (if the State or local entity were not using the assistance as described in this section) to pay for the cost of developing an interim State plan described in section 763 or a State plan described in section 714.

(f) APPROVAL OR DISAPPROVAL.—The Secretary shall approve or disapprove any request submitted pursuant to subsection (b) or (c), not later than 45 days after the date of the submission and shall issue a decision that shall include the reasons for approving or disapproving the request.

(g) FAILURE TO ACT.—If the Secretary fails to approve or disapprove the request within the 45-day period described in subsection (f), the request shall be deemed to be approved on the day after such period ends. If the Secretary subsequently determines that the waiver relates to a matter described in subsection (d) and issues a decision that includes the reasons for the determination, the waiver shall be deemed to terminate on the date of issuance of the decision.

(h) DEFINITION.—As used in this section:

(1) LOCAL ENTITY.—The term "local entity" means—

(A) a local educational agency, with respect to any act by a local agency or organization relating to a covered activity that is a workforce education activity; and

(B) the local public or private agency or organization responsible for carrying out the covered activity at issue, with respect to any act by a local agency or organization relating to any other covered activity.

(2) SECRETARY.—The term "Secretary" means—

(A) the Secretary of Labor, with respect to any act relating to a covered activity carried out by the Secretary of Labor;

(B) the Secretary of Education, with respect to any act relating to a covered activity carried out by the Secretary of Education; and

(C) the Secretary of Health and Human Services, with respect to any act relating to a covered activity carried out by the Secretary of Health and Human Services.

(3) STATE.—The term "State" means—

(A) a State educational agency, with respect to any act by a State entity relating to a covered activity that is a workforce education activity; and

(B) the Governor, with respect to any act by a State entity relating to any other covered activity.

(i) CONFORMING AMENDMENTS.—

(1) Section 501 of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6211) is amended—

(A) in subsection (a), by striking "sections 502 and 503" and inserting "section 502";

(B) in subsection (b)(2)(B)(ii)—

(i) by striking "section 502(a)(1)(C) or 503(a)(1)(C), as appropriate," and inserting "section 502(a)(1)(C)"; and

(ii) by striking "section 502 or 503, as appropriate," and inserting "section 502";

(C) in subsection (c), by striking "section 502 or 503" and inserting "section 502"; and

(D) by striking "Secretaries" each place the term appears and inserting "Secretary of Education".

(2) Section 502(b) of such Act (20 U.S.C. 6212(b)) is amended—

(A) in paragraph (4), by striking the semicolon and inserting "; and";

(B) in paragraph (5), by striking "; and" and inserting a period; and

(C) by striking paragraph (6).

(3) Section 503 of such Act (20 U.S.C. 6213) is repealed.

(4) Section 504 of such Act (20 U.S.C. 6214) is amended—

(A) in subsection (a)(2)(B), by striking clauses (i) and (ii) and inserting the following clauses:

"(i) the provisions of law listed in paragraphs (2) through (5) of section 502(b);

"(ii) the Job Training Partnership Act (29 U.S.C. 1501 et seq.); and

"(iii) the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)."; and

(B) in subsection (b), by striking "paragraphs (1) through (3), and paragraphs (5) and (6), of section 503(b)" and inserting "paragraphs (2) through (4) and paragraphs (6) and (7) of section 505(b)".

(5) Section 505(b) of such Act (20 U.S.C. 6215(b)) is amended to read as follows:

"(b) USE OF FUNDS.—A State may use, under the requirements of this Act, Federal funds that are made available to the State and combined under subsection (a) to carry out school-to-work activities, except that the provisions relating to—

"(1) the matters specified in section 502(c);

"(2) basic purposes or goals;

"(3) maintenance of effort;

"(4) distribution of funds;

"(5) eligibility of an individual for participation;

"(6) public health or safety, labor standards, civil rights, occupational safety and health, or environmental protection; or

"(7) prohibitions or restrictions relating to the construction of buildings or facilities;

that relate to the program through which the funds described in subsection (a)(2)(B) were made available, shall remain in effect with respect to the use of such funds.".

SEC. 762. FLEXIBILITY DEMONSTRATION PROGRAM.

(a) DEFINITION.—As used in this section:

(1) ELIGIBLE STATE.—The term "eligible State" means a State that—

(A)(i) has submitted an interim State plan under section 763;

(ii) has an executed Memorandum of Understanding with the Federal Government; or

(iii) is a designated "Ed-Flex Partnership State" under section 311(e) of the Goals 2000: Educate America Act (20 U.S.C. 5891(e)); and

(B) waives State statutory or regulatory requirements relating to workforce development activities while holding local entities within the State that are effected by such waivers accountable for the performance of the participants who are affected by such waivers.

(2) LOCAL ENTITY; SECRETARY; STATE.—The terms "local entity", "Secretary", and "State" have the meanings given the terms in section 761(h).

(b) DEMONSTRATION PROGRAM.—

(1) ESTABLISHMENT.—In addition to providing for the waivers described in section 761(a), the Secretary shall establish a workforce flexibility demonstration program under which the Secretary shall permit not more than 6 eligible States (or local entities within such States) to waive any statutory or regulatory requirement applicable to any covered activity described in section 761(a), other than the requirements described in section 761(d).

(2) SELECTION OF PARTICIPANT STATES.—In carrying out the program under paragraph (1), the Secretary shall select for participation in the program 3 eligible States that each have a population of not less than 3,500,000 individuals and 3 eligible States that each have a population of not more than 3,500,000 individuals, as determined in accordance with the most recent decennial census of the population as provided by the Bureau of the Census.

(3) APPLICATION.—

(A) SUBMISSION.—To be eligible to participate in the program established under paragraph (1), a State shall prepare and submit an application, in accordance with section 761(b)(2), that includes—

(i) a description of the process the eligible State will use to evaluate applications from local entities requesting waivers of—

(I) Federal statutory or regulatory requirements described in section 761(a); and

(II) State statutory or regulatory requirements relating to workforce development activities; and

(ii) a detailed description of the State statutory or regulatory requirements relating to workforce development activities that the State will waive.

(B) APPROVAL.—The Secretary may approve an application submitted under subparagraph (A) if the Secretary determines that such application demonstrates substantial promise of assisting the State and local entities within such State in carrying out comprehensive reform of workforce development activities and in otherwise meeting the purposes of this title.

(C) LOCAL ENTITY APPLICATIONS.—A State participating in the program established under paragraph (1) shall not approve an application by a local entity for a waiver under this subsection unless the State determines that such waiver will assist the local entity in reaching the goals of the local entity.

(4) MONITORING.—A State participating in the program established under paragraph (1) shall annually monitor the activities of local entities receiving waivers under this subsection and shall submit an annual report regarding such monitoring to the Secretary. The Secretary shall periodically review the performance of such States and shall terminate the waiver of a State under this subsection if the Secretary determines, after notice and opportunity for a hearing, that the performance of such State has been inadequate to a level that justifies discontinuation of such authority.

(5) REFERENCE.—Each eligible State participating in the program established under paragraph (1) shall be referred to as a "Work-Flex Partnership State".

SEC. 763. INTERIM STATE PLANS.

(a) IN GENERAL.—For a State or local entity in a State to use a waiver received under section 761 or 762 through June 30, 1998, and for a State to be eligible to submit a State plan described in section 714 for program year 1998, the Governor of the State shall submit an interim State plan to the Federal Partnership. The Governor shall submit the plan not later than June 30, 1997.

(b) REQUIREMENTS.—The interim State plan shall comply with the requirements applicable to State plans described in section 714.

(c) PROGRAM YEAR.—In submitting the interim State plan, the Governor shall indicate whether the plan is submitted—

(1) for review and approval for program year 1997; or

(2) solely for review.

(d) REVIEW.—In reviewing an interim State plan, the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may—

(1) in the case of a plan submitted for review and approval for program year 1997—

(A) approve the plan and permit the State to use a waiver as described in section 761 or 762 to carry out the plan; or

(B)(i) disapprove the plan and provide to the State reasons for the disapproval; and

(ii) direct the Federal Partnership to provide technical assistance to the State for developing an approvable plan to be submitted under section 714 for program year 1998; and

(2) in the case of a plan submitted solely for review, review the plan and provide to the State technical assistance for developing an approvable plan to be submitted under section 714 for program year 1998.

(e) EFFECT OF DISAPPROVAL.—Disapproval of an interim plan shall not affect the ability of a State to use a waiver as described in section 761 or 762 through June 30, 1998.

SEC. 764. APPLICATIONS AND PLANS UNDER COVERED ACTS.

Notwithstanding any other provision of law, no State or local entity shall be required to comply with any provision of a covered Act that would otherwise require the entity to submit an application or a plan to a Federal agency during fiscal year 1996 or 1997 for funding of a covered activity. In determining whether to provide funding to the State or local entity for the covered activity, the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services, as appropriate, shall consider the last application or plan, as appropriate, submitted by the entity for funding of the covered activity.

SEC. 765. INTERIM ADMINISTRATION OF SCHOOL-TO-WORK PROGRAMS.

(a) IN GENERAL.—Any provision of the School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.) that grants authority to the Secretary of Labor or the Secretary of Education shall be considered to grant the authority to the Federal Partnership.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect on October 1, 1996.

SEC. 766. INTERIM AUTHORIZATIONS OF APPROPRIATIONS.

(a) OLDER AMERICAN COMMUNITY SERVICE EMPLOYMENT ACT.—Section 508(a)(1) of the Older American Community Service Employment Act (42 U.S.C. 3056f(a)(1)) is amended by striking "for fiscal years 1993, 1994, and 1995" and inserting "for each of fiscal years 1993 through 1998".

(b) CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(1) IN GENERAL.—Section 3(a) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2302(a)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1992 through 1998".

(2) RESEARCH.—Section 404(d) of such Act (20 U.S.C. 2404(d)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1992 through 1998".

(c) ADULT EDUCATION ACT.—

(1) IN GENERAL.—Section 313(a) of the Adult Education Act (20 U.S.C. 1201b(a)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1993 through 1998".

(2) STATE LITERACY RESOURCE CENTERS.—Section 356(k) of such Act (20 U.S.C. 1208aa(k)) is amended by striking "for each of the fiscal years 1994 and 1995" and inserting "for each of fiscal years 1994 and 1995".

(3) BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY.—Section 371(e)(1) of such Act (20 U.S.C. 1211(e)(1)) is amended by striking "for each of the fiscal years" and all that follows through "1995" and inserting "for each of fiscal years 1993 through 1998".

(4) NATIONAL INSTITUTE FOR LITERACY.—Section 384(n)(1) of such Act (20 U.S.C. 1213c(n)(1)) is amended by striking "for each of the fiscal years" and all that follows through "1996" and inserting "for each of fiscal years 1992 through 1995".

Subtitle E—National Activities

SEC. 771. FEDERAL PARTNERSHIP.

(a) ESTABLISHMENT.—There is established in the Department of Labor and the Department of Education a Workforce Development Partnership, under the joint control of the Secretary of Labor and the Secretary of Education.

(b) ADMINISTRATION.—Notwithstanding the Department of Education Organization Act (20 U.S.C. 3401 et seq.), the General Education Provisions Act (20 U.S.C. 1221 et seq.), the Act entitled "An Act To Create a Department of Labor", approved March 4, 1913 (29 U.S.C. 551 et seq.), and section 169 of the Job Training Partnership Act (29 U.S.C. 1579), the Secretary of Labor and the Secretary of Education, acting jointly, in accordance with the plan approved or determinations made by the President under section 776(c), shall provide for, and exercise final authority over, the effective and efficient administration of this title and the officers and employees of the Federal Partnership.

(c) RESPONSIBILITIES OF SECRETARY OF LABOR AND SECRETARY OF EDUCATION.—The Secretary of Labor and the Secretary of Education, working jointly through the Federal Partnership, shall—

(1) approve applications and plans under sections 714, 717, 718, and 763;

(2) award financial assistance under sections 712, 717, 718, 732(a), 759, and 774;

(3) approve State benchmarks in accordance with section 731(c); and

(4) apply sanctions described in section 732(b).

(d) WORKPLANS.—The Secretary of Labor and the Secretary of Education, acting jointly, shall prepare and submit the workplans described in sections 776(c) and 777(b).

(e) INFORMATION AND TECHNICAL ASSISTANCE RESPONSIBILITIES.—The Secretary of Labor and the Secretary of Education, acting jointly, shall, in appropriate cases, disseminate information and provide technical assistance to States on the best practices for establishing and carrying out activities through statewide systems, including model programs to provide structured work and learning experiences for welfare recipients.

SEC. 772. NATIONAL WORKFORCE DEVELOPMENT BOARD AND PERSONNEL.

(a) NATIONAL BOARD.—

(1) COMPOSITION.—The Federal Partnership shall be directed by a National Board that shall be composed of 13 individuals, including—

(A) 7 individuals who are representative of business and industry in the United States, appointed by the President by and with the advice and consent of the Senate;

(B) 2 individuals who are representative of labor and workers in the United States, appointed by the President by and with the advice and consent of the Senate;

(C) 2 individuals who are representative of education providers, 1 of whom is a State or local adult education provider and 1 of whom is a State or local vocational education provider, appointed by the President by and with the advice and consent of the Senate; and

(D) 2 Governors, representing different political parties, appointed by the President by and with the advice and consent of the Senate.

(2) TERMS.—Each member of the National Board shall serve for a term of 3 years, except that, as designated by the President—

(A) 5 of the members first appointed to the National Board shall serve for a term of 2 years;

(B) 4 of the members first appointed to the National Board shall serve for a term of 3 years; and

(C) 4 of the members first appointed to the National Board shall serve for a term of 4 years.

(3) VACANCIES.—Any vacancy in the National Board shall not affect the powers of the National Board, but shall be filled in the same manner as the original appointment. Any member appointed to fill such a vacancy shall serve for the remainder of the term for which the predecessor of such member was appointed.

(4) DUTIES AND POWERS OF THE NATIONAL BOARD.—

(A) OVERSIGHT.—Subject to section 771(b), the National Board shall oversee all activities of the Federal Partnership.

(B) RECOMMENDATIONS ABOUT IMPLEMENTATION.—If the Secretary of Labor and the Secretary of Education fail to reach agreement with respect to the implementation of their duties and responsibilities under this title, the National Board shall review the issues about which disagreement exists and make a recommendation to the President regarding a solution to the disagreement.

(5) CHAIRPERSON.—The position of Chairperson of the National Board shall rotate annually among the appointed members described in paragraph (1)(A).

(6) MEETINGS.—The National Board shall meet at the call of the Chairperson but not less often than 4 times during each calendar year. Seven members of the National Board shall constitute a quorum. All decisions of the National Board with respect to the exercise of the duties and powers of the National Board shall be made by a majority vote of the members of the National Board.

(7) COMPENSATION AND TRAVEL EXPENSES.—

(A) COMPENSATION.—In accordance with the plan approved or the determinations made by the President under section 776(c), each member of the National Board shall be compensated at a rate to be fixed by the President but not to exceed the daily equivalent of the maximum rate authorized for a position above GS-15 of the General Schedule under section 5108 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the National Board.

(B) EXPENSES.—While away from their homes or regular places of business on the business of the National Board, members of such National Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, for persons employed intermittently in the Government service.

(8) DATE OF APPOINTMENT.—The National Board shall be appointed not later than 120 days after the date of enactment of this Act.

(b) DUTIES AND POWERS OF THE FEDERAL PARTNERSHIP.—The Federal Partnership shall—

(1) oversee the development, maintenance, and continuous improvement of the nationwide integrated labor market information system described in section 773, and the relationship between such system and the job placement accountability system described in section 731(d);

(2) establish model benchmarks for each of the benchmarks referred to in paragraph (1), (2), or (3) of section 731(c), at achievable levels based on existing (as of the date of the establishment of the benchmarks) workforce development efforts in the States;

(3) negotiate State benchmarks with States in accordance with section 731(c);

(4) provide advice to the Secretary of Labor and the Secretary of Education regarding the review and approval of applications and plans described in section 771(c)(1) and the approval of financial assistance described in section 771(c)(2);

(5) receive and review reports described in section 731(a);

(6) prepare and submit to the appropriate committees of Congress an annual report on the absolute and relative performance of States toward reaching the State benchmarks;

(7) provide advice to the Secretary of Labor and the Secretary of Education regarding applying sanctions described in section 732(b);

(8) review all federally funded programs providing workforce development activities, other than programs carried out under this title, and submit recommendations to Congress on how the federally funded programs could be integrated into the statewide systems of the States, including recommendations on the development of common terminology for activities and services provided through the programs;

(9) prepare an annual plan for the nationwide integrated labor market information system, as described in section 773(b)(2); and

(10) perform the duties specified for the Federal Partnership in this title.

(c) DIRECTOR.—

(1) IN GENERAL.—There shall be in the Federal Partnership a Director, who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) COMPENSATION.—The Director shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(3) DUTIES.—The Director shall make recommendations to the National Board regarding the activities described in subsection (b).

(4) DATE OF APPOINTMENT.—The Director shall be appointed not later than 120 days after the date of enactment of this Act.

(d) PERSONNEL.—

(1) APPOINTMENTS.—The Director may appoint and fix the compensation of such officers and employees as may be necessary to carry out the functions of the Federal Partnership. Except as otherwise provided by law, such officers and employees shall be appointed in accordance with the civil service laws and their compensation fixed in accordance with title 5, United States Code.

(2) EXPERTS AND CONSULTANTS.—The Director may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code, and compensate such experts and consultants for each day (including travel time) at rates not in excess of the rate of pay for level IV of the Executive Schedule under section 5315 of such title. The Director may pay experts and consultants who are serving away from their homes or regular place of business travel expenses and per diem in lieu of subsistence at rates authorized by sections 5702 and 5703 of such title for persons in Government service employed intermittently.

(3) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Federal Partnership without reimbursement, and such detail shall be without interruption or loss of civil service or privilege. The Secretary of Education and the Secretary of Labor shall detail a sufficient number of employees to the Federal Partnership for the period beginning October 1, 1996 and ending June 30, 1998 to carry out the functions of the Federal Partnership during such period.

(4) USE OF VOLUNTARY AND UNCOMPENSATED SERVICES.—Notwithstanding section 1342 of title 31, United States Code, the Secretary of Labor and the Secretary of Education are authorized to accept voluntary and uncompensated services in furtherance of the purposes of this title.

(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal years 1996 and 1997 $500,000 to the National Board for the administration of the duties and responsibilities of the Federal Partnership under this title.

SEC. 773. LABOR MARKET INFORMATION.

(a) FEDERAL RESPONSIBILITIES.—The Federal Partnership, in accordance with the provisions of this section, shall oversee the development, maintenance, and continuous improvement of a nationwide integrated labor market information system that shall include—

(1) statistical data from cooperative statistical survey and projection programs and data from administrative reporting systems, that, taken together, shall enumerate, estimate, and project the supply and demand for labor at the substate, State, and national levels in a timely manner, including data on—

(A) the demographics, socioeconomic characteristics, and current employment status of the substate, State, and national populations (as of the date of the collection of the data), including self-employed, part-time, and seasonal workers;

(B) job vacancies, education and training requirements, skills, wages, benefits, working conditions, and industrial distribution, of occupations, as well as current and projected employment opportunities and trends by industry and occupation;

(C) the educational attainment, training, skills, skill levels, and occupations of the populations;

(D) information maintained in a longitudinal manner on the quarterly earnings, establishment and industry affiliation, and geographic location of employment for all individuals for whom the information is collected by the States; and

(E) the incidence, industrial and geographical location, and number of workers displaced by permanent layoffs and plant closings;

(2) State and substate area employment and consumer information (which shall be current, comprehensive, automated, accessible, easy to understand, and in a form useful for facilitating immediate employment, entry into education and training programs, and career exploration) on—

(A) job openings, locations, hiring requirements, and application procedures, including profiles of industries in the local labor market that describe the nature of work performed, employment requirements, and patterns in wages and benefits;

(B) jobseekers, including the education, training, and employment experience of the jobseekers; and

(C) the cost and effectiveness of providers of workforce employment activities, workforce education activities, and flexible workforce activities, including the percentage of program completion, acquisition of skills to meet industry-recognized skill standards, continued education, job placement, and earnings, by participants, and other information that may be useful in facilitating informed choices among providers by participants;

(3) technical standards for labor market information that will—

(A) ensure compatibility of the information and the ability to aggregate the information from substate areas to State and national levels;

(B) support standardization and aggregation of the data from administrative reporting systems;

(C) include—

(i) classification and coding systems for industries, occupations, skills, programs, and courses;

(ii) nationally standardized definitions of labor market terms, including terms related to State benchmarks established pursuant to section 731(c);

(iii) quality control mechanisms for the collection and analysis of labor market information; and

(iv) common schedules for collection and dissemination of labor market information; and

(D) eliminate gaps and duplication in statistical undertakings, with a high priority given to the systemization of wage surveys;

(4) an analysis of data and information described in paragraphs (1) and (2) for uses such as—

(A) national, State, and substate area economic policymaking;

(B) planning and evaluation of workforce development activities;

(C) the implementation of Federal policies, including the allocation of Federal funds to States and substate areas; and

(D) research on labor market dynamics;

(5) dissemination mechanisms for data and analysis, including mechanisms that may be standardized among the States; and

(6) programs of technical assistance for States and substate areas in the development, maintenance, utilization, and continuous improvement of the data, information, standards, analysis, and dissemination mechanisms, described in paragraphs (1) through (5).

(b) JOINT FEDERAL-STATE RESPONSIBILITIES.—

(1) IN GENERAL.—The nationwide integrated labor market information system shall be planned, administered, overseen, and evaluated through a cooperative governance structure involving the Federal Government and the States receiving financial assistance under this title.

(2) ANNUAL PLAN.—The Federal Partnership shall, with the assistance of the Bureau of Labor Statistics and other Federal agencies, where appropriate, prepare an annual plan that shall be the mechanism for achieving the cooperative Federal-State governance structure for the nationwide integrated labor market information system. The plan shall—

(A) establish goals for the development and improvement of a nationwide integrated labor market information system based on information needs for achieving economic growth and productivity, accountability, fund allocation equity, and an understanding of labor market characteristics and dynamics;

(B) describe the elements of the system, including—

(i) standards, definitions, formats, collection methodologies, and other necessary system elements, for use in collecting the data and information described in paragraphs (1) and (2) of subsection (a); and

(ii) assurances that—

(I) data will be sufficiently timely and detailed for uses including the uses described in subsection (a)(4);

(II) administrative records will be standardized to facilitate the aggregation of data from substate areas to State and national levels and to support the creation of new statistical series from program records; and

(III) paperwork and reporting requirements on employers and individuals will be reduced;

(C) recommend needed improvements in administrative reporting systems to be used for the nationwide integrated labor market information system;

(D) describe the current spending on integrated labor market information activities from all sources, assess the adequacy of the funds spent, and identify the specific budget needs of the Federal Government and States with respect to implementing and improving the nationwide integrated labor market information system;

(E) develop a budget for the nationwide integrated labor market information system that—

(i) accounts for all funds described in subparagraph (D) and any new funds made available pursuant to this title; and

(ii) describes the relative allotments to be made for—

(I) operating the cooperative statistical programs pursuant to subsection (a)(1);

(II) developing and providing employment and consumer information pursuant to subsection (a)(2);

(III) ensuring that technical standards are met pursuant to subsection (a)(3); and

(IV) providing the analysis, dissemination mechanisms, and technical assistance under paragraphs (4), (5), and (6) of subsection (a), and matching data;

(F) describe the involvement of States in developing the plan by holding formal consultations conducted in cooperation with representatives of the Governors of each State or the State workforce development board described in section 715, where appropriate, pursuant to a process established by the Federal Partnership; and

(G) provide for technical assistance to the States for the development of statewide comprehensive labor market information systems described in subsection (c), including assistance with the development of easy-to-use software and hardware, or uniform information displays.

For purposes of applying Office of Management and Budget Circular A-11 to determine persons eligible to participate in deliberations relating to budget issues for the development of the plan, the representatives of the Governors of each State and the State workforce development board described in subparagraph (F) shall be considered to be employees of the Department of Labor.

(c) STATE RESPONSIBILITIES.—

(1) DESIGNATION OF STATE AGENCY.—In order to receive Federal financial assistance under this title, the Governor of a State shall—

(A) establish an interagency process for the oversight of a statewide comprehensive labor market information system and for the participation of the State in the cooperative Federal-State governance structure for the nationwide integrated labor market information system; and

(B) designate a single State agency or entity within the State to be responsible for the management of the statewide comprehensive labor market information system.

(2) DUTIES.—In order to receive Federal financial assistance under this title, the State agency or entity within the State designated under paragraph (1)(B) shall—

(A) consult with employers and local workforce development boards described in section 728(b), where appropriate, about the labor market relevance of the data to be collected and displayed through the statewide comprehensive labor market information system;

(B) develop, maintain, and continuously improve the statewide comprehensive labor market information system, which shall—

(i) include all of the elements described in paragraphs (1), (2), (3), (4), (5), and (6) of subsection (a); and

(ii) provide the consumer information described in clauses (v) and (vi) of section 716(a)(2)(B) in a manner that shall be responsive to the needs of business, industry, workers, and jobseekers;

(C) ensure the performance of contract and grant responsibilities for data collection, analysis, and dissemination, through the statewide comprehensive labor market information system;

(D) conduct such other data collection, analysis, and dissemination activities to ensure that State and substate area labor market information is comprehensive;

(E) actively seek the participation of other State and local agencies, with particular attention to State education, economic development, human services, and welfare agencies, in data collection, analysis, and dissemination activities in order to ensure complementarity and compatibility among data;

(F) participate in the development of the national annual plan described in subsection (b)(2); and

(G) ensure that the matches required for the job placement accountability system by section 731(d)(2)(A) are made for the State and for other States.

(3) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as limiting the ability of a State agency to conduct additional data collection, analysis, and dissemination activities with State funds or with Federal funds from sources other than this title.

(d) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 774. NATIONAL CENTER FOR RESEARCH IN EDUCATION AND WORKFORCE DEVELOPMENT.

(a) GRANTS AUTHORIZED.—From amounts made available under section 734(b)(6), the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, are authorized to award a grant, on a competitive basis, to an institution of higher education, public or private nonprofit organization or agency, or a consortium of such institutions, organizations, or agencies, to enable such institution, organization, agency, or consortium to establish a national center to carry out the activities described in subsection (b).

(b) AUTHORIZED ACTIVITIES.—Grant funds made available under this section shall be used by the national center assisted under subsection (a)—

(1) to increase the effectiveness and improve the implementation of workforce development programs, including conducting research and development and providing technical assistance with respect to—

(A) combining academic and vocational education;

(B) connecting classroom instruction with work-based learning;

(C) creating a continuum of educational programs that provide multiple exit points for employment, which may include changes or development of instructional materials or curriculum;

(D) establishing high quality support services for all students to ensure access to workforce development programs, educational success, and job placement assistance;

(E) developing new models for remediation of basic academic skills, which models shall incorporate appropriate instructional methods, rather than using rote and didactic methods;

(F) identifying ways to establish links among educational and job training programs at the State and local levels;

(G) developing new models for career guidance, career information, and counseling services;

(H) identifying economic and labor market changes that will affect workforce needs;

(I) developing model programs for the transition of members of the Armed Forces from military service to civilian employment;

(J) conducting preparation of teachers, counselors, administrators, and other professionals, who work with programs funded under this title; and

(K) obtaining information on practices in other countries that may be adapted for use in the United States;

(2) to provide assistance to States and local recipients of assistance under this title in developing and using systems of performance measures and standards for improvement of programs and services; and

(3) to maintain a clearinghouse that will provide data and information to Federal, State, and local organizations and agencies about the condition of statewide systems and programs funded under this title, which data and information shall be disseminated in a form that is useful to practitioners and policymakers.

(c) OTHER ACTIVITIES.—The Federal Partnership may request that the national center assisted under subsection (a) conduct activities not described in subsection (b), or study topics not described in subsection (b), as the Federal Partnership determines to be necessary to carry out this title.

(d) IDENTIFICATION OF CURRENT NEEDS.—The national center assisted under subsection (a) shall identify current needs (as of the date of the identification) for research and technical assistance through a variety of sources including a panel of Federal, State, and local level practitioners.

(e) SUMMARY REPORT.—The national center assisted under subsection (a) shall annually prepare and submit to the Federal Partnership and Congress a report summarizing the research findings obtained, and the results of development and technical assistance activities carried out, under this section.

(f) DEFINITION.—As used in this section, the term "institution of higher education" has the meaning given the term in section 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1141(a)).

(g) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 775. NATIONAL ASSESSMENT OF VOCATIONAL EDUCATION PROGRAMS.

(a) IN GENERAL.—The Assistant Secretary for Educational Research and Improvement (referred to in this section as the "Assistant Secretary") shall conduct a national assessment of vocational education programs assisted under this title, through studies and analyses conducted independently through competitive awards.

(b) INDEPENDENT ADVISORY PANEL.—The Assistant Secretary shall appoint an independent advisory panel, consisting of vocational education administrators, educators, researchers, and representatives of business, industry, labor, career guidance and counseling professionals, and other relevant groups, to advise the Assistant Secretary on the implementation of such assessment, including the issues to be addressed and the methodology of the studies involved, and the findings and recommendations resulting from the assessment. The panel, in the discretion of the panel, may submit to Congress an independent analysis of the findings and recommendations resulting from the assessment. The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the panel established under this subsection.

(c) CONTENTS.—The assessment required under subsection (a) shall include descriptions and evaluations of—

(1) the effect of this title on State and tribal administration of vocational education programs and on local vocational education practices, including the capacity of State, tribal, and local vocational education systems to address the purposes of this title;

(2) expenditures at the Federal, State, tribal, and local levels to address program improvement in vocational education, including the impact of Federal allocation requirements (such as within-State distribution formulas) on the delivery of services;

(3) preparation and qualifications of teachers of vocational and academic curricula in vocational education programs, as well as shortages of such teachers;

(4) participation in vocational education programs;

(5) academic and employment outcomes of vocational education, including analyses of—

(A) the effect of educational reform on vocational education;

(B) the extent and success of integration of academic and vocational curricula;

(C) the success of the school-to-work transition; and

(D) the degree to which vocational training is relevant to subsequent employment;

(6) employer involvement in, and satisfaction with, vocational education programs;

(7) the effect of benchmarks, performance measures, and other measures of accountability on the delivery of vocational education services; and

(8) the degree to which minority students are involved in vocational student organizations.

(d) CONSULTATION.—

(1) IN GENERAL.—The Secretary of Education shall consult with the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate in the design and implementation of the assessment required under subsection (a).

(2) REPORTS.—The Secretary of Education shall submit to Congress—

(A) an interim report regarding the assessment on or before January 1, 2000; and

(B) a final report, summarizing all studies and analyses that relate to the assessment and that are completed after the assessment, on or before July 1, 2000.

(3) PROHIBITION.—Notwithstanding any other provision of law or regulation, the reports required by this subsection shall not be subject to any review outside of the Office of Educational Research and Improvement before their transmittal to Congress, but the President, the Secretary, and the independent advisory panel established under subsection (b) may make such additional recommendations to Congress with respect to the assessment as the President, Secretary, or panel determine to be appropriate.

(e) EFFECTIVE DATE.—This section shall take effect on July 1, 1998.

SEC. 776. TRANSFERS TO FEDERAL PARTNERSHIP.

(a) DEFINITIONS.—For purposes of this section, unless otherwise provided or indicated by the context—

(1) the term "Federal agency" has the meaning given to the term "agency" by section 551(1) of title 5, United States Code;

(2) the term "function" means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program; and

(3) the term "office" includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(b) TRANSFER OF FUNCTIONS.—There are transferred to the appropriate Secretary in the Federal Partnership, in accordance with subsection (c), all functions that the Secretary of Labor or the Secretary of Education exercised before the effective date of this section (including all related functions of any officer or employee of the Department of Labor or the Department of Education) that relate to a covered activity and that are minimally necessary to carry out the functions of the Federal Partnership. The authority of a transferred employee to carry out a function that relates to a covered activity shall terminate on July 1, 1998.

(c) TRANSITION WORKPLAN.—

(1) IN GENERAL.—Not later than 120 days after the date of enactment of this Act, the Secretary of Labor and the Secretary of Education shall prepare and submit to the National Board a proposed workplan as described in paragraph (2). The Secretary of Labor and the Secretary of Education shall also submit the plan to the President, the Committee on Economic and Educational Opportunities of the House of Representatives, and the Committee on Labor and Human Resources of the Senate for review and comment.

(2) CONTENTS.—The proposed workplan shall include, at a minimum—

(A) an analysis of the functions that officers and employees of the Department of Labor and the Department of Education carry out (as of the date of the submission of the workplan) that relate to a covered activity;

(B) information on the levels of personnel and funding used to carry out the functions (as of such date);

(C) a determination of the functions described in subparagraph (A) that are minimally necessary to carry out the functions of the Federal Partnership;

(D) information on the levels of personnel and other resources that are minimally necessary to carry out the functions of the Federal Partnership;

(E) a determination of the manner in which the Secretary of Labor and the Secretary of Education will provide personnel and other resources of the Department of Labor and the Department of Education for the Federal Partnership;

(F) a determination of the appropriate Secretary to receive the personnel, resources, and related items to be transferred under this section, based on factors including increased efficiency and elimination of duplication of functions;

(G) a determination of the proposed organizational structure for the Federal Partnership; and

(H) a determination of the manner in which the Secretary of Labor and the Secretary of Education, acting jointly through the Federal Partnership, will carry out their duties and responsibilities under this title.

(3) REVIEW BY NATIONAL BOARD.—

(A) IN GENERAL.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the National Board shall—

(i) review and concur with the workplan; or

(ii) reject the workplan and prepare and submit to the President a revised workplan that contains the analysis, information, and determinations described in paragraph (2).

(B) FUNCTIONS TRANSFERRED.—If the National Board concurs with the proposed workplan, the functions described in paragraph (2)(C), as determined in the workplan, shall be transferred under subsection (b).

(4) REVIEW BY THE PRESIDENT.—

(A) IN GENERAL.—Not later than 30 days after the date of submission of a revised workplan under paragraph (3)(A)(ii), the President shall—

(i) review and approve the workplan; or

(ii) reject the workplan and prepare an alternative workplan that contains the analysis, information, and determinations described in paragraph (2).

(B) FUNCTIONS TRANSFERRED.—If the President approves the revised workplan, or prepares the alternative workplan, the functions described in paragraph (2)(C), as determined in such revised or alternative workplan, shall be transferred under subsection (b).

(C) SPECIAL RULE.—If the President takes no action on the revised workplan submitted under paragraph (3)(A)(ii) within the 30-day period described in subparagraph (A), the Secretary of Labor, the Secretary of Education, and the National Board may attempt to reach agreement on a compromise workplan. If the Secretary of Labor, the Secretary of Education, and the National Board reach such agreement, the functions described in paragraph (2)(C), as determined in such compromise workplan, shall be transferred under subsection (b). If, after an additional 15-day period, the Secretary of Labor, the Secretary of Education and the National Board are unable to reach such agreement, the revised workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(C), as determined in the revised workplan, shall be transferred under subsection (b).

(5) DETERMINATION BY PRESIDENT.—

(A) IN GENERAL.—In the event that the Secretary of Labor and the Secretary of Education fail to reach agreement regarding, and submit, a proposed workplan described in paragraph (2), the President shall make the determinations described in paragraph (2)(C). The President shall delegate full responsibility for administration of this title to 1 of the 2 Secretaries. Such Secretary shall be considered to be the appropriate Secretary for purposes of this title and shall have authority to carry out any function that the Secretaries would otherwise be authorized to carry out jointly.

(B) TRANSFERS.—The functions described in paragraph (2)(C), as determined by the President under subparagraph (A), shall be transferred under subsection (b). All positions of personnel that relate to a covered activity and that, prior to the transfer, were within the Department headed by the other of the 2 Secretaries shall be separated from service as provided in subsection (i)(2)(A).

(d) DELEGATION AND ASSIGNMENT.—Except where otherwise expressly prohibited by law or otherwise provided by this section, the National Board may delegate any function transferred or granted to the Federal Partnership after the effective date of this section to such officers and employees of the Federal Partnership as the National Board may designate, and may authorize successive redelegations of such functions as may be necessary or appropriate. No delegation of functions by the National Board under this subsection or under any other provision of this section shall relieve such National Board of responsibility for the administration of such functions.

(e) REORGANIZATION.—The National Board may allocate or reallocate any function transferred or granted to the Federal Partnership after the effective date of this section among the officers of the Federal Partnership, and establish, consolidate, alter, or discontinue such organizational entities in the Federal Partnership as may be necessary or appropriate.

(f) RULES.—The Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, may prescribe, in accordance with the provisions of chapters 5 and 6 of title 5, United States Code, such rules and regulations as the Secretary of Labor and the Secretary of Education, acting jointly on the advice of the Federal Partnership, determine to be necessary or appropriate to administer and manage the functions of the Federal Partnership.

(g) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—

(1) IN GENERAL.—Except as otherwise provided in this section, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, used, held, arising from, available to, or to be made available in connection with the functions transferred by this section, subject to section 1531 of title 31, United States Code, shall be transferred to the appropriate Secretary in the Federal Partnership. Unexpended funds transferred pursuant to this subsection shall be used only to carry out the functions of the Federal Partnership.

(2) EXISTING FACILITIES AND OTHER FEDERAL RESOURCES.—Pursuant to paragraph (1), the Secretary of Labor and the Secretary of Education shall supply such office facilities, office supplies, support services, and related expenses as may be minimally necessary to carry out the functions of the Federal Partnership. None of the funds made available under this title may be used for the construction of office facilities for the Federal Partnership.

(h) INCIDENTAL TRANSFERS.—The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions transferred by this section, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section. The Director of the Office of Management and Budget shall provide for the termination of the affairs of all entities terminated by this section and for such further measures and dispositions as may be necessary to effectuate the objectives of this section.

(i) EFFECT ON PERSONNEL.—

(1) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by this section, shall terminate on the effective date of this section.

(2) ACTIONS.—

(A) IN GENERAL.—The Secretary of Labor and the Secretary of Education shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to ensure that the positions of personnel that relate to a covered activity and are not transferred under subsection (b) are separated from service.

(B) SCOPE.—The Secretary of Labor and the Secretary of Education shall take the actions described in subparagraph (A) with respect to not less than ⅓ of the positions of personnel that relate to a covered activity.

(j) SAVINGS PROVISIONS.—

(1) SUITS NOT AFFECTED.—The provisions of this section shall not affect suits commenced before the effective date of this section, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this section had not been enacted.

(2) NONABATEMENT OF ACTIONS.—No suit, action, or other proceeding commenced by or against the Department of Labor or the Department of Education, or by or against any individual in the official capacity of such individual as an officer of the Department of Labor or the Department of Education, shall abate by reason of the enactment of this section.

(k) TRANSITION.—The National Board may utilize—

(1) the services of officers, employees, and other personnel of the Department of Labor or the Department of Education, other than personnel of the Federal Partnership, with respect to functions transferred to the Federal Partnership by this section; and

(2) funds appropriated to such functions;

for such period of time as may reasonably be needed to facilitate the orderly implementation of this section.

(l) REFERENCES.—A reference in any other Federal law, Executive order, rule, regulation, or delegation of authority, or any document of or relating to—

(1) the Secretary of Labor or the Secretary of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Federal Partnership; and

(2) the Department of Labor or the Department of Education with regard to functions transferred under subsection (b), shall be deemed to refer to the Federal Partnership.

(m) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Federal Partnership shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by this section.

(2) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Federal Partnership shall submit the recommended legislation referred to in paragraph (1).

(n) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section shall take effect on June 30, 1998.

(2) REGULATIONS AND CONFORMING AMENDMENTS.—Subsections (f) and (m) shall take effect on September 30, 1996.

(3) WORKPLAN.—Subsection (c) shall take effect on the date of enactment of this Act.

SEC. 777. TRANSFERS TO OTHER FEDERAL AGENCIES AND OFFICES.

(a) TRANSFER.—There are transferred to the appropriate receiving agency, in accordance with subsection (b), all functions that the Secretary of Labor, acting through the Employment and Training Administration, or the Secretary of Education, acting through the Office of Vocational and Adult Education, exercised before the effective date of this section (including all related functions of any officer or employee of the Employment and Training Administration or the Office of Vocational and Adult Education) that do not relate to a covered activity.

(b) DETERMINATIONS OF FUNCTIONS AND APPROPRIATE RECEIVING AGENCIES.—

(1) TRANSITION WORKPLAN.—Not later than 180 days after the date of enactment of this Act, the Secretary of Labor and the Secretary of Education shall prepare and submit to the President a proposed workplan that specifies the steps that the Secretaries will take, during the period ending on July 1, 1998, to carry out the transfer described in subsection (a).

(2) CONTENTS.—The proposed workplan shall include, at a minimum—

(A) a determination of the functions that officers and employees of the Employment and Training Administration and the Office of Vocational and Adult Education carry out (as of the date of the submission of the workplan) that do not relate to a covered activity; and

(B) a determination of the appropriate receiving agencies for the functions, based on factors including increased efficiency and elimination of duplication of functions.

(3) REVIEW.—

(A) IN GENERAL.—Not later than 45 days after the date of submission of the proposed workplan under paragraph (1), the President shall—

(i) review and approve the workplan and submit the workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate; or

(ii) reject the workplan, prepare an alternative workplan that contains the determinations described in paragraph (2), and submit the alternative workplan to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(B) FUNCTIONS TRANSFERRED.—If the President approves the proposed workplan, or prepares the alternative workplan, the functions described in paragraph (2)(A), as determined in such proposed or alternative workplan, shall be transferred under subsection (a) to the appropriate receiving agencies described in paragraph (2)(B), as determined in such proposed or alternative workplan.

(C) SPECIAL RULE.—If the President takes no action on the proposed workplan submitted under paragraph (1) within the 45-day period described in subparagraph (A), such workplan shall be deemed to be approved and shall take effect on the day after the end of such period. The functions described in paragraph (2)(A), as determined in the proposed workplan, shall be transferred under subsection (a) to the appropriate receiving agencies described in paragraph (2)(B), as determined in the proposed workplan.

(4) REPORT.—Not later than July 1, 1998, the Secretary of Education and the Secretary of Labor shall submit to the appropriate committees of Congress information on the transfers required by this section.

(c) APPLICATION OF AUTHORITIES.—

(1) IN GENERAL.—

(A) APPLICATION.—Subsection (a), and subsections (d) through (m), of section 776 (other than subsections (f), (g)(2), (i)(2), and (m)) shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 776.

(B) REGULATIONS AND CONFORMING AMENDMENTS.—Subsections (f) and (m) of section 776 shall apply to transfers under this section, in the same manner and to the same extent as the subsections apply to transfers under section 776.

(2) REFERENCES.—For purposes of the application of the subsections described in paragraph (1) (other than subsections (g)(2) and (i)(2) of section 776) to transfers under this section—

(A) references to the Federal Partnership shall be deemed to be references to the appropriate receiving agency, as determined in the approved or alternative workplan referred to in subsection (b)(3);

(B) references to the Secretary of Labor and the Secretary of Education, Director, or National Board shall be deemed to be references to the head of the appropriate receiving agency; and

(C) references to transfers in section 776 shall be deemed to include transfers under this section.

(3) ADMINISTRATION.—Unexpended funds transferred pursuant to this section shall be used only for the purposes for which the funds were originally authorized and appropriated.

(4) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(A) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official of a Federal agency, or by a court of competent jurisdiction, in the performance of functions that are transferred under this section; and

(B) that are in effect on the effective date of this section or were final before the effective date of this section and are to become effective on or after the effective date of this section;

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the appropriate receiving agency or other authorized official, a court of competent jurisdiction, or by operation of law.

(5) PROCEEDINGS NOT AFFECTED.—

(A) IN GENERAL.—The provisions of this section shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending before the Department of Labor or the Department of Education on the date this section takes effect, with respect to functions transferred by this section.

(B) CONTINUATION.—Such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken from the orders, and payments shall be made pursuant to such orders, as if this section had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law.

(C) CONSTRUCTION.—Nothing in this paragraph shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(6) ADMINISTRATIVE ACTIONS RELATING TO PROMULGATION OF REGULATIONS.—Any administrative action relating to the preparation or promulgation of a regulation by the Department of Labor or the Department of Education relating to a function transferred under this section may be continued by the appropriate receiving agency with the same effect as if this section had not been enacted.

(d) CONSTRUCTION.—Nothing in this section shall be construed to require the transfer of any function described in subsection (b)(2)(A) to the Federal Partnership.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), this section shall take effect on June 30, 1998.

(2) REGULATIONS AND CONFORMING AMENDMENTS.—Subsection (c)(1)(B) shall take effect on September 30, 1996.

(3) WORKPLAN.—Subsection (b) shall take effect on the date of enactment of this Act.

SEC. 778. ELIMINATION OF CERTAIN OFFICES.

(a) TERMINATION.—The Office of Vocational and Adult Education and the Employment and Training Administration shall terminate on July 1, 1998.

(b) OFFICE OF VOCATIONAL AND ADULT EDUCATION.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Education (10)" and inserting "Assistant Secretaries of Education (9)".

(2) DEPARTMENT OF EDUCATION ORGANIZATION ACT.—

(A) Section 202 of the Department of Education Organization Act (20 U.S.C. 3412) is amended—

(i) in subsection (b)(1)—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D) through (F) as subparagraphs (C) through (E), respectively;

(ii) by striking subsection (h); and

(iii) by redesignating subsection (i) as subsection (h).

(B) Section 206 of such Act (20 U.S.C. 3416) is repealed.

(C) Section 402(c)(1) of the Improving America's Schools Act of 1994 (20 U.S.C. 9001(c)(1)) is amended by striking "established under" and all that follows and inserting a semicolon.

(3) GOALS 2000: EDUCATE AMERICA ACT.—Section 931(h)(3)(A) of the Goals 2000: Educate

America Act (20 U.S.C. 6031(h)(3)(A)) is amended—

(A) by striking clause (iii); and

(B) by redesignating clauses (iv) and (v) as clauses (iii) and (iv), respectively.

(c) EMPLOYMENT AND TRAINING ADMINISTRATION.—

(1) TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking "Assistant Secretaries of Labor (10)" and inserting "Assistant Secretaries of Labor (9)".

(2) VETERANS' BENEFITS AND PROGRAMS IMPROVEMENT ACT OF 1988.—Section 402(d)(3) of the Veterans' Benefits and Programs Improvement Act of 1988 (29 U.S.C. 1721 note) is amended by striking "and under any other program administered by the Employment and Training Administration of the Department of Labor".

(3) TITLE 38, UNITED STATES CODE.—Section 4110(d) of title 38, United States Code, is amended—

(A) by striking paragraph (7); and

(B) by redesignating paragraphs (8) through (12) as paragraphs (7) through (11), respectively.

(4) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—The last sentence of section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) is amended by striking "or the Office of Job Training".

(d) UNITED STATES EMPLOYMENT SERVICE.—

(1) TITLE 5, UNITED STATES CODE.—Section 3327 of title 5, United States Code, is amended—

(A) in subsection (a), by striking "the employment offices of the United States Employment Service" and inserting "Governors"; and

(B) in subsection (b), by striking "of the United States Employment Service".

(2) TITLE 10, UNITED STATES CODE.—

(A) Section 1143a(d) of title 10, United States Code, is amended by striking paragraph (3).

(B) Section 2410k(b) of title 10, United States Code, is amended by striking ", and where appropriate the Interstate Job Bank (established by the United States Employment Service),".

(3) INTERNAL REVENUE CODE OF 1986.—Section 51 of the Internal Revenue Code of 1986 is amended by striking subsection (g).

(4) NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1993.—Section 4468 of the National Defense Authorization Act for Fiscal Year 1993 (29 U.S.C. 1662d–1 note) is repealed.

(5) TITLE 38, UNITED STATES CODE.—Section 4110(d) of title 38, United States Code (as amended by subsection (c)(3)), is further amended—

(A) by striking paragraph (10); and

(B) by redesignating paragraph (11) as paragraph (10).

(6) TITLE 39, UNITED STATES CODE.—

(A) Section 3202(a)(1) of title 39, United States Code is amended—

(i) in subparagraph (D), by striking the semicolon and inserting "; and";

(ii) by striking subparagraph (E); and

(iii) by redesignating subparagraph (F) as subparagraph (E).

(B) Section 3203(b) of title 39, United States Code, is amended by striking "(1)(E), (2), and (3)" and inserting "(2) and (3)".

(C) Section 3206(b) of title 39, United States Code, is amended by striking "(1)(F)" and inserting "(1)(E)".

(7) NATIONAL AND COMMUNITY SERVICE ACT OF 1990.—Section 162(b) of the National and Community Service Act of 1990 (42 U.S.C. 12622(b)) (as amended by subsection (c)(4)) is further amended by striking the last sentence.

(e) REORGANIZATION PLANS.—Except with respect to functions transferred under section 777, the authority granted to the Employment and Training Administration, the Office of Vocational and Adult Education, or any unit of the Employment and Training Administration or the Office of Vocational and Adult Education by any reorganization plan shall terminate on July 1, 1998.

Subtitle F—Repeals of Employment and Training and Vocational and Adult Education Programs

SEC. 781. REPEALS.

(a) IMMEDIATE REPEALS.—The following provisions are repealed:

(1) Section 204 of the Immigration Reform and Control Act of 1986 (8 U.S.C. 1255a note).

(2) Title II of Public Law 95–250 (92 Stat. 172).

(3) The Displaced Homemakers Self-Sufficiency Assistance Act (29 U.S.C. 2301 et seq.).

(4) Section 211 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 211).

(5) Subtitle C of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11441 et seq.).

(6) Section 5322 of title 49, United States Code.

(7) Subchapter I of chapter 421 of title 49, United States Code.

(b) SUBSEQUENT REPEALS.—The following provisions are repealed:

(1) Sections 235 and 236 of the Trade Act of 1974 (19 U.S.C. 2295 and 2296), and paragraphs (1) and (2) of section 250(d) of such Act (19 U.S.C. 2331(d)).

(2) The Adult Education Act (20 U.S.C. 1201 et seq.).

(3) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.).

(4) The School-to-Work Opportunities Act of 1994 (20 U.S.C. 6101 et seq.).

(5) The Wagner-Peyser Act (29 U.S.C. 49 et seq.).

(6) The Job Training Partnership Act (29 U.S.C. 1501 et seq.).

(7) Title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.).

(8) Title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11421 et seq.), other than subtitle C of such title.

(c) EFFECTIVE DATES.—

(1) IMMEDIATE REPEALS.—The repeals made by subsection (a) shall take effect on the date of enactment of this Act.

(2) SUBSEQUENT REPEALS.—The repeals made by subsection (b) shall take effect on July 1, 1998.

SEC. 782. CONFORMING AMENDMENTS.

(a) IMMEDIATE REPEALS.—

(1) REFERENCES TO SECTION 204 OF THE IMMIGRATION REFORM AND CONTROL ACT OF 1986.—The table of contents for the Immigration Reform and Control Act of 1986 is amended by striking the item relating to section 204 of such Act.

(2) REFERENCES TO TITLE II OF PUBLIC LAW 95–250.—Section 103 of Public Law 95–250 (16 U.S.C. 791) is amended—

(A) by striking the second sentence of subsection (a); and

(B) by striking the second sentence of subsection (b).

(3) REFERENCES TO SUBTITLE C OF TITLE VII OF THE STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT.—

(A) Section 762(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11472(a)) is amended—

(i) by striking "each of the following programs" and inserting "the emergency community services homeless grant program established in section 751"; and

(ii) by striking "tribes:" and all that follows and inserting "tribes.".

(B) The table of contents of such Act is amended by striking the items relating to subtitle C of title VII of such Act.

(4) REFERENCES TO TITLE 49, UNITED STATES CODE.—

(A) Sections 5313(b)(1) and 5314(a)(1) of title 49, United States Code, are amended by striking "5317, and 5322" and inserting "and 5317".

(B) The table of contents for chapter 53 of title 49, United States Code, is amended by striking the item relating to section 5322.

(b) SUBSEQUENT REPEALS.—

(1) REFERENCES TO THE CARL D. PERKINS VOCATIONAL AND APPLIED TECHNOLOGY EDUCATION ACT.—

(A) Section 245A(h)(4)(C) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(4)(C)) is amended by striking "Vocational Education Act of 1963" and inserting "Workforce Development Act of 1995".

(B) The Goals 2000: Educate America Act (20 U.S.C. 5801 et seq.) is amended—

(i) in section 306 (20 U.S.C. 5886)—

(I) in subsection (c)(1)(A), by striking all beginning with " which process" through "Act" and inserting "which process shall include coordination with the benchmarks described in section 731(c)(2) of the Workforce Development Act of 1995"; and

(II) in subsection (l), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995"; and

(ii) in section 311(b) (20 U.S.C. 5891(b)), by striking paragraph (6).

(C) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) is amended—

(i) in section 1114(b)(2)(C)(v) (20 U.S.C. 6314(b)(2)(C)(v)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995";

(ii) in section 9115(b)(5) (20 U.S.C. 7815(b)(5)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995";

(iii) in section 14302(a)(2) (20 U.S.C. 8852(a)(2))—

(I) by striking subparagraph (C); and

(II) by redesignating subparagraphs (D), (E), and (F) as subparagraphs (C), (D), and (E), respectively; and

(iv) in the matter preceding subparagraph (A) of section 14307(a)(1) (20 U.S.C. 8857(a)(1)), by striking "Carl D. Perkins Vocational and Applied Technology Education Act" and inserting "Workforce Development Act of 1995".

(D) Section 533(c)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking "(20 U.S.C. 2397h(3)" and inserting ", as such section was in effect on the day preceding the date of enactment of the Workforce Development Act of 1995".

(E) Section 563 of the Improving America's Schools Act of 1994 (20 U.S.C. 6301 note) is amended by striking "the date of enactment of an Act reauthorizing the Carl D. Perkins

Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)" and inserting "July 1, 1998".

(F) Section 135(c)(3)(B) of the Internal Revenue Code of 1986 (26 U.S.C. 135(c)(3)(B)) is amended—

(i) by striking "subparagraph (C) or (D) of section 521(3) of the Carl D. Perkins Vocational Education Act" and inserting "subparagraph (C) or (D) of section 703(2) of the Workforce Development Act of 1995"; and

(ii) by striking "any State (as defined in section 521(27) of such Act)" and inserting "any State or outlying area (as the terms 'State' and 'outlying area' are defined in section 703 of such Act)".

(G) Section 101(a)(11)(A) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)(A)) is amended by striking "Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.)" and inserting "Workforce Development Act of 1995".

(H) Section 214(c) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 214(c)) is amended by striking "Carl D. Perkins Vocational Education Act" and inserting "Workforce Development Act of 1995".

(I) Section 104 of the Vocational Education Amendments of 1968 (82 Stat. 1091) is amended by striking "section 3 of the Carl D. Perkins Vocational Education Act" and inserting "the Workforce Development Act of 1995".

(2) REFERENCES TO THE ADULT EDUCATION ACT.—

(A) Subsection (b) of section 402 of the Refugee Education Assistance Act (8 U.S.C. 1522, note) is repealed.

(B) Paragraph (20) of section 3 of the Library Services and Construction Act (20 U.S.C. 351a(20)) is amended to read as follows:

"(20) The term 'educationally disadvantaged adult' means an individual who—

"(A) is age 16 or older, or beyond the age of compulsory school attendance under State law;

"(B) is not enrolled in secondary school;

"(C) demonstrates basic skills equivalent to or below that of students at the fifth grade level; or

"(D) has been placed in the lowest or beginning level of an adult education program when that program does not use grade level equivalencies as a measure of students' basic skills.".

(C)(i) Section 1202(c)(1) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6362(c)(1)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(ii) Section 1205(8)(B) of such Act (20 U.S.C. 6365(8)(B)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(iii) Section 1206(a)(1)(A) of such Act (20 U.S.C. 6366(a)(1)(A)) is amended by striking "an adult basic education program under the Adult Education Act" and inserting "adult education activities under the Workforce Development Act of 1995".

(iv) Section 3113(1) of such Act (20 U.S.C. 6813(1)) is amended by striking "section 312 of the Adult Education Act" and inserting "section 703 of the Workforce Development Act of 1995".

(v) Section 9161(2) of such Act (20 U.S.C. 7881(2)) is amended by striking "section 312(2) of the Adult Education Act" and inserting "section 703 of the Workforce Development Act of 1995".

(D) Section 203(b)(8) of the Older Americans Act (42 U.S.C. 3013(b)(8)) is amended by striking "Adult Education Act" and inserting "Workforce Development Act of 1995".

(3) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of Congress and the Director of the Office of Management and Budget, the Federal Partnership shall prepare and submit to Congress recommended legislation containing technical and conforming amendments to reflect the changes made by section 781(b).

(4) SUBMISSION TO CONGRESS.—Not later than March 31, 1997, the Federal Partnership shall submit the recommended legislation referred to under paragraph (3).

TITLE VIII—WORKFORCE DEVELOPMENT-RELATED ACTIVITIES

Subtitle A—Amendments to the Rehabilitation Act of 1973

SEC. 801. REFERENCES.

Except as otherwise expressly provided in this subtitle, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

SEC. 802. FINDINGS AND PURPOSES.

Section 2 (29 U.S.C. 701) is amended—

(1) in subsection (a)(4), by striking "the provision of individualized training, independent living services, educational and support services," and inserting "implementation of a statewide workforce development system that provides meaningful and effective participation for individuals with disabilities in workforce development activities and activities carried out through the vocational rehabilitation program established under title I, and through the provision of independent living services, support services,"; and

(2) in subsection (b)(1)(A), by inserting "statewide workforce development systems that include, as integral components," after "(A)".

SEC. 803. CONSOLIDATED REHABILITATION PLAN.

(a) IN GENERAL.—Section 6 (29 U.S.C. 705) is repealed.

(b) CONFORMING AMENDMENT.—The table of contents for the Act is amended by striking the item relating to section 6.

SEC. 804. DEFINITIONS.

Section 7 (29 U.S.C. 706) is amended by adding at the end the following new paragraphs:

"(36) The term 'statewide workforce development system' means a statewide system, as defined in section 703 of the Workforce Development Act of 1995.

"(37) The term 'workforce development activities' has the meaning given the term in section 703 of the Workforce Development Act of 1995.

"(38) The term 'workforce employment activities' means the activities described in paragraphs (2) through (8) of section 716(a) of the Workforce Development Act of 1995, including activities described in section 716(a)(6) of such Act provided through a voucher described in section 716(a)(9) of such Act.".

SEC. 805. ADMINISTRATION.

Section 12(a)(1) (29 U.S.C. 711(a)(1)) is amended by inserting ", including providing assistance to achieve the meaningful and effective participation by individuals with disabilities in the activities carried out through a statewide workforce development system" before the semicolon.

SEC. 806. REPORTS.

Section 13 (29 U.S.C. 712) is amended in the fourth sentence by striking "The data elements" and all that follows through "age," and inserting the following: "The information shall include all information that is required to be submitted in the report described in section 731(a) of the Workforce Development Act of 1995 and that pertains to the employment of individuals with disabilities, including information on age,".

SEC. 807. EVALUATION.

Section 14(a) (29 U.S.C. 713(a)) is amended in the third sentence by striking "to the extent feasible," and all that follows through the end of the sentence and inserting the following: "to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 731(c) of the Workforce Development Act of 1995. For purposes of this section, the Secretary may modify or supplement such benchmarks after consultation with the National Board established under section 772 of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program established under title I and activities carried out under other provisions of this Act.".

SEC. 808. DECLARATION OF POLICY.

Section 100(a) (29 U.S.C. 720(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (E), by striking "; and" and inserting a semicolon;

(B) in subparagraph (F)—

(i) by inserting "workforce development activities and" before "vocational rehabilitation services"; and

(ii) by striking the period and inserting "; and"; and

(C) by adding at the end the following subparagraph:

"(G) linkages between the vocational rehabilitation program established under this title and other components of the statewide workforce development system are critical to ensure effective and meaningful participation by individuals with disabilities in workforce development activities."; and

(2) in paragraph (2)—

(A) by striking "a comprehensive" and inserting "statewide comprehensive"; and

(B) by striking "program of vocational rehabilitation that is designed" and inserting "programs of vocational rehabilitation, each of which is—

"(A) an integral component of a statewide workforce development system; and

"(B) designed".

SEC. 809. STATE PLANS.

(a) IN GENERAL.—Section 101(a) (29 U.S.C. 721(a)) is amended—

(1) in the first sentence, by striking ", or shall submit" and all that follows through "et seq.)" and inserting ", and shall submit the State plan on the same dates as the State submits the State plan described in section 714 of the Workforce Development Act of 1995 to the Federal Partnership established under section 771 of such Act";

(2) by inserting after the first sentence the following: "The State shall also submit the State plan for vocational rehabilitation services for review and comment to any State workforce development board established for the State under section 715 of the Workforce

Development Act of 1995, which shall submit the comments on the State plan to the designated State unit.";

(3) by striking paragraphs (10), (12), (13), (15), (17), (19), (23), (27), (28), (30), (34), and (35);

(4) in paragraph (20), by striking "(20)" and inserting "(B)";

(5) by redesignating paragraphs (3), (4), (5), (6), (7), (8), (9), (14), (16), (18), (21), (22), (24), (25), (26), (29), (31), (32), (33), and (36) as paragraphs (4), (5), (6), (7), (8), (9), (10), (12), (13), (14), (15), (16), (17), (18), (19), (20), (21), (22), (23), and (24), respectively;

(6) in paragraph (1)(B)—

(A) by redesignating clauses (i), (ii), and (iii) as clauses (ii), (iii), and (iv), respectively; and

(B) by inserting before clause (ii) (as redesignated in subparagraph (A)) the following: "(i) a State entity primarily responsible for implementing workforce employment activities through the statewide workforce development system of the State,";

(7) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking "(1)(B)(i)" and inserting "(1)(B)(ii)"; and

(B) in subparagraph (B)(ii), by striking "(1)(B)(ii)" and inserting "(1)(B)(iii)";

(8) by inserting after paragraph (2) the following paragraph:

"(3) provide a plan for expanding and improving vocational rehabilitation services for individuals with disabilities on a statewide basis, including—

"(A) a statement of values and goals;

"(B) evidence of ongoing efforts to use outcome measures to make decisions about the effectiveness and future direction of the vocational rehabilitation program established under this title in the State; and

"(C) information on specific strategies for strengthening the program as an integral component of the statewide workforce development system established in the State, including specific innovative, state-of-the-art approaches for achieving sustained success in improving and expanding vocational rehabilitation services provided through the program, for all individuals with disabilities who seek employment, through plans, policies, and procedures that link the program with other components of the system, including plans, policies, and procedures relating to—

"(i) entering into cooperative agreements, between the designated State unit and appropriate entities responsible for carrying out the other components of the statewide workforce development system, which agreements may provide for—

"(I) provision of intercomponent staff training and technical assistance regarding the availability and benefits of, and eligibility standards for, vocational rehabilitation services, and regarding the provision of equal, effective, and meaningful participation by individuals with disabilities in workforce employment activities in the State through program accessibility, use of nondiscriminatory policies and procedures, and provision of reasonable accommodations, auxiliary aids and services, and rehabilitation technology, for individuals with disabilities;

"(II) use of information and financial management systems that link all components of the statewide workforce development system, that link the components to other electronic networks, and that relate to such subjects as labor market information, and information on job vacancies, skill qualifications, career planning, and workforce development activities;

"(III) use of customer service features such as common intake and referral procedures, customer data bases, resource information, and human service hotlines;

"(IV) establishment of cooperative efforts with employers to facilitate job placement and to develop and sustain working relationships with employers, trade associations, and labor organizations;

"(V) identification of staff roles and responsibilities and available resources for each entity that carries out a component of the statewide workforce development system with regard to paying for necessary services (consistent with State law); and

"(VI) specification of procedures for resolving disputes among such entities; and

"(ii) providing for the replication of such cooperative agreements at the local level between individual offices of the designated State unit and local entities carrying out activities through the statewide workforce development system;";

(9) in paragraph (6) (as redesignated in paragraph (5))—

(A) by striking subparagraph (A) and inserting the following:

"(A) contain the plans, policies, and methods to be followed in carrying out the State plan and in the administration and supervision of the plan, including—

"(i)(I) the results of a comprehensive, statewide assessment of the rehabilitation needs of individuals with disabilities (including individuals with severe disabilities, individuals with disabilities who are minorities, and individuals with disabilities who have been unserved, or underserved, by the vocational rehabilitation system) who are residing within the State; and

"(II) the response of the State to the assessment;

"(ii) a description of the method to be used to expand and improve services to individuals with the most severe disabilities, including individuals served under part C of title VI;

"(iii) with regard to community rehabilitation programs—

"(I) a description of the method to be used (such as a cooperative agreement) to utilize the programs to the maximum extent feasible; and

"(II) a description of the needs of the programs, including the community rehabilitation programs funded under the Act entitled "An Act to Create a Committee on Purchases of Blind-made Products, and for other purposes", approved June 25, 1938 (commonly known as the Wagner-O'Day Act; 41 U.S.C. 46 et seq.) and such programs funded by State use contracting programs; and

"(iv) an explanation of the methods by which the State will provide vocational rehabilitation services to all individuals with disabilities within the State who are eligible for such services, and, in the event that vocational rehabilitation services cannot be provided to all such eligible individuals with disabilities who apply for such services, information—

"(I) showing and providing the justification for the order to be followed in selecting individuals to whom vocational rehabilitation services will be provided (which order of selection for the provision of vocational rehabilitation services shall be determined on the basis of serving first the individuals with the most severe disabilities in accordance with criteria established by the State, and shall be consistent with priorities in such order of selection so determined, and outcome and service goals for serving individuals with disabilities, established in regulations prescribed by the Commissioner);

"(II) showing the outcomes and service goals, and the time within which the outcomes and service goals may be achieved, for the rehabilitation of individuals receiving such services; and

"(III) describing how individuals with disabilities who will not receive such services if such order is in effect will be referred to other components of the statewide workforce development system for access to services offered by the components;"; and

(B) by striking subparagraph (C) and inserting the following subparagraphs:

"(C) with regard to the statewide assessment of rehabilitation needs described in subparagraph (A)(i)—

"(i) provide that the State agency will make reports at such time, in such manner, and containing such information, as the Commissioner may require to carry out the functions of the Commissioner under this title, and comply with such provisions as are necessary to assure the correctness and verification of such reports; and

"(ii) provide that reports made under clause (i) will include information regarding individuals with disabilities and, if an order of selection described in subparagraph (A)(iv)(I) is in effect in the State, will separately include information regarding individuals with the most severe disabilities, on—

"(I) the number of such individuals who are evaluated and the number rehabilitated;

"(II) the costs of administration, counseling, provision of direct services, development of community rehabilitation programs, and other functions carried out under this Act; and

"(III) the utilization by such individuals of other programs pursuant to paragraph (11); and

"(D) describe—

"(i) how a broad range of rehabilitation technology services will be provided at each stage of the rehabilitation process;

"(ii) how a broad range of such rehabilitation technology services will be provided on a statewide basis; and

"(iii) the training that will be provided to vocational rehabilitation counselors, client assistance personnel, personnel of the providers of one-stop delivery of core services described in section 716(a)(2) of the Workforce Development Act of 1995, and other related services personnel;";

(10) in subparagraph (A) of paragraph (8) (as redesignated in paragraph (5))—

(A) in clause (i)(II), by striking ", based on projections" and all that follows through "relevant factors"; and

(B) by striking clauses (iii) and (iv) and inserting the following clauses:

"(iii) a description of the ways in which the system for evaluating the performance of rehabilitation counselors, coordinators, and other personnel used in the State facilitates the accomplishment of the purpose and policy of this title, including the policy of serving, among others, individuals with the most severe disabilities;

"(iv) provide satisfactory assurances that the system described in clause (iii) in no way impedes such accomplishment; and";

(11) in paragraph (9) (as redesignated in paragraph (5)) by striking "required—" and all that follows through "(B) prior" and inserting "required prior";

(12) in paragraph (10) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in subparagraph (C), by striking "plan in accordance with such program" and inserting "State plan in accordance with the employment plan";

(13) in paragraph (11)—

(A) in subparagraph (A), by striking "State's public" and all that follows and inserting "State programs that are not part of the statewide workforce development system of the State;"; and

(B) in subparagraph (C)—

(i) by striking "if appropriate—" and all that follows through "entering into" and inserting "if appropriate, entering into";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii), respectively; and

(iii) by indenting the clauses and aligning the margins of the clauses with the margins of clause (ii) of subparagraph (A) of paragraph (8) (as redesignated in paragraph (5));

(14) in paragraph (14) (as redesignated in paragraph (5))—

(A) by striking "(14)" and inserting "(14)(A)"; and

(B) by inserting before the semicolon the following ", and, in the case of the designated State unit, will take actions to take such views into account that include providing timely notice, holding public hearings, preparing a summary of hearing comments, and documenting and disseminating information relating to the manner in which the comments will affect services; and";

(15) in paragraph (16) (as redesignated in paragraph (5)), by striking "referrals to other Federal and State programs" and inserting "referrals within the statewide workforce development system of the State to programs"; and

(16) in paragraph (17) (as redesignated in paragraph (5))—

(A) in subparagraph (B), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in subparagraph (C)—

(i) in clause (ii), by striking "; and" and inserting a semicolon;

(ii) in clause (iii), by striking the semicolon and inserting "; and"; and

(iii) by adding at the end the following clause:

"(iv) the manner in which students who are individuals with disabilities and who are not in special education programs can access and receive vocational rehabilitation services, where appropriate;".

(b) CONFORMING AMENDMENTS.—

(1) Section 7 (29 U.S.C. 706) is amended—

(A) in paragraph (3)(B)(ii), by striking "101(a)(1)(B)(i)" and inserting "101(a)(1)(B)(ii)"; and

(B) in paragraph (22)(A)(i)(II), by striking "101(a)(5)(A)" each place it appears and inserting "101(a)(6)(A)(iv)".

(2) Section 12(d) (29 U.S.C. 711(d)) is amended by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)".

(3) Section 101(a) (29 U.S.C. 721(a)) is amended—

(A) in paragraph (1)(A), by striking "paragraph (4) of this subsection" and inserting "paragraph (5)";

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking "paragraph (1)(B)(i)" and inserting "paragraph (1)(B)(ii)"; and

(ii) in subparagraph (B)(i), by striking "paragraph (1)(B)(ii)" and inserting "paragraph (1)(B)(iii)";

(C) in paragraph (17) (as redesignated in subsection (a)(5)), by striking "paragraph (11)(C)(ii)" and inserting "paragraph (11)(C)";

(D) in paragraph (22) (as redesignated in subsection (a)(5)), by striking "paragraph (36)" and inserting "paragraph (24)"; and

(E) in subparagraph (C) of paragraph (24) (as redesignated in subsection (a)(5)), by striking "101(a)(1)(A)(i)" and inserting "paragraph (1)(A)(i)".

(4) Section 102 (29 U.S.C. 722) is amended—

(A) in subsection (a)(3), by striking "101(a)(24)" and inserting "101(a)(17)"; and

(B) in subsection (d)(2)(C)(ii)—

(i) in subclause (II), by striking "101(a)(36)" and inserting "101(a)(24)"; and

(ii) in subclause (III), by striking "101(a)(36)(C)(ii)" and inserting "101(a)(24)(C)(ii)".

(5) Section 105(a)(1) (29 U.S.C. 725(a)(1)) is amended by striking "101(a)(36)" and inserting "101(a)(24)".

(6) Section 107(a) (29 U.S.C. 727(a)) is amended—

(A) in paragraph (2)(F), by striking "101(a)(32)" and inserting "101(a)(22)";

(B) in paragraph (3)(A), by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)"; and

(C) in paragraph (4), by striking "101(a)(35)" and inserting "101(a)(8)(A)(iii)".

(7) Section 111(a) (29 U.S.C. 731(a)) is amended—

(A) in paragraph (1), by striking "and development and implementation" and all that follows through "referred to in section 101(a)(34)(B)"; and

(B) in paragraph (2)(A), by striking "and such payments shall not be made in an amount which would result in a violation of the provisions of the State plan required by section 101(a)(17)".

(8) Section 124(a)(1)(A) (29 U.S.C. 744(a)(1)(A)) is amended by striking "(not including sums used in accordance with section 101(a)(34)(B))".

(9) Section 315(b)(2) (29 U.S.C. 777e(b)(2)) is amended by striking "101(a)(22)" and inserting "101(a)(16)".

(10) Section 635(b)(2) (29 U.S.C. 795n(b)(2)) is amended by striking "101(a)(5)" and inserting "101(a)(6)(A)(i)(I)".

(11) Section 802(n)(2)(B)(ii) (29 U.S.C. 797a(h)(2)(B)(ii)) is amended by striking "101(a)(5)(A)" and inserting "101(a)(6)(A)(iv)".

(12) Section 102(e)(23)(A) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2212(e)(23)(A)) is amended by striking "section 101(a)(36) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(36))" and inserting "section 101(a)(24) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(24))".

SEC. 810. INDIVIDUALIZED EMPLOYMENT PLANS.

(a) IN GENERAL.—Section 102 (29 U.S.C. 722) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 102. INDIVIDUALIZED EMPLOYMENT PLANS.";

(2) in subsection (a)(6), by striking "written rehabilitation program" and inserting "employment plan";

(3) in subsection (b)—

(A) in paragraph (1)(A)—

(i) in clause (i), by striking "written rehabilitation program" and inserting "employment plan"; and

(ii) in clause (ii), by striking "program" and inserting "plan";

(B) in paragraph (1)(B)—

(i) in the matter preceding clause (i), by striking "written rehabilitation program" and inserting "employment plan";

(ii) in clause (iv)—

(I) by striking subclause (I) and inserting the following:

"(I) include a statement of the specific vocational rehabilitation services to be provided (including, if appropriate, rehabilitation technology services and training in how to use such services) that includes specification of the public or private entity that will provide each such vocational rehabilitation service and the projected dates for the initiation and the anticipated duration of each such service; and";

(II) by striking subclause (II); and

(III) by redesignating subclause (III) as subclause (II); and

(iii) in clause (xi)(I), by striking "program" and inserting "plan";

(C) in paragraph (1)(C), by striking "written rehabilitation program and amendments to the program" and inserting "employment plan and amendments to the plan"; and

(D) in paragraph (2)—

(i) by striking "program" each place the term appears and inserting "plan"; and

(ii) by striking "written rehabilitation" each place the term appears and inserting "employment";

(4) in subsection (c)—

(A) in paragraph (1), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) by striking "written program" each place the term appears and inserting "plan"; and

(5) in subsection (d)—

(A) in paragraph (5), by striking "written rehabilitation program" and inserting "employment plan"; and

(B) in paragraph (6)(A), by striking the second sentence.

(b) CONFORMING AMENDMENTS.—

(1) The table of contents for the Act is amended by striking the item relating to section 102 and inserting the following:

"Sec. 102. Individualized employment plans.".

(2) Paragraphs (22)(B) and (27)(B), and subparagraphs (B) and (C) of paragraph (34) of section 7 (29 U.S.C. 706), section 12(e)(1) (29 U.S.C. 711(e)(1)), section 501(e) (29 U.S.C. 791(e)), subparagraphs (C), (D), and (E) of section 635(b)(6) (29 U.S.C. 795n(b)(6) (C), (D), and (E)), section 802(g)(8)(B) (29 U.S.C. 797a(g)(8)(B)), and section 803(c)(2)(D) (29 U.S.C. 797b(c)(2)(D)) are amended by striking "written rehabilitation program" each place the term appears and inserting "employment plan".

(3) Section 7(22)(B)(i) (29 U.S.C. 706(22)(B)(i)) is amended by striking "rehabilitation program" and inserting "employment plan".

(4) Section 107(a)(3)(D) (29 U.S.C. 727(a)(3)(D)) is amended by striking "written rehabilitation programs" and inserting "employment plans".

(5) Section 101(b)(7)(A)(ii)(II) of the Technology-Related Assistance for Individuals With Disabilities Act of 1988 (29 U.S.C. 2211(b)(7)(A)(ii)(II)) is amended by striking

"written rehabilitation program" and inserting "employment plan".

SEC. 811. SCOPE OF VOCATIONAL REHABILITATION SERVICES.

Section 103 (29 U.S.C. 723) is amended—

(1) in subsection (a)(4)—

(A) in subparagraph (B), by striking "surgery or";

(B) in subparagraph (D), by striking the comma at the end and inserting ", and";

(C) by striking subparagraph (E); and

(D) by redesignating subparagraph (F) as subparagraph (E); and

(2) in subsection (b)(1), by striking "the most severe".

SEC. 812. STATE REHABILITATION ADVISORY COUNCIL.

(a) IN GENERAL.—Section 105 (29 U.S.C. 725) is amended—

(1) in subsection (b)(1)(A)(vi), by inserting before the semicolon the following: "who, to the extent feasible, are members of any State workforce development board established for the State under section 715 of the Workforce Development Act of 1995"; and

(2) in subsection (c)—

(A) by redesignating paragraphs (3) through (7) as paragraphs (4) through (8), respectively;

(B) by inserting after paragraph (2) the following new paragraph:

"(3) advise the designated State agency and the designated State unit regarding strategies for ensuring that the vocational rehabilitation program established under this title becomes an integral part of the statewide workforce development system of the State;"; and

(C) in paragraph (6) (as redesignated in subparagraph (A))—

(i) by striking "6024), and" and inserting "6024),"; and

(ii) by striking the semicolon at the end and inserting the following: ", and any State workforce development board established for the State under section 715 of the Workforce Development Act of 1995;".

(b) CONFORMING AMENDMENT.—Subparagraph (B)(iv), and clauses (ii)(I) and (iii)(I) of subparagraph (C), of paragraph (24) (as redesignated in section 409(a)(5)) of section 101(a) (29 U.S.C. 721(a)) are amended by striking "105(c)(3)" and inserting "105(c)(4)".

SEC. 813. EVALUATION STANDARDS AND PERFORMANCE INDICATORS.

Section 106(a)(1) (29 U.S.C. 726(a)(1)) is amended—

(1) by striking "1994" and inserting "1996"; and

(2) by striking the period and inserting the following: "that shall, to the maximum extent appropriate, be consistent with the State benchmarks established under paragraphs (1) and (2) of section 731(c) of the Workforce Development Act of 1995. For purposes of this section, the Commissioner may modify or supplement such benchmarks, after consultation with the National Board established under section 772 of the Workforce Development Act of 1995, to the extent necessary to address unique considerations applicable to the participation of individuals with disabilities in the vocational rehabilitation program.".

SEC. 814. REPEALS.

(a) IN GENERAL.—Title I (29 U.S.C. 720 et seq.) is amended—

(1) by repealing part C; and

(2) by redesignating parts D and E as parts C and D, respectively.

(b) CONFORMING AMENDMENTS.—The table of contents for the Act is amended—

(1) by striking the items relating to part C of title I; and

(2) by striking the items relating to parts D and E of title I and inserting the following:

"PART C—AMERICAN INDIAN VOCATIONAL REHABILITATION SERVICES

"Sec. 130. Vocational rehabilitation services grants.

"PART D—VOCATIONAL REHABILITATION SERVICES CLIENT INFORMATION

"Sec. 140. Review of data collection and reporting system.

"Sec. 141. Exchange of data.".

SEC. 815. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle shall take effect on the date of enactment of this Act.

(b) STATEWIDE SYSTEM REQUIREMENTS.—The changes made in the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.) by the amendments made by this subtitle that relate to State benchmarks, or other components of a statewide system, shall take effect—

(1) in a State that submits and obtains approval of an interim plan under section 763 for program year 1997, on July 1, 1997; and

(2) in any other State, on July 1, 1998.

Subtitle B—Amendments to Immigration and Nationality Act

SEC. 821. PROHIBITION ON USE OF FUNDS FOR CERTAIN EMPLOYMENT ACTIVITIES.

Section 412(c)(1) of the Immigration and Nationality Act is amended by adding at the end the following new subparagraph:

"(D) Funds available under this paragraph may not be provided to States for workforce employment activities authorized and funded under the Workforce Development Act of 1995.".

Subtitle C—Amendments to the National Literacy Act of 1991

SEC. 831. NATIONAL INSTITUTE FOR LITERACY.

Section 102 of the National Literacy Act of 1991 (20 U.S.C. 1213c note) is amended to read as follows:

"SEC. 102. NATIONAL INSTITUTE FOR LITERACY.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established the National Institute for Literacy (in this section referred to as the 'Institute'). The Institute shall be administered by the National Board established under section 772 of the Workforce Development Act of 1995 (in this section referred to as the 'National Board'). The National Board may include in the Institute any research and development center, institute, or clearinghouse that the National Board determines is appropriately included in the Institute.

"(2) OFFICES.—The Institute shall have offices separate from the offices of the Department of Education or the Department of Labor.

"(3) RECOMMENDATIONS.—The National Board shall consider the recommendations of the National Institute Council established under subsection (d) in planning the goals of the Institute and in the implementation of any programs to achieve such goals. The daily operations of the Institute shall be carried out by the Director of the Institute appointed under subsection (g). If such Council's recommendations are not followed, the National Board shall provide a written explanation to such Council concerning actions the National Board has taken that includes the National Board's reasons for not following such Council's recommendations with respect to such actions. Such Council may also request a meeting with the National Board to discuss such Council's recommendations.

"(b) DUTIES.—

"(1) IN GENERAL.—The Institute is authorized, in order to improve the quality and accountability of the adult basic skills and literacy delivery system, to—

"(A) coordinate the support of research and development on literacy and basic skills education across Federal agencies and carry out basic and applied research and development on topics such as—

"(i) identifying effective models of basic skills and literacy education for adults and families that are essential to success in job training, work, the family, and the community;

"(ii) carrying out evaluations of the effectiveness of literacy and adult education programs and services, including those supported by this Act; and

"(iii) supporting the development of models at the State and local level of accountability systems that consist of goals, performance measures, benchmarks, and assessments that can be used to improve the quality of literacy and adult education services;

"(B) provide technical assistance, information, and other program improvement activities to national, State, and local organizations, such as—

"(i) providing information and training to State and local workforce development boards and one-stop centers concerning how literacy and basic skills services can be incorporated in a coordinated workforce development model;

"(ii) improving the capacity of national, State, and local public and private literacy and basic skills professional development and technical assistance organizations, such as the State Literacy Resource Centers established under section 103; and

"(iii) providing information on-line and in print to all literacy and basic skills programs about best practices, models of collaboration for effective workforce, family, English as a Second Language, and other literacy programs, and other informational and communication needs; and

"(C) work with the National Board, the Departments of Education, Labor, and Health and Human Services, and the Congress to ensure that they have the best information available on literacy and basic skills programs in formulating Federal policy around the issues of literacy, basic skills, and workforce development.

"(2) CONTRACTS, COOPERATIVE AGREEMENTS, AND GRANTS.—The Institute may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private nonprofit institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

"(c) LITERACY LEADERSHIP.—

"(1) FELLOWSHIPS.—The Institute is, in consultation with the Council, authorized to award fellowships, with such stipends and allowances that the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

"(2) Use of fellowships.—Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

"(3) Designation.—Individuals receiving fellowships pursuant to this subsection shall be known as "Literacy Leader Fellows".

"(d) National Institute Council.—

"(1) In general.—

"(A) Establishment.—There is established the National Institute Council (in this section referred to as the "Council"). The Council shall consist of 10 individuals appointed by the President with the advice and consent of the Senate from individuals who—

"(i) are not otherwise officers or employees of the Federal Government;

"(ii) are representative of entities or groups described in subparagraph (B); and

"(iii) are chosen from recommendations made to the President by individuals who represent such entities or groups.

"(B) Entities or groups.—Entities or groups described in this subparagraph are—

"(i) literacy organizations and providers of literacy services, including—

"(I) providers of literacy services receiving assistance under this Act; and

"(II) nonprofit providers of literacy services;

"(ii) businesses that have demonstrated interest in literacy programs;

"(iii) literacy students;

"(iv) experts in the area of literacy research;

"(v) State and local governments; and

"(vi) organized labor.

"(2) Duties.—The Council shall—

"(A) make recommendations concerning the appointment of the Director and staff of the Institute;

"(B) provide independent advice on the operation of the Institute; and

"(C) receive reports from the National Board and the Director.

"(3) Except as otherwise provided, the Council established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act.

"(4) Appointment.—

"(A) Duration.—Each member of the Council shall be appointed for a term of 3 years. Any such member may be appointed for not more than 2 consecutive terms.

"(B) Vacancies.—Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that members' term until a successor has taken office. A vacancy in the Council shall be filled in the manner in which the original appointment was made. A vacancy in the Council shall not affect the powers of the Council.

"(5) Quorum.—A majority of the members of the Council shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

"(6) Election of officers.—The Chairperson and Vice Chairperson of the Council shall be elected by the members. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

"(7) Meetings.—The Council shall meet at the call of the Chairperson or a majority of its members.

"(e) Gifts, Bequests, and Devises.—The Institute and the Council may accept (but not solicit), use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Institute or the Council, respectively. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Institute or the Council, respectively.

"(f) Mails.—The Council and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(g) Staff.—The National Board, after considering recommendations made by the Council, shall appoint and fix the pay of a Director of the Institute and staff of the Institute.

"(h) Applicability of Certain Civil Service Laws.—The Director of the Institute and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS-15 of the General Schedule.

"(i) Experts and Consultants.—The Council and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

"(j) Report.—The Institute shall submit a report to the Congress biennially. Each report submitted under this subsection shall include—

"(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for such fiscal year;

"(2) a description of how plans for the operation of the Institute for the succeeding fiscal year will facilitate achievement of the goals of the Institute and the goals of the literacy programs within the National Board, Department of Education, the Department of Labor, and the Department of Health and Human Services; and

"(3) any additional minority, or dissenting views submitted by members of the Council.

"(k) Funding.—Any amounts appropriated to the National Board, the Secretary of Education, the Secretary of Labor, or the Secretary of Health and Human Services for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.".

SEC. 832. STATE LITERACY RESOURCE CENTERS.

Section 103 of the National Literacy Act of 1991 is amended to read as follows:

"SEC. 103. STATE LITERACY RESOURCE CENTERS.

"(a) Purpose.—The purpose of this section is to establish a network of State or regional adult literacy resource centers to assist State and local public and private nonprofit efforts to eliminate illiteracy by—

"(1) stimulating the coordination of literacy services;

"(2) enhancing the capacity of State and local organizations to provide literacy services; and

"(3) serving as a reciprocal link between the National Institute for Literacy established under section 102 and service providers for the purpose of sharing information, data, research, and expertise and literacy resources.

"(b) Establishment.—From amounts appropriated pursuant to section 734(b)(6) of the Workforce Development Act of 1995, the National Board is authorized to make grants for purposes of establishing a network of State or regional adult literacy resource centers.

"(c) Allotment.—

"(1) In general.—From sums available for purposes of making grants under this section for any fiscal year, the National Board shall allot to each State having an application approved under subsection (f) an amount that bears the same ratio to such sums as the amount allotted to such State—

"(A) in the case of fiscal year 1996 only, under section 313(b) of the Adult Education Act (20 U.S.C. 1201(b)) for fiscal year 1995 for the purpose of making grants under section 321 of such Act (20 U.S.C. 1203), bears to the aggregate amount allotted to all States under such section for fiscal year 1995 for such purpose; and

"(B) in the case of fiscal years 1997, 1998, 1999, 2000, and 2001, under section 712 of the Workforce Development Act of 1995 for the fiscal year preceding the fiscal year for which the determination is made, bears to the aggregate amount allotted to all States under such section for such preceding fiscal year.

"(2) Contracts.—The chief executive officer of each State that receives its allotment under this section shall contract on a competitive basis with the State educational agency, 1 or more local educational agencies, a State office on literacy, a volunteer organization, a community-based organization, an institution of higher education, or another nonprofit entity to operate a State or regional literacy resource center. No applicant participating in a competition pursuant to the preceding sentence shall participate in the review of its own application.

"(d) Use of Funds.—Funds provided to each State under subsection (c)(1) to carry out this section shall be used to conduct activities to—

"(1) improve and promote the diffusion and adoption of state-of-the-art teaching methods, technologies and program evaluations;

"(2) develop innovative approaches to the coordination of literacy services within and among States and with the Federal Government;

"(3) assist public and private agencies in coordinating the delivery of literacy services;

"(4) encourage government and industry partnerships, including partnerships with small businesses, private nonprofit organizations, and community-based organizations;

"(5) encourage innovation and experimentation in literacy activities that will enhance the delivery of literacy services and address emerging problems;

"(6) provide technical and policy assistance to State and local governments and service providers to improve literacy policy and programs and access to such programs;

"(7) provide training and technical assistance to literacy instructors in reading instruction and in—

"(A) selecting and making the most effective use of state-of-the-art methodologies, instructional materials, and technologies such as—

"(i) computer assisted instruction;

"(ii) video tapes;

"(iii) interactive systems; and

"(iv) data link systems; or

"(B) assessing learning style, screening for learning disabilities, and providing individualized remedial reading instruction; or

"(8) encourage and facilitate the training of full-time professional adult educators.

"(e) Alternative Uses of Equipment.—Equipment purchases pursuant to this section, when not being used to carry out the provisions of this section, may be used for other instructional purposes if—

"(1) the acquisition of the equipment was reasonable and necessary for the purpose of conducting a properly designed project or activity under this section;

"(2) the equipment is used after regular program hours or on weekends; and

"(3) such other use is—

"(A) incidental to the use of the equipment under this section;

"(B) does not interfere with the use of the equipment under this section; and

"(C) does not add to the cost of using the equipment under this section.

"(f) Applications.—Each State or group of States, as appropriate, that desires to receive a grant under this section for a regional adult literacy resource center, a State adult literacy resource center, or both, shall submit to the National Board an application that describes how the State or group of States will—

"(1) develop a literacy resource center or expand an existing literacy resource center;

"(2) provide services and activities with the assistance provided under this section;

"(3) assure access to services of the center for the maximum participation of all public and private programs and organizations providing or seeking to provide basic skills instruction, including local educational agencies, agencies responsible for corrections education, welfare agencies, labor organizations, businesses, volunteer groups, and community-based organizations;

"(4) address the measurable goals for improving literacy levels as set forth in the plan submitted pursuant to section 714 of the Workforce Development Act of 1995; and

"(5) develop procedures for the coordination of literacy activities for statewide and local literacy efforts conducted by public and private organizations, and for enhancing the systems of service delivery.

"(g) Payments; Federal Share.—

"(1) Payments.—The National Board shall pay to each State having an application approved pursuant to subsection (f) the Federal share of the cost of the activities described in the application.

"(2) Federal share.—The Federal share—

"(A) for each of the first 2 fiscal years in which the State receives funds under this section shall not exceed 80 percent;

"(B) for each of the third and fourth fiscal years in which the State receives funds under this section shall not exceed 70 percent; and

"(C) for the fifth and each succeeding fiscal year in which the State receives funds under this section shall not exceed 60 percent.

"(3) Non-federal share.—The non-Federal share of payments under this section may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

"(h) Regional Centers.—

"(1) In general.—A group of States may enter into an interstate agreement to develop and operate a regional adult literacy resource center for purposes of receiving assistance under this section if the States determine that a regional approach is more appropriate for their situation.

"(2) Requirements.—Any State that receives assistance under this section as part of a regional center shall only be required to provide under subsection (g) 50 percent of the funds such State would otherwise be required to provide under such subsection.

"(3) Minimum.—In any fiscal year in which the amount a State will receive under this section is less than $100,000, the National Board may designate the State to receive assistance under this section only as part of a regional center.

"(4) Inapplicability.—The provisions of paragraph (3) shall not apply to any State that can demonstrate to the National Board that the total amount of Federal, State, local and private funds expended to carry out the purposes of this section would equal or exceed $100,000.

"(5) Special rule.—In any fiscal year in which paragraph (2) applies, the National Board may allow certain States that receive assistance as part of a regional center to reserve a portion of such assistance for a State adult literacy resource center pursuant to this section.".

SEC. 833. NATIONAL WORKFORCE LITERACY ASSISTANCE COLLABORATIVE.

Subsection (c) of section 201 of the National Literacy Act of 1991 (20 U.S.C. 1211–1) is repealed.

SEC. 834. FAMILY LITERACY PUBLIC BROADCASTING PROGRAM.

Section 304 of the National Literacy Act of 1991 (20 U.S.C. 1213c note) is repealed.

SEC. 835. MANDATORY LITERACY PROGRAM.

Paragraph (3) of section 601(i) of the National Literacy Act of 1991 (20 U.S.C. 1211–2(i) is amended—

(1) by striking "1994, and" and inserting "1994,"; and

(2) by inserting ", and such sums as may be necessary for each of the fiscal years 1996, 1997, 1998, 1999, 2000, and 2001" before the period.

TITLE IX—CHILD SUPPORT

SEC. 900. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, whenever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 901. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) State Plan Requirements.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services are provided under the State program funded under part E of this title, or (III) medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (29)) that it is against the best interests of the child to do so; and

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child."; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) services under the plan shall be made available to nonresidents on the same terms as to residents;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) Continuation of Services for Families Ceasing To Receive Assistance Under the State Program Funded Under Part A.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following new paragraph:

"(25) provide that when a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of individuals to whom services are furnished under this section, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family.".

(c) Conforming Amendments.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 902. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) In General.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) IN GENERAL.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

"(A) retain, or distribute to the family, the State share of the amount so collected; and

"(B) pay to the Federal Government the Federal share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—The State shall, with regard to amounts collected which represent amounts owed for the current month, distribute the amounts so collected to the family.

"(B) PAYMENT OF ARREARAGES.—The State shall, with regard to amounts collected which exceed amounts owed for the current month, distribute the amounts so collected as follows:

"(i) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED AFTER THE FAMILY RECEIVED ASSISTANCE.—The State shall distribute the amount so collected to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family stopped receiving assistance from the State.

"(ii) DISTRIBUTION TO THE FAMILY TO SATISFY ARREARAGES THAT ACCRUED BEFORE OR WHILE THE FAMILY RECEIVED ASSISTANCE TO THE EXTENT PAYMENTS EXCEED ASSISTANCE RECEIVED.—In the case of arrearages of support obligations with respect to the family that were assigned to the State making or receiving the collection, as a condition of receiving assistance from the State, and which accrued before or while the family received such assistance, the State may retain all or a part of the State share and if the State does so retain, shall retain and pay to the Federal Government the Federal share of amounts so collected, to the extent the amount so retained does not exceed the amount of assistance provided to the family by the State.

"(iii) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither clause (i) nor clause (ii) applies to the amount so collected, the State shall distribute the amount to the family.

"(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(b) TRANSITION RULE.—Any rights to support obligations which were assigned to a State as a condition of receiving assistance from the State under part A before the effective date of the Work Opportunity Act of 1995 shall remain assigned after such date.

"(c) DEFINITIONS.—As used in subsection (a):

"(1) ASSISTANCE.—The term 'assistance from the State' means—

"(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect before October 1, 1995); or

"(B) benefits under the State plan approved under part E of this title.

"(2) FEDERAL SHARE.—The term 'Federal share' means, with respect to an amount collected by the State to satisfy a support obligation owed to a family for a time period—

"(A) the greatest Federal medical assistance percentage in effect for the State for fiscal year 1995 or any succeeding fiscal year; or

"(B) if support is not owed to the family for any month for which the family received aid to families with dependent children under the State plan approved under part A of this title (as in effect before October 1, 1995), the Federal reimbursement percentage for the fiscal year in which the time period occurs.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any State for which subparagraph (B) does not apply; or

"(B) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(4) FEDERAL REIMBURSEMENT PERCENTAGE.—The term 'Federal reimbursement percentage' means, with respect to a fiscal year—

"(A) the total amount paid to the State under section 403 for the fiscal year; divided by

"(B) the total amount expended by the State to carry out the State program under part A during the fiscal year.

"(5) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.".

(b) CONFORMING AMENDMENT.—Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking "section 457(b)(4) or (d)(3)" and inserting "section 457".

(c) CLERICAL AMENDMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (11)—

(A) by striking "(11)" and inserting "(11)(A)"; and

(B) by inserting after the semicolon "and"; and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(d) EFFECTIVE DATE.—

(1) GENERAL RULE.—Except as provided in paragraphs (2) and (3), the amendment made by subsection (a) shall become effective on October 1, 1999.

(2) EARLIER EFFECTIVE DATE FOR RULES RELATING TO DISTRIBUTION OF SUPPORT COLLECTED FOR FAMILIES RECEIVING ASSISTANCE.—Section 457(a)(1) of the Social Security Act, as added by the amendment made by subsection (a), shall become effective on October 1, 1995.

(3) SPECIAL RULE.—A State may elect to have the amendment made by subsection (a) become effective on a date earlier than October 1, 1999, which date shall coincide with the operation of the single statewide automated data processing and information retrieval system required by section 454A of the Social Security Act (as added by section 944(a)(2)) and the State disbursement unit required by section 454B of the Social Security Act (as added by section 912(b)), and the existence of State requirements for assignment of support as a condition of eligibility for assistance under part A of the Social Security Act (as added by title I).

(4) CLERICAL AMENDMENTS.—The amendments made by subsection (b) shall become effective on October 1, 1995.

SEC. 903. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 902(b), is amended by inserting after paragraph (11) the following new paragraph:

"(12) establish procedures to provide that—

"(A) individuals who are applying for or receiving services under this part, or are parties to cases in which services are being provided under this part—

"(i) receive notice of all proceedings in which support obligations might be established or modified; and

"(ii) receive a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination; and

"(B) individuals applying for or receiving services under this part have access to a fair hearing or other formal complaint procedure that meets standards established by the Secretary and ensures prompt consideration and resolution of complaints (but the resort to such procedure shall not stay the enforcement of any support order);".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 904. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 901(b), is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following new paragraph:

"(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Locate and Case Tracking

SEC. 911. STATE CASE REGISTRY.

Section 454A, as added by section 944(a)(2), is amended by adding at the end the following new subsections:

"(e) STATE CASE REGISTRY.—

"(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

"(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on-case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 912. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 901(b) and 904(a), is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that, on and after October 1, 1998, the State agency will—

"(A) operate a State disbursement unit in accordance with section 454B; and

"(B) have sufficient State staff (consisting of State employees), and (at State option) private or governmental contractors reporting directly to the State agency, to—

"(i) provide automated monitoring and enforcement of support collections through the unit (including carrying out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases.".

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 944(a)(2), is amended by inserting after section 454A the following new section:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

"(a) STATE DISBURSEMENT UNIT.—

"(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(2) OPERATION.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) in coordination with the automated system established by the State pursuant to section 454A.

"(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section. The Secretary must agree that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"(c) TIMING OF DISBURSEMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(2) PERMISSIVE RETENTION OF ARREARAGES.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

"(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 944(a)(2) and as amended by section 911, is amended by adding at the end the following new subsection:

"(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

"(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

"(i) within 2 business days after receipt from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State of notice of, and the income source subject to, such withholding; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) where payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 913. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a) and 912(a), is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—Not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) EMPLOYER.—The term 'employer' includes—

"(i) any governmental entity, and

"(ii) any labor organization.

"(C) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) MULTISTATE EMPLOYERS.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which it will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

"(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

"(2) TIMING OF REPORT.—The report required by paragraph (1) with respect to an employee shall be made not later than the later of—

"(A) 30 days after the date the employer hires the employee; or

"(B) in the case of an employer that reports by magnetic or electronic means, the 1st business day of the week following the date on which the employee 1st receives wages or other compensation from the employer.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W-4 form and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—An employer that fails to comply with subsection (b) with respect to an employee shall be subject to a State civil money penalty which shall be less than—

"(1) $25; or

"(2) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than October 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(h) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b-7(a)(3)) is amended—

(1) by inserting "(including State and local governmental entities)" after "employers"; and

(2) by inserting ", and except that no report shall be filed with respect to an employee of a State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission" after "paragraph (2)".

SEC. 914. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

"(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each absent parent to whom paragraph (1) applies—

"(i) that the withholding has commenced; and

"(ii) of the procedures to follow if the absent parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

"(B) The notice under subparagraph (A) shall include the information provided to the employer under paragraph (6)(A).".

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part.";

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following new clause:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting "any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any absent parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection.".

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order through electronic means and without advance notice to the obligor.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 915. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 916. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child visitation orders—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support or provide child visitation rights;

"(B) against whom such an obligation is sought;

"(C) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual."; and

(2) in subsection (b), in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)".

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking "support" and inserting "support or to seek to enforce orders providing child visitation rights";

(2) in paragraph (2), by striking ", or any agent of such court; and" and inserting "or to issue an order against a resident parent for visitation rights, or any agent of such court;";

(3) by striking the period at the end of paragraph (3) and inserting "; and"; and

(4) by adding at the end the following new paragraph:

"(4) the absent parent, only with regard to a court order against a resident parent for child visitation rights.".

(c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(e) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsection:

"(h)(1) Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i)(1) In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

"(2) Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(3) The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(4) The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

"(j)(1)(A) The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

"(5) The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k)(1) The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(n) Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that no report shall be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.".

(f) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

"(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

"(A) disclose quarterly, to the Secretary of Health and Human Services wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

"(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

"(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

"(3) For purposes of this subsection—

"(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

"(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.".

SEC. 917. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 915, is amended by adding at the end the following new paragraph:

"(13) Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.

For purposes of subparagraph (A), if a State allows the use of a number other than the social security number, the State shall so advise any applicants.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative responsibility for the law involved, the social security number of the party.";

(3) in clause (ii), by inserting "or marriage certificate" after "Such numbers shall not be recorded on the birth certificate".

(4) in clause (vi), by striking "may" and inserting "shall"; and

(5) by adding at the end the following new clauses:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgement in the records relating to the matter, for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.".

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 921. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

"(f)(1) In order to satisfy section 454(20)(A) on or after January 1, 1997, each State must have in effect the Uniform Interstate Family Support Act, as approved by the National

Conference of Commissioners on Uniform State Laws in August 1992 (with the modifications and additions specified in this subsection), and the procedures required to implement such Act.

"(2) The State law enacted pursuant to paragraph (1) may be applied to any case involving an order which is established or modified in a State and which is sought to be modified or enforced in another State.

"(3) The State law enacted pursuant to paragraph (1) of this subsection shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act:

"'(1) the following requirements are met:

"'(i) the child, the individual obligee, and the obligor—

"'(I) do not reside in the issuing State; and

"'(II) either reside in this State or are subject to the jurisdiction of this State pursuant to section 201; and

"'(ii) in any case where another State is exercising or seeks to exercise jurisdiction to modify the order, the conditions of section 204 are met to the same extent as required for proceedings to establish orders; or'.

"(4) The State law enacted pursuant to paragraph (1) shall provide that, in any proceeding subject to the law, process may be served (and proved) upon persons in the State by any means acceptable in any State which is the initiating or responding State in the proceeding.".

SEC. 922. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) Recognition of Child Support Orders.—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "Prior" and inserting "Modified"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) Registration for Modification.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 923. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 915 and 917(a), is amended by adding at the end the following new paragraph:

"(14) Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 924. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) Promulgation.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(11) not later than 60 days after the date of the enactment of the Work Opportunity Act of 1995, establish an advisory committee, which shall include State directors of programs under this part, and not later than June 30, 1996, after consultation with the advisory committee, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) Use by States.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

"(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

SEC. 925. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) State Law Requirements.—Section 466 (42 U.S.C. 666), as amended by section 914, is amended—

(1) in subsection (a)(2), by striking the 1st sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by inserting after subsection (b) the following new subsection:

"(c) The procedures specified in this subsection are the following:

"(1) Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(C) To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(D) To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities, including—

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

"(E) In cases where support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(F) To order income withholding in accordance with subsections (a) (1) and (b) of section 466.

"(G) In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump-sum payments from—

"(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions;

"(iii) attaching public and private retirement funds; and

"(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(H) For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

"(2) The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer; and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.".

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 944(a)(2) and as amended by sections 911 and 912(c), is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

Subtitle D—Paternity Establishment

SEC. 931. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5)(A)(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 21 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 21 years was then in effect in the State.

"(B)(i) Procedures under which the State is required, in a contested paternity case, unless otherwise barred by State law, to require the child and all other parties (other than individuals found under section 454(29) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) Procedures which require the State agency in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (where the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case where an original test result is contested, upon request and advance payment by the contestant.

"(C)(i) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii)(I) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II)(aa) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit developed by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(D)(i) Procedures under which the name of the father shall be included on the record of birth of the child only—

"(I) if the father and mother have signed a voluntary acknowledgment of paternity; or

"(II) pursuant to an order issued in a judicial or administrative proceeding.

Nothing in this clause shall preclude a State agency from obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding, or prohibit an order issued in a judicial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional showing required by State law.

"(ii) Procedures under which—

"(I) a voluntary acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days;

"(II) after the 60-day period referred to in subclause (I), a signed voluntary acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown; and

"(III) judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(E) Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent" before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 932. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 933. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a), 912(a), and 913(a), is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by inserting after paragraph (28) the following new paragraph:

"(29) provide that the State agency responsible for administering the State plan—

"(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to such good cause and other exceptions as the State shall establish and taking into account the best interests of the child;

"(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

"(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order; and

"(D) shall promptly notify the individual and the State agency administering the State program funded under part A and the State agency administering the State program under title XIX of each such determination, and if noncooperation is determined, the basis therefore.".

Subtitle E—Program Administration and Funding

SEC. 941. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) INCENTIVE PAYMENTS.—

(1) IN GENERAL.—Section 458 (42 U.S.C. 658) is amended—

(A) in subsection (a), by striking "aid to families" and all through the end period, and inserting "assistance under a program funded under part A, and regardless of the economic circumstances of their parents, the Secretary shall, from the support collected which would otherwise represent the reimbursement to the Federal government under section 457, pay to each State for each fiscal year, on a quarterly basis (as described in subsection (e)) beginning with the quarter commencing October 1, 1999, an incentive payment in an amount determined under subsections (b) and (c).";

(B) by striking subsections (b) and (c) and inserting the following:

"(b)(1) Not later than 60 days after the date of the enactment of the Work Opportunity Act of 1995, the Secretary shall establish a committee which shall include State directors of programs under this part and which shall develop for the Secretary's approval a formula for the distribution of incentive payments to the States.

"(2) The formula developed and approved under paragraph (1)—

"(A) shall result in a percentage of the collections described in subsection (a) being distributed to each State based on the State's comparative performance in the following areas and any other areas approved by the Secretary under this subsection:

"(i) The IV-D paternity establishment percentage, as defined in section 452(g)(2).

"(ii) The percentage of cases with a support order with respect to which services are being provided under the State plan approved under this part.

"(iii) The percentage of cases with a support order in which child support is paid with respect to which services are being so provided.

"(iv) In cases receiving services under the State plan approved under this part, the amount of child support collected compared to the amount of outstanding child support owed.

"(v) The cost-effectiveness of the State program;

"(B) shall take into consideration—

"(i) the impact that incentives can have on reducing the need to provide public assistance and on permanently removing families from public assistance;

"(ii) the need to balance accuracy and fairness with simplicity of understanding and data gathering;

"(iii) the need to reward performance which improves short- and long-term program outcomes, especially establishing paternity and support orders and encouraging the timely payment of support;

"(iv) the Statewide paternity establishment percentage;

"(v) baseline data on current performance and projected costs of performance increases to assure that top performing States can actually achieve the top incentive levels with a reasonable resource investment;

"(vi) performance outcomes which would warrant an increase in the total incentive payments made to the States; and

"(vii) the use or distribution of any portion of the total incentive payments in excess of the total of the payments which may be distributed under subsection (c);

"(C) shall be determined so as to distribute to the States total incentive payments equal to the total incentive payments for all States in fiscal year 1994, plus a portion of any increase in the reimbursement to the Federal Government under section 457 from fiscal year 1999 or any other increase based on other performance outcomes approved by the Secretary under this subsection;

"(D) shall use a definition of the term 'State' which does not include any area within the jurisdiction of an Indian tribal government; and

"(E) shall use a definition of the term 'Statewide paternity establishment percentage' to mean with respect to a State and a fiscal year—

"(i) the total number of children in the State who were born out of wedlock, who have not attained 1 year of age and for whom paternity is established or acknowledged during the fiscal year; divided by

"(ii) the total number of children born out of wedlock in the State during the fiscal year.

"(c) The total amount of the incentives payment made by the Secretary to a State in a fiscal year shall not exceed 90 percent of the total amounts expended by such State during such year for the operation of the plan approved under section 454, less payments to the State pursuant to section 455 for such year.";

(2) in subsection (d), by striking ", and any amounts" through "shall be excluded".

(b) PAYMENTS TO POLITICAL SUBDIVISIONS.—Section 454(22) (42 U.S.C. 654(22)) is amended by inserting before the semicolon the following: ", but a political subdivision shall not be entitled to receive, and the State may retain, any amount in excess of the amount the political subdivision expends on the State program under this part, less the amount equal to the percentage of that expenditure paid by the Secretary under section 455".

(c) CALCULATION OF IV–D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) in the matter preceding subparagraph (A) by inserting "its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and" after "1994,"; and

(B) in each of subparagraphs (A) and (B), by striking "75" and inserting "90".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter preceding clause (i)—

(A) by striking "paternity establishment percentage" and inserting "IV–D paternity establishment percentage"; and

(B) by striking "(or all States, as the case may be)".

(3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B) (as so redesignated)—

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The amendments made by subsections (a) and (b) shall become effective on the date of the enactment of this Act, except to the extent provided in subparagraph (B).

(B) EXCEPTION.—Section 458 of the Social Security Act, as in effect before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 2000.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on and after the date of the enactment of this Act.

SEC. 942. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and inserting "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

"(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages and overall performance in child support enforcement) to the extent necessary for purposes of sections 452(g) and 458.".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used in calculating performance indicators under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this Act.

SEC. 943. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a), 912(a), 913(a), and 933, is amended—

(1) by striking "and" at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting "; and"; and

(3) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 944. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV-D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 904(a)(2) and 912(a)(1), is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988; and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Work Opportunity Act of 1995, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 944(a)(3) of the Work Opportunity Act of 1995.".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

(B) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on the day before the date of the enactment of the Work Opportunity Act of 1995), but limited to the amount approved for States in the advance planning documents of such States submitted on or before May 1, 1995.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is the greater of—

"(I) 80 percent; or

"(II) the percentage otherwise applicable to Federal payments to the State under subparagraph (A) (as adjusted pursuant to section 458).".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $260,000,000 in the aggregate under section 455(a)(3) of the Social Security Act for fiscal years 1996, 1997, 1998, 1999, and 2000.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3) of such Act for fiscal years 1996, 1997, 1998, 1999, and 2000 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

SEC. 945. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 916(f), is amended by adding at the end the following new subsection:

"(n) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.".

SEC. 946. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following new clauses:

"(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

"(II) with respect to whom a child support payment was received in the month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (1) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking "and";

(B) in subparagraph (I), by striking the period and inserting "; and"; and

(C) by inserting after subparagraph (I) the following new subparagraph:

"(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).".

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 951. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the National Child Support Guidelines Commission (in this section referred to as the "Commission").

(b) GENERAL DUTIES.—

(1) IN GENERAL.—The Commission shall determine—

(A) whether it is appropriate to develop a national child support guideline for consideration by the Congress or for adoption by individual States; or

(B) based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(2) DEVELOPMENT OF MODELS.—If the Commission determines under paragraph (1)(A) that a national child support guideline is needed or under paragraph (1)(B) that improvements to guideline models are needed, the Commission shall develop such national guideline or improvements.

(c) MATTERS FOR CONSIDERATION BY THE COMMISSION.—In making the recommendations concerning guidelines required under subsection (b), the Commission shall consider—

(1) the adequacy of State child support guidelines established pursuant to section 467;

(2) matters generally applicable to all support orders, including—

(A) the feasibility of adopting uniform terms in all child support orders;

(B) how to define income and under what circumstances income should be imputed; and

(C) tax treatment of child support payments;

(3) the appropriate treatment of cases in which either or both parents have financial obligations to more than 1 family, including the effect (if any) to be given to—

(A) the income of either parent's spouse; and

(B) the financial responsibilities of either parent for other children or stepchildren;

(4) the appropriate treatment of expenses for child care (including care of the children of either parent, and work-related or job-training-related child care);

(5) the appropriate treatment of expenses for health care (including uninsured health care) and other extraordinary expenses for children with special needs;

(6) the appropriate duration of support by 1 or both parents, including—

(A) support (including shared support) for postsecondary or vocational education; and

(B) support for disabled adult children;

(7) procedures to automatically adjust child support orders periodically to address changed economic circumstances, including changes in the Consumer Price Index or either parent's income and expenses in particular cases;

(8) procedures to help noncustodial parents address grievances regarding visitation and custody orders to prevent such parents from withholding child support payments until such grievances are resolved; and

(9) whether, or to what extent, support levels should be adjusted in cases in which custody is shared or in which the noncustodial parent has extended visitation rights.

(d) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(e) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The 1st sentence of subparagraph (C), the 1st and 3rd sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(f) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(g) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

SEC. 952. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) Procedures under which the State shall review and adjust each support order being enforced under this part upon the request of either parent or the State if there is an assignment. Such procedures shall provide the following:

"(A) The State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(B)(i) The State may elect to review and, if appropriate, adjust an order pursuant to subparagraph (A) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(ii) Any adjustment under clause (i) shall be made without a requirement for proof or showing of a change in circumstances.

"(C) The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(D)(i) The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(ii) The State shall provide notice to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to clause (i). The notice may be included in the order.".

SEC. 953. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

"(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

"(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.".

SEC. 954. NONLIABILITY FOR DEPOSITORY INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a depository institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

(A) the greater of—

(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

(ii) the sum of—

(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

(B) the costs (including attorney's fees) of the action.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "depository institution" means—

(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(v)); and

(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)).

(2) The term "financial record" has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).

(3) The term "State child support enforcement agency" means a State agency which administers a State program for establishing and enforcing child support obligations.

Subtitle G—Enforcement of Support Orders

SEC. 961. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ", and";

(3) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(4) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 962. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a 1st-come, 1st-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) MONEYS SUBJECT TO PROCESS.—

"(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by the Secretary to a member of the Armed Forces who is in receipt of retired or retainer pay if the member has waived a portion of the retired pay of the member in order to receive the compensation); and

"(iii) workers' compensation benefits paid under Federal or State law; but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—As used in this section:

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means periodic payments of funds for the support and maintenance of a child or children with respect to which the individual has such an obligation, and (subject to and in accordance with State law) includes payments to provide for health care, education, recreation, clothing, or to meet other specific needs of such a child or children, and includes attorney's fees, interest, and court costs, when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(3) ALIMONY.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction. Such term does not include any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended by inserting "or a court order for the payment of child support not included in or accompanied by such a decree or settlement," before "which—".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" before "SPOUSE OR"; and

(B) in paragraph (1), in the 1st sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) Relationship to Other Laws.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.".

(d) Effective Date.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 963. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) Availability of Locator Information.—

(1) Maintenance of address information.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) Type of address.—

(A) Residential address.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) Duty address.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) Updating of locator information.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) Availability of information.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) Facilitating Granting of Leave for Attendance at Hearings.—

(1) Regulations.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) Covered hearings.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) Definitions.—For purposes of this subsection:

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) Payment of Military Retired Pay in Compliance With Child Support Orders.—

(1) Date of certification of court order.—Section 1408 of title 10, United States Code, as amended by section 962(c)(4), is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

"(i) Certification Date.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) Payments consistent with assignments of rights to states.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following: "In the case of a spouse or former spouse who assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.".

(3) Arrearages owed by members of the uniformed services.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

(4) Payroll deductions.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

SEC. 964. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 921, is amended by adding at the end the following new subsection:

"(g) In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 965. WORK REQUIREMENT FOR PERSONS OWING CHILD SUPPORT.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 901(a), 915, 917(a), and 923, is amended by adding at the end the following new paragraph:

"(15) Procedures requiring the State, in any case in which an individual owes support with respect to a child receiving services under this part, to seek a court order or administrative order that requires the individual to—

"(A) pay such support in accordance with a plan approved by the court; or

"(B) if the individual is not working and is not incapacitated, participate in work activities (including, at State option, work activities as defined in section 482) as the court deems appropriate.".

SEC. 966. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 916 and 945(b), is amended by adding at the end the following new subsection:

"(o) As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.".

SEC. 967. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7)(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.".

SEC. 968. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by an absent parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.".

SEC. 969. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 915, 917(a), 923, and 965, is amended by adding at the end the following new paragraph:

"(16) Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of, driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 970. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 945, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 470(b) of the Work Opportunity Act of 1995.

"(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE CSE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 901(b), 904(a), 912(b), 913(a), 933, and 943(a), is amended—

(A) by striking "and" at the end of paragraph (29);

(B) by striking the period at the end of paragraph (30) and inserting "; and"; and

(C) by adding after paragraph (30) the following new paragraph:

"(31) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(k) (concerning denial of passports), determinations that individuals owe arrearages of child support in an amount exceeding $5,000, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State shall, upon certification by the Secretary of Health and Human Services transmitted under section 452(k) of the Social Security Act, refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

SEC. 971. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

The Secretary of State is authorized to negotiate reciprocal agreements with foreign nations on behalf of the States, territories, and possessions of the United States regarding the international enforcement of child support obligations and designating the Department of Health and Human Services as the central authority for such enforcement.

Subtitle H—Medical Support

SEC. 975. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 976. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 915, 917(a), 923, 965, and 969, is amended by adding at the end the following new paragraph:

"(17) Procedures under which all child support orders enforced under this part shall include a provision for the health care coverage of the child, and in the case in which an absent parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the absent parent's health plan, unless the absent parent contests the notice.".

Subtitle I—Enhancing Responsibility and Opportunity for Nonresidential Parents

SEC. 981. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following new section:

"SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate absent parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1996 or 1997; or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or nonprofit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

Subtitle J—Effect of Enactment

SEC. 991. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) Grace Period for State Constitutional Amendment.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this title.

TITLE X—REFORM OF PUBLIC HOUSING

SEC. 1001. CEILING RENTS.

Section 3(a)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)) is amended to read as follows:

"(2) Establishment of ceiling rents.—

"(A) In general.—A public housing agency may provide that each family residing in a public housing project shall pay monthly rent in an amount established by such agency in accordance with this paragraph.

"(B) Limitations on amount.—The rental amount established under subparagraph (A)—

"(i) shall reflect the reasonable rental value of the dwelling unit in which the family resides, as compared with similar types and sizes of dwelling units in the market area in which the public housing project is located;

"(ii) shall be greater than or equal to the monthly cost to operate the housing (including any replacement reserves at the discretion of the public housing agency); and

"(iii) shall not exceed the amount payable as rent by such family under paragraph (1).".

SEC. 1002. DEFINITION OF ADJUSTED INCOME FOR PUBLIC HOUSING.

(a) Definition of Adjusted Income.—Section 3(b)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amended to read as follows:

"(5) The term 'adjusted income' means the income that remains after excluding—

"(A) $480 for each member of the family residing in the household (other than the head of the household or spouse)—

"(i) who is under 18 years of age; or

"(ii) who is—

"(I) 18 years of age or older; and

"(II) a person with disabilities or a full-time student;

"(B) $400 for an elderly or disabled family;

"(C) the amount by which the aggregate of—

"(i) medical expenses for an elderly or disabled family; and

"(ii) reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed;

exceeds 3 percent of the annual income of the family;

"(D) child care expenses, to the extent necessary to enable another member of the family to be employed or to further his or her education;

"(E) excessive travel expenses, not to exceed $25 per family per week, for employment- or education-related travel, except that this subparagraph shall apply only to a family assisted by an Indian housing authority; and

"(F) subject to the requirements of subsection (e), for public housing, adjustments to earned income established by the public housing agency, not to exceed 20 percent of the earned income of the family.".

(b) Adjustments to Definition of Earned Income.—Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a) is amended—

(1) in the first undesignated paragraph immediately following subsection (c)(3) (as added by section 515(b) of the Cranston-Gonzalez National Affordable Housing Act), by striking "The earnings of" and inserting the following:

"(d) Exclusion of Certain Earnings.—The earnings of"; and

(2) by adding at the end the following new subsection:

"(e) Adjustments to Earned Income.—If a public housing agency establishes any adjustment to income pursuant to subsection (b)(5)(F), the Secretary—

"(1) shall not take into account any reduction of the per dwelling unit rental income of the public housing agency resulting from that adjustment in calculating the contributions under section 9 for the public housing agency for the operation of the public housing; and

"(2) shall not reduce the level of operating subsidies payable to the public housing agency due to an increase in per dwelling unit rental income that results from a higher level of income earned by any residents whose adjusted incomes are calculated taking into account that adjustment to income, until the public housing agency has recovered a sum equal to the cumulative difference between—

"(A) the operating subsidies actually received by the agency; and

"(B) the operating subsidies that the public housing agency would have received if paragraph (1) was not applied.".

(c) Report.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Congress describing the fiscal and societal impact of the amendment made by subsection (b)(2).

(d) Repeal of Certain Provisions.—

(1) Maximum annual limitation on rent increases resulting from employment.—Section 957 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12714) is repealed effective November 28, 1990.

(2) Economic independence.—Section 923 of the Housing and Community Development Act of 1992 (42 U.S.C. 12714 note) is repealed effective October 28, 1992.

SEC. 1003. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 27. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

"(a) In General.—If the benefits of a family are reduced under a Federal, State, or local law relating to welfare or a public assistance program for the failure of any member of the family to perform an action required under the law or program, the family may not, for the duration of the reduction, receive any increased assistance under this Act as the result of a decrease in the income of the family to the extent that the decrease in income is the result of the benefits reduction.

"(b) Exception.—Subsection (a) shall not apply in any case in which the benefits of a family are reduced because the welfare or public assistance program to which the Federal, State, or local law relates limits the period during which benefits may be provided under the program.".

SEC. 1004. APPLICABILITY TO INDIAN HOUSING.

(a) In General.—In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by this title shall apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.

(b) Definitions.—For purposes of this section—

(1) the term "Indian housing authority" has the same meaning as in section 3(b) of the United States Housing Act of 1937;

(2) the term "public housing" has the same meaning as in section 3(b) of the United States Housing Act of 1937; and

(3) the term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 1005. IMPLEMENTATION.

The Secretary shall issue such regulations as may be necessary to carry out this title and the amendments made by this title.

SEC. 1006. EFFECTIVE DATE.

This title and the amendments made by this title shall take effect on the date of enactment of this Act.

TITLE XI—CHILD ABUSE PREVENTION AND TREATMENT

SEC. 1101. SHORT TITLE.

This title may be cited as the "Child Abuse Prevention and Treatment Act Amendments of 1995".

Subtitle A—General Program

SEC. 1111. REFERENCE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.).

SEC. 1112. FINDINGS.

Section 2 (42 U.S.C. 5101 note) is amended—

(1) in paragraph (1), the read as follows:

"(1) each year, close to 1,000,000 American children are victims of abuse and neglect;";

(2) in paragraph (3)(C), by inserting "assessment," after "prevention,";

(3) in paragraph (4)—

(A) by striking "tens of"; and

(B) by striking "direct" and all that follows through the semicolon and inserting "tangible expenditures, as well as significant intangible costs;";

(4) in paragraph (7), by striking "remedy the causes of" and inserting "prevent";

(5) in paragraph (8), by inserting "safety," after "fosters the health,";

(6) in paragraph (10)—

(A) by striking "ensure that every community in the United States has" and inserting "assist States and communities with"; and

(B) by inserting "and family" after "comprehensive child"; and

(7) in paragraph (11)—

(A) by striking "child protection" each place that such appears and inserting "child and family protection"; and

(B) in subparagraph (D), by striking "sufficient".

SEC. 1113. OFFICE OF CHILD ABUSE AND NEGLECT.

Section 101 (42 U.S.C.5101) is amended to read as follows:

"SEC. 101. OFFICE OF CHILD ABUSE AND NEGLECT.

"(a) ESTABLISHMENT.—The Secretary of Health and Human Services may establish an office to be known as the Office on Child Abuse and Neglect.

"(b) PURPOSE.—The purpose of the Office established under subsection (a) shall be to execute and coordinate the functions and activities of this Act. In the event that such functions and activities are performed by another entity or entities within the Department of Health and Human Services, the Secretary shall ensure that such functions and activities are executed with the necessary expertise and in a fully coordinated manner involving regular intradepartmental and interdepartmental consultation with all agencies involved in child abuse and neglect activities.".

SEC. 1114. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

Section 102 (42 U.S.C.5102) is amended to read as follows:

"SEC. 102. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

"(a) APPOINTMENT.—The Secretary may appoint an advisory board to make recommendations to the Secretary and to the appropriate committees of Congress concerning specific issues relating to child abuse and neglect.

"(b) SOLICITATION OF NOMINATIONS.—The Secretary shall publish a notice in the Federal Register soliciting nominations for the appointment of members of the advisory board under subsection (a).

"(c) COMPOSITION.—In establishing the board under subsection (a), the Secretary shall appoint members from the general public who are individuals knowledgeable in child abuse and neglect prevention, intervention, treatment, or research, and with due consideration to representation of ethnic or racial minorities and diverse geographic areas, and who represent—

"(1) law (including the judiciary);

"(2) psychology (including child development);

"(3) social services (including child protective services);

"(4) medicine (including pediatrics);

"(5) State and local government;

"(6) organizations providing services to disabled persons;

"(7) organizations providing services to adolescents;

"(8) teachers;

"(9) parent self-help organizations;

"(10) parents' groups;

"(11) voluntary groups;

"(12) family rights groups; and

"(13) children's rights advocates.

"(d) VACANCIES.—Any vacancy in the membership of the board shall be filled in the same manner in which the original appointment was made.

"(e) ELECTION OF OFFICERS.—The board shall elect a chairperson and vice-chairperson at its first meeting from among the members of the board.

"(f) DUTIES.—Not later than 1 year after the establishment of the board under subsection (a), the board shall submit to the Secretary and the appropriate committees of Congress a report, or interim report, containing—

"(1) recommendations on coordinating Federal, State, and local child abuse and neglect activities with similar activities at the Federal, State, and local level pertaining to family violence prevention;

"(2) specific modifications needed in Federal and State laws and programs to reduce the number of unfounded or unsubstantiated reports of child abuse or neglect while enhancing the ability to identify and substantiate legitimate cases of abuse or neglect which place a child in danger; and

"(3) recommendations for modifications needed to facilitate coordinated national data collection with respect to child protection and child welfare.".

SEC. 1115. REPEAL OF INTERAGENCY TASK FORCE.

Section 103 (42 U.S.C.5103) is repealed.

SEC. 1116. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.

Section 104 (42 U.S.C.5104) is amended—

(1) in subsection (a), to read as follows:

"(a) ESTABLISHMENT.—The Secretary shall through the Department, or by one or more contracts of not less than 3 years duration let through a competition, establish a national clearinghouse for information relating to child abuse.";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "Director" and inserting "Secretary";

(B) in paragraph (1)—

(i) by inserting "assessment," after "prevention,"; and

(ii) by striking ", including" and all that follows through "105(b)" and inserting "and";

(C) in paragraph (2)—

(i) in subparagraph (A), by striking "general population" and inserting "United States";

(ii) in subparagraph (B), by adding "and" at the end thereof;

(iii) in subparagraph (C), by striking "; and" at the end thereof and inserting a period; and

(iv) by striking subparagraph (D); and

(D) by striking paragraph (3); and

(3) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "Director" and inserting "Secretary";

(B) in paragraph (2), by striking "that is represented on the task force" and inserting "involved with child abuse and neglect and mechanisms for the sharing of such information among other Federal agencies and clearinghouses";

(C) in paragraph (3), by striking "State, regional" and all that follows and inserting the following: "Federal, State, regional, and local child welfare data systems which shall include:

"(A) standardized data on false, unfounded, unsubstantiated, and substantiated reports; and

"(B) information on the number of deaths due to child abuse and neglect;";

(D) by redesignating paragraph (4) as paragraph (6); and

(E) by inserting after paragraph (3), the following new paragraphs:

"(4) through a national data collection and analysis program and in consultation with appropriate State and local agencies and experts in the field, collect, compile, and make available State child abuse and neglect reporting information which, to the extent practical, shall be universal and case specific, and integrated with other case-based foster care and adoption data collected by the Secretary;

"(5) compile, analyze, and publish a summary of the research conducted under section 105(a); and".

SEC. 1117. RESEARCH, EVALUATION AND ASSISTANCE ACTIVITIES.

(a) RESEARCH.—Section 105(a) (42 (42 U.S.C. 5105(a)) is amended—

(1) in the section heading, by striking "OF THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT";

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ", through the Center, conduct research on" and inserting ", in consultation with other Federal agencies and recognized experts in the field, carry out a continuing interdisciplinary program of research that is designed to provide information needed to better protect children from abuse or neglect and to improve the well-being of abused or neglected children, with at least a portion of such research being field initiated. Such research program may focus on";

(B) by redesignating subparagraphs (A) through (C) as subparagraph (B) through (D), respectively;

(C) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) the nature and scope of child abuse and neglect;";

(D) in subparagraph (B) (as so redesignated), to read as follows:

"(B) causes, prevention, assessment, identification, treatment, cultural and socio-economic distinctions, and the consequences of child abuse and neglect;";

(E) in subparagraph (D) (as so redesignated)—

(i) by striking clause (ii); and

(ii) in clause (iii), to read as follows:

"(ii) the incidence of substantiated and unsubstantiated reported child abuse cases;

"(iii) the number of substantiated cases that result in a judicial finding of child abuse or neglect or related criminal court convictions;

"(iv) the extent to which the number of unsubstantiated, unfounded and false reported cases of child abuse or neglect have contributed to the inability of a State to respond effectively to serious cases of child abuse or neglect;

"(v) the extent to which the lack of adequate resources and the lack of adequate training of reporters have contributed to the inability of a State to respond effectively to serious cases of child abuse and neglect;

"(vi) the number of unsubstantiated, false, or unfounded reports that have resulted in a child being placed in substitute care, and the duration of such placement;

"(vii) the extent to which unsubstantiated reports return as more serious cases of child abuse or neglect;

"(viii) the incidence and prevalence of physical, sexual, and emotional abuse and physical and emotional neglect in substitute care; and

"(ix) the incidence and outcomes of abuse allegations reported within the context of divorce, custody, or other family court proceedings, and the interaction between this venue and the child protective services system."; and

(3) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and demonstrations"; and

(ii) by striking "paragraph (1)(A) and activities under section 106" and inserting "paragraph (1)"; and

(B) in subparagraph (B), by striking "and demonstration".

(b) Repeal.—Subsection (b) of section 105 (42 U.S.C. 5105(b)) is repealed.

(c) Technical Assistance.—Section 105(c) (42 U.S.C. 5105(c)) is amended—

(1) by striking "The Secretary" and inserting:

"(1) In general.—The Secretary";

(2) by striking ", through the Center,";

(3) by inserting "State and local" before "public and nonprofit";

(4) by inserting "assessment," before "identification"; and

(5) by adding at the end thereof the following new paragraphs:

"(2) Evaluation.—Such technical assistance may include an evaluation or identification of—

"(A) various methods and procedures for the investigation, assessment, and prosecution of child physical and sexual abuse cases;

"(B) ways to mitigate psychological trauma to the child victim; and

"(C) effective programs carried out by the States under titles I and II.

"(3) Dissemination.—The Secretary may provide for and disseminate information relating to various training resources available at the State and local level to—

"(A) individuals who are engaged, or who intend to engage, in the prevention, identification, and treatment of child abuse and neglect; and

"(B) appropriate State and local officials to assist in training law enforcement, legal, judicial, medical, mental health, education, and child welfare personnel in appropriate methods of interacting during investigative, administrative, and judicial proceedings with children who have been subjected to abuse.".

(d) Grants and Contracts.—Section 105(d)(2) (42 U.S.C. 5105(d)(2)) is amended by striking the second sentence.

(e) Peer Review.—Section 105(e) (42 U.S.C. 5105(e)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "establish a formal" and inserting ", in consultation with experts in the field and other federal agencies, establish a formal, rigorous, and meritorious";

(ii) by striking "and contracts"; and

(iii) by adding at the end thereof the following new sentence: "The purpose of this process is to enhance the quality and usefulness of research in the field of child abuse and neglect."; and

(B) in subparagraph (B)—

(i) by striking "Office of Human Development" and inserting "Administration on Children and Families"; and

(ii) by adding at the end thereof the following new sentence: "The Secretary shall ensure that the peer review panel utilizes scientifically valid review criteria and scoring guidelines for review committees."; and

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking ", contract, or other financial assistance"; and

(B) by adding at the end thereof the following flush sentence:

"The Secretary shall award grants under this section on the basis of competitive review.".

SEC. 1118. GRANTS FOR DEMONSTRATION PROGRAMS.

Section 106 (42 U.S.C. 5106) is amended—

(1) in the section heading, by striking "OR SERVICE";

(2) in subsection (a), to read as follows:

"(a) Demonstration Programs and Projects.—The Secretary may make grants to, and enter into contracts with, public agencies or nonprofit private agencies or organizations (or combinations of such agencies or organizations) for time limited, demonstration programs and projects for the following purposes:

"(1) Training programs.—The Secretary may award grants to public or private nonprofit organizations under this section—

"(A) for the training of professional and paraprofessional personnel in the fields of medicine, law, education, social work, and other relevant fields who are engaged in, or intend to work in, the field of prevention, identification, and treatment of child abuse and neglect, including the links between domestic violence and child abuse;

"(B) to provide culturally specific instruction in methods of protecting children from child abuse and neglect to children and to persons responsible for the welfare of children, including parents of and persons who work with children with disabilities;

"(C) to improve the recruitment, selection, and training of volunteers serving in private and public nonprofit children, youth and family service organizations in order to prevent child abuse and neglect through collaborative analysis of current recruitment, selection, and training programs and development of model programs for dissemination and replication nationally; and

"(D) for the establishment of resource centers for the purpose of providing information and training to professionals working in the field of child abuse and neglect.

"(2) Mutual support programs.—The Secretary may award grants to private non-profit organizations (such as Parents Anonymous) to establish or maintain a national network of mutual support and self-help programs as a means of strengthening families in partnership with their communities.

"(3) Other innovative programs and projects.—

"(A) In general.—The Secretary may award grants to public agencies that demonstrate innovation in responding to reports of child abuse and neglect including programs of collaborative partnerships between the State child protective service agency, community social service agencies and family support programs, schools, churches and synagogues, and other community agencies to allow for the establishment of a triage system that—

"(i) accepts, screens and assesses reports received to determine which such reports require an intensive intervention and which require voluntary referral to another agency, program or project;

"(ii) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect; and

"(iii) provides further investigation and intensive intervention where the child's safety is in jeopardy.

"(B) Kinship care.—The Secretary may award grants to public entities to assist such entities in developing or implementing procedures using adult relatives as the preferred placement for children removed from their home, where such relatives are determined to be capable of providing a safe nurturing environment for the child or where such relatives comply with the State child protection standards.

"(C) Visitation centers.—The Secretary may award grants to public or private nonprofit entities to assist such entities in the establishment or operation of supervised visitation centers where there is documented, highly suspected, or elevated risk of child sexual, physical, or emotional abuse where, due to domestic violence, there is an ongoing risk of harm to a parent or child.";

(3) in subsection (c), by striking paragraphs (1) and (2); and

(4) by adding at the end thereof the following new subsection:

"(d) Evaluation.—In making grants for demonstration projects under this section, the Secretary shall require all such projects to be evaluated for their effectiveness. Funding for such evaluations shall be provided either as a stated percentage of a demonstration grant or as a separate grant entered into by the Secretary for the purpose of evaluating a particular demonstration project or group of projects.".

SEC. 1119. STATE GRANTS FOR PREVENTION AND TREATMENT PROGRAMS.

Section 107 (42 U.S.C. 5106a) is amended to read as follows:

"SEC. 107. GRANTS TO STATES FOR CHILD ABUSE AND NEGLECT PREVENTION AND TREATMENT PROGRAMS.

"(a) Development and Operation Grants.—The Secretary shall make grants to the States, based on the population of children under the age of 18 in each State that applies for a grant under this section, for purposes of assisting the States in improving the child protective service system of each such State in—

"(1) the intake, assessment, screening, and investigation of reports of abuse and neglect;

"(2)(A) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and

"(B) improving legal preparation and representation, including—

"(i) procedures for appealing and responding to appeals of substantiated reports of abuse and neglect; and

"(ii) provisions for the appointment of a guardian ad litem.

"(3) case management and delivery of services provided to children and their families;

"(4) enhancing the general child protective system by improving risk and safety assessment tools and protocols, automation systems that support the program and track reports of child abuse and neglect from intake through final disposition and information referral systems;

"(5) developing, strengthening, and facilitating training opportunities and requirements for individuals overseeing and providing services to children and their families through the child protection system;

"(6) developing and facilitating training protocols for individuals mandated to report child abuse or neglect;

"(7) developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors;

"(8) developing, implementing, or operating—

"(A) information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions for—

"(i) professional and paraprofessional personnel concerned with the welfare of disabled infants with life-threatening conditions, including personnel employed in child protective services programs and health-care facilities; and

"(ii) the parents of such infants; and

"(B) programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including—

"(i) existing social and health services;

"(ii) financial assistance; and

"(iii) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption; or

"(9) developing and enhancing the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.

"(b) ELIGIBILITY REQUIREMENTS.—In order for a State to qualify for a grant under subsection (a), such State shall provide an assurance or certification, signed by the chief executive officer of the State, that the State—

"(1) has in effect and operation a State law or Statewide program relating to child abuse and neglect which ensures—

"(A) provisions or procedures for the reporting of known and suspected instances of child abuse and neglect;

"(B) procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

"(C) procedures for immediate steps to be taken to ensure and protect the safety of the abused or neglected child and of any other child under the same care who may also be in danger of abuse or neglect;

"(D) provisions for immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect;

"(E) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including methods to ensure that disclosure (and redisclosure) of information concerning child abuse or neglect involving specific individuals is made only to persons or entities that the State determines have a need for such information directly related to the purposes of this Act;

"(F) requirements for the prompt disclosure of all relevant information to any Federal, State, or local governmental entity, or any agent of such entity, with a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

"(G) the cooperation of State law enforcement officials, court of competent jurisdiction, and appropriate State agencies providing human services;

"(H) provisions requiring, and procedures in place that facilitate the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false, except that nothing in this section shall prevent State child protective service agencies from keeping information on unsubstantiated reports in their casework files to assist in future risk and safety assessment; and

"(I) provisions and procedures requiring that in every case involving an abused or neglected child which results in a judicial proceeding, a guardian ad litem shall be appointed to represent the child in such proceedings; and

"(2) has in place procedures for responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(A) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(B) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(C) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life threatening conditions.

"(c) ADDITIONAL REQUIREMENT.—Not later than 2 years after the date of enactment of this section, the State shall provide an assurance or certification that the State has in place provisions, procedures, and mechanisms by which individuals who disagree with an official finding of abuse or neglect can appeal such finding.

"(d) STATE PROGRAM PLAN.—To be eligible to receive a grant under this section, a State shall submit every 5 years a plan to the Secretary that specifies the child protective service system area or areas described in subsection (a) that the State intends to address with funds received under the grant. Such plan shall, to the maximum extent practicable, be coordinated with the plan of the State for child welfare services and family preservation and family support services under part B of title IV of the Social Security Act and shall contain an outline of the activities that the State intends to carry out using amounts provided under the grant to achieve the purposes of this Act, including the procedures to be used for—

"(1) receiving and assessing reports of child abuse or neglect;

"(2) investigating such reports;

"(3) protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

"(4) providing services or referral for services for families and children where the child is not in danger of harm;

"(5) providing services to individuals, families, or communities, either directly or through referral, aimed at preventing the occurrence of child abuse and neglect;

"(6) providing training to support direct line and supervisory personnel in report-taking, screening, assessment, decision-making, and referral for investigation; and

"(7) providing training for individuals mandated to report suspected cases of child abuse or neglect.

"(e) RESTRICTIONS RELATING TO CHILD WELFARE SERVICES.—Programs or projects relating to child abuse and neglect assisted under part B of title IV of the Social Security Act shall comply with the requirements set forth in paragraphs (1) (A) and (B), and (2) of subsection (b).

"(f) ANNUAL STATE DATA REPORTS.—Each State to which a grant is made under this part shall annually work with the Secretary to provide, to the maximum extent practicable, a report that includes the following:

"(1) The number of children who were reported to the State during the year as abused or neglected.

"(2) Of the number of children described in paragraph (1), the number with respect to whom such reports were—

"(A) substantiated;

"(B) unsubstantiated; and

"(C) determined to be false.

"(3) Of the number of children described in paragraph (2)—

"(A) the number that did not receive services during the year under the State program funded under this part or an equivalent State program;

"(B) the number that received services during the year under the State program funded under this part or an equivalent State program; and

"(C) the number that were removed from their families during the year by disposition of the case.

"(4) The number of families that received preventive services from the State during the year.

"(5) The number of deaths in the State during the year resulting from child abuse or neglect.

"(6) Of the number of children described in paragraph (5), the number of such children who were in foster care.

"(7) The number of child protective service workers responsible for the intake and screening of reports filed in the previous year.

"(8) The agency response time with respect to each such report with respect to initial investigation of reports of child abuse or neglect.

"(9) The response time with respect to the provision of services to families and children where an allegation of abuse or neglect has been made.

"(10) The number of child protective service workers responsible for intake, assessment, and investigation of child abuse and neglect reports relative to the number of reports investigated in the previous year.

"(g) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after receiving the State reports under subsection (f), the Secretary shall prepare a report based on information provided by the States for the fiscal year under such subsection and shall make the report and such information available to the Congress and the national clearinghouse for information relating to child abuse.".

SEC. 1120. REPEAL.

Section 108 (42 U.S.C. 5106b) is repealed.

SEC. 1121. MISCELLANEOUS REQUIREMENTS.

Section 110 (42 U.S.C. 5106d) is amended by striking subsections (c) and (d).

SEC. 1122. DEFINITIONS.

Section 113 (42 U.S.C. 5106h) is amended—

(1) by striking paragraphs (1) and (2);

(2) by redesignating paragraphs (3) through (10) as paragraphs (1) through (8), respectively; and

(3) in paragraph (2) (as so redesignated), to read as follows:

"(2) the term 'child abuse and neglect' means, at a minimum, any recent act or failure to act on the part of a parent or caretaker, which results in death or serious physical, sexual, or emotional harm, or presents an imminent risk of serious harm;".

SEC. 1123. AUTHORIZATION OF APPROPRIATIONS.

Section 114(a) (42 U.S.C. 5106h(a)) is amended to read as follows:

"(a) In General.—

"(1) General authorization.—There are authorized to be appropriated to carry out this title, $100,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.

"(2) Discretionary activities.—

"(A) In general.—Of the amounts appropriated for a fiscal year under paragraph (1), the Secretary shall make available 33⅓ percent of such amounts to fund discretionary activities under this title.

"(B) Demonstration projects.—Of the amounts made available for a fiscal year under subparagraph (A), the Secretary make available not more than 40 percent of such amounts to carry out section 106.".

SEC. 1124. RULE OF CONSTRUCTION.

Title I (42 U.S.C. 5101 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 115. RULE OF CONSTRUCTION.

"(a) In General.—Nothing in this Act shall be construed—

"(1) as establishing a Federal requirement that a parent or legal guardian provide a child any medical service or treatment against the religious beliefs of the parent or legal guardian; and

"(2) to require that a State find, or to prohibit a State from finding, abuse or neglect in cases in which a parent or legal guardian relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of the parent or legal guardian.

"(b) State Requirement.—Notwithstanding subsection (a), a State shall, at a minimum, have in place authority under State law to permit the child protective service system of the State to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, to provide medical care or treatment for a child when such care or treatment is necessary to prevent or remedy serious harm to the child, or to prevent the withholding of medically indicated treatment from children with life threatening conditions. Case by case determinations concerning the exercise of the authority of this subsection shall be within the sole discretion of the State.".

SEC. 1125. TECHNICAL AMENDMENT.

Section 1404A of the Victims of Crime Act of 1984 (42 U.S.C. 10603a) is amended—

(1) by striking "1402(d)(2)(D) and (d)(3)" and inserting "1402(d)(2)"; and

(2) by striking "section 4(d)" and inserting "section 109".

Subtitle B—Community-Based Child Abuse and Neglect Prevention Grants

SEC. 1131. ESTABLISHMENT OF PROGRAM.

Title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116 et seq) is amended to read as follows:

"TITLE II—COMMUNITY-BASED FAMILY RESOURCE AND SUPPORT GRANTS

"SEC. 201. PURPOSE AND AUTHORITY.

"(a) Purpose.—It is the purpose of this Act to support State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs that are culturally competent and that coordinate resources among existing education, vocational rehabilitation, disability, respite, health, mental health, job readiness, self-sufficiency, child and family development, community action, Head Start, child care, child abuse and neglect prevention, juvenile justice, domestic violence prevention and intervention, housing, and other human service organizations within the State.

"(b) Authority.—The Secretary shall make grants under this title on a formula basis to the entity designated by the State as the lead entity (hereafter referred to in this title as the 'lead entity') for the purpose of—

"(1) developing, operating, expanding and enhancing Statewide networks of community-based, prevention-focused, family resource and support programs that—

"(A) offer sustained assistance to families;

"(B) provide early, comprehensive, and holistic support for all parents;

"(C) promote the development of parental competencies and capacities, especially in young parents and parents with very young children;

"(D) increase family stability;

"(E) improve family access to other formal and informal resources and opportunities for assistance available within communities;

"(F) support the additional needs of families with children with disabilities; and

"(G) decrease the risk of homelessness;

"(2) fostering the development of a continuum of preventive services for children and families through State and community-based collaborations and partnerships both public and private;

"(3) financing the start-up, maintenance, expansion, or redesign of specific family resource and support program services (such as respite services, child abuse and neglect prevention activities, disability services, mental health services, housing services, transportation, adult education, home visiting and other similar services) identified by the inventory and description of current services required under section 205(a)(3) as an unmet need, and integrated with the network of community-based family resource and support program to the extent practicable given funding levels and community priorities;

"(4) maximizing funding for the financing, planning, community mobilization, collaboration, assessment, information and referral, startup, training and technical assistance, information management, reporting and evaluation costs for establishing, operating, or expanding a Statewide network of community-based, prevention-focused, family resource and support program; and

"(5) financing public information activities that focus on the healthy and positive development of parents and children and the promotion of child abuse and neglect prevention activities.

"SEC. 202. ELIGIBILITY.

"A State shall be eligible for a grant under this title for a fiscal year if—

"(1)(A) the chief executive officer of the State has designated an entity to administer funds under this title for the purposes identified under the authority of this title, including to develop, implement, operate, enhance or expand a Statewide network of community-based, prevention-focused, family resource and support programs, child abuse and neglect prevention activities and access to respite services integrated with the Statewide network;

"(B) in determining which entity to designate under subparagraph (A), the chief executive officer should give priority consideration to the trust fund advisory board of the State or an existing entity that leverages Federal, State, and private funds for a broad range of child abuse and neglect prevention activities and family resource programs, and that is directed by an interdisciplinary, public-private structure, including participants from communities; and

"(C) such lead entity is an existing public, quasi-public, or nonprofit private entity with a demonstrated ability to work with other State and community-based agencies to provide training and technical assistance, and that has the capacity and commitment to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

"(2) the chief executive officer of the State provides assurances that the lead entity will provide or will be responsible for providing—

"(A) a network of community-based family resource and support programs composed of local, collaborative, public-private partnerships directed by interdisciplinary structures with balanced representation from private and public sector members, parents, and public and private nonprofit service providers and individuals and organizations experienced in working in partnership with families with children with disabilities;

"(B) direction to the network through an interdisciplinary, collaborative, public-private structure with balanced representation from private and public sector members, parents, and public sector and private nonprofit sector service providers; and

"(C) direction and oversight to the network through identified goals and objectives, clear lines of communication and accountability, the provision of leveraged or combined funding from Federal, State and private sources, centralized assessment and planning activities, the provision of training and technical assistance, and reporting and evaluation functions; and

"(3) the chief executive officer of the State provides assurances that the lead entity—

"(A) has a demonstrated commitment to parental participation in the development, operation, and oversight of the Statewide network of community-based, prevention-focused, family resource and support programs;

"(B) has a demonstrated ability to work with State and community-based public and private nonprofit organizations to develop a continuum of preventive, family centered, holistic services for children and families through the Statewide network of community-based, prevention-focused, family resource and support programs;

"(C) has the capacity to provide operational support (both financial and programmatic) and training and technical assistance, to the Statewide network of community-based, prevention-focused, family resource and support programs, through innovative, interagency funding and interdisciplinary service delivery mechanisms; and

"(D) will integrate its efforts with individuals and organizations experienced in working in partnership with families with children with disabilities and with the child abuse and neglect prevention activities of the State, and demonstrate a financial commitment to those activities.

"SEC. 203. AMOUNT OF GRANT.

"(a) Reservation.—The Secretary shall reserve 1 percent of the amount appropriated under section 210 for a fiscal year to make allotments to Indian tribes and tribal organizations and migrant programs.

"(b) ALLOTMENT.—

"(1) IN GENERAL.—Of the amounts appropriated for a fiscal year under section 210 and remaining after the reservation under subsection (a), the Secretary shall allot to each State lead entity an amount equal to—

"(A) the State minor child amount for such State as determined under paragraph (2); and

"(B) the State matchable amount for such State as determined under paragraph (3).

"(2) STATE MINOR CHILD AMOUNT.—The amount determined under this paragraph for a fiscal year for a State shall be equal to an amount that bears the same relationship to 50 percent of the amounts appropriated and remaining under paragraph (1) for such fiscal year as the number of children under 18 residing in the State bears to the total number of children under 18 residing in all States, except that no State shall receive less than $250,000.

"(3) STATE MATCHABLE AMOUNT.—The amount determined under this paragraph for a fiscal year for a State shall be equal to—

"(A)(i) 50 percent of the amounts appropriated and remaining under paragraph (1) for such fiscal year; divided by

"(ii) 50 percent of the total amount that all States have directed through the respective lead agencies to the purposes identified under the authority of this title for the fiscal year, including foundation, corporate, and other private funding, State revenues, and Federal funds, as determined by the Secretary; multiplied by

"(B) 50 percent of the total amount that the State has directed through the lead agency to the purposes identified under the authority of this title for such fiscal year, including foundation, corporate, and other private funding, State revenues, and Federal funds.

"(c) ALLOCATION.—Funds allotted to a State under this section shall be awarded on a formula basis for a 3-year period. Payment under such allotments shall be made by the Secretary annually on the basis described in subsection (a).

"SEC. 204. EXISTING AND CONTINUATION GRANTS.

"(a) EXISTING GRANTS.—Notwithstanding the enactment of this title, a State or entity that has a grant, contract, or cooperative agreement in effect, on the date of enactment of this title, under the Family Resource and Support Program, the Community-Based Family Resource Program, the Family Support Center Program, the Emergency Child Abuse Prevention Grant Program, or the Temporary Child Care for Children with Disabilities and Crisis Nurseries Programs shall continue to receive funds under such programs, subject to the original terms under which such funds were granted, through the end of the applicable grant cycle.

"(b) CONTINUATION GRANTS.—The Secretary may continue grants for Family Resource and Support Program grantees, and those programs otherwise funded under this Act, on a noncompetitive basis, subject to the availability of appropriations, satisfactory performance by the grantee, and receipt of reports required under this Act, until such time as the grantee no longer meets the original purposes of this Act.

"SEC. 205. APPLICATION.

"(a) IN GENERAL.—A grant may not be made to a State under this title unless an application therefore is submitted by the State to the Secretary and such application contains the types of information specified by the Secretary as essential to carrying out the provisions of section 202, including—

"(1) a description of the lead entity that will be responsible for the administration of funds provided under this title and the oversight of programs funded through the Statewide network of community-based, prevention-focused, family resource and support programs which meets the requirements of section 202;

"(2) a description of how the network of community-based, prevention-focused, family resource and support programs will operate and how family resource and support services provided by public and private, nonprofit organizations, including those funded by programs consolidated under this Act, will be integrated into a developing continuum of family centered, holistic, preventive services for children and families;

"(3) an assurance that an inventory of current family resource programs, respite, child abuse and neglect prevention activities, and other family resource services operating in the State, and a description of current unmet needs, will be provided;

"(4) a budget for the development, operation and expansion of the State's network of community-based, prevention-focused, family resource and support programs that verifies that the State will expend an amount equal to not less than 20 percent of the amount received under this title (in cash, not in-kind) for activities under this title;

"(5) an assurance that funds received under this title will supplement, not supplant, other State and local public funds designated for the Statewide network of community-based, prevention-focused, family resource and support programs;

"(6) an assurance that the State network of community-based, prevention-focused, family resource and support programs will maintain cultural diversity, and be culturally competent and socially sensitive and responsive to the needs of families with children with disabilities;

"(7) an assurance that the State has the capacity to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of the programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

"(8) a description of the criteria that the entity will use to develop, or select and fund, individual community-based, prevention-focused, family resource and support programs as part of network development, expansion or enhancement;

"(9) a description of outreach activities that the entity and the community-based, prevention-focused, family resource and support programs will undertake to maximize the participation of racial and ethnic minorities, new immigrant populations, children and adults with disabilities, homeless families and those at risk of homelessness, and members of other underserved or underrepresented groups;

"(10) a plan for providing operational support, training and technical assistance to community-based, prevention-focused, family resource and support programs for development, operation, expansion and enhancement activities;

"(11) a description of how the applicant entity's activities and those of the network and its members will be evaluated;

"(12) a description of that actions that the applicant entity will take to advocate changes in State policies, practices, procedures and regulations to improve the delivery of prevention-focused, family resource and support program services to all children and families; and

"(13) an assurance that the applicant entity will provide the Secretary with reports at such time and containing such information as the Secretary may require.

"SEC. 206. LOCAL PROGRAM REQUIREMENTS.

"(a) IN GENERAL.—Grants made under this title shall be used to develop, implement, operate, expand and enhance community-based, prevention-focused, family resource and support programs that—

"(1) assess community assets and needs through a planning process that involves parents and local public agencies, local nonprofit organizations, and private sector representatives;

"(2) develop a strategy to provide, over time, a continuum of preventive, holistic, family centered services to children and families, especially to young parents and parents with young children, through public-private partnerships;

"(3) provide—

"(A) core family resource and support services such as—

"(i) parent education, mutual support and self help, and leadership services;

"(ii) early developmental screening of children;

"(iii) outreach services;

"(iv) community and social service referrals; and

"(v) follow-up services;

"(B) other core services, which must be provided or arranged for through contracts or agreements with other local agencies, including all forms of respite services to the extent practicable; and

"(C) access to optional services, including—

"(i) child care, early childhood development and intervention services;

"(ii) services and supports to meet the additional needs of families with children with disabilities;

"(iii) job readiness services;

"(iv) educational services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(v) self-sufficiency and life management skills training;

"(vi) community referral services; and

"(vii) peer counseling;

"(4) develop leadership roles for the meaningful involvement of parents in the development, operation, evaluation, and oversight of the programs and services;

"(5) provide leadership in mobilizing local public and private resources to support the provision of needed family resource and support program services; and

"(6) participate with other community-based, prevention-focused, family resource and support program grantees in the development, operation and expansion of the Statewide network.

"(b) PRIORITY.—In awarding local grants under this title, a lead entity shall give priority to community-based programs serving low income communities and those serving young parents or parents with young children, and to community-based family resource and support programs previously funded under the programs consolidated under the Child Abuse Prevention and Treatment Act Amendments of 1995, so long as such programs meet local program requirements.

"SEC. 207. PERFORMANCE MEASURES.

"A State receiving a grant under this title, through reports provided to the Secretary, shall—

"(1) demonstrate the effective development, operation and expansion of a Statewide network of community-based, prevention-focused, family resource and support programs that meets the requirements of this title;

"(2) supply an inventory and description of the services provided to families by local programs that meet identified community needs, including core and optional services as described in section 202;

"(3) demonstrate the establishment of new respite and other specific new family resources services, and the expansion of existing services, to address unmet needs identified by the inventory and description of current services required under section 205(a)(3);

"(4) describe the number of families served, including families with children with disabilities, and the involvement of a diverse representation of families in the design, operation, and evaluation of the Statewide network of community-based, prevention-focused, family resource and support programs, and in the design, operation and evaluation of the individual community-based family resource and support programs that are part of the Statewide network funded under this title;

"(5) demonstrate a high level of satisfaction among families who have used the services of the community-based, prevention-focused, family resource and support programs;

"(6) demonstrate the establishment or maintenance of innovative funding mechanisms, at the State or community level, that blend Federal, State, local and private funds, and innovative, interdisciplinary service delivery mechanisms, for the development, operation, expansion and enhancement of the Statewide network of community-based, prevention-focused, family resource and support programs;

"(7) describe the results of a peer review process conducted under the State program; and

"(8) demonstrate an implementation plan to ensure the continued leadership of parents in the on-going planning, implementation, and evaluation of such community based, prevention-focused, family resource and support programs.

"SEC. 208. NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.

"The Secretary may allocate such sums as may be necessary from the amount provided under the State allotment to support the activities of the lead entity in the State—

"(1) to create, operate and maintain a peer review process;

"(2) to create, operate and maintain an information clearinghouse;

"(3) to fund a yearly symposium on State system change efforts that result from the operation of the Statewide networks of community-based, prevention-focused, family resource and support programs;

"(4) to create, operate and maintain a computerized communication system between lead entities; and

"(5) to fund State-to-State technical assistance through bi-annual conferences.

"SEC. 209. DEFINITIONS.

"For purposes of this title:

"(1) CHILDREN WITH DISABILITIES.—The term 'children with disabilities' has the same meaning given such term in section 602(a)(2) of the Individuals with Disabilities Education Act.

"(2) COMMUNITY REFERRAL SERVICES.—The term 'community referral services' means services provided under contract or through interagency agreements to assist families in obtaining needed information, mutual support and community resources, including respite services, health and mental health services, employability development and job training, and other social services through help lines or other methods.

"(3) CULTURALLY COMPETENT.—The term 'culturally competent' means services, support, or other assistance that is conducted or provided in a manner that—

"(A) is responsive to the beliefs, interpersonal styles, attitudes, languages, and behaviors of those individuals and families receiving services; and

"(B) has the greatest likelihood of ensuring maximum participation of such individuals and families.

"(4) FAMILY RESOURCE AND SUPPORT PROGRAM.—The term 'family resource and support program' means a community-based, prevention-focused entity that—

"(A) provides, through direct service, the core services required under this title, including—

"(i) parent education, support and leadership services, together with services characterized by relationships between parents and professionals that are based on equality and respect, and designed to assist parents in acquiring parenting skills, learning about child development, and responding appropriately to the behavior of their children;

"(ii) services to facilitate the ability of parents to serve as resources to one another (such as through mutual support and parent self-help groups);

"(iii) early developmental screening of children to assess any needs of children, and to identify types of support that may be provided;

"(iv) outreach services provided through voluntary home visits and other methods to assist parents in becoming aware of and able to participate in family resources and support program activities;

"(v) community and social services to assist families in obtaining community resources; and

"(vi) follow-up services;

"(B) provides, or arranges for the provision of, other core services through contracts or agreements with other local agencies, including all forms of respite services; and

"(C) provides access to optional services, directly or by contract, purchase of service, or interagency agreement, including—

"(i) child care, early childhood development and early intervention services;

"(ii) self-sufficiency and life management skills training;

"(iii) education services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(iv) job readiness skills;

"(v) child abuse and neglect prevention activities;

"(vi) services that families with children with disabilities or special needs may require;

"(vii) community and social service referral;

"(viii) peer counseling;

"(ix) referral for substance abuse counseling and treatment; and

"(x) help line services.

"(5) NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.—The term 'network for community-based family resource program' means the organization of State designated entities who receive grants under this title, and includes the entire membership of the Children's Trust Fund Alliance and the National Respite Network.

"(6) OUTREACH SERVICES.—The term 'outreach services' means services provided to assist consumers, through voluntary home visits or other methods, in accessing and participating in family resource and support program activities.

"(7) RESPITE SERVICES.—The term 'respite services' means short term care services provided in the temporary absence of the regular caregiver (parent, other relative, foster parent, adoptive parent, or guardian) to children who—

"(A) are in danger of abuse or neglect;

"(B) have experienced abuse or neglect; or

"(C) have disabilities, chronic, or terminal illnesses.

Such services shall be provided within or outside the home of the child, be short-term care (ranging from a few hours to a few weeks of time, per year), and be intended to enable the family to stay together and to keep the child living in the home and community of the child.

"SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title, $108,000,000 for each of the fiscal years 1996 through 2000.".

SEC. 1132. REPEALS.

(a) TEMPORARY CHILD CARE FOR CHILDREN WITH DISABILITIES AND CRISIS NURSERIES ACT.—The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986 (42 U.S.C. 5117 et seq.) is repealed.

(b) FAMILY SUPPORT CENTERS.—Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481 et seq.) is repealed.

Subtitle C—Family Violence Prevention and Services

SEC. 1141. REFERENCE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.).

SEC. 1142. STATE DEMONSTRATION GRANTS.

Section 303(e) (42 U.S.C. 10420(e)) is amended—

(1) by striking "following local share" and inserting "following non-Federal matching local share"; and

(2) by striking "20 percent" and all that follows through "private sources." and inserting "with respect to an entity operating an existing program under this title, not less than 20 percent, and with respect to an entity intending to operate a new program under this title, not less than 35 percent.".

SEC. 1143. ALLOTMENTS.

Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amended by striking "$200,000" and inserting "$400,000".

SEC. 1144. AUTHORIZATION OF APPROPRIATIONS.

Section 310 (42 U.S.C. 10409) is amended—

(1) in subsection (b), by striking "80" and inserting "70"; and

(2) by adding at the end thereof the following new subsections:

"(d) Grants for State Coalitions.—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 10 percent of such amounts shall be used by the Secretary for making grants under section 311.

"(e) Non-Supplanting Requirement.—Federal funds made available to a State under this title shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services and activities that promote the purposes of this title.".

Subtitle D—Adoption Opportunities

SEC. 1151. REFERENCE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.).

SEC. 1152. FINDINGS AND PURPOSE.

Section 201 (42 U.S.C. 5111) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "50 percent between 1985 and 1990" and inserting "61 percent between 1986 and 1994"; and

(ii) by striking "400,000 children at the end of June, 1990" and inserting "452,000 as of June, 1994"; and

(B) in paragraph (5), by striking "local" and inserting "legal"; and

(C) in paragraph (7), to read as follows:

"(7)(A) currently, 40,000 children are free for adoption and awaiting placement;

"(B) such children are typically school aged, in sibling groups, have experienced neglect or abuse, or have a physical, mental, or emotional disability; and

"(C) while the children are of all races, children of color and older children (over the age of 10) are over represented in such group;"; and

(2) in subsection (b)—

(A) by striking "conditions, by—" and all that follows through "providing a mechanism" and inserting "conditions, by providing a mechanism"; and

(B) by redesignating subparagraphs (A) through (C), as paragraphs (1) through (3), respectively and by realigning the margins of such paragraphs accordingly.

SEC. 1153. INFORMATION AND SERVICES.

Section 203 (42 U.S.C. 5113) is amended—

(1) in subsection (a), by striking the last sentence;

(2) in subsection (b)—

(A) in paragraph (6), to read as follows:

"(6) study the nature, scope, and effects of the placement of children in kinship care arrangements, pre-adoptive, or adoptive homes;";

(B) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(C) by inserting after paragraph (6), the following new paragraph:

"(7) study the efficacy of States contracting with public or private nonprofit agencies (including community-based and other organizations), or sectarian institutions for the recruitment of potential adoptive and foster families and to provide assistance in the placement of children for adoption;"; and

(3) in subsection (d)—

(A) in paragraph (2)—

(i) by striking "Each" and inserting "(A) Each";

(ii) by striking "for each fiscal year" and inserting "that describes the manner in which the State will use funds during the 3-fiscal years subsequent to the date of the application to accomplish the purposes of this section. Such application shall be"; and

(iii) by adding at the end thereof the following new subparagraph:

"(B) The Secretary shall provide, directly or by grant to or contract with public or private nonprofit agencies or organizations—

"(i) technical assistance and resource and referral information to assist State or local governments with termination of parental rights issues, in recruiting and retaining adoptive families, in the successful placement of children with special needs, and in the provision of pre- and post-placement services, including post-legal adoption services; and

"(ii) other assistance to help State and local governments replicate successful adoption-related projects from other areas in the United States.".

SEC. 1154. AUTHORIZATION OF APPROPRIATIONS.

Section 205 (42 U.S.C. 5115) is amended—

(1) in subsection (a), by striking "$10,000,000," and all that follows through "203(c)(1)" and inserting "$20,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000 to carry out programs and activities authorized";

(2) by striking subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

Subtitle E—Abandoned Infants Assistance Act of 1986

SEC. 1161. REAUTHORIZATION.

Section 104(a)(1) of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended by striking "$20,000,000" and all that follows through the end thereof and inserting "$35,000,000 for each of the fiscal years 1995 and 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000".

Subtitle F—Reauthorization of Various Programs

SEC. 1171. MISSING CHILDREN'S ASSISTANCE ACT.

Section 408 of the Missing Children's Assistance Act (42 U.S.C. 5777) is amended—

(1) by striking "To" and inserting "(a) In General.—"

(2) by striking "and 1996" and inserting "1996, and 1997"; and

(3) by adding at the end thereof the following new subsection:

"(b) Evaluation.—The Administrator shall use not more than 5 percent of the amount appropriated for a fiscal year under subsection (a) to conduct an evaluation of the effectiveness of the programs and activities established and operated under this title.".

SEC. 1172. VICTIMS OF CHILD ABUSE ACT OF 1990.

Section 214B of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13004) is amended—

(1) in subsection (a)(2), by striking "and 1996" and inserting "1996, and 1997"; and

(2) in subsection (b)(2), by striking "and 1996" and inserting "1996, through 2000".

TITLE XII—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

SEC. 1201. REDUCTIONS.

(a) Definitions.—As used in this section:

(1) Appropriate effective date.—The term "appropriate effective date", used with respect to a Department referred to in this section, means the date on which all provisions of this Act that the Department is required to carry out, and amendments and repeals made by this Act to provisions of Federal law that the Department is required to carry out, are effective.

(2) Covered activity.—The term "covered activity", used with respect to a Department referred to in this section, means an activity that the Department is required to carry out under—

(A) a provision of this Act; or

(B) a provision of Federal law that is amended or repealed by this Act.

(b) Reports.—

(1) Contents.—Not later than December 31, 1995, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant committees described in paragraph (3) a report containing—

(A) the determinations described in subsection (c);

(B) appropriate documentation in support of such determinations; and

(C) a description of the methodology used in making such determinations.

(2) Secretary.—The Secretaries referred to in this paragraph are—

(A) the Secretary of Agriculture;

(B) the Secretary of Education;

(C) the Secretary of Labor;

(D) the Secretary of Housing and Urban Development; and

(E) the Secretary of Health and Human Services.

(3) Relevant committees.—The relevant Committees described in this paragraph are the following:

(A) With respect to each Secretary described in paragraph (2), the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(B) With respect to the Secretary of Agriculture, the Committee on Agriculture and the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(C) With respect to the Secretary of Education, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(D) With respect to the Secretary of Labor, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(E) With respect to the Secretary of Housing and Urban Development, the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(F) With respect to the Secretary of Health and Human Services, the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on

Labor and Human Resources of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate.

(4) REPORT ON CHANGES.—Not later than December 31, 1996, and each December 31 thereafter, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant Committees described in paragraph (3), a report concerning any changes with respect to the determinations made under subsection (c) for the year in which the report is being submitted.

(c) DETERMINATIONS.—Not later than December 31, 1995, each Secretary referred to in subsection (b)(2) shall determine—

(1) the number of full-time equivalent positions required by the Department (or the Federal Partnership established under section 771) headed by such Secretary to carry out the covered activities of the Department (or Federal Partnership), as of the day before the date of enactment of this Act;

(2) the number of such positions required by the Department (or Federal Partnership) to carry out the activities, as of the appropriate effective date for the Department (or Federal Partnership); and

(3) the difference obtained by subtracting the number referred to in paragraph (2) from the number referred to in paragraph (1).

(d) ACTIONS.—Not later than 30 days after the appropriate effective date for the Department involved, each Secretary referred to in subsection (b)(2) shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the number of positions of personnel of the Department by at least the difference referred to in subsection (c)(3).

(e) CONSISTENCY.—

(1) EDUCATION.—The Secretary of Education shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and section 776(i)(2).

(2) LABOR.—The Secretary of Labor shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and section 776(i)(2).

(3) HEALTH AND HUMAN SERVICES.—The Secretary of Health and Human Services shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and section 1202.

(f) CALCULATION.—In determining, under subsection (c), the number of full-time equivalent positions required by a Department to carry out a covered activity, a Secretary referred to in subsection (b)(2), shall include the number of such positions occupied by personnel carrying out program functions or other functions (including budgetary, legislative, administrative, planning, evaluation, and legal functions) related to the activity.

(g) GENERAL ACCOUNTING OFFICE REPORT.—Not later than July 1, 1996, the Comptroller General of the United States shall prepare and submit to the committees described in subsection (b)(3), a report concerning the determinations made by each Secretary under subsection (c). Such report shall contain an analysis of the determinations made by each Secretary under subsection (c) and a determination as to whether further reductions in full-time equivalent positions are appropriate.

SEC. 1202. DEPARTMENT OF HEALTH AND HUMAN SERVICES.

(a) IN GENERAL.—The Secretary of Health and Human Services shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code—

(1) to eliminate at least 65 percent of full time equivalent positions that relate to a covered activity; and

(2) to eliminate 100 percent of full time equivalent positions that relate to a covered activity described in subsection (b)(2).

(b) DEFINITION OF COVERED ACTIVITY.—For purposes of this section, the term 'covered activity' means—

(1) an activity authorized to be carried out under part A of the Social Security Act (42 U.S.C. 601 et seq.) as in effect prior to the date of the enactment of this Act; and

(2) an activity authorized to be carried out under part F of such Act (42 U.S.C. 682 et seq.), as in effect prior to such date.

Mr. DOLE. Mr. President, this Tuesday we decided to move to appropriations bills, and I think we did an excellent job on both sides of the aisle in passing three major appropriations bills and reaching an agreement on a DOD authorization bill.

We decided at that time to set aside the Work Opportunity Act of 1995 which was the so-called leadership bill introduced on this side, and Senator DASCHLE laid down a substitute—the Democratic bill.

We now have sort of defined the parameters of welfare reform or work opportunity, whatever the title may be.

Since Tuesday, at staff level and Member-to-Member level, we have been discussing modifications. That is what the modification I sent to the desk reflects. I do not know how many pages—it is rather extensive because we have a number of modifications.

We also had the assistance of two of America's outstanding Governors. Gov. Tommy Thompson of Wisconsin spent a good part of a day with us here on Wednesday, and today Governor Weld of Massachusetts spent a couple of hours with us talking to Members and members of the staff and others about how the Governors viewed the need to change this failed, failed system.

What the Governors asked is that they be given more flexibility. They do not want to come to Washington every time they have a problem and they want to try a new program and have to get a waiver from the Federal Government. They want to do it at the State level, working with the State legislature or through the executive branch in every State.

That is what we have attempted to do in the so-called leadership bill introduced on this side of the aisle which is supported by Senator BAUCUS of Montana, at least one Democrat, and I believe before it is over, a number of other Democrats.

In addition, I ask the following additional Members be added as cosponsors: Senator GRAMS of Minnesota, Senator MCCONNELL of Kentucky, Senator DOMENICI of New Mexico, and Senator KEMPTHORNE of Idaho. There may be other additions, but they have indicated they are cosponsors. There may be other Members who wish to cosponsor.

I have talked to a number of Members who may not cosponsor on this side of the aisle but who have indicated they feel good about the leadership bill and they intend to vote for it.

My view is we are very close to having the votes we need and to have a good, complete overhaul of this system that has obviously failed.

We put the emphasis on "work"—the Work Opportunity Act of 1995. That is the title of our bill—the Work Opportunity Act. My view is if people have the opportunity to work, if they are meaningful opportunities, they will take advantage of them and get out of the welfare cycle.

Getting back to the modifications made, title I, which was the temporary assistance to needy families block grant, there are a total of 21 changes. Those will be available. We have a summary. We are still in the process of making these minor changes.

It goes from out-of-wedlock goals to religious providers, effective date, child support and paternity establishment, State option to deny benefits—a number of areas in which we have had suggestions by Members on this side.

I do not know how many Members' views are reflected in these changes. I guess as many as 15 or 20.

Title III on food stamps, there is only one change. Title V on noncitizens, there is one change with the 5-year ban on providing most federally means-tested benefits to any noncitizen who enters the country after the enactment date. We also make technical corrections. Then title IX, child support enforcement, only one technical correction.

So there is a total of, I think, 24. Also title XI, CAPTA, which is a program, the Child Abuse Prevention and Treatment Act, supported by Senator COATS of Indiana. There is one change in title XI.

Title XII, reductions in Federal staff. As we repeal the jobs program and send AFDC from the Federal Government to States, it seems there should not be any need for employees in Washington.

We are trying to make those changes. We are trying to ensure that all excess Federal staff processes are identified and eliminated when we start to streamline these programs.

Now we have sent a modification to the desk. There are still some—I do not say disputes—but some difference of opinion on how maybe Federal employees may be needed, even though AFDC goes to the States and you repeal the jobs program. So it may be necessary for further refinement of that area, but for all practical purposes, I think we made a step in the right direction.

I ask unanimous consent to have printed in the RECORD a summary of the modifications.

There being no objection, the summary of modifications is ordered to be printed in the RECORD, as follows:

MODIFICATIONS TO LEADERSHIP WELFARE BILL

TITLE I—TEMPORARY ASSISTANCE TO NEEDY FAMILIES BLOCK GRANT

(1) *Out-of-wedlock goals.* Add to purpose of the bill (section 401, page 10) that annual goals should be set for reducing out-of-wedlock pregnancies, with a special emphasis on teen pregnancies.

(2) *Annual ranking of States based on their work program.* Clarify that the Secretary of HHS will take into account reducing caseloads and a State's success in diverting individuals from ever going on welfare when ranking a State's work programs.

(3) *Annual ranking of States based on out-of-wedlock births.* Add a provision that would rank States according to the increase or decrease of out-of-wedlock births to recipients of assistance.

(4) *Religious providers.* Extends provision to prohibit discrimination against religious providers in specific programs outside of Title I.

(5) *State Plan.* Add a provision that a State plan must be given to the private auditor selected to audit the State's program and a summary of the State plan must be made available to the public.

(6) *Effective date.* Allow States the option of continuing current AFDC program for nine months after the effective date (bill currently give six months). No change in block grant funding for FY 1996.

(7) *Child support and paternity establishment.* States may obtain an admission of paternity from the father through a judicial or administrative proceeding.

(8) *Census Data and grandparents.* Bureau of the Census will begin collecting data on grandparents who are the primary care givers for their grandchildren. A study will be done on the effect of welfare reform on grandparents as primary care givers.

(9) *Child care provider.* Allows a recipient that provides unpaid child care services to count as a work activity for purposes of calculating work participation rates.

(10) *Modify vacancy provisions.* Makes technical changes to the displaced worker provisions.

(11) *State option to deny benefits.* Clarifies that States have the option of denying benefits to recipients as long as it is not inconsistent with Title I.

(12) *Disclosure of the use of Federal funds.* Requires the disclosure of the use of Federal funds whenever an organization accepts Federal funds and makes any communication that in any way intends to promote public support or opposition to any policy of a Federal, State, or local government.

(13) *Filling vacant positions.* a. Adds statement that nothing in this Act shall preempt or supersede any provision of State or local law that provides greater protections for employees from displacement.

b. Clarifies that no adult recipient may be assigned to a position when the employer has terminated the employment of a regular employee in order to fill the vacancy.

(14) *Participation of local governments.* States must work with local governments and private sector organizations regarding the plan and design of welfare services to be provided in the State.

(15) *Enhanced automation.* Changes the reporting date from "before May 1, 1995" to "on or before May 1, 1995."

(16) *Assignment of child support.* Provides the States the option of requiring cash recipients/applicants to assign child support.

(17) *Waiver.* Clarifies that States may choose which waivers they want to continue and which waivers they want to end.

(18) *Technicals.* Makes various technical corrections to Titles IV-A and IV-D.

(19) *Foster care eligibility.* A State may receive reimbursement for foster care or adoption assistance only if such individual would have been eligible to receive assistance under the State plan in effect on June 1, 1995.

(20) *Maintenance of effort.* For the first two years, States must spend 75 percent of what the State spent on AFDC cash benefits in FY 1994.

(21) *State option on families with child under age 1.* States have the option of exempting families with a child under age 1 from the work participation rates.

TITLE III—FOOD STAMP REFORM

(1) *Food stamps.* Requires 80% of optional food stamp block grant to be spent on nutrition (up from 75% in the bill) and makes various technical changes to optional state food assistance block grant.

TITLE V—NONCITIZENS

(1) *Noncitizens.* 5 year ban on providing any federally means-tested benefits to any noncitizen who enters the country after the enactment date. Makes technical corrections.

TITLE IX—CHILD SUPPORT ENFORCEMENT

(1) Child support technicals. Makes various technical corrections to child support title.

TITLE XI—CHILD ABUSE PREVENTION AND TREATMENT ACT (CAPTA)

(1) *CAPTA.* Includes S. 919 as reported out of Labor Committee. This bill: a. Streamlines CAPTA's State plan and reporting requirements; b. Consolidates 3 programs into one Community and Family Resource and Support Grant; c. Repeals 2 programs; d. Reauthorizes programs; and e. Provides additional flexibility.

TITLE XII—REDUCTIONS IN FEDERAL STAFF

(1) *Elimination of excess positions.* Ensures that all excess federal staff positions are identified and eliminated due to streamlining of programs.

KASSEBAUM SUBSTITUTE AMENDMENT TO TITLES VII AND VIII OF S. 1120

The Kassebaum substitute to titles VII and VIII of the Work Opportunity Act makes technical changes to S. 143 as reported by the Labor and Human Resources Committee. The changes reflect agreements on issues that were raised, but not addressed, at the committee markup.

The substitute amends the national governance structure of the bill to clarify the roles of the Secretaries of Education and Labor, the National Workforce Development Board, and the Federal Partnership. It reauthorizes the National Literacy Act and brings administration of that act under the direction of the National Board. The substitute also clarifies the role of community colleges in planning and administering workforce education funds, lists permissible state workforce education activities, adds veterans to the list of populations for which states must develop specific benchmarks, adds a 20 percent cap on workforce employment administrative expenses, further defines school-to-work activities, clarifies state governance issues, and adds an additional waiver option during the transition period.

Finally, the substitute adds language clarifying that FUTA funds can only be used for activities currently authorized under the Wagner-Peyser Act.

Mr. DOLE. Let me say with reference to welfare reform, it was my hope to come back on the 5th of September and start on welfare reform.

Now, because we have the DOD authorization consent agreement, we will do that on the 5th. We will start on welfare reform, then, on the following day.

Again, it is my hope that we could have serious debate, good debate—we had 2 days of opening statements that I thought were excellent on both sides, even though there was not total agreement—and that we can complete action on welfare reform within 5 legislative days; that would be Wednesday, Thursday, Friday, and maybe the next Monday or Tuesday, because we need to move very quickly, then, on the additional appropriations bills. We have completed 7. We have 6 remaining. I know all, probably, with the exception of 2 of those, will be very, very difficult. We need to do all that, go to conference, get the conference reports to the President prior to October 1. So we are going to have a very busy time in September.

But it seems to me we are on the right track. I thank the Democratic leader for his cooperation with reference to the DOD agreement and for all the assistance we had in the appropriations process.

I think we just have one or two other little items that are hanging things up here. We will see what happens.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 4.

MODIFICATIONS TO AMENDMENT NO. 2282

Mr. DASCHLE. Mr. President, I send some modifications to the desk under a previous agreement.

The modification to the amendment (No. 2282) is as follows:

In Title I, on page 3, line 20, strike "7.5 percent" and insert "8 percent".

In Title I, on page 5, line 24, strike "solely".

In Title I, on page 5, line 25, strike "subparagraph (A)—" and insert "subparagraph (A) or due to the imposition of a penalty under subparagraph (B) or (D) of section 403(c)(1)—".

In Title II, beginning on page 3, line 21, strike all through page 5, line 2, and insert the following:

"(c) NONDISPLACEMENT.—

"(1) IN GENERAL.—No funds provided under this Act shall be used in a manner that would result in—

"(A) the displacement of any currently employed worker (including partial displacement, such as a reduction in wages, hours of nonovertime work, or employment benefits), or the impairment of existing contracts for services or collective bargaining agreements; or

"(B) the employment or assignment of a client to fill a position when—

"(i) any other person is on layoff from the same or a substantially equivalent position; or

"(ii) the employer has terminated the employment of any other employee or otherwise reduced the employer's workforce in order to fill the vacancy so created with a client.

"(2) ENFORCING ANTI-DISPLACEMENT PROTECTIONS.—

"(A) GRIEVANCE PROCEDURE.—The State shall establish and maintain (pursuant to regulations issued by the Secretary of Labor) a grievance procedure for resolving complaints alleging violations of any of the prohibitions or requirements of paragraph (1). Such procedure shall include an opportunity for a hearing and shall be completed not later than 90 days from the date of the complaint, by which time the complainant shall be provided a written decision by the State. A decision of the State under such procedure, or a failure of a State to issue a decision not later than 90 days from such date, may be appealed to the Secretary of Labor, who shall investigate the allegations contained in the complaint and make a determination not later than 60 days from the date of the appeal as to whether a violation of such prohibitions or requirements has occurred. Remedies shall include termination or suspension of payments, prohibition of the placement of the client, reinstatement of an employee, and other relief to make an aggrieved employee whole.

"(B) OTHER LAWS OR CONTRACTS.—Nothing in subparagraph (A) shall be construed to prohibit a complainant from pursuing a remedy authorized under another Federal, State, or local law or a contract or collective bargaining agreement for a violation of any of the prohibitions or requirements of paragraph (1).

In Title II, on page 7, line 23, strike "7.5 percent" and insert "8 percent".

In Title II, beginning on page 11, line 21, strike all through page 12, line 2, and insert the following:

"(c) WORKFARE.—If, after 2 years, a client (who is not exempt from work requirements) who has signed a parent empowerment contract is not working at least 20 hours a week (within the meaning of section 485(a)(2)) or engaged in community service, then the State shall offer that client a workfare position, with minimum hours per week and tasks to be determined by the State.

"(d) COMMUNITY SERVICE.—Not later than 3 years after the date of the enactment of the Work First Act of 1995, each State should (and not later than 7 years after such date, each State shall) require a client who, after receiving assistance for 6 months—

"(1) is not exempt from work requirements; and

"(2) is not either—

"(A) working at least 20 hours a week (within the meaning of section 485(a)(2)); nor

"(B) engaged in an education or training program;

to participate in community service, with minimum hours per week and tasks to be determined by the State.

In Title II, on page 18, strike lines 10 through 23, and insert the following:

"(e) WAGES ARE NOT CONSIDERED EARNED INCOME.—Wages paid under a work supplementation program shall be considered to be earned income for purposes of any provision of law.

In Title II, on page 19, strike lines 13 through 16, and insert the following:

"(a) IN GENERAL.—A State through the Work First program shall establish and carry out—

"(1) a workfare program in accordance with section 486(c); and

"(2) a community service program in accordance with section 486(d),

that meet the requirements of this section.

In Title II, on page 21, line 9, strike "(5)" and insert "(6)".

In Title II, on page 21, lines 13 and 14, strike "paragraph (4)" and insert "paragraphs (4) and (5)".

In Title V, on page 12, line 10, strike "(f)" and insert "(g)".

In Title VIII, on page 16, line 16, strike "7 percent" and insert "8 percent".

Mr. DASCHLE. Mr. President, let me make a couple of comments prior to the time I address the modifications. I did not have the opportunity to be on the floor a few minutes ago as the distinguished majority leader made his remarks. I appreciate his comments with regard to the progress we made this week. I think it has been good progress. We had the opportunity to take up and pass some very important appropriations bills. Obviously, there are ways in which we could have improved those bills, but nonetheless we needed to pass them. We did.

We also had an agreement that I think will work well for all as we consider the defense authorization the day we get back. I think, as the agreement indicates, it is our expectation to finish that bill in 1 day.

We had very good cooperation from colleagues on both sides in order to accommodate that schedule. This may be record time for considering a defense authorization. I appreciate very much the willingness, at least on the part of colleagues who had amendments, to consider the need to address all of these issues in a timely way and accommodate the schedule of the Senate as we take up this bill once again when we return. We worked to accommodate that schedule, in part because I know colleagues on the other side wanted very much to be able to finish that.

The leader has been very helpful in accommodating a need that we have, which is to complete work on a number of nominations that are still pending. It is my expectation that before the end of the day, we will be able to deal with the remaining ones. There are a number of them. A lot of people have been waiting a long time and want very much to be able to know the disposition of these nominations prior to the time we leave. Simply to hold them over for another month, I think, would be very unfortunate. And that is why I know we are still working to resolve a couple of matters. But I believe that, given the work on both sides in accommodating the schedule and the pending legislation when we return, that we can finish this work as well.

Mr. President, the modifications that I have just sent to the desk will further strengthen the Work First welfare reform plan. During the last few days, I have had numerous conversations with many Senators, in particular the distinguished Senator from Michigan, Senator LEVIN. He repeatedly has made the case for requiring welfare recipients to work even earlier than the timeframe we had already required in the Work First bill. We believe our bill, like the Republican bill, addressed the need to require workfare at a very early stage in the welfare eligibility process. Senator LEVIN felt it would be helpful if we could find ways to move that date up even further.

As a result of Senator LEVIN's persistence and tenacity, as is so often demonstrated on the floor, we have been able to work with him and many others to address the concern that he has expressed and to take suggestions that he has made. We have modified the requirements to ensure that welfare recipients are working as soon as is humanly possible, to make the system accommodate our goal of moving people into a workforce at the earliest possible moment.

So, under this amendment, welfare recipients will be required to perform community service if they have been receiving welfare for 6 months but are not yet working or in job training or education. It was no more than 2 years. Now it is 6 months. We have given the States some lead time to get ready to meet this tough requirement. But, ultimately, welfare recipients must perform community service tasks after 6 months of welfare receipt. Able-bodied welfare recipients ought to work—period. If they cannot find work in the private sector, States will assist them in getting community service jobs.

So, I believe this is a very significant, even stronger addition to the Work First plan. We called it Work First because we had the toughest work requirements of any pending legislation, and now we have just made them even tougher as a result of our work with Senator LEVIN, in particular, and other Senators as well who have expressed that strong desire to strengthen that aspect of the legislation.

We have also clarified the use of vouchers for children. While we strongly believe that welfare reform ought to be about putting welfare recipients to work, we do not believe that welfare reform ought to punish children. No child should be made homeless, no child should go hungry, under the guise of welfare reform. That is not tough, that is mean.

Therefore we have clarified that if a family is terminated from welfare receipt, States will be required to perform an assessment of the needs of the child in that family. Vouchers in the amount of the child's portion of the grant will be provided to a third party as reimbursement for the needs of the child—such as a vendor payment to a social service organization for clothing or food, a vendor payment to a landlord as a partial rent payment, or other needs the State may identify for the child.

We have strengthened the nondisplacement language and grievance procedure under our plan and made several technical adjustments.

We have also taken a look at our exemptions to the 5-year time limit. We have decided to raise the exemption for high unemployment areas from 7.5 to 8 percent. Now, that does not mean that these individuals do not have to work. They do. In fact, they will have to work after 6 months if they are not working before.

But, this particular exemption means that if a young mother is in a high unemployment area, we will not throw her and her baby into the street where there are no jobs. By definition under our amendment, she will be working. So, she is not getting something for nothing. We just do not believe it is right to throw her into the street. Should unemployment decline in the area in which she lives, there would be no more exemption for her and she would be on her own if she has not found a job.

We think that 8 percent is a fair and reasonable threshold. In fact, it matches the threshold set in the majority leader's bill under the food stamp title.

Under the majority leader's bill, able-bodied single individuals are required to work if they receive food stamps in 6 months of any 12, except that the Secretary may waive the work requirement for those in areas of unemployment exceeding 8 percent.

We agree. There ought not be any disagreement about that particular exemption. You cannot require someone to work if there are no jobs there. If there is 8 percent unemployment, then obviously it is very, very difficult in that competitive environment to accommodate people's job placement needs. And, as the majority leader does, so do we recognize and accept that fact and believe there are likely to be more options just as soon as the unemployment level drops but not until that time.

We have modified our exemption to the time limit to make it apply to those States with 8 percent unemployment. We hope that those on the other side of the aisle will not engage in a bidding war on the unemployment rate and raise it even higher. Welfare reform should not be a bidding war. It ought to be about putting welfare recipients to work.

I would like to make a few comments about modifications to the majority leader's amendment. While I have not yet read the modifications, if it is true that an exemption has been included so that women with children under 1 would not be required to work or, if they are required to work, the state must provide child care assistance, I hope my colleagues will take a close look at that provision.

A requirement to provide child care assistance to families with children under 1 is a real concern for many of us. This does not address the problem welfare mothers face. This is not realistic approach to a real barrier that women have to employment.

Only about 10 percent of welfare recipients have children under 1. But, about 60 percent of welfare families have children under 5. What does that mean? It means that about 50 percent of welfare recipients with preschool children, mostly young toddlers, would receive no day care assistance. What kind of child care fix would that be? No Senator should believe that somehow this addresses the problem. Obviously, it does not.

Child care is truly the linchpin between welfare and work. Under our Work First plan, we guarantee and fund child care assistance to mothers and recognize, if the parent's choice is between leaving children in the living room when they walk out the door and go to work and staying at home to care for their children, they are not going to leave the children at home. They are not going to allow their 2- or 3- or even 6-year-old children unattended for 6, 8, or 10 hours. That cannot work. What happens to those children? Who feeds them? Who cares for them? Who protects them? Who disciplines them? If child care is not going to be provided for, then what real expectation is there that somehow these mothers are going to be forced to go out that door and expect the system to work? It is not going to happen.

Let us not fool anyone, least of all ourselves. If we are going to make this work, let us address the problems. Let us not ignore them. Let us recognize that there are fundamental challenges we have to face.

One challenge, in my view, that is very controversial, but it ought not be, is that it is also awfully difficult to expect anybody to leave that house if they take a minimum wage job, work 40 hours a week, have a family of four and find themselves still below the legal definition of poverty. What kind of incentive is that to go to work?

So if we are going to address real work and real expectations of trying to achieve greater participation in the work force, then it would seem to me only logical that we have to make work pay.

We are at one of the lowest points we have been in terms of the purchasing power of minimum wage earners that we have been since the establishment of the minimum wage. That is something we have to address.

We also recognize that Medicaid is not going to help at all if people are forced to give it up when they go to work. They have to be eligible for some kind of health care, or they are not going to endanger their children's lives or good health by saying, "Well, I am going to work. I am going to leave my kids in the living room. I am going to give up their health insurance because I want that minimum wage job that leaves me below the poverty line when I work 40 hours a week." That is not going to happen. So we have to recognize the importance of health care.

Finally, we have to deal with the issue of child care. I have children. The Presiding Officer certainly has, and he understands parenthood as well or better than anybody in this Chamber. And recognizing the need for child care is something that I hope we can all address when we come back. It is the linchpin, in my view, between welfare and work.

Mr. President, at this point, I ask unanimous consent that the following Senators be added as cosponsors to amendment No. 2282, the Work First welfare reform plan:

Senators BREAUX, MIKULSKI, ROCKEFELLER, MOYNIHAN, REID, KERREY, FORD, CONRAD, DORGAN, DODD, KERRY, LIEBERMAN, BINGAMAN, BRYAN, INOUYE, ROBB, EXON, MURRAY, FEINGOLD, BOXER, GLENN, AKAKA, LEVIN, FEINSTEIN, BUMPERS, LAUTENBERG, PRYOR, JOHNSTON, KENNEDY, and HEFLIN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, we are looking forward to a good debate when we return in September.

As the majority leader indicated, we had a good debate in the last couple of days. Something the distinguished Senator from Arkansas said earlier in the week is something I guess I will just leave on. He said that good legislators ought to be good educators. I hope that we can educate.

I hope we can lead a meaningful public debate about this issue, and not as partisans, but as people interested in solving a problem, and we can solve this one. I hope that we can have a good debate, recognize our philosophical differences, but deal with them in a way that will bring us to a resolution of a problem that has been with us for a long time.

With that, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be the period for the transaction of morning business, with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISTRICT OF COLUMBIA CONVENTION CENTER AND SPORTS ARENA AUTHORIZATION

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar 180, H.R. 2108.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2108) to permit the Washington Convention Center Authority to expend revenues for the operation and maintenance of the existing Washington Convention Center and for preconstruction activities relating to a new convention center in the District of Columbia, to permit a designated authority of the District of Columbia to borrow funds for the preconstruction activities relating to a sports arena in the District of Columbia and to permit certain revenues to be pledged as security for the borrowing of such funds, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. COHEN. Mr. President, the Senate will move shortly to take up H.R. 2108, the District of Columbia Convention Center and Sports Arena Authorization Act of 1995. This legislation, which passed the House of Representatives last Friday, has two purposes.

The first is to authorize the District of Columbia to pledge revenues generated by the sports arena tax as security to borrow funds. These funds are to be used to pay for preconstruction activities, mostly site acquisition and preparation, for the new arena to be built in the Gallery Place area. Over the next several years, revenue from the new arena tax, which has been imposed on the District's business community, will be used to repay the debt.

The second purpose is to authorize the Washington Convention Center Authority to spend certain revenues for operating the current convention center and for costs associated with developing plans for a new convention center. These revenues are also generated by a special tax, in this instance an additional tax imposed on the District's hotels and restaurants.

Both of these projects are considered critically important to the future economic stability and growth of the District. The financial recovery of the Nation's Capital is important not only to those who live in the District but to all Americans. A new convention center and sports arena will help to revitalize areas of the city, generate badly needed revenue for the District, and create new businesses and jobs for the residents of the District and the surrounding communities. Both will also enhance civic pride and promote tourism. As a result, both projects have broad based support among local citizens and businesses.

As chairman of the Subcommittee on Oversight of Government Management and the District of Columbia, I conducted a hearing earlier this week on this legislation. The responsibility of the subcommittee and, ultimately, the Congress is to examine the financial soundness of the District's plans for spending these special tax revenues. In light of the District's current financial crisis, there is an even greater obligation to ensure the District is proceeding in a fiscally responsible manner before the Congress approves the pending legislation.

One aspect of the proposal that I have been concerned about over the past few days is the leasing arrangement being considered by the District to house some 720 employees that must be relocated from the buildings which are to be demolished on the proposed site. According to press reports, the council was expected to vote on a proposal from the Mayor to lease space for employees in two buildings owned by a local developer. The council, however, learned that the District had never independently confirmed whether the vacant buildings could be renovated by the October construction deadline and consequently the council did not vote on the $48 million lease. The Mayor subsequently negotiated a modified lease which was not submitted to the council before it adjourned its special session on August 10.

Concerns have been raised about the wisdom of the District entering into a long term lease at a time when the District and the D.C. Financial Control Board are looking at making significant cuts in personnel. In addition, some have suggested that the District may have space to relocate the affected employees to existing D.C. owned or leased buildings.

The first year lease costs for one of the buildings are included in the District's preconstruction costs and will be paid for by the arena tax. The remaining costs will be paid from the District's general fund and, therefore, any lease agreement will affect the District's 1996 budget and beyond. Consequently, Senator LEVIN, who is the ranking minority member of the subcommittee, and I believe it would be prudent for the Financial Control Board to review any leasing agreement given that the Board is currently reviewing the District fiscal year 1996 budget.

As a result of discussions with the Mayor and the Control Board, the Mayor has agreed by letter that he will furnish a copy of the lease to, and cooperate with, the Board to enable it to provide a written analysis of the lease.

Mr. President, I ask unanimous consent that a letter to me from Mayor Barry be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE DISTRICT OF COLUMBIA,
Washington, DC., August 10, 1995.

Hon. WILLIAM COHEN,
Chairman, Subcommittee on Oversight of Government Management and the District of Columbia, Hart Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for the opportunity to meet with you and Senator Carl Levin this afternoon to discuss your interest in the D.C. Sports Arena and H.R. 2108. As I indicated in our meeting, we have been successful in negotiating a lease for relocating our employees at 605 and 613 G Street, that is economically and programmatically advantageous to the District in that it saves the District $25 million in potential rent payments.

As the basis for using your best efforts to obtain Senate approval of H.R. 2108, I agree to the following:

First, to provide by no later than 12:00 p.m. on August 11, 1995, to the U.S. Senate Oversight Subcommittee and the Financial Authority copies of the original and modified leases previously submitted to the D.C. City Council;

Second, to cooperate with the Financial Authority to enable it to provide by August 18, 1995, a written analysis of the lease terms;

Third, to use my best efforts, working with the Chairman of City Council, to obtain from the D.C. Council, its approval or disapproval of the original or modified lease by September 13, but not before the Council receives the written analysis from the Financial Authority; and

Fourth, to obtain a letter of commitment, which is legally binding, from the developer, R. Donahue Peebles, that commits him and the District to the terms of the modified lease, notwithstanding the fact that the original lease will be deemed approved on September 14, absent disapproval by D.C. City Council.

Sincerely,

MARION BARRY, JR.,
Mayor.

I have been duly informed and agree with the terms of this letter.

R. Donahue Peebles.

Mr. COHEN. In addition, he will also make every effort to have the D.C. Council consider the lease by September 13.

Finally, I want to note that passing this legislation does not resolve any controversies surrounding the process by which the agreement for the new arena has been reached. These are matters for the citizens of the District and their elected representatives to decide and for the appropriate regulatory and judicial forums to resolve. Final action by Congress on this bill should not be construed as interfering with or affecting the administrative or legal rights of any individual or organization pertaining to the District's decisions on the arena or convention center.

Mr. DOLE. Mr. President, I ask unanimous consent that the bill be deemed read the third time and passed; that the motion to reconsider be laid upon the table; and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 2108) was deemed read the third time and passed.

THE SMALL BUSINESS LENDING ENHANCEMENT ACT OF 1995

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 166, S. 895.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 895) to amend the Small Business Act to reduce the level of participation by the Small Business Administration in certain loans guaranteed by the Administration, and for other purposes, which had been reported from the Committee on Small Business, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Lending Enhancement Act of 1995".

SEC. 2. REDUCED LEVEL OF PARTICIPATION IN GUARANTEED LOANS.

Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended to read as follows:

"(2) LEVEL OF PARTICIPATION IN GUARANTEED LOANS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), in an agreement to participate in a loan on a deferred basis under this subsection (including a loan made under the Preferred Lenders Program), such participation by the Administration shall be equal to—

"(i) 75 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance exceeds $100,000; or

"(ii) 80 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance is less than or equal to $100,000.

"(B) REDUCED PARTICIPATION UPON REQUEST.—

"(i) IN GENERAL.—The guarantee percentage specified by subparagraph (A) for any loan under this subsection may be reduced upon the request of the participating lender.

"(ii) PROHIBITION.—The Administration shall not use the guarantee percentage requested by a participating lender under clause (i) as a criterion for establishing priorities in approving loan guarantee requests under this subsection.

"(C) INTEREST RATE UNDER PREFERRED LENDERS PROGRAM.—

"(i) IN GENERAL.—The maximum interest rate for a loan guaranteed under the Preferred Lenders Program shall not exceed the maximum interest rate, as determined by the Administration, applicable to other loans guaranteed under this subsection.

"(ii) PREFERRED LENDERS PROGRAM DEFINED.—For purposes of this subparagraph, the term 'Preferred Lenders Program' means any program established by the Administrator, as authorized under the proviso in section 5(b)(7), under which a written agreement between the lender and the Administration delegates to the lender—

"(I) complete authority to make and close loans with a guarantee from the Administration without obtaining the prior specific approval of the Administration; and

"(II) authority to service and liquidate such loans.".

SEC. 3. GUARANTEE FEES.

(a) AMOUNT OF FEES.—Section 7(a)(18) of the Small Business Act (15 U.S.C. 636(a)(18)) is amended to read as follows:

"(18) GUARANTEE FEES.—

"(A) IN GENERAL.—With respect to each loan guaranteed under this subsection (other than a loan that is repayable in 1 year or less), the Administration shall collect a guarantee fee, which shall be payable by the participating lender and may be charged to the borrower, in an amount equal to the sum of—

"(i) 2.5 percent of the amount of the deferred participation share of the loan that is less than or equal to $250,000;

"(ii) if the deferred participation share of the loan exceeds $250,000, 3 percent of the difference between—

"(I) $500,000 or the total deferred participation share of the loan, whichever is less; and

"(II) $250,000; and

"(iii) if the deferred participation share of the loan exceeds $500,000, 3.5 percent of the difference between—

"(I) $750,000 or the total deferred participation share of the loan, whichever is less; and

"(II) $500,000.

"(B) EXCEPTION FOR CERTAIN LOANS.—Notwithstanding subparagraph (A), if the total deferred participation share of a loan guaranteed under this subsection is less than or equal to $80,000, the guarantee fee collected under subparagraph (A) shall be in an amount equal to 2 percent of the total deferred participation share of the loan.

"(C) DISCRETIONARY INCREASE.—Notwithstanding subparagraphs (A) and (B), during the 90-day period beginning on the first day of any fiscal year, the Administration may increase the guarantee fee collected under this paragraph by an amount not to exceed 0.375 percent of the total deferred participation share of the loan, if the Administration—

"(i) determines that such action is necessary to meet projected borrower demand for loans under this subsection during that fiscal year, based on the subsidy cost of the loan program under this subsection and amounts provided in advance for such program in appropriations Acts; and

"(ii) not less than 15 days prior to imposing any such increase, notifies the Committees on Small Business of the Senate and the House of Representatives of the determination made under clause (i).".

(b) REPEAL OF PROVISIONS ALLOWING RETENTION OF FEES BY LENDERS.—Section 7(a)(19) of the Small Business Act (15 U.S.C. 636(a)(19)) is amended—

(1) in subparagraph (B)—

(A) by striking "shall (i) develop" and inserting "shall develop"; and

(B) by striking ", and (ii)" and all that follows through the end of the subparagraph and inserting a period; and

(2) by striking subparagraph (C).

SEC. 4. ESTABLISHMENT OF ANNUAL FEE.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following new paragraph:

"(23) ANNUAL FEE.—

"(A) IN GENERAL.—With respect to each loan guaranteed under this subsection, the Administration shall, in accordance with such terms and procedures as the Administration shall establish by regulation, assess and collect an annual fee in an amount equal to 0.5 percent of the outstanding balance of the deferred participation share of the loan.

"(B) PAYER.—The annual fee assessed under subparagraph (A) shall be payable by the participating lender and shall not be charged to the borrower.".

(b) CONFORMING AMENDMENT.—Section 5(g)(4)(A) of the Small Business Act (15 U.S.C. 634(g)(4)(A)) is amended—

(1) by striking the first sentence and inserting the following: "The Administration may collect a fee for any loan guarantee sold into the secondary market under subsection (f) in an amount equal to not more than 50 percent of the portion of the sale price that exceeds 110 percent of the outstanding principal amount of the portion of the loan guaranteed by the Administration."; and

(2) by striking "fees" each place such term appears and inserting "fee".

SEC. 5. NOTIFICATION REQUIREMENT.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following new paragraph:

"(24) NOTIFICATION REQUIREMENT.—The Administration shall notify the Committees on Small Business of the Senate and the House of Representatives not later than 15 days before making any significant policy or administrative change affecting the operation of the loan program under this subsection.".

SEC. 6. DEVELOPMENT COMPANY DEBENTURES.

Section 503(b) of the Small Business Investment Act of 1958 (15 U.S.C. 697(b)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(7) with respect to each loan made from the proceeds of such debenture, the Administration—

"(A) assesses and collects a fee, which shall be payable by the borrower, in an amount equal to 0.0625 percent per year of the outstanding balance of the loan; and

"(B) uses the proceeds of such fee to offset the cost (as such term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of making guarantees under subsection (a).".

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BOND. Mr. President, I rise today in support of S. 895, the Small Business Lending Enhancement Act of 1995. This bill will increase the availability of business loans under the Small Business Administration's 7(a) Guaranteed Business Loan Program to meet the growing borrowing demand from the small business community. If S. 895 is enacted, the 7(a) program will be able to expand to provide over $10 billion in small business loans—the largest loan program in SBA's 42 year history.

As many of us know, the popularity of SBA's 7(a) loan program has one unfortunate consequence. Administrator Phil Lader has notified all members of the Committee on Small Business that this popular guaranteed loan program will run out of money by September 1 of this year.

When I introduced S. 895 in early June, I believed the bill provided the tools necessary to put the 7(a) program on an even keel for the remainder of this fiscal year and for fiscal year 1996. I am pleased to report that there was great interest in the bill among the members of the Committee on Small business. As the result of my colleagues' support and the hard work by their staffs, we have created an amended version of S. 895 that builds on the initial bill.

In particular, I want to recognize the support and cooperation I have received from my good friend from Arkansas, the ranking minority member, Senator BUMPERS. He and his staff worked very closely with us in crafting the bill before the Senate today. In addition, I am very pleased that Senators BURNS, SNOWE, and WELLSTONE also have agreed to be cosponsors.

The Small Business Lending Enhancement Act of 1995 will provide a much-needed expansion of the 7(a) loan program. S. 895 will lower the credit subsidy rate for the 7(a) loan program from 2.74 to 1.29 percent, a 54 percent reduction in the subsidy rate. This change has a significant impact on the volume of loans that can be made to small businesses. In fiscal year 1995, $214 million was needed to support a loan program of $7.8 billion. Under S. 895, in fiscal year 1996, only $133 million needs to be appropriated to support $10.5 billion in loans, reduction of 39 percent with a 35-percent increase in loan volume.

To help fund the 7(a) program, S. 895 imposes a modest increase in guarantee fees paid by the borrower, except that the guarantee fee for LowDoc Loans is not increased. In addition, an annual fee of 50 basis points, one-half of 1 percent of the outstanding guaranteed portion of the loan, will be paid by the lender to SBA.

For the first time, the bill gives the Administrator of SBA the discretion to lower the credit subsidy rate still further—to 1.09 percent. He would exercise this discretionary authority if estimated borrowing demand is so high to require an increase in the availability of SBA guaranteed business loans. When the subsidy rate is lowered, the total loan authorization amount increases without a corresponding increase in appropriations.

Some of my colleagues on the committee are very interested in expanding the Preferred Lenders Program under the 7(a) loan program. I support their goal. S. 895 includes a provision to raise the guaranteed percentage rate for preferred loans from 70 percent to 75 percent. All other loans, except for those under the LowDoc program, also will carry a 75 percent guarantee. This change eliminates the disparity that exists under the current 7(a) program where preferred loans carry only a 70 percent guarantee and all other loans have guarantees ranging from 90 percent to 75 percent. This has deterred preferred lenders from maximizing use of the Preferred Lenders Program, and S. 895 will correct this inequity.

Further reliance on lenders is necessary to reduce future SBA overhead and exposure under the business loan guarantee programs. Later this year, it is my intention that the committee will undertake an indepth study of the 7(a) program. Additional measures may be considered, if necessary, to increase further the percentage of 7(a) loans originated and administered with the type of substantial lender involvement required under the Preferred Lenders Program.

S. 895 also makes a small adjustment in the credit subsidy rate for the 504 Certified Development Program. Earlier this year, the Administration recommended that the credit subsidy rate for the 504 Program be reduced to zero. The Committee on Small Business has some concern that taking the credit rate to zero might threaten the success of this program. Therefore, S. 895 imposes a modest fee increase on borrowers to reduce the credit subsidy rate for the 504 Program to 0.33 percent from 0.57 percent.

Mr. President, S. 895 is before the Senate today because we need to make adjustments in the credit subsidy rate, which has been mandated by the Federal Credit Reform Act of 1990. It is the annual calculation of the credit subsidy rate that determines the level of appropriation required to support the 7(a) guaranteed loan program. Each year, the Office of Management and Budget determines the credit subsidy rate for the upcoming year. OMB makes critical assumptions about the future performance of 7(a) loans and SBA's liquidation recovery effort. Usually, this calculation is made without prior explanation to the Committee, even though it has a dramatic impact on the cost the 7(a) loan program.

The current manner in which the credit subsidy rate is calculated and the subsidy fund is managed needs a much closer review by the Congress. While the Committee on Small Business has accepted the present credit subsidy rate calculation for the purposes of determining borrower and lender fees under S. 895, the committee intends to enter into a careful study of this matter as it considers additional long term reforms for SBA's small business finance programs.

Mr. President, S. 895, the Small Business Lending Enhancement Act of 1995, is a sound bill. In the upcoming fiscal year, it will make commercial loans available to tens of thousands of small businesses, who otherwise might not have access to critical business financing. By a vote of 18 to 0, S. 895 was unanimously supported by the Committee on Small Business. I strongly urge my colleagues to vote for this legislation that is so important to small business owners across the United States.

Mr. BUMPERS. Mr. President, I rise in support of S. 895, Senator BOND's bill to restructure the Small Business Administration section 7(a) loan guaranty program. I want to commend the chairman and his staff for their work on this, the first reported Small Business bill since he became chairman of our committee. I was glad to work with Senator BOND on developing a substitute amendment, which is in fact the committee amendment to S. 895.

The thrust of this bill is simple—it reduces the budget subsidy scoring for the 7(a) loan guaranty program, which is by far the largest SBA economic development program. These loans are made by banks and other lenders to qualifying small businesses that would not be able to obtain access to credit on similar terms in the private market. The long and the short of it is that banks simply do not make long-term loans to small businesses. As the committee report points out, this has been a fact of life at least since the issue was first studied by the Department of Commerce in 1935. That finding was reaffirmed by the Federal Reserve in 1952.

The SBA guaranty—which is only a partial guaranty of the loan—allows banks to extend the term of a loan for more than the 2 or 3 years which is typically offered by bankers. Under the 7(a) program, a borrower can get a loan term for as long as 20 years, though most loans are for a much shorter period. In fact, the average loan term is about 12 years, with borrowers typically repaying the loans in about 7 years.

Although borrowers pay a 2-percent guaranty fee to help offset the cost of the program, appropriated funds are still required to keep the program in business. Under the Credit Reform Act of 1990, the Office of Management and Budget divides the amount of appropriated funds by the credit subsidy scoring for each program. This equation determines the program level for the coming year.

Popularity and public demand for the 7(a) program has grown astronomically over the past few years due to many economic factors. During the Bush administration, the 7(a) program grew from slightly over $3 billion to almost $6 billion. Congress was hard-pressed to meet the increasing demand with concurrent program appropriations. The program during that time had a subsidy cost of slightly over 5 percent, meaning that $1 billion in loan authority required $50 million in appropriated funds. In 1992, demand for the program exhausted funding and two supplemental appropriations measures had to be enacted and signed by President Bush. This trend continued through 1993, and by late spring appropriated funds were exhausted again, closing the program down for several weeks.

Congress has always recognized the economic importance of the 7(a) program, but it became clear that reliance on emergency supplemental funding and traumatic program shutdowns could not continue in the long run.

Shortly after the Clinton administration took office in 1993, the Senate Small Business Committee undertook, with the Administration's full cooperation, to sharply reduce the cost of SBA 7(a) loans to the Treasury while meeting the demands of small business borrowers for affordable credit. In the summer of 1993, legislation from our committee was enacted and signed by President Clinton, reducing the subsidy cost of 7(a) loans from 5.4 percent to 2.2 percent and more than doubling the 7(a) program level with the same amount of appropriated dollars.

The effect of this change was dramatic. In 1993, SBA made about $6 billion in 7(a) loans but required only $342 million in appropriations to fund the program. In the current year, almost $8 billion in loans will be made with about $200 million in appropriations. I am extremely proud of these savings, but they are still not enough to keep the ever-growing 7(a) program on a sound footing in this era of declining Federal spending.

Finally, a comment about S. 895 and the chairman's work on this bill is in order. I did not choose to cosponsor this bill when it was introduced because I was concerned that the increases in fees proposed for 7(a) borrowers were simply too steep and, in my view, would be too high for the program to be workable. Borrowers who are willing to take a loan at any price are not likely to be very good borrowers, and I felt we were moving dangerously close to that point. The same could be said of the administration's "zero-subsidy" proposal which was considered and not adopted.

The chairman is to be commended for the flexibility and progressiveness he has demonstrated in preparing the committee amendment which I was pleased to cosponsor at the markup of this bill. The maximum, marginal guaranty fee for borrowers was reduced from the original 5 percent to 3.5 percent, with this number being applied only to borrowers seeking over $500,000 in financing. Moreover, the smallest borrowers—those using the "low doc" program for loans under $100,000—will face no increased guaranty fees at all. The present 2 percent guaranty fee will continue to be applied to low doc loans. Both of these steps represent common sense and fairness, two virtues which I wish were more abundant in this Congress.

I urge Senators to support S. 895 and the committee amendment.

AMENDMENT NO. 2426

Mr. DOLE. Mr. President, I send an amendment to the desk on behalf of Senator NUNN.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Kansas [Mr. DOLE], for Mr. NUNN, proposes an amendment numbered 2426.

Mr. DOLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

To amend the Committee substitute; on page 14, add the following new section.

"SEC. 7 PILOT PREFERRED SURETY BOND GUARANTEE PROGRAM EXTENSION.

Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking "September 30, 1995" and inserting "September 30, 1997."

Mr. DOLE. Mr. President, I ask unanimous consent that the amendment be agreed to; that the committee amendment, as amended, be agreed to; that the bill then be deemed read the third time and passed; that the motion to reconsider be laid upon the table; and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 895), as amended, was deemed read the third time and passed, as follows:

S. 895

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Lending Enhancement Act of 1995".

SEC. 2. REDUCED LEVEL OF PARTICIPATION IN GUARANTEED LOANS.

Section 7(a)(2) of the Small Business Act (15 U.S.C. 636(a)(2)) is amended to read as follows:

"(2) LEVEL OF PARTICIPATION IN GUARANTEED LOANS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), in an agreement to participate in a loan on a deferred basis under this subsection (including a loan made under the Preferred Lenders Program), such participation by the Administration shall be equal to—

"(i) 75 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance exceeds $100,000; or

"(ii) 80 percent of the balance of the financing outstanding at the time of disbursement of the loan, if such balance is less than or equal to $100,000.

"(B) REDUCED PARTICIPATION UPON REQUEST.—

"(i) IN GENERAL.—The guarantee percentage specified by subparagraph (A) for any loan under this subsection may be reduced upon the request of the participating lender.

"(ii) PROHIBITION.—The Administration shall not use the guarantee percentage requested by a participating lender under clause (i) as a criterion for establishing priorities in approving loan guarantee requests under this subsection.

"(C) INTEREST RATE UNDER PREFERRED LENDERS PROGRAM.—

"(i) IN GENERAL.—The maximum interest rate for a loan guaranteed under the Preferred Lenders Program shall not exceed the maximum interest rate, as determined by the Administration, applicable to other loans guaranteed under this subsection.

"(ii) PREFERRED LENDERS PROGRAM DEFINED.—For purposes of this subparagraph, the term 'Preferred Lenders Program' means any program established by the Administrator, as authorized under the proviso in section 5(b)(7), under which a written agreement between the lender and the Administration delegates to the lender—

"(I) complete authority to make and close loans with a guarantee from the Administration without obtaining the prior specific approval of the Administration; and

"(II) authority to service and liquidate such loans.".

SEC. 3. GUARANTEE FEES.

(a) AMOUNT OF FEES.—Section 7(a)(18) of the Small Business Act (15 U.S.C. 636(a)(18)) is amended to read as follows:

"(18) GUARANTEE FEES.—

"(A) IN GENERAL.—With respect to each loan guaranteed under this subsection (other than a loan that is repayable in 1 year or less), the Administration shall collect a guarantee fee, which shall be payable by the participating lender and may be charged to the borrower, in an amount equal to the sum of—

"(i) 2.5 percent of the amount of the deferred participation share of the loan that is less than or equal to $250,000;

"(ii) if the deferred participation share of the loan exceeds $250,000, 3 percent of the difference between—

"(I) $500,000 or the total deferred participation share of the loan, whichever is less; and

"(II) $250,000; and

"(iii) if the deferred participation share of the loan exceeds $500,000, 3.5 percent of the difference between—

"(I) $750,000 or the total deferred participation share of the loan, whichever is less; and

"(II) $500,000.

"(B) EXCEPTION FOR CERTAIN LOANS.—Notwithstanding subparagraph (A), if the total deferred participation share of a loan guaranteed under this subsection is less than or equal to $80,000, the guarantee fee collected under subparagraph (A) shall be in an amount equal to 2 percent of the total deferred participation share of the loan.

"(C) DISCRETIONARY INCREASE.—Notwithstanding subparagraphs (A) and (B), during the 90-day period beginning on the first day of any fiscal year, the Administration may increase the guarantee fee collected under this paragraph by an amount not to exceed 0.375 percent of the total deferred participation share of the loan, if the Administration—

"(i) determines that such action is necessary to meet projected borrower demand for loans under this subsection during that fiscal year, based on the subsidy cost of the loan program under this subsection and amounts provided in advance for such program in appropriations Acts; and

"(ii) not less than 15 days prior to imposing any such increase, notifies the Committees on Small Business of the Senate and the House of Representatives of the determination made under clause (i).".

(b) REPEAL OF PROVISIONS ALLOWING RETENTION OF FEES BY LENDERS.—Section 7(a)(19) of the Small Business Act (15 U.S.C. 636(a)(19)) is amended—

(1) in subparagraph (B)—

(A) by striking "shall (i) develop" and inserting "shall develop"; and

(B) by striking ", and (ii)" and all that follows through the end of the subparagraph and inserting a period; and

(2) by striking subparagraph (C).

SEC. 4. ESTABLISHMENT OF ANNUAL FEE.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following new paragraph:

"(23) ANNUAL FEE.—

"(A) IN GENERAL.—With respect to each loan guaranteed under this subsection, the Administration shall, in accordance with such terms and procedures as the Administration shall establish by regulation, assess and collect an annual fee in an amount equal to 0.5 percent of the outstanding balance of the deferred participation share of the loan.

"(B) PAYER.—The annual fee assessed under subparagraph (A) shall be payable by the participating lender and shall not be charged to the borrower.".

(b) CONFORMING AMENDMENT.—Section 5(g)(4)(A) of the Small Business Act (15 U.S.C. 634(g)(4)(A)) is amended—

(1) by striking the first sentence and inserting the following: "The Administration may collect a fee for any loan guarantee sold into the secondary market under subsection (f) in an amount equal to not more than 50 percent of the portion of the sale price that exceeds 110 percent of the outstanding principal amount of the portion of the loan guaranteed by the Administration."; and

(2) by striking "fees" each place such term appears and inserting "fee".

SEC. 5. NOTIFICATION REQUIREMENT.

(a) IN GENERAL.—Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding at the end the following new paragraph:

"(24) NOTIFICATION REQUIREMENT.—The Administration shall notify the Committees on Small Business of the Senate and the House of Representatives not later than 15 days before making any significant policy or administrative change affecting the operation of the loan program under this subsection.".

SEC. 6. DEVELOPMENT COMPANY DEBENTURES.

Section 503(b) of the Small Business Investment Act of 1958 (15 U.S.C. 697(b)) is amended—

(1) in paragraph (5), by striking "and" at the end;

(2) in paragraph (6), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(7) with respect to each loan made from the proceeds of such debenture, the Administration—

"(A) assesses and collects a fee, which shall be payable by the borrower, in an amount equal to 0.0625 percent per year of the outstanding balance of the loan; and

"(B) uses the proceeds of such fee to offset the cost (as such term is defined in section 502 of the Federal Credit Reform Act of 1990) to the Administration of making guarantees under subsection (a).".

SEC. 7. PILOT PREFERRED SURETY BOND GUARANTEE PROGRAM EXTENSION.

Section 207 of the Small Business Administration Reauthorization and Amendment Act of 1988 (15 U.S.C. 694b note) is amended by striking "September 30, 1995" and inserting "September 30, 1997".

MIDDLE EAST PEACE FACILITATION ACT

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 2161, the Middle East Peace Facilitation Act, just received from the House; that the bill be read three times, passed; that the motion to reconsider be laid upon the table; and that any statements relating to this measure be placed in the RECORD at the appropriate place as if read.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 2161) was deemed read the third time and passed.

SIXTIETH ANNIVERSARY OF THE SOCIAL SECURITY ACT

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 165, a resolution commemorating the 60th anniversary of the Social Security Act, submitted earlier today by Senators PACKWOOD and MOYNIHAN; that the resolution and preamble be agreed to; that the motions to reconsider be laid upon the table, en bloc; further, that any statements on this measure appear in the RECORD at the appropriate place as though read.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (S. Res. 165) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 165

Whereas on August 14, 1935, President Franklin D. Roosevelt signed the Social Security Act, which represents one of the most significant legislative achievements of the 20th century;

Whereas the Social Security Act represents a national commitment between the American Government and the people;

Whereas Social Security is one of our Nation's most popular and effective programs with a 60-year track record;

Whereas 141,000,000 persons, along with their employers, pay into the Social Security system;

Whereas Social Security is an earned benefit for workers and their families when a wage earner retires, becomes disabled, or dies;

Whereas over 44,000,000 persons, including 3,000,000 children, receive Social Security benefits that are automatically adjusted for inflation;

Whereas over 95 percent of those age 65 and over are eligible for Social Security benefits, 4 out of 5 workers have worked long enough so that they could get Social Security benefits if they become severely disabled, and 98 percent of today's children would receive a monthly Social Security benefit if a working parent died;

Whereas Social Security benefits provide a financial base for retirement, to be supplemented by private savings and pensions;

Whereas Social Security is the Nation's most successful antipoverty program, saving 15,000,000 people from poverty;

Whereas Social Security is viewed by the public as one of the most important Government programs and as a pillar of economic security;

Whereas Social Security benefits help to maintain the independence and dignity of all who receive such benefits;

Whereas the American public has rejected cutting Social Security to reduce the deficit;

Whereas Social Security is a self-financed program that in 1994 had over $436,000,000,000 in reserves;

Whereas reforms of Social Security benefits historically have been made only to strengthen the program's long-term integrity and solvency; and

Whereas Congress recently enacted legislation establishing the Social Security Administration as an independent agency so as to strengthen its ability to better serve beneficiaries: Now, therefore, be it

Resolved, That the Social Security Act is hereby commended on its 60th anniversary.

Mr. PACKWOOD. Mr. President, today, with Senator MOYNIHAN, I am submitting a resolution commending the 60th anniversary of the signing of the 1935 Social Security Act.

President Franklin D. Roosevelt signed the Social Security Act on August 14, 1935. The act, in addition to provisions for general welfare programs, created a social insurance program to pay retired workers, age 65 or older, an income after retirement from the work force.

In signing the Social Security Act, President Roosevelt said:

> We can never insure one hundred percent of the population against one hundred percent of the hazards and vicissitudes of life, but we have tried to frame a law which will give some measure of protection to the average citizen and to his family against the loss of a job and against poverty-ridden old age . . .

In saluting this 60th anniversary, Senator MOYNIHAN and I emphasize the economic security that this measure of protection has brought to millions of Americans. Our attention will continue to be focused on maintaining the solvency of the Social Security trust funds so that these earned benefits will continue to be provided to working Americans in the future.

Mr. MOYNIHAN. Mr. President, Monday August 14 marks the 60th anniversary of the signing of the Social Security Act by President Franklin Roosevelt in the Cabinet Room of the White House. I am pleased to introduce today, along with Senator PACKWOOD, a resolution honoring this event.

As we celebrate this occasion we marvel at the confidence of President Roosevelt and his advisers who, in the midst of the despair of the Great Depression, could conceive of a Social Security program for the United States. President Roosevelt, a former Governor of New York, appointed a Committee on Economic Security chaired by Francis Perkins also of New York. And as the senior Senator from New York, I take pride in the fact that a third New Yorker—Senator Robert Wagner—introduced the Economic Security Act in 1935 which resulted in the Social Security Act that President Roosevelt signed 5 months later. And from that moment the program evolved along a natural course.

In 1995, as a result of this evolutionary process: 141 million persons will work in employment covered by Social Security; 95 percent of persons aged 65 and over as either receiving retirement benefits or eligible to receive benefits; 98 percent of children under 18 are eligible for survivor benefits if a working parent dies; and 80 percent of men and women aged 21 to 64 are eligible for benefits in the event of prolonged disability.

To continue this success story into the next century requires a Social Security program that is soundly financed, boldly administered, and widely supported.

The best way to maintain a strong Social Security program is by maintaining public support for the program. And here we need to pay attention to what is happening and why.

Polls consistently show that a majority of nonretired adults have little or no confidence in Social Security. And no wonder why. Despite the fact that we pay into the Social Security system every week we never hear from them. Or at least that was the case until now.

As result of legislation that I first introduced in 1988 and that was subsequently included in the Omnibus Budget Reconciliation Act of 1989, the Social Security Administration, this year, began sending out annual benefit statements to future Social Security recipients.

These personal earnings and benefit estimate statement [PEBES] provide estimates of benefits that individuals may be eligible to receive, including retirement, survivors, disability, and dependents benefits.

Sixty years ago President Roosevelt and his advisers—in the midst of a depression—could look forward with confidence as they built a Social Security system.

Today our economy is eight times larger than the 1935 economy—and on a per-capita basis we are four times richer. Clearly we can afford Social Security.

As needed, the system will be modified to reflect changing demographics and labor markets. But those changes must be guided by a simple principle enunciated in the 1983 report of the National Commission on Social Security Reform—the Greenspan Commission on which I proudly served:

> The National Commission believes that changes in the Social Security program should be made only for programmatic reasons, and not for the purposes of balancing the budget.

NATIONAL CHARACTER COUNTS WEEK

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 150, Senate Resolution 103.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 103) to proclaim the week of October 15 through October 21, 1995, as National Character Counts Week, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, I ask unanimous consent that the resolution be agreed to; that the preamble be agreed to; that the motion to reconsider be laid upon the table; and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (S. Res. 103) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 103

Whereas young people will be the stewards of our communities, the nation, and world in critical times, and the present and future well-being of society requires an involved, caring citizenry with good character;

Whereas concerns about the character training of children have taken on a new sense of urgency as violence by and against youth threatens the physical and psychological well-being of the United States;

Whereas, more than ever, children need strong and constructive guidance from their families, their communities, and institutions such as schools, youth organizations, religious institutions, and civic groups;

Whereas the character of a nation is only as strong as the character of the individual citizens comprising the nation;

Whereas the public good is advanced when young people are taught the importance of good character, and that character counts in personal relationships, in school, and in the workplace;

Whereas scholars and educators agree that people do not automatically develop good character and, therefore, conscientious efforts must be made by youth-influencing institutions and individuals to help young people develop the essential traits and characteristics that comprise good character;

Whereas character development is, first and foremost, an obligation of families, efforts by religious institutions, schools, and youth, civic, and human service organizations also play a very important role in supporting family efforts by fostering and promoting good character;

Whereas the Senate encourages students, teachers, parents, youth, and community leaders to recognize the valuable role youth in the United States play in the present and future of the United States, and to recognize that character plays an important role in the future of the United States;

Whereas, in July 1992, the Aspen Declaration was written by an eminent group of educators, youth leaders, and ethics scholars for the purpose of articulating a coherent framework for character education appropriate to a diverse and pluralistic society;

Whereas the Aspen Declaration states that "Effective character education is based on core ethical values which form the foundation of democratic society";

Whereas the core ethical values identified by the Aspen Declaration constitute the 6 core elements of character;

Whereas the 6 core elements of character are trustworthiness, respect, responsibility, justice and fairness, caring, and civic virtue and citizenship;

Whereas the 6 core elements of character transcend cultural, religious, and socioeconomic differences;

Whereas the Aspen Declaration states that "The character and conduct of our youth reflect the character and conduct of society; therefore, every adult has the responsibility to teach and model the core ethical values and every social institution has the responsibility to promote the development of good character.";

Whereas the Senate encourages individuals and organizations, especially the individuals and organizations that have an interest in the education and training of our youth, to adopt the 6 core elements of character as intrinsic to the well-being of individuals, communities, and society as a whole; and

Whereas the Senate encourages communities, especially schools and youth organizations, to integrate the 6 core elements of character into programs serving students and children: Now, therefore, be it

Resolved, That the Senate proclaims the week of October 15 through October 21, 1995, as National Character Counts Week, and requests the President to issue a proclamation calling upon the people of the United States and interested groups to embrace the 6 core elements of character and to observe the week with appropriate ceremonies and activities.

AUTHORITY FOR COMMITTEES TO REPORT

Mr. DOLE. Mr. President, I ask unanimous consent that, notwithstanding adjournment of the Senate, on Wednesday, August 30, committees have from 11 a.m. to 2 p.m. to file any legislative or executive reported business.

The PRESIDING OFFICER. Without objection, it is so ordered.

STAR PRINT—SENATE REPORT 104–133

Mr. DOLE. Mr. President, I ask unanimous consent that Senate report 104–133 be star printed to reflect the changes that I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECORD TO REMAIN OPEN UNTIL 5 P.M.

Mr. DOLE. I ask unanimous consent that the RECORD remain open for submission of statements and introduction of legislation until 5 p.m. this evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. DOLE. Mr. President, I ask unanimous consent as in executive session that the Senate immediately proceed to the following Executive Calendar nominations:

Cal. No. 184. James Hoecker;
Cal. No. 232. Vincent Ryan, Jr.;
Cal. No. 238. Victor Jackovich;
Cal. No. 244. John Hirsch;
Cal. No. 252. Vera Alexander;
Cal. No. 253. John Callahan;
Cal. No. 255. Howard Schloss;
Cal. No. 256. Lynne Waihee;
Cal. No. 257. Mary Furlong;
Cal. No. 268. Andre Davis;
Cal. No. 269. Catherine Blake;
Cal. No. 270. B. Lynn Winmill;
Cal. No. 271. Edward Blair;
Cal. No. 272. John Garamendi;
Cal. No. 273. Charles Curtis;
Cal. No. 274. Jeanne Ferst;
Cal. No. 275. Terence Evans;
Cal. No. 276. Michael Murphy;
Cal. No. 277. Joseph McKinley;
Cal. No. 278. James Moody;
Cal. No. 279. William Sessions;
Cal. No. 280. Ortrie Smith;
Cal. No. 281. Evan Wallach;
Cal. No. 282. Donald Pogue;
Cal. No. 283. Lt. Gen. John Otjen;
Cal. No. 284. Lt. Gen. James Clapper;
Cal. No. 285. Maria Haley;
Cal. No. 286. Herbert Collins;
Cal. No. 287. Roberta Gross;
Cal. No. 288. Jill Long;
Cal. No. 289. Jill Long;
Cal. No. 290. William Courtney;
Cal. No. 291. Stanley Escudero;
Cal. No. 292. Joseph Presel;
Cal. No. 293. Mark Gearan;
Cal. No. 294. Lee Jackson;
Cal. No. 295. David Burke;
Cal. No. 296. Edward Kaufman;
Cal. No. 297. Tom Korologos;
Cal. No. 298. Bette Lord;
Cal. No. 299. Alberto Mora;
Cal. No. 300. Cheryl Halpern;
Cal. No. 301. Marc Nathanson;
Cal. No. 302. Carl Spielvogel;
Cal. No. 303. Jerome Stricker;
Cal. No. 304. Sheryl Marshall;
Cal. No. 305. William Leblanc;
Cal. No. 306. Jacob Lew;
Cal. No. 307. Beth Slavet;
Cal. No. 308. Stephen Potts;
Cal. No. 309. Jay Ehle;
Cal. No. 310. Robert Francis;
Cal. No. 311. John Goglia.

I further ask unanimous consent the nominations be confirmed en bloc, the motions to reconsider be laid upon the table en bloc, the President be immediately notified of the Senate's action; that any statements relating to any of the nominations appear at the appropriate place in the RECORD, and the Senate then immediately return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF ENERGY

James John Hoecker, of Virginia, to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 2000.

PANAMA CANAL COMMISSION

Vincent Reed Ryan, Jr., of Texas, to be a Member of the Board of Directors of the Panama Canal Commission.

DEPARTMENT OF STATE

Victor Jackovich, of Iowa, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Slovenia.

John L. Hirsch, of New York, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Sierra Leone.

MARINE MAMMAL COMMISSION

Vera Alexander, of Alaska, to be a Member of the Marine Mammal Commission for a term expiring May 13, 1997.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

John Joseph Callahan, of Massachusetts, to be an Assistant Secretary of Health and Human Services.

DEPARTMENT OF THE TREASURY

Howard Monroe Schloss, of Louisiana, to be an Assistant Secretary of the Treasury.

NATIONAL INSTITUTE FOR LITERACY

Lynne C. Waihee, of Hawaii, to be a Member of the National Institute for Literacy Advisory Board for term of three years.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

Mary S. Furlong, of California, to be a Member of the National Commission on Libraries and Information Science for a term expiring July 19, 1999.

Andre M. Davis, of Maryland, to be United States District Judge for the District of Maryland.

Catherine C. Blake, of Maryland, to be United States District Judge for the District of Maryland.

B. Lynn Winmill, of Idaho, to be United States District Judge for the District of Idaho.

DEPARTMENT OF JUSTICE

Edward Scott Blair, of Tennessee, to be United States Marshal for the Middle District of Tennessee for the term of four years.

DEPARTMENT OF THE INTERIOR

John Raymond Garamendi, of California, to be Deputy Secretary of the Interior.

DEPARTMENT OF ENERGY

Charles B. Curtis, of Maryland, to be Deputy Secretary of Energy.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

Jeanne R. Ferst, of Georgia, to be a Member of the National Museum Services Board for a term expiring December 6, 1999.

THE JUDICIARY

Terence T. Evans, of Wisconsin, to be United States Circuit Judge for the Seventh Circuit.

Michael R. Murphy, of Utah, to be United States Circuit Judge for the Tenth Circuit.

Joseph H. McKinley, Jr., of Kentucky, to be United States District Judge for the Western District of Kentucky.

James M. Moody, of Arkansas, to be United States District Judge for the Eastern District of Arkansas.

William K. Sessions, III, of Vermont, to be United States District Judge for the District of Vermont.

Ortrie D. Smith, of Missouri, to be United States District Judge for the Western District of Missouri.

Evan J. Wallach, of Nevada, to be a Judge of the United States Court of International Trade.

Donald C. Pogue, of Connecticut, to be a Judge of the United States Court of International Trade.

IN THE ARMY

The following named officer to be placed on the retired list in the grade indicated under the provisions of Title 10, United States Code, Section 1370:

To be Lieutenant General

Lt. Gen. John P. Otjen, 390–38–0891, United States Army

IN THE AIR FORCE

The following named officer for appointment to the grade of lieutenant general on the retired list pursuant to the provisions to Title 10, United States Code, Section 1370:

To be Lieutenant General

Lt. Gen. James R. Clapper, Jr., 230-50-5888, United States Air Force

EXPORT-IMPORT BANK OF THE UNITED STATES

Maria Luisa Mabilangan Haley, of Arkansas, to be a Member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 1999.

RESOLUTION TRUST CORPORATION

Herbert F. Collins, of Massachusetts, to be a Member of the Thrift Depositor Protection Oversight Board for a term of three years.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Roberta L. Gross, of the District of Columbia, to be Inspector General, National Aeronautics and Space Administration.

DEPARTMENT OF AGRICULTURE

Jill L. Long, of Indiana, to be Under Secretary of Agriculture for Rural Economic and Community Development.

COMMODITY CREDIT CORPORATION

Jill L. Long, of Indiana, to be a Member of the Board of Directors of the Commodity Credit Corporation.

DEPARTMENT OF STATE

William Harrison Courtney, of West Virginia, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Georgia.

Stanley Tuemler Escudero, of Florida, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Uzbekistan.

Joseph A. Presel, of Rhode Island, a Career Member of the Senior Foreign Service, Class of Minister-Counselor, for the rank of Ambassador during his tenure of service as Special Negotiator for Nagorno-Karabakh.

PEACE CORPS

Mark D. Gearan, of Massachusetts, to be Director of the Peace Corps.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Lee F. Jackson, of Massachusetts, to be United States Director of the European Bank for Reconstruction and Development.

UNITED STATES INFORMATION AGENCY

David W. Burke, of New York, to be a Member of the Broadcasting Board of Governors for a term of three years.

Edward E. Kaufman, of Delaware, to be a Member of the Broadcasting Board of Governors for a term of two years.

Tom C. Korologos, of Virginia, to be a Member of the Broadcasting Board of Governors for a term of three years.

Bette Bao Lord, of New York, to be a Member of the Broadcasting Board of Governors for a term of two years.

Alberto J. Mora, of Florida, to be a Member of the Broadcasting Board of Governors for a term of two years.

Cheryl F. Halpern, of New Jersey, to be a Member of the Broadcasting Board of Governors for a term of one year.

Marc B. Nathanson, of California, to be a Member of the Broadcasting Board of Governors for a term of three years.

Carl Spielvogel, of New York, to be a Member of the Broadcasting Board of Governors for a term of one year.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

Jerome A. Stricker, of Kentucky, to be a Member of the Federal Retirement Thrift Investment Board for a term expiring September 25, 1998.

Sheryl R. Marshall, of Massachusetts, to be a Member of the Federal Retirement Thrift Investment Board for a term expiring October 11, 1998.

POSTAL RATE COMMISSION

William H. LeBlanc III, of Louisiana, to be a Commissioner of the Postal Rate Commission for a term expiring November 22, 2000.

EXECUTIVE OFFICE OF THE PRESIDENT

Jacob Joseph Lew, of New York, to be Deputy Director of the Office of Management and Budget.

MERIT SYSTEMS PROTECTION BOARD

Beth Susan Slavet, of Massachusetts, to be a Member of the Merit Systems Protection Board for the term of seven years expiring March 1, 2002.

OFFICE OF PERSONNEL MANAGEMENT

Stephen D. Potts, of Maryland, to be Director of the Office of Government Ethics for a term of five years.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Jay C. Ehle, of Ohio, to be a Member of the Advisory Board of the Saint Lawrence Seaway Development Corporation.

NATIONAL TRANSPORTATION SAFETY BOARD

Robert Talcott Francis II, of Massachusetts, to be a Member of the National Transportation Safety Board for the term expiring December 31, 1999.

John Goglia, of Massachusetts, to be a Member of the National Transportation Safety Board for the term expiring December 31, 1998.

NOMINATION OF B. LYNN WINMILL

Mr. KEMPTHORNE. Mr. President, it is with pride that I enthusiastically support Hon. Judge Lynn Winmill, an outstanding nominee to be Federal District Court judge in Idaho.

I take seriously the Senate's responsibility to advise and consent on judicial nominations. Federal judges, appointed for life, can wield enormous power which affects the lives of all Americans. Because of that power, Idaho deserves a judge with extensive legal experience and the proven ability to be fair and thoughtful. Idaho deserves a judge who will honor the Old Testament admonition: "Justice, and only justice, you shall pursue." Judge Winmill meets these tests.

He is known in Idaho for his extraordinary hard work, keen intellect, well-written legal opinions and superior judicial temperament that has marked his entire career. When he was city attorney for Chubbuck, ID, Mayor John Cotant said Lynn Winmill immersed himself into every issue 100 percent. In private law practice, he devoted as much as 25 percent of his time to pro bono work. As a college instructor on the interplay of law and culture in society, his faculty evaluation ratings have been among the highest in that department.

His pursuit of excellence continued as a State district court judge. In a recent survey, Idaho attorneys rated Judge Winmill as one of the five best State judges. He is ranked among the State's top four judges for resolving cases within the time standards adopted by the Idaho Supreme Court. His reversal rate on appeal is among the State's lowest.

But a good judge is more than just a good lawyer. Those who know Judge Winmill say he is a family oriented man dedicated to the youth of his community.

His commitment to kids tells me a lot about his character and that he will be a fair, responsible judge. He invites elementary and junior high school classes to this courtroom for field trips, and the presides over mock trials with the students as lawyers, witnesses, and jurors. He then discusses with them the students' responsibilities as citizens.

Judge Winmill's dedication to youth extends to other areas as well. He was a Boy Scout troop leader for 4 years, and every one—I repeat, every one—of his scouts became an Eagle scout. As a coach of youth basketball and soccer teams, he teaches that sports is a metaphor of life, that you win some, and you lose some, but you must always be and play your best. It is no surprise his teams included two State champions.

Coaching from the sidelines bench has prepared him well for the courtroom bench.

For 2½ years, the State of Idaho has been with the need to fill this vacancy, and Senator CRAIG and I pledged that when the President provided us with a candidate who had the credentials that would fill the needs we would move in full expeditious fashion to see the confirmation. We will have in Judge Winmill that individual who comes to us with the highest of accolades throughout the State of Idaho, both from the judicial community and from the legal community, as well as the community of citizens, active with youth programs, who realize that Lynn Winmill is one of those members of the community they are willing to put their faith into in this type of a lifetime appointment.

So I appreciate the efforts of Senator CRAIG, working with us on this project, but also I wish to express to the Senate majority leader, Senator DOLE, my appreciation for his diligence to ensure that we would see the confirmation of Judge Winmill before we go into recess.

I thank the Senator, and I thank the other Members of the Senate, and Idaho thanks you because this is the right man for the job in that judgeship at the right time, and this will be welcome news in the State of Idaho.

THE NOMINATION OF JOHN GARAMENDI

Mrs. BOXER. Mr. President, I am pleased that President Clinton nominated Californian John Garamendi for the position of Deputy Secretary at the Department of Interior. I strongly support Mr. Garamendi's nomination and am confident that the Senate will confirm him with the same bipartisan approval he garnered in the Senate Energy and Natural Resources Committee where his nomination passed, 20–0. Mr. Garamendi will being his unique experiences to the Department of Interior at a time when many of our public land policies are being reformed and challenged.

John Garamendi is a fourth-generation rancher whose family has been involved in cattle ranching and mining since the 1860's. John and his wife Patti own and operate their own ranch in Paloma, CA, and understand the many decisions that ranchers face. He understands the impacts that his decisions as Deputy Secretary of Interior would have on our public lands, resources, and the people who manage them.

John Garamendi began his career in public service in 1972 as a member of the Calveras County Farm Bureau. After 2 years on the bureau, John ran successfully for a seat in the California State Assembly and 2 years later ran for a seat in the California State Senate where he served until 1990. In 1991, Mr. Garamendi became California's first elected insurance commissioner and chose not to run again at the end of his term early this year.

I believe he clearly understands the difficulties facing our Nation today in managing our land and resources. In his statement to the Senate Energy and Natural Resources Committee he identified the two, seemingly contradictory, experiences that the Department of Interior works to bring together; "* * * the necessity of using the land and its resources to provide for my family; on the other hand, President Theodore Roosevelt's challenge to conserve the land and pass it on in better shape then when I found it."

Mr. President, I strongly urge the confirmation of John Garamendi for Deputy Secretary of Interior.

NOMINATION OF WILLIAM K. SESSIONS III

Mr. LEAHY. Mr. President, when I recommended Bill Sessions to the President in March, I described him as a respected lawyer from Middlebury with a wide range of legal experience. He has distinguished himself by his contributions to the community and by his participation in efforts to improve our justice system. I have great confidence that Bill Sessions will be a fair, thoughtful and conscientious addition to the Federal bench in Vermont.

Vermont is blessed with a very talented bench and bar and making a recommendation among them was difficult. In the end, I relied on the standard I have cited for years: I recommended the person that I believe any litigant on any issue can be assured will provide a fair and judicious hearing and a common sense determination of disputes and problems.

Bill's integrity and fairness are impeccable. He will be concerned with applying the laws fairly and with how the Federal courts and Federal laws affect people.

I have known and admired Bill Sessions for a number of years. He is a devoted father and husband. He is involved in the community. His legal work is outstanding. I know of his involvement in the bar in a number of positions, including with the rule of law project of the Vermont Bar Association and the civil justice reform project for the Vermont district court.

Bill graduated from Middlebury College and received his law degree with honors from George Washington University. He served as Addison County public defender as well as the executive director of the Addison County Youth Services Bureau. He has served as an adjunct professor at Vermont Law School, where he received the Phi Delta Phi Academic Excellence Award in 1982. He has been engaged in the private practice of law for the past 17 years, most recently with the firm of Sessions, Keiner, Dumont & Barnes. He has handled a wide variety of matters, in particular complex criminal and related civil matters in both Federal and State court, and has tremendous trial experience. The ABA gave this nominee its highest rating.

I was struck during his confirmation hearings last year when Justice Breyer spoke so eloquently about the Constitution and its guarantees of individual dignity. I believe that Bill Sessions has spent his professional life working to uphold human dignity.

I am convinced that Bill Sessions will always remember the effects that his decisions will have on real people—people who may not be powerful or well-connected. He has demonstrated that he has not only mastered the complexities of the law but its meaning. I feel sure that he will do his utmost to see that the decisions of the U.S. district court in Vermont reflect both the letter and the spirit of law. He will make an outstanding Judge.

I am pleased that the President's nomination of Bill Sessions has drawn praise from a number of quarters, ranging from law enforcement officers including the U.S. Attorney, the U.S. Marshal and States attorneys, to State and Federal judges including Judges Billings, Parker, and Davenport. Indeed, the Judiciary Committee received a number of letters in support of this nomination. I would, in particular, like to mention the letters from Doug Richards, the chair of the Vermont Judicial Nominating Advisory Commission; Susanne Young, a Vermont assistant attorney general; Peter Hall, a former first assistant and acting U.S. attorney; and Charles Caruso, a former acting U.S. attorney.

I have every confidence that Bill Sessions will make an outstanding Federal judge, who will be just, practical and hardworking on behalf of the people of Vermont. I have every confidence that once confirmed he will successfully resist the pressures to become cloistered away from the world. I think that his strong involvement with his vibrant family and his community will help protect him. I doubt that Abi, Hannah, Myra and Jonathan are going to allow him to lose touch.

Vermont is the only State in the Union to have only one full-time Federal judge currently. Since Judge Parker was confirmed to the U.S. Court of Appeals for the Second Circuit last year and Judge Billings assumed senior status, Vermont has been without its complement of two U.S. District Court judges. Vermont deserves to have its Federal judges considered, confirmed and in place ready to rule on important matters.

I thank the President for nominating Bill Sessions and thank my colleagues for expediting his confirmation. I commend them all for recognizing the merit of this extraordinary nominee.

NOMINATION OF JILL L. LONG

Mr. LUGAR. Mr. President, I strongly support the nomination of Jill Long to be the Under Secretary of Agriculture for Rural Economic and Community Development. As chairman of the Committee on Agriculture, Nutrition, and Forestry, I successfully urged my colleagues on that committee to support my fellow Hoosier for this key position. The committee approved her nomination by a unanimous voice vote on August 9.

Many Senators have worked with Jill as a respected and valued colleague on the House Agriculture Committee. She served on that committee with distinction from the time of her election to Congress in 1989.

Jill Long was raised on a grain and dairy farm in Whitley County, Indiana. Her active involvement in helping to manage the farm continued through the difficult period of the 1980s.

At the same time, she began her public service in 1983 on the Valparaiso City Council. She has a distinguished teaching career at Valparaiso University, Indiana University-Purdue University at Fort Wayne, and Indiana University in Bloomington.

The nominee has had a long interest in rural development issues. During her chairmanship of the Congressional Rural Caucus, that group's membership more than doubled. She has a reputation for approaching issues thoughtfully and with common sense.

Although we are of different parties, we have often worked together in a bipartisan way on issues that affected our State. Last year, we joined in promoting legislation to roll back unnecessary and intrusive federal environmental regulations that, in effect, treated soybean oil as the equivalent of toxic petroleum oil.

The agencies and programs Ms. Long will oversee are important to rural America's future. We must consolidate an array of existing programs into a more coherent economic development effort. The Agriculture Committee voted to do precisely that when it approved a rural development title for the 1995 farm bill last month.

The nominee will need both creativity and perseverance to manage effectively her substantial portfolio at USDA. She will need to set priorities and identify opportunities. She must decisively correct problems and insist on efficient management. She will need to provide focus to a part of USDA that is very important—but suffers from a lack of clear direction.

I believe Jill Long is well qualified for the position to which she has been nominated. She acquitted herself ably during her confirmation hearing, and I urge Senators to vote in favor of her nomination.

LEGISLATIVE SESSION

Mr. DOLE. Mr. President, are we back to legislative session?

The PRESIDING OFFICER. The Senate is back in legislative session.

ORDERS FOR TUESDAY, SEPTEMBER 5, 1995

Mr. DOLE. I ask unanimous consent that the Senate reconvene on Tuesday, September 5, at 10 a.m., and that following the prayer the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have been expired, the time for the two leaders be reserved for their use later in the day, and the Senate immediately resume consideration of S. 1026, the DOD authorization bill, under the previous consent agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. DOLE. Mr. President, for the information of all Senators, at 10 a.m. on Tuesday, the Senate will resume consideration of S. 1026, the DOD authorization bill, with 24 amendments in order. Senators who have amendments are expected to be present to offer and dispose of their amendments. Under a previous consent, a rollcall vote will occur on passage of the DOD appropriations bill on Tuesday, September 5, 1995, which will be the first rollcall vote of the day.

Senators should also be on notice the Senate will remain in session on Tuesday until the DOD authorization bill will be completed. Therefore, a late session can be anticipated.

Also, following the DOD authorization bill, on Wednesday, the Senate will resume consideration of the so-called welfare bill, the Work Opportunity Act of 1995. Therefore, late sessions and votes can be expected throughout the first week after the August recess. I think I can add throughout the month of September.

BLOCKING OF WTO

Mr. DOLE. Mr. President, while we are waiting, I would just say I regret the Senator from West Virginia, Senator BYRD, without any notification to me, has chosen to block the WTO legislation, on which I have worked with the administration, which I was promised by the administration if I would support GATT. It was part of the agreement in an effort to gain my support. I kept my word and did, for the President of the United States and, more importantly, for the country.

I was advised, after being told today by the chairman of the Finance Committee that the WTO legislation had been cleared, late this afternoon the Senator from West Virginia, Senator BYRD, as he has a right to do, would not permit it to go forward. At that point, the leader had either the choice to block all the nominees or to do what I have just done. It is unfair to the families to have another 3 or 4 weeks' wait because of an unexpected hold put on legislation, which had been cleared by the committee of jurisdiction, cleared by the minority leader, cleared by the administration, and blocked by someone who I have tried to accommodate at every turn in this Chamber, the Senator from West Virginia, Senator BYRD. That certainly is not right.

I must say, this legislation was very important to me and will remain very important to me. I am disappointed that he chose not to even contact me before taking this action. Now the Senator from North Carolina is here so we can do some treaties.

EXECUTIVE SESSION

INCOME TAX CONVENTION WITH SWEDEN

INCOME TAX CONVENTION WITH UKRAINE

EXCHANGE OF NOTES DATED AT WASHINGTON MAY 26 AND JUNE 6, 1995, RELATING TO THE INCOME TAX CONVENTION AND PROTOCOL WITH UKRAINE

ADDITIONAL PROTOCOL MODIFYING THE INCOME TAX CONVENTION WITH MEXICO

INCOME TAX CONVENTION WITH THE FRENCH REPUBLIC

INCOME TAX CONVENTION AND PROTOCOL WITH PORTUGAL

REVISED PROTOCOL AMENDING THE TAX CONVENTION WITH CANADA

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider Executive Calendar Nos. 4 through 10.

I further ask unanimous consent that the treaties be considered as having passed through their various parliamentary stages up to and including the presentation of the resolutions of ratification; that all committee provisos, reservations, understandings, et cetera, be considered agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will state the resolutions of ratification.

The legislative clerk read as follows:

INCOME TAX CONVENTION WITH SWEDEN

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of Sweden for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Stockholm on September 1, 1994, together with a related exchange of notes (Treaty Doc. 103-29).

INCOME TAX CONVENTION WITH UKRAINE

EXCHANGE OF NOTES DATED AT WASHINGTON, DC, MAY 26 AND JUNE 6, 1995 RELATING TO THE INCOME TAX CONVENTION AND PROTOCOL WITH UKRAINE

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of Ukraine for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, Together With a Related Protocol, signed at Washington on March 4, 1994 (Treaty Doc. 104–11).

ADDITIONAL PROTOCOL MODIFYING THE INCOME TAX CONVENTION WITH MEXICO

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Additional Protocol that Modifies the Convention between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income signed at Washington on September 18, 1992. The Additional Protocol was signed at Mexico City on September 8, 1994 (Treaty Doc. 103–31).

INCOME TAX CONVENTION WITH THE FRENCH REPUBLIC

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Government of the French Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital, signed at Paris on August 31, 1994, together with two related exchanges of notes (Treaty Doc. 103–32). The Senate's advise and consent is subject to the following declaration, which shall not be included in the instrument of ratification to be signed by the President:

That it is the Sense of the Senate that the tax relief available under paragraph 5(b) of Article 30 of the proposed Convention, which exempts certain interest payments to French subsidiaries from United States tax to the extent that United States tax is imposed on such payments under subpart F of Part III of subchapter N of chapter 1 of subtitle A of the Internal Revenue Code ("subpart F"), should be automatically available to any French subsidiary that is a controlled foreign corporation under Section 957 of the Internal Revenue Code to the extent that such payments are taxed under subpart F. The Treasury Department and the Internal Revenue Service shall negotiate with their Dutch counterparts an application of Paragraph 8 of the Article 12 of the U.S.-Netherlands Tax Treaty consistent with the French Treaty as described above and grant a long-term exemption from United States tax for interest paid to Dutch subsidiaries to the extent such interest is taxed under subpart F.

INCOME TAX CONVENTION AND PROTOCOL WITH PORTUGAL

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the Government of the United States of America and the Portuguese Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, together with a related Protocol, signed at Washington on September 6, 1994 (Treaty Doc. 103–34). The Senate's advice and consent is subject to the following two understandings, both of which shall be included in the instrument of ratification to be signed by the President and the following two declarations, neither of which shall be included in the instrument of ratification to be signed by the President:

(a) Understanding: That if the Portuguese Republic changes its internal policy with respect to government ownership of commercial banks in a manner that has the effect of exempting from U.S. tax the U.S.-source interest paid to Portuguese commercial banks under paragraph 3(b) of Article 11, the Government of Portugal shall so notify the Government of the United States and the two Governments shall enter into consultations with a view to restoring the balance of benefits under the proposed Convention;

(b) Understanding: That the second sentence of paragraph 2 of article 2 of the proposed Convention shall be understood to include the specific agreement that the Portuguese Republic regularly shall inform the Government of the United States of America as to the progress of all negotiations with and actions taken by the European Union or any representative organization thereof, which may affect the application of paragraph 3(b) of article 10 of the proposed Convention;

(c) Declaration: That the United States Department of the Treasury shall inform the Senate Committee on Foreign Relations as to the progress of all negotiations with and actions taken by the European Union or any representative organization thereof, which may affect the application of paragraph 3(b) of article 10 of the proposed Convention; and

(d) Declaration: That it is the Sense of the Senate that (1) the effect of the Portuguese Substitute Gift and Inheritance Tax is to provide for nonreciprocal rates of tax between the two parties; (2) such nonreciprocal treatment is a significant concession by the United States that should not be viewed as a precedent for future U.S. tax treaties, and, could in fact be a barrier to Senate advice and consent to ratification of future treaties; (3) the Portuguese Government should take appropriate steps to insure that interest and dividend income beneficially owned by residents of the United States is not subject to higher effective rates of taxation by Portugal than the corresponding effective rates of taxation imposed by the United States on such income beneficially owned by residents of Portugal; and (4) the United States should communicate this Sense of the Senate to the Portuguese Republic.

REVISED PROTOCOL AMENDING THE TAX CONVENTION WITH CANADA

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of a Revised Protocol Amending the Convention between the United States and Canada with Respect to Taxes on Income and on Capital signed at Washington on September 26, 1980, as Amended by the Protocols signed on June 14, 1983 and March 28, 1984. The Revised Protocol was signed at Washington on March 17, 1995 (Treaty Doc. 104–4). The Senate's advice and consent is subject to the following declaration, which shall not be included in the instrument of ratification to be signed by the President:

That the United States Department of the Treasury shall inform the Senate Committee on Foreign Relations as to the progress of all negotiations with and actions taken by Canada that may affect the application of paragraph 3(d) of article XII of the Convention, as amended by article 7 of the proposed Protocol.

Mr. DOLE. Mr. President, I ask unanimous consent that any statements be inserted in the CONGRESSIONAL RECORD as if read; that the Senate take one vote on the resolutions of ratification to be considered as separate votes; further, that when the resolutions of ratification are voted upon, the motions to reconsider be laid upon the table; that the President be notified of the Senate's action, and that following disposition of the treaties, the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask for consideration of the resolutions before the Senate by a division vote.

The PRESIDING OFFICER. A division vote is requested.

Senators in favor of the resolutions of ratification please stand and be counted. [After a pause.] All those opposed please stand and be counted.

On a division, two-thirds of the Senators present and voting having voted in the affirmative, the resolutions of ratification are agreed to.

ORDER FOR ADJOURNMENT

Mr. DOLE. Mr. President, I ask unanimous consent that following the statement by the Senator from West Virginia, the Senate stand in adjournment under the provisions of House Concurrent Resolution 92.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the leader.

WORLD TRADE ORGANIZATION

Mr. BYRD. Mr. President, before the leader leaves the floor, if I may have the attention of the distinguished leader. I just came to the floor because I heard the distinguished leader mention my name in connection with the bill to establish a commission to review the dispute settlement of the reports of the World Trade Organization, and for other purposes.

May I say to the leader that this is a matter about which I know very little. I am not on the committee that has jurisdiction over this legislation. I was asked this afternoon about this. I was asked if I would give consent. I understood that the leader wanted to get unanimous consent to adopt this bill this afternoon. I think it is too much of a bill to pass by unanimous consent on the last day before we go out. Mr. Kantor called me and I said, "Is there an urgent time factor here or something that is about to expire? Is there a reason why this has to be done today, after everybody is gone?" I was against the GATT. I voted against it. I have a feeling that the leader feels about like I do on some of these trade bills. It was said that the leader would consider this a personal favor. I said I would like to do a personal favor for the leader. I would like that. There have been some things I have wanted from time to time that he has agreed to. But for this kind of a bill to be passed by unanimous consent on the last day, setting up a commission of this kind, I do not think we ought to do that. I think it is something we ought to study and debate, or at least have people back here who know more about it than I do. It was for that reason that I objected.

I certainly do not want to do anything that gets in the way of the leader or hurts his feelings. But I just cannot see the urgency of passing a bill of this size on the last day before we go out for 3 weeks. Why can we not do it when we come back? It still has to go to the House; it has to go to conference. I tried to study this hurriedly. I am not on the Finance Committee, as I say. I may very well support this; I may not. But it sets up a commission composed of five members, all of whom shall be judges, Federal judiciary judges. That is just one thing that caught my eye. Why should we appoint a commission of this kind made up of the membership of judges of the Federal circuit courts? Why should business not be represented? Why should labor not be represented?

Perhaps there are some good answers. But I do not know them. I am sorry if the leader has taken umbrage to my objection, but I do not feel that something of this importance should be whipped through on the last day before a 3-week recess by unanimous consent. I hope the leader will not feel any ill will toward me. If he wants to hold up a nomination, that is his right. I am not doing this for any political reason. I do not oppose this for any political reason. I think my President supported it. The White House wants me to remove my objection. Mickey Kantor wants me to remove it.

I am not objecting, may I say to my good friend, for any partisan reason. I am not doing it for any reason to incur his ill will. I am sorry. But he mentioned my name on the floor, and I felt that I should come and explain this for the RECORD so that all Senators will know why I have objected, when they get back.

I have no objection to taking it up when all Members of the Finance Committee on both sides are here. And when we get back, if they want to agree to it by unanimous consent, I might also. I would like for somebody to explain to me why we have to have five members of the circuit courts of this country on this commission. It seems to me they are too busy. This would appear to be something like a full-time job. Why are they so specially competent? Surely someone should answer those questions.

As I say, there may be good answers to the questions. Once I hear them—Mr. Kantor tried to give me some answers. I was not convinced. Perhaps I can be convinced.

Mr. DOLE. Mr. President, will the Senator yield? I need to go, but I will say this has been around about 8 months. It should not come as any great surprise. It is not major legislation. Many pieces of major legislation start by consent.

It is drafted by—almost by the administration. It has been in the Finance Committee. We have had hearings on it. We did not bring it to the floor without hearings. It is a promise made to me. Maybe they do not—maybe promises do not mean anything by the President of the United States and by the trade representative.

They did not guarantee it would get through the Congress. It may not get through the House. I did not know anybody had an objection. It has been around here for 8 months and everybody knew at the time—at least most everybody last November—when I appeared with the President in the Rose Garden and said I would support GATT if they would make these changes.

We thought they were necessary so we would not have a faceless, nameless bureaucrat in Geneva deciding what the future might be for American jobs. So we pursued it.

Certainly the Senator has a right to object, and we will be back here in September, but I must say when the chairman of the Finance Committee, the committee of jurisdiction, tells me today, well, we have taken care of that for you, I assumed it was done. Any Member has a right to object. I could object to all the nominees, but I did not pursue that course.

The Senator is within his rights. I hope that he will look at it carefully and maybe decide it is not so bad after all.

Mr. BYRD. As I say, I may be easily convinced of that, but I am also convinced that I have a higher responsibility than just approving something that the administration says is okay on a Friday afternoon before we go out.

It may have been around 8 months. I did not see this bill until this afternoon. I did not vote for GATT. I am naturally suspicious of legislation dealing with that subject to which I was opposed when it passed the Senate. I am sorry that the majority leader feels the way he does. There is no personal or political or partisan reason for my objection.

I just—there is no big hurry about this. I heard the leader say that the House might have some objections, and if the House may have some objections, perhaps there is something wrong and we ought to take a look at it.

I am doing what I think is right, and I am sorry that the majority leader appears to feel hurt about it. It is not my desire that he feel hurt. I am doing what my conscience directs me to do under the circumstances. I will live with that.

I yield the floor.

ADJOURNMENT UNTIL 10 A.M. TUESDAY, SEPTEMBER 5, 1995

The PRESIDING OFFICER. Under the previous order and the provisions of House Concurrent Resolution 92, the Senate stands in adjournment until 10 a.m., Tuesday, September 5, 1995.

Thereupon, the Senate at 5:14 p.m. adjourned until Tuesday, September 5, 1995, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate August 11, 1995:

U.S. INSTITUTE OF PEACE

SEYMOUR MARTIN LIPSET, OF VIRGINIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 1999, VICE ELSPETH DAVIES ROSTOW, TERM EXPIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 11, 1995:

DEPARTMENT OF ENERGY

JAMES JOHN HOECKER, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 20, 2000.

CHARLES B. CURTIS, OF MARYLAND, TO BE DEPUTY SECRETARY OF ENERGY.

PANAMA CANAL COMMISSION

VINCENT REED RYAN, JR., OF TEXAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE PANAMA CANAL COMMISSION.

DEPARTMENT OF STATE

VICTOR JACKOVICH, OF IOWA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SLOVENIA.

JOHN L. HIRSCH, OF NEW YORK, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF SIERRA LEONE.

WILLIAM HARRISON COURTNEY, OF WEST VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF GEORGIA.

STANLEY TUEMLER ESCUDERO, OF FLORIDA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF UZBEKISTAN.

JOSEPH A. PRESEL, OF RHODE ISLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER—COUNSELOR, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS SPECIAL NEGOTIATOR FOR NAGORNO-KARABAKH.

MARINE MAMMAL COMMISSION

VERA ALEXANDER, OF ALASKA, TO BE A MEMBER OF THE MARINE MAMMAL COMMISSION FOR A TERM EXPIRING MAY 13, 1997.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOHN JOSEPH CALLAHAN, OF MASSACHUSETTS, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES.

DEPARTMENT OF THE TREASURY

LAWRENCE H. SUMMERS, OF MASSACHUSETTS, TO BE DEPUTY SECRETARY OF THE TREASURY.

HOWARD MONROE SCHLOSS, OF LOUISIANA, TO BE AN ASSISTANT SECRETARY OF THE TREASURY.

NATIONAL INSTITUTE FOR LITERACY

LYNNE C. WAIHEE, OF HAWAII, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM OF 3 YEARS.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

MARY S. FURLONG, OF CALIFORNIA, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 1999.

DEPARTMENT OF THE INTERIOR

JOHN RAYMOND GARAMENDI, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF THE INTERIOR.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

JEANNE R. FERST, OF GEORGIA, TO BE A MEMBER OF THE NATIONAL MUSEUM SERVICES BOARD FOR A TERM EXPIRING DECEMBER 6, 1999.

EXPORT-IMPORT BANK OF THE UNITED STATES

MARIA LUISA MABILANGAN HALEY, OF ARKANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES FOR A TERM EXPIRING JANUARY 20, 1999.

RESOLUTION TRUST CORPORATION

HERBERT F. COLLINS, OF MASSACHUSETTS, TO BE A MEMBER OF THE THRIFT DEPOSITOR PROTECTION OVERSIGHT BOARD FOR A TERM OF 3 YEARS.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

ROBERTA L. GROSS, OF THE DISTRICT OF COLUMBIA, TO BE INSPECTOR GENERAL, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.

DEPARTMENT OF AGRICULTURE

JILL L. LONG, OF INDIANA, TO BE UNDER SECRETARY OF AGRICULTURE FOR RURAL ECONOMIC AND COMMUNITY DEVELOPMENT.

COMMODITY CREDIT CORPORATION

JILL L. LONG, OF INDIANA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION.

PEACE CORPS

MARK D. GEARAN, OF MASSACHUSETTS, TO BE DIRECTOR OF THE PEACE CORPS.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

LEE F. JACKSON, OF MASSACHUSETTS, TO BE U.S. DIRECTOR OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.

U.S. INFORMATION AGENCY

DAVID W. BURKE, OF NEW YORK, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM OF 3 YEARS.

EDWARD E. KAUFMAN, OF DELAWARE, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM OF 2 YEARS.

TOM C. KOROLOGOS, OF VIRGINIA, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM OF 3 YEARS.

BETTE BAO LORD, OF NEW YORK, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM OF 2 YEARS.

ALBERTO J. MORA, OF FLORIDA, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM OF 2 YEARS.

CHERYL F. HELPERN, OF NEW JERSEY, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM OF 1 YEAR.

MARC B. NATHANSON, OF CALIFORNIA, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM OF 3 YEARS.

CARL SPIELVOGEL, OF NEW YORK, TO BE A MEMBER OF THE BROADCASTING BOARD OF GOVERNORS FOR A TERM OF 1 YEAR.

FEDERAL RETIREMENT THRIFT INVESTMENT BOARD

JEROME A. STRICKER, OF KENTUCKY, TO BE A MEMBER OF THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD FOR A TERM EXPIRING SEPTEMBER 25, 1998.

SHERYL R. MARSHALL, OF MASSACHUSETTS, TO BE A MEMBER OF THE FEDERAL RETIREMENT THRIFT INVESTMENT BOARD FOR A TERM EXPIRING OCTOBER 11, 1998.

POSTAL RATE COMMISSION

WILLIAM H. LE BLANC III, OF LOUISIANA, TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION FOR A TERM EXPIRING NOVEMBER 22, 2000.

EXECUTIVE OFFICE OF THE PRESIDENT

JACOB JOSEPH LEW, OF NEW YORK, TO BE DEPUTY DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

MERIT SYSTEMS PROTECTION BOARD.

BETH SUSAN SLAVET, OF MASSACHUSETTS, TO BE A MEMBER OF THE MERIT SYSTEMS PROTECTION BOARD FOR THE TERM OF 7 YEARS EXPIRING MARCH 1, 2002.

OFFICE OF PERSONNEL MANAGEMENT

STEPHEN D. POTTS, OF MARYLAND, TO BE DIRECTOR OF THE OFFICE OF GOVERNMENT ETHICS FOR A TERM OF 5 YEARS.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

JAY C. EHLE, OF OHIO, TO BE A MEMBER OF THE ADVISORY BOARD OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION.

NATIONAL TRANSPORTATION SAFETY BOARD

ROBERT TALCOTT FRANCIS II, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR THE TERM EXPIRING DECEMBER 31, 1999.

JOHN GOGLIA, OF MASSACHUSETTS, TO BE A MEMBER OF THE NATIONAL TRANSPORTATION SAFETY BOARD FOR THE TERM EXPIRING DECEMBER 31, 1998.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

ANDRE M. DAVIS, OF MARYLAND, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF MARYLAND.

CATHERINE C. BLAKE, OF MARYLAND, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF MARYLAND.

B. LYNN WINMILL, OF IDAHO, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF IDAHO.

TERENCE T. EVANS, OF WISCONSIN, TO BE U.S. CIRCUIT JUDGE FOR THE SEVENTH CIRCUIT.

MICHAEL R. MURPHY, OF UTAH, TO BE U.S. CIRCUIT JUDGE FOR THE TENTH CIRCUIT.

JOSEPH H. MCKINLEY, JR., OF KENTUCKY, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF KENTUCKY.

JAMES M. MOODY, OF ARKANSAS, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF ARKANSAS.

WILLIAM K. SESSIONS III, OF VERMONT, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF VERMONT.

ORTRIE D. SMITH, OF MISSOURI, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF MISSOURI.

EVAN J. WALLACH, OF NEVADA, TO BE A JUDGE OF THE U.S. COURT OF INTERNATIONAL TRADE.

DONALD C. POGUE, OF CONNECTICUT, TO BE A JUDGE OF THE U.S. COURT OF INTERNATIONAL TRADE.

DEPARTMENT OF JUSTICE

EDWARD SCOTT BLAIR, OF TENNESSEE, TO BE U.S. MARSHAL FOR THE MIDDLE DISTRICT OF TENNESSEE FOR THE TERM OF 4 YEARS.

IN THE ARMY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JOHN P. OTJEN [redacted]

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL ON THE RETIRED LIST PURSUANT TO THE PROVISIONS TO TITLE 10, UNITED STATES CODE, SECTION 1370:

To be lieutenant general

LT. GEN. JAMES R. CLAPPER, JR [redacted]

EXTENSIONS OF REMARKS

SEAFOOD MONTH PROCLAMATION

HON. ANDREA H. SEASTRAND

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, August 11, 1995

Mrs. SEASTRAND. Mr. Speaker: Whereas seafood is a nutrient-dense food, offering large quantities of protein and significant amounts of vitamins and minerals, without high levels of fat and calories;

Whereas the commercial fishing industry employs more than 350,000 workers in the United States;

Whereas recent figures show that commercial fishing industry contributed more than $16 billion to the Nation's annual gross national product;

Whereas Government figures show seafood consumption continuing to increase above 15 pounds per capita;

Whereas more than 300 species of California-caught fish are delivered to markets throughout the world each year;

Whereas the Morro Bay Estuary, with 2,300 acres of mudflats, wetlands, eel-grass beds, and open water, has been designated a national estuary and granted Federal funds for development of a management plant to protect the bay, including a nationally significant demonstration project to validate how beneficial use, such as commercial fishing and oyster farming, can continue to be compatible with wildlife habitat;

Whereas October has been designated National Seafood Month by the National Fisheries Institute;

Whereas for 14 years people from all over the world have been coming to Morro Bay, CA to enjoy the Harbor Festival;

I recognize before Congress the Morro Bay Harbor Festival—which is sponsored by the California Seafood Council and held the first full weekend of every October to focus public awareness on the commercial fishing industry, seafood industry, and coastal environment—as the official national launch event for National Seafood Month; I would further like to commend those who have put so much effort into making the Harbor Festival one of the country's most worthy, successful, and enjoyable events.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

SENATE—*Tuesday, September 5, 1995*

The Senate met at 10 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God of new beginnings, who makes all things new and fills us with newness of life, we thank You for the fresh start as we begin this fall season of the Senate. We trust You, Lord, to guide and provide. Give us viable hope and vibrant expectancy as we confront old problems and unresolved issues. We need You, Father. Our own strength, ability, experience, and training are inadequate for times like these. Give us a vision of what we could be and do, if, in total trust in You, we receive Your wisdom, knowledge, insight, and inspiration. Fill us with Your spirit and make us courageous leaders in the conflict of these days.

We pray that our trust in You may give us greater trust in one another. Make us trustworthy as we seek Your best for our Nation. Free us of defensiveness and suspicion of those who may not share our party loyalties or political persuasions. Bind us together in the oneness of a shared commitment to You, a passionate patriotism, and a deep dedication to find creative solutions in the concerns that confront us and often divide us.

Bless the women and men of this Senate as they place their ultimate trust in You, and are faithful to the trust placed in them by the people of this Nation. In our Lord's name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. LOTT. Mr. President, for the information of all Senators, this morning the Senate will immediately resume consideration of the Department of Defense authorization bill under the agreement reached prior to the recess. Senators should be aware that a rollcall vote will occur at 5 p.m. this afternoon on passage of the Department of Defense appropriations bill. That rollcall vote will be the first rollcall vote of the day, but further rollcall votes can be expected this evening because the leader is hopeful that we will be able to complete action on the defense authorization bill before the day is over.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMAS). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1026, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Brown amendment No. 2125, to clarify restrictions on assistance to Pakistan.

Mr. THURMOND. Mr. President, I want to advise all Senators that the Senate is on the Defense authorization bill, and the unanimous-consent agreement we propounded before adjourning on August 11 requires us to remain on this bill until all debate is completed and we have a final vote. This bill is essential to our national security and must be passed today.

Let me start the discussion by alerting everyone of today's plans.

First, from now until 5 p.m. we plan to debate those amendments that are in order under the unanimous-consent agreement of August 11.

Second, we plan to stack the votes on those amendments and dispose of them immediately after the vote on the Defense appropriations bill scheduled for 5 p.m. today.

Third, after the stacked votes, we plan to proceed to consideration of the bipartisan missile defense amendments. This debate is scheduled for 3 hours. When that debate concludes, we plan to vote on the amendment and then vote on the bill itself.

This means all amendments that are in order under the unanimous-consent agreement should be raised and debated prior to 5 p.m. today to ensure they are given appropriate consideration. If amendments are not offered early, they may have to wait until after 9 p.m. this evening. Keep in mind that the unanimous-consent agreement we are operating under states that we will not adjourn or recess until final vote is taken on the authorization bill.

Mr. President, I ask my colleagues to come forward with their amendments, limit debate, and work toward a timely vote on this bill.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the pending amendment be temporarily set aside so that I can offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2427

(Purpose: To revise the applicability of the Atomic Energy Community Act of 1955 to Los Alamos, NM)

Mr. BINGAMAN. Mr. President, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico (Mr. BINGAMAN), for himself and Mr. DOMENICI, proposes an amendment numbered 2427.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 570, between lines 10 and 11, insert the following:

SEC. 3168. APPLICABILITY OF ATOMIC ENERGY COMMUNITY ACT OF 1955 TO LOS ALAMOS, NEW MEXICO.

(a) DATE OF TRANSFER OF UTILITIES.—Section 72 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2372) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 1998".

(b) DATE OF TRANSFER OF MUNICIPAL INSTALLATIONS.—Section 83 of such Act (42 U.S.C. 2383) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 1998".

(c) RECOMMENDATION FOR FURTHER ASSISTANCE PAYMENTS.—Section 91 of such Act (42 U.S.C. 2391) is amended—

(1) by striking out ", and the Los Alamos School Board;" and all that follows through "county of Los Alamos, New Mexico" and inserting in lieu thereof "; or not later than June 30, 1996, in the case of the Los Alamos School Board and the county of Los Alamos, New Mexico"; and

(2) by adding at the end the following new sentence: "If the recommendation under the preceding sentence regarding the Los Alamos

School Board or the county of Los Alamos, New Mexico, indicates a need for further assistance for the school board or the county, as the case may be, after June 30, 1997, the recommendation shall include a report and plan describing the actions required to eliminate the need for further assistance for the school board or the county, including a proposal for legislative action to carry out the plan.".

(d) CONTRACT TO MAKE PAYMENTS.—Section 94 of such Act (42 U.S.C. 2394) is amended—

(1) by striking out "June 30, 1996" each place it appears in the proviso in the first sentence and inserting in lieu thereof "June 30, 1997"; and

(2) by striking out "July 1, 1996" in the second sentence and inserting in lieu thereof "July 1, 1997".

Mr. BINGAMAN. Mr. President, the amendment that I am offering on behalf of myself and Senator DOMENICI is a modification of the amendment that we originally filed, amendment No. 2159. We have made several modifications in the original amendment to accommodate the desires of the managers on both sides to speed the day that assistance payments to Los Alamos County and its school board can be brought to a mutually agreeable conclusion.

Mr. President, the amendment would extend assistance payments under the Atomic Energy Community Act to Los Alamos County and the Los Alamos School Board for 1 year, until June 30, 1997. It would require a report from the Department of Energy by June 30, 1996 on how and whether a plan could be drawn up to end these payments at that time.

The original amendment would have had a 2-year extension. The pending amendment would also require the utilities and municipal installations now run by Department of Energy be transferred to the county by June 30, 1998, instead of June 30, 2001, as in the original amendment.

Mr. President, the two Los Alamos governmental entities are the last remaining recipients of payments under the Atomic Energy Community Act of 1954. That law originally encompassed the Hanford area and the Oak Ridge area in Tennessee as well. When those communities ceased to receive payments under the act, substantial settlements were reached with the communities to put them on a firm financial footing.

Senator Jackson and Senator Magnuson won approval of an amendment of a settlement for the Hanford communities in the late 1970's. Senator Howard Baker, then the majority leader, spearheaded the Oak Ridge settlement in the early 1980's during the Reagan defense buildup when defense funds were plentiful.

Mr. President, unfortunately, the Los Alamos community and DOE did not reach agreement at that time on a transition plan. The Department of Energy told Congress in a 1986 report that the existing arrangement should be continued. So Senator DOMENICI and I in 1986 offered an amendment extending the payment for 10 years to June 30, 1996.

Mr. President, we do not have the option today of making a substantial one-time payment to the Los Alamos entities. The Department of Energy has been discussing possible land transfers and other arrangements with the county.

These arrangements will involve other Federal agencies and other local entities, and will require time and will probably require that legislation be enacted.

The Department of Energy also must negotiate a new contract with the University of California to run the laboratory in 1996, and there is a possibility that the Department of Energy will decide to compete that contract. The details of that contract could also affect the county and the school board significantly.

For those reasons, Senator DOMENICI and I are proposing to give these processes time to work and have the Congress revisit this issue late next year, or more likely in 1997, with specific Department of Energy proposals in hand.

The provision that we are offering has been worked out between the Department of Energy and the community leaders and has the support of both as an interim step toward a comprehensive solution within the next 2 years.

Mr. President, I understand this is acceptable to both the majority and the Democratic sides, and I urge support of the amendment.

Mr. THURMOND. Mr. President, we have no opposition to this amendment and are willing to accept it. As I understand, the amendment is offered not only by the distinguished Senator who is speaking, Senator BINGAMAN, but also Senator DOMENICI. They are both in favor of the amendment, and we are willing to accept it.

The PRESIDING OFFICER. If there is no further debate on the amendment, without objection the amendment is agreed to.

So the amendment (No. 2427) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. BINGAMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BINGAMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2157

(Purpose: To require the Secretary of Defense to take such actions as are necessary to reduce the cost of renovation of the Pentagon Reservation to not more than $1,118,000,000)

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the pending amendment 2125 be temporarily laid aside so that I can offer an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BINGAMAN. Mr. President, I call up for consideration amendment No. 2157.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Mexico [Mr. BINGAMAN], for himself, Mr. FEINGOLD, Mr. WELLSTONE, and Mr. LOTT, proposes an amendment numbered 2157:

The amendment is as follows:

On page 515, between lines 2 and 3, insert the following:

SEC. 2864. RENOVATION OF THE PENTAGON RESERVATION.

The Secretary of Defense shall take such action as is necessary to reduce the total cost of the renovation of the Pentagon Reservation to not more than $1,118,000,000.

Mr. BINGAMAN. Mr. President, I offer this amendment on behalf of myself, Senator FEINGOLD, Senator WELLSTONE, and Senator LOTT. It is a very simple amendment. The amendment sets a new target for the total cost of renovation of the Pentagon over a multiyear period. The target that we set in here is $1.118 billion. That is $100 million less than the level previously set.

Mr. President, in 1990, Congress took the Pentagon out of the hands of the General Services Administration and put it in the hands of the Department of Defense. The reason was that the GSA was doing nothing to renovate the building, which was in disrepair, and was getting paid a lot more than maintenance costs. The 1990 law set the course for Pentagon renovation. Such renovation is desperately needed. There is no question about that. The building is over 50 years old. Its utilities are totally outmoded. Power outages are routine. Rats roam the basement. There is no question that we need to move ahead, and we are moving ahead.

In recent years, the Appropriations Committee has required the Secretary of Defense to certify that the total cost of Pentagon renovation will not exceed $1.218 billion. Secretary Perry sent the last such certification to Senator BYRD on December 19, 1994.

In March of this year, Secretary Perry appointed a steering committee chaired by Dr. Kaminski to review plans for the Pentagon renovation and to make recommendations on options available for cost reductions, transition of personnel, and ultimate tenancy of the building.

It is my understanding that Deputy Secretary White has now taken over that committee. The March Pentagon news release says that—

> This review will include a reexamination of all lower cost options. At a time when the Secretary has initiated efforts to improve housing for our soldiers, sailors, airmen, and marines, we need to do all we can to insure that dollars being spent for other infrastructure projects are not being taken away from the very high priority of improving the lifestyle of our men and women in uniform. It is also prudent at this stage in the project to take a new look to insure that costs are being contained and that we won't end up with more money being spent than initially estimated.

Mr. President, my cosponsors and I agree with that statement from the Pentagon. We are spending $161 million this year for Pentagon renovation. The Secretary is right that it is time to assess where we are. There is evidence that we can get a better price than the $1.218 billion previously estimated for the renovation.

On page 33 of the annual status report on Pentagon renovation submitted March 1, 1995, it is noted that—

> Favorable bids on the Basement Phase I renovation were received on August 10 of 1994. The contract was awarded August 30, 1994 to Hyman Construction Company for $48,043,871. The original bid was about 36 percent below the Government estimate.

The amendment we are offering today gives the Pentagon steering committee a target to aim for in their cost reduction efforts, and I for one hope they can do even better than this target. When we are asking Americans in all walks of life to tighten their belts, the Pentagon can do its fair share at the renovation of its headquarters. That is what this amendment attempts to achieve.

Mr. President, as I understand the situation, the majority has agreed to this amendment, and on the Democratic side Senator GLENN has indicated opposition and a desire to speak to the amendment. Until he comes and has that opportunity, I suggest the absence of a quorum.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. Does the Senator withhold his quorum call request?

Mr. BINGAMAN. Mr. President, I do withhold the quorum call request.

The PRESIDING OFFICER. Who yields time to the Senator from Colorado?

Mr. THURMOND. Mr. President, I will yield such time as the Senator requires.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. I thank the distinguished chairman of the committee.

Mr. President, I will shortly offer an amendment with regard to Fitzsimons Army Hospital located just outside Denver, CO. I thought I would take advantage of the lull here for a moment and just share a few thoughts about Fitzsimons.

It is with some sadness that I offer an amendment with regard to Fitzsimons. This hospital is one that has played an important role in Colorado and in the Rocky Mountain region for many, many years.

It is on the Base Closure Commission's list of facilities to be closed. And thus the community has sought, on a rapid basis, to find another use for this facility. That will be the subject of the amendment that I will offer. But I wanted to share a few thoughts with the Chamber also about Fitzsimons because it is an important faculty for Colorado as well as the entire region.

It was built during World War I in response to a number of casualties that came in from the fronts in Europe and provided treatment for our military personnel. It is an area that I know well. The place where it is built is just east of the city of Denver and is an area where my grandfather fed cattle prior to and during World War I. It is a hospital that has long served the people of the Rocky Mountain region. It is where my great-grandfather passed away. He was a Civil War veteran and received treatment at that facility and then passed away prior to World War II, where my father took his enlistment physical just after Pearl Harbor in 1942. It is where I took my enlistment physical when I entered the Navy in 1962.

It is sad that it is closing. And I say that because our delegation was interested in saving money and has several times——

Mr. THURMOND addressed the Chair.

Mr. BROWN. Mr. President, I yield to the distinguished Senator from South Carolina.

Mr. THURMOND. On the question of time, how does the Senator want his time charged? Is he going to offer an amendment? Does he want time charged to himself?

Mr. BROWN. Yes, Mr. President.

Mr. THURMOND. Mr. President, is that clear now? The time he uses will be charged to him when he offers this amendment and not to the present amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. What is the pending business of the Senate?

The PRESIDING OFFICER. The pending question is amendment 2157 offered by the Senator from New Mexico.

Mr. BROWN. Mr. President, I ask unanimous consent that the pending amendment be set aside so I may offer an amendment to the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2428

(Purpose: To urge the Secretary of the Army to move expeditiously to lease the Fitzsimons Army Medical Center, Colorado, slated for closure 1995)

Mr. BROWN. Mr. President, I offer an amendment and send it to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Colorado [Mr. BROWN] proposes an amendment numbered 2428.

Mr. BROWN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

SEC. . SENSE OF THE CONGRESS REGARDING FITZSIMONS ARMY MEDICAL CENTER, COLORADO.

(a) FINDINGS.—The Congress finds that—

(1) Fitzsimons Army Medical Center in Aurora, Colorado has been recommended for closure in 1995 under the Defense Base Closure and Realignment Act of 1990;

(2) The University of Colorado Health Sciences Center and the University of Colorado Hospital Authority are in urgent need of space to maintain their ability to deliver health care to meet the growing demand for their services;

(3) Reuse of the Fitzsimons facility at the earliest opportunity would provide significant benefit to the cities of Aurora and Denver; and

(4) Reuse of the Fitzsimons facility by the local community ensures that the property is fully utilized by providing a benefit to the community.

(b) SENSE OF CONGRESS.—Therefore, it is the sense of Congress that upon acceptance of the Base Closure list—

(1) The federal screening process for Fitzsimons Army Medical Center should be accomplished at the earliest opportunity;

(2) The Secretary of the Army should consider on an expedited basis transferring Fitzsimons Army Medical Center to the Local Redevelopment Authority while still operational to ensure continuity of use to all parties concerned;

(3) The Secretary should not enter into a lease with the Local Redevelopment Authority until he has established that the lease falls within the categorical exclusions established by the Department of the Army pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.);

(4) This section is in no way intended to circumvent the decisions of the 1995 BRAC;

(c) REPORT.—180 days after the enactment of this Act the Secretary of the Army shall provide a report to the appropriate committees of the Congress on the Fitzsimons Army Medical Center that covers—

(1) The results of the federal screening process for Fitzsimons and any actions that have been taken to expedite the review;

(2) Any impediments raised during the federal screening process to the transfer or lease of Fitzsimons Army Medical Center;

(3) Any actions taken by the Secretary of the Army to lease the Fitzsimons Army Medical Center to the local redevelopment authority;

(4) The results of any environmental reviews under the National Environmental Policy Act in which such a lease would fall into the categorical exclusions established by the Secretary of the Army; and

(5) The results of the environmental baseline survey and a finding of suitability or nonsuitability.

Mr. BROWN. Mr. President, this amendment is one that we have worked with members of the Armed Services Committee to tailor. It is only a sense of the Senate, but it expresses a strong hope that this country will move quickly to develop another use for the Fitzsimons hospital.

Mr. President, I might point out that it was my wish we offer legislation on this bill to transfer the hospital so it could be immediately turned over to another beneficial use. Unfortunately, I am advised that it is the wish of the committee that we not proceed in that fashion. While that alternative use is desirable, both for the Federal Government and for the community, it is the wish of the committee to follow a procedure set forth in law.

The problem with doing so, Mr. President, is that a delay could cause the loss of this alternative use. Fitzsimons Medical Center is a vital and important part of our economy. It will be shut down. It will be closed. It is the thought of the community that it should be immediately put to new use. And, fortunately, the University of Colorado's Health Science Center happens at the moment to be looking for an alternative facility. It is a serendipitous circumstance that this reuse is available just at the time the facility is being shut down.

So, what we had hoped to have is an immediate authorization for it to be used by the University of Colorado Health Science Center. It could provide significant savings because you would not have the long delay and expense of the shutdown and the closedown. It could provide immediate and beneficial use of the facilities, saving not only the University of Colorado money but the Federal Government money as well.

Mr. President, that is not what this amendment does. I wish it did. What this amendment does is simply express the sense of Congress that this alternative has merit and ask for its prompt consideration. My hope is, though, that we will see the Pentagon act expeditiously in developing this as the alternative use. It is of enormous benefit to the community to have this facility reused as a medical center. It not only makes the best use of the facility, but it also helps the community by saving jobs, medical jobs, that had been at Fitzsimons. Many of them can be saved by this alternative use by the University of Colorado.

Mr. President, last, let me close with this thought. The delegation from Colorado did not come in as others have in some areas and said, "No, do not look at our facility. Do not consider us in trying to save money." We said, if closing down Fitzsimons makes sense, it ought to be done. But if it does not, if it is not the most cost-effective alternative to save money, then do not do it. And our delegation itself asked for studies to indicate whether or not it was economically feasible to keep it open.

The objective studies done by the Pentagon independently indicated it was cost effective to keep the facility open. It provides medical services for the entire region.

After that objective study was done, questions were again raised. We again asked for a second objective study. That second objective study came back. Again, it identified that it was cost effective to keep this facility open. Fitzsimons was one of those facilities kept open between World War I and World War II. It was kept open, I believe, because it services an entire region of the country in terms of health care for our veterans and for our service men and women. It was kept open between World War I and between World War II and kept open after World War II and before Korea and kept open after Korea and before Vietnam and kept open after Vietnam.

When it was put on the closure list, we asked one thing of the Commission: to review the independent studies, and if they disagreed with those studies, tell us where they did disagree. Mr. President, they did not do that. All the objective studies that looked at Fitzsimons indicated it was responsible to keep it open and functioning. When the Base Closure Commission looked at it, they did not address those studies.

Mr. President, this is a mistake. It is a mistake to close the facility. It is not a cost-effective move on the part of the military. What is more, the Base Closure Commission has never addressed the independent studies and findings that showed it was cost effective.

Mr. President, I support the Base Closure Commission. I will vote for their report. But, Mr. President, I do not agree with all of their suggestions. It will be a sad day when this facility is closed. I am happy, though, to see that there is a positive, significant, alternative use for it. It has the broad support of the full delegation of Colorado and the broad support of the entire community. But, Mr. President, I continue to feel it is a mistake for the U.S. military to close a facility that is a most cost-effective alternative to health care needs that they are committed to supply.

Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, we would like more time to look into this amendment. We cannot go undermining what the Base Closure Commission has done, but we would like to study this amendment further.

I ask unanimous consent that it be set aside and let us consider it further during the day.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, I ask unanimous consent, since there is a lull on the floor, that I be allowed to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

STOCKPILE STEWARDSHIP PROGRAM

Mr. REID. Mr. President, I first want to say, when I was in the House of Representatives, I supported the nuclear freeze. I also want to say initially, I think the problem in the world today is not nuclear testing, but nuclear weapons.

Having said that, I feel it is appropriate for me to comment on the most recent issue of the National Journal, the September 2 issue, wherein there was a discussion of a recent debate that occurred on this floor. The debate was on hydronuclear testing and the need for additional funds to support the safety and reliability of our nuclear weapons stockpile. Mr. President, the Senate ultimately voted to sustain those funds, and I am a strong supporter of the decision that the Senate made.

The National Journal noted that the proponents of a strong nuclear deterrent stated that the JASON study team supported some of the experiments that were at issue in the Senate debate.

The article also noted that some of my colleagues and the chairman of the JASON study committee believe its findings had been misrepresented.

I am not a Ph.D. scientist and I may not be a weapons expert, but I can read English, and I read it very well. If the JASON study findings do not reflect the panel's intent, then the authors did not do a very good job of making their views clear. As I said earlier, we need to get on with treaty compliant experiments, not nuclear tests. The JASON study clearly endorsed treaty compliant experiments. I would not generally look to the JASON's for guidance on nuclear testing or stockpile stewardship issues. This is not their area of expertise, and they have not had a credible track record in this area.

I do want to say, however, that since the opponents of hydronuclear experiments or treaty compliant experiments have relied heavily on the JASON's to push their agenda, it seems appropriate to use their experts to challenge their position.

Since the debate, I have looked into this matter more deeply. I now understand the views of some of the experts on the committee and of the experts who provided data to the committee more clearly than I did a month ago. I have found that the JASON report has been used to misrepresent the views of some of the experts and some of the study group members. This is not surprising in a highly political report that is trying to reach consensus. Sometimes the only way to reach consensus is to be unclear, and that lack of clarity can then be used by both sides to press their interpretations.

I assure you that although there are some in the study group that oppose hydronuclear experiments, there are also some who support hydronuclear experiments.

Many of the experts who provided input to the study would disagree with some of its conclusions. I understand that. Nevertheless, the report did clearly support the subcritical experiments with real nuclear material, experiments that some have characterized as hydronuclear experiments, experiments that fall within the range of experiments being debated that day on the floor of the Senate.

Mr. President, for those who still question the issues, let me again quote from the report. I am reading directly verbatim from the report. This is a quote:

> Underground testing of nuclear weapons at any yield level below that required to initiate boosting is of limited value to the United States. However, experiments involving high explosives and fissionable material that do not reach criticality are useful in improving our understanding of the behavior of weapons materials under relevant physical conditions. They should be included among treaty consistent activities that are discussed more fully in the text.

Mr. President, that is as clear as the English language can be. If people on the committee want to disagree with the report as it is written, that is their privilege. But I read from the report a month ago, and I am reading from it again. The language is very clear. In plain English, that clearly supports tests or experiments that opponents were trying to prohibit. More importantly, it should be understood that the JASON study report is a political report, not a technical report. It was created for political reasons, and its conclusions were generally preordained. Using the report as a so-called consensus of nuclear weapons experts is a misrepresentation. There may have been an expert or two on the committee, but that does not mean it represents the expert opinion on the issue.

On the technical level, there is still much for the Senate and the public to evaluate. The technical issues are complex and do not lend themselves easily to public debate. I will, though, Mr. President, do the best I can to make the key issues clear to the Senate and to the American public. Bits and pieces of the issue have been addressed in various studies, and the whole picture has not been laid before the Congress.

In particular, the loss of confidence that will come from the end of testing has not been adequately reviewed. No one who even superficially understands the issue will claim that we can maintain the current level of confidence in our nuclear weapons system without testing. The question is how much confidence do we need.

When that issue is fully understood by the Congress and the American people, we can then properly assess the value of testing and the need for testing. My view is clear. We must have the utmost confidence in the safety and reliability of our nuclear weapons, and anything we can do to achieve that confidence should be done. Second-class confidence is irresponsible and unacceptable in a first-class nation.

In the best case, this means we should continue with nuclear testing. In the case we debated last month, it meant getting on with whatever experiments the President was prepared to allow. We must continue to explore this issue. The debate on testing, stewardship, treaty compliant experiments is not over and should not be over until all the facts are out.

I look forward to the JASON report being finalized and published. That should help us all understand the basis for the conclusions of the study group and perhaps clear up some of the controversy on this issue.

I also, Mr. President, look forward to the weapons laboratory report called for in section 3165 of the Senate version of the National Defense Authorization Act, the matter that is now before this body. I look forward to it being completed and presented to the Congress. This report promises to be a credible technical report, written by real nuclear weapons experts.

In the meantime, I urge the President to get on with the stockpile stewardship plan that he has developed, including the treaty compliant experiments endorsed by the JASON's and called for in the current test ban negotiating positions. The $50 million added by the Senate should allow these experiments to begin without further delay. It is time for action with respect to implementing all elements of our Nation's Stockpile Stewardship Program.

Mr. President, I appreciate very much the managers of this bill allowing me to speak out of order, but certainly this is of relevance to the matter before this body.

The PRESIDING OFFICER. Who yields time?

Mr. BINGAMAN. Mr. President, I ask unanimous consent that I be allowed to speak for up to 5 minutes as in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

UNDERGROUND NUCLEAR TESTING

Mr. BINGAMAN. Mr. President, this afternoon at 5 o'clock, the Senate will vote on final passage of the Defense appropriations bill, which will then go to conference. One of the provisions contained in that bill, which was added by amendment, I think is worthy of note and has not received significant attention, either by Members of the Senate or by the public at large.

So I wanted to call it to the attention of both of my colleagues and of the public and indicate my strong support for it. It is an amendment that Senator AKAKA offered, amendment No. 2406 on behalf of himself and Senator PELL. The amendment was adopted by voice vote and puts the Senate clearly on record with regard to nuclear testing contemplated by the Republic of France. Let me just read the amendment as it was adopted by the Senate before we went out of session earlier in August. It says:

> Sense of the Senate regarding underground nuclear testing.
>
> Findings. The Senate makes the following findings:
>
> (1) The President of France stated on June 13, 1995, that the Republic of France plans to conduct eight nuclear test explosions over the next several months.
>
> (2) The People's Republic of China continues to conduct underground nuclear weapons tests.
>
> (3) The United States, France, Russia, and Great Britain have observed a moratorium on nuclear testing since 1992.
>
> (4) A resumption of testing by the Republic of France could result in the disintegration of the current testing moratorium in the renewal of underground testing by other nuclear weapon states.
>
> (5) A resumption of nuclear testing by the Republic of France raises serious environmental and health concerns.
>
> (6) The United Nations Conference on Disarmament presently is meeting in Geneva, Switzerland, for the purpose of negotiating a Comprehensive Nuclear Test Ban Treaty, which would halt permanently the practice of conducting nuclear test explosions.
>
> (7) Continued underground weapons testing by the Republic of France and the People's Republic of China undermines the efforts of the international community to conclude a CTBT by 1996, a goal endorsed by 175 nations at the recently completed NPT Extension and Review Conference (the conference for the extension and review of the Nuclear Nonproliferation Treaty).

Therefore, "It is the sense of the Senate that the Republic of France and the People's Republic of China should abide by the current international moratorium on nuclear test explosions and refrain from conducting underground nuclear tests in advance of the Comprehensive Test Ban Treaty."

That is the end of the resolution adopted here in the Senate before we went out on recess, Mr. President. As I am sure my colleagues know, the People's Republic of China has gone ahead during this last month and conducted one additional underground test in contravention of the sentiments expressed in this resolution. The Republic of France is now contemplating and intending, as I understand it, to proceed with eight additional nuclear test explosions over the next several months.

I believe it is very important that the Senate is on record as being opposed to these nuclear explosions. And I felt it was important to call to the attention of Members of the Senate and the public that this was unanimously agreed to by the Senate as part of this Defense appropriations bill, which will be finally voted by the Senate at 5 this afternoon.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2125 WITHDRAWN

Mr. THURMOND. Mr. President, on behalf of Senator BROWN, I ask unanimous consent that amendment No. 2125, relating to Pakistan, be withdrawn.

The PRESIDING OFFICER (Mr. BURNS). Is there objection?

Without objection, it is so ordered.

So the amendment (No. 2125) was withdrawn.

CRUSADER/LP

Mr. SHELBY. Mr. President, I wish to engage the distinguished Senator from Virginia, the chairman of the Subcommittee on AirLand Forces, in a brief colloquy regarding the Army's Crusader program. Senator WARNER, I note that the committee has fully supported the Army's priority development of the Advanced Field Artillery System, Crusader program and I commend the committee for its action. However, I am concerned by the actions of the House National Security Committee relative to the liquid propellant [LP] gun aspect of the Crusader program. I have been led to believe that the Army recognized the performance advantages of the LP gun and that the Army in recognition of those performance enhancements accepted the risks associated with LP development. Am I correct in that understanding?

Mr. WARNER. The Senator is correct. The range and volume of fire advantages of LP would greatly increase the performance and capabilities of the Army's field artillery.

Mr. SHELBY. I am concerned that the House has written several pages of bill language which would legislate noncontractual performance goals which might add schedule risk and might jeopardize the schedule flexibility critical to the successful management of any development effort. I am also concerned that the House position appears to prejudge the failure of the LP gun while not adequately considering the risk nor providing comparable oversight for the Army's backup technology, unicharge.

Mr. WARNER. The committee staff has reviewed the Army's Crusader program and LP development in detail. LP development is receiving intensive management by both the contractor and the Army. I understand the Senator's concern that the House position legislating performance goals and decision schedules might exceed the oversight needs of this program. I do believe, however, that we should maintain adequate congressional oversight over both LP and unicharge development as it affects this important Army program. I would point out that the Army is just completing the first year of an 8½ year development program for the Crusader. We are pushing the limits of technology in an entirely new area with the research and development of liquid propellant for Crusader. I believe that the potential advantages of LP justify the risks associated with its development. We will continue to watch this program carefully. We expect that the development of LP will be successful and that the Crusader will be produced and fielded on schedule. If, on the other hand, the technology challenges are too difficult, and LP simply doesn't work, then we won't buy it. However, in the meantime, I believe we should allow the Army's developmental efforts to proceed.

Mr. KENNEDY. If the Senator would yield, I would point out that the Navy has a requirement to improve its naval surface fire support and has a cooperative agreement with the Army to monitor and leverage off of the liquid propellant gun development. The successful development of LP offers great opportunities for the Navy in this important area and in as much as the House legislation serves as a detriment to that effort, I would be happy to work to resolve this issue in conference.

Mr. SHELBY. I want to thank the Senator from Virginia and the Senator from Massachusetts for their understanding of this matter and for their commitment to work to resolve this in conference.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I rise now to urge Senators who have amendments to the Defense authorization bill to come to the floor and take up their amendments. We are supposed to pass this bill today. If they wait until this afternoon, then they are all stacked in at the last minute and it is going to be very difficult to handle.

I urge them to come on out. We have been here all morning starting at 10 o'clock, and we have approved a few things. But there is a lot more to be done. I want them to come and take up the amendments and let us get them acted on one way or the other.

Thank you, Mr. President.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I would like to say we are making good progress, working back and forth on both sides. I think with a little cooperation here and a little cooperation there, this whole proposition might move much more expeditiously than we had earlier anticipated.

I thank my friend and colleague from South Carolina for his usual good cooperation, and we are going to be working very hard the rest of the day to try to eliminate any and all barriers to cut down the time dramatically and probably come to a resolution, hopefully, on the authorization and the appropriations bills early this evening, and I emphasize the word "early" this evening, which I think would be good news for all.

AMENDMENT NO. 2429

(Purpose: To amend the hydronuclear provisions of S. 1026)

Mr. EXON. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for himself and Mr. BINGAMAN, proposes an amendment numbered 2429.

The amendment is as follows:

Notwithstanding any other provision of the Act, the provision dealing with hydronuclear experiments is qualified in the following respect:

(c) LIMITATIONS.—Nothing in this Act shall be construed as an authorization to conduct hydronuclear tests. Furthermore, nothing in this Act shall be construed as amending or repealing the requirements of Section 507 of Public Law 102–377.

The PRESIDING OFFICER. Without objection, the preceding amendments are set aside.

The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, this is a matter that myself, Senator HATFIELD, and many other Senators have put in a great deal of time and effort on. I think this is a compromise amendment that has a chance of being accepted on both sides. Therefore, we have set aside the hour and a half, if I remember the figures correctly, that we agreed to in the unanimous-consent request. In any event, at the present time I yield such time as is assigned to me in the unanimous-consent agreement for the following remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, before the August recess, a number of amendments to the Defense authorization bill were debated at length. One of these was an amendment proposed by myself, Senator HATFIELD, and nine other Senators to delete the $50 million add-on to the bill for hydronuclear weapons testing. While that amendment failed, I strongly feel that the Senate should revisit the issue in a different form so that it may be clarified in light of President Clinton's recent decision to forgo such tests.

Therefore, Mr. President, I would emphasize that the amendment that I have just offered and has just been read by the clerk is an amendment that I believe goes a long way in clarifying the situation for all concerned. And I firmly believe that it is simply a restatement, a punctuation mark, if you will, with the wording that was agreed to on matters in this regard in the Defense authorization bill as it came out of the Armed Services Committee.

The Defense authorization in its present form contains section 3135, a provision authorizing $50 million for preparation for the commencement of hydronuclear tests. As my colleagues may know, the United States has been negotiating a comprehensive test ban treaty with the world's nuclear powers for the past 2 years. President Clinton's August 11 announcement to push for an international agreement by 1996 that would prohibit these types of nuclear detonations was an important development toward the goal of halting the spread of nuclear weapons around the world.

I was particularly encouraged yet this morning to learn that the French President has now indicated a signal to cut dramatically short the full-scale underground nuclear testing that the French Government had proposed in the South Pacific. Things are coming together perhaps so that we can have a meeting of the minds.

After over 1,100—and I emphasize 1,100—nuclear tests conducted by the United States over 50 years, the U.S. nuclear stockpile is the safest and most reliable on Earth. Computer simulation backed up with the data from these tests, not additional detonations, can maintain this high degree of confidence in the future. But a nonnuclear nation looking to obtain superpower status in the form of a nuclear bomb is unlikely to develop such a capability without the means to test these unproven weapons. A truly comprehensive and verifiable test ban treaty will be an effective tool at closing membership in the nuclear club.

My amendment simply clarifies that the language in section 3135 is for test preparation—that is how it reads now, preparation—and not authority to violate the existing U.S. testing moratorium policy. My amendment reaffirms the congressional review process for new tests required by the 1992 Energy and Water Appropriations Act by adding the following simple and straightforward paragraph to the bill:

I quote:

> Nothing in this act shall be construed as an authorization to conduct hydronuclear tests. Furthermore, nothing in this act shall be construed as amending or repealing the requirements of section 507 of Public Law 102–377.

Unlike my previous amendment on hydronuclear testing, this amendment does not affect—I emphasize—does not affect the $50 million authorization in the bill presently. The Department of Energy would be allowed to spend the funds but only for the purpose stated in the bill, that being test preparation. The intent of the bill language would be made clearer by my amendment and brought into line with the administration's stated policy. The funds can be spent on Department of Energy stockpile stewardship activities but the authorization of funds in no way should be construed as a congressional authorization to conduct a test. That prerogative, as I mentioned earlier, is reserved under a reporting requirement contained in the original Hatfield-Exon-Mitchell provision to the 1992 energy and water appropriations bill, wherein the President must report to Congress and seek its approval for any new tests and provide the safety or reliability justification for such tests.

There is no reason why the United States should restart nuclear weapons testing. To do so would be expensive, end up scuttling the comprehensive test ban negotiations, and, in a self-defeating turn, encourage other nations to pursue obtaining a nuclear capability. The preeminent nuclear weapons experts in America—if not the world—issued on August 3 of this year a study on whether we should continue nuclear weapons testing. The study, called the JASON study, was headed by Sidney Drell of Stanford and was written by 14 top scientists, including representatives from each of the national laboratories responsible for the stewardship and maintenance of these weapons. Their conclusion was unequivocal: There is no need to resume testing, including the hydronuclear tests discussed in this bill.

Among the JASON report findings:

> The United States can, today, have high confidence in the safety, reliability, and performance margins of the nuclear weapons that are designated to remain in the enduring stockpile:

A further quote from that report:

> A pervasive case has not been made for the utility of hydronuclear tests for detecting small changes in the performance margins for current U.S. weapons.

Further quote:

> Underground testing of nuclear weapons at any yield below that required to initiate boosting is of limited value to the United States.

Further quote:

> [Our] findings . . . are consistent with U.S. agreement to enter into a comprehensive test ban [CTBT] of unending duration, that includes a standard "supreme national interest clause."

Mr. President, these are findings of the JASON report authors—the foremost nuclear experts in the United States. They are saying, they are telling and they are advising two things of primary importance: First, that the United States does not need to test this year or the next or into the foreseeable future in order to maintain a safe and reliable nuclear arsenal. Second, they are saying that a comprehensive test ban is in our national security interests.

I find it ironic that proponents of the fast-tracked national missile defense system try to justify the estimated $48 billion project by saying we can never be sure what rogue nation may develop nuclear warheads in the next century and, therefore, we must protect ourselves. A comprehensive test ban is an effective way of stemming this proliferation tide. It is a means by which to limit the have-nots from trying to find superpower status in the form of a nuclear warhead. A nation is unlikely to develop a nuclear capability with any degree of confidence if it cannot test the weapons. By the United States showing leadership and announcing that all tests should be banned under a comprehensive test ban treaty, the goal of nuclear nonproliferation has been greatly enhanced. Let us keep it that way.

There is another reason why a comprehensive test ban treaty is beneficial for the United States. No nation has tested more than the United States and has more advanced computer technology than we do. A comprehensive test ban will lock in the technological advantages that we possess over the rest of the world.

But this discussion about a comprehensive test ban treaty is all prospective. The negotiations are ongoing and no agreement has been reached as of yet. All the more reason for the Congress not to interject itself capriciously into the question of mandating weapons testing of any kind.

The issue at hand is my amendment and whether the words in section 3135 of the bill mean what they say. My amendment does not touch the $50 million add-on in the bill for test preparation. It simply reiterates that "preparation" is different than an actual decision to test.

I urge my colleagues to support this amendment.

Mr. President, I reserve the remainder of my time. I will revisit this issue at a later time.

Mr. President, I ask unanimous consent that Senator BINGAMAN and Senator LIEBERMAN be added as original cosponsors of the Exon amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I reserve the remainder of my time.

Pursuant to a previous discussion I had with my distinguished friend and colleague from South Carolina, the chairman of the Armed Services Committee, I think at this time we may be in a position to proceed with the adoption of a series of amendments that I understand have been cleared on both sides.

Mr. THURMOND. Mr. President, on this particular amendment, I want to say we are looking at the amendment. I ask unanimous consent that it be laid aside until we can go to other things and then reconsider it at a later time during the day. I am pleased to go the matters that have been agreed upon.

Mr. EXON. I agree.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. May I inquire of my colleague from South Carolina if he is prepared, as a manager of the bill, to proceed with the 20-odd amendments that I understand have been offered and have been cleared on both sides. We are prepared to take those matters up now, if it is the will of the chairman.

Mr. THURMOND. Mr. President, of those that have been cleared, it is agreeable for us to take those up at this time. I would like for us to get the staff here to see about that.

Mr. EXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CRAIG). Without objection, it is so ordered.

SECTION 551 OF S. 1026—THE DETERMINATION OF WHEREABOUTS AND STATUS OF MISSING PERSONS

Mr. MCCAIN. Mr. President, the fiscal year 1995 National Defense Authorization Act directed the Secretary of Defense to review current law related to missing service personnel and report to Congress on recommended changes. In addition to the recommendations made in the mandated report, the Department of Defense accommodated the committee's concerns by agreeing to several additional provisions, which are included in this bill, that went considerably beyond the scope of the initial recommendations.

In the provisions of this bill, the committee has gone as far as the Congress should on this issue. I believe the committee and the Department of Defense have agreed on a course of action that will improve current procedures without imposing a new and cumbersome bureaucracy on the Department, the Services, and commanders in the field.

However, the report language accompanying the bill does not accurately reflect the intention of the bill language in one key aspect. The recommended provision would not prohibit the Department of Defense from declaring a serviceman dead when there are obvious indications that he is indeed dead, including the passage of time. Contrary to the report language, the bill language does not confer immortality on MIA's. Further, I do not share the editorial characterization of the current accounting system as insensitive and unresponsive. Whereas this may have been true many years ago, the Department of Defense and the Services have since taken extensive measures to make the system sensitive, responsive, and most important, workable.

When the bill before us goes to conference, I will steadfastly support the Senate position and oppose the provisions in the House bill which, in my view, are unwise and unworkable. I encourage my colleagues in the strongest possible terms to do likewise.

Mr. WARNER. Mr. President, my colleague, the distinguished senior Senator from Nebraska, will take up an amendment by Senator HARKIN.

AMENDMENT NO. 2430

(Purpose: To increase the amount provided for the Civil Air Patrol by $5,000,000)

Mr. EXON. Mr. President, on behalf of Senator HARKIN, I offer an amendment which will reduce and refocus the reduction of the bill to the Civil Air Patrol budget from a $5 million reduction to a $2.9 million reduction. This amendment would effectively speed up the ongoing reorganization of the Civil Air Patrol so that the savings plan for 1997 would be achieved by 1996.

I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection the pending amendments will be set aside. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. HARKIN, for himself, Mr. SHELBY, Mr. CAMPBELL, Mr. ROBB, Mr. HEFLIN, and Mr. BINGAMAN, proposes an amendment numbered 2430.

Mr. EXON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 72, between lines 18 and 19, insert the following:

SEC. 305. INCREASE IN FUNDING FOR THE CIVIL AIR PATROL.

(a) INCREASE.—(1) The amount of funds authorized to be appropriated by this Act for operation and maintenance of the Air Force for the Civil Air Patrol Corporation is hereby increased by $5,000,000.

(2) The amount authorized to be appropriated for operation and maintenance for the Civil Air Patrol Corporation under paragraph (1) is in addition to any other funds authorized to be appropriated under this Act for that purpose.

(b) OFFSETTING REDUCTION.—The amount authorized to be appropriated under this Act for Air Force support of the Civil Air Patrol is hereby reduced by $2,900,000. The amount of the reduction shall be allocated among funds authorized to be appropriated for Air Force personnel supporting the Civil Air Patrol and for Air Force operation and maintenance support for the Civil Air Patrol.

Mr. HARKIN. Mr. President, on behalf of my esteemed colleagues Senators SHELBY, CAMPBELL, ROBB, HEFLIN, BINGAMAN, and myself, I offer an amendment to restore the cuts in the Civil Air Patrol budget. The Senate defense authorization bill S. 1026 cuts the Civil Air Patrol [CAP] operations and maintenance by $5 million, from $14.7 million to $9.7 million, a 34 percent reduction. This heavy cut would severely limit the CAP's capability to carry out its search and rescue missions, emergency air transport, counterdrug surveillance, and other important functions.

The Harkin-Shelby-Campbell-Robb-Heflin-Bingaman bipartisan amendment to the fiscal year 1996 defense authorization bill restores the CAP budget to the amount approved by the House, the original $14.7 million.

The Civil Air Patrol is a nonprofit corporation designated as an auxiliary of the Air Force by public law in 1948. It is mostly made up of over 50,000 volunteers who are mainly ex-Air Force personnel, and who often must fly over large areas of country in their missions of mercy. It is to the credit of the CAP that their volunteers relieve the Government of expense such that only 10 percent of the CAP budget need be used to reimburse the volunteers. Furthermore, the CAP is undergoing a reorganization to replace active duty Air Force personnel with retired fliers who receive only one-half their former pay. This will save taxpayers about $3 million. Additionally, the Air Force active duty personnel are being replaced by civilians at the CAP headquarters, so the CAP budget reflects an increase equivalent to the decrease in the Air Force budget used to pay for headquarters personnel. These reorganizational changes were misinterpreted in a General Accounting Office report to justify cutting the CAP. The Harkin-Shelby-Campbell-Robb-Heflin-Bingaman amendment corrects the well-intentioned but misguided cuts in the

CAP. The CAP is invaluable to our country, and performs its missions much more inexpensively than could be done by Government.

Because the Air Force personnel are being replaced by retirees and other civilians, the active duty Air Force personnel and operations and maintenance budget should be reduced by $2.9 million. This reflects the savings to the taxpayer that the recent reorganization attains.

Mr. McCAIN. Mr. President, I support this amendment to cut the level of support for the Civil Air Patrol in the Air Force operations and maintenance and personnel accounts by $2.9 million and restore $5 million to the Civil Air Patrol Corporation budget. The $2.9 million cut from the administration's request for this program will reduce the amount of military resources unnecessarily dedicated to its overhead and administration.

Furthermore, although I believe that this program is noble, its military benefits are negligible. The primary mission of this program, search and rescue of downed civilian pilots, would more appropriately be funded through the budget of the Department of Transportation or another civilian agency. I urge the administration and the Congress to explore alternative funding for this program in the future to ensure its decreased reliance upon the Department of Defense.

Mr. EXON. Mr. President, I believe this amendment has been cleared by the other side.

Mr. WARNER. Mr. President, the Senator is correct. We support the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2430) was agreed to.

Mr. EXON. I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. I ask to have my personal view reflected in the RECORD. I had occasion to visit Civil Air Patrol installations in several places in my State and elsewhere. I also had a brief service with them during the early stages of World War II. I think it is a highly useful and productive organization, helping many of our young people in their first introduction to aviation.

I strongly support the Civil Air Patrol.

AMENDMENT NO. 2431

(Purpose: To increase the authorization of appropriations for operation and maintenance for the Air Force Reserve by $10,000,000, and to offset that increase by reducing the authorization of appropriations for operation and maintenance for Defense-wide activities by $10,000,000)

Mr. WARNER. Mr. President, on behalf of the chairman of the Armed Services Committee, Mr. THURMOND, I offer an amendment which would adjust funding for civilian personnel in the Air Force Reserve.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER] for Mr. THURMOND, proposes an amendment numbered 2431.

Mr. WARNER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The amendment is as follows:

On page 69, line 25, decrease the amount by $10,000,000.

On page 70, line 5, strike out "$1,472,947,000" and insert in lieu thereof "$1,482,947,000".

Mr. THURMOND. Mr. President, this amendment would adjust the funding for civilian personnel under strength in the Air Force Reserve.

The Department of Defense made an error in verifying the degree to which various accounts were overfunded. In response to my inquiry, the Department reconsidered its report and determined the figure for the Air Force Reserve should be $3 million in reductions, not $13 million as previously reported. This amendment would restore $10 million of the $13 million to the Air Force Reserve and reduce DOD funding by $10 million.

I thank the Chair, and yield the floor.

Mr. WARNER. This amendment has been cleared by both sides.

Mr. EXON. The amendment has been cleared on both sides.

Mr. WARNER. Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 2431) was agreed to.

Mr. WARNER. I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2432

(Purpose: To provide $9,500,000 for the Joint Seismic Program and Global Seismic Network)

Mr. EXON. Mr. President, on behalf of Senator GLENN, I offer an amendment to authorize $9.5 million for seismic monitoring to detect nuclear explosions. These funds would be used to continue the operation of global seismographic network operated by the consortium of American University.

I believe this amendment has been cleared on the other side of the aisle.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. GLENN, for himself, Mrs. FEINSTEIN, Mr. PELL, and Mr. MOYNIHAN, proposes an amendment numbered 2432.

Mr. EXON. I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 49, between lines 14 and 15, insert the following:

SEC. 224. JOINT SEISMIC PROGRAM AND GLOBAL SEISMIC NETWORK.

To the extent provided in appropriations Acts, $9,500,000 of the unobligated balance of funds available to the Air Force for research, development, test, and evaluation for fiscal year 1995 shall be available for continuation of the Joint Seismic Program and Global Seismic Network.

Mr. GLENN. Mr. President, the proliferation of nuclear weapons continues to be one of the most serious threats to national security, which underscores the need for the United States to maintain an effective capability to detect and identify clandestine nuclear tests. The challenge for seismic monitoring is the detection and identification of events of small magnitude. To meet this challenge it is necessary to acquire regional data not less than 1,000 kilometers from a test.

For many years, a consortium of universities has operated a multiple-use, global seismographic network that has been supported with funds from the Department of Defense and the National Science Foundation. These facilities represent a small but significant investment by the U.S. Government, offer effective and needed nuclear test monitoring capabilities worldwide, and enhance regional coverage in areas not adequately covered by National Technical Means [NTM].

Data provided by this global seismographic network can be used to locate seismic events, discriminate natural versus explosive sources, and estimate magnitude and/or yield—all of which are critical in detection and identification of clandestine nuclear tests. Enhancing accuracy of event location is particularly important in greatly reducing the area which must be investigated through costly on-site inspections or the use of NTM. The data obtained from this network thus complement, rather than compete with, data obtained from NTM.

This type of information will be invaluable in helping our Government to verify a comprehensive nuclear test ban treaty. We are already well into the evolution of the post-cold-war world, and one unpleasant fact of life about such a world is that professional test ban monitors no longer have the luxury of simply gathering data about activities at certain fixed, well-characterized sites. Now the problem has gotten more complex: we are increasingly concerned about small, low-yield test explosions, and we are facing a verification challenge that is truly global in scope. Given the global distribution of significant nongovernmental seismic monitoring capabilities, it is only prudent for us to exploit whatever resources are available and appropriate to get the job done.

The network is administered by a consortium which today consists of over 80 research institutions and affiliates around the globe. The National Science and Technology Council [NSTC] is developing a long-term funding plan for the GSN and JSP. Because of delays in the NSTC process funding recommendations were not included in the administration's fiscal year 1996 budget request, but are being incorporated in the fiscal year 1997 budget request. In the meantime, this action is needed to ensure continuation of these important programs.

My amendment specifies that $9,500,000 of prior year funds from the Defense Support Program which are available as a result of the omnibus reprogramming shall be available for continuation of the Global Seismographic Network [GSN] and Joint Seismic Program [JSP]. This is maintained by the Air Force Office of Scientific Research [AFOSR] in PE 601102F, project 2309.

Mr. EXON. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2432) was agreed to.

Mr. EXON. I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2433

(Purpose: To reconcile authorization of the funds appropriated for the construction of a Special Operations Forces [SOF] Group Headquarters at Fort Bragg, North Carolina with the Senate Appropriations Committee recommendation)

Mr. WARNER. I send to the desk an amendment on behalf of the senior Senator from North Carolina [Mr. HELMS].

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. HELMS, proposes an amendment numbered 2433.

Mr. WARNER. Mr. President, I ask unanimous consent further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 422, in the table preceding line 1, in the matter relating to the Special Operations Command at Fort Bragg, North Carolina, strike out "$8,100,000" in the amount column and insert in lieu thereof "$9,400,000".

On page 424, line 22, increase the amount by $1,300,000.

On page 424, line 25, increase the amount by $1,300,000.

(At the request of Mr. DOLE, the following statement was ordered to be printed in the RECORD.)

Mr. HELMS. Mr. President, this technical amendment is to fix an incorrect authorization level for construction of a mission essential Special Operations Forces Group Headquarters at Fort Bragg, NC.

This project was authorized by the Senate Armed Services Committee at the original, incorrect estimate of $2,600,000.

As background, the U.S. Special Operations Command—or USSOCOM, as it is called—requested in its fiscal year 1996 milcon budget a Group HQ originally estimated to cost $2,600,000.

Based upon that erroneous estimate, the administration requested and the House Appropriations Committee appropriated that amount.

The correct project estimate is $3,900,000. The cost increase is attributable to two key factors; a failure to account for the area cost factor for construction in the Fort Bragg area and the realization that special construction requirements are necessary.

Equipped with the new, accurate estimate, the Senate Military Construction Subcommittee, approved $3,900,000 for the project.

My amendment will fix the discrepancy between the Senate Military Construction Subcommittee's appropriation and the Senate Armed Services Committee's authorization.

Mr. WARNER. Mr. President, this is a technical correction to the funding level of a project included in the President's budget request. I believe this amendment has been cleared.

Mr. EXON. Mr. President, this is a technical amendment that is entirely in order and has been cleared on this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2433) was agreed to.

Mr. WARNER. I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2434

(Purpose: To state a rule of construction to clarify the supremacy of the Secretary of State's authority to coordinate policy on international military education and training)

Mr. EXON. Mr. President, on behalf of Senator SIMON, I offer an amendment to provide that nothing shall impair the authority and ability of the Secretary of State to coordinate policy regarding the international military education and training program.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. SIMON, proposes an amendment numbered 2434.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 366, between lines 17 and 18, insert the following:

(d) RELATIONSHIP TO AUTHORITY OF SECRETARY OF STATE.—Nothing in this section or section 462 of title 10, United States Code (as added by subsection (b)(1)), shall impair the authority or ability of the Secretary of State to coordinate policy regarding international military education and training programs.

Mr. EXON. Mr. President, I believe this amendment has been cleared by the other side.

Mr. WARNER. Mr. President, the Senator is correct.

Mr. EXON. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2434) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2435

(Purpose: To provide $5,000,000 for continued development of the depressed altitude guided gun round system)

Mr. WARNER. Mr. President, I send to the desk an amendment on behalf of Senator SMITH.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. SMITH, proposes an amendment numbered 2435.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 49, between lines 14 and 15, insert the following:

SEC. 224. DEPRESSED ALTITUDE GUIDED GUN ROUND SYSTEM.

Of the amount authorized to be appropriated under section 201(1), $5,000,000 is authorized to be appropriated for continued development of the depressed altitude guided gun round system.

Mr. SMITH. Mr. President, the amendment that I am offering would authorize $5 million from within the Army research, development, test and evaluation account to continue development of the depressed altitude guided gun round [DAGGR] system.

DAGGR is a surface-to-air weapon that could provide an effective defense against low-altitude threats, both in rear areas and for maneuver forces in forward areas. It has an all-weather capability, and could be mounted on either standard trucks or an armored chassis such as the AGS or M113A. DAGGR would integrate an existing radar guided 60 millimeter gun round, developed by the Navy, with an interferometric radar, developed by the Army.

As currently envisioned, DAGGR could address mortars, short range rockets, unmanned aerial vehicles, cruise missiles, and helicopter delivered air-to-ground missiles. The Army currently has little or no direct capability against these threats

Mr. President, this program is not part of the Army budget. However, the committee was contacted by the Army after markup and apprised of their strong interest in the program. I have been fully briefed on the potential application of this technology and believe that it has merit. It would complement other ongoing efforts to provide 360-degree coverage for our maneuver forces, and enhance the warfighting capabilities of our frontline units.

I believe that this amendment has been cleared on both sides.

Mr. WARNER. Mr. President, this amendment provides $5 million of Army research and development funds which may be used to continue development of the depressed altitude guided gun round system.

It is my understanding. this amendment has been cleared.

Mr. EXON. It has been cleared on this side, and we are prepared to accept the amendment.

Mr. WARNER. I urge adoption of the amendment.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2435) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2436

(Purpose: To require the Army to provide a report to the Congress on plans to provide T700-701C engine upgrades for Army AH-64D helicopters)

Mr. EXON. Mr. President, on behalf of Senator KENNEDY, I offer an amendment which would require the Secretary of the Army to submit a report on the program upgrade of the engines AH-64D, Apache helicopter fleet. This amendment would make no change in the current funding, but would require the Secretary to submit a detailed plan and estimated funding requirements for the program.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, proposes an amendment numbered 2436.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 21, following line 21, insert the following:

SEC. . REPORT ON AH-64D ENGINE UPGRADES.

(a) REPORT.—No later than February 1, 1996, the Secretary of the Army shall submit to Congress a report on plans to procure T700-701C engine upgrade kits for Army AH-64D helicopters.

The report shall include:

(1) a plan to provide for the upgrade of all Army AH-64D helicopters with T700-701C engine kits commencing in FY 1996.

(2) detailed timeline and funding requirements for the engine upgrade program described in (a)(1).

Mr. EXON. Mr. President, I believe this amendment has been cleared.

Mr. WARNER. The Senator is correct.

Mr. EXON. Mr. President, I therefore urge adoption of the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2436) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2437

(Purpose: To clarify that the $54,968,000 authorized to be appropriated for the Joint Primary Aircraft Training System (JPATS) is for procurement of eight JPATS aircraft)

Mr. WARNER. Mr. President, I send to the desk an amendment on behalf of the distinguished majority leader, Mr. DOLE. It relates to the joint primary aircraft training program (JPATS).

Mr. President, the amendment clarifies that the Air Force is authorized to buy up to eight joint primary aircraft training systems with the $54 million authorized for procurement of these aircraft.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. DOLE, for himself and Mr. THURMOND, proposes an amendment numbered 2437.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 31, after line 22, insert the following:

SEC. 133. JOINT PRIMARY AIRCRAFT TRAINING SYSTEM PROGRAM.

Of the amount authorized to be appropriated under section 103(1), $54,968,000 shall be available for the Joint Primary Aircraft Training System program for procurement of up to eight aircraft.

Mr. DOLE. Mr. President, I want to thank the Senator for offering this amendment on my behalf. The amendment is simple. It allows the Air Force to buy up to eight joint primary aircraft trainers [JPATS] in fiscal year 1996.

In its fiscal year 1996 budget submission, the Department of Defense had requested authorization to buy 3 JPATS aircraft for $55 million. However, at the time the budget was submitted, the JPATS competition had not been completed and the contract had not been awarded. Consequently, the Air Force had to plan for the possibility that the contract could be awarded for a much more expensive aircraft than the submission which was actually selected. Let me be clear, this amendment does not increase funding for JPATS procurement—it simply allows the Air Force to procure this new trainer at a more efficient rate. Additionally, my colleagues should know that this change has been coordinated with the Air Force.

Again, I thank Senator THURMOND and my colleagues on the other side of the aisle for their assistance in clearing this amendment.

Mr. WARNER. I urge the adoption of the amendment. It has been cleared on both sides.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2437) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2438

(Purpose: To provide $15,000,000 (under the line item for the M1 Abrams tank series (MYP)) for procurement of direct support electronic system test sets (DSESTS) test program sets for the M1 Abrams series tanks and the Bradley infantry fighting vehicle)

Mr. EXON. Mr. President, on behalf of Senator HEFLIN and Senator SHELBY, I offer an amendment which would shift some funds within the Army's budget to buy more software for direct support electronic system tests.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. HEFLIN, for himself and Mr. SHELBY, proposes an amendment numbered 2438.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 16, line 20, strike out "$1,532,964,000" and insert in lieu thereof "$1,547,964,000".

On page 69, line 25, strike out "$10,060,162,000" and insert in lieu thereof "$10,045,162,000."

Mr. HEFLIN. Mr. President, this amendment will provide funds for test equipment for the U.S. Army.

The Army plans to field a number of modernized combat vehicles in the years ahead including the M1A2, the upgraded Bradley, the new breacher, and the new light tank. Unfortunately, the Army budget has been reduced to the point where the Army is unable to fund the development of the test equipment required to support these new vehicles. However, it makes no sense to field new vehicles without simultaneously fielding the required support equipment.

The Army's acquisition decision memorandum dated March 30, 1995, directs the continued use of DSESTS for the ASM fleet. Furthermore, there is a standing Army requirement for new test program sets to support these vehicles. I therefore ask the support of my colleagues in adding $15 million to the ASM budget for the acquisition of DSESTS test program sets needed to support our modern combat systems.

Let me say now that I am not pleased by the source of the funds used to pay for this amendment. I stand firmly against raiding the readiness accounts to fund procurement programs. In fact, I would not offer this amendment if it were not for the fact that not purchasing the equipment will cost the readiness accounts even more. If we do not buy this equipment, the combat units will be forced to send broken equipment back to the depot rather than repairing it in the field. This will add millions in additional maintenance costs each year. Purchasing this equipment will save much needed readiness dollars.

That being said, I hope that in conference the committee will be able to provide an alternative source of funding for this important test equipment.

Mr. EXON. Mr. President, the Army believes this additional software would help save operation and maintenance funds, since testing will be avoided, and shipping equipment to depots, when the action is not necessary.

I believe this is a very worthy amendment. I understand it has been cleared on the other side.

Mr. WARNER. The Senator is correct.

Mr. EXON. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2438) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2439

(Purpose: To amend the effective date for the authority to pay transitional compensation for dependents of members of the Armed Forces separated for dependent abuse)

Mr. WARNER. Mr. President, I send to the desk an amendment on behalf of the Senator from New Mexico [Mr. DOMENICI] entitled "Spousal Abuse."

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. DOMENICI, proposes an amendment numbered 2439.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 277, after line 25, insert the following:

(b) EFFECTIVE DATE FOR PROGRAM AUTHORITY.—Section 554(b)(1) of the National Defense Authorization Act for Fiscal Year 1994 (107 Stat. 1666; 10 U.S.C. 1059 note) is amended by striking out "the date of the enactment of this Act—" and inserting in lieu thereof "April 1, 1994—".

On page 277, beginning on line 21, strike out ": CLARIFICATION OF ENTITLEMENT".

On page 277, line 23, insert "(a) CLARIFICATION OF ENTITLEMENT.—before "Section".

Mr. DOMENICI. Mr. President, I offer a technical correction to section 1059 of title X, United States Code, which provides the authority to the Secretary of Defense to provide transitional benefits for abused military spouses and their children. I understand that my amendment has been accepted on both sides, and I want to thank the chairman and ranking member for their support.

I would like to take just a few brief moments to refresh my colleagues memories about this issue. Members will recall that in the fiscal year 1993 Defense authorization bill I offered an amendment to provide up to 50 percent of the retirement pay of a military member to his spouse and children if that member were dishonorably discharged from the service for spouse or child abuse. That amendment was accepted by this committee and it had the full support of both the chairman and ranking member. I am very proud of that amendment, Mr. President. Today abused military spouses and their children have a way out.

There was such a recognized need for that amendment that the fiscal year 1994 Defense authorization bill included language that provided the Secretary of Defense with this authority to make transitional benefits for up to 3 years payable on a force-wide basis to any military spouse or child whose member was dishonorably discharged from the service for spouse or child abuse.

By the fiscal year 1995 Defense authorization bill, the Department of Defense had not implemented the language from the fiscal year 1994 bill. When the bill came to the floor, I offered an amendment to make the fiscal year 1994 language mandatory and to provide commissary and other benefits that were not included in the fiscal year 1994 language.

On July 1, 1994, during the consideration of the Defense authorization bill, in a colloquy with Senator NUNN I informed Senators, "Frankly, I was going to try to make this mandatory in the original amendment, but I am not doing that because I have assurance of the Chairman that he is going to join me here on the floor urging that the military take care of this responsibility." Senator NUNN did that.

On July 7, 1994, Assistant Secretary of Defense Dorn, sent a letter to Chairman NUNN stating that the DOD "intends to implement transitional compensation, authorized by the fiscal year 1994 Defense Authorization Act, on October 1, 1994, with coverage retroactive to April 1, 1994."

Despite Secretary Dorn's letter, DOD did not implement the fiscal year 1994 language until January 25, 1995, and they only made benefit payments retroactive to October 1994, not April 1994 as they committed.

I wrote to Assistant Secretary Dorn on February 9, 1995, expressing my extreme displeasure and informing him that the only reason we withdrew our amendment to the fiscal year 1995 DOD authorization bill was because the DOD gave the staff of the Senate Armed Services Committee assurance that the transitional benefits would be retroactive to April 1994.

Assistant Secretary Dorn responded on March 6, 1995. Most importantly, he said, "As you correctly stated in your letter, the DOD made a commitment, and we do plan to take the appropriate actions to rectify the situation. My staff is preparing the request to Congress asking for a technical change in the language that will allow us to make retroactive payments to April 1, 1994."

Assistant Secretary Dorn submitted the request to both the House National Security Committee and the Senate Armed Services Committee for inclusion in the fiscal year 1996 Defense authorization bill. The House National Security Committee included the technical correction in section 556 of their bill. My amendment achieves the same objective.

Mr. President, I have been working on this issue for 4 years. Every year it seems that there is always something else standing in the way. It took a few years to convince the DOD to acknowledge the problems they face in this area, and they were very reluctant to follow the Congress' leadership and direction.

Last year, I was informed that the DOD was poised to implement the program. A letter was sent to then Chairman NUNN on July 7, 1994, stating the program would be implemented and that it would be retroactive to April 1, 1994. It took the DOD a half year to implement the program after I withdrew my amendment, and that was already after a 1-year delay. When they did implement the program, it was only retroactive until October 1, 1994; a full half-year later than the date committed on me and to the Senate Armed Services Committee in the July 7, 1994 letter from Assistant Secretary Dorn to then Chairman NUNN.

For whatever reason, the DOD did not honor their commitment to the committee, and my amendment makes sure that the commitment is honored. I appreciate the support of my colleagues. Mr. President, I yield the floor.

Mr. WARNER. Mr. President, this amendment establishes the effective date of the transitional spouse abuse payments as April 1, 1994. This amendment, it is my understanding, has been accepted on both sides.

Mr. EXON. Mr. President, I think this is a very worthy amendment offered by Senator DOMENICI. We have accepted this on this side and I urge its adoption.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2439) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2440

(Purpose: To require the Secretary of Defense to submit a report on the feasibility of using private sources for performance of certain functions currently performed by military aircraft)

Mr. EXON. Mr. President, on behalf of Senator ROBB, I offer an amendment which would require the Secretary of Defense to submit a report on the feasibility of using private sources for performance of certain functions currently performed by military aircraft.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. ROBB, proposes an amendment numbered 2440.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 137, after line 24, insert the following:

SEC. 389. REPORT ON PRIVATE PERFORMANCE OF CERTAIN FUNCTIONS PERFORMED BY MILITARY AIRCRAFT.

(a) REPORT REQUIRED.—Not later than May 1, 1996, the Secretary of Defense shall submit to Congress a report on the feasibility, including the costs and benefits, of using private sources for satisfying, in whole or in part, the requirements of the Department of Defense for VIP transportation by air, airlift for other personnel and for cargo, in-flight refueling of aircraft, and performance of such other military aircraft functions as the Secretary considers appropriate to discuss in the report.

(b) CONTENT OF REPORT.—The report shall include a discussion of the following:

(1) Contracting for the performance of the functions referred to in subsection (a).

(2) Converting to private ownership and operation the Department of Defense VIP air fleets, personnel and cargo aircraft, and in-flight refueling aircraft, and other Department of Defense aircraft.

(3) The wartime requirements for the various VIP and transport fleets.

(4) The assumptions used in the cost-benefit analysis.

(5) The effect on military personnel and facilities of using private sources, as described in paragraphs (1) and (2), for the purposes described in subsection (a).

Mr. EXON. Mr. President, these functions would include personnel and cargo transport, in-flight refueling, and such other military aircraft functions as the Secretary considers appropriate to discuss.

I believe, also, this amendment has been cleared on the other side of the aisle.

Mr. WARNER. The Senator is correct. This is a very worthy amendment. It has my full support and the support of all of our Senators.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2440) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2441

(Purpose: To require the Department of Defense to conduct a study to assess the risks associated with transportation of the unitary stockpile within the continental United States and of the assistance available to communities in the vicinity of chemical weapons stockpile installations that are affected by base closures and realignments)

Mr. WARNER. Mr. President, I send to the desk an amendment on behalf of the Senator from Colorado [Mr. BROWN], and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. BROWN, proposes an amendment numbered 2441.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill add the following:

SEC. . STUDY ON CHEMICAL WEAPONS STOCKPILE.

(a) STUDY.—(1) The Secretary of Defense shall conduct a study to assess the risk associated with transportation of the unitary stockpile, any portion of the stockpile to include drained agent from munitions and the munitions from one location to another within the continental United States. Also, the Secretary shall include a study of the assistance available to communities in the vicinity if the Department of Defense facilities co-located with continuing chemical stockpile and chemical demilitarization operations which facilities are subject to closure, realignment, or reutilization.

(2) The review shall include an analysis of—

(A) the results of the physical and chemical integrity report conducted by the Army on existing stockpile;

(B) a determination of the viability of transportation of any portion of the stockpile, to include drained agent from munitions and the munitions;

(C) the safety, cost-effectiveness, and public acceptability of transporting the stockpile, in its current configuration, or in alternative configurations;

(D) the economic effects of closure, realignment, or reutilization of the facilities referred to in paragraph (1) on the communities referred to in that paragraph; and

(E) the unique problems that such communities face with respect to the reuse of such facilities as a result of the operations referred to in paragraph (1).

(b) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study carried out under subsection (a). The report shall include recommendations of the Secretary on methods for ensuring the expeditious and cost-effective transfer or lease of facilities referred to in paragraph (1) of subsection (a) to communities referred to in paragraph (1) for reuse by such communities.

Mr. BROWN. Mr. President, as you know, several communities have been affected by the recent base closures and base realignments. I have been working with these communities in my State, trying to assist them to make these transitions as smooth as possible.

For nearly 50 years the Pueblo Depot Activity [PDA] in Pueblo, CO, was an integral part of the U.S. Army's system of supply and storage depots. In 1988, however, the Pueblo Depot Activity was designated for realignment. Since this base currently stores chemical weapons, the Army does not plan to transfer ownership of any of the unused lands or buildings at the Pueblo Depot Activity until the destruction of chemical weapons is complete. According to the Army, this would occur at the earliest in 9 years, fully 16 years after it wad designated for realignment and eventual closure.

Despite the fact that the PDA was slated under the law for realignment, it was not planned for closure. Consequently, many programs available to other communities whose bases are to be closed are not available to communities like Pueblo. Under the study required by the amendment, the Secretary of Defense must study the assistance available to communities in the vicinity of Department of Defense facilities co-located with continuing chemical stockpile and chemical demilitarization operations where the facility is subject to closure, realignment or reutilization. My hope is that this study will continue the efforts of the Army and the city of Pueblo to work together to find the best possible solutions for reuse of the Pueblo Depot Activity.

Current plans call for new incineration plants to be built at each chemical weapons storage site at a cost of billions of dollars to U.S. taxpayers. In my view, it makes sense to study first the cost effectiveness of the transportation of neutralized and unneutralized chemical weapons to a few centrally located chemical weapons destruction facilities. The amendment I offer today directs the Secretary of Defense to conduct a study to assess the risk associated with transportation of the unitary stockpile, both neutralized and unneutralized, within the continental United States.

I especially would like to recognize the work of Mel Takaki and Chuck Finley of the Pueblo Depot Activity Development Authority. They have worked hard for the community of Pueblo during this realignment process.

Mr. President, the study proposed in this amendment offered by Senator CAMPBELL and myself will make an important contribution to the resolution of a number of problems faced by communities in the vicinity of Defense Department facilities co-located with continuing chemical stockpile and chemical demilitarization operations.

Mr. CAMPBELL. Mr. President, I would like to thank my Colorado colleague, Senator BROWN, for proposing this amendment of which I am a cosponsor.

The city of Pueblo faces a dual burden from the chemical weapons stockpile at the Pueblo Depot. First, Pueblo's citizens must cope with a controversial and complicated chemical demilitarization effort. Second, as the depot was realigned in 1988, Pueblo must deal with finding ways to profitably reuse excess facilities.

Unfortunately, despite years of effort by the depot's reuse commission, the reuse process is still blocked. People like Mel Takaki, Chuck Finley, and many others worked hard to find users who would be willing to pay for space at the depot's buildings, and they have some takers. They still cannot come to a satisfactory agreement with the Army on leasing the depot's facilities—it seems mostly because of uncertainty about the needs of the demilitarization process.

There are not many communities that face this type of situation. There are only eight chemical weapons stockpile sites in the United States. All this amendment does is require the Defense Secretary to let us know that he understands the unique problems faced by Pueblo and other communities in the vicinity of chemical weapons stockpile sites. For those sites that, like Pueblo, also involve closed or realigned military installations, the Secretary would also give citizens in those communities some ideas on how to move forward with reusing those facilities.

This is a simple amendment, and it should not require much work at the Defense Department, but it will go a long way toward addressing issues that concern citizens living near stockpile facilities. I hope that the Senate and the conferees will accept this amendment.

Mr. WARNER. Mr. President, the amendment would require the Department of Defense to conduct a study on the risks of transporting the unitary chemical stockpile within the United States, and assistance that would be available to the communities surrounding the chemical weapons stockpiles that will be closed when destruction of the stockpile is completed.

I understand this amendment has been cleared.

Mr. EXON. It has been cleared on this side of the aisle, Mr. President.

Mr. WARNER. I urge adoption of the amendment.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2441) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2442

(Purpose: To provide for the disposal of property and facilities at Fort Holabird, MD, as a result of the closure of the installation under the 1995 round of the base closure process)

Mr. EXON. Mr. President, on behalf of Senator MIKULSKI, I offer an amendment and send it to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Ms. MIKULSKI, for herself and Mr. SARBANES, proposes an amendment numbered 2442.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 468, below line 24, add the following:

SEC. 2825. CONSOLIDATION OF DISPOSAL OF PROPERTY AND FACILITIES AT FORT HOLABIRD, MARYLAND.

(a) CONSOLIDATION.—Notwithstanding any other provision of law, the Secretary of Defense shall dispose of the property and facilities at Fort Holabird, Maryland, described in subsection (b) in accordance with subparagraph (2)(e) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (P.L. 103–421), treating the property described in (b) as if the CEO of the state had submitted a timely request to the Secretary of Defense under subparagraph (2)(e)(1)(B)(ii) of the Base Closure Redevelopment and Homeless Assistance Act of 1994 (P.L. 103–421).

(b) COVERED PROPERTY AND FACILITIES.—Subsection (a) applies to the following property and facilities at Fort Holabird, Maryland:

(1) Property and facilities that were approved for closure or realignment under the 1988 base closure law that are not disposed of as of the date of the enactment of this Act, including buildings 305 and 306 and the parking lots and other property associated with such buildings.

(2) Property and facilities that are approved for closure or realignment under the 1990 base closure law in 1995.

(c) USE OF SURVEYS AND OTHER EVALUATIONS OF PROPERTY.—In carrying out the disposal of the property and facilities referred to in subsection (b)(1), the Secretary shall utilize any surveys and other evaluations of such property and facilities that are prepared by the Corps of Engineers before the date of the enactment of this Act as part of the process for the disposal of such property and facilities under the 1988 base closure law.

(d) DEFINITIONS.—In this section:

(1) The term "1988 base closure law" means title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(2) The term "1990 base closure law" means the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

SEC. 2826. LAND CONVEYANCE, PROPERTY UNDERLYING CUMMINS APARTMENT COMPLEX, FORT HOLABIRD, MARYLAND.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any other provision of law, the Secretary of the Army may convey to the existing owner of the improvements thereon all right, title, and interest of the United States in and to a parcel of real property underlying the Cummins Apartment Complex at Fort Holabird, Maryland, consisting of approximately 6 acres and any interest the U.S. may have in the improvements thereon.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the owner of the improvements referred to in that subsection shall provide compensation to the United States in an amount equal to the fair market value (as determined by the Secretary) of the property interest to be conveyed.

(3) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey that is satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

Mr. EXON. Mr. President, this amendment by Senator MIKULSKI first would allow for all base closure affected property at Fort Holabird, MD, to be disposed of in the 1994 base closure disposal process and, second, would authorize the Secretary of the Army to convey, for fair market value, 6 acres of real property at Fort Holabird to the owner of the apartment complex that is situated on the real property.

I believe this is a noncontroversial amendment that has been cleared on the other side.

Mr. WARNER. The Senator is correct.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2442) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2443

(Purpose: To designate the NAUTICUS building in Norfolk, VA, as the "National Maritime Center")

Mr. WARNER. I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER] proposes an amendment numbered 2443.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 403, between lines 16 and 17, insert the following:

SEC. 1095. DESIGNATION OF NATIONAL MARITIME CENTER.

(a) DESIGNATION OF NATIONAL MARITIME CENTER.—The NAUTICUS building, located at one Waterside Drive, Norfolk, Virginia, shall be known and designated as the "National Maritime Center".

(b) REFERENCE TO NATIONAL MARITIME CENTER.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the "National Maritime Center".

Mr. WARNER. Mr. President, the amendment designates a building in Norfolk, VA, as the "National Maritime Center." It is a name change.

Mr. President, I urge my colleagues to support the designation of the NAUTICUS building in Norfolk, VA, as the "National Maritime Center."

Designation as the "National Maritime Center" is indeed a special honor and should only be bestowed upon a center of the highest caliber in an area with a rich history of maritime excellence. I believe that NAUTICUS, located in the city of Norfolk, VA, more than qualifies for this honor and deserves to receive this special recognition. NAUTICUS is a comprehensive maritime center that includes an interactive aegis and ship design theater, exhibits, and presentations on a variety of subjects including marine environmental issues, marine research, and ocean exploration. Additionally, the Hampton Roads areas is where our world trade began hundreds of years ago. The area is home to the world's most powerful Navy, the world's largest natural harbor, the country's largest and oldest shipyard, and a center of marine engineering unequaled anywhere in the world.

A national maritime center in this region could aid immeasurably in educating the public about maritime issues and the importance of the maritime industry in our Nation's history. Indeed, in the era of our All Volunteer Military, this center will help to maintain the ties between our naval forces and the public through education and understanding.

Designation as a "National Maritime Center" need not be exclusively reserved to NAUTICUS but could also be granted to other institutions of similar statute and function upon nomination and consideration by Congress. Also, the designation carries with it no operational support funds nor any positive prejudice for future support of operational deficits by any Federal agency.

Mr. EXON. Mr. President, this matter has been cleared on this side. This amendment as written would be under the Commerce Committee. But it has been cleared by the Commerce Committee. We have no objection on this side. I urge its adoption.

Mr. WARNER. Mr. President, I am thankful for the personal consideration of my colleague, who serves on the Commerce Committee.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Virginia.

The amendment (No. 2443) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2444

(Purpose: To require a report on the disposal of certain property at the former Ford Ord Military Complex, CA)

Mr. EXON. Mr. President, I send an amendment to the desk in behalf of Senator BOXER and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mrs. BOXER, proposes an amendment numbered 2444.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 487, after line 24, add the following:

SEC. 2838. REPORT ON DISPOSAL OF PROPERTY, FORT ORD MILITARY COMPLEX, CALIFORNIA.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report describing the plans of the Secretary for the disposal of a parcel of real property consisting of approximately 477 acres at the former Fort Ord Military Complex, California, including the Black Horse Golf Course, the Bayonet Golf Course, and a portion of the Hayes Housing Facility.

Mrs. BOXER. Mr. President, as passed by the House of Representatives, the fiscal year 1996 Department of Defense authorization bill included a provision authorizing the Secretary of Defense to sell at fair market value to the city of Seaside, CA, two golf courses and neighboring property at Fort Ord. It was my hope to offer an amendment adding a similar provision during Senate consideration of the bill.

We had made significant progress toward agreement on such an amendment. Unfortunately, several important issues still remain unresolved. Because of the managers' strong desire to complete action on the bill, I have agreed not to offer my original proposal at this time. Instead, I have offered this amendment, which requires the Secretary of the Defense to submit a report to the Congress describing his plans for disposal of the property.

Final resolution of this issue now falls to the conference committee. It is my hope that the conferees will seriously consider adopting the House provision, or will modify it in a way that results in the prompt conveyance of this property.

Mr. NUNN. I can assure the Senator from California that the conferees will look very closely at the House provision. I understand the importance of this issue to the people of Monterey County and thank the Senator for her amendment.

Mr. EXON. Mr. President, this amendment that I have offered on behalf of Senator BOXER is an amendment which requires the Secretary of Defense to report to the Congress on the disposal plans of 477 acres of real property located at Fort Ord, CA.

Mr. President, I believe this is a noncontroversial amendment also that has been cleared on the other side of the aisle.

Mr. WARNER. Mr. President, the Senator is correct.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from California.

The amendment (No. 2444) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2445

(Purpose: To continue until May 1, 1996, the application of certain laws with respect to the ocean transportation of commercial items by the Federal Government)

Mr. WARNER. Mr. President, on behalf of the senior Senator from Alaska, Senator STEVENS, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. STEVENS, proposes an amendment numbered 2445.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 305, beginning on line 1, strike all through line 10 and insert in lieu thereof the following:

SEC. 802. PROCUREMENT NOTICE POSTING THRESHOLDS AND SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.

(a) PROCUREMENT NOTICE POSTING THRESHOLDS.—Section 18(a)(1)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)(1)(B)) is amended—

(1) by striking out "subsection (f)—" and all that follows through the end of the subparagraph and inserting in lieu thereof "subsection (b); and"; and

(2) by inserting after "property or services" the following: "for a price expected to exceed $10,000, but not to exceed $25,000,".

(b) SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.—Notwithstanding any other provision of law, neither section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) nor section 2631 of title 10, United States Code, shall be included prior to May 1, 1996 on any list promulgated under section 34(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 430(b)).

Mr. EXON. Mr. President, I have just been advised that Senator BREAUX has asked to be a cosponsor of amendment 2445—as introduced and which was agreed to a few moments ago—by Senator STEVENS.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, this amendment would delay the implementation of regulations waiving the application of the Cargo Preference Act to subcontracts for commercial items.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. EXON. Mr. President, the amendment has been cleared on this side of the aisle.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Alaska.

The amendment (No. 2445) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2446

(Purpose: To require that the fiscal year 1997 report on budget submissions regarding reserve components include a listing of specific amounts for specific purposes on the basis of an assumption of funding of the reserve components in the same total amount as the funding provided for fiscal year 1996)

Mr. EXON. Mr. President, in behalf of Senator ROBB, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. ROBB, proposes an amendment numbered 2446.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 331, between lines 19 and 20, insert the following:

(3) If the total amount reported in accordance with paragraph (2) is less than $1,080,000,000, an additional separate listing described in paragraph (2) in a total amount equal to $1,080,000,000.

Mr. ROBB. Mr. President, I rise to offer an amendment to fix, in part, a longstanding procedural contest between the executive and legislative branches. Each year, the administration sends over a budget request for the Department of Defense which includes funding for the National Guard and Reserves. Typically this budget includes a robust request for reserve personnel and O&M funding. But two accounts are invariably unfunded, or underfunded. They are the procurement account, which ensures our reserve forces have modern weaponry and equipment, and military construction, which provides the buildings and other infrastructure needed by the Reserves.

With one exception in the last 10 years, the administration's request has failed to include any funding for National Guard and Reserve weapons or equipment. In the last 5 years, Reserve construction has been underfunded in the request, typically by several hundred million dollars each year. The result is that the Congress must add the necessary funding and this leads to several complications. First, the Congress must add back funding that must be taken out of other requested defense programs, or increase the total defense authorization level above the request to accommodate the Reserves. Second, the Congress must determine specifically what the Reserves need in terms of equipment and construction, and how much these additions will cost. In the last several years, the Congress has in fact not specified exactly what equipment should be procured, but rather authorized a generic pot of money for each of the Reserve components and left the decision on how specifically to spend the money to the Department of Defense and the Guard and Reserves. This begs the question as to how the Congress came up with its reserve equipment dollar allocations.

This year, the Armed Services Committee decided to specify what equipment to procure, rather than leaving it up to the Department of Defense. Although this process involved extensive collaboration with the Guard and Reserves and the Department of Defense, it makes little sense that the Congress must initiate this process absent an administration recommendation. Without initial Department of Defense guidance, the Congress becomes vulnerable to catering to Member-interest items. More fundamentally, it is imprudent for the Department of Defense to ignore all Reserve equipment and many Reserve construction requirements during its regular budget preparations. How can our military be optimally structured if the Guard and Reserves are treated as mere afterthoughts in the budgeting process?

Since the Congress cannot require the executive to submit a Reserve budget recommendation at a set level, the bill before us has a useful provision requiring the Secretary of Defense to submit a report, concurrently with the fiscal year 1997 defense authorization request, that details actions taken by the Department of Defense to enhance the Guard and Reserves during the previous fiscal year. The provision also requires the Secretary to submit a details listing on how the department will spend its fiscal year 1997 Reserve equipment and construction requests. Because the administration can still choose to make a request of zero—or one that is far too low—this provision still will not necessarily fix the problem.

The amendment I offer today will do much to alleviate this problem, Mr. President. It requires the Secretary of Defense to include a listing or report, in addition to the one already required in the bill, that assumes a serious equipment and construction request level. In my amendment, the fiscal year 1996 Armed Services Committee authorization request level for Reserve equipment and construction of $1,080,000,000 is used, but any comparable sum will do the job. In other words, if the fiscal year 1997 Reserve equipment and construction requests are lower than $1,080,000,000, the Secretary of Defense must provide the Congress with a report detailing how it specifically would allocate funding for equipment and construction assuming that it would have this amount to spend.

The amendment accomplishes several things. It gives the Congress a foundation to work from in determining a rational topline for the Reserves. The Congress could decide on a significantly lower or higher amount, but at least it would have guidance from the

Department of Defense on the Department's Reserve priorities should the Department again decide to deliberately underfund the Guard and Reserve. It forces the Department of Defense to fully address Guard and Reserve funding while Active Force budgets are under preparation. It reduces temptations by Congress to distort Reserve accounts with Member-interest items. Finally, it helps put the Reserves on equal footing with the Active Forces, rather than giving them the leftovers from budgeting for the active components.

Mr. President, it is my understanding that this amendment is acceptable on both sides, and I urge its adoption.

Mr. EXON. Mr. President, this amendment would modify section 1007 to require DOD to provide Congress with a prioritized list of modernization and investment priorities, at least for large amounts, amounts that will be funded by Congress this year. This will ensure that the Congress gets DOD's best advice on priorities for reasonably sized funding packages.

Mr. President, I believe this amendment has been agreed to by those on the other side of the aisle.

Mr. WARNER. The Senator is correct.

Mr. EXON. I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Virginia.

The amendment (No. 2446) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2447

(Purpose: Relating to interim leases of property approved for closure or realignment)

Mr. EXON. Mr. President, I send an amendment to the desk on behalf of Senators PRYOR, FEINSTEIN, and BOXER, and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. PRYOR, for himself, Mrs. FEINSTEIN, and Mrs. BOXER, proposes an amendment numbered 2447.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 468, after line 24, add the following:

SEC. 2825. INTERIM LEASES OF PROPERTY APPROVED FOR CLOSURE OR REALIGNMENT.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

"(4)(A) Notwithstanding the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the scope of any environmental impact analysis necessary to support an interim lease of property under this subsection shall be limited to the environmental consequences of activities authorized under the proposed lease and the cumulative impacts of other past, present, and reasonably foreseeable future actions during the period of the proposed lease.

"(B) Interim leases entered into under this subsection shall be deemed not to prejudice the final property disposal decision, even if final property disposal may be delayed until completion of the interim lease term. An interim lease under this subsection shall not be entered into without prior consultation with the redevelopment authority concerned.

"(C) The provisions of subparagraphs (A) and (B) shall not apply to an interim lease under this subsection if authorized activities under the lease would—

"(i) significantly effect the quality of the human environment; or

"(ii) irreversibly alter the environment in a way that would preclude any reasonable disposal alternative of the property concerned.".

Mr. PRYOR. Mr. President, I rise to offer an amendment to help eliminate a current obstacle to the quick redevelopment of closing military bases.

My amendment will give the military service greater flexibility to negotiate longer interim leases for the reuse of base property where the military is preparing for its departure. It will do so in a responsible way that does not eliminate vital environmental safeguards.

This amendment will hopefully solve many interim leasing problems that are occurring at closing bases nationwise.

At Eaker Air Force Base in Blytheville, AR, Cotton Growers, Inc., approached the local redevelopment authority about storing cotton in an old B-52 hanger until cotton prices improved. Upon learning from the Air Force that they could receive only a 1 year lease with a 30 day cancellation clause, Cotton Growers Inc. decided not to locate at Eaker.

At Alameda naval base in Alameda, CA, AEG Transportation is seeking a 10-year lease to obtain use of base property to refurbish rail cars for the San Francisco-based BART public transit company. The BART contract is for 10 years, and AEG desires a 10 year commitment before spending millions of dollars on capital improvements to Alameda property. Unfortunately, the Department of the Navy is thus far unwilling to enter into a lease agreement longer than 5 years. This stalemate could result in the loss of an attractive tenant for Alameda.

The military services have informed my office that the inability to offer longer interim leases is due primarily to their fear of a lawsuit over requirements from the National Environmental Protection Act of 1969, the so-called NEPA. This amendment attempts to address this problem without degrading the environment or fully exempting interim leases from NEPA.

In recent years, Congress and the Clinton administration have made substantial progress in removing the obstacles that have blocked past efforts to redevelop bases. This amendment will help remove yet another barrier.

It will give the military services greater flexibility to negotiate with interested tenants. It also ensures that our effort to create jobs and economic activity on base does not come at the expense of the environment.

I thank the distinguished chairman and the ranking member for accepting this amendment.

I also thank the Department of Defense, the Departments of Army, Navy, and Air Force, the Council on Environmental Quality, the Environmental Protection Agency, Senators CHAFEE, BAUCUS, LAUTENBERG, and BOXER from the Senate Environment and Public Works Committee and Senators NUNN and THURMOND from the Senate Armed Services Committee who contributed greatly to the passage of this amendment.

Mr. EXON. Mr. President, this amendment provides the military services greater flexibility to negotiate longer interim leases for the reuse of property at a closing of a military installation. This amendment allows for flexibility without eliminating important environmental protections.

Mr. President, I believe this amendment has been agreed to on the other side.

Mr. WARNER. Mr. President, the Senator is correct.

Mr. EXON. I urge adoption of the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from Arkansas.

The amendment (No. 2447) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2448

(Purpose: Relating to the operational support airlift aircraft fleet)

Mr. WARNER. Mr. President, on behalf of Senator GRASSLEY, I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. GRASSLEY, proposes an amendment numbered 2448.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 403, between lines 16 and 17, insert the following:

SEC. 1095. OPERATIONAL SUPPORT AIRLIFT AIRCRAFT FLEET.

(a) SUBMITTAL OF JCS REPORT ON AIRCRAFT.—Not later than February 1, 1996, the Secretary of Defense shall submit to Congress the report on aircraft designated as Operational Support Airlift Aircraft that is currently in preparation by the Joint Chiefs of Staff.

(b) CONTENT OF REPORT.—(1) The report shall contain findings and recommendations regarding the following:

(A) Modernization and safety requirements for the Operational Support Airlift Aircraft fleet.

(B) Standardization plans and requirements of that fleet.

(C) The disposition of aircraft considered excess to that fleet in light of the requirements set forth under subparagraph (A).

(D) The need for helicopter support in the National Capital Region.

(E) The acceptable uses of helicopter support in the National Capital Region.

(2) In preparing the report, the Joint Chiefs of Staff shall take into account the recommendation of the Commission on Roles and Missions of the Armed Forces to reduce the size of the Operational Support Airlift Aircraft fleet.

(c) REGULATIONS.—(1) Upon completion of the report referred to in subsection (a), the Secretary shall prescribe regulations, consistent with the findings and recommendations set forth in the report, for the operation, maintenance, disposition, and use of aircraft designated as Operational Support Airlift Aircraft.

(2) The regulations shall, to the maximum extent practicable, provide for, and encourage the use of, commercial airlines in lieu of the use of aircraft designated as Operational Support Airlift Aircraft.

(3) The regulations shall apply uniformly throughout the Department of Defense.

(4) The regulations should not require exclusive use of the aircraft designated as Operational Support Airlift Aircraft for any particular class of government personnel.

(d) REDUCTIONS IN FLYING HOURS.—(1)(a) The Secretary shall ensure that the number of hours flown in fiscal year 1996 by aircraft designated as Operational Support Airlift Aircraft does not exceed the number equal to 85 percent of the number of hours flown in fiscal year 1995 by such aircraft.

(2)(a) The Secretary should ensure that the number of hours flown in fiscal year 1996 for helicopter support in the National Capital Region does not exceed the number equal to 85 percent of the number of hours flown in fiscal year 1995 for such helicopter support.

(e) RESTRICTION ON AVAILABILITY OF FUNDS.—Of the funds authorized to be appropriated under title III for the operation and use of aircraft designated as Operational Support Airlift Aircraft, not more than 50 percent of such funds shall be available for that purpose until the submittal of the report referred to in subsection (a).

Mr. GRASSLEY. Mr. President, I would like to thank the chairman of the committee, Senator THURMOND, and the ranking minority member, Senator NUNN, for their assistance and cooperation in developing this compromise agreement on the operational support airlift [OSA] aircraft issue.

This amendment deals with the 600 executive aircraft and VIP helicopters operated by the Department of Defense [DOD]. These are called OSA aircraft.

I think we have succeeded in working out a reasonable compromise on the OSA issue.

When I first began discussing the issue, I was recommending a 50-percent cut in the OSA fleet.

But from day 1, I never claimed to have the magic solution. The 50 percent figure was nothing more than a starting point.

I just wanted to see us take a significant first step down the road toward downsizing the OSA fleet.

Mr. President, the idea of downsizing the OSA fleet was not dreamed up by CHUCK GRASSLEY.

My thinking on this issue is based on a mountain of studies and analyses—all prepared by the DOD.

All the studies point in one direction: cut the OSA fleet.

In February 1993, the Chairman of the Joint Chiefs of Staff, Gen. Colin Powell, recommended that the OSA fleet be cut.

In September 1994, the Chief of Staff of the Air Force, General McPeak, recommended that the OSA fleet be cut.

Then in May 1995, the DOD Commission on Roles and Missions recommended that the OSA fleet be cut.

Well, the Roles and Missions Commission was chaired by Mr. John P. White.

Right after Mr. White made those recommendations, he became the Deputy Secretary of Defense.

So cutting the OSA fleet is not CHUCK GRASSLEY's idea.

The idea of cutting the OSA fleet is coming directly from the top at the Pentagon.

CHUCK GRASSLEY is just trying to do what these top DOD officials say must be done. That's it.

Mr. President, this issue has been studied to death.

It's time to make some cuts.

This is where the rubber meets the road.

The only question is this: How do we do it?

How should the cuts be made?

The compromise agreement embodied in this amendment starts us down the road toward downsizing the OSA fleet.

It gets us headed in the right direction.

It directs DOD to develop a plan to carry out the recommendations of the Commission on Roles and Missions.

It directs DOD to identify excess OSA aircraft and to develop a plan for disposing of those aircraft.

It directs DOD to prescribe regulations that would require the use of commercial airlines for routine official travel.

And those regulations must not require the use of OSA aircraft by any particular class of personnel.

The compromise agreement would curtail OSA flight operations by 15 percent in fiscal year 1996.

The reduction in operations would also apply to helicopter flights in the National Capital region.

The amendment contains a device to encourage DOD to submit its plan for downsizing the OSA fleet in a timely manner.

Fifty percent of all OSA funds in the bill are fenced until the plan is submitted to Congress.

Again, Mr. President, I thank the chairman and ranking minority member for their help in crafting this compromise agreement.

I would also like to thank a member of the committee staff, Mr. Steve Madey, for his persistence and determination. His efforts were instrumental in shaping the final agreement.

We can revisit the issue next year after we have had an opportunity to assess how well the DOD plan is working.

Mr. WARNER. Mr. President, this amendment would reduce the Flying Hour Program for operational support aircraft and require a review of regulations and a study. I understand it has been accepted on both sides.

Mr. EXON. This represents the responsible role for the operation of support aircraft and responds to the recommendations by management of these aircraft by the Chairman of the Joint Chiefs and the Commission on Roles and Missions of the armed services.

We strongly support the amendment and urge its adoption.

Mr. WARNER. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER (Mr. FRIST). If there is no further debate, the question is on agreeing to the amendment of the Senator from Iowa.

The amendment (No. 2448) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2449

(Purpose: To transfer funds for procurement of communications equipment for Army echelons above corps)

Mr. WARNER. Mr. President, on behalf of the senior Senator from New Mexico, [Mr. DOMENICI], and the Senator from Hawaii, [Mr. INOUYE], I send an amendment to the desk and ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. DOMENICI, for himself and Mr. INOUYE, proposes an amendment numbered 2449.

Mr. WARNER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 49, between lines 14 and 15, insert the following:

SEC. . ARMY ECHELON ABOVE CORPS COMMUNICATIONS.

Of the amount authorized to be appropriated under section 201(3), $40,000,000 is hereby transferred to the authorization of appropriations under section 101(5) for procurement of communications equipment for Army echelons above corps.

Mr. DOMENICI. Mr. President, I understand that my amendment on the Army's EAC communications system has been accepted on both sides. I want to thank the Senators THURMOND, WARNER, and NUNN for their cooperation in this effort. My amendment will fund modernization of the Army's vital command, control, and communication systems. It will allow the Army to move more of its communications equipment, including switches, multiplexer assemblies, message controllers, network assemblies, and other equipment, into combat areas quickly during combat and contingency operations.

This program has allowed the Army to downsize its combat communications equipment to the point that it can now transport more critical combat information systems into a fire zone in less time and at significantly less cost than before.

For example, the benefits of this program save $1 million in air transportation costs every time the Army moves a single communications battalion from Fort Gordon, GA to a major center in the Middle or Far East. Consequently, if the Army moves a minimum of 25 communications battalions this year during exercises, it will save $25 million in operational costs.

Furthermore, this new equipment permits the Army combat personnel to communicate more frequently, under severely adverse conditions, with greater success than ever before. The new systems are faster, more secure, vastly more dependable, and of significantly smaller size than their predecessors. They also provide more interoperability than has ever been possible.

The new downsized configurations of this equipment fit neatly into the Army's latest heavy HMMWV. Sizeable numbers of these vehicles can be transported into combat zones on C–141 and C–5 aircraft, providing significantly more communications capability in world hot spots sooner than was previously possible.

Maj. Gen. Edward Anderson, Deputy Chief of Staff, Operations and Planning for Force Development, strongly support this program. Nevertheless, the Army has been limited in its budget submissions due to modernization and weapons systems requests. I believe this amendment addresses the critical communications needs of the Army, and I thank the Senate Armed Services Committee for its support.

Mr. WARNER. Mr. President, this amendment adds $40 million for the procurement of certain communications programs for the Army.

Mr. EXON. Mr. President, this amendment would allow the Army to continue its program to make theater-level communications units more capable, lighter and more easily deployable in emergencies.

We think it is a very good amendment. We urge its adoption.

Mr. WARNER. Mr. President, I thank my distinguished colleague, and I urge its adoption.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (No. 2449) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2450

(Purpose: To authorize the conveyance of certain parcels of real property at Fort Sheridan, IL)

Mr. EXON. Mr. President, I send an amendment to the desk in behalf of Senator SIMON, and I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. SIMON, proposes an amendment numbered 2450.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 487, below line 24, add the following new sections:

SEC. 2838. LAND CONVEYANCE, NAVY PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—Subject to subsections (b) and (l), the Secretary of the Navy may convey to any transferee selected under subsection (i) all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 182 acres and comprising the Navy housing areas at Fort Sheridan.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (i) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such housing facilities (including support facilities and infrastructure) to replace the housing facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate;

(C) pay the cost of relocating Navy personnel residing in the housing facilities located on the real property conveyed pursuant to the authority in subsection (a) to the housing facilities constructed under subparagraph (B);

(D) provide for the education of dependents of such personnel under subsection (e); and

(E) carry out such activities for the maintenance and improvement of the facilities constructed under subparagraph (B) as the Secretary and the transferee jointly determine appropriate.

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the property interest conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The property interest conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (i) shall—

(1) be located not more than 25 miles from the Great Lakes Naval Training Center, Illinois;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) EDUCATION OF DEPENDENTS OF NAVY PERSONNEL.—(2) In providing for the education of dependents of Navy personnel under subsection (c)(1)(D), the transferee selected under subsection (i) shall ensure that such dependents may enroll at the schools of one or more school districts in the vicinity of the real property conveyed to the United States under subsection (c)(1)(A) which schools and districts—

(A) meet such standards for schools and school districts as the Secretary shall establish; and

(B) will continue to meet such standards after the enrollment of such dependents regardless of the receipt by such school districts of Federal impact aid.

(f) INTERIM RELOCATION OF NAVY PERSONNEL.—Pending completion of the construction of all the housing facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (i), the Secretary may relocate Navy personnel residing in housing facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the housing facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(g) APPLICABILITY OF CERTAIN AGREEMENTS.—The property conveyed by the Secretary pursuant to the authority in subsection (a) shall be subject to the Memorandum of Understanding concerning the Transfer of Certain Properties at Fort Sheridan, Illinois, dated August 8, 1991, between the Department of the Army and the Department of the Navy.

(h) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property interest to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(i) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(j) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (i).

(k) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2839. LAND CONVEYANCE, ARMY RESERVE PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—Subject to subsection (b), the Secretary of the Army may convey to any transferee selected under subsection (g) all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 114 acres and comprising an Army Reserve area.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (g) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such facilities (including support facilities and infrastructure) to replace the facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate; and

(C) pay the cost of relocating Army personnel in the facilities located on the real property conveyed pursuant to the authority in subsection (a) to the facilities constructed under subparagraph (B).

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the real property conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The real property conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (g) shall—

(1) be located not more than 25 miles from Fort Sheridan;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) INTERIM RELOCATION OF ARMY PERSONNEL.—Pending completion of the construction of all the facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (g), the Secretary may relocate Army personnel in the facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(f) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(g) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(h) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (g).

(i) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

Mr. EXON. Mr. President, on behalf of Senator SIMON, I offer this amendment which would authorize the Secretary of the Navy to convey real property and military family housing at the former Fort Sheridan, IL, to a competitive bidder in exchange for a parcel of real property and a newly constructed Navy neighborhood of excellence; and, two, authorize the Secretary of the Army to convey real property at former Fort Sheridan, IL, to a competitive bidder in exchange for a parcel of real property and newly constructed Army Reserve facilities. These property changes are at fair market value.

Mr. President, I believe this amendment has been cleared on both sides.

Mr. WARNER. Mr. President, it has been cleared. I wish to thank my distinguished colleague. This is an issue that has been before the committee on which the Senator from Nebraska and I serve. We would note that Senator Dixon tried to lay foundations for this many years ago. It has been considered by the committee through the years, and I strongly support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

So the amendment (No. 2450) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MISSING SERVICE PERSONNEL

Mr. DOLE. Mr. President, before we conclude consideration of the fiscal year 1996 Defense authorization bill, I would like to make a few comments regarding section 551, which addresses the determination of whereabouts and the status of missing persons. Section 551 is the direct result of S. 256, the Missing Service Personnel Act of 1995, which I introduced on January 20 of this year. I want to thank Senator COATS, the Personnel Subcommittee chairman, for his efforts to include as much of the original bill in the Defense authorization bill as was possible. It wasn't easy. DOD had its objections, as did a number of our colleagues.

The original intent of S. 256 was to reform the Department of Defense's procedures for determining the status and location of missing personnel of the Armed Forces. Legislation concerning those missing in action has not changed in the past 50 years. Since the Vietnam war, the Department of Defense and the United States Government have been criticized for their handling of the POW/MIA issue. Some of that criticism is justified. The Government's own actions—or inaction—has provoked legitimate criticism. S. 256 was an attempt to correct these problems and establish a fair and equitable procedure for determining the exact status of missing personnel. At the same time, it was my hope that we might restore some of the Department's credibility on this issue and renew the trust between the public and the Federal Government.

I realize that some who supported S. 256 are concerned that section 551 is not identical. I agree, it is not everything we had hoped to achieve. However, I do believe that section 551 represents the best language we could pass in the Senate. There are reforms we had hoped to achieve but which are not reflected in the Defense authorization bill. But our colleagues in the House have included this matter in their version of the Defense authorization bill. In my view, some of the House language better reflects our original bill. When the Senate goes to conference, it is my hope that all of the essential provisions of the original bill will be included in the conference report.

So, again, I would like to thank Senator COATS for his efforts. Section 551 centralizes oversight and responsibility for accounting for missing persons, it establishes new procedures for reviewing cases of missing persons, and it protects the missing service member from being declared dead solely based on the passage of time. I look forward to working with my colleagues to ensure that the conference report includes all of the necessary reforms outlined in S. 256.

Mr. WARNER. Mr. President, the chairman of the Armed Services Committee, Mr. THURMOND, again has asked that I urge Senators to come forward with their amendments. We are making some steady progress this morning. I believe we are about to receive instructions from the majority leader that the Senate will stand in recess.

Mr. EXON. Mr. President, just before we recess, if I may make a brief statement, I thank once again the chairman of the committee for his cooperation.

I thank my friend from Virginia. For the last few minutes we have worked together to pass a whole series of amendments that were not controversial. I simply say that we are making remarkable progress, and I understand that when we reconvene at 2:15, following the statement the Senator from Virginia is about to make, we will be moving forward and tentatively have unanimous consent on an agreement that is going to collapse about an hour and a half of time which would otherwise be required, followed by another amendment the Senator from Nebraska had intended to offer if this amendment does not pass, which I understand will now.

So I am overjoyed to announce to Senators that we are making remarkable progress under the bipartisan cooperation of both sides. It would appear to me that if we can continue this remarkable speed, we could have a chance of passing both the defense authorization and appropriations bills at a very fair and early hour this evening. I thank my friend from Virginia and those on that side of the aisle for their cooperation.

Mr. WARNER. Mr. President, I thank my distinguished friend and colleague. It is always a pleasure to work with him as we have now 17½-plus years.

RECESS

Mr. WARNER. Mr. President, in accordance with the usual schedule of the Senate on Tuesday, there will be the caucus luncheons, and therefore I ask unanimous consent that the Senate stand in recess until the hour of 2:15.

There being no objection, the Senate, at 12:42 p.m., recessed until 2:15 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. DEWINE).

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2429

The PRESIDING OFFICER. The question occurs on the Exon amendment No. 2429.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise to clarify the intent of section 3135 of the Senate's 1996 National Defense Authorization Act which provides $50 million for the preparation of hydronuclear experiments below a 4 pound TNT explosive equivalent at the Nevada test site. This provision does not authorize hydronuclear experiments. So there is no problem with this part of Senator EXON's amendment.

Furthermore, this provision does not amend or repeal the requirements of section 507 of Public Law 102–377, which is also known as the Hatfield-Exon-Mitchell amendment on nuclear weapon testing.

The amendment proposed by Senator EXON basically invokes the restrictions of the 1992 Hatfield-Exon-Mitchell amendment on U.S. nuclear weapons testing. It is my understanding that the Hatfield amendment was not meant to encompass hydronuclear experiments under 4 pounds.

Therefore, as long as the proposed Exon amendment is not construed to make low yield hydronuclear experiments subject to the Hatfield amendment's ban on all nuclear weapons testing after September 30, 1996, I would have no problem with the second portion of Senator EXON's amendment.

I would like to make some further remarks pertaining to section 3135. The Senate passed this provision as an element of the Thurmond-Domenici amendment to the 1996 National Defense Authorization Act on August 4, 1995. On that same day, after vigorous debate, the Senate rejected an attempt to remove this provision from the bill by a vote of 56 to 44. I maintained then, and I maintain now, that this was a prudent decision. I do so in spite of the fact that 1 week after the Senate vote on this subject, the President called for a zero yield comprehensive test ban treaty. I say this because hydronuclear experiments are the single remaining tool available to the United States that is relevant to assessing potential safety problems which may arise in the fission trigger, or primary stage, of our nuclear weapons as they approach and exceed their original design lifetimes. These are not tests of nuclear weapons output. These are not tests aimed at development of new weapons. They are experiments aimed at primarily assessing the safety of he unboosted implosion of the fissle core assembly from a nuclear weapon.

Now, during our debate on this subject, the executive summary of a report of hydronuclear experiments by the JASON committee came up and was reported into the RECORD. This report has been represented to be a purely scientific study, but a careful reading shows that its conclusions are based on preconceived politics and policy. The report concludes that we don't need to do hydronuclear experiments under 4 pounds. Although the JASON report says that low yield hydronuclears were useful for safety assessments, it concludes that we don't need to do hydronuclears because the JASON's don't anticipate safety problems with the current stockpile. This is simply an unsupported assertion.

We found out some other interesting things about the JASON report after the debate. First, we asked DOE for the full classified JASON report. We were told that it was not finished and that it would be available in 3 or 4 weeks. Evidently, the nuclear weapons laboratory officials with the ultimate responsibility for the stockpile were not given an opportunity to review the JASON report before the President's announcement on a zero yield comprehensive test ban treaty. Second, we found out that the individuals selected for this JASON committee were not experts in nuclear weapons and that they called on the services of four current and former nuclear weapons laboratory experts to serve as consultants to the JASON members. Why did DOE not go to its own experts to begin with? So we talked to the two lab experts who dealt with the JASON's. They both agreed that tests in the 500 ton range would be of greatest value to the U.S. nuclear weapons program. On hydronuclear experiments below 4 pounds, these two had a genuine technical disagreement. The expert who found hydronuclear experiments to be of value told us that his material was dropped from the report by the JASON's chairman. He told us that his material "wound up on the cutting room floor."

Upon further inquiry we found that the chairman of this particular JASON committee is an expert in high energy physics. His resume also says that he is an arms control specialist. In fact, he has been a Director of the Arms Control Association in Washington, DC. He is a close adviser to Secretary O'Leary. Why should the nuclear weapons experts from our Government-owned laboratories have to have their work filtered through individuals with a clear track record in the arms control arena? This has not been the case in the 50-year history of the U.S. nuclear weapons program. Last year I alerted this body to my concerns about the fact that the Secretary of Energy had surrounded herself with many career antinuclear advocates. Nothing seems to have changed.

Mr. President, this Senator does not believe that this is an objective way to form a committee nor to elucidate expert opinions on a subject of such import to national security.

We then asked DOE for the results of the DOE stockpile confidence meeting that took place at STRATCOM in Omaha from the 1st to the 3d of June of this year with the nuclear weapons laboratories participating. It turns out that the position of the nuclear weapons laboratories at this meeting concluded that good confidence in the safety and reliability of the enduring stockpile could be maintained with a combination of 500-ton tests and the science based stockpile stewardship and management program. If 500-ton tests were excluded, then we could retain good confidence in weapon safety with hydronuclear experiments and the science based stockpile stewardship and management program. Without 500-ton tests and hydronuclears, the laboratories concluded that there would be a period of vulnerability in our stockpile confidence between the end of testing and the realization of the goals of the science based stewardship and management program. You will not see these conclusions discussed publicly by the administration.

I caution my colleagues to watch this situation closely and not to allow the administration to trade real declines in stockpile confidence for potential gains on the arms control area. This concludes my remarks.

Mr. President, I now ask unanimous consent that this amendment be adopted.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment (No. 2429) was agreed to.

Mr. THURMOND. I move to reconsider the vote.

The PRESIDING OFFICER. Will the Senator suspend for a moment? Was the Senator referring to Exon amendment No. 2429?

Mr. THURMOND. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BROWN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BROWN. Mr. President, what is the item before the Senate at this point? What is the business of the Senate at this point?

The PRESIDING OFFICER. The business before the Senate now is Brown amendment No. 2428.

AMENDMENT NO. 2428, AS MODIFIED

Mr. BROWN. Mr. President, I have been in conversation with both Members of our side of the aisle and the Democratic side of the aisle. Senator GLENN has had some positive suggestions for my amendment.

At this point, I send a modification of my amendment to the desk.

The PRESIDING OFFICER. The Senator has that right. The amendment is so modified.

The amendment (No. 2428), as modified, is as follows:

At the appropriate place in the bill, add the following new section:

SEC. . SENSE OF THE CONGRESS REGARDING FITZSIMONS ARMY MEDICAL CENTER, COLORADO.

(a) FINDINGS.—The Congress finds that—

(1) Fitzsimons Army Medical Center in Aurora, Colorado has been recommended for closure in 1995 under the Defense Base Closure and Realignment Act of 1990;

(2) The University of Colorado Health Sciences Center and the University of Colorado Hospital Authority are in urgent need of space to maintain their ability to deliver health care to meet the growing demand for their services;

(3) Reuse of the Fitzsimons facility at the earliest opportunity would provide significant benefit to the cities of Aurora and Denver; and

(4) Reuse of the Fitzsimons facility by the local community ensures that the property is fully utilized by providing a benefit to the community.

(b) SENSE OF CONGRESS.—Therefore, it is the sense of Congress that upon acceptance of the Base Closure list—

(1) The federal screening process for all military installations, including Fitzsimons Army Medical Center should be accomplished at the earliest opportunity;

(2) To the extent possible, the Secretary of the military departments should consider on an expedited basis transferring appropriate facilities to Local Redevelopment Authorities while still operational to ensure continuity of use to all parties concerned, in particular, the Secretary of the Army should consider an expedited transfer of Fitzsimons Army Medical Center because of significant preparations underway by the Local Redevelopment Authority;

(3) The Secretaries should not enter into leases with Local Redevelopment Authorities until the Secretary concerned has established that the lease falls within the categorical exclusions established by the Military Departments pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.);

(4) This section is in no way intended to circumvent the decisions of the 1995 BRAC or other applicable laws;

(c) REPORT.—180 days after the enactment of this Act the Secretary of the Army shall provide a report to the appropriate committees of the Congress on the Fitzsimons Army Medical Center that covers—

(1) The results of the federal screening process for Fitzsimons and any actions that have been taken to expedite the review;

(2) Any impediments raised during the federal screening process to the transfer or lease of Fitzsimons Army Medical Center;

(3) Any actions taken by the Secretary of the Army to lease the Fitzsimons Army Medical Center to the local redevelopment authority;

(4) The results of any environmental reviews under the National Environmental Policy Act in which such a lease would fall into the categorical exclusions established by the Secretary of the Army; and

(5) The results of the environmental baseline survey and a finding of suitability or nonsuitability.

Mr. BROWN. Mr. President, this modification incorporates the suggestions of the distinguished Senator from Ohio, Senator GLENN. It clarifies some of the aspects of the sense of the Congress relating to Fitzsimons and broadens some of the sense of the Congress measures included therein, including a wish that the procedures involved in disposing of facilities be expedited for not just Fitzsimons, but other facilities as well, when it is appropriate.

Mr. President, it is my understanding that this amendment has the approval of both sides. I ask at this time for its adoption.

Mr. THURMOND. Mr. President, I understand it is acceptable on both sides.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 2428), as modified, was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. BROWN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BROWN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, again, I urge all Senators who have amendments to the defense authorization bill to come to the floor and offer those amendments. We want to finish this bill today. We do not want to stay here until 12, 1, or 2 o'clock tonight. I urge all Senators—and I hope the staffs will tell them if they are here, and I hope the offices will listen and let the Senators know—to come and offer their amendments, if they have any.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I compliment the work of Senator THURMOND. I have great respect for him, as well as the work of Senator NUNN, the ranking member. I agree with much of what they do in their work in the Senate. I think both of them have a good grasp of defense issues.

Therefore, it is with reluctance I take the floor today to say I am going to be voting against both the Defense authorization bill and the Defense appropriations bill.

Again, let me say that I think much of the work they do is work that is extraordinarily important for our country and for the defense of our country, but there are some things in this legislation that give me some real pause, one of which I simply cannot overcome. That is the issue of star wars. I call it star wars; I know others will call it the antiballistic missile system or other names.

No matter what you call it—an ABM system; star wars; or SDI, space defense initiative—it is in this legislation, an initiative at this time when we are up to our neck in debt in this country, when we have very serious fiscal policy problems, and when we are tightening our belt and cutting back on job training, saying we will make it more expensive for people to send their kids to college because we will cut back on student loans, we will make deep cuts in Medicare and Medicaid. We are told we do not have the money. At that very moment we now say, by the way, all of that concern about spending, do not pay much attention to what we were saying there. In this legislation, the authorization and appropriations for defense, we say we want to spend more. We want to spend more money than the Secretary of Defense asks for. In fact, this legislation says we say we want to buy more trucks than the Secretary of Defense says he needs. We want to buy more jet fighters than the Secretary of Defense says he wants. We want to buy more submarines than the Secretary of Defense says are necessary—more than are necessary for the defense of this country. This bill says we want to spend $7 billion more than the Secretary of Defense has asked for. It also says we want to commit ourselves to a star wars program, or ABM program, that, according to the Congressional Budget Office, will cost between $40 and $48 billion.

So this legislation says let us initiate a star wars program and spend $300 million more just this year for this program to require an early deployment—an initial deployment by 1999 and full deployment by the year 2003 of a multiple-site national missile defense program.

This, after the Soviet Union has largely vanished. There is no Soviet Union. This, at a time when Russia and others are now destroying warheads and missiles as part of our arms control agreement. In fact, START I and START II, which, when fully ratified, will mean there will be 6,000 fewer warheads in the Russian arsenal, warheads that used to be aimed at America—American cities, American population centers—6,000 fewer warheads because they will be destroyed under START I and START II.

However, this legislation says, even while all this is going on, let us begin a new weapons program. Let us begin a new arms race. Let us spend $48 billion we do not have on something this country does not need.

The so-called bipartisan agreement is an agreement that changes a few words that create, for me, a distinction without any difference at all. It says in this agreement,

> It is the policy of the United States to deploy, as soon as possible, affordable and operationally effective theater missile defenses capable of countering existing and emerging theater ballistic missiles and developing for deployment a multiple site national missile defense system.

Then it says, "initiate negotiations with the Russian Federation as necessary to provide for this national missile defense system," because they acknowledge the so-called star wars program would violate the ABM Treaty so they would have to negotiate with the Russians to change the treaty so we can build a multiple-site system, "and to consider," they say, "if these negotiations with Russia fail, the option of withdrawing from the ABM Treaty."

The ABM Treaty is the foundation on which all of the arms control agreements we have are based. We sat for years with a policy in which we had a nuclear triad with nuclear warheads aimed at our adversary—in this case the Soviet Union—and they with their nuclear triad with nuclear weapons aimed at us. The beginning of the end of the cold war was the agreements by which, with ABM and START I and START II, we now have circumstances where missiles and warheads are being dismantled and destroyed, warheads and missiles that previously were in silos aimed at the United States are now being destroyed and dismantled.

This legislation says that the very agreement upon which those reductions in missiles and warheads is based will be renegotiated and changed and destroyed, effectively, because we say we are not satisfied. We now want to build a national missile defense system. Against whom are we going to deploy a national missile defense system? And for what?

As always seems to be the case when you debate defense spending issues on the Senate floor—when you are talking, on the one hand, about spending for a hot lunch program, for a feeding program, for a nutrition program, for college education help, for financial aid, for Medicare, for Medicaid—what we have is a bunch of arm wavers in this Chamber who shout and wave their arms and say that those on this side of the Chamber are a bunch of big spenders, wild-eyed big spenders on some drunken spending spree; every day in every way all they want to do is spend the taxpayers' money.

Now things have changed. This is not about milk. It is not about nutrition for kids. This is not about health care. This is about building a brand new star wars program. Now the big spenders are on the other side of the room. They say: We do not care what the Secretary of Defense says, we want to build it. We do not care what the Department of Defense says, we need it. We do not care what the intelligence experts claim, we think it is necessary. So they say: Let us build a brand new, gold-plated boondoggle called the star wars program at the very time that we have spent months trying to figure out how to balance the Federal budget.

I do not know all the answers on how you balance the Federal budget. But I do know this. You do not start by continuing digging. You know the old southern expression, when you find yourself in a hole, stop digging. Apparently, some in this Chamber think the solution is you start passing out shovels. You do not solve the deficit problems by deciding to embark on these kinds of weapons programs. If I felt the security needs of the country required this be built, it would not matter to me what it cost, then we ought to build it. If it were essential to the security of this country that the star wars program be built in order to defend America, then there is not any logical question left; this country would have to proceed. But there is no credible evidence, not a shred of evidence anywhere that I have seen that justifies this project.

People say, "It is Saddam Hussein. It is North Korea. It is some ayatollah in Iran." Does anybody seriously believe that the risk from Saddam Hussein, or a terrorist country, is a risk that they will get hold of an intercontinental ballistic missile with which they will launch a nuclear warhead against the United States? Does not everyone here, in a thoughtful moment, at least, understand the far more credible threat is with a truck bomb, as was evidenced by a couple of nut cases who built a bomb, put it in a rental truck, and parked it in front of a Federal building?

Is it not more likely that we will see nuclear terrorism by a suitcase nuclear bomb, by a nuclear bomb placed in the trunk of a rusty car parked by a dock in New York City? Is that not the far more likely threat of nuclear terrorism? Everyone understands that. It is even more unlikely that you would see a terrorist nation, if it were inclined to launch a nuclear attack against the United States, as ill-advised as that would be to do, to do so with an intercontinental ballistic missile. It would be with a cruise missile, which would be easier to obtain; certainly easier to build. This star wars program is not a defense against cruise missiles. No one here, I think, would stand and claim it is.

No, this is, unclothed, a jobs program. It is like every single other weapons program I have ever seen here in Congress. It gets life because somebody believes it is important to their State and it will create jobs.

The fact is, the first site under this will be built in North Dakota, likely, although I think there is also a potential that those who want multiple sites, probably, down the road foresee changing the ABM system so they will not have to build a site in North Dakota. But the fact is, whether it is built in North Dakota or not, I do not think we ought to have it, I do not think the country needs it. I do not think the country can afford it. I think it is preposterous for us, at this point, to be debating, in a defense authorization bill, whether we ought to build a $48 billion star wars program.

The time has passed. This was a 1983 proposal by President Reagan at the height of the cold war when the Soviet Union represented our arch enemy. The cold war is over. The Soviet Union does not exist. Russia now, by agreement with us, is reducing its nuclear arsenal by the thousands, destroying and dismantling. Now we have this proposal? It is completely out of step with reality, in my judgment. But it is not alone. It is simply the biggest and, I think, the most serious problem in this bill.

As I said, this bill builds trucks which the Defense Department did not ask for. It builds planes which the Defense Department does not need. It builds submarines which the Defense Department does not want. In fact, the authorization bill on page 125 says the committee recommends $60 million to begin the development of an airship and missions system that is militarily significant in scope which is operationally capable of developing a counter-cruise-missile capability. What this does not quite say—because legislative language is always artfully drafted so you cannot understand exactly what they are talking about—is on page 125, the $60 million is actually intended to buy blimps. Yes, blimps.

So there is more than one focus of hot air in Washington. Some say it is only in the Chamber of the U.S. Senate. It is on page 125. Lighter-than-air air service—$60 million for blimps. With no hearings, no discussion, let us just spend $60 million on blimps. It is, in my judgment, the hood ornament on bad judgment: star wars, blimps, trucks, planes, and ships that were not asked for and were not needed.

I would be happy to vote for the bulk of this legislation to provide for the defense needs of this country, to provide the kind of equipment and to provide for the salaries and benefits of the men and women in the Armed Forces that we need to make sure America is strong and free. But I will not be part of an effort to decide we should write another $7 billion in to buy equipment the Secretary of Defense says he does not need. And I certainly will not be a part of those who now decide they want to abrogate the ABM Treaty and they reach a compromise in language that is a distinction without a difference in which they talk about developing for deployment.

You see, the bill's original language said we are going to deploy star wars. So we have a bunch of meetings and people exhaust themselves. And after hours and days and weeks, they come up with their master compromise. Do you know what the master compromise is? They say, "Well, instead of saying we are going to deploy a multiple-site national missile system," they say, "We are going to develop for deployment a national multiple-site missile system."

I am sorry, I went to a school that was small. I graduated from a high school class in which I was in the top five. But, you know, it was a small school. I guess I have never quite understood with that education the niceties or the subtleties of legislative language that allows someone to believe after they have negotiated an agreement to say, "Well, it used to say we are deploying it now," and in which they simply have said, "We are developing for deployment." And there is a difference. There is no difference. They are still talking about initial development in 1999. They are still talking about full deployment in the year 2003 and still requiring that the ABM Treaty be renegotiated with the Russians. There is no difference here. A distinction maybe. Yes. But a distinction, in my judgment, without a difference.

So I regret to, in a longer fashion than I had intended, say again today that I will not be voting for the appropriations or the authorization bill. I hope that one of these days when we have another discussion about who the wild-eyed spenders are, who the big spenders are in the Congress, that we can discuss who really wants to spend billions that were not asked for, who wants to spend billions writing in special projects, who wants to start a star wars program.

I also hope maybe we can ask them, "Where are you going to get the money? Who are you going to ask to pay for these, or is this going to be charged to the taxpayers' credit card like so much of the spending is?

Mr. President, I, if no one else is seeking the floor, ask to be allowed to speak for 5 minutes in morning business on a subject unrelated to the bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

THE TRADE DEFICIT

Mr. DORGAN. In 5 minutes, Mr. President—because I suspect at the end of that time some others will want to move on some additional defense issues—I wanted to comment on something that happened during the Senate's recess. About 2 weeks ago we received notice about America's trade deficit for the first 6 months of this year, and the report was met with a giant yawn because nobody cares much about the trade deficit. Nobody writes about it. The major press does not treat it seriously in this country.

The trade deficit is largely a function of the trade policy that allows big American corporations to profit for their stockholders by accessing cheap labor in Sri Lanka, Bangladesh, Malaysia, or Indonesia, and selling the products of that cheap labor in Pittsburgh and Fargo and Devils Lake and Denver. All of that might make sense for stockholders and profits, but it means a wholesale exodus of jobs out of this country.

The trade figures showed that in the first 6 months of this year, we have the largest trade deficit in America's history, and that by the end of this year we will have a merchandise trade deficit approaching $200 billion. Let me say that again. By the end of this year, our merchandise trade deficit will approach $200 billion. By contrast, the Federal budget deficit will be $160 billion in this year.

Let me give you some examples of where we are. Japan: At a time when we have a weak dollar, you would expect our trade situation with Japan would be improving. It is not. Japan has a $65 billion annual trade surplus with the United States; China, over $30 billion.

We just entered into NAFTA with Mexico and Canada in January of 1994. Prior to that, we had a surplus with Mexico, a $2 billion trade surplus. Guess what? It is going to be an $18 billion deficit this year.

I would like just one of those folks, one of those apostles for change, that came here and preached the virtues of the free trade agreement with Mexico, to come and stand in this Chamber and tell me how this makes sense for America, how it makes sense for American workers, how it makes sense for the people who want good jobs and good income in this country.

We went from a $2 billion trade surplus with Mexico before NAFTA to an $18 billion trade deficit projected for 1995. Mexico, China, Japan—our trade strategy is a disaster, one that requires, in my judgment, emergency action in this country to stop the hemorrhaging.

You can make the point—I do not, but you could make the point—on fiscal deficits in this country, that the deficit is money we owe to ourselves, and even though it probably is disproportionately owed you can make the point that it is not a significant deficit. However, the trade deficit must be and will be repaid eventually in this country with a lower standard of living in America.

We have to take emergency action to stop this hemorrhaging. The hemorrhaging is the loss of good jobs moving outside of our country with the enormous trade imbalances.

Some people say, "Well, but the trade deficits relate to the fiscal deficits. If we did not have a fiscal deficit, we would not have trade deficits." The fiscal deficit came down $280 billion to $160 billion. The trade policy deficit is going up sharply at exactly the same time.

I would like the company economists to answer that. The fact is, this is a disconnected reality. International corporations, many of them Americans, have devised a strategy by which they say, "We have a plan. Our plan is to maximize profits." We want to maximize profits by producing overseas and selling here. The dilemma with that is it means you are losing good manufacturing jobs, which is the genesis of good jobs and good income and good security in our country, all for the sake of profits. Profits are fine for stockholders. But the fact is, jobs are important for the American wage earner.

We must somehow in some way decide that there is something called free trade, but there is something more important called fair trade. Should we continue to allow producers to decide to produce in countries where they can hire 12-year-old kids to work 12 hours a day and pay them 12 cents an hour and then ship the product to be sold in North Dakota or Wyoming or New York? Should we allow producers to produce in countries where there is no worker safety standard, no child labor standards, no minimum living wage standard, and then ship the product to be sold in Pittsburgh or Wyoming or North Dakota? I do not think so. I think it hurts our country, and I am not a protectionist. I am not someone who believes we ought to build walls around our country. But I believe this country ought to stand up and insist on fair trade and stop the hemorrhaging of trade deficits that injure and weaken America's economic system.

I very much would like one day in some way to see the press and the corporate structures and others in our country, especially Congress, take seriously what I think is an emergency in this country; and that is a failed trade strategy that is a bipartisan failure. It has been a failure for 20 years.

Our trade policies have not essentially changed since the end of the Second World War. During the first 25 years after World War II it was almost totally a foreign policy, foreign aid strategy. In those first 25 years it did not matter because we were so big and so strong that we just won the world economic race by waking up in the morning.

However, in the last 25 years that same trade policy has been a disaster. Sixty percent of the American families now have less income than they did 20 years ago, and less jobs and less opportunities.

That is why this is an important issue that this country must begin to address and begin to address on a bipartisan basis and do it soon.

Mr. President, thank you for the time.

Mr. President, I yield the floor.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The Senate continued with the consideration of the bill.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 2157

Mr. GLENN. Mr. President, I rise today in opposition to the amendment offered this morning by the Senator from New Mexico, Senator BINGAMAN.

The PRESIDING OFFICER. If the Senator will suspend for a moment, technically the Senator will have to have someone yield him time at this point.

Who yields time?

Mr. THURMOND. Mr. President, I yield such time as the Senator may need.

Mr. GLENN. I am opposing the amendment. I guess I am ranking on the bill, so I will yield myself time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. Mr. President, I rise in opposition to the amendment offered by the Senator from New Mexico, Senator BINGAMAN, to reduce by $100 million the $1.2 billion cap on the costs of renovating the Pentagon.

Mr. President, I do not plan to seek a rollcall vote on the amendment, but I do ask that when the vote on this amendment occurs, I be recorded as being opposed to this amendment.

My principal objection to the amendment is its timing.

Mr. President, I support every attempt to make prudent cuts to the cost of this enormous 15-year renovation project, but I believe that lowering the cap right now is premature. I do not believe it is the intent of the Senator from New Mexico to put in question the need for renovation of the Pentagon. As anyone who has visited the Pentagon recently can attest, the building is in desperate need of renovation.

The Pentagon is over 50 years old. It was built in 1943, and fundamental structural work is necessary. In fact, that portion of the Pentagon closest to the Potomac River has sunk close to 11 inches because the original pilings on which it was constructed were inadequate.

In addition to being old, the Pentagon has received minimal maintenance over the years and its heating, ventilation, electrical, and plumbing systems are breaking down. I am told that the Pentagon averages 30 power outages a day due to the poor condition of the electrical systems.

Moreover, the Pentagon simply was not constructed with the kind of electrical system needed to accommodate the sophisticated electronic and communication systems required today.

Rather, when the Pentagon was built in 1943, at a cost of $83 million, the Pentagon's office of automation systems today consisted of plain old manual typewriters and telephones. Today, however, the Pentagon relies on 11 major computer centers that form the network of communications, command centers, and administrative support systems on which the Pentagon must rely for day-to-day operations.

As I have indicated, I do not believe there is much doubt that we need to renovate the Pentagon. The question at hand turns on just how much the renovation will cost and what is the best approach to keep those costs down.

We are in the 5th year of renovation. Secretary Perry certified to the Defense Appropriations Committee last year that the remaining 10 years of renovation will not exceed a congressionally imposed cap of $1.2 billion. That is the effective cap right now.

Moreover, the senior leadership at the Pentagon recognizes that this huge and complex 15-year project needs to be examined to validate the basic requirements of a post-cold-war Pentagon which now houses a much smaller work force.

Secretary Perry established a Pentagon renovation steering committee in March of this year to do exactly that. The steering committee is chaired by the Under Secretary of Defense for Acquisition and Technology. Its other members include the comptroller, the Assistant Secretaries of Defense for Force Management Policy, Economic Security, and C "cubed" I, the Under Secretaries of the military services and representatives from the Joint Staff. An essential part of the steering committee's charter is to consider cost reduction options for the renovation project.

Let there be no mistake about it. I support every effort to keep the costs of Pentagon renovation as low as possible. I understand that the amendment of the Senator from New Mexico is designed in part to force a serious and thorough examination of the costs involved in renovation.

I simply disagree with the approach and believe it is premature to impose what is, with all due respect, an arbitrary cut of $100 million before we have the benefit of the steering committee's recommendations. I discussed this issue with the Deputy Secretary of Defense this morning. He indicated that DOD is opposed to the Bingaman amendment because the steering committee's work is still underway and there is no basis to support a $100 million cut at this time.

So to the extent that the steering committee's recommendations do not result in at least $100 million in savings, the effect of the amendment of my colleague will be that necessary renovations will go uncompleted.

Without sounding melodramatic, it is important to remember that the Pentagon is not your average office building. It is our central military command center. Forcing an arbitrary cut of close to 10 percent of current cost estimates could have an unintended disruptive impact on the Pentagon's ability to carry out critical military functions.

We need to ask ourselves some questions: Was the original estimate wrong? We do not know that it was. Was the original cap of $1.2 billion too high? No, we do not know that it was too high. If so, in what areas was it too high? What programs were overfunded? How much should be cut out? These are things the steering committee should determine. In other words, if this amendment is adopted, what is proposed to be cut in order to achieve $100 million savings? We have no basis right now on which to say that the $100 million savings is excess. In fact, I doubt whether this whole project can be completed for the remaining amount that the Secretary of Defense has pledged he will adhere to.

So, Mr. President, I will not seek a rollcall vote on this amendment, but I do wish to be recorded in opposition to the amendment for the reasons I have just outlined.

Mr. President, in December 1994, the Secretary certified to the Defense Appropriations Committee that the 10-year renovation will not exceed $1.218 billion. I know of no reason now to cut the $100 million to comply with that requirement of law if this amendment is passed. Therefore, I wish to be recorded in opposition to the Bingaman amendment.

I yield the floor.

Mr. THURMOND. Mr. President, as I understand, the Senator does not want a vote?

Mr. GLENN. Mr. President, what I said was I do not require a rollcall vote. If there is a voice vote on this, I wish to be recorded against the amendment.

Mr. THURMOND. The Senator just wants to be recorded.

Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? Is all time yielded back?

Mr. THURMOND. Mr. President, we will yield back our time. I understand the other side is willing to yield back its time.

Mr. LEVIN. We yield back the remainder of our time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. THURMOND. Mr. President, I understand the Senator from Ohio wished to be recorded on the amendment, and I believe the Senator from Ohio is not in favor of the amendment, if the Chair will put that question again.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. I ask unanimous consent that the Chair put the question again.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Without objection, the Chair will put the question again.

The question is on agreeing to the amendment of the Senator from New Mexico.

So the amendment (No. 2157) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL DEFENSE FEATURES PROGRAM

Mr. COHEN. Mr. President, I rise to describe for my colleagues an important element of the bill that will help preserve our shipbuilding sector and the jobs of skilled mariners. At my urging, the committee authorized $50 million for the national defense features [NDF] program. I am gratified to report that the Appropriations Committee has since agreed to appropriate $50 million to jump-start this worthy program. Given its importance to our national security, I thought it would be helpful to expand on the committee's report.

At my urging, the Secretary of Defense earlier this year provided to Congress a study of the costs and benefits of an active Ready Reserve Force [RRF] program employing privately owned commercial ships equipped with national defense features as an alternative to government-owned strategic sealift. Although submitted 14 months late, the report was welcomed by the committee because it confirmed that the program offered important benefits to the Nation.

Unfortunately, the Pentagon's fiscal year 1996 budget request contained $70 million to purchase existing, foreign-built RO/RO ships for the RRF, but nothing to fund the NDF program. The committee believed the $70 million requested to purchase these foreign-built and -owned RO/RO ships is not in the national security interest, is not cost-effective, and would weaken our national defense shipbuilding industrial base. Accordingly, the Committee recommended authorizing $50 million to procure and install national defense features on vessels built in, and documented under the laws of, the United States. This program will provide substantially superior ships, help preserve rapidly dwindling seafaring manpower and skills, save or create a significant number of jobs in the shipbuilding and supplier industrial base, and assist U.S. shipyards in reentering the commercial shipbuilding market.

The DOD report demonstrates that an active RRF program, comprised of newly U.S.-built commercial vehicle carriers equipped with national defense features, would have important benefits. The report finds that procuring these vessels would be a cost-effective means of recapitalizing the aging, lower readiness RRF fleet at the end of the decade. The DOD report noted, however, that securing entry into the commercial market will be a critical element for the success of the program.

As my colleagues may know, the principal car carrying trade is with Japan. Remarkably, only 3 of the 50 vessels operating in it today fly the American flag. In my view, the entry of new U.S.-built commercial car carriers equipped with national defense features in this trade would be in the national interest. Under one proposal now on the drawing board, for example, a fleet of ten refrigerated car carriers would be constructed in the United States to carry vehicles from Japan to the United States and produce and other refrigerated products to Japan at commercially competitive rates. Equipped with hoistable strengthened decks, these vessels would be well-adapted for carrying both heavy equipment and ammunition. Designed to move at speeds and with loading and unloading capabilities that far exceed those of used, foreign-built vessels, a fleet of this size would appear to be large enough to ensure vessels would be available for loading at designated ports of embarkation within the time demands contemplated in an emergency.

I am particularly interested in this type of proposal because it would lead to the construction of new ships in U.S. shipyards. As my colleagues no doubt appreciate, we must do something to help our shipyards supplement their military work with commercial orders. the President of the American Shipbuilding Association, for example, recently pointed out in a letter to members of Congress that "[c]onstruction of military sealift ships is critical to the Nation's defense, to sustaining the Navy's shipbuilding base, and to our industry's efforts to supplement declining orders with commercial work." By encouraging the entry of new U.S.-built vessels equipped with national defense features in this trade, Congress and the Administration can advance the national interest.

I, therefore, would again urge the Department of Defense and our trade negotiators to emphasize to the Government of Japan the importance of augmenting American participation in this trade as a means of advancing the mutual defense and security interests of our two nations. And I would urge my colleagues not only to support this provision of the bill, but also to support the provision of the fiscal year 1996 appropriations measure that would allocate $50 million to get this program underway.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 1026, the pending bill.

Mr. LEVIN. Is it open to amendment at this point?

The PRESIDING OFFICER. The Senator can call up an amendment.

Mr. LEVIN. I thank the Chair.

AMENDMENT NO. 2451

(Purpose: To encourage swift ratification of the START II Treaty and Chemical Weapons Convention)

Mr. LEVIN. I now send to the desk an amendment which is listed and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 2451.

The amendment is as follows:

At the appropriate place in the bill, add the following section:

SEC. . SENSE OF THE SENATE ON CHEMICAL WEAPONS CONVENTION AND START II TREATY RATIFICATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) Proliferation of chemical or nuclear weapons materials poses a danger to United States national security, and the threat or use of such materials by terrorists would directly threaten U.S. citizens at home and abroad.

(2) The Chemical Weapons Convention negotiated and signed by President Bush would make it more difficult for would-be proliferators, including terrorists, to acquire or use chemical weapons.

(3) The START II Treaty negotiated and signed by President Bush would help reduce the danger of potential proliferators, including terrorists, acquiring nuclear warheads and materials, and would contribute to U.S.-Russian bilateral efforts to secure and dismantle nuclear warheads.

(4) It is in the national security interest of the United States to take effective steps to make it harder for proliferators or would-be terrorists to obtain chemical or nuclear materials for use in weapons.

(5) The President has urged prompt Senate action on, and advice and consent to ratification of, the START II Treaty and the Chemical Weapons Convention.

(6) The Chairman of the Joint Chiefs of Staff has testified to Congress that ratification of both treaties is in the U.S. national interest, and has strongly urged prompt Senate advice and consent to their ratification.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Senate should promptly consider giving its advice and consent to ratification of the START II Treaty and the Chemical Weapons Convention.

The PRESIDING OFFICER. The Chair advises the Senator has 15 minutes.

Mr. LEVIN. I thank the Chair, and I yield myself 10 minutes.

Mr. President, the amendment is a simple and straightforward sense-of-the-Senate amendment. The operative language in the sense of the Senate is that it should promptly consider giving its advice and consent to the ratification of the START II treaty and the Chemical Weapons Convention.

Now, these treaties have been before us for some time. There have been lengthy hearings on these treaties, and it is important that they come to the Senate for our consideration.

These treaties are, just very simply, in our national security interest. It will make Americans safer and the world a less dangerous place. They are going to help reduce the threat, not just of attack from another country on the United States and our citizens, but of terrorist attack involving weapons of mass destruction.

First, the START II treaty, the second strategic arms reduction treaty known as START II, was signed by President Bush and Russian President Yeltsin in January 1993. This treaty is a follow on to the START I agreement, which has already been ratified and is being implemented. The START I agreement has led to significant reductions in the number of nuclear warheads that Russia has deployed, warheads that were targeted on the United States but which are now moving to storage and dismantlement as the START I agreement forces retirement of the delivery systems that they were on.

By ratifying START II, we would continue that process and achieve further reductions in the thousands of remaining Russian nuclear warheads. We would further reduce the threat of nuclear war and advance the nonproliferation interest of the United States. By ratifying START II promptly, we could help encourage the Russian federation to also complete ratification.

If START II is ratified, it can be fully implemented, as originally scheduled, by the year 2003, after which the United States will still maintain a robust deterrent of about 3,500 nuclear warheads and the Russians will have about 3,000 nuclear warheads.

START II builds on the progress of START I by restructuring nuclear arsenals away from instability. START II eliminates all land-based missiles with MIRV's, multiple independently targeted reentry vehicles, as well as the last of the land-based heavy ICBM's, the Russian SS–18.

As General Shalikashvili testified for the Joint Chiefs of Staff—and here I am quoting the Chairman:

> Eliminating these systems makes both of our nuclear forces more stable deterrents . . . . This, beyond even the considerable reductions to our nuclear forces, is the beneficial hallmark of this treaty—a security gain that is as positive for the Russians as it is for the Americans. The other members of the joint chiefs of staff and I have no reservations towards this treaty, about the strategic force reductions it entails, or about our ability to properly verify that the Russians are complying with its provisions. I thus encourage you [General Shalikashvili said] to promptly give your advice and consent to the ratification of the START II Treaty.

Now, that is the advice of our highest military adviser. Promptly ratify the START II Treaty. Mr. President, because START II will get more Russian warheads off of missiles and off of submarines and move them into secure storage and eventual dismantlement, it will greatly consolidate, control and improve the security of those warheads and reduce opportunities for unauthorized access or theft. That is clearly in the national security interest of the United States to have thousands more Russian missiles and warheads retired and dismantled.

Getting that significant reduction in the nuclear forces of both countries will also produce real cost savings for our military over time. The military's enthusiastic support for the START II treaty in testimony before the Congress was underscored by Secretary of Defense Perry, who noted that:

> . . . it's very important to lock in the gains that have been made since the ending of the Cold War with formal arrangements, of which START II is a primary example.

Now, relative to chemical weapons, Mr. President, the convention on the prohibition of the development, production, stockpiling and use of chemical weapons and on their destruction known as the Chemical Weapons Convention, or the CWC, was signed in January 1993 by President Bush and President Yeltsin after years of negotiations. And there is also strong bipartisan congressional support for this agreement as well.

The Chemical Weapons Convention would establish a comprehensive ban on chemical weapons, prohibiting their development, production, possession, acquisition, retention, and transfer. It would require participating states to destroy their chemical arsenals and production facilities under international supervision, an important step toward actual disarmament of chemical weapons stockpiles in those states which possess them. States that refuse to join the convention will be automatically penalized, prohibited from gaining access to dual-use chemicals.

The CWC will make it possible to monitor illegal diversions of materials used to make chemical weapons.

While 159 countries have signed the CWC, 65 must ratify the agreement for it to enter into force, but only 27 have done so. Most countries are waiting to see what the United States is going to do. Russia has signed the convention but has not yet ratified it, and there have been some reports of continued Russian testing and production of chemical weapons, which is permitted until it is ratified.

If the CWC were in place, it would impose a legally binding obligation on Russia, and other nations that possess chemical weapons, to seize offensive chemical weapons activities and to destroy their chemical weapons stockpiles and production facilities.

Over a year ago, in August 1994, the Chairman of the Joint Chiefs, General Shalikashvili, testified as follows:

> From a military perspective, the chemical weapons convention is clearly in our national interest. The nonproliferation aspects of the convention will retard the spread of chemical weapons and, in so doing, reduce the probability that U.S. forces may encounter chemical weapons in a regional conflict. Finally—

General Shalikashvili said:

> while forgoing the ability to retaliate in kind, the U.S. military retains the wherewithal to deter and defend against a chemical weapons attack.

And he concluded:

> I strongly support this convention and respectfully request your consent to ratification.

That is our top-level military official over a year ago urging us to consent to the ratification of the Chemical Weapons Convention.

The U.S. intelligence agencies have testified that the Chemical Weapons Convention will provide new and important sources of information to assess the status of chemical weapons stockpiles and production in countries of concern through regular data exchanges in both routine and challenged inspections. The CWC requires declaration by a state of existing chemical weapons, production facilities, development laboratories, test sites and other related facilities, as well as declaration of transfers of chemical weapons and production equipment to others. The CWC is going to improve the ability of the United States to know the nature of the chemical weapons threat so that we can defend against it.

The CWC has a historic verification protocol, and it was, in fact, crafted with the direct help of the chemical industry of the United States, which views the protocol as effective and which testified in support of the convention's ratification.

Mr. President, the Foreign Relations and the Armed Services Committees have both done thorough work on these two treaties since they were submitted a couple of years ago for ratification. Between the committees, there have been no fewer than 18 hearings over the past 2 years, with officials of the State Department, Defense Department, Joint Chiefs, CIA, and other intelligence agencies, Arms Control and Disarmament Agency, chemical manufacturers and outside experts. So the issues——

The PRESIDING OFFICER. The Chair advises the Senator from Michigan his 10 minutes have expired.

Mr. LEVIN. I thank the Chair and yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator is recognized.

Mr. LEVIN. The issues, Mr. President, have been fully explored by our committees, and it is time now for the full Senate to consider these treaties and to debate a resolution of ratification. We should not be seen as being the ones to drag our feet, especially if we want Russia and other nations to ratify and begin implementing these important security measures.

We talked a great deal about the threats of proliferation and terrorism which are growing as the cold war thaws and we build a productive, cooperative relationship with our former superpower adversary. But now we have an opportunity through these two treaties to do something to stem proliferation of nuclear and chemical materials, not just to talk about it but to do something to make it harder for terrorists to get their hands on these weapons of mass destruction or the means of their production. And that is why in May of this year General Shalikashvili said that START II would contribute to our counterterrorism efforts and that the chemicals convention would make it more difficult for nonsignatories or terrorists to obtain or create chemical weapons.

I hope that this sense-of-the-Senate resolution will be adopted by voice vote, or otherwise. It simply urges as a sense of the Senate prompt consideration by the Senate of these two agreements.

I reserve the remainder of my time and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2451, AS MODIFIED

Mr. LEVIN. Mr. President, I send a modification to the desk.

The PRESIDING OFFICER. The Senator has that right. The amendment is so modified.

The amendment (No. 2451), as modified, is as follows:

At the appropriate place in the bill, add the following section:

SEC. . SENSE OF THE SENATE ON CHEMICAL WEAPONS CONVENTION AND START II TREATY RATIFICATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) Proliferation of chemical nuclear weapons materials poses a danger to United States national security, and the threat or use of such materials by terrorists would directly threaten U.S. citizens at home and abroad.

(2) The Chemical Weapons Convention negotiated and signed by President Bush would make it more difficult for would-be proliferators, including terrorists, to acquire or use chemical weapons, if ratified and fully implemented as signed, by all signatories.

(3) The START II Treaty negotiated and signed by President Bush would help reduce the danger of potential proliferators, including terrorists, acquiring nuclear warheads and materials, and would contribute to U.S.-Russian bilateral efforts to secure and dismantle nuclear warheads, if ratified and fully implemented as signed by both parties.

(4) It is in the national security interest of the United States to take effective steps to make it harder for proliferators or would-be terrorists to obtain chemical or nuclear materials for use in weapons.

(5) The President has urged prompt Senate action on, and advice and consent to ratification of, the STATE II Treaty and the Chemical Weapons Convention.

(6) The Chairman of the Joint Chiefs of Staff has testified to Congress that ratification and full implementation of both treaties by all parties is in the U.S. national interest, and has strongly urged prompt Senate advice and consent to their ratification.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the United States and all other parties to the START II and Chemical Weapons Convention should promptly ratify and fully implement, as negotiated, both treaties.

Mr. THURMOND. Mr. President, we accept the amendment as modified, and urge the Senate to adopt this amendment.

I state for the RECORD that this amendment offered by the Senator from Michigan has been modified, and in accepting the amendment as modified, it is not the intention of the committee to predetermine the outcome of the Senate debate that will take place on advice and consent to ratification of these two treaties. The committee is merely stating that overall, if the treaties were to be ratified by all parties and fully implemented by all parties, it would be in the national security interests of all the signatories.

The Senate Foreign Relations Committee has not yet reported either the START II nor the Chemical Weapons Convention to the Senate. As a result, a full debate and examination of the treaties on the floor has not taken place. A number of concerns need to be fully aired with regard to ratification and implementation of these treaties when the Senate determines that it is time to provide its advice and consent to ratification.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank the chairman for his support of this amendment. It is important that the Senate promptly take up these treaties. The world is waiting for us to act, and that is the thrust of this amendment. I am glad it has been accepted by the majority.

The PRESIDING OFFICER. Is all time yielded back?

Mr. LEVIN. Yes, we yield our time.

Mr. THURMOND. Yes, we also yield back our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment (No. 2451), as modified, was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2440

Mr. ROBB. Mr. President, I have submitted an amendment No. 2440 to the DOD authorization bill which has been accepted as part of the managers' package. I want to thank the managers, and in particular, my distinguished senior colleague from Virginia, Senator WARNER, for his effort in clearing that on his side of the aisle.

I will take just a moment, if I may, during the time that no other amendments are pending or about to be offered, to describe the amendment.

I believe that this amendment can play an important role in reshaping and improving the efficiency of our military infrastructure.

We all agree that Congress must continue to maintain the highest degree of military readiness in order to fulfill the constitutional direction to provide for our national security.

But, Mr. President, we need to be much smarter in the way in which we fund the establishment that supports our national defense.

This year's Defense authorization process has shown us, once again, that the forces and weapons we require are rapidly becoming unaffordable.

We have to seek new and innovative ways to conduct our defense business.

We must give visionary and far-reaching tools to the military and civilian leaders in DOD to let them continue to transform and remake a military for the next century.

The recently completed BRAC Commission, the White Commission and numerous GAO and other studies have consistently shown that our military infrastructure is simply too large.

We have completed three exhausting BRAC rounds and have accomplished much—but our work is not yet complete.

Both the 1995 BRAC Report to the President and the recently completed White Commission on Roles and Missions in the Military concluded that further efforts in privatization can achieve significant savings and should be aggressively pursued.

Mr. President, I strongly agree with these conclusions and am firmly convinced that a key element in reshaping our military establishment must be the active exploration of further privatization opportunities for appropriate defense functions.

In the near future, I intend to introduce legislation which will provide the Department of Defense with the tools it will require to implement the proposals made by the White Commission.

In the meantime, my amendment will give us an opportunity to move forward in exploring privatization opportunities now.

Mr. President, it seems to me that a detailed examination of the operation of our various, non-combat military air fleets offers the quickest and most efficient way to begin the exploration of using private sources to reduce unnecessary infrastructure and associated costs.

We maintain a variety of military aircraft for diverse functions, including: VIP airlift, transport, logistics, aerial refueling, target services, and scientific research.

Several recent studies have reported that, in many cases, these air capabilities exist well above and beyond that required to meet realistic "wartime needs."

In the gulf war, for example, the existing size of the operational support aircraft fleet was 10 times the amount actually used.

My amendment directs the Secretary of Defense to conduct a comprehensive and detailed study to examine "privatizing options" with respect to the specialized, non-combat military air fleets.

I want the DOD to focus on the feasibility of using private sources to replace many of the administrative or support functions now being performed, mostly within the continental United States, by military versions of commercial aircraft models.

The distinguished Senator from Iowa, Senator GRASSLEY, has highlighted the tremendous potential for the foolish and unnecessary use of OSA aircraft for purposes which could and should have been accomplished, at a much lower cost, using commercial means.

I support his efforts to reduce unneeded capability in this area of military aircraft.

Mr. President, the OSA fleet represents only part of the many functions now being performed by "military" aircraft.

I believe many of these functions can be done cheaper, through private means, while at the same time increasing overall military efficiency.

Paying for air services on a "per flight hour" basis (only when requirements exist that cannot be met by commercial airlines) gives us an opportunity to capture tremendous savings by cutting the personnel, maintenance, and infrastructure required to support these specialized fleets.

Additionally, I believe that the privatization of these functions, (especially with respect to VIP aircraft) will dramatically reduce instances of abuse of the system.

Naturally, we must ensure that we do not inadvertently cut a capability which could adversely affect our ability to conduct wartime or other emergent operations.

We must also maintain the ability to retain training opportunities for the aircrews who will be required to provide support in "combat operations."

On the other hand, we will never know exactly how much we can cut until we conduct an in-depth study of the "non combat air operations" presently conducted by the military.

My amendment will require examination of the realistic wartime requirements economic assumptions in conducting a cost benefit analysis, and the impact on force structure and personnel which "privatization" would produce.

Mr. President, as I mentioned earlier, I intend to introduce legislation which would form a Privatization and Cross-Servicing Commission which will look at options for using private sources in several areas of existing military operations.

This legislation will also examine improving efficiencies by combining like functions within the individual services.

By aggressively pursuing the recommendations made in recent studies, we can save billions in defense dollars without the massive unemployment that creates economic hardship for loyal Federal employees and service personnel.

My amendment can give us many of the answers we in Congress need to craft the tools to further improve efficiency in the military services.

Mr. President, I again thank the managers of this particular bill for accepting this amendment on both sides. I look forward to working with them on this and other amendments as we continue to try to provide ways to meet our defense needs and defense obligations in ways that respect the limited resources of the taxpayers.

With that, Mr. President, I thank the Chair and I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, prior to the recess I agreed with the distinguished chairman of the committee on an amendment relative to residual value. This is not listed in the unanimous consent because it was an amendment that was cleared on both sides. I will send the amendment to the desk in a moment.

This requires that the Secretary of Defense, in coordination with the Director of the Office of Management and Budget, submit to the congressional defense committees status reports on the results of residual value negotiations between the United States and Germany.

This is a very important issue. It is an important issue for our budget because we are turning over to Germany properties that have great value. There are values that are attributed to these properties on our books. We should get at least that value when we turn over properties that we have approved to Germany.

What this amendment provides is that the reports that it refers to will include the following information:

(1) The estimated residual value of U.S. capital value and improvements to facilities in Germany that the U.S. has turned over to Germany;

(2) The actual value obtained by the U.S. for each facility or installation turned over to the government of Germany;

(3) The reason(s) for any difference between the estimated and actual value obtained.

A number of us on the committee on both sides of the aisle have been very actively engaged in the residual value issue because of the amount of money that has been invested in these properties in Germany, and this amendment will help us track very carefully what we are agreeing to when we turn over those properties to the Government of Germany.

AMENDMENT NO. 2216

(Purpose: To require the Defense Department to report to the congressional defense committees on residual value negotiations between the United States and Germany)

Mr. LEVIN. Mr. President, I believe this amendment has been cleared on the other side and I therefore call up amendment No. 2216.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Michigan [Mr. LEVIN] proposes an amendment numbered 2216.

Mr. LEVIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . RESIDUAL VALUE REPORT.

The Secretary of Defense, in coordination with the Director of the Office of Management and Budget (OMB), shall submit to the Congressional defense committees status reports on the results of residual value negotiations between the United States and Germany, within 30 days of the receipt of such reports to the OMB.

The reports shall include the following information:

(1) The estimated residual value of U.S. capital value and improvements to facilities in Germany that the U.S. has turned over to Germany.

(2) The actual value obtained by the U.S. for each facility or installation turned over to the government of Germany.

(3) The reason(s) for any difference between the estimated and actual value obtained.

Mr. LEVIN. Mr. President, Congress in recent years has attempted to exercise responsible oversight over negotiations between the U.S. military and foreign governments, primarily Germany, on how much compensation our government will receive for the residual value of improvements we made to military bases we are closing and returning to those governments. In some cases, there are very valuable facilities we built on those bases, paid for by U.S. taxpayers, that still have some reuse value to the governments to which they are being returned.

For each facility, the Defense Department has determined the remaining value of those improvements, and negotiations ensue with the host government over how much compensation we will actually receive. The vast majority of these facilities are in Germany, which was the front line of efforts to deter Soviet expansion during the cold war.

To show the Germans that we were serious about being fairly compensated for the improvements we made at military facilities on their soil, and to give our own negotiators maximum leverage, Congress has passed a series of measures over the last few years. One of these was section 1432 of Public Law 103-160, which prevented the United States from spending funds to move our embassy from Bonn to Berlin, a high priority for the German Government, until we had recovered at least 50 percent of the remaining residual value from these negotiations. According to State and Defense Department officials, that provision has helped to provide some leverage for our negotiators, although talks have not yet been completed on most of the facilities.

But now that the United States has negotiated a favorable land deal for an embassy in Berlin, the administration argues that section 1432 presents a potential liability that would delay construction of that new embassy and force us to incur costs from that delay. So the administration has requested repeal of section 1432 and the committee has concurred with the repeal provision in this bill.

Mr. President, we need to keep the pressure on the governments we are negotiating with, especially Germany, and also on our own negotiators to recover as much value as possible. Congress needs to continue to oversee that process if we are to maximize the amount we recover.

My amendment continues that oversight by requiring reports from the Secretary of Defense and Office of Management and Budget, explaining the reason for any difference between the estimated residual value of U.S. capital improvements to facilities, and the actual value being obtained in negotiations. If a settlement is providing the United States with less than the full value we invested, we need to know why.

We need at least that level of congressional scrutiny. Our negotiators and the German negotiators should know going into a negotiation that a settlement will be seen and reviewed by Congress.

Mr. President, of course the greatest payoff for our investment in improvements to installations abroad, especially in Europe, has been the peace they helped keep during years of high East-West tension. But where those improvements that still have value are being returned to the host government, we are entitled to compensation in the form of direct payments or in-kind payments. This amendment should help improve the chances of success in that effort.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, we have no objections to this amendment. We believe the American people should have a full accounting of the property that our Armed Forces turn over to Germany and should receive a fair return on 50 years of improvements made to these properties. I congratulate Senator LEVIN on his amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. THURMOND. We yield our time.

Mr. LEVIN. I yield back the remainder of our time.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2216) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I ask unanimous consent that Senator LAUTENBERG of New Jersey be added as an original cosponsor to the residual value amendment which we just agreed to, No. 2216.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISPOSAL OF BONAIRE HOUSING

Mr. COHEN. I would like to bring to the manager's attention a problem with the disposal of surplus property in Presque Isle, ME, from the former Loring Air Force Base. The designated local reuse authority is having difficulty with the Department of Interior in the disposal of the Federal property known as the BonAire Housing Complex. I understand that it is the intention of the Chairman to assist the

Maine delegation in resolving this matter.

Mr. THURMOND. The Senator from Maine is correct. I will be pleased to work to address this issue in an appropriate manner.

Mr. COHEN. I thank the distinguished Chairman for his assistance on this matter.

Mr. LEVIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMPSON). Without objection, it is so ordered.

Mr. EXON. Mr. President, per the arrangement that I have made with the manager of the bill, Senator STROM THURMOND, I would like to ask unanimous consent at this time that the Senator from Rhode Island be allowed to continue as if in morning business for as much time as he may need, and that following the conclusion of his remarks we return to the regular order.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Rhode Island.

Mr. PELL. Mr. President, I thank my friend and colleague very much.

ANNOUNCEMENT OF RETIREMENT

Mr. PELL. Mr. President, I wish to state that this morning in Providence I announced my decision not to seek reelection to the Senate next year.

This afternoon, I wanted to formally make that decision known to my colleagues, and to share with you all the thoughts I conveyed to my Rhode Island constituents.

This was not an easy decision for me. I regret that it is fashionable today to malign the Congress, to malign the Federal Government, and to malign those of us who serve the public in elective office.

I, however, consider this U.S. Senate a marvelous institution full of talented and committed men and women who, contrary to public belief, are dedicated to serving our constituents and to improving the quality of our national life.

And I continue to believe that government—and the Federal Government in particular—can, should, and does make a positive impact on the lives of most Americans. Federal programs and agencies do not always work perfectly, and many need reform. But they were conceived to help people, and I believe most continue to do so.

When you believe as strongly as I do in the value of good government and see some of its virtues under attack, there is a great temptation to continue to serve and to fight for those values and those programs that we consider vital.

As to my health, I have been assured that there is no medical barrier to my seeking reelection and serving another 6-year term. I feel strong and healthy and continue my 2-mile runs.

However, I decided not to be a candidate for reelection.

There is a natural time for all life's adventures to come to an end, and this period of 36 years would seem to me about the right time for my service in the Senate to end.

I know I will miss more than anything else the people of Rhode Island which it has been my pleasure to serve these years. They are fine, caring people who put their trust in me all these years, tolerated my eccentricities, and gave me great affection. And I only pray that I repaid their trust and served them faithfully.

And I will particularly miss this wonderful Senate and you, the men and women who serve here. Let me say again, almost without exception, each of us believes he or she can make a positive difference to our Nation's well-being.

This Senate seat from my State has been held for six decades by a forward-thinking Democrat, first by Theodore Francis Green, and then by me. And I want to make it clear today that I am intent on doing all I can to ensure that another progressive Democrat is elected to fill this seat.

And I also plan to do what I can to assist in the reelection of President Clinton, whom I consider a sadly underrated and really quite successful President. He has served our country with intelligence and vision and passion, and I firmly believe he deserves another term.

Beyond that, I have no concrete plans. I will stay active, stay engaged in some kind of public service and will continue to cherish my association with Rhode Island and its wonderful people.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I ask unanimous consent that morning business be continued for whatever time is necessary for any Senator who wishes to make remarks with regard to the announcement that we have just heard from the distinguished Senator from Rhode Island.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT OF SENATOR CLAIBORNE PELL

Mr. EXON. Mr. President, we have just heard the announcement in the typical style of the great Senator from the State of Rhode Island. Certainly, he has left his mark. I will not be here to miss him at the conclusion of his term but others will miss him. The institution of the Senate will miss him because I can say that I know of no one who has been more forthright in demonstrating to his colleagues in the Senate and the folks that he has so ably represented back home in Rhode Island what a U.S. Senator should be, what a U.S. Senator is all about.

CLAIBORNE PELL has been a man of outstanding character, a very hard-working, dedicated soldier for the Senate and for the United States of America and, of course, for Rhode Island.

Certainly, he has distinguished himself in many areas during his term of service. Most distinguished, I suspect, has been the steady hand he has provided as a very senior member of the Foreign Relations Committee. He is the former chairman of the Foreign Relations Committee. The people of the world will miss the steady hand that CLAIBORNE PELL has always provided.

During my terms in the Senate, I have considered him a model of consistency, thoughtfulness, a true gentleman of the Senate, the likes of which we may never have seen before, probably the likes of which we will never see again.

CLAIBORNE, congratulations on your outstanding statement. I wish you well. The most exciting part of your speech to me was you indicated you still would be active, you still would be around, you still would be fighting the principles that have been your hallmark all during the time you have been a Member of this body. Thank you so much for your contribution of a personal nature. Thank you so very much for your friendship over the years.

Mr. President, I yield the floor.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, we just heard the announcement by the Senator from Rhode Island [Mr. PELL], that he is not going to run again. Senator PELL is a man of integrity. He is a man of ability. He is a man of dedication. We have all enjoyed serving with him. He served ably as the Foreign Relations Committee chairman some years ago and did a good job. We are going to feel a void in the Senate when Senator PELL leaves.

I wish to say to you that your colleagues here in the Senate feel most kindly toward you. They think highly of you. They wish you well. We hope you enjoy good health. Good luck. God bless you and God bless all you have stood for while you were here.

Mr. LIEBERMAN. Mr. President, the announcement that Senator PELL has made today that he will retire from the Senate at the end of this term obviously in one sense fills us with sadness because we will no longer have the benefit of his service and the pleasure of his company. In another sense, I would say it is not just sadness; it is a time to celebrate and express respect for an extraordinary career of service in the Senate. CLAIBORNE PELL has run the race well and has an awful lot to be proud of. He leaves a legacy of great accomplishment.

I think we will not only think first but quite significantly of the Pell grants. I do not know how many recipients of those Pell grants, whose lives have been changed by the opportunity Senator PELL's legislative leadership gave them as poor people to receive an education, know exactly who CLAIBORNE PELL is, but they ought to know.

He is a man who came to the Senate with a proud tradition of service in his family which he carried forward. He is a man who has measured himself by his accomplishments and by the principles which his service has reflected. The Pell grants may be the most visible of them because of the extent to which his name is attached to them, but that is only the beginning of his service.

I think also of not only the other work he has done to support public education and broadening opportunity in this country but the pioneering work—and often the lonely work—he has done on behalf of the rule of law in international relations. He carries around in his pocket the charter of the United Nations. I do not know of another Member of Congress—there it is—who does that.

CLAIBORNE PELL was there when the charter was put together and ratified, and his service in this Chamber has been a service that respected and attempted to give meaning and life to the great hopes and principles for international law expressed in that charter. He has pursued individually and as chairman of the Senate Foreign Relations Committee ratification of treaties that would have sat dormant, treaties that expressed hopes, offered the opportunity to realize and create some rule of law and morality in international affairs where they might not otherwise exist.

This is an extraordinary legacy, a legacy of substantial accomplishment. But I wish to say at this time—and it is not all that one wants to say, but I do want to say in the midst of a time in our politics when people have become all too vicious and partisan, where people strive too often for political advantage as opposed to public service, CLAIBORNE PELL has established a very high standard of public service and public civility.

Earlier this year, the Speaker of the House, Mr. GINGRICH, talked about the need to renew American civilization—a worthy goal.

But it strikes me that we will not ever get to renewing American civilization unless we can renew American civility in our public and private lives. And by private lives I mean in the life of our community and in the basic interaction that we bring to our families, to our neighborhoods, to our communities and that CLAIBORNE PELL has brought to service in this body. This is as a fellow New Englander, neighbor in Connecticut. I am very proud to think that CLAIBORNE represents the best of our long history in his steadfast and deep commitment to the best interests of our country, in his wider vision of service to the best interests of our world, of humankind, and in the extremely decent, thoughtful way he has gone about arguing for principles and causes without ever being contentious or disagreeable.

He has a wonderful family. His wife and children and grandchildren bring him the greatest pleasures I have seen when I have been with him.

As to this question of his physical condition, I can offer this personal testimony. My wife and I often jog on a small track at Georgetown University right across the street from Georgetown Hospital. And many a morning as we have jogged, we have seen, usually ahead of us, a solitary figure out there, sometimes uniquely wearing a tweed coat while jogging—we do not see this often on the track—none other than our beloved Senator CLAIBORNE PELL.

So at this moment I consider myself fortunate that by a twist of fate I should be on the floor to express my great admiration for Senator PELL, my thanks to him for the model, the standard he set up for so many of the rest of us who serve here and my best wishes to him that he and his wonderful family have good luck and all of God's blessings in the many years that I know he has ahead.

[Applause, Senators rising.]

Mr. LIEBERMAN. Mr. President, I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

HONORING SENATOR CLAIBORNE PELL

Mr. CHAFEE. I wish to make a few comments about my colleague from Rhode Island, Senator PELL, who today announced that after 36 years in this Chamber he will be retiring.

This decision obviously cannot escape the reflection of the Senate whose Chamber has been given such dignity, such courtesy, such statesmanship through the dedicated service of CLAIBORNE PELL. Nor can this announcement be taken lightly by our State, our joint State of Rhode Island. Our small State, as you can expect, makes big demands on its Senate delegation. We all know that the Senate was created in the Constitution in order to protect the smaller States from the will of the larger, more powerful, more prosperous States over the smaller ones. And over the years, different events have created special needs in our State that only the Federal Government has been able to adequately address.

Now, there is no doubt, Mr. President, that the Senate and the State of Rhode Island will miss Senator PELL. Over 35 years—and 36 when he finishes—he has served our Nation and his State with great distinction. He not only lived up to the demands of his office, but, indeed, he left his handiwork on some of the most important areas and policy that our Nation has encountered. Let us just briefly take a look at them.

First, I believe Senator PELL will be most remembered for his work in education, particularly providing for education for lower- and middle-income families in this Nation of ours. Now, many of the younger people today, even the younger Members of the Senate refer kind of casually to Pell grants, as though they have always been there. But they have not. The principle behind that program was not as widely accepted as today when they were started by Senator PELL.

In recognition for the great accomplishment as the primary sponsor of the legislation creating these grants, as I recall, it was a Republican, Senator Javits, who proposed they be named the Pell grants. It was that, I think, that was a reflection of the bipartisanship that existed in the Foreign Relations Committee and in the Labor Committee among Senator PELL and his colleagues. And, indeed, it seems to me, as chairman of the Foreign Relations Committee, one of the things that Senator PELL had always strived for was bipartisanship, to reach a consensus, to have matters reported out unilaterally. That has been one of his goals. He certainly has achieved it.

Now, another example has been Senator PELL's longstanding commitment to protection of the oceans and the coastal resources of our country. He has been a champion, originator of the Sea Grant Program, which is part of the National Oceanic and Atmospheric Administration. And he has been the leading Federal sponsor of the University of Rhode Island's School of Oceanography, which is the crown jewel of one of our State's fine institutions of higher education.

Senator PELL has demonstrated his expertise in foreign affairs. He has been chairman of the Committee on Foreign Relations for several years. He distinguished himself as a man of peace. His active work to achieve agreements with other nations to limit chemical weapons, for example, and nuclear weapons nonproliferation are matters that he has worked on constantly ever since he has been in this Chamber.

In addition, Senator PELL has been the leading advocate, the leading advocate in the Senate, for the betterment of our Nation's cultural life, primarily through his sponsorship and initiation of the National Endowment for the Arts. And I think he will long be remembered for that likewise. No question about it.

Beyond these overarching policy concerns, Senator PELL has been a strong advocate for our State. And it is a pleasure that I have had in working with him since the years that I have been here on things like the preservation of historic Cliff Walk in Newport and the South East Light on Block Island or retaining the submarine construction industry in our State.

And when one out of every three Rhode Islanders found themselves without access to deposits through failed credit unions—one out of every three Rhode Islanders, 33 percent of our State, had some money tied up in credit unions when they failed—Senator PELL greatly helped in crafting Federal assistance for that.

Above all, I wish to emphasize those personal qualities that Senator PELL has brought to this Chamber as an example for all of us. At some point we have all been tired and contentious in debate with the sense that we will never finish some of this complicated legislation. But Senator PELL has never lost his pleasant disposition, his calmness, his sense of objectivity, his striving to achieve a consensus that I mentioned before. This is particularly important, his honesty coming through.

And that is important in our State where we have had a series of mismanagement and scandals and outright failures. And, indeed, many people of our State have gotten very, very cynical about their elected officials, but not about Senator PELL, who has stayed on the high road ever since he came into public life.

So, Senator PELL will leave the Senate a better place for his having been here. My father used to say, "Try to leave, wherever you have been, your work station a better place than when you got there." And certainly Senator PELL has followed that admonition. His work station, this work station, the Senate of the United States, is a better place for his having been here.

He has left an example for all of us to aspire to. So it is with regret and affection that I wish him well in the years to come and that he may enjoy the best of health and the pleasantries and good times that come with his family and with good health that I so hope that he will enjoy.

I thank the Chair.

I thank the distinguished Senator from New York for letting me proceed.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

HONORING SENATOR CLAIBORNE PELL

Mr. MOYNIHAN. Mr. President, this Chamber has been graced with many a fine and wondrous person. Rarely has a State sent two such. In the remarks of the junior Senator from Rhode Island concerning his senior colleague, we have an example the Republic would do well to consider.

I would think, sir, of two moments. The first—and I see the senior Senator from Massachusetts on the floor—first would be in 1960, November, the Presidential election of that year. They were in a store front on Salina Street in Syracuse, NY. And my wife Elizabeth had persuaded Robert F. Kennedy that if his brother, then Senator Kennedy, could carry Syracuse, carry Onondaga County and carry New York, and accordingly become President of the United States, not the worst calculation, as a properly Democratic city had not voted Democratic since 1936. At 9:12 that evening, a phone call came from the compound, as I believe it was called, and it was Robert F. Kennedy calling for my wife, and the exchange went very quickly. It said: "Did we?" "Yes." Click, and we had done it.

Then President Kennedy had come to office, or would do, and within about 5 or 10 minutes, young Robin Pell, who had been working with the Kennedy campaign in upstate New York, came in, was there and put down the phone and said, "Cousin Claiborne has been elected as well."

That is the beginning of a third of a century in this Senate, but a career already well begun because I said, Mr. President, I would speak of two moments. The other took place in San Francisco not hours ago, if you would like. President Clinton was speaking in that city on the occasion of the 50th anniversary of the agreement to the U.N. Charter. It was in a great hall, the music, the opera where the ratification had taken place, and the delegates in what would have been, I dare not ask the Senator, I believe 56 countries. The President looked up into the boxes and said: "And CLAIBORNE PELL was present."

Indeed, he was on assignment from the military, the Coast Guard, his beloved Coast Guard in which he served valiantly in the Second World War. He carries that charter with him today, reminding a Senate and certainly an administration that sometimes seems to have forgot that we made promises in those days in the aftermath, not yet finished, of that extraordinary world conflagration.

He carried that forward as chairman of the Senate Committee on Foreign Relations, by all understanding, the senior committee of the Senate, with its solemn responsibilities in peace and war. He has done so with a civility, a civility of which the Senator from Connecticut spoke, that could only come from someone so deeply committed to peace, having known war and having known the effort in the aftermath to create peace.

He served behind the Iron Curtain in the Department of State. No other Member of this Chamber has ever done that. He did in what is now Slovakia in times that were difficult, tenuous and, in the case of his mission, dangerous.

He brought to the Senate floor two of the most important treaties for the control of nuclear weapons in our history. And if we may think that at last we may have achieved a measure of control, CLAIBORNE PELL will be remembered as the person who brought them forth as a common understanding of this body, not a contentious, not a ragged, not a narrow, but a firm commitment that the other nation involved could accept because of that unanimity.

Other Senators wish to speak. I will only say, and I hope I can claim, I hope the junior Senator will not be amiss, that by rights, he is a New Yorker. His father represented Manhattan, a district in Manhattan, in the House of Representatives. His father was chairman of the New York County Democratic Committee, a most honored and, at times, advantage not of which some of us still admire and respect and hope to do.

It is typical, as the junior Senator said, that when the Pell grants, that great beneficence, came to the moment when it was to be enacted, it was the Senator from New York, my revered former colleague, Senator Jacob K. Javits, who said they ought to be named for the Senator who has made them possible—CLAIBORNE PELL of Rhode Island.

It is much too early to say we will miss him. He is still very much among us. He will not for a moment leave public service. In this time to speak to the extraordinary achievement of this Senator, I would not be amiss, I hope, and I am sure I will not, to mention Nuala, without whom it could not possibly have taken place.

Mr. President, with great respect to my colleague who sits right before me now, I thank him for all those things, and yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

HONORED TO SERVE THE PEOPLE

Mr. KENNEDY. Mr. President, just a few hours ago, in his very typical manner, CLAIBORNE PELL addressed the people of the State that he has served so nobly and so well to announce his decision not to seek further election opportunity to represent the people of Rhode Island. And then just a few moments ago, he talked to this institution and its representatives and to the people of the country about his sense of the meaning of the institution of the U.S. Senate and about how he has been honored to serve the people of Rhode Island for these past years in advancing not just their causes but the causes of our Nation.

It is a powerful example, Mr. President. All of us should take just a few moments to reflect on the career of this extraordinary Senator and his life of public service in a world where very often the idea of serving the public is dismissed or disdained or ridiculed or condemned.

We marvel at this extraordinary man and the totality of his lifetime, his service in wartime in the Coast Guard, his years in the Foreign Service with great distinction, which have been commented on so well by our friend and colleague from New York and others, and his extraordinary service in the U.S. Senate.

As one who has shared his party label, I would be quick to join with those on the other side of the aisle who always found CLAIBORNE PELL was committed to advancing the causes of the people he represented in Rhode Island and all Americans, and did it in a way that brought us together and achieved the greatest support.

Mr. President, today we honor the people of his State as well, the people of Rhode Island, because for these many years, they have sent this extraordinary man to the U.S. Senate. His service is a powerful reflection of their values, of the causes which they hold dear, of the high ideals by which they are motivated and what this institution is really about. We honor the people of Rhode Island for the man they have selected to serve them so well in the U.S. Senate.

I join with others who commend Senator PELL for his extraordinary contributions and his innovations in so many different areas of public policy. I think if I asked the Senator right now on this important day if he had in his pocket a small notebook that would indicate the number of days that the children of America spend in school versus the number of days that the children of Japan spend in school versus the number of days that the people of Germany spend in school, he would have it. I take note now, as I am looking over at my very good, valued, and dear friend, that I think he has just pulled that notebook out of his pocket.

Does the Senator care to respond so that we can put into the RECORD one more time just what those figures are? I think it is useful information, and there is nobody who displays it with such commitment as the Senator from Rhode Island.

Mr. PELL. Mr. President, in the United States, we have 180 days a year school; in Sweden, there are 200; in the Soviet Union, 210; in Canada, 200; in Thailand, 220; in Japan, 240; in Italy, 213. We are way down the list.

Thank you.

Mr. KENNEDY. Mr. President, I do not have to recite the Senator's commitment in the area of the education of the young people of this country. I think all of us can see here, all of us who have been honored to serve on the Education Subcommittee which he has championed and led over these many years, that this is not just a public policy issue for him. This is a commitment, a deep commitment, one that continues with him every single hour of every single day.

I will just address the Senate for a moment about the value the Senator has placed on education, and about some of the innovative initiatives he has taken over his extraordinary life.

Mr. President, today in Rhode Island, in my State, and in all of our States represented here, there are millions of young people whose hopes and dreams will be achieved because of the work in education by Senator PELL as chairman of the Education Subcommittee for so many years, because of his dedication and his commitment, and because of his tenacity and his willingness to bring various groups together, from the youngest of children in the early Head Start programs, to pupils in the high schools of this country, to students in the colleges throughout this land. Millions of Americans perhaps do not know the name of CLAIBORNE PELL, but their lives have been forever changed because of his service and commitment in the field of education.

So I think I speak for all the parents of Massachusetts when I say: Thank you, Senator PELL, for the work that you have done in education.

I also had the good fortune to serve on the Labor and Human Resources Committee when Senator PELL—again, in a bipartisan way with Senator Javits—began the initiative that has continued on and enhanced and enriched the lives of so many of our citizens through the creation of the National Endowments for the Arts and the Humanities. He understood that the greatest days of any civilization are recognized over history by respect and support for the arts and humanities, more than through the use of force and weaponry.

He has made that case so well and so eloquently and provided such leadership in those areas. I can remember being here as a young Member of the Senate when the Senate took up the Seabed Treaty, to try to prevent nuclear weapon from being planted in the ocean bottoms. Even though the Soviet Union and United States had not done so, we were moving technologically to the point where each nation could have done so. The Senator was ahead of his time. Even in the height of the cold war, he was able to achieve accomplishments and agreements in anticipation of new types of technology. What a difference that has made.

Mr. President, reference has been made here about Nuala Pell, and I want to join in saying that I know that Claiborne and Nuala are such a strong team for Rhode Island and such wonderful, loving, caring friends to President Kennedy, to my brother Bob, and to all the members of our family. I commend their four children—Herbert, Christopher, Dallas, and Julia—and their five grandchildren, who have brought so much joy to their family, and who will always be proud of Senator PELL's extraordinary service to the country. He has been the kind of Senator that all of us hope to be able to be compared to.

So, CLAIBORNE, we admire your service. We know that you will continue to be involved in public life in the years ahead, and we are grateful for all that you have done—not just for your State but for the Nation, which I know you have loved and continue to love, and that you have served so well.

TRIBUTE TO SENATOR CLAIBORNE PELL

Mr. SIMON. Mr. President, I want to join the others who are paying tribute to our colleague, who has announced today that he will not seek reelection. I heard Senator CHAFEE say the Senate today is a better place because of Senator PELL. I do not know that the Senate is a better place than the day CLAIBORNE PELL arrived, but it is true that he has improved the quality of life around here by his conduct. And what is unquestionably true is that the Nation is a better place because of CLAIBORNE PELL's service.

We use the term "public servant" rather freely around here, more freely than sometimes we should. We apply it to anyone who holds public office. A man who died just a few weeks ago, who succeeded Averell Harriman as head of the Marshall plan in Western Europe, Milton Katz, told me one time that there are two kinds of politicians: Those who seek office because they want to be whatever it is—Senator, Governor, President, whatever the office—and those who seek office because of what the office can do. There is a little bit of both in all of us. But CLAIBORNE PELL is there because he wants to serve the public. It is evident in everything he does.

Someone—I forget who—used the word "civility." We hear that a great deal these days. But we do not hear much genuine civility. There is excessive partisanship. I think one of the changes that I have seen—and I am sure Senator PELL would agree—in the 21 years that I have served in either the House or the Senate, is that we have become more partisan. I think, frankly, we serve the Nation less well when we become excessively partisan. That has not been CLAY PELL's style. As has already been referred to, because of his contributions and what he has done in the field of education, millions of Americans are better off.

The National Endowment for the Arts and the National Endowment for the Humanities are somewhat controversial today, but some day we are going to be remembered not for the aircraft carriers we build or the highways we build, but we are going to be remembered for our symphonies, for our works of art, for other things like that.

In the international field, the Arms Control Disarmament Agency, CLAY PELL is one of the authors. The United Nations, he was one of the alternate delegates to San Francisco. He has been a strong supporter of the theory that we have to work collectively with a community of nations. If we do not want to be the policemen of the world, to use the overworked phrase, we have to work with other countries. CLAY PELL has recognized that. There is a whole host of things.

The great tribute we can pay to CLAY PELL is not these words that we use on the floor here, inadequate as they are. It is by seeing that we really do in the field of education what we ought to do, that we get the communities of nations to work together, whether it is Bosnia or the Middle East, or wherever it is, that we work together. I hope we will pay the real tribute to CLAY PELL that he would like, and that is to see that educational opportunity is here and that the communities of nations work together.

Mr. President, before I yield the floor, my colleague from Iowa, Senator HARKIN, handed me a note, indicating he would like me to yield 1 minute to him so he can lay down an amendment before 5 o'clock. I yield to the Senator from Iowa.

Mr. HARKIN. Mr. President——

Mr. SIMON. I do not yield the floor. I yield 1 minute to the Senator from Iowa, then I will yield the floor.

The PRESIDING OFFICER. The Senator needs to obtain unanimous consent if he wishes to hold the floor.

Mr. SIMON. Mr. President, I ask unanimous consent to yield the floor for 1 minute to the Senator from Iowa.

Mr. THURMOND. Mr. President, I reserve the right to object. I would like to hear what the amendment is. I understand it is irrelevant and does not concern what we are doing here and is not germane and should not be considered on this bill. I would like to hear what the amendment is.

Mr. HARKIN. I just want to lay it down before 5 o'clock. I will do it after 5 o'clock, if that is the case. I had a position under the unanimous-consent agreement to offer an amendment to the DOD bill. I was going to offer the amendment. I will do it after.

Mr. THURMOND. Mr. President, the amendment has to be relevant. If it is on welfare, which I understand, it is not relevant.

Mr. HARKIN. Mr. President, I did not mean to interrupt the proceedings. I thank the Senator from Illinois. I did not know there would be an objection. I will offer the amendment later.

Mr. SIMON. Mr. President, I do not know anything about the amendment. I was just trying to accommodate a colleague. I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont.

PRAISE FOR SENATOR PELL

Mr. JEFFORDS. Mr. President, I want to join those who are here today to speak their praises and feelings for the senior Senator from Rhode Island. Many eloquent speakers have preceded me. I do not intend to try to compete with them or make remarks of that nature.

I have served some 24 years and perhaps the only one that served with the Senator across the table from the other side during this period of time. There is no person that I have come more to admire, respect, or feel affection for.

There are many who have admiration for many others and there are those we have great respect for. There are some, sometimes too few, for whom we feel true friendship and compassion as an individual, someone who we know is in love with life and in love with his job and in love with the people that are around him. Senator PELL has all those characteristics. I know he has moved all Members in some way or another in that respect.

In the House, he served with the senior Senator from Vermont, Senator Stafford. He and Senator PELL were a remarkable combination. I had the ability for a time to be able to serve, too brief a time, in this Senate with him. During that period of time, I again took the admiration and respect and affection that Senator Stafford held for him and carried it on in my own feelings.

What he and I and others have done in the many areas that are critical to myself as well as to him, whether it be in education or the Endowment for the Arts, but most poignantly I will remember our recent trip to Africa where he and his wife Nuala and I and my wife went to nations far away from here. The love and affection that the people of those countries have for them demonstrates that his knowledge and his work is not only appreciated here in this country but throughout the world.

It is with some sadness I am here to speak in this kind of praise in a way, but I will miss him and will miss his service. I wish him all possible good health in the days ahead and look forward to working with him as our monitor from afar.

I yield the floor.

PRAISE FOR SENATOR PELL

Mr. DODD. Mr. President, I realize the hour is getting late and the hour of 5 o'clock will quickly come. We have unanimous-consent requests, so I ask that at a later time I will be able to extend my remarks about our colleague from Rhode Island and his decision today to not seek a seventh term in the U.S. Senate.

Let me in 1 minute or so, because others are seeking recognition before 5 o'clock I presume, join the voices of others who have already expressed what I described to my colleague the bittersweet sentiments I feel at this moment.

On the one hand, joy for my colleague and friend who is looking forward to new opportunities and new horizons after the term ends in January 1997, but also, just as quickly, the sadness that we will not have the pleasure of his company here in this body.

Let me just say, Mr. President, I know a lot is talked about—his background and record—and I will get into that at a later time. I commend my colleague from Rhode Island for what he said on the floor of the Senate. It has become almost predictable as people announce retirement, to somehow simultaneously renounce the political process one way or another.

I commend our colleague from Rhode Island for talking positively about this process. This institution struggles every day to improve the quality of lives of people in this country, and I certainly do not have any quarrel with the people who make a decision to do something else with their lives, but I wish many times they might think about doing so not at the expense of the very institution that they spent years serving.

My colleague from Rhode Island has made that point in his remarks today about his pride of service in this institution, about his pride of service in the public sector, trying to help people out.

Mr. President, I will extend these remarks later. To my friend and colleague for many years from Rhode Island, I congratulate him, wish him well, and look forward to many years of close association with him.

Mr. STEVENS. Mr. President, as the manager of the bill, the vote is scheduled for 5 o'clock. I want to say that I have come to speak about my friend from Rhode Island. I ask unanimous consent that we postpone that vote until 5:30. We have a period for the conducting of routine morning business so we all might make our expressions while our friend is on the floor. I have cleared this with the leadership on our side. I assume there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. If the Senator from Connecticut wishes to continue.

Mr. DODD. Mr. President, I thank my colleague from Alaska. I wish I had known this yesterday. I might have delayed coming back a little bit later. I still would have had some remarks about my colleague from Rhode Island.

I will not take a great deal of time because others want to speak, and I will reserve more detailed remarks until later. It was noted by our colleague from Illinois, about our friend from Rhode Island, that he has conducted his public career and life in a way that many would like to see more people in public life serve, and that is with a note of civility.

I think it is of record that the Senator from Rhode Island, in seven elections to the U.S. Senate, has never once—never once—attacked a political opponent that he has run against in an ad or a speech.

I suspect that may be a record in this place, at least by today's standards where many of us spend half of our budgets going after our opponents. It is a worthwhile to note that he never lost an election, the Senator from Rhode Island, but always won them by talking about himself, what he believed in, his vision for his State and the country. My hope is maybe that time will return again in this Nation, where politics may be conducted on a more civil basis.

Mr. President, any one of four or five accomplishments of the Senator from Rhode Island could be tantamount to a career for any single Member. As has been noted already, the Senator from Rhode Island, of course, is responsible for the Pell grant program. If you did nothing else in your service but establish the Pell grant program, you could call your career a success. Thousands, hundreds of thousands of young people in this country who never would have ever been able to have had a higher education have done so because of the Pell grant program.

Had you merely been responsible for the establishment of the National Endowment for the Arts, the National Endowment for Humanities, that in itself would have been, I think, a significant contribution to this country.

Had you done nothing else but establish the Northeast corridor, had you done nothing else but develop the ban on the testing of nuclear weapons on the sea beds, that could have been a significant accomplishment and a record of tremendous achievement. But our colleague from Rhode Island has done all of those things and much more.

On environmental issues he was way ahead of his time. On the first environmental conference ever held internationally, only one U.S. Senator showed up at it. That was the Senator from Rhode Island. That was years and years ago. Before anybody was even talking about these issues, the Senator from Rhode Island understood the value and importance of protecting our natural resources.

So, Mr. President, on a host of issues, CLAIBORNE PELL of Rhode Island has fulfilled, I think, the description of what a U.S. Senator ought to be—a person who not only represents his State and constituents but also represents the national interest and the interests of mankind. In over 36 years he has done that with great distinction and with a degree of calm, never raising his voice, a person who always sought out the better nature of people in debate and discussion. It is a role of U.S. Senator that ought to be a model for all who serve in this body, to bring to this Chamber a degree of elegance and sophistication, a degree of great concern for his fellow man.

My relationship with CLAIBORNE PELL goes back two generations. He served with my father, as the distinguished Senator from South Carolina and a few others who remain in this body have done. That is more than some people should have to tolerate, is two generations of my family, I suppose one might say. But not only that, I also point out my brother-in-law was the finance chairman in the last campaign of the Senator from Rhode Island, Bernard Buonanno, from Providence, RI. So our family relationships go back not just to service in this Chamber but also through a political relationship as well.

I am quite confident, Mr. President, CLAIBORNE PELL will serve this country in many different ways in the years to come. I know I could ask him at this very moment whether he is carrying the U.N. Charter with him, and I suspect he can reach in his pocket and produce that U.N. Charter. I am watching and, as I see him, he is reaching in his pocket and there it is. I know I can ask him to do that any day of the week, any day of the year. CLAIBORNE PELL carries the U.N. Charter with him every single day because of his deep affection and understanding of the value of an international body to try to bring people together to resolve their difficulties.

So I am confident we will hear more from CLAIBORNE PELL in the years to come. Sadly, it will not be in this Chamber once this term has ended. But I join with others in commending him for more than three decades of remarkable service and to thank the people of Rhode Island, our neighboring State, fellow New England State, for having the good sense and wisdom to send him back to the Senate over and over again over the years, and to wish him and his lovely wife Luala well in the coming years. I look forward to a longstanding relationship with him.

I congratulate him. He is truly a Senate man.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. FRIST). The Senator from Iowa.

CLAIBORNE PELL

Mr. HARKIN. Mr. President, I join with those paying tribute to our esteemed colleague and friend, CLAIBORNE PELL. I do not think there is a stronger argument against term limits than the personage of CLAIBORNE PELL. I know it is fashionable to talk about term limits these days, limits to the amount of time people can spend here. I have always been opposed to that, and I think, looking at the contributions that CLAIBORNE PELL has made to this country and to the Senate over the last 35 years, it is once again a reminder of why the people of the United States ought to have the right to return people to office if they so desire and not to have some artificial kind of time limit put upon service to our country and to this institution.

Certainly CLAIBORNE PELL's first 12 years were marked by successes here, but so were his second 12 years and his third 12 years. Much has been said about CLAIBORNE PELL's contributions to education: The National Endowment of the Arts, the National Endowment for the Humanities, so many other things he has sponsored, promoted, pushed through the Congress, got signed into law, which have in so many ways advanced the concept of American civilization.

It has been my privilege to have served for the last 11 years with CLAIBORNE PELL here in the Senate, 9 of those years on the Human Resources Committee. To watch Senator PELL work is, indeed, I think a real lesson, as I think the Senator from Connecticut just alluded to, a real lesson in gentility, civility, refinement, and purpose.

We can have purpose here in the Senate. We can advance our concepts and our causes resolutely and forthrightly. But we can do it with the greatest degree of civility and respect for the views and the opinions of others. No one exemplifies that kind of procedure and process in debate more than CLAIBORNE PELL. Resolute he has been, all his life, in advancing those issues so dear to him—in education, in the arts, humanities, foreign relations. He has been resolute. And, if he did not win the first time, he came back the second time. If he did not win, then he came back the third and the fourth time. But never with any degree of rancor or bitterness, never with any degree of pity or trying to second guess what might have been. CLAIBORNE PELL picked up the ball, and if he did not win he moved it forward until the next time.

It is that kind of resoluteness that I admire so much in the personage of CLAIBORNE PELL. He is truly one of the giants in the history of the U.S. Senate and one of the giants in the history of the development, as I said earlier, of our concept of American civilization.

Much has been said about CLAIBORNE's promotion of education in this country. How many people in this country have been educated who came from meager circumstances, whose parents may have been impoverished, born on the wrong side of the tracks, had everything going against them, but because of a Pell grant were able to get an education and to go on and make something of their lives? We run into them every day. I daresay, probably they all know about Pell grants. Maybe not too many of them know who PELL was.

I think the best legacy we can leave to our friend and our colleague is to make sure that our country never forgets the contributions of this very quiet, distinguished, resolute, compassionate, and concerned American citizen, CLAIBORNE PELL, to make sure that, as we commit ourselves to the remainder of this century, this millennium, and as we move into the next millennium, that education in this country takes its place first and foremost in our deliberations here in this body and that we continue to ensure that education in this country follows the leadership and the guidance set down by CLAIBORNE PELL.

Lastly, Mr. President, I also have been privileged to work with Senator PELL on something other than education. And I will make note of it here because I think it is vitally important. It is an issue of whether or not we will open up our medical system and medical research to new concepts and new ideas, perhaps even to go back in time and recapture some of the practices in medical arts that we have forgotten.

CLAIBORNE PELL has been a leader in what maybe now has become known as complementary medicine, alternative medicine, but new approaches in trying to discern or fathom the illnesses that beset mankind. I have spent many times and many hours talking with Senator PELL about this issue. I have learned a lot from him about it. He has given me reams of material to read about it, and for which I thank him. And he has advanced my whole thinking on this issue of perhaps looking at medicine in a different light, thinking about it in different ways. And only now, today, are we seeing the fruits of his years of involvement in that endeavor.

When new approaches are being talked about, when new forms of medicine, new approaches in holistic medicine, when the conjunction between mind and body health are now being thought of as a legitimate approach to the healing process, CLAIBORNE PELL was way ahead of his time. But now he can take solace and a measure of pride in what he has done in education.

In some other fields, I must say, Mr. President, CLAIBORNE PELL can now take a great measure of pride in what he has done to move the concepts of healing and the healing process in medicine forward in this country. It is something that not too many people recognize CLAIBORNE PELL for. I would not want this moment to pass on the Senate floor or this time to pass without making note of that for the RECORD.

I just want to assure Senator PELL that those of us who have been involved with him in this endeavor will do all we can to continue that legacy that he started so many years ago in the field of healing in this country.

I guess I would just sum it up by saying that really has been his whole life's work here, and that has been one of healing, of bringing people together, of understanding. Whether it has been the League of Nations or the United Nations, which he was an alternate delegate to, or education, humanities, arts, it has been a healing process, bringing people together, understanding, advancing the concept of American civilization.

Mr. President, when you talk about a civilized America, you can sum it up by just saying two words, "CLAIBORNE PELL."

I yield the floor.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KERRY. Mr. President, thank you, I thank Senator PELL, for affording us a few moments to be able to speak about our colleague.

Mr. President, what a pleasure and what a privilege it has been to serve with CLAIBORNE PELL. About 2 months ago, after one of our late-night sessions, I had a chance to give him a lift home. And in the course of that we had a chat about the incipient decision that he was facing. And I was struck as he sort of chatted through the options and the choices available to him how totally compelled he was by the notion that there was work left undone and this incredible sense of responsibility that he felt to the country, to Rhode Island. That is what weighed on him in the decision, not a lot of the other considerations that many people tally up on a yellow legal pad and weigh. But it is characteristic of CLAIBORNE PELL that it was, above all, his sense of duty, the sense of personal responsibility that compelled him to enter public life in the first place and that has guided these remarkable 36 years that he has served as a U.S. Senator.

I daresay to my colleagues that if there were 59 other CLAIBORNE PELLS in the Senate, and perhaps even 99, as a wishful thought, we would not have half the conflict, a quarter of the conflict, maybe any conflict. We would certainly not be looking toward confrontation in the days ahead, perhaps even the train wreck everybody talks about, because above all CLAIBORNE PELL is guided by a sense of decency and by common sense, by good old New England common sense, that says you can work it out. And I think that example I hope is something that will rub off on the Senate in the days ahead.

Others have spoken about his many accomplishments, and there are many a lot of the people do not know that much about because, again, uncharacteristically, compared to the norms of modern American politics, he is self-effacing beyond anybody else's capacity in the Senate. He is somebody who believes simply in doing what is right and doing it in the sense of responsibility and decency that guides him.

Senator HARKIN wondered out loud about those who have been educated by Senator PELL. Millions of Americans have been educated on Pell grants. One-fifth of the population of this country has gone to school because of this U.S. Senator. Sixty-three billion dollars has been invested in the future of the country in educating people and helping to churn the engine of our economy and create the remarkable technological and research and development capacity of this great Nation. Most people, if they thought of the engine of America, probably will not immediately associate it with the Pell grant or with his efforts. But that is, in and of itself, an extraordinary accomplishment.

In addition to that, he has been the principal Senate sponsor of the National Endowment for the Arts and Humanities, recognizing the extraordinary linkage between a nation and a civilization in its support for the arts and its literacy. He was the author of the National Sea Grant College Program, and a founding member who served for years as the Senate cochairman of the Helsinki Commission. He has been one of the strongest proponents of arms control in the U.S. Senate, and as a member of the Senate observer group and as chairman of the Foreign Relations Committee, has played a principal role in helping to move this country to a reasonable arms control policy.

He can take credit, though he personally never does, for bringing to the Senate for approval the INF Treaty, the CFE Treaty, the Threshold Test Ban Treaty, and he took the lead in Senate action in favor of the Sea Ban Armaments Control Treaty and Environmental Modification Convention. He also authored legislation in 1994 that revitalized and strengthened that, and he has been the principal author of legislation imposing sanctions against the development and use of chemical and biological weapons.

In 1994, he authored legislation to place tough sanctions on countries and individuals involved in nuclear weapons proliferation.

Mr. President, I have been privileged in the 11 years that I have served here to serve with Senator PELL both as ranking member and as chairman of the Senate Foreign Relations Committee.

Interestingly enough, my relationship with Senator PELL did not begin with my entry as a freshman on the Foreign Relations Committee. Twenty-four years ago when I first came back from Vietnam, Senator Fulbright invited me to testify before the committee. And it was Senator PELL who was among those on the committee and in the Senate most prepared to listen and to take the position of courage with respect to the difficult choices America faced at that period of time.

I will personally never forget his warm welcome to me as a young returning naval officer and his then brave and perhaps ill-advised suggestion that I might someday consider running for the U.S. Senate and that he even hoped I might serve with him on the Foreign Relations Committee.

I am confident it was one of those comments that neither he nor I thought might come true or had a sense of reality. But it has been a great privilege that in fact it did and that we have served together.

Let me just close by saying a word about his leadership on that committee. Senator PELL led quietly. He led with grace. He led with remarkable integrity and with a sense of everybody's place. Unlike some here who are very quick to resort to parliamentary rules rather than let the power of reason or of dialog work its will and somehow quash that capacity, Senator PELL always permitted every voice on the committee to be heard to the point of exhaustion—usually ours, not his. He showed patience where patience had been tested, and he was always, always civil, even in the most trying moments.

There is no one on the Foreign Relations Committee on either side of the aisle who would ever question the full measure of this man's decency or of his commitment to the public dialog. He has shown an extraordinary public integrity, an extraordinary commitment to the best ideals of public service, an extraordinary commitment and sense of duty and public responsibility. I think that all of us, Rhode Island particularly, will understand that with his departure from the Senate, the Senate and the country lose a voice for peace, a voice for reasonableness, a voice for the environment, a voice for human rights, a voice for civil rights, a voice for women, and above all a voice for education and for the future.

We will miss his service and the quality of his character enormously. I yield the floor.

(At the request of Mr. DOLE, the following statement was ordered to be printed in the RECORD.)

RETIREMENT OF SENATOR CLAIBORNE PELL

• Mr. MURKOWSKI. I rise today to join my colleagues in paying tribute to our friend from Rhode Island, Senator CLAIBORNE PELL, who today announced his plans to retire from the Senate. I would like to commend Senator PELL for his years of service in the Senate and to wish him much happiness in retirement.

I had the pleasure of serving on the Foreign Relations Committee during Senator PELL's chairmanship. I know that it comes as no surprise to my colleagues that he was a fair and cordial chairman who treated Republicans and Democrats alike with great respect. He was a reliable ally on issues on which we agreed and an equally reliable adversary on those issues on which we disagreed. But whether we agreed or disagreed, he never deviated from his standards of decency and character. I have the utmost respect for how he conducted himself throughout his distinguished career.

My colleagues have spoken of the many accomplishments of the Senator over his 36-year career. I will only highlight the fact that he was a foreign policy pillar throughout his career—from being a witness to the signing of the original United Nations Charter to guiding through ratification of landmark fishery treaties. The Senate's institutional knowledge and expertise in these matters will be greatly depleted when Senator PELL departs. He will be missed.•

BEST WISHES TO SENATOR PELL

Ms. MIKULSKI. Mr. President, I rise to offer my best wishes to our colleague, Senator CLAIBORNE PELL. I know that many of my colleagues have already spoken eloquently about Senator PELL and his accomplishments. But, I wanted to express my gratitude for what Senator PELL has meant to me, to foreign policy and to the creation of an opportunity structure for the students of this country.

For me, Senator PELL serves as a model for commitment and conviction. He's been committed to the people of Rhode Island for 36 years. That kind of commitment is hard to find. The contributions he's made over that time are enormous and should empower all Americans to work hard for what they believe in.

Mr. President, Senator PELL has been actively involved in foreign affairs. As the senior Democrat on the Senate Foreign Relations Committee since 1981, he helped create the international institutions that helped us to win the cold war.

And he's been a leader in the effort to adapt these institutions to meet the challenges of the post-cold-war effort. He was instrumental in crafting arms control treaties and has been one of the Senate's strongest and most consistent voices for human rights throughout the world.

But, I probably know him best for his work as a member of the Labor Committee. He's been a pioneer for education and has made an enormous contribution to create an opportunity ladder for all Americans through Pell grants.

Fifty-four million people have been educated through Pell grants. That's a lot of people. That's a lot of young minds and a lot of Maryland students who can now have access to the American dream.

Students and their parents are always worried about how they will pay for education. Senator PELL made it possible. He's been there to make sure our education needs were being met and that this Nation's students knew they had a friend in the U.S. Senate.

He's been a voice for students who would have been left out and left behind. And he's been a voice for those who had no voice.

This kind of contribution cannot be truly appreciated on a résumé or on a list of legislative accomplishments. It can only be seen in the opportunity that others now have to create a better life for themselves and their families; and in turn, they will contribute to their communities and their country.

I want to thank Senator PELL for what he has meant to the Nation, to foreign policy, and to the students of this country. We are blessed to have his legacy.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, when I arrived in the Senate in 1972, the Senator from Rhode Island, Mr. PELL, had already achieved a record which made him known as one of the best and brightest, one of the most accomplished Senators. In the ensuing 23 years, he has built that reputation into a legend.

Mr. President, we have heard detailed here by my colleagues these last few moments the details of that record—Pell grants, foreign relations. I will not repeat that record except to say it is historic in proportions and outstanding in its quality and its merit.

The remarkable thing to me, Mr. President, is the character of the man who has achieved the record. And I would like to take note today, as Senator PELL announces his retirement, of the kind of person and the kind of civility which he brought not only to this Chamber but to politics in general.

Mr. President, at this difficult time in American political history, at a time when a former Governor of New Jersey announced that he would not run for the Senate in large part because of the lack of civility in this body, because of the lack of civility in politics, I think it is important and appropriate we take note of the career of Senator PELL and what he was able to bring to this body in terms of civility.

In all those terms of running for office, always very successful, usually by huge margins, it is just absolutely astonishing and remarkable that he never said anything bad or negative about his opponents. It shows, Mr. President, that you need not be negative in order to be successful. In all these years serving with Senator PELL in this body, there has never been the slightest deviation from those standards of friendship, respect, courtesy, and warmth of character which was unfailing in even the most difficult of circumstances.

You do not amass a record like Senator PELL has amassed without mixing it up on very difficult and very controversial issues, and yet he was able to do that while at the same time having the love and respect and the warmth and the feelings from all of his colleagues.

This will unquestionably be a lesser place when Senator PELL is gone. Nuala Pell, his wonderful, wonderful wife will certainly make it a lesser place in the pantheon of Senate wives because she in her way adds the same thing to the Senate wives that Senator PELL does to the Senate.

Mr. President, I just hope that we can take example from his service, not only in what he has accomplished in terms of things for the Nation, which have been very well detailed and, as I say, which constitute a legend in itself, but the quality of his character and the quality of his service and his relationship with his colleagues. If we could just somehow take that and bottle it and keep it and profit by it and emulate it, we would have a much better and different country and Senate.

I salute Senator PELL on his outstanding record of service to the Nation.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I sought the floor a half hour ago in order to make some remarks about my friend, and I am delighted to have a chance to do so. I am reminded of a friend of mine who asked me once why we made these speeches in the Chamber when people make announcements, and he told me that I should be careful because "he ain't gone yet."

In terms of this announcement today, I share a lot of the remarks and feelings that have been expressed today. My experience goes back a long ways with Senator PELL. He will recall when we flew down to Caracas for the Law of the Sea Conference, with his bride Nuala sitting between us, and how we talked about a lot of things.

That is more years than either one of us can say, but I do remember that discussion. We talked about Social Security, Mr. President. And we were on our way to the Law of the Sea Conference. I remember talking to Senator PELL about other things—the National Endowment for the Arts—as we went to meetings of the Arms Control Observer Group in Geneva and how Senator PELL's great stature in the foreign relations area had led to so many successes in dealing with the Russians, the Soviets really at that time, with regard to arms control.

As we continue to deal with our friend here in these months ahead—and I do recognize the fact that the Senator from Rhode Island will be with us for well over a year—I want the Senate to know that many of us who came here as youngsters from the far west and me from the far north remember so well the great grace with which the Senator from Rhode Island and his wife from Rhode Island welcomed us here, how they have helped our wives and invited us to their home and made us feel part of the Senate family.

Notwithstanding all of the other accomplishments that have been mentioned on the floor today about Senator PELL, I think he will be remembered as a man who had great respect for the Senate, who wanted the Senate family to have a quality of life and make being in the Senate a different experience for those of us who come here with our wives from great distances. I congratulate him for making his statement today so far in advance so that we can all cherish the time we will have with him in the months to come.

Mr. President, I think it is now time for the vote on my bill.

Ms. MOSELEY-BRAUN. Mr. President, will the Senator yield? Will the Senator yield for 2 minutes?

Mr. STEVENS. Mr. President, I might say to Senators, I have already extended time for a vote on the defense bill by a half hour in order for these proceedings, and I have agreed that we would not extend it further. It is time now for a vote on the defense appropriations bill. I call for a vote.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 1996

The PRESIDING OFFICER. Under the previous order, the clerk will report S. 1087. The bill clerk read as follows:

A bill (S. 1087) making appropriations for the Department of Defense for the fiscal year ending September 30, 1996, and for other purposes.

The Senate resume consideration of the bill.

THE B-1 BOMBER—A COST EFFECTIVE INVESTMENT

Mr. PRESSLER. Mr. President, today the Senate will pass S. 1087, the fiscal year 1996 Department of Defense [DOD] appropriations bill, and soon will pass S. 1026, the fiscal year 1996 DOD authorization bill. I am pleased to support both pieces of legislation. Both bills call for a full investment in the B-1 bomber in the coming fiscal year—a clear reflection of the Senate's wise and strong support for the bomber. As a strong supporter of this important component of our long-range bomber force, I believe this is great news for those who support both a strong national defense and a sound fiscal policy.

One of the critical military force structure issues that the U.S. Senate has considered in recent years is the funding level needed to sustain an effective heavy bomber force. In my view, the continued effectiveness of our long-range bomber fleet rests on a full investment in the Conventional Mission Upgrade Program [CMUP] for the B-1 bomber [B-1B]—the Lancer. The B-1B is critical to our Nation's bomber force structure.

As my colleagues know, the B-1B originally was designed as a multirole bomber during the cold war, with its primary mission being its capability to deliver a nuclear payload. Today, in response to these dramatic changes and new demands on our post-cold-war national security goals, the United States must commit fewer resources to nuclear deterrence in favor of advancing conventional capabilities. Our bomber force now must fill a dual role. First, it must continue its commitment to nuclear deterrence missions. Second, our bombers must adapt to serve conventional needs.

Of the three heavy bombers—the B-52, the B-1B, and the B-2—the B-1B has the greatest potential to serve both nuclear and conventional missions. I have been a strong supporter of the B-1B throughout the years because it is one of the most versatile aircraft ever constructed. This was the view of the Department of Defense when, as part of its 1993 Bottom-Up Review, it concluded that the B-1B represented the backbone of the heavy bomber force. Further, the Pentagon believed that a full investment in the B-1B's conventional capabilities was the most cost-effective method to maintaining a bomber force structure capable of meeting our national security goals.

Over the years, I have talked to many associated with the B-1B—its designers, Pentagon strategists, and the dedicated men and women who fly and maintain this extraordinary aircraft. All believe in the B-1B and its place in our force structure. Yet, despite these glowing reviews, a skeptical Congress over the last several years has subjected the B-1B to a series of performance evaluations and studies. The B-1B has met each and every challenge.

The first congressionally mandated test was the Operational Readiness Assessment [ORA]. The purpose of this test—code-named the Dakota Challenge—was to determine if one B-1B wing, when provided fully with the necessary spare parts, maintenance equipment, support crews, and logistics equipment, could meet the Air Force mission availability rate goal of 75 percent. Tasked to take on the Dakota Challenge was the 28th Bomber Wing stationed at Ellsworth Air Force Base in Rapid City, SD. The 28th Bomber Wing more than met the goal of the Dakota Challenge, achieving an extraordinary 84-percent mission capable rate.

Additionally, improvements were seen in other readiness indicators, including the 12-hour fix rate—a measure of how often a malfunctioning aircraft can be repaired and returned to the air within one-half day. The enormous success of the Dakota Challenge prompted Gen. John Michael Loh, commander of the Air Combat Command to state that the B-1B has established its title as "a solid investment in our Nation's capability to project power on a global scale."

A second congressionally mandated study released this year was done by the Institute for Defense Analyses [IDA]. The IDA study represents perhaps the most in-depth, comprehensive analysis of the entire bomber fleet. This report examined the deployment options of our long-range heavy bomber forces—in association with additional tactical forces—under the circumstances of two hypothetical, nearly simultaneous world conflicts. Under these circumstances, the IDA study found that the B–1B is not just mission-effective but cost-effective as well. The study concluded that the B–1B could serve successfully as the centerpiece of American airpower projection, while producing the highest return on our defense investment.

The Dakota Challenge and the IDA study together made clear that an investment in the B–1B's conventional capabilities was the best investment in fiscal and national security terms. These congressionally mandated tests have changed the congressional view of the B–1B from one of skepticism to support. The DOD authorization and appropriations bills before us today reflect this wise shift. Specifically, the DOD appropriations bill would provide $407 million for the B–1B. This funding includes support for research and development, modification programs and of course, the Conventional Mission Upgrade Program.

What would all this funding do? It would enhance the B–1B in three key ways. First of all, the B–1B would be outfitted with new precision weapons to bring added conventional lethality to the bomber. Second, computer upgrades would enable the B–1B to be ultimately capable of carrying the new generation of smart weapons. Third, the B–1B would be equipped with state-of-the-art jam-resistant radio to allow the aircraft to communicate with fighters and other support aircraft. In addition, upgrades would be provided to improve the B–1B's survivability in medium-high threat areas.

The end of the cold war has brought a world environment of unpredictability. New regional threats could occur with very little warning. In this environment, we must look to our bomber force to quickly respond to conventional threats. By fully funding the CMUP for fiscal year 1996 and providing additional enhancements to make up for prior year delays, we can provide our bomber force better prepared to respond to this dynamic world environment.

Mr. President, the people of Rapid City, SD, know well of the effectiveness and the importance of the B–1B to our national security. Many civilians in Rapid City have a family member, a friend, or a neighbor who serves in the 28th Bomber Wing—the men and women who collectively are the backbone of our bomber fleet's backbone. They do more than just keep the B–1B's flying. They firmly believe that the B–1B is a high quality aircraft, capable of being the centerpiece of the bomber fleet in the years to come. They were willing to put their beliefs in their bomber to the test. Through the Dakota Challenge, they proved what they believed. And today, the 28th Bomber Wing's success is being recognized by the U.S. Senate, which will show its strongest support yet for the future conventional success of the B–1 bomber.

Mr. LAUTENBERG. Mr. President, I intend to vote against the fiscal year 1996 Department of Defense appropriations bill.

When most people talk about the budget, they talk about the cuts it contains—cuts in programs that will hurt middle- and lower-income Americans, cuts in taxes which will benefit the richest among us, cuts in education programs that will hinder our children's ability to carry America into the 21st century.

While most areas of spending have been cut in the budget for next year, the defense budget will receive a huge increase. President Clinton recommended a budget which increased defense spending by roughly $25 billion over what we were told we needed just 1 year ago.

Apparently it was not enough. Even though the cold ear has ended, the United States is the only superpower left in the world, and democracy is flourishing where communism once prevailed, the House version of the budget resolution boosted defense spending by another $7 billion for next year. During conference, the House number survived. No "compromise by splitting the difference," just a total victory for the House position. And so, in line with the budget resolution, this appropriations bill spends nearly $7 billion more on the defense budget than the President requested.

This bill, Mr. President, underscores the misguided direction in which the new congressional leadership wants to take our Nation. It is a direction which places a higher value on buying weapons we do not need than on books for our children's education. It is a direction which says that buying more aircraft and helicopters than the Pentagon has requested is more important for the American people than cleaning the environment or preserving Medicare benefits.

We do need a strong national defense, but we can have one without the excessive $7 billion increase in spending included in this bill.

The strength of our Nation, Mr. President, depends on more than the number of missiles we build and the aircraft we procure. It depends on having a well-educated work force, a clean environment, safe streets, a sound and strong economy.

We cannot afford to starve domestic needs so we can spend a billion-plus on an amphibious assault ship that isn't budgeted until the turn of the century, spend hundreds of millions more than the administration requested for a national missile defense system, and spend billions of tax dollars for unrequested helicopters, aircraft, and other military equipment.

Where is our sense of priorities? What happened to our common sense?

The American people deserve better. And we need to make better choices with their tax dollars.

We can and should start by opposing this bill.

ELECTRONIC COMMERCE RESOURCE CENTERS

Mr. ROBB. Mr. President, if the chairman will allow me, I would like to engage him in a brief colloquy concerning the Electronic Commerce Resource Center Program.

Mr. STEVENS. Mr. President, I would be happy to engage in a colloquy with the Senator from Virginia.

Mr. ROBB. Mr. President, I would say to the chairman that it has come to my attention that the House report accompanying the fiscal year 1996 Defense appropriations bill includes language which directs the Secretary of Defense to enter into a 5-year sole-source contract for the establishment of a single, consolidated National Electronic Commerce Resource Center. Under the current program structure, two nonprofit organizations act as system integrators to coordinate activities at the various Electronic Commerce Resource Centers located across the country.

Mr. STEVENS. Mr. President, I am familiar with the program and the House language has been brought to my attention as well.

Mr. ROBB. Mr. President, I would say to the chairman that, as he knows, the current ECRC program is working well and has enabled the development of successful programs to transfer electronic commerce [EC] and electronic data interchange [EDI] technologies and processes to small and medium-sized enterprises. In the first quarter of 1995, for example, the network trained over 4,000 business personnel and 1,300 government personnel and provided services to approximately 1,800 business and Department of Defense clients. Based on industry standards for training and consulting services, it is estimated that this program has saved U.S. businesses over $6 million during the first quarter of 1995 alone.

Mr. President, I am concerned about the House effort, on a sole-source basis, to alter the management and reporting relations that have successfully served this program. While a single, consolidated National Electronic Commerce Resource Center is needed to coordinate the program's activities, such a center should be established on a competitive basis, not sole-sourced. Competition will ensure that the interests of both the Department of Defense and the American taxpayer are best served.

As the chairman knows, I have an amendment I was planning to offer that would require full and open competition in the establishment of a National Electronic Commerce Resource

Center. I will not offer that amendment on this bill, but I would like to seek some assurances from the chairman that this issue will be revisited when the Defense appropriations bill goes to conference.

Mr. STEVENS. Mr. President, the Senator from Virginia has raised a valid concern. I am familiar with the program and am aware that many of the Electronic Commerce Resource Centers around the country were established through full and open competition. Furthermore, I recognize your valid arguments about the importance of full and open competition in the establishment of a national ECRC. I assure the Senator that this will be an issue we raise during our conference with the House. Furthermore, I will ask my staff to arrange a briefing on this program from the Department of Defense and to seek assurances from the Department that they intend to use full and open competition if a single, consolidated National ECRC is established.

Mr. ROBB. Mr. President, I appreciate those assurances from the chairman and thank him for his consideration.

STRATEGIC ENVIRONMENTAL RESEARCH AND DEVELOPMENT PROGRAM

Mr. LEVIN. Mr. President, I would like to engage the distinguished manager of the bill in a brief colloquy regarding the Strategic Environmental Research and Development Program (SERDP). As he knows, these funds have been and continue to be used for investigating and demonstrating innovative environmental clean-up technologies. He may also know that the U.S. Army Corps of Engineers Research Laboratory [USACERL] has been a very active component of DOD's efforts in this area. Through USACERL's work, many of these private/public sector technologies are now available for commercialization, stimulating small company creation, economic development, and environmental protection.

I would urge that the Committee support continuation of USACERL's excellent work, particularly remediation activities at the Army production plants.

Mr. STEVENS. I am aware of the application of innovative remediation technologies at numerous DOD sites throughout the country. I appreciate the thoughtful comments of the Senator from Michigan on the Army Corps' work and bringing it to my attention.

Mr. LEVIN. Very briefly, I would like to provide the Senator from Alaska with two specific examples that demonstrate just how effective USACERL has been.

The first example is an innovative air control technology being implemented at the Lake City Army Ammunition Plant in Independence, MO. A full-scale demonstration biofilter is being installed that will reduce air emissions by more than 80 percent. This will allow the plant to double production and continue to emit less than its current air quality control requirements.

The second example is a manufactured wastewater treatment project at the Radford Army Ammunitions Plant in Radford, VA. This is a full-scale demonstration of granular activated carbon-fluidized bed technology for treating DNT by-products in wastewater. This type of wastewater has proven resistant to any other type of treatment technology available today.

I hope the committee will continue to support the development of cost-effective technologies, such as these, for treating DOD wastes.

Mr. STEVENS. The technologies the Senator has mentioned sound promising. I commend DOD and USACERL for their work in this area and encourage the Department to continue such innovative work.

Mr. PRESSLER. Mr. President, I see the chairman of the Appropriations Subcommittee for Defense, my friend from Alaska, on the floor, and I wanted to be sure he is aware of concerns brought to my attention by the South Dakota National Guard. The concerns involve a funding difference for multiple launch rocket systems [MLRS] between S. 1087, the fiscal year [FY] 1996 Department of Defense [DOD] appropriations bill and S. 1026, the fiscal year 1996 DOD authorization bill.

Any addition of MLRS batteries to National Guard units would be an important contribution. Over the next several decades, our national security increasingly will need to respond rapidly and decisively to regional security threats. The post-cold-war defense drawdown will result in an increased reliance on the National Guard and the reserve forces to meet our national security needs. The opportunity for the South Dakota National Guard to be fielded an MLRS battery would improve greatly its readiness and capability to respond rapidly to time critical targets.

I urge the chairman and the appointed conferees to consider going to the authorized funding level for MLRS launchers, as S. 1087 proceeds to conference. I believe doing so would ensure the successful reconditioning and fielding of 29 MLRS launchers important to our reserve forces.

Mr. STEVENS. Mr. President, I appreciate the senior Senator from South Dakota bringing this matter to my attention. As he knows, we faced a number of difficult funding decisions in this bill. A number of programs were not funded at the proposed authorized level. I would bring to the Senator's attention that S. 1087 provides $100 million for the Army National Guard to allocate to meet its foremost modernization priorities. I am confident that the MLRS needs of the South Dakota National Guard will be carefully considered this year.

Mr. PRESSLER. Mr. President, I thank my friend from Alaska. I appreciate his consideration of my request and look forward to working with him on this matter of importance to the South Dakota National Guard.

Mr. CONRAD. Mr. President, I intend to oppose S. 1087, the Department of Defense appropriations for fiscal year 1996.

Although I recognize the need to provide for a strong national defense, I cannot support this legislation because it spends too much money. The cold war is over, the Soviet Union has collapsed, and we already spend more money than the next nine biggest military spenders combined. If we are serious about balancing the budget without unnecessary cuts in programs that benefit average American families, it simply does not make sense to spend more money than the administration requested for defense.

Earlier this year, when we debated the budget in the Senate there was broad bipartisan agreement that we should freeze defense spending at the administration's request. On most issues, I disagreed with the priorities in the budget put forward by the Republican majority, and I offered an alternative that was both fairer and more ambitious than the Republican proposal. But on defense my fair share plan contained a hard freeze at the administration's fiscal year 1996 request just like the Republican proposal.

Unfortunately, the budget that came back from conference increased defense spending by more than $7 billion in fiscal year 1996 alone over the level in my fair share plan and the Senate-passed budget. This increase in defense spending comes at the expense of greater cuts in other areas important to hard working American families, such as agriculture, Medicare, and student loans.

Where does the extra $7 billion added to the fiscal year 1996 defense appropriations act go? Does it go to fund the priorities of our military leaders, such as ongoing operations in Iraq, Bosnia, and Haiti where we know we will have added expenses this year? Does it go to improving readiness through increased operations and maintenance funding? Or does it go toward closing the bomber gap between the number of bombers the military estimates it will need to fight one major regional conflict and the bombers actually funded in the President's budget? No, no, and again no.

The extra funding above the amounts our military leadership requested goes largely to fund major new weapons procurement of questionable value to our immediate national security. The appropriators have added $1.4 billion for two extra DDG–51 Aegis destroyers, an extra $1.3 billion for one LHD–7 amphibious ship, $600 million for ballistic missile defenses, and $575 million for F–18 fighters. These weapons are not needed this year, and this wave of new procurement sets the stage for future increases to the defense budget because this pace will be unsustainable in the outyears unless we dramatically cut funding for readiness.

I am especially concerned that, despite this added funding for procuring new weapons, the bill does nothing to close the bomber gap. This bill funds only 93 deployable bombers, but the Pentagon's Bottom-Up Review concluded that 100 deployable bombers are needed to fight just one major regional conflict, let alone a second nearly simultaneous conflict. The Air Force estimates that a mere $130 million would be sufficient to maintain a fourth combat coded squadron of B-52 bombers, six additional trainers and all remaining B-52's in attrition reserve. Although the Senate defense authorization bill contains language prohibiting the retirement of B-52 bombers—the most capable bombers in our inventory and a vital element in our strategy to win two nearly simultaneous conflicts—the appropriations bill fails to fund additional B-52 operations and maintenance.

Although I cannot support the bill as a whole, I do want to note the provision in the bill maintaining the size of Air National Guard fighter wings at 15 aircraft. In view of the increasing importance of air power in our warfighting capabilities and the enhanced role for the Guard in light of overall military downsizing, I believe it is very important to maintain our ANG assets. I congratulate the chairman and ranking member for their attention to this issue.

But when I look at the bill as a whole, the bottom line is that it spend too much money. I cannot support it.

Mr. DODD. Mr. President, I rise this evening to speak against final passage of the 1996 Defense appropriations bill. And let me tell my colleagues, I do so with a very heavy heart.

In the 15 years that I have served here in the U.S. Senate, I have never once voted against final passage of a Defense appropriations bill. Regrettably, it will no longer be possible for me to make that claim.

The bill before us is truly unique. In an era of wholesale budget reductions, this bill contains an overall spending increase of nearly $7 billion above what the President and the Pentagon requested. That is a significant increase for any agency budget, however, it is particularly troublesome because of the tremendous cuts that other agencies have suffered. It is an injustice that is too great to ignore.

For example, the 1996 Department of Labor and Health and Human Services appropriations bill was reduced by almost $4 billion for the Department of Labor, and another $3.5 billion for other related agencies. Simply put, that directly affects the hard working men and women of Connecticut who rely on important programs in time of need.

Since the mid-1980's almost 200,000 Defense-related jobs have been lost in my home State. The current reductions in the Department of Labor's job retraining programs directly cuts into the very heart of job training programs that are essential for the survival of more than 500,000 displaced working Americans. That simply is not fair.

The 1996 Department of Defense appropriations bill provides almost $3.0 billion as a so called investment for advanced missile defenses. That unrequested increase comes at the expense of medical care for the elderly, Goals 2000, and early childhood education programs. If ever there was a need for an increase in a national investment program, we should be focusing our eyes on the youth of our Nation and programs such as Headstart.

Let me restate for the RECORD, this bill contains spending increases that were neither requested by the Pentagon, nor budgeted for by the President. However, vital future programs such as the F-22 fighter aircraft and the *Seawolf* submarine were fully funded in the President's initial budget submission. Let me remind my colleagues, those programs were requested by the leadership or our armed services and deserve and requested funding. I fully support those programs.

However, it seems fundamentally wrong in an era of severe fiscal constraint to increase defense spending in areas not specifically requested by the Joint Chiefs of Staff or their respective services. With so much at stake in so many other critical programs in our national infrastructure, I cannot in good conscience support this bill.

I thank my colleagues.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The PRESIDING OFFICER (Mr. BROWN). Are there any other Senators in the Chamber who desire to vote?

Mr. LOTT. I announce that the Senator from North Carolina [Mr. HELMS] and the Senator from Alaska [Mr. MURKOWSKI] are necessarily absent.

I further announce that, if present and voting, the Senator from North Carolina [Mr. HELMS] would vote "yea."

Mr. FORD. I announce that the Senator from Hawaii [Mr. AKAKA] is absent because of attending a funeral.

The result was announced—yeas 62, nays 35, as follows:

[Rollcall Vote No. 397 Leg.]

YEAS—62

Abraham
Ashcroft
Bennett
Bond
Breaux
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dole
Domenici
Faircloth
Ford
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Lugar
Mack
McConnell
Mikulski
Moynihan
Murray
Nickles
Nunn
Packwood
Pressler
Reid
Robb
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—35

Baucus
Biden
Bingaman
Boxer
Bradley
Brown
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Harkin
Hatfield
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
McCain
Moseley-Braun
Pell
Pryor
Rockefeller
Roth
Sarbanes
Simon
Wellstone

NOT VOTING—3

Akaka
Helms
Murkowski

So the bill (S. 1087), as amended, was passed, as follows:

S. 1087

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1996, and for other purposes, namely:

TITLE I

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Army on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $19,776,587,000.

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Navy on active duty (except members of the Reserve provided for elsewhere), midshipmen, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $16,979,209,000.

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Marine Corps on active duty (except members of the Reserve provided for elsewhere); and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $5,886,540,000.

Military Personnel, Air Force

For pay, allowances, individual clothing, interest on deposits, gratuities, permanent change of station travel (including all expenses thereof for organizational movements), and expenses of temporary duty travel between permanent duty stations, for members of the Air Force on active duty (except members of reserve components provided for elsewhere), cadets, and aviation cadets; and for payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), and to the Department of Defense Military Retirement Fund; $17,156,443,000.

Reserve Personnel, Army

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty under sections 265, 3021, and 3038 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $2,102,466,000.

Reserve Personnel, Navy

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Navy Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,349,323,000.

Reserve Personnel, Marine Corps

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Marine Corps Reserve on active duty under section 265 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Marine Corps platoon leaders class, and expenses authorized by section 2131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $364,551,000.

Reserve Personnel, Air Force

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve on active duty under sections 265, 8021, and 8038 of title 10, United States Code, or while serving on active duty under section 672(d) of title 10, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing reserve training, or while performing drills or equivalent duty or other duty, and for members of the Air Reserve Officers' Training Corps, and expenses authorized by section 2131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $783,861,000.

National Guard Personnel, Army

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army National Guard while on duty under section 265, 3021, or 3496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $3,222,422,000.

National Guard Personnel, Air Force

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard on duty under section 265, 8021, or 8496 of title 10 or section 708 of title 32, United States Code, or while serving on duty under section 672(d) of title 10 or section 502(f) of title 32, United States Code, in connection with performing duty specified in section 678(a) of title 10, United States Code, or while undergoing training, or while performing drills or equivalent duty or other duty, and expenses authorized by section 2131 of title 10, United States Code; and for payments to the Department of Defense Military Retirement Fund; $1,259,627,000.

TITLE II

OPERATION AND MAINTENANCE

Operation and Maintenance, Army

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Army, as authorized by law; and not to exceed $14,437,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Army, and payments may be made on his certificate of necessity for confidential military purposes; $17,947,229,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund: *Provided*, That of the funds appropriated in this paragraph, not less than $388,599,000 shall be made available only for conventional ammunition care and maintenance: *Provided further*, That of the funds provided under this heading, $1,418,000,000 shall be available only for Real Property Maintenance activities, and shall remain available for obligation until September 30, 1997: *Provided further*, That not less than $15,000,000 shall be made available only for the implementation and execution of the 1988 agreement between the Department of the Army and National Presto Industries Inc. for the remediation of environmental contamination at the National Presto Industries Inc. site at Eau Claire, WI. These funds shall be made available no later than sixty days following the enactment of this Act: *Provided further*, That of the funds provided under this heading, $500,000 may be available for the Life Sciences Equipment Laboratory, Kelly Air Force Base, Texas, for work in support of the Joint Task Force-Full Accounting.

Operation and Maintenance, Navy

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Navy and the Marine Corps, as authorized by law; and not to exceed $4,151,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Navy, and payments may be made on his certificate of necessity for confidential military purposes; $21,195,301,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund: *Provided*, That of the funds provided under this heading, $1,150,000,000 shall be available only for Real Property Maintenance activities, and shall remain available for obligation until September 30, 1997: *Provided further*, That, of the funds appropriated under this heading, not more than $12,200,000 shall be available only for paying the costs of terminating Project ELF.

Operation and Maintenance, Marine Corps

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Marine Corps, as authorized by law; $2,341,737,000: *Provided*, That of the funds provided under this heading, $366,800,000 shall be available only for Real Property Maintenance activities, and shall remain available for obligation until September 30, 1997.

Operation and Maintenance, Air Force

(INCLUDING TRANSFER OF FUNDS)

For expenses, not otherwise provided for, necessary for the operation and maintenance of the Air Force, as authorized by law; and not to exceed $8,326,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of the Air Force, and payments may be made on his certificate of necessity for confidential military purposes; $18,202,437,000 and, in addition, $50,000,000 shall be derived by transfer from the National Defense Stockpile Transaction Fund: *Provided*, That the Secretary of the Air Force may acquire all right, title, and interest of any party in and to parcels of real property, including improvements thereon, consisting of not more than 92 acres, located near King Salmon Air Force Station for the purpose of conducting a response action in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601-9675) and the Air Force Installation Restoration Program: *Provided further*, That of the funds provided under this heading, $1,633,000,000 shall be available only for Real Property Maintenance activities, and shall be available for obligation until September 30, 1997: *Provided further*, That from within the funds appropriated under this heading, the Air Force may enter into a long-term lease or purchase agreement to replace the existing fleet of VC-137 aircraft.

Operation and Maintenance, Defense-Wide

For expenses, not otherwise provided for, necessary for the operation and maintenance of activities and agencies of the Department of Defense (other than the military departments), as authorized by law; $9,804,068,000, of which not to exceed $25,000,000 may be available for the CINC initiative fund account; and of which not to exceed $28,588,000 can be used for emergencies and extraordinary expenses, to be expended on the approval or authority of the Secretary of Defense, and payments may be made on his certificate of necessity for confidential military purposes:

Provided, That of the funds appropriated under this heading, $20,000,000 shall be made available only for use in federally owned education facilities located on military installations for the purpose of transferring title of such facilities to the local education agency: *Provided further*, That of the funds provided under this heading, $169,800,000 shall be available only for Real Property Maintenance activities, and shall remain available for obligation until September 30, 1997: *Provided further*, That of the funds appropriated in this paragraph, $11,200,000 shall be available for the Joint Analytic Model Improvement Program: *Provided further*, That of the funds appropriated in this paragraph, $10,000,000 shall be available for the Troops-to-Cops program: *Provided further*, That of the funds provided under this heading, $42,000,000 shall be available for the Troops-to-Teachers program.

OPERATION AND MAINTENANCE, ARMY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Army Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,068,312,000: *Provided*, That of the funds provided under this heading, $47,589,000 shall be available only for Real Property Maintenance activities, and shall remain available for obligation until September 30, 1997.

OPERATION AND MAINTENANCE, NAVY RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Navy Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $826,042,000: *Provided*, That of the funds provided under this heading, $31,954,000 shall be available only for Real Property Maintenance activities, and shall remain available for obligation until September 30, 1997.

OPERATION AND MAINTENANCE, MARINE CORPS RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Marine Corps Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $90,283,000: *Provided*, That of the funds provided under this heading, $4,911,000 shall be available only for Real Property Maintenance activities, and shall remain available for obligation until September 30, 1997.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

For expenses, not otherwise provided for, necessary for the operation and maintenance, including training, organization, and administration, of the Air Force Reserve; repair of facilities and equipment; hire of passenger motor vehicles; travel and transportation; care of the dead; recruiting; procurement of services, supplies, and equipment; and communications; $1,485,947,000: *Provided*, That of the funds provided under this heading, $63,062,000 shall be available only for Real Property Maintenance activities, and shall remain available for obligation until September 30, 1997.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

For expenses of training, organizing, and administering the Army National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, and repairs to structures and facilities; hire of passenger motor vehicles; personnel services in the National Guard Bureau; travel expenses (other than mileage), as authorized by law for Army personnel on active duty, for Army National Guard division, regimental, and battalion commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; supplying and equipping the Army National Guard as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); $2,361,708,000: *Provided*, That of the funds provided under this heading, $150,188,000 shall be available only for Real Property Maintenance activities, and shall be available for obligation until September 30, 1997.

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

For operation and maintenance of the Air National Guard, including medical and hospital treatment and related expenses in non-Federal hospitals; maintenance, operation, repair, and other necessary expenses of facilities for the training and administration of the Air National Guard, including repair of facilities, maintenance, operation, and modification of aircraft; transportation of things; hire of passenger motor vehicles; supplies, materials, and equipment, as authorized by law for the Air National Guard; and expenses incident to the maintenance and use of supplies, materials, and equipment, including such as may be furnished from stocks under the control of agencies of the Department of Defense; travel expenses (other than mileage) on the same basis as authorized by law for Air National Guard personnel on active Federal duty, for Air National Guard commanders while inspecting units in compliance with National Guard Bureau regulations when specifically authorized by the Chief, National Guard Bureau; $2,724,021,000: *Provided*, That of the funds provided under this heading, $85,571,000 shall be available only for Real Property Maintenance activities, and shall remain available for obligation until September 30, 1997.

UNITED STATES COURT OF APPEALS FOR THE ARMED FORCES

For salaries and expenses necessary for the United States Court of Appeals for the Armed Forces; $6,521,000, of which not to exceed $2,500 can be used for official representation purposes.

ENVIRONMENTAL RESTORATION, DEFENSE

(INCLUDING TRANSFER OF FUNDS)

For the Department of Defense; $1,487,000,000, to remain available until transferred: *Provided*, That the Secretary of Defense shall, upon determining that such funds are required for environmental restoration, reduction and recycling of hazardous waste, removal of unsafe buildings and debris of the Department of Defense, or for similar purposes (including programs and operations at sites formerly used by the Department of Defense), transfer the funds made available by this appropriation to other appropriations made available to the Department of Defense, to be merged with and to be available for the same purposes and for the same period as the appropriations of funds to which transferred, as follows:

Operation and Maintenance, Army, $659,000,000;

Operation and Maintenance, Navy, $405,000,000;

Operation and Maintenance, Air Force, $368,000,000; and

Operation and Maintenance, Defense-wide, $55,000,000:

Provided further, That upon a determination that all or part of the funds transferred from this appropriation are not necessary for the purposes provided herein, such amounts may be transferred back to this appropriation.

SUMMER OLYMPICS

For logistical support and personnel services (other than pay and non-travel-related allowances of members of the Armed Forces of the United States, except for members of the reserve components thereof called or ordered to active duty to provide support for the 1996 Games of the XXVI Olympiad to be held in Atlanta, Georgia) provided by any component of the Department of Defense to the 1996 Games of the XXVI Olympiad; $15,000,000: *Provided*, That funds appropriated under this heading shall remain available for obligation until September 30, 1997.

HUMANITARIAN ASSISTANCE

For training and activities related to the clearing of landmines for humanitarian purposes, $60,000,000.

FORMER SOVIET UNION THREAT REDUCTION

For assistance to the republics of the former Soviet Union, including assistance provided by contract or by grants, for facilitating the elimination and the safe and secure transportation and storage of nuclear, chemical and other weapons; for providing incentives for demilitarization; for establishing programs to prevent the proliferation of weapons, weapons components, and weapon-related technology and expertise; for programs relating to the training and support of defense and military personnel for demilitarization and protection of weapons, weapons components and weapons technology and expertise; $325,000,000 to remain available until expended.

TITLE III

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,498,623,000, to remain available for obligation until September 30, 1998.

MISSILE PROCUREMENT, ARMY

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $846,555,000, to remain available for obligation until September 30, 1998.

Procurement of Weapons and Tracked Combat Vehicles, Army

For construction, procurement, production, and modification of weapons and tracked combat vehicles, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,396,264,000, to remain available for obligation until September 30, 1998.

Procurement of Ammunition, Army

For construction, procurement, production, and modification of ammunition, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including ammunition facilities authorized by section 2854, title 10, United States Code, and the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $1,090,891,000, to remain available for obligation until September 30, 1998.

Other Procurement, Army

For construction, procurement, production, and modification of vehicles, including tactical, support, and nontracked combat vehicles; the purchase of not to exceed 41 passenger motor vehicles for replacement only; communications and electronic equipment; other support equipment; spare parts, ordnance, and accessories therefor; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes; $2,760,002,000, to remain available for obligation until September 30, 1998.

Aircraft Procurement, Navy

For construction, procurement, production, modification, and modernization of aircraft, equipment, including ordnance, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $4,897,393,000, to remain available for obligation until September 30, 1998.

Weapons Procurement, Navy

For construction, procurement, production, modification, and modernization of missiles, torpedoes, other weapons, other ordnance and ammunition, and related support equipment including spare parts, and accessories therefor; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $1,771,421,000, to remain available for obligation until September 30, 1998.

Shipbuilding and Conversion, Navy

For expenses necessary for the construction, acquisition, or conversion of vessels as authorized by law, including armor and armament thereof, plant equipment, appliances, and machine tools and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; procurement of critical, long leadtime components and designs for vessels to be constructed or converted in the future; and expansion of public and private plants, including land necessary therefore, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title, as follows:

For continuation of the SSN–21 attack submarine program, $700,000,000;

NSSN–1 (AP) $704,498,000;

NSSN–2 (AP) $100,000,000;

CVN Refuelings, $221,988,000;

DDG–51 destroyer program, $3,586,800,000;

LHD–1 amphibious assault ship program, $1,300,000,000; and

For craft, outfitting, post delivery, conversions, and first destination transportation, $448,715,000;

in all: $7,062,001,000, to remain available for obligation until September 30, 2000: *Provided*, That additional obligations may be incurred after September 30, 2000, for engineering services, tests, evaluations, and other such budgeted work that must be performed in the final stage of ship construction: *Provided further*, That none of the funds herein provided for the construction or conversion of any naval vessel to be constructed in shipyards in the United States shall be expended in foreign facilities for the construction of major components of such vessel: *Provided further*, That none of the funds herein provided shall be used for the construction of any naval vessel in foreign shipyards.

Other Procurement, Navy

For procurement, production, and modernization of support equipment and materials not otherwise provided for, Navy ordnance (except ordnance for new aircraft, new ships, and ships authorized for conversion); the purchase of not to exceed 252 passenger motor vehicles for replacement only; expansion of public and private plants, including the land necessary therefor, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; $2,394,260,000, to remain available for obligation until September 30, 1998.

Procurement, Marine Corps

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including the purchase of not to exceed 194 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefor, and such lands and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; $597,139,000, to remain available for obligation until September 30, 1998.

Aircraft Procurement, Air Force

For construction, procurement, and modification of aircraft and equipment, including armor and armament, specialized ground handling equipment, and training devices, spare parts, and accessories therefor; specialized equipment; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $7,163,258,000, to remain available for obligation until September 30, 1998.

Missile Procurement, Air Force

For construction, procurement, and modification of missiles, spacecraft, rockets, ammunition, and related equipment, including spare parts and accessories therefor, ground handling equipment, and training devices; expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes including rents and transportation of things; $3,550,192,000, to remain available for obligation until September 30, 1998.

Other Procurement, Air Force

For procurement and modification of equipment (including ground guidance and electronic control equipment, and ground electronic and communication equipment), and supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 385 passenger motor vehicles for replacement only; the purchase of 1 vehicle required for physical security of personnel, notwithstanding price limitations applicable to passenger vehicles but not to exceed $260,000 per vehicle; and expansion of public and private plants, Government-owned equipment and installation thereof in such plants, erection of structures, and acquisition of land, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon, prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $6,540,951,000, to remain available for obligation until September 30, 1998.

Procurement, Defense-Wide

For expenses of activities and agencies of the Department of Defense (other than the military departments) necessary for procurement, production, and modification of equipment, supplies, materials, and spare parts therefor, not otherwise provided for; the purchase of not to exceed 451 passenger motor vehicles, of which 447 shall be for replacement only; expansion of public and private plants, equipment, and installation thereof in such plants, erection of structures, and acquisition of land for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; reserve plant and Government and contractor-owned equipment layaway; $2,114,824,000, to remain available for obligation until September 30, 1998.

National Guard and Reserve Equipment

For procurement of aircraft, missiles, tracked combat vehicles, ammunition, other weapons, and other procurement for the reserve components of the Armed Forces; $777,000,000, to remain available for obligation until September 30, 1998: *Provided*, That the Chiefs of the Reserve and National Guard components shall, not later than December 1, 1995, individually submit to the congressional defense committees the modernization priority assessment for their respective Reserve or National Guard component.

TITLE IV

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Research, Development, Test and Evaluation, Army

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $4,639,131,000, to remain available for obligation until September 30, 1997: *Provided*, That of the funds appropriated in this paragraph for the Other Missile Product Improvement Program program element, $10,000,000 is provided only for the full qualification and operational platform certification of Non-Developmental Item (NDI) composite 2.75 inch rocket motors and composite propellant pursuant to the initiation of a Product Improvement Program (PIP) for the Hydra-70 rocket.

Research, Development, Test and Evaluation, Navy

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $8,282,051,000, to remain available for obligation until September 30, 1997: *Provided*, That of the funds provided in Public Law 103–355, in title IV, under the heading Research, Development, Test and Evaluation, Navy, $5,000,000 shall be made available as a grant only to the Marine and Environmental Research and Training Station (MERTS) for laboratory and other efforts associated with research, development, and other programs of major importance to the Department of Defense: *Provided further*, That of the funds appropriated under this heading, $45,458,000 shall be made available for the Intercooled Recuperative Turbine Engine Project.

Research, Development, Test and Evaluation, Air Force

For expenses necessary for basic and applied scientific research, development, test and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $13,087,389,000, to remain available for obligation until September 30, 1997.

Research, Development, Test and Evaluation, Defense-Wide

For expenses of activities and agencies of the Department of Defense (other than the military departments), necessary for basic and applied scientific research, development, test and evaluation; advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law; maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law; $9,196,784,000, to remain available for obligation until September 30, 1997: *Provided*, That of the funds appropriated in this paragraph, $35,000,000 shall be available for the Corps Surface-to-Air Missile (Corps SAM) program: *Provided further*, That of the funds appropriated in this paragraph, $3,000,000 shall be available for the Large Millimeter Telescope project: *Provided further*, That of the funds appropriated in this paragraph, not more than $48,505,000 shall be available for the Strategic Environmental Research program element activities and not more than $34,302,000 shall be available for Technical Studies, Support and Analysis program element activities: *Provided further*, That of the $475,470,000 appropriated in this paragraph for the Other Theater Missile Defense, up to $25,000,000 may be available for the operation of the Battlefield Integration Center: *Provided further*, That the funds made available under the second proviso under this heading in Public Law 103–335 (108 Stat. 2613) shall also be available to cover the reasonable costs of the administration of loan guarantees referred to in that proviso and shall be available to cover such costs of administration and the costs of such loan guarantees until September 30, 1998: *Provided further*, That of the funds appropriated in this paragraph for the Ballistic Missile Defense Organization, $10,000,000 shall only be available to continue program activities and launch preparation efforts under the Strategic Target System (STARS) program.

Developmental Test and Evaluation, Defense

For expenses, not otherwise provided for, of independent activities of the Director, Test and Evaluation in the direction and supervision of developmental test and evaluation, including performance and joint developmental testing and evaluation; and administrative expenses in connection therewith; $246,082,000, to remain available for obligation until September 30, 1997.

Operational Test and Evaluation, Defense

For expenses, not otherwise provided for, necessary for the independent activities of the Director, Operational Test and Evaluation in the direction and supervision of operational test and evaluation, including initial operational test and evaluation which is conducted prior to, and in support of, production decisions; joint operational testing and evaluation; and administrative expenses in connection therewith; $22,587,000, to remain available for obligation until September 30, 1997.

TITLE V

REVOLVING AND MANAGEMENT FUNDS

Defense Business Operations Fund

For the Defense Business Operations Fund; $1,178,700,000: *Provided*, That of the funds appropriated under this heading, $300,000,000 shall be available only to support the national defense missions of the Coast Guard, while operating in conjunction with and in support of the Navy: *Provided further*, That pursuant to the authorities provided under this heading, the Secretary of the Navy shall make available to the Coast Guard ship and aviation fuel, spare parts, munitions, ship stores, commissary goods, ship and aircraft repair services to ensure the national defense capabilities and preparedness of the Coast Guard.

National Defense Sealift Fund

For National Defense Sealift Fund programs, projects, and activities, and for expenses of the National Defense Reserve Fleet, as established by section 11 of the Merchant Ship Sales Act of 1946 (50 U.S.C. App. 1774); $1,024,220,000, to remain available until expended: *Provided*, That the Secretary of the Navy may obligate not to exceed $110,000,000 from available appropriations to the Navy for the procurement of one additional MPS ship.

TITLE VI

OTHER DEPARTMENT OF DEFENSE PROGRAMS

Defense Health Program

For expenses, not otherwise provided for, for medical and health care programs of the Department of Defense, as authorized by law; $10,196,558,000, of which $9,908,525,000 shall be for Operation and maintenance, of which $288,033,000, to remain available for obligation until September 30, 1998, shall be for Procurement: *Provided*, That of the funds appropriated under this heading, $14,500,000 shall be made available for obtaining emergency communications services for members of the Armed Forces and their families from the American National Red Cross as authorized by law.

Chemical Agents and Munitions Destruction, Defense

For expenses, not otherwise provided for, necessary for the destruction of the United States stockpile of lethal chemical agents and munitions in accordance with the provisions of section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), and for the destruction of other chemical warfare materials that are not in the chemical weapon stockpile,. $631,698,000, of which $353,850,000 shall be for Operation and maintenance, $224,448,000 shall be for Procurement to remain available until September 30, 1998, and $53,400,000 shall be for Research, development, test and evaluation to remain available until September 30, 1997.

Drug Interdiction and Counter-Drug Activities, Defense

(INCLUDING TRANSFER OF FUNDS)

For drug interdiction and counter-drug activities of the Department of Defense, for transfer to appropriations available to the Department of Defense for military personnel of the reserve components serving under the provisions of title 10 and title 32, United States Code; for Operation and maintenance; for Procurement; and for Research, development, test and evaluation; $680,432,000: *Provided*, That of the funds provided under this heading, $5,000,000 shall be available for conversion of surplus helicopters of the Department of Defense for procurement by State and local governments for counter-drug activities: *Provided further*, That the funds appropriated by this paragraph shall be available for obligation for the same time period and for the same purpose as the appropriation to which transferred: *Provided further*, That the transfer authority provided in this paragraph is in addition to any transfer authority contained elsewhere in this Act.

OFFICE OF THE INSPECTOR GENERAL

For expenses and activities of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended; $139,226,000, of which $138,226,000 shall be for Operation and maintenance, of which not to exceed $400,000 is available for emergencies and extraordinary expenses to be expended on the approval or authority of the Inspector General, and payments may be made on his certificate of necessity for confidential military purposes; and of which $1,000,000, to remain available until September 30, 1998, shall be for Procurement.

TITLE VII

RELATED AGENCIES

CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM FUND

For payment to the Central Intelligence Agency Retirement and Disability System Fund, to maintain proper funding level for continuing the operation of the Central Intelligence Agency Retirement and Disability System; $213,900,000.

NATIONAL SECURITY EDUCATION TRUST FUND

For the purposes of title VIII of Public Law 102–183, $7,500,000, to be derived from the National Security Education Trust Fund, to remain available until expended.

COMMUNITY MANAGEMENT ACCOUNT

For necessary expenses of the Community Management Account; $98,283,000.

KAHO'OLAWE ISLAND CONVEYANCE, REMEDIATION, AND ENVIRONMENTAL RESTORATION TRUST FUND

For payment to the Kaho'olawe Island Conveyance, Remediation, and Environmental Restoration Trust Fund, as authorized by law, $25,000,000, to remain available until expended.

TITLE VIII

GENERAL PROVISIONS

SEC. 8001. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 8002. During the current fiscal year, provisions of law prohibiting the payment of compensation to, or employment of, any person not a citizen of the United States shall not apply to personnel of the Department of Defense: *Provided*, That salary increases granted to direct and indirect hire foreign national employees of the Department of Defense funded by this Act shall not be at a rate in excess of the percentage increase authorized by law for civilian employees of the Department of Defense whose pay is computed under the provisions of section 5332 of title 5, United States Code, or at a rate in excess of the percentage increase provided by the appropriate host nation to its own employees, whichever is higher: *Provided further*, That this section shall not apply to Department of Defense foreign service national employees serving at United States diplomatic missions whose pay is set by the Department of State under the Foreign Service Act of 1980: *Provided further*, That the limitations of this provision shall not apply to foreign national employees of the Department of Defense in the Republic of Turkey.

SEC. 8003. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year, unless expressly so provided herein.

SEC. 8004. No more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year: *Provided*, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps.

(TRANSFER OF FUNDS)

SEC. 8005. Upon determination by the Secretary of Defense that such action is necessary in the national interest, he may, with the approval of the Office of Management and Budget, transfer not to exceed $2,400,000,000 of working capital funds of the Department of Defense or funds made available in this Act to the Department of Defense for military functions (except military construction) between such appropriations or funds or any subdivision thereof, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: *Provided*, That such authority to transfer may not be used unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which funds are requested has been denied by Congress: *Provided further*, That the Secretary of Defense shall notify the Congress promptly of all transfers made pursuant to this authority or any other authority in this Act: *Provided further*, That no part of the funds in this Act shall be available to prepare or present a request to the Committees on Appropriations for reprogramming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprogramming is requested has been denied by the Congress.

(TRANSFER OF FUNDS)

SEC. 8006. During the current fiscal year, cash balances in working capital funds of the Department of Defense established pursuant to section 2208 of title 10, United States Code, may be maintained in only such amounts as are necessary at any time for cash disbursements to be made from such funds: *Provided*, That transfers may be made between such funds and the "Foreign Currency Fluctuations, Defense" and "Operation and Maintenance" appropriation accounts in such amounts as may be determined by the Secretary of Defense, with the approval of the Office of Management and Budget, except that such transfers may not be made unless the Secretary of Defense has notified the Congress of the proposed transfer. Except in amounts equal to the amounts appropriated to working capital funds in this Act, no obligations may be made against a working capital fund to procure or increase the value of war reserve material inventory, unless the Secretary of Defense has notified the Congress prior to any such obligation.

SEC. 8007. Using funds available by this Act or any other Act, the Secretary of the Air Force, pursuant to a determination under section 2690 of title 10, United States Code, may implement cost-effective agreements for required heating facility modernization in the Kaiserslautern Military Community in the Federal Republic of Germany: *Provided*, That in the City of Kaiserslautern such agreements will include the use of United States anthracite as the base load energy for municipal district heat to the United States Defense installations: *Provided further*, That at Landstuhl Army Regional Medical Center and Ramstein Air Base, furnished heat may be obtained from private, regional or municipal services, if provisions are included for the consideration of United States coal as an energy source: *Provided further*, That none of the funds available to the Department of Defense in this Act shall be used by the Secretary of a military department to purchase coal or coke from foreign nations for use at United States defense facilities in Europe when coal from the United States is available.

SEC. 8008. Funds appropriated by this Act may not be used to initiate a special access program without prior notification 30 calendar days in session in advance to the Committees on Appropriations, Armed Services, and National Security of the Senate and House of Representatives.

SEC. 8009. None of the funds contained in this Act available for the Civilian Health and Medical Program of the Uniformed Services shall be available for payments to physicians and other authorized individual health care providers in excess of the amounts allowed in fiscal year 1994 for similar services, except that: (a) for services for which the Secretary of Defense determines an increase is justified by economic circumstances, the allowable amounts may be increased in accordance with appropriate economic index data similar to that used pursuant to title XVIII of the Social Security Act; and (b) for services the Secretary determines are overpriced based on allowable payments under title XVIII of the Social Security Act, the allowable amounts shall be reduced by not more than 15 percent (except that the reduction may be waived if the Secretary determines that it would impair adequate access to health care services for beneficiaries). The Secretary shall solicit public comment prior to promulgating regulations to implement this section. Such regulations shall include a limitation, similar to that used under title XVIII of the Social Security Act, on the extent to which a provider may bill a beneficiary an actual charge in excess of the allowable amount.

SEC. 8010. None of the funds provided in this Act shall be available to initiate (1) a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year of the contract or that includes an unfunded contingent liability in excess of $20,000,000, or (2) a contract for advance procurement leading to a multiyear contract that employs economic order quantity procurement in excess of $20,000,000 in any one year, unless the Committees on Appropriations and Armed Services of the Senate and House of Representatives have been notified at least thirty days in advance of the proposed contract award: *Provided*, That no part of any appropriation contained in this Act shall be available to initiate a multiyear contract for which the economic order quantity advance procurement is not funded at least to the limits of the Government's liability: *Provided further*, That no part of any appropriation contained in this Act shall be available to initiate multiyear procurement contracts for any systems or component thereof if the value of the multiyear contract would exceed $500,000,000 unless specifically provided in this Act: *Provided further*, That no multiyear procurement contract can be terminated without 10-day prior notification to the Committees on Appropriations and Armed Services of the House of Representatives and the Senate: *Provided further*, That the execution of multiyear authority shall require the use of a present value analysis to determine lowest cost compared to an annual procurement.

Funds appropriated in title III of this Act may be used for multiyear procurement contracts as follows:

UH-60 Blackhawk helicopter;

Apache Longbow helicopter; and

M1A2 tank upgrade.

SEC. 8011. Within the funds appropriated for the operation and maintenance of the Armed Forces, funds are hereby appropriated pursuant to section 401 of title 10, United States Code, for humanitarian and civic assistance costs under chapter 20 of title 10, United States Code. Such funds may also be obligated for humanitarian and civic assistance costs incidental to authorized operations and pursuant to authority granted in section 401 of chapter 20 of title 10, United States Code, and these obligations shall be reported to Congress on September 30 of each year: *Provided*, That funds available for operation and maintenance shall be available for providing humanitarian and similar assistance by using Civic Action Teams in the Trust Territories of the Pacific Islands and freely associated states of Micronesia, pursuant to the Compact of Free Association as authorized by Public Law 99-239: *Provided further*, That upon a determination by the Secretary of the Army that such action is beneficial for graduate medical education programs conducted at Army medical facilities located in Hawaii, the Secretary of the Army may authorize the provision of medical services at such facilities and transportation to such facilities, on a nonreimbursable basis, for civilian patients from American Samoa, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, Palau, and Guam.

SEC. 8012. None of the funds provided in this Act shall be available either to return any IOWA Class Battleships to the Naval Register, or to retain the logistical support necessary for support of any IOWA Class Battleships in active service.

SEC. 8013. (a) The provisions of section 115(a)(4) of title 10, United States Code, shall not apply with respect to fiscal year 1996 or with respect to the appropriation of funds for that year.

(b) During fiscal year 1996, the civilian personnel of the Department of Defense may not be managed on the basis of any end-strength, and the management of such personnel during that fiscal year shall not be subject to any constraint or limitation (known as an end-strength) on the number of such personnel who may be employed on the last day of such fiscal year.

(c) The fiscal year 1997 budget request for the Department of Defense as well as all justification material and other documentation supporting the fiscal year 1997 Department of Defense budget request shall be prepared and submitted to the Congress as if subsections (a) and (b) of this provision were effective with regard to fiscal year 1996.

SEC. 8014. Notwithstanding any other provision of law, none of the funds made available by this Act shall be used by the Department of Defense to exceed, outside the fifty United States, its territories, and the District of Columbia, 125,000 civilian workyears: *Provided*, That workyears shall be applied as defined in the Federal Personnel Manual: *Provided further*, That workyears expended in dependent student hiring programs for disadvantaged youths shall not be included in this workyear limitation.

SEC. 8015. None of the funds made available by this Act shall be used in any way, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before the Congress.

SEC. 8016. None of the funds appropriated by this Act, during the current fiscal year and hereafter, shall be obligated for the pay of any individual who is initially employed after the date of enactment of this Act as a technician in the administration and training of the Army Reserve and the maintenance and repair of supplies issued to the Army Reserve unless such individual is also a military member of the Army Reserve troop program unit that he or she is employed to support. Those technicians employed by the Army Reserve in areas other than Army Reserve troop program units need only be members of the Selected Reserve.

SEC. 8017. Notwithstanding any other provision of law, during the current fiscal year and hereafter, the Secretaries of the Army and Air Force may authorize the retention in an active status until age sixty of any person who would otherwise be removed from an active status and who is employed as a National Guard or Reserve technician in a position in which active status in a reserve component of the Army or Air Force is required as a condition of that employment.

SEC. 8018. (a) None of the funds appropriated by this Act shall be used to make contributions to the Department of Defense Education Benefits Fund pursuant to section 2006(g) of title 10, United States Code, representing the normal cost for future benefits under section 1415(c) of title 38, United States Code, for any member of the armed services who, on or after the date of enactment of this Act—

(1) enlists in the armed services for a period of active duty of less than three years; or

(2) receives an enlistment bonus under section 308a or 308f of title 37, United States Code,

nor shall any amounts representing the normal cost of such future benefits be transferred from the Fund by the Secretary of the Treasury to the Secretary of Veterans Affairs pursuant to section 2006(d) of title 10, United States Code; nor shall the Secretary of Veterans Affairs pay such benefits to any such member: *Provided*, That, in the case of a member covered by clause (1), these limitations shall not apply to members in combat arms skills or to members who enlist in the armed services on or after July 1, 1989, under a program continued or established by the Secretary of Defense in fiscal year 1991 to test the cost-effective use of special recruiting incentives involving not more than nineteen noncombat arms skills approved in advance by the Secretary of Defense: *Provided further*, That this subsection applies only to active components of the Army.

(b) None of the funds appropriated by this Act shall be available for the basic pay and allowances of any member of the Army participating as a full-time student and receiving benefits paid by the Secretary of Veterans Affairs from the Department of Defense Education Benefits Fund when time spent as a full-time student is credited toward completion of a service commitment: *Provided*, That this subsection shall not apply to those members who have reenlisted with this option prior to October 1, 1987: *Provided further*, That this subsection applies only to active components of the Army.

SEC. 8019. Funds appropriated in this Act shall be available for the payment of not more than 75 percent of the charges of a postsecondary educational institution for the tuition or expenses of an officer in the Ready Reserve of the Army National Guard or Army Reserve for education or training during his off-duty periods, except that no part of the charges may be paid unless the officer agrees to remain a member of the Ready Reserve for at least four years after completion of such training or education.

SEC. 8020. None of the funds appropriated by this Act shall be available to convert to contractor performance an activity or function of the Department of Defense that, on or after the date of enactment of this Act, is performed by more than ten Department of Defense civilian employees until a most efficient and cost-effective organization analysis is completed on such activity or function and certification of the analysis is made to the Committees on Appropriations of the House of Representatives and the Senate: *Provided*, That this section shall not apply to a commercial or industrial type function of the Department of Defense that: (1) is included on the procurement list established pursuant to section 2 of the Act of June 25, 1938 (41 U.S.C. 47), popularly referred to as the Javits-Wagner-O'Day Act; (2) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act; or (3) is planned to be converted to performance by a qualified firm under 51 percent Native American ownership.

SEC. 8021. Notwithstanding any other provision of law, the Secretary of the Navy may use funds appropriated to charter ships to be used as auxiliary minesweepers providing that the owner agrees that these ships may be activated as Navy Reserve ships with Navy Reserve crews used in training exercises conducted in accordance with law and policies governing Naval Reserve forces.

SEC. 8022. For the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and by the Budget Enforcement Act of 1990 (Public Law 101-508), the term program, project, and activity for appropriations contained in this Act shall be defined as the most specific level of budget items identified in the Department of Defense Appropriations Act, 1996, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the Committee of Conference, the related classified annexes and reports, and the P-1 and R-1 budget justification documents as subsequently modified by Congressional action: *Provided*, That the following exception to the above definition shall apply:

For the Military Personnel and the Operation and Maintenance accounts, the term "program, project, and activity" is defined as the appropriations accounts contained in the Department of Defense Appropriations Act: *Provided further*, That at the time the President submits his budget for fiscal year 1997, the Department of Defense shall transmit to the Committees on Appropriations and the Committees on Armed Services of the Senate and the House of Representatives a budget justification document to be known as the "O-1" which shall identify, at the budget activity, activity group, and subactivity group level, the amounts requested by the President to be appropriated to the Department of Defense for operation and maintenance in any budget request, or amended budget request, for fiscal year 1997.

SEC. 8023. Of the funds made available by this Act in title III, Procurement, $8,000,000, drawn pro rata from each appropriations account in title III, shall be available for incentive payments authorized by section 504 of the Indian Financing Act of 1974, 25 U.S.C.

1544. These payments shall be available only to contractors which have submitted subcontracting plans pursuant to 15 U.S.C. 637(d), and according to regulations which shall be promulgated by the Secretary of Defense within 90 days of the passage of this Act.

SEC. 8024. During the current fiscal year, none of the funds available to the Department of Defense may be used to procure or acquire (1) defensive handguns unless such handguns are the M9 or M11 9mm Department of Defense standard handguns, or (2) offensive handguns except for the Special Operations Forces: *Provided*, That the foregoing shall not apply to handguns and ammunition for marksmanship competitions.

(TRANSFER OF FUNDS)

SEC. 8025. Notwithstanding any other provision of law, the Department of Defense may transfer prior year, unobligated balances and funds appropriated in this Act to the operation and maintenance appropriations for the purpose of providing military technician and Department of Defense medical personnel pay and medical programs (including CHAMPUS) the same exemption from sequestration set forth in the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119) and by the Budget Enforcement Act of 1990 (Public Law 101–508) as that granted the other military personnel accounts: *Provided*, That any transfer made pursuant to any use of the authority provided by this provision shall be limited so that the amounts reprogrammed to the operation and maintenance appropriations do not exceed the amounts sequestered under the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100–119) and by the Budget Enforcement Act of 1990 (Public Law 101–508): *Provided further*, That the authority to make transfers pursuant to this section is in addition to the authority to make transfers under other provisions of this Act: *Provided further*, That the Secretary of Defense may proceed with such transfer after notifying the Appropriations Committees of the House of Representatives and the Senate twenty calendar days in session before any such transfer of funds under this provision.

SEC. 8026. None of the funds available to the Department of the Navy may be used to enter into any contract for the overhaul, repair, or maintenance of any naval vessel homeported on the West Coast of the United States which includes charges for interport differential as an evaluation factor for award.

SEC. 8027. None of the funds appropriated by this Act available for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be available for the reimbursement of any health care provider for inpatient mental health service for care received when a patient is referred to a provider of inpatient mental health care or residential treatment care by a medical or health care professional having an economic interest in the facility to which the patient is referred: *Provided*, That this limitation does not apply in the case of inpatient mental health services provided under the program for the handicapped under subsection (d) of section 1079 of title 10, United States Code, provided as partial hospital care, or provided pursuant to a waiver authorized by the Secretary of Defense because of medical or psychological circumstances of the patient that are confirmed by a health professional who is not a Federal employee after a review, pursuant to rules prescribed by the Secretary, which takes into account the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care.

SEC. 8028. Funds available in this Act may be used to provide transportation for the next-of-kin of individuals who have been prisoners of war or missing in action from the Vietnam era to an annual meeting in the United States, under such regulations as the Secretary of Defense may prescribe.

SEC. 8029. Notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to American Samoa: *Provided*, That notwithstanding any other provision of law, funds available to the Department of Defense shall be made available to provide transportation of medical supplies and equipment, on a nonreimbursable basis, to the Indian Health Service when it is in conjunction with a civil-military project.

SEC. 8030. Notwithstanding any other provision of law, during the current fiscal year, the Secretary of Defense may, by Executive Agreement, establish with host nation governments in NATO member states a separate account into which such residual value amounts negotiated in the return of United States military installations in NATO member states may be deposited, in the currency of the host nation, in lieu of direct monetary transfers to the United States Treasury: *Provided*, That such credits may be utilized only for the construction of facilities to support United States military forces in that host nation, or such real property maintenance and base operating costs that are currently executed through monetary transfers to such host nations: *Provided further*, That the Department of Defense's budget submission for fiscal year 1997 shall identify such sums anticipated in residual value settlements, and identify such construction, real property maintenance or base operating costs that shall be funded by the host nation through such credits: *Provided further*, That all military construction projects to be executed from such accounts must be previously approved in a prior Act of Congress: *Provided further*, That each such Executive Agreement with a NATO member host nation shall be reported to the Committees on Appropriations and Armed Services of the House of Representatives and the Senate thirty days prior to the conclusion and endorsement of any such agreement established under this provision.

SEC. 8031. None of the funds available to the Department of Defense in this Act shall be used to demilitarize or dispose of more than 310,784 unserviceable M–1 Garand rifles and M–1 Carbines.

SEC. 8032. Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be available to pay more than 50 percent of an amount paid to any person under section 308 of title 37, United States Code, in a lump sum.

SEC. 8033. None of the funds appropriated during the current fiscal year and hereafter, may be used by the Department of Defense to assign a supervisor's title or grade when the number of people he or she supervises is considered as a basis for this determination: *Provided*, That savings that result from this provision are represented as such in future budget proposals.

SEC. 8034. Notwithstanding any other provision of law, each contract awarded by the Department of Defense in fiscal year 1996 for construction or service performed in whole or in part in a State which is not contiguous with another State and has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in such State that is not contiguous with another State, individuals who are residents of such State and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills: *Provided*, That the Secretary of Defense may waive the requirements of this section in the interest of national security.

SEC. 8035. During the current fiscal year, funds appropriated or otherwise available for any Federal agency, the Congress, the judicial branch, or the District of Columbia may be used for the pay, allowances, and benefits of an employee as defined by section 2105 of title 5 or an individual employed by the government of the District of Columbia, permanent or temporary indefinite, who—

(1) is a member of a Reserve component of the Armed Forces, as described in section 261 of title 10, or the National Guard, as described in section 101 of title 32;

(2) performs, for the purpose of providing military aid to enforce the law or providing assistance to civil authorities in the protection or saving of life or property or prevention of injury—

(A) Federal service under section 331, 332, 333, 3500, or 8500 of title 10, or other provision of law, as applicable, or

(B) full-time military service for his State, the District of Columbia, the Commonwealth of Puerto Rico, or a territory of the United States; and

(3) requests and is granted—

(A) leave under the authority of this section; or

(B) annual leave, which may be granted without regard to the provisions of sections 5519 and 6323(b) of title 5, if such employee is otherwise entitled to such annual leave: *Provided*, That any employee who requests leave under subsection (3)(A) for service described in subsection (2) of this section is entitled to such leave, subject to the provisions of this section and of the last sentence of section 6323(b) of title 5, and such leave shall be considered leave under section 6323(b) of title 5.

SEC. 8036. None of the funds appropriated by this Act shall be available to perform any cost study pursuant to the provisions of OMB Circular A–76 if the study being performed exceeds a period of twenty-four months after initiation of such study with respect to a single function activity or forty-eight months after initiation of such study for a multi-function activity.

SEC. 8037. Funds appropriated by this Act for the American Forces Information Service shall not be used for any national or international political or psychological activities.

SEC. 8038. Notwithstanding any other provision of law or regulation, the Secretary of Defense may adjust wage rates for civilian employees hired for certain health care occupations as authorized for the Secretary of Veterans Affairs by section 7455 of title 38, United States Code.

SEC. 8039. Of the funds made available in this Act, not less than $24,197,000 shall be available for the Civil Air Patrol, of which $14,259,000 shall be available for Operation and Maintenance.

SEC. 8040. None of the funds appropriated or made available in this Act shall be used to reduce or disestablish the operation of the 53rd Weather Reconnaissance Squadron of the Air Force Reserve, if such action would reduce the WC–130 Weather Reconnaissance mission below the levels funded in this Act.

SEC. 8041. (a) Of the funds for the procurement of supplies or services appropriated by this Act, qualified nonprofit agencies for the blind or other severely handicapped shall be afforded the maximum practicable opportunity to participate as subcontractors and suppliers in the performance of contracts let by the Department of Defense.

(b) During the current fiscal year, a business concern which has negotiated with a military service or defense agency a subcontracting plan for the participation by small business concerns pursuant to section 8(d) of the Small Business Act (15 U.S.C. 637(d)) shall be given credit toward meeting that subcontracting goal for any purchases made from qualified nonprofit agencies for the blind or other severely handicapped.

(c) For the purpose of this section, the phrase "qualified nonprofit agency for the blind or other severely handicapped" means a nonprofit agency for the blind or other severely handicapped that has been approved by the Committee for the Purchase from the Blind and Other Severely Handicapped under the Javits-Wagner-O'Day Act (41 U.S.C. 46–48).

SEC. 8042. During the current fiscal year, net receipts pursuant to collections from third party payers pursuant to section 1095 of title 10, United States Code, shall be made available to the local facility of the uniformed services responsible for the collections and shall be over and above the facility's direct budget amount.

SEC. 8043. Notwithstanding any other provision of law, of the funds appropriated for the Defense Health Program during this fiscal year and hereafter, the amount payable for services provided under this section shall not be less than the amount calculated under the coordination of benefits reimbursement formula utilized when CHAMPUS is a secondary payor to medical insurance programs other than Medicare, and such appropriations as necessary shall be available (notwithstanding the last sentence of section 1086(c) of title 10, United States Code) to continue Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) benefits, until age 65, under such section for a former member of a uniformed service who is entitled to retired or retainer pay or equivalent pay, or a dependent of such a member, or any other beneficiary described by section 1086(c) of title 10, United States Code, who becomes eligible for hospital insurance benefits under part A of title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) solely on the grounds of physical disability, or end stage renal disease: *Provided*, That expenses under this section shall only be covered to the extent that such expenses are not covered under parts A and B of title XVIII of the Social Security Act and are otherwise covered under CHAMPUS: *Provided further*, That no reimbursement shall be made for services provided prior to October 1, 1991.

SEC. 8044. During the current fiscal year, the Department of Defense is authorized to incur obligations of not to exceed $250,000,000 for purposes specified in section 2350j(c) of title 10, United States Code, in anticipation of receipt of contributions, only from the Government of Kuwait, under that section: *Provided*, That, upon receipt, such contributions from the Government of Kuwait shall be credited to the appropriation or fund which incurred such obligations.

SEC. 8045. None of the unobligated balances available in the National Defense Stockpile Transaction Fund during the current fiscal year may be obligated or expended to finance any grant or contract to conduct research, development, test and evaluation activities for the development or production of advanced materials, unless amounts for such purposes are specifically appropriated in a subsequent appropriations Act.

SEC. 8046. For the purposes of this Act, the term "congressional defense committees" means the National Security Committee of the House of Representatives, the Armed Services Committee of the Senate, the subcommittee on Defense of the Committee on Appropriations of the Senate, and the Subcommittee on National Security of the Committee on Appropriations of the House of Representatives.

SEC. 8047. Notwithstanding any other provision of law, during the current fiscal year, the Department of Defense may acquire the modification, depot maintenance and repair of aircraft, vehicles and vessels as well as the production of components and other Defense-related articles, through competition between Department of Defense depot maintenance activities and private firms: *Provided*, That the Senior Acquisition Executive of the military department or defense agency concerned, with power of delegation, shall certify that successful bids include comparable estimates of all direct and indirect costs for both public and private bids: *Provided further*, That Office of Management and Budget Circular A–76 shall not apply to competitions conducted under this section.

SEC. 8048. None of the funds appropriated by this Act shall be used for the support of any nonappropriated funds activity of the Department of Defense that procures malt beverages and wine with nonappropriated funds for resale (including such alcoholic beverages sold by the drink) on a military installation located in the United States unless such malt beverages and wine are procured within that State, or in the case of the District of Columbia, within the District of Columbia, in which the military installation is located: *Provided*, That in a case in which the military installation is located in more than one State, purchases may be made in any State in which the installation is located: *Provided further*, That such local procurement requirements for malt beverages and wine shall apply to all alcoholic beverages only for military installations in States which are not contiguous with another State: *Provided further*, That alcoholic beverages other than wine and malt beverages, in contiguous States and the District of Columbia shall be procured from the most competitive source, price and other factors considered.

SEC. 8049. Appropriations contained in this Act that remain available at the end of the current fiscal year as a result of energy cost savings realized by the Department of Defense shall remain available for obligation for the next fiscal year to the extent, and for the purposes, provided in section 2865 of title 10, United States Code.

SEC. 8050. During the current fiscal year, voluntary separation incentives payable under 10 U.S.C. 1175 may be paid in such amounts as are necessary from the assets of the Voluntary Separation Incentive Fund established by section 1175(h)(1).

(INCLUDING TRANSFER OF FUNDS)

SEC. 8051. Amounts deposited during the current fiscal year and hereafter to the special account established under 40 U.S.C. 485(h)(2) and to the special account established under 10 U.S.C. 2667(d)(1) are appropriated and shall be available until transferred by the Secretary of Defense to current applicable appropriations or funds of the Department of Defense under the terms and conditions specified by 40 U.S.C. 485(h)(2) (A) and (B) and 10 U.S.C. 2667(d)(1)(B), to be merged with and to be available for the same time period and the same purposes as the appropriation to which transferred.

SEC. 8052. None of the funds in this or any other Act shall be available for the preparation of studies on—

(a) the feasibility of removal and transportation of unitary chemical weapons from the eight chemical storage sites within the continental United States to Johnston Atoll: *Provided*, That this prohibition shall not apply to General Accounting Office studies requested by a Member of Congress or a Congressional Committee; and

(b) the potential future uses of the nine chemical disposal facilities other than for the destruction of stockpile chemical munitions and as limited by section 1412(c)(2), Public Law 99–145: *Provided*, That this prohibition does not apply to future use studies for the CAMDS facility at Tooele, Utah.

SEC. 8053. During the current fiscal year, appropriations available to the Department of Defense may be used to reimburse a member of a reserve component of the Armed Forces who is not otherwise entitled to travel and transportation allowances and who occupies transient government housing while performing active duty for training or inactive duty training: *Provided*, That such members may be provided lodging in kind if transient government quarters are unavailable as if the member was entitled to such allowances under subsection (a) of section 404 of title 37, United States Code: *Provided further*, That if lodging in kind is provided, any authorized service charge or cost of such lodging may be paid directly from funds appropriated for operation and maintenance of the reserve component of the member concerned.

SEC. 8054. For fiscal year 1996, the total amount appropriated to fund the Uniformed Services Treatment Facilities program, operated pursuant to section 911 of Public Law 97–99 (42 U.S.C. 248c), is limited to $329,000,000, of which not more than $300,000,000 may be provided by the funds appropriated by this Act.

SEC. 8055. Notwithstanding any other provision of law, the Naval shipyards of the United States shall be eligible to participate in any manufacturing extension program financed by funds appropriated in this or any other Act.

SEC. 8056. During the current fiscal year, amounts contained in the Department of Defense Overseas Military Facility Investment Recovery Account established by section 2921(c)(1) of the National Defense Authorization Act of 1991 (Public Law 101–510; 10 U.S.C. 2687 note) shall be available until expended for the payments specified by section 2921(c)(2) of that Act.

SEC. 8057. During the current fiscal year, annual payments granted under the provisions of section 4416 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–428; 106 Stat. 2714) shall be made from appropriations in this Act which are available for the pay of reserve component personnel.

SEC. 8058. During the current fiscal year, appropriations available for the pay and allowances of active duty members of the Armed Forces shall be available to pay the retired pay which is payable pursuant to section 4403 of Public Law 102-484 (10 U.S.C. 1293 note) under the terms and conditions provided in section 4403.

SEC. 8059. None of the funds provided in this Act shall be available for use by a Military Department to modify an aircraft, weapon, ship or other item of equipment, that the Military Department concerned plans to retire or otherwise dispose of within five years after completion of the modification: *Provided*, That this prohibition shall not apply to safety modifications: *Provided further*, That this prohibition may be waived by the Secretary of a Military Department if the Secretary determines it is in the best national security interest of the United States to provide such waiver and so notifies the congressional defense committees in writing.

SEC. 8060. None of the funds appropriated by this Act for programs of the Central Intelligence Agency shall remain available for obligation beyond the current fiscal year, except for funds appropriated for the Reserve for Contingencies, which shall remain available until September 30, 1997.

SEC. 8061. Notwithstanding any other provision of law, funds made available in this Act for the Defense Intelligence Agency may be used for the design, development, and deployment of General Defense Intelligence Program intelligence communications and intelligence information systems for the Services, the Unified and Specified Commands, and the component commands.

SEC. 8062. (a) None of the funds appropriated or otherwise made available in this Act may be used to transport or provide for the transportation of chemical munitions to the Johnston Atoll for the purpose of storing or demilitarizing such munitions.

(b) The prohibition in subsection (a) shall not apply to any obsolete World War II chemical munition of the United States found in the World War II Pacific Theater of Operations.

(c) The President may suspend the application of subsection (a) during a period of war in which the United States is a party.

SEC. 8063. Amounts collected for the use of the facilities of the National Science Center for Communications and Electronics during the current fiscal year pursuant to section 1459(g) of the Department of Defense Authorization Act, 1986 and deposited to the special account established under subsection 1459(g)(2) of that Act are appropriated and shall be available until expended for the operation and maintenance of the Center as provided for in subsection 1459(g)(2).

SEC. 8064. None of the funds appropriated in this Act may be expended by an entity of the Department of Defense unless the entity, in expending the funds, complies with the Buy American Act. For purposes of this subsection, the term "Buy American Act" means title III of the Act entitled "An Act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933 (41 U.S.C. 10a et seq.).

SEC. 8065. Of the funds appropriated to the Department of Defense under the heading "Operation and Maintenance, Defense-Wide", not less than $8,000,000 shall be made available only for the mitigation of environmental impacts, including training and technical assistance to tribes, related administrative support, the gathering of information, documenting of environmental damage, and developing a system for prioritization of mitigation, on Indian lands resulting from Department of Defense activities.

SEC. 8066. None of the funds appropriated by this Act shall be available for a contract for studies, analyses, or consulting services entered into without competition on the basis of an unsolicited proposal unless the head of the activity responsible for the procurement determines—

(1) as a result of thorough technical evaluation, only one source is found fully qualified to perform the proposed work,

(2) the purpose of the contract is to explore an unsolicited proposal which offers significant scientific or technological promise, represents the product of original thinking, and was submitted in confidence by one source, or

(3) the purpose of the contract is to take advantage of unique and significant industrial accomplishment by a specific concern, or to insure that a new product or idea of a specific concern is given financial support: *Provided*, That this limitation shall not apply to contracts in an amount of less than $25,000, contracts related to improvements of equipment that is in development or production, or contracts as to which a civilian official of the Department of Defense, who has been confirmed by the Senate, determines that the award of such contract is in the interest of the national defense.

SEC. 8067. To the extent authorized in law, the Secretary of Defense shall issue loan guarantees in support of U.S. defense exports not otherwise provided for: *Provided*, That the total contingent liability of the United States for guarantees issued under the authority of this section may not exceed $15,000,000,000: *Provided further*, That the exposure fees charged and collected by the Secretary for each guarantee, shall be paid by the country involved and shall not be financed as part of a loan guaranteed by the United States: *Provided further*, That the Secretary shall provide quarterly reports to the Committees on Appropriations, Armed Services and Foreign Relations of the Senate and the Committees of Appropriations, National Security and International Relations in the House of Representatives on the implementation of this program.

SEC. 8068. Funds appropriated by this Act for intelligence activities are deemed to be specifically authorized by the Congress for purposes of section 504 of the National Security Act of 1947 (50 U.S.C. 414) during fiscal year 1996 until the enactment of the Intelligence Authorization Act for fiscal year 1996.

SEC. 8069. None of the funds provided in this Act may be obligated or expended for the sale of zinc in the National Defense Stockpile if zinc commodity prices decline more than five percent below the London Metals Exchange market price reported on the date of enactment of this Act.

SEC. 8070. During the current fiscal year, funds appropriated in this Act are available to compensate members of the National Guard for duty performed pursuant to a plan submitted by a Governor of a State and approved by the Secretary of Defense under section 112 of title 32, United States Code: *Provided*, That during the performance of such duty, the members of the National Guard shall be under State command and control: *Provided further*, That such duty shall be treated as full-time National Guard duty for purposes of sections 3686(2) and 8686(2) of title 10, United States Code.

SEC. 8071. Funds appropriated in this Act for operation and maintenance of the Military Departments, Unified and Specified Commands and Defense Agencies shall be available for reimbursement of pay, allowances, and other expenses which would otherwise be incurred against appropriations of the National Guard and Reserve when members of the National Guard and Reserve provide intelligence support to Unified Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the General Defense Intelligence Program and the Consolidated Cryptologic Program: *Provided*, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8072. All refunds or other amounts collected in the administration of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) shall be credited to current year appropriations.

(RESCISSION)

SEC. 8073. Of the funds provided in Department of Defense Appropriations Acts, the following funds are hereby rescinded from the following accounts in the specified amounts:

"Procurement of Ammunition, Army, 1993/1995", $15,000,000;

"Aircraft Procurement, Air Force, 1994/1996", $53,654,000;

"Aircraft Procurement, Air Force, 1995/1997", $53,100,000;

"Shipbuilding and Conversion, Navy, 1991/1995", $13,570,000;

"Other Procurement, Navy, 1995/1997", $8,600,000;

"Research, Development, Test and Evaluation, Army, 1994/1995", $242,000;

"Research, Development, Test and Evaluation, Army, 1995/1996", $11,156,000;

"Research, Development, Test and Evaluation, Navy, 1994/1995", $4,416,000;

"Research, Development, Test and Evaluation, Navy, 1995/1996", $10,150,000;

"Research, Development, Test and Evaluation, Air Force, 1994/1995", $46,589,000; and

"Research, Development, Test and Evaluation, Air Force, 1995/1996", $15,767,000.

SEC. 8074. None of the funds in this or any other Act may be used to implement the plan to reorganize the regional headquarters and basic camps structure of the Reserve Officer Training Corps program of the Army until the Comptroller General of the United States has certified to the congressional defense committees that the methodology and evaluation of the potential sites were consistent with the established criteria for the consolidation, that all data used by the Army in the evaluation was accurate and complete, and that the conclusions reached are based upon the total costs of the Army's final plan to establish the Eastern Reserve Officer Training Corps Headquarters at Fort Benning, Georgia: *Provided*, That all cost, including Military Construction, shall be considered as well as an analysis of the impact of the consolidation on the surrounding communities for all affected installations.

SEC. 8075. During the current fiscal year, the minimum number of personnel employed as military reserve technicians (as defined in section 8401(30) of title 5, United States Code) for reserve components as of the last day of the fiscal year shall be as follows:

For the Army National Guard, 25,750;
For the Army Reserve, 7,000;
For the Air National Guard, 23,250; and
For the Air Force Reserve, 10,000:

Provided, That in addition to funds provided elsewhere in this Act, the following amounts are appropriated to the following accounts only for the pay of military reserve technicians (as defined in section 8401(30) of title 5, United States Code):

Operation and Maintenance, Army Reserve, $24,822,000;

Operation and Maintenance, Air Force Reserve, $12,800,000;

Operation and Maintenance, Army National Guard, $27,628,000; and

Operation and Maintenance, Air National Guard, $30,800,000.

SEC. 8076. None of the funds appropriated or otherwise made available in this Act may be obligated or expended for assistance to or programs in the Democratic People's Republic of North Korea unless specifically appropriated for that purpose: *Provided*, That the Secretary of Defense and the Secretaries of the military services must notify the congressional defense committees within 24 hours of any obligation, transfer, or expenditure of funds in excess of $500,000 pursuant to authorities granted for emergency and extraordinary requirements provided in title II of this Act.

SEC. 8077. (a) None of the funds appropriated in this Act are available to establish a new FFRDC, either as a new entity, or as a separate entity administered by an organization managing another FFRDC, or as a nonprofit membership corporation consisting of a consortium of other FFRDCs and other nonprofit entities.

(b) LIMITATION ON COMPENSATION.—No member of a Board of Directors, Trustees, Overseers, Advisory Group, Special Issues Panel, Visiting Committee, or any similar entity of a defense FFRDC, and no paid consultant to any defense FFRDC, may be compensated for his or her services as a member of such entity, or as a paid consultant, except under the same conditions, and to the same extent, as members of the Defense Science Board: *Provided*, That a member of any such entity referred to previously in this subsection shall be allowed travel expenses and per diem as authorized under the Federal Joint Travel Regulations, when engaged in the performance of membership duties.

(c) Notwithstanding any other provision of law, none of the funds available to the Department of Defense from any source during fiscal year 1996 may be used by a defense FFRDC, through a fee or other payment mechanism, for charitable contributions, for construction of new buildings, for payment of cost sharing for projects funded by government grants, or for absorption of contract overruns.

(d) Notwithstanding any other provision of law, of the amounts available to the Department of Defense during fiscal year 1996, not more than $1,162,650,000 may be obligated for financing activities of defense FFRDCs: *Provided*, That the total amounts appropriated in titles II, III, and IV of this Act are hereby reduced by $90,000,000 to reflect the funding ceiling contained in this subsection.

SEC. 8078. During the current fiscal year, none of the funds appropriated in this Act may be used to reduce the civilian medical and medical support personnel assigned to military treatment facilities below the September 30, 1995 level.

(TRANSFER OF FUNDS)

SEC. 8079. Upon enactment of this Act, the Secretary of Defense shall make the following transfers of funds: *Provided*, That the amounts transferred shall be available for the same purposes as the appropriations to which transferred, and for the same time period as the appropriation from which transferred: *Provided further*, That the amounts shall be transferred between the following appropriations in the amount specified:

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1986/1990":

SSN-688 attack submarine program, $5,051,000;

CG-47 cruiser program, $2,500,000;

BB battleship reactivation, $4,000,000;

T-AGOS SURTASS ship program, $2,135,000;

LCAC landing craft air cushion program, $4,800,000;

For craft, outfitting, post delivery, and cost growth, $8,660,000;

Weapons Procurement, Navy, 1994/1996, $30,900,000;

Other Procurement, Navy, 1994/1996, $9,200,000;

Aircraft procurement, Navy, 1994/1996, $2,056,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1986/1990":

MSH coastal mine hunter program, $69,302,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1988/1992":

SSN-688 attack submarine program, $1,500,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1988/1992":

T-ACS auxilary crane ship program, $1,500,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1989/1993":

SSN-688 attack submarine program, $23,535,000;

DDG-51 destroyer program, $33,700;000;

T-AO fleet oiler program, $38,969,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1989/1993":

SSN-21 attack submarine program, $65,886,000;

MHC coastal mine hunter program, $30,318,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1990/1994":

SSN-688 attack submarine program, $1,907,000;

DDG-51 destroyer program, $22,669,000;

For craft, outfitting and post delivery, $3,900,000;

Aircraft Procurement, Navy, 1994/1996, $17,944,000;

Procurement of Ammunition, Navy and Marine Corps, 1995/1997, $5,116,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1990/1994":

MHC coastal mine hunter, $9,536,000;

T-AGOS surveillance ship program, $42,000,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1991/1995":

SSN-21 attack submarine program, $18,330,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1991/1995":

LHD-1 amphibious assault ship program, $6,178,000;

MHC coastal mine hunter program, $12,152,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1992/1996":

DDG-51 destroyer program, $5,315,000;

For craft, outfitting, post delivery, and DBOF transfer, $9,675,000;

For escalation, $3,347,000;

Weapons Procurement, Navy, 1995/1997, $7,500,000;

Procurement, Marine Corps, 1995/1997, $378,000;

Other Procurement, Navy, 1995/1997, $355,000;

Aircraft Procurement, Navy, 1995/1997, $3,600,000;

Research, Development, Test and Evaluation, Navy, 1995/1996, $5,600,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1992/1996":

MHC coastal mine hunter program, $35,770,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1993/1997":

LSD-41 cargo variant ship program, $1,600,000;

For craft, outfitting, post delivery, and first destination transportation, and inflation adjustments, $5,627,000;

Procurement of Ammunition, Navy and Marine Corps, 1995/1997, $1,784,000;

Other Procurement, Navy, 1995/1997, $645,000.

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1993/1997":

DDG-51 destroyer program, $7,356,000;

AOE combat support ship program, $2,300,000;

From:

Under the heading, "Shipbuilding and Conversion, Navy, 1994/1998":

MCS(C) program, $5,300,000;

Under the heading, "Shipbuilding and Conversion, Navy, 1995/1999":

Nuclear submarine main steam condensor industrial base, $900,000;

To:

Under the heading, "Shipbuilding and Conversion, Navy, 1994/1998":

LHD program, $6,200,000.

SEC. 8080. The Department shall include, in the operation of TRICARE Regions 7/8, a region-wide wraparound care package that requires providers of residential treatment services to share financial risk through case rate reimbursement, to include planning and individualized wraparound services to prevent recidivism.

SEC. 8081. None of the funds available to the Department of Defense shall be available to make progress payments based on costs to large business concerns at rates lower than 85 percent on contract solicitations issued after enactment of this Act.

SEC. 8082. Notwithstanding any other provision of law, the Department of Defense shall execute payment in not more than 24 days after receipt of a proper invoice.

SEC. 8083. Funds provided in title II of this Act for real Property Maintenance may be obligated and expended for the renovation, refurbishment and modernization of bachelor enlisted living quarters up to a level of $1,000,000 per facility project.

SEC. 8084. None of the funds appropriated by this Act may be used to carry out the ship depot maintenance solicitation policy issued by the Secretary of the Navy in a memorandum dated 16 June 1995.

SEC. 8085. None of the funds appropriated by this Act may be used for the procurement of ball and roller bearings other than those produced by a domestic source and of domestic origin.

SEC. 8086. None of the funds appropriated or otherwise made available under this Act may be used for the destruction of pentaborane currently stored at Edwards Air Force Base, California, until the Secretary of Energy certifies to the congressional defense committees that the Secretary does not intend to use the pentaborane or the byproducts of such destruction at the Idaho National Engineering Laboratory for—

(1) environmental remediation of high level, liquid radioactive waste; or

(2) as a source of raw materials for boron drugs for Boron Neutron Capture Therapy.

SEC. 8087. (a) ENERGY SAVINGS AT FEDERAL FACILITIES.—The head of each agency for which funds are made available under this Act shall take all actions necessary to achieve during fiscal year 1996 a 5 percent reduction, from fiscal year 1995 levels, in the energy costs of the facilities used by the agency.

(b) USE OF COST SAVINGS.—An amount equal to the amount of cost savings realized by an agency under subsection (a) shall remain available for obligation through the end of fiscal year 1997, without further authorization or appropriation, as follows:

(1) CONSERVATION MEASURES.—Fifty percent of the amount shall remain available for the implementation of additional energy conservation measures and for water conservation measures at such facilities used by the agency as are designated by the head of the agency.

(2) OTHER PURPOSES.—Fifty percent of the amount shall remain available for use by the agency for such purposes as are designated by the head of the agency, consistent with applicable law.

(c) REPORT.—

(1) IN GENERAL.—Not later than December 31, 1996, the head of each agency described in subsection (a) shall submit a report to Congress specifying the results of the actions taken under subsection (a) and providing any recommendations concerning how to further reduce energy costs and energy consumption in the future.

(2) CONTENTS.—Each report shall—

(A) specify the total energy costs of the facilities used by the agency;

(B) identify the reductions achieved; and

(C) specify the actions that resulted in the reductions.

SEC. 8088. (a)(1) Not later than October 1, 1995, the Secretary of Defense shall require that each disbursement by the Department of Defense in an amount in excess of $1,000,000 be matched to a particular obligation before the disbursement is made.

(2) Not later than September 30, 1996, the Secretary of Defense shall require that each disbursement by the Department of Defense in an amount in excess of $500,000 be matched to a particular obligation before the disbursement is made.

(b) The Secretary shall ensure that a disbursement in excess of the threshold amount applicable under subsection (a) is not divided into multiple disbursements of less than that amount for the purpose of avoiding the applicability of such subsection to that disbursement.

(c) The Secretary of Defense may waive a requirement for advance matching of a disbursement of the Department of Defense with a particular obligation in the case of (1) a disbursement involving deployed forces, (2) a disbursement for an operation in a war declared by Congress or a national emergency declared by the President or Congress, or (3) a disbursement under any other circumstances for which the waiver is necessary in the national security interests of the United States, as determined by the Secretary and certified by the Secretary to the congressional defense committees.

(d) This section shall not be construed to limit the authority of the Secretary of Defense to require that a disbursement not in excess of the amount applicable under subsection (a) be matched to a particular obligation before the disbursement is made.

SEC. 8089. (a) Except as provided in subsection (b), the total amount obligated or expended for procurement of the SSN-21, SSN-22, and SSN-23 Seawolf class submarines may not exceed $7,223,695,000.

(b) The amount of the limitation set forth in subsection (a) is increased after fiscal year 1995 by the following amounts:

(1) The amounts of outfitting costs and post-delivery costs incurred for the submarines referred to in such subsection.

(2) The amounts of increases in costs attributable to economic inflation after fiscal year 1995.

(3) The amounts of increases in costs attributable to compliance with changes in Federal, State, or local laws enacted after fiscal year 1995.

SEC. 8090. RESTRICTION ON REIMBURSEMENT OF COSTS.

None of the funds provided in this Act may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation at a rate in excess of $250,000 per year.

SEC. 8091. None of the funds available to the Department of Defense during fiscal year 1996 may be obligated or expended to support or finance the activities of the Defense Policy Advisory Committee on Trade.

SEC. 8092. PROHIBITION OF PAY AND ALLOWANCES FOR MILITARY PERSONNEL CONVICTED OF SERIOUS CRIMES.

(a) Notwithstanding any other provision of law, none of the funds appropriated by this Act shall be obligated for the pay or allowances of any member of the Armed Forces who has been sentenced by a court-martial to any sentence that includes confinement for one year or more, death, dishonorable discharge, bad-conduct discharge, or dismissal during any period of confinement or parole.

(b) In a case involving an accused who has dependents, the convening authority or other person acting under title 10, section 860, may waive any or all of the forfeitures of pay and allowances required by subsection (a) for a period not to exceed six months. Any amount of pay or allowances that, except for a waiver under this subsection, would be forfeited shall be paid, as the convening authority or other person taking action directs, to the dependents of the accused.

(c) If the sentence of a member who forfeits pay and allowances under subsection (a) is set aside or disapproved or, as finally approved, does not provide for a punishment referred to in subsection (a), the member shall be paid the pay and allowances which the member would have been paid, except for the forfeiture, for the period during which the forfeiture was in effect

SEC. 8093. None of the funds made available in this Act under the heading "Procurement of Ammunition, Army" may be obligated or expended for the procurement of munitions unless such acquisition fully complies with the Competition in Contracting Act.

SEC. 8094. Six months after the date of enactment of this Act the General Accounting Office shall report to the Committees on Appropriations of the Senate and the House of Representatives on any changes in Department of Defense commissary access policy, including providing reservists additional or new privileges, and addressing the financial impact on the commissaries as a result of any policy changes.

SEC. 8095. The Secretary of Defense shall develop and provide to the congressional defense committees an Electronic Combat Master Plan to establish an optimum infrastructure for electronic combat assets no later than March 31, 1996.

SEC. 8096. The Secretary of Defense and the Secretary of the Army shall reconsider the decision not to include the infantry military occupational specialty among the military skills and specialties for which special pays are provided under the Selected Reserve Incentive Program.

SEC. 8097. INTERIM LEASES OF PROPERTY APPROVED FOR CLOSURE OR REALIGNMENT.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

"(4)(A) Notwithstanding the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the scope of any environmental impact analysis necessary to support an interim lease of property under this subsection shall be limited to the environmental consequences of activities authorized under the proposed lease and the cumulative impacts of other past, present, and reasonably foreseeable future actions during the period of the proposed lease.

"(B) Interim leases entered into under this subsection shall be deemed not to prejudice the final property disposal decision, even if final property disposal may be delayed until completion of the interim lease term. An interim lease under this subsection shall not be entered into without prior consultation with the redevelopment authority concerned.

"(C) The provisions of subparagraphs (A) and (B) shall not apply to an interim lease under this subsection if authorized activities under the lease would—

"(i) significantly effect the quality of the human environment; or

"(ii) irreversibly alter the environment in a way that would preclude any reasonable disposal alternative of the property concerned.".

SEC. 8098. (a) If, on February 18, 1996, the Secretary of the Navy has not certified in writing to the Committees on Appropriations of the Senate and the House of Representatives that—

(1) the Secretary has restructured the new attack submarine program to provide for—

(A) procurement of the lead vessel under the program from General Dynamics Corporation Electric Boat Division (hereafter in this section referred to as "Electric Boat Division") beginning in fiscal year 1998 (subject to the price offered by Electric Boat Division being determined fair and reasonable by the Secretary),

(B) procurement of the second vessel under the program from Newport News Shipbuilding and Drydock Company beginning in fiscal year 1999 (subject to the price offered by Newport News Shipbuilding and Drydock Company being determined fair and reasonable by the Secretary), and

(C) procurement of other vessels under the program under one or more contracts that are entered into after competition between Electric Boat Division and Newport News Shipbuilding and Drydock Company for which the Secretary shall solicit competitive proposals and award the contract or contracts on the basis of price, and

(2) the Secretary has directed, as set forth in detail in such certification that—

(A) no action is to be taken to terminate or to fail to extend either the existing Planning Yard contract for the Trident class submarines or the existing Planning Yard contract for the SSN-688 Los Angeles class submarines except by reason of a breach of contract by the contractor or an insufficiency of appropriations,

(B) no action is to be taken to terminate any existing Lead Design Yard contract for the SSN-21 Seawolf class submarines or for the SSN-688 Los Angeles class submarines, except by reason of a breach of contract by the contractor or an insufficiency of appropriations,

(C) both Electric Boat Division and Newport News Shipbuilding and Drydock Company are to have access to sufficient information concerning the design of the new attack submarine to ensure that each is capable of constructing the new attack submarine, and

(D) no action is to be taken to impair the design, engineering, construction, and maintenance competencies of either Electric Boat Division or Newport News Shipbuilding and Drydock Company to construct the new attack submarine,

then, funds appropriated in title III under the heading "SHIPBUILDING AND CONVERSION, NAVY" may not be obligated for the SSN-21 attack submarine program or for the new attack submarine program (NSSN-1 and NSSN-2).

(b) Funds referred to in subsection (a) for procurement of the lead and second vessels under the new attack submarine program may not be expended during fiscal year 1996 for the lead vessel under that program (other than for class design) unless funds are obligated or expended during such fiscal year for a contract in support of procurement of the second vessel under the program.

SEC. 8099. LIMITATION ON USE OF FUNDS FOR COOPERATIVE THREAT REDUCTION.

(a) LIMITATION.—Of the funds available under title II under the heading "FORMER SOVIET UNION THREAT REDUCTION" for dismantlement and destruction of chemical weapons, not more than $52,000,000 may be obligated or expended for that purpose until the President certifies to Congress the following:

(1) That the United States and Russia have completed a joint laboratory study evaluating the proposal of Russia to neutralize its chemical weapons and the United States agrees with the proposal.

(2) That Russia is in the process of preparing, with the assistance of the United States as necessary, a comprehensive plan to manage the dismantlement and destruction of the Russia chemical weapons stockpile.

(3) That the United States and Russia are committed to resolving outstanding issues under the 1989 Wyoming Memorandum of Understanding and the 1990 Bilateral Destruction Agreement.

(b) DEFINITIONS.—In this section:

(1) The term "1989 Wyoming Memorandum of Understanding" means the Memorandum of Understanding between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics Regarding a Bilateral Verification Experiment and Data Exchange Related to Prohibition on Chemical Weapons, signed at Jackson Hole, Wyoming, on September 23, 1989.

(2) The term "1990 Bilateral Destruction Agreement" means the Agreement between the United States of America and the Union of Soviet Socialist Republics on destruction and non-production of chemical weapons and on measures to facilitate the multilateral convention on banning chemical weapons signed on June 1, 1990.

SEC. 8100. SENSE OF SENATE REGARDING UNDERGROUND NUCLEAR TESTING.

(a) FINDINGS.—The Senate makes the following findings:

(1) The President of France stated on June 13, 1995, that the Republic of France plans to conduct eight nuclear test explosions over the next several months.

(2) The People's Republic of China continues to conduct underground nuclear weapons tests.

(3) The United States, France, Russia, and Great Britain have observed a moratorium on nuclear testing since 1992.

(4) A resumption of testing by the Republic of France could result in the disintegration of the current testing moratorium and a renewal of underground testing by other nuclear weapon states.

(5) A resumption of nuclear testing by the Republic of France raises serious environmental and health concerns.

(6) The United Nations Conference on Disarmament presently is meeting in Geneva, Switzerland, for the purpose of negotiating a Comprehensive Nuclear Test Ban Treaty (CTBT), which would halt permanently the practice of conducting nuclear test explosions.

(7) Continued underground weapons testing by the Republic of France and the People's Republic of China undermines the efforts of the international community to conclude a CTBT by 1996, a goal endorsed by 175 nations, at the recently completed NPT Extension and Review Conference (the conference for the extension and review of the Nuclear Non-Proliferation Treaty).

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Republic of France and the People's Republic of China should abide by the current international moratorium on nuclear test explosions and refrain from conducting underground nuclear tests in advance of a Comprehensive Test Ban Treaty.

SEC. 8101. TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

(a) APPROVAL BEYOND LOW-RATE INITIAL PRODUCTION.—The Secretary of Defense may not approve a theater missile defense interceptor program beyond the low-rate initial production acquisition stage until the Secretary certifies to the congressional defense committees that the program—

(1) has successfully completed initial operational test and evaluation; and

(2) involves a suitable and effective system.

(b) CERTIFICATION REQUIREMENTS.—(1) In order to be certified under subsection (a), the initial operational test and evaluation conducted with respect to a program shall include flight tests—

(A) that were conducted with multiple interceptors and multiple targets in the presence of realistic countermeasures; and

(B) the results of which demonstrate the achievement of baseline performance thresholds by such interceptors.

(2) The Director of Operational Test and Evaluation shall specify the number of flight tests required with respect to a program under paragraph (1) in order to make a certification referred to in subsection (a).

(3) The Secretary may utilize modeling and simulation validated by ground and flight testing in order to augment flight testing to demonstrate weapons system performance for purposes of a certification under subsection (a).

(c) REPORTS.—(1) The Director of Operational Test and Evaluation and the head of the Ballistic Missile Defense Organization shall include in the annual reports to Congress of such officials plans to test adequately theater missile defense interceptor programs throughout the acquisition process.

(2) As each theater missile defense system progresses through the acquisition process, the officials referred to in paragraph (1) shall include in the annual reports to Congress of such officials an assessment of the extent to which such programs satisfy the planned test objectives for such programs.

(d) DEFINITION.—For purposes of this section, the baseline performance thresholds for a program are the weapon system performance thresholds specified in the baseline description for the weapon system established pursuant to section 2435(a)(1) of title 10, United States Code, before the program entered into the engineering and manufacturing development stage.

SEC. 8102. ELIGIBILITY FOR DEFENSE DUAL-USE ASSISTANCE EXTENSION PROGRAM.

Section 2524(e) of title 10, United States Code, is amended—

(1) in paragraph (3), by striking out "at least 25 percent of the value of the borrower's sales during the preceding year" in the matter preceding subparagraph (A) and inserting in lieu thereof "at least 25 percent of the amount equal to the average value of the borrower's sales during the preceding 5 fiscal years";

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph (4):

"(4) A borrower that meets the selection criteria set forth in paragraph (2) and subsection (f) is also eligible for a loan guarantee under subsection (b)(3) if the borrower is a former defense worker whose employment as such a worker was terminated as a result of a reduction in expenditures by the United States for defense, the termination or cancellation of a defense contract, the failure to proceed with an approved major weapon system, the merger or consolidation of the operations of a defense contractor, or the closure or realignment of a military installation.".

This Act may be cited as the "Department of Defense Appropriations Act, 1996".

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I say to the Democratic leader, I thought I would announce what I intend to propose. Maybe it is not doable. I would like to propose that the only amendments remaining in order to S. 1026 be those cleared by the two managers of the bill and the missile defense amendment, and that the vote occur on or in relation to the missile defense amendment begin at 9:30 a.m. Wednesday, immediately to be followed by a vote on passage of the Defense authorization bill, pursuant to consent agreement of August 11.

So what I am suggesting is that there is going to be a period of debate of two, maybe 3 hours, and there will be a number of Members involved in that debate. In the meantime, unless there is some objection, if we could have that vote on that amendment and final passage at 9:30 tomorrow morning, other Members would be free to leave.

Mr. LEVIN. If the majority leader will yield, I had an amendment left on the list which I do not believe has yet been cleared. We are still hoping to clear that amendment.

Mr. DOLE. I will make it subject to that.

Mr. DASCHLE. Reserving the right to object——

Mr. DOLE. I have an amendment on welfare that probably will not be relevant, but it will be tomorrow when we take up welfare.

Mr. DASCHLE. If the majority leader will yield, I know that we have a list of amendments that may require rollcall votes. Does this anticipate then that other amendments, which would be offered either tonight or tomorrow morning, would still be in order and would be subject to a vote following disposition of the amendment?

Mr. DOLE. It is my understanding that there—I did not know about the amendment of the Senator from Michigan [Mr. LEVIN]. I have been told that, otherwise, everything had been dealt with. What we might do is suggest the absence of a quorum for a few minutes and see if we can work it out.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BROWN). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 1026

Mr. DOLE. Mr. President, I think we have an agreement. It is cleared with the Democratic leader and also the two managers, so I will make the request.

I ask unanimous consent that the only amendments remaining in order to S. 1026 be those amendments cleared by the two managers of the bill and one amendment to be offered by Senator THURMOND, relevant, and one amendment to be offered by Senator NUNN, relevant; and if a vote is required on or in relation to the Levin amendment, it occur first in the voting sequence beginning at 9:30 Wednesday, a.m.; further, that the vote occur on or in relation to the missile defense amendment second in the voting sequence, to immediately be followed by a vote on the passage of the Defense authorization bill, H.R. 1530, pursuant to the agreement of August 11.

So there could be as many as five votes; the votes could be as few as two votes. If the Senator from Georgia offers a relevant amendment, or the Senator from South Carolina, or the amendment of the Senator from Michigan or anything in relation—a motion to table—if that requires a vote, that could be three votes and then on the amendment itself and final passage.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOLE. So I announce to my colleagues there will be no more votes this evening but there will be debate. There are a number of Members on each side interested in this issue, so I assume the debate will probably take at least 2 hours, maybe 3 hours.

So, I ask unanimous consent the vote at 9:30 Wednesday be 15 minutes in length, with second and subsequent votes being limited to 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The distinguished Senator from Georgia.

AMENDMENT NO. 2425

(Purpose: To amend subtitle C of title II of the National Defense Authorization Act for fiscal year 1996)

Mr. NUNN. Mr. President, I believe there is an amendment, No. 2425, which is an amendment to the Missile Defense Act, pending at the desk. I ask that amendment be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN] for himself, Mr. WARNER, Mr. LEVIN, and Mr. COHEN, proposes an amendment numbered 2425.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 49, strike out line 15 and all that follows through line 9 on page 69 and insert the following in lieu thereof:

SUBTITLE C—MISSILE DEFENSE

SEC. 231. SHORT TITLE.

This subtitle may be cited as the "Missile Defense Act of 1995".

SEC. 232. FINDINGS.

Congress makes the following findings:

(1) The threat that is posed to the national security of the United States by the proliferation of ballistic and cruise missiles is significant and growing, both quantitatively and qualitatively.

(2) The deployment of effective Theater Missile Defense systems can deny potential adversaries the option of escalating a conflict by threatening or attacking United States forces, coalition partners of the United States, or allies of the United States with ballistic missiles armed with weapons of mass destruction to offset the operational and technical advantages of the United States and its coalition partners and allies.

(3) The intelligence community of the United States has estimated that (A) the missile proliferation trend is toward longer range and more sophisticated ballistic missiles, (B) North Korea may deploy an intercontinental ballistic missile capable of reaching Alaska or beyond within 5 years, and (C) although a new indigenously developed ballistic missile threat to the continental United States is not forecast within the next 10 years there is a danger that determined countries will acquire intercontinental ballistic missiles in the near future and with little warning by means other than indigenous development.

(4) The deployment by the United States and its allies of effective defenses against ballistic missiles of all ranges, as well as against cruise missiles, can reduce the incentives for countries to acquire such missiles or to augment existing missile capabilities.

(5) The Cold War distinction between strategic ballistic missiles and nonstrategic ballistic missiles and, therefore, the ABM Treaty's distinction between strategic defense and nonstrategic defense, has changed because of technological advancements and should be reviewed.

(6) The concept of mutual assured destruction, which was one of the major philosophical rationales for the ABM Treaty, is now questionable as a basis for stability in a multipolar world in which the United States and the states of the former Soviet Union are seeking to normalize relations and eliminate Cold War attitudes and arrangements.

(7) Theater and national missile defenses can contribute to the maintenance of stability as missile threats proliferate and as the United States and the former Soviet Union significantly reduce the number of strategic nuclear forces in their respective inventories.

(8) Although technology control regimes and other forms of international arms control can contribute to nonproliferation, such measures alone are inadequate for dealing with missile proliferation, and should not be viewed as alternatives to missile defenses and other active and passive defenses.

(9) Due to limitations in the ABM Treaty which preclude deployment of more than 100 ground-based ABM interceptors at a single site, the United States is currently prohibited from deploying a national missile defense system capable of defending the continental United States, Alaska, and Hawaii against even the most limited ballistic missile attacks.

SEC. 233. MISSILE DEFENSE POLICY.

It is the policy of the United States to—

(1) deploy as soon as possible affordable and operationally effective theater missile defenses capable of countering existing and emerging theater ballistic missiles;

(2)(A) develop for deployment a multiple-site national missile defense system that: (i) is affordable and operationally effective against limited, accidental, and unauthorized ballistic missile attacks on the territory of the United States, and (ii) can be augmented over time as the threat changes to provide a layered defense against limited, accidental, or unauthorized ballistic missile threats;

(B) initiate negotiations with the Russian Federation as necessary to provide for the national missile defense systems specified in section 235; and

(C) consider, if those negotiations fail, the option of withdrawing from the ABM Treaty in accordance with the provisions of Article XV of the Treaty, subject to consultations between the President and the Senate;

(3) ensure congressional review, prior to a decision to deploy the system developed for deployment under paragraph (2), of: (A) the affordability and operational effectiveness of such a system; (B) the threat to be countered by such a system; and (C) ABM Treaty considerations with respect to such a system;

(4) improve existing cruise missile defenses and deploy as soon as practical defenses that are affordable and operationally effective against advanced cruise missiles;

(5) pursue a focused research and development program to provide follow-on ballistic missile defense options;

(6) employ streamlined acquisition procedures to lower the cost and accelerate the pace of developing and deploying theater missile defenses, cruise missile defenses, and national missile defenses;

(7) seek a cooperative transition to a regime that does not feature mutual assured destruction and an offense-only form of deterrence as the basis for strategic stability; and

(8) carry out the policies, programs, and requirements of subtitle C of title II of this Act through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

SEC. 234. THEATER MISSILE DEFENSE ARCHITECTURE.

(a) ESTABLISHMENT OF CORE PROGRAM.—To implement the policy established in section 233, the Secretary of Defense shall establish a top priority core theater missile defense program consisting of the following systems:

(1) The Patriot PAC–3 system, with a first unit equipped (FUE) in fiscal year 1998.

(2) The Navy Lower Tier (Area) system, with a user operational evaluation system (UOES) capability in fiscal year 1997 and an initial operational capability (IOC) in fiscal year 1999.

(3) The Theater High-Altitude Area Defense (THAAD) system, with a user operational evaluation system (UOES) capability in fiscal year 1997 and an initial operational capability (IOC) no later than fiscal year 2002.

(4) The Navy Upper Tier (Theater Wide) system, with a user operational evaluation system (UOES) capability in fiscal year 1999 and an initial operational capability (IOC) in fiscal year 2001.

(b) INTEROPERABILITY AND SUPPORT OF CORE SYSTEMS.—To maximize effectiveness and flexibility, the Secretary of Defense shall ensure that core theater missile defense systems are interoperable and fully capable of exploiting external sensor and battle management support from systems such as the Navy's Cooperative Engagement Capability (CEC), the Army's Battlefield Integration Center (BIC), air and space-based sensors including, in particular, the Space and Missile Tracking System (SMTS).

(c) TERMINATION OF PROGRAMS.—The Secretary of Defense shall terminate the Boost Phase Interceptor (BPI) program.

(d) FOLLOW-ON SYSTEMS.—(1) The Secretary of Defense shall develop an affordable development plan for follow-on theater missile defense systems which leverages existing systems, technologies, and programs, and focuses investments to satisfy military requirements not met by the core program.

(2) Before adding new theater missile defense systems to the core program from among the follow-on activities, the Secretary of Defense shall submit to the congressional defense committees a report describing—

(A) the requirements for the program and the specific threats to be countered;

(B) how the new program will relate to, support, and leverage off existing core programs;

(C) the planned acquisition strategy; and

(D) a preliminary estimate of total program cost and budgetary impact.

(e) REPORT.—(1) Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report detailing the Secretary's plans for implementing the guidance specified in this section.

(2) For each deployment date for each system described in subsection (a), the report required by paragraph (1) of this subsection shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a).

SEC. 235. NATIONAL MISSILE DEFENSE SYSTEM ARCHITECTURE.

(a) IN GENERAL.—To implement the policy established in section 233, the Secretary of Defense shall develop an affordable and operationally effective national missile defense system to counter a limited, accidental, or unauthorized ballistic missile attack, and which is capable of attaining initial operational capability (IOC) by the end of 2003. Such system shall include the following:

(1) Ground-based interceptors capable of being deployed at multiple sites, the locations and numbers of which are to be determined so as to optimize the defensive coverage of the continental United States, Alaska, and Hawaii against limited, accidental or unauthorized ballistic missile attacks.

(2) Fixed ground-based radars and space-based sensors, including the Space and Missile Tracking system, the mix, siting and numbers of which are to be determined so as to optimize sensor support and minimize total system cost.

(3) Battle management, command, control, and communications (BM/C3).

(b) INTERIM OPERATIONAL CAPABILITY.—To provide a hedge against the emergence of near-term ballistic missile threats against the United States and to support the development and deployment of the objective system specified in subsection (a), the Secretary of Defense shall develop an interim national missile defense plan that would give the United States the ability to field a limited operational capability by the end of 1999 if required by the threat. In developing this plan the Secretary shall make use of—

(1) developmental, or user operational evaluation system (UOES) interceptors, radars, and battle management, command, control, and communications (BM/C3), to the extent that such use directly supports, and does not significantly increase the cost of, the objective system specified in subsection (a);

(2) one or more of the sites that will be used as deployment locations for the objective system specified in subsection (a);

(3) upgraded early warning radars; and

(4) space-based sensors.

(c) USE OF STREAMLINED ACQUISITION PROCEDURES.—The Secretary of Defense shall prescribe and use streamlined acquisition procedures to—

(1) reduce the cost and increase the efficiency of developing the national missile defense system specified in subsection (a); and

(2) ensure that any interim national missile defense capabilities developed pursuant to subsection (b) are operationally effective and on a path to fulfill the technical requirements and schedule of the objective system.

(d) ADDITIONAL COST SAVING MEASURES.—In addition to the procedures prescribed pursuant to subsection (c), the Secretary of Defense shall employ cost saving measures that do not decrease the operational effectiveness of the systems specified in subsections (a) and (b), and which do not pose unacceptable technical risk. The cost saving measures should include the following:

(1) The use of existing facilities and infrastructure.

(2) The use, where appropriate, of existing or upgraded systems and technologies, except that Minuteman boosters may not be used as part of a National Missile Defense architecture.

(3) Development of systems and components that do not rely on a large and permanent infrastructure and are easily transported, emplaced, and moved.

(e) REPORT ON PLAN FOR DEPLOYMENT.—Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a report containing the following matters:

(1) The Secretary's plan for carrying out this section.

(2) For each deployment date in subsections (a) and (b), the report shall include the funding required for research, development, testing, evaluation, and deployment for each fiscal year beginning with fiscal year 1997 through the end of the fiscal year in which deployment is projected under subsection (a) or (b). The report shall also describe the specific threat to be countered and provide the Secretary's assessment as to whether deployment is affordable and operationally effective.

(3) An analysis of options for supplementing or modifying the national missile defense architecture specified in subsection (a) before attaining initial operational capability, or evolving such architecture in a building block manner after attaining initial operational capability, to improve the cost-effectiveness or the operational effectiveness of such system by adding one or a combination of the following:

(A) Additional ground-based interceptors at existing or new sites.

(B) Sea-based missile defense systems.

(C) Space-based kinetic energy interceptors.

(D) Space-based directed energy systems.

SEC. 236. CRUISE MISSILE DEFENSE INITIATIVE.

(a) IN GENERAL.—The Secretary of Defense shall undertake an initiative to coordinate and strengthen the cruise missile defense programs, projects, and activities of the military departments, the Advanced Research Projects Agency and the Ballistic Missile Defense Organization to ensure that the United States develops and deploys affordable and operationally effective defenses against existing and future cruise missile threats.

(b) ACTIONS OF THE SECRETARY OF DEFENSE.—In carrying out subsection (a), the Secretary of Defense shall ensure that—

(1) to the extent practicable, the ballistic missile defense and cruise missile defense efforts of the Department of Defense are coordinated and mutually reinforcing;

(2) existing air defense systems are adequately upgraded to provide an affordable and operationally effective defense against existing and near-term cruise missile threats; and

(3) the Department of Defense undertakes a high priority and well coordinated technology development program to support the future deployment of systems that are affordable and operationally effective against advanced cruise missiles, including cruise missiles with low observable features.

(c) IMPLEMENTATION PLAN.—Not later than the date on which the President submits the budget for fiscal year 1997 under section 1105 of title 31, United States Code, the Secretary of Defense shall submit to the congressional defense committees a detailed plan, in unclassified and classified forms, as necessary, for carrying out this section. The plan shall include an assessment of—

(1) the systems that currently have cruise missile defense capabilities, and existing programs to improve these capabilities;

(2) the technologies that could be deployed in the near- to mid-term to provide significant advances over existing cruise missile defense capabilities, and the investments that would be required to ready the technologies for deployment;

(3) the cost and operational tradeoffs, if any, between upgrading existing air and missile defense systems and accelerating follow-on systems with significantly improved capabilities against advanced cruise missiles; and

(4) the organizational and management changes that would strengthen and further coordinate the cruise missile defense efforts of the Department of Defense, including the disadvantages, if any, of implementing such changes.

SEC. 237. POLICY REGARDING THE ABM TREATY.

(a) Congress makes the following findings:

(1) Article XIII of the ABM Treaty envisions "possible changes in the strategic situation which have a bearing on the provisions of this treaty".

(2) Articles XIII and XIV of the ABM Treaty establish means for the Parties to amend the Treaty, and the Parties have employed these means to amend the Treaty.

(3) Article XV of the ABM Treaty establishes the means for a party to withdraw from the Treaty, upon 6 months notice, "if it decides that extraordinary events related to the subject matter of this treaty have jeopardized its supreme interests."

(4) The policies, programs, and requirements of subtitle C of title II of this Act can be accomplished through processes specified within, or consistent with, the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty.

(b) SENSE OF CONGRESS.—In light of the findings and policies provided in this subtitle, it is the sense of Congress that—

(1) given the fundamental responsibility of the Government of the United States to protect the security of the United States, the increasingly serious threat posed to the United States by the proliferation of weapons of mass destruction and ballistic missile technology, and the effect this threat could have on the options of the United States to act in a time of crisis—

(A) it is in the vital national security interest of the United States to defend itself from the threat of a limited, accidental, or unauthorized ballistic missile attack, whatever its source; and

(B) the deployment of a national missile defense system, in accord with section 233, to protect the territory of the United States against a limited, accidental, or unauthorized missile attack can strengthen strategic stability and deterrence; and

(2)(A) the Senate should undertake a comprehensive review of the continuing value and validity of the ABM Treaty with the intent of provided additional policy guidance on the future of the ABM Treaty during the second session of the 104th Congress; and

(B) upon completion of the review, the Committee on Foreign Relations, in consultation with the Committee on Armed Services and other appropriate committees, should report its findings to the Senate.

SEC. 238. PROHIBITION ON FUNDS TO IMPLEMENT AN INTERNATIONAL AGREEMENT CONCERNING THEATER MISSILE DEFENSE SYSTEMS.

(a) FINDINGS.—Congress makes the following findings:

(1) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 provides that the ABM Treaty does not apply to or limit research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles, regardless of the capabilities of such missiles, unless those systems, system upgrades, or system components are tested against or have demonstrated capabilities to counter modern strategic ballistic missiles.

(2) Section 232 of the National Defense Authorization Act for Fiscal Year 1995 provides that the United States shall not be bound by any international agreement that would substantially modify the ABM Treaty unless the agreement is entered into pursuant to the treaty making power of the President under the Constitution.

(3) The demarcation standard described in subsection (b)(1) is based upon current technology.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) unless a missile defense system, system upgrade, or system component, including one that exploits data from space-based or other external sensors, is flight tested against a ballistic missile target that exceeds a range of 3,500 kilometers or a velocity of 5 kilometers per second, such missile defense system, system upgrade, or system component has not been tested in an ABM mode nor deemed to have been given capabilities to counter strategic ballistic missiles, and

(2) any international agreement that would limit the research, development, testing, or deployment of missile defense systems, system upgrades, or system components that are designed to counter modern theater ballistic missiles in a manner that would be more restrictive than the criteria in paragraph (1) should be entered into only pursuant to the treaty making powers of the President under the Constitution.

(c) PROHIBITION ON FUNDING.—Funds appropriated or otherwise made available to the Department of Defense for fiscal year 1996 may not be obligated or expended to implement an agreement with any of the independent states of the former Soviet Union entered into after January 1, 1995 that would establish a demarcation between theater missile defense systems and anti-ballistic missile systems for purposes of the ABM Treaty or that would restrict the performance, operation, or deployment of United States theater missile defense systems except: (1) to the extent provided in an act enacted subsequent to this Act; (2) to implement that portion of any such agreement that implements the criteria in subsection (b)(1); or (3) to implement any such agreement that is entered into pursuant to the treaty making power of the President under the Constitution.

SEC. 239. BALLISTIC MISSILE DEFENSE PROGRAM ELEMENTS.

(a) ELEMENTS SPECIFIED.—In the budget justification materials submitted to Congress in support of the Department of Defense budget for any fiscal year after fiscal year 1996 (as submitted in the budget of the President under section 1105(a) of title 31, United States Code), the amount requested for activities of the Ballistic Missile Defense Organization shall be set forth in accordance with the following program elements:

(1) The Patriot system.

(2) The Navy Lower Tier (Area) system.

(3) The Theater High-Altitude Area Defense (THAAD) system.

(4) The Navy Upper Tier (Theater Wide) system.

(5) Other Theater Missile Defense Activities.

(6) National Missile Defense.

(7) Follow-On and Support Technologies.

(b) TREATMENT OF NON-CORE TMD IN OTHER THEATER MISSILE DEFENSE ACTIVITIES ELEMENT.—Funding for theater missile defense programs, projects, and activities, other than core theater missile defense programs, shall be covered in the "Other Theater Missile Defense Activities" program element.

(c) TREATMENT OF CORE THEATER MISSILE DEFENSE PROGRAMS.—Funding for core theater missile defense programs specified in section 234, shall be covered in individual, dedicated program elements and shall be available only for activities covered by those program elements.

(d) BM/C3I PROGRAMS.—Funding for programs, projects, and activities involving battle management, command, control, communications, and intelligence (BM/C3I) shall be covered in the "Other Theater Missile Defense Activities" program element or the "National Missile Defense" program element, as determined on the basis of the primary objectives involved.

(e) MANAGEMENT AND SUPPORT.—Each program element shall include requests for the amounts necessary for the management and support of the programs, projects, and activities contained in that program element.

SEC. 240. ABM TREATY DEFINED.

For purposes of this subtitle, the term "ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed at Moscow on May 26, 1972, and includes the Protocols to that Treaty, signed at Moscow on July 3, 1974.

SEC. 241. REPEAL OF MISSILE DEFENSE PROVISIONS.

The following provisions of law are repealed:

(1) The Missile Defense Act of 1991 (part C of title II of Public Law 102-190; 10 U.S.C. 2431 note).

(2) Section 237 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160).

(3) Section 242 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160).

(4) Section 222 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 613; 10 U.S.C. 2431 note).

(5) Section 225 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 614).

(6) Section 226 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (Public Law 100-180; 101 Stat. 1057; 10 U.S.C. 2431 note).

(7) Section 8123 of the Department of Defense Appropriations Act, 1989 (Public Law 100-463; 102 Stat. 2270-40).

(8) Section 8133 of the Department of Defense Appropriations Act, 1992 (Public Law 102-172; 105 Stat. 1211).

(9) Section 234 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103-160; 107 Stat. 1595; 10 U.S.C. 2431 note).

(10) Section 235 of the National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2701; 10 U.S.C. 221 note).

The PRESIDING OFFICER. There are 3 hours of debate scheduled on this amendment, 2 for the Senator from Georgia, 1 for the Senator from South Carolina.

The Senator from Georgia.

Mr. NUNN. Mr. President, I yield myself such time as I may need at this point, and I do not intend to make long remarks at this point to give each of my colleagues a chance to lay down their views and to make their remarks on this amendment, which is a very important amendment. Then I will conclude with other remarks as we proceed through this debate.

Mr. President, at the request of the majority and minority leaders, Senators COHEN, LEVIN, WARNER, and I spent the better part of the week preceding the August recess meeting intensively addressing issues raised by the proposed Missile Defense Act of 1995, as set forth in S. 1026, the pending Defense authorization bill.

The goal of our effort was to develop an amendment establishing a missile defense policy that could be supported by a broad bipartisan group of Senators. On Friday, August 11, we filed a bipartisan substitute amendment reflecting our best efforts to meet the objective, and I hope that all Members have had an opportunity during the recess to review this bipartisan amendment.

I want to express my thanks to my three colleagues, Senator WARNER, Senator COHEN, and Senator LEVIN, for the diligence, tolerance, and good will each of them showed throughout the long and at times very difficult negotiations that occurred over a very intensive period of about a week that led to the agreement embodied in the substitute amendment that is now reported and pending.

I believe the amendment is a significant improvement to the version in the bill, and I support its adoption.

Mr. President, the revised version of the Missile Defense Act of 1995, if passed in this amendment as set forth in this substitute, serves three very important functions. First, it clarifies the intent of the United States with respect to decisions about future missile defenses. Second, it diffuses a potential constitutional contest and confrontation between the executive and legislative branches. And, third, it makes clear to the international community our policy toward the ABM Treaty.

Under the bipartisan substitute, the policy is no longer stated as a binding commitment to deploy a missile defense system. That is a decision that will be made in the future. Instead, the national missile defense policy, and section 232 of this substitute, is to "develop for deployment." The substitute adds several important qualifiers such as the system must be "affordable and operationally effective." This requirement appears in section 232 and is reemphasized throughout the amendment. And the system is limited to addressing only "accidental, unauthorized or limited attacks." That qualification, which is set forth in section 232, is repeated throughout the amendment.

One of the most important qualifications under the substitute is the requirement in section 2333 for "congressional review, prior to a decision to deploy the system, of development or deployment of (a) the affordability and operational effectiveness of such a system, (b) the threat to be countered by such a system, and (c) ABM Treaty considerations with respect to such a system."

These vital issues will all be considered before we take a step in the future to authorize and appropriate funds for deployment of a national missile defense system.

Mr. President, perhaps the most important qualification, both in terms of arms control and the separation of powers, is section 2338, which requires the Secretary of Defense to carry out the policies, programs, and requirements of the entire Missile Defense Act "through processes specified within or consistent with the ABM Treaty which anticipates the need and provides the means for amendment to the treaty."

Mr. President, finally, let me address the theater missile demarcation provision briefly. Section 238 of the bill as reported would have established in permanent law a specific demarcation between theater and strategic missile defenses and would have prohibited the President from negotiations or other actions concerning the clarification or interpretation of the ABM Treaty and the line between theater and strategic missile defenses. The bipartisan substitute amendment strikes all of section 238 and provides in the bipartisan substitute a limited funding restriction with the following provisions concerning the demarcation or the definitional distinction between theater and national missile defenses.

First, the funding restriction applies only to fiscal year 1996.

Second, this substitute restriction applies only to the implementation of agreement with the successor states in the Soviet Union, should one be reached, concerning a demarcation between theater and strategic defenses for the purposes of the ABM Treaty and additional restrictions on theater missile defenses going beyond those in the demarcation.

In addition to being limited to 1 year, the substitute funding limitation in section 238 has three exceptions. The limitation does not apply "to the extent provided in a subsequent act" to implement that portion of any such agreement that implements specific terms of the demarcation set forth in the amendment, to implement an agreement that is entered into pursuant to the treaty-making power of the President under the Constitution.

Mr. President, there are many other changes that improve the overall thrust of this subject matter in the bipartisan substitute. I believe that the bipartisan substitute amendment provides a useful statement of congressional policy and is intended to be presented in a framework that makes clear that we seek a negotiated set of changes with the Russian Federation to allow for more effective defenses against limited missile attacks than either side is permitted today.

I believe the bipartisan substitute amendment is not, and should not be seen by Russia as, a threat by the United States either to abandon the ABM Treaty or to reinterpret a treaty unilaterally to our advantage. Both we and Russia face the threat of ballistic missile attacks. It is not simply the United States; it is also Russia. The threats may be somewhat different, but the need for defenses should be clear to both sides.

What we have to do is arrange for both sides to be able to deploy more effective defenses than in use today against accidental, unauthorized, and limited attacks while maintaining overall strategic stability and while making it plain that neither side seeks to combine offensive capability with defensive capability thereby giving either side what has for years been feared as a first-strike capability. Some people use that term in connection and synonymously with the term "strategic stability." Some people use the term "strategic stability" in a broader context.

But, nevertheless, it is my view that, if we are going to proceed to enjoy the benefits of 20 years of work and negotiations to reduce nuclear weapons under the treaties that have been entered into, like the START I Treaty or treaties now pending like the START II Treaty, it is very important that both sides understand that strategic stability is being maintained, that neither side is intending to combine offensive striking power with defensive abilities so that either side would be tempted at any point in the future—whatever developed—to develop anything resembling a first-strike capability.

That is the scenario that the ABM Treaty was originally designed to prevent. It has some relevance today. But it needs changing in some very important but modest aspects.

Mr. President, it is important that whatever we do with defenses—and I favor going forward with both the theater missile system and also a national missile system against limited and unauthorized attacks and third-country attack—whatever we do we should make sure that we continue to carry out the reductions of the armaments that have been most threatening against the United States for the last 20 years, the heavy missiles. And those missiles are part of both START I and START II reductions.

It is enormously important that we not send signals to the Russian Parliament, the Russian leadership, to the Russian people that they in any way should fear for their own security and that they, therefore, should not go forward with the reductions of the missiles that they have either agreed to or that are pending in the START II agreement.

Mr. President, that is what this is all about. I know there will be some who will agree with the changes. There will be some who may not agree with the changes. But this does represent the best effort that Senator LEVIN and I on the Democratic side, together with Senator WARNER and Senator COHEN on the Republican side, were able to put together in an effort to achieve these goals that I have enumerated.

Mr. WARNER. Mr. President, will the Senator yield for a question?

Mr. NUNN. Yes.

Mr. WARNER. I will later address this pending amendment. But I would like to ask a question of my distinguished colleague. I think we concur, the four of us, Senator THURMOND, Senator COHEN, myself, and Senator LEVIN and also our distinguished ranking member. It would be my hope that the Senator from Georgia would have an opportunity to make some assessment as to how the administration views this amendment. I wondered if the Senator would share with the Senate what he has.

Mr. NUNN. I say to my friend from Virginia that I talked to Secretary of Defense Perry about this amendment, and I think it is fair to say that he believes it is a dramatic improvement over the original version.

I would not be able to portray to the Senator from Virginia that I conveyed this or that I have discussed it in any kind of detail with the White House. And I cannot give any message about how they view either this authorization bill or the appropriations bill which was passed. There are a number of other areas that do not concern this that have been of concern to the White House and the Secretary of Defense, including, in the bill we just passed, the appropriation bill, the elimination of some very important funding that the Secretary of Defense had undertaken under the Nunn-Lugar program for working to reduce the Russian military establishment.

That is a concern to Secretary Perry; it also is a concern to me, that funding was eliminated both in the House and Senate. But as far as this particular provision is concerned, I have no doubt that Secretary Perry feels it is a great improvement, and I would assume, without having directly talked with the President about it, that he would also view it in that way.

Mr. WARNER. Mr. President, I thank our distinguished colleague, but I hope the administration would view this as an effort to reconcile important differences and that it is a work product worthy of support by the Senate and by the administration.

Mr. NUNN. It is also my hope that would be their view. I would say to my friend, I know there are other provisions in this bill and the appropriations bill that concern both the White House and the Secretary of Defense. So I can make no statement here that indicates their feeling on the overall product we now have. I am sure they will be heard from as we move into conference.

Mr. President, I reserve the remainder of my time.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise to support the bipartisan missile defense amendment which was worked out prior to the August recess.

While I continue to believe that the missile defense provisions in the bill reported to the Senate by the Armed Services Committee are sound and reasonable, I also agree that the compromise is a positive step away from the status quo.

The compromise amendment does not include everything that I wanted, but it does not fundamentally undermine any of the policies or initiatives that I viewed as critical. In my view, it is an adequate position to take to conference. The House defense authorization bill differs in several ways from the Senate compromise missile defense amendment. Obviously, there will be considerable discussion before a consensus is reached between the two Chambers.

Let me again thank all those who worked so hard prior to the August recess. And I especially wish to thank Senator WARNER, Senator COHEN, Senator NUNN, and Senator LEVIN. Also, let me thank the leaders for their cooperation.

Finally, I would like to draw to the attention of the Senate an article by the Republican leader, Senator DOLE, in today's Washington Times which addresses the subject of missile defense. This is an excellent piece for which I commend the Republican leader. I ask unanimous consent that a copy of the article be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. In closing, Mr. President, let me once again urge my colleagues to support the bipartisan compromise on missile defense. It is a positive step that all Members should be able to endorse.

I yield the floor.

EXHIBIT 1

A TIMELY REMINDER FROM IRAQ

(By Robert Dole)

When Saddam Hussein's son-in-law and former chief of mass destruction bolted, apparently threatening to tell all, the Iraqi director preempted and sent us the loudest wake-up call we are likely to get on the growing threat of weapons of mass destruction. As we finish up the Department of Defense Authorization Bill, it's time to heed that call.

According to their belated admission, the Iraqis filled nearly 200 bombs and warheads for ballistic missiles with botulinum toxin, anthrax spores and aflatoxin. In addition to the shockingly advanced nuclear weapons program already revealed, Iraq now says it ran a second program to develop a nuclear weapon by April 1991 with material diverted from nuclear power reactors.

The latest revelations from Baghdad underscore four points.

First, arms control treaties and export controls did not prevent Iraq from pursuing its deadly aims. Don't get me wrong—diplomatic efforts increase the cost, time and technical challenge required to acquire weapons to mass destruction. We should press on with them. The point is simply that diplomacy does not prevent malevolent countries like Iraq from acquiring these weapons and there are a number of countries of Iraq's ilk out there.

Second, Iraq managed to conceal a good part of its activities from the rest of the world, even after post-Gulf War U.N. sanctions made it the most inspected country on earth. Clearly, absence of evidence is not evidence of absence. The lesson is that we no longer have the luxury of waiting for our intelligence bureaucracy to gather reams of evidence before "validating" a threat. Our own defense programs need to start anticipating emerging threats.

Third, what makes these weapons truly menacing is the prospect of their delivery with ballistic missiles, which allow countries that never before wielded such power to vault themselves onto the world stage. Imagine trying to put together the coalition for Desert Storm if Cairo, Ankara, Rome or London had believed they were vulnerable to missiles loaded with anthrax. And let's not forget that the United States and its key allies may soon be a target. In just three to five years, the North Korean Taepo-Dong II intercontinental ballistic missile could reach American soil. Those lacking in imagination about what that implies should recall the words of Saddam Hussein: "Our missiles cannot reach Washington. If they could reach Washington, we would strike it if the need rose."

Fourth, the Clinton administration and its allies hobble America's missile defense efforts by clinging to the 1972 ABM Treaty with the now defunct Soviet Union. They have even tried to drag our theater missile defense programs, never covered by the ABM

Treaty, under new limits that the administration has hatched from ever-burgeoning interpretations of that treaty.

It's time to defend ourselves in the multipolar world of the 21st century. It's time to change the regime established by the 1972 ABM Treaty, which currently leaves the American people vulnerable to missile attack from any country capable of developing or buying a long-range missile. I think there are ways we can cooperate with Russia on missile defenses, but that is partly up to them. Our job on the defense bill is to lay out what is necessary for America's defense. We now have a defense bill which takes important steps in that direction.

First, it establishes a Cruise Missile Defense Initiative, the need for which was just underscored by Iraq's admission that it was experimenting with unmanned aerial vehicles, cousins of the cruise missile, to deliver biological agents.

Second, it establishes a theater missile defense "core program" to ensure that we stay focused and move toward deployment of those systems that are clearly needed as soon as possible, adding the crucial Navy Upper Tier system to the core. This system will allow our Navy to take missile defenses wherever in the world American interests are threatened.

Third, it precludes arms control zealots from dragging theater missile defense systems which are not covered by the ABM Treaty into a web of new limitations. It calls for a year of careful consideration on how to proceed with the ABM Treaty in the longer term. During that time, the president should seek to negotiate with Russia a mutually beneficial agreement that will allow the United States to proceed with its multiple-site deployments.

Most important, it establishes U.S. policy to develop for deployment by 2003 ground-based interceptors at multiple sites, fixed ground-based radars and space-based sensors for a defense of the United States of America.

Mr. President, it's time to defend America.

The PRESIDING OFFICER. Who seeks recognition?

Mr. COHEN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. I yield 10 minutes to the able Senator from Maine.

The PRESIDING OFFICER. The Senator is recognized.

Mr. COHEN. I thank the Senator for yielding.

Mr. President, let me thank Senator THURMOND for his confidence in asking Senator WARNER and me to represent the Republican side in the negotiations with Senator NUNN and also Senator LEVIN.

The four of us have enjoyed working together over our years of service on the Armed Services Committee, and it was a special privilege for me to be able to sit down for hours and hours, well into the night, in fact, on several occasions, working from at least 5 in the afternoon until midnight on at least two occasions, but the issues that were involved were serious. They required that kind of attention to detail.

Notwithstanding some of the comments that were made earlier today by some of our colleagues, words do make a difference. Poets are not the only individuals who pinch words until they hurt. Arms controllers do as well.

Words within the field of arms control carry specific meaning, and it was very important that we took great care as we tried to hammer out a compromise between our respective positions, in making sure that we would not do damage to longstanding precedents and longstanding interpretations. Notwithstanding the fact there has been some criticism leveled at this bipartisan proposal, we believe the care which we have taken to describe in some detail, with some great sensitivity, I might add, the meaning of the words that were used, carries significant implications for arms control and national security.

We have to remind our colleagues again and again we are not seeking to rekindle the debate over star wars, some sort of astrodomic system that is going to hover over the United States and protect this county from an all-out assault from the former Soviet Union or any major power that may emerge in the future. We could not do that. We do not envision that. We agree, in light of the proliferation of missile technology that we are agreed upon, that there is a grave danger of missile technology proliferating at an ever and ever faster rate that poses a threat to the United States, also to the former Soviet Union. They also should have great concern about the proliferation of this kind of technology.

How do we quantify it? How great is that threat? I do not think any of us are in a position to make a judgment. But we do not want to be in the position 3 or 4 or 5 years down the road of having some accidental launch, an unauthorized launch, or a limited attack against the United States and all the President of the United States could do would be to tell the people targeted: "Sorry, we will do the best to clean up the thousands if not millions of dead after the missile hits. We have no means of protecting you. And, yes, we understand what 5 o'clock traffic is in Washington, New York, and every major city and the chances are you will not be able to get out of the city on 30 minutes' notice, and so all we can do is hope to minimize the slaughter that will take place by sending in our rescue teams, assuming they survive the blast."

That is an untenable position, and so we have to have some means of defending against these types of limited, accidental, or unauthorized launches, and there should be no dissent on that. This is not a matter of partisanship. There is no dissent that we need to have that capability.

In June, when the Armed Services Committee marked up the Defense authorization bill, the committee voted to put the United States on the path to deployment of a highly effective system to defend the American people against limited missile attacks.

Because we want to and must defend all Americans, not just those in a particular region of the country, we called for a multiple-site defense. And, because we can expect the threat to evolve to become ever more sophisticated, we called for a defensive system that would also evolve and a research-and-development program to provide options for the future. Since the National Missile Defense Program approved by the committee goes beyond that being pursued by the administration, we added $300 million above the $371 million requested.

We also called for deployment of highly effective systems to defend our forward deployed forces and key allies and, to ensure this result, reorganized the administration's theater missile defense effort. A related matter involved negotiations being conducted with Moscow to define the line distinguishing TMD from ABM systems.

Over the last year and a half, the Clinton administration has drifted toward accepting Russian proposals to limit TMD systems in unacceptable ways—in effect, to subject TMD systems to the ABM Treaty, which was never intended to cover theater defenses. The committee addressed this troubling situation with two steps. First, we voted to write into law the Clinton administration's initial negotiating position on what constitutes an ABM system. And second, we adopted bill language to prevent the administration from implementing any agreement that would have the effect of applying ABM Treaty restrictions to TMD systems.

Last month, when the Defense authorization act came to the floor, the committee's judgment was challenged. One amendment was offered to delete the additional $300 million provided for national missile defense. And another amendment was offered eliminate the policy to deploy a multiple-site national defense system, eliminate the statutory demarcation between TMD and ABM systems, and eliminate the ban on applying the ABM Treaty to TMD systems.

As was the case during the committee's mark-up, these efforts failed in relatively close votes.

Mr. President, I have been on the Armed Services Committee since 1979 and have spent some of that time in the majority. It has not been our practice for the majority to use its position to impose its views on the minority. Instead, we have usually sought to develop as broad a consensus as possible on important issues of national security.

In this spirit, Members of the majority also offered amendments on the floor to move beyond close, partisan votes toward a broader consensus.

Senator KYL offered an amendment expressing "the sense of the Senate that all Americans should be protected from accidental, intentional, or limited ballistic missile attack." His amendment setting forth this basic principle, which was the basis for the Armed Services Committee's action, was approved overwhelming, 94-5.

And to address the concerns of some Senators that the committee was advocating abrogation of the ABM Treaty, I offered an amendment affirming that the multiple-site defense we endorsed can be deployed in accordance with mechanisms provided for in the ABM Treaty—such as negotiating an amendment—and urging the President to negotiate with Moscow to obtain the necessary treaty amendment. My amendment was also approved by a very large margin, 69-26.

I highlight that vote margin because the bipartisan amendment we have negotiated would change even the language of the Cohen amendment, which was adopted overwhelmingly by the full Senate. I think this is a clear indication of how far the majority has been willing to go in accommodating the minority in order to build a broader consensus.

THE BIPARTISAN AMENDMENT

The result of the negotiations that have occurred is the bipartisan amendment, which is being cosponsored by the four Senators designated by the two leaders to attempt to resolve this issue. In order to reach agreement on this amendment, both sides made concessions, although it should be noted that many of the agreed upon changes are less concessions than clarifications of the Armed Services Committee's intent.

Senators interested in this matter can read the bipartisan amendment and compare it to current text of the bill. Our negotiations involved debate over almost every single word in subtitle C. For reasons of time, I will merely try to summarize the most important issues.

MISSILE DEFENSE POLICY

In section 233, which addresses missile defense policy, we have made a number of changes to clarify the intent of the committee's language.

The bipartisan text states that "it is the policy of the United States to develop for deployment a multiple-site national missile defense system." The difference with the original text is that it substitutes the words "develop for deployment" for the word "deploy."

This change is consistent with the fact that what we are funding in this bill is research and development on national missile defense, not procurement. There will be a number of authorization and appropriations bills to be acted upon before we begin to fund the actual deployment of the system. I would note that the words "develop for deployment" were in the committee-approved bill, in the NMD architecture section, and so this clarification is consistent with the committee's intent.

Moreover, I would emphasize that the policy section clearly states—as did the committee bill—that the system we are pursuing is a multiple-site system. As the findings make clear, a multiple-site system is essential if we are to defend all of the United States and not just part of the country. This is also made clear in the NMD architecture section, which states that the system must be optimized to defend all 50 States against limited, accidental, or unauthorized ballistic missile attacks.

This is further bolstered by the new language inserted by the compromise at various places that the system must be "affordable and operationally effective." An NMD system confined to a single ground-based site would not be operationally effective, as noted in the ninth finding.

The bipartisan text also states in the policy section that the NMD system will be one that "can be augmented over time as the threat changes to provide a layered defense against limited, accidental, or unauthorized ballistic missile threats." This passage was of great importance to many Members on this side who are concerned about the ability of the system to remain effective in the face of an evolving threat.

The committee-approved language stated that the NMD system "will be augmented over time to provide a layered defense." There were strong feelings on our side about the words "will be augmented." In the end, we agreed to change this to "can be augmented." Again, while the committee's language had much to commend it, funding for deployment of other defensive layers will not be appropriated for several years.

The other changes to this passage, such as the inclusion of the words "limited, accidental, or unauthorized" clarify the ballistic missile threat for which a layered defense would be required, reflect the intent of the committee's bill.

At the suggestion of the other side, a new paragraph was added to the policy calling for congressional review, prior to a decision to deploy the NMD system. This is fully consistent with the committee's intent and the realities of the congressional budget process. Funds to begin deployment of the NMD system are not in the bill before the Senate. Thus, when such funds are requested, that request will pass through the regular process of committee hearings and mark-ups, floor consideration, and conference action.

Another change to the policy section was the inclusion of several portions of the amendment that I offered and that was approved by the Senate last month. This states that it is U.S. policy to "carry out the policies, programs and requirements of (the Missile Defense Act of 1995) through processes specified within, or consistent with the ABM Treaty, which anticipates the need and provides the means for amendment to the Treaty."

It also states that it is United States policy to initiate negotiations with the Russian Federation as necessary to provide for the NMD systems specified in the NMD architecture section. At the urging of Congress in the Missile Defense Act of 1991, President Bush initiated such negotiations with Moscow.

It is my understanding that tentative agreement was reached to provide for the deployment of ground-based multiple-site NMD systems. But the Clinton administration discontinued those negotiations. Under this legislation, it would be U.S. policy to once again engage Moscow in negotiations to amend the ABM Treaty or otherwise allow for multiple-site NMD systems.

The policy section then states that "it is the policy of the U.S. to * * * consider, if those negotiations fail, the option of withdrawing from the ABM Treaty in accordance with the provisions of Article XV of the Treaty, subject to consultations between the President and the Senate."

I would note that both amendment to the treaty, as provided for in articles XIII and XIV, and withdrawal from the treaty, as provided for in article XV, are "processes specified within the ABM Treaty."

Contrary to the concerns of some, the Armed Services Committee never advocated abrogation of the treaty, and the bill reported out by the committee neither required nor supported abrogation. The debate that took place during the committee mark-up made it clear that there was absolutely no intent to abrogate.

These provisions regarding the ABM Treaty and negotiations with Moscow taken from the Cohen amendment and incorporated into the bipartisan amendment reaffirm what was always the intent of the committee.

Mr. President, I want to emphasize that these provisions and the other language in the section 233 clearly state that these policies are "the policy of the United States." Not the policy of the Senate or the policy of the Congress. I say this because I have heard that an administration official has said that, once this bill becomes law, the administration will declare that these statements of U.S. policy are not its policy but merely the sense of the Congress.

The bill makes a clear distinction between statements of U.S. policy and expressions of the sense of Congress. We have spent a great deal of effort negotiating exactly what statements will fall into the policy section and which will be in the form of sense of the Congress. In fact, these negotiations began with Senator NUNN urging that the Cohen amendment be strengthened from being the sense of the Congress to a statement of U.S. policy.

Mr. President, I would merely note the obvious fact that once the bill becomes U.S. law, then the bill's statements of policy are U.S. policy.

NMD ARCHITECTURE

The bipartisan amendment also provides changes and clarifications in section 235, regarding the architecture of the national missile defense system.

The committee's bill stated that the NMD system "will attain initial operational capability by the end of 2003." The bipartisan amendment states that the NMD system will be "capable of attaining initial operational capability by the end of 2003." This is a useful clarification because while Congress can mandate many things, we cannot dictate with certainty that engineers will accomplish specific tasks within a specific period of time.

Section 235 also states that the NMD "system shall include * * * ground-based interceptors capable of being deployed at multiple sites, the locations and numbers of which are to be determined so as to optimize the defensive coverage of the continental United States, Alaska, and Hawaii against limited, accidental, or unauthorized ballistic missile attacks." The committee's version of this provision was identical except that the bipartisan amendment inserted the words "capable of being."

I found this suggestion from the other side to be acceptable because I do not think it really changes the meaning of the original text. Interceptors are inherently "capable of being deployed at multiple sites." I cannot conceive of any technical reason that an interceptor would be incapable of being deployed at multiple sites. Accordingly, "capable of being deployed at multiple sites" does not, as far as I can tell, in any way limit the NMD system proposed by the committee. Indeed, one could argue that the only way that ground based interceptors are "capable of being deployed at multiple sites" is if there are multiple sites.

So, I am pleased that this change helped to produce a bipartisan resolution to this matter, even if I cannot find any substantive result of this change.

In subsection (b) of section 235, our side did make a concession. The committee's bill directed the Secretary of Defense "to develop an interim NMD capability to be operational by the end of 1999." In order to achieve agreement with the other side, we have modified this to require the Secretary "to develop an interim NMD plan that would give the U.S. the ability to field a limited operational capability by the end of 1999 if required by the threat." In both versions, the interim capability would have to not interfere with deployment of the full up NMD system by 2003.

Mr. President, I would also note that the bipartisan amendment retains the portion of section 235 that calls for a report by the Secretary of Defense analyzing "options for supplementing or modifying the NMD system by adding one or a combination of sea-based missile defense systems, space-based kinetic energy interceptors, or space-based directed energy systems." As I discussed earlier, such options for layered defenses are of considerable interest to many Members.

To summarize, Mr. President, the bipartisan amendment both clarifies and changes the committee bill's provisions on national missile defense. It keeps us on the path toward a ground-based, multiple-site NMD system with options for layered defenses as the threat changes. But it recognizes that requests for NMD procurement funds will not be made for several years.

TMD DEMARCATION

The other issue that required much discussion was what is commonly referred to as the theater missile defense demarcation question. I would like to summarize the resolution that was achieved in section 238, which was completely rewritten with the assistance of many Senators.

The section has findings noting that the ABM Treaty "does not apply to or limit" theater missile defense systems. The findings also note that "the U.S. shall not be bound by any international agreement that would substantially modify the ABM Treaty unless the agreement is entered into pursuant to the treaty making powers of the President under the Constitution." What this means is that any agreement that would have the effect of applying limits on TMD systems under the ABM Treaty must be approved as a treaty by the Senate.

Section 238 then states the sense of Congress that a defensive system has been tested in an ABM mode, and therefore is subject to the ABM Treaty, only if it has been tested against a ballistic missile target that has a range in excess of 3,500 kilometers or a velocity in excess of 5 kilometers per second. This threshold is the one defined by the administration and proposed in its talks with Moscow on this subject.

Finally, section 238 has a binding provision that prohibits implementation during fiscal year 1996 of an agreement with the countries of the former Soviet Union that would restrict theater missile defenses. This prohibition would not apply to the portion of an agreement that implements the 3,500 kilometer or 5-kilometer-per-second criteria nor to an agreement that is approved as a treaty by the Senate.

But it would apply to all portions of an agreement that sought to impose any restrictions other than the 3,500 kilometer or 5-kilometer-per-second criteria. Various other potential restrictions have been discussed, such as limits on the number of TMD systems or system components, geographical restrictions on where TMD systems can be deployed, restrictions on the velocity of TMD interceptor missiles, and restrictions on the volume of TMD interceptors missiles. Under section 238 of the bipartisan amendment, during fiscal year 1996, the administration is barred from implementing any of these potential restrictions or any other restrictions on the performance, operation, or deployment of TMD systems, system components, or system upgrades.

At the same time, Mr. President, there are no constraints on the ability of the President to engage in negotiations on the demarcation issue, which I know was an issue of concern to some. What section 238 controls is the implementation of any restrictions on TMD systems.

Mr. President, I want to acknowledge the efforts of the many Senators who contributed to the drafting of this amendment. Every member of the Armed Services Committee played a role, as did the two leaders, and key Senators off the committee. Senator KYL played a very constructive role, offering language that formed the basis for the resolution on section 238 and providing useful suggestions on the NMD portions of the bill. The chairman of the Armed Services Committee is to be especially commended for providing strong guidance to the negotiators and the committee, as a whole, and facilitating the talks along the way.

I want to commend Senator NUNN, once again, and Senator LEVIN and Senator WARNER for the many, many hours that were spent negotiating over specific words. As I mentioned before, words matter a great deal when we are talking about arms control.

I yield the floor.

Mr. WARNER addressed the Chair.

Mr. WARNER. Mr. President, if I could take a minute.

Mr. THURMOND. Mr. President, I yield 15 minutes to the able Senator from Virginia.

Mr. WARNER. Mr. President, at this time I just want to take 30 seconds to thank my distinguished colleague from Maine. He ended up on a very important note, "use of words." I can assure you, when we were sitting around, time and time again, we referred to him as the master craftsman for the use of words, the placement of a comma and the prose that flows. Make no mistake about that. If this thing ever has to go to court, it is your fault.

[Laughter.]

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. Who yields the Senator time?

Mr. NUNN. Mr. President, I yield the Senator from Michigan such time as he may desire.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. NUNN. Within reason.

[Laughter.]

Mr. LEVIN. I wonder if we can get a parliamentary interpretation.

The PRESIDING OFFICER. That is exactly 1 hour and 50 minutes.

Mr. LEVIN. I definitely thank the Chair, and I think I thank my friend from Georgia.

Mr. President, first let me echo the words of those who have already spoken about the process just for a minute. The four of us have worked together now many, many years in this Senate, particularly on the Armed Services Committee, but on other matters as well. We know each other, like each other a great deal, respect each other as individuals and also for the depths of our beliefs and our feelings.

It was a true pleasure to work with Senators NUNN, WARNER and COHEN as we crafted this substitute. There is a lot in here representing each of us. Most important, I believe this substitute reflects a wise course relative to national missile defense.

I agree fully with what Senator WARNER just said about Senator COHEN. No one is a greater crafter of words around this place than Senator COHEN. He is not just a poet, but he is a writer of fiction as well, and some darned good nonfiction, too.

Mr. President, first, I want to start with what the law currently is. There is a lot of misconception, I think, in this body about what the current law is relative to national missile defense. We are not starting with a clean slate here called a bill and then adding a substitute for consideration by the Senate. We are starting with an existing law on national missile defense, then there is a bill, then there is a substitute.

The existing law already provides that it is a goal of the United States to develop the option to deploy an antiballistic missile system that is capable of providing a highly effective defense of the United States against limited attacks from ballistic missiles.

So that is the ground on which we are starting, that we already have in law a goal of the United States to develop the option to deploy this national missile defense system that we are talking about.

The bill that is before us, to which many of us had strong objections, goes way beyond saying that we should develop an option to deploy and then at some future time decide whether to exercise the option. The bill that we have before us says that we "shall deploy" and that is what gets us into great difficulty. It gets us into great difficulty in terms of the ABM Treaty, which prohibits the deployment of certain systems, antiballistic missile systems, at multiple sites.

The section of the bill before us, section 233, says that it is "the policy of the United States to deploy a multiple-site national missile defense system."

No ifs, no ands, no buts. That is the policy of the United States in the bill. The trouble with that is we have a number of impediments to that policy being a wise one. We have the question of what the threat is, what the cost effectiveness is, what the military effectiveness of such a system is, and we have an agreement with the Russians called the Anti-Ballistic Missile Treaty which President Nixon entered into and which has helped to create some major stability in the relationship between the two countries when there was a cold war. And now that the cold war is over, we must figure out how to deal with a new Russia who is a partner, a friend, an ally hopefully, not an adversary of the United States.

When the bill says that we will deploy a system which the ABM Treaty says we cannot, what the bill does is set us on a course of action which is not only unwise but is reckless.

We received letters from both General Shalikashvili, who is our Chairman of the Joint Chiefs of Staff, and the Secretary of Defense, Secretary Perry, in strong opposition to the bill because of what it does to the ABM Treaty but, most important, because of the jeopardy in which it places the Start II Treaty that we are hoping to ratify. That treaty will reduce significantly the number of nuclear warheads on both sides, and that is really the issue.

The issue here is the impact of the action of the Senate on the reduction of offensive nuclear weapons which threaten us. Surely it is not in our national interest to be trashing an agreement relative to antiballistic missile systems if, by undermining that agreement, we are then going to end up facing thousands more warheads on ballistic missiles which Russia would insist on keeping if we unilaterally pull out of the ABM Treaty. That is why General Shalikashvili said:

> While we believe that START II is in both countries' interest, regardless of other events, that we must assume that unilateral U.S. legislation could harm prospects for START II ratification by the Duma and probably impact our broader security relationship with Russia as well.

That letter was dated June 28, 1995.

And in a letter dated July 28, 1995, Secretary Perry said:

> Certain provisions related to the ABM Treaty would be very damaging to U.S. security interests. By mandating actions that would lead us to violate or disregard U.S. treaty obligations, such as establishing a deployment date of a multiple-site NMD system, the bill would jeopardize Russian implementation of the START I and START II treaties which involve the elimination of many thousands of strategic nuclear weapons.

We tried to modify the language in the bill pursuant to the amendment process prior to the recess. We tried to strike language which committed us to a course of action which would, by violating the ABM Treaty, jeopardize the reductions in the numbers of offensive nuclear weapons on the side of the Russians. We failed to do that by a couple votes.

Let me put some numbers on this. If the Russians see us violating a treaty which has allowed us to negotiate reductions in offensive nuclear weapons, the likelihood is that we are going to face 8,000 Russian nuclear weapons instead of about 3,000. To put this in very specific numbers, that is what we are talking about. That is what the stakes are here, and that is why the Chairman of the Joint Chiefs of Staff and the Secretary of Defense expressed such grave doubts about the language in this bill.

There were a number of problems which we confronted and which, we hope, we resolved in a sensible way. One problem which was in the bill which we have attempted to address was the unilateral declaration as to what the dividing line is between theater missile defenses and strategic missile defenses. It is clear that the ABM agreement does not cover theater missile defenses. I think everybody would agree to that.

I think everyone would also agree, at least I hope they would, that in the event of a substantial modification of the ABM Treaty, that the President then must submit that modification to the Senate for advice and consent to ratification. As a matter of fact, this substitute amendment refers to section 232 of the Fiscal Year 1995 National Defense Authorization Act which provided exactly that. That is existing law; it says that:

> The United States shall not be bound by any international agreement that would substantively modify the ABM Treaty unless the agreement is entered into pursuant to the treaty-making power of the President under the Constitution.

That is the law regardless of this bill. That is the law of the land. You cannot substantially modify a treaty unless you get advice and consent to ratification by the Senate, which previously approved that treaty. That is the law, with or without our statute saying that. We already have a statute which repeats that law, and we made reference to that statute.

But unless this substitute language is adopted, the bill declares what the dividing line is between these strategic and theater missile defense systems, declares the specific dividing line and says to the President in the bill, you cannot negotiate any other dividing line. You cannot sit down with the Russians and come up with any dividing line between strategic and theater missile defense systems other than the one we are unilaterally declaring in this bill. That makes the Senate the negotiator, not the President of the United States.

While we can advise and consent to ratification, we are not the party that negotiates the treaty. It was a mistake in this bill to attempt to put that dividing line between strategic missile defensive systems covered by the ABM Treaty, and the theater missile defense systems not covered, into law. We have corrected that. We have indicated what we believe the correct dividing line is. We have now told the President, in effect, that you are free to negotiate, but if you negotiate a different demarcation, do not use the funds that we provide in the appropriation bill to implement that without giving Congress the opportunity to approve or to disapprove. That is very different. That is strikingly different from what was in the bill itself.

Following these efforts to amend the language in the bill prior to the recess, we entered into lengthy discussions at the request of the majority leader and Senator DASCHLE, the Democratic leader. The four of us spent many days, as has been outlined, in devising the substitute which is before us. This substitute corrects the major defects and many of the smaller defects in the original language. It basically returns us to the approach in current law. The approach in current law is that we want an option to deploy. We are not committed to deploy, but we want an option.

The approach in the substitute is that we want to develop for deployment a national missile defense system, but what we say in the substitute is that we are not deciding to deploy that here and now. That is very explicitly left to a later decision. We also say that decision should follow consideration of a number of things: Cost effectiveness, military effectiveness, the threat, and the impact on the ABM Treaty. That is the vital difference between the bill's language and the substitute.

In section 233 of the substitute, we explicitly state that the policy of the United States is to develop for deployment a multiple-site national missile defense system. And then we go into the ifs, ands, and the buts. The bill said "deploy"—no ifs, ands, or buts. The substitute says "develop for deployment", but with these ifs, these ands, and these buts. The critical ones, again, are to be cost effective, militarily effective, consistent with the threat, and not adversely affect the ABM Treaty, or at least, if we are going to decide to deploy, do so in a way which is through processes that are specified within or consistent with the ABM Treaty.

The critical language here is that we say explicitly that it is the policy of the United States to "ensure congressional review prior to a decision to deploy the system developed for deployment under paragraph 2 of (a) the affordability and operational effectiveness of such a system, (b) the threat to be countered by such a system, and (c) ABM Treaty considerations with respect to such a system."

Mr. President, again, I want to thank our colleagues for their long and very arduous discussions. It has produced a substitute which I can, in good conscience, support, because we have removed the objectionable language in the bill which committed us to deploy a system which, by violating the ABM Treaty, would have almost certainly led to our facing thousands of more offensive nuclear warheads than we otherwise would be facing. We have attempted to carry out the thoughts of General Shalikashvili and his caution to us about the importance of our relationship with Russia and trying to maintain it in a stable way and not to be unilaterally declaring that we are going to abrogate agreements we have entered into with their predecessor. We have done so in a bipartisan way. I hope that we have done so in a constructive and a thoughtful way which will command the broad support of Members of this body.

I ask unanimous consent to have printed in the RECORD at this point a number of documents, including the letters referred to from General Shalikashvili, Secretary Perry, a side-by-side comparison of the bill and the substitute language relative to the ABM Treaty, as well as a further amplification of my statement.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SECRETARY OF DEFENSE,
Washington, DC, July 28, 1995.

Hon. SAM NUNN,
Ranking Member, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR SENATOR NUNN: I write to register my strong opposition to the missile defense provisions of the SASC's Defense Authorization bill, which would institute Congressional micromanagement of the Administration's missile defense program and put us on a pathway to abrogate the ABM Treaty. The Administration is committed to respond to ballistic missile threats to our forces, allies, and territory. We will not permit the capability of the defenses we field to meet those threats to be compromised.

The bill's provisions would add nothing to DoD's ability to pursue our missile defense programs, and would needlessly cause us to incur excess costs and serious security risks. The bill would require the US to make a decision now on developing a specific national missile defense for deployment by 2003, with interim operational capability in 1999, despite the fact that a valid strategic missile threat has not emerged. Our NMD program is designed to give us the capability for a deployment decision in three years, when we will be in a much better position to assess the threat and deploy the most technologically advanced systems available. The bill would also terminate valuable elements of our TMD program, the Boost Phase Intercept and MEADS/Corp SAM systems. MEADS is not only a valuable defense system but is an important test of future trans-Atlantic defense cooperation.

In addition, certain provisions related to the ABM Treaty would be very damaging to US security reasons. By mandating actions that would lead us to violate or disregard US Treaty obligations—such as establishing a deployment date of a multiple-site NMD system—the bill would jeopardize Russian implementation of the START I and START II Treaties, which involve the elimination of many thousands of strategic nuclear weapons. The bill's unwarranted imposition, through funding restrictions, of a unilateral ABM/TMD demarcation interpretation would similarly jeopardize these reductions, and would raise significant international legal issues as well as fundamental constitutional issues regarding the President's authority over the conduct of foreign affairs. These serious consequences argue for conducting the proposed Senate review of the ABM Treaty before considering such drastic and far-reaching measures.

Unless these provisions are eliminated or significantly modified, they threaten to undermine fundamental national security interests of the United States. I will continue to do everything possible to work with the Senate to see that these priorities are not compromised.

Sincerely,
WILLIAM J. PERRY.

CHAIRMAN, JOINT CHIEFS OF STAFF,
Washington, DC, June 28, 1995.

Hon. CARL LEVIN,
U.S. Senate, Washington, DC.

DEAR SENATOR LEVIN. Thank you for your letter and the opportunity to express my views concerning the impact of Senator Warner's proposed language for the FY 1996 Defense Authorization Bill on current theater missile defense (TMD) programs.

Because the Russians have repeatedly linked the ABM Treaty with other arms control issues—particularly ratification of START II now before the Duma—we cannot assume they would deal in isolation with unilateral US legislation detailing technical parameters for ABM Treaty interpretation. While we believe that START II is in both countries' interests regardless of other events, we must assume such unilateral US legislation could harm prospects for START II ratification by the Duma and probably impact our broader security relationship with Russia as well.

We are continuing to work on TMD systems. The ongoing testing of THAAD through the demonstration/validation program has been certified ABM Treaty compliant as has the Navy Upper Tier program. Thus, progress on these programs is not restricted by the lack of a demarcation agreement. We have no plans and do not desire to test THAAD or other TMD systems in an ABM mode.

Even though testing and development of TMD systems is underway now, we believe it is useful to continue discussions with the Russians to seek resolution of the ABM/TMD issue in a way which preserves our security equities. Were such dialogue to be prohibited, we might eventually find ourselves forced to choose between giving up elements of our TMD development programs or proceeding unilaterally in a manner which could undermine the ABM Treaty and our broader security relationship with Russia. Either alternative would impose security costs and risks which we are seeking to avoid.

Sincerely,
JOHN M. SHALIKASHVILI,
Chairman of the Joint Chiefs of Staff.

MISSILE DEFENSE ACT OF 1995: SUBSTITUTE AMENDMENT

Side-by-side comparison of the Missile Defense Act in S. 1026 and the substitute amendment of August 10, 1995.

SEC. 233. POLICY

The bill asserted that the policy of the U.S. was:

To "deploy a multiple site" national missile defense system that "will be" augmented to provide a larger defense in the future.

The substitute amendment has as the policy:

To develop for deployment a national missile defense system that can be augmented.

To negotiate with Russia to provide for such a system, based on the ABM Treaty.

To consider, if those negotiations fail, the option of withdrawing from the ABM Treaty.

The purpose of the system is to defend only against limited, accidental and unauthorized missile attacks.

A new provision in the substitute amendment states the policy that:

Congress shall review the affordability, the operational effectiveness and the threat to be countered by the national missile defense system, and ABM Treaty considerations, prior to deciding whether to deploy the system.

The last new policy provision:

To carry out the policies, programs and requirements of the Missile Defense Act through processes specified in or consistent with the ABM Treaty.

SEC. 234. THEATER MISSILE ARCHITECTURE

The bill requires the Pentagon to meet certain dates for the specified programs.

The substitute amendment:

Relaxes the requirement to meet those dates,

Requires a report for each program/date explaining the cost and technical risk of meeting those dates,

And requires a report on the specific threats to be countered by each TMD system.

SEC. 235. NATIONAL MISSILE DEFENSE ARCHITECTURE

The Bill requires the Pentagon to develop a national missile defense system which will be operational first in 2003. It requires the system to include ground-based interceptors "deployed at multiple sties".

The substitute amendment requires the Pentagon to develop a national missile defense system that is capable of being first operational by the end of 2003. It states that the system shall include ground-based interceptors capable of being deployed at multiple sites.

Interim capability: The bill required the Pentagon to develop an interim capability to be operational by 1999.

The substitute amendment requires the Pentagon to develop a plan instead of a capability, and that it would give the U.S. the ability to have such an interim capability in place by 1999 if required by the threat.

The substitute amendment also requires a report that would include information on the cost of the program, the specific threat to be countered, and the Defense Secretary's assessment of whether deployment is affordable and operationally effective.

SEC. 237. POLICY REGARDING THE ABM TREATY

The Bill has sense of Congress language that:

The Senate should conduct a review of the ABM Treaty.

The Senate should consider establishing a Select Committee to conduct the review, and

The President should cease all efforts to "modify, clarify, or otherwise alter" our obligations under the ABM Treaty.

The Bill requires the Secretary of Defense to provide a declassified record of the ABM Treaty negotiations.

The substitute amendment adds findings related to the ABM Treaty, including that the policies, programs and requirements of the Missile Defense Act can be accomplished in accordance or consistent with the ABM Treaty.

The substitute amendment:

Strikes the proposal to establish a Select Committee.

Strikes the proposal that the President cease all efforts to modify or clarify our obligations under the ABM Treaty.

Strikes the entire provision calling for a declassified treaty negotiating record.

States that the Foreign Relations and Armed Services committees should conduct the review of the Treaty.

SEC. 238. PROHIBITION ON FUNDS TO IMPLEMENT A TMD DEMARCATION AGREEMENT

The Bill:

States the policy that "unless and until" a missile defense system is tested against a target missile with a range greater than 3,500 km or a velocity greater than 5 km per second, it has not been tested "in an ABM mode" nor "been given capabilities to counter strategic ballistic missiles" (both of which are prohibited by the ABM Treaty), and therefore is not subject to ABM Treaty application or restrictions.

Prohibits any appropriated funds from being obligated or expended by any official of the federal government to apply the ABM Treaty to TMD systems, or for "taking any other action" to have the ABM Treaty apply to TMD systems. (This would prevent any discussion or negotiation by federal officials with the Russians to consider any other demarcation than the one specified in the bill.)

The substitute amendment strikes Sec. 238 and replaces it with:

Two findings that restate items from previous Acts.

Sense of the Congress language defining the TMD demarcation (3,500 km/ 5kps), and stating that unless a TMD system is tested above the demarcation threshold, the system has not been tested in an ABM mode, nor deemed to have been given capabilities to counter strategic ballistic missiles".

Sense of Congress language saying that any agreement with Russia that would be more restrictive than the demarcation provided should require ratification.

Binding prohibition on funding: FY 96 DOD funds cannot be used to implement a demarcation agreement unless: provided in a subsequent act (majority vote), or if the agreement goes through the ratification process.

Mr. LEVIN. Again, I thank my good friends from Georgia, Virginia, and Maine for their hard work. I thank the chairman for his support of this effort, and I thank, also, Senator DASCHLE, who has spent so much time on this effort to make sure that we come up with a solution which satisfies the basic principles that we set out to achieve.

I yield the floor.

Mr. THURMOND. Mr. President, I yield 15 minutes to the able Senator from Virginia, Senator WARNER.

Mr. COHEN. Will the Senator yield?

Mr. WARNER. Yes.

Mr. COHEN. Would the Senator from Virginia be willing to delete from the RECORD the depositing of any legal responsibility on my doorstep?

Mr. NUNN. I will object to any such deletion, Mr. President. I think the responsibility is clearly established.

Mr. WARNER. Mr. President, I think that brief exchange underlines what has been said by all of my colleagues preceding me regarding the four of us having been associated now more than 17 years together on this committee, under the tutelage of Senators like Senator THURMOND, Senator Stennis, Senator Tower, and Senator Jackson. These were great teachers. We had the opportunity to learn from them. I hope that today in our service to the Senate as members of this committee, we can achieve some of the goals that those great Senators contributed to legislation for the national security of the United States.

Mr. President, as I listened to these remarks, it occurs to me that if we were walking down Main Street America today and we were to be stopped and questioned by any of our constituents, candidly, I say to the Senate, they would think this system is in place today.

It is inconceivable after the billions and billions and billions of dollars we have spent on our national defense over the last, really, two decades, that a series of Presidents and a series of Congresses have not put in place for the basic protection of the American citizen something to interdict the accidental or unintended firing of an intercontinental missile.

This is not star wars. I will ask unanimous consent, Mr. President, to have printed in the RECORD following my remarks an article that appeared today in the Washington Post, in which I and other Members were interviewed to talk about this particular piece of legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WARNER. It took me some time to try to get home to the reporter, and indeed I think he grasped it rather readily, that the biggest burden we had is to overcome the lingering apprehension that what we are doing in this amendment is laying the foundation for another star wars program. That is not the case. It is a very limited defense. It is precisely as described by those who have spoken previously, a system for limited purposes.

It is in the interest of the former Soviet Union, and particularly Russia, that this be put in place because should an accidental firing occur, perhaps the first focus of attention would be turned to Russia. I am hopeful that this technology that will be developed could be used by Russia to install their own system. We do not fear in this country Russia putting in a system comparable to this. It is in the mutual benefit of both nations to have such a system.

I am happy to have joined with my colleagues. Someone mentioned it is like the old four horsemen getting together once again to resolve a situation which for a period of time appeared to be unresolvable.

I want to say that Senator COHEN and I particularly value the advice and counsel we received from the distinguished chairman of the committee, Senator THURMOND, Senator LOTT, Senator SMITH, and Senator KYL. Each of these Senators have spent a number of years studying this question. Particularly in the House, Senator KYL was well known for his knowledge on this subject. He was particularly helpful in the course of our negotiations.

Prior to taking the position Senator COHEN and I worked up with our colleagues to its final stage, Senator THURMOND convened the full Armed Services Committee. Every single member was present. They looked it over very carefully. Then we sat down and finalized it with our distinguished colleagues and friends of long standing, the Senator from Georgia and the Senator from Michigan.

It is a significant step forward. I was extremely heartened tonight when Senator NUNN said he had an opportunity to speak with the Secretary of Defense. I think this Nation is fortunate to have such a fine man as Secretary Perry to take on that heavy and, indeed in many respects, thankless responsibility. This is an area in which he has worked for many, many years. All four of us that negotiated this have worked with the Aspen Institute when he was one of the leaders of that discussion forum, and we covered many times—many times—issues relating to the intercontinental missile systems, the deterrence, and the several treaties. Given his background, I hope that he can be persuasive to the President and other members of the administration so that this amendment can be accepted. Indeed, not only accepted, but perhaps supported.

Neither side gained everything they want. That is the essence of a negotiation. The result of this effort is a Missile Defense Act of 1995, a substitute for the original one in the bill which sets a clear path for deployment. That is the way I would like to state it—a clear path to deployment.

We in the United States cannot—particularly the legislative branch of Government—dictate that a certain system will be deployed. Frankly, we do not even know that it will work, we say with considerable candor. The technology is unfolding so rapidly, we do not know exactly whether it can work.

There is also a very serious element of the cost associated with this system. These are things that have to be worked out in the future. But we have set, in this amendment, the United States of America on a clear path of deployment. Let there be no mistake about that, no wavering—I can certainly speak for this side of the aisle—no wavering of the intents of the present composition of the U.S. Senate on this side of the aisle as to the ultimate goal of deploying such a system.

Why? Because it is in the mutual interests of ourselves and Russia and other nations of the world; and secondly, the American public not only demands it, they think it is its place right now. They would expect no less of a President or series of Presidents and a series of Congresses.

In the course of our deliberations, there were many concerned with the issue of why now? Why must we press this on now? If we start tonight on developing this system, it might well be to the year 2003 or later—7, 8, 9, 10 years—before the system can be developed; that is, research and development completed and in place to protect the American citizen—perhaps a decade.

In the same period of time, there are estimates that those nations apart from Russia and our allies who particularly want to develop for themselves the missile system, they will have in all likelihood systems of their own in place. Many of the nations that we fear most today have this as a top agenda item, to build this type of system.

My point is, there is a coincidence in time of the defensive system that we want to put in place and the offensive systems being developed by other nations, call them rogue nations, who very much desire to threaten the United States some day with a missile.

The revised Missile Defense Act of 1995 establishes a policy of development for deployment of a multiple-site national missile defense system capable of defending the United States—that is, from the limited attack—and prohibits any final effort by the administration to impose limitations without the consent of the U.S. Senate pursuant to the Constitution of the United States on the development and deployment of a U.S. theater missile defense system by virtue of new interpretations of the ABM Treaty of 1972.

I was extremely heartened to hear my distinguished colleague from Michigan say unequivocally that that treaty does not cover short-range ballistic missile systems. That is important. I would rejoin by saying, but the technology advances that have taken place since 1972 force now this type of legislation which is intended to maintain an operation between the theater systems and the intercontinental systems and maintain that separation in a way that will not undermine the fundamental goals of the ABM Treaty.

The principle focus of my remarks today is on the changes made to section 238 of the Missile Defense Act of 1995. That is a section that I worked on as a member of the Armed Services Committee and an amendment which I put forth in that committee which was eventually incorporated into the bill as now written. And that amendment of mine is being revised by this amendment, which is the subject of the discussion for the moment.

As it originally appeared in my amendment, section 238 used the Senate's power of the purse to impose a broad and absolute prohibition on the administration's ability to take any action which imposed ABM Treaty restrictions on the development and deployment of theater missile defense systems. These systems are urgently needed to protect the lives of the men and women of the armed services and our allies in their forward-deployed situations.

How well we know that. Senator NUNN recounted, in the course of our last debate, how Senator NUNN, Senator INOUYE, Senator STEVENS, and I were in Tel Aviv when the last Scud missile fell and we saw firsthand the use of that system, not for military purposes but for purposes of sheer terrorism. Saddam Hussein leveled that system on Tel Aviv for no other purpose than to terrorize those people. The Patriot, as best it could—the best defense we had at that period of time—I think in a credible manner interdicted a number of those missiles. That is why we are here tonight to lay the foundation to move ahead in the technology so that we can employ all of the brains, all the technology without any restriction imposed by the ABM Treaty on developing the future systems to interdict the short-range ballistic missiles that were encountered during the gulf war.

The bipartisan amendment, which we urge the Senate to adopt, achieves our goal, namely to prohibit the administration from implementing any agreement with Russia which would impose limitations including performance, operation or deployment limitations on theater missile systems unless the Senate exercised, pursuant to a Presidential submission of such agreement, its constitutional right of advice and consent.

The 1972 ABM Treaty never intended, never envisioned the theater systems. I was in the Department of the Navy at that time. I was in Moscow in 1972, when ABM was signed, as a part of President Nixon's delegation. My duties then were related primarily to naval matters, but all of us in the Department of Defense watched with great interest how this treaty, the ABM Treaty, was developed.

Dr. John Foster, who was then the Director of Research and Development in the Pentagon, was one of the key individuals. I recently consulted him about his recollection with respect to the ABM Treaty, and he confirmed what I believed was true then, as I do today, that the negotiators never had in mind the theater systems which we must employ now in our defense.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WARNER. Mr. President, I ask if I may have a few more minutes.

Mr. THURMOND. Mr. President, I yield such time as the Senator may require for further debate.

Mr. WARNER. Mr. President, I thank the distinguished chairman.

As I said before the Senate went on recess, during the original debate on this amendment, I have long believed that we must accelerate the development and then the deployment of operationally effective theater missile systems for our troops, defenses that are not improperly constrained by the ABM Treaty. This amendment does that. Likewise, we must, in the interests of the American people, make a clear statement of our national determination to proceed to a national defense system to protect against the threats enunciated in this bipartisan amendment.

The threat that theater missiles propose to our forces is clear. Thirty nations have short-range theater ballistic missile systems, and more and more each day are acquiring the same capability.

The gulf war should have caused all Americans to unite behind the missile defense effort. What can be more terrifying than the thought of U.S. citizens, both at home and deployed overseas, defenseless against this type of weapon of terror, once used by Saddam Hussein, and which could be used in the future by others. Yet, here we are, 5 years after that conflict in the gulf, and our troops are still not adequately, in my judgment, protected from ballistic missile attacks. And there are those who still resist efforts to move forward in this area.

Fortunately, I think, as a result of this compromise, we now have gained sufficient strength in the U.S. Senate to move this amendment tomorrow in a positive way.

Mr. President, it became evident to me, earlier this year, that our crucial effort to develop and deploy the most capable theater missile defense systems was in danger of being unacceptably hampered by the administration's desire to achieve a demarcation agreement with the Russians. They were actively negotiating toward that goal. Several of the negotiating positions either proposed or accepted by the administration would have severely limited the technological development of U.S. theater missile defense systems, and would have resulted in an international agreement imposing major new limitations on the United States. Consequently, I have taken actions in 1994 and now in 1995 to prohibit such actions by the administration.

Mr. President, previously I have tried other avenues to have the Senate's voice heard on the issue of ABM/TMD demarcation. My preferred option—and the one which I tried last year—was simply to require the President to present to the Senate for advice and consent any demarcation agreement which would substantially modify the ABM Treaty. The Congress adopted my views and made them part of the fiscal year 1995 Defense Authorization Act.

However, despite that legal requirement, the administration has made it abundantly clear that it does not intend to submit any such demarcation agreement, pursuant to the Constitution, to the Senate for advice and consent. Although the administration was negotiating an agreement that would, in effect, make the ABM Treaty a TMD Treaty, administration officials believed that there was no need for the Senate to exercise its constitutional right to provide advice and consent to that agreement.

It was clear that a new approach was needed. Therefore, I focused on the Congress' power of the purse to ensure that the views of the Senate were considered in the demarcation negotiations.

The bipartisan missile defense amendment preserves this approach. Section 238 prohibits the expenditure of funds for fiscal year 1996 to implement an agreement that would establish a demarcation between theater missile defense systems and ABM systems or that would restrict the performance, operation or deployment of U.S. theater missile defense systems, unless that agreement is entered into pursuant to the treaty-making powers of the President, or to the extent provided in an act subsequently enacted by the Congress. In other words, for the coming fiscal year the prohibition stands unless the Senate takes an affirmative act to change or remove that prohibition.

In addition, this provision establishes as a sense of the Congress the generally accepted demarcation standard between TMD and ABM systems. Section 238(b)(1) states that "unless a missile defense system, system upgrade, or system component, including one that exploits data from space-based or other external sensors, if flight tested against a ballistic missile target that exceeds a range of 3,500 kilometers or a velocity of 5 kilometers per second, such missile defense system, system upgrade, or system component has not been tested in an ABM mode nor deemed to have been given capabilities to counter strategic ballistic missiles." This was the standard used by the Clinton administration at the beginning of the demarcation negotiations in November 1993. The administration would be well-advised to return to that standard.

Mr. President, I would have preferred a prohibition that would have remained in effect for more than 1 fiscal year. I would have preferred a demarcation standard adopted in a binding form, rather than as a sense of the Congress. But I believe that the essence of my original amendment was preserved in this compromise package.

This legislation represents a significant step forward in the effort to provide the men and women of the Armed Forces with the most effective theater missile defense systems that our great nation is capable of producing. I urge my colleagues to support the amendment.

Finally Mr. President, I wish to acknowledge my special appreciation and respect for Senator COHEN'S very valuable contribution to the negotiations leading up to the bipartisan amendment. We have worked together for 17 years on the Armed Services Committee, and I value his advise and counsel.

EXHIBIT 1

CONGRESS TO PUSH FOR A NATIONAL MISSILE DEFENSE

By Bradley Graham

Two years after the Clinton administration placed the program on a back burner, Congress is about to redouble U.S. efforts to build a national system against ballistic missile attack, putting it at odds with the White House and at risk of confrontation with the Kremlin.

Republicans leading the initiative stress their plan is not a return to the "Star Wars" dream of President Ronald Reagan, who envisioned a space-based shield that would make the United States impenetrable to a massive launch of enemy missiles. Rather, the stated aim now is to erect a more modest, ground-based system that would protect the country against accidental launch or limited attack at a time when more nations are coming into the possession of ballistic missiles.

But opponents regard even this scaled-back effort as dubious technologically and not urgent strategically since little immediate threat exists. They say the program is a waste of the billions of dollars that the House and Senate appear ready to pour into it over the next few years.

Moreover, administration officials worry that a hellbent congressional effort to develop a missile defense system, coupled with renewed Republican talk of undoing the 1972 Anti-Ballistic Missile (ABM) Treaty, will upset relations with Moscow and scuttle the planned elimination of thousands of nuclear warheads.

When the Senate returns from its August recess today, it is scheduled to debate a compromise measure hammered out by a four-man bipartisan group to avoid breaching the ABM Treaty while still calling for accelerated development of a national missile defense system.

In attempting to establish a policy that can be supported by a broad majority of senators, however, the measure effectively postpones the day of political reckoning between proponents and opponents of a national system and between Washington and Moscow.

The measure would direct the Pentagon to "develop for deployment" a multisite missile defense system capable of being operational by 2003. But the decision to deploy would be put off until an unspecified time and subjected to considerations of affordability, effectiveness, threat assessment and treaty implications.

"I am not opposed to having an option to deploy providing we don't move toward it in a hasty way," said Carl M. Levin (D-Mich.), a liberal whose involvement in negotiating the compromise was key. "What I strongly oppose is doing it in a way that would undermine the relationship with Russia and the whole planned dismantlement of nuclear weapons."

For the Republicans who won control of Congress last November, revival of the missile defense issue seemed at first a simple way of dramatizing their general appeal for a stronger defense, while also addressing their real concern about the growing number of rogue states with access to ballistic missiles.

The GOP's "Contract With America" called for faster deployment of a national missile defense system. Many Republicans have sought to frame the political debate around the fact that the United States has no system to fend off even a single incoming ballistic missile. Opinion polls show that most Americans are surprise to learn the country lacks such a system.

But wrangles over the continued relevance of the ABM Treaty have complicated the debate. So has a related dispute about where to draw the line between a national defense system, which is covered by the treaty, and increasingly powerful "theater" systems for guarding against shorter-range missile attack, which do not come under the treaty's purview.

The 23-year-old ABM pact was meant to block Washington and Moscow from building nationwide defenses against ballistic missile attack, on the premise that as long as each country is vulnerable to the other's nuclear arsenal, neither will attack the other. The accord allows each side to establish a single-site system with no more than 100 interceptor missiles.

Administration officials say the treaty remains a cornerstone of international arms control efforts and abrogating it would jeopardize plans to cut U.S. and Russian nuclear arsenals to 3,000 warheads and possibly fewer under strategic arms reduction treaties. Such arms control agreements, not anti-missile weapons systems, offer the more reliable protection for U.S. interests, say missile defense skeptics.

"No one will reduce their strategic forces if there's a buildup in strategic defense," said Spurgeon M. Keeny Jr., director of the Arms Control Association. "If we lose all of this for a system that might kill only a handful of missiles, it's madness. We'll soon find much of the Defense Department's procurement budget going into this Fortress America."

But some key Republican players have questioned the relevance of the ABM Treaty in today's security environment, arguing that Cold War logic does not hold in a world no longer dominated by U.S.-Soviet tensions and now menaced by less familiar adversaries.

"Frankly, we think the ABM Treaty has to be renegotiated, so I'm not too concerned about bumping up against it," said Sen. John Kyl (R-Ariz.). "We've pretty much established the need to revise it, so we might as well face up to that."

A month ago, Senate Republicans were backing language in the 1996 defense authorization bill that required deployment of a multisite missile defense system by 2003. Arguing that such a move would violate the ABM Treaty, Democrats prepared to filibuster and the Clinton administration threatened to veto the bill if it passed.

After nearly a week of intensive talks in early August, Sens. Levin, Sam Nunn (D-Ga.), John W. Warner (R-Va.) and William S. Cohen (R-Maine) offered a compromise substitute amendment—expected to win floor approval this week—that promises to avert a showdown with the White House for now and clear the way for passage of a defense authorization bill.

The measure reaffirms that U.S. policy is to act consistently with the ABM Treaty but also approves negotiations with the Russians on the admissibility of the planned U.S. system. If those talks fail, the amendment asserts, the United States can consider withdrawing from the treaty.

The House already has approved a 1996 defense bill calling for deployment "as soon as practical" of a national missile defense system, without specifying the number of sites. And both the House and Senate are proposing to add several hundred million dollars to the Clinton administration program in fiscal 1996 for work on a national missile defense system.

The Clinton administration is not opposed to developing a system capable of protecting U.S. territory. It budgeted nearly $400 million for 1996 to pursue technologies for a ground-based system, beefing up the program a bit in view of congressional interest to include a deployment contingency early next century.

But when it took office in 1993, the administration drastically reordered the priorities of the Pentagon's missile defense effort, shrinking work on a national system, renaming the supervising agency, and concentrating about 80 percent of the funds of what is now called the Ballistic Missile Defense Organization on fielding theater defense systems to protect U.S. troops in combat zones abroad.

The rationale for the shift was the belief that the spread of shorter-range ballistic missiles poses a more immediate threat than the possibility of hostile nations developing intercontinental missiles that can strike the United States.

Currently, more than 15 Third World nations have ballistic missiles and 77 have cruise missiles, according to U.S. intelligence reports. By contrast, only several former Soviet states and China possess missiles capable of reaching the continental United States, and the U.S. intelligence community sees no new country developing the capability to hit the United States with a long-range missile for the next decade.

Administration officials also contend the likelihood of accidental launch by Russia or China is decreasing due to the elimination of many nuclear warheads in the former Soviet states and more reliable command and control procedures for Russian and Chinese forces. Moreover, they argue that with rapid advances occurring in information technologies, premature deployment of a U.S. system would limit the technical options and risk saddling the United States with an overly costly and quickly outdated system.

Other critics of a national system note that the country has been trying off and on for several decades to build one, without much success. More than $38 billion went into Reagan's Star Wars program alone.

"People are talking as if we've never tried this before," said Stephen I. Schwartz, director of the Brookings Institution's U.S. Nuclear Weapons Cost Study Project. "We don't seem to learn from the fact that we spent a lot of money before and didn't get much for it."

But many Republican legislators worry the administration is underestimating how quickly the threat of ballistic missile attacks from rogue countries may materialize. They cite development of North Korea's Taepo Dong-2 missile, capable of reaching Alaska or parts of Hawaii, and the potential sale to Third World countries of Russia's SS-25 as a space launch vehicle.

In fact, the U.S. intelligence community has been slow to provide a current estimate of the emerging missile threat to the United States. Lt. Gen. Malcolm O'Neill, who heads the Pentagon's Ballistic Missile Defense Organization, said in an interview that he has been waiting more than eight months for an update measuring the degree of uncertainty in the U.S. prediction.

Advocates of a national system, mindful of past failures to achieve their dream, contend the technology is now within reach.

"This is not Star Wars, this is not an umbrella system," asserted Warner, the Virginia senator. This is a bare bones effort to build a system to intercept missiles launched accidentally in limited number."

Some of the more hawkish proponents still argue for a more ambitious setup, criticizing the Pentagon's current focus on ground-based interceptors. A study earlier this year by the Heritage Foundation, a conservative think tank recommended concentrating instead on a Navy plan to deploy ship-based interceptors within three or four years, and then move to a space-based system by early in the next decade.

One area in which Republicans and Democrats generally agree is on the need for effective theater missile defense systems, with the GOP eager to add even more money to development efforts there as well. But the growing sophistication of theater systems, is posing an ABM Treaty problem.

Some of the theater systems under development by the Pentagon may prove powerful enough to thwart ballistic missiles, meaning the Russians may view them as a national defense system and thus a circumvention of the ABM Treaty.

Administration efforts to negotiate with Moscow a distinction between defenses against long-range strategic missiles and short-range theater missiles have drawn Republican concern that the administration may be willing to accept too many limits on development of theater defenses, particularly on the speed of interceptors.

Accusing the administration of trying to apply the ABM Treaty to theater systems, Senate Republicans originally moved to include in the 1996 defense bill a unilateral declaration of the dividing line between strategic and theater weapons and a ban on the president negotiating any other demarcation.

Administration officials protested that a unilateral interpretation of the demarcation line was unwarranted because the ABM Treaty is not constraining theater programs, and unwise because enactment would threaten ratification of the second Strategic Arms Reduction Treaty and set a dangerous precedent.

The Senate compromise includes a non-binding "sense of Congress" provision reasserting what has been the demarcation standard, which would exempt the Pentagon's fastest, longest-range theater anti-missile systems from ABM coverage as long as they were not tested against a missile with a range greater than 3,500 kilometers (or about 2,174 miles) or a velocity greater than 5 kilometers (about 3 miles) per second. But the measure also would permit the president to negotiate an alternative demarcation line between strategic and theater missiles, provided he sought congressional ratification of any new agreement with Moscow—a condition the administration has been reluctant to accept.

The PRESIDING OFFICER. Who yields time? The Senator from Georgia.

Mr. NUNN. Mr. President, the bill as reported set forth the proposed policy for future missile defense as outlined here on the floor this evening. It also proposed the demarcation between theater and anti-ballistic-missile defenses, and I am talking about the underlying bill, not the substitute. In my judgment, however, and that of many other Senators, the proposal addressed these vital issues in a manner that unnecessarily presented major difficulties in terms of arms control and constitutional considerations.

As Senator LEVIN pointed out so well, what we want to do is move forward with a missile defense against limited, unauthorized, third-country-type attacks, but what we do not want to do in the process of trying to accomplish that goal, that important goal, we do not want to end up inadvertently and unintentionally ending the reduction of missiles pointing at us that have already been agreed to. It would be the supreme irony if, in dealing with a future threat, we ended up basically negating 20 years of efforts to reduce the current threat, which is, of course, the continuation of very large numbers of multiwarhead missiles pointing at the United States by Russia, which we have agreed to dramatically reduce both in START I, which has been entered into, and START II, which is now pending and which we hope at some point the Russian Duma, or legislative body, will, indeed, agree to.

So, in my floor statement on August 3, I outlined five major problems with the version of the bill that this substitute is intended to correct and I believe does correct. This is the underlying bill.

First, I said on August 3, it abandons U.S. adherence to the ABM Treaty. What I meant by that, and what I would mean by that now, is it is an anticipatory breach, the way the original underlying bill is worded.

Second, abandoning adherence to that ABM Treaty now is unnecessary. We can conduct an effective missile defense program, developing for deployment, as the substitute called for in the near term, while continuing our adherence to the ABM Treaty. We do not have to make that choice now. So why risk the very large reductions of the threat now aimed toward us that are underway in order to accomplish a goal where we do not have to make that move at this point in time?

Third, abandoning adherence now to the ABM Treaty is likely to impose huge costs on us if Russia declines to carry out some of its legal obligations and in response to our anticipatory breach.

Fourth, the Senate Armed Service Committee bill abandons adherence by stealth rather than directing the administration to use the legal withdrawal procedures contained in the treaty.

Mr. President, if we decide that the ABM Treaty is no longer in our interest—we may get to that point at some point in the future because we may find that we cannot negotiate the modest amendments required to provide for this national defense. I hope that we can because I think it is in the mutual interest of the United States and Russia. But if we get to that point, then we ought to do what the ABM Treaty calls for, and that is to use legal withdrawal proceedings in our national interest, supreme national interest. Of course, we can do that. I believe the timeframe is 6 months.

We have the right under that treaty to state that in our supreme national interest, it is no longer in our supreme national interest to be a part of that treaty, and then we withdraw from the treaty in accordance with the terms of treaty. That is the way to do it if we ever have to move in that direction or feel that it is in our interest to move in that direction.

Fifth, by failing to use the legal option under the treaty, the Senate would be compelling the executive branch to abandon adherence to the ABM Treaty by usurping certain powers of the executive branch over the conduct of foreign policy, a move that certainly would raise serious constitutional issues.

So, Mr. President, this is the underlying bill and the problem with the underlying bill. That is what we are basically correcting with this substitute amendment.

Mr. President, again, I thank my colleague from Michigan, who did a superb job on this. I thank my colleague from Virginia and my colleague from Maine, Senator WARNER and Senator COHEN, who are indeed not only knowledgeable but they are skillful in their negotiating ability and in their discerning ability to understand the fundamental issues as opposed to some of the rhetorical issues. I think that is the reason we were able to work this out.

I thank the Senator from South Carolina, because he was the one who came up with the idea of getting the four of us to work on this proposal and to try to find a way to reach a consensus. He also not only instigated this effort but discussed it with the majority leader and the minority leader. He also constantly gave us both the encouragement and support, and indeed some very timely prodding to get this agreement worked out.

So I appreciate the Senator from South Carolina and his leadership.

Mr. President, I believe that there are no other remarks after the Senator from Michigan, who may want to conclude. I believe we are about to wrap up the debate. I believe the Senator from Texas wants to take some remarks.

Mr. WARNER. Mr. President, I wonder if the Senator will yield for a brief question on this matter.

During the course of my remarks, I opined that I thought this amendment as currently drawn would be in the mutual interest of the United States and Russia. Should an accidental firing occur, I think all attention would instantly focus on Russia as being the origin. And, therefore, it seems to me, whether it was from Russia or wherever the missile was fired from, I think the initial reaction of the American public would be, well, they are the ones that have it, because many do not understand in the years immediately preceding other nations have come forward now and have made fundamental investment in the system.

So I just ask if my distinguished colleague concurs with my view that it is in the mutual interest of both Russia and the United States.

Mr. NUNN. I do. I say to my friend from Virginia that I think it is in the interest of the United States and Russia to both move forward with modest adjustments to the ABM Treaty so both can protect their countries against accidental unauthorized launch or third-country launch.

As the Senator from Virginia well knows, I first posed this question to the then head of the Strategic Air Command, Gen. Dick Ellis, a wonderful and fine Air Force general, now deceased. But that was in the early 1980's. I asked him the question, I said, "General Ellis, what basically is our ability to detect the origin of some limited attack against the United States? Could we know for sure where that attack originated? We would not have the ability to defend against it, and would we know for sure the origin of that attack?" He said he needed to study that.

He did study it. He and his whole team studied it for almost a year and came to the conclusion that the United States, while we had some capability of determining the origin of attack, it was not nearly as good as it should be and the Russians' ability was not as good as ours. Most of that study remains classified.

But I came out with a profound not only sense of unease about our ability and their ability to detect the origin of attack, let us say from an underwater submarine which could be from a third country, but we would both assume it was coming, if we were struck, from the other superpower in terms of nuclear arms. I came to the conclusion that neither of us had the capability that we needed in that regard.

But more importantly, I came to the conclusion that we both had a mutual stake in the ability of each to be able to detect the origin of an attack and also to be able to defend against that kind of an attack so that we never got into an inadvertent war that no one intended by mistake or by accident. And I still have that conclusion even though the circumstances between the United States and Russia have now changed dramatically. We are no longer in this confrontation. We still have nuclear arms that will be with us for years to come even after we reduce under START I and START II.

So that is a long answer to the Senator's underlying question, but I think it is a very important question. And the answer is, yes, I do believe Russia has a similar interest. I think we have many mutual interests. In fact, our interest in terms of nuclear arms, in terms of destruction, the safety, the handling, the prevention of leakage of this kind of material, both nuclear, chemical, biological, as well as technology and the scientists, we have a tremendous mutual type of security interest now with Russia more than perhaps any other nation because we are the two that have these nuclear weapons and the awesome responsibility to deal with them responsibly so that we never, God forbid, have nuclear disaster, not only in this country but in Russia or in the world.

Mr. WARNER. Mr. President, I thank my distinguished colleague. I conclude that I, too, remember General Ellis very well. He was a highly decorated fighter pilot in World War II. He was head of the Strategic Air Command. And, as my colleague will recall, he was appointed to the standing consultative commission, which, Mr. President, is that body that is entrusted with resolving underlying questions with respect to the framework of arms control treaties, including the ABM. And he discharged that responsibility with great distinction.

Mr. THURMOND. Mr. President, I wish to thank the able Senator from Georgia for his kind remarks.

I now yield to the able Senator from Texas, Senator HUTCHISON, such time as she may require.

The PRESIDING OFFICER. The Senator is recognized.

Mrs. HUTCHISON. Thank you, Mr. President. I thank the distinguished chairman of the Armed Services Committee. I, too, want to commend the chairman of the committee, the ranking member from Georgia, and the group that got together and worked long into the night before the summer recess in an attempt to reach an accommodation that would allow everyone to feel comfortable about how we are treating theater missile defense.

Mr. President, I want to speak because I believe that we have only settled this issue in a very temporary way this year. But I want to say that it is very important for us to look at this for the future because this is going to be one of the major policy decisions that we are going to have to make, not only today but for the future. I think the Senator from Georgia was correct when he said that we may have to make some adjustments in the ABM Treaty. It may well be not only in our best interest to do so, but it may be in the best interest of Russia as well.

We are continuing to make adjustments in the post-cold war era. We do not live in a bipolar world anymore. We now live in a multipolar world, but we have treaties that were based on the bipolar world. We have many other concerns that were addressed in a bipolar context. We know now that technology exists for ballistic missiles in more than 10 countries around the world.

No longer is the threat just from the missiles that we know are in Russia and some of the former republics of the Soviet Union that are now independent countries. We now recognize that there are capabilities in many other nations around the world and that in the future the technology will likely proliferate to such an extent that many countries may soon have the capability of launching ballistic missiles that could threaten our Nation.

So it is incumbent on us as leaders of our country to prepare, and we must have the time to do that and we must start looking at some of these policy issues that must be addressed in this new multipolar world.

As many of us who have traveled into some of the central European countries and into the republics of the former Soviet Union know, this is an unstable world.

We are seeing ethnic conflicts. We are seeing border disputes. We are seeing turf wars. I think the United States is going to have to step back and decide, what our role should be in this new world? When are our armed forces going to be needed? When do we have a U.S. interest and when is that interest a vital U.S. security interest?

I think it is clear just from what has happened in the last 2 weeks that the world is looking to America for leadership. If there is one thing America is—and it is probably the consensus in the world—we are the beacon for a democracy that has worked and that has created the strongest Nation in the history of the world. Because of that, many countries are looking to us for leadership, and we must determine how much leadership we can give, how much is monetary, and how much is security oriented. And I think that is going to have to set the stage for how we prepare to be the world's superpower and yet maintain our strength and protect our shores.

The greatest lesson of all is that the cold war was ended; we obtained that peace through strength. We did not end the cold war through weakness. Other countries in the world knew that we had the capacity and the commitment to protect our interests. We must never veer from that fundamental principle that we are a superpower that will protect ourselves. We must not allow unilateral disarmament of any kind, of any type.

When you talk about a treaty that was made in a bipolar world between the two preeminent powers at the time you cannot have any confidence that those who wrote that treaty could envision all of the things that could happen in the world today. No treaty at that time could ever envision the technologies available to many countries today that have rendered the treaty outdated, outmoded, and no longer a strong approach for us to take. So we are going to have to look at our strategic interests, and in doing that we are going to have to determine what we must do as the leaders of our country to make sure we will have appropriate defenses against any missile that could ever come into our borders.

That is something we are going to have to debate this year, and we are going to have to continue our vigilance to make sure our young people know they can be assured of the strength of our country and that we have the foresight and the vision to maintain that strength.

I am going to support the compromise that has been reached, but I do have reservations that we are not as a group looking to what we must do to make sure we have the strength to withstand any kind of attack that technology has the capability to deliver to our shores. And I think we are going to have to continue our debates, continue our studies, continue our technological advances, and under no circumstances at any time should we say we are not going to defend our shores, that we are not going to make sure that our nuclear stockpile, which is dormant, is nevertheless still capable. Unilateral disarmament is not anything we can consider in any manner if we are going to remain the greatest and only superpower left in the world.

So I commend my colleagues for coming to this conclusion. But it is merely the beginning of a very important policy debate that I think is going to be more important as we learn more of the technologies and the intelligence about what is happening around the world in the area of defense and security.

I thank the Chair. I yield the floor.

The PRESIDING OFFICER. Who yields time? The Senator from South Carolina.

Mr. THURMOND. Mr. President, I reserve the remainder of my time. After the debate is concluded on this matter, then we will have a wrap-up tonight. I have asked Senator WARNER if he would conduct the wrap-up on this side. He has agreed to do so.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Mr. President, I believe the Senator from Michigan has some concluding remarks and I would yield him such time as he may desire.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. I thank my good friend from Georgia.

Mr. President, I will be very brief, indeed.

Section 232 of Title X, which is the current law, reads as follows: that the goal of the United States is "to develop and maintain the option to deploy an antiballistic missile system that is capable of providing a highly effective defense of the United States against limited attacks of ballistic missiles."

So the current law is to develop the option to deploy, but to decide at a future time whether or not to deploy, depending on the circumstances at that time, including the threats at the time, and the cost and military effectiveness of such a system. The bill says deploy. The current law says develop with an option to deploy. The bill says deploy.

The substitute amendment goes back to the fundamental approach of the existing law, which is to develop so that we can deploy, but then makes it very clear that we will make the decision on whether to deploy at a future date and specifies what the criteria are for consideration at the time of that decision.

Section 233 of our bill says that it is the policy of the United States, in subsection 3, to "ensure congressional review prior to a decision to deploy the system developed for deployment, under paragraph 2", of four things: the affordability and operational effectiveness of such a system, the threat to be countered by such a system, and fourth, ABM Treaty considerations with respect to such a system.

In doing this, this substitute recognizes the importance of the ABM Treaty to our security. The ABM Treaty has been one of the reasons we have been able to reduce the number of offensive nuclear weapons that face us.

We are going to be facing a small percentage of the nuclear weapons that used to confront us because, the Russians have told us over and over again, we have adhered to the Anti-Ballistic Missile Treaty. That has allowed them to agree to these very drastic reductions in the numbers of their offensive weapons. And so we are on the threshold of seeing continuing significant reduction in offensive weapons that we face, or that we could theoretically face, no longer from an adversary but now from someone with whom we are having a growing and a deepening partnership.

It is not just the current law that we should develop technology for a national missile defense—that is the law I read—it is also the policy of this administration to develop that technology in a way that we could deploy it in time to counter any ballistic missile threat that emerges to the United States. So we have a law that says develop and we have a current policy that says develop. But both by current law and current policy the decision whether to deploy is left for a future time.

That is the approach which this substitute restores; develop, but leave the decision to deploy for a future time based on criteria which will be considered at that time to help us make a decision which makes sense for the security of this Nation.

So the road to reductions is dependent in part on the existence of an ABM Treaty. That treaty still continues to serve our national interest. This substitute in a number of ways explicitly and otherwise recognizes the importance of that treaty to this relationship and to the continuing reductions in the number of offensive weapons.

So I do hope that our colleagues will find favor with this substitute and will support this substitute. Again, I want to thank all the colleagues who participated in the formulation of it.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. If I could ask for a minute.

Mr. THURMOND. I yield such time as the able Senator from Virginia shall require.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, the concluding remarks by our colleague from Michigan, I think, set the tone when he seeks to reassure the Senate that this legislation is in the best interest of our Nation and that he is hopeful that we will gain the support of other Senators, because no single Senator fought harder for certain changes in this amendment than did the Senator from Michigan. And I think we conclude debate on a very positive note.

With that statement, I yield the floor.

Mr. KENNEDY. Mr. President, I support the amendment offered by the Senator from Georgia, but I continue to have strong reservations about the remaining aspects of the Missile Defense Act. The amendment makes an unwise provision better, and I commend Senators NUNN, LEVIN, WARNER, and COHEN for their effective work in achieving this compromise. It fails, however, to do what is necessary to serve the best interests of our national security.

The remaining shortcomings in the Missile Defense Act become clear when we consider the principal threats that the United States faces from nuclear missile attack, and the more effective way these threats are addressed by current administration policy, which is also longstanding bipartisan policy under both Republican and Democratic administrations.

One of the threats we face is clearly from nations which now lack ballistic missiles and weapons of mass destruction, but which may develop them in the near future. Proponents of building a national missile defense argue that the prospect of such a threat is sufficient grounds for deploying a defensive system as soon as possible.

The weakness in this argument, however, is revealed in the undisputed testimony of Lt. Gen. James Clapper before the Armed Services Committee last January. General Clapper at that time was the head of the Defense Intelligence Agency. He stated that:

> We see no interest in or capability of any new country reaching the continental United States with a long range missile for at least the next decade.

The missile threat from a new nuclear power is neither real nor imminent, and it will not materialize for at least ten years. The Defense Department's missile defense plan calls for a research and development program that will enable us to build and deploy a national defense rapidly if unforeseen threats materialize. The Clinton defense plan will keep us safe from ballistic missile threats from new nuclear powers.

A more serious threat comes from existing nuclear arsenals of potential adversaries. There is a very low likelihood in the current world situation that we will be subject to nuclear attack from Russia or China. But such a possibility is the most serious potential threat to the security of the United States, and therefore merits careful consideration.

Russia, and to a lesser extent China, possess nuclear arsenals that threaten the security of the United States. This fact is nothing new. The arsenal controlled by Moscow has posed this threat to our Nation for roughly 40 years. Yet, we were able to ensure the security of the United States over this period, in spite of the tensions and conflicting interests of the cold war. We did so by maintaining a nuclear arsenal that could deter the use of nuclear weapons against us by any adversary. Mutual deterrence guaranteed our security from nuclear attack throughout the nuclear age, and it is still our best guarantee.

Now, in the post-cold-war era, the stability and effectiveness of this deterrent relationship is even greater than it was during the cold war, and it is just as important. Russia is no longer our adversary, and therefore the likelihood of conflict between us has greatly diminished. We have signed the START I and START II Treaties which, if implemented, will create stable deterrence at reduced levels of nuclear weapons.

In his famous phrase, President Reagan called on us to trust but verify. Now, the increased trust between our nations has magnified our ability to verify. The START Treaties provide for verification with extensive and effective monitoring that was not possible during the cold war. As the political and military leaders of Russia confirm, the deterrent relationship that has long existed remains the centerpiece of nuclear safety for our two nations. And we can achieve even greater safeguards in the future by maintaining that cooperative relationship. It makes no sense to take unilateral actions that would jeopardize that relationship, as the missile defense advocates would do.

Mutual deterrence is the foundation of the United States-Russian strategic relationship, and the ABM Treaty is the basis for mutual deterrence. For over two decades, the ABM Treaty has insured that the superpowers' nuclear arsenals continue to be effective as deterrents, which is the necessary condition for strategic stability. The Russians themselves have reaffirmed the importance of this longstanding treaty to cooperation in arms reduction.

The proponents of the Missile Defense Act place too little value on the improved strategic relationship between the United States and Russia, and the essential role of the ABM Treaty as the heart of that relationship. Deploying a multisite missile defense would violate the ABM Treaty as it currently stands.

The Russians have clearly stated that they will not ratify START II if the United States violates or withdraws from the ABM Treaty. In my view, the United States is safer facing a Russian arsenal of 3,000 weapons under START II, than if we possess several hundred ABM interceptors while facing the present Russian arsenal of 10,000 weapons.

Deploying a national missile defense system will also impair the cooperative threat reduction programs, under which Russia is accepting United States funds to help dismantle their nuclear weapons.

In addition, withdrawing from the ABM Treaty may also cause the Russians to put their nuclear arsenal on a higher state of alert, increasing the risk of accidental launch against the United States.

The course set by this bill may also lead the Russians to reverse the negotiated step, achieved in 1994, whereby we agreed not to target each other's territory with the missiles deployed in silos and on submarines. If the Russians retarget their missiles, the threat of catastrophic damage to the United States from accidental or unauthorized attack will clearly rise.

The proponents of the Missile Defense Act ignore all of these considerations. They are proposing a more dangerous course for our national security which Congress should not follow.

The NUNN/LEVIN/WARNER/COHEN amendment will improve the bill compared to its present terms, and I urge adoption of the amendment. But I also urge my colleagues to support the administration's more sensible course on the development of missile defenses. President Clinton's policy is designed to explore the new avenues of nuclear safety opened to us by the end of the cold war, without sacrificing the solid foundation of our security—the mutual deterrence established and supported by Democratic and Republican administrations alike over the past four decades.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I do not know if anyone is going to want to speak any more on this one on either side. I do not have any more requests on the Democratic side.

Mr. President, does the Senator from Michigan know of anyone else who would like to speak on this?

Mr. LEVIN. No.

Mr. NUNN. As I understand the time agreement, we will have the vote on this at 9:30 tomorrow morning.

Does the Senator from South Carolina know when we will be coming in on the bill? Should we reserve any time in case anyone wants to speak in the morning?

Mr. THURMOND. We will be coming in at 9:25 in the morning, and we will get on the bill by 9:30.

Mr. NUNN. Then we will vote at 9:30.

Mr. THURMOND. We are supposed to vote at 9:30.

I am prepared to yield back my time, Mr. President.

Mr. NUNN. I think, just in case there is a minute or two someone wants to speak in the morning, we ought to probably reserve 2 minutes on each side and give back the remainder of the time. That would give us a chance if somebody else wants a minute to be heard.

Mr. THURMOND. Mr. President, we are agreeable to that.

Mr. NUNN. Mr. President, I would yield back all of my time except 2 minutes.

Mr. THURMOND. The same here.

The PRESIDING OFFICER. Without objection, the time is yielded back with the exception of 2 minutes on each side.

Mr. NUNN. I know the Senator from South Carolina would like us to handle several amendments that have been agreed to before we conclude the debate on this Missile Defense Act of 1995 substitute. And, again, I want to thank my friend from Michigan, who did a superb job, and my friend from Virginia and my friend from Maine, who did, I think, a very good job in terms of negotiating what is a consensus, I think a positive step forward, as the Senator from Virginia said, for our Nation.

Mr. WARNER. Mr. President, I join my colleague with respect to all the efforts that were made. Indeed, it was a monumental task. I think the result will be accepted strongly by the Senate tomorrow.

Mr. President, I wonder, if I can have the attention of the distinguished chairman and the ranking member of the committee, if I could bring up another point. That is, Mr. Chairman, I think it is imperative that the Senate receive a briefing from the administration on the situation as it exists in Bosnia today.

Mr. THURMOND. Mr. President, we have already made the request.

Mr. WARNER. I thank the distinguished chairman, because I have written a memorandum to the chairman. It would not be on his desk until tomorrow morning.

Mr. THURMOND. Mr. President, I ask unanimous consent that we have 5 minutes each in the morning. I have a closing statement I would like to make in the morning just before we vote on this bill.

The PRESIDING OFFICER. Without objection, all time will be yielded back with the exception of 5 minutes on each side.

Mr. THURMOND. I ask unanimous consent that—I understand I probably would make that after the bill passes, and so just as to say 2 minutes to each side before that.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, could I inquire of the Chair as to the time agreement now?

I understand that we have the Missile Defense Act to be voted on at 9:30.

The PRESIDING OFFICER. That is correct.

Mr. NUNN. Could the Chair inform the Senate of what takes place after that amendment has been voted on and disposed of? It is my understanding we have several other possible amendments, including an amendment by the Senator from South Carolina that is relevant and an amendment by the Senator from Georgia, myself, that is relevant, as well as a Levin amendment which may or may not be required to be voted on. We will have time for remarks before final passage of the bill. I believe that is what the Senator from South Carolina has made reference to.

I do not believe the Senator is going to need more time for speaking on this amendment which we vote on at 9:30. I think we will have other time on the bill before that is concluded.

Mr. THURMOND. That is correct.

Mr. LEVIN. If the Senator would yield for a comment. We believe we worked out the Levin amendment which you referred to, and that it will not require a rollcall vote. We have not agreed yet on the final language, but we have agreed on the principle of an amendment. So we do not expect a rollcall will be necessary on the Levin amendment.

Mr. NUNN. We will have other amendments that have to be accepted tomorrow morning. We have not worked them out. We will not be able to conclude all of those. We are going to have to have some time—I hope it will not be a lot of time—after the passage of this Missile Defense Act, assuming it passes, before we vote on final passage.

Mr. THURMOND. Mr. President, we have no objection to that.

I hope we can wrap everything up tonight as much as possible and have as few things to do tomorrow before we vote.

Mr. NUNN. I believe we are prepared to have some of the amendments that have been agreed to now propounded to the Senate.

THE BROWN AMENDMENT CONCERNING THE REUSE OF FITZSIMONS ARMY MEDICAL CENTER

Mr. GLENN. Mr. President, I agreed to accept the amendment of the Senator from Colorado which states congressional support for the timely reuse of military installations approved for closure or realignment. The Senator from Colorado is particularly interested in expediting the reuse of Fitzsimons Army Medical Center in Colorado. While I understand the Senator's support for the reuse of Fitzsimons, I believe expedited reuse should hold true for all military installations impacted by base realignment and closure.

Over the last few years, Congress has enacted legislation to improve base disposal procedures by expediting the overall process and giving greater power to Local Redevelopment Authorities [LRAs] in making disposal and reuse decisions.

Current law prescribes time-lines for screening and disposal of former military installations. From the time an installation is approved for closure or realignment, the following must occur:

0–6 months—Military department identifies DOD and Federal property needs, makes excess and surplus determinations, and commences environmental impact analysis process.

6–18 months—LRA solicits and considers notices of interests, conducts outreach, considers homeless assistance needs, and consults with military departments regarding surplus property uses.

18–33 months—LRA prepares redevelopment plan and homeless submission and submits to DOD and HUD; military department reports property to Federal sponsoring agencies for public benefit conveyances, completes environmental impact analysis, and makes disposal decisions.

33+ months—Military department conveys property and LRA implements redevelopment plan.

It should be noted that turning property over to LRAs could occur much sooner than 33 months—in fact, transfer could occur as soon as 20 months if reuse plans are developed and approved early in disposal process. LRAs that act expeditiously in developing and adopting reuse plans should be commended as this is not an easy task. Accordingly, the military services should do all in their power within the letter of the law to convey appropriate property to LRAs that have fulfilled all necessary requirements and are ready and able to accept these properties for reuse.

Mr. President, my point is that expedited reuse is the goal for all installations impacted by base closure and realignment decisions.

HYDRONUCLEAR TESTS

Mr. KENNEDY. Mr. President, I support the Exon amendment to clarify the meaning of this bill regarding nuclear weapons testing. This amendment will bring the bill into closer agreement with President Clinton's policy seeking prompt achievement of a Comprehensive Test Ban Treaty.

On August 11, President Clinton took a pathbreaking step by announcing his intention to seek a true comprehensive test ban. The new U.S. policy is to ban all nuclear tests of any size, including the hydronuclear tests addressed in this bill.

President Clinton's action supports our Nation's commitment, made in May at the conference on the permanent extension of the Nuclear Non-Proliferation Treaty, that the United States will seek prompt negotiation of a Comprehensive Test Ban Treaty. Many of the 178 nations who are parties to the Nuclear Non-Proliferation Treaty conditioned their support for the treaty's permanent extension on the prompt achievement of a comprehensive test ban. The test ban is an essential part of the international nuclear non-proliferation regime, which is one of the highest security priorities of the United States.

A ban on nuclear tests will serve our non-proliferation goals, without jeopardizing the maintenance of a safe and reliable nuclear stockpile. The Secretary of Defense, the Secretary of Energy, and the Chairman of the Joint Chiefs of Staff all support the President's new policy. They agree that it provides for effective maintenance of our nuclear arsenal.

The Exon amendment would ensure that this bill takes no action to violate the President's policy, or the testing moratorium enacted into law in 1992. It will clear the way for us to sign a comprehensive test ban, and begin a new era of nuclear security and non-proliferation for the entire world. I urge the adoption of the amendment.

Mrs. BOXER. Mr. President, I inquire of the Senator from Georgia [Senator NUNN], if I may ask him a question about a provision of the fiscal year 1995 Department of Defense Authorization Act.

Mr. NUNN. I would be pleased to answer the questions of the Senator from California.

Mrs. BOXER. Section 816 of the fiscal year 1995 Defense Authorization Act authorized a demonstration project in Monterey County, CA, which would permit the Department of Defense to purchase fire-fighting, police, public works, utility, and other municipal services from Government agencies located in Monterey when such services are needed for operating Department of Defense assets in the county.

Mr. NUNN. I am familiar with this section. It allowed such municipal services to be purchased notwithstanding section 2465 of title 10, United States Code.

Mrs. BOXER. I would ask the Senator, was it the committee's intent to require an OMB Circular A–76 study before the demonstration program could begin?

Mr. NUNN. The purpose of the provision was to expedite the demonstration project, and it is therefore my view that to proceed without conducting an A–76 study would be consistent with section 816 of the fiscal year 1995 Defense Authorization Act.

Mrs. BOXER. I thank the Senator.

Mr. THURMOND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ASHCROFT). Without objection, it is so ordered.

AMENDMENT NO. 2452

(Purpose: Relating to testing of theater missile defense interceptors)

Mr. NUNN. Mr. President, on behalf of Senator PRYOR, I offer an amendment which will establish testing requirements for theater missile defense interceptor missiles. This amendment is supported by both the Ballistic Missile Defense Organization and Director of Operational Test and Evaluation in the Pentagon.

I believe this amendment has been cleared on the other side.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. PRYOR, proposes an amendment numbered 2452.

Mr. NUNN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 49, between lines 14 and 15, insert the following:

SEC. 224. TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

(a) The Secretary of Defense may not approve a theater missile defense interceptor program proceeding beyond the low-rate initial production acquisition stage until the Secretary certifies to the congressional defense committees that such program has successfully completed initial operational test and evaluation, and is found to be a suitable and effective system.

(b) In order to be certified under subsection (a) as having been successfully completed, the initial operational test and evaluation conducted with respect to an interceptor program must have included flight tests—

(1) that were conducted with multiple interceptors and multiple targets in the presence of realistic countermeasures; and

(2) the results of which demonstrate the achievement by the interceptors of the baseline performance thresholds.

(c) For purposes of this section, the baseline performance thresholds with respect to a program are the weapons systems performance thresholds specified in the baseline description for the system established (pursuant to section 2435(a)(1) of title 10, United States Code) before the program entered the engineering and manufacturing development stage.

(d) The number of flight tests described in subsection (b) that are required in order to make the certification under subsection (a) shall be a number determined by the Director of Operational Test and Evaluation to be sufficient for the purposes of this section.

(e) The Secretary may augment flight testing to demonstrate weapons system performance goals for purposes of the certification under subsection (a) through the use of modeling and simulation that is validated by ground and flight testing.

(f) The Director of Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress plans to adequately test theater missile defense interceptor programs throughout the acquisition process. As these theater missile defense systems progress through the acquisition process, the Director of Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress an assessment of how these programs satisfy planned test objectives.

Mr. PRYOR. Mr. President, I rise to offer an amendment on behalf of Senator NUNN, Senator BINGAMAN, and myself to restore some common sense to the Missile Defense Act of 1995.

As my colleagues know, the Missile Defense Act of 1995 contains an aggressive program to develop and deploy theater missile defenses in the form of sophisticated missile interceptors.

I say to my colleagues—if we want to protect ourselves from the threat of theater missile attacks, let's make sure the interceptors are capable of destroying incoming missiles!

I was disappointed that this bill deleted a provision passed by Congress 2 years ago that would help us monitor these programs through a series of live-fire tests.

I believe it would be dangerous for the Senate to show a lack of interest in monitoring the progress of our theater missile defense interceptors. Our primary concern should be in making sure they are maturing properly.

Mr. President, I am pleased that the Director of the Ballistic Missile Defense Organization [BMDO] and the Pentagon's Director of Operational Testing agreed to work together in an effort to help us properly emphasize the importance of testing our TMD interceptor programs.

I applaud the Director of the BMDO, Gen. Malcolm O'Neill, and the Director of Operational Testing, Phil Coyle, for working cooperatively in this effort.

Mr. President, this is a responsible amendment that asks the Pentagon to periodically assess the maturity of each interceptor program, and to advise Congress on the progress we're making. It also asks the Secretary of Defense to certify to Congress that these programs work properly before they enter into full-rate production. Finally, this amendment will help prevent the wasteful practice of building weapon systems that do not work as expected.

This concept, Mr. President, is commonly referred to as fly before you buy. Fly before you buy means that new weapons must demonstrate their progress and maturity in operational testing so that we do not waste money buying systems that do not work.

I am proud to say, Mr. President, that with this amendment, the weapon developers in the BMDO office and the Pentagon's testers have worked together to reach an agreement on the proposed language.

This is a remarkable accomplishment that the entire U.S. Senate should applaud.

This is exactly the type of productive cooperation that Senator GRASSLEY, Senator ROTH and I envisioned when we wrote the legislation creating the independent testing office back in 1983. Developers and testers working together for a common goal. Unfortunately, for many years, the developers have refused to allow operational testers to monitor their progress. Too often in the Pentagon, the word "test" is considered a four-letter word.

This is exactly the scenario we should avoid with our interceptor programs.

We have already spent over $5 billion on theater missile defense interceptors. In this bill, an additional $2 billion is authorized for these programs. And the total costs are projected to exceed $22 billion!

As we continue spending more and more on ballistic missile defenses, let us not forget the most basic and most important element of these programs—making sure they work.

I wish to once again thank Gen. Malcolm O'Neill for his cooperation. Also, special thanks to Mr. Phil Coyle for his outstanding leadership as the Pentagon's testing czar. Thanks also to Larry Miller of Mr. Coyle's staff for his tremendous efforts in helping to prepare this amendment.

Mr. President, I thank the managers of this bill for accepting this amendment.

I yield the floor.

Mr. WARNER. Mr. President, the amendment is acceptable. The Senator is correct, we support the amendment and urge its adoption.

Mr. NUNN. Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2452) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2453

(Purpose: To make certain technical corrections)

Mr. WARNER. Mr. President, I send to the desk an amendment on behalf of the chairman of the Armed Services Committee, Mr. THURMOND. It is a technical amendment which makes certain corrections to S. 1026.

Mr. NUNN. Mr. President, I urge the adoption of the amendment. We support it.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. THURMOND, proposes an amendment numbered 2453.

Mr. WARNER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 133, line 25, strike out "such Act" and insert in lieu thereof" the Elementary and Secondary Education Act of 1965".

On page 195, line 15, insert "(1)" after "(d)".

On page 195, line 15, strike out "it is a" and insert in lieu thereof "it is an affirmative".

On page 195, line 17, strike out "(1)" and insert in lieu thereof "(A)".

On page 195, line 21, strike out "(2)" and insert in lieu thereof "(B)".

On page 195, line 23, strike out the end quotation marks and second period.

On page 195, after line 23, insert the following:

"(2) The accused has the burden of proving a defense under paragraph (1) by a preponderance of the evidence.".

On page 250, beginning on line 20, strike out "Not later than December 15, 1996, the" and insert in lieu thereof "The".

On page 375, strike out lines 11 through 15.

On page 375, line 16, strike out "(p)" and insert in lieu thereof "(o)".

On page 375, line 20, strike out "(q)" and insert in lieu thereof "(p)".

On page 376, line 1, strike out "(r)" and insert in lieu thereof "(q)".

On page 376, line 7, strike out "(s)" and insert in lieu thereof "(r)".

On page 376, line 13, strike out "(t)" and insert in lieu thereof "(s)".

On page 376, line 22, strike out "(u)" and insert in lieu thereof "(t)".

On page 377, line 3, strike out "(v)" and insert in lieu thereof "(u)".

On page 378, between line 23 and 24, insert the following:

(c) PUBLIC LAW 100–180 REQUIREMENT FOR SELECTED ACQUISITION REPORTS FOR ATB, ACM, AND ATA PROGRAMS.—Section 127 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (10 U.S.C. 2432 note) is repealed.

On page 378, line 24, strike out "(c)" and insert in lieu thereof "(d)".

On page 379, line 5, strike out "(d)" and insert in lieu thereof "(e)".

On page 379, line 14, strike out "(e)" and insert in lieu thereof "(f)".

On page 379, line 20, strike out "(f)" and insert in lieu thereof "(g)".

Beginning on page 379, line 24, strike out "106 Stat. 2370;" and all that follows through page 380, line 2, and insert in lieu thereof

"106 Stat. 2368; 10 U.S.C. 301 note) is amended by striking out paragraphs (4) and (5).".

On page 380, line 3, strike out "(g)" and insert in lieu thereof "(h)".

Mr. WARNER. I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2453) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2454

(Purpose: To set aside $2,000,000 for the Allegany Ballistics Laboratory for essential safety functions)

Mr. NUNN. Mr. President, on behalf of Senator BYRD, the Senator from West Virginia, I offer an amendment which would authorize the Navy to use operation and maintenance funds up to a total of $2 million to address essential safety concerns at a Government-owned, contractor-operated weapons facility.

I urge the Senate to adopt this amendment. I believe the other side has cleared this amendment.

Mr. WARNER. The Senator is correct. This is an amendment originally considered in the course of the markup of the Senate Armed Services Committee. I was awaiting further information. That information, to my understanding, has been received and, therefore, the amendment is worthy of consideration and support by the Senate.

Mr. NUNN. I urge adoption of the amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. BYRD, proposes an amendment numbered 2454.

Mr. NUNN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 137, after line 24, insert the following:

SEC. 389. ALLEGANY BALLISTICS LABORATORY.

Of the amount authorized to be appropriated under section 301(2), $2,000,000 shall be available for the Allegany Ballistics Laboratory for essential safety functions.

Mr. BYRD. Mr. President, the amendment that I offer addresses immediate safety concerns associated with the Allegany Ballistics Laboratory. The Allegany Ballistics Laboratory is the leading producer of tactical missile propulsion systems and conventional warheads for the Department of Defense, currently producing rocket motors, sensor fused weapons, a variety of state-of-the-art missiles, warheads for the Maverick and more. Additionally, the Allegany Ballistics Lab is developing motors and warheads for the next generation of smart precision guided weapons.

Of great concern to me are the many significant safety violations, due to the age of the facility. Originally acquired by the Army in 1941, the Navy was given custody of the site in 1945. In fiscal year 1994, the Naval Sea Systems Command [NAVSEA] requested restoration of the 50-year-old plant over a 5-year period. Now, in what would be its third year of restoration, the plant lacks programmed funding for the ongoing restoration plan. This year's programmed restoration costs would be $38.5 million, of which the Senate Appropriations Committee has provided $30 million. Due to an unfortunate oversight during the Armed Services Committee preparation of this bill, the authorization bill does not include language supporting the safety upgrades at this facility.

Because of the potentially hazardous circumstances that might develop due to neglected safety precautions at this antiquated weapons-producing facility, my amendment would ensure the authorization for a minimal $2 million to provide for the essential safety measures required for the continuing operations of this plant.

The laboratory provides and services munitions for all the military services. Its programs include Naval propulsion technologies, Sidewinder, and Sea Sparrow missiles; for the Army, solid propulsion technologies, special munitions technologies, jointly produced rocket engines; rocket and laser systems for the Air Force; and a variety of motor and generator technologies for ballistic, cruise, and tactical missiles.

A facility of this magnitude and importance to national security requires, at a minimum, the funding for essential safety measures to avert a potential disaster. If these needs are not met, we risk not only plant security and safety, but we risk the loss of our Defense Department's ability to provide adequate munitions to our fighting forces.

Mr. President, safe operations of the plant and safe function of the weapons and defense conversion products depend on competent structural and hazards testing capability. Facilities currently being used are over 40 years old. Needed are safe, efficient control rooms for Insensitive Munitions, hazards and warhead testing to replace the obsolete facilities.

I encourage my colleagues to support this amendment, that will help keep a portion of our defense industry free from the occurrence or risk of injury or loss.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2454) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2455

(Purpose: To revise for fiscal and technical purposes the provisions relating to military construction projects authorizations)

Mr. WARNER. Mr. President, I send to the desk an amendment on behalf of the chairman of the Armed Services Committee, Mr. THURMOND, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Virginia [Mr. WARNER], for Mr. THURMOND, proposes an amendment numbered 2455.

Mr. WARNER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 69, line 20, strike out "$18,086,206,000" and insert in lieu thereof "$18,073,206,000".

On page 69, line 21, strike out "$21,356,960,000" and insert in lieu thereof "$21,343,960,000".

On page 69, line 23, strike out "$18,237,893,000" and insert in lieu thereof "$18,224,893,000".

On page 69, line 25, strike out "$10,060,162,000" and insert in lieu thereof "$10,046,162,000".

On page 407, between lines 19 and 20, insert the following:

SEC. 2105. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1992 MILITARY CONSTRUCTION PROJECTS.

Section 2105(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1511), as amended by section 2105(b)(2)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1859), is further amended in the matter preceding paragraph (1) by striking out "$2,571,974,000" and insert in lieu thereof "$2,565,729,000".

On page 417, in the table preceding line 1, in the amount column of the item relating to Spangdahlem Air Base, Germany, strike out "$8,300,000" and insert in lieu thereof "$8,380,000".

On page 419, line 24, strike out "$49,450,000" and insert in lieu thereof "$49,400,000".

On page 420, after line 21, add the following:

SEC 2305. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1992 MILITARY CONSTRUCTION PROJECTS.

Section 2305(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1525), as amended by section 2308(a)(2)(A) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2598) and by section 2305(a)(3)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1871), is further amended in the matter preceding paragraph (1) by striking out "$2,033,833,000" and inserting in lieu thereof "$2,017,828,000".

On page 424, line 22, strike out "$4,565,533,000" and insert in lieu thereof "$4,466,783,000."

On page 425, line 9, strike out "$47,950,000" and insert in lieu thereof "$47,900,000".

On page 426, line 13, strike out "$3,897,892,000" and insert in lieu thereof "$3,799,192,000".

On page 427, after line 25, add the following:

SEC. 2407. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR PRIOR YEAR MILITARY CONSTRUCTION PROJECTS.

(a) FISCAL YEAR 1991 AUTHORIZATIONS.—Section 2405(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101–510; 104 Stat. 1779), as amended by section 2409(b)(1) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1991), is further amended in the matter preceding paragraph (1) by striking out "$1,644,478,000" and inserting in lieu thereof "$1,641,244,000".

(b) FISCAL YEAR 1992 AUTHORIZATIONS.—Section 2404(a) of the Military Construction Authorization Act for Fiscal Year 1992 (105 Stat. 1531), as amended by section 2404(b)(1)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1877), is further amended in the matter preceding paragraph (1) by striking out "$1,665,440,000" and inserting in lieu thereof "$1,658,640,000".

(c) FISCAL YEAR 1993 AUTHORIZATIONS.—Section 2403(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2600) is amended in the matter preceding paragraph (1) by striking out "$2,567,146,000" and inserting in lieu thereof "$2,558,556,000".

Mr. THURMOND. Mr. President, on August 2, the Senate adopted an amendment authorizing $228.0 million for military constructions projects that were appropriated in the military construction appropriations bill for fiscal year 1996. The amendment I am offering today identifies offsets that will be used to pay for these additional projects. Specific amounts are as follows:

$30.0 million from a reduction to the foreign currency fluctuation account previously made by the Senate.

$98.7 million from construction projects that are no longer required due to the recommended closures by the Base Closure and Realignment Commission. These reductions were taken from a list compiled by the Department of Defense.

$49.0 million from prior year funds for projects that resulted in contract savings or were previously approved and now are no longer needed. This action mirrors the action taken by the Senate MILCON Appropriations Subcommittee.

$53.0 million from the $161.0 million request for the Pentagon renovation. The fiscal year 1996 request included $53.0 million for construction of wedge 1 of the project, which has been delayed for 1 year pending a comprehensive review of the $1.2 billion renovation project.

Mr. President, the reductions to the various programs will not impair the progress of these programs. On the other hand, the additional military construction projects funded by these offsets will enhance the readiness of our Armed Forces and provide for the welfare of the men and women who serve in the uniform of this Nation. Mr. President, I urge the adoption of the amendment.

Mr. WARNER. Mr. President, this amendment provides offsets for the military construction projects authorized by the Senate earlier in its deliberations on this bill.

Mr. NUNN. Mr. President, I urge the adoption of the amendment, and this side has cleared the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2455) was agreed to.

Mr. WARNER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. NUNN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2456

(Purpose: To authorize a land conveyance, Naval Communications Station, Stockton, California)

Mr. NUNN. Mr. President, on behalf of Senator FEINSTEIN, the Senator from California, I offer an amendment which authorizes the Secretary of the Navy, upon concurrence of both the General Services Administration and HUD, to convey 1,450 acres of property at the Naval Communications Station, Stockton, CA, to the Port of Stockton.

This amendment also allows for all existing leases involving Federal agencies located on the site to remain under existing terms and conditions.

Mr. President, I believe this amendment has been cleared by the other side.

Mr. WARNER. That is correct.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mrs. FEINSTEIN, proposes an amendment numbered 2456.

Mr. NUNN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 487, below line 24, add the following:

SEC. 2838. LAND CONVEYANCE, NAVAL COMMUNICATIONS STATION, STOCKTON, CALIFORNIA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Navy may, upon the concurrence of the Administrator of General Services and the Secretary of Housing and Urban Development, convey to the Port of Stockton (in this section referred to as the "Port"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 1,450 acres at the Naval Communication Station, Stockton, California.

(b) INTERIM LEASE.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the Port under terms and conditions satisfactory to the Secretary.

(c) CONSIDERATION.—The conveyance may be as a public benefit conveyance for port development as defined in Section 203 of the Federal Property and Administrative Services Act of 1949, (40 U.S.C. 484), as amended, provided the Port satisfies the criteria in section 203 and such regulations as the Administrator of General Services may prescribe to implement that section. Should the Port fail to qualify for a public benefit conveyance and still desire to acquire the property, then the Port shall, as consideration for the conveyance, pay to the United States an amount equal to the fair market value of the property to be conveyed, as determined by the Secretary.

(d) FEDERAL LEASE OF CONVEYED PROPERTY.—Notwithstanding any other provision of law, as a condition for transfer of this property under subparagraph (a), the Secretary may require that the Port agree to lease all or a part of the property currently under federal use at the time of conveyance to the United States for use by the Department of Defense or any other federal agency under the same terms and conditions now presently in force. Such terms and conditions will continue to include payment (to the Port) for maintenance of facilities leased to the Federal Government. Such maintenance of the Federal premises shall be to the reasonable satisfaction of the United States, or as required by all applicable Federal, State and local laws and ordinances.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by Port.

(f) ADDITIONAL TERMS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) or the lease under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

(g) ENVIRONMENTAL QUALITY OF PROPERTY.—Any contract for sale, deed, or other transfer of real property under this section shall be carried out in compliance with section 120(h) of the CERCLA (42USC9620(h)) and other environmental laws.

Mrs. FEINSTEIN. Mr. President, I rise in support of an amendment that conveys the right, title and interest of the Naval Communications Station at Rough and Ready Island in Stockton, California, from the Navy to the Port of Stockton.

This conveyance is a win-win for California and the Navy. The transfer of this property will result in the creation of thousands of jobs in my state and further solidify the Stockton Ship Deepwater Channel as one of the premier international shipping hubs in California. In addition, the Navy will be able to reduce infrastructure that it no longer needs nor is able to maintain. But the Navy and the Port of Stockton support this amendment.

The Port of Stockton's Rough and Ready Island is located 75 nautical miles east of the Golden Gate Bridge in

San Francisco. The island consists of approximately 1,450 acres, of which roughly half is dedicated to general purpose warehousing.

Since 1944, Rough and Ready Island has been home to the Navy and played a prominent role in our nation's defense during war and peace alike. Currently Rough and Ready is the site of a U.S. Naval Communication Station (NAVCOMSTA). While the NAVCOMSTA will continue to maintain its presence on the island indefinitely, the Navy has made it clear that continued ownership of such a facility, with its considerable infrastructure, is not consistent with ongoing military realignment objectives.

In addition to the NAVCOMSTA, the Department of Defense houses its regional distribution center on the island. Other Federal agencies that lease space include the General Services Administration, the U.S. Postal Service, and the U.S. Border Patrol.

However, while part of Rough and Ready Island houses a number of Federal tenants, a significant percentage of the island has fallen in disrepair. If it is to be used to its fullest capacity, a number of improvements such as ameliorating and expanding the docks, deepening the waterways, and upgrading the railroad tracks are essential. The only private entity able and willing to adequately execute such an enormous effort is the Port of Stockton.

The Port of Stockton, which operates a 600 acre complex contiguous to Rough and Ready Island, is ready to assume the host position and make the necessary improvements. The Stockton Port District, which was formed in 1927, functions as a nonprofit municipal corporation and is empowered by the California Harbors and Navigation Code to acquire real property by grant or gift in order to promote Maritime and Commercial Interests.

The Port of Stockton is the local sponsor for the Stockton Ship Channel which is one of the busiest interior industrial water ways in the United States. Because it is the only deepwater cargo Port that handles bulk, between 3.5 million and 4 million tons of cargo travel through the Channel every year.

The Port of Stockton will receive the property through a public benefit conveyance. Further, the Port of Stockton has repeatedly offered to honor any long-term leases that are currently operative on Rough and Ready Island with the Navy, Federal agencies, and other tenants.

In addition to the benefits to the Navy, this land conveyance could also create thousands of new jobs in an area that has traditionally suffered from double digit unemployment.

Currently, Cost Plus, a major retailer, occupies 400,000 square foot of warehouse space of the Port of Stockton. Although the Port has received inquiries from other large businesses eager to establish distribution centers of similar size, it is unable to accommodate these requests because it simply does not have the space. The consolidation of Rough and Ready Island with the Port of Stockton will provide more opportunity to fulfill these requests for more space and in turn provide more jobs for the residents of the area.

The Port of Stockton estimates that in the long term, the potential for large and small businesses utilizing the expanded warehousing, a proposed 92,000 square foot boat storage complex and new dock facilities will result in as many as 2,000 new jobs in the area.

Mr. President, allowing the transfer of Rough and Ready Island is a good deal for California and good deal for the Navy. Not only does this transfer give the Navy an opportunity to relinquish itself of land that is in considerable need of improvement, but it will create economic opportunities for many Californians.

I thank my colleagues for supporting this amendment.

Mr. NUNN. I urge the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2456) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2457

Mr. NUNN. Mr. President, on behalf of the Senator from Iowa, Senator HARKIN, and the Senator from California, Senator BOXER, I send an amendment to the desk that provides that cost-type contract DOD reimbursement of contract executive compensation would be capped at $200,000. This is similar to the amendment the Senate adopted on the DOD appropriations bill.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. HARKIN, for himself and Mrs. BOXER, proposes an amendment numbered 2457.

Mr. NUNN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

"SEC. . RESTRICTION ON REIMBURSEMENT OF COSTS.

"(a) None of the funds authorized to be appropriated in this Act for fiscal year 1996 may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation (including bonuses and other incentives) at a rate in excess of $250,000.

"(b) It is the Sense of the Senate that the Congress should consider extending the restriction described in section (a) permanently."

Mr. WARNER. Mr. President, on this amendment, this is the first opportunity this Senator has had to review it. The chairman of the committee has instructed me to accept the amendment.

I must say, it causes me some initial concern, but as I understand it, it is part of the DOD appropriations bill at the present time. Speaking only for myself, I will reexamine this amendment in the course of the conference deliberation on the bill.

So for the present time, I indicate that it is acceptable on this side for the chairman of the committee.

Mr. NUNN. On behalf of Senators HARKIN and BOXER, I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2457) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2458

(Purpose: To improve the management of environmental restoration and waste management activities authorized under this Act)

Mr. NUNN. Mr. President, I send an amendment to the desk on behalf of Mr. JOHNSTON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. JOHNSTON, proposes an amendment numbered 2458.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 535, at the end of subtitle A, add the following new sections:

"SEC. . STANDARDIZATION OF ETHICS AND REPORTING REQUIREMENTS AFFECTING THE DEPARTMENT OF ENERGY WITH GOVERNMENT-WIDE STANDARDS.

"(a) REPEALS.—(1) Part A of title VI of the Department of Energy Organization Act and its catchline (42 U.S.C. 7211, 7212, and 7218) are repealed.

"(2) Section 308 of the Energy Research and Development Administration Appropriation Authorization Act for Fiscal Year 1977 (42 U.S.C. 5816a) is repealed.

"(3) Section 522 of the Energy Policy and Conservation Act (42 U.S.C. 6392) is repealed.

"(b) CONFORMING AMENDMENTS.—(1) The table of contents for the Department of Energy Organization Act is amended by striking out the items relating to part A of title VI including sections 601 through 603.

"(2) The table of contents for the Energy Policy and Conservation Act is amended by striking out the matter relating to section 522.".

"SEC. . CERTAIN ENVIRONMENTAL RESTORATION REQUIREMENTS.

It is the sense of Congress that—

"(1) No individual acting within the scope of that individual's employment with a Federal agency or department shall be personally subject to civil or criminal sanctions, for any failure to comply with an environmental cleanup requirement under the Solid Waste Disposal Act or the Comprehensive Environmental Response, Compensation, and Liability Act or an analogous requirement under comparable Federal, State, or local laws, where the failure to comply is due to lack of funds requested or appropriated to carry out such requirement. Federal and State enforcement authorities shall refrain from enforcement action in such circumstances.

"(2) If appropriations by the Congress for fiscal year 1996 or any subsequent fiscal year are insufficient to fund any such environmental cleanup requirements, the Committees of Congress with jurisdiction shall examine the issue, elicit the views of Federal agencies, affected States, and the public, and consider appropriate statutory amendments to address personal criminal liability, and any related issues pertaining to potential liability of any Federal agency or department or its contractors."

Mr. JOHNSTON. Mr. President, the amendment that I have offered addresses two crucial management issues for the defense-related environmental restoration and waste management programs authorized in this bill. The first issue is the continued existence of obsolete conflict-of-interest and financial reporting requirements at the Department of Energy that conflict with governmentwide standards. These requirements result in unnecessary duplication of effort and have deterred outstanding individuals from accepting managerial positions within the Department. The second issue is the impending imposition of criminal liability for Federal managers of environmental cleanup activities in the case of a funding shortfall that prevents full compliance with the law. Action on these management issues is essential, if defense environmental restoration and waste management programs are to succeed.

My amendment will remove the first of these two obstacles and express the sense of the Congress on the the second.

The first part of my amendment repeals three sections of the Department of Energy Organization Act, Public Law 95-91, that were enacted in 1977 and that deal with conflict-of-interest requirement for departmental employees. It also repeals two other free-standing financial reporting requirements enacted as parts of other legislation in 1977. All of these requirements were enacted prior to passage of governmentwide ethics requirements in the Ethics in Government Act of 1978, and in some sense served as a prototype for these requirements. Since the passage of the Ethics in Government Act and the Ethics Reform Act of 1989, though, the need for specific ethics and financial reporting requirements in DOE that are different from governmentwide requirements has disappeared.

Adoption of this provision would not affect the applicability of governmentwide conflict-of-interest and financial reporting requirements to DOE employees. These restrictions, codified in 18 U.S.C. 207 and 208, 41 U.S.C. 423, and 5 CFR 2634 are not affected by the amendment and would remain fully in force for DOE employees.

The Senate has, on four different occasions during the last two Congresses, approved language to repeal these requirements—in the Energy Policy and Conservation Act Amendments of 1994, S. 2251, the Department of Energy Laboratory Partnership Act of 1994, S. 473, the fiscal year 1994 Department of Defense authorization bill S. 1298, and the fiscal year 1992-93 Department of Defense authorization bill. In addition, Congress has twice enacted into law temporary suspensions affecting the sections of the Department of Energy Organization Act that would be repealed by this amendment.

The Department of Energy and the administration strongly support this part of my amendment. Repeal of these provisions has also been recommended by the National Academy of Sciences in its 1992 report on "Science and Technology Leadership in American Government: Ensuring the Best Presidential Appointments."

I ask unanimous consent that a letter from the administration transmitting the text of this part of the amendment and supporting the repeal of these provisions be printed in the RECORD following my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit 1.)

Mr. JOHNSTON. Mr. President, the second part of my amendment provides the sense of the Congress on an issue that, if unresolved, will greatly increase the difficulty of attracting and retaining the best managers possible for cleanup activities. Under the Federal Facility Compliance Act of 1992, beginning on this October 6, Federal managers in the DOD and DOE cleanup programs will incur criminal liability for instances of noncompliance resulting from funding shortfalls. They literally can be sent to jail under State or Federal law if the appropriations acts do not contain enough funding to satisfy every last requirement of every State and local solid or hazardous waste law. No manager, scientist, or engineer worth having in a cleanup program can be expected to be attracted to a job in which they are exposed to this sort of criminal sanction.

This potential criminal liability problem may become very real very soon, depending on the outcome of the conference on the Energy and Water Appropriations Act for fiscal year 1996. The Senate Appropriations Subcommittee on Energy and Water Development, of which I am the ranking member, reported a bill that was passed by the Senate and that fully funded the President's budget request for the Department of Energy environmental management program for fiscal year 1996. We will strongly support the Senate position in conference against a House mark for this program that is far smaller. I hope that we prevail. In any case, it is clear that the problem of appropriating funds to meet the expanding requirements of the DOE environmental management program will become increasingly acute over the next several years. I strongly believe that we should start thinking about this problem now, in a deliberative manner, rather than wait for a crisis.

My amendment provides the sense of Congress that—

(1) individuals acting within the scope of their employment shall not be personally subject to civil or criminal sanction for any failure to comply with environmental cleanup requirements under the Solid Waste Disposal Act or the Comprehensive Environmental Response, Compensation, and Liability Act, or an analogous requirement under comparable Federal, State, or local laws, where the noncompliance is due to lack of funds; and

(2) if appropriations are insufficient to fund environmental cleanup requirements, the Congress shall consider appropriate statutory amendments to address potential liability issues for Federal agencies and contractors, after an examination by the appropriate Committees, and after affected Federal agencies, States, and the public have had an opportunity to express their views.

This amendment has been cleared on both sides by the Committee on Environment and Public Works and the Committee on Governmental Affairs. I urge its adoption.

EXHIBIT 1

THE SECRETARY OF ENERGY
Washington, DC, April 28, 1995.

The Hon. NEWT GINGRICH,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER. Enclosed is proposed legislation that would place employees of the Department of Energy on the same basis as most other government employees with respect to restrictions on holding financial interests that have the potential to conflict with official responsibilities, and with respect to financial disclosure requirements.

The legislation would repeal the divestiture provision of the Department of Energy Organization Act (DOE Act) and related disclosure statutes that were enacted in the mid-seventies. The criminal conflict of interest statutes, the standardized financial disclosure rules under the Ethics in Government Act, and the executive branch standards of conduct which are now in place make these provisions no longer necessary.

More specifically, the enclosed proposal would repeal the divestiture provision in part A of title VI of the DOE Act and also would repeal disclosure provisions in other laws that were superseded but not repeated by part A when it was enacted. The divestiture provision was the only conflict-of-interest provision of the DOE Act not repealed by section 3161 of the National Defense Authorization Act for Fiscal Year 1994 (Pub. L. No. 103–160). That Act repealed several obsolete conflict-of-interest requirements concerning financial disclosure, post-employment restrictions, and participation restrictions, and was a significant step in ensuring consistency in the application of conflict-of-interest requirements throughout the executive branch.

In addition to repealing most of the Department's obsolete conflict-of-interest provisions, section 3161 required the enclosed report on the divestiture provision. The Department submitted this report to Congress on April 8, 1994, after its review by the Office of Government Ethics which has no objection to repeal of the divestiture provision. The report affirms our earlier conclusion that the divestiture requirement is obsolete, overly broad, and unnecessary, and our recommendation that it should be repealed.

The Department of Energy has been and continues to be strongly committed to the highest ethnical standards. Every employee of the Department is expected to follow not only the letter of the conflict-of-interest laws and regulations, but also their spirit. Elimination of the Department of Energy divestiture provision that, more often than not, requires divestiture when there is no actual conflict-of-interest, would lessen employee perception that the conflict-of-interest rules are arbitrary and unfair. Approval of this proposal would be a significant step in ensuring consistency in the application of conflict-of-interest requirements throughout the executive branch, and we request its prompt consideration.

If these provisions are eliminated, the conflict-of-interest concerns underlying the divestiture provision will continue to be addressed by a statute and regulations applicable to all executive branch employees. These regulations were promulgated by the Office of Government Ethics (Standards of Ethical Conduct for Employees of the Executive Branch, 5 CFR Pan 2635) and provide a mechanism for the Department to issue supplemental regulations that would prohibit or restrict the acquisition or holding of a financial interest or a class of financial interests by agency employees, or any category of agency employees, based on the agency's determination that the acquisition or holding of such financial interests would cause a reasonable person to question the impartiality and objectivity with which agency programs are administered. If needed, regulations to this effect will be pursued.

The Office of Management and Budget has advised that from the standpoint of the President's program there is no objection to the submission of this proposal.

Sincerely,

HAZEL R. O'LEARY.

Mr. THURMOND. Mr. President, as stated by Senator JOHNSTON, the proposed amendment was cleared by both sides. I would like to briefly comment on the amendment. First, I feel that the conflict of interest provisions are consistent with past Senate efforts to eliminate agency-specific requirements that are no longer necessary. Second, the Sense of the Senate related to environmental restoration addresses concerns related to civil and criminal liability of individual Federal employees acting within the scope of their employment. The sense of the Senate specifically provides that Federal employees shall not be held personally liable for a failure to fulfill an environmental cleanup requirement that is the result of insufficient congressional appropriations. I support the amendment, as offered by Senator JOHNSTON.

Mr. NUNN. Mr. President, this amendment would repeal conflict of interest laws applicable only to DOE and not other agencies. It sets forth a sense of the Senate that executive branch officials should not be held criminally liable for failure to implement an environmental cleanup requirement where the failure is attributable to insufficient funding.

I believe this has been cleared by the majority.

Mr. WARNER. The Senator is correct.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2458) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2459

(Purpose: To authorize the conveyance of the William Langer Jewel Bearing Plant to the Job Development Authority of the City of Rolla, North Dakota)

Mr. NUNN. Mr. President, I send an amendment to the desk on behalf of Senators DORGAN and CONRAD and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN], for Mr. DORGAN, for himself, and Mr. CONRAD, proposes an amendment numbered 2459.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 487, after line 24, add the following:

SEC. 2838. LAND CONVEYANCE, WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, NORTH DAKOTA.

(a) AUTHORITY TO CONVEY.—The Administrator of General Services may convey, without consideration, to the Job Development Authority of the City of Rolla, North Dakota (in this section referred to as the "Authority"), all right, title, and interest of the United States in and to a parcel of real property, with improvements thereon and all associated personal property, consisting of approximately 9.77 acres and comprising the William Langer Jewel Bearing Plant in Rolla, North Dakota.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Authority—

(1) use the real and personal property and improvements conveyed under that subsection for economic development relating to the jewel bearing plant;

(2) enter into an agreement with an appropriate public or private entity or person to lease such property and improvements to that entity or person for such economic development; or

(3) enter into an agreement with an appropriate public or private entity or person to sell such property and improvements to that entity or person for such economic development.

(c) PREFERENCE FOR DOMESTIC DISPOSAL OF JEWEL BEARINGS.—(1) In offering to enter into agreements pursuant to any provision of law for the disposal of jewel bearings from the National Defense Stockpile, the President shall give a right of first refusal on all such offers to the Authority or to the appropriate public or private entity or person with which the Authority enters into an agreement under subsection (b).

(2) For the purposes of this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98(c)).

(d) AVAILABILITY OF FUNDS FOR MAINTENANCE AND CONVEYANCE OF PLANT.—Notwithstanding any other provision of law, funds available in fiscal year 1995 for the maintenance of the William Langer Jewel Bearing Plant in Public Law 103–335 shall be available for the maintenance of that plant in fiscal year 1996, pending conveyance, and for the conveyance of that plant under this section.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Administrator. The cost of such survey shall be borne by the Administrator.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance under this section as the Administrator determines appropriate to protect the interests of the United States.

Mr. DORGAN. Mr. President, I rise to offer an amendment to the defense authorization bill. I would like to take a bit of time to describe my amendment.

My amendment would expedite the conveyance of the William Langer Jewel Bearing Plant in Rolla, ND, to the Job Development Authority of the city of Rolla. The amendment would enable the General Services Administration to transfer the plant to the authority more quickly, and in a way that would enable the plant to continue as a going enterprise. My senior colleague from North Dakota, Senator CONRAD, is cosponsoring this amendment, and the Defense Department and the General Services Administration have no objection to the amendment.

Let me just give my colleagues a bit of background on the Langer Plant. The Langer Plant has roots in the Cold War. Back in the 1950's, when we were in the depths of the cold war, the Congress and the administration took a long look at our defense industrial base. Our defense leadership realized that we at that point lacked the ability to produce jewel bearings, which are finely machined bits of carborundum. These bearings were crucial components in military avionics systems.

The Congress located the plant in North Dakota because of our strategic location. The idea was to put this crucial facility in the middle of our country, where enemies could not easily reach it. It seems a startling consideration, but it is the way people were thinking at the time. So the William Langer Jewel Bearing Plant has been making jewel bearings for the Federal Government since the 1950s.

My colleagues should also know that the plant is a few miles from the Turtle Mountain Indian Reservation. Of the plant's hundred or so employees remaining after a downsizing, about 60 percent are Native American. The Langer Plant brings crucial skilled jobs to an economically depressed area.

Since the plant's founding, Bulova Corp. has run the plant for the Pentagon on a Government-owned, contractor-operated basis. However, changing technology has led the Defense Logistics Agency to declare the plant excess to the Defense Department's needs. The National Defense Stockpile no longer needs to buy jewel bearings. So the Defense Department has reported the plant to the General Services Administration as excess property.

Last year, the Senate Appropriations Committee's report on the Defense Appropriations Act for this fiscal year provided funding to ensure that the plant succeed in its transition from a Government-owned military supplier to a more commercially oriented firm that also remains a viable part of the defense industrial base. This amendment will help complete the plant's transition to commercial operation.

Those of my colleagues who are dealing with base closures and defense downsizing know that Rolla faces a crisis and an opportunity with regard to this plant. The future of this factory depends on its ability to become a commercial manufacturer. While the plant has always sold jewel bearings and related items in the commercial market, it is redoubling its efforts. Its chief commercial products are ferrules, which connect fiber optic cables. Japanese firms dominate volume production of ferrules, but the plant is establishing itself as a supplier of specialty ferrules in niche markets.

I would also note that while the Federal Government no longer needs jewel bearings, it does require the kind of unique micromanufacturing capability that the William Langer Plant provides.

The plant also manufactures dosimeters, which measure doses of nuclear radiation. Dosimeters are vital to the military, to commercial utilities that operate nuclear reactors, and to FEMA's emergency preparedness programs. FEMA has indicated that it will work with new ownership and management of the plant to maintain the plant's capability to manufacture dosimeters. So the plant's employees have several reasons to hope that the plant will survive in the long run.

However, the plant badly needs legislative help in the short run. The normal excess property procedure would require the GSA to sell the plant for fair market value. The problem is that no local entity can afford the plant, which has an original cost of $4.2 million. The plant itself is not now healthy enough in a business sense to finance its own acquisition by a new management team. My amendment's provision that the GSA may convey the plant without consideration is therefore vital to the plant's ability to make a successful transition from Government contracts to commercial operations.

I would like to stress to my colleagues that the Rolla community, the State of North Dakota, the Turtle Mountain Band of Chippewa, and the local business community have been working hard to ensure that the plant makes a successful transition to the private sector. The local community is united behind the plan to transfer the plant to the Job Development Authority of the city of Rolla. Under my amendment, the authority will be able to lease the plant for economic development purposes. The intent of the amendment is to provide both flexibility for commercializing the plant and accountability to the Federal Government for the plant's future.

Mr. President, to sum up, I would simply say to my colleagues that this amendment tries to give a helping hand to the Langer plant and the city of Rolla, while relieving the Federal Government of a facility that it no longer needs.

I understand that the amendment will be accepted unanimously, and I thank the managers on both sides, Senators THURMOND and NUNN, and the senior Senator from Ohio, Senator GLENN, for their support of this amendment, as well as their staffs for their assistance with this amendment.

Mr. President, I yield the floor.

Mr. NUNN. Mr. President, this amendment authorizes the administrator of the General Services Administration to convey the William Langer Jewel Bearing Plant, 9.77 acres of real property, to the city of Rolla, ND. DOD declared the property in excess to its needs in July. GSA conducted a screening of the property and found there are no other Federal interests in the facility. I believe this has been cleared on the other side.

Mr. WARNER. Mr. President, this particular amendment has the support of this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2459) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2460

(Purpose: To authorize a land exchange, U.S. Army Reserve Center, Gainesville, GA)

Mr. NUNN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. NUNN] proposes an amendment numbered 2460.

Mr. NUNN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 487, below line 24, add the following:

SEC. 2838 LAND EXCHANGE, UNITED STATES ARMY RESERVE CENTER, GAINESVILLE, GEORGIA.

(a) IN GENERAL.—The Secretary of the Army may convey to the City of Gainesville, Georgia (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property (together with any improvements thereeon) consisting of approximately 4.2 acres located on Shallowford Road, in the City of Gainesville, Georgia.

(b) CONSIDERATION.—As consideration for the conveyance authorized by subsection (a), the City shall—

(1) convey to the United States all right, title, and interest in and to a parcel of real property consisting of approximately 8 acres of land, acceptable to the Secretary, in the Atlas Industrial Park, Gainesville, Georgia;

(2) design and construct on such real property suitable replacement facilities in accordance with the requirements of the Secretary, for the training activities of the Unites States Army Reserve;

(3) fund and perform any environmental and cultural resource studies, analysis, documentation that may be required in connection with the land exchange and construction considered by this section;

(4) reimburse the Secretary for the costs of relocating the United States Army Reserve units from the real property to be conveyed under subsection (a) to the replacement facilities to be constructed by the City under subsection (b)(2). The Secretary shall deposit such funds in the same account used to pay for the relocation;

(5) pay to the United States an amount as may be necessary to ensure that the fair market value of the consideration provided by the City under this subsection is not less than fair market value of the parcel of real property conveyed under subsection (a); and

(6) assume all environmental liability under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9620(h)) for the real property to be conveyed under subsection (b)(1).

(c) DETERMINATION OF FAIR MARKET VALUE.—(1) The determination of the Secretary regarding the fair market value of the real property to be conveyed pursuant to subsection (a), and of any other consideration provided by the City under subsection (b), shall be final.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require any additional terms and conditions in connection with the coneyances under this section that the Secretary considers appropriate to protect the interest of the United States.

Mr. NUNN. Mr. President, this amendment authorizes the Secretary of the Army to convey 4.2 acres of real property at an Army Reserve facility in Gainesville, GA, in exchange for an 8 acres of land in the Atlas Industrial Park, Gainesville, GA. The exchange is for fair market value.

I believe this has been cleared. It is an important amendment to the people in Gainesville, GA, as well as to the Army Reserve, which is going to get a larger piece of land and also a new reserve facility in exchange for an existing piece of land at fair market value.

I urge its adoption.

Mr. WARNER. Mr. President, the amendment has the support of this side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2460) was agreed to.

Mr. NUNN. Mr. President, I move to reconsider the vote.

Mr. WARNER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WARNER. Mr. President, my understanding is that we will not conclude the list of amendments which have been agreed to. We will finish that in the morning. Among those will be one by the Senator from Virginia that relates to the spent nuclear fuel issue. I will, beforehand—I repeat, beforehand—have contacted Senators KEMPTHORNE and CRAIG for their views. Today, I received a series of telephone calls, and it was explained that negotiations are still going on with the Governor of Idaho.

Also, I must say to my colleagues that this is an issue of very serious concern to the U.S. Navy, because it is impacting on the future refueling of our naval ships and consequently impacts on their deployment. It also impacts on the rotation of work among the several shipyards in handling the refueling and other naval work.

Therefore, I am hopeful that this can be worked out satisfactorily between the administration and the State of Idaho and the U. S. Department of Defense. But I am concerned that the progress thus far leaves this Senator—and I just speak for myself—somewhat disheartened. Therefore, I will continue to monitor and address this issue. I may have further remarks on it tomorrow after consultation with my colleagues, the Senators from that State. But I wish to alert Senators of the concern of this Senator on this matter.

Mr. NUNN. Mr. President, I believe that amendment is being worked on by staff. I think it is either worked out or very close to being worked out. So I anticipate that we will be in a position to deal with it tomorrow.

Mr. WARNER. Mr. President, I think we will turn to the conclusion of the Senate's business, unless the Senator has further comments. He is beating a hasty retreat. It is my lifetime opportunity to do what I want in the U.S. Senate.

MORNING BUSINESS

Mr. WARNER. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR CLAIBORNE PELL

Mr. McCAIN. Mr. President, I want to add a few words to the chorus of praise for our distinguished colleague from Rhode Island, Senator PELL. As has been noted in the remarks of my colleagues, Senator PELL's service in Congress includes so many accomplishments of such great consequences for our country that it would distinguish the careers of 10 public servants. That one man rendered so many important services to the American people is truly astonishing, and reflects great credit on Senator PELL.

Senator PELL now informs us that his service in the Senate will conclude at 36 years. Thirty six years is a long time to be sure, and Senator PELL has more than earned his comfortable retirement. But the sentiments held by his colleagues that this place will be impoverished by his departure are genuine. For Senator PELL's career was marked by more than extraordinary achievement. It was marked by extraordinary graciousness, and generosity, and an indefatigable decency toward others. I think we would all agree that when it comes to these virtues, CLAIBORNE PELL is a gentleman without peer.

In his announcement of his retirement, Senator PELL expressed some very gracious sentiments about this institution and the men and women who work here. Coming from him, they were most appreciated. For if the Senate is indeed a finer place than it is popularly perceived to be, that quality is due in part to CLAIBORNE PELL's presence here. He will be greatly missed.

RECENT DEVELOPMENTS IN EAST ASIA

Mr. THOMAS. Mr. President, while we were out of session over the last three weeks there were a number of important developments in Asia—specifically Vietnam, Cambodia and China—to which I, as the Chairman of the Subcommittee on East Asian and Pacific Affairs, would like to draw my colleagues' attention.

First, the human rights situation in Vietnam continues to be of great concern. The weekend of August 12, barely a week after Secretary of State Christopher opened the newly-established U.S. embassy in Hanoi, a Vietnamese court convicted two Vietnamese-born U.S. citizens and seven Vietnamese nationals accused of being counter-revolutionaries and acting to "overthrow the people's administration." The group, allied with the banned political party Tan Dai Viet, was apparently trying to organize a conference in Ho Chi Minh City (the former Saigon) to discuss human rights and democracy in Vietnam. After their first attempt failed, they tried to set up another meeting but were arrested 10 days before it was held. Radio Hanoi Voice of Vietnam, in somewhat characteristic rhetoric, described their "crimes" as follows:

> Taking advantage of our party's renovation policy, they used the pretext of democracy and human rights to distort the truth of history, smear the Vietnamese communist party and state, instigate bad elements at home, and contact hostile forces abroad to feverishly oppose our state in an attempt to set up a people-betraying and nation-harming regime. A check of their personal backgrounds indicated that they spent almost all their lives serving the enemy of our people and giving a helping hand to the aggressors' attempts to oppose our country.
>
> The administration warned them and used educational measures on them after it discovered their sabotage scheme. Nonetheless, they stubbornly contacted reactionary forces abroad and carried on their scheme aimed at opposing and overthrowing the people's administration. Their activities posed a particular danger to society and was detrimental to national security.

Americans Nguyen Tan Tri and Tran Quang Liem received a 7-year and 4-year prison sentence respectively.

In addition, the Vietnamese Government's persecution of Buddhist leaders continues unabated. On August 15, a Vietnamese court sentenced a leader of a banned Buddhist church to 5 years in prison for criticizing Communist rule and maintaining an independent (i.e., outside direct Communist control) Buddhist church. The court convicted Thich Quang Do, secretary general of the Unified Buddhist Church of Vietnam (UBCV), and five other activists in a 1-day trial. Thich Quang was accused of publishing a criticism of the Communist Party and sending two faxes to overseas Buddhists accusing the Vietnamese Government of obstructing a church-sponsored flood-relief mission in 1994. The other five were arrested for participating in that mission.

Vietnamese authorities also recently announced that the government would soon try the acting head of the UBCV Thich Huyen Quang, who is under house arrest at the Quang Phuoc Shrine in Quang Ngai; and Thich Long Tri, UBCV's third highest official, who is under house arrest at the Vien Giac Pagoda in Hoi An, Quang Nam. The announcement is especially ironic given that since last year the government has systematically denied that Thich Huyen had ever been placed under arrest. On December 29, the Vietnamese Foreign Ministry announced that reports of Thich Huyen's arrest were fabrications and that he had simply been "moved to another pagoda at the requests of other monks."

Mr. President, these are not isolated incidents, but part of a systematic denial of even the most basic human rights on the part of the Vietnamese Government. Let me list just a few others:

Thich Tri Tuu, the senior monk of the Linh Mu pagoda in Hue and a close disciple of the late Supreme Patriarch of the UBCV, is serving a four-year sentence on charges of "public disorder" at the Ba Sao prison camp, Nam Ha, Phu Ly province, in conjunction with the May 1993 protest in Hue. At the time of the demonstration, Thich Tri was being held in police custody, and police refused to let Buddhist monks who began the protests see him or talk to him. The crowd later saw him slumped in the back of a police vehicle, stopped the vehicle and extracted him from it—he had apparently fainted. He was placed, unconscious, into a cyclo-pousse which carried him back to his temple as the protest continued and certain persons in the crowd set the police vehicle on fire. Also still imprisoned at the Ba Sao camp on public disorder charges stemming from this protest are Thich Hai Tang and Thich Hai Thinh. Thich Hai Chanh was released, but not allowed to return to his residence at the Linh Mu pagoda in Hue and has been obliged to move to a pagoda in Quang Tri province.

Thich Hanh Duc, appointed by the state-sponsored church to be abbot of the Son Linh Pagoda of Ba Ria-Vung Tau in 1982, was arrested in July 1993 when police attempted to enter the pagoda and a violent confrontation ensued. The Fatherland Front and the provincial people's committee issued an eviction order against Thich Hanh and other monks after the senior monk publicly read an oration of Thich Huyen Quang and expressed support for the restoration of the Unified Buddhist Church. In February 1993, the provincial committee of the state-sponsored church expelled him from the church for "violating the principles of Vietnamese Buddhism." Thich Hanh Duc was ultimately sentenced to three years of imprisonment for "crimes against on-duty officials" and "handing out documents hostile to the socialist government of Vietnam;" he was last known to be detained at the Phuoc Co prison in Ba Ria-Vung Tau.

Do Trung Hieu, formerly a Communist Party cadre in charge of religious affairs in Ho Chi Minh City and now a private businessman, was detained by police in Ho Chi Minh City on June 14, 1995. Hieu had written and circulated an autobiographical essay describing the Party's efforts to dismantle the Unified Buddhist Church after the war out of fear that its influence and following would spread throughout Vietnam. Hieu has reportedly been transferred to Hanoi for questioning, but his whereabouts have not been confirmed.

Hoang Minh Chinh, a well-known communist intellectual, was also detained in Hanoi on June 14 this year. This was his third detention for criticizing Party policy; he had previously been arrested for advocating "revisionist" lines in 1967 and 1981. The cause of the latest detention appears to be petitions he sent to the highest levels of the Party demanding that his name be cleared for his previous jailings, and his questioning the propriety of the constitutional provision that enshrines the leading role of the Vietnam Communist Party.

Doan Thanh Liem, a law professor who was educated in the United States, is serving a twelve-year sentence for "counter revolutionary propaganda"—that is, notes he had prepared on constitutional reform. He was arrested in April 1990 for his association with Michael Morrow, Dick Hughes and Don Luce. He knew all three Americans from his participation in a well-known Saigon charity, the Shoeshine Boys. Liem, held in the Ham Tan camp, has developed a serious pulmonary condition in prison that is often associated with tuberculosis. Senator HARKIN's request to meet with Liem was denied during his July 1995 visit.

Nguyen Tri, also known as Truong Hung Thai, was sentenced to eight years at the trial of Doan Thanh Liem for having helped Liem purchase a typewriter and having received from Liem two documents the official press described as "anti-communist."

Doan Viet Hoat, one of Vietnam's most prominent political prisoners, was transferred abruptly among three different prisons last year, ending up in the Thanh Cam camp, a facility for common criminals in a remote and malarial part of Thanh Hoa province. Arrested in November 1990, Dr. Hoat was given a fifteen-year sentence on charges of "attempting to overthrow the government" for producing the reformist newsletter Freedom Forum. His transfers seem to have come in reaction to public statements which he has periodically been able to release since his initial detention. The move to Thanh Cam has isolated him from the outside world, and he is allowed only limited communication with his family.

Pham Duc Kham, also tried for the Freedom Forum affair, was sentenced to sixteen years of imprisonment (later reduced to just under twelve years) for his participation. He was transferred in November 1994 from the Xuan Phuoc labor camp in Phu Yen province to the Cam Thuy camp Number 5, not far from the Thanh Cam camp in a remote part of Thanh Hoa province.

Le Duc Vuong, tried for the Freedom Forum affair, was sentenced to a five-year term. He was last known to be performing hard labor at the A–20 camp in Xuan Phuoc.

Dr. Nguyen Dan Que, an endocrinologist who was sentenced in 1991 to twenty years of imprisonment on charges of "attempting to overthrow the government" for publicly signing a declaration calling for political reform and respect for human rights, is reported to be in fair health, having received some medication for a kidney stone. He has been held in isolation at Xuan Loc prison camp for nearly two years, following the Vietnamese government's unwillingness to allow our colleague Senator ROBB to meet him.

Do Van Thac was arrested with five other members of the opposition Dai Viet Duy Dan (People's Party) on July 9, 1991. In January 1992, a court in Hanoi sentenced Do Van Thac to fourteen years' imprisonment—later commuted to twelve years—on charges of "attempting to overthrow the government," apparently for circulating writings describing the People's Party and calling for political and economic reform.

Vu Thanh, Dat Hai, Paul Nguyen Chau Dat, and five other members of the Congregation of the Mother Co-Redemptrix remain in prison. On May 15, 1987, these persons, along with Father Dominic Tran Dinh Thu and approximately sixty other Catholic clergy and laypersons were arrested when authorities raided the compound of the order founded by Father Dominic. During the raid, authorities seized rice stocks from the community and religious literature, causing people from the surrounding area to defend the congregation (and their rice stocks) with improvised arms. Vu Thanh, Dat Hai, Paul Nguyen Chau Dat and twenty others were tried on October 30, 1987 and convicted of "sowing disunity between the people and the government." Vu Thanh Dat Hai was sentenced to ten years of imprisonment and three years of suppression of civil rights, and is now in the Long Khanh prison camp. Paul Nguyen Chau Dat was given a twenty-year term, which he is also serving in Long Khanh. Nguyen Van Thin Quan is serving a sixteen-year sentence in the Ham tan camp; Mai Duc Chuong Nghi is serving an eighteen-year term in a Thanh Hoa province labor camp; Dinh Viet Hieu Thuc is serving a fourteen-year sentence in the Long Khanh prison camp; Pham Ngoc Lien Tri is serving a twenty-year term at the Long Khanh camp, and Nguyen Thien Phung Huan is also serving a twenty-year term at Long Khanh.

Pastor Nguyen Duc Loi and Pastor Nguyen Van Vui are reported to have been arrested on November 20, 1994 when proselytizing among the ethnic Hre minority in Quang Ngai province. According to unconfirmed local sources, the two have been accused of pursuing political activities under the guise of religion, and after their arrest officials ordered local Christians to cease all religious activities, including prayer meetings.

Mr. President, in all the controversy surrounding the Clinton administration's recent questionable decision to normalize relations with Vietnam, the emotional and unresolved POW-MIA issue, and the blind headlong rush of United States business to enter the expanding Vietnamese market regardless, I believe that some Americans have lost sight of an important fact: the Vietnamese Government is a textbook Communist dictatorship to which the idea of basic human rights is simply a nuisance. No amount of talk about their modernizing their economy or welcoming American investment will change that fact. I am already seriously disinclined to support the establishment of a United States ambassador in Hanoi, or the granting of most favored nation status or OPIC funding for Vietnam because, unlike the administration, I do not believe that the Vietnamese have been as forthcoming as they could be on the POW-MIA issue; their human rights record makes me even less so.

Moving on to Cambodia, Mr. President, following closely on the unfortunate expulsion of Sam Rainsy from the Cambodian legislature the government of that country has once again taken steps which call into serious question its commitment to its nascent democracy. Over the past year and a half, the frequency of the government's mistreatment of the domestic media and its suppression of the freedoms we have embodied in our First Amendment has become alarming; journalists critical of the government have been arrested and prosecuted and newspapers have been shut down.

Just recently, the government charged the Phnom Penh Post and Michael Hayes, its American publisher, with violations of Article LXII of the Cambodian Criminal Code and is seeking to fine the publisher and close down the paper. Article LXII provides for a fine and up to 3 years imprisonment for publishing false or falsely attributed information in bad faith and with malicious intent when the publication has disturbed or is likely to disturb the public peace. In order to convict, the government must prove all three elements—falsity, malicious intent, and public disturbance. The story in question is an article by Nate Thayer in the March 24/April 6 edition entitled "Security Jitters While PM's Away." The article detailed alleged security threats and measures taken by the government while the two Prime Ministers attended the April 1995 meeting of the country's principal aid donors. In reporting about the threats, Mr. Thayer clearly notes that many of the reported assertions were "rumor" or opinions or statements attributed to unnamed third parties. The article went on to cite "human rights officials" as saying that recent government actions against the press, the U.N. Center for Human Rights, and M.P. Sam Rainsy are the beginning of an official effort to put an end to criticism of the government that leaders say undermines its image at home and abroad as a democratic country.

Despite the fact that from the particulars of the case I doubt very much that the government could actually prove a violation of Art. LXII, they have decided to proceed with the case. The purpose of that decision is clearly is two-fold. First and foremost, there is the chilling effect bringing a criminal prosecution has on other like-minded journalists; the threat of jail or a fine—even simply the threat of criminal litigation—can make even the most serious and accurate journalist skittish. The reason for picking on a foreign-owned paper is also clear; as a U.N. worker recently noted:

> The cases against the Khmer press are in a slightly different category because they have been persecuted for articles that are mostly opinion. The Phnom Penh Post and other Western—style newspapers are more troubling to the government because they deal with facts that can be proved true. They bring to light the inner workings of government and that bother [the government] far more than opinions that are sometimes insulting.

Second, the government seeks to use the law to discover the identities of Mr. Thayer's sources. To prevent the government from proving the first element of an Art. LXII offense in court—false attribution—Thayer would be forced to disclose his sources. Any forced compromise of journalistic sources severely curtails the ability of a free press to report on, and the people's right to be informed about, matters of public interest. This is especially true in instances involving such issues as government corruption, where the power of the wrongdoers makes those knowledgeable about the wrongdoing hesitant to come forward.

This is far from being the only time that the Cambodian Government has initiated an Art. LXII prosecution on flimsy grounds. Two Cambodian journalists have already been convicted under that provision for articles that, in my view, plainly reported opinions—which are by definition subjective rather than objective—rather than facts. On May 19, the editor of Oddom K'tek Khmer, Thun Bunly, was sentenced to a fine of R5,000,000 ($2,000) or one year in jail for printing a letter to the editor entitled "Stop Barking Samdech Prime Ministers." The following day, Hen Vipheak was sentenced to a fine of R5,000,000 or two years in jail for a cartoon and satire of the three branches of government. Most recently, Thun Bunly was tried again, this time for expressing opinions highly critical of the government; he described certain government officials as greedy dictators. His paper was shut down and he was sentenced to a fine of R10,000,000 or two years in jail.

Unfortunately, this blatant intimidation shows no signs of abating. Last week the Ministry of Information announced that the government is seeking prosecution on unspecified charges of between two and five newspapers. One of them, Samleng Yu Vachuon Khmer, has already received a court summons. In addition, the government has adopted a new press law that would allow criminal prosecutions where the published material affects national security and political stability—as nebulous a standard as I have seen—and permits the Ministries of the Interior and Information to confiscate publications they find objectionable or temporarily suspend publications without the approval or oversight of an independent court. Although the measure has yet to be signed into law by King Sihanouk and therefore is not legally in effect, it is being used to bring charges against the media.

The repeated pattern of these prosecutions, as well as the fact that all of the alleged offenders have all stepped on the government's toes, leads me and groups like Human Rights Watch/Asia to conclude that the government has embarked on a program of intimidation aimed at quelling its detractors. That perception is not helped by statements such as those by Prime Minister Prince Ranariddh last month that foreign newspapers are distorting the current situation in Cambodia and that the Western brand of democracy and freedom of the press is not applicable to Cambodia. The Prince needs to be reminded, however, that the freedoms embodied in the Paris Accords are not Western, but universal, and as such were supported by each of Cambodia's political parties. In addition, they are embodied in the International Covenant on Civil and Political Rights to which Cambodia is a signatory.

The Cambodian Government may believe that no one is watching, or that no one outside Cambodia cares, or that their actions are somehow excused by the nascent nature of their democracy; they could not be more wrong. Mr. President, we and the other donor countries are watching and we care. It is precisely because Cambodia's democracy is in its infancy that it is important to avoid the tendency towards this type of abuse; otherwise, Cambodia risks institutionalizing the behavior. If the Cambodian Government is unwilling to protect these universally recognized rights, and to protect journalists and others who peacefully advocate dissenting political views, then we and the other donor nations will ensure that there is literally a price to be paid.

Last, but certainly not least, there were a number of developments in China which are noteworthy. First, on the brighter side, there appears to have been a slight warming in our bilateral relationship. On August 24, the Wuhan People's Court sentenced Harry Wu to a 15-year jail term and expelled him from the country, thus removing a serious obstacle to the resumption of friendly relations between us. A number of encouraging signs have followed. The Chinese have indicated that they will be sending back to Washington their ambassador, Li Daoyu, who was recalled after our decision to admit Taiwanese President Lee Teng-hui for a private visit. Having previously broken off all high-level governmental contacts, the Chinese agreed to a 3-day visit by United States Undersecretary of State Tarnoff to discuss a variety of bilateral issues. In addition, on September 1, Li Xilin, the Guangzhou Military Area Commander of the People's Liberation Army, attended a ceremony in Honolulu marking the 50th anniversary of the end of World War II as the representative of Chinese Defense Minister Chi Haotian. There is also talk of an October summit meeting between President Clinton and his Chinese counterpart Jiang Zemin. These contacts are important because they provide a venue for dialog and dialog keeps parties from misunderstanding each other.

I am very pleased that it appears that the dip in our bilateral relationship has reached its nadir and is on the upswing. That is not to say, of course, that everything has returned to normal. Reports in the Chinese media, and statements from the Foreign Ministry, indicate that that government is still adhering to the unacceptable position that the United States is solely responsible for the current problems in Sino-U.S. relations; Washington should take all the blame for the problems. Mr. President, the PRC should be mindful of the adage that when you point the finger of blame at someone, three fingers are pointing back at you. If the Chinese were to indulge in one of their favorite political pastimes—self-criticism—then perhaps they would realize that it is they that may be at fault: their overreaction to President Lee's visit, technology transfers to Pakistan and Iran, failure to enforce its obligations in regards to intellectual property and arbitral conventions—the list goes on. The Chinese need to get over the blame game and get down to constructive dialog and constructive actions.

Despite my generally optimistic feeling about the general trend in our relationship, however, there have been a number of developments there which are troubling to me. First, on August 17 China conducted its second underground nuclear test this year at its facility at Lop Nor—its fourth in the past 14 months. This test concerns me, and others, for the same reason as the proposed French tests in Mururoa; I believe that conducting these tests is damaging to international efforts to curb the proliferation of nuclear weapons. In May of this year, the world's five acknowledged nuclear powers persuaded the rest of the world to extend indefinitely the Nuclear Non-proliferation Treaty. To win that consensus, the five countries promised to sign a Comprehensive Test Ban Treaty [CTBT] by the end of the year. The continuation of Chinese testing though, only 4 months after China signed the agreement, calls into question that country's commitment to the CTBT and consequently undermines these international efforts to curb nuclear proliferation. What possible incentive do other nuclear countries have to refrain from testing if others continue to test?

I am not alone in my disappointment at this decision. Many countries in the region, including Australia and Japan, have been very vocal in their opposition. In fact, on August 30 Japan announced it will freeze most of its grant aid—about $81.2 million in fiscal year 1995—because of China's testing. Foreign Minister Kono Yohei told a news conference: "We have decided to freeze aid to China with the exception of a portion that is provided for emergency relief measures and humanitarian aid—until China says it will stop nuclear tests."

I would hope that Beijing would reconsider this course, not because we disapprove, or other countries disapprove, but because of the benefits that will accrue to the world as a whole as a result.

Another issue, Mr. President, is the unfortunate Chinese decision to deny a visa to Hong Kong political leader Martin Lee Chu-ming. Lee is the Chairman of the Democratic Party in Hong Kong, a principal voice of support for democracy in the colony; in that role, he has been a frequent critic of the communist government in Beijing. Lee needed the visa to attend the LawAsia conference in Beijing, to which he had been officially invited. But before he could apply, Zou Yu, the head of the local coordinating body the China Law Society, said there was no place [here] for people like him because he was one of the founding members of the subversive Hong Kong Alliance in Support of a Patriotic Democratic Movement. Ironically, Lee has a letter of invitation to the conference, which delegates had been told would be enough to have a visa issued on presentation, signed by Mr. Zou.

Before I hear it from the Chinese Foreign Ministry, I will state at the outset that I fully recognize that who the PRC does or does not admit within its borders is purely an internal matter in which third countries have no right to interfere. Certainly, Lee's statements in support of democracy are not music to the senior cadres' ears and if they choose to exclude him on that basis so be it. However, I believe that it would have been in China's best interests to admit him. Such a move would have been greatly reassuring to Hong Kong—to both its citizenry and business interests—and would have gone a long way to bolster China's stature worldwide. As it stands though the Chinese move seems petty and vindictive, and calls into question both its post-1997 commitment to the continuation of democracy in Hong Kong and its ability to impartially host international conferences.

The PRC has a disturbing habit of seeking to host these conferences in an effort to boost its international image, only to then heap a host of conditions on the attendees to ensure that nothing comes up at the conference which might embarrass China by, say, openly discussing its abysmal human rights record. The LawAsia Conference and Martin Lee are one example; another is the present U.N. women's conference in Beijing. When it became clear to the Chinese authorities that the participants in the conference's NGO forum are prone to spontaneous demonstrations and statements in support of a variety of causes the regime finds threatening—democracy, opposition to coerced abortion, the role of women in society—the forum suddenly found itself moved a substantial distance outside Beijing to the small village of Huairou. The official reason was that the Beijing stadium originally planned to hold the forum was structurally unsound—despite the fact that only 2 weeks ago the Chinese held a major event there. The unofficial reason is clear to everyone; Chinese authorities are doing their best to make sure that the flood of delegates does not contaminate China or its citizenry with foreign ideas and open dialog.

Official statements to the contrary aside, the Chinese are fooling no one. As the Chinese themselves are fond of saying: "Actions speak louder than words." Once Beijing began to prepare for the conference, the patterns of isolating delegates and imposing censorship became clear. Delegates with views with which China disagrees were denied visas. Groups representing Tibetan and Taiwanese women were unfairly denied accreditation, lest they embarrass the host country. Thirty delegates from Niger were denied visas; ostensibly because their paperwork was not entirely in order, but more likely—as almost everyone believes—because Niger diplomatically recognizes Taiwan. Delegates who were allowed in were warned that Chinese customs officials would confiscate any printed material China deemed objectionable, including Bibles. Buses that were promised to run every 20 minutes from Huairou to Beijing have dwindled to one per day, effectively isolating the delegates at Huairou even more. The U.N. designated "newspaper of record" for the forum—chronicling the meetings and seminars and reporting on the day's events—has been unable to publish because the Chinese firm with which they contracted is suddenly and inexplicably "too busy with other printing work."

I think one of the especially telling examples of this trend is the creation of an "official protest site" for the conference. Predictably sited outside of Beijing in Huairou, the official spot is located on a middle-school athletic field within the confines of the forum, where an extra 5,000 police officers will be on duty. There, separated from the Chinese people by an artificially imposed chasm, the delegates are free to protest to their hearts content-with one exception. Vice Minister of Public Security Tian Qiyu has announced that "Inside the site, NGO's are permitted to have demonstrations and processions, but these should not infringe on the sovereignty of the host country and should not slander or attack [its] leaders." In other words, say what you want just don't criticize China. So much for an open forum.

The actions of the Chinese Government became so oppressive that they threatened to scuttle the entire forum. Complaints from a large number of delegates about the omnipresence of Chinese security police hovering over them grew with each passing day of the forum, and for good reason. Both uniformed and plainclothes police monitored meetings and discussions, and videotaped participants. Security officers have searched hotel rooms, followed delegates, rifled through personal papers and tried to restrict the movement of people who have come to take part in the conferences. On August 31, following a screening of a video about Tibet entitled "Voices in Exile," police snatched the video cassette and attempted to confiscate it, only to have it snatched back by the attendees. Another group of delegates protesting China's treatment of Tibetan women were surrounded by Chinese plainclothes police and shouted down; one Canadian woman, the adoptive mother of a Tibetan child, was even physically assaulted. Although the Chinese denied such an assault took place, it was captured on video and broadcast here by CNN. A session held by Australian NGO's was disrupted when security officials seized microphones and video equipment and ordered the groups to disband; the Australian Government lodged a formal protest in response. In another incident, police tried to seize a Chinese woman who chatted with delegates on the street. When the woman was surrounded by delegates, though, the police retreated. The Chinese moves are especially galling because under the agreement signed by the Chinese the forum site is considered to be under U.N., rather than Chinese, jurisdiction for the duration of the conference, much like embassies are considered to be.

Things got so bad that on September 3, the leaders of the forum issued an ultimatum to the Chinese demanding that China stop its heavy-handed security measures by noon on that day. In response, the Chinese grudgingly replaced some uniformed officers with plainclothesmen and scaled back some of the surveillance. Despite the changes, though, clashes between police and delegates continue. Just this last weekend Islamic women demonstrators were physically prevented by police from marching out of the forum site into Huairou.

Given this somewhat ironic Chinese penchant for actively seeking to host international conferences dealing with human rights and the free exchange of ideas only to trample those very rights, I would not be at all surprised if the next time the PRC seeks to host such a meeting the participants think twice; and the Chinese—although they will certainly try—will have no one to blame but themselves. As I have pointed out previously, if China wants to assume a place at the international table, then it must respect international rules and norms of behavior—in trade, in diplomacy and military affairs, in nonproliferation, and not least in domestic practice.

THE AGENCY FOR HEALTH CARE POLICY AND RESEARCH: A BEACON FOR POLICYMAKERS

Mr. DASCHLE. Mr. President, as the Congress considers its appropriations bills and strives to reduce the rate of growth of Federal programs, I would like to call attention to one very small, but important agency that policymakers and industry representatives alike have praised as responsible and cost-effective—the Agency for Health Care Policy and Research [AHCPR].

AHCPR, which is part of the Department of Health and Human Services, was established in 1989 with strong bipartisan support. Broadly stated, the agency's mission is to conduct impartial health services research and disseminate information that will complement public and private sector efforts to improve health care quality and contain costs.

AHCPR's charge is to find out what works and what does not work in the health care system, and the results of its research are being used voluntarily by the private sector to contain health care costs. The agency funds outcomes research projects that examine the efficacy of medical interventions in terms of how they affect patients. It also funds studies on the medical effectiveness of particular procedures and conducts assessments of health technologies utilized by HCFA and CHAMPUS to make coverage decisions. These projects have identified millions of dollars in potential savings to Medicare. Finally, the agency convenes multidisciplinary panels of experts to develop clinical practice guidelines on such topics as low back pain, cataracts, sickle cell anemia, mammography, unstable angina, and cancer pain. These guidelines are disseminated to consumers, private and public sector health care policymakers, providers, and administrators for use as they see fit.

AHCPR is a true public/private partnership designed to improve the quality of health services and contain their cost. And it is working. Supporters of the agency include conservatives and liberals in both political parties and span the health care spectrum, from the insurance industry to providers to academia and other highly regarded public policy institutions. AHCPR has been called an "honest broker" because of the way it compiles and distributes health care cost and quality information among competing public and private sector interests.

It is very important to the health care system that AHCPR continue producing the kind of significant research it has developed in the past 5 years. To slash AHCPR's funding now would truly be penny-wise and pound-foolish: The current funding level for the agency amounts to a little more than a dollar per American. Yet potential savings from the use of its guidelines and research could save hundreds of millions, and by some estimate billions, of dollars.

AHCPR should continue to play a critical role as we struggle to control national health care costs, particularly in the Medicare and Medicaid programs. AHCPR-funded research has provided strong evidence that health care costs can be contained while improving the quality of services. It would be irresponsible to devastate funding to the only Government agency devoted to finding ways for us to improve quality and lower costs.

Recently three of our esteemed former colleagues who were intimately involved in the creation of the Agency for Health Care Policy and Research—Senator George Mitchell, Senator David Durenberger and Representative Willis Gradison—jointly authored an article entitled, "The Agency for Health Care Policy and Research: A Beacon for Policy Makers." This article gives a historical perspective and summarizes the current situation while making a persuasive argument for the AHCPR's continued funding. I ask unanimous consent that this article be printed in the RECORD, and I urge my colleagues to carefully consider these noted health care experts' comments and weigh their advice when the Senate considers the fiscal year 1996 Labor-HHS appropriations bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE AGENCY FOR HEALTH CARE POLICY AND RESEARCH: A BEACON FOR POLICYMAKERS

(Jointly authored by: former Senate Majority Leader George Mitchell, LL B., Georgetown University, B.A. in history, Bowdoin College, currently special counsel to the Washington, D.C.-based law firm of Verner, Liipfert, Bernhard, McPherson and Hand; former Senator Dave Durenberger, J.D., University of Minnesota, B.A. cum laude political science and history, St. Johns University, currently senior counselor for the Washington, D.C.-based public affairs consulting firm of APCO Associates Inc.; and, former Representative Willis Gradison, MBA, Ph.D in economics, both from Harvard, currently president of the Health Insurance Association of America, in Washington, DC)

Reasonable people—including the three of us—may disagree about how to address problems in the nation's health care system and the role government should play in ensuring access to health care for American citizens. But there are some major areas of bipartisan agreement as well. We agree that the quality of health care should not be compromised and that we must get the best value for the trillion dollars we spend each year on medical care.

One clear way to maximize the value of health care is to create a body of objective, science-based information on the interrelationship of the cost and quality of health care. In the late 1980s, we agreed that a federal investment was needed in health services research. Our thoughts were influenced by the early findings from research funded by the National Center for Health Services Research (NCHSR).

For example, the "small-area analysis" conducted by John Wennberg and others, and the work of the Maine Medical Foundation, showed wide variations in the type and intensity of medical care provided in different parts of the country. Were people in some areas getting too much care? Were others being under treated? To a large extent, we simply lacked the research tools needed to explain these variations. Early research by Wennberg and others also suggested that providing physicians with credible, high-quality information could modify their behavior, improve quality and reduce costs by eliminating unnecessary or ineffective procedures.

While many public and private groups had initiated their own health services research, their efforts were not being coordinated and there were no scientifically-based protocols for research and guideline development. We concluded that a new agency could become the focus of federally-sponsored outcomes studies. This new agency also would elevate the status of health services research in general. Through bipartisan efforts in both chambers, legislation was enacted to create the federal Agency for Health Care Policy and Research (AHCPR). This legislation ultimately became an important part of the Omnibus Budget Reconciliation Act of 1989 (P.L. 101-239).

As noted in a recent historical account of AHCPR, a primary purpose of OBRA 1989 was to improve quality and contain costs in the Medicare program—to curb costs without having to cut back on needed care. Since both the public and private sectors were calling for more readily available information, AHCPR's mandate was two-fold: to find out which treatment methods actually work and which ones are inappropriate and therefore not cost effective. Second, we asked the agency to work closely with the private sector—particularly consumers and health care providers.

Among health care providers, physicians are the key. They are an important group to reach, because they are responsible for making most treatment decisions. It is significant to note that many provider groups supported the creation of AHCPR, including the American Medical Association, the American College of Physicians, and the American Society of Internal medicine. It also should be noted that outcomes research was an important companion to the Medicare physician payment reforms enacted the same year.

Since the federal government is the largest single payer of health care services in the U.S., we initially asked AHCPR to focus its research on the most common and the most costly treatments for federal health programs such as Medicare and Medicaid. In its first five years of operation, AHCPR has made considerable progress. Its research activities focus on ten of the 15 most common diagnoses for Medicare inpatients, and nine of the 15 most common diagnoses for Medicaid inpatients.

To date, the Agency has released 16 clinical practice guidelines designed to inform patients and clinicians of "state of the art" medicine. These guideline topics range from the management of acute low back pain in adults to treating otitis media in children.

AHCPR also is funding 15 Patient Outcome Research Teams, known as PORTs. These multi-disciplinary, private-sector groups are created to determine the treatment effectiveness of conditions for which there is widespread disagreement about clinical strategies. Current PORTs are studying conditions ranging from cataracts to low birthweight.

The research and guideline development are the initial steps. Equally important is making sure those guidelines reach the public. So far, the Agency has distributed 26 million copies of its guidelines to clinicians and consumers. By working through partnerships with entities in the private sector, AHCPR has saved $12.6 million in federal reprinting and distribution costs. Private partners have circulated 11.5 million reprints of AHCRP-funded guidelines.

1. FINDING WHAT WORKS

The Agency's work has already produced scientific findings that can improve the quality of health care while constraining its cost.

AHCPR-sponsored research has demonstrated that about half of the 600,000 patients who receive diagnostic cardiac catheterization as inpatients each year could have the procedure on an outpatient basis.

Research shows that ordering tests by computer decreased hospital costs by nearly $600 per admission, and reduced average length of stay by almost a day. If this computer system was applied to the entire medicine service, the hospital projected over $3 million in savings per year.

The use of transurethral resection of the prostate—an operation for benign prostatic hyperplasia (BPH)—has fallen nearly 33 percent, due in part to AHCPR research on prostatic disease and its guideline on BPH. This saves Medicare an estimated $60 million annually.

AHCPR and its predecessor, NCHSR, have also been instrumental in the early development of major improvements to reimbursement systems. They funded the early design of diagnosis related groups (DRGs), which were adapted for Medicare payment reforms in 1983.

They also have helped to fine-tune the DRG system over time. This series of payment reforms, in combination with other initiatives (such as the creation of Medicare's Peer Review Organizations (PROs)) has been widely credited with limiting cost increases for Medicare. In addition, many of these reimbursement reforms have been adapted by private sector payers.

2. IMPROVING CLINICAL PRACTICE

A second type of research conducted and sponsored by the Agency helps physicians and other care-givers take advantage of clinical and cost-effectiveness information. They enable care-givers to use guidelines and other resources to quickly ascertain treatment options and make more informed decisions. For example:

Low back pain.—In 1990, the U.S. spent more than $20 billion for direct medical costs associated with low back pain. Lower back pain accounted for one-tenth of total Medicare charges in 1987. Billions could be saved each year by using the AHCPR guideline, without any loss in the quality of care provided. For example, Singing River Hospital in Pascagoula, Mississippi, has reduced the average length of stay for surgical patients by one day since 1993, with the help of AHCPR's acute pain management guideline.

Pressure ulcer prevention.—More than 250,000 hospital and nursing home patients suffer from pressure ulcers. Broad use of the AHCPR-supported clinical practice guidelines on prevention could halve the incidence of this very painful and costly problem. For example, Intermountain Health Care, a Salt Lake City-based health care system, saved $240,000 in six months by using the guidelines in one of its hospitals. Intermountain is now implementing the guidelines in its twenty-three other hospitals. Similarly, Abbott-Northwestern Healthcare System in Minneapolis estimates it would save $288,000 a year by using the guideline. South Suburban, a 225-bed hospital in Hazel Crest, Illinois, has halved the number of hospital-acquired pressure ulcers since introducing the guideline two years ago.

Most AHCPR-funded guidelines are so new that it is too early to assess the extent to which they have been adopted. Preliminary research suggests that many managed care entities already use one or more of the AHCPR guidelines. Other groups use the guidelines to improve their internal quality-improvement initiatives.

THE FUTURE

Like all scientific endeavors, there are no "quick fixes." In its first five years, AHCPR has demonstrated that it is a sound investment for the American taxpayer. In fiscal year 1994, AHCPR's annual operating budget of $162 million represents only one fiftieth of one percent of the nation's $900 billion health care spending. Indeed, all federal health services research activities combined accounted for only one twentieth of one percent of national health spending in 1994.

Federal and state legislators grappling with spiraling health care spending should be supporting health services research more than ever before. They need this knowledge to help them make sound decisions as new health delivery systems evolve.

Is federally-sponsored health services research still necessary? We believe the answer is yes, for at least three reasons:

1. In a market-based delivery system driven by provider competition and consumer choice, the information AHCPR generates is essential—especially to the doctor-patient relationship. Health services research also enables us to study the impact of these delivery changes on quality and access as the public and private sectors struggle to contain health care costs.

2. AHCPR-funded research provides the economies of scale that can only occur with a comprehensive national study. Both public and private groups benefit from having this information in the public domain. The federal government's willingness to provide "seed money" stimulates privates sector research initiatives and magnifies the applicability of the results.

3. AHCPR acts as an "honest broker" in developing the science of health services research. The Agency's authorizing legislation does not allow it to regulate the health care industry, it is not empowered to act as a payer of health care services, and it does not administer a health program. Therefore, it is free from conflicts of interest.

It is appropriate for the government to have a role in building and sustaining the knowledge base that can meet the information needs of a market-driven health care system. Indeed, AHCPR-funded guidelines are often viewed as the "gold standard" of guidelines, and are frequently customized by private entities. For example, UCLA Medical Center, Kaiser-Permanente—Anaheim Medical Center and Saint Luke's Hospital in Kansas City, Missouri are among the many facilities that have utilized AHCPR's acute pain management guideline.

These findings have acted like a beacon, they show policy makers in advance where problems are developing and provide alternatives for helping to solve these problems. The creation of AHCPR has improved the quality of health care delivered in this country by facilitating health services research and disseminating the results to the public. At the same time, it has proved to be an extremely sound investment for American taxpayers.

THE 250TH ANNIVERSARY OF FREDERICK, MARYLAND

Mr. SARBANES. Mr. President, I would like to call to the attention of our colleagues celebrations that are underway to celebrate the 250th anniversary of the establishment of the city of Frederick, MD. The mayor of Frederick, Jim Grimes, along with the entire community, has planned several significant events to commemorate this propitious milestone.

Throughout its history, Frederick has served not only as a monument to Marylanders, but it has also carved its place in American history as well. Established in 1745, Frederick Town was the home of many great colonial Americans including Francis Scott Key, author of "The Star Spangled Banner"; Roger Taney, second Chief Justice of the Supreme Court; and John Hanson, President of the Continental Congress.

The English and German settlers of Frederick Town were ferociously proud of the independence and the liberty they found in the New World. When the British passed the Stamp Act in 1785 requiring colonists to purchase stamps for all legal and commercial documents, 12 Frederick County judges resolved to reject the Stamp Act and approved the usage of unstamped documents. This bold maneuver is believed to be the first recorded act of rebellion in the colonies.

According to several historians, it was in Frederick Town, not St. Louis, where Lewis and Clark began their famed expedition across the unexplored Nation. In July 1803, the travelers set forth from the Hessian Barracks in Frederick Town across the unchartered west and into the unknown territory.

Frederick Town was incorporated as a city in 1817, thus officially changing its name to Frederick. In the early 1800's, construction of the B&O Railroad and the C&O Canal began. The establishment of these two major avenues of transportation opened a window to the world for the citizens of Frederick. These corridors to Washington and Baltimore would provide access to jobs, to industry, and to trade.

But in 1864, Frederick was faced with grave despair. Under the threat of General Jubal Early's torch, city officials had to secure $200,000 in loans from local banks to save Frederick. Three of the five original banks that contributed to that ransom are still open for business.

Over the course of the next century, Frederick would mature into a thriving and continuously expanding community. It is the home of a wide spectrum of facilities that include Fort Detrick, high-tech firms that are instrumental in AIDS research, the Frederick Keys baseball team, Hood College and Frederick Community College. And although Frederick is the third largest city in Maryland, it still maintains its small town charm and charisma.

Frederick is a model of community spirit and cooperation. The activities that have been sponsored to commemorate this auspicious occasion exemplify the deep devotion of Frederick's residents to their community. The spirit and enthusiasm of Frederick's citizens have been the foundation of its success. These celebrations provide the opportunity to renew the dedication that has supported Frederick throughout its history and helped it to develop into one of Maryland's most attractive communities.

We in Maryland are fortunate to have an area as community-oriented as Frederick. I join the citizens of Frederick in sharing their pride in Frederick's past and optimism for continued success in the years to come.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and treaties which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on August 11, 1995, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bill:

H.R. 2161. An act to extend authorities under the Middle East Peace Facilitation Act of 1994 until October 1, 1995, and for other purposes.

Under the authority of the order of the Senate of January 4, 1995, the enrolled bill was signed on August 11, 1995, during the adjournment of the Senate by the President pro tempore (Mr. THURMOND).

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on August 18, 1995, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills:

H.R. 535. An act to direct the Secretary of the Interior to convey the Corning National Fish Hatchery to the State of Arkansas.

H.R. 584. An act to direct the Secretary of the Interior to convey a fish hatchery to the State of Iowa.

H.R. 614. An act to direct the Secretary of the Interior to convey to the State of Minnesota the New London National Fish Hatchery production facility.

H.R. 1225. An act to amend the Fair Labor Standards Act of 1938 to exempt employees who perform certain court reporting duties from the compensatory time requirements applicable to certain public agencies, and for other purposes.

H.R. 2077. An act to designate the United States Post Office building located at 33 College Avenue in Waterville, Maine, as the "George J. Mitchell Post Office Building".

H.R. 2108. An act to permit the Washington Convention Center Authority to expend revenues for the operation and maintenance of the existing Washington Convention Center and for preconstruction activities relating to a new convention center in the District of Columbia, to permit a designated authority of the District of Columbia to borrow funds for the preconstruction activities relating to a sports arena in the District of Columbia and to permit certain revenues to be pledged as security for the borrowing of such funds, and for other purposes.

Under the authority of the order of the Senate of January 4, 1995, the enrolled bills were signed on August 18, 1995, during the adjournment of the Senate by the President pro tempore (Mr. THURMOND).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1269. A communication from the Chief of the Forest Service, Department of Agriculture, transmitting, pursuant to law, the report of program performance for fiscal year 1994; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1270. A communication from the Secretary of Agriculture and Secretary of Transportation, transmitting jointly, pursuant to law, the report on Interagency Aviation Inspections; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1271. A communication from the Secretary of Agriculture, transmitting, drafts of proposed legislation entitled "The Plant Protection Act" and "The Animal Health Protection Act"; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1272. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 92-24; to the Committee on Appropriations.

EC–1273. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 93-01; to the Committee on Appropriations.

EC–1274. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 92-21; to the Committee on Appropriations.

EC–1275. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 95-03; to the Committee on Appropriations.

EC-1276. A communication from the Deputy Chief (Programs and Legislation Division), Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a notification relative to the Evolved Expendable Launch Vehicle (EELV) Low Cost Concept Validation (LCCV); to the Committee on Armed Services.

EC-1277. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the report entitled "Promoting Housing Choice in HUD's Rental Assistance Programs"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1278. A communication from the Directors of the Congressional Budget Office and the Director of the Office of Management, transmitting jointly, pursuant to law, the report of the estimated budgetary effect of a requirement that the Federal Reserve balances; to the Committee on Banking, Housing, and Urban Affairs.

EC-1279. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, the monetary policy report for the period from January 1, 1995 to June 30, 1995; to the Committee on Banking, Housing, and Urban Affairs.

EC-1280. A communication from the Chairman of the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, a report relative to financial institutions for calendar year 1994; to the Committee on Banking, Housing, and Urban Affairs.

EC-1281. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC-1282. A communication from the Director of the Office of Technology Assessment, transmitting, pursuant to law, the report entitled "Electronic Surveillance in a Digital Age"; to the Committee on Commerce, Science, and Transportation.

EC-1283. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report on the future of the Interstate Commerce Commission; to the Committee on Commerce, Science, and Transportation.

EC-1284. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation to implement aspects of the Department of Transportation budget request for fiscal year 1996, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-1285. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report on the Aircraft Cabin Air Quality Research Program; to the Committee on Commerce, Science, and Transportation.

EC-1286. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report on the Aviation Safety Inspector Staffing Requirements for fiscal years 1995 through 1997; to the Committee on Commerce, Science, and Transportation.

EC-1287. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of the cost/benefit analysis of radar installations at joint-use civil military airports; to the Committee on Commerce, Science, and Transportation.

EC-1288. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of the evaluation of retro-reflective beads in airport pavement markings; to the Committee on Commerce, Science, and Transportation.

EC-1289. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of the updated Aviation System Capital Investment Plan; to the Committee on Commerce, Science, and Transportation.

EC-1290. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of the final environmental impact statement for the Expanded East Coast Plan; to the Committee on Commerce, Science, and Transportation.

EC-1291. A communication from the Chairman of the Pennsylvania Avenue Development Corporation, transmitting, pursuant to law, the annual report for calendar year 1994; to the Committee on Energy and Natural Resources.

EC-1292. A communication from the Commissioner of the Bureau of Reclamation, Department of the Interior, transmitting, pursuant to law, the report of the Safety of Dams Program (Twin Buttes Dam); to the Committee on Energy and Natural Resources.

EC-1293. A communication from the Assistant Secretary (Fish and Wildlife and Parks), Department of the Interior, transmitting, a draft of proposed legislation to amend the Act establishing Lowell National Historical Park, and for other purposes; to the Committee on Energy and Natural Resources.

EC-1294. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the report of uranium purchases for calendar year 1994; to the Committee on Energy and Natural Resources.

EC-1295. A communication from the Secretary of the Interior, transmitting, pursuant to law, the report on wildfire disaster and rehabilitation for calendar year 1994; to the Committee on Energy and Natural Resources.

EC-1296. A communication from the Secretary of Energy, transmitting, pursuant to law, the report entitled "Expressions of Interest in Commercial Clean Technology Projects in Foreign Countries"; to the Committee on Energy and Natural Resources.

EC-1297. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report on metals initiative for fiscal year 1994; to the Committee on Energy and Natural Resources.

EC-1298. A communication from the Deputy Associate Director for Compliance, Minerals Management Service, Royalty Management Program, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-1299. A communication from the Secretary of Defense, transmitting, pursuant to law, the report of the plan for the further development and deployment of existing defense technologies in support of the dredging requirements of dual-use ports; to the Committee on Environment and Public Works.

EC-1300. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the report on abnormal occurrences for events at licensed nuclear facilities for the period January 1 to March 31, 1995; to the Committee on Environment and Public Works.

EC-1301. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, the report of an informational copy of a lease prospectus; to the Committee on Environment and Public Works.

EC-1302. A communication from the Acting Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report relative to a flood damage reduction project; to the Committee on Environment and Public Works.

EC-1303. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the report of the Treasury Bulletin for June 1995; to the Committee on Finance.

EC-1304. A communication from the Secretary of Health and Human Services, transmitting, a draft of proposed legislation entitled "The Vaccine Excise Tax Amendments of 1995"; to the Committee on Finance.

EC-1305. A communication from the Secretary of Health and Human Services, transmitting, a draft of proposed legislation entitled "The Medicare Contractor Reform Act of 1995"; to the Committee on Finance.

EC-1306. A communication from the Chairman of the International Trade Commission, transmitting, pursuant to law, the report on trade between the United States and China, the Successor States to the Former Soviet Union, and other Title IV countries for the period January 1 through March 31, 1995; to the Committee on Finance.

EC-1307. A communication from the Chairman of the International Trade Commission, transmitting, pursuant to law, the report on the operation of the United States trade agreements program for calendar year 1994; to the Committee on Finance.

EC-1308. A communication from the Chief of Legislative Affairs, Department of the Navy, transmitting, pursuant to law, notice relative to renewing a lease; to the Committee on Foreign Relations.

EC-1309. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, the report of deliveries to Bangladesh; to the Committee on Foreign Relations.

EC-1310. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of the intention to obligate additional funds in fiscal year 1995 by agencies and projects; to the Committee on Foreign Relations.

EC-1311. A communication from the Administrator of the U.S. Agency For International Development transmitting, pursuant to law, the report of Development Assistance Program allocations for the period January 1 through March 31, 1995; to the Committee on Foreign Relations.

EC-1312. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a Convention and Recommendation; to the Committee on Foreign Relations.

EC-1313. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of the Memorandum of Justification relative to the Presidential Determination on the United Nations Rapid Reaction Force; to the Committee on Foreign Relations.

EC–1314. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a Presidential Determination relative to the United Nations Rapid Reaction Force; to the Committee on Foreign Relations.

EC–1315. A communication from the Assistant Legal Adviser (Treaty Affairs), Department of State, transmitting, pursuant to law, the text of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–1316. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1994; to the Committee on the Judiciary.

EC–1317. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, the report of statistics of the operation of the Premerger Notification Program for fiscal year 1993; to the Committee on the Judiciary.

EC–1318. A communication from the Secretary of Education and the Secretary of the Treasury, transmitting jointly, a draft of proposed legislation entitled "The Accelerated Direct Loan Implementation and Student Loan Marketing Association Transition Act of 1995"; to the Committee on Labor and Human Services.

EC–1319. A communication from the Director of the Office of Medical Applications of Research, Department of Health and Human Services, transmitting, pursuant to law, the report entitled "Bioelectrical Impedance Analysis in Body Composition Measurement"; to the Committee on Labor and Human Services.

EC–1320. A communication from the Director of the National Science Foundation, transmitting, pursuant to law, the report from the Committee on Equal Opportunities in Science and Engineering; to the Committee on Labor and Human Services.

EC–1321. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the annual report of the Student Loan Marketing Association's financial statements for calendar year 1994; to the Committee on Labor and Human Services.

EC–1322. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the Housing Primary Care Program for calendar years 1992 and 1993; to the Committee on Labor and Human Services.

EC–1323. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on the National Health Service Corps for the calendar years 1990 through 1994; to the Committee on Labor and Human Services.

EC–1324. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report relative to the Low-Income Home Energy Assistance Program; to the Committee on Labor and Human Services.

EC–1325. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on health personnel in the United States; to the Committee on Labor and Human Services.

EC–1326. A communication from the Librarian of Congress, transmitting, pursuant to law, the report on the activities of the Library of Congress for fiscal year 1994; to the Committee on Rules and Administration.

EC–1327. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, the report of proposed regulations; to the Committee on Rules and Administration.

EC–1328. A communication from the Secretary of Defense, transmitting, pursuant to law, the semi-annual report on program activities to facilitate weapons destruction and nonproliferation in the Former Soviet Union for fiscal year 1995; referred jointly, pursuant to Section 1208 of Public Law 103-160, to the Committee on Appropriations, to the Committee on Armed Services, and to the Committee on Foreign Relations.

EC–1329. A communication from the Director of the Office of Civilian Radioactive Waste Management, Department of Energy, transmitting, pursuant to law, the report on the activities and expenditures of the Office of Civilian Radioactive Waste Management; referred jointly, pursuant to Public Law 97-425, to the Committee on Energy and Natural Resources, and to the Committee on Environment and Public Works.

EC–1330. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the report of the Mid-Session Review of the 1996 Budget; referred jointly, pursuant to the order of January 30, 1975 as modified by the order of April 11, 1986, to the Committee on Appropriations, and to the Committee on the Budget.

EC–1331. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–95, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1332. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–107, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1333. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–108, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1334. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–109, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1335. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–110, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1336. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–111, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1337. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–112, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1338. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–113, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1339. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–114, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1340. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–115, enacted by the Council on July 25, 1995; to the Committee on Governmental Affairs.

EC–1341. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–119, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1342. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–120, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1343. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–126, enacted by the Council on July 11, 1995; to the Committee on Governmental Affairs.

EC–1344. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–127, enacted by the Council on July 29, 1995; to the Committee on Governmental Affairs.

EC–1345. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "The Propriety of the Agreement Between Merrill Lynch and Lazard Freres, Who Served as the District's Financial Advisor"; to the Committee on Governmental Affairs.

EC–1346. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Fiscal Year 1994 Annual Report on Advisory Neighborhood Commissions"; to the Committee on Governmental Affairs.

EC–1347. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report of employees detailed to congressional committees; to the Committee on Governmental Affairs.

EC–1348. A communication from the Vice President and Treasurer of the Farm Credit Financial Partners, transmitting, pursuant to law, the annual report of the Group Retirement Plan for the Agricultural Credit Associations and the Farm Credit Banks in the First Farm Credit District for calendar year 1994; to the Committee on Governmental Affairs.

EC–1349. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report of the examination of IRS financial statements for fiscal year 1994; to the Committee on Governmental Affairs.

EC–1350. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the annual report for calendar year 1994; to the Committee on Governmental Affairs.

EC–1351. A communication from the Employee Benefits Manager of the AgFirst Farm Credit Bank, transmitting, pursuant to law, the report of federal pension plans for calendar year 1994; to the Committee on Governmental Affairs.

EC–1352. A communication from the Federal Reserve Employee Benefits System, transmitting, pursuant to law, the report of the retirement plan for employees of the Federal Reserve System for calendar year 1994; to the Committee on Governmental Affairs.

EC–1353. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the report on the Physicians' Comparability Allowance; to the Committee on Governmental Affairs.

EC–1354. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report of the list of General Accounting Office reports and testimony for June 1995; to the Committee on Governmental Affairs.

EC–1355. A communication from the Chairman of the U.S. Merit Systems Protection Board, transmitting, pursuant to law, a report entitled "Leadership for Change: Human Resource Development in the Federal Government"; to the Committee on Governmental Affairs.

EC–1356. A communication from the Director of the Administrative Office of the United States Courts, transmitting, pursuant to law, actuarial reports for fiscal year 1994; to the Committee on Governmental Affairs.

EC–1357. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "The Packers and Stockyards Licensing Fee Act of 1995"; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1358. A communication from the Under Secretary of Defense, transmitting, pursuant to law, the report of a violation of the Antideficiency Act, case number 93-46; to the Committee on Appropriations.

EC–1359. A communication from the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, the Selected Acquisition Reports for the period April 1 through June 30, 1995; to the Committee on Armed Services.

EC–1360. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, a notice relative to the Greenbrier Hotel, White Sulphur Springs, West Virginia; to the Committee on Armed Services.

EC–1361. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to the Defense Enterprise Fund; to the Committee on Armed Services.

EC–1362. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to the Cooperative Threat Reduction Assistance Program; to the Committee on Armed Services.

EC–1363. A communication from the Principal Deputy General Counsel of the Department of Defense, transmitting, a draft of proposed legislation to amend Title 10, United States Code, to consolidate provisions of law regarding international defense acquisition into a new Defense Trade and Cooperation chapter, and for other purposes; to the Committee on Armed Services.

EC–1364. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement with respect to a transaction involving U.S. exports to the Philippines; to the Committee on Banking, Housing and Urban Affairs.

EC–1365. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement with respect to a transaction involving U.S. exports to the Republic of the Philippines; to the Committee on Banking, Housing and Urban Affairs.

EC–1366. A communication from the President and Chairman of the Export-Import Bank, transmitting, pursuant to law, a statement with respect to a transaction involving U.S. exports to Mexico; to the Committee on Banking, Housing and Urban Affairs.

EC–1367. A communication from the Fiscal Assistant of the Treasury, transmitting, pursuant to law, a report on government securities brokers and dealers; to the Committee on Banking, Housing, and Urban Affairs.

EC–1368. A communication from the Chairman of the Federal Housing Finance Board, transmitting, pursuant to law, the annual report for calendar year 1994; to the Committee on Banking, Housing, and Urban Affairs.

EC–1369. A communication from the General Counsel of Department of the Treasury, transmitting, a draft of proposed legislation entitled "the Gold Bullion Coin Amendments of 1995"; to the Committee on Banking, Housing, and Urban Affairs.

EC–1370. A communication from the Acting Director of the Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the report on enforcement actions and initiatives for calendar year 1994; to the Committee on Banking, Housing, and Urban Affairs.

EC–1371. A communication from the President of the United States, transmitting, pursuant to law, a report relative to the system of export regulations; to the Committee on Banking, Housing, and Urban Affairs.

EC–1372. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on direct spending or receipts legislation within five days of enactment; to the Committee on the Budget.

EC–1373. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, a draft of proposed legislation to authorize appropriations to NASA for human space flight, science, aeronautics, and technology, mission support, and Inspector General, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC–1374. A communication from the Administrator of the Federal Aviation Administration, transmitting, pursuant to law, the report on the Traffic Alert and Collision Avoidance System for the period April 1 through June 30, 1995; to the Committee on Commerce, Science, and Transportation.

EC–1375. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the Ninoy Aquino International Airport, Manila, Philippines; to the Committee on Commerce, Science, and Transportation.

EC–1376. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the transition to quieter airplanes; to the Committee on Commerce, Science, and Transportation.

EC–1377. A communication from the Secretary of Commerce, transmitting, pursuant to law, the report of the National Technical Information Service for fiscal year 1994; to the Committee on Commerce, Science, and Transportation.

EC–1378. A communication from the Secretary of Energy, transmitting, pursuant to law, the report of a study of a representative sample of light-duty alternative fuel vehicles in Federal fleets; to the Committee on Energy and Natural Resources.

EC–1379. A communication from the Secretary of Energy, transmitting, pursuant to law, the report on the Low Emission Boiler System Program; to the Committee on Energy and Natural Resources.

EC–1380. A communication from the Deputy Associate Director for Compliance, Minerals Management Service, Royalty Management Program, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC–1381. A communication from the Acting Deputy Associate Director for Compliance, Minerals Management Service, Royalty Management Program, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC–1382. A communication from the Assistant Secretary of the Interior (Land and Minerals Management), transmitting, pursuant to law, a notice on leasing systems for the Wester Gulf of Mexico; to the Committee on Energy and Natural Resources.

EC–1383. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the report on the nondisclosure of Safeguards Information for the period April 1 through June 30, 1995; to the Committee on Environment and Public Works.

EC–1384. A communication from the Commissioner of Public Buildings Service, General Services Administration, transmitting, pursuant to law, a report on the Federal Triangle Complex; to the Committee on Environment and Public Works.

EC–1385. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, the report of informational copies of lease prospectuses; to the Committee on Environment and Public Works.

EC–1386. A communication from the Acting Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a report entitled "Living Within Constraints: An Emerging Vision for High Performance Public Works"; to the Committee on Environment and Public Works.

EC–1387. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a Presidential Determination relative to the United Nations Rapid Reaction Force in Bosnia; to the Committee on Foreign Relations.

EC–1388. A communication from the Assistant Legal Adviser (Treaty Affairs), Department of State, transmitting, pursuant to law, the text of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–1389. A communication from the Assistant Attorney General (Office of Legislative Affairs), transmitting, pursuant to law, the report entitled "Searching for Answers Annual Evaluation Report on Drugs and Crime: 1993-1994"; to the Committee on the Judiciary.

EC–1390. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on the Refugee Resettlement Program for fiscal year 1994; to the Committee on the Judiciary.

EC–1391. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on the Youth Gang Drug Prevention Program for fiscal year 1994; to the Committee on Labor and Human Resources.

EC–1392. A communication from the Director of the Congressional Budget Office, transmitting, pursuant to law, the Sequestration Update Report for fiscal year 1996; referred jointly, pursuant to the order of August 4, 1977, to the Committee on the Budget, and to the Committee on Governmental Affairs.

EC-1393. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, notice relative to military personnel accounts; referred jointly, pursuant to the order of January 30, 1975 as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, and to the Committee on Armed Services.

EC-1394. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "The Review of the Water and Sewer Utility Administration's Participation in the District's Cash Management Pool"; to the Committee on Governmental Affairs.

EC-1395. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-128, enacted by the Council on July 29, 1995; to the Committee on Governmental Affairs.

EC-1396. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-129, enacted by the Council on July 29, 1995; to the Committee on Governmental Affairs.

EC-1397. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-130, enacted by the Council on July 29, 1995; to the Committee on Governmental Affairs.

EC-1398. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-131, enacted by the Council on July 29, 1995; to the Committee on Governmental Affairs.

EC-1399. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11-132, enacted by the Council on July 29, 1995; to the Committee on Governmental Affairs.

EC-1400. A communication from the Employee Benefits Manager of the AgFirst Farm Credit Bank, transmitting, pursuant to law, the report disclosing the financial condition of the Retirement Plan for the employees of the Seventh Farm Credit District for calendar year 1994; to the Committee on Governmental Affairs.

EC-1401. A communication from the Human Resource Management of the Farm Credit Bank of Texas, transmitting, pursuant to law, the report for the Pension Plan for calendar year 1994; to the Committee on Governmental Affairs.

EC-1402. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, the report under the Federal Employees Clean Air Incentives Act for fiscal year 1994; to the Committee on Governmental Affairs.

EC-1403. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report of the financial audit of the financial statements of the Congressional Award for fiscal year 1994; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

Under the authority of the order of the Senate of August 11, 1995, the following reports of committees were submitted on August 30, 1995:

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute and an amendment to the title:

S. 856: A bill to amend the National Foundation on the Arts and the Humanities Act of 1965, the Museum Services Act, and the Arts and Artifacts Indemnity Act to improve and extend the Acts, and for other purposes (Rept. No. 104-135).

By Mr. CHAFEE, from the Committee on Environment and Public Works, with amendments:

S. 619: A bill to phase out the use of mercury in batteries and provide for the efficient and cost-effective collection and recycling or proper disposal of used nickel cadmium batteries, small sealed lead-acid batteries, and certain other batteries, and for other purposes (Rept. No. 104-136).

ADDITIONAL COSPONSORS

S. 141

At the request of Mrs. KASSEBAUM, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 141, a bill to repeal the Davis-Bacon Act of 1931 to provide new job opportunities, effect significant cost savings on Federal construction contracts, promote small business participation in Federal contracting, reduce unnecessary paperwork and reporting requirements, and for other purposes.

S. 295

At the request of Mrs. KASSEBAUM, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 295, a bill to permit labor management cooperative efforts that improve America's economic competitiveness to continue to thrive, and for other purposes.

S. 304

At the request of Mr. SANTORUM, the names of the Senator from Arizona [Mr. MCCAIN] and the Senator from North Carolina [Mr. FAIRCLOTH] were added as cosponsors of S. 304, a bill to amend the Internal Revenue Code of 1986 to repeal the transportation fuels tax applicable to commercial aviation.

S. 459

At the request of Mr. BOND, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 459, a bill to provide surveillance, research, and services aimed at prevention of birth defects, and for other purposes.

S. 773

At the request of Mr. ROTH, his name was added as a cosponsor of S. 773, a bill to amend the Federal Food, Drug, and Cosmetic Act to provide for improvements in the process of approving and using animal drugs, and for other purposes.

S. 833

At the request of Mr. HATCH, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 833, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

S. 896

At the request of Mr. CHAFEE, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 896, a bill to amend title XIX of the Social Security Act to make certain technical corrections relating to physicians' services, and for other purposes.

S. 907

At the request of Mr. MURKOWSKI, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 907, a bill to amend the National Forest Ski Area Permit Act of 1986 to clarify the authorities and duties of the Secretary of Agriculture in issuing ski area permits on National Forest System lands and to withdraw lands within ski area permit boundaries from the operation of the mining and mineral leasing laws.

S. 949

At the request of Mr. GRAHAM, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 959

At the request of Mr. HATCH, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 959, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 972

At the request of Mr. DASCHLE, the name of the Senator from Illinois [Ms. MOSELEY-BRAUN] was added as a cosponsor of S. 972, a bill to amend title XIX of the Social Security Act to provide for medicaid coverage of all certified nurse practitioners and clinical nurse specialists services.

S. 986

At the request of Mr. D'AMATO, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 986, a bill to amend the Internal Revenue Code of 1986 to provide that the Federal income tax shall not apply to United States citizens who are killed in terroristic actions directed at the United States or to parents of children who are killed in those terroristic actions.

S. 1002

At the request of Mr. CHAFEE, the name of the Senator from Vermont [Mr. LEAHY] was added as a cosponsor of S. 1002, a bill to amend the Internal

Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence.

S. 1028

At the request of Mrs. KASSEBAUM, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 1028, a bill to provide increased access to health care benefits, to provide increased portability of health care benefits, to provide increased security of health care benefits, to increase the purchasing power of individuals and small employers, and for other purposes.

SENATE CONCURRENT RESOLUTION 11

At the request of Ms. SNOWE, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of Senate Concurrent Resolution 11, a concurrent resolution supporting a resolution to the long-standing dispute regarding Cyprus.

SENATE RESOLUTION 147

At the request of Mr. THURMOND, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of Senate Resolution 147, a resolution designating the weeks beginning September 24, 1995, and September 22, 1996, as "National Historically Black Colleges and Universities Week," and for other purposes.

AMENDMENT NO. 2216

At the request of Mr. LEVIN, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of amendment No. 2216 proposed to S. 1026, an original bill to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes.

AMENDMENTS SUBMITTED

THE NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996

BINGAMAN (AND DOMENICI) AMENDMENT NO. 2427

Mr. BINGAMAN (for himself and Mr. DOMENICI) proposed an amendment to the bill (S. 1026) to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes; as follows:

On page 570, between lines 10 and 11, insert the following:

SEC. 3168. APPLICABILITY OF ATOMIC ENERGY COMMUNITY ACT OF 1955 TO LOS ALAMOS, NEW MEXICO

(a) DATE OF TRANSFER OF UTILITIES.—Section 72 of the Atomic Energy Community Act of 1955 (42 U.S.C. 2372) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 1998".

(b) DATE OF TRANSFER OF MUNICIPAL INSTALLATIONS.—Section 83 of such Act (42 U.S.C. 2383) is amended by striking out "not later than five years after the date it is included within this Act" and inserting in lieu thereof "not later than June 30, 1993".

(c) RECOMMENDATION FOR FURTHER ASSISTANCE PAYMENTS.—Section 91 of such Act (42 U.S.C. 2391) is amended—

(1) by striking out ", and the Los Alamos School Board;" and all that follows through "county of Los Alamos, New Mexico" and inserting in lieu thereof "; or not later than June 30, 1996, in the case of the Los Alamos School Board and the county of Los Alamos, New Mexico"; and

(2) by adding at the end the following new sentence: "If the recommendation under the preceding sentence regarding the Los Alamos School Board or the county of Los Alamos, New Mexico, indicates a need for further assistance for the school board or the county, as the case may be, after June 30, 1997, the recommendation shall include a report and plan describing the actions required to eliminate the need for further assistance for the school board or the county, including a proposal for legislative action to carry out the plan.".

(d) CONTRACT TO MAKE PAYMENTS.—Section 94 of such Act (42 U.S.C. 2394) is amended—

(1) by striking out "June 30, 1996" each place it appears in the proviso in the first sentence and inserting in lieu thereof "June 30, 1997"; and

(2) by striking out "July 1, 1996" in the second sentence and inserting in lieu thereof "July 1, 1997".

BROWN AMENDMENT NO. 2428

Mr. BROWN proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate place in the bill, add the following new section—

SEC. . SENSE OF THE CONGRESS REGARDING FITZSIMONS ARMY MEDICAL CENTER, COLORADO.

(a) FINDINGS.—The Congress finds that—

(1) Fitzsimons Army Medical Center in Aurora, Colorado has been recommended for closure in 1995 under the Defense Base Closure and Realignment Act of 1990;

(2) The University of Colorado Health Sciences Center and the University of Colorado Hospital Authority are in urgent need of space to maintain their ability to deliver health care to meet the growing demand for their services;

(3) Reuse of the Fitzsimons facility at the earliest opportunity would provide significant benefit to the cities of Aurora and Denver; and

(4) Reuse of the Fitzsimons facility by the local community ensures that the property is fully utilized by providing a benefit to the community.

(b) SENSE OF CONGRESS.—Therefore, it is the sense of Congress that upon acceptance of the Base Closure list—

(1) The federal screening process for Fitzsimons Army Medical Center should be accomplished at the earliest opportunity;

(2) The Secretary of the Army should consider on an expedited basis transferring Fitzsimons Army Medical Center to the Local Redevelopment Authority while still operational to ensure continuity of use to all parties concerned;

(3) The Secretary should not enter into a lease with the Local Redevelopment Authority until he has established that the lease falls within the categorical exclusions established by the Department of the Army pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.); and

(4) This section is in no way intended to circumvent the decisions of the 1995 BRAC.

(c) REPORT.—180 days after the enactment of this Act the Secretary of the Army shall provide a report to the appropriate committees of the Congress on the Fitzsimons Army Medical Center that covers—

(1) The result of the federal screening process for Fitzsimons and any actions that have been taken to expedite the review;

(2) Any impediments raised during the federal screening process to the transfer or lease of Fitzsimons Army Medical Center;

(3) Any actions taken by the Secretary of the Army to lease the Fitzsimons Army Medical Center to the local redevelopment authority;

(4) The results of any environmental reviews under the National Environmental Policy Act in which such a lease would fall into the categorical exclusions established by the Secretary of the Army; and

(5) The results of the environmental baseline survey and a finding of suitability or nonsuitability.

EXON (AND OTHERS) AMENDMENT NO. 2429

Mr. EXON (for himself, Mr. BINGAMAN, and Mr. LIEBERMAN) proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate place, insert the following:

Notwithstanding any other provision of the Act, the provision dealing with hydronuclear experiments is qualified in the following respect:

(c) LIMITATIONS.—Nothing in this Act shall be construed as an authorization to conduct hydronuclear tests. Furthermore, nothing in this Act shall be construed as amending or repealing the requirements of Section 507 of Public Law 102–377.

HARKIN (AND OTHERS) AMENDMENT NO. 2430

Mr. EXON (for Mr. HARKIN for himself, Mr. SHELBY, Mr. CAMPBELL, Mr. ROBB, Mr. HEFLIN, and Mr. BINGAMAN) proposed an amendment to the bill S. 1026, supra; as follows:

On page 72, between lines 18 and 19, insert the following:

SEC. 305. INCREASE IN FUNDING FOR THE CIVIL AIR PATROL.

(a) INCREASE.—(1) The amount of funds authorized to be appropriated by this Act for operation and maintenance of the Air Force for the Civil Air Patrol Corporation is hereby increased by $5,000,000.

(2) The amount authorized to be appropriated for operation and maintenance for the Civil Air Patrol Corporation under paragraph (1) is in addition to any other funds authorized to be appropriated under this Act for that purpose.

(b) OFFSETTING REDUCTION.—The amount authorized to be appropriated under this Act for Air Force support of the Civil Air Patrol is hereby reduced by $2,900,000. The amount of the reduction shall be allocated among funds authorized to be appropriated for Air Force personnel supporting the Civil Air Patrol and for Air Force operation and maintenance support for the Civil Air Patrol.

THURMOND AMENDMENT NO. 2431

Mr. WARNER (for Mr. Thurmond) proposed an amendment to the bill S. 1026, supra; as follows:

On page 69, line 25, decrease the amount by $10,000,000.

On page 70, line 5, strike out "$1,472,947,000" and insert in lieu thereof "$1,482,947,000".

GLENN (AND OTHERS) AMENDMENT NO. 2432

Mr. EXON (for Mr. Glenn, for himself, Mrs. Feinstein, Mr. Pell, and Mr. Moynihan) proposed an amendment to the bill S. 1026, supra; as follows:

On page 49, between lines 14 and 15, insert the following:

SEC. 224. JOINT SEISMIC PROGRAM AND GLOBAL SEISMIC NETWORK.

To the extent provided in appropriations Acts, $9,500,000 of the unobligated balance of funds available to the Air Force for research, development, test, and evaluation for fiscal year 1995 shall be available for continuation of the Joint Seismic Program and Global Seismic Network.

HELMS AMENDMENT NO. 2433

Mr. WARNER (for Mr. Helms) proposed an amendment to the bill S. 1026, supra; as follows:

On page 422, in the table preceding line 1, in the matter relating to the Special Operations Command at Fort Bragg, North Carolina, strike out "$8,100,000" in the amount column and insert in lieu thereof "$9,400,000".

On page 424, line 22, increase the amount by $1,300,000.

On page 424, line 25, increase the amount by $1,300,000.

SIMON AMENDMENT NO. 2434

Mr. EXON (for Mr. Simon) proposed an amendment to the bill S. 1026, supra; as follows:

On page 366, between lines 17 and 18, insert the following:

(d) Relationship to Authority of Secretary of State.—Nothing in this section or section 462 of title 10, United States Code (as added by subsection (b)(1)), shall impair the authority or ability of the Secretary of State to coordinate policy regarding international military education and training programs.

SMITH AMENDMENT NO. 2435

Mr. WARNER (for Mr. Smith) proposed an amendment to the bill S. 1026, supra; as follows:

On page 49, between lines 14 and 15, insert the following:

SEC. 224. DEPRESSED ALTITUDE GUIDED GUN ROUND SYSTEM.

Of the amount authorized to be appropriated under section 201(1), $5,000,000 is authorized to be appropriated for continued development of the depressed altitude guided gun round system.

KENNEDY AMENDMENT NO. 2436

Mr. EXON (for Mr. Kennedy) proposed an amendment to the bill S. 1026, supra; as follows:

On page 21, following line 21, insert the following:

SEC. . REPORT ON AH-64D ENGINE UPGRADES.

(a) Report.—No later than February 1, 1996, the Secretary of the Army shall submit to Congress a report on plans to procure T700–701C engine upgrade kits for Army AH-64D helicopters.

The report shall include:

(1) a plan to provide for the upgrade of all Army AH-64D helicopters with T700–701C engine kits commencing in FY 1996.

(2) detailed timeline and funding requirements for the engine upgrade program described in (a)(1).

DOLE (AND THURMOND) AMENDMENT NO. 2437

Mr. WARNER (for Mr. Dole, for himself and Mr. Thurmond) proposed an amendment to the bill S. 1026, supra; as follows:

On page 31, after line 22, insert the following:

SEC. 133. JOINT PRIMARY AIRCRAFT TRAINING SYSTEM PROGRAM.

Of the amount authorized to be appropriated under section 103(1), $54,968,000 shall be available for the Joint Primary Aircraft Training System program for procurement of up to eight aircraft.

HEFLIN (AND SHELBY) AMENDMENT NO. 2438

Mr. EXON (for Mr. Heflin and Mr. Shelby) proposed an amendment to the bill S. 1026, supra; as follows:

On page 16, line 20, strike out "$1,532,964,000" and insert in lieu thereof "$1,547,964,000".

On page 69, line 25, strike out "$10,060,162,000" and insert in lieu thereof "$10,045,162,000".

DOMENICI AMENDMENT NO. 2439

Mr. WARNER (for Mr. Domenici) proposed an amendment to the bill S. 1026, supra; as follows:

On page 277, after line 25, insert the following:

(b) Effective Date for Program Authority.—Section 554(b)(1) of the National Defense Authorization Act for Fiscal Year 1994 (107 Stat. 1666; 10 U.S.C. 1059 note) is amended by striking out "the date of the enactment of this Act—" and inserting in lieu thereof "April 1, 1994.—".

On page 277, beginning on line 21, strike out

"; CLARIFICATION OF ENTITLEMENT".

On page 277, line 23, insert "(a) Clarification of Entitlement.—" before "Section".

ROBB AMENDMENT NO. 2440

Mr. EXON (for Mr. Robb) proposed an amendment to the bill S. 1026, supra; as follows:

On page 137, after line 24, insert the following:

SEC. 389. REPORT ON PRIVATE PERFORMANCE OF CERTAIN FUNCTIONS PERFORMED BY MILITARY AIRCRAFT.

(a) Report Required.—Not later than May 1, 1996, the Secretary of Defense shall submit to Congress a report on the feasibility, including the costs and benefits, of using private sources for satisfying, in whole or in part, the requirements of the Department of Defense for VIP transportation by air, airlift for other personnel and for cargo, in-flight refueling of aircraft, and performance of such other military aircraft functions as the Secretary considers appropriate to discuss in the report.

(b) Content of Report.—The report shall include a discussion of the following:

(1) Contracting for the performance of the functions referred to in subsection (a).

(2) Converting to private ownership and operation the Department of Defense VIP air fleets, personnel and cargo aircraft, and in-flight refueling aircraft, and other Department of Defense aircraft.

(3) The wartime requirements for the various VIP and transport fleets.

(4) The assumptions used in the cost-benefit analysis.

(5) The effect on military personnel and facilities of using private sources, as described in paragraphs (1) and (2), for the purposes described in subsection (a).

BROWN AMENDMENT NO. 2441

Mr. WARNER (for Mr. Brown) proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate place in the bill add the following:

SEC. . STUDY ON CHEMICAL WEAPONS STOCKPILE.

(a) Study.—(1) The Secretary of Defense shall conduct a study to assess the risk associated with transportation of the unitary stockpile, any portion of the stockpile to include drained * * * from one location to another within the continental United States. Also, the Secretary shall include a study of the assistance available to communities in the vicinity if the Department of Defense facilities co-located with continuing chemical stockpile and chemical demilitarization operations which facilities are subject to closure, realignment, or reutilization.

(2) The review shall include an analysis of—

(A) the results of the physical and chemical integrity report conducted by the Army on existing stockpile;

(B) a determination of the viability of transportation of any portion of the stockpile, to include drained agent from munitions and the munitions;

(C) the safety, cost-effectiveness, and public acceptability of transporting the stockpile, in its current configuration, or in alternative configurations;

(D) the economic effects of closure, realignment, or reutilization of the facilities referred to in paragraph (1) on the communities referred to in that paragraph; and

(E) the unique problems that such communities face with respect to the reuse of such facilities as a result of the operations referred to in paragraph (1).

(b) Report.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to Congress a report on the study carried out under subsection (a). The report shall include recommendations of the Secretary on methods for ensuring the expeditious and cost-effective transfer or lease of facilities referred to in paragraph (1) of subsection (a) to communities referred to in paragraph (1) for reuse by such communities.

MIKULSKI (AND SARBANES) AMENDMENT NO. 2442

Mr. EXON (for Ms. MIKULSKI, for herself and Mr. SARBANES) proposed an amendment to the bill, S. 1026, supra; as follows:

On page 468, below line 24, add the following:

SEC. 2825. CONSOLIDATION OF DISPOSAL OF PROPERTY AND FACILITIES AT FORT HOLABIRD, MARYLAND.

(a) CONSOLIDATION.—Notwithstanding any other provision of law, the Secretary of Defense shall dispose of the property and facilities at Fort Holabird, Maryland, described in subsection (b) in accordance with subparagraph (2)(e) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (P.L. 103–421), treating the property described in (b) as if the CEO of the State had submitted a timely request to the Secretary of Defense under subparagraph (2)(e)(i)(B)(ii) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (P.L. 103–42.)

(b) COVERED PROPERTY AND FACILITIES.—Subsection (a) applies to the following property and facilities at Fort Holabird, Maryland:

(1) Property and facilities that were approved for closure or realignment under the 1988 base closure law that are not disposed of as of the date of the enactment of this Act, including buildings 305 and 306 and the parking lots and other property associated with such buildings.

(2) Property and facilities that are approved for closure or realignment under the 1990 base closure law in 1995.

(c) USE OF SURVEYS AND OTHER EVALUATIONS OF PROPERTY.—In carrying out the disposal of the property and facilities referred to in subsection (b)(1), the Secretary shall utilize any surveys and other evaluations of such property and facilities that are prepared by the Corps of Engineers before the date of the enactment of this Act as part of the process for the disposal of such property and facilities under the 1988 base closure law.

(d) DEFINITIONS.—In this section:

(1) The term "1988 base closure law" means title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(2) The term "1990 base closure law" means the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

SEC. 2836. LAND CONVEYANCE, PROPERTY UNDERLYING CUMMINS APARTMENT COMPLEX, FORT HOLABIRD, MARYLAND.

(a) CONVEYANCE AUTHORIZED.—Notwithstanding any other provision of law, the Secretary of the Army may convey to the existing owner of the improvements thereon all right, title, and interest of the United States in and to a parcel of real property underlying the Cummins Apartment Complex at Fort Holabird, Maryland, consisting of approximately 6 acres and any interest the U.S. may have in the improvements there on.

(b) CONSIDERATION.—As consideration for the conveyance under subsection (a), the owner of the improvements referred to in that subsection shall provide compensation to the United States in an amount equal to the fair market value (as determined by the Secretary) of the property interest to be conveyed.

(c) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by a survey that is satisfactory to the Secretary.

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

WARNER AMENDMENT NO. 2443

Mr. WARNER proposed an amendment to the bill S. 1026, supra; as follows:

On page 403, between lines 16 and 17, insert the following:

SEC. 1095. DESIGNATION OF NATIONAL MARITIME CENTER.

(a) DESIGNATION OF NATIONAL MARITIME CENTER.—The NAUTICUS building, located at One Waterside Drive, Norfolk, Virginia, shall be known and designated as the "National Maritime Center".

(b) REFERENCE TO NATIONAL MARITIME CENTER.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the building referred to in subsection (a) shall be deemed to be a reference to the "National Maritime Center".

BOXER AMENDMENT NO. 2444

Mr. EXON (for Mrs. BOXER) proposed an amendment to the bill, S. 1026, supra; as follows:

On page 487, after line 24, add the following:

SEC. 2838. REPORT ON DISPOSAL OF PROPERTY, FORT ORD MILITARY COMPLEX, CALIFORNIA.

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report describing the plants of the Secretary for the disposal of a parcel of real property consisting of approximately 477 acres at the former Fort Ord Military Complex, California, including the Black Horse Golf Course, the Bayonet Golf Corse, and a portion of the Hayes Housing Facility.

STEVENS (AND BREAUX) AMENDMENT NO. 2445

Mr. WARNER (for Mr. STEVENS, for himself and Mr. BREAUX) proposed an amendment to the bill, S. 1026, supra; as follows:

On page 305, beginning on line 1, strike all through line 10 and insert in lieu thereof the following:

SEC. 802. PROCUREMENT NOTICE POSTING THRESHOLDS AND SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.

(a) PROCUREMENT NOTICE POSTING THRESHOLDS.—Section 18(a)(1)(B) of the Office of Federal Procurement Policy Act (41 U.S.C. 416(a)(1)(B)) is amended—

(1) by striking out "subsection (f)—" and all that follows through the end of the subparagraph and inserting in lieu thereof "subsection (b); and"; and

(2) by inserting after "property or services" the following: "for a price expected to exceed $10,000, but not to exceed $25,000,".

(b) SUBCONTRACTS FOR OCEAN TRANSPORTATION SERVICES.—Notwithstanding any other provision of law, neither section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. 1241(b)) nor section 2631 of title 10, United States Code, shall be included prior to May 1, 1996 on any list promulgated under section 34(b) of the Office of Federal Procurement Policy Act (41 U.S.C. 430(b)).

ROBB AMENDMENT NO. 2446

Mr. EXON (for Mr. ROBB) proposed an amendment to the bill S. 1026, supra; as follows:

On page 331, between lines 19 and 20, insert the following:

"(3) If the total amount reported in accordance with paragraph (2) is less than $1,080,000,000 an additional separate listing described in paragraph (2) in a total amount equal to $1,080,000,000".

PRYOR (AND OTHERS) AMENDMENT NO. 2447

Mr. EXON (for Mr. PRYOR, for himself, Mrs. FEINSTEIN, and Mrs. BOXER) proposed an amendment to the bill S. 1026, supra; as follows:

On page 468, after line 24, add the following:

SEC. 2825. INTERIM LEASES OF PROPERTY APPROVED FOR CLOSURE OR REALIGNMENT.

Section 2667(f) of title 10, United States Code, is amended by adding at the end the following:

"(4)(A) Notwithstanding the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.), the scope of any environmental impact analysis necessary to support an interim lease of property under this subsection shall be limited to the environmental consequences of activities authorized under the proposed lease and the cumulative impacts of other past, present, and reasonably foreseeable future actions during the period of the proposed lease.

"(B) Interim leases entered into under this subsection shall be deemed not to prejudice the final property disposal decision, even if final property disposal may be delayed until completion of the interim lease term. An interim lease under this subsection shall not be entered into without prior consultation with the redevelopment authority concerned.

"(C) The provisions of subparagraphs (A) and (B) shall not apply to an interim lease under this subsection if authorized activities under the lease would—

"(i) significantly effect the quality of the human environment; or

"(ii) irreversibly alter the environment in a way that would preclude any reasonable disposal alternative of the property concerned.".

GRASSLEY AMENDMENT NO. 2448

Mr. WARNER (for Mr. GRASSLEY) proposed an amendment to the bill S. 1026, supra; as follows:

On page 403, between lines 16 and 17, insert the following:

SEC. 1095. OPERATIONAL SUPPORT AIRLIFT AIRCRAFT FLEET.

(a) SUBMITTAL OF JCS REPORT ON AIRCRAFT.—Not later than February 1, 1996, the Secretary of Defense shall submit to Congress the report on aircraft designated as Operational Support Airlift Aircraft that is currently in preparation by the Joint Chiefs of Staff.

(b) CONTENT OF REPORT.—(1) The report shall contain findings and recommendations regarding the following:

(A) Modernization and safety requirements for the Operational Support Airlift Aircraft fleet.

(B) Standardization plans and requirements of that fleet.

(C) The disposition of aircraft considered excess to that fleet in light of the requirements set forth under subparagraph (A).

(D) The need for helicopter support in the National Capital Region.

(E) The acceptable uses of helicopter support in the National Capital Region.

(2) In preparing the report, the Joint Chiefs of Staff shall take into account the recommendation of the Commission on Roles and Missions of the Armed Forces to reduce the size of the Operational Support Airlift Aircraft fleet.

(c) REGULATIONS.—Upon completion of the report referred to in subsection (a), the secretary shall prescribe regulations, consistent with the findings and recommendations set forth in the report, for the operation, maintenance, disposition, and use of aircraft designated as Operational Support Airlift Aircraft.

(2) The regulations shall, to the maximum extent practicable, provide for, and encourage the use of, commercial airlines in lieu of the use of aircraft designated as Operational Support Airlift Aircraft.

(3) The regulations shall apply uniformly throughout the Department of Defense.

(4) The regulations should not require exclusive use of the aircraft designated as Operational Support Airlift Aircraft for any particular class of government personnel.

(d) REDUCTIONS IN FLYING HOURS.—(1) The Secretary shall ensure that the number of hours flown in fiscal year 1996 by aircraft designated as Operational Support Airlift Aircraft does not exceed the number equal to 85 percent of the number of hours flown in fiscal year 1995 by such aircraft.

(2) The Secretary should ensure that the number of hours flown in fiscal year 1996 for helicopter support in the National Capital Region does not exceed the number equal to 85 percent of the number of hours flown in fiscal year 1995 for such helicopter support.

(e) RESTRICTION ON AVAILABILITY OF FUNDS.—Of the funds authorized to be appropriated under title III for the operation and use of aircraft designated as Operational Support Airlift Aircraft, not more than 50 percent of such funds shall be available for that purpose until the submittal of the report referred to in subsection (a).

DOMENICI (AND INOUYE) AMENDMENT NO. 2449

Mr. WARNER (for Mr. DOMENICI, for himself and Mr. INOUYE) proposed an amendment to the bill S. 1026, supra; as follows:

On page 49, between lines 14 and 15, insert the following:

SEC. . ARMY ECHELON ABOVE CORPS COMMUNICATIONS.

Of the amount authorized to be appropriated under section 201(3), $40,000,000 is hereby transferred to the authorization of appropriations under section 101(5) for procurement of communications equipment for Army echelons above corps.

SIMON AMENDMENT NO. 2450

Mr. EXON (for Mr. SIMON) proposed an amendment to the bill S. 1026, supra; as follows:

On page 487, below line 24, add the following new sections:

SEC. 2838. LAND CONVEYANCE, NAVY PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—Subject to subsections (b) and (l), the Secretary of the Navy may convey to any transferee selected under subsection (i) all right, title, and interest of the United States in and to a parcel of real property (including any improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 182 acres and comprising the Navy housing areas at Fort Sheridan.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (i) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such housing facilities (including support facilities and infrastructure) to replace the housing facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate;

(C) pay the cost of relocating Navy personnel residing in the housing facilities located on the real property conveyed pursuant to the authority in subsection (a) to the housing facilities constructed under subparagraph (B);

(D) provide for the education of dependents of such personnel under subsection (e); and

(E) carry out such activities for the maintenance and improvement of the facilities constructed under subparagraph (B) as the Secretary and the transferee jointly determine appropriate.

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the property interest conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The property interest conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (i) shall—

(1) be located not more than 25 miles from the Great Lakes Naval Training Center, Illinois;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) EDUCATION OF DEPENDENTS OF NAVY PERSONNEL.—(1) In providing for the education of dependents of Navy personnel under subsection (c)(1)(D), the transferee selected under subsection (i) shall ensure that such dependents may enroll at the schools of one or more school districts in the vicinity of the real property conveyed to the United States under subsection (c)(1)(A) which schools and districts—

(A) meet such standards for schools and school districts as the Secretary shall establish; and

(B) will continue to meet such standards after the enrollment of such dependents regardless of the receipt by such school districts of Federal impact aid.

(f) INTERIM RELOCATION OF NAVY PERSONNEL.—Pending completion of the construction of all the housing facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (i), the Secretary may relocate Navy personnel residing in housing facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the housing facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(g) APPLICABILITY OF CERTAIN AGREEMENTS.—The property conveyed by the Secretary pursuant to the authority in subsection (a) shall be subject to the Memorandum of Understanding concerning the Transfer of Certain Properties at Fort Sheridan, Illinois, dated August 8, 1991, between the Department of the Army and the Department of the Navy.

(h) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property interest to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(i) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(j) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (i).

(k) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2839. LAND CONVEYANCE, ARMY RESERVE PROPERTY, FORT SHERIDAN, ILLINOIS.

(a) AUTHORITY TO CONVEY.—Subject to subsection (b), the Secretary of the Army may convey to any transferee selected under subsection (g) all right, title, and interest of the United States in and to a parcel of real property (including improvements thereon) at Fort Sheridan, Illinois, consisting of approximately 114 acres and comprising an Army Reserve area.

(b) REQUIREMENT FOR FEDERAL SCREENING OF PROPERTY.—The Secretary may not carry out the conveyance of property authorized by subsection (a) unless the Secretary determines that no department or agency of the Federal Government will accept the transfer of the property.

(c) CONSIDERATION.—(1) As consideration for the conveyance under subsection (a), the transferee selected under subsection (g) shall—

(A) convey to the United States a parcel of real property that meets the requirements of subsection (d);

(B) design for and construct on the property conveyed under subparagraph (A) such facilities (including support facilities and infrastructure) to replace the facilities conveyed pursuant to the authority in subsection (a) as the Secretary considers appropriate; and

(C) pay the cost of relocating Army personnel in the facilities located on the real property conveyed pursuant to the authority in subsection (a) to the facilities constructed under subparagraph (B).

(2) The Secretary shall ensure that the fair market value of the consideration provided by the transferee under paragraph (1) is not less than the fair market value of the real property conveyed by the Secretary under subsection (a).

(d) REQUIREMENTS RELATING TO PROPERTY TO BE CONVEYED TO UNITED STATES.—The real property conveyed to the United States under subsection (c)(1)(A) by the transferee selected under subsection (g) shall—

(1) be located not more than 25 miles from Fort Sheridan;

(2) be located in a neighborhood or area having social and economic conditions similar to the social and economic conditions of the area in which Fort Sheridan is located; and

(3) be acceptable to the Secretary.

(e) INTERIM RELOCATION OF ARMY PERSONNEL.—Pending completion of the construction of all the facilities proposed to be constructed under subsection (c)(1)(B) by the transferee selected under subsection (g), the Secretary may relocate Army personnel in the facilities located on the property to be conveyed pursuant to the authority in subsection (a) to the facilities that have been constructed by the transferee under such subsection (c)(1)(B).

(f) DETERMINATION OF FAIR MARKET VALUE.—The Secretary shall determine the fair market value of the real property to be conveyed under subsection (a) and of the consideration to be provided under subsection (c)(1). Such determination shall be final.

(g) SELECTION OF TRANSFEREE.—(1) The Secretary shall use competitive procedures for the selection of a transferee under subsection (a).

(2) In evaluating the offers of prospective transferees, the Secretary shall—

(A) consider the technical sufficiency of the offers and the adequacy of the offers in meeting the requirements for consideration set forth in subsection (c)(1); and

(B) consult with the communities and jurisdictions in the vicinity of Fort Sheridan (including the City of Lake Forest, the City of Highwood, and the City of Highland Park and the County of Lake) in order to determine the most appropriate use of the property to be conveyed.

(h) DESCRIPTIONS OF PROPERTY.—The exact acreage and legal descriptions of the real property to be conveyed by the Secretary under subsection (a) and the real property to be conveyed under subsection (c)(1)(A) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the transferee selected under subsection (g).

(i) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under this section as the Secretary considers appropriate to protect the interests of the United States.

LEVIN AMENDMENT NO. 2451

Mr. LEVIN proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate place in the bill, add the following section:

SEC. . SENSE OF THE SENATE ON CHEMICAL WEAPONS CONVENTION AND START II TREATY RATIFICATION.

(a) FINDINGS.—The Senate makes the following findings:

(1) Proliferation of chemical or nuclear weapons materials poses a danger to United States national security, and the threat or use of such materials by terrorists would directly threaten U.S. citizens at home and abroad.

(2) The Chemical Weapons Convention negotiated and signed by President Bush would make it more difficult for would-be proliferators, including terrorists, to acquire or use chemical weapons.

(3) The START II Treaty negotiated and signed by President Bush would help reduce the danger of potential proliferators, including terrorists, acquiring nuclear warheads and materials, and would contribute to U.S.-Russian bilateral efforts to secure and dismantle nuclear warheads.

(4) It is in the national security interest of the United States to take effective steps to make it harder for proliferators or would-be terrorists to obtain chemical or nuclear materials for use in weapons.

(5) The President has urged prompt Senate action on, and advice and consent to ratification of, the START II Treaty and the Chemical Weapons Convention.

(6) The Chairman of the Joint Chiefs of Staff has testified to Congress that ratification of both treaties is in the U.S. national interest, and has strongly urged prompt Senate advice and consent to their ratification.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Senate should promptly consider giving its advice and consent to ratification of the START II Treaty and the Chemical Weapons Convention.

PRYOR AMENDMENT NO. 2452

Mr. NUNN (for Mr. PRYOR) proposed an amendment to the bill, S. 1026, supra; as follows:

On page 49, between lines 14 and 15, insert the following:

SEC. 224. TESTING OF THEATER MISSILE DEFENSE INTERCEPTORS.

(a) The Secretary of Defense may not approve a theater missile defense interceptor program proceeding beyond the low-rate initial production acquisition stage until the Secretary certifies to the congressional defense committees that such program has successfully completed initial operational test and evaluation, and if found to be a suitable and effective system.

(b) In order to be certified under subsection (a) as having been successfully completed, the initial operational test and evaluation conducted with respect to an interceptor program must have included flight tests—

(1) that were conducted with multiple interceptors and multiple targets in the presence of realistic countermeasures; and

(2) the results of which demonstrate the achievement by the interceptors of the baseline performance thresholds.

(c) For purposes of this section, the baseline performance thresholds with respect to a program are the weapons systems performance thresholds specified in the baseline description for the system established (pursuant to section 2435(a)(1) of title 10, United States Code) before the program entered the engineering and manufacturing development stage.

(d) The number of flight tests described in subsection (b) that are required in order to make the certification under subsection (a) shall be a number determined by the Director of Operational Test and Evaluation to be sufficient for the purposes of this section.

(e) The Secretary may augment flight testing to demonstrate weapons system performance goals for purposes of the certification under subsection (a) through the use of modeling and simulation that is validated by ground and flight testing.

(f) The Director of Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress plans to adequately test theater missile defense interceptor programs throughout the acquisition process. As these theater missile defense systems progress through the acquisition process, the Director of Operational Test and Evaluation and Ballistic Missile Defense Organization shall include in their annual reports to Congress an assessment to how these programs satisfy planned test objectives.

THURMOND AMENDMENT NO. 2453

Mr. WARNER (for Mr. THURMOND) proposed an amendment to the bill S. 1026, supra; as follows:

On page 133, line 25, strike out "such Act" and insert in lieu thereof "the Elementary and Secondary Education Act of 1965".

On page 195, line 15, insert "(1)" after "(d)".

On page 195, line 15, strike out "it is a" and insert in lieu thereof "it is an affirmative".

On page 195, line 17, strike out "(1)" and insert in lieu thereof "(A)".

On page 195, line 21, strike out "(2)" and insert in lieu thereof "(B)".

On page 195, line 23, strike out the end quotation marks and second period.

On page 195, after line 23, insert the following:

"(2) The accused has the burden of proving a defense under paragraph (1) by a preponderance of the evidence.".

On page 250, beginning on line 20, strike out "Not later than December 15, 1996, the" and insert in lieu thereof "The".

On page 375, strike out lines 11 through 15.

On page 375, line 16, strike out "(p)" and insert in lieu thereof "(o)".

On page 375, line 20, strike out "(q)" and insert in lieu thereof "(p)".

On page 376, line 1, strike out "(r)" and insert in lieu thereof "(q)".

On page 376, line 7, strike out "(s)" and insert in lieu thereof "(r)".

On page 376, line 13, strike out "(t)" and insert in lieu thereof "(s)".

On page 376, line 22, strike out "(u)" and insert in lieu thereof "(t)".

On page 377, line 3, strike out "(v)" and insert in lieu thereof "(u)".

On page 378, between line 23 and 24, insert the following:

(c) PUBLIC LAW 100-180 REQUIREMENT FOR SELECTED ACQUISITION REPORTS FOR ATB, ACM, AND ATA PROGRAMS.—Section 127 of the National Defense Authorization Act for Fiscal Years 1988 and 1989 (10 U.S.C. 2432 note) is repealed.

On page 378, line 24, strike out "(c)" and insert in lieu thereof "(d)".

On page 379, line 5, strike out "(d) and insert in lieu thereof "(e)".

On page 379, line 14, strike out "(e) and insert in lieu thereof "(f)".

On page 379, line 20, strike out "(f)" and insert in lieu thereof "(g)".

Beginning on page 379, line 24, strike out "106 Stat. 2370;" and all that follows through page 380, line 2, and insert in lieu thereof

"106 Stat. 2368; 10 U.S.C. 301 note) is amended by striking out paragraphs (4) and (5).".

On page 380, line 3, strike out "(g)" and insert in lieu thereof "(h)".

BYRD AMENDMENT NO. 2454

Mr. NUNN (for Mr. BYRD) proposed an amendment to the bill S. 1026, supra; as follows:

On page 137, after line 24, insert the following:

SEC. 389. ALLEGANY BALLISTICS LABORATORY.

Of the amount authorized to be appropriated under section 301(2), $2,000,000 shall be available for the Allegany Ballistics Laboratory for essential safety functions.

THURMOND AMENDMENT NO. 2455

Mr. WARNER (for Mr. THURMOND) proposed an amendment to the bill S. 1026, supra; as follows:

On page 69, line 20, strike out "$18,086,206,000" and insert in lieu thereof "$18,073,206,000".

On page 69, line 21, strike out "$21,356,960,000" and insert in lieu thereof "$21,343,960,000".

On page 69, line 23, strike out "$18,237,893,000" and insert in lieu thereof "$18,224,893,000".

On page 69, line 25, strike out "$10,060,162,000" and insert in lieu thereof "$10,046,162,000".

On page 407, between lines 19 and 20, insert the following:

SEC. 2105. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1992 MILITARY CONSTRUCTION PROJECTS.

Section 2105(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1511), as amended by section 2105(b)(2)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1859), is further amended in the matter preceding paragraph (1) by striking out "$2,571,974,000" and insert in lieu thereof "$2,565,729,000".

On page 417, in the table preceding line 1, in the amount column of the item relating to Spangdahlem Air Base, Germany, strike out "$8,300,000" and insert in lieu thereof "$8,380,000".

On page 419, line 24, strike out "$49,450,000" and insert in lieu thereof "$49,400,000".

On page 420, after line 21, add the following:

SEC. 2305. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR FISCAL YEAR 1992 MILITARY CONSTRUCTION PROJECTS.

Section 2305(a) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190; 105 Stat. 1525), as amended by section 2308(a)(2)(A) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2598) and by section 2305(a)(3)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1871), is further amended in the matter preceding paragraph (1) by striking out "$2,033,833,000" and inserting in lieu thereof "$2,017,828,000".

On page 424, line 22, strike out "$4,565,533,000" and insert in lieu thereof "$4,466,783,000".

On page 425, line 9, strike out "$47,950,000" and insert in lieu thereof "$47,900,000".

On page 426, line 13, strike out "$3,897,892,000" and insert in lieu thereof "$3,799,192,000".

On page 427, line 25, add the following:

SEC. 2407. REDUCTION IN AMOUNTS AUTHORIZED TO BE APPROPRIATED FOR PRIOR YEAR MILITARY CONSTRUCTION PROJECTS.

(a) FISCAL YEAR 1991 AUTHORIZATONS.—Section 2405(a) of the Military Construction Authorization Act for Fiscal Year 1991 (division B of Public Law 101–510; 104 Stat. 1779), as amended by section 2409(b)(1) of the Military Construction Authorization Act for Fiscal Year 1992 (division B of Public Law 102–190;; 105 Stat. 1991), is further amended in the matter preceding paragraph (1) by striking out "$1,644,478,000" and inserting in lieu thereof "$1,641,244,000".

(b) FISCAL YEAR 1992 AUTHORIZATIONS.—Section 2404(a) of the Military Construction Authorization Act for Fiscal Year 1992 (105 Stat. 1531), as amended by section 2404(b)(1)(A) of the Military Construction Authorization Act for Fiscal Year 1994 (division B of Public Law 103–160; 107 Stat. 1877), is further amended in the matter preceding paragraph (1) by striking out "$1,665,440,000" and inserting in lieu thereof "$1,658,640,000".

(c) FISCAL YEAR 1993 AUTHORIZATIONS.—Section 2403(a) of the Military Construction Authorization Act for Fiscal Year 1993 (division B of Public Law 102–484; 106 Stat. 2600), is amended in the matter preceding paragraph (1) by striking out "$2,567,146,000" and inserting in lieu thereof "$2,558,556,000".

FEINSTEIN AMENDMENT NO. 2456

Mr. NUNN (for Mrs. FEINSTEIN) proposed an amendment to the bill S. 1026, supra; as follows:

On page 487, below line 24, add the following:

SEC. 2838 LAND CONVEYANCE, NAVAL COMMUNICATIONS STATION, STOCKTON, CALIFORNIA.

(a) AUTHORITY TO CONVEY.—The Secretary of the Navy may, upon the concurrence of the Administrator of General Services and the Secretary of Housing and Urban Development, convey to the Port of Stockton (In this section referred to as the "Port"), all right, title, and interest of the United States in and to a parcel of real property, including any improvements thereon, consisting of approximately 1,450 acres at the Naval Communication Station Stockton, California.

(b) INTERIM LEASE.—Until such time as the real property described in subsection (a) is conveyed by deed, the Secretary may lease the property, along with improvements thereon, to the Port under terms and conditions satisfactory to the Secretary.

(c) CONSIDERATION.—The conveyance may be as a public benefit conveyance for port development as defined in Section 203 of the Federal Property and Administrative Services Act of 1949, (40 U.S.C. 484), as amended, provided the Port satisfies the criteria in section 203 and such regulations as the Administrator of General Services may prescribe to implement that section. Should the Port fail to qualify for a public benefit conveyance and still desire to acquire the property, then the Port shall, as consideration for the conveyance, pay to the United States an amount equal to the fair market value of the property to be conveyed, as determined by the Secretary.

(d) FEDERAL LEASE OF CONVEYED PROPERTY.—Notwithstanding any other provision of law, as a condition for transfer of this property under subparagraph (a), the Secretary may require that the Port agree to lease all or a part of the property currently under Federal use at the time of conveyance to the United States for use by the Department of Defense or any other Federal agency under the same terms and conditions now presently in force. Such terms and conditions will continue to include payment (to the Port) for maintenance of facilities leased to the Federal Government. Such maintenance of the Federal premises shall be to the reasonable satisfaction of the United States, or as required by all applicable Federal, State and local laws and ordinances.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by a survey satisfactory to the Secretary. The cost of such survey shall be borne by Port.

(f) ADDITIONAL TERMS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) or the lease under subsection (b) as the Secretary considers appropriate to protect the interests of the United States.

(g) ENVIRONMENTAL QUALITY OF PROPERTY.—Any contract for sale, deed, or other transfer of real property under this section shall be carried out in compliance with section 120(h) of the CERCLA (42USC9620(h)) and other environmental laws.

HARKIN (AND BOXER) AMENDMENT NO. 2457

Mr. NUNN (for Mr. HARKIN, for himself and Mrs. BOXER) proposed an amendment to the bill S. 1026, supra; as follows:

At the appropriate place in the bill, insert the following new section:

"SEC. . RESTRICTION ON REIMBURSEMENT OF COSTS.

"(a) None of the funds authorized to be appropriated in this Act for fiscal year 1996 may be obligated for payment on new contracts on which allowable costs charged to the government include payments for individual compensation (including bonuses and other incentives) at a rate in excess of $250,000.

"(b) It is the Sense of the Senate that the Congress should consider extending the restriction described in section (a) permanently."

JOHNSTON AMENDMENT NO. 2458

Mr. NUNN (for Mr. JOHNSTON) proposed an amendment to the bill S. 1026, supra; as follows:

On page 535, at the end of subtitle A, add the following new sections:

"SEC. . STANDARDIZATION OF ETHICS AND REPORTING REQUIREMENTS AFFECTING THE DEPARTMENT OF ENERGY WITH GOVERNMENT-WIDE STANDARDS.

"(a) REPEALS.—(1) Part A of title VI of the Department of Energy Organization Act and its catchline (42 U.S.C. 7211, 7212, and 7218) are repealed.

"(2) Section 308 of the Energy Research and Development Administration Appropriation Authorization Act for Fiscal Year 1977 (42 U.S.C. 5816a) is repealed.

"(3) Section 522 of the Energy Policy and Conservation Act (42 U.S.C. 6392) is repealed.

"(b) CONFORMING AMENDMENTS.—(1) The table of contents for the Department of Energy Organization Act is amended by striking out the items relating to part A of title VI including sections 601 through 603.

"(2) The table of contents for the Energy Policy and Conservation Act is amended by striking out the matter relating to section 522.".

"SEC. . CERTAIN ENVIRONMENTAL RESTORATION REQUIREMENTS.

It is the sense of Congress that—

"(1) No individual acting within the scope of that individual's employment with a Federal agency or department shall be personally subject to civil or criminal sanctions, for any failure to comply with an environmental cleanup requirement under the Solid Waste Disposal Act or the Comprehensive Environmental Response, Compensation, and Liability Act or an analogous requirement under comparable Federal, State, or local laws, where the failure to comply is due to lack of funds requested or appropriated to carry out such requirement. Federal and State enforcement authorities shall refrain from enforcement action in such circumstances.

"(2) If appropriations by the Congress for fiscal year 1996 or any subsequent fiscal year are insufficient to fund any such environmental cleanup requirements, the Committees of Congress with jurisdiction shall examine the issue, elicit the views of Federal agencies, affected States, and the public, and consider appropriate statutory amendments to address personal criminal liability, and any related issues pertaining to potential liability of any Federal agency or department or its contractors."

DORGAN (AND CONRAD) AMENDMENT NO. 2459

Mr. NUNN (for Mr. DORGAN, for himself and Mr. CONRAD) proposed an amendment to the bill S. 1026, supra; as follows:

On page 487, after line 24, add the following:

SEC. 2838. LAND CONVEYANCE, WILLIAM LANGER JEWEL BEARING PLANT, ROLLA, NORTH DAKOTA.

(a) AUTHORITY TO CONVEY.—The Administrator of General Services may convey, without consideration, to the Job Development Authority of the City of Rolla, North Dakota (in this section referred to as the "Authority"), all right, title, and interest of the United States in and to a parcel of real property, with improvements thereon and all associated personal property, consisting of approximately 9.77 acres and comprising the William Langer Jewel Bearing Plant in Rolla, North Dakota.

(b) CONDITION OF CONVEYANCE.—The conveyance authorized under subsection (a) shall be subject to the condition that the Authority—

(1) use the real and personal property and improvements conveyed under that subsection for economic development relating to the jewel bearing plant;

(2) enter into an agreement with an appropriate public or private entity or person to lease such property and improvements to that entity or person for such economic development; or

(3) enter into an agreement with an appropriate public or private entity or person to sell such property and improvements to that entity or person for such economic development.

(c) PREFERENCE FOR DOMESTIC DISPOSAL OF JEWEL BEARINGS.—(1) In offering to enter into agreements pursuant to any provision of law for the disposal of jewel bearings from the National Defense Stockpile, the President shall give a right of first refusal on all such offers to the Authority or to the appropriate public or private entity or person with which the Authority enters into an agreement under subsection (b).

(2) For the purposes of this section, the term "National Defense Stockpile" means the stockpile provided for in section 4 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98(c)).

(d) AVAILABILITY OF FUNDS FOR MAINTENANCE AND CONVEYANCE OF PLANT.—Notwithstanding any other provision of law, funds available in fiscal year 1995 for the maintenance of the William Langer Jewel Bearing Plant in Public Law 103-335 shall be available for the maintenance of that plant in fiscal year 1996, pending conveyance, and for the conveyance of that plant under this section.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the property conveyed under this section shall be determined by a survey satisfactory to the Administrator. The cost of such survey shall be borne by the Administrator.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Administrator may require such additional terms and conditions in connection with the conveyance under this section as the Administrator determines appropriate to protect the interests of the United States.

NUNN AMENDMENT NO. 2460

Mr. NUNN proposed an amendment to the bill S. 1026, supra; as follows:

On page 487, below line 24, add the following:

SEC. 2838. LAND EXCHANGE, UNITED STATES ARMY RESERVE CENTER, GAINESVILLE, GEORGIA.

(a) IN GENERAL.—The Secretary of the Army may convey to the City of Gainesville, Georgia (in this section referred to as the "City"), all right, title, and interest of the United States in and to a parcel of real property (together with any improvements thereon) consisting of approximately 4.2 acres located on Shallowford Road, in the City of Gainesville, Georgia.

(b) CONSIDERATION.—As consideration for the conveyance authorized by subsection (a), the City shall—

(1) convey to the United States all right, title, and interest in and to a parcel of real property consisting of approximately 8 acres of land, acceptable to the Secretary, in the Atlas Industrial Park, Gainesville, Georgia;

(2) design and construct on such real property suitable replacement facilities in accordance with the requirements of the Secretary, for the training activities of the United States Army Reserve;

(3) fund and perform any environmental and cultural resource studies, analysis, documentation that may be required in connection with the land exchange and construction considered by this section;

(4) reimburse the Secretary for the costs of relocating the United States Army Reserve units from the real property to be conveyed under subsection (a) to the replacement facilities to be constructed by the City under subsection (b)(2). The Secretary shall deposit such funds in the same account used to pay for the relocation;

(5) pay to the United States an amount as may be necessary to ensure that the fair market value of the consideration provided by the City under this subsection is not less than fair market value of the parcel of real property conveyed under subsection (a); and

(6) assume all environmental liability under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9620(h)) for the real property to be conveyed under subsection (b)(1).

(c) DETERMINATION OF FAIR MARKET VALUE.—(1) The determination of the Secretary regarding the fair market value of the real property to be conveyed pursuant to subsection (a), and of any other consideration provided by the City under subsection (b), shall be final.

(d) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the parcels of real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of such surveys shall be borne by the City.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require any additional terms and conditions in connection with the conveyances under this section that the Secretary considers appropriate to protect the interest of the United States.

ADDITIONAL STATEMENTS

BULLYING TAIWAN

• Mr. SIMON. Mr. President, recently, the New York Times had an editorial titled, "Bullying Taiwan," which appeared while Congress was not in session.

It comments on what is taking place in China and that country's irresponsible conduct toward Taiwan.

For years before the United States recognized the People's Republic of China, I had favored dual recognition, as we did with East Germany and West Germany.

But for reasons I understand, in part to keep China on an anti-Soviet course, the United States continued to follow a one China policy. It was wrong before, and it is wrong now.

As the editorial points out, Taiwan has been under Beijing's rule only 4 years in the last century.

I ask that the New York Times editorial be printed in the RECORD at this point, and I urge my colleagues to read it, if they have not already.

The editorial follows:

BULLYING TAIWAN

China has embarked on an escalating campaign of military maneuvers meant to intimidate Taiwan and undermine its President, Lee Teng-hui. Washington, as much as it wants to calm troubled relations with Beijing, must firmly signal its opposition to this campaign. Ties with China cannot be built on tolerance for provocative displays of military force and efforts to destabilize Taiwan.

Last week China began its second missile exercise this summer in the waters surrounding Taiwan. More are planned in the weeks ahead, timed to coincide with the campaign to choose Taiwan's first democratically elected President next March.

Mr. Lee, who led Taiwan from dictatorship to democracy after coming to power as the handpicked successor of Chiang Kai-shek and his son, is now the front-runner in that election. But Beijing hopes its military muscle can frighten Taiwan into choosing someone more malleable.

Mr. Lee has drawn China's ire by a series by personal visits abroad, most prominently a May trip to attend his college reunion in the United States. Beijing is upset because these actions challenge its contention that Taiwan is an integral part of China and that any separate political identity for Taiwan diminishes China's sovereignty.

This "one-China policy" had its origins in 1949, when Chiang moved the seat of his defeated Government to Taiwan. From then on, Chiang in Taipei and Mao Zedong in Beijing each insisted his own regime was the legitimate government of China, with authority over both the mainland and Taiwan.

When it recognized Chiang, the United States found the one-China formula convenient. When America switched recognition to the Communists in 1979, Beijing insisted that Washington continue to honor the point. The United States therefore has no formal diplomatic ties with Taiwan.

For Beijing, the one-China concept has been the cornerstone of normalized relations with Washington. Tampering with it would throw the entire relationship into turnoil. Yet continued Chinese military provocations could force the United States to re-evaluate its position.

While diplomatically convenient, the formula has never corresponded very closely to realty. While most of Taiwan's people are descended from Chinese who migrated there several centuries ago, the island, 100 miles off the Chinese coast, has been under Beijing's direct rule for only four years in the last century.

Today Taiwan, with 21 million people, is a prosperous democracy and America's seventh-largest trading partner. Though its businessmen have strong economic ties with the mainland, few of its citizens want to come under the rule of the harsh Communist regime in Beijing. But most Taiwanese also believe it would be a fatal mistake for Taiwan to provoke China by pushing too hard for the diplomatic trappings of independence.

China is trying to intimidate Taiwan into reining in its diplomacy. It is also trying to warn outside powers against granting visas to Taiwanese political leaders. That China should be pressing these positions is not surprising. That it should do so by military means, and in the process undermine political stability in Taiwan, is disturbing and cannot be ignored.•

THE ACCURACY OF AFDC NUMBERS

• Mr. MOYNIHAN. Mr. President, during the welfare debate on August 8, I displayed a chart on the floor of this Chamber entitled "AFDC Caseload of 10 Largest Cities in the U.S. (1992)." It showed 62 percent of all children in Los Angeles as welfare recipients at some point in 1992, 79 percent in Detroit, on and on. These figures were supplied by the Department of Health and Human Services [HHS].

My office provided the chart to the Washington Times at the request of its editorial writers. The chart appeared in a Times editorial that ran last Friday entitled, "Welfare Shock." The numbers, according to the editorial, "represent a small fraction of the statistical indictment against the failed welfare polices of the liberal welfare state."

Regrettably, the numbers from the Department were wrong. On August 23, Deputy Assistant Secretary for Human Services Policy Wendell E. Primus wrote me to inform me of the error and provided me with new data. It happens that the numerator used was the number of public assistance recipients in the surrounding metropolitan statistical areas [MSA's], rather than the number of recipients in the cities proper. The denominator, correctly, was the population of each city. I am informed by the Department that data on the number of program beneficiaries is difficult to obtain at the city level. The AFDC Program is operated either at a State or county level. It was a perfectly honest mistake, honorably acknowledged and corrected.

I forwarded the revised numbers to the Washington Times, which graciously ran a follow-up editorial and an explanatory letter from me in this morning's edition. The numbers, as the editorial points out, went down for Los Angeles and Detroit, but inched up for New York and jumped up for Philadelphia. Given the mistake in methodology, I can understand why the ratios went down for some cities. But I am perplexed why they climbed for others, including New York. Apparently, we have more work to do. We'll get them right.

Today's editorial in the Washington Times, "Charting the Welfare State," states that even the lower ratios offer compelling evidence of the complete failure of the current system. I don't disagree. But it would be a huge mistake for the Federal Government to break off its commitment entirely, and we seemed poised to do. If the numbers reveal anything that we can understand, it's this: The problem simply has become too great for the cities to handle on their own. Mr. Hugh Price of the Nationals Urban League has recently argued that the welfare reform legislation upon which the Senate will take up tomorrow or Thursday could be a reenactment of the deinstitutionalization of mental patients in the 1960's and 1970's which led so directly to the problem of the homeless.

Mr. President, I ask unanimous consent that the letter I received from Deputy Assistant Secretary Primus, the two Washington Times editorials, and my letter to the Times appear in the Record following my remarks.

There being no objection, the material was ordered to be printed in the Record, as follows:

Department of Health and
Human Services,
Washington, DC, August 23, 1995.

Hon. Daniel Patrick Moynihan,
U.S. Senate,
Washington, DC.

Dear Senator Moynihan: I very much regret and am deeply embarrassed by the incorrect numbers my office provided to you in response to your request for data on the number of children receiving public assistance in major cities in the United States. I share your passion for data and have published many statistics on welfare during my career. Therefore, I hope you will accept my apologies for this mistake.

Unfortunately, there is no good explanation for the error. As you are well aware, we depend upon the states for administrative data concerning AFDC receipt. In most states these statistics are gathered on a county level and are not routinely compiled for other political subdivisions. Estimates on welfare receipt can be made from Census data, but in many cases these data do not correspond to administrative data. In responding to your request, we did not appropriately map administrative data to population counts obtained from the Census Bureau. Revised estimates are enclosed, including a methodological explanation.

Again, I am very sorry for providing incorrect data and for any embarrassment it has caused you. I am very aware of how widely you quoted those numbers. Please accept my personal and professional apology.

Sincerely,

Wendell E. Primus,
Deputy Assistant Secretary
for Human Services Policy.

NOTES TO TABLES ON RATES OF PUBLIC ASSISTANCE RECEIPT IN MAJOR CITIES

The attached tables present estimates of the number and percentage of persons in major cities who receive Aid to Families with Dependent Children (AFDC) and Supplemental Security Income (SSI).

The AFDC program is operated at either a State or county level. Accordingly, the U.S. Department of Health and Human Services (USDHHS) does not collect data on the number of AFDC recipients by city. In addition, the Social Security Administration keeps data on SSI receipt by State and county, but not by city.

Table 1 displays, for the 10 largest cities, the number of AFDC (total and child) and SSI (adult and child) recipients of either the city itself (data permitting) or for the county most closely corresponding to the city. The data are drawn from "Quarterly Public Assistance Statistics: Fiscal Years 1992 and 1993" (a USDHHS publication) and SSI Recipients by State and County (a Social Security Administration publication) and represent the numbers of AFDC and SSI recipients at a point in time.

Data on the number of recipients by program is, as noted above, difficult to obtain at the city level. The decennial Census does contain data by county and city on the number/percentage of households that receive income from any of three public assistance programs (AFDC, SSI or GA) within a year (as opposed to at a point in time). The Census data is not broken down by program; it is not possible to determine from the data how many households received AFDC as opposed to SSI or GA.

Note: the decennial Census may undercount the number of public assistance recipients. While undercounting is a problem for the Census as a whole, it is of particular concern with respect to lower-income persons. The degree of undercounting tends to be especially large in the case of poorer residents. The Bureau of the Census employs weighting techniques in order to correct for undercounting; it is not clear if these techniques are completely successful.

The Census data can be employed, in conjunction with the information available for the counties corresponding to the major cities, to arrive at estimates by city of the number of recipients in each program. These estimates, found in Table 2, are calculated by assuming that for each program (at a point in time) the ratio of recipients in the city to recipients in the county is equal to the ratio of households in the city that received income from any of the three programs to households in the county receiving such income (from the 1990 Census).

For example, while there is no data by program for the City of Los Angeles, there is data for Los Angeles County. According to "Quarterly Public Assistance Statistics," there were 784,000 AFDC recipients in Los Angeles County as of February 1993 (see Table 1, column 5, line 2). The 1990 Census found that there were 130,000 households in Los Angeles (city) with public assistance income in 1989 (Table 2, column 3, line 2), as opposed to 295,000 in Los Angeles County (Table 1, column 3, line 2), for a ratio of .44 (Table 2, column 5, line 2). By applying this ratio to the number of AFDC recipients in Los Angeles County in February 1993, we arrive at an estimate of 350,000 AFDC recipients in Los Angeles (city) as of February 1993 (Table 2, column 6, line 2).

The tables also contain estimates of the number and percentage of children who receive AFDC and AFDC or SSI over the course of a year, as opposed to at a point in time. These estimates are calculated by assuming that the ratio of child recipients over the course of a year to child recipients at a point in time (for each city) is equal to the nationwide ratio (for all AFDC and GA recipients) from the Survey of Income and Program Participation (Dynamics of Economic Well-Being and Program Participation by the Bureau of the Census).

SUMMARY TABLE

[Estimated rates of public assistance receipt: Children in major cities]

City	Percent of child population on—			
	AFDC: Point in time	AFDC: W/ in a year	AFDC or SSI: Point in time	AFDC or SSI: W/in a year
New York	30	39	32	40
Los Angeles	29	38	30	38
Chicago	36	46	38	49
Detroit	50	67	54	67
Philadelphia	44	57	46	59
San Diego	23	30	23	30
Houston	18	22	18	24
Phoenix	15	18	15	18
San Antonio	14	21	18	21
Dallas	16	20	16	23

Note: Given that the actual percentage of county recipients living in a city likely varies by program and may diverge substantially from the ratio calculated using the 1990 Census data, the figures in Table 2 and in the summary table above should be regarded as relatively rough estimates.

Correction: An error was made in the calculation of earlier estimates released by the Administration, resulting in inflated figures. The number of public assistance recipients in the metropolitan statistical area (MSA), rather than the number in the city, was used as the numerator, while the population of the city was used as the denominator.

AFDC CASELOAD OF 10 LARGEST CITIES IN THE UNITED STATES (1992)

[Incorrect figures used previously]

City	Number of AFDC children	As a proportion of all children (percent)
1. New York, NY	478,895	28.4
2. Los Angeles, CA	534,528	61.8
3. Chicago, IL	314,706	43.7
4. Houston, TX	110,860	24.6
5. Philadelphia, PA	115,697	31.3
6. San Diego, CA	117,197	44.2
7. Dallas, TX	51,545	20.2
8. Phoenix, AZ	66,770	24.3
9. Detroit, MI	234,910	78.7
10. San Antonio, TX	52,340	18.6

Source: Department of Health and Human Services.

[From the Washington Times, Sept. 1, 1995]

WELFARE SHOCK

Having spent the better part of the past four decades analyzing the statistical fallout of the welfare and illegitimacy crises enveloping our great cities, Sen. Daniel Patrick Moynihan never has needed hyperbole to describe the dreadful consequences of failed social policies. Perhaps that is because the New York Democrat possesses the uncanny ability to develop or cite pithy statistics that shock even the most jaded welfare analyst, case-worker, senatorial colleague or reporter.

Several weeks ago, Sen. Moynihan, appearing on one of the ubiquitous Sunday morning interview shows, shocked his questioners (and, undoubtedly, his television audience) by revealing that nearly two-thirds of the children residing in Los Angeles, the nation's second largest city, lived in families relying on the basic welfare program, Aid to Families with Dependent Children (AFDC). To illustrate that Los Angeles was not unique, he observed that nearly four of every five (!) Detroit children received AFDC benefits.

The accompanying chart details the extent to which residents in the 10 largest U.S. cities have become dependent on AFDC—and the government. After about three decades of fighting the War on Poverty, during which time more than $5.4 trillion (in constant 1993 dollars) has been expended, perhaps no single statistic offers more proof of the war's unmitigated failure than the fact that federal and state governments provide the financial support of 38 percent of all children living in the country's 10 largest cities.

AFDC CASELOAD OF 10 LARGEST CITIES IN THE UNITED STATES (1992)

City	Number of AFDC children	As a proportion of all children (percent)
New York, NY	478,895	28.4
Los Angeles, CA	534,528	61.8
Chicago, IL	314,706	43.7
Houston, TX	110,860	24.6
Philadelphia, PA	115,697	31.3
San Diego, CA	117,197	44.2
Dallas, TX	51,545	20.2
Phoenix, AZ	66,770	24.3
Detroit, MI	234,910	78.7
San Antonio, TX	52,340	18.6

Source: Department of Health and Human Services.

How does one begin to address such a horrendous problem? For all the talk among Democrats, particularly President Clinton, about the need for increased spending for education to help underwrite welfare reform, it's worth recalling that real (inflation-adjusted) spending for elementary and secondary education has dramatically escalated since the federal government declared war on poverty. Indeed, some of the highest per pupil expenditures occur in the largest cities. Unfortunately, as spending increased, test scores plummeted.

In a more serious tone, Mr. Moynihan approvingly cited the 1966 report on the Equality of Educational Opportunity (the Coleman Report), which "determined that after a point there is precious little association between school resources and school achievement. The resources that matter are those the student brings to the school, including community traditions that value education. Or don't."

Sen. Moynihan has offered his own welfare-reform plan, which, unlike any Republican plan in the House and Senate, would retain AFDC's entitlement status without placing any time restrictions on recipients. Despite the underwhelming success of federal job-training and job-placement programs, his plan places great emphasis on more of the same. Attacking the Republicans' proposals to cancel welfare's entitlement status and enforce time restrictions, Sen. Moynihan frets that "we don't know enough" to design programs that attempt to influence the behavior of poor people.

Take another look at the figures in the chart provided by the senator. They represent a small fraction of the statistical indictment against the failed welfare policies of the liberal welfare state. Tinkering around the edges of such failure without seeking to change the behavior that three decades of the War on Poverty have produced, will surely not solve any of the many social problems that accompany dependency on the scale depicted in the chart. That much we do know.

[From the Washington Times, Sept. 5, 1995]

CHARTING THE STATE OF WELFARE

Even by the appalling standards and results of U.S. welfare policy, the chart that appeared in this space last Friday exaggerated the depths of the situation that prevails in some of this nation's largest cities.

Last month Sen. Daniel Patrick Moynihan, New York Democrat, appeared on the floor of the Senate citing statistics showing that nearly two out of three children in Los Angeles and nearly four out of five children in Detroit lived in households receiving the government's basic welfare grant, Aid to Families with Dependent Children (AFDC). At the request of The Washington Times' editorial page, Sen. Moynihan's office faxed a copy of a chart listing the 10 largest U.S. cities and the percentage of each city's children relying on AFDC, which was developed by the U.S. Department of Health and Human Services (HHS). Regrettably, the information was incorrect.

Nearby is a chart with updated, expanded, and presumably correct, information that HHS subsequently sent to Sen. Moynihan's office, which then forwarded it the editorial page. The revised chart offers both as snapshot of welfare dependency of children in our largest cities (at a "point in time") and a more expansive statistic incorporating all children whose families relied on AFDC during any portion of an entire year. Clearly, neither classification places Los Angeles or Detroit in nearly as dreadful a position as conveyed by HHS's initial, incorrect tallies. It should also be noted, however that the earlier chart understated the problem of pervasive welfare dependency in other cities: New York and Philadelphia, for example. The revised chart offers no solace to anybody interested in the future of our great cities and the children who live in them.

ESTIMATED RATES OF AFDC CASELOADS

[In major cities (Feb. 1993)]

State	Percentage of children on AFDC at a point in time	Percentage of children of AFDC within a year
New York	30	39
Los Angeles	29	38
Chicago	36	46
Detroit	50	67
Philadelphia	44	57
San Diego	23	30
Houston	18	22
Phoenix	15	18
San Antonio	14	21
Dallas	16	20

Source: Department of Health and Human Services.

It's been 30 years since the federal government initiated its so-called War on Poverty. During that time more than $5 trillion was expended fighting it. What has been accomplished? As the Senate reconsiders the various welfare-reform proposals during the next few weeks, let us keep in mind that anything less than revolutionary in scope is likely to have little long-term impact on these depressing statistics and the numerous pathologies and deviancies that derive from them.

[From the Washington Times, Sept. 5, 1995]

THE AFDC NUMBERS: BAD ENOUGH, BUT NOT THAT BAD

Regarding the Sept. 1 editorial "Welfare shock," The Washington Times is entirely correct in stating that the information of AFDC caseloads I presented in the August welfare debate in the Senate was mistaken. We received the data from the Department of Health and Human Services on Aug. 4. I found the numbers hard to believe—*that* bad?—and called the deputy assistant secretary responsible to ask if he would check. He did and called back to confirm.

On Aug. 23, however, with the Senate in recess, Mr. Wendell E. Primus, the deputy assistant secretary who provided the data, wrote to say that there had indeed been a miscalculation. It was a perfectly honest mistake, honorably acknowledged and corrected. I will place his letter in the Congressional Record today.

The new numbers are sufficiently horrendous. The proportion of the child population on AFDC or Supplemental Security income in the course of a year in Los Angeles is 38 percent. In New York, 40 percent. In Chicago, 49 percent. In Philadelphia, 59 percent. In Detroit, 67 percent. My contention is that things have gotten so out of hand that cities and states cannot possibly handle the problem on their own. Thirty years ago, certainly. No longer. Mr. Hugh Price of the National Urban League suggests that we will see a reenactment of deinstitutionalization of the mental patients which led so directly to the problem of the homeless. I was in the Oval Office on Oct. 23, 1963 when President Kennedy signed that bill, his last public bill signing ceremony. He gave me the pen. I have had it framed and keep it on my wall. Primum non nocere.

DANIEL PATRICK MOYNIHAN,
U.S. Senator,
Washington.●

(At the request of Mr. DOLE, the following statement was ordered to be printed in the RECORD).

THE BAD DEBT BOXSCORE

● Mr. HELMS. Mr. President, as of the close of the last recorded business day, Friday, September 1, the Federal debt stood at $4,968,255,379,449.49. On a per capita basis, every man, woman, and child in America owes $18,859.58 as his or her share of that debt.●

ON FAMILIES AND VALUES

● Mr. SIMON. Mr. President, one of the economic leaders in this Nation, with whom I sometimes agree and sometimes disagree, but for whom I have always had great respect is Herbert Stein.

Herb Stein is now a senior fellow at the American Enterprise Institute, and recently had an article in the Brookings Institution publication titled, "On Families and Values."

His comments puncture some of our balloons and bring us back to reality in a very practical, wholesome way.

I ask that his comments be printed in the RECORD.

The material follows:

ON FAMILIES AND VALUES

(By Herbert Stein)

O, Family Values, what wonders are performed in your name! In your name some political leaders propose to give a tax credit of $500 per child to every income-tax-paying unit except the very richest. I use the expression "income-tax-paying unit" because no particular family relationship is required. There may be a couple, married or unmarried, or there may be a single tax-payer, male or female, and the children may have a biological relationship to both adults, to one, or to neither. At the same time, also in the name of family values, it is proposed to reduce federal benefits to mother-children units if the mother is young and poor.

We do not have a family problem in America, or, at least, that is not one of our major problems. We have a children problem. Too many of our children are growing up uncivilized. The family deserves attention today mainly because it is the best institution for civilizing children. We shouldn't get too sentimental about that, however. Through most of history the family that reared children was not our idealized Poppy-Mommy-Kiddies group but a much more inclusive relationship. The first family was the scene of a fratricide. The most famous families in literature, the Montagues and Capulets, were obsessed with fighting each other, with fatal consequences for their children. Long before Freud we knew that the family could be a nest of vipers.

Despite its blemishes, perhaps exaggerated in literature because they are exceptional, the family is the best institution we know for rearing children. It is the best because it is most likely to be governed by certain values—love, responsibility, voluntary commitment to the welfare of others, including those least able to fend for themselves, who are, of course, the children. That is what family values are.

In the rearing of children there is no satisfactory substitute for the well-functioning family. We should try to strengthen such families by private example, public policy, and in any other way we can. But even families that function well need supplementation by other institutions. Some families do not function well, for economic or psychological reasons, and they need even more assistance. In modern societies it is recognized that other institutions have a responsibility and capacity to contribute to the raising of children. These institutions include government, whose wide-ranging functions, from education to preventing child abuse, are generally accepted.

Moreover, there are really no such things as "family values." What we call family values are simply human values that also exist and are desired in relationships outside the family although they are probably less dominant there.

Our need now is to bring what institutions, resources, and values we can to bear on the problem of our children. From that standpoint the current trend of policy seems perverse. The "child credit" has little to do with the welfare of children. Very few of the children in the tax-paying-units that would receive the credit are part of the children problem in America, or if they are it is not because the after-tax incomes in the units are too small. Little of the income that would be provided would go to the benefit of children. Presumably the additional income would be used for purposes that the taxpayer had previously thought were of lowest priority. Any need of a child that a taxpayer with an income of, say, $60,000 would meet only upon receipt of a tax credit of $500 could not be a very important need.

Neither is it reasonable to think that reducing government cash and food benefits to poor children who are themselves the children of poor child-mothers will help to civilize our children, although it may reduce somewhat the number of them born in the future. More care, nurturing, counselling, and education will be needed, in the home, in a foster-home, in a school, perhaps even in an orphanage. The drive to cut costs in the name of family values provides none of that.

When I say that "our" children need to be civilized, I do not refer to my biological children and grandchildren, or yours either, dear reader. I refer to America's children. When the bomb exploded in Oklahoma City we all went and prayed for the children. We did not say that they were only their parents' children or Oklahoma's children. They were America's children.

The children growing up in wretched families, in unsafe schools, and in vicious streets are also "our" children. A decent respect for family values calls for more concern with them and more commitment to them than is shown by most of those who now wave the flag of family values.

LARRY DeNARDIS

● Mr. LIEBERMAN. Mr. President, I rise today to honor Larry DeNardis who on September 22, 1995, will be the recipient of the Distinguished Service Award of the Italian-American Society of Greater New Haven, Inc. The Italian-American Society was founded to celebrate and perpetuate the concept of the Italian heritage in America, and the society strives to acknowledge and commemorate the many contributions made by Italian-Americans.

Lawrence J. DeNardis was born and raised in New Haven, where he currently serves as the president of the University of New Haven [UNH]. Larry is well known in both the academic and public service arenas. His academic experience includes 16 years as associate professor and chairman of political science at Albertus Magnus College and 11 years as an adjunct professor at UNH. He has also been a visiting professor of government at Connecticut College, a guest scholar at the Woodrow Wilson International Center for Scholars of the Smithsonian Institution, and a seminar instructor at Yale University.

In the field of government, Larry DeNardis has had the rare and notable distinction of serving as both a Federal and State legislator. After serving five terms in the State Senate from 1971–79, where I was proud to serve with him, Larry was elected to the U.S. House of Representatives from Connecticut's Third District in 1980. I should note here that Larry's elevation to Federal office came at my expense—I was on the losing end of that Congressional campaign. But in retrospect, I am grateful for his victory, since it opened the door for me to serve as Connecticut attorney general and in this Chamber. Larry served ably and honorably in Congress and then went on to serve as Assistant Secretary for Legislation at the U.S. Department of Health and Human Services during 1985–86.

Larry continues to reside in the New Haven area, where he is currently an active member of many organizations including the Greater New Haven Chamber of Commerce, Shubert Performing Arts Center, Mayor's Task Force on Transportation, Yale Medical School Library, St. Regis Health Center, and the Knights of Malta. He and his high school sweetheart, Mary Lou, have been married for 34 years and have four children: Larry Jr., Mark, Lesley, and Gregory and reside in Hamden, CT. Larry's work and commitment has been an inspiration to those who know him. I am proud to count him as a friend. I salute the Honorable Lawrence J. DeNardis as he accepts the Distinguished Service Award of the Italian-American Society for his decency, intelligence, and steadfast devotion to the community.●

TRANSRACIAL ADOPTIONS IN THE CHILDREN'S BEST INTERESTS

● Mr. SIMON. Mr. President, some weeks ago, the magazine Black Issues in Higher Education, which I read regularly for its scholarly and sensitive insights into higher education, had an article on transracial adoptions written by Dr. Rita J. Simon—no relative, a professor of law at the American University.

I have a special interest in this field because of some family involvement in the area, but what she writes makes so much sense that I thought this area in which there is sometimes more heat than light, needs to see this issue more widely understood.

I ask that the article be printed in the RECORD, and I urge my colleagues to read it.

The article follows:

[From Black Issues in Higher Education, May 4, 1995]

TRANSRACIAL ADOPTIONS—IN THE CHILDREN'S BEST INTERESTS

(By Dr. Rita J. Simon)

The case for transracial adoption rests primarily on the results of empirical research. The data show that transracial adoptions clearly satisfy the "best interest of the child" standard. They show that transracial adoptees grow up emotionally and socially adjusted, aware of and comfortable with their racial identity. They perceive themselves as integral parts of their adopted families, and they expect to retain strong ties to their parents and siblings in the future.

The findings in our study are neither unique or unusual. All of the studies—even those carried out by researchers who were initially skeptical—arrived at the same general conclusions.

Indeed, when given the opportunity to express their views on transracial adoption, most people—Black and white—support it. For example, in January 1991, "CBS This Morning" reported the results of a poll it conducted that asked 975 adults, "Should race be a factor in adoption?" Seventy percent of white Americans said no, and 71 percent of African Americans said no. These percentages are the same as those reported by Gallup in 1971 when it asked a national sample the same question.

THE SIMON-ALTSTEIN STUDY

In 1971–72, Simon contacted 206 families living in five cities in the Midwest who were members of the Open Door Society and the Council on Adoptable Children (COAC) and asked whether she could interview them about their decision to adopt nonwhite children. All of the families but two (which declined for reasons unrelated to adoption) agreed to participate in the study. The parents allowed a two-person team composed of one male and one female graduate student to interview them in their homes for 60 to 90 minutes at the same time that each of their children, who were between four and eight years old, was being interviewed for about 30 minutes. In total, 204 parents and 366 children were interviewed.

The number of children per family in our surveys ranged from one to seven; this included birth as well as adopted children. Nineteen percent of the parents did not have any birth children. All of those families reported that they were unable to bear children.

The most important finding that emerged from our first encounter with the families in 1971–72 was the absence of a white racial preference or bias on the part of the white birth children and the nonwhite adopted children. All of the children (adopted and birth) had been given a series of projective tests including the Kenneth Clark doll tests, puzzles, pictures etc., that sought to assess racial awareness, attitudes and identity.

Unlike all other previous doll studies, our respondents did not favor the white doll. It was not considered smarter, prettier, nicer, etc., than the Black doll either by white or Black children. Neither did the other tests conducted during the same time period reveal preferences for white or negative reactions to Black. Yet the Black and white children in our study accurately identified themselves as white or Black on those same tests.

Thus, contrary to other findings reported up to that time, the children reared in these homes appeared indifferent to the advantages of being white, but aware of and comfortable with the racial identity imposed by their outward appearance. By and large, the parents of these children were confident that the atmosphere, the relationships, the values and the lifestyle to which the children were being exposed would enable successful personal adjustments as adults.

Over the years, we continued to ask about and measure racial attitudes, racial awareness and racial identity among the adopted and birth children. We also questioned the parents during the first three phases of the study about the activities, if any, in which they as a family, engaged to enhance their transracial adoptee's racial awareness and racial identity. We heard about dinner-time conversations involving racial issues, watching the TV series "Roots," joining Black churches, seeking Black godparents, preparing Korean food, traveling to Native American festivals and related initiatives. As the years progressed, it was the children, rather than the parents, who were more likely to want to call a halt to these types of activities.

"Not every dinner conversation has to be a lesson in Black history," or "we are more interested in basketball and football than ceremonial dances" were comments we heard frequently from transracial adoptees as they were growing up.

In the 1991 phase of the study, transracial adoptees were asked how they felt about the practice of placing nonwhite—especially Black—children in white homes, what recommendations they might have about adoption practices and what advice they might have for white parents who are considering transracial adoption. We also asked the respondents to evaluate their own experience with transracial adoption.

We opened the topic by stating, "You have probably heard of the position taken by the National Association of Black Social Workers (NABSW) and several councils of Native Americans strongly opposing transracial adoption. Do you agree or disagree with their position?" All of the respondents were aware of NABSW's position. Eighty percent of the adoptees and 70 percent of the birth children disagreed with the NABSW position. Among the latter, 17 percent agreed and 13 percent were not sure. Only 5 percent of the transracial adoptees agreed with NABSW's position; the others were not sure how they felt about the issue. The reasons most often given for why they disagreed were that "racial differences are not crucial," "TRA is the best practical alternative," and "having a loving, secure relationship in a family setting is all-important."

One Black male adoptee said, "My parents have never been racist. They took shit for adopting two Black kids. I'm proud of them for it. The Black Social Workers' Association promotes a separatist ideology."

Another Black female commented, "It's a crock—it's just ridiculous. They [the NABSW] should be happy to get families for these children—period. My parents made sure we grew up in a racially diverse neighborhood. Now I am fully comfortable with who I am."

Another commented, "I feel lucky to have been adopted when I was very young [24 days]. I was brought up to be selfconfident—to be the best I can. I was raised in an honest environment.

We then shifted to a more personal note: "How do you think being Black (or, where appropriate, Korean or Native American) and raised by white parents has affected how you perceive yourself today?" One-third of the transracial adoptees thought the adoption had a positive effect on their self-image. One-third thought it had no effect, and one-third did not know what effect the adoption had on their self-image.

One male adoptee said, "Multicultural attitudes develop better children. I was brought up without prejudice. The experience is fulfilling and enriching for parents and children."

The results of 20 years of study show that transracial adoptions serve the children's best interests. None of the families aborted any of their adoptions. As they moved from childhood to adolescence to adulthood, the transracial adoptees were clearly aware of and comfortable with their racial identity. Today, those who are Black laugh at being labeled "oreos," Black on the outside, white on the inside, by some members of the National Association of Black Social Workers. The Black adoptees stress their comfort with their identity and their awareness that although they may speak, dress, and have different tastes in music than some other Blacks, the African American is wonderfully diverse.●

MRS. CLINTON'S SPEECH TO THE UNITED NATIONS FOURTH WORLD CONFERENCE ON WOMEN

• Ms. MIKULSKI. Mr. President, earlier today, First Lady Hillary Rodham Clinton spoke at the United Nations Fourth World Conference on Women. I urge my colleagues to read this important and thoughtful speech.

The First Lady spoke eloquently about the main themes of the Conference—women's education, health care, economic empowerment and human rights. These are issues that matter to every family in America and around the world. If we don't address these issues, all our talk about family values is meaningless.

In addition, Mrs. Clinton did not shy away from addressing China's serious human rights violations—or their meddling in the content and management of the Conference.

I commend the First Lady for participating in this important Conference and ask that her speech be printed in the RECORD.

The speech follows:

FIRST LADY HILLARY RODHAM CLINTON'S REMARKS FOR THE UNITED NATIONS FOURTH WORLD CONFERENCE ON WOMEN

BEIJING, CHINA, SEPTEMBER 5, 1995

Mrs. Mongella, distinguished delegates and guests:

I would like to thank the Secretary General of the United Nations for inviting me to be part of the United Nations Fourth World Conference on Women. This is truly a celebration—a celebration of the contributions women make in every aspect of life: in the home, on the job, in their communities, as mothers, wives, sisters, daughters, learners, workers, citizens and leaders.

It is also a coming together, much the way women come together every day in every country.

We come together in fields and in factories. In village markets and supermarkets. In living rooms and board rooms.

Whether it is while playing with our children in the park, or washing clothes in a river, or taking a break at the office water cooler, we come together and talk about our aspirations and concerns. And time and again, our talk turns to our children and our families.

However different we may be, there is far more that unites us than divides us. We share a common future. And we are here to find common ground so that we may help bring new dignity and respect to women and girls all over the world—and in so doing, bring new strength and stability to families as well.

By gathering in Beijing, we are focusing world attention on issues that matter most in the lives of women and their families: access to education, health care, jobs, and credit, the chance to enjoy basic legal and human rights and participate fully in the political life of their countries.

There are some who question the reason for this conference. Let them listen to the voices of women in their homes, neighborhoods, and workplaces.

There are some who wonder whether the lives of women and girls matter to economic and political progress around the globe. . . . Let them look at the women gathered here and at Hairou . . . the homemakers, nurses, teachers, lawyers, policymakers, and women who run their own businesses.

It is conferences like this that compel governments and peoples everywhere to listen, look and face the world's most pressing problems.

Wasn't it after the women's conference in Nairobi ten years ago that the world focused for the first time on the crisis of domestic violence?

Earlier today, I participated in a World Health Organization forum, where government officials, NGOs, and individual citizens are working on ways to address the health problems of women and girls.

Tomorrow, I will attend a gathering of the United Nations Development Fund for Women. There, the discussion will focus on local—and highly successful—programs that give hard-working women access to credit so they can improve their own lives and the lives of their families.

What we are learning around the world is that, if women are healthy and educated, their families will flourish. If women are free from violence, their families will flourish. If women have a chance to work and earn as full and equal partners in society, their families will flourish.

And when families flourish, communities and nations will flourish.

That is why every woman, every man, every child, every family, and every nation on our planet has a stake in the discussion that takes place here.

Over the past 25 years, I have worked persistently on issues relating to women, children and families. Over the past two-and-a-half years, I have had the opportunity to learn more about the challenges facing women in my own country and around the world.

I have met new mothers in Jojakarta, Indonesia, who come together regularly in their village to discuss nutrition, family planning, and baby care.

I have met working parents in Denmark who talk about the comfort they feel in knowing that their children can be cared for in creative, safe, and nurturing after-school centers.

I have met women in South Africa who helped lead the struggle to end apartheid and are now helping build a new democracy.

I have met with the leading women of the Western Hemisphere who are working every day to promote literacy and better health care for the children of their countries.

I have met women in India and Bangladesh who are taking out small loans to buy milk cows, rickshaws, thread and other materials to create a livelihood for themselves and their families.

I have met doctors and nurses in Belarus and Ukraine who are trying to keep children alive in the aftermath of Chernobyl.

The great challenge of this conference is to give voice to women everywhere whose experiences go unnoticed, whose words go unheard.

Women comprise more than half the world's population. Women are 70% of the world's poor, and two-thirds of those who are not taught to read and write.

Women are the primary caretakers for most of the world's children and elderly. Yet much of the work we do is not valued—not by economists, not by historians, not by popular culture, not by government leaders.

At this very moment, as we sit here, women around the world are giving birth, raising children, cooking meals, washing clothes, cleaning houses, planting crops, working on assembly lines, running companies, and running countries.

Women also are dying from diseases that should have been prevented or treated; they are watching their children succumb to malnutrition caused by poverty and economic deprivation; they are being denied the right to go to school by their own fathers and brothers; they are being forced into prostitution, and they are being barred from the ballot box and the bank lending office.

Those of us who have the opportunity to be here have the responsibility to speak for those who could not.

As an American, I want to speak up for women in my own country—women who are raising children on the minimum wage, women who can't afford health care or child care, women whose lives are threatened by violence, including violence in their own homes.

I want to speak up for mothers who are fighting for good schools, safe neighborhoods, clean air and clean airwaves . . . for older women, some of them widows, who have raised their families and now find that their skills and life experiences are not valued in the workplace . . . for women who are working all night as nurses, hotel clerks, and fast food chefs so that they can be at home during the day with their kids . . . and for women everywhere who simply don't have time to do everything they are called upon to do each day.

Speaking to you today, I speak for them, just as each of us speaks for women around the world who are denied the chance to go to school, or see a doctor, or own property, or have a say about the direction of their lives, simply because they are women.

The truth is that most women around the world work both inside and outside the home, usually by necessity.

We need to understand that there is no formula for how women should lead their lives. That is why we must respect the choices that each woman makes for herself and her family. Every woman deserves the chance to realize her God-given potential.

We also must recognize that women will never gain full dignity until this human rights are respected and protected.

Our goals for this conference, to strengthen families and societies by empowering women to take greater control over their own destinies, cannot be fully achieved unless all governments—here and around the world—accept their responsibility to protect and promote internationally recognized human rights.

The international community has long acknowledged—and recently affirmed at Vienna—that both women and men are entitled to a range of protections and personal freedoms, from the right of personal security to the right to determine freely the number and spacing of the children they bear.

No one should be forced to remain silent for fear of religious or political persecution, arrest, abuse or torture.

Tragically, women are most often the ones whose human rights are violated. Even in the late 20th century, the rape of women continues to be used as an instrument of armed conflict. Women and children make up a large majority of the world's refugees. And when women are excluded from the political process, they become even more vulnerable to abuse.

I believe that, on the eve of a new millennium, it is time to break our silence. It is time for us to say here in Beijing, and the world to hear, that it is no longer acceptable to discuss women's rights as separate from human rights.

These abuses have continued because, for too long, the history of women has been a history of silence. Even today, there are those who are trying to silence our words.

The voices of this conference and of the women at Hairou must be heard loud and clear:

It is a violation of human rights when babies are denied food, or drowned, or suffocated, or their spines broken, simply because they are born girls.

It is a violation of human rights when women and girls are sold into the slavery of prostitution.

It is a violation of human rights when women are doused with gasoline, set on fire and burned to death because their marriage dowries are deemed too small.

It is a violation of human rights when individual women are raped in their own communities and when thousands of women are subjected to rape as a tactic or prize of war.

It is a violation of human rights when a leading cause of death worldwide among women ages 14 to 44 is the violence they are subjected to in their own homes.

It is a violation of human rights when young girls are brutalized by the painful and degrading practice of genital mutilation.

It is a violation of human rights when women are denied the right to plan their own families, and that includes being forced to have abortions or being sterilized against their will.

If there is one message that echoes forth from this conference, it is that human rights are women's rights. . . . And women's rights are human rights.

Let us not forget that among those rights are the right to speak freely. And the right to be heard.

Women must enjoy the right to participate fully in the social and political lives of their countries if we want freedom and democracy to thrive and endure.

It is indefensible that many women in nongovernmental organizations who wished to participate in this conference have not been able to attend—or have been prohibited from fully taking part.

Let me be clear. Freedom means the right of people to assemble, organize, and debate openly. It means respecting the views of those who may disagree with the views of their governments. It means not taking citizens away from their loved ones and jailing them, mistreating them, or denying them their freedom or dignity because of the peaceful expression of their ideas and opinions.

In my country, we recently celebrated the 75th anniversary of women's suffrage. It took 150 years after the signing of our Declaration of Independence for women to win the right to vote. It took 72 years of organized struggle on the part of many courageous women and men.

It was one of America's most divisive philosophical wars. But it was also a bloodless war. Suffrage was achieved without a shot fired.

We have also been reminded, in V–J Day observances last weekend, of the good that comes when men and women join together to combat the forces of tyranny and build a better world.

We have seen peace prevail in most places for a half century. We have avoided another world war.

But we have not solved older, deeply-rooted problems that continue to diminish the potential of half the world's population.

Now it is time to act on behalf of women everywhere.

If we take bold steps to better the lives of women, we will be taking bold steps to better the lives of children and families too. Families rely on mothers and wives for emotional support and care; families rely on women for labor in the home; and increasingly, families rely on women for income needed to raise healthy children and care for other relatives.

As long as discrimination and inequities remain so commonplace around the world—as long as girls and women are valued less, fed less, fed last, overworked, underpaid, not schooled and subjected to violence in and out of their homes—the potential of the human family to create a peaceful, prosperous world will not be realized.

Let this conference be our—and the world's—call to action.

And let us heed the call so that we can create a world in which every woman is treated with respect and dignity, every boy and girl is loved and cared for equally, and every family has the hope of a strong and stable future.

Thank you very much.

God's blessings on you, your work and all who will benefit from it.•

IT'S NOT FOR WHITE MEN TO DECIDE

• Mr. SIMON. Mr. President, we have heard a lot of talk about affirmative action, much of it designed to attract votes rather than to contribute any light or rational discussion.

Recently, I was on a radio discussion program with our former colleague, Pete Wilson, now the Governor of California. His position is one that I am sure is supported by a majority of Republicans and may be temporarily politically wise. But I do not believe it serves the Nation well.

In an appearance on the David Brinkley program, he quoted Arthur Schlesinger, Jr. It was of interest to me then to pick up the Los Angeles Times and read Arthur Schlesinger's response.

Like most things Arthur Schlesinger writes, it is loaded with good sense, and I ask that his response be printed in the RECORD.

The response follows:

[From the Los Angeles Times, Aug. 3, 1995]

IT'S NOT FOR WHITE MEN TO DECIDE

(By Arthur Schlesinger, Jr.)

On Sunday, July 23, while I was befogged in Dark Harbor, Me., Gov. Pete Wilson of California seemed even more befogged on "This Week With David Brinkley." On this program, he cited me and my small book "The Disuniting of America" in support of his crusade against affirmative action. "[Schlesinger] uses a phrase," Wilson said, "that various policies are, in fact, tribalizing America, and, in fact, that is unhappily the case, and we need to end it."

Wilson is quite correct in noting my concern about the campaign by "multicultural" ideologues to promote and perpetuate separate ethnic and racial communities. But he is quite wrong in suggesting that I am, for that reason, opposed to affirmative action. On the contrary, affirmative action has been, in my view, a valuable and potent means of moving the republic away from ethnic and racial separatism and toward a more integrated and unified society.

Before affirmative action, the labor market and the educational system were encrusted with barriers, antipathies and conditioned reflexes that systematically excluded women and non-white minorities. Affirmative action has played an indispensable role in breaking these terribly well-entrenched patterns in employment, college admission and other arenas of recruitment and upward mobility. The goal of affirmative action is precisely to destroy racial and gender barriers; and it is the free intermingling of peoples that provides that basis for a common culture and an embracing national identity.

Unquestionably, some reforms are in order. Rigid application of "diversity" standards often leads to bad results, especially in government employment. Programs carried out in the name of affirmative action, especially preferences for what purport to be minority business enterprises, have been sorely abused. Still, affirmative action in the main has served as an agency for the uniting, not the disuniting, of America.

I regard affirmative action as a transitional program. I do not expect it to become a permanent feature of the labor market. When should the transition end? It should end when our white male ruling class no longer automatically discriminates against women and against nonwhite minorities. And the decision as to when the point is reached surely belongs to those whose needs affirmative action is intended to meet.

Already some beneficiaries are growing increasingly uneasy. Affirmative action seems to cast doubt on their own credentials, competence and worth. They have become partners in the firm or professors in the university, others might think, not on their merits but because of racial or gender preference.

Affirmative action can thus become a means of undermining self-esteem and dignity. It can imply that, without affirmative action, women and minorities could not survive and compete in the world of affairs. It may carry with it a flavor of condescension and patronage. And it inevitably and understandably arouses the resentment of those who feel that affirmative action discriminates against them.

When enough beneficiaries regard affirmative action with embarrassment and discomfort, the time will have come to roll up the policy. And the more white male America practices policies of inclusion rather than exclusion, the sooner that time will come.

But until women and nonwhite minorities see affirmative action as more a handicap than a help, the case for its continuation in some form seems strong. And surely the decision about continuation is not one to be made for hapless minorities by politically ambitious white governors. Such overweening presumption by powerful white men is the true road to the disuniting of America.•

IN HONOR OF KITE SOCIETY OF WISCONSIN WEEK

• Mr. KOHL. Mr. President, it gives me great pleasure to announce that this year the 17th annual Frank Mots Memorial Kite Festival will be held on September 16 in Milwaukee, WI. Kite flying is one of the most beautiful and relaxing hobbies around. Many of us can still remember when we were children, building our first kite and watching with excitement as it became airborne. Today children of all ages can experience this thrill again during the Kite Society of Wisconsin Week, which will take place the week of September 11–17.

Frank Mots was a kite flying enthusiast, and it was in his memory that the Kite Society of Milwaukee was created in 1976. The festival that bears his name was founded in 1978 and has drawn people from around the country every year. I invite everyone to celebrate this event on September 16 and take some time out to enjoy the simple pleasures of kite flying. The Frank Mots Memorial Kite Festival has something for everyone, and I am proud of the kite society's accomplishments.•

BIG MAC TO GO; HOLD THE LIES

• Mr. SIMON. Mr. President, one of the most thoughtful observers in the Nation today is Felix Rohatyn, an investment banker, who has had considerable leadership experience at both the local, State, and Federal levels.

He was chairman of New York's Municipal Assistance Corp., from 1975 to 1993 and helped put the pieces together when New York City was in such desperate straits.

He had an article recently in the Washington Post that comments specifically about the District of Columbia and New York City, but it is really much more than that. He is really talking about what our priorities are as a Nation and what we must do to revitalize urban American and revitalize the Nation.

To the timid souls in the House and Senate and the administration who are afraid to face our problems and come up with realistic answers to those problems, because realistic answers are not going to be immediately popular, I would note his comment:

> Many of our actions were deemed to be political suicide when first considered, but it is worth noting that Governor Carey's approval rating was the highest ever in December 1975 when we had carried out the most painful parts of the restructuring.

The American public yearns for genuine leadership, not public relations talk. Instead to much too great a degree, we are providing the public relations talk but not genuine leadership.

I ask that the Felix Rohatyn article be printed in the RECORD, and I urge my colleagues to read it.

The article follows:

BIG MAC TO GO; HOLD THE LIES; NEW YORK'S RECIPE FOR RECOVERY—AND WHAT D.C. CAN TAKE FROM IT

(By Felix Rohatyn)

Watching the evolution of the District of Columbia's fiscal crisis inevitably brings to many of us here in New York City memories of our own brush with bankruptcy in the 1970s. There are too many differences between our situation 20 years ago and the District's today to draw direct parallels. Still, there are lessons in our successes—and in our failures—that may provide some useful insights to those trying to direct the District's future.

The first of those lessons is that recovery was not rapid and—for reasons both of our own making and beyond our control—it was not permanent. It took New York City almost six years from the time we lost access to the financial markets in 1975 until we regained it in 1981, having balanced three consecutive budgets in the meantime. Now, 14 years later, New York City is again in the throes of a serious budgetary crisis which shows no signs of early resolution.

To the extent that we succeeded, much is owed to a few factors: putting able and responsive people into top city management positions; enlisting the cooperative efforts of all parties—state and city officials, labor, business—who contributed to the problem in the first place; getting financial controls into place; building public support for the tough actions needed; securing help from higher levels of government. To the extent we failed, it was because we relied too much on stopgap measures and postponed structural reforms needed to secure the city's future. There are caveats for the District in all this.

Many of the forces that drove New York City towards bankruptcy in the '70s are not unlike those that now cast a shadow over the District's, and, indeed, the entire country's future: excessive borrowings, escalating budget deficits, excessive public spending and shrinking private employment, compounded by weak political leadership. Just as the District's problems had been building for many years, under the nose of the mayor, city council and their federal overseers on Capitol Hill, New York's crisis was obscured for many years by imaginative bookkeeping and by lenders who looked the other way.

By May 1975, when the banks refused to provide additional loans to the city, short-term debt had climbed from practically nothing six years earlier to almost $6 billion. (In each of those years the city's budget was reported to miraculously, "in balance.") The city work force had ballooned to 300,000 people while private employment (and tax revenues) plummeted during the recession of the early 1970s. When newly elected Gov. Hugh Carey, formerly a liberal Democratic congressman from Brooklyn, appointed four private citizens (including me) to recommend a course of action, we were 18 days away from a default and a bankruptcy filing.

During the next six months, we put in place practically every new structure and agreement that served as the ultimate cornerstone to our recovery. Some survive to this day. These were the main components:

Getting control. In this and many other instances, strong bipartisan leadership at the state level was crucial, support that the District must look to the federal level to supply. Under great pressure from the governor, practically the entire top management of the city was replaced, including the first deputy mayor, budget director, and deputy mayors for finance and operations. All but one of the new appointees came from the private sector. They, together with the executive director of the Emergency Financial Control Board (EFCB), constituted as capable a management team as the city ever had.

The EFCB, analogous to D.C.'s new financial control board, consisted of the governor, mayor, city and state comptrollers and three private citizens appointed by the governor. It had the power to set the level of city revenues and to reject any budget submitted by the mayor not in compliance with the long-term plan. All major city contracts, including labor contracts, were subject to its approval. Once these control structures were in place after the usual political struggles, we had total cooperation from city officials—including Mayor Abraham Beame, despite the high cost to his political career.

The EFCB's veto power and the shared commitment of top city management meant that it was possible to translate the requirements of the approved budget plan into actual savings. It is always easy to demand or promise cuts on paper; it is much harder to pocket them. This is especially true if, as some in the District are urging, reliance is placed on the voluntary response of city workers to accept buyouts or on privatization to cut costs and payrolls.

Getting the facts. We knew the numbers we were working with were meaningless and that we needed a factual basis for any long-term plan. It took many months, but ultimately the city, with the help of outside experts, put in place a system of financial controls and accounting second to none.

Just as the true dimensions of the District's fiscal gap were revealed only over a period of months, New York City's 1975 deficit turned out to be almost triple the initial estimate—close to $1.5 billion on a total budget of about $13 billion (including about $600 million of expenses buried in the capital budget).

Negotiating a social contract between business and labor. Key to our success was enlisting the help of those who had created the problem. The city's labor and business leaderships (including the banks), as well as the state and city themselves, provided a relatively small number of people who could make commitments on behalf of their constituents and deliver them.

Having a common goal was important; carrying it out was agonizingly difficult. The "social contract" provided labor support for deferring all wage increases, at no interest cost, and a minimum 6 percent attrition rate. Ultimately 60,000 workers, 20 percent of the work force, went off the payroll through layoffs or attrition. Pension benefits were rolled back, while union pension funds purchased $2.5 billion of city bonds (which proved a good investment for retirees).

Just as the District is beginning to do, we looked hard at city functions to see which were essential and which we could live without. Tuition was imposed, for the first time, at City University. Transit fares were doubled. Services were sharply cut, with the worst impact borne by the school system. Rigid cost controls were imposed. Taxes were temporarily increased.

The banks, in turn, supported creation of the Municipal Assistance Corp., a state agency directed by a board of nine private citizens and authorized to issue up to $10 billion of long-term bonds, backed by a portion of the city sales tax. MAC financed the phase-out of the city deficit by 1980, as well as a dramatic increase in the city's infrastructure investment by 1985.

All of these actions resulted from difficult and often acrimonious negotiations. For example, after the initial wave of 20,000 layoff notices, striking sanitation workers disrupted the city and greeted arriving passengers at Kennedy Airport with signs saying: "Welcome to Stink City." This scared the mayor into rehiring a number of workers—which, in turn, caused financing for MAC's first private market bond offering to collapse. Still, we were able to stop the bleeding.

Getting outside help. For all the pain, the city's redemption depended importantly on help from the state which assumed certain of the city's costs for courts, correction and higher education. At a critical time, the state also purchased $250 million of MAC bonds and provided MAC with its "moral authority" to maintain our credit.

Federal help, while psychologically critical, was far more limited (Remember the famous New York Daily News headline "Ford to City: Drop Dead.") Still, the Ford administration provided a limited amount ($1.5 billion) of seasonal loans which was replaced by the Carter administration by long-term loan guarantees which were totally paid off in the early 1980s.

Building public support. Being open with the public and consistently explaining actions and goals helped the city's emergency management build and sustain a positive public spirit (an effort made easier by the natural pride and civic spirit of New Yorkers). The fact that New York has a number of powerful newspapers also helped to create the public support our political leaders needed to carry out extremely painful actions every day—the details of which were almost impossible to explain on television. Many of our actions were deemed to be political suicide when first considered, but it is worth noting that Gov. Carey's approval rating was the highest ever in December 1975 when we had carried out the most painful parts of the restructuring.

Important as these stern measures were, the city could not have moved its budget into balance after four years without the help of the national economic recovery and the revitalization of the city's own private sector. And a sharply accelerating public investment program helped generate the strong local economy. Budget cuts alone will not create recovery.

But it is also true that temporary budget cuts won't solve much of anything. And here is where we made our greatest mistake: Postponing fundamental reform. We believed that we had basically changed the city because we had balanced the budget and regained our credit. We were wrong.

The economic recovery of the 1980s seduced the city back into some of its prior spending habits. Prosperity is the enemy of reform. The work force swelled to pre-crisis levels; cost increases were not offset by productivity increases; full pension benefits were restored. No serious though was given to the gradual elimination of certain services or to the possible privatization of functions like the municipal hospital system or to restructuring the school system. No real improvement was made either in the quality or efficiency of service delivery. Similarly, temporary measures were always taken to deal with long-term reductions in the city's revenue base. By the time Mayor Rudolph Giuliani came on the scene in 1993, a major structural deficit was again built into the city's budget.

The problems our mayor—like the District's—faces are greater than those of the 1970s, in both the private and public sectors. Much higher levels of crime, drugs and AIDS; rising caseloads for welfare and Medicaid funds; inadequate public schools; high taxes and poor quality-of-life and unsustainable labor costs—all these are driving taxpayers and businesses out.

Ultimately, however, success in New York, as in every city, will depend on the private sector. But for a city to retain its advantages as a cultural, communications and financial center, it must provide a level of public service far superior to what most provide today. It must have an educated work force and first-class public schools; safe and clean streets; attractive and affordable public transportation; a business-friendly tax environment; a thriving entertainment district; airports and railroad stations friendly to the traveler; partnership between universities and high-technology companies; and adequate housing for employees. These are all things that only cooperation between the private and public sector can provide.

In this regard, the District may have some advantages New York City did not enjoy. The biggest one, so far, seems to be the willingness of the Republican leadership in Congress to encourage fundamental change to improve the District's long-term prospects. Tax benefits, school vouchers, extensive privatization, increased infrastructure investment and more should be tried not only in Washington, D.C., but in every metropolitan area. A bipartisan interest in developing a real urban agenda in America is way overdue. Without such an agenda, no city plan anywhere in this country is realistic in the long run.

Some of the problems we face in New York as well as those of the District were self-inflicted and due to irresponsible policies. Many others, however, are not of our doing. Only national policies can deal with national problems such as poverty, health care, crime, education and immigration. The idea that sending welfare and Medicaid back to the states will be viable is total fantasy—simply an excuse for massive cutbacks with unfathonable results.

America is the only advanced Western democracy that does not consider its cities as both its cultural and economic crown jewels. In Europe, cities existed long before countries came into being. The notion that Paris, Rome, London, Berlin or Amsterdam could face the kind of economic pressures and physical neglect that is faced by America's major cities is unthinkable. Without a change in the appreciation of what cities mean to the U.S. economy, we will ultimately be doomed to fail here in New York, and the District of Columbia will be a permanent ward of the federal government. If the cities fail, ultimately we will be doomed to fail as a society and as a nation.•

TRIBUTE TO MIKE CURRAN

• Mr. PRYOR. Mr. President, I rise today to salute a valued and trusted public servant, Mr. Mike Curran, who is retiring this month following 30 distinguished years as an employee of the U.S. Forest Service. Since 1986, Mike has been the forest supervisor for the Ouachita National Forest in Arkansas, and that is where I came to know him and to admire his abilities.

Mike has been an outstanding leader of people and manager of assets throughout his career in public forestry, and his exceptional ability to forge through new concepts to meet changing public demands certainly caught my eye. His creative style and national flair for addressing competing interest groups and issues has been key to his success.

In 1990 I became involved in one of the most divisive forest issues ever to face the national forests in Arkansas. Public demand to eliminate the practice of clear-cutting had reached a peak. Mike was instrumental in bringing the Chief of the U.S. Forest Service to Arkansas to meet with me to determine whether or not a new way of looking at forest management could be developed that would allow us to eliminate this disagreeable practice and continue to produce quality timber in quantity.

This event led to the implementation to the new perspectives concept of sustainable forestry and placed the Ouachita National Forest, under Mike's leadership, in the lead position in a national movement toward the ecosystem management philosophy. Mike weathered much criticism from many corners as this system began to be developed. At times I know he felt he was under siege personally. Today the Ouachita National Forest has never been healthier, and its future is bright.

Mike has made a significant contribution to our Nation, and all of our forests have followed his lead. Thank you, Mike. We wish you Godspeed in your future endeavors.•

AFFIRMATIVE ACTION, ON THE MERIT SYSTEM

• Mr. SIMON. Mr. President, the University of California has been the focus of above-average attention on the issue of affirmative action because of the presence of two national political figures, Governor Pete Wilson and the Reverend Jesse Jackson.

I wish we lived in a time in which affirmative action was not necessary but that is not the case. We have improved as a society—even though many people may not recognize that—since the days of my youth, but we still have a long way to go.

Of particular interest to me was a New York Times op-ed piece by Professor Orlando Patterson about the California situation.

I ask that the op-ed piece be printed in the RECORD, and I urge my colleagues to read his remarks, if they did not read them in the New York Times.

The material follows:

[From the New York Times, Aug. 7, 1995]

AFFIRMATIVE ACTION, ON THE MERIT SYSTEM

(By Orlando Patterson)

CAMBRIDGE, MA.—For years Americans have complained about government programs for the disadvantaged that do not work. Now, however, we are on the verge of dismantling affirmative action, the one policy that, for all its imperfections has made a major difference in the lives of women and minority groups and has helped us achieve the constitutional commitment to the ideal of equality and fairness.

In utilitarian terms, it is hard to find a program that has brought so much gain to so many at so little cost. It has been the single most important factor in the rise of a significant, it still economically fragile, black middle class.

So it is hard to understand why it has become the most contentious issue in the nation. One would have thought that a policy that so many politicians denounced would have adversely touched the lives of at least a substantial proportion of those opposing it.

The facts show just the opposite. A National Opinion Research Center survey in

1990, still applicable today, found that while more than 70 percent of white Americans asserted that whites were being hurt by affirmative action for blacks, only 7 percent claimed to have experienced any form of reverse discrimination. Only 16 percent knew of someone close who had. Fewer than one in four could even claim that it was something they had witnessed or heard about at their workplace.

STANDARDS ROSE AT THE UNIVERSITY OF CALIFORNIA IN THE LAST 12 YEARS

So what was the source feeding all the outrage? The vast majority of those interviewed claimed to have heard about the problem either through the press or from other secondhand sources, like their political leaders.

Of course, such data would not matter were affirmative action something inherently evil. But this could hardly be the case, because for more than 15 years leaders of both parties, including Senator Bob Dole and Gov. Pete Wilson of California, both Republican Presidential candidates, supported this initiative. Indeed, they lauded it, as both morally defensible and the only effective means of remedying the intolerable exclusion of disadvantaged minorities and women from opportunities to train and apply for the better-paying working- and middle-class jobs.

What happened? How did so manifestly worthy and effective a program lose the support, including that of some people who stood the most to gain from it?

Blaming the media or the cynicism of our leaders will not do, the transparent opportunism of Mr. Dole and Mr. Wilson notwithstanding. Several factors account for the collapse of support for affirmative action.

The first is that the largely erroneous arguments of neo-conservative and other right-wing critics somehow carried the day. Merit, we were repeatedly warned, was being undermined, resulting in both individual inequities and, worse, severe threats to our economy and the demands of a high-tech society.

Nonsense, both. Only a minuscule number of whites, we now know, are affected by affirmative action, and of this small fraction, a still smaller percentage are able to claim genuine grievances.

The claim that our economic efficiency is being threatened is simply laughable. Oddly enough, the problem right now is not a shortage of highly trained manpower but an oversupply, demonstrated by a saturated market for scientists and engineers. An alarming number of them are becoming lawyers (the overdependence on which being perhaps our biggest waste of manpower resources).

White men still control more than 99.9 percent of all the important top positions in private and public institutions, as well as the vast majority of middle-level and high-paying jobs. They will continue to do so well into the next millennium.

There is also the argument that affirmative action has done nothing for the underclass and poor but favors people already in the middle class. Although rhetorically it is extremely effective, it is deliberately misleading. This point figured prominently the recent broadsides against the University of California's affirmative action policies from Governor Wilson and an influential university regent, Ward Connerly.

But affirmative action was never intended to help the poorest and least able. It is, by nature, a top-down strategy, meant to level the field for those who are capable of taking advantage of opportunities denied them because of their sex or race.

For the underclass and the working poor, an entirely different set of bottom-up strategies are called for, although no one seems to know what these might be.

The University of California's experience with affirmative action demonstrates beyond doubt the shallowness of the politicians' criticisms. Over the past 12 years, it has achieved its goal of incorporating students from disadvantaged minorities.

But far from experiencing a decline in standards, the university has not only fulfilled its mandate of selecting students from the top one-eighth of the state's graduating class, but has increased its eligibility requirements five times during this period. It is now a far more selective institution than before the introduction of affirmative action, with improved graduation rates for both black and non-black students.

Nothing could be more hypocritical and contradictory than the spectacle of a Republic governor demanding that his state's university system rely solely on the crude instrument of test scores to select 70 percent of its incoming students.

Republicans never tire of saying that what made America great are the virtues of honesty, courage, initiative and imagination, integrity, loyalty and fair play, all best demonstrated by a person's track record and especially his or her perseverance in the face of adversity. Why then are conservatives vilifying universities for taking these values seriously in selecting the next generation of leaders?

Race, we are told, should have nothing to do with the assessment of these virtues. Race, however, refers to several aspects of a person. It refers to physical appearance, and this, every African-American would agree with Senator Dole and Governor Wilson, should be a matter of no importance.

But for African-Americans, race also means surviving an environment in which racism is still pervasive. It has to be taken into account in assessing the content of any black person's character, and to assert that this amounts to a divisive glorification of race is as disingenuous and as absurd as claiming that we are divisively glorifying poverty and broken families when we take account of these factors in assessing a white student's character.

There is a third important meaning of race, and it is here that we enter tricky ground.

Blackness also connotes something positive: the subcultural heritage of African-Americans that in spite of centuries of discrimination has vastly enriched American civilization out of all proportion to the numbers, and treatment, of the group creating it. The University of California, like other great institutions of learning, rightly has seen the exposure of all its students to this important minority culture as part of its educational mission.

A POLICY THAT WORKS ONLY IN AN ECUMENICAL AMERICA

This is a noble goal, but it is fraught with dangers. What brought me around to support affirmative action after some strong initial reservations was not only its effectiveness as a strategy for reducing inequality, but also its possibilities for cross—pollinating our multi-ethnic communities. In the process, it could promote that precious, overarching national culture—the envy of the world—which I call ecumenical America.

But the promotion of diversity has done nothing of the sort, as Governor Wilson and Mr. Connerly were able to argue with devastating impact. To the contrary, both on an off our campuses affirmative action seems to have been distorted by its beneficiaries into the goal of balkanizing America both intellectually and culturally. One has only to walk for a few minutes on any large campus to witness the pervasiveness of ethnic separatism, marked by periodic outbursts of other chauvinisms and hostilities.

No group of people now seem more committed to segregation than black students and young professionals.

Their motto seems to be: separate, yes, but make sure there is equality, by affirmative action or any other means. To a lesser extent, the tendency of the new black middle class to segregate itself residentially and to scoff at the norms and values of the ecumenical mainstream is the off-campus version of this lamentable betrayal and abandonment of the once cherished goal of integration.

Ethnic separatism has also had deleterious academic consequences. In an experiment conducted at the University of Michigan by two psychologists, Claude Steele and Richard Nisbett, a group of disadvantaged minority students who were encouraged to be part of the campus mainstream, and made to understand that the highest standards were expected of them, consistently performed above the average for white students and the student body as a whole. Members of a control group who took the familiar route of ethnic solidarity and consciousness-raising performed well below the average.

At its best, affirmative action compensates for one of the greatest disabilities of minority members: their lack of access to vital networks and other social capital which white men simply take for granted, whether it is the construction worker who mobilizes his neighborhood ties to get on a high-paying work crew, or the upper-middle class manager who draws on his grammar school and Ivy League contacts to land the vice presidency of some budding company.

Once in, however, too many minority workers and women felt entitled to automatic promotion and were too quick to use the accusation of racism or sexism when it was denied. Too many supervisors practice a patronizing racism or sexism. The cynical promotion of unqualified people, even if it happens only occasionally, damages the legitimacy of affirmative action since it takes only one such mistake to sour an entire organization.

Also damaging were clearly illegal practices like using blacks and women as entrepreneurial fronts to gain access to preferential contracts.

These are all correctable errors. Universities and businesses should return to the principle of integration, to the notion that diversity is not something to be celebrated and promoted in its own right, but an opportunity for mutual understanding and the furtherance of an ecumenical national culture.

The President should remain firm in his principled resolve to defend a corrected version of affirmative action. And if we give it a time limit of 10 years, it might still be possible to save this troubled but effective and badly needed policy.•

HONORING RICHARD A. GRASSO, COOLEY'S ANEMIA FOUNDATION'S HUMANITARIAN OF THE YEAR

• Mr. D'AMATO. Mr. President, I rise today to congratulate Mr. Richard A. Grasso, chairman and chief executive officer of the New York Stock Exchange on his selection as the recipient of the first annual Humanitarian of the Year Award presented by the Cooley's Anemia Foundation. The Cooley's Anemia Foundation is honoring Mr. Grasso for his support, friendship, and tireless efforts on behalf of the patients and families who are impacted by this devastating blood disease.

As the father of young children himself, Mr. Grasso, I believe, has a keen understanding of the importance of supporting the efforts led by the Cooley's Anemia Foundation to find a cure for what the World Health Organization has identified as the most common inherited genetic blood disease in the world.

Mr. Grasso has had a distinguished career over the last 26 years at the New York Stock Exchange. He is the first member of the New York Stock Exchange staff to be elected to the position of chairman and chief executive officer in the exchange's 200-year history. He has exhibited what is best about the American spirit—he has given back to his community by working on behalf of many good causes.

Just consider the following. He is currently Chairman of the board of trustees of Junior Achievement of New York and he serves on the board of directors of the National Italian-American Foundation. Mr. Grasso is a trustee of the New York City Police Foundation, as well as a member of the board of directors of the Washington, DC-based police foundation. He also serves on the St. Vincent's Hospital Board of Trustees in New York City. He is the honorary chairman of the Friends of the Statue of Liberty National Monument-Ellis Island Foundation. He even finds time to serve his own local community, Old Brookville, NY, as police commissioner and village trustee.

His receipt of the Cooley's Anemia Foundation's Humanitarian of the Year Award adds to the many awards and honors he has already received, including the Humanitarian of the Year Award from the Tomorrow's Children's Fund, the Special Achievement Award in Business from the National Italian-American Foundation, the Ellis Island Medal of Honor from the National Ethnic Coalition of Organizations, the Good Scout Award from the Greater New York Councils for Boy Scouts of America, and the Brotherhood Award from the National Conference of Christians and Jews. Most recently, he was honored in 1994 as the Man of the Year by the Catholic Big Brothers organization. He is indeed a special person, having risen to the top ranks of his profession and still finding time to give back to these worthwhile causes.

His efforts on behalf of the Cooley's Anemia Foundation are particularly important and special to me. I know many of the families and patients who must deal with treating this disease every day of their lives. Every 2 weeks, Cooley's anemia patients require transfusions of red blood cells. Every day they must wear a special pump that painfully infuses a drug for 12 hours. But, because of research over the last several decades, treatment has been developed which prolongs the life of Cooley's anemia patients. Twenty years ago, most patients rarely lived past the age of 10; today many are living into their twenties and trying to be productive citizens. Now, promising new research is being conducted into Cooley's anemia, giving us all great hope that some day it will be curable.

That is why the efforts of people like Richard Grasso are so important. At a time when new research opportunities are before us, we must ensure that the resources of private philanthropic organizations, such as the Cooley's Anemia Foundation, are strengthened. Additionally, we must assure that the Federal commitment continues.

Again, I congratulate Richard Grasso on his receipt of the Cooley's Anemia Foundation first annual Humanitarian of the Year Award. With his continued support and assistance, I am confident that we will indeed live to see a cure. He is an example for us all.•

VICTIMS OF VENGEANCE

• Mr. SIMON. Mr. President, recently, I read in a denominational magazine, the Lutheran, an article by Judge Richard L. Nygaard on capital punishment.

It was of interest to me that the South African Supreme Court unanimously ruled against capital punishment, making South Africa join the large majority of modern, civilized nations that outlaw capital punishment.

The article has practical wisdom for all of us, coming from a judge who has no political agenda.

I ask that the article be printed in the RECORD at this point..

The article follows:

VICTIMS OF VENGEANCE

(By Richard L. Nygaard)

Perry Carris is dead. I doubt that many mourned him. Even among those who did not want him to die, most would readily admit that the world is a better place without him. He was a brutal killer. He and a friend entered the home of the friend's elderly uncle and aunt, then killed and robbed them. The uncle was stabbed 79 times and the aunt, who weighed only 70 pounds, 66 times.

But, you see, Carris didn't just die—we killed him. One night last year officers of the prison where he spent his final hours injected him with lethal chemicals, and, quietly, he met eternity. Many more are scheduled to die in like fashion. Moreover, the new federal crime bill imposes death as a penalty for 50 more crimes.

Is it not time to think about what society is doing? What we are doing? Carris' act was deliberate. So was ours. Carris' motivation was a cruel disregard for life. What was ours? The first killing clearly was criminal and unjustified—and sinful. But how about the second?

The death penalty as the ultimate sanction brings punishment sharply into focus. It is the surrogate for society's frustration with the failures of government to maintain order and protect them.

As a form of punishment, the killing of criminals is an issue with which Christians also must reconcile their beliefs. Many who are quick to condemn abortion because it kills an innocent being are just as quick to accept the death penalty, ostensibly because it kills a guilty being. Each is the killing of a human: The first is one whom Jesus said knows no sin; the second is one whose sin Jesus said could be forgiven. Is there a difference? Is this a paradox? Or can we reconcile our ambivalent attitudes about death?

WHY WE PUNISH

It is important first to know the purpose of our punishment. American penology is really quite simple. We have just three means of criminal punishment: probation, incarceration and death. And we rely upon only four justifications: rehabilitation, deterrence, containment and retribution. How does the death penalty serve these ends?

When we look at each possible justification, it becomes clear that both society's motivation and the penal system's justification for the death penalty is simply retribution: We are "getting even."

First, one can easily reject rehabilitation as the goal. The death penalty surely does not rehabilitate the person upon whom it is imposed. It simply takes his life.

The second purpose, deterrence, is more problematic. Statistics uniformly show that condemned criminals on death row did not consider the possibility that they might die for their crimes. Others, of course, may have thought of the consequences—and did not kill. But this possibility has been little-researched. We simply do not know much about this aspect of deterrence. Death, of course, is permanent deterrence. But the question is whether it is necessary. Life imprisonment will protect society from further criminal acts by the malefactor—and at less expense than execution.

Containment, the third justification for punishment, also poses a philosophical problem because it punishes a person for something as yet not done. We use the crime already committed to project, sometimes without further information, that he or she will do it again. Then we contain the person to prevent that.

Although killing the offender does, in a grim and final sense, contain and so protect society we must ask again: Is it necessary? It is not. Penologists recognize that an offender can be effectively and economically contained in a prison. They also reject containment to justify the capital punishment.

THE ULTIMATE PAYBACK

This leaves only retribution. Revenge—the ultimate payback. As a tool of retribution, death works wonderfully.

The desire for revenge is the dark secret in us all. It is human nature to resent a hurt, and each of us has a desire to hurt back. Before the time of law, the fear of personal reprisal may have been all that kept some from physical attacks upon others or property crimes against them. But with law, cultures sought to limit personal revenge by punishment controlled and meted out in a detached fashion by the sovereign.

Revenge between citizens is antithetical to civilized society. It invites a greater retaliation . . . which in turn invites counter reprisal . . . which invites more revenge. A spiraling escalation of violence between society and the criminal subculture results. By exacting revenge upon criminals, society plays on their terms and by their rules. We cannot win.

'ACCEPTABLE' REVENGE

Leaders know, and have for centuries, that civilization requires restraint. They know that open personal revenge is socially destructive and cannot be permitted. That, indeed, it must be renounced. Official revenge is not better, and the results are no less odious. By catering to the passions of society, government tells its citizens that vengeance is acceptable—it is just that you cannot do it.

Leaders today respond politically to the base passions of society rather than act as statesmen upon the sociological necessities of civilization. Vengeance requires a victim. In putting a criminal to death, our government gives us one. "Paying back," although destructive to culture and family alike, is politically popular. And so it is the law.

Christians also must confront what institutionalized killing is doing to our attitudes toward ourselves. As a judge, I have seen the defiant and unrepentant murderer. I know how easy it is to identify only with the innocent and injured. But should we not, as Christians, strive to exemplify the grace and mercy of Jesus? Should we not desire this quality also in our society?

On the eve of one execution last year, crowds gathered outside the prison to await a condemned man's death. And at the fateful hour, they cheered. The Sunday before another execution, the newspaper printed a photograph of the stretcher upon which the offender was to die.

By urging vengeful punishment, society exposes its own desire for violence. Yes, the death penalty is constitutional. It is legal. But is it proper for government to give vent to this base desire of its citizens? I doubt that we, as a society, can kill without doing psychological damage to our culture.

Perry Carris, I know, received a fair trial and his full measure of due process on appeal. I know because I sat on the court that declined to stay his execution. What, however, does his death and the deaths of others executed mean—to me or to you, Christians who must decide whether or not to support death as a penalty?

We are a government of the people. We citizens are obliged to scrutinize the reason our society, and thus our government, kills. We who are Christians also must be satisfied that the reason is reconcilable with the tenets of our faith. Is it, when the reason is revenge?•

UKRAINIAN INDEPENDENCE DAY

• Mr. LEVIN. Mr. President, Ukrainian Independence Day, August 24, is a time to remember Ukraine's past and to look to its bright future. Since Ukrainian independence in 1991, much has been accomplished in all areas of the country.

The recent legislative and Presidential elections give cause for hope. The open and fair manner in which they were carried out is evidence that democracy has taken root in Ukraine. Ukraine exhibits signs of a healthy democracy, including the existence of multiple interests represented within the government.

In the economic arena, Ukraine has exhibited much potential. Its significant natural resource endowment, focus on heavy industry, and its most important resource, the innovative and hard-working people of Ukraine, can combine to transform the country into a successful economic player in the world. Ukraine has taken significant steps to alleviate the natural strains that a country experiences when changing from a centralized to a free-market economy. These economic problems are similar to those now being experienced by many of the other countries of the Commonwealth of Independent States.

Under the guidance of the International Monetary Fund, Ukraine is working to halt hyperinflation and to achieve other beneficial goals, such as securing an efficient and cost-effective source of energy for the country. President Kuchma's plan of tight fiscal and monetary policies, price liberalization, foreign trade liberalization, and accelerated privatization appears to be the right economic track for Ukraine. The recent partnership signed with the European Union is another step in the right direction. It will give Ukraine most-favored-nation status and other trade advantages, and opens the possibility of a free trade agreement after 1998.

Ukraine's actions in the area of national and regional security are also encouraging. The government is to be congratulated for its efforts to rid Ukrainian soil of nuclear weapons. Ukraine has faithfully followed guidelines for the elimination of nuclear weapons from its borders under the START I treaty and other similar agreements. It is also heartening to know that Ukraine has ratified the Non-Proliferation Treaty. And, in joining the Partnership for Peace program for NATO membership, Ukraine has positioned itself to become a member of the strongest military alliance the world has ever known.

Ukraine's transition to a democratically governed free-market economy has not been without its problems. But these strains are natural in such a progression. In the face of such turmoil, Ukraine has shown strong leadership by pledging itself to adhere to the principles of the Helsinki Final Act. This will insure that whatever problems Ukraine may encounter in the future, they will continue to be an example of respect for civil and human rights in the region.

The people of Ukraine deserve our admiration and support for the fine work they have done in such a short period of time. I know that the Ukrainian-American community here in Michigan is in the front ranks of such support. We will all be watching Ukraine closely this next year as it works to finalize a new constitution.

This is truly an historic time for Ukraine, one in which it is possible to witness the citizens decide for themselves what kind of government and what kind of future they want for their country.•

"LOST YEAR, LOST PEACE"

• Mr. SIMON. Mr. President, one of the gravest injustices perpetrated by the American government in our more than two centuries of history was in February 1942, when we told 120,000 people who lived in the States of California, Oregon, and Washington that they had 1 to 3 days to sell all their property and put everything they own into one suitcase and they would be taken to camps.

Almost all of these 120,000 people were Japanese-Americans. A few were actually citizens of Japan.

Gary Matsumoto, a national correspondent for NBC, had an op-ed piece in the New York Times about his family's experiences.

Our colleague in the House, Congressman NORMAN MINETA, was moved from California to a detention camp.

Not one person, among all those 120,000, had been charged with any crime.

My reason for paying special attention to this is that I grew up in the State of Oregon. My father was a Lutheran minister there. When this occurred my father made a statement on a local radio station, KORE, that it was wrong to treat American citizens in this way. My mother also recalls that he wrote a letter or two to the editor of the local newspaper, though I have no recollection of that.

What I do know is that we received some phone calls and experienced some minor unpopularity. I was 13 years old at the time, and I would love to relate to my colleagues in the Senate that I stood up and defended what my father did, but I did not. I remember him explaining it to my brother and me, why it was wrong. But I was embarrassed by what my father did and wished he had not done it, perhaps a typical reaction for a 13-year-old. But now, as I look back on my father's life, it is one of the things I am proudest of him for. He was active in what we then called race relations and was always responsive to the needs of people. Up until the last few weeks before he died, he was a volunteer every Thursday morning at a facility for the mentally retarded. But perhaps nothing my father did makes me prouder of him than standing up for Japanese-Americans when it was not popular to do so.

I ask that the Gary Matsumoto op-ed piece be printed in the RECORD, and I urge my colleagues to read it.

The material follows:

LOST YEARS, LOST PEACE

(By Gary Matsumoto)

For millions of Americans, this week's anniversary of V-J Day conjured up memories, celebrations and passionate embraces. My parents were reminded of barbed wire and dust.

They shared the fate of 110,000 Japanese-Americans living in California, Oregon and Washington after the bombing of Pearl Harbor. Amid anti-Japanese hysteria and irrational fears of treason, all were expelled from their homes and exiled to concentration camps.They were told it was for their own safety. The Constitution was forgotten.

My father, Kimitsu Matsumoto, was 15 years old and lived in Santa Maria, Calif. In the fall of 1942, he, his older sister, Imiko, and my grandmother were put aboard a dimly lit railroad car and whisked out of Los Angeles. For nearly 400 miles, they sat despondently, wondering if they would ever see home again.

The Government sent them to the Gila River Relocation Center, a desolate tract on the Pima Indian reservation in Arizona.

My father, being young, could adjust to the situation. He and friends made the best of it. They marked out baseball diamonds in the desert. Cactuses became football goal posts.

They sang around campfires, danced on weekends and participated in talent shows.

My Aunt Imiko, who was 22 in 1942, has darker memories. She answered the door when F.B.I. agents arrived before dawn to arrest my grandfather. Later, she delivered a shaving kit to him, standing her ground when a young G.I. lowered his rifle and threatened to run her through with his bayonet if she came any closer to the prison gate.

My grandfather spent the spring and summer of 1942 in a detention camp in Bismark, N.D., before being reunited with his wife and children in the Arizona desert. They lived in crude barracks with cinder block floors. Guard towers were equipped with machine guns and searchlights.

In the summer, the temperature reached 125 degrees, and the place would stink of roof tar. When the wind blew, clouds of suffocating dust would blanket the camp. For these fastidious people, the dust was a ceaseless affliction that symbolized their ruin.

My grandparents missed the small cafe the family had run. My father missed the tortillas stuffed with beans he had bought from Mexican friends at school. My aunt missed her boyfriend, who had been drafted into the Army before the war broke out. (She eventually married him.)

My grandmother and grandfather had come to America in the late 19th century seeking opportunities that they could never know in Japan's stultifying, feudal society. They reared their children, born in California, to love Fords, meat loaf and the New York Yankees. After Pearl Harbor, they not only lost their homes, they lost the sense that they belonged.

My mother's family, who lived in Loomis, Calif., lost much more. They were sent to a camp, called Amache, in southeastern Colorado near the Kansas border. Before my grandmother left California, doctors warned that she could die in Colorado's altitudes: Amache was very high. Her blood pressure was high, and the air was thin. After several strokes, she was bedridden. For three years, my grandfather nursed her, first in the barracks, later in the camp hospital, where he would sleep on the floor beneath her bed. She died in the camp five days after the war ended, leaving seven children.

On V–J Day, Aug. 14, 1945, most interned Japanese-Americans thought their ordeal would soon be over. But for them the war did not end so tidily. The last relocation camp did not close until March 20, 1946.

Some people, especially the elderly, were afraid to leave. With their livelihoods destroyed and their children scattered, they reluctantly gave up the security of life behind barbed wire. When a family from the Amache camp returned to California, their shed was dynamited and shots were fired into their home.

What people forgot was that a Japanese-American regiment that fought in Europe was among the most decorated military units in the war. Japanese-Americans also served in the Pacific.

After the war, both sides of my family found shelter in Chicago from the virulent racism festering at that time on the West Coast. But they have never lost the fear that another cataclysm would provoke the Government to come for them again.

A generation removed from the war, I have never fully shared that concern. Then I look at my baby daughter—part Swiss, part German and Irish, but with a decidely Asian cast to her eyes—and I wonder.

This year, a memorial was erected at the Gila River camp. Except for the concrete slabs where the barracks once stood, all that remains is the dust. But for my family and successive generations of Japanese-Americans, Gila River is a place in the heart, a wound that never quite heals.

REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENTS 104–16, 104–17, AND 104–18

Mr. WARNER. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following three treaties transmitted to the Senate on September 5, 1995, by the President of the United States:

Extradition treaty with the Philippines, Treaty Document 104–16; Convention for the Protection of Plants, Treaty Document 104–17; and Treaty with Philippines on Legal Assistance in Criminal Matters, Treaty Document 104–18.

I further ask unanimous consent that the treaties be considered as having been read the first time; that they be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The President's messages are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Extradition Treaty Between the Government of the United States of America and the Government of the Republic of the Philippines, signed at Manila on November 13, 1994.

In addition, I transmit for the information of the Senate, the report of the Department of State with respect to the Treaty. As the report explains, the Treaty will not require implementing legislation.

Together with the Treaty Between the Government of the United States of America and the Government of the Republic of the Philippines on Mutual Legal Assistance in Criminal Matters, also signed November 13, 1994, this Treaty will, upon entry into force, enhance cooperation between the law enforcement communities of both countries. It will thereby make a significant contribution to international law enforcement efforts.

The provisions in this Treaty follow generally the form and content of extradition treaties recently concluded by the United States.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.
THE WHITE HOUSE, *September 5, 1995.*

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification the International Convention for the Protection of New Varieties of Plants of December 2, 1961, as Revised at Geneva on November 10, 1972, on October 23, 1978, and on March 19, 1991, and signed by the United States on October 25, 1991 (hereinafter "the 1991 Act of the UPOV Convention"). I transmit for the information of the Senate, the report of the Department of State with respect to the Convention.

Ratification of the Convention is in the best interests of the United States. It demonstrates a domestic commitment to effective protection for intellectual property in the important field of plant breeding. It is also consistent with the United States foreign policy of encouraging other countries to provide adequate and effective intellectual property protection, including that for plant varieties.

I recommend, therefore, that the Senate give early and favorable consideration to the 1991 Act of the UPOV Convention and give its advice and consent to ratification subject to a reservation under Article 35(2), which allows parties to the existing Convention (the 1978 Act) to retain their present patent systems for certain varieties of plants.

WILLIAM J. CLINTON.
THE WHITE HOUSE, *September 5, 1995.*

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the Government of the United States of America and the Government of the Republic of the Philippines on Mutual Legal Assistance in Criminal Matters, signed at Manila on November 13, 1994. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of modern mutual legal assistance treaties being negotiated by the United States in order to counter criminal activity more effectively. The Treaty will enhance our ability to investigate and prosecute a wide variety of crimes, including drug trafficking and terrorism offenses. The Treaty is self-executing.

The Treaty provides for a broad range of cooperation in criminal matters. Mutual assistance availability under the Treaty includes: taking of testimony or statements of persons; providing documents, records, and items of evidence; serving documents; locating or identifying persons or items; transferring persons in custody for testimony or other purposes; executing requests for searches and seizures; assisting in proceedings related to forfeiture of assets, restitution, and collection of fines; and any other form of assistance not prohibited by the laws of the Requested State.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *September 5, 1995.*

RELATIVE TO EXPO '98 IN LISBON, PORTUGAL

Mr. WARNER. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 179, Senate Concurrent Resolution 22.

Mr. WARNER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 22) expressing the sense of the Congress that the United States should participate in Expo '98 in Lisbon, Portugal.

Mr. WARNER. I ask unanimous consent that the resolution be considered and agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and that any statements relating to the resolution appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the concurrent resolution (S. Con. Res. 22) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 22

Whereas there was international concern expressed at the Rio Conference of 1992 about conservation of the seas;

Whereas 1998 has been declared the "International Year of the Ocean" by the United Nations in an effort to alert the world to the need for improving the physical and cultural assets offered by the world's oceans;

Whereas the theme of Expo '98 is "The Oceans, a Heritage for the Future";

Whereas Expo '98 has a fundamental aim of alerting political, economic, and public opinion to the growing importance of the world's oceans;

Whereas Portugal has established a vast network of relationships through ocean exploration;

Whereas Portugal's history is rich with examples of the courage and exploits of Portuguese explorers;

Whereas Portugal and the United States have a relationship based on mutual respect, and a sharing of interests and ideals, particularly the deeply held commitment to democratic values;

Whereas today over 2,000,000 Americans can trace their ancestry to Portugal; and

Whereas the United States and Portugal agreed in the 1995 Agreement on Cooperation and Defense that in 1998 the 2 countries would consider and develop appropriate means of commemorating the upcoming quincentennial anniversary of the historic voyage of discovery by Vasco da Gama: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the United States should fully participate in Expo '98 in Lisbon, Portugal, and encourage the private sector to support this worthwhile undertaking.

STAR PRINT—REPORT ACCOMPANYING S. 1147

Mr. WARNER. I ask unanimous consent that there be a star print of the report to accompany S. 1147 to reflect the changes that I send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR SEPTEMBER 6, 1995

Mr. WARNER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:15 a.m. on Wednesday, September 6, 1995; that following the prayer, the Journal of the proceedings be deemed approved to date, that the time for the two leaders be reserved for their use later in the day, and the Senate then immediately resume consideration of the defense authorization bill, S. 1026.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. WARNER. Mr. President, for the information of all Senators, the Senate will resume consideration of the defense authorization bill tomorrow morning. Under a previous order, there will be at least two consecutive rollcall votes beginning at 9:30 a.m. Wednesday morning. The first vote in the sequence will be 15 minutes in length. All other votes in sequence will be 10 minutes in length.

All Senators should be aware that following passage of the defense authorization bill, the Senate will resume consideration of the welfare reform legislation. Therefore, further rollcall votes can be expected throughout Wednesday's session of the Senate.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. WARNER. Mr. President, if there is no further business to come before the Senate, and I see no Senators seeking recognition, I now ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 8:19 p.m., recessed until Wednesday, September 6, 1995, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate September 5, 1995:

IN THE COAST GUARD

THE FOLLOWING REGULAR OFFICERS OF THE U.S. COAST GUARD FOR PROMOTION TO THE GRADE OF CAPTAIN:

JOHN D. COOK
MICHAEL J. PIERCE
ROBERT E. YOUNG
RONALD R. WESTON
JAMES L. HOUSE
PETER K. MITCHELL
THOMAS W. SECHLER
LAWRENCE I. KIERN
RICHARD A. KOEHLER
MARK A. FISHER
DAVID M. LOERZEL
DANIEL F. RYAN II
MARCUS E. JORGENSEN
MICHAEL E. SAYLOR
GARY KRIZANOVIC
STEFAN G. VENCKUS
SCOTT W. ALLEN
JAMES M. GARRETT
JOSEPH A. CONROY
JOSEPH P. BRUSSEAU
JAMES C. VANSICE
ALBERT F. SUCHY IV
DANA A. GOWARD
JOHN T. O'CONNOR
RICHARD S. HARTMAN, JR.
ROBERT M. WICKLUND
GARY W. PALMER
WALTER E. HANSON, JR.
ARTHUR E. BROOKS
CHARLES L. MILLER
JOSEPH C. BRIDGER III
MYLES S. BOOTHE
THOMAS D. JOHNS
HARVEY E. JOHNSON, JR.
DALE G. GABEL
ROBERT A. HUGHES
MICHAEL J. CHAPLAIN
DOMENICO A. DIIULIO
KENNETH A. WARD
RICHARD A. HUWEL
DAVID W. REED
STEVEN G. HEIN
THOMAS C. KING, JR.
DAVID W. MACKENZIE
JERZY J. KICHNER
STEPHEN J. HARVEY
RICHARD J. FORMISANO
JAMES RUTKOVSKY
RAYMOND J. BROWN
THOMAS J. MACKELL
WALTER J. BRAWAND III
ALLEN L. THOMPSON, JR.
DAN DEPUTY
ROBERT J. PAPP, JR.
DEREK A. CAPIZZI
ROBERT G. STEVENS
DEAN W. KUTZ
GERALD BOWE
BRADFORD W. BLACK
JOHN E. WILLIAMS
ROGER B. PEOPLES
MICHAEL J. HALL
THOMAS G. GORDON
BILLY R. SLACK
ROGER A. WHORTON
BEN R. THOMASON III
LAWRENCE A. EPPLER
GARY T. BLORE
LAWRENCE A. HALL
DENNIS J. IHNAT
FRED M. ROSA, JR.
CRAIG L. SCHNAPPINGER
JOHN E. CROWLEY, JR.
THOMAS J. MC DANIEL
HARLAN HENDERSON
CHARLES T. LANCASTER

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 12203 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 12203 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE.

LINE

To be lieutenant colonel

MICHAEL D. BOUWMAN, [redacted]
STEVEN N. JONES, [redacted]
SCOTT A. KEARBY, [redacted]
KATHLEEN M. MC CORMICK, [redacted]

JUDGE ADVOCATE GENERALS DEPARTMENT

To be lieutenant colonel

BARBARA A. BRANIGAN, [redacted]
DEBRA A. SCULLARY, [redacted]

CHAPLAIN CORPS

To be lieutenant colonel

PATRICK E. GENEREUX, [redacted]

MEDICAL CORPS

To be lieutenant colonel

CHRISTOPHER M. NIXON, [redacted]
PHILIP S. VUOCOLO, [redacted]

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 12203 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 12203 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE.

LINE

To be lieutenant colonel

GARY L. EBBEN, [redacted]
TIMOTHY J. ENGLISH, [redacted]
JOHN J. GIBALA, [redacted]
THOMAS C. HUTCHINGS, [redacted]
ANDREW L. KING, [redacted]
JOHN M. MOTLEY, JR., [redacted]

DEBRA A. NOVIELLO [redacted]
MICHAEL C. PALMER [redacted]
THOMAS A. PERARO [redacted]
GREGORY D. STARKEL [redacted]
RICHARD M. STEDDING, JR. [redacted]
MICHAEL P. TETRICK [redacted]
JOHN H. THEISEN [redacted]
STEVEN T. TOLLETT [redacted]
GEORGE G. WHITE, JR [redacted]
JAMES C. WHITNELL [redacted]
ROBERT E. WILHOITE [redacted]

CHAPLAIN CORPS

To be lieutenant colonel

DOUGLAS W. ARENDSEE [redacted]

NURSE CORPS

To be lieutenant colonel

TERRENCE J. BECKER [redacted]

MEDICAL SERVICES CORPS

To be lieutenant colonel

STEVEN A. KLEIN [redacted]

IN THE ARMY

THE FOLLOWING FOR APPOINTMENT AS DIRECTOR OF ADMISSIONS AT THE U.S. MILITARY ACADEMY UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 4333(C).

COL. MICHAEL L. JONES [redacted]

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE PRESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE SECTIONS 12203 AND 3385:

ARMY PROMOTION LIST

To be colonel

GERARD H. BARLOCO [redacted]
JAMES R. CARPENTER [redacted]
DENNIS R. CHRISTIAN [redacted]
DENNIS L. GEORGE [redacted]
GARY L. JONES [redacted]
JAMES D. POWELL [redacted]
THOMAS L. RALPH [redacted]
GLEN I. SAKAGAWA [redacted]
JOHN W. SMITH [redacted]
GEORGE W. STANG [redacted]

ARMY NURSE CORPS

To be colonel

FLORA Y. BLACKLEDGE [redacted]

MEDICAL SERVICE CORPS

To be colonel

DONOVAN G. LAJOIE [redacted]
RONALD S. OWEN [redacted]
JAMES D. SMITH [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

ROBERT B. BALLOU [redacted]
HAROLD G. BARGO [redacted]
DAVID L. BOSARGE [redacted]
TRAVIS R. BREWSTER [redacted]
PAUL W. DVORAK [redacted]
DEBORAH Y. FRANCIS [redacted]
TIMOTHY M. FURCHES [redacted]
JORGE B. GONZALEZ [redacted]
JAMES M. HANSON, JR [redacted]
JOE L. HARKEY [redacted]
MICHAEL J. HERSEY [redacted]
DAVID G. LEPLEY [redacted]
THOMAS R. LOGEMAN [redacted]
SCOTT N. MC WILLIAMS [redacted]
WILLIAM H. PETTY [redacted]
TERRY L. QUARLES [redacted]
WILLIAM O. RATLIFF [redacted]
JESSE T. RAWLS, JR [redacted]
TIMOTHY R. RENSEMA [redacted]
PAUL E. ROBERTS [redacted]
JOEL R. ROUNTREE [redacted]
MARY C. ROUSSE [redacted]
FRANK A. SAMPSON [redacted]
STEPHEN M. SARCIONE [redacted]
MARSHAL SCHLICHTING [redacted]
ROBERT E. SHANNON, JR. [redacted]
JAMES C. SUTTLE, JR [redacted]
ROBERT A. TUFTS [redacted]
PEYTON R. WILLIAMS, JR [redacted]
EARL M. YERRICK, JR [redacted]

IN THE NAVY

THE FOLLOWING NAMED U.S. AIR FORCE ACADEMY GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

JEREMY L. HILTON [redacted]
JAMES R. LAMAR [redacted]
KARIM K. LAZARUS [redacted]
ERICH D. MOULDER [redacted]

THE FOLLOWING NAMED U.S. MILITARY ACADEMY GRADUATE TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

CLAYTON S. CHRISTMAN, [redacted]

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR PROMOTION IN THE U.S. AIR FORCE, UNDER THE APPROPRIATE PROVISIONS OF SECTION 624, TITLE 10, UNITED STATES CODE, AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE, AND THOSE OFFICERS IDENTIFIED BY AN ASTERISK FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, PROVIDED THAT IN NO CASE SHALL THE OFFICERS BE APPOINTED IN A GRADE HIGHER THAN INDICATED.

LINE OF THE AIR FORCE

To be major

TAREK C. ABBOUSHI [redacted]
DEREK H. ABEL [redacted]
PAUL R. ACKERMAN [redacted]
STEVEN R. ACUP [redacted]
PERRY J. ADAMS [redacted]
R. KEVIN ADAMS [redacted]
REGINALD C. ADAMS [redacted]
SANDRA M. ADAMS [redacted]
STEPHEN J. ADAMS [redacted]
WILLIAM S. ADDISON [redacted]
EDWARD A. ADKINS [redacted]
ANTHONY W. ADKISSON [redacted]
RALPH AH SAM [redacted]
CATHERINE A. M. AHYE [redacted]
JOHN F. AKERS, JR [redacted]
JEROME J. AKERSON [redacted]
LES ALBIOL [redacted]
VINCENT J. ALCAZAR [redacted]
STEVEN B. ALDERFER [redacted]
FRANK S. ALEXA [redacted]
MARK G. ALLCOTT, [redacted]
FERG M. ALLEMAN, III [redacted]
THOMAS G. ALLEY [redacted]
DANIEL F. ALLISON [redacted]
DAVID W. ALLVIN [redacted]
JOHN P. ALMIND [redacted]
KRIS S. ALTICE [redacted]
JAMES K. ALTMAN [redacted]
KIRK W. ALVORD, [redacted]
DOUGLAS L. AMON [redacted]
MICHAEL D. ANDERSEN [redacted]
BRIAN D. ANDERSON [redacted]
GLENN B. ANDERSON [redacted]
MICHAEL A. ANDERSON [redacted]
WALTER E. ANDERSON, JR [redacted]
STANLEY ANDRAY [redacted]
GREGG D. ANDREACHI [redacted]
WALTER G. ANDRESS, JR [redacted]
CRAIG L. ANFINSEN [redacted]
JOHN P. ANTON [redacted]
ANDREW W. APPLEGATE [redacted]
JOSEPH F. ARATA [redacted]
ROBERT L. ARENDS [redacted]
DANIEL E. ARNOLD [redacted]
SAMUEL A. ARROYO [redacted]
KENNETH R. ARTEAGA [redacted]
MATTHEW B. ASH [redacted]
VIRGINIA B. ASHPOLE [redacted]
JAMES L. ASHWORTH [redacted]
RONALD A. ASK [redacted]
THOMAS G. ATKINS [redacted]
CAROL L. ATKINSON [redacted]
REXFORD R. AUSTIN [redacted]
TIMOTHY A. AVEY [redacted]
JAMES S. AVRIT [redacted]
KEVIN W. AYER [redacted]
MICHAEL A. BABAUTA [redacted]
AILENE S. BABCOCK [redacted]
BRUCE D. BABCOCK [redacted]
BRIAN J. BABIN [redacted]
JAMES M. BACHELOR [redacted]
GARY J. BACKES [redacted]
ROBERT L. BADY [redacted]
DALE E. BAILEY [redacted]
DONALD R. BAILEY [redacted]
JIMMY C. BAILEY [redacted]
RICHARD S. BAILEY [redacted]
SAMUEL R. BAKALIAN, JR. [redacted]
ANDREW G. BAKER [redacted]
JOHN S. BAKER [redacted]
PERRY J. BAKER [redacted]
RICHARD D. BAKER [redacted]
ROBERT E. BAKER, JR [redacted]
MARK R. BALZER [redacted]
JOHN M. BANCROFT [redacted]
KENNETH E. BANDY [redacted]
SHEILA B. BANKS [redacted]
BRITTON W. BANKSON [redacted]
ALEXANDER R. BAPTY [redacted]
GREGORY A. BARBER [redacted]
WILLIAM TERRY BARE [redacted]
*MICHAEL D. BARKER [redacted]
RUSSELL S. BARKER [redacted]
THEODORE H. BARLOCK [redacted]
JAMES A. BARLOW [redacted]
SCOTT A. BARNER [redacted]
ROBERT S. BARONE [redacted]
PAUL R. BARRE [redacted]
STEPHEN L. BARRETT [redacted]
BRYAN K. BARTELS [redacted]
GERALD R. BARTON [redacted]
*SAMUEL L. BATES [redacted]
STANLEY D. BATES [redacted]
MARY A. BATTLES [redacted]
GARY J. BAUHAN [redacted]
MARK M. BAUKNIGHT [redacted]
CARL R. BAUMANN [redacted]
RICHARD A. BAUMANN [redacted]
BARRY M. BEARD [redacted]
KRISTIN D. BEASLEY [redacted]
HEIDI L. BEASON [redacted]
GARY BEATOVICH [redacted]
MARGARET H. BEATY [redacted]
CHARLES J. BECK [redacted]
JEFFREY A. BECK [redacted]
WILLIAM J. BECKER [redacted]
WILLIAM C. BECKINGER, [redacted]
BENJAMIN C. BEEDE [redacted]
DANIEL G. BEHNE [redacted]
THOMAS E. BELL [redacted]
TIMOTHY R. BELL [redacted]
CHRIS C. BELSON [redacted]
DAVID L. BELT [redacted]
ROGER A. BELTRAN [redacted]
WILSON M. BEN [redacted]
DAVID L. BENNETT [redacted]
*MARY A. BENNETT [redacted]
EDWARD J. BENNINGFIELD [redacted]
EDWARD L. BENSMAN [redacted]
BRIAN A. BENSON [redacted]
DENNIS R. BENSON [redacted]
ROBERT W. BENWAY [redacted]
DONALD H. BERCHOFF [redacted]
MATTHEW H. BERENT [redacted]
THOMAS W. BERGESON [redacted]
JON H. BERRIE [redacted]
THOMAS C. BERRY [redacted]
WILLIAM J. BEVERIDGE [redacted]
RONALD J. BEYERS [redacted]
JAMES M. BIEDA [redacted]
WILLIAM W. BIERBAUM [redacted]
LARRY D. BIERLE [redacted]
DOROTHA A. BIERNESSER [redacted]
STEPHEN A. BIERNESSER [redacted]
PAUL T. BIGELOW [redacted]
DENNIS M. BIGGS [redacted]
STEVEN H. BILLS [redacted]
AUNDRA E. BILLUPS [redacted]
GEORGE P. BIONDI [redacted]
LAWRENCE R. BIRD [redacted]
FRANCIS J. BISHOP, JR [redacted]
VOLKER M. BITTER [redacted]
TODD A. BLACK [redacted]
CHARLES C. BLACKWELL [redacted]
DANIEL C. BLAETTLER [redacted]
RUSSELL J. BLAINE [redacted]
CASEY D. BLAKE [redacted]
GREGORY O. BLANCHARD [redacted]
ROBERT D. BLANK [redacted]
JAMES C. BLASINGAME, JR [redacted]
CARL T. BLATZ [redacted]
MICHAEL A. BLAYLOCK [redacted]
GAGE A. BLEAKLEY [redacted]
DAVID D. BLOMBERG [redacted]
JOHN W. BLUMENTRITT [redacted]
JACQUELINE BOLTON [redacted]
RONALD A. BOOHER [redacted]
CHARLES R. BOONE [redacted]
KEVIN A. BOOTH [redacted]
ELIZABETH B. BORELLI [redacted]
JOHN W. BORGMAN [redacted]
THOMAS J. BORLAND [redacted]
KEVIN A. BORNHOFT [redacted]
RALPH F. BORSETH [redacted]
MARK T. BOSWELL [redacted]
JOYCE M. BOUGHAN [redacted]
KELVIN C. BOWEN [redacted]
MELVIN K. BOWEN [redacted]
JOHN C. BOWER [redacted]
JOSEPH H. BOWERS [redacted]
ANNETTE V. BOX [redacted]
ANDREW D. BOYD [redacted]
CHRISTOPHER D. BOYER [redacted]
*DAVID J. BOYER [redacted]
FLOYD J. BOYER [redacted]
LOUIS BOYKIN, JR. [redacted]
JOHN V. BOYLE, [redacted]
CHARLES R. BRACKENHOFF [redacted]
ANTHONY G. BRADLEY [redacted]
MICHAEL T. BRAMAN [redacted]
ROB D. BRANDT [redacted]
STEPHEN M. BRANNEN [redacted]
DAVID N. BRAWLEY [redacted]
ROBERT E. BRAY [redacted]
WILLIAM S. BREI [redacted]
KEVIN H. BRENNAN [redacted]
MICHAEL J. BRENNAN III [redacted]
ALAN C. BRIDGES [redacted]
MONTY L. BROCK [redacted]
DAVID A. BROMWELL [redacted]
MARK A. BRONAKOWSKI [redacted]
MICHAEL J. BROOKS [redacted]
ROBERT A. BROOKS, [redacted]
ROGER G. BROOKS [redacted]
HEIDI S. BROTHERS [redacted]
CHARLES Q. BROWN, JR. [redacted]
DAVID A. BROWN [redacted]
DAVID E. BROWN [redacted]
ERNIE L. BROWN, JR. [redacted]
FRANCIS M. BROWN [redacted]
JONATHAN D. BROWN [redacted]
MICHAEL R. BROWN [redacted]
THOMAS P. BROWN [redacted]
THOMAS W. BROWN [redacted]

TIMOTHY D. BROWN [redacted]
JAMES S. BROWNE [redacted]
STEPHEN K. BROWNE [redacted]
ROBIN R. BRUNNER [redacted]
JAMES M. BRUNO [redacted]
CHARLES R. BRUNT [redacted]
JEFFREY A. BRYAN [redacted]
ANTHONY R. BUCK [redacted]
DAVID J. BUCK [redacted]
JOSEPH E. BUDER [redacted]
GREGORY S. BUELT [redacted]
WILLIAM G. BUGGERT [redacted]
LANCE B. BULLER [redacted]
DANIEL E. BULLOCK [redacted]
DAVID J. BUNKER [redacted]
JAMES M. BURGER [redacted]
ERIK D. BURGESON [redacted]
ROBERT C. BURGESS [redacted]
STEVEN A. BURGESS [redacted]
STEVEN D. BURGESS [redacted]
BLAISE W. BURGMAN [redacted]
ROBYN M. BURK [redacted]
ALAN W. BURKE [redacted]
JOHN C. BURKE [redacted]
STEVEN BURKE [redacted]
THOMAS P. BURKE [redacted]
JOSEPH E. BURLBAUGH [redacted]
JAMES M. BURLINGAM [redacted]
RODNEY A. BURNETT [redacted]
ANTHONY P. BURNS [redacted]
BRIAN P. BURNS [redacted]
MARK E. BURNS [redacted]
RICHARD E. BURNS [redacted]
THOMAS J. BURNS [redacted]
JEFFREY D. BURUM [redacted]
DANIEL C. BUSCHOR [redacted]
GREGORY W. BUTLER [redacted]
LAWRENCE W. BUTLER [redacted]
DUANE D. BYNUM [redacted]
MICHAEL T. BYRNE [redacted]
DARRELL G. CABANTING [redacted]
GARY L. CAIN [redacted]
KELLY P. CALABIO [redacted]
LEONARDO P. CALABRETTA [redacted]
ROCKY L. CALKINS [redacted]
JAMES E. CALLEN [redacted]
LISA C. CAMP [redacted]
BRIAN D. CAMPBELL [redacted]
LOUIS P. CAMPBELL [redacted]
*CHRISTOPHER L. CANADA [redacted]
JOHN E. CANNADAY, II [redacted]
JOHN C. CANNAFAX [redacted]
MICHAEL M. CANNON [redacted]
ROSARIO J. CAPUTO [redacted]
MICHAEL I. CARAWAY [redacted]
MARK G. CARBO [redacted]
DAVID B. CAREY [redacted]
GLENN W. CARLSON [redacted]
KENNETH D. CARLSON [redacted]
MEADE W. CARLSON [redacted]
CYNTHIA R. CARLSTEAD [redacted]
DOUGLAS B. CARNEY [redacted]
BRUCE S. CARPENTER [redacted]
GEORGE C. CARPENTER, I [redacted]
ROBERT M. CARPENTER [redacted]
ROBERT CARRIEDO [redacted]
RODNEY D. CARROLL [redacted]
MARCUS E. CARTER [redacted]
*MARK ELLIOTT CARTER [redacted]
MARK L. CARTER [redacted]
THERESA C. CARTER [redacted]
THORLOUGH E. CARTER, JR [redacted]
MARK A. CASBURN [redacted]
CINDY L. CASEY [redacted]
CLAY H. CASH [redacted]
DOUGLAS J. CASHMAN [redacted]
BRIAN K. CASSIDAY [redacted]
KAREN M. CASTILLO [redacted]
CHRISTOPHER W. CASTLEBERRY [redacted]
EDGAR S. CASTOR [redacted]
WAYNE CATANZARO [redacted]
ROBERT C. CAVIN [redacted]
SCOTT E. CERILLI [redacted]
AMY E. CHALFANT [redacted]
SCOTT A. CHAMBERLAIN [redacted]
SHANDRA F. CHAMBERLAIN [redacted]
WAYNE R. CHAMBERS [redacted]
MARK A. CHANCE [redacted]
PAUL P. CHAPMAN, JR [redacted]
RICHARD L. CHAPMAN, JR [redacted]
JOHN F. CHATTIN, JR [redacted]
JOHN E. CHERRY [redacted]
JULIE A. CHESLEY [redacted]
PHILIP C. CHEVALLARD [redacted]
DAVID A. CHEVESS [redacted]
CHRISTOPHER C. CHOATE [redacted]
YANGHEE A.M. CHOI [redacted]
SUSAN CHOJNACKI [redacted]
KEVIN T. CHRISTENSEN [redacted]
CARY C. CHUN [redacted]
KEVIN D. CHURCHILL [redacted]
CHRISTOPHER T. CIECKA [redacted]
PAUL CIESCO [redacted]
RONALD G. CILEK [redacted]
MICHELLE L. CINLEMIS [redacted]
PETER J. CITRONE [redacted]
*RONALD W. CLACK [redacted]
MITCHELL B. CLAPP [redacted]
J. STEVEN CLARK [redacted]
MICHAEL J. CLARK [redacted]
JONATHAN C. CLAUS [redacted]
ROBERT D. CLAUSEN [redacted]
JEFFERY D. CLAY [redacted]
GEORGE K. CLAYTON [redacted]
DEAN R. CLEMONS [redacted]
STEPHEN R. CLIATT [redacted]
BRYAN S. CLINE [redacted]
LESLIE C. CLINGER [redacted]
FRED M. CLINGMAN [redacted]
DAVID A. CLOSEN [redacted]
JEFFREY J. CLOSSON [redacted]
MELVIN E. CLOUD [redacted]
BRIAN F. COCHRANE [redacted]
JOSEPH C. CODIROLI [redacted]
BENJAMIN J. COFFEY [redacted]
REBECCA S. COLAW [redacted]
BRADLEY A. COLE [redacted]
LAMAR D. COLE [redacted]
CAROL A. COLEMAN [redacted]
KEVIN C. COLEMAN [redacted]
KEVIN F. COLLAMORE [redacted]
IRA Q. COLLIER, III [redacted]
DOUGLAS S. COLLINS [redacted]
WESLEY T. COLLINS [redacted]
ADA A. CONLAN [redacted]
CHRISTOPHER M. CONNELLY [redacted]
JERRY R. CONNER [redacted]
BARBARA J. CONNETT [redacted]
MARK G. CONNOLLY [redacted]
JEFFREY P. CONNORS [redacted]
THOMAS S. CONRAD [redacted]
DOUGLAS P. CONSTANT [redacted]
JOHN P. COOK [redacted]
PETER D. COOK [redacted]
JAMES P. COOLAHAN [redacted]
PHILIP L. COONCE [redacted]
PHILIP S. COOPER [redacted]
TERRENCE P. COOPER [redacted]
BYRON E. COPELAND, JR [redacted]
JAMES D. COPPOLA [redacted]
RAYMOND C. CORCORAN [redacted]
RICHARD A. CORDELL [redacted]
CHRISTOF P. CORDES [redacted]
ERMAN R.E. CORDOVA [redacted]
JOHN R. CORNEIL, [redacted]
AIMEE S. CORNING [redacted]
ANTHONY N. CORRERO [redacted]
DAVID A. COTTON [redacted]
MARILYN T. COTTRELL [redacted]
ALBERT H.R. COUILLARD [redacted]
*PHILIP R. COURTIN [redacted]
THOMAS L. COWAN [redacted]
CYNTHIA S. COX [redacted]
DAVID W. COX [redacted]
KAREN L. COX [redacted]
LEEVOLKER COX [redacted]
ROBERT C. COX [redacted]
TIMOTHY W. COY [redacted]
ROBERT L. CRAIG [redacted]
DAVID E. CRANE [redacted]
ROBERT P. CRANNAGE [redacted]
DAVID A. CRAWFORD [redacted]
GEORGE A. CRAWFORD [redacted]
LOREN A. CREA [redacted]
DOLORES J. CREAMER [redacted]
MICHAEL J. CRIBBS [redacted]
ROBERT D. CRITCHLOW [redacted]
JEFFREY D. CROSBY [redacted]
GREGORY A. CSEHOSKI [redacted]
RODGER T. CULKIN [redacted]
DONALD R. CULP, JR [redacted]
JAMES V. CULP [redacted]
GRAHAM J. CUMMIN, JR [redacted]
GREGORY A. CUMMINGS [redacted]
STEPHEN G. CUNICO [redacted]
CHARLES D. CUNNINGHAM [redacted]
JOSEPH R. CUNNINGHAM [redacted]
BRETT M. CUPP [redacted]
STEVEN W. CURLEY [redacted]
DONALD P. CURRAN [redacted]
DONALD L. CURRY [redacted]
KIMBERLY K. CYPHERT [redacted]
EDWARD T. CYRUS [redacted]
CHRIS M. DABROSKI [redacted]
KARL J. DAHLHAUSER [redacted]
GARY A. DAIGLE [redacted]
DAVID S. DALE, JR [redacted]
ERIC M. DALE [redacted]
JOSEPH E. DALTON [redacted]
SANDRA J.K. DAMERS [redacted]
LAWRENCE P. DAMM [redacted]
ADOLFO L. DANGUILLECOURT [redacted]
ORLANDO M. DARANG [redacted]
ROBERT M. DARBY [redacted]
ROBERT E. DARE [redacted]
ROGER G. DARNELL [redacted]
GERALD J. DAVID [redacted]
JERRY A. DAVIDSON [redacted]
PETER D. DAVIDSON [redacted]
DAVID A. DAVIES [redacted]
CHRISTOPHER O. DAVIS [redacted]
CONSTANCE H. DAVIS [redacted]
EDGAR F. DAVIS, I [redacted]
MILTON S. DAVIS [redacted]
RODERICK H. DAVIS, JR [redacted]
SHUGATO S. DAVIS [redacted]
STEVEN M. DAVIS [redacted]
TIMOTHY S. DAVIS [redacted]
WILLIAM C. DAVIS, [redacted]
JEFFREY T. DAVISON [redacted]
MICHELLE D.M. DAWSON [redacted]
GREGORY H. DEAN [redacted]
ANTHONY M. DEARTH [redacted]
DAVID A. DECASTRO [redacted]
RALPH T. DECLAIRMONT [redacted]
THOMAS P. DEELEY [redacted]
ROGER A. DEEMER [redacted]
VERNON L. DEFREESE, JR [redacted]
COLETTE M. DELABARRE [redacted]
KENNETH J. DELANO, JR [redacted]
DAVID M. DELOACH [redacted]
JOSEPH E. DEMBOWSKI, II [redacted]
MICHAEL R. DEMBROSKI [redacted]
NICKOLAS M. DEMIDOVICH, III [redacted]
KIMBERLY BALKEMA DEMORET [redacted]
EARNEST C. DENMON [redacted]
DAVID M. DENOFRIO [redacted]
MICHAEL S. DERSHEM [redacted]
STEPHEN C. DESAUTEL [redacted]
ROBERT L. DESILVA [redacted]
MARTIN W. DEVORSS [redacted]
DAVID M. DEVRIES [redacted]
DEBRA A. DEXTER [redacted]
CRISTOBAL DIAZ [redacted]
JOSE M. DIAZ [redacted]
MILTON E. DIAZ [redacted]
STEVE G. DIDOMENICO [redacted]
*EDWARD J. DIERINGER, JR [redacted]
DAVID A. DIGEORGE [redacted]
JOSEPH C. DILL [redacted]
DENNIS D. DILLON [redacted]
LONNIE R. DILLON [redacted]
MARK C. DILLON [redacted]
CHRISTOPHER P. DINENNA [redacted]
JOSEPH T. DINUOVO [redacted]
STEVEN M. DIONISI [redacted]
EDITH A. DISLER [redacted]
ELVIS C. DIXON [redacted]
TROY L. DIXON [redacted]
DOUGLAS L. DODSON, JR [redacted]
GREG R. DODSON [redacted]
DAVID P. DOMBROWSKY [redacted]
CYNTHIA O. DOMINGUEZ [redacted]
JAMES A. DONALD [redacted]
ANDREW J. DONNELLY [redacted]
*LANCE A. DONNELLY [redacted]
PETER A. DONNELLY [redacted]
SUSAN M. DONNELLY [redacted]
JOHN L. DONOVAN [redacted]
EUGENE I. DOREMUS [redacted]
JAMES A. DORSEY [redacted]
RANDALL C. DORTCH [redacted]
DAVID J. DORYLAND [redacted]
KRISTEN A. DOTTERWAY [redacted]
WESLEY R. DOTTS, [redacted]
JOHN W. DOUCETTE [redacted]
JOSEPH J. DOUEZ [redacted]
CLIFTON DOUGLAS, JR [redacted]
JOSHUA H. DOUGLAS [redacted]
MICHAEL W. DOUGLASS [redacted]
EDWARD J. DOVE, JR [redacted]
BARRY N. DOWELL [redacted]
JOHN DOWNING, IV [redacted]
THOMAS A. DOYNE [redacted]
DANIEL A. DRAEGER [redacted]
MARK D. DRALLE [redacted]
MARK A. DRAPER [redacted]
BENJAMIN A. DREW, JR [redacted]
MARK G. DRINKARD [redacted]
KEVIN B. DRISCOLL [redacted]
PAUL A. DRIVER [redacted]
JOSEPH D. DROZD [redacted]
DAVID K. DUBUQUE [redacted]
DONALD E. DUCKRO [redacted]
BRIAN J. DUDDY [redacted]
MARK F. DUFFIELD [redacted]
SEAN P. DUFFY [redacted]
BRETT A. DUGUE [redacted]
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RONNIE E. EDGE [redacted]
CRAIG R. EDKINS [redacted]
CORY EDWARDS [redacted]
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JAMES E. EILERS [redacted]
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DAVID W. ELSAESSER [redacted]
SCOTT A. ELWOOD [redacted]

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DIANA L. ENGLISH [redacted]
ROBERT J. ENGLISH [redacted]
MARY L. ENSMINGER [redacted]
FRANK J. EPPICH [redacted]
WILLIAM W. ERBACH, JR. [redacted]
ANTON ERET, JR. [redacted]
CHRISTOPHER C. ERICKSON [redacted]
JOANN L. ERNO [redacted]
NEIL B. ERNO [redacted]
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JAYSON S. ESPLIN [redacted]
GARY O. ESSARY [redacted]
ALICIA A. ESSEX [redacted]
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*RONALD C. EVENSON [redacted]
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GARY E. FABRICIUS [redacted]
MYRNA L. FAGAN [redacted]
RONALD R. FAIRBANKS [redacted]
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* STEVEN GRIMO [redacted]
STEPHEN C. GRINNELL, JR. [redacted]
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JOSEPH W. GUYTON, JR. [redacted]
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ROBIN S. HAMELIN [redacted]
LYNNE T. HAMILTON-JONES [redacted]
MARION K. HAMILTON [redacted]
WILLIE E. HAMMONTREE [redacted]
KENNETH L. HAMNER [redacted]
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WILLIAM G. HAMPTON [redacted]
JOSEPH L. HAMRICK, I [redacted]
KIM R. HANEY [redacted]
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PAUL R. HARPER [redacted]
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KATHLEEN HARRINGTON [redacted]
ALFRED W. HARRIS, JR. [redacted]
CARL P. HARRIS, JR. [redacted]
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DEBRA K. HERNANDEZ [redacted]
JOSE L. HERNANDEZ, JR. [redacted]
JAMES D. HERNDON [redacted]
RICHARD S. HERR [redacted]
JUSTO HERRERA, III [redacted]
DAVID J. HERRING [redacted]
JOE C. HERRON [redacted]
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ERIC J. HERUP [redacted]
* MARK EDWARD HESS [redacted]
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SAMUEL D. HILLMON [redacted]
JAMES W. HILLS III [redacted]
MICHAEL J. HILTON [redacted]
THOMAS P. HIMES, JR. [redacted]

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WILLIAM E. HOGAN [redacted]
LINDSEY W. HOGG [redacted]
MARCUS W. HOGINS [redacted]
LON K. HOLDER [redacted]
BOBBY J. HOLLOWELL [redacted]
BRUCE E. HOLLYWOOD [redacted]
COURTNEY D. HOLMBERG [redacted]
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DIANE M. HOLMGREN [redacted]
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STEPHEN M. HOOGASIAN [redacted]
DAVID C. HOOK [redacted]
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JOSEPH P. HOPPA [redacted]
JOHN C. HORROCKS [redacted]
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PHILIP A. IANNUZZI, JR [redacted]
MARIANNE IDZIEGAN [redacted]
WILLIAM R. IMHOF [redacted]
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STEVEN D. IMONT [redacted]
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CHRISTOPHER S. INMAN [redacted]
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EILEEN M. ISOLA [redacted]
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MARIA D. JACK [redacted]
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KENNETH R. JUNKES [redacted]
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JOSEPH H. JUSTICE, II [redacted]
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JON D. KLAUS [redacted]
EUGENE V. KLEISER, JR [redacted]
KIRK M. KLOEPPEL [redacted]
RICHARD A. KLUMPP, JR [redacted]
FRANK KNICKERBOCKER IV [redacted]
DONALD J. KNIESCHE [redacted]
DOUGLAS A. KNIGHT [redacted]
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MARK R. KNOFF [redacted]
EDGAR M. KNOUSE [redacted]
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JOHN J. KOGER [redacted]
JEFFREY J. KOHR [redacted]
ROBERT E. KOLES [redacted]
SUZANNE L. KOMYATHY [redacted]
CURTIS K. KONG [redacted]
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RUSSELL A. KUTZMAN [redacted]
STEVEN L. KWAST [redacted]
KAREN U. KWIATKOWSKI [redacted]
DAVID A. KWIERAGA [redacted]
BIBIANA R. LABORTE [redacted]
JOSE M. LABORTE [redacted]
JOSEPH LACATUS [redacted]
RAYMOND D. LACOURSE [redacted]
JEROME G. LAKE [redacted]
JOSEPH LAMARCA, JR. [redacted]
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WILLIAM H. LANE III [redacted]
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ELIOT LANGSAM [redacted]
JOSEPH A. LAPERRIERE [redacted]
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WALTER J. LAUDERDALE [redacted]
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TAMMY H. LIVINGOOD [redacted]
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DEAN P. MALLORY [redacted]

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RORY A. MAYNARD [redacted]
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TIMOTHY W. MC CAIG [redacted]
RUSSELL E. MC CALLISTER [redacted]
JEFFREY M. MC CANN [redacted]
DANIEL H. MC CAULEY [redacted]
RICHARD A. MC CLAIN [redacted]
KENNETH L. MC CLELLAN [redacted]
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KWAN J. MC COMAS [redacted]
DAVID K. MC COMBS [redacted]
LORI M. MC CONNELL [redacted]
TIMOTHY D. MC COOL [redacted]
CHRISTOPHER J. MC CORMACK [redacted]
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KEITH H. MC CREADY [redacted]
ALANA L. MC CULLOUGH [redacted]
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PAUL H. MC GILLICUDDY [redacted]
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THEODORE B. MC INTIRE [redacted]
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STEVEN L. MC LEARY [redacted]
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SHAWN E. MC MANIGELL [redacted]
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KAREN A. MC MEEKIN [redacted]
ADAM J. MC MILLAN [redacted]
DOUGLAS B. MC NARY, [redacted]
JOHN E. MC NEIL [redacted]
TIMOTHY M. MC NEIL [redacted]
BRIAN J. MC NULTY [redacted]
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MARK W. MOUW, [redacted]
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NHUNG D. NGUYEN [redacted]

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THOMAS M. NOLTA [redacted]
KENT H. NONAKA [redacted]
JON A. NORMAN [redacted]
EDDIE L. NORRIS [redacted]
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HAL E. OLIMB [redacted]
PARRISH A. OLMSTEAD [redacted]
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KEVIN E. PROSSER [redacted]
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DOREEN C. PROVINCE [redacted]
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RAYMOND F. PRY [redacted]
JAMES PRZYBYSZ [redacted]
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JOSE C. QUINTANILLA [redacted]
AMY B. QUIROS, [redacted]
DAVID E. RAAB [redacted]
MICHAEL A. RADFORD [redacted]
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PHILIP E. RAINFORTH [redacted]
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LAURA L. RANDEL [redacted]
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NEAL J. RAPPAPORT [redacted]
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CALVIN E. REID, JR. [redacted]
JOHN J. REIDY [redacted]
SHAWN I. REILLY [redacted]
DEREK E. REINHARD [redacted]
ERIC R. REINHARD [redacted]
WILLIAM R. RENFROE [redacted]
MICHAEL B. RESLIE, [redacted]
GARY S. REYNOLDS [redacted]
RANDY B. REYNOLDS [redacted]
MICHAEL A. REZENDES [redacted]
ROBERT E. RHINEHART, JR [redacted]
DAVID A. RHOADES [redacted]
BRYAN T. RIBA [redacted]
KENNETH D. RIBLER [redacted]
CHARLES R. RICE [redacted]
CREIG A. RICE [redacted]
DARREN L. RICE [redacted]
JOSEPH N. RICH [redacted]
GLENN E. RICHARD II [redacted]
ROBERT S. RICHARD [redacted]
STEPHEN J. RICHARD [redacted]
MARK T. RICHARDSON [redacted]
RANDALL L. RIDDLE [redacted]
JOHN M. RIELLEY [redacted]
MARK S. RIGHTNOUR, [redacted]
CHRISTOPHER RINALDI [redacted]
KELLY A. RINEHART [redacted]
EDWARD J. RINKAVAGE, JR [redacted]
JOSE A. RIVERA [redacted]
ROLAND RIVERA [redacted]
PATRICK J. RIZZUTO, JR [redacted]
JEFFREY L. ROACH [redacted]
DONALD W. ROBBINS [redacted]
MARVELL ROBERSON [redacted]
BRADLEY J. ROBERT [redacted]
GLENN S. ROBERTS [redacted]
JOHN E. ROBERTS [redacted]
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JEFFERY S. ROBERTSON [redacted]
EUGENE A. ROBINETT [redacted]
ALAN D. ROBINSON [redacted]
ALEC M. ROBINSON [redacted]
BRICE E. ROBINSON [redacted]
DARRYL J. ROBINSON [redacted]
DAVID L. ROBINSON [redacted]
DAVID M. ROBINSON [redacted]
THERESE M. ROBINSON [redacted]
THOMAS D. ROBINSON [redacted]
TODD W. ROBISON [redacted]
DWIGHT A. ROBLYER [redacted]
DANIEL R. ROCHA [redacted]
STEVE D. RODA [redacted]
JACINTO RODRIGUEZ [redacted]
ROBERT RODRIGUEZ [redacted]
BRUCE A. ROMEO [redacted]
JON A. ROOP [redacted]
JOHN D. ROOSA [redacted]
DAVID G. ROSE [redacted]
JAMES S. ROSE [redacted]
JERRY W. ROSE [redacted]
ROBERT J. ROSEDALE [redacted]
DALE E. ROSENBERG [redacted]
CHERYL A. ROSS [redacted]
JAMES C. ROSS [redacted]
*KEVIN P. ROSS [redacted]
TERRY J. ROSS [redacted]
KENNETH R. ROSSON [redacted]
ROGER L. ROSTVOLD [redacted]
BRENDA F. ROTH, [redacted]
STEPHEN M. ROTHSTEIN [redacted]
KEITH ROUNTREE [redacted]
DANA M. ROWE, [redacted]
CHRISTOPHER B. ROYCRAFT [redacted]
KENNETH M. ROZELSKY, II [redacted]
DANIEL M. ROZEMA [redacted]
DAVID R. RUE [redacted]
JOEL C. RUSH [redacted]
STEPHEN J. RUSIN [redacted]
DAVID A. RUSSELL [redacted]
MICHAEL B. RUSSELL [redacted]
SCOTT P. RUSSELL [redacted]
MICHAEL R. RUSSETT [redacted]
JANGRUMETTA SHINE RUTLEDGE [redacted]
DONALD L. RYAN [redacted]
LADD E. RYAN [redacted]
JOSEPH J. SACCHINI [redacted]
TIMOTHY L. SAFFOLD [redacted]
SCOTT R. SALMONS [redacted]
MICHAEL A. SALVI [redacted]
STEVEN J. SAMPLE [redacted]
MICHAEL G. SAMPLER [redacted]
WALTER J. SAMS [redacted]
CHRISTOPHER C. SANDERS [redacted]
LARRY K. SANDERS [redacted]
ROBIN T. SANDIFER [redacted]
DAVID J. SANDIGE [redacted]
GUY SANITATE [redacted]
WILLIAM J. SARGENT [redacted]
GEORGE H. SARMIENTO [redacted]
THOMAS G. SAVU, JR, [redacted]
BRUCE M. SAYRE [redacted]
EVELYN M. SCANLON [redacted]
THOMAS E. SCARBORO [redacted]
STEVEN A. SCHAEFER [redacted]
MICHAEL D. SCHANCK [redacted]
MARTIN J. SCHANS, JR [redacted]
SCOTT J. SCHERBENSKE [redacted]
MICHAEL R. SCHETTERER [redacted]
JAMES A. SCHIBLY [redacted]
RONNIE R. SCHILLING II [redacted]
FRIEDRICH C. SCHLICH [redacted]
ALAN R. SCHMIDT [redacted]
EDWARD A. SCHMIDT, JR [redacted]
MARCEL T. SCHMIDT [redacted]
DAVID N. SCHNEIDER [redacted]
KEITH T. SCHOENHEIT [redacted]
RICHARD M. SCHOOFF [redacted]
MARTIN L. SCHOONOVER [redacted]
MICHAEL R. SCHORE [redacted]
CHARLES A. SCHUMACHER [redacted]
BRUCE E. SCHWAB [redacted]
ROBERT C. SCHWARZE [redacted]
FLOYD D. SCHWEPPE [redacted]
ROB A. SCOFIDIO [redacted]
THOMAS A. SCOLARICI, JR [redacted]
JOHN J. SCORSONE [redacted]
CATHERINE B. SCOTT [redacted]
GARY T. SCOTT [redacted]
MICHAEL B. SCOTT [redacted]
WILLIAM L. SCOTT [redacted]
BARRY SEBRING [redacted]
BRENT K. SEDLER [redacted]
CRAIG L. SEEMAN [redacted]
STEVEN V. SEGOND [redacted]
HOLLY K. SEIDL [redacted]
MARK W. SEIFERT [redacted]
CALVIN J. SEIFERTH [redacted]
REGGIE E. SELBY [redacted]
KATHERINE SELLAR [redacted]
JERRY J. SELLERS [redacted]
ANTHONY SENCI [redacted]
DAVID M. SERLEY [redacted]
RONALD E. SETZER [redacted]
JOSEPH M. SEUFZER [redacted]
PHILIP E. SEVER [redacted]
PAUL S. SEVERANCE [redacted]
GEORGE H. SEWELL III [redacted]
DEBORAH A. SHACKLETON [redacted]
DANNY J. SHAFER [redacted]
GARRY R. SHAFOVALOFF [redacted]
KIM K. SHARP [redacted]
ARNOLD R. SHAVER [redacted]
ROBERT S. SHAW, II [redacted]
SANDRA L. SHEASLEY [redacted]
STEPHEN P. SHEEHY [redacted]
STEPHEN P. SHELTON [redacted]
CHARLES K. SHERMAN [redacted]
DANIEL B. SHERMAN [redacted]
WILLIAM L. SHERMAN [redacted]
THOMAS T. SHIELDS, JR. [redacted]
ANDRE L. SHIPP [redacted]
DAVID J. SHOBERG [redacted]
WILLIAM R. SHOBERT, II [redacted]
*DANNY L. SHOOP [redacted]
CHRISTOPHER D. SHORT [redacted]
MATTHEW J. SHOZDA [redacted]
CHERYL A. SHUMATE [redacted]
JOHN M. SIEVERLING [redacted]
KIMBERLY B. SIEVERS [redacted]
MARK A. SILVER [redacted]
ROBERT A. SILVESTRI [redacted]
DAVID E. SIMMONS [redacted]
DAVID A. SIMON, [redacted]
JAMES J. SIMON [redacted]
RICHARD D. SIMPSON [redacted]
ROBERT J. SINON [redacted]
MARK R. SISSON [redacted]
GLENN E. SJODEN [redacted]
KYLE T. SKALISKY [redacted]
STANLEY E. SKAVDAL [redacted]
MICHAEL P. SKEHAN [redacted]
JAMES M. SKINNER [redacted]
TIMOTHY J. SKINNER [redacted]
JAMES C. SLATON [redacted]
DARRELL D. SLONE [redacted]
KEVIN SLUSS [redacted]
BRITTON M. SMEAL [redacted]
ANTHONY C. SMITH [redacted]
BRADLEY J. SMITH [redacted]
BRIAN P. SMITH [redacted]
CHARLES J. SMITH, JR [redacted]
DARYL R. SMITH [redacted]
DONN S. SMITH [redacted]
GEORGE T. SMITH [redacted]
GREGORY S. SMITH [redacted]
JOHN W. B. SMITH [redacted]
KENNETH L. SMITH [redacted]
KIMBERLY A. SMITH [redacted]
LEROY K. SMITH [redacted]
MARCEL R. SMITH [redacted]
MONICA R. SMITH, [redacted]
RONALD C. SMITH [redacted]
RUSSELL J. SMITH [redacted]
STEVEN W. SMITH [redacted]
THOMAS H. SMITH, JR. [redacted]
TODD R. SMITH [redacted]
VINCENT C. SMITH [redacted]
WILLIAM J. SMITH [redacted]
GERALD S. SMITHER, JR. [redacted]
WILLIAM D. SMOLINSKI [redacted]
FRANK T. SMOLINSKY [redacted]
ERIC A. SNADECKI [redacted]
GARY T. SNAPP [redacted]
JOSEPH C. SNOW [redacted]
TROY D. SNOW, [redacted]
THOMAS J. SOBIESKI [redacted]
CYRIL J. SOCHA [redacted]
RUSSELL J. SOJOURNER [redacted]
STEVEN B. SOKOLY [redacted]
STEVEN M. SOLMONSON [redacted]
MARY K. SOLOMON, [redacted]
HAROLD L. SOMMER [redacted]
MARK G. SOPKO [redacted]
STEVEN W. SORENSEN [redacted]
ROGER B. SORRELL [redacted]
MARKUS S. SORRELLS [redacted]
LORRAINE M. SOUZA [redacted]
GEORGE L. SOWELL [redacted]
TIMOTHY E. SPAETH [redacted]
TODD M. SPARKS [redacted]
RICHARD H. SPENCER [redacted]
PATRICK J. SPIVEY [redacted]
S. DAVID SPOON [redacted]
ERIC W. SPRADLING [redacted]
DAVID A. SPRAGUE [redacted]
TED E. SPRAGUE [redacted]
JOHN J. SPROUL, JR [redacted]
RANDY H. SPROUSE [redacted]
KEVIN D. STAFFORD [redacted]
MATTHEW C. STAFFORD [redacted]
BENJAMIN T. STAGG [redacted]
JIM M. STALEY [redacted]
ROBERT F. STAMMLER [redacted]
JOSEPH J. STANKO [redacted]
RICHARD S. STAPP [redacted]
RICHARD B. STARK [redacted]
ARNOLD W. STARR, JR. [redacted]
JOHN F. STAUFFENBERG [redacted]
BARBARA J. STAUFFER [redacted]
DAVID P. STAVEN [redacted]

BARBARA D. STEARNS [redacted]
RICHARD J. STECKBECK [redacted]
ROBERT G. STEELE, JR [redacted]
SHANE T. STEGMAN [redacted]
JEFFREY A. STEINMILLE [redacted]
JEFFREY C. STEPHAN [redacted]
RANDALL K. STEPHENSON [redacted]
JEFFREY L. STERNER [redacted]
JOHN L. STEVENS [redacted]
MITCHELL D. STEVENS [redacted]
CHRISTOPHER D. STEWART [redacted]
RANDON C. STEWART [redacted]
DWAYNE A. STICH [redacted]
JOHN W. STIERWALT [redacted]
WILLIAM B. STILSON [redacted]
NANCY A. PETRITS STINSON [redacted]
TERESA A. SITH [redacted]
GREGORY D. STJOHN [redacted]
DANIEL W. STOCKTON [redacted]
STUART W. STOPKEY [redacted]
RAYMOND T. STRASBURGER [redacted]
MARC F. STRATTON [redacted]
CHARLES M. STRIBULA [redacted]
JAMES R. STRIGHT [redacted]
CHARLES L. STROMWALL [redacted]
MICHAEL STUART [redacted]
RICKY O. STUART [redacted]
MARK E. STUBBLEFIELD [redacted]
JOHN G. STUTTS [redacted]
BRIAN J. STUTZ [redacted]
PAUL J. SUAREZ [redacted]
ANTHONY P. SUBER [redacted]
KEITH A. SULLIVAN [redacted]
KEVIN L. SULLIVAN [redacted]
BRUCE K. SUMMERS [redacted]
JOHN W. SUMMERS, JR. [redacted]
WILLIAM H. SURREY [redacted]
DAVID A. SUTTON [redacted]
ROBERT M. SVETZ [redacted]
ERIC A. SWANK [redacted]
STEPHEN J. SWANTON [redacted]
DANIEL C. SWEENEY [redacted]
JAMES P. SWEENEY I [redacted]
DARRYL L. SWEETWINE [redacted]
KENNETH S. SWENSON [redacted]
WAYNE H. SWIERS [redacted]
JOSEPH A. SWILLUM [redacted]
DAVID V. SWINNEY [redacted]
JOHN R. SWONSON [redacted]
JEFFREY B. SYMMES [redacted]
KIMBERLY J. SZATHMARY [redacted]
PHILLIP P. TABER [redacted]
MARK T. TAGGART [redacted]
GRANT L. TAKAHASHI [redacted]
DALE A. TAKENAKA [redacted]
TODD T. TAMURA [redacted]
*CHRISTOPHER J. TANCREDI [redacted]
MONIKA TANEDO [redacted]
DAVID J. TANTHOREY [redacted]
OLIVIA G. TAPIA [redacted]
MARK A. TARNOW [redacted]
GREGORY L. TARR [redacted]
CHRISTINA A. C. TARVIN [redacted]
WILLIAM W. TARVIN [redacted]
WALTER F. TATUM III [redacted]
DOUG E. TAUSCHER [redacted]
GREGORY S. TAYLOR [redacted]
JAMES D. TAYLOR [redacted]
JOHN D. TAYLOR [redacted]
JOHN E. TAYLOR [redacted]
JOHN S. TAYLOR, JR [redacted]
KEVIN L. TAYLOR [redacted]
ROBERT E. TAYLOR [redacted]
GREGORY O. TEAL [redacted]
ANDREW J. TERZAKIS, JR [redacted]
DAVID E. THALHEIMER [redacted]
KENNETH L. THALMANN [redacted]
ROY L. THEETGE, JR [redacted]
MICHAEL J. THEN [redacted]
MAXIE C. THOM [redacted]
CRAIG A. THOMAS [redacted]
GREGORY L. THOMAS [redacted]
JAMES V. THOMAS [redacted]
LINDA M. THOMAS [redacted]
MARK A. THOMAS [redacted]
MARK R. THOMAS [redacted]
STEPHEN F. THOMAS [redacted]
LUCIAN S. THOMASON, JR [redacted]
DAVID D. THOMPSON [redacted]
GARRETT J. THOMPSON [redacted]
KENNETH E. THOMPSON, JR [redacted]
LARRY W. THOMPSON [redacted]
MARK A. THOMPSON [redacted]
STEVEN D. THOMPSON [redacted]
TIMMIE L. THOMPSON [redacted]
JAMES D. THORNE [redacted]
MICHAEL L. THORNE [redacted]
RANDY P. THREET [redacted]
PAUL W. THURSTON [redacted]
BRANDT K. TIBBITTS [redacted]
KEVIN D. TILGHMAN [redacted]
RICHARD W. TILTON [redacted]
*CHRISTOPHER TIMBERLAKE [redacted]
GREGORY S. TIMS [redacted]
JEFFREY B. TKACH [redacted]
JOHN J. TOMICK [redacted]
JAMES A. TOMLINSON [redacted]
GARY D. TOPOREK [redacted]
GREGORY W. TORBA [redacted]
MICHAEL A. TORINO [redacted]
JOHN J. TORRES [redacted]
JEAN C. TRAKINAT [redacted]
ANDREW C. TREMBLAY [redacted]
DENNIS W. TROSEN [redacted]
DANIEL M. TROUTMAN [redacted]
STEVEN E. TROXEL [redacted]
DAVID J. TRUJILLO [redacted]
PAUL C. TRULOVE [redacted]
MARK H. TUCKER [redacted]
MONA LISA D. TUCKER [redacted]
STEVEN M. TUCKER [redacted]
RUDOLPH E. TURCO [redacted]
BRYN K. TURNER [redacted]
RICKEY H. TURNER [redacted]
RICHARD D. TWIGG [redacted]
CLAUDIA A. TWOHIG [redacted]
TED T. UCHIDA [redacted]
MARYBETH P. ULRICH [redacted]
RICHARD T. ULRICH [redacted]
BENNIE L. UMSTEAD [redacted]
CYNTHIA R. UNDERWOOD [redacted]
JAMAN L. UNDERWOOD [redacted]
VINCENT P. UNICE [redacted]
LEWIS A. UPSHAW [redacted]
RALPH E. URCH [redacted]
TRACY URMAN [redacted]
ROBERT C. URMETZ [redacted]
CAROLYN M. VADNAIS [redacted]
KEVIN S. VAILLE [redacted]
FRED L. VALENTINE, JR [redacted]
JOHN C. VALLE [redacted]
PETER M. VANDENBOSCH [redacted]
JAMES G. VANDERNECK [redacted]
JAMES L. VANDERZYL [redacted]
JEFFREY L. VANDINE [redacted]
SCOTT E. VANGORDER [redacted]
THOMAS J. VANKLEEF [redacted]
DAVID A. VANLEAR [redacted]
BRUCE A. VANSKIVER [redacted]
MARK E. VANZANDT [redacted]
RAJIV S. VERMA [redacted]
CHRISTOPHER P. VERONIN [redacted]
PHILLIP M. VERRET [redacted]
GENE M. VEY [redacted]
CURTIS K. VIALL [redacted]
CAISSON M. VICKERY [redacted]
RUSSELL A. VIEIRA [redacted]
ALFONSO G. VIERA [redacted]
PAUL J. VINING [redacted]
DEAN M. VINSON [redacted]
JOHN A. VISE [redacted]
VICTORIA C. VITUCCI [redacted]
BRADLEY S. VOGT [redacted]
HANS F. VONMILLA [redacted]
DANIEL R. VORE [redacted]
THEODORE T. VROMAN [redacted]
VICTOR F. WADE [redacted]
BRANDON S. WAGONER [redacted]
KIM M. WALDRON [redacted]
REX J. WALHEIM [redacted]
ROBERT C. WALK [redacted]
FRIEND L. WALKER [redacted]
KENNETH K. WALKER [redacted]
MARK L. WALKER [redacted]
SANFORD WALKER [redacted]
WILLIAM WALKOWIAK [redacted]
THOMAS F. WALLACE [redacted]
DAVIS M. WALLETTE [redacted]
STEVEN P. WALSH [redacted]
LAWRENCE J. WALTER [redacted]
BLANE L. WAMPLER [redacted]
MARK A. WARD [redacted]
S. LISA WARD [redacted]
CHARLES B. WARRENDER [redacted]
CHERRY A. WASHINGTON [redacted]
LAWRENCE A. WATERMAN [redacted]
GREGORY M. WATKINS [redacted]
RONALD V. WATKINS [redacted]
THOMAS E. WATSON [redacted]
JAMES WATTERS, JR [redacted]
BRADLEY A. WAYLAND [redacted]
JOHN W. WAYNE IV [redacted]
SUSAN M. WEAVER [redacted]
MARSHALL B. WEBB [redacted]
RICHARD D. WEBB [redacted]
ALAN D. WEBSTER [redacted]
GARY L. WELCH [redacted]
DAVID J. WELLS [redacted]
LOUIS S. WERTS, JR. [redacted]
JEFFREY M. WESLEY [redacted]
*ROBERT C. WEST, JR. [redacted]
STEVEN R. WESTERBACK [redacted]
CHARLES J. WESTGATE III [redacted]
TODD C. WESTHAUSER [redacted]
DOUGLAS K. WESTPHAL [redacted]
*JOHN L. WESTROM [redacted]
WILLIAM C. WETHOR [redacted]
PAUL V. WHALEN [redacted]
NANCY P. WHARTON [redacted]
CHRISTOPHER N. WHEATLEY [redacted]
MARY E. WHISENHUNT [redacted]
KENN WHITE [redacted]
MARK K. WHITE [redacted]
WILLIAM K. WHITE [redacted]
TIMOTHY L. WHITMIRE [redacted]
JEFFREY A. WHITTALL [redacted]
DAVID M. WHITTEMORE [redacted]
DANIEL L. WHITTEN [redacted]
CHARLES R. WHITZEL [redacted]
TIMOTHY D. WIECK [redacted]
RANDALL R. WIEMER [redacted]
GEORGE W. WIGGINS, JR. [redacted]
LEE T. WIGHT [redacted]
LINDA B. WILDES [redacted]
JOSEPH T. WILEY [redacted]
ANDREW P. WILHELM [redacted]
SCOTT A. WILHELM [redacted]
MICHAEL A. WILKE [redacted]
MARK A. WILKINS [redacted]
BRIAN N. WILLETT [redacted]
RICHARD R. WILLETT [redacted]
GLEN N. WILLIAMS, JR [redacted]
GREGORY L. WILLIAMS [redacted]
LINDBERG WILLIAMS [redacted]
NORMAN R. WILLIAMS, JR. [redacted]
ROBERT S. WILLIAMS [redacted]
STEVEN E. WILLIAMS [redacted]
DONALD J. WILLIS [redacted]
JONATHAN B. WILLS [redacted]
JAMES A. WILLSON [redacted]
CHARLOTTE L. WILSON [redacted]
JAMES D. WILSON [redacted]
JEFFERY A. WILSON [redacted]
JEFFREY C. WILSON [redacted]
MARC G. WILSON [redacted]
JOHN J. WILT, JR [redacted]
STEVEN W. WINCHESTER [redacted]
VINCENT MARK WINEGARDNER [redacted]
RAYMOND M. WINFREE [redacted]
CHARLES H. WINHAM, JR. [redacted]
STEVEN W. WINTERS [redacted]
SUSAN E. WINTON [redacted]
FLOYD L. WISEMAN [redacted]
CLAYTON J. WISNIEWSKI [redacted]
KEVIN L. WITTE [redacted]
PAUL M. WITTSACK [redacted]
JAMES R. WOLF [redacted]
MICHAEL T. WOLF [redacted]
JON G. WOLFE [redacted]
ROBERT W. WOLFE [redacted]
MICHAEL J. WOLTMAN [redacted]
GEORGE R. WOLTZ, JR. [redacted]
JACQUELINE E. WOMACK [redacted]
DAVID W. WOOD [redacted]
JOHN J. WOOD [redacted]
ROBERT M. WOOD, JR [redacted]
RUSSELL C. WOOD [redacted]
DAVID E. WOODEN [redacted]
DARRELL W. WOODS [redacted]
RICHARD S. WORKMAN II [redacted]
ALAN J. WORLEY [redacted]
FOREST B. WORTMAN [redacted]
JENNIFER G. WREATH [redacted]
TIMOTHY B. WROBEL [redacted]
WILLIAM E. WYCHE [redacted]
ERIC C. WYSS [redacted]
PAUL M. YAMAGUCHI [redacted]
TONY K. YANG [redacted]
KEVIN E. YEATER [redacted]
JOHN T. YELLE [redacted]
EUGENE YIM [redacted]
KENT D. YOHE [redacted]
BRIAN D. YOLITZ [redacted]
JANET A. YOUNG [redacted]
JUAN D. YOUNG [redacted]
MICHAEL A. YOUNG [redacted]
SCOTT A. YOUNG [redacted]
JOHN R. YOUNGS [redacted]
LORI A. YOUNGS [redacted]
DENNIS W. YOUNT [redacted]
JEFFREY W. ZAK [redacted]
KEVIN C. ZEECK [redacted]
PATRICK J. ZELECHOSKI [redacted]
LAURA E. ZELLER [redacted]
JOHN L. ZERBEL [redacted]
ADAM Q. ZIMMERMAN [redacted]
DALE L. ZIMMERMAN [redacted]
RICHARD P. ZINS [redacted]
KRISTINA M. ZLOTNICKI [redacted]
SCOTT J. ZOBRIST [redacted]
PETER H. ZUPPAS [redacted]
BRIAN P. ZUROVETZ [redacted]

THE FOLLOWING NAMED OFFICERS FOR PROMOTION IN THE U.S. AIR FORCE, UNDER THE APPROPRIATE PROVISIONS OF SECTION 624, TITLE 10, UNITED STATES CODE, AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE, AND THOSE OFFICERS IDENTIFIED BY AN ASTERISK FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM DUTIES INDICATED PROVIDED THAT IN NO CASE SHALL THE FOLLOWING OFFICERS BE APPOINTED IN A GRADE HIGHER THAN INDICATED.

MEDICAL SERVICE CORPS

To be major

DAVID M. ALLEN [redacted]
GERT M. BAILES [redacted]
REGINA A. BLANKE [redacted]
MARK E. CARLOS [redacted]
WALTER CLARK, JR. [redacted]
STEPHEN B. CONSTANTINE [redacted]
NOREEN G. DAUGHTRY [redacted]
JAMES M. DAVIS, JR. [redacted]
LINDA D. DENT [redacted]
LINDA L. EBLING [redacted]
HARRY L. EDWARDS [redacted]
DAVID A. FLEURQUIN [redacted]
STEFANIE A. GAYTON [redacted]
PAUL D. GOVEN [redacted]
LAWRENCE W. GREMS [redacted]
JOSEPH P. HAGGERTY [redacted]
JULIE A. HALL [redacted]
TERRY W. HAMILTON [redacted]
ROBERT E. HAYHURST [redacted]
KENT R. HELWIG [redacted]
BRIAN R. HURLEY [redacted]

DEBRA R. IRWIN [redacted]
LISA S. JOHNSON [redacted]
JEB S. KELLY [redacted]
JEFFREY S. KIDD [redacted]
EDWARD P. KOSEWICZ [redacted]
DANIAL P. LEWIS [redacted]
ANTHONY S. LONIGRO [redacted]
*SUSAN C. LOVELAND [redacted]
STEPHEN A. MACHESKY [redacted]
SANDRA S. MADARIS [redacted]
MICHAEL G. MARKOVICH [redacted]
DAVID H. MONTPLAISIR, JR [redacted]
DANIEL K. MORGAN [redacted]
JAMES P. MORGAN [redacted]
JOHN K. PARKS [redacted]
CURTIS G. PEDERSON [redacted]
MARK A. PERDUE [redacted]
DAVID A. PICKERT [redacted]
STANLEY M. POLSON [redacted]
MARK A. PRUETT [redacted]
ROBERT E. PURDY [redacted]
PETER R. RAMSAROOP [redacted]
DIANE M. REESE [redacted]
MICHAEL G. SCHELL [redacted]
JOHN C. SELL [redacted]
STEVEN J. STEIN [redacted]
CAROL L. STONE [redacted]
THOMAS S. WAGNER [redacted]
*DONNA A. WALLACE [redacted]
JAMES M. WHITE [redacted]

BIOMEDICAL SCIENCES CORPS

To be major

KATHERINE A. ADAMSON [redacted]
ALAN BARTHOLOMEW [redacted]
DAVID M. BEESON [redacted]
TERRY A. BEGINES, [redacted]
KEVIN T. BELL [redacted]
*DAVID M. BENNETT, JR. [redacted]
MATTHEW W. BIRCH [redacted]
DENISE K. BLACK [redacted]
BRIAN A. BLAZICKO [redacted]
*SHARI S. BONN [redacted]
LYNN L. BORLAND [redacted]
*JOHN T. BRIDGEST [redacted]
*CYNTHIA C. BROWN [redacted]
*LINDA F. W. BUSCH [redacted]
*BERNADETTE M. BYLINA [redacted]
*TERENCE M. BYRNES [redacted]
JUANITA M. CELIE [redacted]
JACKIE H. CLARK [redacted]
JAY S. CLOUTIER [redacted]
JEFFREY S. CORNELL [redacted]
DANNY L. DAVIS [redacted]
DIANNE C. DAVIS [redacted]
JANET M. DELTUVA [redacted]
PAUL B. DEVANE [redacted]
MARK E. DEYSHER [redacted]
*MARIA G. DONCASTER [redacted]
*MICHAEL L. EARL [redacted]
MICHAEL G. ELLIOTT [redacted]
LAMAR A. ETHINGTON [redacted]
RAYMOND E. FARRELL, JR. [redacted]
BRIDGET I. FATH [redacted]
CAROL A. FISHER [redacted]
KEVIN G. GABOS [redacted]
PATRICIA J. GAMBERA [redacted]
SCOTT R. GORDON [redacted]
LARRY W. GROVES [redacted]
STEPHEN F. HAMILTON [redacted]
LANA D. HARVEY [redacted]
*WILLIAM L. HATHAWAY [redacted]
JEFFREY A. HAYS [redacted]
SHARON M. HEFFNER [redacted]
CHRISTOPHER L. HERRON [redacted]
DONALD C. HICKMAN [redacted]
JOHN R. HICKMAN [redacted]
JAMES M. HICKS [redacted]
MARK S. HILL [redacted]
ALAN R. HOLCK [redacted]
GLENN R. HOVER [redacted]
RANDALL W. INHELDER [redacted]
GLORIA J. JOHNSON [redacted]
*KEVIN K. JOHNSON [redacted]
OSWALD L. JOHNSON [redacted]
GEORGE E. JONES, JR [redacted]
GEORGE W. JONES [redacted]
MARGARET R. KOHUT [redacted]
DAVID E. KOTUN [redacted]
KAREN R. KROON [redacted]
*DAVID A. KULESH [redacted]
JEFFERY H. LAMOTHE [redacted]
NAOMI T. LAWLESS [redacted]
PAUL J. LEGENDRE, II [redacted]
EDWARD G. MARCHAND [redacted]
RONALD MARCHIONI [redacted]
JOAN MARINE [redacted]
GARY L. MARTINSEN [redacted]
JEFFREY K. MASON [redacted]
RICHARD H. MCBRIDE, JR [redacted]
JAMES E. MCCLAIN [redacted]
RICHARD MELLO [redacted]
LUCIA E. MORE [redacted]
ROGER W. NELSON [redacted]
STEVEN P. NIEHOFF [redacted]
ERIC D. NIELSEN [redacted]
RUSSELL L. NORFLEET [redacted]
ROBERT B. OCONNOR [redacted]
TERESA R. ORCUTT [redacted]
BRIAN V. ORTMAN [redacted]
DALE L. PAYNE [redacted]
LAURA R. PESTANA [redacted]
NANCY J. PETRILAK [redacted]
CARL L. PHILLIPS [redacted]
RICKY A. POWELL [redacted]
GEORGE M. PRASCSAK, JR [redacted]
STEVEN E. RADEMACHER [redacted]
JAMES M. RAMOS, JR [redacted]
WILLIAM R. RUCK, II [redacted]
*CLAUDIA L. SANDS [redacted]
ORAZIO F. SANTULLO, JR [redacted]
KATHLEEN F. SARGENT [redacted]
KIMBERLY R. SCOTT [redacted]
GARY D. SHERWOOD [redacted]
*ROBERT B. SHUMATE [redacted]
OLGA B. SIMONS [redacted]
PAUL A. SJOBERG [redacted]
JEFFREY A. SNYDER [redacted]
*LESLIE A. SPANGLER [redacted]
JOHN M. SPILKER [redacted]
SCOTT A. SPRENGER [redacted]
ROBERT A. TETLA [redacted]
WILLIAM L. THORNSON [redacted]
LAURA L. TRENT [redacted]
TAMMY A. VONBUSCH [redacted]
ROBERT S. WAINNER [redacted]
WADE H. WEISMAN, JR [redacted]
MICHAEL D. WILCOX [redacted]
TIMOTHY S. WOODRUFF [redacted]
MARK C. WROBEL [redacted]
ROBERT ZAJAC [redacted]
MICHAEL F. ZUPAN, [redacted]

DEPARTMENT OF THE INTERIOR

PATRICIA J. BENEKE, OF IOWA, TO BE AN ASSISTANT SECRETARY OF THE INTERIOR, VICE ELIZABETH ANN RIEKE.

THE JUDICIARY

MERRICK B. GARLAND, OF MARYLAND, TO BE U.S. CIRCUIT JUDGE FOR THE DISTRICT OF COLUMBIA CIRCUIT, VICE ABNER J. MIKVA, RETIRED.

DEPARTMENT OF TRANSPORTATION

GAIL CLEMENTS MCDONALD, OF MARYLAND, TO BE ADMINISTRATOR OF THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FOR THE REMAINDER OF THE TERM EXPIRING MARCH 20, 1998, VICE STANFORD E. PARRIS, RESIGNED.

FOREIGN SERVICE

THE FOLLOWING-NAMED CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE DEPARTMENT OF STATE FOR PROMOTION IN THE SENIOR FOREIGN SERVICE TO THE CLASSES INDICATED:

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF CAREER MINISTER:

ROBERT S. GELBARD, OF NEW YORK

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF MINISTER-COUNSELOR:

EDWARD GORDON ABINGTON, JR., OF FLORIDA
RICHARD A. BOUCHER, OF MARYLAND
WILLIAM D. CLARKE, OF MARYLAND
RUST M. DEMING, OF THE DISTRICT OF COLUMBIA
DONALD WILLIS KEYSER, OF VIRGINIA
RUSSELL F. KING, OF CALIFORNIA
DANIEL CHARLES KURTZER, OF FLORIDA
JOHN MEDEIROS, OF NEW YORK
BERNARD C. MEYER, M.D., OF FLORIDA
BRUCE T. MULLER, M.D., OF MICHIGAN
RONALD E. NEUMANN, OF VIRGINIA
RUDOLF VILEM PERINA, OF CALIFORNIA
ROBIN LYNN RAPHEL, OF WASHINGTON
SIDNEY V. REEVES, OF TEXAS
CHARLES PARKER RIES, OF TEXAS
NANCY H. SAMBAIEW, OF TEXAS
RICHARD J. SHINNICK, OF NEW YORK
C. DAVID WELCH, OF CALIFORNIA

THE FOLLOWING-NAMED CAREER MEMBERS OF THE FOREIGN SERVICE FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE, AND FOR APPOINTMENT AS CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE, AS INDICATED:

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

MARSHA E. BARNES, OF KENTUCKY
MARK M. BOULWARE, OF TEXAS
JACQUELYN OWENS BRIGGS, OF MICHIGAN
WILLIAM RIVINGTON BROWNFIELD, OF TEXAS
STEVEN A. BROWNING, OF TEXAS
R. NICHOLAS BURNS, OF NEW HAMPSHIRE
JOHN PATRICK CAULFIELD, JR., OF NEW JERSEY
RICHARD A. CHRISTENSON, OF WISCONSIN
GENE BURL CHRISTY, OF TEXAS
JOHN ALBERT CLOUD, JR., OF VIRGINIA
ROGER J. DALEY, OF NEW YORK
ROBERT EMMETT DOWNEY, OF NEW JERSEY
JAMES J. EHRMAN, OF WISCONSIN
DANIEL TED FANTOZZI, OF VIRGINIA
MICHAEL F. GALLAGHER, OF PENNSYLVANIA
BRUCE N. GRAY, OF CALIFORNIA
JON GUNDERSEN, OF NEW YORK
DOUGLAS ALAN HARTWICK, OF WASHINGTON
CAROLEE HEILEMAN, OF NEBRASKA
CHRISTOPHER ROBERT HILL, OF RHODE ISLAND
SUSAN S. JACOBS, OF MICHIGAN
RICHELE KELLER, OF SOUTH CAROLINA
LAURA-ELIZABETH KENNEDY, OF VIRGINIA
JOHN W. LIMBERT, OF VERMONT
WAYNE K. LOGSDON, OF WASHINGTON
THOMAS A. LYNCH, JR., OF VIRGINIA
FREDERIC WILLIAM MAERKLE III, OF CALIFORNIA
MICHAEL E. MALINOWSKI, OF ILLINOIS
S. AHMED MEER, OF MARYLAND
MICHAEL D. METELITS, OF CALIFORNIA
DAVID FRANCIS ROGUS, OF NEW YORK
VLADIMIR PETER SAMBAIEW, OF TEXAS
BRENDA BROWN SCHOONOVER, OF CALIFORNIA
DEBORAH RUTH SCHWARTZ, OF MARYLAND
CHARLES S. SHAPIRO, OF GEORGIA
CATHERINE MUNNELL SMITH, OF CONNECTICUT
JOAN VERONICA SMITH, OF THE DISTRICT OF COLUMBIA
JAMES WEBB SWIGERT, OF VERMONT
GRETCHEN GERWE WELCH, OF CALIFORNIA
STEVEN J. WHITE, OF FLORIDA
NICHOLAS M. WILLIAMS, OF NEW YORK

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, AND CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

ARNOLD JACKSON CRODDY, JR., OF MARYLAND
SCOTT MARK KENNEDY, M.D., OF CALIFORNIA
FREDERICK M. KRUG, OF NEW JERSEY
THOMAS LAWMAN LUCAS, M.D., OF FLORIDA
ERIC RALPH RIES, OF FLORIDA
JAMIE SUAREZ, M.D., OF LOUISIANA
JAMES VANDERHOFF, OF TEXAS
JOHN G. WILLIAMS JR., M.D., OF MAINE
SANDRA L. WILLIAMS, OF MARYLAND

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS ONE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

AGENCY FOR INTERNATIONAL DEVELOPMENT

PAULA O. GODDARD, OF VIRGINIA

DEPARTMENT OF COMMERCE

PETER BOHEN, OF PUERTO RICO

DEPARTMENT OF STATE

ROBERT E. DAVIS, OF WASHINGTON

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS TWO, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF COMMERCE

MARGARET CORKERY, OF THE DISTRICT OF COLUMBIA
RICHARD REED, OF WASHINGTON

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS THREE, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

OLA CRISS, OF VIRGINIA
PAUL PETER POMETTO II, OF THE DISTRICT OF COLUMBIA
JOYCE VESTA SEUNARINE, OF MARYLAND
ROSA MARIA WHITAKER, OF THE DISTRICT OF COLUMBIA
TERRENCE K.H. WONG, OF WASHINGTON

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS FOUR, CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

GEORGE WILLIAM ALDRIDGE, OF TEXAS
CAROLYN P. ALSUP, OF FLORIDA
DOUGLAS J. APOSTOL, OF VIRGINIA
CONSTANCE C. ARVIS, OF CALIFORNIA
ANTONIA JOY BARRY, OF PENNSYLVANIA
PAMELA MARIE BATES, OF OHIO
VIRGINIA LYNN BENNETT, OF GEORGIA
MARK W. BOCCHETTI, OF MISSOURI
STEVEN C. BONDY, OF FLORIDA
DAVID W. BOYLE, OF VIRGINIA
SANDRA HAMILTON BRITO, OF ARIZONA
NATALIE EUGENIA BROWN, OF VIRGINIA
ANGIE BRYAN, OF TEXAS
JENNIFER LEE CATHCART, OF OHIO
PATRICK LIANG CHOW, OF NEW YORK
MARK DANIEL CLARK, OF ARIZONA
DAVID C. CONNELL, OF THE DISTRICT OF COLUMBIA
GENE CRAIG COOMBS, OF NORTH CAROLINA
ANDREW DAVID CRAFT, OF IOWA
KATHLEEN L. CUNNINGHAM, OF IOWA
CHRISTIAN R. DE ANGELIS, OF NEW JERSEY
MATTHEW BEDFORD DEVER, OF THE DISTRICT OF COLUMBIA
PUSHPINDER S. DHILLON, OF OREGON
WILLIAM D. DOUGLASS, OF NEVADA
WILLIAM HUIE DUNCAN, OF TEXAS
MAEVE SIOBHAN DWYER, OF MARYLAND
CARI ENAV, OF NEW YORK
STEPHANIE KAY ESHELMAN, OF THE DISTRICT OF COLUMBIA
MICHELLE MARIE ESPERDY, OF PENNSYLVANIA

JANICE RUTH FAIR, OF TEXAS
MOLLY FAYEN, OF ARIZONA
PAUL STEVEN FOLDI, OF DELAWARE
ELEANORE M. FOX, OF CALIFORNIA
MARK EDWARD FRY, OF MICHIGAN
GREGORY D.S. FUKUTOMI, OF CALIFORNIA
MEGAN MARIE GAAL,OF CALIFORNIA
RICHARD B. GAFFIN III, OF ARIZONA
KATHRYN SCHMICH GELNER, OF MISSOURI
BONNIE GLICK, OF ILLINOIS
REBECCA ELIZA GONZALES, OF TEXAS
FORREST J. GOULD, OF NEW HAMPSHIRE
TRACY ALAN HALL, OF NORTH CAROLINA
DAVID E. HANZLIK, OF ILLINOIS
PETER X. HARDING, OF MASSACHUSETTS
JOHN PETER HIGGINS, OF MINNESOTA
MARK T. HILL, OF SOUTH DAKOTA
DAVID ANDREW HODGE, OF TEXAS
MICHAEL W. HOFF, OF CALIFORNIA
EVAN T. HOUGH, OF FLORIDA
JEREMIAH H. HOWARD, OF NEW JERSEY
STEPHEN A. HUBLER, OF PENNSYLVANIA
AUDREY BONITA HUON-DUMENTAT, OF ILLINOIS
ANDREW GRISWOLD HYDE, OF CALIFORNIA
COLLEEN ELIZABETH HYLAND, OF NEW HAMPSHIRE
ANN LANG IRVINE, OF MARYLAND
OLIVER BRAINARD JOHN, OF VIRGINIA
EDWARD B. JOHNS, JR., OF PENNSYLVANIA
JILL JOHNSON, OF CALIFORNIA
MARGARET FRANCES JUDY, OF OREGON
JOHYN LINUS JUNK, OF FLORIDA
CHRISTOPHER KAVANAGH, OF ILLINOIS
ERIC RANDALL KETTNER, OF CALIFORNIA
MARC DANIEL KOEHLER, OF CALIFORNIA
GREGORY F. LAWLESS, OF CALIFORNIA
JILL CATHERINE LUNDY, OF VIRGINIA
PAUL RAMSEY MALIK, OF CALIFORNIA
CAROLINE BRADLEY MANGELSDORF, OF CALIFORNIA
MARYANNE THERESE MASTERSON, OF VIRGINIA
CARYN R. MC CLELLAND, OF CALIFORNIA
RICHARD MARSHALL MC CRENSKY, OF VIRGINIA
JANE S. WILSON MESSENGER, OF VIRGINIA
DAVID SLAYTON MEALE, OF VIRGINIA
KIN WAH MOY, OF MINNESOTA
ANN G. O'BARR-BREEDLOVE, OF GEORGIA
JULIE ANNE O'REAGAN, OF TEXAS
LESLIE MARIE PADILLA, OF NEW MEXICO
JAMES M. PEREZ, OF FLORIDA
MIRA PIPLANI, OF VIRGINIA
SARA ELLEN POTTER, OF VERMONT
DAVID J. RANZ, OF NEW YORK
JOHN THOMAS RATH, OF TEXAS
CHRISTOPHER E. RICH, OF MARYLAND
SCOTT LAIRD ROLSTON, OF FLORIDA
J. BRINTON ROWDYBUSH, OF OHIO
SUSAN LAURA RUFFO, OF WASHINGTON
JULIE RUTERBORIES, OF TEXAS
MICHAEL D. SCANLAN, OF PENNSYLVANIA
JOHN PAUL SCHUTTE, OF NEBRASKA
DAVID L. SCOTT, OF TEXAS
STEPHEN M. SCHWARTZ, OF NEW YORK
JANET DAWN SHANNON, OF WASHINGTON
CECILE SHEA, OF NEVADA
GRACE WHITAKER SHELTON, OF GEORGIA
KENT C. SHIGETOMI, OF WASHINGTON
ROBERT SILBERSTEIN, OF VIRGINIA
CHARLES SKIPWITH SMITH, OF WASHINGTON
MARTIN HENRY STEINER, OF CALIFORNIA
MARGARET L. TAMS, OF COLORADO
JOHN STEPHEN TAVENNER, OF TEXAS
LISA L. TEPPER, OF COLORADO
BRIAN THOMAS WALCH, OF NEW JERSEY
JAMES MICHAEL WALLER, OF MISSOURI
ROBERT WARD, OF VIRGINIA
JAN LIAM WASLEY, OF NEW JERSEY
MYLES E. WEBER, OF MINNESOTA
DAVID J. WHIDDON, OF GEORGIA
ERIC PAUL WHITAKER, OF CALIFORNIA
LYNN M. WHITLOCK, OF PENNSYLVANIA
JOHN KING WHITTLESEY, OF FLORIDA

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENTS OF STATE AND COMMERCE TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

JORGAN K. ANDREWS, OF COLORADO
ROBERT D. BANNERMAN, OF MARYLAND
ERIC BARBORIAK, OF WISCONSIN
AMBER M. BASKETTE, OF FLORIDA
KEREM SERDAR BILGE, OF CALIFORNIA
KAREN M. BLACK, OF NEW YORK
BERYL C. BLECHER, OF MARYLAND
IAN P. CAMPBELL, OF CALIFORNIA
THEODORE R. COLEY, OF PENNSYLVANIA
J.A. DIFFILY, OF CALIFORNIA
PETER T. ECKSTROM, OF MINNESOTA
MATTHEW A. FINSTON, OF ILLINOIS
CALLI FULLER, OF TEXAS
CLEMENT R. GAGNE III, OF MARYLAND
GORY A. GENNARO, OF VIRGINIA
HENRY GRADY GATLIN III, OF FLORIDA
BINH D. HARDESTY, OF VIRGINIA
J. MARINDA HARPOLE, OF THE DISTRICT OF COLUMBIA
KATHARINE MC CALLIE COCHRANE HART, OF VIRGINIA
MARGARET R. HORAN, OF THE DISTRICT OF COLUMBIA
M. ALLISON INSLEY, OF GEORGIA
PAM R. JENOFF, OF NEW JERSEY
JAN LEVIN, OF NEW YORK
ERVIN JOSE MASSINGA, OF WASHINGTON
IAN JOSEPH MC CARY, OF NEW YORK
MICHAEL L. MC GEE, OF ALABAMA
JANICE C. MC HENRY, OF VIRGINIA
SHARON F. MUSSOMELI, OF VIRGINIA
ROBERT LOUIS NELSON, OF VIRGINIA
DAVID TIMOTHY NOBLES, OF CALIFORNIA
MICHELLE L. O'NEILL, OF THE DISTRICT OF COLUMBIA
CARLA PANCHECO, OF CALIFORNIA
DAVID WILLIAM PITTS, OF VIRGINIA
BRETT GEORGE POMAINVILLE, OF COLORADO
BRIAN B. RHEE, OF VIRGINIA
STEVEN C. RICE, OF WYOMING
ROBERT J. RILEY, OF WASHINGTON
PETER THORIN, OF WASHINGTON
HARRY L. TYNER, OF VIRGINIA
ROBERT A. WEBER, OF FLORIDA
ALAN CURTIS WONG, OF CALIFORNIA
ROBERT EUGENE WONG, OF NEW YORK

THE FOLLOWING-NAMED INDIVIDUAL FOR PROMOTION IN THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED, EFFECTIVE NOVEMBER 28, 1993:

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

DEPARTMENT OF STATE

MICHAEL RANNEBERGER, OF VIRGINIA

IN THE AIR FORCE

THE FOLLOWING INDIVIDUALS FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 12203 WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 8067 TO PERFORM THE DUTIES INDICATED.

MEDICAL CORPS

To be colonel

MARIA A. BERG [redacted]

To be lieutenant colonel

GEORGE GIBEILY [redacted]
DAVID M. HARRIS [redacted]
BETTY J. HAYWOOD [redacted]
JOHN W. FUCHS [redacted]
ANTONIO R. SISON [redacted]

DENTAL CORPS

To be lieutenant colonel

RAMON PEREZ [redacted]

THE FOLLOWING INDIVIDUALS FOR RESERVE OF THE AIR FORCE APPOINTMENT, IN THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 12203.

LINE

To be lieutenant colonel

JAMES L. BRICKELL [redacted]
JOHN W. COLLINS IV [redacted]
STEVEN R. FRAIZER [redacted]
DAVID L. MERRILL [redacted]
WILLIAM D. METZLER [redacted]
GREG S. MURPHY [redacted]
DANA D. PURIFOY [redacted]
JOSEPH J. RYBICK [redacted]
BRUCE THOMPSON [redacted]
STEPHEN G. WALLER [redacted]
ADELLE R. ZAVADA [redacted]

RETIRED RESERVE

To be lieutenant colonel

JOHN T. MC CAFFREY, JR [redacted]
JOHN M. ROSEN [redacted]

THE FOLLOWING OFFICER FOR PROMOTION IN THE AIR FORCE RESERVE, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE (NON-EAD), SECTION 8371, LIEUTENANT COLONEL TO COLONEL.

RESERVE (NON-EAD) PROMOTION

To be colonel

WARREN R.H. KNAPP [redacted]

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADES INDICATED IN THE U.S. ARMY IN ACCORDANCE WITH SECTIONS 618, 624 AND 628, TITLE 10, UNITED STATES CODE. THESE OFFICERS ARE ALSO BEING NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY.

ARMY NURSE CORPS

To be lieutenant colonel

LILLIAN A. FOERSTER [redacted]

JUDGE ADVOCATE GENERAL CORPS

To be major

JOHN P. SAUNDERS [redacted]

ARMY NURSE CORPS

To be major

JOANN S. MOFFITT [redacted]

IN THE NAVY

THE FOLLOWING U.S. NAVY OFFICER TO BE APPOINTED PERMANENT LIEUTENANT IN THE JUDGE ADVOCATE GENERAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

GARY E. SHARP [redacted]

THE FOLLOWING-NAMED DISTINGUISHED NAVAL GRADUATES TO BE APPOINTED PERMANENT ENSIGN IN THE LINE OR STAFF CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

TIMOTHY V. COOKE [redacted]
KENT E. KOONTZ [redacted]
ROBERT G. MOORE [redacted]

THE FOLLOWING FORMER U.S. NAVY OFFICER TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203:

GARY D. KETRON [redacted]

THE FOLLOWING MEDICAL COLLEGE GRADUATE TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203:

DANIEL A. NACHTSHEIM [redacted]

THE FOLLOWING-NAMED U.S. NAVY OFFICERS TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203:

JOHN T. GANEY [redacted]
ANTHONY D. QUINN [redacted]
LESLIE J. TENARO [redacted]

THE FOLLOWING U.S. NAVY OFFICER TO BE APPOINTED PERMANENT COMMANDER IN THE DENTAL CORPS OF THE U.S. NAVAL RESERVE, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 12203:

LEAH M. LADLEY [redacted]

IN THE AIR FORCE

THE FOLLOWING U.S. AIR FORCE RESERVE OFFICER TRAINING CORPS GRADUATES FOR APPOINTMENT IN THE REGULAR AIR FORCE IN THE GRADE OF SECOND LIEUTENANT UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 531, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE OF THE AIR FORCE

MARK B. ALLEN [redacted]
AARON D. ALTWIES [redacted]
GREGORY J. ANDERSON [redacted]
MAURICE C. AZAR [redacted]
CRAIG R. BABBITT [redacted]
DAVID J. BARNHART [redacted]
BRIAN M. BAUMANN [redacted]
DEREK M. BEAMAN [redacted]
MICHAEL P. BEASLEY [redacted]
JERIEL G. BECKER [redacted]
MITCHELL B. BEDESEM [redacted]
TRAVIS F. BLAKE [redacted]
BRAD W. BORKE [redacted]
SHAWN P. BRADY [redacted]
BRADLEY E. BRIDGES [redacted]
PAUL J. BROCKWAY [redacted]
CHRISTOPHER J. BROMEN [redacted]
CHRISTOPHER M. BURCH [redacted]
DAVID A. BURKE [redacted]
ROBERT E. BURNS [redacted]
BETHANY G. CAIN [redacted]
RANDALL W. CASON, JR [redacted]
CATHERINE P. CHIN [redacted]
SARAH J. CHRIST [redacted]
SPENCER C. COCANOUR [redacted]
JORDON T. COCHRAN [redacted]
SHAWN T. COTTON [redacted]
LANS P. COURTNEY [redacted]
WILLIAM C. CRAWFORD [redacted]
MICHAEL P. CRUFF [redacted]
TIMOTHY W. CURA [redacted]
TAMMY L. DAVIS [redacted]
WILLIAM A. DAYTON [redacted]
MICHAEL J. DEMERS [redacted]
JENNIFER M. DIFFLEY [redacted]
TOBY G. DORAN [redacted]
DARRIN B. DRONOFF [redacted]
ROBERT L. DWYER, JR [redacted]
SCOTT P. ERNST [redacted]
SHAWN D. FRANKLIN [redacted]
AMIE E. FURLONG [redacted]
VIRGIL C. GARRETT [redacted]
JASON A. GIBSON [redacted]
DAVID W. GIESECKE [redacted]
KRISTOFER W. GIFFORD [redacted]
JONNA K. GOODMAN [redacted]
DOUGLAS C. GOSNEY [redacted]
JOSEPH L. GRAHAM, III [redacted]
JEFFREY H. GREENWOOD [redacted]
BRIAN J. GRELK [redacted]
BRIAN J. GROSS [redacted]
BREJ E. GRUSKIN [redacted]
MARK R. GUERBER [redacted]
BENJAMIN T. HALL [redacted]
CHRISTOPHER J. HALLORAN [redacted]
MICHAEL C. HARRELL [redacted]
JENNIFER A. HARRIS [redacted]
ANNE W. HARRISON [redacted]

CLIFFORD A. HARVEY [redacted]
DEBORAH K. HAUSSLER [redacted]
DAVID W. HIGER [redacted]
MARC J. HIMELHOCH [redacted]
JANETTE L. HO [redacted]
MARK G. HOFFMAN [redacted]
JONATHAN E. HOLDEN [redacted]
GREGORY E. HUTSON [redacted]
TODD J. IVERSON [redacted]
AMY K. JARDON [redacted]
ERIC A. JOHNSON [redacted]
AMY B. JOYNER [redacted]
CATHERINE M. JUMPER [redacted]
CHRISTOPHER P. KARNS [redacted]
LEONARD C. KEARL [redacted]
ANN M. KILEY [redacted]
TIMOTHY D. KIMBROUGH [redacted]
LAWRENCE P. KOKOCHA, JR [redacted]
DANIEL J. KRAMER, II [redacted]
CHRISTOPHER A. LANE [redacted]
NICOLE M. LANG [redacted]
MARCUS L. LEWIS [redacted]
FRANK J. LOBASH [redacted]
MICHAEL H. MANION [redacted]
DANIEL R. MANNING [redacted]
MADALYN M. MARLATT [redacted]
DEEJAI MARTIN [redacted]
JEFFREY S. MARTIN [redacted]
RENEE J. MC CLURE [redacted]
SHAWN M. MC GRATH [redacted]
LAUNA J. MC NEAL [redacted]
JENNIFER S. MEADOWS [redacted]
AMIE R. MIZE [redacted]
KATHRINE L. MURPHY [redacted]
TYLER D. NELSON [redacted]
JACK L. NEMCEFF, I [redacted]
KATHY A. NICHOLSON [redacted]
PHILLIP L. NOLTEMEYER, JR [redacted]
KENNETH R. NOOJIN [redacted]
GREGORY K. PARKER [redacted]
MATTHEW A. PASKIN [redacted]
JAMES C. PEARSON [redacted]
ROSS D. PEASE [redacted]
SUZANNE M. PENARANDA [redacted]
LOUIS S. PERRET [redacted]
DONI L. PERRY [redacted]
JOHN S. PISZKIN [redacted]
CHRISTOPHER A. PLANTE [redacted]
JAY B. REEVES [redacted]
JODY R. REVEN [redacted]
GEORGE R. ROELKE, IV [redacted]
STACEY L. RUEL [redacted]
JEFFREY L. RYAN [redacted]
MICHAEL C. SANDERS [redacted]
MONICA L. SCHLOEMER [redacted]
CHAD H. SCHOLES [redacted]
STEPHEN M. SCHOLZ [redacted]
KIRSTEN L. SCHREIBER [redacted]
TIMOTHY A. SEJBA [redacted]
STEVEN A. SEWELL [redacted]
ANDREW L. SHULL [redacted]
JAMES A. SMITH [redacted]
BRETT R. SNUTTJER [redacted]
STEPHEN M. SPOTTSWOOD [redacted]
BRETT C. STOFFEL [redacted]
PATRICK J. SUTHERLAND [redacted]
JAMES A. SWEENEY [redacted]
JOSEPH B. TAYLOR [redacted]
JASON W. TODD [redacted]
JEFFERY A. TOWNS [redacted]
TIMOTHY W. TRIMMELL [redacted]
ERIC S. TROIL [redacted]
MARK T. TUPA [redacted]
RUSTY J. VAIRA [redacted]
PILAR S. VICCELLIO [redacted]
OMAR A. VIKIN [redacted]
PAUL D. VILLAGRAN [redacted]
MONICA R. VONADA, [redacted]
LANDON K. WALKER [redacted]
ANDREW R. WERNER, [redacted]
BARBARA T. WISNIESKI [redacted]
JOHN J. WOLF [redacted]

IN THE LINE OF THE NAVY

THE FOLLOWING NAMED LIEUTENANTS IN THE LINE OF THE NAVY FOR PROMOTION TO THE PERMANENT GRADE OF LIEUTENANT COMMANDER, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 624, SUBJECT TO QUALIFICATIONS THEREFORE AS PROVIDED BY LAW:

UNRESTRICTED LINE OFFICERS

To be lieutenant commander

TIMOTHY A. ADAMS [redacted]
JOHN W.V. AILES [redacted]
CHRISTOPHER J. AINSWORTH [redacted]
JAMES A. ALEXANDER [redacted]
ERIK M. ANDERSON [redacted]
IAN C. ANDERSON [redacted]
MARTIN V. ANGWIN [redacted]
JOSEPH I. ANTHONY [redacted]
RICARDO ANTONETTI [redacted]
FRANK A. ARATA [redacted]
RUSSELL J. ARIZA [redacted]
JOSEPH E. ARLETH [redacted]
MICHAEL R. ARTHURS [redacted]
JAMES D. ATKINSON IV [redacted]
JAMES L. AUTREY [redacted]
JEFFREY C. BABOS [redacted]
JON L. BACA [redacted]
LEON R. BACON, [redacted]
MATTHEW E. BAKER [redacted]
JOHN D. BAMONTE [redacted]
JAMES N. BARATTA [redacted]
KURT W. BARICH [redacted]
JAMES F. BARNES [redacted]
SCOTT L. BARNES [redacted]
JON T. BARNHILL [redacted]
EDWARD J. BARON II [redacted]
DAMON W. BATESON, [redacted]
DWAYNE F. BAXTER [redacted]
ROBERT S. BAYER, [redacted]
JOHN A. BEACH [redacted]
JOSEPH W. BEADLES [redacted]
JAMES R. BEAMISH, JR [redacted]
RICHARD E. BECK II [redacted]
DOUGLAS B. BECKER [redacted]
DAVID R. BECKETT [redacted]
JOHN L. BELLAY [redacted]
STEVEN M. BENNER [redacted]
ROBERT H. BENNETT, JR [redacted]
SEAN A. BERGESEN [redacted]
DON E. BERRY, JR [redacted]
MARK A. BERRY [redacted]
BRIAN R. BLACK [redacted]
EUGENE H. BLACK, III [redacted]
JAMES T. BLACK [redacted]
MARK E. BLACK [redacted]
PHILLIP A. BLACK [redacted]
SCOTT R. BLACKWOOD [redacted]
MICHAEL F. BLAGG, [redacted]
GARY M.B. BOARDMAN [redacted]
JEFFREY M. BOCCHICCHIO [redacted]
JOSEPH H.B. BOENER [redacted]
PATRICK J. BOHAN [redacted]
JEFFREY A. BOHLER [redacted]
KEITH A. BOLEN [redacted]
CRAIG R. BOMBEN [redacted]
THEODORE J. BORN [redacted]
DANIEL R. BORNARTH [redacted]
LOUIS M. BORNO III [redacted]
LUIS A. BOTICARIO [redacted]
JOSEPH C. BOUCHARD [redacted]
BRIAN E. BOWDEN, [redacted]
BRYAN M. BOWEN [redacted]
STEPHEN G. BOWEN [redacted]
ELLIS W. BOWLER [redacted]
PATRICK J. BOWMAN [redacted]
ALAN D. BOYD [redacted]
DONALD H.B. BRASWELL [redacted]
DAVID W. BRIDGENS, JR [redacted]
GERALD H. BRIGGS, JR [redacted]
MARK A. BRIGHT [redacted]
ROBERT D. BROADSTON [redacted]
DAVID R. BROWN, [redacted]
JOHN G. BRUENING [redacted]
THOMAS D. BRUMFIELD [redacted]
CHRISTOPHER F. BUCHHEISTER [redacted]
JAMES F. BUCKLEY [redacted]
ROGER BUDD III [redacted]
CHRISTOPHER K. BURGESS [redacted]
CRAIG W. BURPEE, [redacted]
GEORGE A. BUSTAMANTE, JR. [redacted]
PATRICK G. BYRNE [redacted]
WILSON D. CALVERT, JR. [redacted]
WILLIAM C. CAMPBELL [redacted]
SEAN C. CANNON, [redacted]
JOSEPH G. CARLEY [redacted]
JAMES D. CARPENTER [redacted]
REGGIE P. CARPENTER [redacted]
DOUGLAS D. CARSTEN [redacted]
THOMAS W. CASEY [redacted]
THOMAS M. CASHMAN [redacted]
IAN A. CASSIDY [redacted]
FRANK CATTANI [redacted]
DARYL L. CAUDLE [redacted]
DAVID G. CAVANAUGH [redacted]
PAUL R. CAVANAUGH [redacted]
DAVID A. CHASE [redacted]
JOSEPH R. CHIARAVALLOTTI [redacted]
JOHN L. CHOYCE [redacted]
KARL R. CHRISTENSEN [redacted]
CHRISTOPHER A. CIPOLLA [redacted]
JEFFERY R. CLAPP [redacted]
DARWIN L. CLARK [redacted]
JOHN E. CLARK [redacted]
BRENT R. CLARKE [redacted]
JAMES P. CLAUGHERTY [redacted]
RICHARD L. J. CLEMMONS [redacted]
MICHAEL K. COCKEY [redacted]
BRADLEY S. CODY [redacted]
GREGORY E. COLE [redacted]
JAMES W. COLLINS [redacted]
JOHN A. COLLINS [redacted]
SCOTT D. CONN [redacted]
JEFFREY W. CONNOR [redacted]
SEAN M. CONNORS [redacted]
RONALD E. COOK [redacted]
JOHN H. COOPER [redacted]
JEFFREY S. CORAN [redacted]
BRIAN K. COREY [redacted]
LOUIS A. CORTEZ [redacted]
MAURICE COSSETTE, JR. [redacted]
RONALD R. COSTAIN [redacted]
TIMOTHY P. COSTELLO [redacted]
KEVIN J. COUCH [redacted]
FLORENCE E. CRAWLEY [redacted]
VINCENT S. CROMER [redacted]
DAVID S. CROW [redacted]
DONALD R. CUDDINGTON, JR [redacted]
DANIEL J. CUFF [redacted]
ANDREW F. CULLY [redacted]
DANIEL J. CUNNINGHAM I [redacted]
GREGORY P. CURTH [redacted]
LOUIS H. DAMPIER [redacted]
RICK E. DANSEY [redacted]
LAURENCE C. DATKO [redacted]
SANDRA L. DAVIDSON [redacted]
JEFFREY D. DAVILA [redacted]
DAVID E. DAVIS [redacted]
FREDERICK C. DAVIS [redacted]
JEFFREY A. DAVIS [redacted]
MARK E. DAVIS, [redacted]
MARK J. DAVIS [redacted]
RAYMOND J. DAVIS [redacted]
KELLY C. DAWSON [redacted]
MARK J. DECLUE [redacted]
JOHN D. DEEHR [redacted]
KEVIN J. DELAMER [redacted]
ROBERT M. DEPRIZIO [redacted]
CARL W. DEPUTY [redacted]
ANTHONY R. DEROSSETT [redacted]
DOMINIC DESCISCIOLO [redacted]
DAVID J. DESTITO [redacted]
MERVIN D. DIAL [redacted]
VITOR J.S. DIAS [redacted]
PAUL A. DICKERSON [redacted]
DAVID G. DICKISON [redacted]
STANTON W. DIETRICH [redacted]
JOHN R. DIXON [redacted]
WILLIAM R. DOAN II [redacted]
MANUEL B. DOMINGO [redacted]
EDWARD M. DONOHOE [redacted]
WILLIAM H. DONOVAN, JR [redacted]
JOHN M. DOREY [redacted]
STEPHEN J. DORFF [redacted]
FRANCIS W. DORIS [redacted]
THOMAS N. DOSTIE [redacted]
MARK T. DOUGLASS [redacted]
HAROLD S. DUNBRACK [redacted]
TIMOTHY J. DUNIGAN [redacted]
GARY H. DUNLAP [redacted]
EDWARD J. DUNN [redacted]
JEFFREY J. DUNN [redacted]
CHRISTOPHER C. DUNPHY [redacted]
WILLIAM A. DURBIN [redacted]
WILLARD E. DYURAN [redacted]
CHRISTOPHER S. EAGLE [redacted]
MARK W. EAKES. [redacted]
MICHAEL B. EBERHARDT [redacted]
EDWIN J. EBINGER [redacted]
JOHN G. EDEN [redacted]
SAMUEL E. EDWARDS [redacted]
MARK A. EHLERS [redacted]
BRIAN G. ELDRIDGE [redacted]
DWAYNE L. ELDRIDGE [redacted]
SIDNEY T. ELLINGTON [redacted]
STEWART G. ELLIOTT [redacted]
CHARLES S. ELLSWORTH [redacted]
ERIC T. ELSER, 162–44–0161
RAYMOND H. EMMERSON, JR [redacted]
WILLIAM K. ERHARDT [redacted]
PAUL T. ESSIG, JR [redacted]
SCOTT R. EVERTSON [redacted]
JON R. FAHS, JR [redacted]
GREGORY J. FENTON [redacted]
ADAM D. FERREIRA [redacted]
GREGORY J. FICK [redacted]
JOHN R. FIELDER III [redacted]
HAROLD T. FINK [redacted]
SUSAN D. FINK [redacted]
DAVID E. FINNEGAN [redacted]
JOSEPH T. FINNEGAN, JR [redacted]
NORMAN L. FINNELL [redacted]
TIMOTHY A. FISHER [redacted]
RICHARD T. FITE [redacted]
DENNIS P. FITZGERALD [redacted]
THOMAS J. FITZGERALD IV [redacted]
THOMAS FLATLEY [redacted]
PAUL A. FLEISCHMAN [redacted]
PAUL E. FLOOD [redacted]
ROBERT G. FOGG [redacted]
ANTONIO P. FONTANA [redacted]
THOMAS V. FONTANA [redacted]
DANIEL J. FORD [redacted]
JAMES E. FORD II [redacted]
GARY H. FOSTER [redacted]
REX D. FOSTER [redacted]
SIDNEY FOSTER III [redacted]
RICHARD N. FOX, [redacted]
THOMAS S. FOX III [redacted]
TERRY L. FRANK [redacted]
CLIFFORD S. FRANKLIN [redacted]
RODERICK J. FRASER, JR [redacted]
STEPHEN N. FRICK [redacted]
FRANKLIN P. FRIES [redacted]
STEVEN J. FRONCILLO [redacted]
GREGORY T. FULGHAM [redacted]
DALE G. FULLER [redacted]
JOHN GADZINSKI [redacted]
AMOS M. GALLAGHER, [redacted]
DOUGLAS G. GALLAGHER [redacted]
GREGORY B. GALLARDO [redacted]
AASGEIR GANGSAAS, [redacted]
EUGENE L. GARBACCIO III [redacted]
PAUL A. GARDNER [redacted]
BERNARD M. GATELY, JR [redacted]
RUSSELL J. GATES [redacted]
SEAN P. GEANEY [redacted]
DAVID M. GEICK [redacted]
KENDALL P. GENESER [redacted]
ROBERT B. GEORGE [redacted]
RONALD M. GERO, JR [redacted]
NICHOLAS L. GIANACAKOS [redacted]
MICHAEL A. GIARDINO, [redacted]
MICHAEL S. GIAUQUE [redacted]

PETER L. GIBSON [redacted]
DAVID E. GILBERT [redacted]
JOHN P. GILLENWATER I [redacted]
KERRY S. GILPIN [redacted]
GREGORY E. GLAROS [redacted]
DAVID L. GLASS [redacted]
RICHARD M. GOMEZ [redacted]
ROBERT P. GONZALES [redacted]
ROBERT D. GOODWIN, JR [redacted]
ROY D. GRAVES [redacted]
JOHN G. GRAY, JR [redacted]
COLLIN P. GREEN [redacted]
KEVIN F. GREENE [redacted]
DANIEL C. GRIECO [redacted]
JEFFREY T. GRIFFIN [redacted]
JOHN P. GRIFFIN [redacted]
WILLIAM E. GRISTE [redacted]
STEPHEN P. GRZESZCZAK II [redacted]
STEVEN M. GUILIANI [redacted]
GLEN W. GUILLOW [redacted]
ADAM J. GUZIEWICZ [redacted]
JAMES M. HALE [redacted]
MICHAEL ANTHONY HALL [redacted]
PETER HALL [redacted]
STEPHEN F. HALL [redacted]
THOMAS V. HALLEY, JR [redacted]
JAMES J. HAMELL [redacted]
CHARLES H. HAMILTON I [redacted]
GARY R. HANSEN [redacted]
GLEN K. HANSEN [redacted]
KELLY J. HANSON [redacted]
FRANK M. HARRILL [redacted]
CARTER B. HARRISON II [redacted]
MICHAEL C. HARRISON [redacted]
WAYNE J. HARRISON [redacted]
JOSEPH M. HART II [redacted]
ANDREW G. HARTIGAN [redacted]
JAMES D. HAUGEN [redacted]
CHRIS HOWARD HAUSER [redacted]
GREGORY A. HAYES [redacted]
PETER D. HAYNES [redacted]
WARDEN G. HEFT [redacted]
MARK B. HEGARTY [redacted]
MICHAEL A. HEGARTY [redacted]
THOMAS P. HEKMAN [redacted]
FREDDIE P. HENDERSON, JR [redacted]
KIP L. HENDERSON [redacted]
WILLIAM K. HENDERSON [redacted]
ROBERT L. HENDRON [redacted]
PHILIP M. HENRY [redacted]
MARK S. HERATH [redacted]
LANCE C. HERNANDEZ [redacted]
RICHARD K. HERR I [redacted]
DANIEL S. HIATT [redacted]
MATTHEW J. HICKEY [redacted]
CHRISTOPHER N. HILL [redacted]
JOHN W. HILTERMAN, JR [redacted]
JAMES H. HINELINE II [redacted]
EDWARD T. HOBBS, [redacted]
DONALD D. HODGE [redacted]
GERALD L. HODGE [redacted]
CRAIG M. HOEFER [redacted]
MICHAEL A. HOLDENER [redacted]
CHARLES T. HOLLINGSWORTH [redacted]
KENNETH S. HOLLINGSWORTH [redacted]
DAVID J. HOLMGREN [redacted]
ANDREW E. HOPKINS [redacted]
MARK G. HORN [redacted]
MICHAEL J. HORSEFIEL [redacted]
CAROL A. HOTTENROTT, [redacted]
STUART R. HOWARD [redacted]
TRACY L. HOWARD [redacted]
BRIAN T. HOWES [redacted]
MARK M. HUBER [redacted]
JEFFREY T. HUDGENS, [redacted]
ERNEST E. HUGH [redacted]
RONALD W. HUGHES [redacted]
DAVID W. HULKE [redacted]
LAWRENCE D. HUNT [redacted]
WILLIAM T. HUTTO [redacted]
DAVID A. HUTTON [redacted]
ALLAN L. HUX [redacted]
JOSEPH W. IHLAN [redacted]
BARRY W. INGOLD [redacted]
PAUL R. INNIS [redacted]
ERIC S. IRWIN [redacted]
ERIC P. JABS [redacted]
JEFFREY S. JACKSON [redacted]
AARON C. JACOBS [redacted]
STEVEN M. JAEGER [redacted]
ROBERT V. JAMES II [redacted]
JAMES R. JAQUET [redacted]
PETER H. JEFFERSON [redacted]
JOHN C. JENISTA [redacted]
NEIL P. JENNINGS [redacted]
BRYAN D. JOHNSON [redacted]
GEORGE W. JOHNSON [redacted]
KEVIN R. JOHNSON [redacted]
TERRY W. JOHNSON [redacted]
TOMMY J. JOHNSON [redacted]
TRACY A. JOHNSON [redacted]
GREGORY J. JOHNSTON [redacted]
CHRISTOPHER P. JONES [redacted]
DEAN S. JONES [redacted]
MORGAN B. JONES [redacted]
THOMAS L. JONES [redacted]
DAVID E. JOSHUA [redacted]
BRIAN G. KASPERBAUER [redacted]
BERNARD W. KASUPSKI [redacted]
RAYMOND F. KELEDEI [redacted]
THOMAS A. KENNEDY [redacted]
TIMOTHY M. KERSEY I [redacted]
MARTIN P. KEUTEL [redacted]
STEPHEN D. KIBBEY [redacted]
WILLIAM C. KIESTLER [redacted]
JAMES W. KILBY [redacted]
JOSEPH J. KINDER [redacted]
KURT W. KING [redacted]
TIMOTHY J. KING [redacted]
JESSE B. KINGG [redacted]
DAVID W. KIRK [redacted]
STEVEN A. KIRK [redacted]
RANDOLPH H. KLATT [redacted]
TODD P. KLIPP [redacted]
KARL A. KLOPP [redacted]
KENNETH C. KLOTHE [redacted]
FREDERICK L. KNAPP [redacted]
JAMES R. KNAPP [redacted]
MICHAEL T. KNAPP [redacted]
GLEN A. KNAUST [redacted]
MARK T. KOHLHEIM [redacted]
CHARLES B. KOMAN [redacted]
WILLIAM E. KORDYJAK [redacted]
LAWRENCE D. KOUGH [redacted]
STEPHEN J. KOZLOSKI [redacted]
THOMAS D. KRAEMER [redacted]
PAUL L. KRATOCHWILL [redacted]
JAMES K. KRESGE [redacted]
KENNETH A. KROGMAN [redacted]
ALEXANDER L. KRONGARD [redacted]
JAMES M. KUHN [redacted]
DAVID A. KUNSKY, JR [redacted]
KEVIN R. KURTZ [redacted]
TODD A. LAESSIG [redacted]
THOMAS J. LAFFERTY [redacted]
JAMES P. LAIRD [redacted]
ALAN D. LAMBERT [redacted]
EDWARD D. LANGFORD [redacted]
CHRIS F. LAPACIK [redacted]
MARK D. LARABEE [redacted]
DOUGLAS M. LARRATT [redacted]
JOHN T. LAUER, III [redacted]
RAYMOND G. LAWRY, II [redacted]
PATRICK K. LEARY [redacted]
PHILLIP J. LEBAS [redacted]
KIMO K. LEE [redacted]
MELVIN E. LEE [redacted]
MICHAEL S. LEE [redacted]
SIWON R. LEE [redacted]
MICHAEL F. LEENEY [redacted]
GERALD R. LEFLER [redacted]
DAVID A. LESKO [redacted]
BARBARA J. LEWIS [redacted]
JOHN N. LEWIS [redacted]
JAMES G. LIDDY [redacted]
ROBERT G. LINEBERRY, JR [redacted]
RICHARD W. LOAN [redacted]
MICHAEL E. LOFY [redacted]
MATTHEW B. LONG [redacted]
JOHN P. LOONEY [redacted]
MICHAEL J. LORANGER [redacted]
LEONARD R. LOUGHRAN [redacted]
WILLIE LOVELACE, JR. [redacted]
SHAWN B. LUCKE [redacted]
MARK A. LUNDE [redacted]
STEVEN E. LUNDHOLM [redacted]
THOMAS W. LUSCHER [redacted]
WILLIAM M. LYNCH [redacted]
PATRICK E. LYONS [redacted]
DIRK N. MACFARLANE [redacted]
DAVID P. MACKOVJAK [redacted]
JEFFREY D. MACLAY [redacted]
DONALD P. MACNEIL [redacted]
JAMES L. MADDEN [redacted]
GUY MAIDEN, [redacted]
DAVID R. MAIER [redacted]
JOHN D. MALLEY [redacted]
JAMES J. MALLOY [redacted]
KENNETH A. MALMQUIST [redacted]
GERALD G. MANGRUM [redacted]
JOHN H. MANNIX [redacted]
BRADLEY W. MARGESON [redacted]
JAMES MARION [redacted]
ROBERT W. MARSHALL [redacted]
ANTHONY E. MARTIN [redacted]
THOMAS F. MARTIN [redacted]
ROBERT L. MASON [redacted]
JEFFREY M. MASTERSON [redacted]
RAFAEL E. MATOS [redacted]
ISAAC H. MAY, [redacted]
ROBERT D. MAYFIELD [redacted]
DAVID A. MAYO [redacted]
MICHAEL T. MC ALPIN [redacted]
AARON M. MC ATEE, [redacted]
THOMAS R. MC COOK [redacted]
BRIAN R. MC GINNIS [redacted]
THOMAS F. MC GOVERN [redacted]
THOMAS D. MC GOWAN [redacted]
MICHAEL R. MC GUIRE [redacted]
JAMES J. MC HUGH, IV [redacted]
TREVOR A. MC INTYRE [redacted]
GREGORY D. MC LAUGHLIN [redacted]
PHILIP G. MC LAUGHLIN [redacted]
DANIEL W. MC LEOD [redacted]
GREGOR J. MC LEOD [redacted]
TIMOTHY R. MC MAHON [redacted]
JEFFREY S. MC PHERSON [redacted]
PETER E. MC VETY [redacted]
DOUGLAS C. MERCHANT [redacted]
ERIC G. MERRILL [redacted]
MICHAEL H. MERRILL [redacted]
WILLIAM R. MERZ [redacted]
DANIEL J. MERZKE [redacted]
KERRY M. METZ [redacted]
FERDINAND J. METZGER, JR [redacted]
KENT A. MICHAELIS [redacted]
ALAN J. MICKLEWRIGHT [redacted]
JOSEPH J. MIHAL, JR [redacted]
DOUGLAS W. MIKATARIAN [redacted]
GLENN A. MILLER [redacted]
JACK P. MILLER [redacted]
PETER W. MILLER [redacted]
MICHAEL R. MOAN [redacted]
PATRICK A. MOLENDA [redacted]
THOMAS A. MONROE, [redacted]
SCOTT W. MONTGOMERY [redacted]
JOHN D. MOODY, [redacted]
KEVIN G. MOONEY [redacted]
ADAM J. MOORE [redacted]
GREGORY A. MOORE [redacted]
WILL M. MOORE, JR. [redacted]
JOHN R. MOORMAN [redacted]
THOMAS J. MORIARTY [redacted]
GREGORY S. MORIN [redacted]
DAVID A. MORRIS [redacted]
DEBRA A. MORRIS [redacted]
JOHN D. MORRISON [redacted]
JEFFREY E. MORSE [redacted]
RAYMOND E. MOSES, JR. [redacted]
WILLIAM S. MOYER [redacted]
JOHN J. MOYNIHAN, JR. [redacted]
THOMAS G. MUNSON [redacted]
CARL S. MURPHY [redacted]
ROBERT A. MURPHY [redacted]
WILLIAM C. MURPHY [redacted]
MICHAEL K. NAPOLITANO [redacted]
WILLIAM J. NAULT [redacted]
KERRIN S. NEACE [redacted]
JOHN S. NEAL [redacted]
RICHARD W. NEELY [redacted]
THOMAS M. NEGUS [redacted]
DONALD E. NEUBERT, JR. [redacted]
HARRY S. NEWTON [redacted]
BRIAN C. NICKERSON [redacted]
ERNEST E. NIX, JR. [redacted]
WILLIAM C. NOLL [redacted]
ANTHONY L. NUFER [redacted]
THOMAS J. ODAY [redacted]
JEFFREY D. ODELL [redacted]
JOHN M. ODONNELL [redacted]
RICHARD K. ODONNELL [redacted]
ALBERT C. OESTERLE [redacted]
DAVID A. OGBURN, [redacted]
JAMES R. OHMAN [redacted]
THOMAS J. OKEEFE [redacted]
JAMES W. OLD [redacted]
EDWIN J. OLENICK, JR. [redacted]
MARK C. OLIPHANT [redacted]
GORDON R. OLIVER II [redacted]
FRANK J. OLMO [redacted]
THERESA M. OMALLEY [redacted]
DAVID D. ONSTOTT [redacted]
JACK R. OROURKE [redacted]
CHRISTOPHER D. ORWOLL [redacted]
MICHAEL S. ORZELL [redacted]
BRIAN A. OSBORN [redacted]
THOMAS E. OSBORN [redacted]
PATRICK J. OSHEA [redacted]
GREGORY M. OTT, [redacted]
HESHAM D. OUBARI [redacted]
MICHAEL A. OVERSON [redacted]
JOHN E. PAGANELLI, JR. [redacted]
PETER PAGANO [redacted]
ROBERT L. PAGE III [redacted]
WILLIAM T. PALLEN [redacted]
MARK A. PARCELL, [redacted]
MELTON D. PARHAM [redacted]
KENT A. PARO [redacted]
PHILIP D. PARSONS [redacted]
LOUIS P. PARTIDA [redacted]
JOHNNY Q. PATRICK [redacted]
MARK S. PATRICK [redacted]
WILLIAM R. PATTON [redacted]
THOMAS M. PATTULLO [redacted]
BENJAMIN H. PEABODY [redacted]
BRIAN D. PEARSON [redacted]
FRANK W. PEARSON [redacted]
DANIEL G. PEDRO [redacted]
LOREN E. PEITSO [redacted]
BRYAN J. PELLEGRIN [redacted]
DANIEL J. PERKINS [redacted]
RICHARD P. PERRI [redacted]
DAVID T. PERRY [redacted]
BRIAN D. PETERSEN [redacted]
ERIC G. PETERSEN [redacted]
DAVID A. PETRI [redacted]
ROBERT W. PETTITT, JR [redacted]
GERALD K. PFEIFER [redacted]
MICHAEL V. PHELAN, [redacted]
WILLIAM E. PHILIPS [redacted]
CURTIS G. PHILLIPS [redacted]
PETER L. PHILP II [redacted]
RANDOLPH F. PIERSON [redacted]
MICHAEL J. PIETKIEWICZ [redacted]
JEROME E. PINCKNEY III [redacted]
EVAN B. PIRITZ [redacted]
MATTHEW J. PITTNER [redacted]
JAMES E. PITTS [redacted]
BRYAN D. PLUMMER [redacted]
CHRISTOPHER W. PLUMMER [redacted]
CURTIS D. PLUNK [redacted]
MICHAEL P. POCKER [redacted]
ALAN G. POINDEXTER [redacted]
MILLARD E. PORTER, JR [redacted]
PHILIP H. PORTER [redacted]
SCOTT A. POTTER [redacted]

RICHARD A. POWERS [redacted]
JASON M. POYER [redacted]
JEFFREY D. PRATER [redacted]
CLARK T. PRICE, JR [redacted]
PATRICK D. PRICE [redacted]
LESLEY S. PRIEST [redacted]
ROBERT J. PROANO [redacted]
MARK V. PROCTOR [redacted]
MARK D. PROVO [redacted]
DENNIS D. QUICK [redacted]
RIXON C. RAFTER [redacted]
DAVID P. RAINEY [redacted]
THOMAS C. RANCICH [redacted]
PAUL A. RANDALL [redacted]
ROBERT D. RANDALL, JR. [redacted]
ROBERT J. RATHERT [redacted]
TOMUS S. REDFORD [redacted]
DANIEL F. REDMOND [redacted]
CHRISTOPHER M. REEGER [redacted]
STEPHEN P. REHWALD, JR [redacted]
DANIEL C. REILLY [redacted]
MICHAEL S. REILLY [redacted]
STEPHEN P. REIMERS [redacted]
RONALD REIS [redacted]
BRETT A. REISSENER [redacted]
LOREN N. REITH [redacted]
NILS A. RESARE, I [redacted]
CRAIG A. RICHEY [redacted]
DAVID K. RICHTER [redacted]
DANIEL G. RIECK [redacted]
BRIAN M. RILEY [redacted]
STEPHEN R. RIORDAN [redacted]
FREDERICK W. RISCHMILLER [redacted]
SCOTT C. RIVARD [redacted]
RAYMOND R. ROBERTS [redacted]
JOHN A. ROBUSTO [redacted]
PATRICK G. ROCHE [redacted]
JOHN R. RODRIGUEZ [redacted]
RICHARD A. ROGERS [redacted]
RICHARD P. ROMAINE [redacted]
CHARLES A. ROMANO [redacted]
ROBERT S. ROOF [redacted]
MATTHEW P. ROONEY [redacted]
ROBERT M. ROTH [redacted]
S. R. ROTH [redacted]
DANIEL M. ROY [redacted]
JOEL P. ROYAL [redacted]
WILLIAM E. ROYSTER [redacted]
DANIEL R. ROZELLE [redacted]
WILLIAM N. RUDY [redacted]
EDWIN J. RUFF, JR [redacted]
JOHN K. RUSS [redacted]
NOEL R. RUSSNOGLE [redacted]
DAVID M. RUST [redacted]
JEFFREY S. RUTH [redacted]
ALICE J. RYBICKI [redacted]
MARK T. SAKAGUCHI [redacted]
DAVID L. SALIGA [redacted]
CLARK D. SANDERS [redacted]
JOSE F. SANTANA [redacted]
LANCE S. SAPERA [redacted]
GRADY SASS [redacted]
MICHAEL R. SAUNDERS [redacted]
MARC S. SCACCIA [redacted]
MICHAEL B. SCHACHTERLE [redacted]
BRETT R. SCHEXNIDER [redacted]
SAMUEL D. SCHICK [redacted]
ROBERT A. SCHLEGEL [redacted]
JAMES E. SCHMIDT [redacted]
JOHN J. SCHNEIDER [redacted]
WALTER M. SCHNELL [redacted]
CRAIG M. SCHNESE [redacted]
CHARLES J. SCHUG [redacted]
MARK H. SCOVILL [redacted]
JERRY D. SEAGLE, JR [redacted]
JAMES P. SEINES [redacted]
MICHAEL W. SELBY, [redacted]
STEPHEN P. SEMPLE [redacted]
BILLY K. SENTLINGER [redacted]
ALAN B. SHAFFER [redacted]
JAY D. SHAFFER [redacted]
GEORGE B. SHARP [redacted]
JOHN C. SHAUB [redacted]
CHRISTOPHER L. SHAY [redacted]
RODGER T. SHEPKO [redacted]
DAVID J. SHERIDAN [redacted]
GEORGE J. SHERWOOD [redacted]
RICHARD H. SHIRER, JR [redacted]
WILLIAM R. SHIVELL [redacted]
PAUL J. SHOCK [redacted]
ANDREW E. SHUMA III [redacted]
WILLIAM R. SILKMAN, JR [redacted]
HENRY R. SILVA [redacted]
MARK A. SINGLETARY [redacted]
KENNETH W. SKAGGS [redacted]
PAUL A. SKARPNESS [redacted]
JOHN B. SKILLMAN [redacted]
BRADLEY D. SKINNER [redacted]
ERIC S. SLEZAK [redacted]
GEORGE H. SLOOK [redacted]
MICHAEL J. SLOTSKY [redacted]
MICHAEL D. SNODERLY [redacted]
THEODORE M. SOLIS [redacted]
BRIAN A. SOLO [redacted]
PAUL A. SOUTTER [redacted]
WESLEY E. SPIDELL [redacted]
THOMAS R. SPIERTO [redacted]
TIMOTHY B. SPRATTO [redacted]
WILLARD L. STALLARD II [redacted]
THOMAS P. STANLEY [redacted]
SCOTT A. STANTON [redacted]
FREDRIC C. STEIN [redacted]
JOHN P. STEINER [redacted]
ALAN R. STEWART [redacted]
ROBERT M. STEWART [redacted]
STEPHEN B. STEWART [redacted]
WILLIAM B. STEWART [redacted]
SUSAN L. STILL [redacted]
WILLIAM C. STILWELL, JR [redacted]
RICHARD E. STOCKING [redacted]
MICHAEL T. STOREY [redacted]
ROBERT A. STOUFER [redacted]
SAMUEL J. STRANGE [redacted]
SCOTT T. STROBLE [redacted]
MILTON O. STUBBS [redacted]
WESLEY K. STUCKI [redacted]
CHARLES L. STUPPARD [redacted]
KEVIN J. SUDBECK [redacted]
JOSEPH K. SULLIVAN [redacted]
KENT J. SUTTON [redacted]
DAVID L. SWEDENSKY [redacted]
RAYMOND F. SWEENEY, JR [redacted]
KEVIN G. SWITICK [redacted]
KENNETH J. SZCZUBLEWSKI [redacted]
KENNETH A. SZMED, JR [redacted]
BRIAN E. TANSEY [redacted]
KENT A. TARTT [redacted]
RICHARD M. TATE [redacted]
TIMOTHY J. TAYLOR [redacted]
KEVIN B. TERRY [redacted]
RICHARD J. TESTYON [redacted]
KARL O. THOMAS, [redacted]
JAMES D. THOMPSON [redacted]
OKE R. THORNGREN [redacted]
ROBERT T. THORNLOW [redacted]
CARL T. TISKA [redacted]
REID T. TOKORO [redacted]
PETER A. TOMCZAK [redacted]
NORBERT W. TORNES, JR [redacted]
ROBERT T. TRAFTON, JR [redacted]
JEFFREY L. TRENT [redacted]
DANIEL T. TROTT [redacted]
JEFFREY E. TRUSSLER [redacted]
ALBERT L. TULLUS [redacted]
JEFFREY R. TUNING [redacted]
BRUCE W. TUNNO [redacted]
TIMOTHY M. TURIS [redacted]
MARK A. TURNER [redacted]
JOHN M. UHL [redacted]
PETER A. ULRICH [redacted]
KENNETH L. C. UNGER [redacted]
RODNEY M. URBANO [redacted]
PHILIP W. VANCE [redacted]
MICHAEL G. VANDURICK [redacted]
JONATHAN E. VANSCOY [redacted]
ACE E. VANWAGONER [redacted]
JEFFREY D. VARADY [redacted]
TODD G. VEAZIE [redacted]
TIMOTHY L. VESCHIO [redacted]
THOMAS C. VHAY [redacted]
JAMES P. VITHA [redacted]
BRADLEY D. VOIGT [redacted]
WILLIAM T. WAGNER [redacted]
ERIC C. WAHLSTEDT [redacted]
BILLIE S. WALDEN [redacted]
CLEON A. WALDEN, JR [redacted]
WILLIAM S. WALES [redacted]
CHARLES G. WALKER [redacted]
MICHAEL D. WALLS [redacted]
HANS T. WALSH [redacted]
WILLIAM R. WARREN [redacted]
OAKLEY K. WATKINS, III [redacted]
ERIC J. WATKISS [redacted]
NORMAN E. WEAKLAND [redacted]
RICHARD W. WEATHERS [redacted]
JEFFREY M. WEAVER [redacted]
JAMES D. WEBB [redacted]
SCOTT A. WEIDIE [redacted]
MICHAEL S. WELLS [redacted]
KYLE E. WESTBROOK [redacted]
MICHAEL A. WETTLAUFER [redacted]
KEITH R. WETTSCHRECK [redacted]
MICHAEL J. WHELAN [redacted]
MICHAEL B. WHETSTONE [redacted]
GORDON O. WHITE, [redacted]
MICHAEL L. WHITE [redacted]
ERIC S. WHITEMAN [redacted]
MARK A. WILCOX, [redacted]
JOHN J. WILCZYNSKI, III, [redacted]
ANDREW C. WILDE [redacted]
ROSS M. WILHELM [redacted]
RINEHART M. WILKE, IV [redacted]
WADE F. WILKENSON [redacted]
KENNETH L. WILLIAMS [redacted]
GARY M. WILSON [redacted]
JESSE A. WILSON, JR [redacted]
KEVIN M. WILSON [redacted]
ROBERT C. WILSON [redacted]
WILLIAM W. WILSON [redacted]
SCOTT A. WINFREY [redacted]
RONALD L. WISE, JR [redacted]
BRETT W. WISEMAN [redacted]
DENNIS M. WOJCIK [redacted]
CHARLES T. WOLF [redacted]
RONALD E. WOLFE [redacted]
EDWARD S. WOLSKI [redacted]
JEFFREY D. WONCH [redacted]
DOUGLAS J. WOODRING [redacted]
JAMES M. WOODS [redacted]
WILLIAM T. WORTH [redacted]
LEWIN C. WRIGHT [redacted]
CHARLES W. WYDLER [redacted]
TAKASHI R. YAMAMOTO [redacted]
DOUGLAS F. YEO [redacted]
TONY L. YODER, [redacted]
DAN H. YOUNG, [redacted]
JEFFREY A. YOUNG [redacted]
MARK S. YOUNG [redacted]
STEPHEN B. ZIKE [redacted]
DANIEL E. ZIMBEROFF [redacted]
RYAN K. ZINKE [redacted]
JOEL E. ZUPFER [redacted]

ENGINEERING DUTY OFFICERS

To be lieutenant commander

WALTER D. ABBOTT, II [redacted]
CHARLES E. BAKER, JR. [redacted]
GEORGE M. BERTSCH [redacted]
MARK D. BRACCO [redacted]
JOSEPH A. BRUENING [redacted]
SCOTT M. CARLSON [redacted]
DANIEL P. CORBIN, [redacted]
CRAIG A. CROWE [redacted]
JOHN S. DAY [redacted]
JENNIFER C. DRISCOLL [redacted]
LESLIE R. ELKIN [redacted]
DANIEL C. ESPINOSA [redacted]
LUTHER B. FULLER, II [redacted]
DENNIS M. GANNON [redacted]
JEFFREY A. HAILEY [redacted]
MICHAEL R. KENDALL [redacted]
KENT W. KETTELL [redacted]
DAVID M. KING [redacted]
CHARLES S. LASOTA [redacted]
ROBERT S. LOVEJOY [redacted]
WARREN P. LUNDBLAD [redacted]
SILVESTER G. MATA [redacted]
TIMOTHY S. MATTINGLY [redacted]
TIMOTHY L. MCKENNEY [redacted]
FRANCIS G. NOVAK [redacted]
GREGORY K. PARKER [redacted]
GEORGE D. PERRY [redacted]
DAVID D. PHELPS [redacted]
WILLIAM H. REID [redacted]
JOHN F. RILEY [redacted]
DANIEL M. SEIGENTHALER [redacted]
FRANK A. SIMEI, JR [redacted]
MICHAEL H. SMITH [redacted]
HEIDEMAR STEFANYSHYN-PIPER [redacted]
KEITH A. SWENSEN [redacted]
JAMES D. SYRING [redacted]
BRUCE C. URBON [redacted]
BRUCE E. WATKINS [redacted]
MICHAEL J. WIEGAND [redacted]
THOMAS F. WINNENBERG [redacted]
JOSEPH YUSICIAN [redacted]

AEROSPACE ENGINEERING DUTY OFFICERS (ENGINEERING)

To be lieutenant commander

NANCY D. FECHTIG [redacted]
BRIAN M. FLACHSBART [redacted]
SHANE G. GAHAGAN [redacted]
PAUL J. OVERSTREET [redacted]
PAUL A. SOHL [redacted]

AEROSPACE ENGINEERING DUTY OFFICERS (MAINTENANCE)

To be lieutenant commander

ROBYN D. BARNES [redacted]
MICHAEL E. BEAULIEU [redacted]
MICHAEL E. BELCHER [redacted]
JOHN E. BOONE, JR [redacted]
ROBERT B. CALDWELL, JR [redacted]
JAMES B. CLARK, I [redacted]
JAMES COBELL II [redacted]
KATHERINE D. C. ERB [redacted]
NATALIE A. FILION [redacted]
MICHAEL A. GARLAND [redacted]
RUSSELL W. GORDON, JR [redacted]
FREDERIC W. HEPLER [redacted]
CAROL L. HOWE [redacted]
JENNIFER S. JOHNSON-CARROLL [redacted]
MERRILL F. KING [redacted]
MARK S. KOSEWICZ [redacted]
LISA LAMARRE [redacted]
RICHARD A. LAWSON [redacted]
RICHARD B. LORENTZEN [redacted]
JOHN A. MALSBURY [redacted]
JAMES A. MANN [redacted]
NORBERT FREDRICK MELNICK [redacted]
MARK E. MLIKAN [redacted]
ELLEN E. MOORE [redacted]
ROBERT L. NIELSEN [redacted]
TOMMIE J. QUINN [redacted]
DAVID J. RANDLE [redacted]
MARTIN R. SHERMAN [redacted]
DONNIE L. SHIRKEY, JR [redacted]
CAROLYNN M. SNYDER [redacted]
TAD E. TEICHERT [redacted]
JOHN O. VENCILL [redacted]
RONALD J. ZARKO [redacted]

SPECIAL DUTY OFFICERS (CRYPTOLOGY)

To be lieutenant commander

STEVEN J. ASHWORTH [redacted]
RICHARD P. BODZIAK [redacted]
BARBARA J. CARTER [redacted]
TIMOTHY J. COCHRAN [redacted]
FRANK J. DELGADO [redacted]
DEBRA S. DELVECCHIO [redacted]
DAVID A. DOBIS [redacted]

JON A. DOLLAN [redacted]
GARY EDWARDS [redacted]
RANDY S. FENZ [redacted]
CONNIE L. FRIZZELL [redacted]
JAMES W. GUEST [redacted]
ANDREW JR GUYAN [redacted]
THOMAS J. HARVAN [redacted]
ALFRED L. HORTON [redacted]
GEORGE N. HUGHES [redacted]
LINDA M. HUNTER [redacted]
STEPHANIE T. KECK [redacted]
HONG C. KIM [redacted]
PAUL H. KOB [redacted]
PHILIP G. LAQUINTA [redacted]
ULYSSES V. MACEDA [redacted]
ROBERT L. MARLETT [redacted]
HENRY M. MCGIBBON [redacted]
KEVIN G. MCTAGGART [redacted]
PETER C. NULAND [redacted]
RUSSEL H. PHELPS II [redacted]
EUGENE P. POTENTE [redacted]
JOHN T. ROESLI [redacted]
BRIAN E. SKIMMONS [redacted]
EDWARD A. SWINDLE [redacted]
CURTIS J. THOMAS [redacted]
VINCENT D. TRAEYE [redacted]
MITCHELL K.R. TURNER [redacted]

SPECIAL DUTY OFFICERS (INTELLIGENCE)

To be lieutenant commander

MARK A. ADMIRAL [redacted]
RUSSELL P. ASHFORD [redacted]
TAMMY M. BAKER [redacted]
JEFFREY H. BELL [redacted]
BRUCE M. BOURBEAU [redacted]
CHARLES CAPETS [redacted]
JAMES T. CASON [redacted]
JOSEPH M. CHENELER [redacted]
BARBARA J. CODER [redacted]
KENRICK M. CONRAD [redacted]
DOUGLAS E. CORUM [redacted]
GEORGE F. COX, JR [redacted]
CARL G. DECKERT [redacted]
DOLORES M. DORSETT [redacted]
ROBERT C. ELROD [redacted]
DAVID C. FOLEY [redacted]
WILLIAM P. HAMBLET, JR [redacted]
DARYL ROBERT HANCOCK [redacted]
HOWARD D. HART [redacted]
CRAIG O. HAYNES [redacted]
BRETT C. HEIMBIGNER [redacted]
JOHN N. HODGES [redacted]
STEWART W. HOLBROOK [redacted]
STEPHEN A. HUMBER [redacted]
BECKY D. LEWIS [redacted]
WILLIAM H. MONDAY [redacted]
BRENT A. MORGAN [redacted]
MICHAEL L. MURPHY [redacted]
JOHN J. NEUMAYER IV [redacted]
DENNIS M. PENDERGIST, [redacted]
SEAN M. PHILLIPS [redacted]
ROBERT S. PIPER [redacted]
ANDREA POLLARD [redacted]
DAVID A. PREVOST [redacted]
CONRAD M. PRIVATEER [redacted]
STEPHEN E. ROBERTS [redacted]
VERONICA S. ROGERS [redacted]
DANIEL L. RUBIS [redacted]
TONY D. RYKKEN [redacted]
BRIAN P. SMITH [redacted]
MARY E. SOBRAY [redacted]
LAWRENCE J. STEIN [redacted]
CHRISTOPHER M. STRUB [redacted]
ERIC A, TAYLOR [redacted]
JOHN G. TILSON [redacted]
MICHAEL PETER VASKE [redacted]
DANIEL F. VERHEUL [redacted]
AMY M. WADE [redacted]
PAUL A. WALKER [redacted]
KEITH R. WARGEL [redacted]
DAVID M. WARNER [redacted]
STEVEN P. WHEAT [redacted]
EDWARD B. ZELLEM [redacted]

SPECIAL DUTY OFFICERS (PUBLIC AFFAIRS)

To be lieutenant commander

CONRAD C. CHUN [redacted]
ANTHONY COOPER [redacted]
PATRICK J. DENNISON [redacted]
CHRISTOPHER A. DOUR [redacted]
ERNEST L. DUPLESSIS [redacted]
WILLIAM R. FENICK [redacted]
RODERICK J. GIBBONS [redacted]
WILLIAM S. GURECK [redacted]
JOHN F. KIRBY [redacted]
ROBERT D. LEE [redacted]
MARK H. MCDONALD [redacted]
DENNIS J. MOYNIHAN [redacted]
CATHERINE T. MUELLER [redacted]
WALTER A. REED [redacted]
ISAAC N. SKELTON [redacted]
TERRENCE P. SUTHERLAND [redacted]
LARRY THOMAS [redacted]
JACK L. TODD [redacted]

SPECIAL DUTY OFFICERS (FLEET SUPPORT)

To be lieutenant commander

MARGARET V. ABRASHOFF [redacted]
RHETTA R. BAILEY [redacted]
TERESA N. BRIEDE [redacted]
LISA M. BRODEHL [redacted]
MARK S. BRYANT [redacted]
CHRISTINE E. BUSWELL [redacted]
SHERYL E. CAMPBELL [redacted]
SUSAN K. CEROVSKY [redacted]
MARY A. CHAMBERLIN [redacted]
KATRINA O. CHANCELLOR [redacted]
ANNETTE P. CORNETT [redacted]
BETTY L. CRAIG [redacted]
CATHERINE A. DAVIS [redacted]
DONNA E. DISMUKES [redacted]
MICHELE A. DUNCAN [redacted]
ELIZABETH R. FARWELL [redacted]
JILL E. FISHER [redacted]
KIM S. FLETCHER [redacted]
AMY S. GAMBRILL [redacted]
KATHRYN J. GARBE, [redacted]
SUSAN C. GESHAN [redacted]
AUTUMN L. GINNETTI [redacted]
JUDITH A. GODWIN [redacted]
CATHERINE T. HANFT [redacted]
LIZABETH L. HENNIG [redacted]
ALISON E. HERNANDEZ [redacted]
SELENA A. HERNANDEZ-HAINES [redacted]
MARY P. HILL [redacted]
MELANIE J. HITCHCOCK [redacted]
HEIDI H. HOLFERT [redacted]
MARGARET M. HOSKINS [redacted]
SUZANNE K. JAROSZ [redacted]
PATRICIA L.B. JENSEN [redacted]
SHARON E. JOHNSON [redacted]
SYNTHIA S. JONES [redacted]
KAREN M. KALCIC [redacted]
JACQUELINE R. KOCHER [redacted]
DEBRA M. LIVINGOOD [redacted]
RENA M. LOESCH [redacted]
KELLY R. LOONEY [redacted]
JANE E. MANN [redacted]
MELVA R. MCMILLAN [redacted]
GRETCHEN O. MERRYMAN [redacted]
PATRICIA MUNOZ [redacted]
NANCY A. MURRAY [redacted]
CAROLINE M. NIELSON [redacted]
CECILE R. POWELL [redacted]
SANDRA J. PRINCE [redacted]
JOANNE REESE [redacted]
SUSAN K. RIDDLEALGER [redacted]
MELVIN D. SATTERWHITE [redacted]
VICKY D. SEALEY [redacted]
LAREE R. SELANDER [redacted]
SONYA R. SMITH [redacted]
VALERIE D. SMITH [redacted]
DEBORAH A. STARK [redacted]
BLAIR P. STEPHENSON [redacted]
DEBORAH O. TESKE [redacted]
PAUL J. TREUTEL [redacted]
CRYSTAL L. VELLA [redacted]
DEIRDRE R. WALKER [redacted]
TONYA Y. WHITEHEAD [redacted]
SANDRA A. WILLIAMS [redacted]
KRIS WINTER [redacted]
STEPHANIE L. WRIGHT [redacted]
CARRALL A. ZNACHKO [redacted]

SPECIAL DUTY OFFICERS (OCEANOGRAPHY)

To be lieutenant commander

WESTON J. ANDERSON [redacted]
BRIAN B. BROWN [redacted]
NICHOLAS J. CIPRIANO III [redacted]
PATRICK S. CROSS [redacted]
JOHN M. DIMENTO [redacted]
VINCENT F. GIAMPAOLO [redacted]
ERIC L. GOTTSHALL [redacted]
JOHN V. GURLEY [redacted]
JAMES R. JARVIS [redacted]
JOSEPH C. JOHNSON [redacted]
CHRISTOPHER S.T. KENT [redacted]
ROY R. LEDESMA [redacted]
JOHANNE C. LEWIS [redacted]
DOUGLAS C. MARBLE [redacted]
THOMAS M. MILLMAN [redacted]
JAMES T. MONROE [redacted]
JOHN L. MYKYTA [redacted]
MICHAEL T. NEITH [redacted]
PAUL S. OOSTERLING [redacted]
MATTHEW C. PARKE [redacted]
JOHN H. POWELL [redacted]
DEAN A. SADANAGA [redacted]
GARY A. SCANLON [redacted]
CHARLES L. SCHILLING [redacted]
KENNETH J. SCHWINGSHAKL [redacted]
TODD W. SITLER [redacted]
MONTY G. SPEARMAN [redacted]
TROY L. TEADT [redacted]
SCOTT A. TESSMER [redacted]
JOSEPH M. VENEZIANO [redacted]
PATRICK L. WARING [redacted]
CHARLES A. WEDDLE, [redacted]
STEPHEN C. WOLL [redacted]

LIMITED DUTY OFFICERS (LINE)

To be lieutenant commander

DANNY L. ACHTERFELD [redacted]
CYNTHIA A. ALDERSON [redacted]
JOSEPH A. ALDOUPOLIS [redacted]
JOSE V. AMPER [redacted]
AURELIO C. ANDICO [redacted]
TITO M. ARANDELA, JR. [redacted]
WILLIAM B. ASHTON [redacted]
DAVID H. ATCHISON [redacted]
EDWARD J. BAKER [redacted]
CHARLES R. BALDWIN, JR. [redacted]
JOHN R. BALDWIN [redacted]
KEITH S. BARBER [redacted]
ROBERT B. BELL [redacted]
JAMES R. BOCKERT [redacted]
WILLIAM BOOZER [redacted]
ROBERT W. BOSERMAN II [redacted]
LANCE F. BOVEY [redacted]
DAVID P. BOWERS [redacted]
TERENCE A. BRENNAN [redacted]
JAMES R. BREON [redacted]
GEORGE BRIGGS, JR. [redacted]
TIMOTHY J. BROOKS [redacted]
MICHAEL E. CALL [redacted]
REID D. CARR [redacted]
JOSEPH C. CASTELL [redacted]
DAVID C. CHRISTOPHERSON [redacted]
DONALD T. CIESIELSKI, JR [redacted]
MARY V. CLARK [redacted]
STEVEN D. COLE [redacted]
ANDREW A. COLETTI, [redacted]
JAMES E. COLLETT, III [redacted]
BILLY J. COLTRAIN [redacted]
DAVID R. CONNER [redacted]
ELLIOTT S. CORBETT, III [redacted]
RANDALL W. CORMAN [redacted]
AARON A. CRAYCROFT [redacted]
ROBERT D. CRIST [redacted]
EDWIN CUNNINGHAM [redacted]
MARK A. DAHLKE [redacted]
RONALD B. DAVIS [redacted]
KENNETH H. DEAL [redacted]
RAFAELITO B. DEJESUS [redacted]
JOHN M. DENNETT [redacted]
MARGARET M. DHAENE [redacted]
ROBERT A. DONNICK [redacted]
KENNETH A. DRUMMOND [redacted]
GARY F. DUNDON [redacted]
MICHAEL R. DUNKLE [redacted]
WILLIAM P. DUNN [redacted]
JAMES R. EDDY [redacted]
ANDY D. EERNISSE [redacted]
PAUL E. ERICKSON [redacted]
MARK R. EVANS [redacted]
JUDILEE D. FITZHUGH [redacted]
ROBERT P. FOOR, JR. [redacted]
ALLEN R. GOINS [redacted]
JOHN M. GRAVES [redacted]
CARL C. GREEN [redacted]
CLIFFORD O. GRIFFIN, I [redacted]
ANN M. GRIM [redacted]
MARK A. HALLOWELL [redacted]
WILLIE HAWK, JR. [redacted]
RICHARD H. HENDREN [redacted]
MARVIN D. HENSLEY [redacted]
MITCH A. HESKETT [redacted]
SHARRIS L. HEUSSER [redacted]
NORMAN D. HOWARD [redacted]
GLENN E. HUNSBERGER [redacted]
ALBERT L. IANNITTO, JR. [redacted]
LOUIS J. JORFI, JR [redacted]
KIRK D. KANODE [redacted]
JEAN T. KELLEY, JR [redacted]
LEO D. KING [redacted]
JON M. KLING [redacted]
STEPHEN M. KURAK [redacted]
DAVID C. KURTZ [redacted]
PETER R. LINTNER [redacted]
LEONARD G. LITTLE, JR. [redacted]
RANDAL T. MARTIN [redacted]
WALTER M. MATUSZEWSKI [redacted]
WILLIAM F. MCDONALD [redacted]
CLAUDE E. MCGINLEY [redacted]
JAMES J. MCGRATH, JR [redacted]
WILLIAM D. MCPHERSON [redacted]
MARIO M. MERCADO [redacted]
HAROLD T. MERRILL [redacted]
KENT L. MILLER [redacted]
MICHAEL E. MITCHELL [redacted]
RALPH L. MITCHELL, JR [redacted]
THOMAS R. MOSS [redacted]
GARY E. MURRAY [redacted]
KEVIN K. NELSON [redacted]
HAROLD A. NEVILL [redacted]
ROBERT M. NEWTON [redacted]
DANIEL M. OHR [redacted]
KEVIN R. OLEARY [redacted]
JOHN N. PARIS [redacted]
AARON R. PEREZ [redacted]
HUMBERTO M. PINEDA, JR [redacted]
JESSE E. PROTHRO [redacted]
FRED R. REINSHUTTLE [redacted]
CRAIG REMIG [redacted]
WALTER J. REYNOLDS [redacted]
THOMAS A. RITTAL, II [redacted]
ANGEL R. RIVERA [redacted]
EDWARD A. SAWYER [redacted]
JOHN L. SCHAFER [redacted]
GERALD A. SCHRAGE [redacted]
BRIAN F. SCHWARK [redacted]
MICHAEL G. SCIOLI [redacted]
MICHAEL J. SCOTT [redacted]
JOHN S. S. SEALS [redacted]
GORDON E. SHEEK [redacted]
PATRICK B. SHEPLER [redacted]
MICHAEL L. SLOANE [redacted]
DEBRA L. SOCORSO [redacted]
ARTHUR L. STANLEY [redacted]
JOHNNY L. SUMNERS [redacted]
MICHAEL H. SUMRALL [redacted]

CYNTHIA J. TALBERT [redacted]
JAMES C. TAPPEN [redacted]
LELAND D. TAYLOR [redacted]
JEFFREY W. THOMAS [redacted]
BERNARD S. THOMPSON [redacted]
LEONARD T. THOMPSON [redacted]
THOMAS J. THOMPSON [redacted]
DAVID J. TRISTONRATTAY [redacted]
THOMAS J. TROTTO [redacted]
MICHAEL D. TUSOW [redacted]
WILLIAM F. TYSON [redacted]
KENNETH W. VENABLE [redacted]
RICHARD K. VINE [redacted]
CLINTON A. VOLLONO [redacted]
DANIEL J. WELKE [redacted]
MICHAEL L. WHITE [redacted]
REGGIS W. WHITEHURST [redacted]
KENNETH L. WICKHAM [redacted]
JEFFREY G. WILCOSKY [redacted]
LELAND D. WILLIAMS [redacted]
NANCY L. WILLIAMS [redacted]
MARK A. WISNIEWSKI [redacted]
CHARLES R. WOODWORTH [redacted]
CHARLES W. YARD [redacted]
MICHAEL B. YOAST [redacted]
GAIL E. ZEISSER [redacted]
JOHN M. ZELNIK [redacted]
MICHAEL J. ZIELINSKI [redacted]

WITHDRAWALS

Executive messages transmitted by the President to the Senate on September 5, 1995, withdrawing from further Senate consideration the following nominations:

THE JUDICIARY

JOHN D. SNODGRASS, OF ALABAMA, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF ALABAMA, VICE E.B. HALTOM, JR., RETIRED, WHICH WAS SENT TO THE SENATE ON JANUARY 11, 1995.

LELAND M. SHURIN, OF MISSOURI, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF MISSOURI, VICE SCOTT O. WRIGHT, RETIRED, WHICH WAS SENT TO THE SENATE ON APRIL 4, 1995.